

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Years Ended April 30, 2018 and 2017



Kansas City Aviation Department
An Enterprise Fund of the City of Kansas City, Missouri

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the years ended April 30, 2018 and 2017

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



Rendering of proposed new single terminal at Kansas City International Airport

Prepared by

John Green, CPA, Chief Financial Officer

Fred J. O'Neill, Finance & Accounting Manager

Danelle J. Harrison, General Ledger Manager

Finance and Accounting Staff

GOVERNANCE

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

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

CITY OF KANSAS CITY, MISSOURI

MAYOR – Sly James

CITY COUNCIL MEMBERS

District Council Members:

District 1 – Heather Hall
District 2 – Dan Fowler^{3, 4}
District 3 – Jermaine Reed⁵
District 4 – Jolie Justus^{2, 4}
District 5 – Alissia Canady
District 6 – Kevin McManus⁶

Council Members-At-Large:

District 1 – Scott Wagner
District 2 – Teresa Loar¹
District 3 – Quinton Lucas⁴
District 4 – Katheryn Shields
District 5 – Lee Barnes, Jr.
District 6 – Scott Taylor

¹Airport Committee Member; ²Airport Committee Chairman; ³Airport Committee Vice Chairman
⁴Transportation & Infrastructure Committee Member; ⁵Transportation & Infrastructure Committee Chairman; ⁶Transportation & Infrastructure Committee Vice Chairman

CITY MANAGER – Troy Schulte

The Mayor appoints members of the City Council to serve on the City's Airport Committee and the Transportation and Infrastructure Committee. These committees perform in-depth reviews of proposed Aviation Department legislation and objectives. Subsequent to the review of department legislation, the committee will forward a recommendation to the full City Council for approval.

The City Council is also responsible for appointing the City Manager, who is responsible for implementing the policies approved by the City Council. The City Manager appoints and has oversight responsibility for the Director of Aviation.

The Director of Aviation (the Director) is responsible for the operation and maintenance of the Department's two airport facilities: the Kansas City International Airport (MCI) and the Charles B. Wheeler Downtown Airport (MKC), and a portion of the Richards-Gebaur Intermodal Transportation Facility (formerly Richards-Gebaur Memorial Airport). The Director is also responsible for department staffing requirements and operates the department via 19 divisions. Each division manager is responsible for budgeting and overseeing the daily operations of his/her respective division. ➔

DEPARTMENT OF AVIATION

DIRECTOR – Patrick Klein

DEPUTY DIRECTORS

Ian Redhead – Operations and Maintenance

John Green – Chief Financial Officer

Justin B. Meyer – Marketing

David Graham Long – Properties & Commercial Development

Jade Liska – Planning & Engineering

DIVISION MANAGERS

Patrick Klein, Administration

Fred O'Neill, Finance & Accounting

Ed Kline, Purchasing & Warehouse

David Jacobus, Information Technology

Jade Liska, Planning & Engineering

Lori Briggs, Employee Management Services

Justin Meyer, Marketing

David Long, Commercial Development

Katy Sell, Parking Services

Jim Vitatoe, Overhaul Base Operations

Melissa Cooper, Downtown Airport (MKC)

Bob Johnson, Operations

Stephen Newman, Airport Police

Seth Smith, Field Maintenance

Kenneth Williams, Fleet Maintenance

Cynthia Williams, Facilities-Custodial

Henry Linch, Facilities-Structural

Shirley Winn, Bus Operations

Sabrina Largen, Environmental Mgmt.

Rahmaan Burns, Safety

Akayla Jones, Human Relations



City of Kansas City, Missouri Department of Aviation

Comprehensive Annual Financial Report

Years Ended April 30, 2018 and 2017

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Celebrating Kansas City's first non-stop transatlantic flight from Kansas City International Airport to Iceland.

INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

LETTER OF TRANSMITTAL

PRESENTATION OF COMPREHENSIVE ANNUAL FINANCIAL REPORT BY THE DIRECTOR OF AVIATION

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PRESENTED BY THE
GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)**

ORGANIZATIONAL CHART

ORGANIZATION OF THE DEPARTMENT OF AVIATION MANAGEMENT



October 26, 2018

Honorable Mayor and City Council Members,
City of Kansas City, Missouri;
Mr. Troy Schulte, City Manager,
City of Kansas City, Missouri;
Citizens of Kansas City; and
Fellow Employees:

I HEREBY PRESENT this Comprehensive Annual Financial Report (the Report) of the Department of Aviation (the Department) for the City of Kansas City, Missouri (the City).

State law requires that all political subdivisions publish an annual report of financial transactions. This report is published to fulfill that requirement for the fiscal year ended April 30, 2018. The independent accounting firm, BKD, LLP, whose report is included, has issued an unmodified (clean) opinion on the Department's financial statements for the years ended April 30, 2018 and 2017. The independent accountants' report is located at the front of the financial section of this report. The independent accounting firm also conducted an audit of compliance as required by Section 14 of the Code of Federal Regulations (CFR) Part 158, Passenger Facility Charges.

This report was prepared by the Finance and Accounting Division of the Department, which is committed to the accurate disclosure of reporting to the City Council and citizens of the City.

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

Internal Control

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

1. Assets are safeguarded against loss from unauthorized use or disposition;
2. Transactions are executed in accordance with management's authorization;

3. Financial records are reliable for preparing financial statements and maintaining accountability for assets; and
4. There is compliance with applicable laws and regulations.

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

I believe that the Department's internal control framework adequately safeguards assets and provides reasonable assurance and proper recording of financial transactions. I also believe that the data in this Report, as presented, is accurate in all material respects; that it presents fairly the financial position, results of operations and cash flows of the Department, and that all disclosures necessary to enable the reader to gain maximum understanding of the Department's financial affairs have been included herein. The Management's Discussion and Analysis (MD&A) beginning on page A-4 is a narrative representation of the past year's financial results and will provide additional insight for the reader.

Profile of the Department of Aviation

The Department of Aviation (the Department) is a department of the City and commenced operations concurrent with the dedication of the Kansas City Municipal Airport, now the Charles B. Wheeler Downtown Airport, on August 17, 1927 by aviation legend, Charles Lindbergh. The Department now oversees operations at the Kansas City International Airport and the Charles B. Wheeler Downtown Airport.

Kansas City International Airport

The Kansas City International Airport (MCI) is located 18 miles north of downtown Kansas City, Missouri, and is comprised of 10,680 acres. MCI officially opened on November 11, 1972 and serves as the primary passenger air carrier airport. MCI has three fully instrumented runways and a full complement of parallel taxiways that are capable of handling any aircraft in service today. To accommodate all passengers, the airport has three passenger terminals that have a total of over one million square feet with 65 boarding gates and 47 passenger-boarding bridges. Each of the three terminals includes a full complement of offices, restrooms, areas for food and beverage concessions, areas for news and gift shops, departure lounges and baggage handling facilities. In January 2014, the passenger airlines were consolidated into two terminals and the third terminal was de-activated to improve efficiencies at the airport. The airport has 25,471 parking spaces to accommodate vehicles for airport visitors.

Charles B. Wheeler Downtown Airport

The Charles B. Wheeler Downtown Airport (MKC) formerly served as the City's air carrier airport prior to MCI's opening in 1972. The airport is conveniently located across the river from the downtown area and is comprised of 601 acres, approximately the same size as when it was dedicated in 1927. The airport currently services the general aviation community as a reliever airport with one fixed base operator providing hangar, tie-down, fueling station, maintenance, aircraft rental, and charter and training services. The airport is also home to an aircraft museum named after TWA.

Budgeting

Department management recognizes the importance of proper and accurate budgeting. To this end, the Department annually creates a budget and submits it to the City Council for approval. Department control of the budget is maintained using encumbrances. To assist management with budget monitoring, a report of year-to-date actual vs. budgeted amounts is prepared monthly and distributed to all division managers.

Local Economy

Kansas City, Missouri, is the most centrally located principal city in the United States of America. Such a logistically favorable location has allowed the City to flourish as a location for transportation-related industries and companies, as evidenced by the decision of 12 passenger air carriers, 2 major cargo air carriers, 5 first-class railroads and well over 100 truck lines. Within a three-hour flight, one can be in any one of the 50 major cities in the “lower 48.” Not only is the City served by air, but it is served on the ground as well. The City boasts one of the largest railroad hubs in the world and is also the headquarters for Kansas City Southern Railroad. Kansas City’s economic diversity is a significant strength and reflective of the U.S. economy as a whole. The City is fast becoming a technology hub making it highly attractive to Millennials as a place to live and pursue a career.

Historically, the City has pursued a policy of annexation, and today is the 14th largest city in land area in the United States of America with a total area of approximately 319 square miles.

The City has a Metropolitan Statistical Area (MSA) that includes a total of fifteen counties; nine of these counties are located in Missouri and the remaining six are located in Kansas. Those counties located in Missouri include Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte and Ray and those located in Kansas include Franklin, Johnson, Leavenworth, Linn, Miami and Wyandotte. In total, this fifteen-county MSA encompasses an area of 7,952 square miles. Within this MSA are three principal cities: Kansas City, Missouri; Overland Park, Kansas; and Kansas City, Kansas.

The primary Air Service Area (ASA) serves the population within and beyond the MSA and includes the Buchanan, Missouri and Douglas, Kansas counties. In total, an estimated 2,351,441 residents live within the ASA and no other hub airport overlaps the primary ASA. The nearest medium hub airport, St. Louis, is located 250 miles away. Small hub airports, Des Moines and Wichita, are each located approximately 180 miles away. The population of the MSA comprises 91 percent of the ASA’s population and, therefore, all discussion of economic trends will focus on the MSA.

Over the past year there has been a continued decrease in unemployment rates regionally as well as nationally. The unemployment rates for the MSA, the states of Kansas and Missouri, and the national average are as follows:

	April 30,		
	2018	2017	2016
Kansas City MSA	3.3%	3.5%	3.8%
State, Missouri	3.6%	3.9%	4.3%
State, Kansas	3.4%	3.7%	3.8%
National	3.9%	4.4%	5.0%

Source: www.bls.gov, seasonally adjusted except Kansas City MSA

Over the past calendar year, inflation grew moderately, increasing 1.7 percent as compared to the 0.9 percent increase the previous calendar year.

Calendar Year	CPI-U	Annual Increase
2017	229.0	1.7%
2016	225.2	0.9%
2015	223.1	0.3%

Long-Term Financial Planning

The Department has two long-term financial goals:

1. *To diversify more revenue away from aviation-related industries.* The majority of the Department’s revenue is concentrated on the airline industry. To hedge against any future downturns in the airline industry, the Department has diversified its revenue sources into other industries. An example of this type of diversification includes the development of land for use in the warehousing industry by Trammell Crowe on the southeast corner of the airfield.
2. *To increase the percentage of fixed revenue.* The Department currently has a far greater percentage of variable revenue than fixed revenue, which is favorable in a positive economic environment and unfavorable in a negative economic environment. To protect against any future declining economic environments, and when it is financially prudent, the Department will pursue fixed versus variable revenue streams to protect itself. The Ambassador Building, a six-story office building, is an example of a fixed revenue source. Fixed revenues are also being generated at the Charles B. Wheeler Downtown Airport, by way of 96 T-hangars for personal aircraft storage.

Relevant Financial Policies

Under the terms of the various ordinances enacted for the issuance of revenue bonds, the Aviation Department is required to maintain rates and fees sufficient to pay reasonable and proper operating and maintenance expenses and scheduled debt service requirements.

Grant Management

The Department has relied heavily on Airport Improvement Program (AIP) grants, sponsored by the Department of Transportation, a parent agency of the Federal Aviation Administration, to fund many of its capital improvement projects. This year focused on runway and taxiway rehabilitation at Kansas City International Airport. Normally, these grants will fund between 75 and 90 percent of the entire project. The remaining portion is funded by Department funds.

Major Initiatives

Charles B. Wheeler Downtown Airport Receives Perfect FAA Inspection

The City of Kansas City, Missouri, Aviation Department announced in November that Charles B. Wheeler Downtown Airport (IATA code MKC) passed the 2017 Federal Aviation Administration annual certification inspection with no discrepancies. The FAA's Part 139 inspection includes the conditions of everything on MKC's Air Operations Area inside the security fence where aircraft operate at Downtown Airport. The AOA includes runways, taxiways, aprons and aviation tenant operational areas. Inspection items include pavement, lighting, markings, safety areas, Aircraft Rescue and Fire Fighting training, fueling operations and Air Operations Area driver training. The evaluation found MKC to be fully compliant with Federal Aviation Regulation Part 139, the Airport Certification Manual and the Airport Operating Certificate.

Kansas City International Airport First in US to Deploy Electric Shuttle Buses

Kansas City International Airport and BYD – North America's largest electric bus manufacturer – announced delivery of four battery-electric 30 ft. coach buses. These buses are customized for Kansas City International Airport to include luggage racks for passenger use and are the first electric buses for airport passenger service in the U.S. The buses will serve as parking lot shuttles bringing passengers to the airport terminals. Kansas City International Airport will enjoy cost savings with reduced fuel and maintenance costs, and the zero tailpipe emissions will give airport passengers a cleaner and healthier ride. These electric buses serve as another example of how Kansas City is leading the Midwest and the nation as a hotbed for deploying electric vehicles. BYD built the four zero-emission, battery-electric buses at its Coach and Bus manufacturing facility in Lancaster, California.

TSA Pre✓™ Enrollment Event at KCI Airport

The TSA Pre✓™ program allows participating flyers to experience a more efficient airport screening process by leaving on their shoes, light jackets and belts and leaving laptops and compliant liquids in carry-on bags at special airport screening lanes. Over 180 airports have dedicated TSA Pre✓™ lanes and 30 airlines participate in the program. At Kansas City International Airport, the program has been rolled out at Aero Mexico, Air Canada, Allegiant, American, Delta, Frontier, Southwest and Spirit. After completing enrollment, successful applicants receive a Known Traveler Number they can enter when booking travel reservations. TSA began to open the first TSA PreCheck application centers in December 2013. More than 4 million people have enrolled nationally.

New Nonstop Flights Added

Allegiant announced service from Kansas City to Myrtle Beach, South Carolina beginning June 8, 2018. The new seasonal route will operate twice weekly between Kansas City International Airport (MCI) and Myrtle Beach International Airport (MYR). With the addition of this route, Allegiant will offer service to six destinations from Kansas City, including Phoenix/Mesa, Arizona, and four destinations in Florida: Destin/Fort Walton, Fort Myers/Punta Gorda, Orlando/Sanford and Tampa/St. Petersburg.

OneJet, the air transportation network that provides consumers with increased access to nonstop travel in small and medium markets, inaugurated nonstop service between Kansas City International Airport (MCI) and Pittsburgh International Airport (PIT) in March 2018.

Icelandair announced in January that beginning May 26, 2018, Kansas City-region travelers can fly nonstop from Kansas City International Airport (MCI) to Icelandair's hub at Keflavík International Airport (KEF) near the Iceland capital, Reykjavik. Icelandair's Kansas City service will offer three nonstop flights per week to Iceland, with easy connections to and from more than 25 of the most popular destinations in Scandinavia, the U.K., and Continental Europe. Icelandair also allows passengers to enjoy an Icelandair Stopover in Iceland for up to seven nights at no additional airfare. The new service provides travelers with a convenient alternative with new transatlantic itineraries.

Frontier Airlines is adding service to four new destinations. Passengers will now be able to fly nonstop on Frontier from Kansas City to Cancún International Airport (CUN), Raleigh-Durham International Airport (RDU), Southwest Florida International Airport - Ft. Myers (RSW) and Tampa International Airport (TPA).

Southwest Airlines also added nonstop service to Raleigh–Durham International Airport (RDU) effective April 8, 2018. The nonstop RDU flight departs at 6:20 p.m. and arrives at RDU at 7:55 p.m.

Charles B. Wheeler Downtown Airport (MKC) Turns 90

August 17 marked the 90th anniversary of the dedication of what is today known as the Charles B. Wheeler Downtown Airport. Because of its location at the confluence of the Kansas and Missouri rivers, the airport was originally called “Peninsula Field.” Charles Lindbergh dedicated the Kansas City Municipal Airport in 1927, less than three months after his historic solo crossing of the Atlantic Ocean. Today at Charles B. Wheeler Downtown Airport, up to 700 aircraft per day take off or land at the 695-acre facility – everything from single-engine propeller craft to sleek corporate jets. The facility and its control tower are open 24 hours a day and consistently rank high among private and corporate pilots for their full range of service to general aviation. Fixed-base operators Atlantic Aviation and Signature Flight Support serve nearly 300 based aircraft, as well as itinerant and charter aircraft, offering fuel, full maintenance, aircraft rentals, sales and flight training. The Kansas City Aviation Department, which owns and operates the airport, built a general aviation complex with hangars, a terminal, tie-downs and self-fuel avgas.

Kansas City International Airport to Welcome Vacation Express and Nonstop Flights to the Dominican Republic

Vacation Express will launch new nonstop charter flights between Kansas City International Airport and Punta Cana in the Dominican Republic. The new route will become Kansas City's third international route and is the first ever nonstop service between Kansas City and Punta Cana. The weekly charter flight to Punta Cana will be operated by Miami-Air International, featuring large Boeing 737-800 aircraft with 180 seats.

Terminal Development

On November 7, 2017, Kansas City, Missouri residents voted in favor of building a new single terminal at Kansas City International Airport. A Memorandum of Understanding (MOU) was finalized with Edgemoor Infrastructure and Real Estate, LLC, the developer selected through the city's procurement process. Edgemoor's preliminary design features a sleek, modern, initial design concept; and Skidmore, Owings & Merrill (SOM), an internationally known architecture firm, has incorporated elements that reflect Kansas City's cultural heritage into the preliminary design. Convenience for travelers is a major element of the design as well. The design features close-in parking, and a two-level curbside pick-up and drop-off area, which will be faster and more convenient for travelers. The waiting areas at each gate will have room for the increased number of passengers on today's planes.

The design team discussed the concepts and collected feedback from Kansas City residents and airport users through a series of design open houses in each council district during November and December. Financing for the new terminal will be paid back from airport revenues, and the city will continue to own and operate the airport. The modern and unique Kansas City, Missouri, airport is scheduled to open in 2022.

Live Burn Training at Downtown and KCI Airports

In April, the Kansas City Fire Department Aircraft Rescue & Fire Fighting (ARFF) unit conducted training at both the Charles B. Wheeler Downtown Airport and the Kansas City International Airport for its staff as well as structural units from Kansas City and the surrounding area. Recognizing its duty to protect the flying public, the Kansas City Fire Department and the Kansas City Aviation Department regularly conduct these training exercises and other training in order to maintain proficiency in the specialized tactics and equipment required to fight aircraft fires, and to ensure compliance with Federal Aviation Administration guidelines. Funded by the FAA and the Missouri Department of Transportation (MoDOT), the University of Missouri Fire and Rescue Training Institute coordinates the training exercises, which use specialized ARFF trucks as well as hoses from trucks used in structural fires to allow participants to experience aircraft firefighting both during the daytime as well as at night.

Kansas City International Airport Teams Up with Variety KC to Help Keep Disabled Parking Spaces Available

The Kansas City Aviation Department strives to make Kansas City International Airport as accessible and inclusive as possible for the disabled. To that end, it has reserved hundreds of close-in disabled parking spaces in Garage, Circle and Economy parking. The City of Kansas City, Missouri, and its Aviation Department have teamed up with Variety KC in posting supplemental signs at disabled spaces to remind drivers of the importance to reserve the spaces for those with challenges. Kansas City International Airport is the most recent area partner to support children with special needs by using the Variety KC parking signs. The signs, featuring photos of actual Variety Kids, have a gentle reminder for non-disabled drivers to “Keep It Free - Think of Me.” This effort will not only make parking easier for those who need it, it will free up KCI Airport Police by reducing the number of tickets issued.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City’s Department of Aviation for its comprehensive annual financial report for the fiscal year ended April 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The production of this report is a cooperative effort of all the divisions within the Aviation Department and, to this end, I extend my appreciation to all divisions and their respective employees. I particularly recognize the efforts of the Finance and Accounting Division employees for the preparation of this report and their endeavor to accurately portray the financial operations of this Department.

Lastly, I would like to acknowledge the support of the City of Kansas City, Missouri, its City Council, the members of the Transportation and Infrastructure Committee, and Mr. Troy Schulte, City Manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Pk Klein". The signature is written in a cursive, flowing style.

Patrick Klein
Director of Aviation



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Department of Aviation
City of Kansas City, Missouri**

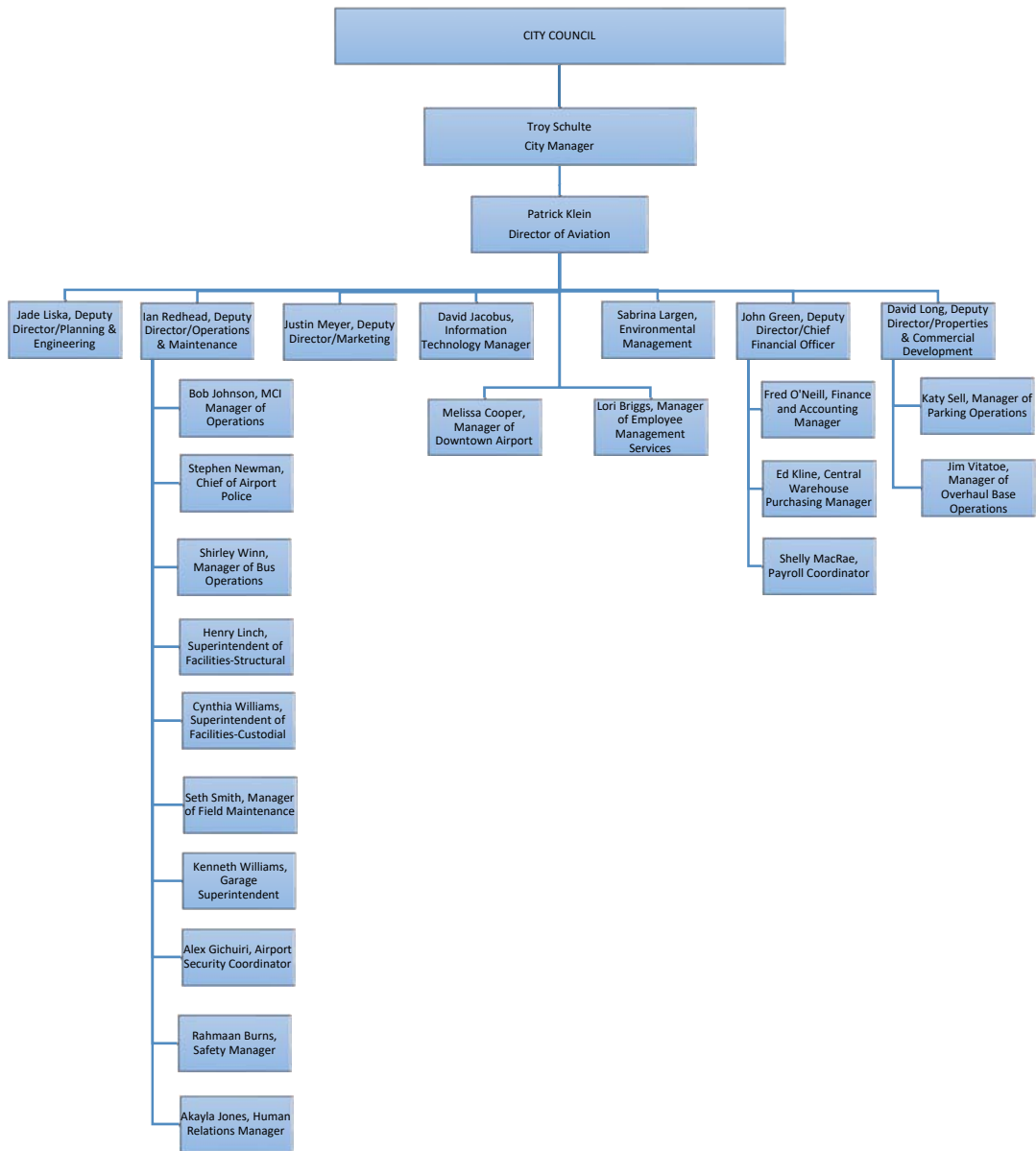
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

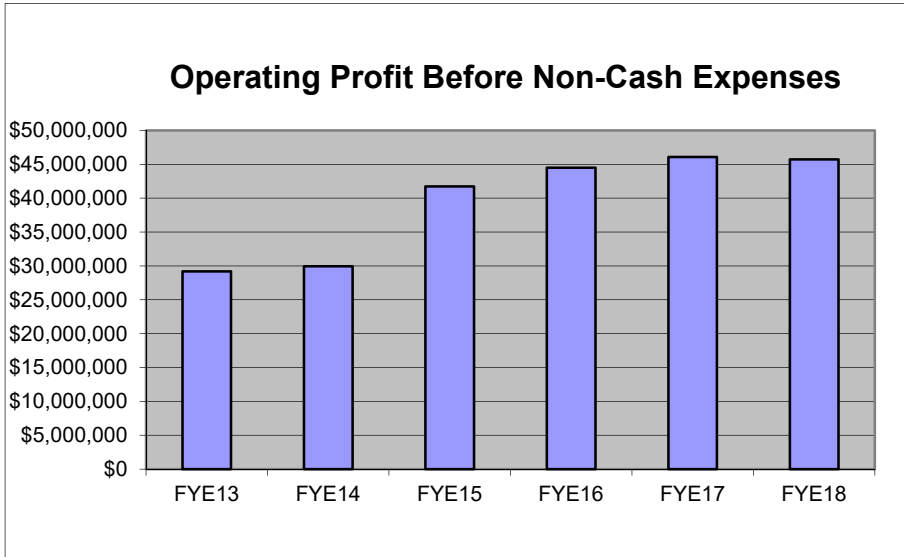
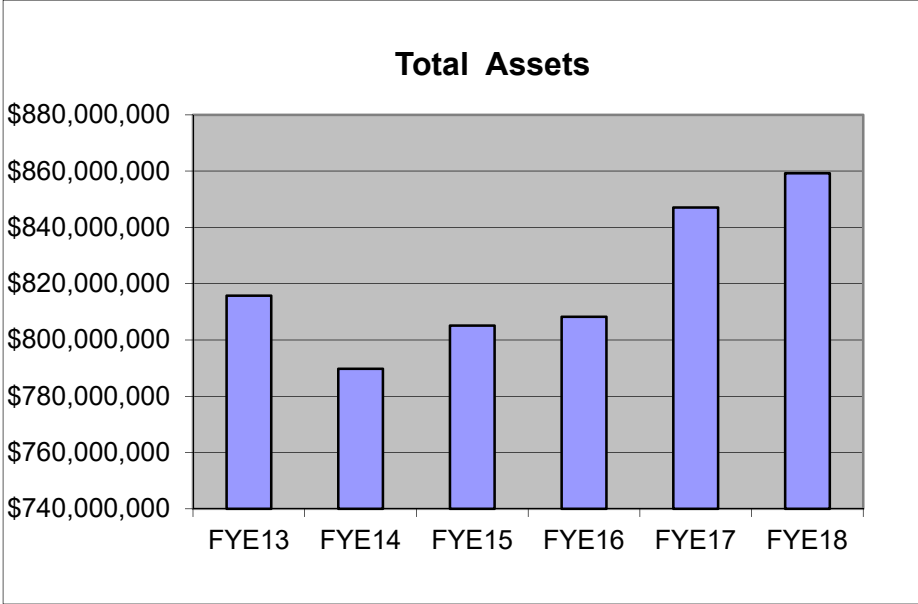
April 30, 2017

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART





A. FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

INDEPENDENT AUDITOR'S REPORT

**OPINION LETTER FROM INDEPENDENT AUDITORS REGARDING THE FINANCIAL STATEMENTS
CONTAINED IN THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NARRATIVE ANALYSIS FROM MANAGEMENT DISCUSSING THE CURRENT FISCAL YEAR ACTIVITIES
AND THE FINANCIAL STATEMENTS INCLUDED IN THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FINANCIAL STATEMENTS

**COMPARATIVE FINANCIAL REPORTS FOR THE CURRENT AND PRIOR FISCAL YEARS, INCLUDING THE
STATEMENTS OF NET POSITION; STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION AND STATEMENTS OF CASH FLOWS**

NOTES TO THE FINANCIAL STATEMENTS

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION CONCERNING THE
DATA REFLECTED IN THE FINANCIAL STATEMENTS**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Independent Auditor's Report

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

We have audited the accompanying financial statements of the City of Kansas City, Missouri Airports Fund, an enterprise fund of the City of Kansas City, Missouri, (the Fund), as of and for the years ended April 30, 2018 and 2017, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Kansas City, Missouri Airports Fund (an enterprise fund of the City of Kansas City, Missouri) as of April 30, 2018 and 2017, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City of Kansas City, Missouri as of April 30, 2018 and 2017, and the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

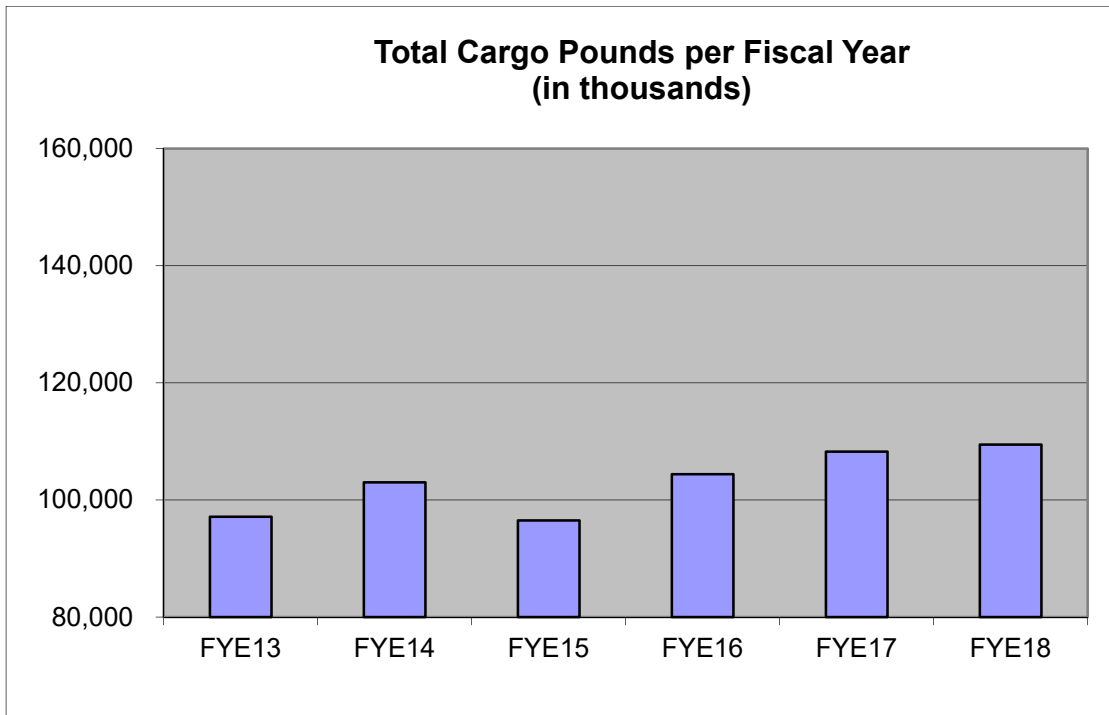
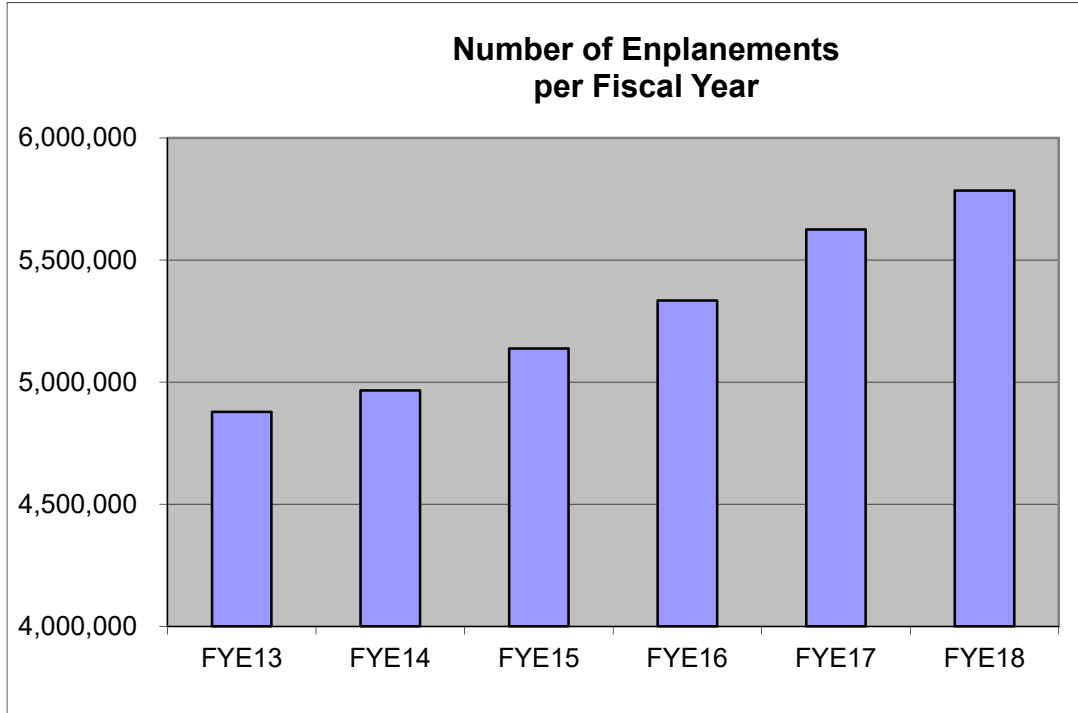
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, and other postemployment benefits listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Kansas City, Missouri
October 26, 2018



City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

Years Ended April 30, 2018 and 2017

This Management's Discussion and Analysis (MD&A) of the City of Kansas City, Missouri Aviation Department (the Department) provides an introduction and overview of the Department's financial statements and activities for the fiscal years ended April 30, 2018 (FYE18) and April 30, 2017 (FYE17). The Kansas City Airports Fund is an enterprise fund of the City of Kansas City, Missouri, (the City) and is supported wholly by airport user charges. No general tax fund revenues are used for the administration, promotion, operation or maintenance of the airports in the system. The Department is charged with the responsibility to operate and maintain the City's two airports: the Kansas City International Airport (MCI) and the Charles B. Wheeler Downtown Airport (MKC).

The information contained herein should be considered in conjunction with the financial statements and notes in order to provide a complete understanding of the financial performance and activities this past year. The City combines the financial operations of the City's two airports into one set of financial statements for the entire Department. Approximations are used throughout this MD&A in describing fluctuations between fiscal years and may not equal actual differences.

AIRPORT ACTIVITIES AND HIGHLIGHTS

One of the Department's leading activity indicators, passenger enplanements, increased by 2.8 percent in FYE18. This increase is largely attributable to the general increase in economic activity. In FYE17, passenger enplanements increased by 5.4 percent.

The Department's other leading activity indicator, aircraft landed weight, increased modestly in FYE18 after increasing 9.0 percent in FYE17. This increase is primarily due to increased activity.

To a lesser extent, enplaned cargo is also used as an indicator of the Department's activity. Enplaned cargo increased by 1.1 percent in FYE18 after increasing by 3.7 percent in FYE17.

Activity indicators for the past three fiscal years are as follows:

	April 30,		
	2018	2017	2016
Enplanements	5,784,629	5,624,895	5,334,342
Landed Weight (000 lbs.)	7,171,017	7,150,539	6,559,121
Enplaned Cargo (000 lbs.)	109,451	108,235	104,378

OVERVIEW OF THE FINANCIAL STATEMENTS

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

City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

Years Ended April 30, 2018 and 2017

The statements of net position compare the Department's assets and deferred outflows of resources to the Department's liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Department's financial position.

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

The statements of cash flows present the change in the Department's cash and cash equivalents during each fiscal year. This information can assist the user of the report in determining how the Department financed its activities and how it met its cash needs.

The notes to the financial statements provide additional information that is essential to a full understanding of the data in the statements and can be found beginning on page A-21 of this report.

FINANCIAL POSITION AND ASSESSMENT

SUMMARY OF STATEMENTS OF NET POSITION

As noted earlier, net position may serve over time as a useful indicator of the Department's financial position. During FYE18, the Department's net position increased by approximately \$36.4 million with total operating revenue increasing by approximately \$1.9 million and total non-operating revenue decreasing by \$0.2 million. During FYE17, the Department's net position increased by approximately \$39.7 million with total operating revenue increasing by approximately \$4.7 million and total non-operating revenue decreasing by approximately \$1.3 million.

City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

Years Ended April 30, 2018 and 2017

A condensed summary of the Department's net position for the last three fiscal years is presented below (in thousands):

	April 30,		
	2018	2017	2016
Assets			
Current and Other Assets	\$ 268,389	\$ 279,634	\$ 258,564
Capital Assets, Net	<u>579,280</u>	<u>550,060</u>	<u>545,163</u>
Total Assets	<u>847,669</u>	<u>829,694</u>	<u>803,727</u>
Deferred Outflows of Resources			
	<u>11,550</u>	<u>17,353</u>	<u>4,509</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 859,219</u>	<u>\$ 847,047</u>	<u>\$ 808,236</u>
Liabilities			
Current and Other Liabilities	\$ 56,392	\$ 49,848	\$ 38,677
Long-Term Liabilities	<u>166,181</u>	<u>196,753</u>	<u>207,676</u>
Total Liabilities	<u>222,573</u>	<u>246,601</u>	<u>246,353</u>
Deferred Inflows of Resources			
	<u>516</u>	<u>743</u>	<u>1,833</u>
Net Position			
Net Investment in Capital Assets	414,921	365,100	335,501
Restricted	129,865	138,077	122,638
Unrestricted	<u>91,344</u>	<u>96,526</u>	<u>101,911</u>
Total Net Position	<u>636,130</u>	<u>599,703</u>	<u>560,050</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 859,219</u>	<u>\$ 847,047</u>	<u>\$ 808,236</u>

Net investment in capital assets was approximately 65.2 percent of the Department's net position at April 30, 2018 and 60.9 percent at April 30, 2017. This represents the Department's investment in capital assets less the related indebtedness outstanding used to acquire those assets. The Department uses these capital assets to provide services to its customers and consequently these assets are not available for future spending. Although the Department's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since it is unlikely that the capital assets will be liquidated to pay liabilities.

