City of Chicago
Chicago Midway 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 MIDWAY INTERNATIONAL AIRPORT

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PART I

INTRODUCTORY SECTION

June 30, 2020

To the Honorable Mayor Lori E. Lightfoot, members of the City Council and residents of the City of Chicago:

I am pleased to submit the Comprehensive Annual Financial Report ("CAFR") of Chicago Midway 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"), Chicago Department of Aviation ("CDA") and Comptroller's Office. The purpose of the CAFR is to provide complete and accurate information that complies with reporting requirements. The Chicago Midway International Airport's Management's Discussion and Analysis ("MD&A") can be found immediately following the independent auditors' report.

ECONOMIC CONDITION AND OUTLOOK

The Airport provides regional travelers with access to service by a number of airlines that generally specialize in low-fare, point-to-point, origin and destination ("O&D") passenger service, and has been among the busiest stations in the Southwest Airlines network for several years. The Airport's major attributes that allow it to enjoy a unique market niche include the Airport's location proximate to a large O&D passenger base, its accessibility and its low per-passenger cost structure. The Airport connects Chicago to approximately 80 destinations in the U.S., Canada, Mexico, and the Caribbean. In 2019, total passenger volume continued to be stable at 21 million passengers.

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. The aviation industry's historical durability, however, as well as Chicago's central location and unique role in the transportation ecosystem, would indicate the Airport is well-positioned to ride out the pandemic. Likewise, initial recovery trends seem to favor domestic point-to-point travel in place of traditional business or overseas travel, which works in the Airport's advantage. For these reasons, the overall outlook remains steady.

REPORTING ENTITY

The Airport is located approximately eight miles southwest of the City's central business district and is within one of the largest O&D passenger bases in the United States. In addition, the Airport is near the center of the Chicago region's population. This geographic advantage is further enhanced by the existence of an extensive highway and passenger rail network providing convenient access to the Airport. The Airport occupies approximately 840 acres in slightly more than a one-mile square area.

MAJOR INITIATIVES

The City continues to make critical investments in the Airport through the Midway Modernization Program ("MMP"), which is a $330 million project to enhance the passenger experience. The MMP is focused on addressing the Airport's steady passenger demand, improvements to passenger safety and security, and modernization to Airport facilities and amenities.

Currently underway through MMP are projects to increase security checkpoint capacity and make the screening process more efficient; terminal parking garage enhancements; and a significant overhaul of concessions that reflect the community and provide greater opportunities to small and historically disadvantaged businesses.

In total, these projects are focused on maintaining and enhancing the Airport's operational capability and efficiency, growing non-airline revenue, and bringing further improvements to the overall travel experience for passengers by 2021. Finally, the Airport continues to invest in our surrounding community and has invested over $350 million as part of the on-going residential and school sound insulation programs since 1996.

The City is financing the capital program through bond proceeds, federal grants, passenger facility charge revenues 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 to meet its operational objectives. 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 appropriations. 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 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 Agreements specify 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 Airport Use Agreements provide 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.

INDEPENDENT AUDIT

The Midway 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 unmodified audit opinion, rendered by Deloitte & Touche LLP, is included in the financial section of this report.

AWARDS AND ACKNOWLEDGEMENTS

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. 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.

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.

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 who 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 Midway International Airport

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

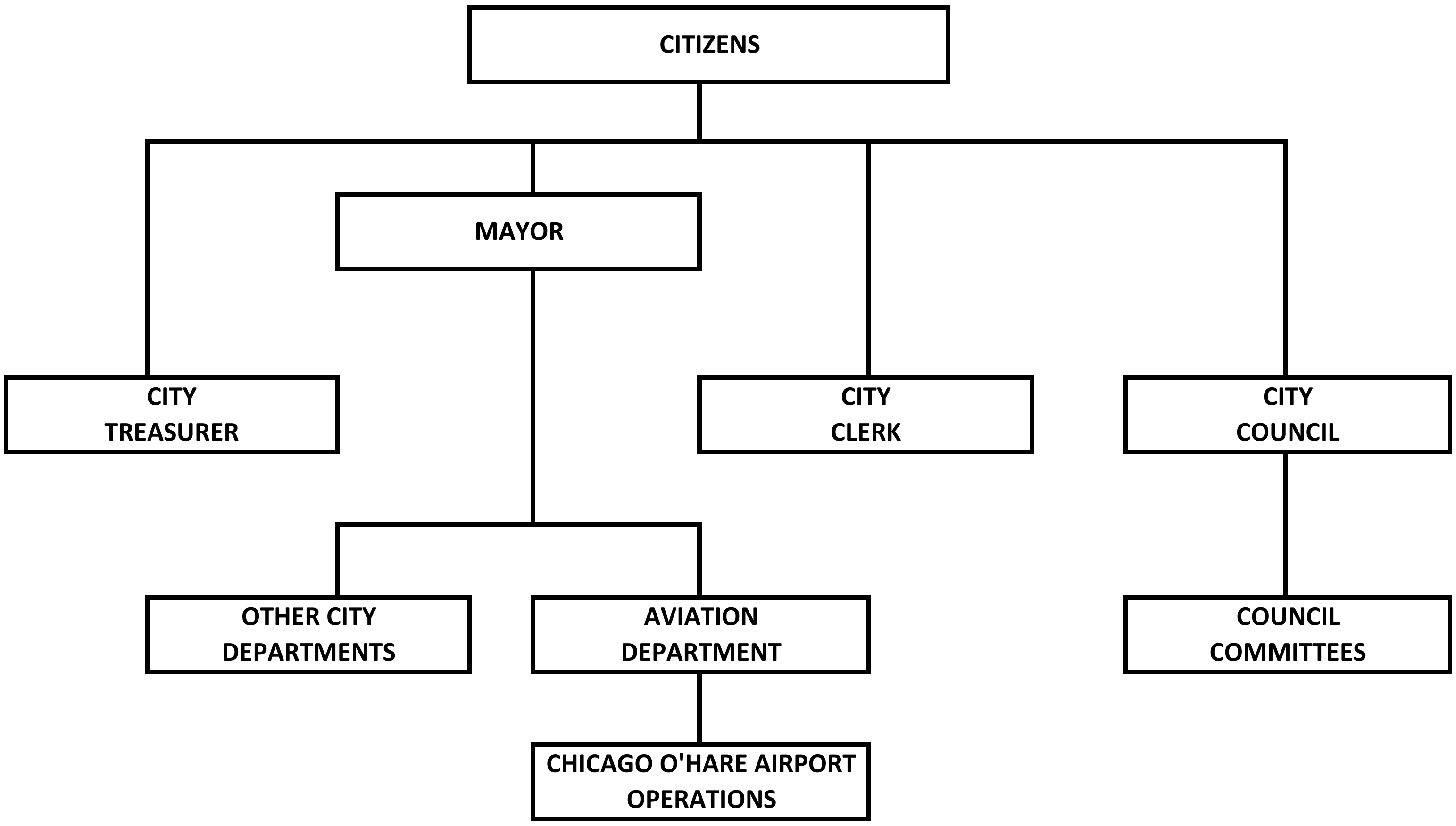
December 31, 2018

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 Midway International Airport ("Midway"), 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 Midway'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 Midway 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 Midway 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 Midway'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

This following discussion and analysis of the Chicago Midway International Airport's (the "Airport" or "Midway") performance provides an introduction and overview of the Airport's financial activities for the 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 following this section.

FINANCIAL HIGHLIGHTS

2019

- Operating revenues for 2019 increased by $21,001 compared to 2018 operating revenue primarily due to increases in terminal rental revenues used to pay for Midway Modernization Program and other capital developments of the airport and operational infrastructure reliability.
- Operating expenses before depreciation and amortization increased by $6,772 compared to 2018 due to increases in salaries and wages of $4,163 due to annual contractual salary increase and pension expense of $4,694 primarily as a result of increased required cash contributions, the 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.
- The Airport's total net deficit at December 31, 2019, was $356,219. This is a decrease of $23,395 compared to total net deficit at December 31, 2018 of $332,824, primarily due to the increase in salary expense, pension expenses and non-operating expenses during 2019
- Capital asset additions for 2019 were $144,064, which is an increase of $63,137 compared to 2018, primarily due to runway rehabilitation, security improvements related to the terminal checkpoint expansion and parking garage enhancements as part of the Midway Modernization Program. Completed projects totaling $34,236 were transferred from construction in progress to applicable buildings and other facilities.

2018

- Operating revenues for 2018 increased by $11,508 compared to 2017 operating revenue primarily due to increases in the landing fees and terminal rental rates to pay for capital development of the airport and operational infrastructure reliability.
- Operating expenses before depreciation and amortization increased by $10,445 compared to 2017 due to increases in salaries and wages of $3,223 due to increased public safety presence, pension expense of $2,632 primarily 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, and repairs and maintenance of $2,820 due to increased equipment and fuel maintenance.
- The Airport's total net deficit at December 31, 2018, was $332,824. This is a decrease of $25,823 compared to total net deficit at December 31, 2017, primarily due to the

reduction of capital grant revenues earned during 2018 for Airport Improvement Grants (AIP) that were awarded but not expended during 2018. These grant awards will be expended during 2019-2020.

- Capital asset additions for 2018 were $80,927, which is an increase of $45,038 compared to 2017, principally due to runway rehabilitation and parking and security improvements related to the terminal checkpoint expansion as part of the Midway Modernization Program. Completed projects totaling, $18,008 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 are composed of 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 the 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 are provided and used by the Airport's operating, capital financing, 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 Supplementary and Statistical Information. The Additional Supplementary Information section presents 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.

FINANCIAL ANALYSIS

Landing fees and terminal area use charges and fueling system charges are assessed to the various airlines throughout each year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain operating expenses and required debt service and fund deposits as determined under provisions of the Airport Use Agreement and Facilities Lease ("Use Agreement"). 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. The termination date of the Use Agreement is December 31, 2027.

At December 31, 2019, the Airport's financial position included total assets and deferred outflows of $2,008,977 total liabilities and deferred inflows of $2,365,196 and net deficit of $356,219. A comparative condensed summary of the Airport's net position at December 31, 2019, 2018, and 2017, is as follows:

	Net Position		
	2019	**2018**	**2017**
Current unrestricted assets	$ 84,437	$ 88,052	$ 72,095
Restricted and other assets—noncurrent	527,282	622,339	692,585
Capital assets—net	1,288,735	1,196,678	1,167,134
Total assets	1,900,454	1,907,069	1,931,814
Deferred outflows	108,523	134,202	154,462
Total assets and deferred outflows	2,008,977	2,041,271	2,086,276
Current unrestricted liabilities	45,371	51,908	39,668
Liabilities payable from restricted assets and noncurrent liabilities	2,263,135	2,239,346	2,244,835
Total liabilities	2,308,506	2,291,254	2,284,503
Deferred inflows	56,690	82,841	108,774
Total liabilities and deferred inflows	2,365,196	2,374,095	2,393,277
Net position:			
Net investment in capital assets	(165,290)	(172,197)	(180,803)
Restricted	121,093	120,685	127,476
Unrestricted	(312,022)	(281,312)	(253,674)
Total net deficit	$ (356,219)	$ (332,824)	$ (307,001)

2019

Current unrestricted assets decreased by $3,615 (4.1%) primarily due to a decrease in cash and cash equivalents from deferred revenue payments from the prior year paid to the airlines at the end of 2019 based on the residual nature of the Use and Lease Agreement. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2019 and 2018, was 1.86:1 and 1.70:1, respectively. Noncurrent restricted and other assets decreased by $95,057 (15.3%) mainly due to decreases in construction funds of $100,728 (32.5%) related to increased activity in the Midway Modernization Program capital development during 2019. Net capital assets increased by $92,057 (7.7%) due primarily to projects continually being completed.

