



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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended May 31, 2022

The background of the lower half of the cover features a teal header bar at the top, followed by a large, abstract graphic of overlapping, semi-transparent geometric shapes in shades of gray and white, creating a sense of depth and architectural structure. In the bottom right corner, there is a solid orange rectangular box containing the text 'SIKICH.COM' in white, uppercase, sans-serif font.

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BETHALTO, ILLINOIS
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BETHALTO, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Louis Regional Airport Authority
Bethalto, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the St. Louis Regional Airport Authority, Bethalto, Illinois (the Authority) as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the St. Louis Regional Airport Authority, Bethalto, Illinois as of May 31, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The St. Louis Regional Airport Authority has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Louis Regional Airport Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Property Tax Rates, Extensions and Collections and the Computation of Legal Debt Margin, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on December 14, 2022, on our consideration of the St. Louis Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Louis Regional Airport Authority's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
December 14, 2022

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

May 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 4,159,870	\$ 470,207	\$ 4,630,077
Investments	16,992	-	16,992
Receivables:			
Property taxes	1,087,810	-	1,087,810
Rents and other	-	27,748	27,748
Prepaid insurance	2,476	-	2,476
Prepaid interest	43,575	-	43,575
 Total current assets	 <u>5,310,723</u>	 <u>497,955</u>	 <u>5,808,678</u>
Noncurrent Assets:			
Capital assets not being depreciated	24,545,797	52,019	24,597,816
Capital assets being depreciated	33,395,362	18,811,574	52,206,936
Accumulated depreciation	<u>(27,520,585)</u>	<u>(8,200,322)</u>	<u>(35,720,907)</u>
Capital assets, net of accumulated depreciation	30,420,574	10,663,271	41,083,845
Net pension asset	710,452	-	710,452
Total noncurrent assets	<u>31,131,026</u>	<u>10,663,271</u>	<u>41,794,297</u>
 Total assets	 <u>36,441,749</u>	 <u>11,161,226</u>	 <u>47,602,975</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows - IMRF	257,241	-	257,241
Total deferred outflow of resources	<u>257,241</u>	<u>-</u>	<u>257,241</u>
 Total assets and deferred outflows of resources	 <u>36,698,990</u>	 <u>11,161,226</u>	 <u>47,860,216</u>

This statement is continued on the following page.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
BETHALTO, ILLINOIS

STATEMENT OF NET POSITION (Continued)

May 31, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 100,576	\$ -	\$ 100,576
Real estate tax payable	90,877	-	90,877
Payroll liabilities	45,240	-	45,240
Accrued compensated absences	84,353	-	84,353
Rent deposit payable and unearned revenue	-	21,905	21,905
Accrued interest payable	-	22,433	22,433
Current portion of long-term debt obligations	240,000	366,000	606,000
Total current liabilities	561,046	410,338	971,384
Noncurrent Liabilities:			
Long-term obligations, net of current portion	1,710,000	4,145,000	5,855,000
Total noncurrent liabilities	1,710,000	4,145,000	5,855,000
Total liabilities	2,271,046	4,555,338	6,826,384
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows - IMRF	779,337	-	779,337
Deferred property taxes	1,087,810	-	1,087,810
Total deferred inflows of resources	1,867,147	-	1,867,147
Total liabilities and deferred inflows of resources	4,138,193	4,555,338	8,693,531
Net Position:			
Net investment in capital assets	28,470,574	6,152,271	34,622,845
Restricted for debt service	309,450	-	309,450
Unrestricted	3,780,773	453,617	4,234,390
Total net position	\$ 32,560,797	\$ 6,605,888	\$ 39,166,685

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

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

STATEMENT OF ACTIVITIES

Year Ended May, 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
Administrative	\$ 344,488	\$ -	\$ -	\$ -	\$ (344,488)	\$ -	\$ (344,488)
Airport operations	2,267,679	7,152	589,567	-	(1,670,960)	-	(1,670,960)
Interest	97,425	-	-	-	(97,425)	-	(97,425)
Total governmental activities	2,709,592	7,152	589,567	-	(2,112,873)	-	(2,112,873)
Business-type activities:							
Rental activities	621,986	1,984,881	79,220	-	-	1,442,115	1,442,115
Total business-type activities	621,986	1,984,881	79,220	-	-	1,442,115	1,442,115
Total primary government	\$ 3,331,578	\$ 1,992,033	\$ 668,787	\$ -	(2,112,873)	1,442,115	(670,758)
General revenues:							
Taxes:							
Property taxes					1,084,291	16,472	1,100,763
Personal property replacement taxes					1,120,079	-	1,120,079
Investment income					44,599	-	44,599
Miscellaneous					1,417	13,408	14,825
Transfers					1,309,926	(1,309,926)	-
Total general revenues					3,560,312	(1,280,046)	2,280,266
Change in net position					1,447,439	162,069	1,609,508
Net position beginning of year					31,113,358	6,443,819	37,557,177
Net position end of year					\$ 32,560,797	\$ 6,605,888	\$ 39,166,685

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

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

May 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,893,995	\$ 265,875	\$ 4,159,870
Investments	16,992	-	16,992
Receivables, net:			
Property taxes	764,885	322,925	1,087,810
Prepaid insurance	2,476	-	2,476
Prepaid interest	-	43,575	43,575
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,678,348</u>	<u>\$ 632,375</u>	<u>\$ 5,310,723</u>
LIABILITIES			
Accounts payable	\$ 100,576	\$ -	\$ 100,576
Real estate tax payable	90,877	-	90,877
Accrued payroll	45,240	-	45,240
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>236,693</u>	<u>-</u>	<u>236,693</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	764,885	322,925	1,087,810
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>764,885</u>	<u>322,925</u>	<u>1,087,810</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resource	<u>1,001,578</u>	<u>322,925</u>	<u>1,324,503</u>
FUND BALANCES			
Nonspendable	2,476	-	2,476
Restricted for debt service	-	309,450	309,450
Assigned	850,000	-	850,000
Unrestricted	2,824,294	-	2,824,294
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,676,770</u>	<u>309,450</u>	<u>3,986,220</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,678,348</u>	<u>\$ 632,375</u>	<u>\$ 5,310,723</u>

