



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education
Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2018

*Prepared by the
Department of Finance*

Rahm Emanuel, Mayor, City of Chicago
Frank M. Clark, Board President
Janice K. Jackson, EdD, Chief Executive Officer



Board of Education

CITY OF CHICAGO

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PRESIDENT
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ALEJANDRA GARZA
AUSTAN D. GOOLSBEE
DR. MAHALIA A. HINES
GAIL D. WARD

JAIME GUZMAN
VICE PRESIDENT

January 23, 2019

Dear Friends and Colleagues,

We are pleased to present you with the Chicago Public Schools (CPS) Fiscal Year 2018 financial results.

Thanks to the tireless advocacy of our families, educators and partners, and decades of effort by our lawmakers, Chicago Public Schools is now on stronger financial ground, which means we can invest more in the programs and resources that we know drive student achievement.

The historic education funding reform enacted by our state has allowed CPS to achieve improved financial stability. The more equitable funding formula adopted by the state has resulted in hundreds of millions of dollars in additional resources for students with the potential for additional resources that would bring CPS closer to funding equity if fully funded. These additional funds are supporting our vision for the future of Chicago Public Schools. A vision that includes increased school-based funding, greater investments in capital projects, and the expansion of high-quality academic programs that have catapulted CPS students to unprecedented levels of academic growth.

The district also created two new departments that will focus on creating a district that is equitable and free of sexual harassment, bullying, and violence. The Office of Equity will help ensure the district's policies are aligned to our values around diversity, equity, and inclusion while the Office of Student Protection and Title IX will work to ensure the district is free of sexual harassment, bullying, and violence.

The improvement of our finances coincides with a period of consistent and significant academic improvement. Just 7 years ago, barely more than 50 percent of CPS students graduated from high school. Today that number is a record high 78.2 percent. Additionally, nearly 90 percent of last year's freshmen are currently on track to graduate, and the college-enrollment rate for CPS graduates now exceeds the national average.

The CPS Class of 2018 earned an unprecedented \$1.3 billion in scholarship offers to help them continue their education, and more than 46 percent of these students finished high school having earned at least one college or career credential. Many of these were Advanced Placement (AP) credits, which have been on the rise for the past several years, resulting in Chicago Public Schools being the only district to receive the College Board's AP District of the Year Award multiple times. CPS received this recognition for leading the nation in expanding access to rigorous AP courses while simultaneously improving achievement among every demographic subgroup.

Through targeted supports aimed at keeping students in school, CPS also maintained record-high attendance levels in 2018 and reported the lowest single-year dropout rate in district history. Additionally, our students' standardized test scores continue to improve, rising by 35 percent in Reading and 25 percent in Math since 2013.

Aided by our commitment to integrity and financial responsibility, CPS has become a national leader in urban education. Moving forward, the district will focus on maintaining this position and improving equity in the way resources are distributed. This will bring us closer to our goal of creating a world-class education system for a world-class city, and providing every child in Chicago with access to a high-quality education that prepares them for success in college, career and community.

Respectfully Submitted,

Frank M. Clark
President
Chicago Board of Education

Janice K. Jackson, EdD
Chief Executive Officer
Chicago Public Schools

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOARD OFFICIALS AS OF JANUARY 23, 2019

Chicago Board of Education
Frank M. Clark, President
Jaime Guzman, Vice President

Members

Mark F. Furlong
Alejandra Garza
Austan D. Goolsbee
Dr. Mahalia A. Hines
Gail D. Ward



Government Finance Officers Association

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, 2017

Christopher P. Morill

Executive Director/CEO





The Certificate of Excellence in Financial Reporting
is presented to

Chicago Public Schools

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

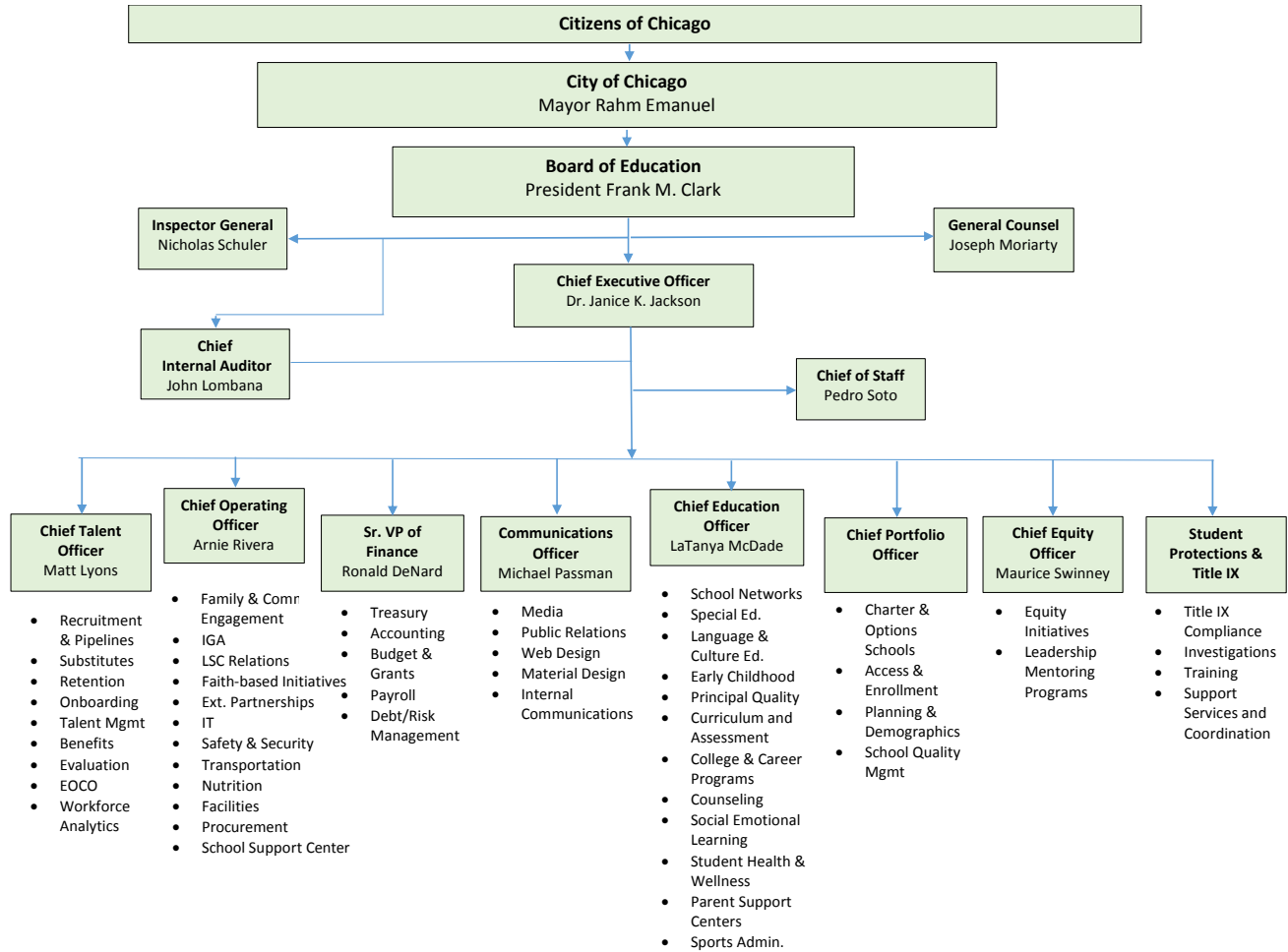
Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director



