



Comprehensive Annual Financial Report

Fiscal Year Ended

April 30, 2018



**An Intergovernmental Cooperative
of the City of Prospect Heights, IL
and the Village of Wheeling, IL**

CHICAGO EXECUTIVE AIRPORT

Prospect Heights, Illinois
Wheeling, Illinois

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Years Ended April 30, 2018 and 2017

Prepared by:
Jason G. Griffith
Director of Finance

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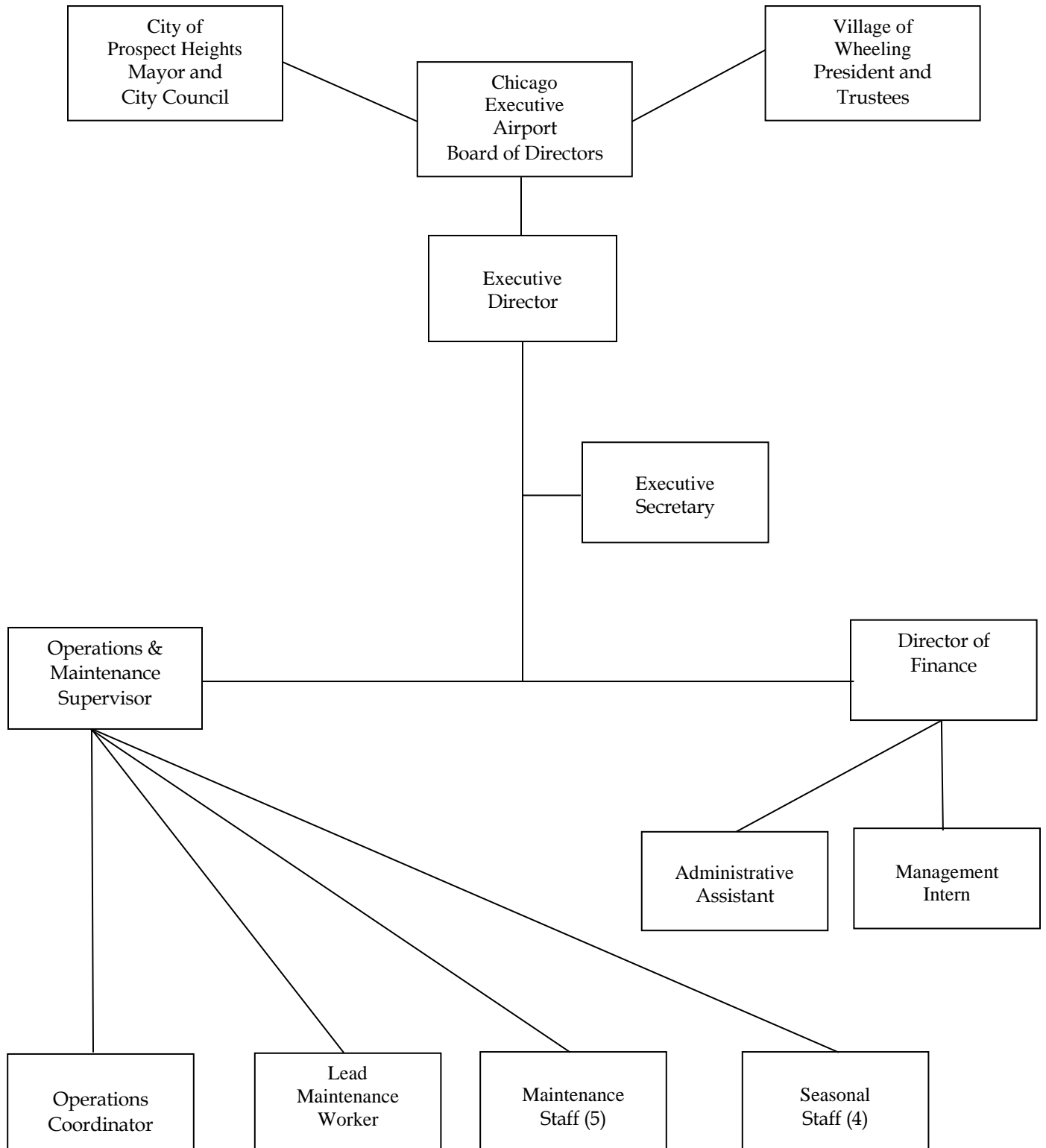
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INTRODUCTORY SECTION

Chicago Executive Airport Organizational Chart



Chicago Executive Airport – Board of Directors
April 30, 2018

D. Court Harris
Chairman

Wheeling Directors

David Kolssak

Neal Katz
Treasurer

Ray Lang

Prospect Heights Directors

Elizabeth F. Cloud
Secretary

William J. Kearns
Vice Chairman

James Kiefer
Secretary

CHICAGO EXECUTIVE AIRPORT

Airport Management
April 30, 2018

Executive Director	Jamie L. Abbott	August 2004
Director of Finance	Jason G. Griffith	January 2012
Executive Secretary	Jennifer A. Pfeifer	May 2016
Administrative Assistant	Elizabeth Makowski	October 2015
Accountant	Vacant	
Maintenance & Operations Supervisor	Andrew Wolanik	December 2015
Operations Coordinator	Vacant	
Maintenance Lead	Vacant	
Maintenance Operators (5)	Rick Hervas Norman Mackey Robert Maki Erik Frentz Felix Santiago	June 2004 December 2007 March 2013 January 2016 December 2017



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, 2017

Christopher P. Morrell

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, 2018.

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.

Sikich LLP, Certified Public Accountants, has issued an unqualified opinion on the Chicago Executive Airport's financial statements for the year ended April 30, 2018. 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. The name was changed in October 2006 to Chicago Executive Airport, to better reflect its customer base and location. In fiscal year 2018 Chicago Executive Airport was the fifth busiest airport in the State of Illinois based on FAA Air Traffic Activity System 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 and executed an updated Intergovernmental Agreement December 23, 2013. 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 decreased in FY18 by \$190,406 (-4.1%). Total operating expenses increased; \$165,983 (6.3%). Administrative expenses were up \$167,983 or 11.9% and Operations expenses decreased by \$1,457 or -0.1% from FY17. The net result from operations was a decrease of \$356,389 (-17.9%) compared to FY17's operating income. After depreciation and amortization, there was again an operating loss this year. 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 continuing. Flight operations are up from FY17; by approximately 3,200. Flight operations statistics reveal Airport operations (landings and takeoffs) have been hovering around 78,000 for the past several years. Annual fuel flowage continues to increase year over year. FY18 fuel flowage is up by 565,851 gallons to 6,285,143 gallons from FY17. This is an increase of 9.89% over last year. U.S. Customs Service inspections increased by 37 this year, a 7.92% increase, with 504 inspections conducted. 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. Our annual Transportation Improvement Program submitted to the Illinois Department of Transportation Division of Aeronautics is a crucial tool in helping with our long-term planning.

RELEVANT FINANCIAL POLICIES

The Airport's approved Business Plan requires these financial policies. Total Operating Expenses are at maximum 90% of Operating Revenues and the Airport must maintain an unrestricted net asset balance of three (3) months' worth of operating expenditures and the total local share of current year capital projects. In FY18 the required unrestricted total of \$2,519,208 must be available. \$1,756,761 for all capital projects and \$762,447 in operating reserves. Our available cash and cash equivalent balance at year-end was \$5,793,434, an amount above our requirement by \$3,274,226.

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:

- ➔ Continued work on the Airport's long-term Master Plan. 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.
- ➔ Bypass Taxiway Lima 1 was started in FY17. This bypass will allow departing aircraft to get around other aircraft who may be waiting for a clearance to depart. This should be completed in FY19.
- ➔ The Airport is also finalizing its updated Noise Exposure Map (NEM). This update will allow the Airport to better understand the impacts noise has on the surrounding communities. The NEM should be ready early in FY19.
- ➔ Implement a Part 150 Noise Compatibility Program using the updated NEM. This program will allow qualifying homes the opportunity for sound attenuation with new windows, doors, and insulation.
- ➔ Rehabilitate and Widen Runway 12/30 along with updating its airfield lighting. This will potentially allow for more usage of this runway and allow some aircraft a better secondary runway option.
- ➔ An engineered material arresting system (EMAS) has been placed at both ends of our longest runway to help prevent an aircraft from overshooting the ends of

the runway. Maintenance and inspections are ongoing to ensure their performance.

- ➔ Construct a new U.S Customs and Border Protection building. The current U.S. Customs facility is not up to current standards. In order to keep U.S. Customs on the field we must construct an updated facility.