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

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

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES**

May 31, 2022

Total governmental fund balances	\$ 3,986,220
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,420,574
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred inflows and outflows of resources on the statement of net position	(522,096)
The net pension (liability) asset for IMRF is not a use of financial resources and, therefore, is not reported in the governmental funds.	710,452
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences payable	(84,353)
GO bonds payable, current	(240,000)
GO bonds payable, noncurrent	<u>(1,710,000)</u>
Net position of governmental activities	<u><u>\$ 32,560,797</u></u>

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

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

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

Year Ended May 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Property taxes	\$ 762,852	\$ 321,439	\$ 1,084,291
Personal property replacement taxes	1,120,079	-	1,120,079
Charges for services - airfield operations	7,152	-	7,152
Intergovernmental	20,152	-	20,152
Investment income	44,541	58	44,599
Miscellaneous income	1,417	-	1,417
Total revenues	<u>1,956,193</u>	<u>321,497</u>	<u>2,277,690</u>
EXPENDITURES			
Current			
General government	13,671	-	13,671
Commissioners	11,550	-	11,550
Administrative salaries and employment benefits	669,143	-	669,143
Maintenance and security	925,687	-	925,687
Professional fees	117,735	-	117,735
Airport operations	446,891	-	446,891
Debt Service			
Principal	-	230,000	230,000
Interest	-	97,425	97,425
Capital outlay	496,083	-	496,083
Total expenditures	<u>2,680,760</u>	<u>327,425</u>	<u>3,008,185</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)			
	<u>(724,567)</u>	<u>(5,928)</u>	<u>(730,495)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds on sale of asset	50,500	-	50,500
Transfers in	1,309,926	-	1,309,926
Total other financing sources (uses)	<u>1,360,426</u>	<u>-</u>	<u>1,360,426</u>
Net changes in fund balance	635,859	(5,928)	629,931
Fund balance at beginning of year	<u>3,040,911</u>	<u>315,378</u>	<u>3,356,289</u>
Fund balance at end of year	<u>\$ 3,676,770</u>	<u>\$ 309,450</u>	<u>\$ 3,986,220</u>

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

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended May 31, 2022

Net change in fund balances - governmental funds	\$	629,931
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, the statement of activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeds capital outlay in the current period.</p>		
Capital outlay		395,911
Depreciation		(650,783)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, sales, trade-ins, donations and disposals) is to increase/decrease net position:</p>		
Disposal of capital assets		(1,190)
Contribution of capital assets		569,415
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Change in compensated absences		(5,893)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debts consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditures is reported when due. The following is a detail of the net effect of these differences in the treatment of long-term debt, deferred outflows and related items:</p>		
Repayment of GO bonds payable		230,000
<p>The change in net pension asset of IMRF is reported only in the statement of activities</p>		
		532,843
<p>Change in Pension related deferred outflow of resources and deferred inflow of resources are not due and payable in the current year and therefore are not reported in the governmental funds.</p>		
		<u>(252,795)</u>
Change in net position of governmental activities	\$	<u><u>1,447,439</u></u>

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

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

May 31, 2022

	<u>Revenue Fund</u>	<u>Farm Revenue Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 260,924	\$ 209,283	\$ 470,207
Receivables, net:			
Rent	27,748	-	27,748
Total current assets	<u>288,672</u>	<u>209,283</u>	<u>497,955</u>
Capital Assets:			
Land	3,585,956	-	3,585,956
Construction in progress	52,020	-	52,020
Building and improvements	15,152,175	-	15,152,175
Equipment	73,442	-	73,442
Less accumulated depreciation	<u>(8,200,322)</u>	<u>-</u>	<u>(8,200,322)</u>
Total capital assets	<u>10,663,271</u>	<u>-</u>	<u>10,663,271</u>
Total assets	<u>10,951,943</u>	<u>209,283</u>	<u>11,161,226</u>
LIABILITIES			
Current Liabilities:			
Accrued interest payable	22,433	-	22,433
Bonds payable - current	366,000	-	366,000
Deposits payable	1,900	-	1,900
Unearned revenue - prepaid rent	<u>20,005</u>	<u>-</u>	<u>20,005</u>
Total current liabilities	<u>410,338</u>	<u>-</u>	<u>410,338</u>
Noncurrent Liabilities:			
Bonds payable, net of current	<u>4,145,000</u>	<u>-</u>	<u>4,145,000</u>
Total noncurrent liabilities	<u>4,145,000</u>	<u>-</u>	<u>4,145,000</u>
Total liabilities	<u>4,555,338</u>	<u>-</u>	<u>4,555,338</u>
NET POSITION			
Net investment in capital assets	6,152,271	-	6,152,271
Unrestricted	<u>244,334</u>	<u>209,283</u>	<u>453,617</u>
Total net position	<u>\$ 6,396,605</u>	<u>\$ 209,283</u>	<u>\$ 6,605,888</u>

