City of Chicago
Chicago Midway International Airport
An Enterprise Fund of the City of Chicago

Annual Comprehensive Financial Report
For the Years Ended December 31, 2020 and 2019

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

2020 ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CHICAGO MIDWAY INTERNATIONAL AIRPORT

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PART I

INTRODUCTORY SECTION

CHICAGO DEPARTMENT OF AVIATION
CITY OF CHICAGO

June 30, 2021

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 Annual Comprehensive Financial Report ("ACFR") of Chicago Midway International Airport ("Airport") for the year ended December 31, 2020. 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 ACFR 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 a number of airlines that generally specialize in low-fare, point-to-point 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 in the airline route networks and its mature capital program. The Airport connects Chicago to approximately 80 destinations in the U.S., Canada, Mexico, and the Caribbean.

The COVID-19 pandemic significantly impacted air travel, but the Airport has already started to grow in air traffic as the city and the world emerges out of the Pandemic. The aviation industry is poised to welcome travelers back to air travel this summer, while continuing to be vigilant about safety and security for all. The pace of recovery has quickened rapidly, especially for domestic travel. At December 2020, Chicago's airports served approximately 95 percent of the number of nonstop domestic destinations as served pre-COVID.

Chicago has a unique position and role in the national and global transportation system, and the pandemic has not changed that. As the country discusses the importance of investment in infrastructure, CDA will push the economic benefits and growth opportunities for our city through our airports.

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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.

During 2020, the Airport completed the MMP project to increase security checkpoint capacity and make the screening process more efficient; and continued its work on 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 and Lease 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 ACFR for the fiscal year ended December 31, 2019. This was the 23rd 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 ACFR 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 ACFR. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

This ACFR 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

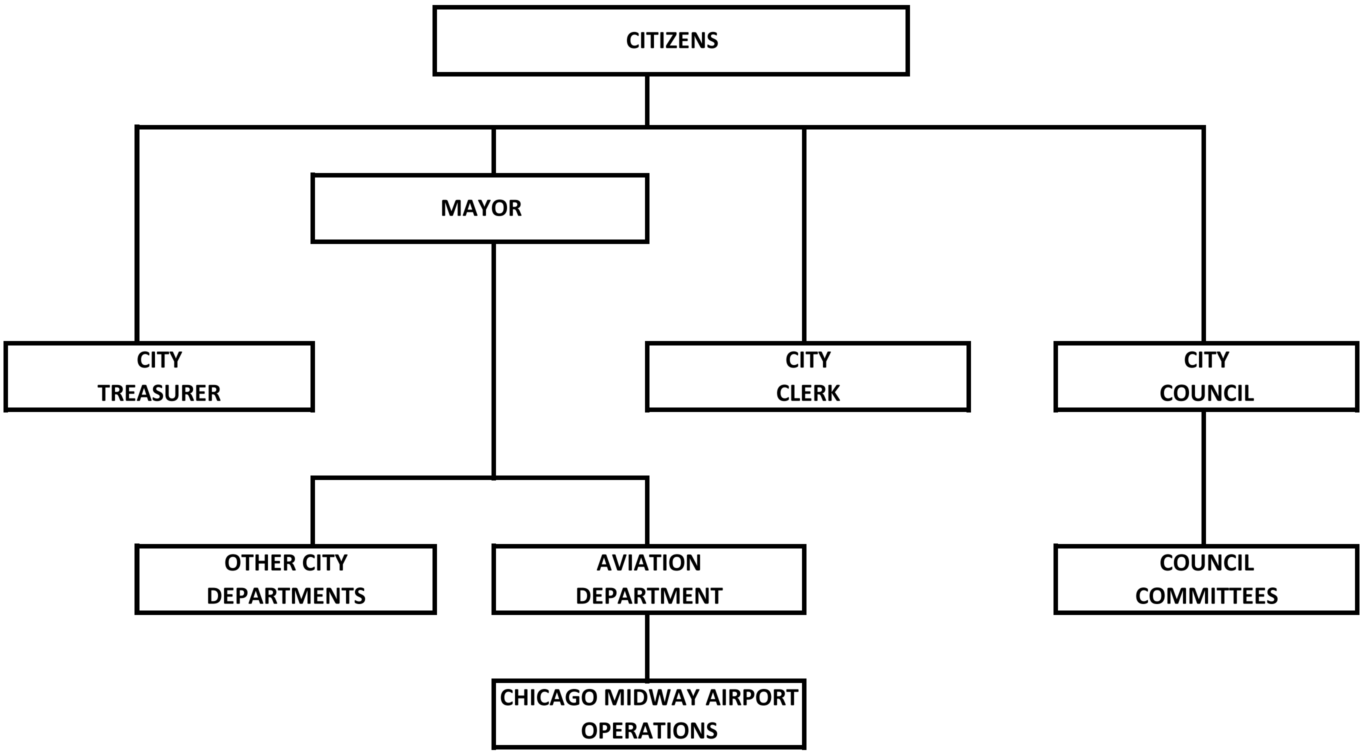
December 31, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF CHICAGO
CHICAGO MIDWAY INTERNATIONAL AIRPORT
ORGANIZATION CHART

AS OF 12/31/2020



List of Principal Officials

Lori E. Lightfoot	**Mayor**
Jamie L. Rhee	**Commissioner**

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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, 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, and the Schedule of Contributions, 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, 2021

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, 2020 and 2019. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements following this section.

Impact of COVID-19—On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many state and local governments in the United States issued "stay at home" or "shelter in place" orders, which severely restricted movement and limited businesses and activities to essential functions. The COVID-19 outbreak and resulting restrictions have severely disrupted, and continue to disrupt, the economies of the United States and other countries. The outbreak has adversely affected domestic and international travel and travel-related industries. Airports and airlines have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdowns and continued restrictions. In response, airlines have reduced flight frequency and aircraft size to attempt to match capacity to the reduced demand for air travel.

The United States government, the Federal Reserve Board, and foreign governments took regulatory actions and implemented other measures to mitigate the broad disruptive effects of the COVID-19 outbreak on the U.S. and global economies.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act provided $10 billion of assistance to U.S. commercial airports, which was apportioned among such airports based on various formulas. The Airport has been awarded $82.3 million of CARES Act funds during 2020. This excludes approximately $15.2 million of additional CARES Act funding to pay the local share of capital projects that was included in the Airport's Fiscal Year 2020 Airport Improvement Program grant submission. This will offset the need to issue obligations for these projects.

The COVID-19 pandemic has had a material impact on aircraft operations, passenger volumes and revenues at the Airport during Fiscal Year 2020. The Airport implemented multiple actions in response to these conditions, including reductions in operating and financing costs. The Airport received $82.3 million in CARES Act funding during 2020, which was used to pay operating costs and debt service in an amount necessary to offset lost operating revenues and Passenger Facility Charges ("PFC"), net of cost reductions. The Airport's goal was to use sufficient CARES Act funds to stabilize rates and charges to the original 2020 budget and to stabilize terminal and facility rent. Of the $82.3 million of CARES Act funding awarded to the Airport, $68.0 million was applied to 2020 rates and charges, which includes $28.5 million to offset operating expense, $18.0 million to supplement revenues and $21.5 million for debt service to mitigate the shortfall of PFCs.

The Airport provided financial relief to airlines by implementing additional cost cutting measures of $12 million, which in turn reduced the operating reserve requirement by $6.5 million (including $28.5 million of CARES Act funds applied to offset operating expenses), as well as deferring non-critical capital projects. The Airport also provided financial relief to rental car companies and concessionaires by allowing these companies to convert their rent payment calculations from a minimum annual guarantee to percent rent and to temporarily close operations. The estimated impact of this action was between $5 million and $10 million, which was offset through the use of CARES Act proceeds.

FINANCIAL HIGHLIGHTS

2020

- Operating revenues for 2020 decreased by $39,794 compared to 2019 operating revenue primarily due to the reduction of passenger traffic and flight reductions as a result of the impacts of the COVID-19 pandemic on air travel.

- Operating expenses before depreciation and amortization for 2020 decreased by $24,292 compared to 2019 due to a decrease in pension expense of $25,027 primarily due to 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) position at December 31, 2020, was ($323,255), which was an increase of $32,964 compared to total net (deficit) position at December 31, 2019, which was ($356,219), primarily due to receiving CARES Act funding of $82,302, offset by a decrease in Passenger and Customer Facility Charges of $23,424 and $4,213, respectively, decrease of investment income of $7,412 and decrease in landing fees and concessions revenues due to the impact of the COVID-19 pandemic on air travel during 2020.

- Capital asset additions for 2020 were $72,428, which was a decrease of $71,636 compared to 2019, primarily due to runway rehabilitation and the completion of the terminal checkpoint expansion and parking garage enhancements as part of the Midway Modernization Program, for which the majority of the work was performed in 2019. Completed projects totaling $133,050 were transferred from construction in progress to applicable buildings and other facilities.

2019

- Operating revenues for 2019 increased by $21,001 as compared to 2018 operating revenue, primarily due to increases in terminal rental revenues used to pay for the Midway Modernization Program, other capital developments of the airport and operational infrastructure reliability.

- Operating expenses before depreciation and amortization increased by $6,772 as compared to 2018 due to increases in salaries and wages of $4,163, due to an 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) position at December 31, 2019, was $356,219, which was a decrease of $23,395 compared to total net (deficit) position 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 was an increase of $63,137 as 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.

