

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2011

GREATER ROCKFORD AIRPORT AUTHORITY

FOR THE FISCAL YEAR ENDING APRIL 30, 2011

ROCKFORD • ILLINOIS

CHICAGO ROCKFORD



INTERNATIONAL AIRPORT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the
Greater Rockford Airport Authority
Rockford, Illinois

For the fiscal year ended
April 30, 2011

Prepared by:
Amy M. Ott, CPA, CM
Interim Executive Director

Jan Benoit
Finance Manager



Table of Contents

	<u>Pages</u>
Introductory Section	
Letter of Transmittal	I-V
Organizational Chart, Board of Commissioners and Senior Management	VI
Certificate of Achievement for Excellence in Financial Reporting	VII
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis	2-9
Financial Statements	
Statements of Net Assets	10-11
Statements of Revenues, Expenses and Changes in Net Assets	12
Statements of Cash Flows	13
Notes to Financial Statements	14-27
Required Supplementary Information	
Schedule of Pension Funding Progress	28
Schedule of Funding Progress, Other Post-Employment Benefits	29
Statistical Section (Unaudited)	
Schedule of Revenue, Expenses and Changes in Net Assets	30-31
Schedule of Certain Revenue by Sources	32
Schedule of Certain Expenses by Function and Department	33
Schedule of Major Tenants	34
Schedule of Debt Obligation Coverage	35
Schedule of Property Tax Levies and Collections	36-37
Schedule of Assessed Value, Levies and Rates	38
Schedule of Principal Property Taxpayers in Winnebago County	39
Chicago Rockford International Airport Information	40
Schedule of Staffing	41
Schedule of Air Commerce	42-43
Schedule of Rates and Charges	44
Schedule of Largest Employers in the Greater Rockford Area	45
Schedule of Demographic Indicators for Winnebago County	46



Introductory Section



This section contains the following subsections:

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



September 6, 2011

To the Board of Commissioners:

This Comprehensive Annual Financial Report (CAFR) for the Greater Rockford Airport Authority (the Authority) (Chicago Rockford International Airport) for the fiscal year ended April 30, 2011, is proudly prepared and presented by your Finance Department and represents the Authority staff's commitment to provide accurate, concise and high-quality financial information to its Board of Commissioners and to the regional community we serve.

The CAFR contains financial statements and statistical information that fully disclose all the material financial operations of the Authority. The financial statements and statistical information contained herein are representations of the Authority's management, which bears the responsibility for the accuracy, completeness, and fairness of the CAFR. A narrative overview and analysis of the financial activities of the Authority, that occurred during the fiscal year ended April 30, 2011, are presented in the Management's Discussion and Analysis (MD&A) found in the Financial Section.

This year's CAFR is prepared in accordance with the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards a Certificate of Achievement to all public entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is our belief that the accompanying fiscal year April 30, 2011 CAFR meets the program standards, and will be submitted to the GFOA for review.

➔ THE AUTHORITY

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

The Authority is located within Winnebago County and is empowered to levy a property tax on real properties located within the Authority area, which encompasses an area of approximately 216 square miles and includes all land within Cherry Valley, Harlem, Owen and Rockford Townships with the exception of roughly 12 square miles of rural land in Owen Township. Although ten other Townships in Winnebago County are not included within the boundaries of the Authority, nearly 83% of Winnebago County's land area and over 75% of Winnebago County's 2010 equalized assessed valuation are within the Authority Area.

The Authority is governed by a seven-member Board of Commissioners (Board). One or two commissioners are appointed each year to staggered five-year terms. Currently, the Mayor of the City of Rockford appoints three (3) members, the Winnebago County Board Chairman appoints two (2) members, and the Mayor of the City of Loves Park and the Village President of the Village of Machesney Park appoint one member each. Policy-making and legislative authority rests with the Board that is responsible, among other responsibilities, for passing ordinances, resolutions, adopting the budget, and hiring the Executive Director. The Executive Director is responsible for carrying out the policies, ordinances and resolutions of the Board, for overseeing the day-to-day operations of the Authority, and overseeing hiring practices.

Meetings of the Board are scheduled twice per month on the second and fourth Thursdays at 5:30 pm. Meetings are open to the public.

➔ FINANCIAL REPORTING ENTITY

The Authority's financial reporting entity has been defined in accordance with GASB Statement No. 14. The financial statements contained within this CAFR include all departments and operations for which the Authority is financially accountable. Financial accountability is defined in Note 1 to the financial statements. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

➔ ECONOMIC CONDITION

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

The fiscal year saw many changes with passengers growing by only 2.2% from the prior year; however, capacity saw an even smaller increase which resulted in aircraft going out on average 95% full. The Authority is continuing to engage that next air service opportunity and the 2009 award of a Small Community Air Service Development Grant improves the potential. Every effort is being made to build and grow passenger service on both the domestic and international fronts. With the completion of the expansion to the international arrival gate the facility can now handle large amounts of passengers efficiently.

The Authority is not immune to the global economic crisis with the largest decrease in cargo activity ever and the statistics and revenues reflect that impact. The most recent FAA cargo reports state RFD is the 24th largest cargo airport in the United States. The annual total of gross landed weight for all cargo aircraft for the year was down 11.6% which did not trend with the national average. The nature of our cargo in that it does not include any international cargo which is where most increases were realized this past year. A majority of this was a reduction in flights for UPS. Cargo is a leading indicator and we fully believe that as the economy begins to grow, so will our cargo activities. With the addition of a new International Cargo apron and facility, RFD can compete globally to become one of the top cargo airports in the world. It is estimated that RFD creates an economic impact of over \$800 million annually to the region. Feeding off the cargo airlines are 60 motor freight carriers serving 37 terminals.

The economic condition and outlook for the region has improved slightly over the prior year. Employment needs are increasing slowly but greater than the needs in the last two prior years and the unemployment rate decreased from 16.2% to 11.8%. The region continues to expand and diversify its industrial base and employment opportunities. The Metropolitan Statistical Area (MSA) is over 350,000 people and is the fastest growing MSA in the state of Illinois and has been for two consecutive years. This growth is expected to continue. The region is a community that still understands shift work and values companies that need employees with industrial skills. A recent study by The Pathfinders (Dallas TX), polling area employers on existing workforce characteristics, found that labor-shed actually consists of a five-county region with a population of over 807,000 individuals and that the workforce was over 435,000 people. This number far exceeds the federal government's assumption of a two-county MSA population of approximately 350,000 people and a labor force of about 175,000. The region's low cost of living and competitive wage rates benefit both employer and employee.

The region is considered an excellent location for logistics services, warehouses and distribution centers, aerospace and on and off road vehicles manufacturing, industrial machinery, and metals manufacturing, as well as back office operations/call centers, professional business services, food processing, and chemicals manufacturing. The area lies in the heart of the Midwest, at the crossroads of America and in very close proximity to Chicago, Milwaukee, Madison, Quad-Cities, and Peoria. As part of the greater Chicago region, Rockford is part of the third-largest multi-modal system in the world and largest in the U.S. From the Rockford area, businesses can reach 80% of U.S. households within a 24-hour truck drive.

The Foreign Trade Zone (FTZ) program is a partnership between the federal government and private business with the goal to protect or create new jobs in America. We believe that the FTZ can be a catalyst to improve the economic business climate of the region. In January 2009, the Authority received approval of the expansion of FTZ #176 which now includes 19 partners, 3 activated sites/subzones and nearly \$200 million of foreign merchandise moving through the Zone and the FTZ program

reached breakeven for the Authority. In 2011, the growth in movement of product dropped slightly due to the recessionary economy, but leadership expects growth to reach \$500 million within the next few years. With two or three FTZ-approved locations expected to activate during 2011 and a streamlined application process offered by the FTZ Board in Washington, D.C., that will reduce costs and time to access the program, the growth could be exponential.

➔ MAJOR INITIATIVES



Taxiway “Bravo” Rehabilitation - The last couple of years we have been fortunate to receive federal grants for pavement rehabilitation to taxiway “B” north, also “F” including improved airfield lighting & signage within the scope of the project. Last year the Airport initiated pavement rehabilitation and improvements to taxiway “B” south. The Airport Authority was fortunate to receive contracts for nearly \$4.7 million in stimulus dollars to complete Phase I of the Bravo south project! Another contract for a \$4.8 million federal grant was received to include Phase II of taxiway “B” south as well as some additional pavement rehabilitation northward including taxiway “A.” Along with these projects RFD is pursuing FAA approved LED lighting for taxiway edge lights as well as internal signage illumination. LED lighting has been approved by the FAA for internal illumination of airfield directional signage as well as taxiway illumination both centerline and edge lighting. The FAA hasn’t yet certified LED lighting for runways; however, this is expected to occur in the near future. LED lighting costs a little more upfront; however, overall maintenance and power consumption are significantly reduced.



Aircraft Rescue and Fire Fighting Vehicle - The vehicle replaced a 1974 Oshkosh 1500 (1500 gallons water/foam) 6x6 ARFF truck. While RFD’s published ARFF Index (fire fighting capability) remains at “C” (based on current passenger aircraft size/frequency serving RFD), we have available equipment capability to satisfy an “E” index, which is the highest ARFF capability rating, and preferred by many cargo airlines. For example, Cathay Pacific’s policy permits operation of their aircraft only at airports having an “E” ARFF index capability.



Emergency Operations Center and Training Facility - The Emergency Operations Center and Training Facility was constructed and equipped to allow for various needs. This includes a proper training facility for all badged users of the airport. The room is equipped with video equipment and computers for the applicant to do all testing on-line and in the most efficient manner possible. The new training facility allows applicants space and a quiet atmosphere to view required videos and take the necessary tests without the noise, activity and congestion going on in the main Ops Center. It also will be used for group recurrent training for RFD employees and double as an Emergency Operating Center in cases of an emergency.

➔ INTERNAL CONTROLS

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

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

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

➔ THE BUDGET

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

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

➔ CASH MANAGEMENT

The Authority utilizes a cash management and investment policy intended to achieve maximum financial return while minimizing the risk of loss on all available funds. The Authority currently invests funds in accordance with its recently updated Investment Policy adopted by Resolution #09-73 on November 19, 2009. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering foremost, the legality and safety of their capital as well as the probable income to be derived. The Greater Rockford Airport Authority may invest public funds in certain types of security as allowed by the Public Funds Investment Act, 30 ILCS 235 et seq. It is the policy of the Authority that its investments be limited to the allowed securities that are guaranteed by the full faith and credit of the United States of America or its agencies; any interest bearing account, deposit (including certificates of deposit), or any other investment constituting direct obligations of any bank, collateralized as outlined in the policy; and repurchase agreements that are supported by the full faith and credit of the United States of America. There are periodic reviews to evaluate the effectiveness of the investments in meeting the Authority's needs for safety, liquidity, rate of return, diversification and overall general performance of the instruments. The U.S. Treasury bill will be used as a benchmark for this performance review.

In accordance with Government Accounting Standards Board (GASB) criteria, much of the Authority's deposits are either FDIC insured or collateralized by securities held by the pledging financial institutions' trust departments or agents in the Authority's name. The procedure used to secure the Authority's deposits complies with state statutes.

➔ INDEPENDENT AUDITOR

The Authority's independent accounting firms, Baker Tilly Virchow Krause, LLP and McGladrey & Pullen, LLP, have rendered unqualified opinions on the Authority's financial statements for the fiscal years ended April 30, 2011 and 2010, respectively which state that the financial statements present fairly, in all material respects, the results of the Authority's financial position, changes in financial position and cash flows. The Auditor's report on the financial statements is included in the financial section of the report.

The Authority participates in the federal single audit program, which consists of a single audit of federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by the Authority's independent accounting firm, Baker Tilly Virchow Krause, LLP, met the requirements set forth by the Federal Single Audit Act of 1996 and related Office of Management and Budget Circular A-133. The independent auditor's report, which is issued based upon work performed in accordance with those requirements, noted no instances of non-compliance by the Authority with any applicable state or federal laws, regulations, or other matters that are required to be reported for the fiscal year ended April 30, 2011.

