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

Comprehensive Annual Financial Report
For the Years Ended December 31, 2015 and 2014

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

2015 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, 2016

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, 2015. 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 2015 statistics compiled by Airports Council International, the Airport was the second busiest airport in the world in 2015, as measured by total aircraft operations and –the fourth 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, 2015, nonstop service was provided from the Airport to 232 airports, consisting of 167 domestic airports and 65 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.

10510 WEST ZEMKE ROAD, P.O. BOX 66142, CHICAGO, ILLINOIS 60666

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, 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. Runway 10R-28L and the associated infrastructure to support operations on that runway was completed in October of 2015.

O'Hare is constructing a Multi-modal Facility that will include a Consolidated Rental Car Facility, Public Parking and the extension of the Airport Transit System. 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, a TIFIA loan and other available Airport funds.

FINANCIAL INFORMATION

The Departments of Finance and Aviation are responsible for implementing and maintaining an internal control structure to ensure the integrity of the Airport's operations and to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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, 2014. This was the 18th 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

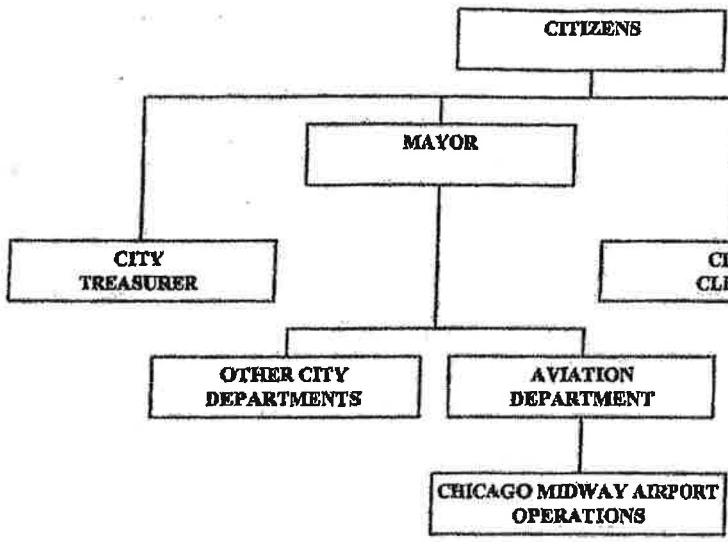
December 31, 2014

Jeffrey R. Emer

Executive Director/CEO

CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT
ORGANIZATION CHART

AS OF 12/31/15



PART II

FINANCIAL SECTION

Deloitte & Touche LLP
111 South Wacker Drive
Chicago, IL 60606-4301
USA

Tel: +1 312 486 1000
Fax: +1 312 486 1486
www.deloitte.com

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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014, 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.

As discussed in Notes 1 and 12 to the basic financial statements, beginning net position at January 1, 2015 was restated due to the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*; and, ending net position as of December 31, 2015 reflects changes in certain benefits and actuarial assumptions (Note 7). Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Other Postemployment Benefits Funding Progress, 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 introductory section, additional supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The additional supplementary information 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Deloitte & Touche LLP

June 30, 2016

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, 2015 and 2014. 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

2015

- Operating revenues for 2015 increased by $704 (0.0%) compared to prior-year operating revenues.
- Operating expenses before depreciation and amortization increased by $310,703 (62.8%) compared to 2014 primarily due to increases in pension cost resulting from the implementation of GASB 68 and salaries and wages.
- The Airport's total net position at December 31, 2015, was $474,600. This is a decrease of $985,484 (67.5%) over total net position at December 31, 2014 primarily due to the implementation of GASB 68, which established a net pension liability in 2015.
- Capital asset additions for 2015 were $450,787 primarily due to buildings, runways and taxiway improvements and parking facilities upgrade.

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.

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

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

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

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

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

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, 2015, the Airport's financial position continued to be strong with total assets and deferred outflows of $10,447,148, total liabilities and deferred inflows of $9,972,548, and net position of $474,600.

A comparative condensed summary of the Airport's net position at December 31, 2015, 2014, and 2013 is as follows (dollars in thousands):

	Net Position		
	2015	2014	2013
Current unrestricted assets	$ 265,920	$ 210,357	$ 210,181
Restricted and other assets	2,541,960	2,536,281	2,715,535
Capital assets—net	7,090,695	6,872,854	6,742,101
Deferred outflows	548,573	50,172	62,974
Total assets and deferred outflows	$ 10,447,148	$ 9,669,664	$ 9,730,791
Current liabilities	$ 264,688	$ 175,216	$ 174,621
Liabilities payable from restricted assets and noncurrent liabilities	9,699,212	8,034,364	8,228,771
Deferred inflows	8,648		
Total liabilities and deferred inflows	$ 9,972,548	$ 8,209,580	$ 8,403,392
Net position:			
Net investment in capital assets	$ 707,991	$ 644,430	$ 582,086
Restricted	828,216	780,514	709,754
Unrestricted	(1,061,607)	35,140	35,559
Total net position	$ 474,600	$ 1,460,084	$ 1,327,399

2015

Current unrestricted assets increased by $55,563 (26.4%) 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, 2015 and 2014 was 1.00:1 and 1.20:1, respectively. Restricted and other assets increased by $5,679 (0.2%) primarily due to decreases in construction funds of $18,226 and capitalized interest funds of $14,555 and increases to debt service interest funds of $8,947 and Airport Development Funds of $33,143. Net capital assets increased by $217,841 (3.2%) 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 $89,472 (51%) is mainly related to the increased accounts payable and accrued liabilities of $32,172 and increased amounts of advanced payments for terminal and hangar rents of $5,427 offset by increased billings over amounts earned of $51,903.

Liabilities payable from restricted assets and noncurrent liabilities increased by $1,664,848 (20%) due primarily to the increase in pension liability.

Net position may serve, over a period of time, as a useful indicator of the Airport's financial position. As of December 31, 2015, total net position was $474,600, a decrease of $985,484 (67.5%) from 2014primarily due to the impact of the implementation of GASB 68.

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.

A comparative condensed summary of the Airport's changes in net position for the years ended December 31, 2015, 2014, and 2013 is as follows (dollars in thousands):

	Changes in Net Position		
	2015	**2014**	**2013**
Operating revenues:			
Landing fees and terminal charges	$ 546,053	$ 552,431	$ 442,934
Rents, concessions, and other	299,175	292,093	274,746
Total operating revenues	845,228	844,524	717,680
Operating expenses:			
Salaries and wages	191,842	182,984	162,233
Pension expense	339,546		
Repairs and maintenance	98,945	110,928	85,484
Professional and engineering	83,265	88,143	81,070
Other operating expenses	92,112	112,952	97,262
Depreciation and amortization	231,670	218,211	196,352
Capital asset impairment	3,320		205
Total operating expenses	1,040,700	713,218	622,606
Operating income	(195,472)	131,306	95,074
Nonoperating revenues	224,544	233,318	189,204
Nonoperating expenses	(342,153)	(320,971)	(315,033)
Total nonoperating revenues/expenses	(117,609)	(87,653)	(125,829)
Income (Loss) Before Capital Grants	(313,081)	43,653	(30,755)
Capital grants	76,689	89,032	203,536
Change in net position	$ (236,392)	$ 132,685	$ 172,781

Landing fees and terminal area use charges for the years 2015 and 2014 were $546,053 and $552,431, respectively. Rents, concessions, and other revenues were $299,175 and $292,093 for the years 2015 and 2014, respectively. The increase in 2015 operating revenues of $704 (0.1%) compared to 2014 was primarily due to decreased landing fees and terminal area use charges of $6,378 offset by increased rents, concessions and other of $7,082.

Salaries and wages increased $8,858 (4.8%) in 2015 compared to 2014. The increase is attributable to additional salaries retroactive pay adjustments. Pension expense of $339,546 is included in 2015 as a separate category due to the implementation of GASB 68. Repairs and maintenance expenses decreased by $11,983 (10.8%) from the prior year. The decrease is largely the result of a reduction in snow removal expenses. Professional and engineering costs decreased $4,878 (5.5%) from the prior year as a result of decreases in contracted costs. Other operating expenses decreased by $20,840 (18.5%). 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 2015 nonoperating revenues of $224,544 are comprised of passenger facility charges (PFC) $147,697, customer facility charges (CFC) of $39,204 and other nonoperating revenue of $18,315 and investment income of $19,328.

Nonoperating expenses of $342,153 and $320,971 for the years 2015 and 2014, respectively, were comprised primarily of bond interest, PFC expenses noise mitigating costs and costs of issuance. The increase of $9,741 (3%) for 2015 over 2014 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 $89,032 in 2014 to $76,689 in 2015, a 13.9% decrease mainly as a result of less federal grant reimbursements in 2015.

2014

Landing fees and terminal area use charges for the years 2014 and 2013 were $552,431 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 expenses 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, 2015, 2014, and 2013 is as follows (dollars in thousands):

	Cash Flows		
	2015	**2014**	**2013**
Cash provided by (used in) activities:			
Operating	$ 428,277	$ 340,950	$ 285,387
Capital and related financing	(360,848)	(525,095)	241,509
Noncapital financing	(8,014)	(13,893)	(17,479)
Investing	390,288	180,519	(330,111)
Net change in cash and cash equivalents	449,703	(17,519)	179,306
Cash and cash equivalents:			
Beginning of year	964,696	982,215	802,909
End of year	$ 1,414,399	$ 964,696	$ 982,215

2015

As of December 31, 2015, the Airport's available cash and cash equivalents of $1,414,399 increased by $449,703 compared to $964,696 at December 31, 2014, due to operating activities of $428,277 and investing activities of $390,288 offset by capital and related financing of $360,848 and noncapital financing of $8,014. Total cash and cash equivalents at December 31, 2015, were comprised of unrestricted and restricted cash and cash equivalents of $98,883 and $1,315,516, respectively.

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.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2015 and 2014, the Airport had $7,090,695 and $6,872,854, respectively, invested in net capital assets. During 2015, the Airport had additions of $450,787 related to capital activities. This included $298 for land acquisition and the balance of $450,489 for terminal improvements, parking facilities enhancement, and runway and taxi improvements.

During 2015, completed projects totaling $816,006 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, electrical system upgrades, and parking facilities and terminal improvements.

The Airport's capital assets at December 31, 2015, 2014, and 2013 are summarized as follows (dollars in thousands):

	Capital Assets at Year-End		
	2015	**2014**	**2013**
Capital assets not depreciated:			
Land	$ 885,967	$ 885,669	$ 884,636
Construction in progress	386,814	752,331	845,495
Total capital assets not depreciated	1,272,781	1,638,000	1,730,131
Capital assets depreciated:			
Buildings and other facilities	9,014,975	8,208,757	7,769,955
Less accumulated depreciation for:			
Buildings and other facilities	(3,197,061)	(2,973,903)	(2,757,985)
Total capital assets depreciated—net	5,817,914	5,234,854	5,011,970
Total property and facilities—net	$ 7,090,695	$ 6,872,854	$ 6,742,101

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 $75.8 million of commercial paper notes during 2015. Notes proceeds may be used to finance portions of the costs of authorized airports projects and repay the expenses of issuing the notes. The Airport has no outstanding Commercial Paper Notes at December 31, 2015 due to the issuance of the Chicago O'Hare 2015 C&D Senior Lien Revenue Bonds in October 2015, in which proceeds were used to repay the outstanding Commercial Paper Notes.

During 2015, the Airport sold $1,947,380 of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2015 A-D and having interest rates ranging from 2% to 5% with maturity dates ranging from January 1, 2016, to January 1, 2046. 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.

The Airport's outstanding debt at December 31, 2015, 2014, and 2013 is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End		
	2015	**2014**	**2013**
Revenue bonds and notes	$7,466,485	$7,527,336	$7,665,205
Unamortized:			
Bond premium (discount)	374,179	199,169	224,056
Total outstanding debt—net	7,840,664	7,726,505	7,889,261
Current portion	(221,220)	(189,605)	(168,895)
Total long-term revenue bonds and notes payable—net	$7,619,444	$7,536,900	$7,720,366

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, 2015, had credit ratings with each of the three major rating agencies as follows:

	Moody's Investor Services	**Standard & Poor's**	**Fitch Ratings**	**Kroll Ratings**
Senior Lien General Airport Revenue Bonds	A2	A	A-	A+
PFC Revenue Bonds	A2	A	A	Not Rated
CFC Revenue Bonds	Baa1	BBB	Not Rated	Not Rated

At December 31, 2015 and 2014, 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 2015, the Airport was the second busiest airport in the world, measured in terms of total aircraft operations, and the fourth busiest in terms of total passengers. The Airport had 38.4 million and 34.9 million enplaned passengers in 2015 and 2014, 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 38.6% of the Airport's enplaned passengers in 2015 and 35.4% of the enplaned passengers in 2014. American Airlines (including its regional affiliate) comprised 33.1% of the Airport's enplaned passengers in 2015 and 31.3% of the enplaned passengers in 2014.

