

City of Chicago

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

**Annual Comprehensive Financial Report
For the Years Ended December 31, 2021 and 2020**



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

**2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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PART I

INTRODUCTORY SECTION



CHICAGO DEPARTMENT OF AVIATION CITY OF CHICAGO

June 29, 2022

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

I am pleased to submit the Annual Comprehensive Financial Report (“ACFR”) of Chicago Midway International Airport (“Airport”) for the year ended December 31, 2021. State law requires that all governmental units publish, within six months of the close of each fiscal year, financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited by a licensed public accountant.

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

ECONOMIC CONDITION AND OUTLOOK

The Airport provides regional travelers with access to service by a number of airlines that generally specialize in low-fare, point-to-point, origin and destination (“O&D”) passenger service, and has been among the busiest stations in the Southwest Airlines network for several years. The Airport’s major attributes that allow it to enjoy a unique market niche include the Airport’s location proximate to a large O&D passenger base, its accessibility and its low per-passenger cost structure. In 2021, the Airport connected Chicago to approximately 82 destinations in the U.S., Canada, Mexico, and the Caribbean, and served more nonstop domestic destinations post-pandemic (approximately 72 in December 2021 and 60 December 2019). In 2021, 12 new routes were added at Midway, including destinations like Long Beach, Washington-Dulles, Myrtle Beach, and Houston-Intercontinental. Total passenger volume also continued to recover from the impacts of the COVID-19 pandemic, with Midway serving approximately 15.8 million passengers.

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

REPORTING ENTITY

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

MAJOR INITIATIVES

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

Currently underway through MMP are projects to leverage underutilized space or repurposed space in the airport to construct 70 new and dynamic offerings at Midway, as well as expanding the total concessions area from approximately 40,000 square feet to over 70,000 square feet. In 2021, four new terminal concession locations were opened as part of the MMP including Sarah's Candies, Hudson Nonstop, Automated Retail Vending Island, and Café DesCartes. In addition, the terminal parking garage enhancement project was completed including elements such as a new parking access and revenue control system, a reconfigured exit plaza, lighting system upgrades, and elevator modernization

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

The City is financing the capital program through bond proceeds, federal grants, passenger facility charge revenues and other available Airport funds.

FINANCIAL INFORMATION

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

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

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

RELEVANT FINANCIAL POLICIES

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

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

INDEPENDENT AUDIT

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


AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its ACFR for the fiscal year ended December 31, 2020. This was the 24th consecutive year that the Airport has received this prestigious award, which is the highest form of recognition for excellence in state and local government financial reporting. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully submitted,



Jamie L. Rhee
Commissioner



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Chicago Midway International Airport
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

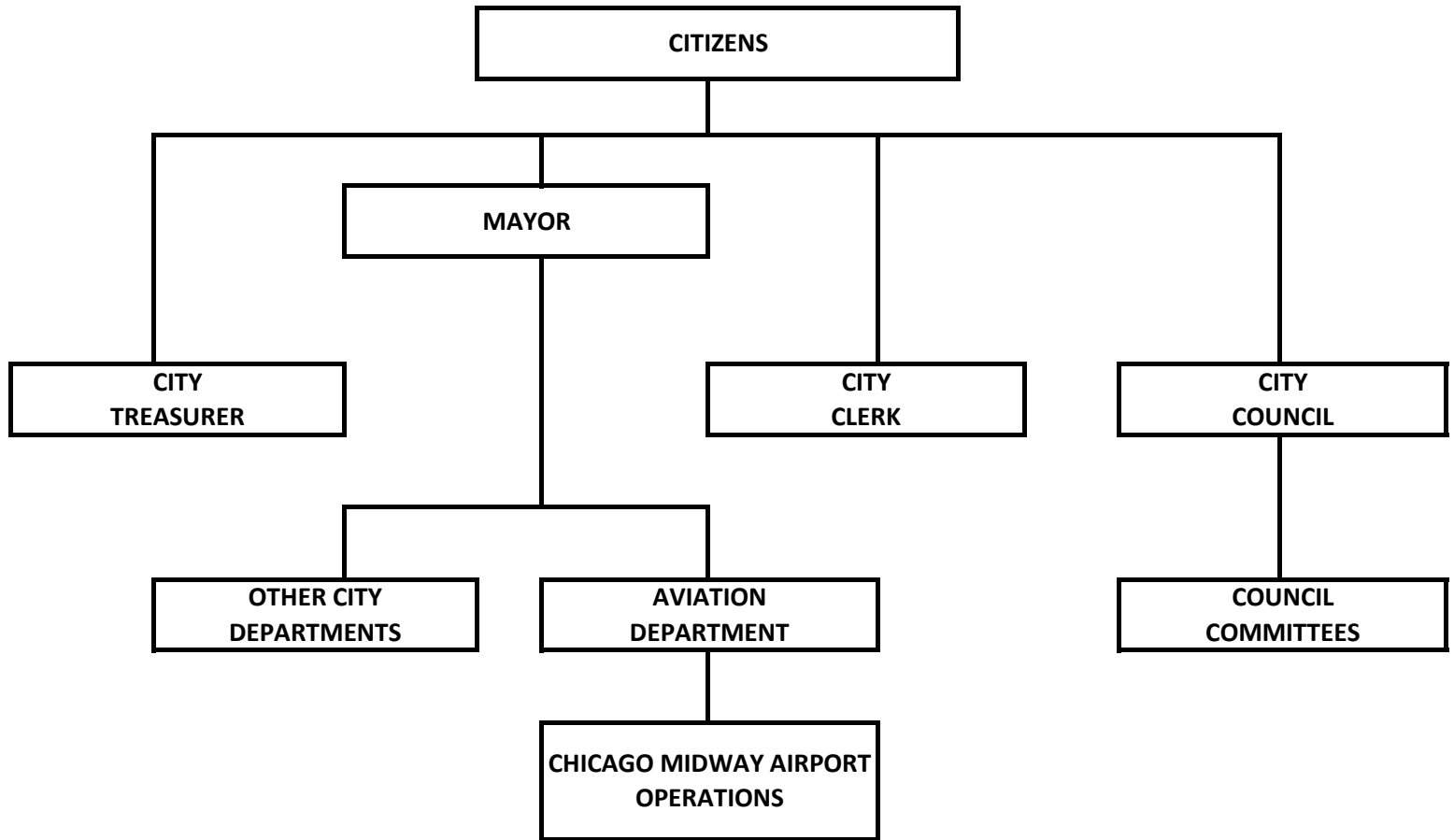
December 31, 2020

Christopher P. Morill

Executive Director/CEO

**CITY OF CHICAGO
CHICAGO MIDWAY INTERNATIONAL AIRPORT
ORGANIZATION CHART**

AS OF 12/31/2021



List of Principal Officials

Lori E. Lightfoot	Mayor
Jamie L. Rhee	Commissioner

PART II
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Chicago Midway International Airport (the "Airport"), an enterprise fund of the City of Chicago, Illinois (the "City"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Chicago Midway International Airport as of December 31, 2021 and 2020, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Airport, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the basic financial statements present only Chicago Midway International Airport, an enterprise fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of December 31, 2021 and 2020, the changes in its financial position, or, where applicable, its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Airport's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios, and the Schedule of Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport's basic financial statements. The additional supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appear to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

June 29, 2022

CITY OF CHICAGO, ILLINOIS

CHICAGO MIDWAY INTERNATIONAL AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Dollars in thousands)

This following discussion and analysis of the Chicago Midway International Airport's (the "Airport" or "Midway") performance provides an introduction and overview of the Airport's financial activities for the years ended December 31, 2021 and 2020. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements following this section.

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

The COVID-19 pandemic has had a material impact on aircraft operations, passenger volumes and revenues at the Airport during Fiscal Year 2021. As the impacts of COVID-19 start to subside, passenger and flight activity has started to recover, partially impacting the Airport's finances.

During 2020, the Airport was awarded \$82.3 million of Coronavirus Aid, Relief, and Economic Security ("CARES") Act funds, all of which were expended during 2020.

During 2021, the Airport was awarded \$16.6 million of Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act Funds, \$2.2 million of CRRSA Act funds allocated to Concessions Relief; \$62.8 million of American Rescue Plan ("ARP") Act funds, and \$8.6 million of ARP Act funds allocated to Concessions Relief during 2021, which were used to pay operating costs in an amount necessary to offset lost operating revenues and Passenger Facility Charges ("PFC"), net of cost reductions. The Airport's goal was to use sufficient CRRSA Act and ARP Act funds to stabilize rates and charges to the original 2021 budget and to stabilize terminal and facility rent. Of the \$16.6 million of CRRSA Act and \$62.8 million of ARP Act funding awarded to the Airport, \$48.4 million was applied to 2021 rates and charges, which includes \$26.4 million to offset operating expense and \$22.0 million to supplement revenues. In addition, \$2.2 million of CRSSA Act Concessions Relief funding was allocated to concessionaires during 2021.

The Airport provided financial relief to airlines by implementing additional cost cutting measures of \$7.0 million, which in turn reduced the operating reserve requirement by \$5.6 million (including \$26.4 million of CARES Act funds applied to offset operating expenses), as well as deferring non-critical capital projects. The Airport also provided financial relief to rental car companies and concessionaires by allowing these companies to convert their rent payment calculations from a minimum annual guarantee to percent rent and to temporarily close operations. The estimated benefit to concessionaires was \$13.2 million, which was funded through the use of CARES Act proceeds; thus, non-airline revenues were not reduced by this action.

FINANCIAL HIGHLIGHTS

2021

- Operating revenues for 2021 increase by \$33,088 compared to 2020 operating revenue primarily due to a significant increase in passenger traffic and terminal rental revenues and concessions due to the recovery from the impacts of the COVID-19 pandemic.
- Operating expenses before depreciation and amortization for 2021 increased by \$25,409 compared to 2020 due to a increase in salary expense and pension expense of \$6,459 primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments and an increase in repairs and maintenance of \$5,173 due to the increase in repairs that were deferred during 2020, and increase in other operating expenses due to an increase in utilities as rates increased during 2020 and rental of equipment.
- The Airport's total net deficit at December 31, 2021, was (\$340,518), which was a decrease of \$17,263 compared to total net deficit at December 31, 2020, which was (\$323,255), primarily due to an increase in interest expense of \$9,563 due to planned debt service payments, decrease in investment income of \$7,169 due to recognized fair market value changes on December 31, 2021 and decrease in capital grants of \$9,401 as major portions of the Midway Modernization Program (MMP) and Capital Improvement Program (CIP) were completed in 2020; and reduction in the recognition of COVID-19 Relief funding of \$45,728 due to timing differences of reimbursements received, offset by an increase in Passenger and Customer Facility Charges ("PFC" and "CFC") of \$15,023 and \$1,598, respectively; increase in rents and concessions of \$8,523 and increase in landing fees and terminal use charges of \$24,565 as passenger activity started to increase in 2021 as the Airport was recovering from the impact of the COVID-19 pandemic on travel.
- Capital asset additions for 2021 were \$17,114, which was a decrease of \$55,314 compared to 2020, primarily due to runway rehabilitation and the completion of the terminal checkpoint expansion and parking garage enhancements as part of the Midway Modernization Program, for which the majority of the work was performed in 2020. Completed projects totaling \$144,337 were transferred from construction in progress to applicable buildings and other facilities.

2020

- Operating revenues for 2020 decreased by \$39,794 compared to 2019 operating revenue primarily due to the reduction of passenger traffic and flight reductions as a result of the impacts of the COVID-19 pandemic on air travel.
- Operating expenses before depreciation and amortization for 2020 decreased by \$24,292 compared to 2019 due to a decrease in pension expense of \$25,027 primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments.
- The Airport's total net deficit at December 31, 2020, was (\$323,255), which was an increase of \$32,964 compared to total net deficit at December 31, 2019, which was (\$356,219), primarily due to receiving CARES Act funding of \$82,302, offset by a decrease in Passenger and Customer Facility Charges of \$23,424 and \$4,213, respectively, decrease of investment income of \$7,412 and decrease in

landing fees and concessions revenues due to the impact of the COVID-19 pandemic on air travel during 2020.

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

FINANCIAL ANALYSIS

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

amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned. The termination date of the Use Agreement is December 31, 2027.

At December 31, 2021, the Airport's financial position included total assets and deferred outflows of \$1,850,841 total liabilities and deferred inflows of \$2,191,359 and net (deficit) position of \$340,518. A comparative condensed summary of the Airport's net (deficit) position at December 31, 2021, 2020, and 2019, is as follows:

	Net (Deficit) Position		
	2021	2020	2019
Current unrestricted assets	\$ 96,140	\$ 98,977	\$ 84,437
Restricted and other assets—noncurrent	413,775	445,420	527,282
Capital assets—net	<u>1,275,163</u>	<u>1,311,124</u>	<u>1,288,735</u>
Total assets	1,785,078	1,855,521	1,900,454
Deferred outflows	<u>65,763</u>	<u>92,342</u>	<u>108,523</u>
Total assets and deferred outflows	<u>1,850,841</u>	<u>1,947,863</u>	<u>2,008,977</u>
Current unrestricted liabilities	50,665	37,115	45,371
Liabilities payable from restricted assets	<u>2,122,496</u>	<u>2,198,670</u>	<u>2,263,135</u>
Total liabilities	2,173,161	2,235,785	2,308,506
Deferred inflows	<u>18,198</u>	<u>35,333</u>	<u>56,690</u>
Total liabilities and deferred inflows	<u>2,191,359</u>	<u>2,271,118</u>	<u>2,365,196</u>
Net position:			
Net investment in capital assets	(111,146)	(125,410)	(165,290)
Restricted	89,541	96,358	121,093
Unrestricted	<u>(318,913)</u>	<u>(294,203)</u>	<u>(312,022)</u>
Total net (deficit) position	<u>\$ (340,518)</u>	<u>\$ (323,255)</u>	<u>\$ (356,219)</u>

2021

Current unrestricted assets decreased by \$2,837 (2.9%) primarily due to a decrease in cash and cash equivalents and Due from other governments as a result of temporary changes in the collection of rents from concessions due to the COVID-19 pandemic and an decrease in cash and cash equivalents of \$19,527 from the receipt of COVID-19 relief funding during 2021. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2021 and 2020, was 1.90:1 and 2.67:1, respectively. Noncurrent restricted and other assets decreased by \$31,645 (7.1%) mainly due to decreases in construction funds of \$31,979 (20.4%) related to completion of activity for the Midway Modernization Program ("MMP")

capital development during 2020. Net capital assets decreased by \$35,961 (2.7%) due primarily to the MMP projects being completed and offset by accumulated depreciation.

The increase in current liabilities of \$13,550 (36.5%) is primarily due to an increase Accounts payable and accrued liabilities of \$5,182 (21.6%) and Due to other City Funds of \$8,418 (67.5%) due to timing differences in the payment of invoices. Liabilities payable from restricted assets and noncurrent liabilities decreased by \$76,174 (3.5%) in 2021 mainly due to a decrease in revenue bonds payable from restricted funds of \$68,231 (4.1%), which was offset by an increase in pension liability of \$8,816 (2.4%) compared to 2020 primarily as a result of adjustments in the discount rate and a higher allocation of pension costs to the Airport. At December 31, 2021, total net deficit was \$340,518, a decrease of \$17,263 (5.3%).

Deferred outflows decreased by \$26,579 (28.8%) and deferred inflows decreased by \$17,135 (48.5%) during 2021 due to the difference between changes in actuarial assumptions from the prior year.

