Comprehensive Annual Financial Report

COLUMBUS REGIONAL AIRPORT AUTHORITY

Columbus, Ohio

For the year ended December 31, 2005

Auditor of State
Betty Montgomery

Board of Directors
Columbus Regional Airport Authority
4600 International Gateway
Columbus, Ohio 43219

We have reviewed the *Independent Auditors' Report* of the Columbus Regional Airport Authority, Franklin County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Columbus Regional Airport Authority is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

June 5, 2006

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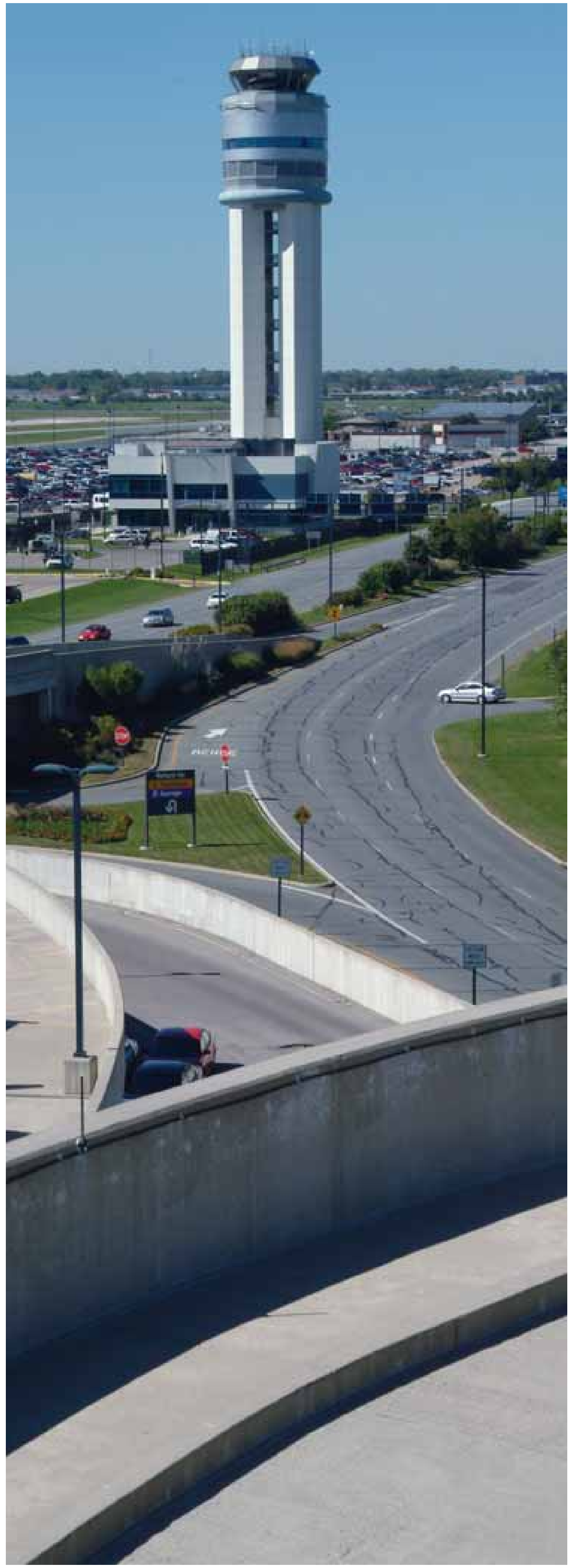

Comprehensive Annual Financial Report

For the
Columbus Regional Airport Authority
Columbus, Ohio

For the year ended
December 31, 2005

Prepared by:
John E. Byrum, CPA - Inactive
Vice President & CFO

Gwen Langston, CPA
Controller and Director, Finance and I.T.

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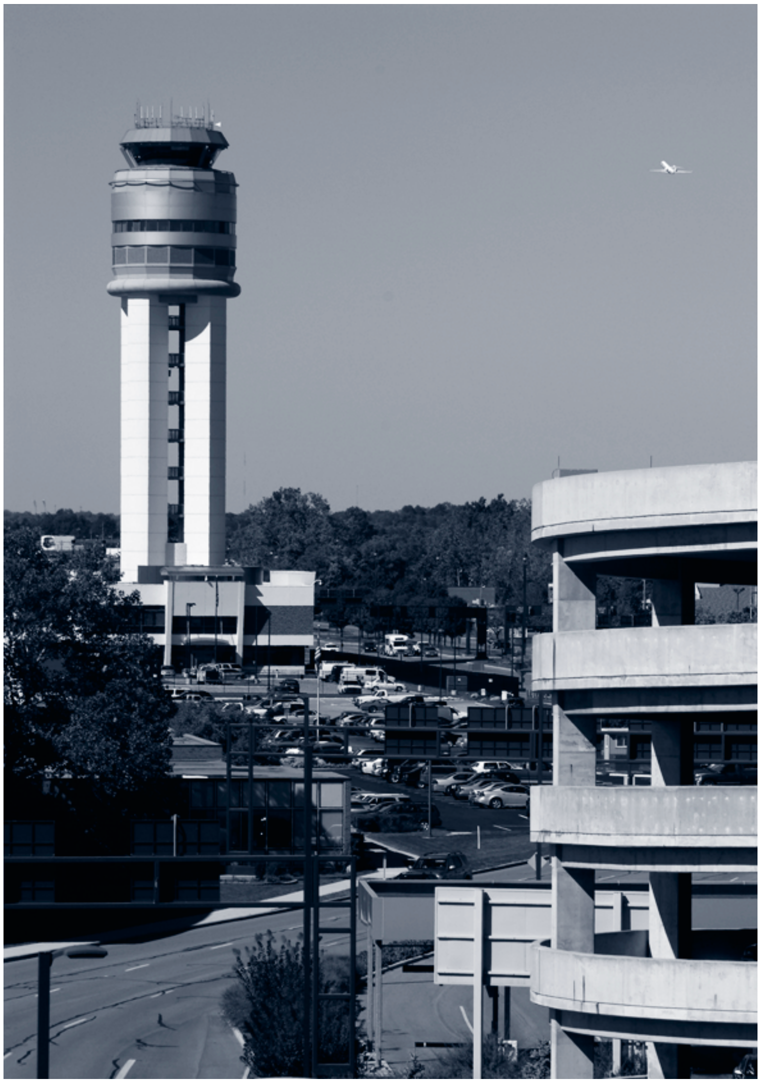
Introductory Section



This section contains
the following subsections:

Letter of Transmittal

Board of Directors

Organization Chart and Senior Management

Certificate of Achievement

COLUMBUS REGIONAL AIRPORT AUTHORITY
PORT COLUMBUS • RICKENBACKER • BOLTON

Board of Directors
Kathleen H. Ransier
Chair
Joseph A. Alutto
Vice Chair

Don M. Casto, III
John W. Kessler
Wm. J. Lhota
James P. Loomis, P.E.
George A. Skestos
Dwight E. Smith
Dennis L. White

Elaine Roberts, A.A.E.
President & CEO

March 24, 2006

To the Board of Directors:

This Comprehensive Annual Financial Report (CAFR) for the Columbus Regional Airport Authority (the Authority) for the year ended December 31, 2005, is proudly prepared and presented by your Finance Department and represents the Authority staff's commitment to provide accurate, concise and high-quality financial information to its Board of Directors and to the public we serve.

This CAFR contains financial statements and statistical data that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are the representations of the Authority's management, which bears the responsibility for the accuracy, completeness, and fairness of this CAFR. A narrative overview and analysis of the financial activities of the Authority that occurred during the year ended December 31, 2005 is presented in the Management's Discussion and Analysis (MD&A) found at the beginning of the Financial Section.

This CAFR has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). It is our belief that the accompanying 2005 CAFR meets program standards, and it will be submitted to the GFOA for review.

In accordance with the above-mentioned guidelines, the accompanying CAFR consists of four parts:

1. Introductory Section, including members of the Board of Directors, an Organization Chart and listing of Senior Management, a reproduction of the 2004 Certificate of Achievement, and this Letter of Transmittal.

2. Financial Section, including the MD&A of the financial statements, financial statements (with related footnotes) for December 31, 2005 and 2004, and the years then ended, accompanied by our independent auditors' report.

3. Statistical Section, providing financial trends and revenue capacity, debt capacity, operating information and economic and demographic information.

4. Compliance Section, providing the Schedule of Expenditures, related notes, the Schedule of Findings and Questioned Costs and the independent auditors' report on the Authority's compliance with Federal Awards and Passenger Facility Charge program requirements.

Rickenbacker International Airport
7161 Second Street
Columbus, Ohio 43217
Phone: 614-491-1401
Fax: 614-491-0662

Bolton Field Airport
2000 Norton Road
Columbus, Ohio 43228
Phone: 614-851-9900
Fax: 614-851-8959

Reporting Entity

The Authority is an independent, special purpose political subdivision of the State of Ohio. It was created as a body corporate and politic on July 30, 1990, by action of the Columbus City Council pursuant to the provisions of the Ohio Revised Code Chapter 4582. On November 10, 1991 (the transfer date), the Authority began operations under a use agreement with the City of Columbus for the purpose of providing airport facilities to the general public. On January 1, 2003, the assets and liabilities of the former Rickenbacker Port Authority, principally the Rickenbacker International Airport, were merged into the Columbus Municipal Airport Authority and the surviving entity was renamed the Columbus Regional Airport Authority. Additional information describing this event may be found in the Overview of the Financial Statements section of the MD&A and in Note 1 to the financial statements.

The Authority's financial reporting entity has been defined in accordance with GASB Statement No. 14. The financial statements contained within this CAFR include all departments and operations for which the Authority is financially accountable. Financial accountability is defined in Note 1 to the financial statements. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

A nine member Board of Directors that are jointly appointed by the City of Columbus and County of Franklin governs the Authority. The Mayor of Columbus with the advice and consent of the City Council appoints four members, four members are appointed by the County Commissioners and one member is jointly appointed. A complete discussion of the Authority's financial reporting entity is included in Note 1 to the financial statements.

Economic Conditions and Outlook

The financial condition of the Authority is primarily dependent upon the number of passengers using Port Columbus International Airport. Passenger levels, in turn, are dependent upon several factors, including: the economic conditions of the airline industry which influences the airlines' willingness and ability to provide service; the local economy which influences the willingness and ability of consumers to purchase air travel; and the cost of air travel.

The economy of the Greater Columbus area, including Franklin and the six surrounding counties, remained strong in 2005. The unemployment rate of 5.3% was below that of Ohio (5.9%) and slightly above the United States (5.1%). A balance among manufacturing, technology, research and financial activities has helped Columbus' economy to survive periods of slow growth. Unlike most other large U.S. cities, Columbus is not dependent upon one or two industries for its major economic strength and no single activity dominates the economy.

The diversity among Greater Columbus' top five employers – the State of Ohio, The Ohio State University, JP Morgan Chase & Co., Nationwide Insurance Companies and the United States Government (U.S. Postal Service, Defense Supply Center and Defense Finance and Accounting Service) – is representative of the local economy as a whole. The variety represented by these five employers, which together account for more than 83,000 jobs in Central Ohio, assures that the local economy can withstand slowdowns in certain sectors and not suffer an overall slowdown in the local economy.

In the spring of 2003, America West began implementing major reductions in their Port Columbus schedule. Total passenger traffic at Port Columbus was down 7.2% in 2003 as compared to 2002. A total of 6,252,233 passengers used Port Columbus in 2003. This reduction in total passengers was not unexpected given America West service reductions. In 2004 the last six months of the year showed consecutive growth in passenger traffic at Port Columbus resulting in only a .3% decrease in passengers over 2003. A total of 6,232,332 passengers used Port Columbus in 2004. In 2005, Port Columbus continued the passenger growth which started during 2004 and ended the year with a 6.1% increase over 2004. A total of 6,611,575 passengers used Port Columbus in 2005, the highest level since 2002.

Meanwhile, 248.9 million pounds of cargo moved through Rickenbacker in 2005 for a 15.3% increase over 2004. In 2005, 39,554 passengers used the Rickenbacker Charter Terminal compared to 136,949 passengers in 2004. This passenger reduction is primarily the result of Southeast Airlines ceasing operations at the end of November 2004.

Initiatives and Development

Funding for the Authority's development projects is provided exclusively by user fees, as are the funds needed to conduct the Airport's day-to-day operations. These funds are principally generated in three ways: through direct charges such as space rentals and landing fees collected from the airlines; from the airlines ticket tax which is then returned to airports in the form of grants under the Federal Airport Improvement Program; and through a passenger facility charge which is collected as a surcharge on airline tickets. The Authority utilizes each of these to generate funds for its operations and facilities development.

In 2005, an agreement between the Authority and Norfolk Southern Corporation led to the development of the Rickenbacker Intermodal Facility. Planned to be operational by early 2007, the train-truck intermodal facility and the industrial development is expected to generate over an estimated 20,000 jobs and an economic impact of $15.1 billion over the next 30 years. This facility is also expected to reduce the overall transportation cost for domestic and international shippers and solidify the area's status as a premier Midwest distribution hub.

In conjunction with the development of the intermodal facility, the Authority entered into an agreement with Duke Realty Corporation and Capitol Square, Ltd. to develop the Rickenbacker Global Logistics Park. This will be located on 1,200 acres of prime industrial land near the new intermodal site and will eventually include up to 20 million square feet of development.

In addition, the Authority is partnering with the Ohio Department of Transportation to construct a grade separated interchange at the intersection of Stelzer Road and I-670/International Gateway. This interchange project at Port Columbus International Airport will ultimately involve the removal of all traffic lights on International Gateway, allowing for more efficient public access to and from the airport.

Construction for a new crossover taxiway over International Gateway is underway. This taxiway will provide a shorter route for taxing aircraft, increase airport capacity and eliminate congestion on the existing terminal apron.

Authority's Internet Web Page

The Authority has an Internet web site offering a wide array of information to users, including financial information and operational statistics. Users can obtain direct access to the airlines serving the airports, obtain flight arrival and departure information and download flight schedules directly onto their Personal Digital Assistant (PDAs). The Authority's CAFR is posted on the web site. The web address is ColumbusAirports.com.

Internal Control Framework

In developing and evaluating the Authority's accounting system, consideration is given to the adequacy of the internal control framework. Internal control framework is designed to provide reasonable, but not absolute assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; (2) execution of transactions in accordance with management's authorization; (3) reliability of financial records used in preparing financial statements and maintaining accountability for assets; (4) effectiveness and efficiency of operations; and (5) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of costs and benefits requires estimates and judgments by management.

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

The Authority maintains an internal audit department responsible for a broad, comprehensive program of internal and external auditing. The audit director reports directly to the Vice President & Chief Financial Officer and maintains reporting responsibilities to the President & CEO and the Board of Directors. The internal audit department is authorized to have full, free, and unrestricted access to all records pertaining to the audits.

Budgetary Controls

The annual operating and capital budgets are proposed by the Authority's management and adopted by the Board of Directors in a public meeting before the beginning of each fiscal year. The annual budget is prepared pursuant to guidelines established after consideration of the Authority's General Business Plan covering the years 2004 through 2008.

Management control of the budget is maintained at the department level. Total expenditures are not permitted to exceed total budgeted amounts without approval of the Board of Directors. It is the responsibility of each department to administer its operations in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Directors.

Activity Highlights

The following represents the Authority's activity highlights for the years ended December 31:

	2005	2004	% Change
Enplanements	3,306,753	3,112,870	6.2
Airline Cost	$16,491,039	$17,654,543	(6.6)
Cost Per Enplaned Passenger	$4.99	$5.67	(12.0)

Throughout its existence the Authority has been purposeful in building cash reserves to fund contingencies and future facilities development. The Authority uses these assets to provide services to its passengers and visitors to the Airport. It has also diligently controlled the costs passed on to its family of airlines. Through operating efficiencies and its on-going cost containment efforts, the Authority realized operating expense savings of $1.6 and $2.4 million compared to budget in 2005 and 2004 respectively. Airline cost per enplaned passenger (Cost/EP) -- the standard employed by the air carriers to determine the relative cost of operating at an airport -- is the sum of all expenditures charged to the airlines by an airport divided by the number of passengers enplaned at the airport. For 2005 and 2004, the airline Cost/EP at Port Columbus International Airport has remained competitive at $4.99 and $5.67 respectively. These Cost/EPs continue to compare favorably with other medium hub airports, further reinforcing the Airports reputation as a cost effective, airline-friendly facility.

After September 11th, Port Columbus lost nearly 50 daily departures due to air service cutbacks. In 2002 flights and passengers returned to the Columbus skies, resulting in the airport's second-largest passenger record in history. The airport experienced a temporary setback in 2003 when America West announced its intention to eliminate their Columbus hub and reduce daily flights from 49 to 4 by the early summer. Within hours of the America West announcement, Delta Air Lines and American Airlines announced they would add a total of 15 new flights a day. At the end of 2005 Port Columbus provided non-stop service to 35 airports, which is two greater than the 33 airports served prior to the America West's reduction, and offered 164 daily flights with over 12,000 seats.

