



ANNUAL REPORT

OF THE

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2020

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

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THE CHICAGO-GARY REGIONAL AIRPORT AUTHORITY'S ACTIVITIES IN 2020

The Chicago-Gary Regional Airport Authority (the "Authority") was created by a Compact between the City of Chicago and the City of Gary for the purpose of, among other things, facilitating the development of facilities and operations of the Gary-Chicago International Airport to enable it to function effectively as a reliever airport for the City of Chicago Airports. During 2020, the Board of Directors of the Authority held four separate meetings to conduct the Authority's business.

Consistent with the Authority's mission, at its meetings the Board of Directors considered and acted upon a number of requests for reimbursement of expenditures made by the Gary-Chicago International Airport. The Board also approved the reimbursement of Gary-Chicago International Airport expenditures to fund Gary-Chicago International Airport Aircraft Rescue and Fire Fighting personnel. At its other meetings throughout the year, Gary-Chicago International Airport personnel regularly reported to the Authority's Board on the status and progress of various construction and development projects at Gary-Chicago International Airport.

The Authority expenditures during 2020 were made pursuant to the Authority's 2020 Budget, which was approved at the Authority's December 9, 2019 meeting. A copy of the Authority's 2020 Budget is attached.

**Chicago Gary Regional Airport Authority
Budget Narratives
Budget for the Fiscal Year Ended December 31, 2020**

	Proposed 2020 Budget
<u>Contractual Services</u>	
<u>Aircraft Rescue and Firefighting (ARFF)</u> ARFF expense will pay for three (3) ARFF personnel, 24 hours per day. On a daily rotating shift, with a Battalion Chief Monday through Friday	370,000
<u>Chicago Gary Regional Airport Authority Deputy Executive Director</u> This expense is for the CGRAA Deputy Executive Director salary that is related to his/her time spent working on Chicago Gary Regional Airport Authority matters and attendance at CGRAA meetings.	25,000
<u>Professional and Consulting Services</u> Fees for outside contracted security services.	
<u>Legal Fees</u> Legal Fees for CGRAA board matters.	55,000
<u>Annual Audit Fee</u> Annual report audit fees required pursuant to Section 25-15 Annual Report of the Compact between the City of Chicago and the City of Gary.	10,000
<u>Repairs and Maintenance</u> Routine and annual maintenance items of the Gary Chicago Regional Airport's airside and landside infrastructure that includes runways, taxiways, aprons, buildings and pavements. These expenses also include routine and annual maintenance of the airport's vehicular equipment. These expenses also help prolong the life of the related infrastructure and typically include but not limited to signage, lighting, vehicles, pavement repairs, seal coating, hangar repairs, building repairs, service inspections and control tower equipment repairs.	-
<u>Insurance</u> Insurance expense related to Director and Officer's insurance policy.	29,000
<u>Commodities</u>	
<u>Infrastructure/Equipment</u> Cost for equipment that generally have a useful life of greater than one (1) year, i.e. generators, computers, vehicular equipment, SRE building renovations.	
<u>Consumable Supplies</u> Runway and equipment related supplies that are generally consumable within one (1) year including but not limited to urea, pavement sand, pavement paint pavement sealing tar, vehicular fuel and supplies, fire suppression materials and wildlife deterrents.	13,510
<u>Office Supplies</u>	-
<u>Contingencies</u>	
<u>Contingencies</u> Expenses that are unforeseen and non-recurring in nature.	500
Total	\$ 503,010

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Chicago/Gary Regional Airport Authority:

We have audited the accompanying basic financial statements of the Chicago/ Gary Regional Airport Authority (the "Authority"), as of December 31, 2020 and 2019, and for the years then ended, listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2020 and 2019, and the results of its operations, and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion or any other form of assurance on it.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the foregoing table of contents, which is also the responsibility of the Authority's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such additional information (page 19) has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly presented, in all material respects, when considered in relation to the financial statements taken as a whole.

