

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended May 31, 2018**

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

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**Thompson & Lengacher**  
Certified Public Accountants

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Myron M. Thompson, CPA  
Michael W. Lengacher, CPA  
Jane A. Todd, CPA

November 19, 2018

To: Board of Commissioners of the  
St. Louis Regional Airport  
Bethalto, IL 62010

**INDEPENDENT AUDITOR'S REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the St. Louis Regional Airport as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the St. Louis Regional Airport's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the St. Louis Regional Airport, as of May 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 and budgetary comparison information on pages 3-6 and 41-43 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 opinions on the financial statements that collectively comprise the St. Louis Regional Airport's basic financial statements. The Schedule of Property Tax Rates, Extensions, and Collections is presented for purposes of additional analysis and is not a required part of the basic financial statements.



Thompson & Lengacher Co., P.C.

**St. LOUIS REGIONAL AIRPORT**  
**Management's Discussion and Analysis (MD&A)**  
**June 1, 2017 to May 31, 2018**

This management discussion and analysis (MD&A) of St. Louis Regional Airport's financial performance provides an overview of the Airport's financial activities for the fiscal year ended May 31, 2018, and accompanies the Airport's annual audit recently completed by Thompson & Lengacher Co., P.C., Maryville, Illinois. The intent of this management discussion and analysis is to look at the Airport's financial performance as a whole. Readers should also review the transmitted letter and the financial statements to enhance their understanding of the Airport's financial performance.

**Financial Highlights**

Key financial highlights for the fiscal year ended May 31, 2018, are as follows:

- Cash and investments increased by approximately \$420,000 during the past fiscal year.
- The expenses increased by over \$400,000 from the prior year. However, that is still less than two years ago.
- The property tax rate has stayed the same as the 2017 year.

**Using This Annual Report**

This annual report consists of a series of financial statements. The Statements of Net Position and the Statement of Activities, on pages 7 and 8, provides information about the activities of the Airport as a whole and presents a long-term view of the Airport's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short term, as well as, what remains for future spending. Fund financial statements also report operations in more detail than the government-wide statements by providing information about each airport fund.

**Reporting the Airport as a Whole**

The Statement of Net Position and Statement of Activities report the view of the Airport as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by the private sector.

These two statements report the Airport's net position and changes in the net position. The change in net position is important because it tells a reader whether the financial position of the Airport has improved or diminished, taken as a whole. However, in evaluating the financial position of the Airport, nonfinancial information should also be taken into consideration. Examples of non-financial information to be considered, includes changes in the Airport's tax base and the condition of their capital assets.

	<u>May 31, 2018</u>	<u>May 31, 2017</u>
<b>ASSETS</b>		
Current Assets	\$ 1,166,790	\$ 752,835
Capital Assets	41,706,592	42,436,023
Deferred Outflow of Resources	<u>1,123,119</u>	<u>1,165,131</u>
Total Assets	<u>\$ 43,996,501</u>	<u>\$ 44,353,989</u>
<b>LIABILITIES</b>		
Current Liabilities	\$ 538,437	\$ 491,994
Non-Current Liabilities	\$ 5,676,979	\$ 5,770,000
Deferred Inflow of Resources	<u>1,285,408</u>	<u>1,407,115</u>
Total Liabilities	<u>\$ 7,500,824</u>	<u>\$ 7,669,109</u>
<b>NET POSITION</b>		
Invested in Capital Assets	\$ 35,936,592	\$ 36,396,023
Unrestricted	<u>559,085</u>	<u>288,857</u>
Total Net Position	<u>\$ 36,495,677</u>	<u>\$ 36,684,880</u>

As of May 31, 2018, net position of the Airport decreased by \$189,205. The main reason for the decrease is that depreciation exceeded capital improvements for the year. So, from a cash perspective, the overall position of the Airport has improved over the past year.

	<u>Year Ended May 31, 2018</u>	<u>Year Ended May 31, 2017</u>
<b>Revenues:</b>		
Charges for Services	\$ 1,812,168	\$ 1,805,520
Operating Grants	-	4,670
Capital Grants	358,234	2,074,005
Property Taxes	778,584	819,896
Replacement Taxes	338,486	454,670
Other	<u>7,629</u>	<u>20,085</u>
Totals	<u>\$ 3,295,101</u>	<u>\$ 5,178,846</u>
<b>Expenses:</b>		
Administrative	\$ 580,425	\$ 519,819
Airport Operations	2,205,336	1,767,550
Interest and Fiscal Charges	359,515	419,285
Rental Activities	<u>339,028</u>	<u>344,690</u>
Totals	<u>\$ 3,484,304</u>	<u>\$ 3,051,344</u>
Changes in Net Position	<u>\$ (189,203)</u>	<u>\$ 2,127,502</u>

## **The Airport's Funds**

As the Airport completed its fiscal year, its governmental funds reported a combined fund balance of \$544,800 as compared to \$144,500 in the prior year. This change is the result of the restructuring revenues. This was accomplished by taking the debt service fund tax levy and moving most of it to the general fund. The debt service fund did not exist during the past fiscal year. Revenues decreased by \$165,000, which was mainly because of a decrease in Replacement Tax revenue. Expenditures decreased by \$2,100,000 over the prior year. The main area of the decrease is in capital expenditures. Net transfers increased by \$135,000.

Revenues exceeded expenditures by \$400,000 as compared to an increase of \$ 75,000 in the prior year. Expenditures, other than capital expenditures, increased by \$116,000 over the prior year. The Airport Revenue Fund and the Farm Revenue Fund revenues increased by \$4,000 over the prior year. These two funds showed revenue over expenditures of \$982,684 and \$126,184 respectively. These revenues are typically transferred to the general fund to offset operating costs of the Airport. Transfers out totaled \$1,174,495, which is an increase of \$135,000 compared to the prior year.

The General Fund balance increased by \$400,000 during the past fiscal year. This fund paid for all capital expenditures during the year and also pays for the general development costs at the Airport.

The Airport budget was not amended during the year. The expenditures for the governmental fund were \$21,000 more than amounts budgeted. This is the typical result for the Airport, as government grants are always fluctuating year to year. This past year, grant income was \$358,000, a decrease of \$1,700,000 from the prior year.

The financial condition of the Airport has improved significantly in the past fiscal year. We believe that we have reversed an unfavorable trend and should see some improvement in the next few years.

### **Capital Asset and Debt Administration**

Capital Assets, net of depreciation, decreased by \$730,000 during the past fiscal year. The major acquisitions were:

T Hangar Taxi, Lane Improvements	\$268,000
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Depreciation totaled \$1,095,562 for the past fiscal year.

Debt payments totaled \$270,000 during the past fiscal year. These amounts were made up of two bonds that are still in existence.

As discussed in Note 12, the Airport issued a General Obligation Bond in the amount of \$2,500,000 in June, 2018. This bond is planned to be paid by an increase in real estate taxes. As of this date, the Airport has no plans to issue any other general obligation bonds.

More detailed information regarding capital assets and long term debt activity is available at Notes 3 and 4 to the financial statements.



## **Economic Factors and Expectations**

The Airport expects the property tax rate to remain the same for the General Fund in the future. This will be necessary in order to keep funding our operations until significant additional rent revenue can be obtained. The Airport's goal of financing operations mainly with rental revenue is always in the boards' consideration. The board has spent money to develop the Airport. The benefits of those expenditures should be realized in the future. The board does not intend to increase the property tax rate in the future once the new General Obligation Bond has been included in the rate.

In summary, the Airport is improving its financial condition and reflects conservative fiscal policy. This financial report is designed to provide a general overview of the Airport's finances, comply with finance-related laws and regulations, and demonstrates the Airport's commitment to public accountability. Questions about this report, or requests for additional information, should be directed to the Airport administration office at 8 Terminal Drive, East Alton, IL 62024, or call 618-259-2531.

