
Comprehensive Annual Financial Report



2021

GREATER ROCKFORD AIRPORT AUTHORITY
FOR THE FISCAL YEAR ENDING
APRIL 30, 2021 & APRIL 30, 2020

ROCKFORD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the
Greater Rockford Airport Authority
Rockford, Illinois

For the fiscal years ended
April 30, 2021 and 2020

Prepared by:
Michelle Cassaro
Deputy Director of Finance and Administration

Tracey Halbrader
Finance Manager



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Introductory Section



This section contains the following subsections:

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



September 23, 2021

To the Board of Commissioners:

The Comprehensive Annual Financial Report (Annual Report) for the Greater Rockford Airport Authority (the Authority) (Chicago Rockford International Airport) for the fiscal year ended April 30, 2021 is hereby submitted for your information and review. The Annual Report contains financial statements and statistical information that fully disclose all the material financial operations of the Authority.

The Authority's management assumes full responsibility for the accuracy, completeness, and fairness of the information contained in this report. This letter should be read in conjunction with the Authority's Management's Discussion and Analysis (MD&A) found in the Financial Section. The MD&A provides narrative overview and analysis of the financial activities of the Authority that occurred during the fiscal year ended April 30, 2021.

This year's Annual Report is prepared in accordance with the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards a Certificate of Achievement to all public entities whose annual financial reports are judged to conform to the high standards of public financial reporting, including generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). It is our belief that the accompanying fiscal year April 30, 2021 Annual Report meets the program standards. The report will be submitted to the GFOA for review.

➔ THE AUTHORITY

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

The Authority is located within Winnebago County and is empowered to levy a property tax on real properties located within the Authority area, which encompasses an area of approximately 216 square miles and includes all land within Cherry Valley, Harlem, Owen and Rockford Townships with the exception of roughly 12 square miles of rural land in Owen Township. Although ten other Townships in Winnebago County are not included within the boundaries of the Authority, nearly 83% of Winnebago County's land area and 73% of Winnebago County's 2020 equalized assessed valuation are within the Authority Area.

The Authority is governed by a seven-member Board of Commissioners (Board). One or two commissioners are appointed each year to staggered five-year terms. Policy-making and legislative authority rests with the Board that is responsible, among other responsibilities, for passing ordinances, resolutions, adopting the budget, and hiring the Executive Director.

The Executive Director is responsible for carrying out the policies, ordinances and resolutions of the Board, for overseeing the day-to-day operations of the Authority, and overseeing hiring practices. Meetings of the Board are scheduled twice per month on the third and fourth Thursdays. Meetings are open to the public.

➔ **FINANCIAL REPORTING ENTITY**

The financial statements contained within this Annual Report include all departments and operations for which the Authority is financially accountable. Financial accountability is defined in Note 1 to the financial statements. On this basis, no governmental organizations other than the Authority itself are included in the financial reporting entity.

➔ **INTERNAL CONTROLS**

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

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

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

➔ **THE BUDGET**

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

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

➔ LOCAL ECONOMIC CONDITION

The Greater Rockford Airport Authority is in Rockford, Illinois. Rockford, the fifth largest city in Illinois, is located 65 miles northwest of Chicago's O'Hare International Airport and 17 miles south of the Wisconsin border. Rockford is part of the Rockford Metropolitan Statistical Area (MSA), which includes Boone, Ogle and Winnebago Counties. The region is considered an excellent location for aerospace, manufacturing, logistics services, warehouses, and distribution centers.

The current economic condition of the region has been impacted by the coronavirus pandemic. Local unemployment has increased as impacted by the pandemic. The economic condition and outlook for the region has improved over the prior year. The Metropolitan Statistical Area (MSA) includes almost 340,000 people. The number of employed individuals in the county is about 137,000. Although many industries in the area were impacted by COVID-19, several opportunities for business and employment growth emerged in transportation and e-commerce support during the past year.

Passenger enplanements decreased 24.5% from the prior year. Decreases were seen in domestic flights throughout the year due to the COVID-19 pandemic. Apple Vacations did not provide international service during 2020. Passenger numbers are increasing in FY2022 as we begin to recover from the impact of the pandemic.

Allegiant continues to be our principal carrier for regularly scheduled non-stop passenger service. Currently Allegiant Air offers service to Las Vegas, Orlando/Sanford, Clearwater/St Pete, Punta Gorda/Ft Myers, Phoenix/Mesa, Destin/Fort Walton, and Sarasota/Bradenton. RFD continues to plan to grow convenient, quality passenger service in both the domestic and international markets.

The COVID-19 pandemic and the increased reliance on eCommerce had a positive impact on the cargo activity at RFD. Over 2.7 billion pounds of landed weight arrived at RFD in calendar year 2020, a 15% increase over the year before. The most recent FAA cargo report states that RFD is the 17th largest cargo airport in the United States up from 19th in 2019. The Authority expects to exceed three billion pounds of landed weight in calendar year 2021. Both UPS and Amazon saw increases in landed weight. In addition, international carriers began providing cargo services at RFD.

➔ INDEPENDENT AUDITOR

The Authority's independent accounting firm, Baker Tilly US, LLP, has rendered an unmodified opinion on the Authority's financial statements for the fiscal years ended April 30, 2021 and 2020, respectively which states that the financial statements present fairly, in all material respects, the results of the Authority's financial position, changes in financial position and cash flows. The Auditor's report on the financial statements is included in the financial section of the report.

The Authority participates in the federal single audit program, which consists of a single audit of federally funded programs administered by the Authority. Participation in the single audit program is mandatory as a condition for continued funding eligibility. The single audit performed by the Authority's independent accounting firm, Baker Tilly US, LLP, met the requirements set forth by the Federal Single Audit Act of 1996 and related Uniform Guidance. The independent auditor's report, which is issued based upon work performed in accordance with those requirements, noted no instances of non-compliance by the Authority with any applicable state or federal laws, regulations, or other matters that are required to be reported for the fiscal year ended April 30, 2021.

➔ MAJOR ACTIVITIES AND INITIATIVES



RFD Hosts 73rd Annual Toys for Tots for Local Military Families

The Chicago Rockford International Airport (RFD) partnered once again with the United States Marine Toys for Tots Foundation to host a special Toys for Tots holiday celebration for local children and their families. The event was a no-contact drive through line at the Main Terminal Building. Santa and Mrs. Claus were present to wave and greet the children as they received their presents in the trunk or truck bed of their car or truck.

RFD Selected as Midwest Hub for Senator International

RFD announced that it has been officially named as the Midwest hub for Senator International, an air cargo company based in Hamburg, Germany. Senator International provides comprehensive international freight, shipping, logistics, warehousing and distribution services to customers located throughout the world. It has been operating its own transatlantic cargo flights, known as the Senator Atlantic Bridge (SAB), since 2016. Senator recently started offering a twice weekly flight service into RFD offering a new and much needed connection into the Midwest.



International Cargo Center

RFD is completing the construction of the new international cargo center designed to accommodate daily multiple aircraft landings and departures containing international destination freight. This development includes the construction of two buildings, a new ramp for airplane parking and a new road.

\$16 Million Ramp Expansion

RFD recently announced that the existing UPS ramp will be expanded to accommodate aircraft parking. The apron expansion will provide parking positions for six 747 aircraft. In the past five years, the airport has added 21 acres of ramp area in order to accommodate 11 additional aircraft parking positions.



CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Greater Rockford Airport Authority for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2020. The Certificate is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized, Comprehensive Annual Financial Report (Annual Report). This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The Authority has received a Certificate of Achievement for each of the last twenty-three consecutive years and we believe our current report conforms to the Certificate of Achievement program requirements.

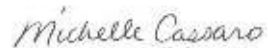
→ OTHER GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

The Government Finance Officers Association awarded the Authority Management the Distinguished Budget Presentation Award for its fiscal year 2021 budget. This was the twenty first consecutive year the Authority was presented with this award.

→ ACKNOWLEDGEMENTS

The preparation of the current Comprehensive Annual Financial Report on a timely basis was due to the dedication and service of the members of the Finance department. The completion of the Annual Report was made possible with the guidance and support of The Board of Commissioners.

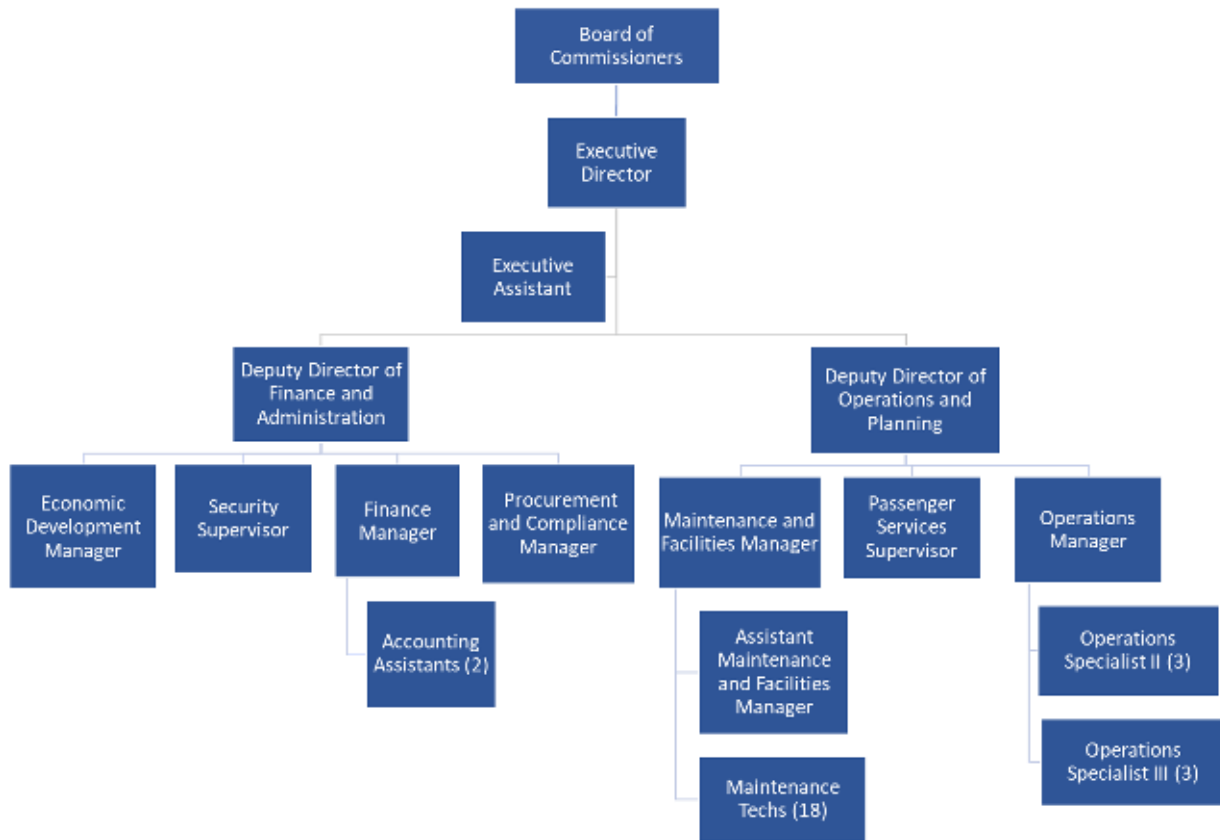
Respectfully submitted,



Michelle Cassaro
Deputy Director of Finance and Administration

Organizational Chart, Board of Commissioners and Senior Management

As of April 30, 2021



Board of Commissioners

Paul R. Cicero, Chairman
City of Rockford

Thomas Myers, Vice Chairman
City of Loves Park

Pat Agnew, Treasurer
City of Rockford

Thomas Dal Santo, Secretary
Winnebago County

Leslie West
City of Rockford

Michael Schablaske, Assistant Secretary
Winnebago County

Tonya Lamia, Commissioner
Village of Machesney Park

Senior Management

Michael P. Dunn
Zachary Oakley
Michelle Cassaro
Tracey Halbrader

Executive Director
Deputy Director of Operations and Planning
Deputy Director of Finance and Administration
Finance Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Greater Rockford Airport Authority
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

April 30, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section



This section contains the following subsections:

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

Independent Auditors' Report

To the Board of Commissioners of
Greater Rockford Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Greater Rockford Airport Authority, as of and for the years ended April 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Greater Rockford Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Rockford Airport Authority as of April 30, 2021 and 2020 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The introductory and statistical sections as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated September 14, 2021 on our consideration of the Greater Rockford 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 solely 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 effectiveness of the Greater Rockford Airport Authority 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 the Greater Rockford Airport Authority's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
September 14, 2021



Management's Discussion and Analysis

Management's Discussion and Analysis (unaudited)

The Greater Rockford Airport Authority (the Authority) offers the following narrative overview and analysis in relation to the financial statements for the fiscal years ended April 30, 2021 and 2020. The information contained in this MD&A should be considered in conjunction with the information contained in the Authority's financial statements.

→ **Overview of the Financial Statements**

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

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

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

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

The *Statement of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in this statement. Reconciliation is provided at the bottom of the Statement of Cash Flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

Management's Discussion and Analysis (unaudited)

→ **Financial Highlights**

A summary of the Authority's financial highlights for the year 2021 is as follows:

- The assets and deferred outflows of the Authority exceeded the liabilities and deferred inflows by \$152.5 million (net position) at April 30, 2021. Of this amount, \$14.9 million is unrestricted.
- Total assets and deferred outflows of the Authority increased by \$31.7 million at April 30, 2021. This increase is primarily due to an increase in grant funds utilized to procure capital assets or complete capital construction projects.
- Operating revenues increased by 5.9% to \$12.6 million in FY2021. Both airport fees and lease revenues increased due to increased cargo activity.

A summary of the Authority's financial highlights for the year 2020 is as follows:

- The assets and deferred outflows of the Authority exceeded the liabilities and deferred inflows by \$124 million (net position) at April 30, 2020. Of this amount, \$12.4 million is unrestricted.
- Total liabilities decreased by \$15.1 million to \$45.1 million. This is primarily the result of paying down a promissory note related to MRO construction.
- Operating revenues increased by 26.3% to \$11.9 million for FY2020. Landing fee revenue increased by 27.0% due to increased cargo operations.
- Operating expenses for FY2020 increased by 4.3% to \$10.7 million. The primary increases include OPEB expense and advertising expense.

