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CHICAGO PUBLIC SCHOOLS

Chicago Board of Education
Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2008

*Prepared by the
Office of School Financial Services*

Richard M. Daley, Mayor, City of Chicago
Rufus Williams, Board President
Arne Duncan, Chief Executive Officer



Board of Education
CITY OF CHICAGO

125 SOUTH CLARK STREET — 6TH FLOOR

Rufus Williams
President

CHICAGO, ILLINOIS 60603
TELEPHONE (773) 553-1600
FAX (773) 553-1601
OFFICE OF THE BOARD

Clare Muñana
Vice President

MEMBERS

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DR. TARIQ BUTT
ALBERTO A. CARRERO, JR.
PEGGY A. DAVIS
ROXANNE WARD

December 10, 2008

Dear Colleagues and Friends,

Chicago Public Schools (CPS) is nationally recognized for being a catalyst of change in both our communities and schools. Our accomplishments are made possible through focused improvements within our core strategy areas of instructional excellence, talent attraction and development and expanded learning opportunities. Since taking on the challenge of raising our scholastic performance, we have seen progress across the city and have become a national model for urban school reform. At the heart of our transformation are innovative programs and dedicated people like you.

Innovative Programs

As we progress along our journey towards academic excellence, we continue to set new standards with ground-breaking programs including a school turnaround strategy paired with a teacher training residency designed to dramatically improve academic achievement and teacher performance. This year, six Chicago Public Schools teachers received the 2008 Golden Apple Award for Teaching Excellence in grades 4 through 8. Eight other Chicago teachers were named Teachers of Distinction. This is the most Golden Apples awarded to CPS teachers since 1996. For students who would be the first in their family to attend college, the influence of teachers makes a significant difference.

We have made strides in ensuring that every student has an individualized path and the support necessary to graduate prepared for the future. To this end, Graduation Pathways was designed to provide specialized prevention, intervention, re-enrollment and credit recovery programs. The Freshman Watchlist tool, accessible through each school's Dashboard, identifies eighth and ninth-graders who are at risk of falling off-track on the path to graduation. By identifying these students early, Graduation Pathways allows teachers and counselors to offer additional supports and targeted efforts to help keep these students on track.

Our efforts are resulting in steady progress within elementary schools. Elementary test scores hit a new high this year, with 65 percent of our students meeting or exceeding state standards — our seventh consecutive year of gains. CPS high school students are gaining ground on their counterparts across Illinois and the nation, both on ACT scores and on taking and passing Advanced Placement classes. These accomplishments are a direct reflection of the on-going partnerships between CPS students, teachers, parents and communities.

Fiscal Management

In general, CPS ended the fiscal year better than budgeted, primarily due to sustainable revenue increases in addition to strategically reduced expenditures. As in past years, CPS instituted strong fiscal discipline and budgeted prudently, to ensure that the limited resources available, both financial and human, were used efficiently to advance the core strategies. At the end of fiscal year 2008, CPS again maintained a strong cash position. In recognition of our strong fiscal management, CPS was awarded bond rating upgrades from both Moody's and Standard & Poor's for the fiscal year 2007-2008.

CPS continues to make improvements to our financial, purchasing, and budgeting systems allowing access to more information and reducing the paperwork burden. In 2008, we created and/or improved special new financial system modules which link program management administered at the school or department level directly to centralized financial systems. The goal is to maximize central oversight and integration and minimize paper work flow tracking.

Challenges CPS faces

CPS faces financial challenges in the year ahead as revenue struggles to keep pace with increasing costs and declining enrollments. In the next few years, pension funding will become a substantial expense for CPS, with expenditures expected to increase significantly each year. And, while state funding has increased in recent years, the state's share of education funding remains among the lowest in the country. This results in an over-reliance on property taxes, inequities in funding among districts, and a per-pupil level of spending for CPS that is much lower than other large urban districts.

With more funding, we can continue to develop programs which support our core strategies in the area of instructional excellence, talent attraction and development and expanded learning options. In partnership with the Chicago Public Education Fund and the Chicago Teachers Union, we are encouraging our teachers to pursue certification, providing support and mentoring for the rigorous certification process. Our goal is to have 1,200 National Board Certified teachers by 2010. As of last year, we had 863 teachers. We would also like to reduce primary grade school classes to less than 28 students, which will allow students to focus on learning the basics and developing good study habits. Within the next four years, we aim to transform many more schools into Community Schools that stay open evenings and weekends to provide both academic and social enrichment activities for students as well as classes for parents and neighborhood residents. High-quality early childhood education is essential to preparing our students for their academic career at CPS. There is still strong demand for early childhood programs. Last year, over 35,000 children participated in early childhood programs, about two-thirds of the eligible population of 50,000. With additional funding, we could expand our capacity to provide all eligible children with quality early childhood education.

While we are proud of our accomplishments to date, additional resources are needed to accelerate our rate of progress and achieve our goal of becoming the premier urban school district in the country. Your ongoing support is needed to ensure we can continue working together toward this common goal of offering our children the high-quality education needed to inspire and transform their lives.

Respectfully Submitted,



Rufus Williams
President
Chicago Board of Education



Arne Duncan
Chief Executive Officer
Chicago Public Schools



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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
2008 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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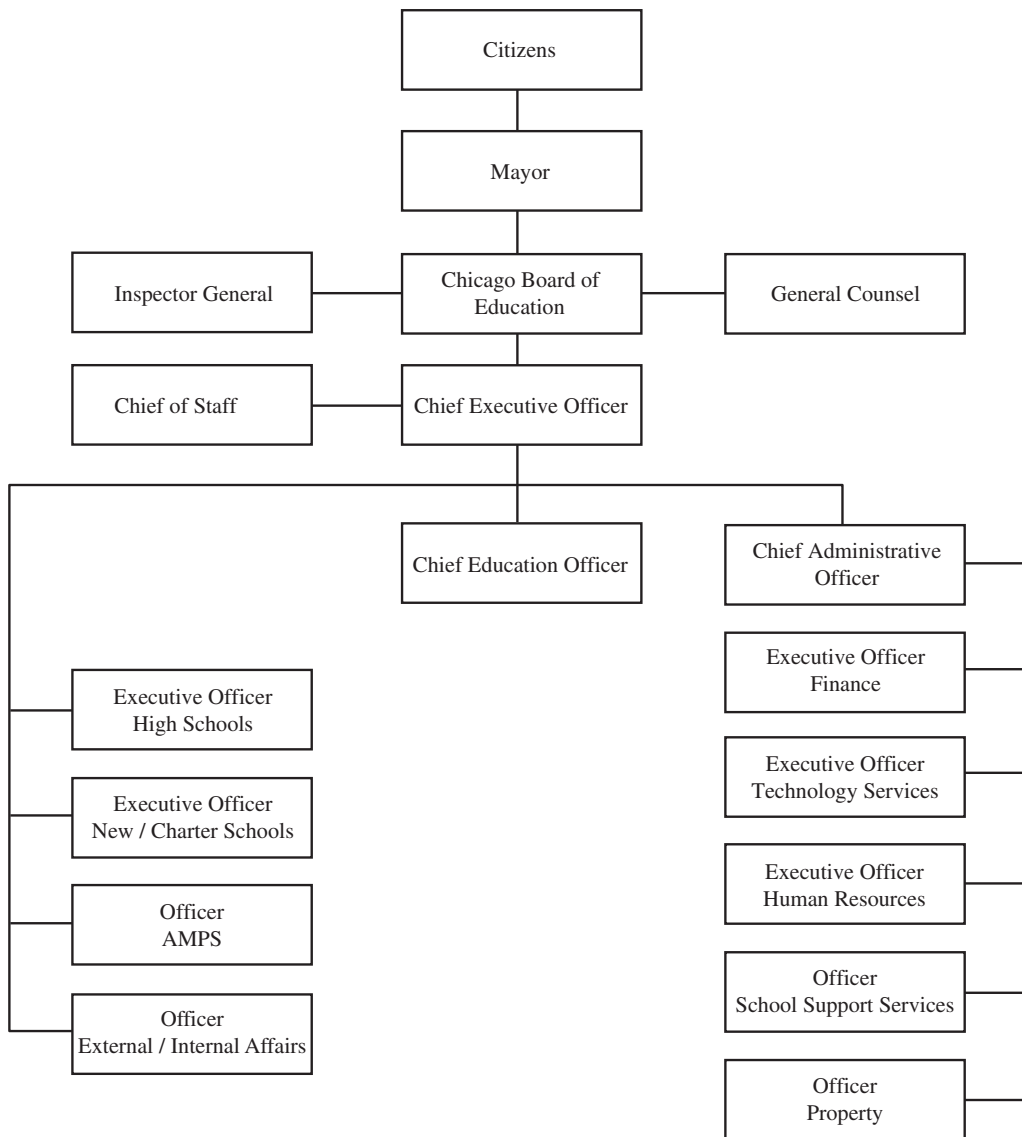
*Introductory Section***CHICAGO PUBLIC SCHOOLS**
Chicago Board of Education

PRINCIPAL OFFICIALS**Mayor of the City of Chicago**
Richard M. Daley**Chicago Board of Education**
Rufus Williams, President
Clare Muñana, Vice President**Members**Norman R. Bobins
Tariq H. Butt, M.D.
Alberto A. Carrero, Jr.
Roxanne Ward
Peggy Davis**Statutory Officers**Arne Duncan, Chief Executive Officer
Barbara J. Eason-Watkins, Ed.D., Chief Education Officer
M. Hill Hammock, Chief Administrative and Chief Operating Officer
Pedro Martinez, Chief Financial Officer
Opal L. Walls, Chief Purchasing Officer
Patrick J. Rocks, General Counsel

Introductory Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
Organizational Chart

The Chicago Public Schools is the third largest school district in the nation. It serves approximately 409,000 students in 627 attendance centers with a staff of over 44,000.



Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Chicago Public Schools
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Egan

Executive Director





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This Certificate of Excellence in Financial Reporting is presented to

CHICAGO PUBLIC SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Board Member Profiles

Rufus Williams, President

Rufus Williams is President of the Chicago Board of Education and also President and Chief Executive Officer of Olympus, LLC, a business management and contract negotiation firm. Prior to founding Olympus, LLC, Mr. Williams worked for 10 years in various positions including Chief Financial Officer and Controller at Harpo Entertainment Group, best known for producing “The Oprah Winfrey Show.” Mr. Williams began his career at Arthur Andersen & Co., where he rose to the level of Experienced Audit Manager. He left after 10 years to take a position as Corporate Audit Manager at Baxter Healthcare Corporation. Mr. Williams has always been personally involved in civic causes and philanthropic projects, especially those with a focus on education. Mr. Williams previously served as Vice Chairman and Treasurer of the Board of Trustees of Providence-St. Mel School. He is past President of the Better Boys Foundation, a social service agency that provides assistance to children and their families, and past Treasurer of the Board of Trustees of Francis W. Parker School, where he is now an Honorary Trustee. Mr. Williams served as President of the Local School Council at Whitney M. Young Magnet High School. He currently serves on the boards of the Chicago Public Education Fund, the Renaissance Schools Fund, the Children First Fund, After School Matters, the Public Building Commission of Chicago and Chicago 2016. Mr. Williams graduated Magna Cum Laude from Southern University in Baton Rouge, Louisiana with a degree in Accounting. He is married with two children.

Clare Muñana, Vice President

Clare Muñana is Vice President of the Board and a public sector, not-for-profit and management consultant operating her own firm. Ms. Muñana has performed numerous domestic and international engagements for public sector and private sector clients. Ms. Muñana holds a Bachelors degree from Boston College, Masters degree in International Economics from the School of Advanced International Studies at The Johns Hopkins University and a Masters in Business (MBA) from the Kellogg Graduate School of Management at Northwestern University. Ms. Muñana also holds a certificate in French Civilization and Language from the Sorbonne. Ms. Muñana serves with the Chicago Public Education Fund, National Museum of Mexican Arts, Chicago Council on Global Affairs, Aspen Institute, Field Museum, Commercial Club of Chicago, Paris/Chicago Sister Cities International Program, Nuestro Futuro Chicago Community Trust, and other not-for-profit organizations.

Norman R. Bobins

Norman R. Bobins is retired chairman of LaSalle Bank Corporation. Mr. Bobins served as a Trustee of the Public School Teachers’ Pension and Retirement Fund of Chicago and was a member of the Public Building Commission of Chicago. Mr. Bobins received a Bachelor of Arts degree from the University of Wisconsin and a Master of Business Administration from the University of Chicago. Mr. Bobins is active in several civic organizations, including chairman of the board of trustees of WTTW Communications, Inc., member of the The Field Museum, The Newberry Library and the Children’s Brain Research Foundation.

Dr. Tariq Butt

Dr. Tariq Butt is a Board Certified Family Physician with teaching appointments at the University of Illinois’ Medical College, Rush University Medical School, and the Faculty with Mt. Sinai Family Residency Program affiliated with the Chicago Medical School. Dr. Butt is Deputy Medical Officer of the Access Community Health Network. As part of his medical practice, Dr. Butt provides a range of medical services to patients on the west side of the city, regardless of their ability to pay. Dr. Butt has served as Chairman of the Mayor’s Asian-American Advisory Council, as well as both the Cook County and State of Illinois’ Asian-American Advisory Councils. Dr. Butt is currently serving on the Board of Directors for the Illinois



Introductory Section

Association of School Boards (IASB), the National School Boards Association (NSBE) — Counsel of Urban Boards of Education (CUBE) Steering Committee, the Otho S.A. Sprague Foundation, the University of Chicago Children’s Hospital Mobile Care Van, and the Consortium to Lower Obesity in Chicago Children (CLOCC). In February 2007, Dr. Butt was appointed as the Chairperson of the Chicago/Lahore International Sister Cities Committee.

Alberto A. Carrero, Jr.

Alberto A. Carrero, Jr. is President of CBSS USA, a firm which provides financial, operational, and business consulting advice and services. Mr. Carrero retired from Banco Popular North America as Senior Vice President at the end of 2008, after a 21-year rewarding career which allowed him to hold a variety of executive positions in several different states in the U.S. Prior to joining Banco Popular, Mr. Carrero worked for the Federal Deposit Insurance Company, (FDIC), in the New York Region. On November 19, 2008 he was reappointed by the Chicago Board of Education as a Trustee of the Chicago Public School Teachers’ Pension Fund. Prior to his appointment to the Chicago Board of Education, he served three years as a member of the City Colleges of Chicago Board of Trustees. He graduated from the University of Puerto Rico with a Bachelor’s Degree in Business Administration and Finance. His affiliations include membership in the National Association of Latino Elected and Appointed Officials (NALEO); Financial Committee Member, Institute of Puerto Rican Art and Culture. Mr. Carrero has been the recipient of numerous awards from a variety of New York and Illinois State and local agencies for Excellence in Business.

Peggy A. Davis

Peggy A. Davis is the Vice President of Diversity and Recruiting at the Exelon Business Services Corporation. Ms. Davis also serves as a Board Trustee to the Public School Teachers’ Pension and Retirement Fund of Chicago. She was a former partner in the government relations and labor and employment practices at Winston & Strawn LLP. She also has extensive experience in the public sector, including her most recent service as chief of staff to the Chicago Public Schools CEO. She served nine years as general counsel to the Metropolitan Pier and Exposition Authority and also worked for the City of Chicago’s law department and the Chicago office of the Equal Employment Opportunity Commission. Ms. Davis received a bachelor’s degree in social welfare from the University of Wisconsin — Milwaukee and a law degree from the University of Wisconsin — Madison.

Roxanne M. Ward

Roxanne M. Ward is Vice President and Corporate Liaison of Ariel Investments, LLC (“Ariel”), a Chicago-based investment management firm founded in 1983. Ms. Ward also is President of the Black Corporate Directors Conference. Prior to joining Ariel, Ms. Ward spent four years working for the Chicago Park District as the First Assistant General Counsel, Board Liaison and Legislative Liaison. Ms. Ward has spent more than 15 years working as a private sector attorney in the Chicago offices of Skadden, Arps, Slate, Meagher and Flom and Mayer, Brown & Platt. Ms. Ward has been actively involved with many civic and community organizations. Ms. Ward served as Co-Chair of the City of Chicago Mayoral Policy Caucus on Prisoner Re-entry and serves on the Board of Directors of WTTW and the Safer Foundation. Ms. Ward is also a former member of the Desegregation Monitoring Commission and of the Boards of the Illinois Facilities Fund and Congo Square Theater Company. Ms. Ward graduated Phi Beta Kappa from the University of Chicago with a Bachelor of Arts degree in Social Service Administration (“SSA”), followed by a Masters of Arts degree in SSA from the University of Chicago. She subsequently obtained her Juris Doctor from Harvard Law School.



Introductory Section

The members of the Board have been appointed to serve terms ending as follows:

<u>Member</u>	<u>Term Expires</u>
Rufus Williams, President	June 30, 2011
Clare Muñana, Vice President	June 30, 2010
Norman R. Bobins	June 30, 2010
Dr. Tariq Butt	June 30, 2011
Alberto A. Carrero, Jr.	June 30, 2010
Peggy A. Davis	June 30, 2011
Roxanne M. Ward	June 30, 2011

At the expiration of the term of each member, the Mayor shall appoint a successor for a four-year term from July 1 of the year in which the term commences. Any vacancy shall be filled by appointment of the Mayor for the unexpired term.

The Board elects annually from its members a president and vice-president in such manner as the Board determines.



Introductory Section

CHICAGO PUBLIC SCHOOLS**Chicago Board of Educations****Central Administration Profiles**

Arne Duncan is the Chief Executive Officer of the Board. On June 26, 2001, Mayor Richard M. Daley named Arne Duncan, Chief Executive Officer of the Chicago Public Schools. Arne Duncan currently serves on the Boards of the Ariel Education Initiative, Chicago Cares, The Children's Center, the Golden Apple Foundation, the Illinois Council Against Handgun Violence, Jobs for America's Graduates, Junior Achievement, the Dean's Advisory Board of the Kellogg School of Management, the National Association of Basketball Coaches' Foundation, Renaissance Schools Fund, Scholarship Chicago and the South Side YMCA. He also serves on the Board of Overseers for Harvard College and the Visiting Committees for Harvard University's Graduate School of Education and the University of Chicago's School of Social Service Administration. He was a fellow in the Leadership Greater Chicago's class of 1995, and a member of the Aspen Institute's Henry Crown Fellowship Program, Class of 2002. In 2004 he was the recipient of the Outstanding Alumni Award, the Family Focus Honor and the Ivy League Alumni Challenge. In 2006, the City Club of Chicago named him Citizen of the Year. In 2007, he received the Niagara Foundation's Education Award, the National Foundation for Teaching Entrepreneurship (NFTE) Enterprising Educator Award and the University High School Distinguished Alumni Award. He also received Honorary Degrees from the Illinois Institute of Technology, Lake Forest College and National-Lewis University.

Arne Duncan graduated magna cum laude from Harvard University in 1987, majoring in sociology. He was co-captain of Harvard's basketball team and was named a first team Academic All-American. From 1987-1991, Mr. Duncan played professional basketball in Australia, where he also worked with children who were wards of the state.

Arne Duncan returned to Chicago in 1992 to direct the Ariel Education Initiative, which seeks to create outstanding educational opportunities for inner-city children on the City's South Side. In 1998, he joined the Chicago Public Schools.

Barbara Eason-Watkins is the Chief Education Officer of the Board. Dr. Eason-Watkins is a nationally recognized school principal from Chicago's Woodlawn community who has spent her entire 29-year professional career in the schools, working with students, teachers and parents. Since 1988, Dr. Eason-Watkins has been principal of McCosh Elementary School in Chicago. A native of Detroit, Michigan, she received a Bachelor's degree in elementary education from the University of Michigan, a Masters degree in educational administration and supervision from Chicago State University, and a Doctorate in education, with a specialty in curriculum and instruction, from Loyola University, Chicago.

M. Hill Hammock is the Chief Administrative Officer and Chief Operating Officer of the Board. Prior to joining the Board, Mr. Hammock served as Vice President, Chief Operating Officer and Board Member of the LaSalle Bank Corporation. Mr. Hammock is the Chair of the Chicago Shakespeare Theater and has served as Chairman of the Chicago Historical Society, the Metropolitan Planning Council, and Leadership Greater Chicago. Mr. Hammock received an M.B.A. in Finance from the University of Chicago's Graduate School of Business and bachelor's degree in applied mathematics from Georgia Tech University.

Pedro Martinez is the Chief Financial Officer of the Chicago Public Schools (CPS). Prior to joining the Chicago Public Schools he was the Director of Finance and Technology at Catholic Charities, a division of the Archdiocese of Chicago. He is a Certified Public Accountant, and was also an Audit Manger at Deloitte & Touche and Price Waterhouse Coopers. He is an LGC Fellow from the class of 2005. He has earned an MBA with honors from DePaul University and holds a B.S. in Accounting from the University of Illinois at Champaign-Urbana. In addition Mr. Martinez serves on the executive boards of several nonprofit organizations including: the YMCA of Metropolitan Chicago, Cristo Rey Jesuit High School, and The Resurrection Project. He also serves as the Finance Project Manager with the Council of Great City Schools,



Introductory Section

leading the development of financial performance measures and benchmarks for 66 of the nation's largest urban public school systems.

Opal L. Walls is the Chief Purchasing Officer of the Board. Ms. Walls previously served as the Board's Deputy Purchasing Officer and Director of Finance and Administration for the Department of Procurement and Contracts. Ms. Walls also served in the capacity of Project Manager for the Controller's Office. Prior to joining the Board, Ms. Walls worked for Allstate Insurance Company in Northbrook, IL and served in the capacity of Benefits Consultant, Pension Analyst, and Senior Portfolio Manager. Ms. Walls holds a BS in Business Administration from Elmhurst College of Illinois.

Patrick J. Rocks is the General Counsel of the Board. He has served in that office since March 1, 2005. Prior to his current appointment, Mr. Rocks served in various offices in the Office of the Corporation Counsel of the City of Chicago from 1987 to 2005. From November 2002 to February 2005, he served as First Assistant Corporation Counsel. From May 1998 to November 2002, he served as Deputy Corporation Counsel for the Employment Litigation Division. From December 1993 to May 1998, he served as Chief Assistant Corporation Counsel in the Labor Division. From July 1987 to December 1993, he served as an Assistant Corporation Counsel in the General Litigation and Labor Divisions. Prior to his service with the City of Chicago, Mr. Rocks served as a judicial clerk and was engaged in private practice. Mr. Rocks received his law degree from the John Marshall Law School in 1985 and his Bachelor's degree from Loyola University of Chicago in 1980.





Educate • Inspire • Transform

Pedro Martinez
Chief Financial Officer

December 10, 2008

Mr. Rufus Williams, President,
Members of the Chicago Board of Education,
And Residents of the City of Chicago:

The Comprehensive Annual Financial Report (CAFR) of the Chicago Public Schools (CPS) for the fiscal year ended June 30, 2008, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position as well as the financial condition of CPS.

The Illinois School Code (105 ILCS 5/34-9) requires the Chicago Public Schools to submit an annual report of the financial records and transactions audited by independent certified public accountants. This document is submitted in fulfillment of this requirement. An audit was also conducted to meet the requirements of the Federal Single Audit Act Amendment of 1996 and related Office of Management and Budget Circular A-133, Audits of State and Local Governments.

The role of the auditors is to audit the basic financial statements to determine if they are free of material misstatements and to assess the accounting principles used. Based on their findings, they express an opinion on the fairness of the statements and disclose any material weaknesses. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with the CPS management.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and statutory reporting, which contains State and Federal compliance reporting information. The introductory section includes this transmittal letter, a list of principal officials, and an organizational chart. The financial section includes the basic financial statements as well as the unqualified opinion of independent public accountants on the basic financial statements. The statistical section contains selected financial and demographic information, generally presented over a multi-year basis. Finally, the statutory reporting section includes the results of the Federal Single audit.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CHICAGO PUBLIC SCHOOLS

The Chicago Public Schools is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the City of Chicago. The Chicago Board of Education is established



Introductory Section

under and governed by the Illinois School Code. The Chicago Board of Education is not a home rule unit of government and operates a system of schools primarily for grades kindergarten through twelve. CPS has no component units, which are legally separate organizations for which the Chicago Public Schools is financially accountable.

The Chicago Public Schools is governed by a seven-member Board of Education that is appointed by the Mayor of the City of Chicago. The Board members elect one member to serve as President of the Board. In addition, pursuant to amendments to the School Code initially enacted in 1988, elected local school councils, composed of parents, teachers, principals, and community representatives, exercise certain powers relating to the operation of individual schools in the Chicago public school system, most notably the selection of principals.

As a large urban school district, our schools and students reflect the broad diversity of our city. Chicago Public Schools operates 627 schools. At the elementary level CPS has gifted centers, magnet schools, middle schools, special schools, and neighborhood schools. Enhanced educational opportunities are provided at the high school level including small schools, vocational schools, general/technical/academic preparatory high schools, magnet programs, and alternative programs for disruptive students and dropouts. As of September 2007, CPS operates 28 charter schools on 56 campuses with more planned to open next year.

Student enrollment in September 2007 was 409,000, declining from 414,000 in 2006. About 84% of our students come from low-income families and over 14% speak English as a second language. CPS employs about 44,000 workers, including about 23,700 teaching positions with an annual operating budget of over \$4.6 billion in FY08.

LOCAL ECONOMIC OUTLOOK

Chicago has been impacted in late 2008 by the slowing economy. The decline of the real estate market has been cited as the driving force behind the national economic downturn. The subprime lending mortgage crisis, record foreclosures and tightening of credit have brought financial distress to a number of sectors including the banking industry, construction and government. The City's property tax collections have remained stable. The City's real estate market, however, slowed as a result of lower sales coupled with decreasing prices caused by the sub-prime lending fall-out.

Chicago remains a center of tourism and conventions with hotel occupancy remaining steady at a rate of 75.5%, with rates increasing by an average of 16% over 2006. Hotel projects completed in 2007 included the Hotel Cass Mag Mile Chicago with 175 rooms and the Trump Tower Chicago Hotel with 286 condo/hotel rooms. Chicago ranked eighth on the list of most popular destinations for overseas visitors in 2007. There was a record 1.17 million foreign visitors in 2007, up from 1.08 million in 2006. Chicago is a world-class destination for business and leisure travel with record numbers of international tourists making the city a premium travel destination in recent years. As an official Candidate City, Chicago was selected as one of four finalists eligible to host the 2016 Olympic and Paralympic Games.

The City's unemployment was 6.4% in October 2008, up from 4.6% in October 2007. The national rate of unemployment in October 2008 was 6.5%. A metro-wide net change of zero payroll jobs is projected in 2008. Since the start of the recession in December 2007, as recently announced by the National Bureau of Economic Research, the number of unemployed persons increased by 2.7 million, and the unemployment rate rose by 1.7 percentage points. Metro Chicago economic expansion will likely stall in the near term, with job losses running 20,000 in 2009 but bouncing back in 2010.

EDUCATION PROGRAMS

Chicago Public Schools' goal is to make every Chicago public school a school of choice. To achieve our goal of transforming neighborhood schools into schools of choice, the Chicago public school system has committed to three core educational strategies. These strategies encompass planning and program



Introductory Section

development in specific areas — teacher excellence and professional development, reading, and creating more learning opportunities.

In addition to the three core strategies, CPS has identified two supporting strategies: performance management and resource alignment. The district has developed five-year goals, school score cards, benchmark assessments, and has implemented new information systems in human resources and payroll and comprehensive student information to make tracking and reporting easier. CPS has made a long-term commitment to improving operational efficiency and cutting costs wherever possible. As long as student instruction is not adversely affected, all operational aspects will be re-examined and alternatives compared and investigated.

- **Advancing Literacy** — CPS' vision is that all its students will function as readers, writers and critical thinkers in a technologically advancing global society. The mission is to provide a framework for high quality literacy instruction at all grade levels. CPS is training an elite corps of reading specialists to ensure that teachers are trained to use books and materials appropriately.
- **Improving Human Capital** — CPS continues ongoing efforts to improve teacher quality by actively recruiting from a diverse group of top universities and streamlining the hiring process. We are seeing more applications than ever for every teacher vacancy, and we are getting increasingly better applicants. We believe that our emphasis on high standards has led us to be more attractive to high-quality candidates, and an earlier hiring timeline has enabled us to make offers to the best as soon as possible. As a result, we reduced teacher vacancies on the first day of school to just 2.5%, a dramatic improvement from last year's 5.1% vacancy rate on the first day of school.

Merit pay for teachers is an initiative that is being evaluated at CPS. The program focuses on additional and ongoing professional development, multiple career paths for teachers, and instructional focus evaluations as well as performance pay. The goal of implementing a Teacher Advancement Program (TAP) in 40 schools by 2010 has been set. In a Fall 2007 report, the National Institute for Excellence in Teaching stated that TAP positively impacts recruiting for open positions. Forty-seven percent of principals say the program makes it easier to hire good teachers. On average, TAP teachers produce higher student achievement growth than non-TAP teachers. TAP schools generally outperform similar non-TAP schools in producing an average year's growth or more in both reading and math achievement.

- **Creating More Learning Opportunities** — In every area of the city, CPS is working to provide a range of educational options at the high school level to raise overall performance and to close minority and gender achievement gaps. Transformation focuses on improving classroom instruction; making school performance across a range of indicators more transparent; bringing greater accountability across the system; and keeping more students in school. To measure success, school report cards are being created to track student achievement, post-secondary outcomes, teacher qualification, and operational efficiency.

CPS continues its major initiative of converting low-enrollment and low-performing elementary and high schools into new schools. Renaissance 2010 schools are a combination of CPS-run, contract and charter schools. The program has three main objectives: to provide 100 high quality schools by 2010, to expand and diversify educational options and to address priority communities. In the fall of 2007, CPS had 40,200 seats available in 79 Renaissance 2010 schools, up from 30,600 in 2006. The final goal is 76,800 seats by 2010.

We are encouraged by the education vision communicated thus far by President Elect Barack Obama. His priorities align with those of CPS: more money for early years education, a target of universal availability of pre-school education, more after-school opportunities, more summer schools for disadvantaged pupils, the recruitment of more math and science graduates into teaching, and better pay for teachers.



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CAPITAL IMPROVEMENT PROGRAM

Since the start of the recent capital program in 1996, nearly every elementary and high school has received some kind of capital improvement. More than \$5.1 billion has already been committed over eleven years to improving CPS schools. Local sources for new revenue are limited, motivating CPS to continue to lobby for additional resources at the State and Federal levels.

Significant accomplishments have been made in each of the three primary goals: reducing overcrowding, achieving a minimum standard of physical condition, and improving educational achievement through educational enhancements.

To date, 31 new schools, 15 replacement schools, 43 additions, 28 annexes, and 2 links have been constructed. In addition, 464 schools have new roofs, 25 schools have new doors, 418 schools have new windows, 382 schools have masonry repairs, 67 state of the art science labs have been installed, 243 Americans with Disabilities Act projects are underway, 216 school renovations, 27 gymnasiums have been renovated, and 342 play lots have been constructed. CPS, in conjunction with the City of Chicago, the Chicago Park District, and the Public Building Commission of Chicago has created 94 campus parks. The accomplishments thus far have significantly improved the quality of our students' learning environment.

FINANCIAL INFORMATION

CPS ended the fiscal year better than budgeted, primarily due to sustainable revenue in addition to carefully controlled expenditures in the General Operating Fund. The year began with uncertain economic conditions, so CPS budgeted prudently and instituted fiscal controls. Using the full accrual basis of accounting, CPS has total net assets of (\$101) million, a decrease of approximately \$215 million from fiscal year 2007. The FY08 comprehensive annual financial report reflects continued strong management practices and strong tax base. As a result, *Moody's Investor Service* and *Standard and Poor's* upgraded the debt ratings for CPS in the fiscal year 2007-2008.

Cash Management: Cash and investments are controlled by the CPS' Treasury Department. However, the Treasurer of the City of Chicago, who is the ex-officio Treasurer of the CPS under the Illinois School Code, maintains custody. Except for cash and investments in escrow or in the Capital Projects Funds and cash held at the school level for student activities, all cash is deposited in bank accounts designated by the City Treasurer for the exclusive use of the CPS.

Chicago Public Schools has an Investment Policy that defines the parameters within which funds can be invested. Investments must comply with the Investment Policy and other applicable laws and regulations. Investment income for the fiscal year 2008 totaled \$86 million compared to \$117 million in fiscal year 2007. (See Note 4 of the Notes to the Basic Financial Statements.)

CPS continues to make improvements to our financial, purchasing, and budgeting systems allowing access to more information and reducing the paperwork burden. In 2008, we created and/or improved special new financial system modules which link program management administered at the school or department level directly to centralized financial systems. The goal is to maximize central oversight and integration and minimize paper work flow tracking. The Fixed Assets module brings the custom tracking and accounting of CPS' assets into the standard, supported Oracle Financials arena. In addition to replacing a custom solution, Assets provides integration with the Procurement cycle and a reduction in work effort for asset maintenance and year-end reporting.

Risk Management: The Bureau of Risk Management & Emergency Planning (RMEP) objectives include preserving the assets of the Chicago Public Schools from the consequences of accidental or other losses that are financially catastrophic and could impair the Board's ability to provide educational and community services. RMEP ensures that risks that are likely to have a significant impact on the achievement of key Board objectives are identified and effectively mitigated. The Board goal of providing safe learning, working and community environments within Chicago Public Schools facilities and programs is



Introductory Section

further realized through the efforts of RMEP. Additional objectives include ensuring business continuity plans and school emergency plans are prioritized and maintained in CPS and that guidelines for insured and self-insured programs are established.

CPS is self-insured for Workers Compensation Claims, Unemployment Compensation, and certain Employee Benefits programs. CPS is self-insured up to \$10 million with excess coverage to \$75 million for general liability, automobile liability, school board legal liability for wrongful acts, and non-owned aircraft liability.

A Schedule of Insurance and Insurance Services is provided in the Statistical Section of this report.

Pension Funding: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund") or the Municipal Employees Annuity and Benefit Fund of Chicago (the "Annuity Fund"). As of June 30, 2007, the funded ratio of the Pension Fund was 80.1% and CPS has recorded an estimated pension liability of \$1.86 billion in the accompanying financial statements, as determined under the Generally Accepted Accounting Principles (GAAP). Because the funded ratio was below 90%, the CPS was required to make a \$131.5 million contribution to the Pension Fund under the statutory requirements during fiscal year 2008.

All career services employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"). As of December 31, 2007, the date of the latest available report, the Annuity Fund had net assets of approximately \$7 billion and an unfunded accrued actuarial liability for all covered employees, including CPS employees, of approximately \$3.3 billion. The CPS employs approximately 18,000 of the 35,000 active participants in the Annuity Fund. The CPS, in the opinion of its legal counsel, has no duty to contribute any sum to the Annuity Fund.

Fund Accounting: The CPS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. (See Notes 1 and 2 of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of fund types and account groups).

Internal Control Structure: The CPS financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of the CPS from loss, theft, or misuse and to ensure that reliable accounting data are available for the timely preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. No material weaknesses were disclosed as a result of the independent audit of CPS' financial statements.

Budgetary Control: Annual budgets are prepared on a basis consistent with Generally Accepted Accounting Principles for the General Operating, Capital Projects and Debt Service Funds. The fiscal year begins on July 1 and ends June 30 with all annual appropriations lapsing at fiscal year-end. Individual school units submit budget requests based on the school improvement plans and approved by the Local School Councils. Administrative units submit budget requests to the Office of Management and Budget, which compiles all requests into a comprehensive budget and submits it to the Board of Education for appropriation.

The appropriated budget is prepared by fund, unit, and account. The legal level of budgetary control is the account level except for school-based discretionary programs. School-based discretionary program expenditures are governed by specific program policies and procedures. Board approval is required for all funding transfers except those described above. In addition, an amended budget is required for increases in total appropriation.



Introductory Section

Budgetary control is maintained by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are reported as reservations of fund balance.

The Capital Projects Funds are budgeted on a project-by-project basis and represent the entire project budget for projects expected to begin in that fiscal year. Debt service funds are established in accordance with requirements of the bondholders.

For the past several years, CPS has sought to insulate our financial position by making use of a general reserve fund to cover unexpected expenses related to capital spending, funding short-falls and unforeseen emergencies. This year, we adopted a new board policy formally requiring the Board to maintain an unreserved, designated fund balance of a minimum of 5% and a maximum of 10% of the operating and debt service budget for the new fiscal year as a stabilization fund in the General Fund at the annual adoption of the budget. The 5% is estimated to be the historical minimum cash requirement to provide sufficient cash flow for stable financial operations.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the City of Chicago for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. CPS has received this award every year since 1996.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are again submitting it to GFOA.

In 2007, Chicago Public Schools submitted a popular annual financial report (PAFR) to GFOA and was awarded the Certificate of Achievement for the eighth year in a row. CPS anticipates preparing this year's popular version to conform with the program requirements and submitting it to the GFOA. This report is shorter, providing summary financial information only and distributed to a broader audience.

Chicago Public Schools also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International for the ninth consecutive year. We have included this award in recognition of the importance of fiscal policies on our ability to educate our students and undertake the new initiatives outlined above.

Acknowledgments: This report could not have been prepared without the dedicated and effective help of the entire financial staff of Corporate Accounting, Treasury, Strategic Planning and Office of Finance. The Chief Executive Office, the Office of the Board, the Office of Management and Budget, Capital Planning and the Department of Research, Assessment, and Analysis also made significant contributions. We wish to express our gratitude and appreciation to them for their dedicated efforts, long hours and professionalism.

Respectfully submitted,



Pedro Martinez
Chief Financial Officer



Daryl J. Okrzesik
Controller





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Independent Auditor's Report**McGladrey & Pullen**

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the City of Chicago
Chicago Public Schools
Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of the Chicago Public Schools (the Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2008, which collectively comprise the CPS' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the CPS' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Chicago Public Schools, as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparison for the General Operating Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 16 to the financial statements, CPS changed its method of accounting for revenue during the year ended June 30, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2008 on our consideration of the CPS' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Independent Auditor's Report

Management's discussion and analysis on pages 21 through 36 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CPS' basic financial statements. The individual fund financial statements and other schedules, listed in the table of contents as individual schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Chicago, Illinois
December 10, 2008





Educate • Inspire • Transform



CHICAGO PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2008

Our discussion and analysis of Chicago Public Schools' (CPS) financial performance provides an overview of the school district's financial activities for the fiscal year ended June 30, 2008. As the intent of this management discussion and analysis is to look at CPS' financial performance as a whole, readers should also review the transmittal letter, financial statements and notes to the basic financial statements to further enhance their understanding of CPS' financial performance.

FINANCIAL HIGHLIGHTS

At fiscal year end, total fund balance was \$1.73 billion in fiscal year 2008, an increase of \$148.3 million. In the General Operating Fund, unreserved funds increased from \$246 million in fiscal year 2007 as restated to \$432 million in 2008, an increase of \$186 million.

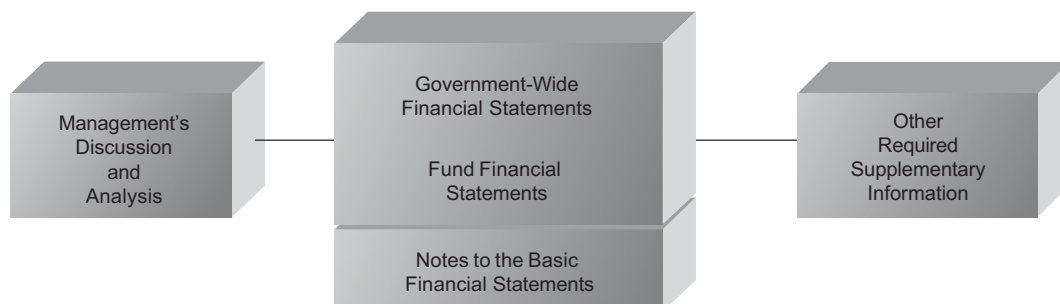
Total General Operating Fund actual revenues less expenditures exceeded budgeted resources less final appropriations by \$300 million.

As a result of the collapse of the variable Auction Rate market in February 2008, CPS issued \$968.4 million in debt offerings in the current fiscal year to restructure its auction rate debt. CPS also terminated six swap agreements in the notional amount of \$965 million, which resulted in a \$20.5 million termination payment to the counterparties.

During the fiscal year, CPS issued \$238.7 million in debt offerings to further fund the Capital Improvement Program.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is comprised of different sections. The following graphic is provided to assist in the understanding of the format and its components:



OVERVIEW OF THE FINANCIAL STATEMENTS

Our Comprehensive Financial Annual Report consists of a series of financial statements and accompanying notes, with the primary focus being on the school district as a whole. Government-wide financial statements including the Statement of Net Assets and the Statement of Activities provide both short-term and long-term information of CPS' financial status. The fund financial statements provide a greater level of detail of how services are financed in the short-term as well as the remaining available resources for future



Financial Section

spending. The accompanying notes provide essential information that is not disclosed on the face of the financial statements and as such are an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business. The Statement of Net Assets and the Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The **Statement of Net Assets** presents information on all of CPS' assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The **Statement of Activities** presents information showing how net assets changed during the fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

Both of the government-wide financial statements distinguish functions of the CPS that are principally supported by taxes and intergovernmental revenues (*governmental activities*).

All of CPS' services are reported in the government-wide financial statements, including instruction, pupil support services, instructional support services, administrative support services, facility support services, and food services. Property taxes, replacement taxes, state aid, and interest and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

Condensed Statement of Net Assets (Millions of dollars)

	Governmental Activities			
	2008	2007	Difference	% Change
Current assets	\$3,989	\$3,848	\$ 141	3.7%
Capital assets, net	4,683	4,488	195	4.3%
Total Assets	<u>\$8,672</u>	<u>\$8,336</u>	<u>\$ 336</u>	4.0%
Current liabilities	\$ 924	\$ 934	\$ (10)	-1.1%
Long-term liabilities	7,849	7,288	561	7.7%
Total Liabilities	<u>\$8,773</u>	<u>\$8,222</u>	<u>\$ 551</u>	6.7%
Net Assets:				
Invested in capital assets net of related debt	\$ 133	\$ 267	\$(134)	-50.2%
Restricted for:				
Debt service	446	414	32	7.7%
Specific purposes	105	131	(26)	-19.8%
Unrestricted	(785)	(698)	(87)	12.5%
Total Net Assets	<u>\$ (101)</u>	<u>\$ 114</u>	<u>\$(215)</u>	-188.6%

- **Total assets** of \$8.7 billion increased due to larger accounts receivable balances, new school construction and other improvement projects as part of the CPS' Capital Improvement Program.



Management's Discussion and Analysis

- **Capital assets**, net of depreciation, increased \$195 million or 4.3% over the prior fiscal year due to the continued progress of the Capital Improvement Program.
- **Long-term debt** increased \$208 million, or 4.3%. The total long-term portion of debt outstanding and capitalized leases was \$4.82 billion in fiscal year 2007 and \$5.04 billion in fiscal year 2008. In fiscal year 2008, CPS issued \$238.7 million in Unlimited Tax General Obligation Bonds to fund the Capital Improvement Program.
- **Accrued pension** increased to \$1.86 billion in fiscal year 2008 from \$1.75 billion in fiscal year 2007, an increase of \$105.9 million, or 6.1%. The year-end balance reflects the increase in the net pension obligation related to the Public School Teachers' Pension and Retirement Fund of Chicago.
- **Other postemployment benefits (OPEB) liability** increased to \$579.8 million in fiscal year 2008 from \$425.1 million in fiscal year 2007, an increase of \$154.7 million, or 36.4%. The year-end balance reflects the increase in net OPEB related to healthcare costs associated with the Public School Teachers' Pension and Retirement Fund of Chicago.
- **Other long-term liabilities** including the current portion increased to \$441.3 million in fiscal year 2008 from \$343.9 million in fiscal year 2007, an increase of \$97.3 million, or 28.3%. The year-end balance reflects increases in accrued sick pay, vacation pay and workers' compensation of \$54.1 million, \$34.5 million and \$11.4 million respectively, and a decrease in tort liabilities of \$2.7 million.
- **CPS' net assets** decreased \$214.5 million to (\$101) million. Of this amount, \$133 million represents CPS' investment in capital assets net of depreciation and related debt. Restricted net assets of \$551 million are reported separately to present legal constraints from debt covenants and enabling legislation. The (\$785) million of unrestricted deficit represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2008.



Financial Section

The following table presents the changes in net assets from fiscal year 2007 to 2008:

Changes in Net Assets
(Millions of dollars)

	Governmental Activities			
	2008	2007	Difference	% Change
Revenues:				
Program Revenues:				
Charges for services	\$ 12	\$ 13	\$ (1)	-7.7%
Operating grants and contributions . . .	946	863	83	9.6%
Capital grants and contributions	129	97	32	33.0%
Total Program Revenues	<u>\$1,087</u>	<u>\$ 973</u>	<u>\$ 114</u>	11.7%
General Revenues:				
Property taxes	\$1,862	\$1,813	\$ 49	2.7%
Replacement taxes	215	201	14	7.0%
State aid	1,756	1,652	104	6.3%
Interest and investment earnings	86	154	(68)	-44.2%
Gain on sale of fixed assets	4	23	(19)	-82.6%
Miscellaneous	45	163	(118)	-72.4%
Total General Revenues	<u>\$3,968</u>	<u>\$4,006</u>	<u>\$ (38)</u>	-0.9%
Total Revenues	<u>\$5,055</u>	<u>\$4,979</u>	<u>\$ 76</u>	1.5%
Expenses:				
Instruction	\$3,138	\$3,097	\$ 41	1.3%
Support services:				
Pupil support services	385	361	24	6.6%
Administrative support services	206	179	27	15.1%
Facilities support services	520	461	59	12.8%
Instructional support services	497	481	16	3.3%
Food services	193	186	7	3.8%
Community services	47	45	2	4.4%
Interest expense	274	220	54	24.5%
Other	10	8	2	25.0%
Total Expenses	<u>\$5,270</u>	<u>\$5,038</u>	<u>\$ 232</u>	4.6%
Change in Net Assets	\$ (215)	\$ (59)	\$(156)	264.4%
Beginning Net Assets	114	173	(59)	-34.1%
Ending Net Assets	<u>\$ (101)</u>	<u>\$ 114</u>	<u>\$(215)</u>	-188.6%

Net Assets decreased to \$(101) million in fiscal year 2008 from \$114 million in fiscal year 2007, a decrease of \$215 million or 188.6%. Even though total revenues increased by \$114 million from fiscal year 2007, our expenditures exceeded our revenues in fiscal year 2008, primarily due to high pension and postemployment costs, which were \$105.9 million and \$154.7 million, respectively.



Capital Assets

At June 30, 2008, the CPS had \$4.7 billion invested in a broad range of capital assets, including land, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$195.6 million or 4.4% over the prior fiscal year (\$000's).

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>% Change</u>
Land	\$ 261,337	\$ 248,713	\$ 12,624	5.1%
Buildings	6,251,840	6,051,231	200,609	3.3%
Construction in progress	467,100	354,531	112,569	31.8%
Equipment	164,057	149,045	15,012	10.1%
Total Capital Assets	<u>\$ 7,144,334</u>	<u>\$ 6,803,520</u>	<u>\$ 340,814</u>	5.0%
Less: Accumulated depreciation	<u>(2,460,786)</u>	<u>(2,315,633)</u>	<u>(145,153)</u>	6.3%
Total Capital Assets, net	<u>\$ 4,683,548</u>	<u>\$ 4,487,887</u>	<u>\$ 195,661</u>	4.4%

Capital assets increased due to the continued progress of the Capital Improvement Program. For more detailed information please refer to Note 6 to the basic financial statements.

Debt and Capitalized Lease Obligations

In August 2005, CPS sold an option to Bank of America N.A. under which CPS would enter into an interest rate swap associated with \$100,000,000 of bonds refunding the Series 1997A bonds upon exercise of option in July 2007 (effective December 2007). In November 2006, CPS also sold an option to Royal Bank of Canada under which CPS would have to enter into an interest rate swap associated with \$162,785,000 of bonds refunding the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007). The intention of entering into the swaps were to effectively economically refund \$262,785,000 of the Series 1997A bonds, avoiding negative arbitrage in advance refunding escrows, while realizing upfront payments of \$18,345,000 and \$24,925,000 to be used for costs of issuance and debt service requirements in fiscal year 2006 and 2007.

In July 2007, the counterparties exercised their swaption options and in September 2007, CPS issued \$262,785,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2007A) and in December 2007, CPS entered into two interest rate swaps associated with the issuance of the Series 2007A auction rate bonds. The proceeds from these bonds were used to refund a portion of Series 1997A bonds. As a result of the issuance, net proceeds along with debt service funds on hand and proceeds related to CPS' swaption agreement totaling \$272,428,076 were used to purchase U.S. Government Securities, which were deposited in a trust with an escrow agent to purchase \$262,785,000 of the 1997A bonds in full on December 1, 2007, and the bonds are considered fully refunded.

In September 2007, CPS issued \$204,635,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2007BC) at a premium of \$10,308,755. The proceeds from these bonds were used to refund a portion of Series 1997 and Series 1997A bonds and to pay costs of issuance of the bonds. As a result of the issuance, net proceeds of \$212,793,437 were used to purchase U.S. Government Securities, which were deposited in a trust with an escrow agent to purchase \$199,225,000 of the Series 1997A bonds and \$6,700,000 of the Series 1997 on December 1, 2007, and the bonds are considered fully refunded.

In December 2007, CPS issued \$238,720,000 in Unlimited Tax General Obligation Bonds (Series 2007D) at a premium of \$13,835,224. The proceeds from these bonds are being used as part of CPS' Capital Improvement Program and to pay costs of issuance of the bonds. As a result of the issuance, CPS recorded net proceeds of \$250,000,000 in the Capital Improvement Fund.

Financial Section

As a result of the collapse of the variable Auction Rate market in February 2008, CPS issued the following refunding bonds to restructure its auction rate debt:

In May 2008, CPS issued \$262,785,000 in Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008A). The proceeds from these bonds were used to refund the Series 2007A bonds. CPS contributed \$9.5 million to pay for costs of issuance and fund debt service. As a result of the issuance, \$262,976,142 was deposited in a trust with an escrow agent to purchase the Series 2007A bonds upon the next remarketing. On May 16, 2008, the bonds were repurchased in full and are considered fully refunded.

In May 2008, CPS issued \$240,975,000 in Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008B). The proceeds from these bonds were used to refund the Series 2003D bonds. CPS contributed \$0.9 million to pay for costs of issuance and fund debt service. As a result of the issuance, \$241,761,730 was deposited in a trust with an escrow agent to purchase the Series 2003D bonds upon the next remarketing. On May 30, 2008, the bonds were repurchased in full and are considered fully refunded.

In May 2008, CPS issued \$464,655,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2008C) at a premium of \$17,082,455. The proceeds from these bonds were used to refund the Series 2003B and Series 2004B bonds. CPS contributed \$4.3 million to the refunded escrow agent and \$2.5 million to pay for cost of issuance and fund debt service. As a result of the issuance, \$484,122,177 was deposited in a trust with an escrow agent to purchase the Series 2003B bonds and the Series 2004B bonds upon the next remarketing. On May 29, 2008, the bonds were repurchased in full and are considered fully refunded.

As of June 30, 2008, the CPS had \$5.12 billion in total debt, including accreted interest, and capitalized lease obligations outstanding versus \$4.89 billion last year, an increase of 4.5%. For more detailed information please refer to Notes 8 through 10 to the basic financial statements.

The Chicago School Finance Authority (SFA) was created in January 1980 to exercise oversight and control over the financial affairs of the CPS. The SFA issued debt to fund construction and provide working capital. The principal amount of the SFA bonds outstanding as of June 30, 2008, net of bonds advance refunded or defeased is \$66.6 million. The SFA bonds are not a direct or contingent obligation of the CPS and the 1995 Amendatory Act suspended the oversight powers of the SFA through the end of 2010. For more detailed information please refer to Note 13 to the basic financial statements.

Pension Funding

Employees of the CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund") or the Municipal Employees Annuity and Benefit Fund of Chicago (the "Annuity Fund").

State statutes determine the CPS' employer-required contribution to the Pension Fund, with the exception of federal funds. As of June 30, 2007, the funded ratio of the Pension Fund was 80.1% and the CPS has recorded an estimated pension liability of \$1.86 billion in the accompanying financial statements, as determined under generally accepted accounting principles. Because the funded ratio was below 90%, the CPS was required to make a \$131.5 million contribution to the Pension Fund under the statutory requirements during fiscal year 2008.

All career service employees of the CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"). Covered employees are required by State statute to contribute 8.5% of their salary. In fiscal year 2008, as in previous fiscal years, the CPS paid a portion, 7%, or \$35.7 million of the required employees' contribution for most employees. For more detailed information please refer to the Note 12 to the basic financial statements.



OVERVIEW OF FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CPS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All CPS funds are reported in the governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year for spending in future years. Such information may be useful in evaluating a government's near-term financing requirements.

These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can be readily converted to cash. These statements provide a detailed short-term view of the school district's operations and the services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The CPS' fund financial statements provide detailed information about the most significant funds — not the CPS as a whole. The CPS' governmental funds use the following accounting approach. All of the CPS' services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the CPS' operations and the services it provides.

CPS maintains three significant governmental funds: General Operating, Capital Projects, and Debt Service. The following schedules present a summary of the general operating fund, capital projects fund and debt service fund revenues and other financing sources by type and expenditures by program for the period ended June 30, 2008 as compared to June 30, 2007. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.

During fiscal year 2008, CPS changed its revenue recognition policy for non-exchange transactions such as State aid, Federal aid, and replacement taxes to consider these revenues susceptible to accrual from 90 days to 30 days. The change resulted in a fund balance restatement decreasing the beginning fund balance by \$159.5 million. This change is consistent with CPS' current revenue recognition policy for property taxes. For more detailed information please refer to the Note 16 to the basic financial statements.



Financial Section
**Total Revenues, Other Financing Sources and Expenditures
(Millions of Dollars)**

	2008 Amount	2007 Amount (as restated)	2008 Percent Of Total	Increase (Decrease) From 2007	Percent Increase (Decrease) from 2007
Revenues:					
Property taxes	\$1,814	\$1,768	34.4%	\$ 46	2.6%
Replacement taxes	215	201	4.1%	14	7.0%
State aid	1,846	1,680	35.1%	166	9.9%
Federal aid	876	720	16.6%	156	21.7%
Investment income	86	117	1.6%	(31)	-26.5%
Other	181	286	3.4%	(105)	-36.7%
Subtotal	<u>\$5,018</u>	<u>\$4,772</u>	95.3%	\$ 246	5.2%
Other financing sources	248	396	4.7%	(148)	-37.4%
Total	<u>\$5,266</u>	<u>\$5,168</u>	100.0%	<u>\$ 98</u>	1.9%
Expenditures:					
Instruction	\$2,575	\$2,492	50.3%	\$ 83	3.3%
Pupil support services	362	349	7.1%	13	3.7%
General support services	987	914	19.3%	73	8.0%
Food services	182	180	3.6%	2	1.1%
Community services	45	45	0.9%	—	0.0%
Teachers' pension	207	156	4.0%	51	32.7%
Capital outlay	467	346	9.1%	121	35.0%
Debt service	282	342	5.5%	(60)	-17.5%
Other	11	8	0.2%	3	37.5%
Total	<u>\$5,118</u>	<u>\$4,832</u>	100.0%	<u>\$ 286</u>	5.9%
Change in Fund Balance	<u>\$ 148</u>	<u>\$ 336</u>			



General Operating Fund

The general operating fund reflects all daily operational transactions. Following is a discussion and analysis of significant revenue and expenditure trends:

Revenues:

**Revenues and Other Financing Sources
(Millions of Dollars)**

	2008 Amount	2007 Amount (as restated)	2008 Percent of Total	Increase (Decrease) From 2007	Percent Increase (Decrease) from 2007
Property taxes	\$1,763	\$1,716	38.4%	\$ 47	2.7%
Replacement taxes	159	147	3.5%	12	8.2%
State aid	1,692	1,528	36.9%	164	10.7%
Federal aid	833	686	18.1%	147	21.4%
Investment income	41	62	0.9%	(21)	-33.9%
Other	97	96	2.1%	1	1.0%
Subtotal	\$4,585	\$4,235	99.9%	\$350	8.3%
Other financing sources	4	2	0.1%	2	100.0%
Total	<u>\$4,589</u>	<u>\$4,237</u>	<u>100.0%</u>	<u>\$352</u>	8.3%

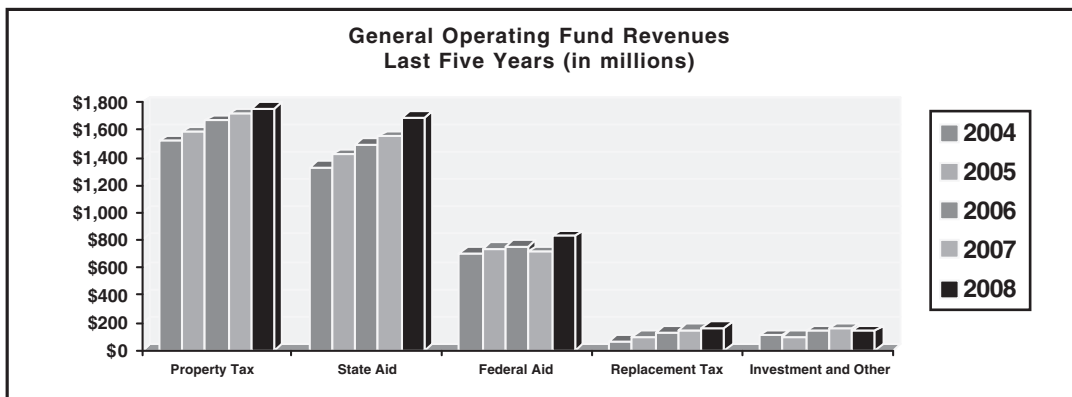
Property taxes increased by \$47 million from fiscal year 2007 due to increases in tax levies of 3.4% and new construction.

Personal property replacement taxes increased \$12 million from fiscal year 2007, as a result of higher corporate profits.

State aid increased by \$164 million due to a \$400 per pupil increase in foundation level, up to \$5,734 per student.

Federal aid increased \$147 million due to increased spending on E-rate maintenance projects and the change in the revenue recognition policy for non-exchange transactions.

Investment income decreased \$21 million from fiscal year 2007, due to lower interest rates.