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 (Deficit) 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 (deficit) position. The increase or decrease in net (deficit) 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 (Deficit) Position present all current fiscal year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in net (deficit) 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, 2020, the Airport's financial position included total assets and deferred outflows of $1,947,863 total liabilities and deferred inflows of $2,271,118 and net (deficit) position of $323,255. A comparative condensed summary of the Airport's net (deficit) position at December 31, 2020, 2019, and 2018, is as follows:

	Net (Deficit) Position		
	2020	**2019**	**2018**
Current unrestricted assets	$ 98,977	$ 84,437	$ 88,052
Restricted and other assets—noncurrent	445,420	527,282	622,339
Capital assets—net	1,311,124	1,288,735	1,196,678
Total assets	1,855,521	1,900,454	1,907,069
Deferred outflows	92,342	108,523	134,202
Total assets and deferred outflows	1,947,863	2,008,977	2,041,271
Current unrestricted liabilities	37,115	45,371	51,908
Liabilities payable from restricted assets and noncurrent liabilities	2,198,670	2,263,135	2,239,346
Total liabilities	2,235,785	2,308,506	2,291,254
Deferred inflows	35,333	56,690	82,841
Total liabilities and deferred inflows	2,271,118	2,365,196	2,374,095
Net position:			
Net investment in capital assets	(125,410)	(165,290)	(172,197)
Restricted	96,358	121,093	120,685
Unrestricted	(294,203)	(312,022)	(281,312)
Total net (deficit) position	$ (323,255)	$ (356,219)	$ (332,824)

2020

Current unrestricted assets increased by $14,540 (17.2%) primarily due to an increase in Accounts Receivable of $9,380 as a result of temporary changes in the collection of rents from concessions due to the COVID-19 pandemic and an increase in cash and cash equivalents of $6,906 from the receipt of CARES Act funding during 2020. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2020 and 2019, was 2.67:1 and 1.86:1, respectively. Noncurrent restricted and other assets decreased by $81,862 (15.5%) mainly due to decreases in construction funds of $52,634 (25.2%) related to increased activity in the Midway Modernization Program capital development during 2020. Net capital assets increased by $22,389 (1.7%) due primarily to projects continually being completed.

The decrease in current liabilities of $8,256 (18.2%) is mainly related to the decrease in billings over amounts earned for landing fees and terminal rent of $9,630 based on the residual nature of the Airline Use and Lease Agreement.

Liabilities payable from restricted assets and noncurrent liabilities decreased by $64,465 (2.8%) in 2020 mainly due to a decrease in revenue bonds payable from restricted funds of $42,310 (2.5%), which was offset by an increase in pension liability of $7,349 (2.0%) compared to 2019 primarily as a result of adjustments in the discount rate and a higher allocation of pension costs to the Airport. At December 31, 2020, total net deficit was $323,255, a decrease of $32,964 (9.3%).

Deferred outflows decreased by $16,181 (14.9%) and deferred inflows decreased by $21,357 (37.7%) during 2020 due to the difference between changes in actuarial assumptions from the prior year.

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%) due to decreases in activity 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.

A comparative condensed summary of the Airport's changes in net (deficit) position for the years ended December 31, 2020, 2019, and 2018 is as follows (dollars in thousands):

	Changes in Net (Deficit) Position		
	2020	**2019**	**2018**
Operating revenues:			
Landing fees and terminal area use charges	$ 113,487	$ 125,431	$ 106,125
Rents, concessions and other	74,253	102,103	100,408
Total operating revenues	187,740	227,534	206,533
Operating expenses:			
Salaries and wages	55,964	55,571	51,408
Pension expense	22,510	47,537	42,843
Repairs and maintenance	43,737	47,021	47,326
Professional and engineering	20,783	22,113	24,144
Other operating expenses	20,896	15,940	15,689
Depreciation and amortization	50,018	52,007	51,383
Total operating expenses	213,908	240,189	232,793
Operating (loss)	(26,168)	(12,655)	(26,260)
Nonoperating revenue (expenses):			
Nonoperating revenues	102,722	55,337	54,462
Nonoperating expenses	(58,748)	(69,474)	(60,801)
Total nonoperating revenues (expenses)	43,974	(14,137)	(6,339)
(Loss) before capital grants	17,806	(26,792)	(32,599)
Capital grants	15,158	3,397	6,776
Change in net (deficit) position	32,964	(23,395)	(25,823)
Net (deficit) position beginning of year	(356,219)	(332,824)	(307,001)
Net (deficit) position end of year	$ (323,255)	$ (356,219)	$ (332,824)

2020

Landing fees and terminal area use charges for the years 2020 and 2019 were $113,487 and $125,431, respectively. Rents, concessions, and other revenues for the years 2020 and 2019 were $74,253 and $102,103, respectively. The decrease in 2020 operating revenues from 2019 of $39,794 (17.5%) was due to decreased landing fees and terminal area use charges of $11,944 (9.5%) and rents and other concession revenue of $24,721 (35.6%) due to decreased activity as a result of the COVID-19 pandemic impact on air travel. Salaries and wages increased by $393 (0.7%) in 2020 as compared to 2019 due to annual contractual salary increases and centralized support staff costs. Repairs and maintenance decreased by $3,284 (0.6%) due to decreased equipment and fuel maintenance based on lower activity at the Airport.

Pension expense decreased by $25,027 from $47,537 in 2019 to $22,510 in 2020 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 2020, the Airport made cash contributions of $17,500 toward the pension plans.

The 2020 nonoperating revenues of $102,722 are comprised of Passenger Facility Charges (PFC) revenue of $13,245, Customer Facility Charges (CFC) revenue of $3,214, and investment income of $3,829. During 2020, nonoperating revenues decreased by $7,412 due to the decrease in activity due to the COVID-19 pandemic.

Nonoperating expenses of $58,748 and $69,474 for the years 2020 and 2019, respectively, were primarily comprised of bond interest expense.

Capital grants increased $11,761 in 2020 primarily due to the increase of capital grant revenues earned during 2020 for Airport Improvement Grants (AIP) grant reimbursements.

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.

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

	Cash Flows		
	2020	2019	2018
Cash provided by (used in) activities:			
Operating	$ 9,588	$ 66,121	$ 69,048
Capital and related financing	(95,250)	(166,269)	(135,794)
Noncapital financing	(571)	(2,428)	(477)
Investing	75,376	(36,360)	157,177
Net change in cash and cash equivalents	(10,857)	(138,936)	89,954
Cash and cash equivalents:			
Beginning of year	211,411	350,347	260,393
End of year	$ 200,554	$ 211,411	$ 350,347

2020

As of December 31, 2020, the Airport's cash and cash equivalents of $200,554 decreased by $10,857 as compared to $211,411 at December 31, 2019 due to a reduction of operating activities of $56,533 as deferred revenue payments for 2019 were paid to the airlines during 2020, noncapital financing of $571 and capital and related financing of $95,250 related to the construction costs for the Midway Modernization Program, expected to be completed by 2021; offset by an increase in investing activities of $75,376 during 2020. Total cash and cash equivalents at December 31, 2020, were comprised of unrestricted and restricted cash and cash equivalents of $42,053 and $158,501, respectively.

2019

As of December 31, 2019, the Airport's cash and cash equivalents of $211,411 decreased by $138,936 as 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2020 and 2019, the Airport had invested $1,311,124 and $1,288,735, respectively, in net capital assets. During 2020, the Airport had additions of $72,428 related to capital activities. Construction projects include runway rehabilitation, passenger security checkpoint expansion and terminal garage enhancements.

During 2020, completed projects totaling $133,050 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, 2020 and 2019, and 2018, are summarized as follows:

	Capital Assets at Year-End		
	2020	2019	2018
Capital assets not depreciated:			
Land	$ 116,272	$ 116,250	$ 116,250
Construction in progress	144,755	205,399	95,571
Total capital assets not depreciated	261,027	321,649	211,821
Capital assets depreciated:			
Buildings and other facilities	1,871,229	1,738,200	1,703,964
Less accumulated depreciation for:			
Buildings and other facilities	(821,132)	(771,114)	(719,107)
Total capital assets depreciated—net	1,050,097	967,086	984,857
Total property and facilities—net	$ 1,311,124	$ 1,288,735	$ 1,196,678

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.

During 2020, the Airport issued $20,000 of commercial paper to pay for capital improvement projects.

The Airport's outstanding debt at December 31, 2020, 2019, and 2018, is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End		
	2020	2019	2018
Revenue bonds and notes	$ 1,648,820	$ 1,677,005	$ 1,713,485
Unamortized:			
Bond premium (discount)	88,567	96,982	105,563
Total revenue bonds payable—net of unamortized premium discount	1,737,387	1,773,987	1,819,048
Current bonds payable	(53,895)	(48,185)	(36,480)
Total long-term revenue bonds and notes payable—net	$ 1,683,492	$ 1,725,802	$ 1,782,568

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, 2020, 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, 2020 and 2019, the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

In September 2020 S&P Global Ratings downgraded the Chicago Midway International Airport Revenue Bonds (first and second liens) from A to A-.

During 2021, there were rating outlook changes for the Midway International Airport Revenue Bonds. See Subsequent Events in the footnotes for rating changes in 2021.

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. Southwest Airlines accounted for 93.7% and 92.4% during 2020 and 2019, respectively, of total enplanements at the Airport.

Based on the Airport's rates and charges for 2021, total budgeted Operating and Maintenance Expenses are projected at $135,838 and total net debt service and fund deposit requirements are projected at $101,218. Additionally, 2021 nonairline and nonsignatory revenues are budgeted for $86,835, resulting in a net airline requirement of $150,221 that will be funded through landing fees, terminal area use charges, and fueling system charges. These amounts include $48,285 related to the application of the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) 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 Federal Aviation Administration (FAA), as discussed in Note 11.

