

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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GREATER ROCKFORD AIRPORT AUTHORITY  
FOR THE FISCAL YEAR ENDING  
APRIL 30, 2018 & APRIL 30, 2017  
ROCKFORD, ILLINOIS



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the  
Greater Rockford Airport Authority  
Rockford, Illinois

For the fiscal years ended  
April 30, 2018 and 2017

Prepared by:  
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Deputy Director of Finance and Administration

Jan Benoit  
Finance Manager



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## Introductory Section



This section contains the following subsections:

- ➔ Letter of Transmittal
- ➔ Organizational Chart, Senior Management and Board of Commissioners
- ➔ Certificate of Achievement for Excellence in Financial Reporting



August 31, 2018

To the Board of Commissioners:

The Comprehensive Annual Financial Report (CAFR) for the Greater Rockford Airport Authority (the Authority) (Chicago Rockford International Airport) for the fiscal year ended April 30, 2018 is hereby transmitted for your review. This report is the responsibility of the Authority's Finance Department and represents the Authority's commitment to provide accurate, concise and high-quality financial information to its Board of Commissioners and to the regional community we serve.

The CAFR contains financial statements and statistical information that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are representations of the Authority's management, which bears the responsibility for the accuracy, completeness, and fairness of the CAFR. This letter should be read in conjunction with the Authority's Management's Discussion and Analysis (MD&A) found in the Financial Section. The MD&A provides narrative overview and analysis of the financial activities of the Authority, that occurred during the fiscal year ended April 30, 2018.

This year's CAFR is prepared in accordance with the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards a Certificate of Achievement to all public entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is our belief that the accompanying fiscal year April 30, 2018 CAFR meets the program standards, and will be submitted to the GFOA for review.

## ➔ THE AUTHORITY

The Authority is an independent municipal corporation of the State of Illinois, created by and formed in 1946 shortly after the State of Illinois adopted the Airport Authorities Act of 1945. At the time, the original Board of Commissioners requested and received a grant of 1,500 acres of Federal land located near Rockford, Illinois, for airport use. This land was formerly used as a U.S. Army base, known as Camp Grant, during WWI and WWII. Physical development of the airport began in 1947 with aircraft use in 1949.

The Authority is located within Winnebago County and is empowered to levy a property tax on real properties located within the Authority area, which encompasses an area of approximately 216 square miles and includes all land within Cherry Valley, Harlem, Owen and Rockford Townships with the exception of roughly 12 square miles of rural land in Owen Township. Although ten other Townships in Winnebago County are not included within the boundaries of the Authority, nearly 83% of Winnebago County's land area and 73% of Winnebago County's 2017 equalized assessed valuation are within the Authority Area.

The Authority is governed by a seven-member Board of Commissioners (Board). One or two commissioners are appointed each year to staggered five-year terms. Policy-making and legislative authority rests with the Board that is responsible, among other responsibilities, for passing ordinances, resolutions, adopting the budget, and hiring the

Executive Director. The Executive Director is responsible for carrying out the policies, ordinances and resolutions of the Board, for overseeing the day-to-day operations of the Authority, and overseeing hiring practices. Meetings of the Board are scheduled twice per month on the third and fourth Thursdays. Meetings are open to the public.

### ➔ **FINANCIAL REPORTING ENTITY**

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

### ➔ **INTERNAL CONTROLS**

The Authority's internal control structure is an important and integral part of its entire accounting system. The current structure in place is designed to provide reasonable, but not absolute assurance that: (1) assets are safeguarded against loss from unauthorized use or disposition; (2) transactions are executed in accordance with management's authorization; (3) financial records are reliable for preparing financial statements and maintaining accountability for assets; (4) there is compliance with applicable laws and regulations; and (5) there is effectiveness and efficiency of operations. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits that are likely to be derived from them, and that the evaluation of cost and benefits requires estimates and judgment by management.

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

One duty of the Finance Manager is to perform internal auditing functions. In the course of this assignment, the Finance Manager is authorized to have full, free and unrestricted access to all records relating to the audit.

### ➔ **THE BUDGET**

Authority management has long recognized the importance of proper and accurate budgeting. Management annually creates a comprehensive line item budget that is adopted by the Board of Commissioners in a public meeting before the beginning of each fiscal year. The budget narratives are detailed projections of the expected financial operation over the next year in accordance with the Authority's long-range financial plans. The budget is created using zero-based budgeting techniques where staff estimates all revenues and expenditures as though each revenue and/or expenditure was being initiated for the first time.

Management's control of the budget is maintained at the department level. It is the responsibility of each department to administer its operations in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Commissioners. The annual budget is presented on our website site at <http://flyrfd.com/minutes/>.

### ➔ **LOCAL ECONOMIC CONDITION**

The financial condition of the Authority is primarily dependent upon the amount of aircraft utilization at the Chicago Rockford International Airport (RFD). That utilization, in turn, is dependent upon several factors: the amount of cargo that is sorted at the United Parcel Service hub; the number of passenger airlines that service RFD; the number of passengers that use the airport; the national economy, which influences buying and subsequent shipping habits; and, the local economy that influences the willingness of the consumer to purchase air travel.

Passenger growth increased 3.24% from the prior year. Increases were seen in both domestic and international service. Apple Vacations celebrated their 13th season of non-stop flights to popular tropical vacation destinations in Mexico, the Dominican Republic and Jamaica. More than 150,00 passengers have taken advantage of the services and specials Apple Vacations have offered. Seasonal flights were provided from December 2017 through April 2018.

Allegiant continues to be our principal carrier for regularly scheduled non-stop passenger service. Currently Allegiant Air offers service to Las Vegas, Orlando/Sanford, Clearwater/St Pete, Punta Gorda/Ft Myers, and Phoenix/Mesa. RFD continues to strive to grow convenient, quality passenger service in both the domestic and international markets.

Nearly 1.4 billion pounds of cargo travelled through RFD in 2017, a 50% increase over the year before. One of the many factors influencing the airport's growth in 2017 included UPS moving its Des Moines operation, consisting of 13 daily flights to RFD last July. The most recent FAA cargo report states that RFD is the 22nd largest cargo airport in the United States, an increase from 29<sup>th</sup> in 2016. The Authority will continue to work toward the goal to compete globally to become one of the top cargo airports in the world.

The Chicago Rockford International Airport remains a viable economic engine for the region and state. The most recent State of Illinois economic impact report for all Illinois airports shows RFD continues to be a driving force with \$994.5 million in annual economic impact making it the third highest commercial service airport second and third only to O'Hare and Midway. Our combination of various business strengths and our international grade facility positions us well for future growth.

The economic condition and outlook for the region has improved over the prior year. The Metropolitan Statistical Area (MSA) includes almost 340,000 people. The number of employed individuals in the county is over 158,000. The region continues to expand and diversify its industrial base and employment opportunities. Business growth continues and employment needs are increasing. The unemployment rate decreased from 6.9% to 6.5% for Winnebago County. There is continued local collaboration to increase the quality of available workers to meet the demands of the increasingly technical and specialized job opportunities in the local area.

The region is considered an excellent location for manufacturing, trade, transportation, utilities, and educational and health services. The Rockford Region consists of Boone, Ogle, Stephenson and Winnebago counties in northern Illinois and Rock County in southern Wisconsin. The area lies in the heart of the Midwest, in very close proximity to Chicago, Milwaukee, Madison, Quad-Cities, and Peoria. Over the next ten years, employment in the local workforce area region is projected to expand by over 18,000 jobs.

The Foreign Trade Zone (FTZ) program is a partnership between the federal government and private business with the goal to protect or create new jobs in America. We believe that the FTZ can be a catalyst to improve the economic business climate of the region.

## **➔ INDEPENDENT AUDITOR**

The Authority's independent accounting firm, Baker Tilly Virchow Krause, LLP, has rendered an unmodified opinion on the Authority's financial statements for the fiscal years ended April 30, 2018 and 2017, respectively which states that the financial statements present fairly, in all material respects, the results of the Authority's financial position, changes in financial position and cash flows. The Auditor's report on the financial statements is included in the financial section of the report.

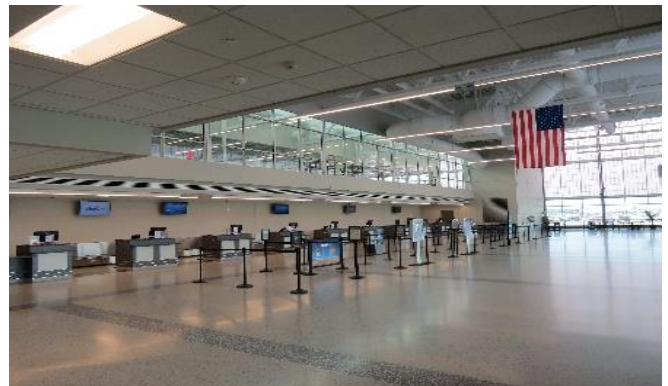
The Authority participates in the federal single audit program, which consists of a single audit of federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by the Authority's independent accounting firm, Baker Tilly Virchow Krause, LLP, met the requirements set forth by the Federal Single Audit Act of 1996 and related Uniform Guidance. The independent auditor's report, which is issued based upon work performed in accordance with those requirements, noted no instances of non-compliance by the Authority with any applicable state or federal laws, regulations, or other matters that are required to be reported for the fiscal year ended April 30, 2018.

## ➔ MAJOR ACTIVITIES AND INITIATIVES

**Cargo Service** – This has been an excellent year for Air Cargo. Currently there are three cargo carriers, Atlas Air, ABX Air and ATI, serving one major customer. We expect to see more flights added during this year. UPS has added 13 more flights weekly to RFD and the hired an additional 250 personnel. UPS is currently expanding the capacity of the sorting facility which will increase the flight activity.



**Terminal Expansion Construction** – Construction began on the 30,000 square foot addition to the terminal in February 2017. The project will be completed in four phases. The new ticket counters and check-in area are operational. The new TSA screening check point and lobby area bathrooms are also completed and operational. Phase three interior construction has begun which includes inbound baggage claim, new restaurant, upstairs bathrooms, and updated gates. Phase four will include an exterior drive up canopy and is to be completed by February 2020. Upon completion of the fourth phase, the terminal will offer expanded passenger areas, increased TSA security lines, and improved baggage handling areas.



### ➔ **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Greater Rockford Airport Authority for its comprehensive annual financial report for the fiscal year ended April 30, 2017. The Certificate is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental 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 accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The Authority has received a Certificate of Achievement for each of the last nineteen consecutive years and we believe our current report conforms to the Certificate of Achievement program requirements, and we plan on submitting it to GFOA to determine its eligibility for another certificate.

### ➔ **OTHER GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS**

The Government Finance Officers Association awarded the Authority Management the Distinguished Budget Presentation Award for its fiscal year 2018 budget. This was the eighteenth consecutive year the Authority was presented with this award.

### ➔ **ACKNOWLEDGEMENTS**

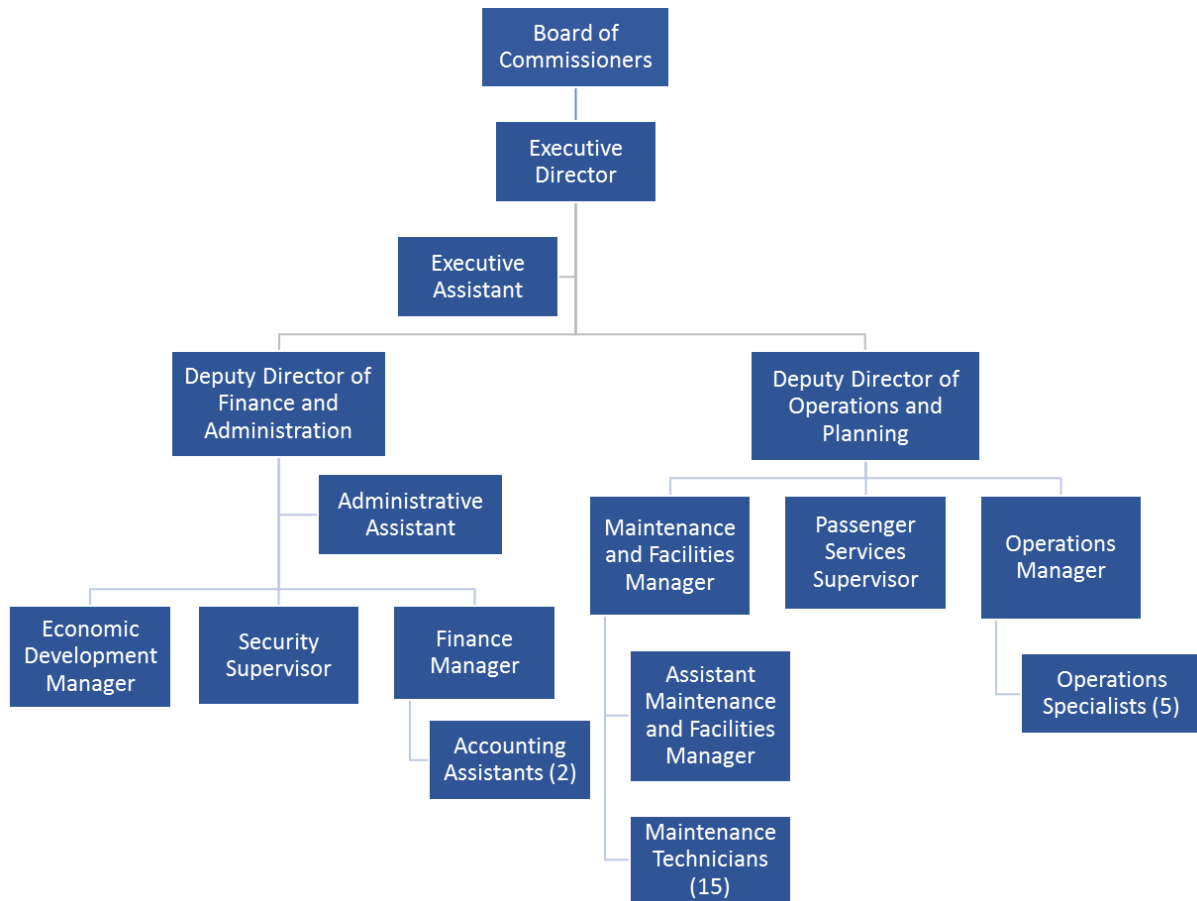
The preparation of the current comprehensive annual financial report on a timely basis was made possible with the support of the Board of Commissioners, through their guidance and support provided in the planning and conducting of the financial operations of the Authority. Their direction and counsel have helped to ensure that the Greater Rockford Airport Authority will remain a model of excellence for airports throughout the world. The members of the Finance department were instrumental in bringing this comprehensive report to completion.