Based on the Airport's rates and charges for fiscal year 2016, total budgeted operating and maintenance expenses are projected at $535,030 and total net debt service and fund deposit requirements are projected at $440,768. Additionally, 2016 nonsignatory revenues are budgeted for $390,907 resulting in a net airline requirement of $584,891 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, 2015 AND 2014
(Dollars in thousands)

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 98,883	$ 5,632
Investments (Note 2)	44,621	94,002
Accounts receivable—net of allowance for doubtful accounts of approximately $1,257 in 2015 and $6,180 in 2014	89,970	75,843
Due from other City funds	31,532	33,751
Prepaid expenses	740	917
Interest receivable	174	212
Cash and cash equivalents (Note 2)—restricted	537,631	494,735
Prepaid expenses—restricted	3,800	2,860
Total current assets	807,351	707,952
NONCURRENT ASSETS:		
Cash and cash equivalents (Note 2)—restricted	777,885	464,329
Investments (Note 2)—restricted	1,182,225	1,503,728
Passenger facility charges and other receivables—restricted	24,923	27,932
Interest receivable—restricted	3,645	3,684
Prepaid expenses—restricted	325	3,797
Due from other governments—restricted	617	1,229
Other assets	10,909	33,987
Property and facilities (Note 5):		
Land	885,967	885,669
Buildings and other facilities	9,014,975	8,208,757
Construction in progress	386,814	752,331
Total property and facilities	10,287,756	9,846,757
Less accumulated depreciation	(3,197,061)	(2,973,903)
Property and facilities—net	7,090,695	6,872,854
Total noncurrent assets	9,091,224	8,911,540
Total assets	9,898,575	9,619,492
DEFERRED OUTFLOWS (Note 11)	548,573	50,172
TOTAL ASSETS AND DEFERRED OUTFLOWS	$10,447,148	$ 9,669,664

	2015	2014
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 93,378	$ 61,106
Due to other City funds	3,389	3,519
Advances for terminal and hangar rent	12,836	7,409
Billings over amounts earned	155,085	103,182
Liabilities payable from restricted assets:		
Accounts payable	155,047	111,354
Current portion of revenue bonds and notes payable (Note 4)	221,220	189,605
Interest payable	160,047	189,674
Advance from Federal	1,317	4,102
Total current liabilities	802,319	669,951
NONCURRENT LIABILITIES:		
Revenue bonds payable—net of premium (Note 4)	7,619,444	7,485,874
Net pension liability (Note 7)	1,542,137	
Commercial paper (Note 4)		51,026
Performance deposits		2,729
Total noncurrent liabilities	9,161,581	7,539,629
Total liabilities	9,963,900	8,209,580
DEFERRED INFLOWS (Note 11)	8,648	
NET POSITION (Note 1):		
Net investment in capital assets	707,991	644,430
Restricted net position (Note 1):		
Debt service	14,798	23,189
Capital projects	86,519	71,690
Passenger facility charges	149,306	138,107
Airport use agreement	135,836	129,883
Airport development fund	338,133	300,101
Customer facility charge	65,577	90,010
Other assets	38,047	27,534
Total restricted net position	828,216	780,514
Unrestricted net position	(1,061,607)	35,140
Total net position	474,600	1,460,084
TOTAL	$10,447,148	$9,669,664

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, 2015 AND 2014
(Dollars in thousands)

	2015	2014
OPERATING REVENUES:		
Landing fees and terminal area use charges (Note 1)	$ 546,053	$ 552,431
Rents, concessions, and other (Note 6)	299,175	292,093
Total operating revenues	845,228	844,524
OPERATING EXPENSES (Notes 7 and 8):		
Salaries and wages	191,842	182,984
Pension expense (Note 7)	339,546	
Repairs and maintenance	98,945	110,928
Professional and engineering services	83,265	88,143
Other operating expenses	92,112	112,952
Total operating expenses before depreciation, amortization and capital asset impairment	805,710	495,007
Depreciation and amortization	231,670	218,211
Capital asset impairment	3,320	
Total operating expenses	1,040,700	713,218
OPERATING (LOSS) INCOME	(195,472)	131,306
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charge revenue	147,697	136,351
Customer facility charge revenue	39,204	36,284
Passenger facility charge expenses	(2,341)	(4,630)
Other nonoperating revenue	18,315	30,845
Noise mitigation costs (Note 1)	(8,998)	(15,892)
Costs of issuance (Note 1)	(11,441)	(154)
Investment income (loss) (Note 4)	19,328	29,838
Interest expense (Note 4)	(319,373)	(300,295)
Total nonoperating revenues (expenses)	(117,609)	(87,653)
(LOSS) INCOME BEFORE CAPITAL GRANTS	(313,081)	43,653
CAPITAL GRANTS (Note 1)	76,689	89,032
CHANGE IN NET POSITION	(236,392)	132,685
TOTAL NET POSITION—Beginning of year as restated (Note 12)	710,992	1,327,399
TOTAL NET POSITION—End of year	$ 474,600	$1,460,084

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, 2015 AND 2014
(Dollars in thousands)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	$ 570,459	$ 554,161
Rents, concessions, and other	317,973	288,192
Payments to vendors	(216,459)	(272,612)
Payments to employees	(175,052)	(167,248)
Transactions with other City funds—provided by	2,454	1,265
Transactions with other City funds—(used in)	(71,098)	(62,808)
Cash flows provided by operating activities	428,277	340,950
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of bonds	2,164,456	
Proceeds from commercial paper notes		31,026
Payment of commercial notes payable	(51,026)	
Proceeds from O'Hare 2010B Senior Lien Build America Bonds subsidy	12,380	12,354
Payment to refund bonds	(1,767,600)	
Principal paid on bonds	(189,605)	(168,895)
Bond issuance costs	(11,441)	(154)
Interest paid on bonds and note	(420,548)	(368,370)
Acquisition and construction of capital assets	(359,547)	(289,835)
Capital grants	74,516	88,942
Customer facility charge revenue	39,204	36,284
Passenger facility charge revenue and other receipts	150,705	138,184
Passenger facility charge expenses	(2,342)	(4,631)
Cash flows (used in) provided by capital and related financing activities	(360,848)	(525,095)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from settlement agreement	984	1,999
Cash paid for Noise mitigation program	(8,998)	(15,892)
Cash flows (used in) noncapital financing activities	(8,014)	(13,893)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales (purchases) investments—net	373,361	162,528
Investment interest	16,927	17,991
Cash flows provided by (used in) investing activities	390,288	180,519
NET CHANGE IN CASH AND CASH EQUIVALENTS	449,703	(17,519)
CASH AND CASH EQUIVALENTS—Beginning of year	964,696	982,215
CASH AND CASH EQUIVALENTS—End of year	$ 1,414,399	$ 964,696

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Dollars in thousands)

	2015	2014
RECONCILIATION TO CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET ASSETS:		
Unrestricted	$ 98,883	$ 5,632
Restricted:		
Current	537,631	494,735
Noncurrent	777,885	464,329
TOTAL	$ 1,414,399	$ 964,696
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operating (loss) income	$ (195,472)	$ 131,306
Adjustments to reconcile:		
Depreciation, amortization, and impairment	234,990	218,212
Pension expense other than contribution	313,746	
Changes in assets and liabilities:		
(Increase) in accounts receivable	(14,127)	(10,318)
Increase in due from other City funds	2,219	(2,542)
Decrease in prepaid expenses	177	189
(Decrease) increase in accounts payable	29,544	(5,008)
(Decrease) in due to other City funds	(131)	965
(Decrease) increase in prepaid terminal rent	5,427	(4,817)
(Decrease) increase in billings over amounts billed	51,904	
Decrease (increase) in amounts to be billed		12,963
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 428,277	$ 340,950

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:

Property additions in 2015 and 2014 of $140,257 and $89,773 respectively, are included in accounts payable.

The fair market value adjustments gain (loss) to investments for 2015 and 2014 were $(1,839) and $(4,316), 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 30 years from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinances.

Cash equivalents include 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 fair value of derivative instruments that are deemed to be effective hedges, unamortized loss on bond refundings and differences between estimated and actual investment earnings related to pensions, and changes in actuarial assumptions related to pensions.

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

Net Position—Net position comprises the net earnings from operating and nonoperating revenues, expenses, and capital grants. Net position is displayed in three components—net investment in capital assets; restricted for debt service, capital projects, PFCs, 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, 2015 and 2014, respectively. PFCs are available, subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital projects. The City reports PFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses.

Customer Facility Charge Revenue—The Airport imposed a CFC of $8.00 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—*Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27 ("GASB No. 68"), establishes new financial reporting requirements for most governments that provide their employees with pension benefits through these types of plans. The City adopted GASB 68 for the year ended 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 long-term obligation for pension benefits as a liability 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. Beginning Net Position was restated as a result of implementation of this standard (see Note 12).

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 became effective for the O'Hare Fund beginning with the year ended 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 to be reported at transition only if it is practical to determine all such amounts. There was no impact on the O'Hares Fund's Financial statements as a result of the implementation of GASB 71.

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

GASB Statement No. 72 *Fair Value Measurement and Application* ("GASB 72"), addresses accounting and financial reporting issues related to fair value measurements. GASB 72 will be effective for the Airport beginning with its year ending December 31, 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This

Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* ("GASB 73"), extends the approach to accounting and financial reporting established in Statement 68 to all pensions. Requirements of this Statement for pension plans that are within the scopes of Statement No. 67, *Financial Reporting for Pensions* or Statement 68 will be effective for the Airport beginning with its year ending December 31, 2016. It establishes requirements for defined contribution pensions that are not within the scope of Statement 68. GASB 73 clarifies the application of certain provisions of Statements 67 and 68 with regard to: (1) Information that is required to be presented as notes, (2) Accounting and financial reporting for separately financed specific liabilities, and (3) Timing of employer recognition of revenue.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"), replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB (Other Postemployment Benefits) Measurement by Agent Employers and Agent Multiple-Employer Plans*. GASB 74 will be effective for the Airport beginning with its year ending December 31, 2017. Included are requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. GASB 74 also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. GASB 75 will be effective for the Airport beginning with its year ending December 31, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* ("GASB 76"), supercedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 will be effective for the Airport beginning with its year ending December 31, 2016.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* ("GASB 78"), amends the scope and applicability of Statement 68. It excludes pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local government pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local government employers, and (3) has no predominate state or local government employer. This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosure; and required supplementary information for pensions that have the characteristics described above. GASB 78 will be effective for the Airport beginning with its year ending December 31, 2016.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* (“GASB 79”), addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. GASB 79 establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized costs for financial reporting purposes and for governments that participate in those pools. GASB 79 will be effective for the Airport beginning with its year ending December 31, 2016.

GASB Statement No. 82, *Pension Issues*, an amendment of GASB Statements No. 67, No. 68, and No. 73 (“GASB 82”), addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (Plan member) contribution requirements. GASB 82 will be effective for the Airport beginning with its year ending December 31, 2017.

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, 2015, 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	$ 266,777	$ 535,005	$ 14,001	$ -	$ 815,783
U.S. Treasuries		19,759			19,759
Commercial paper	248,954				248,954
Corporate bonds	11,002	69,808	16,720		97,530
Municipal bonds	76,532	126,366			202,898
Certificates of deposits and other short term	1,222,505				1,222,505
Subtotal	$ 1,825,770	$ 750,938	$ 30,721	$ -	2,607,429
Share of City’s pooled funds					2,642
Total					$ 2,610,071

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

Investment Type	Investment Maturities (in Years) 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

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) Bonds of companies organized in the United States with assets exceeding $500.0 million that, at the time of purchase, are rated not less than A-, or equivalent rating, by at least two accredited ratings agencies;

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

(14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;

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

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

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

Total holdings across all funds held by the treasurer shall have no less than an overall average rating of Aa1 on a quarterly basis, as rated by two accredited rating agencies. The Airport's exposure to credit risk as of December 31, 2015 and 2014, is as follows (dollars in thousands):

Quality Rating	2015	2014
Moody's/S & P		
Aaa/AAA	$ 57,119	$ 55,828
Aa/AA	853,412	1,373,002
A/A	27,949	15,075
P1/A1		240,348
Not rated	1,668,949	945,226
Total funds	$ 2,607,429	$ 2,629,479

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 public fund deposits, depository institutions are to maintain collateral pledges on City deposits and certificates of deposit during the term of the deposit.