As previously disclosed in the MD&A, 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 Airport expects the CARES Act, CRRSA and ARP Act funding to improve its liquidity and strengthen its ability to withstand expected decreases in revenues during Fiscal Year 2021 and Fiscal Year 2022 that it anticipates as a result of the current and ongoing effects 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 (DEFICIT) POSITION
AS OF DECEMBER 31, 2020 AND 2019
($ in thousands)

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 42,053	$ 35,147
Cash and cash equivalents—restricted (Note 2)	115,607	149,625
Investments (Note 2)	3,366	28,401
Accounts receivable—net of allowance for doubtful accounts of approximately $89 in 2020 and $137 in 2019	18,521	9,141
Amounts to be billed	9,431	9,353
Due from other City funds	3,176	1,809
Prepaid expenses	618	456
Due from other governments	21,798	-
Interest receivable	14	130
Total current assets	214,584	234,062
NONCURRENT ASSETS:		
Cash and cash equivalents (Note 2)—restricted	42,894	26,639
Investments (Note 2)—restricted	282,097	325,556
Due from other governments—restricted	2,635	20,013
Passenger facility charges and other receivables—restricted	1,263	2,961
Interest receivable—restricted	429	1,954
Other assets	495	534
Property and facilities (Note 5):		
Land	116,272	116,250
Buildings and other facilities	1,871,229	1,738,200
Construction in progress	144,755	205,399
Total property and facilities	2,132,256	2,059,849
Less accumulated depreciation	(821,132)	(771,114)
Property and facilities—net	1,311,124	1,288,735
Total noncurrent assets	1,640,937	1,666,392
Total assets	1,855,521	1,900,454
DEFERRED OUTFLOWS (Note 10)	92,342	108,523
TOTAL ASSETS AND DEFERRED OUTFLOWS	$1,947,863	$2,008,977

	2020	2019
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 23,997	$ 23,916
Due to other City funds	12,477	11,248
Advances for terminal and hangar rent	632	568
Billings over amounts earned	9	9,639
Liabilities payable from restricted assets:		
Accounts payable	26,820	65,305
Due to other City funds	204	200
Interest payable	34,688	35,935
Current portion of revenue bond payable (Note 4)	53,895	48,185
Total current liabilities	152,722	194,996
NONCURRENT LIABILITIES:		
Revenue bonds payable—net of current maturities (Note 4)	1,683,492	1,725,802
Net pension liability (Note 7)	368,144	360,795
Derivative instrument (Note 4)	29,473	24,959
Performance deposits	1,954	1,954
Total noncurrent liabilities	2,083,063	2,113,510
Total liabilities	2,235,785	2,308,506
DEFERRED INFLOWS (Note 10)	35,333	56,690
NET POSITION (Note 1):		
Net investment in capital assets (deficit)	(125,410)	(165,290)
Restricted net position:		
Debt service	4,585	9,105
Capital projects	25,968	38,418
Passenger facility charges	3,477	3,475
Airport use agreement	33,251	39,811
Customer facility charges	13,100	15,508
Other assets	15,977	14,776
Total restricted net position	96,358	121,093
Unrestricted net (deficit) position	(294,203)	(312,022)
Total net (deficit) position	(323,255)	(356,219)
TOTAL	$1,947,863	$2,008,977

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET (DEFICIT) POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
($ in thousands)

	2020	2019
OPERATING REVENUES:		
Landing fees and terminal area use charges	$ 113,487	$ 125,431
Rents, concessions and other (Note 6)	74,253	102,103
Total operating revenues	187,740	227,534
OPERATING EXPENSES:		
Salaries and wages	55,964	55,571
Pension expense (Note 7)	22,510	47,537
Repairs and maintenance	43,737	47,021
Professional and engineering services	20,783	22,113
Other operating expenses	20,896	15,940
Total operating expenses before depreciation and amortization	163,890	188,182
Depreciation and amortization	50,018	52,007
Total operating expenses	213,908	240,189
OPERATING LOSS	(26,168)	(12,655)
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charges revenues	13,245	36,669
Customer facility charges revenues	3,214	7,427
Investment income	3,829	11,241
Interest expense (Note 4)	(58,045)	(58,490)
Noise mitigation costs	(703)	(2,496)
Grant revenues (Note 1)	82,302	-
Other nonoperating revenues (expenses)	132	(8,488)
Total nonoperating revenues (expenses)	43,974	(14,137)
CHANGE IN NET (DEFICIT) POSITION BEFORE CAPITAL GRANTS	17,806	(26,792)
CAPITAL GRANTS	15,158	3,397
CHANGE IN NET (DEFICIT) POSITION	32,964	(23,395)
TOTAL NET (DEFICIT) POSITION—Beginning of year	(356,219)	(332,824)
TOTAL NET DEFICIT (POSITION)—End of year	$ (323,255)	$ (356,219)

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
($ in thousands)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	$ 101,960	$ 121,430
Rents, concessions and other	66,777	97,873
Payments to vendors	(108,378)	(130,766)
Payments to employees	(49,710)	(50,731)
Transactions with other City funds (used in) provided by	(1,368)	28,102
Transactions with other City funds provided by	307	213
Cash flows provided by operating activities	9,588	66,121
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of commercial paper	20,000	-
Principal paid on bonds	(48,185)	(36,480)
Bond issuance and other related costs	(2,654)	(2,657)
Interest paid	(76,045)	(78,673)
Acquisition and construction of capital assets	(99,563)	(100,142)
Grant receipts	32,320	7,243
Proceeds from CARES Act Fund	60,719	-
Passenger Facility Charges revenues	14,573	36,776
Customer Facility Charges revenues	3,585	7,664
Cash flows used in capital and related financing activities	(95,250)	(166,269)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from settlement agreement	132	68
Cash paid for noise mitigation program	(703)	(2,496)
Cash flows used in noncapital financing activities	(571)	(2,428)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale (purchases) of investments—net	68,495	(49,074)
Investment interest	6,881	12,714
Cash flows provided by/(used in) investing activities	75,376	(36,360)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,857)	(138,936)
CASH AND CASH EQUIVALENTS—Beginning of year	211,411	350,347
CASH AND CASH EQUIVALENTS—End of year	$ 200,554	$ 211,411

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
($ in thousands)

	2020	2019
RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET POSITION:		
Unrestricted	$ 42,053	$ 35,147
Restricted:		
Current	115,943	149,625
Noncurrent	42,558	26,639
TOTAL	$ 200,554	$ 211,411
RECONCILIATION OF OPERATING LOSS TO CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (26,168)	$ (12,655)
Adjustments to reconcile operating loss to cash flows from operating activities:		
Depreciation and amortization	50,018	52,007
Pension expense other than contributions	4,978	33,633
Provision for uncollectible accounts	21	64
Changes in assets and liabilities:		
Accounts receivable	(9,401)	(202)
Due from other City funds	(1,368)	213
Prepaid expenses	(162)	(14)
Due to other City funds	1,232	704
Amounts to be billed	(78)	(147)
Billings over amounts earned	(9,630)	(7,037)
Advances for terminal and hangar rent	64	(973)
Accounts payable and accrued liabilities	82	528
CASH FLOWS FROM OPERATING ACTIVITIES	$ 9,588	$ 66,121

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS—Property additions in 2020 and 2019 of $25,880 and $64,650, respectively, are included in accounts payable.

The fair value adjustments (loss) to investments for 2020 and 2019 were $645 and $(150), 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 derivative instruments, 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.

Due from other Governments—These are receivables due from federal and state agencies, related to grants receivable. These funds are for reimbursement of capital improvements under the Airport Improvement Program.

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.

Debt—Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include leases, except for contracts reported as financed purchase of the underlying asset, or accounts payable.

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

Net (Deficit) Position—Total net (deficit) position comprises the net earnings from operating and nonoperating revenues, expenses, and capital grants. Total net (deficit) 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 (deficit) position consists of net (deficit) 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 (deficit) 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 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, 2020 and 2019, 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, 2020 and 2019, 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.

Grants and Federal Reimbursements—Grants and Federal reimbursements are recorded as revenue in the accounting period in which eligibility requirements have been met to receive reimbursement of federal funds.

The CARES Act, approved by the United States Congress and signed by the President on March 27, 2020, is one of the actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports. The Airport is eligible to receive $82.3 million of CARES Act funds and drew down $60.7 million of cash in fiscal year 2020. The CARES Act allows airports to request reimbursement of any lawful expense. For ease of administration, the Airport requested reimbursement for payroll and debt service net of PFCs and anticipates doing so in the future.

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 Standards—

GASB Statement	Impact
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. The Airport adopted GASB 84 for the fiscal year ended December 31, 2020 and there was no impact to the Airport's financial statements.
GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* ("GASB 88")	Improves 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. The Airport adopted GASB 88 for the fiscal year ended December 31, 2020, which required additional disclosures included in the debt footnote (see Note 4).
GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61* ("GASB 90")	Improves 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. The Airport adopted GASB 90 for the fiscal year ended December 31, 2020 and there was no impact to the Airport's financial statements.
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. The Airport adopted GASB 83 for the fiscal year ended December 31, 2020 and there was no impact to the Airport's financial statements.

GASB Statement	Impact
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. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. Certain elements of GASB 92 were effective in fiscal year 2020 and the adoption of the certain elements had no impact on the financial statements. The remainder of GASB 92 will be effective for the Airport beginning with its year ending December 31, 2022.