An additional portion of the Department's net position (approximately 20.4 percent and 23.0 percent of the Department's total net position at April 30, 2018 and 2017, respectively) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position (approximately 14.4 percent and 16.1 percent of the Department's net position at April 30, 2018 and 2017, respectively) is considered unrestricted and is available for the ongoing needs of the Department.

City of Kansas City, Missouri Department of Aviation
Management's Discussion and Analysis
Years Ended April 30, 2018 and 2017

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

In Fiscal Year 2018, Transportation Facility Charge revenue and related expense were reclassified from operating to non-operating revenue and expense; Fiscal Years 2017 and 2016 have been restated for comparison purposes.

A summary of revenues and expenses and changes in net position for the past three fiscal years is as follows (in thousands):

	April 30,		
	2018	2017	2016
Operating Revenues	\$ 128,276	\$ 126,423	\$ 121,733
Operating Expenses	<u>82,556</u>	<u>80,342</u>	<u>77,248</u>
Operating Income Before Noncash Operating Expenses	<u>45,720</u>	<u>46,081</u>	<u>44,485</u>
Noncash Operating Expenses			
Depreciation/Amortization	<u>51,940</u>	<u>51,384</u>	<u>52,271</u>
Operating Loss	<u>(6,220)</u>	<u>(5,303)</u>	<u>(7,786)</u>
Nonoperating Revenue			
Earnings Cash/Investments	647	1,355	1,601
Passenger Facility Charge	22,179	21,672	20,698
Customer Facility Charge	7,059	7,009	7,013
Transportation Facility Charge	5,547	5,514	5,517
Operating Grant Revenue	221	222	212
Other	<u>1,072</u>	<u>1,191</u>	<u>657</u>
Total Nonoperating Revenue	36,725	36,963	35,698
Nonoperating Expense			
Interest	4,833	6,538	7,704
Other	<u>8,080</u>	<u>6,730</u>	<u>5,443</u>
Total Nonoperating Expense	<u>12,913</u>	<u>13,268</u>	<u>13,147</u>
Nonoperating Income	23,812	23,695	22,551
Gain Before Capital Contributions	17,592	18,392	14,765
Capital Contributions	<u>18,835</u>	<u>21,261</u>	<u>14,055</u>
Increase in Net Position	36,427	39,653	28,820
Net Position, Beginning of Year	<u>599,703</u>	<u>560,050</u>	<u>531,230</u>
Net Position, End of Year	<u>\$ 636,130</u>	<u>\$ 599,703</u>	<u>\$ 560,050</u>

City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

Years Ended April 30, 2018 and 2017

As noted previously, net position increased in FYE18 by approximately \$36.4 million. Operating revenues increased by approximately \$1.9 million while operating expenses, excluding depreciation and amortization, increased by approximately \$2.2 million. A more complete analysis of the Department's operating revenues and expenses is included below. Depreciation and amortization increased by \$0.6 million from prior year. The Department's total operating loss increased by \$0.9 million, or 17.5 percent from FYE17.

Non-operating revenue decreased by approximately \$0.2 million in FY18. Non-operating expenses decreased by approximately \$0.4 million comprised of a \$1.7 million reduction in interest expense (please refer to Note 8 for more details) offset with a \$1.3 million increase in other non-operating expenses for bad debt expense, settlement of claims, and refund of unexpended tax credit proceeds from MDFB. Capital contributions for the year decreased by approximately \$2.4 million from FYE17.

In FYE17, net position increased by approximately \$39.7 million. Operating revenues increased by approximately \$4.7 million and operating expenses, excluding depreciation and amortization, increased by approximately \$3.1 million resulting in an increase in operating income before non-cash operating expenses of approximately \$1.6 million. Depreciation and Amortization decreased by \$0.9 million from prior year. The Department's total operating loss decreased by \$2.5 million or 31.9 percent from FYE16.

FYE17 non-operating revenue increased by approximately \$1.3 million from the previous year. Non-operating expenses increased by approximately \$0.1 million from FY16 comprised of a \$1.2 million reduction in interest expense (please refer to Note 8 for more details) and a \$1.3 million increase in other non-operating expenses for bad debt expense, settlement of claims, and contributions for construction. Capital contributions for the year increased by approximately \$7.2 million from FYE16.

SUMMARY OF OPERATING REVENUES

In order to understand the revenues presented in this Report, an overview of the Airline Use and Lease Agreement (the Agreement) is required to enhance the readers' knowledge of the information presented.

The current three-year Agreement runs through April 30, 2020. The Agreement utilizes the following four airline-specific cost centers: 1) airfield, 2) passenger boarding bridges, 3) terminal aprons and 4) terminal building. Airlines that have executed an agreement with the airport are referred to as signatory airlines. Airlines using the airport without an executed agreement are referred to as non-signatory airlines.

The Agreement cost centers are used to identify and reallocate airline-specific expenses related to the leased premises, operations, facilities or functions conducted at the airport by signatory airlines. These cost center expenses are the basis for determining the rate charged to each signatory airline. All non-signatory airlines pay 125 percent of the signatory airline rate. In exchange for this higher rate, non-signatory airlines are not subject to the same terms and conditions as signatory airlines.

City of Kansas City, Missouri Department of Aviation
Management's Discussion and Analysis
Years Ended April 30, 2018 and 2017

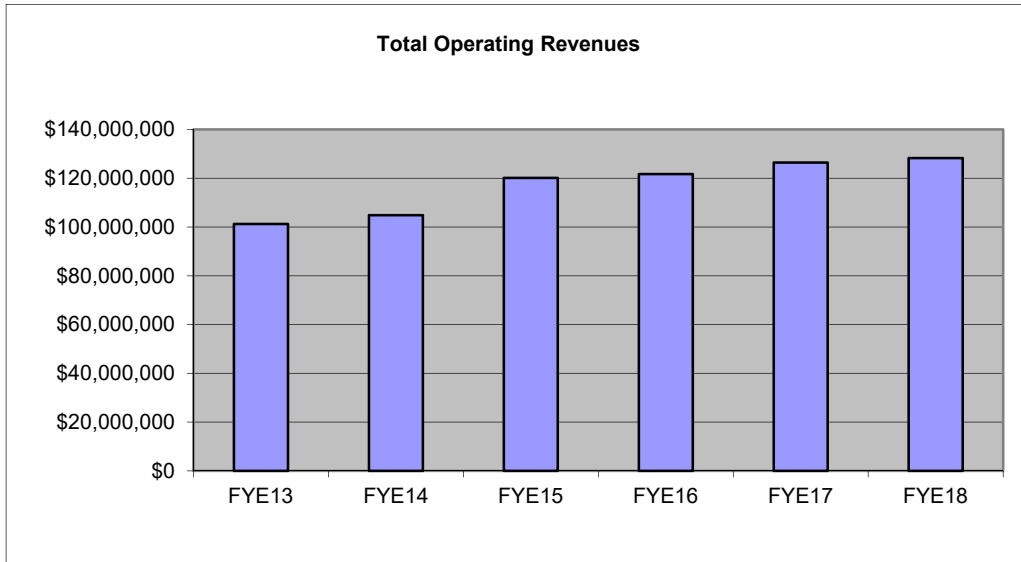
There is a maximum of three calculations performed under the terms and conditions of the Agreement: 1) budgetary calculation, 2) mid-year budgetary adjustment and 3) settlement. Before the start of every fiscal year, a budget is adopted for the operation of the airport. Based on this adopted budget, rates are calculated for each agreement cost center and used for billing the airlines for their airport operations. As the year progresses, the actual results are monitored and compared to the adopted budget. If there is a significant change in circumstances from the adopted budget, a mid-year budgetary adjustment is performed and the cost center rates are adjusted to reflect the change in circumstances. After the year is completed, a settlement is performed to “true-up” the signatory airline rates to reflect the actual operating costs of each agreement cost center. There is no settlement calculation performed for the non-signatory airlines.

Operating revenues for FYE18, FYE17 and FYE16 are itemized as follows (in thousands):

	April 30,		
	2018	2017	2016
Terminal Fees			
Terminal Floor Space	\$ 14,603	\$ 13,500	\$ 14,004
Apron	2,455	2,512	2,497
Passenger Boarding Bridges	2,198	2,326	1,722
Total Terminal Fees	<u>19,256</u>	<u>18,338</u>	<u>18,223</u>
Airfield Fees			
Landing Fees	21,236	20,601	18,483
Fuel Flowage Fees	553	491	537
Total Airfield Fees	<u>21,789</u>	<u>21,092</u>	<u>19,020</u>
Parking			
Parking	55,630	55,426	52,579
Total Parking Fees	<u>55,630</u>	<u>55,426</u>	<u>52,579</u>
Property Rental			
	13,048	14,241	14,553
Rental Car Fees			
Property Rental	707	690	674
Concession	10,991	10,332	10,790
Total Rental Car Fees	<u>11,698</u>	<u>11,022</u>	<u>11,464</u>
Concessions			
Food and Beverage	2,973	2,816	2,556
News, Gifts and Merchandise	1,044	1,002	1,024
Other	670	666	721
In-Flight Food Service	-	1	4
Total Concessions Fees	<u>4,687</u>	<u>4,485</u>	<u>4,305</u>
Other Operating Revenues			
	<u>2,168</u>	<u>1,819</u>	<u>1,589</u>
Total Operating Revenues	<u>\$ 128,276</u>	<u>\$ 126,423</u>	<u>\$ 121,733</u>

Total operating revenues increased during FYE18 by approximately \$1.9 million, or 1.5 percent. In FYE17, operating revenues increased from the previous year by approximately \$4.7 million, or 3.9 percent.

City of Kansas City, Missouri Department of Aviation
Management's Discussion and Analysis
Years Ended April 30, 2018 and 2017



Revenue from Terminal Fees increased in FYE18 by \$0.9 million due to a slight increase in the terminal rental rate from prior year. Revenue from Terminal Fees in FYE17 stayed relatively flat from the prior year as there was no change in the Use & Lease Agreement fees and the terminal spaces leased by the airlines did not change.

Revenue from the airfield cost center stayed relatively flat from prior year increasing by only \$0.7 million in FYE18. Revenue from the airfield cost center increased by \$2.1 million in FYE17 due to an increase in reimbursable equipment and O&M expenses.

Parking revenue, which is a key revenue source for Kansas City International Airport, stayed relatively flat in FYE18 increasing by only \$0.2 million, or 0.4 percent. In FYE17, parking revenue increased by \$2.8 million, or 5.4 percent. This increase was the combined result of passenger growth and rate increases during the year.

Rental car fees increased by \$0.7 million, or 6.1 percent, during FYE18 primarily due to an increase in rental rates the agencies were charging and a modest increase in activity. Rental car fees decreased by \$0.4 million, or 3.9 percent, during FYE17 due to a decrease in the rental rates agencies were charging.

Concession fee revenue increased in FYE18 by \$0.2 million, or 4.5 percent. This increase is the result of increased passenger traffic as well as improved concession offerings inside the secured areas of the terminal. In FYE17, concession fee revenue increased by \$0.2 million, or 4.2 percent from the prior year.

City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

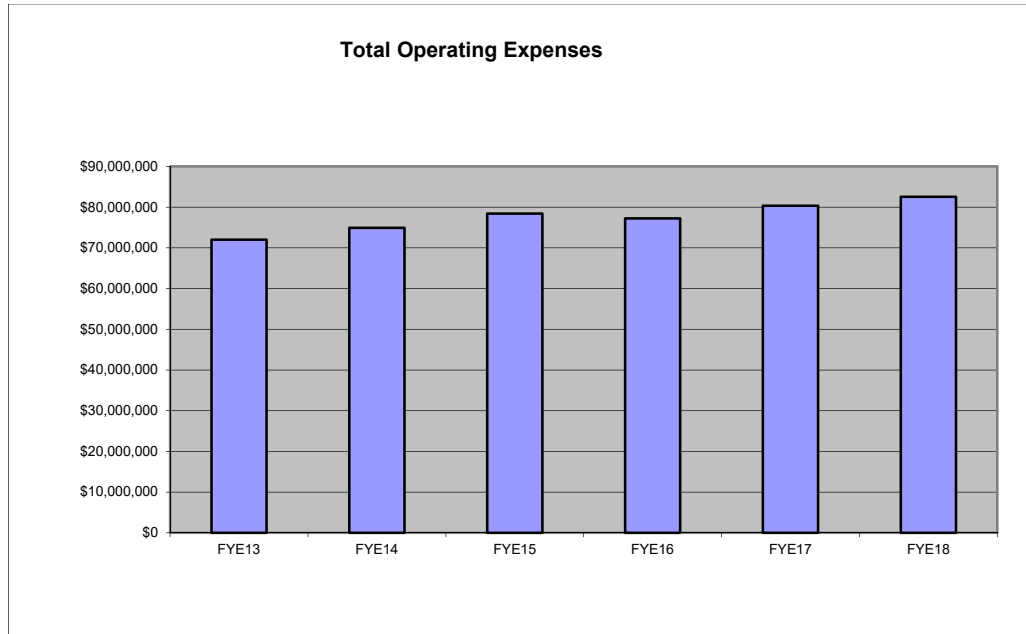
Years Ended April 30, 2018 and 2017

Property rental revenue decreased by \$1.2 million, or 8.4 percent, in FYE18. This decrease is the result of downsizing tenant rental space along with a reduction in reimbursements for tenant improvements. In FYE17, property rental revenue decreased by \$0.3 million, or 2.1 percent, from the prior year.

SUMMARY OF OPERATING EXPENSES

Operating expenses in FYE18 increased approximately \$2.2 million, or 2.8 percent, from the previous year. Salaries, wages and employee benefits increased by approximately \$1.5 million, or 4.5 percent, comprised of slight increases in wages and medical insurance costs combined with a \$1.1 million increase in pension costs. Contractual services stayed relatively flat from the prior year, decreasing by approximately \$0.05 million, or 0.1 percent. Commodities expense increased by approximately \$0.8 million, or 15.8 percent, mainly due to an increase in building and vehicle maintenance costs.

Operating expenses in FYE17 increased approximately \$3.1 million, or 4.0 percent, from the previous year. Salaries, wages and employee benefits increased by approximately \$4.0 million, or 13.6 percent, comprised of slight increases in wages and medical insurance costs combined with a \$2.7 million increase in pension costs. Contractual services decreased by approximately \$1.1 million, or 2.6 percent. This decrease is comprised of increases in management fees and maintenance costs offset by a \$2.8 million decrease in utility costs. Commodities expense increased by approximately \$0.2 million, or 4.9 percent, mainly due to an increase in inventory of deicing chemicals.



City of Kansas City, Missouri Department of Aviation
Management's Discussion and Analysis
Years Ended April 30, 2018 and 2017

Operating expenses, excluding depreciation and amortization, for the past three fiscal years are itemized as follows (in thousands):

	April 30,		
	2018	2017	2016
Salaries, Wages and Benefits	\$ 35,043	\$ 33,534	\$ 29,512
Contractual Services	41,954	42,006	43,157
Commodities	5,559	4,802	4,579
Total	<u>\$ 82,556</u>	<u>\$ 80,342</u>	<u>\$ 77,248</u>

AIRLINE RATES AND CHARGES

Airline rates and charges (R&Cs) represent the fees received by the Department from the airlines for their use of the airport's facilities and for the privilege of operating at Kansas City International Airport. The calculation of the R&Cs is based on the provisions of the Airline Use and Lease Agreement (the Agreement). It is important to maintain low airline rates and charges in order to remain cost-competitive.

The current Agreement was negotiated between the City and the airlines during fiscal year 2017 and runs through April 30, 2020. R&Cs are determined for each year using budgeted amounts. After six months, the R&Cs may be amended to conform to year-to-date actual.

At the end of each fiscal year, settlement R&Cs are calculated based on actual amounts and additional payments may be paid to or received from the signatory airlines.

The rates and charges settlement rates billed to the airlines for the last three fiscal years are as follows:

	April 30,		
	2018 ⁽⁴⁾	2017 ⁽¹⁾	2016 ⁽¹⁾
Signatory Landing Fee ⁽²⁾	\$2.94	\$2.79	\$2.77
Terminal Rental Rate	\$57.12/sf	\$57.07/sf	\$55.85/sf
Terminal Apron Rental	\$404.06/lf	\$399.84/lf	\$367.73/lf
Passenger Boarding Bridge ⁽³⁾	\$5,961/mo	\$6,636/mo	\$4,587/mo

⁽¹⁾ actual settlement rates

⁽²⁾ per 1,000 lbs. of aircraft landed weight

⁽³⁾ per boarding bridge

⁽⁴⁾ projected settlement rates

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

City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

Years Ended April 30, 2018 and 2017

PASSENGER FACILITY CHARGES

Passenger Facility Charges (PFCs) are fees authorized by the Federal Aviation Administration that are charged to enplaning passengers. The fees are used to finance eligible airport-related projects. Kansas City International Airport is currently authorized at \$480.8 million with the current fee set at \$4.50 per enplaned passenger. In FYE18, PFC revenue increased by approximately \$0.5 million. In FYE17, PFC revenue increased by approximately \$1.0 million. (Please see Note 11 and the Compliance Section of this report for additional details.) Historical PFC revenue on an accrual basis for the last three fiscal years is as follows:

	April 30,		
	2018	2017	2016
Passenger Facility Charge	\$ 22,178,778	\$ 21,672,476	\$ 20,698,155

CUSTOMER FACILITY CHARGES

A Customer Facility Charge (CFC) of \$3.00 per transaction day on rental cars was implemented on January 1, 2001 to fund the debt service associated with the design, engineering and construction of the consolidated rental car facility. In FYE18, CFC revenue increased slightly by only 0.7 percent. In FYE17, CFC revenue remained relatively flat with only a slight decrease from the prior year. CFC revenue generally increases or decreases with passenger enplanements. CFC revenue earned for the last three fiscal years is as follows:

	April 30,		
	2018	2017	2016
Customer Facility Charge	\$ 7,059,252	\$ 7,008,786	\$ 7,012,830

CAPITAL CONTRIBUTIONS

Receipts from capital grants during the last three fiscal years are as follows:

	April 30,		
	2018	2017	2016
AIP 3-29-0041-23	\$ -	\$ 5,211	\$ 686,102
AIP 3-29-0041-26	-	(50)	479,158
AIP 3-29-0040-66	-	-	75,904
AIP 3-29-0040-71	288,620	1,070,438	12,568,605
AIP 3-29-0040-72	2,230,098	16,996,565	245,678
AIP 3-29-0040-74	14,889,805	3,188,800	-
AIP 3-29-0040-75	1,426,690	-	-
Total Contributions	\$ 18,835,213	\$ 21,260,964	\$ 14,055,447

Capital contributions and capital grant revenue decreased approximately \$2.4 million, or 11.4 percent, in FYE18 compared to the \$7.2 million increase in FYE17. Capital grants are reimbursement grants and increase or decrease based in part on the amount of eligible grant activity during the year. Capital improvement projects funded by grants in FY18 included mainly taxiway and runway rehabilitation at Kansas City International Airport.

City of Kansas City, Missouri Department of Aviation

Management's Discussion and Analysis

Years Ended April 30, 2018 and 2017

CAPITAL ASSETS

Net capital assets increased in FYE18 by \$29.2 million comprising an \$80.4 million increase in capital assets, net of \$51.2 million in depreciation on capital assets. Capital assets purchased or constructed in FYE18 include a maintenance building at CBW Downtown Airport, KCAD Facilities Shop Complex, taxiway rehabilitation, runway reconstruction, airport facility upgrades, and capital equipment purchases.

Net capital assets increased in FYE17 by \$4.9 million comprising a \$52.0 million increase in capital assets, net of \$47.1 million in depreciation on capital assets. Capital assets purchased or constructed in FYE17 include taxiway rehabilitation, runway reconstruction, airport facility upgrades, and capital equipment purchases.

For further information on capital asset activity, please refer to Note 5 in the Notes to Financial Statements.

DEBT ADMINISTRATION

Total debt outstanding at the conclusion of FYE18 was approximately \$147.1 million, a \$24.7 million decrease from the previous year. This decrease is due to the normal payment of debt service obligations during the year.

Total debt outstanding at the conclusion of FYE17 was approximately \$171.8 million, a \$23.5 million decrease from the previous year. This decrease is due to the normal payment of debt service obligations during the year. During fiscal year 2017, the Department's credit rating was upgraded by Moody's from A2 to A1 on the senior bonds, and from A3 to A2 on the subordinate bonds.

The Department had the following additions and deductions from the interest paid on its outstanding bonds for the last three fiscal years.

	April 30,		
	2018	2017	2016
Interest Paid	\$ 8,105,098	\$ 9,314,785	\$ 10,416,659
Interest Capitalized	(999,973)	(516,409)	(477,806)
Accrued Interest	(207,146)	(196,083)	(171,208)
Amortized Loss	168,185	168,185	168,185
Amortized Gain	(139,424)	(139,424)	(139,424)
Amortized Bond Discount	7,610	7,610	7,610
Amortized Premium	(2,101,132)	(2,101,132)	(2,101,131)
Fiscal Agent Fees Paid	318	668	993
Interest Expense	<u>\$ 4,833,536</u>	<u>\$ 6,538,200</u>	<u>\$ 7,703,878</u>

For further information on long-term debt activity, please refer to Note 8 in the Notes to Financial Statements.

City of Kansas City, Missouri Department of Aviation
Management's Discussion and Analysis
Years Ended April 30, 2018 and 2017

REQUEST FOR INFORMATION

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

This report is respectfully submitted by:



John Green, CPA
Aviation Department
Chief Financial Officer

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City of Kansas City, Missouri Department of Aviation
Statements of Net Position
April 30, 2018 and 2017

Assets and Deferred Outflows of Resources

	<u>2018</u>	<u>2017</u>
Current assets		
Unrestricted assets		
Cash and cash equivalents	\$ 2,655,609	\$ 4,907,489
Investments	11,414,458	9,404,569
Accounts receivable	8,410,392	6,960,309
Allowance for doubtful accounts	(1,146,713)	(791,056)
Grants receivable	4,804,972	3,105,187
Due from other City funds	-	3,042,055
Interest receivable	360,715	312,849
Prepaid insurance and other assets	1,018,302	1,106,224
Inventories	831,426	752,895
Total unrestricted assets	<u>28,349,161</u>	<u>28,800,521</u>
Restricted assets		
Cash and cash equivalents	4,164,367	6,537,905
Investments	14,249,175	11,965,955
Accounts receivable	3,170,092	3,941,569
Interest receivable	453,265	398,916
Total restricted assets	<u>22,036,899</u>	<u>22,844,345</u>
Total current assets	<u>50,386,060</u>	<u>51,644,866</u>
Noncurrent assets		
Investments		
Unrestricted	106,149,646	109,538,232
Restricted	111,289,458	117,741,528
Total investments	<u>217,439,104</u>	<u>227,279,760</u>
Capital assets		
Land	36,319,171	36,319,171
Construction in progress	63,846,599	20,714,292
Buildings, infrastructure and equipment	1,503,815,661	1,466,509,182
	<u>1,603,981,431</u>	<u>1,523,542,645</u>
Accumulated depreciation	(1,024,701,195)	(973,482,588)
Total capital assets	<u>579,280,236</u>	<u>550,060,057</u>
Unrestricted accounts receivable		
Unrestricted accounts receivable	1,333,331	1,616,789
Allowance for doubtful accounts	(832,859)	(996,676)
Total unrestricted accounts receivable	<u>500,472</u>	<u>620,113</u>
Prepaid bond insurance, net of accumulated amortization	62,261	89,569
Total noncurrent assets	<u>797,282,073</u>	<u>778,049,499</u>
Total assets	<u>847,668,133</u>	<u>829,694,365</u>
Deferred outflows of resources	<u>11,550,469</u>	<u>17,352,898</u>
Total assets and deferred outflows of resources	<u>\$ 859,218,602</u>	<u>\$ 847,047,263</u>

City of Kansas City, Missouri Department of Aviation
Statements of Net Position (Continued)
April 30, 2018 and 2017

Liabilities, Deferred Inflows of Resources and Net Position

	<u>2018</u>	<u>2017</u>
Current liabilities		
Payable from unrestricted assets		
Accounts and retainages payable	\$ 14,240,468	\$ 16,729,367
Accrued payroll, vacation and sick leave	2,089,940	1,838,636
Security deposits	296,650	244,251
Prepaid lease revenue	2,634,142	2,360,797
Other accrued expenses	208,333	312,500
Accrued claims liability	849,307	871,493
Total current liabilities payable from unrestricted assets	<u>20,318,840</u>	<u>22,357,044</u>
Payable from restricted assets		
Accounts and retainages payable	8,541,269	1,007,640
Matured bonds and coupons	289,127	289,127
Accrued interest and fiscal agent fees	1,247,277	1,454,423
Bonds payable, current portion	25,995,000	24,740,000
Total current liabilities payable from restricted assets	<u>36,072,673</u>	<u>27,491,190</u>
Total current liabilities	<u>56,391,513</u>	<u>49,848,234</u>
Noncurrent liabilities		
Accrued payroll, vacation and sick leave	1,976,283	1,938,616
Pension liability	25,405,080	28,090,030
Other postemployment benefits obligation	5,162,696	5,144,308
Accrued claims liability	2,808,203	2,453,275
Other accrued expenses	-	208,333
Bonds payable, net of current portion	130,829,157	158,917,677
Total noncurrent liabilities	<u>166,181,419</u>	<u>196,752,239</u>
Total liabilities	<u>222,572,932</u>	<u>246,600,473</u>
Deferred inflows of resources	<u>515,861</u>	<u>743,376</u>
Net position		
Net investment in capital assets	<u>414,921,063</u>	<u>365,100,575</u>
Restricted		
Principal and interest	40,617,767	39,779,600
Airline operations and maintenance reserve	12,409,000	11,992,000
Reserve for law enforcement	269,572	246,526
Reserves for construction and debt service	73,676,227	82,772,840
Other restricted net position	2,892,552	3,285,876
Total restricted net position	<u>129,865,118</u>	<u>138,076,842</u>
Unrestricted	<u>91,343,628</u>	<u>96,525,997</u>
Total net position	<u>636,129,809</u>	<u>599,703,414</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 859,218,602</u>	<u>\$ 847,047,263</u>

City of Kansas City, Missouri Department of Aviation
Statements of Revenues, Expenses and Changes in Net Position
Years Ended April 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Terminal and aprons	\$ 19,255,527	\$ 18,337,878
Airfield	21,789,119	21,092,117
Parking	55,630,039	55,425,436
Rental car	11,697,520	11,022,127
Concessions	4,687,281	4,485,030
Property rental	13,048,179	14,241,144
Other	2,168,112	1,819,298
	<u>128,275,777</u>	<u>126,423,030</u>
Operating Expenses		
Salaries, wages and employee benefits	35,043,425	33,534,185
Contractual services	41,953,823	42,005,276
Commodities	5,558,691	4,802,425
	<u>82,555,939</u>	<u>80,341,886</u>
	<u>45,719,838</u>	<u>46,081,144</u>
Operating Income Before Noncash Operating Expense		
Noncash Operating Expense		
Depreciation	51,912,774	51,356,406
Amortization	27,308	27,308
	<u>51,940,082</u>	<u>51,383,714</u>
Total Operating Loss	<u>(6,220,244)</u>	<u>(5,302,570)</u>
Nonoperating Revenues		
Earnings on cash and investments	646,802	1,355,001
Passenger facility charge	22,178,778	21,672,476
Customer facility charge	7,059,252	7,008,786
Transportation facility charge	5,546,800	5,513,578
Operating grant revenue	220,963	222,402
Other	1,072,057	1,191,130
	<u>36,724,652</u>	<u>36,963,373</u>
Nonoperating Expenses		
Interest	4,833,536	6,538,200
Other	8,079,690	6,731,056
	<u>12,913,226</u>	<u>13,269,256</u>
	<u>23,811,426</u>	<u>23,694,117</u>
Income Before Capital Contributions	17,591,182	18,391,547
Capital Contributions	18,835,213	21,260,964
Change in Net Position	<u>36,426,395</u>	<u>39,652,511</u>
Net Position, Beginning of Year	<u>599,703,414</u>	<u>560,050,903</u>
Net Position, End of Year	<u>\$ 636,129,809</u>	<u>\$ 599,703,414</u>

City of Kansas City, Missouri Department of Aviation
Statements of Cash Flows
Years Ended April 30, 2018 and 2017

	2018	2017
Operating Activities		
Cash received from customers	\$ 124,922,924	\$ 124,768,975
Cash paid to employees, including benefits	(31,874,863)	(31,581,793)
Cash paid to suppliers	(48,063,938)	(35,138,121)
Cash paid for interfund services	(8,279,213)	(7,884,135)
Net cash provided by operating activities	36,704,910	50,164,926
Noncapital Financing Activities		
Operating grants	220,963	222,402
Payments received on loan to general fund	3,042,055	1,454,053
Transportation facility charges	5,546,800	5,513,578
Payment of transportation facility charges to third party	(5,546,800)	(5,513,578)
Net cash provided by noncapital financing activities	3,263,018	1,676,455
Capital and Related Financing Activities		
Capital grants	17,135,428	19,211,595
Proceeds from sale of capital assets	80,430	107,230
Purchase of capital assets	(4,049,626)	(5,268,050)
Construction of capital assets	(61,865,854)	(44,082,770)
Principal paid on capital debt	(24,740,000)	(23,530,000)
Interest paid on capital debt	(8,105,096)	(9,314,784)
Fiscal agent fees	(318)	(668)
Community improvement district collections	719,190	630,748
Passenger facility charges	23,081,114	21,672,476
Customer facility charges	7,059,252	7,008,786
Net cash used in capital and related financing activities	(50,685,480)	(33,565,437)
Investing Activities		
Investment purchases	(98,666,369)	(185,072,615)
Investment maturities and sales	101,870,171	173,137,081
Interest received on investments	2,888,332	2,116,187
Net cash provided by (used in) investing activities	6,092,134	(9,819,347)
Increase (Decrease) in Cash and Cash Equivalents	(4,625,418)	8,456,597
Cash and Cash Equivalents, Beginning of Year	11,445,394	2,988,797
Cash and Cash Equivalents, End of Year	\$ 6,819,976	\$ 11,445,394
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents		
Unrestricted	\$ 2,655,609	\$ 4,907,489
Restricted	4,164,367	6,537,905
Total cash and cash equivalents	\$ 6,819,976	\$ 11,445,394

City of Kansas City, Missouri Department of Aviation
Statements of Cash Flows (Continued)
Years Ended April 30, 2018 and 2017

	2018	2017
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities		
Operating loss	\$ (6,220,244)	\$ (5,302,570)
Depreciation and amortization expense	51,940,082	51,383,714
Changes in operating assets, deferred outflows of resources, operating liabilities and deferred inflows of resources		
Receivables, net	(3,366,097)	(985,380)
Prepaid insurance and other	87,922	(478,032)
Inventories	(78,531)	(54,277)
Accounts payable	(9,485,270)	3,575,571
Accrued payroll, vacation and sick leave	288,971	30,527
Security deposits	52,399	28,666
Pension liability	(2,684,950)	15,856,971
Prepaid lease revenue	273,345	(384,841)
Accrued claims liability	332,742	429,683
Deferred outflows of resources - pensions	5,634,244	-
Deferred inflows of resources - pensions	(88,091)	(13,962,434)
Other assets and liabilities	18,388	27,328
Net cash provided by operating activities	\$ 36,704,910	\$ 50,164,926
Supplemental Cash Flows Information		
Decrease in fair value of investments	\$ (2,343,745)	\$ (972,533)
Accounts payable incurred for the purchase of capital assets	17,114,336	10,218,010
Capital assets sold in exchange for long-term receivable	-	362,200

City of Kansas City, Missouri Department of Aviation

Notes to Financial Statements

April 30, 2018 and 2017

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

The Kansas City Airports Fund (the Fund, also referred to as City of Kansas City, Missouri Department of Aviation) is an enterprise fund of the City of Kansas City, Missouri (the City). The Fund is utilized to account for the operations of the City's two airports, the Kansas City International Airport (MCI) and the Charles B. Wheeler Downtown Airport (MKC).

The financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City and the changes in its financial position and, where applicable, cash flows thereof for the years ended, in conformity with U.S. generally accepted accounting principles.

Basis of Accounting and Presentation

The financial statements of the Fund have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific, investment income and interest on capital assets-related debt are included in nonoperating revenues and expenses. The Fund first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Fund's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

Investments

The Fund's investments are maintained in the City's pooled investments. All investments are reported at fair value. The fair value of marketable securities is based on quotations that are generally obtained from national securities exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or pricing services.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

Accounts Receivable

Accounts receivable balances are reflected as unrestricted and restricted and are recorded at the invoiced amount. The allowance for doubtful accounts is the Fund's best estimate of the probable losses in the existing accounts receivable balance. Restricted accounts receivable consist of Passenger Facility Charges and Customer Facility Charges that are either outstanding or have been accrued as of April 30, 2018 and 2017.

Revenue Recognition

Airfield fees – Based on the landed weight of the aircraft, airfield fees are principally landing fees generated from scheduled airlines and nonscheduled airlines, including charters. The fee structure is determined annually based on an agreement between the City and signatory airlines, which takes into account the Fund's operating expenses and the total annual landed weight of aircraft. Fuel flowage fees, which are included in airfield fees, comprised 2.5 percent and 2.3 percent of the total airfield fees for the years ended April 30, 2018 and 2017, respectively. Airfield fees are recognized as part of operating revenues when the airline-related facilities are utilized.

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

Original Bond Issue Discount, Premium and Deferred Refunding Charges

Original bond issue discount and premium are amortized using the straight-line basis over the life of the debt to which it relates. Deferred refunding charges on long-term indebtedness (see *Note 9*) are amortized using the straight-line basis over the life of the refunding debt or the debt refunded, whichever is shorter.

Inventories

Inventories, consisting of machine parts, fuel and supplies, are valued at cost.

Capital Assets

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

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

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

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

	Useful Life	Capitalization Threshold
Building	25 years	\$ 5,000
Building improvements	25 years	25,000
Runway, aprons and roads	15 years	5,000
Equipment	3 - 10 years	5,000

Interest costs incurred that relate to the acquisition or construction of capital assets acquired with debt are capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested idle debt proceeds over the same period. Interest costs capitalized for the years ended April 30, 2018 and 2017 was \$999,973 and \$516,409, respectively.

Accounts and Retainages Payable

Accounts payable and retainage balances are reflected as unrestricted and restricted. Restricted accounts and retainages payable consist of invoices and retainage withheld from construction payments that are to be paid from bond proceeds or other restricted assets that were either outstanding or have been accrued as of April 30, 2018 and 2017.

Compensated Absences

Under the terms of the City’s personnel policy, city employees are granted vacation and sick leave in varying amounts. Vacation is accumulated at an annual rate of 10 to 20 days, depending on the employee’s length of service. Sick leave is accumulated at the rate of 4.4 hours per two-week pay period. The maximum amount of vacation that may be carried forward, which is accrued in the Fund, is two times the amount earned in a year. Sick leave with pay may be accumulated up to a limit of 4,000 hours. Upon separation from service, employees may convert accrued sick leave at the ratio of four hours of sick leave to one hour of vacation leave credit. Retiring employees 55 years or older with at least 25 years of creditable service; employees who are to receive a line-of-duty disability pension; employees who qualify for a City pension and retire with a normal retirement, take early retirement at age 60 or thereafter or die are entitled to sick leave credit at the rate of two hours of sick leave to one hour of vacation leave credit.

For the year ended April 30, 2018, approximately \$851,000 of compensated absences were earned by Aviation employees, with approximately \$582,000 of compensated absences utilized or otherwise forfeited. For the year ended April 30, 2017, approximately \$845,000 of compensated absences were earned by Aviation employees, with approximately \$585,000 of compensated absences utilized or otherwise forfeited.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

Prepaid Revenue

The Fund reports prepaid lease revenue on its statements of net position when revenues have been received but not yet earned. In subsequent periods, when revenue recognition criteria are met, the liability for prepaid lease revenue is removed from the statements of net position and the revenue is recognized.

Pension Plan

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System (the Plan) and additions/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employer contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See *Note 13* for the retirement plan description.

Net Position

Net position of the Fund is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Fund, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the net position that does not meet the definition of net investment in capital assets or restricted net position.

Operating versus Nonoperating

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

Nonoperating revenues can be broken down into three main sources:

Passenger Facility Charges – In 1990, Congress approved the *Aviation Safety and Capacity Expansion Act*, which authorized domestic airports to impose a passenger facility charge (PFC) on enplaning passengers. PFCs may be used for airport projects that meet at least one of the following criteria: preserve or enhance safety, security or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport or provide opportunities for enhanced competition between and/or among carriers.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

Customer Facility Charges – In January 2001, a customer facility charge user fee of \$3.00 per rental day was imposed on each rental of a passenger vehicle by a customer from a rental car agency. These fees are for the purpose of paying a portion of the cost of constructing, equipping and financing a consolidated rental car facility and for the payment of debt service on revenue bonds issued for this project.

Transportation Facility Charges – In November 2005, a transportation facility charge user fee of \$2.36 per rental day was imposed on each rental of a passenger vehicle by a customer from a rental car agency. These fees are collected and then remitted to KCI RACS, LLC to use in the operation and maintenance of the consolidated rental car facility bus transportation system.

During the year ended April 30, 2018, the Fund elected to retroactively reclassify the revenues and expenses related to the transportation facility charge. Operating revenues and expenses for the year ended April 30, 2017 were reduced by approximately \$5.5 million, with an offsetting increase in nonoperating revenues and expenses. The related cash flows were also reclassified from operating activities to noncapital financing activities. These reclassifications had no net effect on the change in net position.

Contributed Capital

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

Interfund Payments

Interfund payments consist primarily of payments to the City’s general fund for administrative, data processing and accounting services, as well as payments for fire operation services. These charges are recorded in the contractual services section of the statements of revenues, expenses and changes in net position. A summary of the administrative service charge, fire protection service charge and ambulance service charge for the previous two fiscal years is as follows:

	<u>Administrative Service Charge</u>	<u>Fire Protection Service Charge</u>	<u>Ambulance Service Charge</u>
April 30, 2018	\$ 3,979,134	\$ 3,825,529	\$ 474,550
April 30, 2017	3,840,378	3,550,759	492,998

Adoption of New Accounting Pronouncements

Effective May 1, 2017, the Fund adopted GASB Statement No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary

City of Kansas City, Missouri Department of Aviation

Notes to Financial Statements

April 30, 2018 and 2017

information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

New Accounting Pronouncements Not Yet Adopted

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Fund will implement GASB Statement No. 75 beginning with the year ending April 30, 2019.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. If applicable, the Fund will implement GASB Statement No. 83 beginning with the year ending April 30, 2020.