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

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

The bank balance of cash and certificates of deposit with the City's various municipal depositories was $626.6 million as of December 31, 2015. Of the bank balance, 98.3% was either insured or collateralized with securities held by City agents in the City's name. An amount of $10.5 million was uncollateralized at December 31, 2015, and thus was subject to custodial credit risk.

The investments reported in the basic financial statements as of December 31, 2015 and 2014, is as follows (dollars in thousands):

	2015	2014
Per Note 2:		
Investments—Airport	$ 2,607,429	$ 2,629,479
Investments—City Treasurer Pooled Fund	2,642	1,872
	$ 2,610,071	$ 2,631,351
Per financial statements:		
Restricted investments	$ 1,182,225	$ 1,503,728
Unrestricted investments	44,621	94,002
Investments classified as cash and cash equivalents on the statements of net position	1,383,225	1,033,621
	$ 2,610,071	$ 2,631,351

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	2015	2014
Construction	$ 650,533	$ 668,758
Capitalized interest	79,579	94,134
Debt service reserve	631,717	618,529
Debt service interest	347,458	356,405
Debt service principal	46,422	43,965
Operation and maintenance reserve	133,758	128,068
Maintenance reserve	3,000	3,000
Customer facility charge	93,856	91,195
Airport Development Fund	342,535	309,392
Other funds	42,571	35,669
Subtotal—Bond Ordinance, Master Indenture Accounts	2,371,429	2,349,115
Passenger facility charge	126,312	113,676
Total	$ 2,497,741	$ 2,462,791

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, 2015 and 2014, 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, 2015 and 2014, consisted of the following (dollars in thousands):

	2015	2014
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
$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
$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
$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
$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
$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
$29,360 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
$238,990 Series 2005 B third lien revenue refunding bonds issued December 22, 2005, due through 2018; interest at 5.25%	143,215	192,335
$300,000 Series 2005 C and D third lien revenue bonds issued December 22, 2005, due through 2035; variable floating interest rate 0.01% and 0.02%% at December 31, 2015	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
$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
$175,500 Series 2008 A 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%	68,495	69,550

(Continued)

	2015	2014
$91,590 Series 2010 A third lien revenue bonds issued April 29, 2010, due through 2040; interest at 3.0%–5.0%	$ 47,325	$ 47,670
$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%	51,880	55,595
$47,360 Series 2010 E third lien revenue refunding bonds issued April 29, 2010, due through 2016; interest at 1.75%–5.00%	8,625	16,850
$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%	279,040	293,805
$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%	371,245	399,975
$277,735 Series 2012 B senior lien revenue refunding bonds issued September 12, 2012, due through 2032; interest at 1.00%–5.00%	234,430	255,280
$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
$336,350 Series 2013 A senior lien revenue refunding bonds issued October 17, 2013 due through 2026; interest at 2.00%–5.00%	328,680	330,645
$165,435 Series 2013 B senior lien revenue refunding bonds issued October 17, 2013 due through 2029; interest at 2.00%–5.25%	154,880	162,785
$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
$428,640 Series 2015 A senior lien revenue refunding bonds issued October 15, 2015 due through 2037; interest at 2.00%–5.00%	428,640	
$1,191,540 Series 2015 B senior lien revenue refunding bonds issued October 15, 2015 due through 2035; interest at 4.00%–5.00%	1,191,540	
$195,690 Series 2015 C senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 3.625%–5.000%	195,690	
$131,510 Series 2015 D senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 4.000%–5.000%	131,510	
Subtotal—senior lien bonds	6,586,490	6,563,780

(Continued)

	2015	2014
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%	$ 24,465	$ 47,790
$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%	7,700	9,405
$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	113,705
$337,240 Series 2012 B Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 2.5%–5.0%	314,605	322,110
Subtotal—Passenger Facility Charge Revenue Bonds	631,245	663,780
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
Total revenue bonds and notes	7,466,485	7,527,336
Unamortized premium	374,179	199,169
	7,840,664	7,726,505
Current portion	(221,220)	(189,605)
Total long-term revenue bonds payable	$ 7,619,444	$ 7,536,900

(Concluded)

Long-term debt during the years ended December 31, 2015 and 2014, changed as follows (dollars in thousands):

2015	Balance January 31	Additions	Reductions	Balance December 31	Due within One Year
Revenue bonds and notes	$7,527,336	$2,023,142	$(2,083,993)	$7,466,485	$221,220
Unamortized premium (discount)	199,169	217,076	(42,066)	374,179	
Total long-term debt	$7,726,505	$2,240,218	$(2,126,059)	$7,840,664	$221,220

2014	Balance January 31	Additions	Reductions	Balance December 31	Due within One Year
Revenue bonds and notes	$7,665,205	$ 31,026	$ (168,895)	$7,527,336	$189,605
Unamortized premium (discount)	224,056	1,060	(25,947)	199,169	
Total long-term debt	$7,889,261	$ 32,086	$ (194,842)	$7,726,505	$189,605

Interest expense capitalized for 2015 and 2014 totaled $39.7 million and $72.3 million, respectively. Interest income capitalized for 2015 and 2014 totaled $3.8 million and $6.4 million, respectively. Interest expense includes amortization of the deferred loss on bond refunding for 2015 and 2014 of $9.0 million and $12.8 million, respectively, and amortization of $26.5 million of premium, net, and $24.9 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 aggregate principal amount of which $0 million was outstanding at December 31, 2015. 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 $305.9 million provide for the timely payment of principal and interest on the notes until September 30, 2016. At December 31, 2015, there were no outstanding letter of credit advances.

In October 2015, the Airport sold $428.6 million of Chicago O’Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2015 A (AMT) at a premium of $42.2 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, 2016, through January 1, 2037. Certain net proceeds of $468.2 million were used to defease a portion of the Series 2003A-1 General Airport Revenue Bonds ($20.0 million of principal and $0.4 million of interest), a portion of Series 2003B-1 General Airport Revenue Bonds ($0.5 million of principal and interest), to fully defease the Series 2003B-2 General Airport Revenue Bonds ($138.8 million of principal and $3 million of interest),a portion of Series 2003C-2 General Airport Revenue Bonds ($82.0 million of principal and $1.6 million of interest), a portion of Series 2003D General Airport Revenue Bonds($.02 million of principal and interest), a portion of Series 2003E General Airport Revenue Bonds ($22.9 million of principal and $.4 million of interest),a portion of Series 2004A General Airport Revenue Bonds ($131.0 million of principal and $2.4 million of interest), a portion of Series 2004C General Airport Revenue Bonds ($29.2 million of principal and $.6 million of interest), a portion of Series 2004D General Airport Revenue Bonds ($7.4 million of principal and $.1 million of interest),and to fully defease the Series 2006D General Airport Revenue Bonds ($27.2 million of principal and $.5 million of interest). Certain net proceeds of $2.6 million were used to pay the cost of the issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $4.8 million that will be charged to operations over 5 to 23 years using the straight-line method. The current refunding decreased the Airport's total debt service by $75.4 million and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments of $54.1 million.

In October 2015, the Airport sold $1,191.5 million of Chicago O'Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2015 B (non-AMT) at a premium of $154.8 million. The bonds have interest rates ranging from 4% to 5%. The bonds are not subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2016, through January 1, 2035. Certain net proceeds of $1,339.4 million were used to fully defease a portion of Series 2003A-1 General Airport Revenue Bonds ($9.3 million of principal and $ 0.2 million of interest),a portion of Series 2003B-1 General Airport Revenue Bonds ($13.2 million of principal and $0.3 million of interest), to fully defease the Series 2003C-1 General Airport Revenue Bonds ($5.2 million of principal and $0.1 million of interest), a portion of Series 2003C-2 General Airport Revenue Bonds ($248.7 million of principal and $4.8 million of interest),a portion of Series 2003D General Airport Revenue Bonds ($36.0 million of principal and $0.7 million of interest), a portion of Series 2003E General Airport Revenue Bonds ($16.8 million principal and $0.3 million of interest), a portion of Series 2004A General Airport Revenue Bonds ($14.9 million of principal and $0.3 million of interest), a portion of Series 2004C General Airport Revenue Bonds ($2.9 million of principal and $0.1 million of interest), a portion of Series 2004D General Airport Revenue Bonds ($0.3 million of principal and interest), and to fully defease the Series 2005A General Airport Revenue Bonds ($961.0 million of principal and $24.3 million of interest). Certain net proceeds of $6.9 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 $14.6 million that will be charged to operations over 5 to 20 years using the straight-line method. The current refundings of the Bonds decreased the Airport's total debt service payments by $236.7 million and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of $169.4 million.

In October 2015, the Airport sold $195.7 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2015 C (AMT) at a premium of $11.3 million. The bonds have interest rates ranging from 3.625% to 5% and maturity and mandatory redemption maturity dates ranging from January 1, 2021, through January 1, 2046. Certain net proceeds of $59.8 million were used to pay a portion of the commercial paper notes; certain of net proceeds of $130.3 million will be used to finance the portion of the capital improvement program (CIP); certain net proceeds of $10.4 million were used to fund the capitalized interest deposit requirement, the debt service reserve deposit requirement and certain net proceed of $1.2 million were used to pay the cost of the issuance of the bonds.

In October 2015, the Airport sold $131.5 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2015 D (non-AMT) at a premium of $8.8 million. The bonds have interest rates ranging from 4 % to 5%, and maturity and mandatory redemption maturity dates ranging from January 1, 2021, through January 1, 2046. Certain net proceeds of $67.1 million were used to pay a portion of the commercial paper notes; certain of net proceeds of $66.0 million will be used to finance the portion of the CIP; certain of net proceeds of $3.6 million were used to fund the debt service reserve deposit requirement; certain net proceeds of $2.8 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $0.8 million were used to pay the cost of the issuance of the bonds.

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, 2015, as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2016	$ 185,605	$ 298,831	$ 484,436
2017	218,365	316,876	535,241
2018	256,235	305,116	561,351
2019	265,500	292,488	557,988
2020	241,610	280,214	521,824
2021–2025	1,019,660	1,245,268	2,264,928
2026–2030	1,217,850	969,583	2,187,433
2031–2035	1,692,795	624,635	2,317,430
2036–2040	1,185,935	250,787	1,436,722
2041–2045	281,810	30,424	312,234
2046	21,125	528	21,653
Total	$ 6,586,490	$ 4,614,750	$ 11,201,240

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, 2015, the O'Hare 2005 C&D Senior Lien Bonds were in weekly interest rate mode as of December 31, 2015. 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, 2015, there were no outstanding letter of credit advances.

The debt service requirements to maturity of the PFC Revenue Bonds as of December 31, 2015, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
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	23,895	23,891	47,786
2021–2025	141,010	100,104	241,114
2026–2030	194,120	58,738	252,858
2031–2035	105,565	15,080	120,645
2036–2040	30,480	3,959	34,439
Total	$ 631,245	$ 312,207	$ 943,452

The debt service requirements to maturity of the CFC Revenue Bonds as of December 31, 2015, is as follows (dollars in thousands):

Years Ending December 31	**Principal**	**Interest**	**Total**
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	5,205	12,955	18,160
2021–2025	30,055	60,553	90,608
2026–2030	38,845	51,521	90,366
2031–2035	50,020	39,998	90,018
2036–2040	65,785	23,720	89,505
2041–2043	49,155	4,283	53,438
Total	$ 248,750	$ 246,768	$ 495,518

5. CHANGES IN CAPITAL ASSETS

Capital assets during the years ended December 31, 2015 and 2014, changed as follows (dollars in thousands):

2015	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 885,669	$ 298	$ -	$ 885,967
Construction in progress	752,331	450,489	(816,006)	386,814
Total capital assets not depreciated	1,638,000	450,787	(816,006)	1,272,781
Capital assets depreciated—buildings and other facilities	8,208,757	816,006	(9,788)	9,014,975
Less accumulated depreciation for—buildings and other facilities	(2,973,903)	(229,625)	6,467	(3,197,061)
Total capital assets depreciated—net	5,234,854	586,381	(3,321)	5,817,914
Total property and facilities—net	$ 6,872,854	$ 1,037,168	$ (819,327)	$ 7,090,695

Includes capitalized interest of $26,958

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

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, 2015, is as follows (dollars in thousands):

Years Ending December 31	Amount
2016	$ 97,549
2017	97,555
2018	96,357
2019	95,340
2020	1,597
2021–2025	8,302
2026–2030	9,592
2031–2035	9,564
Total minimum future rental income	$ 415,856

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 $414.2 million and $418.5 million in 2015 and 2014, respectively. Contingent rentals included in the totals were approximately $87.0 million and $89.0 million for 2015 and 2014, respectively.