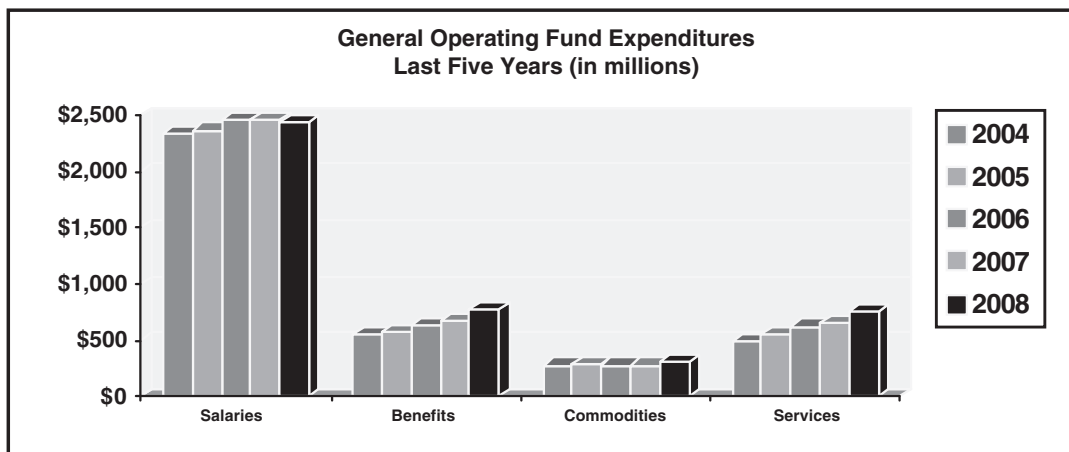
Financial Section

**Expenditures:
(Millions of Dollars)**

	<u>2008 Amount</u>	<u>2007 Amount (as restated)</u>	<u>2008 Percent Of Total</u>	<u>Increase (Decrease) From 2007</u>	<u>Percent Increase (Decrease) from 2007</u>
Salaries	\$2,445	\$2,459	55.6%	\$ (14)	-0.6%
Benefits	767	675	17.5%	92	13.6%
Services	748	650	17.0%	98	15.1%
Commodities	307	274	7.0%	33	12.0%
Other	128	88	2.9%	40	45.5%
Total	<u>\$4,395</u>	<u>\$4,146</u>	<u>100.0%</u>	<u>\$249</u>	6.0%

Total expenditures increased by \$249 million, primarily due to the increase in:

- Salaries decreased by \$14 million primarily due to the high number of teachers that retired in June 2007 and were replaced by teachers at lower salaries, an increase of charter schools and declining student enrollment.
- Benefit charges increased by \$92 million mainly due to an increase in teacher's and career service pension costs of \$74.4 million, hospitalization costs of \$9.6 million and an increase in workers' compensation costs of \$5.1 million.
- Services increased by \$98 million primarily due to an increase in payments to Charter schools of \$48 million and an increase in professional services of \$38 million.
- Commodities increased by \$33 million primarily due to an increase in textbooks of \$24 million and an increase in energy costs of \$9 million due to rising fuel costs.
- Other expenditures increased by \$40 million, because during fiscal year 2008 CPS terminated six swap agreements which resulted in a termination payment made to the counterparties of \$20.5 million and also an increase in repairs and equipment of \$20 million.



Capital Projects Fund

The capital projects fund reflects the revenues and expenditures for CPS' capital projects.

**Revenues and Other Financing Sources
(Millions of Dollars)**

	2008 Amount	2007 Amount (as restated)	2008 Percent Of Total	Increase (Decrease) From 2007	Percent Increase (Decrease) from 2007
State aid	\$ —	\$ 18	0.0%	\$ (18)	100.0%
Federal aid	43	34	11.0%	9	26.5%
Investment income	26	35	6.7%	(9)	-25.7%
Other	61	37	15.7%	24	64.9%
Subtotal	\$130	\$124	33.4%	\$ 6	4.8%
Other financing sources	259	396	66.6%	(137)	-34.6%
Total	<u>\$389</u>	<u>\$520</u>	<u>100.0%</u>	<u>\$(131)</u>	<u>-25.2%</u>

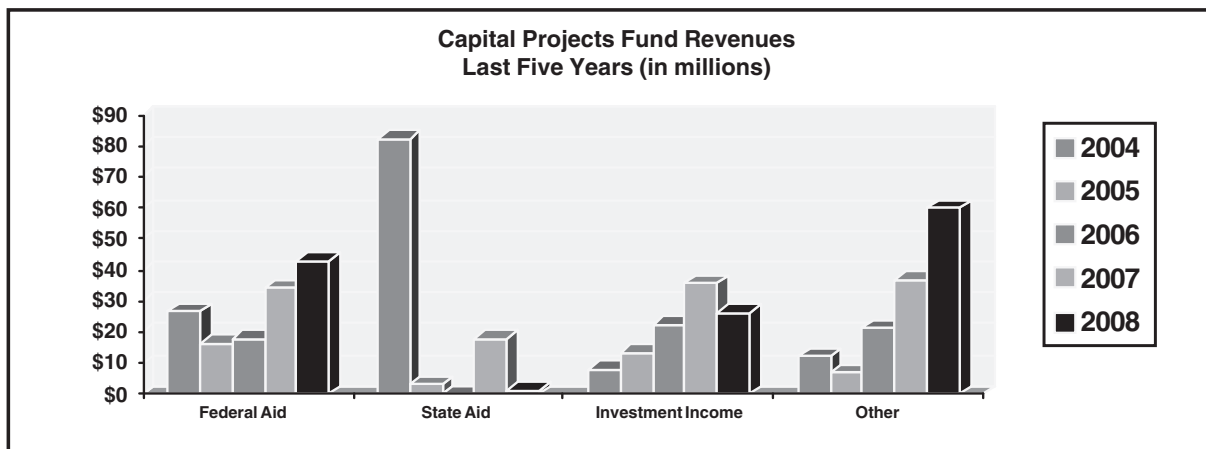
State aid was not allocated to the Capital Projects Fund during fiscal year 2008.

Federal aid increased \$9 million due to an increase in E-rate capital projects.

Investment income decreased \$9 million from fiscal year 2007, due to lower interest rates.

Other income increased \$24 million from fiscal year 2007, due to the fact that the City of Chicago continues to provide financial resources to CPS as part of the Modern Schools across Chicago Program, these funds are used to finance the construction and improvement of elementary and high schools that are part of CPS' school system.

Other financing sources decreased \$137 million from fiscal year 2007, because CPS issued only \$238.7 million in debt offerings to fund the Capital Improvement Program in the current year which is significantly lower than the \$355.8 million issued during fiscal year 2007.

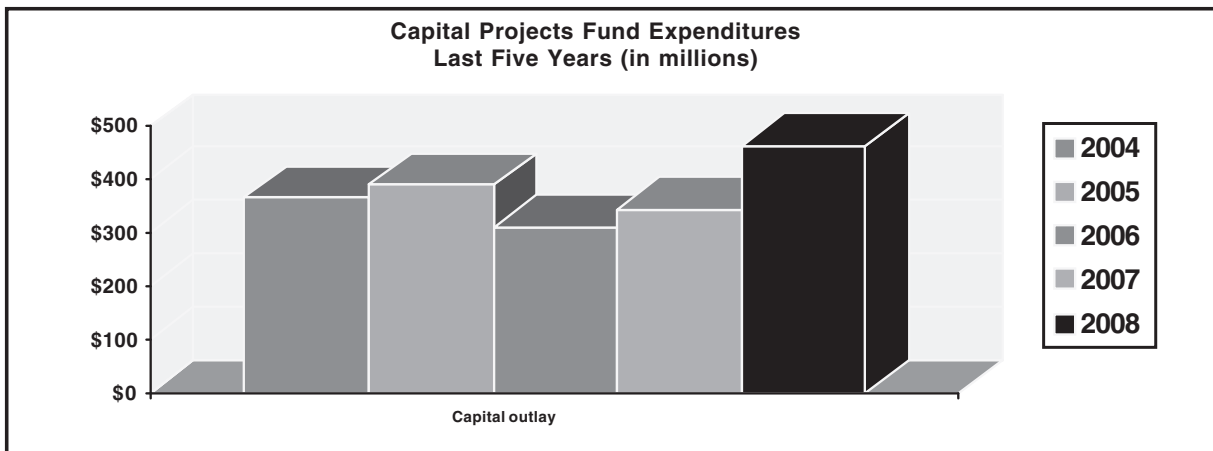


Financial Section

Expenditures:
(Millions of Dollars)

	<u>2008 Amount</u>	<u>2007 Amount (as restated)</u>	<u>Increase (Decrease) From 2007</u>	<u>Percent Increase (Decrease) from 2007</u>
Capital Outlay.....	\$463	\$345	\$118	34.2%

Capital Outlay increased by \$118 million due to the continuation of the Capital Improvement Program.



Debt Service Fund

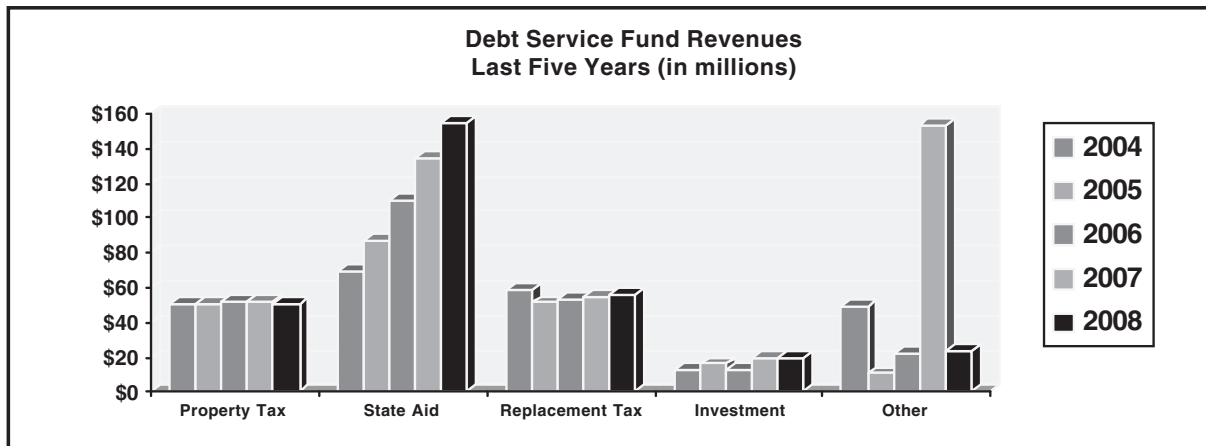
The debt service fund reflects the property tax revenues and other revenues that are used for the payment of principal and interest and redemption for general obligation bonds and for lease payment to the Public Building Commission.

**Revenues and Other Financing Sources
(Millions of Dollars)**

	2008 Amount	2007 Amount	2008 Percent Of Total	Increase (Decrease) From 2007	Percent Increase (Decrease) from 2007
Property taxes	\$ 50	\$ 51	17.4%	\$ (1)	-2.0%
Replacement taxes	56	54	19.4%	2	3.7%
State aid	154	134	53.5%	20	14.9%
Investment income	19	19	6.6%	—	0.0%
Other	<u>24</u>	<u>154</u>	<u>8.3%</u>	<u>(130)</u>	-84.4%
Subtotal	\$303	\$412	105.2%	\$(109)	-26.5%
Other financing sources (uses)	<u>(15)</u>	<u>(2)</u>	<u>-5.2%</u>	<u>(13)</u>	650.0%
Total	<u>\$288</u>	<u>\$410</u>	<u>100.0%</u>	<u>\$(122)</u>	-29.8%

State aid increased by \$20 million to provide debt service for new general obligation bonds.

Other income decreased \$130 million from fiscal year 2007, because the prior year balance included proceeds from the City of Chicago's general obligation bonds Series A-K (Modern School Across Chicago); these proceeds were used to defease CPS' general obligation bonds, Series 2004F, Series 2004H and Series 2005C.

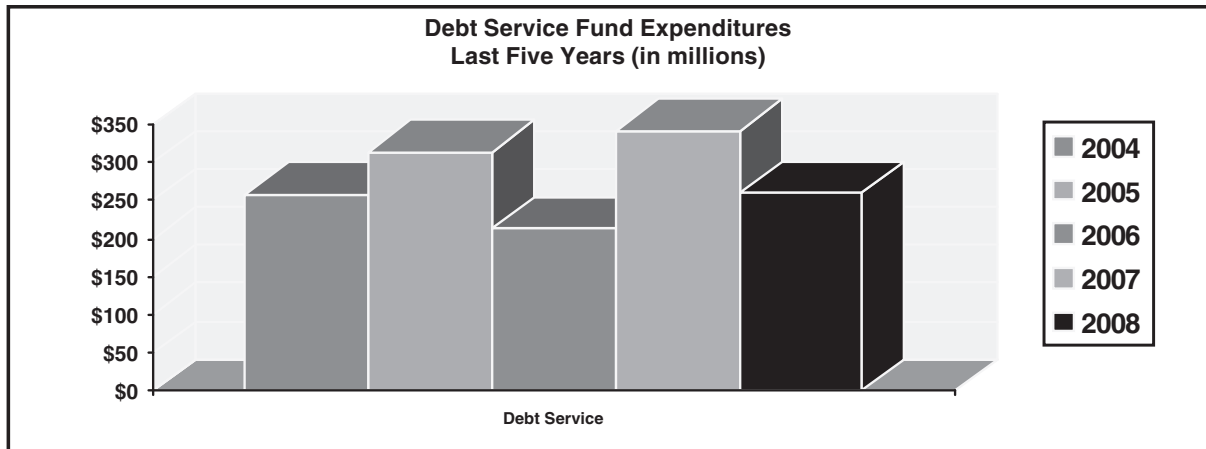


Financial Section

Expenditures:
(Millions of Dollars)

	<u>2008 Amount</u>	<u>2007 Amount (as restated)</u>	<u>Increase (Decrease) From 2007</u>	<u>Percent Increase (Decrease) from 2007</u>
Debt service	\$260	\$341	\$(81)	-23.8%

Debt Service decreased by \$81 million because the 2007 balance included the defeasance of CPS' bond series 2004F, 2004H and 2005C with funds provided by the City of Chicago.



Notes to Basic Financial Statements

The Notes to Basic Financial Statements follow the statements in the report and complement the financial statements by describing qualifying factors and changes throughout the fiscal year.



BUDGETARY HIGHLIGHTS

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Operating, Capital Projects Fund and Debt Service funds. All annual unencumbered appropriations lapse at fiscal year-end.

The budget is prepared by fund, account, and unit. Certain funding allocations (primarily Federal and State programs, including Supplementary General State Aid) are made to schools but are not budgeted by account by the schools at the time the budget is adopted. These allocations are included in Other Fixed Charges for budget purposes. During the fiscal year, upon receiving the appropriate approvals from regional offices and the Office of Management and Budget, transfers are made to the appropriate accounts. These transfers are reflected in the schedule shown below. During fiscal year 2008 there were no amendments to the original budget.

The following schedule also presents a summary of the general operating fund revenues and other financing sources by type and expenditures for the period ended June 30, 2008 compared to the final budget as of June 30, 2008.

**Revenues, Other Financing Sources and Expenditures
General Operating Fund
Budget to Actual Comparison
(Millions of Dollars)**

	<u>FY 2008 Approved Budget</u>	<u>Transfers In/(Out)</u>	<u>Final Appropriations</u>	<u>FY 2008 Actual</u>	<u>Variance</u>
Revenues:					
Property taxes	\$1,771	\$ —	\$1,771	\$1,763	\$ (8)
Replacement taxes	146	—	146	160	14
State aid	1,653	—	1,653	1,692	39
Federal aid	862	—	862	833	(29)
Investment income	37	—	37	41	4
Other	70	—	70	97	27
Subtotal	<u>\$4,539</u>	<u>\$ —</u>	<u>\$4,539</u>	<u>\$4,586</u>	<u>\$ 47</u>
Other financing sources	—	—	—	4	4
Total	<u>\$4,539</u>	<u>\$ —</u>	<u>\$4,539</u>	<u>\$4,590</u>	<u>\$ 51</u>
Expenditures:					
Salaries	\$2,574	\$ 38	\$2,612	\$2,445	\$(167)
Benefits	832	(50)	782	767	(15)
Services	655	114	769	748	(21)
Commodities	317	5	322	307	(15)
Other fixed charges	270	(107)	163	128	(35)
Total	<u>\$4,648</u>	<u>\$ —</u>	<u>\$4,648</u>	<u>\$4,395</u>	<u>\$(253)</u>
Change in Fund Balance	<u>\$ (109)</u>			<u>\$ 195</u>	



Financial Section

Actual General Operating Fund revenues were \$47 million higher than the budgeted amount. The variance is primarily due to:

- Replacement tax revenue is \$14 million over budget due to higher corporate profits.
- State aid is \$39 million higher than budget due to timing of state aid payments.
- Federal aid is \$29 million lower than budget due to aggressive budgeting of federal revenues based on potential grant awards.
- Other income is \$27 million higher than budget due to Education Support Personnel (ESP) On-behalf pension payments and higher private grants.

Actual General Operating Fund expenditures were \$253 million under budget. The variance is primarily due to:

- Salaries expenditure was under budget by \$167 million due to teacher's salaries, which were under budget by \$150 million and career service salaries which were also under budget by \$17 million.
- Benefit charges expenditure was under budget by \$15 million due to unemployment compensation costs and workers' compensation costs which were under budget by \$10 million and \$4.8 million respectively.
- Services expenditure was under budget by \$21 million due to lower spending for professional services.
- Commodities expenditure was under budget by \$15 million due to reduced spending on food and supplies of \$4.8 million and \$9.7 million, respectively.
- Other Fixed charges expenditure was under budget by \$35 million due to less spending in contingency projects and general liability insurance.

In August 2007, the Board adopted a balanced budget for fiscal year 2008 that reflected total resources, including \$109 million of available fund balances, and appropriations of \$4.65 billion for the General Operating Fund.

In August 2008, the Board adopted a balanced budget for fiscal year 2009 that reflected total resources, including \$145.2 million of available fund balances, and appropriations of \$4.85 billion for the General Operating Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the CPS' finances and to show the CPS' accountability for the money it receives. Additional details can be requested by mail at the following address:

The Chicago Public Schools
Office of the Controller
125 South Clark Street, 14th Floor
Chicago, Illinois, 60603

Or visit our website at: <http://www.cps.edu> for a complete copy of this report and other financial information.

(Please note that some amounts may not tie to the financial statements due to rounding.)





Educate • Inspire • Transform



Financial Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF NET ASSETS

June 30, 2008

(Thousands of Dollars)

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash and investments	\$1,117,433
Cash and investments in escrow	969,166
Cash and investments held in school internal accounts	30,167
Property taxes receivable, net of allowance	1,009,746
Other receivables:	
Replacement taxes	32,511
State aid, net of allowance	515,087
Federal aid	223,988
Other	57,983
Other assets	32,516
Total Current Assets:	<u>\$3,988,597</u>
Non-current Assets:	
Land and construction in progress	728,437
Buildings, building improvements and equipment, net of accumulated depreciation ..	3,955,111
Total Assets	<u><u>\$8,672,145</u></u>
LIABILITIES:	
Current Liabilities:	
Accounts payable	\$ 284,650
Accrued payroll and benefits	495,167
Amount held for student activities	30,167
Other accrued liabilities	10,932
Deferred revenue	898
Interest payable	23,481
Current portion of long-term debt and capitalized lease obligations	79,035
Total Current Liabilities:	<u>\$ 924,330</u>
Long-term liabilities:	
Debt, net of premiums and discounts	4,647,901
Capitalized lease obligations	388,835
Pension	1,857,347
Other postemployment benefits	579,803
Other benefits and claims	374,888
Total Liabilities	<u><u>\$8,773,104</u></u>
NET ASSETS:	
Invested in capital assets, net of related debt	\$ 133,440
Restricted:	
Debt service	445,782
Donations	1,826
Enabling legislation	102,695
Unrestricted	(784,702)
Total Net Assets	<u><u>\$ (100,959)</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008
(Thousands of Dollars)

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	
FUNCTIONS/PROGRAMS					
<i>Governmental activities:</i>					
Instruction	\$3,138,036	\$ 3,940	\$505,529	\$ 82,158	\$(2,546,409)
Support services:					
Pupil support services	384,765	—	28,365	11,560	(344,840)
Administrative support services	205,693	—	70,778	6,180	(128,735)
Facilities support services	519,982	—	13,753	12,302	(493,927)
Instructional support services	496,708	—	138,902	13,004	(344,802)
Food services	193,614	8,537	156,956	2,690	(25,431)
Community services	46,779	—	31,440	676	(14,663)
Interest expense	274,356	—	—	—	(274,356)
Other	<u>10,652</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(10,652)</u>
Total Governmental Activities	<u>\$5,270,585</u>	<u>\$12,477</u>	<u>\$945,723</u>	<u>\$128,570</u>	<u>\$(4,183,815)</u>
General Revenues:					
Taxes:					
Property taxes					\$1,861,781
Replacement taxes					215,489
Non-program State aid					1,756,386
Interest and investment earnings					85,896
Gain on sale of fixed assets					4,369
Miscellaneous					<u>45,386</u>
Total General Revenues					<u>\$3,969,307</u>
Change in net assets					\$ (214,508)
Net assets — beginning					113,549
Net assets — ending					<u>\$ (100,959)</u>

FINANCIAL SECTION

The accompanying notes to the basic financial statements are an integral part of this statement.

Financial Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS

June 30, 2008

(Thousands of Dollars)

	<u>General Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
ASSETS:				
Cash and investments	\$1,020,304	\$ —	\$ 97,129	\$1,117,433
Cash and investments in escrow	6,180	622,887	340,099	969,166
Cash and investments held in school internal accounts	30,167	—	—	30,167
Receivables:				
Property taxes, net of allowance	982,212	—	27,534	1,009,746
Replacement taxes	30,934	—	1,577	32,511
State aid, net of allowance	515,087	—	—	515,087
Federal aid	222,067	1,921	—	223,988
Other	8,405	46,135	3,443	57,983
Due from other funds	66,376	39,827	22,014	128,217
Other assets	5,098	—	—	5,098
Total Assets	<u>\$2,886,830</u>	<u>\$710,770</u>	<u>\$491,796</u>	<u>\$4,089,396</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 248,703	\$ 22,654	\$ 13,293	\$ 284,650
Accrued payroll and benefits	428,753	—	—	428,753
Amount held for student activities	30,167	—	—	30,167
Due to other funds	61,841	66,376	—	128,217
Deferred property tax revenue	981,991	—	27,543	1,009,534
Other deferred revenue	465,779	15,637	—	481,416
Total Liabilities	<u>\$2,217,234</u>	<u>\$104,667</u>	<u>\$ 40,836</u>	<u>\$2,362,737</u>
FUND BALANCES:				
Reserved:				
Reserved for encumbrances	\$ 132,684	\$268,597	\$ —	\$ 401,281
Reserved for restricted donations	1,826	—	—	1,826
Reserved for specific purposes	102,695	—	—	102,695
Reserved for debt service	—	—	272,471	272,471
Unreserved:				
Designated to provide operating capital	258,000	—	—	258,000
Undesignated	174,391	337,506	178,489	690,386
Total Fund Balances	<u>\$ 669,596</u>	<u>\$606,103</u>	<u>\$450,960</u>	<u>\$1,726,659</u>
Total Liabilities and Fund Balances	<u>\$2,886,830</u>	<u>\$710,770</u>	<u>\$491,796</u>	<u>\$4,089,396</u>

The accompanying notes to the basic financial statements are an integral part of this statement.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

June 30, 2008

(Thousands of Dollars)

Total fund balances — governmental funds	\$ 1,726,659
Prepaid assets and deferred charges are recorded as expenditures in governmental funds. The Statement of Net Assets includes these amounts as other assets.	
Deferred charges — bond issuance costs	27,418
The cost of capital assets (land, buildings and improvements and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Assets includes those capital assets among the assets of the CPS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds.	
Cost of capital assets	7,144,334
Accumulated depreciation	(2,460,786)
Liabilities applicable to the CPS' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest payable on debt and other long-term obligations is not recorded in the governmental funds but they are reported in the Statement of Net Assets. All liabilities, both current and long-term, are reported in the Statement of Net Assets.	
Other accrued liabilities	\$ (10,932)
Debt, net of premiums and discounts	(4,701,456)
Capitalized lease obligations	(414,315)
Pension	(1,857,347)
Other postemployment benefits	(579,803)
Other benefits and claims	<u>(441,302)</u>
	(8,005,155)
Interest payable	(23,481)
Revenues that have been deferred or unearned in the governmental funds because they are not available but are recognized as revenue in the government-wide financial statements.	
Deferred property tax revenue	1,009,534
Other deferred revenue	<u>480,518</u>
Net Assets	<u><u>\$ (100,959)</u></u>

FINANCIAL SECTION

The accompanying notes to the basic financial statements are an integral part of this statement.

Financial Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN
FUND BALANCES — GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of Dollars)

	<u>General Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Fiscal Year Ended June 30, 2008</u>	<u>Total Fiscal Year Ended June 30, 2007 (as restated)</u>
REVENUES:					
Property taxes	\$1,763,282	\$ —	\$ 50,635	\$ 1,813,917	\$1,767,760
Replacement taxes	159,805	—	55,684	215,489	201,509
State aid	1,692,351	58	153,625	1,846,034	1,680,506
Federal aid	832,526	43,515	—	876,041	719,818
Interest and investment income	40,905	25,970	19,020	85,895	116,907
Other	96,816	60,457	23,755	181,028	286,139
Total Revenues	<u>\$4,585,685</u>	<u>\$ 130,000</u>	<u>\$ 302,719</u>	<u>\$ 5,018,404</u>	<u>\$4,772,639</u>
EXPENDITURES:					
Instruction	\$2,575,124	\$ —	\$ —	\$ 2,575,124	\$2,491,653
Pupil support services	362,325	—	—	362,325	349,324
Administration support services	193,696	—	—	193,696	173,283
Facilities support services	385,601	—	—	385,601	353,410
Instructional support services	407,608	—	—	407,608	387,424
Food services	181,778	—	—	181,778	179,902
Community services	45,708	—	—	45,708	45,467
Teacher's pension and retirement benefits	206,651	—	—	206,651	155,563
Capital outlay	3,838	463,057	—	466,895	345,963
Debt service	21,704	—	260,438	282,142	342,179
Other	10,652	—	—	10,652	8,126
Total Expenditures	<u>\$4,394,685</u>	<u>\$ 463,057</u>	<u>\$ 260,438</u>	<u>\$ 5,118,180</u>	<u>\$4,832,294</u>
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES	<u>\$ 191,000</u>	<u>\$(333,057)</u>	<u>\$ 42,281</u>	<u>\$ (99,776)</u>	<u>\$ (59,655)</u>
OTHER FINANCING SOURCES (USES):					
Gross amounts from debt issuances	\$ —	\$ 238,720	\$ 1,435,835	\$ 1,674,555	\$ 355,805
Premiums	—	13,835	27,391	41,226	14,444
Sales of general capital assets	—	6,404	—	6,404	25,673
Payment to refunded bond escrow agent	—	—	(1,474,081)	(1,474,081)	—
Transfers in/(out)	3,813	—	(3,813)	—	—
Total other financing sources (uses)	<u>\$ 3,813</u>	<u>\$ 258,959</u>	<u>\$ (14,668)</u>	<u>\$ 248,104</u>	<u>\$ 395,922</u>
NET CHANGE IN FUND BALANCES	<u>\$ 194,813</u>	<u>\$ (74,098)</u>	<u>\$ 27,613</u>	<u>\$ 148,328</u>	<u>\$ 336,267</u>
Fund Balances, beginning of period as restated (Note 16)	474,783	680,201	423,347	1,578,331	1,242,064
Fund Balances, end of period	<u>\$ 669,596</u>	<u>\$ 606,103</u>	<u>\$ 450,960</u>	<u>\$ 1,726,659</u>	<u>\$1,578,331</u>

The accompanying notes to the basic financial statements are an integral part of this statement.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2008
(Thousands of Dollars)

Total net change in fund balances — governmental funds	\$ 148,328
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed the depreciation in the period.	
Capital outlay/equipment	\$ 368,866
Depreciation expense	<u>(171,127)</u>
	197,739
Proceeds from sales of bonds are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Assets	(1,674,555)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities	1,516,152
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental fund because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest cost is recognized as the interest accrues, regardless of when it is due	(63,450)
Government funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	(11,673)
Since some property taxes and grants will not be collected for several months after the CPS' fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenues. They are, however, recorded as revenues in the Statement of Activities	
Property taxes	47,865
Grants	(14,905)
In the Statement of Activities, legal settlements, sick pay, vacation pay, workers' compensation, general and automobile insurance, net pension obligation and other postemployment benefits are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid.	
Legal settlements	2,750
Sick pay	(54,161)
Vacation pay	(34,531)
Workers' compensation	(11,404)
General and automobile liability	35
Net pension obligation	(105,920)
Other postemployment benefits	(154,699)
In the Statement of Activities, only gains on the disposal of capital assets are reported, whereas in the government funds, the entire proceeds are recorded	<u>(2,079)</u>
Change in Net Assets	<u>\$ (214,508)</u>

The accompanying notes to the financial statements are an integral part of this statement.

Financial Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**STATEMENT OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL — GENERAL OPERATING FUND
For the Fiscal Year Ended June 30, 2008
(Thousands of Dollars)**

	<u>Approved Budget</u>	<u>Transfers In/(Out)</u>	<u>Final Appropriations</u>	<u>Fiscal Year Actual</u>	<u>Variance</u>
REVENUES:					
Property taxes	\$1,770,689	\$ —	\$1,770,689	\$1,763,282	\$ (7,407)
Replacement taxes	145,900	—	145,900	159,805	13,905
State aid	1,653,332	—	1,653,332	1,692,351	39,019
Federal aid	862,162	—	862,162	832,526	(29,636)
Interest and investment income	36,650	—	36,650	40,905	4,255
Other	70,523	—	70,523	96,816	26,293
Total Revenues	\$4,539,256	\$ —	\$4,539,256	\$4,585,685	\$ 46,429
EXPENDITURES:					
Salaries —					
Teachers	\$2,011,812	\$ 23,185	\$2,034,997	\$1,885,400	\$149,597
Career services	561,881	15,415	577,296	559,741	17,555
Commodities —					
Energy	90,951	(5,875)	85,076	86,759	(1,683)
Food	89,477	(1,312)	88,165	83,326	4,839
Textbooks	82,784	8,016	90,800	89,514	1,286
Supplies	52,592	3,155	55,747	46,030	9,717
Other	1,679	299	1,978	910	1,068
Services —					
Professional fees	319,700	65,355	385,055	360,277	24,778
Charter schools	15	191,386	191,401	189,006	2,395
Transportation	84,260	21,066	105,326	102,828	2,498
Tuition	235,379	(170,898)	64,481	65,105	(624)
Telephone and telecommunications	4,952	355	5,307	17,671	(12,364)
Other	10,457	6,946	17,403	13,253	4,150
Equipment — Educational	20,233	28,185	48,418	39,003	9,415
Building and sites —					
Repairs and replacements	39,184	3,250	42,434	36,999	5,435
Capital outlay	—	—	—	10	(10)
Fixed charges —					
Teachers' pension	349,301	(3,974)	345,327	350,483	(5,156)
Career service pension	89,676	(1,627)	88,049	89,776	(1,727)
Hospitalization and dental insurance	307,282	(41,105)	266,177	260,386	5,791
Medicare	34,382	(2,868)	31,514	31,075	439
Unemployment compensation	10,831	(236)	10,595	5,764	4,831
Workers compensation	40,534	(581)	39,953	29,757	10,196
Rent	10,681	1,486	12,167	11,020	1,147
Debt service	1,420	—	1,420	21,704	(20,284)
Other	198,793	(139,623)	59,170	18,888	40,282
Total Expenditures	\$4,648,256	\$ —	\$4,648,256	\$4,394,685	\$253,571
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES	\$ (109,000)	\$ —	\$ (109,000)	\$ 191,000	\$300,000
OTHER FINANCING SOURCES					
Transfers in	—	—	—	3,813	3,813
Total other financing sources	\$ —	\$ —	\$ —	\$ 3,813	\$ 3,813
NET CHANGE IN FUND BALANCE	\$ (109,000)	\$ —	\$ (109,000)	\$ 194,813	\$303,813
Fund Balance, beginning of period as restated (Note 16)	474,783	—	474,783	474,783	—
Fund Balance, end of period	\$ 365,783	\$ —	\$ 365,783	\$ 669,596	\$303,813

The accompanying notes to the basic financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Board of Education of the City of Chicago, or the Chicago Public Schools (CPS), is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the boundaries of the City of Chicago. The Board of Education of the City of Chicago (the Board) is established under and governed by the Illinois School Code and maintains a system of schools primarily for kindergarten through twelfth grade.

As a result of legislation passed by the Illinois General Assembly, which became effective on June 30, 1995, the Mayor of the City of Chicago appoints the members of the Board of Education of the City of Chicago. The CPS is excluded from the City's reporting entity because it does not meet the financial accountability criteria for inclusion established by the Governmental Accounting Standards Board (GASB).

The City of Chicago, the Chicago School Finance Authority, the Public Building Commission of Chicago and the Public School Teachers' Pension and Retirement Fund of Chicago are deemed to be related organizations but separate entities and are not included as part of the CPS reporting entity. No fiscal dependency exists between these organizations. These units are excluded from the CPS reporting entity because they do not meet the criteria for inclusion as established by GASB.

New Accounting Standards

GASBS 53, *Accounting and Financial reporting for Derivative Instruments* is effective for CPS with its year ended June 30, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Description of Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the GASB requirements of accounting and financial reporting for nonexchange transactions.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the CPS' taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues.

The CPS reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.



Financial Section

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the CPS. Interfund balances have been removed from these statements but the services provided and used are not eliminated in the process of consolidation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not identified as program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. State and Federal grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 30 days of fiscal year end. For this purpose, the CPS also considers State aid, Federal aid and replacement tax revenues that are susceptible to accrual to be available if they are collected within 30 days of fiscal year end. This represents a change from previous fiscal years which resulted in a fund balance restatement for prior years described in Note 16. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Funds

CPS reports its financial activities through the use of “fund accounting.” This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. A description of the activities of the various funds is provided below.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Governmental Funds***a. General Operating Fund*

The General Operating Fund is established in compliance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. This Fund is the primary operating fund of CPS and is made up of the following programs:

- Educational Program
- Supplementary General State Aid Program
- School Food Service Program
- Elementary and Secondary Education Act (ESEA) Program
- Individuals with Disabilities Education Act (IDEA) Program
- Workers' and Unemployment Compensation/Tort Immunity Program
- Public Building Commission Operations and Maintenance Program
- Other Government-Funded Programs

b. Capital Projects Fund

The Capital Projects Fund includes the following programs:

Capital Asset Program — This program is for the receipt and expenditure of the proceeds from the sale of certain Board real estate, proceeds from the Chicago School Finance Authority, and other miscellaneous capital projects revenues from various sources as designated by the Board.

Capital Improvement Program — This program is for the receipt and expenditure of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission Building Revenue Bonds, State of Illinois Construction Grants, Federal E-rate capital subsidies and other revenues for the purpose of building and improving schools as designated by the Board. The bonds are being repaid in the Debt Service Fund from Replacement Tax revenue, from an Intergovernmental Agreement with the City of Chicago, State of Illinois Construction Grants, General State Aid, other revenues as designated by the Board and from a separate tax levy associated with the bonds, if necessary.

c. Debt Service Fund

The Debt Service Fund includes the following programs:

Bond Redemption and Interest Program — This program is for the receipt and expenditure of Replacement Taxes, City of Chicago Intergovernmental Agreement revenue, State of Illinois Construction Grants, General State Aid and other revenues as designated by the Board for the payment of interest and principal on specific bond issues.

Public Building Commission Leases Program — Receipts and expenditures of tax levies and State of Illinois Construction Grants for the rental payments due to the Public Building Commission of school buildings are recorded in this program. The title to these properties passes to the City of Chicago, in trust for the use of the CPS, at the end of the lease terms.

Assets, Liabilities, and Net Assets or Equity*Deposits and Investments*

CPS' cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, State statutes authorize CPS to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, and the State Treasurer's Investment Pool. CPS' investments are reported at fair value, based on quoted market prices.



Financial Section

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

Certain proceeds of the CPS bond issuances, as well as certain assets set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. These amounts are consequently held in escrow.

Receivables and Payables

CPS records as its property taxes receivable amounts equal to the current year tax levy plus the two years prior levies net of an allowance for estimated uncollectible amounts. The allowance is recorded at 3.5% of the gross levy.

A calendar year's property tax levies are billed (extended) in two installments in the subsequent calendar year. Calendar year 2007 property taxes were levied for fiscal year 2008 in December 2007, and were billed in fiscal year 2008. In 2008, the installment due dates were March 1 and November 3. Property taxes unpaid after these dates accrue interest at the rate of 1.5% per month. The treasurers of Cook and DuPage counties, who distribute such receipts to the CPS, receive collections of property tax installments. The CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. The levy becomes an enforceable lien against the property as of January 1 of the levy year. CPS does not record a receivable nor related deferred revenue until the Board passes the levy for the current fiscal year.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets

Capital assets, which include land, construction in progress, buildings, building improvements and equipment are reported in the governmental activities columns in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment is a unit cost of \$25,000 or more. Donated capital assets are recorded at estimated fair market value at date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Beginning in fiscal year 2005, CPS implemented procedures related to impaired assets. Generally, a capital asset is considered impaired when its service utility has declined significantly and the events or changes in the circumstances are unexpected or outside the normal life cycle. There were no capital asset impairments during fiscal year 2008.

Depreciation of buildings and building improvements of the CPS is calculated using the straight-line method beginning in the year after they are completed. Equipment is depreciated using the straight-line method and the mid-year convention. The CPS' capital assets have the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	25-50
Administrative software/systems	20
Equipment	5

Depreciation of buildings and building improvements placed in service prior to fiscal year 2002 was calculated using a composite rate that CPS estimated to be 32 years. For items placed in service

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

subsequent to fiscal year 2001, CPS utilizes the estimated useful lives for specific components within the range noted above.

For assets other than personal property placed in service prior to June 30, 2001, the amount to be recorded as a reduction to capital assets and related accumulated depreciation upon asset retirement is determined using a deflated replacement cost methodology.

Vacation and Sick Pay

The CPS provides vacation and sick pay benefits for substantially all of its employees. Accrued sick pay benefits were computed using the termination payment method. The liability for accrued vacation pay benefits was computed using the employee's actual daily wage.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Swaps

CPS enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

As a result of the collapse of the variable Auction Rate market in February 2008, CPS terminated six swap agreements in the notional amount of \$965,275,000. The termination amounts were determined by negotiated and market quotation methods which resulted in a \$20.5 million termination payment to the counterparties.

Fund Balances and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

The Statement of Net Assets includes the following:

Invested in Capital Assets, net of Related Debt — the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Donations and by Enabling Legislation — the component of net assets that reports the difference between assets and liabilities of the certain programs that consists of assets with constraints placed on their use by either external parties and/or enabling legislation.

Restricted for Debt Service — the component of net assets that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.



Financial Section

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted — the difference between the assets and liabilities that is not reported as Net Assets Invested in Capital Assets, net of Related Debt, Net Assets Restricted for Specific Purpose, or Net Assets Restricted for Debt Service.

Comparative Data

Comparative total data for the prior year has been presented in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Annual Budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Operating, Capital Projects and Debt Service funds. All annual unencumbered appropriations lapse at fiscal year-end. Encumbrances are reported as a reservation of fund balance for subsequent year expenditures.

Certain funding allocations (primarily Federal and State programs, including Supplementary General State Aid) are made to schools but are not budgeted by account by the schools at the time the budget is adopted. These allocations are included in Other Fixed Charges for budget purposes. During the fiscal year, upon receiving the appropriate approvals from regional offices and the Office of Management and Budget, transfers are made to the appropriate accounts. Actual expenditures are reflected in the appropriate accounts.

The appropriated budget is prepared by fund, account and unit. The legal level of budgetary control is at the account level except for school-based discretionary programs. School-based discretionary program expenditures are governed by specific program policies and procedures. Board approval is required for all funding transfers except those described above. In addition, an amended budget is required for increases in total appropriation.

In August 2007, the Board adopted a balanced budget for fiscal year 2008 that reflected total resources, including \$109 million of available reserved fund balances, and appropriations of \$4.65 billion for the General Operating Fund.

In August 2008, the Board adopted a balanced budget for fiscal year 2009 that reflected total resources, including \$145.2 million of available reserved fund balances, and appropriations of \$4.85 billion for the General Operating Fund.

The Capital Projects Fund is budgeted on a project-by-project basis. Budgeted amounts in the Capital Projects Fund represent the entire project budget for projects that were expected to commence in fiscal year 2008. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.



NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

a. *Property Taxes* — The CPS levies property taxes using tax levy rates established by statute and an equalized assessed valuation (“EAV”) estimated by the CPS. The maximum billing (extension) of property taxes for the rate-limited Educational Levy in any calendar year is limited to the lesser of the tax rate established by statute multiplied by the EAV known at the time the final calendar year tax bills are calculated by the Cook and DuPage County Clerks or the tax rates established by statute multiplied by the prior year EAV. Property taxes for the levies that are not rate-limited are levied based on the estimated requirements for such funds.

As part of the annual budgetary process, CPS adopts a resolution each December in which it is determined to levy real estate taxes. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in prescribed form must be published and a public hearing must be held if the aggregate annual levy exceeds 105% of the levy of the preceding year.

Since the 1994 levy year, CPS has been subject to the Property Tax Extension Limitation Law (PTELL). The PTELL, commonly known as the property-tax cap, is designed to limit the increases in property taxes billed for non-home rule taxing districts. The growth in a taxing district’s aggregate extension base is limited to the lesser of 5% or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year. The CPI used is for all urban consumers for all items as published by the U.S. Department of Labor, Bureau of Labor Statistics. This limitation can be increased for a taxing body with voter approval. The PTELL allows a taxing district to receive a limited annual increase in tax extensions on existing property, plus an additional amount for new construction. This limit slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation.

Amounts collected in excess of the estimated net receivable for each levy year are reported as revenue in the fiscal year that the tax collections are distributed to CPS. Tax amounts collected in excess of the specified prior years levies are recorded in the year of receipt without impacting receivable and deferred revenue balances. CPS maintains the accounts receivable, reserves for uncollectibles and deferred revenue balance on the general ledger for three tax levy years. All refunds, no matter what tax year they apply, are recorded against the property tax revenue and cash accounts in the period of occurrence or notification from the respective county treasurer.

Legal limitations on tax rates and the rates extended in calendar years 2008 and 2007 are shown below.

	<u>Maximum 2008 Legal Limit</u>	<u>Tax Rates Extended Per \$100 of EAV</u>	
		<u>2008</u>	<u>2007</u>
General Operating Fund:			
Educational	(A)	\$2.376	\$2.078
Workers’ and Unemployment Compensation/Tort Immunity	(B)	.191	.021
Public Building Commission Operations and Maintenance	(B)	.000	.521
Debt Service Fund:			
Public Building Commission Leases Program	(C)	.016	.077
		<u>\$2.583</u>	<u>\$2.697</u>

A. The maximum legal limit for educational purposes cannot exceed \$4.00 per \$100 of EAV (105 ILCS 5/34-53, and the total amount billed under General Operating Fund is subject to the PTELL as described above.

B. These tax rates are not limited by law, but are subject to the tax cap as described above.

Financial Section

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE (continued)

C. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS to make its lease payments.

b. *State Aid* — The components of State Aid as shown on the financial statements are as follows (\$000's):

	<u>Fund Financial Statements</u>	<u>Government Wide- Financial Statements</u>
Revenues:		
General State Aid Unrestricted	\$ 846,408	\$ 846,408
Supplementary General State Aid	261,000	261,000
General Education Block Grant	166,519	166,519
Educational Services Block Grant	447,442	469,617
Other Restricted State Revenue	<u>124,665</u>	<u>122,838</u>
Total State Aid	<u>\$1,846,034</u>	\$1,866,382
Program Revenues:		
Operating Grants and Contributions		<u>(109,996)</u>
Non-Program General State Aid		<u>\$1,756,386</u>

NOTE 4. CASH DEPOSITS AND INVESTMENTS

Cash and investments held in the name of the CPS are controlled and managed by the CPS' Treasury Department; however, custody is maintained by the Treasurer of the City of Chicago, who is the designated ex-officio Treasurer of the CPS under the Illinois School Code. Custody is not maintained by the Treasurer of the City of Chicago for cash and investments in escrow, and the schools' internal accounts. The cash and investments in escrow in the Debt Service Fund represent the amount available for debt service payments on the Unlimited Tax General Obligation Bonds and PBC Leases. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax General Obligation Bonds, Public Building Commission Building Revenue Bonds, State Technology Revolving Loan Fund and other revenues.

Cash

With the exception of school internal accounts as designated by the Board, the Municipal Code of Chicago requires that cash be deposited only in chartered banks or savings and loan associations that are on the City of Chicago's approved depository listing. The ordinances allow only regularly organized State or national banks insured by the Federal Deposit Insurance Corporation, and Federal and State savings and loan associations insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation located within the City of Chicago, to be designated depositories.

The CPS Investment Policy requires collateral with an aggregate market value of not less than 110% of the original acquisition price, including principal and accrued interest, on depository account balances and certificates of deposit unless the bank meets certain rating requirements and/or asset size. Repurchase agreement collateral shall not be less than 102%. Collateral for the CPS' bank accounts are held by a third-party custodian in the name of the City of Chicago Treasurer for the benefit of the CPS. Collateral shall be only those securities authorized as allowable investments.

As of June 30, 2008, the book amount of the CPS' deposit accounts was \$1.4 million. The bank balances totaled \$34.6 million as of June 30, 2008. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2008. The bank balance was covered by Federal depository insurance and by collateral held by third-party custodians.



NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Cash and Investments Held in School Internal Accounts, and the corresponding liability, Amounts Held for Student Activities, represent the book balance for checking and investments for individual schools.

Investments

The CPS' investments are authorized under the Illinois Compiled Statutes Finance Investment Act. The CPS' Investment Policy is derived from this Act. The CPS Investment Policy authorizes the CPS to invest in obligations guaranteed by the full faith and credit of the U.S. Government, certificates of deposit constituting direct obligations of banks, commercial paper, money market mutual funds, repurchase agreements that mature within 330 days, certain U.S. Government agency securities, and certain State and municipal securities that are rated at the time of purchase within the two highest classifications established by a nationally recognized rating service. All mutual funds purchased invest in eligible securities outlined in the parameters of the CPS Investment Policy and meet certain other regulatory requirements.

The CPS' Investment Policy contains the following stated objectives:

- **Safety of Principal.** Investments shall be undertaken in a manner that provides for the preservation of principal in the overall portfolio.
- **Liquidity.** The investment portfolio shall be sufficiently liquid to meet all reasonably anticipated operating and cash flow requirements.
- **Rate of Return.** The investment portfolio shall be constructed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.
- **Diversification.** The investment portfolio shall be diversified to avoid incurring unreasonable risks associated with specific securities or financial institutions.

At June 30, 2008, the CPS had the following investments (\$000's) and maturities:

<u>Investment Type</u>	<u>Ratings</u>	<u>Carrying Amount</u>	<u>Maturities Less Than 1 Year</u>	<u>Maturities 1-5 Years</u>
Repurchase Agreements	AAA	\$ 91,933	\$ 91,933	\$ —
U.S. Government Agency Securities	AAA	782,247	158,118	624,129
Commercial Paper	A1 or A1+/P-1	268,687	268,687	—
Money Market Mutual Funds	AAA	972,497	972,497	—
Total Investments		<u>\$2,115,364</u>	<u>\$1,491,235</u>	<u>\$624,129</u>
Cash		1,402		
Total Cash and Investments		<u>\$2,116,766</u>		

Credit Risk — State law and the CPS' Investment Policy limit investment in repurchase agreements, unless registered or inscribed in the name of the Board, to those purchased through banks or trust companies authorized to do business in the State of Illinois. State law and the CPS' Investment Policy limit investment in commercial paper to the top two ratings issued by at least two standard rating services. As of June 30, 2008, CPS' investments in commercial paper were rated A1+ or A1 by Moody's Investment Service and P-1 by Standard and Poor's. As of June 30, 2008, Standard and Poor's rated the CPS' investments in money market mutual funds AAA as required by the CPS' Investment Policy.

Concentration of Credit Risk — As of June 30, 2008 there were no investments in any one issuer that represent 5% or more of the total investments. Investments issued by the U.S. government and investment in mutual funds are excluded from the concentration of credit risk.

Financial Section

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Custodial Risk — During the fiscal year ended June 30, 2008, repurchase agreements were supported by collateral with an aggregate market value equal to at least 102% of amounts invested. The collateral consisted of securities that were permissible under the CPS Investment Policy. Third-party custodians held all collateral in CPS' name.

Interest Rate Risk — The CPS' Investment Policy requires maintenance of a two-tiered portfolio which limits the average maturity of the Liquidity Cash Management tier of the portfolio to six months and limits the average maturity of the Enhanced Cash Management tier of the portfolio to five years and limits the maturity of any single issue in the Enhanced Cash Management tier of the portfolio to 10 years.

The following table provides a summary of CPS' total cash and investments as of June 30, 2008 (\$000's):

<u>Fund:</u>	<u>Amount</u>
General Operating Fund	\$1,056,651
Capital Projects Fund	622,887
Debt Service Fund	437,228
Total Cash and Investments	<u>\$2,116,766</u>

NOTE 5. RECEIVABLES

Receivables as of June 30, 2008 for the CPS, net of the applicable allowance for uncollectible accounts, are as follows (\$000's):

	<u>Fund Financial Statements</u>	<u>Government- Wide Financial Statements</u>
Property taxes	\$1,077,762	\$1,077,762
Replacement taxes	32,511	32,511
State aid	518,929	518,929
Federal aid	223,988	223,988
Other	60,660	60,660
Total Receivables	\$1,913,850	\$1,913,850
Less: Allowance for uncollectibles — property tax	(68,016)	(68,016)
Less: Allowance for uncollectibles — state aid	(3,842)	(3,842)
Less: Allowance for uncollectibles — other	(2,677)	(2,677)
Total Receivables, net	<u>\$1,839,315</u>	<u>\$1,839,315</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2008, the components of deferred revenue reported in the fund financial statements are as follows (\$000's):

Deferred property taxes	\$1,009,534
Other deferred revenue	481,416
Total Deferred Revenue	<u>\$1,490,950</u>



NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows (\$000's):

Government-wide activities:	Beginning Balance	Increases	Decreases and Transfers to In-service	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 248,713	\$ 12,744	\$ (120)	\$ 261,337
Construction in progress	354,531	340,385	(227,816)	467,100
Total capital assets not being depreciated	\$ 603,244	\$ 353,129	\$(227,936)	\$ 728,437
Capital assets being depreciated:				
Buildings and improvements	\$ 6,051,231	\$ 228,790	\$ (28,181)	\$ 6,251,840
Equipment and administrative software	149,045	15,012	0	164,057
Total capital assets being depreciated	\$ 6,200,276	\$ 243,802	\$ (28,181)	\$ 6,415,897
Total Capital Assets	\$ 6,803,520	\$ 596,931	\$(256,117)	\$ 7,144,334
Less accumulated depreciation for:				
Buildings and improvements	\$(2,274,440)	\$(164,607)	\$ 25,974	\$(2,413,073)
Equipment and administrative software	(41,193)	(6,520)	0	(47,713)
Total accumulated depreciation	\$(2,315,633)	\$(171,127)	\$ 25,974	\$(2,460,786)
Capital Assets, net of depreciation	\$ 4,487,887	\$ 425,804	\$(230,143)	\$ 4,683,548

Depreciation expense was charged to functions/programs of the CPS as follows (\$000's):

Governmental activities:	
Instruction	\$107,322
Pupil support services	15,100
Administrative support services	8,072
Facilities support services	16,070
Instructional support services	16,987
Food services	7,576
Total Depreciation	<u>\$171,127</u>

Construction Commitments

The CPS had active construction projects as of June 30, 2008. These projects include new construction and renovations of schools. At year-end, the CPS had approximately \$268.6 million in outstanding construction encumbrances.

NOTE 7. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as "Due from/to Other Funds" on the accompanying governmental fund financial statements. All other interfund transfers are reported as transfers in/out.

Financial Section
NOTE 7. INTERFUND TRANSFERS AND BALANCES (continued)

General Operating Fund:	
Due from Capital Improvement Program	\$ 66,376
Due to Capital Asset Program	(39,827)
Due to Bond Redemption and Interest Program	<u>(22,014)</u>
Total — Due from other Funds	<u>\$ 4,535</u>
Capital Projects Fund:	
Capital Assets Program — Due from General Operating Fund	\$ 39,827
Capital Improvement Program — Due to General Operating Fund	<u>(66,376)</u>
Total — Due to other Funds	<u>\$(26,549)</u>
Debt Service Fund:	
Bond Redemption and Interest Program — Due from General Operating Fund	<u>\$ 22,014</u>

The purpose of interfund balances is to present transactions that are to be repaid between major programs at year end. The balances result from operating transactions between funds and are repaid during the fiscal year within the normal course of business.

Transfers

Effective June 30, 2008, CPS made operating transfers of \$1.5 million from the Public Building Commission Leases Program to the General Operating Fund to transfer interest earnings and operating transfers of \$2.3 million from the Bond Redemption and Interest Program to the General Operating Fund to pay for costs associated with the refunding of certain outstanding bonds.

NOTE 8. LONG-TERM DEBT
General Obligation Bonds

The CPS issued the following bonds in fiscal year 2008:

Unlimited Tax General Obligation Bonds (Series 2007A)

In August 2005, CPS sold an option to Bank of America N.A. under which CPS would enter into an interest rate swap associated with \$100,000,000 of bonds refunding the Series 1997A bonds upon exercise of option in July 2007 (effective December 2007). In November 2006, CPS also sold an option to Royal Bank of Canada under which CPS would have to enter into an interest rate swap associated with \$162,785,000 of bonds refunding the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007). The intention of entering into the swaps were to effectively economically refund \$262,785,000 of the Series 1997A bonds, avoiding negative arbitrage in advance refunding escrows, while realizing upfront payments of \$18,345,000 and \$24,925,000 to be used for costs of issuance and debt service requirements in fiscal year 2006 and 2007.

In July 2007, the counterparties exercised their swaption options and in September 2007, CPS issued \$262,785,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2007A) and in December 2007, CPS entered into two interest rate swaps associated with the issuance of the Series 2007A auction rate bonds. The proceeds from these bonds were used to refund a portion of Series 1997A bonds. As a result of the issuance, net proceeds along with debt service funds on hand and proceeds related to CPS' swaption agreement totaling \$272,428,076 were used to purchase U.S. Government Securities, which were deposited in a trust with an escrow agent to purchase \$262,785,000 of the Series 1997A bonds in full on December 1, 2007, and the bonds are considered fully refunded. The debt service on this issuance will



NOTE 8. LONG-TERM DEBT (continued)

be paid by revenues received from an intergovernmental agreement with the City of Chicago and Personal Property Replacement Tax revenues.

The following table details the payments to the refunded bond escrow agent (\$000's):

<u>Description</u>	<u>Amount</u>
Net proceeds	\$262,785
CPS deposit.	2,703
Amounts on hand related to refunded debt.	6,940
Total	<u>\$272,428</u>

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$9.6 million. This difference reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2031.

Unlimited Tax General Obligation Bonds (Series 2007BC)

In September 2007, CPS issued \$204,635,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2007BC) at a premium of \$10,308,755. The proceeds from these bonds were used to refund a portion of Series 1997 and Series 1997A bonds and to pay costs of issuance of the bonds. As a result of the issuance, net proceeds of \$212,793,437 were used to purchase U.S. Government Securities, which were deposited in a trust with an escrow agent to purchase \$199,225,000 of the Series 1997A bonds and \$6,700,000 of the Series 1997 on December 1, 2007, and the bonds are considered fully refunded. The debt service on this issuance will be paid by revenues received from an intergovernmental agreement with the City of Chicago and Personal Property Replacement Tax revenues.

The following table details the payments to the refunded bond escrow agent (\$000's):

<u>Description</u>	<u>Amount</u>
Net proceeds	\$212,793

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$6.9 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2025. CPS completed the refunding to reduce its total debt service over the next 17 years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$9.7 million.

Unlimited Tax General Obligation Bonds (Series 2007D)

In December 2007, CPS issued \$238,720,000 in Unlimited Tax General Obligation Bonds (Series 2007D) at a premium of \$13,835,224. The proceeds from these bonds are being used as part of CPS' Capital Improvement Program and to pay costs of issuance of the bonds. As a result of the issuance, CPS recorded net proceeds of approximately \$250,000,000 in the Capital Improvement Fund. The debt service on this issuance will be paid from General State Aid revenues.

Debt Restructuring

As a result of the collapse of the variable Auction Rate market in February 2008, CPS issued the following refunding bonds to restructure its auction rate debt.

Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008A)

In May 2008, CPS issued \$262,785,000 in Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008A). The proceeds from these bonds were used to refund the Series 2007A bonds.

Financial Section

NOTE 8. LONG-TERM DEBT (continued)

CPS contributed \$9.5 million to pay for costs of issuance and fund debt service. As a result of the issuance, \$262,976,142 was deposited in a trust with an escrow agent to purchase the Series 2007A bonds upon the next remarketing. On May 16, 2008, the bonds were repurchased in full and are considered fully refunded. The debt service on this issuance will be paid by revenues received from an intergovernmental agreement with the City of Chicago and Personal Property Tax revenues.

The following table details the payments to the refunded bond escrow agent (\$000's):

<u>Description</u>	<u>Amount</u>
Net proceeds	\$262,785
Amount on hand related to refunded debt	191
Total	<u>\$262,976</u>

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2.3 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2031. Because the refunded bonds are variable rate, the calculation of an economic gain disclosure is not meaningful as there is an uncertainty of future debt service requirements. Accordingly, no economic gain has been made for this refunding.

Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008B)

In May 2008, CPS issued \$240,975,000 in Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008B). The proceeds from these bonds were used to refund the Series 2003D bonds. CPS contributed \$0.9 million to pay for costs of issuance and fund debt service. As a result of the issuance, \$241,761,730 was deposited in a trust with an escrow agent to purchase the Series 2003D bonds upon the next remarketing. On May 30, 2008, the bonds were repurchased in full and are considered fully refunded. The debt service on this issuance will be paid from General State Aid revenues.

The following table details the payments to the refunded bond escrow agent (\$000's):

<u>Description</u>	<u>Amount</u>
Net proceeds	\$240,975
Amount on hand related to refunded debt	787
Total	<u>\$241,762</u>

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3.1 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2034. Because the refunded bonds are variable rate, the calculation of an economic gain disclosure is not meaningful as there is an uncertainty of future debt service requirements. Accordingly, no economic gain has been made for this refunding.

Unlimited Tax General Obligation Refunding Bonds Private Placement (Series 2008C)

In May 2008, CPS issued \$464,655,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2008C) at a premium of \$17,082,455. The proceeds from these bonds were used to refund the Series 2003B and Series 2004B bonds. CPS contributed \$4.3 million to the refunded escrow agent and \$2.5 million to pay for cost of issuance and fund debt service. As a result of the issuance, \$484,122,177 was deposited in a trust with an escrow agent to purchase the Series 2003B bonds and the Series 2004B bonds upon the next remarketing. On May 29, 2008, the bonds were repurchased in full and are considered fully refunded. The debt service on this issuance will be paid from General State Aid revenues.



NOTE 8. LONG-TERM DEBT (continued)

The following table details the payments to the refunded bond escrow agent (\$000's):

<u>Description</u>	<u>Amount</u>
Net proceeds	\$479,847
CPS deposit	<u>4,275</u>
Total	<u>\$484,122</u>

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7.2 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2033. Because the refunded bonds are variable rate, the calculation of an economic gain disclosure is not meaningful as there is an uncertainty of future debt service requirements. Accordingly, no economic gain has been made for this refunding.