Management's Discussion and Analysis (unaudited)

→ Financial Position

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

	FYE21	FYE20	FYE19	% Change	
				2021	2020
Assets					
Current assets	\$ 18,239,468	\$ 15,140,590	\$ 28,890,256	20.5	(47.6)
Capital assets - net	175,796,536	147,213,938	146,491,519	19.4	0.5
Net pension asset - restricted	929,216	-	-	100.0	0.0
Due from other governments	9,491,658	10,084,557	10,658,662	(5.9)	(5.4)
Total assets	\$ 204,456,879	\$ 172,439,085	\$ 186,040,437	18.6	(7.3)
Deferred outflows of resources					
OPEB-related items	\$ -	\$ -	\$ 9,498	0.0	(100.0)
Pension-related items	320,361	621,626	1,667,835	(48.5)	(62.7)
Total deferred outflows of resources	320,361	621,626	1,677,333	(48.5)	(62.9)
Liabilities					
Current liabilities	\$ 15,024,786	\$ 9,441,004	\$ 12,996,961	59.1	(27.4)
Long-term liabilities, less current maturities	32,345,593	35,653,406	47,200,147	(9.3)	(24.5)
Total liabilities	47,370,379	45,094,410	60,197,108	5.0	(25.1)
Deferred inflows of resources					
Deferred tax revenue	\$ 3,081,884	\$ 2,995,778	\$ 2,991,528	2.9	0.1
Pension-related items	1,798,228	1,004,016	465,956	79.1	115.5
Total deferred inflows of resources	4,880,112	3,999,794	3,457,484	22.0	15.7
Net position					
Net investment in capital assets	\$ 136,729,458	\$ 111,588,746	\$ 99,303,620	22.5	12.4
Restricted for pension	929,216	-	-	100.0	0.0
Unrestricted	14,868,074	12,377,761	24,759,558	20.1	(50.0)
Total net position	152,526,749	123,966,507	124,063,178	23.0	(0.1)
Total liabilities, deferred inflows of resources and net position	\$ 204,777,240	\$ 173,060,711	\$ 187,717,770	18.3	(7.8)

An analysis of significant changes in net position for the year 2021 is as follows:

- Total assets of the Authority equaled \$204.5 million, an increase of \$32.1 million from 2020. The increase includes \$28.5 million increase in capital assets made possible due to grant funding.
- Total liabilities of the Authority increased by \$2.3 million, primarily as a result of entering into a promissory note for construction of a new building.
- Ending net position is \$152.5 million. Of this amount \$136.7 million represents net investment in capital assets and \$14.9 million represents unrestricted net position.

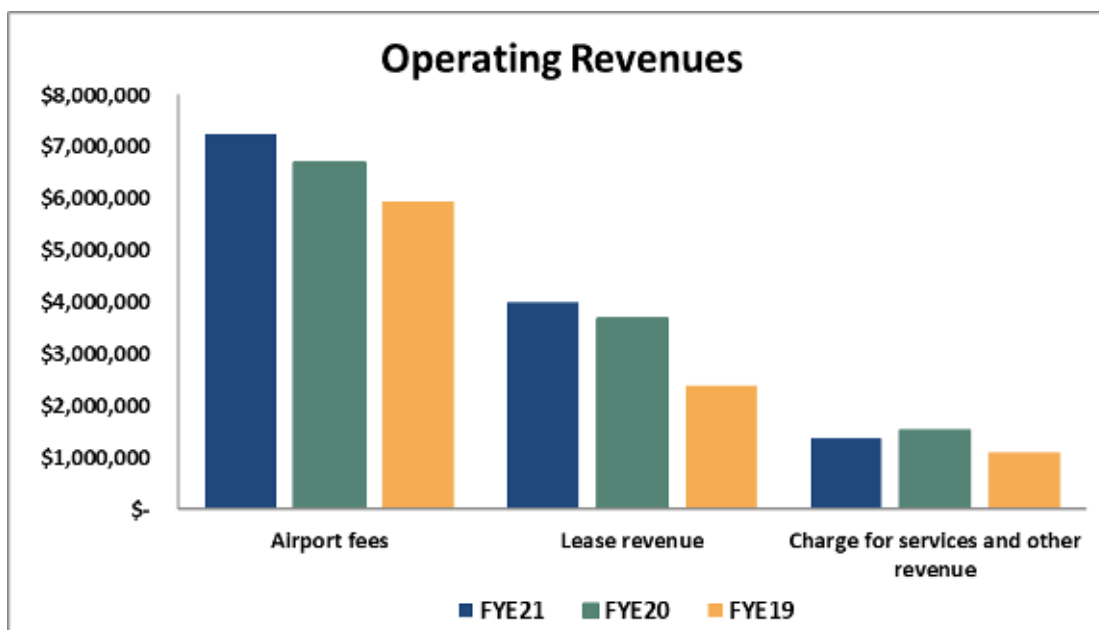
An analysis of significant changes in net position for the year 2020 is as follows:

- Total assets of the Authority equaled \$172.4 million, a decrease of \$13.6 million from 2019. The decrease includes \$14.7 million in revenue for grant funding received from the State of Illinois in early fiscal year 2020 that was a receivable in FY2019.
- Total liabilities of the Authority decreased by \$15.1 million as a result of paying down a promissory note.
- Ending net position is \$124.0 million. Of this amount \$111.6 million represents net investment in capital assets and \$12.4 million represents unrestricted net position.

Management's Discussion and Analysis (unaudited)

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

	FYE21	FYE20	FYE19	% Change	
				2021	2020
Operating revenues					
Airport fees	\$ 7,246,661	\$ 6,695,839	\$ 5,936,000	8.2	12.8
Lease revenue	3,995,685	3,687,863	2,389,049	8.3	54.4
Services and other	1,368,161	1,523,471	1,101,719	(10.2)	38.3
Total operating revenues	\$ 12,610,507	\$ 11,907,173	\$ 9,426,768	5.9	26.3

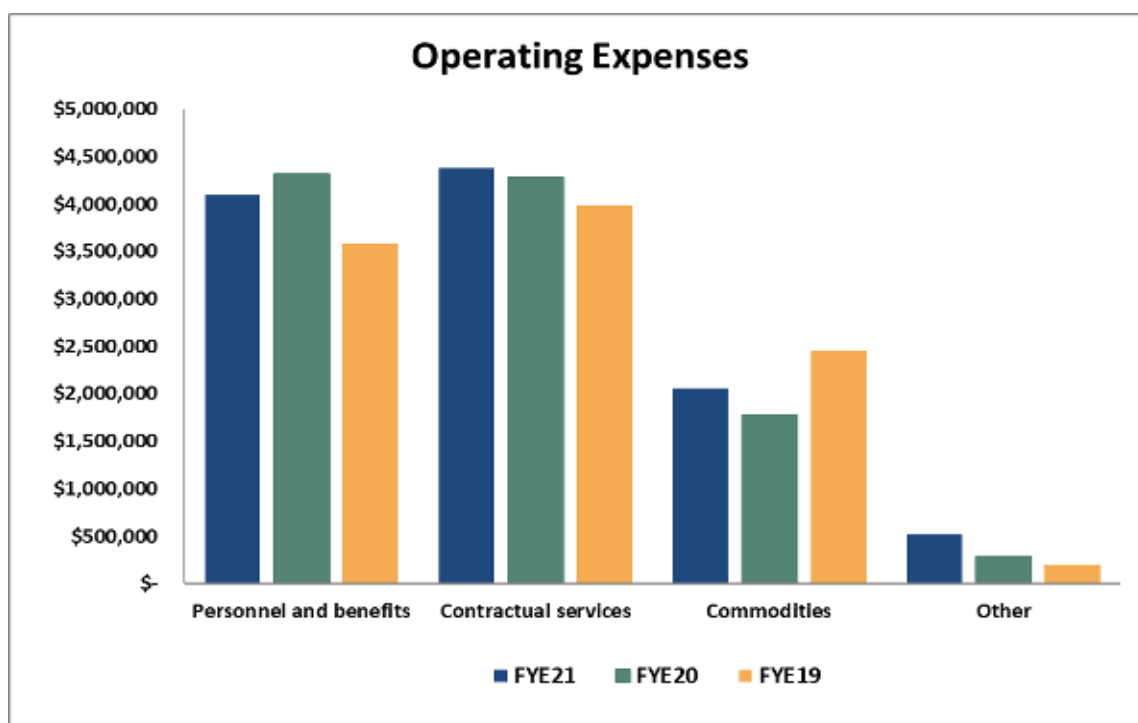


- Airport fees are variable in nature and include on-airport fuel flowage and landing fees and rental car commissions. Total airport fees were \$7.2 million in 2021, an overall increase of 8.2% from 2020. Landing fees increased due to increased cargo activity. In 2020, airport fees increased by 12.8% from 2019.
- Lease revenues are collected from the tenants for the use of real and improved property on the airport grounds. Lease revenues increased by 8.3% in 2021 due to new lease agreements. In 2020, lease revenues increased by 54.4 % from 2019.
- Charges for services, airport service fees, and other revenues consist of several revenues collected for operating the airport. Charges for services showed a 10.2% decrease for 2021 due to decreased badging fees and other tenant charges. In 2020, charges for services increased 38.3% from 2019.

Management's Discussion and Analysis (unaudited)

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

	FYE21	FYE20	FYE19	% Change	
				2021	2020
Operating expenses (excluding depreciation)					
Personnel and benefits	\$ 4,090,592	\$ 4,306,190	\$ 3,579,555	(5.0)	20.3
Contractual services	4,378,338	4,282,610	3,985,004	2.2	7.5
Commodities	2,062,698	1,775,127	2,447,588	16.2	(27.5)
Other	514,790	289,673	203,057	77.7	42.7
Total operating expenses (excluding depreciation)	\$ 11,046,418	\$ 10,653,600	\$ 10,215,204	3.7	4.3



- Personnel costs decreased \$216 thousand to \$4.1 million. The decrease is due to a decrease in GASB 68 pension expense and GASB 74/75 OPEB expense. In 2020, personnel costs increased by \$726 thousand from 2019.
- Contractual Services were \$4.4 million in 2021, an increase of 2.2% over 2020. The increase is primarily due to expenses related to snow removal operations. In 2020, contractual services increased by 7.5% from 2019.
- Commodities are materials the Authority purchases for maintaining the airport. Commodities costs overall were up 16.2% from prior year due to increases in tooling expense and deicing raw materials. In 2020, commodities decreased by 27.5% from 2019.
- Non-operating revenue is comprised of property and corporate replacement taxes, interest income from investments and intergovernmental revenues and Passenger Facility Charges (PFCs). Included in the non-operating revenue category are non-operating expenses such as interest expense and intergovernmental contributions. Also included are non-routine revenue and expense.

Management's Discussion and Analysis (unaudited)

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

	FYE21	FYE20	FYE19	% Change	
				2021	2020
Operating revenues					
Airport fees	\$ 7,246,661	\$ 6,695,839	\$ 5,936,000	8.2	12.8
Lease revenue	3,995,685	3,687,863	2,389,049	8.3	54.4
Charge for services and other revenue	1,368,161	1,523,471	1,101,719	(10.2)	38.3
Total operating revenues	12,610,507	11,907,173	9,426,768	5.9	26.3
Operating expenses					
Personnel and benefits	4,090,592	4,306,190	3,579,555	(5.0)	20.3
Contractual services	4,378,338	4,282,610	3,985,004	2.2	7.5
Commodities	2,062,698	1,775,127	2,447,588	16.2	(27.5)
Other	514,790	289,673	203,057	77.7	42.7
Total operating expenses	11,046,418	10,653,600	10,215,204	3.7	4.3
Less depreciation	9,299,882	8,867,295	10,938,517	4.9	(18.9)
Operating loss	(7,735,793)	(7,613,722)	(11,726,953)	1.6	(35.1)
Nonoperating revenues (expenses)					
Taxes - property and corporate	3,627,999	3,513,179	3,491,584	3.3	0.6
Interest income	16,348	32,452	43,072	(49.6)	(24.7)
Intergovernmental revenue	9,768,953	295,404	372,136	3,207.0	(20.6)
Passenger facility charges	366,703	487,044	551,280	(24.7)	(11.7)
Interest expense	(633,763)	(947,363)	(1,417,329)	(33.1)	(33.2)
Gain (loss) on sale of capital asset	351,222	103,811	(6,168)	238.3	-
Other expense	-	-	(183)	-	(100.0)
Total nonoperating revenues (expenses)	13,497,462	3,484,527	3,034,392	287.4	14.8
Capital contributions	22,798,573	4,032,524	24,748,774	465.4	(83.7)
Change in net position	\$ 28,560,242	\$ (96,671)	\$ 16,056,213	(29,643.7)	(100.6)
Net position, beginning of year	123,966,507	124,063,178	108,959,688		
Restatement*	-	-	(952,723)		
Net position, beginning of year (as restated)	123,966,507	124,063,178	108,006,965		
Net position, end of year	\$ 152,526,749	\$ 123,966,507	\$ 124,063,178		

*See FYE19 Financial Statement Note 13 for FYE19 restatement

Management's Discussion and Analysis (unaudited)

→ **Capital Assets**

The investment in capital assets includes land, buildings, building improvements, runways, taxiways, roads, machinery, equipment, vehicles, furniture and fixtures. Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method. Acquisitions are funded using a variety of financing techniques, including federal and state grants, passenger facility charges, debt issuance and the Authority revenues, sinking funds and reserves.

The Authority's capital assets as of April 30, 2021 totaled \$175.8 million (net of accumulated depreciation). This was a net increase of \$28.5 million from the prior year with annual depreciation of \$9.3 million, \$37.7 million in additions during the year, and \$343 thousand in disposals during FY2021.

Major capital projects in process during 2021 included the following:

- Midfield Cargo Building
- Cargo Apron Expansion
- Terminal Expansion Construction
- Rehab Runway 7/25

The Authority's capital assets as of April 30, 2020 totaled \$147.2 million (net of accumulated depreciation). This was a net increase of \$722 thousand from the prior year with annual depreciation of \$8.8 million, \$9.6 million in additions during the year, and \$795 thousand in disposals during FY2020.

Major capital projects in process during 2020 included the following:

- International Cargo Building Expansion
- Cargo Apron Expansion
- Terminal Expansion Construction
- Rehab Runway 7/25

See Notes 2 and 6 for further information on capital assets.

→ **Debt Administration**

General Obligation Alternate Revenue Bonds, Series 2008

On December 1, 2008, the Authority issued General Obligation Alternate Revenue Bonds, Series 2008, in the principal amount of \$8,200,000, in varying maturities up to twenty years. This issue was sold at a range of 4.30% to 5.35%. The bonds are non-taxable and secured by future Airport Improvement Program Federal Grant money expected to be received. The 2008 bonds were paid off during FY2021.

Balance outstanding at April 30, 2021 - \$0, 2020 – \$1,551,900.

Capital Lease

In 2014, the Authority entered into a tax-exempt lease purchase agreement for two Oshkosh H Series Snow Brooms. The amount of the capital lease is \$1,223,800. The agreement was entered on July 26, 2013 with the first payment due September 26, 2014 and each year after for a period of seven years. The annual interest rate is 2.91%. The annual payment of principal and interest is \$196,230. There is a buy-out option of \$1 at the end of the lease term. In FY21, the lease was paid off with the \$1 buy-out.