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, 2018, its 28th 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 L. Abbott
Executive Director



Jason G. Griffith
Director of Finance

October 10, 2018

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Chicago Executive Airport (the Airport) as of and for the years ended April 30, 2018 and 2017, and the related notes to financial statements which collectively comprise the Airport's basic 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 Airport'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 Airport's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chicago Executive Airport, as of April 30, 2018 and 2017, and the respective changes in financial position and cash flows for the years then ended in conformity 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 be presented to supplement the basic financial statements. Such information, although not a 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 the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Airport. The introductory section, supplemental information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical information 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.

Sikich LLP

Naperville, Illinois
October 3, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Management's Discussion and Analysis

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, 2018. 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 assets 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 position 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 \$89,896,630 (total net position) at the close of the fiscal year. Of this amount, \$416,874 is unrestricted but designated for future sewer repairs, \$683,569 is unrestricted but designated for the Capital Equipment Reserve Fund (CERF) and \$625,090 is unrestricted but designated for building improvements in the Building Reserve Fund. \$2,416,449 is unrestricted and available to meet ongoing and future obligations of the Airport including its share of capital projects.
- ➔ Total Net Position decreased \$1,098,074. This is partially a function of how assets are being moved from Improvements in Progress, a non-depreciating category, to Infrastructure and Airport Improvements which are depreciable.
- ➔ Operating Income before depreciation and amortization is \$1,633,368, a decrease of \$356,389 or - 17.9% from the prior year. Operating revenues decreased by \$190,406 in FY18. Operating expenses increased \$165,983
- ➔ Net operating loss, after depreciation and amortization, is \$1,470,067, an increased loss of \$549,005 over last years of \$921,062.
- ➔ 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 \$994,506 for the year.

Financial Information

Net Position: The following schedule presents a summary of net position comparisons for the fiscal years ended April 30, 2018, 2017 and 2016;

	April 30, <u>2018</u>	April 30, <u>2017</u>	April 30, <u>2016</u>
Current and other assets	\$ 6,377,916	\$ 5,363,881	\$ 4,714,964
Capital assets	88,770,284	91,208,881	92,688,379
Total assets	<u>95,148,200</u>	<u>96,572,762</u>	<u>97,403,343</u>
Current liabilities	845,472	789,349	1,135,632
Long-term liabilities	4,406,098	4,788,709	5,142,409
Total liabilities	5,251,570	5,578,058	6,278,041
Net position:			
Invested in capital assets	85,754,648	87,871,546	89,031,839
Unrestricted	4,141,982	3,123,157	2,093,463
Total net position	<u>89,896,630</u>	<u>90,994,703</u>	<u>91,125,302</u>

The largest portion of the Airport's net position, \$85,754,648, is invested in capital assets (e.g., land, buildings, equipment, infrastructure and improvements). Total Outstanding debt in the amount of \$3,015,636 is attributable to these assets, of which \$324,286 is considered current and \$2,691,350 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.

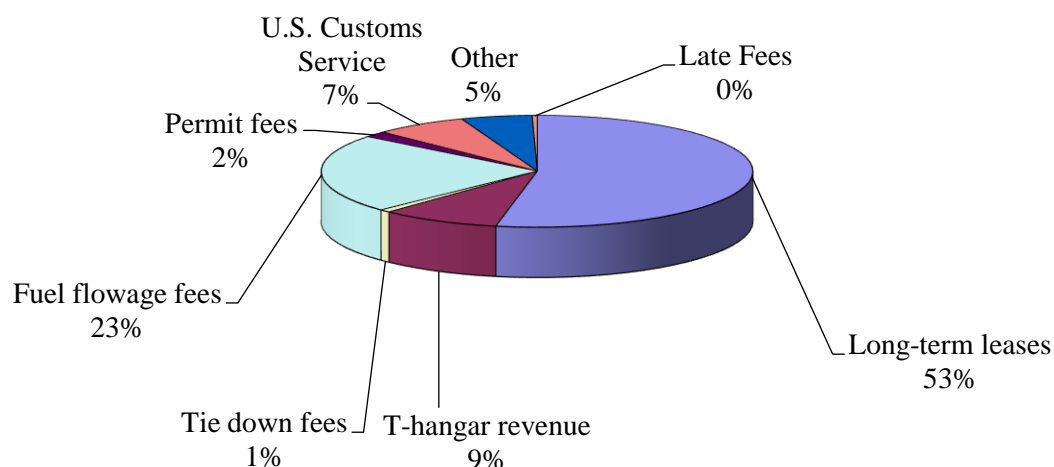
A new Net Position sub category was started in FY16: Unrestricted, Designated for Future Building Improvements or Replacement. Its balance at year-end FY18 is \$625,090. The intent of this reserve, like other sub reserves the airport has, is to smooth the annual budget impact of replacing or improving various airport buildings. This will help to alleviate significant unusual budget expenditures in any one year.

The Net Position sub category started in FY13: Called the Capital Equipment Reserve Fund (CERF), is unrestricted, and designated for future capital equipment replacement. Its balance at year-end FY18 is \$625,090. There were no CERF purchases in FY18. The reserve's intent is also to smooth the annual budget impact of replacing various airport equipment.

The Airport also has a Sewer Replacement reserve and its balance at the end of FY18 is \$416,874. 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 \$2,416,449 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.

Total liabilities decreased \$326,488 in FY18.

Revenue: This Chart shows the major sources of operating revenue for the year ended April 30, 2018

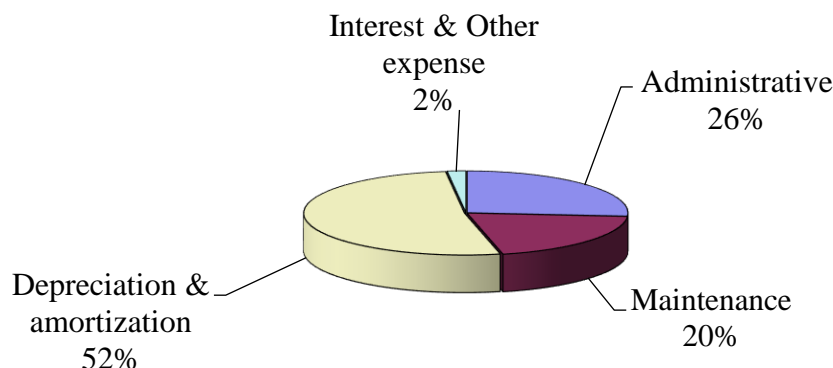


The following schedule presents a summary of revenues for the fiscal years ended April 30, 2018, 2017 and 2016:

	April 30, 2018	April 30, 2017	April 30, 2016
Operating revenues			
Long-term leases*	\$ 2,346,646	\$ 2,317,191	\$ 2,210,835
T-hangar revenues	394,901	393,575	366,643
Tiedown fees	36,152	33,020	31,974
Fuel flowage fees	1,006,992	914,777	801,728
Permit fees	76,521	80,060	90,662
U.S. Customs Service	307,966	291,755	294,077
Other	235,581	578,170	165,213
Late charges	16,970	3,587	2,981
Total operating revenues	4,421,729	4,612,135	3,964,113
Nonoperating revenues			
Investment income	40,541	10,846	6,352
Other Income	-	18,990	4,100
Sewer Assessments	23,126	26,123	27,002
Total revenues	\$ 4,485,396	\$ 4,668,094	\$ 4,001,567

This past year, operating revenues decreased by \$190,406, or -4.1%. Long-term leases are up by \$29,455, or 1.3%. The largest increase in revenues was from fuel flowage fees. Fuel flowage revenue increased by \$92,215, or 10.1% due to increased flight activity. U.S. Customs fees increased \$16,211 or 5.6%. We had no new completed tenant development this year so the sewer assessments this year are regular sewer maintenance charges we charge our tenants. Investment income is up \$29,695 or 273.8% due to a higher interest rates.

Expenses: The following chart shows the major categories of operating expenses for the year ended April 30, 2018:



The following schedule presents a summary of expenses for the fiscal years ended April 30, 2018, 2017 and 2016:

	April 30, 2018	April 30, 2017	April 30, 2016
Operating expenses			
Administration & Finance	\$ 1,578,997	\$ 1,411,557	\$ 1,386,781
Operations & Maintenance	1,209,364	1,210,821	1,064,811
Total operating expenses	<u>2,788,361</u>	<u>2,622,378</u>	<u>2,451,592</u>
Other expenses			
Depreciation	981,108	916,225	974,794
Depreciation on contributed capital assets	2,108,103	1,980,370	1,986,078
Amortization	14,224	14,224	14,224
Interest expense	112,556	123,160	137,450
Other expense			
Loss on sale of capital assets	-	(18,990)	-
Total other expenses	<u>3,215,991</u>	<u>3,014,989</u>	<u>3,112,546</u>
Total expenses	<u>\$ 6,004,352</u>	<u>\$ 5,637,367</u>	<u>\$ 5,564,138</u>

Total operating expenses increased from last year by \$165,983 or 6.3%.

