



Educate • Inspire • Transform

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2012

*Prepared by the
Office of School Financial Services*

Rahm Emanuel, Mayor, City of Chicago
David Vitale, Board President
Barbara Byrd-Bennett, Chief Executive Officer



Board of Education

CITY OF CHICAGO

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OFFICE OF THE BOARD

January 23, 2013

Dear Stakeholders,

Despite our many challenges, Chicago Public Schools (CPS) has not been deterred from our overarching mission of ensuring that every child, in every community, has access to a high-quality education and choices that prepare them for success in college and career. This mission has been the driving force behind the numerous initiatives undertaken by CPS during FY2012. In particular, administrative efficiencies have been improved, while investment increased in programs that boost student learning such as full school day, early childhood development and class size, and expanded high quality school options to give parents more choices.

We have reasons to celebrate. Freshmen are showing the highest on-track graduation rates and the lowest drop-out rates in recent years. This is critical as research shows that freshmen who are on-track are three and a half times more likely to graduate. For our seniors, college enrollment rates continue to climb and just this year, 62 high schools were awarded more than \$266 million in college scholarships, an 81 percent increase over the previous school year. While our overall test score gains continue to be modest, we are inspired by the substantial gains seen by our pioneer schools who were early adopters of the longer school day.

By agreeing on a new three-year Chicago Teacher's Union contract that puts the academic needs of the District's children first, CPS continues to put in place a strong framework that supports the critical instructional programs of our students. The contract ensures a full, quality school day and year, provides teachers with a fair raise and new professional development supports, secures principals' responsibility to hire their own staff, and maintains high-quality school options for parents.

During the FY2012 school year, under Mayor Rahm Emanuel's leadership, the school District set a target for the next school year to lengthen the school day and school year. The new student-focused calendar for FY2013 is designed to help boost student achievement by adding 11 additional student attendance days, bringing CPS above the national average and ending one of the shortest school years in the country. We now have a 7-hour day for elementary students and a 7.5 hour day for high school students.

By incorporating the Common Core State Standards that clearly define what is expected of students at every level and raising the bar for proficiency in literacy and mathematics, we are ensuring that the additional minutes of class instruction are used to teach a richer and more rigorous curriculum that

boosts student achievement. The Full School Day looks different at each school, as each principal and school community has been given the resources and flexibility to structure a quality school day that best meets the unique needs of their student body.

Throughout FY2012, CPS worked hard to stabilize its financial position through sound financial practices and investment policies, including closely monitoring expenditures, maximizing grants, restructuring debt and revamping our decades-old benefit day policies, replacing them with reasonable maximum vacation day accruals. We also launched a wellness initiative which will assist employees in better managing their health and help drive down CPS' rising health care costs. These steps are critical as employee compensation costs now account for about 70% of CPS' overall annual budget.

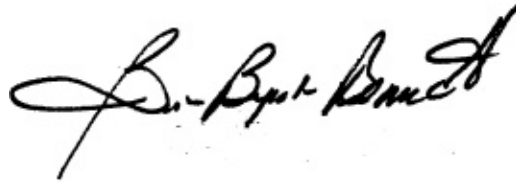
As the economy continues its slow recovery, revenue streams remain volatile and unpredictable. For example, in FY2012, CPS received historically early second installment property tax collections and the State improved the timeliness of its payments owed to the District. These combined factors resulted in a net increase of \$328 million or 44.3% in general operating fund balance from fiscal year 2011. Nearly \$344 million in revenue budgeted for FY2013 was received in July 2012. Due to government accounting practices and CPS revenue recognition policy, these revenues were recorded in FY2012, thus resulting in an increase in fund balance. It is important to note that no additional revenue was received, as these funds were originally budgeted for FY2013 and will be expended and depleted in FY2013. The unpredictable timing of major revenue sources such as these greatly impedes the District's ability to effectively plan necessary cash availability.

Looking forward, federal, state and local governments will all continue to face fiscal challenges. The three major bond rating agencies have down-graded CPS' debt rating citing the teachers' strike and budget and pension concerns. We must collaborate with all stakeholders to address the major financial structural imbalance. CPS, along with the mayor, teachers, parents and taxpayers must work together to balance the required investments in student achievement, with the realism of difficult economic times. As an organization, we will continue to build on our successes through open dialogues to build trust and increase transparency to ensure that our schools are safe havens for our children, with equitable educational opportunities for all.

Respectfully submitted,



President
Chicago Board of Education



Chief Executive Officer
Chicago Public Schools



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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Chicago Board of Education

PRINCIPAL OFFICIALS

Mayor of the City of Chicago
Rahm Emanuel

Chicago Board of Education
David J. Vitale, President
Jesse H. Ruiz, Vice President

Members

Dr. Carlos M. Azcoitia
Dr. Henry S. Bienen
Dr. Mahalia A. Hines
Penny Pritzker
Andrea L. Zopp

Statutory Officers

Barbara Byrd-Bennett, Chief Executive Officer
Timothy Cawley, Chief Administrative Officer
Patricia J. Taylor, Chief Operating Officer
Peter W. Rogers, Chief Financial Officer
Sebastien De Longeaux, Chief Purchasing Officer
James Bebley, General Counsel



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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director



Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
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*For Its Comprehensive Annual Financial Report (CAFR)
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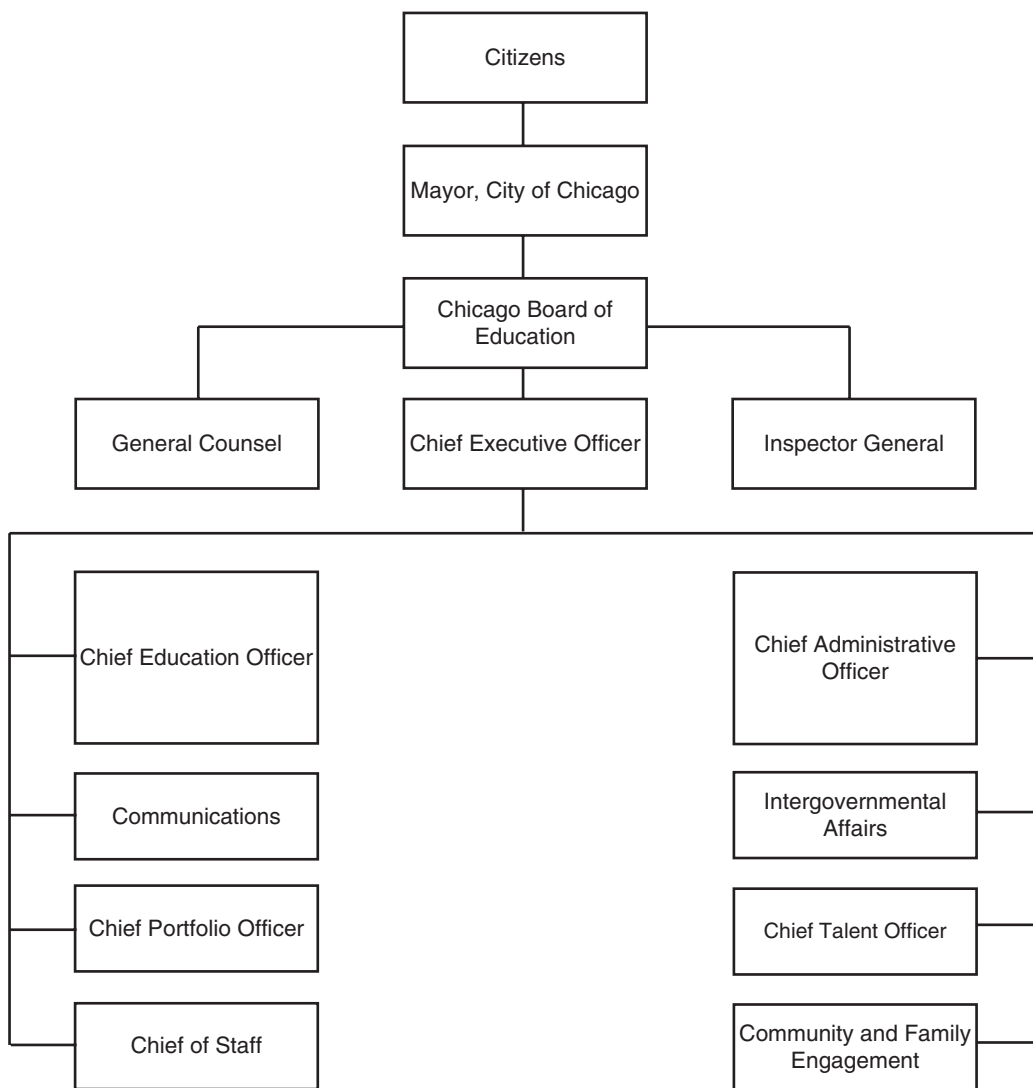
Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director



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 404,000 students in 683 attendance centers with a staff of 41,000.



CHICAGO PUBLIC SCHOOLS**Chicago Board of Education****Board Member Profiles****David J. Vitale**

David Vitale was appointed the president of the Chicago Board of Education on June 15, 2011. Previously, Mr. Vitale served as the chief administrative officer for the Chicago Public School system from 2003 through 2008. Mr. Vitale is the chairman of Urban Partnership Bank, a newly formed bank serving the financially underserved neighborhoods of Chicago, Cleveland and Detroit. From February of 2001 through November of 2002, Mr. Vitale served as president and chief executive officer of the Chicago Board of Trade (CBOT). In addition to serving as a member of the CBOT's Board of Directors and Executive Committee, Mr. Vitale also served as President and CEO of the MidAmerica Commodity Exchange, an affiliate of the CBOT. Mr. Vitale is a former vice chairman and director of Bank One Corporation, where he was responsible for Bank One's Commercial Banking, Real Estate, Private Banking, Investment Management and Corporate Investments businesses. Mr. Vitale serves on the Board of Directors of United Airlines, ISO New England (chairman), Wheels Inc., DNP Select Income Fund (chairman), Alion Science and Technology and Ariel Investments. He also serves on several civic and charitable boards including: The Visiting Committee of the Harvard Graduate School of Education; the Board of Trustees of the Museum of Science and Industry; The Art Institute of Chicago (vice chairman); the Board of Managers of the YMCA of Metropolitan Chicago (former chair); Member of the Advisory Council of the Graduate School of Business at the University of Chicago; the Advisory Committee of the Kellogg School of Management; Northwestern University; Illinois Institute of Technology (vice chairman); the Visiting Committee of The School for Social Service Administration at the University of Chicago (chairman); Leadership Greater Chicago (former president); The Partnership for New Communities (vice chairman); and The Chicago Council on Global Affairs. Mr. Vitale received his MBA from the University of Chicago and is a graduate of Harvard University.

Jesse H. Ruiz

Jesse H. Ruiz was appointed vice president of the Chicago Board of Education on June 15, 2011. Mr. Ruiz previously served as Chairman of the Illinois State Board of Education. He is a corporate and securities partner at the law firm of Drinker Biddle & Reath LLP and concentrates his practice on mergers and acquisitions, corporate finance and commercial transactions. Mr. Ruiz was appointed to the U.S. Department of Education Equity and Excellence Commission. In August 2010, Mr. Ruiz was appointed to the American Bar Association (ABA) Presidential Advisory Commission on Hispanic Legal Rights and Responsibilities by the President of the ABA. He also serves on the Board of Directors of Commonwealth Edison Company, an Exelon company, and on several other civic and charitable boards and committees. Previously, Mr. Ruiz was a management consultant with the international consulting firm of Booz Allen & Hamilton (n/k/a Booz & Co.). Mr. Ruiz received his JD from The University of Chicago Law School and his Bachelor's Degree in Economics and Business Administration from the University of Illinois at Urbana-Champaign.

Dr. Carlos M. Azcoitia

Dr. Azcoitia currently serves as Distinguished Professor of Practice in Educational Leadership at National Louis University. From 2011-2012, he oversaw and supported thirty-six schools in his role as Interim Chief of Midway Network in Chicago Public Schools. Previously, from 2003-2007, Dr. Azcoitia served as the founding principal of John Spry Elementary Community Links High School in the Little Village community, which is the first school in Chicago to include a pre-kindergarten through high school program in one building and sets high goals for student success; aiming for a 100% high school and college graduation. Before he founded John Spry Elementary Community Links High School,



Introductory Section

Dr. Azcoitia served as the Deputy Chief of Education at Chicago Public Schools (1996-2003), where he was responsible for managing wide-ranging departments, programs and services. He began his career as a teacher at Kosciuszko School, teaching 7th and 8th grades (1974-1982). He also serves as the Chair of the Board of Trustees at Northeastern Illinois University, as a Steering Committee Member of the Coalition of Community Schools, and a member of the Board of Directors of the Chicago High School for the Arts and Ignatian Spirituality Center in Miami, FL. Dr. Azcoitia received his Doctorate in Education from Northern Illinois University, his Masters of Education from National Louis University and his Bachelor's degree from the University of Puerto Rico.

Dr. Henry S. Bienen

Dr. Henry Bienen served as the 15th president of Northwestern University and currently serves as president emeritus of Northwestern University. He was the James S. McDonnell Distinguished University Professor and Dean of the Woodrow Wilson School of Public and International Affairs at Princeton University prior to his appointment at Northwestern. Dr. Bienen is one of the first three university presidents awarded the Carnegie Corporation Academic Leadership Award for innovative leadership in higher education. He is a member of the American Academy of Arts and Sciences. Dr. Bienen chairs both the board of Ithaca Harbors and Rasmussen College, is a member of the Board of Directors of the Chicago Council on Global Affairs and serves on its executive committee. He also serves on the board of Ryan Specialty Group and is on the executive committee of the Steppenwolf Theatre, Gleacher Investment Bank and Grosvenor Fund of Funds. He was a member of the Argonne National Laboratory's Board of Governors, and served on the board's executive, nominating and auditing committees. Dr. Bienen received his PhD and master's degrees from the University of Chicago and a bachelor's degree from Cornell University. Dr. Bienen was awarded an honorary Doctorate of Humane Letters from Northwestern University, received the University of Chicago Professional Achievement Alumni Award and the 2008 Niagara Peace & Dialogue Award from the Niagara Foundation in 2008.

Dr. Mahalia A. Hines

Dr. Mahalia Hines is currently the chief executive officer of Think COMMON Entertainment, President of the Common Ground Foundation and Hip Hop Schoolhouse Publishing Company. Dr. Hines has worked in the educational field for more than 35 years as a teacher and principal. For 15 of those years, Dr. Hines served as Principal in the Chicagoland area for grade levels from elementary through high school. Dr. Hines also worked as a coach for first-year principals and a mentor for current principals and prospective principals in Chicago and continues to work with school leaders of public and charter schools in urban areas throughout the country. In addition to working with schools and school leaders, Dr. Hines travels the country speaking to single mothers on raising successful sons. Dr. Hines received her doctorate from the University of Illinois, her master's degree from Northeastern University and bachelor's degree from Central State University.

Penny Pritzker

Penny Pritzker is a civic and business leader. An active investor, Ms. Pritzker is founder, chairman and CEO of PSP Capital Partners and its affiliate, Pritzker Realty Group (PRG). She is also chairman and co-founder of Artemis Real Estate Partners. Previously, Ms. Pritzker developed such diverse companies as Vi (formerly Classic Residence by Hyatt), The Parking Spot, and Centergate Residential. President Obama appointed Ms. Pritzker to the President's Council for Jobs and Competitiveness which advises the Administration on economic growth and job creation. Ms. Pritzker previously served on the President's Economic Recovery Advisory Board. She was National Co-chair of Obama for America 2012 and was National Finance Chair of the 2008 Barack Obama for President Campaign. She serves on the board of Hyatt Hotels Corporation. She is a former board member of the Wm. Wrigley, Jr. Company, Marmon Group and LaSalle Bank and past chairman of TransUnion. Much of Ms. Pritzker's civic work focuses on public education. She is an advisory board chairman of Skills for



Introductory Section

America's Future, The Aspen Institute, and past chair of the Chicago Public Education Fund. She and her husband, Dr. Bryan Traubert, through The Pritzker Traubert Family Foundation, fund innovative initiatives to improve public education and strengthen school leadership. Ms. Pritzker also serves on the Civic Committee of the Commercial Club of Chicago, is a board member of the Council on Foreign Relations and of The Economic Club of Chicago. She also serves as a trustee of Stanford University, and of the John F. Kennedy Center for the Performing Arts. She is a newly elected member of the American Academy of Arts, an advisory board member of Brookings Institution's Hamilton Project, a former chairman of the board of the Museum of Contemporary Art in Chicago and a former member of the Harvard University Board of Overseers. Ms. Pritzker earned her J.D. and M.B.A. degrees from Stanford University and a bachelor's degree in economics from Harvard University.

Andrea L. Zopp

Andrea Zopp is president and CEO of the Chicago Urban League, an organization that supports and advocates for economic, educational and social progress for African Americans and other minorities through an agenda focused on economic empowerment. Before her appointment to the Chicago Urban League, Ms. Zopp was executive vice president and general counsel at the Exelon Corporation. Prior to joining Exelon, Ms. Zopp served in similar roles at Sears Holdings Corporation and Sara Lee Corporation, and before then as a partner in the law firm of Sonnenschein Nath & Rosenthal. Ms. Zopp was also the first woman and African American to serve as First Assistant State's Attorney in the Cook County State's Attorney's office where she was responsible for the day-to-day operations of the nation's second largest prosecutor's office. Ms. Zopp has served as a member and President for many civic organizations and in 2004, she became chair of the Blue Ribbon Commission on Magnet and Selective Enrollment School Admissions for the Chicago Public Schools. Ms. Zopp received her JD and Bachelor's Degree in history and science from Harvard University.

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

<u>Member</u>	<u>Term Expires</u>
David J. Vitale, President	July 01, 2014
Jesse H. Ruiz, Vice President	July 01, 2014
Dr. Carlos M. Azcoitia	June 30, 2015
Dr. Henry S. Bienen	June 30, 2015
Dr. Mahalia A. Hines	July 01, 2014
Penny Pritzker	June 30, 2015
Andrea L. Zopp	June 30, 2015

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 Education****Central Administration Profiles**

Barbara Byrd-Bennett A former teacher and principal with over 30 years experience, Ms. Byrd-Bennett is a lifelong educator with experience running schools and districts in New York City, Detroit and Cleveland. Ms. Byrd-Bennett has served as the CPS Chief Education Advisor, where she oversaw the development of curriculum and instructional policy for the Board and helped guide the Board's school and neighborhood administrators, from network chiefs to principals. She also played an integral role in guiding the Board during contract negotiations with the Chicago Teachers Union. As the Chief Executive Officer of the Cleveland public school system, she successfully balanced the school district's budget each year of her tenure after inheriting a more than \$150 million deficit. In Detroit, as the district's Chief Academic and Accountability Auditor, she worked side-by-side with the district's emergency financial manager where she helped implement a plan to restore the District's financial and educational stability. Ms. Byrd-Bennett holds a Master's of Science from Pace University, a Master's of the Arts from New York University and a Bachelor's of the Arts from Long Island University. Ms. Byrd-Bennett also holds honorary doctorate degrees from Cleveland State University, Baldwin-Wallace College, John Carroll University and the University of Notre Dame.

Timothy Cawley is chief administrative officer of the Board. Previously, Mr. Cawley served as Managing Director for Finance and Administration at the Academy for Urban School Leadership (AUSL), which manages 19 schools within the School District. Mr. Cawley joined AUSL after a 30 year business career, serving in senior management positions at various Fortune 500 companies. Mr. Cawley began his career at Proctor & Gamble in a series of brand management positions, and has served as Senior Vice President of Global Logistics for Motorola, President of SBC/Ameritech International, and Chief Executive Officer for Revell Monogram.

Patricia J. Taylor is chief operating officer of the Board. Ms. Taylor has more than 20 years of experience in city government. Prior to joining Chicago Public Schools, Ms. Taylor was the vice president of facility maintenance, construction and engineering for the Chicago Transit Authority. In this role, she oversaw maintenance of more than 150 facilities and numerous capital improvement projects including the renovation of the Brown Line elevated train system. Prior to that, Ms. Taylor served in government in an executive management capacity for the City of Chicago. Her positions included serving as the director of administration (Law Department), director of operations (Law-Investigations) and assistant budget director (Office of Budget and Management). Prior to that, she was an executive in the private sector for a large manufacturing corporation. Ms. Taylor holds an associate's degree in liberal arts and attended Northeastern University majoring in elementary education and business administration.

Peter W. Rogers is chief financial officer of the Board. Mr. Rogers has served as a President, Chief Executive Officer, as a member of Boards of Directors and as a strategic adviser. Most recently, as President and CEO of Diners Club International, he led a network of 90 country franchise business units, the majority of which were owned by leading financial institutions. Previously he held the position of Executive Vice President-Regional Marketing Director of Citibank's European, Middle East and Africa Division, based in London, along with management positions for both Wilson Sporting Goods and Proctor and Gamble. Mr. Rogers is a graduate of Harvard College and received his MBA from Harvard Business School.

Sebastien De Longeaux is chief purchasing officer of the Board. A native of France, Sebastien previously worked at REXAM (an English packaging company with operations in Chicago) as the Director of Group Supply Chain & Commodity Risk, where he improved procurement core processes, including category management, supplier relationship management and risk management. Prior to his role at REXAM, Sebastien worked as a consultant at McKinsey and then served as General Manager



Introductory Section

for Renault-Nissan's purchasing organization, both in France and Japan. He graduated from Institut D'études Politiques de Paris in 1993 with a degree in economics and finance. He also received a Master of Business Administration from the University of Chicago.

James Bebley is general counsel of the Board. Previously he served as First Deputy General Counsel and as Deputy General Counsel for Finance and Budget. Mr. Bebley's 27 years of experience includes practice at Ice Miller in Chicago where he concentrated on economic development and municipal finance and acted as bond counsel, issuer's counsel and underwriter's counsel for tax-exempt bond issues, and Carney & Brothers, where he handled transactional matters and assisted in developing the firm's municipal finance group. He also served at the City of Chicago's Law Department and the Office of the Mayor. Mr. Bebley is a graduate of Daniel Hale Williams Elementary School and Robert Lindblom Technical High School, both in the Chicago Public School system. He earned his Bachelor of Science in Finance from the University of Illinois (Urbana-Champaign) College of Commerce and Business Administration in 1982 and his Juris Doctorate from the College of Law in 1985.



Introductory Section**Office of Finance**

125 South Clark Street • Chicago, Illinois 60603
 Telephone: 773/553-2700 • Fax: 773/553-2701

January 23, 2013

David Vitale, President,
 Members of the Chicago Board of Education,
 And Residents of the City of Chicago:

The Comprehensive Annual Financial Report (CAFR) of Chicago Public Schools (CPS) for the fiscal year ended June 30, 2012, 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.

Illinois School Code (105 ILCS 5/34-9) requires CPS 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 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 organization 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 CHICAGO PUBLIC SCHOOLS

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 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 pre-kindergarten through twelve. CPS has no component units, which are legally separate organizations for which CPS is financially accountable.



Introductory Section

CPS is governed by a seven-member Board of Education appointed by the Mayor of the City of Chicago. 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, most notably the selection of principals.

As a large urban school district, our schools and students reflect the broad diversity of our city. In fiscal year 2012 (FY2012), CPS operated 683 schools, including charters and schools with multiple sites. CPS has neighborhood schools, alternative schools, citywide schools, military schools, performance schools, selective enrollment schools, small schools, special education schools, vocational schools, charter schools and contract schools.

Student enrollment as of September 2011 was 404,000, an increase of 1,000 or 0.2% from the September 2010 level (403,000). Approximately 86% of our students come from low-income families and 16% speak English as a second language. CPS employs approximately 41,000 workers, including approximately 22,000 teaching positions with an annual operating budget of \$5.11 billion in FY2012.

LOCAL ECONOMIC OUTLOOK

Chicago is a national center for manufacturing, transportation and tourism. According to the city's 2013 budget overview, in 2011, Chicago hosted more than 43 million domestic and overseas visitors, including 31.5 million domestic leisure travelers, 10.6 million domestic business travelers and 1.2 million overseas travelers, contributing nearly \$12 billion to Chicago's economy. The area is home to several of the world's largest corporations; top employers include city, state and county governments, universities, airports and banks. However, the overall economic status of the nation has impacted Chicago locally in terms of both revenue and expenditures.

The economic downturn has been reflected in Chicago's job market over the past few years. The unemployment rate trend at city, state and national levels, as tracked by the U.S. Bureau of Labor Statistics, is displayed in the table below.

<u>Year</u>	<u>Chicago (%)</u>	<u>Illinois (%)</u>	<u>U.S. (%)</u>
2010	11.0	10.3	9.6
2011	9.5	8.7	9.0
2012 (August)	8.8	8.9	8.1

LONG-TERM FINANCIAL PLANNING

The challenge of declining revenues and increasing costs will create budget challenges for the District in the coming years. Revenues over the next three years are projected to be flat, if not declining, particularly with the challenges facing both state and federal budgets. Expenditures for pension contributions will significantly increase in FY2014 as the state statute providing budget relief for the preceding three years expires, resulting in an incremental pension increase of approximately \$338 million. Furthermore due to the additional long-term debt that has been incurred through bond sales over the past two years, debt service will increase in future years. With these factors in mind, CPS has re-assessed priorities and made some very tough choices to reduce spending, particularly in areas that have less direct impact on students. Despite these decisions, expenditures exceed revenue by \$432 million or 8% for the FY2013 budget. This will be addressed through fund balance utilization.

Despite substantial projected budget deficits, CPS is dedicated to making a wide range of investments in our students to enhance their academic success. We have implemented numerous initiatives, such as the longer school day, common core state standards, and a comprehensive teacher evaluation process, all of which require resources to be successful.



Introductory Section

Current Condition: Total operating revenues for FY2012 were \$5.216 billion, which were \$100 million or 2% higher than the prior year of \$5.116 billion. Total operating expenditures for fiscal year 2012 were \$4.888 billion, which were \$22 million or 0.4% lower than the prior year of \$4.910 billion. CPS ended FY2012 with a fund balance for its General Operating Fund of \$1.069 billion, an increase of \$328 million or 44.3%, from FY2011. Of this, \$625 million is restricted for specific uses, while the balance is held as a reserve to cover future years' deficits (including FY2013).

The increased 2012 year end fund balance was the result of timing shifts in revenue receipts expected in FY2013, and reflects the volatility of revenue recognition across fiscal years. Specifically, accelerated receipts of 2012 property taxes and earlier-than-anticipated state block grant payments shifted about \$350 million in revenue from FY2013 to FY2012.

The property tax acceleration was the result of Cook County's decision to require the second installment of 2012 property tax payments by August 1, 2-3 months earlier than recent years. This resulted in \$244 million in CPS property tax receipts from July 1st thru July 30, 2012, which were budgeted for use in FY2013, consistent with how we have applied all second installment receipts in previous years. However GASB Statement No.33 *Accounting and Financial Reporting for Nonexchange Transactions* required that these funds be recorded in FY2012, which resulted in the increase in year-end fund balance. Accordingly, we will draw down these revenues from fund balance to cover FY2013 expenses.

Similarly, the earlier-than-expected state block grant payments were budgeted in FY2013, but must be recorded in FY2012 since they were received prior to July 30th. CPS has reported extensively on the volatility of these receipts: the State of Illinois payments, which should be received in roughly equal monthly installments of \$50 million, fell behind by as much as six months during FY2012 (\$300 million). We had anticipated a recovery to only three months' backlog at July 30th, and budgeted accordingly for FY2013. Instead, the state caught up in July 2012 to only one month in arrears, which added over \$100 million to FY2012 results. Unfortunately, this payment "catch-up" was short-lived, and by December 15th, the State was behind by \$195 million, or four months.

We began FY2013 by completing a new three-year Chicago Teacher's Union Contract for a total cost of \$295 million, with a single one-year renewal option. The approved contract adds an additional \$103 million to the FY2013 budget, all of which is tied to salary increases, and an average of \$74 million to each subsequent year's budget. Despite the increased cost of the new contract, through a range of expenditure adjustments, we have been able to ensure that funding for key resources to enhance and support student achievement will be protected.

One-Time Resources: In past years, financial results have benefited from one-time fixes such as federal stimulus funding, bond restructuring and TIF surplus, which helped mask the depth of the structural deficit. In FY2012, the Board adopted a balanced budget for fiscal year 2012 that reflected the use of \$241 million of available fund balances for the General Operating Fund. In addition, TIF surplus revenues were received totaling \$42 million.

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, 2011, the Pension Fund had approximately \$10.109 billion in actuarial assets and \$16.940 billion in actuarial liabilities, for a funded ratio of 59.7%. CPS has recorded an estimated pension liability of \$2.619 billion in the accompanying financial statements, as determined under Generally Accepted Accounting Principles (GAAP).

Under state law, CPS is the only school district in Illinois that is required to make a substantial annual employer contribution to its teacher pension fund. In April 2010, the Governor signed into law a bill passed by the General Assembly that provided short-term pension funding relief for CPS. Under this legislation — Public Act 96-0889 — CPS will make pension contributions to the Pension Fund in the approximate amount of the "employer's normal cost" in FY2011 through FY2013. With the adoption of pension funding relief in 2010, CPS contributions for FY2011, FY2012 and FY2013 were set at \$187 million, \$192 million and \$196 million, respectively.



Introductory Section

By FY2014, the District's required contribution level will return to an amount necessary to bring the Pension Fund's funded ratio to 90% by FY2059, most recently estimated at approximately \$534 million, or an increase of about \$338 million over the projected FY2013 level. Because the Pension Fund's funded ratio remains below 90%, CPS must continue to make additional annual contributions, prospectively increasing in dollar amounts until we reach the funding ratio of 90%.

As of December 31, 2011, the date of the latest available report, the Annuity Fund had actuarial assets of approximately \$5.55 billion and actuarial liability for all covered employees, including CPS employees, of approximately \$12.45 billion. CPS employs approximately 17,402 of the 31,976 active participants in the Annuity Fund. CPS, in the opinion of its legal counsel, has no duty to contribute to the Annuity Fund.

Debt Ratings: Investors who purchase municipal bonds use debt ratings as an indicator of the financial stability of an organization and consequently the safety and security of the debt sold by that organization. All three agencies have down-graded CPS' debt rating during August through October 2012, citing the teachers' strike, budget, and pension concerns as rationales for their rating actions. As of October 2012, CPS was rated A+ by Standard and Poor's, A2 by Moody's Investor's Service and A by Fitch Ratings.

RELEVANT FINANCIAL POLICIES

Fund Accounting: 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: CPS financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of 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 analyzes all requests and prepares a comprehensive budget, balancing revenues and appropriations of each fund. The budget is submitted to the Board of Education for appropriation.

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

Budgetary control is maintained by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. 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. Board Resolution 11-0928-RS3 reflects the implementation of Public Act 97-0474 (Senate Bill 630) as amended by Public Act 97-1133 (SB 547) which requires CPS to undertake various measures



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including a Five-Year Capital Improvement Plan by May 2, 2012 and a Ten-Year Educational Facility Master Plan by October 1, 2013. Debt service funds are established in accordance with requirements of the bondholders.

MAJOR INITIATIVES

As an organization, CPS is focusing on three principle initiatives for boosting student achievement throughout the District: empowering principals as leaders of their schools; increasing access to high-quality school programs; and engaging families and communities in that process.

Leadership Development

The most successful schools have empowered, effective principals who build teams of teachers that boost student learning. Advanced leadership capability is a common trait amongst high-performing principals. CPS recently launched the Chicago Leadership Collaborative: a training and support program for CPS principals designed to ensure that every school serving Chicago students has a leader who can drive student achievement. Four organizational partners were selected to help lead the effort due to their successful track records in developing principal leaders, their rigorous systems to recruit and select high potential candidates, and their programs' alignment to the new CPS competencies for principals. Each partner will recruit aspiring principals and conduct an internship program during FY2013 with a goal of providing principal-ready candidates for the FY2014 school year.

Education Programs

Full, Quality School Day and Year

Chicago has ranked amongst the lowest in the nation in designated school instruction minutes. Our test scores and graduation rates demand that our students receive more time to study core subjects such as reading, writing and mathematics. The District began transitioning to the longer school day in FY2011 with several schools participating in a pilot. In FY2012, CPS launched the Longer School Day Pioneer Program, providing more than 22,000 students and 50 schools with a longer school day. Incorporating the increased number of attendance hours and days, in FY2013, the district successfully raised CPS' total number of student days above the national average of 180.

Common Core State Standards

CPS is focused on ensuring that the additional minutes of daily class instruction are used to teach a richer and more rigorous curriculum that boosts student achievement. Key to this strategy is the inclusion of class instruction incorporating the new Common Core State Standards that clearly define what is expected of students at every level and raises the bar for proficiency in literacy and mathematics. Students will benefit from more time in reading, writing, math, science and social studies in addition to enrichment activities such as art, music and recess to give them time to relax, and return to the classroom refreshed and ready to learn.

Early Childhood Initiatives

Early childhood education sets the stage for overall educational success. In August 2012, Mayor Rahm Emanuel announced a three-year investment in creating 5,000 additional high-quality Early Childhood Education opportunities for Chicago students. Research shows that in Chicago, a student who attends a quality early childhood education program is 29% more likely to graduate from high school. Currently about 37,000 children between ages three and four are enrolled in Chicago city-funded early childhood education programs across the city, of which 24,000 are provided by Chicago Public Schools. We are taking a comprehensive look at program funding, streamlining the review process and increasing the coordination between CPS and city and state agencies to help improve educational outcomes for children.



Parent and Community Engagement Initiatives

Parental involvement is important to the establishment of an educational environment that encourages high academic achievement. We have taken steps to provide parents with more information about their schools so that they can make the decisions best for their children. This approach includes launching an online interactive budget tool, increasing access to CPS leadership through local meetings, engaging community stakeholders in two-way conversations regarding school actions, putting overall school report cards online in addition to report card pick-up days and launching an interactive school locator that helps parents compare the performance of all schools in their area by easily linking to overall school performance report cards.

CPS leadership has also sought and incorporated community feedback on guidelines used to help the public understand the criteria for various school actions such as school closings, consolidations and turnarounds. In November 2012, we received the statutory change to postpone the mandated announcement of school actions from the original deadline of December 1, 2012. The new deadline of March 1, 2013 is now in effect and will allow CPS to engage communities in in-depth conversations, receive and review feedback from these conversations and analyze the proposed impact on our children and communities. The approved legislation (Public Act 97-1133 (SB 547)) ensures that CPS has the time we need to properly engage the community, as well as add necessary support for our students. The Commission on School Utilization will continue its mission to rigorously gather and analyze data and provide its recommendations around proposed school closures and consolidations.

We are also partnering with private companies such as Walgreens to pilot a new initiative that rewards parent participation in Report Card Pick-Up days. We will continue to look for new and creative ways to actively engage parents within our schools.

Capital Improvement Program

In FY2012, CPS issued one debt offering which generated \$404 million in bond proceeds to finance capital construction. Total expenditures in the capital projects fund in FY2012 fund were \$577 million. The projects were funded by bond proceeds, state funds, City of Chicago tax increment financing and other funds. The capital budget reflects the amount needed for large construction, renovation, or investment projects with value that lasts for multiple years and are outside the scope of the district's day-to-day operations. The FY2012 Capital budget plan included improvement to school facilities as well as support for technology upgrades, major equipment replacement in schools and continuing the District's efforts to make its facilities accessible to people with disabilities. These capital investments will address critical safety, nutrition, early childhood, information and technology and college and career-ready initiatives designed to help drive student achievement.

Since the start of the Capital Improvement Program (CIP) in 1996, nearly every elementary and high school has benefited from some kind of capital improvement. A total of \$9.1 billion has been committed 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. Overall, CPS has completed 41 new schools, 19 replacement schools, 86 additions, annexes, links and modular units, 483 new roofs, 832 windows, doors and masonry repairs, 71 state of the art science labs, 312 Americans with Disabilities projects, 581 renovations and 428 gymnasiums and play lots. CPS, in conjunction with the City of Chicago, the Chicago Park District, and the Public Building Commission of Chicago, has created 98 campus parks.

AWARDS AND ACKNOWLEDGEMENTS

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,



Introductory Section

2011. 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.

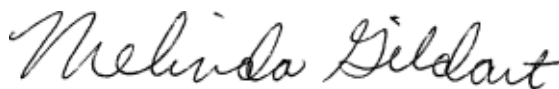
CPS also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International for the eleventh consecutive year. We have included this award in the recognition of the importance of fiscal policies on our ability to educate our students and undertake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

Acknowledgments: This report could not have been prepared without the dedicated and effective help of the entire staff of the Office of Finance, the Chief Executive Office and the Office of the Board. We wish to express our gratitude and appreciation to them for their dedicated efforts and professionalism.

Respectfully submitted,



Peter Rogers
Chief Financial Officer



Melinda Gildart
Controller





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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, each major fund, and the aggregate remaining fund information of Chicago Public Schools (the Board of Education of the City of Chicago, "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2012, which collectively comprise CPS' basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPS' internal control over financial reporting. Accordingly, we express no such opinion. 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, each major fund, and the aggregate remaining fund information of CPS, as of June 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2013 on our consideration of 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.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 21-38 and required supplementary information on pages 85-86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to

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the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CPS' basic financial statements. The introductory section, individual fund financial statements, other schedules listed in the table of contents as individual schedules, and statistical section 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, *Audits of States, Local Government, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2012 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 information is fairly stated in all material respects in relation to the basic financial statements as a whole. We also have previously audited in accordance with auditing standards generally accepted in the United States, CPS' basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated December 9, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the 2011 information included in the comparative schedules is fairly stated in all material respects in relation to the financial statements for the year ended June 30, 2011, taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CPS' basic financial statements. The accompanying introductory and statistical sections, and accompanying schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements by us or other auditors, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

January 23, 2013





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CHICAGO PUBLIC SCHOOLS
Management's Discussion and Analysis (Unaudited)
June 30, 2012

Our discussion and analysis of the financial performance of Chicago Public Schools (CPS) provides an overview of financial activities for the fiscal year ended June 30, 2012. Because the intent of this management discussion and analysis is to look at 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

On the government-wide financial statements, statement of net assets shows liabilities and deferred inflows totaling \$12.203 billion, while assets and deferred outflows equaled \$10.444 billion, with increases of \$832 and \$275 million respectively. The overall increase in total assets was primarily driven by increases in capital assets of \$313 million and higher deferred outflows of \$130 million. The increase in total liabilities resulted primarily from higher costs of pension and other postemployment benefits of \$563 million and an increase in derivative liabilities of \$130 million. CPS ended the fiscal year with a deficit of \$1.759 billion, an increase in the deficit of \$557 million or 46.3% from the prior year. The statement of activities shows decreases in total general revenues of \$149 million and \$244 million in grants and contributions, including the expiration of the American Recovery and Reinvestment Act (ARRA).

CPS ended fiscal year 2012 with a combined fund balance for its governmental funds of \$1.751 billion, an increase of \$324 million or 22.7%, from fiscal year 2011. The fund balance is classified as follows: \$9 million of non-spendable fund balance, \$584 million of restricted fund balance, \$714 million of assigned fund balance and \$444 million of unassigned fund balance. With respect to the general operating fund, its fund balance increased by \$328 million, whereas the fund balance for the capital projects fund decreased by \$94 million and the fund balance for the debt service funds increased by \$90 million. Total revenues in the general operating fund for fiscal year 2012 were \$5.216 billion, which were \$100 million or 2.0% higher than the prior year of \$5.116 billion. Total operating expenditures for fiscal year 2012 were \$4.888 billion, which were \$22 million or 0.4% lower than the prior year of \$4.910 billion.

The overall increase in fund balance in the general operating fund is primarily due to two events. Cash collections from the 2012 2nd installment of property taxes were received earlier than anticipated as a result of the change in the Cook County penalty date to August 1, 2012. In previous years, the County-set due date for payment of the 2nd installment property taxes was in November or even as late as mid-December. The earlier due date provided CPS with a more timely cash flow and the collections of \$244 million were received within CPS' 30 day availability period. Therefore, these collections were recognized as revenue in fiscal year 2012, versus being deferred until the subsequent fiscal year. In addition, due to the significant improvement in the timing of state payments, the amount owed to CPS from the State decreased by \$111 million, from \$176 million in fiscal year 2011 to \$65 million in fiscal year 2012.

The general operating fund cash balance increased to \$1.292 billion in fiscal year 2012 from \$1.079 billion in fiscal year 2011, an increase of \$213 million.

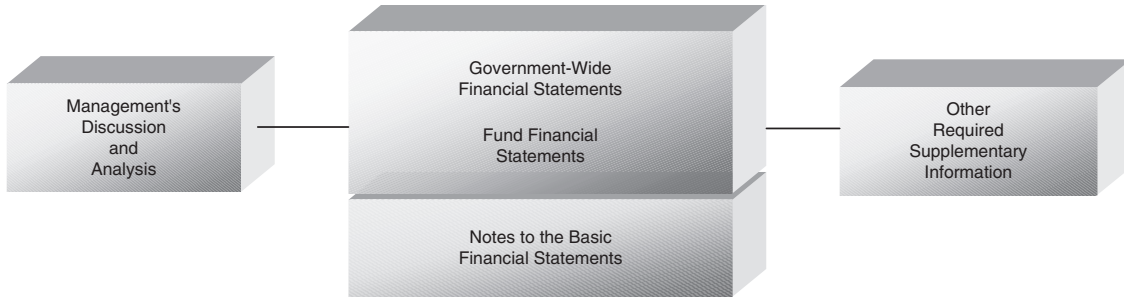
During fiscal year 2012 CPS issued \$404 million in Unlimited Tax General Obligation Bonds, including premiums to fund the capital improvement program. Total expenditures in the capital projects fund were \$577 million in fiscal year 2012.

As of October 2012, the three major bond rating agencies had down-graded CPS' debt rating from the prior year, citing the teachers' strike, budget and pension concerns as rationales for their rating actions.



OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report (CAFR) consists of Management's Discussion and Analysis and a series of financial statements and accompanying notes, both primarily focusing on the school district as a whole. The following graphic summarizes the components of the CAFR:



Government-wide financial statements including the Statement of Net Assets and the Statement of Activities provide both short-term and long-term information about 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 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 the details of change in net assets 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 unused vacation leave).

Both of the government-wide financial statements distinguish functions of CPS that are principally supported by taxes and inter-governmental 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, capital assets and debt-financing activities are reported here.

Condensed Statement of Net Assets
(Millions of dollars)

	Governmental Activities			
	2012	2011	Difference	% Change
Current assets	\$ 3,867	\$ 3,879	\$ (12)	– 0.3%
Capital assets, net	6,100	5,787	313	5.4%
Non-current assets	477	503	(26)	– 5.2%
Total assets	<u>\$10,444</u>	<u>\$10,169</u>	<u>\$ 275</u>	2.7%
Current liabilities	\$ 1,161	\$ 1,267	\$(106)	– 8.4%
Long-term liabilities	11,042	10,104	938	9.3%
Total liabilities	<u>\$12,203</u>	<u>\$11,371</u>	<u>\$ 832</u>	7.3%
Net assets:				
Invested in capital assets net of related debt	\$ 321	\$ 370	\$ (49)	– 13.2%
Restricted for:				
Debt service	282	276	6	2.2%
Specific purposes	163	161	2	1.2%
Unrestricted	<u>(2,525)</u>	<u>(2,009)</u>	<u>(516)</u>	25.7%
Total net assets (deficit)	<u>\$ (1,759)</u>	<u>\$ (1,202)</u>	<u>\$ (557)</u>	46.3%

Current assets of \$3.867 billion decreased \$12 million or 0.3% primarily due to lower federal and state receivable balances.

Capital assets, net of depreciation of \$6.100 billion increased \$313 million or 5.4% due to higher spending on capital projects and the continued progress of the Capital Improvement Program.

Non-current assets of \$477 million decreased \$26 million or 5.2%. Deferred outflows in derivative activities and changes in the fair value of swaps increased by \$130 million, this increase is offset by a decrease in non-current cash of \$156 million.

Current liabilities of \$1.161 billion decreased \$106 million or 8.4% primarily due to a decrease in accrued payroll and benefits.

Long-term liabilities

Long-term debt increased \$335 million or 5.6%, due to the issuance of new debt to fund the capital improvement program. The total long-term portion of debt outstanding and capitalized leases was \$5.991 billion in fiscal year 2011 and \$6.326 billion in fiscal year 2012.

Accrued pension increased to \$2.619 billion in fiscal year 2012 from \$2.262 billion in fiscal year 2011, an increase of \$357 million or 15.8%. 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 \$1.336 billion in fiscal year 2012 from \$1.130 billion in fiscal year 2011, an increase of \$206 million, or 18.2%. 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 benefits and claims excluding the current portion, decreased to \$444 million in fiscal year 2012 from \$550 million in fiscal year 2011, a decrease of \$106 million or 19.3%. The year-end balance reflects decreases in accrued sick and vacation pay of \$112 million, offset by an increase in worker's compensation of \$6 million.



Other long-term liabilities increased to \$316 million in fiscal year 2012 from \$169 million in fiscal year 2011, an increase of \$147 million. The year-end balance reflects increases in the derivative instrument liability and swap implicit borrowing of \$130 million and \$18 million, respectively. The increases are offset by a decrease in the swaption borrowing payable of \$2 million.

Net assets (deficit) increased \$557 million to a \$1.759 billion deficit. Of this amount, \$321 million represents CPS' investment in capital assets net of depreciation and related debt. Restricted net assets of \$445 million are reported separately to present legal constraints from debt covenants and enabling legislation. The \$2.525 billion of unrestricted deficit represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2012.

The following table presents the changes in net assets from fiscal year 2011 to 2012:

Changes in Net Assets
(In Millions)

	Governmental Activities			
	2012	2011	Difference	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 7	\$ 7	\$ —	0.0%
Operating grants and contributions	1,196	1,368	(172)	- 12.6%
Capital grants and contributions	113	185	(72)	- 38.9%
Total program revenues	\$ 1,316	\$ 1,560	\$(244)	- 15.6%
General revenues:				
Property taxes	\$ 2,089	\$ 2,053	\$ 36	1.8%
Replacement taxes (PPRT)	182	198	(16)	- 8.1%
Non-program state aid	1,612	1,793	(181)	- 10.1%
Interest and investment earnings	21	17	4	23.5%
Other	147	139	8	5.8%
Total general revenues	\$ 4,051	\$ 4,200	\$(149)	- 3.5%
Total revenues	\$ 5,367	\$ 5,760	\$(393)	- 6.8%
Expenses:				
Instruction	\$ 3,743	\$ 3,713	\$ 30	0.8%
Support services:				
Pupil support services	483	545	(62)	- 11.4%
Administrative support services	193	187	6	3.2%
Facilities support services	455	499	(44)	- 8.8%
Instructional support services	473	542	(69)	- 12.7%
Food services	219	216	3	1.4%
Community services	39	47	(8)	- 17.0%
Interest expense	311	286	25	8.7%
Other	8	9	(1)	- 11.1%
Total expenses	\$ 5,924	\$ 6,044	\$(120)	- 2.0%
Change in net assets	\$ (557)	\$ (284)	\$(273)	96.1%
Beginning net assets (deficit)	(1,202)	(918)	(284)	30.9%
Ending net assets (deficit)	\$(1,759)	\$(1,202)	\$(557)	46.3%

Net assets (deficit) at June 30, 2012 reflect an increase of \$557 million from the prior year or 46.3%. Total revenues decreased \$393 million or 6.8% in FY2012. The reduction in revenues is primarily due to the expiration of the ARRA grant, a decrease in the Tax Increment Financing (TIF) revenues and a decline in revenues related to reimbursable construction projects under the Modern Schools Across Chicago (MSAC) program. The overall decline in expenditures of \$120 million or 2% compared to the prior year is primarily driven by a decrease in benefit accruals, offset by higher pension and other postemployment benefit costs.

Capital Assets

At June 30, 2012, CPS had \$6.100 billion invested in a broad range of capital assets, including land, buildings and improvements, and equipment. This amount represents a net increase of \$313 million or 5.4% over the prior fiscal year.

<i>(In Millions)</i>	<u>2012</u>	<u>2011</u>	<u>Difference</u>	<u>% Change</u>
Land	\$ 321	\$ 314	\$ 7	2.2%
Buildings	8,088	7,815	273	3.5%
Construction in progress	567	373	194	52.0%
Equipment	179	162	17	10.5%
Internally developed software	6	5	1	20.0%
Total capital assets	\$ 9,161	\$ 8,669	\$ 492	5.7%
Less: accumulated depreciation	<u>(3,061)</u>	<u>(2,882)</u>	<u>(179)</u>	6.2%
Total capital assets, net	<u>\$ 6,100</u>	<u>\$ 5,787</u>	<u>\$ 313</u>	5.4%

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 October 2011, CPS issued \$402.4 million in Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2011A at a premium of \$1.2 million. 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 \$401.6 million in the Capital Improvement Fund. The debt service on this issuance will be paid from General State Aid revenues.

In December 2011, CPS issued \$95.1 million in Unlimited Tax General Obligation Variable Rate Refunding Bonds (Series 2011C). The proceeds from these bonds were used to refund the Series 2000D bonds. As a result of the issuance, \$95.1 million was deposited in a trust for the refunding of the bonds. The debt service on this issuance will be paid from General State Aid revenues.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0.6 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations over the life of the refunding or refunded bonds, whichever is shorter. 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.

In December 2011, CPS issued \$95 million in Unlimited Tax General Obligation Variable Rate Refunding Bonds (Series 2011D). The proceeds from these bonds were used to refund the Series 2000C bonds. As a result of the issuance, \$95 million was deposited in a trust to refund the bonds. The debt service on this issuance will be paid from General State Aid revenues.

Because the series 2000C bonds were associated with an interest rate swap agreement, the refunding of the 2000C bonds was considered a termination event per GASB 53 and the balance (\$18.9 million)



of the deferral account attributable to the hedging relationship was included in the net carrying amount of the old debt for purposes of calculating the difference between the reacquisition price and the net carrying amount of the old debt, resulting in a total difference of \$19.7 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations over the life of the refunding or refunded bonds, whichever is shorter. 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.

As of June 30, 2012, CPS had \$6.423 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus \$6.099 billion last year, an increase of 5.3%. For more detailed information, please refer to Notes 8 through 10 to the basic financial statements.

Pension Funding

Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("the Teachers' Pension Fund") or the Municipal Employees Annuity and Benefit Fund of Chicago ("the Municipal Fund"). All certified teachers and administrators employed by CPS or Charter Schools are members of the Teachers' Pension Fund. Educational support personnel who do not belong to the Teachers' Pension Fund participate in the Municipal Fund.

State statutes determine CPS' employer-required contribution to the Teachers' Pension Fund. As of June 30, 2011, the funded ratio of the Teachers' Pension Fund was 59.7%. CPS has recorded an estimated liability of \$2.619 billion in the accompanying financial statements, as determined under generally accepted accounting principles. Under Public Act 96-0889, CPS was required to make a \$192 million employer contribution to the Teachers' Pension Fund in FY2012.

As required under State statute, the City of Chicago is required to contribute all employer pension costs on behalf of CPS educational support personnel. The statutorily established rate for employer contribution to the Municipal Fund is 10.625% of actual salaries paid two years ago. Covered employees are required by State statute to contribute 8.5% of their salary. In fiscal year 2012, as in previous fiscal years, CPS paid a portion, 7.0%, or approximately \$38.4 million of the required employees' contribution for most employees. Governmental Accounting Standards Board Statement No. 24 requires that on-behalf payments made by other governments should be included as revenues and expenditures as long as they are for employee benefits. CPS has been reporting on-behalf pension costs and revenues since FY1998. For detailed information, please refer to Note 12 to the basic financial statements.

Short-term Pension Funding Relief

In April 2010, the Governor signed into law a bill passed by the General Assembly that provides short-term pension funding relief for CPS. Under this legislation (Public Act 96-0889), CPS will make pension contributions to the Teachers' Pension Fund in the amount of the "employer's normal cost" in FY2011 through FY2013 instead of required pension contributions to bring the Teachers' Pension Fund's funded ratio to 90.0% by FY2045. This resulted in a significant reduction of required pension contributions. The required pension contribution for fiscal year 2013 is \$196 million. Beginning in FY2014, CPS will be required to make contributions to the Teachers' Pension Fund to bring the funded ratio to 90.0% by FY2059; the required contribution for fiscal year 2014 is estimated at \$534 million or a \$338 million increase over the FY2013 payment.

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. Governmental-fund financial 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.

CPS' fund financial statements provide detailed information about the most significant funds – not CPS as a whole. CPS' governmental funds use the modified accrual basis of accounting. All of CPS' services are reported in governmental funds, 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 CPS' operations and the services it provides.

CPS maintains three 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, 2012, as compared with June 30, 2011. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.



Financial Section

**Governmental Funds
Total Revenues, Other Financing Sources and Expenditures
(Millions of Dollars)**

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>2012 Percent of Total</u>	<u>Increase (Decrease) from 2011</u>	<u>Percent Increase (Decrease) from 2011</u>
Revenues:					
Property taxes	\$2,352	\$1,937	38.2%	\$ 415	21.4%
Replacement taxes (PPRT)	182	198	3.0%	(16)	- 8.1%
State aid	1,966	1,950	31.9%	16	0.8%
Federal aid	936	1,145	15.2%	(209)	- 18.3%
Investment earnings	21	13	0.3%	8	61.5%
Other	<u>303</u>	<u>417</u>	<u>4.8%</u>	<u>(114)</u>	<u>- 27.3%</u>
Subtotal	\$5,760	\$5,660	93.4%	\$ 100	1.8%
Other financing sources	<u>404</u>	<u>384</u>	<u>6.6%</u>	<u>20</u>	<u>5.2%</u>
Total	<u>\$6,164</u>	<u>\$6,044</u>	<u>100.0%</u>	<u>\$ 120</u>	<u>2.0%</u>
Expenditures:					
Current:					
Instruction	\$2,992	\$2,956	51.2%	\$ 36	1.2%
Pupil support services	469	509	8.0%	(40)	- 7.9%
General support services	968	1,023	16.6%	(55)	- 5.4%
Food services	213	201	3.7%	12	6.0%
Community services	40	46	0.7%	(6)	- 13.0%
Teachers' pension	184	149	3.2%	35	23.5%
Other	8	9	0.1%	(1)	- 11.1%
Capital outlay	591	580	10.1%	11	1.9%
Debt service	<u>375</u>	<u>332</u>	<u>6.4%</u>	<u>43</u>	<u>13.0%</u>
Total	<u>\$5,840</u>	<u>\$5,805</u>	<u>100.0%</u>	<u>\$ 35</u>	<u>0.6%</u>
Change in fund balance	<u>\$ 324</u>	<u>\$ 239</u>			



General Operating Fund

The general operating fund supports the day-to-day operation of educational and related activities. Reflecting CPS' efforts to control costs and the fact that CPS has recognized revenues that were traditionally deferred until the next fiscal year, the general operating fund ended FY2012 with revenues and other financing sources exceeding expenditures by \$328 million. As a result, the fund balance in the general operating fund that can be used for future operations increased from \$476 million at the end of FY2011 to \$792 million as of June 30, 2012. This was achieved by limiting operating spending, lowering debt costs by debt restructuring, and directing all one-time revenues to the fund balance. Although this balance suggests an improvement over budget assumptions for FY2012, in which expenditures exceeded revenues and transfers by \$241 million, the difference is largely the result of the acceleration of the 2nd installment of property tax payment in calendar year 2012 and a reduction in the delay of state revenue payments.

Revenues:

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

	2012 Amount	2011 Amount	2012 Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease) from 2011
Property taxes	\$2,295	\$1,904	44.0%	\$ 391	20.5%
Replacement taxes (PPRT)	127	172	2.4%	(45)	- 26.2%
State aid	1,757	1,695	33.7%	62	3.7%
Federal aid	891	1,122	17.1%	(231)	- 20.6%
Investment earnings	4	2	0.1%	2	100.0%
Other Local	142	221	2.7%	(79)	- 35.7%
Subtotal	\$5,216	\$5,116	100.0%	\$ 100	2.0%
Other financing sources	—	110	0.0%	(110)	- 100.0%
Total	\$5,216	\$5,226	100.0%	\$ (10)	- 0.2%

Property tax revenues increased by \$391 million in FY2012 based primarily on the following two factors. First, the property tax extensions in calendar year 2011 increased by \$117 million. This increase, which included new property added to the tax base, impacted the property tax bills for the second half of the calendar year 2011, which is in CPS's fiscal year 2012. Secondly, the penalty date (due date) for the second half property tax bills of calendar year 2012 was August 1, 2012. The Cook County Treasurer received and distributed \$250 million of the second half property tax bills between July 1, 2012 and July 30, 2012. CPS has a 30 day revenue recognition policy for modified accrual accounting. The property tax distributions through July 30, 2012 were recognized as revenue in FY2012. The general operating fund's allocation totaled \$244 million with the balance recognized in the debt service fund.

Personal property replacement taxes (PPRT) derives its revenues primarily from an additional State income tax on corporations and partnerships. These revenues decreased by \$45 million from the FY2011 level based upon the following factors. First, CPS received \$20 million of a state tax-amnesty program in FY2011, which did not reoccur in FY2012. Second, the State distributed \$91 million of refund funds that it had not used to pay for corporate refunds in the previous year, generating \$13 million in revenues for CPS in FY2012, as compared to \$27 million in FY2011. Third, corporate taxes rose in FY2012, resulting in an increase of approximately \$19 million in revenue to CPS. Finally, CPS transferred an additional \$30 million of PPRT to the debt service fund (DSF) in FY2012 as expected, returning the PPRT in the DSF to its regular level of funding.