➔ CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Greater Rockford Airport Authority for its comprehensive annual financial report for the fiscal year ended April 30, 2010. The Certificate is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized, Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The Authority has received a Certificate of Achievement for each of the last thirteen consecutive years and we believe our current report conforms to the Certificate of Achievement program requirements, and we plan on submitting it to GFOA for their review.

➔ DISTINGUISHED BUDGET PRESENTATION AWARD

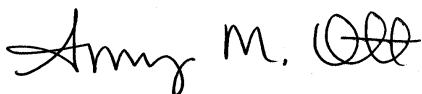
The Government Finance Officers Association awarded the Authority's Management the Distinguished Budget Presentation Award for its fiscal year 2011 budget. This was the twelfth consecutive year the Authority was presented with this award.

➔ ACKNOWLEDGMENTS

The publication of this CAFR is a reflection of the level of excellence and professionalism the Authority's entire staff has attained. We wish to express our appreciation specifically to all members of the Finance Department, who contributed not only to the preparation of the CAFR, but also to the accomplishments that we are privileged to report.

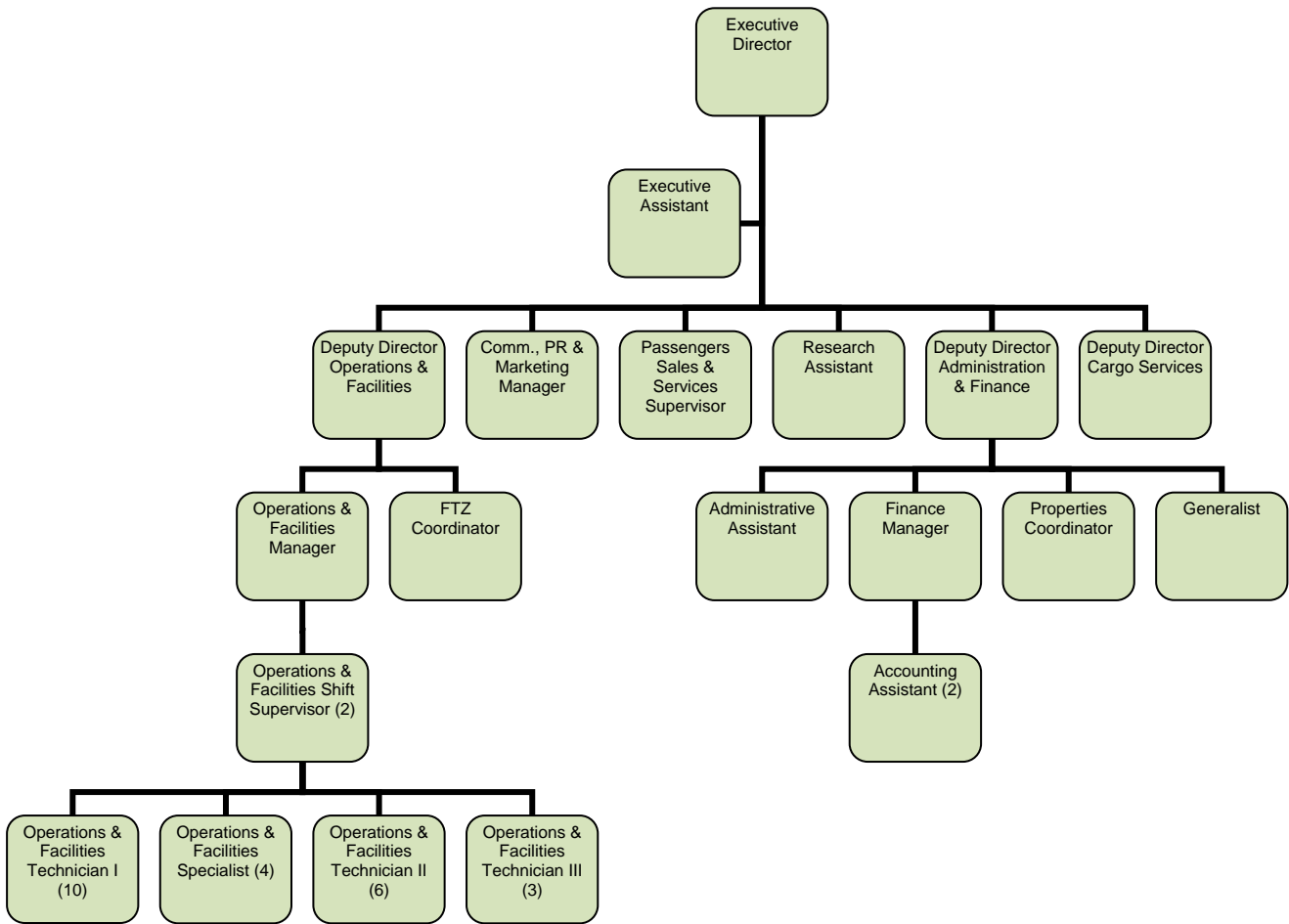
We would also like to thank the Board of Commissioners, for their guidance and support provided in the planning and conducting of the financial operations of the Authority. Their direction and counsel have helped to ensure that the Greater Rockford Airport Authority will remain a model of excellence for airports throughout the world.

Respectfully submitted,



Amy M. Ott, CPA, CM
Interim Executive Director

Organizational Chart, Board of Commissioners and Senior Management



Board of Commissioners

<p>Bharat Puri, Chairman <i>City of Rockford</i></p> <p>Paul Cicero, Secretary <i>City of Rockford</i></p> <p>Kenneth Edward Copeland, Assistant Secretary <i>City of Rockford</i></p>	<p>Darrin Golden, Vice Chairman <i>Winnebago County</i></p> <p>Phil Rubin, Treasurer <i>Winnebago County</i></p> <p>Thomas Myers, Assistant Treasurer <i>City of Loves Park</i></p>
<p>Ray Wetzel, Commissioner <i>Village of Machesney Park</i></p>	

Senior Management

Amy M. Ott, CPA, CM	Interim Executive Director
Kenneth Ryan	Deputy Director of Cargo Services
Janette Benoit	Finance Manager
Thomas J. Lester	Legal Counsel, Hinshaw & Culbertson LLP

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Greater Rockford Airport Authority
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director



Financial Section



This section contains the following subsections:

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



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Greater Rockford Airport Authority (the Authority) as of and for the year ended April 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The basic financial statements of the Authority as of and for the year ended April 30, 2010 were audited by other auditors whose report, dated August 5, 2010, expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of April 30, 2011, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, schedule of pension funding progress, and schedule of funding progress - other post-employment benefits as listed in the table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The "Letter of Transmittal" and "Statistical Section" 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 of the Authority. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Baker Tilly Virchow Krause, LLP
Madison, Wisconsin
September 6, 2011



Management's Discussion and Analysis

Management's Discussion and Analysis (Unaudited)

The following Management's Discussion and Analysis (MD&A) of the Greater Rockford Airport Authority (the Authority) provides an introduction to the financial statements for the fiscal years ended April 30, 2011 and 2010. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

→ Overview of the Financial Statements

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

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

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

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information showing how the Authority's net assets changed during the year. All changes in net assets 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

A summary of the Authority's financial highlights for the year 2011 is as follow:

The Authority's total assets increased by approximately \$.5 million, which is primarily related to an increase in cash and investments. Total liabilities decreased by 2.2% from the prior year related to the pay down on the debt.

Operating revenues are 6.9% less than the prior year which is the result of a drop in cargo flights. Other revenues were down too related to chemical application fees which also had a decrease in the related expense.

Operating expenses for 2011 were 6.4% greater than the prior year. The increase was due to filling some empty positions that were formerly vacant. Other areas of increase were related to the costs associated with the landfill with additional required testing being more than had been expected.

Management's Discussion and Analysis (Unaudited)

A summary of the Authority's financial highlights for the year 2010 is as follow:

The Authority's total assets decreased by approximately \$1.2 million, which is primarily related to a net reduction in cash and investments due to additional payments made on bond debt. Total liabilities decreased by 19.8% from the prior year related directly to the aggressive pay down on the debt. During the fiscal year a new cash management plan was initiated to improve returns and plan for future needs.

Operating revenues are 2.9% greater than the prior year; however, airport fees are 21% less than 2009 which is the result of a drop in cargo and terminal fees associated with fewer flights. This significant decrease was minimized by growth in other revenue which includes fees associated with badging, international rubbish fees and chemical applications to various tenants' ramps. The newly developed or increased fees were evaluated to ensure all airports costs were being included in the fee structure. Also, revenues related to the 2009 AirFest exceeded the prior year's show by 24.9%.

Operating expenses for 2010 were 10.3% less than the prior year. The decrease was due to less investment in air service development. In the prior year, there were significant funds of over \$1 million associated with a revenue guarantee. The current year included approximately \$75,000 of costs for risk sharing related to the day trips. A second area of significant reduction was related to chemicals and materials used in snow removal. More effective and efficient use of the chemical, and a significant reduction in the unit cost, resulted in approximately \$350,000 less in cost than 2009.

➔ Financial Position

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

	FYE11	FYE10	FYE09	% Change	
				2011	2010
Assets					
Current assets - unrestricted	\$ 15,164,413	\$ 14,651,751	\$ 15,583,377	3.5	(6.0)
Capital assets - net	104,702,371	104,547,187	104,718,262	0.1	(0.2)
Investments for long-term purposes	2,645,958	2,647,938	2,646,500	(0.1)	0.1
Deferred charges	55,594	111,503	167,412	(50.1)	(33.4)
Total assets	\$ 122,568,336	\$ 121,958,379	\$ 123,115,551	0.5	(0.9)
Liabilities					
Current liabilities	\$ 4,684,891	\$ 4,408,514	\$ 4,169,951	6.3	5.7
Long-term liabilities, less current maturities	6,881,563	7,418,919	10,572,595	(7.2)	(29.8)
Total liabilities	11,566,454	11,827,433	14,742,546	(2.2)	(19.8)
Net assets					
Invested in capital assets, Net of related debt	100,336,371	99,372,787	96,518,262	1.0	3.0
Unrestricted net assets	10,665,511	10,758,159	11,854,743	(0.9)	(9.3)
Total net assets	111,001,882	110,130,946	108,373,005	0.8	1.6
Total liabilities and net assets	\$ 122,568,336	\$ 121,958,379	\$ 123,115,551	0.5	(0.9)

Management's Discussion and Analysis (Unaudited)

An analysis of significant changes in net assets for the year 2011 is as follows:

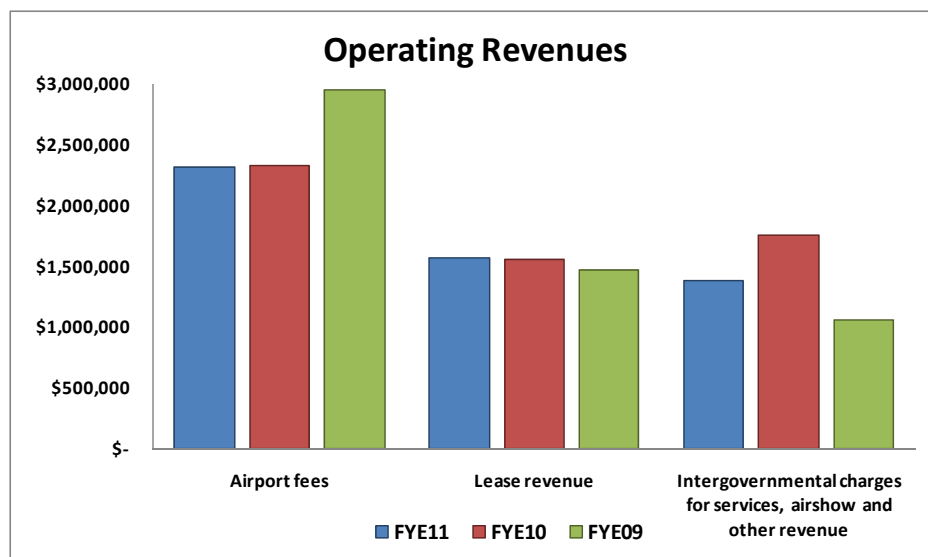
- The Authority's assets exceeded liabilities by \$111.0 million, a \$0.9 million increase from 2010 which is primarily related to an increase in contributed capital.
- Unrestricted net assets total \$10.7 million and are available to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

An analysis of significant changes in net assets for the year 2010 is as follows:

- The Authority's assets exceeded liabilities by \$110.1 million, a \$1.7 million increase from 2009 which is primarily related to an increase in contributed capital.
- Unrestricted net assets total \$10.8 million and are available to meet any of the Authority's ongoing obligations. The Authority anticipates these funds will be needed to pay future capital expenditures and to maintain adequate levels of working capital.