Whittaker & Company PLLC

Whittaker & Company, PLLC
Chicago, IL

March 26, 2021

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019 AND 2018**

The following discussion and analysis of Chicago/Gary Regional Airport Authority (the “Authority”) financial performance provides an introduction and overview of the Authority’s financial activities for the fiscal year ended December 31, 2020. Please read this discussion in conjunction with the Authority’s financial statements and the notes to financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

2020

- Operating revenues for 2020 of \$475,385 decreased by \$24,825 (4.96 percent) compared to fiscal year 2019.
- Operating expenses for 2020 of \$475,900 decreased by \$25,200 (5.03 percent) compared to fiscal year 2019. This decrease is primarily due to decreased Contractual Service cost and Consumables cost and increased reimbursements associated with the Gary-Chicago International Airport.

2019

- Operating revenues for 2019 of \$500,210 increased by \$1,298 (0.26 percent) compared to fiscal year 2018.
- Operating expenses for 2019 of \$501,100 increased by \$1,110 (0.22 percent) compared to fiscal year 2018. This increase is primarily due to increased Contractual Service cost and Consumables cost and decreased reimbursements associated with the Gary-Chicago International Airport.

2018

- Operating revenues for 2018 of \$498,912 increased by \$4,258 (0.9 percent) compared to fiscal year 2017.
- Operating expenses for 2018 of \$499,990 increased by \$4,398 (0.9 percent) compared to fiscal year 2017. This increase is primarily due to increased Contractual Service cost and Consumables cost and decreased reimbursements associated with the Gary-Chicago International Airport.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements are comprised of the Financial Statements and the Notes to the Basic Financial Statements. In addition to the basic financial statements this report also presents Additional Information after the Notes to Financial Statements.

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019 AND 2018**

The *Statements of Net Assets* present all of the Authority's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private-sector companies. The difference between assets and liabilities is reported as net assets. The increase or decrease in net assets may serve as an indicator, over time, whether the Authority's financial position is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Assets* present all current year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in net assets.

The *Statements of Cash Flows* report how cash and cash equivalents were provided and used by the Authority's operating and investing activities. These statements are prepared on a cash basis and present the cash received and disbursed, the net increase or decrease in cash for the year, and the cash balance at year end.

The *Notes to the Basic Financial Statements* are an integral part of the financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the financial statements. The Notes to the Basic Financial Statements begin on page 13.

In addition to the basic financial statements, this report includes Additional Information. The Additional Information section presents the 2020 Schedule of Expenses – Budget to Actual on page 17.

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Authority's revenue sources are the City of Chicago, Illinois and the City of Gary, Indiana. The revenue charged to each City is based upon the ratio of the prior years' total operating expenses of the Cities' airports. The Authority recognizes this revenue when the Authority incurs the related expense. The Authority has no capital assets and has not issued any long-term debt.

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019 AND 2018**

A comparative condensed summary of the Authority's net assets at December 31, 2020, 2019 and 2018 is as follows:

	Net Assets		
	2020	2019	2018
Current Assets	<u>\$ 140,055</u>	<u>\$ 104,724</u>	<u>\$ 208,997</u>
Total Current Assets	140,055	104,724	208,997
Current Liabilities	<u>140,055</u>	<u>104,724</u>	<u>208,997</u>
Total Current Liabilities	140,055	104,724	208,997
Net Assets:			
Invested in Capital Assets, Net of Related Debt	-	-	-
Restricted Net Assets	-	-	-
Unrestricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2020

Current assets and liabilities increased by \$35,331 primarily due to an increase in cash and a corresponding increase in accounts payable.

2019

Current assets and liabilities decreased by \$104,273 primarily due to a decrease in cash and a corresponding decrease in accounts payable.

2018

Current assets and liabilities increased by \$86,021 primarily due to an increase in cash and a corresponding increase in accounts payable.

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019, AND 2018**

A comparative condensed summary of the Airport's changes in net assets for the years ended D

	Changes in Net Assets		
	2020	2019	2018
Operating Revenues	\$ 475,385	\$ 500,210	\$ 498,912
Operating Expenses	<u>475,900</u>	<u>501,100</u>	<u>499,990</u>
Operating Income (Loss)	(515)	(890)	(1,078)
Non-Operating Revenues	<u>515</u>	<u>890</u>	<u>1,078</u>
Changes in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020, 2019, and 2018 is as follows:

2020

Operating revenues for the years 2020 and 2019 were \$475,385 and \$500,210, respectively. This decrease of \$24,825 in 2020 was directly due to the decrease of revenue based on decreased operating expenses. The \$25,200 decrease in expenses was primarily related to decreases in Contractual Services.

