City of Chicago
Chicago O'Hare International Airport
An Enterprise Fund of the City of Chicago

Comprehensive Annual Financial Report
For the Years Ended December 31, 2019 and 2018

Lori E. Lightfoot, Mayor
Jennie Huang Bennett, Chief Financial Officer
Reshma Soni, City Comptroller
Jamie Rhee, Commissioner

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE CHICAGO O'HARE INTERNATIONAL AIRPORT

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PART I

INTRODUCTORY SECTION

CHICAGO DEPARTMENT OF AVIATION
CITY OF CHICAGO

June 30, 2020

To the Honorable Mayor Lori E. Lightfoot, Members of the City Council and Citizens of the City of Chicago:

I am pleased to submit the Comprehensive Annual Financial Report ("CAFR") of Chicago O'Hare International Airport ("Airport") for the year ended December 31, 2019. State law requires that all governmental units publish within six months of the close of each fiscal year financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited by a licensed public accountant.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City of Chicago ("City") Department of Aviation and Comptroller's Office. The purpose of the CAFR is to provide complete and accurate information that complies with reporting requirements. The Chicago O'Hare International Airport's Management's Discussion and Analysis ("MD&A") can be found immediately following the independent auditors' report.

ECONOMIC CONDITION AND OUTLOOK

According to statistics compiled by Airports Council International (ACI), for the 12-month period ended December 31, 2019, the Airport maintained its ranking as the busiest airport in the world for total aircraft operations, and held steady at sixth worldwide and third in the United States in terms of total passengers. A series of investments in air cargo continue to pay off, as the Airport saw cargo value increase and cargo volume hold steady, despite a volatile international trade environment. The Airport was named the best-connected airport in the United States for the fourth consecutive year and third-most in the world by OAG. In 2019, the Airport offered nonstop service to 267 destinations: 191 domestic airports and 76 foreign airports.

The state of the aviation industry was strong throughout 2019, allowing for continued growth and optimism. The global COVID-19 pandemic has subsequently tempered that outlook, although history and Chicago's unique role in the transportation ecosystem, would indicate that the Airport will be on the leading edge of the recovery. It is expected that the Airport will remain a major air traffic connecting hub, with a substantial number of airlines providing flights to all major domestic locations as well as an increasing number of international destinations.

REPORTING ENTITY

The Airport is the primary commercial airport for the City, and the region, as well as an important transfer and connecting point for numerous domestic and international flights. Located 18 miles northwest of the City's central business district, the Airport occupies approximately 7,265 acres of land. The Airport is accessed by a network of highways, including several regional expressways that are part of the federal Interstate Highway System, and is directly linked to the central business district by a rapid transit rail system. The airlines serving the Airport operate out of four terminal buildings with a total of 191 gates as of December 31, 2019. Three domestic terminal buildings, having a total of 191 aircraft gates, serve domestic flights and certain international departures. Terminal 5, with 20 aircraft gates and four hardstand positions, serves the remaining international departures, all international arrivals requiring customs clearance, and select domestic flights.

MAJOR INITIATIVES

The Airport is continuing with several significant capital projects designed to enhance and fortify its competitive position. The centerpiece of the capital development program at the Airport is called O'Hare 21. It includes all current and future projects associated with expanding the Airport's capacity and connectivity and improving customer service at facilities including and surrounding the terminals. O'Hare 21 centers around an $8.5 billion Terminal Area Plan (TAP) and Capital Improvement Plan (CIP) approved by the City of Chicago, the Airport and its airline partners as part of the Airline Use and Lease Agreement authorized by City Council on March 28, 2018.

The TAP will provide for a new Global Terminal and two new satellite concourses, as well as enhancements throughout existing terminals to yield a significantly elevated experience for passengers and efficiencies for airport partners. The TAP will outfit the Airport with new technology and security enhancements and transform the passenger experience with increased amenities and services within the terminal buildings, to include: the modernization and replacement of the oldest terminal facilities at O'Hare; integration of domestic and international terminal operations; and enhancements to passenger and baggage connectivity. Construction of the major elements of TAP will take place over the next decade.

Additionally, the City broke ground in March 2019 on a $1.2 billion expansion of Terminal 5 – presently used primarily for international flights but slated to house Delta Air Lines and its SkyTeam alliance partners as O'Hare 21 progresses. This expansion will add 10 new gates to increase gate capacity at Terminal 5 alone; add 350,000 square feet of terminal area and increase passenger amenity space by more than 70 percent; expand and improve security lanes and immigration facilities and replace critical baggage handling systems.

The O'Hare 21 terminal redevelopment program is possible because of the O'Hare Modernization Program (OMP), the $6 billion airfield modernization mega-project initially announced in 2001, and which is nearing completion. Four of the six runway projects have already been completed as well as two airport traffic control towers. To date, OMP improvements have added capacity and substantially reduced airfield and airspace delays. The final all-new runway of the OMP, Runway 9C-27C, which at nearly 12,000 feet in length will be able to accommodate the largest aircraft in operation today, will be commissioned in 2020. The OMP will reach full build-out when the Runway 9R-27L extension project is completed in 2021.

In addition to the above, the Airport is also implementing an ongoing five-year Capital Improvement Plan (CIP) for the Airport. The CIP includes airfield improvements, noise mitigation projects, parking and roadway improvements, heating and refrigeration plant improvements, safety and security improvements, other terminal enhancements and planning initiatives.

The Airport expects these capital programs will be funded from the following sources: proceeds of airport revenue bonds, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) revenues on a pay-as-you-go basis, CFC and PFC-backed bonds, federal grants, a TIFIA loan and other available Airport funds.

FINANCIAL INFORMATION

The Departments of Finance and Aviation are responsible for implementing and maintaining an internal control structure to ensure the integrity of the Airport's operations and to allow for the preparation of financial statements in conformity with generally accepted accounting principles. As the cost of a control should not exceed the benefits to be derived, the internal control structure is designed to provide reasonable, rather than absolute, assurance to all stakeholders that the financial statements reflect operations free of theft, neglect or material misstatements that could affect the efficiency of operations at the Airport. This objective is being met by adequate supervision of employees, segregation of the duties and multiple approval and budgetary controls over all expenditures.

The Airport's budget is developed in connection with the City's annual budget and is based on an analysis of the Airport's historical operating expenses. The Commissioner of Aviation recommends the final proposed budget to the Budget Director. After approval by the Budget Director, the proposed budget is recommended to the Mayor for submission to the City Council for its approval following public hearings.

The budget process is designed to ensure that the Airport will have adequate funding for operations. The Airport cannot, by law, exceed the level of funding as established by the City Council-approved budget. The Budget Director uses an allotment system to manage each department's expenditures against its respective annual appropriation. The Budget Director, through the allotment system, has the authority to institute economic measures for the Airport to ensure that its expenditures do not exceed its revenue collection. The Airport uses encumbrances to control expenditures by preventing appropriated dollars from being used for any purpose other than that for which they have been legally appropriated.

RELEVANT FINANCIAL POLICIES

The Airport is owned by the City and operated by the Chicago Department of Aviation (CDA) and is accounted for as a self-supporting enterprise fund of the City. The City maintains the books, records and accounts of the Airport in accordance with generally accepted accounting principles and as required by the provisions of the Airport Use Agreements, the Bond Ordinance and Bond Indentures as supplemented and amended.

The Airport Use and Lease Agreement (AULA) specifies a residual rate-making methodology for the calculation of airline rates and charges. Under this methodology, total operating and maintenance expenses and debt service (including coverage) are calculated for each cost-revenue center and offset by non-airline revenues. The AULA provides that the aggregate of Airport Fees and Charges paid by the Airline Parties must be sufficient to pay for the net cost of operating, maintaining and developing the Airport including the satisfaction of Debt Service coverage, deposit and payment requirements of the Bond Ordinance and the Indentures. The Airport's current AULA is effective as of May 12, 2018, and is a 15-year lease agreement that modernizes the existing terminal and gate space allocation and rates and charges structure for the Airport as well as authorizes funding of the $8.5 billion TAP and CIP. In addition, it provides more flexibility for funding future capital investments and provides greater competition between airlines.

INDEPENDENT AUDIT

Various bond indentures require the Airport financial statements to be audited by independent certified public accountants. The audit was conducted by Deloitte & Touche LLP and a consortium of Chicago-based minority and women-owned certified public accounting firms. An unqualified audit opinion, rendered by Deloitte & Touche LLP, is included in the financial section of this report.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its CAFR for the fiscal year ended December 31, 2018. This was the 22nd consecutive year that the Airport has received this prestigious award, which is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

This CAFR could not have been prepared without the dedication and effective help of the entire staff of the CDA and the Comptroller's Office. I wish to express my appreciation to them, particularly those that contributed directly to the preparation of the report.

Respectfully submitted,

Jamie L. Rhee
Commissioner

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chicago O'Hare International Airport

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

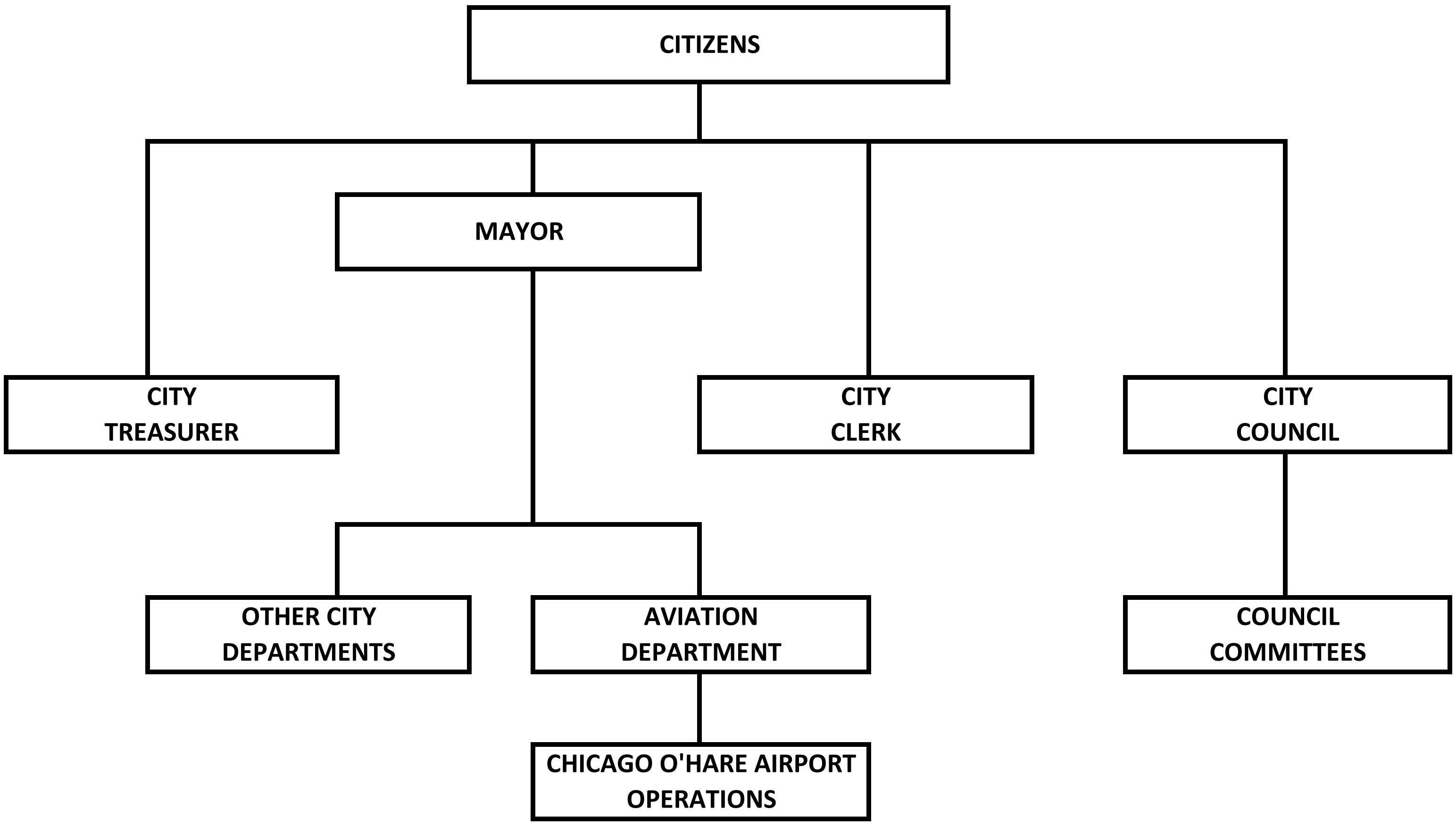
December 31, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT
ORGANIZATION CHART

AS OF 12/31/2019



PART II

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Lori Lightfoot, Mayor
And Members of the City Council
City of Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Chicago O'Hare International Airport ("O'Hare"), an enterprise fund of the City of Chicago, Illinois (the "City"), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise O'Hare'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. 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 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 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 Chicago O'Hare International Airport, as of December 31, 2019 and 2018, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the basic financial statements referred to above present only Chicago O'Hare International Airport, an enterprise fund of the City, and do not purport to, and do not, present the financial position of the City as of December 31, 2019 and 2018, changes in its financial position, or, where applicable, its cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedule of Other Postemployment Benefits Funding Progress and Related Ratios, 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 financial statements that collectively comprise O'Hare's basic financial statements. The introductory section, additional supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Deloitte & Touche LLP

June 30, 2020

The following discussion and analysis of Chicago O'Hare International Airport's (the "Airport" or "O'Hare") financial performance provides an introduction and overview of the Airport's financial activities for the fiscal years ended December 31, 2019 and 2018. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

2019

Operating revenues for 2019 increased by $191,572 (18.0%) compared to prior year operating revenues due to increases in terminal rents and landing fees of $101,337 to fund the ongoing capital development of the $8.5 billion O'Hare 21 Program,which includes the Terminal Area Plan, completion of the O'Hare Modernization Program (OMP) and pre-approved capital projects and allowances; increases in concessions revenue related to restaurant and auto rentals, as well as an increase of revenues from the Hilton O'Hare hotel, an on-airport hotel, as the 30 year hotel lease ended and was transferred to the Airport on January 1, 2019.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by $132,318 (18.6%) compared to 2018 primarily due to increases in pension expense of $13,233, repairs and maintenance of $28,223 due to the provisions of the new 2018 Airline Use and Lease Agreement ("AULA"). The AULA allows for additional ongoing repairs and maintenance of up to $40 million annually. In addition, the increase is due to professional and engineering services of $22,352 increasing primarily due to the inclusion of a full year of the Chicago Airlines Terminal Consortium (CATCo) Operations costs in the Airport's budget based on the new rate structure in the AULA. Other operating expenses of $33,970 increased primarily due to increases in indirect costs and insurance; and the inclusion of $43,021 of Hilton O'Hare expenses. These increases were offset by decreases in salaries and wages of $8,481 due to decreased fringe benefit costs and certain salaries associated with the capital programs being capitalized.

The Airport's total net position at December 31, 2019, was $751,172. This is an increase of $202,303 (36.9%) over total net position at December 31, 2018 primarily due to an increase in operating revenues, including hotel revenues; Passenger Facility Charges, Customer Facility Charges, interest income and contributed capital related to the Hilton O'Hare property transferred to the Airport, and decrease in noise mitigation expenses;, resulting in positive operating income.

Capital asset additions for 2019 were $810,272 primarily due to the continuing construction of new runway projects (including Runway 9C-27C) and associated taxiways, Hangar buildings, Automated Transit System extension, Terminal 5 expansion and terminal improvements and capital maintenance. Completed projects totaling, $860,693 were transferred from construction in progress and $68,800 in contributed capital from the transfer of Hilton O'Hare to applicable buildings and other facilities capital account.

2018

Operating revenues for 2018 increased by $85,734 (8.8%) compared to prior-year operating revenues due to increases in terminal rents and landing fees to fund capital development, increase in cargo and hangar ground rents of $2.00/sq ft on airport property outside of the airfield area and $2.25/sq ft in the airfield area as leases were finalized in 2017 and the full year impact was realized in 2018. In 2018, City Council approved the new Airline Use and Lease Agreement ("AULA") for airlines operating at O'Hare, which went into effect as of July 1, 2018 for provisions regarding rates and charges.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by $57,772 (8.9%) compared to 2017 primarily due to increases in salaries and wages of $16,593 due to increased public safety presence and increases in medical benefits costs, repairs and maintenance of $19,698 due to emergency airfield repairs and additional snow equipment rental due to extreme weather conditions, professional and engineering services of $9,844 primarily due to the inclusion of the CATCo operating expenses in the Airport's budget based on the new rate structure in the AULA, and other operating expenses of $11,709 primarily due to increases in indirect costs and insurance.

The Airport's total net position at December 31, 2018, was $548,869. This is an increase of $132,927 (32.0%) over total net position at December 31, 2017 primarily due to an increase in operating revenues, capital grant revenues and interest income and decrease in noise mitigation expenses and interest expense, resulting in positive operating income.

Capital asset additions for 2018 were $825,418 primarily due to the continuing construction of new runway projects (including Runway 9C-27C) and associated taxiways, Hangar buildings, Automated Transit System extension and completion of the central deicing pad and construction of the Consolidated Rental Car Facility. Completed projects totaling, $849,916 were transferred from construction in progress to applicable buildings and other facilities capital account.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Airport's basic financial statements. The Airport is included in the City of Chicago, Illinois' (the "City") reporting entity as an enterprise fund. The Airport's basic financial statements comprise the basic financial statements and the notes to basic financial statements. In addition to the basic financial statements, this report also presents additional and statistical information after the notes to basic financial statements.

The Statements of Net Position present all of the Airport's assets and liabilities using the accrual basis of accounting. The difference between assets and deferred outflows and liabilities and deferred inflows is reported as Net Position. The increase or decrease in net position may serve as an indicator, over time, whether the Airport's financial position is improving or deteriorating. However, the consideration of other non-financial factors, such as changes within the airline industry, may be necessary in the assessment of overall financial position and health of the Airport.

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

The Statements of Cash Flows report how cash and cash equivalents were provided and used by the Airport's operating, capital financing, and noncapital financing and investing activities.

These statements present the cash received and disbursed, the net increase or decrease in cash and cash equivalents for the year and the cash and cash equivalents balance at year-end.

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

The Required Supplementary Information section presents the schedule of changes in the net pension liability and related ratios and the schedule of contributions.

In addition to the basic financial statements, this report includes the Additional Supplemental Information and Statistical Information. The Additional Supplemental Information section presents the debt service coverage calculations, and the Statistical Information section includes certain unaudited information related to the Airport's historical financial and non-financial operating results and capital activities.

The basic financial statements include all of the Airport's funds and all the operations of Hilton O'Hare, which was transferred back to the Airport on January 1, 2019 as the 30 year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The Airport has entered into a 10 year operating lease agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC and food and beverage operations. 2019 is the first year where the operations of Hilton O'Hare have been included in the basic financial statements.

FINANCIAL ANALYSIS

Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the AULA. In 2018, the City Council approved the new AULA for airlines operating at O'Hare, which went into effect as of July 1, 2018 for provisions regarding rates and charges. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned.

At December 31, 2019, the Airport's financial position included total assets and deferred outflows of $14,066,519, total liabilities and deferred inflows of $13,315,347 and net position of $751,172.

A comparative condensed summary of the Airport's net position at December 31, 2019 and 2018, and 2017 is as follows (dollars in thousands):

	Net Position		
	2019	2018	2017
Current unrestricted assets	$ 464,767	$ 477,888	$ 370,579
Restricted and other assets—noncurrent	4,201,245	4,685,005	3,329,743
Capital assets—net	9,080,349	8,526,430	7,982,697
Total assets	13,746,361	13,689,323	11,683,019
Deferred outflows	320,158	450,827	566,702
Total assets and deferred outflows	$ 14,066,519	$ 14,140,150	$ 12,249,721
Current unrestricted liabilities	$ 384,801	$ 385,522	$ 307,698
Liabilities payable from restricted assets and noncurrent liabilities	12,671,595	12,824,656	11,000,161
Total liabilities	13,056,396	13,210,178	11,307,859
Deferred inflows	258,951	381,103	525,920
Total liabilities and deferred inflows	$ 13,315,347	$ 13,591,281	$ 11,833,779
Net position:			
Net investment in capital assets	$ 1,362,522	$ 1,243,830	$ 1,117,543
Restricted	898,995	700,023	623,642
Unrestricted	(1,510,345)	(1,394,984)	(1,325,243)
Total net position	$ 751,172	$ 548,869	$ 415,942

2019

Current unrestricted assets decreased by $13,121 (2.7%) primarily due to a decrease in accounts receivable as less billed revenues were outstanding at December 31, 2019. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2019 and 2018 was 1.21:1 and 1.24:1, respectively. This slight reduction in the current ratio was primarily due a reduction of receivables outstanding and a slight increase in accounts payable due to the timing of invoices received. Restricted and other assets—Noncurrent decreased by $483,760 (10.3%) primarily due to a decrease in the construction funds for capital improvement projects of $531,961 due to the ongoing O'Hare 21 and OMP programs and capitalized interest funds of $120,749; offset by an increase to the Aeronautical Real Estate Fund and Commercial Real Estate Fund of $55,539 and $29,856, respectively, two newly established funds in the AULA that capture the revenues from Cargo, Hangar and Maintenance facilities and Hilton O'Hare activities, respectively. The 2018 Bond issuance occured at the end of 2018, thus proceeds were in restricted cash at the end of 2018; during 2019, proceeds were transferred from restricted cash to restricted investments, which increased by 1,567,143 (161.1%). Net capital assets increased by $553,919 (6.5%) primarily due to ongoing capital activities of the O'Hare 21 Program, including the Terminal 5 expansion, Capital Improvement Program and the OMP at the Airport.