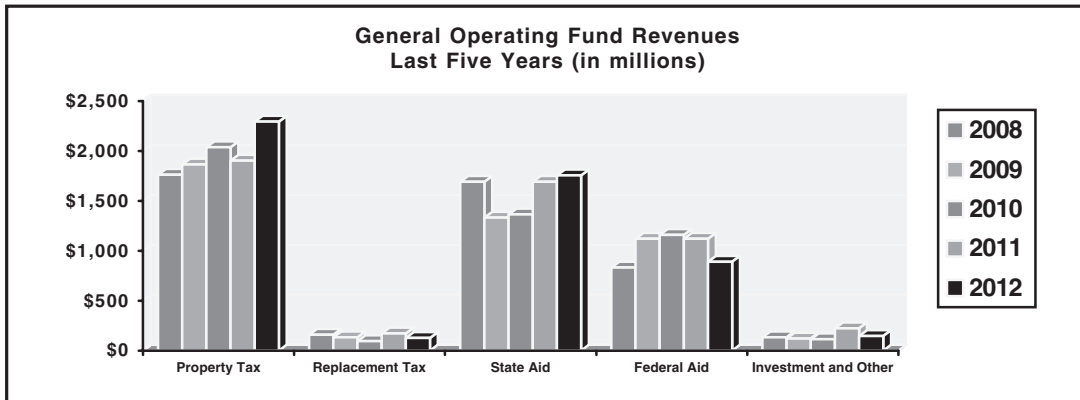


State revenues increased by \$62 million over FY2011 primarily as a result of reduced timing delays in state payments from a three month lag to a one month lag. General State Aid increased by \$49 million because CPS allocated \$76 million less General State Aid to the debt service fund, but overall GSA decreased by \$27 million. In addition, the State Block Grants increased by \$43 million while State Teachers Pension Aid decreased by \$32 million and other smaller programs had a net increase of \$2 million.

Federal revenues decreased by \$231 million in FY2012 due primarily to the loss of \$209 million in ARRA stimulus funds as the program expired. Other major decreases included \$26 million of Headstart, \$14 million of the Title II Teacher Quality, \$5 million of Other Elementary and Secondary Act (ESEA) grants, \$4 million of Individuals with Disabilities ACT (IDEA) and \$4 million of Vocational Education. The major increases partially offsetting these were Medicaid payments of \$20 million (due to the state processing of retroactive rate adjustments), ESEA Title I Low Income of \$14 million, Title IA School Improvement of \$12 million and lunchroom revenues of \$7 million. Other programs changed by a net decrease of \$22 million.

Investment earnings — Due to the concern over the recession, the Federal Reserve Bank has kept the interest rate close to zero, which has significantly reduced earnings for the past five years. In spite of this interest rate policy, interest income increased by \$2 million due to a combination of CPS receiving property tax revenues sooner in FY2012 than FY2011 which allowed for a greater amount of investment time, a greater percentage of agency securities in the portfolio and the ability to extend the duration of the portfolio, which allows for higher yields.

Other local revenues comprise miscellaneous or one-time receipts such as Tax Increment Financing (TIF) surplus funds, rental income, daycare fees, private foundation grants, school internal account funds, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues declined by \$79 million primarily due to a decrease in the amount of TIF surplus funds declared and distributed to tax agencies.



Expenditures:
(Millions of Dollars)

	2012 Amount	2011 Amount	2012 Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease) from 2011
Salaries	\$2,645	\$2,634	54.1%	\$ 11	0.4%
Benefits	839	845	17.2%	(6)	-0.7%
Services	1,035	1,026	21.2%	9	0.9%
Commodities	273	299	5.6%	(26)	-8.7%
Other	96	106	1.9%	(10)	-9.4%
Total	<u>\$4,888</u>	<u>\$4,910</u>	<u>100.0%</u>	<u>\$(22)</u>	<u>-0.4%</u>

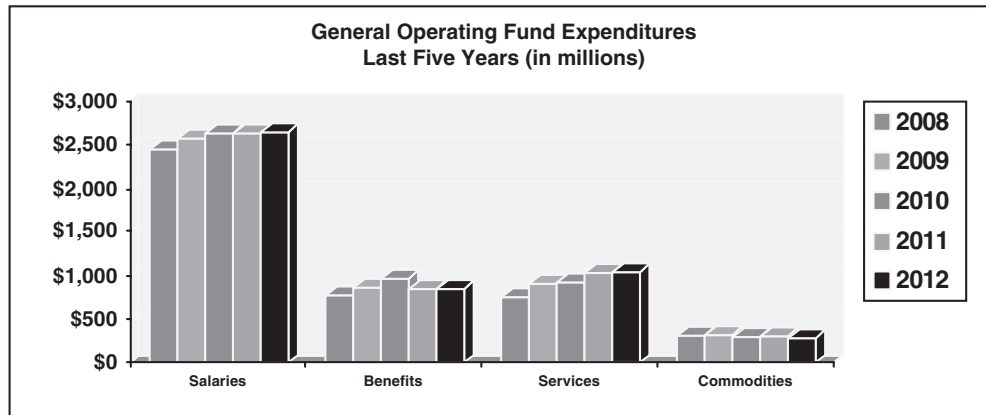
Salaries — The increase of \$11 million in total salaries is due to an increase in the termination payouts based on a greater number of retirements and terminations in FY2012 as compared to FY2011. FY2012 saw an overall net increase in teacher's salaries, as well as career service salaries of \$3 million and \$8 million, respectively. Salaries are comprised of actual salary and termination payouts. In FY2012, teacher's salaries decreased by \$40 million due to a reduction in the workforce. As a result of the reduction in the workforce, as well as an increase in the number of retirements, CPS realized an increase in the overall termination payouts of \$43 million for FY2012 as compared to FY2011. The increase in the career service salaries is due to an increase in extended day and substitute services of \$2 million and an increase in termination payouts of \$6 million as compared to FY2011.

Benefit costs — The decrease of \$6 million in total benefit costs is due to the following factors. Teacher's total pension cost rose by \$30 million due to an increase in the required employer pension contribution of \$28 million and an increase of \$2 million in the required 20% pension deficiency payments as compared to FY2011. This increased cost was offset by a decrease in Career Service pension of \$2 million, a decrease in hospitalization of \$29 million and a decrease in unemployment compensation of \$5 million due to fewer reductions in force.

Services — Total services costs increased by \$9 million for the following two reasons. First, charter school tuition payments rose by \$47 million due to the addition of five new charter schools, increased student enrollment, and charter school participation in piloting the longer school day in FY2012. Second, professional fees decreased by \$38 million. This reduction is primarily attributed to a decrease in the cost of security services provided by the Chicago Police Department to CPS high schools of \$28 million as compared to FY2011. Custodial services, computer leasing and other professional services also decreased by \$4 million, \$3 million and \$3 million, respectively.

Commodities — Total costs for commodities were \$26 million lower than last year primarily due to a decrease in textbook spending of \$21 million due to the timing of purchases between fiscal years, a decrease in energy cost of \$10 million due to lower energy demands as a result of a milder winter as compared to FY2011 and a decrease of \$5 million in purchases of school supplies. Offsetting these decreases was an increase in food cost of \$10 million primarily attributed to the first full year of the Breakfast in the Classroom program and an increase in student participation in FY2012.





Capital Projects Fund

The capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The use of capital projects funds is required for major capital acquisition and construction activities financed through borrowing or other financing agreements. In FY2012, CPS issued one debt offering, at a premium, generating \$404 million of bond proceeds, including a premium to fund the on-going capital improvement projects, which was slightly higher than \$382 million of net bond proceeds issued in FY2011.

Revenues and Other Financing Sources
(Millions of Dollars)

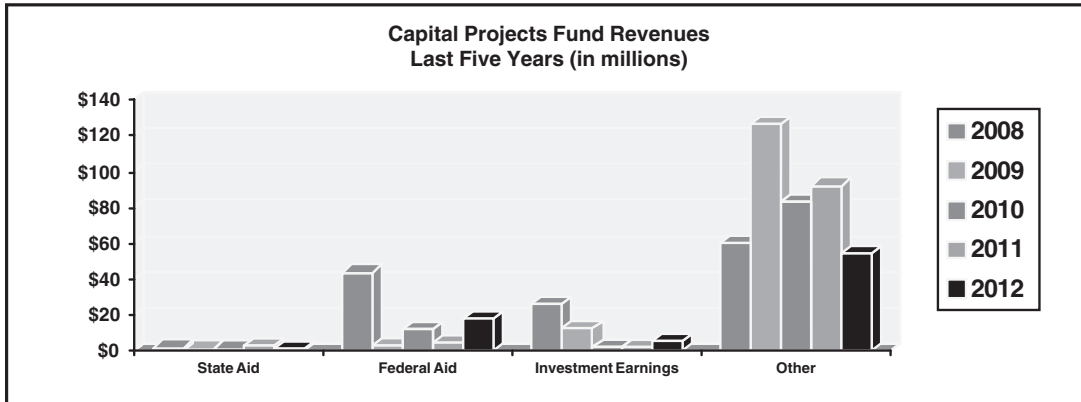
	2012 Amount	2011 Amount	2012 Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease) from 2011
State aid	\$ 1	\$ 3	0.2%	\$ (2)	-66.7%
Federal aid	18	4	3.7%	14	350.0%
Investment earnings	6	2	1.2%	4	200.0%
Other	54	92	11.3%	(38)	-41.3%
Subtotal	\$ 79	\$101	16.4%	\$(22)	-21.8%
Other financing sources	404	382	83.6%	22	5.8%
Total	\$483	\$483	100.0%	\$ —	0.0%

State aid — In FY2011 CPS received a grant in the amount of \$2 million for the School Energy Efficiency Project administered by the Illinois State Board of Education; however, CPS did not receive this funding in FY2012.

Federal aid — The increase of \$14 million in federal revenues is due to the fact that many previous E-rate projects were approved for funding during FY2012.

Other revenues declined by \$38 million or 41.3%. A decrease in the number of reimbursable construction projects under the Modern Schools Across Chicago (MSAC) Program compared to prior years contributed a \$36 million decrease. In addition, CPS received \$2 million of Commonwealth Edison Energy Efficiency Curtailment (CEEEEC) Funds in FY2011, but not in FY2012, as the program had ended.

Other financing sources reflects a net increase of \$22 million in FY2012 due to the issuance of bond Series 2011A in the amount of \$404 million, including a premium, which was slightly higher than the \$382 million in net proceeds received from bonds issued during FY2011.

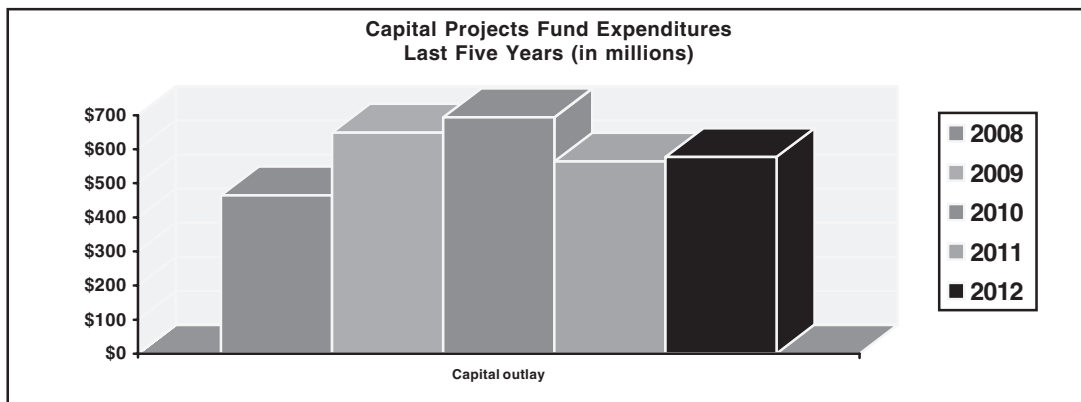


Expenditures:
(Millions of Dollars)

	2012 Amount	2011 Amount	Increase (Decrease) from 2011	Percent Increase (Decrease) from 2011
Capital Outlay	\$577	\$563	\$14	2.5%

Capital Outlay

The actual spending on capital outlay increased by \$14 million from FY2011, due to the continuation of the Capital Improvement Program.



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 on bonds, and lease obligations.



Revenues and Other Financing Sources
(Millions of Dollars)

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>2012 Percent of Total</u>	<u>Increase (Decrease) from 2011</u>	<u>Percent Increase (Decrease) from 2011</u>
Property taxes	\$ 57	\$ 33	12.3%	\$ 24	72.7%
Replacement taxes (PPRT)	55	25	11.9%	30	120.0%
State aid	207	252	44.6%	(45)	- 17.9%
Federal aid	27	19	5.8%	8	42.1%
Investment earnings	11	9	2.4%	2	22.2%
Other	107	105	23.0%	2	1.9%
Subtotal	<u>\$464</u>	<u>\$ 443</u>	<u>100.0%</u>	<u>\$ 21</u>	<u>4.7%</u>
Other financing sources (uses)	—	(108)	0.0%	108	100.0%
Total	<u>\$464</u>	<u>\$ 335</u>	<u>100.0%</u>	<u>\$129</u>	<u>38.5%</u>

Property tax revenues increased by \$24 million in FY2012 due to the following two reasons. First, in FY2010, CPS abated \$40 million of the Public Building Commissions (PBC) tax levy, resulting in two years of reduced funding for debt service from property taxes in FY2010 and FY2011. CPS did not abate any of the tax levy associated with the PBC lease payments in FY2011 or FY2012. The revenue from the property tax in FY2010 totaled \$11 million. In FY2011 it totaled \$33 million for an increase of \$22 million between FY2010 and FY2011. FY2012 experienced an additional increase of \$18 million, returning this revenue source to its regular level of funding. Secondly, property tax revenue increased another \$6 million in FY2012 due to the timing of the penalty date of August 1, 2012 for the second half property tax bills.

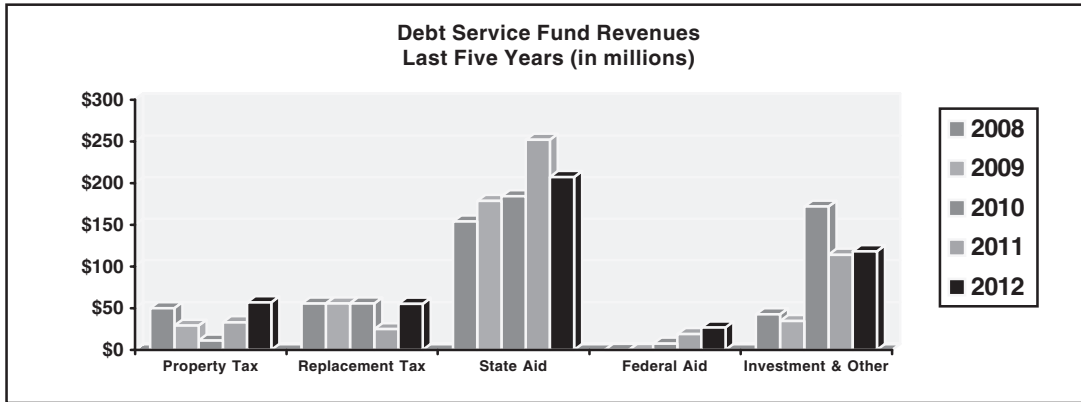
Replacement tax revenues increased by \$30 million as expected in FY2012. In FY2011, CPS restructured several bonds backed by replacement taxes which reduced the required funding for those bonds in that year. The regular level of funding returned in FY2012.

State aid used for debt service funds decreased by \$45 million in FY2012. State aid is comprised of two revenue sources, General State Aid and State Capital Development Board (CDB) funds. General state aid used to support debt service decreased by \$76 million in FY2012. The 2010FG debt restructuring in FY2011 resulted in \$44 million less of general state aid being set aside for debt service requirements in FY2012. In addition, general state aid was reduced by another \$32 million due to an increase in CDB funds used to support debt service requirements and lower fees related to debt service in FY2012 as compared to FY2011. The decreases were offset by a \$31 million increase in CDB funds used for debt service.

Federal aid increased by \$8 million related to interest subsidies from the federal government for Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs) that CPS issued in FY2009, FY2010 and FY2011. CPS was able to issue these bonds as a part of the ARRA program. FY2012 was the first year CPS received the interest subsidy for the full year on all the QSCBs and BABs debt series issued.

Other revenues account for any one-time local revenues or the disbursement of property tax revenues from the City of Chicago based on the inter-governmental agreements (IGA) for capital bonds issued in the late 1990s. The increase of \$2 million in this source is due to an increase in the IGA property tax revenues as compared to FY2011.

Other financing sources increased by \$108 million primarily due to the debt restructuring which resulted in transferring \$110 million of cash from the trustee accounts to the General Operating Fund in FY2011. No such debt restructuring occurred in FY2012.

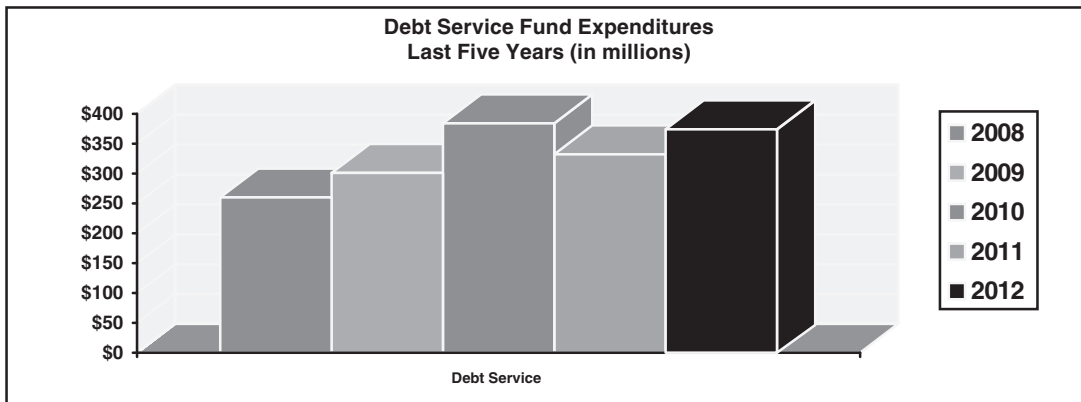


Expenditures:
(Millions of Dollars)

	2012 Amount	2011 Amount	Increase (Decrease) from 2011	Percent Increase (Decrease) from 2011
Debt service	\$374	\$332	\$42	12.7%

Debt service costs

The overall debt service cost for FY2012 increased by \$42 million due to an increase in principal redemption of \$17 million, as well as an increase in interest expense of \$26 million. These costs were offset by a reduction in other fees of \$1 million as compared to FY2011.



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.

General Operating Fund Budget and Actual

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

The budget is prepared by unit, fund, account, program and grant. 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



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allocations are included in Other Fixed Charges for budget purposes. During the fiscal year, upon receiving the appropriate approvals, transfers are made to the appropriate accounts. These transfers are reflected in the schedule shown below.

The following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ending June 30, 2012.

The General Operating Fund ended FY2012 with a surplus of \$328 million, which compared favorably with the budgeted deficit of \$241 million. This financial performance reflects a combination of CPS' conscientious efforts to improve its financial position and revenues anticipated for the FY2013 budget that were received during the FY2012 revenue recognition period. Major budget-to-actual variances are described below:

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

	<u>FY 2012 Approved Budget</u>	<u>Transfers In/ (Out)</u>	<u>Final Appropriations</u>	<u>FY 2012 Actual</u>	<u>Variance</u>
Revenues:					
Property taxes	\$2,038	\$ —	\$2,038	\$2,295	\$ 257
Replacement taxes (PPRT)	104	—	104	127	23
State aid	1,619	—	1,619	1,757	138
Federal aid	977	—	977	891	(86)
Investment earnings	2	—	2	4	2
Other	129	—	129	142	13
Subtotal	<u>\$4,869</u>	<u>\$ —</u>	<u>\$4,869</u>	<u>\$5,216</u>	<u>\$ 347</u>
Other financing sources	—	—	—	—	—
Total	<u>\$4,869</u>	<u>\$ —</u>	<u>\$4,869</u>	<u>\$5,216</u>	<u>\$ 347</u>
Expenditures:					
Salaries	\$2,712	\$ 26	\$2,738	\$2,645	\$ (93)
Benefits	872	(33)	839	839	—
Services	994	69	1,063	1,035	(28)
Commodities	331	18	349	273	(76)
Other	201	(80)	121	96	(25)
Total	<u>\$5,110</u>	<u>\$ —</u>	<u>\$5,110</u>	<u>\$4,888</u>	<u>\$(222)</u>
Change in fund balance	<u>\$ (241)</u>			<u>\$ 328</u>	

Property tax revenues

The positive variance of \$257 million in property tax revenue is the result of \$850 million of new property coming on line compared to the \$500 million estimated at the time of the budget producing approximately \$13 million in taxes, as well as an additional \$244 million from the second half property tax bills recognized in FY2012. As discussed earlier, the penalty date (due date) for the second half property tax bills of calendar year 2012 was August 1, 2012. The Cook County Treasurer received and distributed \$250 million of the second half property tax bills between July 1, 2012 and July 30, 2012. CPS has a 30 day revenue recognition policy. The property tax distributions through July 30, 2012 were recognized as revenue in FY2012. The general operating fund's allocation totaled \$244 million with the balance recognized in the debt service fund.

Replacement tax

Replacement tax revenues were higher than budgeted by \$23 million as a result of the state distributing funds that it had not used to pay for corporate refunds in the previous year, as well as an increase in corporate taxes resulting in larger tax distributions to CPS than anticipated.

State revenues

The actual state revenues were \$138 million higher than budget primarily because the State's payment delay improved significantly. Block grant revenues totaling \$730 million exceeded the budget of \$621 million by \$109 million. In addition, revenues for General State Aid were \$18 million higher than budgeted in the operating budget because debt service requirements were lower than the budgeted amounts. A combination of smaller state grants account for the remaining variance.

Federal revenues

Federal revenues were \$86 million lower than budgeted for several reasons. Major federal grant programs were below budget because spending was below the budgeted level. Elementary and Secondary Act (ESEA) Title I Low Income revenues came in below budget by \$50 million, Title II Teacher Quality by \$18 million, Title I-A School Improvement by \$11 million, Other ESEA grants by \$8 million, Individuals with Disabilities Education Act (IDEA) by \$22 million, Head Start by \$6 million and Perkins Vocational Education by \$3 million. Moreover, \$58 million was budgeted for federal competitive grants that were not awarded. Finally, Lunchroom revenue was \$5 million below budget, offset by lower spending. Offsets include higher Medicaid reimbursement of \$33 million related to the State's processing of retroactive rate adjustments and higher ARRA revenues of \$34 million because of timing. The balance of variances result in a net increase of \$28 million for other federal programs with smaller changes.

Investment earnings

The interest income of \$4 million in FY2012 was above the \$2 million budgeted due to a combination of CPS receiving property tax revenues earlier in FY2012 than FY2011 which allowed for a greater amount of investment time, a greater percentage of agency securities in the portfolio, and the ability to extend the duration of the portfolio, which allowed for higher yields.

Other revenues

Other local revenues comprise miscellaneous or one-time receipts such as Tax Increment Financing (TIF) surplus funds, rental income, daycare fees, private foundation grants, school internal account funds, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues increased by \$13 million over budget primarily because CPS received additional TIF surplus funds declared by the City of Chicago.

Actual General Operating Fund expenditures were \$222 million under budget. The variance is primarily due to:

Salary

Teacher salary expenditures were \$70 million, or 3.3%, below budget and Career Service employee salaries were approximately \$23 million, or 3.5%, below budget, for a total of \$93 million. In both cases, this is because of higher than budgeted turnover. Additionally, amounts budgeted in federal Title I funds for teacher payments for supplemental work, such as professional development time, were unspent. These decreases are partially offset by larger than budgeted costs for sick and vacation payments upon termination, as a result of increased retirements. FY2012 was the last year of a pension enhancement program, and therefore CPS experienced a greater than typical number of retirements.



Services expenditure

Expenditures for services include student transportation costs, tuition for charter schools and special education institutions, contractual and professional services, telephone, printing and equipment rental. FY2012 costs for services totaled \$1.035 billion, which is lower than the budget by \$28 million. Tuition payments to private facilities and to charter schools were below budget by \$18 million because enrollment was below projections. Transportation which includes student busing, travel, and car fare came in below budget by \$6 million. Professional fees and Other Services were both below budget by \$3 million. The only increase over budget was in Telephone and Telecommunications by \$2 million.

Commodities

Spending on commodities was lower than budget by \$76 million for several reasons. First, food expenditures were lower than the budget by \$10 million. Second, because of the lower costs and moderate weather, total utility costs came in under budget by \$7 million. Third, contingency for the supplemental GSA fund was budgeted at \$17 million for textbooks and \$10 million for supplies, these funds were not expended. Finally, schools spent \$32 million less than what was budgeted for textbooks, supplies, and other commodities in FY2012.

Other charges

Other charges include unallocated educational program costs, unallocated grant contingency in anticipation of new or expanding grants, equipment costs, miscellaneous charges, facility rental, insurance, and legal claims. Expenditures for other fixed charges were below budget by \$25 million. Actual payments for building repair costs were under budget by \$6 million, equipment spending by \$4 million and insurance and settlements by \$4 million. Other appropriations of \$11 million that were held as contingencies for potential grants were not spent because the grants were not received.

Comparative Budgets for General Operating Fund

In August 2011, the Board adopted a balanced budget for fiscal year 2012 that reflected total resources, including \$241 million of available fund balances, and appropriations of \$5.110 billion for the General Operating Fund.

In November 2012, the Board adopted a balanced budget for fiscal year 2013 that reflected total resources, including \$432 million of available fund balances, and appropriations of \$5.232 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 CPS' finances and to show 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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
STATEMENT OF NET ASSETS
June 30, 2012
(Thousands of Dollars)

	<u>GOVERNMENTAL ACTIVITIES</u>
Assets:	
Current assets:	
Cash and investments	\$ 1,470,892
Cash and investments in escrow	435,650
Cash and investments held in school internal accounts	34,026
Property taxes receivable, net of allowance	996,968
Other receivables:	
Replacement taxes	33,182
State aid, net of allowance	613,199
Federal aid	202,462
Other, net of allowance	40,533
Other assets	39,664
Total current assets:	<u>\$ 3,866,576</u>
Non-current assets:	
Cash and investments in escrow	213,821
Land and construction in progress	887,236
Buildings and improvements, equipment, and software, net of accumulated depreciation	5,212,968
Derivative instrument	1,278
Deferred outflow of resources	261,804
Total non-current assets:	<u>\$ 6,577,107</u>
Total assets	<u>\$10,443,683</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 494,371
Accrued payroll and benefits	498,598
Amount held for student activities	34,026
Other accrued liabilities	8,964
Unearned revenue	3,686
Interest payable	25,108
Current portion of long-term debt and capitalized lease obligations	96,251
Total current liabilities:	<u>\$ 1,161,004</u>
Long-term liabilities, net of current portion:	
Debt, net of premiums and discounts	6,057,478
Capitalized lease obligations	269,080
Derivative instrument liability	263,538
Swaption borrowing payable	34,174
Swap implicit borrowing	18,471
Other accrued liabilities	184
Pension	2,618,836
Other postemployment benefits	1,335,928
Other benefits and claims	444,100
Total long-term liabilities:	<u>\$11,041,789</u>
Total liabilities	<u>\$12,202,793</u>
Net assets:	
Invested in capital assets, net of related debt	\$ 321,391
Restricted for:	
Debt service	282,253
Grants and donations	70,302
Workers' comp/tort immunity	92,680
Unrestricted (deficit)	(2,525,736)
Total net assets (deficit)	<u>\$ (1,759,110)</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 Year Ended June 30, 2012
(Thousands of Dollars)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
<i>Governmental activities:</i>					
Instruction	\$3,742,788	\$ 727	\$ 478,364	\$ 73,732	\$(3,189,965)
Support services:					
Pupil support services	483,167	—	54,957	11,565	(416,645)
Administrative support services	192,605	—	69,354	4,610	(118,641)
Facilities support services	455,342	—	285,419	9,911	(160,012)
Instructional support services	473,202	—	79,398	9,322	(384,482)
Food services	219,382	6,083	189,889	3,180	(20,230)
Community services	38,941	—	38,692	594	345
Interest expense	310,452	—	—	—	(310,452)
Other	8,115	—	—	—	(8,115)
Total governmental activities	<u>\$5,923,994</u>	<u>\$6,810</u>	<u>\$1,196,073</u>	<u>\$112,914</u>	<u>\$(4,608,197)</u>
General revenues:					
Taxes:					
Property taxes					\$ 2,089,016
Replacement taxes					181,927
Non-program state aid					1,611,726
Interest and investment earnings					20,683
Other					147,550
Total general revenues					<u>\$ 4,050,902</u>
Change in net assets					\$ (557,295)
Net assets — beginning (deficit)					(1,201,815)
Net assets — ending (deficit)					<u>\$(1,759,110)</u>

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS
June 30, 2012
(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	\$1,252,284	\$ —	\$218,608	\$1,470,892
Cash and investments in escrow	5,231	279,505	364,735	649,471
Cash and investments held in school internal accounts	34,026	—	—	34,026
Receivables:				
Property taxes, net of allowance	972,406	—	24,562	996,968
Replacement taxes	33,182	—	—	33,182
State aid, net of allowance	612,013	1,186	—	613,199
Federal aid	199,132	1	3,329	202,462
Other, net of allowance	14,364	18,137	8,032	40,533
Due from other funds	135,159	54	1,380	136,593
Other assets	2,907	—	5,674	8,581
Total assets	<u>\$3,260,704</u>	<u>\$298,883</u>	<u>\$626,320</u>	<u>\$4,185,907</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 417,314	\$ 65,684	\$ 11,373	\$ 494,371
Accrued payroll and benefits	399,792	—	—	399,792
Amount held for student activities	34,026	—	—	34,026
Due to other funds	1,434	135,159	—	136,593
Deferred property tax revenue	733,637	—	18,460	752,097
Other deferred/unearned revenue	605,747	9,278	3,329	618,354
Total liabilities	<u>\$2,191,950</u>	<u>\$210,121</u>	<u>\$ 33,162</u>	<u>\$2,435,233</u>
Fund balances:				
Nonspendable	\$ 3,329	\$ —	\$ 5,674	\$ 9,003
Restricted for grants and donations	69,873	—	—	69,873
Restricted for workers' comp/tort immunity	92,680	—	—	92,680
Restricted for capital improvement program	—	88,762	—	88,762
Restricted for debt service	—	—	332,517	332,517
Assigned for appropriated fund balance	348,900	—	—	348,900
Assigned for debt service	—	—	254,967	254,967
Assigned for commitments and contracts	110,397	—	—	110,397
Unassigned	443,575	—	—	443,575
Total fund balances	<u>\$1,068,754</u>	<u>\$ 88,762</u>	<u>\$593,158</u>	<u>\$1,750,674</u>
Total liabilities and fund balances	<u>\$3,260,704</u>	<u>\$298,883</u>	<u>\$626,320</u>	<u>\$4,185,907</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 BALANCE SHEET — GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS**

June 30, 2012

(Thousands of Dollars)

Total fund balances — governmental funds	\$ 1,750,674
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	31,083
Derivative instrument	1,278
Deferred outflow of resources applicable to CPS' governmental activities are not expected to be realized in the current period and accordingly are not reported on the fund financial statements	261,804
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 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	9,160,913
Accumulated depreciation	(3,060,709)
Liabilities applicable to CPS' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Debt, 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	\$ (8,964)
Debt, net of premiums and discounts	(6,121,104)
Capitalized lease obligations	(301,705)
Pension	(2,618,836)
Other postemployment benefits	(1,335,928)
Other benefits and claims	(542,906)
	(10,929,443)
Interest payable	(25,108)
Arbitrage liability — long term	(184)
Swaption borrowing payable	(34,174)
Swap — implicit borrowing	(18,471)
Derivative instrument liability	(263,538)
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	752,097
Other deferred/unearned revenue	614,668
Net assets (deficit)	<u>\$ (1,759,110)</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 REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2012	Total Fiscal Year Ended June 30, 2011
Revenues:					
Property taxes	\$2,295,178	\$ —	\$ 56,958	\$2,352,136	\$1,936,655
Replacement taxes	126,786	—	55,141	181,927	197,762
State aid	1,757,166	1,258	207,477	1,965,901	1,949,781
Federal aid	890,987	18,124	26,840	935,951	1,144,884
Interest and investment earnings	4,363	5,530	10,867	20,760	13,399
Other	142,160	54,209	107,375	303,744	417,516
Total revenues	<u>\$5,216,640</u>	<u>\$ 79,121</u>	<u>\$ 464,658</u>	<u>\$5,760,419</u>	<u>\$5,659,997</u>
Expenditures:					
Current:					
Instruction	\$2,992,481	\$ —	\$ —	\$2,992,481	\$2,955,772
Pupil support services	469,366	—	—	469,366	508,803
Administrative support services	187,104	—	—	187,104	174,964
Facilities support services	402,247	—	—	402,247	416,765
Instructional support services	378,341	—	—	378,341	431,275
Food services	213,115	—	—	213,115	201,325
Community services	39,794	—	—	39,794	45,848
Teachers' pension and retirement benefits	183,499	—	—	183,499	149,377
Other	8,115	—	—	8,115	8,845
Capital outlay	14,266	576,882	—	591,148	580,363
Debt service	—	—	374,494	374,494	332,097
Total expenditures	<u>\$4,888,328</u>	<u>\$ 576,882</u>	<u>\$ 374,494</u>	<u>\$5,839,704</u>	<u>\$5,805,434</u>
Revenues in excess of (less than) expenditures	<u>\$ 328,312</u>	<u>\$(497,761)</u>	<u>\$ 90,164</u>	<u>\$ (79,285)</u>	<u>\$ (145,437)</u>
Other financing sources (uses):					
Gross amounts from debt issuances	\$ —	\$ 402,410	\$ 190,100	\$ 592,510	\$ 638,790
Premiums	—	1,229	—	1,229	14,700
Payment to refunded bond escrow agent	—	—	(190,100)	(190,100)	(269,483)
Transfers in / (out)	62	—	(62)	—	—
Total other financing sources (uses)	<u>\$ 62</u>	<u>\$ 403,639</u>	<u>\$ (62)</u>	<u>\$ 403,639</u>	<u>\$ 384,007</u>
Net change in fund balances	<u>\$ 328,374</u>	<u>\$ (94,122)</u>	<u>\$ 90,102</u>	<u>\$ 324,354</u>	<u>\$ 238,570</u>
Fund balances, beginning of period	740,380	182,884	503,056	1,426,320	1,187,750
Fund balances, end of period	<u><u>\$1,068,754</u></u>	<u><u>\$ 88,762</u></u>	<u><u>\$ 593,158</u></u>	<u><u>\$1,750,674</u></u>	<u><u>\$1,426,320</u></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 STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES
IN FUND BALANCES — GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2012

(Thousands of Dollars)

Total net change in fund balances — governmental funds	\$324,354
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	\$ 553,854
Depreciation expense	<u>(236,040)</u>
	317,814
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	(593,739)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets	278,741
Changes in fair value of investment derivatives is reported as investment earnings on the statement of activities, but is not reported in the fund financial statements	(77)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds 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	(27,220)
Governmental 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	2,659
Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds.	
Contributed capital assets	688
Since some property taxes and grants will not be collected for several months after 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. The following represents the change in related deferred revenue balances.	
Property taxes	(263,121)
Grants	(131,248)
In the Statement of Activities, pollution remediation obligation, legal settlements, sick pay, vacation pay, workers' compensation, general and automobile liability, 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 due. The following represents the change during the year for these obligations.	
Pollution remediation obligation	1,585
Sick pay	105,130
Vacation pay	871
Workers' compensation	(5,561)
General and automobile liability	(55)
Net pension obligation	(356,826)
Other postemployment benefits — teacher	(205,731)
In the Statement of Activities, gain or loss on disposal of capital assets is reported, whereas in the government funds, the entire proceeds are recorded	<u>(5,559)</u>
Change in net assets	<u><u>\$(557,295)</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 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, 2012
(Thousands of Dollars)**

	<u>Original Budget</u>	<u>Transfers In / (Out)</u>	<u>Final Budget</u>	<u>Fiscal Year Actual</u>	<u>Over (under) Budget</u>
Revenues:					
Property taxes	\$2,038,000	\$ —	\$2,038,000	\$2,295,178	\$ 257,178
Replacement taxes	103,560	—	103,560	126,786	23,226
State aid	1,619,242	—	1,619,242	1,757,166	137,924
Federal aid	977,317	—	977,317	890,987	(86,330)
Interest and investment income	2,100	—	2,100	4,363	2,263
Other	128,891	—	128,891	142,160	13,269
Total revenues	\$4,869,110	\$ —	\$4,869,110	\$5,216,640	\$ 347,530
Expenditures:					
Salaries —					
Teachers	\$2,082,768	\$ 13,754	\$2,096,522	\$2,026,832	\$ (69,690)
Career services	628,859	11,842	640,701	618,265	(22,436)
Commodities —					
Energy	82,590	(2,578)	80,012	73,409	(6,603)
Food	112,250	1,903	114,153	104,245	(9,908)
Textbooks	74,121	12,110	86,231	49,147	(37,084)
Supplies	61,550	6,660	68,210	45,521	(22,689)
Other	477	292	769	583	(186)
Services —					
Professional fees	374,772	40,202	414,974	412,072	(2,902)
Charter schools	423,735	14,445	438,180	424,423	(13,757)
Transportation	110,254	4,858	115,112	109,368	(5,744)
Tuition	53,817	5,491	59,308	55,001	(4,307)
Telephone and telecommunications	20,821	913	21,734	23,451	1,717
Other	10,367	3,766	14,133	11,010	(3,123)
Equipment — educational	33,881	11,258	45,139	40,938	(4,201)
Building and sites —					
Repairs and replacements	37,865	1,632	39,497	33,912	(5,585)
Capital outlay	—	85	85	43	(42)
Fixed charges —					
Teachers' pension	339,335	(4,047)	335,288	335,657	369
Career service pension	99,796	(1,542)	98,254	100,026	1,772
Hospitalization and dental insurance	348,352	(23,488)	324,864	324,918	54
Medicare	37,631	(2,277)	35,354	34,900	(454)
Unemployment compensation	16,825	(411)	16,414	17,141	727
Workers compensation	30,043	(740)	29,303	26,042	(3,261)
Rent	11,684	312	11,996	11,745	(251)
Other	118,417	(94,440)	23,977	9,679	(14,298)
Total expenditures	\$5,110,210	\$ —	\$5,110,210	\$4,888,328	\$(21,882)
Revenues in excess of (less than) expenditures	\$ (241,100)	\$ —	\$ (241,100)	\$ 328,312	\$ 569,412
Other financing sources					
Transfers in	\$ —	\$ —	\$ —	\$ 62	\$ 62
Total other financing sources	\$ —	\$ —	\$ —	\$ 62	\$ 62
Net change in fund balance	\$ (241,100)	\$ —	\$ (241,100)	\$ 328,374	\$ 569,474
Fund balance, beginning of period	740,380	—	740,380	740,380	—
Fund balance, end of period	\$ 499,280	\$ —	\$ 499,280	\$1,068,754	\$ 569,474

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, 2012

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. 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 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

During fiscal year 2012, CPS adopted the following GASB Statements:

- GASB 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions — An Amendment to GASB Statement No. 53*, which had no impact on the current year financial statements. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

Other accounting standards that CPS is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for CPS with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting by addressing uses related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for CPS beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for CPS beginning with its year ending June 30, 2013. The



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

- GASB 65, *Items Previously Reported as Assets and Liabilities*, will be effective for CPS beginning with its year ending June 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective for CPS beginning with its year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective for CPS beginning with its year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective for CPS beginning with its year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

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 non-exchange transactions are recognized in accordance with the GASB requirements of accounting and financial reporting for non-exchange transactions.

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of CPS. Interfund balances have been removed from these statements.

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. Measurable means that the amount of the transaction can be determined. 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, 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.

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, claims and judgments, other postemployment benefits, net pension obligations and pollution remediation obligations, 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
- American Recovery and Reinvestment Act of 2009 (ARRA)
- 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 (PBC) 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 CPS, at the end of the lease terms.

Assets, Liabilities, and Net Assets or Fund Balances*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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*Restricted Assets*

Certain proceeds of 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 its property taxes receivable amounts equal to the current year tax levy 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 2011 property taxes were levied for fiscal year 2012 in December 2011 and were billed in fiscal year 2012. In 2012, the installment due dates were March 1 and August 1. 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 CPS, receive collections of property tax installments. CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. 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. CPS also capitalizes internally developed software with a capitalization threshold of \$75,000 or more.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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 2012.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation of buildings and building improvements of 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. 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
Internally developed software	3
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 subsequent to fiscal year 2001, CPS utilizes the estimated useful lives for specific components within the range noted above.

Vacation and Sick Pay

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. Please refer to Note 11 for accruals.

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. Principal payments, 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. CPS reported the swaps according with GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". Please refer to Note 10 for required disclosures. Swaps are reported at fair value and if they meet the definition of hedge, then a like amount is reported as a deferred item in the Statement of Net Assets. If the swaps are not hedging, the offset is reported in the Statement of Activities. Swaps are not reported in the fund financial statements.

Fund Balances

Within the governmental fund types, CPS' fund balances are reported in one of the following classifications:

Nonspendable — includes amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted — includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed — includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of CPS' highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless CPS removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. CPS' highest level of decision-making authority rests with CPS' Board of Education. CPS passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2012.

Assigned — includes amounts that are constrained by CPS' *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) CPS' Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. CPS' Board of Education assigns amounts for a specific purpose within the General Operating Fund. Within the other governmental fund types (debt service and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

Unassigned — includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

In the General Operating Fund and other governmental funds (capital projects and debt service fund types), it is CPS' policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Net Assets

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 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 the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Restricted for grants and donations — 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 the use of resources are either: a) externally imposed by creditors, (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Restricted for workers' comp/tort immunity — the component of net assets that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on the use of resources are either: a) externally imposed by creditors, (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted — consists of net assets that do not meet the criteria of the three preceding categories.

Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CPS' financial statements for the year ended June 30, 2011, from which the summarized information was derived.

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.

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.

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 2012. 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* — CPS levies property taxes using tax levy rates established by statute and an equalized assessed valuation (EAV) estimated by 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.



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

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, regardless of the applicable tax year, 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 2012 and 2011 are shown below.

	Maximum 2012 Legal Limit	Tax Rates Extended Per \$100 of EAV	
		2012	2011
General Operating Fund:			
Educational	(A)	\$2.671	\$2.449
Workers' and Unemployment Compensation/Tort Immunity	(B)	0.133	0.067
Debt Service Fund:			
Public Building Commission Leases Program	(C)	0.071	0.065
		<u>\$2.875</u>	<u>\$2.581</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.
- C. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS to make its lease payments.



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

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	\$ 875,472	\$ 875,453
Supplementary general state aid	261,000	261,000
General education block grant	32,604	—
Educational services block grant	553,273	475,273
Other restricted state revenue	243,552	240,795
Total state aid	<u>\$1,965,901</u>	<u>\$1,852,521</u>
Program Revenues:		
Operating grants and contributions		<u>(240,795)</u>
Non-program general state aid		<u>\$1,611,726</u>

NOTE 4. CASH DEPOSITS AND INVESTMENTS

Cash and investments held in the name of CPS are controlled and managed by CPS' Treasury Department; however, custody is maintained by the Treasurer of the City of Chicago, who is the designated ex-officio Treasurer of 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 Public Building Commission (PBC) Leases. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax General Obligation Bonds, PBC Building Revenue Bonds 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.

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 CPS' bank accounts are held by a third-party custodian in the name of the City of Chicago Treasurer for the benefit of CPS. Collateral shall only be comprised of those securities authorized as allowable investments.

As of June 30, 2012, the book amount of CPS' deposit accounts was \$219.0 million. The bank balances totaled \$239.8 million as of June 30, 2012. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2012. 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

CPS' investments are authorized under the Illinois Compiled Statutes Finance Investment Act. CPS' Investment Policy is derived from this Act. CPS' Investment Policy authorizes 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 CPS' Investment Policy and meet certain other regulatory requirements.

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, 2012, 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/AA+/AAA	\$ 70,605	\$ 70,605	\$ —
U.S. government agency securities	Aaa/AA+/AAA	748,146	20,574	727,572
U.S. treasury notes	Aaa/AA+/AAA	51,514	17,246	34,268
Banker's acceptance	A1 / P-1	18,822	18,822	—
Commercial paper	A1 / P-1	164,796	164,796	—
Money market mutual funds	AAA	881,458	881,458	—
Total investments		<u>\$1,935,341</u>	<u>\$1,173,501</u>	<u>\$761,840</u>
Cash		<u>219,048</u>		
Total cash and investments		<u>\$2,154,389</u>		

Credit risk — State law and 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 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, 2012, CPS' investments in banker's acceptances and commercial paper were rated A1 by Standard and Poor's and P-1 by Moody's. As of June 30, 2012, Standard and Poor's rated CPS' investments in money market mutual funds AAA as required by CPS' Investment Policy.



NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of credit risk — As of June 30, 2012, 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.

Custodial risk — During the fiscal year ended June 30, 2012, all of CPS' investments 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 CPS' Investment Policy. Third-party custodians held all collateral in CPS' name.

Interest rate risk — 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, 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, 2012 (\$000's):

<u>Fund:</u>	<u>Amount</u>
General Operating Fund	\$1,291,541
Capital Projects Fund	279,505
Debt Service Fund	583,343
Total cash and investments	<u>\$2,154,389</u>

NOTE 5. RECEIVABLES AND DEFERRED REVENUE

Receivables as of June 30, 2012 for CPS, net of the applicable allowance for uncollectible accounts, are as follows (\$000's):

	<u>General Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Fund Financial Statements</u>	<u>Government- wide Financial Statements</u>
Property taxes	\$1,046,129	\$ —	\$26,424	\$1,072,553	\$1,072,553
Replacement taxes	33,182	—	—	33,182	33,182
State aid	615,855	1,186	—	617,041	617,041
Federal aid	199,132	1	3,329	202,462	202,462
Other	17,677	18,137	8,032	43,846	43,846
Total receivables	<u>\$1,911,975</u>	<u>\$19,324</u>	<u>\$37,785</u>	<u>\$1,969,084</u>	<u>\$1,969,084</u>
Less: Allowance for uncollectibles —					
property tax	(73,723)	—	(1,862)	(75,585)	(75,585)
Less: Allowance for uncollectibles —					
state aid	(3,842)	—	—	(3,842)	(3,842)
Less: Allowance for uncollectibles —					
other	(3,313)	—	—	(3,313)	(3,313)
Total receivables, net	<u>\$1,831,097</u>	<u>\$19,324</u>	<u>\$35,923</u>	<u>\$1,886,344</u>	<u>\$1,886,344</u>

NOTE 5. RECEIVABLES AND DEFERRED REVENUE (continued)

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, 2012, the components of deferred revenue reported in the fund financial statements are as follows (\$000's):

Deferred property taxes	\$ 752,097
Other deferred revenue	615,412
Unearned revenue	2,942
Total deferred revenue	<u>\$1,370,451</u>

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows (\$000's):

<u>Government-wide activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Transfers to In-service</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 313,766	\$ 6,739	\$ —	\$ 320,505
Construction in progress	372,778	415,324	(221,371)	566,731
Total capital assets not being depreciated	<u>\$ 686,544</u>	<u>\$ 422,063</u>	<u>\$(221,371)</u>	<u>\$ 887,236</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 7,815,372	\$ 334,982	\$ (61,857)	\$ 8,088,497
Equipment and administrative software	162,102	17,576	(630)	179,048
Internally developed software	4,839	1,293	—	6,132
Total capital assets being depreciated ...	<u>\$ 7,982,313</u>	<u>\$ 353,851</u>	<u>\$(62,487)</u>	<u>\$ 8,273,677</u>
Total capital assets	<u>\$ 8,668,857</u>	<u>\$ 775,914</u>	<u>\$(283,858)</u>	<u>\$ 9,160,913</u>
Less accumulated depreciation for:				
Buildings and improvements	\$(2,831,867)	\$(225,541)	\$ 56,297	\$(3,001,111)
Equipment and administrative software	(48,594)	(8,886)	630	(56,850)
Internally developed software	(1,135)	(1,613)	—	(2,748)
Total accumulated depreciation	<u>\$(2,881,596)</u>	<u>\$(236,040)</u>	<u>\$ 56,927</u>	<u>\$(3,060,709)</u>
Capital assets, net of depreciation	<u>\$ 5,787,261</u>	<u>\$ 539,874</u>	<u>\$(226,931)</u>	<u>\$ 6,100,204</u>

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

Governmental activities:	
Instruction	\$152,143
Pupil support services	23,863
Administrative support services	9,513
Facilities support services	20,451
Instructional support services	19,235
Food services	10,835
Total depreciation	<u>\$236,040</u>



NOTE 6. CAPITAL ASSETS (continued)

Construction Commitments

CPS had active construction projects as of June 30, 2012. These projects include new construction and renovations of schools. At year-end, CPS had approximately \$88.8 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 to/from Other Funds” on the accompanying governmental fund financial statements. All other interfund transfers are reported as transfers in/out.

General Operating Fund:	
Due from Capital Improvement Program	\$ 135,159
Due to Capital Asset Program	(54)
Due to Bond Redemption and Interest Program	(1,380)
Total — Due from other funds	<u>\$ 133,725</u>
Capital Projects Fund:	
Capital Assets Program — Due from General Operating Fund	\$ 54
Capital Improvement Program — Due to General Operating Fund	(135,159)
Total — Due to other funds	<u>\$(135,105)</u>
Debt Service Fund:	
Bond Redemption and Interest Program — Due from General Operating Fund	<u>\$ 1,380</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

In fiscal year 2012, CPS transferred to the General Operating Fund \$0.06 million of interest earnings and unused cost of issuance funds from the Debt Service Fund.

NOTE 8. LONG-TERM DEBT

General Obligation Bonds

CPS issued the following bonds in fiscal year 2012:

Unlimited Tax General Obligation Bonds (Series 2011A)

In October 2011, CPS issued \$402.4 million in Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2011A at a premium of \$1.2 million. 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 \$401.6 million in the Capital Improvement Fund. The debt service on this issuance will be paid from General State Aid revenues.

NOTE 8. LONG-TERM DEBT (continued)Unlimited Tax General Obligation Refunding Bonds (Series 2011C)

In December 2011, CPS issued \$95.1 million in Unlimited Tax General Obligation Variable Rate Refunding Bonds (Series 2011C). The proceeds from these bonds were used to refund the Series 2000D bonds. As a result of the issuance, \$95.1 million was deposited in a trust for the refunding of the bonds. The debt service on this issuance will be paid from General State Aid revenues.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0.6 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations over the life of the refunding or refunded bonds, whichever is shorter. 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.

Unlimited Tax General Obligation Refunding Bonds (Series 2011D)

In December 2011, CPS issued \$95 million in Unlimited Tax General Obligation Variable Rate Refunding Bonds (Series 2011D). The proceeds from these bonds were used to refund the Series 2000C bonds. As a result of the issuance, \$95 million was deposited in a trust to refund the bonds. The debt service on this issuance will be paid from General State Aid revenues.

Because the series 2000C bonds were associated with an interest rate swap agreement, the refunding of the 2000C bonds was considered a termination event per GASB 53 and the balance (\$18.9 million) of the deferral account attributable to the hedging relationship was included in the net carrying amount of the old debt for purposes of calculating the difference between the reacquisition price and the net carrying amount of the old debt, resulting in a total difference of \$19.7 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations over the life of the refunding or refunded bonds, whichever is shorter. 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.



NOTE 8. LONG-TERM DEBT (continued)

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

Series	Original Amount Issued	Debt Purpose	Interest Rate	Final Maturity	Principal Outstanding June 30, 2011	Accreted Interest
2011D	\$ 95,000	Refunding	Variable	3/1/2032	\$ —	\$ —
2011C	95,100	Refunding	Variable	3/1/2032	—	—
2011A	402,410	Capital Improvement	5.00% to 5.50%	12/1/2041	—	—
2010G	72,915	Refunding	2.77% to 4.18%	12/1/2017	72,915	—
2010F	183,750	Refunding	5.00%	12/1/2031	183,750	—
2010D	125,000	Capital Improvement	6.52%	3/1/2036	125,000	—
2010C	257,125	Capital Improvement	6.32%	11/1/2029	257,125	—
2010B	157,055	Refunding	Variable	3/1/2036	157,055	—
2010A	48,910	Refunding	Variable	3/1/2035	48,910	—
2009G	254,240	Capital Improvement	1.75%	12/15/2025	254,240	—
2009F	29,125	Capital Improvement	2.50% to 5.00%	12/1/2016	23,750	—
2009E	518,210	Capital Improvement	4.682% to 6.14%	12/1/2039	518,210	—
2009D	75,720	Refunding	1.00% to 5.00%	12/1/2023	63,210	—
2009B	75,410	Refunding	Variable	3/1/2031	75,410	—
2009A	130,000	Refunding	Variable	3/1/2026	130,000	—
2008C	464,655	Refunding	4.25% to 5.00%	12/1/2032	464,655	—
2008B	240,975	Refunding	Variable	3/1/2034	214,175	—
2008A	262,785	Refunding	Variable	12/1/2030	262,785	—
2007D	238,720	Capital Improvement	4.00% to 5.00%	12/1/2029	203,865	—
2007BC	204,635	Refunding	4.125% to 5.00%	12/1/2024	203,715	—
2006B	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	320,775	—
2006A	6,853	Capital Improvement	0.00%	6/1/2021	6,853	—
2005B	52,595	Refunding	5.00% to 5.50%	12/1/2021	52,595	—
2005A	193,585	Refunding	5.00% to 5.50%	12/1/2031	193,585	—
2004G	12,500	Capital Improvement	4.00% to 6.00%	12/1/2022	12,500	—
2004A	205,410	Refunding	4.00% to 5.00%	12/1/2020	202,420	—
2003C	4,585	Capital Improvement	0.00%	10/27/2017	4,585	—
2003A	75,890	Capital Improvement	2.50% to 5.25%	12/1/2016	6,795	—
2002A	48,970	Capital Improvement	3.00% to 5.25%	12/1/2022	42,540	—
2001B	9,440	Capital Improvement	0.00%	10/23/2015	9,440	—
2000E	13,390	Capital Improvement	0.00%	12/18/2013	13,390	—
2000B,C,D	303,000	Capital Improvement	Variable	3/1/2032	285,200	—
IDFA 1999A	12,000	Capital Improvement	0.00%	12/21/2011	12,000	—
1999A	532,553	Capital Improvement/ Refunding	4.30% to 5.30%	12/1/2031	481,668	217,600
1998B-1	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	294,046	267,035
1998	14,000	Capital Improvement	0.00%	9/23/2011	14,000	—
1997A	499,995	Capital Improvement	5.30% to 5.55%	12/1/2030	37,985	40,500
Total Bonds					\$5,249,147	\$525,135
Less Current Portion						
Deferred Amounts:						
On Refunding						
For Net Premium/ (Discount)						
Total Long-term Debt, net of Current Portion and Premium/Discount						



NOTE 8. LONG-TERM DEBT (continued)

Principal and Accreted Interest June 30, 2011	Issuances	Retirements	Principal Outstanding June 30, 2012	Accreted Interest	Principal and Accreted Interest June 30, 2012
\$ —	\$ 95,000	\$ —	\$ 95,000	\$ —	\$ 95,000
—	95,100	—	95,100	—	95,100
—	402,410	—	402,410	—	402,410
72,915	—	—	72,915	—	72,915
183,750	—	—	183,750	—	183,750
125,000	—	—	125,000	—	125,000
257,125	—	—	257,125	—	257,125
157,055	—	—	157,055	—	157,055
48,910	—	—	48,910	—	48,910
254,240	—	—	254,240	—	254,240
23,750	—	—	23,750	—	23,750
518,210	—	—	518,210	—	518,210
63,210	—	—	63,210	—	63,210
75,410	—	—	75,410	—	75,410
130,000	—	—	130,000	—	130,000
464,655	—	—	464,655	—	464,655
214,175	—	—	214,175	—	214,175
262,785	—	—	262,785	—	262,785
203,865	—	—	203,865	—	203,865
203,715	—	(330)	203,385	—	203,385
320,775	—	—	320,775	—	320,775
6,853	—	—	6,853	—	6,853
52,595	—	—	52,595	—	52,595
193,585	—	—	193,585	—	193,585
12,500	—	(260)	12,240	—	12,240
202,420	—	—	202,420	—	202,420
4,585	—	—	4,585	—	4,585
6,795	—	—	6,795	—	6,795
42,540	—	(2,315)	40,225	—	40,225
9,440	—	—	9,440	—	9,440
13,390	—	—	13,390	—	13,390
285,200	—	(190,100)	95,100	—	95,100
12,000	—	(12,000)	—	—	—
699,268	—	(13,984)	467,684	229,940	697,624
561,081	—	(7,650)	286,396	289,493	575,889
14,000	—	(14,000)	—	—	—
78,485	—	(7,332)	30,653	36,423	67,076
\$5,774,282	\$592,510	\$(247,971)	\$5,593,686	\$555,856	\$6,149,542
.....					(63,626)
.....					(119,701)
.....					91,263
.....					<u>\$6,057,478</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	\$(40,973)
Accreted interest	(30,577)
Refunding	7,924
Subtotal	<u>\$(63,626)</u>
Lease obligations	<u>(32,625)</u>
Total current portion	<u><u>\$(96,251)</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.

Revenue from the City of Chicago is based on an Intergovernmental agreement providing a portion of the City's tax levy to CPS for debt service. The City has agreed to provide a portion of their annual levy in amounts ranging from \$91 million to \$142.3 million through the 2030 levy year.

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, 2012 are as follows (\$000's):

<u>Description</u>	<u>Amount Defeased</u>	<u>Amount Outstanding*</u>
Unlimited Tax General Obligation Bonds Series 1996	\$ 24,430	\$ 12,600
Unlimited Tax General Obligation Bonds Series 1997	27,010	13,960
Unlimited Tax General Obligation Bonds Series 2003A ...	35,250	29,055
Unlimited Tax General Obligation Refunding Bonds Series 2004A	2,990	2,965
Unlimited Tax General Obligation Bonds Series 2004F ...	25,000	24,110
Unlimited Tax General Obligation Bonds Series 2004H ...	18,500	17,835
Unlimited Tax General Obligation Bonds Series 2005C ...	53,750	43,150
Unlimited Tax General Obligation Refunding Bonds Series 2006B	13,770	7,020
Unlimited Tax General Obligation Bonds Series 2007D ...	15,175	7,735
Unlimited Tax General Obligation Refunding Bonds Series 2009D	8,170	5,095
Unlimited Tax General Obligation Refunding Bonds Series 2009F	<u>5,375</u>	<u>5,375</u>
Total	<u><u>\$229,420</u></u>	<u><u>\$168,900</u></u>

* The amount outstanding represents the principal amount of the defeased bonds to be paid by the irrevocable trust at a future maturity date.

