

Financial statements and reports of independent certified public accountants
Colorado Springs Airport
December 31, 2005 and 2004

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**Board of Commissioners
Colorado Springs Municipal Airport
Colorado Springs, Colorado**

Independent Auditors' Report

We have audited the accompanying basic financial statements of the Colorado Springs Municipal Airport (Airport), a component unit of the City of Colorado Springs, Colorado, as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Airport's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Colorado Springs Municipal Airport as of December 31, 2004, were audited by other auditors whose report dated May 10, 2005 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of December 31, 2005, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



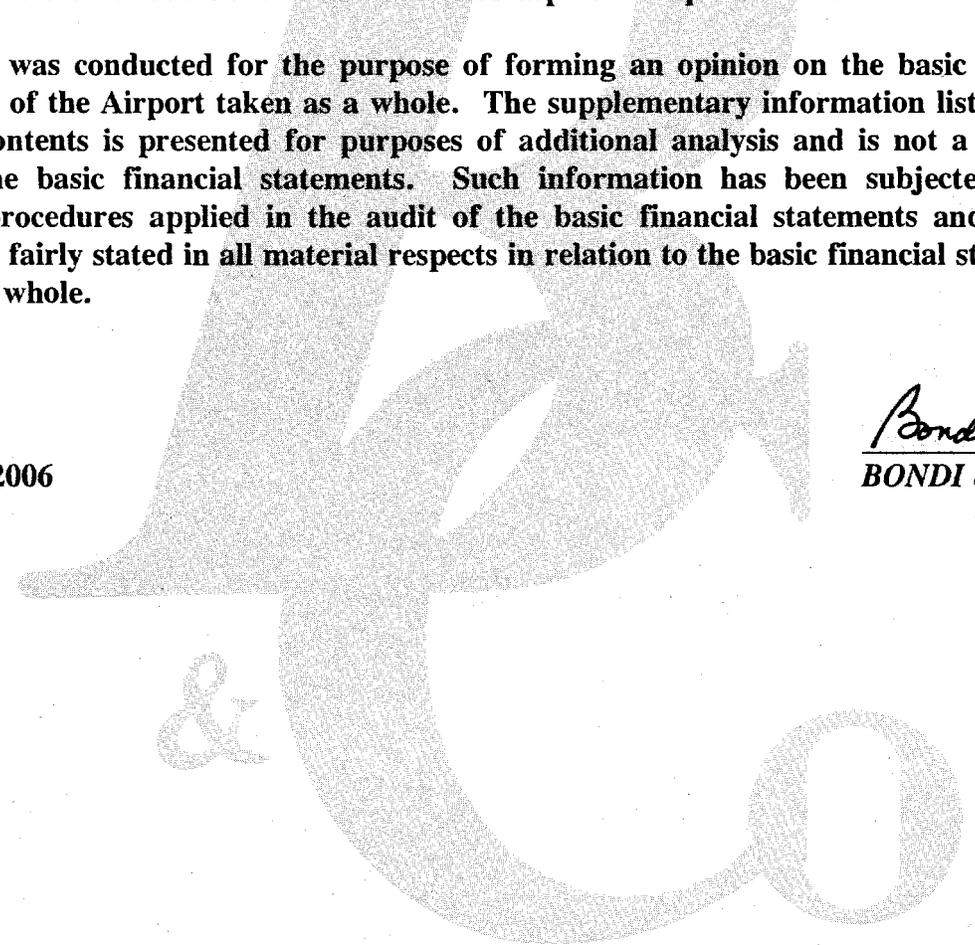
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Page 2

The management's discussion and analysis on pages 4 to 16, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Airport taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

April 21, 2006


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Management's Discussion and Analysis (MD&A) (unaudited)

The following management's discussion and analysis of the Colorado Springs Airport's (the Airport) financial performance provides an overview of the financial activities of the Airport for the fiscal years ended December 31, 2005 and 2004. The information contained in this discussion should be considered in conjunction with the financial results, footnotes, and supplemental information in the Airport's financial statements.

The Airport's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other standards-setting bodies. The Airport is structured as an enterprise fund of the City of Colorado Springs, with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except for land and construction in progress) are depreciated over their useful lives. See notes to the financial statements for a summary of the Airport's significant accounting policies.

Following this MD&A are the financial statements of the Airport together with the notes to the financial statements, which are essential for a full understanding of the data contained in the financial statements. The Airport's financial statements are designed to provide readers with a broad overview of the Airport's finances.

Airport Activities Highlights

The activities of the Airport for the last three calendar years were as follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Enplaned Passengers	1,030,833	1,034,747	1,011,643
% increase (decrease)	-0.38%	2.28%	-5.29%
Aircraft Operations	165,911	174,909	200,536
% increase (decrease)	-5.14%	-12.78%	-8.08%
Landed Weight (in thousands)	1,525,778	1,563,735	1,576,794
% increase (decrease)	-2.43%	-0.83%	-13.42%
Freight and Mail (tons)	16,725	18,236	18,688
% increase (decrease)	-8.29%	1.93%	-14.29%

Comparing 2005 activity to 2004, enplaned passengers decreased in 2005 due to a reduction in flight schedules. A significant factor was the elimination of Delta's flights to Dallas, Texas. There was a significant decrease in aircraft operations primarily due to a decrease in the number of military flights, a consequence of the deployment of the local reserve squadrons located at Peterson Air Force Base. Landed weight was down only slightly in 2005 compared to 2004 as a result of a decrease in the number of scheduled flights. Freight and mail decreased from 2004 to 2005, due primarily to the continued drop in originating (outbound) mail.

Comparing 2004 activity to 2003, enplaned passengers increased in 2004 due to a general improvement in the economic condition of the City and the nation as a whole. A significant factor

was the return to the Colorado Springs area of a significant number of military personnel deployed to Afghanistan and Iraq. There was a significant decrease in aircraft operations primarily due to a decrease in the number of military flights, a consequence of reduced military activity and deployments during 2004, and the impact of higher fuel prices on general aviation activity. Landed weight was down only slightly in 2004 compared to 2003. The pace of airlines replacing their jet aircraft with regional jets slowed during 2004. As a partial offset, higher cargo landed weight increased by 8.0% over 2003 due to improved regional economic conditions. Freight and mail decreased slightly from 2004 to 2005, due primarily to the continued drop in originating (outbound) mail.

During 2005, six major air carriers and ten regional carriers supported the Airport with non-stop service to fifteen major cities. In addition, three air cargo operators used the Airport's facilities.

Financial Highlights

Summary of Revenues, Expenses and Changes in Fund Net Assets

	<u>2005</u>	<u>2004</u>	<u>\$ Increase (Decrease)</u>	<u>2003</u>	<u>\$ Increase (Decrease)</u>
Operating revenues	\$ 20,719,348	\$ 20,669,259	\$ 50,089	\$ 20,343,900	\$ 325,359
Operating expenses	<u>13,216,784</u>	<u>13,039,814</u>	<u>176,970</u>	<u>13,012,234</u>	<u>27,580</u>
Excess before depreciation and other income, net	7,502,564	7,629,445	(126,881)	7,331,666	297,779
Depreciation and amortization	<u>8,157,208</u>	<u>7,955,285</u>	<u>201,923</u>	<u>6,126,517</u>	<u>1,828,768</u>
Operating income (loss)	(654,644)	(325,840)	(328,804)	1,205,149	(1,530,989)
Net nonoperating income	1,828,034	3,624,305	(1,796,271)	(270,933)	3,895,238
Capital grants	<u>5,648,091</u>	<u>3,602,446</u>	<u>2,045,645</u>	<u>1,094,727</u>	<u>2,507,719</u>
Change in net assets	6,821,481	6,900,911	(79,430)	2,028,943	4,871,968
Net assets at beginning of year	<u>172,040,589</u>	<u>165,139,678</u>	<u>6,900,911</u>	<u>163,110,735</u>	<u>2,028,943</u>
Net assets at end of year	\$ <u>178,862,070</u>	\$ <u>172,040,589</u>	\$ <u>6,821,481</u>	\$ <u>165,139,678</u>	\$ <u>6,900,911</u>

Significant items affecting the Summary of Revenues, Expenses and Changes in Fund Net Assets for 2005 are as follows:

- ➔ Despite a slight decrease in Airport passenger traffic, the Airport's 2005 operating revenue increased \$50,089 over 2004 due primarily to an increase in terminal building concessions related to the opening of new food, beverage, and retail concessions in July of 2005. There was also a significant increase in fuel excise tax receipts due to an increase in fuel sales. The higher revenue was partially offset by decreases in parking revenue and landside commercial concessions.
- ➔ Operating expenses increased \$176,970 over 2004 primarily due to increased personnel costs. The increase was partially offset by a reduction in other operating expenses related to utilities and advertising expenses.
- ➔ The net result of the above was operating income before depreciation decreased by \$126,881 for 2005. Depreciation and amortization in 2005 increased from \$7,955,285 to \$8,157,208 due primarily to additions in Airport assets.

- ➔ Non-operating revenues decreased from a non-operating gain of \$3,624,305 in 2004 to a non-operating gain of \$1,828,034 in 2005. The change between 2005 and 2004 relates to a decrease in Customer Facility Charges in 2005, attributable to the Airport's one-time receipt of Customer Facility Charges (CFCs) associated with the closeout of the 1994 Taxable Airport Rental Car Special Facilities Bonds. A customer facility charge of \$1.50 per rental car contract date was established to pay the debt service on this bond issue. When the bonds were retired on September 1, 2004, there was an excess held by the bond trustee of \$3,576,541. Per the bond documents, these funds were returned to the Airport.
- ➔ Capital grant revenues registered \$5,648,091 and \$3,602,446 in 2005 and 2004, respectively. The increase relates to the substantial completion of the \$4.9 million rehabilitation of taxiway C during 2005. With this large project receiving \$3.3 million of funding in 2005, the Airport registered higher capital expenditures in 2005, and thus a greater amount of funds being reimbursed from FAA funding.
- ➔ For 2005, net assets increased \$6,821,481 as the result of the above activity, resulting in total net assets at the end of 2005 totaling \$178,862,070.

Significant items affecting the Summary of Revenues, Expenses and Changes in Fund Net Assets for 2004 were as follows:

- ➔ The increase in passenger traffic and its impact on public parking and rental car concession revenue led to an overall increase in the Airport's 2004 operating revenues of \$325,359 over 2003. In addition, lower airline revenues of \$265,035 due to lower airline rates and charges were partially offset by a settlement payment of \$204,340 to resolve a contract dispute with an airport third-party developer.
- ➔ Operating expenses increased \$27,580 over 2003 primarily due to increased personnel costs and higher medical/benefit costs. Additional expenses for utilities, offset by lower costs for advertising, also contributed to the higher expenditure level.
- ➔ The net result of the above was that operating income before depreciation increased by \$297,779 for 2004. Due to in-service date corrections made in 2003, depreciation in 2004 increased from \$6,126,517 to \$7,955,286. In addition, several projects reflected as Construction In Progress for 2003 were brought into service during 2004.
- ➔ Net nonoperating revenues increased from a loss of \$270,933 in 2003 to nonoperating revenue of \$3,624,305 in 2004. The change between 2004 and 2003 relates primarily to the Airport's one-time receipt of customer facility charges (CFCs) associated with the closeout of the 1994 Taxable Airport Rental Car Special Facilities Bonds. A customer facility charge of \$1.50 per rental car contract date was established to pay the debt service on this bond issue. When the bonds were retired on September 1, 2004, there was an excess held by the bond trustee of \$3,576,541. Per the bond documents, these funds were returned to the Airport. In addition, an ordinance was approved by the City Council allowing the Airport to continue to collect a \$1.50 CFC per rental car contract date for the purpose of funding rental car improvement projects. For the period of September 1, 2004 to December 31, 2004, these collections were reflected as nonoperating revenues.

- ➔ Capital grant revenues received were \$3,602,446 and \$1,094,727 in 2004 and 2003, respectively. The increase in 2004 relates to the substantial completion of the Taxiway C extension and the associated reimbursement from the Federal Aviation Administration (FAA).
- ➔ For 2004, net assets increased \$6,900,911 as the result of the above activity, resulting in total net assets at the end of 2004 totaling \$172,040,589.