7. PENSION PLANS

General Information about the Pension Plan

Plan Description. Retirement Benefit—Eligible O'Hare Fund employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees'(Municipal); the Laborers'(Laborers') and Retirement Board Employees'; the Policemen's (Policemen's); and the Firemen's (Firemen's) Annuity and Benefit Funds of Chicago. Plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by plan members. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at www.meabf.org., www.labfchicago.org, www.chipabf.org and www.fabf.orgg.

Benefits Provided—The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirement of age and service are different for employees who became members before January 1, 2011, and those who became members on or after January 1, 2011. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2 percent to 2.5 percent per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who became members before January 1, 2011 and any eight consecutive years within the last 10 years of credited service for participants who became members on or after January 1, 2011.

Benefit terms provide for annual adjustments to each employee's retirement allowance subsequent to the employees' retirement date. For participants who became members before January 1, 2011, the annual adjustments for Municipal and Laborers are 3.0 percent, compounded, and for Firemen's and Policemen's 3.0 percent, simple, for annuitants born before 1955 and 1.5 percent, simple, born in 1955 or later. For participants that first became members on or after January 1, 2011, the annual adjustments are equal to the lesser of 3.0 percent and 50 percent of CPI-U of the original benefit.

Contributions—Historically, State law required City contributions at statutorily, not actuarially, determined rates. State law also requires covered employees to contribute a percentage of their salaries. The City's contribution was calculated based on the total amount of contributions by employees to the Plan made in the calendar year two years prior, multiplied by 1.25 for the Municipal, 1.00 for the Laborers', 2.00 for the Policemen's, and 2.26 for the Firemen's. The City's contributions are budgeted in the same year as the applicable levy year for the property taxes funding the contributions. The City's contributions are then paid to the pension funds in the following year (which is when the levied property taxes are collected and paid to the City by the Cook County Treasurer).

State law in effect at December 31, 2015 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 2015. In each year, the City must contribute the amount needed for each Plan to achieve a 90% Funded Ratio by the end of 2040.

Public Act 99-0506 (P.A. 99-0506) was enacted on May 31, 2016. P.A. 99-0506 changed the funding requirements required by Public Act 96-1495, providing that the City make a fixed contribution amount for 2015 through 2019 which is significantly larger than contributions made prior to the adoption of P.A. 96-1495 but smaller than the contributions required under P.A. 96-1495. P.A. 99-0506 requires that the City's contributions are at actuarially determined rates beginning in 2020 and future funding be sufficient to produce a funding level of 90% by the year ended December 31, 2055 (instead of 2040 required by P.A. 96-1495). As this law was enacted subsequent to December 31, 2015, the measurement of the City's net pension liability as of December 31, 2015, was not impacted, since the liability was measured using the law in effect as of December 31, 2015. The City will be taking into consideration the impact of this new law when measuring the liability in 2016. The new law is expected to increase the City's net pension liability.

The City's contributions to Municipal and Laborer's are determined pursuant to the formulas set forth in the Illinois Pension Code (the Pension Code). Pursuant to Public Act 098-641 (P.A. 98-641), the City's contributions to Municipal and Laborer's were scheduled to increase beginning in 2015; however, in July 2015 the Circuit Court of Cook County determined P.A. 98-641 to be unconstitutional. As a result of such determination by the court, the provisions of the Pension Code governing the City's contributions to MEABF and LABF have reverted to the provisions in effect prior to the enactment of P.A. 98-641. Furthermore, in March 2016, the Illinois Supreme Court upheld the ruling made by the Circuit Court.

The contribution to all four pension plans from the Airport was $25.8 million for the year ended December 31, 2015.

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

At December 31, 2015, the Airport reported a liability of $1,542 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport's proportion of the net pension liability was determined based on budgeted Airport salaries within each corresponding pension plan. At December 31, 2015, the Airport's proportion was 5.8 percent of the Municipal Plan, 6.2 percent of the Laborer's Plan, 1.3 percent of the Policemen's Plan and 4.9 percent of the Firemen's Plan.

Changes in Benefits and Actuarial Assumptions: As discussed above, P.A. 98-0641 was determined to be unconstitutional resulting in changes in the discount rate caused by a change in the required funding policy and changes in benefits for the participants of the Municipal and Laborers pension plans, which include restoring full automatic annual increase and changes in the retirement age for certain participants.

The change in the discount rate assumption increased the Airports allocated net pension liability by $507.3 million for Municipal and $73.1 million for Laborers'. This impact is being amortized over a five year period for Municipal and a four year period for Laborers'. The change in benefits increased the Airport's allocated share of the net pension liability by $124.6 million for Municipal and $23.9 million for Laborers'. This impact is recognized as a portion of 2015 pension expense in its entirety. For the year ended December 31, 2015, the Airport recognized pension expense of $339.5 million.

At December 31, 2015, the Airport reported deferred outflows of resources of $487.9 million and deferred inflows of resources of $8.6 million related to pensions from the following sources:

Municipal (dollars in thousands):

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 5,117
Changes of assumptions	405,849	
Net difference between projected and actual earnings on pension plan investments	11,560	
Total	$ 417,409	$ 5,117

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

Year Ended December 31	
2016	$ 103,073
2017	103,073
2018	103,073
2019	103,073
2020	
Thereafter	

Laborers' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,033
Changes of assumptions	51,881	
Net difference between projected and actual earnings on pension plan investments	6,055	
Total	$ 57,936	$ 2,033

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

Year Ended December 31	
2016	$ 21,907
2017	21,907
2018	10,576
2019	1,514
2020	
Thereafter	

Policemen's (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,175
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	2,516	
Total	$ 2,516	$ 1,175

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

Year Ended December 31	
2016	$ 386
2017	386
2018	386
2019	386
2020	(201)
Thereafter	

Firemen’s (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 324
Changes of assumptions	7,151	
Net difference between projected and actual earnings on pension plan investments	2,935	
Total	$ 10,086	$ 324

Year Ended December 31	
2016	$ 2,102
2017	2,102
2018	2,102
2019	2,102
2020	1,354
Thereafter	

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Municipal	Laborers'	Policemen's	Firemen's
Inflation	3.0 %	3.0 %	3.0 %	2.5 %
Salary Increases	4.5%–8.25% (a)	3.75 % (b)	3.75 % (c)	3.75 % (d)
Investment Rate of Return	7.5 % (e)	7.5 % (f)	7.5 %	7.5 %

(a) Varying by years of service
(b) Plus a service—based increase in the first 15 years
(c) Plus additional percentage related to service
(d) Plus additional service based increases
(e) Net of investment expense
(f) Net of investment expense, including inflation

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate for Municipal, Laborers’ and Firemen’s and RP-2014 for Policemen’s.

The mortality actuarial assumptions used in the December 31, 2015 valuation were adjusted based on the results of actuarial experience study for the following periods:

Municipal	January 1, 2005–December 31, 2009
Laborers’	January 1, 2004–December 31, 2011
Policemen’s	January 1, 2009–December 31, 2013
Firemen’s	January 1, 2003–December 31, 2010

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

	Target Allocation				Long-Term Expected Real Rate of Return			
Asset Class:	**Municipal**	**Laborers'**	**Policemen's**	**Firemen's**	**Municipal**	**Laborers'**	**Policemen's**	**Firemen's**
Domestic equity	26.00 %	22.00 %	- %	- %	4.90 %	5.90 %	- %	- %
Domestic large cap equity				24.00				7.25
Domestic small cap equity				16.00				7.55
U.S. equity			21.00				6.10	
Non U.S. equity		13.00	20.00			7.90	7.80	
Global equity		14.00				6.50		
International equity	22.00			25.00	5.00			7.25
Domestic Fixed income				21.00				7.25
Fixed income	27.00	16.00	22.00		0.00	2.60	1.70	
Hedge funds	10.00	8.00	7.00		3.00	3.80	4.00	
Private equity	5.00		9.00	3.00	8.60		8.20	8.15
Private markets		11.00				6.90		
GAA		8.00	12.00			4.70	5.10	
Real estate	10.00	6.00	5.00	2.00	6.00	4.40	4.60	6.00
Risk Parity		2.00				5.00		
Alternative investments				2.00				5.25
Commodities				3.00				2.75
Cash deposits and short-term investments				4.00				2.25
Real assets			4.00				4.20	
Total	100.00 %	100.00 %	100.00 %	100.00 %				

Discount Rate

Municipal—The discount rate used to measure the total pension liability was 3.73%. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.6 percent (based on the Bond Buyer 20- Bond Index of general obligation municipal bonds as of December 31, 2015).The projection of cash flows used to determine the discount rate assumed member contributions will be made at the current contribution rate and that employer contributions will be made at the 1.25 multiple of member contributions from two years prior. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. The projected benefit payments through 2023 were discounted at the expected long-term rate of return. Starting in 2024, the projected benefit payments were discounted at the municipal bond rate. Therefore, a single equivalent, blended discount rate of 3.73% was calculated using the long-term expected rate of return and the municipal bond index.

Laborers'—A Single Discount Rate of 4.04 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.6 percent (based on the Bond Buyer 20- Bond Index of general obligation municipal bonds as of December 31, 2015).The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between statutory contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2027. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2027, and the municipal bond rate was applied to all benefit payments after that date.

Policemen's—A Single Discount Rate of 7.15 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.6 percent (based on the Bond Buyer 20- Bond Index of general obligation municipal bonds as of December 31, 2015).The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between statutory contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2063. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2063, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's—A Single Discount Rate of 7.16 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.6 percent (based on the Bond Buyer 20- Bond Index of general obligation municipal bonds as of December 31, 2015).The projection of cash flows used to determine this Single Discount Rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between statutory contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position and future contributions were sufficient to finance future benefit payments only through the year 2061. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2061, and the municipal bond rate was applied to all benefit payments after that date.