Cash Management and Investments

The Authority utilizes a cash management and investment policy intended to achieve maximum financial return (while minimizing risk of loss) on all available funds. The investments of the Authority are governed under Chapter 135.14 of the Ohio Revised Code (ORC). Eligible investments primarily include US Treasury obligations and various Federal Agency securities. Other investments include the placement of time deposits with eligible financial institutions located in the State of Ohio, the state treasurers investment pool (STAR Ohio) pursuant to Chapter 135.45 ORC, and US Treasury/US Government money market mutual funds rated in the highest category by at least one nationally recognized rating agency. The Authority may also enter into repurchase agreements with primary US Government securities dealers and eligible Ohio banks. Final maturities of all investments are limited to a maximum of five years unless specific authorization is provided to match future liabilities. An approved investment policy places further limits upon investment transactions and sets forth the Authority's primary objective to maximize return within the context of the preservation of principal and sufficient liquidity to meet daily obligations. Investment assets are held in safekeeping by a custodian bank appointed by the Authority. All transactions settle on a delivery versus payment basis. Because the Authority's deposits are held by large, financially sound banks, management believes that the security supporting the Authority's deposits is adequate. For a more detailed discussion see Note 3 to the financial statements.

Risk Management

Beginning in 2005, the Authority began to self insure its risk of loss due to workers' compensation claims and established a self insurance fund. Self insurance is a privilege granted by the Ohio Bureau of Workers' Compensation allowing certain qualifying employers to directly pay compensation and medical costs for work-related injuries instead of paying premiums to the Ohio State Insurance Fund. The Authority carries excess workers' compensation coverage in the amount of $25 million. For a more detailed discussion see Note 2 to the financial statements.

It is the policy of the Authority to eliminate or transfer risk whenever possible. Lease agreements contain insurance requirements and hold harmless clauses. Contractors are required to maintain appropriate amounts of insurance and bonding

The Authority carries property insurance in force as of January 1, 2006, on Airport property and equipment in the aggregate sum of approximately $454 million. The Authority carries liability insurance coverage in the amount of $244 million. A schedule of insurance in force can be found in the statistical section of this CAFR.

Independent Audit

The Authority's independent auditing firm, Deloitte & Touche LLP, has rendered an unqualified opinion that the Authority's financial statements for December 31, 2005 and 2004, and for the years then ended, present fairly, in all material respects, the results of the Authority's financial position, operations and cash flows. The Auditor of State of Ohio also reviews the Authority's financial statements for compliance with state reporting requirements.

The Authority participates in the Federal single audit program, which consists of a single audit of all federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by Deloitte & Touche LLP, met the requirements set forth by the State of Ohio and the Federal Single Audit Act of 1996 and related Office of Management and Budget Circular A-133. The independent auditors' reports issued based upon work performed in accordance with those requirements noted no instances of material noncompliance by the Authority with any applicable state or Federal laws or regulations for the fiscal year ending December 31, 2005. A copy of the report can be found in the compliance section of this CAFR.

Certificate of Achievement

I am most proud to report that the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the year ended December 31, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority has received a Certificate of Achievement for the last thirteen consecutive years, ended December 31, 2004. We believe our current CAFR 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.

Acknowledgments

The publication of this CAFR is a reflection of the level of excellence and professionalism the Authority's entire staff has attained. I wish to express my appreciation specifically to all members of the Finance Department, who contributed not only to the preparation of this CAFR, but also to the accomplishments that I am privileged to report.

I would like to thank the Board of Directors and the President & CEO, Elaine Roberts, for their guidance and support provided in the planning and conducting of the financial operations of the Authority. Your direction and counsel have helped to ensure that the Columbus Regional Airport Authority will remain a model of excellence for airports throughout the world.

Respectfully submitted,

John E. Byrum, CPA-Inactive
Vice President & Chief Financial Officer

Board of Directors

As of December 31, 2005

Chair
Kathleen H. Ransier, Esq.
Partner
Vorys, Sater, Seymour & Pease

Vice Chair
Joseph A. Alutto
Dean, Fisher College of Business
The Ohio State University

Directors
Don M. Casto, III
President/Owner
CASTO

John W. Kessler
Chairman
The New Albany Company

Wm. J. Lhota
President & CEO
Central Ohio Transit Authority

James P. Loomis, P.E.
Retired Vice President, Transportation
Battelle

George A. Skestos
Retired Chief Executive Officer
Homewood Corporation

Dwight E. Smith
President/CEO
Sophisticated Systems, Inc.

Dennis L. White
Deputy Director
Franklin County Board of Elections


Kathleen H. Ransier

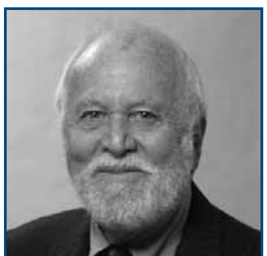

Joseph A. Alutto


Don M. Casto, III


John W. Kessler


Wm. J. Lhota

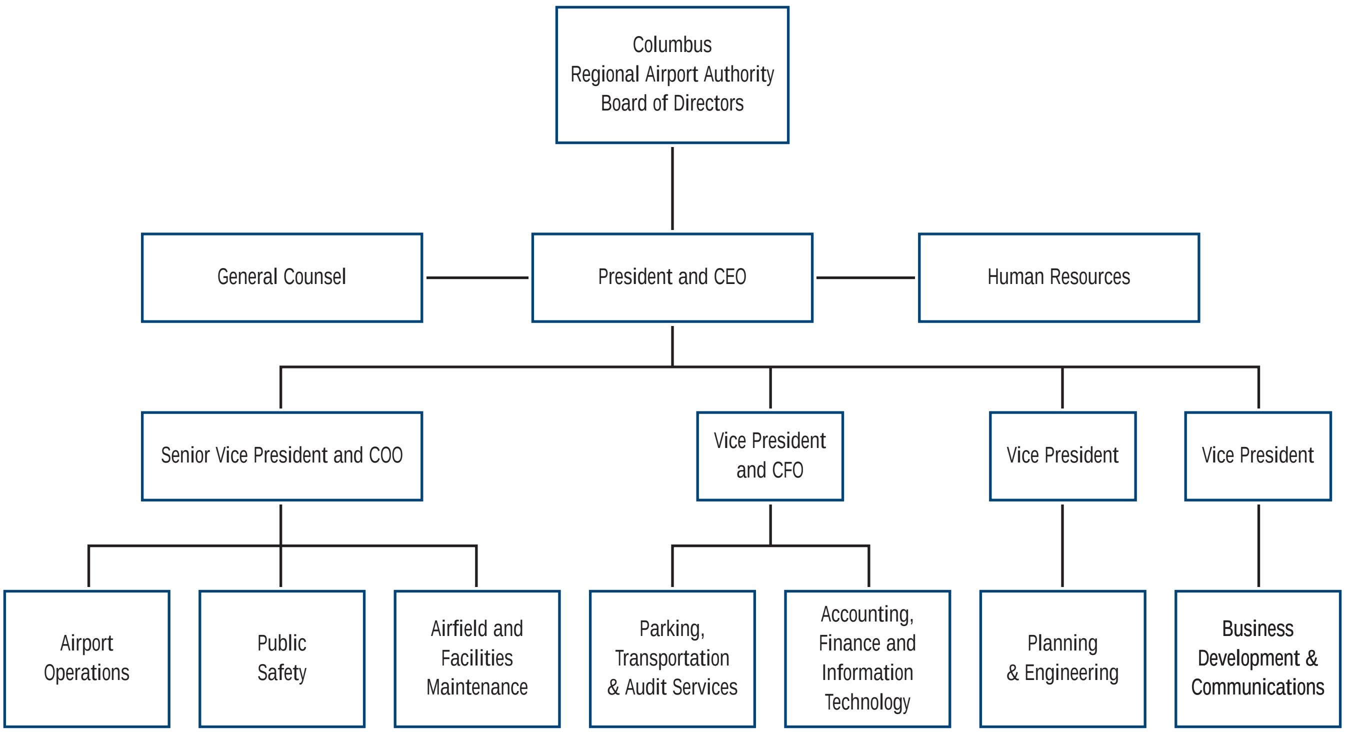

James P. Loomis


George A. Skestos


Dwight E. Smith


Dennis L. White

Organization Chart and Senior Management



Senior Management

Elaine Roberts, A.A.E.	President & Chief Executive Officer
Rod C. Borden, ESQ., A.A.E.	Senior Vice President & Chief Operating Officer
T. Randal Bush, CPFM, CIA, CPA	Director, Parking, Transportation & Audit Services
John E. Byrum, CPA - Inactive	Vice President & Chief Financial Officer
Linda F. Frankl, A.A.E.	Director, Airport Operations
Gwen E. Langston, CPA	Controller and Director, Finance & I.T.
Linda M. Laughlin	Director, Human Resources
Bernard F. Meleski	Director, Planning & Development
Richard L. Morgan	Director, Public Safety
Angela R. Newland, P.E., A.A.E.	Vice President, Planning & Engineering
Ronald E. Newland	Director, Airfield & Facilities
Robert E. Tanner, Jr., ESQ.	General Counsel and Director, Governmental Affairs
David V. Whitaker	Vice President, Business Development & Communications

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbus Regional Airport Authority, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Financial Section

This section contains
the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Supplemental Schedule of Revenues and
Expenses-Budget vs. Actual-Budget Basis

Deloitte.

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Columbus, OH 43215-3611
USA

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Columbus Regional Airport Authority
Columbus, Ohio

We have audited the accompanying statement of net assets of the Columbus Regional Airport Authority (the "Authority") as of and for the years ended December 31, 2005 and 2004 and the related statements of revenues, expenses, and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2005 and 2004 and its changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. The supplementary information is the responsibility of the Authority. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information included in the supplemental schedule of revenues and expenses—budget vs. actual—budget basis is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority. The supplemental schedule of revenues and expenses—budget vs. actual—budget basis is the responsibility of the Authority's management. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Member of
Deloitte Touche Tohmatsu

The introductory and statistical sections, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are the responsibility of the Authority's management. Such information has not been subjected to auditing procedures applied in the audit of the Authority's basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2006 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matter The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

March 24, 2006

Management’s Discussion and Analysis

The following Management’s Discussion and Analysis (MD&A) of the Columbus Regional Airport Authority’s (the Authority) financial performance provides an introduction to the financial statements for the years ended December 31, 2005 and 2004. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority’s financial statements.

Overview of the Financial Statements

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

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

The *Statements of Net Assets* presents information on all the Authority’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the Authority’s financial position.

The *Statements of Revenues, Expenses, and Changes in Net Assets* presents information showing how the Authority’s net assets changed during the most recent years. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority’s cash accounts are recorded in these statements. A reconciliation is provided at the bottom of the Statements of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

In addition to the basic financial statements and accompanying notes, this report also presents the *Supplemental Schedule of Revenues and Expenses – Budget vs. Actual – Budget Basis*.

In 2001 the County of Franklin, Ohio (the County) Board of Commissioners approached the Mayor and officials of the City of Columbus, Ohio (the City) with the idea of creating one port authority to oversee the airports managed by the Columbus Municipal Airport Authority (CMAA) and the Rickenbacker Port Authority (RPA). The County and the City formed a committee, the Regional Port Authority Study Committee, that evaluated and concluded that there was the potential for achieving cost savings, operational efficiencies and other intangible synergies by creating a single regional airport authority to oversee the operations of Port Columbus International (CMH), Rickenbacker International (LCK) and Bolton Field (TZR) airports. On December 12, 2002, the County, the City and the CMAA entered into the Port Authority Consolidation and Joinder Agreement (the Agreement) with an effective date of January 1, 2003. Under the Agreement the RPA was dissolved and the CMAA, the surviving entity, was renamed the Columbus Regional Airport Authority (the Authority). The assets of the RPA were recorded on the Authority’s records at net book value. Additional information may be found in Note 1 of the accompanying notes.

Significant Events

Workers' Compensation Self Insurance

In 2005, the Authority began to account for and finance its risk of loss due to workers' compensation claims and established a self insurance fund. See Note 2 of the accompanying notes for further details.

Golf Course Settlement

As of December 31, 2004, the Authority owed the City $4.0 million for past operating advances. Repayment of the advances was contingent on the Authority reaching an agreement with the City for the compensation relating to use by the City for past and future golf course property that was owned by the Authority. During 2005, an agreement was executed and approved. The agreement required payment to the City for the advances and interest and certain land transfers. The agreement also required the City to pay the Authority for past rental and interest charges for the lease of land and buildings. As a result, the Authority paid the net amount of $2,853,886 to the City. See Note 12 of the accompanying notes for further details.

Financial Highlights

The Authority's financial position remains sound as evidenced by our growth in net assets and reduction in outstanding debt as well as our continued strong liquidity position.

A summary of the Authority's financial highlights for the year 2005 is as follows:

The Authority's total assets increased $31.5 million over 2004. The majority of the increase is the result of increases in capital projects under construction. Current Assets and Other Non Current Assets (both Unrestricted and Restricted) increased as a result of an increase in the investment in securities.

Total liabilities declined $2.2 million over 2004. The reduction was primarily the result of principal payments on bonds.

Total operating revenues increased $1.2 million over 2004. The increase is primarily a result of higher revenue received from auto parking receipts.

Total operating expenses increased $1.4 million over 2004. The increase is primarily the result of increases associated with a $903,000 increase in employee wages and benefits and a $507,000 increase in materials and supplies.

A summary of the Authority's financial highlights for the year 2004 is as follows:

The Authority's total assets increased $27.0 million over 2003. The majority of the increase is the result of increases in capital projects under construction. Current Assets decreased and Other Non Current Assets (both Unrestricted and Restricted) increased as the result of an increase in the investment cash to securities.

Total liabilities declined $6.4 million over 2003. The reduction was primarily the result of principal payments on bonds.

Total operating revenues increased $16,000 over 2003. The increase is primarily a result of higher revenue received from auto parking receipts.

Total operating expenses increased $917,000 over 2003. The increase is primarily the result of increases associated with employee wages and benefits.

Financial Position

The following represents the Authority's financial position for the years ended December 31:

	2005	2004	2003	% Change 2005	% Change 2004
ASSETS:					
Current Assets – Unrestricted	$ 28,674,091	$ 20,977,047	$ 36,345,645	36.7	(42.3)
Current Assets - Restricted	80,342,787	83,234,392	100,938,240	(3.5)	(17.5)
Capital Assets	454,590,321	437,206,256	411,450,787	4.0	6.3
Other Non Current Assets – Unrestricted	37,470,001	30,244,226	7,194,039	23.9	320.4
Other Non Current Assets - Restricted	13,319,015	11,236,811	-	18.5	-
Total Assets	614,396,215	582,898,732	555,928,711	5.4	4.9
LIABILITIES:					
Current Liabilities - Unrestricted	18,550,073	15,129,188	14,482,607	22.6	4.5
Current Liabilities - Restricted	11,100,558	14,257,307	11,979,440	(22.1)	19.0
Long-Term Liabilities	123,711,754	126,194,901	135,504,979	(2.0)	(6.9)
Total Liabilities	153,362,385	155,581,396	161,967,026	(1.4)	(3.9)
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt	335,304,594	309,120,577	275,777,710	8.5	12.1
Restricted Net Assets	88,792,578	89,378,295	96,829,112	(0.7)	(7.7)
Unrestricted Net Assets	36,936,658	28,818,464	21,354,863	28.2	35.0
Total Net Assets	461,033,830	427,317,336	393,961,685	7.9	8.5
Total Liabilities and Net Assets	$ 614,396,215	$ 582,898,732	$ 555,928,711	5.4	4.9

An analysis of significant changes in assets, liabilities and net assets for the year 2005 is as follows:

The Authority's assets exceeded liabilities by $461 million, a $33.7 million increase over December 31, 2004. The largest portion of the Authority's net assets each year ($335.3 million or 73% at December 31, 2005) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Authority's net assets ($88.8 million or 19% at December 31, 2005) represents resources that are subject to restrictions on how they can be used. The restricted net assets are not available for new spending because they have already been committed as follows:

Capital Expenditures	$ 29,740,818
Passenger Facility Charges	34,433,869
Bond Reserves	22,668,604
Obligation Due to City	1,949,287
Total Restricted	$ 88,792,578

The remaining unrestricted net assets of $36.9 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

An analysis of significant changes in assets, liabilities and net assets for the year 2004 is as follows:

The Authority's assets exceeded liabilities by $427 million, a $33.4 million increase over December 31, 2003. The largest portion of the Authority's net assets each year ($309.1 million or 72% at December 31, 2004) represents its investment in capital assets, less the related debt outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to its aviation partners, passengers and visitors to the airports; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

