Final Budget

Fiscal Year Ending

April 30, 2016

An Intergovernmental Cooperative of
The City of Prospect Heights, Illinois and
The Village of Wheeling, Illinois

Table of Contents

		Page #
1.	Budget Narrative	1 - 9
2.	Total Approved Budget	10
3.	Revenue Budget Line Item Detail	11 - 13
4.	Administration Department Budget Line Item Detail	14 - 21
5.	Operations and Maintenance Department Budget Line Item Detail	22 - 27
6.	Other Income and Expense Budget	28 - 29
7.	Sewer Reserve Fund	30 - 31
8.	Capital Equipment Reserve Fund (CERF)	32
9.	Building Reserve Fund	33
10.	Capital Summary	34
11.	Capital Projects-Internally Funded	35 - 36
12.	" A " Projects	37 - 39
14.	" B " Projects	40 - 41
15.	Unrestricted Net Assets (Reserves) Available	42

Chicago Executive Airport Budget
(Amended)

Fiscal Year Ending

April 30, 2016

Approved at the CEA Board Meeting 06/10/2015

Approved by the Village of Wheeling – 06/15/2015

Approved by the City of Prospect Heights – 06/22/2015

An Intergovernmental Cooperative of
The City of Prospect Heights, Illinois and
The Village of Wheeling, Illinois

Budget Document

The Airport has one enterprise fund, the Joint Airport Fund. The budget basis for this fund is the accrual basis of accounting whereby revenues are recorded in the period in which they are earned and expenditures are recorded in the period in which they are incurred. This basis is the same as our financial statement reporting except for: depreciation and amortization are not included in the budget, and capital outlays and the receipt of long-term debt proceeds are not included in operations within the financial statements. While the Sewer Reserve, the Capital Equipment Reserve and the new Building Reserve sub-funds are presented in the budget as separate funds, they are combined into the Joint Airport Fund for financial reporting purposes, and the reserve balance information is notated in the footnotes.

The budget is prepared considering historic costs as well as anticipated costs for the coming fiscal year. The budget is developed using a line-item form for each category that details and describes each income and expense item. During the course of the fiscal year, any expense category overages are covered by either contingency amounts or budget surplus amounts in other categories. The Airport Board of Directors and the two municipalities would need to approve any budget adjustment necessary to cover a department or capital budget section that exceeds the approved budget.

The budget document is divided into six components, **Budget Overview, Revenue Budget, Operating Budget, Non-Operating Budget, Capital Budget,** and **Supplemental Information**. The Operating Budget is divided into six sub parts: Finance and Administration Expenses, Operations and Maintenance Expenses, Interest Income, Other Expense, and Debt Service. This division was done so that the Airport can more accurately determine the cost of services in the future.

Executive Review

Operating income is operating revenues less operating expenses. It does not include the purchase of capital items or the expense of depreciation and amortization. Operating income is budgeted to increase in FY16 by $196,612. Much of this increase is due to the expiration of Rent Credits to Signature Flight Support and Hawthorne Global Aviation. Additionally Fuel Flowage fees are budgeted to increase to $0.14 per gallon from $0.1271 per gallon. Another component is the addition of a new tenant who is leasing part of the runway safety area. The balance from the increase is due to the CPI adjusted rent amounts from the various tenants.

Revenues: FY16 total budgeted revenues are $3,911,360, which is a $215,202 (5.62%) increase from FY15. As noted above, much of this increase is due to the expiration of Rent Credits to Signature Flight Support and increasing Fuel Flowage Fees. Rent credits to Hawthorne continue this year and amount to approximately $87,000. While this does reduce rental income in FY16, these credits will expire this year and they will be paying full rent next year going forward. Revenue generated from renting part of the runway safety area amount to approximately $25,000. The CPI increase of 1.25% was instituted for almost all fees.