In the Administration & Finance department, expenses increased by \$167,440, or 11.9%. The Personnel Services section is up approximately \$11,624 because of in-house staff promotions. The Contractual Services category is up approximately \$99,696. There were large expense increases in Engineering, \$64,072, U.S. Customs services, \$28,922, and Marketing, \$15,325. Commodities expense increased about \$20,500 from FY17 due to increased Marketing expense. The Other expense category has increased \$35,620 due to increases in lease development expense.

In the Operations & Maintenance department, total expenses decreased \$1,457, or -0.1%. Personnel Services expenses are above last year by \$21,108. This increase is partially caused by a larger than normal increase in overtime during the snow season. Contractual Services expenses are down from FY17 by approximately \$10,334. Building repair expense was down \$14,043. Commodities expenses are down

\$12,231 from FY17 with vehicle maintenance expense decreased by \$40,714. 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 the past few 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.

Additionally, interest expense decreased by \$10,604 or -8.6% from FY17. The primary reason for this decrease is the continued reduction in loan balances on borrowings. In FY16, staff secured a reduction in the interest rates on these loans. Rather than reducing the amount paid to the lending institutions we chose to include a larger principle amount with each payment and accelerate the paydown of these notes. No new debt was issued during the year.

Capital Assets: During FY18, the Airport expended a net increase of \$664,838 on capital assets. There were no capital projects completed in FY18. Improvements in progress include the Lima 1 bypass taxiway at the north end of the Lima taxiway and the Part 150 NEM update. A summary of changes in capital assets is found in Note 3 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, 2018, 2017 and 2016:

	April 30, <u>2018</u>	April 30, <u>2017</u>	April 30, <u>2016</u>
Net (Loss) Before Contributions	\$ (1,518,956)	\$ (988,263)	\$ (1,892,676)
Capital Contributions	<u>420,882</u>	<u>857,665</u>	<u>569,516</u>
Change in Net Position	<u>(1,098,074)</u>	<u>(130,598)</u>	<u>(1,323,160)</u>
Net Position, May 1	<u>90,994,704</u>	<u>91,125,302</u>	<u>92,448,462</u>
Net Position, April 30	<u><u>89,896,630</u></u>	<u><u>90,994,704</u></u>	<u><u>91,125,302</u></u>

Contributions of capital items decreased by \$436,783 to \$420,882. 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 FY18 decrease in net position of \$1,098,074 is driven by multiple factors including a decrease in revenues, a decrease in capital contributions, an increase in expenses, an increase in depreciation, and an increase in depreciation of contributed capital assets.

Long-Term Debt: Currently, the Airport has three long-term debts outstanding with a remaining principal balance as of April 30, 2018 of \$3,015,636. The first, \$551,654, 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, \$948,843, is the note balance for a refinance of a prior loan for land acquisition; and the third, \$1,515,139, is a note for constructing the 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: Director of Finance.

CHICAGO EXECUTIVE AIRPORT

STATEMENTS OF NET POSITION

April 30, 2018 and 2017

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,793,434	\$ 4,798,928
Investments	71,554	170,559
Receivables		
Accounts (net of allowance of uncollectibles)	306,640	250,769
Prepaid insurance	147,171	97,569
Other current assets	59,117	46,056
Total current assets	6,377,916	5,363,881
NONCURRENT ASSETS		
Capital assets		
Capital assets, not being depreciated		
Land	62,890,925	62,890,925
Airport improvements in progress	1,083,897	542,954
Total capital assets, not being depreciated	63,974,822	63,433,879
Capital assets, being depreciated		
Buildings and building improvements	5,920,267	5,915,261
Infrastructure	56,158,349	56,075,339
Improvements	3,601,406	3,588,319
Vehicles and equipment	3,685,070	3,662,278
Other assets	142,243	142,243
Total capital assets, being depreciated	69,507,335	69,383,440
Accumulated depreciation	(44,711,873)	(41,608,438)
Net capital assets, being depreciated	24,795,462	27,775,002
Net capital assets	88,770,284	91,208,881
Total noncurrent assets	88,770,284	91,208,881
Total assets	95,148,200	96,572,762

(This statement is continued on the following page.)

CHICAGO EXECUTIVE AIRPORT

STATEMENTS OF NET POSITION (Continued)

April 30, 2018 and 2017

	2018	2017
CURRENT LIABILITIES		
Accounts payable	\$ 316,065	\$ 252,322
Security deposits	124,813	125,318
Accrued wages	16,981	17,604
Compensated absences payable	3,207	4,991
Unearned rent	14,665	21,960
Unearned revenue - access agreement	45,455	45,455
Loans payable	72,274	69,687
Notes payable	252,012	252,012
Total current liabilities	845,472	789,349
LONG-TERM LIABILITIES		
Unearned revenue - access agreement	1,685,884	1,728,156
Loans payable	479,380	551,654
Notes payable	2,211,970	2,463,982
Compensated absences payable	28,864	44,917
Total long-term liabilities	4,406,098	4,788,709
Total liabilities	5,251,570	5,578,058
NET POSITION		
Net investment in capital assets	85,754,648	87,871,546
Unrestricted	4,141,982	3,123,158
TOTAL NET POSITION	<u>\$ 89,896,630</u>	<u>\$ 90,994,704</u>

See accompanying notes to financial statements.

CHICAGO EXECUTIVE AIRPORT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended April 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Long-term leases	\$ 2,346,646	\$ 2,317,191
T-hangar revenue	394,901	393,575
Tie-down fees	36,152	33,020
Fuel flowage fees	1,006,992	914,777
Permit fees	76,521	80,060
U.S. Custom Service	307,966	291,755
Other	235,581	578,170
Late charges	16,970	3,587
Total operating revenues	4,421,729	4,612,135
OPERATING EXPENSES		
Administrative	1,578,997	1,411,557
Maintenance	1,209,364	1,210,821
Total operating expenses	2,788,361	2,622,378
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	1,633,368	1,989,757
DEPRECIATION AND AMORTIZATION		
Depreciation	981,108	916,225
Depreciation on contributed capital assets	2,108,103	1,980,370
Amortization	14,224	14,224
Total depreciation and amortization	3,103,435	2,910,819
OPERATING INCOME (LOSS)	(1,470,067)	(921,062)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	40,541	10,846
Interest expense	(112,556)	(123,160)
Sewer assessments	23,126	26,123
Gain on sale of capital asset	-	18,990
Total non-operating revenues (expenses)	(48,889)	(67,201)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	(1,518,956)	(988,263)
Capital contributions and grants	420,882	857,665
CHANGE IN NET POSITION	(1,098,074)	(130,598)
NET POSITION, MAY 1	90,994,704	91,125,302
NET POSITION, APRIL 30	\$ 89,896,630	\$ 90,994,704

See accompanying notes to financial statements.

CHICAGO EXECUTIVE AIRPORT**STATEMENTS OF CASH FLOWS**

For the Years Ended April 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 4,315,786	\$ 4,772,121
Payments to suppliers	(1,472,628)	(1,681,280)
Payments to employees	(1,333,113)	(1,268,359)
Net cash from operating activities	1,510,045	1,822,482
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sewer assessments	23,126	26,123
Net cash from noncapital financing activities	23,126	26,123
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions - grants	420,882	857,665
Acquisition and construction of capital assets	(664,838)	(1,431,321)
Proceeds on sale of capital assets	-	18,990
Interest paid on loan	(112,556)	(123,161)
Principal paid on loan	(321,699)	(319,204)
Net cash from capital and related financing activities	(678,211)	(997,031)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	99,005	99,128
Interest received on deposits	40,541	10,846
Net cash from investing activities	139,546	109,974
NET INCREASE IN CASH AND CASH EQUIVALENTS	994,506	961,548
CASH AND CASH EQUIVALENTS, MAY 1	4,798,928	3,837,380
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 5,793,434</u>	<u>\$ 4,798,928</u>

(This statement is continued on the following page.)

CHICAGO EXECUTIVE AIRPORT

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended April 30, 2018 and 2017

	2018	2017
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,470,067)	\$ (921,062)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	981,108	916,225
Depreciation on contributed capital assets	2,108,103	1,980,370
Amortization	14,224	14,224
Changes in assets and liabilities		
Accounts receivable	(55,871)	202,419
Prepaid insurance	(49,602)	12,078
Other current assets	(13,061)	(994)
Accounts payable	63,743	(351,907)
Security deposits	(505)	1,828
Accrued wages	(623)	2,043
Compensated absences payable	(17,837)	11,519
Unearned rent	(7,295)	(767)
Unearned revenue - access agreement	(42,272)	(43,494)
NET CASH FROM OPERATING ACTIVITIES	\$ 1,510,045	\$ 1,822,482
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES - CONTRIBUTED CAPITAL ASSETS	\$ -	\$ 535,452

See accompanying notes to financial statements.

