

DuPage Airport Authority

Annual Financial Report

**For the Year Ended
December 31, 2012**

Prepared by Finance Department

Wolf & Company LLP
Certified Public Accountants

DUPAGE AIRPORT AUTHORITY, ILLINOIS

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INTRODUCTORY SECTION

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Principal Officials
December 31, 2012

BOARD OF COMMISSIONERS

Daniel L. Goodwin, Chairman
Gerald M. Gorski, Vice Chairman
Stephen L. Davis, Treasurer
Dayle M. Gillett, Secretary

Charles E. Donnelly
Peter H. Huizenga
Gina R. LaMantia
David J. Sabathné
Perry R. Thompson

ADMINISTRATIVE

David Bird, Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
DuPage Airport Authority, Illinois
West Chicago, Illinois

We have audited the accompanying basic financial statements of DuPage Airport Authority, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of DuPage Airport Authority, Illinois, as of December 31, 2012, and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1.C to the financial statements, the DuPage Airport Authority adopted GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, in 2012. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and the schedules of funding progress and employer contributions on page 20 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 response 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 DuPage Airport Authority, Illinois' basic financial statements. The introductory section and the supplemental data listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Wolf & Company LLP

Oakbrook Terrace, Illinois
June 6, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DuPAGE AIRPORT AUTHORITY
WEST CHICAGO, ILLINOIS**

Management's Discussion and Analysis

As management of the DuPage Airport Authority ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2012.

Basic Financial Statements

The Authority uses fund accounting to report on its financial position and the results of its operations. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a separate accounting entity with a self-balancing set of accounts.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Authority uses one enterprise fund to account for those activities which include providing goods and services to outside parties. The Authority currently has three divisions within a single enterprise fund in order to appropriately account for its daily activities.

Under this method of accounting, revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The *Statement of Net Position* reports information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of 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. A 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

- ➔ The Authority's Total Net Position was \$172.4 million at December 31, 2012, an increase of more than \$2.6 million from 2011.
- ➔ Operating Income before depreciation and amortization was \$646,865. This compares to an operating loss of \$69,341 the year prior. The main contributors to this improvement were:
 - ➔ Operating revenues increased over 4.5 percent from \$19.0 million to \$19.9 million. This increase was driven by a 21% increase in Golf Revenues and a 5% increase in Fueling Revenues (Line Service).

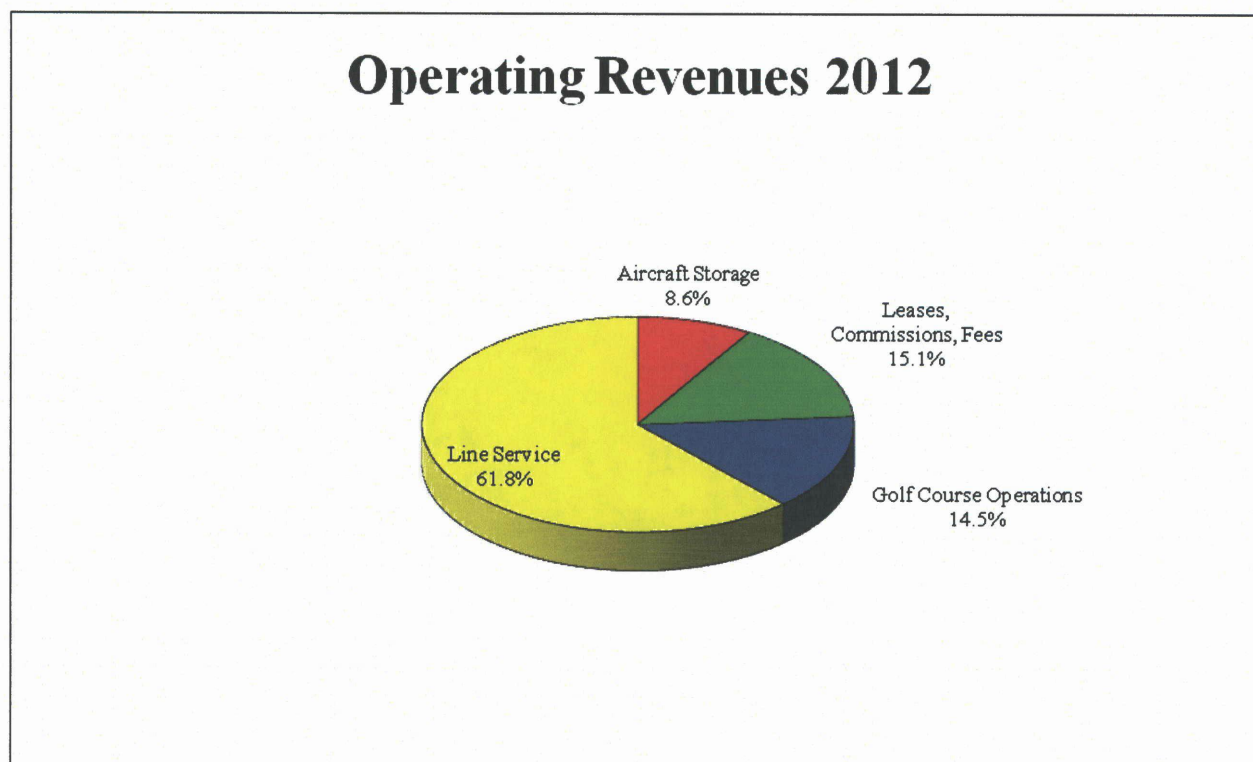
- ➔ Operating expenses increased by a much lower rate than revenues, only growing by 0.8 percent from \$19.1 million to \$19.2 million.
- ➔ Net income was \$2.6 million compared to a \$34,649 the year prior. The largest factor relating to the increase was:
 - ➔ Gain on Disposal of Assets which was \$4.3 million in 2012, an increase of \$4.2 million from 2011. The majority of this was land sales to CenterPoint Properties Trust, the developer of the Business Park, and the Illinois Department of Transportation. These gains were \$2.0 million and \$2.3 million, respectively.
- ➔ The DuPage Airport Authority designates all property tax income to be used for capital and major maintenance projects. The Authority had \$18.1 million accumulated for these purposes at the end of 2011. The balance decreased to \$16.3 million to end 2012. The Authority spent \$8.0 million in 2012 on capital and major maintenance projects. New property tax revenues received were \$6.1 million.
- ➔ The DuPage Airport Authority received \$2.8 million in cash from land sales in 2012. These funds are restricted for aeronautical use per FAA grant assurance regulations.

