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

Comprehensive Annual Financial Report
For the Year Ended December 31, 2014 and 2013

Rahm Emanuel, Mayor
Carole L. Brown, Chief Financial Officer
Daniel Widawsky, City Comptroller
Ginger S. Evans, Commissioner

2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE CHICAGO O'HARE INTERNATIONAL AIRPORT

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PART I

INTRODUCTORY SECTION

CHICAGO DEPARTMENT OF AVIATION

CITY OF CHICAGO

June 30, 2015

To the Honorable Mayor Rahm Emanuel, Members of the City Council and Citizens of the City of Chicago:

I am pleased to submit the Comprehensive Annual Financial Report ("CAFR") of Chicago O'Hare International Airport ("Airport") for the year ended December 31, 2014. State law requires that all governmental units publish within six months of the close of each fiscal year financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited by a licensed public accountant.

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

ECONOMIC CONDITION AND OUTLOOK

According to preliminary 2014 statistics compiled by Airports Council International, the Airport was the busiest airport in the world in 2014, as measured by total aircraft operations and the seventh-busiest by total passengers. In North America, the Airport was the sixth-busiest airport in terms of total cargo tonnage handled. According to the *Official Airline Guide*, as of December 31, 2014, nonstop service was provided from the Airport to 234 airports, consisting of 168-domestic airports and 66-foreign airports. Given the strength and diversity of the economic base of the region and the resulting high demand for air transportation services, it is expected that the Airport will remain a major air traffic connecting hub, with a substantial number of airlines providing flights to all major domestic locations as well as an increasing number of international destinations.

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REPORTING ENTITY

The Airport is the primary commercial airport for the City, and the region, as well as an important transfer and connecting point for numerous domestic and international flights. Located 18 miles northwest of the City's central business district, the Airport occupies approximately 7,265 acres of land. The Airport is accessed by a network of highways, including several regional expressways that are part of the federal Interstate Highway System, and is directly linked to the central business district by a rapid transit rail system.

The airlines servicing the Airport operate out of four terminal buildings. Three domestic terminal buildings, having a total of 169 gates, serve domestic flights and certain international departures. The International Terminal, having a total of 20 gates and five remote aircraft parking positions, serves the remaining international departures and all arrivals requiring customs clearance.

MAJOR INITIATIVES

The centerpiece of capital development at the Airport is the O'Hare Modernization Program (OMP). The OMP preserves and enhances the capacity of the Airport and the national air transportation system, while it also reduces delays, mitigates noise impacts, provides sufficient terminal, landside, and support facilities to accommodate existing and future passenger and cargo demand; provides efficient surface access for existing and future Airport users; and provides opportunities for enhanced competition among air carriers.

This program consists of the development of one new runway at the Airport, the relocation of three existing runways, the extension of two existing runways, addition of a western access road to the Airport and a new western terminal facility at an estimated cost of $6.6 billion stated in 2001 dollars. These improvements are designed to reduce weather delays by 95 percent, reduce overall delays by 70 percent and meet projected aviation demand beyond 2030. OMP is divided into OMP Phase 1 and OMP Completion Phase. Phase I began in September 2005 and includes the construction of a new runway, the relocation of an existing runway, the extension of a runway and a new air traffic control tower, which have all been completed.

The Completion Phase is further divided into OMP Phase 2A and OMP Phase 2B. Design and construction began in March 2011 on Phase 2A projects, which include the construction of a runway and north airfield enabling projects. The estimated cost for Phase 2A is $943 million and is expected to be completed in 2015.

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

The City expects that these capital programs will be funded from the following sources: proceeds of airport revenue bonds, Passenger Facility Charge (PFC) revenues on a pay-as-you-go basis, PFC-backed bonds, federal grants 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. The internal control structure is designed to provide reasonable assurance that the assets, resources and operations of the Airport are handled in a manner that protects against waste, theft, or neglect and other irregularities that may hinder the operations of the Airport. This objective is being met by adequate supervision of employees, segregation of the duties and multiple approvals of expenditures.

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

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

RELEVANT FINANCIAL POLICIES

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

The Airport Use Agreements specify a residual rate-making methodology for the calculation of airline rates and charges. Under this methodology, total operating and maintenance expenses and debt service (including coverage) are calculated for each cost-revenue center and offset by non-airline revenues. The Airport Use Agreements provide that the aggregate of Airport Fees and Charges paid by the Airline Parties must be sufficient to pay for the net cost of operating, maintaining and developing the Airport (excluding the Land Support Area) including the satisfaction of Debt Service coverage, deposit and payment requirements of the Bond Ordinance and the Indentures.

INDEPENDENT AUDIT

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

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its CAFR for the fiscal year ended December 31, 2013. This was the 17th consecutive year that the Airport has received this prestigious award, which is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

Respectfully submitted,

Ginger S. Evans

Ginger S. Evans
Commissioner
Chicago Department of Aviation

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chicago O'Hare International Airport

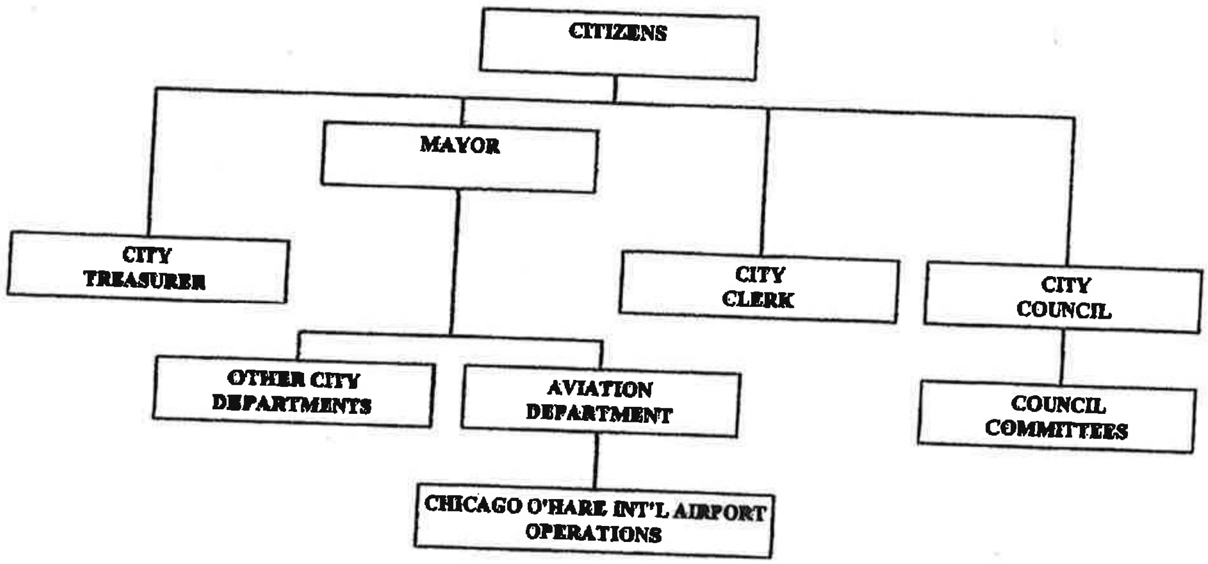
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT
ORGANIZATION CHART
AS OF 12/31/14



PART II

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Rahm Emanuel, Mayor
and Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of Chicago O'Hare International Airport (O'Hare), an enterprise fund of the City of Chicago, Illinois (the City), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise O'Hare's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago O'Hare International Airport as of December 31, 2014 and 2013, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the basic financial statements referred to above present only Chicago O'Hare International Airport, an enterprise fund of the City, and do not purport to, and do not, present the financial position of the City as of December 31, 2014 and 2013, changes in its financial position, or where applicable, its cash flows, 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 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise O'Hare's basic financial statements. The additional information, introductory section 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 as listed in the table of contents 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 has 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, 2015

The following discussion and analysis of Chicago O'Hare International Airport's (the "Airport") financial performance provides an introduction and overview of the Airport's financial activities for the fiscal years ended December 31, 2014 and 2013. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

2014

- Operating revenues for 2014 increased by $126,844 (17.7%) compared to prior-year operating revenues.

- Operating expenses before depreciation and amortization increased by $68,958 (16.2%) compared to 2013 primarily due to increased salaries and wages, repairs and maintenance, and other operating expenses.

- The Airport's total net position at December 31, 2014, was $1,460,084. This is an increase of $132,685 (9.9%) over total net position at December 31, 2013.

- Capital asset additions for 2014 were $346,671 principally due to land acquisition, buildings, runways and taxiway improvements and roadway rehabilitation.

2013

- Operating revenues for 2013 increased by $15,116 (2.2%) compared to prior-year operating revenues.

- Operating expenses before depreciation, amortization, and capital asset impairment costs decreased by $24,130 (5.4%) compared to 2012 primarily due to decreased salaries and wages, repairs and maintenance, and other operating expenses, offset by increased professional and engineering fees.

- The Airport's total net position at December 31, 2013, was $1,327,399. This is an increase of $172,781 (14.0%) over total net position at December 31, 2012.

- Capital asset additions for 2013 were $421,602 principally due to land acquisition, buildings, runways and taxiway improvements, and roadway rehabilitation.

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's reporting entity as an enterprise fund. The Airport's basic financial statements comprise the basic financial statements and the notes to basic financial statements. In addition to the basic financial statements, this report also presents additional and statistical information after the notes to basic financial statements.

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

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

The Statements of Cash Flows report how cash and cash equivalents were provided and used by the Airport's operating, capital financing, and noncapital financing and investing activities. These statements present the cash received and disbursed, the net increase or decrease in cash and cash equivalents for the year and the cash and cash equivalents balance at year-end.

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

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

FINANCIAL ANALYSIS

Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the Amended and Restated Airport Use Agreement and Terminal Facilities Lease and the International Terminal Use Agreement and Facilities Lease ("Use Agreements"). Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned.

At December 31, 2014, the Airport's financial position continued to be strong with total assets of $9,669,664 total liabilities of $8,209,580, and net position of $1,460,084.

A comparative condensed summary of the Airport's net position at December 31, 2014, 2013, and 2012 is as follows (dollars in thousands):

	Net Position		
	2014	**2013**	**2012**
Current unrestricted assets	$ 210,357	$ 210,181	$ 231,055
Restricted and other assets	2,536,281	2,715,535	2,233,686
Capital assets—net	6,872,854	6,742,101	6,524,929
Deferred outflows	50,172	62,974	54,362
Total assets and deferred outflows	$9,669,664	$9,730,791	$9,044,032
Current liabilities	$ 175,216	$ 174,621	$ 199,546
Liabilities payable from restricted assets and noncurrent liabilities	8,034,364	8,228,771	7,689,868
Total liabilities	$8,209,580	$8,403,392	$7,889,414
Net position:			
Net investment in capital assets	$ 644,430	$ 582,086	$ 517,619
Restricted	780,514	709,754	605,488
Unrestricted	35,140	35,559	31,511
Total net position	$1,460,084	$1,327,399	$1,154,618

2014

Current unrestricted assets increased by $176 (0.08%) primarily due to increased accounts receivable and decreased cash and investments. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2014 and 2013, was 1.19:1 and 1.20:1, respectively. Restricted and other assets decreased by $179,254 (6.6%) primarily due to decreases in construction funds of $209,904 and capitalized interest funds of $49,898 and increases to debt service interest funds of $28,008 and Airport Development Funds of $45,302. Net capital assets increased by $130,753 (1.9%) due principally to capital activities of the Capital Improvement Program and the O'Hare Modernization Program (OMP) at the Airport.

The increase in current liabilities of $595 (0.3%) is mainly related to the increased billings over amounts earned of $12,963 offset in part by a decrease in accounts payable and accrued liabilities of $5,008 and decreased amounts of advanced payments for terminal and hangar rents of $4,817.

Liabilities payable from restricted assets and noncurrent liabilities decreased by $194,407 (2.4%) due primarily to the decrease in revenue bond payable.

Net position may serve, over a period of time, as a useful indicator of the Airport's financial position. As of December 31, 2014, total net position was $1,460,084, an increase of $132,685 (9.9%) from 2013.

2013

Current unrestricted assets decreased by $20,874 (9%) primarily due to decreased balances in cash and cash equivalents and a decrease in amounts to be billed at December 31, 2013. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2014 and 2013, was 1.20:1 and 1.16:1, respectively. Restricted and other assets increased by $481,849 (21.6%) primarily due to increases in construction funds of $172,536, debt service reserves of $133,300, debt service interest accounts of $105,127, and other funds of $151,371, offset by decreases in capitalized interest funds of $63,939. Net capital assets increased by $217,172 (3.3%) due principally to capital activities of the Capital Improvement Program and the OMP at the Airport.

The decrease in current liabilities of $24,925 (12.3%) is mainly related to the decreased billings over amounts earned of $36,019 offset in part by an increase in accounts payable and accrued liabilities of $3,706. Liabilities payable from restricted assets and noncurrent liabilities increased by $538,903 (7%) due primarily to the increase in revenue bond payable.

Net position may serve, over a period of time, as a useful indicator of the Airport's financial position. As of December 31, 2013, total net position was $1,327,399, an increase of $172,781 (15%) from 2012. Due to the residual Airport Use Agreement, this increase is mainly due to timing differences between depreciation on property and facilities and cash requirements required for debt service.

A comparative condensed summary of the Airport's changes in net position for the years ended December 31, 2014, 2013, and 2012 is as follows (dollars in thousands):

	Changes in Net Position		
	2014	**2013**	**2012**
Operating revenues:			
Landing fees and terminal charges	$ 552,431	$ 442,934	$ 436,909
Rents, concessions, and other	292,093	274,746	265,655
Total operating revenues	844,524	717,680	702,564
Operating expenses:			
Salaries and wages	182,984	162,233	163,542
Repairs and maintenance	110,928	85,484	88,784
Professional and engineering	88,143	81,070	74,307
Other operating expenses	112,952	97,262	123,546
Depreciation and amortization	218,211	196,352	190,224
Capital asset impairment		205	21,601
Total operating expenses	713,218	622,606	662,004
Operating income	131,306	95,074	40,560
Nonoperating revenues	233,318	189,204	201,877
Nonoperating expenses	(320,971)	(315,033)	(312,131)
Total nonoperating revenues/expenses	(87,653)	(125,829)	(110,254)
Income (Loss) Before Capital Grants	43,653	(30,755)	(69,694)
Capital grants	89,032	203,536	73,538
Change in net position	$ 132,685	$ 172,781	$ 3,844

2014

Landing fees and terminal area use charges for the years 2014 and 2013 were $554,431 and $442,934, respectively. Rents, concessions, and other revenues were $292,093 and $274,746 for the years 2014 and 2013, respectively. The increase in 2014 operating revenues of $126,844 (17.7%) compared to 2013 was primarily due to increased landing fees and terminal area use charges of $109,497.

Salaries and wages increased $20,751 (12.8%) in 2014 compared to 2013. The increase is attributable to additional salaries and wages associated with snow removal operations and retroactive pay adjustments. Repairs and maintenance expenses increased by $25,444 (29.8%) from the prior year the increase is largely the result of additional snow removal expenses. Professional and engineering costs increased $7,073 (8.7%) from the prior year as a result of increases in contracted costs. Other operating expenses increased by $15,690 (16.1%) Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases, and the provision for doubtful accounts.

The 2014 nonoperating revenues of $233,318 are comprised of passenger facility charges (PFC) $136,351, customer facility charges (CFC) of $36,284 and other nonoperating revenue of $30,845 and investment income of $29,838. During 2014, nonoperating revenues increased by $44,114 due primarily to increased investment income of $29,838.