NOTE 8. LONG-TERM DEBT (continued)

The following is a summary of changes in Long-term Debt outstanding (\$000's):

Series	Principal Outstanding June 30, 2007	Issuances	Retirements	Principal Outstanding June 30, 2008	Accreted Interest	Principal and Accreted Interest June 30, 2008
2008C	\$ —	\$ 464,655	\$ —	\$ 464,655	\$ —	\$ 464,655
2008B	—	240,975	—	240,975	—	240,975
2008A	—	262,785	—	262,785	—	262,785
2007D	—	238,720	—	238,720	—	238,720
2007BC	—	204,635	—	204,635	—	204,635
2007A	—	262,785	(262,785)	—	—	—
2006B	355,805	—	(2,745)	353,060	—	353,060
2006A	6,853	—	—	6,853	—	6,853
2005DE	319,375	—	(5,890)	313,485	—	313,485
2005B	52,595	—	—	52,595	—	52,595
2005A	193,585	—	—	193,585	—	193,585
2004G	12,500	—	—	12,500	—	12,500
2004E	37,285	—	(3,975)	33,310	—	33,310
2004D	53,030	—	—	53,030	—	53,030
2004C-2	48,910	—	—	48,910	—	48,910
2004C-1	75,410	—	—	75,410	—	75,410
2004B	298,075	—	(298,075)	—	—	—
2004A	205,410	—	—	205,410	—	205,410
2003D	245,525	—	(245,525)	—	—	—
2003C	4,585	—	—	4,585	—	4,585
2003B	183,775	—	(183,775)	—	—	—
2003A	64,125	—	(5,165)	58,960	—	58,960
2002A	47,790	—	(615)	47,175	—	47,175
2001C	28,070	—	(4,120)	23,950	—	23,950
2001B	9,440	—	—	9,440	—	9,440
2001A	5,600	—	(835)	4,765	—	4,765
2000E	13,390	—	—	13,390	—	13,390
2000B,C,D	303,000	—	—	303,000	—	303,000
2000A	16,525	—	—	16,525	—	16,525
IDFA 1999A	12,000	—	—	12,000	—	12,000
1999A	532,554	—	(1,229)	531,325	177,469	708,794
1998B-1	328,714	—	—	328,714	206,623	535,337
1998	14,000	—	—	14,000	—	14,000
1997A	499,995	—	(462,010)	37,985	28,872	66,857
1997	71,285	—	(9,970)	61,315	—	61,315
1996	52,650	—	(3,190)	49,460	—	49,460
Total Bonds	\$4,091,856	\$1,674,555	\$(1,489,904)	\$4,276,507	\$412,964	\$4,689,471
Note Payable	3,606	—	(1,090)	2,516	—	2,516
Asbestos Abatement Loans	4,885	—	(1,138)	3,747	—	3,747
Total Long-Term Debt	<u>\$4,100,347</u>	<u>\$1,674,555</u>	<u>\$(1,492,132)</u>	<u>\$4,282,770</u>	<u>\$412,964</u>	<u>\$4,695,734</u>
Less Current Portion						(53,555)
Deferred Amounts:						
On Refunding						(100,160)
For Net Premium/(Discount)						105,882
Total Long-term Debt, net of Refunding, Current Portion and Premium/(Discount)						<u>\$4,647,901</u>



NOTE 8. LONG-TERM DEBT (continued)

The current portion of long-term debt and long-term lease obligations is comprised of the following:

Bonds	\$(55,010)
Note Payable	(1,198)
Asbestos Abatement Loans	(1,037)
Accreted Interest	(1,215)
Refunding	4,905
Subtotal	<u>\$(53,555)</u>
Lease obligations	<u>(25,480)</u>
Total Current Portion	<u><u>\$(79,035)</u></u>

The Unlimited Tax General Obligation Bonds are being repaid in the Debt Service Fund from Replacement Tax revenue, revenue from Intergovernmental Agreements with the City of Chicago, and General State Aid to the extent possible, and then from a separate tax levy associated with the bonds.

Defeased Debt

Defeased bonds have been removed from the Statement of Net Assets because related assets have been placed in an irrevocable trust that, together with interest earned, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at June 30, 2008 are as follows (\$000's):

<u>Description</u>	<u>Amount Defeased</u>	<u>Amount Outstanding</u>
Unlimited Tax General Obligation Bonds Series 2005C	53,750	53,750
Unlimited Tax General Obligation Bonds Series 2004H	18,500	18,500
Unlimited Tax General Obligation Bonds Series 2004F	25,000	25,000
Unlimited Tax General Obligation Bonds Series 2001C	174,575	174,575
Unlimited Tax General Obligation Bonds Series 2001A	35,810	35,810
Unlimited Tax General Obligation Bonds Series 2000A	<u>90,435</u>	<u>90,435</u>
Total	<u><u>\$398,070</u></u>	<u><u>\$398,070</u></u>

Future debt and associated swap payments (see Note 10). Interest rates on fixed rate bonds range from 2.5% to 6.75%, except that CPS does not pay or accrue interest on the Series 2006A Bonds, Series 2003C Bonds, the Series 2001B Bonds, the Series 2000E Bonds, the IDFA Series 1999A Bonds and the Series 1998 Bonds. These bond series were issued as “qualified zone academy bonds” within the meaning of Section 1397E of the Internal Revenue Code of 1986, as amended. CPS does not pay interest on the bonds, however, for Federal income tax purposes, “eligible taxpayers,” as defined in Section 1397E of the Internal Revenue Code, who own these bonds will be entitled to a credit against taxable income. Interest rates on variable rate bonds and net swap payments assume the debt service deposit requirement rate and that auction rates as of June 30, 2008 remain the same throughout their term. Debt service requirements for the Unlimited Tax General Obligation Bonds and net swap payments are scheduled as follows (\$000's):

NOTE 8. LONG-TERM DEBT (continued)

Fiscal Year(s)	Fixed Rate Bonds		Variable Rate Bonds			Total
	Principal	Interest	Principal	Interest*	Interest Rate Swaps, Net**	
2009	\$ 39,865	\$ 114,168	\$ 15,145	\$ 50,744	\$ 26,539	\$ 246,461
2010	92,607	137,116	19,490	50,106	26,315	325,634
2011	93,087	136,606	21,135	49,239	26,080	326,147
2012	111,816	130,539	22,105	48,372	25,834	338,666
2013	90,643	132,235	23,275	47,314	25,577	319,044
2014-2018	543,145	645,757	140,540	221,839	123,445	1,674,726
2019-2023	723,962	621,563	196,915	188,640	114,867	1,845,947
2024-2028	756,898	516,509	371,205	137,404	95,349	1,877,365
2029-2033	411,644	604,121	428,750	52,588	37,616	1,534,719
2034-2037	81,935	8,057	92,345	4,482	3,557	190,376
Total	\$2,945,602	\$3,046,671	\$1,330,905	\$850,728	\$505,179	\$8,679,085

* Interest on Series 2000B,C,D variable rate demand notes was calculated at an assumed rate of 6% per annum and interest on Series 2003D unhedged auction rate bonds was calculated at an assumed rate of 5% per annum. Interest on Series 2004CDE and unhedged Series 2005DE variable rate demand notes calculated at an assumed rate of 4.5% per annum (equal annual debt service deposit requirements). Interest on hedged auction rate securities and variable rate demand notes assumes current interest rates remain the same as of June 30, 2008 and was calculated as follows:

- Series 2000C — 1.530%
- Series 2004C — 1.825%
- Series 2005DE — 7.600%
- Series 2008A — 2.900%
- Series 2008B — 2.900%

- ** Series 2000C computed: (3.823% – 1.724%) x Outstanding Principal
- Series 2004C computed: (3.825% – 1.724%) x Outstanding Principal
- Series 2005DE computed: (3.662% – 1.724%) x Outstanding Principal
- Series 2008A computed: (5.25% – 2.00375%) x Outstanding Principal
- Series 2008B computed: (3.771% – 1.724%) x Outstanding Principal

Variable rate bonds are demand obligations that allow bondholders to demand repayment on a weekly basis. The \$303,000,000 Series 2000BCD bonds and \$130,000,000 Series 2005E bonds are supported by Standby Bond Purchase Agreements with Dexia Credit Locale which expire on December 8, 2012. Under the Standby Bond Purchase Agreements, any bonds put to the bank would incur an interest rate equal to the Prime Rate as listed in the Wall Street Journal through December 8, 2012, at the Prime Rate plus 1.0% thereafter, and at the Prime Rate plus 2.0% in the event of a default, but in no case may the rate exceed 15%. The commitment fee is 0.125% per annum for the Series 2000BCD bonds and at June 30, 2008 there were no bonds drawn under the Standby Bond Purchase Agreement. The commitment fee is 0.11% per annum for the Series 2005E bonds and at June 30, 2008 there were \$79,500,000 bonds drawn under the Standby Bond Purchase Agreement.

The \$210,660,000 Series 2004CDE and \$183,485,000 Series 2005D bonds are supported by Standby Bond Purchase Agreements with Depfa Bank PLC which expire on December 8, 2012. Under the 2004CDE Standby Bond Purchase Agreement, any bonds put to the bank would incur an interest rate equal to the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5% for the first 90 days, at the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5%, plus 1.0% for the 91st day and thereafter,



NOTE 8. LONG-TERM DEBT (continued)

and at the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5%, plus 3.0% in the event of a default, but in no case may the rate exceed 15%. Under the 2005D Standby Bond Purchase Agreement, any bonds put to the bank would incur an interest rate equal to the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5% for the first 90 days, at the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5%, plus 1.0% for the 91st day through the date 10 years prior to maturity, and thereafter at the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5%, plus 1.5%, and at the greater of Depfa's Prime Rate or the Fed Funds rate plus 0.5%, plus 3.0% in the event of a default, but in no case may the rate exceed 15%. The commitment fee is 0.11% per annum for the Series 2004CDE and Series 2005D bonds and at June 30, 2008 there were no bonds drawn under the Standby Bond Purchase Agreements.

Interest and maturities include accretable interest on the Capital Appreciation Bonds as follows (\$000's):

<u>Series</u>	<u>Accreted Interest June 30, 2007</u>	<u>Increase</u>	<u>Payment</u>	<u>Accreted Interest June 30, 2008</u>
1997A	\$ 25,393	\$ 3,479	\$ —	\$ 28,872
1998B-1	180,300	26,323	—	206,623
1999A	154,810	23,215	(556)	177,469
	<u>\$360,503</u>	<u>\$53,017</u>	<u>\$(556)</u>	<u>\$412,964</u>

The loans with the EPA to fund specific asbestos abatement projects are non-interest bearing and are being repaid over a 20-year period. No specific revenue sources are currently dedicated to provide for asbestos abatement loan retirements.

Financial Section
NOTE 9. LEASE OBLIGATIONS
Capitalized Leases

Annual rental payments are made pursuant to lease agreements with the Public Building Commission (the "PBC"). The PBC constructs, rehabilitates and equips school buildings and facilities for use by the CPS. The annual lease rentals are funded by a tax levy established when the CPS approved such construction.

The leases are structured so that annual rentals will exceed the PBC's requirements for debt service and other estimated expenses. This ensures that the PBC will receive adequate revenue to cover these obligations. The PBC can authorize rent surpluses to be used either to reduce future rental payments or to finance construction of other CPS projects.

In 2006, CPS entered into \$3.7 million lease with an option to purchase with the Teachers Academy of Math and Science. The term of the lease commenced October 1, 2005 and shall end February 1, 2021. This end date represents the maturity date of bonds issued for the premises by the Illinois Development Finance Authority Bonds. Debt service includes principal and interest and all other costs associated with these bonds. Additionally, CPS will assume all operating costs and personnel costs of the premises.

The future PBC lease rentals and other capitalized leases due at June 30, 2008, are as follows (\$000's):

<u>Fiscal Year(s)</u>	<u>PBC Lease Rentals</u>	<u>Other</u>	<u>Total</u>
2009	\$ 51,838	\$ 424	\$ 52,262
2010	51,830	424	52,254
2011	51,874	424	52,298
2012	51,926	424	52,350
2013	51,963	424	52,387
2014-2018	260,100	2,118	262,218
2019-2021	82,730	1,143	83,873
Total Rentals	\$ 602,261	\$ 5,381	\$ 607,642
Less — Interest and other costs	(190,571)	(2,756)	(193,327)
Principal amount of rental due	<u>\$ 411,690</u>	<u>\$ 2,625</u>	<u>\$ 414,315</u>

Following is a summary of changes in PBC leases and other capitalized leases outstanding (\$000's):

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2008</u>
PBC Leases	\$435,535	\$—	\$(23,845)	\$411,690
Other Capitalized Leases	2,800	—	(175)	2,625
	<u>\$438,335</u>	<u>\$—</u>	<u>\$(24,020)</u>	<u>\$414,315</u>
Less: Current Portion PBC Leases				(25,305)
Current Portion Other Capitalized Leases				(175)
Total Long-Term Leases Outstanding				<u>\$388,835</u>

Operating Leases

CPS is a lessee in numerous operating leases associated with the rental of trucks, automobiles, various office equipment and real property. The lease arrangements are both cancelable and non-cancelable with some having structured rent increases. None of the operating leases are considered to be contingent leases.



NOTE 9. LEASE OBLIGATIONS (continued)

Total expenditures for operating leases for the fiscal year ending June 30, 2008 were \$8.2 million. Following is a summary of operating lease commitments as of June 30, 2008 (000's):

<u>Fiscal Year(s)</u>	<u>Non-Real property leases</u>	<u>Real Property leases</u>	<u>Total</u>
2009	\$ 9,514	\$10,078	\$ 19,592
2010	7,173	9,403	16,576
2011	4,102	9,489	13,591
2012	2,266	8,792	11,058
2013	9	8,976	8,985
2014-2018	—	24,190	24,190
2019-2023	—	9,921	9,921
2024	—	94	94
Total Operating Lease Commitments	<u>\$23,064</u>	<u>\$80,943</u>	<u>\$104,007</u>

NOTE 10. DERIVATIVE INSTRUMENTS**Interest Rate Swaps**

During fiscal year 2008, CPS terminated six swap agreements in the notional amount of \$965,275,000. The termination amounts were determined by negotiated and market quotation methods which resulted in a \$20.5 million payment to the counterparties.

Series 2008A

Swap Objective. In August 2005, CPS sold an option to Bank of America N.A. under which CPS would enter into an interest rate swap associated with \$100,000,000 of bonds refunding the Series 1997A bonds upon exercise of option in July 2007 (effective December 2007). In November 2006, CPS also sold an option to Royal Bank of Canada under which CPS would have to enter into an interest rate swap associated with \$162,785,000 of bonds refunding the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007). The intention of entering into the swaps were to effectively economically refund \$262,785,000 of the Series 1997A bonds, avoiding negative arbitrage in advance refunding escrows, while realizing upfront payments of \$18,345,000 and \$24,925,000 to be used for costs of issuance and debt service requirements in fiscal year 2006 and 2007.

In July 2007, the counterparties exercised their swaption options and in December 2007, CPS entered into two interest rate swaps associated with the issuance of the Series 2007A auction rate bonds. In May 2008, CPS refunded the Series 2007A auction rate bonds. In May 2008, CPS refunded the Series 2007A auction rate bonds with Series 2008A private placement variable rate bonds (262 million). The swaps associated with Series 2007A were transferred to Series 2008A, with the intention of preserving a maximum amount of upfront savings.

Swap terms. The bonds and the related swap agreements mature on December 1, 2030, and the total notional amount of the swaps equals the \$262,785,000 of the Series 2008A bonds. Starting in fiscal year 2025, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays each counterparty a fixed payment of 5.25% and receives a variable payment computed at the 70% of the London Interbank Offered Rate (LIBOR) plus 0.28% from Bank of America and Royal Bank of Canada through December 1, 2030.

Fair value. CPS received upfront payments for the options on the swaptions in the amount of \$43,270,000 during fiscal year 2006 and 2007. Because CPS received an upfront payment and the fixed payments are higher than current market, the swap has negative fair value. The fair value was



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

determined by market prices quoted by Deriv Activ, and independent derivative valuation company who specializes in daily market to market derivative valuations, as of June 30, 2008, see table below:

Swap Counterparty Data as of June 30, 2008

Counterparty	Swap Notional Amount	Credit Rating; Outlook		Swap Fair Value
		Moody's	S&P	
Bank of America	\$100,000,000	Aaa	AA+	\$(21,117,511)
Royal Bank of Canada	162,785,000	Aaa	AA-	(32,159,709)
Total	<u>\$262,785,000</u>			<u>\$(53,277,220)</u>

Credit risk. As of June 30, 2008, CPS was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swaps becomes positive, CPS would be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+"/ "A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Basis risk. CPS' issuance of the 2008A bonds resulted in an expected synthetic interest rate of 5.85%. The swaps expose CPS to basis risk should the rate paid on the variable rate securities be more than .60% higher than the 70% of LIBOR rate plus .28% received from the swap counterparties. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the expected synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2008, the weighted average rate paid on the bonds was 2.90% and 70% of LIBOR plus 0.28% was 2.00375%.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A—" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2008A bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2008B

Swap Objective. CPS entered into two interest rate swaps associated with the issuance of the Series 2003D bonds in December 2003 as a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance. During fiscal year 2008, CPS refunded the Series 2003D auction rate bonds with Series 2008B private placement variable rate bonds (\$240 million). The swaps associated with Series 2003D were transferred to Series 2008B. The intention of transferring the swaps was to effectively change the variable interest rate to a fixed interest rate of 3.771% plus 0.88%.

Swap terms. The bonds and the related swap agreements mature on March 1, 2034, and the total notional amount of the swaps equals the \$185,350,000 of Series 2008B private placement bonds. Starting in fiscal year 2018, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays each counterparty a fixed payment of 3.771% and receives a variable payment computed at 70% of the LIBOR through March 1, 2034.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Fair value. As of June 30, 2008, the swaps have a negative fair value as a result of long-term interest rates decrease since the execution of the swap. Because the coupons on CPS' variable rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was determined by market prices quoted by DerivActiv, and independent derivative valuation company who specializes in daily market to market derivative valuations, as of June 30, 2008 (see table below).

Credit risk. As of June 30, 2008, CPS was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swaps becomes positive, CPS would be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A-" / "A3", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2008

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Lehman Brothers	\$ 95,350,000	A1	A+; stable	\$(5,015,830)
Goldman Sachs	90,000,000	A1	A+; stable	(4,734,395)
Total	<u>\$185,350,000</u>			<u>\$(9,750,225)</u>

Basis risk. CPS' issuance of the 2008B bonds resulted in an expected synthetic interest rate of 4.651%. The swaps expose CPS to basis risk should the rate paid on the variable auction rate securities be more than the .88% higher than the 70% of LIBOR rate received from the swap counterparties. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the expected synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2008, the weighted average auction rate paid on the bondholders was 2.90% and 70% of LIBOR was 1.72375.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2008B bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2005A

Swap Objective. In October 2005 CPS entered into two interest rate swaps associated with the Series 2005A bonds as a means of lowering its borrowing costs. The intention of entering into the swaps was to effectively change the interest rate on the fixed rate bonds from the stated coupon on the bonds to a lower rate.

Swap terms. The bonds and the related swap agreements mature on December 1, 2031, and the total notional amount of the swaps equals the \$193,585,000 of Series 2005A fixed rate bonds. Starting in fiscal year 2014, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays one counterparty a variable payment computed at the Securities Industry and Financial Markets Association Municipal Swap Index Rate (SIFMA) rate and receives a



Financial Section

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

variable payment computed at 70% of the London Interbank Offered Rate (LIBOR) plus 52.4 basis points. For the second swap, CPS pays the counterparty a variable payment computed at the SIFMA rate and receives a variable payment computed at 80.764% of LIBOR.

Fair value. As of June 30, 2008, the swaps have a positive fair value as a result of long term interest rates falling since the execution of the swap. The fair value was determined by market prices quoted by DerivActiv, an independent derivative valuation company who specializes in daily mark to market derivative valuations, as of June 30, 2008 (see table below).

Credit risk. As of June 30, 2008, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps becomes negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+" / "A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2008

Counterparty	Swap Notional Amount	Credit Rating; Outlook		Swap Fair Value
		Moody's	S&P	
Loop Financial	\$116,151,000	Aa1	AA	\$1,427,160
Merrill Lynch	77,434,000	A1	A	810,767
Total	<u>\$193,585,000</u>			<u>\$2,237,927</u>

Basis risk. The swaps expose CPS to basis risk should the relationship between LIBOR and SIFMA converge. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the stated coupon on the bonds, and therefore the expected cost savings may not be realized. As of June 30, 2008, the SIFMA rate was 1.55%. As of June 30, 2008, the rate received by one counterparty was 2.25% (70% of LIBOR + 52.4 basis points) and was 1.989% from the other (80.764% of LIBOR), effectively lowering the stated coupon on the bonds by a weighted average of 0.594%.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2005A bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2005DE

Swap Objective. CPS entered into an interest rate swap associated with the issuance of the Series 2005DE bonds in December 2005 as a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of entering into the swap was to effectively change the variable interest rate on the bonds to a fixed interest rate of 3.6617%.

Swap terms. The bonds and the related swap agreement mature on March 1, 2036, and the total notional amount of the swaps equals the \$287,055,000 of Series 2005DE variable rate bonds. Starting in fiscal year



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

2013, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays the counterparty a fixed payment of 3.6617% and receives a variable payment computed at 70% of the LIBOR.

Fair value. As of June 30, 2008, the swap has a negative fair value as a result of long-term interest rates decreasing since the execution of the swap. The fair value was determined by market prices quoted by DerivActiv, and independent derivative valuation company who specializes in daily mark to market derivative valuations, as of June 30, 2008 (see table below).

Credit risk. As of June 30, 2008, CPS was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swaps becomes positive, CPS would be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+" / "A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2008

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Loop Financial	\$287,055,000	Aa1	AA	\$(11,276,572)

Basis risk. The swaps expose CPS to basis risk should the rate paid on the variable rate debt be higher than the 70% of the LIBOR rate received from the swap counterparty. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.6617% synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2008, the weighted average variable rate was 3.836% and 70% of LIBOR was 1.724%. To mitigate the potential for basis risk, CPS' annual debt service fund deposit is calculated at a rate of 3.7817%.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2005DE bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2000C and Series 2004C

Swap Objective. In February 2007, CPS entered into interest rate swaps associated with Series 2000C and Series 2004C bonds with Royal Bank of Canada. The intention of entering into the swaps was to effectively change the variable interest rate on the bonds to a fixed interest rate of 3.823% for Series 2000C and 3.825% for Series 2004C.

Series 2000C Swap terms. The bonds and the related swap agreement mature on March 1, 2032, and the total notional amount of the swaps equals the \$61,100,000. Starting in fiscal year 2024, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays the counterparty a fixed payment of 3.823% and receives a variable payment computed at 70% of the LIBOR.

Financial Section

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Series 2004C Swap terms. The bonds and the related swap agreement mature on March 1, 2035, and the total notional amount of the swaps equals the \$124,320,000. Starting in fiscal year 2024, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays the counterparty a fixed payment of 3.825% and receives a variable payment computed at 70% of LIBOR.

Fair value. As of June 30, 2008, the swap has a negative fair value as a result of long term interest rates decreasing since the execution of the swap. The fair value was determined by market prices quoted by DerivActiv, and independent derivative valuation company who specializes in daily mark to market derivative valuations, as of June 30, 2008 (see table below).

Credit risk. As of June 30, 2008, CPS was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, CPS would be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+"/ "A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2008

Counterparty	Swaption Notional Amount	Credit Rating; Outlook		Swap Fair Value
		Moody's	S&P	
Royal Bank of Canada	\$ 61,100,000	Aaa	AA-	\$ (3,637,171)
Royal Bank of Canada	124,320,000	Aaa	AA-	(7,534,363)
Total	<u>\$185,420,000</u>			<u>\$(11,171,534)</u>

Basis risk. The swaps expose CPS to basis risk should the rate paid on the variable rate debt be higher than the 70% of LIBOR rate received from the swap counterparty. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.6617% synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2008, the weighted average variable rate was 1.53% for Series 2000C bonds and 1.825% Series 2004C bonds and 70% of LIBOR was 1.724%. To mitigate the potential for basis risk, CPS' annual debt service fund deposit is calculated at a rate of 3.817%.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2000C and 2004C bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.



NOTE 11. OTHER LONG-TERM LIABILITIES

The following is a summary of changes to other long-term liabilities (\$000's)

	Balance June 30, 2007	Additions	Payments	Balance June 30, 2008
Accrued Sick Pay Benefits	\$214,883	\$127,269	\$(73,107)	\$269,045
Accrued Vacation Pay Benefits	39,359	38,997	(4,466)	73,890
Accrued Workers' Compensation Claims	75,414	28,768	(17,364)	86,818
Accrued General and Automobile Claims	10,184	682	(717)	10,149
Tort Liabilities and Other Claims	4,150	—	(2,750)	1,400
Total	<u>\$343,990</u>	<u>\$195,716</u>	<u>\$(98,404)</u>	<u>\$441,302</u>
Less: Current Portion of Accrued Sick Pay Benefits				(59,539)
Less: Current Portion of Accrued Vacation Pay Benefits				<u>(6,875)</u>
Total Other Long-term Liabilities				<u>\$374,888</u>

Sick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees can accumulate a maximum of 315 days. If an employee either reaches age 65; has a minimum of 20 years of service at the time of resignation or retirement, or dies, the employee is entitled to receive, as additional cash compensation, all or a portion of their accumulated sick leave days. The CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year.

Vacation Pay Benefits

For eligible employees, the maximum number of accumulated unused vacation days permitted is 40 days for those employees with up to 10 years of service; 53 days for those with 10 to 20 years of service; and 66 days for those with more than 20 years of service. Eligible employees are entitled to receive 100% of accumulated vacation days at their current salary rate. These amounts will be liquidated from the General Operating Fund.

Accrued Workers' Compensation, General and Automobile and Tort Liabilities and Other Claims

The CPS is substantially self-insured and assumes risk of loss as follows:

The CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of \$200,000,000 and Boiler & Machinery Insurance with limits of \$100,000,000 with the following deductibles:

Data Processing Equipment & Media	\$ 25,000
Mechanical Breakdown	\$ 50,000
All Other Losses	\$500,000

During fiscal years 2008, 2007 and 2006 no settlements were made in excess of the self-insured amount and there has been no significant reduction in insurance coverage over the past three fiscal years.

The CPS maintains commercial excess liability insurance with limits of \$75,000,000 in excess of a \$10,000,000 self-insured retention per loss for claims arising from: General Liability; Automotive Liability; Employers Liability; and Wrongful Acts.

As discussed in Note 15, there are pending workers' compensation and tort claims involving the CPS which have arisen out of the ordinary conduct of business. The CPS budgets an amount each year in the

Financial Section

NOTE 11. OTHER LONG-TERM LIABILITIES (continued)

Workers' and Unemployment Compensation/Tort Immunity Fund for the estimated claims, of which the expenditures are met through an annual tax levy.

The CPS' estimate of liabilities for workers' compensation claims, general and automobile claims and tort is based on reserves established by the respective trial attorneys or the claims administrators. The CPS accrues for the estimated workers' compensation, general and automobile claims and tort claims in the General Operating Fund where there is a likelihood that an unfavorable outcome is probable and that expenditures will be liquidated with expendable available financial resources.

The CPS is self-insured for workers' compensation claims and certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A liability of \$48.5 million has been recorded for health insurance costs as a part of accrued payroll in the General Operating Fund, which includes \$29.1 million for estimated medical claims incurred but not reported as of June 30, 2008. Following is the activity related to medical claims for which the CPS is self-insured (\$000's):

<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>\$49,012</u>	<u>\$263,695</u>	<u>\$(257,066)</u>	<u>\$55,641</u>	<u>\$273,403</u>	<u>\$(280,580)</u>	<u>\$48,464</u>

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Pension — Certified Teachers and Administrators

Pension benefits for certified teachers and administrators are provided under a defined benefit cost-sharing multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund") in which the CPS is the sole employer. There are no assets of the CPS included in the Pension Fund. Copies of the Pension Fund Annual Report are available by contacting the Public School Teachers' Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois 60601.

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the Pension Fund. Participation in the Pension Fund is mandatory for all members of the teaching force and employees of the Pension Fund. As of June 30, 2007, the most recent report, there were 32,968 active participants in the Pension Fund, substantially all of who were employees of the CPS.

A member of the Pension Fund with at least 20 years of service is entitled to a pension upon attainment of age 55. A member with at least 5 but less than 20 years of service is entitled to a pension upon attainment of age 62. The pension benefit is based upon years of service and salary level.

Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1.0% for survivor's pension. In fiscal year 2008, as in previous fiscal years, the CPS paid a portion (7% — \$125.4 million) of the required employees' contribution, which has been recorded as an expenditure in the accompanying financial statements. A portion of grant funds from the Federal government and General Operating Fund revenues provides the funding of the 7% portion. The remaining portion (2%) is withheld from teachers' salaries.

The CPS' employer-required contributions, with the exception of contributions from Federal funds, are not actuarially determined. State law requires statutorily determined CPS employer contributions. The CPS'



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows (\$000's):

Retirement benefit contribution:	
A contribution from the State of Illinois	\$ 75,218
A contribution to increase funded ratio to 90%	131,455
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded programs	<u>18,461</u>
Total contributions.	<u>\$225,134</u>

For the fiscal year ended June 30, 2008, employee contributions are \$161.2 million which is 9% of covered payroll. Employer contributions for the year are \$225.1 million which is approximately 5% of covered payroll.

The CPS recognizes its pension expenditures as the amount accrued during the year that normally would be liquidated with expendable available financial resources (i.e., total CPS contributions).

The governmental fund financial statements reflect expenditures on both a functional and budgetary account basis. Teachers' pension expenditures reflected on the budgetary account basis include both the CPS' employer share of pension expenditures of \$225.1 million and amounts incurred by the CPS for a portion of the required employees' pension contribution of \$125.4 million, which total \$350.5 million. For functional reporting purposes, all teachers' pension expenditures, except that portion funded by the Federal grants, are reflected in the same functional classifications as the teachers' salaries.

The government-wide financial statements reflect pension expense representing the change in net pension obligation.

The CPS' annual pension costs for fiscal years 2008, 2007 and 2006 are as follows (\$000's):

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Annual required contribution (ARC)	\$ 290,073	\$ 370,210	\$ 328,366
Interest on Net Pension Obligation (NPO)	140,114	121,042	100,492
Adjustment to annual required contribution	<u>(99,133)</u>	<u>(85,639)</u>	<u>(61,849)</u>
Annual Pension Cost (APC) for the fiscal year ended June 30, 2008	\$ 331,054	\$ 405,613	\$ 367,009
Less: Contributions made	<u>(225,134)</u>	<u>(167,209)</u>	<u>(110,132)</u>
Increase in NPO	\$ 105,920	\$ 238,404	\$ 256,877
Add NPO, beginning of year	<u>1,751,427</u>	<u>1,513,023</u>	<u>1,256,146</u>
NPO, end of year	<u>\$1,857,347</u>	<u>\$1,751,427</u>	<u>\$1,513,023</u>
Actuarial valuation date	June 30, 2007		
Actuarial cost method	Projected Unit Credit		
Amortization method	Level percent, open		
Remaining amortization period	30 years		
Asset valuation method	4 year smoothed market		
Actuarial assumptions:			
Investment rate of return	8%		
Projected salary increases	Average of 4% per year		
Inflation	3%		

Financial Section

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

At June 30, 2007, 2006 and 2005 (the actuarial valuation dates), the Schedule of Funding Progress and other trend information is as follows (\$000's):

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarial value of assets	\$ 11,759,699	\$ 10,947,998	\$ 10,506,471
Less: Actuarial Accrued Liability (AAL)	<u>(14,677,184)</u>	<u>(14,035,627)</u>	<u>(13,295,876)</u>
AAL unfunded (liability) / surplus	<u>\$ (2,917,485)</u>	<u>\$ (3,087,629)</u>	<u>\$ (2,789,405)</u>
Funded ratio.	80.1%	78.0%	79.0%
Covered payroll	\$ 1,863,182	\$ 1,944,358	\$ 1,968,612
Unfunded AAL as a percentage of covered payroll . . .	156.6%	158.8%	141.7%
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Annual pension cost	\$ 331,054	\$ 405,613	\$ 367,009
Percentage of annual pension cost contributed	68.0%	41.2%	30.0%
Net Pension Obligation	\$1,857,347	\$1,751,427	\$1,513,023

In the opinion of the CPS' legal counsel, the unfunded actuarial liability of the Pension Fund is not a liability to be funded by the CPS; however, the CPS is required to provide funding in addition to amounts provided from Federal and State sources if the funded ratio drops below 90%. CPS contributed \$131.5 million in fiscal year 2008 to increase the funded ratio to 90% and will make an additional General Operating Fund appropriation of \$188.2 million for the fiscal year ended June 30, 2009.

During fiscal year 2008, approximately 96 teachers participated in CPS' early retirement incentive program. The accrued pension cost of \$3 million was recorded in the fund financial statements.

Pension — Other Personnel

All career service employees of the CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"). The Annuity Fund is considered a defined benefit plan.

Employees with at least 10 years of service who have attained 55 years of age at the time they withdraw from service must accept an annuity if they are not eligible for a refund of their annuity contribution. Employees under the age of 55 with at least 10 years of service who withdraw from service may accept a refund of their contributions plus interest or let the contributions remain in the Annuity Fund and receive an annuity, beginning upon application for an annuity, after they attain 55 years of age. If an employee withdraws from service with less than 10 years of service, accumulated annuity contributions plus interest are refunded.

Except as described below, the CPS makes no direct contributions to the Annuity Fund, which receives its income from three primary sources: a City of Chicago tax levy; income from investments; and deductions from participating employees' salaries.

Covered employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute a percentage of their salary (8.5%). In fiscal year 2008, as in previous fiscal years, CPS agreed to pay a portion (7% — \$35.7 million) of the required employees' contribution for most employees. CPS also receives a portion of the cost of providing pension benefits from grants by the Federal government for career service employees paid from certain Federally-funded programs. In fiscal year 2008, the career service pension expenditure reflected in the fund financial statements is \$91.1 million; of this amount \$89.8 million is reflected in the General Operating Fund and \$1.3 million in the Capital Projects Fund. This total career service pension expenditure is composed of \$35.7 million which represents the required employees' contribution paid by CPS on behalf of its employees; \$50 million contributed by the City of



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Chicago through its specific tax levies for pension plans and the remaining \$5.4 million funded under Federally-funded programs. The portion funded by the City of Chicago and Federal Government is also reflected as revenue in the General Operating Fund and the Capital Projects Fund.

Career service pension expense in the government-wide financial statements is \$91.1 million.

As of December 31, 2007, the date of the latest available report, the Annuity Fund had net assets of approximately \$7 billion and an unfunded accrued actuarial liability for all covered employees, including CPS employees, of approximately \$3.3 billion. The CPS employs approximately 17,990 of the 34,885 active participants in the Annuity Fund. The CPS, in the opinion of its legal counsel, has no duty to contribute any sum to the Annuity Fund.

Other Postemployment Benefits (OPEB)

Healthcare benefits for certified teachers and administrators are provided under a multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund"). There are no assets of the CPS included in the Pension Fund. The initial actuarial analysis is contained in a stand alone report that was commissioned by CPS and is available by contacting Chicago Public Schools, 125 South Clark Street, Chicago, Illinois 60603. Subsequent analyses will be contained within the Pension Fund Annual Report and will be available by contacting the Public School Teachers' Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois 60601.

The Pension Fund administers a health insurance program that includes two external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance. The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 70% of the individual member's cost for fiscal years 2007 and 2006. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed \$65 million plus any previous year amounts authorized but not yet expended. The statutory threshold, however, does not fall under the definition of a funding cap as set forth in GASBS 45. The Pension Fund has total discretion over the program, and no employee or employer contributions are made for the subsidy. As of June 30, 2007, the most recent available data, there were 14,169 active participants in the Chicago Teachers' Pension Fund Retiree Health Insurance Program.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.



Financial Section

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

The CPS' annual OPEB costs for fiscal year 2008, 2007 and 2006 are as follows (\$000's):

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total actuarial valuation as of June 30, 2007, June 30, 2006 and June 30, 2005	\$(2,022,008)	\$(2,373,774)	\$(2,825,543)
Total OPEB assets of the Teacher Pension Fund	<u>47,402</u>	<u>41,058</u>	<u>89,763</u>
Unfunded actuarial liability	<u>\$(1,974,606)</u>	<u>\$(2,332,716)</u>	<u>\$(2,735,780)</u>
Annual amount to amortize unfunded liability over 30 years as a level percent of payroll	\$ 77,055	\$ 91,029	\$ 106,758
Normal cost	<u>72,978</u>	<u>118,417</u>	<u>106,558</u>
Annual required contribution	\$ 150,033	\$ 209,446	\$ 213,316
Interest on net OPEB obligation	21,255	10,666	N/a
Adjustment to annual required contribution	<u>(16,589)</u>	<u>(8,324)</u>	<u>N/a</u>
Annual OPEB cost for the fiscal year ended June 30, 2007	\$ 154,699	\$ 211,788	\$ 213,316
Less: Contributions made	<u>—</u>	<u>—</u>	<u>—</u>
Increase in OPEB	\$ 154,699	\$ 211,788	\$ 213,316
Add OPEB, beginning of year	<u>\$ 425,104</u>	<u>\$ 213,316</u>	<u>—</u>
OPEB, end of year	<u>\$ 579,803</u>	<u>\$ 425,104</u>	<u>\$ 213,316</u>
Actuarial valuation date	June 30, 2007		
Actuarial cost method	Projected Unit Credit		
Amortization method	Level percent of payroll		
Remaining amortization period	30 years		
Actuarial assumptions:			
Discount rate	5%		
Medical trend rate	5%		
Inflation	3%		

Other Personnel

Actuarial studies on other personnel determined that no OPEB liability exists for those employees as of June 30, 2008.

NOTE 13. THE CHICAGO SCHOOL FINANCE AUTHORITY

In 1979, the CPS was unable to continue normal operations because of a severe cash shortage. As a result, the Chicago School Finance Authority (the "Authority") was created in January 1980 to exercise oversight and control over the financial affairs of the CPS.

The amount of Authority bonds outstanding at June 30, 2008, net of bonds advance refunded or defeased is \$66,645,000 which is payable in fiscal year 2009. The Authority's bonds are not a direct or contingent obligation of the CPS.

The Authority is a separate body politic and corporate and a unit of local government with the power to levy property taxes. The Authority will remain in existence until one year after all bonds and notes issued by it have been discharged. The Authority had various financial oversight powers related to the CPS until June 30, 1995. Public Act 93-0488 suspended the powers of the Authority until 2010.



NOTE 14. FUND BALANCE RESERVATIONS AND NET ASSET RESTRICTIONS

a. Fund Balance Reservation

On the fund financial statements, the Fund Balance Reserved for Specific Purposes consists of the following (\$000's):

<u>Purpose</u>	<u>Reserved Amount</u>
Workers' Compensation/Tort Immunity	\$ 56,610
Supplementary General State Aid	<u>46,085</u>
Total	<u>\$102,695</u>

The amount reserved for Supplementary General State Aid represents the unexpended and unencumbered portion of the 2008 Supplementary General State Aid allocation.

In its fiscal year 2008 budget, CPS appropriated in its General Operating Fund \$36 million of fund balances from amounts reserved for specific purposes and \$73 million of general fund balance.

In its fiscal year 2009 budget, CPS appropriated in its General Operating Fund \$45.2 million of fund balances from amounts reserved for specific purposes and \$100 million of general fund balance.

In its fiscal year 2008 budget, CPS designated \$233.2 million to provide working capital. In its fiscal year 2009 budget, CPS has designated \$258 million to provide working capital.

During fiscal year 2008, the Board reserved \$272.4 million for Debt Service of which \$236.1 million was allocated to the Bond Redemption and Interest Program and the remaining \$36.3 million was allocated to the Public Building Commission Leases Program.

b. Net Assets Restrictions

The government-wide statement of net assets reports \$550.2 million of restricted net assets, of which \$445.7 is restricted for Debt service, \$1.8 million is restricted for Donations and \$102.7 is restricted by Enabling legislation.

NOTE 15. LITIGATION AND CONTINGENCIES

a. State and Federal Aid Receipts

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management and legal counsel, any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2008, resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements at June 30, 2008.

b. Asbestos and Lead Abatement

Under Federal and State asbestos and lead abatement laws and guidelines, CPS will be required to perform significant amounts of asbestos and lead abatement in school facilities. The cost of the asbestos and lead abatement is estimated to be substantial. These future costs will be recorded as expenditures when the work is performed. Although the amount, funding and timing of the future expenditures required is uncertain, CPS intends to comply with all Federal and State asbestos and lead abatement laws and guidelines.

Financial Section

NOTE 15. LITIGATION AND CONTINGENCIES (continued)

c. Wrongful Death Claim

Deena Samuels v Board of Education of the City of Chicago, et. is both a survivor action and a wrongful death claim lawsuit on behalf of Aniya Bowers. On March 17, 2005 Deena Samuels, a CPS employee, fell on a wet floor in the cafeteria of Oscar DePriest Elementary School. She was pregnant at the time. She gave birth to Aniya Bowers, who died on April 27, 2005. The Board's custodians were responsible for cleaning the area near where Ms. Samuels fell. The key issue at trial will be whether Ms. Samuels' fall caused Aniya's premature birth and death. A finding of liability on the part of CPS cannot be predicted as either probable or remote at this juncture.

d. Other Litigation and Claims

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts, property tax objections, and other matters, arising out of CPS' ordinary conduct of its business. Certain actions involve alleged damages in substantial amounts. The amounts of liability, if any, on these claims as of June 30, 2008, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. In the opinion of CPS management and legal counsel, the final resolution of these claims and legal actions will not be material to CPS' financial statements as of June 30, 2008.

NOTE 16. CHANGE IN ACCOUNTING METHOD

In 2007 and prior years, CPS' policy considered non-exchange transactions such as State Aid, Federal Aid and Replacement tax revenues, to be available and susceptible to accrual if collected within 90 days of the fiscal year end for fund financial statements. During fiscal year 2008 CPS retrospectively changed its method to consider these revenues to be available and susceptible to accrual if collected within 30 days after the year end. This change is consistent with CPS' current property tax revenue recognition policy.

The fund balances for the years ended June 30, 2006 and June 30, 2007 have been retrospectively adjusted for this change and are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Fund Balances				
June 30, 2006 as previously reported	\$ 495,897	\$504,984	\$353,267	\$1,354,148
Change in accounting policy	<u>(112,084)</u>	<u>—</u>	<u>—</u>	<u>(112,084)</u>
Fund Balances, as restated	<u>\$ 383,813</u>	<u>\$504,984</u>	<u>\$353,267</u>	<u>\$1,242,064</u>
June 30, 2007 as previously reported	\$ 633,936	\$680,513	\$423,347	\$1,737,796
Change in accounting policy	<u>(159,153)</u>	<u>(312)</u>	<u>—</u>	<u>(159,465)</u>
Fund Balances, as restated	<u>\$ 474,783</u>	<u>\$680,201</u>	<u>\$423,347</u>	<u>\$1,578,331</u>

NOTE 17. SUBSEQUENT EVENTS

Unlimited Tax General Obligation Refunding Bonds (Series 2005DE, Series 2004CDE, Series 2000BCD) variable rate demand obligations

In August 2008, CPS substituted insurance on \$195,000,000 outstanding Unlimited Tax General Obligation Bonds (Series 2005D) as a result of the initial insurer, CIFG, being downgraded below investment grade by both Fitch and Moody's. CIFG was replaced with Assured Guaranty. Cost of issuance of \$1.1 million for the substitution were paid from CPS' funds.



NOTE 17. SUBSEQUENT EVENTS (continued)

Also in August 2008, Standard & Poor's downgraded CFIG below investment grade, which resulted in an immediate termination of CPS' Standby Bond Purchase Agreement with Dexia Credit Local for \$130,000,000 outstanding Unlimited Tax General Obligation Bonds (Series 2005E). Under the terms of the Series 2005E trust indenture, CPS is required to diligently pursue corrective action within a sixty (60) day period, which action it is currently pursuing. Currently \$79,500,000 bonds are bank bonds under the Standby Bond Purchase Agreement, resulting in current interest rates of 6.25% for bank bonds and 9.0% for remarketed bonds.

In September 2008, related to the impact of the global liquidity crisis, Depfa Bank PLC, liquidity provider for the Series 2005D bonds, was downgraded by Standard & Poor's to BBB+ from A, by Moody's to A2 from Aa3 and by Fitch to A- from AA-. Subsequently in October 2008, \$153,485,000 of the Series 2005D bonds were unable to be remarketed and are currently bank bonds under the Standby Bond Purchase Agreement, resulting in current interest rates of 4.0% and 6.25% for remarketed bonds.

Also in October 2008, \$198,280,000 of the \$210,660,000 outstanding Series 2004CDE bonds with Depfa Bank PLC as liquidity provider were unable to be remarketed and are currently bank bonds under the Standby Bond Purchase Agreement, resulting in current interest rates of 4.5% for bank bonds and 8.0% - 9.0% for remarketed bonds.

In September 2008, related to the impact of the global liquidity crisis, Dexia Credit Local, liquidity provider for the Series 2000 BCD bonds, was downgraded by Standard & Poor's to AA- from AA. In October 2008 Dexia Credit Local was downgraded by Moody's to Aa3 from Aa1, by Fitch to AA- from AA+, and again by Standard & Poor's to A+ from AA-. Consequently, \$89,850,000 of the Series 2000D bonds were unable to be remarketed and became bank bonds under the Standby Bond Purchase Agreement resulting in interest rates of 4.0% for bank bonds and 3.75 — 5.5% for remarketed bonds. In November 2008, \$20,000,000 of the Series 2000D bank bonds were remarketed at a rate of 5.5%.

Unlimited Tax General Obligation Bonds (Series 1996, 1999A and 2008B)

In September 2008, Lehman Brothers Holding Inc. filed for bankruptcy. Lehman Brothers is counterparty to two agreements with CPS. Lehman Brothers Inc. provided a guaranteed investment contract for debt service funds associated with the Series 1996 and 1999A bonds at a rate of 7.27%. Collateral posted by Lehman related to the agreement was liquidated in October 2008, in excess of the principal amount invested. CPS anticipates filing a bankruptcy claim for interest owed under the agreement.

Lehman Brothers Special Financing Inc. ("LBSFI") is counterparty to an interest rate swap agreement associated with the series 2008B bonds. The current mark-to-market valuation of the swap is in favor of LBSFI. CPS is not required to post collateral related to the agreement or make a termination payment as a result of the bankruptcy. As a result of the bankruptcy proceedings, Lehman Brothers Inc. may assume or reject the swap contract by December 18, 2008. CPS does not anticipate making a termination payment in either case.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

The General Operating Fund is the primary operating fund of the Board. It was created in response to the provisions of P.A. 89-15 which consolidated all of the rate-limited tax levies into the Board's general education tax levy. All information in this fund is presented in accordance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. The General Operating Fund includes all the revenues and expenditures of the following programs: Educational Program; Special Education Program; Supplementary General State Aid Program; School Lunch Program; School Special Income Account; Improving America's School Act Program; Education of the Handicapped Program; Workers and Unemployment Compensation/Tort Immunity Program; Public Building Commission Operations and Maintenance Program, and; Other Government-funded Programs.



Individual Schedules — General Operating Fund

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS AND ACTUAL
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of Dollars)

	<u>Final</u> <u>Appropriations</u>	<u>Fiscal Year</u> <u>2008 Actual</u>	<u>Variance</u>	<u>Fiscal Year</u> <u>2007 Actual</u> <u>(as restated)</u>	<u>2008</u> <u>Over (Under)</u> <u>2007</u>
REVENUES:					
Property taxes	\$1,770,689	\$1,763,282	\$ (7,407)	\$1,716,516	\$ 46,766
Replacement taxes	145,900	159,805	13,905	147,403	12,402
State aid	1,653,332	1,692,351	39,019	1,528,464	163,887
Federal aid	862,162	832,526	(29,636)	685,962	146,564
Interest and investment income	36,650	40,905	4,255	61,595	(20,690)
Other	70,523	96,816	26,293	95,495	1,321
Total Revenues	<u>\$4,539,256</u>	<u>\$4,585,685</u>	<u>\$ 46,429</u>	<u>\$4,235,435</u>	<u>\$350,250</u>
EXPENDITURES:					
Teachers' salaries	\$2,034,997	\$1,885,400	\$149,597	\$1,924,109	\$ (38,709)
Career service salaries	577,296	559,741	17,555	535,148	24,593
Energy	85,076	86,759	(1,683)	77,133	9,626
Food	88,165	83,326	4,839	83,798	(472)
Textbooks	90,800	89,514	1,286	65,772	23,742
Supplies	55,747	46,030	9,717	45,945	85
Other commodities	1,978	910	1,068	1,072	(162)
Professional fees	385,055	360,277	24,778	322,252	38,025
Charter schools	191,401	189,006	2,395	141,030	47,976
Transportation	105,326	102,828	2,498	97,076	5,752
Tuition	64,481	65,105	(624)	63,103	2,002
Telephone and telecommunications	5,307	17,671	(12,364)	13,701	3,970
Other services	17,403	13,253	4,150	13,271	(18)
Equipment — Educational	48,418	39,003	9,415	34,614	4,389
Repairs and replacements	42,434	36,999	5,435	32,973	4,026
Capital outlay	—	10	(10)	5	5
Teachers' pension	345,327	350,483	(5,156)	282,488	67,995
Career service pension	88,049	89,776	(1,727)	83,317	6,459
Hospitalization and dental insurance	266,177	260,386	5,791	250,765	9,621
Medicare	31,514	31,075	439	25,279	5,796
Unemployment compensation	10,595	5,764	4,831	8,236	(2,472)
Workers' compensation	39,953	29,757	10,196	24,619	5,138
Rent	12,167	11,020	1,147	12,965	(1,945)
Debt service	1,420	21,704	(20,284)	1,269	20,435
Other fixed charges	59,170	18,888	40,282	6,429	12,459
Total Expenditures	<u>\$4,648,256</u>	<u>\$4,394,685</u>	<u>\$253,571</u>	<u>\$4,146,369</u>	<u>\$248,316</u>
REVENUES IN EXCESS OF (LESS THAN) EXPENDITURES	<u>\$ (109,000)</u>	<u>\$ 191,000</u>	<u>\$300,000</u>	<u>\$ 89,066</u>	<u>\$101,934</u>
OTHER FINANCING SOURCES:					
Transfers in	—	3,813	3,813	1,904	1,909
Total other financing sources	<u>\$ —</u>	<u>\$ 3,813</u>	<u>\$ 3,813</u>	<u>\$ 1,904</u>	<u>\$ 1,909</u>
NET CHANGE IN FUND BALANCE	<u>\$ (109,000)</u>	<u>\$ 194,813</u>	<u>\$303,813</u>	<u>\$ 90,970</u>	<u>\$103,843</u>
Fund Balance, beginning of period as restated (Note 16)	474,783	474,783	—	383,813	90,970
Fund Balance, end of period	<u>\$ 365,783</u>	<u>\$ 669,596</u>	<u>\$303,813</u>	<u>\$ 474,783</u>	<u>\$194,813</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Capital Projects Fund

The Capital Projects Fund is for the receipt and expenditures of revenues for Board capital projects. This fund includes the Capital Asset Program and the Capital Improvement Program.

Capital Asset Program:

This program is for the receipt and expenditures of proceeds from the sale of certain Board real estate, proceeds from the Chicago School Finance Authority, and other miscellaneous capital project revenues from various sources as designated by the Board.

Capital Improvement Program:

This program is for the receipt and expenditures of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission Building Revenue Bonds, State of Illinois construction grant receipts and federal E-rate capital subsidies for the purpose of building and improving schools at the designation of the Board.



Individual Schedules — Capital Projects Fund

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2008
(Thousands of dollars)

	<u>Capital Asset Program</u>	<u>Capital Improvement Program</u>	<u>Total</u>
Revenues:			
State aid	\$ —	\$ 58	\$ 58
Federal aid	—	43,515	43,515
Interest and investment income	—	25,970	25,970
Other	—	60,457	60,457
Total Revenues	<u>\$ —</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>
Expenditures:			
Capital outlays	\$ —	\$ 463,057	\$ 463,057
Total Expenditures	<u>\$ —</u>	<u>\$ 463,057</u>	<u>\$ 463,057</u>
REVENUES IN EXCESS OF / (LESS THAN) EXPENDITURES	<u>\$ —</u>	<u>\$(333,057)</u>	<u>\$(333,057)</u>
OTHER FINANCING SOURCES:			
Gross amounts from debt issuances	\$ —	\$ 238,720	\$ 238,720
Premiums	—	13,835	13,835
Sales of general capital assets	6,404	—	6,404
Total other financing sources	<u>\$ 6,404</u>	<u>252,555</u>	<u>258,959</u>
NET CHANGE IN FUND BALANCES	<u>\$ 6,404</u>	<u>\$ (80,502)</u>	<u>\$ (74,098)</u>
Fund Balances, beginning of period as restated (Note 16)	<u>34,036</u>	<u>646,165</u>	<u>680,201</u>
Fund Balances, end of period	<u><u>\$40,440</u></u>	<u><u>\$ 565,663</u></u>	<u><u>\$ 606,103</u></u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL ASSET PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2008	Variance	Fiscal Year 2007 (as restated)	2008 Over (Under) 2007
REVENUES:					
State aid	\$ —	\$ —	\$ —	\$ —	\$ —
Other	—	—	—	265	(265)
Total Revenues	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 265</u>	<u>\$ (265)</u>
EXPENDITURES:					
Capital outlay	\$ —	\$ —	\$ —	\$ 44	\$ (44)
Total Expenditures	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ (44)</u>
REVENUES IN EXCESS OF (LESS THAN) EXPENDITURES	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 221</u>	<u>\$ (221)</u>
OTHER FINANCING SOURCES:					
Sales of general capital assets	—	6,404	6,404	25,673	\$(19,269)
Total other financing sources	<u>\$ —</u>	<u>6,404</u>	<u>6,404</u>	<u>25,673</u>	<u>\$(19,269)</u>
NET CHANGE IN FUND BALANCE					
BALANCE	\$ —	\$ 6,404	\$6,404	\$25,894	\$(19,490)
Fund Balances, beginning of period as restated (Note 16)	<u>34,036</u>	<u>34,036</u>	<u>—</u>	<u>8,142</u>	<u>25,894</u>
Fund Balances, end of period	<u><u>\$34,036</u></u>	<u><u>\$40,440</u></u>	<u><u>\$6,404</u></u>	<u><u>\$34,036</u></u>	<u><u>\$ 6,404</u></u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL IMPROVEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2008	Variance	Fiscal Year 2007 (as restated)	2008 Over (Under) 2007
REVENUES:					
State aid	\$ —	\$ 58	\$ 58	\$ 18,020	\$ (17,962)
Federal aid	—	43,515	43,515	33,856	9,659
Interest and investment income . .	—	25,970	25,970	35,587	(9,617)
Other	—	60,457	60,457	36,582	23,875
Total Revenues	<u>\$ —</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 124,045</u>	<u>\$ 5,955</u>
EXPENDITURES:					
Salaries	\$ 10,484	\$ 8,779	\$ 1,705	\$ 7,779	\$ 1,000
Commodities	2,855	7,465	(4,610)	3,369	4,096
Services	574,835	302,605	272,230	226,794	75,811
Educational equipment	11,518	36,664	(25,146)	28,378	8,286
Capital outlay	56,182	102,140	(45,958)	81,734	20,406
Pension	1,361	1,381	(20)	1,111	270
Hospitalization and dental insurance	603	596	7	446	150
Medicare	124	122	2	138	(16)
Unemployment compensation . . .	30	20	10	24	(4)
Workers compensation	72	104	(32)	71	33
Other	197,033	3,181	193,852	(4,873)	8,054
Total Expenditures	<u>\$ 855,097</u>	<u>\$ 463,057</u>	<u>\$ 392,040</u>	<u>\$ 344,971</u>	<u>\$ 118,086</u>
REVENUES IN EXCESS OF (LESS THAN) EXPENDITURES	<u>\$(855,097)</u>	<u>\$(333,057)</u>	<u>\$ 522,040</u>	<u>\$(220,926)</u>	<u>\$(112,131)</u>
OTHER FINANCING SOURCES (USES)					
Gross amounts from debt issuances	405,000	238,720	(166,280)	355,805	(117,085)
Premiums	—	13,835	13,835	14,444	(609)
Total other financing sources . .	<u>405,000</u>	<u>252,555</u>	<u>(152,445)</u>	<u>370,249</u>	<u>(117,694)</u>
NET CHANGE IN FUND BALANCE					
Fund Balances, beginning of period as restated (Note 16) . . .	646,165	646,165	—	496,842	149,323
Fund Balances, end of period . . .	<u>\$ 196,068</u>	<u>\$ 565,663</u>	<u>\$ 369,595</u>	<u>\$ 646,165</u>	<u>\$ (80,502)</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Service Fund

The Debt Service Fund is established to account for annual property tax levies and other revenues that are used for the payment of principal and interest and redemption for general obligation bonds by the Board and for lease payments to the Public Building Commission. The fund includes the Bond Redemption and Interest Program and the Public Building Commission Leases Program.

Bond Redemption and Interest Program:

This program is for the receipt and expenditure of replacement taxes, City of Chicago Intergovernmental Agreement Revenue, State of Illinois construction grant receipts and other revenues as designated by the Board for the payment of interest and principal on specific bond issues.