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

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

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

Year Ended May 31, 2022

	Revenue Fund	Farm Revenue Fund	Total
Operating revenue			
Rental revenue - pledged for debt	\$ 641,587	\$ -	\$ 641,587
Rental revenue - unallocated	1,038,618	-	1,038,618
Fuel Flowage Fee	76,170	-	76,170
Crop income	-	228,506	228,506
Miscellaneous revenue	13,408	-	13,408
Total operating revenue	<u>1,769,783</u>	<u>228,506</u>	<u>1,998,289</u>
Operating expenses			
Bad debt expense	5,969	-	5,969
Crop expense	-	29,658	29,658
Paying agent fees	1,000	-	1,000
Depreciation expense	312,536	-	312,536
Miscellaneous expense	77	-	77
Total operating expenses	<u>319,582</u>	<u>29,658</u>	<u>349,240</u>
Operating income	<u>1,450,201</u>	<u>198,848</u>	<u>1,649,049</u>
Nonoperating revenue (expenses)			
Real Estate Taxes	16,472	-	16,472
Interest paid expense	<u>(272,746)</u>	<u>-</u>	<u>(272,746)</u>
Total nonoperating revenue (expenses)	<u>(256,274)</u>	<u>-</u>	<u>(256,274)</u>
Income before transfers and capital contributions	<u>1,193,927</u>	<u>198,848</u>	<u>1,392,775</u>
Transfers and capital contributions			
Capital contribution	79,220	-	79,220
Transfers out	<u>(1,164,926)</u>	<u>(145,000)</u>	<u>(1,309,926)</u>
Total transfers and capital contributions	<u>(1,085,706)</u>	<u>(145,000)</u>	<u>(1,230,706)</u>
Change in net position	108,221	53,848	162,069
Net position at beginning of year	<u>6,288,384</u>	<u>155,435</u>	<u>6,443,819</u>
Net position at end of year	<u>\$ 6,396,605</u>	<u>\$ 209,283</u>	<u>\$ 6,605,888</u>

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

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended May 31, 2022

	<u>Revenue Fund</u>	<u>Farm Revenue Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rental activity	\$ 2,129,640	\$ -	\$ 2,129,640
Payments for rental activity	(319,582)	-	(319,582)
Receipts from crop activity	-	228,506	228,506
Payments for crop activity	-	(29,658)	(29,658)
Net cash from operating activities	<u>1,810,058</u>	<u>198,848</u>	<u>2,008,906</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	16,472	-	16,472
Transfers out	(1,164,926)	(145,000)	(1,309,926)
Net cash from noncapital financing activities	<u>(1,148,454)</u>	<u>(145,000)</u>	<u>(1,293,454)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on debt	(349,000)	-	(349,000)
Interest and fiscal charges paid on debt	(272,746)	-	(272,746)
Net cash from capital and related financing activities	<u>(621,746)</u>	<u>-</u>	<u>(621,746)</u>
Net increase (decrease) in cash and cash equivalents	39,858	53,848	93,706
Cash and cash equivalents at beginning of year	<u>221,066</u>	<u>155,435</u>	<u>376,501</u>
Cash and cash equivalents at end of year	<u>\$ 260,924</u>	<u>\$ 209,283</u>	<u>\$ 470,207</u>
Reconciliation of operating income (loss) to net cash from operating activities			
Operating income (loss)	\$ 1,450,201	198,848	1,649,049
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Changes in assets and liabilities			
Depreciation	312,536	-	312,536
(Increase) decrease in accounts receivables	48,251	-	48,251
Increase (decrease) in deferred rent	(930)	-	(930)
Net cash from operating activities	<u>\$ 1,810,058</u>	<u>\$ 198,848</u>	<u>\$ 2,008,906</u>
NONCASH TRANSACTIONS			
Acquisition of capital assets	\$ 79,220	\$ -	\$ 79,220
	<u>\$ 79,220</u>	<u>\$ -</u>	<u>\$ 79,220</u>

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

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

NOTES TO FINANCIAL STATEMENTS

May 31, 2022

1. SUMMARY OF ACCOUNTING POLICIES

A. Introduction

St. Louis Regional Airport Authority (Authority) was organized in accordance with "An Act of the General Assembly of the State of Illinois in relation to airport authorities" approved April 4, 1945. The Authority was incorporated on July 3, 1946 and is now operating under the provisions of the Airport Authorities Act of the State of Illinois, as amended (70 ILCS 5). The Authority is located in Bethalto, Illinois.

The Authority's governing body is appointed through other units of local government. Three commissioners are appointed by the Chairman of the Madison County Board, and the remaining four commissioners are appointed by the Mayors of Alton, Bethalto, East Alton and Wood River. Therefore, even though the Authority is legally separate and fiscally independent, it is a related organization to those entities.

The basic financial statements of the Authority are prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units, hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

B. Reporting Entity

In evaluating how to define the Authority, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by GASB. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters.

1. SUMMARY OF ACCOUNTING POLICIES

B. Reporting Entity (Continued)

The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Authority is able to exercise oversight responsibilities. Based upon the application of these criteria, the Authority has determined that no other outside agency meets any of these criteria and therefore, no other agency has been included as a component unit in the Authority's combined financial statements.

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

C. Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is defined as an independent fiscal entity with a self-balancing set of accounts recording cash and other resources together with all related deferred outflows of resources, liabilities, deferred inflows of resources, equities, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

D. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In determining when to recognize intergovernmental revenue (grants and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Authority; therefore, revenue is recognized based upon the expenditures recorded.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences, are recorded only when payment is due.

Property taxes, licenses and permits, charges for services, fines and forfeits, miscellaneous revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The Authority reported unearned revenue and unavailable/deferred revenue on its financial statements. Unearned revenue and unavailable/deferred revenue arises when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability or deferred inflow of resources for unearned revenue or unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

The Authority reports the following major governmental funds:

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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, interest and related costs.

The Authority reports the following major proprietary funds:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the revenue enterprise fund are charges to customers for rental and crop sharing farming arrangements. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

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

F. Transfers

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

G. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority has defined cash equivalents to include all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. Restricted cash is used to comply with bond ordinances.

H. Investments

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

I. Receivables

All trade receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivables are analyzed on an individual account basis to comprise the allowance for doubtful accounts. The allowance has been determined to be \$43,869 on trade accounts receivables.