Financial Position Summary

	<u>2005</u>	<u>2004</u>	<u>% Change</u>	<u>2003</u>	<u>% Change</u>
Current assets (including restricted cash)	\$ 41,307,599	\$ 43,958,549	-6.03%	\$ 40,316,934	9.03%
Restricted Investments	5,834,683	5,834,682	0.00%	5,834,682	0.00%
Bond issue cost (net)	670,264	746,335	-10.19%	828,955	-9.97%
Property and equipment (net)	196,314,865	190,358,031	3.13%	186,460,166	2.09%
Total Assets	\$ 244,127,411	\$240,897,597	1.34%	\$233,440,737	3.19%
Current Liabilities	\$ 8,723,174	\$ 9,617,935	-9.30%	\$ 6,474,232	48.56%
Long-term debt (less current portion)	56,189,010	58,910,558	-6.14%	61,487,927	-4.19%
Other non-current liabilities	353,157	328,515	7.50%	338,900	-3.06%
Net Assets:					
Invested in capital assets (net of debt)	136,969,435	128,352,663	6.71%	124,940,094	2.73%
Restricted	19,278,062	18,010,591	7.04%	16,626,213	8.33%
Unrestricted	22,614,573	25,677,335	-11.93%	23,573,371	8.93%
Net Assets	178,862,070	172,040,589	3.97%	165,139,678	4.18%
Total Liabilities and net assets	\$ 244,127,411	\$240,897,597	1.34%	\$233,440,737	3.19%

The largest portion of the Airport's net assets each year represents its investment in capital assets less the related indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors; consequently these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since it is unlikely that the capital assets themselves will be liquidated to pay liabilities.

At December 31, 2005, the amount of \$19.3 million or 10.8% of net assets represented resources that are subject to restrictions on how they can be used. For 2004, the amount was \$18.01 million or 10.5%. The restricted net assets are not available for new spending because they have already been committed as follows:

	2005	2004
Passenger Facility Charges	\$ 7,562,936	\$ 6,295,465
Bond and Operating and Maintenance Reserves	<u>11,715,126</u>	<u>11,715,126</u>
Total Restricted	<u>\$19,278,062</u>	<u>\$ 18,010,591</u>

The remaining unrestricted net assets of \$22.6 million and \$25.7 million for 2005 and 2004, respectively, may be used to meet any of the Airport's ongoing obligations.

Airline Signatory Rates and Charges for 2005 and 2004

The Airport and fourteen (14) airlines and cargo carriers negotiated an agreement effective January 1, 2000, for five years, which establishes how the airlines will be assessed annual rates and charges for their use of the Airport. The agreement establishes rates and charges through a hybrid commercial compensatory methodology with a revenue sharing component. The final rates and charges for the signatory airlines were as follows:

	Year Ended December 31,	
	<u>2005</u>	<u>2004</u>
Landing fees (per 1,000 lbs MGLW)	\$ 1.99	\$ 1.97
Terminal rental rate (per sq ft)	\$ 57.35	\$ 53.31
Loading bridge rate (per bridge)	\$ 40,181	\$ 39,695
Signatory airline cost (per enplaned passenger)	\$ 7.12	\$ 7.49

The airline derived revenue per enplaned passenger is calculated after the settlement of all rates and charges adjustments based on actual revenues and expenditures and inclusion of the net revenue sharing credited to the airlines, which was \$1,534,683 and \$1,779,562 in 2005 and 2004, respectively.

During 2004, the Airport and the airlines successfully negotiated an extension of the existing Use and Lease Agreement, which will be effective from January 1, 2005 through December 31, 2009, with similar terms and conditions.

Passenger Facility Charges

In December 1992, the Airport received approval from the Federal Aviation Administration (the FAA) to collect a \$3.00 passenger facility charge (PFC) on each passenger enplaning at the Airport. The Airport had collected PFCs including interest earnings thereon, totaling \$47,269,540 and \$44,216,269 through the years ended December 31, 2005 and 2004, respectively. Additional information regarding PFCs can be found in Note A(3) of the accompanying notes.

Customer Facility Charges

In 1994, the City of Colorado Springs issued \$6,093,000 aggregate principal amount of its Special Facility Bonds to finance the construction of service and storage facilities for rental car companies located on the Airport. The customer facility charge (CFC) was originally established to pay the debt service and expired on September 1, 2004. When the bonds were retired, there was an excess within the fund of \$3,576,541. Per the bond documents, these funds were given to the Airport where \$250,000 was set aside as reserved funds per the rental car agreement and the remaining was recorded as CFC revenue on the financial statements.

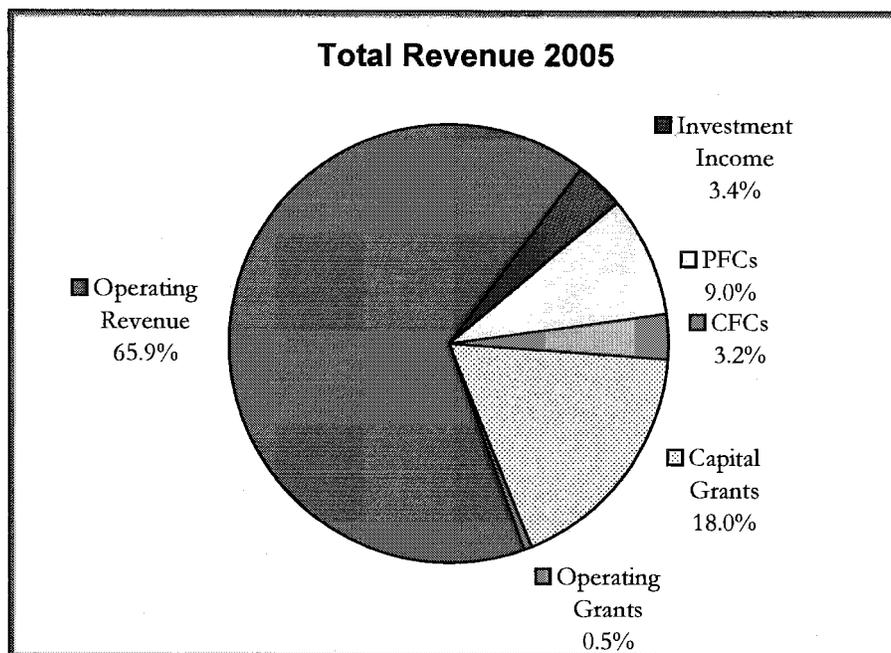
An ordinance (04-32) was approved by the City Council on March 23, 2004, allowing the Airport to continue to collect the CFC. The collection rate of \$1.50 per rented car contract date remained in effect for the first year of the ordinance. Thereafter the rate cannot exceed \$2.50 per rental car contract date without City Council approval.

Financial Details

Revenues Overview:

The following schedule presents a summary of all revenues for the fiscal years ended December 31, 2005 and 2004 with a comparison of changes in dollar amounts to the previous years.

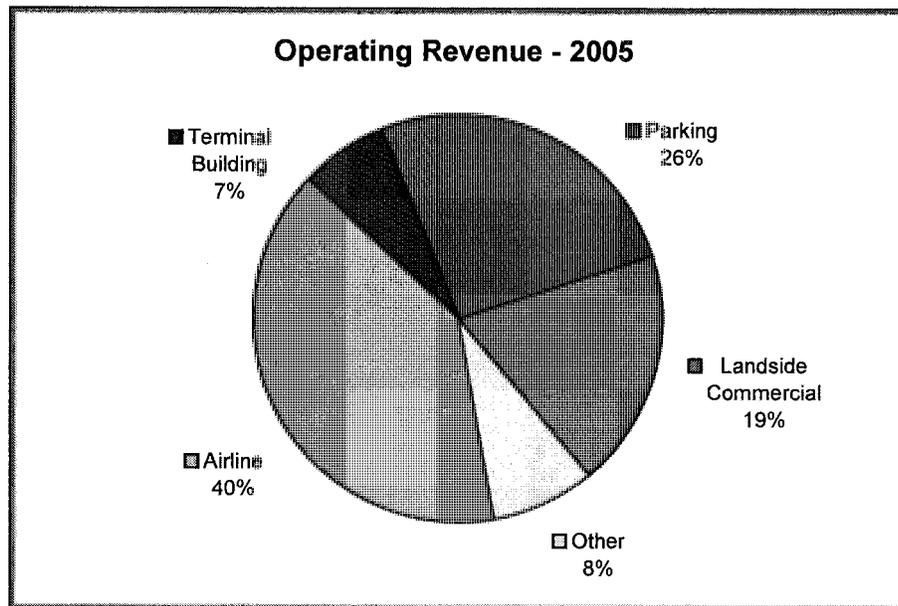
	Year End 12/31/2005	Year End 12/31/2004	\$ Increase/ (Decrease)	Year End 12/31/2003	\$ Increase (Decrease)
Operating Revenues					
Airline	\$ 8,240,691	\$ 8,245,364	\$ (4,673)	\$ 8,510,399	\$ (265,035)
Terminal Building	1,421,576	1,233,925	187,651	1,205,310	28,615
Parking	5,442,665	5,513,116	(70,451)	5,427,189	85,927
Landside Commercial	3,861,853	4,071,732	(209,879)	3,897,772	173,960
Other	1,752,563	1,605,122	147,441	1,303,230	301,892
Total Operating Revenues	20,719,348	20,669,259	50,089	20,343,900	325,359
Other Income					
Investment Income	1,077,834	735,318	342,516	664,780	70,538
Passenger Facility Charges	2,836,904	2,682,961	153,943	2,595,632	87,329
Customer Facility Charges	991,420	3,590,110	(2,598,690)	-	3,590,110
Operating Grant	156,702	-	156,702	-	-
Capital Grants	5,648,091	3,602,446	2,045,645	1,094,727	2,507,719
Total Other Income	10,710,951	10,610,835	100,116	4,355,139	6,255,696
TOTAL INCOME	\$ 31,430,299	\$ 31,280,094	\$ 150,205	\$ 24,699,039	\$ 6,581,055



Operating Revenues:

Significant items for 2005 as compared to 2004 were as follows:

- Airline Revenue decreased by approximately \$4,673 from 2004. Landing fees decreased by \$70,748 due to a decrease in the number of landings, offset by an increase in non-preferential gate usage fees. Terminal rents increased slightly in 2005 by \$13,715 due to an increase in rental rates related to higher operating expenses and lower net revenue available for sharing in 2005.
- Parking revenues decreased by approximately \$70,451 due to the major construction project relocating the rental car and short term parking lots. The parking construction project will be substantially complete in early 2006. Terminal building revenues increased due to additional revenue related to the completion of new food, beverage, and retail concession renovations which were completed in July 2005. There were substantial increases in revenue from rental car counter space due to the increase of on-airport rental car agencies.
- Landside commercial concessions are primarily composed of rental car privilege and use fees. In 2005, this revenue source decreased by approximately \$209,879 due primarily to lower minimum guarantee payments from bids submitted in 2004.



Significant items for 2004 as compared to 2003 were as follows:

- Airline revenues decreased in 2004 by approximately \$265,000 from 2003. Gate use charges decreased by approximately \$67,000 due to a reduction in non-signatory airlines gate usage. Terminal rents decreased by approximately \$83,000 in 2004 due to a decrease in rental rates resulting from lower operating expenses. Landing fees for diversions decreased in 2004 by approximately \$52,000 due to a reduction in training and touch and go flights.

- ➔ Terminal building revenues from non-airline tenants increased by \$28,600 in 2004 due to the full year impact of additional leased space by the Transportation Security Administration and a new lease with an aviation services provider.
- ➔ Due to the increase in passenger traffic in 2004, public parking revenues increased by approximately \$85,900 in 2004 compared to 2003.
- ➔ Landside commercial concessions are primarily composed of rental car privilege and use fees. In 2004, this revenue source increased by approximately \$174,000 due primarily to higher minimum guarantee payments from bids submitted in 2000.
- ➔ Other revenues increase by approximately \$301,900 due to higher fuel flowage fees resulting from competitive pricing offered by Airport Fixed Based Operators and a one-time settlement payment to resolve a ground lease dispute with an airport third party developer.

Other Income:

The significant items for 2005 as compared to 2004 are as follows:

- ➔ Investment income increased by approximately \$342,516 from 2004, due primarily to higher interest rates resulting in higher investment income of \$1,077,834 in 2005 from \$735,318 in 2004.
- ➔ Passenger facility charges increased by approximately \$153,943 compared to 2004. The increase was due to a change in the method used for revenue recognition. Prior to January 1, 2005, passenger facility charges were recognized on a cash basis when received in accordance with GASB 33. In 2005, PFC revenue was recognized when earned, not when received in accordance with GASB 34, paragraphs 102 and 436.
- ➔ Capital grants revenue increased in 2005 approximately \$2,045,645 compared to 2004. This increase is the result of higher capital expenditures for projects available for grant reimbursement by the FAA.