CHICAGO EXECUTIVE AIRPORT

NOTES TO FINANCIAL STATEMENTS

April 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Palwaukee Municipal Airport Commission 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 (the 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*. As defined by GAAP 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

- 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, is entitled to or has 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 component units. The Airport is considered a joint venture of its owners, the Municipalities.

b. Basis of Accounting

The accounting policies for the Airport conform to GAAP 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.

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 position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport are charges to customers for sales 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 non-operating revenues and expenses.

c. Cash and Cash Equivalents

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

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Airport categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Airport held no investments to measure at fair value at April 30, 2018.

e. Receivables

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

	2018	2017
Accounts receivable	\$ 312,640	\$ 256,769
Allowance for uncollectible accounts	(6,000)	(6,000)
NET RECEIVABLES	<u>\$ 306,640</u>	<u>\$ 250,769</u>

f. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

g. Capital Assets

Capital assets comprising buildings, office equipment, vehicles and airport improvements 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 acquisition value at 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:

	Years
Buildings and building improvements	10-30
Infrastructure	3-20
Improvements	3-20
Vehicles and equipment	3-20

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

h. 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. Note 6 contains contributed capital asset detail.

i. Compensated Absences

Airport employees are granted vacation pay and sick leave in varying amounts and recognized in the period they are earned by the employee. 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 non-operating revenues or capital contributions.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses). 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Airport does not have any items that qualify for reporting in this category.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Accounting Estimates

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 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.

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 Government 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 and The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

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 United States Government securities or obligations of federal agencies.

c. Investments

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 maintaining a minimal balance in the each institution. The Illinois Funds are rated AAA.

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. At April 30, 2018, the Airport did not have greater than 5% of its overall portfolio invested in any single investment type.

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

a. Summary of Changes in Capital Assets

A summary of capital assets for the year ended April 30, 2018 is as follows:

	May 1, 2017*	Increases	Decreases	April 30, 2018
Capital assets not being depreciated				
Land	\$ 62,890,925	\$ -	\$ -	\$ 62,890,925
Improvements in progress	595,954	487,943	-	1,083,897
Total capital assets not being depreciated	63,486,879	487,943	-	63,974,822
Capital assets being depreciated				
Buildings and building improvements	5,915,261	5,006	-	5,920,267
Infrastructure	56,022,339	136,010	-	56,158,349
Improvements	3,588,319	13,087	-	3,601,406
Vehicles	3,484,281	-	-	3,484,281
Equipment	177,997	22,792	-	200,789
Other assets	142,243	-	-	142,243
Total capital assets being depreciated	69,330,440	176,895	-	69,507,335
Less accumulated depreciation for				
Buildings and building improvements	2,878,346	152,890	-	3,031,236
Infrastructure	33,267,182	2,578,664	-	35,845,846
Improvements	2,716,362	165,150	-	2,881,512
Vehicles	2,495,172	179,422	-	2,674,594
Equipment	137,583	13,085	-	150,668
Other assets	113,793	14,224	-	128,017
Total accumulated depreciation	41,608,438	3,103,435	-	44,711,873
Total capital assets being depreciated, net	27,722,002	(2,926,540)	-	24,795,462
TOTAL CAPITAL ASSETS, NET	\$ 91,208,881	\$ (2,438,597)	\$ -	\$ 88,770,284

*Certain beginning balances were restated between categories.

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

a. Summary of Changes in Capital Assets (Continued)

A summary of capital assets for the year ended April 30, 2017 is as follows:

	May 1, 2016	Increases	Decreases	April 30, 2017
Capital assets not being depreciated				
Land	\$ 62,890,925	\$ -	\$ -	\$ 62,890,925
Improvements in progress	3,384,365	163,320	3,004,731	542,954
Total capital assets not being depreciated	66,275,290	163,320	3,004,731	63,433,879
Capital assets being depreciated				
Buildings and building improvements	5,915,261	-	-	5,915,261
Infrastructure	52,470,731	3,604,608	-	56,075,339
Improvements	3,589,444	8,950	10,075	3,588,319
Vehicles	2,961,878	635,819	113,416	3,484,281
Equipment	167,589	23,356	12,948	177,997
Other assets	142,243	-	-	142,243
Total capital assets being depreciated	65,247,146	4,272,733	136,439	69,383,440
Less accumulated depreciation for				
Buildings and building improvements	2,725,475	152,871	-	2,878,346
Infrastructure	30,839,741	2,427,441	-	33,267,182
Improvements	2,560,794	165,643	10,075	2,716,362
Vehicles	2,468,473	140,115	113,416	2,495,172
Equipment	140,005	10,526	12,948	137,583
Other assets	99,569	14,224	-	113,793
Total accumulated depreciation	38,834,057	2,910,820	136,439	41,608,438
Total capital assets being depreciated, net	26,413,089	1,361,913	-	27,775,002
TOTAL CAPITAL ASSETS, NET	\$ 92,688,379	\$ 1,525,233	\$ 3,004,731	\$ 91,208,881

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

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, 2018		
	Expended to Date	Remaining Local Share Commitment	Total Project Cost
Airport improvements			
IDOT #4414 Runway 16/34	\$ 821,653	\$ -	\$ 5,159,468
IDOT #4457 Lima	199,738	33,124	937,162
IDOT #4490 Part 150 NOSA	208,974	16,718	331,772
TOTAL	\$ 1,230,365	\$ 49,842	\$ 6,428,402

	April 30, 2017		
	Expended to Date	Remaining Local Share Commitment	Total Project Cost
Airport improvements			
IDOT #4262 East Quadrant Apron Rehab	\$ 158,937	\$ -	\$ 958,971
IDOT #4182 EMAS - South	498,703	-	6,455,600
IDOT #4407 EMAS - North	682,086	-	7,074,563
IDOT #4427 East Quad Apron Rehab Phase 2	167,679	-	445,670
IDOT #4414 Runway 16/34	814,291	-	5,159,468
IDOT #4457 Lima	68,077	39,707	937,162
TOTAL	\$ 2,389,773	\$ 39,707	\$ 21,031,434

4. LONG-TERM DEBT

Long-term debt activity for fiscal years ended April 30, 2018 and 2017 are as follows.

a. Loans

As of April 30, 2018, the Airport had the following loans outstanding:

	Outstanding at April 30, 2018	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 3.65% beginning January 15, 2005 with a final payment due on November 15, 2025.	\$ 551,654	\$ 72,274

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

a. Loans (Continued)

As of April 30, 2017, the Airport had the following loans outstanding:

	Outstanding at April 30, 2017	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 3.65% beginning January 15, 2005 with a final payment due on November 15, 2025.	\$ 621,341	\$ 69,687

b. Notes Payable

As of April 30, 2018, the Airport had the following notes outstanding:

	Total	Current
\$3,200,000 note dated April 19, 2010, for the purchase of land. Principal is due in monthly installments of \$13,334 with a stated interest rate of 4.17% beginning June 1, 2010 through 2015 and 3.25% in future years with a final payment of \$628,827 due on May 1, 2020.	\$ 948,843	\$ 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 with a stated interest rate of 4.17% beginning July 1, 2011 and interest only payments to begin June 1, 2010, through 2015 and 3.25% in future years with a final payment of \$1,471,964 due on May 1, 2020.	1,515,139	92,004
TOTAL	\$ 2,463,982	\$ 252,012

As of April 30, 2017, the Airport had the following notes outstanding:

	Total	Current
\$3,200,000 note dated April 19, 2010, for the purchase of land. Principal is due in monthly installments of \$13,334 with a stated interest rate of 4.17% beginning June 1, 2010 through 2015 and 3.25% in future years with a final payment of \$628,827 due on May 1, 2020.	\$ 1,108,851	\$ 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 with a stated interest rate of 4.17% beginning July 1, 2011 and interest only payments to begin June 1, 2010, through 2015 and 3.25% in future years with a final payment of \$1,471,964 due on May 1, 2020.	1,607,143	92,004
TOTAL	\$ 2,715,994	\$ 252,012

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

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, 2018 is as follows:

	Balances May 1	Additions	Retirement	Balances April 30	Current Portion
Loans	\$ 621,341	\$ -	\$ 69,687	\$ 551,654	\$ 72,274
Notes	2,715,994	-	252,012	2,463,982	252,012
Compensated absences	49,908	6,224	24,061	32,071	3,207
TOTAL	\$ 3,387,243	\$ 6,224	\$ 345,760	\$ 3,047,707	\$ 327,493