J. Inventory

Inventory of supplies is not capitalized. The cost is recorded as an expenditure at the time individual inventory items are purchased.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

K. Capital Assets

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

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend lives are not capitalized. Capitalized assets are depreciated using the straight-line method. Estimated useful lives are as follows:

Vehicles and Equipment	5 - 7 years
Buildings and Land Improvements	15 - 40 years
Runway, Aprons, Taxiways	15 years

L. Compensated Absences

Vested or accumulated vacation leave and vested sick leave are accrued when incurred by the Authority in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave of the proprietary fund is recorded as an expense and a liability of that fund as the benefits accrue to employees. A liability in the governmental funds is reported only if the benefit has matured. Accumulated unused sick leave hours, shall be paid annually on November 30 to the Authority sponsored 457 Deferred Compensation Plan.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

O. Net Position / Fund Balance

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the Authority. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

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

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

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

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

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

Unassigned – All amounts not included in other spendable classifications.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

O. Net Position / Fund Balance (Continued)

The Authority has restricted net position amounts for the payments on debt services. If an expense is incurred for which both restricted unrestricted net position resources are available, the policy is to use the restricted net position resources first. Additionally, if different levels of unrestricted funds are available for spending the Authority considers committed funds to be expended first followed by assigned and then unassigned funds.

P. Use of Estimates

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

Q. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Authority has delayed the implementation of GASB Statement No. 87, *Leases* to May 31, 2023.

2. PROPERTY TAXES

Property taxes receivable represents the 2021 levy that is due and collectible during fiscal year ending May 31, 2023. The 2021 levy was adopted on December 10, 2021. Property taxes attach as an enforceable lien on the property as of January 1 and are due and collectible in July through December of the fiscal year following the 2021 tax levy. These property taxes are not available for current year operations and are, therefore, shown as unavailable/deferred revenue. No allowance is provided for uncollectible taxes, which is immaterial to the financial statements. The 2022 levy has not been recorded as a receivable in accordance with GASB Statement No. 33, *Accounting for Nonexchange Transactions*. While the levy attached as a lien as of January 1, 2022, the taxes will not be levied by the Authority or extended by the County until December 2022, and therefore, the amount is not measurable at May 31, 2022.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CASH AND INVESTMENTS

The Authority's Board of Commissioners have adopted an investment policy to invest in instruments allowed by the Illinois Compiled Statutes (ILCS), which authorize the Authority to make deposits/investments in insured commercial banks, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, the Illinois Treasurers' Investment Pool, agreements to repurchase these same obligations and repurchase agreements.

A. Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits or value of investments may not be returned to it. The Authority's investment policy requires all deposits in excess of FDIC limits to be secured by some form of collateral, witnessed by a written agreement and held at an independent third-party institution in the name of the Authority. As of May 31, 2022, the Authority's bank balances of deposits were fully insured.

B. Investments

Included in investments is shares of one common stock. The stock was valued at the closing quoted price in an active market. The net increase in the fair value of investments during the fiscal year ended May 31, 2022, was \$1,561. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year end was \$1,561.

Change in Fair Value of Investments – Specific Identification Method

<u>Investment</u>	<u>Cost</u>	<u>06/01/13</u>	<u>Awarded</u>	<u>Sales</u>	<u>Subtotal</u>
Stock	\$ 8,819	\$ -	\$ 8,819	\$ -	\$ 8,819

Ending Fair Value 5/31/2022	<u>\$ 16,992</u>
Change in Fair Value	<u>\$ 8,173</u>

The following table presents the investments and maturities of the Authority's debt securities as of May 31, 2022

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities – in Years</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Repurchase agreements	\$ 3,829,914	\$ 3,829,914	\$ -	\$ -	\$ -
Total	\$ 3,829,914	\$ 3,829,914	\$ -	\$ -	\$ -

3. CASH AND INVESTMENTS (Continued)

The Authority has the following recurring fair value measurements as of May 31, 2022: The repurchase agreements are valued using a matrix pricing model (Level 2 input).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority's investment policy minimizes the risk that the market value of the securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio to match its investments with anticipated cash flow requirements. The Authority will, to the extent practicable, invest in securities to have maturities be timed to match the liquidity needs of the Authority.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy addresses credit risk for investments, by limiting investments primarily to fully insured certificates of deposit, U.S. Treasury obligations, U.S., government agency obligations and local government investment pools. The securities underlying the repurchase agreements are rate AAA by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investments, the Authority will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Authority's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts. The repurchase agreement held by the Authority is subject to custodial credit risk as the securities are not held by an independent third-party custodian.

Concentration of Credit Risk

Concentration of credit risk is the risk that the Authority has a high percentage of its investments invested in one type of investment. The Authority's investment policy does not limit the amounts that the Authority may invest in any one issuer.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ending May 31, 2022 consists of the following:

	Balances May 31, 2021	Additions	Retirements	Balances May 31, 2022
Land	\$23,671,728	\$ -	\$ -	\$23,671,728
Construction in progress	221,189	653,105	-	874,294
Total capital assets not being depreciated	<u>23,892,917</u>	<u>653,105</u>	<u>-</u>	<u>24,546,022</u>
Buildings & Improvements	790,876	-	-	790,876
Land Improvements	2,893,898	-	-	2,893,898
Runways, Aprons, Taxiways	27,669,506	-	-	27,669,506
Vehicles	612,245	149,221	311,683	449,783
Equipment	1,716,863	163,000	288,789	1,591,074
Total capital assets being depreciated	<u>33,683,388</u>	<u>312,221</u>	<u>600,472</u>	<u>33,395,137</u>
Less accumulated depreciation for:				
Buildings & Improvements	(627,741)	(9,141)	-	(636,883)
Land Improvements	(1,722,200)	(102,318)	-	(1,824,516)
Runways, Aprons, Taxiways	(22,903,649)	(448,904)	-	(23,352,553)
Vehicles	(566,837)	(40,432)	(311,683)	(295,586)
Equipment	(1,648,657)	(49,987)	(287,599)	(1,411,046)
Total accumulated depreciation	<u>(27,469,084)</u>	<u>(650,783)</u>	<u>(599,282)</u>	<u>(27,520,585)</u>
Total capital assets, being depreciated, net	<u>6,214,304</u>	<u>(338,562)</u>	<u>1,190</u>	<u>5,874,552</u>
Governmental activities capital assets, net	<u>\$30,107,221</u>	<u>\$ 314,543</u>	<u>\$ 1,190</u>	<u>\$30,420,574</u>

