

# **City of Chicago**

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

### **Annual Comprehensive Financial Report For the Year Ended December 31, 2024**



Brandon Johnson, Mayor

Jill Jaworski, Chief Financial Officer

Michael Belsky, City Comptroller

Michael McMurray, Commissioner

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# 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CHICAGO MIDWAY INTERNATIONAL AIRPORT

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## **PART I**

### **INTRODUCTORY SECTION**

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June 30, 2025

To the Honorable Mayor Brandon Johnson, members of the City Council and residents of the City of Chicago:

I am pleased to submit the Annual Comprehensive Financial Report ("ACFR") of Chicago Midway International Airport ("Airport") for the year ended December 31, 2024. State law requires that all governmental units publish, within six months of the close of each fiscal year, financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited by a licensed public accountant.

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

## **ECONOMIC CONDITION AND OUTLOOK**

The Airport provides regional travelers with access to service by a number of airlines that generally specialize in low-fare, point-to-point, origin and destination ("O&D") passenger service and has been among the busiest stations in the Southwest Airlines network for several years. The Airport's major attributes that allow it to enjoy a unique market niche include the Airport's location proximate to a large O&D passenger base, its accessibility, and its low per-passenger cost structure. In 2024, the Airport connected Chicago to approximately 93 destinations in the U.S., Canada, Mexico, and the Caribbean. In 2024, services were added to previously unserved Bozeman, Montana and El Paso, Texas. More than 21.5 million passengers traveled through Midway in 2024 (a slight decrease from 2023, as main tenant Southwest, which provided 88% of Midway scheduled departing seats in 2024, undergoes a significant corporate restructuring and continues to be impacted by B737 MAX delivery delays) 700,000 more passengers annually than 2019, the year before COVID-19 pandemic was declared.

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

## **REPORTING ENTITY**

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

## **MAJOR INITIATIVES**

In 2023, the City completed the final phase of the Midway Modernization Program ("MMP"), a \$400 million capital improvement project designed to enhance the overall passenger experience.

Throughout the program, our diverse team of employees and contractors developed creative solutions to improve passenger flow by reconfiguring the existing space within Midway's footprint. Updates include a new security pavilion; a streamlined, single checkpoint area doubling the passenger throughput capacity from 2,500 to 5,000 passengers per hour; a new inline baggage handling system for carry-on items; improvements to the Customs arrival corridor; and parking garage improvements that offer electric vehicle charging stations, upgraded elevators, and other accessible features. The grand reopening of Midway's Central Market in November 2023, the centerpiece of the \$75 million investment in Midway's concessions, brought a mix of new and existing brands with diverse ownership teams.

Through our outreach and engagement with local businesses, Midway's concessions program has achieved one of the highest reported Airport Concessions Disadvantaged Business Enterprise (DBE) participation rates in the nation – 56% – a statistic that demonstrates our commitment to growing a diverse team of business owners at the airport.

The Airport's first-ever shared-use lounge in the Central Market opened in September 2024. The lounge offers travelers expanded amenities and additional places to work and relax for travelers aboard all airlines through Priority Pass, the world's largest airport lounge membership program.

These projects are focused on maintaining and enhancing the Airport's operational capability and efficiency, growing non-airline revenue, and bringing further improvements to the overall travel experience for passengers. Finally, the Airport continues to invest in our surrounding community and has sound-insulated over 10,000 homes and 41 schools in the surrounding area.

The City is financing the capital program through airport revenue bond proceeds, federal grants, passenger facility charge revenues and other available Airport funds. Midway's Senior Lien Bonds maintained a stable outlook with Fitch Ratings, Kroll Bond Rating Agency and S&P Global Ratings affirming the long-term "A" rating.

## **FINANCIAL INFORMATION**

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

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

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

### **RELEVANT FINANCIAL POLICIES**

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

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

### **INDEPENDENT AUDIT**

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

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its ACFR for the fiscal year ended December 31, 2023. This was the 27th 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.



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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael McMurray", followed by a long horizontal line extending to the right.

Michael McMurray  
Commissioner



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Chicago Midway International Airport  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

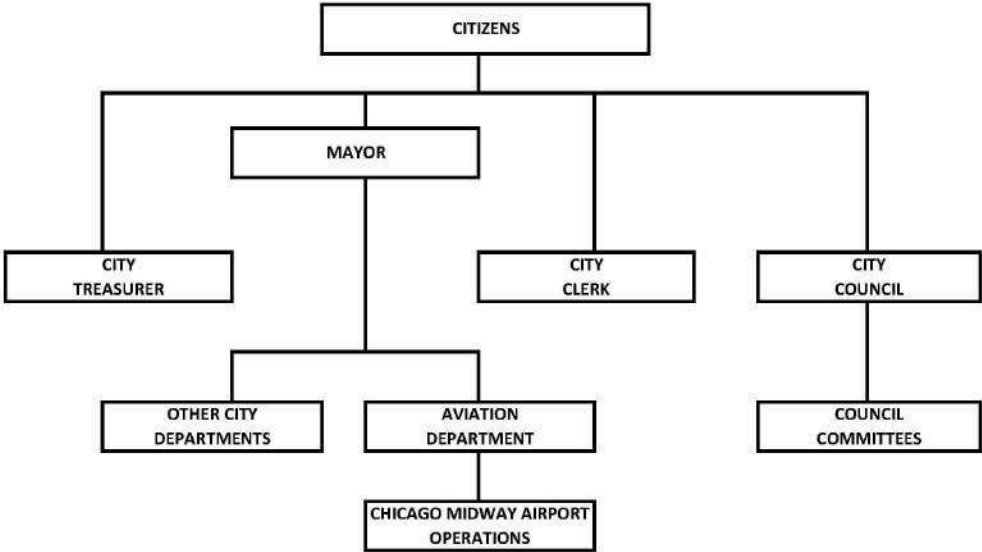
December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

CITY OF CHICAGO  
CHICAGO MIDWAY INTERNATIONAL AIRPORT  
ORGANIZATION CHART

AS OF 12/31/2024



List of Principal Officials

Brandon Johnson	Mayor
Michael McMurray	Commissioner

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**PART II**

**FINANCIAL SECTION**



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## **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 Midway International Airport (the "Airport"), an enterprise fund of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Chicago Midway International Airport as of December 31, 2024, and the 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 Midway International Airport, an enterprise fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of December 31, 2024, 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.

#### **Additional 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 Information Calculations of Coverage 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 Information Calculations of Coverage 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 30, 2025

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

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The following discussion and analysis of the Chicago Midway International Airport's (the "Airport" or "Midway") performance provides an introduction and overview of the Airport's financial activities for the years ended December 31, 2024. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- Operating revenues for 2024 decreased by \$7,885 compared to 2023 operating revenue primarily due to a significant decrease in terminal rental and use charges of \$10,745, offset by an increase Rents, concession and other of \$2,860 in 2024. The decrease in enplaned passengers in 2024 compared to influx of passenger travels in 2023, has now stabilized passenger activity to pre-pandemic numbers at the Airport.
- Operating expenses before depreciation and amortization for 2024 decreased by \$12,741 compared to 2023 primarily due to a decrease in other operating expenses of \$12,165 as there was COVID relief grant expenses related to concessions in previous year, a decrease in pension expense of \$15,118 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, offset by an increase in salary expense of \$4,537 due to contractual increases and fringe benefit costs, and an increase in repairs and maintenance of \$7,267 due to the increase in vendor costs based on economic impacts in 2024.
- The Airport's total net deficit at December 31, 2024, was (\$237,882), which was a decrease of \$53,538 compared to total net deficit at December 31, 2023, which was (\$291,420), primarily due to an increase in investment income of \$5,741 due to recognized fair market value changes on December 31, 2024, an increase in operating income before depreciation and amortization of \$4,856, and an increase in capital grants of \$4,091. Reduction of \$13,786 in total operating expense also contributed to this decrease.
- Capital asset additions for 2024 were \$18,999, which was primarily due to the major capital projects completion of Midway Modernization Program ("MMP"). In 2024 the remaining projects in the MMP are related to the modernization of the concession areas. Completed projects totaling \$4,923 were transferred from construction in progress to applicable buildings and other facilities.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

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

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

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

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

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

**FINANCIAL ANALYSIS**

Landing fees and terminal area use charges and fueling system charges are assessed to the various airlines throughout each year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain operating expenses and required debt service and fund deposits as determined under provisions of the Airport Use Agreement and Facilities Lease ("Use Agreement"). Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned. The termination date of the Use Agreement is December 31, 2027.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(Dollars in thousands)**

At December 31, 2024, the Airport's financial position included total assets and deferred outflows of \$1,963,929 total liabilities and deferred inflows of \$2,201,811 and net (deficit) position of \$237,882. A comparative condensed summary of the Airport's net (deficit) position at December 31, 2024, and 2023, is as follows:

	<b>Net (Deficit) Position</b>	
	<b>2024</b>	<b>2023</b>
Current unrestricted assets .....	\$ 147,486	\$ 139,343
Restricted and other assets—noncurrent .....	656,901	677,375
Capital assets—net .....	<u>1,143,707</u>	<u>1,181,446</u>
Total assets .....	1,948,094	1,998,164
Deferred outflows .....	<u>15,835</u>	<u>26,436</u>
Total assets and deferred outflows .....	<u>1,963,929</u>	<u>2,024,600</u>
Current unrestricted liabilities .....	59,283	57,867
Liabilities payable from restricted assets and noncurrent liabilities .....	<u>1,859,385</u>	<u>1,980,663</u>
Total liabilities .....	1,918,668	2,038,530
Deferred inflows of resources other than leases .....	70,658	44,806
Deferred inflows of resources for leases .....	<u>212,485</u>	<u>232,684</u>
Total liabilities and deferred inflows .....	<u>2,201,811</u>	<u>2,316,020</u>
Net position:		
Net investment in capital assets .....	(133,048)	(151,040)
Restricted .....	189,704	171,394
Unrestricted .....	<u>(294,538)</u>	<u>(311,774)</u>
Total net (deficit) position .....	<u>\$ (237,882)</u>	<u>\$ (291,420)</u>

Current unrestricted assets increased by \$8,143 (5.8%) primarily due to an increase in cash and cash equivalents as a result of increases in the activity in aeronautical and non-aeronautical revenues as economic recovery continued during 2024, as well as the increase in investments of \$6,823, offset by a decrease in accounts receivable and accrued revenues of \$2,047 due to a decrease in activity from airlines and concessionaires. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2024, was 2.49:1. Noncurrent restricted and other assets decreased by \$20,474 (3.0%) mainly due to a decrease in the lease receivables of \$18,362 as there were no new concessionaire contracts at the Airport, and a decrease in investments of \$43,460 due to slow economic growth in 2024. Net capital assets decreased by \$37,739 (3.2%) primarily due to a decrease in depreciation expense of \$1,045, offset by the increase in property and facilities not depreciated additions of \$18,999 from the MMP and other capital improvement projects.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

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The increase in current liabilities of \$1,416 (2.4%) is primarily due to an increase in billings over amounts earned of \$9,255 (183.5%) and advances for terminal and hangar rent of \$1,405 (115.4%), offset by a decrease in Due to other City Funds of \$3,434 (13.2%) and a decrease in accounts payable and accrued liabilities of \$5,774 (23.2%) due to timing differences in amounts due to Governmental Funds for shared services as the Airport implemented measures to pay invoices timely. Liabilities payable from restricted assets and noncurrent liabilities decreased by \$121,278 (6.1%) in 2024 mainly due to a decrease in revenue bonds payable from restricted funds of \$100,637 (6.7%) and a decrease in pension liability of \$28,014 (7.8%), as a result of adjustments in the discount rate and a lower allocation of pension costs for certain pension funds to the Airport, offset by an increase in interest payables of \$8,571 (36.4%) compared to 2023.

Deferred outflows decreased by \$10,601 (40.1%) and deferred inflows related to pensions increased by \$25,852 (57.7%) during 2024 due to the difference between changes in actuarial assumptions from the prior year. In addition, there were no new concessionaire contracts at the Airport in 2024, deferred inflows related to contracts where the Airport is a lessor decreased by \$20,199 (8.7%) as of December 31, 2024.

A comparative condensed summary of the Airport's changes in net (deficit) position for the years ended December 31, 2024, and 2023, is as follows (dollars in thousands):

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

	<b>Changes in Net (Deficit) Position</b>	
	<b>2024</b>	<b>2023</b>
Operating revenues:		
Landing fees and terminal area use charges .....	\$ 168,302	\$ 179,047
Rents, concessions and other .....	120,646	117,786
Total operating revenues .....	288,948	296,833
Operating expenses:		
Salaries and wages .....	68,310	63,773
Pension expense .....	14,563	29,681
Repairs and maintenance .....	68,784	61,517
Professional and engineering .....	30,802	28,064
Other operating expenses .....	15,494	27,659
Depreciation and amortization .....	55,864	56,909
Total operating expenses .....	253,817	267,603
Operating income .....	35,131	29,230
Nonoperating revenue (expenses):		
Passenger facility charge revenue .....	37,201	38,517
Customer facility charge revenue .....	6,781	6,224
Lease Interest income (expenses) .....	8,742	7,702
Noise mitigation costs .....	(2,986)	(1,642)
Costs of issuance .....	(3,202)	(4,759)
Investment income .....	29,390	23,649
Interest expense .....	(63,161)	(65,029)
Grant revenues .....	—	16,972
Other nonoperating revenue .....	—	346
Total nonoperating revenues (expenses) .....	12,765	21,980
Changes in net (deficit) position before capital grants ..	47,896	51,210
Capital grants .....	5,642	1,551
Change in net (deficit) position .....	53,538	52,761
Net (deficit) position beginning of year .....	(291,420)	(344,181)
Net (deficit) position end of year .....	<u>\$ (237,882)</u>	<u>\$ (291,420)</u>

Landing fees and terminal area use charges for the years 2024 and 2023 were \$168,302 and \$179,047, respectively. Rents, concessions, and other revenues for the years 2024 and 2023 were \$120,646 and \$117,786, respectively. The decrease in 2024 operating revenues from 2023 of \$7,885 (2.7%) was due to a decrease in landing fees and terminal area use charges of \$10,745, and is offset by an increase in rents and other concession revenue, including parking, of \$2,860 (2.4%). Salaries and wages increased by \$4,537 (7.1%) in 2024 as compared to 2023 due to annual contractual salary increases and centralized support staff costs. Repairs and maintenance increased by \$7,267 (11.8%) due to an increase in activity and increase in costs due to economic impacts. Other operating expenses decreased by \$12,165 (44.0%) due to no longer having grant expenses related to COVID-19 relief for concessions, and a reduction in bad debt expense.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

Pension expense decreased by \$15,118 (50.9%) from \$29,681 in 2023 to \$14,563 in 2024 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2024, the Airport made additional payments of \$3,329 towards the pension plans.