The significant items for 2004 as compared to 2003 are as follows:

- ➔ Investment income increased by approximately \$71,000 from 2003, due primarily to unrealized loss on investments of approximately \$(554,000) in 2003 compared to an unrealized loss in 2004 of approximately \$(442,000). These adjustments are in accordance with GASB Statement No. 31.
- ➔ Passenger facility charges for 2004 increased by approximately \$87,000 due to higher passenger activity. Passenger facility charges are recognized on a cash basis when received in accordance with GASB 33.
- ➔ Customer facility charges are a new source of revenue for the Airport during 2004. As of September 1, 2004, the Airport was authorized by City Council to collect a Customer Facility Charge (CFC) for the purpose of funding new rental car improvements. A collection rate of \$1.50 per rental car contract date was authorized for the first year and these fees in the amount

of \$263,569 are reflected as 2004 non-operating revenues. This revenue is for the period of September 1, 2004 to December 31, 2004.

In addition, the Airport received a one-time payment in 2004 in the amount of \$3,576,541 due to the maturity of the 1994 Airport Special Facility Bonds (Rental Car Projects). This bond issue was used to finance the construction of service and storage facilities for the rental car companies. A customer facility charge (CFC) was established in 1994 to pay the debt service on these bonds and higher than anticipated rental car activity resulted in fee collections in excess of the debt service requirements. This excess amount was held by the bond trustee prior to the maturity and these funds were returned to the Airport upon full repayment as provided under the bond documents. Upon receipt of the funds, \$250,000 was set aside as reserved funds, as required under the rental car concession agreement, and the remaining was recorded as CFC revenue on the 2004 income statement.

- ➔ Capital grants revenue increased in 2004 by approximately \$2.5 million compared to 2003. This increase is a result of increased capital expenditures for projects approved for grant reimbursement by the Federal Aviation Administration (FAA).

Expense Overview:

The following schedule presents a summary of all expenses for the fiscal years ended December 31, 2005 and 2004, along with comparisons in dollars to the prior years.

	Year End 12/31/2005	Year End 12/31/2004	\$ Increase/ (Decrease)	Year End 12/31/2003	\$ Increase (Decrease)
Operating Expenses					
Salaries and Benefits	\$ 7,088,325	\$ 6,832,347	\$ 255,978	\$ 6,612,203	\$ 220,144
Other Operating Expenses	6,128,459	6,207,467	(79,008)	6,400,031	(192,564)
Total Operating Expenses	13,216,784	13,039,814	176,970	13,012,234	27,580
Depreciation and gain or loss on disposal of capital assets	8,147,552	7,952,562	194,990	6,124,422	1,828,140
Interest Expense	3,244,482	3,386,807	(142,325)	3,533,440	(146,633)
TOTAL EXPENSES	\$ 24,608,818	\$ 24,379,183	\$ 229,635	\$ 22,670,096	\$ 1,709,087

The significant issues affecting 2005 expenses as compared to 2004 were as follows:

- ➔ Operating expenses were approximately \$176,970 higher in 2005 compared to 2004. Additional breakdowns of operating expenses and explanations of variances are provided below under Expense by Category.
- ➔ Depreciation expense was \$194,990 higher than 2004 due to additions in assets.
- ➔ Interest expense for 2005 was approximately \$142,325 lower than 2004 due to the amortization schedule applying a greater portion of the substantially level debt service payments toward principal and less toward interest each year.

Operating expenses were approximately \$28,000 higher in 2004 compared to 2003.

- ➔ Additional breakdowns of operating expenses and explanations of variances are provided below

under Expense by Category.

- ➔ Depreciation expense was \$1.8 million higher in 2004 compared to 2003 due to an adjustment in accumulated depreciation in 2003 to correct asset in-service dates for improvements capitalized in prior years. This one-time adjustment resulted in 2003 depreciation being lower than the current year depreciation on assets in service.
- ➔ Interest expense for 2004 was approximately \$147,000 lower than 2003 due to the amortization schedule applying a greater portion of the substantially level debt service payments toward principal and less toward interest each year.

Expense by Category:

The following charts show the operating expenses by category for the years ended December 31, 2005 and 2004.

	2005 Totals	2005 % of Total	2004 Totals	\$ Increase/ (Decrease)	2004 % of Total
Salaries and Benefits	\$ 7,088,325	53.63%	\$ 6,832,347	\$ 255,978	52.40%
Supplies	687,177	5.20%	560,774	126,403	4.30%
Repairs and Maintenance	1,236,301	9.35%	1,226,170	10,131	9.40%
Advertising	71,853	0.54%	199,690	(127,837)	1.53%
Utilities	1,069,380	8.10%	1,125,938	(56,558)	8.64%
Contract Services	320,417	2.42%	591,900	(271,483)	4.54%
Parking Management	1,475,289	11.17%	1,343,054	132,235	10.30%
Miscellaneous	1,142,462	8.64%	1,069,369	73,093	8.20%
Capital Expenditures	125,580	0.95%	90,572	35,008	0.69%
TOTAL EXPENSES	\$ 13,216,784	100.00%	\$ 13,039,814	\$ 176,970	100.00%

The significant variances between 2005 and 2004 expenses by category were the result of:

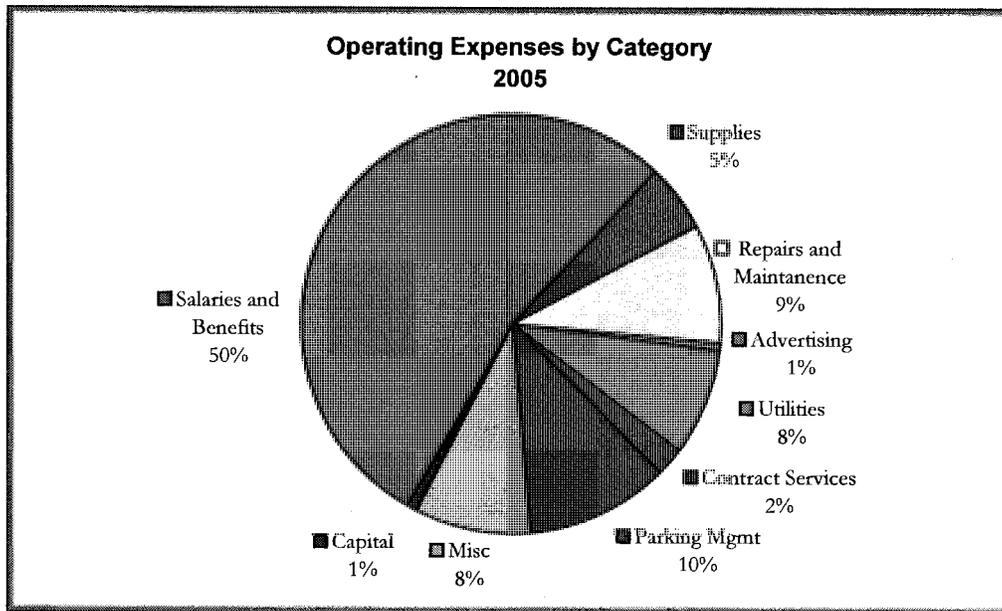
- ➔ Salaries and benefits increased \$255,978 in 2005 due to salary progressions.
- ➔ Supplies increased \$126,403 in 2005 due primarily to an increase in fuel costs.
- ➔ Advertising expenses decreased by \$127,837 in 2005 due to a decision to focus on direct air service marketing with less use of television, radio, and print advertising.
- ➔ Contract services decreased by \$271,483 in 2005 due to fewer requirements for legal and financial services.
- ➔ Parking management increased by \$132,235 in 2005 compared to 2004 due to an increase in the monthly management fee as provided for in the parking management contract and to increased operating costs related to the parking construction project.

The significant variances between 2004 and 2003 expenses by category are the result of:

- ➔ Salaries and benefits increased approximately \$220,000 in 2004 due to the 4% pay increase for civilian employees and the 6% pay increase for sworn officers during 2004, as well as increases in

medical and benefit costs.

- ➔ Advertising costs decreased approximately \$274,000 in 2004 compared to 2003 due to a decision to focus on direct air service marketing with less use of television, radio, and print advertising.
- ➔ Utility costs for 2004 increased approximately \$212,000 compared to 2003 due to increased rates for electric, natural gas, and water services.
- ➔ Capital expenditures decreased approximately \$103,000 in 2004 compared to 2003 due to a decrease in capital expenditures under the City's capitalization threshold.



Budgetary Highlights

	2005 Budget	2005 Actual	% Over/ (Under)	2004 Budget	2004 Actual	% Over/ (Under)
Operating Revenues						
Airline Revenues	\$ 8,977,635	\$ 8,240,691	-8.94%	\$ 8,568,113	\$ 8,245,364	-3.77 %
Other Operating Revenues	12,531,235	12,478,657	-0.42%	12,260,800	12,423,895	1.33 %
Total Operating Revenues	21,508,870	20,719,348	-3.81%	20,828,913	20,669,259	-0.77 %
Total Operating Expenses	14,328,176	13,216,784	-7.76%	14,130,411	13,039,814	-7.72 %
Total Operating Income	\$ 7,180,694	\$ 7,502,564	4.29%	\$ 6,698,502	\$ 7,629,445	13.90 %

The significant variances related to 2005 budget and actual figures were as follows:

- ➔ Airline revenues were approximately \$736,944 or 8.94% less than budgeted. Under the airline rates and charges methodology, this reduction is due to lower than anticipated operating expenses outlined under Expense by Category, which resulted in lower landing fees and terminal

rents. The decrease in landing fees was partially offset by an increase in non-preferential gate usage fees.

- ➔ Operating expenses were approximately \$1.1 million lower than originally budgeted due to a decreased requirement for contractual services and a change in advertising strategy. In addition, several vacancies contributed to a decrease in personnel costs.

The significant variances related to 2004 budget and actual figures are as follows:

- ➔ Airline revenues were approximately \$323,000 or 3.8% less than budgeted. Under the airline rates and charges methodology, this reduction is due to lower than anticipated operating expenses outlined below, which resulted in lower landing fees and terminal rents.
- ➔ Operating expenses were approximately \$1.1 million lower than originally budgeted due to salary savings from vacant positions and significant reductions in contractual services and advertising. The Airport also registered lower than budgeted costs for insurance, parking management services, and employee training and travel. These reductions were partially offset by \$100,000 in higher than anticipated utility costs due to rate increases for electrical, natural gas, and water services.

Long-Term Debt

The Airport had \$60,100,697 and \$62,846,355 in bonds outstanding in five series of bonds; 2002A, 1996A, 1996B, 1992B, and 1992C as of December 31, 2005 and 2004, respectively. The bonds are payable solely from net revenues of the Airport system and from certain funds established under the bond ordinance.

Additional information regarding the refunding and the Airport's outstanding bonds can be found in Note C(3) of the accompanying notes.

The Airport currently has public bond ratings from the three major rating agencies. Currently the rates are as follows:

	Fitch		Moody's		S & P	
Airport Revenue Bonds	A-	Stable	A3	Stable	A-	Stable

Capital Acquisition and Construction Activities

During fiscal years ended December 31, 2005 and 2004, the Airport expended approximately \$14 and \$11.9 million in capital activities, respectively. Major construction projects in 2005 included the rental car and public parking relocation, extension of Taxiway H, terminal expansion improvements, the rehabilitation of Runway 17L/35R, and development of an airport business park. Property and equipment acquisitions are capitalized at cost if over \$5,000.

Major capital projects for the years ended December 31 included:

	<u>2005</u>	<u>2004</u>
Taxiway C Extension	\$ 529,609	\$ 4,599,471
Rehabilitation of Runway 17R/35L	-	(200,547)
Taxiway H Extension	2,800,135	177,824
Rental Car/ Public Parking/ Roadway Improvements	4,135,203	712,438
Maintenance Storage Facility	-	268,758
Vehicle Service Road	44,975	172,490
Lease Management System	-	46,113
Terminal Expansion Improvements	1,639,740	2,588,828
Business Park Development	842,389	1,281,698
Relocation of ETD Equipment	103,498	525,812
Aviation Way Expansion	952,465	541,253
GA Taxilane/Holding Bay	62,790	807,061
Security Modifications	447,546	-
Taxiway E	210,747	-
Roadway Signage	50,427	-
Runway 17L/35R Rehabilitation	1,347,798	-
WAD Taxilane	518,395	-
Airport Information Booth	56,183	-
Rental Car Office Remodel	33,114	-
Airport Drainage Improvements	35,219	-
Development Office Remodel	51,557	-
FAA Localizer	162,822	-
Miscellaneous other Airport improvements	<u>90,680</u>	<u>334,894</u>
Total	\$ 14,115,292	\$ 11,856,093

Acquisitions are funded using a variety of financing techniques, including federal grants, passenger facility charges, customer facility charges, issuance of airport system revenue bonds and the Airport's capital fund.