CHICAGO PUBLIC SCHOOLS Chicago Board of Education Organizational Chart



CHICAGO PUBLIC SCHOOLS Chicago Board of Education

Board Member Profiles

Frank M. Clark

Frank M. Clark was appointed President of the Chicago Board of Education by Mayor Rahm Emanuel and began serving on July 23, 2015. Mr. Clark is the retired Chairman and Chief Executive Officer of ComEd. ComEd is a unit of Chicago-based Exelon Corporation. ComEd delivers electricity to approximately 3.8 million residential and business customers across northern Illinois, or 70 percent of the state's population. Mr. Clark retired from ComEd in February, 2012. Mr. Clark serves on the board of trustees of DePaul University and Museum of Science and Industry and on the board of directors of the Big Shoulders Fund. Mr. Clark is past Chairman of the Executive Committee of The Chicago Community Trust, a Life Trustee and past Board Chair of the Adler Planetarium and Astronomy Museum, trustee of The Lincoln Academy of Illinois, a member of the RAND Corporation JIE Advisory Board, and President of the Business Leadership Council. Mr. Clark is a member of the Chicago Bar Association, Commercial Club of Chicago, and Executives Club of Chicago. Mr. Clark is a co-founder of the Rowe-Clark Math & Science Academy on Chicago's West Side. Mr. Clark serves on the board of directors for Aetna Inc. and Waste Management, Inc., where he chairs the compensation committee. Mr. Clark is a recipient of the Order of Lincoln Award. He received an honorary Doctor of Humane Letters degree from Governors State University and an honorary Doctor of Law degree from DePaul University. Mr. Clark has received numerous awards including the prestigious History Makers Award and the National Humanitarian Award from the National Conference for Community and Justice. In 2008, U.S. Black Engineer & Information Technology Magazine named Mr. Clark to its annual list of the 100 Most Important Blacks in Technology. Mr. Clark also was ranked among the 50 Most Powerful Black Executives in America by Fortune magazine in 2002. Mr. Clark holds Bachelor's and Juris Doctor Degrees from DePaul University.

Jaime Guzman

Jaime Guzman was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on January 11, 2016 and was elected as Vice President on January 27, 2016. Mr. Guzman leads Chicago Youth Opportunity Programs for the Obama Foundation, including initiatives of the My Brother's Keeper Alliance, born out of President Obama's call to action to ensure that all of our nation's young people have the opportunity to live up to their full potential. He has nearly 20 years of experience at the intersection of the public, private and nonprofit sectors. Mr. Guzman has held senior positions at the Taproot Foundation as Executive Director; the Big Shoulders Fund, as the Senior Director of Outreach, managing next generation board leadership and targeted fundraising; at the City Colleges of Chicago, as Chief Advisor to the Board of Trustees; and at the Chicago Public Schools, where he led the Office of New Schools, managing the authorization of new public schools. Mr. Guzman began his career as a bilingual teacher with Teach For America and also worked as a Chicago Public School teacher at Kanoon Magnet School. Mr. Guzman has also served in senior roles with national public service organizations. He was the Regional Director for Education at the National Council of La Raza (NCLR) and Program Director for Teach For America in Chicago. Mr. Guzman holds a Bachelor's degree from Dartmouth College and a Master's degree in Education from Harvard University. He was a 2012 Leadership Greater Chicago fellow, and also served on the Illinois State Charter School Commission.

Mark F. Furlong

Mark Furlong was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on July 1, 2015. Mr. Furlong retired as President and Chief Executive Officer of BMO Harris Bank, N.A. on June 1, 2015, following a lengthy career in business and public service. Mr. Furlong became President and Chief Executive Officer of BMO Harris Bank upon the close of the acquisition of Marshall & Ilsley Corporation by BMO Financial Group in 2011. Headquartered in Chicago, BMO Harris



Bank, N.A. is one of North America's leading financial services providers serving personal and commercial customers throughout the Midwest, Arizona and Florida. Mr. Furlong joined Marshall & Ilsley Corporation in 2001 as Senior Vice President and Chief Financial Officer. He was elected President of Marshall & Ilsley Bank in 2004, President of Marshall & Ilsley Corporation in 2005, Chief Executive Officer in 2007 and Chairman in 2010. Prior to joining M&I, Mr. Furlong was Executive Vice President, Chief Financial Officer, of Old Kent Financial Corp., First Vice President, Corporate Development, for H. F. Ahmanson & Company, was a partner for Deloitte & Touche, and manager for KPMG. Mr. Furlong is a Chair of Chicago United, a member of the Board of Directors of Kforce Professional Staffing, Northwestern Memorial Hospital, and World Business Chicago. He recently stepped down from his role as founding Chair of LEAP Innovations, and as a member of the Trustees Committee of the Chicago Community Trust, Neighborhood Housing Services of Chicago, and the Civic Committee of the Commercial Club of Chicago. Mr. Furlong has previously served on the Board of Directors of the United Way of Greater Milwaukee, the Wisconsin Manufacturers and Commerce, Froedtert Health, the United Performing Arts Fund, Junior Achievement of Wisconsin, where he served as Chair from 2007-2009, and Schools that Can Milwaukee, of which he is the founding and immediate past Chair. Mr. Furlong earned a bachelor's of science degree in accounting from Southern Illinois University.

Alejandra Garza

Alejandra Garza was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on January 12, 2018. Alejandra (Alex) Garza is founder and owner of AGG Consulting, a successful strategic consulting firm that provides services to businesses and non-profits. Dedicated to helping organizations connect with all their stakeholders, Alex has built a distinguished career working in both the corporate and the non-profit world providing her with a unique understanding of how to create and implement successful business and marketing strategies in both sectors. Alex has been a leader in Chicago's Latino immigrant community serving in various capacities with Instituto del Progreso Latino (Instituto). During her twenty years serving Instituto, Alex held many key leadership positions on the Instituto Board including Board President, Treasurer, Governance Committee Chair and Interim President & CEO. While under her leadership, Instituto established new strategic direction including launching flagship programs such as Carreras en Salud, and the Instituto Health Sciences Career Academy, as well as strengthening the organization's brand and impact in the community and nationally. In addition, Alex also serves on the Metropolitan Planning Commission's Sustainable Growth Committee, Sinai Health Systems Board, University of Chicago, Booth School of Business' Civic Scholar Committee and University of Illinois at Chicago, Liberal Arts & Science, and Board of Visitors. Ms. Garza has been featured in Latina Style, Hispanic Business Magazine, VOXXI New Media, Diversity Journal and NegociosNow. Alex received a Bachelor of Arts in psychology from University of Illinois at Chicago, a Master of Business Administration from the University of Chicago and a certificate in Non-Profit Governance from Harvard's Business School Executive Program.

Austan D. Goolsbee

Austan D. Goolsbee was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on December 14, 2018. Austan Goolsbee has been a Chicago educator and scholar since 1995. He is the Robert P. Gwinn professor of economics at the University of Chicago's Booth School of Business. Goolsbee previously served as chairman of President Barack Obama's Council of Economic Advisers and a member of the Cabinet as well as the chief economist for the President's Economic Recovery Advisory Board. He serves on the board of the Lumina Foundation, the Chicago Public Education Fund and the University of Chicago Laboratory Schools. Goolsbee is a former Fulbright Scholar and Alfred P. Sloan Fellow and he currently serves as a member of the Economic Advisory Panel to the Federal Reserve Bank of New York.



Dr. Mahalia A. Hines

Dr. Mahalia A. Hines was appointed to the Chicago Board of Education in May of 2011 by Mayor Rahm Emanuel. She is currently the President of the COMMON Ground Foundation and a Member of the Board of Directors for the Obama Foundation. Dr. Hines has worked in the educational field for more than 35 years as a teacher and principal. During her 15 year stint as a principal she serviced grade levels from elementary through high school in the Chicagoland area. Dr. Hines also worked as a coach for first-year principals, a mentor for current principals and prospective principals in Chicago and other parts of the country. Dr. Hines continues to work with school leaders of public and charter schools in urban areas throughout the country in order to develop effective school leaders who will guide others to provide the best possible education for the children least likely to receive it. In addition to working with schools and school leaders, she travels the country speaking to single mothers on raising successful sons. Dr. Hines received her doctorate from the University of Illinois, Masters from Northeastern University and bachelor's degree from Central State University.