The decrease in unrestricted current liabilities of $721 (0.2%) is mainly related to the decrease in billings over amounts earned of $11,431 (deferred revenue calculated under the residual rate settingmaking methodology in the AULA).

Liabilities payable from restricted assets and noncurrent liabilities decreased by $153,061 (1.2%) due primarily to the decrease of General Airport Revenue bonds payable. Net pension liability in the amount of $1,506,615 increased $106,217 (7.6%) compared to 2018 primarily as a result of changes in actuarial assumptions and the increase in allocation of pension costs to the Airport compared to Governmental funds and certain Enterprise funds.

Deferred outflows decreased by $130,669 (29.0%) and deferred inflows decreased by $122,152 (32.1%) during 2019 due to changes in assumptions and the difference between 2019 projected and actual earnings on pension plan investments.

As of December 31, 2019, total net position was $751,172, an increase of $202,303 (36.9%) from 2018 primarily due to an increase in operating revenues, including hotel revenues; Passenger Facility Charges, Customer Facility Charges, interest income and contributed capital related to the Hilton O'Hare property transferred to the Airport, and decrease in noise mitigation expenses, resulting in positive operating income.

2018

Current unrestricted assets increased by $107,309 (29.0%) primarily due to increased cash and investments from increases in non-airline revenues and increased landing fees, and ground rents and terminal rates. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2018 and 2017 was 1.24:1 and 1.20:1, respectively. This growth in the current ratio was primarily due to a strong cash balance from increases in operating revenues and interest income. Restricted and other assets—Noncurrent increased by $1,355,262 (40.7%) primarily due to an increase in the construction funds for capital improvement projects of $1,161,275 due to new bond issuances in 2018, capitalized interest funds of $105,477 offset by a decrease to the Airport General Fund (formerly Airport Development Fund) of $47,844 as Airport Improvement Program (AIP) grant receipts, specifically Letter of Intent grants from the Federal Aviation Administration (FAA), were used to pay for debt service and construction related to the O'Hare Modernization Program (OMP). Net capital assets increased by $543,733 (6.8%) primarily due to ongoing capital activities of the Capital Improvement Program and the OMP at the Airport.

The increase in current liabilities of $77,824 (25.3%) is mainly related to the increase in billings over amounts earned of $60,834 (deferred revenue calculated under the residual rate making methodology in the O'Hare Use and Lease Agreement).

Liabilities payable from restricted assets and noncurrent liabilities increased by $1,824,495 (16.6%) due primarily to the increase of General Airport Revenue bonds payable, issued in December 2018 to fund ongoing Capital Improvement Projects, the remaining funding for the OMP runways and initial funding for the Terminal Area Plan ("TAP") and additional drawdown on the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan, offset by the reduction of Commercial Paper and Line of Credit Payable which were refunded through the issuance of the 2018 Bonds. Pension liability in the amount of $1,400,398 increased $141,058 (11.2%) compared to 2017 primarily as a result of a decrease in pension plan assets associated with investment losses caused by market results.

Deferred outflows decreased by $115,875 (20.4%) and deferred inflows decreased by $144,817 (27.5%) during 2018 due to changes in the required future pension contributions as discussed above in the financial highlights.

As of December 31, 2018, total net position was $548,869, an increase of $132,927 (32.0%) from 2017 primarily due to an increase in operating revenues, capital grant revenues and interest income and decrease in noise mitigation expenses and interest expense.

A comparative condensed summary of the Airport's changes in net position for the years ended December 31, 2019, 2018, and 2017 is as follows (dollars in thousands):

	Changes in Net Position		
	2019	**2018**	**2017**
Operating revenues:			
Landing fees and terminal charges	$ 811,270	$ 709,933	$ 650,974
Rents, concessions, and other	375,601	351,980	325,205
Hilton O'Hare revenues	66,614	-	-
Total operating revenues	1,253,485	1,061,913	976,179
Operating expenses:			
Salaries and wages	214,069	222,550	205,957
Pension expense	159,153	145,920	145,992
Repairs and maintenance	143,231	115,008	95,310
Professional and engineering	133,994	111,642	101,798
Other operating expenses	149,116	115,146	103,437
Hilton O'Hare expenses	43,021	-	-
Depreciation and amortization	287,648	259,467	262,331
Loss on capital asset disposals	37,505	22,218	18,711
Total operating expenses	1,167,737	991,951	933,536
Operating income	85,748	69,962	42,643
Nonoperating revenues	294,202	258,074	256,900
Nonoperating expenses	(324,370)	(326,129)	(348,199)
Total nonoperating revenues (expenses)	(30,168)	(68,055)	(91,299)
Income (loss) before capital grants	55,580	1,907	(48,656)
Capital grants	77,923	131,020	82,001
Capital contributions	68,800	-	-
Change in net position	202,303	132,927	33,345
Net position beginning of year	548,869	415,942	382,597
Net position end of year	$ 751,172	$ 548,869	$ 415,942

2019

Landing fees and terminal area use charges for the years 2019 and 2018 were $811,270 and $709,933, respectively. Rents, concessions, and other revenues were $375,601 and $351,980 for the years 2019 and 2018, respectively. The increase in 2019 operating revenues of $191,572 (18.04%) compared to 2018 was primarily due to increased landing fees of $101,337, terminal area use charges of $23,621 and due to increases in terminal rents and landing fees of $101,337 to fund the ongoing capital development for the $8.5 billion O'Hare 21 Program, including the completion of the O'Hare Modernization Program and ongoing capital projects; increases in concessions revenue related to restaurant and auto rentals, and an increase of revenues from the Hilton O'Hare hotel, an on-airport hotel, as the 30 year hotel lease ended and was transferred to the Airport on January 1, 2019.

Salaries and wages decreased $8,841 (3.8%) in 2019 compared to 2018. The decrease is attributable to decreased fringe benefit costs and certain salaries associated with the capital programs being capitalized. Repairs and maintenance expenses increased by $28,223 (24.5%) from the prior year due to the provisions of the new 2018 AULA, that allows for additional ongoing repairs and maintenance of up to $40 million annually. Professional and engineering costs increased $22,352 (20.0%) from the prior year primarily due to the inclusion of a full year of the CATCo operating expenses in the Airport's budget based on the new rate structure in the AULA. Other operating expenses increased by $33,970 (29.5%) due to increases in insurance costs and indirect expenses. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases, and the provision for doubtful accounts.

Pension expense for 2019 increased by $13,233 from $145,920 in 2018 to $159,153 in 2019 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2019, the Airport made cash contributions of $56,194 toward the pension plans.

The 2019 nonoperating revenues of $294,202 are comprised of Passenger Facility Charges (PFC) of $171,993 (an increase of $8,730, or 5.3%), due to an increase in enplaned passengers, Customer Facility Charges (CFC) of $40,315 (an increase of $1,478, or 3.8%) due to higher transaction days, other nonoperating revenue of $15,792 and investment income of $66,102 (an increase of $29,395, or 80.1%), due to better long-term investment management.

Nonoperating expenses were $324,370 and $326,129 for the years 2019 and 2018, respectively. The decrease of $1,759 (0.5%) for 2019 over 2018 was mainly due to decreased noise mitigation costs, due to the reconfiguration of the Residential Sound Insulation Program.

Capital grants, comprised mainly of federal grants, decreased from $131,020 in 2018 to $77,923 in 2019, a 40.5% decrease mainly as a result of when associated capital expenditures became eligible for grant reimbursement from the federal government and increase in the allotment of AIP grant funding from the FAA.

2018

Landing fees and terminal area use charges for the years 2018 and 2017 were $709,933 and $650,974, respectively. Rents, concessions, and other revenues were $351,980 and $325,205 for the years 2018 and 2017, respectively. The increase in 2018 operating revenues of $85,734 (8.8%) compared to 2017 was primarily due to increased landing fees of $35,921, terminal area use charges of $23,038 and increased rents (cargo and hangar) of $26,775 due to the full year effect of the implementation of new ground rents of $2.00/sq ft on airport property outside of the airfield area and $2.25/sq ft in the airfield area, and common use activity charges that properly allocated revenues to common use terminal facilities, such as check in counters, holdrooms and gates, and baggage systems, provided to the airlines, which were implemented in the 2018 AULA.

Salaries and wages increased $16,593 (8.1%) in 2018 compared to 2017. The increase is attributable to increased public safety presence as well as an increase in medical benefits costs. Repairs and maintenance expenses increased by $19,698 (20.7%) from the prior year primarily due to emergency airfield repair work and increase in snow equipment due to extreme weather conditions, as well as ongoing preventive airfield and terminal maintenance. Professional and engineering costs increased $9,844 (9.7%) from the prior year as a result of increases in contractual costs and the addition of CATCo consortium expenses at Terminal 5 and joint use areas in conjunction with the implementation of the 2018 AULA. Other operating expenses increased by $11,709 (11.3%) due to increases in insurance costs and indirect expenses. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases, and the provision for doubtful accounts.

Pension expense for 2018 decreased by $72 from $145,992 in 2017 to $145,920 in 2018 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2018, the Airport made cash contributions of $46,691 toward the pension plans.

The 2018 nonoperating revenues of $258,074 are comprised of Passenger Facility Charges (PFC) of $163,263 (an increase of $5,088, or 3.2%, due to an increase in enplaned passengers), Customer Facility Charges (CFC) of $38,837 (a slight decrease of $257, or 0.7%), other nonoperating revenue of $19,267 and investment income of $36,707 (an increase of $3,936, or 12.0%, due to better long-term investment management).

Nonoperating expenses were $326,129 and $348,199 for the years 2018 and 2017, respectively. The decrease of $22,070 (6.3%) for 2018 over 2017 was mainly due to decreased noise mitigation costs, due to the reconfiguration of the Residential Sound Insulation Program, and interest expense.

Capital grants, comprised mainly of federal grants, increased from $82,001 in 2017 to $131,020 in 2018, a 40.5% decrease mainly as a result of when associated capital expenditures became eligible for grant reimbursement from the federal government and increase in the allotment of AIP grant funding from the FAA.

A comparative summary of the Airport's changes in cash flows for the years ended December 31, 2019, 2018, and 2017 is as follows (dollars in thousands):

	Cash Flows		
	2019	**2018**	**2017**
Cash provided by (used in) activities:			
Operating	$ 498,093	$ 520,670	$ 424,023
Capital and related financing	(1,135,482)	863,075	606,342
Noncapital financing	(2,369)	(5,454)	(2,535)
Investing	(1,598,690)	700,543	(449,753)
Net change in cash and cash equivalents	(2,238,448)	2,078,834	578,077
Cash and cash equivalents:			
Beginning of year	3,962,256	1,883,422	1,305,345
End of year	$ 1,723,808	$3,962,256	$1,883,422

2019

As of December 31, 2019, the Airport's cash and cash equivalents of $1,723,808 decreased by $2,238,448 compared to $3,962,256 at December 31, 2018, due to capital and current year bond issuances of $1,135,482 that were invested in the current year and operating activities of $498,093 and by investing activities of $1,598,690. Total cash and cash equivalents at December 31, 2019, were comprised of unrestricted and restricted cash and cash equivalents of $140,430 and $1,583,378, respectively.

2018

As of December 31, 2018, the Airport's cash and cash equivalents of $3,962,256 increased by $2,078,834 compared to $1,883,422 at December 31, 2017, due to capital and current year bond issuances of $863,075 and operating activities of $520,670 and by investing activities of $700,543. Total cash and cash equivalents at December 31, 2018, were comprised of unrestricted and restricted cash and cash equivalents of $332,057 and $3,630,199 respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2019 and 2018, the Airport had $9,080,349 and $8,526,430, respectively invested in net capital assets. During 2019, the Airport had additions of $810,272 related to capital activities. This included construction for HVAC system upgrades, Central Deicing Pad utilities, concourse improvements, ATS rail, terminal improvements, and runway and taxiway construction and improvements.

During 2019, completed projects totaling $860,693 were transferred from construction in progress and $68,800 of contributed capital from the transfer of Hilton O'Hare to applicable buildings and other facilities capital accounts. These major completed projects were related to the relocation of airline terminal facilities, Central Deicing Pad utilities, Fuel Line Relocation projects, terminal improvements, and runway and taxiway construction and improvements.

The Airport's capital assets at December 31, 2019, 2018, and 2017 are summarized as follows (dollars in thousands):

	Capital Assets at Year-End		
	2019	**2018**	**2017**
Capital assets not depreciated:			
Land	$ 892,248	$ 892,248	$ 892,248
Construction in progress	1,256,131	1,306,552	1,331,050
Total capital assets not depreciated	2,148,379	2,198,800	2,223,298
Capital assets depreciated:			
Buildings and other facilities	11,033,354	10,229,588	9,432,232
Less accumulated depreciation for:			
Buildings and other facilities	(4,101,384)	(3,901,958)	(3,672,833)
Total capital assets depreciated—net	6,931,970	6,327,630	5,759,399
Total property and facilities—net	$ 9,080,349	$ 8,526,430	$ 7,982,697

The Airport has no outstanding Commercial Paper Notes at December 31, 2019. The Airport has elected to terminate the Series 2016 Commercial Paper Notes on June 28, 2019.

During 2018, the Airport issued $2,012.9 million of Chicago O'Hare International Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2018 ABC. The bonds having interest rates ranging from 4% to 5% with maturity dates ranging from January 1, 2020 to January 1, 2054. Certain net proceeds will be used to finance portions of the airport projects. Certain net proceeds were used to refund certain maturities of outstanding bonds and to repay Commercial Paper notes and Line of Credit. Certain net proceeds were used and to fund capitalized interest and the debt reserve deposit requirement and to pay the cost of issuance of the bonds.

The Airport's outstanding debt at December 31, 2019, 2018, and 2017 is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End		
	2019	**2018**	**2017**
Revenue bonds, notes and TIFIA Loan	$ 10,047,551	$ 10,317,980	$ 8,645,880
Unamortized—			
Bond premium	559,884	610,467	607,459
Total outstanding debt—net	10,607,435	10,928,447	9,253,339
Current portion	(276,715)	(291,035)	(298,185)
Total long-term revenue bonds and notes payable—net	$ 10,330,720	$ 10,637,412	$ 8,955,154

Additional information on the Airport's long-term debt is presented in Note 4 of the notes to basic financial statements, and the Statistical Information section of this report.

The Airport's revenue bonds at December 31, 2019, had credit ratings with each of the four major rating agencies as follows:

	Moody's Investor Services	Standard & Poor's	Fitch Ratings	Kroll Ratings
Senior Lien General Airport Revenue Bonds	A2	A	A	A+
PFC Revenue Bonds	A2	A	A	NR
CFC Revenue Bonds	Baa1	BBB	NR	NR

At December 31, 2019 and 2018 the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES

In 2019, the Airport was ranked as the busiest airport in the world, measured in terms of total aircraft operations, and the sixth busiest worldwide and third in the United States in terms of total passengers, and 18th worldwide and sixth in the United States in terms of cargo. The Airport had 42.2 million and 41.6 million enplaned passengers in 2019 and 2018, respectively. The strong origin-destination passenger demand and the Airport's central geographical location near the center of the United States and along the most heavily traveled east/west air routes make the Airport a natural hub location.

United Airlines and American Airlines each use the Airport as one of their major hubs. United Airlines (including its regional affiliates) comprised 44.5% of the Airport's enplaned passengers in 2019 and 45.2% of the enplaned passengers in 2018. American Airlines (including its regional affiliates) comprised 35.2% of the Airport's enplaned passengers in 2019 and 35.1% of the enplaned passengers in 2018.

On March 28 2018, the City Council approved the new Airline Use and Lease Agreement ("AULA") for airlines operating at O'Hare. Apart from provisions regarding rates and charges that became operative on July 1, 2018, the AULA went into effect as of May 12, 2018. The AULA provides that the aggregate of all rentals, fees and charges to be paid by the signatory airlines shall be sufficient to pay for the net cost of operating, maintaining and developing O'Hare. Specifically, the AULA allows the City to commence a $6.1 billion terminal expansion program (known as the Terminal Area Plan or "TAP") that includes construction of new gates and concourses, in addition to $2.4 billion in additional pre-approved capital projects.

The AULA is a 15 year lease agreement that modernizes the existing gate and rates and charges structure for ORD to match those agreements of other airports as well as authorizes Phase 1 of the TAP and Capital Improvement Projects (CIP) agreement allows for capital investment control and the provisions of gate accommodation and reallocation of gates on an annual basis starting in 2021 to ensure gates are used at their optimum capacity.

The structure of rates and charges has also been updated to better align costs to airlines based on their preferential versus common use status.

Based on the Airport’s rates and charges for fiscal year 2020, total budgeted Operating and Maintenance Expenses (including Allowable Airline Liaison Office Expenses) are projected at $576,085 and total Capital Costs, including net debt service, pre-approved allowances, and fund deposit requirements, are projected at $539,591. Additionally, 2020 nonairline revenues and credits are budgeted at $412,766, including $234,225 related to the the application of the CARES Act funds either as a reduction to Operating and Maintenance Expenses and Capital Costs or to supplement impacts to revenue, which were allocated to the Airport by the FAA as discussed in Note 11, resulting in a net airline requirement of $702,910 that will be funded through landing fees, terminal area use charges, and fuel system use charges.

As discussed in Note 11, airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service. The City expects the CARES Act funding to improve its liquidity and strengthen its ability to withstand expected decreases in revenues during Fiscal Year 2020 and Fiscal Year 2021 that it anticipates as a result of the current and ongoing effects of the COVID-19 pandemic. There is no assurance that the CARES Act funding will be sufficient to fully compensate the City for lost revenue at the Airport as a result of the COVID-19 pandemic.

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader with a general overview of the Airport’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Chicago Department of Finance.