The decrease in current liabilities of $6,537 (12.6%) is mainly related to the decrease in billings over amounts earned for terminal rent of $7,037 .

Liabilities payable from restricted assets and noncurrent liabilities decreased by $23,789 (1.1%) in 2019 mainly due to a decrease in revenue bonds payable from restricted funds of $56,766 (3.2%), which was offset by an increase in pension liability of $31,093 (9.4%) compared to 2018 primarily as a result of adjustments in the discount rate. At December 31, 2019, total net deficit was $356,219, a decrease of $23,395 (7.0%).

Deferred outflows decreased by $25,679 (19.1%) and deferred inflows decreased by $26,151 (31.6%) during 2019 due to the difference between 2019 projected and actual earnings on pension plan investments.

2018

Current unrestricted assets increased by $15,957 (22.1%) primarily due to an increase in cash and cash equivalents from increased landing fee and terminal rental revenues. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2018 and 2017, was 1.70:1 and 1.82:1, respectively. Noncurrent restricted and other assets decreased by $70,246 (10.1%) mainly due to decreases in construction funds of $53,291 (14.7%) related to increased activity in the Midway Modernization Program capital development during 2018. Net capital assets increased by $29,544 (2.5%) due primarily to projects continually being completed.

The increase in current liabilities of $12,240 (30.9%) is mainly related to the increase in billings over amounts earned for terminal rent of $12,802.

Liabilities payable from restricted assets and noncurrent liabilities decreased by $5,488 (0.2%) in 2018 mainly due to a decrease in revenue bonds payable from restricted funds of $59,607 (3.2%), which was offset by an increase in pension liability of $39,092 (13.4%) compared to 2017 primarily as a result of a decrease in pension plan assets associated with investment losses caused by market results. At December 31, 2018, total net deficit was $(332,824), a decrease of $25,823 (8.4%).

Deferred outflows decreased by $20,260 (13.1%) and deferred inflows decreased by $25,933 (23.8%) during 2018 due to the change in assumptions and the difference between 2019 projected and actual earnings on pension plan investments.

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 area use charges	$ 125,431	$ 106,125	$ 95,416
Rents, concessions and other	102,103	100,408	99,609
Total operating revenues	227,534	206,533	195,025
Operating expenses:			
Salaries and wages	55,571	51,408	48,185
Pension expense	47,537	42,843	40,211
Repairs and maintenance	47,021	47,326	44,506
Professional and engineering	22,113	24,144	24,344
Other operating expenses	15,940	15,689	13,719
Depreciation and amortization	52,007	51,383	51,443
Total operating expenses	240,189	232,793	222,408
Operating (loss)	(12,655)	(26,260)	(27,383)
Nonoperating revenue (expenses):			
Nonoperating revenues	55,337	54,462	55,245
Nonoperating expenses	(69,474)	(60,801)	(62,566)
Total nonoperating revenues (expenses)	(14,137)	(6,339)	(7,321)
(Loss) before capital grants	(26,792)	(32,599)	(34,704)
Capital grants	3,397	6,776	31,556
Change in net position	(23,395)	(25,823)	(3,148)
Net deficit beginning of year	(332,824)	(307,001)	(303,853)
Net deficit end of year	$(356,219)	$(332,824)	$(307,001)

2019

Landing fees and terminal area use charges for the years 2019 and 2018 were $125,431 and $106,125, respectively. Rents, concessions, and other revenues were $102,103 and $100,408 for 2019 and 2018, respectively. The increase in 2019 operating revenues of $21,001 (10.2%) from 2018 was due to increased terminal area use charges of $19,306 (18.2%) to pay for the

Midway Modernization Program, capital development of the airport, and operational infrastructure reliability; and rents and other concession revenue of $1,695 (1.7%) based on steady revenues earned under the Midway concessions program.

Salaries and wages increased by $4,163 (8.1%) in 2019 compared to 2018 due to an increase in annual contractual salary increases and centralized support staff costs. Repairs and maintenance decreased by $305 (0.6%) due to decreased equipment and fuel maintenance.

Pension expense increased $4,694 (11.0%) from $42,843 in 2018 to $47,537 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 $13,963 toward the pension plans.

The 2019 nonoperating revenues of $55,337 are comprised of Passenger Facility Charges (PFC) revenue of $36,669, Customer Facility Charges (CFC) revenue of $7,427, and investment income of $11,241. During 2019, nonoperating revenues increased by $875 primarily due to fair value changes in investment income resulting from better long-term investment management.

Nonoperating expenses of $69,474 and $60,801 for the years 2019 and 2018, respectively, were primarily comprised of bond interest expense.

Capital grants decreased $3,379 in 2019, primarily due to the reduction of capital grant revenues earned during 2019 for Airport Improvement Grants (AIP) grants that were awarded but not expended during 2019. These grant awards will be expended during 2020-2021.

2018

Landing fees and terminal area use charges for the years 2018 and 2017 were $106,125 and $95,416, respectively. Rents, concessions, and other revenues were $100,408 and $99,609 for 2018 and 2017, respectively. The increase in 2018 operating revenues of $11,508 (5.9%) from 2017 was due to increased landing fees and terminal area use charges of $10,709 to pay for capital development of the airport and operational infrastructure reliability and rents and other concession revenue of $799 based on steady revenues earned under the Midway concessions program.

Salaries and wages increased by $3,223 (6.7%) in 2018 compared to 2017 due to an increase in public safety presence and additional traffic management support as the construction of the terminal security checkpoint expansion is over a major roadway and affects traffic flow. Repairs and maintenance increased by $2,820 (6.3%) due to increased equipment and fuel maintenance.

Pension expense increased $2,632 (6.5%) from $40,211 in 2017 to $42,843 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 contributions of $11,490 toward the pension plans.

The 2018 nonoperating revenues of $54,462 are comprised of Passenger Facility Charges (PFC) revenue of $39,469, Customer Facility Charges (CFC) revenue of $7,502, investment income of

$6,408 and other nonoperating revenues of $1,083. During 2018, nonoperating revenues decreased by $783 primarily due to fair value changes in investment income resulting from better long-term investment management.

Nonoperating expenses of $60,801 and $62,566 for the years 2018 and 2017, respectively, were primarily comprised of bond interest expense.

Capital grants decreased $24,780 in 2018, primarily due to the reduction of capital grant revenues earned during 2018 for Airport Improvement Grants (AIP) grants that were awarded but not expended during 2018. These grant awards will be expended during 2019-2020.

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

	Cash Flows		
	2019	**2018**	**2017**
Cash provided by (used in) activities:			
Operating	$ 66,121	$ 69,048	$ 56,535
Capital and related financing	(166,269)	(135,794)	(98,141)
Noncapital financing	(2,428)	(477)	(814)
Investing	(36,360)	157,177	74,775
Net change in cash and cash equivalents	(138,936)	89,954	32,355
Cash and cash equivalents:			
Beginning of year	350,347	260,393	228,038
End of year	$ 211,411	$ 350,347	$ 260,393

2019

As of December 31, 2019, the Airport's cash and cash equivalents of $211,411 decreased by $138,936 compared to $350,347 at December 31, 2018, due to investing activities of $36,360, noncapital financing of $2,428 and capital and related financing of $166,269 related to the construction costs for the Midway Modernization Program, expected to be completed by 2021; offset by operating activities of $66,121. Total cash and cash equivalents at December 31, 2019, were comprised of unrestricted and restricted cash and cash equivalents of $35,147 and $176,265, respectively.

2018

As of December 31, 2018, the Airport's cash and cash equivalents of $350,347 increased by $89,954 compared to $260,393 at December 31, 2017, due to operating activities of $69,048, and investing activities of $157,177 offset by noncapital financing of $477 and capital and related financing of $135,794, due to excess CFC funds used to pay off CFC bonds through restructuring and additional capital asset construction. Total cash and cash equivalents at December 31, 2018, were comprised of unrestricted and restricted cash and cash equivalents of $62,153 and $288,194, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2019 and 2018, the Airport had $1,288,735 and $1,196,678, respectively, invested in net capital assets. During 2019, the Airport had additions of $144,064 related to capital activities. Construction projects include runway rehabilitation, passenger security checkpoint expansion and terminal garage enhancements.

During 2019, completed projects totaling $34,236 were transferred from construction in progress to applicable buildings and other facilities capital account. These major completed projects were related to building security, runway and taxi improvements and parking enhancements.

The Airport’s capital assets at December 31, 2019, 2018, and 2017, are summarized as follows:

	Capital Assets at Year-End		
	2019	**2018**	**2017**
Capital assets not depreciated:			
Land	$ 116,250	$ 116,250	$ 116,475
Construction in progress	205,399	95,571	32,427
Total capital assets not depreciated	321,649	211,821	148,902
Capital assets depreciated:			
Buildings and other facilities	1,738,200	1,703,964	1,685,956
Less accumulated depreciation for:			
Buildings and other facilities	(771,114)	(719,107)	(667,724)
Total capital assets depreciated—net	967,086	984,857	1,018,232
Total property and facilities—net	$1,288,735	$1,196,678	$1,167,134

The Airport’s capital activities are funded through Airport revenue bonds, federal and state grants, PFC and CFC revenue. Additional information on the Airport’s capital assets is presented in Note 5 of the notes to the basic financial statements.

During 2018, the Airport sold $45,670 of Chicago Midway International Airport Second Lien Revenue Refunding Bonds, Series 2018 A, having interest rates ranging from 2.9% to 3.9% and maturity dates ranging from January 1, 2019 to January 1, 2029. Certain net proceeds used to refund certain maturities of outstanding bonds and to pay the cost of issuance of 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 and notes	$1,677,005	$1,713,485	$1,755,835
Unamortized:			
Bond premium (discount)	96,982	105,563	114,270
Total revenue bonds payable—net of unamortized premium discount	1,773,987	1,819,048	1,870,105
Current bonds payable	(48,185)	(36,480)	(27,930)
Total long-term revenue bonds and notes payable—net	$1,725,802	$1,782,568	$1,842,175

Additional information on the Airport's long-term debt is presented in Note 4 of the notes to basic financial statements and in 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
First Lien Chicago Midway Revenue Bonds	A2	A	NR	NR
Second Lien Chicago Midway Revenue Bonds	A3	A	A	A

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

The airlines using the Airport generally provide low fare, point-to-point origination and destination passenger service. During 2019 and 2018, Southwest Airlines accounted for 92.4% and 92.9%, respectively, of total enplanements at the Airport.