Financial Information

Net Position - The following schedule presents a summary of net position comparisons at December 31, 2012 and 2011.

	December 31, 2012	December 31, 2011	Increase (Decrease)	% Increase -Decrease
Assets				
Current Assets	\$ 35,532,283	34,526,777	1,005,506	2.91%
Capital Assets	147,544,995	149,018,254	(1,473,259)	-0.99%
Other Assets	454,680	539,389	(84,709)	-15.70%
Total Assets	183,531,958	184,084,420	(552,462)	-0.30%
Liabilities and Deferred Inflows of Resources				
Total Liabilities	2,931,012	2,800,131	130,881	4.67%
Total Deferred Inflows of Resources	8,199,366	11,487,770	(3,288,404)	-28.63%
Total Liabilities and Deferred Inflows of Resources	11,130,378	14,287,901	(3,157,523)	-22.10%
Net Position				
Invested in Capital Assets	147,544,995	148,977,650	(1,432,655)	-0.96%
Restricted for Aeronautical Use	2,772,000		2,772,000	100.00%
Unrestricted, Capital Improvement Plan	16,272,956	18,145,990	(1,873,034)	-10.32%
Unrestricted and Undesignated	5,811,629	2,672,879	3,138,750	117.43%
Total Net Position	\$ 172,401,580	169,796,519	2,605,061	1.53%

Revenue - The following chart shows the major sources of operating revenue for the year ending December 31, 2012.



The following schedule is a summary of revenues for the fiscal years ended December 31, 2012 and 2011.

	2012	2011	Increase (Decrease)	% Increase -Decrease
Operating Revenues				
Aircraft Storage	\$ 1,717,254	1,706,404	10,850	0.64%
Leases, Commissions, Fees	3,005,073	3,235,416	(230,343)	-7.12%
Golf Course Operations	2,879,114	2,378,374	500,740	21.05%
Line Service	12,287,012	11,697,873	589,139	5.04%
Total Operating Revenues	19,888,453	19,018,067	870,386	4.58%
Nonoperating Revenues				
Taxes - Property	6,039,877	6,058,256	(18,379)	-0.30%
Taxes - Other	51,815	51,721	94	0.18%
Federal and State Grants	393,682	3,715,513	(3,321,831)	-89.40%
Investment Income	28,458	44,796	(16,338)	-36.47%
Gain on Disposal of Assets	4,324,243	58,792	4,265,451	7255.16%
Other Income	217,933	36,567	181,366	495.98%
Total Nonoperating Revenues	11,056,008	9,965,645	1,090,363	10.94%
Total Revenues	\$ 30,944,461	28,983,712	1,960,749	6.77%

Revenues increased 6.77% from the previous year. This is the direct result of land sales in 2012 and increased Golf and fuel revenues (line service). The Authority had abated \$500,000 in taxes the two prior years. In 2012, the Authority made the reduction permanent.

Revenue (cont.) –

Quantities of fuel sold (line service) decreased by 2.4% in 2012. However, an increase in selling price per gallon resulted in an increase in revenue of \$0.6 million from 2011. The average selling price per gallon of Jet A fuel was 7.1% higher in 2012 than in 2011. This operation continues to be a major revenue source for the Authority.