BASIC FINANCIAL STATEMENTS

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2019 AND 2018
(Dollars in thousands)

ASSETS	**2019**	**2018**
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 140,430	$ 332,057
Investments (Note 2)	198,093	12,271
Accounts receivable—net of allowance for doubtful accounts of approximately $6,411 in 2019 and $4,322 in 2018	78,037	90,588
Due from other City funds	45,974	39,929
Prepaid expenses	2,152	2,372
Interest receivable	81	671
Cash and cash equivalents (Note 2)—restricted	834,260	786,847
Prepaid expenses—restricted	5,371	1,923
Total current assets	1,304,398	1,266,658
NONCURRENT ASSETS:		
Cash and cash equivalents (Note 2)—restricted	749,118	2,843,352
Investments (Note 2)—restricted	2,540,127	972,984
Passenger facility charges and other receivables—restricted	19,428	33,021
Interest receivable—restricted	12,590	9,310
Prepaid expenses—restricted	23,119	4,796
Due from other governments—restricted	11,427	27,434
Other assets	5,805	5,338
Property and facilities (Note 5):		
Land	892,248	892,248
Buildings and other facilities	11,033,354	10,229,588
Construction in progress	1,256,131	1,306,552
Total property and facilities	13,181,733	12,428,388
Less accumulated depreciation	(4,101,384)	(3,901,958)
Property and facilities—net	9,080,349	8,526,430
Total noncurrent assets	12,441,963	12,422,665
Total assets	13,746,361	13,689,323
DEFERRED OUTFLOWS (Note 10)	320,158	450,827
TOTAL ASSETS AND DEFERRED OUTFLOWS	$14,066,519	$14,140,150

* Other assets includes Aeronautical Estate Fund and Commercial Real Estate Fund

LIABILITIES	**2019**	**2018**
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 92,297	$ 85,097
Due to other City funds	4,948	2,226
Advances for terminal and hangar rent	15,456	14,668
Billings over amounts earned	272,100	283,531
Liabilities payable from restricted assets:		
Accounts payable	296,621	266,677
Current portion of revenue bonds and notes payable (Note 4)	276,715	291,035
Interest payable	244,720	209,833
Advance from Federal	16,204	17,261
Line of Credit Payable	-	2,040
Total current liabilities	1,219,061	1,172,368
NONCURRENT LIABILITIES:		
Revenue bonds payable—net of premium (Note 4)	10,051,964	10,379,262
Net pension liability (Note 7)	1,506,615	1,400,398
TIFIA loan	278,756	258,150
Total noncurrent liabilities	11,837,335	12,037,810
Total liabilities	13,056,396	13,210,178
DEFERRED INFLOWS (Note 10)	258,951	381,103
NET POSITION (Note 1):		
Net investment in capital assets	1,362,522	1,243,830
Restricted net position (Note 1):		
Debt service	19,477	10,519
Capital projects	140,222	92,770
Passenger facility charges	238,593	227,767
Airline use agreement	315,183	154,889
Airport development fund (Note 3)	-	-
Airport general fund (Note 3)	132,137	137,216
Customer facility charge	43,431	28,469
Other assets*	9,952	48,393
Total restricted net position	898,995	700,023
Unrestricted net position	(1,510,345)	(1,394,984)
Total net position	751,172	548,869
TOTAL	$14,066,519	$14,140,150

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Dollars in thousands)

	2019	2018
OPERATING REVENUES:		
Landing fees and terminal area use charges	$ 811,270	$ 709,933
Rents, concessions, and other (Note 6)	375,601	351,980
Hilton revenues (Note 1)	66,614	-
Total operating revenues	1,253,485	1,061,913
OPERATING EXPENSES:		
Salaries and wages	214,069	222,550
Pension expense (Note 7)	159,153	145,920
Repairs and maintenance	143,231	115,008
Professional and engineering services	133,994	111,642
Other operating expenses	149,116	115,146
Hilton expenses (Note 1)	43,021	-
Total operating expenses before depreciation, amortization and capital asset impairment and disposals	842,584	710,266
Depreciation and amortization	287,648	259,467
Loss on capital asset disposal	37,505	22,218
Total operating expenses	1,167,737	991,951
OPERATING INCOME	85,748	69,962
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charge revenue	171,993	163,263
Customer facility charge revenue	40,315	38,837
Passenger facility charge expenses	(2,495)	(42)
Other nonoperating revenue	15,792	19,267
Noise mitigation costs	(2,475)	(6,097)
Costs of issuance	(31)	(14,192)
Investment income (Note 4)	66,102	36,707
Interest expense (Note 4)	(319,369)	(305,798)
Total nonoperating revenues (expenses)	(30,168)	(68,055)
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	55,580	1,907
CAPITAL GRANTS	77,923	131,020
CAPITAL CONTRIBUTIONS	68,800	-
CHANGE IN NET POSITION	202,303	132,927
TOTAL NET POSITION—Beginning of year	548,869	415,942
TOTAL NET POSITION—End of year	$ 751,172	$ 548,869

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Dollars in thousands)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	$ 811,994	$ 744,963
Rents, concessions, and other	443,338	375,032
Payments to vendors	(441,803)	(314,320)
Payments to employees	(214,851)	(202,667)
Transactions with other City funds—(used in)	(100,585)	(82,338)
Cash flows provided by operating activities	498,093	520,670
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of bonds	-	2,066,860
(Payments to) proceeds from commercial paper notes	-	(102,239)
Proceeds from TIFIA loan	20,606	94,534
Payments to line of credit	(2,040)	(10,058)
Proceeds from O'Hare 2010B Senior Lien Build America Bonds subsidy	12,514	12,467
Payments to refund bonds	(78)	(27,370)
Principal paid on bonds	(291,035)	(298,185)
Bond issuance and other related costs	(6,172)	(20,114)
Interest paid on bonds and note	(492,867)	(413,215)
Acquisition and construction of capital assets	(695,861)	(753,691)
Capital grants	93,930	118,125
Customer facility charge revenue	40,315	38,837
Passenger facility charge revenue and other receipts	187,701	157,166
Passenger facility charge expenses	(2,495)	(42)
Cash flows (used in) provided by capital and related financing activities	(1,135,482)	863,075
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from settlement agreement	106	643
Cash paid for noise mitigation program	(2,475)	(6,097)
Cash flows used in noncapital financing activities	(2,369)	(5,454)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales (purchases) investments—net	(1,739,358)	648,567
Investment interest	140,668	51,976
Cash flows (used in) provided by investing activities	(1,598,690)	700,543
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,238,448)	2,078,834
CASH AND CASH EQUIVALENTS—Beginning of year	3,962,256	1,883,422
CASH AND CASH EQUIVALENTS—End of year	$ 1,723,808	$3,962,256

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Dollars in thousands)

	2019	2018
RECONCILIATION TO CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET ASSETS:		
Unrestricted	$ 140,430	$ 332,057
Restricted:		
Current	834,260	786,847
Noncurrent	749,118	2,843,352
TOTAL	$ 1,723,808	$3,962,256
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 85,748	$ 69,962
Adjustments to reconcile:		
Depreciation, amortization and loss on capital asset disposals	325,153	281,685
Pension expense other than contribution	102,959	99,229
Changes in assets and liabilities:		
Increase in accounts receivable	12,551	(8,435)
Increase in due from other City funds	(6,045)	(672)
Decrease (increase) in prepaid expenses	(21,551)	1,078
Increase (decrease) in accounts payable	7,200	11,304
Increase (decrease) in due to other City funds	2,722	2
Increase (decrease) in prepaid terminal rent	788	5,684
Increase in billings over amounts billed	(11,432)	60,833
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 498,093	$ 520,670

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:

Property additions in 2019 and 2018 of $258,210 and $236,181, respectively, are included in accounts payable.

The fair value adjustments (loss) to investments for 2019 and 2018 were $(140) and $(13,747), respectively.

There was a capital contribution in 2019 of $68,800 for the Hilton O'Hare hotel, which is included in buildings and other facilities. See footnote 1 for further information.

See notes to basic financial statements. (Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago O'Hare International Airport (the "Airport" or "O'Hare") is operated by the City of Chicago Illinois (the "City") Department of Aviation. The Airport is included in the City's reporting entity as an enterprise fund. The City is a member of the Chicago-Gary Regional Airport Authority, which was created in 1995 to address the air transportation needs of the Chicago-Northwest Indiana Region. The Airport operated subject to the provisions of the Airport Use Agreement and Facilities Lease ("Former Use Agreement"), which is a residual Use Agreement that terminated on May 11, 2018. A new Airline Use and Lease Agreement ("AULA") was authorized by City Council, which went into effect as of May 12, 2018 and the provisions regarding rates and charges became effective on July 1, 2018.

On January 1, 2019, the Hilton O'Hare was transferred to the Airport as the 30 year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The Hilton O'Hare building was recorded at a fair value of $68,800 in the financials as a capital contribution. Other assets and liabilities that were transferred to the Airport were immaterial. The Airport has entered into a 10 year operating lease agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC and food and beverage operations. 2019 is the first year where the operations of Hilton O'Hare have been included in the financial statements.

Basis of Accounting and Measurement Focus—The accounting policies of the Airport are based upon accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Airport are reported using the flow of economic resources measurement focus.

The Airport uses the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred.

Annual Appropriated Budget—The Airport has a legally adopted annual budget, which is not required to be reported.

Management's Use of Estimates—The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash, Cash equivalents, and Investments—Cash, cash equivalents, and investments generally are held with the City treasurer as required by the Municipal Code of Chicago (the "Code"). Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Due to contractual agreements or legal restrictions, the cash and investments of certain funds are segregated and earn and receive interest directly.

The Code permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal or state savings and loan associations, located within the City, whose deposits are federally insured.

Investments are limited to those authorized by the Code. Investments authorized by the Code include, but are not limited to, interest-bearing general obligations of the City, the State of Illinois (the "State"), and the U.S. government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. government purchased in the open market below face value; commercial paper; domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; and tax anticipation warrants issued by the City (see Note 2). The City is prohibited by ordinance from investing in derivatives, as defined, without City Council approval.

The Airport values its investments at fair value or amortized cost as applicable. U.S. government securities and commercial paper purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Repurchase agreements can be purchased only from banks and certain other institutions authorized to do business in the State. The City Treasurer requires that securities pledged to secure these agreements have a fair value equal to the cost of the repurchase agreements plus accrued interest.

Investments, generally, do not have a maturity in excess of 30 years from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinances.

Cash equivalents include investments with maturities of three months or less when purchased.

Accounts Receivable Allowance—Management has provided an allowance for amounts recorded at year-end, which may be uncollectible.

Transactions with the City—The City's general fund provides services to the Airport. The amounts allocated to the Airport for these services are treated as operating expenses by the Airport and consist mainly of employee benefits, self-insured risks, and administrative expenses.

Property and Facilities—Property and facilities are recorded at cost or, for donated assets, donated works of art and similar items, and capital assets received in a consortium arrangement at acquisition value. Expenditures greater than $5,000 for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized. Expenditures for vehicles and other movable equipment are expensed as incurred. Losses on capital assets disposal are classified as operating expenses as the disposals create operational efficiencies, such as decommissioning cross-field runways to construct parallel runways for simultaneous use of multiple runways.

Depreciation and amortization are provided using the straight-line method and begin in the year following the year of acquisition or completion. Estimated useful lives are as follows:

Runways, aprons, tunnels, taxiways, and paved roads	30 years
Water drainage and sewer system	20–50 years
Refrigeration and heating systems	30 years
Buildings	40 years
Building/land improvements	8-40 years
Electrical system	15–20 years
Other	3–30 years

Deferred Outflows—Deferred outflows represent unamortized loss on bond refundings and differences between estimated and actual investment earnings related to pensions, and changes in actuarial assumptions related to pensions.

Deferred Inflows—Deferred inflows represent the differences between projected and actual actuarial experience and changes in assumptions related to pensions.

Net Position—Net position comprises the net earnings from operating and nonoperating revenues, expenses, and capital grants. Net position is displayed in three components—net investment in capital assets; restricted for debt service, capital projects, PFCs, airline use agreement and airport general fund, CFCs, and other assets; and unrestricted. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and reduced by outstanding debt, net of debt service reserve and unspent proceeds. Restricted net position consists of net position on which constraints are placed by external parties (such as lenders and grantors), laws, regulations and enabling legislation. Unrestricted net position consists of all other net position not categorized as either of the above.

Employee Benefits—Employee benefits are granted for vacation and sick leave, workers' compensation, and health care. Specified unused vacation leave is accrued and may be carried over for one year. Sick leave is accumulated at the rate of one day for each month worked, up to a maximum of 200 days. Severance of employment terminates all rights to receive compensation for any unused sick leave. Sick leave pay is not accrued. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities. The Airport maintains insurance from a commercial carrier for workers' compensation claims. Settlements in each of the past two years have been less than insurance coverage maintained.

Employees are eligible to defer a portion of their salaries until future years under the City's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is administered by third-party administrators who maintain the investment portfolio. The plan's assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries and are not considered assets of the City.

The City is subject to the State of Illinois Unemployment Compensation Act and has elected the reimbursing employer option for providing unemployment insurance benefits for eligible former employees. Under this option, the City reimburses the State for claims paid by the State.

Bond Insurance Costs, and Bond Premiums, and Discounts—Bond insurance costs and bond premiums and discounts are deferred and amortized over the term of the related debt. Other debt issuance costs are expenses in the period incurred.

Capitalized Interest—Interest expense on construction bond proceeds are capitalized during construction on those capital projects paid from the bond proceeds and are being amortized over the depreciable life of the related assets on a straight-line basis.

Capital Grants—The Airport reports capital grants as revenue on the statements of revenues, expenses, and changes in net position. Capital grants are on a reimbursement basis and revenues are recognized when associated capital expenditures become eligible and are spent for grant reimbursement.

Noise Mitigation Costs—Funds expended for the noise mitigation program are recorded as nonoperating expenses in the period they are incurred.

Revenue Recognition—Revenues from landing fees, terminal area use charges, fueling system charges, aeronautical real estate revenue, parking revenue, hotel revenue and concessions are reported as operating revenues. The Airport adheres to the guidelines outlined in the Federal Aviation Administration (FAA) revenue use policy. Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the AULA. As noted above, in 2018, the City Council approved the new AULA for airlines operating at O’Hare. Provisions regarding rates and charges became effective on July 1, 2018. The structure of rates and charges was updated to better align costs to airlines based on their preferential versus common use status. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned. In addition, the revenues earned by the Hilton O’Hare are included in the 2019 financials, as Hilton O’Hare was transferred back to the Airport on January 1, 2019 is the first year where the operations of Hilton O’Hare have been included in the basic financial statements.

Passenger Facility Charge (PFC) Revenue—The Airport imposed PFCs of $4.50 per eligible enplaned passenger for the years ended December 31, 2019 and 2018, respectively. PFCs are available, subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital projects. The City reports PFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Customer Facility Charge (CFC) Revenue—The Airport imposed a CFC of $8.00 per contract day on each customer for motor vehicle rentals at the Airport for the years ended December 31, 2019 and 2018, respectively. CFCs are available to finance specific eligible capital projects. The City reports CFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Expenses—Salaries and wages, pension expense, repair and maintenance, professional and engineering services, hotel expenses and other expenses that relate to Airport operations are reported as operating expenses. Interest expense, PFC expenses, financing costs, and noise mitigation costs are reported as nonoperating expenses. In addition, the expenses by the Hilton O’Hare are included in the 2019 financials, as Hilton O’Hare was transferred back to the Airport on January 1, 2019 is the first year where the operations of Hilton O’Hare have been included in the basic financial statements.

Adopted Accounting Standards— The Airport adopted GASB Statement No. 95, *Postponement of The Effective Dates of Certain Authoritative Guidance* (“GASB 95”), which provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. GASB 95 postponed the effective date of certain provisions in the Statements and Implementation Guides that first become effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions within the following pronouncements were postponed by one year: Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 90, *Majority Equity Interests*, and Statement No. 91, *Conduit Debt Obligations*, Statement No. 92, *Omnibus 2020*, Statement No. 93, *Replacement of Interbank Offered Rates*. The effective date for GASB Statement No. 87, *Leases* was postponed by 18 months. The Airport has elected to postpone the implementation of the Standards included within Statement No. 95 and have disclosed the expected implementation dates below.

Upcoming Accounting Standards—Other accounting standards that the Airport is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 83, *Certain Asset Retirement Obligations* (“GASB 83”) addresses accounting and financial reporting for certain asset retirement obligations (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will have to recognize a liability based on the guidance in this statement. GASB 83 also requires disclosure of information about the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. GASB 83 will be effective for the Airport beginning with its year ending December 31, 2020.

GASB Statement No. 84, *Fiduciary Activities* (“GASB 84”) improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the Airport beginning with its year ending December 31, 2020.

GASB Statement No. 87, *Leases* (“GASB 87”) requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 will establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB 87 will increase the usefulness of governments’ financial statements by requiring reporting of certain lease liabilities that are currently not reported. GASB 87 will be effective for the Airport beginning with its year ending December 31, 2022.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* ("GASB 88") will improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB 88 will be effective for the Airport beginning with its year ending December 31, 2020.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB 89 will be effective for the Airport beginning with its year ending December 31, 2021.

GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61* ("GASB 90") aims to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. GASB 90 will be effective for the Airport beginning with its year ending December 31, 2020.

GASB Statement No. 91, *Conduit Debt Obligations* ("GASB 91") provides a single method of reporting conduit debt obligations by issuers and aims to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 will be effective for the Airport beginning with its year ending December 31, 2022.

GASB Statement No. 92, *Omnibus 2020* ("GASB 92") aims to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 will address a variety of topics and include specific provisions about individual Statements including Statement No. 87, Leases, Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and Statement No. 84, Fiduciary Activities. GASB 92 will be effective for the Airport beginning with its year ending December 31, 2022 or when the Statement referred to is implemented, whichever is earlier.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* ("GASB 93") establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. GASB 93 will be effective for the Airport beginning with its year ending December 31, 2022.

GASB Statement No. 96, *Subscription-based Information Technology Arrangements* ("GASB 96")—This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB 96 will be effective for the Airport beginning with its year ending December 31, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—(“GASB 97”) The Statement aims to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. GASB 97 will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Certain elements of GASB 97 are effective immediately, including the removal of the requirement to treat a primary government that performs the duties of a governing board as the governing board in absence of a governing board, and these elements have been implemented by the Airport for the year ended December 31, 2019 with no material impact. The remainder of GASB 97 will be effective for the Airport beginning with its year ending December 31, 2022.

2. RESTRICTED AND UNRESTRICTED CASH EQUIVALENTS AND INVESTMENTS

Cash equivalents and Investments—The Airport had investments as of December 31, 2019, as follows (dollars in thousands):

	Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
U.S. agencies	$ 313,001	$725,336	$ -	$ -	$1,038,337
U.S. treasuries	-	-	-	-	-
Commercial paper	1,547,777	-	-	-	1,547,777
Corporate bonds	16,979	33,741	72,802	40,929	164,451
Municipal bonds	34,172	52,900	50,488	65,303	202,863
Certificates of deposits and other short term	1,391,783	-	-	-	1,391,783
Subtotal	$3,303,712	$811,977	$123,290	$106,232	$4,345,211

The Airport had investments as of December 31, 2018, as follows (dollars in thousands):

	Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
U.S. agencies	$ 325,870	$365,475	$ -	$ -	$ 691,345
U.S. treasuries	9,938	-	-	-	9,938
Commercial paper	1,036,669	-	-	-	1,036,669
Corporate bonds	22,083	46,255	-	27,526	95,864
Municipal bonds	20,553	99,895	-	-	120,448
Certificates of deposits and other short term	2,848,138	-	-	16,752	2,864,890
Subtotal	$4,263,251	$511,625	$ -	$ 44,278	$4,819,154

U.S. agencies include investments in government-sponsored enterprises, such as Federal National Mortgage Association, Federal Home Loan Banks, and Federal Home Loan Mortgage Corp.

Investments Fair Value Measurements—The City categorizes the fair value measurements of its investments based the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation techniques used to measure fair value.

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets
Level 2—Observable inputs other than quoted market prices, and
Level 3—Unobservable Inputs
The investments measured at fair value as of December 31, 2019 and 2018 were (dollars in thousands):

	2019			2018		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
U.S. agencies	$ -	$ 998,349	$ -	$ -	$524,743	$ -
Commercial paper	-	19,708	-	-	-	-
U.S. treasuries	-	-	-	-	9,938	-
Corporate bonds	-	155,483	-	-	88,826	-
Municipal bonds	-	202,862	-	-	130,725	-
Total investments at fair value	$ -	$1,376,402	$ -	$ -	$754,232	$ -

Investments that are valued through other observable inputs (Level 2), are valued using methods that include, but are not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for O'Hare are $2.969 billion and $4.065 billion as of December 31, 2019 and 2018, respectively.

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that investments generally may not have a maturity date in excess of 30 years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Credit Risk—With regard to credit risk, the Code limits the investments in securities to:

(1) Interest-bearing general obligations of the United States and the State of Illinois;

(2) United States treasury bills and other non-interest bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;

(3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City of Chicago;

(4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;

(5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement; Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;

(6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in Custodial Credit Risk—Cash and Certificates of Deposit below;

(7) Bankers acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;

(8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;

(9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;

(10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;

(11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non- interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;

(12) Bonds of companies organized in the United States with assets exceeding $1 billion that, at the time of purchase, are rated not less than two ratings above investment grade, or equivalent rating, by at least two accredited ratings agencies;

(13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;

(14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United

States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;

(15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;

(16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;

(17) Bonds, notes, debentures, or other similar obligations of agencies of the United States rated, at the time of purchase, no less than AAA by at least two accredited rating agencies.

Total holdings across all funds held by the Airport shall have no less than an overall average rating of Aa1 on a quarterly basis, as rated by two accredited rating agencies. The Airport's exposure to credit risk as of December 31, 2019 and 2018, is as follows (dollars in thousands):

Quality Rating	**2019**	**2018**
Moody's/S & P:		
Aaa/AAA *	$ 2,468,918	$ 2,890,075
Aa/AA	256,723	723,882
A/A	48,795	27,507
A1/P1	1,469,455	1,103,884
A2/P2	101,320	-
Not rated *	-	73,806
Total funds	$ 4,345,211	$ 4,819,154

* The Airport was able to obtain quality ratings for a portion of money market mutual funds as of December 31, 2019 and 2018. The remaining investments that are not rated are primarily composed of money market mutual funds.