Future debt and associated swap payments (see Note 10). Interest rates on fixed rate bonds range from 1.75% to 6.75%, except that CPS does not pay or accrue interest on the Series 2006A Bonds, the Series 2003C Bonds, the Series 2001B Bonds or the Series 2000E Bonds. These bond series were issued as "qualified zone academy bonds" within the meaning of Section 1397E of the Internal

NOTE 8. LONG-TERM DEBT (continued)

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 unhedged variable rate bonds assume the average monthly variable rate for June 2012 and remain the same for the life of the bonds. Debt service requirements for the Unlimited Tax General Obligation Bonds and net swap payments are scheduled as follows (\$000's):

Fiscal Year(s)	Fixed Rate Bonds		Variable Rate Bonds			Total
	Principal	Interest	Principal	Interest*	Interest Rate Swaps, Net**	
2013	\$ 33,578	\$ 225,363	\$ 7,395	\$ 7,557	\$ 36,066	\$ 309,959
2014	128,272	229,152	19,360	7,510	35,808	420,102
2015	136,527	226,901	21,015	7,391	35,539	427,373
2016	138,586	224,054	22,605	7,260	35,261	427,766
2017	133,258	220,891	24,260	7,116	34,971	420,496
2018-2022	812,600	1,051,051	151,010	32,992	167,160	2,214,813
2023-2027	1,106,851	954,483	309,415	26,635	144,883	2,542,267
2028-2032	1,009,239	1,004,122	483,945	10,946	71,364	2,579,616
2033-2037	318,570	218,577	134,530	788	10,408	682,873
2038-2042	602,670	87,087	—	—	—	689,757
Total	\$4,420,151	\$4,441,681	\$1,173,535	\$108,195	\$571,460	\$10,715,022

* Interest on variable rate demand notes assume current interest rates remain the same as of June 30, 2012 and was calculated as follows:

Series 2000B — 0.1768%
 Series 2008A — 0.9900%
 Series 2008B — 0.9900%
 Series 2009A — 0.1838%
 Series 2009B — 0.2070%
 Series 2010A — 0.1710%
 Series 2010B — 0.1710%
 Series 2011C-1 — 1.3226%
 Series 2011C-2 — 1.2823%
 Series 2011D — 0.8170%

** Swap interest rate assumes current LIBOR rate remains the same as of June 30, 2012, and was calculated as follows:

Series 2008A computed: (5.2500% — 0.4520%) x outstanding principal
 Series 2008B computed: (3.7710% — 0.1720%) x outstanding principal
 Series 2009A computed: (3.6617% — 0.1720%) x outstanding principal
 Series 2009B computed: (3.8250% — 0.1720%) x outstanding principal
 Series 2010A computed: (3.8250% — 0.1720%) x outstanding principal
 Series 2010B computed: (3.6617% — 0.1720%) x outstanding principal
 Series 2011D computed: (3.8230% — 0.1720%) x outstanding principal

Liquidity Facilities

Variable rate bonds are demand obligations that allow bondholders to demand repayment on a daily or weekly basis. The \$95.1 million Series 2000B bonds are supported by a Letter of Credit Agreement



NOTE 8. LONG-TERM DEBT (continued)

with Wells Fargo Bank, NA which expires on December 29, 2014. Under the Letter of Credit Agreement, any liquidity advance would incur an interest rate equal to the greatest of the Prime Rate plus 1% the Federal Funds Rate plus 2%, and 7% per annum for the first 180 days. Thereafter the advance would incur an interest rate equal to the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20 G.O. Bond Index as published in the most recent edition of the Bond Buyer. The commitment fee is 0.75% per annum for the Series 2000B bonds and at June 30, 2012, there were no bonds drawn under the Letter of Credit Agreement. The scheduled maturity of the bonds will not change in any event.

The \$65 million Series 2009A-1 is supported by a Letter of Credit Facility with BMO Harris Bank, NA and the \$65 million Series 2009A-2 is supported by The Northern Trust Company. Both agreements were extended in 2012 and expire on March 17, 2015. Under the Letter of Credit Agreements, any liquidity advances would incur an interest rate equal to the greatest of the Prime Rate, Federal Funds Rate plus 1.5%, the LIBOR Quoted Rate plus 1.5%, and 7% (the Base Rate) for the first 7 days. For the 8th through 90th day interest would incur at the Base Rate plus 1%, for the 91st through 180th day interest would incur at the Base Rate plus 2% and thereafter, at the maximum rate allowed under Illinois law not to exceed 15% per annum. In the event of default, the interest rate is the greatest of the Prime Rate, Federal Funds Rate plus ½ of 1%, and LIBOR Quoted Rate plus 1%, plus 3% for the first 180 days, thereafter at the maximum rate allowed under Illinois law not to exceed 15% per annum. The commitment fee is 0.75% per annum for the Series 2009A bonds and at June 30, 2012 there were no bonds drawn under either Letter of Credit Agreement. The scheduled maturity of the bonds will not change in any event.

The \$75.4 million Series 2009B is supported by a Letter of Credit Agreement with JP Morgan Chase Bank, NA which expires on December 29, 2016 and replaced an earlier agreement with US Bank. Under the Letter of Credit Agreement, any liquidity advances would incur an interest rate equal to the greatest of the Prime Rate plus 1.5%, the Federal Funds Rate plus 2%, or 5% per annum for the first 90 days. For the 91st day and thereafter, advances would incur a rate equal to the greatest of the Prime Rate plus 2.5%, the Federal Funds Rate plus 3%, or 7.5% per annum. The commitment fee is 1.2% per annum for the Series 2009B bonds, and at June 30, 2012 there were no bonds drawn under the Letter of Credit Agreements. The scheduled maturity of the bonds will not change in any event.

The \$48.9 million Series 2010A and \$157.1 million Series 2010B are supported by a Letter of Credit Agreement with JP Morgan Chase Bank, NA, which expires on February 17, 2013. Under the Letter of Credit Agreement, any liquidity advances would incur an interest rate equal to the greatest of the Prime Rate plus 1.5%, the Federal Funds Rate plus 2%, or 5% for the first 90 days. For the 91st day and thereafter interest would incur at the greater of the Prime Rate plus 2.5%, the Federal Funds Rate plus 3%, or 7.5%. In the event of default, the interest rate would be the greater of the Prime Rate, plus 2.5%, Federal Funds rate plus 3% or 7.5% and in each case plus 3%, but in no case may the rate exceed the maximum rate allowed under Illinois law, not to exceed 15% per annum. The commitment fee is 1.25% per annum for the Series 2010AB bonds and at June 30, 2012 there were no bonds drawn under the Letter of Credit Agreements. The scheduled maturity of the bonds will not change in any event.

Floating Rate Note Securities

In December 2011, CPS issued \$51 million (Series 2011C-1) and \$44.1 million (Series 2011C-2) variable rate bonds with JP Morgan Chase Bank, NA acting as placement agent. The bonds refunded the former Series 2000D. The interest rate for each series is reset monthly. For Series 2011C-1, the rate is equal to the SIFMA Index plus 95 basis points. For Series 2011C-2, the rate is equal to the SIFMA Index plus 110 basis points.



NOTE 8. LONG-TERM DEBT (continued)**Direct Placements**

In May 2008, CPS issued \$262.8 million (Series 2008A) and \$241 million (Series 2008B) variable rate bonds in direct placements with Dexia Credit Local. The interest rate for each series is reset monthly, and is equal to the one month LIBOR rate plus 75 basis points. The bonds are subject to optional redemption prior to their maturity date at the option of CPS, in whole or in part (and, if in part, in an Authorized Denomination (\$100,000 and any integral multiple of \$5,000 in excess thereof)) on any LIBOR Interest Payment Date (monthly), at a redemption price equal to 100% of the principal amount thereof and accrued interest, if any, to the redemption date.

In December 2011, CPS issued \$95 million variable rate bonds (Series 2011D) in a direct placement with PNC Bank. The bonds refunded the former Series 2000C. The interest rate for each series is reset monthly and is equal to 70% of the one month LIBOR rate plus 75 basis points for the first Index Rate Period, which terminates on December 1, 2014. Each bond is subject to mandatory purchase on the Index Rate Purchase Date for the current Index Rate Period at a purchase price equal to 100% of the principal amount thereof plus accrued interest thereon to the Purchase Date. Unremarketed bonds shall bear interest at the Base Rate equal to the greater of the Prime Rate plus 1.5%, the Federal Funds Rate plus 2%, the daily LIBOR rate plus 1%, and 7.5% for the first 30 days. For the 31st through 180th days, the interest rate is equal to the Base Rate plus 2%, thereafter at the maximum rate allowed under Illinois law not to exceed 15% per annum. The scheduled maturity of the bonds will not change in any event.

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

<u>Series</u>	<u>Accreted Interest June 30, 2011</u>	<u>Increase</u>	<u>Payment</u>	<u>Accreted Interest June 30, 2012</u>
1997A	\$ 40,500	\$ 3,836	\$ (7,913)	\$ 36,423
1998B-1	267,035	28,953	(6,495)	289,493
1999A	217,600	23,661	(11,321)	229,940
	<u>\$525,135</u>	<u>\$56,450</u>	<u>\$(25,729)</u>	<u>\$555,856</u>

NOTE 9. LEASE OBLIGATIONSCapitalized 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 CPS. The annual lease rentals are funded by a tax levy established when 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 a \$3.7 million lease with an option to purchase with the Teachers Academy of Math and Science. The assets acquired under this lease are land and building at a cost of \$0.7 million and \$3 million, respectively. The accumulated amortization as of June 30, 2012 amounted to \$0.4 million. The term of the lease commenced October 1, 2005 and shall end February 1, 2021. This



NOTE 9. LEASE OBLIGATIONS (continued)

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, 2012, are as follows (\$000's):

<u>Fiscal Year(s)</u>	<u>PBC Lease Rentals</u>	<u>Other</u>	<u>Total</u>
2013	\$ 51,963	\$ 424	\$ 52,387
2014	51,981	424	52,405
2015	52,029	424	52,453
2016	51,997	424	52,421
2017	52,019	424	52,443
2018-2021	134,804	1,917	136,721
Total rentals	\$394,793	\$ 4,037	\$398,830
Less — Interest and other costs	(95,013)	(2,112)	(97,125)
Principal amount of rental due	<u>\$299,780</u>	<u>\$ 1,925</u>	<u>\$301,705</u>

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

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>
PBC leases	\$330,375	\$—	\$(30,595)	\$299,780
Other capitalized leases	2,100	—	(175)	1,925
	<u>\$332,475</u>	<u>\$—</u>	<u>\$(30,770)</u>	<u>\$301,705</u>
Less: Current portion PBC leases				(32,450)
Current portion other capitalized leases				(175)
Total long-term leases outstanding				<u>\$269,080</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, 2012 were \$15.7 million. Following is a summary of operating lease commitments as of June 30, 2012 (\$000's):

<u>Fiscal Year(s)</u>	<u>Non-real property leases</u>	<u>Real property leases</u>	<u>Total</u>
2013	\$ 5,668	\$10,908	\$16,576
2014	3,641	10,542	14,183
2015	1,777	9,347	11,124
2016	739	3,974	4,713
2017	9	2,828	2,837
2018-2022	—	12,881	12,881
2023-2027	—	2,747	2,747
2028	—	90	90
Total operating lease commitments ...	<u>\$11,834</u>	<u>\$53,317</u>	<u>\$65,151</u>

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

GASB 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. The guidance in GASB 53 improves financial reporting by requiring governments to measure derivative instruments at fair value in their *economic resources measurement focus* financial statements. These improvements should allow users of those financial statements to more fully understand a government's resources available to provide services. The changes in fair value of hedging derivative instruments do not affect investment revenue but are reported as deferrals. On the other hand, the changes in fair value of investment derivative instruments (which include ineffective hedging derivative instruments) using mark-to-market accounting are reported as part of investment revenue or expense in the current reporting period.

Interest Rate Derivatives

CPS has ten interest rate swaps as of June 30, 2012. Interest rate swaps are classified as hedging derivative instruments, if the hedging instruments meet the criteria of paragraph 27 a and b of GASB 53, or are classified as investment derivative instruments. The following table summarizes the interest rate swaps outstanding as of the end of the period (\$000's):

<u>Type</u>	<u>Potential Hedging Derivative</u>				
	<u>Notional Amount</u>	<u>Trade Date</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Counterparty</u>
Pay Fixed Swap	\$ 61,100	02/13/2007	03/01/2007	03/01/2032	Royal Bank of Canada
Pay Fixed Swap	100,000	08/18/2005	12/01/2007	12/01/2030	Bank of America, N.A.
Pay Fixed Swap	162,785	11/16/2006	12/01/2007	12/01/2028	Royal Bank of Canada
Pay Fixed Swap	90,000	12/08/2003	12/12/2003	03/01/2034	Goldman Sachs Capital Markets, L.P.
Pay Fixed Swap	95,350	12/08/2003	12/12/2003	03/01/2034	Goldman Sachs Bank USA
Pay Fixed Swap	130,000	11/30/2005	12/08/2005	03/01/2026	Loop Financial Products I LLC
Pay Fixed Swap	124,320	02/13/2007	03/01/2007	03/01/2035	Royal Bank of Canada
Pay Fixed Swap	157,055	11/30/2005	12/08/2005	03/01/2036	Loop Financial Products I LLC
Basis Swap	116,151	10/05/2005	11/01/2005	12/01/2031	Loop Financial Products I LLC
Basis Swap	77,434	10/05/2005	11/01/2005	12/01/2031	Merrill Lynch Capital Services, Inc.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Evaluation of Hedge Effectiveness

GASB 53 includes four methods for evaluating hedge effectiveness. A governmental entity can use any evaluation method outlined in the Statement and is not limited to using the same method from period to period. The four methods described in GASB 53 are consistent critical terms, synthetic instrument, dollar-offset, and regression analysis. In addition, GASB 53 allows a governmental entity to use other quantitative methods that are based on “established principles of financial economic theory”. CPS’ derivatives have been evaluated by an independent third-party vendor, using the four methods mentioned in the Statement and the results are summarized below:

Hedging Derivative Instruments	Results
Consistent Critical Terms Method: . . .	All derivatives failed
Regression Analysis Method:	Passed: \$61.1M Swap, \$100M Swap, \$162.785M Swap, \$90M Swap, \$95.35M Swap, \$130M Swap, \$124.32M Swap, \$157.055M Swap. Failed: \$116.2M Basis Swap, \$77.4M Basis Swap

As of June 30, 2012, eight of ten potential hedging derivatives are effective hedges under GASB 53. The Basis Swaps do not meet the criteria of paragraph 27 b and are classified according to GASB 53 as investment derivatives and therefore are mark to market at each report date with change in fair value reported as part of investment revenue or expense.

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 million of bonds refunding the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007). CPS received an upfront payment of \$18.3 million during fiscal year 2006. Per GASB Statement 53, the swaption is classified as a hybrid instrument and is reported as a swaption liability in CPS’ Statement of Net Assets. The liability is amortized over the life of the 2008A bonds. As of June 30, 2012, the swaption liability balance is \$14.7 million.

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 \$162.8 million of bonds refunding the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007). CPS received an upfront payment of \$24.9 million during fiscal year 2007. Per GASB Statement 53, the swaption is classified as a hybrid instrument and is reported as a swaption liability in CPS’ Statement of Net Assets. The liability is amortized over the life of the 2008A bonds. As of June 30, 2012, the swaption liability balance is \$19.5 million.

On December 16, 2011, CPS refunded its Series 2000C bonds with Series 2011D bonds. Up to the refunding date, the hedging derivative, \$61.1 million pay-fixed swap, was effective with the cumulative change in its fair value in deferred outflows. The market value of the swap as of December 16, 2011 was \$18.9 million. Subsequent to the refunding the derivative will be accounted for as a hybrid instrument with the at-market portion of the swap designated as a hedging derivative. The off-market amount is considered a borrowing and is amortized over the life of the 2011D bonds, the amount of \$18.5 million is reported in CPS’ Statement of Net Assets. The refunding is a termination event as described by paragraph 22e of GASB Statement 53. The balance of the deferral account attributable to the original hedging relationship of \$18.9 million was included in the net carrying amount of the old debt for purposes of calculating the difference between that amount and the reacquisition price of the old debt in accordance with GASB Statement 23, and will be amortized over the life of the refunding or refunded bonds, whichever is shorter.

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

The table below summarizes derivative instrument activity during the reporting period and balances at the end of the period (debit / (credit)) (\$000's):

	Notional	Changes in Fair Value		Fair Value at June 30, 2012	
		Classification	Amount	Classification	Amount
Governmental activities					
Cash flow hedges:					
Pay-fixed swap	\$ 61,100	Deferred outflow	\$ (10,196)	Derivative liability	\$ (19,250)
Pay-fixed swap	100,000	Deferred outflow	(19,642)	Derivative liability	(51,237)
Pay-fixed swap	162,785	Deferred outflow	(26,758)	Derivative liability	(74,349)
Pay-fixed swap	90,000	Deferred outflow	(13,428)	Derivative liability	(26,013)
Pay-fixed swap	95,350	Deferred outflow	(14,227)	Derivative liability	(27,559)
Pay-fixed swap	130,000	Deferred outflow	(8,940)	Derivative liability	(23,590)
Pay-fixed swap	124,320	Deferred outflow	(22,523)	Derivative liability	(41,440)
Pay-fixed swap	157,055	Deferred outflow	(30,270)	Derivative liability	(51,011)
Total:	\$920,610		\$(145,984)		\$(314,449)
Hybrid instruments:					
Swap implicit borrowing	\$ 61,100	Deferred amount on refunding	\$ 18,982	Implicit borrowing liability	18,471
		Interest expense	(511)		
Swaption	100,000	Interest expense	(798)	Swaption liability	14,689
Swaption	162,785	Interest expense	(1,187)	Swaption liability	19,485
Total:			16,486		\$ 52,645
			\$(129,498)	Total deferred outflows	\$(261,804)
Investment derivatives:					
Basis swap	\$116,151	Investment earnings	\$ 780	Asset	\$ 1,278
Basis swap	77,434	Investment earnings	(857)	Derivative liability	(1,734)
Total:	\$193,585		\$ (77)		\$ (456)

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. At the end of the period, \$263.5 million are recorded as derivative instrument liability, \$1.3 million as derivative instrument and \$261.8 million as deferred outflow.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

The objectives and terms of CPS' eight hedging derivatives outstanding at the end of the period are below:

Type	Objective	Notional Amount (000's)	Trade Date	Termination Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge interest rate risk on a portion of 2011D bonds	\$ 61,100	02/13/2007	03/01/2032	Pay 3.823% Receive 1ML* x 70%	Aa3/AA-
Pay-fixed interest rate swap	Hedge a portion of changes in cash flows on 2008A bonds	100,000	08/18/2005	12/01/2030	Pay 5.25% Receive 1ML x 70% + 0.28%	A3/A
Pay-fixed interest rate swap	Hedge a portion of changes in cash flows on 2008A bonds	162,785	11/16/2006	12/01/2028	Pay 5.25% Receive 1ML x 70% + 0.28%	Aa3/AA-
Pay-fixed interest rate swap	Hedge a portion of changes in cash flows on 2008B bonds	90,000	12/08/2003	03/01/2034	Pay 3.771% Receive 1ML x 70%	A2/NR
Pay-fixed interest rate swap	Hedge a portion of changes in cash flows on 2008B bonds	95,350	12/08/2003	03/01/2034	Pay 3.771% Receive 1ML x 70%	A2/NR
Pay-fixed interest rate swap	Hedge interest rate risk on 2009A-1 and 2009A-2 bonds	130,000	11/30/2005	03/01/2026	Pay 3.6617% Receive 1ML x 70%	Aa2/A+
Pay-fixed interest rate swap	Hedge interest rate risk on 2009B and 2010A bonds	124,320	02/13/2007	03/01/2035	Pay 3.825% Receive 1ML x 70%	Aa3/AA-
Pay-fixed interest rate swap	Hedge interest rate risk on 2010B bonds	157,055	11/30/2005	03/01/2036	Pay 3.6617% Receive 1ML x 70%	Aa2/A+

* 1ML — One month London Interbank Offered Rate (LIBOR)

Credit Risk

As of June 30, 2012, all hedging derivatives are liabilities and associated credit risk is not considered material. All of CPS' interest rate swap counterparties are currently rated A or higher by Fitch and/or S&P, and A2 or higher by Moody's. CPS manages credit risk by requiring its counterparties to post collateral in certain events. CPS is entitled to collateral from its counterparties if a net position with a counterparty is an asset of \$25 million or more and the counterparty is rated below AA by Fitch and/or S&P, or Aa3 by Moody's; CPS is not required to post collateral. CPS enters into agreements with multiple counterparties to limit concentration of credit risk. Currently, CPS has interest rate swaps with five different counterparties and no counterparty accounts for more than 37% of outstanding notional. CPS monitors counterparty credit risk on an ongoing basis.

Interest Rate Risk

All hedging derivatives are pay-fixed, receive-variable, cash flow hedges hedging a portion of CPS' variable rate debt. CPS believes it has significantly reduced interest rate risk attributable to the principal amount being hedged by entering into interest rate swaps.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)**Basis Risk**

With the exception of Series 2008A, Series 2008B, and Series 2011D indexed bonds (private placements), the variable rate debt hedged by CPS' derivatives are variable rate demand obligation (VRDO) bonds that are remarketed daily or weekly. With the exception of the Series 2008A, Series 2008B and 2011D indexed bonds, CPS is exposed to basis risk because the variable rate receipts from the hedging derivatives are based on a rate or index other than the interest rates CPS pays on the VRDO bonds. CPS is exposed to basis risk to the degree that variable payments on the hedged item are not offset by the variable receipts from the hedging derivative. There is little basis risk on the hedged portion of the 2008A, 2008B and 2011D indexed bonds because the hedged variable payments are based on the same index, 1-Month LIBOR, as the variable receipts from the hedging derivative. For the period, the weighted average interest rate on CPS' variable rate debt is 0.13%, Securities Industry and Financial Markets Association (SIFMA) is 0.15%, and the average LIBOR-based variable-rate of the hedging derivatives was 0.17%.

Termination Risk

CPS or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, CPS' swap counterparties have the right to terminate a derivative if the credit rating of CPS' unenhanced, unlimited tax general obligation bonds is withdrawn or reduced by any two of Fitch, Moody's, and S&P below BBB in the case of Fitch or S&P, or Baa2 in the case of Moody's. If such an event occurs, CPS could be forced to terminate a derivative in a liability position. As of the date of this report, CPS' unenhanced, unlimited tax general obligation bonds are rated A by Fitch, A+ by S&P, and A2 by Moody's.

Rollover Risk

Rollover risk is the risk that a hedging derivative instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. As of June 30, 2012, rollover risk is not considered material.

Foreign Currency Risk

All hedging derivatives are denominated in U.S. Dollars and therefore CPS is not exposed to foreign currency risk.

Other Investment Derivatives

As of June 30, 2012, CPS had investments with the following maturities (\$000's):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities Less than 1 Year</u>	<u>Maturities 1-5 Years</u>	<u>Maturities 6-10 Years</u>	<u>Maturities More than 10 Years</u>
Investment derivative instrument	\$ 1,278	—	\$15,783	\$24,966	\$75,402
Investment derivative instrument	\$(1,734)	—	\$10,522	\$16,644	\$50,268

The objectives and terms of CPS' two investment derivatives outstanding at the end of the period are below:

<u>Type</u>	<u>Objective</u>	<u>Notional Amount (000's)</u>	<u>Trade Date</u>	<u>Termination Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Basis swap	Reduce interest expense and change cash flows on 2005A fixed rate bonds	\$116,151	10/05/2005	12/01/2031	Pay SIFMA Receive 1ML x 70% + .524%	A2/A+
Basis swap	Reduce interest expense and change cash flows on 2005A fixed rate bonds	\$ 77,434	10/05/2005	12/01/2031	Pay SIFMA Receive 1ML x 80.76%	Baa2/A-



NOTE 11. OTHER BENEFITS AND CLAIMS

Sick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees can accumulate a maximum of 320 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. 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 11 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.

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

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

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of \$250 million and Boiler and Machinery Insurance with limits of \$100 million with the following deductibles:

Data processing equipment and media	\$ 25,000
Mechanical breakdown	\$ 50,000
All other losses	\$500,000

During fiscal years 2012, 2011 and 2010 there were no claims made in excess of the self-insured amount and there has been no significant reduction in insurance coverage over the past three fiscal years.

CPS maintains commercial excess liability insurance with limits of \$75 million in excess of a \$5 million self-insured retention per loss for claims arising from: General Liability, Automotive Liability, Employer's Liability and Wrongful Acts.

As discussed in Note 14, there are pending workers' compensation and tort claims involving CPS which have arisen out of the ordinary conduct of business. CPS budgets an amount each year in the Workers' and Unemployment Compensation/Tort Immunity Fund for the estimated claims, of which the expenditures are met through an annual tax levy.

CPS' estimate of liabilities for workers' compensation claims, general and automobile claims are actuarially determined based on reserves established by the respective claims administrators. Tort liabilities are based on reserves established by the respective trial attorneys. 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. Total expenditures reported in the fund financial statements amounted to \$35.7 million.



NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

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

	<u>Balance June 30, 2011</u>	<u>Increase/ (decrease)</u>	<u>Payments</u>	<u>Balance June 30, 2012</u>
Accrued sick pay benefits	\$459,823	\$ (5,432)	\$ (99,699)	\$354,692
Accrued vacation pay benefits	66,389	10,060	(10,931)	65,518
Accrued workers' compensation claims	109,735	29,373	(23,812)	115,296
Accrued general and automobile claims	5,343	4,136	(4,081)	5,398
Tort liabilities and other claims	2,000	—	—	2,000
Total	<u>\$643,290</u>	<u>\$38,137</u>	<u>\$(138,523)</u>	<u>\$542,904</u>
Less: Current portion of accrued sick pay benefits				(60,177)
Less: Current portion of accrued vacation pay benefits				(10,594)
Less: Current portion of accrued workers' compensation claims				(26,715)
Less: Current portion of accrued general and automobile claims				(1,318)
Total long-term other benefits and claims				<u>\$444,100</u>

The following is activity related to workers' compensation claims and general and automobile claims (\$000's):

<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2012</u>
<u>\$109,207</u>	<u>\$33,127</u>	<u>\$(27,256)</u>	<u>\$115,078</u>	<u>\$33,509</u>	<u>\$(27,893)</u>	<u>\$120,694</u>

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A liability of \$56 million has been recorded for health insurance costs and is reported as part of accrued payroll and benefits in the General Operating Fund, which includes \$33 million for estimated medical claims incurred but not reported as of June 30, 2012. Following is the activity related to medical claims for which CPS is self-insured (\$000's):

<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2012</u>
<u>\$54,917</u>	<u>\$359,527</u>	<u>\$(358,902)</u>	<u>\$55,542</u>	<u>\$366,753</u>	<u>\$(366,450)</u>	<u>\$55,845</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 contributor. 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, 2011, the most recent report, there were 30,133 active participants in the Pension Fund, substantially all of who were employees of 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.



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension legislation (Public Act 96-0889) created a second tier of benefits for teachers who first become participants under the fund on or after January 1, 2011. Under this act, a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 1/2 percent for each month that his or her age is under 67. In addition, the annual final average salary may not exceed the social security wage base of \$106,800 for 2010 and shall be increased by the lesser of 3% or 1/2 of percentage change in the Consumer Price Index-U during the preceding 12-month calendar year.

Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1% for survivor's pension. In fiscal year 2012, as in previous fiscal years, CPS paid a portion (7% — \$130.4 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.

CPS' employer-required contributions, with the exception of contributions from Federal funds, are not actuarially determined. State law requires statutorily determined CPS employer contributions. CPS' employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows (\$000's):

Retirement benefit contribution:	
A contribution to increase funded ratio to 90%	\$173,050
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded programs	20,230
Subtotal	\$193,280
A contribution from the State of Illinois	10,449
A contribution to Early Retirement Option Plan	973
A 20% deficiency payment	1,502
Total contributions	<u>\$206,204</u>

For the fiscal year ended June 30, 2012, employee contributions are \$167.7 million which is 9% of pensionable salary. Employer contributions for the year are \$206.2 million which is approximately 10% of covered payroll.

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 CPS' employer share of pension expenditures of \$205.3 million and amounts incurred by CPS for a portion of the required employees' pension contribution of \$130.4 million, which total \$335.7 million. For functional reporting purposes, all teachers' pension expenditures, except the portion funded by the Federal grants, are reflected in the same functional classifications as the teachers' salaries.

The government-wide financial statements also reflect pension expense as a representation of the change in net pension obligation.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

CPS' annual pension costs for fiscal year 2012 is as follows (\$000's):

Annual required contribution (ARC)	\$ 510,101
Interest on net pension obligation (NPO)	180,961
Adjustment to annual required contribution	<u>(128,032)</u>
Annual pension cost (APC)	\$ 563,030
Less: Contributions made	<u>(206,204)</u>
Increase in NPO	\$ 356,826
Add NPO, beginning of year	2,262,010
NPO, end of year	<u>\$2,618,836</u>

The three-year trend information for the fund is as follows (amounts are in \$000's):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual pension cost	\$ 563,030	\$ 471,712	\$ 401,003
Percentage of annual pension cost contributed	36.6%	37.8%	90.3%
Net pension obligation	\$2,618,836	\$2,262,010	\$1,968,685

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2011
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%

As of June 30, 2011, the most recent actuarial valuation date, actuarial accrued liability (AAL) for benefits was \$16.940 billion, and the actuarial value of assets was \$10.109 billion, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.831 billion, and a funded ratio of 59.7%. The covered payroll (annual payroll of active employees covered by the plan) was \$2.090 billion, and the ratio of the UAAL to the covered payroll was 326.8%.

In the opinion of CPS' legal counsel, the unfunded actuarial liability of the Pension Fund is not a liability to be funded by CPS; however, CPS is required to provide funding in addition to amounts provided from Federal and State sources if the funded ratio drops below 90%. In April 2010, the General Assembly passed bill SB1946 which provides short-term pension relief to CPS. Under this legislation, CPS is required to make pension contributions in the amount of the "normal cost" of benefits beginning in fiscal year 2011 through fiscal year 2013, resulting in significantly lower pension contributions. CPS' pension contribution for fiscal year 2012 was \$193.3 million. However, beginning in fiscal year 2014, CPS will be required to make pension contributions to increase the funded ratio to 90% by FY 2059. During fiscal year 2012, CPS did not offer an early retirement incentive program.

Pension — Other Personnel

All career service 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"). The Annuity Fund is considered a cost-sharing defined benefit plan.



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension legislation (Public Act 96-0889) was approved in April 2010 and established two distinct classes of membership with different retirement eligibility conditions and benefit provisions. For convenience, the Annuity Fund uses a tier concept to distinguish these groups: Tier 1 members are participants that became members before January 1, 2011 and Tier 2 members are participants that became members on or after January 1, 2011.

If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest at 3% per annum, subject to certain exceptions.

Tier 1 employees age 55 or more with at least 10 years of service are entitled to receive an annuity. Employees age 60 or more with at least 10 years of service or age 55 with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.4% per year of service times the final average salary. If the employee retires prior to age 60, the annuity shall be reduced by 0.25% for each month the employee is under age 60 if the employee has less than 25 years of service. The annuity is not discounted if the employee is age 50 with at least 30 years of service.

Tier 2 employees age 67 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 62 with 10 years of service. The annuity is discounted ½ percent for each full month the employee is under age 67. Final average salary is calculated using salary from the eight highest consecutive years within the last 10 years of service prior to retirement. The highest salary for annuity purposes may not exceed the base of \$106,800, and shall be adjusted annually by a) 3% of that amount, including all prior adjustments, or b) ½ of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all prior adjustments. The annual salary rate limitation for FY11 and FY12 was \$106,800 and \$108,883, respectively.

Except as described below, 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.

Both Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute a percentage of their salary (8.5%). The pensionable salary for Tier 1 members has no limitation while Tier 2 employees' pensionable salary may not exceed the base of \$106,800 adjusted by inflation. In fiscal year 2012, as in previous fiscal years, CPS agreed to pay a portion (7% — \$38.4 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. The amount reflected as career service pension expenditures in the accompanying governmental fund financial statements is \$100.0 million, \$38.4 million of this amount represents the required employees' contribution paid by CPS on behalf of its employees; \$54.6 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining \$7.0 million is 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.

Career service pension expense in the government-wide financial statements for fiscal year 2012 is \$100.0 million. For fiscal years 2011 and 2010, the career service pension expense was \$102.2 million and \$96.9 million, respectively.

As of December 31, 2011, CPS employed approximately 17,042 of the 31,976 active participants in the Annuity Fund. The annual report can be found at www.meabf.org. CPS, in the opinion of its legal counsel, has no duty to contribute any sum to the Annuity Fund. The Annuity Fund is funded by member and employer contribution rates that are established by state law and may be amended only by the Illinois General Assembly. Active members are required to contribute to the Annuity Fund 8.5% of



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

their salary. The City of Chicago is required by state statutes to contribute the remaining amounts necessary to finance the requirements of the Annuity Fund. It is required to levy a tax at a rate not more than an amount equal to 1.25 times (current multiple) total amount of contributions by the employees to the Annuity Fund made in the calendar year two years prior to the year for which the annual applicable tax is levied.

Other Postemployment Benefits (OPEB)

Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund"). The actuarial analysis is contained in the Pension Fund Annual Report and is 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 60% and 70% of the individual member's cost for fiscal years 2011 and 2010, respectively. 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 GASB 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, 2011, the most recent available data, there were 30,133 active members in the Chicago Teachers' Pension Fund Retiree Health Insurance Program. This provision reduces the net assets of the Pension Fund. Although CPS does not contribute directly to retirees' health care premiums, the impact does require increased contributions by CPS to build assets to the 90% requirement.

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.



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

CPS' annual OPEB costs for fiscal year 2012 is as follows (\$000's):

Annual required contribution	\$ 218,842
Interest on net OPEB obligation	50,859
Adjustment to annual required contribution	<u>(63,970)</u>
Annual OPEB cost	\$ 205,731
Less: Contributions made by the State of Illinois	<u>0</u>
Increase in OPEB	\$ 205,731
Add OPEB, beginning of year	<u>1,130,197</u>
OPEB, end of year	<u><u>\$1,335,928</u></u>

The three-year trend information for the fund is as follows (amounts are in \$000's):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual OPEB cost	\$ 205,731	\$ 213,348	\$192,718
Percentage of annual pension cost contributed	0%	15.2%	0%
Net OPEB obligation	\$1,335,928	\$1,130,197	\$949,371

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent, open
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.5%
Medical trend rate	9%
Inflation	3%

As of June 30, 2011, the most recent actuarial valuation date, actuarial accrued liability (AAL) for benefits was \$3.071 billion, and the actuarial value of assets was \$31 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.040 billion, and a funded ratio of 1%. The covered payroll (annual payroll of active employees covered by the plan) was \$2.090 billion, and the ratio of the UAAL to the covered payroll was 145.4%.

Other Personnel

Actuarial studies on other personnel determined that no OPEB liability exists for those employees as of June 30, 2012.

NOTE 13. FUND BALANCE CLASSIFICATIONS AND NET ASSET RESTRICTIONS

a. Fund Balance Classifications

On the fund financial statements, the Nonspendable Fund Balance consists of the following (\$000's):

Prepays	\$5,674
Inventory	2,901
Donation (principal required to be maintained intact)	<u>428</u>
Total	<u><u>\$9,003</u></u>



NOTE 13. FUND BALANCE CLASSIFICATIONS AND NET ASSET RESTRICTIONS (continued)

At the end of the fiscal year the total encumbrances for the general operating fund amounted to \$129.5 million and \$88.8 million for the capital projects fund.

b. Net Assets Restrictions

The government-wide statement of net assets reports \$445.2 million of restricted net assets, of which \$282.3 million is restricted for Debt service, \$70.3 million is restricted for Grants and donations, and \$92.6 million is restricted for Workers' comp/tort immunity.

NOTE 14. 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, any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2012, resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements at June 30, 2012.

b. Pollution remediation obligation.

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The Statement establishes accounting and financial reporting standards for pollution remediation obligations which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. In fiscal year 2012, CPS recorded a pollution remediation obligation of \$9.0 million as current year expense in the Statement of Activities.

Several CPS facilities contain hazardous contaminants such as lead and asbestos, which is continually monitored by the school district. CPS' pollution remediation obligation is primarily related to the removal of lead and asbestos during the remodeling and/or expansion of CPS facilities. The pollution remediation obligation is derived from construction contracts and the amount assumes no unexpected change orders.

c. 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, 2012, 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 would not have a material adverse impact on the financial position of CPS' financial statements as of June 30, 2012.

NOTE 15. SUBSEQUENT EVENTSUnlimited Tax General Obligation Bonds (Series 2012A)

In August 2012, CPS issued \$468.9 million in Unlimited Tax General Obligation Bonds (Series 2012A) at a net premium of \$40 million. The proceeds from these bonds are being used as part of CPS' Capital Improvement Program, to capitalize interest, and to pay costs of issuance of the bonds. The debt service will be paid from General State Aid Revenues.



NOTE 15. SUBSEQUENT EVENTS (continued)

Unlimited Tax General Obligation Bonds (Series 2012B)

In December 2012, CPS issued \$109.8 million in Unlimited Tax General Obligation Bonds (Series 2012A) at a net premium of \$7.3 million. The proceeds from these bonds are being used to refund outstanding Series 2003A; a portion of Series 2000B, 2006B, 2007D, 2008B, 2009D, and 2009F; interest on Series 2011A; and the costs of issuance of the bonds. As a result of issuance, net proceeds of \$113.8 were deposited with the trustees of the various refunded series to provide for future debt service payments of the refunded bonds. As a result, Series 2003A is considered to be fully refunded. The debt service on the Series 2012B bonds will be paid from General State Aid Revenues.

Ratings Agency Downgrades

In fiscal year 2013, Moody's downgraded CPS to A1 from Aa3 in July, 2012, and Standard & Poor's downgraded CPS to A+ from AA- when CPS sold bonds in August 2012. Both Moody's and Fitch downgraded CPS to A2 and A in September and October of 2012 respectively. All three agencies cited the teachers' strike, budget, and pension concerns as rationales for their rating actions. CPS is currently rated A+ by S&P, A2 by Moody's and A by Fitch.

Liquidity Facility Fee Increases

On September 28, 2012, the ratings downgrades triggered contractual provisions in several liquidity facility agreements and private placement debt for automatic fee increases. The changes are as follows:

<u>Series</u>	<u>Liquidity Provider</u>	<u>Agreement Type</u>	<u>Prior Fee</u>	<u>New Fee</u>
2000B	Wells Fargo, NA	Direct Pay Letter of Credit	0.75%	0.85%
2009B	JP Morgan Chase Bank, NA	Direct Pay Letter of Credit	1.20%	1.35%
2010A	JP Morgan Chase Bank, NA	Direct Pay Letter of Credit	1.25%	1.40%
2010B	JP Morgan Chase Bank, NA	Direct Pay Letter of Credit	1.25%	1.40%
2011D	PNC Bank	Private Loan	70% of 1-month LIBOR + 0.65%	70% of 1-month LIBOR + 0.75%





Educate • Inspire • Transform



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Schedule of Funding Progress
Net Pension Obligation
(Thousands of dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded (Overfunded) Actuarial Accrued Liability UAAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)</u>
6/30/2011	10,109,315	16,940,626	6,831,311	59.7%	2,090,132	326.8%
6/30/2010	10,917,417	16,290,190	5,372,773	67.0%	2,018,147	266.2%
6/30/2009	11,493,256	15,683,242	4,189,986	73.3%	1,996,194	209.9%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Schedule of Funding Progress

Other Postemployment Benefits

(Thousands of dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded (Overfunded) Actuarial Accrued Liability UAAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)</u>
6/30/2011	31,325	3,071,517	3,040,192	1.0%	2,090,132	145.4%
6/30/2010	34,858	2,821,698	2,786,840	1.2%	2,018,147	138.1%
6/30/2009	49,692	2,670,283	2,620,591	1.9%	1,996,194	131.3%



CHICAGO PUBLIC SCHOOLS
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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; Supplementary General State Aid Program; School Food Service Program; Elementary and Secondary Education Act Program; Individuals with Disabilities Education Act Program; Workers and Unemployment Compensation/Tort Immunity Program; Public Building Commission Operations and Maintenance Program, and; Other Government-funded Programs.



CHICAGO PUBLIC SCHOOLS
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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, 2012
With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of Dollars)

	<u>Final Budget</u>	<u>Fiscal Year 2012 Actual</u>	<u>Over (Under) Budget</u>	<u>Fiscal Year 2011 Actual</u>	<u>2012 Over (Under) 2011</u>
Revenues:					
Property taxes	\$2,038,000	\$2,295,178	\$ 257,178	\$1,904,169	\$ 391,009
Replacement taxes	103,560	126,786	23,226	172,384	(45,598)
State aid	1,619,242	1,757,166	137,924	1,694,566	62,600
Federal aid	977,317	890,987	(86,330)	1,121,457	(230,470)
Interest and investment earnings	2,100	4,363	2,263	1,920	2,443
Other	128,891	142,160	13,269	221,391	(79,231)
Total revenues	\$4,869,110	\$5,216,640	\$ 347,530	\$5,115,887	\$ 100,753
Expenditures:					
Teachers' salaries	\$2,096,522	\$2,026,832	\$ (69,690)	\$2,023,510	\$ 3,322
Career service salaries	640,701	618,265	(22,436)	610,741	7,524
Energy	80,012	73,409	(6,603)	83,356	(9,947)
Food	114,153	104,245	(9,908)	93,766	10,479
Textbooks	86,231	49,147	(37,084)	70,249	(21,102)
Supplies	68,210	45,521	(22,689)	51,125	(5,604)
Other commodities	769	583	(186)	478	105
Professional fees	414,974	412,072	(2,902)	450,127	(38,055)
Charter schools	438,180	424,423	(13,757)	377,755	46,668
Transportation	115,112	109,368	(5,744)	107,530	1,838
Tuition	59,308	55,001	(4,307)	59,102	(4,101)
Telephone and telecommunications	21,734	23,451	1,717	19,823	3,628
Other services	14,133	11,010	(3,123)	11,789	(779)
Equipment — educational	45,139	40,938	(4,201)	41,896	(958)
Repairs and replacements	39,497	33,912	(5,585)	37,355	(3,443)
Capital outlay	85	43	(42)	5	38
Teachers' pension	335,288	335,657	369	306,111	29,546
Career service pension	98,254	100,026	1,772	102,158	(2,132)
Hospitalization and dental insurance	324,864	324,918	54	353,878	(28,960)
Medicare	35,354	34,900	(454)	35,004	(104)
Unemployment compensation	16,414	17,141	727	21,992	(4,851)
Workers' compensation	29,303	26,042	(3,261)	25,859	183
Rent	11,996	11,745	(251)	11,941	(196)
Other fixed charges	23,977	9,679	(14,298)	14,402	(4,723)
Total expenditures	\$5,110,210	\$4,888,328	\$(221,882)	\$4,909,952	\$ (21,624)
Revenues in excess of (less than) expenditures	\$ (241,100)	\$ 328,312	\$ 569,412	\$ 205,935	\$ 122,377
Other financing sources:					
Transfers in	\$ —	\$ 62	\$ 62	\$ 109,830	\$(109,768)
Total other financing sources	\$ —	\$ 62	\$ 62	\$ 109,830	\$(109,768)
Net change in fund balance	\$ (241,100)	\$ 328,374	\$ 569,474	\$ 315,765	\$ 12,609
Fund balance, beginning of period	740,380	740,380	—	424,615	315,765
Fund balance, end of period	\$ 499,280	\$1,068,754	\$ 569,474	\$ 740,380	\$ 328,374



CHICAGO PUBLIC SCHOOLS
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Capital Projects Fund

The Capital Projects Fund is for the receipts 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 receipts 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 receipts 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.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES,

OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2012

(Thousands of dollars)

	<u>Capital Asset Program</u>	<u>Capital Improvement Program</u>	<u>Total</u>
Revenues:			
State aid	\$ —	\$ 1,258	\$ 1,258
Federal aid	—	18,124	18,124
Interest and investment earnings	—	5,530	5,530
Other	—	54,209	54,209
Total revenues	<u>\$ —</u>	<u>\$ 79,121</u>	<u>\$ 79,121</u>
Expenditures:			
Capital outlay	<u>\$ 23</u>	<u>\$ 576,859</u>	<u>\$ 576,882</u>
Total expenditures	<u>\$ 23</u>	<u>\$ 576,859</u>	<u>\$ 576,882</u>
Revenues less than expenditures	<u>\$ (23)</u>	<u>\$(497,738)</u>	<u>\$(497,761)</u>
Other financing sources:			
Gross amounts from debt issuances	\$ —	\$ 402,410	\$ 402,410
Transfers in	—	1,229	1,229
Total other financing sources	<u>\$ —</u>	<u>\$ 403,639</u>	<u>\$ 403,639</u>
Net change in fund balances	\$ (23)	\$ (94,099)	\$ (94,122)
Fund balances, beginning of period	645	182,239	182,884
Fund balances, end of period	<u>\$622</u>	<u>\$ 88,140</u>	<u>\$ 88,762</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, 2012
With Comparative Amounts for the Fiscal Year Ended June 30, 2011
(Thousands of dollars)

	<u>Final Appropriations</u>	<u>Fiscal Year 2012</u>	<u>Variance</u>	<u>Fiscal Year 2011</u>	<u>2012 Over (Under) 2011</u>
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —
Expenditures:					
Capital outlay	\$ —	\$ 23	\$(23)	\$ 1,072	\$(1,049)
Total expenditures	\$ —	\$ 23	\$(23)	\$ 1,072	\$(1,049)
Revenues less than expenditures ..	\$ —	\$ (23)	\$(23)	\$(1,072)	\$ 1,049
Net change in fund balance	\$ —	\$ (23)	\$(23)	\$(1,072)	\$ 1,049
Fund balance, beginning of period	645	645	—	1,717	(1,072)
Fund balance, end of period	<u>\$645</u>	<u>\$622</u>	<u>\$(23)</u>	<u>\$ 645</u>	<u>\$ (23)</u>



CHICAGO PUBLIC SCHOOLS
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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, 2012
With Comparative Amounts for the Fiscal Year Ended June 30, 2011
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2012	Variance	Fiscal Year 2011	2012 Over (Under) 2011
Revenues:					
State aid	\$ 115,000	\$ 1,258	\$(113,742)	\$ 2,793	\$ (1,535)
Federal aid	—	18,124	18,124	4,376	13,748
Interest and investment earnings ...	2,000	5,530	3,530	2,024	3,506
Other	50,000	54,209	4,209	91,420	(37,211)
Total revenues	<u>\$ 167,000</u>	<u>\$ 79,121</u>	<u>\$ (87,879)</u>	<u>\$ 100,613</u>	<u>\$(21,492)</u>
Expenditures:					
Salaries	\$ —	\$ —	\$ —	\$ 251	\$ (251)
Commodities	—	4	(4)	1	3
Services	5,217	7,840	(2,623)	7,676	164
Educational equipment	1,304	15,259	(13,955)	8,432	6,827
Capital outlay	384,619	547,478	(162,859)	538,314	9,164
Medicare	—	—	—	3	(3)
Other	—	6,278	(6,278)	7,636	(1,358)
Total expenditures	<u>\$ 391,140</u>	<u>\$ 576,859</u>	<u>\$(185,719)</u>	<u>\$ 562,313</u>	<u>\$ 14,546</u>
Revenues less than expenditures	<u>\$(224,140)</u>	<u>\$(497,738)</u>	<u>\$(273,598)</u>	<u>\$(461,700)</u>	<u>\$(36,038)</u>
Other financing sources:					
Gross amounts from debt issuances	\$ 400,000	\$ 402,410	\$ 2,410	\$ 382,125	\$ 20,285
Premiums	—	1,229	1,229	—	1,229
Transfers in	—	—	—	163	(163)
Total other financing sources	<u>\$ 400,000</u>	<u>\$ 403,639</u>	<u>\$ 3,639</u>	<u>\$ 382,288</u>	<u>\$ 21,351</u>
Net change in fund balance	\$ 175,860	\$ (94,099)	\$(269,959)	\$ (79,412)	\$(14,687)
Fund balance, beginning of period ..	182,239	182,239	—	261,651	(79,412)
Fund balance, end of period	<u>\$ 358,099</u>	<u>\$ 88,140</u>	<u>\$(269,959)</u>	<u>\$ 182,239</u>	<u>\$(94,099)</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 SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012
(Thousands of dollars)

	<u>Bond Redemption and Interest Program</u>	<u>Public Building Commission Leases Program</u>	<u>Total</u>
Revenues:			
Property taxes	\$ —	\$56,958	\$ 56,958
Replacement taxes	55,141	—	55,141
State aid	207,477	—	207,477
Federal aid	26,840	—	26,840
Interest and investment earnings	10,861	6	10,867
Other	<u>107,375</u>	<u>—</u>	<u>107,375</u>
Total revenues	<u>\$ 407,694</u>	<u>\$56,964</u>	<u>\$ 464,658</u>
Expenditures:			
Debt service	<u>\$ 322,568</u>	<u>\$51,926</u>	<u>\$ 374,494</u>
Total expenditures	<u>\$ 322,568</u>	<u>\$51,926</u>	<u>\$ 374,494</u>
Revenues in excess of (less than) expenditures	<u>\$ 85,126</u>	<u>\$ 5,038</u>	<u>\$ 90,164</u>
Other financing sources (uses):			
Gross amounts from debt issuances	\$ 190,100	\$ —	\$ 190,100
Payment to refunded bond escrow agent	(190,100)	—	(190,100)
Transfers out	<u>(54)</u>	<u>(8)</u>	<u>(62)</u>
Total other financing sources (uses)	<u>\$ (54)</u>	<u>\$ (8)</u>	<u>\$ (62)</u>
Net change in fund balances	\$ 85,072	\$ 5,030	\$ 90,102
Fund balances, beginning of period	466,383	36,673	503,056
Fund balances, end of period	<u>\$ 551,455</u>	<u>\$41,703</u>	<u>\$ 593,158</u>



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, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of dollars)

	Final Appropriations	Fiscal Year 2012 Actual	Variance	Fiscal Year 2011 Actual	2012 Over (Under) 2011
Revenues:					
Replacement taxes	\$ 55,141	\$ 55,141	\$ —	\$ 25,378	\$ 29,763
State aid	232,150	207,477	(24,673)	252,422	(44,945)
Federal aid	26,840	26,840	—	19,051	7,789
Interest and investment earnings	—	10,861	10,861	9,438	1,423
Other	81,418	107,375	25,957	104,705	2,670
Total revenues	<u>\$395,549</u>	<u>\$ 407,694</u>	<u>\$ 12,145</u>	<u>\$ 410,994</u>	<u>\$ (3,300)</u>
Expenditures:					
Debt service	\$357,985	\$ 322,568	\$ 35,417	\$ 280,223	\$ 42,345
Total expenditures	<u>\$357,985</u>	<u>\$ 322,568</u>	<u>\$ 35,417</u>	<u>\$ 280,223</u>	<u>\$ 42,345</u>
Revenues in excess of expenditures	<u>\$ 37,564</u>	<u>\$ 85,126</u>	<u>\$ 47,562</u>	<u>\$ 130,771</u>	<u>\$ (45,645)</u>
Other financing sources (uses):					
Gross amounts from debt issuances	\$ —	\$ 190,100	\$ 190,100	\$ 256,665	\$ (66,565)
Premiums	—	—	—	14,700	(14,700)
Payment to refunded bond escrow agent	—	(190,100)	(190,100)	(269,483)	79,383
Transfers out	—	(54)	(54)	(109,975)	109,921
Total other financing sources (uses)	<u>\$ —</u>	<u>\$ (54)</u>	<u>\$ (54)</u>	<u>\$(108,093)</u>	<u>\$108,039</u>
Net change in fund balance	<u>\$ 37,564</u>	<u>\$ 85,072</u>	<u>\$ 47,508</u>	<u>\$ 22,678</u>	<u>\$ 62,394</u>
Fund balance, beginning of period ..	466,383	466,383	—	443,705	22,678
Fund balance, end of period	<u>\$503,947</u>	<u>\$ 551,455</u>	<u>\$ 47,508</u>	<u>\$ 466,383</u>	<u>\$ 85,072</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES 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, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of dollars)

	<u>Final Appropriations</u>	<u>Fiscal Year 2012 Actual</u>	<u>Variance</u>	<u>Fiscal Year 2011 Actual</u>	<u>2012 Over (Under) 2011</u>
Revenues:					
Property taxes	\$51,926	\$56,958	\$5,032	\$ 32,486	\$ 24,472
Interest and investment earnings	—	6	6	17	(11)
Total revenues	<u>\$51,926</u>	<u>\$56,964</u>	<u>\$5,038</u>	<u>\$ 32,503</u>	<u>\$ 24,461</u>
Expenditures:					
Debt service	\$51,926	\$51,926	\$ —	\$ 51,874	\$ 52
Total expenditures	<u>\$51,926</u>	<u>\$51,926</u>	<u>\$ —</u>	<u>\$ 51,874</u>	<u>\$ 52</u>
Revenues less than expenditures	<u>\$ —</u>	<u>\$ 5,038</u>	<u>\$5,038</u>	<u>\$(19,371)</u>	<u>\$ 24,409</u>
Other financing uses:					
Transfers out	\$ —	\$ (8)	\$ (8)	\$ (18)	\$ 10
Total other financing uses	<u>\$ —</u>	<u>\$ (8)</u>	<u>\$ (8)</u>	<u>\$ (18)</u>	<u>\$ 10</u>
Net change in fund balance	\$ —	\$ 5,030	\$5,030	\$(19,389)	\$ 24,419
Fund balance, beginning of period	36,673	36,673	—	56,062	(19,389)
Fund balance, end of period	<u>\$36,673</u>	<u>\$41,703</u>	<u>\$5,030</u>	<u>\$ 36,673</u>	<u>\$ 5,030</u>



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.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

COMPONENTS OF NET ASSETS

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2003(1)</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Invested in capital assets, net of related debt	\$ 392,041	\$454,841	\$ 413,077	\$ 268,190
Restricted for:				
Debt service	457,106	390,882	298,538	357,409
Reserve for specific purposes	88,207	—	—	—
Donations	—	1,439	1,459	1,503
Enabling legislation	—	42,015	43,675	84,388
Grants and donations	—	—	—	—
Workers' comp/tort immunity	—	—	—	—
Unrestricted	<u>67,064</u>	<u>(98,023)</u>	<u>(225,335)</u>	<u>(538,879)</u>
Total net assets	<u>\$1,004,418</u>	<u>\$791,154</u>	<u>\$ 531,414</u>	<u>\$ 172,611</u>

- 1) Note: Prior to fiscal year 2004, Donations and Enabling legislation are reported as Reserve for specific purposes.
- 2) For fiscal year 2009, the amounts for net assets restricted for debt service and unrestricted net assets were restated to reflect the effects of GASB 53 adopted in FY10.
- 3) Certain items in the FY2010 financial statements were reclassified to conform with the FY2011 presentation. These reclassifications had no impact in the total net assets as previously reported.
- 4) Certain items in the FY2011 financial statements were reclassified to conform with the FY2012 presentation. These reclassifications had no impact in the total net assets as previously reported.