Respectfully submitted,

David C. Miller  
Airport Manager

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**STATEMENT OF NET POSITION**

May 31, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b><u>Current Assets:</u></b>			
Cash in Bank	\$ 711,963	\$ 405,470	\$ 1,117,433
Investments	13,001		13,001
Accounts Receivable			
Personal Property Replacement Tax	28,529		28,529
Rents and Other	6,065	-	6,065
Prepaid Insurance	1,762		1,762
Total Current Assets	<u>\$ 761,320</u>	<u>\$ 405,470</u>	<u>\$ 1,166,790</u>
<b><u>Non-Current Assets:</u></b>			
Capital Assets, Net of Accumulated			
Depreciation	\$ 29,843,995	\$ 11,862,597	\$ 41,706,592
<b><u>Deferred Outflow of Resources</u></b>			
Pension Related Deferred Outflows	350,996		350,996
Property Tax Receivable	772,123		772,123
Total Deferred Outflow Resources	<u>1,123,119</u>	<u>-</u>	<u>1,123,119</u>
 Total Assets	 <u>\$ 31,728,434</u>	 <u>\$ 12,268,067</u>	 <u>\$ 43,996,501</u>
 <b><u>LIABILITIES AND NET POSITION</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	\$ 33,572		\$ 33,572
Real Estate Tax Payable	69,445		69,445
Payroll Liabilities	5,104		5,104
Accrued Employee Compensation	108,426		108,426
Rent Deposit and Unearned Revenue		12,114	12,114
Accrued Interest Payable		24,776	24,776
Current Portion of Long-Term Debt Obligations		285,000	285,000
Total Current Liabilities	<u>\$ 216,547</u>	<u>\$ 321,890</u>	<u>\$ 538,437</u>
<b><u>Noncurrent Liabilities:</u></b>			
Net Pension Liability	\$ 191,979	\$ -	\$ 191,979
Non-Current Portion of Long-Term Obligations		5,485,000	5,485,000
Total Noncurrent Liabilities	<u>\$ 191,979</u>	<u>\$ 5,485,000</u>	<u>\$ 5,676,979</u>
Total Liabilities	<u>\$ 408,526</u>	<u>\$ 5,806,890</u>	<u>\$ 6,215,416</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Related Deferred Inflows	\$ 513,285		\$ 513,285
Deferred Property Taxes	772,123		772,123
Total Deferred Inflow of Resources	<u>\$ 1,285,408</u>	<u>-</u>	<u>\$ 1,285,408</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, net of			
Related Debt	\$ 29,843,995	\$ 6,092,597	\$ 35,936,592
Unrestricted	190,505	368,580	559,085
Total Net Position	<u>\$ 30,034,500</u>	<u>\$ 6,461,177</u>	<u>\$ 36,495,677</u>
 Total Liabilities, Deferred Inflow of Resources and Net Position	 <u>\$ 31,728,434</u>	 <u>\$ 12,268,067</u>	 <u>\$ 43,996,501</u>

Notes to the financial statements are an integral part of these statements.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2018

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets Primary Government		
		Charges for Services	Capital Grants	Operating Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Administrative	\$ 580,425				\$ (580,425)		\$ (580,425)
Airport Operations	2,205,336		\$ 358,234		(1,847,102)		(1,847,102)
Total Governmental Activities	<u>\$ 2,785,761</u>	<u>\$ -</u>	<u>\$ 358,234</u>	<u>\$ -</u>	<u>\$ (2,427,527)</u>	<u>\$ -</u>	<u>\$ (2,427,527)</u>
Business-Type Activities:							
Rental Activities	339,028	1,812,168				\$ 1,473,140	1,473,140
Interest and Fiscal Charges	359,515					(359,515)	(359,515)
Total Business-Type Activities	<u>\$ 698,543</u>	<u>\$ 1,812,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,113,625</u>	<u>\$ 1,113,625</u>
Total Primary Government	<u>\$ 3,484,304</u>	<u>\$ 1,812,168</u>	<u>\$ 358,234</u>	<u>\$ -</u>			
Net (expense)/revenue					<u>\$ (2,427,527)</u>	<u>\$ 1,113,625</u>	<u>\$ (1,313,902)</u>
General Revenues:							
Property Taxes - Net					\$ 778,584		\$ 778,584
Personal Property Replacement Taxes					338,486		338,486
Investment Income					3,065		3,065
Unrealized Gain (Loss) on Investments					(1,657)		(1,657)
Miscellaneous					978	\$ 5,243	6,221
Transfers-Cash					1,174,495	(1,174,495)	-
Total general revenues and transfers					<u>\$ 2,293,951</u>	<u>\$ (1,169,252)</u>	<u>\$ 1,124,699</u>
Change in net position					\$ (133,576)	\$ (55,627)	\$ (189,203)
Net position at beginning of year					30,168,076	6,516,804	36,684,880
Net position at end of year					<u>\$ 30,034,500</u>	<u>\$ 6,461,177</u>	<u>\$ 36,495,677</u>

Notes to the financial statements are an integral part of these statements.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

BALANCE SHEET -GOVERNMENTAL FUNDS

At May 31, 2018

	General
<b>ASSETS</b>	
Cash:	
On Hand and In Bank	\$ 711,963
Investments:	
Stock	13,001
Receivables:	
Property Tax	772,123
Personal Property Replacement Taxes	28,529
Other	6,065
Prepaid Insurance	1,762
Total Assets	\$ 1,533,443
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts Payable	\$ 33,573
Real Estate Tax Payable	69,445
Payroll Liabilities	5,104
Accrued Employee Compensation	108,426
Total Liabilities	\$ 216,548
Deferred Inflow of Resources	
Unavailable Revenue - Property Tax	\$ 772,123
Total Deferred Inflow of Resources	\$ 772,123
Fund Balances:	
Nonspendable Fund Balance	\$ 1,762
Unassigned Fund Balance	543,010
Total Fund Balances	\$ 544,772
 Total Liabilities, Deferred Inflow of Resources and Fund Balances	 \$ 1,533,443

Notes to the financial statements are an integral part of these statements.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

RECONCILIATION OF TOTAL GOVERNMENT  
FUND BALANCES TO NET POSITION

May 31, 2018

Total Governmental Fund Balances	\$	544,773
Total net position reported in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Land, parking lots, buildings and improvements, net of \$2,019,980 accumulated depreciation	\$	25,201,524
Runways, aprons & taxiways, net of \$21,444,802 accumulated depreciation		4,319,237
Vehicles, net of \$620,499 accumulated depreciation		35,939
Equipment, net of \$1,409,487 accumulated depreciation		<u>287,295</u>
		29,843,995
Pension deferred outflow of resources and deferred inflow of resources related to the Airport's pension plan is not reported in the governmental funds		(354,268)
Total Net position	<u>\$</u>	<u>30,034,500</u>

Notes to the financial statements are an integral part of these statements.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

For the Year Ended May 31, 2018

	General
Revenues	
Property Taxes - Net	\$ 778,584
Personal Property	
Replacement Tax	338,486
Unrealized Gain (Loss) on Investment	(1,657)
Interest	2,615
Other	1,426
Total Revenues	\$ 1,119,454
Expenditures	
General Office	\$ 18,821
Commissioners	12,450
Administrative Salaries	
and Employee Benefits	639,510
Maintenance and Security	746,576
Professional Fees	133,024
Capital Outlay	348,417
Unclassified	353,124
Economic Development	
Total Expenditures	\$ 2,251,921
Deficiency of Revenues	
Over Expenditures	\$ (1,132,467)
Other Financing Sources (Uses):	
Contributed Revenue	\$ 358,234
Operating Transfers In	1,174,495
Total Other Financing Sources (Uses)	\$ 1,532,729
Net Change in Fund Balance	\$ 400,262
Fund Balance, Beginning of Year	144,511
Fund Balance, End of Year	\$ 544,773