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

	FYE11	FYE10	FYE09	% Change	
				2011	2010
Operating revenues:					
Airport fees	\$ 2,307,163	\$ 2,323,416	\$ 2,942,200	(0.7)	(21.0)
Lease revenue	1,558,402	1,547,796	1,468,388	0.7	5.4
Intergovernmental charges for services, airshow and other revenue	1,374,955	1,755,533	1,059,609	(21.7)	65.7
Total operating revenues	\$ 5,240,520	\$ 5,626,745	\$ 5,470,197	(6.9)	2.9

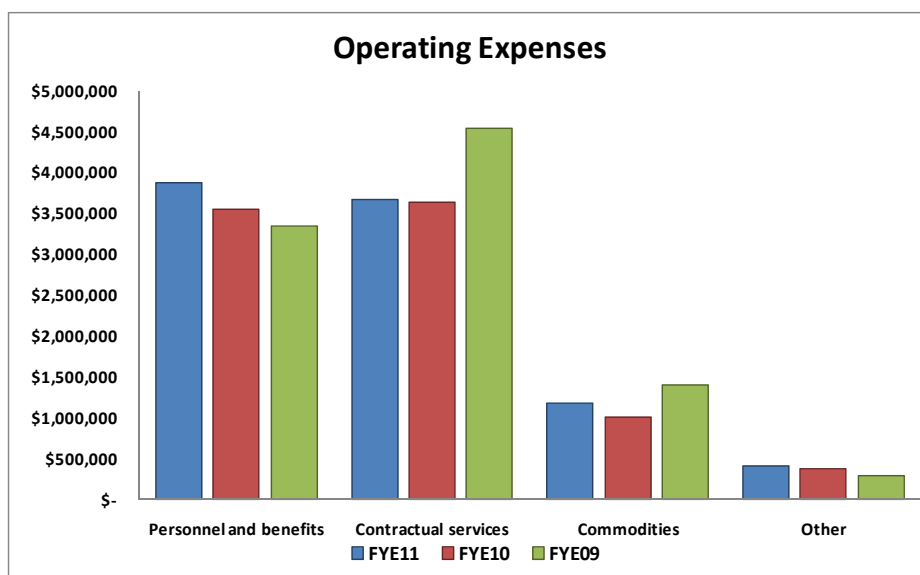


Management's Discussion and Analysis (Unaudited)

- Airport fees are variable in nature and include on-airport fuel flowage and landing fees and rent-a-car commissions. These fees are directly attributable to the direct operation of the airport. Airport fees decreased from the prior year. The drop was due to a decrease in the number of cargo flights. The UPS operation flight reductions were related to less domestic cargo being transported by air and UPS directing more capacity to the Worldport in Louisville. However passenger fees and rental car commissions saw an increase as the result of increases in passenger activity. 2010 fees decreased by 21%. This significant drop was attributable to both a large decrease in cargo flights with the end of operations of DHL and UPS having less flights but also there were less passengers flights from the prior year.
- Lease revenues are collected from the tenants for the use of real and improved property on the airport grounds. Lease revenues increased only .7% from last year which was related to a annual increase in the respective leases. 2010 lease revenues increased from the prior year as a result of a full year on the Tandem facility and a few other vacant properties being leased during the year.
- Intergovernmental charges for services, airport service fees, airshow and other revenues consist of several revenues collected for operating the airport. There was 21.7% decrease from last year as a result airport service fees for chemical application being down, airfest revenues and a grant was received in the prior year for \$220,400. The 2010 revenues had a 65.7% increase from the updated service fee structure which allows the airport to recover all costs associated with the various services such as badging, training, escorts, chemical application and international rubbish.

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

	FYE11	FYE10	FYE09	% Change	
				2011	2010
Operating expenses:					
Personnel and benefits	\$ 3,871,753	\$ 3,545,038	\$ 3,335,436	9.2	6.3
Contractual services	3,662,078	3,623,679	4,530,789	1.1	(20.0)
Commodities	1,172,744	1,010,928	1,395,928	16.0	(27.6)
Other	404,966	381,339	282,123	6.2	35.2
Total operating expenses	\$ 9,111,541	\$ 8,560,984	\$ 9,544,276	6.4	(10.3)



Management's Discussion and Analysis (Unaudited)

- Personnel and benefits increased by 9.2% as a result of the addition of one staff in the Marketing Department and an increase in overtime and double time due to significant snowfalls. The 2010 expenses increased by 6.3% as a result of the addition of two staff in the Operations and Facilities Department as well as an increase benefit costs.
- Contractual services increased slightly by 1% from the prior year. This is expected to increase in the following years as there is a concerted campaign to increase passenger and cargo traffic at RFD. 2010 had a 20% decrease in contractual costs as there was less investment in passenger development and the related marketing needs.
- Commodities are materials the Authority purchases for maintaining the airport. There was a 16% increase in costs from the prior year related to more deicing chemical as there were significant snow events greater than the prior year. Also an increase in fuel costs due to higher pricing. In 2010, there were additional steps taken to improve chemical usage and the unit cost for the chemical decreased significantly from the prior year which resulted in a 27.6% reduction in costs
- Other expenses are the costs associated with post closure care on the two landfills on airport property and costs related to the glycol ponds. The 2011 other expenses increased by 6.2% from the prior year mainly related to the landfill with additional testing to previously covered landfill #2. Other expenses increased by 35% from 2009 related to increased chemical and electricity usage in the glycol ponds which is from the amount of snowfall and rain in the winter and early spring. Landfill expenses also increased related to testing on the recently closed cleanfill operation and additional ground water testing that was not planned.
- Other revenue is comprised of property and corporate replacement taxes, interest income from investments and intergovernmental grant revenues and Passenger Facility Charges (PFC's). The most significant change was related to the annexation agreement repayment that ended in FY 2010.

Management's Discussion and Analysis (Unaudited)

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

	FYE11	FYE10	FYE09	% Change	
				2011	2010
Operating revenues					
Airport fees	\$ 2,307,163	\$ 2,323,416	\$ 2,942,200	(0.7)	(21.0)
Lease revenue	1,558,402	1,547,796	1,468,388	0.7	5.4
Intergovernmental charges for services, airshow and other revenue	1,374,955	1,755,533	1,059,609	(21.7)	65.7
Total operating revenues	5,240,520	5,626,745	5,470,197	5.1	2.9
Other revenues					
Taxes - property and corporate	3,859,794	3,760,831	3,696,346	2.6	1.7
Annexation agreement	-	134,906	134,025	(100.0)	0.7
Interest income	89,321	127,897	226,716	(30.2)	(43.6)
Other income	71,400	28,200	542,201	153.2	(94.8)
Intergovernmental grant revenue and PFC's	2,604,476	3,268,011	2,851,653	(20.3)	14.6
Total other revenues	6,624,991	7,319,845	7,450,941	(9.5)	(1.8)
Total revenues	11,865,511	12,946,590	12,921,138	(8.4)	0.2
Operating expenses					
Personnel and benefits	3,871,753	3,545,038	3,335,436	9.2	6.3
Contractual services	3,662,078	3,623,679	4,530,789	1.1	(20.0)
Commodities	1,172,744	1,010,928	1,395,928	16.0	(27.6)
Other	404,966	381,339	282,123	6.2	35.2
Depreciation and amortization	7,138,326	6,964,973	6,908,482	2.5	0.8
Total operating expenses	16,249,867	15,525,957	16,452,758	4.7	(5.6)
Other expenses					
Interest expense	222,750	204,207	2,829	9.1	7,118.3
Total other expenses	222,750	204,207	2,829	9.1	7,118.3
Total expenses	16,472,617	15,730,164	16,455,587	4.7	(4.4)
Capital contributions	5,478,042	4,541,515	1,246,550	20.6	264.3
Change in net assets	870,936	1,757,941	(2,287,899)	(50.5)	(176.8)
Net assets, beginning of year	110,130,946	108,373,005	110,660,904		
Net assets, end of year	\$ 111,001,882	\$ 110,130,946	\$ 108,373,005		

Source: The Authority Finance Department

→ Capital Assets

The investment in capital assets includes land, buildings, building improvements, runways, taxiways, roads, machinery, equipment, vehicles, furniture and fixtures. The Authority's capital assets as of April 30, 2011 totaled \$104.7 million (net of accumulated depreciation). This was an increase of \$.1 million from the prior year.

Major capital projects in process during 2011 included the following:

- Rehabilitation of Taxiway B, phase 2
- Aircraft Rescue and Fire Fighting Equipment
- Emergency operations center and training facility
- Apron repairs
- Phone system upgrade

Major capital projects in process during 2010 included the following:

- Rehabilitation of Taxiway B, phase 1 (ARRA funds)
- International Terminal Baggage Claim Expansion (ARRA funds)
- NW International Cargo Apron
- Rehabilitation of Taxiway B, phase 2
- Purchase of Runway Protection Zone (RPZ) land
- Solar thermal heating and cooling project
- Main Terminal First Floor Tile Project

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

The Authority's capital assets as of April 30, 2010 totaled \$104.5 million (net of accumulated depreciation). This was a decrease as annual depreciation exceeded the cost of the additions during the year. However, considering annual depreciation is \$6.9 million, there were still \$6.7 million in additions during the year.

Additional information regarding the Authority's capital assets can be found in Note 5 to the financial statements.

→ Debt Administration

General Obligation Alternate Revenue Bonds, Series 2008

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

Balance outstanding at April 30, 2011 - \$4,366,000, 2010 - \$5,174,400

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

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

➔ Passenger Facility Charge (PFC)

In October 1992, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. In April 2007, the FAA approved the Authority's request to increase the PFC level to \$4.50 on all remaining reimbursements. The new collection rate commenced on June 1, 2007. The total approved collectible amount is \$7,476,945 and the Authority has collected PFC's, including interest earned totaling \$3,647,864.

➔ Factors Bearing on the Authority's Future

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

➔ Contacting the Authority's Financial Management

This financial report is designed to provide the public with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Interim Executive Director, Amy Ott, at the Greater Rockford Airport Authority, 60 Airport Drive, Rockford, Illinois 61109, 815.969.4445 or aott@flyrfd.com. A copy of this report as well as the last eight years can be found on our website at <http://www.flyrfd.com/minutes.html>.

Financial Statements

Greater Rockford Airport Authority
Statements of Net Assets
April 30, 2011 and 2010

Assets	<i>FYE11</i>	<i>FYE10</i>
Current assets		
Cash and cash equivalents	\$ 1,446,912	\$ 2,439,203
Investments	9,609,096	8,040,570
Accounts receivable (net of allowances for uncollectibles of \$3,086 and \$3,238 in 2011 and 2010, respectively)	477,180	694,316
Taxes receivable (net of allowance for uncollectibles)	3,363,160	3,288,969
Prepaid expenses and other current assets	268,065	188,693
Total current assets	15,164,413	14,651,751
Non-current assets		
Land	16,659,524	16,659,524
Construction in progress	15,443,787	16,045,843
Capital assets net of accumulated depreciation	72,599,060	71,841,820
Total capital assets, net	104,702,371	104,547,187
Investments for long-term purposes	2,645,958	2,647,938
Deferred charges (net of accumulated amortization of \$644,689 and \$588,780 in 2011 and 2010, respectively)	55,594	111,503
Total non-current assets	107,403,923	107,306,628
Total assets	\$ 122,568,336	\$ 121,958,379

See accompanying notes to financial statements.