Public Building Commission Leases Program:

This program is for the receipt and expenditure of tax levies and for State of Illinois construction grant receipts for the rental of school buildings from the Public Building Commission.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER
FINANCING USES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2008
(Thousands of dollars)

	<u>Bond Redemption and Interest Program</u>	<u>Public Building Commission Leases Program</u>	<u>Total</u>
Revenues:			
Property taxes	\$ —	\$50,635	\$ 50,635
Replacement taxes	55,684	—	55,684
State aid	153,625	—	153,625
Interest and investment income	17,893	1,127	19,020
Other	23,755	—	23,755
Total Revenues	<u>\$ 250,957</u>	<u>\$51,762</u>	<u>\$ 302,719</u>
Expenditures:			
Debt service	\$ 208,638	\$51,800	\$ 260,438
Total Expenditures	<u>\$ 208,638</u>	<u>\$51,800</u>	<u>\$ 260,438</u>
REVENUES IN EXCESS OF / (LESS THAN)			
EXPENDITURES	\$ 42,319	\$ (38)	\$ 42,281
OTHER FINANCING SOURCES / (USES):			
Gross amounts from debt issuances	\$ 1,435,835	\$ —	\$ 1,435,835
Premiums	27,391	—	27,391
Payment to refunded bond escrow agent	(1,474,081)	—	(1,474,081)
Transfer in /(out)	(2,285)	(1,528)	(3,813)
Total other financing sources (uses)	<u>\$ (13,140)</u>	<u>\$ (1,528)</u>	<u>\$ (14,668)</u>
NET CHANGE IN FUND BALANCES	\$ 29,179	\$ (1,566)	\$ 27,613
Fund Balances, beginning of period as restated (Note 16)	<u>385,433</u>	<u>37,914</u>	<u>423,347</u>
Fund Balances, end of period	<u>\$ 414,612</u>	<u>\$36,348</u>	<u>\$ 450,960</u>

Financial Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2008 Actual	Variance	Fiscal Year 2007 Actual (as restated)	2008 Over (Under) 2007
REVENUES:					
Replacement taxes	\$ 54,107	\$ 55,684	\$ 1,577	\$ 54,106	\$ 1,578
State aid	160,382	153,625	(6,757)	134,022	19,603
Interest and investment income	—	17,893	17,893	17,775	118
Other	16,867	23,755	6,888	153,797	(130,042)
Total Revenues	<u>\$231,356</u>	<u>\$ 250,957</u>	<u>\$19,601</u>	<u>\$359,700</u>	<u>\$ (108,743)</u>
EXPENDITURES:					
Debt service	\$231,356	\$ 208,638	\$22,718	\$289,144	\$ (80,506)
Total Expenditures	<u>\$231,356</u>	<u>\$ 208,638</u>	<u>\$22,718</u>	<u>\$289,144</u>	<u>\$ (80,506)</u>
REVENUES IN EXCESS OF/ (LESS THAN) EXPENDITURES	\$ —	\$ 42,319	\$42,319	\$ 70,556	\$ (28,237)
OTHER FINANCING SOURCES (USES):					
Gross amounts from debt issuances	\$ —	\$ 1,435,835	\$ —	\$ —	\$ 1,435,835
Premiums	—	27,391	—	—	27,391
Payment to refunded bond escrow agent	—	(1,474,081)	—	—	(1,474,081)
Transfers in /(out)	—	(2,285)	(2,285)	(19)	(2,266)
Total other financing sources (uses)	<u>\$ —</u>	<u>\$ (13,140)</u>	<u>\$ (2,285)</u>	<u>\$ (19)</u>	<u>\$ (13,121)</u>
NET CHANGE IN FUND BALANCE					
Fund Balance, beginning of period as restated (Note 16)	385,433	385,433	—	314,896	70,537
Fund Balance, end of period	<u>\$385,433</u>	<u>\$ 414,612</u>	<u>\$40,034</u>	<u>\$385,433</u>	<u>\$ 29,179</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING USES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2008 Actual	Variance	Fiscal Year 2007 Actual (as restated)	2008 Over (Under) 2007
REVENUES:					
Property taxes	\$51,800	\$50,635	\$(1,165)	\$51,244	\$ (609)
Interest and investment income . . .	—	1,127	1,127	1,950	(823)
Total Revenues	<u>\$51,800</u>	<u>\$51,762</u>	<u>\$ (38)</u>	<u>\$53,194</u>	<u>\$(1,432)</u>
EXPENDITURES:					
Debt service	\$51,800	\$51,800	\$ —	\$51,766	\$ 34
Total Expenditures	<u>\$51,800</u>	<u>\$51,800</u>	<u>\$ —</u>	<u>\$51,766</u>	<u>\$ 34</u>
REVENUES IN EXCESS OF /(LESS THAN) EXPENDITURES	\$ —	\$ (38)	\$ (38)	\$ 1,428	\$(1,466)
OTHER FINANCING USES:					
Transfer (out)	—	(1,528)	(1,528)	(1,885)	357
NET CHANGE IN					
FUND BALANCE	\$ —	\$ (1,566)	\$(1,566)	\$ (457)	\$(1,109)
Fund Balance, beginning of period as restated (Note 16)	37,914	37,914	—	38,371	(457)
Fund Balance, end of period	<u>\$37,914</u>	<u>\$36,348</u>	<u>\$(1,566)</u>	<u>\$37,914</u>	<u>\$(1,566)</u>



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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION

This part of CPS' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about CPS' overall financial position.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how CPS' financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess CPS' major revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of CPS' current levels of outstanding debt and CPS' 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 CPS' financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in CPS' financial report relates to the services CPS provides and the activities it performs.

Sources:

Unless otherwise noted, the information contained herein is derived from the comprehensive annual financial reports for the relevant year. CPS implemented GASB 34 in 2001; schedules presenting government-wide information include information beginning in that year.



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF NET ASSETS
Last Eight Fiscal Years
(Accrual Basis of Accounting)
(Amounts in thousands)

	<u>2001(1)</u>	<u>2002(1)</u>	<u>2003(1)</u>
Invested in capital assets, net of related debt	\$ 574,361	\$ 400,731	\$ 392,041
Restricted for:			
Debt service	409,896	479,774	457,106
Reserve for specific purposes	126,527	103,372	88,207
Donations	—	—	—
Enabling legislation	—	—	—
Unrestricted	<u>245,203</u>	<u>176,312</u>	<u>67,064</u>
Total Net Assets	<u>\$1,355,987</u>	<u>\$1,160,189</u>	<u>\$1,004,418</u>

1) Note: Prior to fiscal year 2004, Donations and Enabling Legislation are reported as Reserve for Specific Purposes.



Financial Trends

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$454,841	\$ 413,077	\$ 268,190	\$ 267,249	\$ 133,440
390,882	298,538	357,409	413,747	445,782
—	—	—	—	—
1,439	1,459	1,503	1,765	1,826
42,015	43,675	84,388	129,597	102,695
<u>(98,023)</u>	<u>(225,335)</u>	<u>(538,879)</u>	<u>(698,809)</u>	<u>(784,702)</u>
<u>\$791,154</u>	<u>\$ 531,414</u>	<u>\$ 172,611</u>	<u>\$ 113,549</u>	<u>\$(100,959)</u>



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)
(Amounts in thousands)

	<u>2001(1)</u>	<u>2002</u>	<u>2003</u>
Governmental Activities:			
EXPENSES:			
Instruction	\$ 2,243,742	\$ 2,438,141	\$ 2,484,448
Pupil support services	315,700	329,041	332,693
Administrative support services	131,178	156,583	169,457
Facilities support services	396,469	334,605	351,492
Instructional support services	323,685	339,521	332,620
Food services	173,297	169,006	177,526
Community services	73,902	48,321	47,435
Interest Expense	172,436	183,443	186,141
Other	17,495	21,253	5,297
Total Expenses	<u>\$ 3,847,904</u>	<u>\$ 4,019,914</u>	<u>\$ 4,087,109</u>
PROGRAM REVENUES:			
Charges for Services			
Instruction	\$ —	\$ —	\$ 1,553
Food services	11,698	11,170	11,404
Operating Grants and Contributions	702,509	687,937	764,750
Capital Grants and Contributions	250,555	160,118	153,709
Total Program Revenues	<u>\$ 964,762</u>	<u>\$ 859,225</u>	<u>\$ 931,416</u>
Net (Expense)/Revenue	<u>\$(2,883,142)</u>	<u>\$(3,160,689)</u>	<u>\$(3,155,693)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:			
Taxes:			
Property taxes	\$ 1,459,942	\$ 1,459,942	\$ 1,574,111
Replacement taxes	137,744	137,744	105,960
Non- program State aid	1,160,386	1,160,386	1,248,607
Interest and investment earnings	103,520	103,520	49,161
Gain recognized from swaptions	—	—	—
Gain on sale of fixed assets	—	—	—
Miscellaneous	29,102	29,102	22,083
Total General Revenues	<u>\$ 2,890,694</u>	<u>\$ 2,890,694</u>	<u>\$ 2,999,922</u>
Change in net assets	<u>\$ 7,552(1)</u>	<u>\$ (269,995)</u>	<u>\$ (155,771)</u>

[1] For fiscal year 2001, the change in net assets includes the cumulative effect of change in accounting principles resulting from the adoption of GASBS 33, Accounting and Financial Reporting for Exchange Transactions.



<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 2,663,014	\$ 2,777,202	\$ 3,107,897	\$ 3,096,529	\$ 3,138,036
343,777	337,676	346,434	360,628	384,765
176,858	158,303	161,802	178,891	205,693
339,213	379,599	422,731	461,265	519,982
350,717	404,583	465,106	481,477	496,708
189,475	182,315	179,725	186,297	193,614
50,401	42,677	46,205	45,203	46,779
187,646	201,506	217,848	219,826	274,356
8,128	8,724	23,404	8,126	10,652
<u>\$ 4,309,229</u>	<u>\$ 4,492,585</u>	<u>\$ 4,971,152</u>	<u>\$ 5,038,242</u>	<u>\$ 5,270,585</u>
\$ 210	\$ 1,014	\$ 3,145	\$ 3,748	\$ 3,940
9,620	9,553	9,317	8,784	8,537
791,309	876,222	896,916	862,674	945,723
161,429	21,722	66,732	97,477	128,570
<u>\$ 962,568</u>	<u>\$ 908,511</u>	<u>\$ 976,110</u>	<u>\$ 972,683</u>	<u>\$ 1,086,770</u>
<u>\$(3,346,661)</u>	<u>\$(3,584,074)</u>	<u>\$(3,995,042)</u>	<u>\$(4,065,559)</u>	<u>\$(4,183,815)</u>
\$ 1,561,127	\$ 1,663,783	\$ 1,768,457	\$ 1,813,006	\$ 1,861,781
120,427	145,724	184,700	201,509	215,489
1,333,113	1,429,611	1,532,169	1,651,730	1,756,386
39,501	43,215	71,972	116,907	85,896
—	—	5,312	37,647	—
—	—	—	22,919	4,369
79,229	42,001	73,629	162,779	45,386
<u>\$ 3,133,397</u>	<u>\$ 3,324,334</u>	<u>\$ 3,636,239</u>	<u>\$ 4,006,497</u>	<u>\$ 3,969,307</u>
<u>\$ (213,264)</u>	<u>\$ (259,740)</u>	<u>\$ (358,803)</u>	<u>\$ (59,062)</u>	<u>\$ (214,508)</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Components of Fund Balance
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
GENERAL OPERATING FUND				
Reserved	\$161,538	\$171,895	\$209,892	\$155,251
Unreserved	<u>288,255</u>	<u>393,057</u>	<u>201,520</u>	<u>209,883</u>
Total General Operating Fund	<u>\$449,793</u>	<u>\$564,952</u>	<u>\$411,412</u>	<u>\$365,134</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$560,972	\$535,235	\$672,851	\$721,138
Unreserved, reported in:				
Capital Projects Fund	181,265	180,858	261,000	172,786
Debt Service Fund	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>\$742,237</u>	<u>\$716,093</u>	<u>\$933,851</u>	<u>\$893,924</u>



Financial Trends

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$120,597	\$110,996	\$142,447	\$188,177	\$ 229,093	\$ 237,205
<u>208,359</u>	<u>196,510</u>	<u>248,546</u>	<u>307,720</u>	<u>404,843</u>	<u>432,391</u>
<u>\$328,956</u>	<u>\$307,506</u>	<u>\$390,993</u>	<u>\$495,897</u>	<u>\$ 633,936</u>	<u>\$ 669,596</u>
\$604,734	\$609,203	\$435,625	\$574,232	\$ 463,935	\$ 541,068
223,734	203,560	219,048	284,019	481,445	337,506
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>158,480</u>	<u>178,489</u>
<u>\$828,468</u>	<u>\$812,763</u>	<u>\$654,673</u>	<u>\$858,251</u>	<u>\$1,103,860</u>	<u>\$1,057,063</u>



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
For the last ten fiscal years
(Thousands of dollars)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES					
Property Taxes	\$1,368,081	\$1,403,657	\$1,429,871	\$1,479,968	\$1,546,335
Replacement Taxes	137,749	147,657	137,744	114,313	105,960
State Aid	1,238,809	1,373,470	1,431,777	1,467,914	1,469,567
Federal Aid	470,905	540,723	634,094	554,750	608,693
Interest and investment income	70,199	85,075	103,520	68,050	49,161
Other	103,715	85,587	82,411	89,505	94,345
Total Revenues	<u>\$3,389,458</u>	<u>\$3,636,169</u>	<u>\$3,819,417</u>	<u>\$3,774,500</u>	<u>\$3,874,061</u>
EXPENDITURES					
Instruction	\$1,818,566	\$1,891,328	\$1,995,423	\$2,152,958	\$2,214,781
Pupil Support Services	271,876	301,714	303,071	311,628	320,380
General Support Services	681,103	681,916	730,187	750,111	764,002
Food Services	154,581	161,614	166,365	160,063	170,238
Community Services	65,465	73,792	73,718	47,523	47,253
Capital Outlay	653,367	547,365	527,902	381,038	443,873
Teachers' Pension	65,045	65,045	65,045	65,045	65,045
Debt Service	135,694	148,854	195,310	219,894	255,239
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Other Charges	—	—	—	—	—
Others	1,790	6,825	17,495	5,138	12,322
Total Expenditures	<u>\$3,847,487</u>	<u>\$3,878,453</u>	<u>\$4,074,516</u>	<u>\$4,093,398</u>	<u>\$4,293,133</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>\$ (458,029)</u>	<u>\$ (242,284)</u>	<u>\$ (255,099)</u>	<u>\$ (318,898)</u>	<u>\$ (419,072)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	\$ —	\$ 11,436	\$ 59,999	\$ 1,527	\$ 7,711
Transfers Out	—	(11,436)	(59,999)	(1,527)	(7,711)
Gross amounts from debt issuances	875,268	324,784	474,460	232,693	308,635
Proceeds from notes	—	—	—	—	—
Premium on bonds issued	3,372	6,515	—	—	8,803
Discount on bonds issued	—	—	(2,644)	(9)	—
Capital leases	—	—	—	—	—
Sales of general capital assets	—	—	—	—	—
Payment to refunded bond escrow agent	(243,612)	—	—	—	—
Total other financing sources (uses)	<u>\$ 635,028</u>	<u>\$ 331,299</u>	<u>\$ 471,816</u>	<u>\$ 232,684</u>	<u>\$ 317,438</u>
ACCOUNTING ADJUSTMENT	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (152,490)</u>	<u>\$ —</u>	<u>\$ —</u>
NET CHANGE IN FUND BALANCES	<u>\$ 176,999</u>	<u>\$ 89,015</u>	<u>\$ 64,227</u>	<u>\$ (86,214)</u>	<u>\$ (101,634)</u>
DEBT SERVICE AS A PERCENTAGE OF					
NONCAPITAL EXPENDITURES	4.25%	4.47%	5.41%	5.90%	6.59%

NOTES:

1. This schedule was prepared using the modified accrual basis of accounting.
2. The principal and interest components of debt service expenditures is unavailable for years prior to fiscal year 2006.



Financial Trends

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$1,571,065	\$1,639,237	\$1,718,249	\$1,767,760	\$ 1,813,917
120,427	145,724	184,700	201,509	215,489
1,481,448	1,507,115	1,602,635	1,701,585	1,846,034
730,504	762,955	775,631	746,029	876,041
39,501	43,215	71,947	116,907	85,895
149,253	102,654	163,765	286,230	181,028
<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>	<u>\$4,820,020</u>	<u>\$ 5,018,404</u>
\$2,355,114	\$2,429,014	\$2,538,909	\$2,491,653	\$ 2,575,124
327,653	323,225	333,968	349,324	362,325
770,629	821,583	893,041	914,117	986,905
180,588	173,872	172,774	179,902	181,778
49,933	42,325	46,179	45,467	45,708
365,336	389,450	310,817	345,963	466,895
65,045	65,045	75,398	155,563	206,651
259,590	315,809	—	—	—
—	—	49,049	180,767	60,568
—	—	158,997	154,669	206,028
—	—	6,606	6,743	15,546
8,128	5,912	23,404	8,126	10,652
<u>\$4,382,016</u>	<u>\$4,566,235</u>	<u>\$4,609,142</u>	<u>\$4,832,294</u>	<u>\$ 5,118,180</u>
<u>\$ (289,818)</u>	<u>\$ (365,335)</u>	<u>\$ (92,215)</u>	<u>\$ (12,274)</u>	<u>\$ (99,776)</u>
\$ 30,215	\$ 7,344	\$ 2,796	\$ 1,904	\$ 3,813
(30,215)	(7,344)	(2,796)	(1,904)	(3,813)
765,995	524,260	385,603	355,805	1,674,555
21,043	5,500	—	—	—
—	43,450	4,124	14,444	41,226
—	—	(326)	—	—
—	—	3,700	—	—
—	—	7,596	25,673	6,404
(534,375)	(282,478)	—	—	(1,474,081)
<u>\$ 252,663</u>	<u>\$ 290,732</u>	<u>\$ 400,697</u>	<u>\$ 395,922</u>	<u>\$ 248,104</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<u>\$ (37,155)</u>	<u>\$ (74,603)</u>	<u>\$ 308,482</u>	<u>\$ 383,648</u>	<u>\$ 148,328</u>
6.43%	7.50%	4.94%	7.50%	5.94%

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS

For the last ten fiscal years

(Thousands of dollars)

	1999		2000		2001		
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	
REVENUES:							
Property Taxes	\$1,368,081	40.5%	\$1,403,657	38.5%	\$1,429,871	37.4%	
Replacement Taxes	137,750	4.1%	147,657	4.1%	137,744	3.6%	
State Aid	1,249,372	36.9%	1,373,470	37.8%	1,431,777	37.5%	
Federal Aid	452,124	13.4%	540,723	14.9%	634,094	16.6%	
Investment Income	70,198	2.1%	85,075	2.3%	103,520	2.7%	
All Others	103,714	3.0%	85,587	2.4%	82,411	2.2%	
Total Revenues	<u>\$3,381,239</u>	<u>100.0%</u>	<u>\$3,636,169</u>	<u>100.0%</u>	<u>\$3,819,417</u>	<u>100.0%</u>	
REVENUES:							
		2006			2007		
		Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Property Taxes	\$1,718,249	38.0%	\$1,767,760	36.7%	\$1,813,917	36.1%	
Replacement Taxes	184,700	4.1%	201,509	4.2%	215,489	4.3%	
State Aid	1,602,635	35.5%	1,701,585	35.3%	1,846,034	36.8%	
Federal Aid	775,631	17.2%	746,029	15.5%	876,041	17.5%	
Investment Income	71,947	1.6%	116,907	2.4%	85,895	1.7%	
All Others	163,765	3.6%	286,230	5.9%	181,028	3.6%	
Total Revenues	<u>\$4,516,927</u>	<u>100.0%</u>	<u>\$4,820,020</u>	<u>100.0%</u>	<u>\$5,018,404</u>	<u>100.0%</u>	

NOTES:

Note: This schedule was prepared using the modified accrual basis of accounting.



Financial Trends

2002		2003		2004		2005	
<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
\$1,479,968	39.2%	\$1,546,335	40.0%	\$1,571,065	38.4%	\$1,639,237	39.0%
114,313	3.0%	105,960	2.7%	120,427	2.9%	145,724	3.5%
1,467,914	38.9%	1,469,567	37.9%	1,481,448	36.2%	1,507,115	35.9%
554,750	14.7%	608,693	15.7%	730,504	17.9%	762,955	18.2%
68,050	1.8%	49,161	1.3%	39,501	1.0%	43,215	1.0%
89,505	2.4%	94,345	2.4%	149,253	3.6%	102,654	2.4%
<u>\$3,774,500</u>	<u>100.0%</u>	<u>\$3,874,061</u>	<u>100.0%</u>	<u>\$4,092,198</u>	<u>100.0%</u>	<u>\$4,200,900</u>	<u>100.0%</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS
For the last ten fiscal years
(Thousands of dollars)

	1999		2000		2001	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
EXPENDITURES:						
Instruction	\$1,818,566	47.3%	\$1,891,328	48.8%	\$1,995,423	49.0%
Pupil Support						
Services	271,876	7.0%	301,714	7.8%	303,071	7.4%
General Support						
Services	681,103	17.7%	681,916	17.5%	730,187	17.9%
Food Services	154,581	4.0%	161,614	4.2%	166,365	4.1%
Community Services	65,465	1.7%	73,792	1.9%	73,718	1.8%
Capital Outlay	653,367	17.0%	547,365	14.1%	527,902	13.0%
Teachers' Pension	65,045	1.7%	65,045	1.7%	65,045	1.6%
Debt Service	135,694	3.5%	148,854	3.8%	195,310	4.8%
Others	1,790	0.1%	6,825	0.2%	17,495	0.4%
Total Expenditures . . .	<u>\$3,847,487</u>	<u>100.0%</u>	<u>\$3,878,453</u>	<u>100.0%</u>	<u>\$4,074,516</u>	<u>100.0%</u>

	2006		2007		2008	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
EXPENDITURES:						
Instruction	\$2,538,909	55.2%	\$2,491,653	51.6%	\$2,575,124	50.3%
Pupil Support						
Services	333,968	7.2%	349,324	7.2%	362,325	7.1%
General Support						
Services	893,041	19.4%	914,117	18.9%	986,905	19.3%
Food Services	172,774	3.7%	179,902	3.7%	181,778	3.6%
Community Services	46,179	1.0%	45,467	0.9%	45,708	0.9%
Capital Outlay	310,817	6.7%	345,963	7.2%	466,895	9.1%
Teachers' Pension	75,398	1.6%	155,563	3.2%	206,651	4.0%
Debt Service	214,652	4.7%	342,179	7.1%	282,142	5.5%
Other	23,404	0.5%	8,126	0.2%	10,652	0.2%
Total Expenditures . . .	<u>\$4,609,142</u>	<u>100.0%</u>	<u>\$4,832,294</u>	<u>100.0%</u>	<u>\$5,118,180</u>	<u>100.0%</u>

Note: This schedule was prepared using the modified accrual basis of accounting.



Financial Trends

2002		2003		2004		2005	
<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
\$2,152,958	52.6%	\$2,214,781	51.6%	\$2,355,114	53.8%	\$2,429,014	53.3%
311,628	7.6%	320,380	7.5%	327,653	7.5%	323,225	7.1%
750,111	18.3%	764,002	17.8%	770,629	17.6%	821,583	18.0%
160,063	3.9%	170,238	4.0%	180,588	4.1%	173,872	3.8%
47,523	1.2%	47,253	1.1%	49,933	1.1%	42,325	0.9%
381,038	9.3%	443,873	10.3%	365,336	8.3%	389,450	8.5%
65,045	1.6%	65,045	1.5%	65,045	1.5%	65,045	1.4%
219,894	5.4%	255,239	5.9%	259,590	5.9%	315,809	6.9%
5,138	0.1%	12,322	0.3%	8,128	0.2%	5,912	0.1%
<u>\$4,093,398</u>	<u>100.0%</u>	<u>\$4,293,133</u>	<u>100.0%</u>	<u>\$4,382,016</u>	<u>100.0%</u>	<u>\$4,566,235</u>	<u>100.0%</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES

For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2007</u>	<u>2008 Over/(Under) 2007</u>
REVENUES:			
Local Taxes:			
Property taxes	\$1,763,282	\$1,716,516	\$ 46,766
Replacement Taxes	159,805	147,403	\$ 12,402
Total revenue from local taxes	<u>\$1,923,087</u>	<u>\$1,863,919</u>	<u>\$ 59,168</u>
Local Nontax Revenue:			
Earnings on investments	\$ 40,905	\$ 61,595	\$ (20,690)
Lunchroom operations	8,537	8,784	(247)
Other	88,279	86,750	1,529
Total revenue from nontax revenue	<u>\$ 137,721</u>	<u>\$ 157,129</u>	<u>\$ (19,408)</u>
Total Local Revenue	<u>\$2,060,808</u>	<u>\$2,021,048</u>	<u>\$ 39,760</u>
State Grants and Subsidies:			
General state aid	\$ 953,782	\$ 888,220	\$ 65,562
Block grants	626,804	553,593	73,211
Other	111,765	107,680	4,085
Total State Grants & Subsidies	<u>\$1,692,351</u>	<u>\$1,549,493</u>	<u>\$142,858</u>
Federal Grants and Subsidies:			
Elementary and Secondary Education Act (ESEA)	\$ 350,515	\$ 269,446	\$ 81,069
School lunch program	150,394	147,407	2,987
Individuals with Disabilities Education Act (IDEA)	106,051	81,721	24,330
Other	225,566	213,389	12,177
Total Federal Grants and Subsidies	<u>\$ 832,526</u>	<u>\$ 711,963</u>	<u>\$120,563</u>
Total Revenues	<u>\$4,585,685</u>	<u>\$4,282,504</u>	<u>\$303,181</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2007</u>	<u>2008 Over/(Under) 2007</u>
EXPENDITURES:			
Instruction:			
Salaries	\$1,701,084	\$1,733,181	\$(32,097)
Commodities	92,315	74,778	17,537
Services	384,588	321,455	63,133
Equipment	23,283	23,885	(602)
Building and Sites	3,255	3,375	(120)
Fixed Charges	<u>370,599</u>	<u>334,979</u>	<u>35,620</u>
Total Instruction	<u>\$2,575,124</u>	<u>\$2,491,653</u>	<u>\$ 83,471</u>
Pupil Support Services:			
Salaries	\$ 196,581	\$ 194,993	\$ 1,588
Commodities	2,026	1,358	668
Services	110,959	104,431	6,528
Equipment	2,851	842	2,009
Building and Sites	65	281	(216)
Fixed Charges	<u>49,843</u>	<u>47,419</u>	<u>2,424</u>
Total Pupil Support Services	<u>\$ 362,325</u>	<u>\$ 349,324</u>	<u>\$ 13,001</u>
Administrative Support Services:			
Salaries	\$ 97,609	\$ 89,789	\$ 7,820
Commodities	9,818	7,469	2,349
Services	53,183	49,084	4,099
Equipment	5,281	3,064	2,217
Building and Sites	3,183	2,935	248
Fixed Charges	<u>24,622</u>	<u>20,942</u>	<u>3,680</u>
Total Administrative Support Service	<u>\$ 193,696</u>	<u>\$ 173,283</u>	<u>\$ 20,413</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2007</u>	<u>2008 Over/(Under) 2007</u>
Facilities Support Services:			
Salaries	\$ 85,468	\$ 81,180	\$ 4,288
Commodities	94,132	84,395	9,737
Services	138,606	124,265	14,341
Equipment	2,447	2,531	(84)
Building and Sites	28,931	24,371	4,560
Fixed Charges	<u>36,017</u>	<u>36,668</u>	<u>(651)</u>
Total Facilities Support Services	<u>\$385,601</u>	<u>\$353,410</u>	<u>\$32,191</u>
Instructional Support Services:			
Salaries	\$281,455	\$280,621	\$ 834
Commodities	23,324	19,682	3,642
Services	36,162	29,161	7,001
Equipment	4,546	2,690	1,856
Building and Sites	1,411	1,825	(414)
Fixed Charges	<u>60,710</u>	<u>53,445</u>	<u>7,265</u>
Total Instructional Support Services	<u>\$407,608</u>	<u>\$387,424</u>	<u>\$20,184</u>
Food Services:			
Salaries	\$ 62,677	\$ 60,003	\$ 2,674
Commodities	81,676	82,875	(1,199)
Services	3,188	3,295	(107)
Equipment	245	1,246	(1,001)
Fixed Charges	<u>33,992</u>	<u>32,483</u>	<u>1,509</u>
Total Food Services	<u>\$181,778</u>	<u>\$179,902</u>	<u>\$ 1,876</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Fiscal Year 2008	Fiscal Year 2007	2008 Over/(Under) 2007
Community Services:			
Salaries	\$ 17,979	\$ 19,169	\$ (1,190)
Commodities	2,976	2,718	258
Services	18,806	17,782	1,024
Equipment	324	315	9
Building and Sites	160	189	(29)
Fixed Charges	5,463	5,294	169
Total Community Services	<u>\$ 45,708</u>	<u>\$ 45,467</u>	<u>\$ 241</u>
Teachers' Pension:			
Fixed Charges	\$ 206,651	\$ 155,563	\$ 51,088
Total Teachers' Pension	<u>\$ 206,651</u>	<u>\$ 155,563</u>	<u>\$ 51,088</u>
Capital outlay:			
Salaries	\$ 729	\$ 5	\$ 724
Commodities	\$ 272		272
Services	2,648	902	1,746
Equipment	17	40	(23)
Building and sites	4		4
Fixed Charges	168	1	167
Total Capital outlay	<u>\$ 3,838</u>	<u>\$ 948</u>	<u>\$ 2,890</u>
Debt Service:			
Fixed Charges	\$ 21,704	\$ 1,269	\$ 20,435
Total Debt Service	<u>\$ 21,704</u>	<u>\$ 1,269</u>	<u>\$ 20,435</u>
Other:			
Salaries	\$ 1,560	\$ 317	\$ 1,243
Commodities	—	494	(494)
Services	—	3	(3)
Equipment	8	1	7
Building and Sites	—	—	—
Fixed Charges	9,084	7,311	1,773
Total Other	<u>\$ 10,652</u>	<u>\$ 8,126</u>	<u>\$ 2,526</u>
Total Expenditures	<u>\$4,394,685</u>	<u>\$4,146,369</u>	<u>\$248,316</u>

Note: This schedule was prepared using the modified accrual basis of accounting.

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OTHER FINANCING SOURCES AND (USES)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
GENERAL OPERATING FUND:				
Capital leases	\$ —	\$ —	\$ —	\$ —
Transfers in/(out)	<u>—</u>	<u>11,436</u>	<u>(46,797)</u>	<u>1,527</u>
Total General Operating Fund	<u>\$ —</u>	<u>\$ 11,436</u>	<u>\$ (46,797)</u>	<u>\$ 1,527</u>
ALL OTHER GOVERNMENTAL FUNDS:				
Gross amounts from debt issuances	\$ 875,268	\$324,784	\$474,460	\$721,138
Amount from notes	—	—	—	—
Premiums	3,372	6,515	—	—
Discounts	—	—	(2,644)	(8)
Proceeds from swaps	—	—	—	—
Payment to refunded bond escrow agent . .	(243,612)	—	—	—
Sales of general capital assets	—	—	—	—
Transfers in/(out)	<u>—</u>	<u>(11,436)</u>	<u>46,797</u>	<u>(1,527)</u>
	<u>\$ 635,028</u>	<u>\$319,863</u>	<u>\$518,613</u>	<u>\$719,603</u>



Financial Trends

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ —	\$ —	\$ —	\$ 3,700	\$ —	\$ —
<u>7,711</u>	<u>15,071</u>	<u>328</u>	<u>445</u>	<u>1,904</u>	<u>3,813</u>
<u>\$ 7,711</u>	<u>\$ 15,071</u>	<u>\$ 328</u>	<u>\$ 4,145</u>	<u>\$ 1,904</u>	<u>\$ 3,813</u>
\$308,635	\$ 765,995	\$ 524,260	\$385,603	\$355,805	\$ 1,674,555
—	—	5,500	—	—	—
8,803	21,043	43,450	4,124	14,444	41,226
—	—	—	(326)	—	—
—	—	—	19,345	—	—
—	(534,375)	(282,478)	—	—	(1,474,081)
—	—	—	—	25,673	6,404
<u>(7,711)</u>	<u>(15,071)</u>	<u>(328)</u>	<u>(445)</u>	<u>(1,904)</u>	<u>(3,813)</u>
<u>\$309,727</u>	<u>\$ 237,592</u>	<u>\$ 290,404</u>	<u>\$408,301</u>	<u>\$394,018</u>	<u>\$ 244,291</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

RATIO OF DEBT SERVICE TO NON-CAPITAL EXPENDITURES
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts in thousands)

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>Non-Capital</u>	<u>Ratio</u>
1999	135,694	3,194,120	0.04 : 1
2000	148,854	3,331,088	0.04 : 1
2001	195,310	3,546,614	0.06 : 1
2002	219,894	3,712,360	0.06 : 1
2003	255,239	3,849,260	0.07 : 1
2004	259,590	4,016,680	0.06 : 1
2005	315,809	4,176,785	0.08 : 1
2006	214,652	4,298,325	0.05 : 1
2007	342,179	4,486,331	0.08 : 1
2008	260,438	4,651,285	0.06 : 1





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STATISTICAL SECTION

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Rate per \$100 of equalized assessed valuation)

<u>School Direct Rates</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Education	\$3.059	\$3.000	\$2.756	\$2.712	\$2.670
Medicare	0.044	0.048	0.047	0.031	0.017
Worker's and Unemployment Compensation/Tort Immunity . .	0.192	0.206	0.141	0.191	0.150
PBC Operation & Maintenance	0.722	0.701	0.640	0.685	0.609
Public Building Commission	<u>0.155</u>	<u>0.149</u>	<u>0.130</u>	<u>0.125</u>	<u>0.116</u>
TOTAL DIRECT RATE:	\$4.172	\$4.104	\$3.714	\$3.744	\$3.562
Chicago Finance Authority	0.268	0.255	0.223	0.223	0.177
City of Chicago	1.998	1.860	1.660	1.637	1.591
Chicago City Colleges	0.354	0.347	0.311	0.307	0.280
Chicago Park District	0.653	0.627	0.572	0.567	0.545
Metropolitan Water Reclamation District	0.444	0.419	0.415	0.401	0.371
Cook County	0.911	0.854	0.824	0.746	0.690
Cook County Forest Preserve	<u>0.072</u>	<u>0.070</u>	<u>0.069</u>	<u>0.067</u>	<u>0.061</u>
TOTAL FOR ALL GOVERNMENTS:	<u>\$8.872</u>	<u>\$8.536</u>	<u>\$7.788</u>	<u>\$7.692</u>	<u>\$7.277</u>

Source: Cook County Clerk's Office

Note:

A — Beginning fiscal year 2004, the tax levy for Medicare has been consolidated with the Education tax rate.

B — Beginning fiscal year 2008, the tax levy for PBC Operations & Maintenance has been consolidated with the Education tax rate.

See note 3 of the Financial Statements regarding the legal restrictions on the ability to raise the direct rate.

Revenue Capacity

<u>2004 (A)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$2.258	\$2.301	\$2.143	\$2.078	\$2.376
—	—	—	—	—
0.219	0.131	0.228	0.021	0.191
0.565	0.576	0.565	0.521	—
<u>0.100</u>	<u>0.096</u>	<u>0.090</u>	<u>0.077</u>	<u>0.016</u>
\$3.142	\$3.104	\$3.026	\$2.697	\$2.583
0.151	0.177	0.127	0.118	0.091
1.380	1.302	1.243	1.062	1.044
0.246	0.242	0.234	0.205	0.159
0.464	0.455	0.443	0.379	0.355
0.361	0.347	0.315	0.284	0.263
0.630	0.593	0.533	0.500	0.446
<u>0.059</u>	<u>0.060</u>	<u>0.060</u>	<u>0.057</u>	<u>0.053</u>
<u>\$6.433</u>	<u>\$6.280</u>	<u>\$5.981</u>	<u>\$5.302</u>	<u>\$4.994</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(In thousands of dollars)

Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Collected within the Fiscal Year of Extension (A)		Collections in Subsequent Years	Total Collections to Date (C)	
			Amount	Percentage of Extension		Amount	Percentage of Extension
1998	1999 (B)	\$1,416,346	\$618,606	43.68%	\$762,660	\$1,379,797	97.42%
1999	2000 (B)	1,451,206	659,950	45.48%	766,352	1,426,165	98.27%
2000	2001 (B)	1,503,488	682,356	45.38%	787,261	1,472,180	97.92%
2001	2002 (B)	1,571,962	694,681	44.19%	854,694	1,550,949	98.66%
2002	2003 (B)	1,614,473	753,457	46.67%	827,211	1,583,602	98.09%
2003	2004 (B)	1,670,337	757,156	45.33%	874,251	1,640,957	98.24%
2004	2005 (B)	1,716,111	769,982	44.87%	926,751	1,707,905	99.52%
2005	2006 (B)	1,794,063	804,755	44.86%	962,820	1,760,644	98.14%
2006	2007 (B)	1,874,750	835,191	44.55%	980,459	1,815,650	96.85%
2007	2008 (B)	1,901,887	865,576	45.51%	—	—	—

Note:

- A. The amount does not represent a full year's tax collection.
- B. Fiscal year ended June 30th
- C. The total amount collected to date is net of refunds.



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STATISTICAL SECTION



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(In thousands of dollars)

Tax Year Levy	Fiscal Year Ended	Assessed Values (A)				Total
		Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	
1998	1999	\$ 6,646,198	\$2,047,577	\$ 7,848,335	\$267,006	\$16,809,116
1999	2000	6,777,400	2,021,411	7,910,838	282,255	16,991,904
2000	2001	8,758,682	1,966,921	8,807,444	342,942	19,875,989
2001	2002	8,973,796	1,923,257	8,757,366	354,036	20,008,455
2002	2003	9,221,622	1,865,646	8,878,142	349,371	20,314,781
2003	2004	12,677,199	2,233,572	10,303,731	487,680	25,702,182
2004	2005	12,988,216	1,883,048	10,401,429	465,462	25,738,155
2005	2006	13,420,538	1,842,613	10,502,698	462,099	26,227,948
2006	2007	18,521,873	2,006,898	12,157,149	688,868	33,374,788
2007	2008	18,937,256	1,768,927	12,239,086	678,196	33,623,465

NOTES:

- A. *Source:* Cook County Assessor's Office
- B. Residential, six units and under
- C. Residential, seven units and over and mixed-use
- D. Industrial/Commercial
- E. Vacant, not-for-profit and industrial/commercial incentive classes
- F. *Source:* Illinois Department of Revenue
- G. *Source:* Cook County Clerk's Office — Total equalized assessed value is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.
- H. Property in the City of Chicago is reassessed once every three years. Tax rates are per \$100 of the equalized assessed value.
- I. *Source:* The Civic Federation — Excludes railroad property

Revenue Capacity

<u>State Equalization Factor (F)</u>	<u>Total Equalized Assessed Value (G)</u>	<u>Total Direct Tax Rate (H)</u>	<u>Total Estimated Fair Cash Value (I)</u>	<u>Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%)</u>
2.1799	\$33,940,146	4.172	\$112,606,894	30.14%
2.2505	35,354,802	4.104	124,544,158	28.39%
2.2235	40,480,077	3.714	165,520,130	24.46%
2.3098	41,981,912	3.744	164,572,708	25.51%
2.4689	45,330,892	3.562	189,362,475	23.94%
2.4598	53,168,632	3.142	263,482,258	20.18%
2.5757	55,277,096	3.104	262,080,627	21.09%
2.7320	59,304,530	3.026	286,354,518	20.71%
2.7076	69,511,192	2.697	329,770,733	21.08%
2.8439	73,645,316	2.583	N/A	N/A

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PRINCIPAL PROPERTY TAX PAYERS, BASED ON EQUALIZED ASSESSED VALUATION

Last Ten Fiscal Years

(In thousands of dollars)

Property	2007			2006		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Sear's Tower	\$ 514,662	1	0.70%	\$ 493,803	1	0.71%
AON Building	374,456	2	0.51%	356,510	2	0.51%
AT&T Corporate Center 1	297,653	3	0.40%	283,387	3	0.41%
Prudential Plaza	293,604	4	0.40%	279,532	4	0.40%
Chase Tower	250,261	5	0.34%	238,266	5	0.34%
Water Tower Place	231,069	6	0.31%	219,995	6	0.32%
Northwestern Atrium	216,217	7	0.29%	205,854	7	0.30%
Leo Burnett Building	211,813	8	0.29%	201,662	8	0.29%
131 S. Dearborn	208,906	9	0.28%	—	—	—
Three First National Plaza	205,913	10	0.28%	196,044	9	0.28%
One North Wacker				189,061	10	0.27%
Equity Office Properties						
Lakeside Tech Ct.						
	<u>\$2,804,554</u>		<u>3.80%</u>	<u>\$2,664,114</u>		<u>3.83%</u>
Property	2002			2001		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Sear's Tower	\$ 417,723	1	0.92%	\$ 395,636	1	0.94%
AON Building	289,923	2	0.63%	255,702	2	0.61%
Prudential Plaza	230,946	3	0.51%	207,991	4	0.50%
Chase Tower	230,071	4	0.51%	207,203	5	0.49%
AT&T Corporate Center 1	196,455	5	0.43%	202,096	6	0.48%
Lakeside Tech Ct.	160,564	6	0.35%			
Northwestern Atrium	155,794	7	0.34%	140,309	8	0.33%
Three First National Plaza	150,438	8	0.33%	135,485	10	0.32%
Leo Burnett	148,240	9	0.33%			
Water Tower Place	145,665	10	0.32%			
Bank One Plaza						
Chicago Mercantile Exchange				234,430	3	0.56%
Citicorp Plaza				145,476	7	0.35%
Cigna						
Three First National Plaza						
Amoco Building						
Hyatt Regency Hotel				139,957	9	0.33%
900 North Michigan						
One First National Plaza						
	<u>\$2,125,819</u>		<u>4.67%</u>	<u>\$2,064,285</u>		<u>4.91%</u>

Source: Cook County Treasurer's Office and Cook County Assessor's Office

N/A — Not available

Revenue Capacity

2005			2004			2003		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
\$ 519,080	1	0.88%	\$ 489,383	1	0.89%	\$ 467,362	1	0.88%
341,767	2	0.58%	322,214	2	0.58%	307,715	2	0.58%
268,519	4	0.45%	253,156	4	0.46%	241,765	4	0.45%
295,933	3	0.50%	279,002	3	0.50%	266,448	3	0.50%
259,021	5	0.44%	244,202	5	0.44%	233,214	5	0.44%
183,187	9	0.31%	172,706	9	0.31%	164,935	9	0.31%
205,727	6	0.35%	193,957	6	0.35%	185,230	6	0.35%
188,219	8	0.32%	177,450	8	0.32%	169,466	8	0.32%
—	—	—	—	—	—	—	—	—
190,340	7	0.32%	179,451	7	0.32%	171,376	7	0.32%
179,134	10	0.30%	168,886	10	0.31%	161,286	10	0.30%
<u>\$2,630,927</u>		<u>4.45%</u>	<u>\$2,480,407</u>		<u>4.48%</u>	<u>\$2,368,797</u>		<u>4.45%</u>
2000			1999			1998		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
\$ 318,983	1	0.79%	\$ 318,984	1	0.90%	\$ 301,947	1	0.89%
227,033	2	0.56%						
169,484	5	0.42%	169,483	4	0.48%	164,168	4	0.48%
191,951	4	0.47%						
164,722	6	0.41%	164,723	5	0.47%	159,556	5	0.47%
135,204	7	0.33%	111,557	9	0.32%	108,058	9	0.32%
			191,950	3	0.54%	185,930	3	0.55%
209,010	3	0.52%	109,676	10	0.31%	106,235	10	0.31%
134,961	8	0.33%	134,960	7	0.38%	130,726	7	0.39%
			120,393	8	0.34%	116,616	8	0.34%
			135,203	6	0.38%	130,962	6	0.39%
			227,033	2	0.64%	219,910	2	0.65%
114,266	9	0.28%						
111,557	10	0.28%						
<u>\$1,777,171</u>		<u>4.39%</u>	<u>\$1,683,962</u>		<u>4.76%</u>	<u>\$1,624,108</u>		<u>4.79%</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA

For the last ten fiscal years

Statewide Replacement Tax Data (A)

<u>Calendar Year</u>	<u>Invested Capital Tax Collections</u>	<u>Business Income Tax Collections (Net of Refunds)</u>	<u>Net Adjustments(C)</u>	<u>Total Replacement Tax Allocations to Local Govts.</u>	<u>Board Percent (H)</u>
1999	\$212,548,199	\$ 733,006,815	\$ 13,810,698	\$ 959,365,712	14.00%
2000	210,658,641	846,070,645	7,675,153	1,064,404,439	14.00%
2001	253,904,237	682,900,875	26,877,270	963,682,382	14.00%
2002	207,501,611	568,278,611	(5,993,471)	769,786,751	14.00%
2003	199,943,717	579,537,177	(1,991,328)	777,489,566	14.00%
2004	227,782,071	601,155,429	41,328,938	870,266,438	14.00%
2005	213,905,309	870,816,418	111,548,531	1,196,270,258	14.00%
2006	227,423,096	1,016,872,677	39,747,236	1,284,043,009	14.00%
2007	211,708,013	1,220,116,567	86,763,391	1,518,587,969	14.00%
2008(G)	151,442,088	981,403,245	88,955,115	1,221,800,447	14.00%

NOTES:

- A. *Source:* Illinois Department of Revenue
- B. *Source:* Board of Education of the City of Chicago
- C. Consists of adjustments for administrative fees, interest earned on deposits, interfund transfers, timing of collections and payments and related items.
- D. All Board's debt for which there was a replacement tax obligation was retired by the end of 1995.
- E. The amount of the Statutory Claim for pension and retirement purposes has varied over the past 10 years, primarily as a result of (a) increases in required employer contributions funded from property taxes as a consequence of increased payroll and employee contributions (1985-1990 and 1994-1995), (b) a temporary suspension of the statutory requirement that property taxes be applied to pension and retirement purposes (1991-1993), and (c) the suspension of the statutory requirement that property taxes be applied to pension and retirement purposes (1996 and all years thereafter).
- F. Reflects reductions to pay applicable Statutory Claims. All Statutory Claims with respect to debt service have been paid and, under the Statute Revenue Sharing Act, no future Statutory Claims with respect to debt service will arise or need to be paid.
- G. Replacement tax collection for January 1, 2008 — August 31, 2008 only.
- H. Percentage rounded.
- I. Estimated.



Board Replacement Tax Data (B)

Allocations to Board	Statutory Claims (B)		Remainder after Allocations for Statutory Claims	Pro-Forma Pledged Revenues (F)	Fiscal Year Recorded Revenues
	Allocations for Prior Debt Service (D)	Allocations for Pension Obligations (E)			
\$134,356,610	\$—	\$—	\$134,356,610	\$134,356,610	\$137,749,536
149,059,239	—	—	149,059,239	149,059,239	147,657,000
134,934,126	—	—	134,934,126	134,934,126	137,744,000
107,800,973	—	—	107,800,973	107,800,973	114,313,000
108,879,677	—	—	108,879,677	108,879,677	105,959,557
121,872,155	—	—	121,872,155	121,872,155	120,427,242
167,526,745	—	—	167,526,745	167,526,745	145,724,052
179,817,446	—	—	179,817,446	179,817,446	184,699,266
212,663,134	—	—	212,663,134	212,663,134	201,509,427
218,897,455	—	—	218,897,455	218,897,455	215,488,652

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December	Total
1999	\$18,839,603	\$ 7,374,663	\$28,306,409	\$15,119,232	\$27,097,102	\$ 5,357,190	\$25,158,521	\$ 7,103,890	\$134,356,610
2000	16,886,066	9,745,046	39,992,847	14,519,931	28,893,667	5,385,783	25,132,569	8,503,330	149,059,239
2001	19,256,949	9,853,297	25,603,017	18,352,614	25,636,258	3,148,346	24,440,723	8,642,922	134,934,126
2002	16,842,147	6,478,868	25,630,253	12,181,929	16,948,258	2,701,807	19,106,650	7,911,061	107,800,973
2003	14,730,281	6,208,549	25,757,619	12,117,348	17,426,241	1,749,411	16,757,860	14,132,368	108,879,677
2004	19,906,464	8,669,066	26,475,210	13,494,987	19,241,877	8,379,867	19,602,544	6,102,140	121,872,155
2005	21,166,525	11,653,412	33,977,017	18,816,369	26,026,179	20,285,121	27,393,274	8,208,848	167,526,745
2006	24,520,445	8,553,752	38,608,787	24,789,508	32,340,532	10,213,846	32,635,826	8,154,750	179,817,446
2007	23,706,088	12,541,684	42,960,330	35,720,916	35,575,987	15,691,722	32,603,768	13,862,639 (I)	212,663,134
2008	28,898,261	13,371,613	37,943,940	40,606,164	32,510,546	17,770,472	33,538,290 (I)	14,258,169 (I)	218,897,455

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2008

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2007 EAV \$</u>	<u>% Change in EAV (for 2007)</u>
Addison Corridor North	6/4/1997	2020	\$ 14,400,224	\$ 49,381,668	242.9%
Addison South	5/9/2007	2031	70,940,232	93,467,616	31.8%
Addison/Kimball	1/12/2000	2023	883,731	10,537,864	1092.4%
Archer Courts	5/12/1999	2023	85,326	5,783,330	6677.9%
Archer/Central	5/17/2000	2024	37,646,911	54,233,728	44.1%
Armitage Pulaski	2/13/2007	2031	17,643,508	22,754,344	29.0%
Austin Commercial	9/27/2007	2031	72,287,864	92,970,762	28.6%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	36,705,650	65.5%
Belmont/Central	1/12/2000	2024	74,974,945	135,973,309	81.4%
Belmont/Cicero	1/12/2000	2024	33,673,880	59,095,626	75.5%
Bloomington/Laramie	9/15/1993	2016	1,206,101	548,870	-54.5%
Bronzeville	11/4/1998	2022	46,166,299	133,824,744	189.9%
Bryn Mawr /Broadway	12/11/1996	2019	17,682,409	49,697,182	181.1%
Calumet/Cermak	7/29/1998	2021	3,219,685	194,445,239	5939.3%
Canal/Congress	11/12/1998	2022	36,872,487	421,514,661	1043.2%
Central Loop	2/7/1997	2008	985,292,154	3,184,101,518	223.2%
Central West	2/16/2000	2024	62,116,168	331,299,255	433.4%
Chatham Ridge	12/18/1986	2010	2,626,632	36,757,439	1299.4%
Chicago/CentralPark	2/27/2002	2026	84,789,947	212,709,832	150.9%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	265,132,325	588.3%
Chinatown Basin	12/18/1986	2010	131,657	50,837,154	38513.3%
Cicero/Archer	5/17/2000	2024	19,629,324	37,543,648	91.3%
Clark/Montrose	7/7/1999	2022	23,433,096	61,320,061	161.7%
Clark/Ridge	9/29/1999	2022	39,619,368	77,643,689	96.0%
Commercial Ave.	11/13/2002	2026	40,748,652	72,703,039	78.4%
Devon/Sheridan	3/31/2004	2028	46,265,220	52,872,924	14.3%
Devon/Western	11/3/1999	2023	71,430,503	126,628,249	77.3%
Diversey/Narragansett	2/5/2003	2027	34,746,231	81,636,282	135.0%
Division/Homan	6/27/2001	2025	24,683,716	49,009,774	98.6%
Division/Hooker	7/10/1996	2019	380,624	4,748,292	1147.5%
Division/North Branch	3/15/1991	2014	482,150	3,403,744	606.0%
Drexel Blvd.	7/10/2002	2026	127,408	7,060,683	5441.8%
Eastman/North Branch	10/7/1993	2016	2,222,210	6,817,144	206.8%
Edgewater	12/18/1986	2009	479,172	5,845,436	1119.9%
Edgewater/Ashland	10/1/2003	2027	1,875,282	48,795,038	2502.0%
Elston Armstrong	7/19/2007	2031	45,742,226	53,219,770	16.3%
Englewood Mall	11/29/1989	2012	3,868,736	14,719,404	280.5%
Englewood Neighborhood	6/27/2001	2025	56,079,946	165,591,842	195.3%
Fullerton/Milwaukee	2/16/2000	2024	85,157,390	207,974,525	144.2%
Fullerton/Normandy	10/7/1993	2016	2,031,931	14,387,247	608.1%
Galewood/Armitage Industrial	7/7/1999	2022	48,056,697	98,841,250	105.7%
Goose Island	7/10/1996	2019	13,676,187	80,484,028	488.5%
Greater Southwest (West)	4/12/2000	2024	115,603,413	147,562,003	27.6%
Harlem Industrial Park	3/14/2007	2031	45,981,764	51,000,852	10.9%
Harrison Central	7/26/2006	2030	43,430,700	59,821,789	37.7%
Hollywood Sheridan	11/7/2007	2031	158,696,916	162,053,270	2.1%
Homan/Arthington	2/5/1998	2021	2,658,362	14,550,189	447.3%
Homan/Grand Trunk	12/15/1993	2016	35,753	4,683,613	12999.9%



CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2007 EAV \$</u>	<u>% Change in EAV (for 2007)</u>
Howard/Paulina	10/14/1988	2011	\$ 10,081,104	\$ 46,874,109	365.0%
Humbolt Park Commercial	6/27/2001	2025	32,161,252	85,861,484	167.0%
Irving Park/Cicero	6/10/1996	2020	8,150,631	21,129,314	159.2%
Jefferson Park	9/9/1998	2021	23,970,085	42,991,104	79.4%
Jefferson/Roosevelt	8/30/2000	2024	52,292,656	123,502,556	136.2%
Kennedy Kimball	3/12/2008	2032	NA	NA	NA
Kinzie Industrial Corridor	6/10/1998	2021	144,961,719	472,939,266	226.3%
Lake Calumet	12/13/2000	2024	189,501,743	316,121,814	66.8%
Lakefront	3/27/2002	2026	0	1,811,665	NA
Lakeside/Clarendon	7/21/2004	2028	3,091,585	3,729,602	20.6%
LaSalle Central	11/15/2006	2030	4,192,663,826	4,552,551,504	8.6%
Lawrence/Broadway	6/27/2001	2025	38,603,611	106,065,778	174.8%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	249,404,411	125.9%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	71,993,615	64.7%
Lincoln Avenue	11/3/1999	2023	63,741,191	118,876,450	86.5%
Lincoln/Belmont/Ashland	11/2/1994	2017	2,457,347	23,819,572	869.3%
Little Village	6/13/2007	2031	88,054,895	99,937,688	13.5%
Madden/Wells	11/6/2002	2026	1,333,570	16,538,559	1140.2%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	91,860,155	88.4%
Michigan/Cermak	9/13/1989	2012	5,858,634	21,235,891	262.5%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	81,894,028	68.3%
Midwest	5/17/2000	2024	98,090,835	386,995,198	294.5%
Montclare	8/30/2000	2024	792,770	8,607,624	985.8%
Near North	7/30/1997	2020	41,671,541	340,888,106	718.0%
Near South	8/3/1994	2014	128,567,383	1,040,823,966	709.6%
Near West	6/10/1996	2024	36,805,570	248,952,715	576.4%
North Ave./Cicero	7/30/1997	2020	5,658,542	32,070,643	466.8%
North Branch North	7/2/1997	2021	29,574,537	112,579,705	280.7%
North Branch South	2/5/1998	2021	44,361,677	155,011,483	249.4%
NW Industrial Corridor	12/2/1998	2021	146,115,991	281,992,606	93.0%
Ogden Pulaski	4/9/2008	2032	NA	NA	NA
Ohio/Wabash	6/7/2000	2024	1,278,143	31,321,239	2350.5%
Pershing King	9/5/2007	2031	12,948,117	14,972,195	15.6%
Peterson/Cicero	2/16/2000	2024	1,116,653	11,664,699	944.6%
Peterson/Pulaski	2/16/2000	2023	40,112,395	62,599,990	56.1%
Pilsen Industrial Corridor	6/10/1998	2022	111,203,219	298,788,333	168.7%
Portage Park	9/9/1998	2028	65,084,552	124,070,087	90.6%
Pratt Ridge	6/23/2004	2028	16,414,897	21,763,768	32.6%
Pulaski Corridor	6/9/1999	2022	82,778,075	159,491,339	92.7%
Ravenswood Corridor	10/15/2005	2029	44,169,275	57,839,957	31.0%
Read/Dunning	1/11/1991	2015	6,382,072	68,992,033	981.0%
River South	7/30/1997	2020	65,889,902	278,740,161	323.0%
River West	1/10/2001	2025	50,463,240	253,576,015	402.5%
Roosevelt/Canal	3/19/1997	2021	1,276,969	26,212,056	1952.7%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	93,880,416	107.8%
Roosevelt/Homan	12/5/1990	2013	3,539,018	22,753,931	542.9%
Roosevelt/Racine (DOH)	11/4/1998	2021	6,992,428	37,966,769	443.0%
Roosevelt/Union	5/12/1999	2022	4,369,258	86,894,559	1888.8%
Roseland/Michigan	1/16/2002	2026	29,627,768	42,133,117	42.2%
Ryan/Garfield	12/18/1986	2009	166,083	7,353,511	4327.6%
Sanitary & Ship Canal	7/24/1991	2014	10,722,329	28,872,058	169.3%
South Chicago	4/12/2000	2024	14,775,992	35,478,036	140.1%
South Works	11/3/1999	2022	3,823,633	8,018,456	109.7%
Stevenson Brighton Park	4/11/2007	2031	216,490,494	233,910,464	8.0%
Stockyards Annex	12/11/1996	2020	38,650,631	73,407,752	89.9%
Stockyards-Industrial	3/8/1989	2012	11,178,459	48,575,713	334.5%

Statistical Section

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2007 EAV \$</u>	<u>% Change in EAV (for 2007)</u>
Stockyards-Southeast Quad	2/26/1992	2015	\$ 21,527,824	\$ 54,339,369	152.4%
Stony Island Com/Burnside	6/10/1998	2021	46,058,038	93,901,225	103.9%
Southwest Ind. Corridor	3/10/1999	2022	17,662,923	32,857,344	86.0%
Touhy Western	9/13/2006	2030	55,187,828	67,717,957	22.7%
Weed Fremont	1/9/2008	2032	NA	NA	NA
West Grand	6/10/1996	2019	465,129	2,176,837	368.0%
West Irving Park	1/12/2000	2024	36,446,831	60,567,019	66.2%
West Pullman Ind. Park	3/11/1998	2021	7,050,845	8,426,953	19.5%
West Ridge/Peterson	10/27/1986	2010	1,617,926	12,010,270	642.3%
Western Ave. North	1/12/2000	2024	71,260,546	158,850,622	122.9%
Western Ave. South	1/12/2000	2024	69,504,372	181,867,635	161.7%
Western/Ogden Ind. Corridor	2/5/1998	2021	41,536,306	190,780,915	359.3%
Western Rock Island	2/8/2006	2030	102,358,411	135,085,169	32.0%
Wilson Yard	6/27/2001	2025	55,960,211	176,852,635	216.0%
Woodlawn	1/20/1999	2022	28,865,833	89,927,507	211.5%
105th Vincennes	10/3/2001	2025	1,268,074	5,783,612	356.1%
111th St./Kedzie	9/29/1999	2022	14,456,141	26,619,356	84.1%
119th/ I-57	11/6/2002	2026	16,097,672	34,976,459	117.3%
119th Halsted	2/6/2002	2026	18,853,913	33,691,882	78.7%
126th/Torrence	12/21/1994	2017	1,224,731	22,085,285	1703.3%
134th Avenue K	3/12/2008	2032	NA	NA	NA
24th/Michigan	7/21/1999	2022	15,874,286	28,901,903	82.1%
26th King Drive	1/11/2006	2030	0	1,118,429	NA
26th/Kostner	4/29/1998	2021	2,834,583	2,794,764	-1.4%
35th/Halsted	1/14/1997	2021	81,196,655	158,371,781	95.0%
35th/State	1/14/2004	2028	3,978,955	18,857,338	373.9%
35th/Wallace	12/15/1999	2023	9,047,402	19,392,692	114.3%
40th State	3/10/2004	2028	NA	NA	NA
41st/King Drive	7/13/1994	2017	129,892	3,217,240	2376.9%
43rd/Cottage Grove	7/8/1998	2021	13,728,931	66,779,767	386.4%
43rd/Damen	8/3/1994	2017	5,596,786	8,552,374	52.8%
45th/Western Industrial	3/27/2002	2026	2,188,976	5,320,268	143.0%
47th /Ashland	3/27/2002	2026	53,606,185	100,536,816	87.5%
47th /Halsted	5/29/2002	2026	39,164,012	101,031,303	158.0%
47th/ King Drive	3/27/2002	2026	61,269,066	212,809,488	247.3%
47th/State	7/21/2004	2028	19,279,360	50,875,465	163.9%
49th/St. Lawrence	1/10/1996	2020	683,377	9,181,768	1243.6%
51st/Archer	5/17/2000	2024	29,522,751	44,756,658	51.6%
53rd St.	1/10/2001	2025	23,168,822	38,898,178	67.9%
60th/Western	5/9/1996	2019	2,464,026	8,636,397	250.5%
63rd Ashland	3/29/2006	2030	NA	NA	NA
63rd/Pulaski	5/17/2000	2024	56,171,856	101,492,902	80.7%
67th/Cicero	10/2/2002	2026	0	6,125,715	NA
69th/Ashland	1/11/1900	2028	813,600	12,093,507	1386.4%
71st/Stony Island	3/4/2005	2021	53,506,725	119,111,542	122.6%
72nd/Cicero	11/17/1993	2016	6,531,993	12,930,261	98.0%
73rd/Kedzie	11/17/1993	2016	14,587,780	13,779,608	-5.5%
73rd University	9/13/2006	2030	16,998,947	32,487,949	91.1%
79th Street Corridor	7/8/1998	2021	21,576,305	36,809,995	70.6%
79th/SW Highway	10/3/2001	2025	36,347,823	62,408,979	71.7%
79th Cicero	6/8/2005	2029	8,018,405	11,279,510	40.7%
79th Vincennes	9/27/2007	2031	32,132,472	41,581,132	29.4%
83rd/Stewart	3/21/2004	2028	10,618,689	8,818,549	-17.0%
87th/Cottage Grove	11/13/2002	2026	53,959,824	96,778,233	79.4%
89th/State	4/1/1998	2021	3,827,328	10,627,380	177.7%



CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2007 EAV \$</u>	<u>% Change in EAV (for 2007)</u>
95th/Stony Island	5/16/1990	2013	\$ 2,622,436	\$ 24,359,588	828.9%
95th/Western	7/13/1995	2018	16,035,773	31,720,804	97.8%
			<u>\$10,380,070,089</u>	<u>\$21,329,983,500</u>	

Notes:

State law empowers cities to create Tax Increment Financing Districts (TIFs) to finance redevelopment of blighted areas or areas at risk of blight. Taxes subsequently generated by new development and increases in property values in TIF districts are reinvested for further development. Increased tax revenues pay for general improvements such as roadways, viaducts, sewers, and sidewalk replacement or for financial assistance for developers.

