

CHICAGO EXECUTIVE AIRPORT

**Wheeling, Illinois
Prospect Heights, Illinois**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2014

Prepared by:

Chief Financial Officer

CHICAGO EXECUTIVE AIRPORT

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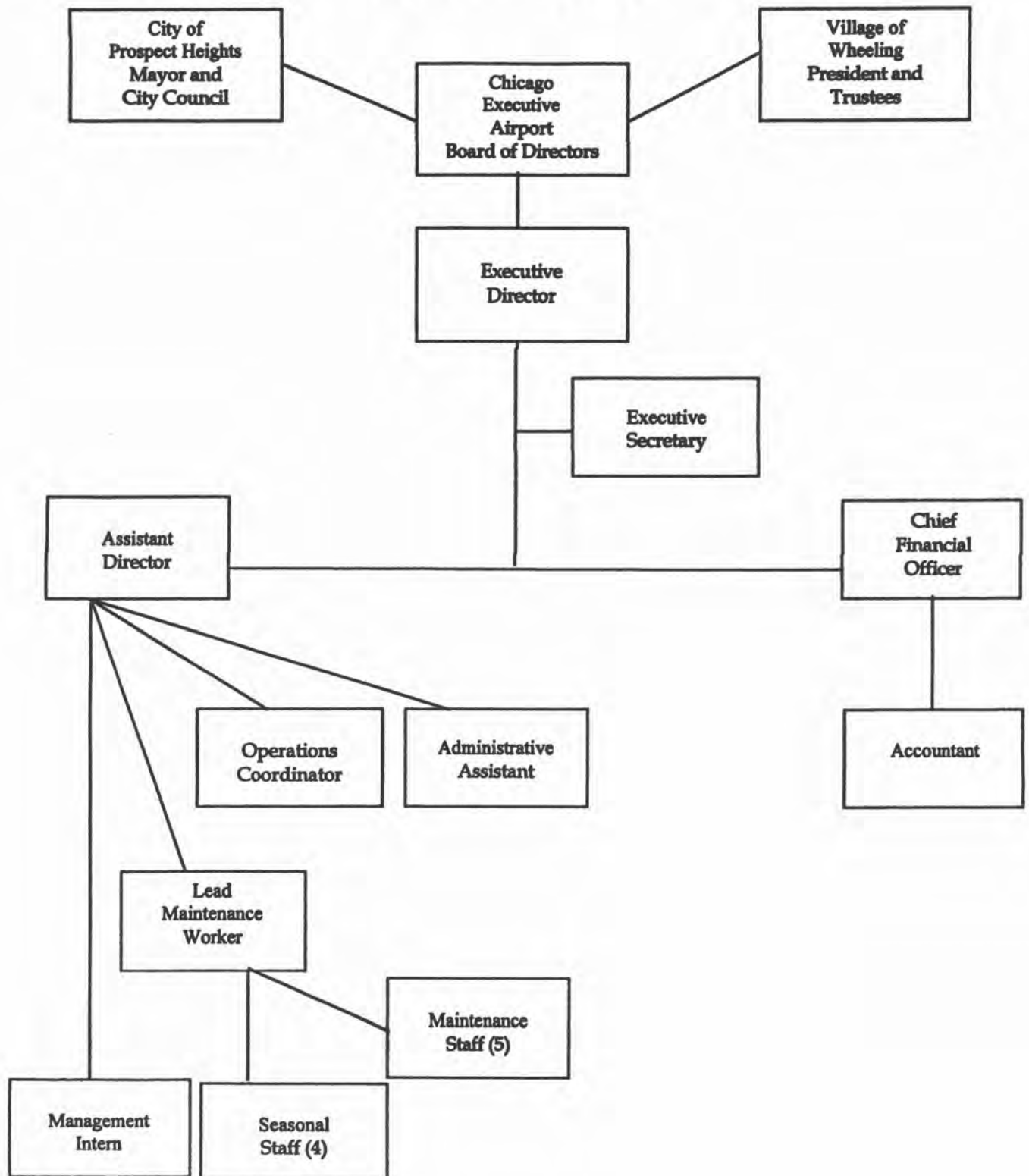
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INTRODUCTORY SECTION

Chicago Executive Airport Organizational Chart



CHICAGO EXECUTIVE AIRPORT

Board of Directors
April 30, 2014

Robert A. McKenzie
Chairman

Wheeling Directors

David Kolssak

Neal Katz
Secretary

Ray Lang

Prospect Heights Directors

Elizabeth F. Cloud
Vice Chairman

William J. Kearns
Treasurer

Rodney Pace

CHICAGO EXECUTIVE AIRPORT

Airport Management
April 30, 2014

Acting Executive Director	Jamie Abbott	June 1989
Assistant Director	Vacant	
Chief Financial Officer	Scott Campbell	February, 2014
Executive Secretary	Victoria Mayr	May 2011
Administrative Assistant	Cristina Salgado	June 2011
Accountant	Jason Griffith	January 2012
Operations Coordinator	Kealan Noonan	December 2011
Maintenance Lead	Joseph Wargo	May 1990
Maintenance Operators (5)	Rick Hervas Norman Mackey Andrew McPhee Robert Maki Harry Wollscheid	June 2004 December 2007 January 2014 March 2013 April 1999



Government Finance Officers Association

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

Presented to

**Chicago Executive Airport
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

To the Chairman and Board of Directors of Chicago Executive Airport,
City of Prospect Heights, IL,
Village of Wheeling, IL

*An intergovernmental
Cooperative of the City of
Prospect Heights and the
Village of Wheeling*

In accordance with the terms of the Intergovernmental Agreement establishing this entity, we hereby submit the Comprehensive Annual Financial Report of the Chicago Executive Airport (hereinafter referred to as "the Airport") for the fiscal year ended April 30, 2014.

Memberships:

Wheeling,
Prospect Heights
Chamber of Commerce

National Business
Aviation Association

Illinois Public
Airports Association

Government Finance
Officers Association

Illinois Government
Finance Officers
Association

Illinois Aviation
Trades Association

Chicago Area Business
Aviation Association

National Air
Transportation
Association

Aircraft Owners and
Pilots Association

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects. Further, the enclosed data is prepared in accordance with generally accepted accounting principles and is presented in a manner to disclose the financial position and results of operations of the Airport for the year then ended.

Wolf & Company LLP, Certified Public Accountants, has issued an unqualified opinion on the Chicago Executive Airport's financial statements for the year ended April 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE AIRPORT

The Airport, founded in 1925 as Gauthier's Flying Field, was acquired by Priester Aviation in 1953. The City of Prospect Heights and the Village of Wheeling purchased the airport on December 26, 1986. Therefore, 2011 was the 25th anniversary of the Airport being purchase by the two communities. The name was changed in October 2006 to Chicago Executive Airport, to better reflect its customer base and location. It is the third busiest airport in the Chicago area based on flight operations. The City of Prospect Heights and the Village of Wheeling (hereinafter collectively referred to as "the Municipalities") executed an amended Intergovernmental Agreement on July 1, 2005. This Agreement authorizes the joint establishment and operation of the Chicago Executive Airport ("the Airport"). Both Municipalities identify the Airport as a Joint Venture, pursuant to the criteria set forth by the Governmental Accounting Standards Board ("GASB"), in their respective Annual Financial Reports.

The Board of Directors was created to establish a body for the control and operation of the Airport by the Municipalities. It consists of seven directors: the Chairman, appointed jointly by the Mayor of the City and the President of the Village; three appointed, with approval of the City Council, by the Mayor of the City of Prospect Heights; and three appointed, with approval of the Board of Trustees, by the Village President of the Village of Wheeling. The Board elects, from its members, a Vice Chairman, Treasurer, and Secretary, who preside over the Board as officers.

The Chicago Executive Airport budget is recommended by resolution of the Chicago Executive Airport Board of Directors for adoption by both Municipalities in accordance with the Intergovernmental Agreement. This Agreement requires that neither Municipality shall be required to expend funds other than Airport Revenue for the operation of the Airport. The budget is prepared using an accrual basis and recognizes revenues and expenditures earned or incurred during the fiscal year.

The Airport has an April 30 fiscal year ending date. Accordingly, the budget must be adopted by both Municipalities before May 1, the beginning date of the new fiscal year. Should this not happen, the Board is authorized to proceed with funding and expenditures on a temporary basis using the prior year's approved budget.

ECONOMIC CONDITIONS AND OUTLOOK

Operating revenues increased by \$329,647 (9%) and total operating expenses increased by \$449,368 or 18%. Both Administrative and Operations expenses increased vs. FY13 by 19%, and 16% respectively. Much of the Operations division increase was due to a harsh winter. The net result from operations was a decrease of \$119,721 (10%) vs. last year's operating income. After depreciation and amortization, there was again an operating loss this year; however the amount was similar to last year's loss. A more detailed discussion of the financial results is contained in Management's Discussion and Analysis found in the Financial Section of this report.

The recovery of the general aviation industry is still slow with FY14 showing continued decline in flight operations over FY13. Primary operations statistics revealed Airport operations (landings and takeoffs) have decreased from the prior year by just over 6.0%. The annual fuel flowage however, increased by 352,609 gallons to 4,844,868 gallons. This is nearly an 8.0% increase over last year. U.S. Customs Service inspections increased by 50 this year, a 10.8% increase, with 513 inspections conducted. This is the same number of inspections as of year-end two years ago. Customs inspections correlate with the international aviation activity of our business based aircraft.

Regardless of economic conditions, the Airport continues to remain focused on its foremost priorities -- **Safety, Security and Noise Reduction**. Additionally, the Airport is cognizant of its fiduciary responsibility to the City of Prospect Heights and the Village of Wheeling to maintain a financially sound and self-supporting entity.

LONG-TERM FINANCIAL PLANNING

To augment our financial planning process, five-year projections will be developed each year for both operating and capital budget needs as a part of the budget development process. The projections allow us to determine the impact of capital projects on future operating expense budgets, future revenue requirements and plans to achieve them.

RELEVANT FINANCIAL POLICES

The Airport's approved Business Plan requires that the unrestricted portion of our net assets at year-end meet or exceed a particular balance. This balance includes the reserve amounts required for the Airport's share of capital projects (\$851,829), grant service (\$365,390), plus 25% of budgeted operating expenditures (\$730,249). The required total of \$1,947,468 must be available for both capital projects and operating reserves. Our available cash and cash equivalent balance at year-end was \$2,682,203, an amount above our needs by \$734,735.