Balance outstanding at April 30, 2021 - \$0, 2020 – \$190,682.

Management's Discussion and Analysis (unaudited)

General Obligation Alternate Revenue Bonds, Series 2014

On November 24, 2014, the Authority issued General Obligation Alternate Revenue Bonds, Series 2014, in the principal amount of \$400,000, in varying maturities for eight years and nine months. This issue was sold at 4.99% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated October 6, 2014 for property located at 40 Airport Drive. The 2014 bonds were paid off during FY2021.

Balance outstanding at April 30, 2021 - \$0, 2020 – \$179,690.

General Obligation Alternate Revenue Bonds, Series 2015A

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015A, in the principal amount of \$8,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and Winnebago County. The bonds are non-taxable and secured by landfill host fees revenue earned by the County.

Balance outstanding at April 30, 2021 - \$6,610,429, 2020 – \$6,954,420.

General Obligation Alternate Revenue Bonds, Series 2015B

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015B, in the principal amount of \$5,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and the City of Rockford. The bonds are non-taxable and secured by sales tax revenue collected by the City.

Balance outstanding at April 30, 2021 - \$4,054,089, 2020 – \$4,265,433.

General Obligation Alternate Revenue Bonds, Series 2015C

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015C, in the principal amount of \$4,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated August 21, 2014 for property located at 6150 Cessna Drive.

Balance outstanding at April 30, 2021 - \$3,243,271, 2020 – \$3,412,346.

General Obligation Alternate Revenue Bonds, Series 2017

On February 8, 2017, the Authority issued General Obligation Alternate Revenue Bonds, Series 2017, in the principal amount of \$4,750,000 in varying maturities for twenty years. This issue was sold with a 10-year 4.00% fixed interest rate. The interest rate will change on the first day of year eleven to the 10-year treasury rate on that day plus 1.55% and will be fixed for the remaining ten years of the term. The bonds are non-taxable and secured by revenues derived from Passenger Facility Charges.

Balance outstanding at April 30, 2021 - \$4,045,175, 2020 – \$4,224,252.

General Obligation Alternate Revenue Bonds, Series 2018

On November 1, 2018, the Authority issued General Obligation Alternate Revenue Bonds, Series 2018, in the principal amount not to exceed \$12,000,000 in varying maturities for twenty years. The Bond was refinanced in March 2020 for the total amount of \$11,173,283 with a rate of 4.75% for twenty years. The bonds are non-taxable and secured by revenues derived from Landing Fees. In FY2022, the Series 2018 bond will be refunded and converted to a series of general obligation bonds. For further information, see Note 13 – Subsequent Events.

Balance outstanding at April 30, 2021 - \$10,818,156, 2020 – \$11,173,283.

Management's Discussion and Analysis (unaudited)

Other Debt

During FY2016, state and federal budget issues resulted in funding shortages in the construction of the MRO facility. The Authority opened a line of credit to continue construction of the facility. In December 2017, the line of credit was converted to a Promissory Note with a maturity date of December 10, 2022. Monthly payments consist of principal and interest in the amount of \$96,229.72, based on a twenty-five (25) year amortization schedule, with the remaining principal and interest due on the new maturity date. The interest rate is a fixed rate of 4.75%. State funds were received in August 2019 in the amount of \$12,691,791 and applied to the Note. The Note was refinanced in August 2019 with a new fixed rate of 4.375% and monthly principal and interest payments totaling \$35,607.34. As of April 30, 2021, \$2,996,275 is outstanding on the note.

On September 29, 2017, the Authority entered into a Promissory Note to purchase equipment for paid parking implementation. The interest rate is a fixed rate of 4.50%. The note was paid off in FY2021.

On October 29, 2020, the Authority entered into a Promissory Note to construct a new cargo facility. The interest rate is variable and currently 3.75%. As of April 30, 2021, \$7,299,683 is outstanding on the note. The note will be closed and the debt will be converted to general obligation bonds in FY2022. For further information, see Note 13 – Subsequent Events.

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

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

➔ Passenger Facility Charge (PFC)

In October 1992, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. In April 2007, the FAA approved the Authority's request to increase the PFC level to \$4.50 on all remaining reimbursements. The new collection rate commenced on June 1, 2007. The total approved collectible amount is \$7,476,945 and the Authority has collected PFCs, including interest earned totaling \$7,429,565.

In 2016, the Authority received FAA approval to continue to impose a PFC until March 1, 2038. PFC collections will be utilized to support the costs of the terminal expansion project including bond principal and interest payments. The total approved collectible amount is \$8,627,885 and the Authority has collected PFCs, including interest earned totaling \$1,017,476.

➔ Factors Bearing on the Authority's Future

The continued effects of the COVID-19 pandemic may impact the future financial position of the Airport.

➔ Contacting the Authority's Financial Management

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



Greater Rockford Airport Authority
Statements of Net Position
April 30, 2021 and 2020

Assets and Deferred Outflows of Resources	<i>FYE21</i>	<i>FYE20</i>
Current assets		
Cash and cash equivalents	\$ 5,319,106	\$ 2,658,536
Accounts receivable (net of allowances for uncollectibles of \$9,560 and \$9,970 in 2021 and 2020, respectively)	7,148,201	6,811,035
Taxes receivable	3,081,884	2,995,778
Prepaid expenses	311,644	152,248
Due from other governments	592,899	574,105
Restricted cash and cash equivalents	<u>1,785,734</u>	<u>1,948,888</u>
Total current assets	<u>18,239,468</u>	<u>15,140,590</u>
Non-current assets		
Land	16,659,524	16,659,524
Construction in progress	24,001,175	41,249,021
Capital assets net of accumulated depreciation	<u>135,135,837</u>	<u>89,305,393</u>
Total capital assets, net	175,796,536	147,213,938
Net pension asset - restricted	929,216	-
Due from other governments	<u>9,491,658</u>	<u>10,084,557</u>
Total non-current assets	<u>186,217,410</u>	<u>157,298,495</u>
Total assets	<u>204,456,879</u>	<u>172,439,085</u>
Deferred outflows of resources		
Pension-related items	<u>320,361</u>	<u>621,626</u>
Total deferred outflows of resources	<u>320,361</u>	<u>621,626</u>
Total assets and deferred outflows of resources	<u>\$ 204,777,240</u>	<u>\$ 173,060,711</u>

Liabilities, Deferred Inflows of Resources and Net Position	<i>FYE21</i>	<i>FYE20</i>
Current liabilities		
Accounts payable	\$ 5,686,084	\$ 6,425,415
Interest payable	139,756	172,774
Security deposits	25,688	27,291
Accrued payroll	116,297	107,295
Prepaid rent	69,428	64,329
Current maturities of long-term liabilities	8,907,827	2,567,996
Compensated absences	79,706	75,904
Total current liabilities	<u>15,024,786</u>	<u>9,441,004</u>
Long-term liabilities, less current maturities		
General obligation alternate revenue bonds	27,463,391	29,824,855
Promissory note	2,695,860	3,232,341
Compensated absences	93,045	75,021
Landfill closure and postclosure care	707,215	785,795
Stormwater retention	720,533	626,240
OPEB liability	665,549	762,991
Net pension liability	-	346,163
Total long-term liabilities, less current maturities	<u>32,345,593</u>	<u>35,653,406</u>
Total liabilities	<u>47,370,379</u>	<u>45,094,410</u>
Deferred inflows of resources		
Deferred tax revenue	3,081,884	2,995,778
Pension-related items	1,798,228	1,004,016
Total deferred inflows of resources	<u>4,880,112</u>	<u>3,999,794</u>
Net position		
Net investment in capital assets	136,729,458	111,588,746
Restricted for pension	929,216	-
Unrestricted	14,868,074	12,377,761
Total net position	<u>152,526,749</u>	<u>123,966,507</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 204,777,240</u>	<u>\$ 173,060,711</u>

See accompanying notes to financial statements.

Greater Rockford Airport Authority
Statements of Revenue, Expenses and Changes in Net Position
Years Ended April 30, 2021 and 2020

	FYE21	FYE20
Operating revenues		
Airport fees	\$ 7,246,661	\$ 6,695,839
Lease revenue	3,995,685	3,687,863
Charge for services and other revenue	1,368,161	1,523,471
Total operating revenues	<u>12,610,507</u>	<u>11,907,173</u>
Operating expenses		
Personnel and benefits	4,090,592	4,306,190
Contractual services	4,378,338	4,282,610
Commodities	2,062,698	1,775,127
Other	514,790	289,673
Total operating expenses	<u>11,046,418</u>	<u>10,653,600</u>
Operating gain (loss) before depreciation	1,564,089	1,253,573
Less: Depreciation	9,299,882	8,867,295
Operating loss	<u>(7,735,793)</u>	<u>(7,613,722)</u>
Nonoperating revenues (expenses)		
Taxes - property and corporate	3,627,999	3,513,179
Interest income	16,348	32,452
Passenger facility charges	366,703	487,044
Intergovernmental revenue	9,768,953	295,404
Interest expense	(633,763)	(947,363)
Gain (loss) on sale of capital asset	351,222	103,811
Total nonoperating revenues (expenses)	<u>13,497,462</u>	<u>3,484,527</u>
Gain/(Loss) before capital contributions	5,761,669	(4,129,195)
Capital contributions	22,798,573	4,032,524
Change in net position	28,560,242	(96,671)
Net position, beginning of year	<u>123,966,507</u>	<u>124,063,178</u>
Net position, end of year	<u>\$ 152,526,749</u>	<u>\$ 123,966,507</u>

See accompanying notes to financial statements.

Greater Rockford Airport Authority
Statements of Cash Flows
Years Ended April 30, 2021 and 2020

	FYE21	FYE20
Cash flows from operating activities		
Cash received from providing services	\$ 15,305,659	\$ 10,010,947
Cash paid to employees, including benefits	(4,337,109)	(4,127,015)
Cash paid to suppliers	(9,141,830)	(2,923,235)
Net cash flow from operating activities	<u>1,826,720</u>	<u>2,960,697</u>
Cash flows from investing activities		
Interest received	24,339	53,853
Net cash flow from investing activities	<u>24,339</u>	<u>53,853</u>
Cash flows from noncapital financing activities		
Cash receipts from property taxes, general	2,981,932	2,974,630
Cash receipts from corporate replacement taxes	646,067	531,766
Cash receipts from reimbursement grants	9,430,974	-
Net cash flow from noncapital financing activities	<u>13,058,973</u>	<u>3,506,396</u>
Cash flows from capital and related financing activities		
Cash receipts from capital contributions for capital assets	19,761,760	19,940,459
Cash receipts from passenger facility charges	366,703	487,044
Payments for capital acquisitions	(36,228,268)	(14,868,011)
Principal payments on capital lease	(190,682)	(185,289)
Cash receipts from new bond issuance	-	5,217,036
Cash receipts from new promissory note	7,299,683	-
Cash receipts from line of credit	-	293,970
Intergovernmental revenues	912,084	912,084
Principal payments on revenue bonds	(2,990,204)	(1,740,056)
Principal payments on promissory note	(287,419)	(13,001,797)
Principal payments on line of credit	(389,492)	(2,146,573)
Interest paid	(666,781)	(959,252)
Net cash flow from (used for) capital and related financing activities	<u>(12,412,616)</u>	<u>(6,050,385)</u>
Net increase in cash and cash equivalents	2,497,416	470,561
Cash and cash equivalents, beginning of year	4,607,424	4,136,863
Cash and cash equivalents, end of year	<u>\$ 7,104,840</u>	<u>\$ 4,607,424</u>
Reconciliation of operating loss to net cash flow from operating activities:		
Operating loss	\$ (7,735,793)	\$ (7,613,722)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	9,299,882	8,867,295
Increase (decrease) from changes in:		
Accounts receivable	2,691,656	(1,907,934)
Prepaid expenses and other current assets	(159,396)	(41,481)
Deferred outflows - pension related	301,265	2,052,469
Deferred outflows - OPEB	-	9,498
Security deposits	(1,603)	2,021
Prepaid rent	5,099	9,687
Accrued payroll, compensated absences and OPEB's	30,827	123,644
Storm water retention	94,293	15,307
Landfill	(78,580)	(73,935)
Net pension liability	(1,275,379)	(1,538,235)
Accounts payable	(2,042,321)	3,524,283
Deferred inflows - pension related	794,212	(468,200)
Net cash flow from operating activities	<u>\$ 1,924,162</u>	<u>\$ 2,960,697</u>
Reconciliation of cash and cash equivalents to the statement of net position		
Current cash and cash equivalents	\$ 5,319,106	\$ 2,658,536
Restricted cash and cash equivalents	1,785,734	1,948,888
Cash and cash equivalents, end of year	<u>\$ 7,104,840</u>	<u>\$ 4,607,424</u>
Schedule of noncash capital and related financing activities:		
Contributions of capital assets	\$ -	\$ 208,764
Interest charged to construction	\$ 695,781	\$ 459,869

See accompanying notes to financial statements.

Notes to Financial Statements

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

Note 1 – Organization and Reporting Entity

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

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

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

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

New Accounting Standards Implemented

The Authority has implemented the following new accounting standard as of May 1, 2020: GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The new standard is reflected in the notations in all debt related disclosures.

Budgetary Data

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

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

There were no budget amendments in the fiscal years ended April 30, 2021 and 2020.

Note 2 – Summary of Significant Accounting Policies (continued)

Operating Revenues and Expenses

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Taxes Receivable

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when expenses related to the levy are incurred and recognized.

Due from Other Governments

During FY2016, the Authority entered into agreements with the City of Rockford and County of Winnebago. These agreements provide for quarterly payments from the City and County towards the 2015 Series A and Series B bonds. Total payments remaining to be received from the City and County are reflected on the Statement of Net Position.

Compensated Absences

The Authority accrues vacation and sick pay benefits as earned by its employees. Employees are expected to use their accrued vacation in the calendar year in which it is accrued. An employee whose employment terminates will be paid for accrued unused vacation days. Sick leave not used in a calendar year can be carried over to subsequent years up to a maximum of 100 days. Upon termination of employment, an employee may receive payment in the amount of 25% of accrued sick time.

Capital Assets

All individual items with a cost in excess of \$5,000 that provide more than one year of economic benefit are capitalized. Depreciation and amortization are calculated by the straight-line method using the assets' useful life that is classified as follows:

	<u>Years</u>
Buildings	20
Infrastructure	20
Equipment, office equipment and vehicles	3-10
Intangible Assets	5-10

Note 2 – Summary of Significant Accounting Policies (continued)

Routine maintenance and repairs are expensed as incurred. Significant betterment and improvements are capitalized and depreciated over their estimated useful lives. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period. Donated capital assets, donated works of art and similar items, in addition to capital assets received in a service concession arrangement, are recorded at their estimated acquisition value at the date of donation. Airport Improvement Projects (AIP) financed by State of Illinois are capitalized as contributed capital using the most available information as provided by the Illinois Division of Aeronautics.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position contains a separate category titled deferred outflows of resources, which represents a consumption of net position that applies to a future period. Deferred outflows of resources related to pension are contributions made subsequent to the measurement date and deferred inflows of resources. For further information, see note 9. Deferred outflows of resources related to employee benefit contributions are contributions made subsequent to the measurement date and deferred inflows of resources.