Custodial Credit Risk—Cash and Certificates of Deposit—This is the risk that in the event of a bank failure, the City's Deposits may not be returned. The City's Investment Policy states that in order to protect the City public fund deposits, depository institutions are to maintain collateral pledges on City deposits and certificates of deposit during the term of the deposit.

For certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance, any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 102% by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; (2) secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least 102% by an irrevocable letter of credit issued in favor of the City of Chicago by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit.

The collateral required to secure City funds must be held in safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written notification and authorization of the City Treasurer. The final maturity of acceptable collateral pledged shall not exceed 120 months.

The bank balance of cash and certificates of deposit with the City's various municipal depositories was $455.3 million. 98.9 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name. $4.8 million was uncollateralized at December 31, 2019, and thus was subject to custodial credit risk.

Custodial Credit Risk—Investments—For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.

The investments reported in the basic financial statements as of December 31, 2019 and 2018, is as follows (dollars in thousands):

	2019	2018
Per Note 2—		
Investments—Airport	$4,345,211	$4,819,154
Per financial statements:		
Restricted investments	2,540,127	972,984
Unrestricted investments	198,093	12,271
Investments classified as cash and cash equivalents on the statements of net position	1,606,991	3,833,899
	$4,345,211	$4,819,154

3. RESTRICTED ASSETS

The General Airport Revenue Bond Ordinance ("Bond Ordinance"), the Master Indenture of Trust Securing Chicago-O'Hare International Airport Second Lien Obligations ("Second Lien

Indenture"), the Master Indenture of Trust Securing Chicago-O'Hare International Airport Third Lien Obligations ("Third Lien Indenture"), the Use Agreement, and federal regulations contain various limitations and restrictions which, among other things, require the creation and maintenance of separate accounts, certain of which must be held by a trustee and into which required deposits are made by the Airport on a periodic basis to fund construction, debt retirement, operation and maintenance, and contingencies.

Restricted cash, cash equivalents, and investment balances in accordance with the Bond Ordinance, the Second Lien Indenture, and the Third Lien Indenture requirements are as follows (dollars in thousands):

Account	**2019**	**2018**
Construction	$1,819,858	$2,351,819
Capitalized interest	145,137	265,886
Debt service reserve	834,602	836,990
Debt service interest	496,983	466,523
Debt service principal	41,598	42,235
Operation and maintenance reserve	167,136	153,025
Maintenance reserve	3,000	3,000
Supplemental operation and maintenance reserve	24,068	-
Customer Facility Charge	57,784	76,660
Airport General Fund	151,505	151,941
Aeronautical Estate Fund	71,331	15,791
Commercial Real Estate Fund	43,630	13,774
Pre-Approved Allowances Fund	21,671	-
Other funds	23,351	30,166
Subtotal—Bond Ordinance, Master Indenture Accounts	3,901,654	4,407,810
Passenger Facility Charge	221,851	195,373
Total	$4,123,505	$4,603,183

Construction and capitalized interest accounts are restricted for authorized capital improvements and payment of interest costs during construction.

The debt service reserve account is restricted to the payment of debt service in the event that the balance in the debt service account is insufficient.

The debt service principal and interest accounts are restricted to the payment of bond principal and interest.

The operation and maintenance reserve account is restricted to make loans to the operation and maintenance account, as needed, which are to be repaid as funds become available. The maintenance reserve account is restricted to extraordinary maintenance expenditures.

The City has entered into arbitrage agreements under which the City has agreed to comply with certain requirements of the Internal Revenue Code of 1986, as amended, in order to maintain the exclusion of the interest on the bonds from the gross income of the recipients thereof for federal income tax purposes. The rebate account relating to each series of the bonds has been established to account for any liability of the City to make arbitrage rebate payments to the federal government relating to such series of bonds.

The Airport Development Fund is restricted and may be used by the Airport for any lawful Airport purpose. The Airport Development Fund was maintained under the O'Hare Senior Lien Bonds Master Indentures until the transition date of June 1, 2018 of the new Airline Use and Lease Agreement.

The Airport General Fund is restricted and may be used by the Airport for any lawful Airport purpose. Pursuant to section 301 in the O'Hare 2018 Master Indenture, the Special Capital Projects Fund and the Airport Development Fund are discontinued. The monies held in the Special Capital Projects Fund and the Airport Development Fund have been transferred to the Airport General Fund.

Other funds include the federal and state grant funds and the special capital projects fund. The Passenger Facility Charge account is restricted to fund eligible and approved PFC projects.

The Aeronautical Real Estate Fund is restricted and may be used by the Airports for the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

The Commercial Real Estate Fund is restricted and may be used by the Airport for the parcels and other areas of the Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle fueling and charging stations not otherwise located in facilities included in the Parking and Ground Transportation Cost Center, and other real estate development occur, including all roads, utilities and facilities serving such areas and associated air rights.

The Customer Facility Charge account is restricted to fund eligible and approved CFC projects.

At December 31, 2019 and 2018, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Bond Ordinance and Master Indenture.

4. SHORT TERM DEBT AND LONG-TERM DEBT

Short Term Debt:

In December 2016, the Airport entered into a Revolving Line of Credit Agreement with J.P. Morgan Chase Bank, National Association that allows the City to draw on the line of credit in an aggregate amount not to exceed $180 million. In 2016, the Airport drew $6.9 million Alternative Minimum Tax (AMT) and $5.2 million Non-AMT from its line of credit to finance certain capital projects at the Chicago O'Hare International Airport. At December 31, 2019, there was no outstanding line of credit (AMT) and line of credit (Non-AMT). The line of credit has been supported by an underlying letter of credit and expired on December 12,

2019. Since the letter of credit expired during the year, the line of credit is classified in short-term debt. On June 28, 2019, the Airport has elected to terminate the line of credit.

2019	**Balance January 31**	**Additions**	**Reductions**	**Balance December 31**
Revolving Line of Credit—AMT	$ 2,040	$ -	$ (2,040)	$ -
Revolving Line of Credit—Non-AMT	-	-	-	-
Total short-term debt	$ 2,040	$ -	$ (2,040)	$ -

Long Term Debt:

Long-term debt at December 31, 2019 and 2018, consisted of the following (dollars in thousands):

	2019	2018
Senior lien bonds (formerly third lien):		
$29,360 Series 2004 F and G third lien revenue refunding bonds issued December 2, 2004, due through 2023; interest at 5.30%–5.35%	$ 28,840	$ 29,360
$300,000 Series 2005 C and D third lien revenue bonds issued December 22, 2005, due through 2035; variable floating interest rate 1.69% and 1.70% at December 31, 2019	240,600	240,600
$91,590 Series 2010 A third lien revenue bonds issued April 29, 2010, due through 2040; interest at 3.0%–5.0%	-	410
$578,000 Series 2010 B third lien revenue bonds issued April 29, 2010, due through 2040; interest at 6.145%–6.845%	578,000	578,000
$171,450 Series 2010 C third lien revenue bonds issued April 29, 2010, due through 2035; interest at 4.00%–5.25%	171,450	171,450
$55,850 Series 2010 D third lien revenue refunding bonds issued April 29, 2010, due through 2019; interest at 5.00%–5.25%	-	40,700
$95,735 Series 2010 F third lien revenue refunding bonds issued April 29, 2010, due through 2040; interest at 4.25%–5.25%	95,735	95,735
$420,155 Series 2011 A third lien revenue bonds issued May 5, 2011, due through 2041; interest at 5.625%–5.750%	72,080	72,080
$295,920 Series 2011 B third lien revenue bonds issued May 5, 2011, due through 2041; interest at 3.00%–6.00%	42,815	62,720
$444,760 Series 2012 A senior lien revenue refunding bonds issued September 12, 2012, due through 2032; interest at 1.00%–5.00%	189,755	211,425
$277,735 Series 2012 B senior lien revenue refunding bonds issued September 12, 2012, due through 2032; interest at 1.00%–5.00%	186,000	186,000
$336,350 Series 2013 A senior lien revenue refunding bonds issued October 17, 2013, due through 2026; interest at 2.00%–5.00%	228,515	265,655
$165,435 Series 2013 B senior lien revenue refunding bonds issued October 17, 2013 due through 2029; interest at 2.00%–5.25%	147,800	153,480
$98,375 Series 2013 C senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 5.00%–5.50%	94,770	96,615
$297,745 Series 2013 D senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 3.00%–5.25%	286,580	292,280
$428,640 Series 2015 A senior lien revenue refunding bonds issued October 15, 2015 due through 2037; interest at 2.00%–5.00%	414,400	421,125

(Continued)

	2019	2018
$1,191,540 Series 2015 B senior lien revenue refunding bonds issued October 15, 2015 due through 2035; interest at 4.00%–5.00%	$ 1,124,310	$ 1,170,760
$195,690 Series 2015 C senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 3.625%–5.000%	195,690	195,690
$131,510 Series 2015 D senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 4.000%–5.000%	131,510	131,510
$27,335 Series 2016 A senior lien revenue refunding bonds issued December 5, 2016 due through 2037; interest at 3.00%–5.00%	26,735	26,735
$461,945 Series 2016 B senior lien revenue refunding bonds issued December 5, 2016 due through 2041; interest at 4.00%–5.00%	342,590	399,065
$525,055 Series 2016 C senior lien revenue refunding bonds issued December 5, 2016 due through 2038; interest at 5.00%	498,445	513,990
$739,335 Series 2016 D senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	739,335	739,335
$156,575 Series 2016 E senior lien revenue bonds issued January 10, 2017 due through 2028; interest at 5.000%–5.250%	156,575	156,575
$156,090 Series 2016 F senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 2.000%–5.250%	152,215	154,195
$65,250 Series 2016 G senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	65,250	65,250
$55,915 Series 2017 A senior lien revenue refunding bonds issued June 28, 2017 due through 2040; interest at 3.125%–5.000%	55,915	55,915
$356,385 Series 2017 B senior lien revenue refunding bonds issued June 28, 2017 due through 2039; interest at 5.000%	355,885	356,285
$122,120 Series 2017 C senior lien revenue refunding bonds issued June 28, 2017 due through 2041; interest at 4.000%–5.000%	121,910	122,120
$278,075 Series 2017 D senior lien revenue bonds issued June 28, 2017 due through 2052; interest at 5.000%	278,075	278,075
$600,785 Series 2018 A senior lien revenue refunding bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	600,785	600,785
$612,095 Series 2018 B senior lien revenue bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	612,095	612,095
$800,000 Series 2018 C senior lien revenue bonds issued December 12, 2018, due through 2054; interest at 4.472%–4.572.%	800,000	800,000
Subtotal—senior lien bonds	9,034,660	9,296,015
$24,965 Series 2010 A Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2040; interest at 5.00%–5.25%	24,965	24,965

(Continued)

	2019	2018
$51,305 Series 2010 B Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2040; interest at 5.00%–5.25%	$ 51,305	$ 51,305
$48,495 Series 2010 C Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2031; interest at 5.272%–6.395%	47,090	48,495
$12,900 Series 2010 D Passenger Facility Charge Revenue Refunding Bonds issued May 27, 2010, due through 2019; interest at 2.0%–5.0%	-	2,070
$12,190 Series 2011 A Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2032; interest at 5.00%–5.625%	1,520	4,605
$33,815 Series 2011 B Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2033; interest at 5.0%–6.0%	3,170	3,170
$114,855 Series 2012 A Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 3.0%–5.0%	103,160	106,845
$337,240 Series 2012 B Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 2.5%–5.0%	263,860	278,335
Subtotal—Passenger Facility Charge Revenue Bonds	495,070	519,790
Customer Facility Charge Revenue Bonds—$248,750 Series 2013 A Senior Lien CFC Bonds issued August 22, 2013, due through 2043; interest at 3.0%–5.75%	239,065	244,025
TIFIA Loan outstanding at December 31, 2018, due through 2052; interest at 3.86%	278,756	258,150
Total revenue bonds, notes and loan	$10,047,551	$10,317,980
Unamortized premium	559,884	610,467
	$10,607,435	$10,928,447
Current portion	(276,715)	(291,035)
Total long-term revenue bonds payable, line of credit payable & TIFIA loan payable	$10,330,720	$10,637,412

(Concluded)

Long-term debt during the years ended December 31, 2019 and 2018, changed as follows (dollars in thousands):

2019	Balance January 31*	Additions	Reductions	Balance December 31	Due Within One Year
Revenue bonds, notes, LOC & Loan	$10,317,980	$ 20,606	$(291,035)	$10,047,551	$276,715
Unamortized premium (discount)	610,467	-	(50,583)	559,884	-
Total long-term debt	$10,928,447	$ 20,606	$(341,618)	$10,607,435	$276,715

2018	Balance January 31*	Additions	Reductions	Balance December 31	Due Within One Year
Revenue bonds, notes, LOC & Loan	$8,633,782	$2,249,980	$(565,782)	$10,317,980	$291,035
Unamortized premium (discount)	607,459	53,981	(50,973)	610,467	-
Total long-term debt	$9,241,241	$2,303,961	$(616,755)	$10,928,447	$291,035

* The beginning total long-term debt balance for 2019 and 2018 excludes the line of credit of $2,040 and $12,098, respectively since it was reclassified to short term. The line of credit outstanding at December 31, 2019 and at December 31, 2018 was $0 and $2,040, respectively.

Interest expense capitalized for 2019 and 2018 totaled $137.5 million and $81.1 million, respectively. Interest income capitalized for 2019 and 2018 totaled $46.6 million and $18.1 million, respectively. Interest expense includes amortization of the deferred loss on bond refunding for 2019 and 2018 of $11.8 million and $13.5 million, respectively, and amortization of $50.6 million of premium, net, and $51.3 million of premium, net, respectively.

Issuance of Debt—Chicago O’Hare International Airport Commercial Paper Notes (“O’Hare CP Notes”), Series A-1 through C-1 (AMT), Series A-2 through C-2 (“Non-AMT”), Series D through C3 (“Taxable”), $420.0 million maximum aggregate principal amount of which $0 million was outstanding at December 31, 2019. The Airport has elected to terminate the commercial paper notes program on June 28, 2019.

In December 2018, the Airport sold $600.8 million of Chicago O’Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2018 A (AMT) at a premium of $24.5 million. The bonds have interest rates ranging from 4% to 5% and mandatory redemption maturity dates from January 1, 2020, through January 1, 2053. Certain net proceeds of $201.6 million were used to pay a portion of the commercial paper notes ($196.7 million) and line of credit ($4.9 million). Certain net proceeds of $326.0 million will be used to finance the costs of various airport projects; certain net proceeds of $28.8 million were used to fund the debt service reserve deposit requirement; certain net proceeds of $38.6 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $4.7 million were used to pay the cost of issuance of the bonds. Certain net proceeds of $25.6 million together with $1.6 million transferred from the debt service account were used to fully defease the Series 2008 D General Airport Revenue Bonds ($26.6 million of principal and $0.6 million of interest). The current refunding resulted in a difference between the acquisition price and the net carrying amount of $0.6 million that will be charged to the operations over 21 years using the straight-line method. The current refunding decreased the Airport's total debt service by $3.9 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $3.3 million.

In December 2018, the Airport sold $612.1 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2018 B (Non-AMT) at a premium of $29.5 million. The bonds have interest rate ranging from 4% to 5% and mandatory redemption maturity dates from January 1, 2036, through January 1, 2053. Certain net proceeds of $50.3 million were used to pay a portion of the commercial paper notes ($45.1 million) and line of credit ($5.2 million). Certain net proceeds of $496.2 million will be used to finance the costs of various airport projects; certain net proceeds of $29.6 million were used to fund the debt service reserve deposit requirement; certain net proceeds of $60.9 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $4.6 million were used to pay the cost of issuance of the bonds.

In December 2018, the Airport sold $800.0 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2018 C (Taxable) at par. The bonds have interest rate ranging from 4.472% and 4.572% and have maturity dates of January 1, 2049 and January 1, 2054. The bonds are subject to make whole optional redemption. Certain net proceeds of $689.5 million will be used to finance the costs of various airport projects; certain net proceeds of $36.9 million were used to fund the debt service reserve deposit requirement; certain net proceeds of $68.2 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $5.4 million were used to pay the cost of issuance of the bonds.

In August 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions and improvements to the Airport Transit System (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of $288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86% and the final maturity of the loan is January 1, 2054. There were $20.6 million and $94.5 million of loan disbursements made to the City in 2019 and 2018. The outstanding TIFIA loan as of December 31, 2019, including $6.9 million of accrued interest, was $278.8 million.

Defeased Bonds—Defeased bonds have been removed from the balance sheet because the related assets have been placed in irrevocable trusts, together with interest earned thereon, will provide amount sufficient for payment of all principal and interest. Defeased bonds at December 31, 2019 are as follows (dollars in thousands):

	Defeased	**Outstanding**
Chicago O'Hare General Airport Revenue Bonds, Series 2010A	$ 13,645	$ 13,645
Chicago O'Hare General Airport Revenue Bonds, Series 2011A	348,075	348,075
Chicago O'Hare General Airport Revenue Bonds, Series 2011B	121,905	121,905
Chicago O'Hare General Airport Revenue Bonds, Series 2011C	283,925	283,925
Chicago O'Hare General Airport Revenue Bonds, Series 2008D	26,605	-
Total	$ 794,155	$ 767,550

Debt Redemption—Following is a schedule of debt service requirements to maturity of the senior lien bonds. For issues with variable rates, interest is imputed at the effective rate as of December 31, 2019, as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2020	$ 247,615	$ 438,544	$ 686,159
2021	205,645	427,295	632,940
2022	219,950	416,682	636,632
2023	209,540	405,901	615,441
2024	248,125	394,433	642,558
2025–2029	1,379,170	1,771,633	3,150,803
2030–2034	1,706,950	1,399,676	3,106,626
2035–2039	1,798,570	958,802	2,757,372
2040–2044	980,950	585,592	1,566,542
2045–2049	1,053,535	384,600	1,438,135
2050–2054	984,610	133,927	1,118,537
Total	$9,034,660	$7,317,085	$16,351,745

The Airport’s senior lien variable-rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, and an adjustable long rate or the fixed rate as determined from time to time by the remarketing agent in consultation with the City. The O’Hare 2005 C&D Senior Lien Bonds were in weekly interest rate mode as of December 31, 2019. Irrevocable letters of credit ($244.7 million) provide for the timely payment of principal and interest on the Series 2005 C&D bonds until May 20, 2021, and August 12, 2022. At December 31, 2019, there were no outstanding letter of credit advances. In the event that variable rate bonds are tendered by the owners thereof for purchase by the City and not successfully remarketed, the City would be obligated to reimburse the letter of credit bank for amounts drawn under the letter of credit to fund the purchase of such tendered bonds. If the City fails to reimburse the bank, the City’s obligation to reimburse the bank may be converted to a term loan. There are no term loans currently outstanding under any reimbursement agreement.

The debt service requirements to maturity of the PFC Revenue Bonds as of December 31, 2019, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2020	$ 23,895	$ 23,891	$ 47,786
2021	24,915	22,756	47,671
2022	26,165	21,472	47,637
2023	27,475	20,115	47,590
2024	28,880	18,678	47,558
2025–2029	185,270	67,836	253,106
2030–2034	142,735	21,410	164,145
2035–2039	29,030	5,446	34,476
2040	6,705	168	6,873
Total	$495,070	$201,772	$696,842

The debt service requirements to maturity of the CFC Revenue Bonds as of December 31, 2019, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2020	$ 5,205	$ 12,955	$ 18,160
2021	5,435	12,708	18,143
2022	5,700	12,425	18,125
2023	6,000	12,129	18,129
2024	6,295	11,818	18,113
2025–2029	36,900	53,507	90,407
2030–2034	47,500	42,622	90,122
2035–2039	62,215	27,382	89,597
2040–2043	63,815	7,485	71,300
Total	$239,065	$193,031	$432,096

The debt service requirements to maturity of the TIFIA Loan as of December 31, 2019, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2020	$ -	$ 10,760	$ 10,760
2021	-	10,760	10,760
2022	-	10,760	10,760
2023	3,708	10,689	14,397
2024	3,819	10,544	14,363
2025–2029	21,326	50,357	71,683
2030–2034	25,813	45,821	71,634
2035–2039	31,164	40,339	71,503
2040–2044	45,131	33,567	78,698
2045–2049	87,054	20,393	107,447
2050–2052	60,741	3,585	64,326
Total	$278,756	$247,575	$526,331

Debt Covenants—The Master Indenture of Trust securing Chicago O’Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O’Hare and for services rendered by the City in the operation of O’Hare in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and fifteen-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations. This requirement was met at December 31, 2019.