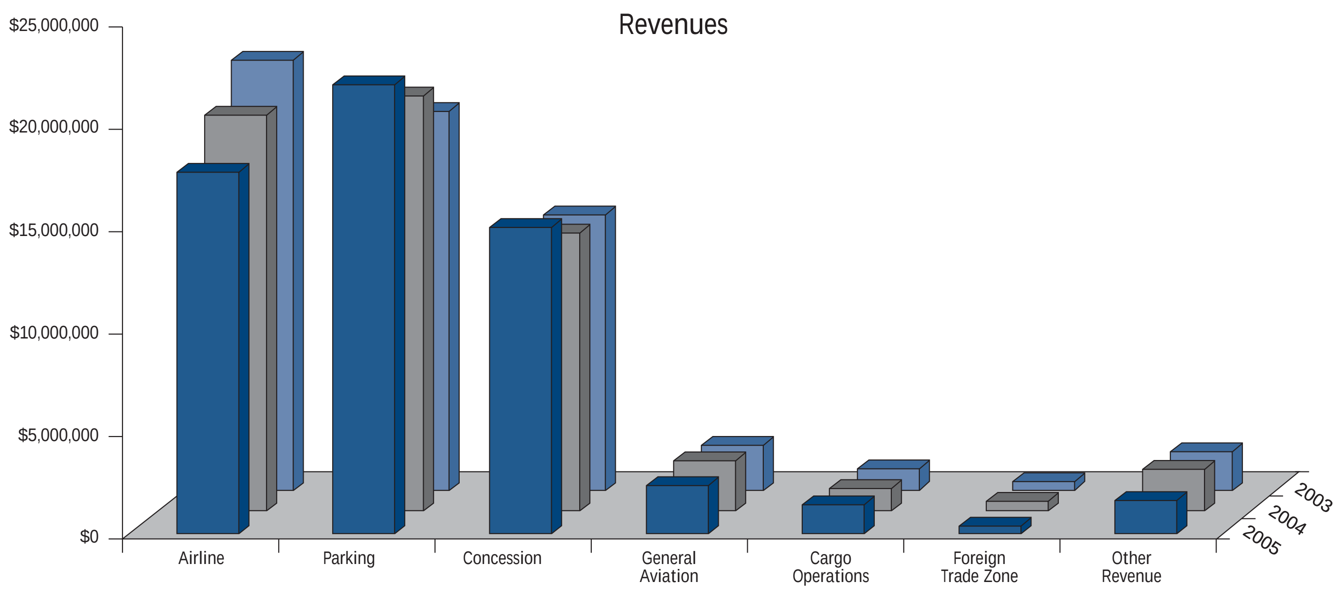
An additional portion of the Authority's net assets ($89.4 million or 21% at December 31, 2004) represents resources that are subject to restrictions on how they can be used. The restricted net assets are not available for new spending because they have already been committed as follows:

Capital Expenditures	$ 34,803,165
Passenger Facility Charges	27,227,240
Bond Reserves	22,281,404
Obligation Due to City	5,066,486
Total Restricted	$ 89,378,295

The remaining unrestricted net assets of $28.8 million may be used to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

The following represents the Authority's summary of operating revenues by source for the years ended December 31:

				% Change	
	2005	2004	2003	2005	2004
Airline Revenue	$ 17,930,270	$ 19,485,164	$ 21,337,530	(8.0)	(8.7)
Parking Revenue	22,154,185	20,535,533	18,903,636	7.9	8.6
Concession Revenue	15,100,092	13,916,705	13,812,910	8.5	0.8
General Aviation Revenue	2,412,494	2,569,349	2,471,752	(6.1)	3.9
Cargo Operations Revenue	1,678,922	1,264,965	1,226,454	32.7	3.1
Foreign Trade Zone Fees	439,610	544,420	549,836	(19.3)	(1.0)
Other Revenue	1,947,709	2,100,943	2,099,042	(7.3)	0.1
Total Operating Revenue	$ 61,663,282	$ 60,417,079	$ 60,401,160	2.1	0.0



An analysis of significant changes in revenues for the year 2005 is as follows:

- Airline Revenue decreased 8%, or $1.6 million. The decrease is primarily due to a decrease in airline space rental revenue of 9%, or $997,000, as a result of a decrease in airline leased space and a decrease in apron fee revenue of 45%, or $962,000, as a result of a decrease in the leased apron square footage used to park aircraft. A new five year airline agreement was implemented in January 2005 which allowed the airlines to adjust their leased space.

- Parking Revenue increased 8%, or $1.6 million. The increase is the result of greater utilization and longer parking stays in addition to a parking rate increase.

- Concession Revenue increased 9% or $1.2 million. The increase is primarily the result of an increase in car rental revenue of 9% or $687,000 and an increase in leased building and ground rent of 10% or $322,000.

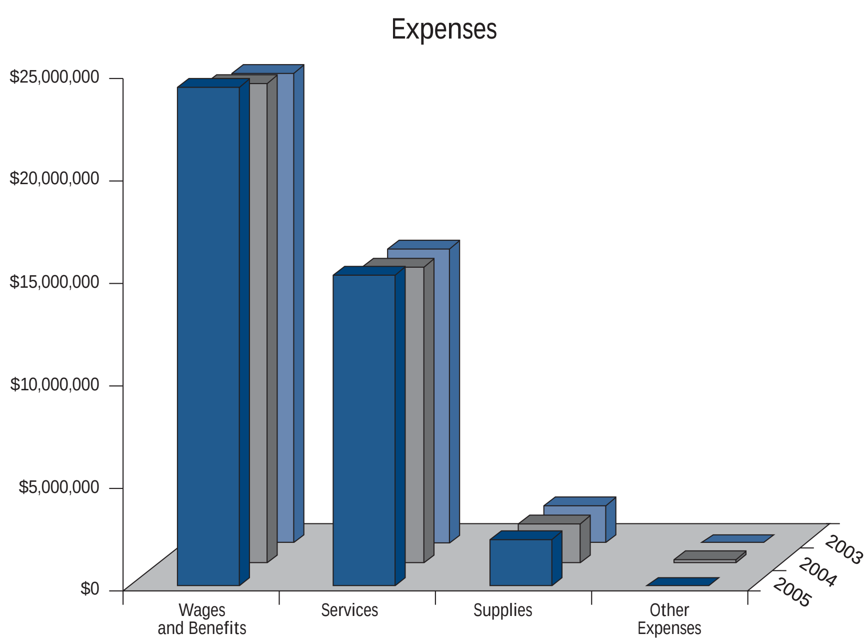
An analysis of significant changes in revenues for the year 2004 is as follows:

- Airline Revenue decreased 9%, or $1.9 million. The decrease is primarily due to a decrease in airline space rental revenue of 7%, or $854,000, as a result of a decrease in leased space and a decrease in landing fee revenue of 7%, or $762,000, as a result of a decrease in the landing fee rate charged for aircraft landings.

- Parking Revenue increased 9%, or $1.6 million. The increase is the result of greater utilization and longer parking stays.

The following represents the Authority's summary of operating expenses before depreciation by source for the years ended December 31:

				% Change	
	2005	2004	2003	2005	2004
Employee Wages and Benefits	$ 24,635,431	$ 23,732,038	$ 23,075,810	3.8	2.8
Purchase of Services	15,304,127	14,812,528	14,699,125	3.3	0.8
Materials and Supplies	2,558,077	2,051,128	2,038,902	24.7	0.6
Other Expenses	(313,135)	141,921	6,792	(320.6)	1989.6
Total Operating Expenses	$ 42,184,500	$ 40,737,615	$ 39,820,629	3.6	2.3



An analysis of significant changes in expenses for the year 2005 is as follows:

- Employee Wages and Benefits increased 4%, or $903,000 primarily as a result of an increase in the retirement benefits of 5% or $186,000, an increase in employee health insurance of 6% or $164,000 and an increase in overtime paid of 29% or $216,000.

- Purchase of Services increased 3%, or $492,000 as a result of an increase in the contract for firefighting and ambulatory expenses of 23% or $343,000.

- Materials and Supplies increased 25%, or $507,000 primarily as a result of an increase in equipment purchases of 83% or $223,000, an increase in the cost for fuel purchases of 34% or $125,000 and an increase in snow removal supplies of $34% or $125,000.

- Other Expenses decreased $455,000 due to a reduction in the amount of reserves established for uncollectible accounts receivable.

An analysis of significant changes in expenses for the year 2004 is as follows:

- The majority of the increase in Operating Expenses is the result of Employee Wages and Benefits increasing 3%, or $656,000 over 2003.

- Other Expenses increased $135,000 primarily due to a bad debt write off for an airline that ceased operations.

The following represents the Authority's summary of changes in net assets for the years ended December 31:

				% Change	
	2005	2004	2003	2005	2004
Total Operating Revenues	$ 61,663,282	$ 60,417,079	$ 60,401,160	2.1	0.0
Total Operating Expenses	(42,184,500)	(40,737,615)	(39,820,629)	3.6	2.3
Operating Income before Depreciation	19,478,782	19,679,464	20,580,531	(1.0)	(4.4)
Depreciation	(22,819,744)	(21,160,964)	(19,851,602)	7.8	6.6
Operating Income (Loss)	(3,340,962)	(1,481,500)	728,929	125.5	(303.2)
Net Investment Income	2,429,276	1,469,721	756,116	65.3	94.4
Passenger Facility Charges	14,504,297	13,276,173	13,212,351	9.3	0.5
Interest Expense	(6,208,728)	(6,674,638)	(8,049,153)	(7.0)	(17.1)
Other Non-Operating Revenue	5,922,537	5,106,295	4,292,356	16.0	19.0
Capital Contributions	22,004,874	21,659,600	8,725,224	1.6	148.2
Special & Extraordinary Items	(1,594,800)	-	-	-	-
Increase in Net Assets	33,716,494	33,355,651	19,665,823	1.1	69.6
Increase in Net Assets due to Merger	-	-	73,258,721	-	(100.0)
Net Assets, Beginning of Year	427,317,336	393,961,685	301,037,141	8.5	30.9
Net Assets, End of Year	$ 461,033,830	$ 427,317,336	$ 393,961,685	7.9	8.5

An analysis of significant changes in net assets for the year 2005 is as follows:

- Depreciation expense increased 8%, or $1.7 million due to an increase in depreciable assets.

- Net Investment Income increased 65%, or $960,000 as a result of rising interest rates.

- Passenger Facility Charges increased 9%, or $1.2 million as a result of increased enplaned passengers.

- Interest Expense decreased 7%, or $466,000 which reflects the reduction in outstanding principal balances resulting in lower interest requirements for the city and county general obligation bonds.

- Other Non-Operating Revenue increased 16%, or $816,000 due primarily to an increase in the gain on sale of land in connection with the golf course settlement with the City.

- Special & Extraordinary Items relates to the golf course settlement in the amounts of $12.7 million for interest expense on past advances paid to the City. This is offset against $11.1 million for past ground rents and related interest income received from the City.

An analysis of significant changes in net assets for the year 2004 is as follows:

- Depreciation expense increased 7%, or $1.3 million due to an increase in depreciable assets.

- Net Investment Income increased 94%, or $714,000 as a result of investing in securities with a higher rate of return than the money market fund.

- Interest Expense decreased 17%, or $1.4 million as a result of refunding the Series 1994 bonds in 2003 and receiving a more favorable interest rate on the bonds.

- Other Non-Operating Revenue increased 19%, or $814,000 due to 71% lower amortization expense on deferred charges.

- Capital Contributions increased 148%, or $12.9 million primarily due to an increase in federal, state and local grants received.

Capital Assets

The Authority's capital assets as of December 31, 2005, totaled $454.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings & building improvements, runways, taxiways & roads, and furniture, machinery & equipment. The total increase in the Authority's investment in capital assets before accumulated depreciation for 2005 was 6%, or $39.7 million.

Major capital projects-in-progress and expenditures incurred during 2005 included the following:

• Runway 10L-28R Safety Area Improvements – CMH	$ 4,072,000
• Runway 10R-28L Rehabilitation – CMH	$ 2,512,000
• International Gate/FIS Expansion – CMH	$ 2,258,000
• Residential Sound Insulation Phase IX – CMH	$ 2,074,000
• Crossover Taxiway – CMH	$ 1,954,000
• Cargo Ramp #3 Reconstruction – LCK	$ 1,779,000
• Employee Parking Lot – CMH	$ 1,665,000

Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method. Acquisitions are funded using a variety of financing techniques, including federal and state grants, passenger facility charges, debt issuance, and the Authority revenues and reserves. Additional information on the Authority's capital assets can be found in Note 2 of the accompanying notes.

Debt Administration

Airport Improvement Revenue Bonds, Series 1998AB

On February 1, 1998, the CMAA issued Airport Improvement Revenue Bonds, Series 1998AB in the principal amount of $87,290,000, in varying maturities up to thirty years. The Bonds were sold at a composite interest rate of 5.17%, with annual debt service of approximately $6.0 million.

Balance outstanding as of December 31, 2005 - $80,365,000

Airport Improvement Revenue Bonds, Series 2001A

On June 1, 2001, the CMAA issued Airport Improvement Revenue Bonds, Series 2001A in the principal amount of $3,265,600. The bonds are due at maturity or through mandatory sinking fund redemption requirements through July 1, 2011, with annual debt service in 2005 of $491,614, decreasing to $244,701 in 2011.

Balance outstanding as of December 31, 2005 - $2,135,600

Airport Improvement Revenue Bonds, Series 2003AB

On October 28, 2003, the Authority issued Airport Improvement Revenue Bonds, Series 2003AB in the principal amount of $33,445,000, in varying maturities up to twenty years. The bond proceeds were used primarily to refund the Authority's Series 1994A bonds. The bonds were sold at a composite interest rate of 4.73%, with annual debt service of approximately $2.6 million.

Balance outstanding as of December 31, 2005 - $32,275,000

Obligation Due to City of Columbus

In 1991, the CMAA entered into a long-term Airport Operation and Use Agreement with the City. This agreement requires the Authority to make payments, which match exactly in timing and amount the debt service payments by the City on general obligation bonds previously issued in connection with the Airports.

Balance outstanding as of December 31, 2005 - $3,775,000

Obligation Due to County of Franklin

In 1985, the RPA entered into a long-term agreement with the County for the operation and use of the LCK and for certain financing. The Port Authority Consolidation and Joinder Agreement provides for the Authority to make such payments directly to the bank for these general obligation bonds.

Balance outstanding as of December 31, 2005 - $820,000

Ohio Public Works Commission Debt

In 1995, the RPA agreed to reimburse the County for debt service on $1,489,000 of an Ohio Public Works Commission loan for storm sewer improvements. The agreement is non-interest bearing.

Balance outstanding as of December 31, 2005 - $670,050

Other Debt

In 2000, the RPA entered into a long-term note with Forward Air Incorporated in connection with a buyout of a third party lease.

Balance outstanding as of December 31, 2005 - $1,680,388

City of Columbus Long-Term Borrowing

The Authority owed the City $4 million for past operating advances incurred by the airports prior to the creation of the CMAA. This amount was repaid in August of 2005 as part of the Golf Course Settlement.

Bond principal and interest are paid from the general revenues of the Authority. Additional details may be found in Note 7 and Note 12 of the accompanying notes.

Passenger Facility Charge (PFC)

In October 1992, the Authority received approval from the Federal Aviation Administration (the FAA) to impose a PFC of $3.00 per enplaned passenger. In January 2002 the FAA approved the Authority's request to increase the PFC level to $4.50 on certain eligible projects. The new collection rate commenced on April 1, 2002. In 2004 the Authority received approval to collect on its newest application effective October 1, 2004 in the amount of $77.6 million. This brings the total approved collectible amount to $206 million, which is projected to be collected through December 1, 2009. Through December 31, 2005, the Authority has collected PFCs, including interest earnings thereon, totaling $145.2 million.

Airline Rates and Charges

The Authority and certain airlines negotiated an agreement effective from January 1, 2000 through December 31, 2004, which in part establishes how the airlines that sign the agreement (signatory airlines) will be assessed annual rates and charges for their use of the CMH. During 2004 the Authority and the airlines successfully negotiated a new agreement, which is effective from January 1, 2005 through December 31, 2009 with similar terms as the previous agreement. Landing fees and terminal rental rates for non-signatory airlines are assessed at 150 percent of the signatory rates.