Additional information regarding capital assets can be found in Note C(2).

Request for Information

The financial report is designed to provide a general overview of the Airport's finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to: Gisela Shanahan, Assistant Director of Aviation- Finance & Administration, Colorado Springs Airport, 7770 Milton E. Proby Parkway, Suite 50, Colorado Springs, Colorado, 80916 or by email to gshanahan@springsgov.com.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
BALANCE SHEETS
December 31,

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS		
Unrestricted cash and investments	\$ 25,675,347	\$ 28,521,094
Restricted cash and investments	13,443,379	12,175,909
Accounts receivable	2,174,933	3,242,483
Due from other City funds	<u>13,940</u>	<u>19,063</u>
Total current assets	<u>41,307,599</u>	<u>43,958,549</u>
NONCURRENT ASSETS		
Restricted assets		
Investments	<u>5,834,683</u>	<u>5,834,682</u>
Unamortized bond issuance costs	<u>670,264</u>	<u>746,335</u>
Capital assets		
Land	18,423,581	18,423,581
Buildings	88,460,646	88,460,646
Improvements other than buildings	125,506,949	114,089,694
Machinery and equipment	4,160,389	4,104,780
Infrastructure	16,795,306	16,795,306
Vehicles	4,537,074	4,555,329
Construction in progress	14,482,496	11,875,138
Less accumulated depreciation	<u>(76,051,576)</u>	<u>(67,946,443)</u>
Total capital assets (net of accumulated depreciation and amortization)	<u>196,314,865</u>	<u>190,358,031</u>
Total noncurrent assets	<u>202,819,812</u>	<u>196,939,048</u>
Total assets	<u>\$244,127,411</u>	<u>\$240,897,597</u>

The accompanying notes are an integral part of these statements.

	<u>2005</u>	<u>2004</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of revenue bonds payable	\$ 3,156,421	\$ 3,094,810
Accounts payable	3,808,187	4,750,266
Accrued salaries, benefits	496,660	526,577
Due to other City funds	109,066	103,576
Deferred revenue and other tenant deposits	<u>1,152,840</u>	<u>1,142,706</u>
Total current liabilities	<u>8,723,174</u>	<u>9,617,935</u>
NONCURRENT LIABILITIES		
Revenue bonds payable	56,189,010	58,910,558
Accrued sick leave benefits	<u>353,157</u>	<u>328,515</u>
Total noncurrent liabilities	<u>56,542,167</u>	<u>59,239,073</u>
Total liabilities	<u>65,265,341</u>	<u>68,857,008</u>
NET ASSETS		
Invested in capital assets, net of related debt	136,969,435	128,352,663
Restricted net assets	19,278,062	18,010,591
Unrestricted net assets	<u>22,614,573</u>	<u>25,677,335</u>
Total net assets	<u>178,862,070</u>	<u>172,040,589</u>
Total liabilities and net assets	<u>\$244,127,411</u>	<u>\$240,897,597</u>

Colorado Springs Municipal Airport
Colorado Springs, Colorado
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
Year ended December 31,

	<u>2005</u>	<u>2004</u>
Operating revenues		
Airline revenues	\$ 8,240,691	\$ 8,245,364
Terminal building concessions	1,421,576	1,233,925
Parking concessions	5,442,665	5,513,116
Landside commercial concessions	3,861,853	4,071,732
Other charges	<u>1,752,563</u>	<u>1,605,122</u>
Total operating revenues	<u>20,719,348</u>	<u>20,669,259</u>
Operating expenses		
Salaries and benefits	7,088,325	6,832,347
Other operating expenses	6,128,459	6,207,467
Depreciation	<u>8,157,208</u>	<u>7,955,285</u>
Total operating expenses	<u>21,373,992</u>	<u>20,995,099</u>
Operating income (loss)	<u>(654,644)</u>	<u>(325,840)</u>
Non-operating revenues (expenses)		
Investment income	1,077,834	735,318
Passenger facility charges	2,836,904	2,682,961
Customer facility charges	991,420	3,590,110
Operating grant	156,702	-
Interest expense	(3,244,482)	(3,386,807)
Gain/loss on disposal of capital assets	<u>9,656</u>	<u>2,723</u>
Total non-operating revenues (expenses)	<u>1,828,034</u>	<u>3,624,305</u>
Income before contributions	1,173,390	3,298,465
Capital grants	<u>5,648,091</u>	<u>3,602,446</u>
Change in net assets	6,821,481	6,900,911
Total net assets – beginning of year	<u>172,040,589</u>	<u>165,139,678</u>
Total net assets – end of year	<u>\$178,862,070</u>	<u>\$172,040,589</u>

The accompanying notes are an integral part of these statements.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
STATEMENTS OF CASH FLOWS
Year ended December 31,

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Receipts from customers	\$ 20,749,966	\$ 20,863,665
Receipts from interfund services provided	36,742	12,530
Payments to suppliers	(3,566,535)	(3,582,859)
Payments to employees	(7,093,600)	(6,715,787)
Payments for interfund services used	<u>(2,546,885)</u>	<u>(2,449,981)</u>
Net cash provided by operating activities	<u>7,579,688</u>	<u>8,127,568</u>
Cash flows from noncapital financing activities		
Operating grant	<u>120,500</u>	<u>-</u>
Cash flows from capital and related financing activities		
Capital grant	6,847,500	1,622,599
Capital expenditures	(11,176,091)	(7,965,264)
Passenger facility charges	2,652,968	2,682,961
Customer facility charges	991,420	3,590,110
Principal payments on revenue bonds	(3,170,000)	(3,119,999)
Interest payments on revenue bonds	(2,658,348)	(2,709,686)
Payment from accounts payable incurred for fixed asset additions	<u>(3,890,829)</u>	<u>(1,502,893)</u>
Net cash used in capital and related financing activities	<u>(10,403,380)</u>	<u>(7,402,172)</u>
Cash flows from investing activities		
Interest received on investments	1,348,569	1,176,915
Purchases of investments	(40,197,037)	(39,868,784)
Proceeds from sales and maturities of investments	<u>40,197,360</u>	<u>37,537,828</u>
Net cash provided by (used in) investing activities	<u>1,348,892</u>	<u>(1,154,041)</u>
Net increase (decrease) in cash and cash equivalents	(1,354,300)	(428,645)
Cash and cash equivalents – beginning of year	<u>1,552,001</u>	<u>1,980,646</u>
Cash and cash equivalents – end of year	197,701	1,552,001
Investments	<u>44,755,708</u>	<u>44,979,684</u>
Cash and investments	<u>\$ 44,953,409</u>	<u>\$ 46,531,685</u>
	<u>December 31,</u>	<u>December 31,</u>
	<u>2005</u>	<u>2004</u>
Reconciliation of cash and investments to the balance sheet		
Unrestricted cash and investments	\$ 25,675,347	\$ 28,521,094
Restricted cash and investments	<u>19,278,062</u>	<u>18,010,591</u>
Total cash and investments	<u>\$ 44,953,409</u>	<u>\$ 46,531,685</u>

(continued)

The accompanying notes are an integral part of these statements.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
STATEMENTS OF CASH FLOWS - CONTINUED
Year ended December 31,

	2005	2004
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (654,644)	\$ (325,840)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	8,157,208	7,955,285
(Increase) decrease in assets		
Receivables	52,102	(176,325)
Due from other City funds	5,123	(19,063)
Increase (decrease) in liabilities		
Accounts payable	9,549	71,051
Accrued salaries, benefits, and sick leave benefits	(5,275)	116,560
Due to other City funds	5,490	103,576
Deferred revenue and other tenant deposits	<u>10,135</u>	<u>402,324</u>
Net cash provided by operating activities	<u>\$ 7,579,688</u>	<u>\$ 8,127,568</u>

Noncash capital and related financing and investing activities:

The Airport had unrealized losses on investments of \$270,735 and \$441,597 for the years ended December 31, 2005 and 2004, respectively. The Airport obtained fixed assets through incurring payables in the amount of \$2,939,201 and \$3,890,829 as of December 31, 2005 and 2004, respectively.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Financial reporting entity*

The City of Colorado Springs owns and operates the Colorado Springs Municipal Airport, which provides air transportation services for Colorado Springs, El Paso County, and surrounding communities. The Airport is located in the southeastern part of the City of Colorado Springs, Colorado.

The City, as lessor, has entered into lease agreements with various airlines, rental car companies, terminal concession operators, and general aviation service providers. The agreements cover not only the lease of airport building space and land to the lessees, but also the lessees' payment of fees to the Airport based on the lessees' revenues. In addition, the City is a party to a parking management contract in which the City receives all revenues from its public parking facility and pays operating expenses and a management fee to the operator. Substantially all Airport revenue is generated from these agreements.

The Colorado Springs Municipal Airport (Airport) is an enterprise fund of the City of Colorado Springs, Colorado. These financial statements present only the financial position of the Colorado Springs Municipal Airport. These financial statements do not purport to, and do not, present fairly the financial position of the City of Colorado Springs, Colorado, and the changes in its financial position and its cash flows in conformity with accounting principles generally accepted in the United States of America.

A Director of Aviation directs and manages the Airport. This Director reports to the Deputy City Manager who is appointed by the City Manager, who, in turn, is appointed by the City Council. Major policy decisions are subject to the approval of the City Council.

2. *Measurement focus, basis of accounting and financial statement presentation*

Airport funds are accounted for using the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Airport applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as all Financial Accounting Standards Board pronouncements (including those issued after November 30, 1989) unless those pronouncements conflict with or contradict GASB pronouncements, in accounting and reporting for its operations.

The Airport distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Airport's principal ongoing operations. The principal operating revenues of the Airport are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Measurement focus, basis of accounting and financial statement presentation - continued

expenses. When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Assets, liabilities and net assets

A. Deposits and investments

The Airport's cash and cash equivalents are considered to be cash on hand, demand deposits, repurchase agreements and amounts in the pooled cash and investments account of the City of Colorado Springs.

Investments are stated at fair value determined by quoted market prices.

The Airport adopted GASB No. 40; *Deposit and Investment Risk Disclosures* during the fiscal year ended December 31, 2004, and will comply with the provisions prospectively. GASB Statement No. 40 was issued in order to modify custodial credit risk disclosures and to establish more comprehensive disclosure requirements addressing other common risks of the deposits and investments of state and local governments. Disclosures required by GASB Statement No. 40 are located in Note C.1. Adoption of GASB Statement No. 40 had no effect on beginning net assets or change in net assets.

B. Capital assets and depreciation

Capital assets are carried at cost. The Airport capitalizes acquired property that is of a tangible nature, has an estimated useful life of three years or more, and has a value of at least \$5,000.

Depreciation of capital assets for the Airport is provided for using the straight-line method based on the estimated service lives of the assets, which are as follows:

Buildings	40 – 45 years
Improvements other than buildings	25 – 30 years
Machinery and equipment	5 – 15 years
Infrastructure	40 – 50 years
Vehicles	5 - 15 years

Interest is capitalized on fixed assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. *Assets, liabilities and net assets - continued*

C. Compensated absences

The Airport's employees earn vacation and sick leave in varying amounts. The amount of accumulated, unpaid vacation and sick leave benefits at year-end is accrued and shown on the balance sheet.

D. Restricted net assets

In accordance with applicable bond ordinance provisions and federal regulations, certain cash and investments are restricted and have been included in the accompanying balance sheets as restricted cash and investments. Additionally, the bond ordinance and federal regulations also require restriction of net assets for specific purposes, including operating expense reserves, debt service reserves and approved capital improvement projects. Net asset amounts required to be restricted are shown in the accompanying balance sheets as restricted net assets.

E. Passenger facility charges

The Federal Aviation Administration (FAA) has approved previously filed applications of the Airport for the right to impose passenger facility charges (PFCs) on enplaned passengers at the Airport. PFC revenue is required to be used to fund FAA approved capital projects eligible under federal legislation permitting the imposition of PFCs. The approved Airport projects include certain completed and ongoing projects such as runway rehabilitation, new taxiways and building facility construction, roadway upgrades and drainage improvements. GASB 34 requires PFCs be recognized when earned, not when received. Prior to January 1, 2005, PFC revenue was recognized when cash was received. Unspent PFC revenue is recorded in the financial statements as restricted cash and restricted net assets.