The Master Trust Indenture securing Chicago O'Hare International Airport Passenger Facility Charge (PFC) Obligations requires PFC Revenues, as defined, received by the City to be deposited into the PFC Revenue Fund. The City covenants to pay from the PFC Revenue Fund not later than the twentieth day of each calendar month the following amounts in the following order of priority: (1) to the Trustee for deposit in the Bond Fund, the sum required to make all of the Sub-Fund Deposits and Other Required Deposits to be disbursed from the Bond Fund [to meet debt service and debt service reserve requirements] in the calendar month pursuant to the Master Indenture; (2) to make any payments required for the calendar month with respect to Subordinated PFC Obligations; and (3) all moneys and securities remaining in the PFC Revenue Fund shall be transferred by the City (or the Trustee if it then holds the PFC Revenue Fund pursuant to the Master Indenture) to the PFC Capital Fund.

The Indenture of Trust Securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City, (3) to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve months, as determined by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

5. CHANGES IN CAPITAL ASSETS

Capital assets during the years ended December 31, 2019 and 2018, changed as follows (dollars in thousands):

2019	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 892,248	$ -	$ -	$ 892,248
Construction in progress [1]	1,306,552	810,272	(860,693)	1,256,131
Total capital assets not depreciated	2,198,800	810,272	(860,693)	2,148,379
Capital assets depreciated—buildings and other facilities [2]	10,229,588	929,493	(125,727)	11,033,354
Less accumulated depreciation for—buildings and other facilities	(3,901,958)	(287,648)	88,222	(4,101,384)
Total capital assets depreciated—net	6,327,630	641,845	(37,505)	6,931,970
Total property and facilities—net	$ 8,526,430	$1,452,117	$(898,198)	$ 9,080,349

[1] CIP additions include capitalized interest of $106,056

[2] Building and other Facilities additions include capital contribution acquisition of the Hilton O’Hare building of $68,800

2018	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 892,248	$ -	$ -	$ 892,248
Construction in progress [1]	1,331,050	825,418	(849,916)	1,306,552
Total capital assets not depreciated	2,223,298	825,418	(849,916)	2,198,800
Capital assets depreciated—buildings and other facilities	9,432,232	849,916	(52,560)	10,229,588
Less accumulated depreciation for—buildings and other facilities	(3,672,833)	(259,467)	30,342	(3,901,958)
Total capital assets depreciated—net	5,759,399	590,449	(22,218)	6,327,630
Total property and facilities—net	$ 7,982,697	$1,415,867	$(872,134)	$ 8,526,430

[1] CIP additions include capitalized interest of $99,579

6. LEASING ARRANGEMENTS WITH TENANTS

Most of the Airport's land, buildings, and terminal space are leased under operating lease agreements with airlines and other tenants. The minimum future rental income on noncancelable operating leases as of December 31, 2019, is as follows (dollars in thousands):

Years Ending December 31	Amount
2020	$ 345,961
2021	333,518
2022	331,343
2023	322,275
2024	305,347
2025–2029	1,520,008
2030–2034	1,261,859
2035-2039	301,533
2040-2044	296,209
2045-2049	246,050
2050-2054	97,457
2055-2059	100
Total minimum future rental income	$ 5,361,660

Contingent rentals that may be received under certain leases, based on the tenants' revenues or fuel consumption, are not included in minimum future rental income.

Rental income, consisting of all rental and concession revenues, except ramp rentals and automobile parking, amounted to approximately $548.4 million and $515.3 million in 2019 and 2018, respectively. Contingent rentals included in the totals were approximately $68.0 million and $66.2 million for 2019 and 2018, respectively.

As discussed in Note 11, airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. Given the length of the closure cannot be determined as of the date of this report, the Airport is currently reviewing the potential financial impact, specifically on the future minimum rental income, which could be material.

7. PENSION PLANS

General Information about the Pension Plan

Plan Description—Eligible O'Hare Fund employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees' Annuity and Benefit Fund of Chicago (Municipal Employees'); the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers'); the Policemen's Annuity and Benefit Fund of Chicago (Policemen's); and the Firemen's Annuity and Benefit Fund of Chicago (Firemen's). The plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by Plan members. Certain employees of the Chicago Board of

Education participate in Municipal Employees' or Laborers'. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at www.meabf.org, www.labfchicago.org, www.chipabf.org, and www.fabf.org.

Benefits Provided—The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirements of age and service are different for employees depending on when they first became members of their respective Plans. For all four Plans, employees who became members before January 1, 2011 are considered Tier 1 Employees. For Policemen's and Firemen's, those employees who became members on or after January 1, 2011 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after January 1, 2011 but before July 6, 2017 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after July 6, 2017 are considered Tier 3 Employees. Public Act 100-0023 (P.A. 100-0023), which established the requirements for Tier 3 employees, includes a provision for Tier 2 employees to elect to be considered as Tier 3 employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2 percent to 2.5 percent per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

Benefit terms provide for annual adjustments to each employee's retirement allowance subsequent to the employees' retirement date. For Tier 1 Employees, the annual adjustments for Municipal Employees' and Laborers' are 3.0 percent, compounded, and for Policemen's and the majority of participants in Firemen's 3.0 percent, simple, for annuitants born before January 1, 1966 and 1.5 percent, simple, born after January 1, 1966 or later. For Tier 2 Employees and Tier 3 Employees, the annual adjustments are equal to the lesser of 3.0 percent and 50 percent of CPI-U of the original benefit.

Employees Covered by Benefit Terms—At December 31, 2019, the following City employees were covered by the benefit terms:

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries currently receiving benefits	25,544	3,653	13,771	5,128	48,096
Inactive employees entitled to but not yet receiving benefits	18,734	1,486	707	95	21,022
Active employees	32,162	2,662	13,353	4,630	52,807
	76,440	7,801	27,831	9,853	121,925

Contributions—For the Municipal Employees' and Laborers' Plans, P.A. 100-0023 was enacted on July 6, 2017. P.A. 100-0023 requires the City to contribute specific amounts to the Municipal Employees' and the Laborers' Plans in the aggregate amounts as follows: in payment year 2019, \$392.0 million; in payment year 2020, \$481.0 million; in payment year 2021, $571.0 million; in payment year 2022, $660.0 million. Additionally, P.A. 100-0023 requires that the City's contributions are at actuarially determined rates beginning in payment year 2023 and future funding be sufficient to produce a funding level of 90% by the year end of 2058.

For Policemen's and Firemen's, Public Act 99-0506 (P.A. 99-0506) was enacted on May 31, 2016. P.A. 99- 0506 requires the City to contribute specific amounts to Policemen's and Firemen's Plans in the aggregate amounts as follows: in payment year 2019, $792.0 million; in payment year 2020, $824.0 million. Additionally, P.A. 99-0506 requires that the City's contributions are at actuarially determined rates beginning in payment year 2021 and future funding be sufficient to produce a funding level of 90% by the year end of 2055.

The City's contributions are budgeted in the same year as the applicable levy year for the property taxes funding the contributions. The City's contributions are then paid to the pension funds in the following year (which is when the levied property taxes are collected and paid to the City by the Cook County Treasurer).

The contribution to all four pension plans from the Airport was $56.4 million and $46.7 million for the years ended December 31, 2019 and 2018, respectively.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019 and 2018, the Airport reported a liability of $1,506.6 million and $1,400.4 million, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Changes in Actuarial Assumptions—Changes in the municipal bond rate resulted in a decrease in the single discount rate for Laborers, Policemen, and Firemen. In addition, the investment return assumption for Policemen decreased from 7.25% to 6.75% resulting in a decrease in the single discount rate for Policemen. See discount rate section below.

The change in the single discount rate and other assumptions decreased the net pension liability by $2.1 million for Laborers' and $19.9 million for Policemen and increased the net pension liability by $9.6 million for Firemen. These changes are being amortized into expense over a 4 year period for Laborers' and a 6 year period for Policemen and Firemen.

The Airport's proportion of the net pension liability was determined based on the rates of the Airport's salaries within each corresponding pension plan to the total budgeted salaries for 2019 and 2018. At December 31, 2019 and 2018, the Airport's proportion was 7.05% and 6.9%, respectively, of the Municipal Employees' Plan, 6.5% and 6.3% of the Laborer's Plan, 1.7% and 1.4% of the Policemen's Plan and 5.0% and 5.1%, respectively, of the Firemen's Plan.

For the year ended December 31, 2019 and 2018, the Airport recognized pension expense of $159.2 million and $146.0 million, respectively.

At December 31, 2019 and 2018, the reported deferred outflows of resources of $60.8 million and $197.4 million, respectively, and deferred inflows of resources of $258.9 million and $381.1 million, respectively, related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

	2019		2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$4,981	$ 6,803	$ 5,261	$ 12,353
Changes of assumptions	-	217,667	119,928	322,839
Net difference between projected and actual earnings on pension plan investments	-	3,598	19,791	-
Total	$4,981	$228,068	$144,980	$335,192

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Municipal Employees' pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2020	$(116,376)
2021	(107,080)
2022	4,356
2023	(3,987)
Total	$(223,087)

Laborers' (dollars in thousands):

	2019		2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 514	$ 1,002	$ 724	$ 1,931
Changes of assumptions	1,610	10,239	-	29,958
Net difference between projected and actual earnings on pension plan investments	-	2,344	5,694	-
Total	$2,124	$13,585	$6,418	$31,889

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Laborers' pensions will be recognized in pension benefit as follows:

Year Ended December 31	
2020	$(10,549)
2021	(534)
2022	1,041
2023	(1,419)
Total	$(11,461)

Policemen's (dollars in thousands):

	2019		2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 10	$ 7,179	$ 12	$6,576
Changes of assumptions	19,613	3,076	2,984	3,062
Net difference between projected and actual earnings on pension plan investments	300	-	3,377	-
Total	$19,923	$10,255	$6,373	$9,638

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Policemen's pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2020	$1,404
2021	1,338
2022	1,819
2023	714
2024	2,436
2025	1,957
Total	$9,668

Firemen's (dollars in thousands):

	2019		2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 1,063	$4,696	$ 1,516	$2,531
Changes of assumptions	32,723	1,190	33,308	1,852
Net difference between projected and actual earnings on pension plan investments	-	1,157	4,821	-
Total	$33,786	$7,043	$39,645	$4,383

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Firemen's pensions will be recognized in pension expense as follows:

Year Ended December 31	
2020	$ 8,295
2021	6,810
2022	7,830
2023	2,710
2024	1,045
Thereafter	53
Total	$26,743

Deferred Outflows Related to Changes in Proportionate Share of Contributions—For the years ended December 31, 2019 and 2018, the Airport reported pension charge/(benefit) of $45.5 million and $32.9 million, respectively, related to changes in its proportionate share of contributions. As of December 31, 2019 and 2018, the Airport Funds reported deferred inflows of $0, and deferred outflows of $114.4 million and $96.7 million, respectively, related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension charge/(benefit) over a period of five years.

Actuarial Assumptions—The total pension liability in the December 31, 2019 and 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2019	Municipal Employees'	Laborers'	Policemen's	Firemen's
Inflation	2.50 %	2.25 %	2.25 %	2.25 %
Salary increases	3.50 %–7.75 % [(a)]	3.00 % [(b)]	3.50 % [(c)]	3.5%-25% [(d)]
Investment rate of return	7.00 % [(e)]	7.25 % [(e)]	6.75 %	6.75 %

2018	Municipal Employees'	Laborers'	Policemen's	Firemen's
Inflation	2.50 %	2.25 %	2.75 %	2.25 %
Salary increases	3.50 %–7.75 % [(a)]	3.00 % [(b)]	3.75 % [(c)]	3.50 % [(d)]
Investment rate of return	7.00 % [(e)]	7.25 % [(e)]	7.25 %	6.75 %

[(a)] (1.50%-6.50% for 2020-2022), varying by years of service
[(b)] Plus a service—based increase in the first 9 years
[(c)] Plus additional percentage related to service
[(d)] Plus additional service based increases
[(e)] Net of investment expense

Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table (Blue Collar mortality table for Laborers' and Firemen's) and Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table for Policemen's for males or females, with generational mortality improvement scales using MP-2016 for Municipal Employees', MP-2017 for Laborers' and Firemen's, and MP-2018 for Policemen's as appropriate. Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table (Blue Collar mortality table for Laborers' and Firemen's) and Pub-2010 Amount-weighted Safety Employee Mortality Table for Policemen's. Disabled mortality rates were based on the Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table for Policemen's and RP-2014 Blue Collar Healthy Annuitant Mortality Table for Firemen's.

The mortality actuarial assumptions used in the December 31, 2019 valuation were adjusted based on the results of actuarial experience study for the following periods:

Municipal Employees'	January 1, 2012–December 31, 2016
Laborers'	January 1, 2012–December 31, 2016
Policemen's	January 1, 2014–December 31, 2018
Firemen's	January 1, 2012–December 31, 2016

The long term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2019 and 2018, are summarized in the following table:

	Target Allocation				Long-Term Expected Real Rate of Return			
2019	**Municipal Employees'**	**Laborers'**	**Policemen's**	**Firemen's**	**Municipal Employees'**	**Laborers'**	**Policemen's**	**Firemen's**
Asset Class:								
Equity	- %	- %	- %	60.0 %	- %	- %	- %	7.19 %
Domestic equity	26.0	-	-	-	5.10	-	-	-
U.S. equity	-	25.0	21.0	-	-	5.30	5.80	-
Non U.S. equity	-	20.0	21.0	-	-	5.30	7.10	-
Global equity	5.0	-	-	-	5.30	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.40	-	-
International equity	17.0		-	-	5.30	-	-	-
Fixed income	25.0	20.0	26.0	20.0	0.10	(0.30)	1.70	3.25
Hedge funds	10.0	10.0	7.0	-	3.30	2.80	3.60	-
Infrastructure	2.0	-	-	-	5.10	-	-	-
Private debt	-	3.0	-	-	-	7.60	-	-
Private equity	5.0	4.0	-	-	8.60	8.80	-	-
Private markets	-	-	13.0	-	-	-	8.10	-
Global asset allocation	-	-	5.0	-	-	-	3.80	-
Real estate	10.0	10.0	7.0	8.0	3.80	3.70	5.20	6.25
Private real assets	-	3.0	-	-	-	5.10	-	-
Other investments	-	-	-	12.0	-	-	-	5.36
Total	100.0 %	100.0 %	100.0 %	100.0 %				

2018	Target Allocation: Municipal Employees'	Target Allocation: Laborers'	Target Allocation: Policemen's	Target Allocation: Firemen's	Long-Term Expected Real Rate of Return: Municipal Employees'	Long-Term Expected Real Rate of Return: Laborers'	Long-Term Expected Real Rate of Return: Policemen's	Long-Term Expected Real Rate of Return: Firemen's
Asset Class:								
Equity	- %	- %	- %	60.0 %	- %	- %	- %	7.20 %
Domestic equity	26.0	-	-	-	5.10	-	-	-
U.S. equity	-	25.0	21.0	-	-	5.70	6.00	-
Non U.S. equity	-	20.0	21.0	-	-	5.20	7.40	-
Global low volatility equity	-	5.0	-	-	-	4.70	-	-
International equity	22.0	- .0	-	-	5.30	-	-	-
Fixed income	25.0	20.0	22.0	20.0	0.80	(0.10)	2.20	3.80
Hedge funds	10.0	10.0	7.0	-	3.40	3.50	4.20	-
Infrastructure	2.0				5.00			
Private debt	-	3.0	-	-	-	7.60	-	-
Private equity	5.0	4.0	-	-	8.30	8.70	-	-
Private markets	-	-	17.0	-	-	-	6.70	-
Global asset allocation	-	-	5.0	-	-	-	4.40	-
Real estate	10.0	10.0	7.0	8.0	4.70	4.90	4.10	6.30
Private real assets	-	3.0	-	-	-	5.30	-	-
Other investments	-	-	-	12.0	-	-	-	5.80
Total	100.0 %	100.0 %	100.0 %	100.0 %				

Discount Rate

Municipal Employees'—The discount rate used to measure the total pension liability as of December 31, 2019 and 2018 was 7.0%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Laborers'—A Single Discount Rate of 7.0% and 7.11% was used to measure the total pension liability as of December 31, 2019 and 2018, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25% as of December 31, 2019 and 2018, and a municipal bond rate of 2.75% and 3.71% as of December 31, 2019 and 2018, respectively (based on the rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity Index). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073 (for the 2019 valuation) and the year 2072 (for the 2018 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073 (for the 2019 valuation) and the year 2072 (for the 2018 valuation), and the respective municipal bond rate was applied to all benefit payments after that date.

Policemen's—A Single Discount Rate of 6.43% and 7.18% was used to measure the total pension liability as of December 31, 2019 and 2018, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% and 7.25% for December 31, 2019 and 2018, respectively, and a municipal bond rate of 2.75% and 3.71% as of December 31, 2019 and 2018, respectively (based on the rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity Index). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075 (for the 2019 valuation) and the year 2079 (for the 2018 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075 (for the 2019 valuation) and the year 2079 (for the 2018 valuation), and the respective municipal bond rate was applied to all benefit payments after that date.

Firemen's—A Single Discount Rate of 6.34% and 6.61% was used to measure the total pension liability as of December 31, 2019 and 2018, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2019 and 2018, respectively, and a municipal bond rate of 2.74% and 3.71% as of December 31, 2019 and 2018, respectively (based on the rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity Index). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2071 (for the 2019 valuation) and 2072 (for the 2018 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2070 (for the 2019 valuation) and 2072 (for the 2018 valuation), and the respective municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Airport's Net Pension Liability to Changes in the Discount Rate

Municipal Employees'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2019 and 2018, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2019	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	$ 1,081,197	$ 928,935	$ 802,533

Net Pension Liability December 31, 2018	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	$ 1,033,759	$ 887,542	$ 766,284

Laborers'—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2019 and 2018, calculated using the discount rate of 7.00% percent and 7.11 percent respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2019	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	6.00 %	7.00 %	8.00 %
Laborers' net pension liability	$ 124,663	$ 103,200	$ 85,218

Net Pension Liability December 31, 2018	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	6.11 %	7.11 %	8.11 %
Laborers' net pension liability	$ 120,670	$ 100,454	$ 83,524

Policemen's—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2019 and 2018, calculated using the discount rate of 6.43% and 7.18 %, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.43%) or 1 percentage point higher (7.43%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2019	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	5.43 %	6.43 %	7.43 %
Policemen's net pension liability	$ 235,323	$ 203,224	$ 176,466

Net Pension Liability December 31, 2018	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	6.18 %	7.18 %	8.18 %
Policemen's net pension liability	$ 168,281	$ 146,498	$ 128,143

Firemen's—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2019 and 2018, calculated using the discount rate of 6.34% and 6.61 percent, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.34%) or 1 percentage point higher (7.34%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2019	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	5.34 %	6.34 %	7.34 %
Firemen's net pension liability	$ 311,221	$ 271,256	$ 237,849

Net Pension Liability December 31, 2018	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	5.61 %	6.61 %	7.61 %
Firemen's net pension liability	$ 304,926	$ 265,904	$ 233,321

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Pension Plans reports.

8. RELATED-PARTY TRANSACTIONS

Included in operating expenses are reimbursements to the general fund of the City for services provided by other City departments, employee fringe benefits, and certain payments made on behalf of the Airport. Such reimbursements amounted to $119.6 million and $105.5 million in 2019 and 2018, respectively.

9. COMMITMENTS AND CONTINGENCIES

The Airport has certain contingent liabilities resulting from litigation, claims, and commitments incident to its ordinary course of business. Management expects that the final resolution of these contingencies will not have a material adverse effect on the financial position or results of operations of the Airport.

The Airport provides employee health benefits under a self-insurance program, administered by the City. Such claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities in the basic financial statements.

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the years ended December 31, 2019 and 2018, are as follows (dollars in thousands):

	2019	**2018**
Beginning balance—January 1	$ 2,242	$ 2,475
Total claims incurred (expenditures)	24,843	23,990
Claims paid	(24,872)	(24,223)
Claims liability—December 31	$ 2,213	$ 2,242

The City's property and liability insurance premiums are approximately $13.2 million per year. The City maintains property and liability insurance coverage for both O'Hare and Midway and allocates the cost of the premiums between the two airports. The property coverage was renewed on December 31, 2019, with a limit of $3.5 billion and includes $3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2020, with a limit of $1 billion and includes $1 billion in war and terrorism liability coverage.