2020

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

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

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

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

A comparative condensed summary of the Airport's changes in net (deficit) position for the years ended December 31, 2021, 2020, and 2019 is as follows (dollars in thousands):

	Changes in Net (Deficit) Position		
	2021	2020	2019
Operating revenues:			
Landing fees and terminal area use charges	\$ 138,052	\$ 113,487	\$ 125,431
Rents, concessions and other	<u>82,776</u>	<u>74,253</u>	<u>102,103</u>
Total operating revenues	<u>220,828</u>	<u>187,740</u>	<u>227,534</u>
Operating expenses:			
Salaries and wages	57,489	55,964	55,571
Pension expense	27,444	22,510	47,537
Repairs and maintenance	48,910	43,737	47,021
Professional and engineering	22,033	20,783	22,113
Other operating expenses	33,423	20,896	15,940
Depreciation and amortization	<u>52,636</u>	<u>50,018</u>	<u>52,007</u>
Total operating expenses	<u>241,935</u>	<u>213,908</u>	<u>240,189</u>
Operating (loss)	<u>(21,107)</u>	<u>(26,168)</u>	<u>(12,655)</u>
Nonoperating revenue (expenses):			
Nonoperating revenues	69,654	102,722	55,337
Nonoperating expenses	<u>(71,567)</u>	<u>(58,748)</u>	<u>(69,474)</u>
Total nonoperating revenues (expenses)	<u>(1,913)</u>	<u>43,974</u>	<u>(14,137)</u>
(Loss) before capital grants	(23,020)	17,806	(26,792)
Capital grants	<u>5,757</u>	<u>15,158</u>	<u>3,397</u>
Change in net (deficit) position	(17,263)	32,964	(23,395)
Net (deficit) position beginning of year	<u>(323,255)</u>	<u>(356,219)</u>	<u>(332,824)</u>
Net (deficit) position end of year	<u><u>\$ (340,518)</u></u>	<u><u>\$ (323,255)</u></u>	<u><u>\$ (356,219)</u></u>

2021

Landing fees and terminal area use charges for the years 2021 and 2020 were \$138,052 and \$113,487, respectively. Rents, concessions, and other revenues for the years 2021 and 2020 were \$82,776 and \$74,253, respectively. The increase in 2021 operating revenues from 2020 of \$33,088 (17.6%) was due to an increased landing fees and terminal area use charges of \$24,565 (21.6%) and rents and other concession revenue of \$8,523 (11.5%) due to an increase in activity of aircraft operations and passenger activity as the Airport was recovering from the impacts of the COVID-19 pandemic. Salaries and wages increased by \$1,525 (2.7%) in 2021 as compared to 2020 due to annual contractual salary increases and centralized support staff costs. Repairs and maintenance increased by \$5,173 (11.8%) due to an increase in activity that was deferred during 2020 to control costs.

Pension expense increased by \$4,934 from \$22,510 in 2020 to \$27,444 in 2021 as a result of, composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2021, the Airport made cash contributions of \$8,323 toward the pension plans.

The 2021 nonoperating revenues of \$69,654 are comprised of PFC revenues of \$28,268, CFC revenues of \$4,812, and COVID Relief Grants of \$36,574. During 2021, nonoperating revenues decreased by \$29,107 primarily due to the decrease in the recognition of COVID-19 Relief grant revenue of \$45,728 due to timing differences, offset by increase in PFC and CFC collections of \$15,023 and \$1,598, respectively as the Airport started to recover from the impacts of the COVID-19 pandemic on travel and tourism.

Nonoperating expenses of \$71,567 and \$58,748 for the years 2021 and 2020, respectively, were primarily comprised of bond interest expense.

Capital grants decreased \$9,401 in 2021 primarily due to the increase of capital grant revenues earned during 2021 for Airport Improvement Grants (AIP) grant reimbursements.

2020

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

Pension expense decreased by \$25,027 from \$47,537 in 2019 to \$22,510 in 2020 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2020, the Airport made cash contributions of \$17,500 toward the pension plans.

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

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

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

A comparative summary of the Airport's cash flows for the years ended December 31, 2021, 2020, and 2019, is as follows:

	Cash Flows		
	2021	2020	2019
Cash provided by (used in) activities:			
Operating	\$ 38,395	\$ 9,588	\$ 66,121
Capital and related financing	(120,991)	(95,250)	(166,269)
Noncapital financing	45,714	(571)	(2,428)
Investing	<u>(12,128)</u>	<u>75,376</u>	<u>(36,360)</u>
Net change in cash and cash equivalents	(49,010)	(10,857)	(138,936)
Cash and cash equivalents:			
Beginning of year	<u>200,554</u>	<u>211,411</u>	<u>350,347</u>
End of year	<u>\$ 151,544</u>	<u>\$ 200,554</u>	<u>\$ 211,411</u>

2021

As of December 31, 2021, the Airport's cash and cash equivalents of \$151,544 decreased by \$49,010 as compared to \$200,554 at December 31, 2020 due to an increase of operating activities of \$28,807 as deferred revenue payments for 2020 were paid to the airlines during 2021, noncapital financing of \$45,714 and capital and related financing of \$120,991 related to the construction costs of the expansion of the passenger security checkpoint and enhancements to the parking garage included in the Midway Modernization Program, completed in 2021; offset by an increase in investing activities of \$12,128 during 2021. Total cash and cash equivalents at December 31, 2021, were comprised of unrestricted and restricted cash and cash equivalents of \$22,526 and \$129,019, respectively.

2020

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

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2021 and 2020, the Airport had invested \$1,275,163 and \$1,311,124, respectively, in net capital assets. During 2021, the Airport had additions of \$17,114 related to capital activities. Construction projects include runway rehabilitation, passenger security checkpoint expansion and terminal garage enhancements.

During 2021, completed projects totaling \$144,337 were transferred from construction in progress to applicable buildings and other facilities capital account. These major completed projects were related to building security, runway and taxi improvements and parking enhancements.

The Airport's capital assets at December 31, 2021 and 2020, and 2019, are summarized as follows:

	Capital Assets at Year-End		
	2021	2020	2019
Capital assets not depreciated:			
Land	\$ 116,712	\$ 116,272	\$ 116,250
Construction in progress	<u>17,092</u>	<u>144,755</u>	<u>205,399</u>
Total capital assets not depreciated	<u>133,804</u>	<u>261,027</u>	<u>321,649</u>
Capital assets depreciated:			
Buildings and other facilities	2,015,127	1,871,229	1,738,200
Less accumulated depreciation for:			
Buildings and other facilities	<u>(873,768)</u>	<u>(821,132)</u>	<u>(771,114)</u>
Total capital assets depreciated—net	<u>1,141,359</u>	<u>1,050,097</u>	<u>967,086</u>
Total property and facilities—net	<u>\$ 1,275,163</u>	<u>\$ 1,311,124</u>	<u>\$ 1,288,735</u>

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

The Airport's outstanding debt at December 31, 2021, 2020, and 2019, is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End		
	2021	2020	2019
Revenue bonds and notes	\$ 1,594,952	\$ 1,648,820	\$ 1,677,005
Unamortized:			
Bond premium (discount)	<u>80,449</u>	<u>88,567</u>	<u>96,982</u>
Total revenue bonds payable—net of unamortized premium discount	1,675,401	1,737,387	1,773,987
Current bonds payable	<u>(60,140)</u>	<u>(53,895)</u>	<u>(48,185)</u>
Total long-term revenue bonds and notes payable—net	<u>\$ 1,615,261</u>	<u>\$ 1,683,492</u>	<u>\$ 1,725,802</u>

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

The Airport's revenue bonds at December 31, 2021, had credit ratings with each of the four major rating agencies as follows:

	Moody's Investor Services	Standard & Poor's	Fitch Ratings	Kroll Ratings
First Lien Chicago Midway Revenue Bonds	A2	A-	NR	NR
Second Lien Chicago Midway Revenue Bonds	A3	A-	A	A

At December 31, 2021 and 2020, the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

In April 2021 S&P Global Ratings changed the outlook for the Chicago Midway International Airport Revenue Bonds (first and second liens) from Negative to Stable.

During 2022, there were rating outlook changes for the Midway International Airport Revenue Bonds. See Subsequent Events in the footnotes for rating changes in 2022.

ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES

The airlines using the Airport generally provide low fare, point-to-point origination and destination passenger service. Southwest Airlines accounted for 93.3% and 93.7% during 2021 and 2020, respectively, of total enplanements at the Airport.

Based on the Airport's rates and charges for 2022, total budgeted Operating and Maintenance Expenses are projected at \$152,814 (net of COVID-19 Relief funds applied to reduce O&M expense of \$35,054) and total net debt service and fund deposit requirements are projected at \$100,696. Additionally, 2022 nonairline and nonsignatory revenues are budgeted for \$78,740, resulting in a net airline requirement of \$174,770 that will be funded through landing fees, terminal area use charges, and fueling system charges. These amounts include \$35,054 related to the application of the American Rescue Plan (ARP) Act funds as a reduction to Operating and Maintenance, which were allocated to the Airport by the Federal Aviation Administration (FAA), as discussed above.

As previously disclosed in the MD&A, airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service. The Airport expects the CARES Act, CRRSA and ARP Act funding to improve its liquidity and strengthen its ability to withstand expected decreases in revenues during Fiscal Year 2022 and Fiscal Year 2023 that it anticipates as a result of the current and ongoing effects of the COVID-19 pandemic.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**STATEMENTS OF NET (DEFICIT) POSITION
AS OF DECEMBER 31, 2021 AND 2020
(\$ in thousands)**

	2021	2020		2021	2020
ASSETS			LIABILITIES		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents (Note 2)	\$ 22,526	\$ 42,053	Accounts payable and accrued liabilities	\$ 29,179	\$ 23,997
Cash and cash equivalents—restricted (Note 2)	107,089	115,607	Due to other City funds	20,895	12,477
Investments (Note 2)	14,775	3,366	Advances for terminal and hangar rent	590	632
Accounts receivable—net of allowance for doubtful accounts of approximately \$4,918 in 2021 and \$89 in 2020	18,202	18,521	Billings over amounts earned	1	9
Amounts to be billed	23,136	9,431	Liabilities payable from restricted assets:		
Due from other City funds	5,038	3,176	Accounts payable	13,035	26,820
Prepaid expenses	578	618	Due to other City funds	407	204
Due from other governments	11,823	21,798	Interest payable	33,507	34,688
Interest receivable	<u>62</u>	<u>14</u>	Current portion of revenue bond payable (Note 4)	<u>60,140</u>	<u>53,895</u>
Total current assets	<u>203,229</u>	<u>214,584</u>	Total current liabilities	<u>157,754</u>	<u>152,722</u>
NONCURRENT ASSETS:			NONCURRENT LIABILITIES:		
Cash and cash equivalents (Note 2)—restricted	21,929	42,894	Revenue bonds payable—net of current maturities (Note 4)	1,615,261	1,683,492
Investments (Note 2)—restricted	279,359	282,097	Net pension liability (Note 7)	376,960	368,144
Due from other governments—restricted	2,260	2,635	Derivative instrument (Note 4)	21,232	29,473
Passenger facility charges and other receivables—restricted	2,184	1,263	Performance deposits	<u>1,954</u>	<u>1,954</u>
Interest receivable—restricted	498	429	Total noncurrent liabilities	<u>2,015,407</u>	<u>2,083,063</u>
Other assets	456	495	Total liabilities	<u>2,173,161</u>	<u>2,235,785</u>
Property and facilities (Note 5):			DEFERRED INFLOWS (Note 10)	<u>18,198</u>	<u>35,333</u>
Land	116,712	116,272	NET POSITION (Note 1):		
Buildings and other facilities	2,015,127	1,871,229	Net investment in capital assets (deficit)	<u>(111,146)</u>	<u>(125,410)</u>
Construction in progress	<u>17,092</u>	<u>144,755</u>	Restricted net position:		
Total property and facilities	2,148,931	2,132,256	Debt service	3,240	4,585
Less accumulated depreciation	<u>(873,768)</u>	<u>(821,132)</u>	Capital projects	23,587	25,968
Property and facilities—net	<u>1,275,163</u>	<u>1,311,124</u>	Passenger facility charges	3,338	3,477
Total noncurrent assets	<u>1,581,849</u>	<u>1,640,937</u>	Airport use agreement	34,182	33,251
Total assets	1,785,078	1,855,521	Customer facility charges	12,253	13,100
DEFERRED OUTFLOWS (Note 10)	65,763	92,342	Other assets	<u>12,941</u>	<u>15,977</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,850,841</u>	<u>\$ 1,947,863</u>	Total restricted net position	<u>89,541</u>	<u>96,358</u>
			Unrestricted net (deficit) position	<u>(318,913)</u>	<u>(294,203)</u>
			Total net (deficit) position	<u>(340,518)</u>	<u>(323,255)</u>
			TOTAL	<u>\$ 1,850,841</u>	<u>\$ 1,947,863</u>

See notes to basic financial statements.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET (DEFICIT) POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(\$ in thousands)**

	2021	2020
OPERATING REVENUES:		
Landing fees and terminal area use charges	\$ 138,052	\$ 113,487
Rents, concessions and other (Note 6)	<u>82,776</u>	<u>74,253</u>
Total operating revenues	<u>220,828</u>	<u>187,740</u>
OPERATING EXPENSES:		
Salaries and wages	57,489	55,964
Pension expense (Note 7)	27,444	22,510
Repairs and maintenance	48,910	43,737
Professional and engineering services	22,033	20,783
Other operating expenses	<u>33,423</u>	<u>20,896</u>
Total operating expenses before depreciation and amortization	189,299	163,890
Depreciation and amortization	<u>52,636</u>	<u>50,018</u>
Total operating expenses	<u>241,935</u>	<u>213,908</u>
OPERATING LOSS	<u>(21,107)</u>	<u>(26,168)</u>
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charges revenues	28,268	13,245
Customer facility charges revenues	4,812	3,214
Investment income (loss)	(3,340)	3,829
Interest expense (Note 4)	(67,608)	(58,045)
Noise mitigation costs	(619)	(703)
Grant revenues (Note 1)	36,574	82,302
Other nonoperating revenues (expenses)	<u>-</u>	<u>132</u>
Total nonoperating revenues (expenses)	<u>(1,913)</u>	<u>43,974</u>
CHANGE IN NET (DEFICIT) POSITION BEFORE CAPITAL GRANTS	(23,020)	17,806
CAPITAL GRANTS	<u>5,757</u>	<u>15,158</u>
CHANGE IN NET (DEFICIT) POSITION	(17,263)	32,964
TOTAL NET (DEFICIT) POSITION—Beginning of year	<u>(323,255)</u>	<u>(356,219)</u>
TOTAL NET DEFICIT (POSITION)—End of year	<u>\$ (340,518)</u>	<u>\$ (323,255)</u>

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(\$ in thousands)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	\$ 132,437	\$ 101,960
Rents, concessions and other	79,367	66,777
Payments to vendors	(130,081)	(108,378)
Payments to employees	(51,876)	(49,710)
Transactions with other City funds (used in) provided by	(1,861)	(1,368)
Transactions with other City funds provided by	<u>10,409</u>	<u>307</u>
Cash flows provided by operating activities	<u>38,395</u>	<u>9,588</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of commercial paper	27	20,000
Principal paid on bonds	(53,895)	(48,185)
Bond issuance and other related costs	-	(2,654)
Interest paid	(75,172)	(76,045)
Acquisition and construction of capital assets	(30,459)	(99,563)
Grant receipts	6,348	32,320
Proceeds from CARES Act Fund	-	60,719
Passenger Facility Charges revenues	27,535	14,573
Customer Facility Charges revenues	<u>4,625</u>	<u>3,585</u>
Cash flows used in capital and related financing activities	<u>(120,991)</u>	<u>(95,250)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from settlement agreement	-	132
Proceeds from COVID-19 Relief Funding	46,333	-
Cash paid for noise mitigation program	<u>(619)</u>	<u>(703)</u>
Cash flows used in noncapital financing activities	<u>45,714</u>	<u>(571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale (purchases) of investments—net	(13,666)	68,495
Investment interest	<u>1,538</u>	<u>6,881</u>
Cash flows provided by/(used in) investing activities	<u>(12,128)</u>	<u>75,376</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(49,010)	(10,857)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>200,554</u>	<u>211,411</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 151,544</u>	<u>\$ 200,554</u>

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(\$ in thousands)**

	2021	2020
RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET POSITION:		
Unrestricted	\$ 22,526	\$ 42,053
Restricted:		
Current	107,089	115,943
Noncurrent	<u>21,929</u>	<u>42,558</u>
TOTAL	<u>\$ 151,544</u>	<u>\$ 200,554</u>
RECONCILIATION OF OPERATING LOSS TO CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (21,107)	\$ (26,168)
Adjustments to reconcile operating loss to cash flows from operating activities:		
Depreciation and amortization	52,636	50,018
Pension expense other than contributions	8,323	4,978
Provision for uncollectible accounts	4,413	21
Changes in assets and liabilities:		
Accounts receivable	(4,093)	(9,401)
Due from other City funds	(1,861)	(1,368)
Prepaid expenses	40	(162)
Due to other City funds	8,621	1,232
Amounts to be billed	(13,705)	(78)
Billings over amounts earned	(9)	(9,630)
Advances for terminal and hangar rent	(43)	64
Accounts payable and accrued liabilities	<u>5,180</u>	<u>82</u>
CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 38,395</u>	<u>\$ 9,588</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS—Property additions in 2021 and 2020 of \$11,058 and \$25,880, respectively, are included in accounts payable.