State law requires the City to call a meeting of the Joint Review Board in order for the City to legally create any TIF. The Chicago Public Schools serves on this committee.

Source: Office of the Cook County Clerk Tax Increment Agency

Total 2007 EAV for the City of Chicago is \$73,651,157,702

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

For the fiscal year ended June 30, 2008

(Thousands of dollars)

<u>Fiscal Year</u>	<u>CPS Debts</u>	<u>PBC Leases</u>	<u>Total CPS and PBC Debt</u>	<u>SFA Debts</u>	<u>Total</u>
2009	\$ 246,461	\$ 51,838	\$ 298,299	\$70,250	\$ 368,549
2010	325,634	51,830	377,464	—	377,464
2011	326,147	51,874	378,021	—	378,021
2012	338,666	51,926	390,592	—	390,592
2013	319,044	51,963	371,007	—	371,007
2014	340,002	51,982	391,984	—	391,984
2015	329,606	52,028	381,634	—	381,634
2016	340,164	52,001	392,165	—	392,165
2017	331,055	52,019	383,074	—	383,074
2018	333,899	52,070	385,969	—	385,969
2019	332,419	52,094	384,513	—	384,513
2020	355,044	30,636	385,680	—	385,680
2021	390,152	—	390,152	—	390,152
2022	383,634	—	383,634	—	383,634
2023	384,698	—	384,698	—	384,698
2024	377,805	—	377,805	—	377,805
2025	377,031	—	377,031	—	377,031
2026	376,637	—	376,637	—	376,637
2027	375,432	—	375,432	—	375,432
2028	370,460	—	370,460	—	370,460
2029	373,783	—	373,783	—	373,783
2030	368,521	—	368,521	—	368,521
2031	353,981	—	353,981	—	353,981
2032	350,344	—	350,344	—	350,344
2033	88,090	—	88,090	—	88,090
2034	71,156	—	71,156	—	71,156
2035	55,418	—	55,418	—	55,418
2036	41,302	—	41,302	—	41,302
2037	22,500	—	22,500	—	22,500
TOTAL:	<u>\$8,679,085</u>	<u>\$602,261</u>	<u>\$9,281,346</u>	<u>\$70,250</u>	<u>\$9,351,596</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues

For the fiscal year ended June 30, 2008

(Thousands of dollars)

Fiscal Year	4/26/1996 Series 1996 \$350 Million Bond Issue		5/7/1997 Series 1997 \$500 Million Bond Issue		12/3/1997 Series 1997A \$499.9 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 3,390	\$2,981	\$10,605	\$ 3,781	\$ —	\$ —
2010	10,495	2,551	11,465	3,036	—	—
2011	11,145	1,875	12,235	2,236	—	—
2012	11,830	1,157	13,050	1,383	7,332	7,913
2013	12,600	394	13,960	471	6,907	8,338
2014	—	—	—	—	6,501	8,744
2015	—	—	—	—	6,113	9,132
2016	—	—	—	—	5,743	9,502
2017	—	—	—	—	5,389	9,856
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
2027	—	—	—	—	—	—
2028	—	—	—	—	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$49,460</u>	<u>\$8,958</u>	<u>\$61,315</u>	<u>\$10,907</u>	<u>\$37,985</u>	<u>\$53,485</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	9/24/1998 Series 1998 \$14 Million Bond Issue		10/29/1998 Series 1998B-1 \$328.7 Million Bond Issue		2/25/1999 Series 1999A \$532.5 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ —	\$—	\$ —	\$ —	\$ 2,295	\$ 13,635
2010	—	—	17,825	11,535	24,342	27,382
2011	—	—	16,843	12,522	23,019	28,710
2012	14,000	—	7,650	6,495	13,984	23,741
2013	—	—	10,384	10,016	13,267	24,642
2014	—	—	9,753	10,647	16,588	29,277
2015	—	—	9,215	11,185	16,149	30,243
2016	—	—	8,698	11,702	15,270	31,104
2017	—	—	8,202	12,198	14,517	31,882
2018	—	—	7,763	12,637	30,694	32,162
2019	—	—	7,344	13,056	30,896	31,919
2020	—	—	14,190	27,710	31,251	31,522
2021	—	—	20,686	43,614	31,661	31,016
2022	—	—	19,607	44,693	32,201	30,458
2023	—	—	18,624	45,676	32,849	29,774
2024	—	—	16,232	42,768	33,595	29,104
2025	—	—	15,379	43,621	34,424	28,202
2026	—	—	14,607	44,393	35,381	27,259
2027	—	—	13,873	45,127	36,452	26,112
2028	—	—	13,176	45,824	7,334	25,691
2029	—	—	21,211	78,789	12,351	46,259
2030	—	—	20,145	79,855	11,722	46,888
2031	—	—	19,134	80,866	11,125	47,485
2032	—	—	18,173	81,827	19,958	90,842
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$14,000</u>	<u>\$—</u>	<u>\$328,714</u>	<u>\$816,756</u>	<u>\$531,325</u>	<u>\$795,309</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	12/22/1999 IDFA Series 1999A \$12 Million Bond Issue		7/20/2000 Series 2000A \$106.9 Million Bond Issue		9/7/2000 Series 2000B,C,D \$303 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest*
2009	\$ —	\$—	\$ —	\$ 923	\$ —	\$ 20,373
2010	—	—	2,365	851	3,600	20,343
2011	—	—	2,505	716	4,500	20,113
2012	12,000	—	2,635	577	4,700	19,889
2013	—	—	—	502	5,000	19,554
2014	—	—	—	502	5,400	19,248
2015	—	—	—	502	5,900	18,916
2016	—	—	—	502	6,800	18,594
2017	—	—	—	502	7,700	18,127
2018	—	—	—	502	8,200	17,657
2019	—	—	—	501	11,100	17,122
2020	—	—	—	501	12,700	16,471
2021	—	—	4,385	378	13,600	15,656
2022	—	—	4,635	127	14,400	14,828
2023	—	—	—	—	15,300	13,950
2024	—	—	—	—	16,200	13,049
2025	—	—	—	—	17,200	11,835
2026	—	—	—	—	18,200	10,581
2027	—	—	—	—	19,300	9,255
2028	—	—	—	—	20,500	7,865
2029	—	—	—	—	21,700	6,352
2030	—	—	—	—	23,000	4,769
2031	—	—	—	—	24,400	3,092
2032	—	—	—	—	23,600	1,350
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	\$12,000	\$—	\$16,525	\$7,586	\$303,000	\$338,989

* Variable rate interest calculated at an assumed rate of 6% per annum. Interest on swapped securities assumes current interest rates remain the same as of June 30, 2008 calculated at:
Series 2000C computed: (1.530%* swapped outstanding principal) + (3.823% – 1,724%)* swapped outstanding principal.

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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	12/19/2000 Series 2000E \$13.4 Million Bond Issue		3/1/2001 Series 2001A \$45.1 Million Bond Issue		10/24/2001 Series 2001B \$9.4 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ —	\$—	\$ 870	\$203	\$ —	\$—
2010	—	—	905	167	—	—
2011	—	—	945	128	—	—
2012	—	—	1,000	81	—	—
2013	—	—	1,045	27	—	—
2014	13,390	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	9,440	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
2027	—	—	—	—	—	—
2028	—	—	—	—	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$13,390</u>	<u>\$—</u>	<u>\$4,765</u>	<u>\$606</u>	<u>\$9,440</u>	<u>\$—</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	12/11/2001 Series 2001C \$217.3 Million Bond Issue		9/24/2002 Series 2002A \$49 Million Bond Issue		2/13/2003 Series 2003A \$75.9 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 4,330	\$1,140	\$ 1,135	\$ 2,267	\$ 5,375	\$ 2,831
2010	4,545	918	1,675	2,220	5,640	2,567
2011	4,770	679	1,825	2,147	5,900	2,290
2012	5,020	422	2,315	2,061	6,195	2,012
2013	5,285	145	2,405	1,969	6,455	1,713
2014	—	—	3,000	1,846	6,795	1,365
2015	—	—	3,150	1,692	7,150	999
2016	—	—	3,310	1,531	7,525	614
2017	—	—	3,475	1,361	7,925	208
2018	—	—	3,645	1,183	—	—
2019	—	—	3,830	992	—	—
2020	—	—	4,025	786	—	—
2021	—	—	4,240	569	—	—
2022	—	—	4,460	346	—	—
2023	—	—	4,685	117	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
2027	—	—	—	—	—	—
2028	—	—	—	—	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u><u>\$23,950</u></u>	<u><u>\$3,304</u></u>	<u><u>\$47,175</u></u>	<u><u>\$21,087</u></u>	<u><u>\$58,960</u></u>	<u><u>\$14,599</u></u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	10/28/2003 Series 2003C \$4.6 Million Bond Issue		4/6/2004 Series 2004A \$205.410 Million Bond Issue		11/10/2004 Series 2004CDE \$222.080 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest**
2009	\$ —	\$—	\$ —	\$10,270	\$ 4,155	\$ 14,313
2010	—	—	—	10,270	4,340	14,124
2011	—	—	—	10,270	4,535	13,927
2012	—	—	25	10,270	4,740	13,745
2013	—	—	2,965	10,195	4,955	13,504
2014	—	—	15,840	9,725	5,175	13,279
2015	—	—	18,615	8,864	5,410	13,043
2016	—	—	36,230	7,493	5,655	12,819
2017	—	—	38,020	5,636	5,910	12,540
2018	4,585	—	23,025	4,110	6,175	12,271
2019	—	—	24,190	2,930	6,450	11,968
2020	—	—	25,410	1,690	6,740	11,715
2021	—	—	21,090	526	7,045	11,390
2022	—	—	—	—	7,360	11,069
2023	—	—	—	—	7,695	10,734
2024	—	—	—	—	8,040	10,399
2025	—	—	—	—	8,400	9,702
2026	—	—	—	—	8,780	9,024
2027	—	—	—	—	9,175	8,246
2028	—	—	—	—	9,585	7,479
2029	—	—	—	—	10,020	6,656
2030	—	—	—	—	10,470	5,806
2031	—	—	—	—	10,940	4,919
2032	—	—	—	—	11,435	3,997
2033	—	—	—	—	11,945	3,022
2034	—	—	—	—	12,485	2,010
2035	—	—	—	—	13,045	951
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$4,585</u>	<u>\$—</u>	<u>\$205,410</u>	<u>\$92,249</u>	<u>\$210,660</u>	<u>\$262,652</u>

** Variable rate interest calculated at an assumed rate of 4.50% per annum.
Series 2004C computed: (1.825%* swapped outstanding principal) + (3.825% – 1.724%)* swapped outstanding principal



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	12/10/2004 Series 2004FGH \$56.000 Million Bond Issue		6/27/2005 Series 2005AB \$246.18 Million Bond Issue		12/8/2005 Series 2005DE \$325.000 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest***
2009	\$ —	\$ 710	\$ —	\$ 13,180	\$ 6,165	\$ 14,658
2010	—	710	—	13,180	6,450	14,261
2011	—	710	—	13,180	6,750	13,846
2012	260	704	—	13,180	7,065	13,411
2013	270	693	—	13,180	7,395	12,956
2014	775	670	20,660	12,663	7,685	12,622
2015	815	633	21,700	11,604	7,990	12,276
2016	915	588	6,720	10,886	8,305	11,915
2017	965	537	7,085	10,523	8,635	11,540
2018	1,220	473	7,455	10,132	8,975	11,150
2019	1,290	398	7,860	9,711	9,330	10,745
2020	1,370	318	8,300	9,267	9,695	10,324
2021	1,450	234	8,755	8,798	10,080	9,887
2022	1,540	144	31,975	7,734	10,480	9,432
2023	1,630	49	9,750	6,644	10,890	8,959
2024	—	—	10,290	6,093	11,320	8,467
2025	—	—	10,855	5,511	11,765	7,956
2026	—	—	11,455	4,898	12,230	7,425
2027	—	—	12,090	4,250	12,715	6,873
2028	—	—	12,760	3,567	13,215	6,299
2029	—	—	13,465	2,846	13,740	5,703
2030	—	—	14,200	2,085	14,280	5,083
2031	—	—	14,990	1,282	14,845	4,438
2032	—	—	15,815	435	15,430	3,768
2033	—	—	—	—	16,040	3,072
2034	—	—	—	—	16,670	2,348
2035	—	—	—	—	17,330	1,595
2036	—	—	—	—	18,015	813
2037	—	—	—	—	—	—
TOTAL	\$12,500	\$7,571	\$246,180	\$194,829	\$313,485	\$241,822

*** Interest swapped securities assumes current interest rates remain the same as of June 30, 2008 calculated at:

Series 2005DE computed: $(7.60\% * \text{swapped outstanding principal}) + (3.662\% - 1.724\%) * \text{swapped outstanding principal} + \text{unswapped outstanding principal} * 4.5\%$

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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	6/27/2005 Series 2006A \$6.853 Million		9/27/2006 Series 2006B \$355.805 Million		9/5/2007 Series 2007BC \$204.3 Million	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ —	\$ —	\$ 5,915	\$ 16,954	\$ 295	\$ 10,178
2010	—	—	6,170	16,698	305	10,166
2011	—	—	6,430	16,406	320	10,153
2012	—	—	6,750	16,110	330	10,140
2013	—	—	7,020	15,835	345	10,127
2014	—	—	7,305	15,548	360	10,113
2015	—	—	7,595	15,212	375	10,098
2016	—	—	7,975	14,823	390	10,081
2017	—	—	8,375	14,414	410	10,061
2018	—	—	8,795	13,985	15,670	9,661
2019	—	—	9,230	13,534	16,450	8,861
2020	—	—	9,695	13,061	17,270	8,022
2021	6,853	—	10,180	12,564	25,610	6,953
2022	—	—	10,685	12,043	26,885	5,644
2023	—	—	11,220	11,495	28,230	4,269
2024	—	—	11,785	10,920	34,830	2,695
2025	—	—	12,370	10,316	36,560	913
2026	—	—	12,990	9,682	—	—
2027	—	—	13,640	9,016	—	—
2028	—	—	14,320	8,317	—	—
2029	—	—	15,040	7,602	—	—
2030	—	—	15,750	6,871	—	—
2031	—	—	16,500	6,105	—	—
2032	—	—	17,285	5,302	—	—
2033	—	—	18,105	4,439	—	—
2034	—	—	19,010	3,511	—	—
2035	—	—	19,960	2,537	—	—
2036	—	—	20,960	1,514	—	—
2037	—	—	22,005	495	—	—
TOTAL	<u>\$6,853</u>	<u>\$—</u>	<u>\$353,060</u>	<u>\$305,309</u>	<u>\$204,635</u>	<u>\$138,135</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	12/13/2007 Series 2007D \$238.7 Million		5/1/2008 Series 2008A \$262.8 Million		5/1/2008 Series 2008B \$240.9 Million	
	Principal	Interest	Principal	Estimated Interest***	Principal	Estimated Interest***
2009	\$ 5,655	\$ 11,474	\$ —	16,151	4,825	11,788
2010	6,875	11,224	—	16,151	5,100	11,542
2011	7,150	10,943	—	16,151	5,350	11,282
2012	7,440	10,651	—	16,151	5,600	11,011
2013	7,735	10,348	—	16,151	5,925	10,725
2014	8,045	9,992	—	16,151	6,275	10,422
2015	8,445	9,580	—	16,151	7,125	10,088
2016	8,870	9,147	—	16,151	7,500	9,725
2017	9,310	8,693	—	16,151	7,925	9,342
2018	9,780	8,215	—	16,151	7,800	8,953
2019	10,265	7,714	—	16,151	8,125	8,559
2020	10,780	7,188	—	16,151	8,475	8,147
2021	11,320	6,636	—	16,151	8,825	7,718
2022	11,885	6,055	—	16,151	9,225	7,270
2023	12,480	5,446	—	16,151	9,400	6,809
2024	13,105	4,807	—	16,151	9,750	6,334
2025	13,760	4,135	—	16,151	10,200	5,839
2026	14,445	3,430	38,390	15,595	10,650	5,322
2027	15,170	2,690	40,410	13,206	11,100	4,783
2028	15,930	1,912	42,530	10,691	11,550	4,221
2029	16,725	1,096	44,760	8,045	12,050	3,636
2030	13,550	339	47,110	5,260	12,550	3,026
2031	—	—	49,585	3,048	13,050	2,391
2032	—	—	—	—	13,600	1,731
2033	—	—	—	—	14,200	1,041
2034	—	—	—	—	14,800	322
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	\$238,720	\$151,715	\$262,785	\$330,412	\$240,975	\$182,027

*** Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2008 calculated at:

Series 2008A computed: (2.900%* outstanding principal) + (5.25% – 2.00375%)* swapped outstanding principal

Series 2008B computed: (2.900%* outstanding principal) + (3.771% – 1.72375%)* swapped outstanding principal

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	5/13/2008 Series 2008C \$464.7 Million		Total		
	Principal	Interest	G.O. Debt Principal	G.O. Debt Interest	Total CPS Debts
2009	\$ —	\$ 23,641	\$ 55,010	\$ 191,451	\$ 246,461
2010	—	23,641	112,097	213,537	325,634
2011	—	23,641	114,222	211,925	326,147
2012	—	23,641	133,921	204,745	338,666
2013	—	23,641	113,918	205,126	319,044
2014	—	23,641	133,547	206,455	340,002
2015	—	23,641	125,747	203,859	329,606
2016	—	23,641	139,346	200,818	340,164
2017	—	23,641	133,843	197,212	331,055
2018	7,420	23,455	151,202	182,697	333,899
2019	8,815	23,083	155,175	177,244	332,419
2020	9,615	22,655	169,516	185,528	355,044
2021	10,120	22,162	195,900	194,252	390,152
2022	10,660	21,642	195,998	187,636	383,634
2023	41,535	20,337	204,288	180,410	384,698
2024	43,720	18,151	208,867	168,938	377,805
2025	46,145	15,792	217,058	159,973	377,031
2026	48,595	13,305	225,723	150,914	376,637
2027	51,265	10,684	235,190	140,242	375,432
2028	80,365	7,329	241,265	129,195	370,460
2029	20,940	4,797	202,002	171,781	373,783
2030	22,040	3,722	204,817	163,704	368,521
2031	23,195	2,591	197,764	156,217	353,981
2032	24,395	1,401	159,691	190,653	350,344
2033	15,830	396	76,120	11,970	88,090
2034	—	—	62,965	8,191	71,156
2035	—	—	50,335	5,083	55,418
2036	—	—	38,975	2,327	41,302
2037	—	—	22,005	495	22,500
TOTAL	\$464,655	\$424,271	\$4,276,507	\$4,402,578	\$8,679,085



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STATISTICAL SECTION

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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — PBC Issues
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	1/1/1992 1992 Series A			4/1/1993 1993 Series A			3/1/1999 1999 Series B	
	Principal	Interest	Admin Fee	Principal	Interest	Admin Fee	Principal	Interest
2009	\$ 15,450	\$ 15,581	\$ 1,350	\$ 9,855	\$1,997	\$ 1,598	\$ —	\$ 6,007
2010	16,375	14,615	1,350	10,420	1,464	1,233	375	5,998
2011	17,400	13,592	1,350	11,025	902	1,212	415	5,978
2012	18,500	12,504	1,350	11,660	306	1,214	435	5,957
2013	19,650	11,348	1,350	—	—	1,205	12,800	5,610
2014	20,850	10,120	1,350	—	—	1,204	13,540	4,918
2015	22,150	8,817	1,350	—	—	1,204	14,320	4,187
2016	22,025	7,433	1,300	—	—	1,204	16,665	3,374
2017	23,325	6,111	1,300	—	—	1,204	17,605	2,474
2018	24,725	4,712	1,300	—	—	1,204	18,605	1,524
2019	26,125	3,228	1,300	—	—	1,203	19,720	518
2020	27,675	1,661	1,300	—	—	—	—	—
TOTAL	\$254,250	\$109,722	\$15,950	\$42,960	\$4,669	\$13,685	\$114,480	\$46,545



Debt Capacity

<u>Total Principal</u>	<u>Total Interest and Other Exp</u>	<u>Total PBC Debts</u>
\$ 25,305	\$ 26,533	\$ 51,838
27,170	24,660	51,830
28,840	23,034	51,874
30,595	21,331	51,926
32,450	19,513	51,963
34,390	17,592	51,982
36,470	15,558	52,028
38,690	13,311	52,001
40,930	11,089	52,019
43,330	8,740	52,070
45,845	6,249	52,094
27,675	2,961	30,636
<u>\$411,690</u>	<u>\$190,571</u>	<u>\$602,261</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CSFA Issues
For the fiscal year ended June 30, 2008
(Thousands of dollars)

Fiscal Year	4/1/92 Refunding Series 1992A		Refunding Series 1993A		5/20/04 Refunding Series 2004B	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	17,780	1,111	10,290	566	38,575	1,928



Debt Capacity

<u>Principal</u>	<u>Total Interest</u>	<u>SFA Debt</u>
66,645	3,605	70,250

Statistical Section

**Chicago Public Schools
Chicago Board of Education**

**ASBESTOS LOAN REPAYMENT SCHEDULE
For the fiscal year ended June 30, 2008**

<u>Fiscal Year</u>	<u>Loan J851458-01-0</u>	<u>Loan J855547-01-0</u>	<u>Loan J858353-01-0</u>	<u>Total</u>
2009	42,849	257,036	736,621	1,036,506
2010	—	135,326	736,621	871,947
2011	—	—	736,621	736,621
2012	—	—	736,621	736,621
2013	—	—	364,978	364,978
	<u>\$42,849</u>	<u>\$392,362</u>	<u>\$3,311,462</u>	<u>\$3,746,673</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS

For the fiscal year ended June 30, 2008

(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2007	Issue or (Redeemed)	Outstanding at June 30, 2008
	Issued	Maturity				
Direct Debt (A):						
PBC GO Lease Certificate 1992 Series A	1/1/1992	1/1/2020	6.00% to 6.50%	\$269,080	\$ (14,830)	\$254,250
PBC Building Revenue Bonds 1993 Series A	4/1/1993	12/1/2018	3.00% to 5.75%	51,975	(9,015)	42,960
PBC Building Revenue Refunding Bonds 1999 Series B	3/11/1999	12/1/2018	5.00% to 5.25%	114,480	—	114,480
Unlimited Tax G.O. Bonds Series 1996	4/1/1996	12/1/2026	4.80% to 6.25%	52,650	(3,190)	49,460
Unlimited Tax G.O. Bonds Series 1997	5/7/1997	12/1/2027	5.08% to 6.75%	71,285	(9,970)	61,315
Unlimited Tax G.O. Bonds Series 1997A	12/3/1997	12/1/2030	5.30% to 5.55%	499,995	(462,010)	37,985
Qualified Zone Academy G.O. Bonds Series 1998	9/24/1998	9/23/2011	0.00%	14,000	—	14,000
Unlimited Tax G.O. Bonds Series 1998 B-1	10/28/1998	12/1/2031	4.55% to 5.22%	328,714	—	328,714
Unlimited Tax G.O. Bonds Series 1999A	2/25/1999	12/1/2031	4.30% to 5.30%	532,554	(1,229)	531,325
Qualified Zone Academy G.O. Bonds IDFA Series 1999A	12/22/1999	12/21/2011	0.00%	12,000	—	12,000
Unlimited Tax G.O. Bonds Series 2000A	7/20/2000	12/1/2031	5.10% to 6.00%	16,525	—	16,525
Unlimited Tax G.O. Bonds Series 2000B,C,D	9/7/2000	3/1/2032	Variable	303,000	—	303,000
Qualified Zone Academy G.O. Bonds Series 2000E	12/19/2000	12/18/2013	0.00%	13,390	—	13,390
Unlimited Tax G.O. Bonds Series 2001A	3/1/2001	12/1/2031	4.00% to 5.75%	5,600	(835)	4,765
Qualified Zone Academy G.O. Bonds Series 2001B	10/24/2001	10/23/2015	0.00%	9,440	—	9,440
Unlimited Tax G.O. Bonds Series 2001C	12/11/2001	12/1/2031	5.00% to 5.50%	28,070	(4,120)	23,950

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2007	Issue or (Redeemed)	Outstanding at June 30, 2008
	Issued	Maturity				
Unlimited Tax G.O. Bonds Series 2002A	9/24/2002	12/1/2022	3.00% to 5.25%	\$ 47,790	\$ (615)	\$ 47,175
Unlimited Tax G.O. Bonds Series 2003A	2/13/2003	12/1/2016	2.50% to 5.25%	64,125	(5,165)	58,960
Unlimited Tax G.O. Bonds Series 2003B	2/13/2003	3/1/2033	Variable	183,775	(183,775)	—
Qualified Zone Academy G.O. Bonds Series 2003C	10/28/2003	10/27/2017	0.00%	4,585	—	4,585
Unlimited Tax G.O. Bonds Series 2003D	12/11/2003	3/1/2034	Variable	245,525	(245,525)	—
Unlimited Tax G.O. Bonds Series 2004A	4/6/2004	12/1/2020	4.00% to 5.00%	205,410	—	205,410
Unlimited Tax G.O. Bonds Series 2004B	4/6/2004	3/1/2032	Variable	298,075	(298,075)	—
Unlimited Tax G.O. Bonds Series 2004CDE	11/10/2004	3/1/2035	Variable	214,635	(3,975)	210,660
Unlimited Tax G.O. Bonds Series 2004FGH	12/10/2004	3/1/2032	4.00% to 6.00%	12,500	—	12,500
Unlimited Tax G.O. Bonds Series 2005AB	6/27/2005	3/1/2031	5.00% to 5.50%	246,180	—	246,180
Unlimited Tax G.O. Bonds Series 2005DE	12/8/2005	3/1/2036	Variable	319,375	(5,890)	313,485
Qualified Zone Academy G.O. Bonds Series 2006A	6/7/2006	6/1/2021	0.00%	6,853	—	6,853
Unlimited Tax G.O. Bonds Series 2006B	9/27/2006	12/1/2036	4.25% to 5.00%	355,805	(2,745)	353,060
Unlimited Tax G.O. Bonds Series 2007A	9/5/2007	12/1/2030	Variable	—	262,785 (262,785)	—



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS (continued)
For the fiscal year ended June 30, 2008
(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2007	Issue or (Redeemed)	Outstanding at June 30, 2008
	Issued	Maturity				
Unlimited Tax G.O. Bonds Series 2007BC	9/5/2007	12/1/2024	4.00% to 5.00%	—	204,635	204,635
Unlimited Tax G.O. Bonds Series 2007D	12/13/2007	12/1/2029	Variable	—	238,720	238,720
Unlimited Tax G.O. Bonds Series 2008A	5/13/2008	12/1/2030	Variable	—	262,785	262,785
Unlimited Tax G.O. Bonds Series 2008B	5/13/2008	3/1/2034	Variable	—	240,975	240,975
Unlimited Tax G.O. Bonds Series 2006C	5/1/2008	12/1/2032	4.25% to 5.00%	—	464,655	464,655
Total Direct Debt				<u>\$4,527,391</u>	<u>\$160,806</u>	<u>\$4,688,197</u>
	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2007</u>	<u>Issued or (Redeemed)</u>	<u>Outstanding at June 30, 2008</u>
School Finance Authority Debt (B): (Not included in financial statements)						
SFA Series 1992A	4/1/1992	6/1/2009	3.50% to 6.25%	\$ 35,195	\$(17,415)	\$ 17,780
SFA Series 1993A	4/1/1993	6/1/2009	2.60% to 5.50%	11,455	(1,165)	10,290
SFA Series 2004A	3/3/2004	6/1/2008	5.00% to 6.00%	6,915	(6,915)	—
SFA Series 2004B	5/20/2004	6/1/2009	5.00%	63,130	(24,555)	38,575
SFA Series 2004C	5/20/2004	6/1/2008	5.50%	11,100	(11,100)	—
SFA Total				<u>\$ 127,795</u>	<u>\$(61,150)</u>	<u>\$ 66,645</u>
GRAND TOTAL				<u>\$4,655,186</u>	<u>\$ 99,656</u>	<u>\$4,754,842</u>

NOTES:

- A. Excludes total accreted interest of \$412,964,368 on Series 1997A, Series 1998B-1, and Series 1999A bonds (\$28,316,595, \$206,622,989, and \$178,024,783, respectively).
- B. The Chicago School Finance Authority (SFA) is a separate body politic and corporate and a unit of local government. See Note 13 of the notes to the basic financial statements. The Board has no obligation for this debt. Accordingly, this debt has not been recorded in the financial statements.

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES
As of June 30, 2008
(Thousands of dollars)

<u>Bond Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Lien Closed</u>	<u>Defeased</u>	<u>Principal (1) Outstanding June 30, 2008</u>	<u>Remaining Authorization</u>
1995 COP Board Authorization	\$ 45,000	\$ 45,000	\$ —	\$ —	\$ —	\$ —
1996 Alternate Bond Authorization	1,150,000	850,000 (A)	300,000	658,975	110,775 (A)	—
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	—	462,010	1,034,464 (B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	—	308,140	241,265 (C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	—	381,425	82,910 (D)	—
2002 Alternate Bond Authorization	500,000	500,000 (E)	—	434,080	47,175 (E)	—
2004 Alternate Bond Authorization	965,000	965,000 (F)	—	97,250	842,490 (F)	—
2006 Alternate Bond Authorization	750,000	462,863 (G)	—	162,785	299,657 (G)	287,137
2008 Alternate Bond Authorization	<u>1,900,000</u>	<u>968,415 (H)</u>			<u>968,415 (G)</u>	<u>931,585</u>
TOTAL	<u>\$8,210,000</u>	<u>\$6,659,176</u>	<u>\$300,000</u>	<u>\$2,504,665</u>	<u>\$3,627,151</u>	<u>\$1,250,824</u>

1. Debt Reform Act Section 15 of the State of Illinois states that Alternate Bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization. CPS has issued three series of refunding bonds which met these requirements: \$205,410,000 Series 2004A, \$193,585,000 Series 2005A and \$52,595,000 Series 2005B and \$197,765,000 Series 2007B which are not included in the authorization table. Total principal amount outstanding including these series is \$4,276,507.

NOTES:

A. The total issued and outstanding debt for the 1996 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds Series 1996	4/17/1996	\$350,000	\$ 49,460
Unlimited Tax GO Bonds Series 1997	5/7/1997	500,000	61,315
		<u>\$850,000</u>	<u>\$110,775</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2008
(Thousands of dollars)

B. The total issued and outstanding debt for the 1997 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds Series 1997A	12/3/1997	\$ 499,995	\$ 37,985
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	14,000
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	328,714
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	531,325
Unlimited Tax GO Bonds, IDFA Series 1999A	12/22/1999	12,000	12,000
Unlimited Tax GO Bonds, Series 2000D	9/7/2000	101,000	101,000
Unlimited Tax GO Bonds, Series 2001B	12/21/2001	9,440	9,440
		<u>\$1,497,703</u>	<u>\$1,034,464</u>

C. The total issued and outstanding debt for the 1998 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, PBC Series C of 1999	9/30/1999	\$316,255	\$ —
Unlimited Tax GO Bonds, Series 2000A	7/20/2000	106,960	16,525
Unlimited Tax GO Bonds, Series 2000B,C	9/7/2000	202,000	202,000
Unlimited Tax GO Bonds, Series 2000E	12/19/2000	13,390	13,390
Unlimited Tax GO Bonds, Series 2001A	3/1/2001	45,110	4,765
Unlimited Tax GO Bonds, Series 2003C	10/28/2003	4,585	4,585
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	81,895	—
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	100,000	—
Total issued and outstanding debt:		<u>\$870,195</u>	<u>\$241,265</u>

D. The total issued and outstanding debt for the 2001 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2001C	12/11/2001	\$217,260	\$23,950
Unlimited Tax GO Bonds, Series 2003A	2/13/2003	75,890	58,960
Unlimited Tax GO Bonds, Series 2003B	2/13/2003	183,775	—
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	23,075	—
		<u>\$500,000</u>	<u>\$82,910</u>

E. The total issued and outstanding debt for the 2002 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2002A	9/24/2002	\$ 48,970	\$47,175
Unlimited Tax GO Bonds, Series 2003D	12/12/2003	257,925	—
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	193,105	—
		<u>\$500,000</u>	<u>\$47,175</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2008
(Thousands of dollars)

F. The total issued and outstanding debt for the 2004 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2004CDE	11/10/2004	\$222,080	\$210,660
Unlimited Tax GO Bonds, Series 2004FGH	12/2/2004	56,000	12,500
Unlimited Tax GO Bonds, Series 2005C	11/15/2005	53,750	—
Unlimited Tax GO Bonds, Series 2005DE	12/8/2005	325,000	313,485
Unlimited Tax GO Bonds, Series 2006A	6/27/2006	6,853	6,853
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	301,317	298,992
		<u>\$965,000</u>	<u>\$842,490</u>

G. The total issued and outstanding debt for the 2006 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	\$ 54,488	\$ 54,067
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	—
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	6,870
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	238,720
		<u>\$462,863</u>	<u>\$299,657</u>

H. The total issued and outstanding debt for the 2006 Authorization is the issuance as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Refunding Bonds, Series 2008A	5/13/2008	\$262,785	\$262,785
Unlimited Tax GO Refunding Bonds, Series 2008B	5/13/2008	240,975	240,975
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	464,655
		<u>\$968,415</u>	<u>\$968,415</u>





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STATISTICAL SECTION

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years
(Dollars in thousands, except per capita)
As of June 30, 2008

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Leases Securing PBC Bonds</u>	<u>Asbestos Abatement Loan</u>	<u>Capital Leases</u>	<u>Note Payable</u>
1999	2,002,488	12,000	584,249	16,919	7,108	—
2000	2,062,947	—	884,589	15,438	4,281	—
2001	2,474,893	—	849,784	13,253	4,958	—
2002	2,691,983	—	785,844	11,833	3,130	—
2003	2,989,853	—	698,899	10,413	7,124	—
2004	3,275,193	—	607,094	8,994	—	—
2005	3,510,968	—	476,044	7,574	—	5,500
2006	3,866,956	—	458,030	6,154	2,975	4,598
2007	4,091,856	—	435,535	4,885	2,800	3,606
2008	4,276,507	—	411,690	3,747	2,625	2,516

Debt Capacity

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Total Outstanding Debt Per Capita</u>	<u>Total General Obligation Debt Per Capita</u>
2,622,764	2.97%	15.44%	2,783,726	942.18	719.36
2,967,255	3.02%	14.93%	2,896,016	1,024.60	712.34
3,342,888	3.32%	16.71%	2,896,016	1,154.31	854.59
3,492,790	3.42%	17.19%	2,896,016	1,206.07	929.55
3,706,289	3.62%	14.42%	2,896,016	1,279.79	1,032.40
3,891,281	3.63%	15.12%	2,896,016	1,343.67	1,130.93
4,000,086	3.50%	15.25%	2,896,016	1,381.24	1,212.34
4,338,713	3.57%	13.00%	2,896,016	1,498.17	1,335.27
4,538,682	n/a	13.50%	2,896,016	1,567.22	1,412.93
4,697,085	n/a	n/a	2,896,016	1,621.91	1,476.69

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

As of June 30, 2008

(Dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Debt Limit	\$4,684,736	\$4,879,951	\$5,587,224	\$5,794,463
General obligation	1,232,435	1,165,919	1,161,290	1,069,366
Less: Amount set aside for repayment of bonds	<u>(49,942)</u>	<u>(37,921)</u>	<u>(38,379)</u>	<u>(37,965)</u>
Total Net Debt applicable to Limit (A)	<u>1,182,493</u>	<u>1,127,998</u>	<u>1,122,911</u>	<u>1,031,401</u>
Legal debt margin	<u>\$3,502,243</u>	<u>\$3,751,953</u>	<u>\$4,464,313</u>	<u>\$4,763,062</u>
Total net debt applicable to the limit as a percentage of debt limit	25.24%	23.11%	20.10%	17.80%

(A) Pursuant to Section 15 of the Debt Reform Act, this table does not reflect the following bonds because these bond series do not count against the debt limit until the tax levy supporting them is extended for collection:

\$350.0 million Series 1996	\$75.9 million Series 2003A
\$500.0 million Series 1997	\$4.6 million Series 2003C
\$499.9 million Series 1997A	\$205.410 million Series 2004A
\$14.0 million Series 1998	\$222.08 million Series 2004CDE
\$328.7 million Series 1998B-1	\$56.0 million Series 2004FGH
\$532.5 million Series 1999A	\$246.18 million Series 2005AB
\$12.0 million IDFA Series 1999A	\$325.0 million Series 2005DE
\$106.9 million Series 2000A	\$6.853 million Series 2006A
\$303.0 million Series 2000B,C,D	\$355.8 million Series 2006B
\$13.4 million Series 2000E	\$204.3 million Series 2007BC
\$45.1 million Series 2001A	\$238.7 million Series 2007D
\$9.4 million Series 2001B	\$262.8 million Series 2008A
\$217.3 million Series 2001C	\$240.9 million Series 2008B
\$49.0 million Series 2002A	\$464.7 million Series 2008C



Debt Capacity

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$6,256,611	\$7,338,200	\$7,629,142	\$8,184,894	\$9,593,382	\$10,163,860
979,083	917,855	764,761	711,982	658,947	606,009
<u>(37,486)</u>	<u>(36,226)</u>	<u>(38,913)</u>	<u>(39,984)</u>	<u>(37,322)</u>	<u>(36,238)</u>
<u>941,597</u>	<u>881,629</u>	<u>725,848</u>	<u>671,998</u>	<u>621,625</u>	<u>569,771</u>
<u>\$5,315,014</u>	<u>\$6,456,571</u>	<u>\$6,903,294</u>	<u>\$7,512,896</u>	<u>\$8,971,757</u>	<u>\$ 9,594,089</u>
15.05%	12.01%	9.51%	8.21%	6.48%	5.61%

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Direct and Overlapping Governmental Activities Debt
As of June 30, 2008
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding (a)</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Chicago	\$5,819,345	100.00%	\$ 5,819,345
School Finance Authority	66,645	100.00%	66,645
Community College District	—	100.00%	—
Chicago Park District	819,690	100.00%	819,690
Water Reclamation District	1,453,548	47.22%	686,318
County	2,953,610	45.58%	1,346,281
Forest Preserve District	123,780	46.24%	<u>57,236</u>
			\$ 8,795,515
Other debt			
City of Chicago	458,654	100.00%	458,654
Subtotal, overlapping debt			9,254,169
Chicago Public Schools Direct Debt			<u>4,276,507</u>
Total Direct and Overlapping Debt			<u><u>\$13,530,676</u></u>

- (a) Debt outstanding data provided by each governmental unit.
(b) Assessed value data used to estimate applicable percentage provided by the Office of the Cook County Clerk.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CPS' DEBT RATING HISTORY

CPS has issued \$7.2 billion of general obligation bonds to date, of which \$4.3 billion is currently outstanding, for the purpose of financing its Capital Improvement Program or refunding outstanding debt. In addition, CPS also has issued general obligation lease obligations with the Public Building Commission (the "PBC") securing \$412 million (principal amount) currently outstanding. The CPS' current lease obligations to the PBC mature in 2020.

Secure Structure: All of the CPS general obligation debt has been issued as alternate revenue bonds. Alternate revenue bonds are secured by at least one other revenue stream in addition to the Board's unlimited tax general obligation pledge. The CPS has pledged revenues from Personal Property Replacement Taxes ("PPRT"), revenues from an Intergovernmental Agreement ("IGA") with the City of Chicago, revenues from City Notes and Intergovernmental Agreements with the City of Chicago, and both State Aid and State Grant revenues as alternate revenue sources. The following table indicates which revenues support each of the CPS' general obligation debt issues:

<u>Series</u>	<u>Date Issued</u>	<u>Security Revenue Source</u>	
1996	04/17/96	PPRT	Unlimited Tax Levy
1997	05/07/97	PPRT	Unlimited Tax Levy
1997A	12/03/97	PPRT/IGA	Unlimited Tax Levy
1998	09/24/98	IGA	Unlimited Tax Levy
1998B-1	10/28/98	IGA	Unlimited Tax Levy
1999A	02/25/99	PPRT/IGA	Unlimited Tax Levy
PBC Series C of 1999	09/22/99	State Grant/Aid	Unlimited Tax Levy
IDFA Series 1999A	12/22/99	State Aid	Unlimited Tax Levy
2000A	07/20/00	State Aid	Unlimited Tax Levy
2000B,C,D	09/07/00	State Aid	Unlimited Tax Levy
2000E	12/19/00	State Aid	Unlimited Tax Levy
2001A	03/01/01	State Aid	Unlimited Tax Levy
2001C	12/11/01	State Aid	Unlimited Tax Levy
2002A	09/24/02	City Note/IGA	Unlimited Tax Levy
2003A,B	2/13/03	State Aid	Unlimited Tax Levy
2003C	10/28/03	State Aid	Unlimited Tax Levy
2003D	12/11/03	State Aid	Unlimited Tax Levy
2004A,B	4/6/04	PPRT/ State Aid	Unlimited Tax Levy
2004C,D,E	11/10/04	State Aid	Unlimited Tax Levy
2004F,G,H	12/10/04	City Note/IGA	Unlimited Tax Levy
2005A,B	6/27/05	PPRT/ State Aid	Unlimited Tax Levy
2005C	11/15/05	City Note/ IGA	Unlimited Tax Levy
2005D,E	12/08/05	State Aid	Unlimited Tax Levy
2006A	6/27/06	State Aid	Unlimited Tax Levy
2006B	09/27/06	State Aid	Unlimited Tax Levy
2007A	09/05/07	PPRT/IGA	Unlimited Tax Levy
2007B,C	09/05/07	State Aid	Unlimited Tax Levy
2007D	12/13/07	State Aid	Unlimited Tax Levy
2008A	05/13/08	PPRT/IGA	Unlimited Tax Levy
2008B	05/13/08	State Aid	Unlimited Tax Levy
2008C	05/01/08	State Aid	Unlimited Tax Levy

Statistical Section

CPS Debt Rating History: The following table presents the increased debt ratings for the CPS since 2000. The increase in debt rating has provided CPS with a wider market for its bonds as well as lower pricing and insurance costs. These ratings reflect the secure structure of the bonds as well as increased confidence in the CPS management team and financial stability.

CPS' Rating History 2001 – 2008								
Name of Agency	2001	2002	2003	2004	2005	2006	2007	2008
Standard & Poor's Rating Services	A+	A+	A+	A+	A+	A+	AA-	AA-
Moody's Investor Services	A3	A2	A2	A2	A2	A2	A1	A1
Fitch Investor Services, L.P.	A	A+	A+	A+	A+	A+	A+	A+





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STATISTICAL SECTION



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS FOR LAST TEN YEARS

<u>Year</u>	<u>City of Chicago Population (A)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Income (B)</u>	<u>Median Age (C)</u>	<u>Number of Households (C)</u>
1998	2,783,726	85,961,459	30,880	34.20	1,002,300
1999	2,783,726	88,166,170	31,672	34.70	1,026,900
2000	2,896,016	98,232,863	33,920	31.50	1,061,928
2001	2,896,016	100,735,021	34,784	34.80	1,074,200
2002	2,896,016	102,009,268	35,224	31.90	1,059,960
2003	2,896,016	102,298,869	35,324	32.60	1,067,823
2004	2,896,016	107,239,472	37,030	32.60	1,051,018
2005	2,896,016	114,169,639	39,423	33.14	1,045,282
2006	2,896,016	121,612,400	41,993	33.48	1,042,014
2007	2,896,016	N/A	N/A	33.75	1,033,328

Notes:

- A. Source: U.S. Census Bureau. The census is conducted decennially at the start of each decade.
- B. Source: Bureau of Economic Analysis. These rates are for Cook County.
- C. Source: World Business Chicago Website
- D. Source: Illinois Workforce Info Center Website



Demographic and Economic Statistics

Civilian Labor Force (D)		Employment (D)		
Number	Percent of Population	Number	Percent of Population	Unemployment Rate
1,337,379	48.04%	1,258,289	45.20%	5.90%
1,355,681	48.70%	1,275,174	45.81%	5.90%
1,383,496	47.77%	1,307,918	45.16%	5.50%
1,377,439	47.56%	1,284,252	44.35%	6.80%
1,347,074	46.51%	1,235,053	42.65%	8.30%
1,322,712	45.67%	1,214,943	41.95%	8.10%
1,308,918	45.20%	1,211,347	41.83%	7.50%
1,295,925	44.75%	1,204,605	41.60%	7.00%
1,302,988	44.99%	1,234,464	42.63%	5.30%
1,328,117	45.86%	1,253,361	43.28%	5.60%

Statistical Section

**Chicago Public Schools
Chicago Board of Education**

**CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Last Two Years**

Employer	2007			2006		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
J.P. Morgan Chase	9,114	1	0.73%	8,979	1	0.82%
United Airlines	6,102	2	0.49%	5,944	2	0.55%
Jewel Food Stores, Inc.	5,424	3	0.43%	5,453	3	0.50%
Northern Trust	4,787	4	0.38%	4,610	4	0.42%
Accenture LLP	4,283	5	0.34%	4,470	5	0.41%
SBC/AT&T	4,002	6	0.32%	3,834	6	0.35%
American Airlines	3,645	7	0.29%	3,750	7	0.34%
Ford Motor Company	3,367	8	0.27%	3,480	8	0.32%
CVS Corporation	3,120	9	0.25%	—	—	—
Deloitte & Touche	2,988	10	0.24%	—	—	—
Bonded Maintenance Company	—	—	—	3,298	9	0.30%
Bank of America	—	—	—	3,108	10	0.29%

NOTES:

- (1) Source: City of Chicago, Department of Revenue, Employers Expense Tax Return, June 30, 2007.
- (2) J.P. Morgan Chase formerly known as Bank One.
- (3) SBC/AT&T formerly known as Ameritech
- (4) Beginning with fiscal year 2007, the Chicago Board of Education will accumulate 10 years of data.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2007 NET REVENUES

(Millions of dollars)

<u>Company Name</u>	<u>2007 Net Revenues</u>	<u>Number of Employees (1)</u>
Boeing Co.	\$66,387.0	159,300
Walgreen Co. (2)	53,762.0	226,000
Sears Holdings Corp. (3)	50,703.0	337,000
Caterpillar Inc.	44,958.0	101,333
Archer Daniels Midland Co. (4)	44,018.0	27,300
Kraft Foods Inc.	37,241.0	103,000
Allstate Corp.	36,769.0	39,000
Motorola Inc.	36,622.0	66,000
Abbott Laboratories	25,914.2	68,000
Deere & Co. (5)	23,648.2	52,022
McDonald's Corp.	22,786.6	390,000
UAL Corp.	20,098.0	55,000
Exelon Corp.	18,716.0	17,800
Illinois Tool Works Inc.	16,170.6	60,000
Sara Lee Corp. (4)	12,278.0	52,400
R.R. Donnelley & Sons Co.	11,587.1	65,000
Baxter International Inc.	11,263.0	46,000
Integrus Energy Group Inc.	10,292.4	5,231
CNA Financial Corp.	9,885.0	9,400
Officemax Inc.	9,082.0	36,000

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 19, 2008, issue. Copyright 2008 Crain Communications Inc.

- (1) Most recent employee count available
- (2) Fiscal year ends in August
- (3) Fiscal year ends in January
- (4) Fiscal year ends in June
- (5) Fiscal year ends in October

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

NEW CONSTRUCTION PERMITS ISSUED IN THE CITY OF CHICAGO
The Last Ten Calendar Years
(Thousands of dollars)

<u>Year</u>	<u>Residential</u>		<u>Residential and Non-Residential Estimated Cost</u>
	<u>Units</u>	<u>Estimated Cost</u>	
1998	6,246	668,666	1,378,364
1999	8,644	611,862	1,483,672
2000	6,550	862,148	1,663,062
2001	7,418	902,250	1,826,076
2002	8,403	1,094,958	1,925,440
2003	9,476	1,332,758	3,027,185
2004	15,750	1,600,000	4,200,000
2005	17,131	1,537,877	3,408,474
2006	23,150	3,178,050	7,985,728
2007	26,221	2,510,718	4,444,199

NOTES:

Source: City of Chicago Construction and Permits.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
CURRENT APPROPRIATIONS AND ACTUAL

For the fiscal year ended June 30, 2008
With Comparative Amounts for the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Approved Budget	Transfers In (Out)	Final Appropriations	Fiscal Year 2008 Actual	Variance	Fiscal Year 2007 Actual (as restated)	2008 Over (Under) 2007
REVENUES:							
Property taxes	\$1,770,689	\$ —	\$1,770,689	\$1,763,282	\$ (7,407)	\$1,716,516	\$ 46,766
Replacement taxes	145,900	—	145,900	159,805	13,905	147,403	12,402
State aid	1,653,332	—	1,653,332	1,692,351	39,019	1,528,464	163,887
Federal aid	862,162	—	862,162	832,526	(29,636)	685,962	146,564
Interest and investment income	36,650	—	36,650	40,905	4,255	61,595	(20,690)
Other	70,523	—	70,523	96,816	26,293	95,495	1,321
Total Revenues	<u>\$4,539,256</u>	<u>\$ —</u>	<u>\$4,539,256</u>	<u>\$4,585,685</u>	<u>\$ 46,429</u>	<u>\$4,235,435</u>	<u>\$350,250</u>
EXPENDITURES:							
Teachers' salaries	\$2,011,812	\$ 23,185	\$2,034,997	\$1,885,400	\$149,597	\$1,924,109	\$ (38,709)
Career service salaries	561,881	15,415	577,296	559,741	17,555	535,148	24,593
Energy	90,951	(5,875)	85,076	86,759	(1,683)	77,133	9,626
Food	89,477	(1,312)	88,165	83,326	4,839	83,798	(472)
Textbooks	82,784	8,016	90,800	89,514	1,286	65,772	23,742
Supplies	52,592	3,155	55,747	46,030	9,717	45,945	85
Other commodities	1,679	299	1,978	910	1,068	1,072	(162)
Professional fees	319,700	65,355	385,055	360,277	24,778	322,252	38,025
Charter schools	15	191,386	191,401	189,006	2,395	141,030	47,976
Transportation	84,260	21,066	105,326	102,828	2,498	97,076	5,752
Tuition	235,379	(170,898)	64,481	65,105	(624)	63,103	2,002
Telephone and telecommunications	4,952	355	5,307	17,671	(12,364)	13,701	3,970
Other services	10,457	6,946	17,403	13,253	4,150	13,271	(18)
Equipment — Educational	20,233	28,185	48,418	39,003	9,415	34,614	4,389
Repairs and replacements	39,184	3,250	42,434	36,999	5,435	32,973	4,026
Capital outlay	—	—	—	10	(10)	5	5
Teachers' pension	349,301	(3,974)	345,327	350,483	(5,156)	282,488	67,995
Career service pension	89,676	(1,627)	88,049	89,776	(1,727)	83,317	6,459
Hospitalization and dental insurance	307,282	(41,105)	266,177	260,386	5,791	250,765	9,621
Medicare	34,382	(2,868)	31,514	31,075	439	25,279	5,796
Unemployment compensation	10,831	(236)	10,595	5,764	4,831	8,236	(2,472)
Workers' compensation	40,534	(581)	39,953	29,757	10,196	24,619	5,138
Rent	10,681	1,486	12,167	11,020	1,147	12,965	(1,945)
Debt service	1,420	—	1,420	21,704	(20,284)	1,269	20,435
Other fixed charges	198,793	(139,623)	59,170	18,888	40,282	6,429	12,459
Total Expenditures	<u>\$4,648,256</u>	<u>\$ —</u>	<u>\$4,648,256</u>	<u>\$4,394,685</u>	<u>\$253,571</u>	<u>\$4,146,369</u>	<u>\$248,316</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUE — BY PROGRAM
For the Fiscal Year Ended June 30, 2008
(Thousands of dollars)

	<u>Educational Program</u>	<u>Individuals with Disabilities Education Act (IDEA) Program</u>	<u>Other Government Funded Program</u>	<u>Supplementary General State Aid</u>
REVENUES:				
Property taxes	\$1,511,346	\$ —	\$ —	\$ —
Replacement taxes	133,989	—	—	—
State aid	1,282,108	—	18,346	264,744
Federal aid	36,180	106,051	164,089	—
Interest and investment income	38,327	—	—	—
Other	<u>62,362</u>	<u>1</u>	<u>249</u>	<u>6,936</u>
Total Revenues	<u>\$3,064,312</u>	<u>\$106,052</u>	<u>\$182,684</u>	<u>\$271,680</u>

NOTE:

This schedule was prepared using the modified accrual basis of accounting.



Operating Information

<u>Elementary and Secondary Education Act (ESEA) Program</u>	<u>School Lunch Program</u>	<u>Workers' and Unemployment Compensation/ Tort Immunity Program</u>	<u>Public Building Commission Operations and Maintenance Program</u>	<u>Total</u>
\$ —	\$ —	\$69,077	\$182,859	\$1,763,282
—	25,816	—	—	159,805
94	10,780	—	116,279	1,692,351
350,515	150,394	—	25,297	832,526
—	—	1,977	601	40,905
11	15,073	3,211	8,973	96,816
<u>\$350,620</u>	<u>\$202,063</u>	<u>\$74,265</u>	<u>\$334,009</u>	<u>\$4,585,685</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES — BY PROGRAM
For the Fiscal Year Ended June 30, 2008
(Thousands of dollars)

	Educational Program	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Teachers' salaries	\$1,544,183	\$59,949	\$ 74,373	\$ 86,977
Career service salaries	242,443	10,292	25,877	70,123
Energy	245	—	—	—
Food	733	25	753	12
Textbooks	40,947	297	13,267	8,014
Supplies	15,839	566	4,548	8,471
Other commodities	245	8	30	131
Professional fees	125,361	1,588	22,984	9,735
Charter Schools	166,437	1,552	256	14,567
Transportation	90,712	523	3,113	1,796
Tuition	58,124	2,102	4,866	7
Telephone and telecommunications	313	—	—	2
Other services	6,459	525	2,121	1,233
Equipment — Educational	15,581	65	7,242	5,688
Repairs and replacements	3,620	17	224	2,085
Capital outlay	10	—	—	—
Teachers' pension	296,525	11,399	12,066	15,475
Career service pension	39,215	1,700	3,783	11,399
Hospitalization and dental insurance	176,145	7,243	8,389	19,913
Medicare	22,356	941	1,337	2,186
Unemployment compensation	4,343	173	210	360
Workers' compensation	22,420	894	1,084	1,857
Rent	1,210	34	262	1
Debt service	20,565	—	—	—
Other fixed charges	(5,661)	—	28	54
Total Expenditures	<u>\$2,888,370</u>	<u>\$99,893</u>	<u>\$186,813</u>	<u>\$260,086</u>

NOTE:

This schedule was prepared using the modified accrual basis of accounting.