Upcoming Accounting Standards—GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the Airport upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 87, *Leases* (“GASB 87”)	2022
GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (“GASB 89”)	2021
GASB Statement No. 91, *Conduit Debt Obligations* (“GASB 91”)	2022
GASB Statement No. 93, *Replacement of Interbank Offered Rates* (“GASB 93”)	2022
GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (“GASB 94”)	2023
GASB Statement No. 96, *Subscription-based Information Technology Arrangements* (“GASB 96”)	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”)	2022

2. RESTRICTED AND UNRESTRICTED CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents and Investments—As of December 31, 2020, the Airport had the following investments (dollars in thousands):

Investment Type	Maturities (in Years) Less than 1	1–5	6–10	10	Fair Value
U.S. agencies	$ 43,083	$ 168,196	$ 6,010	$ -	$ 217,289
U.S. treasuries	5,198	-	-	-	5,198
Municipal bonds	12,331	39,173	23,641	-	75,145
Corporate bonds	-	-	-	-	-
Certificates of deposits and other short-term	205,784	-	-	-	205,784
Subtotal	$ 266,396	$ 207,369	$ 29,651	$ -	$ 503,416

As of December 31, 2019, the Airport had the following investments (dollars in thousands):

Investment Type	Maturities (in Years) 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

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, 2020 and 2019, were (dollars in thousands):

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
U.S. agencies	$ -	$ 185,924	$ -	$ -	$ 218,116	$ -
U.S. treasuries	-	-	-	-	-	-
Municipal bonds	-	69,865	-	-	58,946	-
Total investments at fair value	$ -	$ 255,789	$ -	$ -	$ 277,062	$ -

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 $247.6 million and $267.1 million at December 31, 2020 and 2019, 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, 2020 and 2019, was as follows (dollars in thousands):

Quality Rating	**2020**	**2019**
Moody's/S&P:		
Aaa/AAA*	$ 377,875	$ 421,577
Aa/AA	59,649	53,476
P1/A1	35,093	62,104
A/A	-	6,960
Not rated*	30,799	-
Total funds	$ 503,416	$ 544,117

* The Airport was able to obtain quality ratings for a portion of money market mutual funds as of December 31, 2020 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 $725.3 million. 99.4% of the bank balance was either insured or collateralized with securities held by

City agents in the City's name. At December 31, 2020, $4.6 million was uncollateralized, 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, 2020 and 2019, are summarized as follows (dollars in thousands):

	2020	**2019**
Per Note 2—Investments—airport	$503,416	$544,117
Per basic financial statements:		
Restricted investments	$282,097	$325,556
Unrestricted investments	3,366	28,401
Investments classified as cash and cash equivalents on the statements of net position	217,953	190,160
	$503,416	$544,117

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, 2020 and 2019, were as follows (dollars in thousands):

Account	**2020**	**2019**
Construction	$ 156,610	$ 209,244
Capitalized interest	-	119
Debt service	93,018	92,596
Debt service reserve	123,587	127,206
Operation and maintenance reserve	22,151	28,852
Repair and replacement	10,603	10,451
Emergency reserve	431	431
Customer Facility Charge (CFC)	14,086	15,675
Other	17,899	16,712
Subtotal—master indentures and use agreement accounts	438,385	501,286
Passenger Facility Charges (PFC)	2,213	534
Total	$ 440,598	$ 501,820

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, 2020 and 2019, 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, 2020 and 2019, consisted of the following (dollars in thousands):

	2020	2019
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%	$ 15,900	$ 19,370
Subtotal—first lien bonds	15,900	19,370
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, 2020, respectively	112,625	117,850
$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%	140,490	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
$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%	277,560	282,680
$124,710 Series 2014 C Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2044 variable floating interest rate (0.12% at December 31, 2020)	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%	111,425	118,185
$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%	204,070	208,270
$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%	39,240	43,055
Subtotal—second lien bonds	1,612,920	1,657,635
Commercial paper notes - Series A, B, C and D	20,000	-
Total revenue bonds and notes	1,648,820	1,677,005
Unamortized premium	88,567	96,982
Total revenue bonds payable—net of unamortized premium	1,737,387	1,773,987
Current portion	(53,895)	(48,185)
Total long-term revenue bonds payable	$1,683,492	$1,725,802

Long-term debt during the years ended December 31, 2020 and 2019, changed as follows (dollars in thousands):

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due within One Year
Revenue bonds and notes	$ 1,677,005	$ 20,000	$ (48,185)	$ 1,648,820	$ 53,895
Unamortized premium (discount)	96,982	-	(8,415)	88,567	-
Total long-term debt	$ 1,773,987	$ 20,000	$ (56,600)	$ 1,737,387	$ 53,895

	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

Interest expense capitalized for 2020 and 2019 totaled $12.5 million and $15.5 million, respectively. Interest income capitalized for 2020 and 2019 totaled $1.4 million and $5.4 million, respectively. Interest expense includes amortization of the deferred loss on bond refunding for 2020 and 2019 of $1.7 million and $1.7 million, and amortization of $8.4 million of premium, net and $8.6 million of premium, net, respectively.

Issuance of Debt—The Airport Commercial Paper Notes, Series A, B and C outstanding at December 31, 2020 and 2019, were $20.0 million and $0, respectively, with a $60 million maximum aggregated authorized by City Council. 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) ($66.8 million) provided for the timely payment of principal and interest on the notes until July 8, 2022. 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, 2020, there were no outstanding LOC advances.

At December 31, 2020, Midway had unused line of credit of $40.0 million. In an Event of Default, the Facility Fee rate that is in effect on the date of the default will increase by 1.00% per annum. In the event of long-term rating assigned to the Junior Lien Obligation Bonds, by either S&P or Fitch, the Facility Fee rate then in effect will increase by 1.00% per annum.

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. There were no defeased bonds outstanding at December 31, 2020.

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
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	$ 15,900	$ 1,808	$ 17,708

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, 2020 (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2021	$ 50,235	$ 72,012	$ 122,247
2022	56,280	69,458	125,738
2023	64,380	66,549	130,929
2024	66,960	63,370	130,330
2025	74,550	59,945	134,495
2026–2030	406,145	241,644	647,789
2031–2035	465,715	134,276	599,991
2036–2040	185,280	54,887	240,167
2041–2045	223,655	16,639	240,294
2046	19,720	493	20,213
Total	$ 1,612,920	$ 779,273	$ 2,392,193

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, 2020, the Series 2004 C&D bonds and the Series 2014C bonds were in a weekly rate interest mode. An 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.

An 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, 2020.

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, 2020.

During 2020, the Airport received CARES Act funds of $82.3 million, which are available for any airport purpose, including debt service payments. As a result, the CARES Act funds received by the Airport have been included in the calculation of the debt service covenant.

Hedging Derivative Instruments—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 $67.6 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, 2020		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges—pay-fixed interest rate swaps	Derivative instrument	$ (4,514)	Derivative instrument	$(29,473)	$ 112,625

	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

Pay-Fixed, Receive-Variable Interest Rate Swaps—The swap counterparties are Goldman Sachs and Wells Fargo, with notional amounts as of December 31, 2020, of $67.6 million and $45.1 million, respectively, and as of December 31, 2019, of $70.7 million and $47.1 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, 2020 and 2019, 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).

2020 Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value 2020	Swap Termination Date	Counterparty Credit Rating
Series 2004 C&D Bonds	$ 67,575	December 14, 2004	4.174 %	SIFMA +.05%	$(17,469)	January 1, 2035	Aa3/A+
Series 2004 C&D Bonds	45,050	April 21, 2011	4.247	SIFMA +.05%	(12,004)	January 1, 2035	Aa2/A+
Total	$ 112,625				$(29,473)		

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	December 14, 2004	4.174 %	SIFMA +.05%	$ (14,757)	January 1, 2035	A1/A+
Series 2004 C&D Bonds	47,140	April 21, 2011	4.247	SIFMA +.05%	(10,202)	January 1, 2035	Aa2/A+
Total	$ 117,850				$ (24,959)		

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 instrument 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, 2020, 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
2021	$ 5,350	$ 126	$ 4,402	$ 9,878
2022	5,675	120	4,171	9,966
2023	5,925	113	3,929	9,967
2024	6,200	105	3,677	9,982
2025	6,475	98	3,413	9,986
2026–2030	36,950	363	12,688	50,001
2031–2035	46,050	117	4,086	50,253
Total	$ 112,625	$ 1,042	$ 36,366	$ 150,033

5. CHANGES IN CAPITAL ASSETS

During the years ended December 31, 2020 and 2019, capital assets changed as follows (dollars in thousands):

	Balance January 1, 2020	Additions	Disposals and Transfers	Balance December 31, 2020
Capital assets not depreciated:				
Land	$ 116,250	$ 22	$ -	$ 116,272
Construction in progress[1]	205,399	72,406	(133,050)	144,755
Total capital assets not depreciated	321,649	72,428	(133,050)	261,027
Capital assets depreciated—buildings and other facilities [2]	1,738,200	133,029	-	1,871,229
Less accumulated depreciation for—buildings and other facilities	(771,114)	(50,018)	-	(821,132)
Total capital assets depreciated—net	967,086	83,011	-	1,050,097
Total property and facilities—net	$ 1,288,735	$ 155,439	$ (133,050)	$ 1,311,124

(1) Includes net capitalized interest of $19,005

(2) Reference Note 1 for Property and Facilities Significant Accounting Policies.

	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

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, 2020 (dollars in thousands):

Years Ending December 31	Amount
2021	$ 77,761
2022	78,968
2023	79,854
2024	80,813
2025	79,351
2026–2030	249,908
2031–2035	69,970
2036–2040	2,503
2041–2045	1,168
Total future minimum rental income	$ 720,296

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 $137.6 million and $141.6 million in 2020 and 2019, respectively. Contingent rentals included in the totals were approximately $51.2 million and $54.1 million for 2020 and 2019, respectively.

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, 2020, 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	25,471	3,646	13,900	5,221	48,238
Inactive employees entitled to but not yet receiving benefits	20,139	1,486	801	124	22,550
Active employees	31,327	2,564	12,715	4,697	51,303
	76,937	7,696	27,416	10,042	122,091

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 $17.5 million and $13.9 million for the years ended December 31, 2020 and 2019, respectively.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2020 and 2019, the Airport reported a liability of $368.1 million and $360.8 million, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, 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. See discount rate section below.