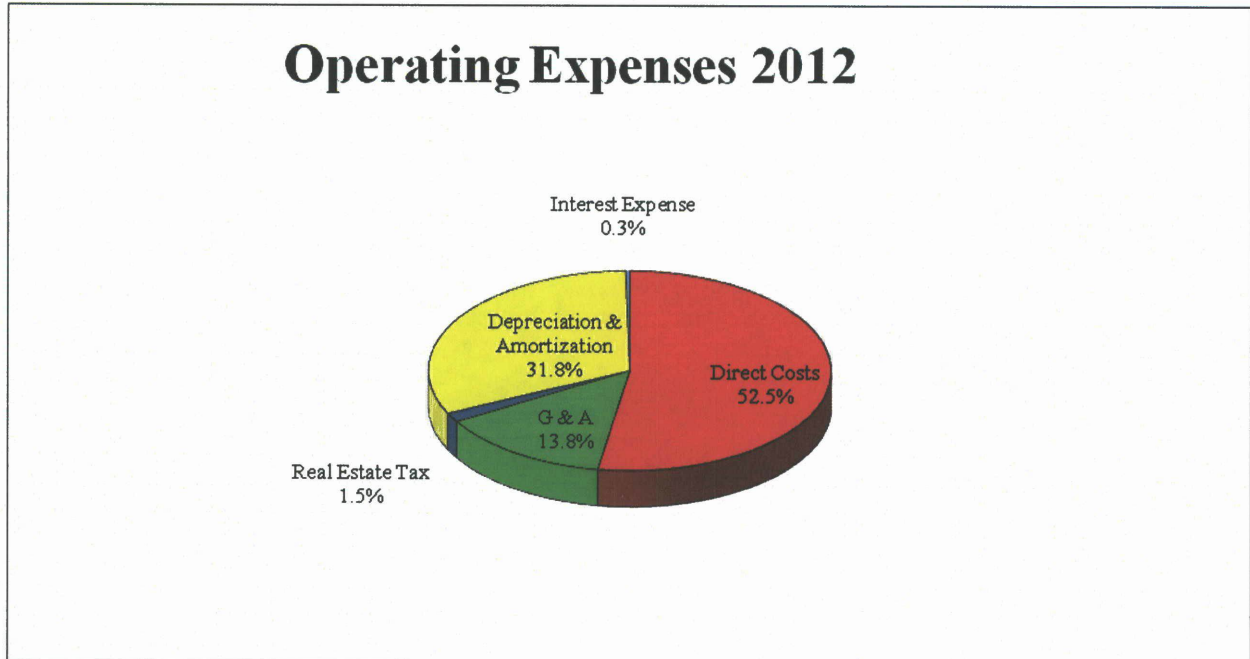
Golf course revenues increased by \$500,740. Overall Golf operation rounds were up 5.4%. Revenues were up in all areas. Wedding and Banquets increased 64% over 2011 levels. Golf revenues were up 7.4% and Food and Beverage increased 7.2%.

Leases, Commissions, Fees decreased by \$230,343. In April of 2011 the Authority agreed to amend the agreement with the current developer of the Business Park. (More information can be found in Note 7 in the Financial Statements.) This amended agreement caused a reduction of lease revenue to the Authority. The bulk of the year over year decrease relates to the reduction of Q1 revenue because of the agreement.

The \$4,265,451 increase from *Gain on Disposal of Assets* is driven by land sales in 2012, as discussed above.

Revenue from *Federal and State Grants* decreased significantly in 2012. This is due to the reduction of grant funded projects on the Airport in 2012 vs. 2011.

Expenses - The following chart shows the major categories of expenses for the year ending December 31, 2012.



Expenses (cont.) –

The following table presents a summary of expenses for the fiscal years ending December 31, 2012 and 2011.

	2012	2011	Increase (Decrease)	% Increase -Decrease
Operating Expenses				
Direct Costs	\$ 14,890,145	14,840,119	50,026	0.34%
General and Administrative	3,918,373	3,831,269	87,104	2.27%
Real Estate Tax	433,070	416,020	17,050	4.10%
Total Operating Expenses	19,241,588	19,087,408	154,180	0.81%
Other Expenses				
Interest Expense	97,152	268,388	(171,236)	-63.80%
Depreciation and Amortization	9,000,660	9,593,267	(592,607)	-6.18%
Total Expenses	\$ 28,339,400	28,949,063	(609,663)	-2.11%

Total Expenses decreased 2.11%. Interest expense consists of the interest on the advance for the development of the DuPage Business Park. This advance was paid back in 2012 as part of the land sale to the developer and resulted in the decreased interest expense paid. Depreciation and Amortization decreased by 6.18%. This reduction is related to assets reaching the end of their expected useful lives and becoming fully depreciated. There was no significant sale of any depreciable assets in 2012.

Capital Assets

The major impacts to Capital Assets during the fiscal year were: Various runway, taxiway and roadway projects costing \$3.8 million were put into service in 2012, the largest of which was \$3.5 million for South Flight Center Apron Phase 4. Building improvements totaled \$747,000, the majority of which were for Government Center upgrades and hangar siding. Machinery and Equipment additions totaled \$1 million and included the purchase of a runway broom, wheel loader, utility tractor, pickup trucks, mowers, fuel control system, and golf carts. Total additions to Capital Assets were \$8.4 million, including \$7.3 million of new construction in progress. Depreciation expense was \$8.9 million. A summary of capital assets can be found in Note 4 of the Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the DuPage Airport Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, DuPage Airport Authority, 2700 International Drive, Suite 200, West Chicago, IL 60185.

BASIC FINANCIAL STATEMENTS

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Statement of Net Position

December 31, 2012

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 8,829,928
Cash and Cash Equivalents - Restricted	2,772,000
Cash and Cash Equivalents - Designated for Capital Improvements	15,874,118
Receivables - Property Taxes	6,066,441
Receivables - Accounts	961,955
Prepaid Expenses	740,989
Inventories	286,852
	<u>35,532,283</u>
Capital Assets	
Cost	293,382,752
Accumulated Depreciation	<u>(156,689,848)</u>
	136,692,904
Construction in Progress	<u>10,852,091</u>
	<u>147,544,995</u>
Other Assets	
Intangible Assets	<u>454,680</u>
Total Assets	<u>183,531,958</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,243,661
Accrued Liabilities	994,713
Deferred Revenue	438,353
Security Deposits	<u>254,285</u>
Total Liabilities	<u>2,931,012</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	6,066,451
Deferred Rental Income	2,027,915
Other Unearned Revenue	<u>105,000</u>
Total Deferred Inflows of Resources	<u>8,199,366</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

(Cont.)

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Statement of Net Position (Cont.)