In addition to liabilities, the statement of net position contains a separate category titled deferred inflows of resources, which represents an acquisition of net position that applies to a future period. The Authority recognizes taxes levied in the current fiscal year that will be paid in the following fiscal year as deferred inflows. The balance is reported as deferred inflows of resources at year-end because the tax levy will be used to fund expenses of the following year.

Use of Estimates

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

Net Position

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

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

Restricted results when constraints placed on net position use are either externally imposed by creditors, grantors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted consist of all other net position that does not meet the criteria above.

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.

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

Note 3 – Cash, Cash Equivalents and Investments

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

	2021	2020
Cash and cash equivalents	\$ 5,319,106	\$ 2,658,536
Restricted cash and cash equivalents	1,785,734	1,948,888
Total cash, cash equivalents and investments	<u>\$ 7,104,840</u>	<u>\$ 4,607,424</u>

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of bank failure, the Authority’s deposits may not be returned to it. The Authority has a policy regarding custodial credit risk which requires that funds on deposit in excess of FDIC or FSLIC limits be secured by either securities guaranteed by the full faith and credit of the United States of America or obligations of the United States of America or its agencies. The Authority’s policy also requires that the amount of collateral provided shall not be less than 105% of the fair market value of the funds secured. Pledged collateral shall be held by the Authority or in safekeeping, evidenced by a safekeeping agreement. Collateral in safekeeping must be held by a third party or by an escrow agent of the pledging institution. The Authority had \$740,949 and \$689,143 in a money market account uncollateralized as of April 30, 2021 and 2020, respectively.

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

Interest Rate Risk: - Investments: The Authority had no investments subject to interest rate risk at year-end for FY2021 and FY2020.

The Authority does not have a policy on interest rate risk however investments are structured so funds are available to meet ongoing operations and those funds intended for longer term purposes are invested to maturity dates to reflect potential future uses with limited maturity lengths.

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

Allowable securities are as follows:

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

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

The Authority does not have any investments exposed to credit risk.

Concentration of Credit Risk – Investments: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows for no more than 40% of the total investment portfolio, exclusive of U.S. Treasury securities held in safekeeping to be held at one financial institution. The Authority does not have any investments exposed to concentration of credit risk.

Note 4 – Property Taxes

Property taxes are recognized as a receivable at the time they are levied. The taxes receivable at April 30, 2021 represent the 2020 tax levy, for which the Authority was required to file its tax levy with the Winnebago County Clerk by the last Tuesday of December. These taxes were assessed and attached as an enforceable lien on the real property as of the preceding January 1.

Tax bills are normally mailed by May 1 and are due in two equal installments in June and September. These taxes are collected by the County Collector, who in turn remits to the Authority its respective share.

Property taxes levied in the current year are measurable but not available to finance current operations and, therefore, are recorded as deferred inflows of resources. Property tax revenues are recognized in the year following the levy.

No allowances for uncollectible is provided as historical collections have shown that over 99% of all funds are received.

Replacement Tax Allotments

On January 1, 1979, the Corporate Personal Property Tax was abolished and on August 11, 1979, a new tax called the Personal Property Replacement Tax (Replacement Tax) was created. The State law mandates that the Replacement Tax is to be first applied toward payment of the proportionate amount of debt service previously paid from personal property tax levies. Next, the revenues are to be applied to payment of the proportionate share of pension or retirement obligations until satisfied; any remaining monies are to be distributed to other funds, which were previously supported by personal property taxes. The Authority recognizes revenue from the Replacement Tax when it becomes measurable and available in accordance with accounting principles generally accepted in the United States of America. For fiscal years ended April 30, 2021 and 2020; \$646,067 and \$531,766, respectively have been recognized.

Note 5 – Restricted Assets

As of April 30, 2021, restricted assets consist of debt service escrow funds for the 2015, 2017 and 2018 bond issues. Funds may only be used for debt service payments for the bonds. As of April 30, 2021, restricted assets include a net pension asset. These funds are restricted to fund pension benefits. As of April 30, 2020, restricted assets consist of debt service escrow funds related to the 2015, 2017 and 2018 bond issues.

Note 6 – Capital Assets

Changes in capital assets are summarized as follows for the year ended April 30, 2021:

	<i>April 30, 2020</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>April 30, 2021</i>
Capital assets not being depreciated:					
Land	\$ 16,659,524	\$ -	\$ -	\$ -	\$ 16,659,524
Construction in progress - Grants	28,802,370	20,558,006	(36,369,629)	-	12,990,747
Construction in progress - GRAA	12,446,651	17,126,859	(18,563,082)	-	11,010,428
Total capital assets not being depreciated	57,908,545	37,684,865	(54,932,711)	-	40,660,699
Capital assets being depreciated:					
Buildings	74,519,280	-	28,650,638	(278,514)	102,891,404
Vehicles	637,637	-	-	(56,289)	581,348
Equipment	12,042,489	133,630	5,889,381	(8,095)	18,057,405
Infrastructure	175,566,206	67,305	20,392,692	-	196,026,203
Office equipment	466,783	-	-	-	466,783
Total capital assets being depreciated	263,232,395	200,935	54,932,711	(342,898)	318,023,143
Less accumulated depreciation:					
Buildings	27,778,469	3,881,201	-	(278,514)	31,381,156
Vehicles	579,321	20,816	-	(56,289)	543,848
Equipment	10,879,995	657,663	-	(4,775)	11,532,883
Infrastructure	134,435,878	4,704,104	-	-	139,139,982
Office equipment	253,339	36,098	-	-	289,437
Total accumulated depreciation	173,927,002	9,299,882	-	(339,578)	182,887,306
Total capital assets being depreciated, net	89,305,393	(9,098,947)	54,932,711	(3,320)	135,135,837
Total capital assets, net	\$ 147,213,938	\$ 28,585,918	\$ -	\$ (3,320)	\$ 175,796,536

Changes in capital assets are summarized as follows for the year ended April 30, 2020:

	<i>April 30, 2019</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>April 30, 2020</i>
Capital assets not being depreciated:					
Land	\$ 16,659,524	\$ -	\$ -	\$ -	\$ 16,659,524
Construction in progress - Grants	24,009,460	4,792,910	-	-	28,802,370
Construction in progress - GRAA	8,012,850	4,726,193	(292,392)	-	12,446,651
Total capital assets not being depreciated	48,681,834	9,519,103	(292,392)	-	57,908,545
Capital assets being depreciated					
Buildings	74,475,958	28,190	15,132	-	74,519,280
Vehicles	610,161	-	48,146	(20,670)	637,637
Equipment	12,763,884	43,420	9,983	(774,798)	12,042,489
Infrastructure	175,354,411	-	211,795	-	175,566,206
Office equipment	459,447	-	7,336	-	466,783
Total capital assets being depreciated	263,663,861	71,610	292,392	(795,468)	263,232,395
Less accumulated depreciation					
Buildings	24,603,920	3,174,549	-	-	27,778,469
Vehicles	580,397	19,594	-	(20,670)	579,321
Equipment	11,215,920	438,873	-	(774,798)	10,879,995
Infrastructure	129,235,818	5,200,060	-	-	134,435,878
Office equipment	218,121	35,218	-	-	253,339
Total accumulated depreciation	165,854,176	8,868,294	-	(795,468)	173,927,002
Total capital assets being depreciated, net	97,809,685	(8,796,684)	292,392	-	89,305,393
Total capital assets, net	\$ 146,491,519	\$ 722,419	\$ -	\$ -	\$ 147,213,938

Depreciation expense may differ from the statements of revenue, expenses and changes in net position when compared to additions to accumulated depreciation because of salvage, cost of removal, or costs associated with the disposal of assets.

Note 7 – Long-Term Debt

Changes in long-term debt are summarized as follows for the year ended April 30, 2021:

	<i>April 30, 2020</i>	<i>Additions</i>	<i>Reductions</i>	<i>April 30, 2021</i>	<i>Amount Due in One Year</i>
Capital lease obligation	\$ 190,682	\$ -	\$ 190,682	\$ -	\$ -
Direct Placements or Borrowings					
General obligation alternate revenue bond 2008	1,551,900	-	1,551,900	-	-
General obligation alternate revenue bond 2014	179,690	-	179,690	-	-
General obligation alternate revenue bond 2015 - Series A	6,954,420	-	343,991	6,610,429	355,853
General obligation alternate revenue bond 2015 - Series B	4,265,433	-	211,344	4,054,089	218,252
General obligation alternate revenue bond 2015 - Series C	3,412,346	-	169,075	3,243,271	174,601
General obligation alternate revenue bond 2017	4,224,252	-	179,077	4,045,175	186,469
General obligation alternate revenue bond 2018	11,173,283	-	355,127	10,818,156	372,554
Promissory Note - MRO	3,283,694	-	287,419	2,996,275	300,415
Promissory Note - Parking equipment	389,492	-	389,492	-	-
Promissory Note - Midfield cargo building	-	7,299,683	-	7,299,683	7,299,683
Other liabilities - Compensated absences	150,925	213,478	191,652	172,751	79,706
	\$ 35,776,117	\$ 7,513,161	\$ 4,049,449	\$ 39,239,829	\$ 8,987,533

Changes in long-term debt are summarized as follows for the year ended April 30, 2020:

	<i>April 30, 2019</i>	<i>Additions</i>	<i>Reductions</i>	<i>April 30, 2020</i>	<i>Amount Due in One Year</i>
Capital lease obligation	\$ 375,971	\$ -	\$ 185,289	\$ 190,682	\$ 190,682
General obligation alternate revenue bond 2008	2,142,300	-	590,400	1,551,900	625,900
General obligation alternate revenue bond 2014	226,880	-	47,190	179,690	50,544
General obligation alternate revenue bond 2015 - Series A	7,288,089	-	333,669	6,954,420	343,961
General obligation alternate revenue bond 2015 - Series B	4,469,719	-	204,286	4,265,433	211,333
General obligation alternate revenue bond 2015 - Series C	3,575,764	-	163,418	3,412,346	169,066
General obligation alternate revenue bond 2017	4,395,776	-	171,524	4,224,252	179,070
General obligation alternate revenue bond 2018	6,185,814.00	5,217,036	229,567.00	11,173,283	356,595
Promissory Note - MRO	16,285,491	-	13,001,797	3,283,694	287,404
Promissory Note - Parking equipment	536,065	-	146,573	389,492	153,440
Line of Credit - Terminal expansion	1,706,030.00	293,970	2,000,000	-	-
Other liabilities - Compensated absences	123,334	27,591	-	150,925	75,904
	\$ 47,311,233	\$ 5,538,597	\$17,073,713	\$ 35,776,117	\$ 2,643,899

Note 7 – Long-Term Debt (continued)

Capital Lease

In 2014, the Authority entered into a tax-exempt lease purchase agreement for two Oshkosh H Series Snow Brooms. The amount of the capital lease is \$1,223,800. The agreement was entered on July 26, 2013 with the first payment due September 26, 2014 and each year after for a period of seven years. The annual interest rate is 2.91%. The annual payment of principal and interest is \$196,230. There is a buy-out option of \$1 at the end of the lease term. The accumulated depreciation and depreciation expense for the year is \$795,470 and \$122,380, respectively. Final principal and interest payments on the lease were paid in FY2021 in the amounts of \$190,682 and \$5,549, respectively.

General Obligation Debt from Direct Placements or Borrowings – Revenue Bonds

In 2008, the Authority issued \$8.2 million of alternative revenue bonds. The 2008 Bonds shall mature on December 1 in each year with final payment due December 1, 2022. Interest payments are due semiannually on June 1 and December 1. Prior to December 2010, the Bonds shall bear interest at the fixed rate of 4.3% per annum. On and after December 1, 2010, the Bonds shall bear interest at a variable interest rate equal to the lesser to the 90-day LIBOR plus 150 basis points or 9% interest per annum. The 2008 bonds were paid in full in FY2021.

On November 24, 2014, the Authority issued General Obligation Alternate Revenue Bonds, Series 2014, in the principal amount of \$400,000, maturing in eight years and nine months. This issue was sold at 4.99% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated October 6, 2014 for property located at 40 Airport Drive. The 2014 bonds were paid in full in FY2021.

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015A, in the principal amount of \$8,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and Winnebago County. The bonds are non-taxable and secured by landfill host fees revenue earned by the County.

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015B, in the principal amount of \$5,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. An intergovernmental agreement was executed between the Authority and the City of Rockford. The bonds are non-taxable and secured by sales tax revenue collected by the City.

On December 3, 2015, the Authority issued General Obligation Alternate Revenue Bonds, Series 2015C, in the principal amount of \$4,000,000, in varying maturities for twenty years. This issue was sold at 3.19% fixed. The bonds are non-taxable and secured by assignment of rents related to the lease agreement dated August 21, 2014 for property located at 6150 Cessna Drive.

On February 8, 2017, the Authority issued General Obligation Alternate Revenue Bonds, Series 2017, in the principal amount of \$4,750,000 in varying maturities for twenty years. This issue was sold with a 10-year 4.00% fixed interest rate. The interest rate will change on the first day of year eleven to the 10-year treasury rate on that day plus 1.55% and will be fixed for the remaining ten years of the term. The bonds are non-taxable and secured by revenues derived from Passenger Facility Charges.

On November 1, 2018, the Authority issued General Obligation Alternate Revenue Bonds, Series 2018, in the principal amount of \$12,000,000 in varying maturities for twenty years. The Bond was refinanced in March 2020 for the total amount of \$11,173,283 with a rate of 4.75% for twenty years. The bonds are non-taxable and secured by revenues derived from Landing Fees.

Note 7 – Long-Term Debt (continued)

Principal and interest payments on the bonds are due as follows:

General Obligation Debt from Direct Placement or Borrowing			
<i>Years</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
FYE22	\$ 1,307,729	\$ 1,115,797	\$ 2,423,526
FYE23	1,358,211	1,065,312	2,423,523
FYE24	1,408,488	1,015,037	2,423,525
FYE25	1,464,714	958,809	2,423,523
FYE26	1,521,983	901,541	2,423,524
FYE27-FY31	8,542,411	3,575,715	12,118,126
FYE32-FY36	10,049,612	1,771,531	11,821,143
FYE37-FYE40	3,117,972	267,433	3,385,405
Total payments	28,771,120	10,671,175	39,442,295
Less current maturities	1,307,729	1,115,797	2,423,526
Long-term portion of the obligation	\$ 27,463,391	\$ 9,555,378	\$ 37,018,769

The Authority has pledged the Airport Improvement Program (AIP) Federal Grant money it expects to receive in the future as a government revenue source to repay \$8.2 million in general obligation alternate revenue bonds issued December 2008. Proceeds from the bonds provided financing to implement certain improvements to the Airport through construction of the Northwest Quadrant Air Cargo Apron and Access Taxiway. The bonds are payable from the revenues derived from the grants to be received by the Authority from the United States of America pursuant to the AIP administered by the Federal Aviation Administration and are payable through fiscal 2022. AIP grant revenue is pledged to produce 125% of the debt service requirements over the life of the bonds. Annual principal and interest payments range from \$650,385 to \$946,565 with interest due semi-annually and principal due annually. Interest costs incurred in FY2021 were \$36,415 with \$0 interest capitalized. The bond principal was paid in full in FY2021. Interest required to be paid in FY2020 was \$69,470 with \$0 interest capitalized. No AIP revenues were received for bond payments in FY2021.