A summary of the changes in the long-term debt of the Airport for the year ended April 30, 2017 is as follows:

	Balances May 1	Additions	Retirement	Balances April 30	Current Portion
Loans	\$ 688,534	\$ -	\$ 67,193	\$ 621,341	\$ 69,687
Notes	2,968,006	-	252,012	2,715,994	252,012
Compensated absences	38,389	16,482	4,963	49,908	4,991
TOTAL	\$ 3,694,929	\$ 16,482	\$ 324,168	\$ 3,387,243	\$ 326,690

d. Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30,	2010A Revenue Note		2010B Revenue Note	
	Principal	Interest	Principal	Interest
2019	\$ 160,008	\$ 28,454	\$ 92,004	\$ 47,872
2020	160,008	23,254	92,004	44,881
2021	160,008	18,053	92,004	41,891
2022	160,008	12,853	92,004	38,901
2023	160,008	7,653	92,004	35,911
2024-2028	148,803	2,453	460,020	134,703
2029-2033	-	-	460,020	59,950
2034-2035	-	-	135,079	3,408
TOTAL	\$ 948,843	\$ 92,720	\$ 1,515,139	\$ 407,517

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Loan		Total	
	Principal	Interest	Principal	Interest
2019	\$ 72,274	\$ 18,934	\$ 324,286	\$ 95,260
2020	74,956	16,252	326,968	84,387
2021	77,739	13,470	329,751	73,414
2022	80,624	10,584	332,636	62,338
2023	83,616	7,592	335,628	51,156
2024-2028	162,445	5,777	771,268	142,933
2029-2033	-	-	460,020	59,950
2034-2035	-	-	135,079	3,408
TOTAL	\$ 551,654	\$ 72,609	\$ 3,015,636	\$ 572,846

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.

6. CONTRIBUTED CAPITAL ASSETS

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

Federal share	90.00%
State share	5.00%
Local share	5.00%

CHICAGO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CONTRIBUTED CAPITAL ASSETS (Continued)

At April 30, 2018 and 2017, the balances of contributed capital assets are as follows:

	Federal	State	Other	Donated	Total
BALANCE, APRIL 30, 2016	\$ 94,587,299	\$ 10,821,896	\$ 244,144	\$ 11,000	\$ 105,664,339
Contributed assets/grants during 2017	507,270	28,182	-	-	535,452
BALANCE, APRIL 30, 2017	95,094,569	10,850,078	244,144	11,000	106,199,791
Contributed assets/grants during 2018	363,050	40,339	17,493	-	420,882
BALANCE, APRIL 30, 2018	\$ 95,457,619	\$ 10,890,417	\$ 261,637	\$ 11,000	\$ 106,620,673

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

7. 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 of America. 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 4.50% 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 seven 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, 2018 and 2017 are:

	2018	2017
Airport’s total payroll	\$ 892,949	\$ 881,811
Subject to contribution	864,093	860,997
Airport’s contribution	40,343	38,031
Forfeiture	11,839	-
Covered employees’ contribution	40,343	38,031

8. 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.

9. OTHER POSTEMPLOYMENT BENEFITS

The Airport has evaluated its potential other postemployment 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 postemployment benefit liability as of April 30, 2018.

SUPPLEMENTAL INFORMATION

CHICAGO EXECUTIVE AIRPORT**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ALTERNATIVE PRESENTATION**

For the Years Ended April 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Long-term leases	\$ 2,346,646	\$ 2,317,191
T-hangar revenue	394,901	393,575
Tie-down fees	36,152	33,020
Fuel flowage fees	1,006,992	914,777
Permit fees	76,521	80,060
U.S. Custom Service	307,966	291,755
Other	235,581	578,170
Late charges	16,970	3,587
Total operating revenues	4,421,729	4,612,135
OPERATING EXPENSES		
Administrative	1,578,997	1,411,557
Maintenance	1,209,364	1,210,821
Total operating expenses	2,788,361	2,622,378
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	1,633,368	1,989,757
DEPRECIATION AND AMORTIZATION		
Depreciation	981,108	916,225
Amortization	14,224	14,224
Total depreciation and amortization	995,332	930,449
OPERATING INCOME	638,036	1,059,308
NON-OPERATING REVENUES (EXPENSES)		
Investment income	40,541	10,846
Interest expense	(112,556)	(123,160)
Sewer assessments	23,126	26,123
Intergovernmental revenues	420,882	857,665
Gain on sale of capital asset	-	18,990
Total non-operating revenues (expenses)	371,993	790,464
NET INCOME BEFORE DEPRECIATION ON CONTRIBUTED CAPITAL ASSETS	1,010,029	1,849,772
Depreciation on contributed capital assets	(2,108,103)	(1,980,370)
Total depreciation on contributed capital assets	(2,108,103)	(1,980,370)
CHANGE IN NET POSITION	(1,098,074)	(130,598)
NET POSITION, MAY 1	90,994,704	91,125,302
NET POSITION, APRIL 30	\$ 89,896,630	\$ 90,994,704

(See independent auditor's report.)

CHICAGO EXECUTIVE AIRPORT**SCHEDULES OF ADMINISTRATIVE EXPENSES**

For the Years Ended April 30, 2018 and 2017

	2018	2017
PERSONNEL SERVICES		
Benefits (insurance, pension and FICA)	\$ 132,068	\$ 126,649
Recognition	10,685	10,838
Salaries	396,611	389,955
Training and education	76	279
Physicals	-	95
Total personnel services	539,440	527,816
CONTRACTUAL SERVICES		
Audit fees	14,965	17,045
Building repair	1,843	1,790
Conference and meetings	14,913	14,174
Energy	97,494	101,107
Engineering	128,509	64,437
Equipment maintenance (office)	22,754	33,007
Insurance	106,883	106,719
Legal	35,653	20,098
Marketing	82,553	67,228
Membership dues	6,821	4,519
Office maintenance	12,133	12,295
Other	38,720	29,689
Other services	19,340	34,132
Printing	854	2,437
Public notices	1,448	525
Security	3,296	13,724
Telephone	7,179	7,809
Travel and transportation	10,535	4,384
U.S. Custom Service	255,687	226,765
Total contractual services	861,580	761,884
COMMODITIES		
Conference and meetings	11,327	10,575
Equipment	3,218	-
Fuel (unleaded)	580	841
Marketing	35,345	21,799
Other	2,167	2,838
Software	6,247	3,729
Subscriptions	7,296	2,970
Supplies (copier, office, etc.)	2,428	3,429
Vehicle maintenance	85	2,012
Total commodities	68,693	48,193
OTHER		
Lease development	71,506	29,527
NBAA convention	37,778	44,137
Total other	109,284	73,664
TOTAL ADMINISTRATIVE EXPENSES	\$ 1,578,997	\$ 1,411,557

(See independent auditor's report.)

CHICAGO EXECUTIVE AIRPORT**SCHEDULES OF MAINTENANCE EXPENSES**

For the Years Ended April 30, 2018 and 2017

	2018	2017
PERSONNEL SERVICES		
Benefits	\$ 225,617	\$ 215,029
Salaries	516,536	519,206
Recognition	4,636	4,953
Training and education	14,774	2,324
Uniforms	13,650	12,593
Total personnel services	775,213	754,105
CONTRACTUAL SERVICES		
Building repair	6,009	20,052
Equipment maintenance (shop)	9,806	8,457
Insurance	51,190	50,115
Landscaping	21,774	24,637
Medical exams	826	584
Other	6,954	3,441
Other services	6,354	12,342
Pavement marking	77,344	74,618
Telephone	7,801	7,000
Travel and transportation	5,457	3,062
Waste removal	4,553	5,484
Conferences	2,180	790
Membership dues	275	275
Total contractual services	200,523	210,857
COMMODITIES		
Equipment/tools (shop)	11,772	7,779
Fence	1,549	951
Fuel	29,882	21,841
Landscaping	1,210	1,260
Lighting	28,361	33,912
Other	10,079	2,223
Raw materials	44,614	31,051
Signage	5,741	4,996
Supplies	42,915	43,627
Vehicle maintenance	57,505	98,219
Total commodities	233,628	245,859
TOTAL MAINTENANCE EXPENSES	\$ 1,209,364	\$ 1,210,821

(See independent auditor's report.)