Gail D. Ward

Gail Ward was appointed to the Chicago Board of Education in June of 2015 by Mayor Rahm Emanuel. Ms. Ward has been a teacher and a principal at the elementary and high school levels in a distinguished 30-year career at Chicago Public Schools. Ms. Ward was the founding principal at Walter Payton College Prep, one of the city's most accomplished selective enrollment high schools. Ms. Ward served in that role for seven years, a period when Payton ranked first in the state in mathematics three consecutive years and placed second in Illinois in overall student performance. Ms. Ward won the Outstanding Principal School Leadership Award in 1999. As principal of Agassiz Elementary School, a time when 40 percent of the school's students had severe and profound special education needs, Ms. Ward led the school to remarkable gains in ISAT testing and overall student enrollment. In November, 2006, Ms. Ward was named Chief Officer of the CPS Office of Principal Preparation and Development. While at OPPD, Ms. Ward helped the department expand its partnerships with universities and foundations, streamlined the eligibility process for new hires, and piloted a coaching program for new principals to ensure that CPS principals had the appropriate preparation and support to become effective school leaders. Ms. Ward has worked extensively with cultural institutions and universities to create projects that are national and international in scope. Ms. Ward is a frequent traveler and has visited schools in Africa, China, Europe, India and the Middle East. Retired since 2008, Ms. Ward is currently a trustee on the board of the Chicago History Museum.



Introductory Section

The members of the Chicago Board of Education (the Board) have been appointed to serve terms ending as follows:

<u>Member</u>	<u>Term Expires</u>
Frank M. Clark, President	June 30, 2022
Jaime Guzman, Vice President	June 30, 2022
Mark F. Furlong	June 30, 2019
Alejandra Garza	June 30, 2019
Austan Goolsbee.....	June 30, 2019
Dr. Mahalia A. Hines	June 30, 2022
Gail D. Ward	June 30, 2019

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





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January 23, 2019

Frank M. Clark, President,
Members of the Chicago Board of Education,
And Citizens of the City of Chicago:

The Comprehensive Annual Financial Report (CAFR) of Chicago Public Schools (CPS) for the fiscal year ended June 30, 2018, 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 is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of CPS. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with CPS management.

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 Office of Management and Budget (OMB) Uniform Guidance (including the Single Audit Act Amendment of 1996, Government Auditing Standards and the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). For fiscal year ended June 30, 2018, the independent auditors have issued an unmodified opinion on CPS' basic financial statements and other required supplementary information, etc. (See Independent Auditors' Report in the Financial Section of the document).

CPS ended fiscal year 2018 with a positive fund balance of \$323.8 million in the operating fund. This is the first time since fiscal year 2015 that the District has reported positive fund balance, and this improvement in financial sustainability is due in part to increased state funding for educational purposes, as well as earmarks for pension obligations. In addition, CPS has continued to streamline operational costs and shifting much needed resources to the classroom. Additional local revenues were also made available to Chicago Public Schools through Tax Increment Financing ("TIF") funds which went to support various school programs.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the 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

CPS 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 (105 ILCS 5/34-9). 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 that 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 Illinois 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. Refer to the CPS website for more information on Local School Councils.

As a large urban school district, our schools and students reflect the broad diversity of our city. In fiscal year 2018, CPS had 644 schools, including district-run traditional and "options" schools, as well as charter and contract schools. Charter schools are public schools managed by independent operators, and approved and certified under the State charter law. They can offer a general K-12 educational program or may be approved to offer a program specifically targeting students who have dropped out or are at risk of dropping out. CPS currently authorizes 121 charter schools, serving just nearly 60,000 students.

Student enrollment as of September 2017 was 371,382 a decrease of 9,967 from the September 2016 level (381,349). Approximately 76.6% of our students come from low-income families and 18.7% are English Language Learners. CPS employs 36,403 workers, including 24,794 teaching positions.

LOCAL ECONOMIC OUTLOOK

The Chicago economy continues to improve and grow. However, it is important to note that CPS revenues are not economically sensitive. Property tax increases are capped at the rate of inflation; and Federal and State aid are allocated based on formulas and limited by federal and state appropriations. Therefore, our revenues are not directly affected by changes in the local economy. For more information regarding Chicago's local economy, refer to the City of Chicago budget book at https://www.chicago.gov/city/en/depts/obm/supp_info/annual-budget-recommendations---documents.html.

Local revenues included \$2,898 million in property taxes and \$168.3 million in personal property replacement taxes ("PPRT"), in fiscal year 2018. Property taxes support the General Fund, Tort Immunity Program, Capital Project and Debt Service Funds, while the PPRT support the General Operating and Debt Service Funds. In fiscal year 2017, the District first extended a property tax levy for capital improvement projects and collected \$48.4 million in tax revenue. The levy was increased in 2018 and \$8.1 million was recognized in the Capital Fund.

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity, in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled, and (b) the individual or entity promises to take a specific action after the agreement has been entered into, that contributes to economic development or otherwise benefits the governments or the citizens of those governments. CPS did not enter into or hold any direct tax abatement agreements during fiscal year 2018. Cook County enters into property tax abatements which do not directly reduce CPS property tax revenue. The purpose of these property tax abatements are to spur economic development and promote growth in residential housing. CPS views these abatements as a long-term strategy to increase student enrollment and promote a safe community around CPS schools. CPS monitors the incentives offered by the County and incorporates the impact of any modifications into CPS' annual budget process. Additional information on tax abatements that impact CPS can be found in Note 16 to the financial statement footnotes.

CURRENT CONDITION

The General Operating Fund expenditures budget for fiscal year 2018 was \$5,699 million, \$288 million higher than the fiscal year 2017 budget of \$5,411 million. This increase in budget was largely driven by the nearly \$450 million in new state and local revenues received by the District. The increases were

due in part to pension funding bill (P.A. 100-465), as well as additional revenues from the Chicago Teachers' pension levy. Budgetary offsets of these increases included \$50 million in reduced expected Federal revenues and a decrease of \$65 million in budgeted TIF surplus funds.

Total governmental funds revenues for fiscal year 2018 were \$6,512 million, which is \$684 million more than the \$5,828 million fiscal year 2017 revenue. Total expenditures for fiscal year 2018 were \$6,474 million, which were approximately \$440 million higher than the prior year of \$6,034 million. CPS ended fiscal year 2018 with a combined fund balance of \$2,004 million in all governmental funds, an increase of \$909 million from fiscal year 2017's ending fund balance of \$1,095 million.

On August 31, 2017, Public Act 100-465 became effective that provides a significant revision to the State's funding of the Board. The primary components of P.A. 100-465 include the new State Aid Evidence-Based Funding Formula ("EBF"), a change in state grants to the board, and a new funding model for charter schools. The new legislation includes a Base Funding Minimum in every fiscal year to "hold harmless" all school districts, including the Board, to previous year funding levels for State Aid and certain State Grants. This provides continued funding of approximately \$221 million in additional State Aid that the District relied upon in prior years.

P.A. 100-465 changed the State's grant funding of the Board in two major ways, first, It includes four previous grants included in State Block Grants (Special Education – Personnel, Special Education – Funding for Children Requiring Special Education, Special Education – Summer School, and Bilingual – T.P.I. & T.B.E), into the EBF Formula. Secondly, the historical State Block Grant protection for the remaining grants (with the exception of Early Childhood) is eliminated and the Board will receive these grants based on the submittal of grant claims like other school districts.

The new law also requires the Board to set charter tuition rates between 97 and 103 percent of the Board's per capital tuition charge (or "PCTC"). Before this change, the range was between 75 and 125 percent of PCTC. The Board previously used a Student Based Budgeting ("SBB") funding model where charters received funding at a per-pupil rate equivalent to district schools. Charters also received non-SBB funding based on the funding for services provided to district schools, such as operations and maintenance, security and central offices services.

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.

As our pension burden increased, CPS drew down its reserves in prior years in order to balance the budget. To bridge the ebb and flow of revenue receipts and payments, CPS now relies on short-term borrowing. We receive our major revenue source, property taxes, in two installments: March and August. However, most CPS payments are made throughout the year, with two exceptions. Debt service payments are due in February (just before the March installment is received) and the CTPF pension payment, which is due by June 30th, is prior to when collections from the August installment are received.

Overall, CPS' cash flow challenges are driven by its calendar. As previously stated, CPS receives the bulk of its annual property tax collections in March and August installments, and currently operates at a deficit financed by a short term line of credit. In addition, in fiscal year 2018, CPS recorded \$287 million in operating transfers into its General Operating Fund, primarily from excess funds returned to the Board due to debt restructuring and bond refinancing transactions. CPS ended the year with a total interest expense of \$545 million compared to \$448 million in fiscal year 2017. This represents an increase of \$97 million in borrowing expense.