December 31, 2012

NET POSITION

Invested in Capital Assets	147,544,995
Restricted for Aeronautical Purposes	2,772,000
Unrestricted	<u>22,084,585</u>
Total Net Position	<u>\$ 172,401,580</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position Year Ended December 31, 2012

Revenues	
Aircraft Storage	\$ 1,717,254
Leases, Commissions, Fees	3,005,073
Golf Course Operations	2,879,114
Line Service	12,287,012
Total Revenues	<u>19,888,453</u>
Expenses	
Direct Costs	
Airport Operations	3,925,047
Golf Course Operations	1,943,425
Line Service	9,021,673
General and Administrative	
Salaries and Benefits	2,891,303
Utilities	71,874
Office Expense	216,277
Insurance	257,306
Professional Services	288,592
Postage	10,883
Real Estate Tax	433,070
Advertising and Promotions	220,299
Miscellaneous	(38,161)
Total Expenses	<u>19,241,588</u>
Operating Income Before Depreciation and Amortization	646,865
Depreciation and Amortization	<u>9,000,660</u>
Operating Loss	<u>(8,353,795)</u>
Nonoperating Revenues (Expenses)	
Taxes	6,091,692
Investment Income	28,458
Federal and State Grants	393,682
Miscellaneous Income	217,933
Gain on Disposal of Assets	4,324,243
Interest Expense	(97,152)
	<u>10,958,856</u>
Increase in Net Position	2,605,061
Net Position	
January 1, 2012	<u>169,796,519</u>
December 31, 2012	<u>\$ 172,401,580</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Statement of Cash Flows
Year Ended December 31, 2012

Cash Flows From Operating Activities	
Receipts from Customers and Users	\$ 19,669,342
Payments to Suppliers	(13,948,379)
Payments to and on Behalf of Employees	(5,253,955)
Net Cash Used by Operating Activities	<u>467,008</u>
Cash Flows from Non-capital Financing Activities	
Nonoperating Revenues - Property Taxes	<u>6,147,885</u>
Cash Flows from Capital and Related Financing Activities	
Capital Assets Purchased or Constructed	(7,964,725)
Interest Paid on Advance Rent	(97,152)
Payment on Advance Rent	(737,636)
Proceeds from Disposal of Assets	<u>2,716,637</u>
Net Cash Used by Capital and Related Financing Activities	<u>(6,082,876)</u>
Cash Flows from Investing Activities	
Investment Income	<u>28,458</u>
Net Increase in Cash and Cash Equivalents	560,475
Cash and Cash Equivalents	
January 1	<u>26,915,571</u>
December 31	<u>\$ 27,476,046</u>
Presented as	
Cash and Cash Equivalents	\$ 8,829,928
Cash and Cash Equivalents - Restricted	2,772,000
Cash and Cash Equivalents - Designated for Capital Improvements	<u>15,874,118</u>
	<u>\$ 27,476,046</u>

Non-cash capital and related financing activities:

The Authority received Federal and State Grants in the amount of \$393,682 in the form of construction costs.

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

(Cont.)

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Statement of Cash Flows (Cont.)
Year Ended December 31, 2012

Operating Loss	\$ (8,353,795)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Amortization	84,709
Depreciation	8,915,951
Miscellaneous income	217,933
Changes in Operating Assets and Liabilities	
Accounts Receivable	(523,429)
Prepaid Expenses	6,393
Inventories	8,161
Accounts Payable	76,287
Accrued Liabilities	(3,587)
Deferred Revenue	(14,363)
Security Deposits	<u>52,748</u>
Net Cash Provided by Operating Activities	<u>\$ 467,008</u>
Noncash Financing Activity:	
Reduction of Advance Rent Through Sale of Land	<u>\$ 2,523,321</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
December 31, 2012

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Authority was created subject to "An Act in Relation to Airport Authorities" (70 ILCS 5/0 et seq) to operate an airport facility in western DuPage County, Illinois.

The Authority operates under the direction of the Board of Commissioners. In evaluating how to define the Authority for financial reporting purposes, Management has considered potential component units as required by Governmental Accounting Standards Board Statements No. 14 and No. 39. These statements require that any entity which is financially accountable (as defined) to the Authority should be included in the financial reporting entity. There are no component units to be included in the Authority's financial reporting.

Effective September 1995, the DuPage County Board Chairman was given (by State statute) line item veto authority over the Authority's budget. The County Board Chairman also has the ability to appoint the nine Airport Authority Board members with the County Board's approval. Because these circumstances indicate that the Airport is "financially accountable" (as defined by GASB Statement No. 14) to the County, the Airport is considered a component unit of DuPage County.

B. Fund Accounting

The Authority uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Authority utilizes one enterprise fund to account for those activities which include providing goods and services to outside parties. The Authority uses three divisions within a single enterprise fund in order to appropriately account for its daily activities. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Authority has chosen to apply all GASB pronouncements, as well as those Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to account for proprietary funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net assets are segregated into net capital assets, restricted and unrestricted components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
December 31, 2012

1. Summary of Significant Accounting Policies (Cont.)

C. Basis of Accounting (Cont.)

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Authority adopted Governmental Accounting Standards No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB No. 63). GASB No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Authority also adopted Governmental Accounting Standards No. 65, *Items Previously Reported as Assets and Liabilities* (GASB No. 65). GASB No. 65 reclassifies as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

The Authority reports deferred revenue and deferred inflows of resources on its statement of net position. Deferred revenues and deferred inflows of resources arise when resources are received by the Authority that represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. In subsequent periods, when the Authority has a legal claim to the resources, the liability for deferred revenue and deferred inflows of resources is removed from the statement of net position and revenue is recognized.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

E. Accounts Receivable

The Authority grants trade credit to its customers, primarily tenants and fuel purchasers. Receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts, if any, is based on specific identification of uncollectible accounts and the Authority's historical collection experience. The allowance for bad debts at December 31, 2012 is \$441,889.