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

Municipal—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2015, calculated using the discount rate of 3.73 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.73 percent) or 1 percentage point higher (4.73 percent) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2015	1% Decrease	Current Discount Rate	1% Increase
Municipal discount rate	2.73 %	3.73 %	4.73 %
Municipal liability	$ 1,293,192	$ 1,084,148	$ 912,840

Laborers'—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2015, calculated using the discount rate of 4.04 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.04 percent) or 1 percentage point higher (5.04 percent) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2015	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	3.04 %	4.04 %	5.04 %
Laborers' liability	$ 187,588	$ 153,802	$ 126,107

Policemen's—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2015, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15 percent) or 1 percentage point higher (8.15 percent) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2015	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	6.15 %	7.15 %	8.15 %
Policemen's liability	$ 139,193	$ 120,078	$ 103,985

Firemen's—the following presents the allocated share of the net pension liability to the Airport as of December 31, 2015, calculated using the discount rate of 7.16 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.16 percent) or 1 percentage point higher (8.16 percent) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2015	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	6.16 %	7.16 %	8.16 %
Firemen's liability	$ 209,936	$ 184,109	$ 162,106

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

8. OTHER POSTEMPLOYMENT BENEFITS

Other PostEmployment Benefits—Pension Funds

The Pension Funds also contribute a portion of the City's contribution as subsidy toward 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 section c). 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, 2015

	Municipal	Laborers'	Policemen's	Firemen's	Total
Contribution Rates City:	A portion of the City's employer contribution to the Pension Funds is used to finance the health insurance supplement benefit payments.				
Annual Required Contribution	$ 9,174	$ 2,402	$ 9,632	$ 2,611	$ 23,819
Interest on Net OPEB Obligation	2,406	209	391	385	3,391
Adjustment to Annual—Required Contribution	(27,331)	(2,376)	(4,358)	(4,375)	(38,440)
Annual OPEB Cost (Gain)	(15,751)	235	5,665	(1,379)	(11,230)
Contributions Made	8,491	2,154	9,441	2,382	22,468
Decrease in Net OPEB Obligation	(24,242)	(1,919)	(3,776)	(3,761)	(33,698)
Net OPEB Obligation, Beginning of Year	53,486	4,649	8,684	8,563	75,382
Net OPEB Obligation,					

Actuarial Method and Assumptions—For the Pension Funds' subsidies, the actuarial valuation for the fiscal year ended December 31, 2015 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	Laborers'	Policemen's	Firemen's
Actuarial Valuation Date	12/31/2015	12/31/2015	12/31/2015	12/31/2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar,	Level Dollar,	Level Percent,	Level Dollar,
Remaining Amortization Method	1 year closed	1 year closed	1 year closed	1 year closed
Asset Valuation Method	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 %	2.5 %
Seniority / Merit	(b)	(c)	(d)	(d)
Healthcare Cost Trend Rate (e)	%	%	%	%

(a) Compounded Annually
(b) Service-based increases equivalent to a level annual rate of increase of 1.4 percent over a full career
(c) Service-based increases equivalent to a level annual rate of increase of 1.9 percent over a full career
(d) Service-based increases equivalent to a level annual rate of increase of 1.8 percent over a full career
(e) Trend not applicable - fixed dollar subsidy

OPEB COST SUMMARY
(dollars in thousands)

	Year	Annual OPEB Cost		% of Annual OPEB Obligation	Net OPEB Obligation
Municipal	2013	$ 13,389		71.01 %	$ 75,637
	2014	(13,100)	*		53,486
	2015	(15,750)	*		29,244
Laborers'	2013	3,009		84	6,442
	2014	567		416	4,649
	2015	235		917	2,730
Policemen's	2013	10,536		93	12,150
	2014	6,191		156	8,684
	2015	5,665		167	4,908
Firemen's	2013	4,071		63	11,902
	2014	(868)			8,563
	2015	(1,379)			4,802

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

Actuarialvaluationsofanongoingplaninvolveestimatesofthevalueofreportedamountsandassumptionsabout theprobabilityofoccurrenceofeventsfarintothefuture.Examplesincludeassumptionsaboutfutureemployme nt,mortality,andthehealthcarecosttrend.Amountsdeterminedregardingthefundedstatusoftheplanandtheann ualrequiredcontributionsoftheemployeraresubjecttocontinualrevisionsastheresultsarecomparedwithpaste xpectationsand new estimates are made about the future. The schedule of funding progress, presents, asrequired,supplementaryinformationfollowingthenotestothefinancialstatements(dollarsinthousands,una udited).

	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	12/31/2015	$ -	$ 8,147	$ 8,147	-	$ 1,643,481	0.50 %
Laborers'	12/31/2015		2,133	2,133		204,773	1.04
Policemen's	12/31/2015		9,255	9,255		1,086,608	0.85
Firemen's	12/31/2015		2,399	2,399		465,232	0.52

Other PostEmployment Benefits—City Obligation

Up to June 30, 2013, the annuitants who retired prior to July 1, 2005 received a 55 percent subsidy from the City and the annuitants who retired on or after July 1, 2005 received a 50, 45, 40 and zero percent 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 $104.4 million in 2015 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 healthcare 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 healthcare benefits in a new Retiree Health Plan (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 financial statements as claims are reported and are funded on a pay-as-you-go basis. In 2015, the net expense to the City for providing these benefits to approximately 22,697 annuitants plus their dependents was approximately $44 million.

Plan Description Summary—The City of Chicago 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 provide 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 percent of 2013 subsidy levels in 2014 and 50 percent of 2013 subsidy levels in 2015, and 75 percent of 2013 subsidy levels in 2016.

In addition, 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 Net Pension Obligation ("NPO") actuarial valuation reports of the respective four Pension Funds under GASB 43.

Special Benefits under the Collective Bargaining Agreements (CBA)—Under the terms of the collective bargaining agreements for the Fraternal Order of Police (FOP) and the International

Association of Fire Fighters (IAFF), certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the healthcare 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.

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 2015 is the Annual OPEB Cost (expense).

Annual OPEB Cost and Contributions Made
(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	$ 46,069	$ 60,654	$ 106,723
Interest on Net OPEB Obligation	867	4,459	5,326
Adjustment to Annual Required Contribution	(3,291)	(16,918)	(20,209)
Annual OPEB Cost	43,645	48,195	91,840
Contributions Made	58,279	38,272	96,551
Decrease in Net OPEB Obligation	(14,634)	9,923	(4,711)
Net OPEB Obligation, Beginning of Year	28,914	148,648	177,562
Net OPEB Obligation, End of Year	$ 14,280	$ 158,571	$ 172,851

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 are 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			
12/31/2015	$ 43,645	133.5 %	$ 14,280
12/31/2014	62,666	149.9	28,914
12/31/2013	75,444	148.4	60,210
CBA Special Benefits			
12/31/2015	$ 48,195	79.4 %	$ 158,571
12/31/2014	49,766	68.5	148,648
12/31/2013	41,722	65.5	132,981
Total			
12/31/2015	$ 91,840	105.1 %	$ 172,851
12/31/2014	112,432	113.9	177,562
12/31/2013	117,166	118.9	193,191

Funded Status and Funding Progress—As of January 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $780.6 million all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately $2,488.0 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was 31.4 percent.

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 healthcare 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, supplementary information following the notes to the financial statements (dollars in thousands, unaudited).

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						
12/31/2014	$ -	$ 311,748	$ 311,748	- %	$2,487,787	12.5 %
CBA Special Benefits						
12/31/2014	$ -	$ 468,889	$ 468,889	- %	$1,438,428	32.6 %
Total						
12/31/2014	$ -	$ 780,637	$ 780,637	- %	$2,487,787	31.4 %

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, 2014	December 31, 2014
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 $86.1 million and $72.8 million in 2015 and 2014, 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, 2015 and 2014, are as follows (dollars in thousands):

	2015	2014
Beginning balance—January 1	$ 2,527	$ 2,194
Total claims incurred (expenditures)	25,249	23,318
Claims paid	(25,018)	(22,985)
Claims liability—December 31	$ 2,758	$ 2,527

The City's property and liability insurance premiums are approximately $8.5 million per year. The City maintains property and liability insurance coverage for both O'Hare and Midway and allocates the cost of the premiums between the two airports. The property coverage was renewed on December 31, 2015 with a limit of $3.5 billion and includes $3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2015 with a limit of $1 billion and includes $750 million in war and terrorism liability coverage.

At December 31, 2015 and 2014, the Airport had commitments in the amounts of approximately $210.4 million and $237.1 million, respectively, in connection with contracts entered into for construction projects.

11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

	2015	2014
Deferred outflows of resources:		
Deferred outflows from pension activities	$ 487,947	$ -
Unamortized deferred bond refunding costs	60,626	50,172
Total deferred outflows of resources	$ 548,573	$ 50,172
Deferred Inflows of resources		
Deferred inflows from pension activities	$ 8,648	

12. RESTATEMENT DUE TO IMPLEMENTATION OF NEW ACCOUNTING STANDARD

During fiscal year 2015, the Airport implemented two new accounting standards. GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27*", revised standards of accounting and reporting for pension expenses and liabilities as well as allowing for the deferral of certain pension expense elements. As a result of implementing this statement, net position was restated at January 1, 2015. The net position at January 1, 2014 was not restated as it was not practical since the information was not available. The impact of these changes on the beginning balances reported in the financial statements is shown below (in thousands):

	As Originally Reported or	GASB 68 Adjustment	As Restated after GASB 68 Impact
Chicago O'Hare International Airport			
Total net position, January 1, 2015	$ 1,460,084	$ (749,092)	$ 710,992

13. SUBSEQUENT EVENTS

In May 2016, Fitch upgraded the rating of the O'Hare Airport Senior Lien revenue bonds from A- to A with a stable outlook.

* * * * * *

PART III

REQUIRED SUPPLEMENTARY INFORMATION SECTION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Fiscal Year (dollars are in thousands)

	2015
MUNICIPAL EMPLOYEES':	
Total pension liability:	
Service cost	$ 226,816
Interest	909,067
Benefit changes	2,140,009
Differences between expected and actual experience	(109,835)
Assumption changes	8,711,755
Benefit payments including refunds	(826,036)
Pension plan administrative expense	
Net change in total pension liability	11,051,776
Total pension liability—beginning	12,307,094
Total pension liability—ending (a)	23,358,870
Plan fiduciary net position:	
Contributions—employer	149,225
Contributions—employee	131,428
Net investment income	114,025
Benefit payments including refunds of employee contribution	(826,036)
Administrative expenses	(6,701)
Other	
Net change in plan fiduciary net position	(438,059)
Plan fiduciary net position—beginning	5,179,486
Plan fiduciary net position—ending (b)	4,741,427
NET PENSION LIABILITY—Ending (a)-(b)	$ 18,617,443
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	20.30 %
COVERED-EMPLOYEE PAYROLL*	$ 1,643,481
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	1,132.81 %
ALLOCATED NET PENSION LIABILITY	$ 1,084,148
ALLOCATED PERCENTAGE	5.82 %

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

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Fiscal Year (dollars are in thousands)

	2015
LABORERS':	
Total pension liability:	
Service cost	$ 38,389
Interest	153,812
Benefit changes	384,033
Differences between expected and actual experience	(46,085)
Assumption changes	1,175,935
Benefit payments including refunds	(152,530)
Pension plan administrative expense	(3,844)
Net change in total pension liability	1,549,710
Total pension liability—beginning	2,162,905
Total pension liability—ending (a)	3,712,615
Plan fiduciary net position:	
Contributions—employer	12,412
Contributions—employee	16,844
Net investment income	(22,318)
Benefit payments including refunds of employee contribution	(152,530)
Administrative expenses	(3,844)
Other	
Net change in plan fiduciary net position	(149,436)
Plan fiduciary net position—beginning	1,388,093
Plan fiduciary net position—ending (b)	1,238,657
NET PENSION LIABILITY—Ending (a)-(b)	$ 2,473,958
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	33.36 %
COVERED-EMPLOYEE PAYROLL *	$ 204,773
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	1,208.15 %
ALLOCATED NET PENSION LIABILITY	$ 153,802
ALLOCATED PERCENTAGE	6.22 %

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

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Fiscal Year (dollars are in thousands)

	2015	
POLICEMEN'S:		
Total pension liability:		
Service cost	$ 213,585	*
Interest	832,972	
Benefit changes		
Differences between expected and actual experience	(105,969)	
Assumption changes		
Benefit payments including refunds	(676,777)	
Pension plan administrative expense	(4,508)	
Net change in total pension liability	259,303	
Total pension liability—beginning	11,773,430	
Total pension liability—ending (a)	12,032,733	
Plan fiduciary net position:		
Contributions—employer	572,836	
Contributions—employee	107,626	
Net investment income	(5,334)	
Benefit payments including refunds of employee contribution	(676,777)	
Administrative expenses	(4,508)	
Other	3,092	
Net change in plan fiduciary net position	(3,065)	
Plan fiduciary net position—beginning	3,062,014	
Plan fiduciary net position—ending (b)	3,058,949	
NET PENSION LIABILITY—Ending (a)-(b)	$ 8,973,784	

* Includes pension plan administrative expense

PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	25.42	%
COVERED-EMPLOYEE PAYROLL**	$ 1,086,608	
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	825.85	%
ALLOCATED NET PENSION LIABILITY	$ 120,078	
ALLOCATED PERCENTAGE	1.34	%

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

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Fiscal Year (dollars are in thousands)