Respectfully submitted,



Michelle Cassaro  
Deputy Director of Finance and Administration

## Organizational Chart, Senior Management and Board of Commissioners



## Board of Commissioners

Paul Cicero, Chairman <i>City of Rockford</i>	Thomas Myers, Vice Chairman <i>City of Loves Park</i>
Patrick Derry, Secretary <i>Winnebago County</i>	Kenneth Edward Copeland, Treasurer <i>City of Rockford</i>
Pat Agnew, Commissioner <i>City of Rockford</i>	Thomas Dal Santo, Assistant Secretary <i>Winnebago County</i>
John Elliott, Commissioner <i>Village of Machesney Park</i>	

## Senior Management

Mike Dunn	Executive Director
Michelle Cassaro	Deputy Director of Finance and Administration
Janette Benoit	Finance Manager



Government Finance Officers Association

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

Presented to

**Greater Rockford Airport Authority  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

## Financial Section



This section contains the following subsections:

- Independent Auditors' Report
- Management's Discussion and Analysis (unaudited)
- Financial Statements
- Notes to Financial Statements
- Required Supplementary Information

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Greater Rockford Airport Authority  
Rockford, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Greater Rockford Airport Authority, Rockford, Illinois as of and for the years ended April 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Greater Rockford Airport Authority'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.

### ***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 over financial reporting relevant to the Greater Rockford Airport Authority'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 Greater Rockford Airport Authority'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 respective financial position of the Greater Rockford Airport Authority, Rockford, Illinois as of April 30, 2018 and 2017 and the respective changes in financial position and its 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, schedule of changes in the net pension liability/(asset) and related ratios, schedule of employer contributions, and the schedule of funding progress for other post-employment benefits, as listed in the table of contents 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greater Rockford Airport Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2018 on our consideration of the Greater Rockford Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Rockford Airport Authority's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
August 31, 2018





## **Management's Discussion and Analysis**

## Management's Discussion and Analysis (unaudited)

Management's Discussion and Analysis (MD&A) of the Greater Rockford Airport Authority (the Authority) provides an introduction to the financial statements for the fiscal years ended April 30, 2018 and 2017. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

### ➔ Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial position.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

The *Statement of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in this statement. Reconciliation is provided at the bottom of the Statement of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

### ➔ Financial Highlights

**A summary of the Authority's financial highlights for the year 2018 is as follows:**

The assets and deferred outflows of the Authority exceeded the liabilities and deferred inflows by \$109.0 million (net position) at April 30, 2018. Of this amount, \$12.0 million is unrestricted.

Total liabilities increased by \$1.9 million. This is primarily the result of recording accounts payable due to an intergovernmental contribution.

Operating revenues increased by 48% to \$7.1 million for FY2018. Landing fee revenue increased by 53% due to increased cargo operations.

Operating expenses for FY2018 increased by 16.5% to \$8.8 million. Increased cargo activity resulted in additional operational costs related to snow removal and airfield maintenance.

## Management's Discussion and Analysis (unaudited)

### A summary of the Authority's financial highlights for the year 2017 is as follow:

The assets and deferred outflows of the Authority exceeded the liabilities and deferred inflows by \$111.7 million (net position) at April 30, 2018. Of this amount, \$16.4 million is unrestricted.

Net capital assets increased by \$6.7 million. This is a result of an increase in capital assets of \$17.8 million less annual depreciation of \$11.1 million.

Total liabilities increased by \$11.1 million. This is primarily the result of an increase in debt financing related to the investment in capital assets during FY2017.

Operating revenues decreased by 6.2% to \$4.8 million for FY2017. Operating expenses for FY2018 decreased by 10.9% to \$7.6 million. This is primarily a result of the absence of AirFest.

### ➔ Financial Position

The following represents the Authority's financial position for the fiscal years ended April 30:

	FYE18	FYE17	FYE16	% Change	
				2018	2017
<b>Assets</b>					
Current assets	\$ 14,068,394	\$ 13,866,522	\$ 10,657,507	1.5	30.1
Capital assets - net	137,648,396	136,435,887	129,727,823	0.9	5.2
Net OPEB asset	234,192	234,192	234,841	0.0	(0.3)
Net pension asset - restricted	562,643	-	-	100.0	0.0
Due from other governments	11,227,407	11,757,667	12,783,655	(4.5)	(8.0)
<b>Total assets</b>	<b>\$ 163,741,032</b>	<b>\$ 162,294,268</b>	<b>\$ 153,403,826</b>	<b>0.9</b>	<b>5.8</b>
<b>Deferred outflows of resources</b>					
Pension-related items	\$ 593,992	\$ 823,209	\$ 930,666	(27.8)	(11.5)
<b>Liabilities</b>					
Current liabilities	\$ 8,328,753	\$ 20,398,935	\$ 12,829,431	(59.2)	59.0
Long-term liabilities, less current maturities	41,966,235	27,987,795	24,391,813	49.9	14.7
<b>Total liabilities</b>	<b>50,294,988</b>	<b>48,386,730</b>	<b>37,221,244</b>	<b>3.9</b>	<b>30.0</b>
<b>Deferred inflows of resources</b>					
Deferred tax revenue	\$ 2,954,052	\$ 2,894,611	\$ 2,782,827	2.1	4.0
Pension-related items	2,126,296	100,920	148,804	2,006.9	(32.2)
<b>Total deferred inflows of resources</b>	<b>5,080,348</b>	<b>2,995,531</b>	<b>2,931,631</b>	<b>69.6</b>	<b>2.2</b>
<b>Net position</b>					
Net investment in capital assets	\$ 96,396,493	\$ 95,357,086	\$ 104,161,337	1.1	(8.5)
Restricted for pension	562,643	-	-	100.00	0.0
Unrestricted	12,000,552	16,378,130	10,020,280	(26.7)	63.4
<b>Total net position</b>	<b>108,959,688</b>	<b>111,735,216</b>	<b>114,181,617</b>	<b>(2.5)</b>	<b>(2.1)</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 164,335,024</b>	<b>\$ 163,117,477</b>	<b>\$ 154,334,492</b>	<b>0.7</b>	<b>5.7</b>

## Management's Discussion and Analysis (unaudited)

### An analysis of significant changes in net position for the year 2018 is as follows:

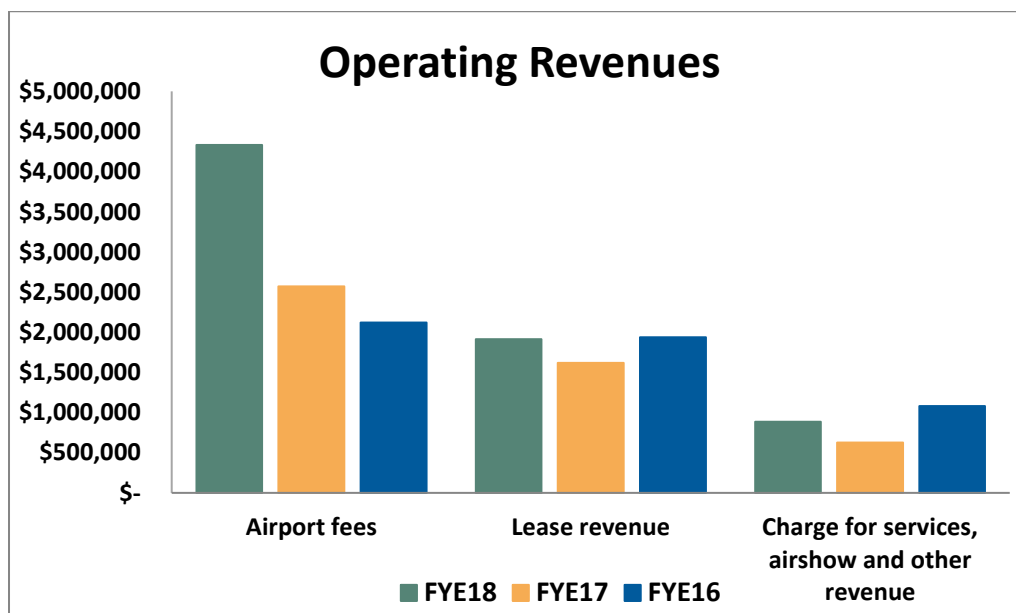
- ➔ Ending net position is \$109.0 million. Of this amount \$96.3 million represents net investment in capital assets, \$562 thousand is restricted and \$12.0 million represents unrestricted net position.
- ➔ Net position decreased by \$2.7 million in 2018. This is a result of an increase in interest expense as well as an increase in depreciation related to capital projects placed in service.
- ➔ Total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources by \$109.0 million.

### An analysis of significant changes in net position for the year 2017 is as follows:

- ➔ Ending net position is \$111.7 million. Of this amount \$95.3 million represents net investment in capital assets and \$16.4 million represents unrestricted net position.
- ➔ Net position decreased by \$2.4 million in 2017. This is a result of an increase in interest expense as well as an increase in depreciation related to capital projects placed in service.
- ➔ Total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources by \$111.7 million.

The Authority's summary of revenues for the fiscal years ended April 30:

	FYE18	FYE17	FYE16	% Change	
				2018	2017
Operating revenues:					
Airport fees	\$ 4,331,016	\$ 2,571,899	\$ 2,121,537	68.4	21.2
Lease revenue	1,913,107	1,620,438	1,936,549	18.1	(16.3)
Charge for services, airshow and other revenue	887,164	627,136	1,080,769	41.5	(42.0)
Total operating revenues	\$ 7,131,287	\$ 4,819,473	\$ 5,138,855	48.0	(6.2)

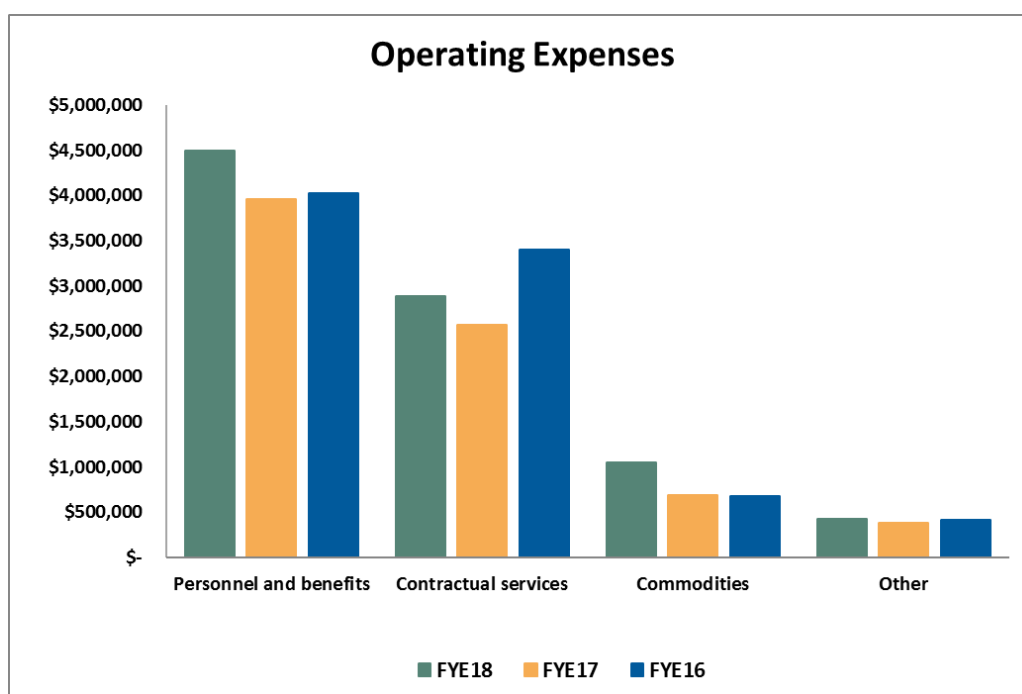


## Management's Discussion and Analysis (unaudited)

- ➔ Airport fees are variable in nature and include on-airport fuel flowage and landing fees and rental car commissions. These fees are directly attributable to the direct operation of the airport. There was an increase in 2018 in airport fees from the prior year by 68.4%. Landing fees increased due to increased cargo activity.
- ➔ Lease revenues are collected from the tenants for the use of real and improved property on the airport grounds. Lease revenues increased by 18.1% in 2018 due to new lease agreements. In 2017, lease revenues decreased by 16.3% from 2016.
- ➔ Charges for services, airport service fees, and other revenues consist of several revenues collected for operating the airport. Charges for services showed a 41.5% increase for 2018 due to increased badging fees and other tenant charges. Lack of AirFest revenue caused a 42% decrease in this line item in 2017.

