

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

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023



Brandon Johnson, Mayor
Jill Jaworski, Chief Financial Officer
Chasse Rehwinkel, City Comptroller
Jamie L. Rhee, Commissioner

**2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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PART I

INTRODUCTORY SECTION



CITY OF CHICAGO



CHICAGO DEPARTMENT OF AVIATION

June 28, 2024

To the Honorable Mayor Brandon Johnson, Members of the City Council, and Citizens of the City of Chicago:

I am pleased to submit the Annual Comprehensive Financial Report ("ACFR") of Chicago O'Hare International Airport ("Airport") for the year ended December 31, 2023. State law requires that all governmental units publish within six months of the close of each fiscal year financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited by a licensed public accountant.

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

ECONOMIC CONDITION AND OUTLOOK

According to statistics compiled by Airports Council International (ACI), for the 12-month period ended December 31, 2023, O'Hare was the second busiest airport in the United States and worldwide for total aircraft operations, and fifth busiest in the United States and ninth worldwide in terms of total passengers. OAG released a "Megahubs 2023" study in September 2023 that ranked O'Hare as the #1 U.S. Domestic Airport Megahub (ahead of Atlanta and Denver) and the #2 North American Airport Megahub (behind only JFK, and ahead of Toronto and Atlanta).

The recovery from COVID-19's impact on the airline industry and O'Hare is nearly complete. O'Hare served 176 domestic destinations in 2023. Long-haul international service, with the exception of countries like mainland China that are hampered by regulatory constraints, has bounced back strongly as well. In 2023, O'Hare served 71 international destinations, including new destinations such as Hong Kong, Belgrade and Shannon. To capitalize on strong demand to Europe, O'Hare's largest hub carrier, United, operated between ORD and fourteen destinations in Europe in Summer 2023, up from nine in Summer 2019, pre-COVID 19.

A series of investments in air cargo continue to pay off, including the completion of the third and final phase of the Northeast Cargo campus with a new 135,000-square-foot facility and additional aircraft parking positions. Cargo operations at O'Hare have been a tremendous driver of growth and economic impact over the last several years. O'Hare has continued to experience strong air cargo volumes and, in 2023, processed more than 1.9 million metric tonnes of cargo. O'Hare's air cargo operations support approximately 5,000 jobs at the airport.

REPORTING ENTITY

The Airport is the primary commercial airport for the City, and the region, as well as an important transfer and connecting point for numerous domestic and international flights. Located 18 miles northwest of the City's central business district, the Airport occupies over 7,200 acres of land. The Airport is accessed by a network of highways, including several regional expressways that are part of the federal Interstate Highway System, and is directly linked to the central business district by a rapid transit rail system. The airlines serving the Airport operate out of four terminal buildings with a total of approximately 202 gates as of December 31, 2023. Three domestic terminal buildings, having a total of approximately 171 aircraft gates, serve domestic flights and certain international departures. Terminal 5 serves the remaining international departures, all international arrivals requiring customs clearance, and additional domestic flights. In January 2023, the expansion of Terminal 5 provided the first major terminal expansion at the airport in 30 years and added 10 gates at Terminal 5 for a total of 31.

MAJOR INITIATIVES

The Airport is continuing with several significant capital projects designed to enhance and fortify its competitive position. The centerpiece of the capital development program at the Airport is O'Hare 21, which includes all current and future projects associated with expanding the Airport's capacity and connectivity and improving customer service at facilities including and surrounding the terminals. O'Hare 21 addresses the needs of the airport and its users for the 21st century and beyond.

O'Hare 21 centers around the Terminal Area Plan (TAP), a modernization and expansion of the terminal facilities. The construction on the first satellite concourse (Satellite 1) will be followed by the construction of the O'Hare Global Terminal and the second satellite concourse (Satellite 2). These enhancements will yield a significantly elevated experience for passengers and efficiencies for airport partners. The TAP will outfit the Airport with new technology and security enhancements and transform the passenger experience with increased amenities and services within the terminal buildings, including: the modernization and replacement of the oldest terminal facilities at O'Hare; integration of domestic and international terminal operations; and enhancements to passenger and baggage connectivity. Construction of the major elements of TAP will take place over the next decade. The City has found significant, sustainable cost-savings through the adaptive reuse of existing terminal elements, and other creative solutions, to stay within the program budget.

The Chicago Department of Aviation (CDA) has accomplished a significant amount of work over the last few years to meet the growing demand at our airports. The Terminal 5 expansion provides a stunning, light-filled, accessible terminal, with enhanced amenities and museum-quality art. Highlights of the expansion include: 350,000 additional square feet of space, 10 additional gates, a state-of-the-art baggage handling system, and 75% more amenity space, including a two-fold increase in premium lounge space. The new terminal is delivering the highest utilization of any gates at O'Hare, along with new concessions options, including a variety of diverse- and locally-owned shops and restaurants. Terminal 5 is also the new home of Delta Air Lines and its new Delta Sky Club.

In Terminal 3, "ElevateT3," addresses aging infrastructure and allows for growth, improved passenger flow, and a modernized interior. Improvements include: a completely new baggage handling area, new concessions, streamlined security checkpoints, and increased amenities. ElevateT3 was awarded the largest single competitive grant from the FAA in the 2023 — a \$50 million commitment from the Bipartisan Infrastructure Law.

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

The City is financing the capital program through airport revenue bond proceeds, federal grants, passenger facility charge revenues, rental car customer 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 appropriation. The Budget Director, through the allotment system, has the authority to institute economic measures for the Airport to ensure that its expenditures do not exceed its revenue collection. The Airport uses encumbrances to control expenditures by preventing appropriated dollars from being used for any purpose other than that for which they have been legally appropriated.

RELEVANT FINANCIAL POLICIES

The Airport is owned by the City and operated by the 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 Airline Use and Lease Agreement (AULA) specifies 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 AULA provides that the aggregate of Airport Fees and Charges paid by Airlines 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. The Airport's AULA is effective as of May 12, 2018, and is a 15-year lease agreement that modernizes the existing terminal and gate space allocation and rates and charges structure for the Airport and authorizes approximately \$8.5 billion of funding in 2018 dollars and provisions for escalation for capital projects, including the TAP and CIP. In addition, it provides more flexibility for funding future capital investments and provides greater competition between airlines.

INDEPENDENT AUDIT

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

AWARD


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its ACFR for the fiscal year ended December 31, 2022. This was the 26th consecutive year that the Airport has received this prestigious award, which is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current 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.

ACKNOWLEDGMENTS

This ACFR could not have been prepared without the dedication and effective help of the entire staff of the CDA and the Comptroller's Office. I wish to express my appreciation to them, particularly those that 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 O'Hare International Airport
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

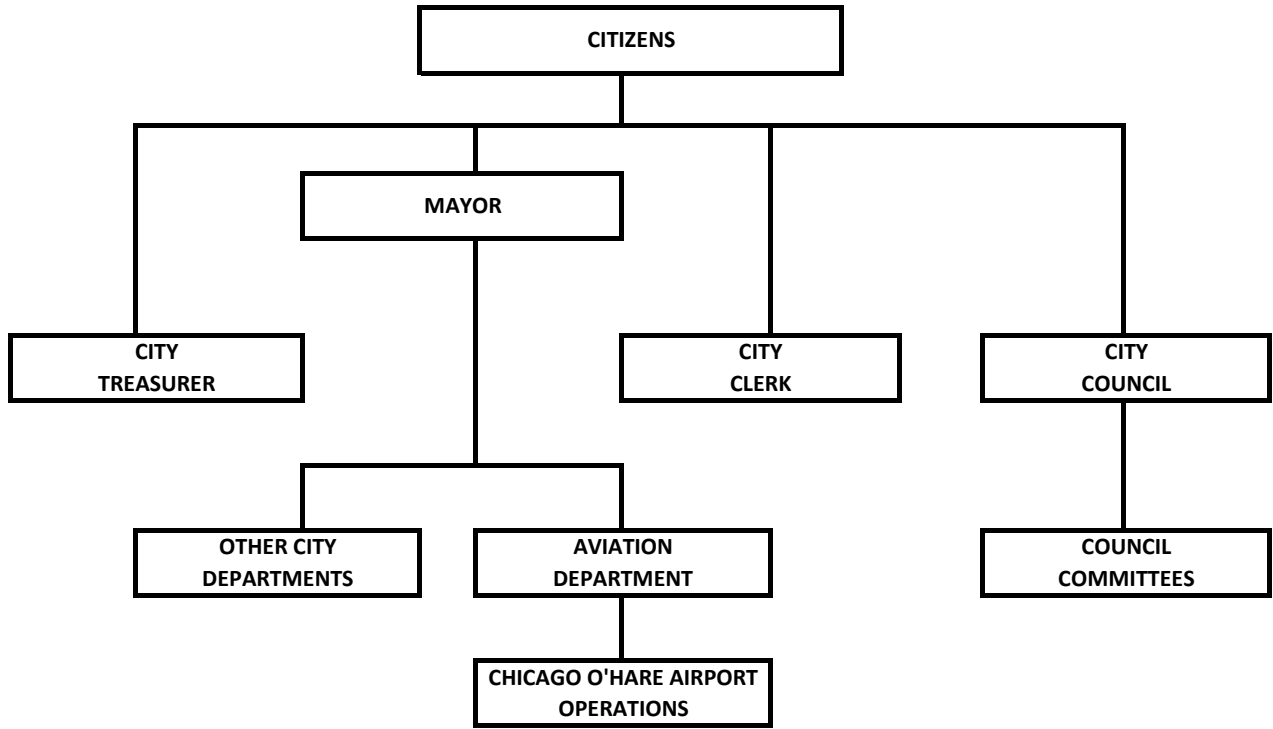
December 31, 2022

Christopher P. Morrill

Executive Director/CEO

**CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT
ORGANIZATION CHART**

AS OF 12/31/2023



List of Principal Officials

Brandon Johnson	Mayor
Jamie L. Rhee	Commissioner

PART II
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Brandon Johnson, Mayor
and Members of the City Council
City of Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chicago O'Hare International Airport (the "Airport"), an enterprise fund of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2023, 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 O'Hare International Airport, as of December 31, 2023, and the respective changes in financial position, and cash flows thereof for the year 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 Audit 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 O'Hare 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, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then 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 Audit 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 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion 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 audit 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 appears 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 28, 2024

CITY OF CHICAGO, ILLINOIS

CHICAGO O'HARE INTERNATIONAL AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Dollars in thousands)

The following discussion and analysis of Chicago O'Hare International Airport's (the "Airport" or "O'Hare") financial performance provides an introduction and overview of the Airport's financial activities for the fiscal year ended December 31, 2023. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

Operating revenues for 2023 increased by \$168,318 (13.4%) compared to prior year operating revenues due to an increase in terminal use charges and landing fees of \$112,242; increases in concessions and other rental revenues of \$55,454; and an increase in hotel revenues of \$622, all due to an increase in passenger and flight activity as the Airport continued to recover from the impacts of the COVID-19 pandemic on travel.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by \$85,176 (9.6%) compared to 2022, primarily due to the increase salary and wages of \$15,171 due to contractual increases and the increase in fringe benefit costs, increases in professional and engineering expenses of \$18,725 (10.8%) due to ongoing planning efforts related to the O'Hare 21 program, which includes the Terminal Area Plan expansion, Terminal 5 expansion, major airfield projects including the completion of the O'Hare Modernization Program, on airport hotel developments and other capital projects, and planning of new facilities which increased during 2023, an increase in repairs and maintenance of \$29,909 (19.5%) due to the impact of upgrades to existing infrastructure, such as the Terminal 5 upgrades, and \$20,017 (15.2%) for other operating maintenance expense for expenses related to concessions relief during 2023 that were not incurred in 2022, offset by a decrease in pension expense of \$1,636 (1.0%) 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. Hotel expenses increased by \$2,990 (8.4%) due to the ongoing recovery of hotel business from the impact of the COVID-19 pandemic on travel and tourism and the completion of the Terminal 5 expansion and upgrades.

The Airport's total net position at December 31, 2023, was \$958,555, which is an increase of \$48,604 (5.3%) over total net position at December 31, 2022 primarily due to increases in landing fees of \$112,242 due to increases in passenger and flight activity, and increase in investment income of \$251,282 due to recovering from prior years impact of the global market volatility on investments, and increases in PFC and CFC balances totaling \$13,407 as the collections of PFC and CFC revenues increased during 2023.

Capital asset additions for 2023 were \$609,030, which primarily included additions related to the continuing construction of new runway projects, ongoing work related to the Terminal 5 expansion including TAP Phase 1 utilities, parking garage, baggage handling systems, parking structure improvements, Automated Train System (ATS) upgrades, terminal improvements and capital maintenance. Completed projects totaling \$356,822 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 comprise the basic financial statements and the notes to basic financial statements. In addition to the basic financial statements, this report also presents additional and statistical information after the notes to basic financial statements.

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

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

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

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

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

The basic financial statements include all of the Airport's funds and all the operations of Hilton O'Hare, which was transferred back to the Airport on January 1, 2019, as the 30-year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The Airport has entered into a 10-year operating agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC and food and beverage operations.

FINANCIAL ANALYSIS

Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the Airline Use and Lease Agreement ("AULA"). In 2018, the City Council approved the new AULA for airlines operating at O'Hare, which went into effect as of July 1, 2018, for provisions regarding rates and charges. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to

the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned.

At December 31, 2023, the Airport's financial position included total assets and deferred outflows of \$14,785,884, total liabilities and deferred inflows of \$13,827,329 and net position of \$958,555.

A comparative condensed summary of the Airport's net position at December 31, 2023 and 2022, is as follows (dollars in thousands):

	<u>Net Position</u>	
	<u>2023</u>	<u>2022</u>
Current unrestricted assets	\$ 420,547	\$ 533,442
Restricted and other assets—noncurrent	3,452,440	3,772,147
Capital assets—net	<u>10,707,108</u>	<u>10,474,618</u>
 Total assets	 14,580,095	 14,780,207
Deferred outflows	<u>205,789</u>	<u>218,126</u>
Total assets and deferred outflows	<u>\$14,785,884</u>	<u>\$14,998,333</u>
Current unrestricted liabilities	\$ 263,184	\$ 249,610
Liabilities payable from restricted assets and noncurrent liabilities	<u>12,893,732</u>	<u>13,291,643</u>
 Total liabilities	 13,156,916	 13,541,253
Deferred inflows	71,309	53,971
Deferred inflows of resources for leases	<u>599,104</u>	<u>493,158</u>
Total liabilities and deferred inflows	<u>\$13,827,329</u>	<u>\$14,088,382</u>
Net position:		
Net investment in capital assets	\$ 904,790	\$ 945,118
Restricted	1,584,716	1,318,135
Unrestricted	<u>(1,530,951)</u>	<u>(1,353,302)</u>
Total net position	<u>\$ 958,555</u>	<u>\$ 909,951</u>

Current unrestricted assets decreased by \$112,895 (21.2%) primarily due to a decrease in cash and cash equivalents of \$113,621 due to timing of payments and investments of \$32,834, due to funds received from COVID-19 relief grants that have been set aside to use in future years, offset by an increase in lease receivables of \$23,227 due to the lessor portion of GASB 87 related to future cash collections from new active leases in 2023. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2023 and 2022 was 1:60:1 and 2.14:1, respectively. This decrease in the current ratio was primarily due to a decrease of cash and cash equivalents and investments, combined with a decrease in unearned revenue, as amounts due to the airlines related to 2023 were less than in previous years.

Restricted and other assets—Noncurrent decreased by \$319,707 (8.5%), primarily due to an decrease in the construction funds for capital improvement projects of \$405,287 in cash and cash equivalents, offset by an increase of \$86,988 investments from 2023 bond issuances related to the ongoing O'Hare 21 program, and \$95,009 in lease receivables, which is related to future cash collections for existing leases where the Airport is a lessor. Net capital assets increased by \$232,490 (2.2%) primarily due to ongoing capital activities of the

O'Hare 21 Program, including the Terminal 5 expansion, baggage handling systems, landside improvements and repurposing; Terminal Area Plan Phase 1 Utilities; Terminal 2 O'Hare Global Terminal planning, ongoing Capital Improvement Program upgrades and the final additions to complete the ATS.

The increase in unrestricted current liabilities of \$13,574 (5.4%) is mainly related to the decrease of due to other city funds of \$10,114 for employee benefit and reimbursement costs due to the City Corporate Fund and subscription liability of \$2,837 due to the implementation of GASB 96 (short-term portion), offset by the increase in accounts payable and accrued liabilities of \$36,934, due to timing differences of payments, advances for terminal and hangar rents of \$4,193 related to 2024 advance rent collections as there was a decrease in prepaid rents compared to 2022, and a decrease of \$20,488 of unearned revenue calculated under the residual rate setting making methodology in the AULA as there was a reduction in the amounts due to the airlines for 2022 and 2023.

Liabilities payable from restricted assets and noncurrent liabilities decreased by \$397,911 (3.0%) due primarily to the decrease in revenue bonds payable, which decreased the balance by \$334,773. The net pension liability in the amount of \$1,688,034 increased by \$22,170 (1.3%) compared to 2022 primarily as a result of changes in actuarial assumptions, impacts of investment returns, and the increase in allocation of pension costs to the Airport compared to Governmental funds and certain Enterprise funds. This was offset by an increase in Interest Payable of \$14,207 during 2023.

Deferred outflows decreased by \$12,337 (5.7%) and deferred inflows increased by \$17,338 (32.1%) during 2023 due to changes in assumptions and the difference between 2023 projected and actual earnings on pension plan investments. Deferred inflows related to leases increased by \$105,946 (21.5%) in 2023 due to the renewal of concessionaire agreements related to GASB 87.

As of December 31, 2023, total net position was \$958,555, which was an increase of \$48,604 (5.3%) from 2022 primarily due to increases in operating revenues of \$168,318 (13.4%) and in investment income of \$251,282 due to recovering from global market volatility on recognized earnings which impact short-term market value, increase in interest expense of \$28,720 related to scheduled bond interest payments, and a decrease of grant revenues of \$109,917 as the COVID-19 relief funds were reduced during 2023.