Based on the Airport's rates and charges for 2020, total budgeted Operating and Maintenance Expenses are projected at $132,905 and total net debt service and fund deposit requirements are projected at $73,090. Additionally, 2020 nonairline and nonsignatory revenues are budgeted for $75,091, resulting in a net airline requirement of $130,904 that will be funded through landing fees, terminal area use charges, and fueling system charges. These amounts include $67,307 related to the the application of the CARES Act funds either as a reduction to Operating and Maintenance Expenses and Debt Service or to supplement impacts to revenue, which were allocated to the Airport by the FAA, as discussed in Note 11

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 MIDWAY INTERNATIONAL AIRPORT

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

	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 35,147	$ 62,153
Cash and cash equivalents—restricted (Note 2)	149,625	104,883
Investments (Note 2)	28,401	5,081
Accounts receivable—net of allowance for doubtful accounts of approximately $137 in 2019 and $130 in 2018	9,141	9,004
Amounts to be billed	9,353	9,205
Due from other City funds	1,809	2,022
Prepaid expenses	456	442
Interest receivable	130	145
Total current assets	234,062	192,935
NONCURRENT ASSETS:		
Cash and cash equivalents (Note 2)—restricted	26,639	183,311
Investments (Note 2)—restricted	325,556	296,144
Due from other governments—restricted	20,013	32,416
Passenger facility charges and other receivables—restricted	2,961	3,306
Interest receivable—restricted	1,954	1,706
Other assets	534	573
Property and facilities (Note 5):		
Land	116,250	116,250
Buildings and other facilities	1,738,200	1,703,964
Construction in progress	205,399	95,571
Total property and facilities	2,059,849	1,915,785
Less accumulated depreciation	(771,114)	(719,107)
Property and facilities—net	1,288,735	1,196,678
Total noncurrent assets	1,666,392	1,714,134
Total assets	1,900,454	1,907,069
DEFERRED OUTFLOWS (Note 10)	108,523	134,202
TOTAL ASSETS AND DEFERRED OUTFLOWS	$2,008,977	$2,041,271

	2019	2018
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 23,916	$ 23,388
Due to other City funds	11,248	10,302
Advances for terminal and hangar rent	568	1,542
Billings over amounts earned	9,639	16,676
Liabilities payable from restricted assets:		
Accounts payable	65,305	31,503
Due to other City funds	200	442
Interest payable	35,935	36,458
Current portion of revenue bond payable (Note 4)	48,185	36,480
Total current liabilities	194,996	156,791
NONCURRENT LIABILITIES:		
Revenue bonds payable—net of current maturities (Note 4)	1,725,802	1,782,568
Net pension liability (Note 7)	360,795	329,702
Derivative instrument (Note 4)	24,959	20,239
Performance deposits	1,954	1,954
Total noncurrent liabilities	2,113,510	2,134,463
Total liabilities	2,308,506	2,291,254
DEFERRED INFLOWS (Note 10)	56,690	82,841
NET POSITION (Note 1):		
Net investment in capital assets (deficit)	(165,290)	(172,197)
Restricted net position:		
Debt service	9,105	5,381
Capital projects	38,418	49,213
Passenger facility charges	3,475	3,854
Airport use agreement	39,811	35,978
Customer facility charges	15,508	13,798
Other assets	14,776	12,461
Total restricted net position	121,093	120,685
Unrestricted net (deficit) position	(312,022)	(281,312)
Total net (deficit) position	(356,219)	(332,824)
TOTAL	$ 2,008,977	$2,041,271

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2019	2018
OPERATING REVENUES:		
Landing fees and terminal area use charges	$ 125,431	$ 106,125
Rents, concessions and other (Note 6)	102,103	100,408
Total operating revenues	227,534	206,533
OPERATING EXPENSES:		
Salaries and wages	55,571	51,408
Pension expense (Note 7)	47,537	42,843
Repairs and maintenance	47,021	47,326
Professional and engineering services	22,113	24,144
Other operating expenses	15,940	15,689
Total operating expenses before depreciation and amortization	188,182	181,410
Depreciation and amortization	52,007	51,383
Total operating expenses	240,189	232,793
OPERATING LOSS	(12,655)	(26,260)
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charges revenues	36,669	39,469
Customer facility charges revenues	7,427	7,502
Investment income	11,241	6,408
Interest expense (Note 4)	(58,490)	(59,598)
Noise mitigation costs	(2,496)	(648)
Costs of issuance	-	(555)
Other nonoperating revenues (expenses)	(8,488)	1,083
Total nonoperating revenues (expenses)	(14,137)	(6,339)
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(26,792)	(32,599)
CAPITAL GRANTS	3,397	6,776
CHANGE IN NET POSITION	(23,395)	(25,823)
TOTAL NET DEFICIT—Beginning of year	(332,824)	(307,001)
TOTAL NET DEFICIT—End of year	$(356,219)	$(332,824)

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	$ 121,430	$ 113,103
Rents, concessions and other	97,873	105,810
Payments to vendors	(130,766)	(99,379)
Payments to employees	(50,731)	(45,367)
Transactions with other City funds provided by (used in)	28,102	(4,680)
Transactions with other City funds provided by (used in)	213	(439)
Cash flows provided by operating activities	66,121	69,048
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of bonds	-	45,670
Principal paid on bonds	(36,480)	(27,930)
Cash paid to refund bonds	-	(62,720)
Bond issuance and other related costs	(2,657)	(3,332)
Interest paid	(78,673)	(82,596)
Acquisition and construction of capital assets	(100,142)	(55,685)
Grant receipts	7,243	4,067
Passenger Facility Charges revenues	36,776	39,458
Customer Facility Charges revenues	7,664	7,274
Cash flows used in capital and related financing activities	(166,269)	(135,794)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
(Payment) Proceeds from settlement agreement	68	171
Cash paid for noise mitigation program	(2,496)	(648)
Cash flows used in noncapital financing activities	(2,428)	(477)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale (purchases) of investments—net	(49,074)	146,856
Investment interest	12,714	10,321
Cash flows (used in) provided by investing activities	(36,360)	157,177
NET CHANGE IN CASH AND CASH EQUIVALENTS	(138,936)	89,954
CASH AND CASH EQUIVALENTS—Beginning of year	350,347	260,393
CASH AND CASH EQUIVALENTS—End of year	$ 211,411	$ 350,347

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2019	**2018**
RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET POSITION:		
Unrestricted	$ 35,147	$ 62,153
Restricted:		
Current	149,625	104,883
Noncurrent	26,639	183,311
TOTAL	$211,411	$350,347
RECONCILIATION OF OPERATING LOSS TO CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (12,655)	$ (26,260)
Adjustments to reconcile operating loss to cash flows from operating activities:		
Depreciation and amortization	52,007	51,383
Pension expense other than contributions	33,633	31,353
Provision for uncollectible accounts	64	8
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(202)	2,220
Decrease in due from other City funds	213	(439)
Increase in prepaid expenses	(14)	(52)
Increase (decrease) in due to other City funds	704	1,207
Decrease in amounts to be billed	(147)	7,747
Increase (decrease) in billings over amounts earned	(7,037)	3,597
Increase (decrease) in advances for terminal and hangar rent	(973)	(1,201)
(Decrease) increase in accounts payable and accrued liabilities	528	(515)
CASH FLOWS FROM OPERATING ACTIVITIES	$ 66,121	$ 69,048

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS—Property additions in 2019 and 2018 of $64,650 and $30,041, respectively, are included in accounts payable.

The fair value adjustments (loss) to investments for 2019 and 2018 were $(150) and $(3,809), respectively.

See notes to basic financial statements. (Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago Midway International Airport (the "Airport" or "Midway") 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 ("Use Agreement") commencing January 1, 2013, which is a residual Use Agreement that is scheduled to terminate on December 31, 2027.

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 and 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; 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 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 may 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 applicable bond ordinances.

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

Accounts Receivable Allowance—Management has provided an allowance based on 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 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.

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:

Facilities and structures	40 years
Runways, aprons, tunnels, taxiways, and paved roads	30 years
Other	10–30 years

Deferred Outflows—Deferred outflows represent the unamortized loss on bond refundings, the changes in fair value of hedging derivative instruments 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, PFC, Airport Use Agreement requirements, CFC, and other assets; and unrestricted. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, reduced by outstanding debt net of debt service reserve, and unspent construction funds. Restricted net position consists of net position for which constraints are placed thereon by external parties (such as lenders and grantors) and 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. Unused vacation leave is accrued and may be carried over for up to 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 three 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 expensed 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 lives 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, parking 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 and terminal area use charges and fueling system charges are assessed to the various airlines throughout each 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 previously defined Use Agreement. 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.

Passenger Facility Charge (PFC) Revenue—The Airport imposed PFC 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 $4.75 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, repair and maintenance, pension expense, professional and engineering services, and other expenses that relate to Airport operations are reported as operating expenses. Interest expense, financing costs, and noise mitigation costs are reported as nonoperating expenses.

Adopted Accounting Standard—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 werepostponed 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 the following pronouncement was postponed by 18 months: Statement No. 87, *Leases*. 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—As of December 31, 2019, the Airport had the following investments (dollars in thousands):

	Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**10**	**Fair Value**
U.S. agencies	$ 119,056	$ 172,164	$ -	$ -	$ 291,220
U.S. treasuries	-	-	-	-	-
Municipal bonds	20,085	27,125	17,354	5,180	69,744
Corporate bonds		-	-	-	-
Certificates of deposits and other short-term	183,153	-	-	-	183,153
Subtotal	$ 322,294	$ 199,289	$ 17,354	$ 5,180	$ 544,117

As of December 31, 2018, the Airport had the following investments (dollars in thousands):

	Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
U.S. agencies	$ 152,199	$ 74,094	$ -	$ -	$ 226,293
U.S. treasuries	29,931	-	-	-	29,931
Municipal bonds	10,849	61,784	9,495	4,528	86,656
Corporate bonds	-	-	-	-	-
Certificates of deposits and other short-term	213,281	-	-	-	213,281
Subtotal	$ 406,260	$ 135,878	$ 9,495	$ 4,528	$ 556,161

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	$ -	$218,116	$ -	$ -	$185,777	$ -
U.S. treasuries	-	-	-	-	4,996	-
Municipal bonds	-	58,946	-	-	84,521	-
Total investments at fair value	$ -	$277,062	$ -	$ -	$275,294	$ -

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 Midway are $267.1 million and $280.9 million at 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. 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 at December 31, 2019 and 2018, was as follows (dollars in thousands):

Quality Rating	**2019**	**2018**
Moody's/S&P:		
Aaa/AAA*	$421,577	$220,964
Aa/AA	53,476	311,106
P1/A1	62,104	21,592
A/A	6,960	-
Not rated*	-	2,499
Total funds	$544,117	$556,161