Though CPS is armed with more tools and better financial flexibility to address some of our fiscal issues over time, despite these improvements, historic, one-time measures taken to address previous budget gaps are coming to an end in Fiscal Year 2020 and CPS will continue to carry a structural budget gap which needs to be addressed in the years to come.



Pension Funding: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2017, the Pension Fund reported \$10,933 million in actuarial assets and \$21,822 million in actuarial liabilities, for a funded ratio of 50.1%. In accordance with GASB 68, CPS has recorded a net pension liability of \$12,382 million in the accompanying financial statements, 100% of which is recognized by CPS. For the reasons discussed in Note 12, CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund.

Public Act 100-0465 increased CPS' maximum teacher pension property tax levy rate from 0.383% to 0.567%. The increase is estimated to generate approximately \$130 million in additional revenue annually, which will go directly to the Pension Fund. This tax is not subject to the Property Tax Extension Limitation Law – more commonly known as "tax caps" – so in the future this portion of CPS' annual employer contribution will not have a negative impact on spending in the classroom.

Debt Ratings: Investors who purchase municipal bonds use debt ratings as an indicator of the safety and security of the debt sold by that organization. CPS currently has bonds outstanding with credit ratings from Fitch Ratings, Kroll Bond Rating Agency, Moody's Investor Service and Standard & Poor's. In fiscal year 2018, primarily as a result of the State's new funding formula framework, CPS received rating outlook improvements from all bond rating agencies and a ratings letter upgrade from one agency. Refer to the Management's Discussion and Analysis for further information about ratings changes subsequent to the end of fiscal year.

LONG-TERM FINANCIAL PLANNING

In fiscal year 2018, CPS benefited from landmark state legislation which provides more equitable funding to school districts across the State. While CPS remained the only school district in the state that must fund the vast majority of its teacher pension costs, the new legislation provided an additional \$221 million to cover the normal cost of the teacher's pension contribution. Additionally, the new Evidence Based Funding formula holds districts harmless to previous year funding and drives new state funding to lower income school districts. Finally, the new legislation provided CPS with an increased property tax levy which helps to fund CPS' pension contribution.

The law became effective in August 2017 and generated \$444 million of additional revenue in fiscal year 2018, which is comprised of \$221 million in State funding of CPS' annual Teachers' Pension Fund contribution, \$70 million in additional State Aid Revenues under the new Evidence Based Funding Formula, increased Teacher's Pension Fund contribution from property tax levy revenues of approximately \$130 million, \$19 million in State Grants and \$4 million of other additional State revenues.

These additional resources provide additional financial stability to CPS in the years to come. As a result of these improvements, CPS has achieved a positive fund balance in fiscal year 2018 for the first time in three years and as a result of the improved fund balance, CPS has also reduced cash borrowing by \$455 million in fiscal year 2018 versus fiscal year 2017. All of the rating agencies have acknowledged this improvement, as CPS has received three rating upgrades and five outlook improvements since the new legislation was put in place.

In fiscal year 2019, the structural deficit will be significantly reduced as a result of the year end performance in fiscal year 2018. With an improved financial condition and lower interest rates on long and short-term borrowings, CPS expects to continue to improve upon fund balance reserves for fiscal year 2019. But in fiscal year 2020, CPS will again face key policy decisions including the expiration of the current collective bargaining agreement, how much TIF revenues will be needed to fund both operations and capital needs, and ways to address declining enrollment.

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 is 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.

Budgetary Control: Annual budgets are prepared on a basis consistent with GAAP for the General Operating, Capital Projects and Debt Service Funds. The fiscal year begins on July 1 and ends June 30. Individual school units submit budgets 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.

MAJOR INITIATIVES

At Chicago Public Schools, our mission is to provide a high-quality public education for every child in every neighborhood that prepares them for success in college, career, and community. Despite budget challenges, this crucial work continues with impressive results from our students. We have implemented cohesive strategies with educational, financial, community, and environmental initiatives, all of which impact our students and their families.

Educational Initiatives

Academic progress is crucial to our success as a district. We are seeing impressive results, with higher test scores, climbing graduation rates, improvement in college enrollment and persistence. This progress is remarkable and is a tribute to the hard-working educators, parents, and students committed to their classrooms.

We continue to invest in proven programs that expand access to high-quality education such as Advanced Placement courses, the largest network of International Baccalaureate programs in the nation, a math tutoring program that improves outcomes for at-risk high school students, and adding comprehensive dual language programming so that more students can be certified as bilingual before taking their post-secondary steps.

CPS is better preparing our students for the jobs of the future, by implementing a computer science curriculum and requiring a computer science credit to graduate high school. CPS has become a model district for those interested in incorporating computer science, first launching the CS4All Initiative in 2013, and now being the first district in the nation to elevate computer science to a core graduation requirement, separate from math and science. In school year 2018 a district-wide professional development trained 100 high school teachers in the Exploring Computer Science course and 150 elementary school teachers in a variety of curricula. Currently over 17,700 high school students are enrolled in introductory and advanced computer science courses across the district.



Introductory Section

The Computer Science department has engaged in partnerships with Google, Apple, Chicago Mercantile Exchange Foundation and Chance the Rapper's Social Works foundation to provide support for Computer Science implementation across the district. In partnership with Apple, a Center for Excellence in Computer Science was created at Lane Tech high school, to promote expansion of intermediate and advanced Computer Science curricula at CPS.

Also, in school year 2018, the Department of Social Science and Civic Engagement implemented a number of educational initiatives in order to expand access for all students to high quality social science curriculum, financial literacy, and civic learning and student leadership opportunities. During the past year, a district-wide professional development for social science was developed and over 1,300 educators, counselors, principals, and district leaders were trained to implement the City Council mandated the Reparations Won curriculum; new curricular modules and correlating training were developed and launched for Financial Education; and a number of curricular projects were expanded including several social science education organizations including a robust district-wide effort to implement and train teachers in Facing History and Ourselves curriculum for grades 8, 9, 10, and 11. In the area of Civic Engagement: the civics course curriculum was revised with a team of teacher-leaders and partners; we developed new local and national partnerships to enrich the course including Chicago City Clerk's Office and the Aspen Institute; over 75 new civics teachers have been trained, and in-depth civic-engagement-related instructional initiatives were provided to 69 additional civics course teachers; we took steps in expanding civic-learning beyond the civics course through the creation of an instructional video series on effective classroom discussion and deliberation of controversial issues. The series highlights CPS teachers and students, and is featured on the Teaching Channel and will be archived.

The Advanced Placement, ("AP"), program continues to lead the nation in access and achievement gains. In 2018, CPS' AP program was recognized--for the second time in eight years--as College Board's AP District of the Year. No other large district in the nation has received this honor twice and CPS is the largest district in the nation to ever receive the award. In addition, CPS has earned AP Honor Roll for the sixth year in a row and seven of the last years. Both honors are achieved by demonstrating consistent enrollment and achievement growth through all subgroups, which has been the upward trend since 2011. The growth has been supported by partnerships such as the one with Equal Opportunity Schools ("EOS"). EOS supports schools identify underrepresented students for future enrollment in both AP and IB programs on six CPS high school campuses, two of which offer AP and International Baccalaureate ("IB"). With over 12,000 CPS students passing more than 18,500 exams in SY18, our students are increasing college and career access while earning college credit.

Chicago is already home to the largest network of IB schools in the nation, with a total of 55 authorized schools (22 high schools and 33 elementary) with 4 schools in the candidacy phase of the application process and eighteen more schools are currently under consideration for candidacy. CPS continues to provide additional opportunities for student participation in IB programming. Results from the IB programme have revealed exceptional outcomes for CPS IB students, with graduation rates, college enrollment, and college persistence rates all outpacing their CPS and national peers. By providing more access to IB courses, we are allowing our students to earn college credit and increasing their chances for post-secondary success and beyond.