F. Inventories

Inventories are valued at lower of cost or market using the first-in/first-out (FIFO) method.

G. Prepaid Expenses

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

H. Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The Authority uses a minimum threshold of \$5,000 for recording capital assets.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
 December 31, 2012

1. Summary of Significant Accounting Policies (Cont.)

H. Capital Assets (Cont.)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation is calculated using the straight-line method.

I. Compensated Absences

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The liability for compensated absences is included in "Accrued Liabilities" on the statement of net assets.

J. Deferred Revenue and Deferred Inflows of Resources

Rental revenue collected in advance of the period to which it is earned is deferred and recognized as it is earned. The Authority has received advance payments of \$3,743,846 for the lease of a hangar; this amount is being taken into income on a straight-line basis over the thirty-year lease term. Unrecognized income on this lease was \$2,152,710 at December 31, 2012, of which the current portion of \$124,795 is included in Deferred Revenue and the remaining \$2,027,915 is reported under Deferred Inflows of Resources.

Other advance payments for fuel sales and rents (January 2013 rent collected in December) and similar items are reported in Deferred Revenue. These totaled \$313,558 at December 31, 2012.

K. Net Assets

The Authority's investment in capital assets, net of related debt (bonds and leases payable, if any) is shown as a component of net assets. Restricted net assets represent those portions of net assets not appropriate for expenditure or legally segregated for a specific future use (see Note 6).

L. Unrestricted Net Assets

Certain resources have been set aside for the capital improvement plan by the Authority's Board. Management annually reviews the long-term capital plan to determine major future projects and has generally designated property and replacement tax revenues to finance these costs. A segregated deposit account has been established. Changes in the Authority's Net Assets Designated for Future Capital Improvements during 2012 are as follows:

Balance, beginning of year	\$ 18,145,990
Property and replacement taxes received	6,091,691
Projects completed or removed	<u>(7,964,725)</u>
Balance, end of year	<u><u>\$ 16,272,956</u></u>

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
December 31, 2012

1. Summary of Significant Accounting Policies (Cont.)

M. Accounting Estimates

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

2. Deposits and Investments

The Authority's investment policy authorizes the Authority to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value). The Authority's investment policy limits its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Deposits designated for the Capital Reserve Fund are held separately from other funds.

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

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Authority, an independent third party or the Federal Reserve Bank.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Authority limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities, money market funds, or similar investment pools.

At year-end the carrying amount of the Authority's deposits totaled \$27,473,796, and the bank balances totaled \$27,444,951. The entire balance is covered by federal depository insurance or by collateral held by the Authority, or its Agent in the Authority's name. Cash on hand of \$2,250 is not included above.

3. Receivables - Taxes

Property taxes for 2012 attach as an enforceable lien on January 1, 2012 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about April 1, 2013, and are payable in two installments on or about June 1, 2013 and September 1, 2013. The County collects such taxes and remits them periodically.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
December 31, 2012

3. Receivables - Taxes (Cont.)

The Authority has deferred the 2012 Tax Levy since the revenue will not be available to fund current operations but will be used to fund future capital improvements, including those identified in the capital improvement program. See Note 6 for additional information.

4. Capital Assets

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

Business-Type Activities	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital Assets Not Depreciated				
Land	\$ 61,260,696		(909,968)	60,350,728
Construction in Progress	8,184,254	7,345,437	(4,677,600)	10,852,091
	<u>69,444,950</u>	<u>7,345,437</u>	<u>(5,587,568)</u>	<u>71,202,819</u>
Capital Assets Being Depreciated				
Land Improvements	95,313,447	14,439		95,327,886
Buildings and Improvements	72,293,207	746,659		73,039,866
Infrastructure	49,633,683	3,783,613		53,417,296
Software		109,640		109,640
Equipment and Vehicles	10,428,839	1,036,220	(327,723)	11,137,336
	<u>227,669,176</u>	<u>5,690,571</u>	<u>(327,723)</u>	<u>233,032,024</u>
Less Accumulated Depreciation				
Land Improvements	(75,019,341)	(4,110,108)		(79,129,449)
Buildings and Improvements	(33,602,382)	(2,520,305)		(36,122,687)
Infrastructure	(32,370,449)	(1,775,969)		(34,146,418)
Software				
Equipment and Vehicles	(7,103,700)	(509,569)	321,975	(7,291,294)
	<u>(148,095,872)</u>	<u>(8,915,951)</u>	<u>321,975</u>	<u>(156,689,848)</u>
Net Assets Being Depreciated	<u>79,573,304</u>	<u>(3,225,380)</u>	<u>(5,748)</u>	<u>76,342,176</u>
Capital Assets, Net	<u>\$ 149,018,254</u>	<u>4,120,057</u>	<u>(5,593,316)</u>	<u>147,544,995</u>

The following estimated useful lives are used to compute depreciation.