In another area, the Airport continues to record depreciation on contributed capital assets.

MAJOR INITIATIVES

To further enhance Airport safety, security and noise reduction, development continued this year and will continue for many years to come. Planned initiatives are:

- An engineered material arresting system (EMAS) will be placed at the ends of our longest runway to help prevent an aircraft from overshooting the ends of the runway. The first phase of this project was funded for FY14 for the south end of runway 16/34. The work should be completed in FY15.
- An EMAS bed for the north end of 16/34 is expected to be funded in FY15. Work should begin and be completed in FY16.
- As part of the complete redevelopment of the southeast quadrant, including aircraft storage and servicing facilities, construction of the Hawthorne Global Aviation facility neared completion in FY14. Hawthorne is the third fixed base operation (FBO) on the airport. The facility opened in mid calendar 2014.
- The Airport began an update of its long-term Master Plan which has not been updated in several years. This plan looks at development impacts beyond the Airport borders. Results will answer questions as to the best use of Airport property and how to continually serve the region well into the future.

We believe these, and future initiatives, will enhance the safety of the Airport, reduce noise for our neighbors, and supplement revenue sources.

AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting

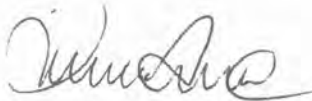
to the Chicago Executive Airport for its comprehensive annual financial report for the fiscal year ended April 30, 2013, its 24th such award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report ("CAFR"), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year.

We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENT

The preparation of this report would not have been possible without the dedicated service of the finance and administration department. Also, credit must be given to the Municipalities and the Chicago Executive Airport Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Airport finances.



Jamie Abbott
Executive Director



Scott Campbell
Chief Financial Officer

November 24, 2014

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

City of Wheeling, Illinois
City of Prospect Heights, Illinois
The Honorable Chairman
Chicago Executive Airport Directors

We have audited the accompanying basic financial statements of Chicago Executive Airport as of and for the years ended April 30, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Chicago Executive Airport as of April 30, 2014 and 2013, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Chicago Executive Airport. The financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and derives from and relates directly to the underlying and other records used to prepare the basic financial statements. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical information listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Wolf & Company LLP

Oakbrook Terrace, Illinois
November 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHICAGO EXECUTIVE AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2014

The management of Chicago Executive Airport offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended April 30, 2014. The following information should be considered along with additional information contained in our letter of transmittal found on pages v-viii of this report.

Basic Financial Statements

Our basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. The Airport is operated under one enterprise fund, the Joint Airport Fund. Under this method of accounting an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. These are followed by notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and a statistical section that are useful in understanding the overall operations of the Airport.

The statement of net position presents information on the position and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Airport is improving or deteriorating.

The statement of revenues, expenses, and changes in net position reports the operating revenues and expenses and nonoperating revenue and expenses of the Airport for the fiscal year with the difference – the net income or loss – being combined with any capital contributions to determine the net change in position for fiscal year. That change, combined with last year-end's net asset total, reconciles to the net position total at the end of this fiscal year.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalent balance at the end of the current fiscal year. Contrary to the other basic financial statements, this statement is prepared on a cash basis.

Financial Highlights

- ➔ Assets exceeded liabilities by \$93,168,874 (total net position) at the close of the fiscal year. Of this amount, \$330,746 is unrestricted but designated for future sewer repairs, \$501,509 is unrestricted but designated for the capital equipment reserve fund and \$874,873 is unrestricted and available to meet ongoing and future obligations of the Airport including its share of capital projects.
- ➔ Total Net Position decreased \$731,894. This is partially a function of assets being moved from Improvements in Progress, a non-depreciating category, to Infrastructure and Airport Improvements which do depreciate.
- ➔ Operating income before depreciation and amortization is \$1,036,451, a decrease of \$119,721 or 10.4% from the prior year. There was an increase in revenues but there was also an increase in operating expense. Revenues increased by \$329,647 but operating expenses are up \$449,368.
- ➔ Net operating loss, after depreciation and amortization, increased to a loss of \$1,622,356, an increase of \$106,318 or 7% from the prior year operating loss.
- ➔ The Statement of Cash Flows identifies the sources and uses of cash activity for the fiscal year. Cash and cash equivalents increased a net of \$147,866 for the year. The bulk of the increase is from one-time sewer assessment charged to the Airport's new FBO.

CHICAGO EXECUTIVE AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Financial Information

Net Assets: The following schedule presents a summary of net asset comparisons for the fiscal years ended April 30, 2014, 2013 and 2012.

	April 30, 2014	April 30, 2013	April 30, 2012
Current and Other Assets	\$ 2,952,015	2,873,846	3,205,295
Capital Assets	95,889,667	96,718,723	95,894,171
Total Assets	98,841,682	99,592,569	99,099,466
Current Liabilities	1,178,974	1,211,923	995,432
Long-Term Liabilities	4,154,667	4,479,878	4,780,270
Deferred Inflows of Resources	344,167	-	-
Net Position			
Net Investment in Capital Assets	91,461,746	91,986,764	90,860,281
Unrestricted	1,707,128	1,914,004	2,463,483
Total Net Position	\$ 93,168,874	93,900,768	93,323,764

The largest portion of the Airport's net assets, \$91,461,746, is invested in capital assets (e.g., land, buildings, equipment, infrastructure and improvements). Outstanding debt in the amount of \$4,427,921 is attributable to these assets, of which \$306,680 is considered current and \$4,121,241 a long-term liability. The Airport's capital assets represent land, hangar space, taxiways, runways, and equipment. These are maintained for airport users and fixed-base operators, the latter who provide services to aircraft owners.

A new Net Position sub category was started in FY13: Unrestricted, Designated for Future Capital Equipment Replacement. Its balance at year-end FY14 is \$501,509. The intent of this reserve is to smooth the annual budget impact of replacing various airport equipment to alleviate significant unusual budget expenditures in any one year.

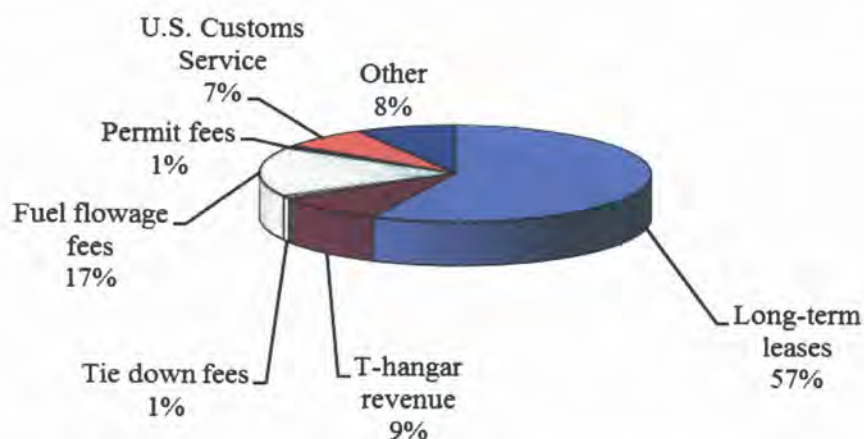
The Sewer Replacement reserve, also established last year, has a balance of \$330,746. These are the funds set aside in the Airport's Sewer Reserve Fund for future repairs to the sewer system. The remaining unrestricted net position of \$874,873 represent resources available to meet both the Airport's current and capital obligations. One primary use of these assets is to provide for the Airport's share of capital project costs, most of which have grant funding for up to 95% federal and state funds.

Current liabilities have remained basically flat with only a \$37,949 decrease.

CHICAGO EXECUTIVE AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Revenue: The following chart shows the major sources of operating revenue for the year ended April 30, 2014:



The following schedule presents a summary of revenues for the fiscal years ended April 30, 2014, 2013 and 2012:

	April 30, 2014	April 30, 2013	April 30, 2012
Operating Revenues			
Long-Term Leases*	\$ 2,257,610	2,201,383	1,917,757
T-Hangar Revenues	367,680	374,823	365,572
Tiedown Fees	31,501	43,698	51,171
Fuel Flowage Fees	659,072	602,769	595,297
Permit Fees	42,986	35,545	29,286
U.S. Customs Service	284,850	247,500	278,039
Other	329,072	132,604	216,286
Late Charges	2,719	7,521	6,940
Total Operating Revenues	3,975,490	3,645,843	3,460,348
Nonoperating Revenues			
Investment Income	7,267	10,222	16,896
Other Income	2,967	39,290	28,208
Sewer Assessments	200,164		
Total Revenues	\$ 4,185,888	3,695,355	3,505,452

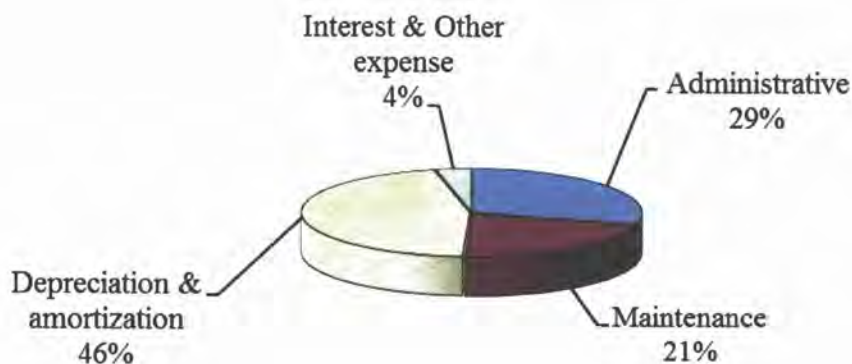
*Long-Term leases are leases with an original term of more than one year.

CHICAGO EXECUTIVE AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

This past year, operating revenues increased by \$329,647, or 9.0%. Long-term leases were up by \$56,227, or 2.6% reflecting lease payments from the Southeast Quadrant development. T-hangar revenue decreased due to decreased occupancy; fuel flowage fees increased by \$56,303, or 9.3% due to increased flight activity; and U.S. Customs fees increased 15%, back to 2012 levels, because of increased international corporate activity. The bulk of the Sewer Assessments are due to one-time fees assessed to Hawthorne Global Aviation as they connected their new facility to the sewer line. Investment income continues to decline due to the low interest rate environment and reduced investable reserves. Other income is proceeds received from the sale of an asset.