	2015
FIREMEN'S:	
Total pension liability:	
Service cost	$ 87,203
Interest	338,986
Benefit changes	
Differences between expected and actual experience	(7,981)
Assumption changes	176,282
Benefit payments including refunds	(278,017)
Pension plan administrative expense	(3,149)
Net change in total pension liability	313,324
Total pension liability—beginning	4,512,760
Total pension liability—ending (a)	4,826,084
Plan fiduciary net position:	
Contributions—employer	236,104
Contributions—employee	46,552
Net investment income	7,596
Benefit payments including refunds of employee contribution	(278,017)
Administrative expenses	(3,149)
Other	7
Net change in plan fiduciary net position	9,093
Plan fiduciary net position—beginning	1,036,008
Plan fiduciary net position—ending (b)	1,045,101
NET PENSION LIABILITY—Ending (a)-(b)	$ 3,780,983
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	21.66 %
COVERED-EMPLOYEE PAYROLL *	465,232
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	812.71 %
ALLOCATED NET PENSION LIABILITY	184,109
ALLOCATED PERCENTAGE	4.87 %

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

(Concluded)

SCHEDULE OF CONTRIBUTIONS
Last Ten Years (dollars are in thousands)

Municipal Employees':

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Employee Payroll**	Contributions as a Percentage of Covered Employee Payroll
2006	$ 325,914	$ 157,063	$ 168,851	$ 1,475,877	10.64 %
2007	343,123	139,606	203,517	1,564,459	8.92
2008	360,387	146,803	213,584	1,543,977	9.51
2009	413,509	148,047	265,462	1,551,973	9.54
2010	483,948	154,752	329,196	1,541,388	10.04
2011	611,756	147,009	464,747	1,605,993	9.15
2012	690,823	148,859	541,964	1,590,794	9.36
2013	820,023	148,197	671,826	1,580,289	9.38
2014	839,039	149,747	689,292	1,602,978	9.34
2015	677,200	149,225	527,975	1,643,481	9.08

* The funding method mandated by the Illinois Pension Code is insufficient to avoid insolvency, and without a change, the Fund is projected to become insolvent within the next 10 years (during 2025). Therefore, the actuarially determined contribution is comprised of an employer normal cost payment and a 30-year, level dollar amortization payment on the unfunded actuarial accrued liability.

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

Laborers':

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Employee Payroll**	Contributions as a Percentage of Covered Employee Payroll
2006	$ 21,142	$ 106	$ 21,036	$ 193,176	0.06 %
2007	21,726	13,256	8,470	192,847	6.87
2008	17,652	15,233	2,419	216,744	7.03
2009	33,518	14,627	18,891	208,626	7.01
2010	46,665	15,352	31,313	199,863	7.68
2011	57,259	12,779	44,480	195,238	6.55
2012	77,566	11,853	65,713	198,790	5.96
2013	106,199	11,583	94,616	200,352	5.78
2014	106,019	12,161	93,858	202,673	6.00
2015	79,851	12,412	67,439	204,773	6.06

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

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

(Continued)

CITY OF CHICAGO, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
Last Ten Years (dollars are in thousands)

Policemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Employee Payroll**	Contributions as a Percentage of Covered Employee Payroll
2006	$ 262,657	$ 150,718	$ 111,939	$ 1,012,984	14.88 %
2007	312,726	170,598	142,128	1,038,957	16.42
2008	318,235	172,836	145,399	1,023,581	16.89
2009	339,488	172,044	167,444	1,011,205	17.01
2010	363,625	174,501	189,124	1,048,084	16.65
2011	402,752	174,035	228,717	1,034,404	16.82
2012	431,010	197,885	233,125	1,015,171	19.49
2013	474,177	179,521	294,656	1,015,426	17.68
2014	491,651	178,158	313,493	1,074,333	16.58
2015	785,501	575,928	209,573	1,086,608	53.00

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

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

Firemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Employee Payroll**	Contributions as a Percentage of Covered Employee Payroll
2006	$ 160,246	$ 76,763	$ 83,483	$ 387,442	19.81 %
2007	188,202	72,023	116,179	389,125	18.51
2008	189,941	81,258	108,683	396,182	20.51
2009	203,867	89,212	114,655	400,912	22.25
2010	218,388	80,947	137,441	400,404	20.22
2011	250,056	82,870	167,186	425,385	19.48
2012	271,506	81,522	189,984	418,965	19.46
2013	294,878	103,669	191,209	416,492	24.89
2014	304,265	107,334	196,931	460,190	23.32
2015	323,545	236,104	87,441	465,232	50.75

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

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

(Continued)

SCHEDULE OF CONTRIBUTIONS

Actuarial Methods and Assumptions	Municipal Employees'	Laborers'	Policemen's	Firemen's
Actuarial valuation date	12/31/2015 (a)	12/31/2015 (b)	12/31/2015	12/31/2015
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open (c)	Level percent, open	Level dollar, open
Remaining amortization period	30 years	30 years	30 years	30 years
Asset valuation method	5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market
Actuarial assumptions:				
Inflation	3.0 %	3.0 %	3.0 %	2.5 % (f)
Salary increases	4.5%–8.25 % (d)	3.75 % (e)	3.75 % (f)	3.75 %
Investment rate of return	7.5 % (g)	7.5 % (h)	7.5 %	7.5 %
Retirement age	(i)	(j)	(k)	(l)
Mortality	(m)	(n)	(o)	(p)
Other information	(q)	(r)	(s)	(s)

(a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the middle of the year.
(b) Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the end of the fiscal year in which contributions are reported.
(c) The statutory contributions are based on a multiple of member contributions from the second prior year. The statutory contribution multiple is 1.00
(d) Varying by years of service.
(e) Plus a service-based increase in the first 15 years.
(f) Salary increase rates based on age-related productivity and merit rates plus inflation.
(g) Net of investment expense.
(h) Net of investment expense, including inflation.
(i) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (adopted December 31, 2010). For employees first hired on or after January 1, 2011, rates of retirement for each age from 62 to 80 were used (adopted Decemebr 31, 2011).
(j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2012, valuation pursuant to an experience study of the period January 1, 2004, through December 31, 2011.
(k) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2014, actuarial valuation pursuant to an experience study of the period January 1, 2009, through December 31, 2013.
(l) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2011, valuation pursuant to an experience study of the period January 1, 2003, through December 31, 2010.
(m) Post-retirement mortality rates were based on the RP-2000 Healthy Mortality Tables with mortality improvements projected to 2010 using Scale AA. Pre-retirement mortality rates were based on the post-retirement mortality assumption, multiplied by 85% for males and 70% for females.
(n) RP2000 Combined Healthy mortality table, sex distinct, set forward one year for males and setback two years for females. No adjustment is made for post-disabled mortality.
(o) Post-Retirement Healthy mortality rates: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 108% for males and 97% for females Pre-Retirement mortality rates: Sex distinct Retirement Plans 2014 Total Employee mortality table weighted 85% for males and 115% for females. Disabled Mortality: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 115% for males and 115% for females.
(p) RP2000 Combined Healthy mortality table, sex distinct for post retirement mortality. RP2000 Combined Healthy mortality table, sex distinct, set forward six years for post retirement mortality post-disabled mortality. Pre-retirement mortality is 80 percent of the post-retirement rates.
(q) Other assumptions: Same as those used in the December 31, 2015, actuarial funding valuations.
(r) Notes: Benefit changes based on the provisions in effect prior to Public Act 98-0641 were recognized in the Total Pension Liability as of December 31, 2015.
(s) The valuation is based on the statutes in effect as of Decemebr 31, 2015, and does not consider the impact of PA 99-0506 which was passed on May 31, 2016

(Concluded)

CITY OF CHICAGO, ILLINOIS

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS FUNDING PROGRESS
Last Three Years (dollars are in thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Surplus) AAL as a Percentage of Covered Payroll ((b-a)/c)
Municipal Employees'							
2013	12/31/2013	$ -	27,573	27,573	- %	$ 1,580,289	1.74 %
2014	12/31/2014		17,495	17,495		1,602,978	1.09
2015	12/31/2015		8,147	8,147		1,643,481	0.50
Laborers'							
2013	12/31/2013		7,074	7,074	- %	200,352	3.53 %
2014	12/31/2014		4,593	4,593		202,673	2.27
2015	12/31/2015		2,133	2,133		204,773	1.04
Policemen's							
2013	12/31/2013		28,376	28,376	- %	1,015,426	2.79 %
2014	12/31/2014		18,762	18,762		1,074,333	1.75
2015	12/31/2015		9,255	9,255		1,086,608	0.85
Firemen's							
2013	12/31/2013		7,692	7,692	- %	416,492	1.85 %
2014	12/31/2014		4,995	4,995		460,190	1.09
2015	12/31/2015		2,399	2,399		465,232	0.52
City of Chicago							
2013	12/31/2012		997,281	997,281	- %	2,385,198	41.81 %
2014	12/31/2013		964,626	964,626		2,425,000	39.78
2015	12/31/2014		780,637	780,637		2,487,787	31.38

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
CALCULATIONS OF COVERAGE COVENANT
FOR THE YEAR ENDED DECEMBER 31, 2015
(Dollars in thousands)

	Sec 404 (a)	Sec 404 (b)
REVENUES:		
Total revenues—as defined	$ 843,641	$ 855,626
Other available moneys (passenger facility charges for debt service)	93,860	93,860
Cash balance in Revenue Fund on the first day of fiscal year (Note 2)	72,810	
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 1,010,311	$ 949,486
COVERAGE REQUIREMENTS—Deposits required:		
Operation and maintenance reserve	$ 4,190	
Maintenance reserve	926	
Special capital projects	730	
Senior lien debt service fund	398,203	
TOTAL DEPOSITS REQUIREMENTS	$ 404,049	
AGGREGATE SENIOR LIEN DEBT SERVICE	$ 486,116	$ 486,116
LESS AMOUNTS TRANSFERRED FROM CAPITALIZED INTEREST ACCOUNTS	(20,053)	(20,053)
NET AGGREGATE DEBT SERVICE	466,063	466,063
COVENANT REQUIREMENT	1.10	
NET AGGREGATE DEBT SERVICE	$ 512,669	
COVERAGE REQUIREMENT (Greater of total deposit requirements or 110% of net aggregate debt service)	$ 512,669	$ -
OPERATION AND MAINTENANCE EXPENSES—As defined	468,426	473,574
TOTAL REQUIREMENT	$ 981,095	$ 939,637
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 1,010,311	$ 949,486

See notes to calculations of coverage.

SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
NOTES TO CALCULATIONS OF COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2015

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.

Of the $339.5 million of pension expense for 2015, $25.8 million is the portion of the City's pension contribution payable in 2015 to the pension funds and allocable to O'Hare Airport. The remaining portion of the pension expense for 2015 $313.7 million is recognized on the income statement of O'Hare Airport for 2015 pursuant to GASB 68 but is not due and payable by the City during 2015; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

2. REVENUE FUND BALANCE

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

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PART IV

STATISTICAL SECTION
(UNAUDITED)