The rates and charges net of credits billed to the signatory airlines at the CMH were as follows:

				% Change	
	2005	2004	2003	2005	2004
Landing Fees (per 1,000 lbs)	$ 1.86	$ 1.62	$ 1.92	14.8	(15.6)
Terminal Rental Rate (Average)	$ 39.53	$ 37.17	$ 32.96	6.3	12.8
Apron Fee – Square Foot Rate Component	$ 0.69	$ 0.69	$ 0.69	0.0	0.0
Apron Fee – Landed Weight Rate Component (per 1,000 lbs)	$ 0.22	$ 0.18	$ 0.15	22.2	20.0

The Authority also charges a signatory landing fee to airlines for their use of the LCK. Landing fees for non-signatory airlines are assessed at 150 percent of the signatory rate. The LCK landing fees were as follows:

				% Change	
	2005	2004	2003	2005	2004
Landing Fees (per 1,000 lbs)	$ 1.51	$ 1.44	$ 1.44	4.9	0.0

Statements of Net Assets

As of December 31, 2005 and 2004

	2005	2004
ASSETS		
CURRENT ASSETS:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 8,114,046	$ 13,721,920
Other Investments	11,722,240	-
Accounts Receivable - Trade	5,175,691	4,434,791
Accounts Receivable - Other	1,104,917	129,347
Interest Receivable	387,227	181,715
Direct Financing Leases Receivable	490,803	490,803
Deposits, Prepaid Items and Other	1,679,167	2,018,471
Total Unrestricted Assets	28,674,091	20,977,047
Restricted Assets:		
Cash and Cash Equivalents	39,436,665	62,139,568
Other Investments	36,246,341	17,555,276
Other Receivables	4,659,781	3,539,548
	80,342,787	83,234,392
Total Current Assets	109,016,878	104,211,439
NON-CURRENT ASSETS:		
Unrestricted Assets:		
Other Investments	25,564,187	23,388,475
Deferred Charges (Net of Accumulated Amortization of $1,486,319 in 2005 and $1,254,947 in 2004):	7,985,996	2,439,446
Accounts Receivable - Other	1,588,502	1,594,185
Direct Financing Leases Receivable	2,331,316	2,822,120
Land	48,556,714	47,385,577
Construction In Progress	38,228,227	37,596,076
Depreciable Capital Assets, Net of Accumulated Depreciation	367,805,380	352,224,603
Total Unrestricted Non-Current Assets	492,060,322	467,450,482
Restricted Assets:		
Other Investments	13,319,015	11,236,811
Total Non-Current Assets	505,379,337	478,687,293
TOTAL ASSETS	$ 614,396,215	$ 582,898,732

See accompanying notes to the financial statements

Statements of Net Assets (Continued)

As of December 31, 2005 and 2004

	2005	2004
LIABILITIES		
CURRENT LIABILITIES:		
Payable from Unrestricted Assets:		
Accounts Payable - Trade	$ 2,574,625	$ 3,206,660
Accrued Interest Payable	2,725,725	2,784,291
Accrued and Withheld Employee Benefits	4,657,829	4,484,576
Unearned Income	4,198,052	550,810
Other Accrued Expenses	4,393,842	4,102,851
Total Payable from Unrestricted Assets	18,550,073	15,129,188
Payable from Restricted Assets:		
Accounts Payable	3,393,305	3,475,620
Retainages on Construction Contracts	1,026,157	1,185,737
Accrued Interest Payable	64,493	156,007
Customer Deposits and Other	385,269	367,856
Current Portion of Long-Term Debt	6,231,334	9,072,087
Total Payable from Restricted Assets	11,100,558	14,257,307
Total Current Liabilities	29,650,631	29,386,495
NON-CURRENT LIABILITIES:		
Unearned Income	8,521,761	754,708
Long-Term Debt, Less Current Portion, Net	115,189,993	121,440,193
Other Long-Term Borrowing	-	4,000,000
Total Non-Current Liabilities	123,711,754	126,194,901
Total Liabilities	153,362,385	155,581,396
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	335,304,594	309,120,577
Restricted:		
Capital Expenditures	29,740,818	34,803,165
Passenger Facility Charges	34,433,869	27,227,240
Bond Reserves	22,668,604	22,281,404
Obligation Due To City	1,949,287	5,066,486
Total Restricted Net Assets	88,792,578	89,378,295
Unrestricted Net Assets	36,936,658	28,818,464
Total Net Assets	461,033,830	427,317,336
Commitments and Contingencies		
TOTAL LIABILITIES AND NET ASSETS	$ 614,396,215	$ 582,898,732

See accompanying notes to the financial statements

Statements of Revenues, Expenses, and Changes in Net Assets

For the Years Ended December 31, 2005 and 2004

	2005	2004
OPERATING REVENUES		
Airline Revenue	$ 17,930,270	$ 19,485,164
Parking Revenue	22,154,185	20,535,533
Concession Revenue	15,100,092	13,916,705
General Aviation Revenue	2,412,494	2,569,349
Cargo Operations Revenue	1,678,922	1,264,965
Foreign Trade Zone Fees	439,610	544,420
Other Revenue	1,947,709	2,100,943
Total Operating Revenues	61,663,282	60,417,079
OPERATING EXPENSES		
Employee Wages and Benefits	24,635,431	23,732,038
Purchase of Services	15,304,127	14,812,528
Materials and Supplies	2,558,077	2,051,128
Other Expenses	(313,135)	141,921
Total Operating Expenses	42,184,500	40,737,615
OPERATING INCOME BEFORE DEPRECIATION	19,478,782	19,679,464
Less: Depreciation	22,819,744	21,160,964
OPERATING LOSS	(3,340,962)	(1,481,500)
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	2,888,534	1,510,308
Other Non-Operating Revenues	5,438,839	5,241,118
Passenger Facility Charges	14,504,297	13,276,173
Interest Expense	(6,208,728)	(6,674,638)
Loss on Securities	(459,258)	(40,587)
Amortization of Deferred Charges	(196,928)	(204,570)
Gain on Disposal of Assets	680,626	69,747
Total Non-Operating Revenues	16,647,382	13,177,551
INCOME BEFORE CAPITAL CONTRIBUTIONS, SPECIAL & EXTRAORDINARY ITEMS	13,306,420	11,696,051
Capital Contributions	22,004,874	21,659,600
INCOME BEFORE SPECIAL & EXTRAORDINARY ITEMS	35,311,294	33,355,651
SPECIAL & EXTRAORDINARY ITEMS		
Special Item - Interest Expense from Golf Course Settlement for City Advances	(12,656,537)	-
Extraordinary Item - Past Ground Rents from Golf Course Settlement	3,100,735	-
Extraordinary Item - Interest Income from Golf Course Settlement for Past Ground Rents	7,961,002	-
CHANGES IN NET ASSETS		
Increase in Net Assets	33,716,494	33,355,651
Total Net Assets, Beginning of Year	427,317,336	393,961,685
Total Net Assets, End of Year	$ 461,033,830	$ 427,317,336

See accompanying notes to the financial statements

Statements of Cash Flows

For the Years Ended December 31, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 59,952,495	$ 60,018,929
Cash Paid to Employees	(24,462,178)	(23,471,104)
Cash Paid to Suppliers	(17,846,531)	(14,146,873)
Other Payments	313,135	(141,921)
Net Cash Provided by Operating Activities	17,956,921	22,259,031
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Federally Funded Operating Grants	5,438,839	5,241,119
Principal Payments on Other Long Term Borrowings	(4,000,000)	-
Net Cash Provided by Noncapital Financing Activities	1,438,839	5,241,119
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Property, Plant and Equipment	(40,505,718)	(45,910,187)
Contributed Capital and Passenger Facility Charges	35,388,938	34,551,765
Interest Paid on Advances for Golf Courses	(12,656,537)	-
Principal Payments on Bond, Notes and Loan	(9,109,312)	(7,870,321)
Increase in Discounted Future Rents from Golf Courses	2,257,228	-
Interest Received on Past Rents on Golf Course	7,961,002	-
Interest Paid on Bonds and Loan	(6,306,006)	(6,298,165)
Proceeds from Advanced Funded Grants	5,000,000	1,450,000
Past Rents Paid on Golf Courses	3,100,735	-
Reimbursements for Projects with Advanced Funded Grants	(1,413,984)	(4,175,846)
Principal Payments from Direct Financing Leases	326,560	326,560
Proceeds from the Sale of Capital Assets	740,640	86,456
Effective Interest on Direct Financing Leases	(42,626)	(66,334)
Unearned Payments from Tenants and Vendors	-	(24,327)
Net Cash Used by Capital and Related Financing Activities	(15,259,080)	(27,930,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(79,280,681)	(80,960,027)
Proceeds from the Sale of Investments	44,609,460	28,832,188
Interest Received on Cash and Investments	2,223,764	1,235,283
Net Cash Provided by Investing Activities	(32,447,457)	(50,892,556)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,310,777)	(51,322,805)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	75,861,488	127,184,293
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 47,550,711	$ 75,861,488
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	$ (3,340,962)	$ (1,481,500)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	22,819,744	21,160,964
(Increase) Decrease in Assets:		
Accounts Receivable-Trade	(740,900)	(52,879)
Accounts Receivable-Other	(969,887)	(345,272)
Deposits, Prepaid Items and Other	339,304	(122,733)
Increase (Decrease) in Liabilities:		
Accounts Payable	(632,035)	1,077,656
Accrued Liabilities	464,244	1,878,734
Customer Deposits	17,413	144,061
Net Cash Provided by Operating Activities	$ 17,956,921	$ 22,259,031

See accompanying notes to the financial statements

Notes to Financial Statements

December 31, 2005

The accounting methods and procedures adopted by the Columbus Regional Airport Authority (the Authority) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The following notes are an integral part of the Authority's financial statements.

Note 1 - Organization and Reporting Entity

Organization

The Authority is an independent, special purpose political subdivision of the State of Ohio. As a political subdivision, the Authority is distinct from, and is not, an agency of the State of Ohio or any other local governmental unit. On December 12, 2002, the Columbus Municipal Airport Authority (CMAA), the City of Columbus, Ohio (the City) and the County of Franklin, Ohio (the County) entered into the Port Authority Consolidation and Joinder Agreement (Agreement) with an effective date of January 1, 2003, which created a single regional authority to oversee the airports formerly managed by the CMAA and the Rickenbacker Port Authority (RPA). Under the Agreement the RPA was dissolved and the CMAA, the surviving entity, was renamed the Columbus Regional Airport Authority. The Agreement provided for the ultimate transfer of all of the RPA's rights, title and interests in all of the assets and liabilities to the Authority. The assets were recorded on the Authority's records at net book value. The newly created Authority merged the operations of the RPA and the CMAA. The Authority administers an airport system comprised of Port Columbus International (CMH), Rickenbacker International (LCK) and a reliever airport, Bolton Field (TZR).

The governing board for the Authority is jointly appointed by the City and the County. Four members are appointed by the Mayor of Columbus with the advice and consent of the City Council, four members are appointed by the County Commissioners and one member is jointly appointed. The members first appointed serve staggered terms. Thereafter, each successor serves for a term of four years, except that any person appointed to fill a vacancy is to be appointed to serve only the unexpired term. Members of the Board are eligible for reappointment. The Board controls the employment of the President & CEO of the Authority who is responsible for staffing the respective departments and overseeing the day-to-day operations.

The Agreement outlines the various rights and responsibilities of the Authority, the City and the County. These rights and responsibilities generally relate to the operation of the three airports and the provision of services to facilitate those operations. Among those, the Authority was designated the operator of the three airports. The County agreed to contribute $4.338 million per year for 10 years commencing in 2003 to facilitate the consolidated operations. The Authority agreed to make certain payments on behalf of the County to retire certain debt previously issued for capital improvements at the LCK. Also, the County agreed to waive approximately $88 million of financial aid previously contributed to the RPA. The Authority and the County have agreed to review the County's subsidy if a significant project locates at the LCK that provides net revenues to the Authority in an amount greater than the County's subsidy.

The CMAA was created on July 30, 1990, pursuant to the provisions of Chapter 4582, Ohio Revised Code (ORC), as a body corporate and politic. On November 10, 1991, the transfer date, the CMAA began operations under a use agreement with the City for the purpose of providing airport facilities to the general public. On this date the City transferred the use of all assets and liabilities of the Airport enterprise fund to the CMAA. This transfer was recorded at the net book value.

The RPA was formed under Ohio Revised Code 4582 in 1979 by the County for the purpose of serving as a local reuse agency, which included, in part, acquiring and owning land (including improvements thereon) situated in Franklin and Pickaway counties and consisting of a part of the former Rickenbacker Air Force Base. This property was deemed to be surplus by the United States Government and was transferred to the RPA at no cost, other than certain costs associated with the transfer. Title to the land is subject to certain covenants, conditions and restrictions and reverts to the United States Government at the Government's option if any covenant is violated and not cured within sixty days. At December 31, 2005 and 2004, the Authority owns approximately 3,300 acres of land contiguous to certain airfield property owned by the United States Government at the LCK.

The Authority is not subject to federal, state or local income taxes or sales taxes.

Reporting Entity

The Authority's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 "*The Reporting Entity*" as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*." The financial statements include all departments and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

The Authority is a joint venture of the City and the County.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Revenues from rental and fees, landing fees, parking revenue and other miscellaneous revenue are reported as operating revenues. Transactions, which are capital, financing or investing related, are reported as non-operating revenues. Passenger Facility Charges are reported as non-operating revenues. Expenses from employee wages and benefits, purchases of services, materials and supplies and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Pursuant to GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*" the Authority follows GASB guidance as applicable to enterprise funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The Authority has elected to follow GASB guidance for enterprise funds rather than FASB guidance issued after November 30, 1989.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

Newly Issued Accounting Pronouncements

In March 2003, GASB issued Statement No. 40 "*Deposit and Investment Risk Disclosures*." This statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rate risk. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2004. The adoption of GASB Statement No. 40 did not have an impact on the Authority's accounting policies; however, it modified the Authority's note disclosures for cash, cash equivalents and investments.

In November 2003, GASB issued Statement No. 42 "*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*." This statement requires certain disclosures when the value of a capital asset has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2004. The Authority has adopted GASB Statement No. 42. There was no impact on its financial statements for 2005.

In April 2004, GASB issued Statement No. 43 "*Financial Reporting for Postemployment Benefits Other than Pension Plans*." The standards in this statement apply for trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of Other Postemployment Benefit (OPEB) plans or public employee retirement systems, or other third parties, that administer them. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2005. The Authority has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

In June 2004, GASB issued Statement No. 45 "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*." This statement establishes standards for the measurement, recognition and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of employers subject to governmental accounting standards. The provisions of this statement are effective for financial statements for fiscal periods beginning after December 15, 2006. The Authority has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

Budgetary Data

The Authority's budgetary basis of accounting is maintained on a modified accrual basis. Amortization of Deferred Charges, Gains and Losses on Disposal of Assets and Securities are not budgeted. All other revenues and expenses are reported on the accrual basis. State statute does not require a specific budgetary basis of accounting under ORC Section 4582. The Authority has adopted this basis of accounting to comply with certain airline agreements currently in effect.

The budgetary process begins in May of each year. Each department manager estimates the expected costs to be incurred for the upcoming year. Revenues are estimated based on history, projected increases, and market trends within the aviation industry. The President & CEO is responsible to submit budgets for operating revenues and expenses and capital improvements to the Board for approval at least sixty days prior to the beginning of each fiscal year. The budget can be amended by the Board subsequent to its adoption. The 2005 budget was not amended.

The Authority experienced unfavorable variances for Airline Revenues due to a reduction of leased space and certain credits due the airlines pursuant to the airline agreement with the Authority. The favorable variance in Parking Revenues was due to an increase in the rates, activity and the average length of stay in the parking facilities. The favorable variance in Purchase of Services was due to the Authority reducing certain airline related expenses, thereby reducing the operating cost to the airlines and reducing the airline revenues due to the Authority. The favorable variance in Interest Income was due to actively investing cash funds in longer term investments and the impact of rising interest rates. The favorable variance in Passenger Facility Charges in 2005 was due to passenger traffic increasing approximately 6% over 2004 levels. The unfavorable variance for Loss on Securities was due to the fact that this item is not a reimbursable item under the current airline agreement and was not budgeted. The favorable variance for Gain on Disposal of Assets was due to the sale of land on the golf course settlement.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 31.

Inventories

Inventories are stated at the lower of first-in, first-out ("FIFO") cost or market.

Capital Contributions

Certain expenditures for airport capital improvements are significantly federally funded through the Airport Improvement Program of the Federal Aviation Administration (FAA) with certain matching funds provided by the State of Ohio and the Authority, or from other various state, county, or federal grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for the acquisition and construction of land, property and certain types of equipment are reported in the Statement of Revenues, Expenses and Changes in Net Assets, under the classification of capital contributions.

Receivables

Receivables are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history, aviation industry trends and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected.

An estimated receivable amount has been recorded for services rendered but not yet billed as of December 31, 2005 and 2004. The receivable was arrived at primarily by taking the subsequent collection of landing fees, commissions, and real estate taxes, which are received after year end, and recording the portions earned through year end.

Restricted Assets

Restricted assets consist of monies and other resources, which are restricted legally or by enabling legislation. These restrictions are described below:

Restricted for Obligation Due to City - These assets are restricted for the payment of the current obligation due to the City.

Restricted for Capital Expenditures and Construction Retainages - These assets are restricted for certain capital projects and cannot be expended on any other item.

Restricted for Bond Reserves - These assets are restricted for the retirement of the Airport Improvement Revenue Bonds, Series 1998A, 1998B, 2003A and 2003B.

Restricted for Passenger Facility Charges - These assets represent Passenger Facility Charge (PFC) collections based on an approved FAA application to impose such charges on enplaned passengers at the CMH. These are restricted for designated capital projects.

Capital Assets

Capital assets are stated at historical cost or estimated historical cost and include expenditures which substantially increase the useful lives of existing assets. The Authority's policy is to capitalize assets with a cost of $5,000 or more in 2005 and $1,000 or more in 2004. Routine maintenance and repairs are expensed as incurred. In accordance with FASB Statements No. 34 and 62, "*Capitalization of Interest Costs*" and "*Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*," certain net interest costs have been included as a component of the asset under construction rather than reported as an expense of the period.