Expenses: The following chart shows the major categories of operating expenses for the year ended April 30, 2014:



The following schedule presents a summary of expenses for the fiscal years ended April 30, 2014, 2013 and 2012:

	April 30, 2014	April 30, 2013	April 30, 2012
Operating Expenses			
Administrative and Finance	\$ 1,699,624	1,423,250	1,643,423
Operations and Maintenance	1,239,415	1,066,421	979,074
Total Operating Expenses	2,939,039	2,489,671	2,622,497
Other Expenses			
Depreciation	892,635	899,418	929,438
Depreciation on Contributed Capital Assets	1,728,886	1,694,339	1,703,114
Amortization	37,286	78,453	105,600
Interest Expense	199,680	211,406	227,141
Other Expense			48,000
Loss on Sale of Capital Assets			(9,909)
Total Other Expenses	2,858,487	2,883,616	3,003,384
Total Revenues	\$ 5,797,526	5,373,287	5,625,881

CHICAGO EXECUTIVE AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Total operating expenses increased from last year by \$449,368 or 18%. In the Administration & Finance department, expenses increased by \$274,374, or 19.4%. Much of this difference is found in the Contractual Services category, with Consultants, Legal, Engineering and Audit all showing an increase. Other Area expense increased due to increased marketing activity and attendance at national aviation-related conferences.

In the Operations & Maintenance department, total expenses increased \$172,994, or 16.2%. The highest expense increase is in the Contractual Services, specifically Waste Removal. This category increased \$94,268 due to the significant expense of removing contaminated soil from the Hawthorne Global Aviation site. There was also an increase in vehicle maintenance of \$20,100 due to the increased use of the snow removal equipment. Detailed operating expense schedules can be found in the Supplementary Information Section of this report.

Other expenses – depreciation on contributed capital assets and amortization has increased slightly over the past years due to new projects being completed and placed in service. For the Airport, this required presentation of depreciation on contributed capital assets is awkward and burdensome when one considers most of our capital expenses are from federal and state grants which are shown separately on our financial statements. Without those grants, the Airport would not be able to acquire the capital assets that were funded. In the Supplementary Information Section, you will find an Alternative Presentation of our Statement of Revenues, Expenses and Changes in Net Assets that better matches our contributed capital assets with their corresponding depreciation. This alternative schedule indicates an operating income of \$106,530 and net contributions of \$(849,142).

Additionally, interest expense decreased by \$11,726 or 5.5% from last year due the continued retirement of principal along with no new debt issued during the year. Investment income decreased by \$2,955, or 29%, due to the continuing low return on investments and reduced funds available for investing.

Capital Assets: During FY14, the Airport expended a net of \$1,830,284 on capital assets. The major item was \$1,017,000 in infrastructure improvements to the runway 34 hold pad. Some of these projects were completed and capitalized from work-in-progress and contributed capital assets. A summary of changes in capital assets is found in Note 3 to the financial statements. Other pertinent accounting policies related to capital assets can be found in Note 1.F. to the financial statements.

Other Financial Results: The following schedule presents a summary of other pertinent financial data for the fiscal years ended April 30, 2014, 2013 and 2012:

	April 30, 2014	April 30, 2013	April 30, 2012
Net (Loss) Before Contributions	\$ (1,611,638)	(1,677,932)	(2,120,429)
Capital Contributions	879,744	2,254,936	2,628,403
Change in Net Position	(731,894)	577,004	507,974
Net Position, May 1	93,900,768	93,323,764	92,815,790
Net Position, April 30	\$ 93,168,874	93,900,768	93,323,764

Contributions of capital items decreased by \$1,375,192 to \$879,744. The contributions for capital items come from Federal and State grants for the various airport projects. This funding varies greatly year-to-year as projects are completed. The decrease in net assets of \$(731,894) is primarily driven by depreciation of contributed capital assets that reduces the invested in capital assets total.

CHICAGO EXECUTIVE AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

Long-Term Debt: Currently, the Airport has three long-term debts outstanding with a remaining principal balance as of April 30, 2014 of \$4,427,921. The first, \$807,391, represents an outstanding balance for a loan taken out in January 2005 to finance the construction of the SW T-hangars and taxiway; the second, \$1,588,875, is the note balance for a refinance of a prior loan for land acquisition; and the third, \$2,031,655, is a note for constructing the new northeast quadrant T-hangars, which opened in November 2010. Details of these outstanding loans and notes payable can be found in Note 4, Long-Term Debt, found in this report.

Requests for Information: The financial report is intended to provide an overview of the finances of Chicago Executive Airport for those with an interest in this organization. Questions concerning any information contained in this report may be directed to the Chicago Executive Airport, 1020 Plant Road, Wheeling, Illinois 60090, attention: Chief Financial Officer.

BASIC FINANCIAL STATEMENTS

CHICAGO EXECUTIVE AIRPORT

Statements of Net Position

April 30, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,435,304	2,287,438
Investments	247,099	245,527
Receivables		
Accounts (Net of Allowance of Uncollectibles)	91,191	174,725
Prepaid Insurance	73,004	83,794
Other Current Assets	105,417	82,362
Total Current Assets	2,952,015	2,873,846
Noncurrent Assets		
Capital Assets		
Capital Assets Not Being Depreciated		
Land	62,890,925	62,890,925
Airport Improvements in Progress	1,233,599	3,439,496
Total	64,124,524	66,330,421
Capital Assets Being Depreciated		
Buildings and Building Improvements	5,908,799	5,879,231
Infrastructure	51,993,322	48,488,915
Improvements	3,620,630	3,204,687
Vehicles and Equipment	2,878,857	2,852,072
Other Assets	145,493	724,793
Total	64,547,101	61,149,698
Accumulated Depreciation and Amortization	(32,781,958)	(30,761,396)
Total	31,765,143	30,388,302
Total Capital Assets	95,889,667	96,718,723
Total Assets	98,841,682	99,592,569

See accompanying Notes to the Financial Statements.

CHICAGO EXECUTIVE AIRPORT

Statements of Net Position (Cont.)

April 30, 2014 and 2013

	2014	2013
Liabilities		
Current Liabilities		
Accounts Payable	\$ 538,290	468,820
Security Deposits	118,237	116,781
Accrued Wages	37,119	110,366
Compensated Absences Payable	5,899	9,207
Unearned Rent	167,749	202,498
Loans Payable	54,668	52,239
Notes Payable	252,012	252,012
Total Current Liabilities	1,173,974	1,211,923
Long-Term Liabilities		
Loans Payable	752,723	807,178
Notes Payable	3,368,518	3,620,530
Compensated Absences Payable	33,426	52,170
Total Long-Term Liabilities	4,154,667	4,479,878
Total Liabilities	5,328,641	5,691,801
Deferred Inflows of Resources		
Deferred Revenue - Access Agreement	344,167	-
Net Position		
Net Investment in Capital Assets	91,461,746	91,986,764
Unrestricted	1,707,128	1,914,004
Total Net Position	\$ 93,168,874	93,900,768

See accompanying Notes to the Financial Statements.

CHICAGO EXECUTIVE AIRPORT

Statements of Revenues, Expenses and Changes in Net Position

Years Ended April 30, 2014 and 2013

	2014	2013
Operating Revenues		
Long-Term Leases	\$ 2,257,610	2,201,383
T-Hangar Fees	367,680	374,823
Tie-Down Fees	31,501	43,698
Fuel Flowage Fees	659,072	602,769
Permit Fees	42,986	35,545
U.S. Custom Service Fees	284,850	247,500
Other	329,072	132,604
Late Charges	2,719	7,521
Total Operating Revenues	3,975,490	3,645,843
Operating Expenses		
Administrative	1,699,624	1,423,250
Maintenance	1,239,415	1,066,421
Total Operating Expenses	2,939,039	2,489,671
Operating Income before Depreciation and Amortization	1,036,451	1,156,172
Depreciation and Amortization		
Depreciation	892,635	899,418
Depreciation on Contributed Capital Assets	1,728,886	1,694,339
Amortization	37,286	78,453
	2,658,807	2,672,210
Operating Loss	(1,622,356)	(1,516,038)
Nonoperating Revenues (Expenses)		
Investment Income	7,267	10,222
Interest Expense	(199,680)	(211,406)
Sewer Assessments	200,164	
Gain on Sale of Capital Asset	2,967	39,290
	10,718	(161,894)
Net Loss Before Contributions	(1,611,638)	(1,677,932)
Capital Contributions	879,744	2,254,936
Changes in Net Position	(731,894)	577,004
Net Position		
May 1	93,900,768	93,323,764
April 30	\$ 93,168,874	93,900,768

See accompanying Notes to the Financial Statements.

CHICAGO EXECUTIVE AIRPORT

Statements of Cash Flows

Years Ended April 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 4,369,898	3,658,657
Payments to Suppliers and Others	(1,432,243)	(1,007,659)
Payments to or on Behalf of Employees	(1,544,890)	(1,228,808)
	<u>1,392,765</u>	<u>1,422,190</u>
Cash Flows from Investing Activities		
Certificate of Deposit Purchased	(1,572)	(245,527)
Interest Received	7,267	10,222
	<u>5,695</u>	<u>(235,305)</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(950,540)	(1,056,989)
Sewer Assessments	200,164	
Disposal of Capital Assets	3,500	41,325
Interest Paid on Loan	(199,680)	(211,406)
Principal Paid on Loan	(304,038)	(301,941)
	<u>(1,250,594)</u>	<u>(1,529,011)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	147,866	(342,126)
Cash and Cash Equivalents		
May 1	<u>2,287,438</u>	<u>2,629,564</u>
April 30	<u>\$ 2,435,304</u>	<u>2,287,438</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Loss	\$ (1,622,356)	(1,516,038)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	892,635	899,418
Depreciation on Contributed Capital Assets	1,728,886	1,694,339
Amortization	37,286	78,453
Changes in Assets and Liabilities		
Accounts Receivable	83,534	(12,715)
Prepaid Insurance	10,790	16,259
Other Current Assets	(23,055)	44,444
Accounts Payable	69,470	121,512
Security Deposits	1,456	(19,260)
Accrued Wages	(73,247)	66,446
Compensated Absences Payable	(22,052)	4,543
Unearned Revenue	309,418	44,789
Net Cash Provided by Operating Activities	<u>\$ 1,392,765</u>	<u>1,422,190</u>
Supplemental Disclosure of Noncash Capital and Related Financing Activities		
Contributed Capital Assets	<u>\$ 879,744</u>	<u>2,254,936</u>

See accompanying Notes to the Financial Statements.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

The Palwaukee Municipal Airport Commission (the Airport) was created on February 26, 1985, pursuant to Chapter 24, Paragraph 11-103-1 of the Illinois Compiled Statutes (ILCS), to organize, operate and maintain the Airport as a public general aviation facility. The name was changed to Chicago Executive Airport in August 2006. The Airport is an intergovernmental cooperative created under Illinois law to allow the City of Prospect Heights, Illinois and the Village of Wheeling, Illinois (collectively, the Municipalities) joint ownership and administration of the Airport. The Municipalities account for the Airport as a proprietary joint venture.