<u>2007</u>	<u>2008</u>	<u>2009 (2)</u> <u>(as restated)</u>	<u>2010 (3)</u>	<u>2011 (4)</u>	<u>2012</u>
\$ 267,249	\$ 133,440	\$ 30,202	\$ 440,099	\$ 370,159	\$ 321,391
413,747	445,782	391,392	442,851	276,097	282,253
—	—	—	—	—	—
1,765	1,826	3,695	5,825	—	—
129,597	102,695	101,072	109,163	—	—
—	—	—	—	70,045	70,302
—	—	—	—	91,036	92,680
<u>(698,809)</u>	<u>(784,702)</u>	<u>(1,017,248)</u>	<u>(1,916,207)</u>	<u>(2,009,152)</u>	<u>(2,525,736)</u>
<u>\$ 113,549</u>	<u>\$(100,959)</u>	<u>\$ (490,887)</u>	<u>\$ (918,269)</u>	<u>\$(1,201,815)</u>	<u>\$(1,759,110)</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Expenses:				
Instruction	\$ 2,484,448	\$ 2,663,014	\$ 2,777,202	\$ 3,107,897
Pupil support services	332,693	343,777	337,676	346,434
Administrative support services	169,457	176,858	158,303	161,802
Facilities support services	351,492	339,213	379,599	422,731
Instructional support services	332,620	350,717	404,583	465,106
Food services	177,526	189,475	182,315	179,725
Community services	47,435	50,401	42,677	46,205
Interest expense	186,141	187,646	201,506	217,848
Other	5,297	8,128	8,724	23,404
Total governmental activities	<u>\$ 4,087,109</u>	<u>\$ 4,309,229</u>	<u>\$ 4,492,585</u>	<u>\$ 4,971,152</u>
Program revenues:				
Charges for services				
Instruction	\$ 1,553	\$ 210	\$ 1,014	\$ 3,145
Food services	11,404	9,620	9,553	9,317
Operating grants and contributions	764,750	791,309	876,222	896,916
Capital grants and contributions	153,709	161,429	21,722	66,732
Total program revenues	<u>\$ 931,416</u>	<u>\$ 962,568</u>	<u>\$ 908,511</u>	<u>\$ 976,110</u>
Revenues in excess of/(less than) expenditures	<u>\$(3,155,693)</u>	<u>\$(3,346,661)</u>	<u>\$(3,584,074)</u>	<u>\$(3,995,042)</u>
General revenues and other changes in net assets:				
Taxes:				
Property taxes	\$ 1,574,111	\$ 1,561,127	\$ 1,663,783	\$ 1,768,457
Replacement taxes	105,960	120,427	145,724	184,700
Non-program state aid	1,248,607	1,333,113	1,429,611	1,532,169
Interest and investment earnings	49,161	39,501	43,215	71,972
Gain recognized from swaptions earnings	—	—	—	—
Gain on sale of capital assets	—	—	—	5,312
Other	22,083	79,229	42,001	73,629
Extraordinary item - gain on impairment of capital assets	—	—	—	—
Total general revenues and extraordinary item	<u>\$ 2,999,922</u>	<u>\$ 3,133,397</u>	<u>\$ 3,324,334</u>	<u>\$ 3,636,239</u>
Change in net assets	<u>\$ (155,771)</u>	<u>\$ (213,264)</u>	<u>\$ (259,740)</u>	<u>\$ (358,803)</u>



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 3,096,529	\$ 3,138,036	\$ 3,324,936	\$ 3,507,221	\$ 3,712,681	\$ 3,742,788
360,628	384,765	408,705	438,164	545,428	483,167
178,891	205,693	233,361	201,908	187,559	192,605
461,265	519,982	582,539	481,245	499,093	455,342
481,477	496,708	512,427	523,851	541,714	473,202
186,297	193,614	203,880	207,127	215,609	219,382
45,203	46,779	56,392	50,879	47,021	38,941
219,826	274,356	259,850	258,360	285,577	310,452
8,126	10,652	8,504	12,919	8,845	8,115
<u>\$ 5,038,242</u>	<u>\$ 5,270,585</u>	<u>\$ 5,590,594</u>	<u>\$ 5,681,674</u>	<u>\$ 6,043,527</u>	<u>\$ 5,923,994</u>
\$ 3,748	\$ 3,940	\$ 5,189	\$ 4,308	\$ 692	\$ 727
8,784	8,537	8,298	6,881	6,404	6,083
862,674	945,723	1,250,526	1,376,744	1,368,118	1,196,073
97,477	128,570	151,405	99,054	184,837	112,914
<u>\$ 972,683</u>	<u>\$ 1,086,770</u>	<u>\$ 1,415,418</u>	<u>\$ 1,486,987</u>	<u>\$ 1,560,051</u>	<u>\$ 1,315,797</u>
<u>\$(4,065,559)</u>	<u>\$(4,183,815)</u>	<u>\$(4,175,176)</u>	<u>\$(4,194,687)</u>	<u>\$(4,483,476)</u>	<u>\$(4,608,197)</u>
\$ 1,813,006	\$ 1,861,781	\$ 1,936,656	\$ 1,896,265	\$ 2,053,119	\$ 2,089,016
201,509	215,489	188,503	152,497	197,762	181,927
1,651,730	1,756,386	1,603,926	1,532,679	1,792,747	1,611,726
116,907	85,896	43,692	12,734	17,101	20,683
37,647	—	—	—	—	—
22,919	45,386	91	—	—	—
162,779	4,369	56,132	173,130	139,201	147,550
—	—	708	—	—	—
<u>\$ 4,006,497</u>	<u>\$ 3,969,307</u>	<u>\$ 3,829,708</u>	<u>\$ 3,767,305</u>	<u>\$ 4,199,930</u>	<u>\$ 4,050,902</u>
<u>\$ (59,062)</u>	<u>\$ (214,508)</u>	<u>\$ (345,468)</u>	<u>\$ (427,382)</u>	<u>\$ (283,546)</u>	<u>\$ (557,295)</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF FUND BALANCE

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General operating fund				
Reserved	\$120,597	\$110,996	\$142,447	\$188,177
Unreserved	208,359	196,510	248,546	307,720
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total general operating fund	<u>\$328,956</u>	<u>\$307,506</u>	<u>\$390,993</u>	<u>\$495,897</u>
All other governmental funds				
Reserved	\$604,734	\$609,203	\$435,625	\$574,232
Unreserved, reported in:				
Capital projects fund	223,734	203,560	219,048	284,019
Debt service fund	—	—	—	—
Nonspendable for debt service	—	—	—	—
Restricted for capital improvement program	—	—	—	—
Restricted for debt service	—	—	—	—
Assigned for debt service	—	—	—	—
Total all other governmental funds	<u>\$828,468</u>	<u>\$812,763</u>	<u>\$654,673</u>	<u>\$858,251</u>

1) FY2011 and FY2012 fund balances are classified to conform with GASB 54 adopted in July 2010.



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012 (1)</u>
\$ 229,093	\$ 237,205	\$215,452	\$226,154	\$ —	\$ —
404,843	432,391	311,422	198,461	—	—
—	—	—	—	1,972	3,329
—	—	—	—	69,616	69,873
—	—	—	—	91,036	92,680
—	—	—	—	289,000	—
—	—	—	—	181,300	348,900
—	—	—	—	102,163	110,397
—	—	—	—	5,293	443,575
<u>\$ 633,936</u>	<u>\$ 669,596</u>	<u>\$526,874</u>	<u>\$424,615</u>	<u>\$740,380</u>	<u>\$1,068,754</u>
\$ 463,935	\$ 541,068	\$373,010	\$604,733	\$ —	\$ —
481,445	337,506	—	33,846	—	—
158,480	178,489	154,616	124,556	—	—
—	—	—	—	—	5,674
—	—	—	—	182,884	88,762
—	—	—	—	271,643	332,517
—	—	—	—	231,413	254,967
<u>\$1,103,860</u>	<u>\$1,057,063</u>	<u>\$527,626</u>	<u>\$763,135</u>	<u>\$685,940</u>	<u>\$ 681,920</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues:				
Property taxes	\$1,546,335	\$1,571,065	\$1,639,237	\$1,718,249
Replacement taxes	105,960	120,427	145,724	184,700
State aid	1,469,567	1,481,448	1,507,115	1,602,635
Federal aid	608,693	730,504	762,955	775,631
Interest and investment earnings	49,161	39,501	43,215	71,947
Other	94,345	149,253	102,654	163,765
Total revenues	<u>\$3,874,061</u>	<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>
Expenditures:				
Current:				
Instruction	\$2,214,781	\$2,355,114	\$2,429,014	\$2,538,909
Pupil support services	320,380	327,653	323,225	333,968
General support services	764,002	770,629	821,583	893,041
Food services	170,238	180,588	173,872	172,774
Community services	47,253	49,933	42,325	46,179
Teacher's pension and retirement benefits	65,045	65,045	65,045	75,398
Other	12,322	8,128	5,912	23,404
Capital outlay	443,873	365,336	389,450	310,817
Debt service	255,239	259,590	315,809	—
Principal	—	—	—	49,049
Interest	—	—	—	158,997
Other charges	—	—	—	6,606
Total expenditures	<u>\$4,293,133</u>	<u>\$4,382,016</u>	<u>\$4,566,235</u>	<u>\$4,609,142</u>
Revenues in excess of/(less than) expenditures	<u>\$ (419,072)</u>	<u>\$ (289,818)</u>	<u>\$ (365,335)</u>	<u>\$ (92,215)</u>
Other financing sources (uses):				
Gross amounts from debt issuances	\$ 308,635	\$ 765,995	\$ 524,260	\$ 385,603
Premiums on bonds issued	8,803	—	43,450	4,124
Insurance proceeds	—	—	—	—
Sales of general capital assets	—	—	—	7,596
Payment to refunded bond escrow agent	—	(534,375)	(282,478)	—
Transfers in	7,711	30,215	7,344	2,796
Transfers out	(7,711)	(30,215)	(7,344)	(2,796)
Proceeds from notes	—	21,043	5,500	—
Discounts on bonds issued	—	—	—	(326)
Capital leases	—	—	—	3,700
Total other financing sources (uses)	<u>\$ 317,438</u>	<u>\$ 252,663</u>	<u>\$ 290,732</u>	<u>\$ 400,697</u>
Net changes in fund balances	<u>\$ (101,634)</u>	<u>\$ (37,155)</u>	<u>\$ (74,603)</u>	<u>\$ 308,482</u>
Debt service as a percentage of noncapital expenditures	6.59%	6.43%	7.50%	4.79%

NOTES:

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



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$1,767,760	\$1,813,917	\$1,896,540	\$2,047,163	\$1,936,655	\$2,352,136
201,509	215,489	188,503	152,497	197,762	181,927
1,701,585	1,846,034	1,511,886	1,552,076	1,949,781	1,965,901
746,029	876,041	1,125,580	1,180,148	1,144,884	935,951
116,907	85,895	43,693	12,483	13,399	20,760
286,230	181,028	253,376	359,661	417,516	303,744
<u>\$4,820,020</u>	<u>\$5,018,404</u>	<u>\$5,019,578</u>	<u>\$5,304,028</u>	<u>\$5,659,997</u>	<u>\$5,760,419</u>
\$2,491,653	\$2,575,124	\$2,773,440	\$2,898,855	\$2,955,772	\$2,992,481
349,324	362,325	390,399	416,502	508,803	469,366
914,117	986,905	1,057,672	1,010,637	1,023,004	967,692
179,902	181,778	194,603	196,828	201,325	213,115
45,467	45,708	56,003	50,331	45,848	39,794
155,563	206,651	237,011	294,424	149,377	183,499
8,126	10,652	8,504	11,928	8,845	8,115
345,963	466,895	672,412	705,691	580,363	591,148
—	—	—	—	—	—
180,767	60,568	81,351	141,977	70,848	88,466
154,669	206,028	212,934	236,261	249,975	275,707
6,743	15,546	7,921	8,359	11,274	10,321
<u>\$4,832,294</u>	<u>\$5,118,180</u>	<u>\$5,692,250</u>	<u>\$5,971,793</u>	<u>\$5,805,434</u>	<u>\$5,839,704</u>
<u>\$ (12,274)</u>	<u>\$ (99,776)</u>	<u>\$ (672,672)</u>	<u>\$ (667,765)</u>	<u>\$ (145,437)</u>	<u>\$ (79,285)</u>
\$ 355,805	\$1,674,555	\$ 225,675	\$1,083,260	\$ 638,790	\$ 592,510
14,444	41,226	—	6,459	14,700	1,229
—	—	1,155	—	—	—
25,673	6,404	91	—	—	—
—	(1,474,081)	(226,408)	(288,704)	(269,483)	(190,100)
1,904	3,813	20,389	—	—	—
(1,904)	(3,813)	(20,389)	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 395,922</u>	<u>\$ 248,104</u>	<u>\$ 513</u>	<u>\$ 801,015</u>	<u>\$ 384,007</u>	<u>\$ 403,639</u>
<u>\$ 383,648</u>	<u>\$ 148,328</u>	<u>\$ (672,159)</u>	<u>\$ 133,250</u>	<u>\$ 238,570</u>	<u>\$ 324,354</u>
7.35%	5.61%	5.71%	7.07%	6.09%	6.89%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS
Last Ten Fiscal Years
(Thousands of dollars)

	2003		2004		2005	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	\$1,546,335	40.0%	\$1,571,065	38.4%	\$1,639,237	39.0%
Replacement taxes	105,960	2.7%	120,427	2.9%	145,724	3.5%
State aid	1,469,567	37.9%	1,481,448	36.2%	1,507,115	35.9%
Federal aid	608,693	15.7%	730,504	17.9%	762,955	18.2%
Interest and investment earnings	49,161	1.3%	39,501	1.0%	43,215	1.0%
Other	94,345	2.4%	149,253	3.6%	102,654	2.4%
Total revenues	<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>
	2010		2011		2012	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	\$2,047,163	38.6%	\$1,936,655	34.2%	\$2,352,136	40.8%
Replacement taxes	152,497	2.9%	197,762	3.5%	181,927	3.2%
State aid	1,552,076	29.3%	1,949,781	34.5%	1,965,901	34.1%
Federal aid	1,180,148	22.3%	1,144,884	20.2%	935,951	16.2%
Interest and investment earnings	12,483	0.2%	13,399	0.2%	20,760	0.4%
Other	359,661	6.7%	417,516	7.4%	303,744	5.3%
Total revenues	<u>\$5,304,028</u>	<u>100.0%</u>	<u>\$5,659,997</u>	<u>100.0%</u>	<u>\$5,760,419</u>	<u>100.0%</u>

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



2006		2007		2008		2009	
<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>
\$1,718,249	38.0%	\$1,767,760	36.7%	\$1,813,917	36.1%	\$1,896,540	37.8%
184,700	4.1%	201,509	4.2%	215,489	4.3%	188,503	3.8%
1,602,635	35.5%	1,701,585	35.3%	1,846,034	36.8%	1,511,886	30.1%
775,631	17.2%	746,029	15.5%	876,041	17.5%	1,125,580	22.4%
71,947	1.6%	116,907	2.4%	85,895	1.7%	43,693	0.9%
163,765	3.6%	286,230	5.9%	181,028	3.6%	253,376	5.0%
<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>	<u>\$5,019,578</u>	<u>100.0%</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS**Last Ten Fiscal Years**

(Thousands of dollars)

	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>
Expenditures:						
Current:						
Instruction	\$2,214,781	51.6%	\$2,355,114	53.8%	\$2,429,014	53.3%
Pupil support services	320,380	7.5%	327,653	7.5%	323,225	7.1%
General support services	764,002	17.8%	770,629	17.6%	821,583	18.0%
Food services	170,238	4.0%	180,588	4.1%	173,872	3.8%
Community services	47,253	1.1%	49,933	1.1%	42,325	0.9%
Teacher's pension and retirement benefits	65,045	1.5%	65,045	1.5%	65,045	1.4%
Other	12,322	0.3%	8,128	0.2%	5,912	0.1%
Capital outlay	443,873	10.3%	365,336	8.3%	389,450	8.5%
Debt service	255,239	5.9%	259,590	5.9%	315,809	6.9%
Total expenditures	<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>
	2010		2011		2012	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
Expenditures:						
Current:						
Instruction	\$2,898,855	48.5%	\$2,955,772	50.9%	\$2,992,481	51.3%
Pupil support services	416,502	7.0%	508,803	8.8%	469,366	8.0%
General support services	1,010,637	17.0%	1,023,004	17.6%	967,692	16.6%
Food services	196,828	3.3%	201,325	3.5%	213,115	3.7%
Community services	50,331	0.8%	45,848	0.8%	39,794	0.7%
Teacher's pension and retirement benefits	294,424	4.9%	149,377	2.6%	183,499	3.1%
Other	11,928	0.2%	8,845	0.1%	8,115	0.1%
Capital outlay	705,691	11.8%	580,363	10.0%	591,148	10.1%
Debt service	386,597	6.5%	332,097	5.7%	374,494	6.4%
Total expenditures	<u>\$5,971,793</u>	<u>100.0%</u>	<u>\$5,805,434</u>	<u>100.0%</u>	<u>\$5,839,704</u>	<u>100.0%</u>

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



2006		2007		2008		2009	
<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>
\$2,538,909	55.2%	\$2,491,653	51.6%	\$2,575,124	50.3%	\$2,773,440	48.7%
333,968	7.2%	349,324	7.2%	362,325	7.1%	390,399	6.9%
893,041	19.4%	914,117	18.9%	986,905	19.3%	1,057,672	18.6%
172,774	3.7%	179,902	3.7%	181,778	3.6%	194,603	3.4%
46,179	1.0%	45,467	0.9%	45,708	0.9%	56,003	1.0%
75,398	1.6%	155,563	3.2%	206,651	4.0%	237,011	4.2%
23,404	0.5%	8,126	0.2%	10,652	0.2%	8,504	0.1%
310,817	6.7%	345,963	7.2%	466,895	9.1%	672,412	11.8%
214,652	4.7%	342,179	7.1%	282,142	5.5%	302,206	5.3%
<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>	<u>\$5,692,250</u>	<u>100.0%</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

DETAILED SCHEDULE OF REVENUE AND EXPENDITURES

For the Fiscal Year Ended June 30, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of dollars)

	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2011</u>	<u>2012 Over/(Under) 2011</u>
Revenues:			
Local taxes:			
Property taxes	\$2,295,178	\$1,904,169	\$ 391,009
Replacement taxes	126,786	172,384	(45,598)
Total revenue from local taxes	<u>\$2,421,964</u>	<u>\$2,076,553</u>	<u>\$ 345,411</u>
Local nontax revenue:			
Interest and investment earnings	\$ 4,363	\$ 1,920	\$ 2,443
Lunchroom operations	6,084	6,362	(278)
Other	136,076	215,029	(78,953)
Total revenue from nontax revenue	<u>\$ 146,523</u>	<u>\$ 223,311</u>	<u>\$ (76,788)</u>
Total local revenue	<u>\$2,568,487</u>	<u>\$2,299,864</u>	<u>\$ 268,623</u>
State grants and subsidies:			
General state aid	\$ 989,943	\$ 940,693	\$ 49,250
Block grants	730,166	689,228	40,938
Other	37,057	64,645	(27,588)
Total state grants & subsidies	<u>\$1,757,166</u>	<u>\$1,694,566</u>	<u>\$ 62,600</u>
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA)	\$ 283,681	\$ 271,859	\$ 11,822
American Recovery and Reinvestment Act (ARRA) (1) ...	108,956	309,340	(200,384)
School lunch program	182,666	175,753	6,913
Individuals with Disabilities Education Act (IDEA)	84,385	88,058	(3,673)
Other	231,299	276,447	(45,148)
Total federal grants and subsidies	<u>\$ 890,987</u>	<u>\$1,121,457</u>	<u>\$(230,470)</u>
Total revenues	<u>\$5,216,640</u>	<u>\$5,115,887</u>	<u>\$ 100,753</u>

(1) ARRA does not include General State Aid — Education SFSF, ARRA — Early Childhood, and General State Aid — Government SFSF



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2012
With Comparative Amounts for the Fiscal Year Ended June 30, 2011
(Thousands of dollars)

	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2011</u>	<u>2012 Over/(Under) 2011</u>
Expenditures:			
Instruction:			
Salaries	\$1,852,536	\$1,827,048	\$ 25,488
Commodities	59,135	73,941	(14,806)
Services	623,876	565,994	57,882
Equipment — educational	28,572	28,760	(188)
Building and sites	2,584	3,078	(494)
Fixed charges	<u>425,778</u>	<u>456,951</u>	<u>(31,173)</u>
Total instruction	<u>\$2,992,481</u>	<u>\$2,955,772</u>	<u>\$ 36,709</u>
Pupil support services:			
Salaries	\$ 246,738	\$ 242,756	\$ 3,982
Commodities	2,635	3,059	(424)
Services	147,510	187,309	(39,799)
Equipment — educational	585	933	(348)
Building and sites	78	59	19
Fixed charges	<u>71,820</u>	<u>74,687</u>	<u>(2,867)</u>
Total pupil support services	<u>\$ 469,366</u>	<u>\$ 508,803</u>	<u>\$(39,437)</u>
Administrative support services:			
Salaries	\$ 91,215	\$ 85,569	\$ 5,646
Commodities	9,884	9,915	(31)
Services	55,907	49,750	6,157
Equipment — educational	4,421	2,603	1,818
Building and sites	861	1,540	(679)
Fixed charges	<u>24,816</u>	<u>25,587</u>	<u>(771)</u>
Total administrative support services	<u>\$ 187,104</u>	<u>\$ 174,964</u>	<u>\$ 12,140</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, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of dollars)

	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2011</u>	<u>2012 Over/(Under) 2011</u>
Facilities support services:			
Salaries	\$ 94,253	\$ 95,156	\$ (903)
Commodities	83,147	92,338	(9,191)
Services	151,348	151,993	(645)
Equipment — educational	2,465	2,451	14
Building and sites	28,791	31,047	(2,256)
Fixed charges	<u>42,243</u>	<u>43,780</u>	<u>(1,537)</u>
Total facilities support services	<u>\$402,247</u>	<u>\$416,765</u>	<u>\$(14,518)</u>
Instructional support services:			
Salaries	\$270,940	\$296,582	\$(25,642)
Commodities	8,566	19,595	(11,029)
Services	32,237	38,507	(6,270)
Equipment — educational	4,504	6,249	(1,745)
Building and sites	1,392	1,215	177
Fixed charges	<u>60,702</u>	<u>69,127</u>	<u>(8,425)</u>
Total instructional support services	<u>\$378,341</u>	<u>\$431,275</u>	<u>\$(52,934)</u>
Food services:			
Salaries	\$ 70,336	\$ 67,638	\$ 2,698
Commodities	103,651	93,278	10,373
Services	2,591	3,143	(552)
Equipment — educational	3	—	3
Building and sites	—	—	—
Fixed charges	<u>36,534</u>	<u>37,266</u>	<u>(732)</u>
Total food services	<u>\$213,115</u>	<u>\$201,325</u>	<u>\$ 11,790</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, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of dollars)

	Fiscal Year 2012	Fiscal Year 2011	2012 Over/(Under) 2011
Community services:			
Salaries	\$ 15,313	\$ 14,509	\$ 804
Commodities	2,017	3,353	(1,336)
Services	16,741	21,605	(4,864)
Equipment — educational	264	771	(507)
Building and sites	241	403	(162)
Fixed charges	5,218	5,207	11
Total community services	<u>\$ 39,794</u>	<u>\$ 45,848</u>	<u>\$ (6,054)</u>
Teacher's Pension:			
Fixed charges	<u>\$ 183,499</u>	<u>\$ 149,377</u>	<u>\$ 34,122</u>
Total teachers' pension	<u>\$ 183,499</u>	<u>\$ 149,377</u>	<u>\$ 34,122</u>
Capital outlay:			
Salaries	\$ 4,014	\$ 4,168	\$ (154)
Commodities	3,858	3,494	364
Services	5,093	7,815	(2,722)
Equipment — educational	112	126	(14)
Building and sites	1	17	(16)
Fixed charges	1,188	1,358	(170)
Total capital outlay	<u>\$ 14,266</u>	<u>\$ 16,978</u>	<u>\$ (2,712)</u>
Other:			
Salaries	\$ (246)	\$ 825	\$ (1,071)
Commodities	11	—	11
Services	22	12	10
Equipment — educational	12	3	9
Building and sites	8	—	8
Fixed charges	8,308	8,005	303
Total other	<u>\$ 8,115</u>	<u>\$ 8,845</u>	<u>\$ (730)</u>
Total expenditures	<u><u>\$4,888,328</u></u>	<u><u>\$4,909,952</u></u>	<u><u>\$ (21,624)</u></u>

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



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

OTHER FINANCING SOURCES AND (USES)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General operating fund:				
Capital leases	\$ —	\$ —	\$ —	\$ 3,700
Transfers in/(out)	7,711	15,071	328	445
Total general operating fund	<u>\$ 7,711</u>	<u>\$ 15,071</u>	<u>\$ 328</u>	<u>\$ 4,145</u>
All other governmental funds:				
Gross amounts from debt issuances	\$308,635	\$ 765,995	\$ 524,260	\$385,603
Premiums on bonds issued	8,803	21,043	43,450	4,124
Insurance proceeds	—	—	—	—
Sales of general capital assets	—	—	—	—
Payment to refunded bond escrow agent	—	(534,375)	(282,478)	—
Transfers in/(out)	(7,711)	(15,071)	(328)	(445)
Amount from notes	—	—	5,500	—
Discounts on bonds issued	—	—	—	(326)
Proceeds from swaps	—	—	—	19,345
Total all other governmental funds	<u>\$309,727</u>	<u>\$ 237,592</u>	<u>\$ 290,404</u>	<u>\$408,301</u>



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1,904	3,813	20,389	17,851	109,830	62
<u>\$ 1,904</u>	<u>\$ 3,813</u>	<u>\$ 20,389</u>	<u>\$ 17,851</u>	<u>\$ 109,830</u>	<u>\$ 62</u>
\$355,805	\$ 1,674,555	\$ 225,675	\$1,083,260	\$ 638,790	\$ 592,510
14,444	41,226	—	6,459	14,700	1,229
—	—	1,155	—	—	—
25,673	6,404	91	—	—	—
—	(1,474,081)	(226,408)	(288,704)	(269,483)	(190,100)
(1,904)	(3,813)	(20,389)	(17,851)	(109,830)	(62)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$394,018</u>	<u>\$ 244,291</u>	<u>\$ (19,876)</u>	<u>\$ 783,164</u>	<u>\$ 274,177</u>	<u>\$ 403,577</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

RATIO OF DEBT SERVICE TO NON-CAPITAL EXPENDITURES

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>Non-Capital</u>	<u>Ratio</u>
2003	255,239	3,849,260	0.07 : 1
2004	259,590	4,016,680	0.07 : 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
2009	301,169	5,019,838	0.06 : 1
2010	383,887	5,266,102	0.07 : 1
2011	332,097	5,225,071	0.06 : 1
2012	374,494	5,248,556	0.07 : 1





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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>2003</u>	<u>2004 (A)</u>	<u>2005</u>
Education	\$2.670	\$2.258	\$2.301
Medicare	0.017	—	—
Worker's and Unemployment Compensation/Tort Immunity	0.150	0.219	0.131
PBC Operation & Maintenance	0.609	0.565	0.576
Public Building Commission	<u>0.116</u>	<u>0.100</u>	<u>0.096</u>
TOTAL DIRECT RATE:	\$3.562	\$3.142	\$3.104
Chicago Finance Authority	0.177	0.151	0.177
City of Chicago	1.591	1.380	1.302
Chicago City Colleges	0.280	0.246	0.242
Chicago Park District	0.545	0.464	0.455
Metropolitan Water Reclamation District	0.371	0.361	0.347
Cook County	0.690	0.630	0.593
Cook County Forest Preserve	<u>0.061</u>	<u>0.059</u>	<u>0.060</u>
TOTAL FOR ALL GOVERNMENTS:	<u>\$7.277</u>	<u>\$6.433</u>	<u>\$6.280</u>

Source: Cook County Clerk's Office

Notes:

- A. Beginning in fiscal year 2004, the tax levy for Medicare has been consolidated with the Education tax rate.
- B. Beginning in fiscal year 2008, the tax levy for PBC Operations & Maintenance has been consolidated with the Education tax rate.
- C. Beginning in fiscal year 2009, the tax levy for Chicago Finance Authority 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.



<u>2006</u>	<u>2007</u>	<u>2008 (B)</u>	<u>2009 (C)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$2.143	\$2.078	\$2.376	\$2.426	\$2.204	\$2.449	\$2.671
—	—	—	—	—	—	—
0.228	0.021	0.191	0.031	0.148	0.067	0.133
0.565	0.521	—	—	—	—	—
<u>0.090</u>	<u>0.077</u>	<u>0.016</u>	<u>0.015</u>	<u>0.014</u>	<u>0.065</u>	<u>0.071</u>
\$3.026	\$2.697	\$2.583	\$2.472	\$2.366	\$2.581	\$2.875
0.127	0.118	0.091	—	—	—	—
1.243	1.062	1.044	1.147	1.098	1.132	1.229
0.234	0.205	0.159	0.156	0.150	0.151	0.165
0.443	0.379	0.355	0.323	0.309	0.319	0.346
0.315	0.284	0.263	0.252	0.261	0.274	0.320
0.533	0.500	0.446	0.415	0.394	0.423	0.462
<u>0.060</u>	<u>0.057</u>	<u>0.053</u>	<u>0.051</u>	<u>0.049</u>	<u>0.051</u>	<u>0.058</u>
<u>\$5.981</u>	<u>\$5.302</u>	<u>\$4.994</u>	<u>\$4.816</u>	<u>\$4.627</u>	<u>\$4.931</u>	<u>\$5.455</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(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 (B)	
			Amount	Percentage of Extension		Amount	Percentage of Extension
2002	2003	\$1,614,473	\$ 753,457	46.67%	\$ 820,974	\$1,574,431	97.52%
2003	2004	1,670,337	757,156	45.33%	864,115	1,621,271	97.06%
2004	2005	1,716,111	769,982	44.87%	911,041	1,681,023	97.96%
2005	2006	1,794,063	804,755	44.86%	939,744	1,744,499	97.24%
2006	2007	1,874,750	835,191	44.55%	971,623	1,806,814	96.38%
2007	2008	1,901,887	865,576	45.51%	985,837	1,851,413	97.35%
2008	2009	2,001,751	916,129	45.77%	1,040,642	1,956,771	97.75%
2009	2010	2,001,252	1,024,263	51.18%	942,622	1,966,885	98.28%
2010	2011	2,118,541	1,021,564	48.22%	1,041,831	2,063,395	97.40%
2011	2012	2,159,586	1,333,480	61.75%	—	—	—

Notes:

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





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CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(Thousands of dollars)

Tax Year Levy	Fiscal Year	Assessed Values (A)				Total
		Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	
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
2008	2009	19,339,573	1,602,768	12,359,537	693,239	33,995,117
2009	2010	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	2011	18,120,678	1,476,291	10,407,012	561,682	30,565,663
2011	2012	17,976,208	1,161,634	10,411,363	544,416	30,093,621

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



<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>
2.4689	\$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	320,503,503	22.98%
2.9786	80,977,543	2.472	310,888,609	26.05%
3.3701	84,586,808	2.366	280,288,730	30.18%
3.3000	82,087,170	2.581	231,986,396	35.38%
2.9706	75,122,914	2.875	N/A	N/A



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PRINCIPAL PROPERTY TAX PAYERS, BASED ON EQUALIZED ASSESSED VALUATION
Last Ten Fiscal Years
(Thousands of dollars)

Property	2011			2010		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower	\$ 445,590	1	0.59%	\$ 495,000	1	0.60%
AON Building	302,124	2	0.40%	335,454	2	0.41%
Prudential Plaza	272,345	3	0.36%	305,026	3	0.37%
Northwestern Memorial Hospital	243,609	4	0.32%	—	—	—
Water Tower Place	207,942	5	0.28%	231,000	4	0.28%
HCSC Blue Cross	206,343	6	0.27%	—	—	—
Chase Tower	204,229	7	0.27%	226,875	5	0.28%
Franklin Center	197,944	8	0.26%	209,723	8	0.26%
Three First National Plaza	197,183	9	0.26%	226,222	6	0.28%
300 Lasalle LLC	190,005	10	0.25%	—	—	—
131 S. Dearborn	—	—	—	210,502	7	0.26%
One North Wacker	—	—	—	207,127	9	0.25%
Citigroup Center	—	—	—	191,070	10	0.23%
Leo Burnett Building	—	—	—	—	—	—
Equity Office Properties	—	—	—	—	—	—
Lakeside Tech Ct.	—	—	—	—	—	—
Chicago Mercantile Exchange	—	—	—	—	—	—
	<u>\$2,467,314</u>		<u>3.26%</u>	<u>\$2,637,999</u>		<u>3.22%</u>

Property	2006			2005		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower	\$ 493,803	1	0.71%	\$ 519,080	1	0.88%
AON Building	356,510	2	0.51%	341,767	2	0.58%
Prudential Plaza	279,532	4	0.40%	295,933	3	0.50%
Northwestern Memorial Hospital	—	—	—	—	—	—
Water Tower Place	219,995	6	0.32%	183,187	9	0.31%
HCSC Blue Cross	—	—	—	—	—	—
Chase Tower	238,266	5	0.34%	259,021	5	0.44%
Franklin Center	283,387	3	0.41%	268,519	4	0.45%
Three First National Plaza	196,044	9	0.28%	190,340	7	0.32%
300 Lasalle LLC	—	—	—	—	—	—
131 S. Dearborn	—	—	—	—	—	—
One North Wacker	189,061	10	0.27%	—	—	—
Citigroup Center	205,854	7	0.30%	205,727	6	0.35%
Leo Burnett Building	201,662	8	0.29%	188,219	8	0.32%
Equity Office Properties	—	—	—	179,134	10	0.30%
Lakeside Tech Ct.	—	—	—	—	—	—
Chicago Mercantile Exchange	—	—	—	—	—	—
	<u>\$2,664,114</u>		<u>3.83%</u>	<u>\$2,630,927</u>		<u>4.45%</u>

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



2009			2008			2007		
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
\$ 505,515	1	0.60%	\$ 540,074	1	0.67%	\$ 514,662	1	0.70%
375,441	2	0.44%	392,192	2	0.48%	374,456	2	0.51%
318,635	3	0.38%	307,510	3	0.38%	293,604	4	0.40%
—	—	—	—	—	—	—	—	—
235,907	5	0.28%	242,014	6	0.30%	231,069	6	0.31%
—	—	—	—	—	—	—	—	—
231,694	6	0.27%	262,114	5	0.32%	250,261	5	0.34%
256,590	4	0.30%	294,569	4	0.36%	297,653	3	0.40%
231,028	7	0.27%	215,666	10	0.27%	205,913	10	0.28%
—	—	—	—	—	—	—	—	—
212,725	8	0.25%	218,722	9	0.27%	208,906	9	0.28%
211,526	9	0.25%	—	—	—	—	—	—
—	—	—	226,458	7	0.28%	216,217	7	0.29%
208,973	10	0.25%	221,846	8	0.27%	211,813	8	0.29%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
<u>\$2,788,034</u>		<u>3.29%</u>	<u>\$2,921,165</u>		<u>3.60%</u>	<u>\$2,804,554</u>		<u>3.80%</u>

2004			2003			2002		
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
\$ 489,383	1	0.89%	\$ 467,362	1	0.88%	\$ 417,723	1	0.92%
322,214	2	0.58%	307,715	2	0.58%	283,923	2	0.63%
279,002	3	0.50%	241,765	4	0.45%	230,946	3	0.51%
—	—	—	—	—	—	—	—	—
172,706	9	0.31%	171,376	7	0.32%	145,665	10	0.32%
—	—	—	—	—	—	—	—	—
244,202	5	0.44%	266,448	3	0.50%	230,071	4	0.51%
253,156	4	0.46%	233,214	5	0.44%	196,455	5	0.43%
179,451	7	0.32%	169,466	8	0.32%	150,438	8	0.33%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
193,957	6	0.35%	185,230	6	0.35%	155,794	7	0.34%
177,450	8	0.32%	—	—	—	148,240	9	0.33%
168,886	10	0.31%	—	—	—	—	—	—
—	—	—	164,935	9	0.31%	160,564	6	0.35%
—	—	—	161,286	10	0.30%	—	—	—
<u>\$2,480,407</u>		<u>4.48%</u>	<u>\$2,368,797</u>		<u>4.45%</u>	<u>\$2,119,819</u>		<u>4.67%</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA

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>
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	1,518,587,971	14.00%
2008	212,367,886	1,196,441,849	87,136,806	1,495,946,541	14.00%
2009	205,330,651	987,176,180	69,521,623	1,262,028,454	14.00%
2010	203,650,450	978,009,221	179,094,552	1,360,754,223	14.00%
2011	200,629,609	936,788,640	61,689,732	1,199,107,981	14.00%
2012(G)	200,007,076	1,012,136,462	(79,820,797)	1,132,322,741	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 statutory 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 Statue 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, 2012 – October, 2012 only.
- H. Percentage rounded.
- I. Estimated.



Board Replacement Tax Data (B)

Allocations to Board	Statutory Claims (B)			Pro-Forma Pledged Revenues (F)	Fiscal Year Recorded Revenues
	Allocations for Prior Debt Service (D)	Allocations for Pension Obligations (E)	Remainder after Allocations for Statutory Claims		
\$108,879,677	\$—	\$—	\$108,879,677	\$108,879,677	\$105,959,557
121,872,155	—	—	121,872,155	121,872,155	120,427,242
167,525,745	—	—	167,525,745	167,525,745	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
209,492,428	—	—	209,492,428	209,492,428	215,488,652
176,734,528	—	—	176,734,528	176,734,528	188,503,101
190,560,089	—	—	190,560,089	190,560,089	152,497,491
167,923,445	—	—	167,923,445	167,923,445	197,761,584
164,507,237	—	—	164,507,237	164,507,237	181,926,998

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December	Total
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	20,284,121	27,393,274	8,208,848	167,525,745
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	212,663,134
2008	28,898,261	13,371,613	37,943,940	40,606,164	32,510,546	17,770,472	29,019,609	9,371,823	209,492,428
2009	21,095,325	7,777,403	37,489,531	36,561,422	29,417,516	3,022,112	33,592,731	7,778,488	176,734,528
2010	22,103,156	8,619,712	32,076,622	22,475,680	22,828,990	2,997,879	43,980,968	35,477,082	190,560,089
2011	18,180,918	10,057,508	36,489,761	26,235,905	24,341,562	6,092,825	40,652,479	5,872,487	167,923,445
2012	25,024,841	6,995,224	38,430,380	25,676,518	33,182,244	4,009,471	25,251,856	5,936,703(l)	164,507,237



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2012

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2011 EAV \$</u>	<u>% Change in EAV (for 2011)</u>
Addison Corridor North	6/4/1997	2020	\$ 14,400,224	\$ 43,212,350	200.1%
Addison South	5/9/2007	2031	70,940,232	124,510,746	75.5%
Archer Courts	5/12/1999	2023	85,326	5,704,316	6585.3%
Archer/Central	5/17/2000	2024	37,646,911	50,221,950	33.4%
Archer/Western	2/11/2009	2033	117,506,250	115,414,382	-1.8%
Armitage/Pulaski	6/13/2007	2031	17,643,508	22,141,810	25.5%
Austin/Commercial	9/27/2007	2031	72,287,864	88,843,663	22.9%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	32,268,483	45.5%
Avondale	7/29/2009	2033	40,426,760	38,645,148	-4.4%
Belmont/Central	1/12/2000	2024	74,974,945	124,040,251	65.4%
Belmont/Cicero	1/12/2000	2024	33,673,880	54,610,344	62.2%
Bronzeville	11/4/1998	2022	46,166,304	121,013,682	162.1%
Bryn Mawr/Broadway	12/11/1996	2019	17,682,409	54,257,950	206.8%
Calumet/Cermak	7/29/1998	2021	3,219,685	161,550,090	4917.6%
Calumet River	3/10/2010	2034	14,220,381	9,092,160	-36.1%
Canal/Congress	11/12/1998	2022	36,872,487	390,513,720	959.1%
Central West	2/16/2000	2024	85,481,254	351,359,376	311.0%
Chicago/Central Park	2/27/2002	2026	84,789,947	209,846,729	147.5%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	310,992,359	707.3%
Cicero/Archer	5/17/2000	2024	19,629,324	33,609,376	71.2%
Clark/Montrose	7/7/1999	2022	23,433,096	66,451,887	183.6%
Clark/Ridge	9/29/1999	2022	39,619,368	75,403,720	90.3%
Commercial Ave.	11/13/2002	2026	40,748,652	65,652,237	61.1%
Devon/Sheridan	3/31/2004	2028	46,265,220	49,002,411	5.9%
Devon/Western	11/3/1999	2023	71,430,503	119,004,785	66.6%
Diversey/Narragansett	2/5/2003	2027	34,746,231	70,396,333	102.6%
Division/Homan	6/27/2001	2025	24,683,716	51,212,511	107.5%
Division/Hooker	7/10/1996	2019	380,624	3,567,337	837.2%
Division/North Branch	3/15/1991	2014	482,150	5,026,469	942.5%
Drexel Blvd.	7/10/2002	2026	127,408	6,363,745	4894.8%
Eastman/North Branch	10/7/1993	2016	2,222,210	5,818,581	161.8%
Edgewater	12/18/1986	2009	479,172	5,477,032	1043.0%
Edgewater/Ashland	10/1/2003	2027	1,875,282	12,457,838	564.3%
Elston/Armstrong	7/19/2007	2031	45,742,226	48,844,044	6.8%
Englewood Mall	11/29/1989	2012	3,868,736	9,744,681	151.9%
Englewood Neighborhood	6/27/2001	2025	56,079,946	158,260,050	182.2%
Ewing Avenue	3/10/2010	2034	52,994,264	50,837,200	-4.1%



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>2011 EAV \$</u>	<u>% Change in EAV (for 2011)</u>
Fullerton/Milwaukee	2/16/2000	2024	\$ 85,157,390	\$ 210,462,136	147.1%
Galewood/Armitage Industrial . . .	7/7/1999	2022	48,056,697	100,260,993	108.6%
Goose Island	7/10/1996	2019	13,676,187	81,301,200	494.5%
Greater Southwest (West)	4/12/2000	2024	115,603,413	107,471,768	-7.0%
Harlem Industrial Park	3/14/2007	2031	45,981,764	43,078,771	-6.3%
Harrison/Central	7/26/2006	2030	43,430,700	55,788,734	28.5%
Hollywood/Sheridan	11/7/2007	2031	158,696,916	135,701,918	-14.5%
Homan/Grand Trunk	12/15/1993	2016	35,753	4,794,471	13310.0%
Homan/Arthington	2/5/1998	2021	2,658,362	13,198,615	396.5%
Howard/Paulina	10/14/1988	2012	10,081,104	31,243,517	209.9%
Humbolt Park Commercial	6/27/2001	2025	32,161,252	87,030,828	170.6%
Irving Park/Cicero	6/10/1996	2020	8,150,631	18,975,636	132.8%
Irving Park/Elston	5/13/2009	2033	44,853,282	42,835,351	-4.5%
Jefferson Park	9/9/1998	2021	23,970,085	42,000,649	75.2%
Jefferson/Roosevelt	8/30/2000	2024	52,292,656	138,786,193	165.4%
Kennedy/Kimball	3/12/2008	2032	72,841,679	71,131,815	-2.3%
Kinzie Conservation	6/10/1998	2021	144,961,719	481,174,790	231.9%
Kostner Ave.	11/5/2008	2032	2,794,764	1,614,297	-42.2%
Lake Calumet	12/13/2000	2024	176,186,639	220,043,597	24.9%
Lakefront	3/27/2002	2026	—	4,396,066	—
Lakeside Dev Phase 1	5/12/2010	2034	3,489,242	329,012	-90.6%
Lakeside/Clarendon	7/21/2004	2028	3,091,585	3,388,668	9.6%
LaSalle/Central	11/15/2006	2030	4,192,597,468	3,987,576,939	-4.9%
Lawrence/Broadway	6/27/2001	2025	38,603,611	96,960,683	151.2%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	234,226,288	112.2%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	69,626,102	59.3%
Lincoln Avenue	11/3/1999	2023	63,741,191	109,549,404	71.9%
Lincoln/Belmont/Ashland	11/2/1994	2017	2,457,347	21,658,936	781.4%
Little Village East	4/22/2009	2033	44,751,945	42,004,662	-6.1%
Little Village Ind	6/13/2007	2031	88,054,895	79,133,702	-10.1%
Madden/Wells	11/6/2002	2026	1,333,582	18,833,563	1312.3%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	83,548,989	71.4%
Michigan/Cermak	9/13/1989	2013	5,858,634	23,424,505	299.8%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	71,148,056	46.2%
Midwest	5/17/2000	2024	98,090,835	398,408,410	306.2%
Montclare	8/30/2000	2024	792,770	7,036,053	787.5%
Montrose/Clarendon	6/30/2010	2034	—	—	—
Near North	7/30/1997	2020	41,671,541	355,415,203	752.9%
Near South	11/28/1990	2014	128,549,547	1,254,122,261	875.6%
Near West	3/23/1989	2013	36,805,658	286,051,127	677.2%



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>2011 EAV \$</u>	<u>% Change in EAV (for 2011)</u>
North Ave./Cicero	7/30/1997	2020	\$ 5,658,542	\$ 25,918,493	358.0%
North Branch/North	7/2/1997	2021	29,574,537	103,806,098	251.0%
North Branch/South	2/5/1998	2021	44,361,677	146,502,372	230.2%
North Pullman	6/30/2009	2033	44,582,869	43,287,181	-2.9%
NW Industrial Corridor	12/2/1998	2021	146,115,991	258,625,797	77.0%
Ogden/Pulaski	4/9/2008	2032	221,709,034	250,080,295	12.8%
Ohio/Wabash	6/7/2000	2024	1,278,143	24,255,213	1797.7%
Pershing/King	9/5/2007	2031	12,948,117	12,117,653	-6.4%
Peterson/Cicero	2/16/2000	2024	1,116,653	8,415,302	653.6%
Peterson/Pulaski	2/16/2000	2024	40,112,395	51,585,441	28.6%
Pilsen Area	6/10/1998	2022	111,394,217	288,634,854	159.1%
Portage Park	9/9/1998	2021	65,084,552	110,214,505	69.3%
Pratt/Ridge	6/23/2004	2028	16,414,897	21,605,145	31.6%
Pulaski Corridor	6/9/1999	2022	82,778,075	137,416,742	66.0%
Randolph/Wells	6/9/2010	2034	72,140,805	61,115,288	-15.3%
Ravenswood Corridor	3/9/2005	2029	44,169,275	52,833,017	19.6%
Read/Dunning	1/11/1991	2015	6,382,072	55,626,734	771.6%
River South	7/30/1997	2020	65,930,580	343,633,762	421.2%
River West	1/10/2001	2025	50,463,240	272,431,010	439.9%
Roosevelt/Canal	3/19/1997	2021	1,276,969	19,773,702	1448.5%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	91,667,794	102.9%
Roosevelt/Homan	12/5/1990	2014	3,539,018	20,994,950	493.2%
Roosevelt/Racine (DOH)	11/4/1998	2022	6,992,428	41,629,485	495.4%
Roosevelt/Union	5/12/1999	2022	4,369,258	86,299,101	1875.1%
Roseland/Michigan	1/16/2002	2026	29,627,768	40,982,095	38.3%
Sanitary Draig & Ship	7/24/1991	2014	10,722,329	19,502,354	81.9%
South Chicago	4/12/2000	2024	14,775,992	42,205,936	185.6%
South Works	11/3/1999	2023	3,823,633	4,964,329	29.8%
Stevenson/Brighton Park	4/11/2007	2031	216,330,994	206,224,888	-4.7%
Stockyards Annex	12/11/1996	2020	38,650,631	60,352,792	56.1%
Stockyards-Industrial	3/9/1989	2013	11,178,459	39,234,900	251.0%
Stockyards-Southeast Quad	2/26/1992	2015	21,527,824	52,624,537	144.4%
Stony Island Com/Burnside	6/10/1998	2033	46,058,038	88,446,824	92.0%
Southwest Ind. Corridor	3/10/1999	2023	17,662,923	30,067,425	70.2%
Touhy/Western	9/13/2006	2030	55,187,828	60,236,067	9.1%
Weed/Fremont	1/8/2008	2032	6,430,360	12,955,601	101.5%
West Grand	6/10/1996	2019	465,129	1,748,486	275.9%
West Irving Park	1/12/2000	2024	36,446,831	52,556,817	44.2%
West Pullman Ind. Park	3/11/1998	2021	7,050,845	6,658,093	-5.6%



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>2011 EAV \$</u>	<u>% Change in EAV (for 2011)</u>
West Woodlawn	5/12/2010	2034	\$127,750,505	\$110,892,796	-13.2%
Western Ave. South	1/12/2000	2024	69,504,372	180,036,356	159.0%
Western Ave. North	1/12/2000	2024	71,260,546	159,453,383	123.8%
Western/Ogden	2/5/1998	2021	41,536,306	180,262,539	334.0%
Western/Rock Island	2/8/2006	2030	102,358,411	127,031,357	24.1%
Wilson Yard	6/27/2001	2025	56,194,225	179,799,319	220.0%
Woodlawn	1/20/1999	2022	28,865,833	85,649,000	196.7%
105th/Vincennes	10/3/2001	2025	1,268,074	7,513,114	492.5%
111th/Kedzie	9/29/1999	2022	14,456,141	25,924,286	79.3%
119th/Halsted	2/6/2002	2026	18,853,913	33,279,233	76.5%
119th/I-57	11/6/2002	2026	16,097,672	61,003,055	279.0%
126th/Torrence	12/21/1994	2017	1,224,731	16,510,114	1248.1%
134th/Avenue K	3/12/2008	2032	6,732,703	4,618,119	-31.4%
24th/Michigan	7/21/1999	2022	15,874,286	36,326,047	128.8%
26th/King Drive	1/11/2006	2030	—	15,457,428	—
35th/Halsted	1/14/1997	2021	81,212,182	168,308,339	107.2%
35th/State	1/14/2004	2028	3,978,955	19,673,987	394.5%
35th/Wallace	12/15/1999	2023	9,047,402	22,433,836	148.0%
40th/State	3/10/2004	2028	NA	NA	NA
41st/King Drive	7/13/1994	2017	129,892	3,299,996	2440.6%
43rd/Cottage Grove	7/8/1998	2022	13,728,931	63,835,655	365.0%
45th/Western Industrial	3/27/2002	2026	1,984,412	3,105,070	56.5%
47th/Ashland	3/27/2002	2026	53,606,185	92,600,284	72.7%
47th/Halsted	5/29/2002	2026	39,164,012	103,708,954	164.8%
47th/King Drive	3/27/2002	2026	61,269,066	202,607,902	230.7%
47th/State	7/21/2004	2028	19,279,360	50,625,947	162.6%
49th/St. Lawrence	1/10/1996	2020	683,377	9,391,563	1274.3%
51st/Archer	5/17/2000	2024	29,522,751	40,553,097	37.4%
53rd St.	1/10/2001	2025	23,168,822	34,503,800	48.9%
60th/Western	5/9/1996	2019	2,464,026	7,688,116	212.0%
63rd/Ashland	3/29/2006	2030	47,496,362	79,171,428	66.7%
63rd/Pulaski	5/17/2000	2024	56,171,856	90,907,542	61.8%
67th/Cicero	10/2/2002	2026	—	6,835,139	—
67th/Wentworth	5/4/2011	2035	210,005,927	176,105,170	-16.1%
69th/Ashland	11/3/2004	2028	813,600	10,884,516	1237.8%
71st/Stony Island	10/7/1998	2021	53,506,755	110,872,065	107.2%
72nd/Cicero	11/17/1993	2016	6,531,993	11,254,442	72.3%
73rd/Kedzie	11/17/1993	2016	14,587,780	8,410,981	-42.3%
73rd/University	9/13/2006	2030	16,998,947	29,301,776	72.4%
79th Street Corridor	7/8/1998	2021	21,576,305	36,080,103	67.2%



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>2011 EAV \$</u>	<u>% Change in EAV (for 2011)</u>
79th/Cicero	6/8/2005	2029	\$ 8,018,405	\$ 16,852,211	110.2%
79th/SW Highway	10/3/2001	2025	36,347,823	66,469,949	82.9%
79th/Vincennes	9/27/2007	2031	32,132,472	38,503,516	19.8%
83rd/Stewart	3/21/2004	2028	10,618,689	18,002,169	69.5%
87th/Cottage Grove	11/13/2002	2026	53,959,824	83,347,066	54.5%
89th/State	4/1/1998	2021	3,827,328	10,623,181	177.6%
95th/Stony Island	5/16/1990	2014	2,622,436	20,440,057	679.4%
95th/Western	7/13/1995	2018	16,035,773	29,073,137	81.3%
			<u>\$10,518,492,713</u>	<u>\$18,315,561,872</u>	

NOTE

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 replacements 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 County Clerk Tax Increment Agency

Total 2011 EAV for the City of Chicago is \$75,127,912,681 — Source of The Cook County Report



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF NEW PROPERTY EAV AS A PERCENTAGE OF OVERALL EAV

Last Ten Fiscal Years
(Thousands of dollars)

Tax Year Levy	Fiscal Year	Agency Overall Equalized Assessed Value (A)	Components of New Property by Tax Levy Year (B)					Total New Property (A)	New property percentage of overall EAV
			New Property	Annexed Property	Disconnected Property	Recovered Tax Increment Value	Expired Incentives		
2002	2003	\$45,330,892	\$ 516,082	\$—	\$—	\$ 743	\$—	\$ 516,825	1.14%
2003	2004	53,175,365	552,610	—	—	9,626	19,649	581,885	1.09%
2004	2005	55,283,639	518,653	—	—	—	—	518,653	0.94%
2005	2006	59,310,827	802,525	—	—	—	4,674	807,199	1.36%
2006	2007	69,517,264	786,042	—	—	—	8,980	795,022	1.14%
2007	2008	73,651,158	838,279	—	—	45,875	24,179	908,333	1.23%
2008	2009	80,983,239	1,073,096	—	—	2,318,769	—	3,391,865	4.19%
2009	2010	84,592,286	1,052,426	—	—	162	—	1,052,588	1.24%
2010	2011	82,092,476	727,019	—	—	104,289	18,790	850,098	1.04%
2011	2012	75,127,913	344,503	—	—	—	2,420	346,923	0.46%

Notes:

- A. Source: Cook County Clerk's Office—Agency Tax Rate Report, includes DuPage County Valuation.
- B. Source: Cook County Clerk's Office—PTELL New Property, Annexed Property, Disconnected Property, Recovered Tax Increment Report by Town Within Agency.



CHICAGO PUBLIC SCHOOLS

Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools

Capital Intergovernmental Agreements as of June 30, 2012

School	Total Benefit To CPS From IGA With Interest	Total Benefit Received By CPS	Amount Pending To Be Paid To CPS	Parent TIF
Modern Schools Across Chicago Program Phase I				
Collins Renovation	\$ 30,300,000	\$ 25,161,239	\$ 5,138,761	Midwest
Mather Renovation	32,401,366	32,401,366	—	Lincon Avenue
Austin Renovation	32,203,759	32,203,759	—	Madison/Austin
Southwest Elementary (Hernandez Middle School)	32,818,102	32,818,102	—	51st/Archer
South Shore Replacement HS	72,164,382	72,164,382	—	71st/Stony Island
Additional Westinghouse HS Funding and Refunding	17,752,030	17,752,030	—	Chicago/Central Park
Skinner Replacement Elementary	36,169,484	36,169,484	—	Central/West
Avondale Irving Park Elementary	10,766,724	10,766,724	—	Fullerton/Milwaukee
Boone Clinton Elementary	8,142,740	8,142,740	—	Touhy/Western
Belmont Cragin Elementary	8,097,471	8,097,471	—	Galewood/Armitage
Peterson Addition	15,150,000	14,566,077	583,923	Lawrence/Kedzie
Modern Schools Across Chicago Program Phase II				
Avondale Irving Park Elementary	25,000,000	19,323,369	5,676,631	Fullerton/Milwaukee
Belmont Cragin Elementary	31,300,000	22,483,478	8,816,522	Galewood/Armitage
Hernandez Middle School	9,540,000	5,464,396	4,075,604	51st/Archer
Boone Clinton Elementary	18,655,000	13,214,530	5,440,470	Touhy/Western
Chicago Ag West High School (Al Raby Horticultural)	22,000,000	—	22,000,000	Chicago/Central Park
Westinghouse High School	32,920,000	24,335,675	8,584,325	Chicago/Central Park
Back of the Yards HS	19,800,000	15,888,389	3,911,611	47th/Ashland
Modern Schools Across Chicago Program Future Payments				
Austin Renovation	5,570,000	—	5,570,000	Madison/Austin
Skinner Replacement Elementary	6,120,000	—	6,120,000	Central/West
Peterson Addition	2,900,000	—	2,900,000	Lawrence/Kedzie
Brighton Park II Elementary	25,420,000	—	25,420,000	Stevenson/Brighton
MSAC Subtotal	\$495,191,058	\$390,953,211	\$104,237,847	



Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools

Capital Intergovernmental Agreements as of June 30, 2012 (continued)

School	Total Benefit To CPS From IGA With Interest	Total Benefit Received By CPS	Amount Pending To Be Paid To CPS	Parent TIF
ADA Accessibility -Year 1				
Beidler Elementary	\$ 750,000	\$—	\$ 750,000	Kinzie Industrial
Brown Elementary	750,000	—	750,000	Central West
Creiger Campus	1,500,250	—	1,500,250	Central West
Dodge Elementary	750,000	—	750,000	Midwest
Fiske Elementary	1,500,000	—	1,500,000	Woodlawn
Holmes Elementary	750,000	—	750,000	Englewood Neighborhood
Manierre Elementary	750,000	—	750,000	Near North
Mays Elementary	750,000	—	750,000	Englewood Neighborhood
McAuliffe Elementary	750,000	—	750,000	Pulaski Corridor
Mollison Elementary	750,000	—	750,000	47th/King Drive
Morton Elementary	750,000	—	750,000	Kinzie Industrial
Nicholson Elementary	750,000	—	750,000	Englewood Neighborhood
Ryerson Elementary	750,000	—	750,000	Chicago/Central Park
Schiller Elementary	1,500,000	—	1,500,000	Near North
Seward Elementary	1,500,000	—	1,500,000	47th/Ashland
ADA Accessibility -Years 2-5				
Attucks-Farren Building	1,000,000	—	1,000,000	47th/King
Burke Elementary	1,000,000	—	1,000,000	47th/State
Banneker Elementary	2,000,000	—	2,000,000	Englewood Neighborhood
Armour Elementary	2,673,750	—	2,673,750	35th/Halsted
Hearst Elementary	2,219,500	—	2,219,500	Cicero/Archer
Lawndale Elementary	2,500,000	—	2,500,000	Midwest
Plamondon Elementary	1,748,000	—	1,748,000	Western/Ogden Industrial Corridor
Schurz High School	2,100,000	—	2,100,000	Portage Park
Hayt Elementary	670,000	—	670,000	Clark/Ridge
Peterson Elementary	500,000	—	500,000	Lawrence/Kedzie
Chappell Elementary	1,500,000	—	1,500,000	Western Ave. North
ADA Subtotal	\$32,161,500	\$—	\$32,161,500	



Statistical Section

Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools

Capital Intergovernmental Agreements as of June 30, 2012 (continued)

School	Total Benefit To CPS From IGA With Interest	Total Benefit Received By CPS	Amount Pending To Be Paid To CPS	Parent TIF
Other Capital Intergovernmental Agreements				
Walter Payton HS and Jenner School	\$ 11,125,000	\$ 11,125,000	\$ —	Near North
Jones Academic High School Renovation/ Addition	67,000,000	32,119,344	34,880,656	Near South
National Teachers Academy	79,335,695	34,400,000	44,935,695	24th/Michigan
Simeon High School	22,184,925	18,381,140	3,803,785	Chatham Ridge
Albany Park Middle Park	45,345,000	28,662,826	—	*Lawrence/Kedzie
Juarez High School Addition	25,948,600	6,032,000	19,916,600	Pilsen
DePriest Elementary	33,164,000	21,457,220	—	*Madison/Austin
Additional Westinghouse HS—Refunding Debt Service	83,628,000	58,618,967	—	*Chicago/Central Park
Canter Elementary School	150,000	150,000	—	53rd Street
Orozco Elementary Health Center School	250,000	250,000	—	Western/Ogden
Lane Tech High School Stadium	1,892,100	1,892,100	—	Western Avenue South
Coonley Middle School	2,201,500	—	2,201,500	Western Avenue South
Arai/ Uplift Elementary School	1,447,244	—	1,447,244	Wilson Yard
Lloyd Elementary	750,000	—	750,000	Midwest
Chase	3,600,000	—	3,600,000	Fullerton/Milwaukee
Holmes Elementary	3,270,000	—	3,270,000	Englewood Neighborhood
Morgan Park	44,000	—	44,000	Western Avenue/Rock Island
Senn High School	1,000,000	—	1,000,000	Clark Ridge
Arai/ Uplift Elementary School Courtyard Renovations	3,495,042	—	3,495,042	Wilson Yard
Beidler Campus Park	1,000,000	—	1,000,000	Kinzie Industrial
Donoghue	200,000	—	200,000	Madden-Wells
Juarez High School Athletic Field	1,300,000	—	1,300,000	Pilsen Industrial Corridor
Kenwood Academy	59,110	—	59,110	53rd Street
Lane Tech Renovation #2	2,000,000	—	2,000,000	Western Avenue South
Lane Tech Renovation #3	2,000,000	—	2,000,000	Western Avenue South
Stockton	300,000	—	300,000	Clark Montrose
Whittier Renovation	1,200,000	—	1,200,000	Pilsen Industrial Corridor
Other Capital IGA Subtotal	\$393,890,216	\$213,088,597	\$127,403,632	
Grand Total	\$921,242,774	\$604,041,808	\$263,802,979	

Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2012.