The Authority has pledged future rents received as the revenue source to repay \$400,000 in general obligation alternate bonds issued in November 2014. Annual principal and interest payments range from \$17,464 - \$60,230 with interest due semi-annually and principal due annually. Interest costs incurred in FY2021 were \$5,441 with \$0 interest capitalized. The bond principal was paid in full in FY2021. Interest costs incurred in FY2020 were \$10,399 with \$0 interest capitalized.

In December 2015, the Authority issued \$17 million in general obligation alternate revenue bonds. Annual principal and interest payments are \$1,189,503 with interest and principal payments due quarterly. Intergovernmental agreements with the City of Rockford and Winnebago County require the City and the County to make payments to the airport sufficient to pay the principal and interest on Revenue Bonds, Series 2015A and 2015B. Pledged revenues consist of future rents for the Authority, sales tax revenue for the City, and landfill host fees for the County. Interest costs in 2021 totaled \$465,091 with \$0 interest capitalized. Interest costs in 2020 totaled \$488,128 with \$0 interest capitalized. Pledged revenues were received in FY2020 in the amounts required to meet debt obligations.

Note 7 – Long-Term Debt (continued)

In February 2017, the Authority issued \$4.75 million in general obligation alternate revenue bonds. Annual principal and interest payments are \$347,100 with interest and principal payments due monthly. Interest costs incurred in 2021 were \$168,023 with \$168,023 interest capitalized. Interest required to be paid in 2020 were \$175,577 with \$175,577 interest capitalized. PFC revenues received in the amount of \$347,100 covered debt obligation in FY2021.

On November 1, 2018, the Authority issued General Obligation Alternate Revenue Bonds, Series 2018, in the principal amount of \$12,000,000 in varying maturities for twenty years. The Bond was refinanced in March 2020 for the total amount of \$11,173,283 with a rate of 4.75% for twenty years. Annual principal and interest payments are \$886,992 with interest and principal payments due monthly. Interest costs incurred in 2021 were \$531,795 with \$527,757 interest capitalized. Interest paid in 2020 totaled \$349,714 with \$284,292 interest capitalized. The bonds are non-taxable and secured by revenues derived from landing fees.

Debt from Direct Placements or Borrowings – Promissory Notes

During FY2016, state and federal budget issues resulted in funding shortages in the construction of the MRO facility. The Authority opened a line of credit to continue construction of the facility. In December 2017, the line of credit was converted to a Promissory Note with a maturity date of December 10, 2022. Monthly payments consist of principal and interest in the amount of \$96,230, based on a twenty-five (25) year amortization schedule, with the remaining principal and interest due on the new maturity date. The interest rate is a fixed rate of 4.75%. State funds were received in August 2019 in the amount of \$12,691,791 and applied to the Note. The Note was refinanced in August 2019 with a new fixed rate of 4.375% and monthly principal and interest payments totaling \$35,607. Default provisions on the promissory note include an increase in interest rate of three percentage points, setoffs of sums owing against other accounts with the lender, and any remaining balance of the note becomes immediately due to the lender.

On September 29, 2017, the Authority entered into a Promissory Note to purchase equipment for paid parking implementation. The interest rate is a fixed rate of 4.50%. Monthly principal and interest payments of \$14,003 will be made until the note matures on January 1, 2023. As parking revenues increase, payments will be increased to reduce the debt earlier. The note was paid in full in FY2021.

On October 27, 2020, the Authority entered into a Promissory Note to fund construction of a Midfield Cargo Building. This is the first building in a planned Midfield International Cargo development. The terms of the note include a maturity date of July 27, 2021. No monthly payments are required on the note. The interest rate is variable with an initial rate of 3.75%. Default provisions on the promissory note include an increase in interest rate of five percentage points, setoffs of sums owing against other accounts with the lender, and any remaining balance of the note becomes immediately due to the lender. The promissory note was refinanced with the issuance of bonds on May 27, 2021. See Note 13 for more information.

Note 8 – Legal Debt Margin

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

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

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

The legal debt margins as of April 30, 2021 are summarized as follows:

	<i>Without Voter Approval</i>	<i>With Voter Approval</i>	<i>Total Debt Limitation</i>
Assessed valuation at April 30, 2020	\$ 3,122,476,525	\$ 3,122,476,525	\$ 3,122,476,525
Debt limit percentages	0.75%	2.30%	2.875%
	23,418,574	71,816,960	89,771,200
Total debt applicable to debt limit	-	-	10,295,958
Total	-	-	10,295,958
FYE21 Legal debt margins	\$ 23,418,574	\$ 71,816,960	\$ 79,475,242

Note 9 – Pension Plan

Plan Description. The Authority participates in an agent multi-employer defined benefit plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Illinois Municipal Retirement Fund (IMRF) provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. All employees must be enrolled in IMRF as participating members. IMRF has a two-tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of 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 (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter. IMRF issues a financial 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 online at www.imrf.org.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of 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 (average of the highest 96

Note 9 – Pension Plan (continued)

consecutive months' earnings during the last 10 years, capped at \$116,740) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service, between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Plan membership.

At December 31, 2020, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	63
Inactive, non-retired members	20
Active members	<u>38</u>
Total	<u>121</u>

At December 31, 2019, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	61
Inactive, non-retired members	19
Active members	<u>38</u>
Total	<u>118</u>

Contributions. As set by statute, Authority employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Authority to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Authority's actuarially determined contribution rate for calendar year 2020 was 9.61% percent of annual covered payroll. The Authority's actuarially determined contribution rate for calendar year 2019 was 7.01% percent of annual covered payroll. The Authority also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9 – Pension Plan (continued)

Actuarial Assumptions. The assumptions used to measure the total pension liability at December 31, 2020 included an (a) 7.25% investment rate of return, (b) projected salary increases of 3.35 to 14.25%, including inflation, and (c) inflation of 2.5%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016. The actuarial cost method was aggregate entry age normal and the asset valuation method was 5-year smoothed market; 20% corridor.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the future real rates of return to the target asset allocation percentage and adding expected inflation.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	37%	5.75%
International Equities	18%	6.5%
Fixed Income	28%	3.25%
Real Estate	9%	5.2%
Alternatives	7%	3.60-7.60%
Cash Equivalents	1%	1.85%

Discount rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that 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 fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.25% was blended with the index rate of 2.00% for tax exempt municipal bonds to arrive at a discount rate of 7.25% used to determine the total pension liability. The year ending December 31, 2120 is the last year in the 2021 to 2120 projection period for which projected benefit payments are fully funded.

Note 9 – Pension Plan (continued)

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate as of December 31, 2020. The table below presents the pension liability/(asset) of the Authority calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Authority:	Current Discount		
	1% Decrease	Rate	1% Increase
Total pension liability	\$ 19,971,797	\$ 17,864,840	\$ 16,202,034
Plan fiduciary net pension	18,794,056	18,794,056	18,794,056
Net pension liability/(asset)	\$ 1,177,741	\$ (929,216)	\$ (2,592,022)

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate as of December 31, 2019. The table below presents the pension liability/(asset) of the Authority calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Authority:	Current Discount		
	1% Decrease	Rate	1% Increase
Total pension liability	\$ 19,676,654	\$ 17,630,107	\$ 15,940,298
Plan fiduciary net pension	17,283,944	17,283,944	17,283,944
Net pension liability/(asset)	\$ 2,392,710	\$ 346,163	\$ (1,343,646)

Changes in net pension liability/(asset). The Authority's changes in net pension liability/(asset) for the calendar year ended December 31, 2020 was as follows:

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2019	17,630,107	17,283,944	346,163
Changes for the year:			
Service cost	291,994	-	291,994
Interest	1,249,082	-	1,249,082
Differences between expected and actual experience	(51,422)	-	(51,422)
Changes of assumptions	(160,146)	-	(160,146)
Contributions - employer	-	295,495	295,495
Contributions - employee	-	164,162	164,162
Net investment income	-	2,550,787	2,550,787
Benefit payments, including refunds of employee contributions	(1,094,775)	(1,094,775)	(2,189,550)
Other changes	-	(405,557)	(405,557)
Net Changes	234,733	1,510,112	1,744,845
Balances at December 31, 2020	\$ 17,864,840	\$ 18,794,056	\$ (929,216)

Note 9 – Pension Plan (continued)

The Authority's changes in net pension liability for the calendar year ended December 31, 2019 was as follows:

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2018	16,995,311	15,110,913	1,884,398
Changes for the year:			
Service cost	273,123	-	273,123
Interest	1,203,366	-	1,203,366
Differences between expected and actual experience	225,750	-	225,750
Changes of assumptions	-	-	-
Contributions - employer	-	198,486	198,486
Contributions - employee	-	127,417	127,417
Net investment income	-	2,935,878	2,935,878
Benefit payments, including refunds of employee contributions	(1,067,443)	(1,067,443)	(2,134,886)
Other changes	-	(21,307)	(21,307)
Net Changes	634,796	2,173,031	2,807,827
Balances at December 31, 2019	\$ 17,630,107	\$ 17,283,944	\$ 346,163

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2020, the Authority recognized pension expense of \$112,673. The Authority reported deferred outflows and inflows of resources related to pension:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 154,803	\$ 37,712
Changes of assumptions	60,380	117,447
Net difference between projected and actual investment earnings	-	1,643,069
Contributions subsequent to the measurement date	105,178	-
Total	\$ 320,361	\$ 1,798,228

Note 9 – Pension Plan (continued)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<i>Total</i>
FY2022	\$ (418,356)
FY2023	(214,579)
FY2024	(683,024)
FY2025	(267,086)
FY2026	-
Thereafter	-
	<u>\$ (1,583,045)</u>

For the year ended December 31, 2019, the Authority recognized a pension expense of \$277,407. The Authority reported deferred outflows and inflows of resources related to pension:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 325,470	\$ 94,434
Changes of assumptions	188,058	83,056
Net difference between projected and actual investment earnings	-	826,526
Contributions subsequent to the measurement date	108,098	-
Total	<u>\$ 621,626</u>	<u>\$ 1,004,016</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<i>Total</i>
FY2021	\$ (130,943)
FY2022	(94,862)
FY2023	108,915
FY2024	(373,598)
FY2025	-
Thereafter	-
	<u>\$ (490,488)</u>

Note 10 – Property Leased to Others

The Authority is a lessor of land, buildings and office space both on and off airport property. Many of these leases provide for a periodic review and redetermination of the rental amounts. Minimum future rentals on non-cancellable operating leases to be received in each of the next five years and thereafter are as follows:

FYE22	\$	3,954,201
FYE23		4,267,113
FYE24		4,135,603
FYE25		2,371,738
FYE26		1,945,006
Thereafter		3,200,400
Total	\$	19,874,061

Note 11 – Commitments and Contingencies

Landfill Closure Costs

The Authority operated two (2) landfill sites and both are closed. Landfill #1 was issued a Certification of Closure by the Illinois Environmental Protection Agency (Illinois EPA) on October 10, 2002. The 15-year post-closure care period for Landfill #1 began on December 1, 2001. On December 10, 2018, the Illinois EPA approved the Affidavit for Certification of Post Closure Care and indicated that post-closure care at Landfill#1 was completed as of July 2, 2018. The Illinois EPA also indicated that financial assurance is no longer required for Landfill #1 and that the December 10, 2018 approval of the Affidavit for Certification of Post Closure Care was the final action by the Illinois EPA for Landfill #1. Landfill #2 was issued a Certification of Closure by the Illinois EPA on September 26, 2017. The 21-year post-closure care period for Landfill #2 began on May 2, 2011.

State and Federal laws and regulations require the placement of a final cover and that the Authority perform certain maintenance and monitoring functions at the sites for a minimum of fifteen (15) years thereafter. The Authority has accrued the estimated cost of these future monitoring activities. The liability estimates are based upon engineering estimates and regulatory requirements at the respective dates. However, actual costs may be higher due to inflation, changes in technology, changes in regulations, or further interpretations and directives from regulatory agencies. It is unknown and unforeseen at this time if any funds will be paid in the next 12 months.

The Authority has created a trust to finance closure and post closure care costs. At April 30, 2021 and 2020, an investment of \$747,489 and \$885,073 respectively, is held for this purpose. FY2021, FY2020 and FY2019 estimates project a decrease in the liability as shown in the table below. Future annual contributions to this trust will be funded by excess funds, if any, after the year-end.

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
2021	\$ 785,795	\$ -	\$ 78,580	\$ 707,215
2020	859,730	-	73,935	785,795
2019	1,139,122	-	279,392	859,730

Note 11 – Commitments and Contingencies (continued)

Storm Water Treatment Plan

In accordance with the requirements of the Illinois EPA, the Authority has developed a Storm Water Treatment Plan (the Plan). To complete the Plan, the Authority has projected the estimated capital costs to be approximately \$1,500,000. UPS made monthly payments through July 1999 to fund the obligation. In accordance with the agreement with UPS, interest earned on unspent funds is to be used for the capital needs related to the Storm Water Treatment Plan or returned to UPS. Unspent funding and the related earnings totaling \$720,533 and \$626,240 are included with investments for long-term purposes and as a liability on the balance sheet at April 30, 2021 and 2020, respectively. In FY2019, funds were used for ramp drain repairs. UPS currently pays \$12,500 per month for the current operations of the treatment facility. Amazon contributes \$12,000 monthly to the storm water treatment plan fund.

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
2021	\$ 626,240	\$ 94,313	\$ -	\$ 720,553
2020	610,932	15,308	-	626,240
2019	1,445,439	1,890	836,397	610,932

Federal and State Assisted Programs

The Authority participates in several programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government. As of April 30, 2021, significant amounts of grant expenditures have not been audited but the Authority believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the overall financial position of the Authority. The Authority reports contributions of capital assets received from the federal or state governments as capital contributions.

Risk Financing

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

The Authority established a partial self-insurance program beginning January 1, 2008 to cover the risks of health claims and has retained the services of an outside agency to administer its self-insurance claims. The Authority does not assume unlimited liability for health claims as it maintains stop-loss coverage which covers medical expenses when they are incurred for amounts over \$3,500 annually for each participant.