The Municipalities have entered into agreements with the Federal Aviation Administration of the United States of America and the State of Illinois to sponsor projects for the acquisition and development of the Airport. Although assets are legally held in the name of the Municipalities, such assets are recorded in the Airport's financial statements to present the overall financial position and operations of the Airport. Airport revenues are solely restricted to funding airport development and airport maintenance expenses. The duration of the Airport shall be for the term of 20 years or the useful life of the Airport, whichever is longer, unless sooner terminated and dissolved by mutual agreement of the Municipalities or by operation of law.

The financial statements of the Airport have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Airport's accounting policies are described below.

A. Reporting Entity

Effective 2014, the Airport adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity - Omnibus*. As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the following three criteria exist:

- (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents.
- (2) The potential component unit provides a financial benefit or imposes a financial burden on the primary government.
- (3) The economic resources received or held by an individual organization that the specific primary government or its component units are entitled to or have the ability to otherwise access are significant to that primary government.

The accompanying financial statements represent the Airport (the primary government) only, since the Airport does not have units meeting the above criteria. The Airport is considered a joint venture of its owners, the City of Prospect Heights, Illinois and the Village of Wheeling, Illinois.

B. Basis of Accounting

The accounting policies for the Airport conform to generally accepted accounting principles applicable to proprietary funds of governmental units. The financial records of the Airport are maintained by utilizing the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time they are incurred.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

I. Summary of Significant Accounting Policies (Cont.)

B. Basis of Accounting (Cont.)

The Airport's financial statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Airport considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

D. Investments

Investments are stated at fair value.

E. Receivables

Receivables, including the applicable allowance for uncollectible accounts, are as follows:

	2014	2013
Accounts Receivable	\$ 97,191	180,725
Allowance for Uncollectible Accounts	(6,000)	(6,000)
Net Receivables	<u>\$ 91,191</u>	<u>174,725</u>

F. Capital Assets

Capital assets comprising buildings, office equipment, vehicles and airport improvements and other assets are recorded at cost. All expenditures for equipment over \$2,000 are capitalized. If actual cost cannot be determined, estimated historical cost is used. Donated capital assets are valued at their estimated fair value on the date donated. Depreciation of capital assets has been provided for over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings and Building Improvements	10 - 30 years
Infrastructure	3 - 20 years
Improvements	3 - 20 years
Vehicles, Equipment and Other Assets	3 - 20 years

Maintenance and repair expenses are charged to operating expense as incurred. Significant betterments and improvements are capitalized and depreciated over their estimated useful lives.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

I. Summary of Significant Accounting Policies (Cont.)

G. Federal and State Grant Contributions

Capital assets purchased with funds contributed by the federal and state governments through Airport Improvement Grants are recorded at cost. For financial statement presentation purposes, grant contributions are reported after net income as the amount contributed by the federal and state governments.

H. Unrestricted Net Position

Certain resources in the amounts of \$330,746 and \$125,359 at April 30, 2014 and 2013, respectively, have been set aside for sewer system repairs as required by the Board's sewer reserve policy. During fiscal 2013, the Airport also established a Capital Equipment Reserve account with a balance of \$501,509 and \$250,181 at April 30, 2014 and 2013, respectively. These amounts are included in Unrestricted Net Assets.

I. Compensated Absences

Airport employees are granted vacation pay and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation time. Accumulated unpaid sick leave is not paid to an employee in the event of termination.

J. Operating Revenues and Direct Expenses

Direct expenses are those that are clearly identifiable with a specific function or segment. Operating revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Grants and contributions that are of a particular function or segment are reported as nonoperating revenues.

K. Deferred Outflows/Inflows of Resources

The Airport adopted Governmental Accounting Standards No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB No. 63). GASB No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and Net Position (GASB No. 63). GASB No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Airport has only one type of item that qualifies for reporting in this category. This reports the one-time payment received from a tenant for certain access privileges, and covers a 20 year term. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

L. Accounting Estimates

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

M. Reclassifications

Certain reclassifications of prior year presentation have been made to be consistent with prior year reporting.

2. Deposits and Investments

A. Permitted Deposits and Investments

Statutes authorize the Airport to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and the Illinois Metropolitan Investment Funds.

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The Fund has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions in the pool is the same as the value of the pool shares. The yield on the Fund was .01% at April 30, 2014. The Fund issues a publicly available financial report, which may be obtained at <http://www.treasurer.il.gov/programs/illinois>. The Authority's balance was \$18,380 and \$95,703 at April 30, 2014 and 2013, respectively.

The Illinois Metropolitan Investment Fund (IMET) Convenience Fund is a short-term money market instrument developed and implemented in 2003 by public entities as a cooperative endeavor under the jurisdiction of the IMET Board of Trustees. The Board controls the Fund and is responsible for policy formation and administrative oversight. The Fund is not registered with the SEC but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. All pool shares are either FDIC insured or collateralized at 110%. The collateral is held in the name of IMET at the Federal Reserve Bank of New York. The fair value of the positions in the pool is the same as the value of the pool shares. The yield on the Fund was 0.32% at April 30, 2014. IMET issues a publicly available financial report, which may be obtained at www.investimet.com or by writing IMET, 1220 Oak Brook Road, Oak Brook, Illinois 60523. Balances in the IMET Convenience Fund were \$647,541 and \$450,569 at April 30, 2014 and 2013, respectively.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

2. Deposits and Investments (Cont.)

A. Permitted Deposits and Investments (Cont.)

It is the policy of the Airport to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Airport and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety of principal, liquidity, diversification, rate of return and public trust.

B. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Airport's deposits may not be returned to it. The Airport's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Airport or in safekeeping with a third party or escrow agent and should be invested in either U.S. Government securities or obligations of federal agencies.

In accordance with its investment policy, the Airport limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market and limiting the maturity of all investments to less than 15 months.

The Airport limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily reducing investments in external investment pools significantly in fiscal 2011 and maintaining a minimal balance in the pool. Illinois Funds are rated AAAM by Standard & Poors, while IMET Convenience Fund is not credit rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Airport will not be able to recover the value of its investments that are in possession of an outside party. The Airport's investment policy does not discuss custodial credit risk of investments; however, to limit its exposure, the Airport has not invested in security transactions that are exposed to custodial credit risk.

Concentration of credit risk is the risk that the Airport has too high a percentage of their investments invested in one type of investment. The Airport's investment policy requires diversification of investment to avoid unreasonable risk.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

3. Capital Assets

A. Summary of Changes in Capital Assets

The following is a summary of capital assets as of the date of this report:

	Balances May 1, 2013	Increases	Decreases	Balances April 30, 2014
Capital Assets Not Being Depreciated				
Land	\$ 62,890,925			62,890,925
Improvements in Progress	3,439,496	798,173	3,004,070	1,233,599
	<u>66,330,421</u>	<u>798,173</u>	<u>3,004,070</u>	<u>64,124,524</u>
Capital Assets Being Depreciated				
Buildings and Building Improvements	5,879,231	29,568		5,908,799
Infrastructure	48,488,915	3,504,407		51,993,322
Improvements	3,204,687	415,943		3,620,630
Vehicles	2,721,889	64,400	59,478	2,726,811
Equipment	130,183	21,863		152,046
Other Assets	724,793		579,300	145,493
	<u>61,149,698</u>	<u>4,036,181</u>	<u>638,778</u>	<u>64,547,101</u>
Less Accumulated Depreciation For				
Buildings and Building Improvements	2,123,708	203,479		2,327,187
Infrastructure	23,641,699	2,225,802		25,867,501
Improvements	2,058,291	85,385		2,143,676
Vehicles	2,215,202	95,870	58,945	2,252,127
Equipment	106,111	10,985		117,096
Other Assets	616,385	37,286	579,300	74,371
	<u>30,761,396</u>	<u>2,658,807</u>	<u>58,945</u>	<u>32,781,958</u>
Capital Assets Being Depreciated, Net	<u>30,388,302</u>	<u>1,377,374</u>	<u>579,833</u>	<u>31,765,143</u>
Total Capital Assets, Net	<u>\$ 96,718,723</u>	<u>2,175,547</u>	<u>3,583,903</u>	<u>95,889,667</u>

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

3. Capital Assets (Cont.)

A. Summary of Changes in Capital Assets (Cont.)

	Balances May 1, 2012	Increases	Decreases	Balances April 30, 2013
Capital Assets Not Being Depreciated				
Land	\$ 62,890,925			62,890,925
Improvements in Progress	3,585,084	3,005,882	3,151,470	3,439,496
	<u>66,476,009</u>	<u>3,151,470</u>	<u>3,151,470</u>	<u>66,330,421</u>
Capital Assets Being Depreciated				
Buildings and Building Improvements	5,859,903	19,328		5,879,231
Infrastructure	45,266,983	3,221,932		48,488,915
Improvements	3,200,922	3,765		3,204,687
Vehicles	2,598,346	204,001	80,458	2,721,889
Equipment	140,446	12,308	22,571	130,183
Other Assets	724,793			724,793
	<u>57,791,393</u>	<u>3,461,334</u>	<u>103,029</u>	<u>61,149,698</u>
Less Accumulated Depreciation For				
Buildings and Building Improvements	1,923,021	200,687		2,123,708
Infrastructure	21,531,422	2,110,277		23,641,699
Improvements	1,901,859	156,432		2,058,291
Vehicles	2,179,800	115,121	79,719	2,215,202
Equipment	112,336	14,950	21,175	106,111
Other Assets	537,933	78,452		616,385
	<u>28,186,371</u>	<u>2,675,919</u>	<u>100,894</u>	<u>30,761,396</u>
Capital Assets Being Depreciated, Net	<u>29,605,022</u>	<u>785,415</u>	<u>2,135</u>	<u>30,388,302</u>
Total Capital Assets, Net	<u>\$ 96,081,031</u>	<u>3,936,885</u>	<u>3,153,605</u>	<u>96,718,723</u>