Expenses: The operating budget is comprised of two departments, Finance & Administration (F&A) and Operations & Maintenance (O&M). Total budgeted operating expenses for the

combined departments are above FY15 by approximately $18,000, or 0.69%, from $2,980,763 in FY15 to $2,999,353 in FY16.

Interest Income: The budget shows a decrease in interest income from $4,375 to $3,685, a decrease of $690, this continues to reflect our decreasing cash balance and the poor rate of return on investments in the flat rate environment.

Debt Service: We expect an interest expense decrease of $14,752, from $184,777 to $170,026. We received entitlement funds of $148,500, which historically have been applied to the principle balance on the Northeast T Hangar loan. The same was done in FY15. The rest of the decline is due to the decreased interest costs on the declining loan/note balances as the principal is paid down each month. No new debt is planned.

Reserves: Continuing in the FY16 budget, sewer revenues will go directly into the Sewer Reserve sub-fund, instead of being received in the Joint Airport Fund and then being transferred into the reserve sub-fund. This began in FY14. This year's transfer to CERF is $50,000. New for FY16 is an additional Reserve Fund for new buildings. $120,000 is budgeted for FY16 to be transferred to the Building Reserve. Transfers to the reserves have been reduced for FY16 to help pay for Phase 2 of the Master Plan, the cost of which shows up in the Capital section later on.

Capital "A" Projects: The total cost of all the projects is estimated at $6,528,015 with the Airport's local share expected to be $548,365 with offsetting grant revenue of $5,900,710. $175,000 in funds allocated for Phase 2 of the Master Plan are included here.

Unrestricted Net Assets Available: The Airport Business Plan requires that the Airport maintain an unrestricted net asset balance equal to 3 months (25%) of the current year's budgeted operating expenses, which would be $749,838 ($2,999,353 x 25%). The Airport's estimated running balance at April 30, 2016 of $768,675 will be sufficient to cover this requirement.

Staffing, Compensation & Benefits

The number of staff positions is expected to remain unchanged from FY15 at 14.59 FTEs (Full Time Equivalents). Personnel compensation has been budgeted using a CPI increase of 1.25%. Provisions have also been included to provide for up to a three percent merit increase for those employees who have not reached the top of their pay grade and whose performance justifies such action.

Employee Benefits consist of health, life and disability insurance, retirement plan, and the Airport's share of FICA and Medicare taxes. Health insurance has been budgeted to include an expected 5.0% increase.

Airport staff will be comprised of one Executive Director, one Chief Financial Officer, one Executive Secretary, one Accountant, one Administrative Assistant, one Management Intern, one Operations Coordinator, one Lead Maintenance Worker, five Maintenance Technicians, and five Seasonal Maintenance Technicians. All positions are full time with the exception of the seasonal maintenance technicians and management intern. The Executive Director reports to the Airport

Board of Directors. The position of Assistant Director has been removed from this budget in order to meet our Unrestricted Net Asset requirement.

Detailed Budget Analysis

Revenues

Revenues are budgeted to increase $215,202 from what was budgeted the previous year. The increase is primarily due to the expiration of rent credits to Signature Flight Support. This will add approximately $60,000 to revenue for FY16 as compared to FY15. Also, an increase in Fuel Flowage Fees for FY16 is expected to add approximately $63,000 to revenue. Long-term leases, T-hangar rentals and most other revenues incurred a CPI increase of 1.25%. The Airport uses figures from the Bureau of Labor Statistics Table (CPI-U) Chicago-Gary-Kenosha, IL-IN-WI, all items 1982-84=100, CUURA207SA0, for its calculations. The lease agreement with Hawthorne allows rent credits to continue for most of FY16. These credits amount to $86,900 for FY16 and will expire late in the fiscal year.

Long-term lease revenues comprise 52% of the total revenues generated on the Airport and, like nearly all Airport revenues, receives an annual CPI increase, depending on the language in the lease.