The 2024 nonoperating revenues of \$82,114 are comprised of PFC revenues of \$37,201, CFC revenues of \$6,781, and Lease interest Income of \$8,742. During 2024, nonoperating revenues decreased by \$11,296 primarily due to a decrease in Grant revenues of \$16,972 and a decrease in PFC collections of \$1,316, offset by an increase of CFC collections of \$557 and an increase in investment income of \$5,741, as the Airport recovered from the impacts of the COVID-19 pandemic on travel and tourism.

Nonoperating expenses of \$69,349 and \$71,430 for the years 2024 and 2023, respectively, were primarily comprised of bond interest expense and a decrease in cost of issuance of \$1,557 due to bond issuance, offset by an increase in noise mitigating costs of \$1,344.

Capital grants increased by \$4,091 in 2024 primarily due to the increase of capital grant revenues earned during 2024 for Airport Improvement Grants (AIP) grant reimbursements.

A comparative summary of the Airport's cash flows for the years ended December 31, 2024, and 2023, is as follows:

	<b>Cash Flows</b>	
	<b>2024</b>	<b>2023</b>
Cash provided by (used in) activities:		
Operating .....	\$ 65,360	\$ 103,410
Capital and related financing .....	(84,605)	(71,181)
Noncapital financing .....	(2,986)	25,124
Investing .....	71,023	19,410
Net change in cash and cash equivalents .....	48,792	76,763
Cash and cash equivalents:		
Beginning of year .....	251,003	174,240
End of year .....	<u>\$ 299,795</u>	<u>\$ 251,003</u>

As of December 31, 2024, the Airport's cash and cash equivalents of \$299,795 increased by \$48,792 as compared to \$251,003 at December 31, 2023 due to a decrease of operating activities of \$38,050 as accrued revenues for 2023 were paid by the airlines during 2024, and investing of \$51,613 and capital and related financing of \$13,424 related to the reduction of construction spending as the expansion of the passenger security checkpoint and enhancements to the parking garage included in the Midway Modernization Program, were completed in 2024; offset by a decrease in noncapital financing activities of \$28,110 during 2024. Total cash and cash equivalents at December 31, 2024, were comprised of unrestricted and restricted cash and cash equivalents of \$72,115 and \$227,680, respectively.

**PROPERTY & FACILITIES AND DEBT ADMINISTRATION**

At the end of 2024 and 2023, the Airport had invested \$1,143,659 and \$1,180,646, respectively, in net property and facilities. During 2024, the Airport had additions of \$18,999 related to capital activities. Construction projects include the Airport's first-ever shared-use lounge in the Central Market opened in September 2024.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(Dollars in thousands)**

During 2024, completed projects totaling \$4,923 were transferred from construction in progress to applicable buildings and other facilities capital account. These major completed projects were related to building security, runway and taxi improvements and parking enhancements.

The Airport's fixed assets at December 31, 2024 and 2023, are summarized as follows:

	<b>Fixed Assets at Year-End</b>	
	<b>2024</b>	<b>2023</b>
Property and facilities not depreciated:		
Land .....	\$ 117,023	\$ 116,900
Construction in progress .....	19,026	5,195
Total property and facilities not depreciated .....	<u>136,049</u>	<u>122,095</u>
Property and facilities depreciated:		
Buildings and other facilities .....	2,051,496	2,046,573
Less accumulated depreciation for:		
Buildings and other facilities .....	(1,043,886)	(988,022)
Total property and facilities depreciated—net .....	<u>1,007,610</u>	<u>1,058,551</u>
Total property and facilities—net .....	<u><u>\$ 1,143,659</u></u>	<u><u>\$ 1,180,646</u></u>

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

The Airport's outstanding debt at December 31, 2024 and 2023, is summarized as follows (dollars in thousands):

	<b>Outstanding Debt at Year-End</b>	
	<b>2024</b>	<b>2023</b>
Revenue bonds and notes .....	\$ 1,400,115	\$ 1,513,915
Unamortized:		
Bond premium (discount) .....	<u>76,968</u>	<u>67,445</u>
Total revenue bonds payable—net of unamortized premium discount .....	1,477,083	1,581,360
Current bonds payable .....	<u>(64,710)</u>	<u>(68,350)</u>
Total long-term revenue bonds and notes payable—net .....	<u><u>\$ 1,412,373</u></u>	<u><u>\$ 1,513,010</u></u>

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

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The Airport's revenue bonds at December 31, 2024, had credit ratings with each of the four major rating agencies as follows:

	<b>Moody's Investor Services</b>	<b>Standard &amp; Poor's</b>	<b>Fitch Ratings</b>	<b>Kroll Ratings</b>
Senior Lien Chicago Midway Revenue Bonds .....	A2	A	A	A

At December 31, 2024, the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

**ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES**

The airlines using the Airport generally provide low fare, point-to-point origination and destination passenger service. Southwest Airlines accounted for 88.1% and 87.3% during 2024 and 2023, respectively, of total enplanements at the Airport.

Based on the Airport's rates and charges for 2025, total budgeted Operating and Maintenance Expenses are projected at \$258,423 and total net debt service and fund deposit requirements are projected at \$87,695. Additionally, 2024 nonairline and nonsignatory revenues are budgeted for \$95,072, resulting in a net airline requirement of \$251,046 that will be funded through landing fees, terminal area use charges, and fueling system 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.

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## **BASIC FINANCIAL STATEMENTS**



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

**STATEMENT OF NET (DEFICIT) POSITION**  
**AS OF DECEMBER 31, 2024**  
**(Dollars in thousands)**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents (Note 2) .....	\$ 72,115
Cash and cash equivalents—restricted (Note 2) .....	110,549
Investments (Note 2) .....	22,646
Accounts receivable—net of allowance for doubtful accounts of approximately \$31 .....	14,774
Amounts to be billed .....	10,976
Due from other City funds .....	7,890
Prepaid expenses .....	569
Interest receivable .....	154
Lease receivable (Note 6) .....	18,362
<b>Total current assets</b> .....	<b>258,035</b>

**NONCURRENT ASSETS:**

Cash and cash equivalents (Note 2)—restricted .....	117,131
Investments (Note 2)—restricted .....	223,475
Lease receivable (Note 6) .....	200,492
Passenger facility charge and other receivables—restricted .....	2,731
Interest receivable—restricted .....	1,803
Prepaid expenses .....	66
Other assets .....	654

**Capital assets:**

Right of use lease asset—net (Note 5) .....	45
Right of use Subscription assets-net (Note 5) .....	3
Property and facilities (Note 5):	
Land .....	117,023
Buildings and other facilities .....	2,051,496
Construction in progress .....	19,026
<b>Total property and facilities</b> .....	<b>2,187,545</b>
Less accumulated depreciation .....	(1,043,886)
<b>Total Net Capital Assets</b> .....	<b>1,143,707</b>
<b>Total noncurrent assets</b> .....	<b>1,690,059</b>
<b>Total assets</b> .....	<b>1,948,094</b>

DEFERRED OUTFLOWS (Note 10) .....	15,835
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<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b> .....	<b>\$ 1,963,929</b>
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**CITY OF CHICAGO, ILLINOIS**  
**CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**STATEMENT OF NET (DEFICIT) POSITION**  
**AS OF DECEMBER 31, 2024**  
**(Dollars in thousands)**

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accrued liabilities .....	19,157
Due to other City funds .....	22,557
Advances for terminal and hangar rent .....	2,622
Billings over amounts earned .....	14,299
Lease liability (Note 6) .....	28
Subscription liability (Note 6) .....	3
Compensated absences liability .....	617
Liabilities payable from restricted assets:	
Accounts payable .....	12,746
Due to other City funds .....	957
Interest payable .....	32,136
Current portion of revenue bond payable (Note 4) .....	64,710
Total current liabilities .....	<u>169,832</u>

**NONCURRENT LIABILITIES:**

Revenue bonds payable—net of current maturities (Note 4) .....	1,412,373
Net pension liability (Note 7) .....	332,923
Performance deposits .....	1,954
Lease liability (Note 6) .....	16
Compensated absences liability .....	1,570
Total noncurrent liabilities .....	<u>1,748,836</u>
Total liabilities .....	<u>1,918,668</u>

DEFERRED INFLOWS OF RESOURCES OTHER THAN LEASES (Note 10) .....	70,658
DEFERRED INFLOWS OF RESOURCES FOR LEASES .....	<u>212,485</u>

**NET POSITION (Note 1):**

Net investment in capital assets (deficit) .....	<u>(133,048)</u>
Restricted net position:	
Debt service .....	64,477
Capital projects .....	34,481
Passenger facility charge .....	4,231
Airport use agreement .....	53,707
Customer facility charge .....	14,439
Other assets .....	18,369
Total restricted net position .....	<u>189,704</u>
Unrestricted net (deficit) position .....	<u>(294,538)</u>
Total net (deficit) position .....	<u>(237,882)</u>
TOTAL .....	<u><u>1,963,929</u></u>

See notes to basic financial statements.

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET (DEFICIT) POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(Dollars in thousands)**

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OPERATING REVENUES:	
Landing fees and terminal area use charges .....	\$ 168,302
Rents, concessions and other (Note 6) .....	120,646
Total operating revenues .....	<u>288,948</u>
OPERATING EXPENSES:	
Salaries and wages .....	68,310
Pension expense (Note 7) .....	14,563
Repairs and maintenance .....	68,784
Professional and engineering services .....	30,802
Other operating expenses .....	<u>15,494</u>
Total operating expenses before depreciation and amortization .....	197,953
Depreciation and amortization .....	<u>55,864</u>
Total operating expenses .....	<u>253,817</u>
OPERATING INCOME .....	<u>35,131</u>
NONOPERATING REVENUES (EXPENSES):	
Passenger facility charges revenues .....	37,201
Customer facility charges revenues .....	6,781
Investment income .....	29,390
Interest expense (Note 4) .....	(63,161)
Noise mitigation costs .....	(2,986)
Cost of Issuance .....	(3,202)
Lease Interest Income (expenses) .....	<u>8,742</u>
Total nonoperating revenues (expenses) .....	<u>12,765</u>
CHANGE IN NET (DEFICIT) POSITION BEFORE CAPITAL GRANTS .....	47,896
CAPITAL GRANTS .....	<u>5,642</u>
CHANGE IN NET (DEFICIT) POSITION .....	53,538
TOTAL NET (DEFICIT) POSITION—Beginning of year .....	(291,420)
TOTAL NET DEFICIT (POSITION)—End of year .....	<u><u>\$ (237,882)</u></u>

See notes to basic financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(Dollars in thousands)**

---

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Landing fees and terminal area use charges .....	\$ 174,550
Rents, concessions and other .....	95,500
Payments to vendors .....	(130,664)
Payments to employees .....	(62,013)
Transactions with other City funds (used in) provided by .....	(803)
Transactions with other City funds provided by .....	(11,210)
	<hr/>
Cash flows provided by operating activities .....	65,360
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from issuance of commercial paper .....	—
Payments on commercial paper .....	(1,390)
Proceeds from issuance of bonds .....	499,903
Principal paid on bonds .....	(68,350)
Interest paid .....	(71,023)
Interest income from leases .....	8,742
Principal on leases and subscriptions .....	18,273
Acquisition and construction of capital assets .....	(11,728)
Grant receipts .....	9,962
Bond issuance costs .....	(6,361)
Cash paid to refund bonds .....	(506,740)
Passenger Facility Charge revenues .....	37,382
Customer Facility Charge revenues .....	6,725
	<hr/>
Cash flows used in capital and related financing activities .....	(84,605)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Proceeds from COVID-19 Relief Funding .....	—
Cash paid for noise mitigation program .....	(2,986)
	<hr/>
Cash flows provided by noncapital financing activities .....	(2,986)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Sale (purchases) of investments—net .....	54,475
Investment interest .....	16,548
	<hr/>
Cash flows provided by investing activities .....	71,023
 NET CHANGE IN CASH AND CASH EQUIVALENTS .....	 48,792
CASH AND CASH EQUIVALENTS—Beginning of year .....	251,003
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CASH AND CASH EQUIVALENTS—End of year .....	\$ 299,795
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**CITY OF CHICAGO, ILLINOIS**  
**CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(Dollars in thousands)**

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED ON THE  
STATEMENT OF NET (DEFICIT) POSITION:

Unrestricted .....	\$ 72,115
Restricted:	
Current .....	110,549
Noncurrent .....	117,131
TOTAL .....	<u>\$ 299,795</u>

RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY  
OPERATING ACTIVITIES:

Operating income .....	\$ 35,131
Adjustments to reconcile operating loss to cash flows from operating activities:	
Depreciation and amortization .....	55,864
Recovery from uncollectible accounts .....	(576)
Changes in assets and liabilities:	
Accounts receivable .....	3,791
Due from other City funds .....	(803)
Prepaid expenses .....	135
Due to other City funds .....	(3,057)
Amounts to be billed .....	(1,168)
Deferred inflows .....	(31,030)
Billings over amounts earned .....	9,255
Advances for terminal and hangar rent .....	1,405
Accounts payable and accrued liabilities .....	(5,774)
Compensated absences liabilities .....	2,187
CASH FLOWS FROM OPERATING ACTIVITIES .....	<u>\$ 65,360</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:

Property additions in 2024 of \$11,221 are included in accounts payable.

The fair value adjustments (loss) gain to investments for 2024 were \$5,929.

See notes to basic financial statements.

(Concluded)

CITY OF CHICAGO, ILLINOIS  
CHICAGO MIDWAY INTERNATIONAL AIRPORT

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

**Management’s Use of Estimates**—The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, 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 and state savings and loan associations, located within the City, whose deposits are federally insured.

Investments are limited to those authorized by the Code. Investments authorized by the Code include, but are not limited to, interest-bearing general obligations of the City, the State of Illinois (the “State”), and the U.S. government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. government purchased in the open market below face value; domestic money market mutual funds regulated by, and in good standing with, the Securities and Exchange Commission; and tax anticipation warrants issued by the City (see Note 2). The City is prohibited by ordinance from investing in derivative instruments, as defined, without City Council approval.

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



CITY OF CHICAGO, ILLINOIS  
CHICAGO MIDWAY INTERNATIONAL AIRPORT

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

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

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

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

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

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

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

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

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

**Deferred Inflows of Resources Other than Leases and Deferred Inflows of Resources for Leases**—Deferred inflows represent the differences between projected and actual actuarial experience and changes in assumptions related to pensions. 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.