The fair value adjustments (loss) to investments for 2021 and 2020 were (\$4,365) and \$630, respectively.

See notes to basic financial statements.

(Concluded)

CITY OF CHICAGO, ILLINOIS

CHICAGO MIDWAY INTERNATIONAL AIRPORT

NOTES TO BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago Midway International Airport (the “Airport” or “Midway”) is operated by the City of Chicago, Illinois (the “City”) Department of Aviation. The Airport is included in the City’s reporting entity as an enterprise fund. The City is a member of the Chicago-Gary Regional Airport Authority, which was created in 1995 to address the air transportation needs of the Chicago-Northwest Indiana Region. The Airport operated subject to the provisions of the Airport Use Agreement and Facilities Lease (“Use Agreement”) commencing January 1, 2013, which is a residual Use Agreement that is scheduled to terminate on December 31, 2027.

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

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

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

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

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

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

Investments are limited to those authorized by the Code. Investments authorized by the Code include, but are not limited to, interest-bearing general obligations of the City, the State of Illinois (the “State”), and the U.S. government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. government purchased in the open market below face value; domestic money market mutual

funds regulated by, and in good standing with, the Securities and Exchange Commission; and tax anticipation warrants issued by the City (see Note 2). The City is prohibited by ordinance from investing in derivative instruments, as defined, without City Council approval.

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

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

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

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

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

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

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

Property and Facilities—Property and facilities are recorded at cost or, for donated assets, donated works of art and similar items, and capital assets received in a consortium arrangement at acquisition value. Expenditures greater than \$5,000 for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized. Expenditures for vehicles and other movable equipment are expensed as incurred.

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

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

Deferred Outflows—Deferred outflows represent the unamortized loss on bond refundings, the changes in fair value of hedging derivative instruments and differences between estimated and actual investment earnings related to pensions, and changes in actuarial assumptions related to pensions.

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

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

Net (Deficit) Position—Net (deficit) position comprises the net earnings from operating and nonoperating revenues, expenses, and capital grants. Net (deficit) position is displayed in three components—net investment in capital assets; restricted for debt service, capital projects, PFC, Airport Use Agreement requirements, CFC, and other assets; and unrestricted. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, reduced by outstanding debt net of debt service reserve, and unspent construction funds. Restricted net (deficit) position consists of net (deficit) position for which constraints are placed thereon by external parties (such as lenders and grantors) and laws, regulations, and enabling legislation. Unrestricted net position consists of all other net position not categorized as either of the above.

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

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

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

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

Capitalized Interest—The Airport prospectively adopted GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") as of January 1, 2021. Prior to the adoption of GASB 89, interest expense was capitalized during construction of those capital projects that were paid for from the bond proceeds and were being amortized over the depreciable life of the related assets on a straight-line basis. Subsequent to the adoption of GASB 89, interest expense on construction bond proceeds was expensed as incurred.

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

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

Revenue Recognition—Revenues from landing fees, terminal area use charges, fueling system charges, parking revenue, and concessions are reported as operating revenues. The Airport adheres to the guidelines outlined in the FAA revenue use policy. Landing fees and terminal area use charges and fueling system charges are assessed to the various airlines throughout each year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the previously defined Use Agreement. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned.

Passenger Facility Charge (PFC) Revenue—The Airport imposed PFC of \$4.50 per eligible enplaned passenger for the years ended December 31, 2021 and 2020, respectively. PFCs are available, subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital projects. The City reports PFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Customer Facility Charge (CFC) Revenue—The Airport imposed a CFC of \$4.75 per contract day on each customer for motor vehicle rentals at the Airport for the years ended December 31, 2021 and 2020, respectively. CFCs are available to finance-specific eligible capital projects. The City reports CFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

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

The CRRSA and ARP Acts funds, approved by the United States Congress and signed by the President in 2021 and CARES Act funds, approved in 2020, were some of the actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports (collectively, the COVID-19 Relief Funds). The Airport was awarded \$16.6 million of CRRSA Act Funds, \$2.2 million of CRRSA Act funds allocated to Concessions Relief; \$62.8 million of ARP Act funds, and \$8.6 million of ARP Act funds allocated to Concessions Relief in 2021 and \$82.3 million of CARES Act funds in 2020, of which \$60.7 million of cash was drawn down in 2020. The Airport drew down the remaining \$21.6 million of CARES Act funds, \$16.6 million of CRRSA Act funds, and \$8.2 million of ARP Act funds during fiscal year 2021. The COVID-19 Relief Funds allow airports to request reimbursement of any lawful expense. For ease of administration, the Airport requested reimbursement for payroll and anticipates doing so beyond 2021.

Expenses—Salaries and wages, repair and maintenance, pension expense, professional and engineering services, and other expenses that relate to Airport operations are reported as operating expenses. Interest expense, financing costs, and noise mitigation costs are reported as nonoperating expenses.

Adopted Accounting Standards—

GASB Statement	Impact
GASB Statement No. 89, <i>Accounting for Interest Cost Incurred before the End of a Construction Period</i> (“GASB 89”)	Establishes accounting requirements for interest cost incurred before the end of a construction period. The Airport adopted GASB 89 as of and for the year ended December 31, 2021. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 92, <i>Omnibus 2020</i>	Clarifies multiple financial reporting topics included in multiple GASB statements. The Airport adopted GASB 92 as of and for the year ended December 31, 2021. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”)	Clarifies multiple financial reporting topics included in multiple GASB statements. Certain portions of the statement are effective and implemented for the year ended December 31, 2021 including: extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. There was no material impact to the basic financial statements upon adoption. The remainder of the statement is applicable to the years ended December 31, 2023 and December 31, 2024 as noted below.

Upcoming Accounting Standards—

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

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 87, <i>Leases</i> (“GASB 87”)	2022
GASB Statement No. 91, <i>Conduit Debt Obligations</i> (“GASB 91”)	2022
GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i> (“GASB 93”)	2022
GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> (“GASB 94”)	2023
GASB Statement No. 96, <i>Subscription-based Information Technology Arrangements</i> (“GASB 96”)	2023

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 97, <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i> (“GASB 97”) – Remaining provisions	2022
GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”) – Remaining provisions	2023 & 2024
GASB Statement No. 100, <i>Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62</i>	2024
GASB Statement No. 101, <i>Compensated Absences</i>	2024

2. RESTRICTED AND UNRESTRICTED CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents and Investments—As of December 31, 2021, the Airport had the following investments (dollars in thousands):

Investment Type	Maturities (in Years)				Fair Value
	Less than 1	1–5	6–10	10	
U.S. agencies	\$ -	\$ 217,950	\$ 26,990	\$ -	\$ 244,940
U.S. treasuries	-	-	-	-	-
Municipal bonds	12,020	31,382	5,791	-	49,193
Corporate bonds	-	-	-	-	-
Certificates of deposits and other short-term	<u>151,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,182</u>
Subtotal	<u>\$ 163,202</u>	<u>\$ 249,332</u>	<u>\$ 32,781</u>	<u>\$ -</u>	<u>\$ 445,315</u>

As of December 31, 2020, the Airport had the following investments (dollars in thousands):

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

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

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

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets

Level 2—Observable inputs other than quoted market prices, and

Level 3—Unobservable Inputs

The investments measured at fair value as of December 31, 2021 and 2020, were (dollars in thousands):

	2021			2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
U.S. agencies	\$ -	\$ 244,940	\$ -	\$ -	\$ 185,924	\$ -
U.S. treasuries	-	-	-	-	-	-
Municipal bonds	-	48,993	-	-	69,865	-
Total investments at fair value	<u>\$ -</u>	<u>\$ 293,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,789</u>	<u>\$ -</u>

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

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for Midway are \$151.4 million and \$247.6 million at December 31, 2021 and 2020, respectively.

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

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

- (1) Interest-bearing general obligations of the United States and the State of Illinois;
- (2) United States treasury bills and other non-interest bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;
- (3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City of Chicago;
- (4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;
- (5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement; Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;

- (6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in Custodial Credit Risk—Cash and Certificates of Deposit below;
- (7) Bankers' acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;
- (8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;
- (9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;
- (10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;
- (11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;
- (12) Bonds of companies organized in the United States with assets exceeding \$500 million that, at the time of purchase, are rated not less than two ratings above investment grade, or equivalent rating, by at least two accredited ratings agencies;
- (13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;
- (14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;
- (15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;

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

(17) Bonds, notes, debentures, or other similar obligations of agencies of the United States.

Total holdings across all funds held by the Airport shall have no less than an overall average rating of Aa1 on a quarterly basis, as rated by two accredited rating agencies. The Airport’s exposure to credit risk at December 31, 2021 and 2020, was as follows (dollars in thousands):

Quality Rating	2021	2020
Moody’s/S&P:		
AAA*	\$ 405,853	\$ 377,875
AA	39,462	59,649
P1/A1	-	35,093
A/A	-	-
Not rated*	<u>-</u>	<u>30,799</u>
 Total funds	 <u>\$ 445,315</u>	 <u>\$ 503,416</u>

* The Airport was able to obtain quality ratings for a portion of money market mutual funds as of December 31, 2021. The remaining investments that are not rated are primarily composed of money market mutual funds.

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

For certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance, any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 100% by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; (2) secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least 102% by an irrevocable letter of credit issued in favor of the City of Chicago by the Federal Home Loan Bank, provided that the Federal Home Loan Bank’s short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit.

The collateral required to secure City funds must be held in safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written

notification and authorization of the City Treasurer. The final maturity of acceptable collateral pledged shall not exceed 120 months.

The bank balance of cash and certificates of deposit with the City’s various municipal depositories was \$107.1 million. 96.6% of the bank balance was either insured or collateralized with securities held by City agents in the City’s name. At December 31, 2021, \$3.6 million was uncollateralized, and thus was subject to custodial credit risk.

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

The investments reported in the basic financial statements at December 31, 2021 and 2020, are summarized as follows (dollars in thousands):

	2021	2020
Per Note 2—Investments—airport	<u>\$ 445,315</u>	<u>\$ 503,416</u>
Per basic financial statements:		
Restricted investments	\$ 279,359	\$ 282,097
Unrestricted investments	14,775	3,366
Investments classified as cash and cash equivalents on the statements of net position	<u>151,181</u>	<u>217,953</u>
	<u>\$ 445,315</u>	<u>\$ 503,416</u>

3. RESTRICTED ASSETS

There are various limitations and restrictions contained in the Master Indenture of Trust securing the Chicago Midway Airport Revenue Bonds (“First Lien Master Indenture”) and the Master Indenture of Trust securing the Chicago Midway Airport Second Lien Obligation (“Second Lien Master Indenture”) and together with the First Lien Master Indenture (“Master Indentures”), the Use Agreement and federal regulations contain various limitations and restrictions, which, among other things, require the creation and maintenance of separate accounts, certain of which must be held by a trustee and into which required deposits are made by the Airport on a periodic basis to fund construction, debt retirement, operation and maintenance, and contingencies.

Restricted cash, cash equivalents, and investment balances in accordance with the Master Indenture requirements at December 31, 2021 and 2020, were as follows (dollars in thousands):

Account	2021	2020
Construction	\$ 124,631	\$ 156,610
Capitalized interest	-	-
Debt service	96,760	93,018
Debt service reserve	123,587	123,587
Operation and maintenance reserve	22,640	22,151
Repair and replacement	11,111	10,603
Emergency reserve	473	431
Customer Facility Charge (CFC)	12,240	14,086
Other	<u>15,782</u>	<u>17,899</u>
Subtotal—master indentures and use agreement accounts	407,224	438,385
Passenger Facility Charges (PFC)	<u>1,153</u>	<u>2,213</u>
Total	<u>\$ 408,377</u>	<u>\$ 440,598</u>

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

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

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

The debt service reserve account requirement was funded upon issuance of, the Series 2004 second lien bonds, the Series 2013 second lien bonds, the Series 2016 second lien bonds and the Series 2014 second lien bonds with a cash deposit. The debt service reserve account is restricted to the payment of debt service in the event that the balance in the debt service account is insufficient.

The repair and replacement account must be used for paying the cost of maintenance expenditures, such as costs incurred for major repairs, renewals, and replacements at the Airport whether caused by normal wear and tear or by unusual and extraordinary occurrences.

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

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

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

At December 31, 2021 and 2020, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Master Indentures.