	Total 12/31/04	Additions	Deletions	Transfers	Total 12/31/05
Depreciable Capital Assets:					
Buildings	$279,605,050	$ 204,363	$ -	$ 5,097,372	$284,906,785
Runways & Other	252,577,171	797,416	-	27,997,529	281,372,116
Machinery	21,545,923	2,558,568	(441,501)	14,684	23,677,674
Furniture	802,158	1,790,604	(148,839)	-	2,443,923
Total Depreciable Capital Assets	554,530,302	5,350,951	(590,340)	33,109,585	592,400,498
Less Accumulated Depreciation:					
Buildings	74,564,215	7,658,175	-	-	82,222,390
Runways & Other	113,681,290	12,812,589	-	-	126,493,879
Machinery	13,424,766	2,168,043	(383,116)	-	15,209,693
Furniture	635,428	180,937	(147,209)	-	669,156
Total Accumulated Depreciation	202,305,699	22,819,744	(530,325)	-	224,595,118
Depreciable Capital Assets, Net	$352,224,603	$(17,468,793)	$ (60,015)	$33,109,585	$367,805,380
Nondepreciable Capital Assets:					
Land	$ 47,385,577	$ 1,171,137	$ -	$ -	$ 48,556,714
Construction in Progress	$ 37,596,076	$ 33,741,736	$ -	$(33,109,585)	$ 38,228,227

	Total 12/31/03	Additions	Deletions	Transfers	Total 12/31/04
Depreciable Capital Assets:					
Buildings	$273,563,672	$ 4,134,711	$ (716,502)	$ 2,623,169	$279,605,050
Runways & Other	240,080,843	3,222,433	-	9,273,895	252,577,171
Machinery	21,056,470	1,793,636	(1,236,884)	(67,299)	21,545,923
Furniture	771,108	32,222	(1,172)	-	802,158
Total Depreciable Capital Assets	535,472,093	9,183,002	(1,954,558)	11,829,765	554,530,302
Less Accumulated Depreciation:					
Buildings	68,101,841	7,170,788	(708,414)	-	74,564,215
Runways & Other	101,857,069	11,824,221	-	-	113,681,290
Machinery	12,552,921	2,100,381	(1,228,536)	-	13,424,766
Furniture	570,746	65,574	(892)	-	635,428
Total Accumulated Depreciation	183,082,577	21,160,964	(1,937,842)	-	202,305,699
Depreciable Capital Assets, Net	$352,389,516	$(11,977,962)	$ (16,716)	$11,829,765	$352,224,603
Nondepreciable Capital Assets:					
Land	$ 44,901,809	$ 2,483,768	$ -	$ -	$ 47,385,577
Construction in Progress	$ 14,159,462	$ 35,266,379	$ -	$(11,829,765)	$ 37,596,076

Depreciation of property and equipment is computed under the straight-line method at various rates considered adequate to allocate the cost over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

	Years
Buildings and Building Improvements	5-40
Runways, Taxiways and Other	20
Machinery and Equipment	5-10
Furniture and Fixtures	7

Compensated Absences

In conformity with GASB Statement No. 16, "*Accounting for Compensated Absences*," the Authority accrues vacation and sick pay benefits as earned by its employees utilizing the vesting method. A summary of the changes in this accrual are as follows:

	2005	2004
Beginning Balance	$ 2,611,477	$ 2,280,780
Payments	(1,800,695)	(1,611,890)
Accruals	1,947,440	1,942,587
Ending Balance	$ 2,758,222	$ 2,611,477

The Authority estimates that this entire amount is due within one year.

Risk Management

It is the policy of the Authority to eliminate or transfer risk. Where possible, lease agreements contain insurance requirements and hold harmless clauses. Contractors are required to maintain appropriate amounts of insurance and bonding.

The Authority carries property insurance on airport property and equipment in the aggregate sum of approximately $454 million. The Authority carries liability insurance coverage in the amount of approximately $244 million.

In 2005, the Authority began to account for and finance its risk of loss due to workers' compensation claims and established a self insurance fund. The Authority self-insures cost associated with workers' compensation up to certain limits. Insurance reserves are established for estimates of the loss that will ultimately be incurred on reported claims, as well as estimates of claims that have been incurred but not yet reported. Recorded balances are based on reserve levels determined by outside actuaries, who incorporate historical loss experience and judgments about the present and expected levels of cost per claim.

Other than the workers' compensation self insurance fund, there have been no significant changes in coverage or settlements in excess of insurance coverage during the past three years.

Pension Plans

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred (See Note 8).

Revenue

Rental income is recorded from the majority of leases maintained by the Authority which are accounted for as operating leases. Rental income is generally recognized as it is earned over the respective lease terms.

Other types of revenue are recognized when earned, as the underlying exchange transaction occurs.

Landing fees are based upon projections of operations and are recalculated annually.

Passenger Facility Charges

Passenger facility charges (PFCs), along with related interest income, are recognized and recorded in the year the PFC is levied and collected by the air carrier, net of an allowance for estimated ticket refunds.

PFC monies are legally restricted for capital projects and related expenditures, and cannot be used for any other purpose. The PFC monies will be used to assist in funding the Authority's capital improvement program involving runway, taxiway and apron improvements, the funding of debt service associated with these projects and various other projects.

Interest Rate Swaps

The Authority has entered into an interest rate swap agreement to modify interest rates on certain outstanding debt. Other than the net interest expenditures resulting from this agreement, no amounts are recorded in the financial statements.

Reclassifications

Certain amounts in the 2004 financial statements have been reclassified to conform with the 2005 presentation.

Note 3 - Cash and Cash Equivalents

The Authority follows the provisions of GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", and records all investments at their fair value.

The investment and deposit of Authority monies is governed by the provisions of the ORC. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit the Authority to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's Asset Reserve (STAR Ohio) investment pool, and obligations of the United States government or certain agencies thereof. The Authority may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days. The Authority has an investment policy consistent with Ohio Senate Bill 81.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner generally consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2005.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

During 2005, the Authority complied with the provisions of these statutes.

Deposits with Financial Institutions

At December 31, 2005, the carrying amount of the Authority's deposits with financial institutions was $6,799,044 and the bank balance was $8,107,189. Based upon criteria described in GASB Statement No. 3 "*Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements*", $300,000 of the bank balance was covered by deposit insurance provided by the FDIC; and $7,807,189 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

At December 31, 2004, the carrying amount of the Authority's deposits with financial institutions was $2,267,031 and the bank balance was $2,912,412. Based upon criteria described in GASB Statement No. 3 "*Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements*", $300,000 of the bank balance was covered by deposit insurance provided by the FDIC; and $2,612,412 was uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool in accordance with the ORC as discussed above.

In addition, the Authority had $3,490 and $3,690 in cash on hand at December 31, 2005 and 2004, respectively.

Investments

As of December 31, 2005, the Authority had the following investments and maturities:

Type of Investment	Fair Value/ Carrying Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations	$ 86,851,783	AAA/Aaa	350

As of December 31, 2004, the Authority had the following investments and maturities:

Type of Investment	Fair Value/ Carrying Value	Rating	Weighted Average Days to Maturity
Federal Agency Obligations	$ 52,180,562	AAA/Aaa	478

The Authority's unrestricted and restricted cash and cash equivalents included $16,579,283 of money market funds, $15,675,151 of repurchase agreements and $8,493,743 of STAR Ohio funds as of December 31, 2005. The Authority's unrestricted and restricted cash and cash equivalents as of December 31, 2004, included $23,839,615 of money market funds, $13,499,603 of repurchase agreements, $18,183,158 of STAR Ohio funds and $18,068,391 of Federal agency obligations which according to our accounting policies were considered cash equivalents due to their maturity being three months or less when purchased. Standard & Poor's rating for the STAR Ohio fund is AAAm. The ratings for the Federal agency obligations included in cash equivalents were AAA/Aaa.

The Authority's investment strategy incorporates certain financial instruments, which involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements.

Interest Rate Risk – The market value of securities in the portfolio will increase or decrease based upon changes in the general level of interest rates. Investments with longer maturity dates are subject to greater degrees of increases or decreases in market value as interest rates change. The Authority's written investment policy addresses the effects of market value fluctuations. The Authority mitigates interest rate risk by maintaining adequate liquidity so that current obligations can be met without a sale of securities and by diversifying both maturities and assets in the portfolio.

Credit Risk – Credit risk is the risk of loss due to the failure of a security issuer to pay principal or interest, or the failure of the issuer to make timely payments of principal or interest. Eligible investments, pursuant to Section 135.14 ORC, affected by credit risk include certificates of deposit, commercial paper, bankers' acceptances, and counterparties involved in repurchase agreements. The Authority's written investment policy does not consider U.S Treasury obligations, obligations guaranteed by the U.S. Treasury, and federal agency securities as having credit risk. Credit risk is minimized by diversifying assets by issuer; ensuring that required, minimum credit quality ratings as described by nationally recognized rating organizations and agencies exist prior to the purchase of commercial paper and bankers' acceptances; and maintaining adequate collateralization of certificates of deposits.

Custodial Credit Risk – The Authority's unrestricted and restricted investments at December 31, 2005 and 2004, are all Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. The Authority's investment policy is silent on custodial credit risk.

Concentration of Risk – A risk of concentration refers to an exposure with the potential to produce losses large enough to threaten the Authority's financial health or ability to maintain its core operations. Risk concentrations can arise through a combination of exposures across broad categories. The potential for loss reflects the size of position and the extent of any losses given a particular adverse circumstance. The Concentration of Risk category excludes U.S. Treasury issues, issues guaranteed by the U.S. Treasury, federal agency issues, eligible money market mutual funds, and the Ohio Treasurer's investment pool, STAR Ohio. The Authority's written investment policy states that the portfolio shall contain less than 5%, based upon purchase cost, in any one issuer with credit risk as a percentage of the portfolio's book value at the time of purchase. Additionally, the Authority's written investment policy establishes maximum percentages allowed for callable and variable rate investments issued by Federal agencies, commercial paper, banker's acceptances, repurchase agreements and certificate of deposits.

Note 4 - Restricted Cash and Investments

The following amounts represent restricted cash and investments as of December 31, 2005 and 2004:

	2005	2004
Cash and Investments		
Restricted for Capital Expenditures	$30,286,173	$35,476,923
Restricted for Passenger Facility Charges	32,622,038	25,478,456
Restricted for Debt Service	22,668,604	22,281,403
Obligation Due To City (Including Interest)	2,013,780	5,222,493
Retainages on Construction Contracts	1,026,157	1,185,737
Customer Deposits and Other	385,269	1,286,643
Total Restricted Cash and Investments	$89,002,021	$90,931,655

Note 5 - Receivables

The following amounts represent receivables due to the Authority at December 31, 2005 and 2004:

	2005	2004
Unrestricted:		
Current:		
Accounts Receivable - Trade	$5,325,256	$5,008,586
Less Allowance for Uncollectibles	149,565	573,795
Total Current Unrestricted Trade Receivables	5,175,691	4,434,791
Accounts Receivable – Other	1,104,917	129,347
Non-Current:		
Accounts Receivable - Other	1,588,502	1,594,185
Total Unrestricted Receivables	$7,869,110	$6,158,323
Restricted:		
Restricted for Capital Expenditures:		
Receivable Due from Other Government	$2,847,950	$1,790,764
Passenger Facility Charges Receivable	1,811,831	1,748,784
Total Restricted Receivables	$4,659,781	$3,539,548

The restricted amounts listed above, with the exception of PFCs, are based on expenditures incurred or interest earned by the Authority under terms of the grant agreements, legislation or bond restrictions. PFCs are based on the amount of PFCs collected by the air carriers but not yet remitted to the Authority.

Note 6 – Direct Financing Lease

Under direct financing leases, the Authority leases certain rental car facilities within the parking facility (See Note 7). The components of lease receivable for the net investment in direct financing leases are as follows as of December 31:

	2005	2004
Total Minimum Lease Receivables	$ 2,822,119	$ 3,312,923
Less Unearned Income	609,487	816,357
Net Investment in Direct Financing Leases	$ 2,212,632	$ 2,496,566
Current Portion	$ 326,559	$ 326,559
Non-Current Portion	1,886,073	2,170,007
	$ 2,212,632	$ 2,496,566

Future minimum lease receivables due from tenants under direct financing leases as of December 31, 2005, are as follows:

2006	$ 490,804
2007	490,804
2008	490,804
2009	490,804
2010	490,804
2011	368,099
Total	$ 2,822,119

Unearned Income on direct financing leases is recognized in such a manner as to produce a constant periodic rate of return on the net investment in the direct financing lease. During 2005, $206,870 of interest was recognized reducing the balance of Unearned Income from $816,357 to $609,487.

Note 7 - Long-Term Debt

Revenue Bonds

On February 1, 1998, the Authority issued $5,915,000 of Airport Improvement Revenue Bonds, Series 1998A. The bond proceeds were used to construct a new parking facility and terminal apron improvements. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of $590,000 to $1,765,000 through January 1, 2005. The interest rate paid annually is 4.50%. These revenue bonds were paid off during 2005. Revenue bonds payable at December 31, 2004, net of unamortized premium of $0, are $830,000. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On February 1, 1998, the Authority issued $81,375,000 of Airport Improvement Revenue Bonds, Series 1998B. The bond proceeds were used to construct a new parking facility and improve landside roadways and terminal aprons. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of $1,010,000 to $5,685,000 through January 1, 2028. Interest rates range from 4.50% to 5.25% with a weighted average rate of 5.03%. Revenue bonds payable at December 31, 2005, net of unamortized discount of $511,248, are $79,853,752 and at December 31, 2004, net of unamortized discount of $550,203, are $80,824,797. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On June 1, 2001, the Authority issued $3,265,600 of Airport Improvement Revenue Bonds, Series 2001A. The bond proceeds were used to construct certain rental car facilities within the parking facility. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of $105,000 to $448,000 through June 1, 2011. Interest rates change monthly based on London Interbank Offered Rate (LIBOR) plus 135 basis points. This rate shall not exceed 12% per year. Revenue bonds payable at December 31, 2005 and 2004, are $2,135,600 and $2,426,600, respectively. The revenue bonds are collateralized by certain rental car revenues of the Authority established by the trust indenture.

On June 1, 2001, simultaneous with the delivery of the Authority's $3,265,000 Airport Improvement Revenue Bonds, Series 2001A, (the bonds), the Authority entered into an Interest Rate Swap agreement Under this agreement, the Authority and the swap counterparty are obligated to make monthly payments to each other. The Authority's monthly obligation to the counterparty to the swap is equal to the interest calculated at a fixed annual rate of 8.74%. The swap counterparty's monthly obligation is equal to the interest that is payable during a particular month at the variable rate then in effect for the bonds. Only the net difference in interest payments is exchanged with the counterparty. As of December 31, 2005 and 2004, the swap had a negative fair value of $156,481 and $292,622, respectively.

The Authority continues to pay interest to the bondholders at the variable rate provided by the bonds. The effect of the agreement is that the Authority pays interest on the bonds at a fixed annual rate of 8.74% and the principal payments on the bonds have been structured based on that effective fixed interest rate. The Authority would have to pay interest on the bonds at the stated variable rate if the agreement was terminated prior to the final maturity of the bonds. Termination of the agreement may also result in the Authority either making or receiving a termination swap payment.

On October 28, 2003, the Authority issued $26,210,000 of Airport Improvement Revenue Bonds, Series 2003A. The bond proceeds were used to refund the Authority's outstanding Airport Improvement Bonds, Series 1994A, fund the Series 2003 Debt Service Reserve Account and pay the costs of issuance of the Series 2003 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of $915,000 to $1,945,000 through January 2024. Interest rates range from 2.00% to 5.50% with a weighted average rate of 4.35%. Revenue bonds payable at December 31, 2005, net of unamortized premium of $165,432 are $25,460,432 and at December 31, 2004, net of unamortized premium of $181,540 are $26,391,540. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

On October 28, 2003, the Authority issued $7,235,000 of Airport Improvement Revenue Bonds, Series 2003B. The bond proceeds were used to refund the Authority's outstanding Airport Improvement Bonds, Series 1994A, fund the Series 2003 Debt Service Reserve Account and pay the costs of issuance of the Series 2003 Bonds. The bonds are due at maturity or through mandatory sinking fund redemption requirements in annual installments of $250,000 to $530,000 through January 2024. Interest rates range from 2.00% to 4.70% with a weighted average rate of 3.86%. Revenue bonds payable at December 31, 2005, net of unamortized premium of $46,104 are $7,026,104 and at December 31, 2004, net of unamortized premium of $50,593 are $7,285,593. The revenue bonds are collateralized by revenue of the Authority established by the trust indenture.