Fuel flowage fees comprise 17% of budgeted revenues. Fuel flowage is a per gallon fee calculated on the number of gallons of aviation fuel purchased by the Airport FBOs. Using an average volume over the past several years, fuel flowage revenues are expected to increase slightly this year due from $620,844 to $683,900; actual gallons dispersed is expected to remain flat at an estimated 4.5 million gallons. The number of flights flown remains flat, plus newer aircraft are more fuel efficient, reducing overall fuel needs. Additionally, some airport tenants purchase fuel at nearby airports that do not have the tax burden imposed by Cook County. We do not expect this to be a growing revenue in future years until the economy increases significantly. Fuel flowage is quite unpredictable and is budgeted conservatively.

Tiedown and T-hangar fees comprise about 10% of budgeted revenues. All of the 20 southwest T-hangars and nearly all of the newer 48 northeast T-hangars were rented as of March 1, 2015 with just five vacant. Our budgeted revenues are conservative and assume that one unit in the SW Ts will be vacant for three months and one unit in the NE Ts will be vacant for 12 months. We expect little, if any, increase in the number of tie down tenants, as demand is stagnant.

In FY14, the airport received a One-time Revenue of $350,000 for a payment under a land purchase agreement. Related to this transaction, another pending revenue is an annual Access Fee which is directly offset against monies owed on the purchase of a property. The offset is included in Capital Outlay-Other. This offset in FY16 is expected to be $15,187. This amount is adjusted by CPI annually and will continue for nine or ten years. Once the purchase funds are exhausted this will become a revenue item.

Operating Budget

The operating budget is departmentalized by function – Finance & Administration and Operations & Maintenance. Expenses for the combined departments are budgeted to increase by approximately $18,590, or 0.69% compared to FY15.

Finance & Administration Department
FY16 budgeted Finance & Administration expenses are $1,680,515, which is up $41,451, or 2.83%, from FY15.

Personnel: The Personnel section's decrease of $36,403 is primarily due to the removal of the Assistant Director from the budget. It does however; include a 1.25% CPI salary adjustment and applicable taxes and benefits. We are estimating a 5.0% increase in health insurance costs, which will change in July.

Services and Supplies: This category is up by $23,354, from $642,622 to $665,976. The largest difference is an increase in Engineering Expense of $100,000. Another significant change is non-health Insurance costs of $111,000 which includes $8,000 for the estimated premium cost for the north end EMAS bed scheduled to be constructed this summer. Most other line items remain flat to last year.

Other: This category shows an expense increase of $54,500, from $353,200 to $407,700. This increase is due to a large increase in Public Relations/Marketing and a slight decrease in NBAA budgeted expenses. The line item for Special Events has been reduced and a portion of this expense has been transferred to the Marketing Specialist line. Representatives of the Board and Public Officials are planning on attending the NBAA National Convention in Las Vegas but CEA is not planning on exhibiting this year. CEA will however, is planning on exhibiting and attending the NBAA Dispatcher's conference in Tampa this year.

Operations and Maintenance Department: Overall, expenses are down by $22,861, or 1.70%, from the FY15 budget to $1,318,838. The bulk of this decrease is because FY15 had a large expense of removing contaminated soil from the Hawthorne site. Without this reduction, Operations expense actually increase by approximately 1.25%

Personnel: this section's increase of $21,089 to $699,613 reflects the salary and benefits for seven full-time and five seasonal personnel, with a 1.25% CPI salary adjustment and increased applicable taxes and benefits. In FY15 we added a winter seasonal worker and expect to continue that in FY16. We are estimating a 5.0% increase in health insurance costs, which will change in July.

Services and Supplies: down to $589,225 from $633,175 for FY16. As mentioned before, the largest portion of this reduction is due to the reduced amount budgeted for contaminated soil removal. Most other categories are flat.

Non-Operating Budget Items

Interest Income: The budget shows a decrease in interest income from $4,375 to $3,685, a decrease of $690, this continues to reflect our decreasing cash balance and the low rate of return on investments.