PART IV
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
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
OPERATING REVENUES:										
Landing fees	$159,094	$179,076	$196,453	$181,335	$170,907	$179,924	$189,997	$169,323	$211,982	$ 253,347
Rental revenues:										
Terminal rental and use charges	145,417	211,732	220,040	212,944	287,972	237,628	246,912	273,611	340,449	292,706
Other rentals and fueling system fees	40,172	51,026	47,378	39,809	40,468	41,745	40,530	44,813	45,330	48,199
Subtotal rental revenues	185,589	262,758	267,418	252,753	328,440	279,373	287,442	318,424	385,779	340,905
Concessions:										
Auto parking	98,613	103,137	108,545	89,131	93,430	95,997	93,557	95,614	97,834	99,210
Auto rentals	19,928	22,376	22,213	22,915	22,643	23,745	25,445	26,274	27,863	29,176
Restaurants	33,401	34,904	34,813	32,721	35,669	38,547	41,330	42,662	45,432	49,366
News and gifts	12,357	13,267	14,640	13,662	14,495	15,608	16,579	18,367	24,086	24,355
Other	30,374	34,909	34,912	26,685	30,377	37,989	41,197	40,337	45,082	41,908
Subtotal concessions	194,673	208,593	215,123	185,114	196,614	211,886	218,108	223,254	240,297	244,015
Reimbursements	6,560	2,336	5,288	5,241	6,642	8,219	7,017	6,679	6,466	6,961
Total operating revenues (1)	545,916	652,763	684,282	624,443	702,603	679,402	702,564	717,680	844,524	845,228
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages (2)	168,361	177,800	177,418	174,897	174,331	190,830	191,677	192,744	212,576	229,015
Pension expense										339,546
Repairs and maintenance	73,591	83,865	100,341	82,518	86,463	94,519	88,784	85,484	110,928	98,945
Energy	29,118	35,924	38,535	37,261	33,687	31,777	31,775	32,895	34,519	34,090
Materials and supplies	5,120	10,411	17,506	17,661	9,526	14,288	9,797	8,961	10,573	9,876
Engineering and other professional services	45,357	56,506	61,514	54,767	57,981	65,382	74,307	81,070	88,143	83,265
Other operating expenses (8)	33,038	33,628	33,196	37,181	48,640	34,254	53,839	24,895	38,268	10,973
Total operating and maintenance expenses before depreciation and amortization (3)	354,585	398,134	428,510	404,285	410,628	431,050	450,179	426,049	495,007	805,710
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION (4)	$191,331	$254,629	$255,772	$220,158	$291,975	$248,352	$252,385	$291,631	$349,517	$ 39,518
FIRST AND SECOND LIEN BONDS—Net revenues for calculating coverage less fund deposit requirements	$354,363	$356,299	$358,671	$261,166	$372,341	$407,700	$ -	$ -	$ -	$ -
AGGREGATE DEBT SERVICE LESS DISBURSEMENTS FROM CAPITALIZED INTEREST ACCOUNTS (5)	$ 56,563	$107,700	$107,389	$108,898	$104,349	$112,181	$ -	$ -	$ -	$ -
DEBT SERVICE COVERAGE RATIO (6)	$ 6	$ 3	$ 3	$ 2	$ 4	$ 4	$ -	$ -	$ -	$ -
THIRD LIEN BONDS—Net revenues for calculating coverage per master indenture third lien	$710,017	$764,133	$761,514	$664,917	$800,380	$861,675	$ -	$ -	$ -	$ -
COVERAGE REQUIRED PER MASTER INDENTURE—Third lien	$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	$1,022,296
COVERAGE REQUIRED PER MASTER INDENTURE—Senior lien (7)	$ -	$ -	$ -	$ -	$ -	$ -	$804,237	$825,116	$985,375	$ 986,243
COVERAGE RATIO	1.23	1.11	1.05	1.01	1.01	1.10	1.05	1.10	1.10	1.10

(1) Average annual compound growth rate for 2006–2015 for total operating revenues is 5.0%.
(2) Salaries and wages includes charges for pension, health care and other employee benefits.
(3) Average annual compound growth rate for 2006–2015 for total operating and maintenance expenses before depreciation and amortization is 9.5%.
(4) Amount for 2015 may be reconciled to operating loss of $133,790 reported in the 2015 Statements of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $243,111. Amount for prior years may be reconciled through similar calculation.
(5) Represents debt service on first and second lien bonds.
(6) Represents debt service coverage ratio on first and second lien bonds.
(7) Represents required coverage per senior lien master indenture.

Note: Of the $339.5 million of pension expense for 2015, $25.8 million is the portion of the City’s pension contribution payable in 2015 to the pension funds and allocable to O’Hare Airport. The remaining portion of the pension expense for 2015 $313.7 mil pursuant to GASB 68 but is not due and payable by the City during 2015; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE
(Dollars in thousands)
(Unaudited)

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

Year Ending December 31	Total Debt Service on Senior Lien Bonds [1]	Total GARB Debt Service	Total PFC Debt Service	Total CFC Debt Service	Total Debt Service
2016	$ 484,436	$ 484,436	$ 65,918	$ 13,554	$ 563,908
2017	535,241	535,241	65,500	13,554	614,295
2018	561,351	561,351	65,454	18,161	644,966
2019	557,988	557,988	49,738	18,154	625,880
2020	521,824	521,824	47,786	18,160	587,770
2021	466,679	466,679	47,671	18,143	532,493
2022	466,466	466,466	47,637	18,125	532,228
2023	445,414	445,414	47,590	18,129	511,133
2024	443,297	443,297	47,558	18,113	508,968
2025	443,073	443,073	50,657	18,099	511,829
2026	438,703	438,703	50,605	18,082	507,390
2027	439,266	439,266	50,664	18,072	508,002
2028	439,134	439,133	50,618	18,081	507,833
2029	434,240	434,240	50,562	18,072	502,874
2030	436,090	436,090	50,410	18,059	504,559
2031	435,664	435,664	50,347	18,044	504,055
2032	435,336	435,336	46,285	18,029	499,650
2033	476,647	476,647	10,187	18,014	504,848
2034	474,857	474,856	6,917	17,976	499,750
2035	494,926	494,926	6,910	17,955	519,791
2036	313,894	313,894	6,901	17,939	338,734
2037	312,073	312,074	6,898	17,920	336,891
2038	309,680	309,680	6,887	17,902	334,469
2039	306,076	306,076	6,880	17,881	330,837
2040	194,999	194,999	6,873	17,862	219,734
2041	145,067	145,067		17,838	162,905
2042	48,545	48,545		17,815	66,360
2043	48,504	48,504		17,785	66,289
2044	48,444	48,445			48,444
2045	21,674	21,674			21,674
2046	21,653	21,653			21,653
	$11,201,241	$11,157,914	$943,453	$495,518	$12,640,212

[1] Assumes an interest rate effective at December 31, 2015, 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, 2015.

Source: City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CAPITAL IMPROVEMENT PLAN (CIP), 2016–2020
(Dollars in thousands)
(Unaudited)

ESTIMATED USES—Five-Year Capital Improvement Program:	
Airfield improvements	$ 366,874
Terminal improvements	341,141
Noise mitigation	12,000
Parking/roadway projects	689,784
Heating and refrigeration	223,726
Safety and security	99,485
Planning and other costs	4,000
Implementation	41,483
Sound	
TOTAL ESTIMATED USES	$ 1,778,493
ESTIMATED SOURCES:	
Existing PFC revenue bond proceeds	$ 26,156
PFC revenues (pay-as-you-go)	
Future Airport revenue bond proceeds	
Federal AIP discretionary grants	5,999
Federal AIP entitlement grants	32,500
TSA funds	89,536
Prior airport revenue bond proceeds	285,413
Future Airport obligation proceeds	749,972
CFC PayGo	140,000
CFC Senior Lien Revenue Bonds	126,917
CFC Backed TIFIA Loan	272,000
Other airport funds	50,000
TOTAL ESTIMATED SOURCES	$ 1,778,493

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

OPERATIONS OF THE AIRPORT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Unaudited)

Airport Activity

According to statistics compiled by Airports Council International, the Airport was the second busiest airport in the world as measured by total aircraft operations and the fourth 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, 2015, nonstop service was provided from the Airport to 232 destinations, 167 domestic airports, and 65 foreign airports.

	Chicago O'Hare International Airport Historical Connecting Passengers			
Year	Total Enplanements	Total Originating Enplanements [(1)]	Total Connecting Enplanements [(1)]	Connecting Enplanements Percentage
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
2015	38,395,905	20,096,191	18,299,714	47.7
	Average Annual Compound Growth Rates			
2006–2015	0.2 %	1.2 %	(0.8)%	

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

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Unaudited)

	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015	
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	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 %	10,556,509	27.5 %
American Airlines	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	8,668,309	22.6
Simmons Airlines (dba American Eagle)	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	2,992,870	7.8
Sky West (dba United Express)	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	2,363,825	6.2
Mesa (dba United Express)	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	2,365	0.0
Northwest Airlines	626,705	1.7	680,695	1.8	586,600	1.7	439,517	1.4												
Shuttle America (dba United Express)	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	716,874	1.9
Continental Airlines	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	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	1,025,863	2.7
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	867,993	2.3
Delta Airlines	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	972,132	2.5
Trans State Air (dba United Express)	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	279,635	0.7
America West	442,308	1.2	320,778	0.8																
Air Canada	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		33,773	0.1
Chautauqua (dba United Express)	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)	21,100	0.1			24,143	0.1			147		2		4		1		2			
Independence Air	1,559																			
All other [2]	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	9,915,757	25.7
Total	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 %	38,395,905	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, Austr
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, Sw
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, 2015, the Airport had scheduled air service by 42 airlines, including 9 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, Bureau of Transportation Statistics, Office of Airline Information to include domestic air carriers with annual operating revenues in excess of $1 billion.

United Airlines and American Airlines (including their commuter affiliates) together accounted for approximately 80% of the enplaned commercial passengers at the Airport in 2015.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PASSENGER TRAFFIC
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Unaudited)

Year	Total Domestic Passengers	Percent of Total Passengers	Total International Passengers	Percent of Total Passengers	Total Passengers	Annual Percent Change
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
2015	65,943,490	85.7	11,006,014	14.3	76,949,504	9.8
Average Annual Compound Growth Rates						
2006–2015	0.2 %		(0.7)%		0.1 %	

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(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**
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
2015	20,096,191	75.0	# 6,682,549	25.0	26,778,740
	Average Annual Compound Growth Rates				
2006–2015	1.2 %		0.3 %		1.0 %

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

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANEMENT SUMMARY
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(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
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
2015	32,877,967		32,877,967	85.6	5,517,938	14.4	38,395,905
	Average Annual Compound Growth Rates						
2006–2015	0.3 %		0.3 %		(0.3)%		0.2 %

(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
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Unaudited)

	Annual Aircraft Operations						
Year	Domestic Air Carrier	International Air Carrier	Total Air Carrier	Commuter	All-Cargo	General Aviation	Total
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
2015	775,091	70,729	845,820		17,698	11,618	875,136
	Average Annual Compound Growth Rates						
2006–2015	(0.6)%	(1.9)%	(0.8)%		(2.0)%	(10.6)%	(1.0)%

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET AIRLINE REQUIREMENT AND COST PER ENPLANED PASSENGER
FOR THE YEAR ENDED DECEMBER 31, 2015
(Dollars in thousands)
(Unaudited)

Calculation of cost per enplaned passenger:	
Operating and maintenance expenses [1]	$ 466,426
Net debt service [1]	369,661
Debt service coverage requirement [2]	1,067
Fund deposits [3]	5,846
Total airport expenses [1]	843,000
Less:	
Non-airline revenue [1]	(277,674)
PFC revenue applied to eligible debt service	(6,685)
Other	
Net airline requirement [4]	558,641
Enplaned passengers	38,395,905
Cost per enplaned passenger	$ 14.55

[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
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(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
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
2015	38,395,905	32,425,502	142,348	918	143,266

[1] Historical collection information reflects an actual percentage of eligible PFC enplanements of 84.5% in 2015.

[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. The cash basis PFC audit for 2015 has not yet been issued.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PASSENGER FACILITY CHARGE (PFC) DEBT SERVICE COVERAGE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Dollars in thousands)
(Unaudited)

Bond Year Ended	PFC Revenues (2)	PFC Bonds Debt Service	Coverage by PFC Revenues (1)
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
January 1, 2016	143,266	66,791	2.14

(1) Ratio represents the amount of PFC revenues to debt service:
For bond years ended 2006 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
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 *
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	$ 707,991
Restricted	751,069	644,048	594,185	610,868	588,683	640,469	605,488	709,665	780,514	828,216
Unrestricted (deficit)	60,111	73,390	77,195	89,554	104,730	38,201	31,511	35,559	35,140	(1,061,607)
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	$ 474,600
		*	*	*	*	*				

*Amounts have not be restated for the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities
* In 2015, the Airport implemented GASB 68, which created a net pension liability and corresponding decrease in Net Position.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CHANGE IN NET POSITION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015**
Operating revenues	$545,916	$652,763	$684,282	$624,443	$702,603	$679,402	$ 702,564	$ 717,680	$844,524	$ 845,228
Operating expenses	496,581	544,890	579,297	583,002	595,707	609,499	662,004	622,606	713,218	1,040,700
Operating income	49,335	107,873	104,985	41,441	106,896	69,903	40,560	95,074	131,306	(195,472)
Nonoperating revenues (expenses)	24,446	18,363	(37,486)	(94,627)	(80,068)	(80,925)	(110,254)	(125,829)	(87,653)	(117,609)
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	(313,081)
Capital grants	71,238	48,253	49,950	50,320	57,567	59,741	73,538	203,536	89,032	76,689
Change in net position	$145,019	$174,489	$117,449	$ (2,866)	$ 84,395	$ (5,191)	$ 3,844	$ 172,781	$132,685	$ (236,392)
	*	*	*	*	*	*				

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

** In 2015, the Airport implemented GASB 68, which created a net pension liability and corresponding decrease in Net Position.

CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT

LONG-TERM DEBT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Dollars in thousands)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	6,586,490
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	631,245
Customer facility										
Customer facility charge revenue bonds								248,750	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	7,466,485
Unamortized premium	52,932	48,090	89,308	80,788	86,856	92,249	200,381	224,056	199,169	374,179
Total revenue bonds payable, net of unamortized premium (discount)	$ 5,304,951	$ 5,533,163	$ 5,874,413	$ 5,978,888	$ 6,657,376	$ 7,512,598	$ 7,332,942	$ 7,889,261	$ 7,726,505	$ 7,840,664
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	$38,395,905
Debt per enplanement	$ 139	$ 145	$ 167	$ 184	$ 198	$ 223	$ 215	$ 230	$ 215	$ 194

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

FULL-TIME EQUIVALENT CHICAGO O'HARE AIRPORT EMPLOYEES BY FUNCTION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration (pre-2009 executive directions)	20	25	15	73	130	127	119	110	-	-
Capital development	57	49	49	30	39	43	35	34	18	18
Financial administration	27	25	21						35	36
Human resources management	26	24	22							
Capital finance management	21	9	9							
Contract administration	11	18	18						12	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	13
Administration	32	26	24						47	46
Airfield operations	270	280	280	309	309	306	305	305	306	306
Landside operations	26	19	18	14	13	11	12	22	239	240
Security management	241	233	249	243	243	242	236	236	361	306
Facility management	537	537	498	502	515	519	500	504	311	324
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	1,301

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

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

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

	2015 [1]			2006 [4]		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Advocate Health Care	18,308	1	1.44 %	-	-	- %
University of Chicago	16,197	2	1.27			
Northwestern Memorial Healthcare	15,317	3	1.20			
JP Morgan Chase & Co. [2]	14,158	4	1.11	8,979	1	0.82
United Continental Holdings Inc.	14,000	5	1.10	5,944	2	0.55
Health Care Service Corporation	13,006	6	1.02			
Walgreen Boots Alliance Inc.	13,006	7	1.02			
Presence Health	10,500	8	0.82			
Abbott Laboratories	10,000	9	0.79			
Northwestern University	9,708	10	0.76			
Jewel Food Stores, Inc				5,453	3	0.50
Northern Trust Corporation				4,610	4	0.42
Accenture LLP				4,470	5	0.41
SBC/AT&T [3]				3,834	6	0.35
American Airlines				3,750	7	0.34
Ford Motor Company				3,480	8	0.32
Bonded Maintenance Company				3,298	9	0.30
Bank of America				3,108	10	0.29

Notes:

[1] Source: Reprinted with permission, Crain's Chicago Business [January 18, 2016], Crain Communications, Inc.

[2] J.P. Morgan Chase formerly known as Banc One.

[3] AT&T Inc. formerly known as SBC Ameritech. 2015 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, 2006–2015
(Unaudited)

Year	Population (1)	Median Age (2)	Number of Households (2)	City Employment	Unemployment Rate (3)	Per Capita Income (4)	Total Income
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	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015	2,695,598	N/A	N/A	1,273,733 *	5.7	N/A (5)	N/A (5)

Notes:
(1) Source: U.S. Census Bureau.
(2) Source: American Fact Finder—United States Census Bureau data estimates.
Data not available for 2015.
(3) Source: Bureau of Labor Statistics 2015, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.
(4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area.
(5) N/A means not available at time of publication.
* December 2015 data.

CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT

SUMMARY—2015 TERMINAL RENTALS, FEES AND CHARGES
FOR THE PERIOD COMMENCING JULY 1, 2015

	Signatory	Non-Signatory
DOMESTIC TERMINAL		
DESCRIPTION:		
Landing fee/1,000 lbs.	$ 7.87	$ 9.84
Base rent	$ 5.00	
Existing footage	$ 64.40	
Special facility additional footage	N/A	
Additional footage	$ 91.23	
Ultimate additional footage	N/A	
INTERNATIONAL TERMINAL		
DESCRIPTION:		
Landing fee/1,000 lbs.	$ 7.87	$ 9.84
Terminal rent/sq. ft./annum:		
Long-term signatory	$ 95.86	
Short-term signatory	N/A	
Month-to-month	$ 129.41	
ENPLANED PASSENGER USE CHARGE:		
Long-term signatory	$ 12.30	
Short-term signatory	N/A	
Month-to-month	$ 16.61	
DEPLANED PASSENGER USE CHARGE:		
Long-term signatory	$ 9.64	
Short-term signatory	N/A	
Month-to-month	$ 13.02	

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)	2015 Airport Market
Enterprise Holdings, Inc.	Enterprise Rent-A-Car [1]	10.1 %
	Alamo Rent-A-Car [1]	
	National Rent-A-Car [1]	27.5 %
		37.6 %
Avis Budget Group, Inc.	Avis Car Rental	19.5 %
	Budget Rent-A-Car	9.2 %
		28.7 %
Hertz Global Holdings, Inc.	Hertz Rent A Car	25.8 %
	Dollar Rent A Car	4.7 %
	Thrifty Car Rental	3.2 %
		33.7 %
		100.0 %

[1] Alamo and National are reported jointly.

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

Source: Chicago Department of Aviation

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL VISITING O&D ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2006–2015
(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
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
2015	38,395,905	19,469,276	50.7	10,902,795	56.0	8,566,481	44.0

[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

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

	2010	2011	2012	2013	2014	2015
January	$ -	$ 1,834,376	$ 2,043,472	$ 2,021,728	$ 2,095,216	$ 2,058,208
February		1,720,816	2,119,752	2,023,816	2,037,496	1,975,312
March		2,264,728	2,492,960	2,380,208	2,365,224	2,411,096
First quarter total	-	5,819,920	6,656,184	6,425,752	6,497,936	6,444,616
Annual percent change			14.4 %	(3.5)%	1.1 %	(0.8)%
April		2,497,584	2,584,776	2,532,288	2,663,448	2,833,576
May		2,997,144	3,135,048	3,161,456	3,403,440	3,457,424
June		3,202,568	3,286,280	3,335,392	3,575,576	3,512,048
Second quarter total	-	8,697,296	9,006,104	9,029,136	9,642,464	9,803,048
Annual percent change			3.6 %	0.3 %	6.8 %	1.7 %
July		3,426,648	3,379,960	3,362,504	3,579,976	3,920,712
August	2,119,704	3,493,216	3,586,248	3,764,952	3,948,912	3,979,920
September	2,849,560	3,317,356	3,245,784	3,496,664	3,537,496	3,756,256
Third quarter total	4,969,264	10,237,220	10,211,992	10,624,120	11,066,384	11,656,888
Annual percent change			(0.2)%	4.0 %	4.2 %	5.3 %
October	3,004,736	3,177,744	3,309,960	3,456,280	3,612,656	3,815,136
November	2,478,504	2,647,208	2,703,392	2,798,264	2,891,736	2,937,088
December	2,145,328	2,321,952	2,180,840	2,564,448	2,572,952	2,478,696
Fourth quarter total	7,628,568	8,146,904	8,194,192	8,818,992	9,077,344	9,230,920
Annual total	$ 12,597,832	$ 32,901,340	$ 34,068,472	$ 34,898,000	$ 36,284,128	$ 37,135,472
Annual percent change						
Year to date total (through May)		$ 11,314,648	$ 12,376,008	$ 12,119,496	$ 12,564,824	$ 12,735,616
Annual percentage change			9.4 %	(2.1)%	3.7 %	1.4 %

Note: CFC Collections from off site Rental Car Companies commenced in August 2013.

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	2015
January	$ -	$ 1,834,376	$ 2,043,472	$ 2,021,728	$ 2,095,216	$ 2,190,072
February		1,720,816	2,119,752	2,023,816	2,037,496	2,091,544
March		2,264,728	2,492,960	2,380,208	2,365,224	2,531,080
First quarter total	-	5,819,920	6,656,184	6,425,752	6,497,936	6,812,696
Annual percent change			14.4 %	(3.5)%	1.1 %	4.8 %
April		2,497,584	2,584,776	2,532,288	2,663,448	2,962,240
May		2,997,144	3,135,048	3,161,456	3,403,440	3,623,328
June		3,202,568	3,286,280	3,335,392	3,575,576	3,691,640
Second quarter total	-	8,697,296	9,006,104	9,029,136	9,642,464	10,277,208
Annual percent change			3.6 %	0.3 %	6.8 %	6.6 %
July		3,426,648	3,379,960	3,362,504	3,579,976	4,127,848
August	2,119,704	3,493,216	3,586,248	3,764,952	3,948,912	4,188,848
September	2,849,560	3,317,356	3,245,784	3,496,664	3,537,496	3,934,624
Third quarter total	4,969,264	10,237,220	10,211,992	10,624,120	11,066,384	12,251,320
Annual percent change			(0.2)%	4.0 %	4.2 %	10.7 %
October	3,004,736	3,177,744	3,309,960	3,456,280	3,612,656	4,012,344
November	2,478,504	2,647,208	2,703,392	2,798,264	2,891,736	3,144,944
December	2,145,328	2,321,952	2,180,840	2,564,448	2,572,952	2,705,784
Fourth quarter total	7,628,568	8,146,904	8,194,192	8,818,992	9,077,344	9,863,072
Annual total	$ 12,597,832	$ 32,901,340	$ 34,068,472	$ 34,898,000	$ 36,284,128	$ 39,204,296
Annual percent change						
Year to date total (through May)		$ 11,314,648	$ 12,376,008	$ 12,119,496	$ 12,564,824	$ 13,398,264
Annual percentage change			9.4 %	(2.1)%	3.7 %	6.6 %

Note: CFC Collections from off site Rental Car Companies commenced in August 2013.

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

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

[(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 was completed in June 2015.

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

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PROJECTED SERIES 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	$39,950,490
Facility rent			13,793,790	13,734,581	13,520,553	13,330,174
Interest Earnings transferred to CFC revenue fund [1]	1,845,672	846,927	846,927	847,694	849,276	850,955
Total revenues	$37,700,875	$37,528,412	$52,139,453	$52,884,717	$53,498,552	$54,131,619
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	$43,184,573	$43,011,735	$57,621,876	$58,367,515	$58,980,878	$59,614,169
DEBT SERVICE 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	2.36	2.35	3.15	3.19	3.23	3.26
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 Bonds debt service coverage based on Revenues only	2.06	2.05	2.85	2.89	2.93	2.96
DEBT SERVICE COVERAGE BASED ON CFC COLLECTIONS ONLY						
Series 2013 CFC Senior Bonds debt service coverage based on CFC collections only	1.96	2.01	2.05	2.10	2.14	2.19

(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 to 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 SERIES 2013 CFC BOND AND TIFIA LOAN DEBT SERVICE COVERAGE
EACH OF THE SIX YEARS ENDED DECEMBER 31, 2017–2022
(Unaudited)

Revenues and 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	$39,950,490
Facility rent			13,793,790	13,734,581	13,520,553	13,330,174
Transferred to CFC revenue fund [(1)]	1,845,672	846,927	846,927	847,694	849,276	850,955
Total revenues	$37,700,875	$37,528,412	$52,139,453	$52,884,717	$53,498,552	$54,131,619
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 Other Available Funds	$43,184,573	$43,011,735	$57,621,876	$58,367,515	$58,980,878	$59,614,169
DEBT SERVICE FOR COVERAGE CALCULATIONS						
Series 2013 CFC Senior 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)			11,132,209	11,132,209	11,132,209	11,132,209
Aggregate Debt Service	$18,278,994	$18,277,744	$29,406,953	$29,408,203	$29,406,628	$29,407,378
DEBT SERVICE COVERAGE PURSUANT TO THE CFC INDENTURE:						
Aggregate Debt Service coverage pursuant to the CFC Indenture	2.36	2.35	1.96	1.98	2.01	2.03
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 coverage based on Revenues only	2.06	2.05	1.77	1.80	1.82	1.84
DEBT SERVICE COVERAGE BASED ON CFC COLLECTIONS ONLY						
Aggregate Debt Service coverage based on CFC collections only	1.96	2.01	1.28	1.30	1.33	1.36

[(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 to exceed 5% of 2013 CFC Bond debt service.

Source: City of Chicago Department of Aviation, Ricondo & Associates, Inc