Liabilities and Net Assets	<i>FYE11</i>	<i>FYE10</i>
Current liabilities		
Accounts payable	\$ 381,643	\$ 252,086
Interest payable	92,708	92,708
Security deposits	50,734	48,892
Accrued payroll	180,740	97,641
Compensated absences	140,802	115,212
Prepaid rent	184,704	120,606
Unearned tax revenue	3,363,160	3,288,969
Current maturities of long-term liabilities	290,400	392,400
Total current liabilities	4,684,891	4,408,514
Long-term liabilities, less current maturities		
General obligation alternate revenue bond	4,075,600	4,782,000
Landfill closure and postclosure care	1,398,492	1,227,466
Stormwater retention	1,407,471	1,409,453
Total long-term liabilities, less current maturities	6,881,563	7,418,919
Total liabilities	11,566,454	11,827,433
Net assets		
Invested in capital assets, net of related debt	100,336,371	99,372,787
Unrestricted net assets	10,665,511	10,758,159
Total net assets	111,001,882	110,130,946
Total liabilities and net assets	\$ 122,568,336	\$ 121,958,379

See accompanying notes to financial statements.

Greater Rockford Airport Authority
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended April 30, 2011 and 2010

	FYE11	FYE10
Operating revenues		
Airport fees	\$ 2,307,163	\$ 2,323,416
Lease revenue	1,558,402	1,547,796
Intergovernmental charges for services, airshow and other revenue	1,374,955	1,755,533
Total operating revenues	<u>5,240,520</u>	<u>5,626,745</u>
Operating expenses		
Personnel and benefits	3,871,753	3,545,038
Contractual services	3,662,078	3,623,679
Commodities	1,172,744	1,010,928
Other	404,966	381,339
Total operating expenses	<u>9,111,541</u>	<u>8,560,984</u>
Operating loss before depreciation and amortization	(3,871,021)	(2,934,239)
Less: Depreciation and amortization	7,138,326	6,964,973
Operating loss	<u>(11,009,347)</u>	<u>(9,899,212)</u>
Nonoperating revenues (expenses)		
Taxes - property and corporate	3,859,794	3,760,831
Annexation agreement	-	134,906
Interest income	89,321	127,897
Other income	71,400	28,200
Intergovernmental grant revenue and PFC's	2,604,476	3,268,011
Interest expense	(222,750)	(204,207)
Total nonoperating revenues (expenses)	<u>6,402,241</u>	<u>7,115,638</u>
(Loss) before capital contributions	(4,607,106)	(2,783,574)
Capital contributions	5,478,042	4,541,515
Change in net assets	870,936	1,757,941
Net assets, beginning of year	110,130,946	108,373,005
Net assets, end of year	<u>\$ 111,001,882</u>	<u>\$ 110,130,946</u>

See accompanying notes to financial statements.

Greater Rockford Airport Authority
Statements of Cash Flows
Years Ended April 30, 2011 and 2010

	FYE11	FYE10
Cash flows from operating activities		
Cash received from providing services	\$ 5,594,996	\$ 5,834,951
Cash paid to employees, including benefits	(3,763,064)	(3,525,966)
Cash paid to suppliers	(5,020,559)	(4,998,594)
Net cash used in operating activities	<u>(3,188,627)</u>	<u>(2,689,609)</u>
Cash flows from investing activities		
Interest received	89,321	127,897
Purchases of investments	(11,293,390)	(10,688,508)
Proceeds from maturities of investments	10,688,508	6,830,842
Net cash provided by (used in) investing activities	<u>(515,561)</u>	<u>(3,729,769)</u>
Cash flows from noncapital financing activities		
Cash receipts from property taxes, general	3,277,669	3,237,124
Cash receipts from corporate replacement taxes	582,125	523,707
Cash receipts from an annexation agreement	-	134,906
Net cash provided by noncapital financing activities	<u>3,859,794</u>	<u>3,895,737</u>
Cash flows from capital and related financing activities		
Cash receipts from intergovernmental grants for capital assets	2,604,476	3,268,011
Payments for capital acquisitions	(1,759,559)	(2,196,474)
Principal payments on revenue bond	(808,400)	(3,025,600)
Interest paid	(222,750)	(258,416)
Net cash provided by (used in) capital and related financing activities	<u>(186,233)</u>	<u>(2,212,479)</u>
Net increase in cash and cash equivalents	(30,627)	(4,736,120)
Cash and cash equivalents, beginning of year	<u>2,439,203</u>	<u>7,175,323</u>
Cash and cash equivalents, end of year	<u>\$ 2,408,576</u>	<u>\$ 2,439,203</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (11,009,347)	\$ (9,899,212)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	7,082,417	6,909,064
Amortization	55,909	55,909
Other income	71,400	28,200
Increase (decrease) from changes in:		
Accounts receivable	217,136	115,977
Prepaid expenses and other current assets	(79,372)	(26,468)
Security deposits	1,842	1,521
Prepaid rent	64,098	62,508
Accrued payroll and compensated absences	108,689	19,072
Landfill closure and post closure care	171,026	11,090
Storm water retention	(1,982)	(13,666)
Accounts payable	129,557	46,396
Net cash used in operating activities	<u>\$ (3,188,627)</u>	<u>\$ (2,689,609)</u>
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	\$ 5,478,042	\$ 4,541,515

See accompanying notes to financial statements.

Notes to Financial Statements

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

Note 1 – Organization and Reporting Entity

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

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

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

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities that Use Proprietary Fund Accounting*, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Budgetary Data

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

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

There were no budget amendments in the fiscal years ended April 30, 2011 and 2010.

Note 2 – Summary of Significant Accounting Policies (Continued)

Operating Revenues and Expenses

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Taxes Receivable

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

Capital Assets

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

	<u>Years</u>
Buildings	20
Infrastructure	20
Equipment, office equipment & vehicles	3 – 10

Routine maintenance and repairs are expensed as incurred. Significant betterment and improvements are capitalized and depreciated over their estimated useful lives. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

Deferred Charges and Unamortized Premium on Bonds

All costs associated with the issuance of bonds and other long-term debts are capitalized. Amortization is calculated by the straight-line half-year ("bonds outstanding") method over the term of the debt. Bond premiums are amortized in the same manner. This method does not differ significantly from the effective interest method. Deferred charges also include UPS organizational costs and engineering costs which are being amortized using the straight-line half-year method.

Compensated Absences

The Authority accrues vacation and sick pay benefits as earned by its employees.

Note 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Net Assets

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

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

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, and the like, or imposed by law through constitutional provisions or enabling legislation. The Authority had no restricted net assets at April 30, 2011 or 2010.

Unrestricted net assets consist of all other net assets that do not meet the criteria above.

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

Note 3 – Cash, Cash Equivalents and Investments

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

	2011	2010
Cash and cash equivalents		
Cash on hand	\$ 930	\$ 930
Deposits and money market accounts	1,418,080	1,783,460
Repurchase agreement	-	293,798
Mutual funds:		
Treasury management investment fund	27,902	361,015
Total cash and cash equivalents	1,446,912	2,439,203
Investments		
Certificates of deposit	12,255,054	10,688,508
Total investments	12,255,054	10,688,508
Total cash, cash equivalents and investments	\$ 13,701,966	\$ 13,127,711

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

Note 3 – Cash, Cash Equivalents and Investments (Continued)

by an escrow agent of the pledging institution. The Authority was exposed to custodial credit risk as of April 30, 2011. The Authority had uninsured and uncollateralized deposits of \$0 in 2011 and \$0 in 2010.

Interest Rate Risk - Investments: The Authority's investment policy does not specifically address interest rate risk. As of year-end, the Authority had the following investments:

Investment Type	2011		2010	
	Fair Value	Weighted Average Maturity (Days)	Fair Value	Weighted Average Maturity (Days)
Repurchase agreements	\$ -		\$ 293,798	1
Mutual funds:				
Treasury management investment fund	27,902	42	361,015	48
	<u>\$ 27,902</u>		<u>\$ 654,813</u>	
Portfolio weighted average maturity		42		27

Credit Risk

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

Allowable securities are as follows:

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

As of April 30, 2011 and 2010, the Authority's investment in the Treasury Management Investment Fund was rated A1+ by Standard & Poor's and P1 by Moody's Investors Service.

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

Concentration of Credit Risk – Investments: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows for no more than 40% of the total investment portfolio, exclusive of U.S. Treasury securities held in safekeeping to be held at one financial institution.

Note 4 – Property Taxes

Property taxes are recognized as a receivable at the time they are levied. The taxes receivable at April 30, 2011 represent the 2010 tax levy, for which the Authority was required to file its tax levy with the Winnebago County Clerk by the last Tuesday of December. These taxes were assessed and attached as an enforceable lien on the real property as of the preceding January 1. Tax bills are normally mailed by May 1, and are due in two equal installments in June and September. These taxes are collected by the County Collector, who in turn remits to the Authority its respective share.

Property taxes levied in the current year are measurable but not earned to finance current operations and, therefore, are recorded as unearned property tax revenue. Property tax revenues are recognized in the year following the levy.

Replacement Tax Allotments

On January 1, 1979, the Corporate Personal Property Tax was abolished and on August 11, 1979, a new tax called the Personal Property Replacement Tax (Replacement Tax) was created. The State law mandates that the Replacement Tax is to be first applied toward payment of the proportionate amount of debt service previously paid from personal property tax levies. Next, the revenues are to be applied to payment of the proportionate share of pension or retirement obligations until satisfied; any remaining monies are to be distributed to other funds, which were previously supported by personal property taxes. The Authority recognizes revenue from the Replacement Tax when it becomes measurable and available in accordance with accounting principles generally accepted in the United States of America. For fiscal years ended April 30, 2011 and 2010, \$582,125 and \$523,707, respectively, had been recognized.