* City of Chicago refunded bonds to cover future principal and interest payments, no additional amounts to be paid to CPS.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

For the Fiscal Year Ended June 30, 2012

(Thousands of dollars)

<u>Fiscal Year</u>	<u>CPS Debts</u>	<u>PBC Leases</u>	<u>Total</u>
2013	\$ 309,959	\$ 51,963	\$ 361,922
2014	420,102	51,981	472,083
2015	427,373	52,029	479,402
2016	427,766	51,997	479,763
2017	420,496	52,019	472,515
2018	421,041	52,070	473,111
2019	421,176	52,099	473,275
2020	441,677	30,635	472,312
2021	475,486	—	475,486
2022	455,433	—	455,433
2023	457,412	—	457,412
2024	451,517	—	451,517
2025	452,014	—	452,014
2026	718,884	—	718,884
2027	462,440	—	462,440
2028	460,955	—	460,955
2029	463,289	—	463,289
2030	710,982	—	710,982
2031	473,034	—	473,034
2032	471,356	—	471,356
2033	161,676	—	161,676
2034	144,842	—	144,842
2035	128,820	—	128,820
2036	126,692	—	126,692
2037	120,843	—	120,843
2038	138,210	—	138,210
2039	138,019	—	138,019
2040	137,896	—	137,896
2041	137,697	—	137,697
2042	137,935	—	137,935
TOTAL:	<u>\$10,715,022</u>	<u>\$394,793</u>	<u>\$11,109,815</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, 2012

(Thousands of dollars)

Fiscal Year	12/3/1997 Series 1997A \$499.9 Million		10/28/1998 Series 1998B-1 \$328.7 Million		2/25/1999 Series 1999A \$532.5 Million	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 6,907	\$ 8,338	\$ 10,384	\$ 10,016	\$ 13,267	\$ 24,642
2014	6,501	8,744	9,753	10,647	16,588	29,277
2015	6,113	9,132	9,215	11,185	16,149	30,243
2016	5,743	9,502	8,698	11,702	15,270	31,104
2017	5,389	9,856	8,202	12,198	14,517	31,882
2018	—	—	7,763	12,637	30,694	32,162
2019	—	—	7,344	13,056	30,895	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	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$30,653</u>	<u>\$45,572</u>	<u>\$286,396</u>	<u>\$786,204</u>	<u>\$467,684</u>	<u>\$701,841</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, 2012

(Thousands of dollars)

Fiscal Year	12/29/2011 Series 2000B \$101.0 Million		12/19/2000 Series 2000E \$13.4 Million		10/24/2001 Series 2001B \$9.4 Million	
	Principal	Estimated Interest (1)	Principal	Interest	Principal	Interest
2013	\$ —	\$ 168	\$ —	\$—	\$ —	\$—
2014	1,800	167	13,390	—	—	—
2015	1,900	164	—	—	—	—
2016	2,200	160	—	—	9,440	—
2017	2,500	156	—	—	—	—
2018	2,700	152	—	—	—	—
2019	3,700	146	—	—	—	—
2020	4,200	139	—	—	—	—
2021	4,500	132	—	—	—	—
2022	4,800	124	—	—	—	—
2023	5,100	115	—	—	—	—
2024	5,400	106	—	—	—	—
2025	5,800	96	—	—	—	—
2026	6,100	86	—	—	—	—
2027	6,500	75	—	—	—	—
2028	6,900	63	—	—	—	—
2029	7,200	51	—	—	—	—
2030	7,700	38	—	—	—	—
2031	8,200	24	—	—	—	—
2032	7,900	9	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$95,100</u>	<u>\$2,171</u>	<u>\$13,390</u>	<u>\$—</u>	<u>\$9,440</u>	<u>\$—</u>

Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2012 calculated at:

(1) Series 2000B computed: $(0.176774\% * \$95,100,000 \text{ outstanding principal})$



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, 2012

(Thousands of dollars)

Fiscal Year	9/24/2002 Series 2002A \$49.0 Million		2/13/2003 Series 2003A \$75.9 Million		10/28/2003 Series 2003C \$4.6 Million	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,405	\$ 1,969	\$ —	\$357	\$ —	\$—
2014	3,000	1,846	6,795	178	—	—
2015	3,150	1,692	—	—	—	—
2016	3,310	1,531	—	—	—	—
2017	3,475	1,361	—	—	—	—
2018	3,645	1,183	—	—	4,585	—
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	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$40,225</u>	<u>\$12,392</u>	<u>\$6,795</u>	<u>\$535</u>	<u>\$4,585</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, 2012

(Thousands of dollars)

Fiscal Year	4/6/2004 Series 2004A \$205.4 Million		12/9/2004 Series 2004FGH \$56.0 Million		6/27/2005 Series 2005AB \$246.1 Million	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest
2013	\$ —	\$10,121	\$ 270	\$ 693	\$ —	\$ 13,180
2014	15,840	9,725	775	670	20,660	12,663
2015	18,615	8,864	815	633	21,700	11,604
2016	36,230	7,493	915	588	6,720	10,886
2017	38,020	5,636	965	537	7,085	10,523
2018	23,025	4,110	1,220	473	7,455	10,132
2019	24,190	2,930	1,290	398	7,860	9,711
2020	25,410	1,690	1,370	318	8,300	9,267
2021	21,090	527	1,450	234	8,755	8,798
2022	—	—	1,540	144	31,975	7,734
2023	—	—	1,630	49	9,750	6,644
2024	—	—	—	—	10,290	6,093
2025	—	—	—	—	10,855	5,511
2026	—	—	—	—	11,455	4,898
2027	—	—	—	—	12,090	4,250
2028	—	—	—	—	12,760	3,567
2029	—	—	—	—	13,465	2,846
2030	—	—	—	—	14,200	2,085
2031	—	—	—	—	14,990	1,282
2032	—	—	—	—	15,815	435
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$202,420</u>	<u>\$51,096</u>	<u>\$12,240</u>	<u>\$4,737</u>	<u>\$246,180</u>	<u>\$142,109</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, 2012

(Thousands of dollars)

Fiscal Year	6/7/2006 Series 2006A \$6.9 Million		9/27/2006 Series 2006B \$355.8 Million		9/5/2007 Series 2007BC \$204.6 Million	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ —	\$—	\$ —	\$ 15,694	\$ 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	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$6,853</u>	<u>\$—</u>	<u>\$320,775</u>	<u>\$239,000</u>	<u>\$203,385</u>	<u>\$97,498</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, 2012

(Thousands of dollars)

Fiscal Year	12/13/2007 Series 2007D \$238.7 Million		5/13/2008 Series 2008A \$262.8 Million		5/13/2008 Series 2008B \$240.9 Million	
	Principal	Interest	Principal	Estimated Interest (2)	Principal	Estimated Interest (3)
2013	\$ —	\$ 10,193	\$ —	\$ 15,210	\$ —	\$ 8,791
2014	8,045	9,992	—	15,210	6,275	8,776
2015	8,445	9,580	—	15,210	7,125	8,712
2016	8,870	9,147	—	15,210	7,500	8,640
2017	9,310	8,693	—	15,210	7,925	8,565
2018	9,780	8,215	—	15,210	7,800	8,487
2019	10,265	7,714	—	15,210	8,125	8,128
2020	10,780	7,188	—	15,210	8,475	7,754
2021	11,320	6,636	—	15,210	8,825	7,365
2022	11,885	6,055	—	15,210	9,225	6,958
2023	12,480	5,446	—	15,210	9,400	6,534
2024	13,105	4,807	—	15,210	9,750	6,103
2025	13,760	4,135	—	15,210	10,200	5,654
2026	14,445	3,430	38,390	15,020	10,650	5,185
2027	15,170	2,690	40,410	12,787	11,100	4,694
2028	15,930	1,912	42,530	10,439	11,550	4,184
2029	16,725	1,096	44,760	7,966	12,050	3,653
2030	13,550	339	47,110	5,363	12,550	3,099
2031	—	—	49,585	2,870	13,050	2,522
2032	—	—	—	—	13,600	1,921
2033	—	—	—	—	14,200	1,296
2034	—	—	—	—	14,800	643
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	\$203,865	\$107,268	\$262,785	\$252,175	\$214,175	\$127,664

Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2012 calculated at:

- (2) Series 2008A computed: $(0.99\% * \$262,785,000 \text{ outstanding principal}) + (5.25\% - 0.452025\%) * \$262,785,000 \text{ swapped outstanding principal}$
- (3) Series 2008B computed: $(0.99\% * \$214,175,000 \text{ outstanding principal}) + (3.771\% - 0.172025\%) * \$185,350,000 \text{ swapped outstanding principal}$



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, 2012

(Thousands of dollars)

Fiscal Year	5/1/2008 Series 2008C \$464.7 Million		3/18/2009 Series 2009A \$130.0 Million		6/25/2009 Series 2009B \$75.4 Million	
	Principal	Interest	Principal	Estimated Interest (4)	Principal	Estimated Interest (5)
2013	\$ —	\$ 23,641	\$ 7,395	\$ 4,776	\$ —	\$ 2,911
2014	—	23,641	7,685	4,504	—	2,911
2015	—	23,641	7,990	4,221	—	2,911
2016	—	23,641	8,305	3,929	—	2,911
2017	—	23,641	8,635	3,623	—	2,911
2018	7,420	23,455	8,975	3,305	—	2,911
2019	8,815	23,083	9,330	2,976	—	2,911
2020	9,615	22,655	9,695	2,634	—	2,911
2021	10,120	22,162	10,080	2,277	—	2,911
2022	10,660	21,642	10,480	1,906	—	2,911
2023	41,535	20,337	10,890	1,522	—	2,911
2024	43,720	18,151	11,320	1,122	8,040	2,911
2025	46,145	15,792	11,765	706	8,400	2,600
2026	48,595	13,305	7,455	274	8,780	2,276
2027	51,265	10,684	—	—	9,175	1,937
2028	80,365	7,329	—	—	9,585	1,583
2029	20,940	4,797	—	—	10,020	1,213
2030	22,040	3,722	—	—	10,470	826
2031	23,195	2,591	—	—	10,940	423
2032	24,395	1,401	—	—	—	—
2033	15,830	396	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$464,655</u>	<u>\$329,707</u>	<u>\$130,000</u>	<u>\$37,775</u>	<u>\$75,410</u>	<u>\$45,790</u>

Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2012 calculated at:

- (4) Series 2009A computed: (0.1838% * \$130,000,000 outstanding principal) + (3.6617% — 0.172025%) * \$130,000,000 swapped outstanding principal
- (5) Series 2009B computed: (0.207% * \$75,410,000 outstanding principal) + (3.825% — 0.172025%) * \$75,410,000 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, 2012

(Thousands of dollars)

Fiscal Year	7/30/2009 Series 2009D \$75.7 Million		9/24/2009 Series 2009E \$518.2 Million		9/24/2009 Series 2009F \$29.1 Million	
	Principal	Interest	Principal	Estimated Interest (6)	Principal	Interest
2013	\$ —	\$ 2,760	\$ —	\$ 31,070	\$ —	\$ 925
2014	5,280	2,662	—	31,070	5,640	855
2015	5,465	2,483	—	31,070	5,785	639
2016	5,625	2,294	—	31,070	6,070	404
2017	5,900	2,069	—	31,070	6,255	156
2018	6,060	1,809	6,675	30,914	—	—
2019	6,335	1,509	6,885	30,593	—	—
2020	6,635	1,185	7,105	30,255	—	—
2021	6,960	845	7,340	29,895	—	—
2022	7,300	489	7,590	29,512	—	—
2023	7,650	153	7,855	29,108	—	—
2024	—	—	8,130	28,682	—	—
2025	—	—	8,425	28,232	—	—
2026	—	—	22,810	27,312	—	—
2027	—	—	23,725	25,908	—	—
2028	—	—	24,675	24,446	—	—
2029	—	—	25,665	22,927	—	—
2030	—	—	26,690	21,346	—	—
2031	—	—	27,775	19,688	—	—
2032	—	—	28,905	17,948	—	—
2033	—	—	30,085	16,138	—	—
2034	—	—	31,310	14,254	—	—
2035	—	—	32,585	12,293	—	—
2036	—	—	33,915	10,252	—	—
2037	—	—	35,300	8,128	—	—
2038	—	—	36,735	5,917	—	—
2039	—	—	38,235	3,616	—	—
2040	—	—	39,795	1,221	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$63,210</u>	<u>\$18,258</u>	<u>\$518,210</u>	<u>\$623,935</u>	<u>\$23,750</u>	<u>\$2,979</u>

(6) Interest does not reflect the 35% Federal Interest Subsidy CPS receives for the bonds.



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, 2012

(Thousands of dollars)

Fiscal Year	12/17/2009 Series 2009G \$254.2 Million		2/17/2010 Series 2010A \$48.9 Million		2/17/2010 Series 2010B \$157.1 Million	
	Principal	Interest	Principal	Estimated Interest (7)	Principal	Estimated Interest (8)
2013	\$ —	\$ 4,449	\$ —	\$ 1,871	\$ —	\$ 5,750
2014	—	4,449	—	1,871	—	5,750
2015	—	4,449	—	1,871	—	5,750
2016	—	4,449	—	1,871	—	5,750
2017	—	4,449	—	1,871	—	5,750
2018	—	4,449	—	1,871	—	5,750
2019	—	4,449	—	1,871	—	5,750
2020	—	4,449	—	1,871	—	5,750
2021	—	4,449	—	1,871	—	5,750
2022	—	4,449	—	1,871	—	5,750
2023	—	4,449	—	1,871	—	5,750
2024	—	4,449	—	1,871	—	5,750
2025	—	4,449	—	1,871	—	5,750
2026	254,240	2,225	—	1,871	4,775	5,750
2027	—	—	—	1,871	12,715	5,574
2028	—	—	—	1,871	13,215	5,109
2029	—	—	—	1,871	13,740	4,625
2030	—	—	—	1,871	14,280	4,123
2031	—	—	—	1,871	14,845	3,599
2032	—	—	11,435	1,871	15,430	3,056
2033	—	—	11,945	1,433	16,040	2,491
2034	—	—	12,485	977	16,670	1,904
2035	—	—	13,045	499	17,330	1,293
2036	—	—	—	—	18,015	660
2037	—	—	—	—	—	—
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
TOTAL	<u>\$254,240</u>	<u>\$60,062</u>	<u>\$48,910</u>	<u>\$40,329</u>	<u>\$157,055</u>	<u>\$112,934</u>

Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2012 calculated at:

- (7) Series 2010A computed: (0.171%* \$48,910,000 outstanding principal) + (3.825%—0.172025%) * \$48,910,000 swapped outstanding principal
- (8) Series 2010B computed: (0.171%* \$157,055,000 outstanding principal) + (3.6617%—0.172025%) * \$157,055,000 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, 2012

(Thousands of dollars)

Fiscal Year	11/2/2010 Series 2010C \$257.1 Million		11/2/2010 Series 2010D \$125.0 Million		11/2/2010 Series 2010F \$183.7 Million	
	Principal	Estimated Interest (9)	Principal	Estimated Interest (10)	Principal	Interest
2013	\$ —	\$ 16,248	\$ —	\$ 8,149	\$ —	\$ 9,188
2014	—	16,248	—	8,149	—	9,188
2015	—	16,248	—	8,149	7,120	9,010
2016	—	16,248	—	8,149	7,475	8,645
2017	—	16,248	—	8,149	7,855	8,261
2018	—	16,248	—	8,149	9,770	7,821
2019	—	16,248	—	8,149	16,930	7,153
2020	—	16,248	—	8,149	15,105	6,352
2021	—	16,248	—	8,149	18,180	5,520
2022	—	16,248	—	8,149	4,505	4,953
2023	—	16,248	—	8,149	—	4,841
2024	—	16,248	—	8,149	—	4,841
2025	—	16,248	—	8,149	—	4,841
2026	—	16,248	—	8,149	—	4,841
2027	—	16,248	—	8,149	—	4,841
2028	—	16,248	—	8,149	2,305	4,783
2029	—	16,248	—	8,149	—	4,725
2030	257,125	8,124	—	8,149	2,600	4,660
2031	—	—	—	8,149	44,585	3,481
2032	—	—	—	8,149	47,320	1,183
2033	—	—	—	8,149	—	—
2034	—	—	—	8,149	—	—
2035	—	—	—	8,149	—	—
2036	—	—	—	8,149	—	—
2037	—	—	—	8,149	—	—
2038	—	—	18,490	7,546	—	—
2039	—	—	20,025	6,291	—	—
2040	—	—	21,665	4,932	—	—
2041	—	—	64,820	2,113	—	—
2042	—	—	—	—	—	—
TOTAL	\$257,125	\$284,340	\$125,000	\$224,607	\$183,750	\$119,128

(9) Interest does not reflect the Federal Subsidy interest payment (5.1% of principal per annum) CPS receives for the bonds.

(10) Interest does not reflect the 35% Federal Interest Subsidy CPS receives for the bonds.



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, 2012

(Thousands of dollars)

Fiscal Year	11/2/2010 Series 2010G \$72.9 Million		11/1/2011 Series 2011A \$402.4 Million		12/20/2011 Series 2011C \$95.1 Million	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest (11)
2013	\$ —	\$2,474	\$ —	\$ 21,129	\$ —	\$ 1,143
2014	8,340	2,358	—	21,129	1,800	1,133
2015	25,985	1,840	—	21,129	2,000	1,111
2016	15,855	1,168	—	21,129	2,300	1,087
2017	17,500	558	—	21,129	2,600	1,058
2018	5,235	109	—	21,129	2,700	1,026
2019	—	—	—	21,129	3,700	988
2020	—	—	—	21,129	4,200	940
2021	—	—	—	21,129	4,600	887
2022	—	—	—	21,129	4,800	830
2023	—	—	—	21,129	5,100	770
2024	—	—	—	21,129	5,400	707
2025	—	—	—	21,129	5,700	640
2026	—	—	—	21,129	6,100	569
2027	—	—	—	21,129	6,400	494
2028	—	—	—	21,129	6,800	414
2029	—	—	—	21,129	7,300	329
2030	—	—	—	21,129	7,700	238
2031	—	—	—	21,129	8,100	143
2032	—	—	—	21,129	7,800	47
2033	—	—	—	21,129	—	—
2034	—	—	—	21,129	—	—
2035	—	—	—	21,129	—	—
2036	—	—	12,440	20,787	—	—
2037	—	—	27,065	19,701	—	—
2038	—	—	51,995	17,527	—	—
2039	—	—	55,275	14,577	—	—
2040	—	—	58,770	11,513	—	—
2041	—	—	62,355	8,409	—	—
2042	—	—	134,510	3,425	—	—
TOTAL	<u>\$72,915</u>	<u>\$8,507</u>	<u>\$402,410</u>	<u>\$581,906</u>	<u>\$95,100</u>	<u>\$14,554</u>

Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2012 calculated at:

(11) Series 2011C-1 computed: (1.132258%* \$51,000,000 outstanding principal) Series 2011C-2 computed: (1.2822581%* \$44,100,000 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, 2012

(Thousands of dollars)

Fiscal Year	12/16/2011 Series 2011D \$95.0 Million		Total		Total CPS Debts
	Principal	Estimated Interest (12)	G.O. Debt Principal	G.O. Debt Interest	
2013	\$ —	\$ 3,003	\$ 40,973	\$ 268,986	\$ 309,959
2014	1,800	2,996	147,632	272,470	420,102
2015	2,000	2,980	157,542	269,831	427,373
2016	2,300	2,963	161,191	266,575	427,766
2017	2,600	2,943	157,518	262,978	420,496
2018	2,800	2,921	172,767	248,274	421,041
2019	3,700	2,894	178,874	242,302	421,176
2020	4,300	2,861	191,621	250,056	441,677
2021	4,500	2,825	216,950	258,536	475,486
2022	4,800	2,787	203,398	252,035	455,433
2023	5,100	2,747	212,098	245,314	457,412
2024	5,400	2,704	216,997	234,520	451,517
2025	5,700	2,466	225,483	226,531	452,014
2026	6,000	2,209	502,773	216,111	718,884
2027	6,400	1,939	258,915	203,525	462,440
2028	6,800	1,652	268,245	192,710	460,955
2029	7,200	1,347	227,667	235,622	463,289
2030	7,600	1,024	491,232	219,750	710,982
2031	8,100	682	270,124	202,910	473,034
2032	7,900	320	235,916	235,440	471,356
2033	—	—	106,205	55,471	161,676
2034	—	—	94,275	50,567	144,842
2035	—	—	82,920	45,900	128,820
2036	—	—	85,330	41,362	126,692
2037	—	—	84,370	36,473	120,843
2038	—	—	107,220	30,990	138,210
2039	—	—	113,535	24,484	138,019
2040	—	—	120,230	17,666	137,896
2041	—	—	127,175	10,522	137,697
2042	—	—	134,510	3,425	137,935
TOTAL	\$95,000	\$46,263	\$5,593,686	\$5,121,336	\$10,715,022

Interest on variable rate securities assumes current interest rates remain the same as of June 30, 2012 calculated at:

(12) Series 2011D computed: $(0.817\% * \$95,000,000 \text{ outstanding principal}) + (3.823\% - 0.172025\%) * \$61,000,000 \text{ swapped outstanding principal}$



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — PBC Issues
For the Fiscal Year Ended June 30, 2012
(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
2013	\$ 19,650	\$11,348	\$ 1,350	\$—	\$—	\$1,205	\$ 12,800	\$ 5,610
2014	20,850	10,120	1,350	—	—	1,203	13,540	4,918
2015	22,150	8,817	1,350	—	—	1,205	14,320	4,187
2016	22,025	7,433	1,300	—	—	1,200	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	—	—	1,208	19,720	518
2020	27,675	1,660	1,300	—	—	—	—	—
2021	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—
2024	—	—	—	—	—	—	—	—
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—
2028	—	—	—	—	—	—	—	—
2029	—	—	—	—	—	—	—	—
2030	—	—	—	—	—	—	—	—
2031	—	—	—	—	—	—	—	—
2032	—	—	—	—	—	—	—	—
TOTAL	<u>\$186,525</u>	<u>\$53,429</u>	<u>\$10,550</u>	<u>\$—</u>	<u>\$—</u>	<u>\$8,429</u>	<u>\$113,255</u>	<u>\$22,605</u>



<u>Total Principal</u>	<u>Total Interest and Other Exp</u>	<u>Total PBC Debts</u>
\$ 32,450	\$19,513	\$ 51,963
34,390	17,591	51,981
36,470	15,559	52,029
38,690	13,307	51,997
40,930	11,089	52,019
43,330	8,740	52,070
45,845	6,254	52,099
27,675	2,960	30,635
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
<u>\$299,780</u>	<u>\$95,013</u>	<u>\$394,793</u>



Statistical Section

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS

For the Fiscal Year Ended June 30, 2012

(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2011	Issue or (Redeemed)	Outstanding at June 30, 2012
	Issued	Maturity				
Direct Debt (A):						
PBC GO Lease Certificate 1992 Series A	1/1/1992	1/1/2020	6.00% to 6.50%	\$205,025	\$ (18,500)	\$186,525
PBC Building Revenue Bonds 1993 Series A	4/1/1993	12/1/2018	3.00% to 5.75%	11,660	(11,660)	—
PBC Building Revenue Refunding Bonds 1999 Series B	3/11/1999	12/1/2018	5.00% to 5.25%	113,690	(435)	113,255
Unlimited Tax G.O. Bonds Series 1997A	12/3/1997	12/1/2030	5.30% to 5.55%	37,985	(7,332)	30,653
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%	294,046	(7,650)	286,396
Unlimited Tax G.O. Bonds Series 1999A	2/25/1999	12/1/2031	4.30% to 5.30%	481,668	(13,984)	467,684
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 2000B (Formerly 2000BCD)	9/7/2000	3/1/2032	Variable	285,200	(190,100)	95,100
Qualified Zone Academy G.O. Bonds Series 2000E	12/19/2000	12/18/2013	0.00%	13,390	—	13,390
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 2002A	9/24/2002	12/1/2022	3.00% to 5.25%	42,540	(2,315)	40,225
Unlimited Tax G.O. Bonds Series 2003A	2/13/2003	12/1/2016	2.50% to 5.25%	6,795	—	6,795
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 2004A	4/6/2004	12/1/2020	4.00% to 5.00%	202,420	—	202,420
Unlimited Tax G.O. Bonds Series 2004FGH	12/9/2004	3/1/2032	4.00% to 6.00%	12,500	(260)	12,240
Unlimited Tax G.O. Bonds Series 2005AB	6/27/2005	3/1/2031	5.00% to 5.50%	246,180	—	246,180



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS (continued)

For the Fiscal Year Ended June 30, 2012

(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2011	Issue or (Redeemed)	Outstanding at June 30, 2012
	Issued	Maturity				
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%	320,775	—	320,775
Unlimited Tax G.O. Bonds Series 2007BC	9/5/2007	12/1/2024	4.125% to 5.00%	203,715	(330)	203,385
Unlimited Tax G.O. Bonds Series 2007D	12/13/2007	12/1/2029	4.00% to 5.00%	203,865	—	203,865
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	12/1/2041	Variable	214,175	—	214,175
Unlimited Tax G.O. Bonds Series 2008C	5/1/2008	3/1/2032	4.25% to 5.00%	464,655	—	464,655
Unlimited Tax G.O. Bonds Series 2009A	3/18/2009	3/1/2032	Variable	130,000	—	130,000
Unlimited Tax G.O. Bonds Series 2009BC	6/25/2009	3/1/2031	Variable	75,410	—	75,410
Unlimited Tax G.O. Bonds Series 2009D	7/30/2009	12/1/2023	1.00% to 5.00%	63,210	—	63,210
Unlimited Tax G.O. Bonds Series 2009E	9/24/2009	12/1/2039	4.682% to 6.14%	518,210	—	518,210
Unlimited Tax G.O. Bonds Series 2009F	9/24/2009	12/1/2016	2.50% to 5.00%	23,750	—	23,750
Unlimited Tax G.O. Bonds Series 2009G	12/17/2009	12/15/2025	1.75%	254,240	—	254,240
Unlimited Tax G.O. Bonds Series 2010A	2/17/2010	3/1/2035	Variable	48,910	—	48,910
Unlimited Tax G.O. Bonds Series 2010B	2/17/2010	3/1/2036	Variable	157,055	—	157,055
Unlimited Tax G.O. Bonds Series 2010C	11/2/2010	11/1/2029	6.32%	257,125	—	257,125
Unlimited Tax G.O. Bonds Series 2010D	11/2/2010	3/1/2036	6.52%	125,000	—	125,000
Unlimited Tax G.O. Bonds Series 2010F	11/2/2010	12/1/2031	5.00%	183,750	—	183,750



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS (continued)

For the Fiscal Year Ended June 30, 2012

(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2011	Issue or (Redeemed)	Outstanding at June 30, 2012
	Issued	Maturity				
Unlimited Tax G.O. Bonds Series 2010G	11/2/2010	3/1/2017	2.77% to 4.18%	72,915	—	72,915
Unlimited Tax G.O. Bonds Series 2011A	11/1/2011	12/1/2041	5.00% to 5.50%	—	402,410	402,410
Unlimited Tax G.O. Bonds Series 2011C	12/20/2011	3/1/2032	Variable	—	95,100	95,100
Unlimited Tax G.O. Bonds Series 2011D	12/16/2011	3/1/2032	Variable	—	95,000	95,000
Grand Total Direct Debt				<u>5,579,522</u>	<u>313,944</u>	<u>5,893,466</u>

NOTES:

- A. Excludes total accreted interest of \$555,856,203 on Series 1997A, Series 1998B-1, and Series 1999A bonds (\$36,422,795, \$289,493,562 and \$229,939,846), respectively.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES

As of June 30, 2012

(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, 2012</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	733,795	— (A)	—
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	—	466,710	794,173 (B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	—	325,770	113,075 (C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	—	437,650	6,795 (D)	—
2002 Alternate Bond Authorization	500,000	500,000 (E)	—	434,080	40,225 (E)	—
2004 Alternate Bond Authorization	965,000	965,000 (F)	—	628,182	290,745 (F)	—
2006 Alternate Bond Authorization	750,000	634,258 (G)	—	210,188	397,228 (G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990 (H)	—	22,250	1,867,815 (H)	10
2009 Alternate Bond Authorization	2,300,000	1,437,265 (I)	—	—	1,437,265 (I)	862,735
TOTAL	<u>\$10,510,000</u>	<u>\$9,199,411</u>	<u>\$300,000</u>	<u>\$3,258,625</u>	<u>\$4,947,321</u>	<u>\$1,010,589</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 four series of refunding bonds which met these requirements: \$202,420,000 Series 2004A, \$193,585,000 Series 2005A, \$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 \$5,593,686.

NOTES:

- A. The total issued and outstanding debt for the 1996 Authorization are the issuances as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, Series 1996	4/17/1996	\$350,000	\$—
Unlimited Tax G.O. Bonds, Series 1997	5/7/1997	500,000	—
Total issued and outstanding debt:		<u>\$850,000</u>	<u>\$—</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2012

(Thousands of dollars)

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, Series 1997A	12/3/1997	\$ 499,995	\$ 30,653
Unlimited Tax G.O. Bonds, Series 1998	9/24/1998	14,000	—
Unlimited Tax G.O. Bonds, Series 1998 B-1	10/28/1998	328,714	286,396
Unlimited Tax G.O. Bonds, Series 1999A	2/25/1999	532,554	467,684
Unlimited Tax G.O. Bonds, IDFA Series 1999A	12/22/1999	12,000	—
Unlimited Tax G.O. Bonds, Series 2000D	9/7/2000	101,000	—
Unlimited Tax G.O. Bonds, Series 2001B	10/24/2001	9,440	9,440
Total issued and outstanding debt:		<u>\$1,497,703</u>	<u>\$794,173</u>

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, PBC Series C of 1999	9/30/1999	\$316,255	\$ —
Unlimited Tax G.O. Bonds, Series 2000A	7/20/2000	106,960	—
Unlimited Tax G.O. Bonds, Series 2000BC	9/7/2000	202,000	95,100
Unlimited Tax G.O. Bonds, Series 2000E	12/19/2000	13,390	13,390
Unlimited Tax G.O. Bonds, Series 2001A	3/1/2001	45,110	—
Unlimited Tax G.O. Bonds, Series 2003C	10/28/2003	4,585	4,585
Unlimited Tax G.O. Refunding Bonds, Series 2004B	4/6/2004	81,895	—
Unlimited Tax G.O. Refunding Bonds, Series 2007A	9/5/2007	100,000	—
Total issued and outstanding debt:		<u>\$870,195</u>	<u>\$113,075</u>

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, Series 2001C	12/11/2001	\$217,260	\$ —
Unlimited Tax G.O. Bonds, Series 2003A	2/13/2003	75,890	6,795
Unlimited Tax G.O. Bonds, Series 2003B	2/13/2003	183,775	—
Unlimited Tax G.O. Refunding Bonds, Series 2004B	4/6/2004	23,075	—
Total issued and outstanding debt:		<u>\$500,000</u>	<u>\$6,795</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2012

(Thousands of dollars)

- E. The total issued and outstanding debt for the 2002 Authorization are the issuances as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, Series 2002A	9/24/2002	\$ 48,970	\$40,225
Unlimited Tax G.O. Bonds, Series 2003D	12/12/2003	257,925	—
Unlimited Tax G.O. Refunding Bonds, Series 2004B	4/6/2004	193,105	—
Total issued and outstanding debt:		<u>\$500,000</u>	<u>\$40,225</u>

- F. The total issued and outstanding debt for the 2004 Authorization are the issuances as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, Series 2004CDE	11/10/2004	\$222,080	\$ —
Unlimited Tax G.O. Bonds, Series 2004FGH	12/9/2004	56,000	12,240
Unlimited Tax G.O. Bonds, Series 2005C	11/15/2005	53,750	—
Unlimited Tax G.O. Bonds, Series 2005DE	12/8/2005	325,000	—
Unlimited Tax G.O. Bonds, Series 2006A	6/7/2006	6,853	6,853
Unlimited Tax G.O. Bonds, Series 2006B	9/27/2006	301,317	271,652
Total issued and outstanding debt:		<u>\$965,000</u>	<u>\$290,745</u>

- G. The total issued and outstanding debt for the 2006 Authorization are the issuances as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Bonds, Series 2006B	9/27/2006	\$ 54,488	\$ 49,123
Unlimited Tax G.O. Refunding Bonds, Series 2007A	9/5/2007	162,785	—
Unlimited Tax G.O. Refunding Bonds, Series 2007C	9/5/2007	6,870	5,620
Unlimited Tax G.O. Bonds, Series 2007D	12/13/2007	238,720	203,865
Unlimited Tax G.O. Refunding Bonds, Series 2009B	6/25/2009	75,410	75,410
Unlimited Tax G.O. Refunding Bonds, Series 2009C	6/25/2009	20,265	—
Unlimited Tax G.O. Refunding Bonds, Series 2009D	7/30/2009	75,720	63,210
Total issued and outstanding debt:		<u>\$634,258</u>	<u>\$397,228</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2012

(Thousands of dollars)

H. The total issued and outstanding debt for the 2008 Authorization are the issuances as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Refunding Bonds, Series 2008A	5/13/2008	\$ 262,785	\$ 262,785
Unlimited Tax G.O. Refunding Bonds, Series 2008B	5/13/2008	240,975	214,175
Unlimited Tax G.O. Refunding Bonds, Series 2008C	5/1/2008	464,655	464,655
Unlimited Tax G.O. Refunding Bonds, Series 2009A	3/18/2009	130,000	130,000
Unlimited Taxable G.O. Bonds, Series 2009E ..	9/24/2009	518,210	518,210
Unlimited Tax G.O. Bonds, Series 2009F	9/24/2009	29,125	23,750
Unlimited Tax G.O. Bonds, Series 2009G	12/17/2009	254,240	254,240
Total issued and outstanding debt:		<u>\$1,899,990</u>	<u>\$1,867,815</u>

I. The total issued and outstanding debt for the 2009 Authorization are the issuances as outlined below:

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax G.O. Refunding Bonds, Series 2010A	2/17/2010	\$ 48,910	\$ 48,910
Unlimited Tax G.O. Refunding Bonds, Series 2010B	2/17/2010	157,055	157,055
Unlimited Tax G.O. Bonds, Series 2010C	11/2/2010	257,125	257,125
Unlimited Tax G.O. Bonds, Series 2010D	11/2/2010	125,000	125,000
Unlimited Tax G.O. Refunding Bonds, Series 2010F	11/2/2010	183,750	183,750
Unlimited Tax G.O. Refunding Bonds, Series 2010G	11/2/2010	72,915	72,915
Unlimited Tax G.O. Bonds, Series 2011A	11/1/2011	402,410	402,410
Unlimited Tax G.O. Refunding Bonds, Series 2011C	12/20/2012	95,100	95,100
Unlimited Tax G.O. Refunding Bonds, Series 2011D	12/16/2011	95,000	95,000
Total issued and outstanding debt:		<u>\$1,437,265</u>	<u>\$1,437,265</u>





Educate • Inspire • Transform



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

OUTSTANDING DEBT PER CAPITA

Last Ten Fiscal Years

(Thousands of dollars, except per capita)

As of June 30, 2012

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Leases Securing PBC Bonds</u>	<u>Asbestos Abatement Loan</u>	<u>Capital Leases</u>	<u>Note Payable</u>	<u>Total Primary Government</u>
2003	\$2,989,853	\$698,899	\$10,413	\$7,124	\$ —	\$3,706,289
2004	3,275,193	607,094	8,994	—	—	3,891,281
2005	3,510,968	476,044	7,574	—	5,500	4,000,086
2006	3,866,956	458,030	6,154	2,975	4,598	4,338,713
2007	4,091,856	435,535	4,885	2,800	3,606	4,538,682
2008	4,276,507	411,690	3,747	2,625	2,516	4,697,085
2009	4,221,497	386,385	2,710	2,450	1,317	4,614,359
2010	4,904,510	359,215	—	2,275	—	5,266,000
2011	5,249,147	330,375	—	2,100	—	5,581,622
2012	5,593,686	299,780	—	1,925	—	5,895,391



<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>
3.62%	14.42%	2,896,016	\$1,279.79	\$1,032.40
3.63%	15.12%	2,896,016	1,343.67	1,130.93
3.50%	15.25%	2,896,016	1,381.24	1,212.34
3.57%	13.00%	2,896,016	1,498.17	1,335.27
3.46%	13.50%	2,896,016	1,567.22	1,412.93
3.49%	13.82%	2,896,016	1,621.91	1,476.69
3.45%	14.68%	2,896,016	1,593.35	1,457.69
4.31%	17.23%	2,695,598	1,953.56	1,819.45
n/a	18.55%	2,695,598	2,070.64	1,947.30
n/a	n/a	2,695,598	2,187.04	2,075.12



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

As of June 30, 2012

(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$6,256,611	\$7,338,200	\$7,629,142	\$8,184,894
General obligation	979,083	917,855	764,761	711,982
Less: amount set aside for repayment of bonds	<u>(37,486)</u>	<u>(36,226)</u>	<u>(38,913)</u>	<u>(39,984)</u>
Total net debt applicable to limit (A)	<u>\$ 941,597</u>	<u>\$ 881,629</u>	<u>\$ 725,848</u>	<u>\$ 671,998</u>
Legal debt margin	<u>\$5,315,014</u>	<u>\$6,456,571</u>	<u>\$6,903,294</u>	<u>\$7,512,896</u>
Total net debt applicable to the limit as a percentage of debt limit	15.05%	12.01%	9.51%	8.21%

(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:

\$499.9 million Series 1997A	\$262.8 million Series 2008A
\$328.7 million Series 1998B-1	\$240.9 million Series 2008B
\$532.5 million Series 1999A	\$464.7 million Series 2008C
\$101.0 million Series 2000B	\$130.0 million Series 2009A
\$13.4 million Series 2000E	\$75.4 million Series 2009B
\$9.4 million Series 2001B	\$75.7 million Series 2009D
\$49.0 million Series 2002A	\$547.3 million Series 2009EF
\$75.9 million Series 2003A	\$254.2 million Series 2009G
\$4.6 million Series 2003C	\$206.0 million Series 2010AB
\$205.4 million Series 2004A	\$257.1 million Series 2010C
\$56.0 million Series 2004FGH	\$125.0 million Series 2010D
\$246.1 million Series 2005AB	\$183.7 million Series 2010F
\$6.9 million Series 2006A	\$72.9 million Series 2010G
\$355.8 million Series 2006B	\$402.4 million Series 2011A
\$204.6 million Series 2007BC	\$95.1 million Series 2011C
\$238.7 million Series 2007D	\$95.0 million Series 2011D



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$9,593,382	\$10,163,860	\$11,175,687	\$11,673,736	\$11,328,763	\$10,367,652
658,947	606,009	553,134	498,593	446,719	394,793
<u>(37,322)</u>	<u>(36,238)</u>	<u>(34,719)</u>	<u>(16,042)</u>	<u>(36,440)</u>	<u>(29,917)</u>
<u>\$ 621,625</u>	<u>\$ 569,771</u>	<u>\$ 518,415</u>	<u>\$ 482,551</u>	<u>\$ 410,279</u>	<u>\$ 364,876</u>
<u>\$8,971,757</u>	<u>\$ 9,594,089</u>	<u>\$10,657,272</u>	<u>\$11,191,185</u>	<u>\$10,918,484</u>	<u>\$10,002,776</u>
6.48%	5.61%	4.64%	4.13%	3.62%	3.52%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2012

(Thousands of dollars)

<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	\$7,808,675	100.00%	\$ 7,808,675
Chicago Park District	875,540	100.00%	875,540
Cook County	3,790,260	48.08%	1,822,357
Forest Preserve District	195,875	49.40%	96,762
Water Reclamation District	2,446,220	50.40%	1,232,895
Subtotal, overlapping debt			\$11,836,229
Chicago Public Schools Direct Debt			5,593,686
Total Direct and Overlapping Debt			<u>\$17,429,915</u>

Notes:

- (A) Debt outstanding data provided by each governmental unit.
- (B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2011 City of Chicago tax extension within the City of Chicago by the total 2011 Cook County extension for the district.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CPS' DEBT RATING HISTORY

CPS has issued \$9.8 billion of general obligation bonds to date, of which \$5.6 billion was outstanding as of June 30, 2012, 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 \$300 million (principal amount) currently outstanding. CPS' current lease obligations to the PBC mature in fiscal year 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. 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 CPS' outstanding general obligation debt issues:

<u>Series</u>	<u>Date Issued</u>	<u>Security Revenue Source</u>	
1997A	12/03/1997	PPRT/IGA	Unlimited Tax Levy
1998B-1	10/28/1998	IGA	Unlimited Tax Levy
1999A	02/25/1999	PPRT/IGA	Unlimited Tax Levy
PBC Series C of 1999	09/22/1999	State Grant/Aid	Unlimited Tax Levy
2000B	09/07/2000	State Aid	Unlimited Tax Levy
2000E	12/19/2000	State Aid	Unlimited Tax Levy
2001B	10/24/2001	State Aid	Unlimited Tax Levy
2002A	09/24/2002	City Note/IGA	Unlimited Tax Levy
2003A	02/13/2003	State Aid	Unlimited Tax Levy
2003C	10/28/2003	State Aid	Unlimited Tax Levy
2004A	04/06/2004	PPRT/State Aid	Unlimited Tax Levy
2004G	12/10/2004	City Note/IGA	Unlimited Tax Levy
2005AB	06/27/2005	PPRT/State Aid	Unlimited Tax Levy
2006A	06/07/2006	State Aid	Unlimited Tax Levy
2006B	09/27/2006	State Aid	Unlimited Tax Levy
2007BC	09/05/2007	State Aid	Unlimited Tax Levy
2007D	12/13/2007	State Aid	Unlimited Tax Levy
2008A	05/13/2008	PPRT/IGA	Unlimited Tax Levy
2008B	05/13/2008	State Aid	Unlimited Tax Levy
2008C	05/01/2008	State Aid	Unlimited Tax Levy
2009A	03/18/2009	State Aid	Unlimited Tax Levy
2009BC	06/25/2009	State Aid	Unlimited Tax Levy
2009D	07/30/2009	State Aid	Unlimited Tax Levy
2009EF	09/24/2009	State Aid	Unlimited Tax Levy
2009G	12/17/2009	State Aid	Unlimited Tax Levy
2010AB	02/17/2010	State Aid	Unlimited Tax Levy
2010C	11/02/2010	State Aid	Unlimited Tax Levy
2010D	11/02/2010	State Aid	Unlimited Tax Levy
2010F	11/02/2010	State Aid	Unlimited Tax Levy
2010G	11/02/2010	State Aid	Unlimited Tax Levy
2011A	11/01/2011	State Aid	Unlimited Tax Levy
2011C	12/20/2011	State Aid	Unlimited Tax Levy
2011D	12/16/2011	State Aid	Unlimited Tax Levy



CPS Debt Rating History: The following table presents the debt ratings for CPS since 2006. Investors who purchase municipal bonds use debt ratings as an indicator of the financial stability of an organization and consequently the safety and security of the debt sold by that organization. In general, higher credit ratings often result in lower borrowing costs via reduced interest rates paid on municipal bonds. Strong ratings also encourage a wider market and more buyers of municipal bonds. There are three major rating agencies that assign ratings to municipal debt, including the debt issued by Chicago Public Schools.

In the spring of 2010, two of the three major rating agencies changed their municipal ratings scale, recalibrating it to align more closely with the corporate rating scale. Many organizations, including CPS, experienced a strengthening in their ratings as a result. In the spring of 2010, CPS' rating was raised to Aa2 and AA- by Moody's Investor's Service and Fitch Ratings, respectively, while its rating from Standard and Poor's remained the same as 2009 at AA-. Subsequently, when CPS sold bonds in the fall of 2010, Fitch Ratings downgraded CPS' rating to the current A+ level, from AA-, and Moody's downgraded CPS' rating to Aa3, when CPS sold bonds in the fall of 2011. In fiscal year 2013, Moody's downgraded CPS to A1 from Aa3 in July 2012, and Standard and Poor's downgraded CPS to A+ from AA- when CPS sold bonds in August 2012. Both Moody's and Fitch downgraded CPS to A2 and A in September and October of 2012 respectively. All three agencies cited the teachers' strike, budget, and pension concerns as rationales for their rating actions. CPS is currently rated A+ by S&P, A2 by Moody's and A by Fitch.

CPS' Rating History 2006 - 2012

<u>Name of Agency</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>June 2012</u>	<u>Oct 2012</u>
Standard & Poor's Rating Services	A+	AA-	AA-	AA-	AA-	AA-	AA-	A+
Moody's Investor Services	A2	A1	A1	A1	Aa2	Aa2	Aa3	A2
Fitch Investor Services, L.P.	A+	A+	A+	A+	AA-	A+	A+	A





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CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar 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>
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	130,986,804	45,230	33.75	1,033,328
2008	2,896,016	134,592,344	46,475	34.13	1,032,746
2009	2,896,016	133,682,995	46,161	34.50	1,037,069
2010	2,695,598	122,140,241	45,311	34.80	1,045,666
2011	2,695,598	N/A	N/A	33.20	1,045,666

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



Civilian Labor Force (D)		Employment (D)		
<u>Number</u>	<u>Percent of Population</u>	<u>Number</u>	<u>Percent of Population</u>	<u>Unemployment Rate</u>
1,347,074	46.51%	1,235,053	42.65%	8.30%
1,322,712	45.67%	1,214,943	41.95%	8.10%
1,309,514	45.22%	1,211,707	41.84%	7.50%
1,290,020	44.54%	1,198,659	41.39%	7.10%
1,296,045	44.75%	1,227,320	42.38%	5.30%
1,321,924	45.65%	1,245,876	43.02%	5.80%
1,328,413	45.87%	1,235,459	42.66%	7.00%
1,318,491	45.53%	1,174,785	40.57%	10.90%
1,320,502	48.99%	1,175,029	43.59%	11.00%
1,259,055	46.71%	1,116,216	41.41%	11.30%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT)

Last Six Years

Employer	2011			2010			2009		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
J.P. Morgan Chase (1)	7,993	1	0.77%	8,094	1	0.81%	8,431	1	0.81%
United Airlines	6,366	2	0.62%	5,585	2	0.58%	6,019	2	0.58%
Northern Trust	5,485	3	0.53%	5,833	3	0.56%	5,394	4	0.52%
Accenture LLP	5,014	4	0.48%	4,224	7	0.32%	3,341	7	0.32%
Jewel Food Stores, Inc	4,799	5	0.46%	5,307	4	0.52%	5,833	3	0.56%
Bank of America NT	4,557	6	0.44%	4,668	5	0.44%	4,631	5	0.44%
Walgreen's Co.	4,429	7	0.43%	4,552	6	0.33%	—	—	—
CVS Corporation	4,159	8	0.40%	4,067	8	0.30%	3,120	9	0.30%
ABM Janitorial									
Midwest, Inc.	3,629	9	0.35%	3,840	9	0.30%	—	—	—
Ford Motor Company	3,410	10	0.33%	—	—	—	2,764	10	0.27%
American Airlines	—	—	—	3,153	10	0.27%	3,394	6	0.33%
SBC/AT&T (2)	—	—	—	—	—	—	3,136	8	0.30%
Bonded Maintenance									
Company	—	—	—	—	—	—	—	—	—
Deloitte & Touche	—	—	—	—	—	—	—	—	—

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

NOTES:

Beginning with fiscal year 2006, the Chicago Board of Education will accumulate 10 years of data.

- (1) J.P. Morgan Chase formerly known as Bank One.
- (2) SBC/AT&T formerly known as Ameritech.



2008			2007			2006		
Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
8,865	1	0.81%	9,114	1	0.73%	8,979	1	0.82%
6,403	2	0.58%	6,102	2	0.49%	5,944	2	0.55%
5,084	4	0.46%	4,787	4	0.38%	4,610	4	0.42%
4,532	5	0.41%	4,283	5	0.34%	4,470	5	0.41%
5,977	3	0.55%	5,424	3	0.43%	5,453	3	0.50%
—	—	—	—	—	—	3,108	10	0.29%
—	—	—	—	—	—	—	—	—
3,161	9	0.29%	3,120	9	0.25%	—	—	—
—	—	—	—	—	—	—	—	—
3,325	8	0.30%	3,367	8	0.27%	3,480	8	0.32%
3,582	6	0.33%	3,645	7	0.29%	3,750	7	0.34%
3,459	7	0.32%	4,002	6	0.32%	3,834	6	0.35%
2,955	10	0.27%	—	—	—	3,298	9	0.30%
—	—	—	2,988	10	0.24%	—	—	—



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2011 NET REVENUES

(Millions of dollars)

<u>Company Name</u>	<u>2011 Net Revenues</u>	<u>Number of Employees (1)</u>
Archer Daniels Midland Co. (2)	\$80,676.0	30,700
Walgreen Co. (3)	72,184.0	247,000
Boeing Co.	68,735.0	171,700
Caterpillar Inc.	60,138.0	125,099
Kraft Foods Inc.	54,365.0	126,000
Sears Holding Corp. (4)	41,567.0	293,000
Abbott Laboratories	38,851.3	91,000
United Continental Holdings Inc.	37,110.0	87,000
Allstate Corp.	32,654.0	37,600
Deere & Co. (5)	32,012.5	61,278
McDonald's Corp.	27,006.0	420,000
Exelon Corp.	18,924.0	19,267
Illinois Tool Works, Inc.	17,786.6	65,000
Navistar International Corp. (5)	13,958.0	19,000
Baxter International Inc.	13,893.0	48,500
Motorola Mobility Holdings Inc.	13,064.0	20,500
Aon Corp.	11,287.0	62,000
R.R. Donnelley & Sons Co.	10,611.0	58,000
CNA Financial Corp.	8,947.0	7,600
Sara Lee Corp. (2)	8,681.0	21,000

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 21, 2012 issue. Copyright 2012 Crain Communications Inc.