Notes to the financial statements are an integral part of these statements

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended May 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 400,262
Amounts reported in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while the statement of activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeds capital outlay in the current period.	(421,553)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debts consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Change in Pension related deferred outflow of resources and deferred inflow of resources are not due and payable in the current year and therefore are not reported in the governmental funds.	<u>(112,289)</u>
Change in Net Assets of Governmental Activities	<u>\$ (133,580)</u>

Notes to the financial statements are an integral part of these statements.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

May 31, 2018

	<u>Revenue Fund</u>	<u>Farm Revenue Fund</u>	<u>Proprietary Funds Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Checking and Savings Accounts	\$ 239,237	\$ 166,233	\$ 405,470
Total current assets	<u>\$ 239,237</u>	<u>\$ 166,233</u>	<u>\$ 405,470</u>
<b>Noncurrent Assets</b>			
Capital assets:			
Land	\$ 3,585,956		\$ 3,585,956
Building and Improvements , net of depreciation	8,272,289		8,272,289
Equipment, net of depreciation	4,352		4,352
Total noncurrent assets	<u>\$ 11,862,597</u>	<u>\$ -</u>	<u>\$ 11,862,597</u>
<b>Total Assets</b>	<u><u>\$ 12,101,834</u></u>	<u><u>\$ 166,233</u></u>	<u><u>\$ 12,268,067</u></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued Interest	\$ 24,776		\$ 24,776
Bonds Payable	285,000		285,000
Deposits	1,900		1,900
Prepaid Rents	10,214		10,214
Total current Liabilities	<u>\$ 321,890</u>	<u>\$ -</u>	<u>\$ 321,890</u>
<b>Long Term Liabilities</b>			
Bonds Payable	<u>\$ 5,485,000</u>		<u>\$ 5,485,000</u>
<b>Total Liabilities</b>	<u><u>\$ 5,806,890</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,806,890</u></u>
<b>NET POSITION</b>			
Net investment in Capital Assets	\$ 6,092,597		\$ 6,092,597
Unrestricted	202,347	\$ 166,233	368,580
Total net position	<u>\$ 6,294,944</u>	<u>\$ 166,233</u>	<u>\$ 6,461,177</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 12,101,834</u></u>	<u><u>\$ 166,233</u></u>	<u><u>\$ 12,268,067</u></u>

The accompanying notes are an integral part of the financial statements.



**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
May 31, 2018**

	<u>Revenue Fund</u>	<u>Farm Revenue Fund</u>	<u>Proprietary Funds Total</u>
Operating revenues			
Rental Revenues-Pledged for Debt	\$ 780,993		\$ 780,993
Rental Revenues-Unallocated	894,673		894,673
Crop Income		\$ 136,502	136,502
Miscellaneous Revenues	5,243		5,243
Total operating revenues	<u>\$ 1,680,909</u>	<u>\$ 136,502</u>	<u>\$ 1,817,411</u>
Operating expenses			
Paying Agent Fees	\$ 1,000		\$ 1,000
Crop Expense		\$ 9,932	9,932
Property Management Fees	2,117	386	2,503
Total operating expenses	<u>\$ 3,117</u>	<u>\$ 10,318</u>	<u>\$ 13,435</u>
Operating income	<u>\$ 1,677,792</u>	<u>\$ 126,184</u>	<u>\$ 1,803,976</u>
Non-operating revenues (expenses)			
Depreciation Expense	\$ (325,593)		\$ (325,593)
Interest Paid Expense	(359,515)		(359,515)
Total non-operating revenues(expenses)	<u>\$ (685,108)</u>	<u>\$ -</u>	<u>\$ (685,108)</u>
Income before Transfers	<u>\$ 992,684</u>	<u>\$ 126,184</u>	<u>\$ 1,118,868</u>
Transfers Out	(1,053,118)	\$ (121,377)	(1,174,495)
Total Net Transfers	<u>\$ (1,053,118)</u>	<u>\$ (121,377)</u>	<u>\$ (1,174,495)</u>
Change in net position	\$ (60,434)	\$ 4,807	\$ (55,627)
Net position - beginning	6,355,378	161,426	6,516,804
Net position - ending	<u>\$ 6,294,944</u>	<u>\$ 166,233</u>	<u>\$ 6,461,177</u>

The accompanying notes are an integral part of the financial statements.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
May 31, 2018

	Revenue Fund	Farm Revenue Fund	Proprietary Funds Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Rental Activity	\$ 1,686,186		\$ 1,686,186
Payments for Rental Activity	(3,117)		(3,117)
Receipts from Crop Activity		\$ 136,502	136,502
Payments for Crop Activity		(10,318)	(10,318)
Net Cash Provided by operating activities	<u>\$ 1,683,069</u>	<u>\$ 126,184</u>	<u>\$ 1,809,253</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	\$ (1,053,118)	\$ (121,377)	\$ (1,174,495)
Transfers from other funds			-
Net Cash (used for) noncapital financing activities	<u>\$ (1,053,118)</u>	<u>\$ (121,377)</u>	<u>\$ (1,174,495)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and constructions of capital assets	\$ (17,715)		\$ (17,715)
Interest Expense	(359,515)		(359,515)
Payment on Refunding Debt	(270,000)		(270,000)
Net Cash (used for) capital and related financing activities	<u>\$ (647,230)</u>	<u>\$ -</u>	<u>\$ (647,230)</u>
Net increase in cash and cash equivalents	\$ (17,279)	\$ 4,807	\$ (12,472)
Cash - Beginning of the year	<u>256,516</u>	<u>161,426</u>	<u>417,942</u>
Cash - End of year	<u>\$ 239,237</u>	<u>\$ 166,233</u>	<u>\$ 405,470</u>

The accompanying notes are an integral part of the financial statements.

ST. LOUIS REGIONAL AIRPORT  
 BETHALTO, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
 May 31, 2018

	<u>Revenue Fund</u>	<u>Farm Revenue Fund</u>	<u>Proprietary Funds Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income	\$ 1,677,792	\$ 126,184	\$ 1,803,976
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in assets and Liabilities:			
Decrease in Receivables/ Increase in Payables	5,277		22,390
Net cash provided by operating activities	<u>\$ 1,683,069</u>	<u>\$ 126,184</u>	<u>\$ 1,826,366</u>

The accompanying notes are an integral part of the financial statements.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

St. Louis Regional Airport was organized in accordance with "An Act of the General Assembly of the State of Illinois in relation to airport authorities" approved April 4, 1945. The Airport was incorporated on July 3, 1946, and is located in Bethalto, Illinois.

The Airport authority operates and manages the Airport, as authorized by its charter.

The accounting policies of St. Louis Regional Airport conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

In evaluating how to define the Airport, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by GASB. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Airport is able to exercise oversight responsibilities. Based upon the application of these criteria, the Airport has determined that no other outside agency meets any of these criteria and therefore, no other agency has been included as a component unit in the Airport's combined financial statements.

The Airport is not a component unit of any other governmental entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or direct benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

The Airport reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the Airport. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, interest and related costs. This fund was not used in the year ended May 31, 2018. However, it will be used in the next fiscal year because debt was issued in June, 2018.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Airport reports the following major proprietary funds.

Revenue Fund - The Revenue Fund is used to account for the rent of land and building to outside parties. The intent of the board is that the rental operations should provide revenues to help offset the operations of the airport. Revenues related to the rental of land and buildings are considered operating revenues. All non-related revenues are considered non-operating revenues.