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The new guidance addresses: (1) the categorization of fiduciary activities for financial reporting, (2) how fiduciary activities are to be reported and (3) when liabilities to beneficiaries must be disclosed. Statement No. 84 provides conditions for governments to classify their fiduciary activities. The types of fiduciary funds that must be reported include: Pension (and other employee benefit) trust funds; Investment trust funds; Private-purpose trust funds; and Custodial funds. Fiduciary activity occurs when the governmental entity controls plan assets and has a fiduciary relationship with plan beneficiaries. According to Statement No. 84, a government controls the assets of an activity if it holds the assets or "has the ability to direct the use, exchange or employment of the assets in a manner that provides benefits to the specified or intended recipients." In addition, the Statement includes separate criteria to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Activities that meet the criteria stated in Statement No. 84 must be disclosed under a fiduciary fund in basic financial statements. In addition, any impacted governments should present a statement of fiduciary net position and statement of changes in fiduciary net position. An exception to that requirement is related to a business-type activity that typically expects to hold

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

custodial assets for three months or less. If applicable, the Fund will implement GASB Statement No. 84 beginning with the year ending April 30, 2020.

In March 2017, the GASB issued GASB Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics: (1) Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation, (2) Reporting amounts previously reported as goodwill and “negative” goodwill, (3) Classifying real estate held by insurance entities, (4) Measuring certain money market investments and participating interest-earning investment contracts at amortized cost, (5) Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus, (6) Recognizing on-behalf payments for pensions or OPEB in employer financial statements, (7) Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB, (8) Classifying employer-paid member contributions for OPEB, (9), Simplifying certain aspects of the alternative measurement method for OPEB and (10) Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. The Fund will implement GASB Statement No. 85 beginning with the year ending April 30, 2019.

In March 2017, the GASB issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt were acquired. The requirements of this Statement also will enhance consistency in financial reporting of prepaid insurance related to debt that has been extinguished. In addition, this Statement will enhance the decision-usefulness of information in notes to financial statements regarding debt that has been defeased in substance. The Fund will implement GASB Statement No. 86 beginning with the year ending April 30, 2019.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. If applicable, the Fund will implement this Statement beginning with the period ending April 30, 2021.

In April 2018, GASB issued Statement No.88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88): GASB 88 specifies disclosures that should be made in the financial statements related to debt. It also provides a definition of debt so that governments know which types of liabilities should be included in those disclosures. If a government has direct borrowings or direct placements, disclosures related to these should be provided separately from disclosures related to other types of debt. GASB 88 is effective for financial statements for fiscal years beginning after June 15, 2018. Earlier application is permitted.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89): GASB 89 requires that interest costs incurred before the end of a construction period be recognized as expenses in the period in which the costs are incurred. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB 89 is effective for financial statements for fiscal years beginning after December 15, 2019. Earlier application is encouraged. GASB 89 will be applied prospectively to interest incurred after the date of adoption.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests* (GASB 90): GASB 90's primary objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB 90 defines a majority equity interest and specifies these reporting requirements. GASB 90 is effective for financial statements for fiscal years beginning after December 15, 2018. Earlier application is encouraged. GASB 90 will be applied retrospectively, except for certain provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

The Fund has not completed its assessment of the impact of the adoption of these statements.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on net earnings.

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Note 2: Deposits and Investments

Deposits

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of demand and time deposits, repurchase agreements and other investments with maturities of less than five years. The Fund's allocation of this pool was approximately 22.1 percent and 24.1 percent as of April 30, 2018 and 2017, respectively. At April 30, 2018 and 2017, the carrying amount (book value) of the City's deposits, including the collateralized money market account and two certificates of deposit, was approximately \$30,015,000 and \$30,794,000, respectively, which was covered by federal depository insurance, Letters of Credit issued directly to the City and held in the City's vault in the Treasury Division or by collateral held by the City's agents under joint custody agreements in accordance with the City's administrative code. The fund's allocation was \$6,819,976 and \$11,445,394 at April 30, 2018 and 2017, respectively.

Investments – Pooled and Non-Pooled

The City is empowered by City Charter to invest in the following types of securities:

1. United States Treasury Securities (Bills, Notes, Bonds and Strips). The City may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. United States Agency/GSE Securities. The City of Kansas City, Missouri may invest in obligations issued or guaranteed by any agency of the United States government and in obligations issued by any government sponsored enterprise (GSE), which have a liquid market and a readily determinable market value that are described as follows:
 - a. U.S. Government Agency Coupon and Zero Coupon Securities.
 - b. U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only.
 - c. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed interest rate.
 - d. U.S. Govt. Agency Floating Rate Securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.
 - e. U.S. Govt. Agency Mortgage-Backed Securities (MBS, CMO, Pass-Thru Securities). Restricted to securities with final maturities of five (5) years or less or have the final projected payment no greater than five (5) years when analyzed in a +300 basis point interest rate environment.

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3. Repurchase Agreements. The City may invest in contractual agreements between the City and commercial banks or primary government securities dealers. The Bond Market Association's guidelines for the Master Repurchase Agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.
4. Bankers' Acceptances. The City may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard & Poor's Corporation.
5. Commercial Paper. The City may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard & Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000) and are not listed on Credit Watch with negative implications by any nationally recognized rating agency at the time of purchase. In addition, the City's portfolio may not contain commercial paper of any one corporation, the total value of which exceeds 2 percent of the City's aggregate investment portfolio.
6. Municipal Securities (State and Local Government Obligations). The City may invest in municipal obligations that are issued in either tax-exempt or taxable form. The City's portfolio may not contain municipal obligations of any one issuer, the total value of which exceeds two percent (2 percent) of the City's aggregate investment portfolio, unless the obligation is pre-refunded or escrowed to maturity with securities guaranteed by the United States government.
 - a. Any full faith and credit obligations of the State of Missouri rated at least A or A2 by Standard and Poor's or Moody's.
 - b. Any full faith and credit obligations of any city, county or school district in the state of Missouri rated at least AA or Aa2 by Standard and Poor's or Moody's.
 - c. Any full faith and credit obligations or revenue bonds of the City of Kansas City, Missouri rated at least A or A2 by Standard and Poor's or Moody's.
 - d. Any full faith and credit obligation of any state or territory of the United States of America rated at least AA or Aa2 by Standard and Poor's or Moody's.
 - e. Any full faith and credit obligations of any city, county or school district in any state or territory of the United States of America rated at least AAA or Aaa by Standard and Poor's or Moody's.
 - f. Any revenue bonds issued by the Missouri Department of Transportation rated at least AA or Aa2 by Standard and Poor's or Moody's.

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- g. Any municipal obligation that is pre-refunded or escrowed to maturity as to both principal and interest with escrow securities that are fully guaranteed by the United States Government, without regard to rating by Standard and Poor's or Moody's.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the final maturity on any security owned to a maximum of five years. In addition, the City compares the weighted average maturity of its portfolio to the weighted average maturity of the Blended Bloomberg Barclays U.S. Treasury/Agency 1-3 Year Index, and relative to the index, may decrease the weighted average maturity of the portfolio during periods of rising interest rates or increase it during periods of declining rates.

As of April 30, 2018, the City had the following investments and maturities (amounts are in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)				Weighted Average
		Less Than 1	1 – 2	2 – 3	3 – 5	
Pooled investments						
U.S. Treasury bills	\$ 34,852	\$ 34,852	\$ -	\$ -	\$ -	0.23
U.S. Treasury notes/bonds	208,656	97,682	74,653	16,885	19,436	1.24
U.S. agency discounts	19,948	19,948	-	-	-	0.15
U.S. agencies – noncallable	608,153	219,430	146,667	113,372	128,684	1.84
U.S. agencies – callable	153,000	31,478	-	21,904	99,618	3.05
Total pooled	<u>1,024,609</u>	<u>403,390</u>	<u>221,320</u>	<u>152,161</u>	<u>247,738</u>	<u>1.79</u>
Non-pooled investments						
U.S. Treasury bills	57,343	57,343	-	-	-	0.15
U.S. Treasury notes/bonds	44,471	27,320	9,805	7,346	-	1.11
U.S. agency discounts	24,848	24,848	-	-	-	0.32
U.S. agencies – noncallable	163,313	74,331	81,663	7,319	-	1.02
U.S. agencies – callable	17,036	-	1,972	12,176	2,888	2.39
Total non-pooled	<u>307,011</u>	<u>183,842</u>	<u>93,440</u>	<u>26,841</u>	<u>2,888</u>	<u>0.90</u>
	<u>\$ 1,331,620</u>	<u>\$ 587,232</u>	<u>\$ 314,760</u>	<u>\$ 179,002</u>	<u>\$ 250,626</u>	<u>1.59</u>

The Fund's allocation of pooled investments as of April 30, 2018 was \$226,102,737. The Fund has not allocated any of the non-pooled investments as of April 30, 2018.

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As of April 30, 2017, the City had the following investments and maturities (amounts are in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)				Weighted Average
		Less Than 1	1 – 2	2 – 3	3 – 5	
Pooled investments						
U.S. Treasury bills	\$ 6,999	\$ 6,999	\$ -	\$ -	\$ -	1.01
U.S. Treasury notes/bonds	213,168	46,063	70,799	68,811	27,495	1.80
U.S. agency discounts	19,989	19,989	-	-	-	0.07
U.S. agencies – noncallable	553,281	251,433	155,655	72,662	73,531	1.50
U.S. agencies – callable	186,366	88,553	9,974	13,574	74,265	2.28
Total pooled	<u>979,803</u>	<u>413,037</u>	<u>236,428</u>	<u>155,047</u>	<u>175,291</u>	<u>1.39</u>
Non-pooled investments						
U.S. Treasury notes/bonds	9,920	-	-	9,920	-	1.38
U.S. agency discounts	29,914	29,914	-	-	-	0.87
U.S. agencies – noncallable	136,716	76,937	49,732	10,047	-	1.10
U.S. agencies – callable	7,431	-	-	1,989	5,442	1.38
Total non-pooled	<u>183,981</u>	<u>106,851</u>	<u>49,732</u>	<u>21,956</u>	<u>5,442</u>	<u>1.16</u>
	<u>\$ 1,163,784</u>	<u>\$ 519,888</u>	<u>\$ 286,160</u>	<u>\$ 177,003</u>	<u>\$ 180,733</u>	<u>1.37</u>

The Fund's allocation of pooled investments as of April 30, 2017 was \$231,650,284. The Fund was not allocated any of the non-pooled investments as of April 30, 2018.

Callable Agency Securities. The City actively monitors its callable bond portfolio with respect to probability of call relative to market rates of interest. As of April 30, 2018 and 2017, the total fair value of the City's callable bond portfolio (pooled and non-pooled) was \$170,035,780 and \$193,796,940, respectively.

Credit Risk

Credit risk is the risk that the City will not recover its investments due to the inability of the counterparty to fulfill its obligation. In order to prevent over concentration by investment type and thereby mitigate credit risk, the City's Investment Policy provides for diversification of the portfolio by investment type as follows:

<u>Investment Type</u>	<u>Maximum</u>
U.S. Treasury Securities and Government Guaranteed Securities	100%
Collateralized Time and Demand Deposits	100%
U.S. Government Agency and GSE Securities	80%
Collateralized Repurchase Agreements	50%
U.S. Agency Callable Securities	30%
Bankers' Acceptances	30%
Commercial Paper	30%
Qualified Municipal Obligations	30%

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As of April 30, 2018, the City had the following non-guaranteed investment balances, which are rated by both Moody's and Standard & Poor's (amounts are in thousands):

	Fair Value	Moody's/ S&P Ratings
U.S. agency securities	\$ 986,298	Aaa/AA+

As of April 30, 2017, the City had the following non-guaranteed investment balances, which are rated by both Moody's and Standard & Poor's (amounts are in thousands):

	Fair Value	Moody's/ S&P Ratings
U.S. agency securities	\$ 935,697	Aaa/AA+

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party (*i.e.*, the City's safekeeping institution).

The City's investment policy requires that all funds on deposit with any financial institution be secured with collateral securities in an amount equal to at least 102 percent of the deposit less any amount insured by the Federal Deposit Insurance Corporation (FDIC), or any other governmental agency performing a similar function. As of April 30, 2018 and 2017, all deposits were adequately and fully collateralized.

The City's investment policy requires that all investment securities be held in the City's name in the City's safekeeping account at its safekeeping institution, thereby mitigating custodial credit risk. As of April 30, 2018 and 2017, all investment securities were in the City's name in the City's safekeeping accounts at its safekeeping institutions. In addition, all collateral securities were in the City's joint custody account(s) at the Federal Reserve Bank and were either U.S. Treasury (U.S. Government guaranteed) or U.S. Agency (Aaa/AA+ rated) obligations with the exception of an Irrevocable Letter of Credit issued in the City's favor by the Federal Home Loan Bank in the amount of \$35,000,000 to secure the City's deposits at Commerce Bank. The current Letter of Credit expires May 31, 2018, and is safekept in the City's cash vault in the Cash Operations section of the Treasury Division. In addition, there are two Irrevocable Letters of Credit issued in the City's favor by the Federal Home Loan Bank in the amount of \$5,000,000 each to secure Certificates of Deposit. The two Letters of Credit expire December 17, 2018 and November 18, 2019, and are also safekept in the City's cash vault in the Cash Operations section of the Treasury Division.

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Concentration of Credit Risk

At April 30, 2018, more than five percent of the City’s investments were in the following U.S. agency discount note/securities: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments were 7 percent, 31 percent, 13 percent and 21 percent, respectively, of the City’s total investments.

At April 30, 2017, more than five percent of the City’s investments were in the following U.S. agency discount note/securities: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments were 12 percent, 29 percent, 13 percent and 24 percent, respectively, of the City’s total investments.

In the City’s opinion, the debt securities issued by these agencies do not have an explicit government guarantee, but rather an implied guarantee and, therefore, the City does not impose limits as to the concentration of any one agency. However, total agency securities in the portfolio are limited by the investment policy to 80 percent of the total portfolio value.

Summary

The following is a complete listing of cash and investments held by the Fund at April 30, 2018 and 2017:

	2018	2017
Deposits	\$ 6,819,976	\$ 11,445,394
Pooled investments	226,102,737	231,650,284
Real estate investments	17,000,000	17,000,000
Total	\$ 249,922,713	\$ 260,095,678

The deposits and investments of the Fund at April 30, 2018 and 2017 are reflected in the statements of net position as follows:

	2018	2017
Cash and cash equivalents	\$ 2,655,609	\$ 4,907,489
Current unrestricted investments	11,414,458	9,404,569
Restricted cash and cash equivalents	4,164,367	6,537,905
Current restricted investments	14,249,175	11,965,955
Non-current unrestricted investments	106,149,646	109,538,232
Non-current restricted investments	111,289,458	117,741,528
Total	\$ 249,922,713	\$ 260,095,678

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Notes to Financial Statements
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Note 3: Allowance for Doubtful Accounts

Changes in allowance for doubtful accounts for the years ended April 30, 2018 and 2017 are as follows:

	Beginning Balance	Bad Debt Expensed	Write-offs	Ending Balance
April 30, 2018	\$ (1,787,732)	\$ (191,840)	\$ -	\$ (1,979,572)
April 30, 2017	(1,358,941)	(431,079)	2,288	(1,787,732)

The balance in the allowance account reflects probable losses in the respective accounts receivable balances based on an analysis of individual customer accounts.

Note 4: Prepaid Insurance and Other Assets

Changes in prepaid insurance and other assets for the years ended April 30, 2018 and 2017 are as follows:

	Beginning Balance	Amounts Prepaid	Amounts Expensed	Ending Balance
April 30, 2018	\$ 1,106,224	\$ 1,570,866	\$ (1,658,788)	\$ 1,018,302
April 30, 2017	628,192	1,793,802	(1,315,770)	1,106,224

Prepaid expense balances include prepaid insurance premiums less any monthly amortized expense for airport and law enforcement liability insurance, property insurance and prepaid deposits.

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Note 5: Capital Assets

Capital assets activity for the year ended April 30, 2018, is as follows:

	2018				Ending Balance
	Beginning Balance	Additions	Disposals	Transfers	
Capital assets not being depreciated					
Land	\$ 36,319,171	\$ -	\$ -	\$ -	\$ 36,319,171
Construction in progress	20,714,292	77,083,327	-	(33,951,020)	63,846,599
Total	<u>57,033,463</u>	<u>77,083,327</u>	<u>-</u>	<u>(33,951,020)</u>	<u>100,165,770</u>
Other capital assets					
Buildings	675,633,430	211,479	-	23,345,186	699,190,095
Infrastructure	681,221,243	(73,800)	-	9,586,295	690,733,738
Equipment	109,654,509	3,911,947	(694,167)	1,019,539	113,891,828
Total	<u>1,466,509,182</u>	<u>4,049,626</u>	<u>(694,167)</u>	<u>33,951,020</u>	<u>1,503,815,661</u>
Less accumulated depreciation					
Buildings	386,350,237	22,988,671	-	-	409,338,908
Infrastructure	487,532,700	24,592,364	-	-	512,125,064
Equipment	99,599,651	4,331,739	(694,167)	-	103,237,223
Total	<u>973,482,588</u>	<u>51,912,774</u>	<u>(694,167)</u>	<u>-</u>	<u>1,024,701,195</u>
Other capital assets, net	<u>493,026,594</u>	<u>(47,863,148)</u>	<u>-</u>	<u>33,951,020</u>	<u>479,114,466</u>
Total capital assets	<u>\$ 550,060,057</u>	<u>\$ 29,220,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 579,280,236</u>

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Capital assets activity for the year ended April 30, 2017, is as follows:

	2017				Ending Balance
	Beginning Balance	Additions	Disposals	Transfers	
Capital assets not being depreciated					
Land	\$ 36,435,377	\$ -	\$ (116,206)	\$ -	\$ 36,319,171
Construction in progress	12,629,465	51,103,267	-	(43,018,440)	20,714,292
Total	<u>49,064,842</u>	<u>51,103,267</u>	<u>(116,206)</u>	<u>(43,018,440)</u>	<u>57,033,463</u>
Other capital assets					
Buildings	662,265,294	1,740,553	(816,899)	12,444,482	675,633,430
Infrastructure	650,469,572	177,713	-	30,573,958	681,221,243
Equipment	109,754,911	3,349,785	(3,450,187)	-	109,654,509
Total	<u>1,422,489,777</u>	<u>5,268,051</u>	<u>(4,267,086)</u>	<u>43,018,440</u>	<u>1,466,509,182</u>
Less accumulated depreciation					
Buildings	364,230,662	22,936,472	(816,897)	-	386,350,237
Infrastructure	462,933,124	24,599,576	-	-	487,532,700
Equipment	99,227,760	3,820,358	(3,448,467)	-	99,599,651
Total	<u>926,391,546</u>	<u>51,356,406</u>	<u>(4,265,364)</u>	<u>-</u>	<u>973,482,588</u>
Other capital assets, net	<u>496,098,231</u>	<u>(46,088,355)</u>	<u>(1,722)</u>	<u>43,018,440</u>	<u>493,026,594</u>
Total capital assets	<u>\$ 545,163,073</u>	<u>\$ 5,014,912</u>	<u>\$ (117,928)</u>	<u>\$ -</u>	<u>\$ 550,060,057</u>

Note 6: Prepaid Bond Insurance Costs

Prepaid insurance costs associated with the issuance of bonds are amortized over the life of their respective bonds. Insurance costs and associated amortization of these costs at April 30, 2018 and 2017 are as follows:

	Balance at April 30, 2017	Additions/ Amortization	Refunded	Retired	Balance at April 30, 2018
Bond insurance costs	\$ 1,348,483	\$ -	\$ -	\$ -	\$ 1,348,483
Accumulated amortization	(1,258,914)	(27,308)	-	-	(1,286,222)
Net bond insurance costs	<u>\$ 89,569</u>	<u>\$ (27,308)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,261</u>
	Balance at April 30, 2016	Additions/ Amortization	Refunded	Retired	Balance at April 30, 2017
Bond insurance costs	\$ 1,348,483	\$ -	\$ -	\$ -	\$ 1,348,483
Accumulated amortization	(1,231,606)	(27,308)	-	-	(1,258,914)
Net bond insurance costs	<u>\$ 116,877</u>	<u>\$ (27,308)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,569</u>

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
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Note 7: Claims Liability

The Fund is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Fund participates in the City's self-insurance programs for workers' compensation and excess liability for auto. The City has purchased insurance to limit the exposure of workers' compensation claims to \$1,000,000 per occurrence for all claims occurring prior to fiscal year 1997, \$500,000 for all claims originating in fiscal year 1997, \$400,000 for all claims originating in fiscal year 1998, \$2,000,000 exposure for all claims originating in fiscal years 2008 through 2011, and \$2,000,000 exposure for all claims originating thereafter. The City's excess liability policy covers torts, which are not barred by sovereign immunity. The policy has a \$2,600,000 retention and a \$5,000,000 loss limit. Current sovereign tort immunity statutes and law limit general liability and automobile claims exposure to a maximum of \$420,606 per person and \$2,804,046 per occurrence. Settled claims have not exceeded the self-insurance retention in any of the past three fiscal years.

The Fund also maintains commercial insurance coverage for those areas not covered by the City's self-insurance programs, such as general liability, property, law enforcement and the Fund's portion of the City-wide auto policy. Settled claims have not exceeded commercial insurance coverage for the past three years.

All funds of the City participate in the program and make payments based on estimates of amounts needed to pay prior and current year claims. The claims liability for the Fund includes an estimate of claims incurred but not reported (IBNR), which was determined based upon historical claims experience.

Activity in the Fund's claims liability for the years ended April 30, 2018, 2017 and 2016 is summarized as follows:

	Beginning Balance	Change in Estimate/ Additions	Deductions	Ending Balance	Current Portion
April 30, 2018	\$3,324,768	\$ 906,985	\$ (574,243)	\$3,657,510	\$ 849,307
April 30, 2017	2,895,085	808,171	(378,488)	3,324,768	871,493
April 30, 2016	2,819,861	765,649	(690,425)	2,895,085	779,169

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Note 8: Bonds Outstanding, Restricted Assets and Pledged Revenues

Bonds Outstanding

The following is a summary of bonds outstanding as of April 30, 2018 and 2017:

Series	Type	Coupon Range (%)	Original Issuance	Yield Range (%)	Final Maturity	Balance April 30, 2018	Balance April 30, 2017
2005C	CFC	5.00 - 5.25	57,020,000	4.25 - 5.40	September 2020	\$ 15,575,000	\$ 20,275,000
2013A	GARB	2.00 - 5.25	61,905,000	0.70 - 4.60	September 2027	48,375,000	52,005,000
2013A	PFC	4.00 - 5.25	83,060,000	0.80 - 4.27	September 2025	60,685,000	66,700,000
2013B	GARB	4.00 - 5.00	52,145,000	0.75 - 2.35	September 2019	22,415,000	32,810,000
						147,050,000	171,790,000
Add							
	Premiums					9,791,916	11,893,047
Less							
	Current portion					(25,995,000)	(24,740,000)
	Discount					(17,759)	(25,370)
						\$ 130,829,157	\$ 158,917,677
Noncurrent portion						\$ 130,829,157	\$ 158,917,677

The bonds currently outstanding were issued to either finance capital improvements or to refund previously outstanding bonds as noted below.

- Bond Series 2005C – issued to finance a portion of the construction costs of the consolidated rental car facility and to refund outstanding Bond Series 2000 issued to finance preliminary design and engineering of a consolidated rental car facility at Kansas City International Airport.
- Bond Series 2013A – issued to refund outstanding Bond Series 2003A, which was issued to finance a portion of the costs of extensive capital improvements to the existing terminal buildings at Kansas City International Airport.
- Bond Series 2013A, PFC portion – issued to refund outstanding Bond Series 2001, which was issued to finance a portion of the design and construction costs of terminal improvements at Kansas City International Airport.
- Bond Series 2013B – issued to refund outstanding Bond Series 2003B, which was issued to finance the costs of the acquisition, construction and equipping of a long-term satellite parking facility at Kansas City International Airport.

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Changes in bonds payable for the years ended April 30, 2018 and 2017 are as follows:

	Balance at April 30, 2017	Additions	Reductions	Balance at April 30, 2018
Bonds payable	\$ 171,790,000	\$ -	\$ (24,740,000)	\$ 147,050,000
Less				
Unamortized bond discount	(25,370)	-	7,611	(17,759)
Add				
Unamortized bond premium	11,893,047	-	(2,101,131)	9,791,916
Total bonds payable	<u>\$ 183,657,677</u>	<u>\$ -</u>	<u>\$ (26,833,520)</u>	<u>\$ 156,824,157</u>
	Balance at April 30, 2016	Additions	Reductions	Balance at April 30, 2017
Bonds payable	\$ 195,320,000	\$ -	\$ (23,530,000)	\$ 171,790,000
Less				
Unamortized bond discount	(32,980)	-	7,610	(25,370)
Add				
Unamortized bond premium	13,994,178	-	(2,101,131)	11,893,047
Total bonds payable	<u>\$ 209,281,198</u>	<u>\$ -</u>	<u>\$ (25,623,521)</u>	<u>\$ 183,657,677</u>

The debt service requirements as of April 30, 2018, are as follows:

Year Ending April 30,	Total to be Paid	Principal	Interest
2019	\$ 32,825,084	\$ 25,995,000	\$ 6,830,084
2020	32,818,073	27,330,000	5,488,073
2021	21,031,444	16,655,000	4,376,444
2022	15,433,875	11,775,000	3,658,875
2023	15,435,000	12,380,000	3,055,000
2024 - 2028	58,692,238	52,915,000	5,777,238
	<u>\$ 176,235,714</u>	<u>\$ 147,050,000</u>	<u>\$ 29,185,714</u>

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Restricted Assets

Restricted accounts and special reserves as required by bond ordinances are reported on the accompanying statements of net position as restricted assets with the following balances at April 30, 2018 and 2017:

Account	Restricted Assets	Restricted Net Position
Bond Reserve for Senior and Subordinate GARBs	\$ 23,287,767	\$ 23,287,767
Airline Operations and Maintenance Reserve	12,409,000	12,409,000
Principal and Interest for Senior and Subordinate GARBs	18,577,277	17,330,000
Drug Enforcement Agency	269,572	269,572
Construction Funds	15,833,906	15,833,906
Passenger Facility Charge	48,743,840	48,743,840
Customer Facility Charge	9,098,481	9,098,481
MDFB Tax Credits	1,483,158	-
Other Restricted	3,170,512	2,439,708
Interest Receivable	452,844	452,844
	<u>\$ 133,326,357</u>	<u>\$ 129,865,118</u>
Total at April 30, 2018		
	<u>\$ 140,585,873</u>	<u>\$ 138,076,842</u>
Total at April 30, 2017		

Under the terms of various ordinances enacted at issuance of revenue bonds, the Fund must maintain adequate insurance coverage, rates and fees sufficient to pay reasonable and proper operating and maintenance expenses and scheduled debt service requirements. The ordinances also establish priorities for the allocation of revenues. The following diagram presents a summary of the application of revenues to various funds and accounts (Flow of Funds) as governed by the provisions of the Bond Ordinance.

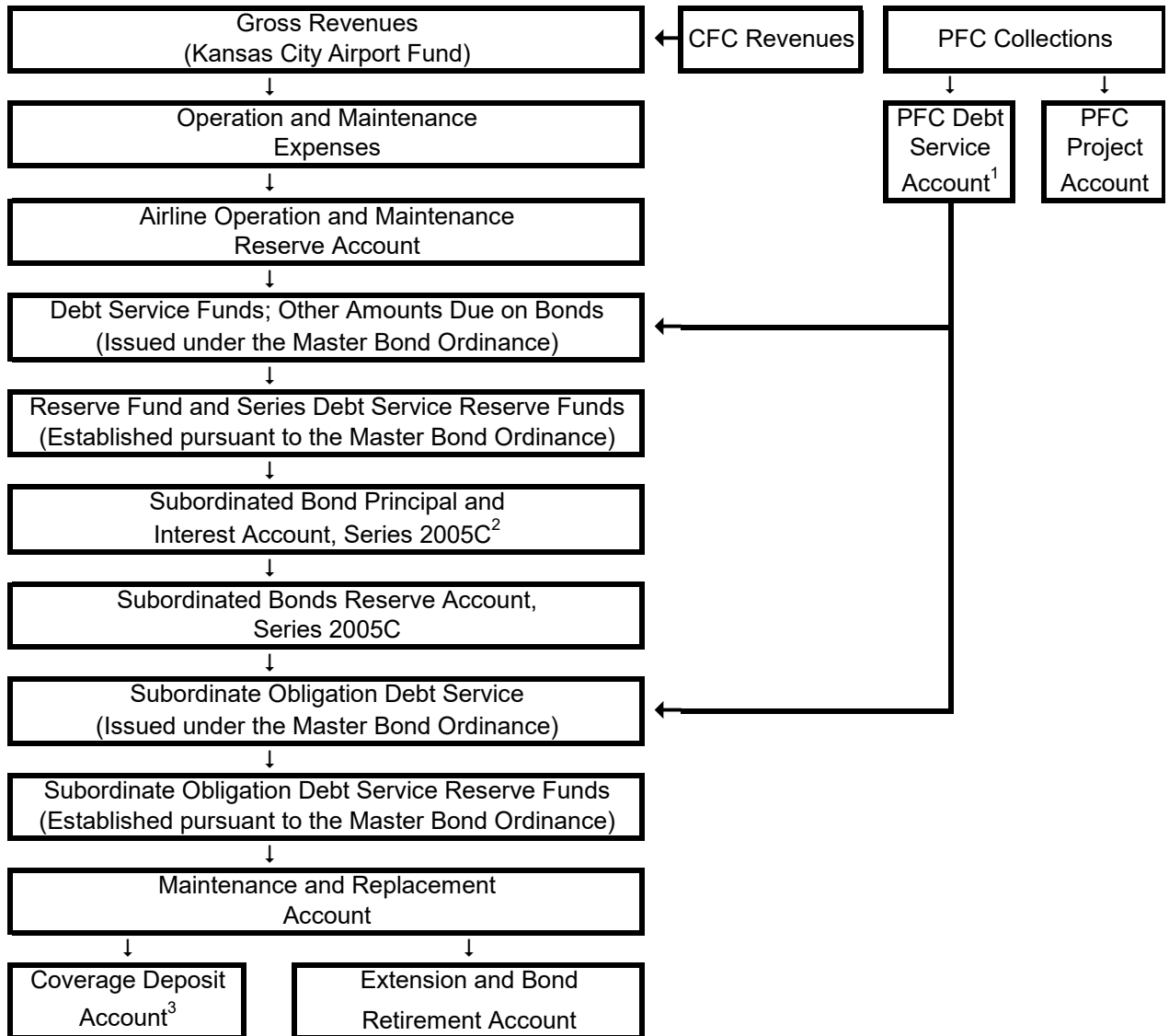
City of Kansas City, Missouri Department of Aviation

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Ordinances establish the priorities for the allocation of revenues and said allocation is to the following accounts in the order listed below:

FLOW OF FUNDS



¹Only PFC revenues eligible to pay debt service pursuant to certain additional supplemental ordinances.

²The 2005C Bonds will have priority payment on any subordinated obligations issued under the Master Bond Ordinance as long as the 2005C Bonds remain outstanding.

³An amount not to exceed 25% of the annual debt service as defined by the rate reserve amount.

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At April 30, 2018 and 2017, the Fund was in compliance with the provisions of the ordinances relating to the maintenance of restricted accounts and special reserves and coverage requirements. Resources received with purpose restrictions are shown as restricted until the resources are used for the specified purpose.

Pledged Revenues

The \$70,790,000 of outstanding Non PFC Eligible GARB bonds and the interest thereon are payable solely from the revenues derived from airport operations and have a first lien on these airport operation revenues. The GARB bonds were issued to fund all or a portion of the costs of constructing and rehabilitating general airport facilities, including but not limited to terminal buildings, ramps, runways, taxiways and parking facilities. The 2018 and 2017 annual principal and interest payments on these bonds were 12.6 percent and 12.7 percent of the total revenues, respectively. The outstanding principal and interest requirements through maturity total \$85,481,663, and it is anticipated the remaining annual debt service payments will be between 4.3 percent and 12.6 percent of annual revenues. Principal and interest paid for the year ended April 30, 2018 and total pledged revenues were \$17,971,000 and \$142,686,291, respectively.

The \$60,685,000 of outstanding PFC Eligible GARB bonds and the interest thereon are payable from revenues derived from airport operations and from PFC revenues. It is expected that the debt service payments on these bonds will be made from PFC revenues. The Series 2013A PFC Eligible GARB bonds refunded the Series 2001 PFC bonds which were issued to fund a portion of the costs of constructing and rehabilitating the airport terminals. The 2018 and 2017 annual principal and interest payments on the PFC Eligible GARB bonds were 41.4 percent and 42.0 percent of the total PFC revenues, respectively. The outstanding principal and interest requirements through maturity total \$73,931,575, and it is anticipated the remaining annual debt service payments will be approximately 41.4 percent of annual PFC revenues. Principal and interest paid for the year ended April 30, 2018 and total pledged revenues were \$9,243,500 and \$22,314,138, respectively.

The \$15,575,000 of outstanding CFC bonds and the interest thereon are also payable solely from the revenues derived from airport operations, but are junior and subordinate with respect to the payment of principal and interest from the airport operation revenues and in all other respects to the outstanding senior GARB bonds. The CFC bonds were issued to fund the costs of constructing a consolidated rental car facility. The 2018 and 2017 annual principal and interest payments on these subordinate bonds, excluding the GARB debt service requirements, were 3.9 percent and 4.0 percent of the total revenues, respectively. The outstanding principal and interest requirements through maturity total \$16,822,476, and it is anticipated the remaining annual debt service payments on these subordinate bonds will be approximately 3.9 percent of annual revenues. Principal and interest paid for the year ended April 30, 2018 and total pledged revenues were \$5,630,598 and \$142,686,291, respectively.

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Note 9: Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position by the Fund that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position by the Fund that is applicable to a future reporting period. Both deferred inflows and outflows of resources are reported in the statements of net position, but are not recognized in the financial statements as revenues and expenses until the period to which they relate. Deferred outflow of resources of the Fund consist of deferred losses on refunding, the Fund's contributions made to the pension plan subsequent to the measurement of the net pension liability, changes in assumptions and differences between expected and actual earnings on pension plan investments. Deferred inflows of resources are comprised of deferred gains on refunding, the difference between the projected and actual earnings on pension plan investments and the change in the Fund's proportion of the net pension liability. The composition of deferred outflows and inflows is as follows as of April 30:

	April 30, 2018	April 30, 2017
Net difference between projected and actual earnings on pension plan investments	\$ 4,289,703	\$ 9,162,588
Changes in assumption	3,038,253	3,950,115
Fund's contributions made subsequent to the measurement date of the net pension liability	2,868,137	2,717,634
Deferred loss on refunding of debt	1,354,376	1,522,561
Total deferred outflows	\$ 11,550,469	\$ 17,352,898
Differences between expected and actual experience	\$ 469,386	\$ 557,477
Deferred gain on refunding of debt	46,475	185,899
Total deferred inflows	\$ 515,861	\$ 743,376

Note 10: Legal Debt Margin

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

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Voting Authority for Issuance

On August 2, 1988, the City held an election at which the qualified voters of the City approved the City's issuance of up to \$330,000,000 principal amount of airport revenue bonds to be payable solely from the revenues derived by the City from the operation of its airports, including all future improvements and extensions thereto, for the purpose of paying the cost of extending and improving the airports owned and operated by the City, including runways, terminal buildings and related facilities. On August 8, 2000, the voters approved an additional \$395,000,000 of airport revenue bonds for improvements at the airports. As of April 30, 2016, the City has issued \$330,000,000 of general airport revenue bonds payable from the 1988 authorization and \$154,584,105 of the 2000 authorization. This exhausts the 1988 authorization and leaves \$240,415,895 available from the 2000 authorization. The City intends to issue the balance of the authorization in future financing.

Note 11: Passenger Facility Charges

In 1990, the United States Congress enacted the *Aviation Safety and Capacity Expansion Act of 1990* ("ASCEA"), which allows public agencies controlling commercial service airports to charge eligible enplaning passengers at the airport a \$1, \$2 or \$3 passenger facility charge, or PFC. In 2000, the U.S. Congress passed the *Aviation Investment and Reform Act for the 21st Century* ("AIR-21"), which allowed airports to levy a PFC of \$4.00 or \$4.50 per eligible enplaned passenger.

The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers.

Since the ASCEA authorization, the Fund has submitted a total of ten applications. As of August 8, 2006, approval was granted to increase the PFC collection rate from \$3.00 to \$4.50 per eligible enplaning passenger. On August 3, 2017, the Fund received approval from the Federal Aviation Administration (FAA) for new projects increasing collection authority to \$480,781,319, which should run through May 2019.

Note 12: Use and Lease Agreements

The Fund's current three year Use and Lease Agreement (Agreement) with certain air carriers (signatory carriers) serving Kansas City International (KCI) runs through April 30, 2020. Pursuant to the Agreement, signatory air carriers have agreed to a guaranteed minimum amount of rentals and fees based on expected levels of use of airport facilities. Further, the Agreement provides the determination for the landing fees and apron, terminal and passenger boarding bridge rents at KCI along with granting certain rights and privileges to air carriers, both passenger and cargo. The Agreement provides for an annual settlement, post fiscal year end close, whereby the rates and charges are recalculated using audited financial statements to determine any airline over/under payment. For settlements completed in fiscal years ended April 30, 2018 and 2017, amounts due from the airlines were \$2,394,439 and \$762,472, respectively.

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The Fund also has various operating leases for other Fund property under which rental revenues are received.

Minimum future rentals scheduled to be received on operating leases that have initial or remaining noncancelable terms in excess of one year for each of the next five years and thereafter at April 30, 2018 are as follows:

2019	\$ 9,189,465
2020	8,739,360
2021	7,513,793
2022	6,961,784
2023	6,154,533
2024 - 2028	21,508,460
2029 - 2033	11,348,046
2034 - 2038	8,391,735
2039 - 2043	4,249,105
2044 - 2048	3,543,900
2049 - 2053	2,715,507
2054 - 2058	2,832,612
	\$ 93,148,300
	\$ 93,148,300

Note 13: Employees' Retirement System

The Board of Trustees of the Employees' Retirement System of the City of Kansas City, Missouri (the Board) administers the Employees' Retirement System of the City (the Employees' Plan), a contributory, single-employer defined benefit public employee retirement plan. However, for purposes of the Fund's financial statements, the City has allocated and disclosed the Employee's Plan as a cost-sharing multiple employer defined benefit pension plan in accordance with the requirements of GASB Statement No. 68.