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



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, 2012

With Comparative Amounts for the Fiscal Year Ended June 30, 2011

(Thousands of dollars)

	Approved Budget	Transfers In (Out)	Final Appropriations	Fiscal Year 2012 Actual	Variance	Fiscal Year 2011 Actual	2012 Over (Under) 2011
Revenues:							
Property taxes	\$2,038,000	\$ —	\$2,038,000	\$2,295,178	\$257,178	\$1,904,169	\$ 391,009
Replacement taxes	103,560	—	103,560	126,786	23,226	172,384	(45,598)
State aid	1,619,242	—	1,619,242	1,757,166	137,924	1,694,566	62,600
Federal aid	977,317	—	977,317	890,987	(86,330)	1,121,457	(230,470)
Interest and investment income	2,100	—	2,100	4,363	2,263	1,920	2,443
Other	128,891	—	128,891	142,160	13,269	221,391	(79,231)
Total revenues	<u>\$4,869,110</u>	<u>\$ —</u>	<u>\$4,869,110</u>	<u>\$5,216,640</u>	<u>\$347,530</u>	<u>\$5,115,887</u>	<u>\$ 100,753</u>
Expenditures:							
Teachers' salaries	\$2,082,768	\$ 13,754	\$2,096,522	\$2,026,832	\$ 69,690	\$2,023,510	\$ 3,322
Career service salaries	628,859	11,842	640,701	618,265	22,436	610,741	7,524
Energy	82,590	(2,578)	80,012	73,409	6,603	83,356	(9,947)
Food	112,250	1,903	114,153	104,245	9,908	93,766	10,479
Textbooks	74,121	12,110	86,231	49,147	37,084	70,249	(21,102)
Supplies	61,550	6,660	68,210	45,521	22,689	51,125	(5,604)
Other commodities	477	292	769	583	186	478	105
Professional fees	374,772	40,202	414,974	412,072	2,902	450,127	(38,055)
Charter schools	423,735	14,445	438,180	424,423	13,757	377,755	46,668
Transportation	110,254	4,858	115,112	109,368	5,744	107,530	1,838
Tuition	53,817	5,491	59,308	55,001	4,307	59,102	(4,101)
Telephone and telecommunications	20,821	913	21,734	23,451	(1,717)	19,823	3,628
Other services	10,367	3,766	14,133	11,010	3,123	11,789	(779)
Equipment — educational ..	33,881	11,258	45,139	40,938	4,201	41,896	(958)
Repairs and replacements	37,865	1,632	39,497	33,912	5,585	37,355	(3,443)
Capital outlay	—	85	85	43	42	5	38
Teachers' pension	339,335	(4,047)	335,288	335,657	(369)	306,111	29,546
Career service pension	99,796	(1,542)	98,254	100,026	(1,772)	102,158	(2,132)
Hospitalization and dental insurance	348,352	(23,488)	324,864	324,918	(54)	353,878	(28,960)
Medicare	37,631	(2,277)	35,354	34,900	454	35,004	(104)
Unemployment compensation	16,825	(411)	16,414	17,141	(727)	21,992	(4,851)
Workers' compensation	30,043	(740)	29,303	26,042	3,261	25,859	183
Rent	11,684	312	11,996	11,745	251	11,941	(196)
Debt service	—	—	—	—	—	—	—
Other fixed charges	118,417	(94,440)	23,977	9,679	14,298	14,402	(4,723)
Total expenditures	<u>\$5,110,210</u>	<u>\$ —</u>	<u>\$5,110,210</u>	<u>\$4,888,328</u>	<u>\$221,882</u>	<u>\$4,909,952</u>	<u>\$ (21,624)</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUE — BY PROGRAM

For the Fiscal Year Ended June 30, 2012

(Modified Accrual Basis of Accounting)

(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	\$2,208,285	\$ —	\$ —	\$ —
Replacement taxes	112,684	—	—	—
State aid	1,109,237	—	12,221	261,438
Federal aid	97,855	84,385	107,996	—
Interest and investment income	4,107	—	—	—
Other	96,735	7	470	5,987
Total revenues	<u>\$3,628,903</u>	<u>\$84,392</u>	<u>\$120,687</u>	<u>\$267,425</u>



<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>ARRA American Recovery and Reinvestment Act Program</u>	<u>Total</u>
\$ —	\$ —	\$86,893	\$ —	\$ —	\$2,295,178
—	14,102	—	—	—	126,786
—	13,334	—	360,936	—	1,757,166
283,681	182,666	—	25,448	108,956	890,987
—	—	256	—	—	4,363
—	13,543	4,817	20,601	—	142,160
<u>\$283,681</u>	<u>\$223,645</u>	<u>\$91,966</u>	<u>\$406,985</u>	<u>\$108,956</u>	<u>\$5,216,640</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF EXPENDITURES — BY PROGRAM

For the Fiscal Year Ended June 30, 2012

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	Educational Program	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Teachers' salaries	\$1,692,211	\$56,040	\$ 46,149	\$ 81,373
Career service salaries	275,722	13,680	20,670	64,156
Energy	290	—	—	—
Food	864	21	574	8
Textbooks	22,869	42	1,823	7,523
Supplies	14,133	313	2,570	10,119
Other commodities	435	3	5	83
Professional fees	114,372	1,441	22,590	11,200
Charter Schools	374,977	—	2,074	32,039
Transportation	100,900	277	2,045	2,567
Tuition	50,786	1,635	1,938	6
Telephone and telecommunications	236	—	60	2
Other services	4,384	148	2,023	1,887
Equipment — educational	13,154	1,209	5,490	11,955
Repairs and replacements	1,921	13	124	2,124
Capital outlay	43	—	—	—
Teachers' pension	290,257	9,120	6,586	11,908
Career service pension	44,862	2,406	3,117	9,772
Hospitalization and dental insurance	226,481	8,748	7,174	19,778
Medicare	25,648	904	893	2,137
Unemployment compensation	13,102	475	377	870
Workers' compensation	19,918	720	571	1,319
Rent	1,752	50	78	—
Debt service	—	—	—	—
Other fixed charges	(9,686)	3	139	4
Total expenditures	<u>\$3,279,631</u>	<u>\$97,248</u>	<u>\$127,070</u>	<u>\$270,830</u>



Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Act Program	Total
\$94,216	\$ 1	\$ —	\$ 1	\$ 56,841	\$2,026,832
28,755	71,007	41,765	92,796	9,714	618,265
—	—	—	73,119	—	73,409
383	102,365	—	—	30	104,245
8,212	—	6	6,783	1,889	49,147
7,335	1,118	222	9,711	—	45,521
52	—	—	—	5	583
97,061	2,167	22,654	129,938	10,649	412,072
13,513	—	—	—	1,820	424,423
3,380	34	27	93	45	109,368
583	—	—	—	53	55,001
15	—	—	23,138	—	23,451
2,034	342	8	13	171	11,010
5,884	—	75	809	2,362	40,938
305	—	26	29,399	—	33,912
—	—	—	—	—	43
10,215	—	—	—	7,571	335,657
4,225	12,074	6,542	15,485	1,543	100,026
11,354	22,557	9,458	13,324	6,044	324,918
1,688	947	760	1,054	869	34,900
572	477	268	627	373	17,141
865	723	406	951	569	26,042
112	—	—	9,744	9	11,745
—	—	—	—	—	—
1,274	9,833	8,104	—	8	9,679
<u>\$292,033</u>	<u>\$223,645</u>	<u>\$90,321</u>	<u>\$406,985</u>	<u>\$100,565</u>	<u>\$4,888,328</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS

Last Ten Fiscal Years and 2013 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Local revenue:						
Property taxes	\$1,546,335	\$1,571,065	\$1,639,237	\$1,718,249	\$1,767,760	\$1,813,917
Replacement taxes	105,960	120,427	145,724	184,700	201,509	215,489
Investment income	49,161	39,501	43,215	71,947	116,907	85,895
Other	94,345	149,253	102,654	163,765	286,230	181,028
Total local	<u>\$1,795,801</u>	<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>
State revenue:						
General state aid	\$ 786,950	\$ 853,533	\$ 908,330	\$ 978,672	\$1,040,241	\$1,107,408
Teacher pension	65,045	—	65,045	74,922	75,242	75,218
Capital	141,127	127,682	3,061	—	—	—
Other	476,445	500,233	530,679	549,041	586,102	663,408
Total state	<u>\$1,469,567</u>	<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>
Federal revenue:						
Elementary and Secondary Education Act (ESEA)	\$ 209,971	\$ 244,118	\$ 277,610	\$ 273,900	\$ 269,446	\$ 350,515
Individuals with Disabilities Education Act (IDEA)	71,477	86,289	105,835	99,908	81,721	106,051
School lunchroom	146,247	151,207	145,668	147,899	147,407	150,394
Medicaid	31,765	35,772	26,000	33,422	24,257	31,671
Other	149,233	213,118	207,842	220,502	223,198	237,410
Total federal	<u>\$ 608,693</u>	<u>\$ 730,504</u>	<u>\$ 762,955</u>	<u>\$ 775,631</u>	<u>\$ 746,029</u>	<u>\$ 876,041</u>
Total revenue	<u>\$3,874,061</u>	<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>
Change in revenue from previous year	\$ 99,561	\$ 218,137	\$ 108,702	\$ 316,027	\$ 303,093	\$ 198,384
Percent change in revenue	2.6%	5.6%	2.7%	7.5%	6.7%	4.1%



<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Budget 2013</u>	<u>Ten year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,896,540	\$2,047,163	\$1,936,655	\$2,352,136	\$2,052,800	2.9%	3.0%
188,503	152,497	197,762	181,927	105,730	0.0%	- 12.1%
43,693	12,483	13,399	20,760	3,500	- 23.2%	- 50.4%
253,376	359,661	417,516	303,744	393,379	15.3%	6.6%
<u>\$2,382,112</u>	<u>\$2,571,804</u>	<u>\$2,565,332</u>	<u>\$2,858,567</u>	<u>\$2,555,409</u>	3.6%	1.5%
\$ 879,658	\$1,001,777	\$1,163,412	\$1,136,472	\$ 949,079	1.9%	- 1.8%
74,845	37,551	42,971	10,449	10,931	- 16.3%	- 32.0%
—	—	2,793	—	60,900	- 8.1%	N/A
557,383	512,748	740,605	818,980	830,522	5.7%	7.2%
<u>\$1,511,886</u>	<u>\$1,552,076</u>	<u>\$1,949,781</u>	<u>\$1,965,901</u>	<u>\$1,851,432</u>	2.3%	1.7%
\$ 369,352	\$ 307,331	\$ 271,859	\$ 283,681	\$ 227,050	0.8%	- 3.4%
95,230	96,240	88,058	84,385	100,089	3.4%	4.1%
139,096	178,764	175,753	182,836	197,700	3.1%	6.0%
50,758	34,937	72,343	92,736	57,000	6.0%	18.6%
471,144	562,876	536,871	292,313	355,800	9.1%	9.8%
<u>\$1,125,580</u>	<u>\$1,180,148</u>	<u>\$1,144,884</u>	<u>\$ 935,951</u>	<u>\$ 937,639</u>	4.4%	4.7%
<u>\$5,019,578</u>	<u>\$5,304,028</u>	<u>\$5,659,997</u>	<u>\$5,760,419</u>	<u>\$5,344,480</u>	3.3%	2.1%
\$ 1,174	\$ 284,450	\$ 355,969	\$ 100,422	\$ (415,939)		
0.0%	5.7%	6.7%	1.8%	- 7.2%		



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPUDED GROWTH OF EXPENDITURES — ALL FUNDS
Last Ten Fiscal Years and 2013 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Compensation:						
Teacher salaries	\$1,749,974	\$1,820,063	\$1,850,403	\$1,916,378	\$1,924,109	\$1,885,400
ESP salaries	495,154	520,267	515,427	537,346	535,148	559,741
Total salaries	<u>\$2,245,128</u>	<u>\$2,340,330</u>	<u>\$2,365,830</u>	<u>\$2,453,724</u>	<u>\$2,459,257</u>	<u>\$2,445,141</u>
Teacher pension	190,259	194,511	198,065	247,585	282,488	350,483
ESP pension	73,754	79,498	81,560	87,530	83,317	89,776
Hospitalization	196,457	229,045	230,204	243,003	250,765	260,386
Medicare	23,358	25,480	26,719	29,989	25,279	31,075
Unemployment insurance	3,374	4,711	8,558	6,382	8,236	5,764
Workers' compensation	13,806	16,997	17,953	21,004	24,619	29,757
Total benefits	<u>\$ 501,008</u>	<u>\$ 550,242</u>	<u>\$ 563,059</u>	<u>\$ 635,493</u>	<u>\$ 674,704</u>	<u>\$ 767,241</u>
Total compensation	<u>\$2,746,136</u>	<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>
Non-compensation:						
Energy	\$ 62,388	\$ 63,233	\$ 64,647	\$ 70,760	\$ 77,133	\$ 86,759
Food	92,539	96,712	89,628	85,815	83,798	83,326
Textbooks	72,118	74,377	79,677	71,942	65,772	89,514
Supplies	40,653	42,380	45,210	46,965	45,945	46,030
Commodities — other	1,155	1,306	1,314	1,135	1,072	910
Professional fees	217,917	226,306	292,517	319,904	322,252	360,277
Charter schools	54,444	66,643	82,537	118,445	141,030	189,006
Transportation	98,901	96,775	93,639	92,589	97,076	102,828
Tuition	67,779	78,582	66,854	62,890	63,103	65,105
Telephone and telecommunications	13,981	6,208	8,635	16,944	13,701	17,671
Services — other	26,485	19,431	11,516	13,104	13,271	13,253
Equipment	42,398	43,315	44,081	38,335	34,614	39,003
Repairs and replacements	48,739	45,353	35,224	35,556	32,973	36,999
Capital outlays	443,890	365,351	389,450	310,821	345,020	463,067
Rent	9,468	7,974	10,393	14,174	12,965	11,020
Debt service	255,239	259,590	315,809	214,652	342,179	282,142
Other	(1,097)	(2,092)	6,215	5,894	6,429	18,888
Unallocated appropriations (budget only)	—	—	—	—	—	—
Total non-compensation	<u>\$1,546,997</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>
Total expenditures	<u>\$4,293,133</u>	<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>
Change in expenditures from previous year	\$ 199,735	\$ 88,883	\$ 184,219	\$ 42,907	\$ 223,152	\$ 285,886
Percent change in expenditures	4.9%	2.1%	4.2%	0.9%	4.8%	5.9%



<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Budget 2013</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,975,940	\$2,026,257	\$2,023,510	\$2,026,832	\$2,026,506	1.5%	1.0%
597,533	604,042	610,741	618,265	629,185	2.4%	3.3%
\$2,573,473	\$2,630,299	\$2,634,251	\$2,645,097	\$2,655,691	1.7%	1.5%
392,801	475,628	306,111	335,657	348,941	6.3%	4.3%
93,791	96,913	102,158	100,026	100,490	3.1%	3.8%
299,206	311,048	353,878	324,918	365,248	6.4%	7.8%
33,667	34,826	35,004	34,900	37,774	4.9%	8.4%
8,599	16,000	21,992	17,141	16,907	17.5%	15.5%
28,148	28,244	25,859	26,042	30,188	8.1%	4.2%
\$ 856,212	\$ 962,659	\$ 845,002	\$ 838,684	\$ 899,548	6.0%	5.9%
\$3,429,685	\$3,592,958	\$3,479,253	\$3,483,781	\$3,555,239	2.6%	2.6%
\$ 92,354	\$ 78,682	\$ 83,356	\$ 73,409	\$ 84,158	3.0%	1.8%
89,592	93,088	93,766	104,245	117,452	2.4%	7.0%
86,356	70,596	70,249	49,147	82,353	1.3%	4.6%
44,572	48,046	51,125	45,521	61,516	4.2%	6.0%
998	948	478	583	733	-4.4%	-7.3%
440,921	381,851	450,127	412,072	420,715	6.8%	5.5%
256,154	326,322	377,755	424,423	425,834	22.8%	24.7%
109,351	109,349	107,530	109,368	121,609	2.1%	4.6%
63,858	62,568	59,102	55,001	59,931	-1.2%	-1.0%
19,426	18,199	19,823	23,451	21,289	4.3%	9.2%
13,935	15,688	11,789	11,010	13,270	-6.7%	0.0%
34,450	33,661	41,896	40,938	47,836	1.2%	6.7%
34,772	31,854	37,355	33,912	27,120	-5.7%	-3.8%
648,314	691,774	563,390	576,925	169,800	-9.2%	-13.2%
12,000	12,093	11,941	11,745	12,091	2.5%	-1.4%
302,206	386,597	332,097	374,494	393,600	4.4%	2.8%
13,306	17,519	14,402	9,679	189,677	N/A	96.8%
—	—	—	—	—		
\$2,262,565	\$2,378,835	\$2,326,181	\$2,355,923	\$2,248,984	3.8%	5.8%
\$5,692,250	\$5,971,793	\$5,805,434	\$5,839,704	\$5,804,223	3.1%	3.7%
\$ 574,070	\$ 279,543	\$ (166,359)	\$ 34,270	\$ (35,481)		
11.2%	4.9%	-2.8%	0.6%	-0.6%		



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) — ALL FUNDS
Last Ten Fiscal Years and 2013 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues:				
Local	\$1,795,801	\$1,880,246	\$1,930,830	\$2,138,661
State	1,469,567	1,481,448	1,507,115	1,602,635
Federal	608,693	730,504	762,955	775,631
Total revenues	<u>\$3,874,061</u>	<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>
Total expenditures	<u>4,293,133</u>	<u>4,382,016</u>	<u>4,566,235</u>	<u>4,609,142</u>
Revenues less expenditures	<u>\$ (419,072)</u>	<u>\$ (289,818)</u>	<u>\$ (365,335)</u>	<u>\$ (92,215)</u>
Other Financing Sources:				
Bond proceeds	\$ 308,635	\$ 765,995	\$ 529,760	\$ 385,603
Net premiums/discounts	8,803	21,043	43,450	3,798
Proceeds from swaps	—	—	—	—
Capital leases	—	—	—	3,700
Insurance proceeds	—	—	—	—
Sales of general capital assets	—	—	—	7,596
Payment to bond escrow agent	—	(534,375)	(282,478)	—
Total other financing sources	<u>\$ 317,438</u>	<u>\$ 252,663</u>	<u>\$ 290,732</u>	<u>\$ 400,697</u>
Change in fund balance	<u>\$ (101,634)</u>	<u>\$ (37,155)</u>	<u>\$ (74,603)</u>	<u>\$ 308,482</u>
Fund balance — beginning of period	<u>1,259,058</u>	<u>1,157,424</u>	<u>1,120,269</u>	<u>1,045,666</u>
Fund balance — end of period	<u>\$1,157,424</u>	<u>\$1,120,269</u>	<u>\$1,045,666</u>	<u>\$1,354,148</u>
Revenues as a percent of expenditures	90.2%	93.4%	92.0%	98.0%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	\$ 245,902	\$ 291,730	\$ 238,238	\$ 323,251
Reserved for restricted donations	429	1,439	1,459	1,503
Reserved for specific purposes	41,289	42,015	43,675	84,388
Reserved for debt services	437,711	385,015	294,700	353,267
Unreserved:				
Designated to provide operating capital	161,233	171,300	190,000	218,400
Undesignated	270,860	228,770	277,594	373,339
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Restricted for capital improvement program	—	—	—	—
Restricted for debt service	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for debt service	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total fund balance	<u>\$1,157,424</u>	<u>\$1,120,269</u>	<u>\$1,045,666</u>	<u>\$1,354,148</u>
Unreserved/Unassigned fund balance as a percentage of revenues	11.2%	9.8%	11.1%	13.1%
Total fund balance as a percentage of revenues	29.9%	27.4%	24.9%	30.0%

NOTE: The classification of fund balances for FY2011 was modified to comply with GASB 54, which was adopted in July 2010.



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Budget 2013</u>
\$2,372,406	\$ 2,296,329	\$2,382,112	\$2,571,804	\$2,565,332	\$2,858,567	\$2,555,409
1,701,585	1,846,034	1,511,886	1,552,076	1,949,781	1,965,901	1,851,432
746,029	876,041	1,125,580	1,180,148	1,144,884	935,951	937,639
<u>\$4,820,020</u>	<u>\$ 5,018,404</u>	<u>\$5,019,578</u>	<u>\$5,304,028</u>	<u>\$5,659,997</u>	<u>\$5,760,419</u>	<u>\$5,344,480</u>
4,832,294	5,118,180	5,692,250	5,971,793	5,805,434	5,839,704	5,804,223
<u>\$ (12,274)</u>	<u>\$ (99,776)</u>	<u>\$ (672,672)</u>	<u>\$ (667,765)</u>	<u>\$ (145,437)</u>	<u>\$ (79,285)</u>	<u>\$ (459,743)</u>
\$ 355,805	\$ 1,674,555	\$ 225,675	\$1,083,260	\$ 638,790	\$ 592,510	\$ 509,000
14,444	41,226	—	6,459	14,700	1,229	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	1,155	—	—	—	—
25,673	6,404	91	—	—	—	—
—	(1,474,081)	(226,408)	(288,704)	(269,483)	(190,100)	—
<u>\$ 395,922</u>	<u>\$ 248,104</u>	<u>\$ 513</u>	<u>\$ 801,015</u>	<u>\$ 384,007</u>	<u>\$ 403,639</u>	<u>\$ 509,000</u>
\$ 383,648	\$ 148,328	\$ (672,159)	\$ 133,250	\$ 238,570	\$ 324,354	
1,354,148	1,578,331	1,726,659	1,054,500	1,187,750	1,426,320	
<u>\$1,737,796</u>	<u>\$ 1,726,659</u>	<u>\$1,054,500</u>	<u>\$1,187,750</u>	<u>\$1,426,320</u>	<u>\$1,750,674</u>	
99.7%	98.1%	88.2%	88.8%	97.5%	98.6%	
\$ 296,799	\$ 401,281	\$ 211,422	\$ 340,688	\$ —	\$ —	
1,765	1,826	3,695	5,825	—	—	
129,597	102,695	101,072	109,163	—	—	
264,867	272,471	272,273	375,211	—	—	
233,200	258,000	181,200	—	—	—	
811,568	690,386	284,838	356,863	—	—	
—	—	—	—	1,972	9,003	
—	—	—	—	126,855	69,873	
—	—	—	—	91,036	92,680	
—	—	—	—	182,884	88,762	
—	—	—	—	271,643	332,517	
—	—	—	—	289,000	—	
—	—	—	—	181,300	348,900	
—	—	—	—	231,413	254,967	
—	—	—	—	44,924	110,397	
—	—	—	—	5,293	443,575	
<u>\$1,737,796</u>	<u>\$ 1,726,659</u>	<u>\$1,054,500</u>	<u>\$1,187,750</u>	<u>\$1,426,320</u>	<u>\$1,750,674</u>	
21.7%	18.9%	9.3%	6.7%	0.1%	7.7%	
36.1%	34.4%	21.0%	22.4%	25.2%	30.4%	



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
Last Ten Fiscal Years and 2013 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Local revenue:					
Property taxes	\$1,495,382	\$1,520,557	\$1,587,803	\$1,666,118	\$1,716,516
Replacement taxes	48,852	61,897	94,546	131,639	147,403
Investment income	20,803	18,779	14,003	36,874	61,595
Other	76,609	87,545	85,377	101,129	95,534
Total local	<u>\$1,641,646</u>	<u>\$1,688,778</u>	<u>\$1,781,729</u>	<u>\$1,935,760</u>	<u>\$2,021,048</u>
State Revenue:					
General state aid	\$ 765,739	\$ 829,157	\$ 821,699	\$ 868,398	\$ 888,220
Teacher pension	65,045	—	65,045	74,922	75,233
Other	476,445	500,233	530,679	549,041	586,040
Total state	<u>\$1,307,229</u>	<u>\$1,329,390</u>	<u>\$1,417,423</u>	<u>\$1,492,361</u>	<u>\$1,549,493</u>
Federal revenue:					
Elementary and Secondary Education Act (ESEA)	\$ 209,971	\$ 244,118	\$ 277,610	\$ 273,900	\$ 269,446
Individuals with Disabilities Education Act (IDEA)	71,477	86,289	105,835	99,908	81,721
School lunch program	146,247	151,207	145,668	147,899	147,407
Medicaid	31,765	35,772	26,000	33,422	24,257
Other	143,217	186,435	191,290	202,602	189,132
Total federal	<u>\$ 602,677</u>	<u>\$ 703,821</u>	<u>\$ 746,403</u>	<u>\$ 757,731</u>	<u>\$ 711,963</u>
Total revenue	<u>\$3,551,552</u>	<u>\$3,721,989</u>	<u>\$3,945,555</u>	<u>\$4,185,852</u>	<u>\$4,282,504</u>
Change in revenue from previous year	\$ 105,471	\$ 170,437	\$ 223,566	\$ 240,297	\$ 96,652
Percentage change in revenue	3.1%	4.8%	6.0%	6.1%	2.3%



<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Budget 2013</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,763,282	\$1,867,350	\$2,035,938	\$1,904,169	\$2,295,178	\$2,052,800	3.2%	3.6%
159,805	132,819	96,816	172,384	126,786	105,730	8.0%	-6.4%
40,905	21,405	3,084	1,920	4,363	3,500	-16.3%	-43.6%
96,816	102,107	111,985	221,391	142,160	134,379	5.8%	7.1%
<u>\$2,060,808</u>	<u>\$2,123,681</u>	<u>\$2,247,823</u>	<u>\$2,299,864</u>	<u>\$2,568,487</u>	<u>\$2,296,409</u>	3.4%	2.6%
\$ 953,783	\$ 700,954	\$ 801,198	\$ 940,693	\$ 989,943	\$ 949,079	2.2%	1.3%
75,210	74,845	74,922	42,971	10,449	10,931	-16.3%	-32.0%
663,358	557,383	491,677	710,902	756,774	633,222	2.9%	1.6%
<u>\$1,692,351</u>	<u>\$1,333,182</u>	<u>\$1,367,797</u>	<u>\$1,694,566</u>	<u>\$1,757,166</u>	<u>\$1,593,232</u>	2.0%	0.6%
\$ 350,515	\$ 369,352	\$ 307,331	\$ 271,859	\$ 283,681	\$ 227,050	0.8%	-3.4%
106,051	95,230	96,240	88,058	84,385	100,089	3.4%	4.1%
150,394	139,096	178,764	175,753	182,836	197,700	3.1%	6.0%
31,671	50,758	34,937	72,343	92,736	57,000	6.0%	18.6%
193,895	468,369	543,140	513,444	247,349	329,000	8.7%	11.7%
<u>\$ 832,526</u>	<u>\$1,122,805</u>	<u>\$1,160,412</u>	<u>\$1,121,457</u>	<u>\$ 890,987</u>	<u>\$ 910,839</u>	4.2%	5.1%
<u>\$4,585,685</u>	<u>\$4,579,668</u>	<u>\$4,776,032</u>	<u>\$5,115,887</u>	<u>\$5,216,640</u>	<u>\$4,800,480</u>	3.1%	2.3%
\$ 303,181	\$ (6,017)	\$ 196,364	\$ 339,855	\$ 100,753	\$ (416,160)		
7.1%	-0.1%	4.3%	7.1%	2.0%	-8.0%		



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES
Last Ten Fiscal Years and 2013 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Compensation:						
Teacher salaries	\$1,749,974	\$1,820,063	\$1,850,403	\$1,916,378	\$1,924,109	\$1,885,400
ESP salaries	495,154	520,267	515,427	537,346	535,148	559,741
Total salaries	<u>\$2,245,128</u>	<u>\$2,340,330</u>	<u>\$2,365,830</u>	<u>\$2,453,724</u>	<u>\$2,459,257</u>	<u>\$2,445,141</u>
Teacher pension	190,259	194,511	198,065	247,585	282,488	350,483
ESP pension	73,754	79,498	81,560	87,530	83,317	89,776
Hospitalization	196,457	229,045	230,204	243,003	250,765	260,386
Medicare	23,358	25,480	26,719	29,989	25,279	31,075
Unemployment insurance	3,374	4,711	8,558	6,382	8,236	5,764
Workers' compensation	13,806	16,997	17,953	21,004	24,619	29,757
Total benefits	<u>\$ 501,008</u>	<u>\$ 550,242</u>	<u>\$ 563,059</u>	<u>\$ 635,493</u>	<u>\$ 674,704</u>	<u>\$ 767,241</u>
Total compensation	<u>\$2,746,136</u>	<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>
Non-compensation:						
Energy	\$ 62,388	\$ 63,233	\$ 64,647	\$ 70,760	\$ 77,133	\$ 86,759
Food	92,539	96,712	89,628	85,815	83,798	83,326
Textbooks	72,118	74,377	79,677	71,942	65,772	89,514
Supplies	40,653	42,380	45,210	46,965	45,945	46,030
Commodities — other	1,155	1,306	1,314	1,135	1,072	910
Professional fees	217,917	226,306	292,517	319,904	322,252	360,277
Charter schools	54,444	66,643	82,537	118,445	141,030	189,006
Transportation	98,901	96,775	93,639	92,589	97,076	102,828
Tuition	67,779	78,582	66,854	62,890	63,103	65,105
Telephone and telecommunications	13,981	6,208	8,635	16,944	13,701	17,671
Services — other	26,485	19,431	11,516	13,104	13,271	13,253
Equipment	42,398	43,315	44,081	38,335	34,614	39,003
Repairs and replacements	48,739	45,353	35,224	35,556	32,973	36,999
Capital outlays	17	15	—	4	5	10
Rent	9,468	7,974	10,393	14,174	12,965	11,020
Debt service	1,420	1,420	1,420	1,420	1,269	21,704
Other	(1,097)	(2,092)	6,215	5,894	6,429	18,888
Unallocated appropriations (budget only)	—	—	—	—	—	—
Total non-compensation	<u>\$ 849,305</u>	<u>\$ 867,938</u>	<u>\$ 933,507</u>	<u>\$ 995,876</u>	<u>\$1,012,408</u>	<u>\$1,182,303</u>
Total expenditures	<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>
Change in expenditures from previous year	\$ 101,555	\$ 163,069	\$ 103,886	\$ 222,697	\$ 61,276	\$ 248,316
Percent change in expenditures	2.9%	4.5%	2.8%	5.8%	1.5%	6.0%



<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Budget 2013</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,975,940	\$2,026,257	\$2,023,510	\$2,026,832	\$2,026,506	1.5%	1.0%
597,533	604,042	610,741	618,265	629,185	2.4%	3.3%
\$2,573,473	\$2,630,299	\$2,634,251	\$2,645,097	\$2,655,691	1.7%	1.5%
392,801	475,628	306,111	335,657	348,941	6.3%	4.3%
93,791	96,913	102,158	100,026	100,490	3.1%	3.8%
299,206	311,048	353,878	324,918	365,248	6.4%	7.8%
33,667	34,826	35,004	34,900	37,774	4.9%	8.4%
8,599	16,000	21,992	17,141	16,907	17.5%	15.5%
28,148	28,244	25,859	26,042	30,188	8.1%	4.2%
\$ 856,212	\$ 962,659	\$ 845,002	\$ 838,684	\$ 899,548	6.0%	5.9%
\$3,429,685	\$3,592,958	\$3,479,253	\$3,483,781	\$3,555,239	2.6%	2.6%
\$ 92,354	\$ 78,682	\$ 83,356	\$ 73,409	\$ 84,158	3.0%	1.8%
89,592	93,088	93,766	104,245	117,452	2.4%	7.0%
86,356	70,596	70,249	49,147	82,353	1.3%	4.6%
44,572	48,046	51,125	45,521	61,516	4.2%	6.0%
998	948	478	583	733	— 4.4%	— 7.3%
440,921	381,851	450,127	412,072	412,115	6.6%	5.0%
256,154	326,322	377,755	424,423	425,834	22.8%	24.7%
109,351	109,349	107,530	109,368	121,608	2.1%	4.6%
63,858	62,568	59,102	55,001	59,931	— 1.2%	— 1.0%
19,426	18,199	19,823	23,451	21,289	4.3%	9.2%
13,935	15,688	11,789	11,010	13,270	— 6.7%	0.0%
34,450	33,661	41,896	40,938	47,836	1.2%	6.7%
34,772	31,854	37,355	33,912	27,120	— 5.7%	— 3.8%
12	10	5	43	—	— 100.0%	— 100.0%
12,000	12,093	11,941	11,745	12,091	2.5%	— 1.4%
1,037	2,710	—	—	—	— 100.0%	— 100.0%
13,306	17,519	14,402	9,679	189,677	N/A	96.8%
—	—	—	—	—	—	—
\$1,313,094	\$1,303,184	\$1,430,699	\$1,404,547	\$1,676,983	7.0%	10.6%
\$4,742,779	\$4,896,142	\$4,909,952	\$4,888,328	\$5,232,222	3.8%	4.8%
\$ 348,094	\$ 153,363	\$ 13,810	\$ (21,624)	\$ 343,894	7.9%	3.2%
7.9%	3.2%	0.3%	— 0.4%	7.0%		



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Last Ten Fiscal Years and 2013 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues:					
Local	\$1,641,646	\$1,688,778	\$1,781,729	\$1,935,760	\$2,021,048
State	1,307,229	1,329,390	1,417,423	1,492,361	1,549,493
Federal	602,677	703,821	746,403	757,731	711,963
Total revenues	<u>\$3,551,552</u>	<u>\$3,721,989</u>	<u>\$3,945,555</u>	<u>\$4,185,852</u>	<u>\$4,282,504</u>
Total Expenditures	<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>
Revenues less expenditures	\$ (43,889)	\$ (36,521)	\$ 83,159	\$ 100,759	\$ 136,135
Other financing sources less transfers	7,711	15,071	328	4,145	1,904
Change in fund balance	\$ (36,178)	\$ (21,450)	\$ 83,487	\$ 104,904	\$ 138,039
Fund balance — beginning of period	365,134	328,956	307,506	390,993	495,897
Fund balance — end of period	<u>\$ 328,956</u>	<u>\$ 307,506</u>	<u>\$ 390,993</u>	<u>\$ 495,897</u>	<u>\$ 633,936</u>
Revenues as a percent of expenditures	98.8%	99.0%	102.2%	102.5%	103.3%
Composition of fund balance					
Reserved:					
Reserved for encumbrances	\$ 78,879	\$ 67,542	\$ 97,313	\$ 102,286	\$ 97,731
Reserved for restricted donations	429	1,439	1,459	1,503	1,765
Reserved by law for specific purposes	41,289	42,015	43,675	84,388	129,597
Unreserved:					
Designated to provide operating capital	161,233	171,300	190,000	218,400	233,200
Undesignated	47,126	25,210	58,546	89,320	171,643
Nonspendable	—	—	—	—	—
Restricted for grants and donations	—	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—	—
Restricted for capital improvement program	—	—	—	—	—
Restricted for debt service	—	—	—	—	—
Assigned for educational services	—	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—	—
Assigned for debt services	—	—	—	—	—
Assigned for commitments and contracts	—	—	—	—	—
Unassigned	—	—	—	—	—
Total fund balance	<u>\$ 328,956</u>	<u>\$ 307,506</u>	<u>\$ 390,993</u>	<u>\$ 495,897</u>	<u>\$ 633,936</u>
Unreserved/unassigned fund balance as a percent of revenues	5.9%	5.3%	6.3%	7.4%	9.5%
Total fund balance as a percentage of revenues	9.3%	8.3%	9.9%	11.8%	14.8%

NOTE: The classification of fund balances for FY2011 was modified to comply with GASB 54, which was adopted in July 2010.



<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Budget 2013</u>
\$2,060,808	\$2,123,681	\$2,247,823	\$2,299,864	\$2,568,487	\$2,296,409
1,692,351	1,333,182	1,367,797	1,694,566	1,757,166	1,593,232
832,526	1,122,805	1,160,412	1,121,457	890,987	910,839
<u>\$4,585,685</u>	<u>\$4,579,668</u>	<u>\$4,776,032</u>	<u>\$5,115,887</u>	<u>\$5,216,640</u>	<u>\$4,800,480</u>
4,394,685	4,742,779	4,896,142	4,909,952	4,888,328	5,232,222
\$ 191,000	\$ (163,111)	\$ (120,110)	\$ 205,935	\$ 328,312	\$ (431,742)
3,813	20,389	17,851	109,830	62	
\$ 194,813	\$ (142,722)	\$ (102,259)	\$ 315,765	\$ 328,374	
474,783	669,596	526,874	424,615	740,380	
<u>\$ 669,596</u>	<u>\$ 526,874</u>	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$1,068,754</u>	
104.3%	96.6%	97.5%	104.2%	106.7%	
\$ 132,684	\$ 110,685	\$ 111,166	\$ —	\$ —	
1,826	3,695	5,825	—	—	
102,695	101,072	109,163	—	—	
258,000	181,200	—	—	—	
174,391	130,222	198,461	—	—	
—	—	—	1,972	3,329	
—	—	—	126,855	69,873	
—	—	—	91,036	92,680	
—	—	—	—	—	
—	—	—	—	—	
—	—	—	289,000	—	
—	—	—	181,300	348,900	
—	—	—	—	—	
—	—	—	44,924	110,397	
—	—	—	5,293	443,575	
<u>\$ 669,596</u>	<u>\$ 526,874</u>	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$1,068,754</u>	
9.4%	6.8%	4.2%	0.1%	8.5%	
14.6%	11.5%	8.9%	14.5%	20.5%	



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, 2012

Eligible Expenditures:

Physical Education — Athletic Claims	\$ 52,063
Tort Claims — Administration Fee	434,750
Tort Claims — Major Settlements	269,405
Tort Claims — Casualty	4,025,639
General Liability Insurance	1,470,000
Property Damage Insurance	1,628,398
Property Loss Reserve Fund	262,266
Compensation and Benefits Management	84,077
Life Safety	4,462
Prop Advisor PG-Self Directed	—
School Safety Administration	726,895
School Safety Services	1,559,281
Student Identification Cards	178,446
Personnel Security Services	52,776,131
Security Police Officers	22,577,047
Central Service Security	3,872,124
Security Services	70,810
Risk Management Administration	329,272
Total Eligible Expenditures	<u>\$90,321,066</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS
For the Fiscal Year Ended June 30, 2012

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	\$17,137,462	\$35,786,110	\$35,320,123	\$17,603,449
Child Parent Centers	24,483	12,257	14,640	22,100
Alternative Schools	6,829	22,111	23,638	5,302
Middle Schools	558,390	944,107	849,760	652,737
High Schools	<u>12,861,715</u>	<u>31,057,397</u>	<u>30,405,713</u>	<u>13,513,399</u>
	<u>\$30,588,879</u>	<u>\$67,821,982</u>	<u>\$66,613,874</u>	31,796,987
Investments:				
Elementary Schools				288,019
Middle Schools				—
High Schools				<u>1,941,022</u>
Total Cash and Investments Held for Student Activities				<u>\$34,026,028</u>

STUDENT FEES

	<u>Graduation Fees (A)</u>	<u>Student Activity Fees (B)</u>	<u>Total</u>
Total Elementary School Fees	\$2,033,066	\$ 3,521,085	\$ 5,554,151
Total Elementary Students	<u>263,540</u>	<u>263,540</u>	<u>263,540</u>
Average Fee per Student	<u>\$ 7.71</u>	<u>\$ 13.36</u>	<u>\$ 21.08</u>
Total High School Fees	\$1,345,167	\$11,663,782	\$13,008,949
Total High School Students	<u>85,068</u>	<u>85,068</u>	<u>85,068</u>
Average Fee per Student	<u>\$ 15.81</u>	<u>\$ 137.11</u>	<u>\$ 152.92</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	07/01/11 — 06/30/12	\$ 108,000	Insurance placement and consultation. The contract with Mesirow for these services has been extended and continues.
PROPERTY INSURANCE				
All Risk-Property Insurance				
Property Primary I	Ironshore	07/01/11 — 06/30/12	\$ 767,739	\$5M per occurrence \$10M
Property Primary II	AWAC	07/01/11 — 06/30/12	767,739	\$5M per occurrence \$10M
Property Excess I	Commonwealth	07/01/11 — 06/30/12	244,635	\$15M excess of \$10M
Property Excess II	One Beacon	07/01/11 — 06/30/12	114,510	\$10M per occurrence \$25M excess \$25M
Property Excess III	Great American	07/01/11 — 06/30/12	55,000	\$5M per occurrence \$25M excess \$25M
Property Excess IV	Maiden Specialty	07/01/11 — 06/30/12	57,505	\$5M per occurrence \$25M excess \$25M
Property Excess V	Ironshore	07/01/11 — 06/30/12	57,255	\$5M per occurrence \$25M excess \$25M
Property Excess VI	One Beacon	07/01/11 — 06/30/12	49,968	\$15M per occurrence \$50M excess \$50M
Property Excess VII	Torus	07/01/11 — 06/30/12	66,624	\$20M per occurrence \$50M excess \$50M
Property Excess VIII	Maiden Specialty	07/01/11 — 06/30/12	33,312	\$10M per occurrence \$50M excess \$50M
Property Excess IX	Great American	07/01/11 — 06/30/12	16,000	\$5M per occurrence \$50M excess \$50M
Property Excess X	Torus	07/01/11 — 06/30/12	62,460	\$60M per occurrence \$150M excess \$100M
Property Excess XI	Great American	07/01/11 — 06/30/12	60,000	\$60M per occurrence \$150M excess \$100M
Property Excess XII	One Beacon	07/01/11 — 06/30/12	31,230	\$30M per occurrence \$150M excess \$100M
Terrorism Property and Liability	Hiscox Insurance Company, Inc.		101,331	\$12M excess of \$500,000 deductible
Boiler & Machinery Insurance	Federal Chubb	07/01/11 — 06/30/12	82,749	\$100 million subject \$50,000 deductible
Commercial Crime Insurance				\$35 million subject to \$500,000 deductible Coverage including Fidelity
Primary Crime	Great American Insurance Company		40,991	\$10M excess of \$500,000 deductible
Excess Crime I	Fidelity & Deposit of MD (Zurich)		35,632	\$10M
Excess Crime II	Travelers Casualty and Surety Company		29,640	\$10M
Special Crime	Federal Insurance Company	07/01/11 — 06/30/12	8,728	\$5M
			\$ 2,683,048	Total Property, Boiler & Machinery and Crime for year end 06/30/12
Property Loss Reserve			248,049	
Total Property Program			\$ 2,931,097	



<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 Primary Cov A	ACE American Insurance Company		\$ 415,579	\$5M Each Occurrence \$10M Aggregate
School Board Legal, EPL Cov C	ACE American Insurance Company		Included above	\$5M Each Claim \$10M Aggregate
Miscellaneous Professional Liability Cov D	ACE American Insurance Company		Included above	\$5M Each Claim \$5M Aggregate
Automobile Liability	ACE American Insurance Company		Included above	\$5,000,000
Excess Liability I	Allied World Assurance Co		381,150	\$10M excess \$5M
Excess Liability II	Lexington Insurance Co		286,483	\$15M excess \$10M
Excess Liability III	Ironshore		270,694	\$25M excess \$25M
Excess Liability IV	Crum & Forster		112,500	\$25M excess \$50M
Special Events CGL	National Casualty Insurance Company	07/01/11 — 06/30/12	34,875	\$1M/None/\$5M Prod Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/11 — 06/30/12	11,516	\$5M/\$5M
Workers' Compensation	New York Marine Insurance Co.	07/01/11 — 06/30/12	255,092	WC Statutory \$5M
Employers Liability	New York Marine Insurance Co.	07/01/11 — 06/30/12		\$2M/\$2M/\$2M
Fiduciary	Hudson Insurance Company	07/01/11 — 06/30/12	89,771	\$10 million
Total Liability Insurance Cost			<u>\$ 1,857,660</u>	
Total Insurance Cost			<u>\$ 4,896,757</u>	
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc		\$ 4,126,055	Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc		<u>437,000</u>	Administration fees
			<u>\$ 4,563,055</u>	Total General Liability Claims and Expenses



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	Sedgwick Claims Management Services, Inc	07/01/11 — 06/30/12	\$ 30,624,022	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.
			\$ 1,427,574	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
			\$ 32,051,596	Total Workers' Compensation Claims and Expenses
Life Safety Line	Various	07/01/11 — 06/30/12	\$ 293,198	Promotes Life Safety programs
Total Self Insured Program			\$ 36,907,849	



<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 PPO	07/01/11 — 06/30/12	\$ 4,105,913	PPO Health care for eligible employees and dependents
	United Healthcare PPO	07/01/11 — 06/30/12	1,312,130	PPO Health care for eligible employees and dependents
	United Healthcare PPO w/HRA	07/01/11 — 06/30/12	356,416	PPO and Health Reimbursement Account for eligible employees and dependents
	Blue Cross HMO Illinois	07/01/11 — 06/30/12	4,906,238	HMO Health care for eligible employees and dependents
	United Healthcare HMO (EPO)	07/01/11 — 06/30/12	1,248,528	HMO Health care for eligible employees and dependents
Medical Total Admin. Fees			\$ 11,929,225	
Medical PPO Claim	Blue Cross/Blue Shield of Illinois	07/01/11 — 06/30/12	\$ 85,585,162	PPO Health care for eligible employees and dependents and retirees
	United Healthcare PPO	07/01/11 — 06/30/12	28,238,078	PPO Health care of eligible employees, dependents and retirees
	United Healthcare PPO w/HRA	07/01/11 — 06/30/12	7,016,260	PPO and Health Reimbursement Account for eligible employees and dependents
Medical Total PPO Claims			\$ 120,839,500	
Medical HMO Claims	Blue Cross HMO Illinois	07/01/11 — 06/30/12	\$ 144,514,582	HMO Healthcare for eligible employees and dependents and Claims and Physician Service Fees
	United Healthcare HMO	07/01/11 — 06/30/12	35,939,536	HMO Healthcare for eligible employees and dependents
Medical Total HMO Claims			\$ 180,454,118	
Medical Claims Total		07/01/11 — 06/30/12	\$ 301,293,618	
Medical Claims and Administration		07/01/11 — 06/30/12	\$ 313,222,843	
Managed Mental Health Service	United Behavioral Health	07/01/11 — 06/30/12	\$ 991,049	Mental health care for PPO eligible employees and dependents
Utilization Review and Case Management	Encompass	07/01/11 — 06/30/12	\$ 954,087	Pre-certification, utilization review and case management for PPO eligible employees and dependents
Prescription Drugs	Caremark	07/01/11 — 06/30/12	\$ 53,726,705	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses		07/01/11 — 06/30/12	\$ 368,894,684	



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	Delta Dental HMO	07/01/11 — 06/30/12	\$ 3,508,434	Dental HMO for eligible employees and dependents
	Delta Dental	07/01/11 — 06/30/12	8,193,269	Dental PPO for eligible employees and dependents
Dental Insurance Total			\$ 11,701,703	
Vision Plan	Vision Service Plan (VSP)	07/01/11 — 06/30/12	\$ 272,332	Vision services for eligible employees and dependents
Term Life Insurance	Standard Life Insurance	07/01/11 — 06/30/12	\$ 1,825,358	Life insurance policy at \$10,000 per eligible employee
Total Dental/Vision/Life			\$ 13,799,393	
Total Health/Life Benefit Expenses			\$ 382,694,077	





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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY
For the Fiscal Year Ended June 30, 2012
(Millions of dollars)

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Unexpended	\$433.1	\$386.1	\$426.5
Proceeds available from bond issuance	313.6	257.3	284.0
State aid	58.1	82.2	3.1
Federal aid	6.0	26.7	16.6
Investment income	13.3	8.1	13.2
Other income	<u>9.6</u>	<u>11.8</u>	<u>12.2</u>
Total	\$833.7	\$772.2	\$755.6
Expenditures	441.6	360.8	389.0
Operating transfers in (out)	<u>(6.0)</u>	<u>15.1</u>	<u>(7.3)</u>
Unexpended	\$386.1	\$426.5	\$359.3
Encumbrances	<u>175.2</u>	<u>223.6</u>	<u>140.8</u>
Available balance	<u>\$210.9</u>	<u>\$202.9</u>	<u>\$218.5</u>

Note:

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



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Total for last ten fiscal years ending June 30, 2012
\$359.3	\$496.8	\$ 646.4	\$565.7	\$ 73.9	\$261.6	\$182.2	\$ —
389.4	370.2	252.5	—	803.8	382.3	402.4	3,455.5
—	18.1	0.1	—	—	2.8	1.3	165.7
17.9	34.1	43.5	2.8	12.3	4.4	18.1	182.4
22.4	35.6	25.9	12.5	2.0	2.1	5.5	140.6
21.4	36.6	60.4	127.5	83.1	91.5	54.2	508.3
<u>\$810.4</u>	<u>\$991.4</u>	<u>\$1,028.8</u>	<u>\$708.5</u>	<u>\$975.1</u>	<u>\$744.7</u>	<u>\$663.7</u>	<u>\$4,452.5</u>
310.8	345.0	463.1	634.6	666.7	562.3	576.8	4,750.7
(2.8)	—	—	—	(46.8)	(0.2)	1.2	(46.8)
<u>\$496.8</u>	<u>\$646.4</u>	<u>\$ 565.7</u>	<u>\$ 73.9</u>	<u>\$261.6</u>	<u>\$182.2</u>	<u>\$ 88.1</u>	<u>\$ (345.0)</u>
220.2	199.1	268.6	73.9	229.5	182.2	88.1	88.1
<u>\$276.6</u>	<u>\$447.3</u>	<u>\$ 297.1</u>	<u>\$ —</u>	<u>\$ 32.1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (433.1)</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM

Last Five Fiscal Years

(Thousands of dollars)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
DAYS MEALS SERVED:					
National School Lunch Program	173	173	173	173	173
PUPIL LUNCHES SERVED:					
Paid lunches (regular)	3,057,617	2,596,483	2,285,279	1,909,112	1,715,302
Reduced lunches (regular)	3,390,609	3,198,477	2,971,564	2,332,040	2,219,797
Free lunches (regular)	42,203,781	41,759,323	41,870,094	39,495,186	39,439,339
TOTAL PUPIL LUNCHES SERVED	48,652,007	47,554,283	47,126,937	43,736,338	43,374,438
Daily Average	281,225	274,880	272,410	252,811	250,719
Change from Previous Year	(667,954)	(1,097,724)	(427,346)	(3,390,599)	(361,900)
Daily Percentage Change	-1.4%	-2.3%	-0.9%	-7.2%	-0.8%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)	306,185	302,130	982,044	1,187,763	1,852,888
Reduced breakfasts (regular)	413,987	453,628	972,893	957,294	1,276,808
Free breakfasts (regular)	12,681,324	13,432,581	18,289,117	18,908,430	23,935,561
TOTAL PUPIL BREAKFASTS SERVED	13,401,496	14,188,339	20,244,054	21,053,487	27,065,257
Daily Average	77,465	82,014	117,018	121,696	156,447
Change from Previous Year	(325,345)	786,843	6,055,715	809,433	6,011,770
Daily Percentage Change	-2.4%	5.9%	42.7%	4.0%	28.6%
TOTAL MEALS SERVED	62,053,503	61,742,622	67,370,991	64,789,825	70,439,695
Daily Average	358,691	356,894	389,428	374,508	407,166
Total Change From Previous Year	(993,299)	(310,881)	5,628,369	(2,581,166)	5,649,870
Daily Percentage Change	-1.6%	-0.5%	9.1%	-3.8%	8.7%
NUMBER OF ADULT LUNCHES (REGULAR)					
262,999	205,062	172,624	142,832	114,583	
Daily Average	1,520	1,185	998	826	662
Total Change From Previous Year	(38,214)	(57,937)	(32,438)	(29,792)	(28,249)
Daily Percentage Change	-12.7%	-22.0%	-15.8%	-17.3%	-19.8%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM (continued)

Last Five Fiscal Years

(Thousands of dollars)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUE:					
Federal and State Sources	\$161,174	\$152,556	\$192,323	\$189,087	\$196,000
Local Sources	40,889	56,767	17,774	17,803	27,645
Total Revenue	<u>\$202,063</u>	<u>\$209,323</u>	<u>\$210,097</u>	<u>\$206,890</u>	<u>\$223,645</u>
EXPENDITURES:					
Career Service Salaries	\$ 63,501	\$ 65,941	\$ 66,600	\$ 68,328	\$ 71,007
Career Service Pension	10,733	10,769	11,140	11,997	12,074
Hospitalization	21,737	24,528	20,597	23,347	22,557
Food	81,539	87,821	91,496	92,093	102,365
Professional and Special Services	2,650	3,037	3,240	2,717	2,167
Administrative Allocation	13,141	14,677	13,629	4,611	9,833
Other	2,687	2,549	3,395	3,797	3,642
Total Expenditures	<u>\$195,988</u>	<u>\$209,322</u>	<u>\$210,097</u>	<u>\$206,890</u>	<u>\$223,645</u>
Revenues Less Than Expenditures	<u>\$ 6,075</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
DAILY AVERAGE					
Revenues	\$ 1,168	\$ 1,210	\$ 1,214	\$ 1,196	\$ 1,293
Expenditures	\$ 1,133	\$ 1,210	\$ 1,214	\$ 1,196	\$ 1,293
PERCENTAGE CHANGE					
Revenues	4.4%	3.6%	0.4%	-1.5%	8.1%
Expenditures	1.3%	6.8%	0.4%	-1.5%	8.1%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For the Fiscal Year Ended June 30, 2012

With Comparative Amounts for the Period Ended June 2011

	<u>2012 Schools</u>	<u>2012 Administrative Center</u>	<u>Total</u>
<u>Electricity</u>			
Commonwealth Edison			
Total Electricity Charges (A)	\$ 49,824,904	\$ 790,872	\$ 50,615,776
Kilowatt Hours	539,323,197	8,960,769	548,283,966
Charge per Kilowatt Hour	<u>\$ 0.09238</u>	<u>\$ 0.08826</u>	<u>\$ 0.09232</u>
<u>Gas</u>			
Total Gas Charges	\$ 22,599,438	\$ 193,949	\$ 22,793,387
Therms	27,061,972	192,718	27,254,690
Charge per Therm	<u>\$ 0.83510</u>	<u>\$ 1.00639</u>	<u>\$ 0.83631</u>

	<u>2011 Schools</u>	<u>2011 Administrative Center</u>	<u>Total</u>
<u>Electricity</u>			
Commonwealth Edison			
Total Electricity Charges (B)	\$ 54,742,095	\$ 969,380	\$ 55,711,475
Kilowatt Hours	580,686,893	10,304,240	590,991,133
Charge per Kilowatt Hour	<u>\$ 0.09427</u>	<u>\$ 0.09408</u>	<u>\$ 0.09427</u>
<u>Gas</u>			
Total Gas Charges	\$ 27,420,154	\$ 224,697	\$ 27,644,851
Therms	36,430,889	298,539	36,729,428
Charge per Therm	<u>\$ 0.75266</u>	<u>\$ 0.75266</u>	<u>\$ 0.75266</u>

NOTES:

- A. Fiscal year 2012 electricity and consumption amounts represent amounts that have been billed for supply and delivery during fiscal year 2012 and have been paid to Commonwealth Edison as of July 31, 2012.
- B. Fiscal year 2011 electricity and consumption amounts represent amounts that have been billed for supply and delivery during fiscal year 2011 and have been paid to Commonwealth Edison as of July 31, 2011.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY SALES AND PURCHASES
For the Fiscal Year Ending June 30, 2012

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>
		\$ —	\$ —	\$ —
		<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Purchases			
<u>Unit Location</u>	<u>Date Acquired</u>	<u>School</u>	<u>Purchase Cost</u>
3640 S. Wabash	8/15/2011	Wright Campus Park	\$ 10
10408-16 S. Indianapolis Blvd.	10/18/2011	Southeast Elementary	1,125,000
10436 S. Indianapolis Blvd.	10/19/2011	Southeast Elementary	10,500
10440-68 & 10476 S. Indianapolis Blvd.	12/14/2011	Southeast Elementary	1,982,960
10491 S. Indianapolis Blvd.	12/15/2011	Southeast Elementary	91,350
10432 S. Indianapolis Blvd.	12/16/2011	Southeast Elementary	1,600
10438 S. Indianapolis Blvd.	5/9/2012	Southeast Elementary	2,500
3930-50 East 105th St.	5/17/2012	Southeast Elementary	513,000
			<u>\$3,726,920</u>

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHERS' BASE SALARIES

(Annual School Year Salary)

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>
2003	\$34,538	\$48,907	\$63,276	2.00%
2004	35,920	50,864	65,807	4.00%
2005	37,357	52,898	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%
2009	43,702	62,384	81,065	4.00%
2010	45,450	64,879	84,308	4.00%
2011	47,268	67,974	88,680	4.00%
2012	47,268	68,474	89,680	0.00%

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 education attainment and years of service. The majority of the Chicago Public Schools Teaching Staff receive the maximum salary due to the 16 years 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
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>
2007	282,488	11,759,699	2,917,485	80.1%	19.9%
2008	350,483	12,069,417	3,134,324	79.4%	20.6%
2009	392,801	11,493,256	4,189,986	73.3%	26.7%
2010	475,628	10,917,417	5,372,773	67.0%	33.0%
2011	306,111	10,109,315	6,831,312	59.7%	40.3%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS

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>
2008	2007-08	364,088	\$11,536	\$7,957
2009	2008-09	362,618	12,880	9,519
2010	2009-10	366,851	13,078	9,766
2011	2010-11	364,331	13,616	9,127
2012	2011-12	367,883	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 the nine-month average daily attendance. This measure excludes expenditures related to Pre-school, 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 non-resident 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 the nine-month average daily attendance.





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Operating Information

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Elementary			
Pre-Kindergarten	21,788	22,085	21,417
Kindergarten	31,655	31,539	29,986
Grades 1-3	114,470	107,677	101,944
Grades 4-6	107,575	105,633	103,005
Grades 7-8	<u>62,037</u>	<u>63,262</u>	<u>64,205</u>
Total Elementary	<u>337,525</u>	<u>330,196</u>	<u>320,557</u>
Secondary			
9th Grade	33,895	35,813	35,529
10th Grade	28,780	27,925	29,218
11th Grade	21,519	22,347	22,711
12th Grade	<u>16,870</u>	<u>18,138</u>	<u>18,797</u>
Total Secondary	<u>101,064</u>	<u>104,223</u>	<u>106,255</u>
Grand Total	<u>438,589</u>	<u>434,419</u>	<u>426,812</u>

NOTES:

Source: CPS Performance Website (www.cps.edu/SchoolData/Pages/SchoolData.aspx)



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
21,205	21,363	21,388	23,325	24,370	23,705	24,232
29,502	28,403	27,901	28,975	29,632	28,812	29,594
98,157	95,744	93,853	93,416	92,581	91,899	92,302
100,065	94,235	90,701	89,234	88,695	87,834	87,630
<u>62,921</u>	<u>62,385</u>	<u>62,217</u>	<u>59,839</u>	<u>58,231</u>	<u>56,791</u>	<u>56,520</u>
<u>311,850</u>	<u>302,130</u>	<u>296,060</u>	<u>294,789</u>	<u>293,509</u>	<u>289,041</u>	<u>290,278</u>
36,735	37,514	35,151	34,233	32,877	31,081	30,336
29,555	30,286	31,994	32,177	34,659	33,303	32,230
23,764	23,871	24,608	25,292	25,436	26,277	27,039
<u>19,078</u>	<u>19,893</u>	<u>20,788</u>	<u>21,464</u>	<u>22,798</u>	<u>22,979</u>	<u>24,268</u>
<u>109,132</u>	<u>111,564</u>	<u>112,541</u>	<u>113,166</u>	<u>115,770</u>	<u>113,640</u>	<u>113,873</u>
<u>420,982</u>	<u>413,694</u>	<u>408,601</u>	<u>407,955</u>	<u>409,279</u>	<u>402,681</u>	<u>404,151</u>



Operating Information

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Elementary	19.3	22.7	20.2	21.7	21.1	20.0	23.5	21.3	23.2	23.3
Secondary	19.0	19.6	16.9	19.3	19.6	16.3	19.5	19.7	19.8	19.2

Source: Illinois State Board of Education

Note:

Starting in 2009, the ratio includes Charter Schools.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION

Last Five Fiscal Years

As of June 30, 2012

<u>Functions</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction	28,917	28,184	27,612	26,383	25,884
Support services:					
Pupil support services	4,428	4,535	4,879	4,891	4,841
Administrative support services	1,351	1,418	1,154	1,123	1,129
Facilities support services	1,781	1,789	1,698	1,686	1,666
Instructional support services	3,883	3,807	3,642	3,380	3,134
Food services	4,009	3,901	3,630	3,661	3,688
Community services	437	387	327	320	326
Total government employees	<u>44,806</u>	<u>44,021</u>	<u>42,942</u>	<u>41,444</u>	<u>40,668</u>



Operating Information

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
Number of Schools			
Elementary (A)	479	482	475
Special	27	25	19
High School	75	82	93
Vocational/Technical	7	6	6
Charter Schools	14	18	20
Total Schools	<u>602</u>	<u>613</u>	<u>613</u>
School Enrollment (B)			
Elementary (A)	328,261	319,966	309,818
Special	5,111	4,937	3,730
High School	87,740	90,888	92,787
Vocational/Technical	8,633	8,135	8,203
Charter Schools	8,844	10,493	12,274
Total School Enrollment	<u>438,589</u>	<u>434,419</u>	<u>426,812</u>
Number of High School Graduates	<u>15,753</u>	<u>16,057</u>	<u>16,487</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.