The changes in claims and judgments are as follows:

	Balance Beginning of Year	Claims Incurred	Claims Paid	Balance End of Year
2021	\$ 191,909	\$ 117,732	\$ (71,929)	237,712
2020	144,137	126,840	(79,068)	191,909
2019	96,757	120,000	(72,620)	144,137
2018	82,682	106,328	(92,253)	96,757

Note 11 – Commitments and Contingencies (continued)

Aircraft Rescue and Firefighting Services Contract

In February 2014 the Authority entered into an agreement with Pro-Tec Fire Services Ltd for contract Aircraft Rescue and Firefighting Services. The contract was renewed in FY2020 for a period of three years expiring February 2023. The agreement calls for twelve equal monthly installments of \$58,333 in 2021.

Significant Tenants

The Authority has two tenants that provide more than 10% of operating revenues. United Parcel Service (UPS) contributes lease revenues as well as service fee revenue to the airport totaling \$4,202,627 in FY2021 equaling 33.33% of total operating revenue. Amazon contributed lease and service fee revenues totaling \$1,993,330 in FY2021 equaling 15.81% of total operating revenue.

Construction Projects

The Authority has active construction projects as of April 30, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Note 12 – Other Post-Employment Benefits

Plan description. The Authority maintains group health, dental and life insurance programs for all employees in a single employer defined benefit healthcare plan. Retirees who are eligible for IMRF benefits and have reached retirement age may participate in the Authority's health, dental and life insurance plan. The cost to the retiree for this coverage shall be 100% of the Authority's cost.

Employees who retired prior to April 30, 2015, at the discretion of the Authority's Board, are provided health, dental and life insurance benefits. The Authority pays 80% of the health insurance premium for this group of employees. The Authority requires all retirees in this group enrolled in the Authority's health care plan to subscribe to a Medicare plan upon eligibility. As of April 30, 2021, all retirees are eligible for Medicare.

Employees covered by benefit terms. At April 30, 2021 and 2020, the following employees were covered by the benefit terms:

	FY21	FY20
Inactive plan members or beneficiaries currently receiving benefit payments	11	13
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	36	34
Total	<u>47</u>	<u>47</u>

Total OPEB Liability. The April 30, 2021 OPEB liability of \$665,549 was determined by an actuarial valuation as of May 1, 2021. The Authority's total OPEB liability of \$762,991 was measured as of April 30, 2020. The April 30, 2021 liability was based on the alternative measurement method of actuarial valuation reporting under GASB 75.

Note 12 – Other Post-Employment Benefits (continued)

Actuarial assumptions and other inputs. The December 31, 2020 total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.50%
Healthcare cost trend rates-PPO	7.70% Initially reduced by decrements to an ultimate of 5.0% after 11 years
Healthcare cost trend rates-HSA	7.20% Initially reduced by decrements to an ultimate of 5.0% after 11 years
Retirees' share of benefit-related costs	100%
Discount rate	2.27%

The December 31, 2019 total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.50%
Healthcare cost trend rates-PPO	7.10% Initially reduced by decrements to an ultimate of 5.0% after 11 years
Healthcare cost trend rates-HSA	7.20% Initially reduced by decrements to an ultimate of 4.5% after 11 years
Retirees' share of benefit-related costs	100%
Discount rate	2.56%

The discount rate is based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the municipal bond rate.

Mortality rates are based on the IMRF actuarial valuation report.

Other assumptions are based on an Authority-determined analysis of past trends and future expectations.

Changes in the Total OPEB Liability:

	FY2021	FY2020
Beginning balance	\$ 762,991	\$ 692,499
Changes for the year:		
Service cost	10,723	10,089
Interest	19,009	25,509
Changes of benefit terms	-	-
Differences between expected and actual experience	(139,311)	-
Changes in assumptions or other inputs	53,060	74,575
Benefit payments	(40,923)	(39,681)
Net changes	(97,442)	70,492
Ending balance	\$ 665,549	\$ 762,991

Changes of assumptions and other inputs reflect a change in the discount rate from 2.56% in fiscal year 2020 to 2.27% in fiscal year 2021.

Note 12 – Other Post-Employment Benefits (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority as of April 30, 2021. The table represents what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.27%) or 1-percentage-point higher (3.27%) than the current discount rate:

	1% Decrease (1.27%)	Discount Rate (2.27%)	1% Increase (3.27%)
OPEB liability	\$ 741,943	\$ 665,549	\$ 601,170

The following presents the total OPEB liability of the Authority as of April 30, 2020. The table represents what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.56%) or 1-percentage-point higher (3.56%) than the current discount rate:

	1% Decrease (1.56%)	Discount Rate (2.56%)	1% Increase (3.56%)
OPEB liability	\$ 835,000	\$ 792,991	\$ 701,272

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates. The following presents the OPEB liability of the Authority as of April 30, 2021. The table represents what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates. Refer to the Actuarial Assumptions for full list of assumed trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
OPEB liability	\$ 600,262	\$ 665,549	\$ 741,648

The following presents the OPEB liability of the Authority as of April 30, 2020. The table represents what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates. Refer to the Actuarial Assumptions for full list of assumed trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
OPEB liability	\$ 682,467	\$ 762,991	\$ 856,448

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources. For the year ended April 30, 2021, the Authority recognized a credit to OPEB expense of \$97,442. At April 30, 2021, the Authority reported no deferred inflows and no deferred outflows of resources related to OPEB.

For the year ended April 30, 2020, the Authority recognized OPEB expense of \$119,671. At April 30, 2020, the Authority reported no deferred inflows and no deferred outflows of resources related to OPEB.

Note 13 – Subsequent Events

The impact of COVID-19 on the Authority's operational and financial performance is ongoing. The Authority is still experiencing decreases in passenger activity. Cargo operations continue to surge due to an increase in e-commerce and supply chain demands. It is expected operations will be affected through FY2022. Offsets to operating revenue decreases have been received in the form of federal stimulus grants.

The Authority received an allocation of over \$18 million under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. A second round of funding provided \$2.2 million near the end of FY2021. In FY2022, the Authority will receive a third grant in the amount of \$4.9 million. These funds can be utilized to offset operating losses, pay down debt obligations, and complete capital projects.

On May 27, 2021, the Authority received a line of credit in the amount of \$1,500,000 to provide short-term funding, as needed. The interest rate is a variable rate with an initial rate of 3.50%. The line of credit will mature in twelve months and The Authority will have the option to renew. To date, no draws have been made against the line of credit.

On May 27, 2021, the Authority issued a series of bonds totaling \$50 million to construct an air cargo building, related ramp space, parking lot and roadway. Interest rates ranged from .23% to 2.99%. In addition, the bonds were used to refund outstanding 2018 bonds and an existing promissory note related to the midfield construction.

Note 14 – Pending Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 87, Leases; GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; GASB Statement No. 91, Conduit Debt Obligations; GASB Statement No. 92, Omnibus; GASB Statement No. 93, Replacement of Interbank Offered Rates; GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; GASB Statement No. 96, Subscription-Based Information Technology Arrangements; and Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

When the statements listed above become effective, application of these standards may restate portions of these financial statements.



Required Supplementary Information

Greater Rockford Airport Authority

Schedule of Changes in the Net Pension Liability/(Asset) and Related Ratios

Illinois Municipal Retirement Fund

For the Year Ended April 30, 2021

	Calendar Year 2020	Calendar Year 2019	Calendar Year 2018	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015
Regular Plan						
Total pension liability						
Service cost	\$ 291,994	\$ 273,123	\$ 254,298	\$ 263,423	\$ 269,855	\$ 272,656
Interest	1,249,082	1,203,366	1,152,442	1,190,461	1,147,485	1,128,206
Differences between expected and actual experience	(51,422)	225,750	379,727	(550,713)	72,842	(209,310)
Changes of assumptions	(160,146)	-	443,414	(484,357)	(17,630)	16,911
Benefit payments, including refunds of employee contributions	(1,094,775)	(1,067,443)	(946,630)	(895,702)	(937,817)	(921,344)
Net change in total pension liability	\$ 234,733	\$ 634,796	\$ 1,283,251	\$ (476,888)	\$ 534,735	\$ 287,119
Total pension liability - beginning	17,630,107	16,995,311	15,712,060	16,188,948	15,654,213	15,367,094
Total pension liability - ending	\$ 17,864,840	\$ 17,630,107	\$ 16,995,311	\$ 15,712,060	\$ 16,188,948	\$ 15,654,213
Plan Fiduciary Net Position						
Contributions - Employer	\$ 295,495	\$ 198,486	\$ 268,292	\$ 267,580	\$ 265,201	\$ 271,796
Contributions - Employees	164,162	127,417	124,038	132,366	115,528	147,352
Net investment income	2,550,787	2,935,878	(989,640)	2,745,178	987,700	73,427
Benefit payments, including refunds of employee contributions	(1,094,775)	(1,067,443)	(946,630)	(895,702)	(937,817)	(921,344)
Other changes	(405,557)	(21,307)	380,150	(927,285)	(48,693)	62,947
Net change in plan fiduciary net position	1,510,112	2,173,031	(1,163,790)	1,322,137	381,919	(365,822)
Total plan fiduciary net position - beginning	17,283,944	15,110,913	16,274,703	14,952,566	14,570,647	14,936,469
Total plan fiduciary net position - ending	\$ 18,794,056	\$ 17,283,944	\$ 15,110,913	\$ 16,274,703	\$ 14,952,566	\$ 14,570,647
Net plan liability/(asset) - ending	\$ (929,216)	\$ 346,163	\$ 1,884,398	\$ (562,643)	\$ 1,236,382	\$ 1,083,566
Plan fiduciary net position as a percentage of the total pension liability	105.20%	98.04%	88.91%	103.58%	92.36%	93.08%
Covered payroll	\$ 3,074,870	\$ 2,831,485	\$ 2,713,469	\$ 2,621,801	\$ 2,567,293	\$ 2,649,088
Net pension liability as a percentage of covered payroll	-30.22%	12.23%	69.45%	-21.46%	48.16%	40.90%

See Independent Auditors' Report and accompanying notes to required supplementary information.

Note: The pension schedules are intended to show information for ten years. Additional information will be shown as it becomes available.

Greater Rockford Airport Authority
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 For the Year Ended April 30, 2021

Regular Plan	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Actuarially determined contribution	\$ 295,495	\$ 198,487	\$ 233,382	\$ 250,676	\$ 250,643	\$ 278,360	\$ 271,796
Actual contribution	295,495	198,486	233,382	250,676	250,643	278,360	271,796
Contribution deficiency (excess)	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$3,074,870	\$2,900,651	\$2,750,226	\$2,763,493	\$2,641,410	\$2,590,713	\$2,649,088
Actual contribution as a percentage of covered payroll	9.61%	7.01%	8.49%	9.07%	9.49%	10.74%	10.26%

Notes to Schedule:

The pension schedules are intended to show information for ten years. Additional information will be shown as it becomes available.

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates

Actuarial Cost Method: Aggregate entry age normal
 Amortization Method: Level percentage of payroll, closed
 Remaining Amortization Period: 23-year closed period
 Asset Valuation Method: 5-year smoothed market; 20% corridor
 Wage Growth: 3.25%
 Price Inflation: 2.50%
 Salary Increases: 3.35% to 14.25% including inflation
 Investment Rate of Return: 7.25%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used for fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

See Independent Auditors' Report.

Greater Rockford Airport AuthoritySchedule of Changes in the OPEB Liability and Related Ratios
For the Year Ended April 30, 2021

Total OPEB Liability	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
Service Cost	\$ 10,723	\$ 10,089	\$ 9,656
Interest	19,009	25,509	27,074
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(139,311)	-	-
Changes of assumptions	53,060	74,575	10,294
Benefit payments	(40,923)	(39,681)	(73,056)
Net Change in Total OPEB Liability	(97,442)	70,492	(26,032)
Total OPEB – Beginning	762,991	692,499	718,531
Total OPEB – Ending	<u>\$ 665,549</u>	<u>\$ 762,991</u>	<u>\$ 692,499</u>
Covered payroll	\$ 2,967,271	\$ 2,894,899	\$ 2,795,493
OPEB liability as a percentage of covered payroll	22.43%	26.36%	24.77%

Notes to Schedule:

Changes of assumptions. There was a change in the discount rate from 2.56% in fiscal year 2020 to 2.27% in fiscal year 2021.

Covered-Employee Payroll. Based on total covered payroll for the postretirement plan Members during the fiscal year

The pension schedules are intended to show information for ten years. Additional information will be shown as it becomes available.

See Independent Auditors' Report.

Greater Rockford Airport AuthoritySchedule of Employer Contributions
Other Post Employment Benefits
For the Year Ended April 30, 2021

	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>
Actuarially determined contributions	N/A	N/A	N/A
Contributions in relation to the actuarially determined contributions	-	-	-
Contribution deficiency (excess)	N/A	N/A	N/A
Covered payroll	\$2,967,271	\$ 2,894,899	\$ 2,795,493
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

Notes to Schedule:

There is no ADC or Employer Contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB Liability. However, the Authority did make contributions from other Authority resources in the current year in the amount of \$40,923.

The pension schedules are intended to show information for ten years. Additional information will be shown as it becomes available.

See Independent Auditors' Report.