The following represents the Authority's summary of operating expenses before depreciation and amortization by source for the years ended April 30:

				% Change	
	FYE18	FYE17	FYE16	2018	2017
Operating expenses (excluding depreciation):					
Personnel and benefits	\$ 4,495,847	\$ 3,957,557	\$ 4,026,916	13.6	(1.7)
Contractual services	2,886,151	2,570,490	3,402,197	12.3	(24.4)
Commodities	1,046,229	692,246	678,855	51.1	2.0
Other	421,174	377,857	418,571	11.5	(9.7)
Total operating expenses (excluding depreciation)	\$ 8,849,401	\$ 7,598,150	\$ 8,526,539	16.5	(10.9)



## Management's Discussion and Analysis (unaudited)

- ➔ Personnel and Benefits in 2018 showed an increase of 13.6%. Staff promotions and filled vacancies during FY2018 contributed to the increase.
- ➔ Contractual Services increased by 12.3 percent in 2018. The increase is due to expenses related to increased cargo service in 2018.
- ➔ Commodities are materials the Authority purchases for maintaining the airport. Commodities costs overall were up 51.1% from prior year due to increased spending for chemicals for snow and ice removal.
- ➔ Other expenses are the costs associated with post closure care on two closed landfills on airport property, costs related to the glycol ponds and property taxes. Property taxes increased from the prior year amount.
- ➔ Non-operating revenue is comprised of property and corporate replacement taxes, interest income from investments and intergovernmental revenues and Passenger Facility Charges (PFCs). Included in the non-operating revenue category are non-operating expenses such as interest expense and intergovernmental contributions.
- ➔ Non-operating revenues and expenses decreased in 2018 by 79.4% primarily due to intergovernmental contributions recorded as payable to the City of Rockford. In addition, interest expense increased by 57.6%

The following represents the Authority's summary of changes in net position for the years ended April 30:

	FYE18	FYE17	FYE16	% Change	
				2018	2017
<b>Operating revenues</b>					
Airport fees	\$ 4,331,016	\$ 2,571,899	\$ 2,121,537	68.4	21.2
Lease revenue	1,913,107	1,620,438	1,936,549	18.1	(16.3)
Charge for services and other revenue	887,164	627,136	1,080,769	41.5	(42.0)
Total operating revenues	7,131,287	4,819,473	5,138,855	48.0	(6.2)
<b>Operating expenses</b>					
Personnel and benefits	4,495,847	3,957,557	4,026,916	13.6	(1.7)
Contractual services	2,886,151	2,570,490	3,402,197	12.3	(24.4)
Commodities	1,046,229	692,246	678,855	51.1	2.0
Other	421,174	377,857	418,571	11.5	(9.7)
Total operating expenses	8,849,401	7,598,150	8,526,539	16.5	(10.9)
Less depreciation	12,009,242	11,114,108	10,484,932	8.1	6.0
<b>Operating Loss</b>	(13,727,356)	(13,892,785)	(13,872,616)	(1.2)	0.1
<b>Nonoperating revenues (expenses)</b>					
Taxes - property and corporate	3,397,623	3,385,292	3,469,200	0.4	(2.4)
Interest income	24,694	14,532	3,335	69.9	335.7
Other income	86,279	276,832	302,444	(68.8)	(8.5)
Intergovernmental revenue	563,609	525,365	-	7.3	100.0
Passenger facility charges	484,770	497,802	495,649	(2.6)	0.4
Interest expense	(1,535,629)	(974,449)	(111,194)	57.6	776.4
Intergovernmental contribution	(2,199,824)	-	-	100.0	0.0
Other expense	(58,231)	(22,841)	(727,144)	154.9	(96.9)
<b>Total other revenues (expenses)</b>	763,291	3,702,533	3,432,290	(79.4)	7.9
Capital contributions	10,188,537	7,743,851	17,542,390	31.6	(55.9)
<b>Change in net position</b>	<u>\$ (2,775,528)</u>	<u>\$ (2,446,401)</u>	<u>\$ 7,102,064</u>	<u>13.5</u>	<u>(134.4)</u>
<b>Net position, beginning of year</b>	111,735,216	114,181,617	107,238,382		
<b>Restatement</b>	-	-	(158,829)		
<b>Net position, beginning of year (as restated)</b>	111,735,216	114,181,617	107,079,553		
<b>Net position, end of year</b>	<u>\$ 108,959,688</u>	<u>\$ 111,735,216</u>	<u>\$ 114,181,617</u>		

Source: The Authority Finance Department

## Management's Discussion and Analysis (unaudited)

### ➔ **Capital Assets**

The investment in capital assets includes land, buildings, building improvements, runways, taxiways, roads, machinery, equipment, vehicles, furniture and fixtures. The Authority's capital assets as of April 30, 2018 totaled \$137.6 million (net of accumulated depreciation). This was a net increase of \$1.2 million from the prior year with annual depreciation of \$12 million, \$13.2 million in additions during the year, and no disposals during FY2018.

Major capital projects in process during 2018 included the following:

- ➔ Implementation of Paid Parking
- ➔ Cargo Apron Expansion
- ➔ Terminal Expansion Construction

Major capital projects in process during 2017 included the following:

- ➔ Completion of MRO Facility
- ➔ Terminal Expansion Construction

Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method. Acquisitions are funded using a variety of financing techniques, including federal and state grants, passenger facility charges, debt issuance and the Authority revenues, sinking funds and reserves.

The Authority's capital assets as of April 30, 2017 totaled \$136.4 million (net of accumulated depreciation). This was a net increase of \$6.7 million from the prior year with annual depreciation of \$11.1 million, \$17.8 million in additions during the year, and \$363 thousand in disposals during FY2017.

See Notes 2 and 6 for further information on capital assets.

### ➔ **Debt Administration**

#### **General Obligation Alternate Revenue Bonds, Series 2008**

On December 1, 2008, the Authority issued General Obligation Alternate Revenue Bonds, Series 2008, in the principal amount of \$8,200,000, in varying maturities up to twenty years. This issue was sold at a range of 4.30% to 5.35%. The bonds are non-taxable and secured by future Airport Improvement Program Federal Grant money expected to be received.

*Balance outstanding at April 30, 2018 - \$2,699,200, 2017 – \$2,961,900.*

#### **Capital Lease**

In 2014, the Authority entered into a tax-exempt lease purchase agreement for two Oshkosh H Series Snow Brooms. The amount of the capital lease is \$1,223,800. The agreement was entered into on July 26, 2013 with the first payment due September 26, 2014 and each year after for a period of seven years. The annual interest rate is 2.91%. The annual payment of principal and interest is \$196,230. There is a buy-out option of \$1 at the end of the lease term.

*Balance outstanding at April 30, 2018 - \$556,021, 2017 – \$730,980.*

#### **General Obligation Alternate Revenue Bonds, Series 2014**

On November 24, 2014, the Authority issued General Obligation Alternate Revenue Bonds, Series 2014, in the principal amount of \$400,000, in varying maturities for eight years and nine months. This issue was sold at 4.99% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated October 6, 2014 for property located at 40 Airport Drive.

*Balance outstanding at April 30, 2018 - \$270,930, 2017 – \$311,994.*

## Management's Discussion and Analysis (unaudited)

### **General Obligation Alternate Revenue Bonds, Series 2015A**

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015A, in the principal amount of \$8,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and Winnebago County. The bonds are non-taxable and secured by landfill host fees revenue earned by the County.

*Balance outstanding at April 30, 2018 - \$7,611,181, 2017 – \$7,923,890.*

### **General Obligation Alternate Revenue Bonds, Series 2015B**

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015B, in the principal amount of \$5,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and the City of Rockford. The bonds are non-taxable and secured by sales tax revenue collected by the City.

*Balance outstanding at April 30, 2018 - \$4,667,887, 2017 – \$4,859,765.*

### **General Obligation Alternate Revenue Bonds, Series 2015C**

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015C, in the principal amount of \$4,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated August 21, 2014 for property located at 6150 Cessna Drive.

*Balance outstanding at April 30, 2018 - \$3,695,425, 2017 – \$3,887,812.*

### **General Obligation Alternate Revenue Bonds, Series 2017**

On February 8, 2017, the Authority issued General Obligation Alternate Revenue Bonds, Series 2017, in the principal amount of \$4,750,000 in varying maturities for twenty years. This issue was sold with a 10-year 4.00% fixed interest rate. The interest rate will change on the first day of year eleven to the 10-year treasury rate on that day plus 1.55% and will be fixed for the remaining ten years of the term. The bonds are non-taxable and secured by revenues derived from Passenger Facility Charges.

*Balance outstanding at April 30, 2018 - \$4,560,936, 2017 – \$4,719,533.*

### **Lines of Credit**

During FY2016, state and federal budget issues resulted in funding shortages in the construction of the MRO facility. The Authority opened a line of credit to continue construction of the facility. The initial line of credit totaled \$8 million and was fully drawn down for construction-related expenses. This line of credit was paid off with bond proceeds when the Series 2015 bonds were issued in December 2015.

Bond proceeds were exhausted in March 2016. Federal and state funding was still on hold. Several local banks collaborated to authorize a second line of credit totaling \$17 million. In December 2017, the line of credit was converted to a Promissory Note with a maturity date of December 10, 2022. Monthly payments consist of principal and interest in the amount of \$96,229.72, based on a twenty-five (25) year amortization schedule, with the remaining principal and interest due on the new maturity date. The interest rate is a fixed rate of 4.75%. As of April 30, 2018, \$16.6 million is outstanding on the note. It is expected that state and federal funds will be received prior to due date and will be utilized to pay off the note.

On September 29, 2017, the Authority entered into a Promissory Note to purchase equipment for paid parking implementation. The interest rate is a fixed rate of 4.50%. Monthly principal and interest payments of 14,003.16 will be made until the note matures on January 1, 2023. As of April 30, 2016, \$676,151 remained outstanding on the note.

## Management's Discussion and Analysis (unaudited)

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See Note 7 for further information on long-term debt.

The Authority is subject to debt limitations and those limitations are provided in Note 8. The Authority did not experience any negative changes in its credit rating or limitation during the year.

### ➔ **Passenger Facility Charge (PFC)**

In October 1992, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. In April 2007, the FAA approved the Authority's request to increase the PFC level to \$4.50 on all remaining reimbursements. The new collection rate commenced on June 1, 2007. The total approved collectible amount is \$7,476,945 and the Authority has collected PFCs, including interest earned totaling \$7,128,354.

In 2016, the Authority received FAA approval to continue to impose a PFC until March 1, 2038. The total approved collectible amount is \$8,627,885. PFC collections will be utilized to support the costs of the terminal expansion project including bond principal and interest payments.

### ➔ **Factors Bearing on the Authority's Future**

At the time these financial statements were prepared and audited, the Authority was unaware of any adverse existing circumstances that could significantly affect its financial health in the future.

### ➔ **Contacting the Authority's Financial Management**

This financial report is designed to provide the public with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Deputy Director of Finance and Administration, Michelle Cassaro, at the Greater Rockford Airport Authority, 60 Airport Drive, Rockford, Illinois 61109, 815.969.4445 or [scassaro@flyrfd.com](mailto:scassaro@flyrfd.com). A copy of this report as well as the last ten years can be found on our website at <http://flyrfd.com/minutes/>.



**Greater Rockford Airport Authority**  
**Statements of Net Position**  
**April 30, 2018 and 2017**

<b>Assets and Deferred Outflows of Resources</b>	<i>FYE18</i>	<i>FYE17</i>
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,465,038	\$ 5,076,147
Accounts receivable (net of allowances for uncollectibles of \$3,389 and \$2,249 in 2018 and 2017, respectively)	4,628,881	3,147,566
Taxes receivable	2,954,052	2,894,611
Prepaid expenses and other current assets	155,481	193,836
Due from other governments	587,883	945,239
Restricted cash and cash equivalents	1,277,059	1,609,123
Total current assets	14,068,394	13,866,522
<b>Non-current assets</b>		
Land	16,659,524	16,659,524
Construction in progress	23,127,499	21,353,229
Capital assets net of accumulated depreciation	97,861,373	98,423,134
Total capital assets, net	137,648,396	136,435,887
Net OPEB asset	234,192	234,192
Net pension asset - restricted	562,643	-
Due from other governments	11,227,407	11,757,667
Total non-current assets	149,672,638	148,427,746
<b>Total assets</b>	163,741,032	162,294,268
<b>Deferred outflows of resources</b>		
Pension-related items	593,992	823,209
<b>Total deferred outflows of resources</b>	593,992	823,209
<b>Total assets and deferred outflows of resources</b>	\$ 164,335,024	\$ 163,117,477

<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	<i>FYE18</i>	<i>FYE17</i>
<b>Current liabilities</b>		
Accounts payable	\$ 5,833,528	\$ 1,982,796
Interest payable	194,823	183,850
Security deposits	26,823	26,919
Accrued payroll	84,279	73,766
Prepaid rent	56,146	35,453
Current maturities of long-term liabilities	2,088,098	1,295,563
Line of credit	-	16,762,190
Compensated absences	45,056	38,398
Total current liabilities	8,328,753	20,398,935
<b>Long-term liabilities, less current maturities</b>		
General obligation alternate revenue bond	22,098,606	23,544,292
Capital lease obligation	375,971	556,020
Promissory note	16,283,207	-
Line of credit	536,066	-
Compensated absences	87,824	82,236
Landfill closure and postclosure care	1,139,122	1,139,122
Stormwater retention	1,445,439	1,429,743
Net pension liability	-	1,236,382
Total long-term liabilities, less current maturities	41,966,235	27,987,795
<b>Total liabilities</b>	50,294,988	48,386,730
<b>Deferred inflows of resources</b>		
Deferred tax revenue	2,954,052	2,894,611
Pension-related items	2,126,296	100,920
<b>Total deferred inflows of resources</b>	5,080,348	2,995,531
<b>Net position</b>		
Net investment in capital assets	96,396,493	95,357,086
Restricted	562,643	-
Unrestricted	12,000,552	16,378,130
<b>Total net position</b>	108,959,688	111,735,216
<b>Total liabilities, deferred inflows of resources and net position</b>	\$ 164,335,024	\$ 163,117,477

**Greater Rockford Airport Authority**  
**Statements of Revenue, Expenses and Changes in Net Position**  
**Years Ended April 30, 2018 and 2017**

	<i>FYE18</i>	<i>FYE17</i>
<b>Operating revenues</b>		
Airport fees	\$ 4,331,016	\$ 2,571,899
Lease revenue	1,913,107	1,620,438
Charge for services and other revenue	887,164	627,136
Total operating revenues	7,131,287	4,819,473
<b>Operating expenses</b>		
Personnel and benefits	4,495,847	3,957,557
Contractual services	2,886,151	2,570,490
Commodities	1,046,229	692,246
Other	421,174	377,857
Total operating expenses	8,849,401	7,598,150
<b>Operating loss before depreciation</b>	(1,718,114)	(2,778,677)
Less: Depreciation	12,009,242	11,114,108
<b>Operating loss</b>	(13,727,356)	(13,892,785)
<b>Nonoperating revenues (expenses)</b>		
Taxes - property and corporate	3,397,623	3,385,292
Interest income	24,694	14,532
Passenger facility charges	484,770	497,802
Intergovernmental revenue	563,609	525,365
Other income	86,279	276,832
Interest expense	(1,535,629)	(974,449)
Intergovernmental contribution	(2,199,824)	-
Loss on asset disposal	-	(10,966)
Bond issuance expense	-	(11,875)
Other expense	(58,231)	-
Total nonoperating revenues (expenses)	763,291	3,702,533
<b>(Loss) before capital contributions</b>	(12,964,065)	(10,190,252)
Capital contributions	10,188,537	7,743,851
<b>Change in net position</b>	(2,775,528)	(2,446,401)
<b>Net position, beginning of year</b>	111,735,216	114,181,617
<b>Net position, end of year</b>	\$ 108,959,688	\$ 111,735,216