Other Expense: Bank Fees, which will remain basically the same.

Debt Service: We expect debt service expense to decrease by $12,152, from $489,737 to $477,586, mainly due to the principle reduction from entitlement funds of $148,500. Further reduction in interest costs on the declining loan/note balances as the principal is paid down each month.

Capital Budget

The Capital Budget includes expenses for Capital items (Improvements, Construction and Outlay), and Grant Service ("A" Projects).

There are four categories of Capital expenditures: Capital Improvements, Capital Construction, Capital Outlay, and Grant Service. In all categories, the expected expense must be in excess of $2,000 to be included. With the exception of Grant Service, the capital items are fully-funded internally by the Airport. A Capital Improvement is a cost for an improvement on an already existing asset of the Airport. In contrast, a Capital Outlay is for the purchase of a new asset; except for buildings. Capital Construction is for buildings and major building improvements. Grant Service projects are only partially-funded by the Airport with additional State and Federal funds providing the remainder of the funding. Projects in this category are taken directly from the Transportation Improvement Program (TIPs) submitted annually to the Illinois Department of Transportation, Division of Aeronautics (IDOT), for projects eligible for state and federal grant funding. Illinois is one of 10 states that participate in the State Block Grant Program. Under this program, the State assumes responsibility for administering Airport Improvement Program (AIP) grants at general aviation and "other than primary" airports. Each State is responsible for determining which locations will receive funds for ongoing project administration.

This year's budget includes the following subcategories as follows:

Capital Improvements: Capital Improvements consists of $42,000 for facilities improvements, $40,000 for fence/gate/landscaping projects, and $150,000 for pavement/sewer projects.

Capital Construction: Nothing is anticipated at this time.

Capital Outlay: The vehicles sub-section, $168,000, includes refurbishing one piece of snow equipment to extend the useful life of the item; a replacement of the 11 year-old dump truck (AP33), replacement of a 25 year-old mowing tractor (AP25), a ramp plow blade for the snow vehicle that is expected to be leased for the winter. Shop Equipment includes $10,000 for a portable generator/light plant, and Other includes the $15,188 annual offset to a property purchase related to the 94th Aero Squadron sale.

Grant Service: This information has been taken from the 12/12/13 Final Submittal of the Transportation Improvement Program: Airports FFY2014-2019. Congress has reduced funding levels for future projects from 95% to 90%. The State of Illinois increased their funding to 5% from 2.5% to make up half of the reduction, and the Airport's funding has been changed to 5% instead of the previous 2.5%. This has doubled the cost of the Airport's local share for most projects.

We have budgeted $548,365 for the local share of Airport Improvement and State Grants for the "A" Projects. We are uncertain if any of these projects will be funded by the state and federal government, but they are still being budgeted. The construction resulting from these projects will continue to enhance the safety of this already safe Airport.

Continuing in this year's Grant "A" budget are Estimated FY16 Revenues. Some of the projects require the State to pay the Airport and then we, in turn, pay the contractor, whereas, previously the State paid the contractors directly. We will show these payments received as grant revenue. Although the Airport's final cost should be 5% of the total project cost, some of revenues listed for the projects are short of offsetting 95% of the cost. We cannot be certain that, for each listed project, the revenues will all be received in FY16, so we have reduced our estimated grant revenue budget. Another issue with grant revenue is that the FAA directed the State to implement a 10% funds holdback program as an incentive to encourage timely submittal of project closeout paperwork. The holdback funds are supposed to be released upon finalization of the project, which will delay receipt of the Airport's reimbursement funds, and most likely will not be in FY16. Funds for Phase 2 of the Master Plan are included here.

The "B" projects are listed in the budget for informational purposes only and are not included in the expense numbers. It is highly unlikely that any of them will be funded.