2019

Operating revenues for the years 2019 and 2018 were \$500,210 and \$498,912, respectively. This increase of \$1,298 in 2019 was directly due to the increase of revenue based on increased operating expenses. The \$1,110 increase in expenses was primarily related to increases in Contractual Services.

2018

Operating revenues for the years 2018 and 2017 were \$498,912 and \$494,654, respectively. This increase of \$4,258 in 2018 was directly due to the increase of revenue based on increased operating expenses. The \$4,398 increase in expenses was primarily related to increases in Contractual Services.

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019 AND 2018**

A comparative summary of the Authority’s operating expenses, as classified in the financial statements, for the years ended December 31, 2020, 2019, and 2018 is as follows:

	Operating Expenses		
	2020	2019	2018
Contractual Services and Commodities	<u>\$ 475,900</u>	<u>\$ 501,100</u>	<u>\$ 499,990</u>
Total Operating Expenses	<u>\$ 475,900</u>	<u>\$ 501,100</u>	<u>\$ 499,990</u>

2020

Contractual services and commodities in 2020 and 2019 were \$475,900 and \$501,100, respectively. The decrease in 2020 for contractual services and commodities of \$25,200 is primarily due to decreased professional services costs associated with the Gary-Chicago International Airport.

2019

Contractual services and commodities in 2019 and 2018 were \$501,100 and \$499,990, respectively. The increase in 2019 for contractual services and commodities of \$1,110 is primarily due to increased professional services costs associated with the Gary-Chicago International Airport.

2018

Contractual services and commodities in 2018 and 2017 were \$499,990 and \$495,592, respectively. The increase in 2018 for contractual services and commodities of \$4,398 is primarily due to increased professional services costs associated with the Gary-Chicago International Airport.

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019, AND 2018**

A comparative summary of the Authority's changes in cash flows for the years ended December 31, 2020, 2019, and 2018 is as follows:

	Changes in Cash Flows		
	2020	2019	2018
Cash from Activities:			
Operating	\$ 28,717	\$ (105,013)	\$ 83,937
Investing	<u>515</u>	<u>890</u>	<u>1,078</u>
Net Change in Cash	29,232	(104,123)	85,015
Cash:			
Beginning of the Year	<u>102,450</u>	<u>206,573</u>	<u>121,558</u>
End of the Year	<u>\$ 131,682</u>	<u>\$ 102,450</u>	<u>\$ 206,573</u>

2020

As of December 31, 2020, the Authority's available cash of \$131,682 increased by \$29,232 compared to \$102,450 at December 31, 2019 primarily due to an increase in accounts payable. Total cash at December 31, 2020 and 2019 was on deposit in an interest bearing account insured by the Federal Depository Insurance Corporation (FDIC).

2019

As of December 31, 2019, the Authority's available cash of \$102,450 decreased by \$104,123 compared to \$206,573 at December 31, 2018 primarily due to a decrease in accounts payable. Total cash at December 31, 2019 and 2018 was on deposit in an interest bearing account insured by the Federal Depository Insurance Corporation (FDIC).

2018

As of December 31, 2018, the Authority's available cash of \$206,573 increased by \$85,015 compared to \$121,588 at December 31, 2017 primarily due to a increase in accounts payable. Total cash at December 31, 2018 and 2017 was on deposit in an interest bearing account insured by the Federal Depository Insurance Corporation (FDIC).

FACTORS BEARING ON THE FUTURE

Based on the Authority's operating budget for fiscal year 2021, provided in the board minutes, total budgeted operating and maintenance expenses are projected at \$503,010.