4. LONG-TERM DEBT

Long-term debt at December 31, 2021 and 2020, consisted of the following (dollars in thousands):

	2021	2020
First lien bonds:		
\$54,210 Series 1998 C Chicago Midway Airport Revenue Bonds, issued September 10, 1998, due through 2024, interest at 5.25%–5.50%	\$ 12,240	\$ 15,900
Subtotal—first lien bonds	<u>12,240</u>	<u>15,900</u>
Second lien bonds:		
\$152,150 Series 2004 C and D Chicago Midway Airport Second Lien Revenue Bonds, issued December 14, 2004, due through 2035, interest rate swap at 4.174% and 4.247% at December 31, 2021, respectively	107,275	112,625
\$118,600 Series 2013 A Chicago Midway Airport Second Lien Revenue Bonds, issued December 5, 2013, due through 2033, interest rate at 5.375%–5.500%	118,600	118,600
\$150,365 Series 2013 B Chicago Midway Airport Second Lien Revenue Bonds, issued December 5, 2013, due through 2035, interest rate at 4.125%–5.250%	129,340	140,490
\$484,200 Series 2014 A Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2041, interest rate at 5.000%	468,670	484,200
\$287,610 Series 2014 B Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2036, interest rate at 4.000%–5.000%	274,795	277,560
\$124,710 Series 2014 C Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2044 variable floating interest rate (0.15% at December 31, 2021)	124,710	124,710
\$121,265 Series 2016 A Chicago Midway Airport Second Lien Revenue Bonds, issued June 1, 2016, due through 2033, interest rate at 2.000%–5.000%	104,330	111,425
\$221,130 Series 2016 B Chicago Midway Airport Second Lien Revenue Bonds, issued June 1, 2016, due through 2046, interest rate at 2.000%–5.000%	199,655	204,070
\$45,670 Series 2018 A Chicago Midway Airport Second Lien Revenue Bonds, issued August 1, 2018, due through 2029, interest rate at 2.937%–3.897%	<u>35,310</u>	<u>39,240</u>
Subtotal—second lien bonds	1,562,685	1,612,920
Commercial paper notes—Series A, B, C and D	<u>20,027</u>	<u>20,000</u>
Total revenue bonds and notes	1,594,952	1,648,820
Unamortized premium	<u>80,449</u>	<u>88,567</u>
Total revenue bonds payable—net of unamortized premium	1,675,401	1,737,387
Current portion	<u>(60,140)</u>	<u>(53,895)</u>
Total long-term revenue bonds payable	<u><u>\$1,615,261</u></u>	<u><u>\$1,683,492</u></u>

Long-term debt during the years ended December 31, 2021 and 2020, changed as follows (dollars in thousands):

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due within One Year
Revenue bonds and notes	\$ 1,648,820	\$ 27	\$ (53,895)	\$ 1,594,952	\$ 60,140
Unamortized premium (discount)	<u>88,567</u>	<u>-</u>	<u>(8,118)</u>	<u>80,449</u>	<u>-</u>
Total long-term debt	<u>\$ 1,737,387</u>	<u>\$ 27</u>	<u>\$ (62,013)</u>	<u>\$ 1,675,401</u>	<u>\$ 60,140</u>

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

Interest expense includes amortization of the deferred loss on bond refunding for 2021 and 2020 of \$1.7 million, and amortization of \$8.1 million of premium, net and \$8.4 million of premium, net, respectively.

Issuance of Debt—The Airport Commercial Paper Notes, Series A, B and C outstanding at December 31, 2021 and 2020, were \$20.0 million and \$20.0 million, respectively, with a \$60.0 million maximum aggregated authorized by City Council. Note proceeds may be used to finance portions of the costs of authorized airport projects and to repay the expenses of issuing the notes. An irrevocable letter of credit (LOC) (\$66.8 million) provided for the timely payment of principal and interest on the notes until July 8, 2022. Amounts paid by drawing on the LOC shall be reimbursed by the Airport on said day; any amounts not reimbursed shall constitute an advance and will bear interest at the greater of the most recent prime rate, plus 1.50% or the federal funds rate, plus 2.0% and 7.5% (Base Rate). Advances outstanding greater than 90 days will bear interest at the Base Rate, plus 1.0% beginning on the 90-first day after such advance is made. At December 31, 2021, there were no outstanding LOC advances.

At December 31, 2021, Midway had unused commercial paper capacity of \$40.0 million. In an Event of Default, the Facility Fee rate that is in effect on the date of the default will increase by 1.00% per annum. In the event of long-term rating assigned to the Junior Lien Obligation Bonds, by either S&P or Fitch, the Facility Fee rate then in effect will increase by 1.00% per annum.

Defeased Bonds—Defeased bonds have been removed from the balance sheet because the related assets have been placed in irrevocable trusts, together with interest earned thereon, will provide amount sufficient for payment of all principal and interest. There were no defeased bonds outstanding at December 31, 2021.

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

Years Ending December 31	Principal	Interest	Total
2022	\$ 3,860	\$ 567	\$ 4,427
2023	4,080	349	4,429
2024	<u>4,300</u>	<u>118</u>	<u>4,418</u>
Total	<u>\$ 12,240</u>	<u>\$ 1,034</u>	<u>\$ 13,274</u>

Following is a schedule of debt service requirements to maturity of the second lien bonds. For issues with variable rates, interest is imputed at the percent rate effective at December 31, 2021 (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2022	\$ 56,280	\$ 69,495	\$ 125,775
2023	64,380	66,586	130,966
2024	66,960	63,408	130,368
2025	74,550	59,983	134,533
2026	77,015	56,308	133,323
2027–2031	415,425	221,420	636,845
2032–2036	409,745	113,190	522,935
2037–2041	198,720	45,824	244,544
2042–2046	<u>199,610</u>	<u>11,828</u>	<u>211,438</u>
Total	<u>\$ 1,562,685</u>	<u>\$ 708,042</u>	<u>\$ 2,270,727</u>

The Airport’s second lien variable rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, an adjustable long rate or the fixed rate as determined from time to time by the remarketing agent, in consultation with the City. At December 31, 2021, the Series 2004 C&D bonds and the Series 2014C bonds were in a weekly rate interest mode. An irrevocable LOC (\$107.3million) provides for the timely payment of principal and interest on the Series 2004 C&D bonds until November 25, 2024.

An irrevocable LOC (\$124.7 million) provides for the timely payment of principal and interest on the Series 2014C bonds until July 15, 2022.

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

Debt Covenants—The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds requires in each year that the City fix and establish and revise from time to time whenever necessary, such rates and other charges for the use and operation of Midway and for services rendered by the City in the operation of Midway in order that, in each Fiscal year, Revenues, together with any Other Available Monies deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund

or Account, will be at least sufficient (a) to provide for the Operation and Maintenance Expenses for the Fiscal Year and (b) to provide for the greater of (i) the amounts needed to make the Deposits required during such Fiscal Year into the Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125% of the Aggregate Debt Service for the Bond Year commencing during such Fiscal Year reduced by an amount equal to the sum of any amount held in any Capitalized Interest Account for disbursement during such Fiscal Year to pay interest on First Lien Bonds. These requirements were met at December 31, 2021.

The Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations requires that the City fix and establish and revise from time to time whenever necessary, such rentals, rates and other charges for the use and operation of Midway and for certain services rendered by the City in the operation of Midway in order that in each Fiscal Year, Revenues, together with Other Available Moneys deposited with the First Lien Trustee or the Second Lien Trustee with respect to such Fiscal Year and any cash balance held in the First Lien Revenue Fund or the Second Lien Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account under the First Lien Indenture for the Second Lien Indenture, will be at least sufficient (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for the greater of (A) or (B) as follows: (A) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above; or (B) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above or an amount not less than 110% of the Aggregate First Lien Debt Service and Aggregate Second Lien Debt Service for the Bond Year commencing during such Fiscal Year, reduced by (X) any amount held in any Capitalized Interest Account for disbursement during such Bond Year to pay interest on First Lien Bonds, and (Y) any amount held in any capitalized interest account established pursuant to a Supplemental Indenture under the Second Lien Indenture for disbursement during such Bond Year to pay interest on Second Lien Obligations. These requirements were met at December 31, 2021.

During 2021, the Airport received COVID-19 Relief funds of \$46.3 million, which are available for any airport purpose, including debt service payments. As a result, the COVID-19 Relief funds received by the Airport have been included in the calculation of the debt service covenant.

Hedging Derivative Instruments—In April 2011, the Airport novated its \$60.9 million notional amount swap associated with the Midway Airport Series 2004 C&D variable rate bonds with J.P. Morgan to Wells Fargo Bank, N.A. The fixed rate the Airport pays increased from 4.174% to 4.247%, and the Airport signed a one-way credit support agreement (CSA) that no longer requires the Airport to post collateral if the mark-to-market exceeds the threshold, previously defined in the J.P. Morgan agreement. A Goldman Sachs swap covers the 60% balance of the bonds, with a current notional amount of \$67.6 million, which does not have a two-way CSA and remains unchanged.

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

	Changes in Fair Value		Fair Value at		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges—pay-fixed interest rate swaps	Derivative instrument	<u>\$ 8,242</u>	Derivative instrument	<u>\$(21,232)</u>	<u>\$107,275</u>

	Changes in Fair Value		Fair Value at		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges—pay-fixed interest rate swaps	Derivative instrument	<u>\$(4,514)</u>	Derivative instrument	<u>\$(29,473)</u>	<u>\$112,625</u>

Pay-Fixed, Receive-Variable Interest Rate Swaps—The swap counterparties are Goldman Sachs and Wells Fargo, with notional amounts as of December 31, 2021, of \$64.4 million and \$42.9 million, respectively, and as of December 31, 2020, of \$67.6 million and \$45.1 million, respectively.

Terms, Fair Values, and Credit Risk—The terms, including the fair value and credit ratings of the outstanding swaps as of December 31, 2021 and 2020, are as follows. The notional amounts of the swaps match the principal amounts of the associated debt. The Airport’s swap agreements contained scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated “bonds payable” category (dollars in thousands).

2021 Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value 2020	Swap Termination Date	Counterparty Credit Rating
Series 2004 C&D Bonds	\$ 64,365	December 14, 2004	4.174 %	SIFMA +.05%	\$(12,534)	January 1, 2035	A1/A+
Series 2004 C&D Bonds	<u>42,910</u>	April 21, 2011	4.247	SIFMA +.05%	<u>(8,698)</u>	January 1, 2035	Aa2/A+
Total	<u>\$107,275</u>				<u>\$(21,232)</u>		

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

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

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

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

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

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

Swap Payments and Associated Debt—As of December 31, 2021, debt service requirements for the Airport’s outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (dollars in thousands):

Years Ending December 31	Variable-Rate Bonds with Swaps		Interest Rate Swaps—Net	Total
	Principal	Interest		
2022	\$ 5,675	\$ 139	\$ 4,151	\$ 9,965
2023	5,925	131	3,911	9,967
2024	6,200	123	3,660	9,983
2025	6,475	113	3,398	9,986
2026–2030	6,775	105	3,123	10,003
2027–2031	38,600	370	11,064	50,034
2032–2035	<u>37,625</u>	<u>84</u>	<u>2,508</u>	<u>40,217</u>
Total	<u>\$ 107,275</u>	<u>\$ 1,065</u>	<u>\$ 31,815</u>	<u>\$ 140,155</u>

5. CHANGES IN CAPITAL ASSETS

During the years ended December 31, 2021 and 2020, capital assets changed as follows (dollars in thousands):

	Balance January 1, 2021	Additions	Disposals and Transfers	Balance December 31, 2021
Capital assets not depreciated:				
Land	\$ 116,272	\$ 440	\$ -	\$ 116,712
Construction in progress	<u>144,755</u>	<u>16,674</u>	<u>(144,337)</u>	<u>17,092</u>
Total capital assets not depreciated	<u>261,027</u>	<u>17,114</u>	<u>(144,337)</u>	<u>133,804</u>
Capital assets depreciated—buildings and other facilities ⁽¹⁾				
	1,871,229	143,898	-	2,015,127
Less accumulated depreciation for—buildings and other facilities	<u>(821,132)</u>	<u>(52,636)</u>	<u>-</u>	<u>(873,768)</u>
Total capital assets depreciated—net	<u>1,050,097</u>	<u>91,262</u>	<u>-</u>	<u>1,141,359</u>
Total property and facilities—net	<u>\$1,311,124</u>	<u>\$108,376</u>	<u>\$(144,337)</u>	<u>\$1,275,163</u>

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

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

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

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

6. LEASING ARRANGEMENTS

With Tenants—Most of the Airport’s land, buildings, and terminal space are leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2021 (dollars in thousands):

Years Ending December 31	Amount
2022	\$ 66,475
2023	62,984
2024	61,559
2025	61,035
2026	60,859
2027-2031	133,798
2032-2036	22,014
2037-2041	2,503
2042-2046	<u>667</u>
Total future minimum rental income	<u><u>\$ 471,894</u></u>

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

Rental income, consisting of all rental and concession revenues except aircraft parking fees and certain departure fees (turns) and automobile parking, amounted to \$134.3 million and \$137.6 million in 2021 and 2020, respectively. Contingent rentals included in the totals were approximately \$57.9 million and \$51.2 million for 2021 and 2020, respectively.

7. PENSION PLANS

General Information about the Pension Plan

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

Benefits Provided—The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirements of age and service are different for employees depending on when they first became

members of their respective Plans. For all four Plans, employees who became members before January 1, 2011 are considered Tier 1 Employees. For Policemen’s and Firemen’s, those employees who became members on or after January 1, 2011 are considered Tier 2 Employees. For Municipal Employees’ and Laborers’, those employees who became members on or after January 1, 2011 but before July 6, 2017 are considered Tier 2 Employees. For Municipal Employees’ and Laborers’, those employees who became members on or after July 6, 2017 are considered Tier 3 Employees. Public Act 100-0023 (P.A. 100-0023), which established the requirements for Tier 3 employees, includes a provision for Tier 2 employees to elect to be considered as Tier 3 employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2% to 2.5% per year of credited service. The final average salary is the employee’s highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

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

Employees Covered by Benefit Terms—At December 31, 2021, the following City employees were covered by the benefit terms:

	Municipal Employees’	Laborers’	Policemen’s	Firemen’s	Total
Inactive employees or beneficiaries currently receiving benefits	25,683	3,568	14,260	5,265	48,776
Inactive employees entitled to but not yet receiving benefits	21,304	1,473	940	154	23,871
Active employees	<u>32,925</u>	<u>2,602</u>	<u>12,126</u>	<u>4,735</u>	<u>52,388</u>
	<u>79,912</u>	<u>7,643</u>	<u>27,326</u>	<u>10,154</u>	<u>125,035</u>

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

For Policemen’s and Firemen’s, Public Act 99-0506 (P.A. 99-0506) was enacted on May 31, 2016. P.A. 99-0506 requires the City to contribute specific amounts to Policemen’s and Firemen’s Plans in the aggregate amounts as follows: in payment year 2019, \$792.0 million; in payment year 2020, \$824.0 million. Additionally, P.A. 99-0506 requires that the City’s contributions are at actuarially determined rates beginning in payment year 2021 and future funding be sufficient to produce a funding level of 90% by the year end of 2055. In 2021, P.A. 101-0673 was enacted, which changed the terms of the automatic benefit increase provisions and eligibility for certain Tier 1 participants for 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).

The contribution to all four pension plans from the Airport was \$19.1 million and \$17.5 million for the years ended December 31, 2021 and 2020, respectively.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2021 and 2020, the Airport reported a liability of \$377.0 million and \$368.1 million, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Changes in Actuarial Assumptions—Changes in the municipal bond rate resulted in an increase in the single discount rate for Firemen and a decrease in the single discount rate for Laborers' and Policemen. See discount rate section below.

The change in the single discount rate and other assumptions decreased the net pension liability by \$4.5 million for Firemen and increased the net pension liability by \$0.4 million for Laborers' and \$0.2 million for Policemen. These changes are being amortized into expense over a 4-year period for Laborers' and a 6-year period for Policemen and Firemen.

The Airport's proportion of the net pension liability was determined based on the rates of the Airport's salaries within each corresponding pension plan to the total budgeted salaries for 2021 and 2020. At December 31, 2021 and 2020, the Airport's proportion was 1.5% and 1.5%, respectively, of the Municipal Employees' Plan, 1.7% and 1.6% of the Laborer's Plan, 0.5% and 0.6% of the Policemen's Plan and 1.3% and 1.4%, respectively, of the Firemen's Plan.

For the years ended December 31, 2021 and 2020, the Airport recognized pension expense of \$27.4 million and \$22.5 million, respectively.