"C" category projects are those projects which have already been paid for by the Airport and we are hoping to receive reimbursement from the FAA and State of Illinois. At this time we have no "C" category projects. If we had, there would be little likelihood of these funds being received in FY16, so they would not be included in the budget numbers.

Other: In the FY15 Budget, a Grant-GA Entitlement was not listed as expected revenue. We did indeed however, receive $148,500. Grant-GA Entitlement amounts are available only if the FAA budget reaches a certain level. For FY16, it is uncertain whether or not these funds will be received so they are not included in the budget. All GA Entitlement Funds received will be used to pay down the NE T-hangar note principal, so there is no effect on the budget.

Reserve Funds

Sewer Reserve Sub-Fund
A Sewer Reserve sub-fund was established by the Airport Board in FY12 to allow for the future repair and maintenance of both the sanitary sewer and storm water systems without the issuance of debt. To reduce future costs, the sanitary sewer line was extended during the construction of Hangar 42 in 2012, in anticipation of the eventual construction of Hangar 43 in the same area. There are no proposed plans for a Hangar 43 at this time. In FY12 and FY13, sewer and storm water revenues were received into the operating fund and transferred into the Sewer Reserve Sub-Fund. Beginning in FY14, sewer and storm water related revenues were deposited directly into the Sewer Reserve Sub-Fund. This practice continued in FY15 and will do so this year and into the future.

Capital Equipment Replacement Sub-Fund
The Capital Equipment Replacement Sub-Fund (CERF) was formally established by the Airport Board of Directors in FY13. In order to avoid the issuance of debt, this sub-fund is used to set aside money for capital equipment. As the six major Airport pieces of snow removal equipment age, they are being refurbished to extend their useful life, hopefully by 10 or more years. However, they cannot last indefinitely. The estimated cost of replacing the three snow brooms is $700,000 each, the snow blower is $300,000, and the two snow plows/sprayer/spreaders are $250,000 each, which totals $2,900,000. The plan is to have sufficient capital equipment reserves in place to cover the future replacement of these vehicles. The budget contains a $50,000 transfer to the CERF fund this year. This is a reduction of funds from previous years because they have been re-tasked to help pay for Phase 2 of the Master Plan, establish a Building Reserve fund and other Capital projects.

Building Reserve Sub-Fund
A new Building Reserve fund is to be established in FY16. This fund will operate like our other sub-funds and allow the airport to set aside monies. This fund will be for building construction and airport improvements per the Board's discretion. In FY16 we have budgeted a transfer into this fund of $120,000.

Unfortunately, there aren't sufficient reserve funds planned yet to replace/improve/repair the Airport's office building, maintenance facility, and nine owned hangars.

Operating and Reserve Funds Available

The Airport uses a Joint Airport Fund for its operating activities. Revenues are deposited into this fund and operating expenses are drawn from it.

The working capital projected as of April 30, 2015, plus those amounts to be realized during FY16, will fund the budgeted operating and capital outlays, and will provide a minimum balance to allow the Airport to operate. The Airport's Business Plan requires that the Airport maintain an unrestricted net asset balance equal to 25% of the current year's budgeted operating expenses, which would be $749,838 ($2,999,353 x 25%), plus the capital improvement and outlay balances totaling $429,688, plus $170,000 in reserve transfers, plus sufficient funds to meet the local share

requirements of the Grant Service "A" list approved projects for the year, which is $548,365 after expected offsetting revenues.

The Business Plan also requires that operating expenses not exceed 90% of revenues. No unusual expenses are expected in FY15. With expected revenues to be $3,911,644; total operating expenses of $2,999,353 are 77% of revenues.

Debt Obligations

We expect an interest expense decrease of $14,752 to $170,026, mainly due to the decreased interest costs due to declining outstanding loan/note balances.