This year, our District identified opportunities for STEM School expansion across the district. Preparation began for 3 new STEM Magnet Elementary schools through the Magnet Schools Assistance Program (MSAP) grant. W. Brown, Claremont, and Jungman STEM schools are now serving approximately 1000 students. Additionally, 3 new Early College STEM programs were announced at Crane, Infinity, and Solorio high schools. CPS also opened its first official STEAM school at Sor Juana elementary serving students in grades K-2 in school year 18-19. To support robust learning in the STEM disciplines, the district also identified new science instructional materials aligned to the Next Generation Science Standards for teachers to implement beginning in fall of 2018.



In mathematics, the district continues to invest in teacher development with a new focus on Elementary mathematics Specialists. These teachers are participating in university coursework funded by the C E Group Foundation to develop their mathematics content knowledge, pedagogical content knowledge, and ability to implement the curriculum successfully.

Access to arts education continued its progress towards equity, with $\frac{2}{3}$ of schools rated as Strong or Excelling in the arts based on the Creative Schools Certification. Investment in the arts continues to be strong. For the first time, CPS assumed the cost of Arts Essentials grants, making \$1,000 grants to the 97% of schools that filled out the Creative Schools Survey. Through our partnership with Ingenuity, a further \$1.1 million in grants were made to 108 schools. Finally, thanks to a \$2 million dollar gift from SocialWorks, 20 schools received \$100,000 each to invest in arts education between school years 2018-2020. New learning standards in the arts were adopted by ISBE in 2016 and took effect in 2018. These new standards shift the focus of learning away from artistic product and to artistic process; the ultimate goal for each student is artistic literacy. In response to this significant change, the Department of Arts Education crafted a professional learning strategy designed to prepare our educators to meet this new challenge. The resulting professional learning cycle is being fully funded through a 4-year, \$2.1 million grant from the US Department of Education and launched in SY18/19.

Through the district's a commitment to Social Emotional Learning, we are keeping more of our students in school and engaged. Social and Emotional Learning continues to be a central focus of our district's long-term vision and goals and Chicago Public Schools has achieved significant advancements toward fulfilling our vision for systemic, district-wide SEL. The language of SEL is engrained in discussions at the highest levels of district leadership, and it is reflected in district-wide communications, policies, and professional development. The Office of Social and Emotional Learning (OSEL) is a key collaborator in district initiatives, and as a result of this work, we have seen positive trends in school climate, student behavior, and student engagement.

Based on research-based preventative structures and targeted interventions to address the root cause of students' behaviors, our students learn the skills they will need to succeed in life (such as goal-setting, cooperation, and conflict resolution), as the number of suspensions and expulsions have dropped dramatically. In addition, we see the impact of our investment in developing supportive school climate practices and structures, in that there are currently over 300 schools that CPS has certified as emerging, established, or exemplary in the CPS Supportive Schools Certification. To support these continued efforts to keep students safe and engaged, we also trained over 100 professionals (over 200 schools benefited from) in school-based behavioral health interventions. Interventions support social skill development, aggression prevention, trauma exposure, and depression prevention. OSEL also continues the Healing Trauma Together program (launched spring 2017) in 10 high schools in communities impacted by violence. The program, funded by the U.S. Department of Education, supports the development of trauma-sensitive schools, and through an additional Healthy Communities grant, schools have piloted a universal screening system to identify students with trauma symptoms.

In the summer of SY18, CPS revised the Student Code of Conduct to build on the district's restorative approach to discipline, promote equitable practices, and ensure all students have access to safe and supportive learning environments. Significant changes included: 1) a more inclusive Anti-Bullying Policy, which protects children from being harassed for any reason, including race, religion, or immigration status; 2) guidance on Out-of-School suspension practices to ensure that the use of suspensions is appropriate, equitable, and employed as a last resort; 3) a more sensitive approach to address student behavior, especially when the students involved may have been exposed to trauma; 4) additional language to explicitly prohibit zero tolerance policies; and 5) clear guidelines for involving the new CPS Office of Student Protections and Title IX in investigating incidents of bullying, inappropriate sexual conduct, and other infractions.



We also continue our commitment to proactive and restorative supports of students, and CPS has launched the OSEL Restorative Practitioner Affiliate Training Series to promote fidelity to restorative processes among school-based leads. We have also launched the Restorative Re-entry Toolkit and training series to support students returning to school after a serious incident or extended absence - especially as a result of involvement in the juvenile justice system. We have also opened fourteen Parent Universities at a number of high schools, giving parents the chance to re-engage in our curriculum alongside their students, and enhance the learning process.

All of our children want to succeed, and it is our job to ensure that they can. We will continue our holistic approach to education to address achievement gaps, and best support our students as they move through our district.

Capital Improvement Program

The Capital budget plan includes improvement to school facilities as well as support for technology upgrades, major equipment replacement in schools and continuing CPS' efforts to make its facilities accessible to people with disabilities. The Capital budget reflects the funds for large construction, renovation, or investment projects with value that lasts for multiple years and are outside the scope of CPS' day-to-day operations. Total expenditures in the Capital Projects Fund in fiscal year 2018 were \$339 million. The projects were funded by bond proceeds, state funds, and City of Chicago tax increment financing.

In addition, the Capital Improvement Tax (CIT) levy is an annual property tax levy dedicated exclusively to school construction projects and the debt service related to those projects. Since its inception, the Capital Improvement Tax levy has generated \$45, \$48 and \$50 million in fiscal years 2016, 2017 and 2018 respectively. In fiscal year 2018, CIT levy receipts were recorded to both the Capital Projects Fund and the Debt Service Fund. These monies were used towards school construction projects and to repay the bonds issued to finance them. The property tax levy is authorized under state law and can be used only to fund capital projects.

Because the CIT bonds (backed by these CIT property tax revenues) can be used only for capital projects, the bonds have no impact on CPS' operating budget (i.e. the District's payroll and other day-to-day expenses). This allows CPS to issue long-term debt for building projects without impacting classroom funding. Two ratings agencies, Kroll and Fitch, currently rate the CIT bond offerings as BBB and A, respectively. These investment grade ratings, therefore allow CPS to achieve a lower borrowing cost.

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 CAFR for the fiscal year ended June 30, 2017. 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 17th 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 commitment and dedication of the entire staff of the Department of Finance, the Chief Education 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,



Ronald DeNard
Senior Vice President of Finance



Melinda M. Gildart, CPA, MBA
Controller







INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Chicago Public Schools, (the Board Education of the City of Chicago, a body politic and corporate of the State of Illinois) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Chicago Public Schools' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Chicago Public Schools' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Chicago Public Schools as of June 30, 2018 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, Chicago Public Schools adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the year ended June 30, 2018 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2018.



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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Chicago Public Schools as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated January 24, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) for the year ended June 30, 2017 are presented for purposes of additional analysis and are 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 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The introductory section and statistical section 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, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited Chicago Public Schools' 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated January 24, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2019 on our consideration of Chicago Public Schools' internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chicago Public Schools' internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 23, 2019







CHICAGO PUBLIC SCHOOLS
Management's Discussion and Analysis (Unaudited)
June 30, 2018

Our discussion and analysis of the financial performance of Chicago Public Schools provides an overview of financial activities for the fiscal year ended June 30, 2018. 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

The government-wide financial statements and Statement of Net Position shows liabilities and deferred inflows totaling \$25.7 billion, an increase of \$1.6 billion from fiscal year 2017, while assets and deferred outflows equaled \$11.6 billion, with an increase of \$593 million. The overall increase in total liabilities and deferred inflows is primarily driven by increases in CPS' pension and other post-employment benefit liabilities of \$1.6 billion. The overall increase in total assets and deferred outflows is mostly derived from a decrease in state aid receivables of \$293.7 million, higher cash on hand and held by trustees of \$203.5 million from prior year, as well as higher pension deferred outflows of \$638.9 million from 2017. CPS ended fiscal year 2018 with a deficit in net position of \$14.057 billion, an increase in the deficit of \$1.05 billion or 8.0% from the prior year. The Statement of Activities presents an increase in total expenses from fiscal year 2017 in governmental activities of \$432 million, a net increase of \$167 million in grants and contributions and an increase in non-program state aid of \$240 million.