At December 31, 2021 and 2020, the reported deferred outflows of resources of \$17.4 million and \$18.1 million, respectively, and deferred inflows of resources of \$14.1 million and \$29.8 million, respectively, related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,640	\$ -	\$ 1,865	\$ 514
Changes of assumptions	-	-	-	21,489
Net difference between projected and actual earnings on pension plan investments	-	3,859	-	1,469
Total	<u>\$ 2,640</u>	<u>\$ 3,859</u>	<u>\$ 1,865</u>	<u>\$ 23,472</u>

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

**Years Ending
December 31**

2022	\$ 725
2023	(1,032)
2024	(193)
2025	(719)
2026	<u>-</u>
Total	<u>\$ (1,219)</u>

Laborers' (dollars in thousands):

	<u>2021</u>		<u>2020</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11	\$ 591	\$ 70	\$ 304
Changes of assumptions	788	9	808	54
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,755</u>	<u>-</u>	<u>1,532</u>
Total	<u>\$ 799</u>	<u>\$ 2,355</u>	<u>\$ 878</u>	<u>\$ 1,890</u>

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

**Years Ending
December 31**

2022	\$ (124)
2023	(753)
2024	(493)
2025	(186)
2026	<u>-</u>
Total	<u>\$ (1,556)</u>

Policemen's (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,315	\$ 1,005	\$ 296	\$ 1,621
Changes of assumptions	4,816	510	6,228	753
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>753</u>	<u>-</u>	<u>235</u>
Total	<u>\$ 7,131</u>	<u>\$ 2,268</u>	<u>\$ 6,524</u>	<u>\$ 2,609</u>

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

**Years Ending
December 31**

2022	\$ 1,051
2023	704
2024	1,244
2025	1,157
2026	588
Thereafter	<u>119</u>
Total	<u>\$ 4,863</u>

Firemen's (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,703	\$ 681	\$ 2,189	\$ 982
Changes of assumptions	4,135	3,818	6,598	150
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,077</u>	<u>-</u>	<u>739</u>
Total	<u>\$ 6,838</u>	<u>\$ 5,576</u>	<u>\$ 8,787</u>	<u>\$ 1,871</u>

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

**Years Ending
December 31**

2022	\$ 1,735
2023	393
2024	(44)
2025	(191)
2026	(295)
Thereafter	<u>(336)</u>
Total	<u>\$ 1,262</u>

Deferred Outflows Related to Changes in Proportionate Share of Contributions—For the years ended December 31, 2021 and 2020, the Airport reported pension charge of \$17.5 million and \$18.4 million, respectively, related to changes in its proportionate share of contributions. As of December 31, 2021 and 2020, the Airport reported deferred inflows of \$4.1 million and \$5.5 million, respectively, and deferred outflows of \$13.4 million and \$29.4 million, respectively, related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension charge/(benefit) over a period of five years.

Actuarial Assumptions—The total pension liability in the December 31, 2021 and 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2021	Municipal Employees’	Laborers’	Policemen’s	Firemen’s
Inflation	2.50 %	2.25 %	2.25 %	2.25 %
Salary increases	3.50%–7.75 % (a)	3.00 % (b)	3.50 % (c)	3.50%–25.00 % (d)
Investment rate of return	7.00 % (e)	7.25 % (e)	6.75 %	6.75 % (e)
2020	Municipal Employees’	Laborers’	Policemen’s	Firemen’s
Inflation	2.50 %	2.25 %	2.25 %	2.25 %
Salary increases	3.50%–7.75 % (a)	3.00 % (b)	3.50 % (c)	3.50%–25.00 % (d)
Investment rate of return	7.00 % (e)	7.25 % (e)	6.75 %	6.75 %

(a) (1.50%–6.50% for 2020-2022), varying by years of service

(b) Plus a service—based increase in the first 9 years

(c) Plus additional percentage related to service

(d) Plus additional service-based increases

(e) Net of investment expense

Mortality Assumptions

<i>Pension Plans</i>		<i>Mortality Table Name</i>	<i>Mortality Improvement</i>
<i>Municipal Employees'</i>	<i>Post Retirement</i>	<i>RP-2014 Healthy Annuitant Mortality Table</i>	<i>Generational—Scale MP-2016</i>
	<i>Pre-Retirement</i>	<i>RP-2014 Employee Mortality Table</i>	<i>Generational—Scale MP-2016</i>
<i>Laborers'</i>	<i>Post Retirement</i>	<i>Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, Sex Distinct</i>	<i>Generational—Scale MP-2020 2-dimensional</i>
	<i>Pre-Retirement</i>	<i>Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, Sex Distinct</i>	<i>Generational—Scale MP-2020 2-dimensional</i>
<i>Policemen's</i>	<i>Post Retirement</i>	<i>Pub-2010 Amount-Weighted Safety Healthy Retiree Mortality Table, Sex Distinct</i>	<i>Generational—Scale MP-2018</i>
	<i>Disabled</i>	<i>Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct</i>	<i>Generational—Scale MP-2018</i>
	<i>Pre-Retirement</i>	<i>Pub-2010 Amount Weighted Safety Employee Mortality Tables, Sex Distinct</i>	<i>Generational—Scale MP-2018</i>
<i>Firemen's</i>	<i>Post Retirement</i>	<i>RP-2014 Blue Collar Healthy Annuitant Mortality Table, Sex Distinct</i>	<i>Generational—Scale MP-2017</i>
	<i>Disabled</i>	<i>RP-2014 Blue Collar Healthy Annuitant Mortality Table, Sex Distinct</i>	<i>Generational—Scale MP-2017</i>
	<i>Pre- Retirement</i>	<i>RP-2014 Blue Collar Employee Mortality Table, Sex Distinct</i>	<i>Generational—Scale MP-2017</i>

The mortality actuarial assumptions used in the December 31, 2021, valuation were adjusted based on the results of actuarial experience study for the following periods:

Municipal Employees'	January 1, 2012–December 31, 2016
Laborers'	January 1, 2017–December 31, 2019
Policemen's	January 1, 2014–December 31, 2018
Firemen's	January 1, 2012–December 31, 2016

The long term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2021 and 2020 are summarized in the following tables:

2021	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal				Municipal			
	Employees'	Laborers'	Policemen's	Firemen's	Employees'	Laborers'	Policemen's	Firemen's
Asset class:								
Equity	- %	- %	- %	57.0 %	- %	- %	- %	6.7 %
Domestic equity	26.0	-	-	-	7.4	-	-	-
U.S. equity	-	25.0	29.5	-	-	5.3	7.9	-
Non U.S. equity	-	20.0	19.5	-	-	5.3	9.7	-
Global equity	5.0	-	-	-	6.8	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.3	-	-
International equity	17.0	-	-	-	7.4	-	-	-
Fixed income	25.0	20.0	18.0	22.0	2.0	(0.8)	3.6	2.1
Hedge funds	10.0	10.0	7.0	-	5.6	2.8	5.5	-
Infrastructure	2.0	-	-	-	7.0	-	-	-
Private debt	-	3.0	-	-	-	7.1	-	-
Private equity	5.0	4.0	-	-	11.4	8.8	-	-
Private markets	-	-	15.0	-	-	-	11.2	-
Global asset allocation	-	-	-	-	-	-	-	-
Real estate	10.0	10.0	11.0	-	5.8	4.2	6.0	-
Private real assets	-	3.0	-	-	-	4.7	-	-
Other investments	-	-	-	21.0	-	-	-	6.0
Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>				

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

Discount Rate

Municipal Employees'—The discount rate used to measure the total pension liability as of December 31, 2021 and 2020, was 7.0%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Laborers'—A Single Discount Rate of 6.77% and 6.84% was used to measure the total pension liability as of December 31, 2021 and 2020, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25% and 7.25% as of December 31, 2021 and 2020, and a municipal bond rate of 1.84% and 2.00% as of December 31, 2021 and 2020, respectively (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2074 (for the 2021 valuation) and the year 2073 (for the 2020 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074 (for the 2021 valuation) and the year 2073 (for the 2020 valuation), and the municipal bond rate was applied to all benefit payments after that date.

Policemen's—A Single Discount Rate of 6.26% and 6.28% was used to measure the total pension liability as of December 31, 2021 and 2020, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2021 and 2020, respectively, and a municipal bond rate of 1.84% and 2.00% as of December 31, 2021 and 2020, respectively (based on the most recent date available on or before the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2077 (for the 2021 valuation) and the year 2076 (for the 2020 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077 (for the 2021 valuation) and the year 2076 (for the 2020 valuation), and the municipal bond rate was applied to all benefit payments after that date.***Firemen's***—A Single Discount Rate of 6.75% and 6.30% was used to measure the total pension liability as of December 31, 2021 and 2020, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% and 6.75% for December 31, 2021 and 2020, and a municipal bond rate of 2.06% and 2.12% as of December 31, 2021 and 2020, respectively (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2021). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 99-0506. 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 the assumptions as of December 31, 2021, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members throughout the projection period. As a result, as of December 31, 2021, the long-term expected rate of return on pension plan investments was applied to projected benefits for all periods. Based on the assumptions as of December 31, 2020, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the respective municipal bond rate was applied to all benefit payments after that date.

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

Municipal Employees'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	Current		
	1% Decrease	Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	\$ 242,966	\$ 209,223	\$ 181,170

Net Pension Liability December 31, 2020	Current		
	1% Decrease	Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	\$ 230,474	\$ 198,443	\$ 171,823

Laborers'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 6.77% and 6.84%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.77%) or 1% point higher (7.77%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	Current		
	1% Decrease	Discount Rate	1% Increase
Laborers' discount rate	5.77 %	6.77 %	7.77 %
Laborers' net pension liability	\$ 31,878	\$ 26,153	\$ 21,347

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

Policemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 6.26% and 6.28%, respectively, as

well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.26%) or 1% point higher (7.26%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	Current		
	1% Decrease	Discount Rate	1% Increase
Policemen's discount rate	5.26 %	6.26 %	7.26 %
Policemen's net pension liability	\$ 79,739	\$ 68,549	\$ 59,240

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

Firemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 6.75% and 6.30%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	Current		
	1% Decrease	Discount Rate	1% Increase
Firemen's discount rate	5.75 %	6.75 %	7.75 %
Firemen's net pension liability	\$ 84,111	\$ 73,035	\$ 63,765

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

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

8. RELATED-PARTY TRANSACTIONS

Included in operating expenses are reimbursements to the general fund of the City for services provided by other City departments, employee fringe benefits, and self-insured risks. Such reimbursements were \$33.1 million in 2021 and \$31.2 million in 2020.

9. COMMITMENTS AND CONTINGENCIES

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

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

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the years ended December 31, 2021 and 2020, are as follows (dollars in thousands):

	2021	2020
Beginning balance—January 1	\$ 503	\$ 478
Total claims incurred	5,502	5,132
Claims paid	<u>(5,408)</u>	<u>(5,107)</u>
Claims liability—December 31	<u>\$ 597</u>	<u>\$ 503</u>

The City’s property and liability insurance premiums are approximately \$12.5 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, 2021, with a limit of \$3.5 billion and includes \$3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2022, with a limit of \$1 billion and includes \$1 billion in war and terrorism liability coverage.

At December 31, 2021 and 2020, the Airport had commitments in the amount of approximately \$31.4 million and \$46.7 million, respectively, in connection with contracts entered into for construction projects.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

	2021	2020
Deferred outflows of resources:		
Deferred outflows from pension activities accumulated	\$ 17,409	\$ 18,053
Changes in proportionate share of pension contribution	13,361	29,359
Unamortized deferred bond refunding costs	13,761	15,457
Derivatives	<u>21,232</u>	<u>29,473</u>
Total deferred outflows of resources	<u>\$ 65,763</u>	<u>\$ 92,342</u>
Deferred inflows of resources—deferred inflows from pension activities	<u>\$ 18,198</u>	<u>\$ 35,333</u>

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

11. SUBSEQUENT EVENTS

In November 2021, the President signed the Bipartisan Infrastructure Law (BIL) bill into Law. The BIL provides \$25 billion of capital grants for airport infrastructure improvements to address repair and maintenance backlogs, reduce congestion and emissions near ports and airports, and drive electrification and other low-carbon technologies over a period of five years, starting in federal fiscal year 2022, of which \$15 billion will be allocated to primary airports, \$5 billion will be provided as discretionary funding to primary airports and \$5 billion will be provided to secondary and general aviation airports. The Airport will be able to draw on its annual allocated share of funds of \$20.2 million

starting in the second half of 2022 every year over the next five years. The Airport expects the BIL funding to strengthen its capital funding sources to continue with major capital improvements.

In January 2022, Standard & Poor's revised the outlook for the Midway First Lien and Second Lien Bonds from Stable to positive.

In June 2022, the City increased the credit capacity on Midway Airport commercial paper program to \$100 million ahead of the July 8, 2022 expiration of the existing \$60 million standby letter of credit (LOC). The new letter of credit expires on June 10, 2025 and is provided by Bank of Montreal, acting through its Chicago Branch.

In June 2022, PNC replaced Barclays as letter of credit provider for the 2014C bonds. The expiration date for the new facility is July 10, 2025.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

	2021	2020	2019	2018	2017	2016	2015
MUNICIPAL EMPLOYEES':							
Total pension liability:							
Service cost*	\$ 246,066	\$ 236,302	\$ 228,465	\$ 223,528	\$ 572,534	\$ 619,743	\$ 226,816
Interest	1,228,905	1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
Benefit changes	-	-	-	-	-	-	2,140,009
Differences between expected and actual experience	121,988	100,938	16,676	95,540	(177,755)	(127,119)	(109,835)
Assumption changes	-	-	-	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	<u>(1,010,191)</u>	<u>(973,478)</u>	<u>(952,652)</u>	<u>(916,198)</u>	<u>(888,174)</u>	<u>(859,672)</u>	<u>(826,036)</u>
Net change in total pension liability	586,768	554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,776
Total pension liability—beginning	<u>17,814,812</u>	<u>17,260,356</u>	<u>16,808,614</u>	<u>16,282,396</u>	<u>23,291,271</u>	<u>23,358,870</u>	<u>12,307,094</u>
Total pension liability—ending (a)	<u>18,401,580</u>	<u>17,814,812</u>	<u>17,260,356</u>	<u>16,808,614</u>	<u>16,282,396</u>	<u>23,291,271</u>	<u>23,358,870</u>
Plan fiduciary net position:							
Contributions—employer	573,198	496,992	418,269	349,574	261,764	149,718	149,225
Contributions—employee	163,411	157,798	146,645	138,400	134,765	130,391	131,428
Net investment income	498,299	335,403	560,940	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Administrative expenses	(6,687)	(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
Other	-	-	-	-	5,394	-	-
Net change in plan fiduciary net position	218,030	9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
Plan fiduciary net position—beginning	<u>4,090,239</u>	<u>4,080,642</u>	<u>3,914,180</u>	<u>4,554,018</u>	<u>4,436,227</u>	<u>4,741,427</u>	<u>5,179,486</u>
Plan fiduciary net position—ending (b)	<u>4,308,269</u>	<u>4,090,239</u>	<u>4,080,642</u>	<u>3,914,180</u>	<u>4,554,018</u>	<u>4,436,227</u>	<u>4,741,427</u>
NET PENSION LIABILITY—Ending (a)–(b)	<u>\$ 14,093,311</u>	<u>\$ 13,724,573</u>	<u>\$ 13,179,714</u>	<u>\$ 12,894,434</u>	<u>\$ 11,728,378</u>	<u>\$ 18,855,044</u>	<u>\$ 18,617,443</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>23.41 %</u>	<u>22.96 %</u>	<u>23.64 %</u>	<u>23.29 %</u>	<u>27.97 %</u>	<u>19.05 %</u>	<u>20.30 %</u>
ALLOCATED COVERED PAYROLL**	<u>\$ 29,709</u>	<u>\$ 26,921</u>	<u>\$ 26,905</u>	<u>\$ 25,353</u>	<u>\$ 23,019</u>	<u>\$ 15,292</u>	<u>\$ 15,138</u>
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	<u>704.24 %</u>	<u>737.13 %</u>	<u>731.07 %</u>	<u>743.37 %</u>	<u>695.41 %</u>	<u>1,144.85 %</u>	<u>1,132.81 %</u>
ALLOCATED NET PENSION LIABILITY	<u>\$ 209,223</u>	<u>\$ 198,443</u>	<u>\$ 196,694</u>	<u>\$ 188,469</u>	<u>\$ 160,076</u>	<u>\$ 175,069</u>	<u>\$ 171,485</u>
ALLOCATED PERCENTAGE	<u>1.48 %</u>	<u>1.45 %</u>	<u>1.49 %</u>	<u>1.46 %</u>	<u>1.36 %</u>	<u>0.93 %</u>	<u>0.92 %</u>

* Includes pension plan administrative expense.