Farm Revenue Fund - This fund is used to account for the crop share arrangements of land owned by the Airport and farmed by outside parties. The intent of the board is that the farming operation should provide revenues to help offset the operations of the Airport. Farming revenue is considered operating revenue.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts are reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income and gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain. Expenditures are recognized when they are incurred, as under accrual accounting. Debt service expenditures are recorded when payment is due.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Operating Transfers

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Typically, funds are transferred from the revenue fund and the farm revenue fund to support the operations of the Airport.

Capital Assets

Capital assets, which include land, building and improvements, vehicles, equipment and infrastructure (e.g. runways, taxiways, aprons, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Airport as assets with an initial, individual cost of more than \$ 2,000 for equipment, \$ 5,000 for building improvements, \$ 25,000 for land improvements and \$ 50,000 for building and infrastructure. These assets are to be recorded at their historical cost or estimated historical cost if historical cost is not known. Donated capital assets are recorded at estimated fair market value at the date of donation.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend lives are not capitalized.

Capitalized assets are depreciated using the straight-line method. Estimated useful lives are as follows:

Vehicles and Equipment	5 to 7 years
Buildings and Improvements	15 to 40 years
Runways, Aprons, and Taxiways	15 years

Restricted Net Position

The Airport has restricted net position amounts for the payments on debt services. If an expense is incurred for which both restricted and unrestricted net position resources are available, the policy is to use the restricted net position resources first.

Budgets and Budgetary Accounting

The Airport follows these procedures in establishing the budgetary data reflected in the financial statements.

The Airport budget is prepared in accordance with the Illinois Budget Code. The budget is prepared by the Airport Manager of St. Louis Regional Airport. The Board then approves the budget upon presentation.

The Budget for all funds is prepared on the modified accrual basis.

The Budget was approved on December 21, 2017 and filed with the county clerk on December 26, 2017. The Budget was not amended during the year.

Cash

For all funds, cash is considered to be all monies in non-interest bearing demand deposit accounts. This applies to the balance sheet and statements of cash flows.

Investments

Investments consist of one publicly traded stock. It is valued at its fair market value as per the listed stock price on its exchange.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivables are analyzed on an individual account basis to comprise the allowance for doubtful accounts. The allowance has been determined to be \$ 10,000 on trade accounts receivables. The property tax receivable allowance is equal to 1% of the outstanding property taxes at May 31, 2018.

Inventory

Inventory of supplies is not capitalized. The cost is recorded as an expenditure at the time individual inventory items are purchased. The crop inventory of the Farm Revenue Fund is capitalized, if any, and is reflected on the balance sheet.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risk of Loss

The Airport is exposed to risk of loss from normal items typically applicable to all airports. These include liability, worker's injury, property damage, airplane fuel contamination and others too numerous to mention. The Airport has purchased commercial insurance for all policies except for workmen's comp insurance that has been purchased through the Illinois Public Risk Pool. The Airport believes that they are reasonably covered for all possible risks of loss. Settlements have not exceeded coverage in each of the last three years. There hasn't been any significant reductions in coverage from the prior year insurance coverage.

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. The taxes were levied on December 21, 2017, and filed with the County Clerk on December 26, 2017. Madison County bills the taxes, and collections are remitted to the County Collector. The County Collector disburses the tax collections to the Airport as they are received.

Property tax revenues are recorded on the "deferred method" because they are not "available" to finance current year expenditures due to the length of time between the levy date and the receipt of tax distributions from the County Collector. The current year tax levy net of allowance for uncollectible taxes is recorded as property taxes receivable and deferred tax revenue. Collections of the 2016 year tax levy are recorded as revenue of the current period.

**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments consist of cash on hand, cash in checking accounts, cash in high yield money market accounts and some publicly traded stock.

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Cash:		
General Fund	\$ 711,663	\$ 722,377
Total Governmental Funds	<u>\$ 711,663</u>	<u>\$ 722,377</u>
Revenue Fund	\$ 239,237	\$ 256,516
Farm Revenue Fund	166,234	161,426
Total Proprietary Funds	<u>\$ 405,471</u>	<u>\$ 417,942</u>
Investments:		
General Fund	\$ 13,001	\$ 13,001
Total Government Funds	<u>\$ 13,001</u>	<u>\$ 13,001</u>

Included in investments is shares of one common stock. The stock was not sold during the year so there is no realized gains or losses on investments. The net decrease in the fair value of investments during the fiscal year ended May 31, 2018, was \$ 1,657. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year end was \$ 4,182.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Change in Fair Value of Investments - Specific Identification Method

<u>Investment</u>	<u>Cost</u>	<u>06/01/13</u>	<u>Awarded</u>	<u>Sales</u>	<u>Subtotal</u>
Stock	\$8,819	0	\$8,819	0	\$ 8,819
				Ending Fair Value 5/31/2018	<u>\$ 13,001</u>
				Change in Fair Value	<u>\$ 4,182</u>

The Airport is authorized to invest in any type of security allowed for in Illinois statues regarding the investment of public funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Airport manages its exposure to interest rate risk is by purchasing shorter term money market investments.

Information about the sensitivity of the fair values of the Airport's investments to market interest rate fluctuations is provided by the following table that shows the distributions of the Airport's investments by maturity. However, as of May 31, 2018, the Airport had zero dollars in shorter term money market investments.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Airport was invested in a state investment pool during the year.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Airport's deposit policy states that all funds on deposit in excess of federal depository insurance must be secured by collateral held at an independent third party in the name of the Airport. The Airport's cash balances and deposit accounts included with investments were insured in the amount of \$ 250,000 as of May 31, 2018. Deposits in the amount of \$ 631,806 were collateralized by securities held in the Airport's name. At May 31, 2018, \$ 246,277 were not insured and were not collateralized.



ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

**NOTE 3 - CAPITAL ASSETS**

A summary of capital assets follows:

	Balance May 31, 2017	Additions	Deletions/ Transfers	Balance May 31, 2018
<b>Governmental Activities:</b>				
Land	\$ 23,671,728			\$ 23,671,728
Buildings & Improvements	762,060			762,060
Land Improvements	2,787,715			2,787,715
Runways, Aprons, & Taxiways	25,447,418	316,621		25,764,039
Vehicles	656,438			656,438
Equipment	1,664,986	31,796		1,696,782
<b>Total at Historical Cost</b>	<b>\$ 54,990,345</b>	<b>\$ 348,417</b>	<b>\$ -</b>	<b>\$ 55,338,762</b>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	\$ (583,265)	\$ (14,057)		\$ (597,322)
Land Improvements	(1,318,951)	(103,707)		(1,422,658)
Runways, Aprons, & Taxiways	(20,944,938)	(499,864)		(21,444,802)
Vehicles	(601,938)	(18,561)		(620,499)
Equipment	(1,275,707)	(133,780)		(1,409,487)
<b>Total Accumulated Depreciation</b>	<b>\$ (24,724,799)</b>	<b>\$ (769,969)</b>	<b>\$ -</b>	<b>\$ (25,494,768)</b>
<b>Capital Assets, net</b>	<b>\$ 30,265,546</b>	<b>\$ (421,552)</b>	<b>\$ -</b>	<b>\$ 29,843,994</b>
<b>Proprietary Activities:</b>				
Land	\$ 3,585,956			\$ 3,585,956
Buildings & Improvements	13,621,021	\$ 17,715		13,638,736
Land Improvements	1,486,238			1,486,238
Equipment	56,596			56,596
<b>Totals at Historical Cost</b>	<b>\$ 18,749,811</b>	<b>\$ 17,715</b>	<b>\$ -</b>	<b>\$ 18,767,526</b>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	\$ (5,096,585)	\$ (320,136)		\$ (5,416,721)
Land Improvements	(1,436,516)	(2,666)		(1,439,182)
Equipment	(46,235)	(2,791)		(49,026)
<b>Total Accumulated Depreciation</b>	<b>\$ (6,579,336)</b>	<b>\$ (325,593)</b>	<b>\$ -</b>	<b>\$ (6,904,929)</b>
<b>Capital Assets, net</b>	<b>\$ 12,170,475</b>	<b>\$ (307,878)</b>	<b>\$ -</b>	<b>\$ 11,862,597</b>

Depreciation expense was charged to functions/programs of the Airport, as follows:

<b>Governmental Activities:</b>	
Administrative	\$ 117,764
Airport Operations	652,205
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 769,969</b>
<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$ 325,593</b>

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 4 - DEBT

As of May 31, 2018, the Airport had refunding debt certificates and a revenue bond.