* The Airport was able to obtain quality ratings for a portion of money market mutual funds as of December 31, 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 $454 million. 96.4% of the bank balance was either insured or collateralized with securities held by City agents in the City's name. $16.3 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 at December 31, 2019 and 2018, are summarized as follows (dollars in thousands):

	2019	**2018**
Per Note 2—Investments—airport	$544,117	$556,161
Per basic financial statements:		
Restricted investments	325,556	296,144
Unrestricted investments	28,401	5,081
Investments classified as cash and cash equivalents on the statements of net position	190,160	254,936
	$544,117	$556,161

3. RESTRICTED ASSETS

There are various limitations and restrictions contained in the Master Indenture of Trust securing the Chicago Midway Airport Revenue Bonds ("First Lien Master Indenture") and the Master Indenture of Trust securing the Chicago Midway Airport Second Lien Obligation ("Second Lien Master Indenture") and together with the First Lien Master Indenture ("Master Indentures"), 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 Master Indenture requirements at December 31, 2019 and 2018, were as follows (dollars in thousands):

Account	**2019**	**2018**
Construction	$ 209,244	$ 309,972
Capitalized interest	119	3,733
Debt service	92,596	77,748
Debt service reserve	127,206	127,460
Operation and maintenance reserve	28,852	26,699
Repair and replacement	10,451	9,261
Emergency reserve	431	426
Customer Facility Charge (CFC)	15,675	14,052
Other	16,712	14,440
Subtotal—master indentures and use agreement accounts	501,286	583,791
Passenger Facility Charges (PFC)	534	548
Total	$ 501,820	$ 584,339

Construction and capitalized interest accounts, which are funded with bond proceeds, are restricted to pay authorized capital improvements and related interest costs during construction.

Required deposits are made by the Airport from revenues collected after funding deposits to an operation and maintenance account in the following priority on a monthly basis:

- The debt service account, which is restricted for the payment of debt service.

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

The debt service reserve account requirement was funded upon issuance of, the Series 2004 second lien bonds, the Series 2013 second lien bonds, the Series 2016 second lien bonds and the Series 2014 second lien bonds with a cash deposit. 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 repair and replacement account must be used for paying the cost of maintenance expenditures, such as costs incurred for major repairs, renewals, and replacements at the Airport whether caused by normal wear and tear or by unusual and extraordinary occurrences.

The emergency reserve account is restricted to make payments for certain purposes, including terminal area use charges, landing fees, and certain other charges that are deemed uncollectible and also for any judgments or settlements against the Airport.

The CFC funds are restricted for permitted costs and purposes related to the consolidated rental car facility. The PFC account is restricted to fund eligible and approved PFC projects.

Other funds include the federal and state grant funds, the security for payment fund, and the Airport development fund.

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

4. LONG-TERM DEBT

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

	2019	2018
First lien bonds:		
$54,210 Series 1998 C Chicago Midway Airport Revenue Bonds, issued September 10, 1998, due through 2024, interest at 5.25%–5.50%	$ 19,370	$ 22,660
Subtotal—first lien bonds	19,370	22,660
Second lien bonds:		
$152,150 Series 2004 C and D Chicago Midway Airport Second Lien Revenue Bonds, issued December 14, 2004, due through 2035, interest rate Swap at 4.174% and 4.247% at December 31, 2019, respectively	117,850	122,850
$118,600 Series 2013 A Chicago Midway Airport Second Lien Revenue Bonds, issued December 5, 2013, due through 2033, interest rate at 5.375%–5.500%	118,600	118,600
$150,365 Series 2013 B Chicago Midway Airport Second Lien Revenue Bonds, issued December 5, 2013, due through 2035, interest rate at 4.125%–5.250%	150,365	150,365
$64,995 Series 2013 C Chicago Midway Airport Second Lien Revenue Bonds, issued December 5, 2013, due through 2020, interest rate at 0.740%–3.655%	9,720	25,365
$484,200 Series 2014 A Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2041, interest rate at 5.000%	484,200	484,200
$287,610 Series 2014 B Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2036, interest rate at 4.000%–5.000%	282,680	287,610
$124,710 Series 2014 C Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2044 variable floating interest rate (1.78% at December 31, 2019)	124,710	124,710
$121,265 Series 2016 A Chicago Midway Airport Second Lien Revenue Bonds, issued June 1, 2016, due through 2033, interest rate at 2.000%–5.000%	118,185	119,145
$221,130 Series 2016 B Chicago Midway Airport Second Lien Revenue Bonds, issued June 1, 2016, due through 2046, interest rate at 2.000%–5.000%	208,270	212,310
$45,670 Series 2018 A Chicago Midway Airport Second Lien Revenue Bonds, issued August 1, 2018, due through 2029, interest rate at 2.937%–3.897%	43,055	45,670
Subtotal—second lien bonds	1,657,635	1,690,825
Total revenue bonds and notes	$1,677,005	$1,713,485
Unamortized premium (discount)	96,982	105,563
Total revenue bonds payable—net of unamortized premium (discount)	$1,773,987	$1,819,048
Current portion	(48,185)	(36,480)
Total long-term revenue bonds payable	$1,725,802	$1,782,568

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

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due within One Year
Revenue bonds and notes	$1,713,485	$ -	$(36,480)	$1,677,005	$48,185
Unamortized premium (discount)	105,563	-	(8,581)	96,982	-
Total long-term debt	$1,819,048	$ -	$(45,061)	$1,773,987	$48,185

	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Due within One Year
Revenue bonds and notes	$1,755,835	$45,670	$(88,020)	$1,713,485	$36,480
Unamortized premium (discount)	114,270	-	(8,707)	105,563	-
Total long-term debt	$1,870,105	$45,670	$(96,727)	$1,819,048	$36,480

Interest expense capitalized for 2019 and 2018 totaled $15.5 million and $16.9 million, respectively. Interest income capitalized for 2019 and 2018 totaled $5.4 million and $3.9 million, respectively. Interest expense includes amortization of the deferred loss on bond refunding for 2019 and 2018 of $1.7 million and $3.9 million, and amortization of $8.6 million of premium, net and $8.7 million of premium, net, respectively.

Issuance of Debt—The Airport Commercial Paper Notes, Series A, B, C, and D ($150 million maximum aggregated authorized by City Council) outstanding at December 31, 2019 and 2018, were $0 and $0, respectively. Note proceeds may be used to finance portions of the costs of authorized airport projects and to repay the expenses of issuing the notes. An irrevocable letter of credit (LOC) ($94.6 million) provided for the timely payment of principal and interest on the notes until July 10, 2020. Amounts paid by drawing on the LOC shall be reimbursed by the Airport on said day; any amounts not reimbursed shall constitute an advance and will bear interest at the greater of the most recent prime rate, plus 1.50% or the federal funds rate, plus 2.0% and 7.5% (Base Rate). Advances outstanding greater than 90 days will bear interest at the Base Rate, plus 1.0% beginning on the 90-first day after such advance is made. At December 31, 2019, there were no outstanding LOC advances.

In August 2018, the Airport sold $45.7 million of Chicago Midway Airport Second Lien Refunding Revenue Bonds, Series 2018A (Taxable) at par. The Bonds have interest rates of 2.937% to 3.897%. The bonds are subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2019, through January 1, 2029. Certain proceeds of $45.1 million together with $18.9 million transferred from the debt service, debt service reserve and surplus account were deposited into an escrow account to fully defease the Series 2010C Second Lien Bonds ($60.1 million of principal and $3.9 million of interest). Certain proceeds of $0.6 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debts of $3.5 million that will be charged to operation over 12 years using the straight-line method. The current and advance refunding decreased the Airport's total debt service by $65.7 million and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of $17.5 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 Midway Airport 2010C Second Lien Revenue Bonds	$60,090	$57,580
Total	$60,090	$57,580

Debt Redemption—Following is a schedule of debt service requirements to maturity of the first lien bonds (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2020	$ 3,470	$ 970	$ 4,440
2021	3,660	774	4,434
2022	3,860	567	4,427
2023	4,080	349	4,429
2024	4,300	118	4,418
Total	$ 19,370	$ 2,778	$ 22,148

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

Years Ending December 31	Principal	Interest	Total
2020	$ 44,715	$ 76,277	$ 120,992
2021	50,235	74,082	124,317
2022	56,280	71,527	127,807
2023	64,380	68,619	132,999
2024	66,960	65,441	132,401
2025–2029	397,535	271,800	669,335
2030–2034	448,620	167,175	615,795
2035–2039	243,915	75,707	319,622
2040–2044	246,490	28,255	274,745
2045–2046	38,505	1,949	40,454
Total	$1,657,635	$900,832	$2,558,467

The Airport's second lien variable rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, an adjustable long rate or the fixed rate as determined from time to time by the remarketing agent, in consultation with the City. At December 31, 2019, the Series 2004 C&D bonds and the Series 2014C bonds were in a weekly rate interest mode. Irrevocable LOC ($119.2 million) provides for the timely payment of principal and interest on the Series 2004 C&D bonds until November 25, 2024.

Irrevocable LOC ($126.7 million) provides for the timely payment of principal and interest on the Series 2014C bonds until July 15, 2022.

In the event the bonds are put back to the bank and not successfully remarketed, or if the LOC expires without an extension or substitution, the bank bonds will convert to a term loan. There is no principal due on potential term loans within the next fiscal year.

Debt Covenants—The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds requires in each year that the City fix and establish and revise from time to time whenever necessary, such rates and other charges for the use and operation of Midway and for services rendered by the City in the operation of Midway in order that, in each Fiscal year, Revenues, together with any Other Available Monies deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient (a) to provide for the Operation and Maintenance Expenses for the Fiscal Year and (b) to provide for the greater of (i) the amounts needed to make the Deposits required during such Fiscal Year into the Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125% of the Aggregate Debt Service for the Bond Year commencing during such Fiscal Year reduced by an amount equal to the sum of any amount held in any Capitalized Interest Account for disbursement during such Fiscal Year to pay interest on First Lien Bonds. These requirements were met at December 31, 2019.

The Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations requires that the City fix and establish and revise from time to time whenever necessary, such rentals, rates and other charges for the use and operation of Midway and for certain services rendered by the City in the operation of Midway in order that in each Fiscal Year, Revenues, together with Other Available Moneys deposited with the First Lien Trustee or the Second Lien Trustee with respect to such Fiscal Year and any cash balance held in the First Lien Revenue Fund or the Second Lien Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account under the First Lien Indenture for the Second Lien Indenture, will be at least sufficient (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for the greater of (A) or (B) as follows: (A) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above; or (B) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above or an amount not less than 110% of the Aggregate First Lien Debt Service and Aggregate Second Lien Debt Service for the Bond Year commencing during such Fiscal Year, reduced by (X) any amount held in any Capitalized Interest Account for disbursement during such Bond Year to pay interest on First Lien Bonds, and (Y) any amount held in any capitalized interest account established pursuant to a Supplemental Indenture under the Second Lien Indenture for disbursement during such Bond Year to pay interest on Second Lien Obligations. These requirements were met at December 31, 2019.