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

A. Governmental Activities (Continued)

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

Governmental activities:

Administrative	\$ 111,460
Airport operations	<u>539,323</u>
Total depreciation expense – governmental activities	<u><u>\$ 650,783</u></u>

B. Business-type Activities

Capital asset activity for the year ended May 31, 2021 consists of the following:

	Balances May 31, 2021	Additions	Retirements	Balances May 31, 2022
Land	\$ 3,585,956	\$ -	\$ -	\$ 3,585,956
Construction in Progress	-	52,020	-	52,020
Total capital assets not being depreciated	<u>3,585,956</u>	<u>52,020</u>	<u>-</u>	<u>3,637,976</u>
Buildings & Improvements	13,638,738	27,200	-	13,665,938
Land Improvements	1,486,237	-	-	1,486,237
Equipment	73,442	-	-	73,442
Total capital assets being depreciated	<u>15,198,417</u>	<u>27,200</u>	<u>-</u>	<u>15,225,617</u>
Less accumulated depreciation for				
Buildings & Improvements	(6,383,385)	(307,227)	-	(6,690,612)
Land Improvements	(1,443,959)	(2,664)	-	(1,446,623)
Equipment	(60,442)	(2,645)	-	(63,087)
Total accumulated depreciation	<u>(7,887,786)</u>	<u>(312,536)</u>	<u>-</u>	<u>(8,200,322)</u>
Total capital assets, being depreciated, net	<u>7,310,631</u>	<u>(285,336)</u>	<u>-</u>	<u>7,025,295</u>
Business-type activities capital assets, net	<u><u>\$10,896,587</u></u>	<u><u>\$ (233,316)</u></u>	<u><u>\$ -</u></u>	<u><u>\$10,663,271</u></u>

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM OBLIGATIONS

Long-term obligations at May 31, 2022, consisted of the following:

General obligation bonds and debt certificates:

The Authority issued the 2018 general obligation bonds. This bond is being used for capital projects at the Authority, the main project was an addition to an apron for aircraft parking. The Authority issued the 2014 general obligation debt certificates. This debt certificate was issued to purchase a new building on airport property. It is to be paid from the rents earned on this project. If the rents are not sufficient to pay this bond, then the taxing power of the Airport is to make the payments. The Authority issued the 2018A refunding debt certificates to refund the General Obligation Bonds, Series 2010 and pay the costs associated with issuance of the bonds.

Governmental Activities:

\$2,500,000 2018 general obligation bond due in annual installments of \$100,000 to \$320,000 from December 1, 2019 through December 1, 2028; interest ranges from 4.00% to 4.50% and is due semi-annually in December and June. \$ 1,950,000

Business-type Activities (Direct Placement):

\$5,500,000 2014 general obligation debt certificates due in annual installments of \$110,000 to \$450,000 from November 1, 2015 through November 1, 2034; interest ranges from 4.00% to 4.50% and is due semi-annually in November and May. \$ 4,110,000

\$759,000 2018A general obligation refunding debt certificate due in annual installments of \$113,000 to \$141,000 from December 1, 2019 through December 1, 2024; interest ranges from 3.75% to 4.30% and is due semi-annually in December and June. The bond was issued directly to a bank. \$ 401,000

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM OBLIGATIONS (Continued)

General obligation bonds and debt certificates: (Continued)

Future principal payments on the general obligation debt are as follows:

For The Years Ending May, 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	240,000	43,575	366,000	244,994
2024	250,000	76,950	394,000	230,256
2025	265,000	65,700	421,000	205,128
2026	280,000	53,775	300,000	178,065
2027	290,000	41,175	315,000	163,665
2028-2032	625,000	42,525	1,835,000	558,185
2032-2036	-	-	880,000	72,380
Total	\$ 1,950,000	\$ 323,700	\$ 4,511,000	\$ 1,652,673

The following is a summary of changes in the Authority's long-term liabilities:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022	Amounts Due Within One Year
Governmental Activities					
General obligation bond	\$ 2,180,000	\$ -	\$ 230,000	\$ 1,950,000	\$ 240,000
Compensated absences	78,460	84,353	78,460	84,353	84,353
Governmental Activities Long-term liabilities	<u>\$ 2,258,460</u>	<u>\$ 84,353</u>	<u>\$ 308,460</u>	<u>\$ 2,034,353</u>	<u>\$ 324,353</u>
Business-type Activities					
General obligation debt certificates	\$ 4,860,000	\$ -	\$ 349,000	\$ 4,511,000	\$ 366,000
Business-type Activities Long-term liabilities	<u>\$ 4,860,000</u>	<u>\$ -</u>	<u>\$ 349,000</u>	<u>\$ 4,511,000</u>	<u>\$ 366,000</u>

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT SYSTEM

The Authority contributes to a defined benefit pension plan: The Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public retirement system. The benefits, benefit, levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or online at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

As of December 31, 2021, IMRF membership consisted of:

Retirees and Beneficiaries currently receiving benefits	18
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	<u>11</u>
Total	<u><u>32</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Authority is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended 2022 was 12.78% of covered payroll.

Net Pension Liability

Actuarial Assumptions

The Authority's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75% (2.85% to 14.25% prior year)
Interest rate	7.25%
Cost of living adjustments	3.50%
Asset valuation method	Market Value

6. RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability (Continued)

For nondisabled retirees, the Pub-2010 (IMRF specific mortality table used in prior year), Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 (MP-2017 used in prior year). For disabled retirees, the Pub-2010 (IMRF specific mortality table used in prior year), Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 (MP-2017 used in prior year). For active members, the Pub-2010 (IMRF specific mortality table used in prior year), Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 (MP-2017 used in prior year).