CITY OF CHICAGO, ILLINOIS  
CHICAGO MIDWAY INTERNATIONAL AIRPORT

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

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

**Employee Benefits**—Employee benefits are granted for vacation and sick leave, compensatory time in lieu of overtime pay, workers' compensation, and health care. Unused vacation leave and compensatory time is accrued when leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, and may be partially 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, and is accrued only to the extent that leave is more likely than not to be used for time off. Severance of employment terminates all rights to receive compensation for any unused sick leave. With the adoption of GASB Statement No. 101, Compensated Absences ("GASB 101") implemented in 2024, liability is accrued for certain types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees when such type of leave commences, for the remaining balances of leave is more likely than not to be used. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities. The Airport maintains insurance from a commercial carrier for workers' compensation claims. Settlements in each of the past two years have been less than insurance coverage maintained.

Employees are eligible to defer a portion of their salaries until future years under the City's deferred compensation plan created in accordance with Internal Revenue Code Section 457 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 expensed in the period incurred.

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

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**Passenger Facility Charge (PFC) Revenue**—The Airport imposed PFC of \$4.50 per eligible enplaned passenger for the year ended December 31, 2024. PFCs are available, subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital projects. The City reports PFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

**Customer Facility Charge (CFC) Revenue**—The Airport imposed a CFC of \$4.75 per contract day on each customer for motor vehicle rentals at the Airport for the year ended December 31, 2024. 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.

**Leases**—The Airport follows GASB Statement No. 87, *Leases*, which defines the Airport's leasing arrangement as the right of 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 asset 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. They 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.

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

**Adopted Accounting Standards**

<b>GASB Statement</b>	<b>Impact</b>
GASB Statement No. 99, Omnibus 2022 ("GASB 99") – Remaining provisions	This statement's remaining provisions address clarifications of provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments ("GASB 53"). The Airport adopted the remaining provisions of GASB 99 as of and for the year ended December 31, 2024. The adoption of the remaining provisions of GASB 99 had no material impact to the basic financial statements.
GASB Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62 ("GASB 100")	This statement's primary objective is to improve financial reporting by enhancing the requirements for accounting changes and error corrections. This Statement defines types of accounting changes, establishes uniform guidance for their recognition and reporting, and prescribes how error corrections should be handled. The Airport adopted GASB 100 as of January 1, 2024. The adoption of GASB 100 had no material impact to the basic financial statements.
GASB Statement No. 101, Compensated Absences ("GASB 101")	This statement is intended to improve consistency and enhance the accounting and financial reporting for compensated absences. It establishes a unified model for recognizing liabilities related to both unused and used-but-unpaid leave, based on updated recognition and measurement guidance. In addition, this Statement provides clearer definitions and requirements for when and how compensated absences should be reported. The Airport adopted GASB 101 as of January 1, 2024 and the adoption did not have a material impact to the basic financial statements.

**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.

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<b>GASB Accounting Standard</b>	<b>Required Year of Adoption</b>
GASB Statement No. 102, Certain Risk Disclosures ("GASB 102")	2025
GASB Statement No. 103, Financial Reporting Model Improvements ("GASB 103")	2026
GASB Statement No. 104, Disclosure of Certain Capital Assets ("GASB 104")	2026

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

**Cash Equivalents and Investments**—As of December 31, 2024, the Airport had the following investments (dollars in thousands):

<b>Investment Type</b>	<b>Maturities (in Years)</b>			<b>Fair Value</b>
	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	
U.S. agencies .....	\$ 62,121	\$ 132,109	\$ 4,027	\$ 198,257
Agency Bonds .....	—	281	—	281
Commercial Paper .....	130,086	—	—	130,086
Corporate bonds .....	—	9,096	—	\$ 9,096
Municipal bonds .....	600	5,476	—	6,076
Money Market Funds .....	202,101	—	—	202,101
Total .....	<u>\$ 394,908</u>	<u>\$ 146,962</u>	<u>\$ 4,027</u>	<u>\$ 545,897</u>

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

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

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

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

**Level 3**—Unobservable Inputs

The investments measured at fair value as of December 31, 2024, were (dollars in thousands):

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. agencies .....	\$ —	\$ 197,857	\$ —
Agency Bonds .....	—	281	—
Corporate Bonds .....	—	9,096	—
Municipal bonds .....	—	6,076	—
Total investments at fair value .....	<u>\$ —</u>	<u>\$ 213,310</u>	<u>\$ —</u>

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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, commercial paper, and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for Midway are \$332.6 million at December 31, 2024.

**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;

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- (10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;
- (11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;
- (12) Bonds of companies organized in the United States with assets exceeding \$500 million that, at the time of purchase, are rated not less than two ratings above investment grade, or equivalent rating, by at least two accredited ratings agencies;
- (13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;
- (14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;
- (15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;
- (16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;
- (17) Bonds, notes, debentures, or other similar obligations of agencies of the United States.

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Total holdings across all funds held by the Airport shall have no less than an overall average rating of Aa1 on a quarterly basis, as rated by two accredited rating agencies. The Airport's exposure to credit risk at December 31, 2024, was as follows (dollars in thousands):

**Quality Rating**

Moody's/S&P:	
AAA .....	\$ 207,577
AA .....	192,138
A .....	4,638
A1 .....	65,324
A2 .....	55,182
BBB .....	4,458
Not rated* .....	16,580
Total funds .....	<u>545,897</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 \$264.0 million. 100.0 % of the bank balance was either insured or collateralized with securities held by City agents in the City's name. There was no uncollateralized bank balance at December 31, 2024.

**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



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securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.

The investments reported in the basic financial statements at December 31, 2024, are summarized as follows (dollars in thousands):

Per Note 2—Investments—airport .....	<u>\$ 545,897</u>
Per basic financial statements:	
Restricted investments .....	\$ 223,475
Unrestricted investments .....	22,646
Investments classified as cash and cash equivalents on the statements of net position .....	<u>\$ 299,776</u>
	<u>\$ 545,897</u>

**3. RESTRICTED ASSETS**

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

Restricted cash, cash equivalents, and investment balances in accordance with the Master Indenture requirements at December 31, 2024 were as follows (dollars in thousands):

<b>Account</b>	
Construction .....	\$ 166,299
Capitalized interest .....	4,330
Debt service .....	95,884
Debt service reserve .....	93,955
Operation and maintenance reserve .....	39,403
Repair and replacement .....	13,837
Emergency reserve .....	525
Customer Facility Charge (CFC) .....	14,716
Other .....	<u>20,705</u>
Subtotal—master indentures and use agreement accounts .....	449,654
Passenger Facility Charges (PFC) .....	<u>1,501</u>
Total .....	<u>\$ 451,155</u>

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

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

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

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

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

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

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

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

At December 31, 2024, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Master Indentures.

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**4. LONG-TERM DEBT**

Long-term debt at December 31, 2024 consisted of the following (dollars in thousands):

Senior lien bonds:

\$152,150 Series 2004 C and D Chicago Midway Airport Second Lien Revenue Bonds, issued December 14, 2004, due through 2035, interest rate swap at 4.174% and 4.247% at December	—
\$150,365 Series 2013 B Chicago Midway Airport Second Lien Revenue Bonds, issued December 5, 2013, due through 2035, interest rate at 4.125%–5.250%	1,395
\$484,200 Series 2014 A Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2041, interest rate at 5.000%	—
\$287,610 Series 2014 B Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2036, interest rate at 4.000%–5.000%	625
\$124,710 Series 2014 C Chicago Midway Airport Second Lien Revenue Bonds, issued June 11, 2014, due through 2044 variable floating interest rate 3.640% at December 31, 2024	124,710
\$121,265 Series 2016 A Chicago Midway Airport Second Lien Revenue Bonds, issued June 1, 2016, due through 2033, interest rate at 2.000%–5.000%	80,835
\$221,130 Series 2016 B Chicago Midway Airport Second Lien Revenue Bonds, issued June 1, 2016, due through 2046, interest rate at 2.000%–5.000%	195,020
\$45,670 Series 2018 A Chicago Midway Airport Second Lien Revenue Bonds, issued August 1, 2018, due through 2029, interest rate at 2.937%–3.897%	22,730
\$211,020 Series 2023A Chicago Midway Airport Senior Lien Revenue and Refunding Bonds, issued November 11, 2023, due through 2053, interest at 5.00%–5.75%	211,020
\$302,490 Series 2023B Chicago Midway Airport Senior Lien Refunding Bonds, issued November 11, 2023, due through 2036, interest at 5.00%	302,490
\$381,765 Series 2023 C Chicago Midway Airport Senior Lien Refunding Bonds, issued January 4, 2024, due through 2041, interest at 5.00%	381,765
\$71,720 Series 2024 A Chicago Midway Airport Senior Lien Refunding Bonds, issued March 28, 2024, due through 2035, interest at 5.00%	71,720
\$7,805 Series 2024B Chicago Midway Airport Senior Lien Refunding Bonds, issued March 28, 2024, due through 2035, interest at 5.00%	7,805
Total—senior lien bonds	1,400,115
Commercial paper notes—Series A	—
Total revenue bonds and notes	1,400,115
Unamortized premium	76,968
Total revenue bonds payable—net of unamortized premium	1,477,083
Current portion	(64,710)
Total long-term revenue bonds payable	<u>\$1,412,373</u>

Long-term debt during the year ended December 31, 2024 changed as follows (dollars in thousands):

	Balance January 1,	Additions	Reductions	Balance December 31,	Due within One Year
Revenue bonds and notes	\$ 1,513,915	\$ 461,290	\$ (575,090)	\$ 1,400,115	\$ 64,710
Unamortized premium (discount)	67,445	38,612	(29,089)	76,968	—
Total long-term debt	<u>\$ 1,581,360</u>	<u>\$ 499,902</u>	<u>\$ (604,179)</u>	<u>\$ 1,477,083</u>	<u>\$ 64,710</u>

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Interest expense includes amortization of the deferred loss on bond refunding for 2024 of \$(2.3) million, and amortization of \$9.8 million of premium, net.

**Issuance of Debt**—In January 2024, the Airport sold \$381.8 million of Chicago Midway Airport Senior Lien Revenue Refunding Bonds, Series 2023C (AMT) at a premium of \$30.9 million. The Bonds have an interest rate at 5.0%. The bonds are not subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2025 to January 1, 2041. Certain net proceeds of \$410.5 million together with \$6.5 million transferred from the debt service reserve account, and \$5.6 million of interest earned in the irrevocable escrow account to fully defease the Series 2014A Senior Lien Bonds (\$417.3 million of principal and \$5.3 million of interest). Certain net proceeds of \$2.2 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of the refunded debts of \$19.7 million that will be charged to operation over 18 years using the straight-line method. The current refunding decreased the Airport's total debt service by \$46.5 million and resulted in an economic gain (the difference between the present value of the old debt and the new debt service payments) of \$31.7 million.

In March 2024, the Airport sold \$71.7 million of Midway Airport Senior Lien Revenue Refunding Bonds, Series 2024A (AMT) at a premium of \$6.7 million. The Bonds have an interest rate at 5.0%. The bonds are not subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2025 to January 1, 2035. Certain net proceeds of \$81.6 million and together with \$7.0 million transferred from the debt service reserve account and debt service account were deposited into an irrevocable escrow account to fully defease the Midway 2004C Senior Lien Bonds (\$80.6 million). Certain net proceeds of \$2.9 million together with \$2.4 million transferred from the Midway Revenue Fund were used to pay the swap termination payments. Certain net proceeds of \$0.9 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of the refunded debts of \$4.8 million that will be charged to operation over 12 years using the straight-line method. The current refunding decreased the Airport's total debt service by \$6.5 million and resulted in an economic gain/loss (the difference between the present value of the old debt and the new debt service payments) of \$(0.5) million.

In March 2024, the Airport sold \$7.8 million of Midway Airport Senior Lien Revenue Refunding Bonds, Series 2024B (Non-AMT) at a premium of \$1.0 million. The Bonds have an interest rate at 5.0%. The bonds are not subject to mandatory sinking fund redemption prior to maturity and have maturity dates ranging from January 1, 2025 to January 1, 2035. Certain net proceeds of \$9.0 million and together with \$0.9 million transferred from the debt service reserve account and debt service account were deposited into an irrevocable escrow account to fully defease the Midway 2004D Senior Lien Bonds (\$8.9 million). Certain net proceeds of \$0.6 million were used to pay the swap termination payments. Certain net proceeds of \$0.1 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of the refunded debts of \$0.5 million that will be charged to operation over 12 years using the straight-line method. The current refunding decreased the Airport's total debt service by \$0.1 million and resulted in an economic gain (the difference between the present value of the old debt and the new debt service payments) of \$0.2 million.

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In March 2024, the Airport terminated the derivative interest liability that was previously designated as a hedge of the variability of cash flows associated with the Midway Airport Senior Lien Bonds, Series 2004 A&B. At termination in March 2024, the derivative interest liability had a fair value of (\$4.9 million) and was recognized as investment income.

**Defeased Bonds**—Defeased bonds have been removed from the balance sheet because the related assets have been placed in irrevocable trusts, together with interest earned thereon, will provide amount sufficient for payment of all principal and interest. Defeased bonds outstanding at December 31, 2024 are as follows (dollars in thousands):

	Defeased	Outstanding
Chicago Midway Airport Senior Lien Revenue Bonds, Series 1998C .....	\$ 4,300	\$ —
Chicago Midway Airport Senior Lien Revenue Bonds, Series 2004C .....	80,625	—
Chicago Midway Airport Senior Lien Revenue Bonds, Series 2004D .....	8,850	—
Chicago Midway Airport Senior Lien Revenue Bonds, Series 2013A .....	118,600	—
Chicago Midway Airport Senior Lien Revenue Bonds, Series 2013B .....	83,525	—
Chicago Midway Airport Senior Lien Revenue Bonds, Series 2014A .....	417,265	—
Chicago Midway Airport Senior Lien Revenue Bonds, Series 2014B .....	240,885	—
Total .....	<u>\$ 954,050</u>	<u>\$ —</u>

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

Years Ending December 31	Principal	Interest	Total
2025 .....	\$ 64,710	\$ 66,574	\$ 131,284
2026 .....	63,100	63,446	126,546
2027 .....	71,130	58,696	129,826
2028 .....	74,790	56,563	131,353
2029 .....	77,010	52,819	129,829
2030-2034 .....	424,195	200,291	624,486
2035-2039 .....	257,370	113,165	370,535
2040-2044 .....	269,035	55,164	324,199
2045-2049 .....	68,325	14,725	83,050
2050-2053 .....	30,450	3,462	33,912
Total .....	<u>\$ 1,400,115</u>	<u>\$ 684,905</u>	<u>\$ 2,085,020</u>

An irrevocable LOC (\$126.8 million) provides for the timely payment of principal and interest on the Series 2014C bonds until July 10, 2028. In the event the bonds are put back to the bank and not successfully remarketed, or if the LOC expires without an extension or substitution, the bank bonds will convert to a term loan. There is no principal due on potential term loans within the next fiscal year.