Hedging Derivatives—In April 2011, the Airport novated its $60.9 million notional amount swap associated with the Midway Airport Series 2004 C&D variable rate bonds with J.P. Morgan to Wells Fargo Bank, N.A. The fixed rate the Airport pays increased from 4.174% to 4.247%, and the Airport signed a one-way credit support agreement (CSA) that no longer requires the Airport to post collateral if the mark-to-market exceeds the threshold, previously defined in the J.P. Morgan agreement. A Goldman Sachs swap covers the 60% balance of the bonds, with a current notional amount of $70.7 million, which does not have a two-way CSA and remains unchanged.

Objective of the Swaps—In order to protect against the potential of rising interest rates, the Airport has entered into a separate pay-fixed, receive-variable interest rate swap at a cost less than what the Airport would have paid to issue fixed-rate debt (dollars in thousands).

	Changes in Fair Value		Fair Value at December 31, 2019		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Cash flow hedges—pay-fixed interest rate swaps	Derivative instrument	$(4,720)	Derivative instrument	$(24,959)	$117,850

	Changes in Fair Value		Fair Value at December 31, 2018		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Cash flow hedges—pay-fixed interest rate swaps	Derivative instrument	$4,080	Derivative instrument	$(20,239)	$122,850

Pay-Fixed, Receive-Variable Interest Rate Swaps—The swap counterparties are Goldman Sachs and Wells Fargo, with notional amounts as of December 31, 2019, of $70.7 million and $47.1 million, respectively, and as of December 31, 2018, of $73.7 million and $49.1 million, respectively.

Terms, Fair Values, and Credit Risk—The terms, including the fair value and credit ratings of the outstanding swaps as of December 31, 2019 and 2018, are as follows. The notional amounts of the swaps match the principal amounts of the associated debt. The Airport's swap agreements contained scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category (dollars in thousands).

2019 Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value 2019	Swap Termination Date	Counterparty Credit Rating
Series 2004 C&D Bonds	$ 70,710	38,335	4.174 %	SIFMA +.05%	$(14,757)	January 1, 2035	A1/A+
Series 2004 C&D Bonds	47,140	40,654	4.247	SIFMA +.05%	(10,202)	January 1, 2035	Aa2/A+
Total	$117,850				$(24,959)		

2018 Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value 2018	Swap Termination Date	Counterparty Credit Rating
Series 2004 C&D Bonds	$ 73,710	December 14, 2004	4.174 %	SIFMA +.05%	$(11,928)	January 1, 2035	A1/A+
Series 2004 C&D Bonds	49,140	April 21, 2011	4.247	SIFMA +.05%	(8,311)	January 1, 2035	Aa2/A+
Total	$122,850				$(20,239)		

Fair Value—As per industry convention, the fair value of the Airport's outstanding swaps was estimated using the zero-coupon method. This method calculates the future net settlement payment required by the swap, assuming that the forward rates implied the yield curve correctly anticipates future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap. Because interest rates declined subsequent to the date of execution, the Airport's swaps had negative values. Derivative instruments are valued in the market using regression analysis. Significant inputs to the derivative valuation for interest rate swaps are observable in active markets and are classified as Level 2 in the fair value hierarchy.

Credit Risk—The Airport is exposed to credit risk (counterparty risk) through the counterparties with which it enters into agreements. If minimum credit rating requirements are not maintained, the counterparty is required to post collateral to a third party. This protects the Airport by mitigating the credit risk, and therefore the ability to pay a termination payment, inherent in a swap. Collateral on all swaps is to be in the form of cash or eligible collateral held by a third-party custodian. Upon credit events, the swaps also allow transfers, credit support, and termination, if the counterparty is unable to meet the said credit requirements.

Basis Risk—Basis risk refers to the mismatch between the variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and Securities Industry and Financial Markets Associations (SIFMA) ratios. Credit may create basis risk because the Airport's bonds may trade differently than the swap index as a result of a credit change in the Airport. SIFMA ratios (or spreads) may create basis risk if SIFMA swaps of the Airport's bonds trade higher than the SIFMA received on the swap. This can occur due to many factors including, without limitations, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The Airport is exposed to basis risk on the swaps if the rate paid on the bonds is higher than the rate received. The Airport is liable for the difference. The difference would need to be available on the debt service payment date and would add additional underlying cost to the transaction.

Tax Risk—The swap exposes the Airport to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the Federal or State tax exception of municipal debt is eliminated or its value reduced. There have been no tax law changes since the execution of this swap agreement.

Termination Risk—The risk that the swap could be terminated as a result of certain events, including a ratings downgrade for the issuer or swap counterparty, covenant violation, bankruptcy, payment default, or other defined events of default. Termination of a swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination.

Swap Payments and Associated Debt—As of December 31, 2019, debt service requirements for the Airport's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (dollars in thousands):

Years Ending December 31	Variable-Rate Bonds with Swaps Principal	Variable-Rate Bonds with Swaps Interest	Interest Rate Swaps—Net	Total
2020	$ 5,225	$ 1,861	$ 2,891	$ 9,977
2021	5,350	1,773	2,755	9,878
2022	5,675	1,680	2,610	9,965
2023	5,925	1,583	2,459	9,967
2024	6,200	1,481	2,301	9,982
2025–2029	35,350	5,717	8,882	49,949
2030–2034	44,075	2,401	3,730	50,206
2035	10,050	14	21	10,085
Total	$117,850	$16,510	$25,649	$160,009

5. CHANGES IN CAPITAL ASSETS

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

	Balance January 1, 2019	Additions	Disposals and Transfers	Balance December 31, 2019
Capital assets not depreciated:				
Land	$ 116,250	$ -	$ -	$ 116,250
Construction in progress[1]	95,571	144,064	(34,236)	205,399
Total capital assets not depreciated	211,821	144,064	(34,236)	321,649
Capital assets depreciated—buildings and other facilities	1,703,964	34,236	-	1,738,200
Less accumulated depreciation for—buildings and other facilities	(719,107)	(52,007)	-	(771,114)
Total capital assets depreciated—net	984,857	(17,771)	-	967,086
Total property and facilities—net	$1,196,678	$126,293	$(34,236)	$1,288,735

(1) Includes net capitalized interest of $24,461

	Balance January 1, 2018	Additions	Disposals and Transfers	Balance December 31, 2018
Capital assets not depreciated:				
Land	$ 116,475	$ -	$ (225)	$ 116,250
Construction in progress(1)	32,427	80,927	(17,783)	95,571
Total capital assets not depreciated	148,902	80,927	(18,008)	211,821
Capital assets depreciated—buildings and other facilities	1,685,956	18,008	-	1,703,964
Less accumulated depreciation for—buildings and other facilities	(667,724)	(51,383)	-	(719,107)
Total capital assets depreciated—net	1,018,232	(33,375)	-	984,857
Total property and facilities—net	$1,167,134	$ 47,552	$(18,008)	$1,196,678

(1) Includes net capitalized interest of $19,423

6. LEASING ARRANGEMENTS

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

Years Ending December 31	Amount
2020	$ 67,243
2021	68,902
2022	70,109
2023	68,542
2024	69,501
2025–2029	281,296
2030–2034	118,071
2035–2039	2,502
2040–2044	2,127
Total future minimum rental income	$748,293

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

Rental income, consisting of all rental and concession revenues except aircraft parking fees and certain departure fees (turns) and automobile parking, amounted to $141.6 million and $118.9 million in 2019 and 2018, respectively. Contingent rentals included in the totals were approximately $54.1 million and $46.2 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 Midway 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% to 2.5% 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%, compounded, and for Policemen's and the majority of participants in Firemen's 3.0%, simple, for annuitants born before January 1, 1966 and 1.5%, 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% and 50% 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; and 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; and 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 $13.9 million and $11.5 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 $360.8 million and $329.7 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 increased the net pension liability by $0.5 million for Laborers', $6.6 million for Policemen, and $2.6 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 1.5% and 1.5%, respectively, of the Municipal Employees' Plan, 1.5% and 1.5% of the Laborer's Plan, 0.6% and 0.5% of the Policemen's Plan and 1.3% and 1.4%, respectively, of the Firemen's Plan.

For the years ended December 31, 2019 and 2018, the Airport recognized pension expense of $47.5 million and $42.8 million, respectively.

At December 31, 2019 and 2018, the reported deferred outflows of resources of $17.3 million and $44.9 million, respectively, and deferred inflows of resources of $56.7 million and $82.8 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	$ 1,055	$ 1,441	$ 1,117	$ 2,623
Changes of assumptions	-	46,089	25,467	68,555
Net difference between projected and actual earnings on pension plan investments	-	762	4,203	-
Total	$ 1,055	$ 48,292	$ 30,787	$ 71,178

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:

Years Ending December 31	
2020	$(24,642)
2021	(22,673)
2022	922
2023	(844)
Total	$(47,237)

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	$ 117	$ 227	$ 168	$ 447
Changes of assumptions	365	2,321	-	6,933
Net difference between projected and actual earnings on pension plan investments	-	531	1,318	-
Total	$ 482	$ 3,079	$ 1,486	$ 7,380

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

Years Ending December 31	
2020	$(2,392)
2021	(121)
2022	236
2023	(320)
Total	$(2,597)

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	$ 3	$2,402	$ 4	$2,129
Changes of assumptions	6,562	1,029	966	991
Net difference between projected and actual earnings on pension plan investments	100	-	1,093	-
Total	$6,665	$3,431	$2,063	$3,120

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:

Years Ending December 31	
2020	$ 470
2021	448
2022	609
2023	239
2024	815
2025	653
Thereafter	-
Total	$3,234

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	$ 285	$ 1,259	$ 402	$ 672
Changes of assumptions	8,771	319	8,839	492
Net difference between projected and actual earnings on pension plan investments	-	310	1,279	-
Total	$ 9,056	$ 1,888	$ 10,520	$ 1,164

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:

Years Ending December 31	
2020	$2,223
2021	1,825
2022	2,099
2023	726
2024	295
2025	-
Thereafter	14
Total	$7,182

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 $19.7 million and $16.1 million, respectively, related to changes in its proportionate share of contributions. As of December 31, 2019 and 2018, the airport reported deferred outflows of $49.1 million and $50.2 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 tables:

	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 %	- %	- %	- %	7.2 %
Domestic equity	26.0	-	-	-	5.1	-	-	-
U.S. equity	-	25.0	21.0	-	-	5.3	5.8	-
Non U.S. equity	-	20.0	21.0	-	-	5.3	7.1	-
Global equity	5.0	-	-	-	5.3	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.4	-	-
International equity	17.0		-	-	5.3	-	-	-
Fixed income	25.0	20.0	26.0	20.0	0.1	(0.3)	1.7	3.3
Hedge funds	10.0	10.0	7.0	-	3.3	2.8	3.6	-
Infrastructure	2.0	-	-	-	5.1	-	-	-
Private debt	-	3.0	-	-	-	7.6	-	-
Private equity	5.0	4.0	-	-	8.6	8.8	-	-
Private markets	-	-	13.0	-	-	-	8.1	-
Global asset allocation	-	-	5.0	-	-	-	3.8	-
Real estate	10.0	10.0	7.0	8.0	3.8	3.7	5.2	6.3
Private real assets	-	3.0	-	-	-	5.1	-	-
Other investments	-	-	-	12.0	-	-	-	5.4
Total	100 %	100 %	100 %	100 %				