**CHICAGO/GARY REGIONAL AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020, 2019, AND 2018**

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader with a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chicago/Gary Regional Airport Authority.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

STATEMENTS OF NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - Note 4	\$ 131,682	\$ 102,450
Due from other governments - Note 6	8,373	2,274
	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>140,055</u>	<u>104,724</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable - Note 1	101,267	99,650
Due to other governments - Note 6	<u>38,788</u>	<u>5,074</u>
TOTAL CURRENT LIABILITIES	140,055	104,724
NET ASSETS		
Invested in capital assets, net of related debt	-	-
Restricted net assets	-	-
Unrestricted net assets	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 140,055</u>	<u>\$ 104,724</u>

See notes to basic financial statements.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Fee revenue	\$ 475,385	\$ 500,210
Total operating revenues - Note 6	<u>475,385</u>	<u>500,210</u>
OPERATING EXPENSES:		
Contractual services and commodities	<u>475,900</u>	<u>501,100</u>
Total operating expenses	<u>475,900</u>	<u>501,100</u>
Operating (loss)/income	<u>(515)</u>	<u>(890)</u>
NONOPERATING REVENUE:		
Interest and other income	<u>515</u>	<u>890</u>
Total nonoperating revenue	<u>515</u>	<u>890</u>
CHANGE IN NET ASSETS	<u>-</u>	<u>-</u>
NET ASSETS - Beginning of year	<u>-</u>	<u>-</u>
NET ASSETS - End of year	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Fee revenue	\$ 503,010	\$ 503,010
Payments for contractual services, commodities and other	<u>(474,293)</u>	<u>(608,023)</u>
Cash flows from/(used in) operating activities	<u>28,717</u>	<u>(105,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and other revenue	<u>515</u>	<u>890</u>
Cash flows from investing activities	<u>515</u>	<u>890</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29,232	(104,123)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>102,450</u>	<u>206,573</u>
CASH AND CASH EQUIVALENTS—End of year	<u><u>131,682</u></u>	<u><u>102,450</u></u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operating (loss)	(515)	(890)
Changes in assets and liabilities:		
(Increase)/Decrease in accounts receivable	(6,099)	150
Increase/(Decrease) in accounts payable and Other Liabilities	<u>35,331</u>	<u>(104,273)</u>
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	<u>\$ 28,717</u>	<u>\$ (105,013)</u>

See notes to basic financial statements.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Chicago/Gary Regional Airport Authority (the "Authority") is a legally separate organization created on April 15, 1995 through a compact ("Compact") between the City of Chicago ("Chicago") and the City of Gary ("Gary"). The Authority is not a component unit of any other governmental unit. The Authority is empowered to oversee, support, coordinate and plan for the continued development, enhancement and operation of the Chicago airports (Chicago O'Hare International Airport and Chicago Midway International Airport) and the Gary/Chicago International Airport Authority.

The Compact provides for a ten-member Board of Directors. Two directors are appointed by the Mayor of the City of Chicago, together with the Corporation Counsel, Comptroller and Commissioner of Aviation for the City of Chicago, four directors are appointed by the Mayor of the City of Gary, and one director is appointed by the Governor of the State of Indiana. The State of Illinois has not appointed a director as of December 31, 2020. As of December 31, 2020, seven directors had been appointed.

The Authority's expenditures are funded by the City of Chicago and the City of Gary based on the ratio of the prior year's total operating expenses of the Chicago O'Hare and Gary/Chicago International Airport. Operating expenses of the Authority are not to exceed one (1%) percent of the prior year's total operating expenses for Chicago O'Hare International and Gary/Chicago International Airport combined.

Measurement Focus and Basis of Accounting - The accounting policies of the Authority are based upon accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB). The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Authority are reported using the flow of economic resources measurement focus. The Authority uses the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred.

Management's Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash and Cash Equivalents - The Authority has invested in a money market depository account. Cash equivalents are monies located in a money market account or certificate of deposit or similar instruments with maturity of three months or less.

Prepaid Expenses - Prepaid expenses represent payments to vendors, which will reflect costs applicable to subsequent accounting periods. At December 31, 2020 and 2019 there were no prepaid expenses.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable - Accounts payables relate to expense items paid in the subsequent fiscal year but relating to the fiscal year under audit. The Authority had an accounts payable balance of \$101,267 and \$99,650 at December 31, 2020 and 2019, respectively.