Nonoperating expenses of $320,971 and $315,034 for the years 2014 and 2013, respectively, were comprised primarily of bond interest, PFC expenses noise mitigating costs and costs of issuance. The increase of $5,937 (1.9%) for 2014 over 2013 was mainly due to increased interest expense offset by decrease in PFC noise mitigation and cost of issuance.

Capital grants, comprised mainly of federal grants, decreased from $203,536 in 2013 to $89,032 in 2014, a 56.3% decrease mainly as a result of associated expenditures becoming eligible for grant reimbursements from the federal government.

2013

Landing fees and terminal area use charges for the years 2013 and 2012 were $442,934 and $436,909, respectively. Rents, concessions, and other revenues were $274,746 and $265,655 for the years 2013 and 2012, respectively. The increase in 2013 operating revenues of $10,814 (1.5%) compared to 2012 was primarily due to increased rents, concessions, and other revenues.

Salaries and wages decreased $1,309 (0.8%) in 2013 compared to 2012. Repairs and maintenance expenses decreased by $3,300 (3.7%). Professional and engineering costs increased $6,763 (9.1%). This increase was mainly due to costs associated with service contractors. Other operating expenses decreased by $26,284 (21.3%) compared to 2012 primarily due to a decrease in provision for doubtful accounts. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases, and the provision for doubtful accounts. Depreciation, amortization, and capital asset impairment expense decreased $15,268 (7.2%) as a result of decreased capital impairment.

Fiscal year 2013 nonoperating revenues of $189,204 are comprised principally of PFC $127,235; CFC of $34,898; other non operating revenue of $27,071, including Build America Bonds subsidy of $12,261; and revenues from the federal government of $9,898 for the south air traffic control tower. During 2013, nonoperating revenues decreased by $12,673 due primarily to decreased interest income of $21,612 due to lower investment earnings year over year.

Nonoperating expenses of $315,034 and $312,131 for the years 2013 and 2012, respectively, were comprised primarily of bond interest, PFC expenses noise mitigating costs and costs of issuance. The decrease of $4,362 (1.4%) for 2013 over 2012 was mainly due to decreased noise mitigation costs year over year.

Capital grants, comprised mainly of federal grants, increased from $73,538 in 2012 to $203,536 in 2013, a 176.8% increase mainly as a result of associated expenditures becoming eligible for grant reimbursements from the federal government.

A comparative summary of the Airport's changes in cash flows for the years ended December 31, 2014, 2013, and 2012 is as follows (dollars in thousands):

	Cash Flows		
	2014	**2013**	**2012**
Cash provided by (used in) activities:			
Operating	$ 340,950	$ 285,387	$ 193,763
Capital and related financing	(525,095)	241,509	(667,169)
Noncapital financing	(13,893)	(17,479)	(32,385)
Investing	180,519	(330,111)	482,633
Net change in cash and cash equivalents	(17,519)	179,306	(23,158)
Cash and cash equivalents:			
Beginning of year	982,215	802,909	826,067
End of year	$ 964,696	$ 982,215	$ 802,909

2014

As of December 31, 2014, the Airport's available cash and cash equivalents of $964,696 decreased by $17,519 compared to $982,215 at December 31, 2013, due to operating activities of $340,950 and investing activities of $180,519 offset by capital and related financing of $525,095 and noncapital financing of $13,893. Total cash and cash equivalents at December 31, 2014, were comprised of unrestricted and restricted cash and cash equivalents of $5,632 and $959,064, respectively.

2013

As of December 31, 2013, the Airport's available cash and cash equivalents of $982,215 increased by $179,306 compared to $802,909 at December 31, 2012, due to operating activities of $285,387 and capital and related financing activities of $243,669 offset by investing activities of $330,111 and noncapital financing. Total cash and cash equivalents at December 31, 2013, were comprised of unrestricted and restricted cash and cash equivalents of $1,206 and $981,009, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2014 and 2013, the Airport had $6,872,854 and $6,742,101, respectively, invested in net capital assets. During 2014, the Airport had additions of $346,671 related to capital activities. This included $1,033 for land acquisition and the balance of $345,638 for terminal improvements, road and sidewalk enhancement, and runway and taxi improvements.

During 2014, completed projects totaling $438,802,654 were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxi improvements, road and sidewalk enhancements, and terminal improvements.

The Airport's capital assets at December 31, 2014, 2013, and 2012 are summarized as follows (dollars in thousands):

	Capital Assets at Year-End		
	2014	2013	2012
Capital assets not depreciated:			
Land	$ 885,669	$ 884,636	$ 893,588
Construction in progress	752,331	845,495	1,183,153
Total capital assets not depreciated	1,638,000	1,730,131	2,076,741
Capital assets depreciated:			
Buildings and other facilities	8,208,757	7,769,955	7,014,287
Less accumulated depreciation for:			
Buildings and other facilities	(2,973,903)	(2,757,985)	(2,566,099)
Total capital assets depreciated—net	5,234,854	5,011,970	4,448,188
Total property and facilities—net	$ 6,872,854	$ 6,742,101	$ 6,524,929

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

The Airport issued $31 million of commercial paper notes during 2014. As of December 31, 2014, $51 million of commercial paper notes is outstanding having interest rates ranging from 0.1% to 0.13% with maturity dates of January 22, 2015, and May 6, 2015. Notes proceeds may be used to finance portions of the costs of authorized airports projects and to repay the expenses of issuing the notes.

During 2013, the Airport sold $879,905 of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2013 A-D and having interest rates ranging from 2% to 5.5% with maturity dates ranging from January 1, 2014, to January 1, 2044. Certain net proceeds were used to refund certain maturities of outstanding bonds. Certain net proceeds will be used to finance portions of the OMP and the Capital Improvement Program and certain process were used to fund capitalized interest deposit and debt service reserve deposit requirement and to pay the cost of issuance of the bonds.

During 2013, the Airport sold $248,750 of Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds, Series 2013 A and having interest rates ranging from 3% to 5.75% with maturity dates ranging from January 1, 2018, to January 1, 2043. Certain net proceeds will be used to finance portions of the rental car facility and the Airport Transit System (ATS) and certain proceeds were used to fund capitalized interest deposit and debt service reserve deposit requirement and to pay the cost of issuance of the bonds.

The Airport's outstanding debt at December 31, 2014, 2013, and 2012 is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End		
	2014	**2013**	**2012**
Revenue bonds and notes	$7,527,336	$7,665,205	$7,132,561
Unamortized:			
Bond premium (discount)	199,169	224,056	200,381
Total outstanding debt—net	7,726,505	7,889,261	7,332,942
Current portion	(189,605)	(168,895)	(111,085)
Total long-term revenue bonds and notes payable—net	$7,536,900	$7,720,366	$7,221,857

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

The Airport's revenue bonds at December 31, 2014, had credit ratings with each of the three major rating agencies as follows:

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

At December 31, 2014 and 2013, the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES

In 2014, the Airport was the first busiest airport in the world, measured in terms of total aircraft operations, and the seventh busiest in terms of total passengers. The Airport had 34.9 million and 33.3 million enplaned passengers in 2014 and 2013, respectively. The strong origin-destination passenger demand and the Airport's central geographical location near the center of the United States and along the most heavily traveled east/west air routes make the Airport a natural hub location.

United Airlines and American Airlines each use the Airport as one of their major hubs. United Airlines (including its regional affiliates) comprised 35.4% of the Airport's enplaned passengers in 2014 and 39.3% of the enplaned passengers in 2013. American Airlines (including its regional affiliate) comprised 31.3% of the Airport's enplaned passengers in 2014 and 37% of the enplaned passengers in 2013.

Based on the Airport's rates and charges for fiscal year 2015, total budgeted operating and maintenance expenses are projected at $512,273 and total net debt service and fund deposit requirements are projected at $386,753. Additionally, 2015 nonsignatory revenues are budgeted for $368,445 resulting in a net airline requirement of $530,581 that will be funded through landing fees, terminal area use charges, and fuel system use charges.

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.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2014 AND 2013
(Dollars in thousands)

ASSETS	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 5,632	$ 1,206
Investments (Note 2)	94,002	107,447
Accounts receivable—net of allowance for doubtful accounts of approximately $6,180 in 2014 and $6,053 in 2013	75,843	65,525
Due from other City funds	33,751	34,716
Prepaid expenses	917	1,106
Interest receivable	212	181
Cash and cash equivalents (Note 2)—restricted	494,735	501,574
Prepaid expenses—restricted	2,860	3,851
Total current assets	707,952	715,606
NONCURRENT ASSETS:		
Cash and cash equivalents (Note 2)—restricted	464,329	479,435
Investments (Note 2)—restricted	1,503,728	1,639,993
Passenger facility charges and other receivables—restricted	27,932	29,766
Interest receivable—restricted	3,684	4,687
Prepaid expenses—restricted	3,797	4,309
Due from other governments—restricted	1,229	15,640
Other assets	33,987	36,280
Property and facilities (Note 5):		
Land	885,669	884,636
Buildings and other facilities	8,208,757	7,769,955
Construction in progress	752,331	845,495
Total property and facilities	9,846,757	9,500,086
Less accumulated depreciation	(2,973,903)	(2,757,985)
Property and facilities—net	6,872,854	6,742,101
Total noncurrent assets	8,911,540	8,952,211
DEFERRED OUTFLOWS	50,172	62,974
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 9,669,664	$ 9,730,791

LIABILITIES	2014	2013
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 61,106	$ 66,114
Due to other City funds	3,519	6,062
Advances for terminal and hangar rent	7,409	12,226
Billings over amounts earned	103,182	90,219
Liabilities payable from restricted assets:		
Accounts payable	111,354	139,628
Current portion of revenue bonds and notes payable (Note 4)	189,605	168,895
Interest payable	189,674	178,551
Advance from Federal	4,102	14,500
Total current liabilities	669,951	676,195
NONCURRENT LIABILITIES:		
Advance from Federal		4,102
Revenue bonds payable—net of premium (Note 4)	7,485,874	7,700,366
Commercial paper (Note 4)	51,026	20,000
Performance deposits	2,729	2,729
Total noncurrent liabilities	7,539,629	7,727,197
Total liabilities	8,209,580	8,403,392
NET POSITION (Note 1):		
Net investment in capital assets	644,430	582,086
Restricted net position:		
Debt service	23,189	19,688
Capital projects	71,690	77,732
Passenger facility charges	138,107	126,333
Airport use agreement	129,883	122,272
Airport development fund	300,101	261,027
Customer facility charge	90,010	63,512
Other assets	27,534	39,190
Total restricted net position	780,514	709,754
Unrestricted net position	35,140	35,559
Total net position	1,460,084	1,327,399
TOTAL	$9,669,664	$9,730,791

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Dollars in thousands)

	2014	2013
OPERATING REVENUES:		
Landing fees and terminal area use charges (Note 1)	$ 552,431	$ 442,934
Rents, concessions, and other (Note 6)	292,093	274,746
Total operating revenues	844,524	717,680
OPERATING EXPENSES (Notes 7 and 8):		
Salaries and wages	182,984	162,233
Repairs and maintenance	110,928	85,484
Professional and engineering services	88,143	81,070
Other operating expenses	112,952	97,262
Total operating expenses before depreciation, amortization and capital asset impairment	495,007	426,049
Depreciation and amortization	218,211	196,352
Capital asset impairment		205
Total operating expenses	713,218	622,606
OPERATING INCOME	131,306	95,074
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charge revenue	136,351	127,235
Customer facility charge revenue	36,284	34,898
Passenger facility charge expenses	(4,630)	(9,159)
Other nonoperating revenue	30,845	27,071
Noise mitigation costs (Note 1)	(15,892)	(19,639)
Costs of issuance (Note 1)	(154)	(8,008)
Investment income (loss) (Note 4)	29,838	(7,699)
Interest expense (Note 4)	(300,295)	(270,528)
Total nonoperating revenues (expenses)	(87,653)	(125,829)
INCOME (LOSS) BEFORE CAPITAL GRANTS	43,653	(30,755)
CAPITAL GRANTS (Note 1)	89,032	203,536
CHANGE IN NET POSITION	132,685	172,781
TOTAL NET POSITION—Beginning of year, as restated in 2013	1,327,399	1,154,618
TOTAL NET POSITION—End of year	$ 1,460,084	$ 1,327,399

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Dollars in thousands)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	$ 554,161	$ 432,426
Rents, concessions, and other	288,192	273,264
Payments to vendors	(272,612)	(215,266)
Payments to employees	(167,248)	(157,461)
Transactions with other City funds—provided by	1,265	2,366
Transactions with other City funds—(used in)	(62,808)	(49,942)
Cash flows provided by operating activities	340,950	285,387
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of bonds		1,196,322
Proceeds from commercial paper notes	31,026	
Payment of commercial notes payable		(30,616)
Proceeds from O'Hare 2010B Senior Lien Build America Bonds subsidy	12,354	12,261
Payment to refund bonds		(472,310)
Principal paid on bonds	(168,895)	(111,085)
Bond issuance costs	(154)	(8,008)
Interest paid on bonds and note	(368,370)	(362,658)
Acquisition and construction of capital assets	(289,835)	(343,910)
Capital grants	88,942	206,168
Customer facility charge revenue	36,284	34,898
Passenger facility charge revenue and other receipts	138,184	129,606
Passenger facility charge expenses	(4,631)	(9,159)
Cash flows (used in) provided by capital and related financing activities	(525,095)	241,509
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from settlement agreement	1,999	2,160
Cash paid for Noise mitigation program	(15,892)	(19,639)
Cash flows (used in) noncapital financing activities	(13,893)	(17,479)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales (purchases) investments—net	162,528	(344,343)
Investment interest	17,991	14,232
Cash flows provided by (used in) investing activities	180,519	(330,111)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,519)	179,306
CASH AND CASH EQUIVALENTS—Beginning of year	982,215	802,909
CASH AND CASH EQUIVALENTS—End of year	$ 964,696	$ 982,215

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Dollars in thousands)

	2014	2013
RECONCILIATION TO CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET ASSETS:		
Unrestricted	$ 5,632	$ 1,206
Restricted:		
Current	494,735	501,574
Noncurrent	464,329	479,435
TOTAL	$ 964,696	$ 982,215
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 131,306	$ 95,074
Adjustments to reconcile:		
Depreciation, amortization, and impairment	218,212	196,352
Capital asset impairment		205
Changes in assets and liabilities:		
(Increase) in accounts receivable	(10,318)	(5,226)
Increase in due from other City funds	(2,542)	(6,234)
Decrease in prepaid expenses	189	5,924
(Decrease) increase in accounts payable	(5,008)	3,706
Increase in due to other City funds	965	2,351
(Decrease) increase in prepaid terminal rent	(4,817)	5,036
(Decrease) increase in billings over amounts billed		24,218
Decrease (increase) in amounts to be billed	12,963	(36,019)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 340,950	$ 285,387

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:

Property additions in 2014 and 2013 of $89,773 and $121,429 respectively, are included in accounts payable.

The fair market value adjustments gain (loss) to investments for 2014 and 2013 were ($4,316) and ($17,134), respectively.

See notes to basic financial statements. (Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago O'Hare International Airport (the "Airport") 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.

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

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

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

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

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

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

Investments authorized by the Code include 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. The City is prohibited by ordinance from investing in derivatives, as defined, without City Council approval.

The Airport values its investments at fair value or amortized cost as applicable. U.S. government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost. The fair value of U.S. agency securities, corporate bonds, and municipal bonds are estimated using recently executed transactions, market price quotations (where observable), or bond spreads.