Long-term revenue bond activity for the year ended December 31, 2005 is summarized as follows:

	Beginning Balance	Principal Repayment	Ending Balance
Bonds:			
1998A	$ 830,000	$ 830,000	$ -
1998B	81,375,000	1,010,000	80,365,000
2001A	2,426,600	291,000	2,135,600
2003A	26,210,000	915,000	25,295,000
2003B	7,235,000	255,000	6,980,000
	118,076,600	$ 3,301,000	114,775,600
Less Current Portion	3,301,000		3,436,000
	$ 114,775,600		$ 111,339,600

Long-term revenue bond activity for the year ended December 31, 2004 is summarized as follows:

	Beginning Balance	Principal Repayment	Ending Balance
Bonds:			
1998A	$ 2,595,000	$ 1,765,000	$ 830,000
1998B	81,375,000	-	81,375,000
2001A	2,692,600	266,000	2,426,600
2003A	26,210,000	-	26,210,000
2003B	7,235,000	-	7,235,000
	120,107,600	$ 2,031,000	118,076,600
Less Current Portion	2,031,000		3,301,000
	$ 118,076,600		$ 114,775,600

Maturities and interest on bonds payable for the next five years and in subsequent five-year periods as of December 31, 2005 are as follows:

	Principal	Interest
2006	$ 3,436,000	$ 5,504,203
2007	3,576,000	5,347,140
2008	3,736,000	5,166,622
2009	3,921,000	4,976,435
2010	4,113,000	4,770,985
2010-2014	21,323,600	20,698,916
2015-2019	26,830,000	14,639,326
2020-2024	31,580,000	7,088,322
2025-2028	16,260,000	839,250
Total	$ 114,775,600	$ 69,031,199

Unamortized discount at December 31, 2005 was $299,711.

Advance Refunding and Defeasances

The Authority did advance refund and defease certain bond issues on October 28, 2003. The Authority accounted for these 2003 advance refundings in accordance with GASB Statement No. 7, *Advance Refunding Resulting in Defeasance of Debt* for the governmental (non-enterprise) debt and GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities* for the enterprise-type debt.

These advance refundings of the enterprise-type debt resulted in a $1,318,361 difference between the $30,801,942 reacquisition price and the carrying amount of the old debt which was $29,483,581. This difference, deferred amount of refunding, is reported in the financial statements with unamortized bond discount amortized to operations over the remaining lives of the refunding (new) bonds which equates to the remaining lives of the refunded (old) bonds using the effective interest method.

The Authority, in completing the advance refunding, reduced its debt service payments over 20 years by $4.31 million for an economic gain, present value savings, of $2.65 million.

Deferred amounts on the refunding of the enterprise type debt was calculated as follows:

Reacquisition price:	
Proceeds from sale of new bonds	$ 33,445,000
Premium on new bonds	253,476
Bond issuance costs	(300,731)
Debt Service Reserve	(2,595,803)
Amount paid to escrow fund	30,801,942
Net carrying amount of old bonds	29,483,581
Deferred amount on refunding	1,318,361
Amortized	(218,131)
Unamortized amount	$ 1,100,230

Amortization of the deferred amount on refunding was $107,123 and $111,008 in 2005 and 2004, respectfully.

Obligation Due to City

During 1991, the CMAA entered into a long-term Airport Operation and Use Agreement with the City for the operation and use of Port Columbus International and Bolton Field airports and for financing the acquisition of the airports' assets. The agreement provides for payments which match exactly in timing and amount the debt service payments by the City on general obligation bonds previously issued in connection with the airports.

During 1999, portions of the Obligation Due to City (Obligation) were refinanced. The refinancing generated $310,000 of additional liabilities due to the refinancing costs. These costs were capitalized and are being amortized over the remaining life of the Obligation. In 2005 and 2004, amortization associated with the refinancing costs was $34,445 annually. The Authority anticipates net interest cost savings of approximately $750,000 over the life of the Obligation.

During 2001, portions of the Obligation were refinanced. There was no additional liability generated due to the refinancing cost. The Authority received a check from the City for $61,656 for interest earnings the City received on proceeds of the refunding bonds dated July 15, 2001, while a portion of the proceeds were held until the October 15, 2001 call date. The Authority anticipates net interest cost savings of approximately $297,495 over the life of the Obligation.

During 2005, $4,845,000 of principal payments were made to the City reducing the December 31, 2004 Obligation balance from $8,620,000 to $3,775,000 at December 31, 2005. The following schedule lists future payments due under the agreement, together with the amount of the Obligation as of December 31, 2005:

Year ending December 31:	Principal	Interest
2006	$ 1,865,000	$ 148,780
2007	1,750,000	59,779
2008	160,000	3,960
Total	$ 3,775,000	$ 212,519

The following schedule lists property acquired through the agreement by major classes at December 31, 2005:

Land	$ 13,079,492
Building	81,923,551
Runways, Taxiways and Other	53,591,667
Machinery and Equipment	2,076,138
	150,670,848
Less Accumulated Depreciation	98,046,060
	$ 52,624,788

Obligation Due to County

During 1985, the RPA entered into a long-term agreement with the County for the operation and use of the LCK and for certain financing. The Port Authority Consolidation and Joinder Agreement provides for the Authority to make such payments directly to the bank for these general obligation bonds.

During 2005, $820,000 principal payments were made to the County. The obligation balance at December 31, 2005 is $820,000. The future payment and interest due under the Agreement is $820,000 and $65,600, respectively as of December 31, 2005. This payment is due in 2006.

Ohio Public Works Commission

In 1995, the RPA agreed to reimburse the County for debt service on $1,489,000 of an Ohio Public Works Commission loan for storm sewer improvements. The agreement is non-interest bearing and provides for annual principal payments of $74,450 until January 1, 2015. The outstanding balance at December 31, 2005 is $670,050, of which $37,225 is the current amount due.

The following schedule lists future payments due under the agreement, together with the amount of the obligation as of December 31, 2005:

	Principal
2006	$ 37,225
2007	74,450
2008	74,450
2009	74,450
2010	74,450
2011-2015	335,025
Total	$ 670,050

Other Debt

Other debt outstanding at December 31, 2005 includes a $1,680,388 note with Forward Air Incorporated bearing interest at 6%. Principal and interest are paid monthly with maturity in 2020.

Other long-term debt matures as follows:

	Principal	Interest
2006	$ 73,109	$ 98,835
2007	77,618	94,325
2008	82,405	89,538
2009	87,488	84,455
2010	92,884	79,059
2011-2015	557,756	301,961
2016-2020	709,128	107,604
Total	$ 1,680,388	$ 855,777

Note 8 - Pension Plans and Other Postemployment Benefits

All Authority employees are required to participate in the statewide Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the TP and CO plans; however, health care benefits are not statutorily guaranteed. Members of the MD plan do not qualify for ancillary benefits, including post-employment health care coverage. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the ORC. In 2005 the employer was required to contribute 13.31% of active member payroll. For full-time employees, the portion of an employee's contribution is equal to 8.5% (6% for part-time employees) to be picked up (assumed and paid) on behalf of the employee, and in lieu of payment by the employee, by the Authority.

Total required employer contributions billed to the Authority were $3,710,503, $3,480,405, and $3,331,383 for the years ended December 31, 2005, 2004, 2003, respectively, and are equal to 100% of the dollar amount extracted from the Authority's records.

The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 800-222-7377.

Other postemployment benefits for health care costs provided by OPERS are as follows:

In order to qualify for postretirement health care coverage, age and service retirees under the TP and CO must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "*Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Governmental Employers*." A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005 employer contribution rate for state employers was 13.31% of covered payroll; 4.00% was the portion that was used to fund health care for the year. These rates are the actuarially determined contribution requirements for OPERS. The portion of the Authority's 2005 and 2004 contribution that was used to fund postemployment benefits was $1,115,006 and $1,045,862, respectively.
The ORC provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. For 2005, member and employer contribution rates were consistent across all three plans.

The assumptions and calculations below were based on the Retirement System's latest Actuarial Review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2004 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at 4.00% annually (the projected wage inflation rate.)

OPEB are advance-funded on an actuarially determined basis. As of December 31, 2004, the actuarial value of the Retirement System's net assets available for OPEB was $10.8 billion. The number of active contributing participants in the TP and CO was 376,109. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.5 billion and $18.7 billion, respectively.

In September 2004, OPERS board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Note 9 - Capital Contributions

The Authority received capital contributions by means of federal, state and local grants as follows:

	2005	2004
Federal	$20,562,722	$17,476,652
State and Local	1,442,152	4,182,948
Total	$22,004,874	$21,659,600

Note 10 - Commitments and Contingencies

Capital Improvements

As of December 31, 2005, the Authority was obligated for completion of certain airport improvements under commitments of approximately $30.4 million. An estimated $11.7 million is eligible for reimbursement from the FAA. The remaining amount is expected to be funded from bond proceeds, current available resources, PFC's and future operations.

Federally Assisted Programs - Compliance Audits

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of December 31, 2005, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Authority.

Note 11 - Property Leased to Others

The Authority is a lessor of space in the CMH terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and redetermination of the rental amounts. Substantially all of the land and building costs in the Statement of Net Assets are held by the Authority for the purpose of rental or related use. The net book value of property held for operating leases as of December 31, 2005 and 2004 is $158,588,802 and $160,202,830, respectively.

Minimum future rentals on noncancelable operating leases to be received in each of the next five years and thereafter are as follows:

2006	$ 11,894,133
2007	11,947,630
2008	12,237,454
2009	12,014,241
2010	9,118,624
2011-2015	11,935,678
2016-2020	6,379,238
2021-2025	2,050,570
2026-2030	950,703
2031-2035	517,920
2036-2040	304,932
2041-2042	205,928
	$ 79,557,051

Certain airline agreements to lease space in the terminal building and terminal apron areas are subject to fluctuating rates.

Contingent operating revenue aggregated approximately $17,104,000 and $14,909,000, respectively in 2005 and 2004.

Note 12 - Related Party Transactions

City of Columbus, Ohio

At December 31, 2004, the Authority owed the City $4 million for past operating advances. Repayment of the advances was contingent on the Authority reaching an agreement with the City for the compensation to be paid to the Authority for the City's past and future public golf course use. During 2005, an agreement with the City was executed and approved by the Federal Aviation Administration. In August 2005, as a result of the agreement, the Authority paid the City $2,853,886.

The agreement required payment to the City for the advances and interest. The City paid the Authority for past rental and interest charges for the lease of land for the golf courses and certain buildings. The agreement required the Authority to pay the City for approximately 44 acres of land on the Airport Golf Course and the City paid the Authority for approximately 15 acres of land surrounding the fire station and transfer station at Bolton Field. Additionally, the agreement included discounted future rents until 2038 for the golf courses. The net payment included the following components:

Authority paid City for Advances	$ 4,000,000
Authority paid City Interest on the advances	12,656,537
City paid Authority for past rents on the golf courses	(3,100,735)
City paid Authority for current rents on the golf courses	(28,552)
City paid Authority for interest on the rents	(7,961,002)
Authority paid City for approximately 44 acres	216,755
City paid Authority for approximately 15 acres	(675,000)
City paid Authority discounted future rents for golf courses	(2,254,117)
Net cash payment paid to the City	$ 2,853,886

The $12,656,537 of interest expense on the advances was computed using 8.01%, which was the average of the U.S. Treasury rates in effect at the time the advances were made. The agreement required the City to pay the Authority $3,129,287 for past and current rents for the golf courses. The rental payments were calculated based on 8% concession fees and prorated as needed based on the Authority's percentage ownership of the land. The City paid the Authority interest on the past rents of $7,961,002. Interest on the past rents was computed using the U.S. Treasury rates in effect during the time. The land was valued at the fair market value at the date of the transaction. The future rental payments were discounted at 6.59%, which was based on the average of the U.S. Treasury 1-year notes from 1966 to 2003.

County of Franklin, Ohio

In accordance with the Joinder and Use Agreement, the County agreed to contribute $4.338 million per year for 10 years commencing in 2003 to facilitate the consolidated operations. In 2005 and 2004, the Authority recorded these payments from the County in Other Non-Operating Income. The Authority and the County have agreed to review the County's subsidy if a significant project locates at the LCK that provides net revenues to the Authority in an amount greater than the County's subsidy.

Franklin Community Improvement Corporation

According to the Project Coordination agreement, effective June 1994, the Authority may extend project advances to Franklin Community Improvement Corporation (FCIC) for its business operations. In consideration of the Authority making project advances, FCIC shall pay all of its available project net proceeds to the Authority. If the cumulative total of project advances exceeds available project net proceeds, unless the Authority agrees in writing, FCIC shall pay the difference between such amounts. In no event shall the Authority be obligated to repay any available project net proceeds paid by FCIC. Additionally, certain income earned by FCIC is remitted to the Authority under the terms of this agreement. The FCIC entered into an amended and restated Project Coordination agreement with the Authority. In consideration of the Authority making project advances, the FCIC shall pay all its available net proceeds to the Authority on an annual basis. Available net proceeds is defined as all funds but not including $1,000,000 in working capital, certain project advances, reserves and other funds relating to the Authority's activities.

Also, under a management agreement the Authority provides the FCIC with certain administrative services. The FCIC paid $96,505 and $109,427, respectively, for these services for 2005 and 2004.

Note 13 - Conduit Debt

From time to time, the Authority has issued certificates of participation, industrial revenue bonds, revenue bonds and revenue notes to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments on the underlying mortgage loans. Upon repayment of the obligations, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the Authority, nor the County, nor any political subdivisions thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2005, there were twenty-two series of bonds outstanding, with an aggregate principal amount payment of $372,095,196. The original issue amounts for these twenty-two series totaled $415,307,079. As of December 31, 2004, there were twenty-one series of bonds outstanding, with an aggregate principal amount payment of $275,105,578. The original issue amounts for these twenty-one series totaled $327,027,079.

Supplemental Schedule of Revenues and Expenses
Budget vs. Actual - Budget Basis

For the Year Ended December 31, 2005

	Budget	Actual	Postitive/ (Negative) Variance
OPERATING REVENUES			
Airline Revenue	$ 21,777,467	$ 17,930,270	$ (3,847,197)
Parking Revenue	20,250,904	22,154,185	1,903,281
Concession Revenue	14,573,396	15,100,092	526,696
General Aviation Revenue	2,385,097	2,412,494	27,397
Cargo Operations Revenue	1,509,783	1,678,922	169,139
Foreign Trade Zone Fees	482,800	439,610	(43,190)
Other Revenue	1,464,457	1,947,709	483,252
Total Operating Revenues	62,443,904	61,663,282	(780,622)
OPERATING EXPENSES			
Employee Wages and Benefits	24,988,635	24,635,431	353,204
Purchase of Services	16,366,201	15,304,127	1,062,074
Materials and Supplies	2,421,993	2,558,077	(136,084)
Other Expenses	-	(313,135)	313,135
Total Operating Expenses	43,776,829	42,184,500	1,592,329
OPERATING INCOME BEFORE DEPRECIATION	18,667,075	19,478,782	811,707
Less: Depreciation	21,400,000	22,819,744	(1,419,744)
OPERATING LOSS	(2,732,925)	(3,340,962)	(608,037)
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,549,000	2,888,534	1,339,534
Other Non-Operating Revenue	5,126,800	5,438,839	312,039
Passenger Facility Charges	13,260,000	14,504,297	1,244,297
Interest Expense	(6,208,646)	(6,208,728)	(82)
Loss on Securities	-	(459,258)	(459,258)
Amortization of Deferred Charges	(196,928)	(196,928)	-
Gain (Loss) on Disposal of Assets	(8,000)	680,626	688,626
Total Non-Operating Revenues	13,522,226	16,647,382	3,125,156
INCOME BEFORE CAPITAL CONTRIBUTIONS, SPECIAL & EXTRAORDINARY ITEMS	10,789,301	13,306,420	2,517,119
ADJUSTMENTS TO RECONCILE GAAP NET INCOME BEFORE CAPITAL CONTRIBUTIONS, SPECIAL & EXTRAORDINARY ITEMS TO BUDGETED NET INCOME:			
Loss on Securities	-	459,258	459,258
Total Adjustments	-	459,258	459,258
NET INCOME ADJUSTED TO THE BUDGETARY BASIS OF ACCOUNTING	$ 10,789,301	$ 13,765,678	$ 2,976,377

See accompanying independent auditors' report

Statistical Section (Unaudited)

The Statistical Section presents comparative data (when available) and differs from financial statements because they usually cover more than one fiscal year and may present non-accounting data.

Financial Trends and Revenue Capacity

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time. Also contained in these schedules is information to help the reader understand the Authority's most significant revenue sources and the Authority's capacity to insure itself against material risk.

Debt Capacity

This schedule presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and also the ability of the Authority to issue additional debt in the future.

Operating Information

These schedules contain information to help the reader understand and to provide context for the Authority's operations and how this relates to the Authority's financial position.