Buildings	35 years
Building Improvements	10-20 years
Land Improvements	10-20 years
Equipment and Vehicles	3-10 years
Runways, Ramps and Parking Lots	20 years
Office and Other Equipment	3-8 years

5. Risk Management

The Authority has purchased commercial insurance policies covering all risks, including employee health and life, workers' compensation, property damage and liability, including Aviation Liability coverage. There were no significant reductions in coverage from prior years, nor have any settlements exceeded insured amounts.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
December 31, 2012

6. Restricted Net Assets

On July 9, 2012, the Authority entered into an agreement with the Illinois Department of Transportation (IDOT) to convey 11.909 acres of land for a total sale price of \$2,667,000 for the purpose of reconstructing and widening portions of Illinois Route 38 and Kautz Road. The Authority recognized a gain of \$2,286,833 associated with the conveyance. As part of the agreement, the Authority also conveyed .867 acres of land as a temporary construction easement for \$105,000. Per Federal Aviation Authority regulations, any cash received from the sale of land must be used for Aeronautical purposes, and are therefore presented as Restricted Net Assets.

7. Commitments

In December 2004, the Authority entered into an Agreement to Develop and Lease (the Agreement) with a Developer to assist in locating and leasing to tenants in the Business Park. The Agreement requires payments by the Developer to the Authority for the option to lease as defined in the Agreement. Further, the Developer will remit a percentage of rents received as defined in the Agreement and pay a square foot sales price for any property purchased from the Authority. The Authority recognized rental income under the Agreement of \$819,881 in 2012. Currently, monthly option fee payments are \$68,323, which reflects an amendment to the original agreement in April 2011. The monthly option fee payments will remain at \$68,323 until the end of the term of the Agreement, which has been extended until September 30, 2017. However, this monthly option fee will be reduced in the event the Developer leases or purchases additional lands from the Authority.

As part of the agreement with the Developer, various infrastructure and similar improvements have been identified as possible costs to ultimately be paid by the Authority. The agreement with the Developer provided that the Developer may advance funds against future option fees. Repayment of the advances were made solely from the option fees described in the preceding paragraph. Such advances bore interest at 8%, and were being repaid as an offset of one-half of the monthly option fee payments. During 2012, the Authority sold land to the Developer as consideration for paying off a portion of the advance. The total sale price of \$2,526,092 was applied against the advance. The Airport paid the remaining balance of \$558,723 in cash.

8. Employee Retirement System - Illinois Municipal Retirement

The Authority'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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

As set by statute, the Authority's regular plan members are required to contribute 4.50% of their annual covered salary. The Authority is required to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 8.69%. 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.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Notes to the Financial Statements
December 31, 2012

8. Employee Retirement System - Illinois Municipal Retirement (Cont.)

For December 31, 2012, the Authority's annual pension cost of \$330,332 was equal to the Authority's required and actual contributions.

Schedule of Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 330,332	100.0 %	0
12/31/11	330,775	100.0	0
12/31/10	257,187	100.0	0

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5% investment rate of return (net of administrative expenses and direct investment expenses); (b) projected salary increases of 4.0% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2012, the most recent actuarial valuation date, the plan was 92.93% funded. The actuarial accrued liability for benefits was \$10,319,541, and the actuarial value of assets was \$9,590,129, resulting in an underfunded actuarial accrued liability (UAAL) of \$729,412. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$3,801,288 and the ratio of the UAAL to the covered payroll was 19%.

The schedule of funding progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

9. Subsequent Events

The Authority has evaluated subsequent events through June 6, 2013, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund
December 31, 2012

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2012	\$ 9,590,129	10,319,541	729,412	92.93 %	3,801,288	19.19 %
12/31/2011	8,918,107	9,504,248	586,141	93.83	3,695,814	15.86
12/31/2010	8,279,973	8,402,417	122,444	98.54	2,857,630	4.28
12/31/2009	7,694,628	7,972,603	277,975	96.51	2,855,134	9.74
12/31/2008	7,179,244	7,412,378	233,134	96.85	2,933,198	7.95
12/31/2007	7,629,111	6,852,368	(776,743)	111.34	3,008,306	(25.82)

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$9,816,534, resulting in a funded ratio of 95.13%.

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 330,332	330,332	100.00 %
2011	330,775	330,775	100.00
2010	257,187	257,187	100.00
2009	191,579	191,579	100.00
2008	207,964	207,964	100.00
2007	226,225	226,225	100.00

SUPPLEMENTAL DATA

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Schedule of Capital Assets and Depreciation
Year Ended December 31, 2012

	Airport Operations			
	Balances	Additions	Reclassifications/ Retirements	Balances
	Jan. 1		Dec. 31	
Land and Land Improvements	\$ 146,833,023	14,439	909,968	145,937,494
Runways, Ramps and Parking Lots	49,633,683	3,783,612		53,417,295
Buildings and Improvements	66,771,571	556,153		67,327,724
Equipment and Vehicles	6,612,623	1,000,086	327,723	7,284,986
Software		109,640		109,640
Office and Other Equipment	991,587	10,170		1,001,757
	270,842,487	<u>5,474,100</u>	<u>1,237,691</u>	275,078,896
Accumulated Depreciation	133,998,942	<u>8,086,697</u>	<u>321,975</u>	141,763,664
	136,843,545			133,315,232
Construction in Progress	8,184,254	<u>7,345,437</u>	<u>4,677,600</u>	10,852,091
Net Asset Value	<u>\$ 145,027,799</u>			<u>144,167,323</u>