The Employees' Retirement System was established in the code of ordinances under Part II, Chapter II, Article IX, Division 2, Section 2-1172 which states, "All full-time, permanent employees in the classified and unclassified services shall become members of the retirement system as a condition of employment, including, all full-time, permanent former MAST employees who became city employees as of April 25, 2010, and who did not become members of the Fire Fighters' Pension System. Former MAST employees have the option within 60 days of the passage of this ordinance to elect to become members of this plan in lieu of participation in the defined contribution plan set out in Division 10. Also included in membership are those who have retired in circumstances establishing eligibility for an annuity in this pension system and inactive members on leave of absence."

City of Kansas City, Missouri Department of Aviation
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The Board of Trustees of the Plan shall consist of ten members, including the Director of Human Resources and Director of Finance, and seven shall be appointed by the mayor as follows:

- a. One shall be a retired member of the system.
- b. Four, other than the forgoing, shall be recognized business and/or civic leaders with financial backgrounds, such as investments, management of employee benefit plans, who are not employees of the City. At the mayor's option, one of this group may be a City Council person with a financial background who shall serve as an ex-officio member of the Board with a right to vote.
- c. Two shall be active employees and members of the retirement system as recommended by the union.
- d. In the event that Local 42, IAFF, has 200 or more members, including retirees, participating in the Employees' Retirement System, Local 42 will have one designated member who will be vested with the same voting rights as the other trustees.

The Board is responsible for establishing or amending plan provisions. The Board issues publicly available financial reports that include financial statements and required supplementary information. The financial reports may be obtained by writing to:

Employees' Pension Systems

The Retirement Division
City Hall, 10th Floor
414 East 12th Street
Kansas City, Missouri 64106
Phone 816.513.1928

The Employees Retirements' Pension Plan financial report can also be found at <http://kcmo.gov/humanresources/retirement-information>.

Retirement Benefits

Benefit terms for the Plan are established in the City administrative code and can only be amended by the City Council. The Plan provides retirement benefits as well as pre-retirement death benefits as noted below:

Tier I Members

The Plan provides retirement benefits for those employees hired before April 20, 2014 (Tier I Members). Employees become vested for retirement benefits after five years of service. Members who retire with total age and creditable service equal to 80, or the later of age 60 and 10 years of creditable service, are entitled to an annual pension based on a percentage of final average compensation multiplied by years and months of creditable service. If married at the time of retirement, the percentages is 2.0 percent for general employees and 2.2 percent for elected officials, and if unmarried at the date of retirement, the percentage is 2.2 percent up to a maximum of

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70 percent of final average compensation as defined in the Plan. If the employee has at least 10 years of creditable service, the minimum benefit is \$400 per month.

If members terminate prior to retirement and before rendering five years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to City contributions and are refunded their member contributions with interest. Such refunds result in the forfeiture of all other benefits under the Plan. Members terminating prior to retirement with five or more years of service may elect to receive a refund of their member contributions with interest as a lump-sum distribution, or they may elect to receive a deferred pension. An automatic annual cost-of-living adjustment of 3 percent, non-compounded, is provided annually.

Tier II Members

The Plan provides retirement benefits for those employees hired on or after April 20, 2014 (Tier II Members). Employees become vested for retirement benefits after ten years of service. Members who retire with total age and creditable service equal to 85, or the later of age 62 and 10 years of creditable service are entitled to an annual pension of 1.75 percent of final average compensation multiplied by the number of years of creditable service, subject to a maximum limit of 70 percent of final average compensation as defined in the Plan.

If employees terminate prior to retirement and before rendering ten years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to City contributions and are refunded their member contributions with interest. An annual cost-of-living adjustment, not to exceed 2.5 percent, non-compounded, per year is provided to pensioners age 62 and older if the prior year funding ratio is equal to or greater than 80 percent and will be equal to the percentage increase in the prior 12 months of the final national consumer price index.

Death Benefits

If a retired member dies, the following benefits shall be paid:

To the member's spouse until death, a retirement benefit equal to one-half of the member's normal retirement benefit. To the member's designated beneficiary or estate, if there is no surviving spouse, any remaining member contributions and interest. If an active member dies, the member contributions and interest are distributed to the surviving spouse or, if none, to the designated beneficiary. The surviving spouse, however, may elect to receive monthly benefit payments instead of the lump-sum distribution if the member had five or more years of creditable service.

Contributions

Funding is provided by contributions from Plan members, the Fund and earnings on investments.

Members contribute 5 percent of their base salary. The Fund's contribution is set by the City Council in conjunction with its approval of the annual budget, based on the actuarially determined contribution rate set by the Plan's consulting actuary. For the years beginning May 1, 2017 and 2016, the Fund contributed 15.40 percent and 13.81 percent of payroll, respectively, which was the actuarially determined Board contribution rate for the respective years. Future Fund contributions will be determined through the Fund's budgeting process.

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The Fund's governing body has the authority to establish and amend the contribution requirements of the Fund and active employees. The governing body establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Fund is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the years ended April 30, 2018 and 2017, employees contributed \$1,018,669 and \$913,712, respectively, and the Fund contributed \$2,868,137 and \$2,717,634, respectively, to the Plan.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At April 30, 2018 and 2017, the Fund reported a liability of \$25,405,080 and \$28,090,030, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of April 30, 2017 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 30, 2016 and 2015 rolled forward one year to the measurement dates. The Fund's proportion of the net pension liability was based on the Fund's actual contributions to the pension plan for the years ended April 30, 2017 and 2016. At April 30, 2018, the Fund's proportion was 11.47 percent, which was consistent with its proportion for the years ended April 30, 2017 and 2016.

For the years ended April 30, 2018 and 2017, the Fund recognized pension expense of \$6,119,420 and \$4,611,272, respectively.

At April 30, 2018 and 2017, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 4,289,703	\$ -	\$ 9,162,588	\$ -
Changes in assumptions	3,038,253	-	3,950,115	-
Differences between expected and actual experience	-	469,386	-	557,477
Fund's contributions made subsequent to the measurement date of the net pension liability	2,868,137	-	2,717,634	-
Total	<u>\$ 10,196,093</u>	<u>\$ 469,386</u>	<u>\$ 15,830,337</u>	<u>\$ 557,477</u>

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At April 30, 2018 and 2017, the Fund reported \$2,868,137 and \$2,717,634, respectively, as deferred outflows of resources resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred inflows of resources at April 30, 2018, related to pensions will be recognized in pension expense as follows:

2019		\$	1,714,643
2020			1,714,643
2021			1,714,642
2022			1,714,642
			1,714,642
		\$	6,858,570

Actuarial Assumptions

The total pension liability in the April 30, 2016 and 2015 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	Ranges from 4.0% to 8.0%
Ad hoc cost-of-living adjustments	3.0%, simple for Tier I, 2.5% for Tier II
Investment rate of return	7.50%

Mortality rates were based on the 1994 Group Annuity Mortality Table for healthy individuals and the 1983 Railroad Retirement Board Disabled Life Mortality Table for disabled individuals.

The actuarial assumptions used in the April 30, 2015 and 2014 valuations were based on the results of an actuarial experience study for the period 2006 – 2010 and showed that there were sufficient margins in the rates to provide for potential future improvements in mortality.

The investment return assumption of 7.50 percent was selected based upon an analysis that included (a) capital market assumptions provided by the investment consultant, (b) the asset allocation of the fund and (c) investment return assumptions of other public retirement systems.

The inflation assumption of 3.0 percent was selected based upon an analysis that included (a) input from the investment consultant, (b) historical inflation as measured by Consumer Price Index and (c) implied inflation in long-term government bonds.

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The long-term wage growth assumption of 4.0 percent was based upon the inflation assumption of 3.0 percent plus a real growth wage assumption of 1.0 percent, which was derived from an analysis of historical increases in Social Security Average earnings.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	16%	3.8%
Small Cap Equity	5.5%	4.3%
Non-U.S. Equity	7%	5.3%
Global Equity	19%	4.7%
Emerging Markets Equity	3%	7.3%
Opportunistic Equity	12%	3.8%
Fixed Income	26.5%	0.1%
Real Assets	10%	4.0%
Cash	1%	-0.5%

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent which is the assumed long-term expected rate of return in Plan investments. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Fund contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position will be greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of project benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate

The net pension liability of the City has been calculated using a discount rate of 7.50 percent. The following presents the net pension liability using a discount rate 1 percent higher and 1 percent lower than the current rate. A sensitivity analysis is not performed for the individual funds.

	1% Decrease	Current Discount Rate	1% Increase
2018			
Fund's net pension liability	\$ 44,802,668	\$ 25,405,080	\$ 10,481,258

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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report, located at <http://kcmo.gov/humanresources/retirement-information>.

Payable to the Pension Plan

At April 30, 2018 and 2017, the Fund reported a payable of \$128,562 and \$107,601, respectively, for the outstanding amount of contributions to the pension plan.

Note 14: Postemployment Benefits Other than Pensions

Plan Description

The City sponsors a single-employer, defined benefit healthcare plan that provides health care benefits to retirees' and their dependents, including medical, dental and vision coverage.

The City requires the retirees to pay 100 percent of the same medical premium charged to active participants. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered an OPEB under GASB 45.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age, which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age or dies.

Funding Policy

GASB 45 does not require funding of the OPEB liability and at this time, the liability for the City is unfunded. Contributions are made to the plan on a pay-as-you-go basis.

For the year ended April 30, 2018, retirees receiving benefits contributed \$7,125,544 for current premiums (approximately 48.84 percent of total aged adjusted premiums based on implied City contributions of \$7,463,023), through their required contracted amount paid to the Health Care Trust Fund of Kansas City for the plan of the retirees' choosing. Total age-adjusted premiums for the year were \$14,588,567.

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Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation.

The Employee annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years are as follows:

Fiscal Year End	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
April 30, 2018	\$ 7,826,232	95.36%	\$ 72,552,279
April 30, 2017	7,705,432	93.23%	72,189,070
April 30, 2016	8,855,632	67.72%	71,667,180

A summary of the Fund's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the above fiscal years is as follows:

Fiscal Year End	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
April 30, 2018	\$ 589,056	96.40%	\$ 5,162,696
April 30, 2017	494,094	94.47%	5,144,308
April 30, 2016	547,707	81.75%	5,116,980

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The net OPEB obligation at April 30, 2018 is as follows:

	City	Fund
Annual required contribution	\$ 8,912,701	\$ 589,056
Interest on net OPEB obligation	3,248,508	231,494
Adjustment to annual required contribution	(4,334,977)	(308,917)
Annual OPEB cost	7,826,232	511,633
 Contributions made		
Net employer contributions	(7,463,023)	(493,245)
Increase in net OPEB obligation	363,209	18,388
 Net OPEB obligation, beginning of year	72,189,070	5,144,308
Net OPEB obligation, end of year	\$ 72,552,279	\$ 5,162,696

Funded Status and Funding Progress

As of May 1, 2016, the most recent actuarial valuation date, the Plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$89.1 million and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$89.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$226.1 million, and the ratio of UAAL to the covered payroll was 39.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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In the May 1, 2016 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets (of which there are none) and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 8.5-7.5 percent annually, reduced by decrements to an ultimate rate of 5.2 percent after eleven years. The assumed inflation rate is 3 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a 20 year level percentage of pay. The remaining amortization period at April 30, 2016 was 30 years.

Note 15: Net Position

Net investment in capital assets at April 30, 2018 and 2017 is as follows:

	2018	2017
Capital Assets		
Land	\$ 36,319,171	\$ 36,319,171
Construction in progress	63,846,599	20,714,292
Buildings	699,190,096	675,633,431
Infrastructure	690,733,738	681,221,241
Equipment	113,891,827	109,654,510
	1,603,981,431	1,523,542,645
Less accumulated depreciation	(1,024,701,195)	(973,482,588)
Capital assets, net	579,280,236	550,060,057
Total capital related assets	579,280,236	550,060,057
Deferred loss on bond refunding	1,354,376	1,522,561
Less Related Liabilities		
Capital related liabilities	8,842,917	2,638,467
Current portion, bonds payable	25,995,000	24,740,000
Bonds payable, net of premium and discount	130,829,157	158,917,677
Total capital related liabilities	165,667,074	186,296,144
Deferred gain on bond refunding	46,475	185,899
Net Investment in Capital Assets	\$ 414,921,063	\$ 365,100,575

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Restricted net position at April 30, 2018 and 2017 is as follows:

	2018	2017
Restricted Assets		
Cash and cash equivalents	\$ 4,164,367	\$ 6,537,905
Investments	125,538,633	129,707,483
Accounts and interest receivable	3,623,357	4,340,485
	133,326,357	140,585,873
Less Liabilities Payable from Restricted Assets		
Other liabilities payable from restricted assets	2,213,962	1,054,608
Accrued interest and fiscal agent fees	1,247,277	1,454,423
	3,461,239	2,509,031
Restricted Net Position	\$ 129,865,118	\$ 138,076,842

At April 30, 2018, there were \$6,616,434 in capital asset related liabilities payable from restricted assets. These liabilities have been reflected as a decrease in the net investment in capital assets and are not included as a reduction of the restricted net position.

Note 16: Other Accrued Liabilities

On December 1, 2009, BBA US Holdings, Inc. (“BBA”) and its subsidiary, Executive Beechcraft, Inc. (“Executive Beechcraft”), filed a petition in the Circuit Court of Jackson County, Missouri, (Case No. 0916CV-36906) against the City and other defendants relating to a transaction involving BBA’s acquisition of Topeka Aircraft, Inc. (including its subsidiary, Executive Beechcraft, Inc., operating a fixed base operation at the Charles B. Wheeler Downtown Airport (the “Downtown Airport”). In its lawsuit, BBA alleged that the City misrepresented certain facts thereby causing BBA to overpay for its purchase of Topeka Aircraft, Inc. The case was settled during the year ended April 30, 2013.

Under the terms of the settlement, the City was released from all claims by BBA and modifications were made to the lease agreement between BBA and the Fund. The Fund agreed to grant a total of \$2.5 million in rent credits to BBA through December 31, 2018.

The settlement has been accrued in the accompanying financial statements in the current and long-term other accrued liabilities financial statement line items.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

Other accrued expenses at April 30, 2018 and 2017 are as follows:

	2018	2017
Current portion	\$ 208,333	\$ 312,500
Noncurrent portion	-	208,333
Total other accrued expenses	\$ 208,333	\$ 520,833

Note 17: Disclosures About Fair Value of Assets

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Fund has the following recurring fair value measurements as of April 30, 2018 and 2017:

- The City holds Federal agency securities, U.S. Treasury bills and U.S. Treasury notes/bonds of approximately \$1,331,620,000 and \$1,163,784,000, respectively, in its pooled investment account which are valued using quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets (Level 2 inputs).
- Real estate held for the production of income with a value of \$17,000,000 is valued using a third party purchase offer (Level 3 input).

Note 18: Commitments and Contingencies

Commitments

At April 30, 2018, the City had made purchase commitments, primarily for construction projects, on behalf of the Fund of approximately \$88.8 million. These commitments will be funded by existing resources.

Government Grants

The Fund is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

Note 19: Due from Other City Funds

During the year ended April 30, 2011, the Fund transferred \$10,200,000 to the City’s general fund to assist with the City’s historical tax increment financing (TIF) liability. This interfund loan was scheduled to be repaid over a five-year period at an interest rate of three percent. The loan was amended several times to extend the final maturity date to July 1, 2018. The City repaid the remainder of the balance due during the year ended April 30, 2018. This receivable was recorded on the statements of net position in the current assets section as due from other City funds.

Due from other City funds at April 30, 2018 and 2017 is as follows:

	2018	2017
Current		
Interest receivable	\$ -	\$ 29,955
Principal	-	3,012,100
	\$ -	\$ 3,042,055

Note 20: MDFB Tax Credits

A portion of the funds necessary to pay the costs of the overhaul base rehabilitation will be provided by the Missouri Development Finance Board (MDFB) from proceeds derived from the sale of certain State of Missouri income tax credits. The MDFB has agreed, with certain stipulations, to allow the City to keep the tax credit proceeds previously received by the Special Facility Fund. The unused net proceeds were transferred to the Fund to be used along with other available resources to complete the rehabilitation projects at the overhaul base.

During the year ended April 30, 2018, the tax credits expired. At April 30, 2018, the Fund has recorded a payable of \$1,483,158 for the return of the unused funds to the MDFB.

Note 21: CID Sales Tax

The City has established the Kansas City International Airport Community Improvement District (CID), which encompasses the real property owned by the City, which constitutes Kansas City International Airport. The CID board of directors and the City entered into a Cooperative Agreement as of August 1, 2005, to provide certain services for the CID, and to authorize and collect a one percent sales and use tax on eligible retail sales transactions occurring within the boundaries of the CID. The unused net collections in the Special Facility Fund were transferred to the Fund and the agreement was amended so that subsequent to the defeasance of the Special Facility Revenue Bonds these collections will be deposited in the Fund to continue to be used along with other available resources to complete the rehabilitation projects at the overhaul base.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2018 and 2017

Note 22: Settlement Receivable

During the year ended April 30, 2014, a \$2.5 million settlement agreement was reached between Jet Midwest and the Fund relating to the collection of past utility consumption rent for Building #1 and Building #2 at the KCI Overhaul Base. The agreement stipulates a payment plan, which includes 3 percent compound interest over a 120-month period beginning January 1, 2014. The settlement has been recorded on the statements of net position in the unrestricted current and noncurrent accounts receivable balances. The settlement receivable balances at April 30, 2018 and 2017 are as follows:

	2018	2017
Current portion	\$ 218,422	\$ 211,975
Noncurrent portion	1,110,479	1,328,901
Total settlement receivable	<u>\$ 1,328,901</u>	<u>\$ 1,540,876</u>

The settlement receivable has been recorded as a component of the unrestricted current and noncurrent accounts receivable in the accompanying statements of net position.

Note 23: Future Terminal Development

In November of 2017, Kansas City, Missouri residents voted in favor of building a new single terminal at Kansas City International Airport. A Memorandum of Understanding was finalized with the proposed developer of the new terminal. Several additional steps must be taken to finalize the construction and development of the new terminal, including obtaining financing, negotiating an updated Airline Use and Lease agreement, and the negotiation of a final development agreement. Due to the uncertainty present in the process, no adjustments have been made to the carrying values or useful lives of the current terminal capital assets.

Note 24: Subsequent Events

Subsequent to year end, the Fund defeased the Series 2005C bonds from available resources. The defeasance of the Series 2005C bonds will provide future relief with regard to debt service payments.



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**Required Supplementary Information
(Unaudited)**

City of Kansas City, Missouri Department of Aviation
Schedule of the Fund's Proportionate Share of the Net Pension Liability
Employees' Retirement System of the City of Kansas City, Missouri

	2018	2017	2016
The Fund's proportion of the net pension liability	11.47%	11.47%	11.47%
The Fund's proportionate share of the net pension liability	\$ 25,405,080	\$ 28,090,030	\$ 12,233,059
The Fund's covered payroll	\$ 18,839,251	\$ 19,138,050	\$ 19,219,260
The Fund's proportionate share of the net pension liability as a percentage of its covered payroll	134.85%	146.78%	63.65%
Plan fiduciary net position as a percentage of the total pension liability	83.10%	80.69%	91.05%

Note to Schedule: This schedule is intended to show a ten-year trend. Additional years will be reported as they become available.

This information is presented as of the measurement date for each fiscal year, which is April 30 of the prior year.

City of Kansas City, Missouri Department of Aviation
Schedule of the Fund Contributions
Employees' Retirement System of the City of Kansas City, Missouri

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,797,629	\$ 2,642,965	\$ 2,814,840
Contributions in relation to the contractually required contribution	<u>2,868,137</u>	<u>2,717,634</u>	<u>2,818,127</u>
Contribution deficiency (excess)	(70,508)	(74,669)	(3,287)
Fund's covered payroll	19,247,925	18,839,251	19,138,050
Contributions as a percentage of covered payroll	14.90%	14.43%	14.73%

Note to Schedule: This schedule is intended to show a ten-year trend. Additional years will be reported as they become available.

There were no significant changes to benefit assumptions or actuarial methods.

This information is presented for the Fund's fiscal year.

City of Kansas City, Missouri Department of Aviation
Schedule of Funding Progress (in thousands)
April 30, 2018

Other Postemployment Benefits						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL) Entry Age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
City of Kansas City - Employee/Firefighter Other Postemployment Benefits						
5/1/2012	\$ -	\$ 105,013	\$ 105,013	\$ -	\$ 221,197	47.47%
5/1/2014	-	97,828	97,828	-	227,039	43.09%
5/1/2016	-	89,146	89,146	-	226,100	39.43%

Note to Schedule: Valuation and determination of the actuarial status was not made for individual funds. The above information is for the entire City of Kansas City, Missouri OPEB plan.

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Charles B. Wheeler Downtown Airport celebrates 90th Anniversary.



The new administration building at Charles B. Wheeler Downtown Airport.

B. STATISTICAL SECTION

FINANCIAL TREND INFORMATION

THESE SCHEDULES CONTAIN TREND INFORMATION TO SHOW HOW THE DEPARTMENT'S FINANCIAL PERFORMANCE HAS CHANGED OVER TIME.

- Schedule of Historical Net Position and Cash Flows Information
- Schedule of Historical Revenues and Expenses
- Schedule of Statements of Cash Flows
- Schedule of Unrestricted and Restricted Cash and Investments

REVENUE CAPACITY INFORMATION

THESE SCHEDULES CONTAIN INFORMATION TO ASSESS THE DEPARTMENT'S MOST SIGNIFICANT REVENUE SOURCES.

- Schedule of Revenues, Expenses and Changes in Net Position by Facility
- Schedule of Grants
- Schedule of Highest Paying Customers
- Schedule of Most Popular Destinations
- Schedule of Non-Stop Destinations
- Schedule of Passenger and Cargo Airlines
- Schedule of Airline Service

DEBT CAPACITY INFORMATION

THESE SCHEDULES PRESENT INFORMATION REGARDING THE DEPARTMENT'S CURRENT LEVELS OF OUTSTANDING DEBT AND ITS ABILITY TO ISSUE ADDITIONAL DEBT IN THE FUTURE. THE TABLES REPRESENT CONTINUING DISCLOSURE SCHEDULES REQUIRED BY BOND ORDINANCES.

- Schedule of Ratios of Outstanding Debt, Debt Service and Debt Limits
- Schedule of Historical GARB Debt Service Coverage
- Schedule of Annual Passenger Enplanements
- Schedule of Monthly Enplanements
- Schedule of Changes in Monthly Enplanements
- Schedule of Airlines Market Share
- Schedule of MCI Aircraft Operations
- Schedule of Enplaned Cargo
- Schedule of Commercial Aircraft Landed Weight by Airline
- Schedule of Commercial Aircraft Landings
- Schedule of Annual Parking Revenue by Facility
- Schedule of Historical Airline Cost Per Enplaned Passenger
- Schedule of Total Airport System Revenue and Expenses
- Schedule of Historical Operating and Maintenance Expenses
- Schedule of Historical Revenues
- Schedule of PFC Revenues
- Schedule of PFC Bond Sufficiency Covenant

DEMOGRAPHIC AND ECONOMIC INFORMATION

THESE SCHEDULES OFFER DEMOGRAPHIC AND ECONOMIC INDICATORS TO HELP UNDERSTAND THE ENVIRONMENT WITHIN WHICH THE DEPARTMENT'S FINANCIAL ACTIVITIES TAKE PLACE.

- Schedule of Population
- Schedule of Principal Employers

OPERATING INFORMATION

THESE SCHEDULES CONTAIN SERVICE AND INFRASTRUCTURE INFORMATION TO HELP UNDERSTAND HOW THE INFORMATION IN THE DEPARTMENT'S FINANCIAL REPORT RELATES TO THE SERVICES THE DEPARTMENT PROVIDES AND THE ACTIVITIES PERFORMED.

- Schedule of Rates and Charges
- Schedule of Parking Rates
- Schedule of Facility Information
- Schedule of Operating Expenditures by Division
- Schedule of Full-Time and Equivalent Employees by Division
- Schedule of Assets Capitalized
- Schedule of Construction in Progress

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Historical Net Position and Cash Flows Information
For the Last Ten Fiscal Years

	<u>FYE 2009</u>	<u>FYE 2010</u>	<u>FYE 2011</u>
Statement of Net Position			
Current assets-unrestricted	\$ 27,311,886	\$ 23,444,921	\$ 21,943,636
Current assets-restricted	16,986,519	17,658,928	19,567,499
Noncurrent investments	155,537,706	130,932,560	140,633,034
Noncurrent accounts receivable	-	-	-
Noncurrent capital assets	1,192,075,320	1,262,002,368	1,320,087,974
Noncurrent construction in progress	43,726,101	32,927,911	8,108,811
Noncurrent accumulated depreciation	(559,921,887)	(616,064,598)	(669,261,115)
Noncurrent bond issue costs	3,293,250	2,951,366	2,618,958
Noncurrent due from other funds	-	-	8,429,661
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 879,008,895</u>	<u>\$ 853,853,456</u>	<u>\$ 852,128,458</u>
Current liabilities	\$ 19,661,438	\$ 15,086,730	\$ 11,753,230
Current liabilities from restricted assets	24,836,957	21,877,888	22,529,732
Long-term liabilities	<u>339,521,183</u>	<u>323,311,445</u>	<u>305,087,711</u>
Total liabilities	384,019,578	360,276,063	339,370,673
Deferred inflows of resources	-	-	-
Net investment in capital assets	337,911,215	344,926,785	346,051,435
Restricted net position	62,632,290	75,846,990	100,868,064
Unrestricted net position	<u>94,445,812</u>	<u>72,803,618</u>	<u>65,838,286</u>
Total net position	<u>494,989,317</u>	<u>493,577,393</u>	<u>512,757,785</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 879,008,895</u>	<u>\$ 853,853,456</u>	<u>\$ 852,128,458</u>
Cash Flow Information			
Operating profit before depreciation/amortization	\$ 23,401,633	\$ 16,885,227	\$ 22,095,653
Depreciation and amortization	<u>60,264,929</u>	<u>58,220,226</u>	<u>53,751,109</u>
Total operating loss	<u>\$ (36,863,296)</u>	<u>\$ (41,334,999)</u>	<u>\$ (31,655,456)</u>
Capital contributions	\$ 17,744,515	\$ 29,407,470	\$ 14,561,083
Capital acquisitions	61,536,229	63,047,450	30,992,869

Note: The Fund adopted GASB 65 starting in 2013. Previous years have not been restated for adoption of GASB 65.

Note: The Fund adopted GASB 68 starting in 2016. Previous years have not been restated for adoption of GASB 68.

Note: The Fund adopted GASB 72 starting in 2016. Previous years have not been restated for adoption of GASB 72.

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Historical Net Position and Cash Flows Information
For the Last Ten Fiscal Years

FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
\$ 25,166,751	\$ 26,307,987	\$ 18,277,845	\$ 18,267,632	\$ 29,023,582	\$ 28,800,521	\$ 28,349,161
24,084,677	23,997,110	19,880,170	16,522,943	25,531,800	22,844,345	22,036,899
132,973,596	134,112,029	141,846,799	187,545,319	200,494,487	227,279,760	217,439,104
-	-	486,560	436,648	385,219	620,113	500,472
1,363,252,670	1,382,886,003	1,407,161,785	1,437,655,344	1,458,925,154	1,502,828,353	1,540,134,832
9,296,498	19,127,684	23,786,292	16,235,066	12,629,465	20,714,292	63,846,599
(723,150,417)	(777,052,802)	(828,703,047)	(881,485,890)	(926,391,546)	(973,482,588)	(1,024,701,195)
2,286,550	1,214,022	171,494	144,185	116,877	89,569	62,261
6,148,331	4,812,747	4,812,747	4,451,714	3,012,100	-	-
-	338,987	2,027,115	1,858,931	4,508,873	17,352,898	11,550,469
<u>\$ 840,058,656</u>	<u>\$ 815,743,767</u>	<u>\$ 789,747,760</u>	<u>\$ 801,631,892</u>	<u>\$ 808,236,011</u>	<u>\$ 847,047,263</u>	<u>\$ 859,218,602</u>
\$ 12,675,854	\$ 12,307,945	\$ 11,838,821	\$ 15,881,176	\$ 12,441,482	\$ 22,357,044	\$ 20,318,840
22,523,122	27,718,891	16,700,805	25,079,800	26,234,906	27,491,190	36,072,673
285,576,331	262,513,857	249,373,900	225,562,397	207,675,696	196,752,239	166,181,419
320,775,307	302,540,693	277,913,526	266,523,373	246,352,084	246,600,473	222,572,932
-	-	604,171	464,747	1,833,024	743,376	515,861
355,499,297	351,099,330	354,363,198	339,154,572	335,501,347	365,100,575	414,921,063
96,775,688	88,903,332	94,379,947	123,181,835	122,638,384	138,076,842	129,865,118
67,008,364	73,200,412	62,486,918	72,307,365	101,911,172	96,525,997	91,343,628
519,283,349	513,203,074	511,230,063	534,643,772	560,050,903	599,703,414	636,129,809
<u>\$ 840,058,656</u>	<u>\$ 815,743,767</u>	<u>\$ 789,747,760</u>	<u>\$ 801,631,892</u>	<u>\$ 808,236,011</u>	<u>\$ 847,047,263</u>	<u>\$ 859,218,602</u>
\$ 29,218,370	\$ 29,201,656	\$ 29,938,021	\$ 41,729,407	\$ 44,503,747	\$ 46,081,144	\$ 45,719,838
55,625,622	54,524,261	52,553,273	53,134,575	52,271,374	51,383,714	51,940,082
<u>\$ (26,407,252)</u>	<u>\$ (25,322,605)</u>	<u>\$ (22,615,252)</u>	<u>\$ (11,405,168)</u>	<u>\$ (7,767,627)</u>	<u>\$ (5,302,570)</u>	<u>\$ (6,220,244)</u>
\$ 17,281,424	\$ 12,178,668	\$ 7,330,949	\$ 11,606,817	\$ 14,388,635	\$ 19,211,595	\$ 17,135,428
44,739,369	32,004,450	28,462,077	17,811,479	36,006,124	49,350,820	65,915,480

Note: The Fund adopted GASB 65 starting in 2013. Previous years have not been restated for adoption of GASB 65.

Note: The Fund adopted GASB 68 starting in 2016. Previous years have not been restated for adoption of GASB 68.

Note: The Fund adopted GASB 72 starting in 2016. Previous years have not been restated for adoption of GASB 72.

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Historical Revenues and Expenses
For the Last Ten Fiscal Years

	<u>FYE 2009</u>	<u>FYE 2010</u>	<u>FYE 2011</u>
Operating Revenue			
Terminal and aprons	\$ 13,091,491	\$ 11,613,273	\$ 11,887,437
Airfield	13,429,590	14,033,642	14,448,246
Parking	40,303,290	40,059,593	43,366,827
Rental car	10,891,442	9,825,488	9,749,133
Concessions	3,252,467	2,870,364	3,084,094
Property rentals	16,130,905	13,866,117	12,983,509
Other	866,849	732,442	1,288,481
Total operating revenue	<u>97,966,034</u>	<u>93,000,919</u>	<u>96,807,727</u>
Nonoperating Revenue			
Earnings on cash and investments	7,686,690	3,171,445	3,132,695
Passenger facility charge	20,159,368	20,532,775	20,454,358
Customer facility charge	6,170,584	5,439,585	5,674,925
Transportation Facility Charge ⁽¹⁾	4,117,922	3,737,492	4,011,223
Operating/Federal grant	290,638	315,569	264,630
Other income	202,079	520,002	351,300
Total nonoperating revenue	<u>38,627,281</u>	<u>33,716,868</u>	<u>33,889,131</u>
Capital Contributions	17,912,603	26,766,354	16,647,390
Transfer from Special Facility Fund	-	-	19,341,408
Total revenue	<u>154,505,918</u>	<u>153,484,141</u>	<u>166,685,656</u>
Operating Expenses			
Salaries, wages and employee benefits	30,198,871	31,199,724	29,265,231
Contractual services	40,571,236	40,990,942	41,001,415
Commodities	3,794,294	3,925,026	4,445,428
Total operating expenses	<u>74,564,401</u>	<u>76,115,692</u>	<u>74,712,074</u>
Non-Cash Expenses			
Depreciation	59,898,853	57,878,343	53,418,701
Amortization	366,076	341,883	332,408
Total non-cash expenses	<u>60,264,929</u>	<u>58,220,226</u>	<u>53,751,109</u>
Nonoperating Expenses			
Interest expense	17,680,222	16,546,951	14,777,031
Other expense ⁽²⁾	4,344,728	4,013,196	4,265,050
Total nonoperating expenses	<u>22,024,950</u>	<u>20,560,147</u>	<u>19,042,081</u>
Total expenses	<u>156,854,280</u>	<u>154,896,065</u>	<u>147,505,264</u>
Change in Net Position	<u>\$ (2,348,362)</u>	<u>\$ (1,411,924)</u>	<u>\$ 19,180,392</u>

⁽¹⁾ Transportation Facility Charge revenues have been reclassified to non-operating revenues to better display their pass-through nature.

⁽²⁾ Bus service agreement fees have been reclassified to non-operating expenses as they are part of the TFC program and are part of the pass-through process.

Note: The Fund adopted GASB 65 starting in 2013. Previous years have not been restated for adoption of GASB 65.

Note: The Fund adopted GASB 72 starting in 2016. Previous years have not been restated for adoption of GASB 72.

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Historical Revenues and Expenses
For the Last Ten Fiscal Years

	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
\$	12,964,525	\$ 11,121,889	\$ 11,027,530	\$ 18,316,372	\$ 18,222,720	\$ 18,337,878	\$ 19,255,527
	16,380,975	15,812,257	15,555,215	19,756,885	19,019,782	21,092,117	21,789,119
	46,167,682	47,375,785	48,086,831	49,938,478	52,578,719	55,425,436	55,630,039
	10,104,810	9,889,394	10,400,445	11,315,762	11,464,301	11,022,127	11,697,520
	3,434,142	3,509,905	3,845,650	4,018,871	4,304,860	4,485,030	4,687,281
	11,815,552	12,084,779	14,511,308	14,940,107	14,553,590	14,241,144	13,048,179
	1,305,082	1,412,008	1,439,477	1,867,175	1,589,224	1,819,298	2,168,112
	<u>102,172,768</u>	<u>101,206,017</u>	<u>104,866,456</u>	<u>120,153,650</u>	<u>121,733,196</u>	<u>126,423,030</u>	<u>128,275,777</u>
	3,173,787	1,542,208	384,123	2,248,184	1,601,590	1,355,001	646,802
	20,887,024	19,468,916	19,338,417	20,191,101	20,698,155	21,672,476	22,178,778
	6,036,072	6,070,968	6,190,905	6,704,444	7,012,830	7,008,786	7,059,252
	4,748,178	4,771,188	4,871,428	5,274,163	5,516,760	5,513,578	5,546,800
	154,660	627,741	258,543	306,075	211,599	222,402	220,963
	899,006	1,338,414	914,291	5,277,607	657,052	1,191,130	1,072,057
	<u>35,898,727</u>	<u>33,819,435</u>	<u>31,957,707</u>	<u>40,001,574</u>	<u>35,697,986</u>	<u>36,963,373</u>	<u>36,724,652</u>
	17,074,691	10,032,725	7,402,601	11,832,670	14,055,447	21,260,964	18,835,213
	-	-	-	-	-	-	-
	<u>155,146,186</u>	<u>145,058,177</u>	<u>144,226,764</u>	<u>171,987,894</u>	<u>171,486,629</u>	<u>184,647,367</u>	<u>183,835,642</u>
	29,543,646	29,366,163	30,652,545	30,253,844	29,511,627	33,534,185	35,043,425
	39,130,276	38,045,794	39,330,829	43,022,772	43,138,679	42,005,276	41,953,823
	4,280,476	4,592,404	4,945,061	5,147,628	4,579,143	4,802,425	5,558,691
	<u>72,954,398</u>	<u>72,004,361</u>	<u>74,928,435</u>	<u>78,424,244</u>	<u>77,229,449</u>	<u>80,341,886</u>	<u>82,555,939</u>
	55,293,214	54,397,160	52,502,811	53,107,267	52,244,066	51,356,406	51,912,774
	332,408	127,101	50,462	27,308	27,308	27,308	27,308
	<u>55,625,622</u>	<u>54,524,261</u>	<u>52,553,273</u>	<u>53,134,575</u>	<u>52,271,374</u>	<u>51,383,714</u>	<u>51,940,082</u>
	14,090,771	13,335,509	10,049,772	8,731,546	7,703,878	6,538,200	4,833,536
	5,949,831	10,328,895	8,668,294	8,283,822	5,461,338	6,731,056	8,079,690
	20,040,602	23,664,404	18,718,066	17,015,368	13,165,216	13,269,256	12,913,226
	<u>148,620,622</u>	<u>150,193,026</u>	<u>146,199,774</u>	<u>148,574,186</u>	<u>142,666,039</u>	<u>144,994,856</u>	<u>147,409,247</u>
\$	<u>6,525,564</u>	<u>\$ (5,134,849)</u>	<u>\$ (1,973,010)</u>	<u>\$ 23,413,708</u>	<u>\$ 28,820,590</u>	<u>\$ 39,652,511</u>	<u>\$ 36,426,395</u>

Note: The Fund adopted GASB 65 starting in 2013. Previous years have not been restated for adoption of GASB 65.

Note: The Fund adopted GASB 72 starting in 2016. Previous years through 2015 have been restated for adoption of GASB 72.