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 market value equal to the cost of the repurchase agreements plus accrued interest.

Investments, generally, do not have a maturity in excess of 10 years from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinances.

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

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

Revenues and Expenses—Revenues from landing fees, terminal area use charges, fueling system charges, parking revenue, and concessions are reported as operating revenues. Revenues that are related to financing, investing, customer facility charges (CFC), and passenger facility charges (PFC) are reported as nonoperating revenues. Salaries and wages, repair and maintenance, professional and engineering services, and other expenses that relate to Airport operations are reported as operating expenses. Interest expense, PFC expenses, financing costs, and noise mitigation costs. are reported as nonoperating expenses.

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

Property and Facilities—Property and facilities are recorded at cost or, for donated assets, at market value at the date of acquisition. 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:

Runways, aprons, tunnels, taxiways, and paved roads	30 years
Water drainage and sewer system	20–50 years
Refrigeration and heating systems	30 years
Buildings	40 years
Electrical system	15–20 years
Other	10–30 years

Deferred Outflows—Deferred outflows represent the unamortized loss on bond refundings.

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

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

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

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

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

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

Capital Grants—The Airport reports capital grants as revenue on the statements of revenues, expenses, and changes in net position. Capital grants are on a reimbursement basis and revenues are recognized when associated capital expenditures become eligible 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—Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the Amended and Restated Airport Use Agreement and Terminal Facilities Lease and the International Terminal Use Agreement and Facilities Lease ("Use Agreements"). 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 Revenue—The Airport imposed PFCs of $4.50 per eligible enplaned passenger for the years ended December 31, 2014 and 2013. 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.

Customer Facility Charge Revenue—The Airport imposed a CFC of $8 per contract day on each customer for motor vehicle rentals at the Airport beginning August 1, 2010. 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.

Adopted Accounting Standards—GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* ("GASB 69"), establishes accounting and financial reporting standards related to government combinations and disposals of government operations. GASB 69 will be effective for the Airport beginning with its year ending December 31, 2014. GASB 69 requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. There was no impact on the Airport's financial statements as a result of the implementation of GASB 69.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* ("GASB 70"), establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. GASB 70 will be effective for the Airport beginning with its year ending December 31, 2014. GASB 70 requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This statement also provides additional guidance for intraentity nonexchange financial guarantees involving blended component units, requiring disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. There was no impact on the Airport's financial statements as a result of the implementation of GASB 70.

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), establishes new financial reporting requirements for most governments that provide their employees with pension benefits through these types of plans. GASB 68 will be effective for the City beginning with its year ending December 31, 2015. GASB 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50, Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their net liability for pension benefits, measured as the difference between total pension assets and total pension liability, as a liability in the financial statements that follow accrual basis of accounting for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). As of December 31, 2014, the City reported a net pension obligation of $8.6 billion on the statement of net position and disclosed a combined unfunded actuarial accrued liability for all of the pension plans of $19.7 billion in accordance with GASB Statement No. 27. During 2014, the pension plans implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and disclosed a combined net pension liability of $20.1 billion as of December 31, 2014.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* ("GASB 71"), relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB 71 will be effective for the City beginning with its year ending December 31, 2015. This statement amends paragraph 137 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability and requires that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). GASB 72 will be effective for the City beginning with its year ending December 31, 2015.

Presentation Changes—The December 31, 2013, statement of net position has been changed to present the restricted assets and liabilities within their respective current and noncurrent classification categories. The restricted assets and liabilities were presented in a separate section in the prior year's basic financial statements. The December 31, 2013, statement of cash flows has been changed to present the transactions with other City funds on a gross basis. The transactions with other City funds were presented on a net basis in the prior year's basic financial statements.

2. RESTRICTED AND UNRESTRICTED CASH, CASH EQUIVALENTS, AND INVESTMENTS

Investments—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. The Airport had investments as of December 31, 2014, as follows (dollars in thousands):

	Investment Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
U.S. agencies	$ 243,573	$ 1,016,260	$ 49,654	$ -	$ 1,309,487
Commercial paper	130,890				130,890
Corporate bonds	17,240	26,322			43,562
Municipal bonds	34,278	178,416	7,300		219,994
Certificates of deposits and other short term	925,546				925,546
Subtotal	$ 1,351,527	$ 1,220,998	$ 56,954	$ -	2,629,479
Share of City’s pooled funds					1,872
Total					$ 2,631,351

The Airport had investments as of December 31, 2013, as follows (dollars in thousands):

	Investment Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
U.S. agencies	$ 149,290	$ 1,146,155	$ 211,031	$ -	$ 1,506,476
Commercial paper	91,080				91,080
Corporate bonds		40,656			40,656
Municipal bonds	23,515	144,448	45,496		213,459
Certificates of deposits and other short term	862,153				862,153
Subtotal	$ 1,126,038	$ 1,331,259	$ 256,527	$ -	2,713,824
Share of City’s pooled funds					1,946
Total					$ 2,715,770

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 10 years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Credit Risk—The Code limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by at least two national rating agencies and who are required to maintain such rating during the term of such investment. The Code also limits investments to domestic money market mutual funds regulated by, and in good standing with, the Securities and Exchange Commission. Certificates of deposit are also limited by the Code to national banks, which provide collateral of at least 105% by marketable U.S. government securities marked to market at least monthly; or 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 maintaining such rating during the term of such investment. The Airport's exposure to credit risk as of December 31, 2014 and 2013, is as follows (dollars in thousands):

Quality Rating	2014	2013
Moody's / S & P		
Aaa/AAA	$ 55,828	$ 28,638
Aa/AA	1,373,002	1,629,875
A/A	15,075	20,103
P1/A1	240,348	157,871
Not rated	945,226	877,337
Total funds	$2,629,479	$2,713,824

The Airport participates in the City's pooled cash and investments account, which includes amounts from other City funds and is maintained by the City treasurer. Individual cash or investments are not specifically identifiable to any participant in the pool. The Treasurer's pooled fund is included in the City's Comprehensive Annual Financial Report.

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 deposits, depository institutions are to maintain collateral pledges on City deposits during the term of the deposit of at least 102% of marketable U.S. government, or approved securities or surety bonds, issued by top-rated insurers. Collateral is required as security whenever deposits exceed the insured limits of the Federal Deposit Insurance Corporation. The bank balance of cash and certificates of deposit with the City's various municipal depositories was $490.6 million; 99.2% of the bank balance was either insured or collateralized with securities held by City agents in the City's name. An amount of $4 million was uncollateralized at December 31, 2014, and thus was subject to custodial credit risk.

The investments reported in the basic financial statements as of December 31, 2014 and 2013, is as follows (dollars in thousands):

	2014	2013
Per Note 2:		
Investments—Airport	$2,629,479	$2,713,824
Investments—City Treasurer Pooled Fund	1,872	1,946
	$2,631,351	$2,715,770
Per financial statements:		
Restricted investments	1,503,728	1,639,993
Unrestricted investments	94,002	107,447
Investments classified as cash and cash equivalents on the statements of net position	1,033,621	968,330
	$2,631,351	$2,715,770

3. RESTRICTED ASSETS

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

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

Account	2014	2013
Construction	$ 668,758	$ 878,662
Capitalized interest	94,134	144,032
Debt service reserve	618,529	617,711
Debt service interest	356,405	328,397
Debt service principal	43,965	36,310
Operation and maintenance reserve	128,068	119,485
Maintenance reserve	3,000	3,000
Customer facility charge	91,195	67,908
Airport Development Fund	309,392	264,090
Other funds	35,669	55,230
Subtotal—Bond Ordinance, Master Indenture Accounts	2,349,115	2,514,825
Passenger facility charge	113,676	106,177
Total	$2,462,791	$2,621,002

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

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

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

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

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

The Airport Development Fund is restricted and may be used by the Airport for any lawful Airport purpose.

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

The customer facility charge account is restricted to fund eligible and approved CFC projects.

At December 31, 2014 and 2013, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Bond Ordinance and Master Indenture.

4. LONG-TERM DEBT

Long-term debt at December 31, 2014 and 2013, consisted of the following (dollars in thousands):

	2014	2013
Senior lien bonds (formerly third lien):		
$248,910 Series 2003 A-1 and A-2 third lien revenue refunding bonds issued August 14, 2003, due through 2034; interest at 4.50%–6.00%	$ 46,370	$ 62,630
$382,155 Series 2003 B-1 and B-2 third lien revenue bonds issued August 21, 2003, due through 2034; interest at 5.25%–6.00%	152,535	152,535
$355,245 Series 2003 C-1 and C-2 third lien revenue refunding bonds issued August 21, 2003, due through 2034; interest at 5.25%	335,980	335,980
$149,330 Series 2003 D, E and F third lien revenue bonds issued December 2, 2003, due through 2034; interest at 2.125%–5.5%	75,915	75,970
$281,055 Series 2004 A and B third lien revenue refunding bonds issued December 2, 2004, due through 2035; interest at 4.75%–5.0%	145,870	145,870
$39,700 Series 2004 C and D third lien revenue refunding bonds issued December 2, 2004, due through 2026; interest at 4.70%–5.25%	39,700	39,700
$64,290 Series 2004 E, F, G, and H third lien revenue refunding bonds issued December 2, 2004, due through 2023; interest at 3.49%–5.35%	29,360	29,360
$961,010 Series 2005 A third lien revenue bonds issued December 22, 2005, due through 2033; interest at 5.0%–5.25%	961,010	961,010
$238,990 Series 2005 B third lien revenue refunding bonds issued December 22, 2005, due through 2018; interest at 5.25%	192,335	238,990
$300,000 Series 2005 C and D third lien revenue bonds issued December 22, 2005, due through 2035; variable floating interest rate (.04% at December 31, 2014)	240,600	240,600
$112,630 Series 2006 A, B, and C third lien revenue refunding bonds issued December 13, 2006, due through 2037; interest at 4.55%–5.50%	30,280	30,280
$43,520 Series 2006 D third lien revenue bonds issued December 13, 2006, due through 2037; interest at 4.55%–5.00%	27,250	27,250
$530,170 Series 2008 A third lien revenue bonds issued January 31, 2008, due through 2038; interest at 4.5%–5.0%	530,170	530,170

(Continued)

	2014	2013
$175,500 Series 2008 B third lien revenue bonds issued January 31, 2008, due through 2020; interest at 5.0%	$ 175,500	$ 175,500
$74,245 Series 2008 C and D third lien revenue bonds issued January 31, 2008, due through 2038; interest at 4.0%–4.6%	69,550	70,565
$91,590 Series 2010 A third lien revenue bonds issued April 29, 2010, due through 2040; interest at 3.0%–5.0%	47,670	48,005
$669,590 Series 2010 B third lien revenue bonds issued April 29, 2010, due through 2040; interest at 6.145%–6.845%	578,000	578,000
$171,450 Series 2010 C third lien revenue bonds issued April 29, 2010, due through 2035; interest at 4.00%–5.25%	171,450	171,450
$55,850 Series 2010 D third lien revenue refunding bonds issued April 29, 2010, due through 2019; interest at 5.00%–5.25%	55,595	55,850
$47,360 Series 2010 E third lien revenue refunding bonds issued April 29, 2010, due through 2016; interest at 1.75%–5.00%	16,850	24,690
$95,375 Series 2010 F third lien revenue refunding bonds issued April 29, 2010, due through 2040; interest at 4.25%–5.25%	95,735	95,735
$420,155 Series 2011 A third lien revenue bonds issued May 5, 2011, due through 2041; interest at 5.625%–5.750%	420,155	420,155
$295,920 Series 2011 B third lien revenue bonds issued May 5, 2011, due through 2041; interest at 3.00%–6.00%	293,805	295,920
$283,925 Series 2011 C third lien revenue bonds issued May 5, 2011, due through 2041; interest at 5.50%–6.50%	283,925	283,925
$444,760 Series 2012 A senior lien revenue refunding bonds issued September 12, 2012, due through 2032; interest at 1.00%–5.00%	399,975	427,335
$277,735 Series 2012 B senior lien revenue refunding bonds issued September 12, 2012, due through 2032; interest at 1.00%–5.00%	255,280	274,585
$6,400 Series 2012 C senior lien revenue refunding bonds issued September 12, 2012, due through 2015; interest at 3.00%–4.00%	3,365	6,400
$336,350 Series 2013 A senior lien revenue refunding bonds issued October 17, 2013 due through 2026; interest at 2.00%–5.00%	330,645	336,350
$165,435 Series 2013 B senior lien revenue refunding bonds issued October 17, 2013 due through 2029; interest at 2.00%–5.25%	162,785	165,435
$98,375 Series 2013 C senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 5.00%–5.50%	98,375	98,375
$297,745 Series 2013 D senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 3.00%–5.25%	297,745	297,745
Subtotal—senior lien bonds	6,563,780	6,696,365

(Continued)

	2014	2013
Passenger Facility Charge Revenue Bonds:		
$111,425 Series 2008 A Passenger Facility Charge Revenue Refunding Bonds issued January 31, 2008, due through 2016; interest at 4.0%–5.0%	$ 47,790	$ 70,025
$24,965 Series 2010 A Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2040; interest at 5.00%–5.25%	24,965	24,965
$51,305 Series 2010 B Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2040; interest at 5.00%–5.25%	51,305	51,305
$48,495 Series 2010 C Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2031; interest at 5.272%–6.395%	48,495	48,495
$12,900 Series 2010 D Passenger Facility Charge Revenue Refunding Bonds issued May 27, 2010, due through 2019; interest at 2.0%–5.0%	9,405	11,045
$12,190 Series 2011 A Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2032; interest at 5.00%–5.625%	12,190	12,190
$33,815 Series 2011 B Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2033; interest at 5.0%–6.0%	33,815	33,815
$114,855 Series 2012 A Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 3.0%–5.0%	113,705	114,855
$337,240 Series 2012 B Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 2.5%–5.0%	322,110	333,395
Subtotal—Passenger Facility Charge Revenue Bonds	663,780	700,090
Customer Facility Charge Revenue Bonds—$248,750 Series 2013 A Senior Lien CFC Bonds issued August 22, 2013, due through 2043; interest at 3.0%–5.75%	248,750	248,750
Commercial Paper Notes—Series A, B, C, D, E, F (Taxable) Commercial Paper Notes outstanding at December 31, 2014, due through 2015; interest at .10%–.13%	51,026	20,000
Total revenue bonds and notes	7,527,336	7,665,205
Unamortized premium	199,169	224,056
	7,726,505	7,889,261
Current portion	(189,605)	(168,895)
Total long-term revenue bonds payable	$ 7,536,900	$ 7,720,366

(Concluded)

Long-term debt during the years ended December 31, 2014 and 2013, changed as follows (dollars in thousands):

Interest expense capitalized for 2014 and 2013 totaled $72.3 million and $80.4 million, respectively. Interest income capitalized for 2014 and 2013 totaled $6.4 million and $6.5 million, respectively.

Interest expense includes amortization of the deferred loss on bond refunding for 2014 and 2013 of $12.8 million and $9.5 million, respectively, and amortization of $24.9 million of premium, net, $22.5 million of premium, net, and $13.6 million of premium, net, respectively.