Statistical Section

(Unaudited)



CONTENTS

Statistical Section

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

Financial Trends and Revenue Capacity

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

Debt Capacity

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

Operating Information

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

Economic and Demographic Information

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

Greater Rockford Airport Authority
Schedule of Revenue, Expenses, and Changes in Net Position
Years Ended April 30, 2012 Through 2021

	<i>FYE21</i>	<i>FYE20</i>	<i>FYE19</i>	<i>FYE18</i>
Operating revenues				
Airport fees	\$ 7,246,661	\$ 6,695,839	\$ 5,936,000	\$ 4,331,016
Lease revenue	3,995,685	3,687,863	2,389,049	1,913,107
Charge for services and other revenue	1,368,161	1,523,471	1,101,719	887,164
Total operating revenues	<u>12,610,507</u>	<u>11,907,173</u>	<u>9,426,768</u>	<u>7,131,287</u>
Operating expenses				
Personnel and benefits	4,090,592	4,306,190	3,579,555	4,495,847
Contractual services	4,378,338	4,282,610	3,985,004	2,886,151
Commodities	2,062,698	1,775,127	2,447,588	1,046,229
Other	514,790	289,673	203,057	421,174
Total operating expenses	<u>11,046,418</u>	<u>10,653,600</u>	<u>10,215,204</u>	<u>8,849,401</u>
Operating gain (loss) before depreciation	1,564,089	1,253,573	(788,436)	(1,718,114)
Depreciation	9,299,882	8,867,295	10,938,517	12,009,242
Operating loss	<u>(7,735,793)</u>	<u>(7,613,722)</u>	<u>(11,726,953)</u>	<u>(13,727,356)</u>
Nonoperating revenues (expenses)				
Taxes - property and corporate	3,627,999	3,513,179	3,491,584	3,397,623
Interest income	16,348	32,452	43,072	24,694
Passenger facility charges	366,703	487,044	551,280	484,770
Intergovernmental revenue	9,768,953	295,404	372,136	563,609
Other income	-	-	-	86,279
Interest expense	(633,763)	(947,363)	(1,417,329)	(1,535,629)
Gain (loss) on sale of capital asset	351,222	103,811	(6,168)	-
Intergovernmental contribution	-	-	-	(2,199,824)
Bond issuance expense	-	-	-	-
Other expense	-	-	(183)	(58,231)
Total nonoperating revenues (expenses)	<u>13,497,462</u>	<u>3,484,527</u>	<u>3,034,392</u>	<u>763,291</u>
Gain (loss) before capital contribution	5,761,669	(4,129,195)	(8,692,561)	(12,964,065)
Capital contributions	22,798,573	4,032,524	24,748,774	10,188,537
Change in net position	<u>\$ 28,560,242</u>	<u>\$ (96,671)</u>	<u>\$ 16,056,213</u>	<u>\$ (2,775,528)</u>
Net position year end composed of:				
Net investment in capital assets	\$ 136,729,458	\$ 111,588,746	\$ 99,303,620	\$ 96,396,493
Restricted	929,216	-	-	562,643
Unrestricted	14,868,074	12,377,761	24,759,558	12,000,552
Total net position	<u>\$ 152,526,749</u>	<u>\$ 123,966,507</u>	<u>\$ 124,063,178</u>	<u>\$ 108,959,688</u>

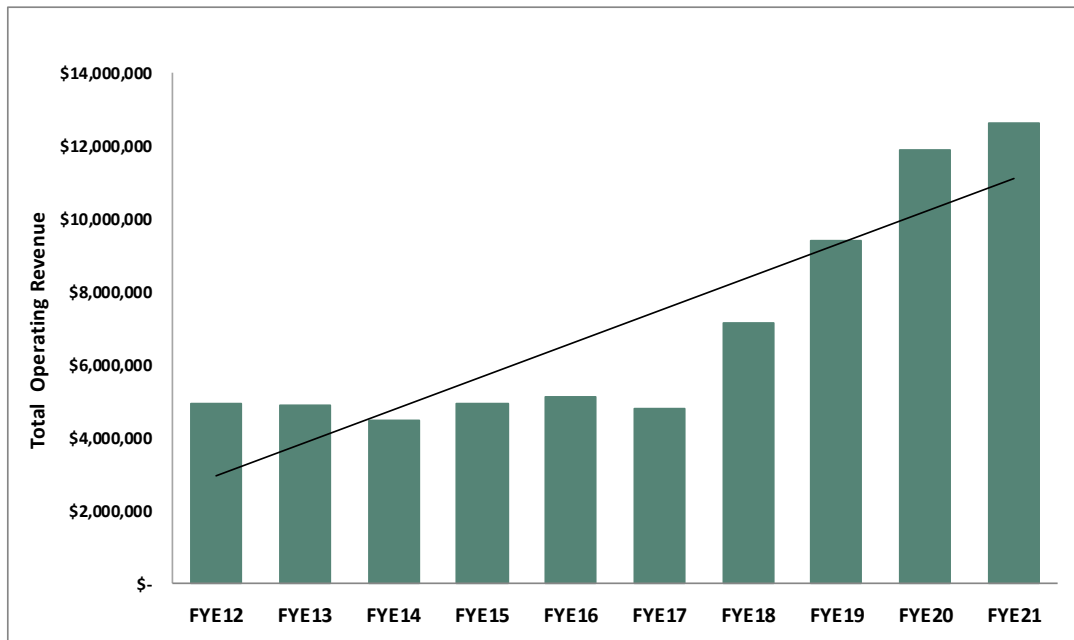
Source: The Authority Finance Department

	<i>FYE17</i>	<i>FYE16</i>	<i>FYE15</i>	<i>FYE14</i>	<i>FYE13</i>	<i>FYE12</i>
\$	2,571,899	\$ 2,121,537	\$ 2,079,168	\$ 2,034,860	\$ 2,075,411	\$ 2,150,157
	1,620,438	1,936,549	1,785,244	1,777,845	1,613,546	1,592,487
	627,136	1,080,769	1,094,545	670,126	1,217,751	1,210,682
	<u>4,819,473</u>	<u>5,138,855</u>	<u>4,958,957</u>	<u>4,482,831</u>	<u>4,906,708</u>	<u>4,953,326</u>
	3,957,557	4,026,916	3,900,047	3,952,436	3,829,976	3,606,203
	2,570,490	3,402,197	2,976,222	2,988,291	3,780,312	4,349,185
	692,246	678,855	947,332	1,148,389	1,196,300	935,766
	377,857	418,571	483,742	335,495	(13,424)	502,226
	<u>7,598,150</u>	<u>8,526,539</u>	<u>8,307,343</u>	<u>8,424,611</u>	<u>8,793,164</u>	<u>9,393,380</u>
	(2,778,677)	(3,387,684)	(3,348,386)	(3,941,780)	(3,886,456)	(4,440,054)
	<u>11,114,108</u>	<u>10,484,932</u>	<u>10,261,167</u>	<u>9,748,753</u>	<u>9,635,964</u>	<u>8,458,741</u>
	<u>(13,892,785)</u>	<u>(13,872,616)</u>	<u>(13,609,553)</u>	<u>(13,690,533)</u>	<u>(13,522,420)</u>	<u>(12,898,795)</u>
	3,385,292	3,469,200	3,490,444	3,719,117	3,643,500	3,871,216
	14,532	3,335	5,300	16,182	19,318	33,880
	497,802	495,649	466,839	512,191	474,257	522,905
	525,365	-	-	-	-	-
	276,832	302,444	192,934	136,887	2,937	145,279
	(974,449)	(111,194)	(103,512)	(90,201)	(75,831)	(144,047)
	10,966	503,044	-	-	-	-
	-	-	-	-	-	-
	(11,875)	(224,100)	-	-	(325,000)	-
	-	-	-	-	-	-
	<u>3,724,465</u>	<u>4,438,378</u>	<u>4,052,005</u>	<u>4,294,176</u>	<u>3,739,181</u>	<u>4,429,233</u>
	(10,168,320)	(9,434,238)	(9,557,548)	(9,396,357)	(9,783,239)	(8,469,562)
	<u>7,743,851</u>	<u>17,542,390</u>	<u>11,509,023</u>	<u>2,996,611</u>	<u>12,597,496</u>	<u>6,340,076</u>
\$	<u>(2,424,469)</u>	<u>\$ 8,108,152</u>	<u>\$ 1,951,475</u>	<u>\$ (6,399,746)</u>	<u>\$ 2,814,257</u>	<u>\$ (2,129,486)</u>
\$	95,357,086	\$ 104,161,337	\$ 104,978,065	\$ 102,196,797	\$ 107,937,425	\$ 103,205,716
	-	-	932,238	-	-	-
	<u>16,378,130</u>	<u>10,020,280</u>	<u>1,328,079</u>	<u>3,090,110</u>	<u>3,749,228</u>	<u>5,666,680</u>
\$	<u>111,735,216</u>	<u>\$ 114,181,617</u>	<u>\$ 107,238,382</u>	<u>\$ 105,286,907</u>	<u>\$ 111,686,653</u>	<u>\$ 108,872,396</u>

Greater Rockford Airport Authority
 Schedule of Revenue by Sources
 Years Ended April 30, 2012 Through 2021

	Airport Fees				Lease Revenue						Total Operating Income
	Airside		Landside		On Airport			Off Airport			
	Fuel Flowage Fees	Landing Fees	Passenger Parking Revenue	Rental Car Commission	Building	Land	Terminal	Building	Land	Other	
FYE12	81,605	1,886,284	-	182,268	590,802	427,183	75,750	156,095	342,656	1,210,683	4,953,326
FYE13	63,652	1,820,766	-	190,993	652,012	385,784	58,355	153,572	363,823	1,217,751	4,906,708
FYE14	39,680	1,807,066	-	188,114	774,906	374,624	66,320	155,374	406,621	670,126	4,482,831
FYE15	50,088	1,842,680	-	186,400	759,077	348,650	57,145	163,704	456,668	1,094,544	4,958,956
FYE16	43,988	1,872,817	-	204,732	850,454	365,012	66,636	168,440	459,623	1,107,152	5,138,854
FYE17	36,170	2,341,279	-	194,450	588,337	373,220	71,644	132,470	454,767	627,136	4,819,473
FYE18	36,241	3,612,607	478,509	203,659	844,244	386,352	70,848	120,012	491,652	887,164	7,131,288
FYE19	41,195	4,590,501	1,095,804	208,499	1,205,216	405,643	99,672	191,519	486,999	1,101,719	9,426,767
FYE20	45,124	5,417,661	1,032,512	200,542	2,294,067	536,979	122,557	201,172	533,088	1,523,471	11,907,173
FYE21	35,773	6,278,684	770,678	161,526	2,574,388	498,062	108,942	195,371	618,922	1,368,161	12,610,507

Source: The Authority Finance Department



Greater Rockford Airport Authority

Schedule of Certain Expenses by Function and Department
Years Ended April 30, 2012 Through 2021

	<u>FYE21</u>	<u>%</u>	<u>FYE20</u>	<u>%</u>	<u>FYE19</u>	<u>%</u>	<u>FYE18</u>	<u>%</u>	<u>FYE17</u>	<u>%</u>
Finance & Administration	\$ 1,778,728	16.1%	\$ 2,080,910	19.5%	\$ 1,605,853	15.7%	\$ 2,307,294	26.1%	\$ 1,905,796	25.1%
Facilities & Maintenance	6,532,523	59.1%	5,553,194	52.1%	5,852,997	57.3%	4,042,352	45.7%	3,035,463	40.0%
Operations	1,641,786	14.9%	1,555,284	14.6%	1,454,786	14.2%	1,528,735	17.3%	1,408,065	18.5%
Marketing	112,642	1.0%	364,098	3.4%	183,016	1.8%	148,465	1.7%	183,262	2.4%
Terminal Services	550,362	5.0%	501,069	4.7%	497,912	4.9%	430,287	4.9%	584,137	7.7%
AirFest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Business Development	430,377	3.9%	599,045	5.6%	620,640	6.1%	392,268	4.4%	481,426	6.3%
Passenger Development	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	<u>\$ 11,046,418</u>		<u>\$ 10,653,600</u>		<u>\$ 10,215,204</u>		<u>\$ 8,849,401</u>		<u>\$ 7,598,149</u>	
	<u>FYE16</u>	<u>%</u>	<u>FYE15</u>	<u>%</u>	<u>FYE14</u>	<u>%</u>	<u>FYE13</u>	<u>%</u>	<u>FYE12</u>	<u>%</u>
Finance & Administration	\$ 1,736,000	20.4%	\$ 1,761,923	21.2%	\$ 1,742,428	20.7%	\$ 1,539,630	17.5%	\$ 1,819,927	19.4%
Facilities & Maintenance	2,861,555	33.6%	3,216,946	38.7%	3,445,157	40.9%	2,964,152	33.7%	4,730,042	50.4%
Operations	1,341,597	15.7%	1,262,810	15.2%	1,804,597	21.4%	1,793,241	20.4%	-	0.0%
Marketing	370,267	4.3%	307,114	3.7%	319,744	3.8%	511,046	5.8%	1,333,872	14.2%
Terminal Services	596,200	7.0%	639,049	7.7%	568,735	6.8%	565,100	6.4%	770,415	8.2%
AirFest	657,142	7.7%	600,476	7.2%	9,799	0.1%	767,358	8.7%	739,124	7.9%
Business Development	963,778	11.3%	224,822	2.7%	201,643	2.4%	205,031	2.3%	-	0.0%
Passenger Development	-	0.0%	294,203	3.5%	332,508	3.9%	447,606	5.1%	-	0.0%
Total	<u>\$ 8,526,539</u>		<u>\$ 8,307,343</u>		<u>\$ 8,424,611</u>		<u>\$ 8,793,164</u>		<u>\$ 9,393,380</u>	

Source: The Authority Finance Department

Greater Rockford Airport Authority
 Schedule of Major Tenants
 Years Ended April 30, 2021 and 2012

	<i>FYE21</i>		<i>FYE12</i>	
	<i>Revenue</i>	<i>% Total Operating Revenue</i>	<i>Revenue</i>	<i>% Total Operating Revenue</i>
United Parcel Service	\$ 4,202,627	33.33%	\$ 1,743,124	35.19%
Amazon	1,993,330	15.81%		
ATI, Inc.	522,593	4.14%		
Southern Air	400,646	3.18%		
AAR Corporation	400,000	3.17%		
Atlas Air	347,145	2.75%		
Allegiant Air	264,028	2.09%	207,058	4.18%
Chronos	246,481	1.95%		
United Airlines	241,685	1.92%		
Emery Air Charter	168,470	1.34%	423,610	8.55%
Rock Road			83,626	1.69%
William Charles			90,000	1.82%
DB Schenker			189,932	3.83%
Rubloff Aviation, LLC			125,328	2.53%
Anderson Packaging			106,352	2.15%
Pride Aircraft			79,432	1.60%
Kaney Aviation			54,734	1.10%
Total	<u>\$ 8,787,005</u>	<u>69.69%</u>	<u>\$ 3,103,196</u>	<u>62.64%</u>

Source: The Authority Finance Department

Greater Rockford Airport Authority
 Schedule of Outstanding Debt
 Years Ended April 30, 2012 Through 2021

	<i>Outstanding Debt</i>					<i>Percentage of Assessed Value *</i>	<i>Per Capita **</i>
	<i>G.O. Bonds</i>	<i>Capital Leases</i>	<i>Lines of Credit</i>	<i>Prom. Note</i>	<i>Total</i>		
FYE12	4,158,750	-	-	-	4,158,750	0.0012	11.96
FYE13	3,925,000	-	-	-	3,925,000	0.0013	11.35
FYE14	3,691,250	-	-	-	3,691,250	0.0013	10.71
FYE15	3,843,313	1,066,195	-	-	4,909,508	0.0019	14.34
FYE16	20,560,719	900,991	4,104,776	-	25,566,486	0.0099	75.04
FYE17	24,664,894	730,980	16,762,190	-	42,158,064	0.0161	124.13
FYE18	23,505,559	556,021	676,151	16,644,215	41,381,946	0.0154	122.36
FYE19	28,284,344	375,971	2,242,095	16,285,490	47,187,900	0.0169	139.98
FYE20	31,761,324	190,682	389,492	3,283,693	35,625,191	0.0120	105.99
FYE21	28,771,120	-	-	10,295,958	39,067,078	0.0125	111.80

* Assessed values are based on calendar years shown on Schedule of Assessed Values, Levies and Rates

** Population is found on the Schedule of Demographic Indicators for Rockford MSA

Source: The Authority Finance Department

Greater Rockford Airport Authority

Schedule of Property Tax Levies and Collections

Calendar Years Ended December 31, 2011 Through 2020

	<i>Tax Levy Year (Calendar Year)</i>			
	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Assessed valuations (in thousands):	\$ 3,122,477	\$ 2,963,183	\$ 2,787,978	\$ 2,680,628
Rate per \$100 of assessed valuation:				
General - corporate	0.0710	0.0750	0.0750	0.0750
General - other	0.0277	0.0323	0.0323	0.0352
Total	0.0987	0.1073	0.1073	0.1102
<i>Tax Levy:</i>				
General purposes	3,237,021	2,995,778	2,991,528	2,954,052
Total tax levy	3,237,021	2,995,778	2,991,528	2,954,052
<i>Collections: (See Notes (1) and (2))</i>				
General purposes	-	2,981,932	2,981,413	2,928,995
Total collected	\$ -	\$ 2,981,932	\$ 2,981,413	\$ 2,928,995
<i>Percent of tax levy extension collected</i>	-	99.5%	99.7%	99.2%

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

(2) The 2020 levy will be collected in the fiscal year ending April 30, 2021.