	DuPage Flight Center			
	Balances	Additions	Reclassifications/ Retirements	Balances
	Jan. 1		Dec. 31	
Equipment and Vehicles	\$ 934,559			934,559
Accumulated Depreciation	666,541	<u>52,975</u>		719,516
Net Asset Value	<u>\$ 268,018</u>			<u>215,043</u>

	Prairie Landing Golf Course			
	Balances	Additions	Reclassifications/ Retirements	Balances
	Jan. 1		Dec. 31	
Land and Land Improvements	\$ 10,403,865			10,403,865
Buildings and Improvements	4,746,929	190,507		4,937,436
Equipment and Vehicles	1,768,064	25,964		1,794,028
Office and Clubhouse Equipment	233,968			233,968
	17,152,826	<u>216,471</u>		17,369,297
Accumulated Depreciation	13,430,389	<u>776,279</u>		14,206,668
Net Asset Value	<u>\$ 3,722,437</u>			<u>3,162,629</u>

Depreciation of certain Golf assets is charged to Airport operations in supplemental schedules.

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Schedule of Insurance in Force
December 31, 2012

Line of Coverage	Insurance Company	Coverage Limits	Expiration Date
Aviation Liability	ACE USA	\$100 million	12/31/13
Excess Aviation Liability	Lloyd's of London	\$100 million	12/31/13
War/Terrorism Coverage	ACE USA	\$100 million	12/31/13
Commercial Property	EMC		12/31/13
Buildings and Business Personal Property		\$80,822,961	
Business Income/Extra Expense		\$7,500,000	
Inland Marine		\$6,775,727	
EDP/Radios		\$471,000	
Earthquake		\$50,000,000	
Flood		\$2,000,000	
Commercial Auto	West Bend Mutual	\$1 million	12/31/13
Workers' Compensation	West Bend Mutual	Statutory Limits	12/31/13
Employers Liability	West Bend Mutual	\$1 million	12/31/13
Public Officials Liability	ACE	\$5 million	12/31/13
Underground Tank Liability	Am. Safety Indemnity	\$1 million per tank schedule	09/16/14
Treasurers Bond	Liberty Mutual	\$2 million per position	12/31/13
Pollution Coverage	ACE	\$5 million	01/01/15
Public Employee Dishonesty	Hartford	\$1 million	01/12/14
Prairie Landing	Selective		12/31/13
Property		\$8,540,641	
Inland Marine		\$4,528,739	
Earthquake		\$3,000,000	
Flood		\$3,000,000	
General Liability		\$2,000,000	
Liquor Liability		\$1,000,000	
Business Income/Extra Expense		Actual loss sustained	

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Combining Schedule of Net Position

December 31, 2012

	Airport Operations	DuPage Flight Center	Prairie Landing Golf Course	Intrafund Eliminations	Totals
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 8,432,180	273,220	124,528		8,829,928
Cash and Cash Equivalents - Restricted	2,772,000				2,772,000
Cash and Cash Equivalents - Designated	15,874,118				15,874,118
Receivables					
Property Taxes	6,066,441				6,066,441
Accounts	564,789	372,824	24,342		961,955
Intrafund Receivable	812,263			(812,263)	
Prepaid Expenses	547,279	132,583	61,127		740,989
Inventories	36,862	192,359	57,631		286,852
	<u>35,105,932</u>	<u>970,986</u>	<u>267,628</u>	<u>(812,263)</u>	<u>35,532,283</u>
Capital Assets					
Cost	289,450,106	934,559	2,998,087		293,382,752
Accumulated Depreciation	(153,436,897)	(719,516)	(2,533,435)		(156,689,848)
	136,013,209	215,043	464,652	-	136,692,904
Construction in Progress	10,852,091				10,852,091
	<u>146,865,300</u>	<u>215,043</u>	<u>464,652</u>	<u>-</u>	<u>147,544,995</u>
Other Assets					
Intangible Assets	454,680				454,680
Total Assets	<u>182,425,912</u>	<u>1,186,029</u>	<u>732,280</u>	<u>(812,263)</u>	<u>183,531,958</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	992,080	231,622	19,959		1,243,661
Accrued Liabilities	609,337	120,580	264,796		994,713
Intrafund Payable		142,137	670,126	(812,263)	
Customer Deposits and Advances	276,275	65,903	96,175		438,353
Security Deposits	113,262		141,023		254,285
Total Liabilities	<u>1,990,954</u>	<u>560,242</u>	<u>1,192,079</u>	<u>(812,263)</u>	<u>2,931,012</u>

(Cont.)

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Combining Schedule of Net Position (Cont.)

December 31, 2012

	Airport Operations	DuPage Flight Center	Prairie Landing Golf Course	Intrafund Eliminations	Totals
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	6,066,451				6,066,451
Deferred Rental Income	2,027,915				2,027,915
Other Unearned Revenue	105,000				105,000
Total Deferred Inflows of Resources	8,199,366	-	-	-	8,199,366
NET POSITION					
Invested in Capital Assets	146,865,300	215,043	464,652		147,544,995
Restricted for Aeronautical Purposes	2,772,000				2,772,000
Unrestricted	22,598,292	410,744	(924,451)		22,084,585
Total Net Position	\$ 172,235,592	625,787	(459,799)	-	172,401,580

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Combining Schedule of Revenues, Expenses,
and Changes in Net Position
For the Year Ended December 31, 2012