Single Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was used to determine the total pension liability.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Position Liability <u>(A) – (B)</u>
Balances at January 1, 2021	\$ 6,008,057	\$ 6,185,666	\$ (177,609)
Changes for the year:			
Service Cost	104,121	-	104,121
Interest	426,537	-	426,537
Difference between expected and actual experience	241,784	-	241,784
Changes in assumption	-	-	-
Employer contributions	-	158,647	(158,647)
Employee contributions	-	43,879	(43,879)
Net investment income	-	990,790	(990,790)
Benefit payments and including refunds	(353,710)	(353,710)	-
Other (net transfers)	<u>-</u>	<u>111,969</u>	<u>(111,969)</u>
Net changes	<u>418,732</u>	<u>951,575</u>	<u>(532,843)</u>
Balances at December 31, 2021	<u>\$ 6,426,789</u>	<u>\$ 7,137,241</u>	<u>\$ (710,452)</u>

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended May 31, 2022, the Authority recognized pension expense/(income) of \$(164,452). At May 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 225,280	\$ -
Changes in assumption	-	14,475
Net difference between projected and actual earnings on pension plan investments	-	764,862
Contributions made after the measurement date	31,961	-
TOTAL	<u>\$ 257,241</u>	<u>\$ 779,337</u>

\$31,961 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending May 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Period ended May 31,	
<u> </u>	
2023	(69,654)
2024	(228,428)
2025	(143,485)
2026	<u>(112,490)</u>
TOTAL	<u>\$ (554,057)</u>

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Authority calculated using the discount rate of 7.25% as well as what the Authority's net pension liability would be if it were calculated using a discount that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	\$ 34,294	\$ (710,452)	\$ (1,309,798)

7. DEFERRED COMPENSATION PLAN

The Authority offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Accumulated unused sick leave hours, shall be paid annually on November 30 by the Authority. Each covered employee can also make voluntary contributions to this plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The Authority contributed \$20,834 to the plan on for the year ended May 31, 2022.

All assets of the Plan are held in trust by the plan administrator for the exclusive benefit of the participants and their beneficiaries. The Authority does not take an active role in managing the plan assets. Therefore, in accordance with GASB Statement No. 32, the deferred compensation plan is not reported in the Authority's financial statements.

8. FEDERAL AND STATE GRANTS

In the normal course of operations, the Authority receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

ST. LOUIS REGIONAL AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LEASES

Operating Lease Revenue

The Authority leases building space and land usage to several companies, including an airline repair company and retail shops. Lease terms range from 5 years to 99 years and rental rates vary on yearly payments.

Year ending May 31,

2023	\$ 1,406,359
2024	1,356,660
2025	1,351,611
2026	1,233,170
2027	1,166,429
2028 – 2032	5,816,198
2033 – 2037	3,651,497
2038 – 2042	950,024
2043 – 2047	706,696
2048 – 2052	346,169
2053 – 2057	278,881
2058 – 2062	294,971
2063 – 2067	306,769
2068 – 2072	324,468
2073 – 2077	337,445
2078 – 2082	<u>142,765</u>

Total future minimum lease income \$ 19,670,112

10. INTERFUND TRANSACTIONS

Interfund Transfers

Interfund transfers during the fiscal year consist of:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,309,926	\$ -
Revenue Fund	-	1,164,926
Farm Revenue Fund	-	<u>145,000</u>
Total	<u>\$ 1,309,926</u>	<u>\$ 1,309,926</u>

The purposes of the interfund transfers are as follows:

- \$145,000 transferred from the Farm Revenue Fund to the General Fund to pay for insurance.
- \$1,164,926 transferred from the Revenue Fund to the General Fund to pay for operations of the Authority.

11. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health risks and natural disasters. To insure against the losses, the Authority has purchased commercial insurance for all policies except workmen's comp insurance, which has been purchased through the Illinois Public Risk Pool. The Authority believe that they are reasonably covered for all possible risks of loss. Settlements have not exceeded coverage in each of the least three years. There has not been any significant reductions in coverage from the prior year insurance coverage.

12. ECONOMIC DEPENDENCY

The Authority received over 60% of its airport rental revenue from West Star Aviation.

13. OTHER POSTEMPLOYMENT BENEFITS

Retiree's Health Plan

The Authority is legally required to provide postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the Authority's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level for coverage.

Illinois Compiled Statues (ILCS) mandate that the Authority must offer its retirees a health insurance plan equivalent to that offered to active employees. ILCS enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. ILCS does not presently require the government to pay any portion of the cost of the plan for retired employees. Retired employees covered under the Authority's plan are required to pay 100% of the cost of their insurance based on the rates paid by the Authority. Retired employees must be covered under the Authority's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the Authority's plan to maintain this benefit. The Authority did not consider the effects of implementing GASB 75, but believe the effect of implementation is not material to the financial statements, as no retirees participate in the health plan.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CHANGES IN THE EMPLOYER
NET PENSION LIABILITY AND RELATED RATIOS