Economic and Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Revenues and Expenses by Type

For the ten years ended December 31, 2005 (dollars in thousands)

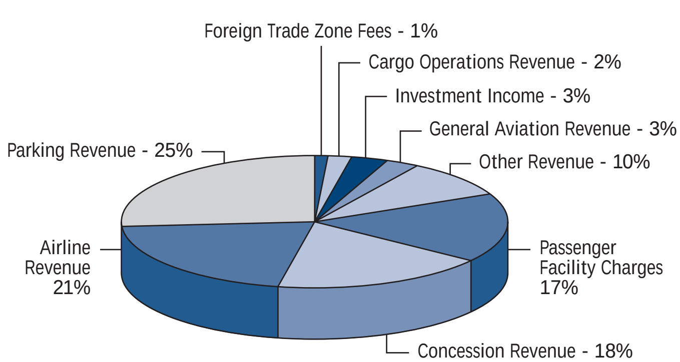
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Revenues:										
Airline Revenue	$17,930	19,485	21,338	14,385	19,371	17,573	16,207	16,201	15,634	13,758
Parking Revenue	22,154	20,536	18,904	18,811	19,327	18,862	14,975	13,534	12,144	11,300
Concession Revenue	15,100	13,917	13,813	13,508	13,524	13,184	10,823	10,846	8,792	8,376
General Aviation Revenue	2,412	2,569	2,472	2,522	2,271	1,903	1,701	1,782	1,754	1,589
Cargo Operations Revenue	1,679	1,265	1,226	-	54	80	72	64	61	67
Foreign Trade Zone Fees	440	544	550	-	-	-	-	-	-	-
Net Investment income	2,429	1,469	756	1,310	3,565	4,664	3,747	5,466	2,139	1,957
Passenger Facility Charges	14,504	13,276	13,212	13,351	10,750	11,523	11,486	11,332	10,920	10,573
Other Revenues	8,068	7,413	7,100	3,598	1,194	957	687	327	338	541
	84,716	80,474	79,371	67,485	70,056	68,746	59,698	59,552	51,782	48,161
Expenses:										
Employee wages and benefits	24,635	23,732	23,076	17,516	15,732	15,396	12,505	11,504	10,402	9,562
Purchase of services	15,304	14,813	14,699	12,839	10,929	13,217	9,869	8,242	6,222	5,449
Materials and supplies	2,558	2,051	2,039	1,607	1,626	1,649	1,499	1,266	1,295	1,362
Depreciation	22,820	21,161	19,852	14,967	25,166	8,953	7,783	7,280	7,077	5,947
Interest expense	6,209	6,675	8,049	7,179	7,475	7,142	6,906	7,444	5,329	5,638
Other Expenses	(116)	346	715	205	3,594	137	183	424	236	243
	71,410	68,778	68,430	54,313	64,522	46,494	38,745	36,160	30,561	28,201
Income Before Capital Contributions, Special & Extraordinary Items	$13,306	11,696	10,941	13,172	5,534	22,252	20,953	23,392	21,221	19,960

Source: The Authority Finance Department

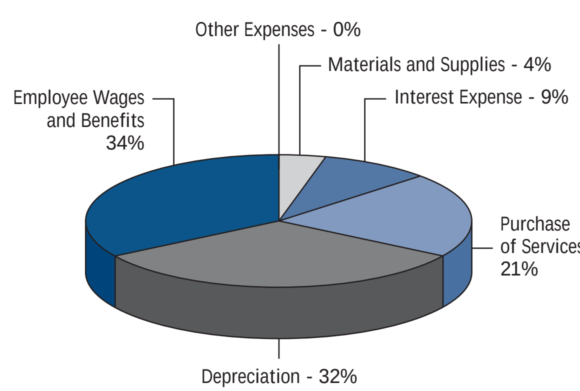
1) The year 2003 was the first year which included LCK's data in the statistics

2005 Revenue and Expense Breakdown by Type

Composition of Revenue



Composition of Expenses



Revenues and Expenses by Area

For the ten years ended December 31, 2005 (dollars in thousands)

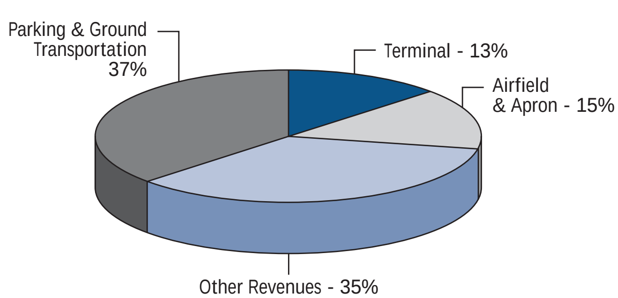
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
REVENUES:										
PARKING & GROUND TRANSPORTATION	$31,250	28,899	27,376	27,654	28,055	27,536	15,103	11,670	12,211	11,386
AIRFIELD & APRON	12,609	12,964	13,474	10,869	12,513	10,488	10,197	10,231	9,957	8,712
TERMINAL	11,244	12,159	11,252	7,307	10,330	9,863	15,148	15,161	13,862	11,916
OTHER REVENUES	29,613	26,452	27,269	21,655	19,158	20,859	19,250	22,490	15,752	16,147
	84,716	80,474	79,371	67,485	70,056	68,746	59,698	59,552	51,782	48,161
EXPENSES:										
PARKING & GROUND TRANSPORTATION	12,224	13,005	12,099	10,989	10,428	9,171	7,012	4,182	1,517	1,428
AIRFIELD & APRON	13,118	12,097	12,816	11,006	11,171	11,789	10,036	9,054	8,188	8,933
TERMINAL	15,998	15,524	14,464	12,831	11,977	12,583	12,413	12,208	12,291	10,763
OTHER EXPENSES	7,250	6,991	9,199	4,520	5,780	3,998	1,501	3,436	1,488	1,130
EXPENSES BEFORE DEPRECIATION	48,590	47,617	48,578	39,346	39,356	37,541	30,962	28,880	23,484	22,254
LESS: DEPRECIATION	22,820	21,161	19,852	14,967	25,166	8,953	7,783	7,280	7,077	5,947
	71,410	68,778	68,430	54,313	64,522	46,494	38,745	36,160	30,561	28,201
INCOME BEFORE CAPITAL CONTRIBUTIONS, SPECIAL & EXTRAORDINARY ITEMS	$13,306	11,696	10,941	13,172	5,534	22,252	20,953	23,392	21,221	19,960

SOURCE: THE AUTHORITY FINANCE DEPARTMENT

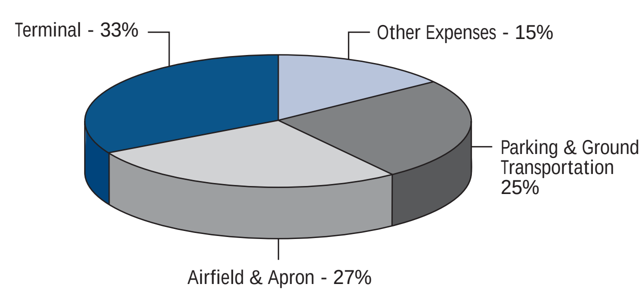
1) THE YEAR 2003 WAS THE FIRST YEAR WHICH INCLUDED LCK'S DATA IN THE STATISTICS

2005 Revenue and Expense Breakdown by Area

Composition of Revenues



Composition of Expenses
(Excluding Depreciation)



Total Annual Revenues, Expenses and Changes in Net Assets

For the ten years ended December 31, 2005 (dollars in thousands)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
OPERATING REVENUES										
Airline Revenue	$ 17,930	19,485	21,338	14,385	19,371	17,573	16,207	16,201	15,634	13,758
Parking Revenue	22,154	20,536	18,904	18,811	19,327	18,862	14,975	13,534	12,144	11,300
Concession Revenue	15,100	13,917	13,813	13,508	13,524	13,184	10,823	10,846	8,792	8,376
Other Revenue	6,479	6,479	6,347	3,736	3,232	2,771	2,461	2,172	2,153	2,198
Total Operating Revenues	61,663	60,417	60,402	50,440	55,454	52,390	44,466	42,753	38,723	35,632
OPERATING EXPENSES										
Employee Wages and Benefits	24,635	23,732	23,076	17,516	15,732	15,396	12,505	11,504	10,402	9,562
Purchase of Services	15,304	14,813	14,699	12,839	10,929	13,217	9,869	8,242	6,222	5,449
Materials and Supplies	2,558	2,051	2,039	1,607	1,626	1,649	1,499	1,266	1,295	1,362
Other Expenses	(313)	142	7	1	175	6	13	42	42	66
Total Operating Expenses	42,184	40,738	39,821	31,963	28,462	30,268	23,886	21,054	17,961	16,439
OPERATING INCOME BEFORE DEPRECIATION	19,479	19,679	20,581	18,477	26,992	22,122	20,580	21,699	20,762	19,193
Depreciation	22,820	21,161	19,852	14,967	25,166	8,953	7,783	7,280	7,077	5,947
OPERATING INCOME (LOSS)	(3,341)	(1,482)	729	3,510	1,826	13,169	12,797	14,419	13,685	13,246
NON-OPERATING REVENUES (EXPENSES)										
Investment Income	2,888	1,510	756	1,310	3,411	4,541	4,484	5,006	2,139	1,957
Other Non-Operating Revenues	5,439	5,241	4,990	2,385	288	168	-	-	-	-
Passenger Facility Charges	14,504	13,276	13,212	13,351	10,750	11,523	11,486	11,332	10,920	10,573
Interest Expense	(6,209)	(6,675)	(8,049)	(7,179)	(7,475)	(7,142)	(6,906)	(7,444)	(5,329)	(5,638)
Gain(Loss) on Securities	(459)	(41)	-	-	154	123	(737)	460	-	-
Amortization of Deferred Charges	(197)	(205)	(709)	(132)	(128)	(122)	(123)	(119)	(54)	(55)
Gain (Loss) on Disposal of Assets	681	72	12	(72)	(3,291)	(9)	(46)	(264)	(140)	(123)
Total Non-Operating Revenues	16,647	13,178	10,212	9,663	3,709	9,082	8,158	8,971	7,536	6,714
INCOME BEFORE CAPITAL CONTRIBUTIONS, SPECIAL & EXTRAORDINARY ITEMS	13,306	11,696	10,941	13,173	5,535	22,251	20,955	23,390	21,221	19,960
Capital Contributions	22,005	21,660	8,725	8,787	8,333	7,652	1,556	2,204	4,405	3,815
Special & Extraordinary Items	(1,595)	-	-	-	-	-	-	-	-	-
Net Assets Acquired Through Merger	-	-	73,259	-	-	-	-	-	-	-
INCREASE IN NET ASSETS	$ 33,716	33,356	92,925	21,960	13,868	29,903	22,511	25,594	25,626	23,775
NET ASSETS										
Invested in Capital Assets, Net of Related Debt	$ 335,305	309,121	275,778	193,789	167,447	158,957	128,557	71,937	112,533	92,804
Total Restricted Net Assets	88,793	89,378	96,829	100,077	99,327	63,338	82,242	122,779	66,635	50,485
Unrestricted Net Assets	36,936	28,818	21,355	7,172	12,305	42,916	24,509	18,083	8,035	18,299
TOTAL NET ASSETS	$ 461,034	427,317	393,962	301,038	279,079	265,211	235,308	212,799	187,203	161,588

SOURCE: THE AUTHORITY'S AUDITED FINANCIAL STATEMENTS

NOTE: THE YEAR 2003 WAS THE FIRST YEAR WHICH INCLUDED LCK'S DATA IN THE STATISTICS

Schedule of Insurance in Force

As of January 1, 2006

Type of Coverage	Insurer	Coverage Amount	Expiration Date
Airport Property and Equipment Insurance			
Building and Contents	American Guarantee & Liability	$437,953,437	11/01/06
Mobile Equipment	American Guarantee & Liability	$ 11,441,761	11/01/06
Fine Arts	American Guarantee & Liability	$ 3,907,450	11/01/06
Business Auto	St. Paul Fire & Marine Insurance Co.	$ 1,000,000	11/01/06
Liability Insurance			
Aviation and General			
Liability	ACE Property & Casualty Ins. Co.	$ 50,000,000	11/01/06
Excess Liability	Underwriters at Lloyd's, London	$150,000,000	11/01/06
Pollution Liability (LCK)	American International Specialty Lines Ins. Co.	$ 25,000,000	01/01/13
Public Official Liability			
Employment Practices	National Union Fire Insurance Co.	$ 5,000,000	11/01/06
Pollution Liability			
Storage Tank Pollution (CMH)	American International Specialty Lines Ins.	$ 5,000,000	02/27/06
Storage Tank Pollution (LCK)	LSI Corporation	$ 1,000,000	05/30/07
Police Professional	Midwestern Risk Specialists	$ 5,000,000	11/01/06
Employee Dishonesty	Hartford Fire Ins. Co.	$ 1,000,000	11/01/08
Fiduciary Liability	Federal Insurance Co.	$ 1,000,000	11/01/06
International Commercial Insurance	Great Northern Insurance Co.	$ 1,000,000	11/01/06
Surety Bonds	National Fire Insurance Co. of Hartford & Western Surety Co.	$ 250,000	11/01/06
Customs Bonds (FTZ)	XL Specialty Ins. Co.	$ 100,000	01/22/06
Workers' Compensation Insurance			
Excess Workers' Compensation	Employers' Reinsurance Co.	$ 25,000,000	02/01/06

Source: The Authority Legal Services Department

Schedule of Debt and Obligation Coverages

For the ten years ended December 31, 2005 (dollars in thousands, except coverage)

Year	Gross revenue (1)	Direct operating expense (2)	Net Revenue available for debt & obligation payments	Debt and obligation requirements: Principal	Interest	Total	Coverage
2005	$68,617	$42,185	$26,432	$9,109	$6,209	$15,318	1.73
2004	$67,198	$40,738	$26,460	$7,870	$6,675	$14,545	1.82
2003	$66,158	$39,821	$26,337	$7,829	$8,049	$15,878	1.66
2002	$54,134	$31,963	$22,171	$7,004	$7,179	$14,183	1.56
2001	$59,306	$28,463	$30,843	$6,395	$7,475	$13,870	2.22
2000	$57,222	$30,269	$26,953	$5,635	$7,142	$12,777	2.11
1999	$48,212	$23,886	$24,326	$5,515	$6,906	$12,421	1.96
1998	$46,220	$19,053	$27,167	$5,464	$7,444	$12,908	2.10
1997	$40,862	$17,961	$22,901	$5,434	$5,329	$10,763	2.13
1996	$37,588	$16,439	$21,149	$4,954	$5,638	$10,592	2.00

Source: The Authority Finance Department

1) Gross revenue includes operating revenue, investment income, other non-operating revenues, loss on security, gain on disposal of assets and special & extraordinary items.

2) Direct operating expense excludes depreciation

3) The year 2003 was the first year which included LCK's data in the statistics

Air Commerce Trends
Rickenbacker International Airport

For the ten years ended December 31, 2005

Year	Total Passenger Volume	% Change	Cargo (in pounds)	% Change
2005	39,554	(71.1)	248,917,975	15.3
2004	136,949	424.7	215,926,925	5.0
2003	26,100	-	205,724,924	11.4
2002	-	-	184,643,243	(13.5)
2001	-	-	213,359,995	0.6
2000	-	-	212,094,348	12.9
1999	-	-	187,854,570	(23.6)
1998	-	-	245,977,011	1.2
1997	-	-	243,052,304	45.0
1996	-	-	167,665,956	2.6

Source: The Authority Business Development and Communications Department

1) The year 2003 is the first year for passenger activity at LCK

Air Commerce Trends
Port Columbus International Airport

For the ten years ended December 31, 2005

Year	Total Passenger Volume	% Change	In Pounds Cargo (1)	Freight (2)	Mail
2005	6,611,575	6.1	1,693,728	7,136,401	11,046,679
2004	6,232,332	(0.3)	1,252,413	6,831,713	12,873,701
2003	6,252,233	(7.2)	906,153	7,788,444	15,047,248
2002	6,740,935	0.9	728,739	8,648,769	14,212,967
2001	6,680,897	(2.8)	1,644,574	7,881,056	24,123,410
2000	6,873,998	5.1	2,721,388	11,917,544	35,133,745
1999	6,541,851	1.9	2,903,773	13,760,947	34,664,922
1998	6,420,037	(1.5)	2,950,015	17,249,208	40,528,661
1997	6,517,222	3.9	5,236,559	20,787,916	55,148,872
1996	6,275,587	11.3	3,611,922	19,529,109	59,626,379

Source: The Authority Finance Department

1) Freight carried by cargo carriers

2) Freight carried in the belly of an air carrier

Airline Cost Per Enplaned Passenger
Port Columbus International Airport

For the ten years ended December 31, 2005 (in thousands except airline cost per enplaned passenger)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Airline Cost for the Airfield Area	$10,923	10,717	12,905	11,840	10,666	12,094	9,507	8,951	8,601	7,761
Airline Cost for the Terminal Building	9,323	10,377	10,854	9,649	9,550	10,315	7,330	7,716	7,380	6,573
Airline Cost for the Aircraft Parking Area	1,545	1,860	2,507	2,204	2,461	2,325	-	-	-	-
General Airline Credit	(5,300)	(5,300)	(5,300)	(5,300)	(5,300)	(5,300)	-	-	-	-
Total Airline Cost	$16,491	17,654	20,966	18,393	17,377	19,434	16,837	16,667	15,981	14,334
Enplanements	3,307	3,113	3,157	3,367	3,352	3,481	3,347	3,262	3,357	3,224
Airline Cost per Enplaned Passenger	$ 4.99	5.67	6.64	5.46	5.18	5.58	5.03	5.11	4.76	4.45

Source: Authority's Finance Department

NOTE: The Authority negotiated a five year agreement effective January 1, 2000 and then again January 1, 2005. The rates and charges are calculated pursuant to formulas set forth in the agreement.