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**Debt Covenants**—The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds requires in each year that the City fix and establish and revise from time to time whenever necessary, such rates and other charges for the use and operation of Midway and for services rendered by the City in the operation of Midway in order that, in each Fiscal year, Revenues, together with any Other Available Monies deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient (a) to provide for the Operation and Maintenance Expenses for the Fiscal Year and (b) to provide for the greater of (i) the amounts needed to make the Deposits required during such Fiscal Year into the Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 120% of the Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year reduced by an amount equal to the sum of any amount held in any Capitalized Interest Account for disbursement during such Fiscal Year to pay interest on First Lien Bonds. These requirements were met at December 31, 2024.

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**5. CHANGES IN CAPITAL ASSETS**

Capital assets during the year ended December 31, 2024, 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):

	<b>Balance January 1,</b>	<b>Additions</b>	<b>Disposals and Transfers</b>	<b>Balance December 31,</b>
Capital assets not depreciated:				
Land .....	\$ 116,900	\$ 123	\$ —	\$ 117,023
Construction in progress .....	5,195	18,876	(5,045)	19,026
Total capital assets not depreciated .....	122,095	18,999	(5,045)	136,049
Capital assets depreciated—buildings and other facilities(1) .....	2,046,573	4,923	—	2,051,496
Less accumulated depreciation for buildings and other facilities .....	(988,022)	(55,864)	—	(1,043,886)
Total capital assets depreciated—net .....	1,058,551	(50,941)	—	1,007,610
Total property and facilities—net .....	\$ 1,180,646	\$ (31,942)	\$ (5,045)	\$ 1,143,659
Capital assets being amortized:				
ROU - equipment .....	\$ 165	\$ —	\$ —	\$ 165
ROU - subscriptions .....	1,428	—	—	1,428
Total capital assets being amortized .....	1,593	—	—	1,593
Less accumulated amortization:				
ROU - equipment .....	(79)	(41)	—	(120)
ROU - subscriptions .....	(714)	(711)	—	(1,425)
Total accumulated amortization .....	(793)	(752)	—	(1,545)
Total capital assets being amortized - net .....	\$ 800	\$ (752)	\$ —	\$ 48
Total-Net Capital Assets .....	<u>\$ 1,181,446</u>	<u>\$ (32,694)</u>	<u>\$ (5,045)</u>	<u>\$ 1,143,707</u>

(1) Reference Note 1 for 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, 2024 is as follows (dollars in thousands):

	<b>Balance January 1,</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31,</b>	<b>Due within One Year</b>
Lease liability .....	\$ 86	\$ —	\$ 42	\$ 44	\$ 28
Subscription Liability .....	645	—	642	3	3
Total Subscription and Lease Liability ..	<u>\$ 731</u>	<u>\$ —</u>	<u>\$ 684</u>	<u>\$ 47</u>	<u>\$ 31</u>

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The expected future principal and interest requirements to maturity for leases that are included in the measurement of the lease liability as of December 31, 2024 are as follows (dollars in thousands):

<b>Years Ending</b>				
<b>December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Amount</b>	
2025 .....	\$ 28	\$ 3	\$ 31	
2026 .....	13	1	14	
2027 .....	3	—	3	
Total .....	<u>\$ 44</u>	<u>\$ 4</u>	<u>\$ 48</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 April 2033. 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.

**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, terminal ramp fees, consortium equipment and fuel usage fees, 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 fees are calculated based on a combination of terminal square footage and landed weight activity. Terminal Ramp fees are calculated based on number of square feet of aircraft parking area assigned to signatory airlines. Federal inspection service fees are charged for each arriving international passenger. Revenues recognized from regulated leases for the year ended December 31, 2024 were \$168,302.



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Expected future principal and interest requirements to maturity from Regulated Leases at December 31, 2024 are as follows (dollars 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, 2024, 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
2025 .....	\$ 68,942
2026 .....	67,585
2027 .....	67,585
2028 .....	501
2029 .....	501
2030-2034 .....	1,502
Total future minimum rental income .....	<u>\$ 206,616</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 than 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

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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 lease payments that are included in the measurement of the lease receivable as of December 31, 2024 are as follows (dollars in thousands):

<b>Years Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Amount</b>
2025 .....	\$ 18,362	\$ 8,589	\$ 26,951
2026 .....	19,019	7,840	26,859
2027 .....	18,995	7,073	26,068
2028 .....	19,780	6,288	26,068
2029 .....	20,598	5,471	26,069
2030-2034 .....	99,706	14,368	114,074
2035-2036 .....	22,394	710	23,104
Total .....	<u>\$ 218,854</u>	<u>\$ 50,339</u>	<u>\$ 269,193</u>

The inflows (revenues) recognized in the year ended December 31, 2024, are included in the Rents, Concessions and Other revenue and are as follows (dollars in thousands):

	<b>Amortization of Leases Deferred Inflows</b>	<b>Inflows from Short-Term Leases and Variable Lease Payments</b>	<b>Total</b>
Concessions .....	\$ 12,685	\$ 53,931	\$ 66,616
Rent-A-Car .....	7,514	4,292	11,806
Total .....	<u>\$ 20,199</u>	<u>\$ 58,223</u>	<u>\$ 78,422</u>

## **7. PENSION PLANS**

### **General Information about the Pension Plan**

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

**Benefits Provided**—The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if

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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, 2024, the following City employees were covered by the benefit terms:

	<b>Municipal Employees'</b>	<b>Laborers'</b>	<b>Policemen's</b>	<b>Firemen's</b>	<b>Total</b>
Inactive employees or beneficiaries currently receiving benefits .....	25,828	3,504	14,794	5,460	49,586
Inactive employees entitled to but not yet receiving benefits .....	26,410	1,406	1,204	159	29,179
Active employees .....	38,655	2,735	11,769	4,775	57,934
	<u>90,893</u>	<u>7,645</u>	<u>27,767</u>	<u>10,394</u>	<u>136,699</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.

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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 \$25.4 million for the year ended December 31, 2024.

***Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At December 31, 2024, the Airport reported a liability of \$332.9 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

The change in the single discount rate and other assumptions decreased the net pension liability by \$5.6 million for Municipal Employees' and \$0.1 million for Laborers', and by \$0.3 million for Policemen's. These changes are being amortized into expense over a four year period for Municipal Employees' and Laborers' and a six year period for Policemen'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 2024. At December 31, 2024, the Airport's proportion was 1.0% of the Municipal Employees' Plan, 1.8% of the Laborer's Plan, 0.5% of the Policemen's Plan, and 1.3% of the Firemen's Plan.

For the year ended December 31, 2024, the Airport recognized pension expense of \$14.6 million.

At December 31, 2024, the reported deferred outflows of resources of \$15.2 million, and deferred inflows of resources of \$10.4 million, related to pensions from the following sources:

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Municipal Employees' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience .....	\$ 2,176	\$ —
Changes of assumptions .....	3,343	4,496
Net difference between projected and actual earnings on pension plan investments .....	831	—
Total .....	<u>\$ 6,350</u>	<u>\$ 4,496</u>

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

**Years Ending  
December 31**

2025 .....	\$ 1,300
2026 .....	1,800
2027 .....	(125)
2028 .....	(1,121)
Total .....	<u>\$ 1,854</u>

Laborers' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience .....	\$ 503	\$ 180
Changes of assumptions .....	1,646	667
Net difference between projected and actual earnings on pension plan investments .....	1,058	—
Total .....	<u>\$ 3,207</u>	<u>\$ 847</u>

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

**Years Ending  
December 31**

2025 .....	\$ 777
2026 .....	1,349
2027 .....	306
2028 .....	(72)
Total .....	<u>\$ 2,360</u>

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Policemen's (dollars in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience .....	\$ 1,648	\$ 543
Changes of assumptions .....	1,355	1,694
Net difference between projected and actual earnings on pension plan investments .....	464	—
Total .....	<u>\$ 3,467</u>	<u>\$ 2,237</u>

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

**Years Ending  
December 31**

2025 .....	\$ 1,088
2026 .....	585
2027 .....	(392)
2028 .....	(6)
2029 .....	(45)
Total .....	<u>\$ 1,230</u>

Firemen's (dollars in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience .....	\$ 1,037	\$ 1,003
Changes of assumptions .....	509	1,806
Net difference between projected and actual earnings on pension plan investments .....	662	—
Total .....	<u>\$ 2,208</u>	<u>\$ 2,809</u>

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

**Years Ending  
December 31**

2025 .....	\$ 181
2026 .....	77
2027 .....	(604)
2028 .....	(149)
2029 .....	(110)
Thereafter .....	4
Total .....	<u>\$ (601)</u>

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**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 2024. The changes in the Airport's proportionate share results in a deferred inflow or deferred outflow depending on actuarial reports. For the year ended December 31, 2024, the Airport reported pension expense of \$14.5 million related to changes in its proportionate share of contributions. As of December 31, 2024, the Airport reported deferred inflows of \$41.8 million, and deferred outflows of \$0.6 million, related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension expense/(benefit) over a period of five years.

**Actuarial Assumptions**—The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

<sup>(a)</sup> Varying by years of service and employer

<sup>(b)</sup> Plus a service-based increase in the first 9 years

<sup>(c)</sup> Plus service based increases consistent with bargaining contracts

<sup>(d)</sup> Varying by years of service

<sup>(e)</sup> Net of investment expense

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**Post-Retirement Mortality**

<b>Bargaining Plan Members</b>		<b>Mortality Table Name</b>	<b>Mortality Improvement</b>
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-2021 2-dimensional
	Disabled	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2021 2-dimensional
	Pre-Retirement	Pub-2010 Amount-weighted Safety Employee Mortality Table, Sex Distinct	Generational – Scale MP-2021 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, 2024, 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, 2019 – December 31, 2023
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, 2024 are summarized in the following table:



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	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Asset Class:								
Equity .....	— %	— %	— %	57.00 %	— %	— %	— %	7.40 %
Domestic equity .....	25.00	—	—	—	4.80	—	—	—
U.S. equity .....	—	22.00	29.50	—	—	5.40	5.78	—
Non U.S. equity .....	—	15.00	19.50	—	—	5.40	6.87	—
Global equity .....	4.00	—	—	—	4.80	—	—	—
Global low volatility equity .....	—	4.00	—	—	—	3.60	—	—
International equity ..	17.00	—	—	—	4.90	—	—	—
Fixed income .....	22.00	26.00	15.00	22.00	2.50	1.30	2.63	4.90
Hedge funds .....	10.00	8.00	5.00	—	3.00	3.20	4.18	—
Infrastructure .....	3.00	—	—	—	4.30	—	—	—
Private debt .....	4.00	6.00	—	—	6.60	7.00	—	—
Private equity .....	4.00	6.00	—	—	7.50	8.10	—	—
Private markets .....	—	—	24.00	—	—	—	7.87	—
Real estate .....	8.00	8.00	7.00	—	3.90	4.10	7.29	—
Cash .....	3.00	2.00	—	—	0.40	—	—	—
Real assets .....	—	—	—	—	—	—	—	—
Private real assets ..	—	3.00	—	—	—	4.70	—	—
Other investments ...	—	—	—	21.00	—	—	—	6.80
Total .....	100.00 %	100.00 %	100.00 %	100.00 %				

**Discount Rate**

**Municipal Employees'**—The Single Discount Rate used to measure the total pension liability as of December 31, 2024, was 6.62%. 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, with an additional supplemental contribution of \$168.7 million during 2025. 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 2080. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to projected benefits for all periods through 2079 and the municipal bond index rate of 4.08% was applied thereafter to determine total pension liability.

**Laborers'**—A Single Discount Rate of 6.64% was used to measure the total pension liability as of December 31, 2024. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 4.08% (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 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 2080. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2080, and the municipal bond rate was applied to all benefit payments after that date.

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**NOTES TO BASIC FINANCIAL STATEMENTS  
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**Policemen's**—A Single Discount Rate of 6.66% was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 4.08% (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 benefit payments through the year 2080. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2080, 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, 2024. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 4.08% (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 those assumptions, 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, 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, 2024, 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 percentage point lower (5.62%) or 1 percentage point higher (7.62%) than the current rate (dollars in thousands):

Net Pension Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Municipal Employees' discount rate .....	5.62 %	6.62 %	7.62 %
Municipal Employees' net pension liability .....	\$ 181,784	\$ 156,663	\$ 135,655

**Laborers'**—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2024, calculated using the discount rate of 6.64%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.64%) or 1 percentage point higher (7.64%) than the current rate (dollars in thousands):

Net Pension Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Laborers' discount rate .....	5.64 %	6.64 %	7.64 %
Laborers' net pension liability .....	\$ 40,666	\$ 34,010	\$ 28,421

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CHICAGO MIDWAY INTERNATIONAL AIRPORT**

**NOTES TO BASIC FINANCIAL STATEMENTS  
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**Policemen's**—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2024, calculated using the discount rate of 6.66%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.66%) or 1 percentage point higher (7.66%) than the current rate (dollars in thousands):

Net Pension Liability	Current		
	1% Decrease	Discount Rate	1% Increase
Policemen's discount rate .....	5.66 %	6.66 %	7.66 %
Policemen's net pension liability .....	\$ 77,727	\$ 66,866	\$ 57,836

**Firemen's**—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2024, 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 percentage point lower (5.75%) or 1 percentage 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 .....	\$ 86,832	\$ 75,384	\$ 65,767

**Pension Plan Fiduciary Net (Deficit) Position**—Detailed information about the pension plan's fiduciary net (deficit) position is available in the separately issued Pension Plans financial 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 self-insured risks. Such reimbursements were \$42.3 million in 2024.

## 9. COMMITMENTS AND CONTINGENCIES

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

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

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the year ended December 31, 2024, are as follows (dollars in thousands):

Beginning balance—January 1 .....	\$ 648
Total claims incurred .....	6,911
Claims paid .....	(6,762)
Claims liability—December 31 .....	<u>\$ 797</u>

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**NOTES TO BASIC FINANCIAL STATEMENTS  
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The City's property and liability insurance premiums are approximately \$15.1 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, 2024, with a limit of \$3.5 billion and includes \$3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2025, with a limit of \$1 billion and includes \$1 billion in war and terrorism liability coverage.

At December 31, 2024, the Airport had commitments in the amount of approximately \$39.7 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 accumulated .....	\$ 15,231
Changes in proportionate share of pension contribution .....	604
Total deferred outflows of resources .....	<u>\$ 15,835</u>
Deferred inflows of resources:	
Unamortized deferred bond refunding costs .....	\$ 18,472
Deferred inflows from pension activities .....	52,186
Deferred inflows of leases .....	212,485
Total deferred inflows of resources .....	<u>\$ 283,143</u>

Refer to Note 7 Pension Plans—Deferred Outflows Related to Pension Activities and to Changes in Proportionate Share of Contributions sections. Refer to Note 6 for deferred inflows related to leases.