B. Construction Contracts

The Airport has entered into participation agreements with the Illinois Department of Transportation, Division of Aeronautics, committing funds for the local share of construction or renovation of the facilities as follows:

	April 30, 2014		
	Expended to Date	Remaining Local Share Commitment	Total Project Cost
Airport Improvements			
IDOT #4262 East Quadrant Apron Rehab	\$ 54,603		958,944
IDOT # 4182 Runway 16/34	62,280		6,359,359
	<u>\$ 116,883</u>	<u>-</u>	<u>7,318,303</u>

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

3. Capital Assets (Cont.)

B. Construction Contracts (Cont.)

	April 30, 2013		
	Expended to Date	Remaining Local Share Commitment	Total Project Cost
Airport Improvements			
Runway 34 -Hold Pad PWK 4181	\$ 91,415	52,725	1,048,600
Taxiway ECHO - PWK 3244	2,359,673		2,454,474
	<u>\$ 2,451,088</u>	<u>52,725</u>	<u>3,503,074</u>

4. Long-Term Debt

Long-term debt activity for fiscal years ended April 30, 2014 and 2013 are as follows:

A. Loans

As of April 30, 2014, the Airport had the following loan outstanding:

	Outstanding at April 30, 2014	Current Portion
\$1,237,000 loan, dated January 15, 2005, for the purpose of constructing two hangars and a taxiway. Principal and interest are due in monthly installments of \$7,523 with a stated interest rate of 4.551% beginning January 15, 2005, with a final payment due on November 15, 2025.		
	<u>\$ 807,391</u>	<u>54,668</u>

As of April 30, 2013, the Airport had the following loan outstanding:

	Outstanding at April 30, 2013	Current Portion
\$1,237,000 loan, dated January 15, 2005, for the purpose of constructing two hangars and a taxiway. Principal and interest are due in monthly installments of \$7,523 with a stated interest rate of 4.551% beginning January 15, 2005, with a final payment due on November 15, 2025.		
	<u>\$ 859,417</u>	<u>52,239</u>

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

4. Long-Term Debt (Cont.)

B. Notes Payable

As of April 30, 2014, the Airport had the following notes outstanding:

	Outstanding at April 30, 2014	Current Portion
\$3,200,000 note dated April 19, 2010, for the purchase of land. Principal is due in monthly installments of \$13,334 plus interest with a stated rate of 4.17% beginning June 1, 2010, with a final payment of \$628,827 due on May 1, 2020.	\$ 1,588,875	160,008
\$2,300,000 note dated April 19, 2010, for the construction of T-Hangars. Principal will be in monthly installments of \$7,667 plus interest with a stated rate of 4.17% beginning July 1, 2011, with a final payment of \$1,471,964 due on May 1, 2020.	2,031,655	92,004
	<u>\$ 3,620,530</u>	<u>252,012</u>

As of April 30, 2013, the Airport had the following notes outstanding:

	Outstanding at April 30, 2013	Current Portion
\$3,200,000 note dated April 19, 2010, for the purchase of land. Principal is due in monthly installments of \$13,334 plus interest with a stated rate of 4.17% beginning June 1, 2010, with a final payment of \$628,827 due on May 1, 2020.	\$ 1,748,883	160,008
\$2,300,000 note dated April 19, 2010, for the construction of T-Hangars. Principal will be in monthly installments of \$7,667 plus interest with a stated rate of 4.17% beginning July 1, 2011, with a final payment of \$1,471,964 due on May 1, 2020.	2,123,659	92,004
	<u>\$ 3,872,542</u>	<u>252,012</u>

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

4. Long-Term Debt (Cont.)

C. Changes in Long-Term Liabilities

A summary of the changes in the long-term debt of the Airport for the year ended April 30, 2014 is as follows:

	Balance May 1	Additions	Retirement	Balance April 30	Current Portion
Loan	\$ 859,417		52,026	807,391	54,657
Notes	3,872,542		252,012	3,620,530	252,012
Compensated Absences	61,377	39,325	61,377	39,325	5,899
	<u>\$ 4,793,336</u>	<u>39,325</u>	<u>365,415</u>	<u>4,467,246</u>	<u>312,568</u>

A summary of the changes in the long-term debt of the Airport for the year ended April 30, 2013 is as follows:

	Balance May 1	Additions	Retirement	Balance April 30	Current Portion
Loan	\$ 909,336		49,919	859,417	52,239
Notes	4,124,554		252,012	3,872,542	252,012
Compensated Absences	56,834	61,377	56,834	61,377	9,207
	<u>\$ 5,090,724</u>	<u>61,377</u>	<u>358,765</u>	<u>4,793,336</u>	<u>313,458</u>

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

4. Long-Term Debt (Cont.)

D. Debt Service Requirements to Maturity

The annual debt service requirements to amortize the loan and notes are as follows:

Fiscal Year Ending April 30	2010A Revenue Note		2010B Revenue Note*	
	Principal	Interest	Principal	Interest
2015	\$ 160,008	64,086	92,004	84,443
2016	160,008	*	92,004	*
2017	160,008	*	92,004	*
2018	160,008	*	92,004	*
2019	160,008	*	92,004	*
2020	160,008	*	92,004	*
2021	628,827	*	1,479,631	*
	<u>\$ 1,588,875</u>		<u>2,031,655</u>	

Fiscal Year Ending April 30	2005 Loan		Total	
	Principal	Interest	Principal	Interest
2015	54,668	35,603	306,680	184,132
2016	57,207	33,063	309,219	N/A
2017	59,866	30,405	311,878	N/A
2018	62,648	27,623	314,660	N/A
2019	65,559	24,711	317,571	N/A
2020	68,606	21,665	320,618	N/A
2021	71,794	18,477	2,180,252	N/A
2022	75,130	15,140	75,130	15,140
2023	78,622	11,649	78,622	11,649
2024	82,276	7,995	82,276	7,995
2025	86,099	4,172	86,099	4,172
2026	44,916	597	44,916	597
	<u>\$ 807,391</u>		<u>4,427,921</u>	

*Interest is subject to change; therefore, no amount can be disclosed as of the date of this report.

5. Risk Management

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

6. Minimum Rentals

The Airport has entered into long-term operating leases that expire on various dates within the next several years. Such lease revenue has been included in the Airport's financial statements to present the overall financial position and operations of the Airport. Future minimum lease revenues for the next five fiscal years are as follows:

	Monthly Rent	2015	2016	2017	2018	2019
Parking Lot Ground Lease	\$ 599	7,188	7,188	7,188	7,188	7,188
Hangar #40 Ground Lease	9,813	117,758	117,758	117,758	117,758	117,758
Hangar #41 Ground Lease	6,664	79,966	79,966	79,966	79,966	79,966
Hangar #42 Ground Lease	6,973	83,675	83,675	83,675	83,675	83,675
Hangar #11	9,993	119,914	19,986			
Hangars #5 and #6	32,680	261,443				
Hangars #5 and #6	(7,500)	(60,000)				
Hangar #8	19,674	157,394				
Hangar #9	27,326	218,608				
Hangar #10	21,301	170,405				
Hangar #15 Ground Lease	5,683	68,190	68,190	68,190	68,190	68,190
Hangar #16 Ground Lease	3,040	36,483	36,483	36,483	36,483	36,483
Hangar #18 Ground Lease	3,672	44,067	44,067	44,067	44,067	44,067
Hangar #19 Ground Lease	5,373	64,473	64,473	64,473	64,473	64,473
Hangar #20 Ground Lease	3,044	36,529	36,529	36,529	36,529	36,529
FBO Terminal Ground Lease	15,442	123,536				
FBO Ramp Ground Lease	6,391	51,124				
Fuel Farm Ground Lease	234	2,802	2,802	2,802	2,802	2,802
Hawthorne Ground Lease	18,847	226,160	226,160	226,160	226,160	226,160
SE Quad Ground Lease	(7,900)	(94,800)	(86,900)			
		<u>\$ 1,714,914</u>	<u>700,376</u>	<u>767,290</u>	<u>767,290</u>	<u>767,290</u>

During the year ended April 30, 2014 and 2013, one lessee represented approximately 55% and 54% in each year of the Airport's operating revenue, respectively.

7. Contributed Capital Assets

The Airport is the recipient of several Airport Improvement Grants for airport facility acquisition and capital improvements. The grant agreements typically provide for the following levels of participation:

Federal Share	90.0%
State Share	5.0%
Local Share	5.0%

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

7. Contributed Capital Assets (Cont.)

At April 30, 2014 and 2013, the balances of contributed capital assets are as follows:

	Federal	State	Other	Donated	Total
Balance, April 30, 2012	\$ 89,941,470	10,631,663	244,144	11,000	100,828,277
Contributed Assets Fiscal 2013	2,200,552	54,384			2,254,936
Balance, April 30, 2013	92,142,022	10,686,047	244,144	11,000	103,083,213
Contributed Assets Fiscal 2014	833,442	46,302			879,744
Balance, April 30, 2014	\$ 92,975,464	10,732,349	244,144	11,000	103,962,957

Contributed capital assets is a component of net position "net investment in capital assets."

8. Defined Contribution Plan

The Airport provides pension benefits for all of its full-time employees through a defined contribution plan. This plan was established with the International City Managers Association Retirement Trust (the Trust), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for state and local governments and their instrumentalities throughout the United States. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Airport's policy requires that both the employee and the Airport contribute an amount equal to 4.5% of the employee's base salary at the end of every bi-weekly payroll period.

The Airport's contributions for each employee (and interest allocated to the employee's account) are incrementally vested 20% annually, after three years of service. The Airport's nonvested contributions and the interest forfeited by employees who leave employment before three years of service are used to reduce the Airport's contribution requirement to the remaining employees. The Board of Directors is responsible for establishing and amending the plan provisions.

The Airport's payroll and contributions for the fiscal years ended April 30, 2014 and 2013 are:

	2014	2013
Airport's Total Payroll	\$ 1,088,114	920,713
Subject to Contribution	700,370	697,000
Airport's Contribution*	19,241	31,365
Covered Employees' Contribution	31,517	31,365

In the fiscal year 2014, the Airport's contribution was reduced by \$12,276 due to allocation of forfeitures of non-vested balances upon termination.

CHICAGO EXECUTIVE AIRPORT

Notes to the Financial Statements
April 30, 2014

9. Contingent Liabilities

Litigation

The Airport is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Airport's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Airport.