Tax Levy Year (Calendar Year)

	2016		2015		2014		2013		2012		2011
\$	2,624,282	\$	2,593,502	\$	2,648,100	\$	2,806,901	\$	3,064,894	\$	3,350,384
	0.0750		0.0750		0.0750		0.0750		0.0750		0.0750
	0.0353		0.0323		0.0313		0.0293		0.0274		0.0187
	0.1103		0.1073		0.1063		0.1043		0.1024		0.0937
	2,894,611		2,782,827		2,814,930		2,927,598		3,138,452		3,139,310
	2,894,611		2,782,827		2,814,930		2,927,598		3,138,452		3,139,310
	2,877,582		2,763,791		2,787,502		2,909,105		3,123,289		3,122,854
\$	2,877,582	\$	2,763,791	\$	2,787,502	\$	2,909,105	\$	3,123,289	\$	3,122,854
	99.4%		99.3%		99.0%		99.4%		99.5%		99.5%

Greater Rockford Airport Authority

Schedule of Assessed Values, Levies and Rates

Calendar Years Ended December 31, 2011 Through 2020

<i>Levy Year</i>	<i>Assessed Valuations (in thousands)</i>	<i>Tax Levy</i>			<i>GRAA</i>	<i>County</i>	<i>GRAA % County</i>
		<i>Operating</i>	<i>Debt</i>	<i>Total</i>			
2011	3,350,384	3,139,310	-	3,139,310	0.0937	12.1825	0.77%
2012	3,064,894	3,138,452	-	3,138,452	0.1024	10.2183	1.00%
2013	2,806,901	2,927,598	-	2,927,598	0.1043	10.7573	0.97%
2014	2,648,100	2,814,930	-	2,814,930	0.1063	11.1185	0.96%
2015	2,593,502	2,782,827	-	2,782,827	0.1073	11.4860	0.93%
2016	2,624,282	2,894,611	-	2,894,611	0.1103	11.4189	0.97%
2017	2,680,628	2,954,052	-	2,954,052	0.1102	10.7426	1.03%
2018	2,787,979	2,991,528	-	2,991,528	0.1073	11.0650	0.97%
2019	2,963,183	2,995,778	-	2,995,778	0.1011	10.4196	0.97%
2020	3,122,477	3,237,021	-	3,237,021	0.0987	9.4410	1.05%

Source: Winnebago County Clerk

Greater Rockford Airport Authority

Schedule of Principal Property Taxpayers in Winnebago County
Calendar Years Ended December 31, 2020 and 2011

<i>Taxpayer</i>	<i>Type of Business</i>	<i>2020 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>	<i>2011 Assessed Valuation</i>	<i>Percentage of Total Assessed Valuation</i>
CBL/Cherryvale	Retail	15,391,731	0.35%	15,782,094	0.35%
Lowes Home Center Inc	Retail	13,322,861	0.30%	19,989,958	0.44%
Greater Rockford Airport	Airport	12,833,730	0.29%	6,761,001	0.15%
Woodward, Inc.	Aerospace	10,881,395	0.25%		-
Meier Stores Limited Partnership	Retail	8,609,321	0.20%		-
Exeter 5778 Baxter LLC		8,475,587	0.19%		
Simon Property/Forest Plaza LLC	Retail/Real Estate Holdings	7,878,861	0.18%	8,260,403	0.18%
PCI Pharma Services	Pharmaceutical	6,594,892	0.15%	4,611,849	-
Wesley Willows	Retirement/Real Estate	6,551,340	0.15%		
Becknell Investors LLC		6,158,843	0.14%		
Beloit Memorial Hospital	Medical Facility	5,962,737	0.14%		
National Retail Properties	Retail	5,602,983	0.13%		-
Lubrizol Holding	Retail/Real Estate Holdings	4,902,268	0.11%		-
Edward Rose Associates, Inc	Real Estate Holdings	4,881,019	0.11%	4,588,029	0.10%
Menard Inc	Retail	-		9,208,517	-
MB Rockford State LLC	Real Estate Holdings			4,519,846	0.10%
Two Star Property Co., Inc.	Retail/Real Estate Holdings	-		5,411,879	0.12%
Rock 39 Industrial Park	Industrial			3,994,738	
United Parcel Service, Inc.	Parcel Delivery Services	-		5,166,079	0.11%
Total		\$ 118,047,568	2.68%	\$ 88,294,393	1.97%
		Total Assessed Valuation - \$4,396,101,585		Total Assessed Valuation - \$4,493,077,720	

Source: Winnebago County Clerk

Greater Rockford Airport Authority

Chicago Rockford International Airport Information

Year Ended April 30, 2021

Location:	4 miles south of downtown Rockford, IL.		
Area:	3,000 acres		
Elevation:	742 ft.		
Airport Code:	RFD		
Runways:	1/19	North/South	8,199x150 ft. ILS/GPS
	7/25	East/West	10,004x150 ft. ILS/GPS
Terminal:	Airlines		2,211 sq. ft.
	Tenants		4,443 sq. ft.
	Public/Common		60,433 sq. ft.
	Mechanical		<u>7,714 sq. ft.</u>
		Total	74,801 sq. ft.
	Number of Passenger Gates		5
	Number of Loading Bridges		5
	Number of Concessionaires in terminal		1
	Number of rental car agencies in terminal		3
Apron:	170 Acres, 60 hard stands for commercial aircraft		
Parking:	Spaces assigned: Short-Term		1,750
	Rental Cars		190
	Employees		54
Cargo:	UPS Buildings		670,000 sq. ft.
	Amazon Cargo Facility		192,000 sq. ft.
	International Air Cargo #1		90,000 sq. ft.
	International Air Cargo #2		100,000 sq. ft.
International:	Customs/Immigration Federal Inspection Service Facility Bonded Warehouses		
Tower:	FAA Staffed 24/7, Class D airspace with TRSA		

Greater Rockford Airport Authority

Schedule of Staffing

Years Ended April 30, 2012 Through 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board of Commissioners	7	7	7	7	7
Administration/Finance	9	9	9	9	8
Marketing	-	-	-	-	-
Facilities/Maintenance	20	20	18	17	17
Operations	9	9	8	8	8
Terminal Services	-	-	-	-	-
AirFest	-	-	-	-	-
Cargo Development	-	-	-	-	2
Passenger Development	-	-	-	-	-
	<u>45</u>	<u>45</u>	<u>42</u>	<u>41</u>	<u>42</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Board of Commissioners	7	7	7	7	7
Administration/Finance	8	8	8	8	10
Marketing	-	-	-	1	1
Facilities/Maintenance	16	16	16	17	21
Operations	8	8	7	8	-
Terminal Services	3	3	4	3	6
AirFest	1	1	-	-	-
Cargo Development	3	3	1	1	-
Passenger Development	-	-	2	2	-
	<u>46</u>	<u>46</u>	<u>45</u>	<u>47</u>	<u>45</u>

Source: The Authority Finance Department

Greater Rockford Airport Authority
 Schedule of Air Commerce
 Years Ended April 30, 2012 Through 2021

	<i>FYE21</i>	<i>% of Change from Prior year</i>	<i>FYE20</i>	<i>FYE19</i>	<i>FYE18</i>
Passenger Enplanements					
Scheduled	81,914		106,982	114,679	110,874
Charter	719		2,476	3,144	4,007
Total	82,633	-24.51%	109,458	117,823	114,881
Cargo					
Enplaned	467,097,097	11.64%	418,408,351	363,236,903	302,530,574
Deplaned	423,636,789	20.63%	351,177,711	302,179,345	223,733,967
Total	890,733,886	15.74%	769,586,062	665,416,248	526,264,541
Cargo Aircraft Landed Weight	2,875,266,440	11.73%	2,573,370,170	2,146,277,900	1,668,351,840
Fuel Flowage	34,414,791	26.07%	27,297,232	25,495,761	17,957,741
Aircraft Operations	45,497	10.40%	41,211	40,237	40,076

Source: The Authority Finance Department

<i>FYE17</i>	<i>FYE16</i>	<i>FYE15</i>	<i>FYE14</i>	<i>FYE13</i>	<i>FYE12</i>
109,223	107,139	100,334	106,240	99,448	98,343
3,687	4,140	3,043	2,846	4,941	7,604
<u>112,910</u>	<u>111,279</u>	<u>103,377</u>	<u>109,086</u>	<u>104,389</u>	<u>105,947</u>
186,182,879	155,612,074	141,181,977	136,392,407	148,693,661	161,346,553
134,230,657	109,563,405	110,902,191	110,561,901	121,188,890	129,877,286
<u>320,413,536</u>	<u>265,175,479</u>	<u>252,084,168</u>	<u>246,954,308</u>	<u>269,882,551</u>	<u>291,223,839</u>
1,028,789,640	806,624,170	788,127,660	779,424,820	806,893,740	884,405,380
13,104,477	10,967,938	9,799,912	9,744,711	12,917,749	15,223,883
35,246	36,154	34,816	38,163	39,981	47,241

Greater Rockford Airport Authority
Schedule of Rates and Charges
Years Ended April 30, 2012 Through 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Fuel					
Class A	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.09
Class B	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
Class C	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
Landing Fee					
Signatory - Per 1,00 lbs					
Over 120,000,000 lbs - Annual	\$ 1.934	\$ 1.934	\$ 1.934	\$ 1.934	\$ 1.934
Under 120,000,000 lbs - Annual	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964
Non-signatory - Per 1,000 lbs	\$ 4.504	\$ 4.504	\$ 4.504	\$ 3.094	\$ 3.094
Terminal Usage					
Signatory & Charter Flights	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00
Non-signatory & Charter Flights	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Ticket Counter/Computer Use fee per enpl.	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
International Rubbish Fee					
4x4 hopper (200 gallons)	\$ 460.00	\$ 460.00	\$ 460.00	\$ 410.00	\$ 410.00
black cart (60 gallons)	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00
gray cart (40 gallons)	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fuel					
Class A	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.06	\$ 0.06
Class B	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.08	\$ 0.08
Class C	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.08	\$ 0.08
Landing Fee					
Signatory - Per 1,00 lbs					
Over 120,000,000 lbs - Annual	\$ 1.934	\$ 1.934	\$ 1.934	\$ 1.842	\$ 1.842
Under 120,000,000 lbs - Annual	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964	\$ 1.964
Non-signatory - Per 1,000 lbs	\$ 3.094	\$ 2.455	\$ 2.455		
Terminal Usage					
Signatory & Charter Flights	\$ 65.00	\$ 65.00	\$ 65.00	\$ 55.00	\$ 55.00
Non-signatory & Charter Flights	\$ 200.00	\$ 130.00	\$ 130.00	\$ 110.00	\$ 110.00
Ticket Counter/Computer Use fee per enpl.	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.10	\$ 0.10
International Rubbish Fee					
4x4 hopper (200 gallons)	\$ 410.00	\$ 410.00	\$ 410.00	\$ 305.00	\$ 305.00
black cart (60 gallons)	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00
gray cart (40 gallons)	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00

Source: The Authority Finance Department

Greater Rockford Airport Authority

Schedule of Largest Employers in the Greater Rockford Area
Years Ended April 30, 2021 and 2012

<i>Employer</i>	<i>Product/Service</i>	<i>2021</i>	<i>Percentage of MSA Employment</i>	<i>2012</i>	<i>Percentage of MSA Employment</i>
Mercyhealth	Health Care	4,520	2.59%	3,000	1.88%
Fiat Chrysler Automobiles	Automobiles	3,580	2.05%	1,700	1.06%
Swedish American Health System	Health Care	3,375	1.94%	2,988	1.87%
UPS	Parcel Sorting Hub	2,203	1.26%	1,600	1.00%
OSF Health Care	Health Care	2,200	1.26%	2,303	1.44%
Collins Aerospace	Aerospace Components	2,200	1.26%	2,200	1.38%
Woodward Governor Co.	Aerospace	1,675	0.96%	1,325	0.83%
PCI-Packaging Coordinators Inc	Pharmaceutical packaging	1,800	1.03%		
Walmart	Retail	1,470	0.84%	2,750	1.72%
Lowe's	Distribution center, retail	1,110	0.64%		
Kroger Company	Grocery Store			1,067	0.67%
NCO Group	Telemarketing			904	0.57%
Total of 10 largest employers		<u>24,133</u>	<u>13.83%</u>	<u>19,837</u>	<u>12.41%</u>

Source: Rockford Area Economic Development Council and Bureau of Economic Analysis, updated May 2021

Not all numbers have been updated due to a lack of information from lay-offs and furloughs from COVID-19

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

Greater Rockford Airport Authority

Schedule of Demographic Indicators for Rockford MSA

Years Ended December 31, 2011 through 2020

<i>December 31,</i>	<i>(1) Population of Rockford MSA</i>	<i>(2) Assessed Valuations (in thousands)</i>	<i>Per Capita EAV</i>	<i>(3) Unemployment Rate</i>
2011	347,773	3,350,384	9,634	11.9%
2012	345,819	3,064,894	8,863	10.5%
2013	344,692	2,806,901	8,143	10.5%
2014	342,409	2,648,100	7,734	8.2%
2015	340,727	2,593,502	7,612	6.9%
2016	339,635	2,624,282	7,727	6.6%
2017	338,194	2,680,628	7,926	6.5%
2018	337,110	2,787,979	8,270	5.6%
2019	336,116	2,963,183	8,816	5.7%
2020	349,431	3,122,477	8,936	8.0%

Sources:

(1) Estimates per U.S Census Bureau (web)

(2) Winnebago County Clerk

(3) Illinois Department of Employment Security, Economic Information and Analysis



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