STATISTICAL SECTION

This part 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 displays about the Airport's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Airport's financial performance and well-being have been changed over time.	25-28
Revenue Capacity These schedules contain information to help the reader assess the Airport's most significant local revenue source.	29-33
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.	34-37
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.	38-39
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 Airport provides and the activities it performs.	40-44

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CHICAGO EXECUTIVE AIRPORT

NET POSITION AND CHANGES IN NET POSITION

Last Ten Fiscal Years

	2009	2010	2011	2012
REVENUES				
Operating revenues				
Long-term leases	\$ 1,950,052	\$ 1,966,504	\$ 1,806,408	\$ 1,917,757
T-hangar and tie-down fees	289,349	265,913	297,332	416,743
Fuel flowage fees	589,638	560,657	629,936	595,297
U.S. Custom Service fees	266,867	245,520	269,898	278,039
Other	195,843	154,946	197,080	252,512
Total operating revenues	3,291,749	3,193,540	3,200,654	3,460,348
Non-operating revenues				
Investment income	79,549	36,402	21,646	16,896
Other	-	-	-	28,208
Total non-operating revenues	79,549	36,402	21,646	45,104
Total revenues	3,371,298	3,229,942	3,222,300	3,505,452
EXPENSES				
Operating expenses				
Administrative	1,497,600	1,498,573	1,466,444	1,643,423
Maintenance	953,402	967,475	1,017,436	979,074
Depreciation and amortization	2,544,995	2,520,458	2,541,179	2,738,152
Total operating expenses	4,995,997	4,986,506	5,025,059	5,360,649
Non-operating expenses				
Interest expense	211,329	138,041	202,239	227,141
Other expense	7,564	26,641	12,226	38,091
Total non-operating expenses	218,893	164,682	214,465	265,232
Total expenses	5,214,890	5,151,188	5,239,524	5,625,881
CAPITAL CONTRIBUTIONS	245,051	3,726,425	1,483,916	2,628,403
INCREASE (DECREASE) IN NET POSITION	\$ (1,598,541)	\$ 1,805,179	\$ (533,308)	\$ 507,974
NET POSITION				
Net investment in capital assets	\$ 88,162,133	\$ 90,180,754	\$ 89,843,203	\$ 91,047,141
Restricted	-	-	-	-
Unrestricted	3,381,786	3,168,344	2,972,587	2,276,623
TOTAL NET POSITION	\$ 91,543,919	\$ 93,349,098	\$ 92,448,462	\$ 93,323,764

2013	2014	2015	2016	2017	2018
\$ 2,201,383	\$ 2,257,610	\$ 2,254,157	\$ 2,210,835	\$ 2,317,191	\$ 2,346,646
418,521	399,181	390,233	398,617	426,595	431,053
602,769	659,072	707,941	801,728	914,777	1,006,992
247,500	284,850	306,857	294,077	291,755	307,966
175,670	374,777	231,578	258,856	661,817	329,072
3,645,843	3,975,490	3,890,766	3,964,113	4,612,135	4,421,729
10,222	7,267	6,591	6,352	10,846	40,541
39,290	203,131	54,273	31,102	45,113	23,126
49,512	210,398	60,864	37,454	55,959	63,667
3,695,355	4,185,888	3,951,630	4,001,567	4,668,094	4,485,396
1,423,250	1,699,624	1,405,827	1,386,781	1,411,557	1,578,997
1,066,421	1,239,415	1,189,104	1,394,916	1,210,821	1,209,364
2,672,210	2,658,807	2,965,689	2,975,096	2,910,819	3,103,435
5,161,881	5,597,846	5,560,620	5,756,793	5,533,197	5,891,796
211,406	199,680	188,072	137,450	123,160	112,556
-	-	-	-	-	-
211,406	199,680	188,072	137,450	123,160	112,556
5,373,287	5,797,526	5,748,692	5,894,243	5,656,357	6,004,352
2,254,936	879,744	1,221,412	569,516	857,665	420,882
\$ 577,004	\$ (731,894)	\$ (575,650)	\$ (1,323,160)	\$ (130,598)	\$ (1,098,074)
\$ 91,986,764	\$ 91,461,746	\$ 90,222,064	\$ 89,031,839	\$ 87,871,546	\$ 85,754,648
-	-	-	-	-	-
1,914,004	1,707,128	2,226,398	2,093,463	3,123,158	4,141,982
\$ 93,900,768	\$ 93,168,874	\$ 92,448,462	\$ 91,125,302	\$ 90,994,704	\$ 89,896,630

CHICAGO EXECUTIVE AIRPORT

CHANGES IN CASH AND CASH EQUIVALENTS

Last Ten Fiscal Years

	2009	2010	2011	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 3,426,195	\$ 3,167,740	\$ 2,962,936	\$ 3,625,119
Payments to suppliers	(1,356,590)	(1,317,967)	(1,500,632)	(1,511,985)
Payments to employees	(1,110,532)	(1,101,469)	(1,073,785)	(1,258,203)
Net cash from operating activities	959,073	748,304	388,519	854,931
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Non-operating revenues (expenses)	(5,456)	(10,000)	-	-
Net cash from noncapital financing activities	(5,456)	(10,000)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions - grants	-	-	-	-
Acquisition and construction of capital assets				
Capital assets	(568,229)	(689,895)	(1,352,919)	(758,313)
Sewer assessments	-	-	-	-
Disposal of capital assets	(2,108)	27,848	29,008	41,260
Proceeds from loan	3,200,000	3,254,512	2,245,488	-
Interest paid on loan	(223,499)	(145,695)	(202,239)	(227,141)
Principal paid on loan	(4,746,209)	(3,243,560)	(1,176,685)	(292,048)
Net cash from capital and related financing activities	(2,340,045)	(796,790)	(457,347)	(1,236,242)
CASH FLOWS FROM INVESTING ACTIVITIES				
Maturities of investments	-	-	-	1,101,102
Purchase of investments	(901,257)	-	-	-
Interest received on deposits	79,549	37,659	20,544	16,896
Net cash from investing activities	(821,708)	37,659	20,544	1,117,998
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,208,136)	(20,827)	(48,284)	736,687
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,170,124	1,961,988	1,941,161	1,892,877
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,961,988	\$ 1,941,161	\$ 1,892,877	\$ 2,629,564

2013	2014	2015	2016	2017	2018
\$ 3,658,657	\$ 4,369,898	\$ 3,835,355	\$ 4,962,741	\$ 4,772,121	\$ 4,315,786
(1,007,659)	(1,432,243)	(1,586,475)	(1,738,435)	(1,681,280)	(1,472,628)
(1,228,808)	(1,544,890)	(1,275,152)	(1,184,109)	(1,268,359)	(1,333,113)
1,422,190	1,392,765	973,728	2,040,197	1,822,482	1,510,045
-	-	-	-	-	23,126
-	-	-	-	-	23,126
-	-	1,221,412	569,516	857,665	420,882
(1,056,989)	(950,540)	(1,556,154)	(943,445)	(1,431,321)	(664,838)
-	200,164	54,273	27,002	26,123	-
41,325	3,500	-	4,100	18,990	-
-	-	-	-	-	-
(211,406)	(199,680)	(188,072)	(137,450)	(123,161)	(112,556)
(301,941)	(304,038)	(454,615)	(306,295)	(319,204)	(321,699)
(1,529,011)	(1,250,594)	(923,156)	(786,572)	(970,908)	(678,211)
-	-	195,007	-	99,128	-
(245,527)	(1,572)	-	(110,071)	-	99,005
10,222	7,267	6,591	6,352	10,846	40,541
(235,305)	5,695	201,598	(103,719)	109,974	139,546
(342,126)	147,866	252,170	1,149,906	961,548	994,506
2,629,564	2,287,438	2,435,304	2,687,474	3,837,380	4,798,928
\$ 2,287,438	\$ 2,435,304	\$ 2,687,474	\$ 3,837,380	\$ 4,798,928	\$ 5,793,434

CHICAGO EXECUTIVE AIRPORT

PRINCIPAL REVENUE SOURCES

Last Ten Fiscal Years

	2009	2010	2011	2012
REVENUES				
Operating revenues				
Long-term leases	\$ 1,950,052	\$ 1,966,504	\$ 1,806,408	\$ 1,917,757
Short-term leases	-	-	115,344	115,344
T-hangar fees	209,729	194,910	232,109	365,572
Tie-down fees	79,620	71,003	65,223	51,171
Permit fees	37,723	32,616	28,079	29,286
Fuel flowage fees	589,638	560,657	629,936	595,297
U.S. Custom Service fees	266,867	245,520	269,898	278,039
Late fees	20,258	7,507	5,862	6,940
Other	137,862	114,823	47,795	100,942
Total operating revenues	3,291,749	3,193,540	3,200,654	3,460,348
Percentage of total revenues	97.64%	98.87%	99.33%	94.27%
Non-operating revenues				
Investment income	79,549	36,402	21,646	16,896
Intergovernmental revenue	-	-	-	-
Other	-	-	-	28,208
Total non-operating revenues	79,549	36,402	21,646	45,104
Percentage of total revenues	2.36%	1.13%	0.67%	1.29%
TOTAL REVENUES	\$ 3,371,298	\$ 3,229,942	\$ 3,222,300	\$ 3,505,452