Refunding Debt Certificates

On October 1, 2010, the Airport entered into the following two Refunding Debt Certificate agreements to pay off the final payment due on the 2001 agreement. The first agreement has been paid off.

The second agreement is in the amount of \$ 1,415,000 with interest at rates varying from 3.75% to 6.00% due December 1 and June 1 of each year. Principal payments are due December 1 of each year in amounts ranging from \$ 25,000 to \$ 145,000 through December 1, 2024.

This debt is not a general obligation of the Airport. It is to be paid solely from the rents earned on this project. Neither the faith, credit nor taxing power of the Airport has been pledged to make these payments.

Revenue Bond

A Revenue Bond dated April 1, 2014, provides for the serial retirement of the principal at a rate varying from \$ 110,000 to \$ 450,000 through 2034. Interest is payable on these bonds November 1 and May 1 of each year at a rate varying from 4.8% to 7.5%. This bond was issued to purchase a new building on airport property.

This debt is not a general obligation of the Airport. It is to be paid from the rents earned on this project. If the rents are not sufficient to pay this bond, then the taxing power of the Airport is to make the payments.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**NOTES TO THE FINANCIAL STATEMENTS**

**May 31, 2018**

**NOTE 4 - DEBT**

	<u>Balance</u> <u>May 31, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>May 31, 2018</u>
<u>Governmental Activities:</u>				
Refunding Debt Agreement				
Original Issue Amount				
\$ 1,415,000 dated October 28, 2010, 3.75%-6.00% payable in Varying amounts through 2024	950,000		100,000	850,000
Airport Revenue Bond				
Original Issue Amount				
\$ 5,500,000 dated April 1, 2014, 4.8%-7.5% payable in Varying amounts through 2034	5,090,000		170,000	4,920,000
	<u>\$ 6,040,000</u>	<u>\$ -</u>	<u>\$ 270,000</u>	<u>\$ 5,770,000</u>

The annual principal and interest requirements to maturity of the Airport's Certificates of participation and the revenue bond consist of the following:

Year Ending May 31:	Principal	Interest	Total
2019	\$ 285,000	\$ 345,953	\$ 630,953
2020	300,000	328,515	628,515
2021	325,000	307,950	632,950
2022	345,000	284,940	629,940
2023	365,000	260,865	625,865
2024-2028	1,765,000	932,775	2,697,775
2029-2033	1,935,000	459,550	2,394,550
2034	450,000	231,100	473,100
Total	<u>\$ 5,790,000</u>	<u>\$ 2,943,648</u>	<u>\$ 8,713,648</u>

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

**NOTE 4 - DEBT**

Statement of Legal Debt Margin (without referendum)

Assessed Value	<u>\$ 1,039,896,631</u>
0.75%	\$ 7,779,225
Bond Debt Outstanding	<u>0</u>
Legal Debt Margin	<u>\$ 7,779,225</u>

**NOTE 5 - GOVERNMENTAL FUND BALANCES**

In the fund financial statements, governmental funds can report the following classifications of fund balances:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by the Airport's Board through an ordinance or resolution.

Assigned - Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed. These amounts are determined by the Airport's Board of Commissioners.

Unassigned - All amounts not included in other spendable classifications.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

NOTE 6 – RETIREMENT SYSTEM

Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

The Airport's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Airport's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% of each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	1
Active Plan Members	<u>10</u>
Total	28

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**May 31, 2018**

**NOTE 6 – RETIREMENT SYSTEM (continued)**

**Contributions**

As set by statute, the Airport's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Airport's annual contribution rate for calendar year 2017 was 12.65%. For the fiscal year ended May 31, 2018, the Airport's contributed \$104,538 to the plan. The Airport 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Airport's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) 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-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments 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 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016.

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate Of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
<b>Total</b>	<b>100%</b>	

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

**NOTE 6 – RETIREMENT SYSTEM (continued)**

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments ( during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balance at December 31, 2016	\$ 4,827,508	\$ 4,186,242	\$ 641,266
Changes for the year:			
Service Cost	92,243		92,243
Interest on the Total Pension Liability	355,496		355,496
Changes of Benefit Terms	0		0
Differences Between Expected & Actual			
Experience of the Total Pension Liability	116,972		116,972
Changes of Assumptions	(186,658)		(186,658)
Contributions – Employer		104,539	(104,539)
Contributions – Employees		37,187	(37,187)
Net Investment Income		766,689	(766,689)
Benefit Payments, including Refunds			
Of Employee Contributions	(267,367)	(267,367)	
Other (Net Transfer)	0	(81,075)	81,075
Net Changes	<u>110,686</u>	<u>559,973</u>	<u>(449,287)</u>
Balances at December 31, 2017	<u>\$ 4,938,194</u>	<u>\$ 4,746,215</u>	<u>\$ 191,979</u>

ST. LOUIS REGIONAL AIRPORT  
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NOTES TO FINANCIAL STATEMENTS

May 31, 2018

**NOTE 6 – RETIREMENT SYSTEM (continued)**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net Pension Liability (Asset)	\$ 787,540	\$ 191,979	\$ (304,236)

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

For the year ended May 31, 2017, the Airport's recognized pension expense of \$ . At May 31, 2017, the Airport's reported deferred outflows or resources and deferred inflows of resources related to pensions from the following

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts Related to Pensions		
Deferred Amounts to be recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 150,326	\$ 0
Changes of assumptions	3,211	144,907
Net difference between projected and actual earnings on pension plan investments	127,397	368,378
Total Deferred Amounts to be recognized in pension Expense in future periods	280,934	513,285
<i>Pension Contributions made subsequent to the Measurement Date</i>	70,062	0
Total Deferred Amounts Related to Pensions	\$ 350,996	\$ 513,285



ST. LOUIS REGIONAL AIRPORT  
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NOTES TO FINANCIAL STATEMENTS

May 31, 2018

NOTE 6 – RETIREMENT SYSTEM (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2018	\$ 4,970	\$ 0
2019	(46,892)	0
2020	(98,336)	0
2021	(92,093)	0
2022	0	0
Thereafter	<u>0</u>	<u>0</u>
Total	<u>\$ (232,351)</u>	<u>\$ 0</u>