In January 2004, the Airport, through its owning communities, entered into a loan arrangement with an area national bank for a loan totaling $1,237,000 for the purpose of constructing two buildings containing 10 small T-hangars each in the SW quadrant of the Airport. Repayment of the loan began in January 2005 with a 20-year period amortization period. The interest rate is variable to be reset every 5 years. Pricing on this loan reset in January 2014 from 4.55% to 4.74%. Airport revenues generated by the new hangars will cover the required debt service over the period of the loan. Airport staff has negotiated a reduction of the interest rate to 3.65% on this note for FY16 and into the future.

A revenue anticipation note for $4,700,000 was issued in December 2006 by Northbrook Bank for the Village of Wheeling, one of the owning communities, to fund a portion of the purchase price of land designated as a runway safety area (RSA) for the Airport. The note was reduced by $1,500,000 in November 2008 and refinanced in April 2010 for 10 years with a balloon payment upon maturity. The Airport received a grant in April 2011 that was used to pay down $984,426 of the principal, thus reducing interest cost. Airport staff has negotiated a reduction of the interest rate to 3.25% on this loan for FY16 and into the future.

Also in April 2010, a construction loan from Northbrook Bank of $2,300,000 was negotiated for the construction of six buildings containing 48 T-hangars in the NE quadrant. This note was interest only until June 1, 2011, when payment of both monthly principal and interest was required. The note matures in May 2020 with a balloon payment upon maturity. Airport staff has negotiated an interest rate of 3.25% on this loan for FY16 until maturity.

No general obligation bonds of either airport-owning community have been issued for the above borrowings, and no new loans or notes are planned to be issued at this time. The two T-hangar projects generate sufficient revenue to cover the principal and interest costs, plus operating expenses. The RSA note property is vacant land and part of it is being rented for truck trailer storage. This generates approximately $25,000 per year to help offset the approximately $230,000 annual debt service payment. Airport staff are working with the FAA to obtain additional purchase cost reimbursement that would be applied to the outstanding debt. Any reduction in the debt payment would help alleviate the strain of funding upcoming capital projects and equipment as previously mentioned. Though interest expense is expected to be lower in FY16, payment levels on three notes will remain as before. This will have the effect of accelerating the principle pay down of all three notes.

Chicago Executive Airport
Total Approved FY16 Budget

	FY15 Est Actual	FY15 Budget	Proposed FY16 Budget	FY15 vs FY16 Budget Change
OPERATING BUDGET:				
Revenues	$ 3,827,102	$ 3,696,158	**$ 3,911,360**	$ 215,202
Expenses:				
Administration Department	(1,463,559)	(1,639,064)	**(1,680,515)**	(41,451)
Operations and Maint Dept	(1,221,900)	(1,341,699)	**(1,318,838)**	22,861
Net Operating Expenses	(2,685,459)	(2,980,763)	**(2,999,353)**	(18,590)
Operating Income:	1,141,643	715,395	**912,007**	196,612
Other:				
Other Income	3,286	4,375	**3,685**	(690)
Other Expense	(4,583)	(2,900)	**(2,900)**	-
Debt Service	(638,668)	(489,737)	**(477,586)**	12,152
Total Other	(639,965)	(488,262)	**(476,801)**	11,462
Revenues less Net Expense	501,678	227,133	**435,206**	208,074
Transfers to Reserves-Sewer	-	-	-	-
Transfers to Reserves-CERF	(220,000)	(220,000)	**(50,000)**	170,000
Transfers to Reserves-Building			**(120,000)**	(120,000)
Transfers to Reserves Reduced in FY2016 to Balance Budget				
Net	281,678	7,133	**265,206**	258,074
CAPITAL BUDGET:				
Capital Improvement	231,630	255,000	**232,000**	(23,000)
Capital Outlay	85,066	227,000	**197,688**	(29,312)
Capital Construction	0	30,000	**0**	(30,000)
Grant Service	419,841	665,412	**548,365**	(117,047)
Capital Other	-	15,000	**15,188**	188
	736,537	1,192,412	**993,241**	(199,171)
Less: Grant Revenue	(369,057)	(1,417,600)	**(5,900,710)**	(4,483,110)
Less: Capital Financing	-	-	-	-
Net Capital Budget	367,480	(225,188)	**(4,907,469)**	(4,682,281)
Funding (from)/to Reserve Funds	(85,802)	232,321	**5,172,675**	4,940,355
NET	0	0	**0**	0