Last Seven Years

MEASUREMENT DATE DECEMBER 31,	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY							
Service cost	\$ 104,121	\$ 100,306	\$ 100,824	\$ 89,622	\$ 92,243	\$ 90,631	\$ 91,020
Interest	426,537	412,352	383,037	363,562	355,496	339,870	312,780
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	241,784	47,249	212,867	106,554	116,972	41,093	224,064
Changes of assumptions	-	(36,878)	-	145,653	(186,658)	(22,383)	15,271
Benefit payments, including refunds of member contributions	(353,710)	(304,853)	(279,405)	(271,027)	(267,367)	(264,570)	(261,459)
Net change in total pension liability	418,732	218,176	417,323	434,364	110,686	184,641	381,676
Total pension liability - beginning	<u>\$ 6,008,057</u>	<u>5,789,881</u>	<u>5,372,558</u>	<u>4,938,194</u>	<u>4,827,508</u>	<u>4,642,867</u>	<u>4,261,191</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 6,426,789</u>	<u>\$ 6,008,057</u>	<u>\$ 5,789,881</u>	<u>\$ 5,372,558</u>	<u>\$ 4,938,194</u>	<u>\$ 4,827,508</u>	<u>\$ 4,642,867</u>
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 158,647	\$ 129,294	\$ 107,371	\$ 110,671	\$ 104,539	\$ 91,286	\$ 95,124
Contributions - member	43,879	90,183	41,596	39,619	37,187	35,597	35,406
Net investment income	990,790	865,203	848,550	(275,593)	766,689	270,141	19,797
Benefit payments, including refunds of member contributions	(353,710)	(304,853)	(279,405)	(271,027)	(267,367)	(264,570)	(261,459)
Other income (expense)	111,969	(4,356)	59,963	106,807	(81,075)	74,798	65,188
Net change in plan fiduciary net position	951,575	775,471	778,075	(289,523)	559,973	207,252	(45,944)
Plan fiduciary net position - beginning	<u>6,185,666</u>	<u>5,410,195</u> *	<u>4,456,692</u>	<u>4,746,215</u>	<u>4,186,242</u>	<u>3,978,990</u>	<u>4,024,934</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 7,137,241</u>	<u>\$ 6,185,666</u>	<u>\$ 5,234,767</u>	<u>\$ 4,456,692</u>	<u>\$ 4,746,215</u>	<u>\$ 4,186,242</u>	<u>\$ 3,978,990</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ (710,452)</u>	<u>\$ (177,609)</u>	<u>\$ 555,114</u>	<u>\$ 915,866</u>	<u>\$ 191,979</u>	<u>\$ 641,266</u>	<u>\$ 663,877</u>
Plan fiduciary net position as a percentage of the total pension liability	111.05%	102.96%	90.41%	82.95%	96.11%	86.72%	85.70%
Covered payroll	\$ 975,102	\$ 985,475	\$ 908,756	\$ 880,432	\$ 826,391	\$ 791,045	\$ 786,809
Employer's net pension liability as a percentage of covered payroll	(72.86%)	(18.02%)	61.09%	104.02%	23.23%	81.07%	84.38%

Changes in assumptions related to the discount rate were made in 2016
Changes in assumptions related to salary rates, inflation rates and mortality were made in 2017
Changes in assumptions related to the discount rate were made in 2018
Changes in assumptions related to salary rates and inflation rates were made in 2020.

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

*Plan Net Position as of the beginning of the year for 2020 has been restated by \$175,428

See accompanying Independent Auditor's Report.

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Eight Fiscal Years

FISCAL YEAR ENDED MAY 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 115,596	\$ 131,806	\$ 117,140	\$ 97,328	\$ 110,670	\$ 104,538	\$ 91,287	\$ 95,125
Contributions in relation to the actuarially determined contribution	<u>115,596</u>	<u>131,806</u>	<u>117,140</u>	<u>107,371</u>	<u>110,671</u>	<u>104,539</u>	<u>91,286</u>	<u>95,124</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,043)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 1</u>
Covered payroll	\$ 904,358	\$ 985,795	\$ 943,952	\$ 908,756	\$ 880,432	\$ 826,391	\$ 791,045	\$ 786,809
Contributions as a percentage of covered payroll	12.78%	13.37%	12.41%	11.82%	12.57%	12.65%	11.54%	12.09%

Notes to Schedule:

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 22 years; the asset valuation was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

See accompanying Independent Auditor's Report.

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

Year Ended May 31, 2022

	Original Budget and Final Budget	Actual	Variance Over (Under)
Revenue			
Property taxes, net	\$ 764,761	\$ 762,852	\$ (1,909)
Personal property replacement taxes	334,437	1,120,079	785,642
Charges for services	-	7,152	7,152
Intergovernmental	-	20,152	20,152
Investment income	-	44,541	44,541
Miscellaneous income	-	1,417	1,417
Total revenues	<u>1,099,198</u>	<u>1,956,193</u>	<u>856,995</u>
Expenditures			
General office			
Office supplies	5,000	5,274	274
Telephone	9,000	5,413	(3,587)
Training	5,000	2,984	(2,016)
Total general office	<u>19,000</u>	<u>13,671</u>	<u>(5,329)</u>
Commissioners			
Compensation	12,600	11,550	(1,050)
Total commissioners	<u>12,600</u>	<u>11,550</u>	<u>(1,050)</u>
Salaries and benefits			
Management/office salaries	340,000	230,455	(109,545)
Retirement and payroll taxes	195,000	246,371	51,371
Deferred compensation	45,000	20,834	(24,166)
Unemployment insurance	1,500	1,193	(307)
Employee's insurance	196,800	167,150	(29,650)
Uniforms	4,000	3,140	(860)
Total salaries and benefits	<u>782,300</u>	<u>669,143</u>	<u>(113,157)</u>
Maintenance and security			
Building and grounds			
Salaries	580,000	635,278	55,278
Repairs and maintenance	120,000	160,341	40,341
Equipment maintenance	41,500	32,526	(8,974)
Fuel - Maintenance vehicles	25,000	38,582	13,582
Utilities			
Heat and electric	55,000	53,606	(1,394)
Water	5,000	4,348	(652)
Security	7,500	-	(7,500)
Janitor supplies	1,500	1,006	(494)
Total maintenance and security	<u>835,500</u>	<u>925,687</u>	<u>90,187</u>
Professional Fees			
Accounting and Audit	37,500	30,960	(6,540)
Legal	30,000	26,514	(3,486)
Engineering	16,000	55,811	39,811
Other Consultants	2,000	4,450	2,450
Total Professional Fees	<u>85,500</u>	<u>117,735</u>	<u>32,235</u>

See accompanying Independent Auditor's Report.