ST. LOUIS REGIONAL AIRPORT  
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NOTES TO FINANCIAL STATEMENTS

May 31, 2018

**NOTE 6 – RETIREMENT SYSTEM (continued)**

**Employer**  
Required Supplementary Information

**Schedule of the Changes in the Net Pension Liability and Related Ratios Last Three Calendar Years**

Calendar Year Ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 92,243	\$ 90,631	\$ 91,020
Interest on the Total Pension Liability	355,496	339,870	312,780
Changes of Benefit Terms	0	0	0
Differences between Expected & Actual Experience of the Total Pension Liability	116,972	41,093	224,064
Changes of Assumptions	(186,658)	(22,383)	15,271
Benefit Payments, including Refunds of Employee Contribution	<u>(267,367)</u>	<u>(264,570)</u>	<u>(261,459)</u>
<b>Net Change in Total Pension Liability</b>	110,686	184,641	381,676
<b>Total Pension Liability - Beginning</b>	<u>4,827,508</u>	<u>4,642,867</u>	<u>4,261,191</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 4,938,194</u>	<u>\$ 4,827,508</u>	<u>\$ 4,642,867</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 104,539	\$ 91,286	\$ 95,124
Contributions - Employees	37,187	35,597	35,406
Net Investment Income	766,689	270,141	19,797
Benefit Payments, Including Refunds of Employee Contribution	(267,367)	(264,570)	(261,459)
Other (Net Transfers)	<u>(81,075)</u>	<u>74,798</u>	<u>65,188</u>
<b>Net Change in Plan Fiduciary Net Position</b>	559,973	207,252	(45,944)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>4,186,242</u>	<u>3,978,990</u>	<u>4,024,934</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 4,746,215</u>	<u>\$ 4,186,242</u>	<u>\$ 3,978,990</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 191,979</u>	<u>\$ 641,266</u>	<u>\$ 663,877</u>
<b>Plan Fiduciary Net Position as a Percentage Total</b>			
<b>Pension Liability</b>	96.11%	86.72%	85.70%
<b>Covered Valuation Payroll</b>	\$ 826,391	\$ 791,045	\$ 786,809
<b>Net Pension Liability as a Percentage of Valuation Payroll</b>	23.23%	81.07%	84.38%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ST. LOUIS REGIONAL AIRPORT  
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NOTES TO FINANCIAL STATEMENTS

May 31, 2018

NOTE 6 – RETIREMENT SYSTEM (continued)

Schedule of Employer Contributions  
Last Three Calendar Years

Calendar Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 95,125	\$ 95,124	1	\$ 786,809	12.09%
2016	91,287	91,286	1	791,045	11.54%
2017	104,538	104,539	(1)	826,391	12.65%

**Notes to Schedule:**

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ST. LOUIS REGIONAL AIRPORT  
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NOTES TO FINANCIAL STATEMENTS

May 31, 2018

NOTE 6 – RETIREMENT SYSTEM (continued)

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate\***

**Valuation Date:**

Notes 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 2016 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	26-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<i>Price Inflation:</i>	2.75% approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that is specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific table was used with fully generational projection scale MP--2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Retirees Mortality Table, applying the same adjustments 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 2014). 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.

\* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation; note two year lag between valuation and rate setting.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 7 - DEFERRED COMPENSATION AGREEMENT

The Airport also has a deferred compensation agreement, which covers all permanent employees. The plan was created in accordance with Internal Revenue Code Section 457. The money is not available to employees until termination, retirement, death, or unforeseeable emergencies.

As of May 31, 2018, the latest valuation date, the accumulated assets and accumulated benefits of the deferred compensation plan were \$ 1,069,841. The Airport paid \$ 36,985 in contributions for the year ended May 31, 2018.

The annual contribution rate for each covered employee is fixed by the Airport at 10 days pay, less any sick days used during this annual time period. Each covered employee can also make voluntary contributions to this plan.

NOTE 8 - GOVERNMENT AND STATE GRANTS

As of May 31, 2018, the Airport had significant grant income in connection with the following projects:

- a) Relocate Electrical Vault Service. The amount received was \$ 88,517. This project is completed and closed.
- b) Reconstruction of 1180 feet of Taxiway B leading to Runway 35. The amount received was \$ 34,510. This project is completed and closed.
- c) Reconstruct Bituminous T Hangar Taxiway. The amount received was \$ 235,207. This project is complete but hasn't been closed.
- d) Reconstruct T Hangar Taxiway and correct drainage issues. Nothing has been received on this project. The project is in process.

NOTE 9 - LEASES

The Airport has entered into leases for the rent of grounds or building owned by the Airport. A summary of these leases is listed below:

West Star Aviation

Lease - 1

Hangar 2 - Term:	05/31/2014 - 05/31/2019 - \$ 18,000 per year
Hangar 10 - Term:	05/31/2014 - 05/31/2019 - \$ 33,000 per year
(8) 5 year renewal options	05/31/2009 - 05/31/2049

Annual increases are equal to the St. Louis Urban CPI not to exceed 5%.

Lease - 2

Hangar Addition	10/01/2011 - 10/01/2017 - \$ 163,147 per year
(41) 1 year renewal options	
Ground Lease	10/01/2011 - 10/01/2017 - \$ 30,281 per year

Annual increases equal to the St. Louis Urban CPI not to exceed 5%.

Lease - 3

User fees for airspace, aprons, access ramps, and runways.

Term:	09/05/2005 - 12/31/2021
Rent:	\$ 99,897 per year

This lease is on a month to month basis and new lease terms are being negotiated.

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 9 - LEASES (CONTINUED)

West Star Aviation

Lease - 4

Hangar 16 - Terms: 01/01/2013 - 12/31/2027 - \$ 17,795 per year  
(2) 3 year renewal options

If more than three planes are processed in any given quarter, West Star Aviation will pay \$ 2,500 per each additional plane processed.

Annual increases are equal to CPI beginning in 2013.

Lease - 5

Hangar 65 05/01/2014 - 04/30/2034 - Amount to pay debt service on 2014 Bond Issue plus \$ 18,000 per year.

Hangar 17 06/01/2013 - 04/30/2034 - \$ 13,732 per year

Consumer Price Index increases beginning in the 11<sup>th</sup> year and every 5 years thereafter, 1.5% late charge if rent is paid more than 5 days after due date.

Hangar 18 06/01/2013 - 04/30/2034 - \$ 36,353 per year base rent. Additional rent of \$ 16,583 per year as repayment of payment of advanced improvements.

Consumer Price Index increases beginning the 11<sup>th</sup> year and every 5 years thereafter. 1.5% late charge if rent is paid more than 5 days after due date.

Rick & Loretta Fudge d/b/a T & E Coin

07/01/2015 - 6/30/2018 - \$ 15,600 per year  
(2) 3 year renewal options

Annual increases are equal to CPI beginning in October 1, 2013.  
This lease has not been formally renewed. They are on a month to month lease.

M.U. Witt Co.

Lot 29 - 1.6 Acres - Term: 02/12/1981 - 06/11/2079  
Rent: Years - 01-15 - \$ 4,345 per year, per acre  
16-20 - \$ 5,227  
21-25 - \$ 6,272  
26-35 - \$ 6,899  
36-45 - \$ 7,588  
46-54 - \$ 8,346  
55-64 - \$ 9,181  
65-74 - \$ 10,100  
75-84 - \$ 11,110  
85-94 - \$ 12,221  
95-98 - \$ 13,443

ST. LOUIS REGIONAL AIRPORT  
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NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 9 - LEASES (CONTINUED)

M. U. Witt Co.

Lots 30 and 31 - 3.71 Acres - Term: 06/12/1980 - 06/11/2079  
Rents: Years - 01-15 - \$ 4,435 per year, per acre  
16-20 - \$ 5,227  
21-25 - \$ 6,272  
26-35 - \$ 6,899  
36-45 - \$ 7,588  
46-54 - \$ 8,346  
55-64 - \$ 9,181  
65-74 - \$ 10,100  
75-84 - \$ 11,110  
85-94 - \$ 12,221  
95-98 - \$ 13,443