F. Customer facility charges

In 1994, the City of Colorado Springs issued \$6,093,000 aggregate principal amount of its Special Facility Bonds to finance the construction of service and storage facilities for rental car companies located on the Airport. The customer facility charge (CFC) was originally established to pay the debt service and expired on September 1, 2004. When the bonds were retired, there was an excess held by the bond trustee of \$3,576,541. Per the bond documents, these funds were returned to the Airport where \$250,000 was set aside as reserved funds as required under the rental car concession agreement and the remaining was recorded as CFC revenue on the financial statements.

An ordinance (04-32) was approved by the City Council on March 23, 2004, allowing the Airport to continue to collect the CFCs for the purpose of funding rental car improvement projects. The collection rate of \$1.50 per rental car contract date remained in effect for the first

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. *Assets, liabilities and net assets - continued*

F. Customer facility charges – continued

year of the ordinance. Thereafter the rate cannot exceed \$2.50 per rental car contract day without City Council approval.

G. Unamortized bond issue costs

Unamortized bond issue costs are amortized over the life of the bond issue on the effective interest method.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. *Budgetary information*

In accordance with City Charter, the Airport is required to submit a balanced budget to City Council on or before the third Monday of November of each year. The budget is reviewed and modified as appropriate and an appropriation ordinance is prepared to adopt the budget no later than December 31 of each year. Annual appropriations lapse at year-end. The budget of the Airport is prepared on a modified accrual, non-GAAP, basis of accounting.

Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP), a reconciliation of resultant basis, timing and perspective for the years ended December 31, 2005 and 2004, is presented below:

	2005	2004
Operating expenses (US GAAP basis)	\$ 21,373,992	\$ 20,995,099
Non-operating expenses (US GAAP basis)	<u>3,234,826</u>	<u>3,384,084</u>
	24,608,818	24,379,183
Less: Depreciation expense	(8,157,208)	(7,955,285)
Add: Capital expenditures (accrual basis)	<u>14,115,292</u>	<u>11,856,093</u>
Expenditures (budgetary basis)	<u>\$ 30,566,902</u>	<u>\$ 28,279,991</u>
Appropriations	<u>\$ 81,371,308</u>	<u>\$ 67,090,890</u>

NOTE C – DETAILED NOTES

1. *Deposits and investments*

The City of Colorado Springs pools the cash and investments of its funds, including the Airport. The City's pooled cash and investments as of December 31, 2005 and 2004, amounted to

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

1. *Deposits and investments - continued*

\$167,139,613 and \$171,933,530, respectively. The Airport's allocated portion of pooled cash and investments as of December 31, 2005 and 2004, was \$39,118,726 and \$40,697,003, respectively. The Airport's portion was approximately 23% and 24% of the total pooled cash and investments of the City as of December 31, 2005 and 2004. The pooled cash and investments of the City and the Airport as of December 31, 2005 and 2004, are as follows:

	December 31, 2005		December 31, 2004	
	City	Airport	City	Airport
Cash on hand	\$ 19,242	\$ 4,438	\$ 20,892	\$ 4,945
Deposits				
Demand, time deposits	825,741	193,263	6,537,997	1,547,056
	844,983	197,701	6,558,889	1,552,001
Investments	166,294,630	38,921,025	165,374,641	39,145,002
Total pooled cash and investments	<u>\$167,139,613</u>	<u>\$ 39,118,726</u>	<u>\$171,933,530</u>	<u>\$ 40,697,003</u>

Restricted investments

As of December 31, 2005 and 2004, the Airport's restricted investments are comprised of the repurchase agreements that expire on December 31, 2006, of \$5,834,682.50 for both years.

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that financial institutions pledge a single institution pool of collateral against all the uninsured public deposits it holds, and the market value of the securities in the pool is required to be in excess of one hundred two percent of the financial institution's total uninsured public deposits.

As of December 31, 2005, the bank balance of the City of Colorado Springs' bank deposits exclusive of cash not included in pooled cash and investments was \$6,733,891. Of the total bank deposits, \$150,891 was covered by Federal Depository Insurance and the remainder of \$6,583,000 was uninsured but collateralized in accordance with Colorado state law. The Airport's share of those amounts as of December 31, 2005, was \$35,316 and \$1,540,739, respectively.

As of December 31, 2004, the bank balance of the City of Colorado Springs' bank deposits exclusive of cash not included in pooled cash and investments was \$11,201,574. Of the total bank deposits, \$200,000 was covered by Federal Depository Insurance and the remainder of \$11,001,574 was uninsured but collateralized in accordance with Colorado state law. The Airport's share of those amounts as of December 31, 2004, was \$47,340 and \$2,604,094, respectively.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

1. *Deposits and investments – continued*

Investments

The City of Colorado Springs and the Airport’s investments are subject to interest rate, credit risk and concentration of credit risk. The City has adopted an Investment Policy requiring all investments be made in accordance with Colorado revised statutes. As a means of limiting its exposure to fair value losses arising from rising interest, the City’s investment policy limits investment maturities to five years.

<u>Investment type</u>	<u>Fair Value</u> <u>City</u>	<u>Fair Value</u> <u>Airport</u>	<u>Weighted Average</u> <u>Maturity (years)</u>
Money market mutual funds	\$ 218,823	\$ 51,215	0.00
Repurchase agreements	10,428,227	2,440,712	0.00
Commercial paper	157,227	36,799	0.38
US Treasury securities	32,042,997	7,499,619	0.89
US Instrumentality securities	116,672,873	27,307,122	1.76
Corporate fixed-income securities	3,720,023	870,666	1.22
Mortgages pooled	3,054,460	714,892	2.36
 Total fair value	 166,294,630	 38,921,025	
Portfolio weighted average maturity			1.48
 Reconciliation to Total Pooled Cash and Investments			
Add: Cash on hand and in banks	<u>844,983</u>	<u>197,701</u>	
	<u>\$ 167,139,613</u>	<u>\$ 39,118,726</u>	

Credit Quality Distribution for Securities as a Percentage of Total Investments

	<u>S&P Rating</u>	<u>% of Total</u>
Money market mutual funds	AAAm	0.13%
Repurchase agreements	-	6.27%
Commercial paper	A	0.10%
US Treasury securities	AAA	19.27%
Federal Farm Credit Banks	AAA	6.52%
Federal Home Loan Bank System	AAA	25.00%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA	23.88%
Fannie May (Federal National Mortgage Association)	AAA	14.76%
Corporate bonds	AAA	0.89%
Corporate bonds	AA	1.04%
Corporate bonds	A	0.30%
Mortgage bonds	AAA	<u>1.84%</u>
		<u>100.00%</u>

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

1. *Deposits and investments – continued*

Investments - continued

As of December 31, 2005 and 2004, the City had entered into several repurchase agreements in order to temporarily invest excess cash. Underlying collateral for these agreements is composed of direct obligations of the U.S. Government or its agencies and market value of this collateral exceeds 100% of carrying value.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

2. *Capital assets*

Capital assets activity for the year ended December 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Capital assets being depreciated:				
Buildings	\$ 88,460,646	\$ -	\$ -	\$ 88,460,646
Improvements other than buildings	114,089,694	11,417,255	-	125,506,949
Machinery and equipment	4,104,780	55,609		4,160,389
Vehicles	4,555,329	35,070	(53,325)	4,537,074
Infrastructure	<u>16,795,306</u>	<u>-</u>	<u>-</u>	<u>16,795,306</u>
Total capital assets being depreciated	<u>228,005,755</u>	<u>11,507,934</u>	<u>(53,325)</u>	<u>239,460,364</u>
Less accumulated depreciation for:				
Buildings	(22,498,939)	(2,387,658)	-	(24,886,597)
Improvements other than buildings	(38,810,904)	(4,730,292)	-	(43,541,196)
Machinery and equipment	(2,088,051)	(348,414)		(2,436,465)
Vehicles	(4,067,692)	(211,508)	52,075	(4,227,125)
Infrastructure	<u>(480,857)</u>	<u>(479,336)</u>	<u>-</u>	<u>(960,193)</u>
Total accumulated depreciation	<u>(67,946,443)</u>	<u>(8,157,208)</u>	<u>52,075</u>	<u>(76,051,576)</u>
Total capital assets being depreciated, net	<u>160,059,312</u>	<u>3,350,726</u>	<u>(1,250)</u>	<u>163,408,788</u>
Capital assets not being depreciated :				
Land	18,423,581	-	-	18,423,581
Construction in progress	<u>11,875,138</u>	<u>9,700,392</u>	<u>(7,093,034)</u>	<u>14,482,496</u>
Total capital assets, not being depreciated	<u>30,298,719</u>	<u>9,700,392</u>	<u>(7,093,034)</u>	<u>32,906,077</u>
Capital assets, net	<u>\$ 190,358,031</u>	<u>\$ 13,051,118</u>	<u>\$ (7,094,284)</u>	<u>\$ 196,314,865</u>

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

Capital assets activity for the year ended December 31, 2004, was as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Capital assets being depreciated:				
Buildings	\$ 87,845,715	\$ 614,931	\$ -	\$ 88,460,646
Improvements other than buildings	114,089,694	-	-	114,089,694
Machinery and equipment	3,697,236	417,944	(10,400)	4,104,780
Vehicles	4,555,329	-	-	4,555,329
Infrastructure	<u>1,754,159</u>	<u>15,041,147</u>	<u>-</u>	<u>16,795,306</u>
Total capital assets being depreciated	<u>211,942,133</u>	<u>16,074,022</u>	<u>(10,400)</u>	<u>228,005,755</u>
Less accumulated depreciation for:				
Buildings	(20,123,844)	(2,375,095)	-	(22,498,939)
Improvements other than buildings	(34,197,780)	(4,613,124)	-	(38,810,904)
Machinery and equipment	(1,764,790)	(330,718)	7,457	(2,088,051)
Vehicles	(3,834,643)	(233,049)	-	(4,067,692)
Infrastructure	<u>(77,558)</u>	<u>(403,299)</u>	<u>-</u>	<u>(480,857)</u>
Total accumulated depreciation	<u>(59,998,615)</u>	<u>(7,955,285)</u>	<u>7,457</u>	<u>(67,946,443)</u>
Total capital assets being depreciated, net	<u>151,943,518</u>	<u>8,118,737</u>	<u>(2,943)</u>	<u>160,059,312</u>
Capital assets not being depreciated :				
Land	18,397,886	25,695	-	18,423,581
Construction in progress	<u>16,118,762</u>	<u>11,707,108</u>	<u>(15,950,732)</u>	<u>11,875,138</u>
Total capital assets, not being depreciated	<u>34,516,648</u>	<u>11,732,803</u>	<u>(15,950,732)</u>	<u>30,298,719</u>
Capital assets, net	<u>\$ 186,460,166</u>	<u>\$ 19,851,540</u>	<u>\$ (15,953,675)</u>	<u>\$ 190,358,031</u>

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

3. Revenue bonds payable

In December 2002, the City of Colorado Springs issued \$43,005,000 of Refunding Airport System Revenue Bonds, Series 2002A for a current refunding of \$41,650,000 of 1992A Airport System Revenue Bonds. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was above the net carrying amount of the old debt by \$1,049,331. This amount is being netted against the new debt and amortized over the old debt's life, which is equal to the life of the new debt. The Series 2002A Serial bonds, of which \$18,580,000 mature from 2005 to 2015, have interest rates ranging from 3.00% to 4.75%. Series 2002A term bonds of \$17,615,000 and \$4,065,000 are due from 2016 to 2020 and 2021 to 2022, respectively, and have interest rates of 4.75% and 5.00%, respectively.

In December 1996, the City of Colorado Springs issued \$12,450,000 Airport System Revenue Bonds, Series 1996A and \$3,485,000 Airport System Revenue Bonds, Series 1996B for the purposes of paying a portion of the costs of capital improvements at the Colorado Springs Municipal Airport, funding capitalized interest and a reserve fund, and to pay certain costs of issuance.