The change in the single discount rate and other assumptions increased the net pension liability by $0.7 million for Laborers', $1.5 million for Policemen, and $0.4 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 2020 and 2019. At December 31, 2020 and 2019, the Airport's proportion was 1.5% and 1.5%, respectively, of the Municipal Employees' Plan, 1.6% and 1.5% of the Laborer's Plan, 0.6% and 0.6% of the Policemen's Plan and 1.4% and 1.3%, respectively, of the Firemen's Plan.

For the years ended December 31, 2020 and 2019, the Airport recognized pension expense of $22.5 million and $47.5 million, respectively.

At December 31, 2020 and 2019, the reported deferred outflows of resources of $18.1 million and $17.3 million, respectively, and deferred inflows of resources of $29.8 million and $56.7 million, respectively, related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

	2020		2019	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$1,865	$ 514	$1,055	$ 1,441
Changes of assumptions	-	21,489	-	46,089
Net difference between projected and actual earnings on pension plan investments	-	1,469	-	762
Total	$1,865	$23,472	$1,055	$48,292

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	
2021	$ (21,896)
2022	964
2023	(747)
2024	72
Total	$ (21,607)

Laborers' (dollars in thousands):

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 70	$ 304	$ 117	$ 227
Changes of assumptions	808	54	365	2,321
Net difference between projected and actual earnings on pension plan investments	-	1,532	-	531
Total	$ 878	$ 1,890	$ 482	$ 3,079

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	
2021	$ (304)
2022	89
2023	(525)
2024	(272)
Total	$ (1,012)

Policemen's (dollars in thousands):

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 296	$ 1,621	$ 3	$ 2,402
Changes of assumptions	6,228	753	6,562	1,029
Net difference between projected and actual earnings on pension plan investments	-	235	100	-
Total	$ 6,524	$ 2,609	$ 6,665	$ 3,431

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	
2021	$ 636
2022	790
2023	436
2024	988
2025	899
2026	166
Thereafter	-
Total	$ 3,915

Firemen's (dollars in thousands):

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,189	$ 982	$ 285	$ 1,259
Changes of assumptions	6,598	150	8,771	319
Net difference between projected and actual earnings on pension plan investments	-	739	-	310
Total	$ 8,787	$ 1,871	$ 9,056	$ 1,888

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	
2021	$ 2,168
2022	2,445
2023	1,054
2024	602
2025	449
Thereafter	198
Total	$ 6,916

Deferred Outflows Related to Changes in Proportionate Share of Contributions—For the years ended December 31, 2020 and 2019, the Airport reported pension charge of $18.4 million and $19.7 million, respectively, related to changes in its proportionate share of contributions. As of December 31, 2020 and 2019, the Airport reported deferred inflows of $5.5M and $0, respectively, and deferred outflows of $29.4 million and $49.1 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, 2020 and 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2020	**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)	3.50%-25.00 % (d)
Investment rate of return	7.00 % (e)	7.25 % (e)	6.75 %	6.75 %

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)	3.50%–25.00 % (d)
Investment rate of return	7.00 % (e)	7.25 % (e)	6.75 %	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, 2020, 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, 2020 and 2019 are summarized in the following tables:

	Target Allocation				**Long-Term Expected Real Rate of Return**			
2020	**Municipal Employees’**	**Laborers’**	**Policemen’s**	**Firemen’s**	**Municipal Employees’**	**Laborers’**	**Policemen’s**	**Firemen’s**
Asset Class:								
Equity	- %	- %	- %	60.0 %	- %	- %	- %	6.7 %
Domestic equity	26.0	-	-	-	7.3	-	-	-
U.S. equity	-	25.0	21.0	-	-	5.3	5.7	-
Non U.S. equity	-	20.0	21.0	-	-	5.3	6.9	-
Global equity	5.0	-	-	-	7.5	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.2	-	-
International equity	17.0	-	-	-	7.5	-	-	-
Fixed income	25.0	20.0	22.0	20.0	2.3	(1.2)	1.1	2.2
Hedge funds	10.0	10.0	7.0	-	5.5	2.8	3.3	-
Infrastructure	2.0	-	-	-	7.3	-	-	-
Private debt	-	3.0	-	-	-	7.4	-	-
Private equity	5.0	4.0	-	-	10.8	9.1	-	-
Private markets	-	-	17.0	-	-	-	7.4	-
Global asset allocation	-	-	5.0	-	-	-	3.9	-
Real estate	10.0	10.0	7.0	8.0	6.0	3.4	5.4	5.8
Private real assets	-	3.0	-	-	-	4.9	-	-
Other investments	-	-	-	12.0	-	-	-	4.7
Total	100.0 %	100.0 %	100.0 %	100.0 %				

2019	Target Allocation				Long-Term Expected Real Rate of Return			
	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	100.0 %	100.0 %	100.0 %	100.0 %				

Discount Rate

Municipal Employees'—The discount rate used to measure the total pension liability as of December 31, 2020 and 2019, 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 6.84% and 7.0% was used to measure the total pension liability as of December 31, 2020 and 2019, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25% as of December 31, 2020 and 2019, and a municipal bond rate of 2.00% and 2.75% as of December 31, 2020 and 2019, 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 (deficit) position and future contributions were sufficient to finance the benefit payments through the year 2073 (for the 2020 valuation) and the year 2073 (for the 2019 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 2020 valuation) and the year 2073 (for the 2019 valuation), and the respective municipal bond rate was applied to all benefit payments after that date.

Policemen's—A Single Discount Rate of 6.28% and 6.43% was used to measure the total pension liability as of December 31, 2020 and 2019, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2020 and 2019, respectively, and a municipal bond rate of 2.00% and 2.75% as of December 31, 2020 and 2019, 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 (deficit) position and future contributions were sufficient to finance the benefit payments through the year 2076 (for the 2020 valuation) and the year 2075 (for the 2019 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076 (for the 2020 valuation) and the year 2075 (for the 2019 valuation), and the respective municipal bond rate was applied to all benefit payments after that date.

Firemen's—A Single Discount Rate of 6.30% and 6.34% was used to measure the total pension liability as of December 31, 2020 and 2019, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2020 and 2019, and a municipal bond rate of 2.12% and 2.74% as of December 31, 2020 and 2019, respectively (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2020). 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 (deficit) position and future contributions were sufficient to finance the benefit payments through the year 2077 (for the 2020 valuation) and 2071 (for the 2019 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076 (for the 2020 valuation) and 2070 (for the 2019 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, 2020 and 2019, calculated using the discount rate of 7%, 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, 2020	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	$ 230,474	$ 198,443	$ 171,823

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

Laborers'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2020 and 2019, calculated using the discount rate of 6.84% and 7.00%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.84%) or 1% point higher (7.84%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2020	**1% Decrease**	**Current Discount Rate**	**1% Increase**
Laborers' discount rate	5.84 %	6.84 %	7.84 %
Laborers' net pension liability	$ 31,312	$ 25,793	$ 21,163

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

Policemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2020 and 2019, calculated using the discount rate of 6.28% and 6.43%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.28%) or 1% point higher (7.28%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2020	**1% Decrease**	**Current Discount Rate**	**1% Increase**
Policemen's discount rate	5.28 %	6.28 %	7.28 %
Policemen's net pension liability	$ 78,290	$ 67,477	$ 58,474

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

Firemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2020 and 2019, calculated using the discount rate of 6.30% and 6.34%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.30%) or 1% point higher (7.30%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2020	**1% Decrease**	**Current Discount Rate**	**1% Increase**
Firemen's discount rate	5.30 %	6.30 %	7.30 %
Firemen's net pension liability	$ 87,887	$ 76,431	$ 66,850

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

Pension Plan Fiduciary Net (Deficit) Position—Detailed information about the pension plan's fiduciary net (deficit) 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 $31.2 million in 2020 and $28.9 million in 2019.

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, 2020 and 2019, are as follows (dollars in thousands):

	2020	2019
Beginning balance—January 1	$ 478	$ 476
Total claims incurred	5,132	5,455
Claims paid	(5,107)	(5,453)
Claims liability—December 31	$ 503	$ 478

The City's property and liability insurance premiums are approximately $12.7 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, 2020, with a limit of $3.5 billion and includes $3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2021, with a limit of $1 billion and includes $1 billion in war and terrorism liability coverage.

At December 31, 2020 and 2019, the Airport had commitments in the amount of approximately $46.7 million and $58.6 million, respectively, in connection with contracts entered into for construction projects.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

	2020	2019
Deferred outflows of resources:		
Deferred outflows from pension activities accumulated	$ 18,053	$ 17,258
Changes in proportionate share of pension contribution	29,359	49,140
Unamortized deferred bond refunding costs	15,457	17,166
Derivatives	29,473	24,959
Total deferred outflows of resources	$ 92,342	$ 108,523
Deferred inflows of resources—deferred inflows from pension activities	$ 35,333	$ (56,690)

Refer to Note 7 Pension Plans - Deferred Outflows Related to Pension Activities and to Changes in Proportionate Share of Contributions sections.

11. SUBSEQUENT EVENTS

In February 2021, the FAA announced that it had allocated approximately $16.5 million of grant assistance under the CRRSA Act to the Airport, plus an additional $2.2 million specifically related to Concessions Relief. In June 2021, the FAA announced that it had allocated approximately $62.8 million of grant assistance under the ARP Act to the Airport, plus an additional $8.6 million specifically related to Concessions Relief. The City can draw on CRRSA Act funds and ARP 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 CRRSA and ARP 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 CRRSA Act funding to improve its liquidity and strengthen its ability to withstand expected decreases in revenues during Fiscal Years 2021 and 2022 that it anticipates as a result of the current and ongoing effects of the COVID-19 pandemic.

In April 2021, S&P Global Ratings revised its rating outlook on the Midway International Airport Revenue Bonds from negative to stable.

In May 2021, Kroll Bond Rating Agency revised its rating outlook on the Midway International Airport Revenue Bonds from negative to stable.