Lewis and Clark Community College

Lot 11 - 19.4 Acres - Term: 07/01/1998 - 06/30/2013  
(2) 25 year renewal options  
Rents: Years - 01-05 - \$ 5,748 per year  
06-10 - \$ 6,036  
11-15 - \$ 6,401  
16-20 - \$ 6,782  
21-25 - \$ 7,188  
26-30 - \$ 7,550  
31-35 - \$ 8,003  
36-40 - \$ 8,483  
41-45 - \$ 8,992  
46-50 - \$ 9,531  
51-55 - \$ 10,103  
56-60 - \$ 10,709  
61-65 - \$ 11,352

Helmkamp Auto Service

405 Bethalto Road  
Bethalto, IL 62010

1.65 Acres - Term: 10/01/1987 - 10/01/2027  
Rents: \$ 9,078 per year  
CPI increase every two years beginning 06/01/1990

VGM Investments

Lot 36 - .82 Acres - Term: 09/28/2004 - 09/28/2014  
(2) 10 year renewal options  
Rents: Years - 01-10 - \$ 4,752 per year, per acre  
11-20 - \$ 5,227  
21-30 - \$ 5,750

ST. LOUIS REGIONAL AIRPORT  
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NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 9 - LEASES (CONTINUED)

Gary Johnson d/b/a Ace Home Center

Land – 1.5 Acres – Term: 09/28/2004-09/28/2014  
(2) 10 year renewal options  
Rents: Years - 01-10 - \$4,752 per year per acre  
11-20 - \$5227  
21-30 - \$5750

United States Beef Corp.

Land – 44,000 square feet on Bethalto Drive  
Term: 03/16/2017-03/15/2023  
Rent: \$23,300 per year (increased 10% at exercise of each option)  
(5) 5 year renewal options (3 Options have been exercised)

Quick Trip Corporation

Land – 1.8 Acres  
Term: 06/01/2001-05/31/2017  
(4) 5 year renewal options  
Rents: years - 01-05 - \$81,200 per year  
06-10 - \$89,651  
11-15 - \$98,982  
16-20 - \$104,031  
21-25 - \$109,337  
26-30 - \$114,914  
31-35 - \$120,776

Apex Oil Company, Inc.

Hanger – Term: 08/12/2012-08/11/2017 - \$13,882 per year  
(7) 5 year renewal options 08/12/2017-08/12/2057

Rent increases equal to CPI at exercise of each options not to exceed 5%.

Liberty Bank

Land – Term: 05/01/2007-04/30/2037 - \$40,715 per year  
(2) 10 year renewal options 05/01/2037-04/30/2057

The rent is increased by CPI every five years beginning in 2012.

Edward Jones

Building – Term: 09/01/2013-08/31/2018 - \$16,513 year 1  
\$16,789 year 2  
\$17,065 year 3  
\$17,353 year 4  
\$17,653 year 5

The rent is increased by CPI annually.



ST. LOUIS REGIONAL AIRPORT  
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NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

NOTE 9 - LEASES (CONTINUED)

Diamond Nails

Building – Term: 10/15/2008-10/14/2014 - \$18,058 per year  
10/15/2014-10/15/2019 - \$20,066 per year

The rent is increased by CPI annually.

Pace Restaurant Group, Inc.

Building Term: 08/15/2013-12/31/2018 - \$18,000 per year

Arrow Signs

Land with Billboard Structure 03/01/2018-02/28/2023 - \$2,200 per year

TK Companies, Inc.

Building- Term: 11/15/2010-11/15/2017

TK companies, Inc., will manage the property and will be able to execute and negotiate all leases on the property for a fee of 10% of the monthly income.

Standifer Agency, Inc.

Building - Term: 01/01/2018 - 01/01/2023 - \$16,757 per year

3% Increase in Years 3 and 5

Penalty of 1% if not paid in 10 days after due date.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**NOTES TO THE FINANCIAL STATEMENTS**

**May 31, 2018**

**NOTE 9 - LEASES (CONTINUED)**

Minimum lease income for the next five years is as follows:

	2019	2020	2021	2022	2023
West Star Aviation	\$ 941,652	\$ 943,152	\$ 943,527	\$ 942,777	\$ 942,777
Rick & Loretta Fudge	1,347				
M.U. Witt Co.	40,292	40,292	40,292		
Lewis & Clark Comm. College	7,188	7,188	7,188	7,188	7,188
Helmkamp Auto Services	9,306	9,306	9,306	9,306	9,306
VGM Investments	4,286	4,286			
Standifer Agency, Inc.	16,757	16,757	17,260	17,260	10,370
Gary Johnson d/b/a Ace Home Center	9,229	9,229	9,229	9,229	9,229
United State Beef Corp.	34,113	34,113	34,113	27,007	
Quick Trip	104,031	104,031	104,031		
Apex Oil Liberty Bank	40,715	40,715	40,715	40,715	40,715
Diamond Nails	2,066	7,525			
Edward D Jones & Co	4,413				
Medicine Shoppe Pace Restaurant	10,500				
Arrow Signs					
<b>TOTAL</b>	<b>\$ 1,225,895</b>	<b>\$ 1,216,594</b>	<b>\$ 1,205,661</b>	<b>\$ 1,053,482</b>	<b>\$ 1,019,585</b>

**NOTE 10 – ACCRUED VACATION AND COMPENSATION TIME OFF**

The Airport has a liability for sick pay, vacation time due and compensation time off. These amounts at May 31, 2018, amounted to \$ 48,690 for vacation pay and are included in Accrued Employee Compensation. The amount due for sick pay is \$ 45,477 as of May 31, 2018.

**NOTE 11 – ECONOMIC DEPENDENCY**

The Airport receives over 61% of its airport rental revenue from West Star Aviation.

**NOTE 12 – SUBSEQUENT EVENTS**

In June of 2018, the Airport issued general obligation bonds dated June 7, 2018, in the amount of \$ 2,500,000. Proceeds from this bond was used to extend an existing aircraft parking ramp. The bond

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2018

**NOTE 12 - SUBSEQUENT EVENTS (CONTINUED)**

Provides for the serial retirement of the principal at a rate varying from \$ 100,000 to \$ 320,000 through 2028. Interest is payable on these bonds on June 1 and December 1 of each year at a rate varying between 4% and 4.50%.

These bonds are to be paid through real estate tax assessments separate from the general tax levy.

The effect of subsequent events on the financial statements has been evaluated through the report date, which is the date the financial statements were available to be issued.

**NOTE 13 – COMMITMENTS**

The Airport has construction commitments of \$ 16,560 as of May 31, 2018, in relation to grants passed through IDOT.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended May 31, 2018