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Statements of Cash Flows
For the Last Ten Fiscal Years

	FYE 2009	FYE 2010	FYE 2011
Operating Activities			
Cash received from providing services	\$ 100,460,743	\$ 91,488,634	\$ 97,121,854
Cash paid to employees, including benefits	(28,402,760)	(29,488,362)	(27,868,107)
Cash paid to suppliers	(43,249,479)	(48,124,786)	(46,394,407)
Cash paid for interfund services	-	-	-
Cash provided by operating activities	<u>28,808,504</u>	<u>13,875,486</u>	<u>22,859,340</u>
Noncapital Financing Activities			
Proceeds from operating grants	290,638	315,569	264,630
Due to/from other funds	-	-	(10,200,000)
Transfer from Special Facility Fund	-	-	12,161,337
Transportation facility charges	4,117,922	3,737,492	4,011,223
Payment of transportation facility charges to third party	(4,117,922)	(3,737,492)	(4,011,223)
Cash provided by noncapital financing activities	<u>290,638</u>	<u>315,569</u>	<u>2,225,967</u>
Capital and Related Financing Activities			
Debt issue costs paid	(131,522)	-	-
Purchase of capital assets	(4,410,598)	(2,540,502)	(4,820,710)
Construction of capital assets	(57,125,631)	(61,387,467)	(27,346,878)
Construction contract retainage	(86,834)	880,519	1,174,719
Matured coupons	-	-	-
Proceeds from capital debt	29,520,843	-	-
Capital debt refunded	(29,495,000)	-	-
Principal paid on capital debt	(18,395,000)	(18,940,000)	(18,645,000)
Interest paid on capital debt	(17,984,104)	(16,922,151)	(15,965,087)
Bonds refunded/defeased	-	-	-
Bond proceeds received	-	-	-
Defeasance of bond principal	-	-	-
Contribution to related party for construction of capital assets	-	-	-
Community improvement district collections	-	-	-
Passenger facility charges	20,159,368	20,532,775	20,454,358
Customer facility charges	6,170,584	5,439,585	5,674,925
Proceeds from sales of capital assets	50,509	9,608	112,385
Capital contributed by federal government	17,744,515	29,407,470	14,561,083
Cash used in capital and related financing activities	<u>(53,982,870)</u>	<u>(43,520,163)</u>	<u>(24,800,205)</u>
Investing Activities			
Purchase of investments	(166,514,599)	(110,718,723)	(135,113,041)
Proceeds from sales and maturities of investments	176,372,324	136,977,950	130,745,094
Interest received	8,176,186	3,442,833	3,159,895
Cash provided by (used in) investing activities	<u>18,033,911</u>	<u>29,702,060</u>	<u>(1,208,052)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(6,849,817)</u>	<u>372,952</u>	<u>(922,950)</u>
Cash and Cash Equivalents, Beginning of Year	<u>15,605,065</u>	<u>8,755,248</u>	<u>9,128,200</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,755,248</u>	<u>\$ 9,128,200</u>	<u>\$ 8,205,250</u>
Reconciliation to Statements of Net Position			
Cash and cash equivalents			
Unrestricted	\$ 4,866,335	\$ 4,738,391	\$ 3,462,960
Restricted	3,888,913	4,389,809	4,742,290
Cash and cash equivalents at end of year	<u>\$ 8,755,248</u>	<u>\$ 9,128,200</u>	<u>\$ 8,205,250</u>

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Statements of Cash Flows
For the Last Ten Fiscal Years

	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
\$	104,855,801	\$ 100,971,172	\$ 101,510,677	\$ 118,202,580	\$ 121,261,554	\$ 124,768,975	\$ 124,922,924
	(27,789,096)	(28,739,693)	(29,943,943)	(30,238,032)	(30,282,374)	(31,581,793)	(31,874,863)
	(43,204,180)	(41,532,637)	(44,338,062)	(39,602,400)	(44,128,969)	(35,138,121)	(48,063,938)
	-	-	(6,977,626)	(8,865,573)	(7,821,744)	(7,884,135)	(8,279,213)
	<u>33,862,525</u>	<u>30,698,842</u>	<u>20,251,046</u>	<u>39,496,575</u>	<u>39,028,467</u>	<u>50,164,926</u>	<u>36,704,910</u>
	154,660	627,741	258,543	306,075	211,599	222,402	220,963
	1,890,042	2,500,000	1,335,584	-	364,501	1,454,053	3,042,055
	-	-	-	-	-	-	-
	4,748,178	4,771,188	4,871,428	5,274,163	5,516,760	5,513,578	5,546,800
	<u>(4,748,178)</u>	<u>(4,771,188)</u>	<u>(4,871,428)</u>	<u>(5,274,163)</u>	<u>(5,516,760)</u>	<u>(5,513,578)</u>	<u>(5,546,800)</u>
	<u>2,044,702</u>	<u>3,127,741</u>	<u>1,594,127</u>	<u>306,075</u>	<u>576,100</u>	<u>1,676,455</u>	<u>3,263,018</u>
	-	-	(1,354,380)	-	-	-	-
	(1,440,130)	(4,672,869)	(5,304,668)	(1,313,036)	(4,370,852)	(5,268,050)	(4,049,626)
	(42,806,960)	(27,331,581)	(23,157,409)	(16,498,443)	(31,635,272)	(44,082,770)	(61,865,854)
	(492,279)	-	-	-	-	-	-
	(10,246)	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	(19,555,000)	(20,245,000)	(3,910,000)	(12,405,000)	(22,435,000)	(23,530,000)	(24,740,000)
	(15,010,163)	(14,049,252)	(12,806,210)	(11,198,710)	(10,416,659)	(9,314,784)	(8,105,096)
	-	-	(210,370,000)	(1,570)	(993)	(668)	(318)
	-	-	216,882,288	-	-	-	-
	-	-	(27,356,267)	-	-	-	-
	-	(2,849,029)	-	-	-	-	-
	412,300	418,500	438,800	523,199	508,895	630,748	719,190
	20,887,024	19,468,916	19,338,417	20,191,101	20,698,155	21,672,476	23,081,114
	6,036,072	6,070,968	6,190,905	6,704,444	7,012,830	7,008,786	7,059,252
	89,187	23,547	14,125	111,971	25,004	107,230	80,430
	<u>17,281,424</u>	<u>12,178,668</u>	<u>7,330,949</u>	<u>11,606,817</u>	<u>14,388,635</u>	<u>19,211,595</u>	<u>17,135,428</u>
	<u>(34,608,771)</u>	<u>(30,987,132)</u>	<u>(34,063,450)</u>	<u>(2,279,227)</u>	<u>(26,225,257)</u>	<u>(33,565,437)</u>	<u>(50,685,480)</u>
	(110,418,540)	(102,447,465)	(100,582,963)	(122,856,447)	(149,531,385)	(185,072,615)	(98,666,369)
	106,839,942	99,949,106	100,281,367	87,603,145	126,537,907	173,137,081	101,870,171
	<u>3,693,886</u>	<u>783,064</u>	<u>1,624,614</u>	<u>1,683,214</u>	<u>1,824,113</u>	<u>2,116,187</u>	<u>2,888,332</u>
	<u>115,288</u>	<u>(1,715,295)</u>	<u>1,323,018</u>	<u>(33,570,088)</u>	<u>(21,169,365)</u>	<u>(9,819,347)</u>	<u>6,092,134</u>
	1,413,744	1,124,156	(10,895,259)	3,953,335	(7,790,055)	8,456,597	(4,625,418)
	<u>8,205,250</u>	<u>9,618,994</u>	<u>10,743,150</u>	<u>(152,109)</u>	<u>10,778,852</u>	<u>2,988,797</u>	<u>11,445,394</u>
\$	<u>9,618,994</u>	<u>\$ 10,743,150</u>	<u>\$ (152,109)</u>	<u>\$ 3,801,226</u>	<u>\$ 2,988,797</u>	<u>\$ 11,445,394</u>	<u>\$ 6,819,976</u>
\$	4,345,014	\$ 5,437,591	\$ 3,049,052	\$ 4,545,335	\$ 1,384,056	\$ 4,907,489	\$ 2,655,609
	<u>5,273,980</u>	<u>5,305,559</u>	<u>3,776,465</u>	<u>6,233,517</u>	<u>1,604,741</u>	<u>6,537,905</u>	<u>4,164,367</u>
\$	<u>9,618,994</u>	<u>\$ 10,743,150</u>	<u>\$ 6,825,517</u>	<u>\$ 10,778,852</u>	<u>\$ 2,988,797</u>	<u>\$ 11,445,394</u>	<u>\$ 6,819,976</u>

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Unrestricted and Restricted Cash and Investments
For the Last Ten Fiscal Years

	FYE 2009	FYE 2010	FYE 2011
Unrestricted cash and investments	\$ 101,585,472	\$ 81,306,740	\$ 66,785,456
Restricted passenger facility charge	33,020,457	37,001,122	41,549,123
Restricted customer facility charge	3,193,356	2,146,849	4,257,625
Restricted DEA forfeited property	57,940	76,324	59,229
Restricted Richards-Gebaur	5,814,010	1,864,246	1,680,609
Restricted airlines operation and maintenance	10,956,374	11,240,558	11,457,917
Restricted deferred maintenance and replacement	750,000	750,000	750,000
Restricted principal and interest	14,907,196	11,974,190	12,320,864
Restricted bond reserves	14,819,500	12,858,000	12,858,000
Restricted construction proceeds	-	-	4,686,713
Restricted other	-	-	8,469,811
	<hr/>	<hr/>	<hr/>
Total unrestricted and restricted cash and investments	<u>\$ 185,104,305</u>	<u>\$ 159,218,029</u>	<u>\$ 164,875,347</u>

City of Kansas City, Missouri Department of Aviation
Financial Trend Information
Schedule of Unrestricted and Restricted Cash and Investments
For the Last Ten Fiscal Years

FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
\$ 73,957,609	\$ 86,645,176	\$ 75,944,397	\$ 87,090,823	\$ 102,028,896	\$ 106,850,290	\$ 103,219,713
38,710,994	26,074,989	31,582,672	41,422,621	41,276,198	53,266,518	48,743,839
4,649,539	4,773,735	4,593,535	5,170,056	6,462,310	7,795,844	9,098,481
74,195	142,005	138,560	169,708	205,706	246,526	269,572
15,504	16,664	16,706	16,879	-	-	-
10,661,000	10,869,000	10,843,000	11,502,000	11,399,000	11,992,000	12,409,000
-	-	-	-	-	-	-
12,516,495	15,590,251	10,181,189	16,778,381	17,337,173	17,947,756	18,577,277
12,858,000	12,858,000	19,627,624	20,972,061	23,286,111	23,286,267	23,287,767
7,555,240	9,733,229	10,153,296	19,592,639	18,010,648	18,040,439	15,833,906
8,469,811	7,063,022	5,925,366	5,925,366	3,670,038	3,670,038	1,483,158
\$ 169,468,387	\$ 173,766,071	\$ 169,006,345	\$ 208,640,534	\$ 223,676,080	\$ 243,095,678	\$ 232,922,713

City of Kansas City, Missouri Department of Aviation
Revenue Capacity Information
Schedule of Revenues, Expenses and Changes in Net Position by Facility
For the Year Ended April 30, 2018

	Kansas City International Airport	Charles B. Wheeler Downtown Airport	Total
Operating Revenues			
Terminal and aprons	\$ 19,255,527	\$ -	\$ 19,255,527
Airfield	21,274,538	514,581	21,789,119
Parking	55,630,039	-	55,630,039
Rental car	11,669,527	27,993	11,697,520
Concessions	4,687,281	-	4,687,281
Property rental	9,658,913	3,389,266	13,048,179
Other	1,663,328	504,784	2,168,112
Total operating revenues	<u>123,839,153</u>	<u>4,436,624</u>	<u>128,275,777</u>
Operating Expenses			
Salaries, wages and employee benefits	33,761,127	1,282,298	35,043,425
Contractual services	40,452,739	1,501,084	41,953,823
Commodities	4,865,166	693,525	5,558,691
Total operating expenses before depreciation and amortization	<u>79,079,032</u>	<u>3,476,907</u>	<u>82,555,939</u>
Operating Income Before Noncash Operating Expense			
	<u>44,760,121</u>	<u>959,717</u>	<u>45,719,838</u>
Noncash Operating Expense			
Depreciation	51,494,196	418,578	51,912,774
Amortization	27,308	-	27,308
Total noncash operating expense	<u>51,521,504</u>	<u>418,578</u>	<u>51,940,082</u>
Total Operating Income (Loss)	(6,761,383)	541,139	(6,220,244)
Nonoperating Revenues			
Earnings on cash and investments	646,802	-	646,802
Passenger facility charge	22,178,778	-	22,178,778
Customer facility charge	7,059,252	-	7,059,252
Transportation facility charges	5,546,800	-	5,546,800
Operating grant revenue	220,963	-	220,963
Proceeds from CID sales tax	719,190	-	719,190
Other	352,867	-	352,867
Total nonoperating revenues	<u>36,724,652</u>	<u>-</u>	<u>36,724,652</u>
Nonoperating Expenses			
Interest	4,833,536	-	4,833,536
Other	8,079,690	-	8,079,690
Total nonoperating expenses	<u>12,913,226</u>	<u>-</u>	<u>12,913,226</u>
Total nonoperating revenues, net	<u>23,811,426</u>	<u>-</u>	<u>23,811,426</u>
Gain Before Capital Contributions	17,050,043	541,139	17,591,182
Capital Contributions	18,835,213	-	18,835,213
Change in Net Position	\$ 35,885,256	\$ 541,139	\$ 36,426,395

City of Kansas City, Missouri Department of Aviation
Revenue Capacity Information
Schedule of Grants
For the Year Ended April 30, 2018

Grant Number	Location	Description	Maximum Balance	FYE18 Revenue	Executed	Status
Capital Grant Revenue						
AIP 3-29-0041-23	MKC	Construct ARFF Building	\$ 2,808,844	\$ -	FYE14	Closed FYE17
AIP 3-29-0041-24	MKC	Phase 2, Taxiway Rehab	6,712,991	-	FYE12	Closed FYE17
AIP 3-29-0041-26	MKC	Rehabilitate Taxiways A, B, D, F, G, H, J,K	4,227,979	-	FYE14	Closed FYE17
AIP 3-29-0040-66	MCI	Planning Study for New Terminal Area	3,375,000	-	FYE12	Closed FYE17
AIP 3-29-0040-70	MCI	Rehabilitate Taxiway A	5,054,051	-	FYE14	Closed FYE17
AIP 3-29-0040-71	MCI	Rehabilitate Runway 1 / 19R Phase 1	14,878,080	288,620	FYE15	Open
AIP 3-29-0040-72	MCI	Rehabilitate Runway 1 / 19R Phase 2	20,262,113	2,230,098	FYE16	Open
AIP 3-29-0040-74	MCI	Rehabilitate Taxiway B - Phase 1	19,037,868	14,889,805	FYE17	Open
AIP 3-29-0040-75	MCI	Rehabilitate Taxiway B - Phase 2	11,303,243	1,426,690	FYE18	Open
Total Capital Grant Revenue				<u>\$ 18,835,213</u>		
Operating Grant Revenue						
DTFA0102X02082	MCI	TSA-Explosives Detection K-9 Team Program		\$ 196,096		
	MCI	DEA-Task Force Program		12,867		
AIR 166-106A-1	MCI	MODOT-ARFF Training Assistance		12,000		
Total Operating Grant Revenue				<u>\$ 220,963</u>		

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City of Kansas City, Missouri Department of Aviation
Revenue Capacity Information
Schedule of Highest Paying Customers
For the Last Ten Fiscal Years

	FYE 2009		FYE 2010		FYE 2011		FYE 2012		FYE 2013	
	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount
Southwest Airlines	1	\$ 7,920,563	1	\$ 8,104,847	1	\$ 8,408,033	1	\$ 9,387,483	1	\$ 10,309,695
American Airlines	2	3,552,199	2	6,804,134	2	6,981,072	6	2,421,925	10	2,133,037
Midwest Express Airlines	4	2,830,875	8	2,026,730	-	-	-	-	-	-
Jet Midwest	-	-	-	-	-	-	-	-	11	1,693,109
Hertz Car Rental	3	2,949,849	-	-	-	-	5	2,421,931	6	2,331,191
Host International, Inc.	7	2,024,811	4	2,332,056	5	2,287,999	11	2,023,491	8	2,160,244
Avis Budget Group	5	2,201,557	10	1,815,064	11	1,952,178	10	2,181,467	4	2,806,291
Vanguard Car Rental	6	2,028,272	7	2,053,882	10	1,991,583	9	2,239,967	9	2,139,753
Delta Air Lines	8	1,900,579	6	2,060,267	9	2,087,101	2	5,026,302	2	5,143,024
Executive Beechcraft	-	-	3	4,310,931	3	4,400,865	-	-	-	-
Northwest Airlines	9	1,732,444	-	-	-	-	-	-	-	-
United Airlines	11	1,649,140	-	-	-	-	8	2,323,265	3	4,147,453
US Airways	10	1,706,840	5	2,183,253	6	2,263,547	4	2,456,482	5	2,438,105
Continental Airlines	13	1,214,911	9	1,958,750	7	2,244,620	7	2,382,753	-	-
Paradies News & Gifts	-	-	13	1,326,843	8	2,092,494	-	-	-	-
Frontier Airlines	14	1,136,431	-	-	15	926,396	3	3,709,301	7	2,323,513
Port Authority of Kansas City, Missouri	-	-	12	1,378,392	4	2,388,070	-	-	-	-
Signature Flight Support ⁽¹⁾	12	1,642,471	-	-	-	-	12	1,316,190	13	1,283,956
Enterprise Rent A Car	15	1,062,849	11	1,424,421	12	1,344,064	13	1,265,939	12	1,303,709
VML, Inc.	-	-	14	1,151,347	13	1,178,265	14	1,031,289	15	1,058,361
DTAG	-	-	15	1,055,299	14	1,005,143	-	-	-	-
WireCo WorldGroup	-	-	-	-	-	-	15	1,000,165	14	1,157,239

	FYE 2014		FYE 2015		FYE 2016		FYE 2017		FYE 2018	
	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount
Southwest Airlines ⁽²⁾	1	\$ 10,525,358	1	\$ 13,454,506	1	\$ 13,842,787	1	\$ 15,042,957	1	\$ 25,342,107
American Airlines	8	2,145,696	7	2,637,266	4	4,085,813	3	6,551,089	3	9,652,684
Midwest Express Airlines	-	-	-	-	-	-	-	-	-	-
Jet Midwest	12	1,365,842	4	3,422,367	5	3,076,588	8	2,415,521	11	2,112,436
Hertz Car Rental	9	2,040,018	10	2,397,672	9	2,382,713	-	-	-	-
Host International, Inc.	4	2,446,492	8	2,589,194	7	2,794,501	6	3,070,180	9	3,248,653
Avis Budget Group	6	2,237,312	9	2,537,056	8	2,473,536	9	2,337,253	7	4,691,007
Vanguard Car Rental	5	2,294,176	6	2,773,392	6	2,996,567	7	2,914,547	6	6,676,270
Delta Air Lines	2	5,050,591	2	6,987,393	2	7,027,829	2	7,269,418	2	10,993,058
Executive Beechcraft	-	-	-	-	-	-	-	-	-	-
Northwest Airlines	-	-	-	-	-	-	-	-	-	-
United Airlines ⁽³⁾	3	3,726,085	3	5,011,162	3	4,827,004	4	4,968,659	4	7,246,532
US Airways	7	2,209,499	5	3,084,630	10	1,818,792	-	-	-	-
Continental Airlines	-	-	-	-	-	-	-	-	-	-
Paradies News & Gifts	-	-	-	-	15	1,071,774	14	1,068,598	-	-
Frontier Airlines	11	1,369,290	14	1,229,828	-	-	-	-	14	1,240,121
Port Authority of Kansas City, Missouri	-	-	-	-	-	-	-	-	-	-
Signature Flight Support ⁽¹⁾	-	-	12	1,333,822	-	-	12	1,148,245	15	1,201,789
Enterprise Rent A Car	10	1,393,251	11	1,455,303	11	1,594,318	10	1,605,756	8	3,650,768
VML, Inc.	15	984,138	-	-	14	1,081,295	13	1,074,467	-	-
DTAG	13	1,341,712	-	-	-	-	5	3,218,685	5	7,077,967
WireCo WorldGroup	14	1,331,056	13	1,315,742	13	1,158,430	-	-	-	-
Aviation Technical Services	-	-	15	1,218,856	12	1,437,344	11	1,299,504	-	-
Federal Express	-	-	-	-	-	-	15	1,059,104	-	-
Spirit Airlines	-	-	-	-	-	-	-	-	10	2,173,813
The Kansas City Landman, LLC (Budget)	-	-	-	-	-	-	-	-	12	1,566,696
Alaska Airlines	-	-	-	-	-	-	-	-	13	1,329,702

⁽¹⁾Executive Beechcraft changed its name to Signature Flight Support in FY2011.

⁽²⁾ Southwest Airlines contains totals from AirTran.

⁽³⁾ United contains totals from Continental.

City of Kansas City, Missouri Department of Aviation

Revenue Capacity Information

Schedule of Most Popular Destinations

For the Last Ten Calendar Years

Rank	City	CY2008	City	CY2009	City	CY2010	City	CY2011	City	CY2012
1	Denver	\$439,711	Denver	\$409,864	Denver	\$418,499	Denver	\$411,969	Denver	\$447,579
2	Chicago, Midway	384,912	Chicago, Midway	335,554	Chicago, Midway	326,712	Chicago, Midway	326,988	Chicago, Midway	331,560
3	Las Vegas	360,666	Las Vegas	327,926	Orlando	313,889	Orlando	311,682	Orlando	289,709
4	Orlando	336,657	Orlando	320,761	Las Vegas	303,119	Las Vegas	305,608	Las Vegas	306,558
5	Chicago, O'Hare	321,504	Los Angeles	285,248	Atlanta	273,996	Atlanta	273,361	Atlanta	274,490
6	Los Angeles	313,323	Atlanta	279,222	Los Angeles	261,394	Los Angeles	262,041	Los Angeles	249,205
7	Atlanta	310,019	Chicago, O'Hare	271,320	Phoenix	254,727	Phoenix	259,295	Phoenix	264,124
8	Dallas, Love	305,827	Phoenix	257,725	New York, LGA	241,517	New York, LGA	244,359	New York, LGA	205,801
9	Phoenix	274,859	Dallas-Love	228,369	Chicago, O'Hare	240,507	Chicago, O'Hare	236,900	Chicago, O'Hare	219,080
10	New York, LGA	240,927	New York, LGA	220,260	Dallas, Love	224,405	Dallas, Love	227,619	Dallas, Love	240,565
11	Dallas/Fort Worth	216,432	Dallas/Forth Worth	209,465	Washington, DCA	214,543	Washington, DCA	214,957	Washington, DCA	204,347
12	Baltimore	201,294	Baltimore	192,488	Dallas/Forth Worth	189,435	Dallas/Forth Worth	187,906	Dallas/Forth Worth	185,549
13	Washington, DCA	195,273	Washington, DCA	185,986	Baltimore	176,061	Baltimore	173,920	Baltimore	149,948
14	San Diego	181,780	Tampa	185,285	Tampa	169,359	Tampa	165,793	Tampa	158,669
15	Tampa	167,177	Seattle/Tacoma	161,337	Seattle/Tacoma	166,218	Seattle/Tacoma	164,127	Seattle/Tacoma	166,998
16	Seattle/Tacoma	166,751	San Diego	155,656	San Diego	158,480	San Diego	160,113	San Diego	170,849
17	St. Louis	164,594	Fort Lauderdale	145,412	Milwaukee	152,599	Milwaukee	150,098	Boston	135,576
18	Nashville	155,937	Nashville	142,856	Fort Lauderdale	139,936	Philadelphia	143,108	Philadelphia	140,529
19	Philadelphia	153,044	St. Louis	135,036	Philadelphia	138,328	Fort Lauderdale	141,823	Fort Lauderdale	157,161
20	Boston	145,924	Philadelphia	127,792	Nashville	137,945	Nashville	135,246	Nashville	138,473
	Total passengers, all destinations	9,866,976	Total passengers, all destinations	8,993,054	Total passengers, all destinations	9,033,011	Total passengers, all destinations	8,451,492	Total passengers, all destinations	8,562,161

Rank	City	CY2013	City	CY2014	City	CY2015	City	CY2016	City	CY2017
1	Denver	\$468,243	Denver	\$485,516	Denver	\$455,644	Denver	\$456,153	Denver	\$530,536
2	Chicago, Midway	321,938	Chicago, Midway	334,623	Las Vegas	389,877	Los Angeles	426,967	Los Angeles	481,943
3	Atlanta	280,960	Las Vegas	314,304	Chicago, Midway	345,645	Las Vegas	402,232	Las Vegas	425,877
4	Las Vegas	278,535	Orlando	303,697	Los Angeles	325,032	Orlando	374,776	Orlando	405,721
5	Phoenix	273,568	Atlanta	298,955	Atlanta	318,346	Atlanta	349,816	Atlanta	367,738
6	Orlando	261,002	Phoenix	285,314	Orlando	303,199	Chicago, Midway	336,650	Chicago, Midway	354,626
7	Los Angeles	256,274	Los Angeles	277,183	Phoenix	302,146	Phoenix	309,526	Phoenix	321,296
8	Dallas, Love	230,000	Dallas, Love	246,110	Dallas, Love	285,024	New York, LGA	293,753	New York, LGA	305,013
9	Chicago, O'Hare	226,610	Chicago, O'Hare	239,091	New York, LGA	253,905	Washington, DCA	257,568	Dallas, Love	257,568
10	Washington, DCA	186,913	New York, LGA	205,574	Chicago, O'Hare	243,114	Dallas, Love	249,764	Washington, DCA	249,764
11	New York, LGA	184,091	Dallas/Forth Worth	205,299	Washington, DCA	238,157	Chicago, O'Hare	239,142	Chicago, O'Hare	239,142
12	Dallas/Forth Worth	175,515	Washington, DCA	199,286	Dallas/Forth Worth	215,565	Seattle/Tacoma	202,660	Seattle/Tacoma	202,660
13	Minneapolis/St. Paul	169,365	Seattle/Tacoma	178,725	Seattle/Tacoma	181,512	Dallas/Forth Worth	190,279	Dallas/Forth Worth	190,279
14	Seattle/Tacoma	163,009	Minneapolis/St. Paul	172,594	Minneapolis/St. Paul	173,800	Detroit	181,479	Detroit	181,479
15	Fort Lauderdale	160,280	Baltimore	159,723	Detroit	169,543	Minneapolis/St. Paul	179,873	Boston	179,873
16	San Diego	154,703	Boston	156,536	Boston	163,529	Philadelphia	158,072	Minneapolis/St. Paul	158,072
17	Philadelphia	152,265	San Diego	154,713	Fort Lauderdale	160,065	Nashville	155,266	Philadelphia	155,266
18	Baltimore	150,797	Philadelphia	149,894	Houston, Hobby	156,358	Boston	154,496	San Diego	154,496
19	Boston	142,665	Fort Lauderdale	148,807	Baltimore	152,791	San Diego	153,158	Tampa	153,158
20	Nashville	140,099	Nashville	144,759	San Diego	152,221	Houston, Hobby	152,795	Ft. Lauderdale	152,795
	Total passengers, all destinations	8,859,503	Total passengers, all destinations	9,130,799	Total passengers, all destinations	9,519,022	Total passengers, all destinations	9,912,998	Total passengers, all destinations	10,398,528

One passenger flying roundtrip is counted twice.

Source: U.S. DOT Dynamic Table Report for all Airlines between MCI and all Destinations

City of Kansas City, Missouri Department of Aviation
Revenue Capacity Information
Schedule of Passenger and Cargo Airlines

Major/National Airlines

Alaska Airlines
Allegiant Air
American Airlines
Delta Air Lines
Frontier Airlines
Southwest Airlines
Spirit Airlines
United Airlines

Major/International Airline

Air Canada/Air Georgian
Vacation Express/Miami Air International

Regional/Commuter Airlines

Air Wisconsin
Envoy Air
ExpressJet Airlines
GoJet Airlines
Horizon Air
Mesa Airlines
One Jet/Corporate Flight Management
PSA Airlines
Republic Airlines
SkyWest Airlines
Trans States Airlines
Via Airlines

Cargo Carriers

DHL
FedEx
UPS

City of Kansas City, Missouri Department of Aviation
Revenue Capacity Information
Schedule of Airline Service

Carrier	Non-Stop Destination	Number of Peak Day Departures	Number of Weekly Departures
Air Canada	Toronto, ON, CA	2	14
Alaska Airlines	San Diego, CA, US	1	7
	San Francisco, CA, US	1	7
	Seattle, WA, US	2	12
Allegiant Air	Orlando-Sanford, FL, US	0	2
	Phoenix, AZ, US	0	0
	Punta Gorda, FL, US	0	2
	St. Petersburg, FL, US	0	2
American Airlines	Cancun, MX	0	1
	Charlotte-Douglas, NC, US	4	25
	Chicago-O'Hare, IL, US	6	41
	Dallas/Fort Worth, TX, US	6	45
	Miami, FL, US	1	7
	Philadelphia, PA, US	3	19
	Phoenix, AZ, US	2	14
	Washington-National, DC, US	3	19
Delta Air Lines	Atlanta, GA, US	8	59
	Boston, MA, US	1	6
	Cancun, MX	0	1
	Cincinnati, OH/Covington, KY, US	2	11
	Detroit, MI, US	4	25
	Los Angeles, CA, US	2	13
	Minneapolis/St. Paul, MN, US	5	38
	New York-La Guardia, NY, US	4	31
	Salt Lake City, UT, US	3	20
Frontier Airlines	Cancun, MX	0	1
	Denver, CO, US	1	7
	Fort Myers, FL, US	0	0
	Philadelphia, PA, US	0	2
	Raleigh/Durham, NC, US	0	3
	Tampa, FL, US	0	0
One Jet	Pittsburgh, PA, US	1	10
Southwest Airlines	Albuquerque, NM, US	1	7
	Atlanta, GA, US	4	25
	Austin, TX, US	1	7
	Baltimore, MD, US	3	18
	Boston, MA, US	2	11
	Chicago-Midway, IL, US	8	55

City of Kansas City, Missouri Department of Aviation
Revenue Capacity Information
Schedule of Airline Service

Carrier	Non-Stop Destination	Number of Peak Day Departures	Number of Weekly Departures
Southwest Airlines, continued	Dallas-Love, TX, US	6	45
	Denver, CO, US	6	39
	Fort Lauderdale, FL, US	1	9
	Fort Myers, FL, US	0	3
	Houston-Hobby, TX, US	3	19
	Indianapolis, IN, US	2	13
	Las Vegas, NV, US	4	28
	Los Angeles, CA, US	3	20
	Milwaukee, WI, US	2	12
	Minneapolis/St. Paul, MN, US	2	12
	Nashville, TN, US	4	26
	New Orleans, LA, US	1	8
	New York-La Guardia, NY, US	1	7
	Oakland, CA, US	1	7
	Orlando, FL, US	3	18
	Pensacola, FL, US	0	1
	Phoenix, AZ, US	4	25
	Portland, OR, US	1	7
	Raleigh/Durham, NC, US	1	5
	San Antonio, TX, US	1	7
	San Diego, CA, US	2	13
	Seattle, WA, US	1	6
	St. Louis, MO, US	4	25
Tampa, FL, US	1	10	
Washington-National, DC, US	2	13	
Spirit Airlines	Detroit, MI, US	1	7
	Las Vegas, NV, US	1	6
	Los Angeles, CA, US	1	7
	Orlando, FL, US	1	7
United Airlines	Chicago-O'Hare, IL, US	6	41
	Denver, CO, US	5	32
	Houston-Intercontinental, TX, US	5	34
	Newark, NJ, US	3	20
	San Francisco, CA, US	2	15
	Washington-Dulles, VA, US	3	18
Vacation Express	Punta Cana, DR	0	1
Via Airlines	Steamboat Springs/Hayden, CO, US	0	3

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Ratios of Outstanding Debt, Debt Service and Debt Limits
For the Last Ten Fiscal Years

	<u>FYE 2009</u>	<u>FYE 2010</u>	<u>FYE 2011</u>
Outstanding Debt by Type			
General Airport Revenue Bonds (GARBs) Non-PFC eligible ⁽¹⁾	\$ 187,500,000	\$ 176,300,000	\$ 165,720,000
General Airport Revenue Bonds (GARBs) PFC eligible ⁽¹⁾	-	-	-
Subordinate Bonds	50,875,000	47,615,000	44,220,000
Passenger Facility Charge Bonds ⁽²⁾	112,965,000	108,485,000	103,815,000
Add: Unamortized Premiums on Bonds	-	-	-
Less: Unamortized Discount on Bonds	-	-	-
Outstanding Debt	<u>351,340,000</u>	<u>332,400,000</u>	<u>313,755,000</u>
Enplaned Passengers	<u>5,058,885</u>	<u>4,939,032</u>	<u>4,945,779</u>
Outstanding Debt per Enplaned Passenger	<u>\$ 69.45</u>	<u>\$ 67.30</u>	<u>\$ 63.44</u>
Debt Service (in thousands)			
Principal	\$ 18,940	\$ 18,645	\$ 19,555
Interest	<u>16,919</u>	<u>15,962</u>	<u>15,007</u>
Total Debt Service	<u>\$ 35,859</u>	<u>\$ 34,607</u>	<u>\$ 34,562</u>
Ratio of Debt Service to Outstanding Debt	<u>10.21%</u>	<u>10.41%</u>	<u>11.02%</u>

¹ Series 2013 A&B Bonds refunded previously outstanding GARB bonds and outstanding Series 2001 PFC Bonds.

² Series 2001 PFC Bonds were refunded in FY14.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Ratios of Outstanding Debt, Debt Service and Debt Limits
For the Last Ten Fiscal Years

FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
\$ 154,590,000	\$ 143,145,000	\$ 114,020,000	\$ 110,880,000	\$ 98,150,000	\$ 84,815,000	\$ 70,790,000
-	-	83,060,000	77,860,000	72,420,000	66,700,000	60,685,000
40,670,000	36,960,000	33,080,000	29,015,000	24,750,000	20,275,000	15,575,000
98,940,000	93,850,000	-	-	-	-	-
-	1,467,189	18,196,441	16,095,309	13,994,178	11,893,047	9,791,914
-	(752,427)	(48,201)	(40,590)	(32,980)	(25,370)	(17,758)
<u>294,200,000</u>	<u>274,669,762</u>	<u>248,308,240</u>	<u>233,809,719</u>	<u>209,281,198</u>	<u>183,657,677</u>	<u>156,824,156</u>
<u>5,198,808</u>	<u>4,878,178</u>	<u>4,966,220</u>	<u>5,137,881</u>	<u>5,334,342</u>	<u>5,624,895</u>	<u>5,784,629</u>
<u>\$ 56.59</u>	<u>\$ 56.31</u>	<u>\$ 50.00</u>	<u>\$ 45.51</u>	<u>\$ 39.23</u>	<u>\$ 32.65</u>	<u>\$ 27.11</u>
\$ 20,245	\$ 25,270	\$ 12,405	\$ 22,435	\$ 23,530	\$ 24,740	\$ 25,995
14,045	12,950	11,199	10,417	9,315	8,106	6,830
<u>\$ 34,290</u>	<u>\$ 38,220</u>	<u>\$ 23,604</u>	<u>\$ 32,852</u>	<u>\$ 32,845</u>	<u>\$ 32,846</u>	<u>\$ 32,825</u>
<u>11.66%</u>	<u>13.91%</u>	<u>9.51%</u>	<u>14.05%</u>	<u>15.69%</u>	<u>17.88%</u>	<u>20.93%</u>

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical General Airport Revenue Bond Debt Service Coverage
For the Last Ten Fiscal Years

	FYE09	FYE10	FYE11	FYE12
Revenues¹				
Airfield	\$ 13,429,590	\$ 14,033,642	\$ 14,448,246	\$ 16,380,975
Terminal	16,343,958	14,483,637	14,971,531	16,398,667
Parking	40,303,290	40,059,593	43,366,827	46,167,682
Rental cars	10,891,442	9,825,488	9,749,133	10,104,810
Aviation services area	9,873,639	8,221,341	6,076,945	3,918,673
Other property rentals	7,124,115	6,377,218	8,195,045	9,201,962
Operating grant	290,638	315,569	264,630	154,660
Customer facility charges	6,170,584	5,439,585	5,674,925	6,036,072
Transportation facility charges	4,117,922	3,737,492	4,011,223	4,748,178
Interest earnings	6,049,066	2,133,958	2,103,392	2,260,811
Total revenues	114,594,245	104,627,524	108,861,897	115,372,490
Transfer from coverage deposit account	-	-	-	-
Total cash available for debt service	114,594,245	104,627,524	108,861,897	115,372,490
O&M Expenses				
Salaries, wages and benefits	28,831,360	29,797,055	28,905,636	28,355,253
Contractual services & TFC expense	44,689,158	44,728,434	45,012,638	43,878,454
Commodities and supplies	3,794,294	3,925,026	4,445,428	4,280,475
Total O&M expenses	77,314,813	78,450,515	78,363,702	76,514,182
Net Revenues Available for Debt Service	37,279,432	26,177,008	30,498,195	38,858,308
Senior GARB Debt Service				
Series 1995 Bonds	-	-	-	-
Series 1997A Bonds	809,698	-	-	-
Series 1999A Bonds	1,390,569	-	-	-
Series 2003A Bonds	5,855,045	5,856,726	5,857,641	5,856,180
Series 2003B Bonds	2,712,013	2,712,013	2,712,013	2,712,013
Series 2004E Bonds ³	1,891,888	1,885,088	8,621,200	8,619,863
Series 2005H Bonds ⁴	7,091,000	8,153,875	-	-
Series 2008A Bonds ⁵	674,027	1,363,200	1,593,500	1,598,800
Series 2013A Bonds ⁷	-	-	-	-
Series 2013B Bonds ⁸	-	-	-	-
Total senior GARB debt service	20,424,238	19,970,901	18,784,354	18,786,856
Less: Principal and Interest Services from Passenger Facility Charge (2013A) ⁹	-	-	-	-
Aggregate Annual Debt Service¹⁰	20,424,238	19,970,901	18,784,354	18,786,856
Senior GARB Coverage	1.83	1.31	1.62	2.07
Subordinate GARB Debt Service				
Series 2000 Subordinate GARBs ²	-	-	-	-
Series 2005C Subordinate GARBs ⁶	5,789,285	5,759,535	5,728,160	5,709,535
Subtotal	5,789,285	5,759,535	5,728,160	5,709,535
Total GARB Debt Service	\$ 26,213,523	\$ 25,730,436	\$ 24,512,514	\$ 24,496,391
Total GARB Coverage	1.42	1.02	1.24	1.59

¹ Revenues presented in accordance with the methodology set forth in the GARB bond ordinances.

² Series 2000 Subordinate GARBs were issued in December 2000 and refunded in April 2005.

³ Series 2004E GARBs were issued in part to refund the Series 1994A GARBs.

⁴ Series 2005H GARBs were issued in part to refund the Series 1995 GARBs.

⁵ Series 2008A GARBs were issued in part to refund the Series 1997A GARBs.

⁶ Series 2005C Subordinate GARBs were issued in part to refund the Series 2000 Subordinate GARBs.

⁷ Series 2013A GARBs were issued in part to refund the Series 2003A GARBs.

⁸ Series 2013B GARBs were issued in part to refund the Series 2003B GARBs.

⁹ Series 2013A, PFC portion GARBs were issued in part to refund the Series 2001 PFC Bonds.

¹⁰ Beginning in FY2014, "Aggregate Annual Debt Service" excludes principal and interest amount paid from PFCs that are set aside exclusively for that purpose.