At December 31, 2019 and 2018, the Airport had commitments in the amounts of approximately $463.8 million and $597.3 million, respectively, in connection with contracts entered into for construction projects.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

	2019	2018
Deferred outflows of resources:		
Deferred outflows from pension activities	$ 60,814	$ 197,418
Changes in proportionate share of pension contribution	114,441	96,731
Unamortized deferred bond refunding costs	144,903	156,678
Total deferred outflows of resources	$ 320,158	$ 450,827
Deferred Inflows of resources—deferred inflows from pension activities	$(258,951)	$(381,103)

11. SUBSEQUENT EVENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a public health emergency on January 30, 2020 and a global pandemic on March 11, 2020 by the World Health Organization. Since the Executive Proclamation by the President of the United States on January 31, 2020, preventing entry into the United States by certain foreign nationals, there has been a focus on containing the disease by prohibiting non-essential travel and limiting person-to-person contact. Across the country, states and local governments, including the State, have issued "stay at home" or "shelter in place" orders, which severely restrict movement and limit businesses and activities to essential functions. The President of the United States issued a national emergency on March 13, 2020 retroactive to March 1, 2020. Additionally, other countries have effectively closed their borders by restricting entry and exit to only essential travel.

Airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service.

On April 14, 2020, the FAA announced that it had allocated approximately $294.4 million of grant assistance under the CARES Act to the Airport. The City can draw on CARES Act funds on a reimbursement basis for any purpose for which airport revenues may be lawfully used in accordance with FAA rules and regulations. Currently, the City has applied the use of CARES Act funds to mitigate the adverse impacts on rates and charges paid by the airlines and to ensure sufficient funding to pay for debt service. The City expects the CARES Act funding to improve its liquidity and strengthen its ability to withstand expected decreases in revenues during Fiscal Year 2020 and Fiscal Year 2021 that it anticipates as a result of the current and ongoing effects of the COVID-19 pandemic. There is no assurance that the CARES Act funding will be sufficient to fully compensate the City for lost revenue at the Airport as a result of the COVID-19 pandemic.

The Airport has evaluated subsequent events through June 30, 2020, the date the basic financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS
(Dollars are in thousands)

	2019	2018	2017	2016	2015
MUNICIPAL EMPLOYEES':					
Total pension liability:					
Service cost*	$ 228,465	$ 223,528	$ 572,534	$ 619,743	$ 226,816
Interest	1,159,253	1,123,348	915,711	878,369	909,067
Benefit changes	-	-	-	-	2,140,009
Differences between expected and actual experience	16,676	95,540	(177,755)	(127,119)	(109,865)
Assumption changes	-	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Net change in total pension liability	451,742	526,218	(7,008,875)	(67,599)	11,051,746
Total pension liability—beginning	16,808,614	16,282,396	23,291,271	23,358,870	-
Total pension liability—ending (a)	17,260,356	16,808,614	16,282,396	23,291,271	11,051,746
Plan fiduciary net position:					
Contributions—employer	418,269	349,574	261,764	149,718	149,225
Contributions—employee	146,645	138,400	134,765	130,391	131,428
Net investment income	560,940	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(952,652)	(916,198)	(888,174)	(859,672)	- (826,036)
Administrative expenses	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
Other	-	-	5,394	-	-
Net change in plan fiduciary net position	166,462	(639,838)	117,791	(305,200)	(438,059)
Plan fiduciary net position—beginning	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
Plan fiduciary net position—ending (b)	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427
NET PENSION LIABILITY—Ending (a)-(b)	$13,179,714	$12,894,434	$11,728,378	$18,855,044	$18,617,413
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	23.64 %	23.29 %	27.97 %	19.05 %	- %
COVERED PAYROLL**	$ 1,802,790	$ 1,734,596	$ 1,686,533	$ 1,646,939	$ 1,643,481
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	731.07 %	743.37 %	695.41 %	1,144.85 %	1,132.81 %
ALLOCATED NET PENSION LIABILITY	$ 928,935	$ 887,542	$ 798,400	$ 1,138,937	$ 1,084,148
ALLOCATED PERCENTAGE	7.05 %	6.88 %	6.80 %	6.04 %	5.82 %

* Includes pension plan administrative expense.
** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2016.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS
(Dollars are in thousands)

	2019	2018	2017	2016	2015
LABORERS':					
Total pension liability:					
Service cost *	$ 38,522	$ 40,801	$ 80,232	$ 82,960	$ 38,389
Interest	188,347	183,135	154,047	150,166	153,812
Benefit changes	-	-	150	-	384,033
Differences between expected and actual experience	(8,820)	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	82,245	63,297	(1,063,538)	(18,970)	1,549,710
Total pension liability—beginning	2,693,404	2,630,107	3,693,645	3,712,615	2,162,905
Total pension liability—ending (a)	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615
Plan fiduciary net position:					
Contributions—employer	59,346	47,844	35,457	12,603	12,412
Contributions—employee	18,143	17,837	17,411	17,246	16,844
Net investment income	184,027	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Other	-	661	-	-	-
Net change in plan fiduciary net position	92,866	(172,871)	99,814	(70,917)	(149,436)
Plan fiduciary net position—beginning	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
Plan fiduciary net position—ending (b)	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657
NET PENSION LIABILITY—Ending (a)-(b)	$1,588,100	$1,598,721	$1,362,553	$2,525,905	$2,473,958
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
COVERED PAYROLL**	$ 211,608	$ 211,482	$ 208,442	$ 208,155	$ 204,773
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	750.49 %	755.96 %	653.68 %	1,213.47 %	1,208.15 %
ALLOCATED NET PENSION LIABILITY	$ 103,200	$ 100,454	$ 86,106	$ 150,573	$ 153,802
ALLOCATED PERCENTAGE	6.50 %	6.28 %	6.30 %	5.96 %	6.22 %

* Includes pension plan administrative expense.
** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2016.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS
(Dollars are in thousands)

	2019	2018	2017	2016	2015
POLICEMEN'S:					
Total pension liability:					
Service cost*	$ 240,383	$ 242,998	$ 237,333	$ 220,570	$ 213,585
Interest	944,739	931,731	917,720	851,098	832,972
Benefit changes	24,216	-	-	606,250	-
Differences between expected and actual experience	(68,010)	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	1,140,418	(259,052)	238,975	112,585	-
Benefit payments including refunds	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	1,476,344	(141,204)	341,371	1,080,358	259,303
Total pension liability—beginning	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
Total pension liability—ending (a)	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733
Plan fiduciary net position:					
Contributions—employer	581,936	588,035	494,483	272,428	572,836
Contributions—employee	110,792	107,186	103,011	101,476	107,626
Net investment income	369,982	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Other	32	1,600	97	1,413	3,092
Net change in plan fiduciary net position	257,340	(216,886)	257,047	(193,930)	(3,065)
Adjustment as of January 1, 2019	(91)				
Plan fiduciary net position—beginning	2,905,180	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	$11,627,173	$10,408,078	$10,332,396	$10,248,072	$ 8,973,784
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
COVERED PAYROLL**	$ 1,228,987	$ 1,205,324	$ 1,150,406	$ 1,119,527	$ 1,086,606
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %
ALLOCATED NET PENSION LIABILITY	$ 203,224	$ 146,498	$ 144,344	$ 144,940	$ 120,078
ALLOCATED PERCENTAGE	1.75 %	1.41 %	1.40 %	1.41 %	1.34 %

* Includes pension plan administrative expense
** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2016.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS
(Dollars are in thousands)

	2019	2018	2017	2016	2015
FIREMEN'S:					
Total pension liability:					
Service cost*	$ 102,141	$ 97,143	$ 93,367	$ 94,115	$ 87,203
Interest	408,586	410,821	371,622	342,085	338,986
Benefit changes	-	-	-	227,213	-
Differences between expected and actual experience	(65,213)	(56,418)	26,954	24,110	(7,981)
Assumption changes	190,954	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Pension plan administrative expense	-	(3,285)	(3,172)	(3,217)	(3,149)
Net change in total pension liability	290,131	506,210	596,892	323,174	313,324
Total pension liability—beginning	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
Total pension liability—ending (a)	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084
Plan fiduciary net position:					
Contributions—employer	255,382	249,684	228,453	154,101	236,104
Contributions—employee	46,623	45,894	47,364	48,960	46,552
Net investment income	161,082	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
Other	507	6	22	(53)	7
Net change in plan fiduciary net position	114,031	(90,363)	107,139	(26,087)	9,093
Plan fiduciary net position—beginning	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
Plan fiduciary net position—ending (b)	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101
NET PENSION LIABILITY—Ending (a)-(b)	$5,392,670	$5,216,570	$4,619,997	$4,130,244	$3,780,983
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
COVERED PAYROLL*	$ 457,082	$ 456,969	$ 469,407	$ 478,471	$ 465,232
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %
ALLOCATED NET PENSION LIABILITY	$ 271,256	$ 265,904	$ 230,490	$ 204,414	$ 184,109
ALLOCATED PERCENTAGE	5.03 %	5.10 %	4.99 %	4.95 %	4.87 %

* Includes pension plan administrative expense.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Ten year information will be provided prospectively starting with year 2015.

(Concluded)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Municipal Employees'

Years Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll*	Contributions as a Percentage of Covered Payroll
2010	$ 483,948	$154,752	$329,196	$1,541,388	10.04 %
2011	611,756	147,009	464,747	1,605,993	9.15
2012	690,823	148,859	541,964	1,590,794	9.36
2013	820,023	148,197	671,826	1,580,289	9.38
2014	839,039	149,747	689,292	1,602,978	9.34
2015	677,200	149,225	527,975	1,643,481	9.08
2016	961,770	149,718	812,052	1,646,939	9.09
2017	1,005,457	261,764	743,693	1,686,533	15.52
2018	1,049,916	349,574	700,342	1,734,596	20.15
2019	1,117,388	418,269	699,119	1,802,790	23.20

* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Laborers'

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2010	$ 46,665	$ 15,352	$ 31,313	$ 199,863	7.68 %
2011	57,259	12,779	44,480	195,238	6.55
2012	77,566	11,853	65,713	198,790	5.96
2013	106,199	11,583	94,616	200,352	5.78
2014	106,019	12,161	93,858	202,673	6.00
2015	79,851	12,412	67,439	204,773	6.06
2016	117,033	12,603	104,430	208,155	6.05
2017	124,226	35,457	88,769	208,442	17.01
2018	129,247	47,844	81,403	211,482	22.62
2019	148,410	59,346	89,064	211,608	28.05

* The LABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded liability using dollar payments and a 30 year open amortization period.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Policemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2010	$ 363,625	$174,501	$189,124	$1,048,084	16.65 %
2011	402,752	174,035	228,717	1,034,404	16.82
2012	431,010	197,885	233,125	1,015,171	19.49
2013	474,177	179,521	294,656	1,015,426	17.68
2014	491,651	178,158	313,493	1,074,333	16.58
2015	785,501	575,928	209,573	1,086,608	53.00
2016	785,695	273,840	511,855	1,119,527	24.46
2017	910,938	494,580	416,358	1,150,406	42.99
2018	924,654	589,635	335,019	1,205,324	48.92
2019	933,770	581,968	351,802	1,228,987	47.35

* The PABF Statutory Funding does not conform to Actuarial Standards of Practice; therefore, the 2015 and after, the actuarially determined contribution is equal to the normal cost plus a 30-year dollar amortization of the unfunded actuarial liability. Prior to 2015 the actuarially determined contribution was equal to the "ARC" which was equal to normal cost plus a 30-year open level percent amortization of the unfunded actuarial liability.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Firemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2010	$ 218,388	$ 80,947	$137,441	$ 400,404	20.22 %
2011	250,056	82,870	167,186	425,385	19.48
2012	271,506	81,522	189,984	418,965	19.46
2013	294,878	103,669	191,209	416,492	24.89
2014	304,265	107,334	196,931	460,190	23.32
2015	323,545	236,104	87,441	465,232	50.75
2016	333,952	154,101	179,851	478,471	32.21
2017	372,845	228,453	144,392	469,407	48.67
2018	412,220	249,684	162,536	456,969	54.64
2019	442,045	255,382	186,663	457,082	55.87

* The FABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the Actuarially Determined Contribution is equal to the normal cost plus an amount to amortize the unfunded liability using level dollar payments and a 30 year open amortization period. Amounts for fiscal years prior to 2015 were based on the "ARC" which was equal to normal cost plus an amount to amortize the unfunded liability using a 30-year open period level dollar amortization.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

(Continued)

SCHEDULE OF CONTRIBUTIONS

Actuarial Methods and Assumptions	**Municipal Employees'**		**Laborers'**		**Policemen's**		**Firemen's**	
Actuarial valuation date	12/31/2019	(a)	12/31/2019		12/31/2019		12/31/2019	
Actuarial cost method	Entry age normal		Entry age normal		Entry age normal		Entry age normal	
Asset valuation method	5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market	
Actuarial assumptions:								
Inflation	2.50%		2.25%		2.25%		2.25%	
Salary increases	3.50%-7.75%	(b)	3.30%	(c)	3.50%	(d)	3.50%-25.00%	(e)
Investment rate of return	7.00%	(f)	7.25%	(g)	6.75%		6.75%	
Retirement age	(h)		(i)		(j)		(k)	
Mortality	(l)		(m)		(n)		(o)	
Other information	(p)		(q)		(q)		(p)	

(a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the end of the year.
(b) (1.50%–6.50% for 2020-2022), varying by years of service.
(c) Plus a service-based increase in the first 9 years.
(d) Plus a service-based increases consistent with bargaining contracts.
(e) Varying by years of service
(f) Net of investment expense.
(g) Net of investment expense, including inflation.
(h) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2017).
For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011).
For employees first hired on or after July 6, 2017, rates of retirement for each age from 60 to 80 were used (effective December 31, 2018).
(i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2017, valuation pursuant to an experience study of the period January 1, 2012, through December 31, 2016.
(j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019, actuarial valuation pursuant to an experience study of the period January 1, 2014, through December 31, 2018.
(k) Retirement rates are based on the recent experience of the Fund (effective December 31, 2017)
(l) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.
(m) Post Retirement Mortality: Scaling factors of 117% for males, and 102% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales. No adjustment is made for post-disabled mortality.
Pre Retirement Mortality: Scaling factors of 109% for males, and 103% for females of the RP-2014 Blue Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.
(n) Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females set forward one year for males. Pre Retirement mortality rates: Sex distinct Pub-2010 Amount Weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females. Disabled Mortality: Sex distinct Pub-2010 Amount weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2018 projection scale.
(o) Post Retirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 106% for males and 98% for females, and projected generationally using scale MP-2017. Disabled mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables scaled by 107% for males and 99% for females, and projected generationally using scale MP-2017. Pre retirement mortality rates were based on the RP-2014 Blue Collar Employee Mortality table, scaled by 92% for males and 100% for females, projected generationally using scale MP-2017.
(p) Other assumptions: Same as those used in the December 31, 2019, actuarial funding valuations.
(q) The actuarial valuation is based on the statutes in effect as of December 31, 2019.

(Concluded)

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
CALCULATIONS OF COVERAGE COVENANT
FOR THE YEAR ENDED DECEMBER 31, 2019
(Dollars in thousands)

	Sec 404 (a)	Sec 404 (b)
REVENUES:		
Total revenues—as defined	$1,241,648	$1,241,648
Other available moneys (passenger facility charges for debt service)	112,651	112,651
Cash balance in revenue fund on the first day of fiscal year (Note 2)	102,451	-
TOTAL AVAILABLE FOR COVERAGE COVENANT	$1,456,750	$1,354,299
COVERAGE REQUIREMENTS—Deposits required:		
Operation and maintenance reserve	$ 22,776	
Maintenance reserve	597	
Special capital projects	24,068	
Senior lien debt service fund	480,101	
TOTAL DEPOSITS REQUIREMENTS	$ 527,542	
AGGREGATE SENIOR LIEN DEBT SERVICE	$ 691,806	$ 691,806
LESS AMOUNTS TRANSFERRED FROM CAPITALIZED INTEREST ACCOUNTS	(119,528)	(119,528)
Net aggregate debt service	572,278	$ 572,278
COVENANT REQUIREMENT	1.15	
NET AGGREGATE DEBT SERVICE	$ 658,120	
COVERAGE REQUIREMENT (Greater of total deposit requirements or 115% of net aggregate debt service)	$ 658,120	$ -
OPERATION AND MAINTENANCE EXPENSES—As defined	632,686	632,686
TOTAL REQUIREMENT	$1,290,806	$1,204,964
TOTAL AVAILABLE FOR COVERAGE COVENANT	$1,456,750	$1,354,299

See notes to calculations of coverage.

SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
NOTES TO CALCULATIONS OF COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2019

1. RATE COVENANT

In the Master Indenture of Trust securing Chicago O'Hare International Airport Senior Lien Obligations:

The City covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates, and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (A) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all Outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (B) one and fifteen-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations.

The City further covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys consisting solely of (i) any passenger facility charges deposited with the Trustee for that Fiscal Year, and (ii) any other moneys received by the City in the immediately prior Fiscal Year and deposited with the Trustee no later than the last day of the immediately prior Fiscal Year, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year, and (ii) to provide for the payment of Aggregate Debt Service for the Bond Year commencing during that Fiscal Year reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during the Bond Year to pay the principal of and interest on Senior Lien Obligations.

Of the $159.2 million of pension expense for 2019, $56.2 million is the portion of the City's pension contribution payable in 2019 to the pension funds and allocable to O'Hare Airport. The remaining portion of the pension expense for 2019, $103.0 million, is recognized on the income statement of O'Hare Airport for 2019 but is not due and payable by the City during 2019; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

2. REVENUE FUND BALANCE

The Revenue Fund balance includes all cash, cash equivalents and investments held in any Airport account which were available to the Revenue Fund to satisfy the coverage requirement under the terms of the Bond Ordinance.

* * * * * *

PART III

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL INFORMATION
(UNAUDITED)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the Airport's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Airport's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Airport's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Airport's current levels of outstanding debt and the Airport's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the Environment within which the Airport's financial activities takes place.

Operating Information

These schedules contains data to help the reader understand how the information in the Airport's financial report relates to the services the Airport provides and the activities it performs.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL OPERATING RESULTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Dollars in thousands)
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUES:										
Landing fees	$ 170,907	$ 179,924	$ 189,997	$ 169,323	$ 211,982	$ 253,347	$ 301,285	$ 300,247	$ 336,168	$ 370,945
Rental revenues:										
Terminal rental and use charges	287,972	237,628	246,912	273,611	340,449	292,706	333,939	350,727	373,765	440,325
Other rentals and fueling system fees	40,468	41,745	40,530	44,813	45,330	48,199	52,870	62,905	84,513	113,567
Subtotal rental revenues	328,440	279,373	287,442	318,424	385,779	340,905	386,809	413,632	458,278	553,892
Concessions:										
Auto parking	93,430	95,997	93,557	95,614	97,834	99,210	103,813	106,620	103,975	103,459
Auto rentals	22,643	23,745	25,445	26,274	27,863	29,176	28,436	28,028	29,971	32,559
Restaurants	35,669	38,547	41,330	42,662	45,432	49,366	52,786	54,657	57,972	61,690
News and gifts	14,495	15,608	16,579	18,367	24,086	24,355	25,082	24,354	25,465	25,012
Hilton Revenues										66,614
Other	30,377	37,989	41,197	40,337	45,082	41,908	43,074	43,762	43,240	32,813
Subtotal concessions	196,614	211,886	218,108	223,254	240,297	244,015	253,191	257,421	260,623	322,147
Reimbursements	6,642	8,219	7,017	6,679	6,466	6,961	6,532	4,879	6,844	6,501
Total operating revenues [1]	702,603	679,402	702,564	717,680	844,524	845,228	947,817	976,179	1,061,913	1,253,485
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages [2]	174,331	190,830	191,677	192,744	212,576	203,216	208,578	210,649	227,219	221,763
Pension expense						339,546	245,491	145,992	145,920	159,153
Repairs and maintenance	86,463	94,519	88,784	85,484	110,928	98,945	104,536	95,310	115,008	143,231
Energy	33,687	31,777	31,775	32,895	34,519	34,090	39,500	34,773	35,027	42,297
Materials and supplies	9,526	14,288	9,797	8,961	10,573	9,876	10,886	6,937	16,284	14,647
Engineering and other professional services	57,981	65,382	74,307	81,070	88,143	83,265	95,608	101,798	111,642	133,994
Hilton Expenses										43,021
Other operating expenses	48,640	34,254	53,839	24,895	38,268	36,773	46,611	57,035	59,166	84,478
Total operating and maintenance expenses before depreciation and amortization [3]	410,628	431,050	450,179	426,049	495,007	805,710	751,210	652,494	710,266	842,584
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION [4]	$ 291,975	$ 248,352	$ 252,385	$ 291,631	$ 349,517	$ 39,518	$ 196,607	$ 323,685	$ 351,647	$ 410,901
FIRST AND SECOND LIEN BONDS—Net revenues for calculating coverage less fund deposit requirements	$ 372,341	$ 407,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
AGGREGATE DEBT SERVICE LESS DISBURSEMENTS FROM CAPITALIZED INTEREST ACCOUNTS [5]	$ 104,349	$ 112,181	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
DEBT SERVICE COVERAGE RATIO [6]	3.57	3.63	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
THIRD LIEN BONDS—Net revenues for calculating coverage per master indenture third lien	$ 800,380	$ 861,675	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
COVERAGE REQUIRED PER MASTER INDENTURE—Third lien	$ 790,282	$ 785,213	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
TOTAL AVAILABLE SOURCES FOR CALCULATING COVERAGE PER MASTER INDENTURE—Senior Lien	$ -	$ -	$ 844,954	$ 853,216	$ 989,929	$ 1,010,311	$ 1,130,225	$ 1,183,777	$ 1,277,670	$ 1,456,750
TOTAL REQUIREMENT PER MASTER INDENTURE—Senior lien [7]	$ -	$ -	$ 804,237	$ 825,116	$ 985,375	$ 981,095	$ 1,091,007	$ 1,126,312	$ 1,193,799	$ 1,290,806
COVERAGE COVENANT RATIO PER MASTER INDENTURE—Senior Lien	1.01	1.10	1.05	1.10	1.10	1.10	1.10	1.10	1.10	1.13
OPERATION AND MAINTENANCE EXPENSES PER MASTER INDENTURE—Senior Lien [8]			$ 439,309	$ 415,749	$ 484,448	$ 468,426	$ 508,531	$ 506,323	$ 579,040	$ 632,686
NET REVENUES AVAILABLE FOR SENIOR LIEN DEBT SERVICE	$	$	$ 405,645	$ 437,467	$ 505,481	$ 541,885	$ 621,694	$ 677,454	$ 698,630	$ 824,064
AGGREGATE DEBT SERVICE—Senior Lien [8]	$ -	$ -	$ 331,753	$ 372,152	$ 455,388	$ 466,063	$ 529,524	$ 563,626	$ 558,872	$ 572,278
COVERAGE RATIO [8]			1.22	1.18	1.11	1.16	1.17	1.20	1.25	1.44

(1) Average annual compound growth rate for 2010–2019 for total operating revenues is 6.6%.
(2) Salaries and wages includes charges for pension, health care and other employee benefits.
(3) Average annual compound growth rate for 2010–2019 for total operating and maintenance expenses before depreciation and amortization is 8.3%.
(4) Amount for 2019 may be reconciled to operating income of $85,748 reported in the 2019 Statements of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $287,648. Amount for prior years may be reconciled through similar calculation.
(5) Represents debt service on first and second lien bonds.
(6) Represents debt service coverage ratio on first and second lien bonds.
(7) Represents Total Requirement for Operation and Maintenance Expenses and Aggregate Debt Service per Senior Lien Master Indenture.
(8) Represents calculations per Section 404(a) of the Senior Lien Master Indenture.