	Target Allocation				**Long-Term Expected Real Rate of Return**			
2018	**Municipal Employees'**	**Laborers'**	**Policemen's**	**Firemen's**	**Municipal Employees'**	**Laborers'**	**Policemen's**	**Firemen's**
Asset Class:								
Equity	- %	- %	- %	60.0 %	- %	- %	- %	7.2 %
Domestic equity	26.0	-	-	-	5.1	-	-	-
U.S. equity	-	25.0	21.0	-	-	5.7	6.0	-
Non U.S. equity	-	20.0	21.0	-	-	5.2	7.4	-
Global low volatility equity	-	5.0	-	-	-	4.7	-	-
International equity	22.0	-	-	-	5.3	-	-	-
Fixed income	25.0	20.0	22.0	20.0	0.8	(0.1)	2.2	3.8
Hedge funds	10.0	10.0	7.0	-	3.4	3.5	4.2	-
Infrastructure	2.0	-	-	-	5.0	-	-	-
Private debt	-	3.0	-	-	-	7.6	-	-
Private equity	5.0	4.0	-	-	8.3	8.7	-	-
Private markets	-	-	17.0	-	-	-	6.7	-
Global asset allocation	-	-	5.0	-	-	-	4.4	-
Real estate	10.0	10.0	7.0	8.0	4.7	4.9	4.1	6.3
Private real assets	-	3.0	-	-	-	5.3	-	-
Other investments	-	-	-	12.0	-	-	-	5.8
Total	100 %	100 %	100 %	100 %				

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, 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% point lower (6.00%) or 1% (8.00%) point higher 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	$ 228,934	$ 196,694	$ 169,929

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	$ 219,518	$ 188,469	$ 162,720

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% and 7.11%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) 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	$ 28,264	$ 23,398	$ 19,321

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	$ 27,927	$ 23,248	$ 19,330

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% point lower (5.43%) or 1% 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	$ 78,736	$ 67,996	$ 59,043

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	54,477	47,425	41,483

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%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.34%) or 1% 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	83,419	72,707	63,753

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	$ 80,915	$ 70,560	$ 61,914

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

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 self-insured risks. Such reimbursements were $28.9 million in 2019 and $24.5 million in 2018.

9. COMMITMENTS AND CONTINGENCIES

The Airport has certain contingent liabilities resulting from litigation, claims, and commitments incident to the 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 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	$ 476	$ 511
Total claims incurred	5,455	5,102
Claims paid	(5,453)	(5,136)
Claims liability—December 31	$ 478	$ 477

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 amount of approximately $58.6 million and $234.2 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 accumulated	$ 17,258	$ 44,856
Changes in proportionate share of pension contribution	49,140	50,233
Unamortized deferred bond refunding costs	17,166	18,874
Derivatives	24,959	20,239
Total deferred outflows of resources	$108,523	$134,202
Deferred inflows of resources deferred inflows from pension activities	$(56,690)	$(82,841)

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 $82.3 million of grant assistance under the CARES Act to Midway. 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 Midway as a result of the COVID-19 pandemic.

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

* * * * * *

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY 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	12,307,094
Total pension liability—ending (a)	17,260,356	16,808,614	16,282,396	23,291,271	23,358,840
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 %	20.30 %
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	$ 196,694	$ 188,469	$ 160,076	$ 175,069	$ 171,485
ALLOCATED PERCENTAGE	1.49 %	1.46 %	1.36 %	0.93 %	0.92 %

* 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.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY 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	$ 23,398	$ 23,248	$ 20,249	$ 38,495	$ 36,973
ALLOCATED PERCENTAGE	1.47 %	1.45 %	1.49 %	1.52 %	1.50 %

* 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. (Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY 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	(59)	1,600	97	1,413	3,092
Net change in plan fiduciary net position	257,249	(216,886)	257,047	(193,930)	(3,065)
Plan fiduciary net position—beginning	2,905,089	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,162,338	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	$11,627,264	$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	$ 1,086,608
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	$ 67,996	$ 47,425	$ 48,149	$ 45,971	$ 36,344
ALLOCATED PERCENTAGE	0.58 %	0.46 %	0.47 %	0.45 %	0.41 %

* 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.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY 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**	$ 457,802	$ 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	$ 72,707	$ 70,560	$ 62,136	$ 57,212	$ 51,224
ALLOCATED PERCENTAGE	1.35 %	1.35 %	1.34 %	1.39 %	1.36 %

* 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 MIDWAY 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 MIDWAY 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)

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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)	3.00%	(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 yea
(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 MIDWAY INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT REVENUE BONDS
DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018
($ in thousands)

	2019	**2018**
REVENUES:		
Total revenues—as defined	$233,994	$212,530
Other available moneys (passenger facility charges and letter of intent)	36,669	39,469
Revenue Fund balance on first day of fiscal year (Note 2)	17,376	8,082
TOTAL REVENUES	$288,039	$260,081
COVERAGE REQUIREMENT—Required deposits from revenues:		
Debt Service Fund	$ 4,508	$ 4,511
Operation and maintenance reserve account	1,694	905
Second/Junior Lien Obligation Debt Service Fund	102,172	92,749
Second Lien Obligation Program Fee Fund	1,648	1,622
Repair and Maintenance Fund	1,017	1,017
TOTAL FUND DEPOSIT REQUIREMENTS	$111,039	$100,804
AGGREGATE FIRST LIEN DEBT SERVICE FOR THE BOND YEAR	$ 4,508	$ 4,511
NET AGGREGATE DEBT SERVICE	$ 4,508	$ 4,511
	1.25	1.25
NET DEBT SERVICE REQUIRED COVERAGE	$ 5,635	$ 5,639
OPERATION AND MAINTENANCE EXPENSES	$154,549	$150,058
COVERAGE REQUIRED (Greater of total fund deposit requirements or 125% of aggregate debt service)	111,039	100,804
TOTAL COVERAGE REQUIRED	$265,588	$250,862
TOTAL REVENUES	$288,039	$260,081
COVENANT COVERAGE RATIO	1.08	1.04

See notes to debt service coverage calculations.

ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT REVENUE BONDS
NOTES TO DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018

1. RATE COVENANT

The Master Indenture of Trust ("Master Indenture") securing the Chicago Midway Airport Revenue Bonds ("Bonds") requires that revenues, together with other available moneys deposited with the trustee and any balance held in the revenue fund on the first day of the calendar 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 year and (ii) to provide for the greater of (a) the amounts, if any, needed to make required deposits into the Debt Service Fund, the Operating and Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund; and (b) an amount not less than 125% of the aggregate debt service for the Bond year commencing during such fiscal year.

Of the $47.5 million of pension expense for 2019, $13.9 million is the portion of the City's pension contribution payable in 2019 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2019, $33.6 million, is recognized on the income statement of Midway 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, which were available to the revenue fund to satisfy the coverage requirement under the terms of the Master Indenture.

3. FUND DEPOSIT REQUIREMENTS

The Airport excludes the Airport Development Fund in the Debt Service Coverage calculation. This fund can be used by the City for any lawful Airport purpose and therefore can be used to fulfill any debt service obligations. The balance as of December 31, 2019 was $16.4 million.

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CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT SECOND LIEN REVENUE BONDS
DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018
($ in thousands)

	2019	2018
REVENUES:		
Total revenues—as defined	$233,994	$212,530
Other available moneys (passenger facility charges and letter of intent)	36,669	39,469
Revenue fund balance on first day of fiscal year (Note 2)	17,376	8,082
TOTAL REVENUES FOR CALCULATION OF COVERAGE	$288,039	$260,081
COVERAGE REQUIREMENT—Required deposits from revenues:		
First Lien Debt Service Fund	$ 4,508	$ 4,511
Operation and maintenance reserve account	1,694	905
Second Lien Obligation Debt Service Fund	102,172	92,749
Second Lien Obligation Program Fee Fund	1,648	1,622
Repair and Replacement Fund	1,017	1,017
TOTAL FUND DEPOSIT REQUIREMENTS	$111,039	$100,804
125% OF AGGREGATE FIRST LIEN DEBT SERVICE FOR THE BOND YEAR:		
Aggregate First Lien Debt Service	$ 4,508	$ 4,511
Net aggregate First Lien Debt Service	4,508	4,511
	1.25	1.25
125% OF AGGREGATE FIRST LIEN DEBT SERVICE	$ 5,635	$ 5,639
GREATER OF FUND DEPOSIT REQUIREMENTS OR 125% OF AGGREGATE FIRST LIEN DEBT SERVICE	$111,039	$100,804
110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE FOR THE BOND YEAR:		
Aggregate First Lien Debt Service	$ 4,508	$ 4,511
Aggregate Second Lien Debt Service	116,079	105,352
Less amounts transferred from Junior Lien Capitalized Interest Accounts	(13,462)	(11,301)
Net aggregate First and Second Lien Debt Service	107,125	98,562
	1.10	1.10
110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE	$117,838	$108,418
GREATER OF FUND DEPOSIT REQUIREMENTS OR 110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE	$117,838	$108,418
GREATER OF FUND DEPOSIT REQUIREMENTS OR 125% OF FIRST LIEN DEBT OR 110% OF AGGREGATE DEBT SERVICE	$117,838	$108,418
RATE COVENANT CALCULATION:		
Operation and maintenance expenses	$154,549	$150,058
110% of aggregate First and Second Lien Debt Service	117,838	108,418
TOTAL COVERAGE REQUIRED	$272,387	$258,476
TOTAL REVENUES	$288,039	$260,081
REVENUES IN EXCESS OF COVERAGE REQUIREMENT	$ 15,653	$ 1,605
COVENANT COVERAGE RATIO	1.06	1.01
COVERAGE CALCULATION:		
TOTAL REVENUES	$288,039	$260,081
Operation and maintenance expenses	154,549	150,058
TOTAL REVENUES AVAILABLE FOR AGGREGATE DEBT SERVICE	$133,490	$110,023
Aggregate First and Second Lien Debt Service	107,125	98,562
REVENUES IN EXCESS OF COVERAGE REQUIREMENT	$ 26,365	$ 11,461
COVERAGE RATIO	1.25	1.12

ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT SECOND LIEN REVENUE BONDS
NOTES TO DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018

1. RATE COVENANT

The Master Indenture of Trust ("Master Indenture") securing the Chicago Midway Airport Second Lien Revenue Bonds ("Bonds") requires that revenues, together with other available moneys deposited with the first lien trustee or the second lien trustee and any balance held in the first lien revenue fund or the second lien revenue fund on the first day of the year not then required to be deposited in any fund or account under the first lien indenture or the second lien indenture, will be at least sufficient (a) to provide for the payment of operation and maintenance expenses for the year and (b) to provide for: (i) the greater of the amounts needed to make the deposits required under the first lien indenture during such calendar year into the first lien debt service fund, the Operating and Maintenance (O&M) Reserve Account, the Working Capital Account, the First Lien Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund and the Special Project Fund, or an amount not less than 125% of the Aggregate First Lien Debt Service for the Bond year commencing during such year, reduced by any amount held in any capitalized interest account for disbursement during such Bond year to pay interest on first lien bonds; or (ii) the greater of the amounts needed to make the deposits required under the first lien indenture during such year into the First Lien Debt Service Fund, the O&M Reserve Account, the Working Capital Account, the First Lien Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund and the Special Project Fund, or an amount not less than 110% of the sum of Aggregate First Lien Debt Service and Aggregate Second Lien Debt Service for the Bond year commencing during such year, reduced by (a) any amount held in any capitalized interest account for disbursement during such Bond year to pay interest on any first lien bonds, and (b) any amount held in any capitalized interest account established pursuant to a supplemental indenture for disbursement during such Bond year to pay interest on second lien obligations.