10. Other Post-Employment Benefits

The Airport has evaluated its potential other post-employment benefits liability. The Airport provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Airport are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Airport's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Airport had no former employees for which the Airport was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Airport has not recorded any post-employment benefit liability as of April 30, 2014.

11. Subsequent Events

The Airport has evaluated subsequent events through November 24, 2014, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CHICAGO EXECUTIVE AIRPORTSchedules of Revenues, Expenses and Changes in
Net Position - Alternative Presentation

Years Ended April 30, 2014 and 2013

	2014	2013
Operating Revenues		
Long-Term Leases	\$ 2,257,610	2,201,383
T-Hangar Revenue	367,680	374,823
Tie-Down Fees	31,501	43,698
Fuel Flowage Fees	659,072	602,769
Permit Fees	42,986	35,545
U.S. Custom Service	284,850	247,500
Other	329,072	132,604
Late Charges	2,719	7,521
Total Operating Revenues	3,975,490	3,645,843
Operating Expenses		
Administrative	1,699,624	1,423,250
Maintenance	1,239,415	1,066,421
Total Operating Expenses	2,939,039	2,489,671
Operating Income before Depreciation and Amortization	1,036,451	1,156,172
Depreciation and Amortization		
Depreciation	892,635	899,418
Amortization	37,286	78,453
	929,921	977,871
Operating Income (Loss)	106,530	178,301
Nonoperating Revenues (Expenses)		
Investment Income	7,267	10,222
Interest Expense	(199,680)	(211,406)
Sewer Assessments	200,164	
Other	2,967	39,290
	10,718	(161,894)
Net Income (Loss) Before Contributions, Depreciation and Amortization on Contributed Capital Assets	117,248	16,407
Capital Contributions	879,744	2,254,936
Depreciation on Contributed Capital Assets	(1,728,886)	(1,694,339)
	(849,142)	560,597
Changes in Net Position	(731,894)	577,004
Net Position		
May 1	93,900,768	93,323,764
April 30	\$ 93,168,874	93,900,768

CHICAGO EXECUTIVE AIRPORT

Schedules of Administrative Expenses

Years Ended April 30, 2014 and 2013

	2014	2013
Personnel Services		
Benefits (Insurance Pension, FICA)	\$ 150,701	158,917
Recognition	11,302	10,018
Salaries	614,770	520,674
Training and Education	5,548	220
Total Personnel Services	782,321	689,829
Contractual Services		
Audit Fees	14,355	11,055
Building Repair	872	1,120
Conference and Meetings	4,794	8,677
Energy	95,310	86,715
Engineering	79,921	48,492
Equipment Maintenance (Office)	45,047	18,423
Insurance	93,925	92,310
Legal	69,938	47,899
Marketing	11,495	4,368
Membership Dues	12,188	12,405
Office Maintenance	11,006	11,112
Other	15,523	9,843
Other Services	54,599	29,404
Printing	2,357	3,051
Public Notices	1,347	610
Security	4,652	4,357
Telephone	7,933	7,976
Travel and Transportation	1,458	3,876
U.S. Custom Service	234,153	215,971
Total Contractual Services	760,873	617,664
Commodities		
Conference and Meetings	8,104	9,191
Equipment	1,682	4,655
Fuel (Unleaded)	5,548	6,958
Marketing	21,854	20,604
Other	6,211	3,839
Software	8,050	4,107
Subscriptions	3,689	3,651
Supplies (Copier, Office, etc.)	6,002	5,984
Vehicle Maintenance	6,563	3,920
Total Commodities	67,703	62,909
Other		
Lease Development	54,086	43,511
NBAA Convention	34,641	9,337
Total Other	88,727	52,848
Total Administrative Expenses	\$ 1,699,624	1,423,250

CHICAGO EXECUTIVE AIRPORT

Schedules of Maintenance Expenses

Years Ended April 30, 2014 and 2013

	2014	2013
Personnel Services		
Benefits	\$ 178,923	167,528
Salaries	473,344	429,033
Recognition	4,495	2,197
Training and Education	2,994	1,380
Uniforms	7,514	9,830
Total Personnel Services	667,270	609,968
Contractual Services		
Building Repair	10,350	5,531
Equipment Maintenance (Shop)	7,524	4,239
Equipment Rental	156	495
Insurance	55,118	67,302
Landscaping	19,361	15,296
Medical Exams	323	1,627
Other	3,784	1,150
Other Services	17,080	13,251
Pavement Marking	42,938	40,950
Telephone	4,491	4,600
Travel and Transportation	3,846	944
Waste Removal	102,202	7,934
Membership Dues	550	314
Total Contractual Services	267,723	163,633
Commodities		
Building Repair		
Equipment/Tools (Shop)	6,458	3,282
Fence	1,730	59
Fuel	81,439	77,837
Landscaping	2,979	9,783
Lighting	20,353	23,338
Other	2,101	1,431
Raw Materials	65,129	72,494
Signage	9,587	5,947
Supplies	39,070	43,083
Vehicle Maintenance	75,576	55,566
Total Commodities	304,422	292,820
Total Maintenance Expenses	\$ 1,239,415	1,066,421

STATISTICAL SECTION

CHICAGO EXECUTIVE AIRPORT

Statistical Section

This portion of the Chicago Executive Airport's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Airport's overall economic condition.

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the Airport's financial performance and well-being have changed over time. 30-33

Revenue Capacity

These schedules contain information to help the reader assess the Airport's most significant local revenue sources. 34-38

Debt Capacity

These schedules present information to help the reader assess the affordability of the Airport's current levels of outstanding debt and the Airport's ability to issue additional debt in the future. 39-42

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport's financial activities take place. 43-46

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Airport's financial report relates to the services the government provides and the activities it performs. 47-50

FINANCIAL TRENDS

CHICAGO EXECUTIVE AIRPORT

Net Position and Changes in Net Position

Last Ten Fiscal Years

(See Following Page)

CHICAGO EXECUTIVE AIRPORT

Net Position and Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Revenues				
Operating Revenues				
Long-Term Leases	\$ 2,257,610	2,201,383	1,917,757	1,806,408
T-Hangar and Tie-Down Fees	399,181	418,521	416,743	297,332
Fuel Flowage Fees	659,072	602,769	595,297	629,936
U.S. Custom Service Fees	284,850	247,500	278,039	269,898
Other	374,777	175,670	252,512	197,080
Total Operating Revenues	3,975,490	3,645,843	3,460,348	3,200,654
Nonoperating Revenues				
Investment Income	7,267	10,222	16,896	21,646
Sewer Assessments	200,164			
Other	2,967	39,290	28,208	
Total Nonoperating Revenues	210,398	49,512	45,104	21,646
Total Revenues	4,185,888	3,695,355	3,505,452	3,222,300
Expenses				
Operating Expenses				
Administrative	1,699,624	1,423,250	1,643,423	1,466,444
Maintenance	1,239,415	1,066,421	979,074	1,017,436
Depreciation and Amortization	2,658,807	2,672,210	2,738,152	2,541,179
Total Operating Expenses	5,597,846	5,161,881	5,360,649	5,025,059
Nonoperating Expenses				
Interest Expense	199,680	211,406	227,141	202,239
Other Expense			38,091	12,226
Total Nonoperating Expenses	199,680	211,406	265,232	214,465
Total Expenses	5,797,526	5,373,287	5,625,881	5,239,524
Capital Contributions	879,744	2,254,936	2,628,403	1,483,916
Increase (Decrease) in Net Position	\$ (731,894)	577,004	507,974	(533,308)
Net Position at Year End				
Net Investment in Capital Assets	\$ 91,461,746	91,986,764	91,047,141	89,843,203
Unrestricted	1,707,128	1,914,004	2,276,623	2,972,587
Total Net Position	\$ 93,168,874	93,900,768	93,323,764	92,815,790

2010	2009	2008	2007	2006	2005
1,966,504	1,950,052	1,929,797	1,936,785	1,831,863	1,851,779
265,913	289,349	287,453	306,388	290,720	237,852
560,657	589,638	673,428	681,309	657,225	688,195
245,520	266,867	286,338	246,150	229,831	184,325
154,946	195,843	116,886	72,826	111,796	130,910
3,193,540	3,291,749	3,293,902	3,243,458	3,121,435	3,093,061
36,402	79,549	171,930	210,807	146,207	62,093
		28,100	413		
36,402	79,549	200,030	211,220	146,207	62,093
3,229,942	3,371,298	3,493,932	3,454,678	3,267,642	3,155,154
1,498,573	1,497,600	1,665,965	1,547,972	1,340,014	1,259,757
967,475	953,402	1,098,705	1,004,258	841,543	921,202
2,520,458	2,544,995	2,364,064	2,207,540	2,214,574	1,749,153
4,986,506	4,995,997	5,128,734	4,759,770	4,396,131	3,930,112
138,041	211,329	260,630	120,134	47,621	18,280
26,641	7,564	83	16,262	209	146
164,682	218,893	260,713	136,396	47,830	18,426
5,151,188	5,214,890	5,389,447	4,896,166	4,443,961	3,948,538
3,726,425	245,051	659,405	10,582,087	3,611,925	5,906,946
1,805,179	(1,598,541)	(1,236,110)	9,140,599	2,435,606	5,113,562
90,180,754	88,162,133	93,047,242	89,684,319	84,634,531	81,540,406
3,168,344	3,381,786	95,218	4,694,251	4,941,071	4,368,699
93,349,098	91,543,919	93,142,460	94,378,570	89,575,602	85,909,105

CHICAGO EXECUTIVE AIRPORT

Changes in Cash and Cash Equivalents

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,369,898	\$ 3,658,657	3,625,119	2,962,936
Payments to Suppliers	(1,432,243)	(1,007,659)	(1,511,985)	(1,500,632)
Payments to Employees	(1,544,890)	(1,228,808)	(1,258,203)	(1,073,785)
	<u>1,392,765</u>	<u>1,422,190</u>	<u>854,931</u>	<u>388,519</u>
Cash Flows from Noncapital Financing Activities				
Miscellaneous Income				
Nonoperating Revenues (Expenses)				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities				
Maturities of Investments			1,101,102	
Purchase of Investments	(1,572)	(245,527)		
Interest Received on Deposits	7,267	10,222	16,896	20,544
	<u>5,695</u>	<u>(235,305)</u>	<u>1,117,998</u>	<u>20,544</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(950,540)	(1,056,989)	(758,313)	(1,352,919)
Sewer Assets	200,164			
Disposal of Capital Assets	3,500	41,325	41,260	29,008
Proceeds from Loan				2,245,488
Interest Paid on Loan	(199,680)	(211,406)	(227,141)	(202,239)
Principal Paid on Loan	(304,038)	(301,941)	(292,048)	(1,176,685)
	<u>(1,250,594)</u>	<u>(1,529,011)</u>	<u>(1,236,242)</u>	<u>(457,347)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	147,866	(342,126)	736,687	(48,284)
Cash and Cash Equivalents				
Beginning of Year	<u>2,287,438</u>	<u>2,629,564</u>	<u>1,892,877</u>	<u>1,941,161</u>
End of Year	<u>\$ 2,435,304</u>	<u>\$ 2,287,438</u>	<u>2,629,564</u>	<u>1,892,877</u>