A comparative condensed summary of the Airport's changes in net position for the years ended December 31, 2023 and 2022 is as follows (dollars in thousands):

	<u>Changes in Net Position</u>	
	<u>2023</u>	<u>2022</u>
Operating revenues:		
Landing fees and terminal charges	\$ 952,585	\$ 840,343
Rents, concessions, and other	418,761	363,307
Hilton O'Hare revenues	<u>56,405</u>	<u>55,783</u>
Total operating revenues	<u>1,427,751</u>	<u>1,259,433</u>
Operating expenses:		
Salaries and wages	247,685	232,514
Pension expense	162,343	163,979
Repairs and maintenance	183,431	153,522
Professional and engineering	191,465	172,740
Other operating expenses	152,033	132,016
Hilton O'Hare expenses	38,588	35,598
Depreciation and amortization	394,398	375,346
Loss on Capital asset disposal	<u>952</u>	<u>-</u>
Total operating expenses	<u>1,370,895</u>	<u>1,265,715</u>
Operating income (Loss)	<u>56,856</u>	<u>(6,282)</u>
Nonoperating Revenues (Expenses)		
Passenger facility charge revenue	143,610	134,920
Customer facility charge revenue	39,046	34,329
Other nonoperating revenues	28,985	8,522
Noise mitigation	(21,829)	(16,129)
Cost of issuance	(3,092)	(11,789)
Investment income (loss)	144,285	(106,997)
Interest expense	(449,332)	(420,612)
Interest income on Leases	22,099	20,139
Grant revenues	<u>35,014</u>	<u>144,931</u>
Total nonoperating revenues (expenses)	<u>(61,214)</u>	<u>(212,686)</u>
Income (loss) before capital grants	(4,358)	(218,968)
Capital grants	<u>52,962</u>	<u>50,836</u>
Change in net position	48,604	(168,132)
Net position beginning of year	<u>909,951</u>	<u>1,078,083</u>
Net position end of year	<u>\$ 958,555</u>	<u>\$ 909,951</u>

Landing fees and terminal area use charges for the years 2023 and 2022 were \$952,585 and \$840,343, respectively. Rents, concessions, and other revenues were \$418,761 and \$363,307 for the years 2023 and 2022, respectively. The increase in 2023 operating revenues of \$168,318 (13.4%) compared to 2022 was primarily due to increase of Landing fees and terminal area use charges of \$112,242, hotel revenues of \$622 and other rentals and fueling systems of \$55,454 as passenger and flight activity increased as the Airport continued to recover from the impact of the COVID-19 pandemic on travel and tourism.

Salaries and wages increased by \$15,171 (6.5%) in 2023 compared to 2022, which was due to contractual wage increases. Repairs and maintenance expenses increased by \$29,909 (19.5%) due to upgrades placed into service, such as the extension of the ATS and upgrades to parking structures. Professional and engineering costs increased \$18,725 (10.8%) due to ongoing planning work for the \$8.5 billion O'Hare 21 Program. Other operating expenses increased by \$20,017 (15.2%) due to the reduction of the provision of doubtful accounts as outstanding collections from tenants were received. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, and vehicle purchases.

Pension expense was \$162,343 in 2023 and \$163,979 in 2022, which is a decrease of \$1,636 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, changes in allocation of pension contributions and increase in the City's pension contribution compared to 2022. During 2023, the Airport made cash contributions of \$43,292 toward the pension plans.

The 2023 nonoperating revenues of \$413,039 are comprised of PFCs of \$143,610 (an increase of \$8,690, or 6.4%), CFCs of \$39,046 (an increase of \$4,717, or 13.7%), other nonoperating revenue of \$28,985 (an increase of \$20,463) and interest income of \$144,285 recovering from the global market volatility that impacted the fair market value of investments in 2022. The increases were impacted by the increase of passenger traffic as the Airport continued to recover from the impact of the COVID-19 pandemic and more passengers purchased tickets and rented cars. The Airport recognized ARP Act grant revenue of \$35,014 during 2023 from the Federal Aviation Administration (FAA) to help mitigate losses in revenue and provide relief to concessionaires due to the impact of the COVID-19 pandemic on air travel and tourism. This was a decrease of \$109,917 (75.8%) compared to 2022 as the need for COVID-19 relief funds reduced during 2023.

Nonoperating expenses were \$474,253 and \$555,527 for the years 2023 and 2022, respectively. The decrease of \$81,274 (14.6%) from 2022 to 2023 was mainly due to investment loss of \$106,997 in the prior year and investment income of \$144,285 in the current year, the increase in interest expense of \$28,720 due to debt service payments, offset by a decrease of \$8,697 related to the cost of issuance for the Series 2022 GARBs in 2022 compared to 2023. There was an increase of \$5,700 related to increases in noise mitigation costs at the airport and investment income of \$144,285, an increase of \$251,282, due to recovering from global market volatility in 2022 that impacted the fair market value of investments compared to 2023.

Capital grants, comprised mainly of federal grants, increased slightly from \$50,836 in 2022 to \$52,962 in 2023, a 4.2% increase, mainly as a result of the timing associated with when capital expenditures became eligible for grant reimbursement from the federal government and a one-time increase in the allotment of Airport Improvement Program (AIP) grant funding from the FAA during 2021 and 2022 as a part of COVID-19 relief efforts compared to 2023.

A comparative summary of the Airport's changes in cash flows for the years ended December 31, 2023 and 2022 is as follows (dollars in thousands):

	<u>Cash Flows</u>	
	<u>2023</u>	<u>2022</u>
Cash provided by (used in) activities:		
Operating	\$ 598,721	\$ 381,422
Capital and related financing	(1,318,404)	202,641
Noncapital financing	33,942	177,652
Investing	<u>87,838</u>	<u>(210,148)</u>
Net change in cash and cash equivalents	(597,903)	551,567
Cash and cash equivalents:		
Beginning of year	<u>1,397,522</u>	<u>845,955</u>
End of year	<u>\$ 799,619</u>	<u>\$ 1,397,522</u>

As of December 31, 2023, the Airport's cash and cash equivalents of \$799,619 decreased by \$597,903 compared to \$1,397,522 at December 31, 2022 due to current year debt payments, expenditures on capital projects and purchases of investments offset by an increase in cash collections from revenues as the Airport continued to recover from the impacts of the COVID-19 pandemic. Total cash and cash equivalents at December 31, 2023, were comprised of unrestricted and restricted cash and cash equivalents of \$144,969 and \$654,650, respectively.

PROPERTY & FACILITIES AND DEBT ADMINISTRATION

At the end of 2023 and 2022, the Airport had \$10,693,239 and \$10,474,618 respectively, invested in net fixed assets. During 2023, the Airport had additions of \$609,030 related to property and facilities. This included construction HVAC system upgrades, Central Deicing Pad, concourse improvements CONRAC/Parking, ATS rail, terminal improvements, runway and taxiway improvements.

During 2023, completed projects totaling \$356,822 were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to the relocation of airline facilities, Central Deicing Pad, CONRAC/Parking, Fuel Line Relocation, terminal improvements runway and taxiway improvements.

The Airport's property and facilities at December 31, 2023 and 2022 are summarized as follows (dollars in thousands):

	Fixed Assets at Year-End	
	2023	2022
Fixed assets not depreciated:		
Land	\$ 893,620	\$ 893,044
Construction in progress	<u>1,888,475</u>	<u>1,637,420</u>
Total fixed assets not depreciated	<u>2,782,095</u>	<u>2,530,464</u>
Fixed assets depreciated:		
Buildings and other facilities	13,357,057	13,001,426
Less accumulated depreciation for:		
Buildings and other facilities	<u>(5,445,913)</u>	<u>(5,057,272)</u>
Total fixed assets depreciated—net	<u>7,911,144</u>	<u>7,944,154</u>
Total property and facilities—net	<u>\$ 10,693,239</u>	<u>\$ 10,474,618</u>

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

During 2023, the Airport sold \$171.8 million of O'Hare Customer Facility Charge Senior Lien Refunding Bonds, Series 2023. The net proceeds were used to fully refund the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013A.

The Airport's outstanding debt at December 31, 2023 and 2022 is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End	
	2023	2022
Revenue bonds, notes and TIFIA Loan	\$ 10,257,593	\$ 10,567,896
Unamortized—Bond premium	<u>543,697</u>	<u>581,744</u>
Total outstanding debt—net	10,801,290	11,149,640
Current portion	<u>(255,841)</u>	<u>(265,378)</u>
Total long-term revenue bonds and notes payable—net	<u>\$ 10,545,449</u>	<u>\$ 10,884,262</u>

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

The Airport's revenue bonds at December 31, 2023, had credit ratings with each of the four major rating agencies as follows:

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

At December 31, 2023, the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

In July 2023, Standard & Poor's upgraded the O'Hare Customer Facility Charge Bonds to BBB+ from BBB.

ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES

In 2023, recovering from the impact of the COVID-19 pandemic on travel and tourism, the Airport was ranked as the second busiest airport in the world, measured in terms of total aircraft operations, fourth in the United States in terms of total passengers, and seventh in the United States in terms of cargo. The Airport had 36.6 million and 34.1 million enplaned passengers in 2023 and 2022, respectively. The strong origin-destination passenger demand and the Airport's central geographical location near the center of the United States and along the most heavily traveled east/west air routes make the Airport a natural hub location, which has been beneficial as the Airport continues to recover from the COVID-19 pandemic.

United Airlines and American Airlines each use the Airport as one of their major hubs. United Airlines (including its regional affiliates) comprised 47.7% of the Airport's enplaned passengers in 2023 and 45.6% of the enplaned passengers in 2022, while American Airlines (including its regional affiliates) comprised 30.0% of the Airport's enplaned passengers in 2023 and 32.6% of the enplaned passengers in 2022.

Based on the Airport's rates and charges for fiscal year 2024, total budgeted Operating and Maintenance Expenses (including Allowable Airline Liaison Office Expenses) are projected at \$871,645 (including \$11,500 of ARP Act funds credits applied to reduce Operating and Maintenance Expenses) and total Capital Costs (including net debt service, coverage requirements, program fees and pre-approved allowances) and fund deposit requirements, are projected at \$637,612. Additionally, 2024 nonairline revenues and credits are budgeted at \$374,655, resulting in a net airline requirement of \$1,168,128 that will be funded through landing fees, terminal area use charges, common use and joint use charges.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023
(Dollars in thousands)**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note 2)	\$ 144,969
Investments (Note 2)	60,535
Accounts receivable—net of allowance for doubtful accounts of approximately \$1,972	81,201
Due from other City funds	68,220
Prepaid expenses	6,190
Interest receivable	1,812
Lease receivable	57,620
Cash and cash equivalents (Note 2)—restricted	651,381
Prepaid expenses—restricted	<u>5,145</u>
Total current assets	<u>1,077,073</u>

NONCURRENT ASSETS:

Cash and cash equivalents (Note 2)—restricted	3,269
Investments (Note 2)—restricted	2,155,038
Lease receivable	555,318
Passenger facility charges and other receivables—restricted	41,977
Interest receivable—restricted	11,522
Prepaid expenses—restricted	18,404
Due from other governments—restricted	5,154
Other assets	5,232

CAPITAL ASSETS:

Right of use lease asset—net (Note 5)	10,711
Right of use subscription asset—net (Note 5)	3,158
Property and facilities (Note 5):	
Land	893,620
Buildings and other facilities	13,357,057
Construction in progress	<u>1,888,475</u>
Total property and facilities	16,139,152
Less accumulated depreciation	<u>(5,445,913)</u>
Property and facilities—net	<u>10,693,239</u>
Total net capital assets	10,707,108
Total noncurrent assets	<u>13,503,022</u>
Total assets	<u>14,580,095</u>

DEFERRED OUTFLOWS (Note 10)	205,789
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TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$14,785,884</u>
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LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 150,267
Due to other City funds	53,876
Advances for terminal and hangar rent	18,442
Billings over amounts earned	35,472
Lease liability (Note 6)	2,290
Subscription liability (Note 6)	2,837
Liabilities payable from restricted assets:	
Accounts payable	143,133
Current portion of revenue bonds and notes payable (Note 4)	255,841
Interest payable	243,305
Advance from Federal	<u>9,102</u>
Total current liabilities	<u>914,565</u>

NONCURRENT LIABILITIES:

Revenue bonds payable—net of premium (Note 4)	10,258,451
Net pension liability (Note 7)	1,688,034
TIFIA loan (Note 4)	286,998
Subscription liability (Note 6)	10
Lease liability (Note 6)	<u>8,858</u>
Total noncurrent liabilities	<u>12,242,351</u>
Total liabilities	<u>13,156,916</u>

DEFERRED INFLOWS (Note 10)	71,309
DEFERRED INFLOWS OF RESOURCES FOR LEASES	<u>599,104</u>

NET POSITION (Note 1):

Net investment in capital assets	<u>904,790</u>
Restricted net position (Note 1):	
Debt service	259,980
Capital projects	116,828
Passenger facility charges	366,758
Airline use agreement*	492,774
Airport general fund (Note 3)	257,033
Customer facility charge	45,423
Other restricted funds	<u>45,920</u>
Total restricted net position	1,584,716
Unrestricted Net Position (Deficit)	<u>(1,530,951)</u>
Total net position	<u>958,555</u>

TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$14,785,884</u>
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* Airline Use Agreements includes Aeronautical Real Estate Fund, Commercial Real Estate Fund, O&M Reserve, Supplemental O&M Reserve and Maintenance Reserve Funds
See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Dollars in thousands)

OPERATING REVENUES:	
Landing fees and terminal area use charges	\$ 952,585
Rents, concessions, and other (Note 6)	418,761
Hilton revenues (Note 1)	<u>56,405</u>
Total operating revenues	<u>1,427,751</u>
OPERATING EXPENSES:	
Salaries and wages	247,685
Pension expense (Note 7)	162,343
Repairs and maintenance	183,431
Professional and engineering services	191,465
Other operating expenses	152,033
Hilton expenses (Note 1)	<u>38,588</u>
Total operating expenses before depreciation and amortization	975,545
Depreciation and amortization	394,398
Loss on capital asset disposal	<u>952</u>
Total operating expenses	<u>1,370,895</u>
OPERATING INCOME	<u>56,856</u>
NONOPERATING REVENUES (EXPENSES):	
Passenger facility charge revenue	143,610
Customer facility charge revenue	39,046
Other nonoperating revenue	28,985
Noise mitigation costs	(21,829)
Costs of issuance	(3,092)
Investment income	144,285
Interest expense (Note 4)	(449,332)
Lease interest income	22,099
Grant revenues (Note 1)	<u>35,014</u>
Total nonoperating (expenses) revenues	<u>(61,214)</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(4,358)
CAPITAL GRANTS	<u>52,962</u>
CHANGE IN NET POSITION	48,604
TOTAL NET POSITION—Beginning of year	<u>909,951</u>
TOTAL NET POSITION—End of year	<u>\$ 958,555</u>

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Landing fees and terminal area use charges	\$ 934,380
Rents, concessions, and other	615,656
Payments to vendors	(467,709)
Payments to employees	(237,971)
Transactions with other City funds—(used in)	<u>(245,635)</u>
Cash flows provided by operating activities	<u>598,721</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from issuance of bonds	187,237
Payments on TIFIA	(3,969)
Proceeds from O’Hare 2010B Senior Lien Build America Bonds subsidy	6,144
Payments to refund bonds	(217,867)
Principal paid on bonds	(265,378)
Bond issuance and other related costs	(3,030)
Interest paid on bonds and note	(474,946)
Acquisition and construction of capital assets	(685,974)
Capital grants	58,288
Interest income from leases	22,099
Principal payment on leases and subscriptions	(123,766)
Customer facility charge revenue	39,046
Passenger facility charge revenue and other receipts	<u>143,712</u>
Cash flows used in capital and related financing activities	<u>(1,318,404)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Proceeds from miscellaneous settlements and agreements	20,757
Proceeds from COVID-19 Relief Funds	35,014
Cash paid for noise mitigation program	<u>(21,829)</u>
Cash flows provided by noncapital financing activities	<u>33,942</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sales (purchases) investments—net	(8,087)
Investment interest	<u>95,925</u>
Cash flows used in investing activities	<u>87,838</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(597,903)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>1,397,522</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 799,619</u>

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Dollars in thousands)**

RECONCILIATION TO CASH AND CASH EQUIVALENTS REPORTED ON
THE STATEMENT OF NET POSITION:

Unrestricted	\$ 144,969
Restricted:	
Current	651,381
Noncurrent	<u>3,269</u>

TOTAL \$ 799,619

RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS
PROVIDED BY OPERATING ACTIVITIES:

Operating income (loss)	\$ 56,856
Adjustments to reconcile:	
Depreciation, amortization, and loss on capital asset disposals	395,350
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable	(6,799)
Due from other City funds	(3,581)
Prepaid expenses	3,510
Accounts payable	36,934
Due to other City funds	(10,114)
Deferred inflows	149,003
Prepaid terminal rent	(1,950)
Billings over amounts billed	<u>(20,488)</u>

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES \$ 598,721

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:

Property additions in 2023 was \$193,396 are included in accounts payable.

The fair value adjustments loss to investments for 2023 was \$122,700.

See notes to basic financial statements.

(Concluded)

CITY OF CHICAGO, ILLINOIS

CHICAGO O'HARE INTERNATIONAL AIRPORT

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago O'Hare International Airport (the "Airport" or "O'Hare") 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 Airline Use and Lease Agreement ("AULA") authorized by City Council that includes the provisions regarding rates and charges became effective on July 1, 2018. The AULA expiration date is December 31, 2033.

The basic financial statements of the Airport includes the Hilton O'Hare hotel. The Airport has entered into a 10-year operating agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC for food and beverage operations.

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, deferred outflows, liabilities, and deferred inflows and the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

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

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

Investments 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; commercial paper; 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 and commercial paper 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, do not have a maturity in excess of 30 years from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinances.

Cash equivalents include investments with maturities of three months or less when purchased.

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

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 by the Airport and consist mainly of employee benefits, self-insured risks, and administrative expenses.

Property and Facilities—Property and facilities are recorded at cost or, for donated assets, 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:

Runways, aprons, tunnels, taxiways, and paved roads	30 years
Water drainage and sewer system	20–50 years
Refrigeration and heating systems	30 years
Buildings	40 years
Building/land improvements	8–40 years
Electrical system	15–20 years
Other	3–30 years

Deferred Outflows—Deferred outflows represent unamortized loss on bond refundings and differences between pension related balances.