Of the $47.5 million of pension expense for 2019, $13.9 million is the portion of the City's pension contribution payable in 2019 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2019, $33.6 million, is recognized on the income statement of Midway 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, which were available to the revenue fund to satisfy the coverage requirement under the terms of the Master Indenture.

3. FUND DEPOSIT REQUIREMENTS

The Airport excludes the Airport Development Fund in the Debt Service Coverage calculation. This fund can be used by the City for any lawful Airport purpose and therefore can be used to fulfill any debt service obligations. The balance as of December 31, 2019 was $16.4 million.

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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 MIDWAY INTERNATIONAL AIRPORT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUES:										
Landing fees	$ 35,299	$ 38,583	$ 32,143	$ 42,516	$ 42,539	$ 48,350	$ 49,186	$ 54,165	$ 58,304	$ 56,604
Rental revenues:										
Terminal area use charges	42,895	40,862	38,769	47,486	40,916	36,273	38,239	41,251	47,821	68,827
Other rentals and fueling system fees	21,488	24,978	32,202	26,004	24,197	25,945	26,396	27,912	28,755	32,615
Subtotal rental revenues	64,383	65,840	70,971	73,490	65,113	62,218	64,635	69,163	76,576	101,442
Concessions:										
Auto parking	27,849	29,112	30,830	32,721	34,226	35,772	36,665	38,317	36,602	34,430
Auto rentals	8,182	8,776	9,021	10,255	10,743	11,104	11,390	11,287	11,022	11,135
Restaurant	8,151	8,875	9,686	10,179	11,090	12,150	13,019	14,912	16,167	16,227
News and gifts	3,488	3,551	3,486	3,619	3,761	4,128	4,471	4,729	5,379	5,497
Other	1,704	2,634	1,696	2,409	2,787	2,397	2,827	2,452	2,483	2,199
Subtotal concessions	49,374	52,948	54,719	59,183	62,607	65,551	68,372	71,697	71,653	69,488
Reimbursements	-	-	-	-	-	-	-	-	-	-
Total operating revenues[1]	149,056	157,371	157,833	175,189	170,259	176,119	182,193	195,025	206,533	227,534
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages[2]	42,105	43,554	44,463	43,998	47,836	43,343	48,548	48,185	51,408	55,571
Pension expense	-	-	-	-	-	60,767	47,879	40,211	42,843	47,537
Repairs and maintenance	31,942	40,732	37,990	39,606	44,160	44,095	48,277	44,506	47,326	47,021
Energy	6,724	6,415	7,258	7,205	7,060	6,868	7,221	6,984	7,104	7,728
Materials and supplies	1,522	1,418	1,318	1,927	1,971	2,522	2,016	1,932	2,397	3,061
Professional and engineering services	15,832	15,650	15,011	19,144	23,255	20,954	20,851	24,344	24,144	22,113
Other operating expenses	10,211	2,320	8,257	9,236	5,314	5,327	7,813	4,803	6,188	5,151
Total operating and maintenance expenses before depreciation and amortization[3]	108,336	110,089	114,297	121,116	129,596	183,876	182,605	170,965	181,410	188,182
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION[4]	$ 40,720	$ 47,282	$ 43,536	$ 54,073	$ 40,663	$ (7,757)	$ (412)	$ 24,060	$ 25,123	$ 39,352
COVENANT COVERAGE CALCULATION - FIRST LIEN	1.10	1.07	1.07	1.06	1.09	1.11	1.04	1.05	1.04	1.08
COVENANT COVERAGE CALCULATION - SECOND LIEN	1.10	1.07	1.07	1.06	1.09	1.10	1.04	1.04	1.01	1.06

(1) Average annual compound growth rate for 2010–2019 for total operating revenues is 4.8%.
(2) Salaries and wages includes charges for pension, health care and other employee benefits for years 2010–2019.
(3) Average annual compound growth rate for 2010–2019 for total operating and maintenance expenses before depreciation and amortization is 6.3%.
(4) Amount for 2019 may be reconciled to operating loss of $12,655 reported in the 2019 Statement of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $52,007 Amount for prior years may be reconciled through similar calculations.

Of the $47.5 million of pension expense for 2019, $13.9 million is the portion of the City's pension contribution payable in 2019 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2019 $33.6 million is recognized on the income statement of Midway Airport for 2019 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 Midway Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE
(Unaudited)
($ in thousands)

The following table sets forth aggregate annual debt service of principal and interest for outstanding Midway Airport Revenue Bonds:

Year Ending December 31	Debt Service Series 1998 First Lien Bonds	(First Lien) Total Debt Service	Debt Service Series 2004 Second Lien Bonds	Debt Service Series 2013 Second Lien Bonds	Debt Service Series 2014 Second Lien Bonds	Debt Service Series 2016 Second Lien Bonds	Debt Service Series 2018 Second Lien Bonds	(Second Lien) Total Debt Service[1]	Total Debt Service
2020	$ 4,440	$ 4,440	$ 9,976	$ 33,611	$ 45,550	$ 26,568	$ 5,287	$ 120,992	$ 125,432
2021	4,434	4,434	9,878	24,462	58,140	26,555	5,282	124,317	128,751
2022	4,427	4,427	9,965	24,811	61,203	26,551	5,277	127,807	132,234
2023	4,429	4,429	9,967	28,030	67,952	21,778	5,272	132,999	137,428
2024	4,418	4,418	9,983	27,561	67,819	21,772	5,266	132,401	136,819
2025		-	9,987	27,218	73,572	20,523	5,266	136,566	136,566
2026	-	-	10,003	26,110	73,465	20,515	5,263	135,356	135,356
2027	-	-	9,958	25,229	73,198	20,505	5,256	134,146	134,146
2028	-	-	9,999	23,775	73,418	20,494	5,251	132,937	132,937
2029	-	-	10,002	22,759	73,278	20,483	3,808	130,330	130,330
2030	-	-	10,039	24,479	70,377	20,474	-	125,369	125,369
2031	-	-	10,036	27,944	65,783	20,463	-	124,226	124,226
2032	-	-	10,042	24,260	68,355	20,500	-	123,157	123,157
2033	-	-	10,033	23,330	68,203	20,498	-	122,064	122,064
2034	-	-	10,056	22,384	68,054	20,485	-	120,979	120,979
2035	-	-	10,086	18,825	70,532	20,473	-	119,916	119,916
2036	-	-	-	-	26,582	20,402	-	46,984	46,984
2037	-	-	-	-	30,560	20,392	-	50,952	50,952
2038	-	-	-	-	30,534	20,376	-	50,910	50,910
2039	-	-	-	-	30,504	20,356	-	50,860	50,860
2040	-	-	-	-	30,476	20,338	-	50,814	50,814
2041	-	-	-	-	30,633	20,319	-	50,952	50,952
2042	-	-	-	-	36,401	20,302	-	56,703	56,703
2043	-	-	-	-	37,366	20,281	-	57,647	57,647
2044	-	-	-	-	38,367	20,262	-	58,629	58,629
2045	-	-	-	-	-	20,241	-	20,241	20,241
2046	-	-	-	-	-	20,213	-	20,213	20,213
	$22,148	$22,148	$160,010	$404,788	$1,370,322	$572,119	$51,228	$2,558,467	$2,580,615

[1] Assumes an interest rate effective at December 31, 2019, on $242,560 of Second Lien Bonds that are variable-rate demand obligations.

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 MIDWAY INTERNATIONAL AIRPORT

MIDWAY AIRPORT REVENUE BONDS
SERIES 1996 ESTIMATED BOND-FUNDED COSTS
AS OF DECEMBER 31, 2019
(Unaudited)
($ in thousands)

	Estimated Bond-Funded Costs[1]
Airfield	$ 20,808
Terminal	36,173
Terminal ramp	2,374
Parking and roadways	90,551
Noise	28,984
Land acquisition	23,563
Fuel storage facilities	17,392
Total	$219,845

(1) Includes estimated costs to be funded from investment earnings.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

CAPITAL IMPROVEMENT PROGRAM 2020–2026
ESTIMATED SOURCES AND USES OF FUNDS
AS OF DECEMBER 31, 2019
(Unaudited)
($ in thousands)

ESTIMATED SOURCES:	
AIP—entitlements	$ 18,650
Other Federal Funds (TSA) Grants	328
Series 2010 Bonds	15,209
Series 2014 Bonds	52,701
Series 2016 Bonds	106,473
Future Bonds	94,084
TOTAL ESTIMATED SOURCES	$287,445
ESTIMATED USES:	
Terminal area projects	$ 55,824
Land acquisition	7,000
Airfield projects	112,897
Parking/roadway projects	29,377
Noise projects	44,641
Safety and security	7,545
Implementation	30,161
TOTAL ESTIMATED USES	$287,445

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

TERMINAL DEVELOPMENT PROGRAM
ESTIMATED SOURCES AND USES OF FUNDS
AS OF DECEMBER 31, 2019
(Unaudited)
($ in thousands)

ESTIMATED SOURCES:	
AIP—entitlements	$ 19,600
AIP—discretionary	2,700
Airport development fund	6,200
Federal Highway Grant	6,500
Series 1996 Bonds	156,000
Series 1998 Bonds	359,000
Series 2001 Bonds	68,500
Series 2004 Bonds	40,800
TOTAL ESTIMATED SOURCES[1]	$659,300
ESTIMATED USES:	
Terminal projects	$340,100
Terminal ramp projects[2]	24,900
Airfield projects	28,600
Parking/roadway projects	149,600
Development of FIS	22,500
Implementation costs	93,600
TOTAL ESTIMATED USES	$659,300

[1] The estimated sources and uses of the Terminal Development Program include approximately $631 million of funds expended through December 31, 2019.