2013	2014	2015	2016	2017	2018
\$ 2,201,383	\$ 2,257,610	\$ 2,254,157	\$ 2,210,835	\$ 2,317,191	\$ 2,346,646
115,344	115,344	-	-	-	-
374,823	367,680	358,483	366,643	393,575	394,901
43,698	31,501	31,750	31,974	33,020	36,152
35,545	42,986	82,971	90,662	80,060	76,521
602,769	669,072	707,941	801,728	914,777	1,006,992
247,500	284,850	306,857	294,077	291,755	307,966
7,521	2,719	6,870	2,981	3,587	16,970
17,260	203,728	141,737	165,213	578,170	235,581
3,645,843	3,975,490	3,890,766	3,964,113	4,612,135	4,421,729
98.66%	94.97%	75.21%	86.72%	83.47%	90.12%
10,222	7,267	6,591	6,352	10,846	40,541
-	-	1,221,412	569,516	857,665	420,882
39,290	203,131	54,273	31,102	45,113	23,126
49,512	210,398	1,282,276	606,970	913,624	484,549
1.34%	5.03%	24.79%	13.28%	16.53%	9.88%
\$ 3,695,355	\$ 4,185,888	\$ 5,173,042	\$ 4,571,083	\$ 5,525,759	\$ 4,906,278

CHICAGO EXECUTIVE AIRPORT

PRINCIPAL REVENUE PAYERS LEASE PAYMENTS AND FUEL FLOWAGE FEES

For Current Year and Nine Years Prior

	2018	Operating Revenue Percentage	2009	Operating Revenue Percentage
<hr/>				
PAYERS				
Signature Flight Support*	\$ 2,290,274	61.68%	\$ 1,906,962	74.42%
Atlantic Aviation*	738,252	19.88%	421,275	16.44%
Hawthorne Global Aviation*	509,482	13.72%	-	0.00%
Eclipse Aerospace	113,239	3.05%	-	0.00%
Waste Management	31,530	0.85%	-	0.00%
Stery Tucking	30,500	0.82%	-	0.00%
Chicago Executive Service Center	-	0.00%	122,604	4.78%
IPO II	-	0.00%	111,701	4.36%
	<hr/>			
TOTAL PRINCIPAL REVENUE PAYERS	\$ 3,713,277	100.00%	\$ 2,562,542	100.00%
	<hr/>			

* Includes fuel flowage fees.

CHICAGO EXECUTIVE AIRPORT

REVENUE RATES

Last Ten Fiscal Years

	2009	2010	2011	2012
Long-term leases (per year)				
Hangars (average rent per square foot)	\$ 4.0325	\$ 4.1199	\$ 4.2533	\$ 5.0000
Ground leases (average rent per square foot)	0.6358	0.6400	0.6500	0.6500
Short-term rentals	\$ -	\$ -	\$ 9,612	\$ 9,612
T-Hangar fees (per month)				
North East Quad T-hangars	\$ -	\$ -	\$ 444	\$ 453
New buildings (southeast quadrant)	452	452	464	471
Old buildings	252	252	252	-
Tie-downs (per month)				
Area 1	\$ -	\$ -	\$ -	\$ -
Area 2	158	158	158	158
Area 3	97	97	97	97
Area 4	N/A	N/A	N/A	N/A
Area 7	N/A	N/A	N/A	N/A
Area 10	N/A	N/A	N/A	N/A
Commercial operating permits (per month)	\$ 72	\$ 72	\$ 74	\$ 75
Fuel flowage fees (per gallon)	\$ 0.1163	\$ 0.1163	\$ 0.1192	\$ 0.1234
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

N/A - Not available.

2013	2014	2015	2016	2017	2018
\$ 5.0800 0.6700	\$ 5.1100 0.6700	\$ 5.9700 0.8300	\$ 4.7600 0.8600	\$ 4.8500 0.8900	\$ 4.9300 0.8500
\$ 9,612	\$ 9,612	\$ 10,503	\$ 12,148	\$ 14,740	\$ 15,888
\$ 460 480 -	\$ 460 488 -	\$ 466 495 -	\$ 472 502 -	\$ 479 509 -	\$ 488 519 -
\$ - 159 98 N/A N/A N/A	\$ - 159 98 N/A N/A N/A	\$ - 159 98 N/A N/A N/A	\$ - 100 N/A N/A N/A N/A	\$ 102.00 - N/A N/A N/A N/A	\$ 104.00 - N/A N/A N/A N/A
\$ 76	\$ 77	\$ 78	\$ 79	\$ 80	\$ 81
\$ 0.1255	\$ 0.1255	\$ 0.0127	\$ 0.1400	\$ 0.1500	\$ 0.1500
\$ 90 180 360 540 180	\$ 90 180 360 540 180	\$ 90 180 360 540 180	\$ 90 180 360 540 180	\$ 90 180 360 540 180	\$ 90 180 360 540 180
\$ 10-25 10	\$ 10-25 10	\$ 10-25 10	\$ 10-25 10	\$10-25 per day or 10% 10	\$10-25 per day or 10% 10

CHICAGO EXECUTIVE AIRPORT

RATIOS OF OUTSTANDING DEBT

Last Ten Fiscal Years

	2009	2010	2011	2012
OUTSTANDING DEBT PER FLIGHT OPERATION				
Outstanding debt by type				
Bank loans ¹	\$ 1,046,182	\$ 1,002,623	\$ 957,039	\$ 909,336
Revenue notes ²	3,200,000	3,254,512	4,368,899	4,124,554
Total outstanding debt	<u>\$ 4,246,182</u>	<u>\$ 4,257,135</u>	<u>\$ 5,325,938</u>	<u>\$ 5,033,890</u>
OUTSTANDING DEBT PER FLIGHT OPERATION	<u>\$ 46.05</u>	<u>\$ 48.46</u>	<u>\$ 59.56</u>	<u>\$ 59.40</u>
DEBT SERVICE				
Principal	\$ 46,209	\$ 43,559	\$ 1,176,685	\$ 292,048
Interest	211,562	138,041	202,239	227,141
Total debt service	<u>\$ 257,771</u>	<u>\$ 181,600</u>	<u>\$ 1,378,924</u>	<u>\$ 519,189</u>
Ratio of debt service to total expenses	<u>4.90%</u>	<u>3.50%</u>	<u>26.30%</u>	<u>9.50%</u>
DEBT SERVICE PER FLIGHT OPERATION	<u>\$ 2.80</u>	<u>\$ 2.07</u>	<u>\$ 15.42</u>	<u>\$ 6.13</u>

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.

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 Municipalities; 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 0.80% 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 of Wheeling is solely determined by the Village Board. By every measure or ratio of debt generally considered, the Village of Wheeling's debt level is very low. Accordingly, the general obligation debt limit of the Airport is also that of the City of Prospect Heights.

2013	2014	2015	2016	2017	2018
\$ 859,417	\$ 807,391	\$ 753,288	\$ 688,534	\$ 621,341	\$ 551,654
3,872,542	3,620,530	3,220,018	2,968,006	2,715,994	2,463,982
\$ 4,731,959	\$ 4,427,921	\$ 3,973,306	\$ 3,656,540	\$ 3,337,335	\$ 3,015,636
\$ 57.08	\$ 57.05	\$ 51.62	\$ 47.01	\$ 0.58	\$ 0.48
\$ 301,931	\$ 304,038	\$ 454,615	\$ 316,766	\$ 319,205	\$ 321,699
211,046	199,680	188,072	137,450	116,721	106,037
\$ 512,977	\$ 503,718	\$ 642,687	\$ 454,216	\$ 435,926	\$ 427,736
9.79%	8.70%	11.09%	7.90%	7.40%	7.26%
\$ 6.19	\$ 6.49	\$ 8.35	\$ (3.48)	\$ 0.08	\$ 0.07

CHICAGO EXECUTIVE AIRPORT

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

	2009	2010	2011	2012
NET REVENUES				
Operating revenues	\$ 3,291,749	\$ 3,193,540	\$ 3,200,654	\$ 3,460,348
Investment income	79,549	36,402	21,646	16,896
TOTAL NET REVENUES	\$ 3,371,298	\$ 3,229,942	\$ 3,222,300	\$ 3,477,244
DEBT SERVICE				
Principal	\$ 4,746,209	\$ 3,243,560	\$ 1,176,685	\$ 292,048
Interest	211,329	138,041	202,239	227,141
TOTAL DEBT SERVICE	\$ 4,957,538	\$ 3,381,601	\$ 1,378,924	\$ 519,189
DEBT SERVICE COVERAGE	0.68	0.96	2.34	6.70

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.