Note 5 – Capital Assets

Changes in capital assets are summarized as follows for the year ended April 30, 2011:

	<i>April 30, 2010</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>April 30, 2011</i>
Capital assets not being depreciated:					
Land	\$ 16,659,524	\$ -	\$ -	\$ -	\$ 16,659,524
Construction in progress - Grants	14,955,647	5,982,090	(5,814,317)	-	15,123,420
Construction in progress - GRAA	1,090,196	359,437	(1,129,266)	-	320,367
Total capital assets not being depreciated	32,705,367	6,341,527	(6,943,583)	-	32,103,311
Capital assets being depreciated:					
Buildings	20,673,296	100,768	2,256,345	-	23,030,409
Vehicles	521,571	25,399	-	-	546,970
Equipment	9,109,580	719,175	1,088,777	-	10,917,532
Infrastructure	121,177,143	43,867	3,598,461	-	124,819,471
Office equipment	248,962	6,865	-	(62,203)	193,624
Total capital assets being depreciated	151,730,552	896,074	6,943,583	(62,203)	159,508,006
Less accumulated depreciation					
Buildings	13,911,437	654,197	-	-	14,565,634
Vehicles	414,125	40,905	-	-	455,030
Equipment	6,907,003	447,899	-	-	7,354,902
Infrastructure	58,445,401	5,919,695	-	-	64,365,096
Office equipment	210,766	19,721	-	(62,203)	168,284
Total accumulated depreciation	79,888,732	7,082,417	-	(62,203)	86,908,946
Total capital assets being depreciated, net	71,841,820	(6,186,343)	6,943,583	-	72,599,060
Total capital assets, net	\$ 104,547,187	\$ 155,184	\$ -	\$ -	\$ 104,702,371

Note 5 – Capital Assets (Continued)

Changes in capital assets are summarized as follows for the year ended April 30, 2010:

	<i>April 30, 2009</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>April 30, 2010</i>
Capital assets not being depreciated:					
Land	\$ 16,518,536	\$ 140,988	\$ -	\$ -	\$ 16,659,524
Construction in progress - Grants	11,194,889	5,944,710	(2,183,952)	-	14,955,647
Construction in progress - GRAA	770,982	408,545	(89,331)	-	1,090,196
Total capital assets not being depreciated	28,484,407	6,494,243	(2,273,283)	-	32,705,367
Capital assets being depreciated:					
Buildings	20,498,834	85,131	89,331	-	20,673,296
Vehicles	590,883	-	-	(69,312)	521,571
Equipment	9,036,967	72,613	-	-	9,109,580
Infrastructure	118,914,689	78,502	2,183,952	-	121,177,143
Office equipment	243,587	7,500	-	(2,125)	248,962
Total capital assets being depreciated	149,284,960	243,746	2,273,283	(71,437)	151,730,552
Less accumulated depreciation					
Buildings	13,232,655	678,782	-	-	13,911,437
Vehicles	439,603	43,834	-	(69,312)	414,125
Equipment	6,550,394	356,609	-	-	6,907,003
Infrastructure	52,643,911	5,801,490	-	-	58,445,401
Office equipment	184,542	28,349	-	(2,125)	210,766
Total accumulated depreciation	73,051,105	6,909,064	-	(71,437)	79,888,732
Total capital assets being depreciated, net	76,233,855	(6,665,318)	2,273,283	-	71,841,820
Total capital assets, net	\$ 104,718,262	\$ (171,075)	\$ -	\$ -	\$ 104,547,187

Note 6 – Deferred Charges

Changes in deferred charges are summarized as follows for the year ended April 30, 2011:

	<i>April 30, 2010</i>	<i>Additions/ Deletions</i>	<i>April 30, 2011</i>
Deferred charges, cost	\$ 700,283	\$ -	\$ 700,283
Accumulated amortization	(588,780)	(55,909)	(644,689)
Deferred charges, net	\$ 111,503	\$ (55,909)	\$ 55,594

Changes in deferred charges are summarized as follows for the year ended April 30, 2010:

	<i>April 30, 2009</i>	<i>Additions/ Deletions</i>	<i>April 30, 2010</i>
Deferred charges, cost	\$ 700,283	\$ -	\$ 700,283
Accumulated amortization	(532,871)	(55,909)	(588,780)
Deferred charges, net	\$ 167,412	\$ (55,909)	\$ 111,503

Note 7 – Long-Term Debt

Changes in long-term debt are summarized as follows for the year ended April 30, 2011:

	<i>April 30, 2010</i>	<i>Additions</i>	<i>Reductions</i>	<i>April 30, 2011</i>	<i>Amount Due in One Year</i>
General obligation alternate revenue bond 2008	\$ 5,174,400	\$ -	\$ 808,400	\$ 4,366,000	\$ 290,400
Other liabilities - Compensated absences	115,212	53,162	27,572	140,802	140,802
	<u>\$ 5,289,612</u>	<u>\$ 53,162</u>	<u>\$ 835,972</u>	<u>\$ 4,506,802</u>	<u>\$ 431,202</u>

Changes in long-term debt are summarized as follows for the year ended April 30, 2010:

	<i>April 30, 2009</i>	<i>Additions</i>	<i>Reductions</i>	<i>April 30, 2010</i>	<i>Amount Due in One Year</i>
General obligation alternate revenue bond 2008	\$ 8,200,000	\$ -	\$ 3,025,600	\$ 5,174,400	\$ 392,400
Other liabilities - Compensated absences	110,631	33,553	28,972	115,212	115,212
	<u>\$ 8,310,631</u>	<u>\$ 33,553</u>	<u>\$ 3,054,572</u>	<u>\$ 5,289,612</u>	<u>\$ 507,612</u>

Revenue Bonds

In 2008, the Authority issued \$8.2 million of alternative revenue bonds. The 2008 Bonds shall mature on December 1 in each year with final payment due December 1, 2023. Interest payments are due semiannually on June 1 and December 1. Prior to December 2011, the Bonds shall bear interest at the fixed rate of 4.3% per annum. On and after December 1, 2011, the Bonds shall bear interest at a variable interest rate equal to the lesser to the 90-day LIBOR plus 150 basis points or 9% interest per annum. Principal and interest payments on the bonds are due as follows:

<i>Years</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
FYE12	\$ 290,400	\$ 201,932	\$ 492,332
FYE13	260,800	72,260	333,060
FYE14	276,500	67,636	344,136
FYE15	293,100	62,734	355,834
FYE16	310,700	57,537	368,237
FYE17-FYE21	1,857,200	198,124	2,055,324
FYE22-FYE24	<u>1,077,300</u>	<u>33,375</u>	<u>1,110,675</u>
Total alternate revenue bond payments	4,366,000	693,598	5,059,598
Less current maturities	<u>(290,400)</u>	<u>(201,932)</u>	<u>(492,332)</u>
Long-term portion of the obligation	<u>\$ 4,075,600</u>	<u>\$ 491,666</u>	<u>\$ 4,567,266</u>

Note 7 – Long-Term Debt (Continued)

The Authority has pledged (i) revenues derived from the operation of the airport, which constitute “Enterprise Revenues” within the meaning of Section 15 of the Local Government Debt Reform Act and (ii) the grants to be received by the Authority from the United States of America pursuant to the Airport Improvement Program (AIP) administered by the Federal Aviation Administration, which constitute a “Governmental Revenue Source” within the meaning of Section 15 of the Local Government Debt Reform Act to repay \$8.2 million in general obligation alternate revenue bonds issued December 2008. Proceeds from the bonds provided financing to implement certain improvements to the Airport through construction of the Northwest Quadrant Air Cargo Apron and Access Taxiway. The bonds are payable through fiscal 2024. Pledged revenues will be sufficient to provide for or pay to the final maturity of the 2008 bonds in each year in an amount not less than 125% of the debt service on the 2008 bonds. Annual principal and interest payments range from \$620,000-\$699,000 with interest due semi-annually and principal due annually. For the year ending April 30, 2011, additional principal payments were made with the intent to continue with the same payment schedule going forward unless other funds are available for additional pay down of the debt. Total principal and interest required to be paid in 2011 was approximately \$600,000. Interest costs incurred was \$222,499 with \$0.00 interest capitalized in 2011. In 2010, interest costs incurred was \$262,974 with \$58,767 interest capitalized. AIP federal grant revenue was \$2,248,144 for the year ended April 30, 2011.

Note 8 – Legal Debt Margin

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

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

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

The legal debt margins as of April 30, 2011 are summarized as follows:

	<i>Without</i>	<i>With</i>	<i>Total</i>
	<i>Voter Approval</i>	<i>Voter Approval</i>	<i>Debt Limitation</i>
Assessed valuation at April 30, 2011	\$ 3,525,363,445	\$ 3,525,363,445	\$ 3,525,363,445
Debt limit percentages	0.75 %	2.3 %	2.875 %
	26,440,226	81,083,359	101,354,199
Outstanding general obligation debt	-	-	-
Outstanding revenue bond debt	-	4,366,000	4,366,000
Total	-	4,366,000	4,366,000
FYE11 Legal debt margins	\$ 26,440,226	\$ 76,717,359	\$ 96,988,199

Note 9 – Pension Plan

Plan Description

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 Authority plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. 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.

Funding Policy

As set by statute, the Authority's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the Authority to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Authority's contribution rate for calendar years 2011, 2010 and 2009 were 9.38%, 8.53%, and 6.32% of annual covered payroll, respectively. 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.

Annual Pension Cost

For the years ended April 30, 2011 and 2010, the Authority's annual pension cost of \$295,622 and \$175,587, respectively, was equal to the Authority's required and actual contributions. Information relative to the Authority's contributions are on a fiscal year basis. The actuarial and trend information are on a calendar year basis as that is the year used by IMRF.

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
12/31/2010	\$ 274,819	77%	\$ 63,248
12/31/2009	153,176	100%	-
12/31/2008	148,810	100%	-
12/31/2007	142,506	100%	-
12/31/2006	116,209	100%	-

The required contribution for 2011 and 2010 was determined as part of the December 31, 2008 and 2007 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Authority's 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 Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The amortization period at the December 31, 2008 valuation was 30 years.

Note 9 – Pension Plan (Continued)

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 80.32% funded. The actuarial accrued liability for benefits was \$6,378,027 and the actuarial value of assets was \$5,122,681, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,255,346. The covered payroll (annual payroll of active employees covered by the plan) was \$2,480,315 and the ratio of the UAAL to the covered payroll was 51%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 10 – Property Leased to Others

The Authority is a lessor of land, buildings and office space both on and off airport property. Many of these leases provide for a periodic review and redetermination of the rental amounts.

Minimum future rentals on noncancellable operating leases to be received in each of the next five years and thereafter are as follows:

<i>Minimum lease revenue</i>	
FYE12	\$ 1,044,787
FYE13	794,819
FYE14	751,602
FYE15	750,526
FYE16	683,515
Thereafter	6,020,128
Total	\$ 10,045,377

Note 11 – Commitments and Contingencies

Landfill Closure Costs

The Authority operated two (2) landfill sites and both are considered physically closed. Landfill #1 was issued a Certification of Closure by the Illinois Environmental Protection Agency (Illinois EPA) in 2003. In 2007, the final regulatory closure process for Landfill #2 was completed. State and Federal laws and regulations require the placement of a final cover and that the Authority perform certain maintenance and monitoring functions at the sites for a minimum of fifteen (15) years thereafter. The Authority has accrued the estimated cost of these future monitoring activities. The liability estimates are based upon engineering estimates and regulatory requirements at the respective dates. However, actual costs may be higher due to inflation, changes in technology, changes in regulations, or further interpretations and directives from regulatory agencies. It is unknown at this time if any funds will be paid in the next 12 months.

Note 11 – Commitments and Contingencies (Continued)

The Authority has created a trust to finance closure and post closure care costs. At April 30, 2011 and 2010, an investment of \$1,238,486 and \$1,238,481, respectively, is held for this purpose. Future annual contributions to this trust will be funded by excess funds, if any, after the year-end.

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
2011	\$ 1,227,466	\$ 171,026	\$ -	\$ 1,398,492
2010	1,216,377	11,089	-	1,227,466

Storm Water Treatment Plan

In accordance with the requirements of the Illinois EPA, the Authority has developed a Storm Water Treatment Plan (Plan). To complete the Plan, the Authority has projected the estimated capital costs to be approximately \$1,500,000. UPS made monthly payments through July 1999 to fund the obligation. In accordance with the agreement with UPS, interest earned on unspent funds is to be used for the capital needs related to the Storm Water Treatment Plan or returned to UPS. Unspent funding and the related earnings totaling \$1,407,471 and \$1,409,453 are included with investments for long-term purposes and as a liability on the balance sheet at April 30, 2011 and 2010, respectively. UPS currently pays \$12,500 per month for the current operations of the treatment facility.

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
2011	\$ 1,409,453	\$ -	\$ 1,982	\$ 1,407,471
2010	1,423,119	-	13,666	1,409,453

Federal and State Assisted Programs

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of April 30, 2011, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the overall financial position of the Authority. The Authority reports contributions of capital assets constructed by and received from the federal or state governments as capital contributions.

Other Post Employment Benefits

On May 1, 2008, the Authority adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* (OPEB). The Authority has adopted GASB Statement No. 45 on a prospective basis.

Note 11 – Commitments and Contingencies (Continued)

Plan Description. The Authority maintains group health, dental and life insurance programs for all employees in a single employer defined benefit healthcare plan. Retired employees, at the discretion of the Authority's Board, are included under this program. Membership in the plan consists of 24 retirees and beneficiaries, 17 active vested plan members, and 22 active non-vested plan members for a total of 63 members.