**11. SUBSEQUENT EVENTS**

The Airport has evaluated events occurring subsequent to December 31, 2024, and through June 30, 2025, the date the financial statements were available to be issued. The City did not identify any subsequent events to be disclosed.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

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

	2024	2023	2022
<b>MUNICIPAL EMPLOYEES':</b>			
Total pension liability:			
Service cost*	\$ 344,821	\$ 316,247	\$ 263,993
Interest	1,272,351	1,242,052	1,269,645
Benefit changes	—	—	—
Differences between expected and actual experience	104,089	155,758	84,258
Assumption changes	(543,345)	442,725	143,996
Benefit payments including refunds	(1,141,513)	(1,095,929)	(1,055,585)
Net change in total pension liability	36,403	1,060,853	706,307
Total pension liability—beginning	20,168,740	19,107,887	18,401,580
Total pension liability—ending (a)	20,205,143	20,168,740	19,107,887
<b>Plan fiduciary net position:</b>			
Contributions—employer ***	1,118,398	\$ 1,077,258	\$ 959,550
Contributions—employee	220,416	194,174	176,339
Net investment income	385,713	359,991	(429,912)
Benefit payments including refunds of employee contribution	(1,141,513)	(1,095,929)	(1,055,585)
Administrative expenses	(6,374)	(6,651)	(6,873)
Other	—	—	—
Net change in plan fiduciary net position	576,640	528,843	(356,481)
Plan fiduciary net position—beginning	4,480,631	3,951,788	4,308,269
Plan fiduciary net position—ending (b)	5,057,271	4,480,631	3,951,788
NET PENSION LIABILITY—Ending (a)–(b)	\$15,147,872	\$15,688,109	\$15,156,099
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	25.03 %	22.22 %	20.68 %
ALLOCATED COVERED PAYROLL **	\$ 26,891	\$ 26,860	\$ 26,732
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	582.59 %	658.29 %	699.67 %
ALLOCATED NET PENSION LIABILITY	\$ 156,663	\$ 176,816	\$ 187,037
ALLOCATED PERCENTAGE	1.03 %	1.13 %	1.23 %

\* 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 2024, the contribution was \$178.1 million.

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

2021	2020	2019	2018	2017	2016	2015
\$ 246,066	\$ 236,302	\$ 228,465	\$ 223,528	\$ 572,534	\$ 619,743	\$ 226,816
1,228,905	1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
—	—	—	—	—	—	—
121,988	100,938	16,676	95,540	(177,755)	(127,119)	(109,865)
—	—	—	—	(7,431,191)	(578,920)	8,711,755
(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
586,768	554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,746
17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,870	12,307,094
18,401,580	17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,840
573,198	496,992	418,269	349,574	261,764	149,718	149,225
—	—	—	—	—	—	—
163,411	157,798	146,645	138,400	134,765	130,391	131,428
498,299	335,403	560,940	(204,975)	610,515	281,419	114,025
(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
(6,687)	(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
—	—	—	—	5,394	—	—
218,030	9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
4,308,269	4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427
<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>
<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>
<u>\$ 29,709</u>	<u>\$ 26,921</u>	<u>\$ 26,905</u>	<u>\$ 25,353</u>	<u>\$ 23,019</u>	<u>\$ 15,292</u>	<u>\$ 15,138</u>
<u>704.24 %</u>	<u>737.13 %</u>	<u>731.07 %</u>	<u>743.37 %</u>	<u>695.41 %</u>	<u>1,144.85 %</u>	<u>1,132.81 %</u>
<u>\$ 209,223</u>	<u>\$ 198,443</u>	<u>\$ 196,694</u>	<u>\$ 188,469</u>	<u>\$ 160,076</u>	<u>\$ 175,069</u>	<u>\$ 171,485</u>
<u>1.48 %</u>	<u>1.45 %</u>	<u>1.49 %</u>	<u>1.46 %</u>	<u>1.36 %</u>	<u>0.93 %</u>	<u>0.92 %</u>

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

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

	2024	2023	2022
<b>LABORERS':</b>			
Total pension liability:			
Service cost*	\$ 42,336	\$ 35,725	\$ 39,331
Interest	200,343	197,214	193,347
Benefit changes	—	—	—
Differences between expected and actual experience	3,850	43,615	(27,236)
Assumption changes	(3,343)	158,524	(109,355)
Benefit payments including refunds	(183,828)	(180,947)	(177,162)
Pension plan administrative expense	(3,482)	(3,396)	(3,607)
Net change in total pension liability	55,876	250,735	(84,682)
Total pension liability—beginning	3,071,577	2,820,842	2,905,524
Total pension liability—ending (a)	3,127,453	3,071,577	2,820,842
<b>Plan fiduciary net position:</b>			
Contributions—employer ***	147,466	\$ 123,796	\$ 116,176
Contributions—employee	24,229	19,136	19,069
Net investment income	91,803	98,494	(161,680)
Benefit payments including refunds of employee contribution	(183,828)	(180,947)	(177,162)
Administrative expenses	(3,482)	(3,396)	(3,607)
Other	—	—	—
Net change in plan fiduciary net position	76,188	57,083	(207,204)
Plan fiduciary net position—beginning	1,183,981	1,126,898	1,334,102
Plan fiduciary net position—ending (b)	1,260,169	1,183,981	1,126,898
NET PENSION LIABILITY—Ending (a)–(b)	<u>\$ 1,867,284</u>	<u>\$ 1,887,596</u>	<u>\$ 1,693,944</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>40.29 %</u>	<u>38.55 %</u>	<u>39.95 %</u>
ALLOCATED COVERED PAYROLL **	<u>\$ 4,605</u>	<u>\$ 4,341</u>	<u>\$ 4,032</u>
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	<u>738.55 %</u>	<u>790.70 %</u>	<u>791.22 %</u>
ALLOCATED NET PENSION LIABILITY	<u>\$ 34,010</u>	<u>\$ 34,322</u>	<u>\$ 31,902</u>
ALLOCATED PERCENTAGE	<u>1.82 %</u>	<u>1.81 %</u>	<u>1.88 %</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 2024, the contribution was \$20.3 million.



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

2021	2020	2019	2018	2017	2016	2015
\$ 40,411	\$ 39,216	\$ 38,522	\$ 40,801	\$ 80,232	\$ 82,960	\$ 38,389
192,343	191,099	188,347	183,135	154,047	150,166	153,812
—	—	—	—	150	—	384,033
(31,083)	(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
21,870	44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
47,190	82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615	2,162,905
2,905,524	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615
84,969	73,744	59,346	47,844	35,457	12,603	12,412
17,637	18,064	18,143	17,837	17,411	17,246	16,844
138,105	163,057	184,027	(75,219)	207,981	57,997	(22,318)
(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
—	—	—	661	—	—	—
64,360	82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
1,334,102	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657
<u>\$1,571,422</u>	<u>\$1,588,592</u>	<u>\$1,588,100</u>	<u>\$1,598,721</u>	<u>\$1,362,553</u>	<u>\$2,525,905</u>	<u>\$2,473,958</u>
<u>45.92 %</u>	<u>44.42 %</u>	<u>42.78 %</u>	<u>40.64 %</u>	<u>48.19 %</u>	<u>31.61 %</u>	<u>33.36 %</u>
<u>\$ 3,530</u>	<u>\$ 3,364</u>	<u>\$ 3,118</u>	<u>\$ 3,075</u>	<u>\$ 3,098</u>	<u>\$ 3,172</u>	<u>\$ 3,060</u>
<u>740.88 %</u>	<u>766.71 %</u>	<u>750.49 %</u>	<u>755.96 %</u>	<u>653.68 %</u>	<u>1,213.47 %</u>	<u>1,208.15 %</u>
<u>\$ 26,153</u>	<u>\$ 25,793</u>	<u>\$ 23,398</u>	<u>\$ 23,248</u>	<u>\$ 20,249</u>	<u>\$ 38,495</u>	<u>\$ 36,973</u>
<u>1.66 %</u>	<u>1.62 %</u>	<u>1.47 %</u>	<u>1.45 %</u>	<u>1.49 %</u>	<u>1.52 %</u>	<u>1.50 %</u>

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

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

	2024	2023	2022
<b>POLICEMEN'S:</b>			
Total pension liability:			
Service cost*	\$ 302,649	\$ 267,382	\$ 294,515
Interest	1,162,637	1,062,690	1,011,977
Benefit changes	(19,008)	1,060,152	40,210
Differences between expected and actual experience	(126,016)	107,955	179,968
Assumption changes	68,473	40,696	(700,065)
Benefit payments including refunds	(1,016,120)	(987,199)	(947,589)
Pension plan administrative expense	(4,625)	(4,260)	(4,394)
Net change in total pension liability	367,990	1,547,416	(125,378)
Total pension liability—beginning	17,762,046	16,214,630	16,340,008
Total pension liability—ending (a)	18,130,036	17,762,046	16,214,630
<b>Plan fiduciary net position:</b>			
Contributions—employer ***	1,011,371	\$ 942,953	\$ 801,706
Contributions—employee	121,412	115,162	114,403
Net investment income	343,400	316,389	(324,259)
Benefit payments including refunds of employee contribution	(1,016,120)	(987,199)	(947,589)
Administrative expenses	(4,625)	(4,260)	(4,394)
Other	85	109	368
Net change in plan fiduciary net position	455,523	383,154	(359,765)
Adjustment as of January 1,	—	—	(119)
Plan fiduciary net position—beginning	3,869,934	3,486,780	3,846,664
Plan fiduciary net position—ending (b)	4,325,457	3,869,934	3,486,780
NET PENSION LIABILITY—Ending (a)-(b)	<u>\$ 13,804,579</u>	<u>\$ 13,892,112</u>	<u>\$ 12,727,850</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>23.86 %</u>	<u>21.79 %</u>	<u>21.50 %</u>
ALLOCATED COVERED PAYROLL **	<u>\$ 6,479</u>	<u>\$ 6,839</u>	<u>\$ 7,462</u>
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	<u>1,032.04 %</u>	<u>1,036.99 %</u>	<u>998.94 %</u>
ALLOCATED NET PENSION LIABILITY	<u>\$ 66,866</u>	<u>\$ 70,920</u>	<u>\$ 74,541</u>
ALLOCATED PERCENTAGE	<u>0.48 %</u>	<u>0.51 %</u>	<u>0.59 %</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 2024, the contribution was \$79.9 million.

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**CHICAGO MIDWAY INTERNATIONAL AIRPORT**

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

2021	2020	2019	2018	2017	2016	2015
\$ 284,707	\$ 286,537	\$ 240,383	\$ 242,998	\$ 237,333	\$ 220,570	\$ 213,585
963,417	942,623	944,739	931,731	917,720	851,098	832,972
—	—	24,216	—	—	606,250	—
450,528	61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
37,029	260,021	1,140,418	(259,052)	238,975	112,585	—
(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
845,268	705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
16,340,008	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733
788,770	739,441	581,936	588,035	494,483	272,428	572,836
136,225	113,622	110,792	107,186	103,011	101,476	107,626
370,141	271,891	369,982	(137,977)	412,190	142,699	(5,334)
(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
91	472	(59)	1,600	97	1,413	3,092
404,814	279,469	257,249	(216,886)	257,047	(193,930)	(3,065)
(48)	—	—	—	—	—	—
3,441,898	3,162,429	2,905,089	3,122,066	2,865,019	3,058,949	3,062,014
3,846,664	3,441,898	3,162,338	2,905,180	3,122,066	2,865,019	3,058,949
<u>\$12,493,344</u>	<u>\$12,052,842</u>	<u>\$11,627,264</u>	<u>\$10,408,078</u>	<u>\$10,332,396</u>	<u>\$10,248,072</u>	<u>\$8,973,784</u>
<u>23.54 %</u>	<u>22.21 %</u>	<u>21.38 %</u>	<u>21.82 %</u>	<u>23.20 %</u>	<u>21.85 %</u>	<u>25.42 %</u>
<u>\$ 6,904</u>	<u>\$ 6,696</u>	<u>\$ 7,187</u>	<u>\$ 5,492</u>	<u>\$ 5,361</u>	<u>\$ 5,022</u>	<u>\$ 4,401</u>
<u>992.89 %</u>	<u>1,007.78 %</u>	<u>946.08 %</u>	<u>863.51 %</u>	<u>898.15 %</u>	<u>915.39 %</u>	<u>825.81 %</u>
<u>\$ 68,549</u>	<u>\$ 67,477</u>	<u>\$ 67,996</u>	<u>\$ 47,425</u>	<u>\$ 48,149</u>	<u>\$ 45,971</u>	<u>\$ 36,344</u>
<u>0.55 %</u>	<u>0.56 %</u>	<u>0.58 %</u>	<u>0.46 %</u>	<u>0.47 %</u>	<u>0.45 %</u>	<u>0.41 %</u>

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

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

	2024	2023	2022
<b>FIREMEN'S:</b>			
Total pension liability:			
Service cost .....	\$ 114,995	\$ 120,151	\$ 111,917
Interest .....	487,097	481,018	466,819
Benefit changes .....	—	4,964	11,737
Differences between expected and actual experience .....	1,702	(83,067)	(30,667)
Assumption changes .....	—	—	53,665
Benefit payments including refunds .....	(434,989)	(420,725)	(401,968)
Pension plan administrative expense .....	—	—	—
Net change in total pension liability .....	168,805	102,341	211,503
Total pension liability—beginning .....	7,318,750	7,216,409	7,004,906
Total pension liability—ending (a) .....	7,487,555	7,318,750	7,216,409
Plan fiduciary net position:			
Contributions—employer *** .....	472,122	\$ 467,098	\$ 399,210
Contributions—employee .....	53,203	52,456	53,031
Net investment income .....	105,357	129,524	(155,590)
Benefit payments including refunds of employee contribution .....	(434,989)	(420,725)	(401,968)
Administrative expenses .....	(3,932)	(3,584)	(3,390)
Other .....	5	7	5
Net change in plan fiduciary net position .....	191,766	224,776	(108,702)
Plan fiduciary net position—beginning .....	1,582,472	1,357,696	1,466,398
Plan fiduciary net position—ending (b) .....	1,774,238	1,582,472	1,357,696
NET PENSION LIABILITY—Ending (a)-(b) .....	<u>\$ 5,713,317</u>	<u>\$ 5,736,278</u>	<u>\$ 5,858,713</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY .....	<u>23.70 %</u>	<u>21.62 %</u>	<u>18.81 %</u>
ALLOCATED COVERED PAYROLL** .....	<u>\$ 6,981</u>	<u>\$ 7,203</u>	<u>\$ 7,169</u>
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL .....	<u>1,079.85 %</u>	<u>1,095.05 %</u>	<u>1,114.88 %</u>
ALLOCATED NET PENSION LIABILITY .....	<u>\$ 75,384</u>	<u>\$ 78,879</u>	<u>\$ 79,926</u>
ALLOCATED PERCENTAGE .....	<u>1.32 %</u>	<u>1.38 %</u>	<u>1.36 %</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 2024, the contribution was \$28.3 million.