Issuance of Debt—Chicago O'Hare International Airport Commercial Paper Notes ("O'Hare CP Notes"), Series A-1 through E-1 (AMT), Series A-2 through E-2 ("Non-AMT"), Series A3 through E3 ("Taxable"), $275.0 million maximum aggregated authorized amount of which $51.0 million was outstanding at December 31, 2014. The City has excluded commercial paper from current liabilities as it intends and has the ability to refinance the obligation on a long-term basis. Irrevocable letters of credit delivered by five banks in an aggregate maximum principal amount of $3.05 million provide for the timely payment of principal and interest on the notes until September 30, 2016. At December 31, 2014, there were no outstanding letter of credit advances.

In October 2013, the Airport sold $336.4 million of Chicago O'Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2013 A (AMT) at a premium of $28.1 million. The bonds have interest rates ranging from 2% to 5%. The bonds are not subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2014, through January 1, 2026. Certain net proceeds of $323.4 million were used to defease a portion of the Series 2003A-2 General Airport Revenue Bonds ($170.4 million of principal and $4.8 million of interest) and a portion of Series 2003B-2 General Airport Revenue Bonds ($144.0 million of principal and $4.2 million of interest) certain of net proceeds of $39.5 million were used to fund the debt service reserve deposit requirement and certain net proceeds of $1.6 million were used to pay the cost of the issuance of the bonds. The advance refunding resulted in a difference between the acquisition price and the net carrying amount of $11.7 million that will be charged to operations over three to 14 years using the straight-line method.

In October 2013, the Airport sold $165.4 million of Chicago O'Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2013 B (non-AMT) at a premium of $14 million. The bonds have interest rates ranging from 2.00% to 5.25%. The bonds are not subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2014, through January 1, 2029. Certain net proceeds of $162.2 million were used to defease a portion of the Series 2003B-2 General Airport Revenue Bonds ($85.6 million of principal and $2.5 million of interest), a portion of the Series 2003C-2 General Airport Revenue Bonds ($19.3 million of principal and $0.5 million of interest), a portion of the Series 2003D General Airport Revenue Bonds ($24.7 million of principal and $.6 million of interest) a portion of the Series 2003E General Airport Revenue Bonds ($20.9 million and $.5 million of interest), and a portion of the Series 2003F General Airport Revenue Bonds ($7.4 million of principal and $.2 million of interest), certain of net proceeds of $16.2 million were used to fund the debt service reserve deposit requirement and certain net proceeds of $1.0 million were used to pay the cost of the issuance of the bonds. The advance refunding resulted in a difference between the acquisition price and the net carrying amount of $6.4 million that will be charged to operations over two to 17 years using the straight-line method.

The advance refundings of the Bonds decreased the Airport's total debt service payments by $1.8 million and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of $56.9 million.

In October 2013, the Airport sold $98.4 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2013 C (AMT) at a premium of $1.5 million. The bonds have interest rates ranging from 5.00% to 5.50% and maturity and mandatory redemption maturity dates ranging from January 1, 2017, through January 1, 2044. Certain net proceeds of $42.2 million were used to pay a portion of the commercial paper notes; certain of net proceeds of $53.5 million will be used to finance the portion of the OMP and the capital improvement program (CIP); certain net proceeds of $3.6 million were used to fund the capitalized interest deposit requirement and certain net proceeds of $0.6 million were used to pay the cost of the issuance of the bonds.

In October 2013, the Airport sold $297.7 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2013 D (non-AMT) at a premium of $4.3 million. The bonds have interest rates ranging from 3.00% to 5.250%, and maturity and mandatory redemption maturity dates ranging from January 1, 2017, through January 1, 2044. Certain net proceeds of $35.5 million were used to pay a portion of the commercial paper notes; certain of net proceeds of $214.4 million will be used to finance the portion of the OMP and the CIP; certain of net proceeds of $26.9 million were used to fund the debt service reserve deposit requirement; certain net proceeds of $23.3 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $1.9 million were used to pay the cost of the issuance of the bonds.

In August 2013, the Airport sold $248.8 million of Chicago O'Hare International Airport CFC Senior Lien Revenue Bonds, Series 2013 A at a premium of $1.7 million. The bonds have interest rates ranging from 3.00% to 5.750%, and maturity and mandatory redemption maturity dates ranging from January 1, 2018, through January 1, 2043. Certain net proceeds of $183.4 million will be used to finance the portion of the rental car facility and the Airport Transit System (ATS); certain of net proceeds of $18.3 million were used to fund the debt service reserve deposit requirement; certain net proceeds of $45.5 were used to fund the capitalized interest deposit requirement and certain net proceeds of $3.3 million were used to pay the cost of the issuance of the bonds.

In August 2013, the City entered into a loan agreement with the US Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of consolidated rental car facility at O'Hare, additions, extensions, and improvements to the ATS, including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of $288.1 million is subordinate to the O'Hare CFC Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86% and the final maturity of the loan is January 1, 2052. There have been no loan disbursements made to the City as of December 31, 2014.

Debt Redemption—Following is a schedule of debt service requirements to maturity of the senior lien bonds. For issues with variable rates, interest is imputed at the effective rate as of December 31, 2014, as follows (dollars in thousands):

Years Ending December 31	**Principal**	**Interest**	**Total**
2015	$ 157,070	$ 329,325	$ 486,395
2016	157,310	321,754	479,064
2017	218,365	312,531	530,896
2018	256,235	300,771	557,006
2019	270,800	288,001	558,801
2020–2024	1,048,770	1,272,821	2,321,591
2025–2029	1,183,190	998,875	2,182,065
2030–2034	1,578,750	658,357	2,237,107
2035–2039	1,345,600	283,324	1,628,924
2040–2044	347,690	29,091	376,782
Total	$ 6,563,780	$ 4,794,850	$ 11,358,631

The Airport's senior lien variable-rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, and an adjustable long rate or the fixed rate as determined from time to time by the remarketing agent in consultation with the City. At December 31, 2014, the O'Hare 2005 C&D Senior Lien Bonds were in weekly interest rate mode as of December 31, 2014. Irrevocable letters of credit ($244.8 million) provide for the timely payment of principal and interest on the Series 2005 C&D bonds until August 15, 2017. At December 31, 2014, there were no outstanding letter of credit advances.

The debt service requirements to maturity of the PFC Revenue Bonds as of December 31, 2014, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2015	$ 32,535	$ 31,974	$ 64,509
2016	35,615	30,303	65,918
2017	36,995	28,505	65,500
2018	38,845	26,609	65,454
2019	24,720	25,018	49,738
2020–2024	131,330	106,912	238,242
2025–2029	185,270	67,836	253,106
2030–2034	142,735	21,410	164,145
2035–2040	35,735	5,614	41,349
Total	$ 663,780	$ 344,181	$ 1,007,961

The Series A-1 through E-1 (AMT), Series A-2 through E-2 (Non-AMT), and Series A-3 through E-3 (Taxable) Commercial Paper Notes Outstanding at December 31, 2014, of which $51.0 million will be refunded with new commercial paper notes as the existing notes mature. The Airport plans to refinance these notes with future long term bonds.

The debt service requirements to maturity of the CFC Revenue Bonds as of December 31, 2014, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2015	$ -	$ 13,554	$ 13,554
2016		13,554	13,554
2017		13,554	13,554
2018	4,725	13,436	18,161
2019	4,960	13,194	18,154
2020–2024	28,635	62,035	90,670
2025–2029	36,900	53,506	90,406
2030–2034	47,500	42,621	90,121
2035–2039	62,215	27,383	89,598
2040–2043	63,815	7,485	71,300
Total	$ 248,750	$ 260,322	$ 509,072

5. CHANGES IN CAPITAL ASSETS

Capital assets during the years ended December 31, 2014 and 2013, changed as follows (dollars in thousands):

2014	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 884,636	$ 1,033	$ -	$ 885,669
Construction in progress	845,495	345,638	(438,802)	752,331
Total capital assets not depreciated	1,730,131	346,671	(438,802)	1,638,000
Capital assets depreciated—buildings and other facilities	7,769,955	438,802		8,208,757
Less accumulated depreciation for—buildings and other facilities	(2,757,985)	(215,918)		(2,973,903)
Total capital assets depreciated—net	5,011,970	222,884	-	5,234,854
Total property and facilities—net	$ 6,742,101	$ 569,555	$ (438,802)	$ 6,872,854

Includes capitalized interest of $104,305

2013	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 893,588	$ 1,543	$ (10,495)	$ 884,636
Construction in progress	1,183,153	420,059	(757,717)	845,495
Total capital assets not depreciated	2,076,741	421,602	(768,212)	1,730,131
Capital assets depreciated—buildings and other facilities	7,014,287	757,717	(2,049)	7,769,955
Less accumulated depreciation for—buildings and other facilities	(2,566,099)	(191,886)		(2,757,985)
Total capital assets depreciated—net	4,448,188	565,831	(2,049)	5,011,970
Total property and facilities—net	$ 6,524,929	$ 987,433	$ (770,261)	$ 6,742,101

Includes capitalized interest of $129,985

6. LEASING ARRANGEMENTS WITH TENANTS

Most of the Airport's land, buildings, and terminal space are leased under operating lease agreements with airlines and other tenants. The minimum future rental income on noncancelable operating leases as of December 31, 2014, is as follows (dollars in thousands):

Years Ending December 31	Amount
2015	$ 93,228
2016	93,222
2017	94,218
2018	93,283
2019	91,967
2020–2024	8,144
2025–2029	9,432
Total minimum future rental income	$ 483,494

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

Rental income, consisting of all rental and concession revenues, except ramp rentals and automobile parking, amounted to approximately $418.5 million and $376.2 million in 2014 and 2013, respectively. Contingent rentals included in the totals were approximately $89.0 million and $92.1 million for 2014 and 2013, respectively.

7. PENSION PLANS

Eligible Airport employees participate in one of four single-employer defined benefit pension plans (the "Plans"). These Plans are: the Municipal Employees'; the Laborers' and Retirement Board Employees'; the Policemen's; and the Firemen's Annuity and Benefit Funds of Chicago. The Plans are administered by individual retirement boards represented by elected and appointed officials. Certain employees of the Chicago Board of Education participate in the Municipal Employees' or the Laborers' and Retirement Board Employees' Annuity and Benefit Funds for which the City levies taxes to make the required employer contributions. Each Plan issues a publicly available financial report that includes basic financial statements and RSI.

The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 20 years of credited service. Employees who retire at or after age 55 (50 for policemen and firemen) with 20 years of credited service qualify to receive a money purchase annuity and those with more than 20 years of credited service qualify to receive a minimum formula annuity. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.0% 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.

Participating employees contribute 8.5%–9.125% of their salary to the Plans as required by State law. By law, the City's contributions are based on the amounts contributed by the employees. Financing of the City's contribution is through a separate property tax levy and the personal property replacement tax. The Airport reimburses the City's general fund for the estimated pension cost applicable to the covered payroll of Airport employees. These reimbursements, recorded as expenses of the Airport, were $18.8 million in 2014 and $16.3 million in 2013. The annual pension costs are determined using the entry age normal actuarial cost method and the level dollar amortization method.

Historically, State law required City contributions at statutorily, not actuarially, determined rates. The rates are expressed as multiples of employee contributions. These contributions equal employee contributions made in the calendar year two years prior to the year for which the applicable tax is levied, multiplied by the statutory rates. The statutory rates in effect for the City's contributions made during the years ended December 31, 2014 and 2013, were 1.25 for the Municipal Employees' Annuity and Benefit Fund, 1.00 for the Laborers' and Retirement Board Employees' Annuity and Benefit Fund, 2.00 for the Policemens', and 2.26 for the Firemen's Annuity and Retirement Fund of Chicago. The City has made the required contributions under State law.

The City's contributions to the four Pension Plans primarily serving City employees are set by State law. In recent years, those contributions have been lower than the actuarially required amounts for the Plans, which has served to increase the Plans' unfunded actuarial liabilities. Recurring cash inflows from all sources to the Plans (including City contributions, employee contributions, and investment earnings) have been lower than the cash outlays of the Plans in some recent years. As a result, the Plans have liquidated investments and used assets of the Plans to satisfy their respective current payment obligations in those years. The use of assets by the Plans for these purposes reduces the amount of assets on hand to pay benefits or earn investment returns in the future.

Current State law for the Policemen's and Firemen's Plans, known as Public Act 96-1495 (P.A. 96-1495), requires the City to significantly increase contributions to those Plans beginning in 2016. In each year, the City must contribute the amount needed for each Plan to achieve a 90% Funded Ratio by the end of 2040. Under the enacted State legislation for the Municipal Employees' and Laborers' Plans, known as Public Act 98-641 (P.A. 98-641), the City is required to significantly increase contributions to those two Plans beginning in 2016. During the period 2016 through 2020, the City's contributions to the Municipal Employees' and Laborers' Plans increase by statutorily determined amounts which are not based on actuarial calculations. Beginning in 2021, P.A. 98-641 requires the City to contribute in each year to the Municipal Employees' and Laborers' Plans the amount needed for each Plan to achieve a 90% Funded Ratio by the end of 2055. P.A. 98-641 also makes certain modifications to the automatic annual increases paid to retirees and requires increases in employee contributions toward the cost of their retirement benefits.

Under the enacted State legislation for the Municipal Employees' and Laborers' Plans known as Public Act 98-641 (P.A. 98-641), the City is required to significantly increase contributions to those two Plans beginning in 2016. During the period 2016 through 2020, the City's contributions to the Municipal Employees' and Laborers' Plans increase by statutorily determined amounts which are not based on actuarial calculations. Beginning in 2021, P.A. 98-641 requires the City to contribute in each year to the Municipal Employees' and Laborers' Plans the amount needed for each Plan to achieve a 90% Funded Ratio by the end of 2055. P.A. 98-641 also makes certain modifications to the automatic annual adjustment of benefits for approximately 78,000 members of those Plans (including current retirees and all employees) and requires substantial increases in employee contributions toward the cost of their retirement benefits. This is projected to require an increase in the City's contributions to the Municipal Employees' and Laborers' Plans of more than $89.1 million starting in 2016 and increasing by approximately three percent each year, thereafter.

Senate Bill 777 ("SB 777"), an amendment to P.A. 96-1495, passed both houses of the Illinois General Assembly as of May 31, 2015. SB 777 institutes a Phase-in Period until 2020 and a Revised Amortization Period to 2055. A Revised Amortization Period would reduce the annual funding obligation required to reach a 90% Funded Ratio, but extend the number of years over which such payments would need to be made. Enactment of a Phase-in Period would reduce the City's required payment in the initial years to allow for a more gradual phase-in of the requirements of P.A. 96-1495. The General Assembly may also consider other proposed legislation that could affect the City's contributions for the Policemen's and Firemen's Plans and/or funding sources for those contributions. Although SB 777 has passed both chambers of the Illinois General Assembly, a motion to reconsider the vote on SB 777 has been filed in the Illinois Senate, and accordingly, SB 777 has not been sent to the Governor for consideration. The City makes no representation as to whether or when any such legislation, including SB 777, would be enacted.