**Greater Rockford Airport Authority**  
**Statements of Cash Flows**  
**Years Ended April 30, 2018 and 2017**

	<i>FYE18</i>	<i>FYE17</i>
<b>Cash flows from operating activities</b>		
Cash received from providing services	\$ 7,190,800	\$ 4,765,295
Cash paid to employees, including benefits	(4,017,520)	(3,752,886)
Cash paid to suppliers	(4,568,950)	(4,952,275)
<b>Net cash used in operating activities</b>	<b>(1,395,670)</b>	<b>(3,939,866)</b>
<b>Cash flows from investing activities</b>		
Interest received	24,694	14,532
Proceeds from maturities of investments	-	2,541,230
<b>Net cash provided by investing activities</b>	<b>24,694</b>	<b>2,555,762</b>
<b>Cash flows from noncapital financing activities</b>		
Cash receipts from property taxes, general	2,877,582	2,763,791
Cash receipts from corporate replacement taxes	520,041	621,501
Cash paid to city for capital contributions	(2,199,824)	-
<b>Net cash provided by noncapital financing activities</b>	<b>1,197,799</b>	<b>3,385,292</b>
<b>Cash flows from capital and related financing activities</b>		
Cash receipts from capital contributions for capital assets	8,754,585	7,209,756
Cash receipts from passenger facility charges	484,770	497,802
Payments for capital acquisitions	(9,159,804)	(21,641,842)
Principal payments on capital lease	(174,959)	(170,011)
Cash receipts from new bond issuance	-	4,750,000
Cash receipts from line of credit	700,331	12,657,414
Intergovernmental revenues	1,451,227	525,365
Principal payments on revenue bonds	(1,159,335)	(645,825)
Principal payments on promissory note	(117,975)	-
Principal payments on line of credit	(24,180)	-
Interest paid	(1,524,656)	(997,615)
Debt issuance costs	-	(11,875)
<b>Net cash used in capital and related financing activities</b>	<b>(769,996)</b>	<b>2,173,169</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(943,173)</b>	<b>4,174,357</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,685,270</b>	<b>2,510,913</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,742,097</b>	<b>\$ 6,685,270</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (13,727,356)	\$ (13,892,785)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	12,009,242	11,114,108
Other income (expense)	28,048	264,957
Increase (decrease) from changes in:		
Accounts receivable	(47,362)	(304,479)
Prepaid expenses and other current assets	38,355	(79,339)
Deferred outflows - pension related	229,217	107,457
Security deposits	(99)	431
Prepaid rent	20,693	(15,087)
Accrued payroll, compensated absences and OPEB's	22,759	(7,718)
Storm water retention	15,697	11,817
Net pension liability	(1,799,025)	152,816
Accounts payable	(211,215)	(1,244,160)
Deferred inflows - pension related	2,025,376	(47,884)
<b>Net cash used in operating activities</b>	<b>\$ (1,395,670)</b>	<b>\$ (3,939,866)</b>
<b>Reconciliation of cash and cash equivalents to the statement of net position</b>		
Current cash and cash equivalents	\$ 4,465,038	\$ 5,076,147
Restricted cash and cash equivalents	1,277,059	1,609,123
<b>Subtotal</b>	<b>\$ 5,742,097</b>	<b>\$ 6,685,270</b>
Less: Non-cash equivalents	-	-
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,742,097</b>	<b>\$ 6,685,270</b>
<b>Schedule of noncash capital and related financing activities:</b>		
Contributions of capital assets	\$ -	\$ 135,487
Interest charged to construction	\$ 38,932	\$ 661,055

## **Notes to Financial Statements**

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

## **Note 1 – Organization and Reporting Entity**

The Authority is a municipal corporation and body politic of the State of Illinois, organized in 1946 pursuant to the provisions of the Airport Authorities Act (Act) of 1945 to acquire, develop and manage the Chicago Rockford International Airport. As a municipal corporation, the Authority is independent and not an agency of the State of Illinois or any other local government unit.

The Authority is governed by a seven-member Board of Commissioners. The members are appointed as follows:

- The Mayor of the City of Rockford, 3 members;
- Winnebago County Board Chairman, 2 members;
- The Mayor of the City of Loves Park, 1 member; and
- The Village President of the Village of Machesney Park, 1 member.

The Authority members serve five-year terms, except that any person appointed to fill a vacancy will be appointed to serve the unexpired term. Members of the Board of Commissioners are eligible for reappointment. The Board selects an Executive Director to staff the respective departments and oversee the day-to-day operations.

The Authority is authorized to levy ad valorem taxes on all real property located within Winnebago County and is not subject to federal, state or local income taxes or sales taxes.

## **Note 2 – Summary of Significant Accounting Policies**

### **Basis of Accounting**

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

### **Budgetary Data**

The Authority prepares its budget partially on a cash basis. This basis is a departure from accounting principles generally accepted in the United States of America in that capital expenditures, including capital outlays and improvements, debt service and grant service, are entirely recognized in the year purchased or paid. Therefore, depreciation is not budgeted. All other revenues and expenses are budgeted on an accrual basis.

The budget process begins each October. The Deputy Director of Finance and Administration prepares a preliminary budget for review and approval by respective department heads. Upon favorable review by department heads, the Executive Director submits the budget for review, approval and adoption by the Board. The budget can be amended by the Board subsequent to its adoption.

There were no budget amendments in the fiscal years ended April 30, 2018 and 2017.

## **Note 2 – Summary of Significant Accounting Policies (continued)**

### **Operating Revenues and Expenses**

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services relating to the Authority's operations. The principal operating revenues of the Authority are airport fees (primarily landing fees and fuel flowage fees) and lease revenue. The Authority also recognizes certain other revenues as operating revenues, including storm water retention fees, fuel permits, quarry fees, and grant revenue for operating activities, etc. Operating expenses for the Authority include personnel and benefit costs, contractual services costs, commodities and others. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including short-term investments) with maturities of three months or less when purchased to be cash equivalents.

### **Investments**

Investments are stated at fair value. Fair value is determined primarily on the basis of quoted market prices. Interest income is recorded as earned.

### **Accounts Receivable**

Accounts receivable includes amounts due from Authority tenants as well as amounts due from the federal and state governments for grants. The amount shown is reduced by an estimated reserve for uncollectible accounts.

### **Taxes Receivable**

Taxes receivable include taxes levied in the current fiscal year that will be paid in the following fiscal year. The balance is reported as unearned at year-end because the tax levy will be used to fund expenses of the following year.

### **Due from Other Governments**

During FY2016, the Authority entered into agreements with the City of Rockford and County of Winnebago. These agreements provide for quarterly payments from the City and County towards the 2015 Series A and Series B bonds. Total payments remaining to be received from the City and County are reflected on the Statement of Net Position.

### **Compensated Absences**

The Authority accrues vacation and sick pay benefits as earned by its employees. Employees are expected to use their accrued vacation in the calendar year in which it is accrued. An employee whose employment terminates will be paid for accrued unused vacation days. Sick leave not used in a calendar year can be carried over to subsequent years up to a maximum of 75 days. Upon termination of employment, an employee may receive payment in the amount of 25% of accrued sick time.

## Note 2 – Summary of Significant Accounting Policies (continued)

### Capital Assets

All individual items with a cost in excess of \$2,000 that provide more than one year of economic benefit are capitalized. Depreciation and amortization are calculated by the straight-line method using the assets' useful life that is classified as follows:

	<u>Years</u>
Buildings	20
Infrastructure	20
Equipment, office equipment and vehicles	3-10
Intangible Assets	5-10

Routine maintenance and repairs are expensed as incurred. Significant betterment and improvements are capitalized and depreciated over their estimated useful lives. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period. Donated capital assets, donated works of art and similar items, in addition to capital assets received in a service concession arrangement, are recorded at their estimated acquisition value at the date of donation. Airport Improvement Projects (AIP) financed by State of Illinois are capitalized as contributed capital using the most available information as provided by the Illinois Division of Aeronautics.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position contains a separate category titled deferred outflows of resources, which represents a consumption of net position that applies to a future period. In FY2016, the Authority implemented GASB Statement No. 68 resulting in deferred outflows of resources related to pension contributions made subsequent to the measurement date. For further information, see note 9.

In addition to liabilities, the statement of net position contains a separate category titled deferred inflows of resources, which represents an acquisition of net position that applies to a future period. The Authority recognizes taxes levied in the current fiscal year that will be paid in the following fiscal year as deferred inflows. The balance is reported as deferred inflows of resources at year-end because the tax levy will be used to fund expenses of the following year.

In FY2016, the Authority implemented GASB Statement No. 68 resulting in deferred inflows of resources related to pension related items. For further information, see note 9.

### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Net Position

The Authority classified its net position in three categories as follows:

**Net Investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction or improvement of those assets.

**Restricted** results when constraints placed on net position use are either externally imposed by creditors, grantors, and the like, or imposed by law through constitutional provisions or enabling legislation. The Authority had restricted net position of \$562,643 at April 30, 2018 and no restricted net position at April 30, 2017.

## Note 2 – Summary of Significant Accounting Policies (continued)

**Unrestricted** consist of all other net position that does not meet the criteria above.

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

**Comparative Data** – Certain amounts presented in the prior year data may have been reclassified to be consistent with the current year's presentation.

## Note 3 – Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of the Authority at April 30 consist of the following:

	2018	2017
<b>Cash and cash equivalents</b>		
Cash on hand	\$ 520	\$ 520
Deposits and money market accounts	4,464,518	5,075,627
<b>Total cash and cash equivalents</b>	4,465,038	5,076,147
<b>Restricted cash and cash equivalents</b>	1,277,059	1,609,123
<b>Total cash, cash equivalents and investments</b>	\$ 5,742,097	\$ 6,685,270

**Custodial Credit Risk – Deposits:** Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority has a policy regarding custodial credit risk which requires that funds on deposit in excess of FDIC or FSLIC limits be secured by either securities guaranteed by the full faith and credit of the United States of America or obligations of the United States of America or its agencies. The Authority's policy also requires that the amount of collateral provided shall not be less than 105% of the fair market value of the funds secured. Pledged collateral shall be held by the Authority or in safekeeping, evidenced by a safekeeping agreement. Collateral in safekeeping must be held by a third party or by an escrow agent of the pledging institution. As of year-end, the Authority did not have any deposits exposed to custodial credit risk.

**Custodial Credit Risk – Investments:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy addresses custodial credit risk, as applicable, as detailed under *Custodial Credit Risk – Deposits*.

**Interest Rate Risk: - Investments:** The Authority had no investments at year-end for FY2018 and FY2017.

The Authority does not have a policy on interest rate risk however investments are structured so funds are available to meet ongoing operations and those funds intended for longer term purposes are invested to maturity dates to reflect potential future uses with limited maturity lengths.

### **Credit Risk:**

The Greater Rockford Airport Authority may invest public funds in certain types of security as allowed by the Public Funds Investment Act, 30 ILCS 235 et seq. "Public Funds" are defined as current operating funds, special funds, interest and sinking funds, and funds of any kind belonging to or in the custody of the Greater Rockford Airport Authority. While the Public Funds Investment Act allows the investment of public funds in a wider range of possible securities, it is the policy of the Greater Rockford Airport Authority that its investments be limited to the allowed securities as identified hereof.

## Note 3 – Cash, Cash Equivalents and Investments (continued)

Allowable securities are as follows:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
- Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
- Any interest-bearing account, deposit (including certificates of deposit), or any other investment constituting direct obligations of any bank, collateralized pursuant to Section 6, and as defined by the Illinois Banking Act and only those insured by the Federal Deposit Insurance Corporation (FDIC).
- Any repurchase agreements not to exceed 330 days as provided for in 30 ILCS 235/2 (h) so long as such repurchase agreements comply with said statute and are supported by the full faith and credit of the United States of America.

The Authority does not have any investments exposed to credit risk.

Concentration of Credit Risk – Investments: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows for no more than 40% of the total investment portfolio, exclusive of U.S. Treasury securities held in safekeeping to be held at one financial institution. The Authority does not have any investments exposed to concentration of credit risk.

## Note 4 – Property Taxes

Property taxes are recognized as a receivable at the time they are levied. The taxes receivable at April 30, 2018 represent the 2017 tax levy, for which the Authority was required to file its tax levy with the Winnebago County Clerk by the last Tuesday of December. These taxes were assessed and attached as an enforceable lien on the real property as of the preceding January 1.

Tax bills are normally mailed by May 1, and are due in two equal installments in June and September. These taxes are collected by the County Collector, who in turn remits to the Authority its respective share.

Property taxes levied in the current year are measurable but not available to finance current operations and, therefore, are recorded as deferred inflows of resources. Property tax revenues are recognized in the year following the levy.

No allowances for uncollectible is provided as historical collections have shown that over 99% of all funds are received.

### Replacement Tax Allotments

On January 1, 1979, the Corporate Personal Property Tax was abolished and on August 11, 1979, a new tax called the Personal Property Replacement Tax (Replacement Tax) was created. The State law mandates that the Replacement Tax is to be first applied toward payment of the proportionate amount of debt service previously paid from personal property tax levies. Next, the revenues are to be applied to payment of the proportionate share of pension or retirement obligations until satisfied; any remaining monies are to be distributed to other funds, which were previously supported by personal property taxes. The Authority recognizes revenue from the Replacement Tax when it becomes measurable and available in accordance with accounting principles generally accepted in the United States of America. For fiscal years ended April 30, 2018 and 2017; \$520,041 and \$621,501, respectively have been recognized.

## Note 5 – Restricted Assets

As of April 30, 2018 and April 30, 2017, restricted assets consist of amounts received from the City of Rockford and Winnebago County for future payments on debt services. Funds may only be used for debt service payments for the 2015 Series bonds. In addition, a portion of the restricted assets as of April 30, 2018 and April 30, 2017 consisted of unspent bond proceeds. As of April 30, 2018, the Authority has a restricted net pension asset.