Operating Revenues
FY16 Approved Budget
Line Item Detail within Category

		Proposed FY16 Budget	Projected FY15 Actual	FY15 Budget	Budget Change
40000.00	**Long Term Leases -**	**$ 2,051,476**	2,234,962	2,161,933	(110,457)

Long term revenue is derived from leases with a term of more than one (1) year. These leases are comprised of hangar, building and ground leases. To the extent possible, lease rents increase annually with the CPI. Following are the leases presently in effect and proposed to be in effect during FY16. We are assuming a 1.25% CPI increase for 2016.
The 2015 ground lease rate is $0.6482. FY16 will be $0.6563

Property	FY16		Projected	FY15
Hangar #5 & #6	399,630		337,972	309,860
Hangar #8	-	1	236,091	240,718
Hangar #9	334,155		332,768	334,338
Hangar #10	260,474		259,393	260,614
Hangar #11 IPO	123,457		122,580	121,915
Hangar #13-revenue split	4,100		4,100	4,100
Ground Lease - ACCO	7,283	2	7,193	7,283
Ground Lease - Hangar 15	69,685		69,251	68,866
Ground Lease - Hangar 16	36,594		36,483	36,421
Ground Lease - Hangar 18	44,202	4	44,067	45,032
Ground Lease - Hangar 19	65,881		65,476	65,121
Ground Lease - Hangar 20	37,561		37,213	37,076
Ground Lease - Fuel Farm	2,884		2,860	2,839
Ground Lease - Hangar 40	120,339		119,590	118,934
Ground Lease - Hangar 41	82,535		81,599	81,434
Ground Lease - Hangar 42	85,503		84,977	84,513
Ground Lease - Exec Inn Pkg Lot	-	3		-
Ground Lease - SFS Ramp	76,926		76,686	76,545
Ground Lease - SFS Terminal (24)	185,882		185,302	184,964
Ground Lease - Hawthorne	140,206	5	131,360	131,361
Ground Lease - Stery Trucking	24,180		24,180	-
	2,101,476			2,211,933
Less: Rent Reserve	(50,000)			(50,000)
	2,051,476			2,161,933

1) Hangar 8 moved to a Short Term Rental for FY2016
2) CPI increase only done every five years. Adjusted for FY16 next adjustment FY21.
3) The Airport took back its property in November 2012.
4) Occupancy began in Januray 2014. CPI increases in monthly rent occur in January of each year.
5) Revenue figure reflects rent credits due Hawthorne per lease agreement of $7,900 per month.