The following table as of December 31, 2014, assists users in assessing each pension fund's progress in accumulating sufficient assets to pay benefits when due. The three-year historical information for each annuity and benefit fund, which includes all City employees within each respective annuity and benefit fund, is as follows (dollars in thousands):

	Annual Pension Cost	Percent of Annual Pension Cost Contributed	Annual Required Contribution	Percent of Required Contributions Contributed	Net Pension Obligation (Asset)
Municipal employees:					
2012	$ 687,519	21.65 %	$ 690,823	24.00 %	$ 2,008,546
2013	812,463	18.24	820,023	18.10	2,672,812
2014	828,978	18.10	839,038	17.80	
Laborers:					
2012	77,858	15.22	77,566	15.30	(63,707)
2013	106,439	10.88	106,199	10.90	31,148
2014	105,901	11.50	106,018	11.50	124,889
Policemen:					
2012	483,359	40.94	431,010	45.90	2,350,739
2013	531,355	33.79	474,178	37.90	2,702,573
2014	553,243	32.20	491,651	36.20	3,077,658
Firemen:					
2012	268,112	30.41	271,506	30.00	1,696,679
2013	291,064	35.62	294,878	35.20	1,884,074
2014	300,030	35.77	304,265	35.30	2,076,770

The pension benefits information pertaining expressly to Airport employees is not available as the obligation is the responsibility of the general government. Accordingly, no amounts have been recorded in the accompanying basic financial statements for the net pension asset or obligation of these plans. The net pension liability for the City is recorded within the City's government-wide basic financial statements.

8. OTHER POSTEMPLOYMENT BENEFITS—CITY OBLIGATION

The Pension Funds also contribute a portion of the City's contribution as subsidy towards the cost for each of their annuitants to participate in the City's health benefits plans, which include basic benefits for eligible annuitants and their dependents and supplemental benefits for Medicare eligible annuitants and their dependents. The amounts below represent the accrued liability of the City's pension plans related to their own annuitants and the subsidy paid to the City (see Note 12). The plan is financed on a pay-as-you-go basis (dollars in thousands).

	Annual OPEB Cost and Contributions Made For Fiscal Year Ended December 31, 2014				
	Municipal Employees'	**Laborers'**	**Policemen's**	**Firemen's**	**Total**
Contribution Rates of the City:	A portion of the City's contribution from the tax levy is used to finance the health insurance supplement benefit payments.				
Annual required contribution	$ 9,826	$ 2,520	$ 9,723	$ 2,739	$ 24,808
Interest on net OPEB obligation	3,404	290	547	536	4,777
Adjustment to annual—required contribution	(26,330)	(2,243)	(4,079)	(4,143)	(36,795)
Annual OPEB cost	(13,100)	567	6,191	(868)	(7,210)
Contributions made	9,051	2,360	9,657	2,471	23,539
Increase in net OPEB obligation	(22,151)	(1,793)	(3,466)	(3,339)	(30,749)
Net OPEB obligation, beginning of year	75,637	6,442	12,150	11,902	106,131
Net OPEB obligation, end of year	$ 53,486	$ 4,649	$ 8,684	$ 8,563	$ 75,382

Actuarial Method and Assumptions—For the Pension Funds' subsidies, the actuarial valuation for the fiscal year ended December 31, 2014 was determined using the Entry Age Normal actuarial cost method. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

	Municipal Employees'	Laborers'	Policemen's	Firemen's
Actuarial valuation date	12/31/2014	12/31/2014	12/31/2014	12/31/2014
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open	Level percent, open	Level dollar, open
Remaining Amortization method	2 years closed	2 years closed	2 years closed	2 years closed
Actuarial valuation date	No assets (Pay-as-you-go)	No assets (Pay-as-you-go)	No assets (Pay-as-you-go)	No assets (Pay-as-you-go)
Actuarial assumptions:				
OPEB investment rate of return (a)	4.5 %	4.5 %	4.5 %	4.5 %
Projected salary increases (a) inflation	3.0 %	3.0 %	3.0 %	3.0 %
Seniority/merit	(b)	(c)	(d)	(e)
Healthcare Cost Trend Rate [f]	%	%	%	%

(a) Compounded annually.

(b) Service-based increases equivalent to a level annual rate of increase of 1.4% over a full career.

(c) Service-based increases equivalent to a level annual rate of increase of 1.9% over a full career.

(d) Service-based increases equivalent to a level annual rate of increase of 1.8% over a full career.

(e) Service-based increases equivalent to a level annual rate of increase of 1.8% over a full career.

(f) Trend not applicable—fixed dollar subsidy.

OPEB Cost Summary
(Dollars in thousands)

	Year	Annual OPEB Cost	% of Annual OPEB Obligation	Net OPEB Obligation
Municipal Employees'	2012	$ 13,703	69.49 %	$ 71,756
	2013	13,389	71.01	75,637
	2014	(13,100) *		53,486
Laborers'	2012	2,994	85.56	5,951
	2013	3,009	83.67	6,442
	2014	567	416.04	4,649
Policemen's	2012	10,573	92.37	11,461
	2013	10,536	93.46	12,150
	2014	6,191	155.99	8,684
Firemen's	2012	4,154	63.13	10,382
	2013	4,071	62.66	11,902
	2014	(868)		8,563

*The negative cost is primarily due to the insurance subsidy ending in 2016.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revisions, as the results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents, as required, and supplementary information following the notes to basic financial statements (dollars in thousands, unaudited) are as follows:

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Surplus) UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Surplus) AAL as a Percentage of Covered Payroll ((b-a)/c)
Municipal Employees'	12/31/2014	$ -	$ 17,495	$ 17,495	-	$ 1,602,978	1.09
Laborers'	12/31/2014		4,593	4,593		202,673	2.27
Policemen's	12/31/2014		18,762	18,762		1,074,333	1.75
Firemen's	12/31/2014		4,995	4,995		460,190	1.09

Up to June 30, 2013, the annuitants who retired prior to July 1, 2005, received a 55% subsidy from the City and the annuitants who retired on or after July 1, 2005, received a 50%, 45%, 40%, and 0% subsidy from the City based on the annuitant's length of actual employment with the City for the gross cost of retiree health care under a court-approved settlement agreement, known as the "Settlement Plan". The pension funds contributed their subsidies of $65 per month for each Medicare eligible annuitant and $95 per month for each non-Medicare eligible annuitant to their gross cost. The annuitants contributed a total of $84.8 million in 2014 to the gross cost of their retiree health care pursuant to premium amounts set forth in the below-referenced settlement agreement.

The City subsidized a portion of the cost (based upon service) for hospital and medical coverage for eligible retired employees and their dependents based upon a settlement agreement entered in 2003 and which expired on June 30, 2013.

On May 15, 2013, the City announced plans to, among other things: (i) provide a lifetime health care plan to former employees who retired before August 23, 1989, with a contribution from the City of up to 55% of the cost of that plan; and (ii) beginning July 1, 2013, provide employees who retired on or after August 23, 1989, with health care benefits in a new retiree health plan (the "Health Plan"), but with significant changes to the terms, including increases in premiums and deductibles, reduced benefits, and the phase-out of the Health Plan for such employees by December 31, 2016.

The cost of health benefits is recognized as an expenditure in the accompanying basic financial statements as claims are reported and are funded on a pay-as-you-go basis. In 2014, the net expense to the City for providing these benefits to approximately 24,381 annuitants, plus their dependents, was approximately $79.3 million.

Plan Description Summary—The City was party to a written legal settlement agreement outlining the provisions of the settlement plans, which ended June 30, 2013. The Health Plan provides for annual modifications to the City's level of subsidy. It is set to phase out over three years, at which the Health Plan, along with any further City subsidy, will expire by December 31, 2016, for all, but the group of former employees (the Korshak class of members) who retired before August 23, 1989, who shall have lifetime benefits. Duty disabled retirees who have statutory pre-63/65 coverage will continue to have fully subsidized coverage under the active health plan until age 65.

The provisions of the Health Plan provides, in general, that the City pay a percentage of the cost (based upon an employee's service) for hospital and medical coverage to eligible retired employees and their dependents for the specified period ending December 31, 2016. The percentage subsidies were revised to reduce by approximately 25% of 2013 subsidy levels in 2014 and 50% of 2013 subsidy levels in 2015. Additional step-downs in subsidy levels for 2016 have not yet been finalized.

In addition, the State law authorizes the four respective pension funds (Policemen's, Firemen's, Municipal Employees', and Laborers') to provide a fixed monthly dollar subsidy to each annuitant who has elected coverage under any City health plan through December 31, 2016. After that date, no Pension Fund subsidies are authorized. The liabilities for the monthly dollar Pension Fund subsidies contributed on behalf of annuitants enrolled in the medical plan by their respective Pension Funds are included in the NPO actuarial valuation reports of the respective four pension funds under GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (see Note 11).

Special Benefits under the Collective Bargaining Agreements (CBA)—Under the terms of the CBA for the fraternal order of police, and the International Association of Fire Fighters, certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the health care benefit program offered to actively employed members. They may keep this coverage until they reach the age of Medicare eligibility. These retirees do not contribute towards the cost of coverage, but the Policemen's Fund contributes $95 per month towards coverage for police officers; the Firemen's Fund does not contribute.

Both of these agreements which provide pre-65 coverage originally expired at June 30, 2012. These benefits have been renegotiated to continue through 2016 or June 30, 2017, depending on bargaining unit agreements. This valuation assumes that the CBA special benefits, except for those who will have already retired as of December 31, 2016, will cease on December 31, 2016, or June 30, 2017, depending on bargaining unit agreements. The renegotiated agreements also provided that retirees will contribute 2% of their pension toward the cost of their health care coverage.

Funding Policy—No assets are accumulated or dedicated to funding the retiree health plan benefits.

Annual OPEB Cost and Net OPEB Obligation—The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC (Annual Required Contribution) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities over a period of ten years.

The following table shows the components of the City's annual OPEB costs for the year for the Health Plan and CBA Special Benefits, the amount actually contributed to the plan and changes in the City's net OPEB obligation. The Net OPEB Obligation is the amount entered upon the City's Statement of Net Position as of year end as the net liability for the other post-employment benefits – the Health Plan. The amount of the annual cost that is recorded in the Statement of Changes in Net Position for 2014 is the Annual OPEB Cost (expense).

	(Dollars in thousands)		
	Retiree Settlement Health Plan	CBA Special Benefits	Total
Contribution rates:			
City	Pay As You Go	Pay As You Go	Pay As You Go
Plan members	N/A	N/A	N/A
Annual Required Contribution	$ 67,713	60,912	$ 128,625
Interest on net OPEB obligation	1,806	3,989	5,795
Adjustment to Annual Required Contribution	(6,853)	(15,135)	(21,988)
Annual OPEB cost	62,666	49,766	112,432
Contributions made	93,962	34,099	128,061
Decrease in net OPEB obligation	(31,296)	15,667	(15,629)
Net OPEB obligation, beginning of year	60,210	132,981	193,191
Net OPEB obligation, end of year	$ 28,914	148,648	$ 177,562

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 is as follows (dollars in thousands):

	Schedule of Contributions, OPEB Costs and Net Obligations		
Fiscal Year Ended	**Annual OPEB Cost**	**Percentage of Annual OPEB Cost Contributed**	**Net OPEB Obligation**
Settlement plan			
12/31/2014	$ 62,666	149.9 %	$ 28,914
12/31/2013	75,444	148.4	60,210
12/31/2012	37,444	260.5	96,760
CBA special benefits			
12/31/2014	$ 49,766	68.5 %	$ 148,648
12/31/2013	41,722	65.5	132,981
12/31/2012	39,533	46.6	118,601
Total			
12/31/2014	$ 112,432	113.9 %	$ 177,562
12/31/2013	117,166	118.9	193,191
12/31/2012	76,977	150.6	215,361

Funded Status and Funding Progress—As of January 1, 2014, the most recent actuarial valuation date, the AAL for benefits was $964.6 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately $2,425.0 million and the ratio of the UAAL to the covered payroll was 39.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions, as the results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents, as required, and supplementary information following the notes to basic financial statements (dollars in thousands, unaudited) is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Settlement plan						
12/31/2013	$ -	$498,205	$498,205	- %	$2,425,000	20.5 %
CBA special benefits						
12/31/2013		466,421	466,421		1,400,269	33.3
Total						
12/31/2013	$ -	$964,626	$964,626	- %	$2,425,000	39.8 %

Actuarial Method and Assumptions—Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

For the Health Plan benefits (not provided by the Pension Funds), the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 5.0% in 2026. The range of rates included a 3.0% inflation assumption. Rates included a 2.5% inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. However, the funds expected to be used to pay benefits are assumed to be invested for durations which will yield an annual return rate of 3.0%. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years. The benefits include the provisions under the new Health Plan, which will be completely phased-out by December 31, 2016, except for the Korshak category, which is entitled to lifetime benefits. Also included in the Non-CBA benefits are the duty disability benefits under the active health plan payable to age 63/65.

For the Special Benefits under the CBA for Police and Fire, the renewed contracts' expiration dates of June 30, 2016 (for Police Captains, Sergeants and Lieutenants) and June 30, 2017 for all other Police and Fire are reflected, such that liabilities are included only for payments beyond the end of the calendar year of contract expiration on behalf of early retirees already retired and in pay status as of December 31 of the expiration year of the contract. The entry age normal method was selected. The actuarial assumptions included an annual healthcare cost trend rate of 8.0% in 2014, reduced by decrements to an ultimate rate of 5.0% in 2026. Rates included a 2.5% inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. The funds expected to be used to pay benefits are assumed to be invested for durations which will yield an annual return rate of 3.0%. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years.

	Summary of Assumptions and Methods	
	Settlement Health Plan	**CBA Special Benefits**
Actuarial valuation date	December 31, 2013	December 31, 2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	10 years	10 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	3.0 %	3.0 %
Projected salary increases	2.5 %	2.5 %
Healthcare inflation rate	8.0% initial to 5.0% in 2026	8.0% initial to 5.0% in 2026

9. RELATED-PARTY TRANSACTIONS

Included in operating expenses are reimbursements to the general fund of the City for services provided by other City departments, employee fringe benefits, and certain payments made on behalf of the Airport. Such reimbursements amounted to $72.8 million and $68.3 in 2014 and 2013, respectively.

10. COMMITMENTS AND CONTINGENCIES

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

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

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the years ended December 31, 2014 and 2013, are as follows (dollars in thousands):

	2014	2013
Beginning balance—January 1	$ 2,194	$ 2,418
Total claims incurred (expenditures)	23,318	21,593
Claims paid	(22,985)	(21,817)
Claims liability—December 31	$ 2,527	$ 2,194

The City purchases annuity contracts from commercial insurers to satisfy certain liabilities. The City renewed its property insurance for the City's Airports, effective December 31, 2014, at a limit of $3.5 billion. Claims have not exceeded the purchased insurance coverage in the past 14 years. Property and casualty risks for the Airport are transferred to commercial insurers.

At December 31, 2014 and 2013, the Airport had commitments in the amounts of approximately $237.1 million and $242.4 million, respectively, in connection with contracts entered into for construction projects.

11. SUBSEQUENT EVENTS

In April 2015, the City issued $30.5 million aggregate principal amount of O'Hare CP Notes. The proceeds of these O'Hare CP Notes were used to finance a portion of the costs of authorized airport projects.

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CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
CALCULATIONS OF COVERAGE COVENANT
YEAR ENDED DECEMBER 31, 2014
(Dollars in thousands)

	Sec 404 (a)	Sec 404 (b)
REVENUES:		
Total revenues—as defined	$ 844,268	$ 844,268
Other available moneys (passenger facility charges for debt service)	95,568	95,568
Cash balance in Revenue Fund on the first day of fiscal year (Note 2)	50,093	
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 989,929	$ 939,836
COVERAGE REQUIREMENTS—Deposits required:		
Operation and maintenance reserve	$ 14,391	
Maintenance reserve	4,161	
Special capital projects	530	
Senior lien debt service fund	391,780	
TOTAL DEPOSITS REQUIREMENTS	$ 410,862	
AGGREGATE SENIOR LIEN DEBT SERVICE	$ 490,190	$ 490,190
LESS AMOUNTS TRANSFERRED FROM CAPITALIZED INTEREST ACCOUNTS	(34,802)	(34,802)
NET AGGREGATE DEBT SERVICE	455,388	$ 455,388
COVENANT REQUIREMENT	1.10	
NET AGGREGATE DEBT SERVICE	$ 500,927	
COVERAGE REQUIREMENT (Greater of total deposit requirements or 110 percent of net aggregate debt service)	$ 500,927	$ -
OPERATION AND MAINTENANCE EXPENSES—As defined	484,448	484,448
TOTAL REQUIREMENT	985,375	939,836
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 989,929	$ 939,836

See notes to calculations of coverage.