Operating Information

Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/Tort Immunity Program	Public Building Commission Operations and Maintenance Program	Total
\$119,909	\$ 2	\$ 1	\$ 6	\$1,885,400
28,921	63,501	35,296	83,288	559,741
—	—	—	86,514	86,759
264	81,539	—	—	83,326
22,717	—	127	4,145	89,514
9,127	100	252	7,127	46,030
135	—	1	360	910
65,994	2,650	9,249	122,716	360,277
6,179	—	—	15	189,006
6,564	16	27	77	102,828
6	—	—	—	65,105
—	—	—	17,356	17,671
2,110	538	79	188	13,253
5,878	245	185	4,119	39,003
846	—	38	30,169	36,999
—	—	—	—	10
15,015	1	—	2	350,483
3,761	10,733	5,248	13,937	89,776
10,688	21,737	6,479	9,792	260,386
1,907	829	647	872	31,075
242	155	78	203	5,764
1,252	801	402	1,047	29,757
7	—	—	9,506	11,020
—	—	—	1,139	21,704
2,341	13,141	8,985	—	18,888
<u>\$303,863</u>	<u>\$195,988</u>	<u>\$67,094</u>	<u>\$392,578</u>	<u>\$4,394,685</u>

Statistical Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS**

**For the Last Ten Fiscal Years and 2009 Budget
(Modified Accrual Basis of Accounting)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Local Revenue:					
Property Taxes	\$1,368,081	\$1,403,657	\$1,429,871	\$1,479,968	\$1,546,335
Replacement Taxes	137,749	147,657	137,744	114,313	105,960
Investment Income	70,199	85,075	103,520	68,050	49,161
Other	<u>103,715</u>	<u>85,587</u>	<u>82,411</u>	<u>89,505</u>	<u>94,345</u>
Total Local	<u>\$1,679,744</u>	<u>\$1,721,976</u>	<u>\$1,753,546</u>	<u>\$1,751,836</u>	<u>\$1,795,801</u>
State Revenue:					
General State Aid	\$ 696,519	\$ 720,772	\$ 730,359	\$ 806,640	\$ 786,950
Teacher Pension	65,045	65,045	65,045	65,045	65,045
Capital	48,520	106,816	134,070	99,004	141,127
Other	<u>428,725</u>	<u>481,994</u>	<u>502,303</u>	<u>497,225</u>	<u>476,445</u>
Total State	<u>\$1,238,809</u>	<u>\$1,374,627</u>	<u>\$1,431,777</u>	<u>\$1,467,914</u>	<u>\$1,469,567</u>
Federal Revenue:					
Elementary and Secondary Education Act (ESEA)	\$ 182,103	\$ 168,268	\$ 172,943	\$ 177,841	\$ 209,971
Individuals with Disabilities Education Act (IDEA)	31,199	40,039	56,056	62,850	71,477
School Lunchroom	129,281	136,464	138,958	142,057	146,247
Medicaid	41,214	46,910	70,297	38,200	31,765
Other	<u>87,108</u>	<u>147,886</u>	<u>195,840</u>	<u>133,802</u>	<u>149,233</u>
Total Federal	<u>\$ 470,905</u>	<u>\$ 539,567</u>	<u>\$ 634,094</u>	<u>\$ 554,750</u>	<u>\$ 608,693</u>
Total Revenue	<u>\$3,389,458</u>	<u>\$3,636,170</u>	<u>\$3,819,417</u>	<u>\$3,774,500</u>	<u>\$3,874,061</u>
Change in Revenue from Previous Year . .	\$ 366,362	\$ 246,712	\$ 183,247	\$ (44,917)	\$ 99,561
Percent Change in Revenue	12.1%	7.3%	5.0%	-1.2%	2.6%

Operating Information

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Budget 2009</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,571,065	\$1,639,237	\$1,718,249	\$1,767,760	\$1,813,917	\$1,842,998	3.0%	3.2%
120,427	145,724	184,700	201,509	215,489	191,504	3.3%	9.7%
39,501	43,215	71,947	116,907	85,895	47,400	-3.9%	3.7%
<u>149,253</u>	<u>102,654</u>	<u>163,765</u>	<u>286,230</u>	<u>181,028</u>	<u>217,330</u>	7.7%	7.8%
<u>\$1,880,246</u>	<u>\$1,930,830</u>	<u>\$2,138,661</u>	<u>\$2,372,406</u>	<u>\$2,296,329</u>	<u>\$2,299,232</u>	3.2%	4.1%
\$ 853,533	\$ 908,330	\$ 978,672	\$1,040,241	\$1,107,408	\$1,139,300	5.0%	5.9%
—	65,045	74,922	75,242	75,218	74,823	1.4%	0.0%
127,682	3,061	—	—	—	—	-100.0%	-100.0%
<u>500,233</u>	<u>530,679</u>	<u>549,041</u>	<u>586,102</u>	<u>663,408</u>	<u>699,115</u>	5.0%	6.9%
<u>\$1,481,448</u>	<u>\$1,507,115</u>	<u>\$1,602,635</u>	<u>\$1,701,585</u>	<u>\$1,846,034</u>	<u>\$1,913,238</u>	4.4%	5.2%
\$ 244,118	\$ 277,610	\$ 273,900	\$ 269,446	\$ 350,515	\$ 342,408	6.5%	7.0%
86,289	105,835	99,908	81,721	106,051	113,500	13.8%	5.6%
151,207	145,668	147,899	147,407	150,394	147,316	1.3%	-0.5%
35,772	26,000	33,422	24,257	31,671	27,000	-4.1%	-5.5%
<u>213,118</u>	<u>207,842</u>	<u>220,502</u>	<u>223,198</u>	<u>237,410</u>	<u>241,084</u>	10.7%	2.5%
<u>\$ 730,504</u>	<u>\$ 762,955</u>	<u>\$ 775,631</u>	<u>\$ 746,029</u>	<u>\$ 876,041</u>	<u>\$ 871,308</u>	6.3%	3.6%
<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>	<u>\$4,820,020</u>	<u>\$5,018,404</u>	<u>\$5,083,778</u>	4.1%	4.4%
\$ 218,137	\$ 108,702	\$ 316,027	\$ 303,093	\$ 198,384	\$ 65,374		
5.6%	2.7%	7.5%	6.7%	4.1%	1.3%		

Statistical Section

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES — ALL FUNDS

For the Last Ten Fiscal Years and 2008 Budget

(Modified Accrual Basis of Accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Compensation:					
Teacher Salaries	\$1,485,925	\$1,573,412	\$1,639,064	\$1,690,449	\$1,749,974
ESP Salaries	386,811	420,119	452,502	495,123	495,154
Total Salaries	<u>\$1,872,736</u>	<u>\$1,993,531</u>	<u>\$2,091,566</u>	<u>\$2,185,572</u>	<u>\$2,245,128</u>
Teacher Pension	175,512	180,051	181,775	179,011	190,259
ESP Pension	67,979	63,351	64,104	70,843	73,754
Hospitalization	139,399	150,139	161,192	192,342	196,457
Medicare	16,155	17,815	20,261	22,212	23,358
Workers' Compensation	14,653	10,021	8,312	14,690	13,806
Unemployment Insurance	1,449	1,350	1,740	2,336	3,374
Total Benefits	<u>\$ 415,147</u>	<u>\$ 422,727</u>	<u>\$ 437,384</u>	<u>\$ 481,434</u>	<u>\$ 501,008</u>
Total Compensation	<u>\$2,287,883</u>	<u>\$2,416,258</u>	<u>\$2,528,950</u>	<u>\$2,667,006</u>	<u>\$2,746,136</u>
Non-Compensation:					
Energy	\$ 58,150	\$ 45,222	\$ 71,234	\$ 53,453	\$ 62,388
Food	92,259	88,415	90,691	86,145	92,539
Textbooks	65,838	71,201	74,305	77,948	72,118
Supplies	33,755	38,564	37,702	40,655	40,653
Commodities — Other	985	995	1,091	949	1,155
Professional fees	234,419	207,969	185,746	186,398	217,917
Charter schools	22,271	31,634	38,898	46,951	54,444
Transportation	92,270	101,300	105,373	95,502	98,901
Tuition	39,522	27,149	68,593	73,172	67,779
Telephone and telecommunications	18,425	21,677	24,543	24,880	13,981
Services — Other	11,279	14,151	15,767	21,425	26,485
Equipment	49,295	49,560	48,924	51,947	42,398
Repairs and Replacements	47,476	57,173	52,112	58,707	48,739
Capital Outlays	651,119	547,398	527,566	381,156	443,890
Rent	4,794	6,639	7,283	8,104	9,468
Debt Service	137,197	148,854	195,310	219,894	255,239
Other	550	4,294	428	(894)	(1,097)
Unallocated Appropriations (budget only)	—	—	—	—	—
Total Non-Compensation	<u>\$1,559,604</u>	<u>\$1,462,195</u>	<u>\$1,545,566</u>	<u>\$1,426,392</u>	<u>\$1,546,997</u>
Total Expenditures	<u>\$3,847,487</u>	<u>\$3,878,453</u>	<u>\$4,074,516</u>	<u>\$4,093,398</u>	<u>\$4,293,133</u>
Change in Expenditures from Previous Year	\$ 354,848	\$ 30,966	\$ 196,063	\$ 18,882	\$ 199,735
Percent Change in Expenditures	10.2%	0.8%	5.1%	0.5%	4.9%

Operating Information

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Budget 2009</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,820,063	\$1,850,403	\$1,916,378	\$1,924,109	\$1,885,400	\$2,016,166	3.1%	2.1%
<u>520,267</u>	<u>515,427</u>	<u>537,346</u>	<u>535,148</u>	<u>559,741</u>	<u>598,531</u>	4.5%	2.8%
\$2,340,330	\$2,365,830	\$2,453,724	\$2,459,257	\$2,445,141	\$2,614,697	3.4%	2.2%
194,511	198,065	247,585	282,488	350,483	400,350	8.6%	15.5%
79,498	81,560	87,530	83,317	89,776	96,675	3.6%	4.0%
229,045	230,204	243,003	250,765	260,386	301,735	8.0%	5.7%
25,480	26,719	29,989	25,279	31,075	36,936	8.6%	7.7%
16,997	17,953	21,004	24,619	29,757	31,431	7.9%	13.1%
<u>4,711</u>	<u>8,558</u>	<u>6,382</u>	<u>8,236</u>	<u>5,764</u>	<u>10,937</u>	22.4%	18.3%
<u>\$ 550,242</u>	<u>\$ 563,059</u>	<u>\$ 635,493</u>	<u>\$ 674,704</u>	<u>\$ 767,241</u>	<u>\$ 878,064</u>	7.8%	9.8%
<u>\$2,890,572</u>	<u>\$2,928,889</u>	<u>\$3,089,217</u>	<u>\$3,133,961</u>	<u>\$3,212,382</u>	<u>\$3,492,761</u>	4.3%	3.9%
\$ 63,233	\$ 64,647	\$ 70,760	\$ 77,133	\$ 86,759	\$ 88,736	4.3%	7.0%
96,712	89,628	85,815	83,798	83,326	90,746	-0.2%	-1.3%
74,377	79,677	71,942	65,772	89,514	67,237	0.2%	-2.0%
42,380	45,210	46,965	45,945	46,030	70,006	7.6%	10.6%
1,306	1,314	1,135	1,072	910	1,329	3.0%	0.3%
226,306	292,517	319,904	322,252	360,277	171,532	-3.1%	-5.4%
66,643	82,537	118,445	141,030	189,006	205,000	24.9%	25.2%
96,775	93,639	92,589	97,076	102,828	89,342	-0.3%	-1.6%
78,582	66,854	62,890	63,103	65,105	274,741	21.4%	28.4%
6,208	8,635	16,944	13,701	17,671	5,784	-10.9%	-1.4%
19,431	11,516	13,104	13,271	13,253	17,136	4.3%	-2.5%
43,315	44,081	38,335	34,614	39,003	18,602	-9.3%	-15.6%
45,353	35,224	35,556	32,973	36,999	33,810	-3.3%	-5.7%
365,351	389,450	310,821	345,020	463,067	1,014,910	4.5%	22.7%
7,974	10,393	14,174	12,965	11,020	12,091	9.7%	8.7%
259,590	315,809	214,652	342,179	282,142	314,496	8.6%	3.9%
(2,092)	6,215	5,894	6,429	18,888	13,171	37.4%	-244.5%
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>205,964</u>		
<u>\$1,491,444</u>	<u>\$1,637,346</u>	<u>\$1,519,925</u>	<u>\$1,698,333</u>	<u>\$1,905,798</u>	<u>\$2,694,633</u>	5.6%	12.6%
<u>\$4,382,016</u>	<u>\$4,566,235</u>	<u>\$4,609,142</u>	<u>\$4,832,294</u>	<u>\$5,118,180</u>	<u>\$6,187,394</u>	4.9%	7.1%
\$ 88,883	\$ 184,219	\$ 42,907	\$ 223,152	\$ 285,886	\$1,069,214		
2.1%	4.2%	0.9%	4.8%	5.9%	20.9%		

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) — ALL FUNDS
For the Last Ten Fiscal Years and 2009 Budget
(Modified Accrual Basis of Accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues:					
Local	\$1,679,744	\$1,721,976	\$1,753,546	\$1,751,836	\$1,795,801
State	1,238,809	1,374,626	1,431,777	1,467,914	1,469,567
Federal	470,905	539,567	634,094	554,750	608,693
Total Revenues	<u>\$3,389,458</u>	<u>\$3,636,169</u>	<u>\$3,819,417</u>	<u>\$3,774,500</u>	<u>\$3,874,061</u>
Total Expenditures	<u>3,847,487</u>	<u>3,878,453</u>	<u>4,074,516</u>	<u>4,093,398</u>	<u>4,293,133</u>
Revenues less Expenditures	<u>\$ (458,029)</u>	<u>\$ (242,284)</u>	<u>\$ (255,099)</u>	<u>\$ (318,898)</u>	<u>\$ (419,072)</u>
Other Financing Sources:					
Bond Proceeds	\$ 878,640	\$ 331,299	\$ 474,460	\$ 232,693	\$ 308,635
Net premiums/discounts	—	—	(2,644)	(9)	8,803
Proceeds from Swaps	—	—	—	—	—
Capital Leases	—	—	—	—	—
Sales of general capital assets	—	—	—	—	—
Payment to Bond Escrow Agent	(243,612)	—	—	—	—
Total Other Financing Sources	<u>\$ 635,028</u>	<u>\$ 331,299</u>	<u>\$ 471,816</u>	<u>\$ 232,684</u>	<u>\$ 317,438</u>
Revenues and Other Financing Sources					
Less Expenditures	\$ 176,999	\$ 89,015	\$ 216,717	\$ (86,214)	\$ (101,634)
Accounting Adjustment	—	—	(152,490)	—	—
Change in Fund Balance	<u>\$ 176,999</u>	<u>\$ 89,015</u>	<u>\$ 64,227</u>	<u>\$ (86,214)</u>	<u>\$ (101,634)</u>
Fund Balance — Beginning of Period	1,015,031	1,192,030	1,281,045	1,345,272	1,259,058
Fund Balance — End of Period	<u>\$1,192,030</u>	<u>\$1,281,045</u>	<u>\$1,345,272</u>	<u>\$1,259,058</u>	<u>\$1,157,424</u>
Revenues as a Percent of Expenditures	88.1%	93.8%	93.7%	92.2%	90.2%
Composition of Fund Balance					
Reserved:					
Reserved for Encumbrances	\$ 459,045	\$ 390,861	\$ 415,068	\$ 380,340	\$ 245,902
Reserved for restricted donations	429	2,836	3,638	429	429
Reserved for specific purposes	53,158	66,436	56,579	36,096	41,289
Reserved for debt services	209,878	246,997	407,458	459,524	437,711
Unreserved:					
Designated to Provide Operating Capital	231,300	295,900	201,520	201,500	161,233
Undesignated	238,220	278,015	261,009	181,169	270,860
Total Fund Balance	<u>\$1,192,030</u>	<u>\$1,281,045</u>	<u>\$1,345,272</u>	<u>\$1,259,058</u>	<u>\$1,157,424</u>
Unreserved Fund Balance as a Percent of Revenues	13.9%	15.8%	12.1%	10.1%	11.2%
Total Fund Balance as a Percent of Revenues	35.2%	35.2%	35.2%	33.4%	29.9%



Operating Information

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Budget 2009</u>
\$1,880,246	\$1,930,830	\$2,138,661	\$2,372,406	\$ 2,296,329	\$ 2,299,232
1,481,448	1,507,115	1,602,635	1,701,585	1,846,034	1,913,238
<u>730,504</u>	<u>762,955</u>	<u>775,631</u>	<u>746,029</u>	<u>876,041</u>	<u>871,308</u>
\$4,092,198	\$4,200,900	\$4,516,927	\$4,820,020	\$ 5,018,404	\$ 5,083,778
<u>4,382,016</u>	<u>4,566,235</u>	<u>4,609,142</u>	<u>4,832,294</u>	<u>5,118,180</u>	<u>6,187,394</u>
<u>\$(289,818)</u>	<u>\$ (365,335)</u>	<u>\$ (92,215)</u>	<u>\$ (12,274)</u>	<u>\$ (99,776)</u>	<u>\$(1,103,616)</u>
\$765,995	\$ 529,760	\$ 385,603	\$ 355,805	\$ 1,674,555	
21,043	43,450	3,798	14,444	41,226	
—	—	—	—	—	
—	—	3,700	—	—	
—	—	7,596	25,673	6,404	
<u>(534,375)</u>	<u>(282,478)</u>	<u>—</u>	<u>—</u>	<u>(1,474,081)</u>	
<u>\$252,663</u>	<u>\$ 290,732</u>	<u>\$ 400,697</u>	<u>\$ 395,922</u>	<u>\$ 248,104</u>	
\$(37,155)	\$ (74,603)	\$ 308,482	\$ 383,648	\$ 148,328	
—	—	—	—	—	
<u>\$(37,155)</u>	<u>\$ (74,603)</u>	<u>\$ 308,482</u>	<u>\$ 383,648</u>	<u>\$ 148,328</u>	
1,157,424	1,120,269	1,045,666	1,354,148	1,578,331	
<u>\$1,120,269</u>	<u>\$1,045,666</u>	<u>\$1,354,148</u>	<u>\$1,737,796</u>	<u>\$ 1,726,659</u>	
93.4%	92.0%	98.0%	99.7%	98.1%	
\$291,730	\$ 238,238	\$ 323,251	\$ 296,799	\$ 401,281	
1,439	1,459	1,503	1,765	1,826	
42,015	43,675	84,388	129,597	102,695	
385,015	294,700	353,267	264,867	272,471	
171,300	190,000	218,400	233,200	258,000	
<u>228,770</u>	<u>277,594</u>	<u>373,339</u>	<u>811,568</u>	<u>690,386</u>	
<u>\$1,120,269</u>	<u>\$1,045,666</u>	<u>\$1,354,148</u>	<u>\$1,737,796</u>	<u>\$ 1,726,659</u>	
9.8%	11.1%	13.1%	21.7%	18.9%	
27.4%	24.9%	30.0%	36.1%	34.4%	

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
For the Last Ten Fiscal Years and 2009 Budget
(Modified Accrual Basis of Accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Local Revenue:					
Property Taxes	\$1,314,362	\$1,352,374	\$1,379,010	\$1,429,307	\$1,495,382
Replacement Taxes	84,513	89,142	71,230	57,193	48,852
Investment Income	28,006	36,347	42,501	16,505	20,803
Other	<u>71,113</u>	<u>65,515</u>	<u>78,107</u>	<u>66,917</u>	<u>76,609</u>
Total Local	<u>\$1,497,994</u>	<u>\$1,543,378</u>	<u>\$1,570,848</u>	<u>\$1,569,922</u>	<u>\$1,641,646</u>
State Revenue:					
General State Aid	\$ 696,519	\$ 700,135	\$ 708,359	\$ 774,316	\$ 765,739
Teacher Pension	65,045	65,045	65,045	65,045	65,045
Other	<u>428,725</u>	<u>481,994</u>	<u>502,303</u>	<u>497,225</u>	<u>476,445</u>
Total State	<u>\$1,190,289</u>	<u>\$1,247,174</u>	<u>\$1,275,707</u>	<u>\$1,336,586</u>	<u>\$1,307,229</u>
Federal Revenue:					
Elementary and Secondary Education Act (ESEA) . . .	\$ 182,103	\$ 168,268	\$ 172,943	\$ 177,841	\$ 209,971
Individuals with Disabilities Education Act (IDEA) . . .	31,199	40,039	56,056	62,850	71,477
School Lunch Program	129,281	136,464	138,958	142,057	146,247
Medicaid	41,214	46,910	70,297	38,200	31,765
Other	<u>76,546</u>	<u>105,992</u>	<u>114,057</u>	<u>118,625</u>	<u>143,217</u>
Total Federal	<u>\$ 460,343</u>	<u>\$ 497,673</u>	<u>\$ 552,311</u>	<u>\$ 539,573</u>	<u>\$ 602,677</u>
Total Revenue	<u>\$3,148,626</u>	<u>\$3,288,225</u>	<u>\$3,398,866</u>	<u>\$3,446,081</u>	<u>\$3,551,552</u>
Change in Revenue from Previous Year	n/a	\$ 139,599	\$ 110,641	\$ 47,215	\$ 105,471
Percent Change in Revenue	n/a	4.43%	3.36%	1.39%	3.06%

Operating Information

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Budget 2009</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,520,557	\$1,587,803	\$1,666,118	\$1,716,516	\$1,763,282	\$1,831,160	3.37%	3.79%
61,897	94,546	131,639	147,403	159,805	135,820	4.86%	17.02%
18,779	14,003	36,874	61,595	40,905	32,400	1.47%	11.53%
<u>87,545</u>	<u>85,377</u>	<u>101,129</u>	<u>95,534</u>	<u>96,816</u>	<u>108,716</u>	4.34%	4.43%
<u>\$1,688,778</u>	<u>\$1,781,729</u>	<u>\$1,935,760</u>	<u>\$2,021,048</u>	<u>\$2,060,808</u>	<u>\$2,108,096</u>	3.48%	4.54%
\$ 829,157	\$ 821,699	\$ 868,398	\$ 888,220	\$ 953,783	\$ 958,879	3.25%	2.95%
—	65,045	74,922	75,233	75,210	74,823	1.41%	0.00%
<u>500,233</u>	<u>530,679</u>	<u>549,041</u>	<u>586,040</u>	<u>663,358</u>	<u>699,115</u>	5.01%	6.92%
<u>\$1,329,390</u>	<u>\$1,417,423</u>	<u>\$1,492,361</u>	<u>\$1,549,493</u>	<u>\$1,692,351</u>	<u>\$1,732,817</u>	3.83%	5.44%
\$ 244,118	\$ 277,610	\$ 273,900	\$ 269,446	\$ 350,515	\$ 342,408	6.52%	7.00%
86,289	105,835	99,908	81,721	106,051	113,500	13.79%	5.64%
151,207	145,668	147,899	147,407	150,394	147,316	1.31%	-0.52%
35,772	26,000	33,422	24,257	31,671	27,000	-4.14%	-5.47%
<u>186,435</u>	<u>191,290</u>	<u>202,602</u>	<u>189,132</u>	<u>193,895</u>	<u>238,584</u>	12.04%	5.06%
<u>\$ 703,821</u>	<u>\$ 746,403</u>	<u>\$ 757,731</u>	<u>\$ 711,963</u>	<u>\$ 832,526</u>	<u>\$ 868,808</u>	6.56%	4.30%
<u>\$3,721,989</u>	<u>\$3,945,555</u>	<u>\$4,185,852</u>	<u>\$4,282,504</u>	<u>\$4,585,685</u>	<u>\$4,709,721</u>	4.11%	4.82%
\$ 170,437	\$ 223,566	\$ 240,297	\$ 96,652	\$ 303,181	\$ 124,036		
4.80%	6.01%	6.09%	2.31%	7.08%	2.70%		

Statistical Section

**Chicago Public Schools
Chicago Board of Education**

**ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES
For the Last Ten Fiscal Years and 2009 Budget
(Modified Accrual Basis of Accounting)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Compensation:					
Teacher Salaries	\$1,485,925	\$1,573,412	\$1,639,064	\$1,690,449	\$1,749,974
ESP Salaries	386,811	420,119	452,502	495,123	495,154
Total Salaries	<u>\$1,872,736</u>	<u>\$1,993,531</u>	<u>\$2,091,566</u>	<u>\$2,185,572</u>	<u>\$2,245,128</u>
Teacher Pension	175,512	180,051	181,775	179,011	190,259
ESP Pension	67,979	63,351	64,104	70,843	73,754
Hospitalization	139,399	150,139	161,192	192,342	196,457
Medicare	16,155	17,815	20,261	22,212	23,358
Workers' Compensation	14,653	10,021	8,312	14,690	13,806
Unemployment Insurance	1,449	1,350	1,740	2,336	3,374
Total Benefits	<u>\$ 415,147</u>	<u>\$ 422,727</u>	<u>\$ 437,384</u>	<u>\$ 481,434</u>	<u>\$ 501,008</u>
Total Compensation	<u>\$2,287,883</u>	<u>\$2,416,258</u>	<u>\$2,528,950</u>	<u>\$2,667,006</u>	<u>\$2,746,136</u>
Non-Compensation:					
Energy	\$ 58,150	\$ 45,222	\$ 71,234	\$ 53,453	\$ 62,388
Food	92,259	88,415	90,691	86,145	92,539
Textbooks	65,838	71,201	74,305	77,948	72,118
Supplies	33,755	38,564	37,702	40,655	40,653
Commodities — Other	985	995	1,091	949	1,155
Professional fees	234,419	207,969	185,746	186,398	217,917
Charter schools	22,271	31,634	38,898	46,951	54,444
Transportation	92,270	101,300	105,373	95,502	98,901
Tuition	39,522	27,149	68,593	73,172	67,779
Telephone and telecommunications	18,425	21,677	24,543	24,880	13,981
Services — Other	11,279	14,151	15,767	21,425	26,485
Equipment	49,295	49,560	48,924	51,947	42,398
Repairs and replacements	47,476	57,173	52,112	58,707	48,739
Capital Outlays	54	33	58	118	17
Rent	4,794	6,639	7,283	8,104	9,468
Debt Service	1,503	2,268	1,421	1,420	1,420
Other	550	4,294	428	(894)	(1,097)
Unallocated Appropriations (budget only)	—	—	—	—	—
Total Non-Compensation	<u>\$ 772,845</u>	<u>\$ 768,244</u>	<u>\$ 824,169</u>	<u>\$ 826,880</u>	<u>\$ 849,305</u>
Total Expenditures	<u>\$3,060,728</u>	<u>\$3,184,502</u>	<u>\$3,353,119</u>	<u>\$3,493,886</u>	<u>\$3,595,441</u>
Change in Expenditures from Previous Year	\$ 146,061	\$ 123,774	\$ 168,617	\$ 140,767	\$ 101,555
Percent Change in Expenditures	5.01%	4.04%	5.29%	4.20%	2.91%

Operating Information

2004	2005	2006	2007	2008	Budget 2009	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
\$1,820,063	\$1,850,403	\$1,916,378	\$1,924,109	\$1,885,400	\$2,016,166	3.10%	2.07%
<u>520,267</u>	<u>515,427</u>	<u>537,346</u>	<u>535,148</u>	<u>559,741</u>	<u>598,041</u>	4.45%	2.83%
\$2,340,330	\$2,365,830	\$2,453,724	\$2,459,257	\$2,445,141	\$2,614,207	3.39%	2.24%
194,511	198,065	247,585	282,488	350,483	400,350	8.60%	15.53%
79,498	81,560	87,530	83,317	89,776	96,675	3.58%	3.99%
229,045	230,204	243,003	250,765	260,386	301,735	8.03%	5.67%
25,480	26,719	29,989	25,279	31,075	36,934	8.62%	7.71%
16,997	17,953	21,004	24,619	29,757	31,431	7.93%	13.08%
<u>4,711</u>	<u>8,558</u>	<u>6,382</u>	<u>8,236</u>	<u>5,764</u>	<u>10,937</u>	22.40%	18.35%
\$ 550,242	\$ 563,059	\$ 635,493	\$ 674,704	\$ 767,241	\$ 878,062	7.78%	9.80%
<u>\$2,890,572</u>	<u>\$2,928,889</u>	<u>\$3,089,217</u>	<u>\$3,133,961</u>	<u>\$3,212,382</u>	<u>\$3,492,269</u>	4.32%	3.85%
\$ 63,233	\$ 64,647	\$ 70,760	\$ 77,133	\$ 86,759	\$ 88,736	4.32%	7.01%
96,712	89,628	85,815	83,798	83,326	90,746	-0.17%	-1.27%
74,377	79,677	71,942	65,772	89,514	67,237	0.21%	-2.00%
42,380	45,210	46,965	45,945	46,030	69,965	7.56%	10.55%
1,306	1,314	1,135	1,072	910	1,329	3.04%	0.35%
226,306	292,517	319,904	322,252	360,277	171,532	-3.08%	-5.39%
66,643	82,537	118,445	141,030	189,006	205,000	24.85%	25.20%
96,775	93,639	92,589	97,076	102,828	89,342	-0.32%	-1.59%
78,582	66,854	62,890	63,103	65,105	274,741	21.40%	28.45%
6,208	8,635	16,944	13,701	17,671	5,784	-10.94%	-1.40%
19,431	11,516	13,104	13,271	13,253	12,539	1.06%	-8.39%
43,315	44,081	38,335	34,614	39,003	18,602	-9.29%	-15.55%
45,353	35,224	35,556	32,973	36,999	33,810	-3.34%	-5.71%
15	—	4	5	10	22	-8.59%	7.96%
7,974	10,393	14,174	12,965	11,020	12,091	9.69%	8.68%
1,420	1,420	1,420	1,269	21,704	1,037	-3.64%	-6.09%
(2,092)	6,215	5,894	6,429	18,888	13,171	37.38%	-244.48%
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>206,968</u>		
\$ 867,938	\$ 933,507	\$ 995,876	\$1,012,408	\$1,182,303	\$1,362,652	5.83%	9.44%
<u>\$3,758,510</u>	<u>\$3,862,396</u>	<u>\$4,085,093</u>	<u>\$4,146,369</u>	<u>\$4,394,685</u>	<u>\$4,854,921</u>	4.72%	5.25%
\$ 163,069	\$ 103,886	\$ 222,697	\$ 61,276	\$ 248,316	\$ 460,236		
4.54%	2.76%	5.77%	1.50%	5.99%	10.47%		

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)

For the Last Ten Fiscal Years and 2009 Budget
(Modified Accrual Basis of Accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues:				
Local	\$1,497,994	\$1,543,378	\$1,570,848	\$1,569,922
State	1,190,289	1,247,174	1,275,707	1,336,586
Federal	<u>460,343</u>	<u>497,673</u>	<u>552,311</u>	<u>539,573</u>
Total Revenues	\$3,148,626	\$3,288,225	\$3,398,866	\$3,446,081
Total Expenditures	<u>3,060,728</u>	<u>3,184,502</u>	<u>3,353,119</u>	<u>3,493,886</u>
Revenues — Expenditures	\$ 87,898	\$ 103,723	\$ 45,747	\$ (47,805)
Other Financing Sources — Transfers	—	11,436	(46,797)	1,527
Revenues and Other Financing Sources				
Less Expenditures	\$ 87,898	\$ 115,159	\$ (1,050)	\$ (46,278)
Equity Transfer	—	—	—	—
Accounting Adjustment	—	—	(152,490)	—
Change in Fund Balance	\$ 87,898	\$ 115,159	\$ (153,540)	\$ (46,278)
Fund Balance — Beginning of Period	<u>361,895</u>	<u>449,793</u>	<u>564,952</u>	<u>411,412</u>
Fund Balance — End of Period	<u>\$ 449,793</u>	<u>\$ 564,952</u>	<u>\$ 411,412</u>	<u>\$ 365,134</u>
Revenues as a Percent of Expenditures	102.9%	103.3%	101.4%	98.6%
Composition of Fund Balance				
Reserved:				
Reserved for Encumbrances	\$ 107,951	\$ 102,623	\$ 149,675	\$ 118,726
Reserved for restricted donations	429	2,836	3,638	429
Reserved by law for specific purposes	53,158	66,436	56,579	36,096
Unreserved:				
Designated to Provide Operating				
Capital	231,300	295,900	201,520	201,500
Undesignated	<u>56,955</u>	<u>97,157</u>	—	8,383
Total Fund Balance	<u>\$ 449,793</u>	<u>\$ 564,952</u>	<u>\$ 411,412</u>	<u>\$ 365,134</u>
Unreserved Fund Balance as a Percent of				
Revenues	9.2%	12.0%	5.9%	6.1%
Total Fund Balance as a Percent of				
Revenues	14.3%	17.2%	12.1%	10.6%

Operating Information

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Budget 2009</u>
\$1,641,646	\$1,688,778	\$1,781,729	\$1,935,760	\$2,021,048	\$2,060,808	\$2,108,096
1,307,229	1,329,390	1,417,423	1,492,361	1,549,493	1,692,351	1,732,817
<u>602,677</u>	<u>703,821</u>	<u>746,403</u>	<u>757,731</u>	<u>711,963</u>	<u>832,526</u>	<u>868,808</u>
\$3,551,552	\$3,721,989	\$3,945,555	\$4,185,852	\$4,282,504	\$4,585,685	\$4,709,721
<u>3,595,441</u>	<u>3,758,510</u>	<u>3,862,396</u>	<u>4,085,093</u>	<u>4,146,369</u>	<u>4,394,685</u>	<u>4,854,921</u>
\$ (43,889)	\$ (36,521)	\$ 83,159	\$ 100,759	\$ 136,135	\$ 191,000	\$ (145,200)
<u>7,711</u>	<u>15,071</u>	<u>328</u>	<u>4,145</u>	<u>1,904</u>	<u>3,813</u>	
\$ (36,178)	\$ (21,450)	\$ 83,487	\$ 104,904	\$ 138,039	\$ 194,813	
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
\$ (36,178)	\$ (21,450)	\$ 83,487	\$ 104,904	\$ 138,039	\$ 194,813	
<u>365,134</u>	<u>328,956</u>	<u>307,506</u>	<u>390,993</u>	<u>495,897</u>	<u>474,783</u>	
<u>\$ 328,956</u>	<u>\$ 307,506</u>	<u>\$ 390,993</u>	<u>\$ 495,897</u>	<u>\$ 633,936</u>	<u>\$ 669,596</u>	
98.8%	99.0%	102.2%	102.5%	103.3%	104.3%	
\$ 78,879	\$ 67,542	\$ 97,313	\$ 102,286	\$ 97,731	\$ 132,684	
429	1,439	1,459	1,503	1,765	1,826	
41,289	42,015	43,675	84,388	129,597	102,695	
161,233	171,300	190,000	218,400	233,200	258,000	
<u>47,126</u>	<u>25,210</u>	<u>58,546</u>	<u>89,320</u>	<u>171,643</u>	<u>174,391</u>	
<u>\$ 328,956</u>	<u>\$ 307,506</u>	<u>\$ 390,993</u>	<u>\$ 495,897</u>	<u>\$ 633,936</u>	<u>\$ 669,596</u>	
5.9%	5.3%	6.3%	7.4%	9.5%	9.4%	
9.3%	8.3%	9.9%	11.8%	14.8%	14.6%	

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF TORT EXPENDITURES
As Required Under Section 9-103 (a-5) of the Tort Immunity Act
For the Fiscal Year Ended June 30, 2008

Eligible Expenditures:	
Workers' & Unemployment Compensation	\$ 178
Physical Education — Athletic Claims	100,000
Litigation	76
Tort Claims — Administration Fee	488,403
Tort Claims — Major Settlements	1,471,735
Tort Claims — Casualty	3,000,000
General Liability Insurance	1,093,335
Property Damage Insurance	2,748,900
Property Loss Reserve Fund	91,303
Life Safety	1,134,753
School Safety Administration	317,217
School Safety Services	2,448,534
Student Identification Cards	229,887
Personnel Security Services	41,530,122
Security Police Officers	8,108,482
Central Service Security	3,789,002
Bureau Of Risk & Benefits Management	184,597
Risk Management Administration	69,254
Ombudsman	289,128
Total Eligible Expenditures	<u>\$67,094,906</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS

For the fiscal year ended June 30, 2008

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Amounts Held for Student Activities</u>
Checking:				
Elementary Schools	\$13,584,560	\$42,056,060	\$40,154,806	\$15,485,814
Child Parent Centers	51,716	107,408	103,534	55,590
Alternative Schools	92,750	112,295	158,568	46,477
Middle Schools	389,327	1,251,451	1,234,816	405,962
High Schools	<u>9,836,878</u>	<u>38,103,222</u>	<u>37,575,201</u>	<u>10,364,899</u>
	<u>\$23,955,231</u>	<u>\$81,630,436</u>	<u>\$79,226,925</u>	<u>\$26,358,742</u>
Investments:				
Elementary Schools				511,023
Middle Schools				46,568
High Schools				<u>3,250,659</u>
Total Cash and Investments Held for Student Activities				<u>\$30,166,992</u>

STUDENT FEES

	<u>Graduation Fees (A)</u>	<u>Student Activity Fees (B)</u>	<u>Total</u>
Total Elementary School Fees	\$2,517,390	\$2,421,215	\$4,938,605
Total Elementary Students	<u>279,823</u>	<u>279,823</u>	<u>279,823</u>
Average Fee per Student	<u>\$ 9.00</u>	<u>\$ 8.65</u>	<u>\$ 17.65</u>
Total High School Fees	\$1,680,832	\$7,809,056	\$9,489,888
Total High School Students	<u>88,936</u>	<u>88,936</u>	<u>88,936</u>
Average Fee per Student	<u>\$ 18.90</u>	<u>\$ 87.80</u>	<u>\$ 106.70</u>

NOTES:

- A. Graduation fees are defined as all mandatory graduation fees, including cap and gown.
- B. Student activity fees are defined as fees collected from students to cover activities and items necessary to complete a given curriculum and fees collected from students to cover the cost of extra-curricular activities and items.

Statistical Section

**CHICAGO PUBLIC SCHOOLS
Board of Education of the City of Chicago**

SCHEDULE OF INSURANCE AND INSURANCE SERVICES

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Broker Services	Mesirow Financial	07/01/07 — 06/30/08	\$ 81,000	Insurance placement and consultation
Property Insurance				
All Risk-Property Insurance				
1st Layer of Property Insurance	Lexington Insurance	07/01/07 — 06/30/08	2,033,842	\$50 Million subject to \$500,000 deductible.
2nd Layer of Property Insurance	Travelers	07/01/07 — 06/30/08	310,000	\$150 million excess of \$50 million
Boiler & Machinery Insurance	Federal Chubb	07/01/07 — 06/30/08	124,741	\$100 Million subject \$50,000 deductible.
Commercial Crime Insurance				\$50 Million subject to \$500,000 deductible. Coverage including fidelity.
1st Layer of Crime Insurance	Great American	07/01/07 — 06/30/08	40,485	\$10 million excess of \$500,000 deductible
2nd Layer of Crime Insurance	Zurich-American Insurance	07/01/07 — 06/30/08	35,627	\$10 million excess of \$10 million
3rd Layer of Crime Insurance	Travelers Casualty & Surety	07/01/07 — 06/30/08	29,640	\$10 million excess of \$20 million
4th Layer of Crime Insurance	Great American	07/01/07 — 06/30/08	21,341	\$10 million excess of \$30 million
5th Layer of Crime Insurance	Hanover	07/01/07 — 06/30/08	16,300	\$10 million excess of \$40 million
			\$ 2,611,976	Total Property, Boiler & Machinery and Crime for year ending 7/1/2007
Property Loss Reserve Fund			91,303	
Total Property Program			<u>\$ 2,703,279</u>	

(continued)



Operating Information

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Liability Insurance				
General Liability and School Board Legal Liability Insurance				\$75 million in excess of \$10 million Self-Insured Retention for General and School Board Legal Liability for Personal Injury, Property Damage, Employers Liability, Discrimination and other "Wrongful Acts." Includes Terrorism Coverage and Surplus Lines Tax and Fees. liability coverage effective 10/31/07 to 6/30/08. Policies were short-termed to move the expiration date.
1st Layer Liability Insurance	Princeton E&S	11/01/07 — 7/1/08	260,243	\$10 million per loss excess \$10 million self-insured retention
2nd Layer Liability Insurance	Westchester	11/01/07 — 7/1/08	190,434	\$15 Million excess \$10 Million
3rd Layer Liability Insurance	Great American Assurance	11/01/07 — 7/1/08	156,510	\$15 Million excess \$25 Million
4th Layer Liability Insurance	Lexington Insurance	11/01/07 — 7/1/08	141,814	\$15 Million excess \$40 Million
5th Layer Liability Insurance	Firemans Fund	11/01/07 — 7/1/08	98,322	\$20 Million excess \$55 Million
Workfare Insurance	Liberty Mutual	12/13/07 — 12/13/08	<u>3,568</u>	Statutory Workers Compensation / \$1,000,000. Employers Liability for non-compensated students in intern and job shadow programs
			<u>\$ 850,891</u>	Total Liability Insurance Premiums and Related Expenses
Total Insurance Cost			<u>\$ 3,635,170</u>	
Self Insurance Programs				
General Liability Claims	Martin Boyer Company/Cambridge	07/01/07 — 06/30/08	\$ 422,532	Claim administration services including investigation and adjustment of liability claims; pay medical costs, legal expense and settlements.
			<u>3,000,000</u>	Amounts paid through escrow accounts to claimants, attorneys and expenses.
			<u>\$ 3,422,532</u>	Total General Liability Claims and Expenses

(continued)

Statistical Section

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Workers Compensation Claims	Martin Boyer Company/Cambridge	07/01/07 — 06/30/08	\$ 724,342	Claim administration services including receive and review for compensability all employee accident claims. Review and apply PPO discount to medical claims. Pay indemnity costs for compensable claims. Determine case management needs. Provide claim statistics and establish safety initiatives. Escrow funding for claims authorized up to \$14,000,000.
			<u>29,472,844</u>	Amounts paid through escrow accounts to claimants, attorneys and expenses.
			<u>\$ 30,197,186</u>	Total Workers' Compensation Claims and Expenses
Interscholastic Athletic and Extracurricular Activity Injury Claims	Martin Boyer Company/Cambridge	07/01/07 — 06/30/08	\$ 60,362	Investigate eligibility for student coverage for incidents arising out of interscholastic athletic and extracurricular activities, including ROTC and student travel. Benefits include medical expense, disability income and accidental death benefits of up to \$1,000,000 per student in exchange for a waiver of all liability claims against the Board of Education. Investigate and obtain offsets from insurance and subrogation. Escrow funding for claims authorized up to \$300,000.
			<u>100,000</u>	Interscholastic Claims Payments
			<u>\$ 160,362</u>	Total Interscholastic Claims and Expenses
Life Safety	Various		<u>\$ 685,117</u>	Promotes safety programs
Total Self Insured Programs			<u>\$ 34,465,197</u>	
Capital Program/Owner Controlled Insurance Program (OCIP)				
OCIP Paid Claims	General & Workers' Compensation Claims	07/01/07 — 06/30/08	\$ 964,232	OCIP General Liability and Workers Compensation Claims
OCIP Program Administration	Aon	07/01/07 — 06/30/08	<u>10,768</u>	Secure outstanding liability for TIG policy year losses.
			<u>\$ 975,000</u>	Total OCIP Insurance, Claims and Expenses

(continued)



Operating Information

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Health Insurance/HMO/PPO				
Medical-Administrative Services	Blue Cross/Blue Shield of Illinois	07/01/07 — 06/30/08	\$ 3,574,071	PPO Health care for eligible employees and dependents.
	United Healthcare PPO	07/01/07 — 06/30/08	1,045,177	PPO Health care for eligible employees and dependents.
	United Healthcare PPO w/HRA	07/01/07 — 06/30/08	455,744	PPO and Health Reimbursement Account for eligible employees and dependents.
	Blue Cross HMO Illinois	07/01/07 — 06/30/08	5,350,208	HMO Health care for eligible employees and dependents.
	United Healthcare HMO (EPO)	07/01/07 — 06/30/08	<u>1,229,102</u>	HMO Health care for eligible employees and dependents.
Medical Total Admin. Fees			<u>\$ 11,654,302</u>	
Medical PPO Claim	Blue Cross/Blue Shield of Illinois	07/01/07 — 06/30/08	\$ 57,702,737	PPO Health care for eligible employees and dependents and retirees.
	United Healthcare PPO	07/01/07 — 06/30/08	26,407,193	PPO Health care of eligible employees, dependents & retirees.
	United Healthcare PPO w/HRA	07/01/07 — 06/30/08	<u>4,011,539</u>	PPO and Health Reimbursement Account for eligible employees and dependents.
Medical Total PPO Claims			<u>\$ 88,121,469</u>	
Medical HMO Claims	Blue Cross HMO Illinois	07/01/07 — 06/30/08	\$139,689,845	HMO Healthcare for eligible employees and dependents. Claims and Physician Service Fees.
	United Healthcare HMO	07/01/07 — 06/30/08	<u>19,884,246</u>	HMO Healthcare for eligible employees and dependents.
Medical Total HMO Claims			<u>\$159,574,091</u>	
Medical Claims Total		07/01/07 — 06/30/08	<u>\$247,695,560</u>	
Medical Claims and Administration		07/01/07 — 06/30/08	<u>\$259,349,862</u>	
Managed Mental Health Service	United Behavioral Health	07/01/07 — 06/30/08	<u>\$ 687,290</u>	Mental health care for PPO eligible employees and dependents.
Utilization Review and Case Management	Encompass	07/01/07 — 06/30/08	<u>\$ 599,506</u>	Pre-certification, utilization review and case management for PPO eligible employees and dependents.
Prescription Drugs	Caremark	07/01/07 — 06/30/08	<u>\$ 46,681,467</u>	Pharmaceutical services for PPO and HMO eligible employees and dependents.
Total Medical Expenses		07/01/07 — 06/30/08	<u>\$307,318,125</u>	

(continued)

Statistical Section

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Other Insurance				
Dental Insurance	CompBenefits of Illinois	07/01/07 — 06/30/08	\$ 4,725,271	Dental HMO for eligible employees and dependents.
	Delta Dental	07/01/07 — 06/30/08	<u>7,078,761</u>	Dental PPO for eligible employees and dependents.
Dental Insurance Total			<u>\$ 11,804,032</u>	
Vision Plan	Vision Service Plan (VSP)	07/01/07 — 06/30/08	<u>\$ 772,649</u>	Vision services for eligible employees and dependents.
Term Life Insurance	Prudential Life Insurance	07/01/07 — 06/30/08	<u>\$ 2,411,466</u>	Life insurance policy at \$10,000 per eligible employee.
Total Dental/Vision/Life			<u>\$ 14,988,147</u>	
Total Health/Life Benefit Expenses			<u>\$322,306,272</u>	





Educate • Inspire • Transform

STATISTICAL SECTION

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY

For the fiscal year ended June 30, 2008

(Millions of dollars — except for project summary)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Unexpended	\$456.1	\$ 445.6	\$519.9	\$ 449.2	\$514.3
Proceeds Available from Bond Issuance	387.5	634.2	331.3	469.2	232.7
State Aid	3.1	48.5	49.5	—	—
Federal Aid	—	10.6	41.9	81.8	15.2
Investment Income	41.8	29.3	37.1	42.8	33.1
Other Income	<u>3.3</u>	<u>1.4</u>	<u>19.6</u>	<u>4.3</u>	<u>1.1</u>
Total	\$891.8	\$1,169.6	\$999.3	\$1,047.3	\$796.4
Expenditures	446.2	649.7	544.6	519.8	363.3
Operating Transfers In / (Out)	—	—	(5.5)	(13.2)	—
Unexpended	\$445.6	\$ 519.9	\$449.2	\$ 514.3	\$433.1
Encumbrances	<u>316.5</u>	<u>351.1</u>	<u>288.2</u>	<u>265.4</u>	<u>261.6</u>
Available Balance	<u>\$129.1</u>	<u>\$ 168.8</u>	<u>\$161.0</u>	<u>\$ 248.9</u>	<u>\$171.5</u>

Note:

The above amounts do not include construction expenditures made by the Public Building Commission.



Operating Information

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Program to Date as of June 30, 2008</u>
\$433.1	\$386.1	\$426.5	\$359.3	\$496.8	\$ 646.4	\$ —
313.6	257.3	284.0	389.4	370.2	252.6	3,922.0
58.1	82.2	3.1	—	18.1	0.1	262.7
6.0	26.7	16.6	17.9	34.1	43.5	294.3
13.3	8.1	13.2	22.4	35.6	26.0	302.7
<u>9.6</u>	<u>11.8</u>	<u>12.2</u>	<u>21.4</u>	<u>36.6</u>	<u>60.5</u>	<u>181.8</u>
\$833.7	\$772.2	\$755.6	\$810.4	\$991.4	\$1,029.1	\$4,963.5
441.6	360.8	389.0	310.8	345.0	463.1	4,833.9
<u>(6.0)</u>	<u>15.1</u>	<u>(7.3)</u>	<u>(2.8)</u>	<u>—</u>	<u>—</u>	<u>(19.7)</u>
\$386.1	\$426.5	\$359.3	\$496.8	\$646.4	\$ 566.0	\$ 109.9
<u>175.2</u>	<u>223.6</u>	<u>140.8</u>	<u>220.2</u>	<u>199.1</u>	<u>268.6</u>	<u>199.2</u>
<u>\$210.9</u>	<u>\$202.9</u>	<u>\$218.5</u>	<u>\$276.6</u>	<u>\$447.3</u>	<u>\$ 297.4</u>	<u>\$ (89.3)</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM
For the last five fiscal years
(Thousands of dollars)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
DAYS MEALS SERVED:					
National School Lunch Program	179	173	173	173	173
PUPIL LUNCHES SERVED:					
Paid lunches (regular)	3,847,219	3,648,536	3,332,446	2,827,976	3,057,617
Reduced lunches (regular)	3,923,832	3,577,319	3,646,341	3,480,051	3,390,609
Free lunches (regular)	<u>48,224,045</u>	<u>45,899,056</u>	<u>45,029,271</u>	<u>43,011,934</u>	<u>42,203,781</u>
TOTAL PUPIL LUNCHES SERVED	<u>55,995,096</u>	<u>53,124,911</u>	<u>52,008,058</u>	<u>49,319,961</u>	<u>48,652,007</u>
DAILY AVERAGE	312,822	307,080	300,625	285,086	281,225
Change from Previous Year	(272,150)	(2,870,185)	(1,116,853)	(2,688,097)	(667,954)
DAILY PERCENTAGE CHANGE	0.5%	-5.1%	-2.1%	-5.2%	-1.4%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)	583,102	521,750	455,803	312,752	306,185
Reduced breakfasts (regular)	512,863	467,460	486,385	451,567	413,987
Free breakfasts (regular)	<u>14,623,404</u>	<u>13,562,132</u>	<u>13,504,698</u>	<u>12,962,522</u>	<u>12,681,324</u>
TOTAL PUPIL BREAKFASTS SERVED	<u>15,719,369</u>	<u>14,551,342</u>	<u>14,446,886</u>	<u>13,726,841</u>	<u>13,401,496</u>
DAILY AVERAGE	87,818	84,112	83,508	79,346	77,465
Change from Previous Year	(172,928)	(1,168,027)	(104,456)	(720,045)	(325,345)
DAILY PERCENTAGE CHANGE	-1.1%	-7.4%	-0.7%	-5.0%	-2.4%
TOTAL MEALS SERVED	<u>71,714,465</u>	<u>67,676,253</u>	<u>66,454,944</u>	<u>63,046,802</u>	<u>62,053,503</u>
DAILY AVERAGE	400,639	391,192	384,133	364,432	358,691
TOTAL CHANGE FROM PREVIOUS YEAR	(445,078)	(4,038,212)	(1,221,309)	(3,408,142)	(993,299)
DAILY PERCENTAGE CHANGE	-0.6%	-5.6%	-1.8%	-5.1%	-1.6%
NUMBER OF ADULT LUNCHES (REGULAR)	<u>667,865</u>	<u>532,469</u>	<u>387,624</u>	<u>301,213</u>	<u>262,999</u>
DAILY AVERAGE	3,731	3,078	2,241	1,741	1,520
TOTAL CHANGE FROM PREVIOUS YEAR	(45,383)	(135,396)	(144,845)	(86,411)	(38,214)
DAILY PERCENTAGE CHANGE	-6.4%	-20.3%	-27.2%	-22.3%	-12.7%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM (continued)
For the last five fiscal years
(Thousands of dollars)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
REVENUE:					
Federal and State Sources	\$161,127	\$156,062	\$180,175	\$158,166	\$161,174
Local Sources	11,620	9,553	9,317	35,303	40,889
Total Revenue	<u>\$172,747</u>	<u>\$165,615</u>	<u>\$189,492</u>	<u>\$193,469</u>	<u>\$202,063</u>
EXPENDITURES:					
Career Service Salaries	\$ 56,936	\$ 57,543	\$ 59,199	\$ 61,025	\$ 63,501
Career Service Pension	3,841	3,853	4,310	10,255	10,733
Hospitalization	19,383	19,130	19,501	20,897	21,737
Food	95,795	88,606	84,634	82,331	81,539
Professional and Special Services	3,492	3,256	2,910	2,748	2,650
Administrative Allocation	12,142	12,163	15,456	12,270	13,141
Other	2,420	2,562	3,467	3,946	2,687
Total Expenditures	<u>\$194,009</u>	<u>\$187,113</u>	<u>\$189,477</u>	<u>\$193,472</u>	<u>\$195,988</u>
Revenues Less Than Expenditures	<u>\$ (21,262)</u>	<u>\$ (21,498)</u>	<u>\$ 15</u>	<u>\$ (3)</u>	<u>\$ 6,075</u>
DAILY AVERAGE					
Revenues	\$ 965	\$ 957	\$ 1,095	\$ 1,118	\$ 1,168
Expenditures	\$ 1,084	\$ 1,082	\$ 1,095	\$ 1,118	\$ 1,133
PERCENTAGE CHANGE					
Revenues	1.5%	-4.1%	14.4%	2.1%	4.4%
Expenditures	6.1%	-3.6%	1.3%	2.1%	1.3%

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For fiscal year ended June 30, 2008

With Comparative Amounts for the Period Ended June 30, 2007

	<u>2008 Schools</u>	<u>2008 Administrative Center</u>	<u>Total</u>
<u>Electricity</u>			
Commonwealth Edison			
Total Electricity Charges (A)	\$ 49,423,877	\$ 830,418	\$ 50,254,295
Kilowatt Hours	<u>559,130,145</u>	<u>12,053,162</u>	<u>571,183,307</u>
Charge per Kilowatt Hour	<u>\$ 0.08839</u>	<u>\$ 0.06890</u>	<u>\$ 0.08798</u>
<u>Gas</u>			
Total Gas Charges	\$ 36,452,527	\$ 51,814	\$ 36,504,341
Therms	<u>32,100,751</u>	<u>462,642</u>	<u>32,563,393</u>
Charge per Therm	<u>\$ 1.13557</u>	<u>\$ 0.11200</u>	<u>\$ 1.12102</u>

	<u>2007 Schools</u>	<u>2007 Administrative Center</u>	<u>Total</u>
<u>Electricity</u>			
Commonwealth Edison			
Total Electricity Charges (B)	\$ 43,721,968	\$ 936,098	\$ 44,658,066
Kilowatt Hours	<u>557,410,876</u>	<u>12,271,385</u>	<u>569,682,261</u>
Charge per Kilowatt Hour	<u>\$ 0.07844</u>	<u>\$ 0.07628</u>	<u>\$ 0.07839</u>
<u>Gas</u>			
Total Gas Charges	\$ 32,408,256	\$ 66,825	\$ 32,475,081
Therms	<u>31,058,840</u>	<u>536,248</u>	<u>31,595,088</u>
Charge per Therm	<u>\$ 1.04345</u>	<u>\$ 0.12462</u>	<u>\$ 1.02785</u>

NOTES:

- A. Fiscal year 2008 electricity and consumption amounts represent amounts that have been billed for service during fiscal year 2008 and have been paid to Commonwealth Edison as of July 31, 2008.
- B. Fiscal year 2007 electricity and consumption amounts represent amounts that have been billed for service during fiscal year 2007 and have been paid to Commonwealth Edison as of July 31, 2007.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY SALES AND PURCHASES
For the Fiscal Year Ending June 30, 2008

Sales				
<u>Unit Location</u>	<u>Date Acquired</u>	<u>Net Book Value</u>	<u>Gross/Sales Proceeds</u>	<u>Gain/(Loss) on Sale</u>
1018 S. Lytle	12/13/1914	\$1,094,196	\$2,500,000	\$1,405,804
6407 S. Blackstone	9/22/1971	991,598	210,000	(781,598)
5401 & 5501 W. Grand	07/01/1851	94	3,750,000	3,749,906
9135 S. Euclid	10/27/1971	1,273	8,025	6,752
		<u>\$2,087,161</u>	<u>\$6,468,025</u>	<u>\$4,380,864</u>

Purchases			
<u>Unit Location</u>	<u>Date Acquired</u>	<u>School</u>	<u>Purchase Cost</u>
3245-51 N. Milwaukee	7/5/2007	Avondale/Irving Park	\$ 1,075,000
3213-37 N. Milwaukee; 3224 N. Aveers and 3223-3247 Springfield	2/22/2008	Avondale/Irving Park	5,767,647
53rd and St. Louis	03/28/08	Kelly/Curie/Gage Park	5,660,000
			<u>\$12,502,647</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TEACHERS' BASE SALARIES
(Annual School Year Salary)
For the last ten fiscal years

<u>Fiscal Year</u>	<u>Minimum Salary (A)</u>	<u>Median Salary</u>	<u>Maximum Salary (B)</u>	<u>Percent Change (C)</u>
1999.....	31,598	43,909	56,220	3.37%
2000.....	32,546	45,227	57,907	3.00%
2001.....	33,197	46,421	59,644	2.00%
2002.....	33,861	47,647	61,433	2.00%
2003.....	34,538	48,907	63,276	2.00%
2004.....	35,920	50,864	65,807	4.00%
2005.....	37,357	52,899	68,439	4.00%
2006.....	38,851	55,014	71,177	4.00%
2007.....	40,405	57,215	74,025	4.00%
2008.....	42,021	59,504	76,986	4.00%

NOTES:

- A. The minimum salary represents the minimum amount a CPS teacher with a bachelor's degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on education attainment and years of service. Minimum salary excludes pension and hospitalization benefits.
- B. The maximum salary represents the maximum amount a CPS teacher with a doctoral degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on educational attainment and years of service. The majority of the Chicago Public Schools Teaching Staff receives the maximum salary due to the 12 year minimum needed to reach the highest pay scale dependent on years of service only. Maximum salary excludes pension and hospitalization benefits.
- C. The percent change is the official CTU (Chicago Teachers Union) agreed to minimum salary increase for that year, net of any changes to the salary schedule or step advances on the pay schedule.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TEACHERS' PENSION FUNDING ANALYSIS

For the last five fiscal years

(Thousands of dollars)

<u>Fiscal Year</u>	<u>Employer and Employee Contribution</u>	<u>Net Assets of Plan (Fair Market Value)</u>	<u>Unfunded Obligation (Assets at Fair Market Value)</u>	<u>% Funded of Pension Obligation Fund at Year End (Assets at Fair Market Value)</u>	<u>% Unfunded (Assets at Fair Market)</u>
2003.....	190,259	10,494,755	916,773	92.0%	8.0%
2004.....	194,511	10,392,193	1,713,488	85.8%	14.2%
2005.....	198,065	10,506,471	2,789,405	79.0%	21.0%
2006.....	247,585	10,947,998	3,087,629	78.0%	22.0%
2007.....	282,488	11,759,699	2,917,485	80.1%	19.9%

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS
For the last five fiscal years

<u>Fiscal Year</u>	<u>School Year</u>	<u>Average Daily Attendance (A)</u>	<u>Operating Expenses Per Pupil (B)</u>	<u>Per Capita Tuition Charge (C)</u>
2004	2003-04	392,570	9,564	6,682
2005	2004-05	385,461	10,555	9,488
2006	2005-06	380,288	10,409	7,482
2007	2006-07	370,500	11,033	8,009
2008	2007-08	364,088	n/a	n/a

NOTES:

- A. *Source:* Office of Accountability, Department of Compliance.
- B. *Source:* Illinois State Board of Education — Operating Expense Pupil is the total operating cost of regular K-12 programs divided by nine-month average daily attendance. This measure excludes expenditures related to Preschool, Summer School, Adult Education, Capital Expenditures, and Board Principal and Interest.
- C. *Source:* Illinois State Board of Education — Per Capita Tuition Charge is the amount a local school district charges as tuition for nonresident students per Section 18-3 of the School Code. It is a reasonable measure of basic education program costs. Per Capita Tuition is calculated by deducting the costs of supplemental programs from operating expenses and dividing the result by nine-month average daily attendance.