CPS ended fiscal year 2018 with a combined fund balance for its governmental funds of \$2.004 billion, an increase of \$909.8 million or 83.1%, from fiscal year 2017. The fund balance increased by \$598.9 million in the General Operating Fund, increased by \$102.5 million in the Capital Project Fund, and increased by \$208.4 million in the Debt Service Fund. Total revenues in the General Fund for fiscal year 2018 were \$5.826 billion, which were \$735.4 million or 14.4% higher than the prior year amount of \$5.091 billion. Total expenses in the General Operating Fund for fiscal year 2018 were \$5.514 billion, which increased by \$216 million or 4.1% from the fiscal year 2017 amount of \$5.298 billion. The General Operating Fund ended fiscal year 2018 with a positive fund balance of \$323.8 million. The positive fund balance in the General Operating Fund for 2018, reverses two consecutive years of reporting negative fund balance (in fiscal year 2016 and 2017).

In fiscal year 2018, the Board issued several series of long-term fixed rate bonds. First, \$500 million in Unlimited Tax General Obligation (GO) Bonds, Series 2017AB, which carried a premium of \$33.4 million, were issued July 2017. In addition, \$1.025 billion of Unlimited Tax General Obligation (GO) Bonds, Series 2017CDEFGH, which carried an original issue premium of \$30.3 million were issued in November 2017. Finally, \$64.9 million in Dedicated Revenue Capital Improvement Tax ("CIT") Bonds, Series 2017, with an original issue premium of \$5.6 million, were also issued in November 2017. The various series of bonds were primarily issued for a combination of refunding and capital improvement program financing. There were two rating changes related to the long term debt of the Board occurring after June 30, 2018. The Moody's Investor Service general obligation (GO) rating of the Board was upgraded from B3 to B2 and the outlook was revised to stable on July 12, 2018. In addition, the Standard & Poor's general obligation (GO) rating of the Board was upgraded from B to B+ with a stable outlook on October 31, 2017.



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 government-wide financial statements including the Statement of Net Position 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 Position 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 Position** presents information on all of CPS’ assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, for the resulting net position. Increases or decreases in net position 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 position during the fiscal year. All changes in the net position 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, administrative support services, facility support services, instructional support services, food services and community 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 Position*(Millions of Dollars)*

	Governmental Activities			
	2018	2017	Difference	% Change
Current Assets.....	\$ 3,060	\$ 3,137	\$ (77)	-2.5%
Capital Assets, net.....	5,960	5,994	(34)	-0.6%
Non-current Assets.....	579	502	77	15.3%
Total Assets.....	<u>\$ 9,599</u>	<u>\$ 9,633</u>	<u>\$ (34)</u>	-0.4%
Total deferred outflows of resources...	<u>\$ 2,015</u>	<u>\$ 1,388</u>	<u>\$ 627</u>	45.2%
Current Liabilities.....	\$ 1,781	\$ 2,513	\$ (732)	-29.1%
Long-term liabilities.....	23,640	21,342	2,298	10.8%
Total Liabilities.....	<u>\$ 25,421</u>	<u>\$ 23,855</u>	<u>\$ 1,566</u>	6.6%
Total deferred inflows of resources.....	<u>\$ 250</u>	<u>\$ 176</u>	<u>\$ 74</u>	42.0%
Net Position:				
Net investment in capital assets.....	\$ (743)	\$ (644)	\$ (99)	-15.4%
Restricted for:				
Capital projects.....	167	126	41	32.5%
Debt service.....	745	630	115	18.3%
Grants and donations.....	52	52	-	0.0%
Workers' comp/tort immunity.....	-	27	(27)	-100.0%
Teacher's pension contributions...	9	-	9	100.0%
Unrestricted.....	(14,287)	(13,202)	(1,085)	-8.2%
Total net position (deficit).....	<u>\$ (14,057)</u>	<u>\$ (13,011)</u>	<u>\$ (1,046)</u>	-8.0%

**During fiscal year 2018, CPS implemented GASB Pronouncement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of this GASB resulted in the long-term obligation for OPEB to be recognized as a liability and a decrease in beginning net position. As a result, CPS made a restatement to beginning net position of \$295 million not reflected above. See Note 13 for more information.*

Current assets decreased by \$77.5 million, though current cash balances increased by \$137.4 million and Federal and other receivables increased by \$49.9 million, primarily due to the decrease of State aid receivable balances of \$293.7 from fiscal year 2017. Receivables for property taxes were higher by \$35.2 million (as the Board received increased revenue from the levy for the Chicago Teachers' Pension Fund ("CTPF")) and other assets increased from \$2.7 million in 2017 to just under \$11 million in 2018. Net receivables from State aid were down dramatically due to the change in the Illinois School Funding formula which resulted in a significant shift of funding away from Educational Block Grant programs (for which CPS has previously accrued) and into the EBF. Refer to Note 3 to the basic financial statements for more detailed information on property taxes and state aid.

Capital assets, net of depreciation, decreased by \$33.9 million due to the sale of several properties, including adjustments for four school actions approved by the Board within fiscal year 2018, and the recording of asset impairments in relation to these and other under-utilized CPS assets. Refer to Note 6 to the basic financial statements for more detailed information on capital assets.

Non-current assets increased by \$77.1 million due to bond proceeds held with the trustee and other long term investments. Refer to Note 4 to the basic financial statements for more detailed information on cash and investments.

Deferred outflows of resources showed an increase of \$627.5 million, which was directly attributable to the increase in deferred pension outflows of \$638.9 million and a decrease of \$11.4 million in deferred charges stemming from debt refundings. Refer to Note 12 to the basic financial statements for more information on CPS' pension liabilities.



Current liabilities decreased by \$732.7 million as a result of the paydown of debt stemming from the 2017 Grant Anticipation Notes (GANs) of \$386.9 million and the reduced ending balance as of June 30, 2018 for the Tax Anticipation Notes (TANs) of \$350.1 million. Combined increases in various payables totaling \$94.7 million were recorded in 2018 including \$3.1 million due to the Chicago Teacher's Pension Fund, \$37.4 million from accounts payable, \$31.3 million in interest payable and the remaining amount comprised of unearned revenue, other accrued liabilities, the current portion of long-term debt, accrued payroll and benefits and amounts held for student activities as of June 30, 2018. Refer to Note 8 to the basic financial statements for more detailed information on short-term debt.

Long-term liabilities increased by \$2.3 billion, or 10.77%, as a result of the increase in long-term debt of \$769.9 million, from the issuance of new debt, as well as the increase in the pension liability for CTPF of \$1.4 million and other postemployment benefits liability of \$236.9 million. Other benefits and claims and capitalized lease obligations to the Public Building Commission decreased by \$26.1 million and \$46.0 million respectively. Refer to Note 9 to the basic financial statements for more detailed information on long-term debt.

Deferred inflows of resources, composed of deferred pension and OPEB inflows related to GASB Statement No. 68 and GASB Statement No. 75, ended with a net increase of \$73.9 million.

Net position (deficit) decreased by \$1.085 billion to \$14.057 billion (deficit). Of this amount, CPS recorded a net investment in capital assets of negative \$743.4 million, combined restricted net position of \$973.3 million, including \$167.2 million for capital assets, \$744.5 million for debt service, \$52.3 million for grants and donations and \$9.3 million for future teacher's pension contributions. Restricted net position represents legal constraints from debt covenants and enabling legislation. The \$14.287 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, 2018.