1. RATE COVENANT

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

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

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

2. REVENUE FUND BALANCE

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

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PART III

STATISTICAL SECTION
(UNAUDITED)

PART III
STATISTICAL SECTION
(UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL OPERATING RESULTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Dollars in thousands)
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
OPERATING REVENUES:										
Landing fees	$157,791	$159,094	$179,076	$196,453	$181,335	$170,907	$179,924	$189,997	$169,323	$211,982
Rental revenues:										
Terminal rental and use charges	140,038	145,417	211,732	220,040	212,944	287,972	237,628	246,912	273,611	340,449
Other rentals and fueling system fees	36,365	40,172	51,026	47,378	39,809	40,468	41,745	40,530	44,813	45,330
Subtotal rental revenues	176,403	185,589	262,758	267,418	252,753	328,440	279,373	287,442	318,424	385,779
Concessions:										
Auto parking	95,521	98,613	103,137	108,545	89,131	93,430	95,997	93,557	95,614	97,834
Auto rentals	19,604	19,928	22,376	22,213	22,915	22,643	23,745	25,445	26,274	27,863
Restaurants	29,790	33,401	34,904	34,813	32,721	35,669	38,547	41,330	42,662	45,432
News and gifts	11,893	12,357	13,267	14,640	13,662	14,495	15,608	16,579	18,367	24,086
Other	33,125	30,374	34,909	34,912	26,685	30,377	37,989	41,197	40,337	45,082
Subtotal concessions	189,933	194,673	208,593	215,123	185,114	196,614	211,886	218,108	223,254	240,297
Reimbursements	8,750	6,560	2,336	5,288	5,241	6,642	8,219	7,017	6,679	6,466
Total operating revenues [1]	532,877	545,916	652,763	684,282	624,443	702,603	679,402	702,564	717,680	844,524
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages [2]	157,116	168,361	177,800	177,418	174,897	174,331	190,830	191,677	192,744	212,576
Repairs and maintenance	73,903	73,591	83,865	100,341	82,518	86,463	94,519	88,784	85,484	110,928
Energy	30,894	29,118	35,924	38,535	37,261	33,687	31,777	31,775	32,895	34,519
Materials and supplies	9,338	5,120	10,411	17,506	17,661	9,526	14,288	9,797	8,961	10,573
Engineering and other professional services	52,142	45,357	56,506	61,514	54,767	57,981	65,382	74,307	81,070	88,143
Other operating expenses	28,572	33,038	33,628	33,196	37,181	48,640	34,254	53,839	24,895	38,268
Total operating and maintenance expenses before depreciation and amortization [3]	351,965	354,585	398,134	428,510	404,285	410,628	431,050	450,179	426,049	495,007
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION [4]	$180,912	$191,331	$254,629	$255,772	$220,158	$291,975	$248,352	$252,385	$291,631	$349,517
FIRST AND SECOND LIEN BONDS—Net revenues for calculating coverage less fund deposit requirements	$292,193	$354,363	$356,299	$358,671	$261,166	$372,341	$407,700	$ -	$ -	$ -
AGGREGATE DEBT SERVICE LESS DISBURSEMENTS FROM CAPITALIZED INTEREST ACCOUNTS [5]	$ 92,773	$ 56,563	$107,700	$107,389	$108,898	$104,349	$112,181	$ -	$ -	$ -
DEBT SERVICE COVERAGE RATIO [6]	3.15	6.26	3.31	3.34	2.40	3.57	3.63	-	-	-
THIRD LIEN BONDS—Net revenues for calculating coverage per master indenture third lien	$653,743	$710,017	$764,133	$761,514	$664,917	$800,380	$861,675	$ -	$ -	$ -
COVERAGE REQUIRED PER MASTER INDENTURE—Third lien	$544,458	$577,301	$690,407	$723,259	$660,463	$790,282	$785,213	$ -	$ -	$ -
SENIOR LIEN BONDS—Net revenues for calculating coverage per master indenture senior lien [7]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$844,954	$853,216	$989,929
COVERAGE REQUIRED PER MASTER INDENTURE—Senior lien [7]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$804,237	$825,116	$985,375
COVERAGE RATIO	1.20	1.23	1.11	1.05	1.01	1.01	1.10	1.05	1.10	1.00

(1) Average annual compound growth rate for 2005–2014 for total operating revenues is 5.2%.
(2) Salaries and wages includes charges for pension, health care and other employee benefits.
(3) Average annual compound growth rate for 2005–2014 for total operating and maintenance expenses before depreciation and amortization is 3.9%.
(4) Amount for 2014 may be reconciled to operating income of $131,306 reported in the 2014 Statements of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $218,211. Amount for prior years may be reconciled through similar calculations
(5) Represents debt service on first and second lien bonds.
(6) Represents debt service coverage ratio on first and second lien bonds.
(7) Represents required coverage per senior lien master indenture.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE
(Dollars in thousands)
(Unaudited)

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

Year Ending December 31	Total Debt Service on Senior Lien Bonds (1)	Total PFC Debt Service	Total CFC Debt Service	Total Debt Service
2015	$ 486,395	$ 64,509	$ 13,554	$ 564,458
2016	479,064	65,918	13,554	558,536
2017	530,896	65,500	13,554	609,950
2018	557,006	65,454	18,161	640,621
2019	558,801	49,738	18,154	626,693
2020	521,899	47,786	18,160	587,845
2021	460,302	47,672	18,143	526,117
2022	460,093	47,637	18,125	525,855
2023	439,830	47,590	18,129	505,549
2024	439,467	47,557	18,113	505,137
2025	439,223	50,657	18,099	507,979
2026	436,107	50,605	18,082	504,794
2027	436,040	50,664	18,072	504,776
2028	435,864	50,618	18,081	504,563
2029	434,831	50,562	18,072	503,465
2030	433,201	50,410	18,059	501,670
2031	432,764	50,347	18,043	501,154
2032	432,430	46,285	18,029	496,744
2033	473,718	10,186	18,014	501,918
2034	464,994	6,917	17,976	489,887
2035	474,377	6,910	17,956	499,243
2036	292,160	6,901	17,939	317,000
2037	290,359	6,898	17,920	315,177
2038	287,810	6,887	17,902	312,599
2039	284,218	6,880	17,881	308,979
2040	173,155	6,873	17,862	197,890
2041	123,302		17,838	141,140
2042	26,803		17,815	44,618
2043	26,778		17,785	44,563
2044	26,744			26,744
	$ 11,358,631	$ 1,007,961	$509,072	$ 12,875,664

(1) Assumes an interest rate effective at December 31, 2014, on $240,600,000 of Senior 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, 2014.

Source: City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CAPITAL IMPROVEMENT PLAN (CIP), 2015–2019
(Dollars in thousands)
(Unaudited)

ESTIMATED USES—Five-Year Capital Improvement Program:	
Airfield improvements	$ 625,796
Terminal improvements	118,746
Noise mitigation [4]	
Parking/roadway projects	47,466
Heating and refrigeration	305,607
Safety and security	39,256
Planning and other costs	770,884
Implementation	75,394
Sound	105,461
TOTAL ESTIMATED USES [1]	$ 2,088,610
ESTIMATED SOURCES:	
Existing PFC revenue bond proceeds	$ 207
PFC revenues (pay-as-you-go)	56,742
Future Airport revenue bond proceeds	738,840
Federal AIP entitlements grants	28,774
Federal AIP LOI	
TSA funds	34,250
Prior airport revenue bond proceeds	310,558
LOI Backed GARBS	3,570
PFC Backed GARBS	82,772
Customer facility charges [2]	315,337
Other funds [3]	517,560
TOTAL ESTIMATED SOURCES	$ 2,088,610

[1] The O'Hare Capital Improvement Programs ($2,088,610) includes $1,143,315 in active CIP projects, $445,922 in proposed CIP projects, $12,000 in OMP Phase I which is in close-out $318,911 in OMP Completion Phase 2A & Design projects and $105,461 in Noise Mitigation projects.

[2] The Customer Facility Charge Fund includes CFC PayGo and CFC Bond Funds.

[3] Other Airport Funds include: Airport Development Fund; Land Support; NE Cargo; US Dept. of Transportation TIFIA Loan; Federal Grant for SATCT; OMP LOI Proceeds

[4] Noise Mitigation includes the balance of OMP Completion Phase Sound Program ($103,652) and CIP Sound ($2,109)

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

OPERATIONS OF THE AIRPORT
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

Airport Activity

According to statistics compiled by Airports Council International, the Airport was the first busiest airport in the world as measured by total aircraft operations and the seventh busiest airport as measured by total passengers. In North America, the Airport is the sixth busiest airport in terms of total cargo tonnage handled. According to the Official Airline guide, as of December 31, 2014, nonstop service was provided from the Airport to 234 destinations, 168 domestic airports, and 66 foreign airports.

Chicago O'Hare International Airport Historical Connecting Passengers

Year	Total Enplanements	Total Originating Enplanements [(1)]	Total Connecting Enplanements [(1)]	Connecting Enplanements Percentage
2005	37,970,886	17,548,038	20,422,848	53.8 %
2006	37,784,336	18,058,904	19,725,432	52.2
2007	37,779,576	18,223,460	19,556,116	51.8
2008	34,744,030	17,685,020	17,059,010	49.1
2009	32,047,097	15,708,291	16,338,806	51.0
2010	33,232,412	17,419,794	15,812,618	47.6
2011	33,207,302	15,972,745	17,234,557	51.9
2012	33,244,515	16,867,283	16,377,232	49.3
2013	33,297,578	17,044,643	16,252,935	48.8
2014	34,952,762	17,115,535	17,837,227	51.0
Average Annual Compound Growth Rates				
2005–2014	(0.9)%	(0.3)%	(1.5)%	

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

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

	2005		2006		2007		2008		2009		2010		2011		2012		2013		2014	
Airline [1]	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
United Airlines	13,035,044	34.3 %	12,905,929	34.2 %	12,798,917	34.0 %	11,818,081	34.0 %	10,304,138	32.2 %	9,655,258	29.1 %	8,763,788	26.4 %	7,417,697	22.3 %	8,293,334	24.9 %	9,227,495	26.4 %
American Airlines	10,880,167	28.7	10,283,798	27.2	10,277,846	27.2	9,291,364	26.7	8,050,514	25.1	8,115,097	24.4	7,629,479	23.0	7,212,437	21.7	7,209,709	21.7	7,064,555	20.2
Simmons Airlines (dba American Eagle)	3,249,766	8.5	3,524,127	9.3	3,424,753	9.1	3,145,183	9.1	3,128,488	9.8	3,278,628	9.9	3,500,279	10.5	3,591,209	10.8	4,022,596	12.1	2,868,392	8.2
Sky West (dba United Express)	1,385,206	3.6	2,333,968	6.2	2,231,622	5.9	2,010,239	5.8	1,763,788	5.5	1,932,478	5.8	1,375,680	4.1	1,276,718	3.8	1,386,813	4.2	1,873,838	5.4
Mesa (dba United Express)	517,511	1.4	1,032,938	2.7	1,227,446	3.2	1,032,402	3.0	1,327,751	4.1	703,936	2.1	553,439	1.7	524,665	1.6	540,671	1.6	454,299	1.3
Northwest Airlines	576,618	1.5	626,705	1.7	680,695	1.8	586,600	1.7	439,517	1.4										
Shuttle America (dba United Express)	282,928	0.7	870,661	2.3	721,642	1.9	689,203	2.0	936,803	2.9	1,067,038	3.2	941,420	2.8	1,163,078	3.5	903,682	2.7	816,617	2.3
Continental Airlines	461,804	1.2	486,762	1.3	584,908	1.5	519,567	1.5	514,528	1.6	542,760	1.6	947,868	2.9	1,901,333	5.7	697,398	2.1		
US Airways	580,460	1.5	474,309	1.3	578,879	1.5	892,225	2.6	923,729	2.9	865,420	2.6	926,447	2.8	1,024,706	3.1	1,068,630	3.2	1,024,772	2.9
Go Jet (UA Express)			432,179	1.0	449,979	1.2	399,076	1.1	567,601	1.8	787,343	2.4	695,580	2.1	743,794	2.2	795,407	2.4	783,363	2.2
Delta Airlines	603,677	1.6	518,373	1.4	443,342	1.2	430,985	1.2	311,533	1.0	572,588	1.7	692,244	2.1	956,245	2.9	716,938	2.1	844,445	2.4
Trans State Air (dba United Express)	259,510	0.7	384,147	1.0	390,640	1.0	464,624	1.3	450,469	1.4	428,504	1.3	347,997	1.0	208,197	0.6	475,863	1.4	637,489	1.8
America West	426,571	1.1	442,308	1.2	320,778	0.8														
Air Canada	204,485	0.5	161,023	0.4	132,572	0.4	136,277	0.4	123,367	0.3	132,392	0.4	104,683	0.3	108,637	0.4	80,190	0.2	6,664	
Chautauqua (dba United Express)	489,195	1.5	188,805	0.5	47,800	0.1	92		78		43,191	0.1	3,520		236		6,086		51,553	0.1
Air Wisconsin (dba United Express)	1,906,211	5.0	21,100	0.1			24,143	0.1			147		2		4		1		2	
Independence Air	86,154	0.2	1,559																	
All Other [2]	3,025,579	8.0	3,095,645	8.2	3,467,757	9.2	3,303,969	9.5	3,204,793	10.0	5,107,632	15.4	6,724,876	20.3	7,115,559	21.4	7,100,260	21.3	9,299,278	26.8
Total	37,970,886	100.0 %	37,784,336	100.0 %	37,779,576	100.0 %	34,744,030	100.0 %	32,047,097	100.0 %	33,232,412	100.4 %	33,207,302	100.0 %	33,244,515	100.0 %	33,297,578	100.0 %	34,952,762	100.0 %

[1] Each airline listed is a signatory to a 1983 Airport Use Agreement.

[2] Included in All Other are the signatories to the 1990 International Terminal Use Agreement not already listed on this table (Aer Lingus, Aeroflot, Aeromexico, Air Berlin, Air France, Air India, Air Jamaica, Air One, Alitalia, All Nippon, Asiana, Austrian Air Aviacsa, British Airways, British Midland, Cathay Pacific, China Eastern, El Al Israel, Etihad, Hainan, Iberia, Japan, KLM, Korean, Kuwait, Lot Polish, Lufthansa, Mexicana, Pakistan, Qatar, Royal Jordanian, Scandinavian, Singapore, Spirit Airlines, Swiss Airlines (Cross Air), TACA/LACSA, Turkish Airlines, USA 3000 and Virgin Air and all other U.S. and foreign flag airlines operating at the Airport.

AIRLINES PROVIDING SERVICE AT THE AIRPORT
As of December 31, 2014, the Airport had scheduled air service by 43 airlines, including 10 domestic airlines, and 33 foreign flag airlines. Service to the Airport is provided by 15 of the 18 "Group III Carriers," which are defined by the U.S. Department of Transportation, Research and Special Programs Administration to include domestic air carriers with annual operating revenues in excess of $1 billion.