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

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

2021	2020	2019	2018	2017	2016	2015
\$ 112,730	\$ 109,487	\$ 102,141	\$ 97,143	* \$ 93,367	* \$ 94,115	* \$ 87,203
429,630	410,128	408,586	410,821	371,622	342,085	338,986
196,531	—	—	—	—	227,213	—
93,928	174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
(340,370)	30,468	190,954	382,611	414,219	(74,373)	176,282
(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
—	—	—	(3,285)	(3,172)	(3,217)	(3,149)
103,775	358,640	290,131	506,210	596,892	323,174	313,324
6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
7,004,906	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084
367,481	368,423	255,382	249,684	228,453	154,101	236,104
52,268	54,414	46,623	45,894	47,364	48,960	46,552
129,513	105,367	161,082	(58,000)	140,570	60,881	7,596
(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
(3,082)	(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
5	13	507	6	22	(53)	7
157,511	159,066	114,031	(90,363)	107,139	(26,087)	9,093
1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
1,466,398	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101
<u>\$5,538,508</u>	<u>\$5,592,244</u>	<u>\$5,392,670</u>	<u>\$5,216,570</u>	<u>\$4,619,997</u>	<u>\$4,130,244</u>	<u>\$3,780,983</u>
<u>20.93 %</u>	<u>18.97 %</u>	<u>17.57 %</u>	<u>16.57 %</u>	<u>19.60 %</u>	<u>19.79 %</u>	<u>21.66 %</u>
<u>\$ 6,858</u>	<u>\$ 6,839</u>	<u>\$ 6,163</u>	<u>\$ 6,181</u>	<u>\$ 6,313</u>	<u>\$ 6,628</u>	<u>\$ 6,303</u>
<u>1,064.96 %</u>	<u>1,117.63 %</u>	<u>1,179.80 %</u>	<u>1,141.56 %</u>	<u>984.22 %</u>	<u>863.22 %</u>	<u>812.71 %</u>
<u>\$ 73,035</u>	<u>\$ 76,431</u>	<u>\$ 72,707</u>	<u>\$ 70,560</u>	<u>\$ 62,136</u>	<u>\$ 57,212</u>	<u>\$ 51,224</u>
<u>1.32 %</u>	<u>1.37 %</u>	<u>1.35 %</u>	<u>1.35 %</u>	<u>1.34 %</u>	<u>1.39 %</u>	<u>1.36 %</u>

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

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

**Municipal Employees'**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll *</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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
2024	1,238,711	1,118,398	120,313	2,600,118	43.01

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

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

**Laborers'**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions *</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll **</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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
2024	168,828	147,466	21,362	252,856	58.32

\* 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 level 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.

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

(Continued)

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

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

**Policemen's**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions *</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll **</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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
2024	1,242,010	1,011,456	230,554	1,337,507	75.62

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

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

**Firemen's**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions *</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll **</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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
2024	541,052	472,122	68,930	529,090	89.23

\* 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.

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

(Continued)

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

**SCHEDULE OF CONTRIBUTIONS**

<b>Actuarial Methods and Assumptions</b>	<b>Municipal Employees'</b>		<b>Laborers'</b>		<b>Policemen's</b>		<b>Firemen's</b>	
Actuarial valuation date ...	12/31/2023		12/31/2023		12/31/2023		12/31/2023	
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%		2.50%	
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%	(f)	6.75%		6.75%	(e)
Retirement age .....	(g)		(h)		(i)		(j)	
Mortality .....	(k)		(l)		(m)		(n)	
Other information .....	(o)		(p)		(q)		(r)	

(a) Varying by years of service and employer.

(b) Plus a service-based increase in the first nine 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) Tier 1 - 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). Tier 2 - 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). Tier 3 - For employees first hired and contributed on or after July 6, 2017, or "elective" Tier 3 members, 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 PubG-2010 Retiree Amount-weighted Below Median Mortality Tables (sex specific), using 117% of the rates for females and 111% of the rates for males, projected generationally using scale MP-2021. Beneficiary mortality rates were based on the PubG-2010 Contingent Survivor Table Amount-weighted Below Median Mortality table (sex-specific), using 111% of the rates for females and 113% of the rates for males, projected generationally using scale MP-2021. Pre-retirement mortality rates were based on the PubG-2010 Employee Amount-weighted Below Median Mortality table (sex-specific), using 92% of the rates for females and 90% of the rates for males, projected generationally using scale MP-2021.

(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 for non-disabled pensioners were based on the PubS-2010 Retiree Amount-weighted Mortality Table, using 119% of rates for males and 100% of rates for females, projected generationally using scale MP-2021. Post-retirement rates for disabled pensioners were based on the PubS-2010 Disabled Retiree Amount-weighted Mortality Table, projected generationally using scale MP-2021. Beneficiary mortality rates were based on the Pub-2010 Contingent Survivor Amount-weighted Mortality Table, using 100% of rates for males and 113% of rates for females, projected generationally using scale MP-2021. Pre-retirement mortality rates were based on the PubS-2010 Employee Amount-weighted Mortality Table, projected generationally using scale MP-2021.

(o) Other assumptions: Same as those used in the December 31, 2023, actuarial funding valuations.

(p) Demographic assumptions were updated for the actuarial valuations as of December 31, 2020. The Investment Rate of Return was adopted for the actuarial valuation as of December 31, 2023.

(q) The actuarially determined contribution for fiscal year ended December 31, 2024 was determined in the funding actuarial valuation as of December 31, 2023 and the statutory contribution (upon which the actual contribution was based) for fiscal year ending December 31, 2024 was determined in the funding actuarial valuation as of December 31, 2022 using the actuarial assumptions and provisions in effect as of December 31, 2022..

(r) Other assumptions: Same as those used in the December 31, 2024, actuarial funding valuations.

(Concluded)



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## **ADDITIONAL INFORMATION**

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

**ADDITIONAL INFORMATION  
CHICAGO MIDWAY AIRPORT REVENUE BONDS  
DEBT SERVICE COVERAGE CALCULATIONS  
YEAR ENDED DECEMBER 31, 2024  
(Dollars in thousands)**

	2024
REVENUES:	
Total revenues—as defined .....	\$ 328,945
Other available moneys (passenger facility charges) .....	42,549
Revenue Fund balance on first day of fiscal year (Note 2) .....	<u>42,624</u>
TOTAL REVENUES .....	<u><u>414,118</u></u>
COVERAGE REQUIREMENT—Required deposits from revenues:	
Senior Lien Debt Service Fund .....	120,104
Operation and maintenance reserve account .....	3,986
Senior Lien Obligation Program Fee Fund .....	966
Repair and Maintenance Fund .....	<u>1,713</u>
TOTAL FUND DEPOSIT REQUIREMENTS .....	<u><u>\$ 126,769</u></u>
AGGREGATE SENIOR LIEN DEBT SERVICE FOR THE BOND YEAR .....	<u><u>\$ 130,306</u></u>
NET AGGREGATE DEBT SERVICE .....	\$ 126,809
	<u>1.20</u>
NET DEBT SERVICE REQUIRED COVERAGE .....	<u><u>\$ 152,171</u></u>
OPERATION AND MAINTENANCE EXPENSES .....	\$ 206,349
COVERAGE REQUIRED (Greater of total fund deposit requirements or 120% of aggregate debt service) .....	<u>152,171</u>
TOTAL COVERAGE REQUIRED .....	<u><u>\$ 358,520</u></u>
TOTAL REVENUES .....	<u><u>\$ 414,118</u></u>
COVENANT COVERAGE RATIO .....	<u><u>1.16</u></u>

See notes to debt service coverage calculations.

**ADDITIONAL INFORMATION**  
**CHICAGO MIDWAY AIRPORT REVENUE BONDS**  
**NOTES TO DEBT SERVICE COVERAGE CALCULATIONS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(Dollars in thousands)**

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**1. RATE COVENANT**

The Master Indenture of Trust ("Master Indenture") securing the Chicago Midway Airport Revenue Bonds ("Bonds") requires that revenues, together with other available moneys deposited with the trustee and any balance held in the revenue fund on the first day of the calendar year not then required to be deposited in any fund or account, will be at least sufficient (i) to provide for the payment of operation and maintenance expenses for the year and (ii) to provide for the greater of (a) the amounts, if any, needed to make required deposits into the Debt Service Fund, the Operating and Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund; and (b) an amount not less than 120% of the aggregate debt service for the Bond year commencing during such fiscal year.

Midway Airport contributed \$25.4 million of cash to the pension funds.

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

**2. FUND DEPOSIT REQUIREMENTS**

The Airport excludes the Airport Development Fund in the Debt Service Coverage calculation. This fund can be used by the City for any lawful Airport purpose and therefore can be used to fulfill any debt service obligations. The balance as of December 31, 2024 was \$16.5 million.

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

**ADDITIONAL INFORMATION**  
**CHICAGO MIDWAY AIRPORT SENIOR LIEN REVENUE BONDS**  
**NOTES TO DEBT SERVICE COVERAGE CALCULATIONS**  
**(\$ in thousands)**

	<b>2024</b>
REVENUES:	
Total revenues—as defined .....	\$ 328,945
Other available moneys (passenger facility charge) .....	42,549
Revenue fund balance on first day of fiscal year (Note 2) .....	42,624
TOTAL REVENUES FOR CALCULATION OF COVERAGE .....	<u>\$ 414,118</u>
COVERAGE REQUIREMENT—Required deposits from revenues:	
Operation and maintenance reserve account .....	3,986
Senior Lien Obligation Debt Service Fund .....	120,104
Senior Lien Obligation Program Fee Fund .....	966
Repair and Replacement Fund .....	1,713
TOTAL FUND DEPOSIT REQUIREMENTS .....	<u>\$ 126,769</u>
120% OF AGGREGATE SENIOR LIEN DEBT SERVICE FOR THE BOND YEAR:	<u>1.20</u>
DEBT SERVICE FOR THE BOND YEAR:	
Aggregate First Lien and Senior Lien Debt Service .....	\$ 130,306
Less amounts transferred from Senior Lien Capitalized Interest Accounts .....	(3,497)
Net aggregate Senior Lien Debt Service .....	126,809
	<u>1.20</u>
120% OF AGGREGATE SENIOR LIEN DEBT SERVICE .....	<u>\$ 152,171</u>
RATE COVENANT CALCULATION:	
Operation and maintenance expenses .....	\$ 206,349
TOTAL COVERAGE REQUIRED .....	<u>\$ 358,520</u>
TOTAL REVENUES .....	<u>\$ 414,118</u>
REVENUES IN EXCESS OF COVERAGE REQUIREMENT .....	<u>\$ 55,598</u>
COVENANT COVERAGE RATIO .....	<u>1.16</u>
COVERAGE CALCULATION:	
Total revenues .....	\$ 414,118
Operation and maintenance expenses .....	206,349
AGGREGATE SENIOR LIEN DEBT SERVICE .....	126,809
REVENUES IN EXCESS OF COVERAGE REQUIREMENT .....	<u>\$ 80,960</u>
COVERAGE RATIO .....	<u>1.63</u>
See notes to debt service coverage calculations.	

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

**ADDITIONAL INFORMATION  
CHICAGO MIDWAY AIRPORT SENIOR LIEN REVENUE BONDS  
NOTES TO DEBT SERVICE COVERAGE CALCULATIONS  
YEAR ENDED DECEMBER 31, 2024**

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**1. RATE COVENANT**

The Master Indenture of Trust ("Master Indenture") securing the Chicago Midway Airport Senior Lien Obligations requires that the City fix and establish and revise from time to time whenever necessary, such rentals, rates and other charges for the use and operation of Midway and for services rendered by the City in the operation of Midway in order that in each Fiscal Year, Senior Lien Revenues, together with Other Available Moneys deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for (i) the amounts needed to make the deposits required during such Fiscal Year into the Senior Lien Debt Service Fund, the O&M Reserve Account, the Working Capital Account, the Common Debt Service Reserve Sub-Fund, any debt service reserve sub-fund or account established for the benefit of a single Series of Senior Lien Obligations that are not Common Reserve Bonds, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund; and (ii) (A) prior to the end of the Fiscal Year ending on December 31, 2024, an amount not less than 115 percent of the Aggregate Senior Lien Debt Service for the bond Year commencing during such Fiscal Year; (B) after the Fiscal Year ending on December 31, 2024 but prior to the end of the Fiscal Year ending on December 31, 2025, an amount not less than 120 percent of the Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year; or (C) after the Fiscal Year ending on December 31, 2025, an amount not less than 125 percent of Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year. These requirements were met at December 31, 2024.

Midway Airport contributed \$25.4 million of cash to the pension funds.

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

**2. FUND DEPOSIT REQUIREMENTS**

The Airport excludes the Airport Development Fund in the Debt Service Coverage calculation. This fund can be used by the City for any lawful Airport purpose and therefore can be used to fulfill any debt service obligations. The balance as of December 31, 2024 was \$16.5 million.

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## **PART III**

# **STATISTICAL SECTION**

### **(UNAUDITED)**

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

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

**HISTORICAL OPERATING RESULTS  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024  
(Dollars in thousands)**

	2015	2016	2017
OPERATING REVENUES:			
Landing fees .....	\$ 48,350	\$ 49,186	\$ 54,165
Rental revenues:			
Terminal area use charges .....	36,273	38,239	41,251
Other rentals and fueling system fees .....	25,945	26,396	27,912
Subtotal rental revenues .....	62,218	64,635	69,163
Concessions:			
Auto parking .....	35,772	36,665	38,317
Auto rentals .....	11,104	11,390	11,287
Restaurant .....	12,150	13,019	14,912
News and gifts .....	4,128	4,471	4,729
Other .....	2,397	2,827	2,452
Subtotal concessions .....	65,551	68,372	71,697
Reimbursements .....	—	—	—
Total operating revenues <sup>(1)</sup> .....	176,119	182,193	195,025
OPERATING AND MAINTENANCE EXPENSES:			
Salaries and wages <sup>(2)</sup> .....	43,343	48,548	48,185
Pension expense .....	60,767	47,879	40,211
Repairs and maintenance .....	44,095	48,277	44,506
Energy .....	6,868	7,221	6,984
Materials and supplies .....	2,522	2,016	1,932
Professional and engineering services .....	20,954	20,851	24,344
Other operating expenses .....	5,327	7,813	4,803
Total operating and maintenance expenses before depreciation and amortization <sup>(3)</sup> .....	183,876	182,605	170,965
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION <sup>(4)</sup> .....	\$ (7,757)	\$ (412)	\$ 24,060
COVENANT COVERAGE CALCULATION—FIRST LIEN .....	1.11	1.04	1.05
COVENANT COVERAGE CALCULATION—SENIOR LIEN .....	1.10	1.04	1.04

<sup>(1)</sup> Average annual compound growth rate for 2015–2024 for total operating revenues is 5.7%.