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 and Deferred Inflows of Resources for Leases—Deferred inflows represent the differences between pension related balances. Deferred inflows of resources for leases represents the resources related to the lease arrangements that will be recognized as revenue in future years over the terms of the leases between the City and the lessors.

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

Employee Benefits—Employee benefits are granted for vacation and sick leave, workers' compensation, and health care. Specified unused vacation leave is accrued and may be carried over for one year. Sick leave is accumulated at the rate of one day for each month worked, up to a maximum of 200 days. Severance of employment terminates all rights to receive compensation for any unused sick leave. Sick leave pay is not accrued. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities. The Airport maintains insurance from a commercial carrier for workers' compensation claims. Settlements in each of the past 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 Sections 457 and 401(a). The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Third-party administrators who maintain the investment portfolio administer the Plan. 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 expenses in the period incurred.

Capitalized Interest—Interest expense on construction bond proceeds are expensed as incurred.

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

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

Revenue Recognition—Revenues from landing fees, terminal area use charges, fueling system charges, aeronautical real estate revenue, parking revenue, hotel revenue and concessions are reported as operating revenues. The Airport adheres to the guidelines outlined in the FAA revenue use policy. Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the AULA. As noted above, in 2018, the City Council approved the new AULA for airlines operating at O’Hare. Provisions regarding rates and charges became effective on July 1, 2018. The structure of rates and charges was updated to better align costs to airlines based on their preferential versus common use status. 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. In addition, the revenues earned by the Hilton O’Hare are included in the financials.

Passenger Facility Charge (PFC) Revenue—The Airport imposed PFCs of \$4.50 per eligible enplaned passenger for the year ended December 31, 2023. 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 \$8.00 per contract day on each customer for motor vehicle rentals at the Airport for the year ended December 31, 2023. 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 Coronavirus Response and Relief Supplemental Appropriations (“CRRSA”) and American Rescue Plan (“ARP”) Acts funds approved by the United States Congress and signed by the President in 2021, are 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). \$35.0 million of ARP Act funds were allocated to Concessions Relief and were applied in 2023.

Leases—The Airport follows GASB Statement No. 87, *Leases*, which defines the Airport’s leasing arrangement as the right to use an underlying asset as a lessor or lessee.

As lessee, the Airport recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. As there is no stated or implicit rate per the lease agreements, the right-of use lease assets are measured based on the net present value of the future lease payments at inception using the incremental borrowing rate. Amortization for ROU intangible assets is computed using the straight-line method over the shorter of the lease term or estimated useful lives of the assets. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Airport calculates the

amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

As a lessee or lessor, the Airport does not consider variable lease payments in the lease liability and lease receivable calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

For lease contracts that are short-term, the Airport recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

As lessor, the Airport recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic payments are reflected as a reduction of the discounted lease receivable and as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Re-measurement of lease receivables occur when there are modifications including, but not limited to, changes in the contract price, lease term and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

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

Adopted and Upcoming Accounting Standards

GASB Statement	Impact
<p>GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> (“GASB 94”)</p>	<p>This statement's primary objective is to improve financial reporting by addressing issues related to public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs). This statement establishes the definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. In addition, the statement provides more relevant and reliable information for financial statement users and creates consistency in practice. The implementation of GASB 94 did not have a material impact to the financial statements.</p>
<p>GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> (“GASB 96”)</p>	<p>This statement is intended to reduce inconsistencies and improve the accounting and financial reporting of subscription-based information technology arrangements (SBITAs). This statement defines a SBITA as a contract that conveys control of the right to use another party’s information technology as specified in the contract for a period of time in an exchange or exchange-like transaction. It establishes that a SBITA will result in an intangible right-to-use subscription asset and a corresponding subscription liability. The Airport adopted GASB 96 as of January 1, 2023. The adoption of GASB 96 had no material impact on the basic financial statements.</p>
<p>GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”)</p>	<p>Addresses clarifications of provisions in GASB 87, GASB 94, and GASB 96. The Airport adopted these provisions of GASB 99 as of and for the year ended December 31, 2023. The adoption of these certain provisions of GASB 99 had no material impact to the basic financial statements.</p>

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
<p>GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”)—Remaining provisions</p>	<p>2024</p>
<p>GASB Statement No. 100, <i>Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62</i> (“GASB 100”)</p>	<p>2024</p>
<p>GASB Statement No. 101, <i>Compensated Absences</i> (“GASB 101”)</p>	<p>2024</p>
<p>GASB Statement No. 102, <i>Certain Risk Disclosures</i> (“GASB 102”)</p>	<p>2025</p>
<p>GASB Statement No. 103, <i>Financial Reporting Model Improvements</i> (“GASB 103”)</p>	<p>2026</p>

2. RESTRICTED AND UNRESTRICTED CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents and Investments—The Airport had investments as of December 31, 2023, as follows (dollars in thousands):

Investment Type	Maturities (in Years)				Fair Value
	Less than 1	1–5	6–10	More than 10	
US agencies	\$ 285,708	\$ 989,198	\$ 30,684	\$ 8,498	\$1,314,088
Corporate ABS	-	10,893	-	-	10,893
Commercial paper	155,190	-	-	-	155,190
Corporate bonds	18,076	305,868	196,508	33,954	554,406
Municipal bonds	47,326	125,348	-	19,236	191,910
Money market funds	783,546	-	-	-	783,546
Subtotal	<u>\$1,289,846</u>	<u>\$1,431,307</u>	<u>\$227,192</u>	<u>\$61,688</u>	<u>\$3,010,033</u>

US 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, 2023, were (dollars in thousands):

	Level 1	Level 2	Level 3
US agencies	\$ -	\$ 1,296,972	\$ -
Corporate ABS	-	10,893	-
Corporate bonds	-	554,406	-
Municipal bonds	-	176,491	-
Total investments at fair value	<u>\$ -</u>	<u>\$ 2,038,762</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, U.S. agencies, municipal bonds, 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 O'Hare are \$0.9 billion as of December 31, 2023.

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. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an “international financial institution” means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;
- (14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;
- (15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;
- (16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;
- (17) Bonds, notes, debentures, or other similar obligations of agencies of the United States.

Total holdings across all funds held by the Airport shall have no less than an overall average rating. The Airport’s exposure to credit risk as of December 31, 2023, is as follows (dollars in thousands):

Quality Rating

Moody’s/S & P:	
AAA	\$ 952,495
AA	1,555,107
A	148,360
A1	123,610
A2	31,579
BBB	<u>198,882</u>
 Total funds	 <u>\$3,010,033</u>

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 \$248.0 million. 100% of the bank balance was either insured or collateralized with securities held by City agents in the City's name. There were no uncollateralized bank balances at December 31, 2023.

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 as of December 31, 2023, is as follows (dollars in thousands):

Per Note 2—Investments—airport	<u>\$ 3,010,033</u>
Per financial statements:	
Restricted investments	\$ 2,155,038
Unrestricted investments	60,535
Investments classified as cash and cash equivalents on the statement of net position	<u>794,460</u>
	<u>\$ 3,010,033</u>

3. RESTRICTED ASSETS

The General Airport Revenue Bond Ordinance ("Bond Ordinance"), the Master Indenture of Trust Securing Chicago-O'Hare International Airport Second Lien Obligations ("Second Lien Indenture"), the Master Indenture of Trust Securing Chicago O'Hare International Airport Third Lien Obligations ("Third Lien Indenture"), the Use Agreement, and federal regulations contain various limitations and restrictions which, among other things, require the creation and maintenance of separate accounts,

certain of which must be held by a trustee and into which required deposits are made by the Airport on a periodic basis to fund construction, debt retirement, operation and maintenance, and contingencies.

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

Account

Construction	\$ 288,822
Capitalized interest	37,764
Debt service reserve	820,607
Debt service interest	469,448
Debt service principal	28,891
Operation and maintenance reserve	161,589
Maintenance reserve	3,000
Supplemental operation and maintenance reserve	48,701
Customer Facility Charge	45,600
Airport General Fund	255,039
Aeronautical Real Estate Fund	158,816
Commercial Real Estate Fund	73,030
Pre-Approved Allowances Fund	46,639
Other funds	<u>48,390</u>
Subtotal—Bond Ordinance, Master Indenture Accounts	2,486,336
Passenger Facility Charge	<u>323,352</u>
Total	<u>\$ 2,809,688</u>

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

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

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

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

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

The Airport General Fund is restricted and may be used by the Airport for any lawful Airport purpose. Pursuant to section 301 in the O'Hare 2018 Master Indenture, the Special Capital Projects Fund and the Airport Development Fund are discontinued. The monies held in the Special Capital Projects Fund and the Airport Development Fund have been transferred to the Airport General Fund.

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

The Aeronautical Real Estate Fund is restricted and may be used by the Airports for the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

The Commercial Real Estate Fund is restricted and may be used by the Airport for the parcels and other areas of the Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle fueling and charging stations not otherwise located in facilities included in the Parking and Ground Transportation Cost Center, and other real estate development occur, including all roads, utilities and facilities serving such areas and associated air rights.

The Customer Facility Charge account is restricted to fund eligible and approved CFC projects.

At December 31, 2023, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Bond Ordinance and Master Indenture.

4. LONG-TERM DEBT

Long term debt at December 31, 2023, consisted of the following (dollars in thousands):

Senior lien bonds (formerly third lien):

\$578,000 Series 2010 B third lien revenue bonds issued April 29, 2010, due through 2040; interest at 6.145%–6.845%	\$ 328,000
\$428,640 Series 2015 A senior lien revenue refunding bonds issued October 15, 2015 due through 2037; interest at 2.00%–5.00%	409,760
\$1,191,540 Series 2015 B senior lien revenue refunding bonds issued October 15, 2015 due through 2035; interest at 4.00%–5.00%	916,565
\$195,690 Series 2015 C senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 3.625%–5.000%	183,315
\$131,510 Series 2015 D senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 4.000%–5.000%	123,045
\$27,335 Series 2016 A senior lien revenue refunding bonds issued December 5, 2016 due through 2037; interest at 3.00%–5.00%	22,640
\$461,945 Series 2016 B senior lien revenue refunding bonds issued December 5, 2016 due through 2041; interest at 4.00%–5.00%	276,975
\$525,055 Series 2016 C senior lien revenue refunding bonds issued December 5, 2016 due through 2038; interest at 5.00%	428,095
\$739,335 Series 2016 D senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	717,675
\$156,575 Series 2016 E senior lien revenue bonds issued January 10, 2017 due through 2028; interest at 5.000%–5.250%	156,575
\$156,090 Series 2016 F senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 2.000%–5.250%	143,640
\$65,250 Series 2016 G senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	63,405

(Continued)

\$55,915 Series 2017 A senior lien revenue refunding bonds issued June 28, 2017 due through 2040; interest at 3.125%–5.000%	\$ 53,950
\$356,385 Series 2017 B senior lien revenue refunding bonds issued June 28, 2017 due through 2039; interest at 5.000%	354,080
\$122,120 Series 2017 C senior lien revenue refunding bonds issued June 28, 2017 due through 2041; interest at 4.000%–5.000%	93,790
\$278,075 Series 2017 D senior lien revenue bonds issued June 28, 2017 due through 2052; interest at 5.000%	270,020
\$600,785 Series 2018 A senior lien revenue refunding bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	593,635
\$612,095 Series 2018 B senior lien revenue bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	612,095
\$800,000 Series 2018 C senior lien revenue bonds issued December 12, 2018, due through 2054; interest at 4.472%–4.572%	800,000
\$494,360 Series 2020 A senior lien revenue refunding bonds issued October 7, 2020, due through 2040; interest at 4.000%–5.000%	494,360
\$137,150 Series 2020 B senior lien revenue refunding bonds issued October 7, 2020, due through 2035; interest at 4.000%–5.000%	131,735
\$59,865 Series 2020 C senior lien revenue refunding bonds issued October 7, 2020, due through 2039; interest at 4.000%	59,865
\$465,785 Series 2020 D senior lien revenue refunding bonds issued October 7, 2020, due through 2038; interest at 0.959%–3.006%	422,785
\$61,955 Series 2020 E senior lien revenue refunding bonds issued October 7, 2020, due through 2040; interest at 4.000%–5.000%	61,955
\$1,110,055 Series 2022 A senior lien revenue bonds issued October 4, 2022 due through 2055; interest at 4.500% to 5.500%	1,110,055
\$150,450 Series 2022 B senior lien revenue bonds issued October 4, 2022 due through 2056; interest at 4.500% to 5.250%	150,450
\$164,420 Series 2022 C senior lien revenue refunding bonds issued October 4, 2022 due through 2044; interest at 5.000%	162,030
\$343,080 Series 2022 D senior lien revenue refunding bonds issued October 4, 2022 due through 2044; interest at 4.000% to 5.000%	<u>337,910</u>
Subtotal—senior lien bonds	<u>9,478,405</u>

(Continued)

Passenger Facility Charge Revenue Bonds:	
\$48,495 Series 2010 C Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2031; interest at 5.272%–6.395%	\$ 34,835
\$12,190 Series 2011 A Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2032; interest at 5.00%–5.625%	1,520
\$33,815 Series 2011 B Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2033; interest at 5.0%–6.0%	3,170
\$114,855 Series 2012 A Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 3.0%–5.0%	77,975
\$337,240 Series 2012 B Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 2.5%–5.0%	<u>198,850</u>
Subtotal—Passenger Facility Charge Revenue Bonds	316,350
Customer Facility Charge Refunding Bonds - \$171,800 Series 2023 Senior Lien CFC Bonds issued August 29, 2023, due through 2043; interest at 5.0%-5.25%	
	171,800
TIFIA Loan outstanding at December 31, 2018, due through 2052; interest at 3.86%	<u>291,038</u>
Total revenue bonds and loan	10,257,593
Unamortized premium	<u>543,697</u>
Total revenue bonds payable—net of unamortized premium (discount)	10,801,290
Current portion	<u>(255,841)</u>
Total long-term revenue bonds payable and TIFIA Loan payable	<u>\$ 10,545,449</u>
	(Concluded)

Long-term debt during the year ended December 31, 2023, changed as follows (dollars in thousands):

	Balance January 1	Additions	Reductions	Balance December 31	Due within One Year
Revenue bonds and TIFIA loan	\$ 10,567,896	\$ 171,800	\$ (482,103)	\$ 10,257,593	\$ 255,841
Unamortized premium (discount)	<u>581,744</u>	<u>15,437</u>	<u>(53,484)</u>	<u>543,697</u>	<u>-</u>
Total long-term debt	<u>\$ 11,149,640</u>	<u>\$ 187,237</u>	<u>\$ (535,587)</u>	<u>\$ 10,801,290</u>	<u>\$ 255,841</u>

Interest expense includes amortization of the deferred loss on bond refunding for 2023 of \$8.3 million, and amortization of \$52.6 million of premium, net.

Issuance of Debt— In August 2023, the Airport sold \$171.8 million of Chicago O’Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023 at a premium of

\$15.4 million. The bonds have interest rates ranging from 5.000% to 5.250% and has a final maturity range from January 1, 2028 to January 1, 2043. Certain net proceeds of \$218.6 million together with \$38.8 million from various reserve funds were used to fully defease the Series 2013A Customer Facility Charge Senior Lien Bonds (\$216.7 million of principal and \$1.9 million of interest); certain net proceeds of \$11.3 million were used to fund the debt service account and rolling coverage requirement; and certain net proceeds of \$4.2 million were used to pay the cost of the issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of \$0.2 million that will be charged to the operations over 21 years using the straight-line method. The current refunding decreased the Airport's total debt service by \$65.2 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payment) of \$21.3 million.

Defeased Bonds—Defeased bonds have been removed from the balance sheet because the related assets have been placed in irrevocable trusts, together with interest earned thereon, will provide an amount sufficient for payment of all principal and interest. Defeased bonds at December 31, 2023 are as follows (dollars in thousands):

	Defeased	Outstanding
Chicago O'Hare General Airport Revenue Bonds, Series 2013A	\$ 115,320	\$ -
Chicago O'Hare General Airport Revenue Bonds, Series 2013B	117,955	-
Chicago O'Hare General Airport Revenue Bonds, Series 2013C	88,550	-
Chicago O'Hare General Airport Revenue Bonds, Series 2013D	267,435	-
Chicago O'Hare CFC Revenue Bonds, Series 2013	<u>216,725</u>	<u>-</u>
Total	<u>\$ 805,985</u>	<u>\$ -</u>

Debt Redemption—Following is a schedule of debt service requirements to maturity of the senior lien bonds. For issues with variable rates, interest is imputed at the effective rate as of December 31, 2023, as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2024	\$ 222,920	\$ 448,953	\$ 671,873
2025	267,300	438,215	705,515
2026	279,150	425,983	705,133
2027	291,765	412,981	704,746
2028	295,410	399,377	694,787
2029–2033	1,596,690	1,781,987	3,378,677
2034–2038	1,871,205	1,354,759	3,225,964
2039–2043	1,231,190	954,353	2,185,543
2044–2048	1,007,445	714,182	1,721,627
2049–2053	1,548,530	385,870	1,934,400
2054–2056	<u>866,800</u>	<u>51,957</u>	<u>918,757</u>
Total	<u>\$ 9,478,405</u>	<u>\$ 7,368,617</u>	<u>\$ 16,847,022</u>

The debt service requirements to maturity of the PFC Revenue Bonds as of December 31, 2023, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2024	\$ 28,880	\$ 14,855	\$ 43,735
2025	30,355	13,340	43,695
2026	31,905	11,742	43,647
2027	33,545	10,169	43,714
2028	35,050	8,620	43,670
2029-2033	<u>156,615</u>	<u>16,510</u>	<u>173,125</u>
Total	<u>\$ 316,350</u>	<u>\$ 75,236</u>	<u>\$ 391,586</u>

The debt service requirements to maturity of the CFC Revenue Bonds as of December 31, 2023, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2024	\$ -	\$ 7,371	\$ 7,371
2025	-	8,786	8,786
2026	-	8,786	8,786
2027	-	8,786	8,786
2028	1,710	8,744	10,454
2029-2033	30,280	40,776	71,056
2034-2038	61,250	28,577	89,827
2039-2043	<u>78,560</u>	<u>10,734</u>	<u>89,294</u>
Total	<u>\$ 171,800</u>	<u>\$ 122,560</u>	<u>\$ 294,360</u>

The debt service requirements to maturity of the TIFIA Loan as of December 31, 2023, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2024	\$ 4,041	\$ 11,156	\$ 15,197
2025	4,159	10,999	15,158
2026	4,336	10,835	15,171
2027	4,513	10,664	15,177
2028	4,690	10,486	15,176
2029-2033	26,281	49,521	75,802
2034-2038	31,768	43,932	75,700
2039-2043	38,432	37,181	75,613
2044-2048	88,695	25,066	113,761
2049-2052	<u>84,123</u>	<u>6,660</u>	<u>90,783</u>
Total	<u>\$ 291,038</u>	<u>\$ 216,500</u>	<u>\$ 507,538</u>

Debt Covenants—The Master Indenture of Trust securing Chicago O’Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O’Hare and for services rendered by the City in the operation of O’Hare in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and fifteen-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations. This requirement was met at December 31, 2023.