¹¹ Beginning in FY2010, a change in reporting methodology excludes OPEB expense.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical General Airport Revenue Bond Debt Service Coverage
For the Last Ten Fiscal Years

	FYE13	FYE14	FYE15	FYE16	FYE17	FYE18	FYE18 Change
\$	15,812,257	\$ 15,555,215	\$ 19,756,885	\$ 19,019,782	\$ 21,092,117	\$ 21,789,119	3.3%
	14,631,794	14,873,181	22,335,243	22,527,579	22,822,908	23,942,808	4.9%
	47,375,785	48,086,831	49,938,478	52,578,719	55,425,436	55,630,039	0.4%
	9,889,394	10,400,445	11,315,762	11,464,301	11,022,127	11,697,520	6.1%
	4,670,210	6,575,308	7,270,646	6,886,829	6,971,830	6,444,205	-7.6%
	8,826,576	9,375,477	9,536,636	9,255,984	9,088,611	8,772,086	-3.5%
	627,742	258,543	306,075	211,599	222,402	220,963	-0.6%
	6,070,968	6,190,905	6,704,444	7,012,830	7,008,786	7,059,252	0.7%
	4,771,188	4,871,428	5,274,163	5,516,760	5,513,578	5,546,800	0.6%
	1,278,239	274,560	1,725,487	1,208,450	1,031,548	511,442	-50.4%
	<u>113,954,153</u>	<u>116,461,893</u>	<u>134,163,819</u>	<u>135,682,833</u>	<u>140,199,345</u>	<u>141,614,234</u>	<u>1.0%</u>
	-	832,607	2,177,044	4,491,094	4,491,250	4,492,750	
	<u>113,954,153</u>	<u>117,294,500</u>	<u>136,340,863</u>	<u>140,173,927</u>	<u>144,690,595</u>	<u>146,106,984</u>	
	29,169,011	30,374,389	30,124,286	29,411,654	33,506,857	35,025,037	4.5%
	42,816,982	44,202,257	48,296,934	48,655,439	47,518,854	47,500,623	0.0%
	4,592,404	4,945,061	5,147,628	4,579,143	4,802,425	5,558,691	15.7%
	<u>76,578,397</u>	<u>79,521,707</u>	<u>83,568,848</u>	<u>82,646,236</u>	<u>85,828,136</u>	<u>88,084,351</u>	
	<u>37,375,756</u>	<u>37,772,793</u>	<u>52,772,015</u>	<u>57,527,691</u>	<u>58,862,458</u>	<u>58,022,633</u>	<u>-1.4%</u>
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	5,859,010	-	-	-	-	-	
	2,712,013	-	-	-	-	-	
	7,209,406	-	-	-	-	-	
	-	-	-	-	-	-	
	2,784,400	-	-	-	-	-	
	-	4,287,035	15,436,300	15,431,500	15,434,250	15,438,875	
	-	1,472,751	2,512,750	11,773,750	11,772,625	11,775,625	
	<u>18,564,829</u>	<u>5,759,786</u>	<u>17,949,050</u>	<u>27,205,250</u>	<u>27,206,875</u>	<u>27,214,500</u>	
	-	2,429,357	9,240,875	9,240,875	9,241,875	9,243,500	
	<u>18,564,829</u>	<u>3,330,429</u>	<u>8,708,175</u>	<u>17,964,375</u>	<u>17,965,000</u>	<u>17,971,000</u>	
	<u>2.01</u>	<u>11.34</u>	<u>6.06</u>	<u>3.20</u>	<u>3.28</u>	<u>3.23</u>	
	-	-	-	-	-	-	
	5,688,035	5,668,285	5,654,660	5,646,410	5,637,910	5,630,598	
	<u>5,688,035</u>	<u>5,668,285</u>	<u>5,654,660</u>	<u>5,646,410</u>	<u>5,637,910</u>	<u>5,630,598</u>	
\$	<u>24,252,864</u>	<u>\$ 8,998,714</u>	<u>\$ 14,362,835</u>	<u>\$ 23,610,785</u>	<u>\$ 23,602,910</u>	<u>\$ 23,601,598</u>	
	<u>1.54</u>	<u>4.20</u>	<u>3.67</u>	<u>2.44</u>	<u>2.49</u>	<u>2.46</u>	

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Annual Passenger Enplanements
Calendar Years 2008-2017

Year	Domestic		International ¹		Total Enplanements	
	Actual	% of Total	Actual	% of Total	Actual	% Change
2008	5,309,975	98.8%	65,951	1.2%	5,375,926	-7.8%
2009	4,883,146	99.2%	39,263	0.8%	4,922,409	-8.4%
2010	4,908,782	99.2%	40,949	0.8%	4,949,731	0.6%
2011	5,044,028	99.1%	43,999	0.9%	5,088,027	2.8%
2012 ²	4,943,214	99.0%	50,981	1.0%	4,994,195	-1.8%
2013	4,914,321	99.5%	26,720	0.5%	4,941,041	-1.1%
2014	5,057,985	99.4%	28,525	0.6%	5,086,510	2.9%
2015	5,208,249	99.5%	28,558	0.5%	5,236,807	3.0%
2016	5,496,571	99.4%	30,685	0.6%	5,527,256	5.5%
2017	5,717,376	99.4%	33,815	0.6%	5,751,191	4.1%
Jan-Apr 2012	1,575,132	99.6%	6,638	0.4%	1,581,770	-
Jan-Apr 2013	1,460,432	99.6%	6,509	0.4%	1,466,941	-7.3%
Jan-Apr 2014	1,484,952	99.5%	7,168	0.5%	1,492,120	1.7%
Jan-Apr 2015	1,536,050	99.5%	7,441	0.5%	1,543,491	3.4%
Jan-Apr 2016	1,632,406	99.5%	8,620	0.5%	1,641,026	6.3%
Jan-Apr 2017	1,725,907	99.3%	12,758	0.7%	1,738,665	5.9%
Jan-Apr 2018	1,754,124	99.0%	17,979	1.0%	1,772,103	1.9%
Average Annual Growth Rate						
2008-2017	0.82%	-	-7.15%	-	0.75%	-

¹ International enplanements by Air Canada, Air Canada Jazz, Frontier and charter airlines.

² Starting CY2012 and forward, enplanement calculations include non-revenue passengers.

Source: Kansas City Aviation Department records.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Monthly Enplanements
Calendar Years 2008 – 2017 and January through April of 2018

Month	Enplanements										
	2008	2009	2010	2011	2012 ¹	2013	2014	2015	2016	2017	Jan-Apr 2018
January	420,963	335,323	344,321	352,322	368,418	347,169	350,578	349,938	383,096	391,315	405,749
February	388,933	334,555	318,086	314,058	353,311	311,403	325,254	338,233	367,669	383,665	387,295
March	514,468	401,116	411,065	417,787	450,933	408,933	416,167	428,994	451,564	499,745	505,022
April	450,995	387,324	401,469	386,822	409,108	399,436	400,121	426,326	438,697	463,940	474,037
May	486,801	441,917	451,185	466,900	459,944	464,990	465,365	482,667	510,419	530,826	
June	515,415	462,261	476,489	491,674	459,051	474,867	478,568	486,329	512,759	535,270	
July	517,648	494,361	483,631	504,185	470,569	476,892	492,056	509,178	529,929	549,871	
August	458,184	427,956	424,756	450,001	420,927	416,517	438,693	440,165	460,466	494,972	
September	397,736	399,782	407,386	424,926	387,461	391,445	418,901	431,378	469,602	458,553	
October	440,106	439,678	442,777	430,055	428,496	437,803	463,157	480,843	483,141	502,624	
November	376,968	396,039	409,360	430,582	398,776	386,996	411,104	431,995	463,322	478,568	
December	407,709	402,097	379,206	418,715	387,201	424,590	426,546	430,761	456,592	461,842	
Total	<u>5,375,926</u>	<u>4,922,409</u>	<u>4,949,731</u>	<u>5,088,027</u>	<u>4,994,195</u>	<u>4,941,041</u>	<u>5,086,510</u>	<u>5,236,807</u>	<u>5,527,256</u>	<u>5,751,191</u>	<u>1,772,103</u>

¹ Starting CY2012 and forward, enplanement calculations include non-revenue passengers.

Source: Kansas City Aviation Department records.

Source: Airlines for American (A4A) formerly known as Air Transport Association (ATA). A4A data includes only scheduled service by A4A-member passenger airlines. As of April 2012, ATA Airline members included Alaska, American, ASTAR Air Cargo, Atlas Air, Delta, Evergreen International and Federal Express airlines. U.S. Domestic monthly enplanements data is no longer available to non-A4A (ATA) members effective December 31, 2006.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Changes in Monthly Enplanements
Calendar Years 2008 – 2017 and January through April of 2018

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
January	-20.3%	2.7%	2.3%	4.6%	-5.8%	1.0%	-0.2%	9.5%	2.1%	3.7%
February	-14.0%	-4.9%	-1.3%	12.5%	-11.9%	4.4%	4.0%	8.7%	4.4%	0.9%
March	-22.0%	2.5%	1.6%	7.9%	-9.3%	1.8%	3.1%	5.3%	10.7%	1.1%
April	-14.1%	3.7%	-3.6%	5.8%	-2.4%	0.2%	6.5%	2.9%	5.8%	2.2%
May	-9.2%	2.1%	3.5%	-1.5%	1.1%	0.1%	3.7%	5.7%	4.0%	
June	-10.3%	3.1%	3.2%	-6.6%	3.4%	0.8%	1.6%	5.4%	4.4%	
July	-4.5%	-2.2%	4.2%	-6.7%	1.3%	3.2%	3.5%	4.1%	3.8%	
August	-6.6%	-0.7%	5.9%	-6.5%	-1.0%	5.3%	0.3%	4.6%	7.5%	
September	0.5%	1.9%	4.3%	-8.8%	1.0%	7.0%	3.0%	8.9%	-2.4%	
October	-0.1%	0.7%	-2.9%	-0.4%	2.2%	5.8%	3.8%	0.5%	4.0%	
November	5.1%	3.4%	5.2%	-7.4%	-3.0%	6.2%	5.1%	7.3%	3.3%	
December	-1.4%	-5.7%	10.4%	-7.5%	9.7%	0.5%	1.0%	6.0%	1.1%	
	<u>-8.4%</u>	<u>0.6%</u>	<u>2.8%</u>	<u>-1.8%</u>	<u>-1.1%</u>	<u>2.9%</u>	<u>3.0%</u>	<u>5.5%</u>	<u>4.1%</u>	

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City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Airlines Market Share
Calendar Years 2008 – 2017 and January through April 2018

	2008	2009	2010	2011
Domestic Air Carrier				
AirTran	\$ 145,971	\$ 141,601	\$ 109,700	\$ 105,826
Alaska Airlines ¹	-	-	-	-
Allegiant Air ²	-	-	-	-
America West	-	-	-	-
American	556,437	480,013	462,277	462,109
Continental ³	131,244	262,537	255,855	240,803
Delta ⁴	829,027	842,760	829,929	888,901
Express Jet ⁵	200,908	-	-	-
Frontier	211,542	176,245	326,098	662,912
Great Lakes ⁶	17,860	21,698	12,380	488
Midwest ⁷	514,480	295,777	194,405	-
OneJet Airlines ⁸	-	-	-	-
Skybus ⁹	6,684	-	-	-
Southwest	1,951,027	1,946,213	1,984,482	1,991,860
Spirit ⁹	-	-	-	-
United ¹⁰	438,179	436,691	428,677	372,343
US Airways ¹¹	359,541	309,509	337,886	350,589
Subtotal - Domestic Air Carrier	<u>5,362,900</u>	<u>4,913,044</u>	<u>4,941,689</u>	<u>5,075,831</u>
Foreign Air Carrier ¹²	11,152	8,025	7,651	10,802
Charter ¹³	<u>1,874</u>	<u>1,340</u>	<u>391</u>	<u>1,394</u>
TOTAL - ALL AIRLINES	<u><u>\$ 5,375,926</u></u>	<u><u>\$ 4,922,409</u></u>	<u><u>\$ 4,949,731</u></u>	<u><u>\$ 5,088,027</u></u>

¹ Alaska Airlines began service at MCI in March 2012.

² Allegiant Air began scheduled service in November 2015.

³ Includes enplanements by Chautauqua Airlines, and ExpressJet; merged with United in 2012.

⁴ Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, Skywest, Northwest, and Pinnacle airlines.

⁵ ExpressJet began operations at Kansas City International Airport effective April 2007, and became dba Continental in 2009.

⁶ Great Lakes Airlines began service at MCI in October 2007 and ceased operations in February 2011.

⁷ Includes enplanements by Skyway and Republic Airlines. Midwest Airlines merged their operations with Frontier Airlines in April 2010.

⁸ OneJet Airlines began service at MCI in March 2018.

⁹ Spirit began service at MCI in August 2014.

¹⁰ Includes enplanements by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines, and TransStates Airlines.

¹¹ Includes enplanements by Air Wisconsin, Mesa Airlines, PSA Airlines, and Republic Airlines. US Airways merged with American Airlines October 2015.

¹² Effective 2007, Air Canada's operations are reported with Air Canada Jazz's. Air Georgian started operations on behalf of Air Canada Jazz in May 2014.

¹³ Charter Passenger category includes American Trans Air, Miami Air International, Ryan International, Omni Air, VIA Airlines, and Hawaiian Airlines.

¹⁴ Starting CY2012 and forward, enplanement calculations include non-revenue passengers.

(Continued)

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Airlines Market Share
Calendar Years 2008 – 2017 and January through April 2018

2012¹⁴	2013	2014	2015	2016	2017	Jan-Apr 2018
\$ 94,826	\$ 149,564	\$ 82,535	\$ -	\$ -	\$ -	\$ -
40,597	52,123	55,508	66,194	105,415	114,485	34,149
-	-	-	5,688	47,625	73,142	19,267
-	-	-	-	-	-	-
470,125	457,856	465,701	564,954	918,720	895,555	251,406
-	-	-	-	-	-	-
909,211	886,945	896,475	905,937	916,060	930,944	293,684
-	-	-	-	-	-	-
421,086	212,430	160,422	59,768	118,879	86,459	36,454
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	555
-	-	-	-	-	-	-
2,063,124	2,187,479	2,384,954	2,577,863	2,717,199	2,858,617	893,477
-	-	63,831	164,206	150,258	203,713	61,819
601,482	581,919	543,346	525,726	-	-	-
381,673	399,674	415,139	352,692	532,262	570,869	172,608
4,982,124	4,927,990	5,067,911	5,223,028	5,506,418	5,733,784	1,763,419
10,074	8,556	12,426	12,115	19,233	15,589	6,586
1,997	4,495	6,173	1,664	1,605	1,818	2,098
\$ 4,994,195	\$ 4,941,041	\$ 5,086,510	\$ 5,236,807	\$ 5,527,256	\$ 5,751,191	\$ 1,772,103

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Airlines Market Share
Calendar Years 2008 – 2017 and January through April 2018

	2008	2009	2010	2011	2012
Domestic Air Carrier					
AirTran	2.7%	2.9%	2.2%	2.1%	1.9%
Alaska Airlines ¹	0.0%	0.0%	0.0%	0.0%	0.8%
Allegiant Air ²	0.0%	0.0%	0.0%	0.0%	0.0%
American	10.4%	9.8%	9.3%	9.1%	9.4%
Continental ³	2.4%	5.3%	5.2%	4.7%	0.0%
Delta ⁴	15.4%	17.1%	16.8%	17.5%	18.2%
Express Jet ⁵	3.7%	0.0%	0.0%	0.0%	0.0%
Frontier	3.9%	3.6%	6.6%	13.0%	8.4%
Great Lakes ⁶	0.3%	0.4%	0.3%	0.0%	0.0%
Midwest ⁷	9.6%	6.0%	3.9%	0.0%	0.0%
OneJet Airlines ⁸	0.0%	0.0%	0.0%	0.0%	0.0%
Skybus ⁹	0.1%	0.0%	0.0%	0.0%	0.0%
Southwest	36.3%	39.5%	40.1%	39.1%	41.3%
Spirit ⁹	0.0%	0.0%	0.0%	0.0%	0.0%
United ¹⁰	8.2%	8.9%	8.7%	7.3%	12.0%
US Airways ¹¹	6.7%	6.3%	6.8%	6.9%	7.6%
Subtotal - Domestic Air Carrier	99.8%	99.8%	99.8%	99.8%	99.6%
Foreign Air Carrier ¹³	0.2%	0.2%	0.2%	0.2%	0.2%
Charter ¹⁴	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL - ALL AIRLINES	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Alaska Airlines began service at MCI in March 2012.

² Allegiant Air began scheduled service in November 2015.

³ Includes enplanements by Chautauqua Airlines, and ExpressJet; merged with United in 2012.

⁴ Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, Skywest, Northwest, and Pinnacle airlines.

⁵ ExpressJet began operations at Kansas City International Airport effective April 2007, and became dba Continental in 2009.

⁶ Great Lakes Airlines began service at MCI in October 2007 and ceased operations in February 2011.

⁷ Includes enplanements by Skyway and Republic Airlines. Midwest Airlines merged their operations with Frontier Airlines in April 2010.

⁸ OneJet Airlines began service at MCI in March 2018.

⁹ Spirit began service at MCI in August 2014.

¹¹ Includes enplanements by Air Wisconsin, Mesa Airlines, PSA Airlines, and Republic Airlines. US Airways merged with American Airlines October 2015.

¹² Effective 2007, Air Canada's operations are reported with Air Canada Jazz's. Air Georgian started operations on behalf of Air Canada Jazz in May 2014.

¹³ VIA Airlines, and Hawaiian Airlines.

¹⁴ Starting CY2012 and forward, enplanement calculations include non-revenue passengers.

Source: Kansas City Aviation Department records.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Airlines Market Share
Calendar Years 2008 – 2017 and January through April 2018

2013	2014	2015	2016	2017	Jan-Apr 2018
3.0%	1.6%	0.0%	0.0%	0.0%	0.0%
1.1%	1.1%	1.3%	1.9%	2.0%	1.9%
0.0%	0.0%	0.1%	0.9%	1.3%	1.1%
9.3%	9.2%	10.8%	16.6%	15.6%	14.2%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18.0%	17.6%	17.3%	16.6%	16.2%	16.6%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4.3%	3.2%	1.1%	2.2%	1.5%	2.1%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
44.3%	46.9%	49.2%	49.2%	49.7%	0.0%
0.0%	1.3%	3.1%	2.7%	3.5%	50.4%
11.8%	10.7%	10.0%	9.6%	9.9%	3.5%
8.1%	8.2%	6.8%	0.0%	0.0%	0.0%
<u>99.8%</u>	<u>99.6%</u>	<u>99.7%</u>	<u>99.6%</u>	<u>99.7%</u>	<u>99.6%</u>
0.2%	0.2%	0.2%	0.3%	0.3%	0.4%
<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of MCI Aircraft Operations
Calendar Years 2008 – 2017

Year	Air Carrier ¹	Commuter/ Air Taxi	All-Cargo ²	General Aviation ³	Military	Total
2008	\$ 120,341	\$ 48,796	\$ 5,070	\$ 6,907	\$ 673	\$ 181,787
2009	106,235	37,372	3,016	6,027	689	153,339
2010	106,712	32,526	2,854	5,671	843	148,606
2011	105,042	31,328	2,884	4,239	1,055	144,548
2012	98,382	30,105	2,884	3,946	763	136,080
2013	96,206	25,750	2,908	3,609	770	129,243
2014	101,712	20,254	3,364	3,702	792	129,824
2015	102,157	12,670	3,596	3,457	777	122,657
2016	110,500	8,379	4,838	3,358	607	127,682
2017	109,757	4,797	4,576	3,550	655	123,335
Average Annual Growth Rate						
2008-2017	-1.02%	-22.72%	-1.13%	-7.13%	-0.30%	-4.22%

¹ Includes aircraft operations by domestic air carriers, Air Canada and charter operations.

² Cargo operations based on Schedule of Commercial Aircraft Landings - Cargo.

In 2007, the substitution from small freighters to medium-sized freighters resulted in fewer total overall air operations by the all-cargo airlines.

³ General Aviation includes civil itinerant and local aircraft operations.

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

City of Kansas City, Missouri Department of Aviation

Debt Capacity Information

Schedule of Enplaned Cargo (pounds in thousands)

Calendar Years 2008 – 2017 and January – April 2009-2018

Year	Mail Weight (000 lbs)	% of Total	Air Freight Weight (000 lbs)	% of Total	Total Cargo (000 lbs)
2008	7,336	5.9%	117,363	94.1%	124,699
2009	5,420	5.6%	91,111	94.4%	96,531
2010	4,054	4.3%	90,624	95.7%	94,678
2011	2,821	3.0%	90,941	97.0%	93,762
2012	2,207	2.4%	91,627	97.6%	93,834
2013	2,519	2.4%	101,999	97.6%	104,518
2014	1,767	1.8%	99,021	98.2%	100,788
2015	3,552	3.6%	96,017	96.4%	99,569
2016	2,732	2.5%	107,305	97.5%	110,037
2017	4,702	4.3%	103,863	95.7%	108,565
Jan - Apr 2009	1,874	5.7%	31,133	94.3%	33,007
Jan - Apr 2010	1,603	5.3%	28,551	94.7%	30,154
Jan - Apr 2011	1,311	4.3%	29,013	95.7%	30,324
Jan - Apr 2012	836	2.8%	28,764	97.2%	29,600
Jan - Apr 2013	654	2.0%	32,243	98.0%	32,897
Jan - Apr 2014	1,033	3.0%	33,240	97.0%	34,273
Jan - Apr 2015	794	2.5%	30,704	97.5%	31,498
Jan - Apr 2016	649	15.4%	3,566	84.6%	4,215
Jan - Apr 2017	1,431	4.1%	33,074	95.9%	34,505
Jan - Apr 2018	1,270	3.6%	34,121	96.4%	35,391
Average Annual Growth Rate					
2008 - 2017	-4.82%	-3.35%	-1.35%	0.18%	-1.53%

Source: Kansas City Aviation Department records.

City of Kansas City, Missouri Department of Aviation

Debt Capacity Information

Schedule of Commercial Aircraft Landed Weight by Airline (pounds in thousands) Calendar Years 2008 – 2017 and January through April 2017 and 2018

	2008	2009	% Change	2010	% Change
Domestic Air Carrier					
AirTran	174,464	166,256	-4.7%	132,224	-20.5%
Alaska Airlines (1)	-	-	0.0%	-	0.0%
Allegiant Air (2)	-	-	0.0%	-	0.0%
American	700,276	616,047	-12.0%	578,878	-6.0%
Continental (3)	70,235	272,828	288.5%	278,303	2.0%
Delta (4)	911,771	1,000,224	9.7%	1,021,228	2.1%
ExpressJet (5)	289,754	-	-100.0%	-	0.0%
Frontier	273,025	241,234	-11.6%	384,057	59.2%
Great Lakes Airlines (6)	61,645	92,040	49.3%	41,527	-54.9%
Midwest (7)	871,038	455,422	-47.7%	289,803	-36.4%
Skybus (9)	12,125	-	-100.0%	-	0.0%
Southwest	2,874,198	2,607,872	-9.3%	2,568,748	-1.5%
Spirit (10)	-	-	0.0%	-	0.0%
United (11)	704,240	614,144	-12.8%	589,180	-4.1%
US Airways (12)	352,776	362,354	2.7%	433,996	19.8%
Subtotal - Domestic Air Carrier	7,295,547	6,428,421	-11.9%	6,317,944	-1.7%
Commuter					
Air Midwest	48,140	-	-100.0%	-	0.0%
Air Wisconsin	22,043	22,983	4.3%	-	-100.0%
Subtotal - Commuter	70,183	22,983	-67.3%	-	-100.0%
Foreign Air Carrier					
Air Canada	-	-	0.0%	-	0.0%
Air Canada Jazz	17,418	14,617	-16.1%	15,087	3.2%
Air Georgian	-	-	0.0%	-	0.0%
Subtotal - Foreign Carrier (13)	17,418	14,617	-16.1%	15,087	3.2%
Charter (14)	6,841	6,343	-7.3%	4,926	-22.3%
All-Cargo Carrier					
Airborne Express	61,102	17,952	-70.6%	-	-100.0%
Capital Cargo/BAX Global (16)	73,229	52,771	-27.9%	44,961	-14.8%
DHL Airways/DHL Express	45,312	711	-98.4%	2,200	209.4%
Federal Express	276,235	251,154	-9.1%	246,866	-1.7%
Southern Air (18)	-	-	0.0%	-	0.0%
UPS	127,190	128,554	1.1%	128,283	-0.2%
Others (19)	3,051	581	-81.0%	2,605	348.4%
Subtotal - Cargo	586,119	451,723	-22.9%	424,915	-5.9%
TOTAL - ALL AIRLINES	7,976,108	6,924,087	-13.2%	6,762,872	-2.3%

(1) Alaska Airlines began service at MCI in March 2012.

(2) Allegiant Air began scheduled service in November 2015.

(3) Includes operations by Chautauqua Airlines and ExpressJet; merged with United in 2012.

(4) Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, Skywest, Northwest and Pinnacle Airlines.

(5) ExpressJet began operations at Kansas City International Airport effective April 2007 and has ceased operations under its own brand as of September 2008.

(6) Great Lakes Airlines began service at MCI in October 2007 and ceased operations in February 2011.

(7) Includes operations by Skyway and Republic Airlines. Midwest Airlines merged their operations with Frontier Airlines in April 2010.

(8) OneJet Airlines began service at MCI in March 2018.

(9) Spirit began service at MCI in August 2014.

Source: Kansas City Aviation Department records.

City of Kansas City, Missouri Department of Aviation

Debt Capacity Information

Schedule of Commercial Aircraft Landed Weight by Airline (pounds in thousands) Calendar Years 2008 – 2017 and January through April 2017 and 2018

2011	% Change	2012	% Change	2013	% Change	2014	% Change
129,024	-2.4%	115,504	-10.5%	165,896	43.6%	89,800	-45.9%
-	0.0%	42,729	0.0%	53,342	0.0%	54,061	1.3%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
559,265	-3.4%	508,037	-9.2%	513,482	1.1%	519,082	1.1%
278,233	0.0%	82,782	-70.2%	-	-100.0%	-	0.0%
1,057,106	3.5%	1,097,550	3.8%	1,105,657	0.7%	1,071,673	-3.1%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
765,298	99.3%	460,839	-39.8%	232,982	-49.4%	183,447	-21.3%
2,163	-94.8%	-	-100.0%	-	0.0%	-	0.0%
-	-100.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
2,560,228	-0.3%	2,602,082	1.6%	2,738,300	5.2%	2,787,190	1.8%
-	0.0%	-	0.0%	-	0.0%	97,094	0.0%
441,580	-25.1%	588,058	33.2%	644,965	9.7%	630,973	-2.2%
448,282	3.3%	480,453	7.2%	490,153	2.0%	509,625	4.0%
<u>6,241,179</u>	<u>-1.2%</u>	<u>5,978,034</u>	<u>-4.2%</u>	<u>5,944,777</u>	<u>-0.6%</u>	<u>5,942,945</u>	<u>0.0%</u>
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	-	0.0%	-	0.0%
16,779	11.2%	17,061	1.7%	16,497	-3.3%	5,311	-67.8%
-	0.0%	-	0.0%	-	0.0%	11,233	0.0%
<u>16,779</u>	<u>11.2%</u>	<u>17,061</u>	<u>1.7%</u>	<u>16,497</u>	<u>-3.3%</u>	<u>16,544</u>	<u>0.3%</u>
<u>9,433</u>	<u>91.5%</u>	<u>8,584</u>	<u>-9.0%</u>	<u>14,844</u>	<u>72.9%</u>	<u>1,306</u>	<u>-91.2%</u>
-	0.0%	272	0.0%	57,417	0.0%	3,095	-94.6%
44,642	-0.7%	41,266	-7.6%	-	-100.0%	-	0.0%
2,475	12.5%	275	-88.9%	-	-100.0%	-	0.0%
259,764	5.2%	251,099	-3.3%	283,516	12.9%	300,609	6.0%
-	0.0%	-	0.0%	-	0.0%	13,068	0.0%
127,022	-1.0%	127,858	0.7%	134,976	5.6%	140,457	4.1%
3,340	28.2%	8,707	160.7%	16,784	92.8%	46,331	176.0%
<u>437,243</u>	<u>2.9%</u>	<u>429,477</u>	<u>-1.8%</u>	<u>492,693</u>	<u>14.7%</u>	<u>503,560</u>	<u>2.2%</u>
<u>6,704,634</u>	<u>-0.9%</u>	<u>6,433,156</u>	<u>-4.0%</u>	<u>6,468,811</u>	<u>0.6%</u>	<u>6,464,355</u>	<u>-0.1%</u>

(10) Includes operations by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and TransStates Airlines.

(11) Includes operations by Air Wisconsin, Mesa Airlines, PSA Airlines and Republic Airlines.

(12) Effective 2007, Air Canada's operations are reported together with Air Canada Jazz's operations. Air Georgian started operations on behalf of Air Canada Jazz in May 2014.

(13) Charter Passenger category includes American Trans Air, Miami Air International, Ryan International, and Sun Country.

(14) Capital Cargo replaced BAX Global reporting in January 2012.

(15) Southern Air began operations at MCI in 2014.

(16) Includes Ameriflight, Inc., Cargo Jet, Kalitta Air, Mountain Air, Skyway Enterprise, UPS Supply Chain Solutions, Air Transport International, Northern Air, CSA Inc, Jet Midwest and USA Jet.

(Continued)

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Commercial Aircraft Landed Weight by Airline (pounds in thousands)
Calendar Years 2008 – 2017 and January through April 2017 and 2018

	2015	% Change	2016	% Change	2017	% Change
Domestic Air Carrier						
AirTran	-	-100.0%	-	0.0%	-	0.0%
Alaska Airlines (1)	63,409	17.3%	112,653	77.7%	128,599	14.2%
Allegiant Air (2)	6,307	0.0%	48,395	0.0%	74,876	54.7%
American	627,939	21.0%	1,149,557	83.1%	1,056,768	-8.1%
Continental (3)	-	0.0%	-	0.0%	-	0.0%
Delta (4)	1,058,932	-1.2%	1,087,804	2.7%	1,105,412	1.6%
ExpressJet (5)	-	0.0%	-	0.0%	-	0.0%
Frontier	66,852	-63.6%	114,776	71.7%	81,415	-29.1%
Great Lakes Airlines (6)	-	0.0%	-	0.0%	-	0.0%
Midwest (7)	-	0.0%	-	0.0%	-	0.0%
OneJet Airlines (8)	-	0.0%	-	0.0%	-	0.0%
Southwest	2,833,664	1.7%	3,071,720	8.4%	3,222,896	4.9%
Spirit (9)	214,154	0.0%	163,908	-23.5%	204,131	24.5%
United (10)	581,494	-7.8%	621,364	6.9%	674,383	8.5%
US Airways (11)	422,259	-17.1%	-	-100.0%	-	0.0%
Subtotal - Domestic Air Carrier	5,875,010	-1.1%	6,370,177	8.4%	6,548,480	2.8%
Commuter						
Air Midwest	-	0.0%	-	0.0%	-	0.0%
Air Wisconsin	-	0.0%	-	0.0%	-	0.0%
Subtotal - Commuter	-	0.0%	-	0.0%	-	0.0%
Foreign Air Carrier						
Air Canada	-	0.0%	-	0.0%	-	0.0%
Air Canada Jazz	-	-100.0%	-	0.0%	-	0.0%
Air Georgian	16,497	0.0%	25,239	53.0%	22,090	-12.5%
Subtotal - Foreign Carrier	16,497	-0.3%	25,239	53.0%	22,090	-12.5%
Charter (13)	10,656	715.9%	720	-93.2%	720	0.0%
All-Cargo Carrier						
Airborne Express	1,686	-45.5%	6,017	256.9%	566	-90.6%
Capital Cargo/BAX Global (14)	-	0.0%	-	0.0%	-	0.0%
DHL Airways/DHL Express	-	0.0%	-	0.0%	-	0.0%
Federal Express	293,616	-2.3%	368,625	25.5%	330,350	-10.4%
Southern Air (15)	29,365	0.0%	27,805	-5.3%	32,040	15.2%
UPS	151,753	8.0%	189,836	25.1%	197,598	4.1%
Others (16)	25,805	-44.3%	30,322	17.5%	9,741	-67.9%
Subtotal - Cargo	502,225	-0.3%	622,605	24.0%	570,295	-8.4%
TOTAL - ALL AIRLINES	6,404,388	-0.9%	7,018,741	9.6%	7,141,585	1.8%

- (1) Alaska Airlines began service at MCI in March 2012.
- (2) Allegiant Air began scheduled service in November 2015.
- (3) Includes operations by Chautauqua Airlines and ExpressJet; merged with United in 2012.
- (4) Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, Skywest, Northwest and Pinnacle Airlines.
- (5) ExpressJet began operations at Kansas City International Airport effective April 2007 and has ceased operations under its own brand as of September 2008.
- (6) Great Lakes Airlines began service at MCI in October 2007 and ceased operations in February 2011.
- (7) Includes operations by Skyway and Republic Airlines. Midwest Airlines merged their operations with Frontier Airlines in April 2010.
- (8) OneJet Airlines began service at MCI in March 2018.
- (9) Spirit began service at MCI in August 2014.

Source: Kansas City Aviation Department records.