Series 1996A serial bonds of \$5,180,000 mature from 1999 to 2012 and have interest rates ranging from 4.00% to 5.20%. Series 1996A term bonds of \$3,045,000 and \$3,935,000 are due in 2017 and 2022 and both have an interest rate of 5.25%, respectively. Series 1996B serial bonds of \$1,440,000 mature from 1999 to 2012 and have interest rates ranging from 4.15% to 5.35%. Series 1996B term bonds of \$1,965,000 are due in 2022 with an interest rate of 5.50%. The 1996A and 1996B term bonds are subject to mandatory sinking fund redemption at varying dates at a redemption price equal to the principal amount of such 1996A and 1996B term bonds redeemed plus accrued interest to the respective redemption dates.

In October 1992, the City of Colorado Springs, Colorado issued \$47,390,000 Airport System Revenue Bonds, Series 1992A, \$9,000,000 Airport System Revenue Bonds, Series 1992B and \$6,582,687 Airport System Revenue Bonds, Series 1992C for the purposes of paying a portion of the costs of a new terminal building and other capital improvements at the Colorado Springs Municipal Airport, funding capitalized interest and a reserve fund, and to pay certain costs of issuance. The 1992A bonds were refunded during 2002 by the 2002A Airport Refunding Revenue Bonds outlined above. The Series 1992B bonds were redeemed during 1994.

As of December 31, 2005, Series 1992C capital appreciation bonds of \$7,345,698 (\$2,690,318 original principal amount plus \$4,655,380 of interest accreted through December 31, 2005) mature from 2001 to 2010 and have approximate yields to maturity of 6.80% to 7.20%.

All bonds are special obligations of the City payable solely from net revenues of the Airport System and from certain funds established under the bond ordinance.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

3. *Revenue bonds payable – continued*

Maturities of the Airport System Revenue Bonds and related interest expense are as follows as of December 31, 2005:

Year ending December 31,	2002A		1996A		1996B		1992C		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	1,030,000	1,950,213	410,000	506,202	115,000	148,267	1,601,421	349,153	3,156,421	2,953,835
2007	1,060,000	1,919,312	430,000	486,523	120,000	142,575	1,531,986	275,575	3,141,986	2,823,985
2008	1,100,000	1,882,213	450,000	465,453	125,000	136,515	1,465,679	204,068	3,140,679	2,688,249
2009	750,000	1,840,962	470,000	442,952	130,000	130,077	1,402,672	134,294	2,752,672	2,548,285
2010	780,000	1,810,962	495,000	418,982	140,000	123,252	1,343,939	66,212	2,758,939	2,419,408
2011-2015	13,860,000	7,472,038	2,890,000	1,680,528	810,000	495,608	-	-	17,560,000	9,648,174
2016-2020	17,615,000	3,717,500	3,740,000	837,113	1,055,000	247,500	-	-	22,410,000	4,802,113
2021	4,065,000	203,250	870,000	45,675	245,000	13,475	-	-	5,180,000	262,400
Totals	<u>\$ 40,260,000</u>	<u>\$ 20,796,450</u>	<u>\$ 9,755,000</u>	<u>\$ 4,883,428</u>	<u>\$ 2,740,000</u>	<u>\$ 1,437,269</u>	<u>\$ 7,345,697</u>	<u>\$ 1,029,302</u>	<u>\$ 60,100,697</u>	<u>\$ 28,146,449</u>

Interest on the 1992C bonds shown above is added to the original issue amount of the bonds.

Payments on the 1992C bonds of principal and interest will be made in the amount of \$1,675,000 in each of the years 2006 through 2010.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

4. *Leases*

The Airport leases facilities and land to various airlines, concessionaires, and others. Substantially all of the leases are operating leases for land, buildings, and terminal space, most of which expired and were reissued during 2004. The leases contain provisions for cancellation by either party if certain conditions are met. The following is a schedule, by year, of minimum future rentals of the operating leases as of December 31, 2005:

Year ending <u>December 31,</u>	
2006	\$ 11,061,344
2007	11,023,309
2008	10,882,299
2009	10,753,271
2010	895,625
2011-2015	<u>3,041,123</u>
	<u>\$ 47,656,971</u>

Minimum future rentals do not include contingent rentals, which may be received under certain leases on the basis of revenue, fuel flow, or number of uses. Contingent rentals amounted to \$606,772 and \$504,604 for the years ended December 31, 2005 and 2004, respectively.

The following is an analysis of the Airport's investment in property on operating leases and property held for lease by major classes as of the dates indicated:

	<u>December 31,</u> 2005	<u>December 31,</u> 2004
Land	\$ 18,423,581	\$ 18,423,581
Buildings	88,460,646	88,460,646
Improvements other than buildings	125,506,949	114,089,694
Infrastructure	<u>16,795,306</u>	<u>16,795,306</u>
	249,186,482	237,769,227
Less accumulated depreciation	<u>(69,387,986)</u>	<u>(61,790,700)</u>
	<u>\$179,798,496</u>	<u>\$175,978,527</u>

Additionally, the United States Air Force leases property from the City pursuant to a ninety-nine year lease and in turn Peterson Air Force Base furnishes all aircraft rescue and fire fighting services at the Airport as annual contributions (in-kind services) in lieu of payment of landing fees under the lease.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE C – DETAILED NOTES – Continued

5. *Changes in long-term liabilities*

Long-term liabilities activity for the year ended December 31, 2005, was as follows:

	<u>Balance</u> <u>January 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2005</u>	<u>Due</u> <u>within</u> <u>one year</u>
Revenue bonds	\$ 62,846,355	\$ 424,344	\$ (3,169,982)	\$ 60,100,697	\$ 3,156,421
Deferred amounts:					
For issuance premiums	7,888	-	(789)	7,099	-
On refundings	<u>(848,875)</u>	<u>-</u>	<u>86,510</u>	<u>(762,365)</u>	<u>-</u>
Total bonds payable	62,005,368	424,344	(3,084,261)	59,345,431	3,156,421
Compensated absences- accrued sick leave benefits	<u>328,515</u>	<u>24,642</u>	<u>-</u>	<u>353,157</u>	<u>-</u>
Long-term liabilities	<u>\$ 62,333,883</u>	<u>\$ 448,986</u>	<u>\$ (3,084,261)</u>	<u>\$ 59,698,588</u>	<u>\$ 3,156,421</u>

Long-term liabilities activity for the year ended December 31, 2004, was as follows:

	<u>Balance</u> <u>January 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2004</u>	<u>Due</u> <u>within</u> <u>one year</u>
Revenue bonds	\$ 65,464,950	\$ 501,404	\$ (3,119,999)	\$ 62,846,355	\$ 3,094,810
Deferred amounts:					
For issuance premiums	8,764	-	(876)	7,888	-
On refundings	<u>(942,848)</u>	<u>-</u>	<u>93,973</u>	<u>(848,875)</u>	<u>-</u>
Total bonds payable	64,530,866	501,404	(3,026,902)	62,005,368	3,094,810
Compensated absences- accrued sick leave benefits	<u>338,900</u>	<u>-</u>	<u>(10,385)</u>	<u>328,515</u>	<u>-</u>
Long-term liabilities	<u>\$ 64,869,766</u>	<u>\$ 501,404</u>	<u>\$ (3,037,287)</u>	<u>\$ 62,333,883</u>	<u>\$ 3,094,810</u>

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE D – OTHER INFORMATION

1. *Risk management*

The City of Colorado Springs has established a risk management division to coordinate and administer workers' compensation, property and general liability insurance programs for all its activities and operations. For workers' compensation coverage, the City has purchased commercial insurance to cover losses in excess of \$750,000 per occurrence. The City pays losses less than this amount through its Workers Compensation Self-Insurance fund. The Airport is included in the Workers' Compensation Self-Insurance program. For major property coverage, the City has purchased commercial insurance policies with varying deductibles. All deductibles related to these policies are paid from the budget of the individual departments so affected. The Airport is included in the property coverage of the City. General liability coverage for the Airport is purchased from commercial carriers for losses up to \$100,000,000. No claims were incurred in excess of the coverage for 2005 or 2004.

2. *Post-retirement health care and life insurance benefits*

In accordance with the City of Colorado Springs' Personnel Policy, the Airport offers a health care plan, including life insurance benefits, to retirees with the Airport's contribution determined by City Council. Employees retiring prior to 1979 receive this health care plan benefit without cost to the employee. Those retiring during or after 1979 receive a limited Airport contribution not to exceed \$91.40 per month.

Benefits were provided as follows:

	<u>Year ended December 31,</u>	
	<u>2005</u>	<u>2004</u>
Retirees with full coverage	2	2
Retirees with partial coverage	24	23
	26	25
Cost of retirement benefits	<u>\$ 27,018</u>	<u>\$ 24,942</u>

Post-retirement health care and life insurance benefits are funded through current revenue sources appropriated and accounted for in the City's annual budget.

3. *Retirement plans*

A. Defined Benefit Pension Plan

Plan Description: The City contributes to the Municipal Division Trust Fund (MDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). MDTF provides retirement and disability, annual

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

increases, and death benefits for members or their beneficiaries. All permanent employees of the City are members of the MDTF. Title 24, Article 51 of the Colorado Revised Statutes, as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available financial report that includes financial statements and required supplementary information for the MDTF. That report may be obtained by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203, or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

Funding Policy: Plan members and the City are required to contribute to the MDTF at a rate set by statute. The contribution requirements of the plan members and the City are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8% and for the City it is 10% of covered salary. A portion of the City's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (see note D.3.B Post-employment Healthcare Benefits). The contribution requirements of Plan members and the City are established and may be amended by the PERA Board of Trustees. The Airport's contributions to MDTF (including Matchmaker) for the years ended December 31, 2005, 2004 and 2003, were \$430,887, \$406,466 and \$378,387, respectively, equal to the required contributions for each year.

B. Post-employment Healthcare Benefits

Plan Description: The City contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: The City is required to contribute at a rate of 1.10% of covered salary from January 1, 2004 through June 30, 2004 and 1.02% from July 1, 2004 forward for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The Airport's contributions to HCTF for the years ending December 31, 2005, 2004, and 2003, were \$4,395, \$4,309, and \$6,395 respectively, equal to their required contributions for each year.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE D – OTHER INFORMATION – Continued

3. *Retirement plans - continued*

C. Defined Contribution Plan

Plan Description: The MDTF members of the City may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

Funding Policy: The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$14,000 in 2005). There is a catch-up provision that allows participants age 50 and older who are contributing the maximum to contribute an additional \$4,000 annually to their account. The 401(k) Plan member contributions from the Airport for the year ended December 31, 2005, 2004 and 2003, were \$111,548, \$133,375 and \$142,050, respectively.

All full-time police officers of the City participate in the State of Colorado Fire and Police Pension Association (FPPA), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time police officers of the City are eligible to participate in the Plan. A post retirement death benefit is available for all police officers where the surviving spouse and/or children receive up to two thirds of the benefit to which the officer was entitled at the time of death. This benefit is paid until the spouse dies or remarries and/or until the children attain the age of 18.

FPPA issues a publicly available financial report that includes financial statements and required supplementary information for FPPA. That report may be obtained by writing to Fire and Police Pension Association, Two DTC, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111-2721 or by calling (303) 770-3772.

Contribution requirements are actuarially determined, in accordance with Colorado statutes, on a biannual basis. The following table illustrates the Airport contributions for the years ended December 31:

	2005	2004
Employees hired before April, 1978	\$ 730	\$ 6,126
Employees hired on or after April, 1978	\$ 90,771	\$ 84,642

Colorado Springs Municipal Airport
Colorado Springs, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE D – OTHER INFORMATION – Continued

4. *Disclosures about fair value of financial instruments*

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Restricted assets – investments and cash and investments

The carrying amount approximates fair value because of the short maturity of most of these instruments. The fair values of some investments are estimated based on quoted market prices for those or similar investments.

Revenue bonds payable

The fair value of the Airport's revenue bonds payable is estimated based on the quoted market prices of the debt in secondary bond markets.