The Master Trust Indenture securing Chicago O’Hare International Airport Passenger Facility Charge (PFC) Obligations requires PFC Revenues, as defined, received by the City to be deposited into the PFC Revenue Fund. The City covenants to pay from the PFC Revenue Fund not later than the twentieth day of each calendar month the following amounts in the following order of priority: (1) to the Trustee for deposit in the Bond Fund, the sum required to make all of the Sub-Fund Deposits and Other Required Deposits to be disbursed from the Bond Fund [to meet debt service and debt service reserve requirements] in the calendar month pursuant to the Master Indenture; (2) to make any payments required for the calendar month with respect to Subordinated PFC Obligations; and (3) all moneys and securities remaining in the PFC Revenue Fund shall be transferred by the City (or the Trustee if it then holds the PFC Revenue Fund pursuant to the Master Indenture) to the PFC Capital Fund.

The Indenture of Trust Securing Chicago O’Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City, (3) to provide funds necessary to pay any “yield reduction payments” or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve months, as determined by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

During 2023, the Airport received cash of \$7.1 million of ARP Act Funds, which are available for any airport purpose, including debt service payments, plus \$35.0 million of ARP Act funds related to Concessions, which were applied as revenues. Thus, ARP Acts Funds have been included in the calculation of the debt service covenant.

Conduit Debt—The Airport from time-to-time, issues special facility revenue bonds on behalf of various airlines, as well as certain non-airline parties, as third-party obligors of such bonds, to finance or refinance a portion of the capital improvements at the Airport. These special facility revenue bonds are secured separately from general airport revenue bonds and customer facility charge revenue bonds and are secured solely by amounts received by a debt trustee from such airlines and non-airline parties pursuant to the terms of related special facility financing agreements. Further, with respect to the special facility revenue bonds, airline or non-airline party, respectively, and not the Airport, is responsible for fulfilling the debt service obligations of such bonds and ensuring the tax-exempt status of such bonds. Given the Airport’s limited commitment, there has been no obligation recognized as of December 31, 2023.

5. CHANGES IN CAPITAL ASSETS

Capital assets during the year ended December 31, 2023, the total amount of right-of-use assets by major class, and the related accumulated amortization, disclosed separately from other capital assets, is as follows (dollars in thousands):

	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	\$ 893,044	\$ 576	\$ -	\$ 893,620
Construction in progress	<u>1,637,420</u>	<u>608,454</u>	<u>(357,399)</u>	<u>1,888,475</u>
Total capital assets not depreciated	<u>2,530,464</u>	<u>609,030</u>	<u>(357,399)</u>	<u>2,782,095</u>
Capital assets depreciated—buildings and other facilities ¹	13,001,426	356,822	(1,191)	13,357,057
Less accumulated depreciation for—buildings and other facilities	<u>(5,057,272)</u>	<u>(388,879)</u>	<u>238</u>	<u>(5,445,913)</u>
Total capital assets depreciated—net	<u>7,944,154</u>	<u>(32,057)</u>	<u>(953)</u>	<u>7,911,144</u>
Total property and facilities—net	<u>\$10,474,618</u>	<u>\$ 576,973</u>	<u>\$(358,352)</u>	<u>\$10,693,239</u>
Capital assets being amortized:				
ROU—building	\$ 5,044	\$ -	\$ -	\$ 5,044
ROU—equipment	10,205	-	-	10,205
ROU—subscriptions	<u>3,757</u>	<u>2,550</u>	<u>-</u>	<u>6,307</u>
Total ROU assets	<u>19,006</u>	<u>2,550</u>	<u>-</u>	<u>21,556</u>
Less accumulated amortization:				
ROU—building	(196)	(214)	-	(410)
ROU—equipment	(1,972)	(2,156)	-	(4,128)
ROU—subscriptions	<u>-</u>	<u>(3,149)</u>	<u>-</u>	<u>(3,149)</u>
Total accumulated amortization	<u>(2,168)</u>	<u>(5,519)</u>	<u>-</u>	<u>(7,687)</u>
Total—net of accumulated amortization	<u>16,838</u>	<u>(2,969)</u>	<u>-</u>	<u>13,869</u>
Total - Net Capital Assets	<u>\$10,491,456</u>	<u>\$ 574,004</u>	<u>\$(358,352)</u>	<u>\$10,707,108</u>

¹ Reference Note 1—Property and Facilities Significant Accounting Policies.

6. LEASES

As Lessee:

The Airport leases equipment and subscribes to information technology from other vendors. These leases have terms between one and five years. The long-term lease liability as of December 31, 2023, is as follows (in thousands):

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within One Year
Lease Liability	\$ 13,219	\$ -	\$ (2,071)	\$ 11,148	\$ 2,290
Subscription Liability	<u>3,757</u>	<u>2,550</u>	<u>(3,460)</u>	<u>2,847</u>	<u>2,837</u>
Total Subscription and Lease Liability	<u>\$ 16,976</u>	<u>\$ 2,550</u>	<u>\$ (5,531)</u>	<u>\$ 13,995</u>	<u>\$ 5,127</u>

The expected future principal and interest payments that are included in the measurement of the lease liability as of December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Amount
2024	\$ 2,290	\$ 406	\$ 2,696
2025	2,400	321	2,721
2026	2,168	237	2,405
2027	640	189	829
2028	855	848	1,703
2029–2033	1,015	643	1,658
2034–2038	980	368	1,348
2039–2043	800	56	856
Total	<u>\$ 11,148</u>	<u>\$ 3,068</u>	<u>\$ 14,216</u>

As Lessor:

The Airport leases terminal square footage (except for regulated leases), aircraft maintenance, cargo facilities, hangars, and other structures to air carriers and other tenants under various operating leases, a majority of which is non-cancellable and terminate no later than August 2055. Certain provisions of the leases provide for fixed and variable rental payments to be received by the Airport, and all are generally designed to allow the Airport to meet its debt service requirements and recover certain operating, maintenance and fund deposit costs. In addition, certain agreements under which the Airport receives revenue under concessions operations at the Airport provide for payment of fee based on the greater of an aggregated percentage of gross receipts or guaranteed minimum.

In accordance with GASB 87, the Airport recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for regulated leases, and short-term leases. This provision was implemented as of January 1, 2022.

a) Regulated Leases

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses (e.g. cargo and hangar). These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing opportunities are made available to any potential lessee should a facility become vacant. In accordance with GASB 87, the Airport recognizes lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

The Airport operates under signatory airlines use and lease agreements and non-signatory airlines lease agreements. These agreements define the responsibilities of the Airport, and the airlines, and establish a cost structure to operate airfield and terminal facilities primarily through charges to airlines in the forms of landing fees, terminal rentals, joint use fees, common use fees (check-in counter, baggage make-up, baggage claim and gate) and federal inspection service fees. Landing fees are charged for each landing at the Airport based on the maximum weight of the aircraft. Terminal rents are set at the beginning of each fiscal year and adjusted during the year to estimate the annual cost to operate terminal buildings. They are allocated to airlines based on square footage occupied. Joint use and common use fees are calculated based on a combination of terminal square footage and activity. Federal inspection service fees are charged for each arriving applicable international passenger. The total revenues related to regulated leases was \$952,585 plus \$122,018 which is included in the Rentals, Concessions and other revenue of \$418,761.

Expected future minimum lease payments to be received from Regulated Leases at December 31, 2023, are as follows (in thousands), projected by the City using the following assumptions:

- 1) Revenues earned from the Signatory Airlines (long-term and short-term) for the year ended December 31, 2023,
- 2) through the expiration of the agreements with the Signatory Airlines,
- 3) without considering future expansion changes in operations by the Airport.

Years Ending December 31	Amount
2024	\$ 375,114
2025	375,114
2026	375,114
2027	375,114
2028	362,680
2029–2033	1,727,631
2034–2038	149,763
2039–2043	145,438
2044–2048	122,517
2049–2053	<u>4,596</u>
 Total future minimum rental income	 <u><u>\$4,013,081</u></u>

b) Non-regulated Leases

These contracts allow control of the right to use the Airport’s assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater 12 months at commencement of the leases are recognized in accordance with the provisions of GASB 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases. The Airport’s non-regulated leases are grouped into the following categories:

i. Ground and facilities

The Airport is a lessor for agreements with tenants that develop the Airport’s real estate for airport-related uses, and concurrent commercial development. The agreements require periodic payments based on ground and facilities rental rates or other amounts as specified in each lease agreement and is based on square footage. In addition, these agreements may require payment of reimbursable costs and other variable payments. These variable inflows were not included in the measurement of the lease receivable.

ii. Concessions

The Airport is a lessor on contracts that provide concessionaires the right to operate at the Airport. These agreements typically require an operator to pay a minimum guaranteed annual rent amount plus a percentage of the concession operator’s gross receipts above a certain threshold. The agreements may also require the operator to reimburse the Airport costs it incurs to maintain areas and facilities used for operations. Performance based and other variable inflows are not included in the measurement of the lease receivable.

iii. Rent-A-Car

The Airport leases square footage to car rental companies at the on-site car rental facility. These agreements require payment of ground rents based on the Airport's ground rental rate and acreage leased. Inflows for ground rents were included in the measurements of the lease receivable. Additionally, these agreements require certain payments based on the lessees' gross receipts in the form of minimum annual guaranteed rents and percent rents, and reimbursement to the Airport of certain costs it incurs to maintain the car rental facility and transportation to and from the terminal areas. Lessees that conduct rental operations from other facilities outside of the Airport's boundaries are required to pay a percent rent based on their gross receipts and certain reimbursable costs to the Airport. The performance-based and variable inflows are not included in the measurement of the lease receivable.

The expected future principal and interest payments that are included in the measurement of the lease receivable as of December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Amount
2024	\$ 57,620	\$ 24,904	\$ 82,524
2025	59,585	23,058	82,643
2026	30,715	21,349	52,064
2027	23,486	20,213	43,699
2028	24,360	19,173	43,533
2029–2033	137,852	78,782	216,634
2034–2038	133,296	48,411	181,707
2039–2043	144,372	15,760	160,132
2044–2048	714	292	1,006
2049–2053	686	139	825
2054–2056	252	10	262
Total	<u>\$ 612,938</u>	<u>\$ 252,091</u>	<u>\$ 865,029</u>

The inflows (revenues) recognized in the year ended December 31, 2023, are as follows (in thousands):

	Amortization of Deferred Inflows of Resources for Leases	Inflows from Short-Term Leases and Variable Lease Payments	Total
Ground and facilities	\$ 1,940	\$ 498	\$ 2,438
Concessions	25,910	215,821	241,731
Rent-A-Car	<u>20,779</u>	<u>31,794</u>	<u>52,573</u>
Total	<u>\$ 48,629</u>	<u>\$ 248,113</u>	<u>\$ 296,742</u>

7. PENSION PLANS

General Information about the Pension Plan

Plan Description—Eligible O'Hare 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 of Illinois 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, 2023, 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	26,028	3,514	14,762	5,369	49,673
Inactive employees entitled to but not yet receiving benefits	24,483	1,397	1,162	145	27,187
Active employees	<u>36,968</u>	<u>2,643</u>	<u>11,850</u>	<u>4,712</u>	<u>56,173</u>
	<u>87,479</u>	<u>7,554</u>	<u>27,774</u>	<u>10,226</u>	<u>133,033</u>

Contributions—The City's contributions to the Municipal Employees' and Laborers' Plans are governed by the Illinois Pension Code, which was modified with respect to such contributions by Public Act 100-0023 (P.A. 100-0223), enacted July 6, 2017. Beginning with payment year 2023, P.A. 100-0023 requires that the City's annual contributions to the Municipal Employees' and the Laborers' Plans each be an amount actuarially determined to be sufficient to produce funding level of 90 percent for each such Plan by the end of 2058.

The City's contributions for the Policemen's and Firemen's Plans are governed by the Illinois Pension Code, which was modified with respect to such contributions by Public Act 99-0506 (P.A. 99-0506), enacted on May 31, 2016. Beginning with payment year 2021, the City's annual contributions to the Policemen's and Firemen's Plans each be an amount actuarially determined to be sufficient to produce a funding level of 90 percent for each such Plan by the end of 2055. In 2021, Public Act 101-0673 was enacted, which changed the terms of the automatic benefit increase provisions and eligibility for certain Tier 1 participants for the Firemen's Plan. In 2023, Public Act 103-0582 was enacted which grants an annual 3% non-compounded cost-of-living adjustment (COLA) to all Tier 1 Chicago Police retirees who reach age 55 with 20 years of service. In 2023, Public Art 103-0579 was enacted which provides changes to the calculation of the average salary for Tier 2 members.

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 \$119.1 million for the year ended December 31, 2023.

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

At December 31, 2023, the Airport reported a liability of \$1,688.0 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Changes in Actuarial Assumptions— Changes in the municipal bond rate resulted in a decrease in the single discount rate for Municipal Employees', Laborers' and Policemen's. See discount rate section below.

The change in the single discount rate and other assumptions increased the net pension liability by \$.7 million for Policemen and \$10.9 million for Laborers' and \$29.4 million for Municipal Employees and no change in the net pension liability for Firemen. These changes are being amortized into expense over a 4-year period for Municipal Employees' Laborers' and a 6-year period for Policemen's and Firemen's.

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 2023. At December 31, 2023, the Airport's proportion was 6.6% of the Municipal Employees' Plan, 6.9% of the Laborer's Plan, 1.6% of the Policemen's Plan and 5.0%, of the Firemen's Plan.

For the year ended December 31, 2023, the Airport recognized pension expense of \$162.3 million.

At December 31, 2023, the reported deferred outflows of resources of \$108.8 million and deferred inflows of resources of \$28.6 million related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,018	\$ -
Changes of assumptions	29,297	-
Net difference between projected and actual earnings on pension plan investments	<u>14,353</u>	<u>-</u>
Total	<u>\$ 58,668</u>	<u>\$ -</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 Ended
December 31**

2024	\$ 17,918
2025	15,565
2026	18,781
2027	<u>6,404</u>
Total	<u>\$ 58,668</u>

Laborers' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,349	\$ 1,625
Changes of assumptions	8,974	4,072
Net difference between projected and actual earnings on pension plan investments	<u>6,316</u>	<u>-</u>
Total	<u>\$ 17,639</u>	<u>\$ 5,697</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 Ended
December 31**

2024	\$ 1,933
2025	3,208
2026	5,374
2027	<u>1,427</u>
Total	<u>\$ 11,942</u>

Policemen's (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,669	\$ 458
Changes of assumptions	7,270	7,783
Net difference between projected and actual earnings on pension plan investments	<u>3,598</u>	<u>-</u>
Total	<u>\$ 18,537</u>	<u>\$ 8,241</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 Ended
December 31**

2024	\$ 4,341
2025	4,081
2026	2,388
2027	(908)
2028	394
Thereafter	<u>-</u>
Total	<u>\$ 10,296</u>

Firemen's (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,934	\$ 5,203
Changes of assumptions	4,151	9,423
Net difference between projected and actual earnings on pension plan investments	<u>3,903</u>	<u>-</u>
Total	<u>\$ 13,988</u>	<u>\$ 14,626</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 Ended
December 31**

2024	\$ 1,335
2025	774
2026	378
2027	(2,212)
2028	(481)
Thereafter	<u>(432)</u>
Total	<u>\$ (638)</u>

Deferred Outflows Related to Changes in Proportionate Share of Contributions— 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 2023. The changes in the Airport's proportionate share results in a deferred inflow or deferred outflow depending on the current year's actuarial reports. For the year ended December 31, 2023, the Airport reported pension charge/(benefit) of \$(.2) million, related to changes in its proportionate share of contributions. As of December 31, 2023, the Airport Funds reported deferred inflows of \$42.7 million, and deferred outflows of \$.9 million, 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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Municipal Employees'	Laborers'	Policemen's	Firemen's
Inflation	2.50 %	2.25 %	2.25 %	2.50 %
Salary increases	2.50%-14.00% (a)	3.00 % (b)	3.50 % (c)	3.50%-25.00% (d)
Investment rate of return	6.75 % (e)	6.75 % (e)	6.75 % (e)	6.75 % (e)

(a) varying by years of service and employer

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

(c) Plus service based increases consistent with bargaining contracts

- (d) Varying by years of service
- (e) Net of investment expense

Mortality Assumptions

Bargaining Plan Members		Mortality Table Name	Mortality Improvement
Municipal Employees'	Post Retirement	PubG-2010 Retiree Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	Beneficiary	PubG-2010 Contingent Survivor Table Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	Pre-Retirement	PubG-2010 Employee Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
Laborers'	Post Retirement	Pub-2010 Amount-weighted Below Median Income General Healthy Retiree Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
	Pre-Retirement	Pub-2010 Amount-weighted Below Median Income General Employee Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
Policemen's	Post Retirement	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimensional
	Disabled	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimensional
	Pre-Retirement	Pub-2010 Amount-weighted Safety Employee Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimensional
Firemen's	Post Retirement	PubS-2010 Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	Disabled	PubS-2010 Disabled Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	Beneficiary	Pub-2010 Contingent Survivor Amount-weighted Mortality Table	Generational – Scale MP-2021
	Pre-Retirement	PubS-2010 Employee Amount-weighted Mortality Table	Generational – Scale MP-2021

The mortality actuarial assumptions used in the December 31, 2023, valuation were adjusted based on the results of actuarial experience study for the following periods:

Municipal Employees'	January 1, 2017–December 31, 2021
Laborers'	January 1, 2017–December 31, 2019
Policemen's	January 1, 2014–December 31, 2018
Firemen's	January 1, 2017–December 31, 2021

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, 2023, are summarized in the following table:

Asset class:	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Equity	- %	- %	- %	57.0 %	- %	- %	- %	7.70 %
Domestic equity	26.0	-	-	-	7.30	-	-	-
Domestic large cap equity	-	-	-	-	-	-	-	-
Domestic small cap equity	-	-	-	-	-	-	-	-
U.S. equity	-	25.0	31.5	-	-	5.40	5.50	-
Non U.S. equity	-	20.0	19.5	-	-	5.50	6.85	-
Global equity	5.0	-	-	-	6.20	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.00	-	-
International equity	17.0	-	-	-	7.60	-	-	-
Domestic Fixed Income	-	-	-	-	-	-	-	-
Fixed income	22.0	20.0	15.0	22.0	4.40	1.10	2.27	5.50
Hedge funds	10.0	10.0	3.0	-	5.50	3.30	3.93	-
Infrastructure	3.0	-	-	-	6.80	-	-	-
Private debt	4.0	3.0	-	-	9.50	7.40	-	-
Private equity	4.0	4.0	-	-	10.60	8.60	-	-
Private markets	-	-	20.0	-	-	-	8.31	-
Global asset allocation	-	-	-	-	-	-	-	-
Real estate	9.0	10.0	11.0	-	6.20	3.90	6.16	-
Risk parity	-	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-
Real assets	-	-	-	-	-	-	-	-
Private real assets	-	3.0	-	-	-	4.70	-	-
Other investments	-	-	-	21.0	-	-	-	6.80
Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>				

Discount Rate

Municipal Employees'—The Single Discount Rate used to measure the total pension liability as of December 31, 2023, was 6.38%. 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 through the year 2075. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to projected benefits for all periods through 2074 and the municipal bond index rate of 3.26% was applied thereafter to determine total pension liability.