Funding Policy. The Authority has a pay-as-you-go funding policy which means that contributions are made to the plan only to fund the amount of benefits paid each year. There are therefore no plan assets at April 30, 2011 and a separate GAAP basis audited postemployment benefit plan report is not available. During the years ended April 30, 2011 and 2010, the Authority contributed \$95,991 and \$105,266, respectively, to the plan.

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

	2011	2010
Annual required contribution	\$ (50,242)	\$ (50,242)
Interest on net OPEB obligation	(6,037)	(2,512)
Adjustment to annual required contribution*	-	-
Annual OPEB cost (expense)	(56,279)	(52,754)
Contributions made	95,991	105,266
Increase in net OPEB asset	39,712	52,512
Net OPEB asset - beginning of year	120,730	68,218
NET OPEB asset - end of year	<u>\$ 160,442</u>	<u>\$ 120,730</u>

* Does not apply, first year of actuarial study.

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2011 and 2010 and the two preceding years were as follows:

Year Ended April 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
2011	\$ 56,279	170.60%	\$ 160,442
2010	52,754	199.50%	120,730
2009	53,684	227.10%	68,218
2008	**	**	**

** Information not available as GASB 45 was not adopted until the fiscal year ended April 30, 2009.

The Net OPEB Asset is not considered material to the financial statements and has therefore not been recorded on the Statement of Net Assets.

Note 11 – Commitments and Contingencies (Continued)

Funding Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,366,881, and there were no plan assets (as the plan is unfunded), resulting in an unfunded actuarial accrued liability (UAAL) of \$1,366,881. The covered payroll (annual payroll of active employees covered by the plan) was \$2,150,820, and the ratio of UAAL to the covered payroll was 63.55%.

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

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

In the December 31, 2008, actuarial valuation, the entry age cost method was selected to value liabilities. The amortization of unfunded liabilities as a level percentage of pay over 30 years was selected to comply with the requirements for an open group. The actuarial assumptions include a 5% rate of return (net of administrative expenses) and future payroll increases of 5%. The healthcare trend rate assumed increases of 8% with the continued long-term trend table decreasing to 6% ultimate. Mortality, turnover, disability, and retirement ages are the same rates utilized for the Illinois Municipal Retirement Fund (IMRF). The UAAL is being amortized using a level percentage of pay over 30 years.

Risk Financing

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

The Authority established a partial self-insurance program beginning January 1, 2008 to cover the risks of health claims and has retained the services of an outside agency to administer its self-insurance claims. The Authority does not assume unlimited liability for health claims as it maintains stop-loss coverage which covers medical expenses when they are incurred for amounts in excess of \$3,000 annually for each participant.

The changes in claims and judgments are as follows:

	Balance			Balance
	Beginning of	Claims	Claims	End of
	Year	Incurred	Paid	Year
2011	\$ 27,216	\$ 46,601	\$ (35,320)	\$ 38,497
2010	17,484	27,887	(18,155)	27,216
2009	6,845	27,237	(16,598)	17,484

Note 11 – Commitments and Contingencies (Continued)

Aircraft Rescue and Firefighting Services Contract

In May 2006, the Authority entered into an agreement with the City of Rockford for the City to provide the Airport Aircraft Rescue and Firefighting Services. The contract is for a five-year period after the date of initial training. The agreement calls for twelve equal monthly installments of \$60,417 with a 3.5% increase over the previous year for all future years of the contract until the agreement is terminated by either party. In December 2010, an amendment to the original contract incorporated an additional \$2,210 monthly to include the cost of one officer devoted to the airport operations. As of April 30, 2011, monthly installments were \$91,251.

Note 12 – Pending Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements:

The GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which will be effective for the Authority beginning with its year ending April 30, 2012. The provisions of this standard are related to the frequency and timing of measurements for actuarial valuation first used to report funded status information in OPEB plan financial statements.

The GASB issued Statement No. 59, *Financial Instruments Omnibus*, which will be effective for the Authority beginning with its year ending April 30, 2012. The objective of this statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

The Authority has not yet determined what effect, if any, these statements will have on the financial statements.

Required Supplementary Information

Greater Rockford Airport Authority
Schedule of Pension Funding Progress
April 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Under) Over Funded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	(Under) Over Funded as a Percentage of Covered Payroll ((a-b)/c)
12/31/2010	\$ 5,122,681	\$ 6,378,027	\$ (1,255,346)	80.32 %	\$ 2,480,315	(50.61) %
12/31/2009	5,315,238	6,496,552	(1,181,314)	81.82	2,423,670	(48.74)
12/31/2008	4,654,302	5,682,181	(1,027,879)	81.91	2,221,050	(46.28)
12/31/2007	6,283,316	5,598,293	685,023	112.24	2,068,301	33.12
12/31/2006	5,658,743	5,126,083	532,660	110.39	1,763,422	30.21
12/31/2005	5,096,267	4,638,443	457,824	109.87	1,614,620	28.38

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$5,578,651. On market basis, the funded ratio would be 87.47%.

See Independent Auditors' Report.

Greater Rockford Airport Authority
Schedule of Funding Progress, Other Post-Employment Benefits
April 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
12/31/2010	\$ -	***	***	***	***	***
12/31/2009	-	***	***	***	***	***
12/31/2008	-	1,366,881	(1,366,881)	0.00%	2,150,820	63.55%
12/31/2007	**					

**GASB 45 was adopted during 2009 and therefore information for prior years is not available.

***An actuarial valuation has not been performed.

See Independent Auditors' Report.



Statistical Section (Unaudited)



CONTENTS

Statistical Section (Unaudited)

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

Financial Trends and Revenue Capacity

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

Debt Capacity

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

Operating Information

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

Economic and Demographic Information

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

Greater Rockford Airport Authority
Schedule of Revenue, Expenses and Changes in Net Assets
Years Ended April 30, 2002 Through 2011

	<i>FYE11</i>	<i>FYE10</i>	<i>FYE09</i>	<i>FYE08</i>
Operating revenues				
Airport fees	\$ 2,307,163	\$ 2,323,416	\$ 2,942,200	\$ 3,090,427
Lease revenue	1,558,402	1,547,796	1,468,388	1,421,692
Intergovernmental grant revenue, airshow and other revenue	1,374,955	1,755,533	1,059,609	2,284,951
Total operating revenues	5,240,520	5,626,745	5,470,197	6,797,070
Other revenues				
Taxes - property and corporate	3,859,794	3,760,831	3,696,346	3,616,706
Annexation agreement	-	134,906	134,025	139,457
Interest income	89,321	127,897	226,716	468,102
Intergovernmental grant revenue & PFC's	2,604,476	3,268,011	2,851,653	3,832,467
Other income	71,400	28,200	542,201	4,324
Total other revenues	6,624,991	7,319,845	7,450,941	8,061,056
Total revenues	11,865,511	12,946,590	12,921,138	14,858,126
Operating expenses				
Personnel and benefits	3,871,753	3,545,038	3,335,436	3,179,660
Contractual services	3,662,078	3,623,679	4,530,789	4,138,791
Commodities	1,172,744	1,010,928	1,395,928	1,596,645
Other	404,966	381,339	282,123	267,662
Depreciation and amortization	7,138,326	6,964,973	6,908,482	7,521,397
Landfill closing costs	-	-	-	-
Total operating expenses	16,249,867	15,525,957	16,452,758	16,704,155
Other expenses				
Interest expense	222,750	204,207	2,829	13,312
Other expense	-	-	-	-
Total nonoperating revenues	222,750	204,207	2,829	13,312
Total expenses	16,472,617	15,730,164	16,455,587	16,717,467
Capital contributions	5,478,042	4,541,515	1,246,550	1,788,763
Change in net assets	\$ 870,936	\$ 1,757,941	\$ (2,287,899)	\$ (70,578)
Net assets at year end composed of:				
Investment in capital assets, net of related debt	\$ 100,336,371	\$ 99,372,787	\$ 96,518,262	\$ 101,687,621
Unrestricted	10,665,511	10,758,159	11,854,743	8,973,283
Total net assets	\$ 111,001,882	\$ 110,130,946	\$ 108,373,005	\$ 110,660,904

Source: The Authority Finance Department

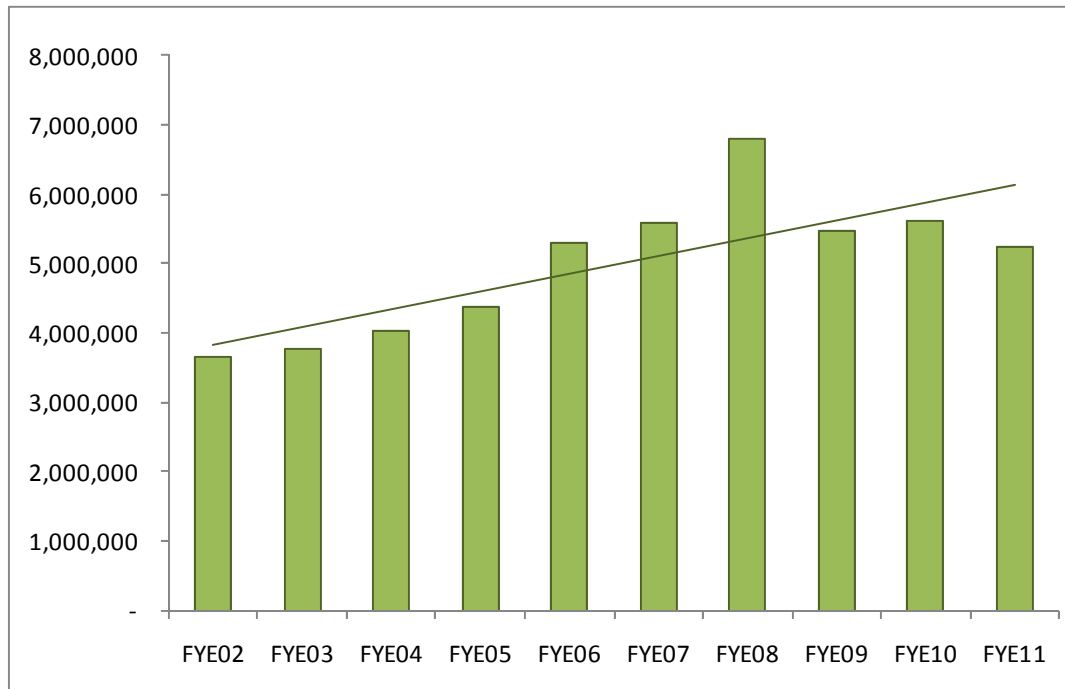
	<u>FYE07</u>	<u>FYE06</u>	<u>FYE05</u>	<u>FYE04</u>	<u>FYE03</u>	<u>FYE02</u>
\$	2,838,180	\$ 2,685,962	\$ 2,669,598	\$ 2,416,935	\$ 2,294,770	\$ 2,379,467
	1,474,961	1,339,055	1,301,855	1,255,751	1,125,679	956,229
	<u>1,263,026</u>	<u>1,282,240</u>	<u>391,701</u>	<u>364,661</u>	<u>342,667</u>	<u>323,430</u>
	5,576,167	5,307,257	4,363,154	4,037,347	3,763,116	3,659,126
	8,882,266	9,654,318	9,216,668	8,815,937	8,387,573	8,242,768
	127,373	135,548	125,239	127,975	130,214	130,417
	502,678	334,787	179,239	93,680	123,094	200,728
	-	7,979	475,727	261,066	55,154	15,756
	9,512,317	10,132,632	9,996,873	9,298,658	8,696,035	8,589,669
	<u>15,088,484</u>	<u>15,439,889</u>	<u>14,360,027</u>	<u>13,336,005</u>	<u>12,459,151</u>	<u>12,248,795</u>
	2,873,950	2,571,514	2,456,818	2,552,998	2,459,002	2,379,398
	4,648,696	5,582,762	4,410,660	1,734,859	882,576	829,691
	906,456	802,286	667,020	646,699	466,069	571,364
	196,663	332,015	299,191	360,240	348,003	176,309
	6,532,477	5,922,016	5,639,303	5,607,612	5,559,913	5,450,284
	-	-	-	-	-	808,511
	15,158,242	15,210,593	13,472,992	10,902,408	9,715,563	10,215,557
	130,904	370,053	517,094	857,214	1,241,663	1,744,834
	-	138,825	8,573	471,246	7,702	291,828
	<u>130,904</u>	<u>508,878</u>	<u>525,667</u>	<u>1,328,460</u>	<u>1,249,365</u>	<u>2,036,662</u>
	15,289,146	15,719,471	13,998,659	12,230,868	10,964,928	12,252,219
	<u>7,799,677</u>	<u>6,291,835</u>	<u>6,426,441</u>	<u>5,489,787</u>	<u>7,159,692</u>	<u>3,527,489</u>
\$	<u>7,599,015</u>	<u>\$ 6,012,253</u>	<u>\$ 6,787,809</u>	<u>\$ 6,594,924</u>	<u>\$ 8,653,915</u>	<u>\$ 3,524,065</u>
\$	103,654,543	\$ 99,296,247	\$ 92,762,987	\$ 85,627,825	\$ 79,062,904	\$ 71,793,160
	7,076,939	3,836,220	4,357,227	4,704,580	4,674,577	3,290,406
\$	<u>110,731,482</u>	<u>\$ 103,132,467</u>	<u>\$ 97,120,214</u>	<u>\$ 90,332,405</u>	<u>\$ 83,737,481</u>	<u>\$ 75,083,566</u>

Note: Prior to FY08 Intergovernmental grant revenues & PFC's were included in Capital contributions.