	Airport Operations	DuPage Flight Center	Prairie Landing Golf Course	Intrafund Eliminations	Totals
Revenues					
Aircraft Storage	\$ 1,562,734	154,520			1,717,254
Leases, Commissions, Fees	3,053,073			(48,000)	3,005,073
Golf Course Operations			2,879,114		2,879,114
Line Service		12,287,012			12,287,012
Total Revenues	4,615,807	12,441,532	2,879,114	(48,000)	19,888,453
Expenses					
Direct Costs					
Airport Operations	3,925,047				3,925,047
Golf Course Operations			1,943,425		1,943,425
Line Service		9,069,673		(48,000)	9,021,673
General and Administrative					
Salaries and Benefits	1,362,870	1,262,537	265,896		2,891,303
Utilities		5,736	66,138		71,874
Office Expense	45,945	51,263	119,069		216,277
Insurance	94,215	105,433	57,658		257,306
Professional Services	277,470		11,122		288,592
Postage	8,143		2,740		10,883
Real Estate Tax	188,859		244,211		433,070
Advertising and Promotions	136,155	15,047	69,097		220,299
Miscellaneous	(40,988)	2,792	35		(38,161)
Total Expenses	5,997,716	10,512,481	2,779,391	(48,000)	19,241,588
Operating Income (Loss) Before Depreciation and Amortization	(1,381,909)	1,929,051	99,723		646,865
Depreciation and Amortization	8,790,761	52,975	156,924		9,000,660
Operating Income (Loss)	(10,172,670)	1,876,076	(57,201)	-	(8,353,795)
Nonoperating Revenues (Expenses)					
Taxes - Property	6,039,877				6,039,877
Taxes - Other	51,815				51,815
Investment Income	28,454	3	1		28,458
Federal and State Grants	393,682				393,682
Miscellaneous Income	203,690	10,280	3,963		217,933
Gain on Disposal of Assets	4,324,243				4,324,243
Interest Expense	(97,152)				(97,152)
	10,944,609	10,283	3,964	-	10,958,856

(Cont.)

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Combining Schedule of Revenues, Expenses,
and Changes in Net Position (Cont.)
For the Year Ended December 31, 2012

	Airport Operations	DuPage Flight Center	Prairie Landing Golf Course	Intrafund Eliminations	Totals
Net Income (Loss)	771,939	1,886,359	(53,237)		2,605,061
Other Changes in Net Position					
Intrafund Transfers In	2,037,376				2,037,376
Intrafund Transfers Out		(2,037,376)			(2,037,376)
	2,037,376	(2,037,376)	-	-	-
Increase (Decrease) in Net Position	2,809,315	(151,017)	(53,237)	-	2,605,061
Net Position					
January 1, 2012	169,426,277	776,804	(406,562)		169,796,519
December 31, 2012	\$ 172,235,592	625,787	(459,799)	-	172,401,580

Note: The DuPage Flight Center transferred excess cash flows in the amount of \$2,037,376

DUPAGE AIRPORT AUTHORITY, ILLINOIS

Schedule of Revenues and Expenses - Budget and Actual -
 Airport Operations, DuPage Flight Center and Prairie Landing Golf Course
 Year Ended December 31, 2012

	Actual			Totals	Budget
	Airport Operations	DuPage Flight Center	Prairie Landing Golf Course		
Revenues					
Aircraft Storage	\$ 1,562,734	154,520		1,717,254	1,654,450
Leases, Commissions, Fees	3,053,073			3,053,073	3,006,870
Golf Course Operations			2,879,114	2,879,114	2,609,994
Line Service		12,287,012		12,287,012	11,872,764
Total Revenues	4,615,807	12,441,532	2,879,114	19,936,453	19,144,078
Expenses					
Direct Costs					
Airport Operations	3,925,047			3,925,047	4,007,258
Golf Course Operations			1,943,425	1,943,425	1,697,744
Line Service		9,069,673		9,069,673	9,128,328
General and Administrative					
Salaries and Benefits	1,362,870	1,262,537	265,896	2,891,303	2,805,580
Utilities	-	5,736	66,138	71,874	86,900
Office Expense	45,945	51,263	119,069	216,277	197,904
Insurance	94,215	105,433	57,658	257,306	270,003
Professional Services	277,470		11,122	288,592	303,800
Postage	8,143		2,740	10,883	23,751
Real Estate Tax	188,859		244,211	433,070	435,208
Promotions	136,155	15,047	69,097	220,299	208,996
Miscellaneous	(40,988)	2,792	35	(38,161)	7,800
Total Expenses	5,997,716	10,512,481	2,779,391	19,289,588	19,173,272
Operating Income (Loss) Before Depreciation and Amortization	(1,381,909)	1,929,051	99,723	646,865	(29,194)
Depreciation and Amortization	8,790,761	52,975	156,924	9,000,660 *	9,000,660
Operating Income (Loss)	(10,172,670)	1,876,076	(57,201)	(8,353,795)	(9,029,854)
Nonoperating Revenues (Expenses)					
Taxes - Property	6,039,877			6,039,877	6,046,024
Taxes - Other	51,815			51,815	58,000
Investment Income	28,454	3	1	28,458	151,200
Federal and State Grants	393,682			393,682	
Miscellaneous Income	203,690	10,280	3,963	217,933	30,375
Gain (Loss) on Disposal of Assets	4,324,243			4,324,243	55,000
Interest Expense	(97,152)			(97,152)	
	10,944,609	10,283	3,964	10,958,856	6,340,599
Net Income (Loss)	\$ 771,939	1,886,359	(53,237)	2,605,061	(2,689,255)

*The Authority does not budget depreciation and amortization; actual amounts are included here as budget to facilitate analysis.