United Airlines and American Airlines (including their commuter affiliates) together accounted for 74.9% of the enplaned commercial passengers at the Airport in 2014.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PASSENGER TRAFFIC
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

Year	Total Domestic Passengers	Percent of Total Passengers	Total International Passengers	Percent of Total Passengers	Total Passengers	Annual Percent Change
2005	64,772,036	85.1 %	11,382,369	14.9 %	76,154,405	0.8 %
2006	64,573,153	84.6	11,726,137	15.4	76,299,290	0.2
2007	64,376,479	84.5	11,801,376	15.5	76,177,855	(0.2)
2008	59,404,334	83.9	11,414,681	16.1	70,819,015	(7.0)
2009	54,114,214	83.8	10,439,179	16.2	64,553,393	(8.8)
2010	56,615,214	84.5	10,410,977	15.5	67,026,191	3.8
2011	57,233,467	85.7	9,558,683	14.3	66,792,150	(0.3)
2012	56,857,637	85.1	9,977,294	14.9	66,834,931	0.1
2013	56,728,189	84.8	10,181,394	15.2	66,909,583	0.1
2014	59,321,544	84.7	10,753,660	15.3	70,075,204	4.7
Average Annual Compound Growth Rates						
2005–2014	(1.0)%		(0.6)%		(0.9)%	

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

	Chicago O'Hare International Airport		Chicago Midway International Airport		
Year	Total O&D Enplanements [1]	Percent of Total Chicago	Total O&D Enplanements [1]	Percent of Total Chicago	Total O&D Enplanements
2005	17,548,038	73.2 %	6,431,517	26.8 %	23,979,555
2006	18,058,904	72.9	6,708,494	27.1	24,767,398
2007	18,223,460	73.6	6,532,362	26.4	24,755,822
2008	17,685,020	75.0	5,910,045	25.0	23,595,065
2009	15,708,291	73.6	5,647,591	26.4	21,355,882
2010	17,419,794	76.1	5,485,191	23.9	22,904,985
2011	15,972,745	73.7	5,693,938	26.3	21,666,683
2012	16,867,283	73.6	6,045,841	27.0	22,364,651
2013	17,044,643	72.4	6,505,206	27.6	23,549,849
2014	17,115,535	72.6	6,446,497	27.4	23,562,032
	Average Annual Compound Growth Rates				
2005–2014	(0.3)%		- %		(0.2)%

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

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANEMENT SUMMARY
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

	Total O'Hare Enplanements						
Year	Domestic Air Carrier	Domestic Commuter	Total Domestic [1]	Percent of Total O'Hare	Total International Enplanements	Percent of Total O'Hare	Total [2] Enplanements
2005	32,426,920	-	32,426,920	85.4 %	5,543,966	14.6 %	37,970,886
2006	32,136,521		32,136,521	85.1	5,647,815	14.9	37,784,336
2007	32,126,121		32,126,121	85.0	5,653,455	15.0	37,779,576
2008	29,111,375		29,111,375	83.8	5,632,655	16.2	34,744,030
2009	26,863,092		26,863,092	83.8	5,184,005	16.2	32,047,097
2010	28,100,388		28,100,388	84.6	5,132,024	15.4	33,232,412
2011	28,306,173		28,306,173	85.2	4,901,129	14.8	33,207,302
2012	28,288,427		28,288,427	85.1	4,956,088	14.9	33,244,515
2013	28,195,077		28,195,077	84.7	5,102,501	15.3	33,297,578
2014	29,559,975		29,559,975	84.6	5,392,787	15.4	34,952,762
	Average Annual Compound Growth Rates						
2005–2014	(1.0)%		(1.0)%		(0.3)%		(0.9)%

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

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

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRCRAFT OPERATIONS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

	Annual Aircraft Operations						
Year	Domestic Air Carrier	International Air Carrier	Total Air Carrier	Commuter	All-Cargo	General Aviation	Total
2005	835,414	84,778	920,192	-	21,979	30,077	972,248
2006	821,586	83,986	905,572		21,165	31,906	958,643
2007	802,933	87,043	889,976		20,702	16,295	926,973
2008	762,995	81,211	844,206		17,542	19,818	881,566
2009	721,169	74,842	796,011		13,988	17,900	827,899
2010	771,550	72,144	843,694		17,248	21,675	882,617
2011	772,707	69,704	842,411		17,149	19,238	878,798
2012	783,371	66,992	850,363		16,887	10,858	878,108
2013	784,681	71,858	856,539		16,326	10,422	883,287
2014	779,708	76,258	855,966		15,433	10,534	881,933
	Average Annual Compound Growth Rates						
2005–2014	(0.8)%	(1.2)%	(0.8)%		(3.9)%	(11.0)%	(1.1)%

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET AIRLINE REQUIREMENT AND COST PER ENPLANED PASSENGER
YEAR ENDED DECEMBER 31, 2014
(Dollars in thousands)
(Unaudited)

Calculation of cost per enplaned passenger:	
Operating and maintenance expenses [1]	$ 463,224
Net debt service [1]	365,102
Debt service coverage requirement [2]	8,324
Fund deposits [3]	19,082
Total airport expenses [1]	855,732
Less:	
Non-airline revenue [1]	(271,004)
PFC revenue applied to eligible debt service	(6,685)
Other	(292)
Net airline requirement [4]	577,751
Enplaned passengers	34,952,762
Cost per enplaned passenger	$ 16.53

[1] This analysis excludes the Land Support Cost Revenue Center, Airport Development Fund, Emergency Reserve Fund and PFC Fund.

[2] Incremental adjustment required which provide 10 percent coverage on aggregate debt service.

[3] Deposits to the Operations and Maintenance Reserve, Maintenance Reserve, Emergency Reserve and Special Capital Project Funds.

[4] Revenue required to be collected from all Airline Parties under the 1983 Airport Use Agreements and the 1990 International Terminal Use Agreements.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PFC REVENUES
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Dollars in thousands)
(Unaudited)

Year	Total Enplanements	PFC Enplanements [1]	PFC Revenues (Net of Airline Collection Fees) [2] [3]	PFC Interest Income	Total PFC Revenues
2005	37,970,886	32,546,469	$ 143,855	$ 5,662	$ 149,517
2006	37,784,336	33,765,769	148,232	10,052	158,284
2007	37,779,576	34,243,364	150,329	18,922	169,251
2008	34,744,030	30,720,227	130,922	3,940	134,862
2009	32,047,097	27,533,048	117,103	3,767	120,870
2010	33,232,412	29,493,621	129,477	2,596	132,073
2011	33,207,302	28,503,338	125,130	2,631	127,761
2012	33,244,515	28,067,538	123,215	1,575	124,790
2013	33,297,578	29,516,583	129,578	1,527	131,105
2014	34,952,762	31,962,719	140,316	1,275	141,591

(1) Historical collection information reflects an actual percentage of eligible PFC enplanements of 91.4% in 2014.

(2) This amount is net of the airline collection fee of $.11 per enplaning passenger since May 1, 2004.

(3) Actual amounts above are recorded on a cash basis but are reported in the Airport's audited financial statements on an accrual basis. For 2005–2013, a separate cash basis PFC audit was performed as required by the PFC Regulations. The cash basis PFC audit for 2014 has not yet been issued.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PASSENGER FACILITY CHARGE (PFC) DEBT SERVICE COVERAGE
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Dollars in thousands)
(Unaudited)

Bond Year Ended	PFC Revenues (2)	PFC Bonds Debt Service	Coverage by PFC Revenues (1)
January 1, 2005	$ 138,728	$ 73,512	1.89
January 1, 2006	149,518	73,502	2.03
January 1, 2007	158,284	73,502	2.15
January 1, 2008	169,251	73,498	2.30
January 1, 2009	134,862	50,048	2.69
January 1, 2010	120,870	49,411	2.45
January 1, 2011	132,073	59,077	2.24
January 1, 2012	127,761	77,497	1.65
January 1, 2013	124,790	66,163	1.89
January 1, 2014	131,105	70,860	1.85
January 1, 2015	141,591	65,307	2.17

(1) Ratio represents the amount of PFC revenues to debt service:
For bond years ended 2005 through 2008.
(2) Actual amounts above are recorded on a cash basis and includes interest earnings.

Source: City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET POSITION BY COMPONENT
EACH OF THE NINE YEARS ENDED DECEMBER 31, 2006–2014
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net position:									
Net investment in capital assets	$ 213,090	$ 481,321	$ 644,828	$ 612,920	$ 704,324	$ 713,876	$ 517,619	$ 582,175	$ 644,430
Restricted	751,069	644,048	594,185	610,868	588,683	640,469	605,488	709,665	780,514
Unrestricted (deficit)	60,111	73,390	77,195	89,554	104,730	38,201	31,511	35,559	35,140
Total net position	$ 1,024,270	$ 1,198,759	$ 1,316,208	$ 1,313,342	$ 1,397,737	$ 1,392,546	$ 1,154,618	$ 1,327,399	$ 1,460,084
	*	*	*	*	*	*			

Ten year information will be provided prospectively starting with year 2006.
*Amounts have not be restated for the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CHANGE IN NET POSITION
EACH OF THE NINE YEARS ENDED DECEMBER 31, 2006–2014
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating revenues	$545,916	$652,763	$684,282	$624,443	$702,603	$679,402	$ 702,564	$ 717,680	$844,524
Operating expenses	496,581	544,890	579,297	583,002	595,707	609,499	662,004	622,606	713,218
Operating income	49,335	107,873	104,985	41,441	106,896	69,903	40,560	95,074	131,306
Nonoperating revenues (expenses)	24,446	18,363	(37,486)	(94,627)	(80,068)	(80,925)	(110,254)	(125,829)	(87,653)
Special items						(53,910)			
Income (loss) before capital contributions	73,781	126,236	67,499	(53,186)	26,828	(64,932)	(69,694)	(30,755)	43,653
Capital grants	71,238	48,253	49,950	50,320	57,567	59,741	73,538	203,536	89,032
Change in net position	$145,019 *	$174,489 *	$117,449 *	$ (2,866) *	$ 84,395 *	$ (5,191) *	$ 3,844	$ 172,781	$132,685

Ten year information will be provided prospectively starting with year 2006.

*Amounts have not be restated for the implemetation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

LONG TERM DEBT
EACH OF THE NINE YEARS ENDED DECEMBER 31, 2006–2014
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
First lien bonds	$ 72,795	$ 72,795	$ 72,795	$ 72,795	$ 72,795	$ 72,795	$ -	$ -	$ -
Second lien bonds	732,845	721,470	656,875	585,080	450,250	369,330			
Third lien bonds	3,620,670	3,559,420	4,278,530	4,219,195	5,213,760	6,145,590			
Senior lien bonds							6,355,245	6,696,365	6,563,780
Commercial paper notes		334,673	35,565	295,355		19,919	50,616	20,000	51,026
Passenger facility									
Passenger facility charge revenue bonds	825,709	796,715	741,340	725,675	833,715	812,715	726,700	700,090	663,780
Customer facility									
Customer facility charge revenue bonds								248,750	248,750
Total revenue bonds and notes	$ 5,252,019	$ 5,485,073	$ 5,785,105	$ 5,898,100	$ 6,570,520	$ 7,420,349	$ 7,132,561	$ 7,665,205	$ 7,527,336
Enplanements	$37,784,336	$37,779,576	$34,744,030	$32,047,097	$33,232,412	$33,206,867	$33,244,515	$33,297,578	$34,952,762
Debt per enplanement	$ 139	$ 145	$ 167	$ 184	$ 198	$ 223	$ 215	$ 230	$ 215

Ten year information will be provided prospectively starting with year 2006.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

FULL TIME EQUIVALENT CHICAGO O'HARE AIRPORT EMPLOYEES BY FUNCTION
EACH OF THE NINE YEARS ENDED DECEMBER 31, 2006–2014
(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration (pre-2009 executive directions)	20	25	15	73	130	127	119	110	-
Capital development	57	49	49	30	39	43	35	34	18
Financial administration	27	25	21						35
Human resources management	26	24	22						
Capital finance management	21	9	9						
Contract administration	11	18	18						12
Business information services	13	11	9						
Business communication	44	40	41	10	13	13			
Commercial development and concessions	5	6	5	3	6	6	4	3	13
Administration	32	26	24						47
Airfield operations	270	280	280	309	309	306	305	305	306
Landside operations	26	19	18	14	13	11	12	22	239
Security management	241	233	249	243	243	242	236	236	361
Facility management	537	537	498	502	515	519	500	504	311
Safety management		9	9	9	7	7	7	7	
Total	1,330	1,311	1,267	1,193	1,275	1,274	1,218	1,221	1,342

Ten year information will be provided prospectively starting with year 2006.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

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

	2014 [1]			2005 [4]		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health Care	18,556	1	1.47 %			
University of Chicago	16,025	2	1.27			
JP Morgan Chase & Co. (2)	15,015	3	1.19	9,200	1	0.87 %
Northwestern Memorial Healtl	14,550	4	1.15			
United Continental Holdings Iı	14,000	5	1.11	5,995	2	0.56
Walgreen Co	13,797	6	1.09			
AT&T (3)	13,000	7	1.03	4,311	5	0.41
Presence Health	11,279	8	0.89			
University of Illinois at Chicag	10,100	9	0.80			
Abbott Laboratories	10,000	10	0.79			
Accenture LLP				4,341	4	0.41
Northern Trust Corporation				4,574	3	0.43
Ford Motor Company				2,992	7	0.28
Bank of America NT & SA				2,811	9	0.26
American Airlines				4,054	6	0.38
UPS				2,464	10	0.23
ABN Amro				2,876	8	0.27

NOTES:
(1) Source: Reprinted with permission, Crain's Chicago Business (January 19, 2015), Crain Communications, Inc.
(2) J.P. Morgan Chase formerly known as Banc One.
(3) AT&T Inc. formerly known as SBC Ameritech. 2014 number of employees is a state wide number.
(4) Source: City of Chicago, Department of Revenue, Employer’s Expense Tax Returns.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
POPULATION AND INCOME STATISTICS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005–2014
(Unaudited)

Year	Population (1)	Median Age (2)	Number of Households (2)	City Employment	Unemployment Rate (3)	Per Capita Income (4)	Total Income
2005	2,896,016	33.0	1,045,282	1,198,929	7.0 %	$ 38,439	$ 111,319,959,024
2006	2,896,016	33.5	1,040,000	1,228,075	5.2	41,887	121,305,422,192
2007	2,896,016	33.7	1,033,328	1,249,238	5.7	43,714	126,596,443,424
2008	2,896,016	34.1	1,032,746	1,237,856	6.4	45,328	131,270,613,248
2009	2,896,016	34.5	1,037,069	1,171,841	10.0	43,727	126,634,091,632
2010	2,695,598	34.8	1,045,666	1,116,830	10.1	45,957	123,881,597,286
2011	2,695,598	33.2	1,048,222	1,120,402	9.3	45,977	123,935,509,246
2012	2,695,598	33.0	1,054,488	1,144,896	8.9	48,305	130,210,861,390
2013	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014	2,695,598	N/A	N/A	1,264,234	5.7	N/A (5)	N/A (5)

Notes:
(1) Source: U.S. Census Bureau.
(2) Source: World Business Chicago Website and Environmental System Research Institute data estimates.
(3) Source: Bureau of Labor Statistics 2014, 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 (in 2014 dollars).
(5) N/A means not available at time of publication.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SUMMARY—2014 TERMINAL RENTALS, FEES AND CHARGES FOR THE PERIOD COMMENCING JULY 1, 2014

	Signatory	Non-Signatory
DOMESTIC TERMINAL		
DESCRIPTION:		
Landing fee/1,000 lbs.	$ 7.30	9.13
Base rent	5.00	
Existing footage	68.68	
Special facility additional footage	N/A	
Additional footage	106.25	
Ultimate additional footage	N/A	
INTERNATIONAL TERMINAL		
DESCRIPTION:		
Landing fee/1,000 lbs.	$ 7.30	9.13
Terminal rent/sq. ft./annum:		
Long-term signatory	99.49	
Short-term signatory	N/A	
Month-to-month	134.31	
ENPLANED PASSENGER USE CHARGE:		
Long-term signatory	12.86	
Short-term signatory		
Month-to-month	17.37	
DEPLANED PASSENGER USE CHARGE:		
Long-term signatory	9.63	
Short-term signatory	N/A	
Month-to-month	13.00	

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRPORT MARKET SHARE OF RENTAL CAR BRANDS OPERATING ON-AIRPORT

(Unaudited)

CORPORATE ENTITY (1)	BRAND(s)	2014 AIRPORT MARKET
Enterprise Holdings, Inc.	Enterprise Rent-A-Car	9.9%
	Alamo Rent A Car	
	National Car Rental	25.5%
		35.4%
Avis Budget Group, Inc.	Avis Car Rental	20.6%
	Budget Rent-A-Car	8.4%
		29.0%
Hertz Global Holdings, Inc.	Hertz Rent A Car	28.6%
Dollar Thriftty Automotive Group, Inc.	Dollar Rent A Car	4.5%
	Thrifty Car Rental	2.5%
		35.6%
		100.0%

(1) Alamo and National are reported jointly.