Note: Of the $159.2 million of pension expense for 2018, $56.2 million is the portion of the City's pension contribution payable in 2019 to the pension funds and allocable to O'Hare Airport. The remaining portion of the pension expense for 2019 $103.0. pursuant to GASB 68 but is not due and payable by the City during 2019; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE
(Dollars in thousands)
(Unaudited)

The following table sets forth aggregate annual debt service for outstanding General Airport Revenue Bonds (GARB), PFC revenue bonds and CFC revenue bonds:

Year Ending December 31	Total Debt Service on Senior Lien Bonds[(1)]	Total GARB Debt Service	Total PFC Debt Service	Total CFC Debt Service	Total TIFIA Loan Debt Service	Total Debt Service
2020	$ 686,159	$ 686,159	$ 47,786	$ 18,160	$ 10,760	$ 762,865
2021	632,940	632,940	47,671	18,143	10,760	709,514
2022	636,632	636,632	47,637	18,125	10,760	713,154
2023	615,441	615,441	47,590	18,129	14,397	695,557
2024	642,558	642,558	47,558	18,113	14,363	722,592
2025	642,271	642,271	50,657	18,099	14,325	725,352
2026	637,854	637,854	50,605	18,082	14,337	720,878
2027	638,351	638,351	50,664	18,072	14,343	721,430
2028	628,378	628,378	50,618	18,081	14,342	711,419
2029	603,949	603,949	50,562	18,073	14,336	686,920
2030	605,772	605,772	50,410	18,059	14,322	688,563
2031	605,304	605,304	50,347	18,044	14,329	688,024
2032	605,498	605,498	46,285	18,029	14,329	684,141
2033	646,371	646,371	10,186	18,014	14,321	688,892
2034	643,681	643,681	6,917	17,976	14,333	682,907
2035	661,604	661,604	6,910	17,955	14,310	700,779
2036	527,117	527,117	6,901	17,939	14,305	566,262
2037	525,176	525,176	6,898	17,920	14,293	564,287
2038	522,925	522,925	6,887	17,902	14,299	562,013
2039	520,550	520,550	6,880	17,881	14,296	559,607
2040	409,168	409,168	6,873	17,862	14,310	448,213
2041	359,857	359,857	-	17,838	14,286	391,981
2042	265,437	265,437	-	17,815	14,279	297,531
2043	265,331	265,331	-	17,785	14,290	297,406
2044	266,749	266,749	-	-	21,533	288,282
2045	239,667	239,667	-	-	21,509	261,176
2046	239,483	239,483	-	-	21,488	260,971
2047	217,677	217,677	-	-	21,498	239,175
2048	217,613	217,613	-	-	21,482	239,095
2049	523,695	523,695	-	-	21,470	545,165
2050	197,228	197,228	-	-	21,457	218,685
2051	197,181	197,181	-	-	21,443	218,624
2052	197,146	197,146	-	-	21,426	218,572
2053	117,838	117,838	-	-	-	117,838
2054	409,144	409,144	-	-	-	409,144
	$16,351,745	$16,351,745	$696,842	$432,096	$526,331	$18,007,014

(1) Assumes an interest rate effective at December 31, 2019, on $240,600 of Senior Lien Bonds that are variable-rate demand obligations. All Second Lien Bonds were refunded on September 12, 2012.

Note: The annual debt service tables in the Official Statements for the above debt were presented with a year ended January 1. The information above is presented with a year ended December 31. The change has been made to facilitate reconciliation to revenue bonds payable at December 31, 2019.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CAPITAL IMPROVEMENT PLAN (CIP), 2020–2024
(Dollars in thousands)
(Unaudited)

ESTIMATED USES—Five-Year Capital Improvement Program:	
Airfield improvements	$ 247,844
Terminal improvements	1,046,598
Noise mitigation	31,765
Fueling system	107,469
Parking/roadway projects	249,654
Heating and refrigeration	224,816
Safety and security	57,274
Infrastructure and Land Support	47,593
Planning and other costs	21,882
Implementation	6,568
TOTAL ESTIMATED USES	$2,041,463
ESTIMATED SOURCES:	
Existing PFC Revenue Bond Proceeds	$ 10,000
PFC Revenues (Pay-as-you-go)	10,000
Future PFC Revenue Bond Proceeds	-
Federal AIP discretionary grants	20,000
Federal AIP entitlement grants	26,000
TSA funds	46,891
Prior airport revenue bond proceeds	1,549,208
Future Airport obligation proceeds	363,855
CFC PayGo	6,913
CFC Senior Lien Revenue Bonds	2,315
CFC Backed TIFIA Loan	-
Other airport funds	6,281
TOTAL ESTIMATED SOURCES	$2,041,463

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

OPERATIONS OF THE AIRPORT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

Airport Activity

According to statistics compiled by Airports Council International (ACI), for the 12-month period ended December 31, 2019, the Airport ranked 1st worldwide and in the United States in total aircraft operations, 6th worldwide and 3rd in the United States in terms of total passengers, and 18th worldwide and 6th in the United States in terms of cargo. According to Innovata, during 2019, nonstop service was provided from the Airport to 267 destinations, 191 domestic airports and 76 foreign airports.

	Chicago O'Hare International Airport Historical Connecting Passengers			
Year	**Total Enplanements**	**Total Originating Enplanements [1]**	**Total Connecting Enplanements [1]**	**Connecting Enplanements Percentage**
2010	33,232,412	17,419,794	15,812,618	47.6 %
2011	33,207,302	15,972,745	17,234,557	51.9
2012	33,244,515	16,867,283	16,377,232	49.3
2013	33,297,578	17,044,643	16,252,935	48.8
2014	34,952,762	17,115,535	17,837,227	51.0
2015	38,395,905	20,096,191	18,299,714	47.7
2016	38,872,669	20,991,241	17,881,428	46.0
2017	39,815,888	22,429,433	17,386,455	43.7
2018	41,563,343	23,483,289	18,080,054	43.5
2019	42,248,370	23,836,209	18,412,161	43.6
	Average Annual Compound Growth Rates			
2010–2019	2.7 %	3.5 %	1.7 %	

[1] Originating enplanements, resulting connecting enplanements and percentages have been recalculated based on updated information.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

Airline [1]	2010 Enplanements	2010 % of Total	2011 Enplanements	2011 % of Total	2012 Enplanements	2012 % of Total	2013 Enplanements	2013 % of Total	2014 Enplanements	2014 % of Total	2015 Enplanements	2015 % of Total	2016 Enplanements	2016 % of Total	2017 Enplanements	2017 % of Total	2018 Enplanements	2018 % of Total	2019 Enplanements	2019 % of Total
United Airlines	9,655,258	29.1 %	8,763,788	26.4 %	7,417,697	22.3 %	8,293,334	24.9 %	9,227,495	26.4 %	10,556,509	27.5 %	11,722,663	30.2 %	12,534,578	31.5 %	12,831,523	30.9 %	12,915,154	30.6 %
American Airlines	8,115,097	24.4	7,629,479	23.0	7,212,437	21.7	7,209,709	21.7	7,064,555	20.2	8,668,309	22.6	9,606,479	24.7	9,763,126	24.5	10,053,968	24.2	10,153,179	24.0
Simmons Airlines (dba American Eagle)	3,278,628	9.9	3,500,279	10.5	3,591,209	10.8	4,022,596	12.1	2,868,392	8.2	2,992,870	7.8	3,494,513	9.0	2,606,809	6.5	2,890,716	7.0	3,211,822	7.6
Sky West (dba United Express, Delta, American)	1,932,478	5.8	1,375,680	4.1	1,276,718	3.8	1,386,813	4.2	1,873,838	5.4	2,363,825	6.2	2,279,699	5.9	3,997,933	10.0	3,781,224	9.1	3,222,470	7.6
Mesa (dba United Express)	703,936	2.1	553,439	1.7	524,665	1.6	540,671	1.6	454,299	1.3	2,365	-	-	-	76	-	-	-	-	-
Northwest Airlines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shuttle America (dba United Express)	1,067,038	3.2	941,420	2.8	1,163,078	3.5	903,682	2.7	816,617	2.3	716,874	1.9	619,873	1.6	23,061	0.1	-	-	-	-
Continental Airlines	542,760	1.6	947,868	2.9	1,901,333	5.7	697,398	2.1	-	-	-	-	-	-	-	-	-	-	-	-
US Airways	865,420	2.6	926,447	2.8	1,024,706	3.1	1,068,630	3.2	1,024,772	2.9	1,025,863	2.7	-	-	-	-	-	-	-	-
Go Jet (UA Express, Delta)	787,343	2.4	695,580	2.1	743,794	2.2	795,407	2.4	783,363	2.2	867,993	2.3	750,452	1.9	709,925	1.8	694,348	1.7	609,533	1.4
Delta Airlines	572,588	1.7	692,244	2.1	956,245	2.9	716,938	2.1	844,445	2.4	972,132	2.5	906,920	2.3	898,063	2.3	1,080,185	2.6	1,456,569	3.4
Trans State Air (dba United Express)	428,504	1.3	347,997	1.0	208,197	0.6	475,863	1.4	637,489	1.8	279,635	0.7	353,453	0.9	486,191	1.2	361,901	0.9	524,954	1.2
Air Canada	132,392	0.4	104,683	0.3	108,637	0.4	80,190	0.2	6,664	-	33,773	0.1	78,189	0.2	206,178	0.5	-	-	-	-
Chautauqua (dba United Express)	43,191	0.1	3,520	-	236	-	6,086	-	51,553	0.1	-	-	-	-	-	-	-	-	-	-
Air Wisconsin (dba United Express)	147	-	2	-	4	-	1	-	2	-	-	-	-	-	106,052	0.3	223,405	0.5	1,552,041	3.7
Independence Air	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All other [2]	5,107,632	15.4	6,724,876	20.3	7,115,559	21.4	7,100,260	21.3	9,299,278	26.8	9,915,757	25.7	9,060,428	23.3	8,483,896	21.3	9,646,073	23.2	8,602,648	20.4
Total	33,232,412	100.4 %	33,207,302	100.0 %	33,244,515	100.0 %	33,297,578	100.0 %	34,952,762	100.0 %	38,395,905	100.0 %	38,872,669	100.0 %	39,815,888	100.0 %	41,563,343	100.0 %	42,248,370	100.0 %

[1] Each airline listed is a signatory to a 1983 Airport Use Agreement and/or 2018 Airport Use Agreement

[2] Other includes airlines with minimal shares and those no longer operating at the Airport

AIRLINES PROVIDING SERVICE AT THE AIRPORT

As of December 31, 2019, the Airport had scheduled air service by 47 airlines, including 10 domestic airlines, and 37 foreign flag airlines. Passenger service to the Airport is provided by 15 of the 18. "Group III Carriers," which are defined by the U.S. Department of Transportation, Bureau of Transportation Statistics, Office of Airline Information to include domestic air carriers with annual operating revenues in excess of $1 billion.

United Airlines and American Airlines (including their commuter affiliates) together accounted for approximately 79.4% of the enplaned commercial passengers at the Airport in 2019.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PASSENGER TRAFFIC
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

Year	Total Domestic Passengers	Percent of Total Passengers	Total International Passengers	Percent of Total Passengers	Total Passengers	Annual Percent Change
2010	56,615,214	84.5 %	10,410,977	15.5 %	67,026,191	3.8 %
2011	57,233,467	85.7	9,558,683	14.3	66,792,150	(0.3)
2012	56,857,637	85.1	9,977,294	14.9	66,834,931	0.1
2013	56,728,189	84.8	10,181,394	15.2	66,909,583	0.1
2014	59,321,544	84.7	10,753,660	15.3	70,075,204	4.7
2015	65,943,490	85.7	11,006,014	14.3	76,949,504	9.8
2016	66,210,437	84.9	11,750,192	15.1	77,960,629	1.3
2017	67,362,667	84.4	12,465,516	15.6	79,828,183	2.4
2018	69,298,241	83.2	13,947,231	16.8	83,245,472	4.3
2019	70,450,326	83.2	14,198,789	16.8	84,649,115	1.7
	Average Annual Compound Growth Rates					
2010–2019	2.5 %		3.5 %		2.6 %	

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

	Chicago O'Hare International Airport		Chicago Midway International Airport		
Year	Total O&D Enplanements (1)	Percent of Total Chicago	Total O&D Enplanements (1)	Percent of Total Chicago	Total O&D Enplanements
2010	17,419,794	76.1 %	5,485,191	23.9 %	22,904,985
2011	15,972,745	73.7	5,693,938	26.3	21,666,683
2012	16,867,283	73.6	6,045,841	27.0	22,364,651
2013	17,044,643	72.4	6,505,206	27.6	23,549,849
2014	17,115,535	72.6	6,446,497	27.4	23,562,032
2015	20,096,191	75.0	6,682,549	25.0	26,778,740
2016	20,991,241	74.5	7,181,858	25.5	28,173,099
2017	22,429,433	75.1	7,446,996	24.9	29,876,429
2018	23,483,289	76.5	7,197,512	23.5	30,680,801
2019	23,836,209	77.4	6,944,982	22.6	30,781,191
	Average Annual Compound Growth Rates				
2010–2019	3.5 %		2.7 %		3.3 %

(1) Originating enplanements, resulting connecting enplanements and percentages have been recalculated based on updated information.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANEMENT SUMMARY
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

	Total O'Hare Enplanements				
Year	**Total Domestic Air Carrier Enplanements**	**Percent of Total O'Hare**	**Total International Enplanements**	**Percent of Total O'Hare**	**Total [1] Enplanements**
2010	28,100,388	84.6 %	5,132,024	15.4 %	33,232,412
2011	28,306,173	85.2	4,901,129	14.8	33,207,302
2012	28,288,427	85.1	4,956,088	14.9	33,244,515
2013	28,195,077	84.7	5,102,501	15.3	33,297,578
2014	29,559,975	84.6	5,392,787	15.4	34,952,762
2015	32,877,967	85.6	5,517,938	14.4	38,395,905
2016	33,015,851	84.9	5,856,818	15.1	38,872,669
2017	33,587,845	84.4	6,228,043	15.6	39,815,888
2018	34,598,046	83.2	6,965,297	16.8	41,563,343
2019	35,168,714	83.2	7,079,656	16.8	42,248,370
	Average Annual Compound Growth Rates				
2010–2019	2.5 %		3.6 %		2.7 %

[1] Total Enplanements equals Total Domestic Air Carrier Enplanements plus Total Domestic Commuter Enplanements plus Total International Enplanements.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRCRAFT OPERATIONS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

	Annual Aircraft Operations					
Year	Domestic Air Carrier	International Air Carrier	Total Air Carrier	All-Cargo	General Aviation	Total
2010	771,550	72,144	843,694	17,248	21,675	882,617
2011	772,707	69,704	842,411	17,149	19,238	878,798
2012	783,371	66,992	850,363	16,887	10,858	878,108
2013	784,681	71,858	856,539	16,326	10,422	883,287
2014	779,708	76,258	855,966	15,433	10,534	881,933
2015	775,091	70,729	845,820	17,698	11,618	875,136
2016	762,664	75,395	838,059	17,932	11,644	867,635
2017	759,810	77,524	837,334	19,083	10,632	867,049
2018	785,629	83,628	869,257	24,052	10,438	903,747
2019	785,618	99,545	885,163	24,411	10,130	919,704
	Average Annual Compound Growth Rates					
2010–2019	0.2 %	3.6 %	0.5 %	3.9 %	(8.1)%	0.5 %

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET AIRLINE REQUIREMENT AND COST PER ENPLANED PASSENGER
FOR THE YEAR ENDED DECEMBER 31, 2019
(Dollars in thousands)
(Unaudited)

Calculation of cost per enplaned passenger:	
Operating and maintenance expenses (1)	$ 632,464
Net debt service (1)	446,378
Debt service coverage requirement (2)	29,947
Fund deposits (3)	24,274
Total airport expenses (1)	1,133,063
Less:	
Non-airline revenue (1)	-
PFC revenue applied to eligible debt service	(357,827)
Other	-
Net airline requirement (4)	775,236
Enplaned passengers	42,248,370
Cost per enplaned passenger	$ 18.35

(1) This analysis excludes the Airport General Fund, Emergency Reserve Fund and PFC Fund.

(2) Incremental adjustment required which provide 10 percent coverage on aggregate debt service.

(3) Deposits to the Operations and Maintenance Reserve, Maintenance Reserve, Emergency Reserve and Special Capital Project Funds.

(4) Revenue required to be collected from all Airline Parties under the ORD Airport Use Agreement.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PFC REVENUES
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Dollars in thousands)
(Unaudited)

Year	Total Enplanements	PFC Enplanements [1]	PFC Revenues (Net of Airline Collection Fees) [2]	PFC Interest Income	Total PFC Revenues
2010	33,232,412	29,493,621	$ 129,477	$ 2,596	$ 132,073
2011	33,207,302	28,503,338	125,130	2,631	127,761
2012	33,244,515	28,067,538	123,215	1,575	124,790
2013	33,297,578	29,516,583	129,578	1,527	131,105
2014	34,952,762	31,962,719	140,316	1,275	141,591
2015	38,395,905	32,425,502	142,348	918	143,266
2016	38,872,669	34,993,891	153,623	941	154,564
2017	39,815,888	34,753,751	152,569	1,306	153,875
2018	41,563,343	37,088,975	162,871	3,230	166,101
2019	42,248,370	41,138,976	180,600	5,193	185,793

[1] Historical collection information reflects an actual percentage of eligible PFC enplanements of 97.4% in 2019.

[2] Actual amounts above are recorded on a cash basis but are reported in the Airport's audited financial statements on an accrual basis. The cash basis PFC audit for 2019 has not yet been issued.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PASSENGER FACILITY CHARGE (PFC) DEBT SERVICE COVERAGE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Dollars in thousands)
(Unaudited)

Bond Year Ended	PFC Revenues	PFC Bonds Debt Service	Coverage by PFC Revenues [1]
January 1, 2011	$132,073	$59,077	2.24
January 1, 2012	127,761	77,497	1.65
January 1, 2013	124,790	66,163	1.89
January 1, 2014	131,105	70,860	1.85
January 1, 2015	141,591	65,307	2.17
January 1, 2016	143,266	66,791	2.14
January 1, 2017	154,564	66,425	2.33
January 1, 2018	153,875	66,425	2.32
January 1, 2019	166,101	50,358	3.30
January 1, 2020	185,793	48,293	3.85

[1] Actual amounts above are recorded on a cash basis and includes interest earnings.