City of Kansas City, Missouri Department of Aviation

Debt Capacity Information

Schedule of Commercial Aircraft Landed Weight by Airline (pounds in thousands) Calendar Years 2008 – 2017 and January through April 2017 and 2018

Jan-Apr17	Jan-Apr18	% Change
-	-	0.0%
37,944	42,664	12.4%
22,904	19,126	-16.5%
365,782	300,829	-17.8%
-	-	0.0%
336,583	368,760	9.6%
-	-	0.0%
27,167	39,371	44.9%
-	-	0.0%
-	-	0.0%
-	2,162	0.0%
1,023,078	1,062,626	3.9%
67,944	70,102	3.2%
194,637	209,234	7.5%
-	-	0.0%
<u>2,076,039</u>	<u>2,114,874</u>	<u>1.9%</u>
-	-	0.0%
-	-	0.0%
-	-	0.0%
-	-	0.0%
-	-	0.0%
8,460	10,669	26.1%
<u>8,460</u>	<u>10,669</u>	<u>26.1%</u>
<u>4,187</u>	<u>4,492</u>	<u>7.3%</u>
-	272	100.0%
-	-	0.0%
-	-	0.0%
111,354	101,154	-9.2%
10,285	1,936	-81.2%
58,443	55,693	-4.7%
8,269	13,003	57.2%
<u>188,351</u>	<u>172,058</u>	<u>-8.7%</u>
<u>2,277,037</u>	<u>2,302,093</u>	<u>1.1%</u>

- (10) Includes operations by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and TransStates Airlines.
- (11) Includes operations by Air Wisconsin, Mesa Airlines, PSA Airlines and Republic Airlines.
- (12) Effective 2007, Air Canada's operations are reported together with Air Canada Jazz's operations. Air Georgian started operations on behalf of Air Canada Jazz in May 2014.
- (13) Charter Passenger category includes American Trans Air, Miami Air International, Ryan International, and Sun Country.
- (14) Capital Cargo replaced BAX Global reporting in January 2012.
- (15) Southern Air began operations at MCI in 2014.
- (16) Includes Ameriflight, Inc., Cargo Jet, Kalitta Air, Mountain Air, Skyway Enterprise, UPS Supply Chain Solutions, Air Transport International, Northern Air, CSA Inc, Jet Midwest and USA Jet.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Commercial Aircraft Landings
Calendar Years 2008 – 2017 and January through April 2017 and 2018

Airline	2008	2009	2010	2011	2012
Domestic Air Carrier					
AirTran	1,675	1,594	1,264	1,221	1,103
Alaska Airlines (1)	-	-	-	-	296
Allegiant Air (2)	-	-	-	-	-
American	6,607	4,959	5,286	5,099	5,175
Continental (3)	1,089	5,919	6,106	5,893	1,830
Delta (4)	10,877	11,683	10,869	11,175	10,928
ExpressJet (5)	6,685	-	-	-	-
Frontier	2,041	1,829	3,776	7,692	4,110
Great Lakes Airlines (6)	3,677	5,490	2,477	129	-
Midwest (7)	9,676	5,290	3,514	-	-
OneJet Airlines (8)	-	-	-	-	-
Skybus	88	-	-	-	-
Southwest	23,922	21,655	21,335	21,216	21,342
Spirit (9)	-	-	-	-	-
United (10)	5,700	5,450	5,976	6,461	10,336
US Airways (11)	4,138	3,960	4,294	4,328	4,579
Subtotal - Domestic Air Carrier	76,175	67,829	64,897	63,214	59,699
Commuter					
Air Midwest	2,900	-	-	-	-
Air Wisconsin	469	489	-	-	-
Subtotal - Commuter	3,369	489	-	-	-
Foreign Air Carrier					
Air Canada	-	-	-	-	-
Air Canada Jazz	370	311	321	357	363
Air Georgian	-	-	-	-	-
Subtotal - Foreign Carrier (12)	370	311	321	357	363
Charter (13)	49	47	35	66	56
All-Cargo Carrier					
Airborne Express	428	66	-	-	1
Capital Cargo/BAX Global (14)	427	313	271	268	254
DHL Airways/DHL Express	279	3	8	9	1
Federal Express	949	842	812	828	807
Kitty Hawk International Inc.	-	-	-	-	-
Southern Air (15)	-	-	-	-	-
UPS	398	271	286	281	288
Others (16)	54	13	50	56	91
Subtotal - Cargo	2,535	1,508	1,427	1,442	1,442
TOTAL - ALL AIRLINES	82,498	70,184	66,680	65,079	61,560

- (1) Alaska Airlines began service at MCI in March 2012.
- (2) Allegiant Air began scheduled service in November 2015.
- (3) Includes operations by Chautauqua Airlines and ExpressJet; merged with United in 2012.
- (4) Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, Skywest, Northwest and Pinnacle Airlines.
- (5) ExpressJet began operations at Kansas City International Airport effective April 2007 and has ceased operations under its own brand as of September 2008.
- (6) Great Lakes Airlines began service at MCI in October 2007 and ceased operations in February 2011.
- (7) Includes operations by Skyway and Republic Airlines. Midwest Airlines merged their operations with Frontier Airlines in April 2010.
- (8) OneJet Airlines began service at MCI in March 2018.
- (9) Spirit began service at MCI in August 2014.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Commercial Aircraft Landings
Calendar Years 2008 – 2017 and January through April 2017 and 2018

2013	2014	2015	2016	2017	Jan-Apr17	Jan-Apr18
1,594	863	-	-	-	-	-
365	366	428	905	1,077	316	402
-	-	45	344	532	163	137
5,241	5,298	5,824	10,789	10,021	3,436	2,852
-	-	-	-	-	-	-
10,504	9,883	9,139	9,238	9,275	2,878	3,256
-	-	-	-	-	-	-
1,809	1,408	497	800	578	192	277
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	53
-	-	-	-	-	-	-
22,088	22,204	22,499	24,075	25,097	8,026	8,121
-	698	1,545	1,146	1,409	473	482
11,611	10,910	8,815	7,561	7,465	2,204	2,600
4,739	4,704	3,812	-	-	-	-
<u>57,951</u>	<u>56,334</u>	<u>52,604</u>	<u>54,858</u>	<u>55,454</u>	<u>17,688</u>	<u>18,180</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
351	113	-	-	-	-	-
-	239	351	537	470	180	227
<u>351</u>	<u>352</u>	<u>351</u>	<u>537</u>	<u>470</u>	<u>180</u>	<u>227</u>
<u>150</u>	<u>6</u>	<u>99</u>	<u>2</u>	<u>30</u>	<u>29</u>	<u>58</u>
210	11	6	22	2	-	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
808	896	862	1,263	1,164	405	338
-	-	-	-	-	-	-
-	108	245	229	264	85	16
298	354	398	609	746	220	181
138	313	287	296	112	44	117
<u>1,454</u>	<u>1,682</u>	<u>1,798</u>	<u>2,419</u>	<u>2,288</u>	<u>754</u>	<u>653</u>
<u>59,906</u>	<u>58,374</u>	<u>54,852</u>	<u>57,816</u>	<u>58,242</u>	<u>18,651</u>	<u>19,118</u>

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City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Commercial Aircraft Landings
Calendar Years 2008 – 2017 and January through April 2017 and 2018

Airline	Percent Change				
	2007-08	2008-09	2009-10	2010-11	2011-12
Domestic Air Carrier					
AirTran	1.0%	-4.8%	-20.7%	-3.4%	-9.7%
Alaska Airlines (1)	N/A	N/A	N/A	100.0%	100.0%
Allegiant Air (2)	-100.0%	N/A	N/A	N/A	N/A
American	-10.5%	-24.9%	6.6%	-3.5%	1.5%
Continental (3)	-82.1%	443.5%	3.2%	-3.5%	-68.9%
Delta (4)	98.6%	7.4%	-7.0%	2.8%	-2.2%
ExpressJet (5)	104.3%	-100.0%	0.0%	0.0%	0.0%
Frontier	-9.7%	-10.4%	106.5%	103.7%	-46.6%
Great Lakes Airlines (6)	711.7%	49.3%	-54.9%	-94.8%	-100.0%
Midwest (7)	-24.7%	-45.3%	-33.6%	-100.0%	N/A
Northwest (8)	-100.0%	N/A	N/A	N/A	N/A
Skybus (9)	-60.4%	-100.0%	0.0%	0.0%	N/A
OneJet Airlines (8)	0.0%	0.0%	0.0%	0.0%	0.0%
Southwest	-2.8%	-9.5%	-1.5%	-0.6%	0.6%
Spirit (9)	0.0%	0.0%	0.0%	0.0%	0.0%
United (10)	-8.6%	-4.4%	9.7%	8.1%	60.0%
US Airways (11)	18.4%	-4.3%	8.4%	0.8%	5.8%
Subtotal - Domestic Air Carrier	-5.1%	-11.0%	-4.3%	-2.6%	-5.6%
Commuter					
Air Midwest	-57.0%	-100.0%	0.0%	0.0%	0.0%
Air Wisconsin	-15.8%	4.3%	-100.0%	0.0%	0.0%
Subtotal - Commuter	-53.9%	-85.5%	-100.0%	0.0%	0.0%
Foreign Air Carrier					
Air Canada Jazz	4.5%	-15.9%	3.2%	11.2%	1.7%
Air Georgian	0.0%	0.0%	0.0%	0.0%	0.0%
Subtotal - Foreign Carrier (13)	104.5%	-15.9%	3.2%	11.2%	1.7%
Charter (14)	104.3%	95.9%	74.5%	188.6%	-15.2%
All-Cargo Carrier					
Air Cargo Carriers, Inc (15)	N/A	N/A	N/A	N/A	N/A
Airborne Express	-34.0%	-84.6%	-100.0%	0.0%	100.0%
Capital Cargo/BAX Global (16)	1.7%	-26.7%	-13.4%	-1.1%	-5.2%
DHL Airways/DHL Express	520.0%	-98.9%	166.7%	12.5%	-88.9%
Federal Express	-11.2%	-11.3%	-3.6%	2.0%	-2.5%
Kitty Hawk International Inc.	-100.0%	N/A	N/A	N/A	N/A
Southern Air (18)	N/A	N/A	N/A	N/A	N/A
UPS	-13.9%	-31.9%	5.5%	-1.7%	2.5%
Others (19)	8.0%	-75.9%	284.6%	12.0%	62.5%
Subtotal - Cargo	83.9%	-40.5%	-5.4%	1.1%	0.0%
TOTAL - ALL AIRLINES	-9.4%	-14.9%	-5.0%	-2.4%	-5.4%

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- (8) OneJet Airlines began service at MCI in March 2018.
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City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Commercial Aircraft Landings
Calendar Years 2008 – 2017 and January through April 2017 and 2018

Percent Change					
2012-13	2013-14	2014-15	2015-16	2016-17	Jan-Apr 18
44.5%	-45.9%	-100.0%	0.0%	0.0%	0.0%
23.3%	0.3%	16.9%	111.4%	19.0%	27.2%
N/A	N/A	100.0%	664.4%	54.7%	-16.0%
1.3%	1.1%	9.9%	85.3%	-7.1%	-17.0%
-100.0%	N/A	N/A	N/A	0.0%	0.0%
-3.9%	-5.9%	-7.5%	1.1%	0.4%	13.1%
N/A	N/A	N/A	N/A	0.0%	0.0%
-56.0%	-27.9%	-64.7%	61.0%	-27.8%	44.3%
N/A	N/A	N/A	N/A	0.0%	0.0%
N/A	N/A	N/A	N/A	0.0%	0.0%
N/A	N/A	N/A	N/A	0.0%	0.0%
N/A	N/A	N/A	N/A	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
3.5%	0.5%	1.3%	7.0%	4.2%	1.2%
0.0%	100.0%	121.3%	-25.8%	22.9%	1.9%
12.3%	-6.0%	-19.2%	-14.2%	-1.3%	18.0%
3.5%	-0.7%	-19.0%	-100.0%	0.0%	0.0%
-2.9%	-3.0%	-6.6%	4.3%	1.1%	2.8%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-3.3%	-67.8%	-100.0%	0.0%	0.0%	0.0%
0.0%	100.0%	46.9%	53.0%	-12.5%	26.1%
-3.3%	0.3%	-0.3%	53.0%	-12.5%	26.1%
167.9%	0.0%	1550.0%	-98.0%	1400.0%	100.0%
N/A	N/A	N/A	N/A	N/A	N/A
20900.0%	-94.8%	-45.0%	266.7%	-90.9%	100.0%
-100.0%	N/A	N/A	N/A	0.0%	0.0%
-100.0%	N/A	N/A	N/A	0.0%	0.0%
0.1%	10.9%	-3.8%	46.5%	-7.8%	-16.5%
N/A	N/A	N/A	N/A	0.0%	0.0%
N/A	0.0%	126.9%	-6.5%	15.3%	-81.2%
3.5%	18.8%	12.4%	53.0%	22.5%	-17.7%
51.6%	126.8%	-8.3%	3.1%	-62.2%	165.9%
0.8%	15.7%	6.9%	34.5%	-5.4%	-13.4%
-2.7%	-2.6%	-6.0%	5.4%	0.7%	2.5%

- (10) Includes operations by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and TransStates Airlines.
- (11) Includes operations by Air Wisconsin, Mesa Airlines, PSA Airlines and Republic Airlines.
- (12) Effective 2007, Air Canada's operations are reported together with Air Canada Jazz's operations. Air Georgian started operations on behalf of Air Canada Jazz in May 2014.
- (13) Charter Passenger category includes American Trans Air, Miami Air International, Ryan International, and Sun Country.
- (14) Capital Cargo replaced BAX Global reporting in January 2012.
- (15) Southern Air began operations at MCI in 2014.
- (16) Includes Ameriflight, Inc., Cargo Jet, Kalitta Air, Mountain Air, Skyway Enterprise, UPS Supply Chain Solutions, Air Transport International, Northern Air, CSA Inc, Jet Midwest and USA Jet.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Annual Parking Revenue by Facility
For the Last Ten Fiscal Years

Year	Terminal Garages		Circle E		Economy ¹		Other		Total	
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% Change
FY09 ²	\$ 20,595,087	51.2%	\$ 4,538,979	11.3%	\$ 13,760,166	34.1%	\$ 1,409,059	3.5%	\$ 40,303,291	-8.4%
FY10 ³	19,739,644	49.3%	4,414,251	11.0%	13,684,041	34.2%	2,221,657	5.5%	40,059,593	-0.6%
FY11 ⁴	21,356,689	49.2%	4,799,590	11.1%	14,250,010	32.9%	2,960,538	6.8%	43,366,827	8.3%
FY12 ⁵	21,865,158	47.3%	5,131,066	11.1%	14,755,871	32.0%	4,415,587	9.6%	46,167,682	6.5%
FY13 ⁶	22,036,947	46.4%	5,451,113	11.5%	15,343,740	32.4%	4,543,985	9.6%	47,375,785	2.6%
FY14 ⁷	22,208,784	46.1%	5,114,112	10.6%	16,029,274	33.3%	4,734,661	9.8%	48,086,831	1.5%
FY15 ⁸	23,032,114	46.1%	5,085,511	10.2%	16,800,393	33.6%	5,020,460	10.1%	49,938,478	3.9%
FY16 ⁹	24,656,989	46.9%	5,245,226	10.0%	17,619,010	33.5%	5,057,494	9.6%	52,578,719	5.3%
FY17 ¹⁰	25,928,954	46.8%	5,458,712	9.8%	18,716,175	33.8%	5,321,595	9.6%	55,425,436	5.4%
FY18 ¹¹	26,226,453	47.1%	5,620,535	10.1%	18,511,441	33.3%	5,271,610	9.5%	55,630,039	0.4%
Average Annual Growth Rate										
2007-2018	2.7%		2.4%		3.4%		15.8%		3.6%	

¹ The Economy Lot replaced the Satellite Lot in January 2004.

² FYE09 Terminal Garages: A, \$5,286,547; B, \$9,752,915; C, \$5,555,625.

³ FYE10 Terminal Garages: A, \$4,572,547; B, \$11,036,687; C, \$4,130,410.

⁴ FYE11 Terminal Garages: A, \$7,034,097; B, \$9,828,886; C, \$4,493,706.

⁵ FYE12 Terminal Garages: A, \$3,582,089; B, \$12,315,055; C, \$5,968,014.

⁶ FYE13 Terminal Garages: A, \$3,970,013; B, \$13,652,369; C, \$4,414,565.

⁷ FYE14 Terminal Garages: A, \$5,491,318; B, \$11,969,536; C, \$4,747,930.

⁸ FYE15 Terminal Garages: B, \$16,107,089; C, \$6,925,025. Terminal A Garage is closed.

⁹ FYE16 Terminal Garages: B, \$17,875,748; C, \$6,781,241. Terminal A Garage is closed.

¹⁰ FYE17 Terminal Garages: B, \$18,651,902; C, \$7,277,052. Terminal A Garage is closed.

¹¹ FYE18 Terminal Garages: B, \$19,000,975; C, \$7,235,191. Terminal A Garage is closed.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical Airline Cost Per Enplaned Passenger
For the Last Ten Fiscal Years

Fiscal Year	Landing Fees¹	Terminal Building Rents	Terminal Apron Fees	Passenger Boarding Bridges	Total	Enplaned Passengers²	Cost per Enplaned Passenger
2009	\$11,991,875	\$10,594,929	\$ 1,651,618	\$ 844,945	\$ 25,083,367	\$ 5,058,885	4.96
2010	12,952,637	9,355,593	1,698,382	559,298	24,565,910	4,939,032	4.97
2011	13,111,314	9,202,970	1,622,975	1,061,492	24,998,750	4,945,779	5.05
2012	14,950,290	9,309,597	1,785,290	1,869,638	27,914,815	5,198,808	5.37
2013	14,243,037	8,450,472	1,826,567	844,850	25,364,926	4,878,178	5.20
2014	13,870,733	7,397,629	1,849,967	1,779,934	24,898,263	4,966,220	5.01
2015	17,863,360	14,242,753	2,452,290	1,621,329	36,179,732	5,137,881	7.04
2016	16,989,128	14,003,801	2,496,933	1,721,986	35,211,847	5,334,342	6.60
2017	18,846,768	13,500,318	2,511,881	2,325,679	37,184,646	5,624,895	6.61
2018 ³	19,556,107	14,486,293	2,571,513	2,197,721	38,811,634	5,784,629	6.71

¹ Excludes airfield fees paid by cargo carriers.

² Enplanements on a fiscal year basis; annual enplanements shown on Schedule of Annual Passenger Enplanements are presented on a calendar year basis. Starting FY2013 and forward, enplanement calculations include non-revenue passengers.

³ Reflects Use and Lease Agreement. Amounts provided are preliminary settlement amounts and are subject to change.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Total Airport System Revenue and Expenses
For the Last Ten Fiscal Years

Airport Revenues/Expenses	2009	2010	2011	2012
Revenues and Expenses per GAAP				
Operating revenues	\$ 97,966,035	\$ 93,000,920	\$ 96,807,727	\$ 102,172,767
Operating expenses	(134,829,330)	(134,335,919)	(128,463,183)	(128,580,019)
Operating loss	(36,863,295)	(41,334,999)	(31,655,456)	(26,407,252)
Other income, net	34,514,933	39,923,075	50,835,848	32,932,815
Net income	(2,348,362)	(1,411,924)	19,180,392	6,525,563
Net Revenues Available for GARB Debt Service				
Total revenues	114,594,245	104,627,524	108,861,897	115,372,489
Transfer from Coverage Deposit Account	-	-	-	-
Total expenses	(77,314,813)	(78,450,515)	(78,363,702)	(76,514,182)
Net revenues	37,279,432	26,177,009	30,498,195	38,858,307
Net Income per GAAP				
	(2,348,362)	(1,411,924)	19,180,392	6,525,563
Add Back¹				
Depreciation expense	59,898,853	57,878,343	53,418,701	55,293,213
Interest expense on bonds	17,680,222	16,546,951	14,777,031	14,090,770
Other post-employment benefits ²	1,367,511	1,402,669	359,595	1,188,393
Amortization of bond costs	366,076	341,884	332,408	332,408
Transfer from Coverage Deposit Account	-	-	-	-
Nonoperating expense (other)	4,344,728	4,013,196	4,265,050	5,949,836
Deduct³				
PFC revenue	(20,159,368)	(20,532,775)	(20,454,358)	(20,887,024)
Capital grant revenue	(17,912,602)	(26,766,354)	(16,647,390)	(17,074,691)
Transfer from Special Facility Fund	-	-	(19,341,408)	-
Interest income on PFCs and bond accounts ⁴	(1,637,625)	(1,037,487)	(1,029,302)	(912,975)
Other adjustments	-	-	-	-
Other Nonoperating Revenue (Incl TFCs) ^{5,6}	(4,320,001)	(4,257,494)	(4,362,523)	(5,647,186)
Richards-Gebaur operating revenues	-	-	-	-
Net Revenues Available for Debt Service	\$ 37,279,432	\$ 26,177,008	\$ 30,498,195	\$ 38,858,307

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

² FY2008 data incorporates a change in reporting methodology.

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

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

⁵ The FY 2002 adjustments in the bottom of the table have been restated since the continuing disclosure information was prepared in 2003.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Total Airport System Revenue and Expenses
For the Last Ten Fiscal Years

2013	2014	2015	2016	2017	2018
\$ 101,206,017	\$ 104,866,456	\$ 120,153,650	\$ 121,733,194	\$ 126,423,031	\$ 128,275,777
<u>(126,673,407)</u>	<u>(127,481,709)</u>	<u>(131,558,818)</u>	<u>(130,165,024)</u>	<u>(131,725,601)</u>	<u>(134,496,021)</u>
(25,467,390)	(22,615,252)	(11,405,168)	(8,431,829)	(5,302,570)	(6,220,244)
<u>20,187,756</u>	<u>20,642,244</u>	<u>34,818,877</u>	<u>36,588,219</u>	<u>44,955,081</u>	<u>42,646,639</u>
<u>(5,279,634)</u>	<u>(1,973,008)</u>	<u>23,413,709</u>	<u>28,156,390</u>	<u>39,652,511</u>	<u>36,426,395</u>
113,954,154	116,461,892	134,163,819	135,682,833	140,199,344	141,614,234
-	832,607	2,177,044	4,491,094	4,491,250	4,492,750
<u>(76,578,397)</u>	<u>(79,521,707)</u>	<u>(83,568,848)</u>	<u>(82,646,236)</u>	<u>(85,828,137)</u>	<u>(88,084,351)</u>
<u>37,375,757</u>	<u>37,772,792</u>	<u>52,772,015</u>	<u>57,527,691</u>	<u>58,862,457</u>	<u>58,022,633</u>
(5,279,634)	(1,973,008)	23,413,709	28,156,390	39,652,511	36,426,395
54,397,159	52,502,811	53,107,267	52,908,266	51,356,406	51,912,774
13,335,509	10,049,772	8,731,546	7,703,878	6,538,200	4,833,536
197,154	278,156	129,558	99,973	27,328	18,388
271,886	50,463	27,308	27,308	27,308	27,308
-	832,607	2,177,044	4,491,094	4,491,250	4,492,750
10,328,895	8,668,292	8,283,822	5,461,338	6,731,055	8,079,690
(19,468,916)	(19,338,417)	(20,191,101)	(20,698,155)	(21,672,476)	(22,178,778)
(10,032,725)	(7,402,601)	(11,832,670)	(14,055,447)	(21,260,964)	(18,835,213)
-	-	-	-	-	-
(263,969)	(109,563)	(522,696)	(393,140)	(323,453)	(135,360)
-	-	-	-	-	-
(6,109,602)	(5,785,719)	(10,551,771)	(6,173,813)	(6,704,708)	(6,618,857)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 37,375,757</u>	<u>\$ 37,772,792</u>	<u>\$ 52,772,015</u>	<u>\$ 57,527,691</u>	<u>\$ 58,862,457</u>	<u>\$ 58,022,633</u>

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical Operating and Maintenance Expenses
For the Last Ten Fiscal Years

	2009 ⁽³⁾	2010	2011	2012
By Expense Category				
Salaries, wages and benefits	\$ 28,831,360	\$ 29,797,055	\$ 28,905,636	\$ 28,355,253
Contractual services & TFC expense	44,689,158	44,728,434	45,012,638	43,878,454
Commodities and supplies	3,794,294	3,925,026	4,445,428	4,280,475
Total O&M Expenses	<u>77,314,813</u>	<u>78,450,515</u>	<u>78,363,702</u>	<u>76,514,182</u>
By Cost Center				
Airline Cost Centers				
Runways and taxiways	12,045,000	12,029,357	12,549,488	12,218,159
Terminal buildings	22,973,000	22,717,973	23,316,448	21,486,481
Terminal aprons	1,384,000	1,427,882	1,490,911	1,495,585
Passenger boarding bridges	539,000	1,074,791	1,086,145	995,620
Total - Airline Cost Centers	<u>36,941,000</u>	<u>37,250,003</u>	<u>38,442,992</u>	<u>36,195,845</u>
Non-Airline Cost Centers ¹	<u>40,373,813</u>	<u>41,200,512</u>	<u>39,920,710</u>	<u>40,318,337</u>
Total O&M Expenses	<u>\$ 77,314,813</u>	<u>\$ 78,450,515</u>	<u>\$ 78,363,702</u>	<u>\$ 76,514,182</u>

¹ O&M expenses for the following facilities are not charged to the airlines: public parking lots, public parking garage, employee parking facilities, general aviation area, taxicab shelters and other miscellaneous non-airline facilities.

² Beginning FY2008, data incorporates a change in reporting methodology - excluding OPEB.

³ A new Use and Lease Agreement became effective on May 1, 2009.

⁴ The Airline cost centers amounts provided are preliminary settlement amounts and are subject to change.

⁵ The modified Use and Lease Agreement became effective on May 1, 2014 (through April 30, 2020).

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical Operating and Maintenance Expenses
For the Last Ten Fiscal Years

2013	2014 ⁽⁵⁾	2015	2016	2017	2018 ⁽⁴⁾
\$ 29,169,011	\$ 30,374,389	\$ 30,124,286	\$ 29,411,654	\$ 33,506,857	\$ 35,025,037
42,816,982	44,202,257	48,296,934	48,655,439	47,518,854	47,500,623
4,592,404	4,945,061	5,147,628	4,579,143	4,802,425	5,558,691
<u>76,578,397</u>	<u>79,521,707</u>	<u>83,568,848</u>	<u>82,646,236</u>	<u>85,828,136</u>	<u>88,084,351</u>
12,781,429	12,633,043	11,893,000	11,048,990	13,809,000	15,292,000
21,599,669	20,542,146	17,164,000	17,419,780	20,579,000	22,274,000
1,478,620	1,479,519	1,362,000	1,296,410	1,541,000	1,709,000
951,813	1,622,244	1,205,000	1,234,680	1,534,000	1,923,000
<u>36,811,531</u>	<u>36,276,952</u>	<u>31,624,000</u>	<u>30,999,860</u>	<u>37,463,000</u>	<u>41,198,000</u>
<u>39,766,866</u>	<u>43,244,755</u>	<u>51,944,848</u>	<u>51,646,376</u>	<u>48,365,136</u>	<u>46,886,351</u>
<u>\$ 76,578,397</u>	<u>\$ 79,521,707</u>	<u>\$ 83,568,848</u>	<u>\$ 82,646,236</u>	<u>\$ 85,828,136</u>	<u>\$ 88,084,351</u>

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical Revenues⁽¹⁾
For the Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Airfield				
Landing fees (MCI and MKC)	\$ 13,001,311	\$ 13,804,270	\$ 14,017,042	\$ 15,986,343
Fuel flowage fees	428,279	229,372	431,204	394,632
Total airfield	<u>13,429,590</u>	<u>14,033,642</u>	<u>14,448,246</u>	<u>16,380,975</u>
Terminal				
Terminal building rents				
Airline terminal	10,594,929	9,355,593	9,202,970	9,309,597
Other terminal	844,945	559,298	1,061,492	1,869,638
Concessions				
Food and beverage	1,955,650	1,747,254	1,774,032	1,992,142
News and gifts	1,028,853	837,215	913,019	926,962
Other concessions	267,964	285,896	397,043	515,038
Terminal apron area	1,651,618	1,698,382	1,622,975	1,785,290
Total terminal revenues	<u>16,343,958</u>	<u>14,483,637</u>	<u>14,971,531</u>	<u>16,398,667</u>
Parking revenue	40,303,290	40,059,593	43,366,827	46,167,682
Rental car revenue	10,891,442	9,825,488	9,749,133	10,104,810
Aviation services area	9,873,639	8,221,341	6,076,945	3,918,673
Other property rentals/other revenue	7,124,115	6,377,218	8,195,045	9,201,962
Operating grant	290,638	315,569	264,630	154,660
Customer facility charge revenues	6,170,584	5,439,585	5,674,925	6,036,072
Transportation facility charge revenues	4,117,922	3,737,492	4,011,223	4,748,178
Interest revenue	6,049,066	2,133,958	2,103,392	2,260,811
Total Revenues	<u>\$ 114,594,245</u>	<u>\$ 104,627,524</u>	<u>\$ 108,861,897</u>	<u>\$ 115,372,490</u>

⁽¹⁾ Revenues presented in accordance with the methodology set forth in the GARB bond ordinances.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of Historical Revenues⁽¹⁾
For the Last Ten Fiscal Years

2013	2014	2015	2016	2017	2018
\$ 15,370,047	\$ 15,080,351	\$ 19,211,748	\$ 18,483,091	\$ 20,600,772	\$ 21,235,851
442,210	474,865	545,137	536,691	491,346	553,268
15,812,257	15,555,215	19,756,885	19,019,782	21,092,117	21,789,119
8,450,472	7,397,629	14,242,753	14,003,801	13,500,318	14,486,293
844,850	1,779,934	1,621,329	1,721,986	2,325,679	2,197,721
1,972,644	2,214,000	2,372,175	2,556,198	2,815,925	2,972,623
825,272	849,516	889,784	1,024,102	1,002,254	1,044,053
711,989	782,135	756,912	724,559	666,851	670,604
1,826,567	1,849,967	2,452,290	2,496,933	2,511,881	2,571,514
14,631,794	14,873,181	22,335,243	22,527,579	22,822,908	23,942,808
47,375,785	48,086,831	49,938,478	52,578,719	55,425,436	55,630,039
9,889,394	10,400,445	11,315,762	11,464,301	11,022,127	11,697,520
4,670,210	6,575,308	7,270,646	6,886,829	6,971,830	6,444,205
8,826,576	9,375,477	9,536,636	9,255,984	9,088,611	8,772,086
627,742	258,543	306,075	211,599	222,402	220,963
6,070,968	6,190,905	6,704,444	7,012,830	7,008,786	7,059,252
4,771,188	4,871,428	5,274,163	5,516,760	5,513,578	5,546,800
1,278,239	274,560	1,725,487	1,208,450	1,031,548	511,442
\$ 113,954,153	\$ 116,461,892	\$ 134,163,819	\$ 135,682,833	\$ 140,199,345	\$ 141,614,234

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of PFC Revenues
For the Last Ten Fiscal Years

	2009	2010	2011	2012	2013 ³
Total Enplanements [A] ¹	5,058,885	4,939,032	4,945,779	5,198,808	4,878,178
% of PFC Enplaned Passengers [B]	<div style="border: 1px solid black; padding: 10px;"> <p>This information was presented in the Report of the Airport Consultant on a projected basis to calculate projected PFC Revenues. However, this calculation is not relevant for the presentation of historical PFC Revenues.</p> </div>				
PFC Enplaned Passengers [C = A x B]					
PFC Exempt Air Carriers [D]					
PFC Eligible Enplanements [E = C - D]					
PFC Rate [F]					
PFC Revenues [G = E x F] ²	<u>\$ 20,159,368</u>	<u>\$ 20,532,775</u>	<u>\$ 20,454,358</u>	<u>\$ 20,887,024</u>	<u>\$ 19,468,916</u>
	2014	2015	2016	2017	2018
Total Enplanements [A] ¹	4,966,220	5,137,881	5,334,342	5,624,895	5,784,629
% of PFC Enplaned Passengers [B]	<div style="border: 1px solid black; padding: 10px;"> <p>This information was presented in the Report of the Airport Consultant on a projected basis to calculate projected PFC Revenues. However, this calculation is not relevant for the presentation of historical PFC Revenues.</p> </div>				
PFC Enplaned Passengers [C = A x B]					
PFC Exempt Air Carriers [D]					
PFC Eligible Enplanements [E = C - D]					
PFC Rate [F]					
PFC Revenues [G = E x F] ²	<u>\$ 19,338,417</u>	<u>\$ 20,191,101</u>	<u>\$ 20,698,155</u>	<u>\$ 21,672,476</u>	<u>\$ 22,178,778</u>

¹ Fiscal Year enplanements from Schedule of Historical Airline Cost Per Enplaned Passenger.

² PFC revenues are obtained from the Department's audited financial statements. July 2005 was the initial allowable increase in the PFC rate from \$3.00 to \$4.50.

³ Starting FY2013, enplanement calculations include non-revenue passengers.

City of Kansas City, Missouri Department of Aviation
Debt Capacity Information
Schedule of PFC Bond Sufficiency Covenant
For the Last Ten Fiscal Years

Sufficiency Covenant	FYE09 ⁴	FYE10	FYE11	FYE12	FYE13
PFC Authority ¹	\$378.5	\$404.1	\$404.1	\$404.1	\$428.4
Less: PFC Pay-As-You-Go Costs paid to date ²	122.5	130.7	133.9	149.2	171.4
PFC Pay-As-You-Go Contractual Commitments ³	0.0	0.0	0.0	0.0	0.0
Debt Service paid to date on the Series 2001 Bonds	76.7	86.9	96.9	106.9	117.0
Projected Debt Service on any Junior Lien Bonds	0.0	0.0	0.0	0.0	0.0
Plus: Funds on deposit on any Junior Lien Bonds	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Subtotal (A)	<u>179.3</u>	<u>186.5</u>	<u>173.3</u>	<u>148.0</u>	<u>140.0</u>
Projected Debt Service Requirements	\$170.2	\$160.1	\$150.0	\$139.9	\$129.9
Less: Cash Balance of PFC Fund	0.0	0.0	0.0	0.0	0.0
Cash Balance of P & I Account	<u>10.6</u>	<u>10.8</u>	<u>10.8</u>	<u>10.8</u>	<u>10.8</u>
Debt Service Requirements (B)	<u>159.6</u>	<u>149.3</u>	<u>139.2</u>	<u>129.1</u>	<u>119.1</u>
Sufficiency Test Covenant (must be at least 1.05) (A/B)	<u>1.12</u>	<u>1.25</u>	<u>1.24</u>	<u>1.15</u>	<u>1.18</u>

Sufficiency Covenant	FYE14 ⁵	FYE15 ⁵	FYE16 ⁵	FYE17 ⁵	FYE18 ⁵
PFC Authority ¹	N/A	N/A	N/A	N/A	N/A
Less: PFC Pay-As-You-Go Costs paid to date ²	N/A	N/A	N/A	N/A	N/A
PFC Pay-As-You-Go Contractual Commitments ³	N/A	N/A	N/A	N/A	N/A
Debt Service paid to date on the Series 2001 Bonds	N/A	N/A	N/A	N/A	N/A
Projected Debt Service on any Junior Lien Bonds	N/A	N/A	N/A	N/A	N/A
Plus: Funds on deposit on any Junior Lien Bonds	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Subtotal (A)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Projected Debt Service Requirements	N/A	N/A	N/A	N/A	N/A
Less: Cash Balance of PFC Fund	N/A	N/A	N/A	N/A	N/A
Cash Balance of P & I Account	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Debt Service Requirements (B)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Sufficiency Test Covenant (must be at least 1.05) (A/B)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

¹ PFC Authority approved by the FAA.

² Includes PFC Pay-As-You-Go costs related to approved PFC applications.

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

⁴ In FY2009, the debt service requirement decreased by \$20 million due to the PFC debt service reserve.

⁵ In FY2014, the Series 2001 PFC Bonds were refunded by the Series 2013A Bonds.

City of Kansas City, Missouri Department of Aviation
Demographic and Economic Information
Schedule of Population
Kansas City Metropolitan Area and Air Service Area

Metropolitan Statistical Area (MSA)	Square Miles	1980 Population	1990 Population	2000 Population	2010 Population	2017 Population ⁽¹⁾
<u>Missouri</u>						
Bates	848	15,873	15,025	16,653	17,049	16,334
Caldwell	429	8,660	8,380	8,969	9,424	9,100
Cass	699	51,029	63,808	82,092	99,478	103,724
Clay	396	136,488	153,411	184,006	221,939	242,874
Clinton	419	15,916	16,595	18,979	20,743	20,554
Jackson	605	629,266	633,232	654,880	674,158	698,895
Lafayette	629	29,931	31,107	32,960	33,381	32,641
Platte	420	46,341	57,867	73,781	89,322	101,187
Ray	570	21,378	21,971	23,354	23,494	22,855
<u>Kansas</u>						
Franklin	574	22,062	21,994	24,784	25,992	25,733
Johnson	477	270,269	355,054	451,086	544,179	591,178
Leavenworth	463	54,809	64,371	68,691	76,227	81,095
Linn	599	8,234	8,254	9,570	9,656	9,726
Miami	577	21,618	23,466	28,351	32,787	33,461
Wyandotte	151	172,335	161,993	157,882	157,505	165,288
Total MSA	7,856	1,504,209	1,636,528	1,836,038	2,035,334	2,154,645

Air Service Area (ASA)	Square Miles	1980 Population	1990 Population	2000 Population	2010 Population	2017 Population ⁽¹⁾
<u>Missouri</u>						
Buchanan	410	87,888	83,083	85,998	89,201	89,065
<u>Kansas</u>						
Douglas	465	67,640	81,798	99,962	110,826	120,793
Total ASA	875	155,528	164,881	185,960	200,027	209,858
Total Area	8,731	1,659,737	1,801,409	2,021,998	2,235,361	2,364,503

Source: www.census.gov

(1) U.S. Census Bureau, 2017 population estimate

City of Kansas City, Missouri Department of Aviation
Demographic and Economic Information
Schedule of Principal Employers⁽¹⁾
Kansas City Metropolitan Area

Employer¹	2018	
	Number of Employees	Percentage of Total Employment
Public School System ³	32,477	2.95%
State/County/City Government ²	21,080	1.92%
Federal Government	18,774	1.71%
Cerner Corp.	14,000	1.27%
HCA Midwest Health System	9,934	0.90%
The University of Kansas Hospital	9,810	0.89%
Saint Luke's Health System	8,020	0.73%
Ford Motor Co. Kansas City Assembly Plant	7,030	0.64%
Children's Mercy Hospitals and Clinics	7,096	0.65%
Sprint Corp.	6,000	0.55%
Total employment Kansas City MSA⁴	1,091,000	12.21%

Employer	2010	
	Employees	Percentage of Total Employment
Federal Government	37,070	3.82%
Public School System	29,566	3.05%
State/County/City Government	27,371	2.82%
Sprint Nextel Corp.	8,127	0.84%
HCA Midwest Health Systems	7,300	0.75%
McDonald's USA LLC	6,622	0.68%
Saint Luke's Health System	5,700	0.59%
Cerner Corp.	4,980	0.51%
DST Systems Inc.	4,812	0.50%
UPS	4,081	0.42%
Total employment Kansas City MSA⁴	969,900	13.98%

1 Top Public-Sector Employers, Kansas City Business Journal, July 28, 2017 and Top 100 Area Private Sector Employers, Kansas City Business Journal, July 25, 2017.

2 The number of local employees for the State/County/City government is made up of seven employers for 2017.

3 The number of local employees for the public school systems is composed of 12 and 16 public school systems and districts for 2017 and 2008.

4 Bureau of Labor Statistics, <https://www.bls.gov/sae/#tables> as of April 2018.

**The information presented in this table speaks only as of the date indicated in the source. Layoffs or developments after this date are not presented and can render some information in the table to be inaccurate.

City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Rates and Charges
For the Last Ten Fiscal Years

User Fees	Unit Charged	FYE09	FYE10	FYE11	FYE12	FYE13
Landing fee, signatory ⁽¹⁾	per 1,000 lbs.	\$ 1.88	\$ 2.03	\$ 2.17	\$ 2.17	\$ 2.42
Terminal aircraft apron ⁽¹⁾	per lineal foot	218.57	226.11	231.78	225.94	232.45
Terminal building ⁽¹⁾	per square foot	30.10	31.11	31.86	30.66	31.62
Passenger boarding bridge ⁽¹⁾	per bridge/month	1,619.00	2,723.00	4,202.00	2,857.00	2,738.00
Passenger facility charge	per enplanement	4.50	4.50	4.50	4.50	4.50
Customer facility fees	per contract day	3.00	3.00	3.00	3.00	3.00
Transportation facility charge	per transaction day	2.00	2.10	2.36	2.36	2.36
Remaining overnight apron fee	per plane/night	133.33	133.33	145.00	150.00	159.00
FIS Custom facility use fee	per passenger	2.50	2.50	2.50	2.50	2.50
Employee parking fee	per month	24.00	24.00	40.00	40.00	40.00
Tenant terminal parking fee	per month	60.00	60.00	60.00	60.00	60.00
Taxicab/limousine fee	per pickup	1.00	1.00	3.00	3.00	3.00
Shuttle fee (\$30 min/mo)	per trip	0.50	0.50	1.50	1.50	1.50
Fuel flowage fee	per gallon	0.08	0.08	0.08	0.08	0.08

User Fees	Unit Charged	FYE14	FYE15	FYE16	FYE17	FYE18
Landing fee, signatory ⁽¹⁾	per 1,000 lbs.	\$ 2.28	\$ 2.93	\$ 2.77	\$ 2.82	\$ 2.94
Terminal aircraft apron ⁽¹⁾	per lineal foot	226.67	427.53	367.73	398.85	404.06
Terminal building ⁽¹⁾	per square foot	29.51	56.72	55.85	56.63	57.12
Passenger boarding bridge ⁽¹⁾	per bridge/month	4,964.00	5,352.00	4,587.00	6,614.00	5,961.42
Passenger facility charge	per enplanement	4.50	4.50	4.50	4.50	4.50
Customer facility fees	per contract day	3.00	3.00	3.00	3.00	3.00
Transportation facility charge	per transaction day	2.36	2.36	2.36	2.36	2.36
Remaining overnight apron fee	per plane/night	164.00	169.00	169.00	174.00	174.00
FIS Custom facility use fee	per passenger	2.50	2.50	2.50	2.50	2.50
Employee parking fee	per month	40.00	40.00	40.00	40.00	40.00
Tenant terminal parking fee	per month	60.00	60.00	60.00	60.00	60.00
Taxicab/limousine fee	per pickup	3.00	3.00	3.00	3.00	3.00
Shuttle fee (\$30 min/mo)	per trip	1.50	1.50	1.50	1.50	1.50
Fuel flowage fee	per gallon	0.08	0.08	0.08	0.08	0.08

⁽¹⁾ Rates for FYE18 are projected settlement rates.

City of Kansas City, Missouri Department of Aviation

Operating Information

Schedule of Facility Information

Kansas City International Airport

<u>Runways</u>		<u>Airport code</u>	MCI
1L/19R	10,801' x 150'	<u>Size</u>	10,680 acres
1R/19L	9,500' x 150'	<u>Elevation</u>	1,026.9 feet
9/27	9,500' x 150'		

KCI Terminal Information	Terminal A ¹	Terminal B	Terminal C	Totals
Boarding gates	25	19	21	65
Passenger boarding bridges	11	17	19	47
Food and beverage areas	0	18	11	29
News/gift areas	0	7	5	12
Business traveler service areas	0	22	16	38

¹ In January 2014, the passenger airlines were consolidated into two terminals and Terminal A was deactivated.

KCI Parking Information (number of parking spaces)

Terminal A/Curbside Valet ²	Terminal B	Terminal C	Circle Lot E	Economy Lot A	Economy Lot B	Economy Lot C	Park Air Express	Total Public Spaces
2,026	2,006	2,258	1,850	3,734	5,917	5,612	2,068	25,471

² Curbside Valet Parking service commenced operations during fiscal year 2015.