Laborers'—A Single Discount Rate of 6.63% was used to measure the total pension liability as of December 31, 2023. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% as of December 31, 2023, and a municipal bond rate of 3.77% as of December 31,

2023 (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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Policemen’s—A Single Discount Rate of 6.62% was used to measure the total pension liability as of December 31, 2023. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2023, and a municipal bond rate of 3.77% as of December 31, 2023 (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 2079. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2079, and the municipal bond rate was applied to all benefit payments after that date.

Firemen’s—A Single Discount Rate of 6.75% was used to measure the total pension liability as of December 31, 2023. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2023, and a municipal bond rate of 3.26% and as of December 31, 2023 (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds). 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, 2023, 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, 2023, the long-term expected rate of return on pension plan investments was applied to projected benefits for all periods.

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, 2023, calculated using the discount rate of 6.38%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.38%) or 1% point higher (7.38%) than the current rate (dollars in thousands):

Net Pension Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Municipal Employees' discount rate	5.38 %	6.38 %	7.38 %
Municipal Employees' net pension liability	\$ 1,207,670	\$ 1,043,201	\$ 905,933

Laborers'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2023, calculated using the discount rate of 6.63% as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.63%) or 1% point higher (7.63%) than the current rate (dollars in thousands):

Net Pension Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Laborers' discount rate	5.63 %	6.63 %	7.63 %
Laborers' net pension liability	\$ 154,984	\$ 130,028	\$ 109,085

Policemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2023, calculated using the discount rate of 6.62%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.62%) or 1% point higher (7.62%) than the current rate (dollars in thousands):

Net Pension Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Policemen's discount rate	5.62 %	6.62 %	7.62 %
Policemen's net pension liability	\$ 263,631	\$ 226,937	\$ 196,523

Firemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2023, calculated using the discount rate of 6.75%, 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	Current		
	1% Decrease	Discount Rate	1% Increase
Firemen's discount rate	5.75 %	6.75 %	7.75 %
Firemen's net pension liability	\$ 330,717	\$ 287,868	\$ 251,884

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

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 certain payments made on behalf of the Airport. Such reimbursements amounted to \$190.3 million in 2023.

9. COMMITMENTS AND CONTINGENCIES

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

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

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the year ended December 31, 2023, are as follows (dollars in thousands):

Beginning balance—January 1	\$ 2,830
Total claims incurred (expenditures)	28,305
Claims paid	<u>(28,244)</u>
Claims liability—December 31	<u>\$ 2,891</u>

The City's property and liability insurance premiums are approximately \$14.5 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, 2023, with a limit of \$3.5 billion and includes \$3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2024, with a limit of \$1 billion and includes \$1 billion in war and terrorism liability coverage.

At December 31, 2023, the Airport had commitments in the amounts of approximately \$205.6 million in connection with contracts entered into for construction projects.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources:	
Deferred outflows from pension activities	\$ 108,832
Changes in proportionate share of pension contribution	855
Unamortized deferred bond refunding costs	<u>96,102</u>
Total deferred outflows of resources	<u>\$ 205,789</u>
Deferred Inflows of resources—	
from pension activities	\$ 71,309
Deferred inflows of leases	599,104

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

11. SUBSEQUENT EVENTS

The Airport has evaluated events occurring subsequent to December 31, 2023, and through June 28, 2024, the date the financial statements were available to be issued. There were no subsequent events as of the date of this report.

* * * * *

REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
MUNICIPAL EMPLOYEES':									
Total pension liability:									
Service cost*	\$ 316,247	\$ 263,993	\$ 246,066	\$ 236,302	\$ 228,465	\$ 223,528	\$ 572,534	\$ 619,743	\$ 226,816
Interest	1,242,052	1,269,645	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	155,758	84,258	121,988	100,938	16,676	95,540	(177,755)	(127,119)	(109,865)
Assumption changes	442,725	143,996	-	-	-	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	<u>(1,095,929)</u>	<u>(1,055,585)</u>	<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	1,060,853	706,307	586,768	554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,746
Total pension liability—beginning	<u>19,107,887</u>	<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>	<u>12,307,094</u>
Total pension liability—ending (a)	<u>20,168,740</u>	<u>19,107,887</u>	<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>23,358,840</u>
Plan fiduciary net position:									
Contributions—employer***	1,077,258	959,550	573,198	496,992	418,269	349,574	261,764	149,718	149,225
Contributions—employee	194,174	176,339	163,411	157,798	146,645	138,400	134,765	130,391	131,428
Net investment income	359,991	(429,912)	498,299	335,403	560,940	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(1,095,929)	(1,055,585)	(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Administrative expenses	(6,651)	(6,873)	(6,687)	(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
Other	-	-	-	-	-	-	5,394	-	-
Net change in plan fiduciary net position	528,843	(356,481)	218,030	9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
Plan fiduciary net position—beginning	<u>3,951,788</u>	<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>	<u>5,179,486</u>
Plan fiduciary net position—ending (b)	<u>4,480,631</u>	<u>3,951,788</u>	<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>\$ 15,688,109</u>	<u>\$ 15,156,099</u>	<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>\$ 18,617,413</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>22.22 %</u>	<u>20.68 %</u>	<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>\$ 158,474</u>	<u>\$ 148,286</u>	<u>\$ 138,259</u>	<u>\$ 131,080</u>	<u>\$ 127,065</u>	<u>\$ 119,395</u>	<u>\$ 114,809</u>	<u>\$ 99,483</u>	<u>\$ 95,705</u>
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	<u>658.28 %</u>	<u>699.67 %</u>	<u>704.25 %</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>\$ 1,043,201</u>	<u>\$ 1,037,514</u>	<u>\$ 973,686</u>	<u>\$ 966,221</u>	<u>\$ 928,935</u>	<u>\$ 887,542</u>	<u>\$ 798,400</u>	<u>\$ 1,138,937</u>	<u>\$ 1,084,148</u>
ALLOCATED PERCENTAGE	<u>6.65 %</u>	<u>6.85 %</u>	<u>6.91 %</u>	<u>7.05 %</u>	<u>7.05 %</u>	<u>6.88 %</u>	<u>6.80 %</u>	<u>6.04 %</u>	<u>5.82 %</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.

*** Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$101.6 million.

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

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
LABORERS':									
Total pension liability:									
Service cost *	\$ 35,725	\$ 39,331	\$ 40,411	\$ 39,216	\$ 38,522	\$ 40,801	\$ 80,232	\$ 82,960	\$ 38,389
Interest	197,214	193,347	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	43,615	(27,236)	(31,083)	(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	158,524	(109,355)	21,870	44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(180,947)	(177,162)	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,396)	(3,607)	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	250,735	(84,682)	47,190	82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
Total pension liability—beginning	2,820,842	2,905,524	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)	3,071,577	2,820,842	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***	123,796	116,176	84,969	73,744	59,346	47,844	35,457	12,603	12,412
Contributions—employee	19,136	19,069	17,637	18,064	18,143	17,837	17,411	17,246	16,844
Net investment income	98,494	(161,680)	138,105	163,057	184,027	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(180,947)	(177,162)	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,396)	(3,607)	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Other		-	-	-	-	661	-	-	-
Net change in plan fiduciary net position	57,083	(207,204)	64,360	82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
Plan fiduciary net position—beginning	1,126,898	1,334,102	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)	1,183,981	1,126,898	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)	\$ 1,887,596	\$ 1,693,944	\$ 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	38.55 %	39.95 %	45.92 %	44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
ALLOCATED COVERED PAYROLL**	\$ 16,445	\$ 14,590	\$ 14,922	\$ 14,495	\$ 13,751	\$ 13,288	\$ 13,172	\$ 12,408	\$ 12,730
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	790.68 %	791.25 %	740.81 %	766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	128.15 %
ALLOCATED NET PENSION LIABILITY	\$ 130,028	\$ 115,444	\$ 110,542	\$ 111,135	\$ 103,200	\$ 100,454	\$ 86,106	\$ 150,573	\$ 153,802
ALLOCATED PERCENTAGE	6.89 %	6.82 %	7.03 %	7.00 %	6.50 %	6.28 %	6.30 %	5.96 %	6.22 %

* 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.

*** Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$12.1 million.

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

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
POLICEMEN'S:									
Total pension liability:									
Service cost*	\$ 267,382	\$ 294,515	\$ 284,707	\$ 286,537	\$ 240,383	\$ 242,998	\$ 237,333	\$ 220,570	\$ 213,585
Interest	1,062,690	1,011,977	963,417	942,623	944,739	931,731	917,720	851,098	832,972
Benefit changes	1,060,152	40,210	-	-	24,216	-	-	606,250	-
Differences between expected and actual experience	107,955	179,968	450,528	61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	40,696	(700,065)	37,029	260,021	1,140,418	(259,052)	238,975	112,585	-
Benefit payments including refunds	(987,199)	(947,589)	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(4,260)	(4,394)	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	1,547,416	(125,378)	845,268	705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
Total pension liability—beginning	16,214,630	16,340,008	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)	17,762,046	16,214,630	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***	942,953	801,706	788,770	739,441	581,936	588,035	494,483	272,428	572,836
Contributions—employee	115,162	114,403	136,225	113,622	110,792	107,186	103,011	101,476	107,626
Net investment income	316,389	(324,259)	370,141	271,891	369,982	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(987,199)	(947,589)	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(4,260)	(4,394)	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Other	109	368	91	472	32	1,600	97	1,413	3,092
Net change in plan fiduciary net position	383,154	(359,765)	404,814	279,469	257,340	(216,886)	257,047	(193,930)	(3,065)
Adjustment—beginning	-	(119)	(48)	-	(91)	-	-	-	-
Plan fiduciary net position—beginning	3,486,780	3,846,664	3,441,898	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,869,934	3,486,780	3,846,664	3,441,898	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	\$ 13,892,112	\$ 12,727,850	\$ 12,493,344	\$ 12,052,842	\$ 11,627,173	\$ 10,408,078	\$ 10,332,396	\$ 10,248,072	\$ 8,973,784
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	21.79 %	21.50 %	23.54 %	22.21 %	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
ALLOCATED COVERED PAYROLL**	21,885	21,973	20,962	20,226	21,481	16,965	16,071	15,834	14,540
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	1,036.95 %	999.03 %	992.86 %	1,007.78 %	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %
ALLOCATED NET PENSION LIABILITY	226,937	219,516	208,124	203,837	203,224	146,498	144,344	144,940	120,078
ALLOCATED PERCENTAGE	1.63 %	1.72 %	1.67 %	1.69 %	1.75 %	1.41 %	1.40 %	1.41 %	1.34 %

* 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.

*** Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$89.5 million

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
FIREMEN'S:									
Total pension liability:									
Service cost	\$ 120,151	\$ 111,917	\$ 112,730	\$ 109,487	\$ 102,141	\$ 97,143	\$ 93,367	\$ 94,115	\$ 87,203
Interest	481,018	466,819	429,630	410,128	408,586	410,821	371,622	342,085	338,986
Benefit changes	4,964	11,737	196,531	-	-	-	-	227,213	-
Differences between expected and actual experience	(83,067)	(30,667)	93,928	174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
Assumption changes		53,665	(340,370)	30,468	190,954	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(420,725)	(401,968)	(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	102,341	211,503	103,775	358,640	290,131	506,210	596,892	323,174	313,324
Total pension liability—beginning	7,216,409	7,004,906	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)	7,318,750	7,216,409	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***	467,098	399,210	367,481	368,423	255,382	249,684	228,453	154,101	236,104
Contributions—employee	52,456	53,031	52,268	54,414	46,623	45,894	47,364	48,960	46,552
Net investment income	129,524	(155,590)	129,513	105,367	161,082	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(420,725)	(401,968)	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(3,584)	(3,390)	(3,082)	(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
Other	7	5	5	13	507	6	22	(53)	7
Net change in plan fiduciary net position	224,776	(108,702)	157,511	159,066	114,031	(90,363)	107,139	(26,087)	9,093
Plan fiduciary net position—beginning	1,357,696	1,466,398	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)	1,582,472	1,357,696	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)	\$ 5,736,278	\$ 5,858,713	\$ 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	21.62 %	18.81 %	20.93 %	18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
ALLOCATED COVERED PAYROLL*	\$ 26,288	\$ 26,315	\$ 26,067	\$ 25,077	\$ 992	\$ 23,293	\$ 23,419	\$ 23,680	\$ 22,654
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL**	1,095.05 %	1,114.92 %	1,065.01 %	1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %
ALLOCATED NET PENSION LIABILITY	\$ 287,868	\$ 293,390	\$ 277,616	\$ 280,262	\$ 271,256	\$ 265,904	\$ 230,490	\$ 204,414	\$ 184,109
ALLOCATED PERCENTAGE	5.02 %	5.01 %	5.01 %	5.01 %	5.03 %	5.10 %	4.99 %	4.95 %	4.87 %

* 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.

*** Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$38.7 million.

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

CITY OF CHICAGO, ILLINOIS

CHICAGO O'HARE 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		Covered Payroll*	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency		
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
2022	1,262,413	959,550	302,863	2,166,182	44.30
2023	1,273,345	1,077,258	196,087	2,383,203	45.20

* 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 the statutory requirement 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		Covered Payroll**	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency		
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
2022	153,023	116,176	36,847	214,083	54.27
2023	153,405	123,796	29,609	238,725	51.86

* 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 the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE 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**	
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
2022	1,085,159	802,074	283,085	1,274,050	62.95
2023	1,118,719	943,062	175,657	1,339,704	70.39

* 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 the statutory requirement 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**	
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
2022	509,936	399,210	110,726	525,480	75.97
2023	528,572	467,098	61,474	523,829	89.17

* 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 the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

**CITY OF CHICAGO, ILLINOIS
CHICAGO OHARE 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	12/31/2022		12/31/2022		12/31/2022		12/31/2022	
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	2.50%–14.00%	(a)	3.00%	(b)	3.50%	(c)	3.5%–25.00%	(d)
Investment rate of return	6.75%	(e)	7.25%	(f)	6.75%		6.75%	(e)
Retirement age	(g)		(h)		(i)		(j)	
Mortality	(k)		(l)		(m)		(n)	
Other information	(o)		(p)		(q)		(o)	

- (a) Varying by years of service and employer.
- (b) Plus a service-based increase in the first 9 years.
- (c) Plus service based increases consistent with bargaining contracts.
- (d) Varying by years of service.
- (e) Net of investment expense
- (f) Net of investment expense, including inflation
- (g) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2022). 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).
- (h) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2020, valuation pursuant to an experience study of the period January 1, 2017, through December 31, 2019.
- (i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019, actuarial valuation pursuant to an experience study of the period January 1, 2014, through December 31, 2018.
- (j) Retirement rates are based on the recent experience of the Fund (effective December 31, 2022).
- (k) 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.
- (l) 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.
- (m) 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.
- (n) 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.
- (o) Other assumptions: Same as those used in the December 31, 2021, actuarial funding valuations.
- (p) The actuarial valuation is based on the statutes in effect as of December 31, 2020.
- (q) The actuarially determined contribution for fiscal year ending December 31, 2023 was determined in the funding actuarial valuation as of December 31, 2022 and the statutory contribution (upon which the actual contribution was based) for fiscal year ending December 31, 2023 was determined in the funding actuarial valuation as of December 31, 2021, which were both based on the assumptions summarized above.