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

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

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

	2021	2020	2019	2018	2017	2016	2015
LABORERS':							
Total pension liability:							
Service cost*	\$ 40,411	\$ 39,216	\$ 38,522	\$ 40,801	\$ 80,232	\$ 82,960	\$ 38,389
Interest	192,343	191,099	188,347	183,135	154,047	150,166	153,812
Benefit changes	-	-	-	-	150	-	384,033
Differences between expected and actual experience	(31,083)	(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	21,870	44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	47,190	82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
Total pension liability—beginning	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615	2,162,905
Total pension liability—ending (a)	2,905,524	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615
Plan fiduciary net position:							
Contributions—employer	84,969	73,744	59,346	47,844	35,457	12,603	12,412
Contributions—employee	17,637	18,064	18,143	17,837	17,411	17,246	16,844
Net investment income	138,105	163,057	184,027	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Other	-	-	-	661	-	-	-
Net change in plan fiduciary net position	64,360	82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
Plan fiduciary net position—beginning	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
Plan fiduciary net position—ending (b)	1,334,102	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657
NET PENSION LIABILITY—Ending (a)–(b)	\$ 1,571,422	\$ 1,588,592	\$ 1,588,100	\$ 1,598,721	\$ 1,362,553	\$ 2,525,905	\$ 2,473,958
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	45.92 %	44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
ALLOCATED COVERED PAYROLL**	\$ 3,530	\$ 3,364	\$ 3,118	\$ 3,075	\$ 3,098	\$ 3,172	\$ 3,060
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	740.88 %	766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	1,208.15 %
ALLOCATED NET PENSION LIABILITY	\$ 26,153	\$ 25,793	\$ 23,398	\$ 23,248	\$ 20,249	\$ 38,495	\$ 36,973
ALLOCATED PERCENTAGE	1.66 %	1.62 %	1.47 %	1.45 %	1.49 %	1.52 %	1.50 %

* Includes pension plan administrative expense.

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

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

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

	2021	2020	2019	2018	2017	2016	2015
POLICEMEN'S:							
Total pension liability:							
Service cost*	\$ 284,707	\$ 286,537	\$ 240,383	\$ 242,998	\$ 237,333	\$ 220,570	213,585
Interest	963,417	942,623	944,739	931,731	917,720	851,098	832,972
Benefit changes	-	-	24,216	-	-	606,250	-
Differences between expected and actual experience	450,528	61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	37,029	260,021	1,140,418	(259,052)	238,975	112,585	-
Benefit payments including refunds	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	845,268	705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
Total pension liability—beginning	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
Total pension liability—ending (a)	16,340,008	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733
Plan fiduciary net position:							
Contributions—employer	788,770	739,441	581,936	588,035	494,483	272,428	572,836
Contributions—employee	136,225	113,622	110,792	107,186	103,011	101,476	107,626
Net investment income	370,141	271,891	369,982	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Other	91	472	(59)	1,600	97	1,413	3,092
Net change in plan fiduciary net position	404,814	279,469	257,249	(216,886)	257,047	(193,930)	(3,065)
Plan fiduciary net position—beginning	3,441,898	3,162,429	2,905,089	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,846,712	3,441,898	3,162,338	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	\$ 12,493,296	\$ 12,052,842	\$ 11,627,264	\$ 10,408,078	\$ 10,332,396	\$ 10,248,072	\$ 8,973,784
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	23.54 %	22.21 %	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
ALLOCATED COVERED PAYROLL**	\$ 6,904	\$ 6,696	\$ 7,187	\$ 5,492	\$ 5,361	\$ 5,022	\$ 1,086,608
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	992.89 %	1,007.78 %	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %
ALLOCATED NET PENSION LIABILITY	\$ 68,549	\$ 67,477	\$ 67,996	\$ 47,425	\$ 48,149	\$ 45,971	\$ 36,344
ALLOCATED PERCENTAGE	0.55 %	0.56 %	0.58 %	0.46 %	0.47 %	0.45 %	0.41 %

* Includes pension plan administrative expense

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

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

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

	2021	2020	2019	2018	2017	2016	2015
FIREMEN'S:							
Total pension liability:							
Service cost	\$ 112,730	\$ 109,487	\$ 102,141	\$ 97,143	* \$ 93,367	* \$ 94,115	* \$ 87,203
Interest	429,630	410,128	408,586	410,821	371,622	342,085	338,986
Benefit changes	196,531	-	-	-	-	227,213	-
Differences between expected and actual experience	93,928	174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
Assumption changes	(340,370)	30,468	190,954	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Pension plan administrative expense	-	-	-	(3,285)	(3,172)	(3,217)	(3,149)
Net change in total pension liability	103,775	358,640	290,131	506,210	596,892	323,174	313,324
Total pension liability—beginning	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
Total pension liability—ending (a)	7,004,906	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084
Plan fiduciary net position:							
Contributions—employer	367,481	368,423	255,382	249,684	228,453	154,101	236,104
Contributions—employee	52,268	54,414	46,623	45,894	47,364	48,960	46,552
Net investment income	129,513	105,367	161,082	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(3,082)	(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
Other	5	13	507	6	22	(53)	7
Net change in plan fiduciary net position	157,511	159,066	114,031	(90,363)	107,139	(26,087)	9,093
Plan fiduciary net position—beginning	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
Plan fiduciary net position—ending (b)	1,466,398	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101
NET PENSION LIABILITY—Ending (a)-(b)	\$ 5,538,508	\$ 5,592,244	\$ 5,392,670	\$ 5,216,570	\$ 4,619,997	\$ 4,130,244	\$ 3,780,983
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	20.93 %	18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
ALLOCATED COVERED PAYROLL**	\$ 6,858	\$ 6,839	\$ 6,163	\$ 6,181	\$ 6,313	\$ 6,628	\$ 6,303
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	1,064.96 %	1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %
ALLOCATED NET PENSION LIABILITY	\$ 73,035	\$ 76,431	\$ 72,707	\$ 70,560	\$ 62,136	\$ 57,212	\$ 51,224
ALLOCATED PERCENTAGE	1.32 %	1.37 %	1.35 %	1.35 %	1.34 %	1.39 %	1.36 %

* Includes pension plan administrative expense.

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

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

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

Municipal Employees'

Years Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll*	Contributions as a Percentage of Covered Payroll
2012	\$ 690,823	\$148,859	\$541,964	\$1,590,794	9.36 %
2013	820,023	148,197	671,826	1,580,289	9.38
2014	839,039	149,747	689,292	1,602,978	9.34
2015	677,200	149,225	527,975	1,643,481	9.08
2016	961,770	149,718	812,052	1,646,939	9.09
2017	1,005,457	261,764	743,693	1,686,533	15.52
2018	1,049,916	349,574	700,342	1,734,596	20.15
2019	1,117,388	418,269	699,119	1,802,790	23.20
2020	1,167,154	496,992	670,162	1,861,905	26.69
2021	1,218,361	573,198	645,163	2,001,181	28.64

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

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

Laborers'

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2012	\$ 77,566	\$ 11,853	\$ 65,713	\$ 198,790	5.96 %
2013	106,199	11,583	94,616	200,352	5.78
2014	106,019	12,161	93,858	202,673	6.00
2015	79,851	12,412	67,439	204,773	6.06
2016	117,033	12,603	104,430	208,155	6.05
2017	124,226	35,457	88,769	208,442	17.01
2018	129,247	47,844	81,403	211,482	22.62
2019	148,410	59,346	89,064	211,608	28.05
2020	155,794	73,744	82,050	207,195	35.59
2021	155,245	84,969	70,276	212,122	40.06

*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 actuarial valuation date and likely differs from actual payroll paid during fiscal year.

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

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

Policemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the			Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	
2012	\$ 431,010	\$197,885	\$233,125	\$1,015,171	19.49 %
2013	474,177	179,521	294,656	1,015,426	17.68
2014	491,651	178,158	313,493	1,074,333	16.58
2015	785,501	575,928	209,573	1,086,608	53.00
2016	785,695	273,840	511,855	1,119,527	24.46
2017	910,938	494,580	416,358	1,150,406	42.99
2018	924,654	589,635	335,019	1,205,324	48.92
2019	933,770	581,968	351,802	1,228,987	47.35
2020	1,037,582	739,913	297,669	1,195,980	61.87
2021	1,047,839	788,861	258,978	1,258,338	62.69

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

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

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

Firemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the			Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	
2012	\$ 271,506	\$ 81,522	\$189,984	\$ 418,965	19.46 %
2013	294,878	103,669	191,209	416,492	24.89
2014	304,265	107,334	196,931	460,190	23.32
2015	323,545	236,104	87,441	465,232	50.75
2016	333,952	154,101	179,851	478,471	32.21
2017	372,845	228,453	144,392	469,407	48.67
2018	412,220	249,684	162,536	456,969	54.64
2019	442,045	255,382	186,663	457,082	55.87
2020	466,556	368,423	98,133	500,368	73.63
2021	476,498	367,481	109,017	520,047	70.66

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

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

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

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

Actuarial Methods and Assumptions	Municipal Employees'		Laborers'		Policemen's		Firemen's
Actuarial valuation date	12/31/2021	(a)	12/31/2021		12/31/2021		12/31/2021
Actuarial cost method	Entry age normal		Entry age normal		Entry age normal		Entry age normal
Asset valuation method	5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market
Actuarial assumptions:							
Inflation	2.50%		2.25 %		2.25 %		2.25 %
Salary increases	3.50%–7.75%	(b)	3.00 % (c)		3.50 % (d)		3.50%–25.00% (e)
Investment rate of return	7.00%	(f)	7.25 % (g)		6.75 %		6.75 %
Retirement age	(h)		(i)		(j)		(k)
Mortality	(l)		(m)		(n)		(o)
Other information	(p)		(q)		(q)		(p)

(a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the end of the year.

(b) (1.50%-6.50% for 2020-2022), varying by years of service.

(c) Plus a service-based increase in the first 9 years.

(d) Plus service based increases consistent with bargaining contracts.

(e) Varying by years of service.

(f) Net of investment expense

(g) Net of investment expense, including inflation

(h) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2017). For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011). For employees first hired on or after July 6, 2017, rates of retirement for each age from 60 to 80 were used (effective December 31, 2018).

(i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2017, valuation pursuant to an experience study of the period January 1, 2012, through December 31, 2016.

(j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2020, actuarial valuation pursuant to an experience study of the period January 1, 2017, through December 31, 2019.

(k) Retirement rates are based on the recent experience of the Fund (effective December 31, 2017).

(l) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.

(m) Post Retirement Mortality: Scaling factors of 109% for males, and 108% for females of the Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements. Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

(n) Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females, set forward one year for males. Pre-Retirement mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females. Disabled Mortality: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females, set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2018 projection scale.

(o) Post-retirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 106% for males and 98% for females, and projected generationally using scale MP-2017. Disabled mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 107% for males and 99% for females, and projected generationally using scale MP-2017. Pre-retirement mortality rates were based on the RP-2014 Blue Collar Employee Mortality, scaled by 92% for males and 100% for females, projected generationally using scale MP-2017.

(p) Other assumptions: Same as those used in the December 31, 2021, actuarial funding valuations.

(q) The actuarial valuation is based on the statutes in effect as of December 31, 2021.

(Concluded)

ADDITIONAL INFORMATION

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT REVENUE BONDS
DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(\$ in thousands)**

	2021	2020
REVENUES:		
Total revenues—as defined	\$ 208,457	\$ 193,201
Other available moneys (passenger facility charges and COVID-19 Relief Funds)	76,553	67,068
Revenue Fund balance on first day of fiscal year (Note 2)	<u>24,693</u>	<u>14,970</u>
TOTAL REVENUES	<u>\$ 309,703</u>	<u>\$ 275,239</u>
COVERAGE REQUIREMENT—Required deposits from revenues:		
Debt Service Fund	\$ 4,533	\$ 4,494
Operation and maintenance reserve account	1,891	-
Second/Junior Lien Obligation Debt Service Fund	121,639	117,026
Second Lien Obligation Program Fee Fund	2,454	2,067
Repair and Maintenance Fund	<u>1,017</u>	<u>1,017</u>
TOTAL FUND DEPOSIT REQUIREMENTS	<u>\$ 131,534</u>	<u>\$ 124,604</u>
AGGREGATE FIRST LIEN DEBT SERVICE FOR THE BOND YEAR	<u>\$ 4,533</u>	<u>\$ 4,494</u>
NET AGGREGATE DEBT SERVICE	<u>\$ 4,533</u> 1.25	<u>\$ 4,494</u> 1.25
NET DEBT SERVICE REQUIRED COVERAGE	<u>\$ 5,666</u>	<u>\$ 5,618</u>
OPERATION AND MAINTENANCE EXPENSES	\$ 139,956	\$ 122,894
COVERAGE REQUIRED (Greater of total fund deposit requirements or 125% of aggregate debt service)	<u>131,534</u>	<u>124,604</u>
TOTAL COVERAGE REQUIRED	<u>\$ 271,490</u>	<u>\$ 247,498</u>
TOTAL REVENUES	<u>\$ 309,703</u>	<u>\$ 275,239</u>
COVENANT COVERAGE RATIO	<u>1.14</u>	<u>1.11</u>

See notes to debt service coverage calculations.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT REVENUE BONDS
NOTES TO DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

1. RATE COVENANT

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

Of the \$27.4 million of pension expense for 2021, \$19.1 million is the portion of the City’s pension contribution payable in 2021 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2021, \$8.3 million, is recognized on the income statement of Midway Airport for 2021 but is not due and payable by the City during 2021; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios. In addition, COVID-19 Relief Funds of \$48.3 million were applied to reduce the airline-based operating and maintenance costs in 2021.

2. REVENUE FUND BALANCE

The revenue fund balance includes all cash, cash equivalents, and investments, which were available to the revenue fund to satisfy the coverage requirement under the terms of the Master Indenture.

3. FUND DEPOSIT REQUIREMENTS

The Airport excludes the Airport Development Fund in the Debt Service Coverage calculation. This fund can be used by the City for any lawful Airport purpose and therefore can be used to fulfill any debt service obligations. The balance as of December 31, 2021 was \$17.9 million.