2013	2014	2015	2016	2017	2018
\$ 3,645,843	\$ 3,975,490	\$ 3,890,766	\$ 3,964,113	\$ 4,612,135	\$ 4,421,729
10,222	7,267	6,591	6,352	10,846	40,541
\$ 3,656,065	\$ 3,982,757	\$ 3,897,357	\$ 3,970,465	\$ 4,622,981	\$ 4,462,270
\$ 301,931	\$ 304,038	\$ 454,615	\$ 306,295	\$ 319,204	\$ 321,699
211,046	199,680	188,072	137,450	123,160	112,556
\$ 512,977	\$ 503,718	\$ 642,687	\$ 443,745	\$ 442,364	\$ 434,255
7.13	7.91	6.06	8.95	10.45	10.28

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	18 corporations
Hawthorne Global Aviation	FBO	
Signature Flight Support	FBO	46 corporations
American Flyers	Flight School	
Boraam Aviation	Flight School	
Chicago Executive Flight School	Flight School	
Chicago Executive Service Center	Maintenance	
Chicago Jet Group	Air Charter	
Civil Air Patrol	Training	
Down to the Last Detail	Aircraft Detail Services	
Duncan Aviation	Maintenance	
Executive Jet Management	Air Charter	
Fly There LLC	Flight School	
Hertz	Car Rental	
Hightail Air Charter	Air Charter	
International Aviation	Air Charter	
Leading Edge Flying Club	Flying Club	
National	Car Rental	
Northern American Jet Charter	Air Charter	
Northern Illinois Flight Center (NJet)	Air Charter	
Northwest Flyers	Air Charter/Flight School	
Priester Aviation	Air Charter	
Skill Aviation	Flight School	
Trego/Dugan	Air Charter	
West Star Aviation	Maintenance	
Windy City Flyers	Flight School/Rentals	
Off-Airport Firms and Through-the-Fence Operators		
Down-to-the-Last-Detail	Maintenance	
Enterprise	Car Rental	
Georgies	Catering	
Henry Crown	Non-Commercial	
MaxAir Inc.	Air Taxi	
T.C. Becks	Catering	

Data Source

Chicago Executive Airport Economic Impact Study - 2007 by Wilbur Smith Associates (Updated for FY18 by CEA)

CHICAGO EXECUTIVE AIRPORT

FULL-TIME EQUIVALENT AIRPORT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FUNCTION										
Finance and administration	6.2	6.3	6.5	7.6	6.7	5.0	5.0	5.0	6.0	5.0
Operations and maintenance	7.1	7.7	7.0	7.0	7.9	7.0	7.0	7.0	9.6	9.6
TOTAL	13.3	14.0	13.5	14.6	14.6	12.0	12.0	12.0	15.6	14.6

Data Source

Airport Annual Budgets

CHICAGO EXECUTIVE AIRPORT

PRINCIPAL EMPLOYERS OF THE VILLAGE OF WHEELING

Current Year and Nine Years Ago

Employer	2017*			2008		
	Number of Employees	Rank	% of Total Airport Population	Number of Employees	Rank	% of Total Airport Population
SG360	903	1	2.40%			
Durable Packaging International	750	2	1.99%	500	4	1.30%
Pamarco Global Graphics	625	3	1.66%			
Handi-Foil	550	4	1.46%	500	2	1.30%
Crothall Laundry Services	450	5	1.20%			
Northbrook Services	400	6	1.06%			
Integer	380	7	1.01%			
Bob Chinn's Crabhouse	375	8	1.00%			
Reynolds Consumer Products	350	9	0.93%			
Argon Medical Devices	304	10	0.81%			
National Lewis University				800	1	2.07%
Shure, Inc.				500	3	1.30%
Hospital Laundry Services				400	5	1.04%
Chef Solutions				400	6	1.04%
Allstate Printing/Dist. Ctr				360	7	0.93%
Pactiv Corp.				350	8	0.91%
Block & Company				350	9	0.91%
Bowe Bell & Howell				300	10	0.78%
	<u>5,087</u>		<u>13.52%</u>	<u>4,460</u>		<u>11.58%</u>

*Latest information available

Data Source

Village of Wheeling 2017 CAFR

CHICAGO EXECUTIVE AIRPORT

SCHEDULE OF CAPITAL CONTRIBUTIONS

Inception to April 30, 2018

Fiscal Year	Capital Contributions				
	Federal Grants	State Grants	County Grants	Other	Donations
1985	\$ 20,262,070	\$ 1,112,691	\$ -	\$ -	\$ -
1988	3,548,275	196,783	-	-	-
1989	1,529,641	82,417	-	-	-
1990	2,644,093	386,967	-	-	-
1991	1,799,702	231,353	-	-	31,000
1992	3,432,448	295,335	-	-	-
1993	7,146,798	593,188	-	-	3,000
1994	4,655,623	289,035	-	-	-
1995	3,419,137	398,900	1,305,800	-	-
1996	498,313	27,471	-	-	-
1997	1,692,866	530,953	-	-	(23,000)
1998	3,382,368	729,473	-	-	-
1999	-	-	-	-	-
2000	(3,045,963)	697,416	(1,305,800)	136,291	-
2001	-	168,952	-	65,723	-
2002	4,248,313	721,743	-	-	-
2003	7,986,499	753,957	-	44,600	-
2004	1,076,877	235,169	-	(2,470)	-
2005	4,478,879	1,428,067	-	-	-
2006	3,611,925	-	-	-	-
2007	10,309,044	273,043	-	-	-
2008	582,066	77,339	-	-	-
2009	49,485	195,566	-	-	-
2010	3,630,870	95,555	-	-	-
2011	1,553,185	25,242	-	-	-
2012	2,490,403	138,000	-	-	-
2013	2,200,552	54,384	-	-	-
2014	833,442	46,302	-	-	-
2015	1,100,127	121,285	-	-	-
2016	512,564	56,952	-	-	-
2017	771,898	85,767	-	-	-
2018	363,050	40,339	-	17,493	-
TOTAL	\$ 96,764,550	\$ 10,089,644	\$ -	\$ 261,637	\$ 11,000

Data Source

Airport's financial statements and accounting records

CHICAGO EXECUTIVE AIRPORT

SCHEDULE OF PROPERTY TAX DATA

Last Ten Fiscal Years

Fiscal Year	Property Tax Assessed Value	Property Taxes Paid by Lessees
2009	\$ 8,870,680	\$ 1,358,969
2010	10,354,881	1,343,047
2011	10,598,226	782,768
2012	12,135,975	858,962
2013	10,527,237	958,410
2014	11,271,798	1,550,829
2015	12,695,121	1,464,758
2016	11,867,280	1,277,211
2017	11,629,149	1,341,628
2018	N/A	N/A

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 Position	(1) Airport Operations	Fuel Flowage (Gallons)	Size (Acres)
2009	\$ 840,747	\$ (1,598,541)	\$ 92,202	4,774,483	426.14
2010	727,492	1,805,179	87,841	4,459,174	426.14
2011	1,209,364.00	-	89,417	4,788,960	426.14
2012	837,851	507,974	84,749	4,521,410	426.14
2013	1,156,172	577,004	82,897	4,692,259	426.14
2014	1,036,451	(731,894)	77,620	4,882,077	426.14
2015	1,295,835	(575,650)	76,974	5,180,360	431.64
2016	1,182,416	(1,323,160)	77,779	5,447,001	431.64
2017	1,989,757	(130,598)	75,297	5,719,292	431.64
2018	1,633,368	(1,098,074)	78,459	6,285,143	431.64

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

Data Source

Airport's internal records

CHICAGO EXECUTIVE AIRPORT

SCHEDULE OF BASED AIRCRAFT TYPES AND U.S. CUSTOMS ARRIVAL CLEARANCES

2009 to Present

Fiscal Year	Piston		Turbine		Helicopter	Total	U.S. Customs Arrival Clearances
	Single	Twin	Propeller	Fan/Jet			
2009	177	22	6	89	3	297	506
2010	161	20	3	62	0	246	436
2011	171	19	3	57	0	250	489
2012	161	18	11	55	2	247	513
2013	155	20	13	66	3	257	463
2014	127	15	18	65	4	229	513
2015	112	21	12	72	3	220	493
2016	112	21	21	80	3	237	473
2017	112	18	16	85	3	234	467
2018	127	18	20	80	3	248	504

Data Source

Airport's internal record