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STATISTICAL SECTION

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL STUDENT MEMBERSHIP
For the last ten fiscal years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Elementary				
Pre-Kindergarten	21,835	19,891	21,793	21,109
Kindergarten	36,673	35,221	33,733	32,458
Grades 1-3	121,956	122,098	118,739	117,181
Grades 4-6	96,148	100,249	106,587	107,091
Grades 7-8	<u>58,927</u>	<u>59,172</u>	<u>58,429</u>	<u>60,606</u>
Total Elementary	<u>335,539</u>	<u>336,631</u>	<u>339,281</u>	<u>338,445</u>
Secondary				
9th Grade	34,042	34,472	34,258	34,116
10th Grade	25,739	27,010	27,491	28,186
11th Grade	19,593	18,498	20,008	20,755
12th Grade	<u>16,172</u>	<u>15,139</u>	<u>14,432</u>	<u>16,116</u>
Total Secondary	<u>95,546</u>	<u>95,119</u>	<u>96,189</u>	<u>99,173</u>
Grand Total	<u>431,085</u>	<u>431,750</u>	<u>435,470</u>	<u>437,618</u>

NOTES:

Source: Department of Compliance — Office of REA



Operating Information

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
21,788	22,085	21,417	21,205	21,363	21,388
31,655	31,539	29,986	29,502	28,403	27,901
114,470	107,677	101,944	98,157	95,744	93,853
107,575	105,633	103,005	100,065	94,235	90,701
<u>62,037</u>	<u>63,262</u>	<u>64,205</u>	<u>62,921</u>	<u>62,385</u>	<u>62,217</u>
<u>337,525</u>	<u>330,196</u>	<u>320,557</u>	<u>311,850</u>	<u>302,130</u>	<u>296,060</u>
33,895	35,813	35,529	36,735	37,514	35,151
28,780	27,925	29,218	29,555	30,286	31,994
21,519	22,347	22,711	23,764	23,871	24,608
<u>16,870</u>	<u>18,138</u>	<u>18,797</u>	<u>19,078</u>	<u>19,893</u>	<u>20,788</u>
<u>101,064</u>	<u>104,223</u>	<u>106,255</u>	<u>109,132</u>	<u>111,564</u>	<u>112,541</u>
<u>438,589</u>	<u>434,419</u>	<u>426,812</u>	<u>420,982</u>	<u>413,694</u>	<u>408,601</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TEACHER - TO - STUDENT - RATIO
For the last seven fiscal years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Elementary	22.6	19.3	22.7	20.2	21.7	21.1	20.0
Secondary	20.0	19.0	19.6	16.9	19.3	19.6	16.3

Source: Illinois State Board of Education

Note:

Information is not available prior to fiscal year 2002.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION
For the fiscal year ended June 30, 2008

<u>Functions</u>	<u>Number of Employees</u>
Instruction	28,917
Support services:	
Pupil support services	4,428
Administrative support services	1,351
Facilities support services	1,781
Instructional Support services	3,883
Food services	4,009
Community Services	<u>437</u>
Total Government Employees	44,806

Note:

Information is not available prior to fiscal year 2008

Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES
For the last ten fiscal years

	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Number of Schools				
Elementary (A)	476	478	478	480
Special	27	27	26	28
High School	69	71	72	70
Vocational/Technical	7	7	7	7
Charter Schools	12	14	13	15
Total Schools	<u>591</u>	<u>597</u>	<u>596</u>	<u>600</u>
School Enrollment (B)				
Elementary (A)	329,334	330,588	332,811	331,385
Special	6,533	5,491	4,996	6,348
High School	81,475	80,712	81,516	84,759
Vocational/Technical	9,428	9,424	9,414	9,042
Charter Schools	4,315	5,535	6,733	6,084
Total School Enrollment	<u>431,085</u>	<u>431,750</u>	<u>435,470</u>	<u>437,618</u>
Number of High School Graduates	<u>16,195</u>	<u>14,875</u>	<u>14,091</u>	<u>15,752</u>

NOTES:

Source: Department of Compliance — Office of REA

A. Elementary schools include the traditional classification of middle schools.

B. School enrollment includes the number of students in each type of school regardless of the students' grades.

Operating Information

<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
479	482	475	475	472	474
27	25	19	18	18	17
75	82	93	98	93	98
7	6	6	12	12	10
14	18	20	22	27	28
<u>602</u>	<u>613</u>	<u>613</u>	<u>625</u>	<u>622</u>	<u>627</u>
328,261	319,966	309,818	298,030	287,252	279,823
5,111	4,937	3,730	3,076	3,222	2,846
87,740	90,888	92,787	88,490	88,487	88,936
8,633	8,135	8,203	15,970	15,313	14,219
8,844	10,493	12,274	15,416	19,420	22,777
<u>438,589</u>	<u>434,419</u>	<u>426,812</u>	<u>420,982</u>	<u>413,694</u>	<u>408,601</u>
<u>15,753</u>	<u>16,057</u>	<u>16,487</u>	<u>16,898</u>	<u>18,235</u>	<u>20,285</u>

Statistical Section

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHOOL INFORMATION DESCRIPTION

The school general information tables contain student and financial data as of June 30, 2008. The following is an explanation of each data element.

<u>COLUMN NAME</u>	<u>DESCRIPTION</u>
Unit Name	School Name
Student Membership	Total membership as of September 30, 2007
Per Pupil Regular Expenditures	Total Fiscal Year 2008 school expenses per student
Per Pupil Capital Expenditures	Total Fiscal Year 2008 capital expenses per student
Per Pupil Supplementary Expenditures	Total Fiscal Year 2008 State, Federal Chapter 1, PL94-142 and desegregation expenses per student at the school (included in Per Pupil Regular Expenditures).



General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	831	\$ 8,412	\$ 459	\$1,000
AASTA — ORR HS	488	\$ 7,742	\$ 220	\$1,181
ACE TECH CHRTR HS	462	9,072	1,865	900
ACT CHRTR HS	296	10,535	—	1,038
ALTERNATIVE SAFE SCHOOLS HS	307	714	—	714
AMUNDSEN HS	1,611	7,558	53	1,063
ASPIRA CHRTR — EARLY COLLEGE	208	10,356	3,607	885
ASPIRA CHRTR — RAMIREZ	299	9,621	—	1,201
AUSTIN BUS & ENTRP HS	295	9,319	213	853
AUSTIN POLYTECH HS	129	10,741	1,204	690
BEST HS	317	9,159	—	1,211
BEST PRACTICE HS	289	9,011	50	1,258
BIG PICT HS — METRO	47	21,518	142	1,352
BIG PICT HS — YARDS	53	21,919	210	2,039
BOGAN TECH HS	2,002	7,457	8	1,045
BRONZEVILLE HS	358	7,778	61	973
BROOKS CPHS	729	9,146	319	1,055
CARVER MIL ACAD HS	495	12,990	—	1,139
CHGO INTL CHRTR — ELLISON	263	10,879	173	618
CHGO INTL CHRTR — NORTH TOWN	758	8,679	—	442
CHGO VOC AA HS	298	10,307	—	1,309
CHICAGO ACAD HS	499	8,009	1,760	642
CHICAGO AGR SCI HS	583	11,832	—	901
CHICAGO DISCOVERY HS	391	8,373	—	1,222
CHICAGO MIL ACAD HS	507	10,653	238	934
CHICAGO VOC HS	1,874	8,789	188	1,198
CLARK MAGNET HS	964	8,596	100	863
CLEMENTE AA HS	325	7,404	—	1,317
CLEMENTE HS	2,183	7,928	69	1,320
COLLINS ACAD HS	133	9,807	1,261	570
COLLINS HS	373	14,273	23,871	1,810
CORLISS HS	1,249	8,321	129	1,270
CRANE AA HS	377	7,322	—	1,169
CRANE TECH HS	981	10,433	80	1,048
CURIE HS	3,252	7,423	236	1,100
DEVRY ADVANTAGE HS	185	4,550	—	260
DOUGLASS HS	561	10,993	35	1,604
DUNBAR VOC HS	1,575	8,220	84	1,018
DYETT HS	598	9,077	1,134	1,264
ENGLEWOOD AA HS	196	9,360	—	1,293
ENGLEWOOD HS	161	23,406	2,201	3,372

General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	831	\$ 8,412	\$ 459	\$1,000
ENTREPRENEURSHIP HS	513	\$ 7,790	\$ —	\$1,161
EXCEL — ORR HS	431	8,425	—	1,546
FARRAGUT HS	2,114	7,899	116	1,265
FENGER HS	1,189	8,418	960	1,071
FENGER AA HS	172	10,624	—	1,350
FOREMAN HS	1,948	7,369	116	888
GAGE PARK HS	1,591	8,046	10	1,328
GLOBAL VISIONS HS	330	9,796	—	1,368
GRAHAM, R. TRNG CTR	172	25,318	33	975
HANCOCK HS	913	6,736	1,774	987
HARLAN HS	1,415	8,041	90	1,368
HARPER HS	1,258	8,813	1,055	1,179
HIRSCH HS	974	8,845	52	1,253
HOPE CPHS	1,056	7,273	—	1,013
HUBBARD HS	1,702	7,161	8	1,062
HYDE PARK HS	2,313	6,467	305	781
IDOC/HEALY SOUTH HS	105	16,986	—	505
INFINITY HS	263	9,435	65	1,030
JEFFERSON, N	357	21,141	—	726
JONES CPHS	707	9,432	2,198	679
JUAREZ HS	1,547	8,415	4,384	1,248
JULIAN HS	1,646	8,277	28	1,395
KELLY HS	3,195	7,013	66	1,101
KELVYN PARK HS	1,559	8,502	10	1,370
KENNEDY HS	1,637	8,275	104	966
KENWOOD HS	1,578	7,484	122	886
KING CPHS	899	8,713	25	571
LAKE VIEW HS	1,644	7,035	—	788
LANE TECH HS	4,088	6,529	38	460
LAS CASAS HS	136	26,390	217	768
LINC ALT HS	411	7,076	—	376
LINCOLN PARK HS	2,215	6,694	128	513
LINDBLOM MSHS	484	10,818	167	761
MANLEY HS	1,221	7,836	21	1,182
MARINE MIL ACAD HS	122	12,743	2,483	844
MARSHALL HS	1,270	8,158	140	1,335
MATHER HS	1,800	7,526	363	1,088
MORGAN PARK HS	1,920	7,424	170	540
MULTICULTURAL ARTS HS	260	9,046	73	942
NEW MILLNM HS	367	8,211	36	1,140

General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	831	\$ 8,412	\$ 459	\$1,000
NOBLE ST. CHRTR HS	505	\$ 9,195	\$ —	\$ 930
NOBLE ST. CHRTR HS — CLARK	129	11,489	6,678	984
NOBLE ST. CHRTR HS — GOLDER	130	11,863	6,742	1,012
NOBLE ST. CHRTR HS — PRTIZKER	287	9,450	—	826
NOBLE ST. CHRTR HS — RAUNER	280	10,010	—	772
NORTH LAWDALE CHRTR	382	9,336	—	1,167
NORTH-GRAND HS	907	7,678	64	779
NORTHSIDE CPHS	1,112	7,490	9	398
NORTHSIDE LRN CTR HS	285	22,445	393	736
NTH LAWDALE CHRTR — COLLINS	81	12,987	5,187	1,469
PAYTON CPHS	890	8,438	7	439
PEACE & EDUCATION ALT HS	81	16,800	40	1,455
PERSPECTIVES CHRTR — CAL TECH	176	9,490	3,620	843
PERSPECTIVES CHRTR — CALUMET	223	9,658	—	1,227
PERSPECTIVES CHRTR — MIDDLE	342	7,507	1,609	907
PERSPECTIVES CHRTR HS	354	8,922	—	879
PHILLIPS HS	800	9,714	10	1,379
PHOENIX MIL ACAD HS	311	11,480	272	997
PORLOGUE EARLY COLLEGE HS	173	10,040	4,894	646
PROSSER HS	1,413	8,439	557	1,045
RABY HS	543	7,495	222	987
RICHARDS HS	594	8,077	199	1,108
RICKOVER NAVAL HS	318	8,480	213	668
ROBESON AA HS	187	8,723	—	1,775
ROBESON HS	1,271	8,168	147	1,258
ROOSEVELT HS	1,595	8,657	72	1,188
SCH OF LEADRSHP HS	441	8,246	—	1,477
SCH OF SOC JUST HS	271	9,381	66	861
SCH OF TECH HS	466	7,119	—	1,087
SCH OF THE ARTS HS	464	8,588	—	1,399
SCHURZ HS	2,034	8,202	6	1,245
SENN AA HS	113	12,219	39	854
SENN HS	1,190	9,740	898	1,250
SIMEON HS	1,566	8,732	24	1,360
SIMPSON HS	238	9,756	53	1,228
SOUTHSIDE OCCP HS	223	23,645	182	1,207
SPRY COMM LINKS HS	95	11,384	—	1,499
STEINMETZ HS	1,947	8,318	4,383	1,064
SULLIVAN HS	884	9,086	—	1,156
TAFT HS	2,596	6,833	19	331

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	831	\$ 8,412	\$ 459	\$1,000
TEAM ENGLEWOOD HS	139	\$ 8,253	\$ 1,384	\$ 683
TILDEN AA HS	246	8,059	—	1,243
TILDEN HS	1,332	8,541	105	1,236
U OF CHICAGO CHRTR HS	302	8,320	—	451
UPLIFT COMMUNITY HS	556	9,139	88	944
URBAN PREP CHTR HS	265	9,119	—	624
VAUGHN OCCP HS	223	18,318	147	1,014
VINES PREP HS	456	7,610	—	1,125
VON STEUBEN HS	1,586	7,115	2,402	617
WASHINGTON, G. HS	1,565	7,731	40	916
WELLS HS	919	9,517	7	1,397
WILLIAMS HS — PREP MED	228	7,879	2	836
WORLD LANGUAGE HS	245	8,854	52	1,107
YNG WOMEN LDRSHP CHRTR	339	9,218	307	885
YORK ALT HS	299	26,385	—	1,046
YOUNG MAGNET HS	2,185	7,045	156	428
YOUTH CONNCTNS CHRTR	2,842	9,083	1	1,037



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
ABBOTT	95	\$21,752	\$ 1,043	\$ 1,458
ADDAMS	924	5,840	15	882
AGASSIZ	352	10,048	231	1,450
ALBANY PARK	286	8,058	187	1,200
ALCOTT	465	8,423	164	276
ALDRIDGE	219	8,829	8,188	1,583
ALTGELD	679	6,897	206	1,255
AMES	780	6,252	—	1,073
ANDERSEN	559	8,942	31	1,586
ANTHONY — BURNHAM BR	169	900	—	—
ARIEL	437	7,339	29	1,068
ARMOUR	225	13,728	770	2,323
ARMOUR BR	165	269	4	—
ARMSTRONG, G.	1,402	6,062	26	1,033
ARMSTRONG, L.	137	13,360	7,594	2,950
ASHBURN	490	7,223	—	951
ASHE	640	5,985	31	874
ASPIRA CHRTR — HAUGAN	505	7,991	—	1,090
ATTUCKS	341	9,285	1	1,691
AUDUBON	449	8,347	19	622
AVALON PARK	655	7,141	31	1,559
AVONDALE	671	5,822	1,624	885
BANNEKER	394	7,509	51	1,207
BARNARD	303	9,074	10	1,658
BARRY	950	5,550	47	845
BARTON	776	6,304	153	1,154
BASS	578	6,839	63	1,375
BATEMAN	982	6,291	18	933
BEARD	162	27,251	29	453
BEASLEY CPC	178	5,486	—	4,865
BEASLEY MAGNET	1,294	5,906	45	1,047
BEAUBIEN	1,081	5,883	18	675
BEETHOVEN	468	7,719	141	1,494
BEIDLER	481	8,168	—	1,538
BELDING	498	6,740	19	879
BELL	912	8,244	33	387
BELMONT-CRAGIN	261	8,741	69	1,626
BELMONT-CRAGIN EC	346	4,204	—	—
BENNETT	455	7,840	387	1,417
BETHUNE	346	7,362	286	1,243

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
BLACK BR	193	\$ 5,096	\$11,731	\$ —
BLACK MAGNET	288	9,125	4,846	1,586
BLAINE	774	6,654	1,803	295
BLAIR	120	33,799	91	613
BOND	500	9,517	206	1,270
BONTEMPS	431	6,556	165	1,218
BOONE	1,074	6,969	44	1,012
BOUCHET	976	6,722	210	1,207
BRADWELL	887	5,320	157	715
BRENNEMANN	294	10,576	503	2,078
BRENTANO	549	7,014	2,029	914
BRIDGE	761	5,587	97	590
BRIGHT	288	9,014	124	1,262
BRIGHTON PARK	876	6,196	11	1,039
BRONZEVILLE LH CHRTR	349	7,057	2	1,046
BROWN, R.	330	6,858	51	936
BROWN, W.	240	12,712	5,688	1,756
BROWNELL	290	7,567	87	1,009
BRUNSON	752	7,255	21	1,361
BUCKINGHAM	37	41,691	13,595	1,291
BUDLONG	856	6,509	19	911
BURBANK	1,352	5,943	25	1,109
BURKE	228	8,583	1,722	1,429
BURLEY	489	6,856	—	317
BURNHAM	138	16,902	47	4,082
BURNSIDE	758	6,858	204	1,532
BURR	312	7,483	59	1,288
BURROUGHS	539	6,935	176	1,498
BYRNE	721	6,212	159	340
CALDWELL	484	7,314	120	845
CALHOUN NORTH	456	8,059	127	1,385
CAMERON	1,040	6,448	12	1,276
CANTER MID	261	7,838	191	1,000
CANTY	670	6,358	51	249
CARDENAS	397	9,076	28	1,678
CARDENAS BR	229	2,776	22	—
CARNEGIE	665	6,671	39	1,230
CARPENTER	328	11,352	103	1,931
CARROLL	298	7,398	619	2,374
CARROLL ANNEX	157	11,733	—	—

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
CARSON	1,307	\$ 5,746	\$ 221	\$ 1,305
CARTER	456	7,434	7	1,197
CARVER MID	238	12,496	—	2,126
CARVER PRIMARY	265	10,729	1,578	2,905
CASALS	535	8,425	5	1,275
CASELL	313	9,223	34	357
CASTELLANOS	582	7,060	2,320	1,482
CATALYST CHARTER	192	7,661	21	996
CATALYST CIRCLE ROCK	220	8,068	1,145	516
CATHER	234	9,520	3,900	1,797
CHALMERS	262	9,374	4,185	2,033
CHAPPELL	407	8,940	1,403	872
CHASE	552	7,988	—	1,423
CHAVEZ	917	7,502	64	1,190
CHGO CHILD CHOIR CHRTR	167	7,332	—	1,030
CHGO INTL CHRTR — BASIL	698	7,496	—	1,012
CHGO INTL CHRTR — BUCKTOWN	602	6,934	—	537
CHGO INTL CHRTR — IRVING PK	203	9,092	2,695	1,211
CHGO INTL CHRTR — LONGWOOD	1,465	7,975	—	874
CHGO INTL CHRTR — PRAIRIE	403	7,688	—	1,062
CHGO INTL CHRTR — SOUTH SHORE	366	7,575	6	791
CHGO INTL CHRTR — W. BELDEN	489	7,886	—	1,053
CHGO INTL CHRTR — WASHINGTON	442	8,015	—	1,083
CHGO INTL CHRTR — WRIGHTWOOD	618	7,392	35	778
CHGO MATH/SCI CHRTR	388	9,191	72	806
CHICAGO ACAD	588	6,778	158	394
CHICAGO VIRTUAL CHRTR	381	7,409	—	182
CHOPIN	269	9,167	—	1,078
CHRISTOPHER	270	23,739	191	954
CLAREMONT	642	7,503	150	1,569
CLARK, G. R.	364	8,663	12	1,586
CLAY	757	7,414	865	1,071
CLEVELAND	687	6,632	—	868
CLINTON	1,252	5,959	16	1,293
CLISSOLD	610	6,943	51	864
COCKRELL CPC	46	12,881	—	—
COLE CPC	14	28,275	—	28,275
COLEMON, J.	286	7,249	109	756
COLES	610	7,456	16	1,371
COLUMBIA EXPLORERS	919	6,502	9	1,177

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
COLUMBUS	314	\$ 6,519	\$ 43	\$ 923
COOK	718	7,522	89	1,228
COONLEY	350	9,979	421	706
COOPER	727	7,373	13	1,274
COPERNICUS	384	7,176	1,032	1,356
CORKERY	705	5,709	14	1,072
COURTENAY	204	14,400	938	952
CROWN	415	7,350	198	2,102
CUFFE	733	6,463	38	1,209
CULLEN	366	6,908	4	1,338
CURTIS	525	6,806	780	1,148
DALEY	901	5,879	11	1,349
DARWIN	745	7,703	—	1,526
DAVIS DEV CTR	67	29,989	270	586
DAVIS, M.	317	8,587	67,010	1,731
DAVIS, N.	1,565	5,720	78	1,171
DAWES	1,182	6,140	391	1,156
DE DIEGO	1,049	6,619	132	1,306
DE LA CRUZ	179	9,930	89	1,530
DECATUR CLASSICAL	266	7,117	114	1,182
DELANO	409	9,742	24	1,461
DELANO CPC	112	5,935	—	4,658
DENEEN	577	6,883	5,231	1,096
DEPRIEST	750	6,749	—	1,054
DETT	314	9,022	241	1,370
DEVER	807	5,412	122	319
DEWEY	377	8,175	337	1,859
DEWEY CPC	119	6,155	—	4,062
DIRKSEN	648	6,875	15	389
DISNEY MAGNET	1,528	6,482	243	1,323
DIXON	645	6,162	—	1,211
DODGE	459	7,075	1,356	815
DOOLITTLE	423	8,783	—	1,625
DOOLITTLE EC	32	20,721	—	—
DORE	570	6,578	130	487
DRAKE	368	8,506	—	1,561
DRUMMOND	261	8,874	48	2,850
DUBOIS	255	8,804	45	1,716
DULLES	511	6,389	8	1,049
DUMAS	329	8,793	1,336	1,502

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
DUNNE	448	\$ 7,640	\$ 261	\$ 1,685
DURKIN PARK	481	6,218	2,147	848
DVORAK	697	6,238	76	1,220
EARHART	299	7,942	57	667
EARLE	433	7,750	193	1,403
EBERHART	1,795	5,806	11	1,242
EBINGER	642	6,215	1,205	122
EDGEBROOK	394	7,296	282	73
EDISON	274	7,230	2	1,238
EDWARDS	1,532	5,639	—	1,035
ELLINGTON	525	8,085	9	1,230
EMMET	544	6,779	1,138	1,488
ERICSON	605	6,640	524	1,631
ERIE CHARTER	160	8,125	—	786
ESMOND	486	8,176	1,732	1,321
EVERETT	368	7,335	480	1,090
EVERGREEN	457	6,705	—	1,120
EVERS	432	7,205	36	1,334
FAIRFIELD	686	6,067	9	1,114
FALCONER	1,533	5,630	40	1,037
FARADAY	253	8,503	2,025	1,549
FARNSWORTH	606	8,118	320	254
FERGUSON CPC	127	5,848	—	4,839
FERMI	255	10,204	22	1,467
FERNWOOD	447	6,803	967	1,269
FIELD	387	8,638	254	1,643
FINKL	449	8,302	76	1,415
FISKE	417	7,050	15	1,622
FLEMING — GRIMES BR	313	4,606	74	29
FORT DEARBORN	673	6,084	15	1,074
FOSTER PARK	595	8,459	882	1,349
FOUNDATIONS	66	14,713	—	1,555
FRANKLIN MAGNET	352	8,476	79	1,492
FRAZIER INTL MAGNET	41	33,471	3,681	9,571
FRAZIER PREP ACAD	268	7,332	2,198	1,338
FULLER	299	8,874	180	1,755
FULTON	597	7,358	637	1,357
FUNSTON	578	7,019	—	1,032
GALAPAGOS CHARTER	274	8,187	33	1,023
GALE	526	9,050	207	1,727

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
GALILEO	611	\$ 7,045	\$ 272	\$ 1,434
GALLISTEL	805	9,311	11	2,196
GALLISTEL BR	566	1,025	102	—
GARVEY, M.	496	7,359	6	1,413
GARVY, J.	628	6,087	2	304
GARY	1,243	5,953	82	1,040
GILLESPIE	640	7,321	160	1,131
GLADSTONE	263	11,671	145	2,320
GOETHE	683	6,665	11	934
GOLDBLATT	342	7,556	27	1,887
GOMPERS	374	7,373	300	1,504
GOODLOW MAGNET	522	7,204	1,374	1,384
GOUDY	717	6,651	21	1,027
GRAHAM, A.	569	8,088	199	1,151
GRAY	1,304	6,338	36	914
GREELEY	431	9,071	32	1,818
GREEN, W.	267	7,570	3,456	1,278
GREENE, N.	609	6,385	—	1,124
GREGORY	437	6,867	30	1,517
GRESHAM	443	8,392	189	1,169
GRIMES	177	11,388	234	1,926
GRISSOM	348	7,333	—	774
GUGGENHEIM	330	7,507	14	1,217
GUNSAULUS	711	6,485	22	1,595
HAINES	747	6,414	—	1,160
HALE	880	6,321	99	643
HALEY	667	6,811	3	1,444
HAMILTON	232	12,217	176	561
HAMLIN	380	10,648	597	2,362
HAMLIN BR	282	3,337	—	—
HAMLIN BR EC CTR	153	78	2	—
HAMMOND	487	7,806	29	1,219
HAMPTON	751	6,360	1	1,189
HANSON PARK	1,575	7,648	19	977
HARTE	431	7,190	84	1,061
HARVARD	517	6,168	6,171	917
HAUGAN	1,199	5,730	33	861
HAWTHORNE	553	6,247	17	855
HAY	735	5,903	87	1,197
HAYT	901	6,205	11	1,009



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
HEALY	822	\$ 8,703	\$ 248	\$ 1,671
HEALY BR	460	1,898	109	—
HEARST	686	7,469	234	1,281
HEDGES	870	5,963	6	1,329
HEDGES BR	128	6,963	—	—
HEFFERAN	451	7,449	50	1,124
HENDERSON	573	6,570	347	1,097
HENDRICKS	295	9,438	784	1,843
HENRY	702	6,525	6	1,202
HENSON	425	8,137	34	1,003
HERBERT	442	9,636	3,467	993
HERZL	607	7,727	162	1,711
HERZL CPC	85	11,829	—	9,512
HIBBARD	1,186	6,593	115	1,068
HIGGINS	400	8,300	3	2,271
HINTON	521	6,640	27	1,228
HITCH	426	6,907	—	599
HOLDEN	625	7,134	45	965
HOLMES	519	7,131	442	1,160
HOWE	595	6,460	33	1,238
HOYNE	353	6,876	35	1,327
HUGHES, C.	392	6,358	719	1,199
HUGHES, L.	315	9,933	49	1,715
HURLEY	941	7,180	6	1,328
INTER-AMERICAN	641	6,855	—	1,188
IRVING	486	7,180	18	818
IRVING PARK MID	340	8,184	335	1,624
JACKSON, A.	534	7,124	14	1,308
JACKSON, M.	368	10,763	76	992
JAHN	407	8,489	21	1,393
JAMIESON	808	6,967	240	832
JENNER	423	9,866	—	1,955
JENSEN	472	7,561	79	1,699
JOHNS	297	7,511	26	1,230
JOHNSON	268	9,437	103	1,851
JOHNSON CPC	54	5,276	—	—
JOPLIN	565	5,921	103	877
JORDAN	659	6,478	34	1,331
JOYNER CPC	63	7,919	—	7,339
JUNGMAN	328	8,329	4	1,214

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
KANOON MAGNET	732	\$ 6,199	\$ 32	\$ 1,450
KELLER MAGNET	223	8,478	14	1,298
KELLMAN	302	8,755	1,787	1,666
KELLOGG	278	9,119	47	1,383
KERSHAW	244	9,186	2,713	1,151
KEY	450	6,787	29	1,205
KILMER	744	7,324	24	1,468
KING EL	336	7,786	45	1,083
KINZIE	711	9,455	133	500
KIPLING	468	7,899	37	1,468
KIPP ASCEND CHRTR	318	6,991	—	943
KOHN	579	7,523	45	1,333
KOZMINSKI	451	7,865	288	1,980
LAFAYETTE	621	8,731	26	1,202
LARA	598	5,369	55	988
LASALLE	572	6,759	16	1,306
LATHROP	313	7,487	575	1,542
LAVIZZO	603	6,762	80	1,312
LAWNDALE	533	8,067	197	1,962
LAWRENCE	573	7,076	208	1,508
LEARN CHARTER	365	7,499	—	989
LEE	1,121	6,140	36	1,044
LEGACY CHARTER	252	7,123	—	902
LELAND	227	9,165	10	1,696
LENART	314	6,904	222	899
LEWIS	919	6,414	—	1,239
LIBBY	670	6,630	487	1,014
LINCOLN	640	5,942	75	427
LINNE	691	7,243	—	1,039
LITTLE VILLAGE	778	6,241	—	1,187
LLOYD	1,252	6,343	—	1,069
LOCKE, A. CHARTER	507	6,445	—	904
LOCKE, J	1,285	5,619	48	838
LOGANDALE MID	323	7,475	—	1,071
LOVETT	566	6,698	20	1,069
LOWELL	751	6,921	20	989
LOZANO BILINGUAL	417	9,924	100	1,886
LYON	1,271	6,012	—	1,024
MADERO MID	349	8,292	87	1,481
MADISON	478	6,888	60	1,270

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
MANIERRE	437	\$ 8,671	\$ 193	\$ 1,602
MANN	757	6,244	50	1,009
MARCONI	323	7,800	485	2,396
MARQUETTE	1,670	7,044	—	1,133
MARSH	759	7,058	21	1,269
MARSHALL MID	374	9,199	170	1,251
MASON	592	9,359	78	1,690
MAY	673	6,997	44	1,366
MAYER	495	8,307	217	1,126
MAYO	487	7,259	16	1,265
MAYS	333	7,796	55	1,443
MCAULIFFE	787	6,579	21	1,177
MCCLELLAN	234	10,233	—	1,251
MCCORKLE	282	8,056	84	1,609
MCCORMICK	938	6,427	11	1,114
MCCUTCHEON	330	9,335	137	1,726
MCDADE CLASSICAL	193	8,501	76	2,423
MCDOWELL	179	9,432	64	995
MCKAY	1,263	6,247	1,292	1,075
MCKINLEY PARK	301	7,329	38	1,231
MCNAIR	581	7,721	—	1,259
MCPHERSON	681	8,099	113	879
MEDILL	139	16,915	—	2,495
MELODY	443	6,508	97	1,143
METCALFE	700	6,961	7	1,620
MIDWAY	90	18,154	368	2,400
MIRELES	1,103	6,496	1,374	1,267
MITCHELL	242	9,888	—	1,634
MOLLISON	283	7,483	500	1,258
MONROE	1,256	6,422	56	1,118
MONTEFIORE	72	46,949	9,499	1,576
MOOS	629	7,230	—	1,233
MORGAN	370	9,595	86	1,154
MORRILL	983	6,632	14	1,194
MORTON	278	11,592	2,328	2,254
MOZART	767	6,483	—	1,219
MT GREENWOOD	647	6,334	—	258
MT VERNON	309	10,818	995	1,581
MURPHY	565	6,704	67	1,062
MURRAY	473	7,608	—	1,345

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
NAMASTE CHARTER	250	\$ 8,280	\$ —	\$ 883
NASH	635	6,499	512	1,350
NATL TEACHERS ACAD	504	9,027	20	1,382
NEIL	405	15,599	8,566	1,105
NETTELHORST	467	7,805	92	360
NEW FIELD	681	6,588	26	1,219
NEWBERRY MAGNET	532	6,984	6	943
NIA	64	12,246	—	1,160
NICHOLSON	465	7,654	814	1,583
NIGHTINGALE	1,435	5,318	42	917
NINOS HEROES	702	6,403	1,462	1,408
NIXON	1,051	5,560	11	1,174
NOBEL	805	5,869	6	995
NORTH RIVER	311	8,088	—	944
NORTHWEST MID	1,008	6,141	5	1,177
NORWOOD PARK	359	9,976	361	90
NR NORTH SPED CTR	105	32,548	—	1,169
OGDEN	601	7,627	281	567
OGLESBY	590	6,882	87	1,203
O'KEEFFE	700	6,058	46	1,170
ONAHAN	566	6,224	1,412	217
ORIOLE PARK	607	5,753	1,062	164
OROZCO	705	7,173	—	1,739
ORTIZ DE DOMINGUEZ	796	6,051	—	961
OTIS	440	10,237	3,562	1,627
O'TOOLE	727	6,551	24	1,313
OVERTON	354	7,463	46	1,253
OVERTON CPC	82	8,370	—	7,472
OWEN	248	9,353	276	1,690
OWENS	439	7,805	—	1,883
PADEREWSKI	232	10,308	6	2,309
PALMER	959	5,356	335	739
PARK MANOR	404	7,982	464	1,143
PARKER	576	9,579	483	1,976
PARKER CPC	62	12,439	—	10,843
PARKMAN	201	11,261	494	1,482
PARKSIDE	321	8,855	573	2,062
PASSAGES CHRTR	229	7,873	—	967
PASTEUR	1,400	5,650	737	889
PEABODY	258	8,538	—	1,120

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
PECK	1,500	\$ 5,348	\$ 190	\$ 962
PEIRCE	875	7,096	32	1,170
PENN	421	9,252	—	1,344
PEREZ	532	8,219	61	1,233
PERSHING E. MAGNET	238	7,639	2,233	1,580
PERSHING W. MAGNET	270	7,606	—	795
PETERSON	939	6,008	8,821	819
PICCOLO	760	6,579	19	1,155
PICKARD	634	6,784	—	1,034
PILSEN	464	7,966	97	1,754
PIRIE	514	7,028	21	1,278
PLAMONDON	226	8,568	—	1,162
POE CLASSICAL	177	9,103	910	2,363
POLARIS CHARTER ACAD	116	7,294	3,306	891
POPE	164	12,100	266	2,861
PORTAGE PARK	1,126	6,336	19	826
POWELL	596	6,480	277	1,153
PRESCOTT	227	10,382	—	1,613
PRICE	228	9,348	405	1,941
PRINCETON A C	199	8,643	34	1,250
PRITZKER	559	6,760	—	1,246
PROVIDENCE — ENGLEWOOD CHRTR	287	7,154	6	598
PRUSSING	729	6,195	13	718
PULASKI	812	7,052	—	1,533
PULLMAN	372	7,993	26	1,420
RANDOLPH	698	6,023	31	1,443
RAVENSWOOD	453	7,809	47	980
RAY	673	7,601	191	221
REAVIS	391	6,838	25	906
REED	341	7,437	97	1,621
REILLY	1,560	5,807	6	1,051
REINBERG	1,307	6,916	15	690
REVERE	548	7,198	20	1,260
ROBINSON	207	9,896	—	1,675
ROGERS	669	6,649	23	770
ROQUE DE DUPREY	231	8,883	85	2,000
ROSENWALD — CARROL BR	227	2,648	43	396
ROSS	474	7,662	299	1,517
RUDOLPH LRNG CTR	106	29,389	93	567
RUGGLES	469	6,715	534	950

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
RUIZ	1,005	\$ 5,893	\$ 362	\$ 1,248
RYDER	407	8,887	384	1,420
RYERSON	591	6,860	268	1,057
SABIN MAGNET	559	6,908	123	1,639
SALAZAR BILINGUAL	381	6,141	—	828
SANDOVAL	1,279	5,563	2	1,027
SAUCEDO	1,227	6,363	66	1,367
SAUGANASH	459	6,446	18	222
SAWYER	2,044	5,202	50	1,007
SAYRE	534	7,430	3,919	1,250
SCAMMON	1,066	5,375	54	1,003
SCHILLER	222	8,209	53	1,943
SCHILLER CPC	9	34,163	—	—
SCHMID	280	8,074	223	1,057
SCHNEIDER	173	10,981	25	1,180
SCHUBERT	1,369	5,548	5	1,068
SEWARD	697	8,156	1	1,763
SEWARD BR	254	3,397	—	—
SEXTON	470	8,771	246	1,387
SHABAZZ CHARTER	298	7,702	—	934
SHABAZZ CHRTR — DUSABLE	270	9,189	—	636
SHABAZZ CHRTR — SIZMORE	173	7,406	—	878
SHEDD — BENNETT BR	150	3,379	—	—
SHERIDAN MAGNET	519	6,484	265	1,443
SHERMAN	493	7,913	199	1,497
SHERWOOD	406	7,506	—	1,184
SHIELDS	1,843	5,669	—	1,130
SHOESMITH	362	7,846	4	1,448
SHOOP	823	6,470	2,754	1,379
SKINNER CLASSICAL	601	8,178	9,046	750
SMITH, W.	440	7,391	92	1,212
SMYSER	904	6,146	23	688
SMYTH, J.	528	8,596	3,060	1,414
SOLOMON	373	8,885	11	426
SONGHAI	513	7,175	56	1,397
SOUTH CHICAGO	157	10,733	—	1,282
SOUTH LOOP	412	7,987	1,430	790
SOUTH LOOP BR	91	10,321	234	—
SPENCER	878	6,612	198	1,506
SPRY	841	6,215	4,601	1,295

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
STAGG	553	\$ 7,684	\$ 917	\$ 1,297
STEVENSON	1,298	6,065	59	923
STEWART	360	9,606	4	1,554
STOCK	229	13,299	8,778	71
STOCKTON	437	9,038	113	1,446
STOCKTON BR	86	6,551	—	—
STONE	596	7,468	—	1,311
STOWE	1,037	7,676	—	1,320
SUDER MONTESSORI	187	9,427	600	748
SULLIVAN	670	7,776	149	1,430
SUMNER	538	7,793	125	1,258
SUTHERLAND	755	5,990	2	324
SWIFT	659	6,475	8	869
TALCOTT	552	8,498	—	1,397
TALMAN	310	6,887	95	975
TANNER	573	6,160	20	943
TARKINGTON	1,079	5,526	—	787
TAYLOR	725	6,273	58	1,058
TELPOCHCALLI	244	9,488	85	1,884
THORP, J. N.	530	9,177	244	1,328
THORP, O. A.	818	5,971	12	1,099
TILL	783	7,300	52	1,617
TILTON	452	7,301	137	1,627
TONTI	1,094	4,998	129	1,064
TONTI BR	240	3,759	249	—
TRUMBULL	469	8,604	—	1,364
TURNER-DREW	347	8,147	11	2,077
TWAIN	1,037	5,529	3,423	834
U OF C CHRTR — DONOGHUE	316	6,587	53	771
U OF C CHRTR — NTH KENWOOD	446	7,639	—	872
UNO CHARTER — FUENTES	515	7,709	—	951
UNO CHARTER — LAS CASAS	259	7,889	—	1,112
UNO CHARTER — MARQUEZ	514	7,882	1,357	911
UNO CHARTER — PAZ	775	7,815	1	1,130
UNO CHARTER — TAMAYO	262	7,839	—	1,102
VANDERPOEL MAGNET	320	6,366	47	1,232
VELMA THOMAS EC CTR	99	16,379	96	749
VICK EC CTR	209	11,451	—	89
VOLTA	972	6,071	—	1,030
VON HUMBOLDT	526	8,324	206	1,520

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	533	\$ 7,172	\$ 451	\$ 1,166
VON HUMBOLDT CPC	98	\$ 9,028	\$ —	\$ 6,686
WACKER	255	8,044	831	1,751
WADSWORTH	338	8,575	6,799	1,788
WADSWORTH CPC	29	7,866	—	—
WALSH	562	7,663	—	1,377
WARD, J.	451	8,684	41	1,425
WARD, L.	417	7,671	15	1,331
WARREN	383	7,864	136	1,503
WASHINGTON, G.	749	6,377	57	804
WASHINGTON, H.	660	6,429	24	1,122
WATERS	414	7,490	37	719
WEBSTER	538	7,517	—	2,126
WELLS PREP	162	7,910	—	1,446
WENTWORTH	404	8,339	296	1,361
WEST PARK	708	6,278	—	1,217
WEST PULLMAN	422	9,346	1,492	1,805
WESTCOTT	506	7,297	219	1,274
WHEATLEY CPC	61	13,930	—	8,268
WHISTLER	530	7,061	101	1,282
WHITE	215	8,447	21	1,173
WHITNEY	1,061	5,891	194	966
WHITTIER	367	8,745	38	1,602
WILDWOOD	344	9,088	208	629
WILLIAMS MIDDLE	114	12,345	—	1,328
WILLIAMS MULTIPLEX	270	11,757	—	1,146
WOODLAWN	182	9,217	282	1,075
WOODS	546	6,704	20	1,680
WOODSON SOUTH	459	7,865	11,042	1,196
WOODSON SOUTH CPC	46	10,287	—	10,287
YALE	303	7,904	121	1,403
YATES	791	8,205	42	1,088
YOUNG	1,479	5,850	32	962
ZAPATA	939	5,996	—	1,120





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Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of the City of Chicago
Chicago Public Schools
Chicago, Illinois

We have audited the financial statements of Chicago Public Schools (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CPS' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPS' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CPS' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item FS08-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We do not consider the significant deficiency described above to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPS' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of CPS in a separate letter dated December 10, 2008.

This report is intended solely for the information and use of the Audit Committee, the Board of Education, management, the U.S. Department of Education, Illinois State Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Chicago, Illinois
December 10, 2008



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Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133

To the Board of Education of the City of Chicago
Chicago Public Schools
Chicago, Illinois

Compliance

We have audited the compliance of the Chicago Public Schools (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. CPS' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of CPS' management. Our responsibility is to express an opinion on CPS' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CPS' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on CPS' compliance with those requirements.

In our opinion, CPS complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item SA08-03.

Internal Control Over Compliance

The management of CPS is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered CPS' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the

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purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CPS' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items SA08-01, SA08-02, and SA08-03 to be control deficiencies. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

CPS' responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit CPS' responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Audit Committee, the Board of Education, management, the U.S. Department of Education, Illinois State Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Chicago, Illinois
December 10, 2008

Statutory Reporting Section

**BOARD OF EDUCATION OF THE CITY OF CHICAGO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2008

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>	
U.S. DEPARTMENT OF EDUCATION Direct Funding						
Public Law (P.L.) 81-874	Federal Impact Aid Grant	N/A	84.041	23-IL-2008-1711	07/01/07-06/30/08	
Indian Education Act	Indian Elementary/Secondary School Assistance Program	N/A	84.060A	S060A060666	09/01/06-08/31/07	
		N/A	84.060A	S060A070666	09/01/07-08/31/08	
Magnet Schools Assistance	Magnet Schools Assistance Program	N/A	84.165A	U165A040101	08/01/06-07/31/07	
		N/A	84.165A	U165A040101	08/01/07-07/31/08	
		N/A	84.165A	U165A070070	10/01/07-09/30/09	
Safe and Drug-Free Schools and Communities — National Programs	Alcohol Abuse Reduction Grant	N/A	84.184A	Q184A050172	08/15/06-08/14/07	
		N/A	84.184A	Q184A050172	08/15/07-08/14/08	
Safe and Drug-Free Schools	Readiness Emergency	N/A	84.184E	Q184E070333-01	09/01/07-02/28/09	
	Healthy Students	N/A	84.184L	Q184L070255-01	09/01/07-08/31/08	
Funds for the Improvement of Education	Carol White Physical Education Program	N/A	84.215F	Q215F070096	06/01/07-05/31/08	
		N/A	84.215F	Q215F070003	06/01/07-05/31/08	
	CPS Community Schools Initiative	N/A	84.215K	U215K050111	06/01/06-05/31/07	
		N/A	84.215K	U215K050113	09/08/06-08/31/07	
	21st Century Learning Centers — After School Support	N/A	84.215K	U215K030108-04	09/01/03-12/03/08	
	Smaller Learning Communities in CPS High School		N/A	84.215L	V215L032222	09/01/06-08/31/07
			N/A	84.215L	V215L032222	09/01/07-08/31/08
	Smaller Learning Communities in CPS High School — Washington		N/A	84.215L	V215L042072	07/01/06-06/30/07
			N/A	84.215L	V215L042072	07/01/07-06/30/08
	Smaller Learning Communities in CPS High School — Oval		N/A	84.215L	S215L060071-01	10/01/06-09/30/07
		N/A	84.215L	S215L060071	10/01/07-09/30/08	
Teaching American History Grant		N/A	84.215X	U215X040022	10/01/06-09/30/07	
		N/A	84.215X	U215X040022	10/01/07-09/30/08	
		N/A	84.215X	U215X060094-01	07/01/06-06/30/07	
		N/A	84.215X	U215X060094-01	07/01/07-06/30/08	
		N/A	84.215X	U215X070140	07/01/07-06/30/08	
		N/A	84.215X	U215X070140	07/01/07-06/30/08	
Foreign Language Assistance Program	Foreign Language Assistance Program — LEA Spanish Heritage	N/A	84.293B	T293B040188	07/01/06-06/30/07	
		N/A	84.293B	T293B040188	07/01/07-06/30/08	
	Foreign Language Assistance Program — LEA Mandarin & Japanese	N/A	84.293B	T293B040158	07/01/06-06/30/07	
	N/A	84.293B	T293B040158	07/01/07-06/30/08		
Foreign Language Assistance Program — LEA Klace		N/A	84.293B	T393B060037	09/15/06-09/14/07	
		N/A	84.293B	T393B060037	09/15/07-09/14/08	
Advance Placement Program	Advanced Placement Incentive Program	N/A	84.330C	U330C050139	06/01/06-05/31/07	
		N/A	84.330C	U330C050139	06/01/07-05/31/08	
		N/A	84.330C	S330C060067-01	10/01/06-09/30/07	
		N/A	84.330C	S330C060067-01	10/01/07-09/30/08	
Transition to Teaching Program	Transition to Teaching	N/A	84.350A	S350A020044	10/01/06-09/30/07	
		N/A	84.350A	S350A020044	10/01/07-09/30/08	
		N/A	84.350A	U350A070066	10/01/07-09/30/08	
Golden Teachers		N/A	84.350A	U350A040016	10/01/06-09/30/07	
		N/A	84.350A	U350A040016	10/01/07-09/30/08	



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
N/A	\$ —	\$ (91,229)	\$ 101,946	\$ 101,946	\$ —	\$ 10,717	\$ —	\$ 101,946
89,412	44,799	(59,896)	15,097	15,097	—	—	74,315	89,412
101,955	—	(42,555)	92,116	92,116	—	49,561	—	92,116
5,235,688	571,209	(571,209)	—	—	—	—	2,449,423	2,449,423
2,838,025	—	(1,511,526)	2,135,721	2,135,721	—	624,195	—	2,135,721
3,482,356	—	(468,495)	829,792	829,792	—	361,297	—	829,792
735,647	52,890	(52,890)	—	—	—	—	320,493	320,493
833,588	—	(423,028)	518,763	518,763	—	95,735	—	518,763
463,685	—	(85,416)	108,412	108,412	—	22,996	—	108,412
2,115,569	—	(306,667)	460,346	460,346	—	153,679	—	460,346
362,716	—	(129,499)	163,186	163,186	—	33,687	—	163,186
439,440	—	(235,071)	389,374	389,374	—	154,303	—	389,374
223,200	—	—	21,474	21,474	—	21,474	165,889	187,363
217,770	27,104	(85,563)	63,462	63,462	—	5,003	135,454	198,916
93,778	—	—	19,483	19,483	—	19,483	—	19,483
397,886	93,959	(93,959)	—	—	—	—	397,886	397,886
1,260,000	—	(688,494)	860,908	860,908	—	172,414	—	860,908
353,833	35,080	(35,080)	—	—	—	—	165,033	165,033
214,303	—	(154,888)	181,294	181,294	—	26,406	—	181,294
988,618	285,373	(285,373)	—	—	—	—	666,642	666,642
1,240,388	—	(1,091,988)	1,202,531	1,202,531	—	110,543	—	1,202,531
555,906	100,774	(100,774)	—	—	—	—	253,914	253,914
260,187	—	(196,630)	270,640	270,640	—	74,010	—	270,640
521,134	85,934	(85,934)	—	—	—	—	88,766	88,766
991,913	—	(248,710)	341,064	341,064	—	92,354	—	341,064
519,272	—	(127,059)	139,646	139,646	—	12,587	—	139,646
184,438	22,283	(22,283)	—	—	—	—	130,486	130,486
94,428	—	(42,521)	56,822	56,822	—	14,301	—	56,822
221,440	28,075	(28,075)	—	—	—	—	164,658	164,658
61,375	—	(44,766)	51,650	51,650	—	6,884	—	51,650
297,137	23,732	(23,732)	—	—	—	—	52,120	52,120
529,867	—	(163,785)	215,368	215,368	—	51,583	—	215,368
1,302,339	146,105	(146,105)	—	—	—	—	611,700	611,700
1,409,388	—	(653,386)	678,745	678,745	—	25,359	—	678,745
954,745	242,326	(242,326)	—	—	—	—	328,374	328,374
1,397,322	—	(433,088)	542,099	542,099	—	109,011	—	542,099
469,112	50,895	(50,895)	—	—	—	—	203,581	203,581
392,769	—	(112,845)	112,845	112,845	—	—	—	112,845
440,845	—	(155,072)	169,252	169,252	—	14,180	—	169,252
803,864	163,549	(163,549)	—	—	—	—	417,930	417,930
513,353	—	(386,478)	529,462	529,462	—	142,984	—	529,462

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
Arts in Education	Building Curriculum, Community & Leadership Through the Arts Program	N/A	84.351C	U351C050095	10/01/06-09/30/07
		N/A	84.351C	U351C050095	10/01/07-09/30/08
	Comm. Arts Partnership	N/A	84.351D	U351D050101	10/01/06-09/30/07
		N/A	84.351D	U351D050101	10/01/07-09/30/08
	Partnership For Arts Integration	N/A	84.351D	U351D060110	07/01/06-06/30/07
		N/A	84.351D	U351D060110	07/01/07-06/30/08
Early Reading First	Chicago Early Readers	N/A	84.359B	S359B050093	10/01/06-09/30/07
		N/A	84.359B	S359B050093	10/01/07-09/30/08
Voluntary School Choice	School Choice Program	N/A	84.361A	S361A020019-05	10/01/06-09/30/07
		N/A	84.361A	S361A020019-05	10/01/07-09/30/08
		N/A	84.361A	U361A070036	08/01/07-07/31/08
School Leadership	Effective Leaders Improve Schools — Elis	N/A	84.363A	U363A050089	10/01/06-09/30/07
		N/A	84.363A	U363A050089	10/01/07-09/30/08
Literacy Through School Libraries	The ABC's Library Literacy Program	N/A	84.364A	S364A060370-01	09/01/06-08/31/07
		N/A	84.364A	S364A070372-01	09/01/07-08/31/08
Striving Readers	Striving Readers Program	N/A	84.371A	S371A060097	03/01/07-02/28/08
		N/A	84.371A	S371A060097	03/01/08-02/28/09
Teachers Incentive Fund	Teachers Incentive Fund Program	N/A	84.374A	S374A070047-01	11/01/06-09/30/07
		N/A	84.374A	S374A070047-01	11/01/07-09/30/08
Total U.S. Department of Education — Direct Funding					
Passed Through Loyola University					
Chicago High Need Area Partnership for Teacher/Education Recruitment	Chicago High Need Area Partnership for Teachers — Gray School	N/A	84.336C	P336C050062	10/01/06-12/31/07
		N/A	84.336C	P336C050062	10/01/07-09/30/08
	Chicago High Need Area Partnership for Teachers — Greeley School	N/A	84.336C	P336C050062	10/01/06-12/31/07
		N/A	84.336C	P336C050062	10/01/07-09/30/08
	Chicago High Need Area Partnership for Teachers — Hayt School	N/A	84.336C	P336C050062	10/01/06-12/31/07
		N/A	84.336C	P336C050062	10/01/07-09/30/08
	Chicago High Need Area Partnership for Teachers — Nettelhorst School	N/A	84.336C	P336C050062	10/01/06-12/31/07
		N/A	84.336C	P336C050062	10/01/07-09/30/08
	Chicago High Need Area Partnership for Teachers — South Loop School	N/A	84.336C	P336C050062	10/01/06-12/31/07
N/A		84.336C	P336C050062	10/01/07-09/30/08	
Chicago High Need Area Partnership for Teachers — Senn School	N/A	84.336C	P336C050062	10/01/06-12/31/07	
	N/A	84.336C	P336C050062	10/01/07-09/30/08	
Chicago High Need Area Partnership for Teachers — Swift School	Chicago High Need Area Partnership for Teachers — Uplift School	N/A	84.336C	P336C050062	10/01/07-09/30/08
		N/A	84.336C	P336C050062	10/01/07-09/30/08
Total U.S. Department of Education — Passed Through Loyola University					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
368,718	131,663	(131,663)	—	—	—	—	327,333	327,333
404,682	—	(311,851)	335,920	335,920	—	24,069	—	335,920
287,600	43,984	(43,984)	—	—	—	—	253,854	253,854
295,590	—	(161,950)	182,976	182,976	—	21,026	—	182,976
237,191	91,176	(91,176)	—	—	—	—	161,270	161,270
336,112	—	(256,979)	278,619	278,619	—	21,640	—	278,619
1,542,956	266,561	(266,561)	—	—	—	—	914,181	914,181
1,694,078	—	(619,428)	819,517	819,517	—	200,089	—	819,517
2,976,069	529,609	(529,609)	—	—	—	—	1,944,952	1,944,952
894,373	—	(776,000)	903,427	903,427	—	127,427	—	903,427
2,700,364	—	(329,246)	1,118,353	1,118,353	—	789,107	—	1,118,353
1,418,629	351,955	(351,955)	—	—	—	—	1,222,590	1,222,590
1,714,488	—	(660,662)	1,045,782	1,045,782	—	385,120	—	1,045,782
298,678	90,014	(178,107)	88,093	88,093	—	—	210,585	298,678
299,835	—	(156,993)	223,885	223,885	—	66,892	—	223,885
6,177,587	954,377	(5,952,979)	4,531,161	4,531,161	—	(467,441)	1,178,985	5,710,146
5,418,165	—	(1,475,757)	1,668,888	1,668,888	—	193,131	—	1,668,888
131,273	42,001	(42,001)	—	—	—	—	64,153	64,153
4,088,439	—	(1,545,054)	2,024,593	2,024,593	—	479,539	—	2,024,593
\$64,893,518	\$4,475,427	\$(23,722,794)	\$23,492,712	\$23,492,712	\$ —	\$4,245,345	\$12,904,567	\$36,397,279

\$ 16,600	\$ (16,600)	\$ —	\$ 11,508	\$ 11,508	\$ —	\$ (5,092)	\$ —	\$ 11,508
28,500	—	(640)	8,140	8,140	—	7,500	—	8,140
16,600	(16,600)	—	12,832	12,832	—	(3,768)	—	12,832
28,500	—	(2,133)	12,147	12,147	—	10,014	—	12,147
16,600	(16,600)	—	6,653	6,653	—	(9,947)	—	6,653
28,500	—	(1,676)	8,765	8,765	—	7,089	—	8,765
16,600	(16,600)	—	9,344	9,344	—	(7,256)	—	9,344
28,500	—	—	—	—	—	—	—	—
16,600	(16,600)	—	15,457	15,457	—	(1,143)	—	15,457
28,500	—	(1,626)	4,898	4,898	—	3,272	—	4,898
16,600	(16,600)	—	7,359	7,359	—	(9,241)	—	7,359
28,500	—	—	9,205	9,205	—	9,205	—	9,205
28,500	—	(130)	20,183	20,183	—	20,053	—	20,183
28,500	—	—	250	250	—	250	—	250
\$ 327,600	\$ (99,600)	\$ (6,205)	\$ 126,741	\$ 126,741	\$ —	\$ 20,936	\$ —	\$ 126,741

Statutory Reporting Section

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>	
Passed Through Illinois Department of Human Services (IDHS)						
Rehabilitation Service Vocational Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	40C4001797	07/01/06-06/30/07	
		N/A	84.126	40C6001797	07/01/07-06/30/08	
Total U.S. Department of Education Passed Through IDHS						
Passed Through Illinois Board of Higher Education						
Improving Teacher Quality State Grants	Bilingual Summer Math Lab — Columbia	N/A	84.367B	AGREEMENT	09/30/06-08/31/07	
		N/A	84.367B	AGREEMENT	09/30/07-08/31/08	
Total U.S. Department of Education Passed Through Illinois Board Higher Education						
Passed Through University of Illinois at Chicago						
Teacher Quality Enhancement Grants	Teacher Quality Enhancement — Supporting Teachers	N/A	84.336B	03-4-547-1	07/01/05-06/30/06	
	Teacher Quality Enhancement — Golden Teachers Mentoring	N/A	84.336B	E-7-547	07/01/06-06/30/07	
Total U.S. Department of Education Passed Through University of Illinois at Chicago						
Passed Through Chicago State University						
Improving Teacher Quality State Grants	Title II — Teacher Quality Enhancement (CSU)	N/A	84.367	PO#0019429	04/04/06-09/30/07	
Total U.S. Department of Education Passed Through Chicago State University						
Passed Through Northeastern Illinois University						
Improving Teacher Quality	IBHE NCLB Learning Together/(NEIU)	N/A	84.367	PO#49059	10/01/06-09/30/07	
Gaining Early Awareness and Readiness for Undergraduate Program	Gear-Up — Kelvyn Park High School/(NEIU)	N/A	84.334A	PO#48039	09/01/06-08/31/07	
	Gear-Up — Wells High School/(NEIU)	N/A	84.334A	PO#48037	10/01/06-06/30/07	
	Gear-Up — Roosevelt High School/(NEIU)	N/A	84.334A	PO#48038	09/01/06-08/30/07	
	Gear-Up — Ames Middle School/(NEIU)	N/A	84.334A	PO#48036	09/01/06-08/31/07	
	Gear-Up — Forman High School/(NEIU)	N/A	84.334A	PO#48088	09/01/06-08/31/07	
	Gear-Up — Kelvyn Park High School/(NEIU)	N/A	84.334A	PO#002266	09/01/07-08/31/08	
	Gear-Up — Stowe Elementary/(NEIU)	N/A	84.334A	PO#48035	09/01/06-08/31/07	
	Gear-Up Grant/(NEIU)	N/A	84.334A	PO#44449	09/01/06-08/31/07	
			N/A	84.334A	PO#44449	09/01/07-08/31/08
	Gear-Up Grant — Transition Program		N/A	84.334A	PO#50242	05/15/07-08/15/07
		N/A	84.334A	PO#3566	05/15/08-08/15/08	
Twenty-First Century Community Learning Centers	Illinois 21st Century Community Learning Ctrs.(NEIU)/Peabody School	N/A	84.287	PO#50363	10/01/06-06/30/07	
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Wells High School	N/A	84.287	PO#48041	10/01/06-06/30/07	



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
\$ 766,505	\$ 32,745	\$ (32,985)	\$ 240	\$ 240	\$ —	\$ —	\$ 766,505	\$ 766,745
775,498	—	(581,625)	775,498	775,498	—	193,873	—	775,498
\$1,542,003	\$ 32,745	\$ (614,610)	\$ 775,738	\$ 775,738	\$ —	\$193,873	\$ 766,505	\$1,542,243
\$ 92,000	\$ 54,090	\$ (73,006)	\$ 18,916	\$ 18,916	\$ —	\$ —	\$ 54,090	\$ 73,006
142,050	—	(75,000)	37,286	37,286	—	(37,714)	—	37,286
\$ 234,050	\$ 54,090	\$ (148,006)	\$ 56,202	\$ 56,202	\$ —	\$ (37,714)	\$ 54,090	\$ 110,292
\$ 269,129	\$ (13,601)	\$ —	\$ —	\$ —	\$ —	\$ (13,601)	\$ 225,528	\$ 225,528
108,000	70,001	(100,000)	29,999	29,999	—	—	70,001	100,000
\$ 377,129	\$ 56,400	\$ (100,000)	\$ 29,999	\$ 29,999	\$ —	\$ (13,601)	\$ 295,529	\$ 325,528
\$ 12,614	\$ (1,495)	\$ 1,495	\$ —	\$ —	\$ —	\$ —	\$ 11,119	\$ 11,119
\$ 12,614	\$ (1,495)	\$ 1,495	\$ —	\$ —	\$ —	\$ —	\$ 11,119	\$ 11,119
\$ 32,058	\$ —	\$ (13,446)	\$ 13,446	\$ 13,446	\$ —	\$ —	\$ —	\$ 13,446
19,869	1,474	(3,800)	2,326	2,326	—	—	17,120	19,446
4,500	2,376	(2,376)	—	—	—	—	4,498	4,498
8,035	3,560	(3,560)	—	—	—	—	7,302	7,302
9,342	1,307	(1,307)	—	—	—	—	9,342	9,342
11,635	4,181	(4,181)	—	—	—	—	10,727	10,727
13,421	—	(4,375)	12,593	12,593	—	8,218	—	12,593
8,035	1,576	(1,576)	—	—	—	—	1,921	1,921
1,353,344	1,115,703	(1,235,966)	120,263	120,263	—	—	1,115,703	1,235,966
1,363,219	—	(648,960)	1,011,145	1,011,145	—	362,185	—	1,011,145
227,349	—	(217,141)	217,141	217,141	—	—	—	217,141
253,097	—	—	62,314	62,314	—	62,314	—	62,314
31,450	12,406	(31,000)	—	—	—	(18,594)	12,406	12,406
19,029	2,921	(12,529)	—	—	—	(9,608)	8,086	8,086