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**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**ADDITIONAL SUPPLEMENTARY INFORMATION
CHICAGO MIDWAY AIRPORT SECOND LIEN REVENUE BONDS
DEBT SERVICE COVERAGE CALCULATIONS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(\$ in thousands)**

	2021	2020
REVENUES:		
Total revenues—as defined	\$208,457	\$193,201
Other available moneys (passenger facility charges and COVID-19 Relief Funds)	76,553	67,068
Revenue fund balance on first day of fiscal year (Note 2)	<u>24,693</u>	<u>14,970</u>
TOTAL REVENUES FOR CALCULATION OF COVERAGE	<u>\$309,703</u>	<u>\$275,239</u>
COVERAGE REQUIREMENT—Required deposits from revenues:		
First Lien Debt Service Fund	\$ 4,533	\$ 4,494
Operation and maintenance reserve account	1,891	-
Second Lien Obligation Debt Service Fund	121,639	117,026
Second Lien Obligation Program Fee Fund	2,454	2,067
Repair and Replacement Fund	<u>1,017</u>	<u>1,017</u>
TOTAL FUND DEPOSIT REQUIREMENTS	<u>\$131,534</u>	<u>\$124,604</u>
125% OF AGGREGATE FIRST LIEN DEBT SERVICE FOR THE BOND YEAR:		
Aggregate First Lien Debt Service	<u>\$ 4,533</u>	<u>\$ 4,494</u>
Net aggregate First Lien Debt Service	4,533	4,494
	<u>1.25</u>	<u>1.25</u>
125% OF AGGREGATE FIRST LIEN DEBT SERVICE	<u>\$ 5,666</u>	<u>\$ 5,618</u>
GREATER OF FUND DEPOSIT REQUIREMENTS OR 125% OF AGGREGATE FIRST LIEN DEBT SERVICE	<u>\$131,534</u>	<u>\$124,604</u>
110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE FOR THE BOND YEAR:		
Aggregate First Lien Debt Service	\$ 4,533	\$ 4,494
Aggregate Second Lien Debt Service	121,640	119,719
Less amounts transferred from Junior Lien Capitalized Interest Accounts	<u>-</u>	<u>(1,881)</u>
Net aggregate First and Second Lien Debt Service	126,173	122,332
	<u>1.10</u>	<u>1.10</u>
110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE	<u>\$138,790</u>	<u>\$134,565</u>
GREATER OF FUND DEPOSIT REQUIREMENTS OR 110% OF AGGREGATE FIRST AND SECOND LIEN DEBT SERVICE	<u>\$138,790</u>	<u>\$134,565</u>
GREATER OF FUND DEPOSIT REQUIREMENTS OR 125% OF FIRST LIEN DEBT OR 110% OF AGGREGATE DEBT SERVICE	<u>\$138,790</u>	<u>\$134,565</u>
RATE COVENANT CALCULATION:		
Operation and maintenance expenses	\$139,956	\$122,894
110% of aggregate First and Second Lien Debt Service	<u>138,790</u>	<u>134,565</u>
TOTAL COVERAGE REQUIRED	<u>\$278,746</u>	<u>\$257,459</u>
TOTAL REVENUES	<u>\$309,703</u>	<u>\$275,239</u>
REVENUES IN EXCESS OF COVERAGE REQUIREMENT	<u>\$ 30,957</u>	<u>\$ 17,780</u>
COVENANT COVERAGE RATIO	<u>1.11</u>	<u>1.07</u>
COVERAGE CALCULATION:		
Total revenues	\$309,703	\$275,239
Operation and maintenance expenses	<u>139,956</u>	<u>122,894</u>
TOTAL REVENUES AVAILABLE FOR AGGREGATE DEBT SERVICE	169,747	152,345
Aggregate First and Second Lien Debt Service	<u>126,173</u>	<u>124,213</u>
REVENUES IN EXCESS OF COVERAGE REQUIREMENT	<u>\$ 43,574</u>	<u>\$ 28,132</u>
COVERAGE RATIO	<u>1.35</u>	<u>1.23</u>

See notes to debt service coverage calculations.

CITY OF CHICAGO, ILLINOIS

CHICAGO MIDWAY INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION

CHICAGO MIDWAY AIRPORT SECOND LIEN REVENUE BONDS

NOTES TO DEBT SERVICE COVERAGE CALCULATIONS

YEARS ENDED DECEMBER 31, 2021 AND 2020

1. RATE COVENANT

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

Of the \$27.4 million of pension expense for 2021, \$19.1 million is the portion of the City’s pension contribution payable in 2021 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2021, \$8.3 million, is recognized on the income statement of Midway Airport for 2021 but is not due and payable by the City during 2021; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios. In addition, COVID-19 Relief Funds of \$26.3 million were applied to reduce the airline-based operating and maintenance costs in 2021.

2. REVENUE FUND BALANCE

The revenue fund balance includes all cash, cash equivalents, and investments, which were available to the revenue fund to satisfy the coverage requirement under the terms of the Master Indenture.

3. FUND DEPOSIT REQUIREMENTS

The Airport excludes the Airport Development Fund in the Debt Service Coverage calculation. This fund can be used by the City for any lawful Airport purpose and therefore can be used to fulfill any debt service obligations. The balance as of December 31, 2021 was \$17.9 million.

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PART III

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL INFORMATION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**HISTORICAL OPERATING RESULTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(\$ in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING REVENUES:										
Landing fees	\$ 32,143	\$ 42,516	\$ 42,539	\$ 48,350	\$ 49,186	\$ 54,165	\$ 58,304	\$ 56,604	\$ 38,772	\$ 52,166
Rental revenues:										
Terminal area use charges	38,769	47,486	40,916	36,273	38,239	41,251	47,821	68,827	74,714	85,886
Other rentals and fueling system fees	32,202	26,004	24,197	25,945	26,396	27,912	28,755	32,615	29,486	24,891
Subtotal rental revenues	70,971	73,490	65,113	62,218	64,635	69,163	76,576	101,442	104,200	110,777
Concessions:										
Auto parking	30,830	32,721	34,226	35,772	36,665	38,317	36,602	34,430	14,299	27,797
Auto rentals	9,021	10,255	10,743	11,104	11,390	11,287	11,022	11,135	9,693	9,838
Restaurant	9,686	10,179	11,090	12,150	13,019	14,912	16,167	16,227	13,390	13,652
News and gifts	3,486	3,619	3,761	4,128	4,471	4,729	5,379	5,497	5,716	4,717
Other	1,696	2,409	2,787	2,397	2,827	2,452	2,483	2,199	1,670	1,881
Subtotal concessions	54,719	59,183	62,607	65,551	68,372	71,697	71,653	69,488	44,768	57,885
Reimbursements	-	-	-	-	-	-	-	-	-	-
Total operating revenues ⁽¹⁾	157,833	175,189	170,259	176,119	182,193	195,025	206,533	227,534	187,740	220,828
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages ⁽²⁾	44,463	43,998	47,836	43,343	48,548	48,185	51,408	55,571	55,964	57,489
Pension expense	-	-	-	60,767	47,879	40,211	42,843	47,537	22,510	27,444
Repairs and maintenance	37,990	39,606	44,160	44,095	48,277	44,506	47,326	47,021	43,737	48,910
Energy	7,258	7,205	7,060	6,868	7,221	6,984	7,104	7,728	6,400	6,987
Materials and supplies	1,318	1,927	1,971	2,522	2,016	1,932	2,397	3,061	5,689	2,553
Professional and engineering services	15,011	19,144	23,255	20,954	20,851	24,344	24,144	22,113	20,783	22,033
Other operating expenses	8,257	9,236	5,314	5,327	7,813	4,803	6,188	5,151	8,807	23,883
Total operating and maintenance expenses before depreciation and amortization ⁽³⁾	114,297	121,116	129,596	183,876	182,605	170,965	181,410	188,182	163,890	189,299
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION ⁽⁴⁾	\$ 43,536	\$ 54,073	\$ 40,663	\$ (7,757)	\$ (412)	\$ 24,060	\$ 25,123	\$ 39,352	\$ 23,850	\$ 31,529
COVENANT COVERAGE CALCULATION—FIRST LIEN	1.07	1.06	1.09	1.11	1.04	1.05	1.04	1.08	1.11	1.14
COVENANT COVERAGE CALCULATION—SECOND LIEN	1.07	1.06	1.09	1.10	1.04	1.04	1.01	1.06	1.07	1.11

⁽¹⁾ Average annual compound growth rate for 2012–2021 for total operating revenues is 3.8%.

⁽²⁾ Salaries and wages includes charges for pension, health care and other employee benefits for years 2012–2021.

⁽³⁾ Average annual compound growth rate for 2012–2021 for total operating and maintenance expenses before depreciation and amortization is 5.8 %.

⁽⁴⁾ Amount for 2021 may be reconciled to operating loss of \$21,107 reported in the 2021 Statement of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of \$52,636. Amount for prior years may be reconciled through similar calculations.

Of the \$27.4 million of pension expense for 2021, \$19.1 million is the portion of the City's pension contribution payable in 2021 to the pension funds and allocable to Midway Airport. The remaining portion of the pension expense for 2021 \$8.3 million is recognized on the income statement of Midway Airport for 2021 pursuant to GASB 68 but is not due and payable by the City during 2021; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

Source: Chicago Midway Airport Audited Financial Statements and City of Chicago Comptroller's Office.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**DEBT SERVICE SCHEDULE
(\$ in thousands)**

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

Year Ending December 31	Debt Service (First Lien)		Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service (Second Lien)	
	Series 1998	Total	Series 2004	Series 2013	Series 2014	Series 2016	Series 2018	Total	Total
	First Lien Bonds	Debt Service	Second Lien Bonds	Second Lien Bonds	Second Lien Bonds	Second Lien Bonds	Second Lien Bonds	Debt Service ⁽¹⁾	Debt Service
2022	\$ 4,427	\$ 4,427	\$ 9,965	\$ 24,812	\$ 59,170	\$ 26,551	\$ 5,277	\$ 125,775	\$ 130,202
2023	4,429	4,429	9,967	28,030	65,919	21,778	5,272	130,966	135,395
2024	4,418	4,418	9,982	27,561	65,787	21,772	5,266	130,368	134,786
2025	-	-	9,986	27,218	71,540	20,523	5,266	134,533	134,533
2026	-	-	10,003	26,110	71,432	20,515	5,263	133,323	133,323
2027	-	-	9,958	25,229	71,165	20,505	5,256	132,113	132,113
2028	-	-	10,000	23,775	71,385	20,494	5,251	130,905	130,905
2029	-	-	10,002	22,759	71,245	20,483	3,808	128,297	128,297
2030	-	-	10,039	24,479	68,344	20,474	-	123,336	123,336
2031	-	-	10,036	27,944	63,751	20,463	-	122,194	122,194
2032	-	-	10,042	24,260	66,322	20,500	-	121,124	121,124
2033	-	-	10,033	23,330	66,170	20,498	-	120,031	120,031
2034	-	-	10,056	22,384	66,021	20,485	-	118,946	118,946
2035	-	-	10,086	18,825	68,499	20,473	-	117,883	117,883
2036	-	-	-	-	24,548	20,403	-	44,951	44,951
2037	-	-	-	-	28,527	20,392	-	48,919	48,919
2038	-	-	-	-	28,501	20,376	-	48,877	48,877
2039	-	-	-	-	28,471	20,356	-	48,827	48,827
2040	-	-	-	-	28,443	20,338	-	48,781	48,781
2041	-	-	-	-	28,821	20,319	-	49,140	49,140
2042	-	-	-	-	35,132	20,302	-	55,434	55,434
2043	-	-	-	-	36,692	20,281	-	56,973	56,973
2044	-	-	-	-	38,315	20,262	-	58,577	58,577
2045	-	-	-	-	-	20,241	-	20,241	20,241
2046	-	-	-	-	-	20,213	-	20,213	20,213
	<u>\$13,274</u>	<u>\$13,274</u>	<u>\$140,155</u>	<u>\$346,716</u>	<u>\$1,224,200</u>	<u>\$518,997</u>	<u>\$40,659</u>	<u>\$2,270,727</u>	<u>\$2,284,001</u>

⁽¹⁾ Assumes an interest rate effective at December 31, 2021, on \$231,985 of Second Lien Bonds that are variable-rate demand obligations.

Note: The annual debt service tables in the Official Statements for the above debt were presented with a year ended January 1.

The information above is presented with a year ended December 31.

The change has been made to facilitate reconciliation to revenue bonds payable at December 31, 2021.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**CAPITAL IMPROVEMENT PROGRAM 2022–2028
ESTIMATED SOURCES AND USES OF FUNDS
AS OF DECEMBER 31, 2021
(\$ in thousands)**

ESTIMATED SOURCES:	
AIP—entitlements	\$ 15,173
AIP—discretionary	-
Airport development fund	24,629
Other Federal Funds (TSA) Grants	-
State Grant	29,385
City General Obligation Bonds	4,246
Series 2010 Bonds	13,567
Series 2014 Bonds	47,314
Series 2016 Bonds	59,845
Future Bonds	<u>497,086</u>
TOTAL ESTIMATED SOURCES	<u>\$ 691,245</u>
ESTIMATED USES:	
Terminal area projects	\$ 134,644
Land acquisition	5,893
Airfield projects	255,821
Parking/roadway projects	48,652
Noise projects	182,472
Safety and security	45,555
Implementation	<u>18,208</u>
TOTAL ESTIMATED USES	<u>\$ 691,245</u>

Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**HISTORICAL ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021**

Years	Domestic Air Carrier	Domestic Commuter ⁽¹⁾	Total Domestic	International Enplanements	Total Enplanements	Percent Change
2012	9,573,226	36,968	9,610,194	169,415	9,779,609	3.4 %
2013	10,003,167	-	10,003,167	264,314	10,267,481	5.0
2014	10,315,089	-	10,315,089	292,907	10,607,996	3.3
2015	10,731,246	-	10,731,246	386,977	11,118,223	4.8
2016	10,953,566	-	10,953,566	392,182	11,345,748	2.0
2017	10,825,564	-	10,825,564	406,708	11,232,272	(1.0)
2018	10,625,852	-	10,625,852	396,372	11,022,224	(1.9)
2019	10,021,351	-	10,021,351	396,464	10,417,815	(5.5)
2020 ⁽²⁾	4,311,767	-	4,311,767	134,139	4,445,906	(57.3)
2021	7,663,768	-	7,663,768	260,576	7,924,344	78.2
Average Annual Compound Growth Rates						
2012–2021	(2.4)%	(100.0)%	(2.5)%	4.9 %	(2.3)%	

⁽¹⁾ "Domestic Air Carrier" includes General Aviation.