The estimated fair values of the Airport's financial instruments are as follows as of December 31, 2005, and 2004:

	<u>December 31, 2005</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Restricted assets – investments	\$ 5,834,683	\$ 5,834,683
Cash and investments	39,118,726	39,118,726
Revenue bonds payable	59,345,431	65,953,098
	<u>December 31, 2004</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Restricted assets – investments	\$ 5,834,682	\$ 5,834,682
Cash and investments	40,697,003	40,697,003
Revenue bonds payable	62,005,368	66,925,144

SUPPLEMENTARY AND OTHER INFORMATION

Colorado Springs Municipal Airport
Colorado Springs, Colorado
SCHEDULE OF FINANCIAL ACTIVITY OF THE VARIOUS
BOND ORDINANCE CREATED FUNDS AND ACCOUNTS FOR
THE COLORADO SPRINGS MUNICIPAL AIRPORT PROJECT
Year ended December 31, 2005

	Gross Revenue Fund	Operations/ Maintenance Fund	Bond Fund		Bond Reserve Account	O & M Reserve Fund
			Bond Account	Interest Account		
Beginning balance January 1, 2005	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 5,834,682	\$ 3,671,772
Add: Commitments as of December 31, 2004	-	43,616	-	-	-	-
Adjusted balance as of January 1, 2005	<u>1,000,000</u>	<u>43,616</u>	<u>-</u>	<u>-</u>	<u>5,834,682</u>	<u>3,671,772</u>
Calendar year 2005 activity						
Operating revenues	20,719,348	-	-	-	-	-
Non-operating revenues						
Interest earnings	109,850	-	30,257	33,977	182,011	94,628
Passenger facility charges	-	-	-	-	-	-
Customer facility charges	-	-	-	-	-	-
Other revenue (expense)	9,656	-	-	-	-	-
Operating transfers in	38,664	-	-	-	-	-
FAA Grant revenues	-	156,702	-	-	-	-
Sub-total revenues	<u>21,877,518</u>	<u>200,318</u>	<u>30,257</u>	<u>33,977</u>	<u>6,016,693</u>	<u>3,766,400</u>
Operating expenses	-	(13,091,202)	-	-	-	-
Operating transfers out	(139,478)	-	-	-	-	-
Operating capital	-	(216,109)	-	-	-	-
Capital expenses	-	-	-	-	-	-
Non-operating expenses						
Debt service expenses	-	-	(2,167,466)	(3,660,882)	-	-
Debt service issuance expense	-	-	-	-	-	-
Sub-total expenses	<u>(139,478)</u>	<u>(13,307,311)</u>	<u>(2,167,466)</u>	<u>(3,660,882)</u>	<u>-</u>	<u>-</u>
Balances before encumbrances, commitments and transfers	<u>21,738,040</u>	<u>(13,106,993)</u>	<u>(2,137,209)</u>	<u>(3,626,905)</u>	<u>6,016,693</u>	<u>3,766,400</u>
Encumbrances at December 31, 2005	-	(111,181)	-	-	-	-
Transfers						
Operating/maintenance	(13,218,174)	13,218,174	-	-	-	-
Bond debt service	(5,828,348)	-	2,167,466	3,660,882	-	-
Income available for sharing-City's portion	(1,534,683)	-	-	-	-	-
Funding adj.-encumbrances/working capital	11,577	-	-	-	-	-
Non-preferential gate use fees	(210,390)	-	-	-	-	-
Net (revenue)/expense on Fountain						
Terminal Site	(154,548)	-	-	-	-	-
Repayment of loans to Capital Account	(163,675)	-	-	-	-	-
Interest to:						
Airlines	360,201	-	(30,257)	(33,977)	(182,011)	(94,628)
Capital account	-	-	-	-	-	-
Sub-total transfers	<u>(20,738,040)</u>	<u>13,218,174</u>	<u>2,137,209</u>	<u>3,626,905</u>	<u>(182,011)</u>	<u>(94,628)</u>
Ending balance- December 31, 2005	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,834,682</u>	<u>\$ 3,671,772</u>

Renewal & Replacement Fund	Capital Improvement Fund		Passenger Facility Account	Customer Facility Account	Totals
	Prepaid Revenue Account	Capital Account			
\$ 750,000	\$ 1,458,671	\$ 16,634,293	\$ 6,317,095	\$ 3,601,168	\$ 39,267,681
-	-	4,021,202	(21,584)	-	4,043,234
<u>750,000</u>	<u>1,458,671</u>	<u>20,655,495</u>	<u>6,295,511</u>	<u>3,601,168</u>	<u>43,310,915</u>
-	-	-	-	-	20,719,348
19,329	37,511	511,808	212,782	116,417	1,348,570
-	-	-	2,836,904	-	2,836,904
-	-	-	-	991,420	991,420
-	-	-	-	-	9,656
-	-	-	-	-	38,664
-	-	5,648,091	-	-	5,804,793
<u>769,329</u>	<u>1,496,182</u>	<u>26,815,394</u>	<u>9,345,197</u>	<u>4,709,005</u>	<u>75,060,270</u>
-	-	-	-	-	(13,091,202)
-	-	-	-	-	(139,478)
-	-	-	-	-	(216,109)
-	-	(11,341,690)	(656,825)	(2,026,250)	(14,024,765)
-	-	-	-	-	(5,828,348)
-	-	-	-	-	-
-	-	(11,341,690)	(656,825)	(2,026,250)	(33,299,902)
<u>769,329</u>	<u>1,496,182</u>	<u>15,473,704</u>	<u>8,688,372</u>	<u>2,682,755</u>	<u>41,760,368</u>
-	-	(7,756,982)	(4,693,567)	(611,470)	(13,173,200)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,534,683	-	-	-
-	-	(11,577)	-	-	-
-	-	210,390	-	-	-
-	-	154,548	-	-	-
-	-	163,675	-	-	-
(19,329)	-	-	-	-	-
-	(37,511)	37,511	-	-	-
(19,329)	(37,511)	2,089,230	-	-	-
<u>\$ 750,000</u>	<u>\$ 1,458,671</u>	<u>\$ 9,805,952</u>	<u>\$ 3,994,805</u>	<u>\$ 2,071,285</u>	<u>\$ 28,587,167</u>

Colorado Springs Municipal Airport
Colorado Springs, Colorado
AIRLINES SERVING THE AIRPORT
December 31, 2005
(unaudited)

Passenger Airlines

Major and National

Allegiant Air
American Airlines
Continental Airlines
Delta Air Lines
Northwest Airlines
United Airlines

Regional and Commuter

Air Wisconsin (United Express)
American Eagle
Comair (Delta Connection)
ExpressJet Airlines (Continental Express)
Mesa Air Group (America West Express,
Mesa Airlines and United Express)
Pinnacle Airlines (Northwest AirlinK)
SkyWest Airlines (Delta Connection and
United Express)
Trans States Airlines (American Connection)

All-Cargo Airlines

Airborne Express
FedEx
Key Lime Air

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport
 Colorado Springs, Colorado
 HISTORICAL AIRLINE TRAFFIC

For the years ended December 31, 1995-2005
 (unaudited)

Year	Enplaned passengers			Aircraft Operations (No. of Departures)					Enplaned passengers per departure		
	Major/ National Airlines	Regional/ Commuter Airlines	Total	Percent Increase (Decrease)	Major/ National Airlines	Regional/ Commuter Airlines	Cargo Airlines	Total		Percent Increase (Decrease)	
1995	1,407,427	8,516	1,415,943	--	16,649	1,908	527	19,084	--	85	4
1996	2,386,738	29,124	2,415,862	70.6%	28,524	1,929	798	31,251	63.8%	84	15
1997	1,969,690	79,500	2,049,190	-15.2%	24,670	6,177	783	31,630	1.2%	80	13
1998	1,286,570	34,379	1,320,949	-35.5%	15,160	2,356	834	18,350	-42.0%	85	15
1999	1,193,993	49,421	1,243,414	-5.9%	15,828	2,700	1,222	19,750	7.6%	75	18
2000	1,155,670	64,696	1,220,366	-1.9%	14,324	3,171	1,256	18,751	-5.1%	81	20
2001	976,459	89,395	1,065,854	-12.7%	13,318	3,362	2,221	18,901	0.8%	73	27
2002	846,693	221,464	1,068,157	0.2%	12,361	7,242	2,441	22,044	16.6%	68	31
2003	755,056	256,587	1,011,643	-5.3%	11,059	7,474	2,032	20,565	-6.7%	68	34
2004	715,187	319,560	1,034,747	2.3%	10,477	9,204	1,926	21,607	5.1%	68	35
2005	720,710	310,123	1,030,833	-0.4%	11,170	7,860	1,823	20,853	-3.5%	65	39

¹ Western Pacific Airlines moved its hub from the Airport to Denver International Airport in June 1997, which at the time held the largest market share of enplaned passengers at the Airport.

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport
 Colorado Springs, Colorado
AIRLINE SHARES OF ENPLANED PASSENGERS
 For the year ended December 31, 1996 - 2005
 (unaudited)

	1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		
	Number	Percent of total																			
Major/national airlines																					
Access Air (1)	-	-	-	-	-	-	15,524	1.2%	-	-	-	-	-	-	-	-	-	-	-	-	-
Allegiant Air (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
America West Airlines (3)	153,488	6.3%	136,555	6.7%	104,530	7.9%	88,860	7.1%	67,900	5.6%	57,235	5.4%	4,748	0.4%	38,249	3.8%	37,440	3.6%	30,697	3.0%	
American Airlines	243,285	10.1%	226,915	11.1%	181,333	13.7%	197,178	15.9%	269,455	22.1%	236,590	22.5%	275,207	25.8%	205,365	20.3%	161,958	15.7%	190,594	18.5%	
Continental Airlines	168,668	7.0%	159,630	7.8%	60,236	4.6%	60,498	4.9%	55,373	4.6%	56,926	5.4%	47,611	4.5%	10,295	1.0%	10,581	1.0%	481	0.0%	
Delta Air Lines	216,672	9.0%	240,998	11.8%	249,643	18.9%	197,112	15.9%	251,817	20.7%	190,221	18.0%	112,858	10.6%	69,157	6.8%	85,216	8.3%	80,364	7.8%	
Northwest Airlines	102,875	4.3%	94,976	4.6%	68,917	5.2%	80,099	6.4%	79,924	6.6%	68,021	6.5%	66,214	6.2%	78,327	7.7%	86,261	8.3%	83,026	8.1%	
Reno Air (4)	105,269	4.4%	98,493	4.8%	147,978	11.2%	96,325	7.8%	-	-	-	-	-	-	-	-	-	-	-	-	
Trans World Airlines (5)	73,927	3.1%	72,110	3.5%	77,219	5.9%	82,011	6.6%	86,505	7.1%	69,915	6.6%	283,933	26.6%	317,321	31.4%	332,448	32.1%	334,426	32.4%	
United Airlines (6)	456,110	18.9%	428,529	20.9%	396,115	30.0%	374,720	30.2%	341,247	28.0%	284,446	27.0%	26,635	2.5%	-	-	-	-	-	-	-
Vanguard Airlines (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Pacific Airlines (8)	865,771	35.7%	510,959	24.8%	-	-	-	-	-	-	1,518	0.1%	26,635	2.5%	-	-	-	-	-	-	-
Charters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,386,065	98.8%	1,969,165	96.0%	1,285,971	97.4%	1,192,327	96.0%	1,152,221	94.7%	964,872	91.3%	846,693	79.3%	755,056	74.6%	715,187	69.1%	720,710	69.9%	
Regional/commuter airlines																					
Air 21 (9)	3,062	0.1%	-	-	-	-	4,672	0.4%	35,652	2.9%	43,246	4.1%	92,953	8.7%	69,221	6.8%	107,428	10.4%	119,326	11.6%	
America West Express (10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
American Eagle Airline (11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chautauqua Airlines (12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comair (13)	-	-	-	-	5,767	0.4%	25,599	2.1%	6,035	0.5%	3,964	0.4%	2,406	0.2%	25,030	2.5%	5,826	0.6%	22,239	2.2%	
Continental Express (14)	-	-	-	-	-	-	2,769	0.2%	2,091	0.2%	2,465	0.2%	13,052	1.2%	2,772	0.3%	28,998	2.8%	30,226	2.9%	
Great Plains Airlines (15)	-	-	-	-	-	-	-	-	-	-	2,465	0.2%	13,052	1.2%	2,772	0.3%	59,186	5.7%	70,000	6.8%	
Mesa Airlines	15,756	0.7%	21,862	1.1%	15,949	1.2%	6,947	0.6%	7,836	0.6%	6,833	0.7%	5,085	0.5%	5,179	0.5%	4,643	0.5%	4,333	0.4%	
Mountain Air Express (MTE) (16)	121	0.0%	44,304	2.2%	3,374	0.3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Northwest Airlink/Pinnacle (17)	10,185	0.4%	13,334	0.7%	9,289	0.7%	9,434	0.7%	13,082	1.1%	32,887	3.1%	83,622	7.8%	93,554	9.3%	107,941	10.4%	56,403	5.5%	
Skywest (18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trans States Airlines (19)	29,124	1.2%	79,500	4.0%	34,379	2.6%	49,421	4.0%	64,696	5.3%	89,395	8.5%	221,464	20.7%	256,587	25.4%	319,560	30.9%	310,123	30.1%	
Total	2,415,189	100.0%	2,048,665	100.0%	1,320,350	100.0%	1,241,748	100.0%	1,216,917	100.0%	1,054,267	100.0%	1,068,157	100.0%	1,011,643	100.0%	1,034,747	100.0%	1,030,833	100.0%	