<sup>(2)</sup> Salaries and wages includes charges for pension, health care and other employee benefits for years 2015–2024.

<sup>(3)</sup> Average annual compound growth rate for 2015–2024 for total operating and maintenance expenses before depreciation and amortization is 0.8%.

<sup>(4)</sup> Amount for 2024 may be reconciled to operating income of \$35,131 reported in the 2024 Statement of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of \$55,864. Amount for prior years may be reconciled through similar calculations. \$22.1 million is the portion of the City's pension contribution payable in 2024 to the pension funds and allocable to Midway Airport. Accordingly, only \$22.1 million should be included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

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



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

**HISTORICAL OPERATING RESULTS**  
**EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**  
(Dollars in thousands)

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$ 58,304	\$ 56,604	\$ 38,772	\$ 52,166	\$ 58,445	\$ 80,426	\$ 83,312
47,821	68,827	74,714	85,886	78,781	98,621	84,990
28,755	32,615	29,486	24,891	36,028	43,297	49,466
76,576	101,442	104,200	110,777	114,809	141,918	134,456
36,602	34,430	14,299	27,797	35,901	39,567	38,467
11,022	11,135	9,693	9,838	8,413	9,876	10,061
16,167	16,227	13,390	13,652	9,685	16,958	14,840
5,379	5,497	5,716	4,717	3,892	6,462	6,308
2,483	2,199	1,670	1,881	1,279	1,626	1,504
71,653	69,488	44,768	57,885	59,170	74,489	71,180
—	—	—	—	—	—	—
206,533	227,534	187,740	220,828	232,424	296,833	288,948
51,408	55,571	55,964	57,489	60,146	63,773	68,310
42,843	47,537	22,510	27,444	35,852	29,681	14,563
47,326	47,021	43,737	48,910	53,124	61,517	68,784
7,104	7,728	6,400	6,987	7,321	10,220	9,862
2,397	3,061	5,689	2,553	2,372	2,977	2,868
24,144	22,113	20,783	22,033	23,535	28,064	30,802
6,188	5,151	8,807	23,883	3,414	14,462	2,764
181,410	188,182	163,890	189,299	185,764	210,694	197,953
\$ 25,123	\$ 39,352	\$ 23,850	\$ 31,529	\$ 46,660	\$ 86,139	\$ 90,995
1.04	1.08	1.11	1.14	1.11	1.13	—
1.01	1.06	1.07	1.11	1.08	1.13	1.16

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

**DEBT SERVICE SCHEDULE  
(Dollars in thousands)**

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

	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	
	Series 2013	Series 2014	Series 2016	Series 2018	Series 2023	Series 2024	
Year Ending December 31	Senior Lien Bonds	Senior Lien Bonds	Senior Lien Bonds	Senior Lien Bonds	Senior Lien Bonds	Senior Lien Bonds	Total Debt Service
2025 .....	\$ 1,424	\$ 4,564	\$ 20,523	\$ 5,266	\$ 93,122	\$ 6,385	131,284
2026 .....		4,564	20,516	5,263	86,291	9,912	126,546
2027 .....		4,564	20,505	5,256	91,125	8,376	129,826
2028 .....		4,564	20,494	5,251	91,199	9,845	131,353
2029 .....		4,564	20,483	3,808	91,157	9,817	129,829
2030 .....		4,564	20,474		91,046	9,817	125,901
2031 .....		5,177	20,463		90,350	9,779	125,769
2032 .....		4,539	20,500		90,890	9,749	125,678
2033 .....		4,539	20,498		87,020	9,700	121,757
2034 .....		4,539	20,485		90,676	9,681	125,381
2035 .....		4,539	20,473		92,565	9,666	127,243
2036 .....		4,539	20,403		32,936		57,878
2037 .....		4,539	20,392		36,922		61,853
2038 .....		4,539	20,376		36,892		61,807
2039 .....		4,539	20,357		36,858		61,754
2040 .....		4,539	20,338		36,830		61,707
2041 .....		18,802	20,319		22,455		61,576
2042 .....		37,849	20,302		8,564		66,715
2043 .....		38,136	20,281		8,548		66,965
2044 .....		38,426	20,263		8,547		67,236
2045 .....		—	20,241		8,535		28,776
2046 .....		—	20,213		8,535		28,748
2047 .....		—	—		8,518		8,518
2048 .....		—	—		8,506		8,506
2049 .....		—	—		8,502		8,502
2050 .....		—	—		8,492		8,492
2051 .....		—	—		8,486		8,486
2052 .....		—	—		8,473		8,473
2053 .....		—	—	—	8,461		8,461
2054 .....		—	—	—			—
	<u>\$ 1,424</u>	<u>\$ 206,625</u>	<u>\$ 448,899</u>	<u>\$ 24,844</u>	<u>\$ 1,300,501</u>	<u>\$ 102,727</u>	<u>\$2,085,020</u>

All Second Lien Bonds have changed into Senior Bonds upon the issuance of the Midway 2023 A&B Senior Lien Bonds dated November 9, 2023.

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, 2024.

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

**CAPITAL IMPROVEMENT PROGRAM 2025-2029  
ESTIMATED SOURCES AND USES OF FUNDS  
AS OF DECEMBER 31, 2024  
(Dollars in thousands)**

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**ESTIMATED SOURCES:**

AIP—entitlements .....	\$	15,000
AIP—discretionary .....		264,809
State Grant .....		65,632
Series 2010 Bonds .....		13,982
Series 2014 Bonds .....		32,591
Series 2016 Bonds .....		51,087
Future Bonds .....		378,692

<b>TOTAL ESTIMATED SOURCES .....</b>	<b>\$</b>	<b>821,793</b>
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**ESTIMATED USES:**

Terminal area projects .....	\$	89,756
Land acquisition .....		12,552
Airfield projects .....		460,782
Parking/roadway projects .....		26,332
Noise projects .....		155,882
Safety and security .....		65,153
Implementation .....		11,336

<b>TOTAL ESTIMATED USES .....</b>	<b>\$</b>	<b>821,793</b>
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Source: City of Chicago Department of Aviation.

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

**HISTORICAL ENPLANED PASSENGERS  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

<b>Years</b>	<b>Domestic Air Carrier</b>	<b>Domestic Commuter<sup>(1)</sup></b>	<b>Total Domestic</b>	<b>International Enplanements</b>	<b>Total Enplanements</b>	<b>Percent Change</b>
2015 .....	10,731,246	—	10,731,246	386,977	11,118,223	4.8 %
2016 .....	10,953,566	—	10,953,566	392,182	11,345,748	2.0
2017 .....	10,825,564	—	10,825,564	406,708	11,232,272	(1.0)
2018 .....	10,625,852	—	10,625,852	396,372	11,022,224	(1.9)
2019 .....	10,021,351	—	10,021,351	396,464	10,417,815	(5.5)
2020 <sup>(2)</sup> .....	4,311,767	—	4,311,767	134,139	4,445,906	(57.3)
2021 .....	7,663,768	—	7,663,768	260,576	7,924,344	78.2
2022 .....	9,601,294	—	9,601,294	345,588	9,946,882	25.5
2023 .....	10,616,345	—	10,616,345	371,430	10,987,775	10.5
2024 .....	10,320,937	—	10,320,937	386,063	10,707,000	10.5

**Average Annual Compound Growth Rates**

2015-2024	(0.4)%	(0.4)%	— %	(0.4)%
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<sup>(1)</sup> "Domestic Air Carrier" includes General Aviation.

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

Source: City of Chicago Department of Aviation.

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

**ENPLANED COMMERCIAL PASSENGERS BY AIRLINE  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

	2015		2016		2017		2018	
	% of		% of		% of		% of	
	Enplanements	Total	Enplanements	Total	Enplanements	Total	Enplanements	Total
Southwest Airlines .....	10,281,189	92.5 %	10,520,571	92.7 %	10,415,087	92.7 %	10,240,801	92.9 %
AirTran .....	—	—	—	— %	—	—	—	—
Frontier .....	8,658	0.1	—	— %	—	—	—	—
Shuttle America (Delta Express) .....	640	—	3,535	— %	—	—	—	—
Volaris .....	110,969	1.0	139,148	1.2 %	149,776	1.3	146,745	1.3
Delta .....	278,356	2.5	266,281	2.3	247,076	2.2	227,967	2.1
All other airlines .....	438,411	3.9	416,213	3.7	420,333	3.7	406,711	3.7
Total .....	11,118,223	100.0 %	11,345,748	100.0%	11,232,272	100.0 %	11,022,224	100.0 %

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

**ENPLANED COMMERCIAL PASSENGERS BY AIRLINE  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

2019		2020		2021		2022		2023		2024	
% of		% of		% of		% of		% of		% of	
Enplanements	Total	Enplanements	Total	Enplanements	Total	Enplanements	Total	Enplanements	Total	Enplanements	Total
9,622,343	92.4 %	4,166,573	93.7 %	7,396,910	93.3 %	8,887,860	89.4 %	9,593,920	87.3 %	9,431,675	88.1 %
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	359,291	3.6	666,655	6.1	552,900	5.2
—	—	—	—	—	—	—	—	—	—	—	—
149,776	1.4	163,001	3.7	107,476	1.4	201,206	2.0	217,539	2.0	220,107	2.1
247,076	2.4	59,603	1.3	74,601	0.9	147,219	1.5	172,959	1.6	158,451	1.5
398,620	3.8	56,729	1.3	345,357	4.4	351,306	3.5	336,702	3.1	343,867	3.2
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
10,417,815	100.0 %	4,445,906	100.0 %	7,924,344	100.0 %	9,946,882	100.0 %	10,987,775	100.0 %	10,707,000	100.0 %

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

**HISTORICAL ENPLANED PASSENGERS  
CHICAGO REGION AIRPORTS  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

Years	Chicago Midway International Airport		Chicago O'Hare International Airport		Total Enplanements
	Total Enplanements	Percent of Total Chicago	Total Enplanements	Percent of Total Chicago	
2015 .....	11,118,223	22.5 %	38,395,905	77.5 %	49,514,128
2016 .....	11,345,748	22.6	38,872,669	77.4	50,218,417
2017 .....	11,232,272	22.0	39,815,888	78.0	51,048,160
2018 .....	11,022,224	21.0	41,563,343	79.0	52,585,567
2019 .....	10,417,815	19.8	42,248,370	80.2	52,666,185
2020 <sup>(1)</sup> .....	4,445,906	22.5	15,351,046	77.5	19,796,952
2021 .....	7,924,344	22.7	26,945,359	77.3	34,869,703
2022 .....	9,946,882	22.6	34,095,710	77.4	44,042,592
2023 .....	10,987,775	23.1	36,597,770	76.9	47,585,545
2024 .....	10,707,000	21.1	39,983,139	78.9	50,690,139
<b>Average Annual Compound Growth Rates</b>					
2015-2024 .....	(0.4)%		0.5 %		0.3 %

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



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

**HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS  
CHICAGO REGION AIRPORTS  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

Years	Chicago Midway International Airport		Chicago O'Hare International Airport		Total O&D Enplanements
	Total O&D	Percent of Total	Total O&D	Percent of Total	
	Enplanements <sup>(1)</sup>	Chicago	Enplanements	Chicago	
2015 .....	6,890,633	25.5 %	20,096,191	74.5 %	26,986,824
2016 .....	7,181,858	25.5	20,991,241	74.5	28,173,099
2017 .....	7,446,996	24.9	22,429,433	75.1	29,876,429
2018 .....	7,197,512	23.5	23,483,289	76.5	30,680,801
2019 .....	6,944,982	22.6	23,836,209	77.4	30,781,191
2020 <sup>(2)</sup> .....	2,912,068	25.4	8,550,533	74.6	11,462,601
2021 .....	5,054,877	24.5	15,259,775	75.5	20,314,652
2022 .....	6,266,354	23.4	20,491,522	76.6	26,757,876
2023 .....	6,920,290	23.7	22,219,326	76.3	29,139,616
2024 .....	6,920,307	22.4	24,038,918	77.6	30,959,225
<b>Average Annual Compound Growth Rates</b>					
2015-2024 .....	0.05 %		2.0 %		1.5 %

(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.

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

**AIRCRAFT OPERATIONS  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

<b>Years</b>	<b>Aircraft Operations Domestic Air Carrier</b>	<b>International Air Carrier</b>	<b>Total Air Carrier</b>	<b>Domestic Commuter</b>	<b>General Aviation</b>	<b>Total</b>
2015 .....	177,658	8,474	186,132	11,857	55,530	253,519
2016 .....	178,346	8,220	186,566	9,822	56,658	253,046
2017 .....	185,471	8,374	193,845	—	57,496	251,341
2018 .....	178,791	8,491	187,282	—	56,040	243,322
2019 .....	162,887	8,367	171,254	—	60,830	232,084
2020 .....	110,129	2,627	112,756	—	37,442	150,198
2021 .....	125,874	4,794	130,668	—	55,288	185,956
2022 .....	153,975	6,760	160,735	—	53,692	214,427
2023 .....	175,443	5,994	181,437	—	50,958	232,395
2024 .....	166,240	6,593	172,833	—	50,804	223,637
<b>Average Annual Compound Growth Rates</b>						

2015-2024 .....	(0.7)%	(2.8)%	(0.8)%	(100.0)%	(1.0)%
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Source: City of Chicago Department of Aviation.