Source: City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET POSITION BY COMPONENT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Dollars in thousands)
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net position:										
Net investment in capital assets	$ 704,324	$ 713,876	$ 517,619	$ 582,175	$ 644,430	$ 707,991	$ 1,001,744	$ 1,117,543	$ 1,243,830	$ 1,362,522
Restricted	588,683	640,469	605,488	709,665	780,514	828,216	679,180	623,642	700,023	898,995
Unrestricted (deficit)	104,730	38,201	31,511	35,559	35,140	(1,061,607)	(1,298,327)	(1,325,243)	(1,394,984)	(1,510,345)
Total net position	$1,397,737	$1,392,546	$1,154,618	$1,327,399 *	$1,460,084	$ 474,600	$ 382,597 **	$ 415,942	$ 548,869	$ 751,172

* Amounts were restated due to the implementation of GASB 65.

** Amounts were restated due to the implementation of GASB 68.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CHANGE IN NET POSITION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Dollars in thousands)
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating revenues	$702,603	$679,402	$ 702,564	$ 717,680	$844,524	$ 845,228	$ 947,816	$976,179	$1,061,913	$1,253,485
Operating expenses	595,707	609,499	662,004	622,606	713,218	1,040,700	1,005,899	933,536	991,951	1,167,737
Operating income	106,896	69,903	40,560	95,074	131,306	(195,472)	(58,083)	42,643	69,962	85,748
Nonoperating revenues (expenses)	(80,068)	(80,925)	(110,254)	(125,829)	(87,653)	(117,609)	(104,584)	(91,299)	(68,055)	(30,168)
Special items	-	(53,910)	-	-	-	-	-	-	-	-
Income (loss) before capital contributions	26,828	(64,932)	(69,694)	(30,755)	43,653	(313,081)	(162,667)	(48,656)	1,907	55,580
Capital grants	57,567	59,741	73,538	203,536	89,032	76,689	70,664	82,001	131,020	77,923
Capital Contributions	-	-	-	-	-	-	-	-	-	68,800
Change in net position	$ 84,395	$ (5,191)	$ 3,844	$ 172,781 *	$132,685	$ (236,392)	$ (92,003) **	$ (48,656)	$ 1,907	$ 202,303

* Amounts were restated due to the implementation of GASB 65.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

LONG-TERM DEBT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Dollars in thousands)
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
First lien bonds	$ 72,795	$ 72,795	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Second lien bonds	450,250	369,330	-	-	-	-	-	-	-	-
Third lien bonds	5,213,760	6,145,590	-	-	-	-	-	-	-	-
Senior lien bonds	-	-	6,355,245	6,696,365	6,563,780	6,586,490	6,404,030	7,564,355	9,296,015	9,034,660
Commercial paper notes	-	19,919	50,616	20,000	51,026	-	-	102,239	-	-
Passenger facility	-	-	-	-	-	-	-	-	-	-
Passenger facility charge revenue bonds	833,715	812,715	726,700	700,090	663,780	631,245	595,630	558,635	519,790	495,070
Customer facility	-	-	-	-	-	-	-	-	-	-
Customer facility charge revenue bonds	-	-	-	248,750	248,750	248,750	248,750	248,750	244,025	239,065
Revolving line of credit	-	-	-	-	-	-	12,098	12,098	-	-
TIFIA Loan	-	-	-	-	-	-	-	159,803	258,150	278,756
Total revenue bonds and notes	6,570,520	7,420,349	7,132,561	7,665,205	7,527,336	7,466,485	7,260,508	8,645,880	10,317,980	10,047,551
Unamortized premium	86,856	92,249	200,381	224,056	199,169	374,179	453,456	607,459	610,467	559,884
Total revenue bonds payable, net of unamortized premium (discount)	$ 6,657,376	$ 7,512,598	$ 7,332,942	$ 7,889,261	$ 7,726,505	$ 7,840,664	$ 7,713,964	$ 9,253,339	$10,928,447	$10,607,435
Enplanements	$33,232,412	$33,206,867	$33,244,515	$33,297,578	$34,952,762	$38,395,905	$38,872,669	$39,815,888	$41,563,343	$42,248,370
Debt per enplanement	$ 198	$ 223	$ 215	$ 230	$ 215	$ 194	$ 187	$ 217	$ 248	$ 238

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

FULL-TIME EQUIVALENT CHICAGO O'HARE AIRPORT EMPLOYEES BY FUNCTION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration (pre-2009 executive directions)	$ 130	$ 127	$ 119	$ 110	$ -	$ -	$ -	$ -	$ -	$ -
Capital development	39	43	35	34	18	18	20	61	67	70
Financial administration	-	-	-	-	35	36	38	44	44	46
Human resources management	-	-	-	-	-	-	-	-	-	-
Capital finance management	-	-	-	-	-	-	-	-	-	-
Contract administration	-	-	-	-	12	12	13	12	12	14
Business information services	-	-	-	-	-	-	-	-	-	-
Business communication	13	13	-	-	-	-	-	-	-	-
Commercial development and concessions	6	6	4	3	13	13	13	18	17	17
Administration	-	-	-	-	47	46	46	43	43	48
Airfield operations	309	306	305	305	306	306	346	461	463	488
Landside operations	13	11	12	22	239	240	237	225	223	212
Security management	243	242	236	236	361	306	305	317	345	338
Facility management	515	519	500	504	311	324	322	345	323	349
Safety management	7	7	7	7	-	-	-	-	-	-
Total	$1,275	$1,274	$1,218	$1,221	$1,342	$1,301	$1,340	$1,526	$1,537	$1,582

Source: City of Chicago's Program and Budget Summary.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
PRINCIPAL EMPLOYERS (NONGOVERNMENT)
CURRENT YEAR AND NINE YEARS AGO (NOTE AT THE END OF THIS PAGE)
(Unaudited)

	2019[1]			2010[3]		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Advocate Aurora Health Care	25,917	1	2.01 %			
Northwestern Memorial Healthcare	21,264	2	1.65			
Amita Health	20,046	3	1.56			
University of Chicago	18,276	4	1.42			
Amazon.com, Inc.	14,610	5	1.14			
United Continental Holdings Inc.[2]	14,520	6	1.13	5,585	3	0.56 %
JPMorgan Chase & Co	13,742	7	1.07	8,094	1	0.81
Walgreen Boots Alliance Inc.	12,200	8	0.95	4,552	6	0.33
Walmart Inc	11,549	9	0.90			
Jewel-Osco	10,410	10	0.81	5,307	4	0.52
Northern Trust				5,833	2	0.58
Bank of America NT & SA				4,668	5	0.44
Accenture LLP				4,224	7	0.32
CVS Corporation				4,067	8	0.30
ABM Janitorial Midwest, INC				3,840	9	0.30
American Airlines				3,153	10	0.27

NOTES:
(1) Source: Reprinted with permission from the February 24, 2020 issue of Crain's Chicago Business.

(2) Source: United Continental Holdings Inc. formerly known as United Airlines.
(3) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.
Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue Tax -Division report which is no longer available.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
POPULATION AND INCOME STATISTICS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

Year	Population (1)	Median Age (2)	Number of Households (2)	City Employment	Unemployment Rate (3)	Per Capita Income (4)	Total Income
2010	2,695,598	34.8	1,045,666	1,116,830	10.1 %	$45,957	$123,881,597,286
2011	2,695,598	33.2	1,048,222	1,120,402	9.3	45,977	123,935,509,246
2012	2,695,598	33.0	1,054,488	1,144,896	8.9	48,305	130,210,861,390
2013	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015	2,695,598	34.2	1,053,229	1,273,733	5.7	53,886	145,254,993,828
2016	2,695,598	34.4	1,053,986	1,282,117	5.4	55,621	149,931,856,358
2017	2,695,598	34.6	1,047,695	1,289,325	4.7	58,315	157,193,797,370
2018	2,695,598	34.9	1,077,886	1,288,755	4.0	61,089	164,671,386,222
2019	2,695,598	N/A (5)	N/A (5)	1,286,484	3.2	N/A (5)	N/A (5)

Notes:

(1) Source: U.S. Census Bureau.

(2) Source: American Fact Finder—United States Census Bureau data estimates.
Data not available for 2019.

(3) Source: Bureau of Labor Statistics 2018, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.

(4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area.

(5) N/A means not available at time of publication.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SUMMARY—2019 TERMINAL RENTALS, FEES AND CHARGES
FOR THE PERIOD COMMENCING JULY 1, 2019

DOMESTIC AND INTERNATIONAL TERMINAL

DESCRIPTION:	
Landing fee (rate/1,000 lbs.)	$ 10.62
Base rent/sq.ft.	138.00
Discount rent/sq.ft.	103.50
FIS Facility Fee	9.57

DOMESTIC TERMINAL

DESCRIPTION:	
Domestic gate fee per delivered seat	$ 1.19
Baggage fee per outbound checked bag	2.99
Baggage claim fee per domestic seat	1.07
Check-in fee per check-in hour	13.73

INTERNATIONAL TERMINAL

DESCRIPTION:	
International gate fee per departing seat and arriving international seat without FIS User	$ 3.26
Baggage fee per outbound checked bag	3.03
Check-in fee per check-in hour	22.00

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRPORT MARKET SHARE OF RENTAL CAR BRANDS OPERATING ON-AIRPORT
(Unaudited)

Corporate Entity [1]	Brand(s)	2019 Airport Market	
On-airport			
Enterprise Holdings, Inc.	Enterprise Rent-A-Car [1]	9.50	%
	ANC Alamo/National [1]	25.17	
		34.68	
Avis Budget Group, Inc.	Avis (Incl. ZIPCAR)	15.31	
	Payless-Avis Budget	2.46	
	Budget Rent-A-Car	8.88	
		26.65	
Hertz Global Holdings, Inc.	Hertz Rent A Car	29.99	
	DTG dba Dollar/Thrifty	0.43	
		30.42	
Advantage OPCO, LLC	Advantage Car Rental	1.48	
Fox Rent a Car		3.08	
E-Z Rent a Car		0.34	
Sixt Rent A Car LLC		2.52	
Off-airport			
Routes Car Rental USA Inc		0.52	
Silver Car Inc		0.30	
Total		100.00	%

[1] Alamo and National are reported jointly.

Sources: City of Chicago Department of Aviation

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL VISITING O&D ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

Year	Total Enplaned Passengers	Total O & D Enplaned Passengers [1]	Total O & D Percentage of Total	Resident O & D Enplaned Passengers	Resident Percentage of Total O & D	Visiting O & D Enplaned Passengers [1]	Visitor Percentage of Total O & D
2010	33,219,302	15,605,731	47.0 %	8,852,882	56.7 %	6,752,849	43.3 %
2011	33,194,708	15,972,745	48.1	9,043,984	56.6	6,928,761	43.4
2012	33,231,201	16,318,810	49.1	9,108,439	55.8	7,210,371	44.2
2013	33,284,788	17,038,092	51.2	9,541,332	56.0	7,496,761	44.0
2014	34,952,762	17,115,535	49.0	9,534,351	55.7	7,491,276	43.8
2015	38,395,905	19,469,276	50.7	10,902,795	56.0	8,566,481	44.0
2016	38,872,669	20,991,241	54.0	11,545,183	55.0	9,446,059	45.0
2017 [2]	39,815,888	22,429,433	56.3	12,380,081	55.2	10,049,352	44.8
2018	41,563,343	23,480,691	56.5	12,397,298	52.8	11,083,393	47.2
2019	42,248,870	23,836,209	56.6	13,159,926	55.2	10,676,283	44.8

(1) Certain estimations were used by Ricondo & Associates to derive visiting O & D enplaned passengers, as data for foreign flag carriers were not available.

(2) The O & D percent share is calculated for the four quarters ending with the third quarter of 2019 and 2018 O & D and connecting enplanements are based upon that share. Includes GA, Military and Misc.

Source: City of Chicago, Department of Aviation Management Records (historical total, resident, and visitor O & D enplaned passengers), May 2019.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL CFC COLLECTIONS ON SITE AIRPORT RENTAL CAR COMPANIES
(Dollars in thousands)
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	$ 1,834,376	$ 2,043,472	$ 2,021,728	$ 2,095,216	$ 2,058,208	$ 2,160,680	$ 2,063,208	$ 2,170,560	$ 2,165,344
February	1,720,816	2,119,752	2,023,816	2,037,496	1,975,312	2,096,296	2,072,496	2,170,704	2,138,949
March	2,264,728	2,492,960	2,380,208	2,365,224	2,411,096	2,528,296	2,551,656	2,711,416	2,629,384
First quarter total	5,819,920	6,656,184	6,425,752	6,497,936	6,444,616	6,785,272	6,687,360	7,052,680	6,933,677
Annual percent change		14.4 %	(3.5)%	1.1 %	(0.8)%	5.3 %	(1.4)%	5.5 %	(1.7)%
April	2,497,584	2,584,776	2,532,288	2,663,448	2,833,576	2,978,640	2,721,344	2,939,824	2,984,248
May	2,997,144	3,135,048	3,161,456	3,403,440	3,457,424	3,554,312	3,337,584	3,579,464	3,740,304
June	3,202,568	3,286,280	3,335,392	3,575,576	3,512,048	3,554,312	3,672,320	3,733,568	3,916,008
Second quarter total	8,697,296	9,006,104	9,029,136	9,642,464	9,803,048	10,087,264	9,731,248	10,252,856	10,640,560
Annual percent change		3.6 %	0.3 %	6.8 %	1.7 %	2.9 %	(3.5)%	5.4 %	3.8 %
July	3,426,648	3,379,960	3,362,504	3,579,976	3,920,712	3,999,848	3,855,952	4,119,976	4,364,512
August	3,493,216	3,586,248	3,764,952	3,579,976	3,979,920	4,078,696	4,019,608	4,211,240	4,522,104
September	3,317,356	3,245,784	3,496,664	3,579,976	3,756,256	3,771,264	3,569,744	3,671,400	3,911,672
Third quarter total	10,237,220	10,211,992	10,624,120	10,739,928	11,656,888	11,849,808	11,445,304	12,002,616	12,798,288
Annual percent change		(0.2)%	4.0 %	4.2 %	5.3 %	1.7 %	(3.4)%	4.9 %	6.6 %
October	3,177,744	3,309,960	3,456,280	3,612,656	3,815,136	3,684,456	3,534,248	3,645,920	3,829,296
November	2,647,208	2,703,392	2,798,264	2,891,736	2,937,088	2,939,008	2,905,032	2,997,032	3,000,800
December	2,321,952	2,180,840	2,564,448	2,572,952	2,478,696	2,419,432	2,441,312	2,592,224	2,781,152
Fourth quarter total	8,146,904	8,194,192	8,818,992	9,077,344	9,230,920	9,042,896	8,880,592	9,235,176	9,611,248
Annual total	$32,901,340	$34,068,472	$34,898,000	$35,957,672	$37,135,472	$37,765,240	$36,744,504	$38,543,328	$39,983,773
Annual Percent Change		(0.2)%	4.0 %	4.2 %	5.3 %	1.7 %	(2.7)%	4.9 %	3.7 %
Year to date total (through May)	$11,314,648	$12,376,008	$12,119,496	$12,564,824	$12,735,616	$13,318,224	$12,746,288	$13,571,968	$13,658,229
Annual percentage change		9.4 %	(2.1)%	3.7 %	1.4 %	4.6 %	(4.3)%	6.5 %	0.6 %

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL CFC COLLECTIONS ON AND OFF SITE AIRPORT RENTAL CAR COMPANIES
(Dollars in thousands)
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	$ 1,834,376	$ 2,043,472	$ 2,021,728	$ 2,095,216	$ 2,190,072	$ 2,366,544	$ 2,179,944	$ 2,195,136	$ 2,193,032
February	1,720,816	2,119,752	2,023,816	2,037,496	2,091,544	2,287,024	2,168,312	2,200,168	2,165,325
March	2,264,728	2,492,960	2,380,208	2,365,224	2,531,080	2,692,120	2,717,168	2,731,144	2,652,600
First quarter total	5,819,920	6,656,184	6,425,752	6,497,936	6,812,696	7,345,688	7,065,424	7,126,448	7,010,957
Annual percent change		14.4 %	(3.5)%	1.1 %	4.8 %	7.8 %	(3.8)%	0.9 %	(1.6)%
April	2,497,584	2,584,776	2,532,288	2,663,448	2,962,240	3,143,320	2,929,808	2,960,600	3,012,680
May	2,997,144	3,135,048	3,161,456	3,403,440	3,623,328	3,741,768	3,551,752	3,602,744	3,768,256
June	3,202,568	3,286,280	3,335,392	3,575,576	3,691,640	3,780,904	3,862,184	3,757,056	3,947,280
Second quarter total	8,697,296	9,006,104	9,029,136	9,642,464	10,277,208	10,665,992	10,343,744	10,320,400	10,728,216
Annual percent change		3.6 %	0.3 %	6.8 %	6.6 %	3.8 %	(3.0)%	(0.2)%	4.0 %
July	3,426,648	3,379,960	3,362,504	3,579,976	4,127,848	4,185,472	4,051,040	4,149,976	4,391,640
August	3,493,216	3,586,248	3,764,952	3,948,912	4,188,848	4,289,320	4,260,320	4,244,320	4,551,608
September	3,317,356	3,245,784	3,496,664	3,537,496	3,934,624	3,947,136	3,838,864	3,695,336	3,939,360
Third quarter total	10,237,220	10,211,992	10,624,120	11,066,384	12,251,320	12,421,928	12,150,224	12,089,632	12,882,608
Annual percent change		(0.2)%	4.0 %	4.2 %	10.7 %	1.4 %	(2.2)%	(0.5)%	6.6 %
October	3,177,744	3,309,960	3,456,280	3,612,656	4,012,344	3,868,232	3,818,288	3,667,592	3,856,736
November	2,647,208	2,703,392	2,798,264	2,891,736	3,144,944	3,094,176	3,131,064	3,018,440	3,026,960
December	2,321,952	2,180,840	2,564,448	2,572,952	2,705,784	2,533,912	2,585,976	2,614,808	2,809,896
Fourth quarter total	8,146,904	8,194,192	8,818,992	9,077,344	9,863,072	9,496,320	9,535,328	9,300,840	9,693,592
Annual total	$32,901,340	$34,068,472	$34,898,000	$36,284,128	$39,204,296	$39,929,928	$39,094,720	$38,837,320	$40,315,373
Annual Percent Change									
Year to date total (through May)	$11,314,648	$12,376,008	$12,119,496	$12,564,824	$13,398,264	$14,230,776	$13,546,984	$13,689,792	$13,791,893
Annual percentage change		9.4 %	(2.1)%	3.7 %	6.6 %	6.2 %	(4.8)%	1.1 %	0.7 %

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

RACS AND OFF-AIRPORT AND RELATED BRANDS OPERATING AT THE AIRPORT

RAC Legal Entity	Rental Car Brands	Legal Organization	Current Status of Brand(s) at Airport
Enterprise Leasing Company of Chicago LLC	Enterprise Rent-A-Car Alamo Rent-A-Car National Car Rental	Delaware limited liability company and subsidiary of Enterprise Holdings, Inc	Existing On-Airport
The Hertz Corporation	Hertz Rent-A-Car Dollar Rent-A-Car Thrifty Car Rental	Delaware limited liability company and subsidiary of Hertz Global Holdings, Inc (NYSE: HTZ)	Existing On-Airport
Avis Budget Car Rental, LLC	Avis Car Rental Budget Rent-A-Car Payless Car Rental	Delaware limited liability company and subsidiary of Avis Budget Group, Inc (NASDAQ: CAR)	Existing On-Airport
Advantage Opco, LLC	Advantage Rent-A-Car	Delaware limited liability company	Existing On-Airport
Silvercar Inc	Silvercar	Privately held business corporation in Delaware	Existing Off-Airport
Routes Car Rental USA, Inc.	Routes		Existing Off-Airport
EZ Rent A Car, Inc.	EZ-RAC	Privately held business corporation in Florida	Existing On-Airport
Fox Rent A Car, Inc.	Fox Rent-A-Car	Delaware limited liability company	Existing On-Airport
Sixt Rent A Car, LLC	Sixt Rent-A-Car	Delaware limited liability company	Existing On-Airport

Source: City of Chicago Department of Aviation