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (Continued)
General Fund

Year Ended May 31, 2022

	<u>Original Budget</u>	<u>Actual</u>	<u>(Over (Under) Budget</u>
Expenditures (Continued)			
Capital Outlay			
Office equipment	8,500	-	(8,500)
Vehicle	1,000	149,221	148,221
Fire equipment	4,500	-	(4,500)
Equipment	127,750	163,000	35,250
Airport capital improvements	70,000	-	(70,000)
Airport development (including engineers and architects)	100,000	183,862	83,862
Total capital outlay	<u>311,750</u>	<u>496,083</u>	<u>184,333</u>
Airport operations			
Conference Air Force Fly-In	9,500	3,700	(5,800)
Advertising	30,000	4,590	(25,410)
Property taxes	70,000	65,333	(4,667)
Insurance	205,000	218,105	13,105
Operation expenses	14,200	11,725	(2,475)
Dues	14,500	7,889	(6,611)
Meetings, seminars and travel	14,500	5,118	(9,382)
Lobbying	750	-	(750)
Miscellaneous expense	159,800	130,431	(29,369)
Total airport operations	<u>518,250</u>	<u>446,891</u>	<u>(71,359)</u>
Economic development			
Economic development	1,500	-	(1,500)
Total economic development	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Total expenditures	<u>2,566,400</u>	<u>2,680,760</u>	<u>114,360</u>
Revenues under expenditures	(1,467,202)	(724,567)	742,635
Other financing sources (uses)			
Proceeds from sale of asset	-	50,500	50,500
Transfers in	1,195,000	1,309,926	114,926
Total other financing sources (uses)	<u>1,195,000</u>	<u>1,360,426</u>	<u>165,426</u>
Change in fund balance	<u>\$ (272,202)</u>	635,859	<u>\$ 908,061</u>
Fund balance, beginning of year		<u>3,040,911</u>	
Fund balance, end of year		<u>\$ 3,676,770</u>	

See accompanying Independent Auditor's Report.

**ST. LOUIS REGIONAL AIRPORT
BETHALTO ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2022

BUDGETARY DATA

Basis of Budgeting

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

The Board of Commissioners approved the budget on July 28, 2021. Upon approval by the Board, the budget ordinance is filed with the County Clerk. The budget was approved on July 28, 2021 and filed with the County Clerk on July 28, 2021. A budget is prepared for all funds. Both funds budget is prepared on the modified accrual basis.

The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items. The budget was not amended during the year.

Excess over Budget

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the basic financial statements). Funds with expenditures in excess of appropriations are required to be disclosed.

The following budgeted fund had an excess of expenditures over appropriations for the year ended May 31, 2022:

	<u>Appropriations</u>	<u>Expenditures</u>
General Fund	2,566,400	2,680,760
Debt Service Fund	322,038	327,425

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND

Year Ended May 31, 2022

	Original Budget and Final Budget	Actual	Variance Over (Under)
Revenue			
Property taxes, net	\$ 322,038	\$ 321,439	\$ (599)
Interest	-	58	58
Total revenues	<u>322,038</u>	<u>321,497</u>	<u>(541)</u>
Expenditures			
Debt Service			
Principal retirement	230,000	230,000	-
Interest and fiscal charges	92,038	97,425	5,387
Total expenditures	<u>322,038</u>	<u>327,425</u>	<u>5,387</u>
Change in fund balance	<u>\$ -</u>	(5,928)	<u>\$ (5,928)</u>
Fund balance, beginning of year		<u>315,378</u>	
Fund balance, end of year		<u>\$ 309,450</u>	

See accompanying Independent Auditor's Report.

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

**SCHEDULE OF TAXES RATES, EXTENSIONS AND COLLECTIONS
FOR THE LAST TEN LEVY YEARS**

TAX RATES	<u>Assessed Valuation</u>	<u>General Operating</u>	<u>Bond and Interest</u>	<u>Total</u>
2012	\$ 1,166,945,148	0.0252	0.0426	0.0678
2013	1,138,886,049	0.0271	0.0436	0.0707
2014	1,030,972,475	0.0315	0.0485	0.0800
2015	1,031,764,241	0.0394	0.0406	0.0800
2016	1,031,446,582	0.0750	-	0.0750
2017	1,039,896,631	0.0750	-	0.0750
2018	1,072,219,790	0.0750 *	0.0295	0.1045
2019	1,092,955,991	0.0700	0.0295	0.0995
2020	1,135,181,400	0.0674	0.0284	0.0958
2021	1,178,559,915	0.0649	0.0274	0.0923
TAX EXTENSIONS				
2012		\$ 294,070	\$ 497,119	\$ 791,189
2013		308,638	496,554	805,192
2014		324,756	500,022	824,778
2015		406,515	418,896	825,411
2016		773,585	-	773,585
2017		779,922	-	779,922
2018		804,165	316,305	1,120,470
2019		765,069	322,422	1,087,491
2020		765,112	322,392	1,087,504
2021		764,885	322,925	1,087,810
TAX COLLECTIONS				
		<u>Total Taxes Collected</u>	<u>Percent Collected</u>	<u>Taxes Not Collected</u>
2012		\$ 784,693	\$ 99.00	\$ 6,496
2013		799,420	99.18	5,772
2014		818,148	99.29	6,630
2015		819,883	99.20	5,528
2016		768,656	99.33	4,929
2017		774,867	99.36	5,055
2018		1,115,475	99.55	4,995
2019		1,082,390	99.55	5,101
2020		1,084,291	99.70	3,213
2021		-	-	-

* Maximum

See accompanying Independent Auditor's Report.

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

COMPUTATION OF LEGAL DEBT MARGIN

May 31, 2022

Assessed valuation for 2021 tax year	<u>\$ 1,178,559,915</u>
Statutory debt limitation 2.3% of assessed valuation	\$ 27,106,878
Amount of debt applicable to debt limit on tax secured bonds	<u>1,950,000</u>
Legal debt margin	<u>\$ 25,156,878</u>

Note: The aggregate of all tax secured bonds may not exceed .75% of assessed valuation unless authorized by a referendum. This results in a legal debt limit in the amount of \$8,839,199 on tax secured bonds. Therefore, the remaining amount of general obligation bonds that can be obtained without referendum is \$6,889,199.

As of the date of this report, the assessed valuation for the 2022 tax year was not available. Therefore the 2021 assessed valuation is used on this statement.

See accompanying Independent Auditor's Report.