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

Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021**

	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total
Southwest Airlines	8,515,527	87.1 %	8,885,118	86.5 %	9,262,733	87.3 %	10,281,189	92.5 %	10,520,571	92.7 %	10,415,087	92.7 %	10,240,801	92.9 %	9,622,343	92.4 %	4,166,573	93.7 %	7,396,910	93.3 %
AirTran	387,114	4.0	462,680	4.5	383,443	3.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frontier	144,496	1.5	161,456	1.6	157,835	1.5	8,658	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Shuttle America (Delta Express)	6,085	0.1	4,281	0.1	7,830	0.1	640	-	3,535	0.0	-	-	-	-	-	-	-	-	-	-
Volaris	96,385	1.0	108,896	1.1	95,082	0.9	110,969	1.0	139,148	1.2	149,776	1.3	146,745	1.3	149,776	1.4	163,001	3.7	107,476	1.4
Comair	36,968	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delta	231,644	2.4	239,361	2.3	265,134	2.5	278,356	2.5	266,281	2.3	247,076	2.2	227,967	2.1	247,076	2.4	59,603	1.3	74,601	0.9
All other airlines	361,390	3.7	405,689	4.0	435,939	4.1	438,411	3.9	416,213	3.7	420,333	3.7	406,711	3.7	398,620	3.8	56,729	1.3	345,357	4.4
Total	9,779,609	100.0 %	10,267,481	100.0 %	10,607,996	100.0 %	11,118,223	100.0 %	11,345,748	100.0 %	11,232,272	100.0 %	11,022,224	100.0 %	10,417,815	100.0 %	4,445,906	100.0 %	7,924,344	100.0 %

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**HISTORICAL ENPLANED PASSENGERS
CHICAGO REGION AIRPORTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021**

Years	Chicago Midway International Airport		Chicago O'Hare International Airport		Total Enplanements
	Total Enplanements	Percent of Total Chicago	Total Enplanements	Percent of Total Chicago	
2012	9,779,609	22.7 %	33,244,515	77.3 %	43,024,124
2013	10,267,481	23.6	33,297,578	76.4	43,565,059
2014	10,607,996	23.4	34,646,832	76.6	45,254,828
2015	11,118,223	22.5	38,395,905	77.5	49,514,128
2016	11,345,748	22.6	38,872,669	77.4	50,218,417
2017	11,232,272	22.0	39,815,888	78.0	51,048,160
2018	11,022,224	21.0	41,563,343	79.0	52,585,567
2019	10,417,815	19.8	42,248,370	80.2	52,666,185
2020 ⁽¹⁾	4,445,906	22.5	15,351,046	77.5	19,796,952
2021	7,924,344	22.7	26,945,359	77.3	34,869,703
Average Annual Compound Growth Rates					
2012–2021	(2.3)%		(2.3)%		(2.3)%

⁽¹⁾ Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.
Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021**

Years	Chicago Midway International Airport		Chicago O’Hare International Airport		
	Total O&D Enplanements	Percent of Total Chicago	Total O&D Enplanements	Percent of Total Chicago	Total O&D Enplanements
2012	6,308,718	27.2 %	16,867,283	72.8 %	23,176,001
2013	6,505,206	27.6	17,044,643	72.4	23,549,849
2014	6,446,497	27.4	17,115,535	72.6	23,562,032
2015	6,890,633	25.5	20,096,191	74.5	26,986,824
2016	7,181,858	25.5	20,991,241	74.5	28,173,099
2017	7,446,996	24.9	22,429,433	75.1	29,876,429
2018	7,197,512	23.5	23,483,289	76.5	30,680,801
2019	6,944,982	22.6	23,836,209	77.4	30,781,191
2020 ⁽²⁾	2,912,068	25.4	8,550,533	74.6	11,462,601
2021	5,054,877	24.9	15,259,775	75.1	20,314,652
Average Annual Compound Growth Rates					
2012–2021	(1.2)%		0.4 %		(0.0)%

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

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

Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**AIRCRAFT OPERATIONS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021**

Years	Aircraft Operations Domestic Air Carrier	International Air Carrier	Total Air Carrier	Domestic Commuter	General Aviation	Total
2012	188,628	5,250	193,878	1,890	54,145	249,913
2013	182,643	7,046	189,689	8,401	54,036	252,126
2014	178,518	7,299	185,817	10,013	53,422	249,252
2015	177,658	8,474	186,132	11,857	55,530	253,519
2016	178,346	8,220	186,566	9,822	56,658	253,046
2017	185,471	8,374	193,845	-	57,496	251,341
2018	178,791	8,491	187,282	-	56,040	243,322
2019	162,887	8,367	171,254	-	60,830	232,084
2020	110,129	2,627	112,756	-	37,442	150,198
2021	125,874	4,794	130,668	-	55,288	185,956

Average Annual Compound Growth Rates

2012–2021	(4.4)%	(1.0)%	(4.3)%	(100.0)%	0.2 %
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Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**NET POSITION BY COMPONENT
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(\$ in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NET POSITION:										
Net investment in capital assets	\$(87,279)	\$(131,057)	\$(115,080)	\$(150,431)	\$(152,026)	\$(180,803)	\$(172,197)	\$(165,290)	\$(125,410)	\$(111,146)
Restricted	80,507	99,427	86,526	97,980	83,048	127,476	120,685	121,093	96,358	89,541
Unrestricted	<u>36,572</u>	<u>46,613</u>	<u>21,856</u>	<u>(191,025)</u>	<u>(234,875)</u>	<u>(253,674)</u>	<u>(281,312)</u>	<u>(312,022)</u>	<u>(294,203)</u>	<u>(318,913)</u>
TOTAL NET POSITION	<u>\$ 29,800</u> *	<u>\$ 14,983</u>	<u>\$ (6,698)</u>	<u>\$ (243,476)</u> **	<u>\$ (303,853)</u>	<u>\$ (307,001)</u>	<u>\$ (332,824)</u>	<u>\$ (356,219)</u>	<u>\$ (323,255)</u>	<u>\$ (340,518)</u>

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

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**CHANGE IN NET POSITION
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(\$ in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING REVENUES	<u>\$157,833</u>	<u>\$175,189</u>	<u>\$170,259</u>	<u>\$176,119</u>	<u>\$182,193</u>	<u>\$195,025</u>	<u>\$206,533</u>	<u>\$227,534</u>	<u>\$187,740</u>	<u>\$220,828</u>
OPERATING EXPENSES:										
Salary Wages	44,463	43,998	47,836	43,343	48,548	48,185	51,408	55,571	55,964	57,489
Pension Expense	-	-	-	60,767	47,879	40,211	42,843	47,537	22,510	27,444
Repairs and Maintenance	37,990	39,606	44,160	44,095	48,277	44,506	47,326	47,021	43,737	48,910
Professional Engineering Services	15,011	19,144	23,255	20,954	20,851	24,344	24,144	22,113	20,783	22,033
Other Operating Expenses	16,833	18,368	14,345	14,717	17,050	13,719	15,689	15,940	20,896	33,423
Depreciation and amortization	<u>45,233</u>	<u>41,538</u>	<u>46,163</u>	<u>47,719</u>	<u>49,118</u>	<u>51,443</u>	<u>51,383</u>	<u>52,007</u>	<u>50,018</u>	<u>52,636</u>
Total operating expenses	<u>159,530</u>	<u>162,654</u>	<u>175,759</u>	<u>231,595</u>	<u>231,723</u>	<u>222,408</u>	<u>232,793</u>	<u>240,189</u>	<u>213,908</u>	<u>241,935</u>
OPERATING (LOSS) INCOME	<u>(1,697)</u>	<u>12,535</u>	<u>(5,500)</u>	<u>(55,476)</u>	<u>(49,530)</u>	<u>(27,383)</u>	<u>(26,260)</u>	<u>(12,655)</u>	<u>(26,168)</u>	<u>(21,107)</u>
NONOPERATING (EXPENSES) REVENUES:										
Passenger facility charge revenue	37,531	39,470	39,889	41,692	41,665	40,918	39,469	36,669	13,245	28,268
Customer facility charges	6,385	6,546	6,514	7,572	8,625	8,130	7,502	7,427	3,214	4,812
Other nonoperating revenues	2,126	1,083	1,522	1,402	364	475	1,083	(8,488)	132	-
Noise mitigation	(23,591)	(11,859)	(3,103)	(23,323)	(27,089)	(1,289)	(648)	(2,496)	(703)	(619)
Cost of issuance	-	(2,425)	(5,258)	(42)	(3,001)	-	(555)	-	-	-
Investment income	2,292	(1,000)	3,540	2,497	(1,094)	5,722	6,408	11,241	3,829	(3,340)
Interest expense	(56,451)	(64,142)	(64,111)	(60,764)	(58,220)	(61,277)	(59,598)	(58,490)	(58,045)	(67,608)
Grant revenues	-	-	-	-	-	-	-	-	82,302	36,574
Total nonoperating expenses	<u>(31,708)</u>	<u>(32,327)</u>	<u>(21,007)</u>	<u>(30,966)</u>	<u>(38,750)</u>	<u>(7,321)</u>	<u>(6,339)</u>	<u>(14,137)</u>	<u>43,974</u>	<u>(1,913)</u>
(LOSS) GAIN BEFORE CAPITAL GRANTS	<u>(33,405)</u>	<u>(19,792)</u>	<u>(26,507)</u>	<u>(86,442)</u>	<u>(88,280)</u>	<u>(34,704)</u>	<u>(32,599)</u>	<u>(26,792)</u>	<u>17,806</u>	<u>(23,020)</u>
CAPITAL GRANTS	<u>4,681</u>	<u>4,975</u>	<u>4,826</u>	<u>9,279</u>	<u>27,903</u>	<u>31,556</u>	<u>6,776</u>	<u>3,397</u>	<u>15,158</u>	<u>5,757</u>
CHANGE IN NET POSITION	<u>\$ (28,724)</u>	<u>\$ (14,817)</u>	<u>\$ (21,681)</u>	<u>\$ (77,163)</u>	<u>\$ (60,377)</u>	<u>\$ (3,148)</u>	<u>\$ (25,823)</u>	<u>\$ (23,395)</u>	<u>\$ 32,964</u>	<u>\$ (17,263)</u>

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

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**LONG-TERM DEBT
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(\$ in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
First lien bonds	\$ 758,560	\$ 624,545	\$ 34,180	\$ 31,530	\$ 28,730	\$ 25,775	\$ 22,660	\$ 19,370	\$ 15,900	\$ 12,240
Second lien bonds	648,130	812,750	1,489,410	1,474,795	1,752,875	1,730,060	1,690,825	1,657,635	1,612,920	1,562,685
Commercial paper notes	<u>34,639</u>	<u>57,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,027</u>
Total revenue bonds and notes	1,441,329	1,495,008	1,523,590	1,506,325	1,781,605	1,755,835	1,713,485	1,677,005	1,648,820	1,594,952
Unamortized premium	<u>160</u>	<u>4,325</u>	<u>84,609</u>	<u>79,093</u>	<u>123,133</u>	<u>114,270</u>	<u>105,563</u>	<u>96,982</u>	<u>88,567</u>	<u>80,449</u>
Total revenue bonds payable, net of unamortized premium (discount)	1,441,489	1,499,333	1,608,199	1,585,418	1,904,738	1,870,105	1,819,048	1,773,987	1,737,387	1,675,401
Enplanements ⁽¹⁾	<u>9,779,609</u>	<u>10,267,481</u>	<u>10,607,996</u>	<u>11,118,223</u>	<u>11,345,748</u>	<u>11,232,272</u>	<u>11,022,224</u>	<u>10,417,815</u>	<u>4,445,906</u>	<u>7,924,344</u>
Total debt per enplanements	<u>\$ 147</u>	<u>\$ 146</u>	<u>\$ 144</u>	<u>\$ 135</u>	<u>\$ 157</u>	<u>\$ 156</u>	<u>\$ 155</u>	<u>\$ 161</u>	<u>\$ 370</u>	<u>\$ 201</u>

⁽¹⁾ Enplaned Commercial Passengers by Airline Schedule as shown on page 71.

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**FULL-TIME EQUIVALENT CHICAGO MIDWAY AIRPORT EMPLOYEES BY FUNCTION
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Airfield operations	70	70	85	88	94	127	128	134	137	137
Landside operations	-	-	21	20	21	21	21	21	22	22
Security management	60	60	69	62	62	63	64	68	110	110
Facility management	33	35	14	15	15	15	15	18	17	20
Midway administration	10	10	10	10	10	12	12	12	12	10
Safety management	<u>2</u>	<u>2</u>	-	-	-	-	-	-	-	-
Total	<u>175</u>	<u>177</u>	<u>199</u>	<u>195</u>	<u>202</u>	<u>238</u>	<u>240</u>	<u>253</u>	<u>298</u>	<u>299</u>

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 TEN YEARS AGO (NOTE AT THE END OF THIS PAGE)

Employer	2021 ⁽¹⁾			2012 ⁽³⁾		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Amazon.Com Inc	27,050	1	2.17 %			
Advocate Aurora Health	25,906	2	2.08			
Northwestern Memorial Healthcare	24,053	3	1.93			
University of Chicago	20,781	4	1.67			
Walmart Inc.	18,500	5	1.48			
Walgreens Boots Alliance Inc.	16,817	6	1.35	2,789	10	0.26 %
JPMorgan Chase & Co. ⁽⁴⁾	14,583	7	1.17	8,168	1	0.76
United Continental Holdings Inc. ⁽⁵⁾	13,171	8	1.06	7,521	2	0.70
Amita Health	13,051	9	1.05			
Jewel-Osco ⁽⁶⁾	10,892	10	0.87	4,572	5	0.43
Accenture LLP				5,590	3	0.52
Northern Trust				5,448	4	0.51
Ford Motor Company				4,187	6	0.39
Bank of America NT & SA ⁽⁷⁾				3,811	7	0.36
ABM Janitorial Midwest, INC.				3,398	8	0.32
American Airlines				3,076	9	0.29

NOTES:

⁽¹⁾ Source: Reprinted with permission from the February 21, 2022 issue of Crain's Chicago Business.

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

⁽³⁾ Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.

Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue Tax-Division report which is no longer available.

⁽⁴⁾ JP Morgan & Co. formerly known as J.P. Morgan Chase.

⁽⁵⁾ United Continental Holdings Inc. formerly known as United Airlines.

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

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

CITY OF CHICAGO, ILLINOIS

CHICAGO MIDWAY INTERNATIONAL AIRPORT

STATISTICAL DATA

POPULATION AND INCOME STATISTICS

EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

Year	Population ⁽¹⁾	Median Age ⁽²⁾	Number of Households ⁽²⁾	City Employment	Unemployment Rate ⁽³⁾	Per Capita Income ⁽⁴⁾	Total Income
2012	2,695,598	33.2	1,054,488	1,144,896	8.9 %	\$48,305	\$130,210,861,390
2013	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015	2,695,598	34.2	1,053,229	1,273,733	5.7	53,886	145,254,993,828
2016	2,695,598	34.4	1,053,986	1,282,117	5.4	55,621	149,931,856,358
2017	2,695,598	34.6	1,047,695	1,289,325	4.7	58,315	157,193,797,370
2018	2,695,598	34.9	1,077,886	1,288,755	4.0	61,089	164,671,386,222
2019	2,695,598	35.2	1,080,345	1,286,484	3.2	65,306	176,038,722,988
2020	2,695,598	34.8	1,081,143	1,165,441	8.2	67,671	182,413,812,258
2021	2,746,388	N/A ⁽⁵⁾	N/A ⁽⁵⁾	1,247,060	4.1	N/A ⁽⁵⁾	N/A ⁽⁵⁾

Notes:

⁽¹⁾ Source: U.S. Census Bureau.

⁽²⁾ Source: U.S. Census Bureau- American Community Survey data estimates. Data not available for 2021.

Due to Covid-19 protocols the U.S. Census Bureau - American Community Survey (ACS) 1-year data for Median Age and Number of Households are not available for 2020. The reported values above are from the ACS 5-year data.

⁽³⁾ Source: Bureau of Labor Statistics 2021, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.

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

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**STATISTICAL DATA
LANDING FEES AND TERMINAL AREA USE CHARGES
ANNUALIZED RATES**

Landing Fees and Terminal Area Use Charges	2021
Signatory landing fee (rate/1000 lbs)	\$ 5.171
Non-signatory landing fee (rate/1000 lbs)	\$ 6.464
Signatory joint use fee (base usage/1000 lbs)	\$ 3.238
Non-signatory joint use fee (base usage/1000 lbs)	\$ 4.047
Signatory joint use fee (per capita/annual)	\$ 686,659
Non-signatory joint use fee (per capita/annual)	\$ 858,324
Signatory terminal rental rate	\$ 231.76
Non-signatory terminal rental rate	\$ 289.71
Terminal ramp rate	\$ 5.33
Signatory FIS fee per deplaned passenger	\$ 7.50
Non-signatory FIS fee per deplaned passenger	\$ 9.38
Cost per departure rate ⁽¹⁾	\$ 251.59

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