- Access Air service from June 1999 through November 1999.
- Allegiant Airlines started service in February 2002.
- America West discontinued service in September 2004 and transferred all activity to America West Express operated by Mesa Air Group.
- Reno Air was acquired by American Airlines in September 1999.
- Trans World Airlines merged with American Airlines in December 2001.
- Data includes Air Wisconsin, Atlantic Coast, Mesa, and Skywest serving as United Express carriers. United does not report passenger activity for United Express carriers separately.
- Vanguard started service December 2001. On July 30, 2002, Vanguard filed for bankruptcy protection and subsequently ceased all operations at the Airport.
- Western Pacific Airline started service in April 1995. Ceased operations as of October 1997.
- Air 21 served the airport from March 1996 to May 1996.
- America West Express started service in October 1999.
- American Eagle Airlines began service June 2005.
- Chautauqua Airlines began service in November 2003 as American Connection and stopped service July 2004.
- Comair started service in October 1998 as Delta Connection and ceased service as of April 2000.
- Comair resumed service in December 2002 as Delta Connection.
- Continental Express started service in October 1999. Ceased service as of May 2000. Provided service May through September 2001. Began service again in April 2002.
- Great Plains started service in October 2001. Ceased service as of March 2003.
- Mountain Air Express served the airport from December 1996 to February 1998.
- Northwest Airlink/Pinnacle began service June 2005 and discontinued service September 2005.
- Skywest enplaned passenger represents activity serving as a Delta Connection carrier.
- Served the airport from December 1995 to October 1998 as Delta Connection. Began service again in April 1999.
- Trans States Airlines began service and discontinued service as American Connection in January 2004. Service started again August 2004.

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
HISTORICAL AIRCRAFT LANDED WEIGHT - Continued
For the years ended December 31, 1996 - 2005
(unaudited)

- 1 Access Air provided service from June 1999 through November 1999.
- 2 Allegiant Air began service in February 2002.
- 3 America West discontinued service in September 2004 and transferred all activity to America West Express operated by Mesa Air Group.
- 4 Atlantic Coast (United Express Connection) started service November 2002 and ceased service May 2003.
- 5 Mesa Air Group (United Express) started service October 2003.
- 6 Reno Air was acquired by American Airlines in September 1999.
- 7 SkyWest Airlines (United Express) began service March 2002.
- 8 Trans World Airlines merged with American Airlines in December 2001.
- 9 Vanguard started service December 2001. On July 30, 2002, Vanguard filed for bankruptcy protection and subsequently ceased all operations.
- 10 Western Pacific Airlines started service in April 1995. Ceased operations in October 1997.
- 11 Air 21 served the airport from March 1996 to May 1996.
- 12 American Eagle Airlines began service June 2005.
- 13 Chautauqua Airlines began service in November 2003 as American Connection and stopped service July 2004.
- 14 Comair started service in October 1998 as Delta Connection and ceased service as of April 2000. Comair resumed service in December 2002 as Delta Connection.
- 15 Continental Express started service in October 1999. Ceased service as of May 2000. Provided service May through September 2001. Resumed service again in April 2002.
- 16 Great Plains Airlines started service in October 2001. Ceased service as of March 2003.
- 17 America West Express started service in October 1999.
- 18 Mountain Air Express served the airport from December 1996 to February 1998.
- 19 Northwest Airlink/Pinnacle began service June 2005 and discontinued service September 2005.
- 20 SkyWest served the airport from December 1995 to October 1998 as Delta Connection. Began service again April 1999.
- 21 Trans States Airlines began service and discontinued service as American Connection in January 2004. Service started again August 2004.
- 22 Corporate Air reported cargo service starting in January 2001 and ceased cargo service July 2002.
- 23 Keylime Air reported cargo service starting in January 2001.
- 24 Sundance Air reported cargo service starting in January 2001. Ceased service as for November 2004.
- 25 Superior reported cargo service starting in January 2001 and ceased cargo service May 2003.

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport
 Colorado Springs, Colorado
AVERAGE DAILY DEPARTURES BY AIRLINES
 For the years ended December 31, 1996-2005
 (unaudited)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Major / National airlines										
Access Air	--	--	--	2	--	--	--	--	--	--
Allegiant Air (1)	--	--	--	--	--	--	1	1	1	1
American (2)	7	8	6	7	10	9	10	7	6	7
America West (3)	5	4	4	5	5	6	7	6	6	7
Continental (4)	5	5	2	2	2	2	3	4	5	5
Delta (5)	8	8	8	9	9	9	10	11	14	8
Great Plains Airlines (6)	--	--	--	--	--	--	3	1	--	--
Mesa	4	4	4	4	4	2	2	2	2	2
Northwest (7)	4	3	2	2	2	2	2	2	2	2
Reno Air	3	3	5	3	--	--	--	--	--	--
Trans World (8)	3	3	3	2	2	2	--	--	--	--
United (9)	12	13	13	14	13	13	15	17	18	20
Vanguard Airlines (10)	--	--	--	--	--	--	1	--	--	--
Western Pacific	30	21	--	--	--	--	--	--	--	--
Total major and national airlines	81	72	47	50	47	45	54	51	54	52

- 1 Allegiant Air started service February 2002.
- 2 Includes departures of Chautauqua Airlines/Trans States Airlines (American Connection) and American Eagle.
- 3 Includes departures of America West Express.
- 4 Includes departures of Continental Express.
- 5 Includes departures of Comair (Delta Connection) and SkyWest.
- 6 Great Plains started service October 2001. Ceased service March 2003
- 7 Includes departures of Pinnacle (Northwest Airlink).
- 8 TWA filed for bankruptcy protection in January 2001, and substantially all of the assets and certain liabilities of TWA were subsequently acquired by American through the bankruptcy proceedings. TWA was integrated into American during 2001 and effectively ceased to be operated as a separately branded airline in December 2001.
- 9 Includes departures of Air Wisconsin, Atlantic Coast, Mesa Air Group, and SkyWest serving as United Express carriers.
- 10 Vanguard started service December 2001. On July 30, 2002, Vanguard filed bankruptcy protection and subsequently ceased all operations at the Airport.

Source: City of Colorado Springs, Airport management records.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
RECENT TRENDS IN TOTAL AIR CARGO
For the years ended December 31, 1995-2005
(unaudited)

Year	Total air cargo (tons)			Percent increase (decrease)
	Air Freight	Mail	Total	
1995	13,491	2,623	16,114	--
1996	18,316	5,389	23,705	47.1%
1997	17,684	7,306	24,990	5.4%
1998	18,432	4,996	23,428	-6.3%
1999	22,832	4,238	27,070	15.5%
2000	21,817	3,337	25,154	-7.1%
2001	19,767	2,221	21,988	-12.6%
2002	20,291	1,513	21,804	-0.8%
2003	18,161	527	18,688	-14.3%
2004	17,754	482	18,236	-2.4%
2005	16,568	157	16,725	-8.3%

Source: City of Colorado Springs, Airport management records.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
HISTORICAL ANNUAL DEBT SERVICE COVERAGE
For the years ended December 31, 1996 - 2005
(Unaudited)

Fiscal Year	Applicable Revenues (A)	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1996	21,944,610	9,151,931	12,792,679	-	3,321,103	3.85
1997	19,046,046	8,992,384	10,053,662	-	4,041,031	2.49
1998	19,925,062	9,723,643	10,201,419	2,060,000	4,075,122	1.66
1999	20,772,344	10,924,981	9,847,363	2,170,000	3,956,267	1.61
2000	21,157,418	11,092,890	10,064,528	2,305,000	3,827,798	1.64
2001	22,791,117	11,906,465	10,884,652	2,445,000	3,687,998	1.77
2002	22,621,860	12,040,291	10,581,569	2,453,334	3,600,437	1.75
2003	22,289,621	12,967,319	9,322,302	2,000,855	3,652,705	1.65
2004	22,571,575	13,039,813	9,531,762	2,169,586	3,660,099	1.64
2005	22,648,070	13,216,734	9,431,336	2,167,466	3,660,882	1.62

(A) Includes Prepaid Revenue Account balances for each year; the yearly amounts are:
1996 \$1,253,154
1997-2001 \$1,534,476
2002-2005 \$1,458,671

Source: Colorado Springs Municipal Airport management records.

Colorado Springs Municipal Airport
Colorado Springs, Colorado
HISTORICAL NON-AIRLINE REVENUES
For the years ended December 31, 1996 - 2005
(Unaudited)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Terminal Building										
Concession										
Food & Beverage	\$474,993	\$403,759	\$269,791	\$261,653	\$274,570	\$261,176	\$296,239	\$285,409	\$293,139	\$335,268
Retail	484,295	495,027	338,105	348,015	361,580	333,980	367,271	350,534	344,683	334,216
Advertising	110,208	126,947	140,778	148,654	167,650	212,649	185,378	178,774	167,367	168,961
Non-Airline Space Rental	160,248	145,244	170,260	173,959	176,346	153,215	178,666	251,448	308,223	457,597
Other	163,404	202,542	150,378	153,417	180,377	148,244	141,192	139,145	120,513	122,113
	1,393,148	1,373,519	1,069,312	1,085,698	1,160,523	1,109,264	1,168,746	1,205,310	1,233,925	1,418,155
Terminal Area										
Public Parking	7,059,177	6,014,409	5,751,634	6,011,228	6,131,834	5,600,105	5,699,910	5,427,189	5,513,116	5,442,666
Rental Car Fees and Rentals	4,814,132	4,267,940	3,360,929	3,438,689	3,797,497	3,312,186	3,541,358	3,671,807	3,846,367	3,633,315
Ground Transportation Fees	65,592	60,669	70,752	120,772	135,165	109,825	106,690	100,090	98,940	104,819
Support Building Rentals	-	-	-	90,000	116,222	121,619	128,375	125,875	126,425	123,718
	11,938,901	10,343,018	9,183,315	9,660,689	10,180,718	9,143,735	9,476,333	9,324,961	9,584,848	9,304,518
Airfield Area										
Fuel Farm Rentals	-	-	-	23,540	23,611	23,576	23,576	23,576	25,443	25,443
Remain Over Night	-	-	-	125	7,270	(5,600)	425	100	-	200
Diversion Landing Fees	-	-	-	17,010	28,448	43,885	29,847	83,675	31,329	59,561
	-	-	-	40,675	59,329	61,861	53,848	107,351	56,772	85,204
Fountain Site										
Ground & Building Rentals	182,648	285,073	78,238	63,585	76,132	58,582	40,382	44,419	186,011	197,879
Utility Reimbursements	-	-	-	-	-	-	20,737	28,482	33,979	45,923
	182,648	285,073	78,238	63,585	76,132	58,582	61,119	72,901	219,990	243,802
Aviation Support										
Fuel Sales	760,618	458,180	622,440	374,624	429,768	873,269	436,601	517,231	609,503	854,894
Ground and Building Rentals	242,960	310,631	405,002	278,390	327,538	343,029	356,550	390,716	625,761	512,070
Airfield	-	8,977	41,719	-	-	-	-	-	-	-
Other	26,738	23,295	36,296	-	-	-	-	-	-	-
	1,030,316	801,083	1,105,457	653,014	757,306	1,216,298	793,151	907,947	1,235,264	1,366,964
Administrative										
Miscellaneous	-	-	-	44,759	20,063	102,217	104,526	45,003	145,328	124,817
Late Fees	-	-	-	-	58,367	36,696	25,069	13,196	12,825	15,871
TSA Reimbursement	-	-	-	-	-	-	-	-	19,758	-
CSC Group Support Reimbursement	-	-	-	-	128,200	128,455	44,044	-	-	-
Fingerprinting	-	-	-	-	-	-	12,375	5,635	10,535	15,435
	-	-	-	44,759	206,630	267,368	186,014	63,834	188,446	156,123
Total Non-Airline Revenues	\$14,545,013	\$12,802,693	\$11,436,322	\$11,548,420	\$12,440,638	\$11,857,108	\$11,739,211	\$11,682,304	\$12,519,245	\$12,574,766

Source: City of Colorado Springs, Airport records, except as noted.
2001-2005 Airline Rates and Changes Settlement Accrual, Exhibit F-4.