* * * * * *

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2020	2019	2018	2017	2016	2015
MUNICIPAL EMPLOYEES':						
Total pension liability:						
Service cost*	$ 236,302	$ 228,465	$ 223,528	$ 572,534	$ 619,743	$ 226,816
Interest	1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
Benefit changes	-	-	-	-	-	2,140,009
Differences between expected and actual experience	100,938	16,676	95,540	(177,755)	(127,119)	(109,865)
Assumption changes	-	-	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Net change in total pension liability	554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,746
Total pension liability—beginning	17,260,356	16,808,614	16,282,396	23,291,271	23,358,870	12,307,094
Total pension liability—ending (a)	17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,840
Plan fiduciary net position:						
Contributions—employer	496,992	418,269	349,574	261,764	149,718	149,225
Contributions—employee	157,798	146,645	138,400	134,765	130,391	131,428
Net investment income	335,403	560,940	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Administrative expenses	(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
Other	-	-	-	5,394	-	-
Net change in plan fiduciary net position	9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
Plan fiduciary net position—beginning	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
Plan fiduciary net position—ending (b)	4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427
NET PENSION LIABILITY—Ending (a)–(b)	$ 13,724,573	$ 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	22.96 %	23.64 %	23.29 %	27.97 %	19.05 %	20.30 %
ALLOCATED COVERED PAYROLL**	$ 26,921	$ 26,905	$ 25,353	$ 23,019	$ 15,292	$ 15,138
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	737.13 %	731.07 %	743.37 %	695.41 %	1,144.85 %	1,132.81 %
ALLOCATED NET PENSION LIABILITY	$ 198,443	$ 196,694	$ 188,469	$ 160,076	$ 175,069	$ 171,485
ALLOCATED PERCENTAGE	1.45 %	1.49 %	1.46 %	1.36 %	0.93 %	0.92 %

* Includes pension plan administrative expense.
** Allocated 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 SIX FISCAL YEARS
(Dollars are in thousands)

	2020	2019	2018	2017	2016	2015
LABORERS':						
Total pension liability:						
Service cost*	$ 39,216	$ 38,522	$ 40,801	$ 80,232	$ 82,960	$ 38,389
Interest	191,099	188,347	183,135	154,047	150,166	153,812
Benefit changes	-	-	-	150	-	384,033
Differences between expected and actual experience	(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
Total pension liability—beginning	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615	2,162,905
Total pension liability—ending (a)	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615
Plan fiduciary net position:						
Contributions—employer	73,744	59,346	47,844	35,457	12,603	12,412
Contributions—employee	18,064	18,143	17,837	17,411	17,246	16,844
Net investment income	163,057	184,027	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Other	-	-	661	-	-	-
Net change in plan fiduciary net position	82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
Plan fiduciary net position—beginning	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
Plan fiduciary net position—ending (b)	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657
NET PENSION LIABILITY—Ending (a)–(b)	$1,588,592	$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	44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
ALLOCATED COVERED PAYROLL**	$ 3,364	$ 3,118	$ 3,075	$ 3,098	$ 3,172	$ 3,060
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	1,208.15 %
ALLOCATED NET PENSION LIABILITY	$ 25,793	$ 23,398	$ 23,248	$ 20,249	$ 38,495	$ 36,973
ALLOCATED PERCENTAGE	1.62 %	1.47 %	1.45 %	1.49 %	1.52 %	1.50 %

* Includes pension plan administrative expense.
** Allocated 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 SIX FISCAL YEARS
(Dollars are in thousands)

	2020	2019	2018	2017	2016	2015
POLICEMEN'S:						
Total pension liability:						
Service cost*	$ 286,537	$ 240,383	$ 242,998	$ 237,333	$ 220,570	$ 213,585
Interest	942,623	944,739	931,731	917,720	851,098	832,972
Benefit changes	-	24,216	-	-	606,250	-
Differences between expected and actual experience	61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	260,021	1,140,418	(259,052)	238,975	112,585	-
Benefit payments including refunds	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
Total pension liability—beginning	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
Total pension liability—ending (a)	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733
Plan fiduciary net position:						
Contributions—employer	739,441	581,936	588,035	494,483	272,428	572,836
Contributions—employee	113,622	110,792	107,186	103,011	101,476	107,626
Net investment income	271,891	369,982	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Other	472	(59)	1,600	97	1,413	3,092
Net change in plan fiduciary net position	279,469	257,249	(216,886)	257,047	(193,930)	(3,065)
Plan fiduciary net position—beginning	3,162,429	2,905,089	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,441,898	3,162,338	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	$ 12,052,842	$ 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	22.21 %	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
ALLOCATED COVERED PAYROLL**	$ 6,696	$ 7,187	$ 5,492	$ 5,361	$ 5,022	$ 4,401
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	1,007.78 %	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %
ALLOCATED NET PENSION LIABILITY	$ 67,477	$ 67,996	$ 47,425	$ 48,149	$ 45,971	$ 36,344
ALLOCATED PERCENTAGE	0.56 %	0.58 %	0.46 %	0.47 %	0.45 %	0.41 %

* Includes pension plan administrative expense

** Allocated 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 SIX FISCAL YEARS
(Dollars are in thousands)

	2020	2019	2018	2017	2016	2015
FIREMEN'S:						
Total pension liability:						
Service cost*	$ 109,487	$ 102,141	$ 97,143	$ 93,367	$ 94,115	$ 87,203
Interest	410,128	408,586	410,821	371,622	342,085	338,986
Benefit changes	-	-	-	-	227,213	-
Differences between expected and actual experience	174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
Assumption changes	30,468	190,954	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(366,160)	(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	358,640	290,131	506,210	596,892	323,174	313,324
Total pension liability—beginning	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
Total pension liability—ending (a)	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084
Plan fiduciary net position:						
Contributions—employer	368,423	255,382	249,684	228,453	154,101	236,104
Contributions—employee	54,414	46,623	45,894	47,364	48,960	46,552
Net investment income	105,367	161,082	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
Other	13	507	6	22	(53)	7
Net change in plan fiduciary net position	159,066	114,031	(90,363)	107,139	(26,087)	9,093
Plan fiduciary net position—beginning	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
Plan fiduciary net position—ending (b)	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101
NET PENSION LIABILITY—Ending (a)-(b)	$5,592,244	$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	18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
ALLOCATED COVERED PAYROLL**	$ 6,839	$ 6,163	$ 6,181	$ 6,313	$ 6,628	$ 6,303
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %
ALLOCATED NET PENSION LIABILITY	$ 76,431	$ 72,707	$ 70,560	$ 62,136	$ 57,212	$ 51,224
ALLOCATED PERCENTAGE	1.37 %	1.35 %	1.35 %	1.34 %	1.39 %	1.36 %

* Includes pension plan administrative expense.

** Allocated 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
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
2020	1,167,154	496,992	670,162	1,861,905	26.69

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

The schedule of contribution amounts are presented City-wide, as statutory requirement is for contribution is for the City of Chicago and not the individual Enterprise fund.

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
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
2020	155,794	73,744	82,050	207,195	35.59

* 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.

The schedule of contribution amounts are presented City-wide, as statutory requirement is for contribution is for the City of Chicago and not the individual Enterprise fund.

(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
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
2020	1,037,582	739,913	297,669	1,195,980	61.87

* 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.

The schedule of contribution amounts are presented City-wide, as statutory requirement is for contribution is for the City of Chicago and not the individual Enterprise fund.

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
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
2020	466,556	368,423	98,133	500,368	73.63

* 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.

The schedule of contribution amounts are presented City-wide, as statutory requirement is for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

SCHEDULE OF CONTRIBUTIONS

Actuarial Methods and Assumptions	Municipal Employees'		Laborers'		Policemen's		Firemen's	
Actuarial valuation date	12/31/2020	(a)	12/31/2020		12/31/2020		12/31/2020	
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 year.
(b) (1.50%-6.50% for 2020-2022), varying by years of service.
(c) Plus a service-based increase in the first 9 years.
(d) Plus 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, 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, 2020, actuarial funding valuation.
(q) The actuarial valuation is based on the statutes in effect as of December 31, 2020.

(Concluded)

ADDITIONAL 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, 2020 AND 2019
($ in thousands)

	2020	2019
REVENUES:		
Total revenues—as defined	$ 193,201	$ 233,994
Other available moneys (passenger facility charges and CARES Act Funds)	67,068	36,669
Revenue Fund balance on first day of fiscal year (Note 2)	14,970	17,376
TOTAL REVENUES	$ 275,239	$ 288,039
COVERAGE REQUIREMENT—Required deposits from revenues:		
Debt Service Fund	$ 4,494	$ 4,508
Operation and maintenance reserve account	-	1,694
Second/Junior Lien Obligation Debt Service Fund	117,026	102,172
Second Lien Obligation Program Fee Fund	2,067	1,648
Repair and Maintenance Fund	1,017	1,017
TOTAL FUND DEPOSIT REQUIREMENTS	$ 124,604	$ 111,039
AGGREGATE FIRST LIEN DEBT SERVICE FOR THE BOND YEAR	$ 4,494	$ 4,508
NET AGGREGATE DEBT SERVICE	$ 4,494	$ 4,508
	1.25	1.25
NET DEBT SERVICE REQUIRED COVERAGE	$ 5,618	$ 5,635
OPERATION AND MAINTENANCE EXPENSES	$ 122,894	$ 154,549
COVERAGE REQUIRED (Greater of total fund deposit requirements or 125% of aggregate debt service)	124,604	111,039
TOTAL COVERAGE REQUIRED	$ 247,498	$ 265,588
TOTAL REVENUES	$ 275,239	$ 288,039
COVENANT COVERAGE RATIO	1.11	1.08

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, 2020 AND 2019

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 $22.5 million of pension expense for 2020, $17.5 million is the portion of the City’s pension contribution payable in 2020 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2020, $5.0 million, is recognized on the income statement of Midway Airport for 2020 but is not due and payable by the City during 2020; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios. In addition, CARES Act Funds of $28.5 million were applied to reduce the airline-based operating and maintenance costs in 2020.