<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
475	472	474	474	474	474	473
18	18	17	17	13	12	12
98	93	98	98	109	107	103
12	12	10	10	8	8	8
<u>22</u>	<u>27</u>	<u>28</u>	<u>67</u>	<u>71</u>	<u>82</u>	<u>87</u>
<u>625</u>	<u>622</u>	<u>627</u>	<u>666</u>	<u>675</u>	<u>683</u>	<u>683</u>
298,030	287,252	279,823	274,875	272,308	264,569	263,540
3,076	3,222	2,846	2,762	2,073	1,940	1,839
88,490	88,487	88,936	90,055	91,390	87,061	85,068
15,970	15,313	14,219	11,251	9,956	8,833	8,226
<u>15,416</u>	<u>19,420</u>	<u>22,777</u>	<u>29,012</u>	<u>33,552</u>	<u>40,278</u>	<u>45,478</u>
<u>420,982</u>	<u>413,694</u>	<u>408,601</u>	<u>407,955</u>	<u>409,279</u>	<u>402,681</u>	<u>404,151</u>
<u>16,898</u>	<u>18,235</u>	<u>20,285</u>	<u>18,972</u>	<u>22,245</u>	<u>20,131</u>	<u>20,914</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHOOL INFORMATION DESCRIPTION

The school general information tables contain student and financial data as of June 30, 2012. 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, 2011
Per Pupil Regular Expenditures	Total Fiscal Year 2012 school expenses per student
Per Pupil Capital Expenditures	Total Fiscal Year 2012 capital expenses per student
Per Pupil Supplementary Expenditures	Total Fiscal Year 2012 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	787	\$11,796	\$ 2,308	\$1,031
ACE Technical Charter HS	500	10,489	14	1,056
Air Force Academy HS	302	11,081	13,744	1,055
Alcott HS Humanities	232	51	675	7
Alternative Safe Schools	714	9,461	1,484	—
Amandla Charter HS	348	9,663	—	1,046
Amundsen HS	1,535	9,121	377	926
ASPIRA Charter — Early College	505	10,447	—	1,037
ASPIRA Charter — Ramirez	397	11,162	—	992
Austin Business & Enterprise HS	317	11,109	24	1,960
Austin PolyTechnical Academy HS	251	14,375	31	1,668
Bogan Computer Technical HS	1,658	9,676	262	1,201
Bronzeville HS	552	9,129	11,241	1,165
Brooks HS	781	9,529	10,159	1,195
Carver Military Academy HS	532	12,609	20,908	1,196
Chicago Academy For Advanced Technology HS	303	12,578	31,904	909
Chicago Academy HS	503	9,930	—	973
Chicago HS For Agricultural Sciences	578	14,433	1	1,026
Chicago HS For the Arts	437	9,651	4,936	—
Chicago International Charter — Chicago Quest North	231	12,603	20,083	986
Chicago International Charter — Ellison	548	10,501	2	895
Chicago International Charter — Hawkins	478	10,006	69	864
Chicago International Charter — Longwood	1,473	9,210	—	978
Chicago International Charter — Northtown	844	10,173	—	859
Chicago Math/Science Charter	596	10,115	1	893
Chicago Military Academy HS	482	10,778	1	888
Chicago Talent Development HS	200	13,336	6	1,567
Chicago Virtual Charter	598	8,424	—	419
Chicago Vocational HS	177	15,227	—	2,297
Chicago Vocational HS	827	15,533	139	1,970
Clark Magnet HS	733	10,601	157	1,331
Clemente Achievement Academy HS	184	12,817	196	1,145
Clemente HS	1,007	12,574	9,825	1,260
Collins Academy HS	409	11,138	4,826	1,461
Community Services West Academy	180	9,291	—	583
Corliss HS	622	11,881	5,172	1,131
Crane Achievement Academy HS	162	15,332	—	1,592
Crane Technical HS	476	16,843	17,478	1,030
Curie HS	3,323	8,975	657	1,108
DeVry Advantage Academy HS	200	8,076	—	930
Douglass HS	354	12,634	3	1,344



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	787	\$11,796	\$ 2,308	\$1,031
Dunbar Vocational HS	1,462	9,701	4,451	1,185
Dyett HS	318	16,007	4	1,324
EPIC Academy Charter HS	364	11,315	1	981
Farragut HS	1,453	10,933	467	1,404
Fenger HS	688	13,526	44	1,144
Fenger Achievement Academy HS	85	15,151	915	1,982
Foreman HS	1,715	9,327	11	1,124
Gage Park HS	1,052	11,163	1,113	1,466
George Washington HS	1,525	8,655	53	855
Greater Lawndale HSI For Social Justice	371	10,089	0	1,179
Hancock HS	966	9,999	7,198	1,098
Harlan HS	1,243	9,886	110	1,282
Harper HS	622	16,608	68	1,002
Henry Ford Academy- Power House HS	453	9,935	1	1,068
Hirsch HS	455	14,552	23	1,317
Hope College Preparatory HS	560	12,156	2,190	1,315
HS of Leadership at South Shore	731	13,258	10,856	1,457
Hubbard HS	1,672	8,409	67	1,144
Hyde Park HS	1,513	9,226	317	1,016
Infinity HS	388	9,422	—	1,317
Instituto Health Sciences Career Academy HS	336	11,856	1	938
Jacqueline B Vaughn Occupational HS	202	26,413	2,989	1,338
Jefferson HS	272	28,759	5	443
Jones College Preparatory HS	871	9,220	33,551	490
Juarez HS	1,683	9,711	790	1,037
Julian HS	1,224	11,408	2,724	1,102
Kelly HS	2,893	8,933	8	1,239
Kelvyn Park HS	1,250	10,515	82	900
Kennedy HS	1,588	9,120	2,636	823
Kenwood HS	1,851	7,966	132	888
King College Preparatory HS	919	10,568	74	830
Lake View HS	1,502	8,710	681	884
Lane Technical HS	4,366	7,349	33	510
Lincoln Park HS	2,342	7,713	2,630	552
Lindblom Math and Science HS	908	9,939	47	988
Manley HS	599	13,107	19	1,095
Marine Military Academy HS	367	10,606	36	1,178
Marshall HS	730	15,549	718	976
Mather HS	1,656	8,981	800	948
Militaryburn Alternative HS	35	24,816	19,232	—



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	787	\$11,796	\$ 2,308	\$1,031
Morgan Park HS	1,571	9,380	5,141	992
Multicultural Arts HS	315	9,300	—	1,290
New Millenium HS	700	13,356	—	1,461
Noble St. Charter HS	599	10,524	—	1,028
Noble St. Charter HS — Chicago Bulls	787	9,224	32	916
Noble St. Charter HS — Comer	710	9,800	—	971
Noble St. Charter HS — Englewood	416	10,346	—	879
Noble St. Charter HS — Golder	580	10,322	—	1,002
Noble St. Charter HS — Muchin	708	9,791	—	903
Noble St. Charter HS — Prtizker	752	9,549	—	1,034
Noble St. Charter HS — Rauner	599	10,032	—	977
Noble St. Charter HS — Rowe-Clark	581	10,559	—	1,030
Noble St. Charter HS — UIC HS	811	8,902	157	—
North Lawndale Charter — Christiana	473	14,575	29	1,086
North Lawndale Charter — Collins	412	10,810	4,362	1,132
North-Grand HS	883	9,177	52	1,081
Northside College Preparatory HS	1,053	8,872	—	355
Northside Learning Center HS	299	25,950	181	1,070
Orr Academy HS	823	12,733	229	1,009
Peace & Education Alternative HS	120	22,480	3	971
Perspectives Charter — CalTech	517	10,461	—	1,011
Perspectives Charter — Calumet HS	480	10,736	—	1,083
Perspectives Charter — IIT	571	10,461	357	924
Perspectives Charter — Joslin	376	11,204	—	1,007
Phillips Achievement Academy HS	67	16,064	—	2,663
Phillips HS	593	15,533	978	1,197
Phoenix Military Academy HS	462	10,354	28	1,208
Prologue — Joshua Johnston Charter School for Fine Arts and Design	206	9,257	6	702
Prologue Early College HS	233	9,378	5	674
Prosser HS	1,416	9,597	83	1,029
Raby HS	536	11,068	51	1,296
Ray Graham Training Center HS	139	33,499	9	1,669
Richards HS	473	14,295	1,498	1,363
Rickover Naval HS	424	10,908	—	1,036
Robeson Achievement Academy HS	111	13,596	—	1,854
Robeson HS	734	10,949	4	1,381
Roosevelt HS	1,497	9,012	1,199	938
Schurz HS	2,364	9,034	724	1,131
Senn HS	1,051	10,946	972	1,674



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	787	\$11,796	\$ 2,308	\$1,031
Shabazz Charter — DuSable	398	10,771	15,071	984
Simeon HS	1,533	9,578	674	942
Simpson HS	150	14,961	14,124	1,171
Solorio HS	582	9,485	2,265	986
South Shore International College Preparatory HS	323	12,175		684
Southside Occupational Academy HS	201	32,406	2,337	935
Spry Community Links HS	195	10,235	—	1,288
Steinmetz HS	1,890	9,312	60	1,100
Sullivan HS	827	11,456	94	1,076
Taft HS	2,921	7,686	105	460
TEAM Englewood HS	440	11,481	—	1,133
Tilden Achievement Academy HS	128	12,967	—	920
Tilden HS	463	14,447	1	1,052
U of C Charter — Woodlawn	517	10,614	—	955
UNO Charter School — Garcia	591	9,882	—	895
Uplift Community HS	471	11,736	190	1,151
Urban Prep AcademyYng Men — Garfield Park	373	9,641	—	941
Urban Prep AcademyYng Men — South Shore	268	10,076	5	741
Urban Prep Charter HS	482	10,315	—	931
Vivian E. Summers Alternative HS	65	24,816	19,232	—
VOISE Academy HS	411	10,927	118	—
Von Steuben HS	1,635	8,749	67	839
Walter Payton College Preparatory HS	885	9,410	4,280	465
Wells HS	630	14,164	2,651	1,027
Westinghouse College Preparatory	828	8,846	7	902
Whitney Young Magnet HS	2,165	8,119	857	423
Williams Preparatory School of Medicine	324	9,546	18,513	1,267
World Language HS	379	10,333	—	1,461
York Alternative HS	338	22,302	—	199
Young Women's Leadership Charter HS	324	10,243	1	987
Youth Connections Charter	4,030	9,544	1	918



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	544	\$ 9,467	\$ 888	\$1,145
Addams	926	7,353	2	960
Agassiz	429	10,466	1	504
Albany Park	266	9,843	101	1,082
Alcott	474	14,914	171	346
Aldridge	283	8,985	29	1,220
Altgeld	527	8,593	1	1,356
Ames	583	7,102	1	1,143
Ariel	550	6,888	1	866
Armour	362	9,334	6,467	1,195
Armstrong, G.	1,487	6,927	33	1,035
Armstrong, L.	95	17,711	3	1,418
Ashburn	490	9,228	2	943
Ashe	456	7,661	1	932
ASPIRA Charter — Haugan	592	8,278	1	1,096
Attucks	276	10,889	271	1,186
Audubon	573	8,220	23	262
Avalon Park	393	9,160	1,838	1,272
Azuela	870	5,984	164	878
Banneker	302	9,938	300	1,405
Barnard	272	10,621	1	1,118
Barry	796	7,418	—	1,228
Barton	596	8,654	1	1,002
Bass	367	9,170	1	1,680
Bateman	1,014	7,233	189	1,013
Beard	160	34,031	1,456	682
Beasley Magnet	1,363	6,804	3,577	1,746
Beaubien	1,172	6,648	—	864
Beethoven	409	10,371	1,802	1,398
Beidler	406	9,379	2,925	1,136
Belding	657	7,143	2,068	711
Bell	990	8,643	80	395
Belmont-Cragin	634	6,974	31	708
Bennett	502	9,503	7	1,273
Bethune	363	9,121	1	1,193
Black Magnet	473	9,262	5	988
Blaine	915	6,784	122	155
Blair	137	36,207	1,711	574
Bond	343	11,019	3,097	1,211
Bontemps	345	7,831	27	1,101
Boone	748	8,905	134	1,069



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	544	\$ 9,467	\$ 888	\$1,145
Bouchet	778	7,929	65	1,021
Bradwell	771	8,040	3,236	1,143
Brennemann	360	10,155	7	1,046
Brentano	453	8,043	34	965
Bridge	994	6,563	—	761
Bright	359	9,408	1	1,060
Brighton Park	687	8,360	—	1,563
Bronzeville Lighthouse Charter	455	8,478	387	1,058
Brown, R.	283	9,519	4,122	1,381
Brown, W.	214	15,055	10	1,278
Brownell	310	9,123	60	1,209
Brunson	650	7,566	74	1,023
Buckingham	26	77,491	12	1,903
Budlong	862	7,371	—	808
Burbank	1,132	7,622	2,979	1,106
Burke	241	10,572	117	1,422
Burley	570	7,725	179	176
Burnham	283	9,496	2	1,132
Burnside	761	8,322	2	1,745
Burr	347	8,619	24	1,285
Burroughs	507	7,772	2	1,072
Byrne	684	7,595	—	500
Caldwell	289	10,336	281	1,473
Calhoun North	328	8,848	56	1,170
Calmecca	789	6,563	311	1,107
Cameron	822	8,280	4,011	1,568
Camras	823	6,634	3,076	1,011
Canter Middle School	221	11,510	20	790
Canty	780	7,100	62	377
Cardenas	641	7,884	35	1,175
Carnegie	725	6,674	69	787
Carroll-Rosenwald	536	9,095	89	1,050
Carson	1,218	6,574	32	1,521
Carter	370	8,818	50	1,129
Carver Primary	542	8,897	904	1,910
Casals	504	8,599	352	1,095
Cassell	350	11,293	1	246
Castellanos	525	8,356	1	1,475
Catalyst Charter-Howland	507	8,242	27	1,115
Catalyst Charter-Circle Rock	520	8,208	—	1,067



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	544	\$ 9,467	\$ 888	\$1,145
Cather	234	10,308	7	1,147
Chalmers	287	8,985	272	1,183
Chappell	446	10,538	1,924	1,214
Chase	503	9,130	1,504	1,365
Chavez	913	8,034	40	1,195
Chicago International Charter — Basil	730	8,714	—	1,084
Chicago International Charter — Bond	346	8,546	—	1,090
Chicago International Charter — Bucktown	667	8,369	—	903
Chicago International Charter — Irving Park	517	8,451	—	768
Chicago International Charter — Prairie	403	8,354	—	1,101
Chicago International Charter — South Shore	421	8,159	—	1,047
Chicago International Charter — W. Belden	500	8,986	—	1,090
Chicago International Charter — Washington	446	8,294	—	1,068
Chicago International Charter — Wrightwood	709	8,190	—	984
Chicago Academy	600	7,809	29	659
Chicago International Charter — Loomis Primary	592	8,154	—	938
Chopin	267	11,081	1	1,240
Christopher	278	26,927	15,477	758
Claremont	530	10,580	1	1,162
Clark, G. R.	295	10,641	1	1,134
Clay	630	8,313	14	1,181
Cleveland	685	8,221	2	1,130
Clinton	1,137	6,630	37	1,156
Clissold	586	8,594	121	1,181
Colemon, J.	266	9,623	16	845
Coles	550	8,635	1	1,518
Columbia Explorers	1,033	7,142	24	1,163
Columbus	309	8,130	1	798
Cook	479	10,154	22	1,382
Coonley	663	7,990	145	491
Cooper	700	8,010	480	1,128
Copernicus	339	8,999	1,754	1,211
Corkery	630	7,449	—	1,149
Courtenay	257	10,885	65	576
Crown	297	10,687	118	1,774
Cuffe	512	8,166	1	1,099
Cullen	232	10,026	1	1,274
Curtis	501	7,955	7,171	1,007
Daley	796	7,417	1	1,269
Darwin	620	9,111	5,113	1,563



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	544	\$ 9,467	\$ 888	\$1,145
Davis, Miles	354	10,531	138	2,068
Davis, N.	1,025	7,292	—	1,086
Dawes	1,025	8,091	22	1,196
De Diego	867	7,621	118	1,174
Decatur Classical	289	8,763	172	1,606
Delano	414	9,392	58	2,955
Deneen	550	7,417	268	963
DePriest	522	9,570	45	1,295
Dett	249	10,585	1	1,195
Dever	838	6,567	108	412
Dewey	357	11,007	23	3,733
Dirksen	777	6,871	18	806
Disney II	363	8,821	8,266	931
Disney Magnet	1,651	7,025	87	710
Dixon	650	7,130	3,345	985
Dodge	434	8,852	20	1,414
Doolittle	304	10,658	18,762	1,411
Dore	586	7,542	866	428
Drake	250	12,228	1	981
Drummond	352	9,810	1	2,524
DuBois	184	12,039	2	2,125
Dulles	537	7,870	660	891
Dumas	381	9,266	134	1,166
Dunne	310	10,999	1	1,347
Durkin Park	542	7,879	4,573	914
Dvorak	552	7,813	4,475	1,278
Earhart	264	10,117	264	774
Earle	330	9,006	1	1,071
Eberhart	1,762	6,830	12	1,252
Ebinger	644	7,294	650	160
Edgebrook	463	7,261	21,235	79
Edison	269	9,188	87	1,628
Edison Park	428	6,999	656	104
Edwards	1,486	6,859	76	1,048
Ellington	375	9,411	1	1,163
Emmet	459	8,445	28	1,750
Emmett Till	471	9,224	186	1,328
Ericson	516	8,416	7	1,876
Erie Charter	351	9,186	3	886
Esmond	340	9,828	1	1,180



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	544	\$ 9,467	\$ 888	\$1,145
Everett	319	8,862	1	1,268
Evergreen	389	9,205	1	1,209
Evers	366	9,071	695	990
Fairfield	598	7,914	19	1,286
Falconer	1,508	6,577	—	1,180
Faraday	191	11,389	4	1,308
Farnsworth	574	9,839	2,836	515
Fermi	237	11,566	202	2,128
Fernwood	344	9,355	30	995
Field	374	8,885	307	1,383
Finkl	583	7,781	1	1,121
Fiske	254	11,914	3	2,481
Fort Dearborn	477	9,264	39	1,352
Foster Park	421	11,889	1	1,188
Franklin Fine Art	363	9,892	1	317
Frazier International Magnet	220	11,665	—	3,296
Frazier Preparatory Academy	413	8,215	3	1,221
Fuller	239	9,860	627	1,485
Fulton	466	8,510	1	1,199
Funston	619	7,877	—	1,161
Galapagos Charter	351	8,481	3	1,042
Gale	515	10,004	49	1,021
Galileo	608	8,185	2,217	764
Gallistel	1,413	7,134	2	1,100
Garfield Park	204	8,337	—	1,000
Garvey, M.	354	8,961	1	1,125
Garvy, J.	715	7,505	2,908	329
Gary	1,204	6,876	33	1,108
Gillespie	608	7,798	—	966
Global Citizenship	247	9,600	5	857
Goethe	785	7,148	11	1,045
Goldblatt	268	10,112	3	1,693
Gompers	286	9,867	1	1,108
Goodlow Magnet	416	9,000	45	1,159
Goudy	799	7,867	—	997
Graham, A.	478	8,918	591	972
Gray	1,331	7,253	117	1,022
Greeley	607	8,225	48	1,481
Green, W.	254	10,134	1	1,325
Greene, N.	630	7,729	10	1,245



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	544	\$ 9,467	\$ 888	\$1,145
Gregory	321	9,394	1,035	1,382
Gresham	358	9,296	1	1,229
Grimes	486	8,454	767	952
Grissom	328	9,043	1	704
Guggenheim	291	8,165	1	1,043
Gunsaulus	866	7,426	88	1,339
Haines	662	7,678	—	1,218
Hale	864	7,295	482	780
Haley	524	8,292	3,280	1,544
Hamilton	305	12,255	731	517
Hamline	676	7,827	656	1,054
Hammond	445	8,888	1	1,364
Hampton	657	8,468	33	1,252
Hanson Park	1,489	8,173	3,895	1,069
Harte	334	9,047	57	928
Harvard	475	7,582	1	1,077
Haugan	1,284	6,992	2	1,067
Hawthorne	569	7,502	2	967
Hay	552	7,496	1,190	1,136
Hayt	993	6,908	156	1,036
Healy	1,376	6,877	44	1,137
Hearst	362	10,847	8,442	1,018
Hedges	841	7,865	—	1,189
Hefferan	259	9,962	1	1,206
Henderson	406	8,376	10,832	1,105
Hendricks	305	10,869	750	1,223
Henry	648	7,365	1,695	1,110
Henson	271	10,251	1	1,056
Herbert	397	10,665	1	906
Hernandez Middle School	970	6,657	1	1,241
Herzl	512	9,681	7,998	2,529
Hibbard	1,235	7,623	41	1,153
Higgins	368	9,613	3	1,348
Hinton	320	10,019	1	1,425
Hitch	534	7,540	199	731
Holden	593	9,063	14	1,084
Holmes	333	9,255	841	1,203
Hope Institute	410	10,743	4,122	683
Howe	574	8,469	4,105	1,189
Hoynes	285	9,475	1	958



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	544	\$ 9,467	\$ 888	\$1,145
Hughes, C.	317	7,418	61	1,079
Hughes, L.	422	11,519	816	1,598
Hurley	825	7,594	173	1,255
Inter-American	691	7,244	2	1,332
Irving	481	8,630	13	1,021
Jackson, A.	555	7,996	2	290
Jackson, M.	322	11,413	4	848
Jahn	489	10,042	99	1,286
Jamieson	805	7,983	216	710
Jenner	313	12,383	1	1,344
Jensen	364	9,177	302	1,272
Johnson	362	8,655	682	1,008
Joplin	536	8,083	4	1,228
Jordan	746	6,863	7	1,142
Jungman	284	10,234	1	1,252
Kanoon Magnet	706	7,789	2	1,260
Keller Magnet	246	9,372	126	1,415
Kellman	293	9,404	1	1,096
Kellogg	276	11,499	34	957
Kershaw	263	11,188	1	2,939
Key	297	9,721	1	1,391
Kilmer	884	7,205	—	964
King EL	263	10,938	1	1,177
Kinzie	726	10,311	940	521
Kipling	445	9,408	333	1,035
KIPP Ascend Charter	545	8,411	—	1,014
Kohn	427	9,862	75	1,313
Kozminski	403	8,843	89	1,045
Kwame Nkrumah	215	8,255	1	787
Lafayette	471	12,382	3,270	1,234
Lara	555	7,464	1	1,348
LaSalle	576	7,803	2	172
Lasalle II	609	10,150	133	1,396
Lathrop	83	17,540	2,238	1,476
Lavizzo	392	8,158	1	1,336
Lawndale	507	8,885	776	1,388
Lawrence	376	9,792	188	1,268
LEARN Charter — 5th Campus	236	7,854	—	961
LEARN Charter — Butler	599	7,685	—	992
LEARN Charter — Excel	342	8,245	—	965



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	544	\$ 9,467	\$ 888	\$1,145
LEARN Charter — North Lawndale	447	7,544	—	803
LEARN Charter — South Chicago	280	7,268	—	708
Lee	829	8,058	1,328	1,279
Legacy Charter	512	8,312	32	905
Leland	180	12,252	2	2,225
Lenart	328	7,731	30	1,211
Lewis	560	8,270	6,236	1,456
Libby	538	8,785	25	1,144
Lincoln	809	6,467	95	436
Linne	639	8,120	—	1,102
Little Village	835	7,085	—	1,186
Lloyd	1,323	6,529	—	1,183
Locke, A. Charter	588	7,581	1	822
Locke, J	1,303	6,941	55	1,011
Logandale Mid	942	7,655	12	1,263
Lorca	858	5,870	364	939
Lovett	487	7,519	1	833
Lowell	587	9,239	32	1,312
Lozano Bilingual	316	11,063	2,345	1,393
Lyon	1,409	6,655	—	1,121
Madero Mid	314	10,517	4	1,094
Madison	314	9,011	462	1,480
Manierre	393	11,233	292	3,575
Mann	471	9,186	44	1,318
Marconi	245	10,087	331	1,571
Marquette	1,385	7,220	594	922
Marsh	834	7,989	313	1,225
Marshall Middle School	434	9,755	3	1,410
Mason	475	11,707	275	1,465
May	456	9,894	1,698	1,494
Mayer	595	9,636	26	1,086
Mayo	456	8,536	4	1,112
Mays	301	9,102	1	1,227
McAuliffe	856	6,666	—	1,069
McClellan	284	11,549	1	982
McCormick	892	7,880	38	1,507
McCutcheon	349	9,560	1	1,101
McDade Classical	199	9,390	2	1,987
McDowell	188	11,018	2	857
McKay	885	8,604	11	1,318



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	544	\$ 9,467	\$ 888	\$1,145
McNair	423	10,703	1	1,321
McPherson	687	9,575	—	862
Melody	315	10,134	1	1,267
Metcalfe	485	9,174	1	1,521
Mireles	901	7,570	—	1,505
Mitchell	343	8,698	1,400	1,165
Mollison	243	10,014	1,300	1,163
Monroe	1,113	7,452	20	1,380
Montefiore	21	100,818	55,699	1,677
Moos	425	9,610	17	1,277
Morgan	237	13,715	38	1,181
Morrill	822	7,577	12	1,239
Morton	344	9,090	70	1,091
Mozart	747	7,598	7	1,355
Mt Greenwood	891	5,902	3,921	223
Mt Vernon	290	11,960	12,221	1,134
Murphy	637	7,669	111	809
Murray	533	8,987	978	487
Namaste Charter	452	8,996	—	943
Nash	392	10,145	7,599	1,306
Natl Teachers Academy	443	8,802	75	961
Near North Special Education Center	91	37,113	13	1,173
Neil	305	18,915	1	1,234
Nettelhorst	721	7,959	—	155
New Field	693	7,599	—	1,024
Newberry Magnet	559	8,436	1,163	529
Nicholson	464	9,697	695	1,177
Nightingale	1,376	7,140	3,849	1,164
Ninos Heroes	435	8,673	118	1,420
Nixon	1,051	6,385	—	1,149
Nobel	796	6,823	—	1,092
North River	360	8,879	3	869
Northwest Middle School	758	7,442	2	1,188
Norwood Park	358	9,563	2	83
Ogden	713	15,092	6,404	1,084
Oglesby	400	9,277	1,422	1,390
O’Keeffe	574	8,353	64	1,379
Onahan	678	6,862	2,790	276
Oriole Park	644	6,712	—	139
Orozco	636	7,892	2	1,281



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	544	\$ 9,467	\$ 888	\$1,145
Ortiz De Dominguez	781	7,180	287	1,008
Otis	489	10,581	1	1,667
O'Toole	510	8,440	10,091	1,350
Overton	433	8,557	7	2,937
Owen	243	10,392	87	2,083
Owens	342	9,982	4	1,191
Paderewski	128	15,963	9,282	1,281
Palmer	912	6,994	37	871
Park Manor	352	8,985	1,366	1,011
Parker	807	8,045	3	2,183
Parkman	224	10,599	358	1,114
Parkside	348	9,220	147	1,156
Passages Charter	427	8,000	1	871
Pasteur	1,166	7,035	4,566	1,128
Peabody	288	8,787	12	1,046
Peck	1,553	6,448	2,752	1,322
Peirce	978	7,147	16	985
Penn	423	11,392	243	928
Perez	424	9,383	1,273	1,449
Pershing West	269	9,321	1	1,619
Pershing, J. Magnet	257	8,535	5	1,496
Perspectives Charter — Calumet Middle School	380	8,132	—	1,054
Peterson	856	7,547	1,108	879
Piccolo	541	8,367	316	1,130
Pickard	652	8,087	1	1,175
Pilsen	445	9,542	29	1,035
Pirie	384	8,752	97	1,037
Plamondon	170	10,756	120	1,212
Plato	414	7,525	—	1,023
Poe Classical	192	9,630	3,579	2,641
Polaris Charter Academy	336	8,732	1	1,025
Pope	199	11,758	2	1,135
Portage Park	1,123	7,592	134	910
Powell	520	8,421	755	1,273
Prescott	239	8,462	20	660
Price	111	16,746	3	1,785
Prieto	993	6,481	289	1,129
Pritzker	668	7,099	2,973	871
Providence-Englewood Charter — Bunche	406	7,568	—	766
Prussing	671	7,249	—	741



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	544	\$ 9,467	\$ 888	\$1,145
Pulaski	860	6,759	228	1,539
Pullman	256	9,925	1	1,026
Randolph	567	7,606	129	1,214
Ravenswood	461	8,853	645	1,088
Ray	653	8,345	408	358
Reavis	310	9,171	167	1,072
Reed	44	25,734	156	2,876
Reilly	1,179	7,386	217	1,051
Reinberg	827	9,755	1,420	1,056
Revere	320	8,660	1	1,345
Robinson	140	12,329	2	1,593
Rogers	730	7,747	1,516	928
Roque De Duprey	114	15,108	8	959
Ross	350	9,365	2	846
Rowe	350	8,657	3	894
Rudolph Learning Center	100	39,365	12	747
Ruggles	417	8,052	957	1,200
Ruiz	913	7,688	—	1,347
Ryder	302	11,793	1	1,030
Ryerson	443	7,970	492	1,227
Sabin Magnet	622	7,754	3	998
Salazar Bilingual	444	7,317	3	799
Sandoval	1,178	6,370	265	1,117
Saucedo	1,305	7,194	134	1,107
Sauganash	545	7,834	5,073	359
Sawyer	1,828	6,621	15	1,376
Sayre	605	6,926	63	1,467
Scammon	924	6,479	218	1,155
Schmid	185	10,995	2	1,304
Schubert	936	7,075	4,669	1,138
Seward	893	7,454	315	1,050
Sexton	334	10,407	12,506	1,363
Shabazz Charter	303	8,647	—	952
Shabazz Charter — Sizmore	296	8,184	—	1,009
Sheridan Magnet	537	7,701	2	676
Sherman	461	7,746	1	1,061
Sherwood	355	9,882	1	1,257
Shields	1,805	6,835	134	1,251
Shoemith	328	8,535	1	1,110
Shoop	552	8,680	806	1,241



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	544	\$ 9,467	\$ 888	\$1,145
Skinner	783	8,276	326	725
Skinner North	242	8,927	184	1,320
Smith, W.	364	9,415	587	1,107
Smyser	1,038	6,726	75	797
Smyth, J.	472	12,007	2	1,726
Solomon	362	10,820	26	491
Songhai	352	9,382	10	1,246
South Loop	787	6,570	1	341
South Shore Fine Art	255	7,888	29	—
Spencer	809	7,702	99	1,175
Spry	803	7,688	—	1,338
Stagg	538	8,037	243	1,230
STEM Magnet Academy	227	10,321	1,205	2,511
Stevenson	1,306	7,608	1,963	1,016
Stewart	279	11,625	501	1,242
Stock	259	13,498	5	99
Stockton	457	10,933	19,481	875
Stone	647	8,027	2	1,198
Stowe	886	8,396	128	1,170
Suder Montessori	350	9,125	305	576
Sullivan	524	9,792	11	1,173
Sumner	426	9,400	3	1,180
Sutherland	758	7,098	4,834	290
Swift	705	7,523	—	939
Talcott	579	9,849	1	1,175
Talman	370	8,292	3	1,114
Tanner	449	9,019	1	1,175
Tarkington	1,065	7,403	155	1,198
Taylor	633	7,762	—	1,164
Telpochcalli	284	10,759	—	1,737
Thorp, J. N.	449	11,988	1,615	1,376
Thorp, O. A.	834	7,130	1	1,159
Tilton	319	9,382	307	1,887
Tonti	1,004	6,937	95	1,206
Trumbull	430	10,753	1	991
Turner-Drew	373	10,022	3	1,071
Twain	1,154	6,517	5	897
U Of C Charter — Donoghue	475	8,039	3	789
U Of C Charter — Nth Kenwood	330	7,645	—	856
U of C Charter — Woodson South	392	7,985	1	929



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	544	\$ 9,467	\$ 888	\$1,145
UNO 51st and Homan Charter	566	7,730	—	907
UNO Charter — Fuentes	547	8,300	2,210	979
UNO Charter — Gage Park	570	8,207	—	1,023
UNO Charter — Las Casas	285	9,117	—	1,011
UNO Charter — Marquez	576	8,409	—	973
UNO Charter — Paz	432	8,614	169	1,060
UNO Charter — Tamayo	288	9,025	—	1,040
UNO Charter — Zizumbo	640	8,084	—	927
UNO Charter School — Torres	640	8,166	—	992
UNO Charter St Marks	237	8,888	—	896
Vanderpoel Magnet	317	8,946	364	1,588
Velma Thomas Early Childhood Center	210	10,252	6	544
Vick Early Childhood Center	204	16,122	—	82
Volta	1,016	7,091	125	1,136
Von Humboldt	392	10,485	22	2,873
Wacker	243	9,127	1	954
Wadsworth	277	9,419	1	1,062
Walsh	499	7,947	1	1,067
Ward, J.	486	8,817	88	1,376
Ward, L.	428	8,218	1	1,192
Warren	329	8,374	278	1,145
Washington, G.	812	7,613	168	861
Washington, H.	549	9,164	4	1,196
Waters	581	7,903	1	510
Webster	369	9,615	1	2,925
Wells Prep	215	8,934	—	1,231
Wentworth	363	8,988	3	1,215
West Park	684	7,442	—	1,357
West Pullman	340	9,010	658	1,019
West Ridge	648	6,473	1,956	814
Westcott	412	8,766	1	1,585
Whistler	376	10,060	1	1,238
White	138	12,049	39	1,168
Whitney	1,126	7,145	44	1,258
Whittier	406	8,437	1,220	1,103
Wildwood	412	9,035	685	956
Williams Middle	125	13,659	49	719
Williams Multiplex	266	10,859	20,609	1,021
Woodlawn	236	9,018	—	1,286
Woods	401	8,671	13	1,264



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	544	\$ 9,467	\$ 888	\$1,145
Woodson South	329	13,390	109	2,023
Yale	182	12,592	140	1,636
Yates	684	10,270	43	1,110
Young	1,105	7,854	—	1,297
Zapata	976	7,085	—	1,116





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Statutory Reporting Section



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 the governmental activities and each major fund 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) as of and for the year ended June 30, 2012, which collectively comprise CPS' basic financial statements and have issued our report thereon dated January 23, 2013. 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

Management of CPS is responsible for establishing and maintaining effective 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.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of CPS' financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying *Schedule of Findings and Questioned Costs* that we consider to be significant deficiencies in internal control over financial reporting (see findings FS12-01 and FS12-02). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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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 the responses.

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 January 23, 2013.

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, the 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 LLP

Chicago, Illinois
January 23, 2013



Statutory Reporting Section



Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on 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 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 could have a direct and material effect on each of CPS' major federal programs for the year ended June 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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 items SA12-02, SA12-03 and SA12-04.

Internal Control Over Compliance

Management of CPS is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered CPS' internal control over compliance

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with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items SA12-01, SA12-02, SA12-03, and SA12-04 to be significant deficiencies.

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 the responses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities and each major fund of the CPS as of and for the year ended June 30, 2012, and have issued our report thereon dated January 23, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the CPS's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2012 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards for the year ended June 30, 2012 is fairly stated in all material respects in relation to the 2012 basic financial statements taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, CPS's basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated December 9, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund. Our report included an emphasis of a matter paragraph relative to the adoption of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In our opinion, the accompanying schedule of expenditures of federal awards for the year ended June 30, 2011, is fairly stated, in all material respects, in relation to the basic financial statements for the year ended June 30, 2011, taken as a whole.

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, the 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 LLP

Chicago, Illinois
January 23, 2013



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

FOR THE YEAR ENDED JUNE 30, 2012

<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>
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	11-4910-00	09/01/10-08/31/11
		4910	94.004	12-4910-00	12/08/11-08/31/12
	Generator Go Green Initiative G3	N/A	94.004	09KSNMN002	08/01/10-07/31/11
		N/A	94.004	09KSNMN002	08/01/11-07/31/12
Program Development and Innovation Grants	MLK Day of Service	N/A	94.007	09MKHDC002	10/01/10-02/15/11
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
HOUSING AND URBAN DEVELOPMENT					
Passed Through Chicago Housing Authority					
Distressed Public Housing	Employability Plus	N/A	14.866	AB-0809-001	07/01/10-06/30/11
	Employability Plus	N/A	14.866	AB-0809-001	07/01/10-06/30/11
	Employability Plus	N/A	14.866	AB-0809-001	07/01/11-06/30/12
TOTAL HOUSING AND URBAN DEVELOPMENT					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Direct Funding					
Aerospace Education Services Program	NASA Explorer School Barton	N/A	43.001	AGREEMENT	10/06/05-10/31/08
	NASA Explorer School Harlan	N/A	43.001	AGREEMENT	10/13/05-10/30/08
NASA NRA K-12 Competitive Grant Opportunity	NASA NRA K-12 Competitive Grant Opportunity	N/A	43.001	NNX09AH88A	04/09/09-04/08/13
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
NATIONAL SECURITY AGENCY					
Direct Funding					
Mathematical Science Grants Program	Startalk Arabic Language Institute	N/A	12.901	H98230-11-1-0034	04/12/11-02/28/12
		N/A	12.900	H98230-12-1-0030	03/29/12-02/28/13
	Startalk Chinese Language Institute	N/A	12.901	H98230-10-1-0002	04/02/10-02/28/11
		N/A	12.900	H98230-11-1-0033	04/12/11-02/28/12
		N/A	12.900	H98230-12-1-0031	04/02/12-02/28/13
Language Grant Program	Startalk Urdu Language Camp	N/A	12.900	H98230-11-10078	04/18/11-02/28/12
TOTAL NATIONAL SECURITY AGENCY					
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Illinois State Board of Education (ISBE)					
Child Nutrition Cluster					
National School Lunch Program	Lunch Program	4210	10.555	11-4210-00	10/01/10-09/30/11
		4210	10.555	12-4210-00	09/01/11-09/30/12
School Breakfast Program	Breakfast Program	4220	10.553	11-4220-00	10/01/10-09/30/11
		4220	10.553	12-4220-00	09/01/11-09/30/12
Total Child Nutrition Cluster					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status Cumulative Expenditures Through June 30, 2012
\$ 208,125	\$ (37,099)	\$ (2,673)	\$ 39,772	\$ 39,772	\$ —	\$ —	\$ 90,678	\$ 130,450
90,218	—	(28,204)	5,416	5,416	—	(22,788)	—	5,416
95,000	45,891	(48,376)	2,485	2,485	—	—	61,139	63,624
57,000	—	—	39,249	39,249	—	39,249	—	39,249
5,000	(407)	407	—	—	—	—	4,593	4,593
\$ 455,343	\$ 8,385	\$ (78,846)	\$ 86,922	\$ 86,922	\$ —	\$ 16,461	\$ 156,410	\$ 243,332
\$ 86,000	\$ 25,285	\$ —	\$ —	\$ —	\$ —	\$ 25,285	\$ 86,000	\$ 86,000
86,000	86,000	(86,000)	—	—	—	—	86,000	86,000
86,000	—	(55,588)	84,529	84,529	—	28,941	—	84,529
\$ 258,000	\$ 111,285	\$ (141,588)	\$ 84,529	\$ 84,529	\$ —	\$ 54,226	\$ 172,000	\$ 256,529
\$ 17,500	\$ (159)	\$ —	\$ 159	\$ 159	\$ —	\$ —	\$ 17,341	\$ 17,500
17,500	(139)	—	139	139	—	—	17,361	17,500
1,409,964	63,046	(573,880)	608,960	608,960	—	98,126	567,965	1,176,925
\$1,444,964	\$ 62,748	\$ (573,880)	\$ 609,258	\$ 609,258	\$ —	\$ 98,126	\$ 602,667	\$ 1,211,925
\$ 99,655	\$ 2,338	\$ (99,456)	\$ 97,119	\$ 97,119	\$ —	\$ 1	\$ 2,338	\$ 99,457
99,972	—	—	64,250	64,250	—	64,250	—	64,250
99,055	99,054	(99,054)	—	—	—	—	99,054	99,054
99,970	2,414	(99,429)	97,015	97,015	—	—	2,414	99,429
99,089	—	—	63,573	63,573	—	63,573	—	63,573
59,536	3,222	(45,660)	42,438	42,438	—	—	3,222	45,660
\$ 557,277	\$ 107,028	\$ (343,599)	\$ 364,395	\$ 364,395	\$ —	\$ 127,824	\$ 107,028	\$ 471,423
N/A	\$7,021,811	\$ (7,021,813)	\$ —	\$ —	\$ —	\$ (2)	\$ 98,829,332	\$ 98,829,332
N/A	—	(111,494,989)	117,107,717	117,107,717	—	5,612,728	—	117,107,717
N/A	2,958,111	(2,958,110)	—	—	—	1	30,174,750	30,174,750
N/A	—	(43,010,128)	45,322,990	45,322,990	—	2,312,862	—	45,322,990
\$ —	\$9,979,922	\$(164,485,040)	\$162,430,707	\$162,430,707	\$ —	\$7,925,589	\$129,004,082	\$291,434,789



Statutory Reporting Section

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
Passed Through Illinois State Board of Education (ISBE)					
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	11-4226-00	09/01/10-02/28/12
		4226	10.558	12-4226-00	09/01/11-09/30/12
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	12-4240-11	07/01/11-09/30/12
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	12-4240-12	07/01/11-09/30/12
Food Donation Program	Food Donation Program * Noncash Awards	4228	10.558	N/A	07/01/11-06/30/12
Team Nutrition Grants	Healthier US Challenge	N/A	10.574	N/A	07/01/11-06/30/12
Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (not including cluster)					
Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (including cluster)					
Passed Through Northwestern Illinois Association					
Team Nutrition Grants	Ilnet Mini Grants	N/A	10.574	N/A	09/01/10-04/30/12
Total U. S. Department of Agriculture Passed Through Northwestern Illinois Association					
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	81X8116000-H	07/01/10-06/30/11
		N/A	10.561	81XQ116000	07/01/11-06/30/12
Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services					
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
U.S. DEPARTMENT OF EDUCATION					
Passed Through Illinois State Board of Education (ISBE)					
Education of Homeless Children and Youth Cluster					
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	11-4920-00	07/01/10-08/31/11
		4920	84.196A	12-4920-00	07/05/11-09/30/12
Education for Homeless Children and Youth	McKinney Vento Education for Homeless ARRA	4862	84.387A	10-4862-00	07/01/09-06/30/11
Total Education for Homeless Children and Youth Cluster					
Passed Through Illinois State Board of Education (ISBE)					
Educational Technology State Grants Cluster					
Education Technology State Grants	Technology — Enhancing Education — Formula	4971	84.318X	11-4971-00	07/01/10-08/31/11
Education Technology State Grants, Recovery Act	Technology — Enhancing Education — Formula ARRA	4861	84.386A	12-4861-00	08/31/11-09/30/11
Total Educational Technology State Grants Cluster					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status
								Cumulative Expenditures Through June 30, 2012
N/A	\$ 67,772	\$ (67,772)	\$ —	\$ —	\$ —	\$ —	\$ 4,761,326	\$ 4,761,326
N/A	—	(5,287,138)	5,417,077	5,417,077	—	129,939	—	5,417,077
N/A	8,685	(8,685)	—	—	—	—	97,802	97,802
N/A	2,784	(96,169)	169,053	169,053	—	75,668	—	169,053
N/A	—	(14,818,622)	14,818,622	14,818,622	—	—	—	14,818,622
41,003	—	(41,003)	41,003	41,003	—	—	—	41,003
\$ 41,003	\$ 79,241	\$ (20,319,389)	\$ 20,445,755	\$ 20,445,755	\$ —	\$ 205,607	\$ 4,859,128	\$ 25,304,883
\$ 41,003	\$10,059,163	\$(184,804,429)	\$182,876,462	\$182,876,462	\$ —	\$8,131,196	\$133,863,210	\$316,739,672
\$ 5,500	\$ 2,000	\$ (4,300)	\$ 3,500	\$ 3,500	\$ —	\$ 1,200	\$ 2,000	\$ 5,500
\$ 5,500	\$ 2,000	\$ (4,300)	\$ 3,500	\$ 3,500	\$ —	\$ 1,200	\$ 2,000	\$ 5,500
\$ 523,484	\$ 101,684	\$ (101,684)	\$ —	\$ —	\$ —	\$ —	\$ 395,168	\$ 395,168
487,290	—	(325,357)	325,357	325,357	—	—	—	325,357
\$1,010,774	\$ 101,684	\$ (427,041)	\$ 325,357	\$ 325,357	\$ —	\$ —	\$ 395,168	\$ 720,525
\$1,057,277	\$10,162,847	\$(185,235,770)	\$183,205,319	\$183,205,319	\$ —	\$8,132,396	\$134,260,378	\$317,465,697
\$ 804,450	\$ (4,450)	\$ 4,450	\$ —	\$ —	\$ —	\$ —	\$ 800,000	\$ 800,000
804,450	—	(800,000)	800,000	800,000	—	—	—	800,000
1,276,200	153,585	(153,585)	—	—	—	—	1,276,200	1,276,200
\$2,885,100	\$ 149,135	\$ (949,135)	\$ 800,000	\$ 800,000	\$ —	\$ —	\$ 2,076,200	\$ 2,876,200
\$1,236,656	\$ 495,374	\$ (790,973)	\$ 295,599	\$ 295,599	\$ —	\$ —	\$ 925,221	\$ 1,220,820
16,764	—	(16,762)	16,762	16,762	—	—	—	16,762
\$1,253,420	\$ 495,374	\$ (807,735)	\$ 312,361	\$ 312,361	\$ —	\$ —	\$ 925,221	\$ 1,237,582



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 State Board of Education (ISBE)					
School Improvement Grants Cluster					
School Improvement Grants	School Improvement Grant — Fenger	4339	84.377A	10-4339-01	07/01/09-09/30/10
	School Improvement Grant — Yale	4339	84.377A	10-4339-06	07/01/09-09/30/10
School Improvement Grants, Recovery Act	ARRA — School Improvement Grant — Fenger	4855	84.388A	11-4855-11	07/01/10-08/31/11
	ARRA — School Improvement Grant — Marshall	4855	84.388A	11-4855-11	07/01/10-08/31/11
	ARRA — School Improvement Grant — District	4855	84.388A	11-4855-11	07/01/10-08/31/11
	ARRA — School Improvement Grant — Phillips	4855	84.388A	11-4855-11	07/01/10-08/31/11
	ARRA — School Improvement Grant — Harper	4855	84.388A	11-4855-11	07/01/10-08/31/11
	ARRA — School Improvement Transformation Grant — Hancock	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA — School Improvement Transformation Grant — Juarez	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA — School Improvement Transformation Grant — Julian	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA-School Improvement Transformation Grant — Kelvyn Park	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA — School Improvement Grant Transformation — North Lawndale	4855	84.388A	11-4855-12	05/02/11-09/19/11
	ARRA — School Improvement Grant Transformation — Richards	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA — School Improvement Grant Transformation — Wells	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA — School Improvement Grant Transformation — District	4855	84.388A	11-4855-12	05/02/11-08/31/11
	ARRA — School Improvement Grant — District	4855	84.388A	12-4855-11	07/01/11-08/31/12
	ARRA — School Improvement Grant — Phillips	4855	84.388A	12-4855-11	07/01/11-08/31/12
	ARRA — School Improvement Grant — Harper	4855	84.388A	12-4855-11	08/15/11-08/31/12
	ARRA — School Improvement Grant — Fenger	4855	84.388A	12-4855-11	07/01/11-08/31/12
	ARRA — School Improvement Grant — Marshall	4855	84.388A	12-4855-11	07/01/11-08/31/12
	ARRA — School Improvement Grant — Hancock	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — Juarez	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — Julian	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — Kelvyn Park	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — North Lawndale	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — Richards	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — Tilden	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — Wells	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA — School Improvement Grant — District	4855	84.388A	12-4855-12	09/01/11-08/31/12
Total School Improvement Grants Cluster					
Passed Through Illinois State Board of Education (ISBE)					
Special Education Cluster (IDEA)					
Special Education Grants to State	IDEA — Flow Through Instruction	4620	84.027	09-4620-00	07/01/08-08/31/09
	IDEA — Flow Through/Low Incidence	4620	84.027C	10-4620-00	07/01/09-08/31/10
	LEA Flow Through Inclusive Schools	4620	84.027	11-4620-00	07/01/10-08/31/11
	IDEA — Flow Through Instruction	4620	84.027	12-4620-00	07/01/11-08/31/12
	Room and Board	4625	84.027	4625	09/01/11-08/31/12
	IDEA — Discretionary — Corey H Training Tech	4630	84.027	11-4630-04	07/01/10-06/30/11
	IDEA — Parent Mentor	4630	84.027	11-4630-05	07/01/10-06/30/11
		4630	84.027A	12-4630-05	07/01/11-06/30/12
Special Education — Preschool Grants	IDEA — Pre-School Flow Through	4600	84.173	11-4600-00	07/06/10-08/31/11
		4600	84.173A	12-4600-00	07/01/11-08/31/12
	IDEA — Pre-School Discretionary	4605	84.173	11-4605-01	07/01/10-06/30/11
		4605	84.173A	12-4605-01	07/01/11-06/30/12
Special Education Grants to States, Recovery Act	Federal Special Education IDEA Flow Through ARRA	4857	84.391A	11-4857-00	08/16/10-09/30/11
Special Education — Preschool Grants, Recovery Act	Preschool Incentive Grant ARRA	4856	84.392A	11-4856-00	08/16/10-09/30/11
Total Special Education Cluster (IDEA)					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status Cumulative Expenditures Through June 30, 2012
\$ 475,000	\$ 430,000	\$ —	\$ (430,000)	\$ (430,000)	\$ —	\$ —	\$ 905,000	\$ 475,000
426,000	—	7,097	(7,097)	(7,097)	—	—	—	(7,097)
1,850,419	575,777	(1,064,256)	488,479	488,479	—	—	1,270,806	1,759,285
1,951,135	746,208	(1,129,820)	383,612	383,612	—	—	1,575,333	1,958,945
414,859	108,309	(221,845)	113,536	113,536	—	—	287,250	400,786
1,797,370	669,735	(1,424,483)	754,748	754,748	—	—	997,435	1,752,183
1,981,872	696,327	(1,018,396)	322,069	322,069	—	—	1,431,464	1,753,533
425,855	—	(26,935)	26,935	26,935	—	—	—	26,935
220,353	—	(5,015)	5,015	5,015	—	—	—	5,015
201,657	—	(3,231)	3,231	3,231	—	—	—	3,231
209,052	—	(17,251)	17,251	17,251	—	—	—	17,251
741,437	—	(527,799)	527,799	527,799	—	—	—	527,799
307,823	—	(32,751)	32,751	32,751	—	—	—	32,751
353,552	—	(3,302)	3,302	3,302	—	—	—	3,302
219,012	—	(29,765)	29,765	29,765	—	—	—	29,765
600,000	—	(252,071)	436,039	436,039	—	183,968	—	436,039
1,669,000	—	(901,241)	1,483,218	1,483,218	—	581,977	—	1,483,218
1,910,000	—	(1,032,197)	1,669,000	1,669,000	—	636,803	—	1,669,000
1,910,000	—	(702,447)	1,280,348	1,280,348	—	577,901	—	1,280,348
1,910,000	—	(1,130,571)	1,798,218	1,798,218	—	667,647	—	1,798,218
1,872,960	—	(476,017)	1,490,920	1,490,920	—	1,014,903	—	1,490,920
1,876,006	—	(699,397)	1,486,549	1,486,549	—	787,152	—	1,486,549
1,888,435	—	(751,943)	1,529,666	1,529,666	—	777,723	—	1,529,666
1,867,303	—	(832,004)	1,550,384	1,550,384	—	718,380	—	1,550,384
1,366,814	—	(580,302)	1,153,176	1,153,176	—	572,874	—	1,153,176
1,828,484	—	(574,740)	1,497,269	1,497,269	—	922,529	—	1,497,269
1,865,150	—	(20,677)	607,358	607,358	—	586,681	—	607,358
1,896,576	—	(316,542)	1,546,326	1,546,326	—	1,229,784	—	1,546,326
892,221	—	(422,017)	655,195	655,195	—	233,178	—	655,195
\$ 34,928,345	\$ 3,226,356	\$ (14,189,918)	\$20,455,062	\$20,455,062	\$ —	\$ 9,491,500	\$ 6,467,288	\$ 26,922,350
\$ 95,085,571	\$ —	\$ 69,002	\$ (69,002)	\$ (69,002)	\$ —	\$ —	\$ —	\$ (69,002)
96,011,080	—	—	—	—	—	—	—	—
100,266,108	39,402,168	(40,424,818)	1,022,650	1,022,650	—	—	94,061,764	95,084,414
100,757,412	—	(70,611,728)	90,945,093	90,945,093	—	20,333,365	—	90,945,093
N/A	63,788	(677,586)	944,350	944,350	—	330,552	1,949,546	2,893,896
2,750,000	200,891	(205,708)	4,817	4,817	—	—	55,707	60,524
60,000	(4,406)	(19,512)	23,918	23,918	—	—	34,594	58,512
60,000	—	(8,215)	40,157	40,157	—	31,942	—	40,157
1,365,016	280,337	(285,667)	5,330	5,330	—	—	844,118	849,448
1,758,588	—	(550,743)	1,384,149	1,384,149	—	833,406	—	1,384,149
489,250	1,113	(23,546)	22,433	22,433	—	—	465,811	488,244
489,250	—	(211,262)	474,844	474,844	—	263,582	—	474,844
63,628,459	24,485,450	(25,745,849)	1,260,399	1,260,399	—	—	62,368,060	63,628,459
2,443,183	1,105,349	(1,105,349)	—	—	—	—	2,443,183	2,443,183
\$465,163,917	\$65,534,690	\$(139,800,981)	\$96,059,138	\$96,059,138	\$ —	\$21,792,847	\$162,222,783	\$258,281,921



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 State Board of Education (ISBE)						
Title I, Part A Cluster						
Title I Grants to Local Education Agencies	Title I — Low Income	4300	84.010A	09-4300-00	07/01/08-8/31/09	
		4300	84.010A	11-4300-00	07/01/10-8/31/11	
	ESEA — School Improvement	4300	84.010A	12-4300-00	07/01/11-8/31/12	
		4331	84.010A	11-4331-SS	07/01/10-08/30/11	
	ESEA — Title I — Low Income — Neglected Private	4331	84.010A	12-4331-SS	07/01/11-08/31/12	
		4305	84.010A	11-4305-00	07/01/10-08/31/11	
	ESEA — Title I — Low Income — Delinquent Private	4305	84.010A	12-4305-00	07/05/11-08/31/12	
		4306	84.010A	11-4306-00	07/01/10-08/31/11	
	Title I Grants to Local Education Agencies, Recovery Act	Title I — Public Instruction & Support Services ARRA	4306	84.010A	12-4306-00	07/01/11-08/31/12
			4851	84.389A	11-4851-00	08/16/10-09/30/11
	Title I — Part D Neglected Program ARRA	4852	84.389A	11-4852-00	10/28/10-08/31/11	
	Title I — Part D Delinquent Programs ARRA	4853	84.389A	10-4853-00	07/01/09-08/31/10	
Total Title I, Part A Cluster						
Passed Through Illinois State Board of Education						
Improving Teacher Quality State Grants	Title IIA — Teacher Quality	4932	84.367	11-4932-00	07/01/10-08/31/11	
	Title IIA — Teacher Quality	4932	84.367A	12-4932-00	07/01/11-08/31/12	
Career and Technical Education — Basic Grants to States	V.E. — Perkins — Title IIC — Secondary	4745	84.048	11-4745-00	07/01/10-08/31/11	
		4745	84.048	12-4745-00	07/01/11-08/31/12	
	Perkins Leadership High Schools that Work	4720	84.048A	10-4720-01	08/01/09-07/31/10	
		4720	84.048A	11-4720-01	08/01/10-07/31/11	
Special Education — State Personnel Development Twenty-First Century Community Learning Centers	IDEA — Regional Professional Development Center	4720	84.048A	12-4720-01	08/01/11-07/31/12	
		4631	84.323A	11-4631-RC	11/01/10-10/31/11	
	Title IV — 21st Century Comm Learning Centers — Gear Up	IDEA — Regional Professional Development Center	4421	84.287C	11-4421-01	07/01/10-08/31/11
			4421	84.287	12-4421-01	07/01/11-08/31/12
			4421	84.287C	11-4421-02	07/01/10-08/31/11
			4421	84.287	12-4421-02	07/01/11-08/31/12
			4421	84.287C	11-4421-07	07/01/10-08/31/11
			4421	84.287	12-4421-22	08/08/11-08/31/12
			4421	84.287	12-4421-21	08/08/11-08/31/12
			4421	84.287	12-4421-23	02/15/12-08/31/12
Safe and Drug-Free Schools and Communities State Grants	Title IV — Safe & Drug-Free Schools Formula	4421	84.287C	11-4421-08	07/01/10-08/31/11	
		4421	84.287C	12-4421-08	07/01/11-08/31/12	
English Language Acquisition Grants	Title III — Lang Inst Prog — Limited Eng LIPLEP	4400	84.186	11-4400-00	07/01/10-08/31/11	
		4909	84.365A	11-4909-00	09/01/10-08/31/11	
Education Jobs Fund	International Baccalaureate	4909	84.365A	12-4909-00	09/01/11-08/31/12	
		N/A	84.365A	4999-IB	07/01/10-06/30/12	
	Education Jobs Fund Reduced Class Size	4880	84.410	11-4880-00	08/10/10-09/30/12	
		4880	84.410	12-4880-00	01/01/12-05/31/12	
Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)						
Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)						
Direct Funding						
Teacher Incentive Fund Cluster						
Teacher Incentive Fund	Teachers Incentive Fund Program	N/A	84.374A	S374A070047	11/01/06-04/30/12	
Teacher Incentive Fund, Recovery Act	Teachers Incentive Fund Program ARRA	N/A	84.385	S374A010047	10/01/09-06/30/11	
Teacher Incentive Fund, Recovery Act	Teachers Incentive Fund - CPS TIF	N/A	84.385A	S385A100166	10/01/10-07/30/12	
Total Teacher Incentive Fund Cluster						
Direct Funding						
Impact Aid	Federal Impact Aid Grant	N/A	84.041	23-IL-2010-1711	07/01/10-06/30/12	
Indian Education — Grants to Local Education Agencies	Indian Elementary/Secondary School Assistance Program	N/A	84.060A	S060A100666	07/01/10-06/30/11	
		N/A	84.060A	S060A100666	07/01/11-06/30/12	
Women's Educational Equity Program	Women's Educational Equity	N/A	84.083A	U083A090088	10/01/09-09/30/13	
Magnet Schools Assistance	Magnet Schools Assistance Program	N/A	84.165A	U165A070070	10/01/07-09/30/11	
Safe and Drug-Free Schools and Communities	SDFS Readiness	N/A	84.184E	Q184E100196	09/01/10-06/30/13	
	Healthy Students	N/A	84.184L	Q184L070255	09/01/07-08/31/12	
Fund for the Improvement of Education	SDFS Project Serv School Emergency Response to Violence	N/A	84.184S	Q184S100003	10/28/09-06/30/11	
	Elementary and Secondary School Counseling	N/A	84.215E	Q215E080384	07/01/08-06/30/12	
	Professional Development for Chicago Public School Science Teachers	N/A	84.215K	U215K100172	07/30/10-06/29/12	
	Smaller Learning Communities in CPS High School	N/A	84.215L	S215L070494	10/01/07-09/30/13	
	Smaller Learning Communities	N/A	84.215L	S215L080581	07/10/08-07/09/13	
	Smaller Learning Communities Cohort 10	N/A	84.215L	S215L100017	10/10/10-09/30/15	



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status .Cumulative Expenditures Through June 30, 2012
\$ 353,145,200	\$ —	\$ 68,710	\$ (68,710)	\$ (68,710)	\$ —	\$ —	\$ —	\$ (68,710)
330,712,096	98,234,633	(123,732,991)	25,277,183	25,277,183	—	(221,175)	278,076,283	303,353,466
332,558,791	—	(165,491,104)	261,754,108	261,754,108	—	96,263,004	—	261,754,108
9,400,775	906,890	(1,999,996)	1,093,106	1,093,106	—	—	8,307,665	9,400,771
9,400,775	—	—	9,219,279	9,219,279	—	9,219,279	—	9,219,279
708,476	(248,025)	123,625	124,400	124,400	—	—	425,151	549,551
802,598	—	(175,598)	390,207	390,207	—	214,609	—	390,207
817,330	(91,253)	43,213	48,040	48,040	—	—	726,077	774,117
774,664	—	(289,285)	614,207	614,207	—	324,922	—	614,207
190,097,831	38,043,730	(59,996,317)	21,952,587	21,952,587	—	—	168,044,336	189,996,923
289,604	54,330	(158,660)	104,330	104,330	—	—	185,274	289,604
331,549	(2,821)	(2,954)	5,775	5,775	—	—	325,774	331,549
\$1,229,039,689	\$136,897,484	\$(351,611,357)	\$320,514,512	\$320,514,512	\$ —	\$105,800,639	\$456,090,560	\$ 776,605,072
\$ 55,507,292	\$ (872,694)	\$ (5,310,903)	\$ 6,183,597	\$ 6,183,597	\$ —	\$ —	\$ 36,410,024	\$ 42,593,621
55,687,703	—	(25,519,592)	31,122,040	31,122,040	—	5,602,448	—	31,122,040
7,974,040	(935,283)	(1,277,126)	2,112,509	2,112,509	—	(99,900)	5,761,631	7,874,140
7,374,009	—	(3,385,195)	5,186,580	5,186,580	—	1,801,385	—	5,186,580
10,000	—	4,289	(2,393)	(2,393)	—	1,896	—	(2,393)
10,000	(2,010)	(4,628)	5,047	5,047	—	(1,591)	594	5,641
10,000	—	(2,225)	7,352	7,352	—	5,127	—	7,352
239,797	(59,005)	(132,674)	191,679	191,679	—	—	48,118	239,797
1,350,000	(358,723)	(184,127)	542,850	542,850	—	—	479,551	1,022,401
1,350,000	—	(451,942)	739,322	739,322	—	287,380	—	739,322
2,604,700	(174,782)	(293,479)	468,261	468,261	—	—	1,991,406	2,459,667
2,604,700	—	(1,079,462)	1,869,876	1,869,876	—	790,414	—	1,869,876
927,300	(158,316)	(16,618)	174,934	174,934	—	—	718,984	893,918
1,463,200	—	(67,303)	636,685	636,685	—	569,382	—	636,685
1,500,000	—	(76,765)	615,914	615,914	—	539,149	—	615,914
225,000	—	—	98,172	98,172	—	98,172	—	98,172
2,306,300	(198,499)	(300,461)	498,960	498,960	—	—	1,644,284	2,143,244
1,921,875	—	(542,430)	1,265,183	1,265,183	—	722,753	—	1,265,183
895,785	76,737	(110,756)	34,019	34,019	—	—	861,766	895,785
11,941,981	(2,362,973)	373,858	1,989,115	1,989,115	—	—	7,715,178	9,704,293
12,572,548	—	(4,446,175)	7,368,860	7,368,860	—	2,922,685	—	7,368,860
438,339	—	(191,712)	441,516	441,516	—	249,804	—	441,516
104,444,486	15,451,286	(47,678,978)	46,765,531	46,765,531	—	14,537,839	57,678,955	104,444,486
1,569,975	—	(1,259,849)	1,569,975	1,569,975	—	310,126	—	1,569,975
\$ 274,929,030	\$ 10,405,738	\$(91,954,253)	\$109,885,584	\$109,885,584	\$ —	\$ 28,337,069	\$113,310,491	\$ 223,196,075
\$2,008,199,501	\$216,708,777	\$(599,313,379)	\$548,026,657	\$548,026,657	\$ —	\$165,422,055	\$741,092,543	\$1,289,119,200
\$ 19,321,673	\$ 851,362	\$ (1,909,150)	\$ 1,107,089	\$ 1,107,089	\$ —	\$ 49,301	\$ 17,578,367	\$ 18,685,456
8,146,293	(621,793)	—	621,793	621,793	—	—	6,960,671	7,582,464
16,836,824	205,354	(162,305)	511,681	511,681	—	554,730	219,995	731,676
\$ 44,304,790	\$ 434,923	\$(2,071,455)	\$ 2,240,563	\$ 2,240,563	\$ —	\$ 604,031	\$ 24,759,033	\$ 26,999,596
N/A	\$ —	\$ (92,152)	\$ 92,152	\$ 92,152	\$ —	\$ —	\$ —	\$ 92,152
145,106	23,040	(23,068)	28	28	—	—	138,496	138,524
166,828	—	(113,826)	160,663	160,663	—	46,837	—	160,663
887,242	22,708	(169,068)	199,887	199,887	—	53,527	142,571	342,458
10,288,693	(69,117)	69,116	—	—	—	(1)	10,219,576	10,219,576
599,870	31,336	(222,790)	215,909	215,909	—	24,455	336,826	336,826
8,865,569	242,624	(2,031,002)	2,382,611	2,382,611	—	594,233	6,402,504	8,785,115
500,000	43,962	(43,962)	—	—	—	—	482,785	482,785
1,197,318	85,467	(88,713)	26,453	26,453	—	23,207	1,130,954	1,157,407
300,000	150,000	(300,000)	150,000	150,000	—	—	150,000	300,000
5,557,786	147,138	(871,902)	794,766	794,766	—	70,002	4,162,965	4,957,731
5,174,697	126,348	(1,050,654)	1,077,551	1,077,551	—	153,245	2,658,275	3,735,826
4,735,739	196,824	(205,220)	8,396	8,396	—	—	938,437	946,833