The following table presents the changes in net position to fiscal year 2018 from fiscal year 2017:

**Changes in Net Position
(In Millions)**

	Governmental Activities			
	2018	2017	Difference	% Change
Revenues:				
Program revenues:				
Charges for services.....	\$ 4	\$ 2	\$ 2	100.0%
Operating grants and contributions.....	1,323	1,156	167	14.4%
Capital grants and contributions.....	61	58	3	5.2%
Total program revenues.....	<u>\$ 1,388</u>	<u>\$ 1,216</u>	<u>\$ 172</u>	14.1%
General revenues:				
Property taxes.....	\$ 2,889	\$ 2,696	\$ 193	7.2%
Replacement taxes (PPRT).....	168	228	(60)	-26.3%
Non-program state aid.....	1,452	1,212	240	19.8%
Interest and investment earnings.....	19	5	14	280.0%
Other.....	193	156	37	23.7%
Gain on sale of capital assets.....	9	7	2	28.6%
Total general revenues.....	<u>\$ 4,730</u>	<u>\$ 4,304</u>	<u>\$ 426</u>	9.9%
Total revenues.....	<u>\$ 6,118</u>	<u>\$ 5,520</u>	<u>\$ 598</u>	10.8%
Expenses:				
Instruction.....	\$ 4,449	\$ 4,024	\$ 425	10.6%
Support Services:				
Pupil Support Services.....	482	472	10	2.1%
Administrative Support Services.....	171	301	(130)	-43.2%
Facilities Support Services.....	456	465	(9)	-1.9%
Instructional Support Services.....	496	460	36	7.8%
Food Services.....	220	214	6	2.8%
Community Services.....	40	40	-	0.0%
Interest expense.....	545	448	97	21.7%
Other.....	10	13	(3)	-23.1%
Total expenses.....	<u>\$ 6,869</u>	<u>\$ 6,437</u>	<u>\$ 432</u>	6.7%
Change in net position.....	\$ (751)	\$ (917)	\$ 166	18.1%
Beginning net position (deficit).....	(13,011)	(11,971)	(1,040)	-8.7%
Implementation of GASB 82.....	-	(123)	123	100.0%
Implementation of GASB 75.....	(295)	(123)	(172)	-139.8%
Beginning net position (deficit), as restated.....	(13,306)	(12,094)	(1,212)	-10.0%
Ending net position (deficit).....	<u>\$ (14,057)</u>	<u>\$ (13,011)</u>	<u>\$ (1,046)</u>	-8.0%



Pension Funding

Employees of CPS participate in either the Public School Teachers’ Pension and Retirement Fund of Chicago (“Pension Fund”), or the Municipal Employees Annuity and Benefit Fund of Chicago (“Annuity Fund”). As of June 30, 2017, the Pension Fund reported \$10,933 million in actuarial assets and \$21,822 million in actuarial liabilities, for a funded ratio of 50.1%. In accordance with GASB 68, CPS has recorded a net pension liability of \$12,382 million in the accompanying financial statements, 100% of which is recognized by CPS. For the reasons discussed in Note 12, CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund. The CTPF property tax levy, in conjunction with the state funding of normal cost, provides two dedicated sources of revenues to fund pensions. In fiscal year 2018, CPS funded 83% of the pension contribution from these two dedicated revenue sources, significantly reducing the burden of the pension contribution on the operating fund.

Capital Assets

At June 30, 2018, CPS had \$5.960 billion invested in a broad range of capital assets, including land, buildings, improvements and equipment. This amount represents a net decrease of \$33.9 million or 0.6% over the prior fiscal year. Refer to Note 6 of the basic financial statements for more detailed information on capital assets.

(In Millions)

	2018	2017	Difference	% Change
Land.....	\$ 328	\$ 327	\$ 1	0.3%
Construction in progress.....	290	148	142	95.9%
Buildings and improvements.....	9,504	9,392	112	1.2%
Equipment and administrative software.....	222	221	1	0.5%
Internally developed software.....	8	6	2	33.3%
Total capital assets.....	<u>\$ 10,352</u>	<u>\$ 10,094</u>	<u>\$ 258</u>	2.6%
Less: accumulated depreciation.....	<u>(4,392)</u>	<u>(4,100)</u>	<u>(292)</u>	-7.1%
Total capital assets, net.....	<u>\$ 5,960</u>	<u>\$ 5,994</u>	<u>\$ (34)</u>	-0.6%

Debt and Capitalized Lease Obligations

In fiscal year 2018, the Board issued several series of long-term fixed rate bonds. First, \$500 million in Unlimited Tax General Obligation (GO) Bonds, Series 2017AB with an original issue premium of \$33.4 million were issued in July 2017. In addition, \$1.025 billion of Unlimited Tax General Obligation (GO) Bonds, Series 2017CDEFGH with an original issue premium of \$30.3 million were issued in November 2017. Finally, \$64.9 million in Dedicated Revenue Capital Improvement Tax (“CIT”) Bonds, Series 2017 with an original issue premium of \$5.6 million were issued in November 2017. The various series of bonds were issued for a combination of refunding, capital improvement program financing, payment of capitalized interest, consolidated debt service reserve funding, and payment of costs of issuance.

The debt service on the GO Bonds will be paid from a combination of General State Aid (GSA), Personal Property Replacement Taxes (PPRT) and Intergovernmental Agreement Revenues (IGA). The debt service on the CIT Bonds will be paid by a levy of a capital improvement tax that is outside the Board’s property tax cap limitation. As of June 30, 2018, CPS had \$8.8 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus \$8.2 billion last year, an increase of 7.3%. For more detailed information, please refer to Notes 9 and 10 to the basic financial statements.

Overview of Fund Financial Statements

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

Governmental Funds

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

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 CPS' 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. CPS' governmental funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. 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. 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, 2018, as compared with June 30, 2017. 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
(In Millions)

	2018 Amount	2017 Amount	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Revenues:					
Property taxes.....	\$ 2,898	\$ 2,715	33.2%	\$ 183	6.7%
Replacement taxes.....	168	228	1.9%	(60)	-26.3%
State aid.....	2,197	1,709	25.1%	488	28.6%
Federal aid.....	768	784	8.8%	(16)	-2.0%
Interest and investment earnings.....	19	5	0.2%	14	280.0%
Other.....	462	387	5.3%	75	19.4%
Subtotal.....	<u>\$ 6,512</u>	<u>\$ 5,828</u>	<u>74.5%</u>	<u>\$ 684</u>	<u>11.7%</u>
Other financing sources	2,227	886	25.5%	1,341	151.4%
Total.....	<u>\$ 8,739</u>	<u>\$ 6,714</u>	<u>100.0%</u>	<u>\$ 2,025</u>	<u>30.2%</u>
Expenditures:					
Current:					
Instruction.....	\$ 3,108	\$ 2,859	39.7%	\$ 249	8.7%
Pupil support services.....	453	441	5.8%	12	2.7%
General support services.....	890	985	11.4%	(95)	-9.6%
Food services.....	207	200	2.6%	7	3.5%
Community services.....	40	40	0.5%	-	0.0%
Teachers' pension and retirement benef	763	709	9.7%	54	7.6%
Other.....	10	13	0.1%	(3)	-23.1%
Capital outlay.....	352	217	4.5%	135	62.2%
Debt service.....	651	570	8.3%	81	14.2%
Subtotal.....	<u>\$ 6,474</u>	<u>\$ 6,034</u>	<u>82.7%</u>	<u>\$ 440</u>	<u>7.3%</u>
Other financing uses	1,355	36	17.3%	1,319	3663.9%
Total.....	<u>\$ 7,829</u>	<u>\$ 6,070</u>	<u>100.0%</u>	<u>\$ 1,759</u>	<u>29.0%</u>
Net change in fund balances.....	<u>\$ 910</u>	<u>\$ 644</u>			



General Operating Fund

The general operating fund supports the day-to-day operation of educational and related activities.

**Revenues and Other Financing Sources
(In Millions)**

	2018 Amount	2017 Amount	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Property taxes.....	\$ 2,795	\$ 2,614	45.7%	\$ 181	6.9%
Replacement taxes (PPRT).....	110	170	1.8%	(60)	-35.3%
State aid.....	1,860	1,288	30.4%	572	44.4%
Federal aid.....	723	752	11.8%	(29)	-3.9%
Interest and Investment earnings.....	6	2	0.1%	4	200.0%
Other.....	332	265	5.4%	67	25.3%
Subtotal.....	\$ 5,826	\$ 5,091	95.3%	\$ 735	14.4%
Other financing sources	287	59	4.7%	228	386.4%
Total.....	\$ 6,113	\$ 5,150	100.0%	\$ 963	18.7%

Property tax revenues increased by \$180.7 million in fiscal year 2018 as a result of collections from the 0.383% teacher pension levy approved by state statute. In addition, collections from the existing levies were higher due to growth in the Consumer Price Index for All Urban Consumers (CPI-U) of 0.7% and new property added to the tax base. Collections received on or before August 29, 2018 were recognized as revenues under the modified accrual basis of accounting.