2010	2009	2008	2007	2006	2005
3,167,740	3,426,195	3,605,633	3,320,560	2,769,234	3,020,055
(1,317,967)	(1,356,590)	(1,662,275)	(1,477,806)	(1,046,883)	(1,235,237)
(1,101,469)	(1,110,532)	(1,208,291)	(1,116,181)	(1,038,692)	(987,799)
748,304	959,073	735,067	726,573	683,659	797,019
(10,000)	(5,456)		413	(209)	31,571
(10,000)	(5,456)	-	413	(209)	(146)
			209,811	207,016	199,000
	(901,257)		(611,118)	(1,133,053)	(200,000)
37,659	79,549	171,930	200,996	139,191	62,089
37,659	(821,708)	171,930	(200,311)	(786,846)	61,089
(689,895)	(568,229)	(58,651)	(4,641,177)	(379,393)	(1,695,930)
27,848	(2,108)	28,100			
3,254,512	3,200,000		4,700,000		1,237,000
(145,695)	(223,499)	(260,705)	(102,183)	(47,691)	(16,261)
(3,243,560)	(4,746,209)	(45,401)	(43,641)	(41,949)	(13,619)
(796,790)	(2,340,045)	(336,657)	(87,001)	(469,033)	(488,810)
(20,827)	(2,208,136)	570,340	439,674	(572,429)	400,723
1,961,988	4,170,124	3,599,784	3,160,110	3,732,539	3,331,816
1,941,161	1,961,988	4,170,124	3,599,784	3,160,110	3,732,539

CHICAGO EXECUTIVE AIRPORT

Principal Revenue Sources

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Revenues				
Operating Revenues				
Long-Term Leases	\$ 2,257,610	2,201,383	1,917,757	1,806,408
Short-Term Leases	115,344	115,344	115,344	115,344
T-Hangar Fees	367,680	374,823	365,572	232,109
Tie-Down Fees	31,501	43,698	51,171	65,223
Permit Fees	42,986	35,545	29,286	28,079
Fuel Flowage Fees	669,072	602,769	595,297	629,936
U.S. Custom Service Fees	284,850	247,500	278,039	269,898
Late Charges	2,719	7,521	6,940	5,862
Other	203,728	17,260	100,942	47,795
Total Operating Revenues	3,975,490	3,645,843	3,460,348	3,200,654
Percentage of Total Revenues	94.97%	98.66%	98.71%	99.33%
Nonoperating Revenues				
Investment Income	7,267	10,222	16,896	21,646
Other	203,131	39,290	28,208	
Total Nonoperating Revenues	210,398	49,512	45,104	21,646
Percentage of Total Revenues	5.03%	1.34%	1.29%	0.67%
Total Revenues	\$ 4,185,888	3,695,355	3,505,452	3,222,300

2010	2009	2008	2007	2006	2005
1,966,504	1,950,052	1,929,797	1,936,785	1,831,863	1,851,779
194,910	209,729	212,921	211,001	187,330	108,627
71,003	79,620	74,532	95,387	103,390	129,225
32,616	37,723	40,201	19,487	32,546	32,709
560,657	589,638	673,428	681,309	657,225	688,195
245,520	266,867	286,338	246,150	229,831	184,325
7,507	20,258	6,886	3,490	2,698	1,535
114,823	137,862	69,799	49,849	76,552	65,095
3,193,540	3,291,749	3,293,902	3,243,458	3,121,435	3,061,490
98.87%	97.64%	94.27%	93.89%	95.53%	98.01%
36,402	79,549	171,930	210,807	146,207	62,093
		28,100	413		
36,402	79,549	200,030	211,220	146,207	62,093
1.13%	2.36%	5.73%	6.11%	4.47%	1.99%
3,229,942	3,371,298	3,493,932	3,454,678	3,267,642	3,123,583

CHICAGO EXECUTIVE AIRPORT

Principal Revenue Payers

Lease Payments and Fuel Flowage Fees

Current Year and Ten Years Prior

	2004	Operating Revenue Percentage	2014	Operating Revenue Percentage
PAYERS				
Signature Flight Support*	\$ 1,860,727	63.29%	2,152,858	54.15%
Atlantic Aviation*		0.00%	550,730	13.85%
Hawthorne Global Aviation*		0.00%	449,563	11.31%
Eclipse Aerospace		0.00%	128,511	3.23%
IPO II		0.00%	107,274	2.70%
North American Jet	461,569	15.70%		0.00%
Service Aviation	114,727	3.90%		0.00%
Klein Tools	92,654	3.15%		0.00%
American Flyers	57,839	1.97%		0.00%
Total Principal Revenue Payers	\$ 2,587,516	88.01%	3,388,936	85.25%

* Includes fuel flowage fees.

CHICAGO EXECUTIVE AIRPORT

Revenue Rates

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Long-Term Lease (per year)				
Hangar (average rent per square foot)	\$ 5.11	5.08	5	4.2533
Ground leases (average rent per square foot)	0.67	0.665	0.654	0.649
Short-Term Rentals	9,612	9,612	9,612	9,612
T-Hangar Fees (per month)				
North East Quad T-Hangars	460	460	453	444
New Buildings (Southeast Quadrant)	488	480	471	464
Old Buildings				252
Tie-Downs (per month)				
Area 1	No longer exists			
Area 2	159	159	158	158
Area 3	98	98	97	97
Area 4	No longer exists			N/A
Area 7	No longer exists			N/A
Area 10	No longer exists			N/A
Commercial Operating Permits (per month)	77	76	75	74
Fuel Flowage Fees (per gallon)	0.1255	0.1255	0.1234	0.1192
U.S. Customs Service Fees (per inspection)				
Single Engine Users	90	90	90	90
Twin Engine Users	180	180	180	180
Aircraft Weighting 8,000 lbs. to 30,000 lbs.	360	360	360	360
Aircraft Weighting over 30,000 lbs.	540	540	540	540
Off-Hours Additional Surcharge	180	180	180	180
Late Payment Fee				
Leases (per day)	10-25	10-25	10-25	10-25
Rentals (per month)	10%	10%	10%	10%

2010	2009	2008	2007	2006	2005
4.1199	4.0325	4.0304	3.9611	3.8520	4.0075
0.638	0.636	0.630	0.604	0.595	0.599
452	452	432	429	412	412
252	252	241	239	231	226
158	158	151	150	116	113
97	97	97	97	145	142
N/A	N/A	97	97	97	124
N/A	N/A	121	120	97	124
N/A	N/A	N/A	N/A	116	113
72	72	69	69	N/A	N/A
0.1163	0.1163	0.1119	0.1111	67	66
90	90	90	90	0.1072	0.1049
180	180	180	180	90	90
360	360	360	360	180	180
540	540	540	540	360	360
180	180	180	180	540	540
10-25	10-25	10-25	10-25	180	180
10%	10%	10%	10%	10-25	10-25
				10%	10%

CHICAGO EXECUTIVE AIRPORT

Ratios of Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Outstanding Debt Per Flight Operation				
Outstanding Debt by Type				
Bank Loans ⁽¹⁾	\$ 807,391	859,417	909,336	957,039
Revenue Notes ⁽²⁾	3,620,530	3,872,542	4,124,554	4,368,899
Total Outstanding Debt	\$ 4,427,921	4,731,959	5,033,890	5,325,938
Outstanding Debt Per Flight Operation	\$ 57.05	57.08	59.40	59.56
Debt Service				
Principal	\$ 304,038	301,931	292,048	1,176,685
Interest	199,680	211,046	227,141	202,239
Total Debt Service	\$ 503,718	\$ 512,977	519,189	1,378,924
Ratio of Debt Service to Total Expenses	8.7%	9.5%	9.2%	26.3%
Debt Service Per Flight Operation	\$ 6.49	\$ 6.19	6.13	15.42

Notes:

The Intergovernmental Agreement establishing the Airport does not allow the Airport to issue any debt. All Airport debt is issued by either, or both, of the owning communities, the City of Prospect Heights and the Village of Wheeling; however, the Airport is responsible for retirement of the debt. In the case of general obligation (GO) debt, the Airport's legal debt limitation is predicated on that of the two Municipalities. The City of Prospect Heights is a non-Home Rule Municipality; therefore, it is limited to the amount of debt it can issue without referendum approval. The limitation is based on the total equalized assessed valuation (EAV) of real property located within the Municipalities. The Municipalities are allowed to issue .8% of the EAV total in general obligation debt without referendum approval. Certain financing vehicles are exempt from limitations of these types. The Village of Wheeling is an Illinois Home Rule community and has no statutory limit. As a result, the acceptable level of debt outstanding for the Village is solely determined by the Village Board. By every measure or ratio of debt generally considered, the Village's debt level is very low. Accordingly, the general obligation debt limit of the Airport is also that of the City of Prospect Heights.

⁽¹⁾ Bank loan jointly executed by both owning-communities for the Airport.

⁽²⁾ Revenue note executed by the Village of Wheeling only for the Airport.

2004 data not available.