(Concluded)

ADDITIONAL INFORMATION

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

**ADDITIONAL SUPPLEMENTARY INFORMATION
SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
CALCULATIONS OF COVENANT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Dollars in thousands)**

	Sec 404 (a)	Sec 404 (b)
REVENUES:		
Total revenues—as defined	\$1,431,273	\$1,431,273
Other available moneys (PFC for debt service, BAB Subsidy and COVID-19 Relief Fund)	92,941	92,941
Cash balance in revenue fund on the first day of fiscal year (Note 2)	<u>112,543</u>	<u>-</u>
TOTAL AVAILABLE FOR COVENANT COVENANT	<u>\$1,636,757</u>	<u>\$1,524,214</u>
COVENANT REQUIREMENTS—Deposits required:		
Operation and maintenance reserve	\$ 38,267	
Maintenance reserve	1,975	
Supplemental O & M Reserve	48,701	
Senior lien debt service fund	<u>550,249</u>	
TOTAL DEPOSITS REQUIREMENTS	<u>\$ 639,192</u>	
AGGREGATE SENIOR LIEN DEBT SERVICE	\$ 676,688	\$ 676,688
LESS AMOUNTS TRANSFERRED FROM CAPITALIZED INTEREST ACCOUNTS	<u>(49,833)</u>	<u>(49,833)</u>
NET AGGREGATE DEBT SERVICE	626,855	<u>\$ 626,855</u>
COVENANT REQUIREMENT	<u>1.25</u>	
NET AGGREGATE DEBT SERVICE	<u>\$ 783,569</u>	
COVENANT REQUIREMENT (Greater of total deposit requirements or 125% of net aggregate debt service)	\$ 783,569	
OPERATION AND MAINTENANCE EXPENSES—As defined	<u>742,708</u>	<u>742,708</u>
TOTAL REQUIREMENT	<u>\$1,526,277</u>	<u>\$1,369,563</u>
TOTAL AVAILABLE FOR COVENANT COVENANT	<u>\$1,636,757</u>	<u>\$1,524,214</u>

See notes to calculations of coverage.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

**SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
NOTES TO CALCULATIONS OF COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. RATE COVENANT

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

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

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

O’Hare contributed \$103.8 million to the pension funds. In addition, COVID-19 Relief Funds of \$35.0 million were applied to reduce the airline-based operating and maintenance costs in 2023 and \$7.5 million were applied as revenues in 2023.

2. REVENUE FUND BALANCE

The Revenue Fund balance includes all cash, cash equivalents and investments held in any Airport account which were available to the Revenue Fund to satisfy the coverage requirement under the terms of the Bond Ordinance. This balance also includes airfield credits, ARE and CRE net revenues from prior years that are required to be applied to the 2023 rates and charges in accordance with Section 8 of the 2018 O’Hare Airport Airline Use and Lease Agreement.

* * * * *

PART III
STATISTICAL SECTION
(UNAUDITED)

STATISTICAL INFORMATION

This part of the City's annual comprehensive 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 contain data to help the reader understand how the information in the Airport's financial report relates to the services the Airport provides and the activities it performs.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**HISTORICAL OPERATING RESULTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023
(Dollars in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Landing fees	\$ 211,982	\$ 253,347	\$ 301,285	\$ 300,247	\$ 336,168	\$ 370,945	\$ 365,580	\$ 562,241	\$ 511,873	\$ 597,078
Rental revenues:										
Terminal rental and use charges	340,449	292,706	333,939	350,727	373,765	440,325	274,283	253,713	328,470	355,507
Other rentals and fueling system fees	45,330	48,199	52,870	62,905	84,513	113,567	90,646	121,473	127,035	147,217
Subtotal rental revenues	385,779	340,905	386,809	413,632	458,278	553,892	364,929	375,186	455,505	502,724
Concessions:										
Auto parking	97,834	99,210	103,813	106,620	103,975	103,459	39,624	73,599	107,913	115,279
Auto rentals	27,863	29,176	28,436	28,028	29,971	32,559	28,372	27,591	19,775	24,220
Restaurants	45,432	49,366	52,786	54,657	57,972	61,690	28,819	34,330	50,655	56,135
News and gifts	24,086	24,355	25,082	24,354	25,465	25,012	23,309	12,325	21,921	27,665
Hilton Revenues	-	-	-	-	-	66,614	18,365	32,587	55,783	56,405
Other	45,082	41,908	43,074	43,762	43,240	32,813	30,163	21,415	30,257	40,450
Subtotal concessions	240,297	244,015	253,191	257,421	260,623	322,147	168,652	201,847	286,304	320,154
Reimbursements	6,466	6,961	6,532	4,879	6,844	6,501	6,451	5,878	5,751	7,795
Total operating revenues ⁽¹⁾	844,524	845,228	947,817	976,179	1,061,913	1,253,485	905,612	1,145,152	1,259,433	1,427,751
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages ⁽²⁾	212,576	203,216	208,578	210,649	227,219	221,763	228,173	213,023	225,303	247,684
Pension expense	-	339,546	245,491	145,992	145,920	159,153	45,419	62,448	163,979	162,343
Repairs and maintenance	110,928	98,945	104,536	95,310	115,008	143,231	144,975	170,176	153,522	183,431
Energy	34,519	34,090	39,500	34,773	35,027	42,297	35,350	35,004	34,430	46,613
Materials and supplies	10,573	9,876	10,886	6,937	16,284	14,647	7,670	13,876	16,368	16,456
Engineering and other professional services	88,143	83,265	95,608	101,798	111,642	133,994	140,982	149,419	172,740	191,464
Hilton Expenses	-	-	-	-	-	43,021	20,157	24,234	35,597	38,588
Other operating expenses	38,268	36,773	46,611	57,035	59,166	84,478	68,999	104,751	88,430	88,966
Total operating and maintenance expenses before depreciation and amortization ⁽³⁾	495,007	805,710	751,210	652,494	710,266	842,584	691,725	772,931	890,369	975,545
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION ⁽⁴⁾	\$ 349,517	\$ 39,518	\$ 196,607	\$ 323,685	\$ 351,647	\$ 410,901	\$ 213,887	\$ 372,221	\$ 369,064	\$ 452,206
TOTAL AVAILABLE SOURCES FOR CALCULATING COVERAGE PER MASTER INDENTURE—Senior Lien	\$ 989,929	\$ 1,010,311	\$ 1,130,225	\$ 1,183,777	\$ 1,277,670	\$ 1,456,750	\$ 1,351,388	\$ 1,358,971	\$ 1,526,908	\$ 1,636,757
TOTAL REQUIREMENT PER MASTER INDENTURE—Senior lien ⁽⁷⁾	\$ 985,375	\$ 981,095	\$ 1,091,007	\$ 1,126,312	\$ 1,193,799	\$ 1,290,806	\$ 1,173,826	\$ 1,209,820	\$ 1,371,102	\$ 1,526,277
COVERAGE COVENANT RATIO PER MASTER INDENTURE—Senior Lien	1.10	1.10	1.10	1.10	1.10	1.13	1.15	1.12	1.11	1.07
OPERATION AND MAINTENANCE EXPENSES PER MASTER INDENTURE—Senior Lien ⁽⁸⁾	\$ 484,448	\$ 468,426	\$ 508,531	\$ 506,323	\$ 579,040	\$ 632,686	\$ 556,633	\$ 654,742	\$ 597,704	\$ 742,708
NET REVENUES AVAILABLE FOR SENIOR LIEN DEBT SERVICE	\$ 505,481	\$ 541,885	\$ 621,694	\$ 677,454	\$ 698,630	\$ 824,064	\$ 794,755	\$ 704,229	\$ 929,204	\$ 894,049
AGGREGATE DEBT SERVICE—Senior Lien ⁽⁸⁾	\$ 455,388	\$ 466,063	\$ 529,524	\$ 563,626	\$ 558,872	\$ 572,278	\$ 514,327	\$ 444,062	\$ 618,718	\$ 626,855
COVERAGE RATIO ⁽⁸⁾	1.11	1.16	1.17	1.20	1.25	1.44	1.55	1.59	1.50	1.43

(1) Average annual compound growth rate for 2014–2023 for total operating revenues is 6.0%.

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

(3) Average annual compound growth rate for 2014–2023 for total operating and maintenance expenses before depreciation and amortization is 7.8%.

(4) Amount for 2023 may be reconciled to operating income of \$56,856 reported in the 2023 Statements of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of \$394,398. Amount for prior years may be reconciled through similar calculation.

(5) Represents debt service on first and second lien bonds.

(6) Represents debt service coverage ratio on first and second lien bonds.

(7) Represents Total Requirement for Operation and Maintenance Expenses and Aggregate Debt Service per Senior Lien Master Indenture.

(8) Represents calculations per Section 404(a) of the Senior Lien Master Indenture.

Note: \$103.8 million is the portion of the City's pension cash contribution payable in 2023 to the pension funds and allocable to O'Hare Airport.

This portion is included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

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

CITY OF CHICAGO, ILLINOIS

CHICAGO O'HARE INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE (Dollars in thousands)

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

Year Ending December 31	Total Debt Service on Senior Lien Bonds	Total GARB Debt Service	Total PFC Debt Service	Total CFC Debt Service	Total TIFIA Loan Debt Service	Total Debt Service
2024	\$ 671,873	\$ 671,873	\$ 43,735	\$ 7,371	\$ 15,197	\$ 738,176
2025	705,515	705,515	43,695	8,786	15,158	773,154
2026	705,133	705,133	43,647	8,786	15,171	772,737
2027	704,746	704,746	43,714	8,786	15,177	772,423
2028	694,787	694,787	43,670	10,454	15,176	764,087
2029	673,442	673,442	43,625	11,182	15,169	743,418
2030	676,605	676,605	43,468	11,669	15,155	746,897
2031	676,238	676,238	43,411	13,977	15,162	748,788
2032	675,892	675,892	39,356	16,222	15,162	746,632
2033	676,500	676,500	3,265	18,006	15,154	712,925
2034	713,680	713,680	-	17,995	15,167	746,842
2035	729,939	729,939	-	17,982	15,142	763,063
2036	594,409	594,409	-	17,965	15,137	627,511
2037	594,603	594,603	-	17,949	15,124	627,676
2038	593,333	593,333	-	17,936	15,130	626,399
2039	591,348	591,348	-	17,898	15,126	624,372
2040	479,866	479,866	-	17,881	15,141	512,888
2041	423,622	423,622	-	17,859	15,116	456,597
2042	345,433	345,433	-	17,840	15,110	378,383
2043	345,274	345,274	-	17,816	15,120	378,210
2044	344,933	344,933	-	-	22,784	367,717
2045	344,418	344,418	-	-	22,759	367,177
2046	344,319	344,319	-	-	22,738	367,057
2047	344,117	344,117	-	-	22,749	366,866
2048	343,840	343,840	-	-	22,731	366,571
2049	573,567	573,567	-	-	22,718	596,285
2050	342,934	342,934	-	-	22,704	365,638
2051	342,622	342,622	-	-	22,689	365,311
2052	342,297	342,297	-	-	22,672	364,969
2053	332,980	332,980	-	-	-	332,980
2054	432,927	432,927	-	-	-	432,927
2055	331,811	331,811	-	-	-	331,811
2056	154,019	154,019	-	-	-	154,019
	<u>\$ 16,847,022</u>	<u>\$ 16,847,022</u>	<u>\$ 391,586</u>	<u>\$ 294,360</u>	<u>\$ 507,538</u>	<u>\$ 18,040,506</u>

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, 2023.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

**CAPITAL IMPROVEMENT PLAN (CIP), 2024–2028
(Dollars in thousands)**

ESTIMATED USES—Five-Year Capital Improvement Program:

Airfield improvements	\$ 664,106
Terminal improvements	2,661,506
Noise mitigation	89,942
Fueling system	16,062
Parking/roadway projects	29,964
Heating and refrigeration	93,158
Safety and security	19,640
Infrastructure and land support	<u>100,000</u>

Total estimated uses \$ 3,674,378

ESTIMATED SOURCES:

Federal AIP discretionary grants	\$ 151,337
Federal AIP entitlement grants	50,000
Bipartisan Infrastructure Law	90,000
Airport Development Funds	34,784
State grants	16,780
Prior Airport revenue bond proceeds	111,225
2022 Bonds	172,575
Future Airport obligation proceeds	<u>3,047,677</u>

Total estimated sources \$ 3,674,378

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT

OPERATIONS OF THE AIRPORT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023

Airport Activity

According to statistics compiled by Airport Council International (ACI), for the 12-month period ended December 31, 2023, the Airport was ranked as the second airport in the world for total aircraft operations. According to the U.S. Department of Transportation, the Airport was ninth in the world in terms of total passengers, and seventh in the United States in terms of cargo volume. According to Innovata, during 2023, nonstop service was provided from the Airport to 247 destinations, 176 domestic airports and 71 foreign airports.

Year	Chicago O’Hare International Airport Historical Connecting Passengers			
	Total Enplanements	Total Originating Enplanements ⁽¹⁾	Total Connecting Enplanements ⁽¹⁾	Connecting Enplanements Percentage
2014	34,952,762	17,115,535	17,837,227	51.0 %
2015	38,395,905	20,096,191	18,299,714	47.7
2016	38,872,669	20,991,241	17,881,428	46.0
2017	39,815,888	22,429,433	17,386,455	43.7
2018	41,563,343	23,483,289	18,080,054	43.5
2019	42,248,370	23,836,209	18,412,161	43.6
2020 ⁽²⁾	15,351,046	8,550,533	6,800,513	44.3
2021	26,945,359	15,259,775	11,685,584	43.4
2022	34,095,710	20,491,522	13,604,188	39.9
2023	36,597,770	22,219,326	14,378,444	39.3

Average Annual Compound Growth Rates

2014–2023	0.5 %	2.9 %	(2.4)%
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⁽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 O'HARE INTERNATIONAL AIRPORT**

**ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Airline ⁽¹⁾	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023	
	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total
United Airlines	9,227,495	26.4 %	10,556,509	27.5 %	11,722,663	30.2 %	12,534,578	31.5 %	12,831,523	30.9 %	12,915,154	30.6 %	4,055,574	26.4 %	9,892,279	36.7 %	12,332,209	36.2%	14,123,028	38.6%
American Airlines	7,064,555	20.2	8,668,309	22.6	9,606,479	24.7	9,763,126	24.5	10,053,968	24.2	10,153,179	24.0	3,651,968	23.8	7,480,403	27.8	8,327,290	24.4	7,746,431	21.2
Envoy Airlines (dba American Eagle)	2,868,392	8.2	2,992,870	7.8	3,494,513	9.0	2,606,809	6.5	2,890,716	7.0	3,211,822	7.6	1,270,603	8.3	1,753,714	6.5	2,145,486	6.3	1,498,407	4.1
Sky West (dba United Express, Delta, American)	1,873,838	5.4	2,363,825	6.2	2,279,699	5.9	3,997,933	10.0	3,781,224	9.1	3,222,470	7.6	430,071	2.8	1,049,239	3.9	2,660,758	7.8	2,796,561	7.6
Mesa (dba United Express)	454,299	1.3	2,365	-	-	-	76	-	-	-	-	-	-	-	67,923	0.3	55,869	0.2	-	-
Shuttle America (dba United Express)	816,617	2.3	716,874	1.9	619,873	1.6	23,061	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Continental Airlines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US Airways	1,024,772	2.9	1,025,863	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Go Jet (UA Express, Delta)	783,363	2.2	867,993	2.3	750,452	1.9	709,925	1.8	694,348	1.7	609,533	1.4	466,546	3.0	743,699	2.8	250,532	0.7	312,552	0.9
Delta Airlines	844,445	2.4	972,132	2.5	906,920	2.3	898,063	2.3	1,080,185	2.6	1,456,569	3.4	430,071	2.8	897,678	3.3	1,287,158	3.8	1,331,589	3.6
Trans State Air (dba United Express)	637,489	1.8	279,635	0.7	353,453	0.9	486,191	1.2	361,901	0.9	524,954	1.2	86,554	0.6	-	-	-	-	-	-
Air Canada	6,664	-	33,773	0.1	78,189	0.2	206,178	0.5	-	-	-	-	-	-	13,717	0.1	49,281	0.1	94,734	0.3
Chautauqua (dba United Express)	51,553	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Air Wisconsin (dba United Express, American)	2	-	-	-	-	-	106,052	0.3	223,405	0.5	1,552,041	3.7	505,815	3.3	856,582	3.2	1,153,660	3.4	1,199,500	3.3
All other ⁽²⁾	<u>9,299,278</u>	<u>26.8</u>	<u>9,915,757</u>	<u>25.7</u>	<u>9,060,428</u>	<u>23.3</u>	<u>8,483,896</u>	<u>21.3</u>	<u>9,646,073</u>	<u>23.2</u>	<u>8,602,648</u>	<u>20.4</u>	<u>4,453,844</u>	<u>29.0</u>	<u>4,190,125</u>	<u>15.6</u>	<u>5,833,467</u>	<u>17.1</u>	<u>7,494,968</u>	<u>20.4</u>
Total	<u>34,952,762</u>	<u>100.0 %</u>	<u>38,395,905</u>	<u>100.0 %</u>	<u>38,872,669</u>	<u>100.0 %</u>	<u>39,815,888</u>	<u>100.0 %</u>	<u>41,563,343</u>	<u>100.0 %</u>	<u>42,248,370</u>	<u>100.0 %</u>	<u>15,351,046</u>	<u>100.0 %</u>	<u>26,945,359</u>	<u>100.0 %</u>	<u>34,095,710</u>	<u>100.0 %</u>	<u>36,597,770</u>	<u>100.0 %</u>

⁽¹⁾ Each airline listed is a signatory to a 1983 Airport Use Agreement and/or 2018 Airline Use Agreement

⁽²⁾ Other includes airlines with minimal shares and those no longer operating at the Airport

AIRLINES PROVIDING SERVICE AT THE AIRPORT

As of December 31, 2023, the Airport had scheduled air service by 59 airlines, including 21 domestic airlines, and 38 foreign flag airlines. Passenger service to the Airport is provided by 12 of the 14.

"Group III Carriers," which are defined by the U.S. Department of Transportation, Bureau of Transportation Statistics, Office of Airline Information to include domestic air carriers with annual operating revenues in excess of \$1 billion.

United Airlines and American Airlines (including their commuter affiliates) together accounted for approximately 77.7% of the enplaned commercial passengers at the Airport in 2023.

Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**HISTORICAL PASSENGER TRAFFIC
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Year	Total Domestic Passengers	Percent of Total Passengers	Total International Passengers	Percent of Total Passengers	Total Passengers	Annual Percent Change
2014	59,321,544	84.7 %	10,753,660	15.3 %	70,075,204	4.7 %
2015	65,943,490	85.7	11,006,014	14.3	76,949,504	9.8
2016	66,210,437	84.9	11,750,192	15.1	77,960,629	1.3
2017	67,362,667	84.4	12,465,516	15.6	79,828,183	2.4
2018	69,298,241	83.2	13,947,231	16.8	83,245,472	4.3
2019	70,450,326	83.2	14,198,789	16.8	84,649,115	1.7
2020 ⁽¹⁾	27,227,540	88.3	3,619,262	11.7	30,846,802	(63.6)
2021	48,410,636	89.6	5,614,148	10.4	54,024,784	75.1
2022	57,065,945	83.5	11,274,724	16.5	68,340,669	26.5
2023	60,348,098	81.7	13,552,841	18.3	73,900,939	8.1

Average Annual Compound Growth Rates

2014–2023	0.2 %	2.6 %	0.6 %
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⁽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 O’HARE INTERNATIONAL AIRPORT**

**HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Year	Chicago O’Hare International Airport		Chicago Midway International Airport		Total O&D Enplanements
	Total O&D Enplanements ⁽¹⁾	Percent of Total Chicago	Total O&D Enplanements ⁽¹⁾	Percent of Total Chicago	
2014	17,115,535	72.6 %	6,446,497	27.4 %	23,562,032
2015	20,096,191	75.0	6,682,549	25.0	26,778,740
2016	20,991,241	74.5	7,181,858	25.5	28,173,099
2017	22,429,433	75.1	7,446,996	24.9	29,876,429
2018	23,483,289	76.5	7,197,512	23.5	30,680,801
2019	23,836,209	77.4	6,944,982	22.6	30,781,191
2020 ⁽²⁾	8,550,533	74.6	2,912,068	25.4	11,462,601
2021	15,259,775	75.1	5,054,877	24.9	20,314,652
2022	20,491,522	76.6	6,266,354	23.4	26,757,876
2023	22,219,326	76.3	6,920,290	23.7	29,139,616
Average Annual Compound Growth Rates					
2014–2023	2.9 %		0.8 %		2.4 %

⁽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 O’HARE INTERNATIONAL AIRPORT**

**ENPLANEMENT SUMMARY
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Year	Total O’Hare Enplanements				
	Total Domestic Air Carrier Enplanements	Percent of Total O’Hare	Total International Enplanements	Percent of Total O’Hare	Total ⁽¹⁾ Enplanements
2014	29,559,975	84.6 %	5,392,787	15.4 %	34,952,762
2015	32,877,967	85.6	5,517,938	14.4	38,395,905
2016	33,015,851	84.9	5,856,818	15.1	38,872,669
2017	33,587,845	84.4	6,228,043	15.6	39,815,888
2018	34,598,046	83.2	6,965,297	16.8	41,563,343
2019	35,168,714	83.2	7,079,656	16.8	42,248,370
2020 ⁽²⁾	13,549,416	88.3	1,801,630	11.7	15,351,046
2021	24,169,431	89.7	2,775,928	10.3	26,945,359
2022	28,459,387	83.5	5,636,323	16.5	34,095,710
2023	29,916,091	81.7	6,681,679	18.3	36,597,770
Average Annual Compound Growth Rates					
2014–2023	0.1 %		2.4 %		0.5 %

⁽¹⁾ Total Enplanements equals Total Domestic Air Carrier Enplanements plus Total Domestic Commuter Enplanements plus Total International Enplanements.

⁽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 O'HARE INTERNATIONAL AIRPORT**

**AIRCRAFT OPERATIONS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Year	Annual Aircraft Operations					
	Domestic Air Carrier	International Air Carrier	Total Air Carrier	All-Cargo	General Aviation	Total
2014	779,708	76,258	855,966	15,433	10,534	881,933
2015	775,091	70,729	845,820	17,698	11,618	875,136
2016	762,664	75,395	838,059	17,932	11,644	867,635
2017	759,810	77,524	837,334	19,083	10,632	867,049
2018	785,629	83,628	869,257	24,052	10,438	903,747
2019	785,618	99,545	885,163	24,411	10,130	919,704
2020 ⁽¹⁾	460,757	41,966	502,723	30,402	5,086	538,211
2021	584,907	59,458	644,365	31,752	8,084	684,201
2022	593,533	76,839	670,372	30,913	10,276	711,561
2023	605,433	77,876	683,309	27,601	9,672	720,582
Average Annual Compound Growth Rates						
2014–2023	(2.8)%	0.2 %	(2.5)%	6.7 %	(0.9)%	(2.2)%

⁽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 O’HARE INTERNATIONAL AIRPORT**

**NET AIRLINE REQUIREMENT AND COST PER ENPLANED PASSENGER
FOR THE YEAR ENDED DECEMBER 31, 2023
(Dollars in thousands)**

Calculation of cost per enplaned passenger:	
Operating and maintenance expenses ⁽¹⁾	\$ 742,708
Net Capital costs ⁽¹⁾⁽²⁾	576,994
Fund deposits ⁽³⁾	<u>88,943</u>
 Total airport expenses ⁽¹⁾	 1,408,645
Less:	
Non-airline revenue ⁽¹⁾	(401,732)
COVID-19 Relief Funds applied to Revenue and shortfall of PFCs	(7,522)
2022 ARE and CRE Net Revenues applied to 2023 Rates and Charges	(64,410)
Airfield Credit from 2021 Final Accounting	(20,070)
Other	<u> </u>
 Net airline requirement ⁽⁴⁾	 914,911
 Enplaned passengers	 <u>36,597,770</u>
 Cost per enplaned passenger	 <u><u>25.00</u></u>

⁽¹⁾ This analysis excludes the Airport General Fund, CFC Fund and PFC Fund.

⁽²⁾ Incremental adjustment required which provides 1.25x coverage on aggregate debt service.

⁽³⁾ Deposits to the Operations and Maintenance Reserve, Supplemental Operations and Maintenance Reserve, Maintenance Reserve.

⁽⁴⁾ Revenue required to be collected from all Airline Parties under the ORD Airport Use Agreement.

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**HISTORICAL PFC REVENUES
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023
(Dollars in thousands)**

Year	Total Enplanements	PFC Enplanements ⁽¹⁾	PFC Revenues (Net of Airline Collection Fees) ⁽²⁾		Total PFC Revenues
			PFC Collection Fees ⁽²⁾	PFC Interest Income	
2014	34,952,762	31,962,719	140,316	1,275	141,591
2015	38,395,905	32,425,502	142,348	918	143,266
2016	38,872,669	34,993,891	153,623	941	154,564
2017	39,815,888	34,753,751	152,569	1,306	153,875
2018	41,563,343	37,088,975	162,871	3,230	166,101
2019	42,248,370	41,138,976	180,600	5,193	185,793
2020 ⁽³⁾	15,351,046	15,713,735	68,983	3,922	72,905
2021	26,945,359	22,507,518	98,808	1,750	100,558
2022	34,095,710	30,390,783	133,416	2,390	135,806
2023	36,597,770	32,595,945	143,096	6,240	149,336

⁽¹⁾ Historical collection information reflects an actual percentage of eligible PFC enplanements of 89.1% in 2023.

⁽²⁾ Actual amounts above are recorded on a cash basis but are reported in the Airport's audited financial statements on an accrual basis. The cash basis PFC audit for 2023 has not yet been issued.

⁽³⁾ Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**PASSENGER FACILITY CHARGE (PFC) DEBT SERVICE COVERAGE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023
(Dollars in thousands)**

Bond Year Ended	PFC Revenues	PFC Bonds Debt Service	Coverage by PFC Revenues ⁽¹⁾
January 1, 2015	\$ 141,591	\$ 65,307	2.17
January 1, 2016	143,266	66,791	2.14
January 1, 2017	154,564	66,425	2.33
January 1, 2018	153,875	66,425	2.32
January 1, 2019	166,101	50,358	3.30
January 1, 2020	185,793	48,293	3.85
January 1, 2021 ⁽²⁾	72,905	47,661	1.53
January 1, 2022	100,558	44,471	2.26
January 1, 2023	135,806	44,466	3.05
January 1, 2024	149,336	44,472	3.36

⁽¹⁾ Actual amounts above are recorded on a cash basis and includes interest earnings.

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

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**NET POSITION BY COMPONENT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023
(Dollars in thousands)**

	2014	2015	2016*	2017	2018	2019	2020	2021	2022	2023
Net position:										
Net investment in capital assets	\$ 644,430	\$ 707,991	\$ 1,001,744	\$ 1,117,543	\$ 1,243,830	\$ 1,362,522	\$ 1,437,834	\$ 1,301,406	\$ 945,118	\$ 904,790
Restricted	780,514	828,216	679,180	623,642	700,023	898,995	1,031,864	1,123,192	1,318,135	1,584,716
Unrestricted (deficit)	<u>35,140</u>	<u>(1,061,607)</u>	<u>(1,298,327)</u>	<u>(1,325,243)</u>	<u>(1,394,984)</u>	<u>(1,510,345)</u>	<u>(1,433,408)</u>	<u>(1,346,515)</u>	<u>(1,353,302)</u>	<u>(1,530,951)</u>
Total net position	<u>\$1,460,084</u>	<u>\$ 474,600</u>	<u>\$ 382,597</u>	<u>\$ 415,942</u>	<u>\$ 548,869</u>	<u>\$ 751,172</u>	<u>\$ 1,036,290</u>	<u>\$ 1,078,083</u>	<u>\$ 909,951</u>	<u>\$ 958,555</u>

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

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

**CHANGE IN NET POSITION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023
(Dollars in thousands)**

	2014	2015	2016*	2017	2018	2019	2020 ⁽¹⁾	2021	2022	2023
TOTAL OPERATING REVENUES	\$ 844,524	\$ 845,228	\$ 947,816	\$ 976,179	\$ 1,061,913	\$ 1,253,485	\$ 905,612	\$ 1,145,152	\$ 1,259,433	\$ 1,427,751
OPERATING EXPENSES:										
Salaries and wages	182,984	191,842	204,136	205,957	222,550	214,069	222,855	219,922	232,514	247,685
Pension expense	-	339,546	245,491	145,992	145,920	159,153	45,419	62,448	163,979	162,343
Repairs and maintenance	110,928	98,945	104,536	95,310	115,008	143,231	144,975	170,176	153,522	183,431
Professional and engineering services	88,143	83,265	95,608	101,798	111,642	133,994	140,982	149,419	172,740	191,465
Other operating expenses	112,952	92,112	101,439	103,437	115,146	149,116	117,337	146,732	132,016	152,033
Hilton expenses	-	-	-	-	-	43,021	20,157	24,234	35,598	38,588
Depreciation and amortization	218,211	231,670	254,689	262,331	259,467	287,648	292,212	314,122	375,346	394,398
Loss on capital asset disposal	-	3,320	-	18,711	22,218	37,505	-	4,754	-	952
Total operating expenses	713,218	1,040,700	1,005,899	933,536	991,951	1,167,737	983,937	1,091,807	1,265,715	1,370,895
OPERATING (LOSS) INCOME	131,306	(195,472)	(58,083)	42,643	69,962	85,748	(78,325)	53,345	(6,282)	56,856
NONOPERATING REVENUES (EXPENSES):										
Passenger facility charge revenue	136,351	147,697	154,044	158,175	163,263	171,993	61,279	110,689	134,920	143,610
Customer facility charges	36,284	39,204	39,930	39,094	38,837	40,315	14,992	25,059	34,329	39,046
Passenger facility charge expenses	(4,630)	(2,341)	(2,410)	(6,359)	(42)	(2,495)	(21)	-	-	-
Other nonoperating revenues	30,845	18,315	15,553	26,860	19,267	15,792	9,320	21,024	8,522	28,985
Final settlement of 1983 AULA	-	-	-	-	-	-	122,668	-	-	-
Noise mitigation	(15,892)	(8,998)	(2,310)	(16,445)	(6,097)	(2,475)	(5,872)	(3,804)	(16,129)	(21,829)
Cost of issuance	(154)	(11,441)	(5,912)	(12,193)	(14,192)	(31)	(9,333)	-	(11,789)	(3,092)
Investment income	29,838	19,328	12,640	32,771	36,707	66,102	45,054	(15,178)	(106,997)	144,285
Interest expense	(300,295)	(319,373)	(316,119)	(313,202)	(305,798)	(319,369)	(320,370)	(408,331)	(420,612)	(449,332)
Lease interest income	-	-	-	-	-	-	-	-	20,139	22,099
Grant revenues	-	-	-	-	-	-	294,442	177,450	144,931	35,014
Total nonoperating revenue (expenses)	(87,653)	(117,609)	(104,584)	(91,299)	(68,055)	(30,168)	212,159	(93,091)	(212,686)	(61,214)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	43,653	(313,081)	(162,667)	(48,656)	1,907	55,580	133,834	(39,746)	(218,968)	(4,358)
CAPITAL GRANTS	89,032	76,689	70,664	82,001	131,020	77,923	151,284	81,539	50,836	52,962
CAPITAL CONTRIBUTIONS	-	-	-	-	-	68,800	-	-	-	-
CHANGE IN NET POSITION	\$ 132,685	\$ (236,392)	\$ (92,003)	\$ 33,345	\$ 132,927	\$ 202,303	\$ 285,118	\$ 41,793	\$ (168,132)	\$ 48,604

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

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

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

**LONG-TERM DEBT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023
(Dollars in thousands)**

	2014	2015	2016	2017	2018	2019	2020 ⁽¹⁾	2021	2022	2023
Senior lien bonds	\$ 6,563,780	\$ 6,586,490	\$ 6,404,030	\$ 7,564,355	\$ 9,296,015	\$ 9,034,660	\$ 8,702,045	\$ 8,537,745	\$ 9,706,385	\$ 9,478,405
Commercial paper notes	51,026	-	-	102,239	-	-	-	-	-	-
Passenger facility charge revenue bonds	663,780	631,245	595,630	558,635	519,790	495,070	394,905	369,990	343,825	316,350
Customer facility charge revenue bonds	248,750	248,750	248,750	248,750	244,025	239,065	233,860	228,425	222,725	171,800
Revolving line of credit-AMT	-	-	-	-	-	-	-	71,100	-	-
Revolving line of credit	-	-	12,098	12,098	-	-	-	-	-	-
TIFIA Loan	-	-	-	159,803	258,150	278,756	278,756	278,756	294,961	291,038
	<u>7,527,336</u>	<u>7,466,485</u>	<u>7,260,508</u>	<u>8,645,880</u>	<u>10,317,980</u>	<u>10,047,551</u>	<u>9,609,566</u>	<u>9,486,016</u>	<u>10,567,896</u>	<u>10,257,593</u>
Total revenue bonds and notes										
Unamortized premium	<u>199,169</u>	<u>374,179</u>	<u>453,456</u>	<u>607,459</u>	<u>610,467</u>	<u>559,884</u>	<u>620,589</u>	<u>569,446</u>	<u>581,744</u>	<u>543,697</u>
Total revenue bonds payable, net of unamortized premium (discount)	<u>\$ 7,726,505</u>	<u>\$ 7,840,664</u>	<u>\$ 7,713,964</u>	<u>\$ 9,253,339</u>	<u>\$ 10,928,447</u>	<u>\$ 10,607,435</u>	<u>\$ 10,230,155</u>	<u>\$ 10,055,462</u>	<u>\$ 11,149,640</u>	<u>\$ 10,801,290</u>
Enplanements	<u>34,952,762</u>	<u>38,395,905</u>	<u>38,872,669</u>	<u>39,815,888</u>	<u>41,563,343</u>	<u>42,248,370</u>	<u>15,351,046</u>	<u>26,945,359</u>	<u>34,095,710</u>	<u>36,597,770</u>
Debt per enplanement	<u>\$ 215</u>	<u>\$ 194</u>	<u>\$ 187</u>	<u>\$ 217</u>	<u>\$ 248</u>	<u>\$ 238</u>	<u>\$ 626</u>	<u>\$ 352</u>	<u>\$ 310</u>	<u>\$ 280</u>

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

**FULL-TIME EQUIVALENT CHICAGO O’HARE AIRPORT EMPLOYEES BY FUNCTION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capital development	18	18	20	61	67	70	79	65	77	97
Financial administration	35	36	38	44	44	46	42	43	43	46
Contract administration	12	12	13	12	12	14	15	15	15	19
Commercial development and concessions	13	13	13	18	17	17	18	17	24	26
Administration	47	46	46	43	43	48	67	60	73	82
Airfield operations	306	306	346	461	463	488	512	506	511	524
Landside operations	239	240	237	225	223	212	218	207	209	208
Security management	361	306	305	317	345	338	424	421	470	480
Facility management	<u>311</u>	<u>324</u>	<u>322</u>	<u>345</u>	<u>323</u>	<u>349</u>	<u>349</u>	<u>338</u>	<u>344</u>	<u>349</u>
Total	<u>1,342</u>	<u>1,301</u>	<u>1,340</u>	<u>1,526</u>	<u>1,537</u>	<u>1,582</u>	<u>1,724</u>	<u>1,672</u>	<u>1,766</u>	<u>1,831</u>

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

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

Employer	2023 ⁽¹⁾			2014		
	Number of Employees	Rank	Percentage of Total City Employment (2)	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health ⁽³⁾	38,679	1	2.95 %	18,556	1	1.47 %
Amazon.Com Inc	30,100	2	2.30	-	-	-
Northwestern Memorial Healthcare	25,386	3	1.94	14,550	4	1.15
University of Chicago	22,395	4	1.71	16,025	2	1.27
Endeavor Health ⁽⁴⁾	20,251	5	1.55	-	-	-
Walmart Inc.	17,400	6	1.33	14,000	5	1.11
United Airlines Holdings Inc. ⁽⁵⁾	16,937	7	1.29	13,797	6	1.09
Walgreens Boots Alliance Inc ⁽⁶⁾	16,486	8	1.26	15,015	3	1.19
JPMorgan Chase & Co. ⁽⁷⁾	15,382	9	1.17	-	-	-
Health Care Service Corp	14,771	10	1.13	-	-	-
AT & T	-	-	-	13,000	7	1.03
Presence Health	-	-	-	11,279	8	0.89
University of Illinois at Chicago	-	-	-	10,100	9	0.80
Abbott Laboratories	-	-	-	10,000	10	0.79

NOTES:

⁽¹⁾ Source: Reprinted with permission from the February 26, 2024 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⁾ Advocate Health formerly known as Advocate Aurora Health

⁽⁴⁾ Endeavor Health formerly known as Northshore - Edward-Elmhurst Health

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

⁽⁶⁾ In 2014, Walgreens purchased Alliance Boots forming Walgreens Boots Alliance, Inc.