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

**NET POSITION BY COMPONENT  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024  
(Dollars in thousands)**

	2015	2016	2017	2018
NET POSITION:				
Net investment in				
capital assets .....	\$ (150,431)	\$ (152,026)	\$ (180,803)	\$ (172,197)
Restricted .....	97,980	83,048	127,476	120,685
Unrestricted .....	<u>(191,025)</u>	<u>(234,875)</u>	<u>(253,674)</u>	<u>(281,312)</u>
	<u>\$ (243,476)</u>	<u>\$ (303,853)</u>	<u>\$ (307,001)</u>	<u>\$ (332,824)</u>
	*			

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

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

**NET POSITION BY COMPONENT  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024  
(Dollars in thousands)**

---

2019	2020	2021	2022	2023	2024
\$ (165,290)	\$ (125,410)	\$ (111,146)	\$ (160,863)	\$ (151,040)	\$ (133,048)
121,093	96,358	89,541	149,693	171,394	189,704
<u>(312,022)</u>	<u>(294,203)</u>	<u>(318,913)</u>	<u>(333,011)</u>	<u>(311,774)</u>	<u>(294,538)</u>
<u>\$ (356,219)</u>	<u>\$ (323,255)</u>	<u>\$ (340,518)</u>	<u>\$ (344,181)</u>	<u>\$ (291,420)</u>	<u>\$ (237,882)</u>

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

**CHANGE IN NET POSITION**  
**EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**  
**(Dollars in thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
OPERATING REVENUES .....	\$ 176,119	\$ 182,193	\$ 195,025	\$ 206,533
OPERATING EXPENSES:				
Salaries and wages .....	43,343	48,548	48,185	51,408
Pension expense .....	60,767	47,879	40,211	42,843
Repairs and maintenance .....	44,095	48,277	44,506	47,326
Professional and engineering services .....	20,954	20,851	24,344	24,144
Other operating expenses .....	14,717	17,050	13,719	15,689
Depreciation and amortization .....	47,719	49,118	51,443	51,383
Total operating expenses .....	231,595	231,723	222,408	232,793
OPERATING (LOSS) INCOME .....	(55,476)	(49,530)	(27,383)	(26,260)
NONOPERATING (EXPENSES) REVENUES:				
Passenger facility charge revenue .....	41,692	41,665	40,918	39,469
Customer facility charge revenue .....	7,572	8,625	8,130	7,502
Other nonoperating revenues .....	1,402	364	475	1,083
Noise mitigation .....	(23,323)	(27,089)	(1,289)	(648)
Cost of issuance .....	(42)	(3,001)	—	(555)
Investment income (loss) .....	2,497	(1,094)	5,722	6,408
Interest expense .....	(60,764)	(58,220)	(61,277)	(59,598)
ROU Asset interest income .....	—	—	—	—
Grant revenues .....	—	—	—	—
Total nonoperating expenses .....	(30,966)	(38,750)	(7,321)	(6,339)
(LOSS) GAIN BEFORE CAPITAL GRANTS .....	(86,442)	(88,280)	(34,704)	(32,599)
CAPITAL GRANTS .....	9,279	27,903	31,556	6,776
CHANGE IN NET POSITION .....	\$ (77,163)	\$ (60,377)	\$ (3,148)	\$ (25,823)

\*

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

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

**CHANGE IN NET POSITION**  
**EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**  
**(Dollars in thousands)**

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<u>\$ 227,534</u>	<u>\$ 187,740</u>	<u>\$ 220,828</u>	<u>\$ 232,424</u>	<u>\$ 296,833</u>	<u>\$ 288,948</u>
55,571	55,964	57,489	60,146	63,773	68,310
47,537	22,510	27,444	35,852	29,681	14,563
47,021	43,737	48,910	53,124	61,517	68,784
22,113	20,783	22,033	23,535	28,064	30,802
15,940	20,896	33,423	13,107	27,659	15,494
<u>52,007</u>	<u>50,018</u>	<u>52,636</u>	<u>57,345</u>	<u>56,909</u>	<u>55,864</u>
<u>240,189</u>	<u>213,908</u>	<u>241,935</u>	<u>243,109</u>	<u>267,603</u>	<u>253,817</u>
<u>(12,655)</u>	<u>(26,168)</u>	<u>(21,107)</u>	<u>(10,685)</u>	<u>29,230</u>	<u>35,131</u>
36,669	13,245	28,268	36,566	38,517	37,201
7,427	3,214	4,812	5,696	6,224	6,781
(8,488)	132	—	—	346	—
(2,496)	(703)	(619)	(865)	(1,642)	(2,986)
—	—	—	—	—	(3,202)
11,241	3,829	(3,340)	(17,365)	23,649	29,390
(58,490)	(58,045)	(67,608)	(68,205)	(65,029)	(63,161)
—	—	—	7,710	7,702	8,742
<u>—</u>	<u>82,302</u>	<u>36,574</u>	<u>36,603</u>	<u>16,972</u>	<u>—</u>
<u>(14,137)</u>	<u>43,974</u>	<u>(1,913)</u>	<u>140</u>	<u>21,980</u>	<u>12,765</u>
(26,792)	17,806	(23,020)	(10,545)	51,210	47,896
<u>3,397</u>	<u>15,158</u>	<u>5,757</u>	<u>6,882</u>	<u>1,551</u>	<u>5,642</u>
<u>\$ (23,395)</u>	<u>\$ 32,964</u>	<u>\$ (17,263)</u>	<u>\$ (3,663)</u>	<u>\$ 52,761</u>	<u>\$ 53,538</u>

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

**LONG-TERM DEBT  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024  
(Dollars in thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Senior lien bonds .....	\$ 31,530	\$ 28,730	\$ 25,775	\$ 22,660
Second lien bonds .....	1,474,795	1,752,875	1,730,060	1,690,825
Commercial paper notes .....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenue bonds and notes .....	1,506,325	1,781,605	1,755,835	1,713,485
Unamortized premium .....	<u>79,093</u>	<u>123,133</u>	<u>114,270</u>	<u>105,563</u>
Total revenue bonds payable, net of unamortized premium (discount) .....	1,585,418	1,904,738	1,870,105	1,819,048
Enplanements <sup>(1)</sup> .....	<u>11,118,223</u>	<u>11,345,748</u>	<u>11,232,272</u>	<u>11,022,224</u>
Total debt per enplanements .....	<u>\$ 135</u>	<u>\$ 157</u>	<u>\$ 156</u>	<u>\$ 155</u>

<sup>(1)</sup> Enplaned Commercial Passengers by Airline Schedule as shown on page 82.



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

**LONG-TERM DEBT  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024  
(Dollars in thousands)**

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$ 19,370	\$ 15,900	\$ 12,240	\$ 8,380	\$ 513,510	1,400,115
1,657,635	1,612,920	1,562,685	1,506,405	999,015	—
—	—	20,027	24,375	1,390	—
1,677,005	1,628,820	1,594,952	1,539,160	1,513,915	1,400,115
96,982	88,567	80,449	72,704	67,445	76,968
1,773,987	1,717,387	1,675,401	1,611,864	1,581,360	1,477,083
10,417,815	4,445,906	7,924,344	9,946,882	10,987,775	10,707,000
\$ 161	\$ 366	\$ 201	\$ 155	\$ 138	\$ 131

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

**FULL TIME EQUIVALENT CHICAGO MIDWAY AIRPORT EMPLOYEES BY FUNCTION  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

<b>Function</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Airfield operations .....	88	94	127	128	134	137	137	146	149	148
Landside operations .....	20	21	21	21	21	22	22	29	20	29
Security management ....	62	62	63	64	68	110	110	111	123	117
Facility management .....	15	15	15	15	18	17	20	25	25	29
Midway administration ...	10	10	12	12	12	12	10	11	9	16
Safety management .....	—	—	—	—	—	—	—	—	—	—
Total .....	<u>195</u>	<u>202</u>	<u>238</u>	<u>240</u>	<u>253</u>	<u>298</u>	<u>299</u>	<u>322</u>	<u>326</u>	<u>339</u>

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

# CHICAGO MIDWAY INTERNATIONAL AIRPORT

## STATISTICAL DATA

### PRINCIPAL EMPLOYERS (NON-GOVERNMENT)

CURRENT YEAR AND NINE YEARS AGO (NOTE AT THE END OF THIS PAGE)

Employer	2024 <sup>(1)</sup>			2015		
	Number of Employees	Rank	Percentage of Total City Employment <sup>(2)</sup>	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health <sup>(3)</sup> .....	33,247	1	2.35 %			1.47 %
Amazon.Com Inc. ....	30,751	2	2.17	18,308	1	
Northwestern Memorial Healthcare .....	29,434	3	2.08	15,317	3	1.15
University of Chicago .....	22,287	4	1.58	16,197	2	1.27
Endeavor Health <sup>(4)</sup> .....	21,134	5	1.49			
Walmart Inc. ....	18,000	6	1.27	14,000	5	
United Airlines Holdings Inc. <sup>(5)</sup> .....	17,400	7	1.23			1.11
Walgreens Boots Alliance Inc. <sup>(6)</sup> .....	14,714	8	1.04			1.09
JPMorgan Chase & Co. <sup>(7)</sup> .....	14,675	9	1.04	14,158	4	1.19
Health Care Service Corp .....	13,500	10	0.95	13,006	6	
AT&T .....				13,006	7	1.03
Presence Health .....				10,500	8	0.89
University of Illinois at Chicago .....				10,000	9	0.80
Abbott Laboratories .....				9,708	10	0.79

#### NOTES:

<sup>(1)</sup> Source: Reprinted with permission from the February 26, 2024 issue of Crain's Chicago Business.

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

<sup>(3)</sup> Advocate Health formerly known as Advocate Aurora Health.

<sup>(4)</sup> Endeavor Health formerly known as Northshore - Edward-Elmhurst Health.

<sup>(5)</sup> United Airlines Holdings Inc. formerly known as United Continental Holdings Inc.

<sup>(6)</sup> In 2014, Walgreens purchased Alliance Boots forming Walgreens Boots Alliance, Inc.

<sup>(7)</sup> JP Morgan & Co. formerly known as J.P. Morgan Chase

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

**STATISTICAL DATA  
POPULATION AND INCOME STATISTICS  
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2015-2024**

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<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Median Age <sup>(2)</sup></b>	<b>Number of Households <sup>(2)</sup></b>	<b>City Employment</b>	<b>Unemployment Rate <sup>(3)</sup></b>	<b>Per Capita Income <sup>(4)</sup></b>	<b>Total Income</b>
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	36.4	1,179,081	1,310,713	4.2	77,429	212,650,076,452
2024 .....	2,746,388	N/A <sup>(5)</sup>	N/A <sup>(5)</sup>	1,414,221	4.5	N/A <sup>(5)</sup>	N/A <sup>(5)</sup>

**NOTES:**

<sup>(1)</sup> Source: U.S. Census Bureau.

<sup>(2)</sup> Source: U.S. Census Bureau - American Community Survey data estimates.

<sup>(3)</sup> Source: Bureau of Labor Statistics 2023, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.

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

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

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

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

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<b>Landing Fees and Terminal Area Use Charges</b>	<b>2024</b>
Signatory landing fee (rate/1000 lbs) .....	\$ 7.462
Non-signatory landing fee (rate/1000 lbs) .....	\$ 9.327
Signatory joint use fee (base usage/1000 lbs) .....	\$ 3.091
Non-signatory joint use fee (base usage/1000 lbs) .....	\$ 3.864
Signatory joint use fee (per capita/annual) .....	\$ 897,080
Non-signatory joint use fee (per capita/annual) .....	\$ 1,121,350
Signatory terminal rental rate .....	\$ 302.79
Non-signatory terminal rental rate .....	\$ 378.48
Terminal ramp rate .....	\$ 8.08
Signatory FIS fee per deplaned passenger .....	\$ 5.94
Non-signatory FIS fee per deplaned passenger .....	\$ 7.42
Cost per departure rate <sup>(1)</sup> .....	\$ 342.08

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

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

**STATISTICAL DATA  
HISTORICAL DEBT SERVICE COVERAGE <sup>(1) (2)</sup>  
(Dollars in thousands)**

	2019	2020	2021	2022	2023	2024
Debt Service Coverage						
Total Collected Revenues <sup>(3)</sup>	\$ 233,994	\$ 193,201	\$ 208,457	\$ 247,264	\$ 312,380	\$ 330,399
Plus: Other Available Moneys <sup>(4)</sup>	42,014	72,412	81,897	41,911	43,862	42,549
Adjusted Total Revenues	276,008	265,613	290,354	289,175	356,242	372,948
Plus: Revenue Fund Balance on January 1st	17,376	14,970	24,693	24,442	35,256	42,624
Total Revenues Available for O & M Expenses and Debt Service	293,384	280,583	315,047	313,617	391,498	415,572
Less: O & M Expenses <sup>(5)</sup>	(154,549)	(122,894)	(139,956)	(138,909)	(205,260)	(206,349)
Total Revenues Available for Debt Service	\$ 138,835	\$ 157,689	\$ 175,091	\$ 174,708	\$ 186,238	\$ 209,223
First Lien Debt Service <sup>(6) (7)</sup>	\$ 4,508	\$ 4,494	\$ 4,533	\$ 4,541	\$ 7,801	\$ —
Second Lien Debt Service <sup>(6) (7) (8)</sup>	\$ 107,962	\$ 123,181	\$ 126,984	\$ 133,658	\$ 132,252	\$ —
Senior Lien Debt Service						\$ 126,809
Total Debt Service	\$ 112,470	\$ 127,675	\$ 131,517	\$ 138,199	\$ 140,053	\$ 126,809
Aggregate Debt Service Coverage	1.23x	1.24x	1.33x	1.26x	1.33x	1.65x

**Notes:**

- <sup>(1)</sup> Debt service for each year includes the principal and interest paid from January 2 of such year through January 1 of the succeeding year. Totals may not add due to rounding.
- <sup>(2)</sup> Revenues, as defined in the Midway First Lien Master Indenture, has the meaning of Senior Lien Revenues in the Senior Lien Indenture.
- <sup>(3)</sup> Collected Revenues differ from Operating Revenues in the Historical Operating Results table as Collected Revenues include interest earnings and deferred revenues. Beginning in 2022, Operating Revenues in the Historical Operating Results table were lower due to the impact of GASB 87. As a non-cash item, this did not impact Collected Revenues.
- <sup>(4)</sup> Other Available Moneys includes CFC Revenues pledged to pay the 2018A Bonds, PFC Revenues applied to Debt Service, and in 2020 and 2021 COVID Relief Grants.
- <sup>(5)</sup> O&M Expenses exclude the non-cash portion of the City's pension expense which is included in the O&M Expenses in the Historical Operating Results table. In addition, in 2020, 2021, 2022 and 2023, O&M Expenses are net of COVID Relief Grants.
- <sup>(6)</sup> Debt service is net of capitalized interest as applicable.
- <sup>(7)</sup> Debt service on variable rate bonds does not include support costs or miscellaneous expenses, such as letter of credit and remarketing agent fees.
- <sup>(8)</sup> Second Lien Debt service includes debt service on the 2018A Bonds that are secured by a pledge of CFC Revenues as Other Available Moneys. Historically, CFC Revenues have been sufficient to pay all debt service on the 2018A Bonds.

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

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

**SUMMARY OF PFC REVENUES 2019-2024  
(ACCRUAL BASIS)**

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	<u><b>PFC Revenues Collected</b></u>
2019 .....	\$ 36,668,532
2020 .....	13,265,705
2021 * .....	28,267,877
2022 .....	36,566,390
2023 .....	38,516,944
2024 .....	37,200,806

Note:

\* In 2020, the Airport collected PFC revenues of \$13,265,705. However, in that year the Airport also incurred a PFC audit Fee of \$20,813. In compiling the Airport's financial statements, the City applied the fee against the 2020 PFC revenue as shown above to present the net amount of \$13,244,892, rounded to \$13,245 (000s).

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

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