Sources: City of Chicago Department of Aviation, Ricondo & Associates, Inc.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL VISITING O & D ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2005 -2014

(Unaudited)

YEAR	TOTAL ENPLANED PASSENGERS (1)	TOTAL O & D ENPLANED PASSENGERS (1)	TOTAL O & D PERCENTAGE OF TOTAL	RESIDENT O & D ENPLANED PASSENGERS	RESIDENT PERCENTAGE OF TOTAL O & D	VISITING ENPLANED PASSENGERS	VISITOR PERCENTAGE OF TOTAL O & D
2005	37,947,987	17,548,038	46.2%	10,047,013	57.3%	7,501,025	42.7%
2006	37,764,444	17,808,474	47.2%	10,109,166	56.8%	7,699,308	43.2%
2007	37,763,062	18,223,460	48.3%	10,388,154	57.0%	7,835,306	43.0%
2008	34,011,186	17,024,876	50.1%	9,664,005	56.8%	7,360,870	43.2%
2009	32,035,155	15,696,349	49.0%	8,906,382	56.7%	6,789,967	43.3%
2010	33,219,302	15,605,731	47.0%	8,852,882	56.7%	6,752,849	43.3%
2011	33,194,708	15,972,745	48.1%	9,043,984	56.6%	6,928,761	43.4%
2012	33,231,201	16,318,810	49.1%	9,108,439	55.8%	7,210,371	44.2%
2013	33,284,788	17,038,092	51.2%	9,541,332	56.0%	7,496,761	44.0%
2014	34,952,762	17,115,535	49.0%	9,534,351	55.7%	7,491,276	43.8%

Sorce: City of Chicago Department of Aviation

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

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

	2010	2011	2012	2013	2014
January		$1,834,376	$2,043,472	$2,021,728	$1,989,216
February		1,720,816	2,119,752	2,023,816	1,924,712
March		2,264,728	2,492,960	2,380,208	2,248,840
First Quarter Total		**$5,819,920**	**$6,656,184**	**$6,425,752**	**$6,162,768**
Annual Percent Change			14.4 %	(3.5)%	(4.1)%
April		$2,497,584	$2,584,776	$2,532,288	$2,520,896
May		2,997,144	3,135,048	3,161,456	3,213,528
June		3,202,568	3,286,280	3,335,392	3,392,576
Second Quarter Total		**$8,697,296**	**$9,006,104**	**$9,029,136**	**$9,127,000**
Annual Percent Change			3.6 %	0.3 %	1.1 %
July		$3,426,648	$3,379,960	$3,362,504	$3,387,808
August	2,119,704	3,493,216	3,586,248	3,764,952	3,738,784
September	2,849,560	3,317,356	3,245,784	3,496,664	3,355,712
Third Quarter Total	**$4,969,264**	**$10,237,220**	**$10,211,992**	**$10,624,120**	**$10,482,304**
Annual Percent Change			(0.2)%	4.0 %	(1.3)%
October	$3,004,736	$3,177,744	$3,309,960	$3,456,280	$3,446,560
November	2,478,504	2,647,208	2,703,392	2,798,264	2,736,320
December	2,145,328	2,321,952	2,180,840	2,564,448	2,419,848
Fourth Quarter Total	**$7,628,568**	**$8,146,904**	**$8,194,192**	**$8,818,992**	**$8,602,728**
Annual Total	**$12,597,832**	**$32,901,340**	**$34,068,472**	**$34,898,000**	**$34,374,800**
Annual Percent Change					
Year to Date Total (through May)		**$11,314,648**	**$12,376,008**	**$12,119,496**	**$11,897,192**
Annual Percentage Change			9.4 %	(2.1)%	(1.8)%

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

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

	2010	2011	2012	2013	2014
January		$1,834,376	$2,043,472	$2,021,728	2,095,216
February		1,720,816	2,119,752	2,023,816	2,037,496
March		2,264,728	2,492,960	2,380,208	2,365,224
First Quarter Total		**$5,819,920**	**$6,656,184**	**$6,425,752**	**$6,497,936**
Annual Percent Change			14.4 %	(3.5)%	1.1 %
April		2,497,584	2,584,776	2,532,288	2,663,448
May		2,997,144	3,135,048	3,161,456	3,403,440
June		3,202,568	3,286,280	3,335,392	3,575,576
Second Quarter Total		**$8,697,296**	**$9,006,104**	**$9,029,136**	**$9,642,464**
Annual Percent Change			3.6 %	0.3 %	6.8 %
July		3,426,648	3,379,960	3,362,504	3,579,976
August	2,119,704	3,493,216	3,586,248	3,764,952	3,948,912
September	2,849,560	3,317,356	3,245,784	3,496,664	3,537,496
Third Quarter Total	**$4,969,264**	**$10,237,220**	**$10,211,992**	**$10,624,120**	**$11,066,384**
Annual Percent Change			(0.2)%	4.0 %	4.2 %
October	3,004,736	3,177,744	3,309,960	3,456,280	3,612,656
November	2,478,504	2,647,208	2,703,392	2,798,264	2,891,736
December	2,145,328	2,321,952	2,180,840	2,564,448	2,572,952
Fourth Quarter Total	**$7,628,568**	**$8,146,904**	**$8,194,192**	**$8,818,992**	**$ 9,077,344**
Annual Total	**$12,597,832**	**$32,901,340**	**$34,068,472**	**$34,898,000**	**$36,284,128**
Annual Percent Change					
Year to Date Total (through May)		**$11,314,648**	**$12,376,008**	**$12,119,496**	**$12,564,824**
Annual Percentage Change			9.4 %	(2.1)%	3.7 %

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

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

RAC Legal Entity	Rental Car Brands	Legal Organization	Current Status of Brand(s) at Airport
Enterprise Leasing Company of Chicago LLC	Enterprise Rent-A-Car Alamo Rent-A-Car National Car Rental	Delaware limited liability company and subsidiary of Enterprise Holdings, Inc	Existing On-Airport
The Hertz Corporation	Hertz Rent-A-Car Dollar Rent-A-Car Thrifty Car Rental Firefly	Delaware limited liability company and subsidiary of Hertz Global Holdings, Inc (NYSE: HTZ)	Existing On-Airport Existing Off-Airport
Avis Budget Car Rental, LLC	Avis Car Rental Budget Rent-A-Car Payless Car Rental	Delaware limited liability company and subsidiary of Avis Budget Group, Inc (NASDAQ: CAR)	Existing On-Airport
Ace Rent A Car, Inc (1)	Ace Rent-A-Car	Indiana privately held business corporation	Previously Existing Off-Airport
The Catalyst Capital Group (2) (3)	Advantage Rent-A-Car	Toronto-based private equity firm	Existing Off-Airport
EZ Rent A Car, Inc. (2)	EZ-RAC	Florida privately held business corporation	New Contractor
Fox Rent A Car, Inc	Fox Rent-A-Car	California privately held business corporation	New Contractor
Sixt Rent A Car, LLC	Sixt Rent-A-Car	Delaware limited liability company	New Contractor

(1) Ace Rent-A-Car corporate locations, including the off-airport Ace location at O'Hare were sold to Avis Budget and fully transitioned to the Payless brand in 2014.
(2) Advantage Rent-A-Car entered into an agreement to purchase E-Z Rent-A-Car, Inc. in February 2015. The transaction is expected to be completed in the second quarter 2015
(3) Not yet approved by City Council.
Sources: City of Chicago Department of Aviation; Ricondo & Associates, Inc.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PROJECTED 2013 CFC BOND DEBT SERVICE COVERAGE
EACH OF THE SIX YEARS ENDED DECEMBER 31, 2017-2022
(Unaudited)

REVENUES & OTHER AVAILABLE FUNDS	2017	2018	2019	2020	2021	2022
Revenues						
CFC Collections	$35,855,203	$36,681,485	$37,498,736	$38,302,442	$39,128,723	$41,818,000
Facility Rent	15,768,837	16,512,969	16,318,774	16,159,521	15,992,558	18,000,000
transferred to CFC Revenue Fund (1)	1,500,760	691,929	693,586	695,344	697,214	699,207
Total Revenues	**$53,124,800**	**$53,886,383**	**$54,511,096**	**$55,157,307**	**$55,818,495**	**$60,517,207**
Other Available Funds						
Rolling Coverage Fund (2)	$4,569,748	$4,569,436	$4,568,686	$4,568,998	$4,568,605	$4,568,792
Supplemental Reserve Fund (3)	913,950	913,887	913,737	913,800	913,721	913,758
Total Other Available Funds	**5,483,698**	**5,483,323**	**5,482,423**	**5,482,798**	**5,482,326**	**5,482,550**
Total Revenues & Other Available Funds	**$58,608,498**	**$59,369,706**	**$59,993,519**	**$60,640,105**	**$61,300,821**	**$65,999,757**
DEBT SERVICE FOR COVERAGE CALCULATIONS						
Series 2013 CFC Senior Lien Bonds Debt Service	**$18,278,994**	**$18,277,744**	**$18,274,744**	**$18,275,994**	**$18,274,419**	**$18,275,169**
DEBT SERVICE COVERAGE PURSUANT TO THE CFC INDENTURE						
Series 2013 CFC Senior Lien Bond Debt Service Coverage pursuant to the CFC Indenture	**3.21**	**3.25**	**3.28**	**3.32**	**3.35**	**3.61**
Debt Service coverage requirement pursuant to the CFC Indenture	1.30	1.30	1.30	1.30	1.30	1.30
DEBT SERVICE COVERAGE BASED ON REVENUES ONLY						
Series 2013 CFC Senior Lien Bond Debt Service Coverage based on Revenues only	**2.91**	**2.95**	**2.98**	**3.02**	**3.05**	**3.31**
DEBT SERVICE COVERAGE BASED ON CFC COLLECTIONS ONLY						
Series 2013 CFC Senior Lien Bond Debt Service Coverage based on CFC Collections only	1.96	2.01	2.05	2.10	2.14	2.29

1) Interest earnings include interest accrued on amounts in the Rolling Coverage Fund, the Supplemental Reserve Fund, the Maintenance Reserve Account, the Debt Service Reserve Fund, and the Subordinate Reserve Fund.
2) Pursuant to the CFC Indenture, Includes amounts in the Rolling Coverage Fund not to exceed 25% of 2013 CFC Bond debt service.
3) Pursuant to the CFC Indenture, Includes amounts in the Supplemental Reserve Fund not ot exceed 5% of 2013 CFC Bond debt service.
Source: City of Chicago Department of Aviation , Ricondo & Associates, Inc

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PROJECTED 2013 CFC BONDS TIFIA LOAN DEBT SERVICE COVERAGE
EACH OF THE SIX YEARS ENDED DECEMBER 31, 2017-2022
(Unaudited)

REVENUES & OTHER AVAILABLE FUNDS	2017	2018	2019	2020	2021	2022
Revenues						
CFC Collections	$35,855,203	$36,681,485	$37,498,736	$38,302,442	$39,128,723	$41,818,000
Facility Rent	15,768,837	16,512,969	16,318,774	16,159,521	15,992,558	18,000,000
Interest Earnings transferred to CFC Revenue Fund (1)	1,500,760	691,929	693,586	695,344	697,214	699,207
Total Revenues	**$53,124,800**	**$53,886,383**	**$54,511,096**	**$55,157,307**	**$55,818,495**	**$60,517,207**
Other Available Funds						
Rolling Coverage Fund (2)	$4,569,748	$4,569,436	$4,568,686	$4,568,998	$4,568,605	$4,568,792
Supplemental Reserve Fund (3)	913,950	913,887	913,737	913,800	913,721	913,758
Total Other Available Funds	**5,483,698**	**5,483,323**	**5,482,423**	**5,482,798**	**5,482,326**	**5,482,550**
Total Revenues & Other Available Funds	**$58,608,498**	**$59,369,706**	**$59,993,518**	**$60,640,105**	**$61,300,821**	**$65,999,757**
DEBT SERVICE FOR COVERAGE CALCULATIONS						
Series 2013 CFC Senior Lien Bonds Debt Service	**$18,278,994**	**$18,277,744**	**$18,274,744**	**$18,275,994**	**$18,274,419**	**$18,275,169**
Subordinate Bonds (TIFIA Loan)	11,657,821	11,657,821	11,657,821	11,657,821	11,657,821	15,674,635
Aggregate Debt Service	**$29,936,815**	**$29,935,565**	**$29,932,565**	**$29,933,815**	**$29,932,240**	**$33,949,804**
DEBT SERVICE COVERAGE PURSUANT TO THE CFC INDENTURE						
Aggregate Debt Service Coverage Pursuant to the CFC Indenture	**1.96**	**1.98**	**2.00**	**2.03**	**2.05**	**1.94**
Debt Service coverage requirement pursuant to the CFC Indenture	1.10	1.10	1.10	1.10	1.10	1.10
DEBT SERVICE COVERAGE BASED ON REVENUES ONLY						
Aggregate Debt Service based on Revenues only	1.77	1.80	1.82	1.84	1.86	1.78
DEBT SERVICE COVERAGE BASED ON CFC COLLECTIONS ONLY						
Aggregate Debt Service based on CFC Collections only	1.20	1.23	1.25	1.28	1.31	1.23

1) Interest earnings include interest accrued on amounts in the Rolling Coverage Fund, the Supplemental Reserve Fund, the Maintenance Reserve Account, the Debt Service Reserve Fund, and the Subordinate Reserve Fund.
2) Pursuant to the CFC Indenture, Includes amounts in the Rolling Coverage Fund not ot exceed 25% of 2013 CFC Bond debt service.
3) Pursuant to the CFC Indenture, Includes amounts in the Supplemental Reserve Fund not ot exceed 5% of Senior Lien Bond debt service.
Source: City of Chicago Department of Aviation & Ricondo & Associates, Inc.