Employee Parking Lot 1,500 spaces

Charles B. Wheeler Downtown Airport

<u>Runways</u>		<u>Airport code</u>	MKC
1/19	6,827' x 150'	<u>Size</u>	601 acres
3/21	5,050' x 100'	<u>Elevation</u>	756.6 feet

Downtown Operations (number of flights)

Calendar Year	Domestic Air Carrier	Commuter Air Taxi	General Aviation	Military	Total
2006	26	14,124	68,900	678	83,728
2007	101	16,910	79,759	1,154	97,924
2008	133	16,218	67,088	1,239	84,678
2009	168	17,684	64,325	1,658	83,835
2010	96	18,546	62,793	1,458	82,893
2011	172	17,897	58,242	1,424	77,735
2012	252	15,115	58,348	1,329	75,044
2013	176	14,233	52,806	719	67,934
2014	203	15,231	52,902	1,256	69,592
2015	189	14,684	54,754	1,468	71,095
2016	188	12,376	51,359	1,194	65,117
2017	232	15,163	57,617	983	73,995

City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Operating Expenditures by Division
For the Last Ten Fiscal Years

Division	Salaries, Wages and Employee Benefits									
	FYE09	FYE10	FYE11	FYE12	FYE13	FYE14	FYE15	FYE16	FYE17	FYE18
Administration	\$ 1,303,841	\$ 1,162,906	\$ 894,050	\$ 1,031,918	\$ 775,483	\$ 964,676	\$ 1,012,994	\$ 958,360	\$ 795,415	\$ 971,347
Accounting and finance	1,434,329	1,336,507	1,281,860	1,329,867	1,308,851	1,502,246	1,465,777	1,492,066	1,518,182	1,691,292
Information technology	612,271	685,791	622,273	730,170	833,842	1,092,259	1,069,555	1,009,002	998,608	1,043,440
Engineering	1,167,812	1,079,833	1,055,511	1,227,472	1,054,289	1,195,903	1,215,358	1,291,642	1,457,898	1,322,136
Human resources	165,954	176,836	151,717	127,791	254,593	396,779	328,588	279,732	306,901	387,695
Marketing	681,453	650,229	519,609	537,149	446,394	374,271	411,618	475,186	477,653	570,115
Economic development	722,836	692,402	771,981	812,895	838,132	929,770	969,800	1,049,263	1,050,187	1,035,318
Parking operations	197,630	200,632	170,498	69,890	89,703	94,630	107,815	105,253	115,903	124,853
CBW Downtown Airport	880,304	1,054,423	929,672	942,624	1,183,360	1,007,059	1,210,324	1,145,290	1,117,578	1,437,423
Operations	1,148,787	1,273,759	1,267,595	1,310,266	1,286,483	1,481,547	1,301,001	1,109,994	1,426,781	1,468,238
Airport police	5,963,100	6,530,168	6,148,122	6,434,830	5,937,764	6,104,786	6,400,243	6,166,795	6,818,224	6,959,876
Field maintenance	4,021,930	4,349,150	3,923,717	3,941,796	3,977,039	3,834,720	3,634,480	3,970,554	4,464,608	4,347,995
Fleet maintenance	1,169,680	1,279,117	1,251,838	1,165,757	1,322,850	1,505,010	1,319,708	1,271,168	1,411,005	1,632,281
Facilities custodial	4,344,478	4,247,452	3,894,465	3,630,417	3,840,677	3,935,335	3,888,265	3,640,716	4,261,216	4,549,492
Facilities structural	2,086,210	2,010,165	1,838,936	1,787,613	2,010,423	1,924,496	1,836,212	1,927,237	3,123,907	3,275,615
Bus operations	3,798,685	3,967,497	4,089,278	4,013,210	3,759,947	3,771,971	3,558,136	3,248,866	3,661,172	3,672,522
Parking and bus	-	-	-	-	-	-	-	-	-	-
Environmental management	326,681	345,430	336,368	331,566	346,422	367,324	359,904	353,676	379,231	396,174
Safety	165,972	157,430	117,739	118,415	99,911	169,763	164,066	16,827	149,716	157,613
Art & Aesthetics	-	-	-	-	-	-	-	-	-	-
Youth program	6,000	-	-	-	-	-	-	-	-	-
Maintenance projects	918	(3)	-	-	-	-	-	-	-	-
	<u>\$ 30,198,871</u>	<u>\$ 31,199,724</u>	<u>\$ 29,265,231</u>	<u>\$ 29,543,646</u>	<u>\$ 29,366,163</u>	<u>\$ 30,652,545</u>	<u>\$ 30,253,844</u>	<u>\$ 29,511,627</u>	<u>\$ 33,534,185</u>	<u>\$ 35,043,425</u>

(Continued)

City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Operating Expenditures by Division
For the Last Ten Fiscal Years

Division	Contractual Services									
	FYE09	FYE10	FYE11	FYE12	FYE13	FYE14	FYE15	FYE16	FYE17	FYE18
Administration	\$ 277,153	\$ 224,820	\$ 761,042	\$ (365,020)	\$ 824,159	\$ 1,140,611	\$ 878,916	\$ 447,153	\$ 252,324	\$ 504,101
Accounting and finance	484,552	452,735	575,817	578,659	419,395	382,171	386,785	436,654	381,948	354,752
Information technology	1,060,018	1,808,517	1,310,230	1,221,389	1,388,835	1,446,381	1,270,933	1,255,117	1,062,345	1,000,993
Engineering	421,182	306,884	293,527	285,527	188,477	188,321	215,649	175,654	174,935	182,974
Human resources	139,756	96,725	108,703	98,326	82,034	78,614	90,506	110,246	118,135	106,075
Marketing	993,400	1,051,223	951,184	974,321	985,861	1,042,029	1,218,471	1,355,832	1,310,190	1,530,477
Economic development	3,356,813	2,049,279	1,433,662	878,755	465,371	765,062	1,239,581	1,098,671	1,227,901	1,241,868
Parking operations	5,056,689	5,402,192	5,415,640	6,083,279	5,943,628	6,225,837	6,871,222	7,263,651	7,501,110	8,363,078
11500 parking	-	1,061,839	1,279,262	1,935,938	2,052,109	2,054,557	2,415,118	2,456,428	2,912,315	3,019,449
CBW Downtown Airport	819,190	929,340	1,228,762	1,810,852	1,152,547	1,066,424	1,142,712	1,144,286	1,470,479	1,559,656
Richards-Gebaur	12,692	2,323	5,079	3,527	1,923	2,258	1,393	1,200	600	-
Ambassador building	716,396	965,882	923,949	974,650	1,035,244	982,985	1,020,275	1,066,633	1,171,751	1,070,413
Operations	261,239	319,034	291,935	3,712,446	3,568,449	3,218,104	5,036,288	4,414,395	4,424,537	4,554,131
Airport police	5,410,019	5,196,696	5,900,288	2,285,288	2,381,827	2,310,852	2,019,771	2,351,166	2,362,361	1,606,472
Field maintenance	605,950	552,446	612,031	511,087	539,168	482,280	742,271	730,996	659,920	637,972
Fleet maintenance	701,139	705,093	644,065	733,195	606,033	508,924	684,326	655,129	875,480	711,974
Facilities custodial	861,785	898,476	919,028	836,372	763,319	773,005	698,800	654,637	694,169	647,623
Facilities structural	16,276,529	16,220,361	15,147,773	14,293,908	13,959,985	14,637,187	14,447,280	15,239,182	13,478,634	13,044,919
Bus operations	775,493	847,714	872,247	824,868	766,486	939,987	851,614	883,419	856,010	874,504
Parking and bus	-	-	-	-	-	-	-	-	-	-
Environmental management	648,074	565,205	406,262	366,318	289,481	274,039	405,858	365,762	335,172	250,554
Safety	115,797	127,349	118,127	115,420	102,348	115,398	123,341	100,091	128,051	96,000
Art & Aesthetics	-	-	-	-	-	-	-	-	-	-
Youth program	23,187	-	-	-	-	-	-	-	-	-
Maintenance projects	1,554,183	1,206,809	1,802,802	971,170	529,115	695,803	1,261,660	932,377	596,454	595,838
	<u>\$ 40,571,236</u>	<u>\$ 40,990,942</u>	<u>\$ 41,001,416</u>	<u>\$ 39,130,276</u>	<u>\$ 38,045,794</u>	<u>\$ 39,330,829</u>	<u>\$ 43,022,770</u>	<u>\$ 43,138,679</u>	<u>\$ 41,994,821</u>	<u>\$ 41,953,823</u>

(Continued)

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City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Operating Expenditures by Division
For the Last Ten Fiscal Years

Division	Commodities									
	FYE09	FYE10	FYE11	FYE12	FYE13	FYE14	FYE15	FYE16	FYE17	FYE18
Administration	\$ 26,485	\$ 24,218	\$ 27,704	\$ 33,047	\$ 24,845	\$ 27,529	\$ 33,594	\$ 23,791	\$ 23,679	\$ 21,770
Accounting and finance	38,560	22,333	27,673	252,605	28,967	39,095	32,119	28,113	18,844	18,473
Information technology	205,583	148,701	187,671	150,894	269,153	227,199	197,132	219,292	126,754	502,195
Engineering	12,975	13,361	9,077	14,406	9,951	9,941	14,381	13,327	9,877	12,022
Human resources	6,755	4,028	3,482	5,298	5,594	5,901	4,462	7,803	9,238	8,659
Marketing	14,248	14,897	11,290	12,036	14,245	8,566	20,315	54,682	13,057	10,865
Economic development	218,200	134,454	179,407	156,056	153,901	159,223	159,021	166,875	157,897	208,811
Parking operations	115,762	90,584	115,074	195,753	131,786	124,727	140,005	90,917	88,175	110,005
11500 parking	-	140,360	130,865	82,547	171,309	170,286	151,080	93,177	82,983	100,764
CBW Downtown Airport	174,410	295,478	656,987	654,322	796,132	762,521	715,017	498,904	546,020	682,096
Ambassador building	5,344	54,799	45,820	34,735	20,138	116,164	143,030	165,930	60,031	60,685
Operations	20,888	28,503	25,542	37,902	43,506	47,170	42,489	33,363	37,221	41,184
Airport police	336,632	215,783	289,830	303,984	293,081	280,855	324,630	236,929	264,547	212,352
Field maintenance	1,233,966	922,452	1,003,343	768,664	897,670	1,190,137	1,370,373	1,220,954	1,401,358	1,741,480
Fleet maintenance	616,897	1,020,938	1,038,475	892,485	988,016	1,117,508	996,200	974,123	1,011,090	980,030
Facilities custodial	401,333	440,698	391,523	385,570	383,171	368,354	401,110	397,029	403,148	368,385
Facilities structural	348,324	335,915	282,063	277,224	342,074	270,366	385,631	338,911	516,896	461,811
Bus operations	12,110	11,071	13,429	18,811	15,627	12,259	12,776	12,712	15,108	15,255
Parking and bus	-	-	-	-	-	-	-	-	-	-
Environmental management	3,079	1,928	3,704	2,650	953	3,011	1,681	1,150	737	760
Safety	2,743	4,525	2,468	1,488	2,286	4,248	2,582	1,161	15,765	1,089
Youth program	-	-	-	-	-	-	-	-	-	-
Maintenance projects	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,794,294</u>	<u>\$ 3,925,026</u>	<u>\$ 4,445,428</u>	<u>\$ 4,280,475</u>	<u>\$ 4,592,404</u>	<u>\$ 4,945,061</u>	<u>\$ 5,147,628</u>	<u>\$ 4,579,143</u>	<u>\$ 4,802,425</u>	<u>\$ 5,558,691</u>

(Continued)

City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Operating Expenditures by Division
For the Last Ten Fiscal Years

Division	Total Operating Expenditures									
	FYE09	FYE10	FYE11	FYE12	FYE13	FYE14	FYE15	FYE16	FYE17	FYE18
Administration	\$ 1,607,479	\$ 1,411,944	\$ 1,682,797	\$ 699,944	\$ 1,624,487	\$ 2,132,815	\$ 1,925,505	\$ 1,429,304	\$ 1,071,418	\$ 1,497,218
Accounting and finance	1,957,441	1,811,575	1,885,350	2,161,131	1,757,214	1,923,512	1,884,680	1,956,833	1,918,974	2,064,517
Information technology	1,877,872	2,643,009	2,120,175	2,102,453	2,491,830	2,765,839	2,537,620	2,483,411	2,187,707	2,546,628
Engineering	1,601,969	1,400,079	1,358,115	1,527,404	1,252,717	1,394,165	1,445,389	1,480,623	1,642,710	1,517,132
Human resources	312,465	277,589	263,902	231,414	342,221	481,294	423,556	397,781	434,274	502,429
Marketing	1,689,101	1,716,349	1,482,083	1,523,506	1,446,500	1,424,866	1,650,404	1,885,700	1,800,900	2,111,457
Economic development	4,297,849	2,876,135	2,385,050	1,847,705	1,457,403	1,854,055	2,368,403	2,314,809	2,435,985	2,485,997
Parking operations	5,370,081	5,693,408	5,701,212	6,348,923	6,165,117	6,445,195	7,119,042	7,459,821	7,705,188	8,597,936
11500 parking	-	1,202,199	1,410,127	2,018,485	2,223,417	2,224,843	2,566,198	2,549,605	2,995,298	3,120,213
CBW Downtown Airport	1,873,904	2,279,241	2,815,421	3,407,797	3,132,040	2,836,005	3,068,053	2,788,480	3,134,077	3,679,175
Richards-Gebaur	12,692	2,323	5,079	3,527	1,923	2,258	1,393	1,200	600	-
Ambassador building	721,740	1,020,681	969,768	1,009,385	1,055,383	1,099,149	1,163,305	1,232,563	1,231,782	1,131,098
Operations	1,430,914	1,621,296	1,585,072	5,060,615	4,898,438	4,746,821	6,379,778	5,557,752	5,888,539	6,063,553
Airport police	11,709,751	11,942,646	12,338,240	9,024,103	8,612,672	8,696,493	8,744,643	8,754,890	9,445,132	8,778,700
Field maintenance	5,861,846	5,824,047	5,539,090	5,221,548	5,413,877	5,507,137	5,747,124	5,922,504	6,525,886	6,727,447
Fleet maintenance	2,487,716	3,005,147	2,934,377	2,791,437	2,916,898	3,131,441	3,000,233	2,900,420	3,297,575	3,324,285
Facilities custodial	5,607,596	5,586,626	5,205,017	4,852,359	4,987,167	5,076,695	4,988,176	4,692,382	5,358,533	5,565,500
Facilities structural	18,711,063	18,566,440	17,268,772	16,358,745	16,312,481	16,832,049	16,669,123	17,505,330	17,119,437	16,782,345
Bus operations	4,586,288	4,826,282	4,974,955	4,856,890	4,542,060	4,724,217	4,422,527	4,144,997	4,532,290	4,562,281
Parking and bus	-	-	-	-	-	-	-	-	-	-
Environmental management	977,834	912,564	746,333	700,534	636,855	644,375	767,443	720,588	715,140	647,488
Safety	284,512	289,304	238,335	235,323	204,545	289,409	289,990	118,079	293,532	254,702
Art & Aesthetics	-	-	-	-	-	-	-	-	-	-
Youth program	29,187	-	-	-	-	-	-	-	-	-
Maintenance projects	1,555,101	1,206,809	1,802,802	971,170	529,115	695,803	1,261,660	932,377	596,454	595,838
	<u>\$ 74,564,401</u>	<u>\$ 76,115,693</u>	<u>\$ 74,712,075</u>	<u>\$ 72,954,398</u>	<u>\$ 72,004,361</u>	<u>\$ 74,928,435</u>	<u>\$ 78,424,245</u>	<u>\$ 77,229,449</u>	<u>\$ 80,331,431</u>	<u>\$ 82,555,939</u>

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City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Full-Time and Equivalent Employees by Division
For the Last Ten Fiscal Years

Division	FYE09	FYE10	FYE11	FYE12	FYE13	FYE14	FYE15	FYE16	FYE17	FYE18
Administration	8	7	6	6	4	5	5	4	2	4
Accounting and finance	23	20	19	20	19	20	21	21	20	20
Information technology	-	-	-	6	9	11	11	11	9	10
Engineering	12	12	12	12	11	12	12	13	11	11
Human resources	3	3	2	2	5	5	5	4	5	5
Marketing	7	6	6	6	5	4	3	5	5	5
Economic development	8	8	9	9	9	9	10	9	9	8
Parking operations	1	2	1	1	1	1	1	1	1	1
CBW Downtown Airport	18	15	13	15	16	15	17	15	15	19
Operations	16	16	14	16	17	16	16	14	17	15
Airport police	124	106	108	103	89	97	102	102	96	94
Field maintenance	71	60	59	58	56	50	56	61	59	55
Fleet maintenance	16	16	17	17	17	18	18	16	17	18
Facilities custodial	94	79	74	70	67	66	67	69	66	72
Facilities structural	32	27	26	28	27	27	26	25	29	28
Bus operations	83	77	78	71	58	63	59	6	11	12
Parking and bus	-	-	-	-	-	-	-	59	65	55
Environmental management	3	3	3	3	3	3	3	3	3	3
Safety	2	2	1	1	1	2	1	1	2	2
	<u>521</u>	<u>459</u>	<u>448</u>	<u>444</u>	<u>414</u>	<u>424</u>	<u>433</u>	<u>439</u>	<u>442</u>	<u>437</u>

Source: Kansas City Aviation Department records.

City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Assets Capitalized
For the Year Ended April 30, 2018

Buildings and building improvements:	
Lighting Project - DT & KCI Airports (KCPL Rebate)	\$ (18,620)
Boiler Project - Terminal B	192,810
OHB Cooling and Air Upgrade	339,240
10 Richards Rd Electrical Upgrade	26,999
250 Richards Rd Ph2- Reroof	131,675
LFMB Generator Set 601 Brasilia	179,954
Bus Charging Stations	228,145
American Airlines Terminal Modification	2,136,524
Maintenance Building at CBW Downtown Airport	10,926,700
KCAD Facilities Shop Complex	9,413,238
Total buildings and building improvements	<u>23,556,665</u>
Infrastructure:	
Airport - New Light Pole (KCPL Rebate)	(73,800)
Comm Center Development - Ph2	289,617
Rehab Runway 19L - Ph2	4,506,634
KCI Pond Erosion Control	247,601
Runway 9-27 4" Mill and Overlay	87,337
Landside road resurfacing	568,348
Terminal CCTV Camera Install.	1,510,687
Rehab Runway 1R/19L	1,535,372
Terminal Finance and Development Planning	840,699
Total infrastructure	<u>9,512,495</u>
Machinery and equipment:	
2017 Ford F450 (1), F550 (2) and Explorers (4)	349,237
2018 Ford F150 Crew Cab 4x4 Trucks (4)	118,637
Fork Lift Toyota #8FD45U and #8FGU25	77,331
Toyota Electric Walkie Reach Truck #6BWR15-31148	24,730
Dump Trailers, 12 ft. (1), 16 ft. (2), 30 ft. (1)	63,533
Feacon CEM36 Forestry Cutter	38,317
OMCO De-Icer Retrofit	139,288
2018 IHC Truck, Spreader	225,297
AT37 and LS87 Aerial Devices	419,296
Kubota ZD1211 Lawn Mowers (3)	41,490
Broyhill Sprayer	12,154
BT-HYSS2HS Blower	7,390
John Deere 50G Excavator	61,090
John Deere 1306 FT4 Excavator	162,531
Jacobsen HR800 75HP Mower (2)	161,140
Portable Doosan LSC Light Tower (3)	21,543
2017 Ventrac 4500 Tractor	31,200
Electric Stainless Steel Spreader	8,011
Boss Snow Plow	5,282
Boss DFB-16GF Sweeping System	13,586
Hotsy 1075BE Pressure Washer	14,950
2017 Carryall Electric Club Cars (3)	22,631
2018 Intl 7300 SFA 4x2 Snowplow Truck	93,280
BYD Electric Buses (4)	1,800,000
Decommissioning of the VOR/DME	1,019,542
Total machinery and equipment	<u>4,931,486</u>
Total assets capitalized	<u>\$ 38,000,646</u>

City of Kansas City, Missouri Department of Aviation
Operating Information
Schedule of Construction in Progress
For the Year Ended April 30, 2018

Projects	Project Description	FYE17	Additions	Adjustments	Expensed	Capitalized	FYE18
62000000	Aviation Capital Budget Accruals	\$ 7,489,974	\$ 7,512,796	\$ -	\$ -	\$ -	\$ 15,002,770
62000000	Terminal CCTV Camera Install	-	1,806,029	-	-	-	1,806,029
62080331	Relief Well System Rehab.	1,392,005	248,839	-	-	-	1,640,844
62100350	Terminal CCTV Camera Install	-	1,510,687	-	-	(1,510,687)	-
62110362	New Terminal Advance Planning	-	13,298	-	-	(13,298)	-
62110365	Taxiway Pavement Rehab	-	46,849	-	-	-	46,849
62110368	Aviation Facility Development	-	213,346	-	(213,346)	-	-
62110381	West Side Electr Rehab (MKC)	571,768	53,539	-	-	-	625,307
62120406	Airfield Pavement Rehab	-	918,435	(918,435)	-	-	-
62140432	10 Richards Road Electrical Upgrade-c:	-	26,999	-	-	(26,999)	-
62140436	Maintenance Building @ CBWDTA	3,747,015	7,179,685	-	-	(10,926,700)	-
62140437	OHB Cooling and Air Upgrade	-	328,530	-	-	(328,530)	-
62140437	OHB Cooling and Air Upgrade	-	10,710	-	-	(10,710)	-
62140439	Runway 1-19 Repairs @ DTA	39,938	1,311	-	-	-	41,249
62140441	Rehabilitate RW 1R/19L	-	1,337,646	197,726	-	(1,535,372)	-
62140443	KCAD Facilities Shop Complex	3,720,887	5,692,350	-	-	(9,413,237)	-
62150444	Terminal Finance Plan	-	434,346	-	-	(434,346)	-
62150445	Terminal Development Planning	-	393,055	-	-	(393,055)	-
62150448	Decommissioning of the VOR/DME	190,806	828,734	-	-	(1,019,540)	-
62150450	Replace Relief Wells Initial P	771,434	58,942	-	-	-	830,376
62150451	Commerce Center Development P2	-	247,038	(247,038)	-	-	-
62150451	Commerce Center Development P2	-	-	247,038	-	(247,038)	-
62150451	Commerce Center Development P2	-	5,289	-	-	(5,289)	-
62150453	KCI Storm Water Master Plan	861,721	43,800	-	-	-	905,521
62150454	Rehabilitate Runway 19L Phase 2	-	4,275,716	230,919	-	(4,506,635)	-
62150455	Rehabilitate Taxiway B	1,679,912	25,706,650	(5,821,478)	-	-	21,565,084
62150455	Rehabilitate Taxiway B	-	-	5,821,478	-	-	5,821,478
62160463	KCI Pond Erosion Control	-	247,601	-	-	(247,601)	-
62160465	Redesign Post Gates 1 & 28	-	110,799	-	-	-	110,799
62160466	Runway 9-27 4" Mill & Overlay	-	85,055	(85,055)	-	-	-
62160466	Runway 9-27 4" Mill & Overlay	-	2,282	85,055	-	(87,337)	-
62160467	250 Richards Rd Ph2-Reroof	-	131,675	-	-	(131,675)	-
62160468	Rehab Landside Pavement	212,521	421,357	-	-	-	633,878
62160469	LFMB Gen Set @ 601 Brasilia	-	179,954	-	-	(179,954)	-
62170474	Investigate Condition of Roof	-	62,633	(62,633)	-	-	-
62170474	Investigate Condition of Roof	-	-	62,633	-	-	62,633
62170474	Investigate Condition of Roof	-	342	-	-	-	342
62170476	Renovate Customs FIS Facility	-	5,442,387	-	-	-	5,442,387
62170478	American Airlines Terminal Mod	-	1,452,050	(1,452,050)	-	-	-
62170478	American Airlines Terminal Mod	-	50,772	2,085,752	-	(2,136,524)	-
62170481	Trammell Crow Dev Ph 3	-	1,444,540	(1,417,401)	-	-	27,139
62170481	Trammell Crow Dev Ph 3	-	-	1,417,401	-	-	1,417,401
62170483	Replace Relief Wells Ph 2	-	163,252	-	-	-	163,252
62170486	Airport Facility Development	-	8,399	-	-	-	8,399
62170487	Super Hangar POD Roof Repair	-	984,775	(977,734)	-	-	7,041
62170487	Super Hangar POD Roof Repair	-	-	977,734	-	-	977,734
62170488	Repair Taxiway F	-	1,607,737	292,690	-	-	1,900,427
62180489	Terminal Lighting Project	-	397,002	-	-	-	397,002
62180491	SONET Network Replacement	-	1,128,324	-	-	-	1,128,324
62180494	Bus Charging Stations	-	228,145	-	-	(228,145)	-
62180495	Landside Road Resurfacing	-	568,348	-	-	(568,348)	-
62180497	Consolidated Terminal Project	-	2,516,879	-	-	-	2,516,879
62180502	Super Hangar Apron Repairs	-	838	-	-	-	838
62180502	Super Hangar Apron Repairs	-	-	197,100	-	-	197,100
62180504	Reimbursable Agreement FAA-KCI	-	191,873	-	-	-	191,873
62TENIMP	TI - Customs & Border Patrol	36,311	341,333	-	-	-	377,644
62TENIMP	TI - UTXL	-	21,119	-	(21,119)	-	-
62TENIMP	TI - DTA Demo	-	126,107	-	(126,107)	-	-
62TENIMP	TI - Misc Capital Exp	-	62,061	-	(62,061)	-	-
62TENIMP	Tenant Improvements	-	806,907	(633,702)	(173,205)	-	-
Grand Total		\$ 20,714,292	\$ 77,679,165	\$ -	\$ (595,838)	\$ (33,951,020)	\$ 63,846,599



Emergency exercise at Kansas City International Airport.

C. COMPLIANCE SECTION

THIS SECTION CONTAINS THE FOLLOWING SCHEDULES:

INDEPENDENT AUDITOR'S REPORT

OPINION LETTER FROM INDEPENDENT AUDITOR REGARDING THE PASSENGER FACILITY CHARGE (PFC) PROGRAM REPORT CONTAINED IN THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED

SCHEDULE SHOWING PASSENGER FACILITY CHARGE (PFC) FUNDS COLLECTED AND EXPENDED FOR THE CURRENT FISCAL YEAR

NOTES TO SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED

NARRATIVE EXPLANATION REGARDING ITEMS IN THE PASSENGER FACILITY CHARGE (PFC) REPORT

**Report on Compliance for the Passenger Facility Charge Program and
Report on Internal Control Over Compliance in Accordance with the *Passenger
Facility Charge Audit Guide for Public Agencies* and on the
Schedule of Passenger Facility Charge Funds Collected and Expended**

Independent Auditor's Report

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

Report on Compliance for Passenger Facility Charge Program

We have audited the compliance of the Kansas City International Airport (the Airport), included in the Kansas City Airports enterprise fund of the City of Kansas City, Missouri (the City), with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its passenger facility charge program for the year ended April 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Airport's passenger facility charge program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination on the Airport's compliance with those requirements.

Opinion on Passenger Facility Charge Program

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended April 30, 2018.

The Honorable Mayor and
Members of the City Council

Report on Internal Control Over Compliance

The management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Airport's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Schedule of Passenger Facility Charge Funds Collected and Expended

We have audited the financial statements of the City of Kansas City, Missouri Airports Fund as of and for the year ended April 30, 2018, and have issued our report thereon dated October 26, 2018, which contained an unmodified opinion on those financial statements and which included an emphasis of matter paragraph regarding the presentation of fund only financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Passenger Facility Charge (PFC) Funds Collected and Expended is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing

The Honorable Mayor and
Members of the City Council

standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Kansas City, Missouri
October 26, 2018

City of Kansas City, Missouri Department of Aviation
Passenger Facility Charge (PFC) Program
Schedule of PFC Funds Collected and Expended
For the Year Ended April 30, 2018

PFC Project	Description	Approved for	Project Authorized Amount	Cumulative PFC Funds Expended
Project 1.1	Paving of Runway 1R/19L & Connecting Taxiway	Collection and use	\$ 8,409,781	\$ 8,409,781
Project 1.2	Terminal Improvements- Design Phase	Collection and use	16,197,329	11,011,054
Project 1.3	Taxiway D Rehabilitation	Collection and use	426,763	426,763
Project 1.4	Aircraft Rescue and Firefighting Vehicles	Collection and use	264,944	264,944
Project 1.5	Overlay Runway 1L/19R, Taxiway A, A1-A9	Collection and use	9,081,326	9,081,326
Project 1.6	Terminal Apron Rehabilitation, Phase II - VII	Collection and use	14,556,288	14,556,288
Project 1.7	Land Acquisition	Collection and use	10,766,850	10,766,850
Project 1.8	Terminal Apron Lights	Collection and use	630,529	630,529
Project 1.9	Overlay Runway 9/27 & Taxiway C (between C1 - C9)	Collection and use	4,549,975	4,549,975
Project 1.11	Construct Federal Inspection Services Facility	Collection and use	4,099,525	4,099,525
Project 1.12	Taxiway B Rehabilitation	Collection and use	5,753,074	5,753,074
Project 1.13	Terminal Improvements - Construction Phase	Collection and use	205,852,308	136,102,164
Project 2.2	Construction Hold Apron West -Term. B	Collection and use	3,944,000	3,944,000
Project 2.3	Automated Access Control System-New	Collection and use	2,322,855	2,322,855
Project 2.5	PFC Development & Administration	Collection and use	474,389	474,389
Project 3.1	Terminal Equipment	Collection and use	61,602,166	48,910,078
Project 3.2	Airfield Lighting Generator	Collection and use	512,599	512,599
Project 3.3	Relocate Airfield Generator-MKC	Collection and use	576,509	576,509
Project 4.1	Reconstruct Runway 1/19-MKC	Collection and use	2,809,515	2,809,515
Project 5.1	Two New ARFF Vehicles	Collection and use	345,831	345,831
Project 5.2	Taxiway B & D Extension	Collection and use	2,006,646	2,006,646
Project 5.3	Taxiway M & L Rehabilitation	Collection and use	3,282,304	3,282,304
Project 5.4	Airport Master Plan & Part 150 Update	Collection and use	1,229,570	1,229,570
Project 5.5	New ARFF Facility Construction	Collection and use	1,918,433	1,918,433
Project 5.6	Inline Baggage Screening	Collection and use	5,196,645	5,196,645
Project 5.7	Taxiway D Rehabilitation	Collection and use	1,766,481	1,766,481
Project 5.8	Airfield Lighting Rehabilitation	Collection and use	3,312,875	3,312,875
Project 5.9	Perimeter Fencing Replacement - MKC	Collection and use	349,525	349,525
Project 5.10	Terminal Improvements - Holdrooms	Collection and use	5,869,950	5,869,950
Project 5.11	Upgrade Glycol Collection System	Collection and use	2,983,188	2,983,188
Project 6.01	Airfield Sand and Deicing Facility	Collection and use	3,966,944	3,966,944
Project 6.02	Terminal chilled water line and cooling tower replacement	Collection and use	5,654,976	5,654,976
Project 6.03	Snow removal equipment/ARFF vehicle maintenance facility	Collection and use	3,363,220	3,363,220
Project 6.04	Airfield pavement rehabilitation	Collection and use	4,426,816	4,426,816
Project 6.05	New Snow Removal Equipment	Collection and use	770,500	770,500
Project 6.07	Runway 1/19 Safety Area Extensions - MKC	Collection and use	1,127,635	1,127,635
Project 6.08	Cargo apron rehabilitation	Collection and use	367,451	367,451
Project 6.09	Airfield Snow Removal Equipment Building	Collection and use	7,739,051	7,739,051
Project 8.01	Airfield Pavement Rehabilitation Phase II	Collection and use	3,622,196	3,622,196
Project 8.02	New Terminal Advance Planning	Collection and use	1,125,000	1,125,000
Project 8.03	MKC Taxiway Rehabilitations	Collection and use	1,250,000	1,250,000
Project 8.04	Reconstruct Airfield Service Roads	Collection and use	1,800,000	1,439,764
Project 8.05	Aircraft Rescue and Firefighting Vehicles	Collection and use	350,538	350,538
Project 8.06	Terminal Access Roads Rehabilitation and Improvements	Collection and use	7,200,000	7,190,096
Project 8.07	New Snow Removal Equipment	Collection and use	4,291,940	4,291,940
Project 9.01	Rehabilitate Runway 1R/19L	Collection and use	9,827,878	9,827,878
Project 9.02	Terminal Holdroom Reconfiguration	Collection and use	4,388,734	4,388,734
Project 9.04	Two New Snow Plow Trucks	Collection and use	200,000	200,000
Project 9.06	Westside Taxiway System Rehabilitation	Collection and use	8,510,678	8,510,678
Project 10.01	Taxiway System Rehabilitation ph 3	Collection and use	17,000,000	-
Project 10.02	Runway 9/27 Rehabilitation	Collection and use	1,835,338	1,625,067
Project 10.03	Terminal C Improvements	Collection and use	5,275,000	4,886,586
Project 10.04	Taxiway B Drainage Improvements	Collection and use	871,065	-
Project 10.05	Airport Service road Improvement	Collection and use	4,222,553	-
Project 10.06	Replace And Upgrade Post Gate 11-12	Collection and use	501,633	-
			\$ 480,781,319	\$ 369,588,736
				Cumulative
PFC Revenue Collected				\$ 409,975,697
Interest Earned				20,995,046
Total - PFC Revenue				\$ 430,970,743

City of Kansas City, Missouri Department of Aviation
Passenger Facility Charge (PFC) Program
Notes to Schedule of PFC Funds Collected and Expended
For the Year Ended April 30, 2018

Note 1: General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the local imposition of passenger facility charges (PFCs) and use of PFC revenues on Federal Aviation Administration (FAA) approved projects. On August 8, 2006, the FAA approved a \$4.50 PFC collection at Kansas City International Airport (MCI). The total approved amount of net PFC revenue plus interest that MCI is allowed to collect is \$480,781,319.

Note 2: Schedule of Passenger Facility Charge Funds Collected and Expended

The accompanying schedule of Passenger Facility Charge (PFC) Funds Collected and Expended presents the revenues received from PFC and expenditures incurred on approved projects on the cash basis of accounting, wherein revenues are recorded when received and expenses are recorded when paid.

Revenue received and expenditures made on approved projects in the accompanying schedule agree to the PFC quarterly status reports submitted by MCI to the FAA.

Note 3: PFC Bonds

On August 1, 2001, the City of Kansas City, Missouri Aviation Fund issued \$140,000,000 in PFC Revenue Bonds. These bonds were issued for the purpose of financing the design and construction costs of terminal improvements at the Kansas City International Airport and are backed by the PFCs collected on ticketed passengers who pass through the Airport.

In July 2013, the outstanding PFC Revenue Bonds were refunded by the PFC Eligible Portion of the 2013A General Airport Revenue Bonds (GARB) Bonds. The outstanding PFC Eligible GARB Bonds and the interest thereon are payable from revenues derived from airport operations and from PFC revenues. The outstanding balance of the PFC Eligible GARB Bonds at April 30, 2018 was \$60,685,000.

Note 4: PFC Funds Collected

PFC funds collected during the year ended April 30, 2018 were as follows:

PFC Collections	\$	23,081,114
Interest Earned on PFC collections		93,548
Total PFC Revenue	\$	<u><u>23,174,663</u></u>

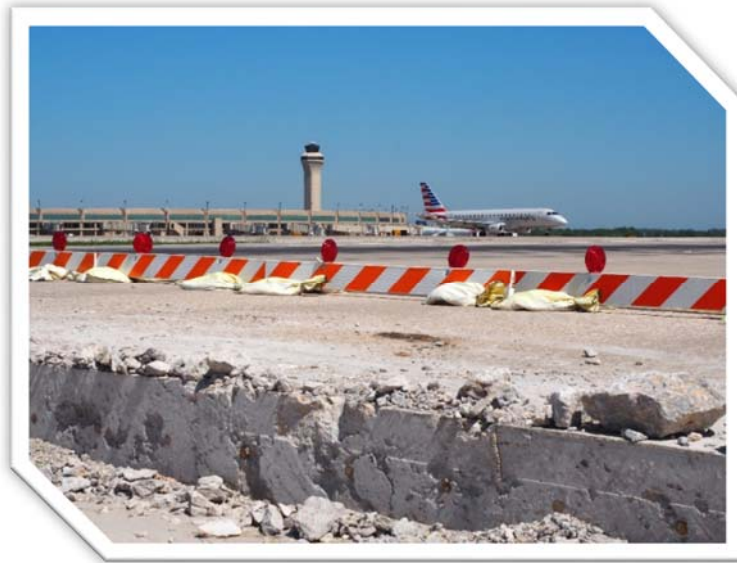
**City of Kansas City, Missouri Department of Aviation
 Passenger Facility Charge (PFC) Program
 Notes to Schedule of PFC Funds Collected and Expended
 For the Year Ended April 30, 2018**

Note 5: PFC Funds Expended

PFC funds expended during the year ended April 30, 2018 were as follows:

Funds Expended by Quarter	
Second quarter - 2017	\$ -
Third quarter - 2017	16,260,095
Fourth quarter - 2017	1,427,287
First quarter - 2018	1,648,964
Less: April 2017	(2,998)
Plus: April 2018	839,741
	<hr/>
Total PFC Funds Expended	<u>\$ 20,173,089</u>

Cumulative PFC funds expended through April 30, 2018 totaled \$369,588,736.



Runway reconstruction at Kansas City International Airport.

City of Kansas City, Missouri Department of Aviation
Passenger Facility Charge (PFC) Program
Summary of Auditor's Results
April 30, 2018

Summary of Auditor's Results

- | | | |
|--|--|------------------------------------|
| 1. Type of report issued on PFC financial statements. | <input checked="" type="checkbox"/> Unmodified | <input type="checkbox"/> Qualified |
| 2. Type of report on PFC compliance. | <input checked="" type="checkbox"/> Unmodified | <input type="checkbox"/> Qualified |
| 3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. The Public Agency maintains a separate financial accounting record for each application. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Funds disbursed were for PFC Eligible items as identified in the FAA decision to pay only for the allowable costs of the project. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Quarterly Reports were transmitted (or available via website) to remitting carriers. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

City of Kansas City, Missouri Department of Aviation
Passenger Facility Charge (PFC) Program
Summary of Auditor's Results
April 30, 2018

- | | | | |
|---|---|-----------------------------|---|
| 12. Project design and implementation is carried out in accordance with Assurance 9. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 13. Program administration is carried out in accordance with Assurance 10. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence. | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |

Findings Required to be Reported by the Guide

No matters are reportable.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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