Air Carrier Market Shares - Port Columbus International Airport

For the ten years ended December 31, 2005

	2005		2004	2003	2002	2001	2000	1999	1998	1997	1996
	Market Share Percentage	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers	Total Airline Passengers
COMMERCIAL AIRLINES AND COMMUTERS											
1. DELTA, Delta Connection	20.83%	1,377,219	1,332,258	1,225,796	1,118,105	1,164,761	1,281,057	1,299,027	1,186,634	1,082,254	977,155
2. SOUTHWEST	19.50%	1,289,278	1,088,221	907,513	832,880	866,634	758,521	672,160	594,393	512,308	485,921
3. AMERICAN, American Eagle, American Connection	12.93%	854,842	830,395	862,419	914,996	547,726	544,410	402,980	442,992	430,205	446,011
4. US AIRWAYS, US Airways Express	11.66%	771,166	669,119	609,189	640,313	727,660	928,053	984,999	1,050,780	1,004,150	1,034,925
5. UNITED, United Express	9.93%	656,627	708,621	636,163	663,065	649,356	625,101	669,132	610,737	549,382	531,837
6. NORTHWEST, Northwest Airlink	9.68%	639,839	659,567	638,491	579,568	564,852	544,571	536,936	446,600	500,030	469,219
7. CONTINENTAL, Continental Express	7.03%	464,458	459,635	456,676	419,563	404,384	401,951	376,111	347,332	371,583	339,749
8. AMERICA WEST America West Express	5.14%	340,141	330,381	784,986	1,428,880	1,206,549	1,133,697	977,651	1,174,130	1,462,357	1,367,607
9. INDEPENDENCE AIR	1.42%	94,074	39,415	-	-	-	-	-	-	-	-
10. AIR CANADA JAZZ	.63%	41,651	42,163	42,920	50,331	53,811	57,640	51,130	46,421	34,945	37,333
11. MIDWEST	.63%	41,474	36,954	47,395	59,446	47,123	43,483	48,685	50,487	50,000	47,537
TRANS WORLD	-	-	-	-	-	347,375	414,458	407,831	402,506	389,946	353,713
MIDWAY	-	-	-	-	-	69,705	106,686	74,244	32,810	6,118	-
CORPORATE EXPRESS	-	-	-	-	-	-	-	-	114	10,064	-
VALUE JET	-	-	-	-	-	-	-	-	-	70,939	138,172
Commercial Total	99.38%	6,570,769	6,196,729	6,211,548	6,707,147	6,649,936	6,839,628	6,500,886	6,385,936	6,474,281	6,229,179
CHARTER AIRLINES											
SCHEDULED	.47%	31,213	17,720	13,916	3,554	5,222	2,445	3,325	1,491	3,019	3,087
NON-SCHEDULED	.15%	9,593	17,883	26,769	30,234	25,739	31,925	37,640	32,610	39,922	43,321
Charter Total	.62%	40,806	35,603	40,685	33,788	30,961	34,370	40,965	34,101	42,941	46,408
TOTAL PASSENGERS	100.00%	6,611,575	6,232,332	6,252,233	6,740,935	6,680,897	6,873,998	6,541,851	6,420,037	6,517,222	6,275,587

Source: The Authority Finance Department

Comparison of Columbus Building Permits Issued

For the ten years ended December 31, 2005 (valuations in thousands)

	New Construction		Alterations & Additions		Total	
Year	Permits Issued	Valuation	Permits Issued	Valuation	Permits Issued	Valuation
2005	3,004	$ 598,572	3,053	$ 331,021	6,057	$ 931,593
2004	3,237	$ 670,001	3,664	$ 334,459	6,901	$ 1,004,460
2003	3,885	$ 673,876	3,391	$ 297,096	7,276	$ 970,972
2002	4,179	$ 831,872	3,200	$ 421,685	7,379	$ 1,253,557
2001	4,125	$1,194,028	3,682	$ 589,247	7,807	$ 1,783,275
2000	3,880	$1,287,368	5,058	$ 723,754	8,938	$ 2,011,122
1999	4,188	$ 866,932	5,287	$ 692,390	9,475	$ 1,559,322
1998	4,324	$1,189,922	6,466	$ 570,222	10,790	$ 1,760,144
1997	3,470	$ 840,187	6,515	$ 583,530	9,985	$ 1,423,717
1996	3,473	$ 532,599	5,497	$ 330,900	8,970	$ 863,499

Source: City of Columbus, Ohio, Department of Development, Building and Development Services

Principal Property Taxpayers in Franklin County

December 31, 2005

	Assessed Valuation (in thousands)	% of Total Assessed Valuation
Public Utilities		
1. Columbus Southern Power Company	$ 250,874	1.58
2. Ohio Bell Telephone Company (Ameritech)	83,973	.53
3. Columbia Gas of Ohio, Inc.	38,849	.24
4. New Par	15,647	.10
Real Estate		
1. Nationwide Mutual Insurance Company	91,639	.58
2. Huntington Center	58,100	.36
3. Distribution Land Corporation	49,859	.31
4. OhioHealth Corp.	28,610	.18
5. Capitol South Community Urban Development Corp.	27,352	.17
6. American Electric Power	23,820	.15
7. Equitable Life Insurance	23,727	.15
8. Duke Realty LP	20,622	.13
9. Dominion Homes	19,565	.12
10. Battelle Memorial Institute	19,479	.12
Tangible Personal Property		
1. Anheuser Busch Inc.	57,757	.36
2. Abbott Laboratories	26,243	.16
3. Roxane Laboratories, Inc.	22,038	.14
4. Americourcebergen Drug Corp.	22,009	.14
5. Lucent Technologies Inc.	15,251	.10
6. Big Lot Stores, Inc.	12,439	.08
7. JC Penney Company Inc.	12,285	.08
8. Masterfoods USA	12,040	.08
9. Dispatch Printing Company	11,932	.07
10. Kroger Company	11,845	.07
Total Principal Property Taxpayers	955,955	6.00
All Others	14,968,353	94.00
Total Assessed Valuation (Franklin County)	$15,924,308	100.00

Source: Franklin County Auditor

1) The Authority receives no property taxes. This information is provided to present major business in the area.

Assessed and Estimated Actual Value of Franklin County Taxable Property

For the ten years ended December 31, 2005 (in thousands)

		Real Property		Personal Property		Public Utilities	
Tax Year	For	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value
2005	2006	$14,412,860	$ 41,179,601	$ 1,086,105	$ 4,314,418	$425,353	$ 1,215,294
2004	2005	$12,480,949	$ 35,659,856	$ 1,430,924	$ 5,990,264	$ 468,904	$ 1,320,470
2003	2004	$12,244,724	$ 34,984,926	$ 1,513,220	$ 6,305,083	$ 441,780	$ 1,262,229
2002	2003	$ 11,958,533	$ 34,167,237	$ 1,852,911	$ 7,411,644	$ 427,848	$ 1,222,423
2001	2002	$ 10,632,901	$ 30,379,717	$ 1,754,763	$ 7,019,052	$ 463,164	$ 1,323,326
2000	2001	$ 10,312,863	$ 29,465,323	$ 1,746,957	$ 6,987,828	$ 554,901	$ 1,585,431
1999	2000	$ 9,991,033	$ 28,545,809	$ 1,619,657	$ 6,478,628	$ 558,957	$ 1,597,020
1998	1999	$ 8,710,415	$ 24,886,900	$ 1,547,605	$ 6,190,420	$ 540,892	$ 1,545,406
1997	1998	$ 8,300,546	$ 23,715,846	$ 1,532,089	$ 6,092,356	$ 539,815	$ 1,542,329
1996	1997	$ 8,043,277	$ 22,980,791	$ 1,464,285	$ 5,857,140	$ 519,964	$ 1,485,611

Source: Franklin County Auditor

Largest Employers in the Greater Columbus Area

Ranked by number of full-time employees

1.	State of Ohio	30,009
2.	The Ohio State University	18,763
3.	JP Morgan Chase & Co.	13,707
4.	Nationwide Insurance	11,002
5.	Federal Government	
	• United States Postal Service	5,778
	• Defense Supply Center, Columbus	2,532
	• Defense Finance & Accounting Service	2,055
6.	Ohio Health	9,083
7.	Columbus Public Schools	7,905
8.	City of Columbus	7,890
9.	Limited Brands	7,200
10.	Wal-mart Stores Inc.	5,842
11.	Mount Carmel Health	5,605
12.	Franklin County	5,069
13.	Honda of America Mfg. Inc.	4,829
14.	American Electric Power Company Inc.	3,879
15.	Kroger Company	3,587
16.	Huntington Bancshares Inc.	3,400
17.	SBC Ohio	3,000
18.	Columbus Children's Hospital Inc.	2,981
19.	Medco Health Solutions, Inc.	2,582
20.	South-Western City Schools	2,575
21.	Battelle	2,471
22.	Ross Products Division of Abbott Laboratories	2,066
23.	National City Corporation	2,031
24.	Discover Financial Services, Inc.	2,030
25.	CallTech Communications LLC	2,011
26.	Cardinal Health Inc.	2,000
27.	State Farm Insurance	1,867
28.	Alliance Data Systems	1,766
29.	Dispatch Printing Co.	1,750
30.	Hilliard City Schools	1,719
31.	ARC Industries Inc.	1,650
32.	Big Lots Inc.	1,624
33.	Westerville City Schools	1,537
34.	Owens-Corning	1,531
35.	Dublin City Schools	1,501
36.	Verizon Wireless	1,500
37.	Ashland Inc.	1,478
38a.	United Parcel Service	1,450
38b.	Worthington City Schools	1,450
40.	NetJets Inc.	1,400
41.	Liebert Corp.	1,374
42.	Fairfield Medical Center	1,342
43.	TS Tech North America	1,250
44.	Chemical Abstracts Services	1,227
45.	McDonald's Corp.	1,209
46.	Licking Memorial Health Systems	1,187
47.	McGraw-Hill Education/School Education	1,179
48.	Anchor Hocking Glass Co.	1,168
49.	Retail Ventures Inc.	1,136
50.	Lancaster Colony Corp.	1,123

Source: Business First, December 9, 2005 issue

Estimated Civilian Labor Force and Annual Average Unemployment Rates

For the ten years ended December 31, 2005 (labor force in thousands)

	Franklin County		Columbus MSA (1)		Ohio		U.S.
Year	Labor Force (2)	Unemployment Rate (3)	Labor Force (2)	Unemployment Rate (3)	Labor Force (2)	Unemployment Rate (3)	Unemployment Rate (3)
2005	604.4	5.3%	923.0	5.3%	5,900	5.9%	5.1%
2004	600.0	5.5%	916.1	5.4%	5,875	6.2%	5.5%
2003	601.0	5.4%	907.7	5.4%	5,867	6.2%	6.0%
2002	600.1	5.1%	889.7	5.0%	5,837	5.7%	5.8%
2001	597.5	3.4%	891.3	3.5%	5,826	4.4%	4.7%
2000	594.3	3.1%	882.3	3.2%	5,807	4.0%	4.0%
1999	591.8	2.6%	865.6	2.6%	5,781	4.3%	4.2%
1998	582.6	2.6%	848.0	2.8%	5,737	4.3%	4.5%
1997	579.0	2.8%	837.1	3.0%	5,713	4.6%	4.9%
1996	569.4	3.0%	821.6	3.3%	5,661	5.0%	5.4%

Source: Ohio Department of Job & Family Services, Labor Market Information Division. (Preliminary data which is subject to change)

1) The Columbus Metropolitan Statistical Area (MSA) includes Delaware, Fairfield, Franklin, Licking, Madison and Pickaway Counties

2) Civilian labor force is the estimated number of persons 16 years of age and over, working or seeking work

3) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian labor force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Compliance Section

This section contains
the following subsections:

Independent Auditors' Report on Compliance

Schedule of Expenditures of Federal Awards

Schedule of Expenditures of
Passenger Facility Charges

Notes to Schedule of Expenditures
of Federal Awards and Schedule
of Passenger Facility Charges

Schedule of Findings and Questioned Costs

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED UPON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Columbus Regional Airport Authority
Columbus, Ohio

We have audited the financial statements of the Columbus Regional Airport Authority (the "Authority"), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated March 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Authority's management, the Ohio Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

March 24, 2006

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM, AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF PASSENGER FACILITY CHARGES

To the Board of Directors of
Columbus Regional Airport Authority
Columbus, Ohio

Compliance

We have audited the compliance of the Columbus Regional Airport Authority (the "Authority"), with the types of compliance requirements described in the *U.S. Office of Management and Budget* ("OMB") *Circular A-133 Compliance Supplement* that are applicable to its major federal program and the *Passenger Facility Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for the Authority's Passenger Facility Charge ("PFC") program for the year ended December 31, 2005. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program and its PFC program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the Guide. Those standards, OMB Circular A-133 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 a major federal program and the PFC program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program and the PFC program for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and the PFC program. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major

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federal program and the PFC program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program or the PFC program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges

We have audited the financial statements of the Authority as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated March 24, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are presented for purposes of additional analysis as required by OMB Circular A-133 and the Guide and are not a required part of the financial statements. These schedules are the property of the Authority's management. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information of the Authority's management, the Ohio Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified users.

Deloitte & Touche LLP

March 24, 2006

COLUMBUS REGIONAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Grantor	Federal CFDA Number	Grant Number	Federal Receipts	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:				
Federal Aviation Administration—				
Airport Improvement Program (AIP):	20.106			
Residential Sound Insulation Phase VI		3-39-0025-38	$ 1,580	$ 1,585
Security Enhancements		3-39-0025-42	87,934	87,935
Noise Mitigation Phase VIII & IX		3-39-0025-46	1,021,682	1,021,685
Security Enhancements		3-39-0025-47	100,911	100,917
Rehab R/W 10R/28L, AOA Fence		3-39-0025-49	1,426,199	1,426,204
Noise Mitigation Phase IX		3-39-0025-50	1,891,397	1,891,406
South Airfield Improvements		3-39-0025-51	2,070,551	2,070,557
South Airfield Improvements/Update PMP		3-39-0025-52	5,097,557	5,097,562
Security Enhancements		3-39-0025-53	752,541	752,546
Construct Perimeter Road		3-39-0025-54	265,958	265,961
Test and Inspection		3-39-0025-56	13,456	13,457
RSIP, Phase X		3-39-0025-57	270,310	270,310
Security Enhancements		3-39-0025-58	16,071	16,074
Upgrade Noise Monitoring Systems		3-39-0025-59	201,194	201,196
Rehab Taxiway C		3-39-0025-60	1,484,869	1,484,870
Rehab Aprons A & C		3-39-0026-12	37,288	37,292
Rehab Apron A		3-39-0026-13	46,088	46,088
Install Perimeter Fence		3-39-0026-14	79,695	79,697
Construct Terminal Apron		3-39-0117-22	213,451	213,452
Rehab Cargo Apron #3		3-39-0117-25	42,138	42,141
Security Enhancements		3-39-0117-26	88,929	88,933
Part 150 Noise Compatibility Program		3-39-0117-27	182,212	182,213
Wildlife Fencing		3-39-0117-28	703,118	703,119
Rehab Cargo Ramps #1 & #3		3-39-0117-29	2,648,636	2,648,641
Wildlife Fencing, Snow Equipment		3-39-0117-30	174,492	174,492
Construct Air Cargo Terminal		3-39-0117-31	39,660	39,662
Update Airport Layout Plan		3-39-0117-32	1,372	1,373
Total U.S. Department of Transportation			18,959,289	18,959,368
U.S. DEPARTMENT OF JUSTICE—				
Drug Enforcement Agency—				
Equitable Sharing Agreement	16.000	N/A	290,188	197,519
Total U.S. Department of Justice			290,188	197,519
TOTAL FEDERAL AWARDS			$ 19,249,477	$ 19,156,887

See notes to schedule of expenditures of federal awards and schedule of passenger facility charges.

COLUMBUS REGIONAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
YEAR ENDED DECEMBER 31, 2005

Program	Receipts	Expenditures
Passenger Facility Charges	$ 13,745,794	$ 7,327,386

See notes to schedule of expenditures of federal awards and schedule of passenger facility charges.

COLUMBUS REGIONAL AIRPORT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF PASSENGER FACILITY CHARGES YEAR ENDED DECEMBER 31, 2005

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   General—The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges present the activity of all federal assistance programs of the Columbus Regional Airport Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements.

2. **BASIS OF ACCOUNTING**

   Basis of Accounting—The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are prepared on the basis of cash receipts and disbursements. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligations are incurred.

* * * * * *

COLUMBUS REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2005

PART I—SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.

2. No reportable conditions in internal control over financial reporting were identified.

3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.

4. No reportable conditions in internal control over compliance with requirements applicable to major federal awards programs were identified.

5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.

6. The audit disclosed no findings, which are required to be reported by OMB Circular A-133.

7. The organization's major program was: Airport Improvement Program ("AIP") (CFDA #20.106).

8. A dollar threshold of $300,000 was used to distinguish between Type A and Type B programs as defined in OMB Circular A-133.

9. The Auditee did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II—FINANCIAL STATEMENT FINDINGS SECTION

No matters were noted.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

No matters were noted.

COLUMBUS REGIONAL AIRPORT AUTHORITY
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COLUMBUS REGIONAL AIRPORT AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 15, 2006