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Barton School	N/A	84.287	PO#48040	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Cook Elem. School	N/A	84.287	PO#48043	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Salazar Bil. School	N/A N/A	84.287 84.287	PO#48045 PO#002869	10/01/06-06/30/07 02/08/08-06/30/08
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Ames Middle School	N/A	84.287	PO#48044	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Kelvyn Park School	N/A	84.287	PO#48042	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Irving Park Middle	N/A	84.287	PO#48147	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Thurgood Marshall	N/A	84.287	PO#48146	09/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Northwest Middle	N/A	84.287	PO#48145	09/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Otis	N/A	84.287	PO#50325	10/01/06-06/30/07
Total U.S. Department of Education Passed Through Northeastern Illinois University					
Passed Through Mexican Fine Arts Museum					
Twenty-First Century Community Learning Centers	21st Century Mexican Fine Arts Museum	N/A N/A N/A	84.287 84.287 84.287	DISTRICT 201 DISTRICT 201 DISTRICT 201	07/19/04-06/30/05 07/01/06-06/30/07 07/01/07-06/30/08
Total U.S. Department of Education Passed Through Mexican Fine Arts Museum					
Passed Through Illinois State Board of Education					
Improving Teacher Quality State Grants	Class Size Reduction (NCLB)	4932 4932	84.367A 84.367A	07-4932-00 08-4932-00	07/01/06-08/31/07 07/01/07-08/31/08
	Title II Teacher Quality Leadership	4935 4935	84.367A 84.367A	07-4935-SS 08-4935-SS	07/01/06-08/31/07 04/07/08-08/31/08
Advanced Placement Program	Advance Placement Lane Tech	4904	84.330C	07-4904-00	04/16/07-09/30/07
	Advance Placement Farragut	4904	84.330C	07-4904-01	05/15/07-09/30/07
	Advance Placement North Lawndale	4904	84.330C	07-4904-02	01/09/07-09/30/07
	Advance Placement Kelvyn Park	4904	84.330C	07-4904-03	04/16/07-09/30/07
	Advance Placement Chicago Vocational	4904	84.330C	07-4904-04	01/18/07-09/30/07
Career and Technical Education — Basic Grants to States	V.E. — Perkins — Title IIC — Secondary	4745 4745	84.048 84.048	07-4745-00 08-4745-00	07/01/06-08/31/07 7/1/2007-08/31/08
	V.E. — Perkins — State Leadership — Clemente	4720 4720	84.048A 84.048A	07-4720-00 08-4720-00	08/01/06-07/31/07 08/01/07-07/31/08
	V.E. — Perkins — State Leadership — Chgo Agricultural	4720 4720	84.048A 84.048A	07-4720-01 08-4720-01	08/01/06-07/31/07 08/01/07-07/31/08



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
9,079	3,562	(7,180)	515	515	—	(3,103)	4,317	4,832
9,385	2,565	(877)	—	—	—	1,688	9,385	9,385
36,522	19,100	(29,880)	—	—	—	(10,780)	25,717	25,717
10,827	—	—	9,828	9,828	—	9,828	—	9,828
7,883	1,419	(1,419)	—	—	—	—	7,883	7,883
12,783	3,499	(3,499)	—	—	—	—	12,783	12,783
14,105	9,745	(9,745)	—	—	—	—	14,105	14,105
19,105	9,653	(9,653)	—	—	—	—	19,105	19,105
33,210	23,089	(23,089)	—	—	—	—	33,210	33,210
26,377	5,829	(26,000)	—	—	—	(20,171)	5,829	5,829
\$ 3,533,659	\$ 1,223,965	\$ (2,291,559)	\$ 1,449,571	\$ 1,449,571	\$—	\$ 381,977	\$ 1,319,439	\$ 2,769,010
\$ 96,840	\$ 1,784	\$ —	\$ —	\$ —	\$—	\$ 1,784	\$ 96,824	\$ 96,824
102,760	19,105	(19,603)	—	—	—	(498)	102,260	102,260
92,484	—	(67,432)	90,059	90,059	—	22,627	—	90,059
\$ 292,084	\$ 20,889	\$ (87,035)	\$ 90,059	\$ 90,059	\$—	\$ 23,913	\$ 199,084	\$ 289,143
\$52,576,344	\$5,509,372	\$ (7,401,741)	\$ 1,892,369	\$ 1,892,369	\$—	\$ —	\$40,565,192	\$42,457,561
54,364,915	—	(22,967,557)	40,022,533	40,022,533	—	17,054,976	—	40,022,533
1,600,000	(33,486)	(59,352)	92,838	92,838	—	—	966,514	1,059,352
540,648	—	(270,324)	540,648	540,648	—	270,324	—	540,648
10,000	—	(10,000)	10,000	10,000	—	—	16,000	26,000
9,693	(7,904)	161	7,743	7,743	—	—	7,594	15,337
11,500	—	(11,500)	11,500	11,500	—	—	—	11,500
9,995	(112)	(9,883)	9,995	9,995	—	—	9,888	19,883
10,000	(359)	(4,802)	5,161	5,161	—	—	9,641	14,802
9,287,310	(986,081)	(821,885)	1,807,966	1,807,966	—	—	7,479,344	9,287,310
9,088,855	—	(8,839,470)	8,290,756	8,290,756	—	(548,714)	—	8,290,756
15,000	(967)	967	—	—	—	—	14,033	14,033
10,000	—	(8,258)	5,320	5,320	—	(2,938)	—	5,320
15,000	(5,944)	623	5,321	5,321	—	—	8,320	13,641
10,000	—	(7,837)	7,074	7,074	—	(763)	—	7,074

Statutory Reporting Section

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
	V.E. — Perkins — State Leadership — Marshall	4720 4720	84.048A 84.048A	07-4720-02 08-4720-02	08/01/06-07/31/07 08/01/07-07/31/08
	V.E. — Perkins — State Leadership — Corliss	4720 4720	84.048A 84.048A	07-4720-03 08-4720-03	08/01/06-07/31/07 08/01/07-07/31/08
Reading First State Grants	Title 1 — Reading First 11	4334 4334	84.357 84.357	07-4334-07 08-4334-07	07/01/06-06/30/07 07/01/07-08/31/08
	Reading First — School Assistance Part B	4337 4337	84.357 84.357	07-4337-00 08-4337-00	07/01/06-08/31/07 07/01/07-08/31/08
	Reading First — Technical Assistance	4337 4337 4337	84.357 84.357 84.357	06-4337-04 07-4337-04 08-4337-04	07/01/05-08/31/06 07/01/06-06/30/07 07/01/07-08/31/08
Title I Grants to Local Education Agencies	ESEA Title I — Low Income	4300 4300	84.010 84.010	07-4300-00 08-4300-00	07/01/06-08/31/07 07/01/07-08/31/08
	ESEA — School Improvement	4331 4331	84.010 84.010	07-4331-SS 08-4331-SS	07/01/06-08/31/07 07/01/07-08/31/08
	ESEA — Title I — Low Income — Neglected Private	4305 4305	84.010 84.010	07-4305-00 08-4305-00	07/01/06-08/31/07 07/01/07-08/31/08
	ESEA — Title I — Low Income — Delinquent Private	4306 4306	84.010 84.010	07-4306-00 08-4306-00	07/01/06-08/31/07 07/01/07-08/31/08
Special Education — Preschool Grants	IDEA — Pre-School Flow Through	4600 4600	84.173A 84.173A	07-4600-00 08-4600-00	07/01/06-06/30/07 07/01/07-08/31/08
	IDEA — Pre-School Discretionary	4605 4605 4605	84.173 84.173 84.173	06-4605-01 07-4605-01 08-4605-01	07/01/05-06/30/06 07/01/06-06/30/07 07/01/07-06/30/08
Special Education Grants to State	IDEA — Flow Through/Low Incidence	4620 4620	84.027 84.027	07-4620-00 08-4620-00	07/01/06-08/31/07 07/01/07-08/31/08
	Room and Board	4625 4625	84.027 84.027	07-4625-00 08-4625-00	09/01/06-08/31/07 09/01/07-08/31/08
	IDEA — Discretionary — Corey H Training Tech	4630	84.027	08-4630-04	07/01/07-06/30/08
	IDEA — Parent Mentor	4630 4630	84.027A 84.027A	07-4630-05 08-4630-05	07/01/06-06/30/07 07/01/07-06/30/08
Special Education — State Personnel Development	IDEA — Regional Professional Development Center	4631 4631	84.323A 84.323A	07-4631-RC 08-4631-RC	09/01/06-09/30/07 10/01/07-09/30/08
State Grants for Innovative Programs	Title V — Innovative Programs — Formula	4100 4100	84.298 84.298	07-4100-00 08-4100-00	07/01/06-08/31/07 07/01/07-08/31/08
Twenty-First Century Community Learning Centers	Title IV — 21st Century Comm Learning Centers	4421 4421 4421 4421 4421 4421 4421	84.287C 84.287C 84.287C 84.287C 84.287C 84.287C 84.287C	07-4421-00 06-4421-05 07-4421-05 08-4421-05 08-4421-05 07-4421-07 08-4421-07 08-4421-08	07/31/06-08/31/07 07/14/05-06/30/06 07/31/06-08/31/07 08/10/07-08/31/08 08/10/07-08/31/08 09/11/06-08/31/07 08/10/08-08/31/08 07/01/07-08/31/08
Safe and Drug-Free Schools and Communities State Grant	Title IV — Safe & Drug-Free School Formula	4400 4400	84.186 84.186	07-4400-00 08-4400-00	07/01/06-08/31/07 07/01/07-08/31/08



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
25,000	(583)	(1,543)	2,126	2,126	—	—	18,931	21,057
20,000	—	(11,069)	7,474	7,474	—	(3,595)	—	7,474
25,000	3,020	(2,905)	—	—	—	115	25,000	25,000
20,000	—	(13,477)	15,039	15,039	—	1,562	—	15,039
9,818,912	2,347,071	(2,391,879)	44,808	44,808	—	—	9,007,815	9,052,623
9,818,912	—	(11,282,443)	16,213,032	16,213,032	—	4,930,589	—	16,213,032
1,231,035	258,642	(265,809)	7,167	7,167	—	—	1,134,218	1,141,385
1,338,185	—	(605,180)	897,173	897,173	—	291,993	—	897,173
123,984	(42)	—	42	42	—	—	123,942	123,984
820,500	49,951	(116,887)	66,936	66,936	—	—	718,373	785,309
895,691	—	(344,395)	517,245	517,245	—	172,850	—	517,245
303,184,767	85,408,693	(108,365,086)	22,956,392	22,956,392	—	(1)	237,891,938	260,848,330
352,351,060	—	(172,077,284)	278,252,173	278,252,173	—	106,174,889	—	278,252,173
12,295,568	(4,755,419)	870,191	3,885,228	3,885,228	—	—	6,901,366	10,786,594
10,708,974	—	(5,475,000)	8,080,218	8,080,218	—	2,605,218	—	8,080,218
850,356	(111,008)	6,285	104,559	104,559	—	(164)	439,810	544,369
1,122,390	—	(385,556)	614,441	614,441	—	228,885	—	614,441
1,326,257	58,412	(128,294)	69,882	69,882	—	—	726,495	796,377
1,333,001	—	(529,880)	703,247	703,247	—	173,367	—	703,247
1,729,896	(92,243)	91,019	1,224	1,224	—	—	1,533,352	1,534,576
1,550,250	—	(1,550,250)	1,234,180	1,234,180	—	(316,070)	—	1,234,180
501,681	(5,551)	5,551	—	—	—	—	481,972	481,972
501,681	77,934	(78,272)	338	338	—	—	501,343	501,681
475,000	—	(447,245)	472,694	472,694	—	25,449	—	472,694
90,510,984	2,337,043	(3,379,047)	1,042,004	1,042,004	—	—	77,796,929	78,838,933
102,708,327	—	(90,711,825)	96,881,440	96,881,440	—	6,169,615	—	96,881,440
N/A	(94,337)	(2,352,263)	2,858,021	2,858,021	—	411,421	785,674	3,643,695
N/A	—	—	—	—	—	—	—	—
2,750,000	—	(1,175,000)	1,566,098	1,566,098	—	391,098	—	1,566,098
30,000	(8,457)	8,445	12	12	—	—	17,981	17,993
38,649	—	(18,616)	26,510	26,510	—	7,894	—	26,510
420,000	(29,390)	(183,716)	213,106	213,106	—	—	148,507	361,613
453,000	—	(284,506)	184,335	184,335	—	(100,171)	—	184,335
4,398,587	473,427	(598,161)	124,734	124,734	—	—	2,727,263	2,851,997
2,517,048	—	(1,605,969)	1,664,137	1,664,137	—	58,168	—	1,664,137
3,075,000	(331,895)	—	331,895	331,895	—	—	2,743,105	3,075,000
3,307,500	(2,404)	2,404	—	—	—	—	2,998,593	2,998,593
3,597,000	(572,044)	118,486	453,558	453,558	—	—	2,551,302	3,004,860
3,125,700	—	(3,016,779)	2,331,860	2,331,860	—	(684,919)	—	2,331,860
1,121,377	(26,430)	(73,349)	99,779	99,779	—	—	934,947	1,034,726
1,177,500	—	(1,045,161)	932,373	932,373	—	(112,788)	—	932,373
2,440,459	—	(2,050,000)	1,745,336	1,745,336	—	(304,664)	—	1,745,336
5,821,699	163,798	(2,011,601)	1,847,803	1,847,803	—	—	3,090,805	4,938,608
5,091,294	—	(1,681,858)	5,091,294	5,091,294	—	3,409,436	—	5,091,294

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196	07-4920-00	07/01/06-08/31/07
		4920	84.196	08-4920-00	07/01/07-08/31/08
English Language Acquisition Grants	Title III — Lang Inst Prog — Limited Eng LIPLEP	4909	84.365A	07-4909-00	09/29/06-08/31/07
		4909	84.365A	08-4909-00	09/01/07-08/31/08
Education Technology State Grants	Technology — Enhancing Education — Formula	4971	84.318	07-4971-00	01/05/07-08/31/07
		4971	84.318	08-4971-00	11/27/07-08/31/08
Advanced Placement Program	International Baccalaureate	4999	84.330B	08-4999-1B	07/01/07-06/30/08
Mathematics and Science Partnerships	Mathematics and Science Partnerships	4936	84.366	07-4936-00	11/09/06-08/31/07
		4936	84.366	08-4936-01	09/07/07-08/31/08
Total U.S. Department of Education Passed Through Illinois State Board of Education					
TOTAL U.S. DEPARTMENT OF EDUCATION					
NATIONAL SECURITY AGENCY					
Startalk Language Institute	Startalk Arabic Language Institute	N/A	12.901	H98230-08-1-0266	02/22/07-02/28/08
		N/A	12.901	H98230-08-1-0266	02/01/08-12/31/08
	Startalk Chinese Language Institute	N/A	12.901	H98230-08-1-0267	02/22/07-02/28/08
		N/A	12.901	H98230-08-1-0267	02/01/08-12/31/08
TOTAL NATIONAL SECURITY AGENCY					
U. S. DEPARTMENT OF STATE					
Summer Language Institute	Summer Language Institute for American Youth	N/A	NA	S-ECAPY-07-GR-094(DT)	05/14/07-12/31/07
		N/A	NA	S-ECAPY-08-GR-072(JY)	04/30/08-12/31/08
TOTAL U.S. DEPARTMENT OF STATE					
U.S. DEPARTMENT OF AGRICULTURE Passed Through Illinois State Board of Education (ISBE)					
National School Lunch Program	Lunch Program	4210	10.555	07-4210-00	07/01/06-09/30/07
		4210	10.555	08-4210-00	07/01/07-09/30/08
	Federal Snacks	4210	10.555	07-4210-00	07/01/06-09/30/07
		4210	10.555	08-4210-00	07/01/07-09/30/08
School Breakfast Program	Breakfast Program	4220	10.553	07-4220-00	07/01/06-09/30/07
		4220	10.553	08-4220-00	07/01/07-09/30/08
	Breakfast Program (Needy)	4220	10.553	07-4220-00	07/01/06-09/30/07
		4220	10.553	08-4220-00	07/01/07-09/30/08
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	07-4226-00	09/01/06-09/30/07
		4226	10.558	08-4226-00	09/01/07-09/30/08
Commodity Supplemental Food Program	Child Nutrition Commodity Salvage	4250	10.565	08-4250-00	07/01/07-06/30/08
Food Donation Program	Food Donation Program	4228	10.550	03-4228-00	07/01/07-06/30/08
Total U.S. Department of Agriculture Passed Through Illinois State Board of Education					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
692,297 779,395	(62,978) —	17,730 (779,395)	45,248 779,395	45,248 779,395	— —	— —	629,319 —	674,567 779,395
9,815,294 10,196,290	(1,340,385) —	859,651 (5,737,065)	480,734 8,675,501	480,734 8,675,501	— —	— 2,938,436	8,474,909 —	8,955,643 8,675,501
4,286,127 3,825,833	513,196 —	(1,123,357) (3,149,822)	610,161 2,985,706	610,161 2,985,706	— —	— (164,116)	3,148,546 —	3,758,707 2,985,706
193,460	—	(193,460)	193,460	193,460	—	—	—	193,460
250,000 250,000	(48,801) —	(69,545) (144,903)	118,346 200,590	118,346 200,590	— —	— 55,687	104,611 —	222,957 200,590
\$1,102,500,180	\$88,683,739	\$(463,888,948)	\$518,338,278	\$518,338,278	\$ —	\$143,133,069	\$414,733,572	\$933,071,850
\$1,173,712,837	\$94,446,160	\$(490,857,662)	\$544,359,300	\$544,359,300	\$ —	\$147,947,798	\$430,283,905	\$974,643,205
\$ 105,226 117,999	\$ 4,411 —	\$ (97,623) —	\$ 93,847 —	\$ 93,847 —	\$ — —	\$ 635 —	\$ 4,411 —	\$ 98,258 —
94,923 117,999	6,968 —	— (69,741)	— 89,294	— 89,294	— —	6,968 19,553	6,968 —	6,968 89,294
\$ 436,147	\$ 11,379	\$(167,364)	\$ 183,141	\$ 183,141	\$ —	\$ 27,156	\$ 11,379	\$ 194,520
\$ 201,447 248,675	\$ 30,534 —	\$ (151,899) —	\$ 121,365 80,621	\$ 121,365 80,621	\$ — —	\$ — 80,621	\$ 30,534 —	\$ 151,899 80,621
\$ 450,122	\$ 30,534	\$(151,899)	\$ 201,986	\$ 201,986	\$ —	\$ 80,621	\$ 30,534	\$ 232,520
N/A N/A	\$18,696,798 —	\$(32,981,100) (78,989,224)	\$ 14,284,302 97,609,749	\$ 14,284,302 97,609,749	\$ — —	\$ — 18,620,525	\$ 97,350,845 —	\$111,635,147 97,609,749
N/A N/A	43,471 —	(54,794) (735,393)	11,323 780,608	11,323 780,608	— —	— 45,215	737,911 —	749,234 780,608
N/A N/A	85,385 —	(169,180) (164,387)	83,795 202,322	83,795 202,322	— —	— 37,935	465,164 —	548,959 202,322
N/A N/A	3,351,930 —	(5,800,061) (14,762,503)	2,448,131 18,247,084	2,448,131 18,247,084	— —	— 3,484,581	17,797,400 —	20,245,531 18,247,084
N/A N/A	147,433 —	(203,847) (3,852,233)	56,414 4,077,428	56,414 4,077,428	— —	— 225,195	3,489,161 —	3,545,575 4,077,428
N/A N/A	— —	(142,773) (12,841,654)	142,773 12,841,654	142,773 12,841,654	— —	— —	— —	142,773 12,841,654
\$ —	\$22,325,017	\$(150,697,149)	\$150,785,583	\$150,785,583	\$ —	\$ 22,413,451	\$119,840,481	\$270,626,064

Statutory Reporting Section

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
Passed Through Illinois Department of Human Services					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Homeless Services and Supportive Housing — Refugee & Immigrant Services	N/A	10.561	681X1797ES1	07/01/06-06/30/07
		N/A	10.561	81X8116000-H/K	07/01/07-06/30/08
Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services					
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
HOUSING URBAN DEVELOPMENT					
Passed Through Chicago Housing Authority					
Amer-I-Can Youthbuild	Amer-I-Can Youthbuild	N/A	14.243	IGA — Y01MIL0181	09/01/04-01/30/06
Demolition and Revitalization of Severely Distressed Public Housing	Employability Plus	N/A	14.866	Agreement	07/01/05-06/30/06
		N/A	14.866	Agreement	07/01/06-06/30/07
		N/A	14.866	Agreement	07/01/07-06/30/08
TOTAL HOUSING URBAN DEVELOPMENT					
U.S. DEPARTMENT OF LABOR					
Direct Funding					
WIA Pilots, Demonstrations, and Research Projects	WIA Youth Young Offenders	N/A	17.261	YF163290760A-17	07/01/07-08/31/08
Total U.S. Department of Labor Direct Funding					
Passed Through Mayors' Office of Workforce Development					
WIA Youth Activities	WIA In School Youth (MOWD) FY2008	N/A	17.259	9105-2	07/01/06-06/30/07
		N/A	17.259	9105-3	07/01/07-06/30/08
Total U.S. Department of Labor Passed Through Mayor's Office of Workforce					
TOTAL U.S. DEPARTMENT OF LABOR					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Passed Through Illinois State Board of Education					
Learn and Serve America — School and Community Based Programs	Learn and Serve America	4910	94.004	07-4910-00	09/01/06-08/31/07
		4910	94.004	08-4910-00	10/05/07-09/30/08
Total Corporation for National and Community Service Passed Through Illinois State Board of Education					
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
INSTITUTE OF MUSEUM AND LIBRARY					
Pass Through Illinois State Library					
Grants to State	Bridging the Gap Between Community Brentano	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Humboldt	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Orozco	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community DuSable	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Chgo H.S. Agriculture	N/A	45.310	07-9314	10/01/06-06/30/07



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
N/A	\$ 21,642	\$ (21,642)	\$ —	\$ —	\$ —	\$ —	\$ 226,992	\$ 226,992
N/A	—	(240,868)	258,238	258,238	—	17,370	—	258,238
\$ —	\$ 21,642	\$ (262,510)	\$ 258,238	\$ 258,238	\$ —	\$ 17,370	\$ 226,992	\$ 485,230
\$ —	\$ 22,346,659	\$ (150,959,659)	\$ 151,043,821	\$ 151,043,821	\$ —	\$ 22,430,821	\$ 120,067,473	\$ 271,111,294
\$ 225,000	\$ (218,253)	\$ —	\$ 218,253	\$ 218,253	\$ —	\$ —	\$ —	\$ 218,253
76,250	21,451	(21,451)	—	—	—	—	76,026	76,026
79,300	79,300	(79,300)	—	—	—	—	79,300	79,300
82,742	—	(68,068)	82,742	82,742	—	14,674	—	82,742
\$ 463,292	\$ (117,502)	\$ (168,819)	\$ 300,995	\$ 300,995	\$ —	\$ 14,674	\$ 155,326	\$ 456,321
\$4,800,000	\$ —	\$ (63,795)	\$ 174,959	\$ 174,959	\$ —	\$ 111,164	\$ —	\$ 174,959
\$4,800,000	\$ —	\$ (63,795)	\$ 174,959	\$ 174,959	\$ —	\$ 111,164	\$ —	\$ 174,959
\$ 177,844	\$ 64,347	\$ (64,347)	\$ —	\$ —	\$ —	\$ —	\$ 149,630	\$ 149,630
—	—	(31,016)	43,465	43,465	—	12,449	—	43,465
\$ 177,844	\$ 64,347	\$ (95,363)	\$ 43,465	\$ 43,465	\$ —	\$ 12,449	\$ 149,630	\$ 193,095
\$4,977,844	\$ 64,347	\$ (159,158)	\$ 218,424	\$ 218,424	\$ —	\$ 123,613	\$ 149,630	\$ 368,054
\$ 141,000	\$ (48,450)	\$ 12,869	\$ 35,581	\$ 35,581	\$ —	\$ —	\$ 64,883	\$ 100,464
169,000	—	(74,000)	69,736	69,736	—	(4,264)	—	69,736
\$ 310,000	\$ (48,450)	\$ (61,131)	\$ 105,317	\$ 105,317	\$ —	\$ (4,264)	\$ 64,883	\$ 170,200
\$ 310,000	\$ (48,450)	\$ (61,131)	\$ 105,317	\$ 105,317	\$ —	\$ (4,264)	\$ 64,883	\$ 170,200
\$ 3,000	\$ (406)	\$ —	\$ —	\$ —	\$ —	\$ (406)	\$ 2,594	\$ 2,594
3,000	(365)	—	—	—	—	(365)	2,635	2,635
3,000	(168)	—	—	—	—	(168)	2,832	2,832
3,000	(464)	—	204	204	—	(260)	2,536	2,740
3,000	(856)	—	—	—	—	(856)	2,144	2,144

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
	Bridging the Gap Between Community Manley	N/A	45.310	07-9314	10/01/06-06/30/07
	School Librarian for a Day	N/A	45.310	07-8093	10/01/06-06/30/07
	Library Services Multi User	N/A	45.310	08-5398	10/01/07-06/30/08
Laura Bush 21st Century Librarian Program	Librarians 21st Century	N/A	45.313	RE0104004704	10/01/07-09/30/08
	Chicago Teacher-Librarians for the 21st Century	N/A	45.313	RE0106006706	10/01/06-09/30/09
Total Institute of Museum and Library Pass Through Illinois State Library					
Pass Through Secretary of State					
Grants to State	LSTA — Taking it to the Streets Mary Lyon School	N/A	43.310	08-2312	10/01/07-06/30/08
	LSTA — Taking it to the Streets Pirie School	N/A	43.310	08-2312	10/01/07-06/30/08
	LSTA — Taking it to the Streets Kennedy School	N/A	43.310	08-2312	10/01/07-06/30/08
	LSTA — Taking it to the Streets Brooks School	N/A	43.310	08-2312	10/01/07-06/30/08
	LSTA — Taking it to the Streets Ace Tech School	N/A	43.310	08-2312	10/01/07-06/30/08
Total Institute of Museum and Library Pass Through Secretary of State					
TOTAL INSTITUTE OF MUSEUM AND LIBRARY					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Funding					
Cooperative Agreements to Support Comprehensive School Health Programs	Comprehensive School Health	N/A	93.938	U87/CCU5226581-05	03/01/07-02/28/08
Refugee and Entrant Assistance Discretionary Grants	Refugee Children Impact Grant	N/A	93.576	81X7116000	07/01/06-06/30/07
		N/A	93.576	81X8116000K	07/01/07-06/30/08
Total U.S. Department of Health & Human Services — Direct Funding					
Passed Through City of Chicago					
Head Start	Pre-Kindergarten — Child Development	N/A	93.600	PO#9743/2	12/01/06-11/30/07
		N/A	93.600	PO#9743/3	12/01/07-11/30/08
	Headstart — Supp Dis SP Initiative	N/A	93.600	PO#10752	12/01/05-11/30/06
		N/A	93.600	PO#10752	12/01/06-11/30/07
		N/A	93.600	PO#10752-3	12/01/07-11/30/08
Total U.S. Department of Health & Human Services Passed Through City of Chicago					
Passed through Illinois Department of Healthcare and Family Services (IDHFS)					
Medical Assistance Program	Medicaid — Administrative Services	N/A	93.778	95-4900-00	07/01/06-06/30/07
		N/A	93.778	95-4900-00	07/01/07-06/30/08
Total U.S. Department of Health & Human Services Passed Through IDHFS					
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
3,000	(983)	—	144	144	—	(839)	2,017	2,161
4,500	(201)	—	—	—	—	(201)	4,299	4,299
25,000	—	(25,000)	23,550	23,550	—	(1,450)	—	23,550
319,501	—	—	66,614	66,614	—	66,614	—	66,614
310,769	—	—	65,502	65,502	—	65,502	—	65,502
\$ 677,770	\$ (3,443)	\$ (25,000)	\$ 156,014	\$ 156,014	\$ —	\$ 127,571	\$ 19,057	\$ 175,071
\$ 4,600	\$ —	\$ (4,600)	\$ 4,600	\$ 4,600	\$ —	\$ —	\$ —	\$ 4,600
4,900	—	(4,900)	4,900	4,900	—	—	—	4,900
4,900	—	(4,100)	4,092	4,092	—	(8)	—	4,092
4,000	—	(4,000)	4,000	4,000	—	—	—	4,000
3,600	—	(3,600)	3,600	3,600	—	—	—	3,600
\$ 22,000	\$ —	\$ (21,200)	\$ 21,192	\$ 21,192	\$ —	\$ (8)	\$ —	\$ 21,192
\$ 699,770	\$ (3,443)	\$ (46,200)	\$ 177,206	\$ 177,206	\$ —	\$ 127,563	\$ 19,057	\$ 196,263
\$ 315,865	\$ 92,073	\$ (261,032)	\$ 192,270	\$ 192,270	\$ —	\$ 23,311	\$ 92,073	\$ 284,343
181,024	19,285	(19,285)	—	—	—	—	123,317	123,317
150,000	—	(127,873)	150,000	150,000	—	22,127	—	150,000
\$ 646,889	\$ 111,358	\$ (408,190)	\$ 342,270	\$ 342,270	\$ —	\$ 45,438	\$ 215,390	\$ 557,660
\$36,000,000	\$10,279,735	\$(24,210,161)	\$13,930,426	\$13,930,426	\$ —	\$ —	\$22,609,573	\$36,539,999
36,540,000	—	(8,991,341)	22,027,140	22,027,140	—	13,035,799	—	22,027,140
824,883	2,516	—	—	—	—	2,516	800,675	800,675
859,054	257,782	(552,693)	321,390	321,390	—	26,479	506,151	827,541
867,864	—	—	500,427	500,427	—	500,427	—	500,427
\$75,091,801	\$10,540,033	\$(33,754,195)	\$36,779,383	\$36,779,383	\$ —	\$13,565,221	\$23,916,399	\$60,695,782
N/A	\$ 9,329,524	\$(9,329,524)	\$ —	\$ —	\$ —	\$ —	\$12,248,644	\$12,248,644
N/A	—	(833,867)	8,227,084	8,227,084	—	7,393,217	—	8,227,084
\$ —	\$ 9,329,524	\$(10,163,391)	\$ 8,227,084	\$ 8,227,084	\$ —	\$ 7,393,217	\$12,248,644	\$20,475,728
\$75,738,690	\$19,980,915	\$(44,325,776)	\$45,348,737	\$45,348,737	\$ —	\$21,003,876	\$36,380,433	\$81,729,170

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY					
Brownfields Assessment and Cleanup Cooperative Agreements	CPS-Marshall Faraday Campus PK	N/A	66.818	BF96568101	01/01/06-03/31/07
Environmental Education Grants	Adopt an Ecosystem	N/A	66.951	NE-83361601-0	08/01/07-11/30/08
TOTAL U.S. DEPARTMENT OF ENVIRONMENTAL AGENCY					
U.S. DEPARTMENT OF TRANSPORTATION Passed Through Illinois Department of Aviation					
Airport Improvement Program	Noise Abatement — Project Administration	N/A	20.106	Agreement	N/A
	Noise Abatement — Carroll	N/A	20.106	3-17-0025-56	N/A
	Noise Abatement — Hearst	N/A	20.106	3-17-0025-55	N/A
	Noise Abatement — Nightingale	N/A	20.106	3-17-0025-53	N/A
	Noise Abatement — Hurley Elementary School	N/A	20.106	3-17-0025-NN	N/A
	Noise Abatement — Tonti Branch	N/A	20.106	3-17-0025-54	07/01/04-06/30/08
	Noise Abatement — Tonti	N/A	20.106	3-17-0025-54	07/01/04-06/30/08
	Noise Abatement — Hancock	N/A	20.106	3-17-0025-62	12/12/05-12/15/08
	Noise Abatement — Kennedy HS	N/A	20.106	3-17-0025-AD	N/A
	Noise Abatement — Dore School	N/A	20.106	3-17-0025-64	N/A
Total U.S. Department of Transportation Passed Through IL Dept of Aviation					
Passed Through Illinois Department of Transportation (IDOT)					
Injury Prevention	Illinois Department of Transportation	N/A	20.600	OP7-1051-101	10/01/06-09/30/07
Total U.S. Department of Transportation Passed Through IDOT					
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					
U.S. DEPARTMENT OF DEFENSE DIRECT FUNDING:					
U.S. Army	R.O.T.C. Salaries: Army	N/A	NA	Agreement	07/01/06-06/30/07
		N/A	NA	Agreement	07/01/07-06/30/08
U.S. Navy	Navy Salaries — W. Young HS	N/A	NA	Agreement	07/01/06-06/30/07
		N/A	NA	Agreement	07/01/07-06/30/08
	Navy Salaries — Simeon HS	N/A	NA	Agreement	07/01/06-06/30/07
		N/A	NA	Agreement	07/01/07-06/30/08
	Navy Salaries — Taft HS	N/A	NA	Agreement	07/01/06-06/30/07
		N/A	NA	Agreement	07/01/07-06/30/08
Navy JROTC — Cortiss HS	Navy JROTC — Rickover HS	N/A	NA	Agreement	07/01/06-06/30/07
		N/A	NA	Agreement	07/01/07-06/30/08



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
\$ 134,483	\$ 4,668	\$ (4,668)	\$ 4,668	\$ 4,668	\$ —	\$ 4,668	\$ 73,141	\$ 77,809
86,303	—	—	13,215	13,215	—	13,215	—	13,215
\$ 220,786	\$ 4,668	\$ (4,668)	\$ 17,883	\$ 17,883	\$ —	\$ 17,883	\$ 73,141	\$ 91,024
N/A	\$ 13,359	\$ (80,657)	\$ 248,179	\$ 248,179	\$ —	\$ 180,881	\$ 45,924	\$ 294,103
1,170,000	53,059	(168,031)	114,972	114,972	—	—	1,147,467	1,262,439
2,179,039	42,119	(179,733)	137,614	137,614	—	—	2,004,794	2,142,408
2,400,000	150,685	(271,398)	120,713	120,713	—	—	1,934,773	2,055,486
1,900,000	(40,623)	—	40,623	40,623	—	—	1,671,468	1,712,091
1,165,135	439,401	(446,494)	61,465	61,465	—	54,372	1,184,043	1,245,508
1,244,546	42,294	(42,294)	—	—	—	—	1,147,860	1,147,860
5,837,000	601,490	(413,890)	1,498,000	1,498,000	—	1,685,600	4,878,446	6,376,446
3,949,867	(193,468)	—	193,468	193,468	—	—	40,141	233,609
1,420,000	—	(235,907)	235,907	235,907	—	—	1,147,998	1,383,905
\$21,265,587	\$1,108,316	\$(1,838,404)	\$2,650,941	\$2,650,941	\$ —	\$1,920,853	\$15,202,914	\$17,853,855
\$ 126,000	\$ 18,500	\$ (64,070)	\$ 45,570	\$ 45,570	\$ —	\$ —	\$ 18,500	\$ 64,070
\$ 126,000	\$ 18,500	\$ (64,070)	\$ 45,570	\$ 45,570	\$ —	\$ —	\$ 18,500	\$ 64,070
\$21,391,587	\$1,126,816	\$(1,902,474)	\$2,696,511	\$2,696,511	\$ —	\$1,920,853	\$15,221,414	\$17,917,925
N/A	\$ 300,851	\$ (300,851)	\$ —	\$ —	\$ —	\$ —	\$ 3,028,704	\$ 3,028,704
N/A	—	(2,920,459)	3,237,275	3,237,275	—	316,816	—	3,237,275
N/A	10,127	(10,127)	—	—	—	—	47,450	47,450
N/A	—	(36,018)	51,343	51,343	—	15,325	—	51,343
N/A	22,086	(22,086)	—	—	—	—	77,065	77,065
N/A	—	(64,856)	90,812	90,812	—	25,956	—	90,812
N/A	21,123	(21,123)	—	—	—	—	72,213	72,213
N/A	—	(55,344)	77,580	77,580	—	22,236	—	77,580
N/A	14,273	(14,273)	—	—	—	—	49,127	49,127
N/A	—	(36,457)	52,160	52,160	—	15,703	—	52,160
N/A	25,366	(25,366)	—	—	—	—	91,623	91,623
N/A	—	(81,692)	116,673	116,673	—	34,981	—	116,673

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
U.S. Marines	Marine Salaries — Curie HS	N/A	NA	Agreement	07/01/07-06/30/08
	Marine Salaries — Juarez HS	N/A N/A	NA NA	Agreement Agreement	07/01/06-06/30/07 07/01/07-06/30/08
U.S. Air Force	Air Force Junior Reserve-Phillips	N/A	NA	Agreement	07/01/06-06/30/07
		N/A	NA	Agreement	07/01/07-06/30/08
U.S. Navy	Navy JROTC HS CPS — Rickover Academy	N/A	NA	N00014-05-1-0815	06/03/06-06/02/07
TOTAL U.S. DEPARTMENT OF DEFENSE					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Aerospace Education Services Program	NASA Explorer School Barton	N/A	43.001	AGREEMENT	10/06/05-10/05/08
	NASA Explorer School Harlan	N/A	43.001	AGREEMENT	10/13/05-10/12/08
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
GRAND TOTAL					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2007	Cash (Received) Refunded July 1, 2007 June 30, 2008	Revenue Recognized July 1, 2007 June 30, 2008	Expenditure July 1, 2007 June 30, 2008	Adjustments to Grant Revenue July 1, 2007 June 30, 2008	Accrued (Deferred) Grant Revenue June 30, 2008	Prior Years' Expenditures Through June 30, 2007	Final Status Cumulative Expenditures Through June 30, 2008
N/A	—	(54,770)	60,181	60,181	—	5,411	46,941	107,122
N/A	5,255	(5,255)	—	—	—	—	54,550	54,550
N/A	—	(52,131)	57,798	57,798	—	5,667	—	57,798
N/A	4,225	(4,225)	—	—	—	—	44,385	44,385
N/A	—	(42,107)	46,645	46,645	—	4,538	—	46,645
270,000	86,014	(98,316)	159,076	159,076	—	146,774	132,092	291,168
\$ 270,000	\$ 489,320	\$ (3,845,456)	\$ 3,949,543	\$ 3,949,543	\$ —	\$ 593,407	\$ 3,644,150	\$ 7,593,693
\$ 2,500	\$ (148)	\$ —	\$ —	\$ —	\$ —	\$ (148)	\$ 14,852	\$ 14,852
2,500	(5,016)	(2,500)	4,017	4,017	—	(3,499)	9,984	14,001
\$ 5,000	\$ (5,164)	\$ (2,500)	\$ 4,017	\$ 4,017	\$ —	\$ (3,647)	\$ 24,836	\$ 28,853
\$1,278,676,075	\$138,326,239	\$(692,652,766)	\$748,606,881	\$748,606,881	\$ —	\$194,280,354	\$606,126,161	\$1,354,733,042



BOARD OF EDUCATION OF THE CITY OF CHICAGO
OMB CIRCULAR A-133
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
As of and for the Year Ended June 30, 2008

1. SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

General — The Board of Education of the City of Chicago (the “CPS”) is a body politic and corporate of the State of Illinois. All significant federal financial and compliance operations of the CPS are included in the scope of the OMB Circular A-133 audit (the “Single Audit”). The U.S. Department of Education (the “USDEd”) is the CPS’ cognizant federal agency for the single audit. Cognizant duties have been delegated to the Illinois State Board of Education (the “ISBE”) by the USDEd, which, in turn, oversees the performance of such duties.

Fiscal Period Audited — Contractual funding periods are indicated in the Schedule of Expenditures of Federal Awards (the “Schedule”). Single Audit testing procedures were performed for federal financial assistance transactions occurring during the fiscal year ended June 30, 2008.

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

Generally, federal awards are granted for the purpose of providing specific services or aid to specific individuals. In addition to the purposes they serve, federal programs can be classified according to the basis under which the federal programs are funded. For certain federal programs, funds are received based upon actual qualified expenditures up to the total federal awards amount (expenditure-driven federal programs). For other federal programs, funds are received based on an approved formula such as a standard reimbursement rate applied to qualified unit of service provided (formula-driven federal program.)

The majority of the CPS’ federal awards are passed through and received from the ISBE. For those pass-through federal awards, the CPS’ direct reporting responsibility is to ISBE, which, in their capacity as sub-grantors, oversee and monitor the utilization of such federal awards by the CPS.

3. BASIS OF PRESENTATION IN THE STATEMENT OF GRANT ACTIVITY

General — All federal programs considered active during the year ended June 30, 2008, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year.

Revenues — Grant revenues for expenditure-driven federal programs and federal loans are recognized in the Schedule based on expenditures incurred during the fiscal year. Grant revenues for formula-driven federal programs are recognized based on units of services provided as of June 30, 2008 and actual reimbursement received for the programs.

Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the “USDA”).

Expenditures — For all expenditure-driven federal programs, expenditures included on the Schedule represent actual expenditures incurred during the fiscal year ended June 30, 2008.

For formula-driven federal programs, expenditures are presented on the Schedule as follows:

- The expenditures for the National School Lunch and Breakfast Program in the Schedule only reflected the portion funded by the Program.

- Expenditures for the Food Donation Program represent commodities received at amounts per the USDA standard price listings.

Adjustments to Increase (Decrease) Accrued Grant Revenue — Adjustments reflected in the Schedule of Expenditures of Federal Awards represent (1) adjustments for recorded expenditures that have been determined to be unallowable by respective funding agencies, (2) corrections of prior year’s estimated accruals.

Accrued and Deferred Grant Revenue — Various funding schedules are used for the federal awards received by the CPS. Consequently, timing differences between the recognition of revenues and related cash receipts can exist at the beginning and end of the fiscal year. Accrued grant revenue balance represent the excess of revenue recognized over cash received to date. Deferred grant revenue balances represent the excess of cash received over revenue recognized to date.

4. RELATIONSHIP TO THE FINANCIAL STATEMENTS INCLUDED IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The following is a reconciliation of federal grant revenues as reflected in the Schedule of Federal Grant Revenues reflected in the CPS’ Comprehensive Annual Financial Reports:

“Revenue recognized” per the Schedule	\$748,606,881
E-Rate program revenues not included in the Schedule	67,138,875
Medicare Part D Revenue not included in the Schedule	718,410
Medicaid Fee for Service Revenue not in the Schedule.	25,366,654
Adjustments to record revenue not collected within 30 days (“available”).	<u>34,210,415</u>
Federal revenues per the CPS’ Comprehensive Annual Financial Report	<u>\$876,041,235</u>

Expenditures relating to individual federal programs are not represented separately from other CPS expenditures in the CPS’ Comprehensive Annual Financial Report. Accordingly, a similar reconciliation of expenditures is not included herein.

5. FINAL CLAIMS

Some final claims for federal programs with contractual funding period ended June 30, 2008, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the related amounts accrued and reported in the Schedule. The CPS plans to submit a program liquidation report to the respective grantor agencies, which will revise the outstanding obligation amounts per the final claim, thereby reflecting the appropriate year-end adjustments for these federal awards.

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6. SUBRECIPIENTS

Included in the total federal expenditure of \$748,606,881 presented on the schedule of expenditures of federal awards for the year ended June 30, 2008 is \$33,537,656 of federal awards provided to subrecipients. The following is a summary of the subrecipient amounts passed through CPS for the fiscal year ended June 30, 2008.

<u>Program Name</u>	<u>Name of Grant</u>	<u>CFDA</u>	<u>Amount</u>
Grant to State	Library Service Multi User	45.310	\$ 8,495
Laura Bush 21st Century Librarian Program	Librarians 21st Century	45.313	11,156
	Chicago Teacher — Librarians for the 21st Century	45.313	31,662
Title I Grants to Local Education Agencies	ESEA Title I — Low Income	84.010	19,736,730
	ESEA Title I — Neglected Private	84.010	667,578
	ESEA — School Improvement	84.010	1,713,694
Special Education Grants to State	IDEA — Flow Through/Low Incidence	84.027	1,558,825
	Room and Board	84.027	655,437
	IDEA — Discretionary — Corey H Training Tech	84.027	21,426
Career and Technical Education — Basic Grants to States	V.E. Perkins — Title IIC — Secondary	84.048	244,114
Rehabilitation Service Vocational Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	84.126	160,000
Secondary Transitional Experience Program (STEP)	IDEA — Pre-School Discretionary	84.173A	10,000
Safe and Drug-Free Schools and Communities — National Programs	Alcohol Abuse Reduction Grant	84.184A	319,786
Safe and Drug-Free Schools	Healthy Students	84.184L	57,330
Safe and Drug-Free Schools and Communities State Grant	Title IV — Safe & Drug-Free Formula	84.186	795,142
Funds for the Improvement of Education	Teaching American History Grant	84.215X	137,931
Twenty-First Century Community Learning Centers	Title IV — 21st Century Comm Learning Centers	84.287C	2,594,254
State Grants for Innovative Programs	Title V — Innovative Programs — Formula	84.298	143,755
Education Technology State Grants	Technology — Enhancing Education — Formula	84.318	387,639
Special Education — State Personnel Development	IDEA — Regional Professional Development Center	84.323A	29,874
Advance Placement Program	Advanced Placement Fee	84.330	221,250
	Advanced Placement Incentive Program	84.330C	2,500
Transition to Teaching Program	Golden Teachers	84.350A	40,000
Arts in Education	Building Curriculum, Community & Leadership Through the Arts Program	84.351C	179,500
	Partnership for Arts Integration	84.351D	150,000
Reading First State Grants	Title 1 — Reading First 11	84.357	7,100
Early Reading First	Chicago Early Readers	84.359B	83,416
Voluntary School Choice	School Choice Program	84.361A	9,560
School Leadership	Effective Leaders Improvement Schools — Elis	84.363A	90,708
English Language Acquisition Grants	Title II — Lang Inst Prog — Limited Eng LIPLEP	84.365A	181,523
Mathematics and Science Partnerships	Mathematics and Science Partnerships	84.366	34,610
Improving Teacher Quality State Grants	Class Size Reduction (NCLB)	84.367A	3,056,099
Striving Readers	Striving Readers Program	84.371A	131,383
Teachers Incentive Fund	Teachers Incentive Fund Program	84.374A	38,900
Summer Language Institute	Summer Language Institute for American Youth	NA	4,025
Head Start	Pre-kindergarten — Child Development	93.600	22,254
	Total Awards to Subrecipients		<u>\$33,537,656</u>



7. FINDINGS AND QUESTIONED COSTS

The findings and questioned costs identified in connection with the fiscal year ended June 30, 2008, Single Audit are disclosed in the accompanying Schedule of Findings and Questioned Costs and Auditee Corrective Action Plan. The presentation conforms to the formatting requirements of the ISBE. The questioned costs reflected in such schedule reflect the potential reimbursement effect of costs which were deemed as inappropriately allocated to a federal program or which could have been allocated to a federal program, but were not.



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**BOARD OF EDUCATION OF THE CITY OF CHICAGO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency (ies) identified that is not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes No

Significant deficiency (ies) identified that is not considered to be material weakness(es)? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount Expended</u>
10.553	Breakfast Program	\$ 20,981,332 (1)
10.555	National School Lunch Program	112,685,982 (1)
10.558	Child & Adult Care Food Program	4,133,842
84.010	Title I — Low Income	314,666,140
84.027	IDEA Flow-through	102,374,085 (2)
84.048	Vocational Education Title IIC	10,141,076
84.173	IDEA Preschool	1,708,436 (2)
84.186	Title IV — Safe and Drug Free Schools	6,939,097
84.215	Elementary and Secondary School Counseling	3,653,062
84.287	Title IV — 21st Century Community Learning Centers	5,894,801
84.298	Innovative Programs	1,788,871
84.318	Technology Enhancing Education	3,595,867
84.357	Reading First	17,746,403
84.371	Striving Readers	6,200,049
93.600	Headstart	36,779,383
93.778	Medicaid Admin Outreach	8,227,084
		<u>\$657,515,510</u>

Notes:

- (1) Part of Nutrition cluster
- (2) Part of Special Education cluster

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? Yes No

II. FINANCIAL STATEMENT FINDINGS

Finding FS08-01: PAYROLL — CONTROLS OVER MANUALLY CALCULATED PAYOUTS

Criteria:

Controls over manually calculated payouts

Condition:

In March 2007, CPS implemented a new payroll system. At the time of implementation, numerous control deficiencies were identified. During the current fiscal year, management made significant improvements in the internal control over payroll. Significant progress was made by management to resolve each issue. One area that remains to be a significant concern is the internal control over non-routine manually calculated payouts. Because of the complexities of the CPS payroll, even with the comprehensive new system, there remain several areas where manual intervention is necessary.

We found in several cases where manual intervention is required, there lacks appropriate internal control to ensure the manual process is working properly and errors occurred. Although no one single error is considered significant, the cumulative aggregation of all errors in payroll relating to the various processes indicates a significant deficiency in internal control.

Statutory Reporting Section

Some of the areas where manual calculations were required and errors were noted include:

- Manual calculations for vacation pay
- The handling of payments for deceased employees
- Manual calculations for payouts of accumulated unused sick days
- Retroactive pay adjustments were not properly calculated
- Duplicate payments to coaches in certain bucket positions

CPS management should review each payroll process and determine if the process can be automated. The new payroll system is capable of handling numerous complex payroll routines and the appropriate controls can be built into the system. For individual unusual transactions or processes that are unique and do not lend themselves to automation, the CPS process needs to include a review, approval and documented sign-off by an authorized individual. No single person should be able to make payroll adjustments or payments without appropriate review or approval. The review and approval needs to encompass all of the details of the transaction and the reviewer should be recalculating the amounts to ensure their correctness. In the cases where manual calculations are necessary because the payroll system has not been fully implemented or is in need of improvement, the CPS process for manual payments needs to include a review, approval and documented sign-off by an authorized individual.

Context:

Numerous employees were overpaid.

Cause and Effect:

Inadequate controls over non-routine payroll payments may lead to either over or underpayments to employees.

Recommendation

We recommend CPS continue to expand the implementation of the payroll system to include all significant payroll routines including updates for vacation and sick leave payouts. This would include appropriate system controls to ensure balances are paid properly. To the extent any manual intervention is needed to commit funds of the organization, appropriate review, approval and sign-off by an authorized individual should be required.

Corrective Action Plan

Management agrees that expanded implementation of PeopleSoft is necessary. This process re-engineering is slated for late February- early March. Payroll Services implemented a process with two audit levels: 1) at the point the file is created, an audit comparing PeopleSoft with the current data is completed to eliminate any duplicates or overpayments and 2) following data entry to PeopleSoft, an additional comparative audit is completed to ensure that no duplicates or overages have occurred.



III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding SA08-01: INTERNAL CONTROL LAPSES OVER PAYROLL

Questioned Costs: N/A

Federal Agency: US Department of Education

CFDA 84.027 IDEA Flow-through

CFDA 84.186 Safe and Drug Free Schools

CFDA 84.287 21st Century Community Learning Centers

CFDA 84.298 Title V Innovative Programs

Criteria:

Expenditure reports filed should reflect costs that relate to the appropriate grant year. Internal controls that ensure budgeted positions for an old grant year do not remain open into the next grant year should be implemented.

Condition:

Out of 276 employees tested, corrections to payroll overpayments that related to March, July and August 2007 pay periods for 6 employees were not made and reported in the related expenditure reports until after October 2007. These corrections were reflected in expenditure reports filed for a subsequent grant year. Two employees continued to be charged to a grant when their budgeted positions should have been closed down.

Context:

These incorrect payroll charges and their corrections related to grants that have been on-going for several years and were renewed for fiscal years ended June 30, 2007 and 2008 and 2009. FY2008 expenditures were \$2.4m for 21st Century Community Learning Centers, \$5.1m for Safe and Drug Free Schools and \$1.9m for Title V Innovative Programs and \$81.3m for IDEA Flow-through. The grants continued to expend within budgetary limits.

Cause and Effect:

- During the fiscal year ended June 30, 2007, the introduction of a new payroll system was accompanied by some technical difficulties. Although these technical difficulties were overcome, the effort of following up on errors and making the needed correction took some time.
- Through an oversight, 2 budgeted grant positions were not closed down on a timely basis. The potential for budget overages was made up for by savings in similar costs.
- These incorrect payroll charges and their corrections related to grants that have been on-going for several years and were renewed for fiscal years ended June 30, 2007 and 2008 and 2009.
- Because the payroll corrections were reflected for subsequent grant years, the expenditures in both grant years were not accurate.

Recommendation

Management should add a routine edit check to their payroll program that would flag payments that exceed significantly the per period contract amount for each employee and follow up on these variances on a timely basis. Management should also consider enhancements to the payroll program that would put an end date to payroll charges that synchronizes with grant year-ends.

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Corrective action plan

The complexity of the implementation of the new ERP system that produces the CPS payroll delayed both the discovery and recovery of payroll overpayments. To address this issue, CPS will implement Payroll review reports to help proactively identify overpayments as payrolls are being processed.

In addition, Payroll will work to ensure that adjustments that are not identified through the report reviews are processed in a timelier manner in subsequent payrolls.

Finding SA08-02: PROCEDURES FOR SUB-RECIPIENTS MONITORING

Questioned Costs: N/A

Federal Agency: US Department of Education

CFDA 84.010 Title I

CFDA 84.027 Special Education IDEA

CFDA 84.215 School Counseling

CFDA 84.287 21st Century Community Learning Centers

CFDA 84.366 Illinois Mathematics and Science Program

CFDA 84.367 Title II Improving Teacher Quality

Criteria:

Grantees should follow its procedures established to monitor sub-recipients.

Condition:

CPS did not follow-up on 7 out of 23 sub-recipients who had not submitted copies of their Single audit reports to CPS.

Context:

The amount of grant funds pass through to sub-recipients is not a significant portion of total grant expenditures.

Cause and Effect:

- CPS has established sub-recipient monitoring procedures to obtain Single Audit reports (if applicable) and check for any findings and corrective action plans.
- By not following up on non-submission of Single audit reports by sub-recipients, CPS was unable to determine whether there were any findings that would indicate that the grant funds were not properly expended.

Recommendation

CPS should follow-up on deviations from procedures they had established for the monitoring of sub-recipients and reconsider the continuation of these entities as sub-recipients.

Corrective action plan

Staff from Grants Management and Administration (GMA) will follow-up with organizations that have not responded to our questionnaire concerning sub-recipient monitoring. GMA will also follow-up with those respondents that indicated they are in fact sub-recipients that have expended \$500,000 or more in federal awards but had not completed their A-133 audit at the time of their response.

Further, GMA will consult with the Chief Financial Officer, Law Department and program management staff to determine whether the CPS relationships with the non-responsive organizations are in fact true

sub-recipients as opposed to vendor relationships and whether CPS should continue to make federal payments to them. This follow-up activity and consultation will be completed by February 27, 2009.

Finding SA08-03: CASH MANAGEMENT — RECURRING (2004, 2005, 2006, 2007)

Federal Agency: US Department of Education

CFDA 84.010 Title I (Program for Neglected and Delinquent Children)

CFDA 84.048 Vocational Education

CFDA 84.173 Preschool Incentive

CFDA 84.287 21st Century Community Learning Centers

CFDA 84.298 Innovative Programs

Criteria:

Recipients of federal awards must follow procedures to minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement.

Condition:

Certain grant programs had monthly cash balances exceeding the average monthly expenditures for the next month for at least one month during the fiscal year.

Context:

FY2008 average month-ending cash in excess of expenditures for certain grants was \$64,854. When applicable, months with cash shortages were considered in mitigating cash overages.

Cause and Effect:

- Continued cash balances in excess of the expenditures could cause the federal government or pass through grantor to reduce future budgeted amounts for these grants and frequency of cash funding to CPS. Consequently, this could result in possible cutbacks for special programs at CPS.

Recommendation

- Ensure that payment requests are scheduled based on historical patterns of spending
- Continue to monitor unusually large cash balances and inform grant administrators of these conditions
- Consider regular meetings to discuss these large balances and allow the revenue department to revise the payment schedule directly with the federal government or pass through grantor.

Corrective action plan

Staff from Grants Management and Administration will continue to monitor grant payments and cash on hand balances and compare them to average monthly expenditures for the next month. Large cash on hand balances will be reported to grant administrators during monthly “round table” meetings that are scheduled to begin in December 2008 and be held through June 2009. These meetings will include specific instructions to modify federal cash payment schedules to those administrators that are managing grants having excess cash on hand. Additionally, GMA will consult with the CFO to determine whether GMA or another administrative unit within the finance department can have the authority to modify grant payment schedules when the grant administrators fail to address excess cash on hand situations.

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINANCIAL STATEMENT FINDINGS
YEAR ENDED JUNE 30, 2008**

I. Purchasing — Control Over Automated Vendor Payments (closed)

Corrective Action Plan — See prior year report

Current Status — It was recommended that the program become a function of accounting, that detailed reconciliations are performed monthly, and that vendors submit electronic invoices. Management has accomplished each of these recommendations during fiscal year 2008.

II. Information Technology — *CPS at Work* — *System Implementation* (closed)

Corrective Action Plan — See prior year report

Current Status — It was recommended that all systems be complete and fully tested prior to implementation. The implementation occurred during FY2007, therefore no exceptions were noted in FY2008.

III. Payroll Postings (closed)

Corrective Action Plan — See prior year report

Current Status — It was recommended that payroll amounts be posted to their respective expense accounts at the time the payroll is issued. The timing of the payroll postings improved slowly throughout FY2008, until February 2008, when the postings were as quick as one day after the payroll date. The postings continued in a timely manner through the end of the fiscal year.

IV. Budget Monitoring (closed)

Corrective Action Plan — See prior year report

Current Status — It was recommended that the District perform timely monitoring of positions of the position control system so that potential issues can be identified. The head of each organizational unit receives the Bucket Expenditure report on a weekly basis. Also, any bucket that has a total expenditure above 100% is given an inactivation date as of the date where the bucket exceeds 100%.

V. Payroll — Controls Over Non-Routine Payroll Payments (closed)

Corrective Action Plan — See prior year report

Current Status — It was recommended that the District establish review procedures for non-routine payroll. Audits have been implemented to ensure that payments submitted by various departments are reviewed prior to loading into the payroll system.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008**

- I. Administration of the Lunch and Breakfast Programs (closed)
Corrective Action Plan — See prior year report
Current Status — No exceptions were noted in FY2008
- II. Cash management — several programs (recurring)
Corrective Action Plan — See Finding SA08-03
Current Status — This finding was reported as a significant deficiency in the prior year due to excessive cash balances in excess of expenditures. CPS has focused its cash management efforts on all the grants, however there were still some exceptions in the current year. Therefore, this finding has been downgraded to a control deficiency in the current year. See Finding SA08-03 for more details.
- III. Special Tests and Provisions (Comparability of Services) (closed)
Corrective Action Plan — See prior year report
Current Status — No exceptions were noted in FY2008



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