## Note 6 – Capital Assets

Changes in capital assets are summarized as follows for the year ended April 30, 2018:

	<i>April 30, 2017</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>April 30, 2018</i>
Capital assets not being depreciated:					
Land	\$ 16,659,524	\$ -	\$ -	\$ -	\$ 16,659,524
Construction in progress - Grants	18,642,697	12,004,480	(8,782,754)	-	21,864,423
Construction in progress - GRAA	2,710,532	1,160,602	(2,608,058)	-	1,263,076
Total capital assets not being depreciated	38,012,753	13,165,082	(11,390,812)	-	39,787,023
Capital assets being depreciated:					
Buildings	65,607,834	8,639	-	-	65,616,473
Vehicles	653,763	-	-	-	653,763
Equipment	13,068,769	49,608	-	-	13,118,377
Infrastructure	162,231,899	-	11,390,812	(1,578)	173,621,133
Office equipment	477,266	-	-	-	477,266
Total capital assets being depreciated	242,039,530	58,247	11,390,812	(1,578)	253,487,011
Less accumulated depreciation:					
Buildings	19,113,872	2,749,392	-	-	21,863,264
Vehicles	569,256	32,855	-	-	602,111
Equipment	10,571,623	571,870	-	-	11,143,493
Infrastructure	113,198,085	8,616,741	-	-	121,814,826
Office equipment	163,560	38,384	-	-	201,944
Total accumulated depreciation	143,616,396	12,009,242	-	-	155,625,638
Total capital assets being depreciated, net	98,423,134	(11,950,995)	11,390,812	(1,578)	97,861,373
Total capital assets, net	\$ 136,435,887	\$ 1,214,086	\$ -	\$ (1,578)	\$ 137,648,396

Changes in capital assets are summarized as follows for the year ended April 30, 2017:

	<i>April 30, 2016</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>April 30, 2017</i>
Capital assets not being depreciated:					
Land	\$ 16,659,524	\$ -	\$ -	\$ -	\$ 16,659,524
Construction in progress - Grants	11,125,465	7,517,232	-	-	18,642,697
Construction in progress - GRAA	31,110,822	9,868,952	(38,269,242)	-	2,710,532
Total capital assets not being depreciated	58,895,811	17,386,184	(38,269,242)	-	38,012,753
Capital assets being depreciated					
Buildings	27,691,208	-	37,916,626	-	65,607,834
Vehicles	699,023	37,973	-	(83,233)	653,763
Equipment	13,341,604	6,970	-	(279,805)	13,068,769
Infrastructure	161,796,919	396,408	38,572	-	162,231,899
Office equipment	157,618	5,603	314,045	-	477,266
Total capital assets being depreciated	203,686,372	446,954	38,269,242	(363,038)	242,039,530
Less accumulated depreciation					
Buildings	17,295,859	1,818,013	-	-	19,113,872
Vehicles	605,204	47,285	-	(83,233)	569,256
Equipment	10,181,303	670,125	-	(279,805)	10,571,623
Infrastructure	104,634,943	8,563,142	-	-	113,198,085
Office equipment	137,051	26,509	-	-	163,560
Total accumulated depreciation	132,854,360	11,125,074	-	(363,038)	143,616,396
Total capital assets being depreciated, net	70,832,012	(10,678,120)	38,269,242	-	98,423,134
Total capital assets, net	\$ 129,727,823	\$ 6,708,064	\$ -	\$ -	\$ 136,435,887

Depreciation expense may differ from the statements of revenue, expenses and changes in net position when compared to additions to accumulated depreciation because of salvage, cost of removal, or costs associated with the disposal of assets. Capital assets were transferred between Construction in Progress – GRAA to Construction in Progress – Grants during FY2018 to reflect the correct classification.

## Note 7 – Long-Term Debt

Changes in long-term debt are summarized as follows for the year ended April 30, 2018:

	<i>April 30, 2017</i>	<i>Additions</i>	<i>Reductions</i>	<i>April 30, 2018</i>	<i>Amount Due in One Year</i>
General obligation alternate revenue bond 2008	\$ 2,961,900	\$ -	\$ 262,700	\$ 2,699,200	\$ 556,901
Capital lease obligation	730,980	-	174,959	556,021	180,049
General obligation alternate revenue bond 2014	311,994	-	41,064	270,930	44,050
General obligation alternate revenue bond 2015 - Series A	7,923,890	-	312,709	7,611,181	323,092
General obligation alternate revenue bond 2015 - Series B	4,859,765	-	191,878	4,667,887	198,159
General obligation alternate revenue bond 2015 - Series C	3,887,812	-	192,387	3,695,425	119,595
General obligation alternate revenue bond 2017	4,719,533	-	158,597	4,560,936	165,159
Line of Credit - MRO *	16,762,190	-	16,762,190	-	-
Promissory Note - MRO *	-	16,762,190	117,975	16,644,215	361,008
Line of Credit - Parking Equipment	-	700,331	24,180	676,151	140,085
Other liabilities - Compensated absences	120,634	132,880	120,634	132,880	45,056
	<b>\$ 42,278,698</b>	<b>\$ 17,595,401</b>	<b>\$ 18,359,273</b>	<b>\$ 41,514,826</b>	<b>\$ 2,133,154</b>

\* The line of credit for the MRO project was converted to the promissory note – MRO in December 2017.

Changes in long-term debt are summarized as follows for the year ended April 30, 2017:

	<i>April 30, 2016</i>	<i>Additions</i>	<i>Reductions</i>	<i>April 30, 2017</i>	<i>Amount Due in One Year</i>
General obligation alternate revenue bond 2008	\$ 3,210,500	\$ -	\$ 248,600	\$ 2,961,900	\$ 262,700
Capital lease obligation	900,991	-	170,011	\$ 730,980	174,959
General obligation alternate revenue bond 2014	350,219	-	38,225	311,994	41,064
General obligation alternate revenue bond 2015 - Series A	8,000,000	-	76,110	\$ 7,923,890	312,854
General obligation alternate revenue bond 2015 - Series B	5,000,000	-	140,235	\$ 4,859,765	191,878
General obligation alternate revenue bond 2015 - Series C	4,000,000	-	112,188	3,887,812	153,502
General obligation alternate revenue bond 2017	-	4,750,000	30,467	4,719,533	158,606
Line of Credit	4,104,776	12,657,414	-	\$ 16,762,190	16,762,190
Other liabilities - Compensated absences	119,089	120,634	119,089	\$ 120,634	38,398
	<b>\$ 25,685,575</b>	<b>\$ 17,528,048</b>	<b>\$ 934,925</b>	<b>\$ 42,278,698</b>	<b>\$ 18,096,151</b>

## Note 7 – Long-Term Debt (continued)

### Capital Lease

In 2014, the Authority entered into a tax-exempt lease purchase agreement for two Oshkosh H Series Snow Brooms. The amount of the capital lease is \$1,223,800. The agreement was entered on July 26, 2013 with the first payment due September 26, 2014 and each year after for a period of seven years. The annual interest rate is 2.91%. The annual payment of principal and interest is \$196,230. There is a buy-out option of \$1 at the end of the lease term. The accumulated depreciation and depreciation expense for the year is \$550,710 and \$122,380, respectively. Principal and interest payments on the lease are due as follows:

<i>Years</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
FYE19	180,050	16,180	196,230
FYE20	185,289	10,941	196,230
FYE21	190,682	5,549	196,231
Total payments	556,021	32,670	588,691
Less current maturities	180,050	16,180	196,230
Long-term portion of the obligation	\$ 375,971	\$ 16,490	\$ 392,461

### Revenue Bonds

In 2008, the Authority issued \$8.2 million of alternative revenue bonds. The 2008 Bonds shall mature on December 1 in each year with final payment due December 1, 2022. Interest payments are due semiannually on June 1 and December 1. Prior to December 2010, the Bonds shall bear interest at the fixed rate of 4.3% per annum. On and after December 1, 2010, the Bonds shall bear interest at a variable interest rate equal to the lesser to the 90-day LIBOR plus 150 basis points or 9% interest per annum.

On November 24, 2014, the Authority issued General Obligation Alternate Revenue Bonds, Series 2014, in the principal amount of \$400,000, maturing in eight years and nine months. This issue was sold at 4.99% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated October 6, 2014 for property located at 40 Airport Drive.

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015A, in the principal amount of \$8,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and Winnebago County. The bonds are non-taxable and secured by landfill host fees revenue earned by the County.

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015B, in the principal amount of \$5,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and the City of Rockford. The bonds are non-taxable and secured by sales tax revenue collected by the City.

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015C, in the principal amount of \$4,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated August 21, 2014 for property located at 6150 Cessna Drive.

On February 8, 2017, the Authority issued General Obligation Alternate Revenue Bonds, Series 2017, in the principal amount of \$4,750,000 in varying maturities for twenty years. This issue was sold with a 10-year 4.00% fixed interest rate. The interest rate will change on the first day of year eleven to the 10-year treasury rate on that day plus 1.55% and will be fixed for the remaining ten years of the term. The bonds are non-taxable and secured by revenues derived from Passenger Facility Charges.

## Note 7 – Long-Term Debt (continued)

Principal and interest payments on the bonds are due as follows:

Bonds - Total			
<i>Years</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
FYE19	1,406,955	767,428	2,174,383
FYE20	1,510,443	746,344	2,256,787
FYE21	1,579,874	690,262	2,270,136
FYE22	1,915,269	627,288	2,542,557
FYE23	1,025,144	571,687	1,596,831
FYE24-FY28	5,375,795	2,324,678	7,700,475
FYE29-FY33	6,350,740	1,467,337	7,818,077
FYE34-FYE37	4,341,341	252,389	4,593,730
Total payments	23,505,561	7,447,413	30,952,974
Less current maturities	1,406,955	767,428	2,174,383
Long-term portion of the obligation	\$ 22,098,606	\$ 6,679,985	\$ 28,778,591

The Authority has pledged the Airport Improvement Program (AIP) Federal Grant money it expects to receive in the future as a government revenue source to repay \$8.2 million in general obligation alternate revenue bonds issued December 2008. Proceeds from the bonds provided financing to implement certain improvements to the Airport through construction of the Northwest Quadrant Air Cargo Apron and Access Taxiway. The bonds are payable from the revenues derived from the grants to be received by the Authority from the United States of America pursuant to the AIP administered by the Federal Aviation Administration and are payable through fiscal 2022. AIP grant revenue is pledged to produce 125% of the debt service requirements over the life of the bonds. Annual principal and interest payments range from \$650,385 to \$946,565 with interest due semi-annually and principal due annually. Interest costs incurred in 2018 were \$83,527 with \$0 interest capitalized. Interest required to be paid in 2017 was \$69,985 with \$0 interest capitalized. No AIP revenues were received for bond payments in FY2018.

The Authority has pledged future rents received as the revenue source to repay \$400,000 in general obligation alternate bonds issued in November 2014. Annual principal and interest payments range from \$17,464 - \$60,230 with interest due semi-annually and principal due annually. Interest costs incurred in 2018 were \$14,846 with \$0 interest capitalized. Interest costs incurred in 2017 were \$16,845 with \$0 interest capitalized.

In December 2015, the Authority issued \$17 million in general obligation alternate revenue bonds. Annual principal and interest payments are \$1,189,503 with interest and principal payments due quarterly. Intergovernmental agreements with the City of Rockford and Winnebago County require the City and the County to make payments to the airport sufficient to pay the principal and interest on Revenue Bonds, Series 2015A and 2015B. Pledged revenues consist of future rents for the Authority, sales tax revenue for the City, and landfill host fees for the County. Interest costs in 2018 totaled \$561,741 with \$0 interest capitalized. Interest costs in 2017 totaled \$544,865 with \$90,577 interest capitalized. In FY2018, pledged revenues were received in the amounts required to meet debt obligations.

In February 2017, the Authority issued \$4.75 million in general obligation alternate revenue bonds. Annual principal and interest payments are \$347,100 with interest and principal payments due monthly. Interest costs incurred in 2018 were \$188,503 with \$188,503 interest capitalized. Interest required to be paid in 2017 was \$27,383 with \$27,383 interest capitalized. PFC revenues received in the amount of \$347,100 covered debt obligation in FY2018.

## Note 7 – Long-Term Debt (continued)

### Other Debt Information

During FY2016, state and federal budget issues resulted in funding shortages in the construction of the MRO facility. The Authority opened a line of credit to continue construction of the facility. The initial line of credit totaled \$8 million and was fully drawn down for construction-related expenses. This line of credit was paid off with bond proceeds when the Series 2015 bonds were issued in December 2015.

Bond proceeds were exhausted in March 2016. Federal and state funding was still on hold. Several local banks collaborated to authorize a second line of credit totaling \$17 million. In December 2017, the line of credit was converted to a Promissory Note with a maturity date of December 10, 2022. Monthly payments consist of principal and interest in the amount of \$96,229.72, based on a twenty-five (25) year amortization schedule, with the remaining principal and interest due on the new maturity date. The interest rate is a fixed rate of 4.75%. As of April 30, 2018, \$16.6 million is outstanding on the note. It is expected that state and federal funds will be received prior to due date and will be utilized to pay off a substantial portion of the note. Principal and interest payments are adjusted annually.

On September 29, 2017, the Authority entered into a line of credit to purchase equipment for paid parking implementation. The interest rate is a fixed rate of 4.50%. Monthly principal and interest payments of \$14,003.16 will be made until the note matures on January 1, 2023. As parking revenues increase, payments will be increased to reduce the debt earlier. As of April 30, 2018, \$676,151 remained outstanding on the note.

## Note 8 – Legal Debt Margin

Pursuant to the Airport Authorities Act, the Authority is given the right to issue tax secured bonds without the approval of voters within its boundaries for construction and development of an airport, provided that:

1. The total of the bonds previously issued or to be issued does not exceed three-quarters percent (0.75%) of the total assessed valuation of all taxable properties within the Authority's boundaries, and
2. The plans and specifications are submitted to the State of Illinois Department of Transportation, Division of Aeronautics for approval.

The Authority may issue additional bonds; however, voter approval is required. The total amount of the bonds may not exceed two and three tenths percent (2.3%) of the total assessed valuation. The 2.3% debt limit is calculated as of the time of issuance of the bonds and includes all Authority indebtedness. The Authority is also subject to a 2.875% debt limitation with respect to all outstanding indebtedness. This limit is calculated as of the date of issuance of any debt, except tax anticipation notes, tax anticipation warrants and revenue bonds.

The legal debt margins as of April 30, 2018 are summarized as follows:

	<i>Without Voter Approval</i>	<i>With Voter Approval</i>	<i>Total Debt Limitation</i>
Assessed valuation at April 30, 2017	\$ 2,680,627,963	\$ 2,680,627,963	\$ 2,680,627,963
Debt limit percentages	0.75%	2.30%	2.875%
	20,104,710	61,654,443	77,068,054
Total debt applicable to debt limit	-	23,505,559	23,505,559
Total	-	23,505,559	23,505,559
FYE18 Legal debt margins	\$ 20,104,710	\$ 38,148,884	\$ 53,562,495

## Note 9 – Pension Plan

**Plan Description.** The Authority participates in a multi-employer defined benefit plan. All employees must be enrolled in IMRF as participating members. IMRF has a two-tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

**Plan membership.** At December 31, 2017, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	54
Inactive, non-retired members	22
Active members	<u>35</u>
Total	<u>111</u>

**Contributions.** As set by statute, Authority employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Authority to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Authority's actuarially determined contribution rate for calendar year 2017 was 8.84% percent of annual covered payroll. The Authority also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## Note 9 – Pension Plan (continued)

**Actuarial Assumptions.** The assumptions used to measure the total pension liability at December 31, 2017 included an (a) 7.50% investment rate of return, (b) projected salary increases of 3.39 to 14.25%, including inflation, and (c) inflation of 2.50%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016. The actuarial cost method was entry age normal and the asset valuation method was market value.