Greater Rockford Airport Authority
Schedule of Certain Revenue by Sources
Years Ended April 30, 2002 Through 2011

	Airport Fees				Lease Revenue					
	Airside		Landside		On Airport			Off Airport		
	Fuel Flowage Fees	Landing Fees	Parking Fees	Rental Car Commission	Building	Land	Terminal	Building	Land	Other
FYE02	827,650	1,404,969	9,451	137,397	255,335	243,387	114,804	89,967	252,736	323,430
FYE03	829,928	1,326,471	966	137,405	350,979	298,122	116,086	103,594	256,898	342,667
FYE04	882,759	1,415,100	310	118,766	440,069	295,629	120,852	107,510	291,691	364,661
FYE05	597,471	1,942,629	-	129,498	481,540	296,300	113,387	116,462	294,166	391,701
FYE06	61,289	2,424,015	-	200,658	516,103	315,068	83,224	126,294	298,366	1,282,240
FYE07	54,568	2,583,143	-	200,469	543,127	338,381	82,424	141,743	369,286	1,263,026
FYE08	64,943	2,821,852	-	203,631	556,981	355,060	59,948	139,352	310,352	2,284,951
FYE09	222,524	2,549,150	-	170,526	582,604	367,523	49,279	150,744	318,238	1,059,609
FYE10	152,393	2,042,878	-	128,145	595,061	442,006	46,802	145,570	318,357	1,755,533
FYE11	171,105	1,970,044	-	166,014	512,448	503,965	49,185	163,545	329,260	1,374,955

Source: The Authority Finance Department.



Greater Rockford Airport Authority
Schedule of Certain Expenses by Function and Department
Years Ended April 30, 2002 Through 2011

	<u>FYE11</u>	<u>%</u>	<u>FYE10</u>	<u>%</u>	<u>FYE09</u>	<u>%</u>	<u>FYE08</u>	<u>%</u>	<u>FYE07</u>	<u>%</u>
Finance & Administration	\$ 1,945,084	21.3%	\$ 1,920,384	22.4%	\$ 1,881,679	19.9%	\$ 1,761,459	19.4%	\$ 2,339,633	27.4%
Operations & Facilities	4,711,235	51.7%	4,249,149	49.6%	4,368,573	46.2%	4,448,655	49.0%	3,767,951	44.1%
Operations	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Air Service Development	807,896	8.9%	821,391	9.6%	1,718,132	18.2%	1,508,764	16.6%	2,435,703	28.5%
Terminal Services	915,941	10.1%	891,356	10.4%	721,373	7.6%	613,421	6.8%	-	0.0%
AirFest	731,385	8.0%	678,704	7.9%	763,495	8.1%	755,274	8.3%	-	0.0%
Total	\$ 9,111,541		\$ 8,560,984		\$ 9,453,252		\$ 9,087,573		\$ 8,543,287	

	<u>FYE06</u>	<u>%</u>	<u>FYE05</u>	<u>%</u>	<u>FYE04</u>	<u>%</u>	<u>FYE03</u>	<u>%</u>	<u>FYE02</u>	<u>%</u>
Finance & Administration	\$ 2,248,367	24.6%	\$ 1,529,751	19.7%	\$ 1,700,229	32.8%	\$ 1,559,714	38.1%	\$ 1,397,367	34.7%
Operations & Facilities	3,487,151	38.1%	2,435,114	31.4%	2,250,962	43.4%	1,859,609	45.4%	1,958,035	48.6%
Operations	-	0.0%	892,969	11.5%	462,849	8.9%	598,622	14.6%	676,524	16.8%
Air Service Development	3,419,407	37.4%	2,903,683	37.4%	777,186	15.0%	76,055	1.9%	-	0.0%
Terminal Services	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
AirFest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	\$ 9,154,925		\$ 7,761,517		\$ 5,191,226		\$ 4,094,000		\$ 4,031,926	

Source: The Authority Finance Department.

Note: Total expenses for FYE 09 through FYE 02 do not include bad debt and property tax expenses.

Greater Rockford Airport Authority
Schedule of Major Tenants
Years Ended April 30, 2011 and 2002

	<i>FYE11</i>		<i>FYE02</i>	
	<i>Revenue</i>	<i>% Total Operating Revenue</i>	<i>Revenue</i>	<i>% Total Operating Revenue</i>
United Parcel Service	\$ 1,682,962	32.11%	\$ 2,139,353	58.47%
Emery Air Charter	332,940	6.35%	252,540	6.90%
DB Schenker	277,466	5.29%	83,890	2.29%
Rubloff Aviation, LLC	239,531	4.57%	72,982	1.99%
Allegiant Air	215,252	4.11%		
Tandem	91,302	1.74%		
Rockford, Sand & Gravel	90,000	1.72%	75,000	2.05%
Rock Road	79,644	1.52%		
Pride Aircraft	75,031	1.43%	48,788	1.33%
Kaney Aviation	51,953	0.99%		
LaMere's			44,000	1.20%
CNF, Emery Worldwide			42,917	1.17%
Crawford, Murphy & Tilly			41,099	1.12%
Newell Rubbermaid			40,076	1.10%
Total	<u>\$ 3,136,081</u>	<u>59.84%</u>	<u>\$ 2,840,645</u>	<u>77.63%</u>

Source: The Authority Finance Department

Greater Rockford Airport Authority
Schedule of Debt Obligation Coverage
Years Ended April 30, 2002 Through 2011

	<i>Gross Revenue (1)</i>	<i>Operating Expenses (2)</i>	<i>Net Revenue Available for Debt & Obligation Payment</i>	<i>Debt and Obligation Requirements</i>			<i>Coverage</i>
				<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
FYE02	12,248,795	4,031,926	8,216,869	4,270,000	1,439,353	5,709,353	1.44
FYE03	12,434,537	4,094,000	8,340,537	4,896,000	1,203,052	6,099,052	1.37
FYE04	13,336,005	5,294,796	8,041,209	5,561,000	862,115	6,423,115	1.25
FYE05	14,360,027	7,833,689	6,526,338	6,026,000	569,431	6,595,431	0.99
FYE06	15,439,889	9,288,577	6,151,312	5,446,000	176,118	5,622,118	1.09
FYE07	15,088,484	8,625,765	6,462,719	96,000	14,976	110,976	58.24
FYE08	11,025,659	9,182,758	1,842,901	96,000	9,984	105,984	17.39
FYE09	10,069,485	9,544,276	525,209	-	-	-	-
FYE10	9,678,579	8,560,984	1,117,595	266,900	317,182	584,082	1.91
FYE11	9,261,035	9,111,541	149,494	278,400	222,750	501,150	0.30

Source: The Authority Finance Department

(1) Gross revenue includes both operating and nonoperating revenue. It does not include grant revenues to fund capital additions or PFC's.

(2) Operating expenses excluding depreciation and landfill costs.

Greater Rockford Airport Authority
Schedule of Property Tax Levies and Collections
Calendar Years Ended December 31, 2001 Through 2010

	<i>Tax Levy Year (Calendar Year)</i>			
	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Assessed valuations (in thousands):	\$ 3,525,363	\$ 3,722,982	\$ 3,722,189	\$ 3,580,845
Rate per \$100 of assessed valuation:				
General - corporate	0.0750	0.0750	0.0750	0.0750
General - other	0.0204	0.0151	0.0140	0.0134
Bond retirement and interest	-	-	-	-
Total	0.0954	0.0901	0.0890	0.0884
<i>Tax Levy:</i>				
General purposes	3,363,160	3,288,969	3,251,194	3,112,506
Bond retirement and interest	-	-	-	-
Total tax levy	3,363,160	3,288,969	3,251,194	3,112,506
<i>Collections: (See Notes (1) and (2))</i>				
General purposes	-	3,277,669	3,236,459	3,104,688
Bond retirement and interest	-	-	-	-
Total collected	\$ -	\$ 3,277,669	\$ 3,236,459	\$ 3,104,688
<i>Percent of tax levy extension collected</i>	-	99.7%	99.5%	99.7%

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

(2) The 2010 levy will be collected in the fiscal year ending April 30, 2012.

Tax Levy Year (Calendar Year)

	<i>2006</i>		<i>2005</i>		<i>2004</i>		<i>2003</i>		<i>2002</i>		<i>2001</i>
\$	3,363,233	\$	3,155,961	\$	2,964,364	\$	2,911,791	\$	2,754,388	\$	2,643,547
	0.0750		0.0750		0.0750		0.0739		0.0742		0.0736
	0.0143		0.0150		0.0228		0.0242		0.0148		0.0170
	-		0.1765		0.2212		0.2185		0.2186		0.2164
	0.0893		0.2665		0.3190		0.3166		0.3076		0.3070
	2,966,393		2,810,123		2,663,076		2,564,417		2,451,405		2,395,054
	-		5,510,964		6,480,445		6,295,788		6,021,091		5,720,637
	2,966,393		8,321,087		9,143,521		8,860,205		8,472,496		8,115,691
	2,970,528		2,808,305		2,659,987		2,549,793		2,447,314		2,379,440
	-		5,507,399		6,472,922		6,259,881		6,011,038		5,683,178
\$	2,970,528	\$	8,315,704	\$	9,132,909	\$	8,809,674	\$	8,458,352	\$	8,062,618
	100.1%		99.9%		99.9%		99.4%		99.8%		99.3%

Greater Rockford Airport Authority
 Schedule of Assessed Value, Levies and Rates
 Calendar Years Ended December 31, 2001 Through 2010

<i>Levy Year</i>	<i>Assessed Valuations (in thousands)</i>	<i>Tax Levy</i>			<i>Tax Rates</i>		<i>GRAA % County</i>
		<i>Operating</i>	<i>Debt</i>	<i>Total</i>	<i>GRAA</i>	<i>County</i>	
2001	2,643,547	2,395,054	5,720,637	8,115,691	0.3070	10.7670	2.85%
2002	2,754,388	2,451,405	6,021,091	8,472,496	0.3076	10.6787	2.88%
2003	2,911,791	2,564,417	6,295,788	8,860,205	0.3166	10.7670	2.94%
2004	2,964,364	2,663,076	6,480,445	9,143,521	0.3190	10.8681	2.94%
2005	3,155,961	2,810,123	5,510,964	8,321,087	0.2665	10.7768	2.47%
2006	3,363,233	2,966,393	-	2,966,393	0.0893	10.4709	0.85%
2007	3,580,845	3,112,506	-	3,112,506	0.0884	10.2842	0.86%
2008	3,722,189	3,251,194	-	3,251,194	0.0890	10.4536	0.85%
2009	3,722,982	3,288,969	-	3,288,969	0.0901	10.6380	0.85%
2010	3,525,363	3,363,160	-	3,363,160	0.0954	11.3239	0.84%

Source: The Authority Finance Department.