Statutory Reporting Section

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
	Smaller Learning Communities Cohort 8	N/A	84.215L	S215L080581	07/10/11-07/09/13
	Teaching American History Grant	N/A	84.215X	U215X070140	07/01/07-06/30/11
Foreign Language Assistance	Project ITALIC Integrative Technology in Arabic	N/A	84.293B	T293B090101	09/01/09-08/31/13
Advanced Placement Program	Advanced Placement Incentive Program	N/A	84.330C	S330C090185	07/01/09-06/30/13
Transition to Teaching Program	Teacher for Special Education (T-SPED) Project	N/A	84.350A	U350A070066	10/01/07-09/30/12
	Transition to Teaching BETP	N/A	84.350A	U350A090042	10/01/09-09/30/14
Arts in Education	Development and Dissemination Grant Program	N/A	84.351D	U351D090039	07/01/09-06/30/13
	Chicago Reading Educators in the Arts to Engage Students (CREATES)	N/A	84.351C	U351C110047	10/01/11-09/30/14
Early Reading First	Chicago Early Reading First (CERF)	N/A	84.359B	S359B050093	10/01/05-09/30/09
	Enhancing Early Reading in Chicago (EERIC)	N/A	84.359B	S359B090079	10/01/09-09/30/13
School Dropout Prevention Program	Pathways to Accelerated Student Success (PASS)	N/A	84.360A	S360A100176	10/01/10-09/30/11
		N/A	84.360A	S360A100176	10/01/11-09/30/12
Voluntary School Choice Program	Chicago Comprehensive Choice Initiative (CCCI)	N/A	84.361A	U361A070036	08/01/07-07/31/13
School Leadership Program	Effective Leaders Improve Schools - (ELIS) II	N/A	84.363A	U363A080120	10/01/08-09/30/13
Improving Literacy Through School Libraries	The ABC's Library Literacy Program	N/A	84.364A	S364A090382	09/01/09-08/31/10
		N/A	84.364A	S364A090382	09/01/10-08/31/11
Striving Readers	Striving Readers Program	N/A	84.371A	S371A060097	03/01/06-12/31/11
TRIO—Talent Search	Pullman Talent Search	N/A	84.044A	P044A110797	09/01/11-08/31/12
Total U.S. Department of Education - Direct Funding (not including cluster)					
Total U.S. Department of Education - Direct Funding (including cluster)					
Passed Through Illinois Board of Higher Education					
Improve Teacher Quality State Grants	Developing 21st Century Critical Thinking Skills - St. Xavier University	N/A	84.367B	S367B090013	06/01/10-06/30/11
	Chicago Bilingual Summer Math Lab - Columbia University	N/A	84.367B	S367B090013 Agreement	06/07/11-08/31/12
Total U.S. Department of Education Passed Through Illinois Board of Higher Education					
Passed Through Illinois Department of Human Services (IDHS)					
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126A	40CL001797	07/01/09-06/30/10
Total U.S. Department of Education Passed Through IDHS					
Passed Through Mexican Fine Arts Museum					
Twenty-First Century Community Learning Centers	21st Century Mexican Fine Arts Museum	N/A	84.287C	DISTRICT 201	07/01/10-06/30/11
Total U.S. Department of Education Passed Through Mexican Fine Arts Museum					
Passed Through National Opinion Research Center					
Education Research, Development and Dissemination	Back on Track Study	N/A	84.305A	R305A110149	06/01/11-08/31/11
	Preventing Truancy in Urban Schools	N/A	84.305	R305A100706	01/01/11-06/30/11
		N/A	84.305	R305A100706	07/01/11-06/30/12
	Randomized Study to Abate Truancy in Urban Schools	N/A	93.865	1R01HD067500	07/01/11-11/30/11
		N/A	93.865	1R01HD067500	12/01/11-11/30/12
Total U.S. Department of Education Passed Through National Opinion Research Center					
Passed Through Public Broadcasting Service					
Ready to Learn Project	Ready to Learn Project	N/A	84.295A	U295A100025	03/14/11-09/30/11
Total U.S. Department of Education Passed Through Public Broadcasting Service					
Passed Through Northeastern Illinois University					
Gaining Early Awareness and Readiness for Undergraduate Program	Gear-Up Grant/(NEIU)	N/A	84.334A	PO#44449	09/01/10-08/31/11
		N/A	84.334A	P334A050146	09/01/11-08/31/12
		N/A	84.334A	PO#019677	10/01/11-09/30/12
	Chicago Gear Up Alliance	N/A	84.334A	P334A1000031	10/01/10-09/30/11
	Gear-Up-Kelly High School/(NEIU)	N/A	84.334A	PO#017870	06/20/11-08/08/11
	Gear-Up-Harlan High School/(NEIU)	N/A	84.334A	PO#018067	06/27/11-08/08/11
	Gear-Up-Wells High School/(NEIU)	N/A	84.334A	PO#017869	06/20/11-08/08/11
	Gear-Up-Curie High School/(NEIU)	N/A	84.334A	PO#017886	06/20/11-08/08/11
	Gear-Up Grant-Transition Program	N/A	84.334A	PO#003566	05/15/08-08/15/08
Twenty-First Century Community Learning Centers	21st Century - Saucedo	N/A	84.287	PO#015626	10/01/10-05/31/11
		N/A	84.287	PO#020515	11/01/11-06/15/12
	21st Century - Curie	N/A	84.287	PO#010611	10/01/09-05/30/10
		N/A	84.287	PO#015625	10/01/10-05/31/11
		N/A	84.287	PO#020516	11/01/11-06/15/12
Total U.S. Department of Education Passed Through Northeastern Illinois University					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status .Cumulative Expenditures Through June 30, 2012
\$ 1,764,181	\$ 1	\$ (983,422)	\$ 1,212,128	\$ 1,212,128	\$ —	\$ 228,707	\$ —	\$ 1,212,128
1,557,815	21,410	(22,726)	1,316	1,316	—	—	1,552,199	1,553,515
887,670	1,580	(227,392)	269,219	269,219	—	43,408	504,765	773,984
2,458,716	122,051	(706,738)	634,803	634,803	—	50,116	836,983	1,471,786
2,279,140	277,666	(461,131)	283,493	283,493	—	100,028	1,729,909	2,013,402
1,236,551	82,547	(116,274)	127,701	127,701	—	93,974	121,455	249,156
1,196,396	81,448	(202,520)	293,732	293,732	—	172,660	455,060	748,792
1,049,952	—	(112,387)	161,211	161,211	—	48,824	—	161,211
3,214,793	69,116	(69,116)	—	—	—	—	1,691,484	1,691,484
4,044,066	65,929	(1,113,977)	1,183,549	1,183,549	—	135,501	837,170	2,020,719
2,928,547	146,654	(589,069)	442,415	442,415	—	—	330,430	772,845
2,999,146	—	(1,543,553)	1,856,472	1,856,472	—	312,919	—	1,856,472
11,921,944	386,919	(2,144,163)	1,999,678	1,999,678	—	242,434	8,875,321	10,874,999
6,857,362	734,812	(1,655,922)	1,039,888	1,039,888	—	118,778	3,694,828	4,734,716
498,034	5,361	(5,361)	—	—	—	—	484,794	484,794
—	(5,361)	5,361	—	—	—	—	—	—
23,527,315	352,132	(879,335)	527,204	527,204	—	1	4,569,919	5,097,123
229,999	—	—	21,049	21,049	—	21,049	—	21,049
\$107,070,475	\$3,342,595	\$(15,970,966)	\$15,162,274	\$15,162,274	\$ —	\$2,533,904	\$52,231,797	\$67,394,071
\$151,375,265	\$3,777,518	\$(18,042,421)	\$17,402,837	\$17,402,837	\$ —	\$3,137,935	\$76,990,830	\$94,393,667
\$ 52,500	\$ 22,747	\$ (23,526)	\$ 780	\$ 780	\$ —	\$ —	\$ 22,747	\$ 23,527
45,082	—	—	26,412	\$ 26,412	—	26,412	—	26,412
15,000	15,000	(15,000)	—	—	—	—	15,000	15,000
\$ 112,582	\$ 37,747	\$ (38,526)	\$ 27,192	\$ 27,192	\$ —	\$ 26,412	\$ 37,747	\$ 64,939
\$ 775,498	\$ —	\$ (94,744)	\$ —	\$ —	\$ —	\$ (94,744)	\$ 695,888	\$ 695,888
\$ 775,498	\$ —	\$ (94,744)	\$ —	\$ —	\$ —	\$ (94,744)	\$ 695,888	\$ 695,888
\$ 3,000	\$ 3,000	\$ (3,000)	\$ —	\$ —	\$ —	\$ —	\$ 3,000	\$ 3,000
\$ 3,000	\$ 3,000	\$ (3,000)	\$ —	\$ —	\$ —	\$ —	\$ 3,000	\$ 3,000
\$ 181,720	\$ —	\$ (144,663)	\$ 144,663	\$ 144,663	\$ —	\$ —	\$ —	\$ 144,663
47,635	11,733	(11,733)	—	—	—	—	11,733	11,733
705,646	—	(441,189)	555,662	555,662	—	114,473	—	555,662
87,147	—	(55,092)	55,092	55,092	—	—	—	55,092
209,152	—	(78,554)	114,480	114,480	—	35,926	—	114,480
\$ 1,231,300	\$ 11,733	\$ (731,231)	\$ 869,897	\$ 869,897	\$ —	\$ 150,399	\$ 11,733	\$ 881,630
\$ 142,000	\$ 50,000	\$ (106,013)	\$ 56,013	\$ 56,013	\$ —	\$ —	\$ 50,000	\$ 106,013
\$ 142,000	\$ 50,000	\$ (106,013)	\$ 56,013	\$ 56,013	\$ —	\$ —	\$ 50,000	\$ 106,013
\$ 1,361,602	\$ 489,078	\$ (699,112)	\$ 210,034	\$ 210,034	\$ —	\$ —	\$ 1,125,120	\$ 1,335,154
416,484	—	—	416,276	416,276	—	416,276	—	416,276
330,993	—	—	217,277	217,277	—	217,277	—	217,277
331,640	—	(33,137)	33,137	33,137	—	—	—	33,137
12,236	—	—	10,956	10,956	—	10,956	—	10,956
10,408	—	—	7,437	7,437	—	7,437	—	7,437
12,236	10,973	—	1,023	1,023	—	11,996	10,973	11,996
12,326	971	—	9,682	9,682	—	10,653	971	10,653
253,097	186,489	—	(186,489)	(186,489)	—	—	186,489	—
30,165	3,820	(3,375)	(446)	(446)	—	(1)	28,676	28,230
28,803	—	(9,543)	19,908	19,908	—	10,365	—	19,908
36,138	(295)	—	295	295	—	—	35,843	36,138
32,383	8,051	(5,845)	(2,206)	(2,206)	—	—	31,788	29,582
33,220	—	(10,727)	29,786	29,786	—	19,059	—	29,786
\$ 2,901,731	\$ 699,087	\$ (761,739)	\$ 766,670	\$ 766,670	\$ —	\$ 704,018	\$ 1,419,860	\$ 2,186,530



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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>
Passed Through University of Illinois at Chicago					
Teacher Quality Partnership Grants	Increase Teacher Quality	N/A	84.336S	U336S090013	10/01/09-09/30/11
Total U.S. Department of Education Passed Through University of Illinois at Chicago					
TOTAL U.S. DEPARTMENT OF EDUCATION					
U.S. DEPARTMENT OF ENERGY					
Direct Funding					
State Energy Programs	Green Roofs Program ARRA — Ogden	N/A	81.041	09-464014	02/01/10-01/31/12
	Green Roofs Program ARRA — Brown	N/A	81.041	09-464015	02/01/10-01/31/12
State Energy Program Special Projects	CPS School Laboratory Enhancement	N/A	81.049	DE-FG02-08ER67414	09/15/08-11/30/11
TOTAL U.S. DEPARTMENT OF ENERGY					
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY					
Direct Funding					
Environmental Education Grants	Adopt an Ecosystem	N/A	66.951	NE-83447501-0	07/01/09-02/28/11
TOTAL U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through City of Chicago					
Head Start Cluster					
Head Start	Pre-Kindergarten — Child Development	N/A	93.600	PO#18117-R6	12/01/10-11/30/11
		N/A	93.600	PO#25061	12/01/11-11/30/12
	Head Start — Supp Dis SP Initiative	N/A	93.600	PO#10752-3	12/01/07-11/30/08
		N/A	93.600	PO#18395-1	12/01/08-11/30/09
		N/A	93.600	PO#18395-2	12/01/09-11/30/10
		N/A	93.600	PO#18395-3	12/01/10-11/30/11
		N/A	93.600	PO#26003	12/01/11-11/30/12
ARRA — Head Start	Head Start COLA ARRA	N/A	93.708	PO#18117-3	08/01/09-09/30/10
	Head Start Quality Improvement ARRA	N/A	93.708	PO#18117	01/01/11-09/29/11
		N/A	93.708	PO#18117	09/30/11-11/30/11
Total U.S. Department of Health and Human Services Passed Through City of Chicago-Head Start Cluster					
Direct Funding					
Cooperative Agreements to Support Comprehensive School Health Programs	Comprehensive School Health	N/A	93.293	5U87DP001234-05	03/01/08-02/28/13
Refugee and Entrant Assistance Discretionary Grants	Category A — Communities Putting Prevention to Work	N/A	93.520	1U58DP002376-01	05/01/11-12/31/12
Children's Health Insurance Program	Children's Health Insurance Rehabilitation Act	N/A	93.767	1Z0/CMS/0304991/01	09/30/09-09/29/11
Chicago Teen Pregnancy Prevention Initiative	Chicago Teen Pregnancy Prevention Initiative	N/A	93.297	TP1AH000066-01-0	09/01/10-08/31/11
		N/A	93.297	TP1AH000066-01-0	09/01/11-08/31/12
Substance Abuse and Mental Health Services — Projects of Regional and National Significance	Enhancing Students Skills for Success	N/A	93.243	1U79SM060297-01	09/30/10-09/29/11
ARRA — Prevention and Wellness — Communities Putting Prevention to Work (FOA)	Chicago Tobacco Prevention Project	N/A	93.724	IU58DP002446-01	10/01/10-06/30/11
Total U.S. Department of Health and Human Services — Direct Funding					
Passed Through Illinois Department of Human Services					
Refugee and Entrant Assistance Discretionary Grants	Refugee Children Impact Grant	N/A	93.576	81XM116000	07/01/10-06/30/11
		N/A	93.576	81XQ357000	07/01/11-06/30/12
Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services					
Passed through New York University					
Testing CSRP's Impact on Low-Income Children's Outcomes in 3rd-5th Grade	Chicago Schools Readiness Project	N/A	93.865	5R01HD046160-10	08/01/11-07/31/12
Total U.S. Department of Health and Human Services Passed Through New York University					
Passed through Illinois Department of Healthcare and Family Services (IDHFS)					
Medical Assistance Program	Medicaid — Administrative Services	N/A	93.778	95-4900-00	07/01/10-06/30/12
Total U.S. Department of Health and Human Services Passed Through IDHFS					
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICE					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status . Cumulative Expenditures Through June 30, 2012
\$ 101,595	\$ (75)	\$ —	\$ 75	\$ 75	\$ —	\$ —	\$ 35,063	\$ 35,138
\$ 101,595	\$ (75)	\$ —	\$ 75	\$ 75	\$ —	\$ —	\$ 35,063	\$ 35,138
\$2,164,842,472	\$221,287,787	\$(619,091,053)	\$567,149,341	\$567,149,341	\$ —	\$169,346,075	\$820,336,664	\$1,387,486,005
\$ 100,000	\$ 100,000	\$ (100,000)	\$ —	\$ —	\$ —	\$ —	\$ 100,000	\$ 100,000
100,000	100,000	(100,000)	—	—	—	—	100,000	100,000
956,000	534,497	(534,497)	—	—	—	—	956,000	956,000
\$ 1,156,000	\$ 734,497	\$(734,497)	\$ —	\$ —	\$ —	\$ —	\$ 1,156,000	\$ 1,156,000
\$ 90,307	\$ (3)	\$ —	\$ 3	\$ 3	\$ —	\$ —	\$ 73,508	\$ 73,511
\$ 90,307	\$ (3)	\$ —	\$ 3	\$ 3	\$ —	\$ —	\$ 73,508	\$ 73,511
\$ 37,264,046	\$ 10,368,213	\$ (23,726,011)	\$ 13,357,798	\$ 13,357,798	\$ —	\$ —	\$ 23,817,952	\$ 37,175,750
41,660,403	—	(16,396,809)	22,672,156	22,672,156	—	6,275,347	—	22,672,156
897,664	(358,889)	—	358,889	358,889	—	—	502,881	861,770
970,001	(28,695)	—	28,695	28,695	—	—	887,921	916,616
1,100,923	227,814	—	(227,815)	(227,815)	—	(1)	1,325,017	1,097,202
1,144,960	644,458	(1,025,907)	381,449	381,449	—	—	644,458	1,025,907
1,144,960	—	(392,504)	659,952	659,952	—	267,448	—	659,952
672,336	88,296	(88,297)	—	—	—	(1)	485,103	485,103
364,583	364,583	(362,897)	—	—	—	1,686	364,583	364,583
66,667	-	(55,768)	55,768	55,768	—	—	—	55,768
\$ 85,286,543	\$ 11,305,780	\$(42,048,193)	\$ 37,286,892	\$ 37,286,892	\$ —	\$ 6,544,479	\$ 28,027,915	\$ 65,314,807
\$ 2,655,189	\$ 25,974	\$ (478,557)	\$ 491,586	\$ 491,586	\$ —	\$ 39,003	\$ 1,490,029	\$ 1,981,615
385,000	(1)	(148,801)	251,074	251,074	—	102,272	—	251,074
235,173	38,831	(77,406)	38,575	38,575	—	—	148,663	187,238
3,943,607	155,950	(699,540)	659,099	659,099	—	115,509	353,845	1,012,944
3,943,607	—	(1,745,144)	2,464,720	2,464,720	—	719,576	—	2,464,720
99,456	2,053	—	—	—	—	2,053	2,053	2,053
39,997	(4,731)	—	—	—	—	(4,731)	—	—
\$ 11,302,029	\$ 218,076	\$(3,149,448)	\$ 3,905,054	\$ 3,905,054	\$ —	\$ 973,682	\$ 1,994,590	\$ 5,899,644
\$ 216,500	\$ 111,357	\$ (126,152)	\$ 14,795	\$ 14,795	\$ —	\$ —	\$ 201,705	\$ 216,500
216,507	—	(107,621)	174,607	174,607	—	66,986	—	174,607
\$ 433,007	\$ 111,357	\$(233,773)	\$ 189,402	\$ 189,402	\$ —	\$ 66,986	\$ 201,705	\$ 391,107
\$ 50,160	\$ —	\$ —	\$ 41,461	\$ 41,461	\$ —	\$ 41,461	\$ —	\$ 41,461
\$ 50,160	\$ —	\$ —	\$ 41,461	\$ 41,461	\$ —	\$ 41,461	\$ —	\$ 41,461
N/A	\$ 7,033,302	\$ (13,940,188)	\$ 13,123,067	\$ 13,123,067	\$ —	\$ 6,216,181	\$ 14,970,029	\$ 28,093,096
\$ —	\$ 7,033,302	\$(13,940,188)	\$ 13,123,067	\$ 13,123,067	\$ —	\$ 6,216,181	\$ 14,970,029	\$ 28,093,096
\$ 97,071,739	\$ 18,668,515	\$(59,371,602)	\$ 54,545,876	\$ 54,545,876	\$ —	\$ 13,842,789	\$ 45,194,239	\$ 99,740,115



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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 HOMELAND SECURITY					
Passed through Illinois Emergency Management Agency					
Disaster Grants — Public Assistance	FEMA — Snowstorm	N/A	97.036	FEMA-1960-DR-IL	02/01/11-06/30/11
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					
U.S. DEPARTMENT OF JUSTICE					
Direct Funding					
Public Safety Partnership and Community Policy Grants	DOJ — Secure Our Schools	N/A	16.710	2009-CK-WX-0682	09/01/08-08/31/11
Juvenile Justice and Delinquency Prevention Allocation to States	OJJDP Academic After School Program	N/A	16.540	2009-JL-FX-0229	08/01/09-08/30/13
Youth Gang Prevention	Juvenile Justice and Delinquency Program Comprehensive Anti-Gang Initiative- Hedges	N/A	16.544	MOA	10/01/10-06/15/11
Congressionally Recommended Awards	Department of Justice — Byrne Disc After School Counts	N/A	16.753	2008-DD-BX-0589	09/01/08-08/31/12
TOTAL U.S. DEPARTMENT OF JUSTICE					
U.S. DEPARTMENT OF LABOR					
Direct Funding					
WIA Pilots, Demonstrations, and Research Projects	WIA Youth Young Offenders	N/A	17.261	YF-16329-07-60-A-17	07/01/07-09/30/11
Reintegration of Ex-offenders Youth Employment Act	Reintegration of Ex-offenders Youth Employment Act	N/A	17.261	YF-16329-07-60-A-17	07/01/09-11/01/11
Total U.S. Department of Labor — Direct Funding					
Passed Through Mayors' Office of Workforce Development					
WIA Youth Activities, Recovery Act	WIA State Sector Initiatives	N/A	17.259	09-674201	06/01/11-12/24/11
Total U.S. Department of Labor Passed Through Mayor's Office of Workforce Development					
Passed Through Illinois Department of Commerce and Economic Opportunity					
Illinois Innovation Talent Program	Illinois Innovation Talent Program — Schurz	N/A	17.267	Agreement	07/01/2010-05/31/11
Illinois Innovation Talent Program	Illinois Innovation Talent Program — Infinity	N/A	84.287C	Agreement	02/09/12-12/01/12
Total U.S. Department of Labor Passed Through Illinois Department of Commerce and Economic Opportunity					
TOTAL U.S. DEPARTMENT OF LABOR					
U.S. DEPARTMENT OF STATE					
Direct Funding					
Professional and Cultural Exchange Programs — Citizen Exchanges	Summer Language Institute for American Youth	N/A	19.415	S-ECAPY-09-CA-171-(KF)	03/04/11-12/31/11
TOTAL U.S. DEPARTMENT OF STATE					
U.S. DEPARTMENT OF TRANSPORTATION					
Passed Through Illinois Department of Aviation					
Airport Improvement Program	Noise Abatement — Dore	N/A	20.106	3-17-0025-64	07/07/05-06/30/10
	Noise Abatement — Farnsworth	N/A	20.106	3-17-0022-106-2009	09/23/09-09/22/11
	Noise Abatement — Hitch	N/A	20.106	3-17-0022-97-2008	09/15/08-02/01/11
Noise Program Implementation Hitch, Recovery Act	Noise Program — Hitch ARRA	N/A	20.106	3-17-022-104-2009	06/17/09-02/16/11
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					
GRAND TOTAL					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2011	Cash (Received) Refunded July 1, 2011 June 30, 2012	Revenue Recognized July 1, 2011 June 30, 2012	Federal Award Expenditures July 1, 2011 June 30, 2012	Adjustments to Grant Revenue July 1, 2011 June 30, 2012	Accrued (Deferred) Grant Revenue June 30, 2012	Prior Years' Expenditures Through June 30, 2011	Final Status .Cumulative Expenditures Through June 30, 2012
\$ 849,110	\$ 781,162	\$ (781,162)	\$ —	\$ —	\$—	\$ —	\$ 781,162	\$ 781,162
\$ 849,110	\$ 781,162	\$ (781,162)	\$ —	\$ —	\$—	\$ —	\$ 781,162	\$ 781,162
\$ 498,507	\$ 84,390	\$ —	\$ 165,202	\$ 165,202	\$—	\$ 249,592	\$ 317,569	\$ 482,771
1,200,000	59,182	(394,242)	434,169	434,169	—	99,109	414,619	848,788
9,800	1,699	—	(1,699)	(1,699)	—	—	1,699	—
178,870	10,950	(17,840)	49,000	49,000	—	42,110	88,025	137,025
\$ 1,887,177	\$ 156,221	\$ (412,082)	\$ 646,672	\$ 646,672	\$—	\$ 390,811	\$ 821,912	\$ 1,468,584
\$ 4,800,000	\$ 70,710	\$ (70,710)	\$ —	\$ —	\$—	\$ —	\$ 4,800,000	\$ 4,800,000
1,060,000	442,611	(807,518)	364,907	364,907	—	—	663,627	1,028,534
\$ 5,860,000	\$ 513,321	\$ (878,228)	\$ 364,907	\$ 364,907	\$—	\$ —	\$ 5,463,627	\$ 5,828,534
\$ 184,374	\$ —	\$ (171,076)	\$ 171,076	\$ 171,076	\$—	\$ —	\$ —	\$ 171,076
\$ 184,374	\$ —	\$ (171,076)	\$ 171,076	\$ 171,076	\$—	\$ —	\$ —	\$ 171,076
\$ 5,000	\$ (5,000)	\$ —	\$ —	\$ —	\$—	\$ (5,000)	\$ —	\$ —
5,000	—	(4,500)	167	167	—	(4,333)	—	167
\$ 10,000	\$ (5,000)	\$ (4,500)	\$ 167	\$ 167	\$—	\$ (9,333)	\$ —	\$ 167
\$ 6,054,374	\$ 508,321	\$ (1,053,804)	\$ 536,150	\$ 536,150	\$—	\$ (9,333)	\$ 5,463,627	\$ 5,999,777
\$ 180,247	\$ 63,918	\$ (177,230)	\$ 113,312	\$ 113,312	\$—	\$ —	\$ 63,918	\$ 177,230
\$ 180,247	\$ 63,918	\$ (177,230)	\$ 113,312	\$ 113,312	\$—	\$ —	\$ 63,918	\$ 177,230
\$ 1,525,930	\$ (105,929)	\$ —	\$ 105,929	\$ 105,929	\$—	\$ —	\$ 19,190	\$ 125,119
350,000	—	(142,092)	142,892	142,892	—	800	—	142,892
300,000	(34,309)	(19,970)	54,279	54,279	—	—	168,648	222,927
5,000,000	—	(18,080)	18,080	18,080	—	—	—	18,080
\$ 7,175,930	\$ (140,238)	\$ (180,142)	\$ 321,180	\$ 321,180	\$—	\$ 800	\$ 187,838	\$ 509,018
\$2,283,080,217	\$252,512,473	\$(868,175,255)	\$807,662,957	\$807,662,957	\$—	\$192,000,175	\$1,009,377,351	\$1,817,040,308



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, 2012

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 Award (the “Schedule”). Single Audit testing procedures were performed for federal financial assistance transactions occurring during the fiscal year ended June 30, 2012.

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 SCHEUDLE OF GRANT ACTIVITY

General — All federal programs considered active during the year ended June 30, 2012, 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. The Schedule is prepared using the accrual basis of accounting. In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

Revenues — Grant revenues for expenditure-driven federal programs 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, 2012.

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, 2012. In



accordance with OMB Circular A-87, pension costs are uniformly charged to all positions as a direct benefit cost in proportion to pensionable salary regardless of whether the funding source is local, state, or federal.

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 balances 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	\$807,662,957
E-Rate program revenues not included in the Schedule	43,051,654
Medicare Part D Revenue not included in the Schedule	847,045
Medicaid Fee for Service Revenue not included in the Schedule	78,796,254
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	4,535,402
Build America Bonds (BABS) revenue not included in the Schedule	26,840,055
Adjustments to record revenue not collected within 30 days (“available”)	<u>(25,782,356)</u>
Federal revenues per the CPS’ Comprehensive Annual Financial Report	<u>\$935,951,011</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 a contractual funding period ended June 30, 2012, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the



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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.

6. SUBRECIPIENTS

Included in the total federal expenditure of \$807,662,957 presented on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2012 is \$17,287,746 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, 2012.

<u>Program Name</u>	<u>Name of Grant</u>	<u>CFDA</u>	<u>Amount</u>
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	10.582	\$ 259,125
Title I Grants to Local Education Agencies	Title I — Low Income	84.010A	10,405,174
Special Education Grants to State	IDEA — Flow Through/Low Incidence	84.027	2,413,436
Title I Grants to Local Education Agencies, Recovery Act	Title I — Public Instruction and Support Services ARRA	84.389A	27,650
Special Education Grants to States, Recovery Act	Federal Special Education IDEA Flow Through ARRA	84.391A	1,685
Team Nutrition Grants	Healthier US Challenge	10.574	3,000
English Language Acquisition Grant	Title III — Language Instruction Program	84.365A	279,535
Improving Teacher Quality State Grants	Class Size Reduction (NCLB)	84.367A	1,075,114
Teacher Incentive Fund	Teacher Incentive Fund Program	84.374A	307,864
School Improvement Grants	School Improvement Grant	84.388A	2,496,113
Refugee and Entrant Assistance Discretionary Grant	Category A — Communities Putting Prevention to Work	93.576	900
NASA NRA K-12 Competitive Grant Opportunity	NASA NRA K-12 Competitive Grant Opportunity	43.001	18,150
	Total Awards to Subrecipients		<u>\$17,287,746</u>

7. FINDINGS AND QUESTIONED COSTS

The findings and questioned costs identified in connection with the fiscal year ended June 30, 2012, 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 cost 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.



**BOARD OF EDUCATION OF THE CITY OF CHICAGO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2012**

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?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u> </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies)?	<u> X </u>	Yes	<u> </u>	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?	<u> X </u>	Yes	<u> </u>	No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount Expended</u>
10.553	School Breakfast Program	\$ 45,322,990 (4)
10.555	National School Lunch Program	117,107,717 (4)
10.558	Child and Adult Care Food Program	5,417,077
10.558	Food Donation Program * Noncash Awards	14,818,622
84.010	Title I — Grants to Local Education Agencies	298,451,820 (1)
84.027	Special Education Grants to States	92,911,983 (2)
84.048	Career and Technical Education — Basic Grants	7,309,095
84.173	Special Education — Preschool Grants	1,886,756 (2)
84.184	Safe and Drug-Free Schools and Communities — National Programs	2,598,520
84.215	Fund for the Improvement of Education	3,270,610
84.287	Twenty-First Century Community Learning Centers	6,957,494
84.365	English Language Acquisition Grants	9,799,491
84.367	Improving Teacher Quality State Grants	37,332,829
84.377	School Improvement Grants	(437,097) (3)
84.388	School Improvement Grants, Recovery Act	20,892,159 (3)
84.389	Title I Grants, Recovery Act	22,062,692 (1)
84.391	Special Education Grants to States, Recovery Act	1,260,399 (2)
84.410	Education Jobs Fund	48,335,506
93.297	Chicago Teen Pregnancy Prevention Initiative	3,123,819
93.778	Medical Assistance Program	13,123,067
		<u>\$751,545,549</u>

Notes:

- (1) Part of Title I cluster
- (2) Part of Special Education cluster
- (3) Part of School Improvement cluster
- (4) Part of Child Nutrition cluster

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

 Yes X No



II. FINANCIAL STATEMENT FINDINGS

Finding FS12-01: Modified Vacation and Sick Day Accruals

Criteria:

The District does not have sufficient controls in place to properly accrue for terminated employees' vacation and sick days.

Condition:

During our testing of the modified vacation and sick day accrual balances, we noted several errors within the employee accrual populations. The following are descriptions of the errors we noted:

- Included within the vacation accrual, we noted 713 employees that were terminated at the end of fiscal year 2011. These employees were correctly paid out, in full, their unused vacation day balances on the 07/04/11 payroll run. However, due to an error within the payroll system, these employees' vacation day balances were never properly zeroed out. This resulted due to payroll earnings code 'AVC' (Adjust Vacation Balance code) reinstating the unused vacation days that were paid out. The District incorrectly included these employee vacation balances within the fiscal year 2012 accrual. This error resulted in the District over-accruing the modified vacation balance by \$696,057.
- Within the vacation accrual, we noted one instance where an employee's daily rate used to calculate the accrual was overstated. An erroneous daily rate of \$24,497 was used to calculate the employee's vacation accrual, instead of the proper daily rate of \$387. This error resulted in the District over-accruing the modified vacation balance by \$63,955.
- Within the sick accrual, we noted one instance where an employee was terminated at the end of fiscal year 2011 with an accrual balance of \$20,078 (47 days of unused sick time). The employee was subsequently paid out, in full, their unused sick day balance on the 07/04/11 payroll run. Due to an error within the payroll system, this employee's sick day balance was never properly zeroed out as a result of earnings code 'AS1' (Adjust Sick Balance 100% code) reinstating the unused sick days that were paid out. At the end of fiscal year 2012, this employee not only had the 47 unused days from fiscal year 2011 accrued for, but also an additional 44 days. This error resulted in the District over-accruing the modified sick balance by \$38,996.
- Within the vacation accrual, we noted 22 instances where an employee's daily rate used to calculate their accrual was understated. This was the result of an employee having two or more jobs within the District at their time of termination. Only the daily rate of the employee's primary job was factored into the calculation of the vacation accrual, when the daily rates of all the employee's jobs should have been factored in. This error resulted in the District under-accruing the modified vacation balance by \$31,258.
- Per review of the modified vacation and sick day populations, we noted 63 employees with accrual balances totaling approximately \$100,000 who were terminated more than 2 years ago. These individuals earned their compensation balances as full-time employees, however at the time of their termination were working in miscellaneous employee positions. Although these benefits were properly accrued for at the end of fiscal year 2012, they should have been paid out in a more timely manner.



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A summarization of the dollar amounts of the errors described above is set forth in the table below.

<u>Description of Error</u>	<u>Number of Instances</u>	<u>Over (Under) Accrual</u>
Employees with AVC Error	713	\$696,057
Employee with Erroneous Daily Rate	1	63,955
Employee with AS1 Error	1	38,996
Employees with Wrong Daily Rates Due to Having Multiple District Jobs	22	(31,258)
	737	\$767,750

Context:

Through our testing of the modified vacation and sick accrual populations, we noted 737 instances, approximating \$770,000, of compensation balances that were improperly accrued.

Cause and Effect:

A payroll glitch added back vacation and sick compensation balances which were previously paid out causing the current accrual balances to be overstated by approximately \$735,000. Improper review of the termination dates and daily rates used to calculate the vacation and sick accruals causing the current accrual balances to be overstated by approximately \$35,000.

Recommendation:

We recommend that the Finance Department work with the Payroll Department to ensure that the modified vacation and sick day populations are accurately extracted from the payroll system. We also recommend that the Finance Department not only verify a sample of employees to ensure their vacation and sick days balance are accurate, but also review the populations to ensure that they are properly reflective of the employees who have earned these benefits and have yet to be paid out.

Response:

The District concurs. Payroll currently has controls in place and will add additional steps to the process checklist. These additional controls will verify that the leave accrual process has been completed prior to pulling the termination data for the final payouts. Payroll currently reconciles the total dollars paid out from the payroll system to the payments entered by payroll. An additional step will be added to validate that the benefit days balances are adjusted correctly. Payroll has set a deadline to complete the cleanup of this population by the end of the third quarter of FY2013. Payroll will review the population of employees who terminated over two years ago and issue the final payout payments to those who are entitled. Accounting will perform additional reviews of manual updates made to data in the file to ensure that the correct daily rates and standard hours are reflected in the modified file. Another step will be added to review subsequent period payments prior to finalizing the modified accrual for year end. Accounting and Payroll will work together to identify and clean up the leave accrual balances to ensure that the data extracted from the payroll system for the modified accrual is accurate.

Finding FS12-02: Grants, Gifts and Donations

Criteria:

The District is not routinely entering cash receipts into the Gift and Grant Donation module as required by the District's Gift and Grant Donation policy. The policy states "all grants, gifts and donations of goods and services whether from governmental or non-governmental sources received by any central office, area or school unit must be accepted by the Chief Financial Officer prior to use of such grant, gift or donation." All gifts, grants and other donations (both monetary and non-monetary) are required to be entered into the Gift and Grant Donation module in the central accounting system to ensure that the Board meets its responsibilities as a recipient per Board policy. The Chief Financial Officer accepts the donation on behalf of the Board through the Gift and Grant Donation module.



Condition:

Schools regularly record cash received by entering the transaction into a cash receipts module that is part of the Internal Account Management System (IAMS) in the central accounting system. We obtained a report of these transactions and selected a sample to determine if these cash receipts related to gifts, grants or other donations and therefore, should have instead been recorded in the Gift and Grant Donation module as required by the policy outlined above.

In total, we tested 207 cash receipts and noted exceptions with 99 (48%) of them. These cash receipts were not recorded in the Gift and Grant Donation module as required by District policy and have a dollar value of approximately \$1,572,000.

During our testing, we noted two distinct recording issues. The first issue involved schools receiving money from “Friends of School X” organizations and not recording the money within the Gift and Grant Donation module. These organizations are 501(c)(3) organizations that raise money to help support the school. It is our understanding that many schools view these organizations as an extension of their designated budget and routinely request reimbursement for employee positions and other purchases. However these organizations are still considered to be external to the school and therefore not a part of the school’s budget.

- We identified 25 schools that received money from a local supporting organization sharing the school’s name, i.e. (Friends of School X). Out of 107 cash receipts involving these organizations, we noted 78 (~73%) totaling approximately \$1,190,000 were not recorded into the Gift and Grant Donation module and should have been.
- Four “Friends of” organizations were not registered with the IRS, including one organization whose 501(c)(3) status was revoked. Furthermore, one assistant principal was noted as serving as an officer of the school’s “Friends of” organization. No income was reported as being paid out to the employee according to the most recent 990 available, however, donations were given to the school but not recorded in the Gift and Grant donation module.

The second issue we noted involved school’s receiving money from other external organizations and not recording the cash received within the Gift and Grant Donation module as required by the District policy outlined above.

- We noted 21 cash receipts which were received from other organizations (non-“Friends of” as defined above), totaling approximately \$382,000 that were also not entered into the Gift and Grant Donation module. All funds received from external organizations are required to have cash receipts entered into this module. Similarly, the schools used these funds to pay for positions and supplies.
- We noted one instance where a school employee was listed as “received from” party in the cash receipts module for a transaction amounting to \$50,000. Upon review of the underlying documentation, it was determined that this money came from an external organization which was never identified in the cash receipt module as a contributor. Therefore, this transaction was not recorded in the Gift and Grant donation module. By not properly identifying the sources of the contributions, the District may be at risk for not complying with Freedom of Information Act requests regarding organizations who contribute money.

Context:

We noted multiple instances where the school unit failed to record cash receipts activity in accordance with District policy.

Cause and Effect:

Lack of awareness or understanding of District policy resulted in a failure to properly record donation activity. Failure to obtain permission to receive and use the cash receipts may result in the District being in violation of a donor’s wishes or conditions attached to donations. The District uses the Gift and



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Grant Donation module to review any conditions on money received, therefore, it is important the cash is recorded in the correct module. In addition, while not tested above, donated property may not be recorded on the receiving unit's capital asset register if many schools are not aware of the policies in place regarding receiving gifts, grants and donations.

Recommendation:

We recommend periodic reminders be sent out to all principals and clerks regarding the receipt of money from outside organizations. Additional emphasis should be placed on the proper procedures for the "Friends of" organizations as it appears many schools are not aware that monies received from these organizations are not exempt from Board policy. Furthermore, the District may wish to periodically run receipt reports from Internal Account activity to determine if receipts are properly recorded.

Response:

The District concurs. The Grant, Gift & Donation Policy and Board Rule were implemented in November 2004. This rule/policy was written in order to improve the efficiency of appropriating governmental grant funds to schools and central office units in order to maximize the use of funding and reduce the Board agenda, where grants had to be approved by the Board prior to being appropriated in the past. An Oracle based module was developed to make this a paperless, efficient system that also serves as a historical information database for grant information as agreements; budgets; extensions and payments are also imaged and attached to each request for data sharing. There is no element of the law or Illinois School Code that requires that all grants, gifts and donations be reported.

The CFO approves over 1,700 requests each year. We have one person assigned to manage this electronic Oracle module and submission requests. This person is also responsible for the financial review on all grant agreements. Due to budget constraints, this will not change. In an effort to effectively communicate this rule/policy to stakeholders, the CFO's office has held numerous training sessions; maintains best practice procedures on this topic in the school's Internal Accounts Manual, developed an interactive UPK on line training tool through the School Support Center's website and we distribute fliers to principals and assistant principals through the annual CPS Legal Conference. Our School Support Center staff is well versed on this rule/policy and they are the front line customer service staff to schools. Finance's Internal Audit Unit also checks for compliance on this topic during each school audit.

There is no specific punitive action for not following the rule/policy and unfortunately due to employee turnover at schools, this knowledge of rule and policies fades. We will remind our training partners at the School Support Centers about the importance of this rule/policy; put an additional posting annually on the CEDO and Clerk's website and attempt to send a direct letter to each principal with a cc to any partnering, "Friends of" entity. From an accounting perspective, we would like to mention that all governmental grants were correctly reported in the module.



III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding SA12-01: ISBE Expenditure Reporting (Cash vs. Accrual)

Federal Agency: US Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:

Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4300-00-1501629902520 and 12-4300-00-15016299025; award years July 1, 2010 through August 31, 2012

Title I Grants to Local Education Agencies (Neglected); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4305-00-15016299025 and 2012-4305-00-15016299025; award years July 1, 2010 through August 31, 2012

Title I Grants to Local Education Agencies (Delinquent); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4331-SS-15016299025 and 2012-4331-SS-15016299025; award years July 1, 2010 through August 31, 2012

Title I Grants to Local Education Agencies (School Improvement); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4306-00-15016299025 and 2012-4306-00-15016299025; award years July 1, 2010 through August 31, 2012

Title I Grants to Local Education Agencies, Recovery Act (Low Income); Illinois State Board of Education; CFDA number 84.389; ISBE project number 2011-4851-00-15016299025; award year August 16, 2010 through September 30, 2011

Title I Grants to Local Education Agencies, Recovery Act (Low Income); Illinois State Board of Education; CFDA number 84.389; ISBE project number 2011-4852-00-15016299025; award year October 28, 2010 through August 31, 2011

Title I Grants to Local Education Agencies, Recovery Act (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project number 2010-4853-00-15016299025; award years July 1, 2009 through August 31, 2010

Special Education — Grants to States; Illinois State Board of Education; CFDA number 84.027; ISBE project numbers 2012-4620-00-15016299025 and 2012-4620-00-15016299025; award year July 1, 2010 through June 30, 2012

Special Education — Grants to States; Illinois State Board of Education; CFDA number 84.027; ISBE project number 2012-4630-05-15016299025; award year July 1, 2011 through June 30, 2012

Special Education — Grants to States; Illinois State Board of Education; CFDA number 84.173; ISBE project numbers 2011-4600-00-1501629902520 and 12-4600-00-15016299025; award years July 1, 2011 through August 31, 2012

Special Education — Grants to States; Illinois State Board of Education; CFDA number 84.173; ISBE project numbers 2011-4605-01-15016299025 and 2012-4605-01-15016299025; award years July 1, 2010 through June 30, 2012

Special Education — Grants to States, Recovery Act; Illinois State Board of Education; CFDA number 84.391; ISBE project number 2011-4857-00-15016299025; award year August 16, 2010 through September 30, 2011

Career and Technical Education — Basic Grants to States; Illinois State Board of Education; CFDA number 84.048; ISBE project numbers 2011-4720-01-15016299025 and 2012-4720-01-15016299025; award years August 1, 2010 through July 31, 2012

Career and Technical Education — Basic Grants to States; Illinois State Board of Education; CFDA number 84.048; ISBE project numbers 2011-4745-00-15016299025 and 2012-4745-00-15016299025; award years August 1, 2010 through August 31, 2012



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Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project numbers 2011-4421-01-15016299025 and 2012-4421-01-15016299025; award years July 1, 2010 through August 31, 2012

Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project numbers 2011-4421-02-15016299025 and 2012-4421-02-15016299025; award years July 1, 2010 through August 31, 2012

Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project number 2012-4421-21-15016299025; award year August 8, 2010 through August 31, 2011

Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project number 2012-4421-22-15016299025; award year August 8, 2011 through August 31, 2012

Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project number 2012-4421-23-15016299025; award year February 15, 2012 through August 31, 2012

Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project number 2012-4421-07-15016299025; award year July 1, 2010 through August 31, 2011

Twenty-First Century Community Learning Centers; Illinois State Board of Education; CFDA number 84.287; ISBE project numbers 2011-4421-08-15016299025 and 2012-4421-08-15016299025; award years July 1, 2010 through August 31, 2012

English Language Acquisition Grants; Illinois State Board of Education; CFDA number 84.365; ISBE project numbers 2011-4909-00-15016299025 and 2012-4909-00-15016299025; award year September 1, 2010 through August 31, 2012

Improving Teacher Quality State Grants; Illinois State Board of Education; CFDA number 84.367; ISBE project numbers 2011-4932-00-00-15016299025 and 2012-4932-00-15016299025; award years July 1, 2010 through August 31, 2012

School Improvement Grants; Illinois State Board of Education; CFDA number 84.377; ISBE project numbers 2011-4855-11-15016299025 and 2011-4855-12-15016299025; award years July 1, 2011 through September 19, 2011

School Improvement Grants; Illinois State Board of Education; CFDA number 84.377; ISBE project number 2012-4855-11-15016299025; award year July 1, 2011 through August 31, 2012

School Improvement Grants, Recovery Act; Illinois State Board of Education; CFDA number 84.388; ISBE project numbers 2011-4855-11-15016299025 and 2012-4855-12-15016299025; award years July 1, 2011 through August 31, 2012

Education Jobs Fund; Illinois State Board of Education; CFDA number 84.410; ISBE project number 2011-4880-15016299025; award year August 10, 2010 through August 31, 2012

Education Jobs Fund; Illinois State Board of Education; CFDA number 84.410; ISBE project number 2012-4880-15016299025; award year January 1, 2012 through May 31, 2012

Criteria:

The Illinois State Board of Education *State and Federal Grant Administration Policy, Fiscal Requirements and Procedures Manual* states that effective July 1, 2011, all federal expenditure reports must be submitted on a cumulative (i.e. year-to-date), cash basis accounting method (i.e. expenses are reported when they are paid).



Condition:

For fiscal year 2012, the District reported expenditures on a accrual basis and not the required cash basis.

Context:

For each report submitted to ISBE, the District did not report on a cash basis. The District reported over \$750 million in federal expenditures to ISBE.

Cause and Effect:

The claim reporting system utilized by the District is not designed to report on a cash basis. As a result the system allows the District to request reimbursement for expenditures prior to payment.

Recipients that do not comply with all the requirements related to a particular grant risk future reductions in funding from the grantor agency.

Questioned costs:

Not determinable.

Recommendation:

The District should modify its expenditure reporting system to run reports on a cash basis and provide training to the staff responsible for preparing and reviewing expenditure reports on implementation of the new system.

Management Response and Corrective Action Plan:

The District believes that the current method of reporting on an accrual basis is very effective and appropriate for the size of its expenditures compared to other districts in Illinois. A waiver from ISBE will be requested.

Finding SA12-02: Subrecipient Monitoring

Federal Agency: US Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:

Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4300-00-1501629902520 and 12-4300-00-15016299025; award years July 1, 2010 through August 31, 2012

Fund for the Improvement of Education; CFDA number 84.215K; award number U215K100172; award year July 30, 2007 through June 29, 2012

Criteria:

The District contracts with organizations that are subrecipients and vendors and therefore should apply the guidance in OMB Circular A-133 (§__.105) in determining whether payments constitute a Federal award or a payment for goods and services.

Condition:

Certain third party agreements include contractual language that do not clearly evidence that the District has determined the third party to be a vendor as defined by OMB Circular A-133 (§__.210).

Context:

The District determined that charter schools were its only subrecipients during fiscal year 2012. However, in 5 non-charter school agreements reviewed, the District included language that required the non-charter organization to comply with grant requirements and OMB Circular A-133. As a result, the District included subrecipient language in contracts with non-charter organizations it intended to be vendors.



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Questioned costs:

None.

Cause and Effect:

The District did not perform thorough subrecipient and vendor determinations. Additionally, the District did not clearly communicate to the employees involved in the contracting process that the District intended for these organizations to be vendors.

As a result, the District included federal award information in agreements with organizations that it considers vendors.

Recommendation:

Prior to awarding a new agreement, the District should assess and document the results of its vendor and subrecipient determination performed so that each contract contains the appropriate language.

Management Response and Corrective Action Plan:

Under the direction of the CFO, the OBGM will work with the legal and procurement departments to review and modify policies and procedures to identify subrecipient relationships early in the approval and contracting process. OBGM will continue to seek guidance with respect to pass-through entity responsibilities related to subrecipient monitoring. Efforts include acquiring input from internal and external auditors, trade publications, other materials and discussions with individuals from other public agencies that have similar responsibilities.

Finding SA12-03: Eligibility: Title I, Part A Targeted Assistance Programs

Federal Agency: US Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:

Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4300-00-1501629902520 and 12-4300-00-15016299025; award years July 1, 2010 through August 31, 2012.

Criteria:

Title I, Part A funds must be used to provide services and benefits to eligible children residing or enrolled in eligible school attendance areas. A school operating a targeted assistance program must use Title I funds only for programs that are designed to meet the needs of children identified by the school as failing, or most at risk of failing, to meet the State's challenging student academic achievement standards. A targeted assistance school selects those children who have the greatest need for special assistance to receive Title I, Part A services (Title I, Section 1115 of ESEA (20 USC 6315)).

Condition:

For 3 of the 8 schools operating a targeted assistance program tested, the District could not provide support to verify that Title I funds were used only for programs designed to meet the needs of eligible students as identified by the school. The schools instead used the Title I funds as though they were operating schoolwide programs.

Context:

The Title I, Part A allocations to schools operating targeted assistance program was approximately \$450,000 in fiscal year 2012. This does not represent a significant portion of the total Title I, Part A expenditures.



Cause and Effect:

In fiscal year 2012, each targeted assistance school spent Title I funds in accordance with the activities listed in their School Improvement Plan for Advancing Academic Achievement (SIPAAA) and budget, which do not differentiate between schoolwide and targeted assistance expenditures.

Recipients that do not comply with all the requirements related to a particular grant risk future reductions in funding from the grantor agency.

Questioned costs:

\$450,000

Recommendation:

The District should require that schools operating Title I targeted assistance programs prepare annual budgets and plans that incorporate the requirement to use Title I funds only for programs that are designed to meet the needs of the eligible students as identified by the school. Additionally, the District should monitor that the schools spend Title I funds in accordance with the specific activities listed in their budget and plan.

Management Response and Corrective Action Plan:

Understanding the need for a more robust school improvement planning in fiscal year 2013, the District lead by the Office of Strategy and Support through the Office of Budget and Grants Management implemented a new school improvement planning tool. Training and webinars were coordinated with each Network and rolled out over the course of several months in fiscal year 2012. These activities included a new approval process for the plan, the required components for NCLB Title I Targeted Assistance schools and other District required planning documents including evaluation and feedback to schools. A website was also developed to collect, rack and store school improvement plans, required components and other District required plans. As part of the review, the Office of Budget and Grants Management performed a compliance review of sample plans and provided feedback to the Office of Strategy and Support. The District will continue to monitor the required components for all Title I eligible schools and assist schools when deficiencies are found.

Finding SA12-04: Special Tests and Provisions: Access to Federal Funds for New or Expanded Charter Schools

Federal Agency: US Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:

Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2011-4300-00-1501629902520 and 12-4300-00-15016299025; award years July 1, 2010 through August 31, 2012

English Language Acquisition Grants; Illinois State Board of Education; CFDA number 84.365; ISBE project numbers 2011-4909-00-15016299025 and 2012-4909-00-15016299025; award year September 1, 2010 through August 31, 2012

Improving Teacher Quality State Grants; Illinois State Board of Education; CFDA number 84.367; ISBE project numbers 2011-4932-00-00-15016299025 and 2012-4932-00-15016299025; award years July 1, 2010 through August 31, 2012

Criteria:

A Local Education Agency (LEA) is required to ensure that a charter school that opens for the first time or significantly expands its enrollment receives the federal funds under each covered program for which it is eligible. An LEA may not deny funding to a new or expanding charter school due to the lack of prior-year data, even if eligibility and allocation amounts for other schools are based on prior-year data. An LEA may allocate funds to, or reserve funds for, an eligible charter school based on



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reasonable estimates of projected enrollment at the charter school. If an LEA allocates more or fewer funds to a charter school than the amount for which the charter school is eligible, based on actual enrollment or eligibility data, the LEA must make appropriate adjustments to the amount of funds allocated to the charter school as well as to other schools under a covered program on or before the date the LEA allocates funds to schools for the succeeding academic year (Section 5206 of ESEA (20 USC 7221e)).

Condition:

- The District allocated Title I funds to new and expanding charter schools based on estimates of projected enrollment. This resulted in under and over allocations to each charter school and the District did not subsequently adjust those allocations to reflect actual data after such data became available.
- The District did not allocate Title IIA and Title III funding to new and expanding charter schools.

Context:

- For Title I, the District under allocated roughly \$600,000 to new and expanding charter schools.
- For Title IIA, the District under allocated roughly \$190,000 to new and expanding charter schools.
- For Title III, the District appeared to have under allocated funds to new and expanding charter schools. However, we were unable to estimate the under allocation because the District could not provide actual enrollment data.

Cause and Effect:

- For Title I, it is not the District's current policy to make adjustments to their initial funding allocations.
- For Title IIA and Title III, the District did not incorporate the new or expanding charter school enrollment data when performing the funding allocations.

Recipients that do not comply with all the requirements related to a particular grant risk future reductions in funding from the grantor agency or will be required to allocate the District's carryover funds to fund the charters.

Questioned costs:

None.

Recommendation:

According to the non-regulatory guidance issued by the Department of Education, to ensure that charter schools receive timely the proportionate amount of Title I funds for which they are eligible, the LEA has the following options:

- The LEA may reserve an amount off the top of its Title I allocation that it believes will be sufficient to fund eligible charter schools that are opening for the first time or significantly expanding their enrollment. Once a charter school has opened or expanded, and the actual data is available, the LEA would determine whether the charter school is eligible and ranks sufficiently high to receive Title I funds. The LEA would allocate the appropriate amount of the reserved Title I funds to the qualifying charter school in accordance with the LEA's Title I allocation procedures;
- The LEA may distribute an appropriate amount available from Title I carryover funds to a charter school that is opening for the first time or significantly expanding its enrollment; or
- The LEA may apply to the SEA for funds available through the Title I reallocation process to serve a charter school that is opening for the first time or significantly expanding its enrollment.

Department of Education does not provide options for Title II and Title III in their guidance.



The Department of Education has not provided specific guidance for the Title II and Title III programs. For these programs, the District should determine the most appropriate methodology for ensuring that charter schools receive timely the proportionate amount of federal funds for which they are eligible, and update its policies and procedures to incorporate the revised methodology.

Management Response and Corrective Action Plan:

After final Title I carryover amounts are confirmed by ISBE, the District will distribute the appropriate amount of Title I carryover to balance the Title I funding at any new or expanding charter school using current school year eligibility data going forward. The District will work with the ISBE to ensure proper procedural compliance in implementing this process.

The District will make steps to ensure that charter schools receive the proportionate amount of Title II and Title III funds for which they are eligible and that appropriate funding methodologies are employed for new and expanding charter schools going forward.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

I. Finding SA11-01: Equipment and Real Property Management

Corrective Action Plan — See prior year report.

Current Status — This is not a significant deficiency or material noncompliance. Therefore, it is not required to be reported in accordance with Section 510(a) of Circular A-133. This was reported as a control deficiency in a separate letter dated January 23, 2013.

II. Finding SA11-02: Reporting

Corrective Action Plan — See prior year report.

Current Status — This is not a significant deficiency or material noncompliance. Therefore, it is not required to be reported in accordance with Section 510(a) of Circular A-133. This was reported as a control deficiency in a separate letter dated January 23, 2013.

III. Finding SA11-03: Time and Effort

Corrective Action Plan — See prior year report.

Current Status — No exceptions in FY12.