**Mortality.** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Long-Term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	37%	6.85%
International equity	18%	6.75%
Fixed income	28%	3.00%
Real Estate	9%	5.75%
Alternative investments	7%	2.65-7.35%
Cash equivalents	1%	2.25%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2017 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.78% for tax exempt municipal bonds to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, 2117 is the last year in the 2018 to 2117 projection period for which projected benefit payments are fully funded.

## Note 9 – Pension Plan (continued)

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Authority calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Authority:	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 17,515,426	\$ 15,712,060	\$ 14,217,695
Plan fiduciary net pension	16,274,703	16,274,703	16,274,703
Net pension liability/(asset)	\$ 1,240,723	\$ (562,643)	\$ (2,057,008)

**Changes in net pension liability/(asset).** The Authority's changes in net pension liability for the calendar year ended December 31, 2017 was as follows:

Authority:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2017	\$ 15,712,060	\$ 16,274,703	\$ (562,643)

**Pension expense and deferred inflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2017, the Authority recognized pension expense of \$742,054. The Authority reported deferred outflows and inflows of resources related to pension:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	31,460	426,412
Changes of assumptions	2,244	358,204
Net difference between projected and actual investment earnings	461,565	1,341,680
Contributions subsequent to the measurement date	98,723	-
<b>Total</b>	<b>\$ 593,992</b>	<b>\$ 2,126,296</b>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<i>Total</i>
FY2018	\$ (408,602)
FY2019	(390,573)
FY2020	(496,432)
FY2021	(335,420)
FY2022	-
Thereafter	-
	<b>\$ (1,631,027)</b>

## Note 10 – Property Leased to Others

The Authority is a lessor of land, buildings and office space both on and off airport property. Many of these leases provide for a periodic review and redetermination of the rental amounts. Minimum future rentals on non-cancellable operating leases to be received in each of the next five years and thereafter are as follows:

<i>Minimum lease revenue</i>		
FYE19	\$	1,722,885
FYE20		1,720,022
FYE21		1,319,471
FYE22		1,058,444
FYE23		986,703
Thereafter		4,196,784
Total	\$	11,004,309

## Note 11 – Commitments and Contingencies

### Landfill Closure Costs

The Authority operated two (2) landfill sites and both are closed. Landfill #1 was issued a Certification of Closure by the Illinois Environmental Protection Agency (Illinois EPA) on October 10, 2002. The 15-year post-closure care period for Landfill #1 began on December 1, 2001. A Supplemental Permit Application to provide an Affidavit for Certification of Post Closure Care was submitted to the Illinois EPA on July 5, 2018 for Landfill #1. The Illinois EPA has assigned Log No. 2018-322 to the application and has a current final decision date of September 4, 2018. Landfill #2 was issued a Certification of Closure by the Illinois EPA on September 26, 2017. The 21-year post-closure care period for Landfill #2 began on May 2, 2011.

State and Federal laws and regulations require the placement of a final cover and that the Authority perform certain maintenance and monitoring functions at the sites for a minimum of fifteen (15) years thereafter. The Authority has accrued the estimated cost of these future monitoring activities. The liability estimates are based upon engineering estimates and regulatory requirements at the respective dates. However, actual costs may be higher due to inflation, changes in technology, changes in regulations, or further interpretations and directives from regulatory agencies. It is unknown and unforeseen at this time if any funds will be paid in the next 12 months.

The Authority has created a trust to finance closure and post closure care costs. At April 30, 2018 and 2017, an investment of \$1,167,444 and \$1,154,767, respectively, is held for this purpose. Future annual contributions to this trust will be funded by excess funds, if any, after the year-end.

A schedule of changes in the liability for landfill closure and post closure costs is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
2018	\$ 1,139,122	\$ -	\$ -	\$ 1,139,122
2017	1,139,122	-	-	1,139,122
2016	1,139,122	-	-	1,139,122

## Note 11 – Commitments and Contingencies (continued)

### Storm Water Treatment Plan

In accordance with the requirements of the Illinois EPA, the Authority has developed a Storm Water Treatment Plan (the Plan). To complete the Plan, the Authority has projected the estimated capital costs to be approximately \$1,500,000. UPS made monthly payments through July 1999 to fund the obligation. In accordance with the agreement with UPS, interest earned on unspent funds is to be used for the capital needs related to the Storm Water Treatment Plan or returned to UPS. Unspent funding and the related earnings totaling \$1,445,439 and \$1,429,743 are included with investments for long-term purposes and as a liability on the balance sheet at April 30, 2018 and 2017, respectively. UPS currently pays \$12,500 per month for the current operations of the treatment facility.

A schedule of changes for the liability for the Storm Water Treatment Plan is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
2018	\$ 1,429,743	\$ 15,696	\$ -	\$ 1,445,439
2017	1,417,926	11,817	-	1,429,743
2016	1,414,461	3,465	-	1,417,926

### Federal and State Assisted Programs

The Authority participates in several programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of April 30, 2018, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the overall financial position of the Authority. The Authority reports constructed and contributions of capital assets received from the federal or state governments as capital contributions.

### Other Post-Employment Benefits

The Authority requires all retirees to subscribe to a Medicare plan upon eligibility. As of April 30, 2018, only one retiree is not eligible for Medicare. Due to the number of retirees eligible for Medicare, most of the Authority's exposure risk transferred to Medicare reducing the OPEB liability to an amount that is no longer material to the financial statements. The following information is from the most recent actuarial valuation, May 1, 2014. For fiscal year 2019, the Authority will determine whether or not this liability is material upon implementation of GASB No. 75.

*Plan Description.* The Authority maintains group health, dental and life insurance programs for all employees in a single employer defined benefit healthcare plan. Retired employees, at the discretion of the Authority's Board, are included under this program. Membership in the plan consists of 17 retirees and beneficiaries and 35 active plan members for a total of 52 members.

*Funding Policy.* The Authority has a pay-as-you-go funding policy which means that contributions are made to the plan only to fund the amount of benefits paid each year. There are therefore no plan assets at April 30, 2018 and a separate GAAP basis audited postemployment benefit plan report is not available. During the years ended April 30, 2018 and 2017, the Authority contributed \$49,658 and \$66,327, respectively, to the plan.

## Note 11 – Commitments and Contingencies (continued)

*Annual OPEB Cost and Net OPEB Asset.* The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed fifteen years. The following table shows the components of the Authority's OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Authority's net OPEB asset:

	2017
Annual required contribution	\$ (94,926)
Interest on net OPEB obligation	9,394
Adjustment to annual required contribution	(21,122)
Annual OPEB cost (expense)	(106,654)
Contributions made	106,005
Change in net OPEB asset	(649)
Net OPEB asset - beginning of year	234,841
NET OPEB asset - end of year	<u>\$ 234,192</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2018, 2017 and the two preceding years are as follows:

Year Ended April 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
2018	\$ 49,658	99.00%	\$ 234,192
2017	106,654	99.00%	234,192
2016	102,772	104.00%	234,840
2015	99,411	96.98%	230,218

*Funding Status and Funding Progress.* The Authority funds the annual insurance premiums for retirees and their beneficiaries through budget appropriation each fiscal year. Based on prior year risk for self-insurance, the authority has accumulated a net OPEB asset balance totaling \$234,192. The Authority intends to maintain this balance until all retirees are removed from all Authority benefits plans.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

## Note 11 – Commitments and Contingencies (continued)

In the May 1, 2014, actuarial valuation, the entry age normal cost method was selected to value liabilities. The amortization of unfunded liabilities as a level percentage of pay over 15 years was selected to comply with the requirements for an open group.

The actuarial assumptions include a 4% rate of return (net of administrative expenses) and future payroll increases of 4%. The inflation rate used was 3.0%. The health care trend rate assumed increases of 5% with the continued long-term trend table increasing to 7.9%. Mortality, turnover, disability, and retirement ages are the same rates utilized for the Illinois Municipal Retirement Fund (IMRF). The UAAL is being amortized using a level percentage of pay over 15 years.

### Risk Financing

The Authority purchases commercial insurance coverage for the various risks the Authority may encounter in its operations. Such risks of loss relate to torts; theft of, damage to and destruction of assets; errors and omissions; and workers compensation. The Authority has had no settlements in the past five years exceeding the insurance coverage purchased.

The Authority established a partial self-insurance program beginning January 1, 2008 to cover the risks of health claims and has retained the services of an outside agency to administer its self-insurance claims. The Authority does not assume unlimited liability for health claims as it maintains stop-loss coverage which covers medical expenses when they are incurred for amounts over \$3,500 annually for each participant.

The changes in claims and judgments are as follows:

	Balance Beginning of Year	Claims Incurred	Claims Paid	Balance End of Year
2018	\$ 82,682	\$ 106,328	\$ (92,253)	\$ 96,757
2017	80,789	80,372	(78,479)	82,682
2016	71,820	66,416	(57,447)	80,789
2015	51,202	65,200	(44,582)	71,820

### Aircraft Rescue and Firefighting Services Contract

In February 2014 the Authority entered into an agreement with Pro-Tec Fire Services Ltd for contract Aircraft Rescue and Firefighting Services. The contract was renewed in FY2018 for a period of three years expiring February 26, 2020. The agreement calls for twelve equal monthly installments of \$53,583 in 2018.

### Significant Tenants

The Authority has one tenant that provides more than 10% of operating revenues. United Parcel Service (UPS) contributes lease revenues as well as service fee revenue to the airport totaling \$2,490,375 in FY2018 equaling 34.92% of total operating revenue.

### Construction Projects

The Authority has active construction projects as of April 30, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

## **Note 12 – Subsequent Events**

In conjunction with ongoing construction projects, the Authority has commitments for federal and state grant funding. Due to state budget constraints, funds are currently being held by the state for the projects. The Authority has initiated a promissory note as bridge funding until the state funds are released. The state FY2019 budget includes \$14.7 million in appropriations to fund the project.

The Authority is currently negotiating a lease for an expansion of the existing cargo facility. On August 23, 2018, the Authority board has approved issuance of bonds in an amount not to exceed \$12 million and public notice of the intent to issue bonds has been posted. Upon final lease agreement with the tenant, bonds will be issued to fund the construction of the expansion. Debt payments will be secured by landing fees for the term of the financing.

## **Note 13 – Pending Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions; GASB Statement No. 83, Certain Asset Retirement Obligations; GASB Statement No. 84, Fiduciary Activities; GASB Statement No. 85, Omnibus 2017; GASB Statement No. 86, Certain Debt Extinguishment Issues; and GASB Statement No. 87, Leases; GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements; and GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. Application of these standards may restate portions of these financial statements.

## **Required Supplementary Information**

# Greater Rockford Airport Authority

## Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios

Illinois Municipal Retirement Fund

For the Year Ended April 30, 2018

	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015
<b>Regular Plan</b>			
Total pension liability			
Service cost	\$ 263,423	\$ 269,855	\$ 272,656
Interest	1,190,461	1,147,485	1,128,206
Differences between expected and actual experience	(550,713)	72,842	(209,310)
Changes of assumptions	(484,357)	(17,630)	16,911
Benefit payments, including refunds of employee contributions	(895,702)	(937,817)	(921,344)
<b>Net change in total pension liability</b>	\$ (476,888)	\$ 534,735	\$ 287,119
<b>Total pension liability - beginning</b>	16,188,948	15,654,213	15,367,094
<b>Total pension liability - ending</b>	<u>\$ 15,712,060</u>	<u>\$ 16,188,948</u>	<u>\$ 15,654,213</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 267,580	\$ 265,201	\$ 271,796
Contributions - Employees	132,366	115,528	147,352
Net investment income	2,745,178	987,700	73,427
Benefit payments, including refunds of employee contributions	(895,702)	(937,817)	(921,344)
Other changes	(927,285)	(48,693)	62,947
<b>Net change in plan fiduciary net position</b>	1,322,137	381,919	(365,822)
<b>Total plan fiduciary net position - beginning</b>	14,952,566	14,570,647	14,936,469
<b>Total plan fiduciary net position - ending</b>	<u>\$ 16,274,703</u>	<u>\$ 14,952,566</u>	<u>\$ 14,570,647</u>
<b>Net plan liability/(asset) - ending</b>	\$ (562,643)	\$ 1,236,382	\$ 1,083,566
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	103.58%	92.36%	93.08%
<b>Covered-employee payroll</b>	\$ 2,621,801	\$ 2,567,293	\$ 2,649,088
<b>Net pension liability/(asset) as a percentage of covered-employee payroll</b>	-21.46%	48.16%	40.90%

See Independent Auditors' Report and accompanying notes to required supplementary information

Note: The pension schedules are intended to show information for ten years. Additional information will be shown as it becomes available.