Greater Rockford Airport Authority
Schedule of Principal Property Taxpayers in Winnebago County
Calendar Years Ended December 31, 2010 and 2001

<i>Taxpayer</i>	<i>Type of Business</i>	<i>2010 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>	<i>2001 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>
Lowes Home Center Inc	Retail	\$ 20,677,262	0.44%	\$ -	
CBL Cherryvale c/o JJ Gudin	Shopping Mall	10,258,484	0.22%	12,908,788	0.53%
Menard Inc.	Retail	9,492,849	0.20%		
Simon Property/Forest Plaza LLC	Retail/Real Estate Holdings	8,550,595	0.18%	6,362,499	0.26%
Greater Rockford Airport	Airport	7,072,650	0.15%		
CBL/Cherryvale LLC	Shopping Mall	6,078,043	0.13%		
Two Star Property Co., Inc.	Retail/Real Estate Holdings	5,584,850	0.12%		
United Parcel Service, Inc.	Parcel Delivery Services	5,435,359	0.12%	5,253,414	0.22%
MB Rockford State LLC	Holdings	4,678,630	0.10%		
Edward Rose Associates, Inc	Real Estate Holdings	4,626,973	0.10%		
Fairhaven Christian Home	Retirement/Healthcare Facility			5,115,490	0.21%
Hamilton Sundstrand Corp	Hydraulic and Aerospace			12,642,981	0.52%
LaSalle Bank NA	Investments			10,003,458	0.41%
Schnuck Markets Inc.	Retail Grocery			6,906,489	0.28%
Sunil Puri	Holdings			5,434,367	0.22%
Fridh Corporation	Construction Contractor			4,251,252	0.17%
Swedish American Hospital	Hospital			4,059,672	0.17%
Total		<u>\$ 82,455,695</u>	<u>1.76%</u>	<u>\$ 72,938,410</u>	<u>2.99%</u>

Total Assessed Valuation -
\$4,697,063,138

Total Assessed Valuation -
\$2,442,508,440

Source: Winnebago County Clerk

Greater Rockford Airport Authority
Chicago Rockford International Airport Information
Year Ended April 30, 2011

Location: 4 miles south of downtown Rockford, IL.

Area: 3,000 acres

Elevation: 742 ft.

Airport Code: RFD

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

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

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

Apron: Commercial Airlines
Cargo Airlines
FBO

Parking: Spaces assigned: Short-Term 1,477
Rental Cars 190
Employees 54

Cargo: UPS Buildings 670,000 sq. ft.
Tandem Building 70,000 sq. ft.
Crossdock Building 27,600 sq. ft.
BAX Global Building 21,000 sq. ft.

International: Customs/Immigration Federal Inspection Service Facility

Tower: TRSA 24/7-365

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

Greater Rockford Airport Authority
 Schedule of Staffing
 Years Ended April 30, 2002 Through 2011

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Board of Commission	7	7	7	7	7	7	7	7	7	7
Administration/Finance	11	11	11	10	11	9	9	9	9	9
Air Service Development/Marketing	2	-	-	1	1	2	1	1	1	-
Operations/Facilities	21	21	19	20	25	16	20	20	21	25
Terminal Services	6	6	6	5	-	-	-	-	-	-
AirFest	-	1	1	1	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	5	7	9
	<u>47</u>	<u>46</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>34</u>	<u>37</u>	<u>42</u>	<u>45</u>	<u>50</u>

Source: The Authority Finance Department.

Greater Rockford Airport Authority
 Schedule of Air Commerce
 Years Ended April 30, 2002 Through 2011

	<u>FYE11</u>	<i>% of Change from Prior year</i>	<u>FYE10</u>	<u>FYE09</u>	<u>FYE08</u>
Passenger Enplanements					
Scheduled	88,814		85,014	74,024	113,498
Charter	<u>14,377</u>		<u>15,908</u>	<u>14,718</u>	<u>3,024</u>
Total	<u><u>103,191</u></u>	2.25%	<u><u>100,922</u></u>	<u><u>88,742</u></u>	<u><u>116,522</u></u>
Cargo					
Enplaned	148,964,090	-9.11%	163,889,607	209,461,204	252,458,047
Deplaned	<u>110,148,207</u>	-18.86%	<u>135,751,221</u>	<u>179,066,129</u>	<u>219,505,282</u>
Total	<u><u>259,112,297</u></u>	-13.53%	<u><u>299,640,828</u></u>	<u><u>388,527,333</u></u>	<u><u>471,963,329</u></u>
Cargo Aircraft Landed Weight	902,395,080	-11.65%	1,021,396,570	1,327,827,612	1,487,894,013
Fuel Flowage	17,242,721	-1.49%	17,502,695	14,755,983	19,246,193
Aircraft Operations	44,449	-7.97%	48,301	58,484	71,422

Source: The Authority Finance Department

<u>FYE07</u>	<u>FYE06</u>	<u>FYE05</u>	<u>FYE04</u>	<u>FYE03</u>	<u>FYE02</u>
93,821	41,283	-	-	-	1,557
<u>4,495</u>	<u>41,562</u>	<u>53,459</u>	<u>32,978</u>	<u>1,437</u>	<u>1,399</u>
<u>98,316</u>	<u>82,845</u>	<u>53,459</u>	<u>32,978</u>	<u>1,437</u>	<u>2,956</u>
243,233,380	227,887,673	213,888,065	190,301,776	191,702,805	209,026,094
<u>209,245,612</u>	<u>191,562,665</u>	<u>186,951,177</u>	<u>160,735,368</u>	<u>161,321,411</u>	<u>179,066,741</u>
<u>452,478,992</u>	<u>419,450,338</u>	<u>400,839,242</u>	<u>351,037,144</u>	<u>353,024,216</u>	<u>388,092,835</u>
1,419,558,172	1,374,921,520	1,383,856,242	1,271,605,264	1,242,390,680	1,329,380,807
21,210,247	20,592,954	20,690,853	15,606,174	15,952,468	18,646,052
79,220	71,745	71,796	77,809	84,492	80,247

Greater Rockford Airport Authority
Schedule of Rates and Charges
Years Ended April 30, 2002 Through 2011

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Fuel										
Class A	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Class B	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08
Class C										
0-1 mil	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.1150	\$ 0.1150	\$ 0.1100
1-10 mil								\$ 0.0450	\$ 0.0450	\$ 0.0350
10-15 mil								\$ 0.0425	\$ 0.0425	\$ 0.0325
15-20 mil								\$ 0.0400	\$ 0.0400	\$ 0.0300
+ 20 mil								\$ 0.0350	\$ 0.0350	\$ 0.0250
Landing Fee										
/1,000 lbs								\$ 1.0914	\$ 1.0914	\$ 1.0395
Minimum								\$ 10.00	\$ 10.00	\$ 10.00
Over 120,000,000 lbs - Annual	\$ 1.842	\$ 1.671	\$ 1.641	\$ 1.641	\$ 1.641	\$ 1.641	\$ 1.641			
Under 120,000,000 lbs - Annual	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964			
Terminal Usage										
Signatory & Charter Flights	\$ 55.00	\$ 55.00	\$ 55.00							
50 seats or less				\$ 106.40	\$ 106.40					
51 to 110 seats				\$ 169.60	\$ 169.60					
111 to 150 seats				\$ 275.20	\$ 275.20					
151 to 200 seats				\$ 370.40	\$ 370.40					
201 to 250 seats				\$ 476.00	\$ 476.00					
215 or more seats				\$ 634.40	\$ 634.40					
100 or more departures/month				\$ 50.00	\$ 50.00					
Non-signatory & Charter Flights	\$ 110.00	\$ 110.00	\$ 110.00							
50 seats or less				\$ 133.00	\$ 133.00					
51 to 110 seats				\$ 212.00	\$ 212.00					
111 to 150 seats				\$ 344.00	\$ 344.00					
151 to 200 seats				\$ 463.00	\$ 463.00					
201 to 250 seats				\$ 595.00	\$ 595.00					
215 or more seats				\$ 793.00	\$ 793.00					
Ticket Counter/Computer Use fee per enplanement	\$ 0.10	\$ 0.10	\$ 0.10							
International Rubbish Fee										
4x4 hopper (200 gallons)	\$ 305.00	\$ 305.00	\$ 250.00							
black cart (60 gallons)	\$ 105.00	\$ 105.00	\$ 105.00							
gray cart (40 gallons)	\$ 85.00	\$ 85.00	\$ 85.00							

Source: The Authority Finance Department.

Greater Rockford Airport Authority

Schedule of Largest Employers in the Greater Rockford Area Years Ended April 30, 2011 and 2002

<i>Employer</i>	<i>Product/Service</i>	<i>2011</i>	<i>Percentage of</i>		<i>Percentage of</i>	
			<i>County</i>	<i>2002</i>	<i>County</i>	<i>Employment</i>
			<i>Employment</i>		<i>Employment</i>	
Rockford Health System	Health Care	3,003	1.88%	3,400	2.01%	
Swedish American Health System	Health Care	2,988	1.87%	2,820	1.66%	
Walmart	Retail	2,750	1.72%			
OSF St. Anthony Medical Center	Health Care	2,303	1.44%	1,800	1.06%	
Hamilton Sundstrand Corporation	Aerospace Components	2,200	1.38%	2,900	1.71%	
Chrysler LLC	Automobiles	1,700	1.06%	2,350	1.39%	
United Parcel Service	Parcel Sorting Hub	1,600	1.00%	2,000	1.18%	
Woodward Governor Co.	Aerospace, governors, equipment	1,325	0.83%	1,300	0.77%	
Kroger Company	Food Store	1,067	0.67%			
NCO Group	Telemarketing	904	0.57%			
Textron	Power hand tools: industrial fasteners			2,500	1.47%	
MCI	Telemarketing			1,200	0.71%	
Invensys Building	Environmental Control			1,200	0.71%	
Total of 10 largest employers		<u>19,840</u>	<u>12.42%</u>	<u>21,470</u>	<u>12.67%</u>	

Source: Rockford Area Economic Development Council and Bureau of Economic Analysis, Regional Economic Information System, April 2011

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

Greater Rockford Airport Authority
 Schedule of Demographic Indicators for Winnebago County
 Years Ended April 30, 2001 Through 2011

<i>December 31,</i>	<i>(1)</i> <i>Population</i>	<i>(2)</i> <i>Personal Income (thousands of dollars)</i>	<i>Per Capita Personal Income</i>	<i>(3)</i> <i>Unemployment Rate</i>
2001	280,805	7,665,948	27,300	7.0%
2002	282,572	7,871,488	27,857	7.4%
2003	285,120	8,157,752	28,612	8.6%
2004	286,969	8,267,713	28,814	6.4%
2005	289,422	8,523,975	29,452	5.7%
2006	292,797	9,159,496	31,283	5.5%
2007	297,603	9,706,210	32,615	7.3%
2008	299,489	9,866,510	32,944	13.0%
2009	299,702	9,629,833	32,131	16.2%
2010	*	*	*	11.8%

(1) Source: Bureau of Economic Analysis, Regional Economic Information System, April 2011

(2) Illinois Department of Employment Security, Economic Information and Analysis, April 2011

* Information not yet available





Greater Rockford Airport Authority
60 Airport Drive
Rockford, Illinois 61109-2902
Phone: 815-969-4000. Fax: 815-969-4001
www.FlyRFD.com