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, 2020 was $16.5 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, 2020 AND 2019
($ in thousands)

	2020	2019
REVENUES:		
Total revenues—as defined	$ 193,201	$ 233,994
Other available moneys (passenger facility charges and CARES Act Funds)	67,068	36,669
Revenue fund balance on first day of fiscal year (Note 2)	14,970	17,376
TOTAL REVENUES FOR CALCULATION OF COVERAGE	$ 275,239	$ 288,039
COVERAGE REQUIREMENT—Required deposits from revenues:		
First Lien Debt Service Fund	$ 4,494	$ 4,508
Operation and maintenance reserve account	-	1,694
Second Lien Obligation Debt Service Fund	117,026	102,172
Second Lien Obligation Program Fee Fund	2,067	1,648
Repair and Replacement Fund	1,017	1,017
TOTAL FUND DEPOSIT REQUIREMENTS	$ 124,604	$ 111,039
125% OF AGGREGATE FIRST LIEN DEBT SERVICE FOR THE BOND YEAR:		
Aggregate First Lien Debt Service	$ 4,494	$ 4,508
Net aggregate First Lien Debt Service	4,494	4,508
	1.25	1.25
125% OF AGGREGATE FIRST LIEN DEBT SERVICE	$ 5,618	$ 5,635
GREATER OF FUND DEPOSIT REQUIREMENTS OR 125% OF AGGREGATE FIRST LIEN DEBT SERVICE	$ 124,604	$ 111,039
110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE FOR THE BOND YEAR:		
Aggregate First Lien Debt Service	$ 4,494	$ 4,508
Aggregate Second Lien Debt Service	119,719	116,079
Less amounts transferred from Junior Lien Capitalized Interest Accounts	(1,881)	(13,462)
Net aggregate First and Second Lien Debt Service	122,332	107,125
	1.10	1.10
110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE	$ 134,565	$ 117,838
GREATER OF FUND DEPOSIT REQUIREMENTS OR 110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE	$ 134,565	$ 117,838
GREATER OF FUND DEPOSIT REQUIREMENTS OR 125% OF FIRST LIEN DEBT OR 110% OF AGGREGATE DEBT SERVICE	$ 134,565	$ 117,838
RATE COVENANT CALCULATION:		
Operation and maintenance expenses	$ 122,894	$ 154,549
110% of aggregate First and Second Lien Debt Service	134,565	117,838
TOTAL COVERAGE REQUIRED	$ 257,459	$ 272,387
TOTAL REVENUES	$ 275,239	$ 288,039
REVENUES IN EXCESS OF COVERAGE REQUIREMENT	$ 17,780	$ 15,653
COVENANT COVERAGE RATIO	1.07	1.06
COVERAGE CALCULATION:		
Total revenues	$ 275,239	$ 288,039
Operation and maintenance expenses	122,894	154,549
TOTAL REVENUES AVAILABLE FOR AGGREGATE DEBT SERVICE	152,345	133,490
Aggregate First and Second Lien Debt Service	124,213	107,125
REVENUES IN EXCESS OF COVERAGE REQUIREMENT	$ 28,132	$ 26,365
COVERAGE RATIO	1.23	1.25

See notes to debt service coverage calculations.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT SECOND LIEN REVENUE BONDS
NOTES TO DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 $22.5 million of pension expense for 2020, $17.5 million is the portion of the City's pension contribution payable in 2020 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2020, $5.0 million, is recognized on the income statement of Midway Airport for 2020 but is not due and payable by the City during 2020; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios. In addition, CARES Act Funds of $28.5 million were applied to reduce the airline-based operating and maintenance costs in 2020.

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, 2020 was $16.5 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, 2011–2020
(Unaudited)
($ in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUES:										
Landing fees	$ 38,583	$ 32,143	$ 42,516	$ 42,539	$ 48,350	$ 49,186	$ 54,165	$ 58,304	$ 56,604	$ 38,772
Rental revenues:										
Terminal area use charges	40,862	38,769	47,486	40,916	36,273	38,239	41,251	47,821	68,827	74,714
Other rentals and fueling system fees	24,978	32,202	26,004	24,197	25,945	26,396	27,912	28,755	32,615	29,486
Subtotal rental revenues	65,840	70,971	73,490	65,113	62,218	64,635	69,163	76,576	101,442	104,200
Concessions:										
Auto parking	29,112	30,830	32,721	34,226	35,772	36,665	38,317	36,602	34,430	14,299
Auto rentals	8,776	9,021	10,255	10,743	11,104	11,390	11,287	11,022	11,135	9,693
Restaurant	8,875	9,686	10,179	11,090	12,150	13,019	14,912	16,167	16,227	13,390
News and gifts	3,551	3,486	3,619	3,761	4,128	4,471	4,729	5,379	5,497	5,716
Other	2,634	1,696	2,409	2,787	2,397	2,827	2,452	2,483	2,199	1,670
Subtotal concessions	52,948	54,719	59,183	62,607	65,551	68,372	71,697	71,653	69,488	44,768
Reimbursements	-	-	-	-	-	-	-	-	-	-
Total operating revenues [1]	157,371	157,833	175,189	170,259	176,119	182,193	195,025	206,533	227,534	187,740
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages [2]	43,554	44,463	43,998	47,836	43,343	48,548	48,185	51,408	55,571	55,964
Pension expense	-	-	-	-	60,767	47,879	40,211	42,843	47,537	22,510
Repairs and maintenance	40,732	37,990	39,606	44,160	44,095	48,277	44,506	47,326	47,021	43,737
Energy	6,415	7,258	7,205	7,060	6,868	7,221	6,984	7,104	7,728	6,400
Materials and supplies	1,418	1,318	1,927	1,971	2,522	2,016	1,932	2,397	3,061	5,689
Professional and engineering services	15,650	15,011	19,144	23,255	20,954	20,851	24,344	24,144	22,113	20,783
Other operating expenses	2,320	8,257	9,236	5,314	5,327	7,813	4,803	6,188	5,151	8,807
Total operating and maintenance expenses before depreciation and amortization [3]	110,089	114,297	121,116	129,596	183,876	182,605	170,965	181,410	188,182	163,890
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION [4]	$ 47,282	$ 43,536	$ 54,073	$ 40,663	$ (7,757)	$ (412)	$ 24,060	$ 25,123	$ 39,352	$ 23,850
COVENANT COVERAGE CALCULATION—FIRST LIEN	1.07	1.07	1.06	1.09	1.11	1.04	1.05	1.04	1.08	1.11
COVENANT COVERAGE CALCULATION—SECOND LIEN	1.07	1.07	1.06	1.09	1.10	1.04	1.04	1.01	1.06	1.07

[1] Average annual compound growth rate for 2011–2020 for total operating revenues is 2.0%.
[2] Salaries and wages includes charges for pension, health care and other employee benefits for years 2011–2020.
[3] Average annual compound growth rate for 2011–2020 for total operating and maintenance expenses before depreciation and amortization is 4.5 %.
[4] Amount for 2020 may be reconciled to operating loss of $26,168 reported in the 2020 Statement of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $50,018 Amount for prior years may be reconciled through similar calculations.
Of the $22.5 million of pension expense for 2020, $17.5 million is the portion of the City's pension contribution payable in 2020 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2020 $5 million is recognized on the income statement of Midway Airport for 2020 pursuant to GASB 68 but is not due and payable by the City during 2020; 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
2021	4,434	$ 4,434	9,878	$ 24,462	$ 56,070	$ 26,555	$ 5,282	$ 122,247	$ 126,681
2022	4,427	4,427	9,965	24,812	59,133	26,551	5,277	125,738	130,165
2023	4,429	4,429	9,967	28,030	65,882	21,778	5,272	130,929	135,358
2024	4,418	4,418	9,982	27,561	65,748	21,772	5,267	130,330	134,748
2025	-	-	9,986	27,218	71,502	20,523	5,266	134,495	134,495
2026	-	-	10,003	26,110	71,395	20,515	5,263	133,286	133,286
2027	-	-	9,958	25,229	71,128	20,505	5,256	132,076	132,076
2028	-	-	10,000	23,775	71,348	20,494	5,251	130,868	130,868
2029	-	-	10,002	22,759	71,208	20,483	3,808	128,260	128,260
2030	-	-	10,039	24,479	68,307	20,474	-	123,299	123,299
2031	-	-	10,036	27,944	63,713	20,463	-	122,156	122,156
2032	-	-	10,042	24,260	66,284	20,500	-	121,086	121,086
2033	-	-	10,033	23,330	66,133	20,498	-	119,994	119,994
2034	-	-	10,056	22,385	65,983	20,485	-	118,909	118,909
2035	-	-	10,086	18,826	68,461	20,473	-	117,846	117,846
2036	-	-	-	-	24,511	20,402	-	44,913	44,913
2037	-	-	-	-	28,490	20,392	-	48,882	48,882
2038	-	-	-	-	28,464	20,376	-	48,840	48,840
2039	-	-	-	-	28,433	20,356	-	48,789	48,789
2040	-	-	-	-	28,405	20,338	-	48,743	48,743
2041	-	-	-	-	28,787	20,319	-	49,106	49,106
2042	-	-	-	-	35,108	20,302	-	55,410	55,410
2043	-	-	-	-	36,680	20,281	-	56,961	56,961
2044	-	-	-	-	-	20,262	-	20,262	20,262
2045	-	-	-	-	-	20,241	-	20,241	20,241
2046	-	-	-	-	-	20,213	-	20,213	20,213
	$ 17,708	$ 17,708	$ 150,033	$ 371,180	$ 1,241,173	$ 545,551	$ 45,942	$ 2,353,879	$ 2,371,587

[1] Assumes an interest rate effective at December 31, 2020, on $242,570 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, 2020.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

MIDWAY AIRPORT REVENUE BONDS
SERIES 1996 ESTIMATED BOND-FUNDED COSTS
AS OF DECEMBER 31, 2020
(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 2021–2027
ESTIMATED SOURCES AND USES OF FUNDS
AS OF DECEMBER 31, 2020
(Unaudited)
($ in thousands)

ESTIMATED SOURCES:	
AIP—entitlements	$ 6,500
Other Federal Funds (TSA) Grants	
Series 2010 Bonds	14,781
Series 2014 Bonds	49,560
Series 2016 Bonds	70,283
Future Bonds	79,261
TOTAL ESTIMATED SOURCES	$ 220,385
ESTIMATED USES:	
Terminal area projects	$ 21,701
Land acquisition	7,893
Airfield projects	101,683
Parking/roadway projects	26,459
Noise projects	32,641
Safety and security	3,232
Implementation	26,776
TOTAL ESTIMATED USES	$ 220,385

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, 2020
(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, 2020.