**Greater Rockford Airport Authority**  
Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
For the Year Ended April 30, 2018

<b>Regular Plan</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>
Contractually determined contribution	\$ 250,676	\$ 250,643	\$ 278,360
Actual contribution	250,676	250,643	278,360
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,763,493	\$ 2,641,410	\$ 2,590,713
Actual contribution as a percentage of covered-employee payroll	9.07%	9.49%	10.74%

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2017 Contribution Rates

Actuarial Cost Method: Aggregate entry age normal  
Amortization Method: Level percentage of payroll, closed  
Remaining Amortization Period: 26-year closed period  
Asset Valuation Method: 5-year smoothed market; 20% corridor  
Wage Growth: 3.50%  
Price Inflation: 2.75% approximate; No explicit price inflation assumption is used in this valuation  
Salary Increases: 3.75% to 14.5% including inflation  
Investment Rate of Return: 7.50%  
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014(base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used for fully generational projection scale MP-2014(base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014(base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

**Greater Rockford Airport Authority**

## Schedule of Funding Progress, Other Post Employment Benefits

April 30, 2018

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
5/1/2014	\$ -	975,784	(975,784)	0.00%	2,357,203	41.40%
4/30/2012	-	1,078,142	(1,078,142)	0.00%	2,469,730	43.65%
12/31/2008	-	1,366,881	(1,366,881)	0.00%	2,150,820	63.55%

## Statistical Section

(Unaudited)



### CONTENTS

#### **Statistical Section**

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

#### **Financial Trends and Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Operating Information**

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

#### **Economic and Demographic Information**

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

**Greater Rockford Airport Authority**
**Schedule of Revenue, Expenses, and Changes in Net Position**
**Years Ended April 30, 2009 Through 2018**

	<i>FYE18</i>	<i>FYE17</i>	<i>FYE16</i>	<i>FYE15</i>
<b>Operating revenues</b>				
Airport fees	\$ 4,331,016	\$ 2,571,899	\$ 2,121,537	\$ 2,079,168
Lease revenue	1,913,107	1,620,438	1,936,549	1,785,244
Charge for services, airshow and other revenue	887,164	627,136	1,080,769	1,094,545
Total operating revenues	7,131,287	4,819,473	5,138,855	4,958,957
<b>Other revenues</b>				
Taxes - property and corporate	3,397,623	3,385,292	3,469,200	3,490,444
Annexation agreement	-	-	-	-
Interest income	24,694	14,532	3,335	5,300
Intergovernmental revenue	563,609	525,365	-	-
Passenger facility charges	484,770	497,802	495,649	466,839
Other income	86,279	276,832	302,444	192,934
Total other revenues	4,556,975	4,699,823	4,270,628	4,155,517
<b>Total revenues</b>	11,688,262	9,519,296	9,409,483	9,114,474
<b>Operating expenses</b>				
Personnel and benefits	4,495,847	3,957,557	4,026,916	3,900,047
Contractual services	2,886,151	2,570,490	3,402,197	2,976,222
Commodities	1,046,229	692,246	678,855	947,332
Other	421,174	377,857	418,571	483,742
Depreciation	12,009,242	11,114,108	10,484,932	10,261,167
Total operating expenses	20,858,643	18,712,258	19,011,471	18,568,510
<b>Other expenses</b>				
Interest expense	1,535,629	974,449	111,194	103,512
Intergovernmental contribution	2,199,824	-	-	-
Loss on asset disposal	-	10,966	503,044	-
Bond issuance expense	-	11,875	224,100	-
Other Expense	58,231	-	-	-
Total nonoperating expenses	3,793,684	997,290	838,338	103,512
<b>Total expenses</b>	24,652,327	19,709,548	19,849,809	18,672,022
<b>Loss before capital contribution</b>	(12,964,065)	(10,190,252)	(10,440,326)	(9,557,548)
Capital contributions	10,188,537	7,743,851	17,542,390	11,509,023
<b>Change in net position</b>	\$ (2,775,528)	\$ (2,446,401)	\$ 7,102,064	\$ 1,951,475
<b>Net position year end composed of:</b>				
Net investment in capital assets	\$ 96,396,493	\$ 95,357,086	\$ 104,161,337	\$ 104,978,065
Restricted	562,643	-	-	932,238
Unrestricted	12,000,552	16,378,130	10,020,280	1,328,079
<b>Total net position</b>	\$ 108,959,688	\$ 111,735,216	\$ 114,181,617	\$ 107,238,382

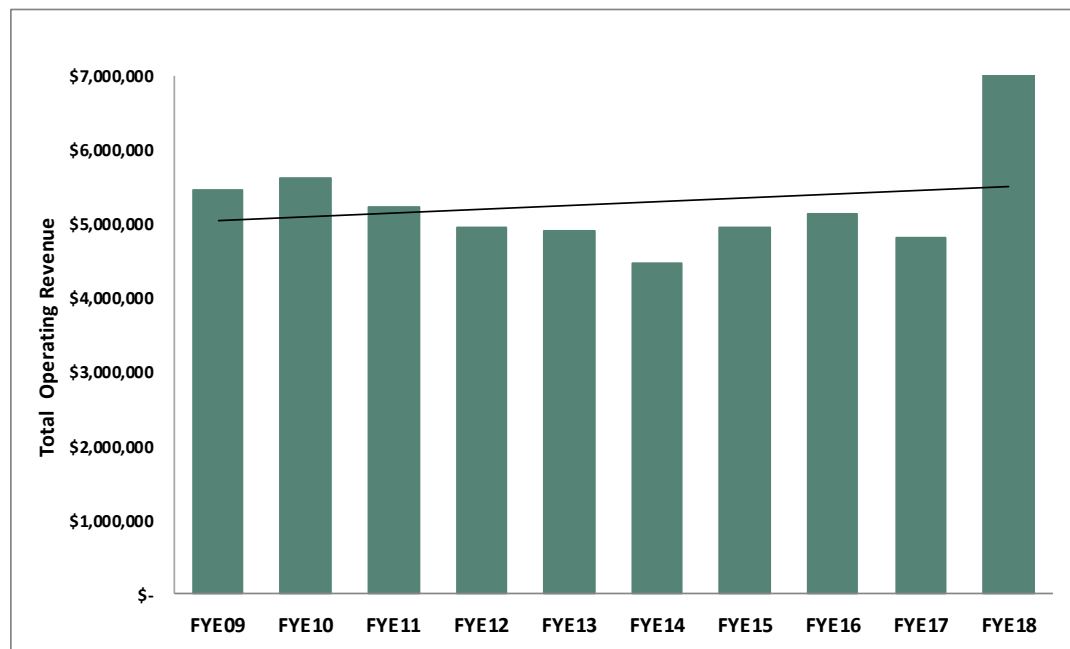
Source: The Authority Finance Department

<i>FYE14</i>	<i>FYE13</i>	<i>FYE12</i>	<i>FYE11</i>	<i>FYE10</i>	<i>FYE09</i>
\$ 2,034,860	\$ 2,075,411	\$ 2,150,157	\$ 2,307,163	\$ 2,323,416	\$ 2,942,200
1,777,845	1,613,546	1,592,487	1,558,402	1,547,796	1,468,388
670,126	1,217,751	1,210,682	1,374,955	1,755,533	1,059,609
4,482,831	4,906,708	4,953,326	5,240,520	5,626,745	5,470,197
3,719,117	3,643,500	3,871,216	3,859,794	3,760,831	3,696,346
-	-	-	-	134,906	134,025
16,182	19,318	33,880	89,321	127,897	226,716
-	-	-	-	-	-
512,191	474,257	522,905	356,332	341,985	441,892
136,887	2,937	145,279	71,400	28,200	542,201
4,384,377	4,140,012	4,573,280	4,376,847	4,393,819	5,041,180
8,867,208	9,046,720	9,526,606	9,617,367	10,020,564	10,511,377
3,952,436	3,829,976	3,606,203	3,871,753	3,545,038	3,335,436
2,988,291	3,780,312	4,349,185	3,662,078	3,623,679	4,530,789
1,148,389	1,196,300	935,766	1,172,744	1,010,928	1,395,928
335,495	(13,424)	502,226	404,966	381,339	282,123
9,748,753	9,635,964	8,458,741	7,138,326	6,964,973	6,908,482
18,173,364	18,429,128	17,852,121	16,249,867	15,525,957	16,452,758
90,201	75,831	144,047	222,750	204,207	2,829
-	-	-	-	-	-
-	-	-	-	-	-
-	325,000	-	-	-	-
-	-	-	-	-	-
90,201	400,831	144,047	222,750	204,207	2,829
18,263,565	18,829,959	17,996,168	16,472,617	15,730,164	16,455,587
(9,396,357)	(9,783,239)	(8,469,562)	(6,855,250)	(5,709,600)	(5,944,210)
2,996,611	12,597,496	6,340,076	7,726,186	7,467,541	3,656,311
\$ (6,399,746)	\$ 2,814,257	\$ (2,129,486)	\$ 870,936	\$ 1,757,941	\$ (2,287,899)
\$ 102,196,797	\$ 107,937,425	\$ 103,205,716	\$ 100,391,965	\$ 99,372,787	\$ 96,518,262
-	-	-	-	-	-
3,090,110	3,749,228	5,666,680	10,609,917	10,758,159	11,854,743
\$ 105,286,907	\$ 111,686,653	\$ 108,872,396	\$ 111,001,882	\$ 110,130,946	\$ 108,373,005

**Greater Rockford Airport Authority**  
Schedule of Revenue by Sources  
Years Ended April 30, 2009 Through 2018

	Airport Fees		Lease Revenue							Total Operating Income
	Airside		Landside	On Airport			Off Airport			
	Fuel Flowage Fees	Landing Fees	Rental Car Commission	Building	Land	Terminal	Building	Land	Other	
FYE09	222,524	2,549,150	170,526	582,604	367,523	49,279	150,744	318,238	1,059,609	5,470,197
FYE10	152,393	2,042,878	128,145	595,061	442,006	46,802	145,570	318,357	1,755,533	5,626,745
FYE11	171,105	1,970,044	166,014	512,448	503,965	49,185	163,545	329,260	1,374,954	5,240,521
FYE12	81,605	1,886,284	182,268	590,802	427,183	75,750	156,095	342,656	1,210,683	4,953,327
FYE13	63,652	1,820,766	190,993	652,012	385,784	58,355	153,572	363,823	1,217,751	4,906,709
FYE14	39,680	1,807,066	188,114	774,906	374,624	66,320	155,374	406,621	670,126	4,482,832
FYE15	50,088	1,842,680	186,400	759,077	348,650	57,145	163,704	456,668	1,094,544	4,958,956
FYE16	43,988	1,872,817	204,732	850,454	365,012	66,636	168,440	459,623	1,107,152	5,138,854
FYE17	36,170	2,341,279	194,450	543,599	373,220	71,644	132,470	454,767	671,874	4,819,473
FYE18	36,241	3,577,044	203,659	844,244	386,352	70,848	120,012	491,652	887,163	7,131,287

Source: The Authority Finance Department.



# Greater Rockford Airport Authority

## Schedule of Certain Expenses by Function and Department

Years Ended April 30, 2009 Through 2018

	<i>FYE18</i>	%	<i>FYE17</i>	%	<i>FYE16</i>	%	<i>FYE15</i>	%	<i>FYE14</i>	%
Finance & Administration	\$ 2,307,294	26.1%	\$ 1,905,796	25.1%	\$ 1,736,000	20.4%	\$ 1,761,923	21.2%	\$ 1,742,428	20.7%
Facilities & Maintenance	4,042,352	45.7%	3,035,463	40.0%	2,861,555	33.6%	3,216,946	38.7%	3,445,157	40.9%
Operations	1,528,735	17.3%	1,408,065	18.5%	1,341,597	15.7%	1,262,810	15.2%	1,804,597	21.4%
Marketing	148,464	1.7%	183,262	2.4%	370,267	4.3%	307,115	3.7%	319,744	3.8%
Terminal Services	430,287	4.9%	584,137	7.7%	596,200	7.0%	639,049	7.7%	568,735	6.8%
AirFest	-	0.0%	-	0.0%	657,142	7.7%	600,477	7.2%	9,799	0.1%
Business Development	392,268	4.4%	481,426	6.3%	963,778	11.3%	224,822	2.7%	201,643	2.4%
Passenger Development	-	0.0%	-	0.0%	-	0.0%	294,203	3.5%	332,508	3.9%
Total	<u>\$ 8,849,401</u>		<u>\$ 7,598,149</u>		<u>\$ 8,526,539</u>		<u>\$ 8,307,343</u>		<u>\$ 8,424,611</u>	

	<i>FYE13</i>	%	<i>FYE12</i>	%	<i>FYE11</i>	%	<i>FYE10</i>	%	<i>FYE09</i>	%
Finance & Administration	\$ 1,539,630	17.5%	\$ 1,819,927	19.4%	\$ 1,945,085	21.3%	\$ 1,920,384	22.4%	\$ 1,881,679	19.9%
Facilities & Maintenance	2,964,152	33.7%	4,730,042	50.4%	4,711,235	51.7%	4,249,149	49.6%	4,368,573	46.2%
Operations	1,793,241	20.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Marketing	511,046	5.8%	1,333,872	14.2%	807,896	8.9%	821,391	9.6%	1,718,132	18.2%
Terminal Services	565,100	6.4%	770,415	8.2%	915,941	10.1%	891,356	10.4%	721,373	7.6%
AirFest	767,358	8.7%	739,124	7.9%	731,384	8.0%	678,704	7.9%	763,495	8.1%
Business Development	205,031	2.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Passenger Development	447,606	5.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	<u>\$ 8,793,164</u>		<u>\$ 9,393,380</u>		<u>\$ 9,111,541</u>		<u>\$ 8,560,984</u>		<u>\$ 9,453,252</u>	

Source: The Authority Finance Department.

**Greater Rockford Airport Authority**  
Schedule of Major Tenants  
Years Ended April 30, 2018 and 2009

	<i>FYE18</i>		<i>FYE09</i>	
	<i>Revenue</i>	<i>% Total Operating Revenue</i>	<i>Revenue</i>	<i>% Total Operating Revenue</i>
United Parcel Service	\$ 2,490,375	34.92%	\$ 2,208,812	40.38%
ATI	584,788	8.20%	360,236	6.59%
LGSTX	437,230	6.13%		
Emery Air Charter	394,958	5.54%	316,636	5.79%
Allegiant Air	264,110	3.70%	157,529	2.88%
ABX Air, Inc	218,877	3.07%	132,784	2.43%
Rock Road	112,067	1.57%	72,239	1.32%
Atlas Air	99,192	1.39%		
Rockford, Sand & Gravel	90,000	1.26%	90,000	1.65%
OSF Aviation	55,058	0.77%		
Heritage Aero	55,013	0.77%		
Pride Aircraft			83,538	1.53%
Rubloff Aviation, LLC			218,196	3.99%
Kaney Aviation			47,274	0.86%
Total	<u>\$ 4,801,668</u>	<u>67.33%</u>	<u>\$ 3,687,244</u>	<u>67.41%</u>

Source: The Authority Finance Department

**Greater Rockford Airport Authority**  
Schedule of Outstanding Debt  
Years Ended April 30, 2009 Through 2018

	<i>Outstanding Debt</i>					<i>Percentage of Personal Income</i>	<i>Total Debt Per Capita</i>
	<i>G.O. Bonds</i>	<i>Capital Leases</i>	<i>Lines of Credit</i>	<i>Prom. Note</i>	<i>Total</i>		
FYE09	8,200,000	-	-	-	8,200,000	0.86	27.74
FYE10	5,174,000	-	-	-	5,174,000	0.53	17.53
FYE11	4,907,100	-	-	-	4,907,100	0.49	16.69
FYE12	4,158,750	-	-	-	4,158,750	0.39	14.24
FYE13	3,925,000	-	-	-	3,925,000	0.36	13.50
FYE14	3,691,250	-	-	-	3,691,250	0.34	12.79
FYE15	3,843,313	1,066,195	-	-	4,909,508	0.36	14.41
FYE16	20,560,719	900,991	4,104,776	-	21,461,710	1.57	63.19
FYE17	24,664,894	730,980	16,762,190	-	25,395,874	***	***
FYE18	23,505,559	556,021	676,151	16,644,215	41,381,946	***	***

Source: The Authority Finance Department

\*\*\* Population and personal income not available.