Non-Operating and Operating Revenue - All funds are accounted for as an enterprise fund, using the accrual basis of accounting whereby revenues and expenses are recognized in the period earned or incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets. The principal operating revenue of the Authority is fee revenue. Operating expenses for the Authority include salaries and wages, contractual services and commodities, and contingency expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Assets--Net Assets are comprised of the net earnings from operating and non-operating revenues, expenses and capital contributions. Net assets are displayed in three components – invested in capital assets, net of related debt; restricted for debt service, capital projects, passenger facility charges, airport use agreement and other requirements; and unrestricted. Invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt net of debt service reserve and unspent proceeds. Restricted net assets consist of net assets for which constraints are placed thereon by external parties (such as lenders and grantors) and laws, regulations and enabling legislation. Unrestricted net assets consist of all other net assets not categorized as either of the above.

2. BUDGETARY INFORMATION

Each year, the budget is to be prepared on an accounting basis consistent with accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB). The budget is adopted by the Board annually. The legal level of budgetary control is at the total fund expenses level.

3. RELATED ORGANIZATIONS

The City of Chicago provides contributions via the Department of Aviation to the Authority as does the City of Gary. The City of Chicago also provides accounting services from the Department of Finance to the Authority related to preparing and maintaining monthly reports and year-end financial statements of the Authority. At December 31, 2020 and 2019, the costs associated with these services were undeterminable.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

4. DEPOSITS

The carrying amounts of the Authority's cash were \$131,682 and \$102,450 at December 31, 2020 and 2019, respectively. Bank balance at December 31, 2020 was insured up to \$250,000 per depositor by the Federal Depository Insurance Corporation. There was no amount exposed to custodial credit risk at December 31, 2020 and 2019. Bank balances of \$131,682 and \$102,450 at December 31, 2020 and 2019 were insured up to \$250,000 per depositor by the Federal Depository Insurance Corporation.

5. DEFINED CONTRIBUTION PENSION PLAN

The Authority made its final contribution to the Chicago/Gary Regional Airport Authority Money Purchase Plan & Trust (Plan) in January 2015. The Plan is a defined contribution pension plan. The Plan began on September 1, 1996.

Plan Description - The defined contribution pension plan was established by the Authority to provide benefits at retirement to eligible officers and employees of the Authority. The Plan provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All full-time employees of the Authority are eligible to participate in the Plan from their date of hire. Contributions made by an employee vest immediately, and contributions made by the Authority vest after three years of full-time employment. The Plan is administered by Public Employees Benefits Services Corporation through Nationwide Retirement Solutions.

6. RELATED PARTY TRANSACTIONS

In 2020, the Authority's revenue of \$475,385 was made up of \$469,286 of revenue from the City of Chicago and \$6,099 of revenue from the City of Gary. In 2019, the Authority's revenue of \$500,210 was made up of \$497,936 revenue from the City of Chicago and \$2,274 of revenue from the City of Gary.

The amount due to other governments at December 31, 2020 represents money the City of Chicago overpaid to the Authority in the amount of \$38,788.

The amount due from other governments at December 31, 2020, represents money the City of Gary owed to the Authority in the amount \$8,373 for their 2020 contribution.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

6. RELATED PARTY TRANSACTIONS (Continued)

The amount due to other governments at December 31, 2019 represents money the City of Chicago overpaid to the Authority in the amount of \$5,074. The amount due from other governments at December 31, 2019 represents money the City of Gary owes to the Authority in the amount of \$2,274 for their 2019 contribution.

7. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standards requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The City of Chicago provided 98.72% of the total revenues of the Authority in 2020.

8. SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2020 through March 26, 2021, which is the date this report was available to be issued. Based upon the evaluation, no events have been noted.

CHICAGO/GARY REGIONAL AIRPORT AUTHORITY

ADDITIONAL INFORMATION SCHEDULE OF EXPENSES – BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2020

ACCOUNT DESCRIPTION	2020 Budget	2020 Actual	Variance
CONTRACTUAL SERVICES AND COMMODITIES	<u>503,010</u>	<u>475,900</u>	<u>27,110</u>
TOTAL BUDGET	<u>\$ 503,010</u>	<u>\$ 475,900</u>	<u>\$ 27,110</u>