[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, 2011–2020
(Unaudited)

Years	Domestic Air Carrier	Domestic Commuter[1]	Total Domestic	International Enplanements	Total Enplanements	Percent Change
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)
2020 [2]	4,311,767	-	4,311,767	134,139	4,445,906	(57.3)
Average Annual Compound Growth Rates						
2011–2020	(8.2)%	(100.0)%	(8.2)%	1.2 %	(8.0)%	

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

[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

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, 2011–2020
(Unaudited)

	2011		2012		2013		2014		2015		2016		2017		2018		2019		2020	
	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	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 %	4,166,573	93.7 %
AirTran	413,717	4.4	387,114	4.0	462,680	4.5	383,443	3.6	-	-	-	-	-	-	-	-	-	-	-	-
Northwest Airlines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frontier	158,405	1.7	144,496	1.5	161,456	1.6	157,835	1.5	8,658	0.1	-	-	-	-	-	-	-	-	-	-
Shuttle America (Delta Express)	8,874	0.1	6,085	-	4,281	0.1	7,830	0.1	640	-	3,535	0.0	-	-	-	-	-	-	-	-
Atlantic Southeast	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comair	-	-	36,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delta	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	59,603	1.3
All other airlines	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	219,730	4.9
Total	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 %	4,445,906	100 %

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

HISTORICAL ENPLANED PASSENGERS
CHICAGO REGION AIRPORTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2011–2020
(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**
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
2020[1]	4,445,906	22.5	15,351,046	77.5	19,796,952
Average Annual Compound Growth Rates					
2011–2020	(8.0)%		(8.2)%		(8.2)%

[1] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

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, 2011–2020
(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
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
2020(2)	2,912,068	25.4	8,550,533	74.6	11,462,601

Average Annual Compound Growth Rates

2011–2020	(7.2)%	(6.7)%	(6.8)%

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

(2) Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

AIRCRAFT OPERATIONS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2011–2020
(Unaudited)

Years	Aircraft Operations Domestic Air Carrier	International Air Carrier	Total Air Carrier	Domestic Commuter	General Aviation	Total
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
2020	110,129	2,627	112,756	-	37,442	150,198
			Average Annual Compound Growth Rates			
2011–2020	(5.2)%	(5.4)%	(5.2)%	(100.0)%	(6.7)%	

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, 2011–2020
(Unaudited)
($ in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NET POSITION:										
Net investment in capital assets	$ (70,876)	$(87,279)	$(131,057)	$(115,080)	$(150,431)	$(152,026)	$(180,803)	$(172,197)	$(165,290)	$(125,410)
Restricted	208,100	80,507	99,427	86,526	97,980	83,048	127,476	120,685	121,093	96,358
Unrestricted	37,224	36,572	46,613	21,856	(191,025)	(234,875)	(253,674)	(281,312)	(312,022)	(294,203)
TOTAL NET POSITION	$174,448	$ 29,800 *	$ 14,983	$ (6,698)	$(243,476) **	$(303,853)	$(307,001)	$(332,824)	$(356,219)	$(323,255)

* 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, 2011–2020
(Unaudited)
($ in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUES	$157,371	$157,833	$175,189	$170,259	$176,119	$182,193	$195,025	$206,533	$227,534	$ 187,740
OPERATING EXPENSES	161,156	159,530	162,654	175,759	231,595	231,723	222,408	232,793	240,189	213,908
OPERATING (LOSS) GAIN	(3,785)	(1,697)	12,535	(5,500)	(55,476)	(49,530)	(27,383)	(26,260)	(12,655)	(26,168)
NONOPERATING (EXPENSES) REVENUES	4,246	(31,708)	(32,327)	(21,007)	(30,966)	(38,750)	(7,321)	(6,339)	(14,137)	43,974
(LOSS) GAIN BEFORE CAPITAL GRANTS	461	(33,405)	(19,792)	(26,507)	(86,442)	(88,280)	(34,704)	(32,599)	(26,792)	17,806
CAPITAL GRANTS	3,061	4,681	4,975	4,826	9,279	27,903	31,556	6,776	3,397	15,158
CHANGE IN NET POSITION	$ 3,522	$ (28,724) *	$ (14,817)	$ (21,681)	$ (77,163) **	$ (60,377)	$ (3,148)	$ (25,823)	$ (23,395)	$ 32,964

* 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, 2011–2020
(Unaudited)
($ in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
First lien bonds	$ 780,205	$ 758,560	$ 624,545	$ 34,180	$ 31,530	$ 28,730	$ 25,775	$ 22,660	$ 19,370	$ 15,900
Second lien bonds	681,285	648,130	812,750	1,489,410	1,474,795	1,752,875	1,730,060	1,690,825	1,657,635	1,612,920
Commercial paper notes	-	34,639	57,713	-	-	-	-	-	-	-
Total revenue bonds and notes	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	1,628,820
Unamortized premium	(281)	160	4,325	84,609	79,093	123,133	114,270	105,563	96,982	88,567
Total revenue bonds payable, net of unamortized premium (discount)	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	1,717,387
Enplanements [1]	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	4,445,906
Total debt per enplanements	$ 155	$ 147	$ 146	$ 144	$ 135	$ 157	$ 156	$ 155	$ 161	$ 366

[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, 2011–2020
(Unaudited)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airfield operations	75	70	70	85	88	94	127	128	134	137
Landside operations	-	-	-	21	20	21	21	21	21	22
Security management	60	60	60	69	62	62	63	64	68	110
Facility management	35	33	35	14	15	15	15	15	18	17
Midway administration	10	10	10	10	10	10	12	12	12	12
Safety management	2	2	2	-	-	-	-	-	-	-
Total	182	175	177	199	195	202	238	240	253	298

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)

	2020 (1)			2011 (3)		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Advocate Aurora Health Care	26,335	1	2.26 %			
Northwestern Memorial Healthcare	21,999	2	1.89			
University of Chicago	18,732	3	1.61			
Amita Health	16,711	4	1.43			
Walmart Inc	16,610	5	1.43			
Amazon.com, Inc.	14,282	6	1.23			
Amita Health	13,750	7	1.18			
JPMorgan Chase & Co	13,377	8	1.15	7,993	1	0.77 %
Walgreen Boots Alliance Inc.	11,059	9	0.95	4,429	7	0.43
United Continental Holdings Inc. (2)	10,754	10	0.92	6,366	2	0.62
Jewel-Osco			0.00	4,799	5	0.46
Northern Trust			0.00	5,485	3	0.53
Bank of America NT & SA			0.00	4,557	6	0.44
Accenture LLP			0.00	5,014	4	0.48
CVS Corporation			0.00	4,159	8	0.40
ABM Janitorial Midwest, INC				3,629	9	0.35
Ford Motor Company				3,410	10	0.33

NOTES:

(1) Source: Reprinted with permission from the February 22, 2021 issue of Crain's Chicago Business.

(2) Source: Bureau of Labor Statistics data used in calculation of Total City Employment.

(3) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.
Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue Tax–Division report which is no longer available.

(4) United Continental Holdings Inc. formerly known as United Airlines.

(5) JP Morgan & Co. formerly known as J.P. Morgan Chase.

(6) Jewel-Osco formerly known as Jewel Food Stores, Inc.

(7) Bank of America NT & SA formerly known as Bank of America NT.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

STATISTICAL DATA
POPULATION AND INCOME STATISTICS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2011–2020
(Unaudited)

Year	Population (1)	Median Age (2)	Number of Households (2)	City Employment	Unemployment Rate (3)	Per Capita Income (4)	Total Income
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	35.2	1,080,345	1,286,484	3.2	65,306	176,038,722,988
2020	2,695,598	N/A (5)	N/A (5)	1,165,441	8.2	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 2020.

(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
ANNUALIZED RATES AS OF JULY 1, 2020
(Unaudited)

Landing Fees and Terminal Area Use Charges	**2020**
Signatory landing fee (rate/1000 lbs)	$ 5.044
Non-signatory landing fee (rate/1000 lbs)	6.305
Signatory joint use fee (base usage/1000 lbs)	$ 4.057
Non-signatory joint use fee (base usage/1000 lbs)	5.071
Signatory joint use fee (per capita/annual)	$ 628,642
Non-signatory joint use fee (per capita/annual)	785,802
Signatory terminal rental rate	$ 212.18
Non-signatory terminal rental rate	265.23
Terminal ramp rate	$ 5.78
Signatory FIS fee per deplaned passenger	$ 7.50
Non-signatory FIS fee per deplaned passenger	9.38
Cost per departure rate (1)	$ 241.04

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