**Greater Rockford Airport Authority**

## Schedule of Property Tax Levies and Collections

Calendar Years Ended December 31, 2008 Through 2017

	<i>Tax Levy Year (Calendar Year)</i>			
	2017	2016	2015	2014
Assessed valuations (in thousands):	\$ 2,680,628	\$ 2,624,282	\$ 2,593,502	\$ 2,648,100
Rate per \$100 of assessed valuation:				
General - corporate	0.0750	0.0750	0.0750	0.0750
General - other	0.0352	0.0353	0.0323	0.0313
Bond retirement and interest		-	-	-
Total	0.1102	0.1103	0.1073	0.1063
<i>Tax Levy:</i>				
General purposes	2,954,052	2,894,611	2,782,827	2,814,930
Bond retirement and interest	-	-	-	-
Total tax levy	2,954,052	2,894,611	2,782,827	2,814,930
<i>Collections: (See Notes (1) and (2))</i>				
General purposes	-	2,877,582	2,763,791	2,787,502
Bond retirement and interest	-	-	-	-
Total collected	\$ -	\$ 2,877,582	\$ 2,763,791	\$ 2,787,502
<i>Percent of tax levy extension collected</i>	-	99.4%	99.3%	99.0%

Notes: (1) Current collections as shown above represent those collections made by Winnebago County on the current levy and all delinquent property taxes collected that are distributed to the Authority. Delinquent property taxes collected by the County Treasurer are distributed to the taxing units by use of the current tax rate and cannot be applied to specific years.

(2) The 2017 levy will be collected in the fiscal year ending April 30, 2018.

<i>Tax Levy Year (Calendar Year)</i>											
<i>2013</i>		<i>2012</i>		<i>2011</i>		<i>2010</i>		<i>2009</i>		<i>2008</i>	
\$	2,806,901	\$	3,064,894	\$	3,350,384	\$	3,525,363	\$	3,722,982	\$	3,722,189
	0.0750		0.0750		0.0750		0.0750		0.0750		0.0750
	0.0293		0.0274		0.0187		0.0204		0.0151		0.0140
	-		-		-		-		-		-
	0.1043		0.1024		0.0937		0.0954		0.0901		0.0890
	2,927,598		3,138,452		3,139,310		3,363,160		3,288,969		3,251,194
	-		-		-		-		-		-
	2,927,598		3,138,452		3,139,310		3,363,160		3,288,969		3,251,194
	2,909,105		3,123,289		3,122,854		3,346,076		3,277,669		3,236,459
	-		-		-		-		-		-
\$	2,909,105	\$	3,123,289	\$	3,122,854	\$	3,346,076	\$	3,277,669	\$	3,236,459
	99.4%		99.5%		99.5%		99.5%		99.7%		99.5%

**Greater Rockford Airport Authority**

Schedule Assessed Values, Levies and Rates

Calendar Years Ended December 31, 2008 Through 2017

Levy Year	Assessed	Tax Levy			Tax Rates		GRAA %
	Valuations (in thousands)	Operating	Debt	Total	GRAA	County	County
2008	3,722,189	3,251,194	-	3,251,194	0.0890	10.4536	0.85%
2009	3,722,982	3,288,969	-	3,288,969	0.0901	10.6380	0.85%
2010	3,525,363	3,363,160	-	3,363,160	0.0954	11.3239	0.84%
2011	3,350,384	3,139,310	-	3,139,310	0.0937	12.1825	0.77%
2012	3,064,894	3,138,452	-	3,138,452	0.1024	10.2183	1.00%
2013	2,806,901	2,927,598	-	2,927,598	0.1043	10.7573	0.97%
2014	2,648,100	2,814,930	-	2,814,930	0.1063	11.1185	0.96%
2015	2,593,502	2,782,827	-	2,782,827	0.1073	11.4860	0.93%
2016	2,624,282	2,894,611	-	2,894,611	0.1103	11.4189	0.97%
2017	2,680,628	2,954,052	-	2,954,052	0.1102	10.7426	1.03%

Source: The Authority Finance Department

# **Greater Rockford Airport Authority**

## Schedule of Principal Property Taxpayers in Winnebago County

Calendar Years Ended December 31, 2017 and 2008

<i>Taxpayer</i>	<i>Type of Business</i>	<i>2017 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>	<i>2008 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>
CBL/Cherryvale	Retail	\$ 13,179,605		\$ 15,172,154	0.31%
Lowes Home Center Inc	Retail	11,555,048	0.31%	14,776,374	0.31%
Greater Rockford Airport	Airport	10,926,443	0.30%	12,881,837	0.27%
Woodward, Inc.	Aerospace	9,804,556	0.27%		
Meier Stores Limited Partnership	Retail	8,235,649	0.22%		
Beloit Memorial Hospital	Medical Facility	7,999,200	0.22%		
Simon Property/Forest Plaza LLC	Retail/Real Estate Holdings	6,772,912	0.18%	5,079,555	0.11%
National Retail Properties	Retail	5,196,512	0.14%		
Lubrizol Holding	Retail/Real Estate Holdings	5,076,903	0.14%		
Edward Rose Associates, Inc	Real Estate Holdings	4,353,986	0.12%	4,663,783	0.10%
Walmart Real Estate Trust	Retail	4,216,647	0.11%		
Wesley Willows	Retirement/Real Estate	4,132,046	0.11%		
Jeffrey Petry	Real Estate Holdings	4,070,828	0.11%		
Kelley Williamson	Retail/Real Estate Holdings	3,984,698	0.11%		
Two Star Property Co.	Retail/Real Estate Holdings			6,119,493	0.13%
Total		<u>\$ 96,503,992</u>	<u>2.61%</u>	<u>\$ 43,521,042</u>	<u>0.90%</u>
		Total Assessed Valuation - \$3,690,414,818		Total Assessed Valuation - \$4,829,007,971	

Source: Winnebago County Clerk

**Greater Rockford Airport Authority**

## Chicago Rockford International Airport Information

Year Ended April 30, 2018

Location: 4 miles south of downtown Rockford, IL.

Area: 3,000 acres

Elevation: 742 ft.

Airport Code: RFD

Runways:	1/19	North/South	8,199x150 ft. ILS/GPS
	7/25	East/West	10,004x150 ft. ILS/GPS

Terminal:	Airlines	2,211 sq. ft.
	Tenants	4,443 sq. ft.
	Public/Common	30,433 sq. ft.
	Mechanical	<u>7,714 sq. ft.</u>
	Total	44,801 sq. ft.

Number of Passenger Gates	5
Number of Loading Bridges	5
Number of Concessionaires in terminal	1
Number of rental car agencies in terminal	3

Apron: Commercial Airlines  
Cargo Airlines  
FBO

Parking:	Spaces assigned: Short-Term	1,750
	Rental Cars	190
	Employees	54

Cargo:	UPS Buildings	670,000 sq. ft.
	International Cargo Facility	70,000 sq. ft.
	Airside Crossdock Buildings	48,600 sq. ft.

International: Customs/Immigration Federal Inspection Service Facility

Tower: TRSA 24/7-365

FBOs: Emery Air, Inc., North American/Pride

**Greater Rockford Airport Authority**  
Schedule of Staffing  
Years Ended April 30, 2009 Through 2018

	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>
Board of Commissioners	7	7	7	7	7
Administration/Finance	9	8	8	8	8
Marketing	-	-	-	-	-
Facilities/Maintenance	17	17	16	16	16
Operations	8	8	8	8	7
Terminal Services	-	-	3	3	4
AirFest	-	-	1	1	-
Cargo Development	-	2	3	3	1
Passenger Development	-	-	-	-	2
	<u>41</u>	<u>42</u>	<u>46</u>	<u>46</u>	<u>45</u>

	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>
Board of Commissioners	7	7	7	7	7
Administration/Finance	8	10	11	11	11
Marketing	1	1	2	-	-
Facilities/Maintenance	17	21	21	21	19
Operations	8	-	-	-	-
Terminal Services	3	6	6	6	6
AirFest	-	-	-	1	1
Cargo Development	1	-	-	-	-
Passenger Development	2	-	-	-	-
	<u>47</u>	<u>45</u>	<u>47</u>	<u>46</u>	<u>44</u>

Source: The Authority Finance Department

**Greater Rockford Airport Authority**  
Schedule of Air Commerce  
Years Ended April 30, 2009 Through 2018

	<i>FYE18</i>	<i>% of Change from Prior year</i>	<i>FYE17</i>	<i>FYE16</i>	<i>FYE15</i>
Passenger Enplanements					
Scheduled	110,874		109,223	107,139	100,334
Charter	<u>4,007</u>		<u>3,687</u>	<u>4,140</u>	<u>3,043</u>
Total	<u><u>114,881</u></u>	3.24%	<u><u>112,910</u></u>	<u><u>111,279</u></u>	<u><u>103,377</u></u>
Cargo					
Enplaned	302,530,574	94.41%	186,182,879	155,612,074	141,181,977
Deplaned	<u>223,733,967</u>	104.21%	<u>134,230,657</u>	<u>109,563,405</u>	<u>110,902,191</u>
Total	<u><u>526,264,541</u></u>	98.46%	<u><u>320,413,536</u></u>	<u><u>265,175,479</u></u>	<u><u>252,084,168</u></u>
Cargo Aircraft Landed Weight	1,668,351,840	106.83%	1,028,789,640	806,624,170	788,127,660
Fuel Flowage	17,957,741	63.73%	13,104,477	10,967,938	9,799,912
Aircraft Operations	40,076	10.85%	35,246	36,154	34,816

Source: The Authority Finance Department

<i>FYE14</i>	<i>FYE13</i>	<i>FYE12</i>	<i>FYE11</i>	<i>FYE10</i>	<i>FYE09</i>
106,240	99,448	98,343	88,814	85,014	74,024
2,846	4,941	7,604	14,377	15,908	14,718
<u>109,086</u>	<u>104,389</u>	<u>105,947</u>	<u>103,191</u>	<u>100,922</u>	<u>88,742</u>
136,392,407	148,693,661	161,346,553	148,964,090	163,889,607	209,461,204
110,561,901	121,188,890	129,877,286	110,148,207	135,751,221	179,066,129
<u>246,954,308</u>	<u>269,882,551</u>	<u>291,223,839</u>	<u>259,112,297</u>	<u>299,640,828</u>	<u>388,527,333</u>
779,424,820	806,893,740	884,405,380	902,395,080	1,021,396,570	1,327,827,612
9,744,711	12,917,749	15,223,883	17,242,721	17,502,695	14,755,983
38,163	39,981	47,241	44,449	48,301	58,484

**Greater Rockford Airport Authority**  
Schedule of Rates and Charges  
Years Ended April 30, 2009 Through 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Fuel</b>					
Class A	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.09
Class B	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.11
Class C	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.11
<b>Landing Fee</b>					
Per 1,000 lbs					
Signatory					
Over 120,000,000 lbs - Annual	\$ 1.934	\$ 1.934	\$ 1.934	\$ 1.934	\$ 1.934
Under 120,000,000 lbs - Annual	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964
Non-signatory	\$ 2.455	\$ 2.455	\$ 2.455	\$ 2.455	\$ 2.455
<b>Terminal Usage</b>					
Signatory & Charter Flights	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00
Non-signatory & Charter Flights	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00
Ticket Counter/Computer Use fee per enplanement	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
International Rubbish Fee					
4x4 hopper (200 gallons)	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00
black cart (60 gallons)	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00
gray cart (40 gallons)	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Fuel</b>					
Class A	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Class B	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08
Class C	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08
<b>Landing Fee</b>					
Per 1,000 lbs					
Signatory					
Over 120,000,000 lbs - Annual	\$ 1.842	\$ 1.842	\$ 1.842	\$ 1.671	\$ 1.641
Under 120,000,000 lbs - Annual	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964
Non-signatory					
<b>Terminal Usage</b>					
Signatory & Charter Flights	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Non-signatory & Charter Flights	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00
Ticket Counter/Computer Use fee per enplanement	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
International Rubbish Fee					
4x4 hopper (200 gallons)	\$ 305.00	\$ 305.00	\$ 305.00	\$ 305.00	\$ 250.00
black cart (60 gallons)	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00
gray cart (40 gallons)	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00

Source: The Authority Finance Department

## Greater Rockford Airport Authority

### Schedule of Largest Employers in the Greater Rockford Area Years Ended April 30, 2018 and 2009

<i>Employer</i>	<i>Product/Service</i>	<i>2017</i>	<i>Percentage of MSA</i>		<i>Percentage of MSA</i>	
			<i>Employment</i>	<i>2009</i>	<i>Employment</i>	
Fiat Chrysler Automobiles	Automobiles	5,152	3.24%	2,500	1.62%	
Mercyhealth	Health Care	4,000	2.52%	3,735	2.42%	
Swedish American Health System	Health Care	3,359	2.11%	2,625	1.70%	
OSF Health Care	Health Care	2,800	1.76%	2,094	1.36%	
UPS	Parcel Sorting Hub	2,379	1.50%	1,600	1.04%	
UTC Aerospace Systems	Aerospace Components	2,200	1.38%	2,200	1.42%	
Woodward Governor Co.	Aerospace, governors, equipment	1,900	1.20%	1,071	0.69%	
Packaging Coordinators Inc	Pharmaceutical packaging	1,800	1.13%	1,200	0.00%	
Walmart	Retail	1,471	0.93%			
Lowe's	Distribution center, retail	900	0.57%			
Mondelez International	Chewing Gum	850	0.54%			
Total of 10 largest employers		<u>26,811</u>	<u>16.88%</u>	<u>17,025</u>	<u>10.24%</u>	

Source: Rockford Area Economic Development Council and Bureau of Economic Analysis, updated May 2018

Note: Schedule does not include government employees in the Greater Rockford Area.

**Greater Rockford Airport Authority**

## Schedule of Demographic Indicators for Rockford MSA

Years Ended December 31, 2008 through 2017

<i>December 31,</i>	<i>(1) Population of Rockford MSA</i>	<i>(1) Personal Income (thousands of dollars)</i>	<i>(1) Per Capita Personal Income</i>	<i>(2) Unemployment Rate</i>
2008	349,937	11,886,773	33,968	13.0%
2009	349,766	11,539,982	32,993	16.2%
2010	349,224	11,740,547	33,619	11.8%
2011	347,864	12,197,793	35,065	10.7%
2012	345,809	12,523,077	36,214	9.8%
2013	344,746	12,691,589	36,814	9.1%
2014	342,367	13,023,282	38,039	5.9%
2015	340,663	13,515,620	39,674	7.1%
2016	339,650	13,672,271	40,254	6.9%
2017	338,291	*	*	6.5%

(1) Source: Bureau of Economic Analysis, Regional Economic Information System, July 2018  
Annual Estimates of Recent Population 2016-2017

(2) Illinois Department of Employment Security, Economic Information and Analysis, April 2018

\* Information not yet available





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