2010	2009	2008	2007	2006	2005
1,002,623	1,046,182	1,092,391	1,137,791	1,181,432	1,223,381
3,254,512	3,200,000	4,700,000	4,700,000		
4,257,135	4,246,182	5,792,391	5,837,791	1,181,432	1,223,381
48.46	46.05	53.37	50.42	10.74	8.58
43,559	46,209	45,401	43,641	41,949	13,619
138,041	211,562	263,438	102,183	47,691	16,261
181,600	257,771	308,839	145,824	89,640	29,880
3.5%	4.9%	5.7%	2.9%	2.0%	0.7%
2.07	2.80	2.85	1.26	0.82	0.21

CHICAGO EXECUTIVE AIRPORT**Pledged Revenue Coverage****Last Ten Fiscal Years**

Fiscal Year	2014	2013	2012	2011	2010
Net Revenues					
Operating Revenues	\$ 3,975,490	3,645,843	3,460,348	3,200,654	3,193,540
Investment Income	7,267	10,222	16,896	21,646	36,402
Total Net Revenues	<u>\$ 3,982,757</u>	<u>3,656,065</u>	<u>3,477,244</u>	<u>3,222,300</u>	<u>3,229,942</u>
Debt Service					
Principal	\$ 304,038	301,931	292,048	1,176,685	3,243,560
Interest	199,680	211,046	227,141	202,239	138,041
Total Debt Service	<u>\$ 503,718</u>	<u>512,977</u>	<u>519,189</u>	<u>1,378,924</u>	<u>3,381,601</u>
Debt Service Coverage	<u>7.91</u>	<u>7.13</u>	<u>6.70</u>	<u>2.34</u>	<u>0.96</u>

Note:

Each debt instrument specifies certain hangar revenues as its primary pledged revenue obligation; however one debt instrument specifies total revenues as its contingent pledged revenue obligation.

2009	2008	2007	2006	2005
3,291,749	3,293,902	3,243,458	3,121,435	3,093,061
79,549	171,930	211,220	146,207	62,093
3,371,298	3,465,832	3,454,678	3,267,642	3,155,154
4,746,209	45,401	43,641	41,949	13,619
211,329	260,630	102,183	47,691	16,261
4,957,538	306,031	145,824	89,640	29,880
0.68	11.33	23.69	36.45	105.59

CHICAGO EXECUTIVE AIRPORT

Airport Tenants and Through-the-Fence Operators

Aviation		Corporate Tenants
On-Airport Tenants		
Chicago Executive Airport	Government	
FAA (Control Tower)	Government	
U.S. Customs	Government	
Atlantic Aviation	FBO	17 corporations
Hawthorne Global Aviation	FBO	
Signature Flight Support	FBO	37 corporations
American Flyers	Flight School	
Boraam Aviation	Flight School	
Chicago Executive Flight School	Flight School	
Chicago Executive Service Center	Maintenance	
Chicago Heli Express	Air Charter/Tour Operator	
Chicago Jet Group	Air Charter	
Civil Air Patrol	Training	
Down to the Last Detail	Aircraft Detail Services	
Duncan Aviation	Maintenance	
Eclipse Aerospace	Maintenance	
Executive Jet Management	Air Charter	
Fly There LLC	Flight School	
Hertz	Car Rental	
Hightail Air Charter	Air Charter	
International Aviation	Air Charter	
IPO II LLC	Non-Commercial	
Leading Edge Flying Club	Flying Club	
National	Car Rental	
Northern American Jet	Air Charter	
Northern Illinois Flight Center (NJet)	Air Charter	
Northwest Flyers	Air Charter/Flight School	
Paragon Flying Club	Flying Club	
Priester Aviation	Air Charter	
Primestar	Maintenance	
Skill Aviation	Flight School	
Trego/Dugan	Air Charter	
Windy City Flyers	Flight School/Rentals	

Off-Airport Firms and Through-the-Fence Operators		
Aircraft Propeller Service, Inc.	Maintenance	
Down-to-the-Last-Detail	Maintenance	
Enterprise	Car Rental	
Executive Inn	Motel/Restaurant	
Georgies	Catering	
MaxAir Inc.	Air Taxi	
T.C. Becks	Catering	

Data Source

Chicago Executive Airport Economic Impact Study - 2007 by Wilbur Smith Associates (Updated for FY2014 by CEA)

CHICAGO EXECUTIVE AIRPORT

Airport Business Employers and Their Expenses

April 30, 2014

	Jobs				Expenses			
	Full	Part-Time	Total	FTE	Payroll	Capital	Operations	Total
Airport Firms								
Government	27	7	34	31	2,950,600	16,299,600	1,225,600	20,475,800
Aviation Services	226	34	260	245	10,039,600	2,027,100	20,334,500	32,401,200
Corporate	110		110	110	9,585,700	577,200	252,078,400	262,241,300
Subtotal	363	41	404	386	22,575,900	18,903,900	273,638,500	315,118,300
Corporate	90	1	91	91	8,271,400	361,800	26,531,700	35,164,900
Aviation Services	41		41	41	1,927,100	43,700	1,663,400	3,634,200
Other	24	7	31	29	541,700	34,400	582,200	1,158,300
Subtotal	155	8	163	161	10,740,200	439,900	28,777,300	39,957,400
Total	518	49	567	547	33,316,100	19,343,800	302,415,800	355,075,700

Data Source

Chicago Executive Airport Economic Impact Study - 2007 by Wilbur Smith Associates

CHICAGO EXECUTIVE AIRPORT

Full-Time Equivalent Airport Employees by Function

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function										
Finance and Administration	5.0	6.7	7.6	6.5	6.3	6.2	6.2	6.2	6.2	6.2
Operations and Maintenance	7.0	7.9	7.0	7.0	7.7	7.1	7.1	7.1	7.1	8.1
Total Function	12.0	14.6	14.6	13.5	14.0	13.3	13.3	13.3	13.3	14.3

Data Source

Airport Annual Budgets

CHICAGO EXECUTIVE AIRPORT

Principal Employers of the Village of Wheeling

Current Year and Nine Years Prior

Employer	2013*			2004		
	Number of Employees	Rank	Percent of Total Village Population	Number of Employees	Rank	Percent of Total Village Population
National Louis University	700	1	1.86%			
Healthcare Laundry Systems	500	2	1.33%			
Durable Inc.	500	3	1.33%			
Handi-Foil Corp.	500	4	1.33%			
Shure, Inc.	500	5	1.33%	500	2	1.45%
The Segerdahl Corp	400	6	1.06%			
Pactive Corp	350	7	0.93%	600	1	1.74%
Allstate Print Communication	320	8	0.85%			
Bowe Bell & Howell	300	9	0.80%			
Accellent, Inc.	280	10	0.74%			
Cole Taylor Bank				500	2	1.45%
Kenny Construction				500	2	1.45%
Acco U.S.A. Inc.				400	3	1.16%
Orval Kent Food Co., Inc.				400	3	1.16%
Block & Company				350	3	1.01%
MMF Industries				306	7	0.89%
The Commercial Cam Co.				300	7	0.87%
J W Allen & Co				270	9	0.78%
R R D Direct				258	10	0.75%
TOTAL	4,350		11.56%	4,384		12.71%

*2013 data is the most recent available.

Data Source

2011 Illinois Service Directory

CHICAGO EXECUTIVE AIRPORT

Capital Contributions
Inception to Present

April 30, 2014

Fiscal Year	Capital Contributions				
	Federal Grants	State Grants	County Grants	Other	Donations
2014	\$ 833,442	46,302			
2013	2,200,552	54,384			
2012	2,490,403	138,000			
2011	511,738	972,290			
2010	3,630,870	95,555			
2009	49,485	195,566			
2008	582,066	77,339			
2007	10,309,044	273,043			
2006	3,611,925				
2005	4,478,879	1,428,067			
2004	1,076,877	235,169		(2,470)	
2003	7,986,499	753,957		44,600	
2002	4,248,313	721,743			
2001		168,952		65,723	
2000	(3,045,963)	697,416	(1,305,800)	136,291	
1999					
1998	3,382,368	729,473			
1997	1,692,866	530,953			(23,000)
1996	498,313	27,471			
1995	3,419,137	398,900	1,305,800		
1994	4,655,623	289,035			
1993	7,146,798	593,188			3,000
1992	3,432,448	295,335			
1991	1,799,702	231,353			31,000
1990	2,644,093	386,967			
1989	1,529,641	82,417			
1988	3,548,275	196,783			
1987	20,262,070	1,112,691			
	\$ 92,975,464	10,732,349	-	244,144	11,000

Data Source

Airport's Financial Statements and Accounting Records

CHICAGO EXECUTIVE AIRPORT

Schedule of Property Tax Data

Last Ten Fiscal Years

Tax Year	Property Market Value	Property Tax Paid by Lessee
2014	N/A	N/A
2013	\$ 10,527,237	\$ 958,410
2012	12,135,975	858,962
2011	10,598,226	782,768
2010	10,354,881	1,343,047
2009	8,870,680	1,358,969
2008	7,386,479	1,374,891
2007	6,114,484	1,256,507
2006	6,089,811	1,310,076
2005	7,248,517	1,377,858

N/A - Not available at time of publication.

Note:

While the Airport does not levy or collect property taxes, nor does it pay taxes, its lessees have been assessed and paid the above taxes to the various taxing bodies.

CHICAGO EXECUTIVE AIRPORT

Miscellaneous Statistical Data

Last Ten Fiscal Years

Fiscal Year	Operating Income Before Depreciation and Amortization	Changes in Net Assets	(1) Airport Operations	Fuel Flowage (Gallons)	Size (Acres)
2014	\$ 1,036,451	(731,894)	77,620	4,882,077	426.14
2013	1,156,172	577,004	82,897	4,692,259	426.14
2012	837,851	507,974	84,749	4,521,410	426.14
2011	716,774	(533,308)	89,417	4,788,960	426.14
2010	727,492	1,805,179	87,841	4,459,174	426.14
2009	840,747	(1,598,541)	92,202	4,774,483	426.14
2008	529,232	(1,236,110)	108,531	5,591,206	426.14
2007*	691,228	9,140,599	115,787	5,734,489	426.14
2006	939,878	3,666,497	109,967	5,668,796	411.64
2005	880,531	6,033,810	142,668	6,052,582	411.64

(1) As defined, one operation is one takeoff or landing.

*Change in net assets has been restated in 2007 for depreciation of infrastructure capital assets.

CHICAGO EXECUTIVE AIRPORT

Schedule of Based Aircraft Types and U.S. Customs Arrival Clearance

2005 to Present

Fiscal Year	Piston		Turbine		Helicopter	Total	U.S. Customs Arrival Clearance
	Single	Twin	Propeller	Fan/Jet			
2014	127	15	18	65	4	229	513
2013	155	20	13	66	3	257	463
2012	161	18	11	55	2	247	513
2011	171	19	3	57	0	250	489
2010	161	20	3	62	0	246	436
2009	177	22	6	89	3	297	506
2008	189	31	6	70	4	300	541
2007	204	32	8	55	2	301	448
2006	197	32	11	49	4	293	441
2005	186	34	8	59	6	293	348

Data Source

Airport's Internal Records