[2] Terminal ramp of a reclassification of projects, which were previously included in Airfield and airfield and Terminal projects.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

Years	Domestic Air Carrier	Domestic Commuter[1]	Total Domestic	International Enplanements	Total Enplanements	Percent Change
2010	8,792,557	14,156	8,806,713	49,312	8,856,025	3.3
2011	9,288,332	50,489	9,338,821	119,989	9,458,810	6.8
2012	9,573,226	36,968	9,610,194	169,415	9,779,609	3.4
2013	10,003,167	-	10,003,167	264,314	10,267,481	5.0
2014	10,315,089	-	10,315,089	292,907	10,607,996	3.3
2015	10,731,246	-	10,731,246	386,977	11,118,223	4.8
2016	10,953,566	-	10,953,566	392,182	11,345,748	2.0
2017	10,825,564	-	10,825,564	406,708	11,232,272	(1.0)
2018	10,625,852	-	10,625,852	396,372	11,022,224	(1.9)
2019	10,021,351	-	10,021,351	396,464	10,417,815	(5.5)
Average Annual Compound Growth Rates						
2010–2019	1.5 %	(100.0)%	1.4 %	26.1 %	1.8 %	

[1] "Domestic Air Carrier" includes General Aviation.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019	
	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total
Southwest Airlines	7,561,053	85.4 %	8,196,402	86.7 %	8,515,527	87.1 %	8,885,118	86.5 %	9,262,733	87.3 %	10,281,189	92.5 %	10,520,571	92.7 %	10,415,087	92.7 %	10,240,801	92.9 %	9,622,343	92.4 %
AirTran	465,237	5.3	413,717	4.4	387,114	4.0	462,680	4.5	383,443	3.6	-	-	-	-	-	-	-	-	-	-
Northwest Airlines	14,726	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frontier	151,440	1.7	158,405	1.7	144,496	1.5	161,456	1.6	157,835	1.5	8,658	0.1	-	-	-	-	-	-	-	-
Shuttle America (Delta Express)	90,544	1.0	8,874	0.1	6,085	-	4,281	0.1	7,830	0.1	640	-	3,535	0.0	-	-	-	-	-	-
Atlantic Southeast	29,314	0.3	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comair	14,156	-	-	-	36,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Delta	176,231	2.0	239,357	2.5	231,644	2.5	239,361	2.3	265,134	2.5	278,356	2.5	266,281	2.3	247,076	2.2	227,967	2.1	427,220	4.1
All other airlines	353,324	3.9	442,055	4.6	457,775	4.8	514,585	5.0	531,021	5.0	549,380	4.9	555,361	4.9	570,109	5.1	553,456	5.0	368,252	3.5
Total	8,856,025	100 %	9,458,810	100 %	9,779,609	100 %	10,267,481	100 %	10,607,996	100 %	11,118,223	100 %	11,345,748	100 %	11,232,272	100 %	11,022,224	100 %	10,417,815	100 %

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

HISTORICAL ENPLANED PASSENGERS
CHICAGO REGION AIRPORTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2010–2019
(Unaudited)

	Chicago Midway International Airport		Chicago O'Hare International Airport		
Years	**Total Enplanements**	**Percent of Total Chicago**	**Total Enplanements**	**Percent of Total Chicago**	**Total Enplanements**
2010	8,856,025	21.0 %	33,232,412	79.0 %	42,088,437
2011	9,458,810	22.2	33,207,302	77.8	42,666,112
2012	9,779,609	22.7	33,244,515	77.3	43,024,124
2013	10,267,481	23.6	33,297,578	76.4	43,565,059
2014	10,607,996	23.4	34,646,832	76.6	45,254,828
2015	11,118,223	22.5	38,395,905	77.5	49,514,128
2016	11,345,748	22.6	38,872,669	77.4	50,218,417
2017	11,232,272	22.0	39,815,888	78.0	51,048,160
2018	11,022,224	21.0	41,563,343	79.0	52,585,567
2019	10,417,815	19.8	42,248,370	80.2	52,666,185
	Average Annual Compound Growth Rates				
2010–2019	1.8 %		2.7 %		2.5 %

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	Chicago Midway International Airport		Chicago O'Hare International Airport		
Years	Total O&D Enplanements	Percent of Total Chicago	Total O&D Enplanements	Percent of Total Chicago	Total O&D Enplanements
2010	5,485,191	23.9 %	17,419,794	76.1 %	22,904,985
2011	5,693,938	26.3	15,972,745	73.7	21,666,683
2012	6,308,718	27.2	16,867,283	72.8	23,176,001
2013	6,505,206	27.6	17,044,643	72.4	23,549,849
2014	6,446,497	27.4	17,115,535	72.6	23,562,032
2015	6,890,633	25.5	20,096,191	74.5	26,986,824
2016	7,181,858	25.5	20,991,241	74.5	28,173,099
2017	7,446,996	24.9	22,429,433	75.1	29,876,429
2018	7,197,512	23.5	23,483,289	76.5	30,680,801
2019	6,944,982	22.6	23,836,209	77.4	30,781,191
Average Annual Compound Growth Rates					
2010–2019	2.7%		3.5 %		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 MIDWAY INTERNATIONAL AIRPORT

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

Years	Aircraft Operations Domestic Air Carrier	International Air Carrier	Total Air Carrier	Domestic Commuter	General Aviation	Total
2010	175,812	3,403	179,215	572	65,746	245,533
2011	178,640	4,332	182,972	2,622	69,633	255,227
2012	188,628	5,250	193,878	1,890	54,145	249,913
2013	182,643	7,046	189,689	8,401	54,036	252,126
2014	178,518	7,299	185,817	10,013	53,422	249,252
2015	177,658	8,474	186,132	11,857	55,530	253,519
2016	178,346	8,220	186,566	9,822	56,658	253,046
2017	185,471	8,374	193,845	-	57,496	251,341
2018	178,791	8,491	187,282	-	56,040	243,322
2019	162,887	8,367	171,254	-	60,830	232,084
			Average Annual Compound Growth Rates			
2010–2019	(0.8)%	10.5 %	(0.5)%	(100.0)%	(0.9)%	

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NET POSITION:										
Net investment in capital assets	$ (39,755)	$ (70,876)	$(87,279)	$(131,057)	$(115,080)	$(150,431)	$(152,026)	$(180,803)	$(172,197)	$(165,290)
Restricted	190,641	208,100	80,507	99,427	86,526	97,980	83,048	127,476	120,685	121,093
Unrestricted	20,040	37,224	36,572	46,613	21,856	(191,025)	(234,875)	(253,674)	(281,312)	(312,022)
TOTAL NET POSITION	$170,926	$174,448	$ 29,800 *	$ 14,983	$ (6,698)	$(243,476) **	$(303,853)	$(307,001)	$(332,824)	$(356,219)

* 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 MIDWAY INTERNATIONAL AIRPORT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUES	$149,056	$157,371	$157,833	$175,189	$170,259	$176,119	$182,193	$195,025	$206,533	$227,534
OPERATING EXPENSES	161,103	161,156	159,530	162,654	175,759	231,595	231,723	222,408	232,793	240,189
OPERATING (LOSS) GAIN	(12,047)	(3,785)	(1,697)	12,535	(5,500)	(55,476)	(49,530)	(27,383)	(26,260)	(12,655)
NONOPERATING (EXPENSES) REVENUES	(24,502)	4,246	(31,708)	(32,327)	(21,007)	(30,966)	(38,750)	(7,321)	(6,339)	(14,137)
(LOSS) GAIN BEFORE CAPITAL GRANTS	(36,549)	461	(33,405)	(19,792)	(26,507)	(86,442)	(88,280)	(34,704)	(32,599)	(26,792)
CAPITAL GRANTS	2,461	3,061	4,681	4,975	4,826	9,279	27,903	31,556	6,776	3,397
CHANGE IN NET POSITION	$ (34,088)	$ 3,522	$ (28,724) *	$ (14,817)	$ (21,681)	$ (77,163) **	$ (60,377)	$ (3,148)	$ (25,823)	$ (23,395)

* 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 MIDWAY INTERNATIONAL AIRPORT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
First lien bonds	$ 783,595	$ 780,205	$ 758,560	$ 624,545	$ 34,180	$ 31,530	$ 28,730	$ 25,775	$ 22,660	$ 19,370
Second lien bonds	685,780	681,285	648,130	812,750	1,489,410	1,474,795	1,752,875	1,730,060	1,690,825	1,657,635
Commercial paper notes	4,005	-	34,639	57,713	-	-	-	-	-	-
Total revenue bonds and notes	1,473,380	1,461,490	1,441,329	1,495,008	1,523,590	1,506,325	1,781,605	1,755,835	1,713,485	1,677,005
Unamortized premium	8	(281)	160	4,325	84,609	79,093	123,133	114,270	105,563	96,982
Total revenue bonds payable, net of unamortized premium (discount)	1,473,388	1,461,209	1,441,489	1,499,333	1,608,199	1,585,418	1,904,738	1,870,105	1,819,048	1,773,987
Enplanements[1]	8,856,025	9,458,810	9,779,609	10,267,481	10,607,996	11,118,223	11,345,748	11,232,272	11,022,224	10,417,815
Total debt per enplanements	$ 166	$ 155	$ 147	$ 146	$ 144	$ 135	$ 157	$ 156	$ 155	$ 161

[1] Enplaned Commercial Passengers by Airline Schedule as shown on page 71.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Airfield operations	75	75	70	70	85	88	94	127	128	134
Landside operations	-	-	-	-	21	20	21	21	21	21
Security management	60	60	60	60	69	62	62	63	64	68
Facility management	32	35	33	35	14	15	15	15	15	18
Midway administration	10	10	10	10	10	10	10	12	12	12
Safety management	2	2	2	2	-	-	-	-	-	-
Total	179	182	175	177	199	195	202	238	240	253

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

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY 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) 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 th eCity of chicago, Bureau of Revenue Tax–Division report which is no longer available.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY 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 MIDWAY INTERNATIONAL AIRPORT

STATISTICAL DATA
LANDING FEES AND TERMINAL AREA USE CHARGES
RATES AS OF JULY 1, 2019
(Unaudited)

Landing Fees and Terminal Area Use Charges	**2019**
Signatory landing fee (rate/1000 lbs)	$4.876
Non-signatory landing fee (rate/1000 lbs)	$6.095
Signatory joint use fee (base usage/1000 lbs)	$2.252
Non-signatory joint use fee (base usage/1000 lbs)	$2.815
Signatory joint use fee (per capita/annual)	$566,728
Non-signatory joint use fee (per capita/annual)	$708,410
Signatory terminal rental rate	$191.28
Non-signatory terminal rental rate	$239.11
Terminal ramp rate	$5.02
Signatory FIS fee per deplaned passenger	$4.45
Non-signatory FIS fee per deplaned passenger	$5.56
Cost per departure rate[(1)]	$187.25

[(1)] The cost per departure is for Gates A1, A2, A3, A10, A12, A14, C1, C2, C3