Proposed Operating Revenue Budget

		Proposed FY16 Budget	Projected FY15 Actual	FY15 Budget	Budget Change
	due to expire in March of 2016				
	Fuel Flowage Fees	**$ 683,900**	695,876	620,844	63,057
	Fees received from fuel flowage and were adjusted for FY16. The estimates are based on the past several years of Fuel Flowage. Fuel flowage is paid when the fuel is put into the FBO fuel tanks, not into the aircraft.				
40460.01	JetA-On Arpt, 3.9MM gal @ $.14	546,000	570,690	495,690	
40460.03	JetA-Off Arpt, 400,000 gal @ $.28	112,000	101,672	101,640	
40460.02	100LL, 185,000 gal @ $.14/gal.	25,900	23,514	23,514	
	T-Hangars -	**$ 385,357**	362,367	380,257	5,100
	Rents are adjusted by the estimated CPI change of 1.25. SW-Bldng 50 rent per month $4,592, bldng 51 = $5,445, possible total $10,037, annual $120,444. NE-40 small, 6 medium, and 2 large units; possible monthly rent of $22,674, annual of $272,088. Subtracting a vacancy rate of 3 months of 1 unit avg for SW ($1,516) and 1 full unit of NE ($5,669).				
40200-01	SW T-hangars	118,938	115,494	117,339	
40200-02	NE T-hangars	266,419	246,873	262,918	
	One-time revenue	**$ -**	-	$ -	-
40550.02	**U.S. Customs Service -**	**$ 275,000**	286,314	275,000	-
	U.S. Customs inspection service - this is a break-even service we provide to CEA users.				
40100.00	**Short Term Rental -**	**$ 366,260**	124,506	123,832	242,428
	Hangar #4 & #7 month-to-month rental, adjusted by CPI increases back to the lease start dates.				
	Eclipse	110,810	109,442	108,894	
	SFS	15,220	15,064	14,938	
	Hangar #8	240,230	-	-	
	The lease on Hangar #8 converted to a Short Term Lease in January 2015.				
	Tie-Downs -	**$ 39,216**	34,001	39,500	(284)
	Area 2 expected rent for FY16, 8 spots @$161 = $15,456				
	Area 3 expected rent for FY16, 20 spots @$99 = $23,760.				
	We do not anticipate an increase in the number of tie-down tenants at this time.				
40310.02	Area #2	15,456	11,789	15,500	
40310.03	Area #3	23,760	22,212	24,000	

Proposed Operating Revenue Budget

		Proposed FY16 Budget	Projected FY15 Actual	FY15 Budget	Budget Change
	Permits/Fees -	**$ 54,938**	34,137	39,846	15,092
	Revenue derived from monthly Commercial Operating Permits (COP), which were subject to the CPI increase of 1.25%. Air taxi is per seat of $1.42 and terminal chg $30 per flight, plus monthly COP of $79.				
40470.01	COP 9 @ $79	8,532	5,472	5,613	
40470.01	COP 2 @ $366	8,784	8,533	8,675	
40470.01	COP 17 @ $157	32,028	14,647	20,582	
40470.01	COP 1 @ air taxi (3 months)	2,500	2,429	2,500	
40470.02	Vehicle, fuel - SFS 10 @$206	2,060	2,030	2,060	
40470.02	Vehicle, fuel - Atlantic 4 @$104	416	408	416	
40470.02	Vehicle, fuel - Hawthorne - 3 @$206	618	618		
40007.00	**Easement Fees**	**$ 28,060**	27,815	28,050	10
	Waste Management-stormwater, drainage & detention easement fee, adjusted for CPI increase.				
40490.01	**Access Fee**	**$ 15,187**	15,000	15,000	187
	Access Fee Agreement in process. Due annually, for the term of the agreement. The first $180,000 in payments to be offset against the Airport's purchase of a property, then due in cash. Subject to annual CPI increase. FY2017 Balance to offset $149,813				
40550.09	**Sign Rental**	**$ 4,080**	4,008	4,010	70
	CPI increase of 1.25%.				
	Monument sign rental-SFS @ $340	4,080	4,008	4,010	
	Other -	**$ 4,286**	3,491	4,286	-
	Revenue from other miscellaneous sources (parking decals, plan fees, flag sales, etc). The fuel management fee is for the use of the Airport's vehicle fueling station.				
40550.01	Fuel mngmt (CPI + 1.25%) $257 mthly	3,086	3,084	3,086	
40550.04	Other Miscellaneous	1,000	326	1,000	
40550.05	Waiting List Fees (cancellations)	100	-	100	
40550.08	Parking decals	100	81	100	
40500.00	**Late Charges -**	**$ 3,600**	4,625	3,600	-
	Late charges are generally assessed at 10% per month for all T-hangar and most larger tenant leases.				
	Total Revenues	**$ 3,911,360**	**$ 3,827,102**	**$ 3,696,158**	**215,202**
	% Change from FY15	**5.82%**			