⁽⁷⁾ JP Morgan & Co. formerly known as J.P. Morgan Chase.

CITY OF CHICAGO, ILLINOIS

CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA

POPULATION AND INCOME STATISTICS

EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023

Year	Population ⁽¹⁾	Median Age ⁽²⁾	Number of Households ⁽²⁾	City Employment	Unemployment Rate ⁽³⁾	Per Capita Income ⁽⁴⁾	Total Income
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	35.8	1,139,537	1,247,060	4.1	71,992	197,717,964,896
2022	2,746,388	35.8	1,159,424	1,319,764	4.2	72,512	199,146,086,656
2023	2,746,388	N/A ⁽⁵⁾	N/A ⁽⁵⁾	1,310,713	4.0	N/A ⁽⁵⁾	N/A ⁽⁵⁾

Notes:

⁽¹⁾ Source: U.S. Census Bureau.

⁽²⁾ Source: U.S. Census Bureau—American Community Survey data estimates.

⁽³⁾ Source: Bureau of Labor Statistics 2023, 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 O’HARE INTERNATIONAL AIRPORT**

**SUMMARY—2023 TERMINAL RENTALS, FEES AND CHARGES
ANNUALIZED RATES**

AIRFIELD AND TERMINAL RATES

Description:

Landing fee (rate/1,000 lbs.)	\$ 11.272
Base rent/sq. ft.	179.77
Discount rent/sq. ft.	134.83

TERMINAL COMMON USE CHARGES

Description:

Domestic Common Use Gate Fee per delivered seat	\$ 1.18
Domestic Common Use Baggage Make-Up Fee per outbound checked bag	3.75
Common Use Baggage Claim Fee per arriving domestic seat (incl pre-cleared)	0.76
Domestic Common Use Check-in Fee per check-in hour	14.22
International Common Use Gate Fee per departing seat and arriving international seat without FIS User	3.13
International Common Use Baggage Make-Up Fee per outbound checked bag	5.73
International Common Use Check-In Fee per check-in hour	24.28
Federal Inspection Services (FIS) Facility Fee	13.61

Source: City of Chicago Department of Aviation.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

AIRPORT MARKET SHARE OF RENTAL CAR BRANDS OPERATING ON AND OFF AIRPORT

	Brand(s)	2023 Airport Market
Corporate Entity ⁽¹⁾ :		
On-airport		
Enterprise Holdings, Inc.	Enterprise Rent-A-Car ⁽¹⁾	<u>35.89</u>
		<u>35.89</u>
Avis Budget Group, Inc.	Avis (Incl. ZIPCAR) Payless-Avis Budget Budget Rent-A-Car	<u>31.00</u>
		<u>31.00</u>
Hertz Global Holdings, Inc.	Hertz Rent A Car DTG dba Dollar/Thrifty	<u>23.26</u>
		<u>23.26</u>
Fox Rent a Car		<u>2.52</u>
Sixt Rent A Car LLC		<u>5.72</u>
Payless Rent A Car		<u>1.03</u>
Ace Rent A Car		<u>0.39</u>
Off-airport:		
Routes Car Rental USA Inc		<u>0.19</u>
Total		<u><u>100.00</u></u>

⁽¹⁾ Alamo and National are reported jointly.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

**HISTORICAL VISITING O&D ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2014–2023**

Year	Total Enplaned Passengers	Total O & D Enplaned Passengers ⁽¹⁾	Total O & D Percentage of Total	Resident O & D Enplaned Passengers	Resident Percentage of Total O & D	Visiting O & D Enplaned Passengers ⁽¹⁾	Visitor Percentage of Total O & D
2014	34,952,762	17,115,535	49.0 %	9,534,351	55.7 %	7,491,276	43.8 %
2015	38,395,905	19,469,276	50.7	10,902,795	56.0	8,566,481	44.0
2016	38,872,669	20,991,241	54.0	11,545,183	55.0	9,446,059	45.0
2017	39,815,888	22,429,433	56.3	12,380,081	55.2	10,049,352	44.8
2018	41,563,343	23,480,691	56.5	12,397,298	52.8	11,083,393	47.2
2019	42,248,870	23,836,209	56.6	13,159,926	55.2	10,676,283	44.8
2020	15,351,046	8,550,533	55.7	4,856,703	56.8	3,693,830	43.2
2021	26,945,359	15,259,775	64.7	10,300,884	59.0	7,143,722	41.0
2022 ⁽²⁾	34,095,710	20,491,522	60.1	11,532,364	56.3	8,951,887	43.7
2023	36,597,770	22,219,326	60.7	12,417,714	55.9	9,801,611	44.1

⁽¹⁾ Certain estimations were used by Ricondo & Associates to derive visiting O & D enplaned passengers, as data for foreign flag carriers were not available.

⁽²⁾ The O & D percent share is calculated for the four quarters ending with the fourth quarter of 2023 O&D and connecting enplanements are based upon that share. Includes GA, Military and Misc.

Source: City of Chicago, Department of Aviation Management Records (historical total, resident, and visitor O & D enplaned passengers), June 2023.

US Department of Transportation (historical total, resident, and visitor O & D enplaned passengers) June 2023.

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
January	\$ 2,095,216	\$ 2,058,208	\$ 2,160,680	\$ 2,063,208	\$ 2,170,560	\$ 2,165,344	\$ 2,106,352	\$ 801,040	\$ 1,678,712	\$ 1,837,040
February	2,037,496	1,975,312	2,096,296	2,072,496	2,170,704	2,138,949	2,060,648	802,304	1,771,160	1,918,632
March	<u>2,365,224</u>	<u>2,411,096</u>	<u>2,528,296</u>	<u>2,551,656</u>	<u>2,711,416</u>	<u>2,629,384</u>	<u>1,405,448</u>	<u>1,124,792</u>	<u>2,296,408</u>	<u>2,478,976</u>
First quarter total	<u>6,497,936</u>	<u>6,444,616</u>	<u>6,785,272</u>	<u>6,687,360</u>	<u>7,052,680</u>	<u>6,933,677</u>	<u>5,572,448</u>	<u>2,728,136</u>	<u>5,746,280</u>	<u>6,234,648</u>
Annual percent change	<u>1.1 %</u>	<u>(0.8)%</u>	<u>5.3 %</u>	<u>(1.4)%</u>	<u>5.5 %</u>	<u>(1.7)%</u>	<u>(19.6)%</u>	<u>(51.0)%</u>	<u>110.6 %</u>	<u>8.5 %</u>
April	2,663,448	2,833,576	2,978,640	2,721,344	2,939,824	2,984,248	303,616	1,340,640	2,556,808	2,646,392
May	3,403,440	3,457,424	3,554,312	3,337,584	3,579,464	3,740,304	429,152	1,776,464	3,099,800	3,174,120
June	<u>3,575,576</u>	<u>3,512,048</u>	<u>3,554,312</u>	<u>3,672,320</u>	<u>3,733,568</u>	<u>3,916,008</u>	<u>696,008</u>	<u>2,094,120</u>	<u>3,180,768</u>	<u>3,381,216</u>
Second quarter total	<u>9,642,464</u>	<u>9,803,048</u>	<u>10,087,264</u>	<u>9,731,248</u>	<u>10,252,856</u>	<u>10,640,560</u>	<u>1,428,776</u>	<u>5,211,224</u>	<u>8,837,376</u>	<u>9,201,728</u>
Annual percent change	<u>6.8 %</u>	<u>1.7 %</u>	<u>2.9 %</u>	<u>(3.5)%</u>	<u>5.4 %</u>	<u>3.8 %</u>	<u>(86.6)%</u>	<u>264.7 %</u>	<u>69.6 %</u>	<u>4.1 %</u>
July	3,579,976	3,920,712	3,999,848	3,855,952	4,119,976	4,364,512	952,600	2,611,376	3,689,080	3,704,696
August	3,579,976	3,979,920	4,078,696	4,019,608	4,211,240	4,522,104	1,078,760	2,672,832	3,829,384	3,947,072
September	<u>3,579,976</u>	<u>3,756,256</u>	<u>3,771,264</u>	<u>3,569,744</u>	<u>3,671,400</u>	<u>3,911,672</u>	<u>1,093,664</u>	<u>2,408,840</u>	<u>3,408,232</u>	<u>3,481,768</u>
Third quarter total	<u>10,739,928</u>	<u>11,656,888</u>	<u>11,849,808</u>	<u>11,445,304</u>	<u>12,002,616</u>	<u>12,798,288</u>	<u>3,125,024</u>	<u>7,693,048</u>	<u>10,926,696</u>	<u>11,133,536</u>
Annual percent change	<u>4.2 %</u>	<u>5.3 %</u>	<u>1.7 %</u>	<u>(3.4)%</u>	<u>4.9 %</u>	<u>6.6 %</u>	<u>(75.6)%</u>	<u>146.2 %</u>	<u>42.0 %</u>	<u>1.9 %</u>
October	3,612,656	3,815,136	3,684,456	3,534,248	3,645,920	3,829,296	1,157,616	2,545,016	3,420,104	3,438,672
November	2,891,736	2,937,088	2,939,008	2,905,032	2,997,032	3,000,800	887,928	2,221,288	2,887,544	2,817,312
December	<u>2,572,952</u>	<u>2,478,696</u>	<u>2,419,432</u>	<u>2,441,312</u>	<u>2,592,224</u>	<u>2,781,152</u>	<u>776,856</u>	<u>1,938,680</u>	<u>2,510,584</u>	<u>2,438,544</u>
Fourth quarter total	<u>9,077,344</u>	<u>9,230,920</u>	<u>9,042,896</u>	<u>8,880,592</u>	<u>9,235,176</u>	<u>9,611,248</u>	<u>2,822,400</u>	<u>6,704,984</u>	<u>8,818,232</u>	<u>8,694,528</u>
Annual total	<u>\$35,957,672</u>	<u>\$37,135,472</u>	<u>\$37,765,240</u>	<u>\$36,744,504</u>	<u>\$38,543,328</u>	<u>\$39,983,773</u>	<u>\$12,948,648</u>	<u>\$22,337,392</u>	<u>\$34,328,584</u>	<u>\$35,264,440</u>
Annual Percent Change	<u>4.2 %</u>	<u>5.3 %</u>	<u>1.7 %</u>	<u>(2.7)%</u>	<u>4.9 %</u>	<u>3.7 %</u>	<u>(67.6)%</u>	<u>72.5 %</u>	<u>53.7 %</u>	<u>2.7 %</u>
Year to date total (through May)	<u>12,564,824</u>	<u>12,735,616</u>	<u>13,318,224</u>	<u>12,746,288</u>	<u>13,571,968</u>	<u>13,658,229</u>	<u>6,305,216</u>	<u>5,845,240</u>	<u>11,402,888</u>	<u>12,055,160</u>
Annual percentage change	<u>3.7 %</u>	<u>1.4 %</u>	<u>4.6 %</u>	<u>(4.3)%</u>	<u>6.5 %</u>	<u>0.6 %</u>	<u>(53.8)%</u>	<u>(7.3)%</u>	<u>95.1 %</u>	<u>5.7 %</u>

Source: City of Chicago Comptroller's Office

**CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
January	\$ 2,095,216	\$ 2,190,072	\$ 2,366,544	\$ 2,179,944	\$ 2,195,136	\$ 2,193,032	\$ 2,358,816	\$ 946,688	\$ 1,678,712	\$ 2,077,744
February	2,037,496	2,091,544	2,287,024	2,168,312	2,200,168	2,165,325	2,329,552	947,648	1,771,160	2,138,528
March	<u>2,365,224</u>	<u>2,531,080</u>	<u>2,692,120</u>	<u>2,717,168</u>	<u>2,731,144</u>	<u>2,652,600</u>	<u>1,569,744</u>	<u>1,298,920</u>	<u>2,296,408</u>	<u>2,705,752</u>
First quarter total	<u>6,497,936</u>	<u>6,812,696</u>	<u>7,345,688</u>	<u>7,065,424</u>	<u>7,126,448</u>	<u>7,010,957</u>	<u>6,258,112</u>	<u>3,193,256</u>	<u>5,746,280</u>	<u>6,922,024</u>
Annual percent change	<u>1.1 %</u>	<u>4.8 %</u>	<u>7.8 %</u>	<u>(3.8)%</u>	<u>0.9 %</u>	<u>(1.6)%</u>	<u>(10.7)%</u>	<u>(49.0)%</u>	<u>80.0 %</u>	<u>20.5 %</u>
April	2,663,448	2,962,240	3,143,320	2,929,808	2,960,600	3,012,680	373,848	1,537,080	2,556,808	2,885,144
May	3,403,440	3,623,328	3,741,768	3,551,752	3,602,744	3,768,256	520,320	2,009,176	3,099,800	3,446,488
June	<u>3,575,576</u>	<u>3,691,640</u>	<u>3,780,904</u>	<u>3,862,184</u>	<u>3,757,056</u>	<u>3,947,280</u>	<u>825,216</u>	<u>2,351,000</u>	<u>3,180,768</u>	<u>3,674,016</u>
Second quarter total	<u>9,642,464</u>	<u>10,277,208</u>	<u>10,665,992</u>	<u>10,343,744</u>	<u>10,320,400</u>	<u>10,728,216</u>	<u>1,719,384</u>	<u>5,897,256</u>	<u>8,837,376</u>	<u>10,005,648</u>
Annual percent change	<u>6.8 %</u>	<u>6.6 %</u>	<u>3.8 %</u>	<u>(3.0)%</u>	<u>(0.2)%</u>	<u>4.0 %</u>	<u>(84.0)%</u>	<u>243.0 %</u>	<u>49.9 %</u>	<u>13.2 %</u>
July	3,579,976	4,127,848	4,185,472	4,051,040	4,149,976	4,391,640	1,120,216	2,903,160	3,689,080	4,115,352
August	3,948,912	4,188,848	4,289,320	4,260,320	4,244,320	4,551,608	1,321,240	2,970,720	3,829,384	4,364,240
September	<u>3,537,496</u>	<u>3,934,624</u>	<u>3,947,136</u>	<u>3,838,864</u>	<u>3,695,336</u>	<u>3,939,360</u>	<u>1,274,824</u>	<u>2,646,952</u>	<u>3,408,232</u>	<u>3,875,056</u>
Third quarter total	<u>11,066,384</u>	<u>12,251,320</u>	<u>12,421,928</u>	<u>12,150,224</u>	<u>12,089,632</u>	<u>12,882,608</u>	<u>3,716,280</u>	<u>8,520,832</u>	<u>10,926,696</u>	<u>12,354,648</u>
Annual percent change	<u>4.2 %</u>	<u>10.7 %</u>	<u>1.4 %</u>	<u>(2.2)%</u>	<u>(0.5)%</u>	<u>6.6 %</u>	<u>(71.2)%</u>	<u>129.3 %</u>	<u>28.2 %</u>	<u>13.1 %</u>
October	3,612,656	4,012,344	3,868,232	3,818,288	3,667,592	3,856,736	1,330,576	2,791,232	3,420,104	3,835,080
November	2,891,736	3,144,944	3,094,176	3,131,064	3,018,440	3,026,960	1,054,232	2,460,776	2,887,544	3,163,496
December	<u>2,572,952</u>	<u>2,705,784</u>	<u>2,533,912</u>	<u>2,585,976</u>	<u>2,614,808</u>	<u>2,809,896</u>	<u>913,656</u>	<u>2,194,992</u>	<u>2,510,584</u>	<u>2,764,960</u>
Fourth quarter total	<u>9,077,344</u>	<u>9,863,072</u>	<u>9,496,320</u>	<u>9,535,328</u>	<u>9,300,840</u>	<u>9,693,592</u>	<u>3,298,464</u>	<u>7,447,000</u>	<u>8,818,232</u>	<u>9,763,536</u>
Annual total	<u>\$36,284,128</u>	<u>\$39,204,296</u>	<u>\$39,929,928</u>	<u>\$39,094,720</u>	<u>\$38,837,320</u>	<u>\$40,315,373</u>	<u>\$14,992,240</u>	<u>\$25,058,344</u>	<u>\$34,328,584</u>	<u>\$39,045,856</u>
Annual Percent Change										
Year to date total (through May)	<u>\$12,564,824</u>	<u>\$13,398,264</u>	<u>\$14,230,776</u>	<u>\$13,546,984</u>	<u>\$13,689,792</u>	<u>\$13,791,893</u>	<u>\$ 7,152,280</u>	<u>\$ 6,739,512</u>	<u>\$11,402,888</u>	<u>\$13,253,656</u>
Annual percentage change	<u>3.7 %</u>	<u>6.6 %</u>	<u>6.2 %</u>	<u>(4.8)%</u>	<u>1.1 %</u>	<u>0.7 %</u>	<u>(48.1)%</u>	<u>(5.8)%</u>	<u>69.2 %</u>	<u>16.2 %</u>

Source: City of Chicago Comptroller's Office

**CITY OF CHICAGO, ILLINOIS
CHICAGO O’HARE INTERNATIONAL AIRPORT**

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

RAC Legal Entity	Rental Car Brands	Legal Organization	Current Status of Brand(s) at Airport
Enterprise Leasing Company of Chicago LLC	Enterprise Rent-A-Car Alamo Rent-A-Car National Car Rental	Delaware limited liability company and subsidiary of Enterprise Holdings, Inc	Existing On-Airport
The Hertz Corporation	Hertz Rent-A-Car Dollar Rent-A-Car Thrifty Car Rental	Delaware limited liability company and subsidiary of Hertz Global Holdings, Inc (NYSE: HTZ)	Existing On-Airport
Avis Budget Car Rental, LLC	Avis Car Rental Budget Rent-A-Car Payless Car Rental	Delaware limited liability company and subsidiary of Avis Budget Group, Inc (NASDAQ: CAR)	Existing On-Airport
Routes Car Rental USA, Inc.	Routes	Delaware limited liability company	Existing Off-Airport
Fox Rent A Car, Inc.	Fox Rent-A-Car	Delaware limited liability company	Existing On-Airport
Sixt Rent A Car, LLC	Sixt Rent-A-Car	Delaware limited liability company	Existing On-Airport

Source: City of Chicago Department of Aviation