	Budget		Actual 5/31/2018	Variance
	Original 5/31/2018	Final 5/31/2018		
<b>Revenues</b>				
Property Taxes - Net	\$ 812,245	\$ 812,245	\$ 778,584	\$ (33,661)
Stock Income			(1,657)	\$ (1,657)
Dividend Income			450	\$ 450
Personal Property				
Replacement Taxes	311,380	311,380	338,486	27,106
Interest Income			2,615	2,615
Miscellaneous Income			977	977
<b>Total Revenues</b>	<b>\$ 1,123,625</b>	<b>\$ 1,123,625</b>	<b>\$ 1,119,454</b>	<b>\$ (4,170)</b>
<b>Expenditures</b>				
<b>General Office</b>				
Office Supplies	\$ 5,000	\$ 5,000	\$ 7,743	\$ 2,743
Telephone	9,500	9,500	9,919	419
Training	3,000	3,000	1,159	(1,841)
<b>Total General Office</b>	<b>\$ 17,500</b>	<b>\$ 17,500</b>	<b>\$ 18,821</b>	<b>\$ 1,321</b>
<b>Commissioners</b>				
Compensation	\$ 12,600	\$ 12,600	\$ 12,450	150
<b>Total Commissioners</b>	<b>\$ 12,600</b>	<b>\$ 12,600</b>	<b>\$ 12,450</b>	<b>\$ 150</b>
<b>Administrative Salaries and Employee Benefits</b>				
Management/Office Salaries	\$ 302,500	\$ 302,500	\$ 297,417	\$ (5,083)
Retirement & Payroll Taxes	185,000	185,000	163,638	(21,362)
Deferred Compensation	40,000	40,000	36,985	(3,015)
Unemployment Insurance	1,000	1,000	748	(252)
Employee's Insurance	157,250	157,250	138,955	(18,295)
Uniforms	3,000	3,000	1,767	(1,233)
<b>Total Salary &amp; Benefits</b>	<b>\$ 688,750</b>	<b>\$ 688,750</b>	<b>\$ 639,510</b>	<b>\$ (49,240)</b>
<b>Maintenance and Security</b>				
<b>Building and Grounds -</b>				
Salaries	\$ 485,000	\$ 485,000	\$ 514,456	\$ 29,456
Repairs and Maint.	135,000	135,000	91,410	(43,590)
Equipment Maint.	34,250	34,250	34,295	45
Fuel - Maint. Vehicles	25,000	25,000	27,086	2,086
<b>Utilities -</b>				
Heat and Electric	60,000	60,000	62,552	2,552
Water	4,500	4,500	3,350	(1,150)
Security	6,500	6,500	12,514	6,014
Janitor Supplies	2,500	2,500	913	(1,587)
<b>Total Maint. &amp; Security</b>	<b>\$ 752,750</b>	<b>\$ 752,750</b>	<b>\$ 746,576</b>	<b>\$ (6,174)</b>
<b>Professional Fees</b>				
Accounting and Audit	\$ 37,500	\$ 37,500	\$ 32,125	\$ (5,375)
Legal	75,000	75,000	96,318	21,318
Engineering and Architects	37,500	37,500	3,543	(33,957)
Appraisals and Other				
Consultants	5,000	5,000	1,038	(3,962)
<b>Total Professional Fees</b>	<b>\$ 155,000</b>	<b>\$ 155,000</b>	<b>\$ 133,024</b>	<b>\$ (21,976)</b>

See Note to Required Supplementary Information

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended May 31, 2018

	Budget		Actual 5/31/2018	Variance
	Original 5/31/2018	Final 5/31/2018		
<b>Expenditures (Cont'd)</b>				
<b>Capital Outlay</b>				
Office Equipment	\$ 5,000	\$ 5,000		\$ (5,000)
Automobile	2,500	2,500		(2,500)
Fire Equipment	4,500	4,500		(4,500)
Equipment	1,000	1,000	31,796	30,796
Airport Capital Improvements	65,000	65,000	\$ 316,621	251,621
Airport Development (Incl. Engineers & Architect	100,000	100,000		(100,000)
Land	1,000	1,000		(1,000)
Parallel Runway and Part 150	1,000	1,000		(1,000)
Total Capital Outlay	<u>\$ 180,000</u>	<u>\$ 180,000</u>	<u>\$ 348,417</u>	<u>\$ 168,417</u>
<b>Unclassified</b>				
Conference Air Force Fly-In	\$ 15,000	\$ 15,000	\$ 13,317	\$ (1,683)
Advertising	80,000	80,000	60,047	(19,953)
Property Taxes	65,000	65,000	52,619	(12,381)
Insurance	185,000	185,000	169,958	(15,042)
Operational Expense	16,500	16,500	12,294	(4,206)
Dues	25,000	25,000	22,655	(2,345)
Meetings, Seminars and Travel	14,000	14,000	14,036	36
Lobbying	250	250	621	371
Miscellaneous Expense	21,400	21,400	7,577	(13,823)
Total Unclassified	<u>\$ 422,150</u>	<u>\$ 422,150</u>	<u>\$ 353,124</u>	<u>\$ (69,026)</u>
<b>Economic Development</b>				
Economic Development	\$ 2,500	\$ 2,500		\$ (2,500)
Total Economic Dev	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ (2,500)</u>
Total Expenditures	<u>\$ 2,231,250</u>	<u>\$ 2,231,250</u>	<u>\$ 2,251,921</u>	<u>\$ 20,972</u>
Revenue Under Expenditures	\$ (1,107,625)	\$ (1,107,625)	\$ (1,132,467)	\$ (24,842)
<b>Other Financing Sources (Uses):</b>				
Contributed Revenue			358,234	358,234
Operating Transfers In	1,389,817	1,389,817	1,174,495	(215,322)
Operating Transfers Out	(156,000)	(156,000)		156,000
Net Change in Fund Balance	<u>\$ 126,192</u>	<u>\$ 126,192</u>	\$ 400,262	<u>\$ 274,070</u>
Fund Balance, Beginning of Year			144,511	
Fund Balance, End of Year			<u>\$ 544,773</u>	

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**For the Year Ended May 31, 2018**

ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2018

NOTE 1 - BUDGETARY INFORMATION

The Airport budget is prepared in accordance with Illinois Budget Code. The budget is prepared in the fall of the previous year for the fiscal year starting the next June. The budget is prepared by the Airport Director of Operations with input from various employees.

The Board of Commissioners approve the budget in the later part of the year. Upon approval by the Board, the budget ordinance is filed with the County Clerk. The budget was approved on December 15, 2016, and filed with the County Clerk on December 23, 2016. A budget is prepared for the General Fund and the Debt Service Fund. Both funds budget is prepared on the modified accrual basis.

The budget was not amended during the year.

**ST. LOUIS REGIONAL AIRPORT  
BETHALTO, ILLINOIS**

SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS, AND COLLECTIONS

May 31, 2018

<u>LEVY YEAR</u>	<u>ASSESSED VALUATION</u>	<u>TAXES RATES</u>		
		<u>GENERAL OPERATING</u>	<u>BOND AND INTERSET</u>	<u>TOTAL</u>
2008	868,406,921	0.0279	0.0569	0.0848
2009	873,646,246	0.0291	0.0566	0.0857
2010	875,090,469	0.0305	0.0570	0.0875
2011	1,161,629,529	0.0241	0.0429	0.0670
2012	1,166,945,148	0.0252	0.0426	0.0678
2013	1,138,886,049	0.0271	0.0436	0.0707
2014	1,030,972,475	0.0315	0.0485	0.0800
2015	1,031,764,241	0.0394	0.0406	0.0800
2016	1,031,446,582	0.0750 (Maximum)	0.0000	0.0750
2017	1,039,896,631	0.0750 (Maximum)	0.0000	0.0750
<u>TAXES EXTENDED</u>				
2008		242,286	494,124	736,410
2009		254,231	494,484	748,715
2010		266,903	498,802	765,705
2011		279,953	498,339	778,292
2012		294,070	497,119	791,189
2013		308,638	496,554	805,192
2014		324,756	500,022	824,778
2015		406,515	418,896	825,411
2016		773,585	-	773,585
2017		779,922	-	779,922
<u>TAXES COLLECTED</u>				
	<u>TOTAL EXTENSION</u>	<u>TOTAL TAXES COLLECTED</u>	<u>PERCENT COLLECTED</u>	<u>TAXES NOT COLLECTED</u>
2008	736,410	730,561	99.21	5,849
2009	748,715	744,215	99.40	4,500
2010	765,705	745,883	97.41	19,822
2011	778,292	773,304	99.36	4,988
2012	791,189	784,693	99.18	6,496
2013	805,192	799,420	99.29	5,772
2014	824,778	818,148	99.20	6,630
2015	825,411	819,883	99.33	5,528
2016	773,585	768,656	99.36	4,929
2017	779,922			