Personal property replacement tax (PPRT) revenues are primarily composed of additional State income taxes on corporations and partnerships. These revenues decreased by \$59.6 million in fiscal year 2018 due to a prior year adjustment in fiscal year 2017, which provided a one-time increase to the statewide PPRT Fund.

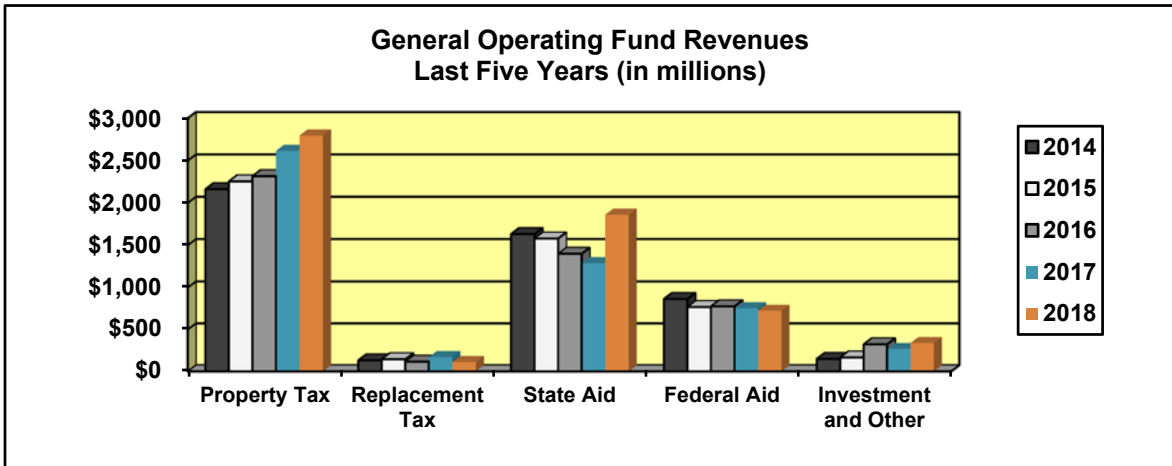
State aid revenues increased by \$571.9 million, as a result of increased timeliness of State payments and the implementation of the new State funding formula. In addition, CPS' overall state aid allocation was considerably higher in fiscal year 2018 than in fiscal year 2017 (due to the state's enactment of a hold harmless for General State Aid, creation of a new Equity Grant, and increase in Early Childhood appropriations). Overall, a higher proportion of payments were received by CPS within the revenue recognition period, and these monies were recognized as revenue for governmental funds financial reporting purposes.

Federal aid decreased by \$28.9 million in fiscal year 2018 due to the decrease of 6% of Title I allocation and smaller allocations decreases in other miscellaneous grants in fiscal year 2018.

Interest and investment earnings totaled \$6 million for fiscal year 2018, which is a 200% increase from the prior year. The CPS investment policy dictates that investments in the operating fund are to be shorter in duration in order to maintain liquidity. CPS ended 2018 with higher investment earnings from the prior year mainly due to moderate increases in short-term interest rates and higher available cash on hand.

Other revenues are derived from local sources such as intergovernmental revenues, Tax Increment Financing ("TIF") surplus funds and other miscellaneous revenues. TIF surplus funds received, along with the "Transit" TIF funds allocated to CPS from the City of Chicago, accounted for \$124.9 million of the \$332.3 million in other revenues recorded in fiscal year 2018. City Of Chicago pension contributions (to MEABF) made on behalf of administrative CPS personnel, were recorded as on-behalf revenue of \$76.6 million.





Expenditures
(In Millions)

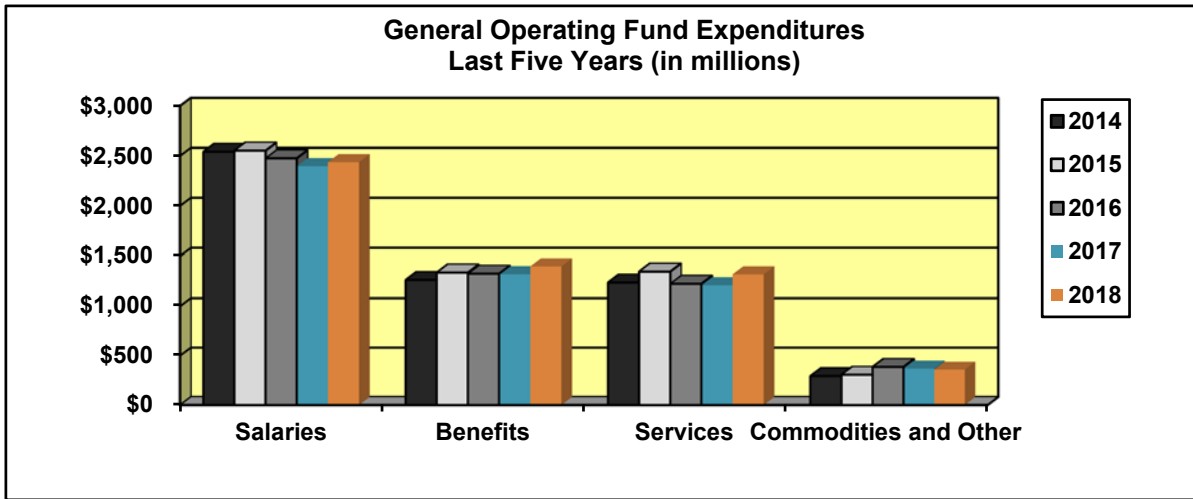
	2018 Amount	2017 Amount	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Salaries.....	\$ 2,437	\$ 2,397	44.2%	\$ 40	1.7%
Benefits.....	1,399	1,321	25.4%	78	5.9%
Services.....	1,320	1,211	23.9%	109	9.0%
Commodities.....	253	251	4.6%	2	0.8%
Other.....	105	118	1.9%	(13)	-11.0%
Total.....	\$ 5,514	\$ 5,298	100.0%	\$ 216	4.1%

Salaries increased by \$39.8 million or 1.7% due to an increase in instructional personnel in support of additional programs and initiatives, as well as additional staff in the Office of Diverse Learners and Support Services in fiscal year 2018.

Benefits expenses increased by \$77.8 million in fiscal year 2018. This change correlates to the increase in overall salaries, as benefits were provide for additional staff. CPS also realized a \$53.9 million increase in pension expense driven by higher required contributions to the Chicago Teachers' Pension Fund.

Services expenses increased by \$109.1 million or 9%, driven mostly by \$52.9 million in professional and technical services, \$34.7 million in increased payments to charter schools, \$10 million in transportation costs and \$8.2 million in telecommunications costs (non-Federal E-Rate). Year over year growth in service expenses was partially driven by the further expansion of outsourced facilities management into new zones, and an increase in charter tuition payments as a result of changes to the Board's per capita tuition charge - P.A. 100-465.

Commodities expenses were nearly flat from fiscal year 2017 with an increase of just \$2 million or 0.8%. Energy costs were lower by \$8.3 million and instructional materials (textbooks) and supplies purchases increased by \$7.0 and \$2.6 million respectively. Food services expenditures were lower by just \$400 thousand.



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.

**Revenues and Other Financing Sources
(In Millions)**

	2018 Amount	2017 Amount	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Property Taxes.....	\$ 8	\$ 48	1.8%	\$ (40)	-83.3%
State aid.....	14	30	3.1%	(16)	-53.3%
Federal aid.....	20	7	4.5%	13	185.7%
Interest and investment earnings.....	7	2	1.6%	5	250.0%
Other.....	28	21	6.3%	7	33.3%
Subtotal.....	\$ 77	\$ 108	17.3%	\$ (31)	-28.7%
Other financing sources	\$ 368	\$ 818	82.7%	\$ (450)	-55.0%
Total.....	\$ 445	\$ 926	100.0%	\$ (481)	-51.9%

Property tax revenues were collected in the Capital Projects Fund in fiscal year 2018, as a result of the Chicago City Council authorized Capital Improvement Tax in 2016. Net collections received were \$8.1 million, down from the 2017 total of \$48.4 million due to the majority of the revenue being used for debt services in the current year.

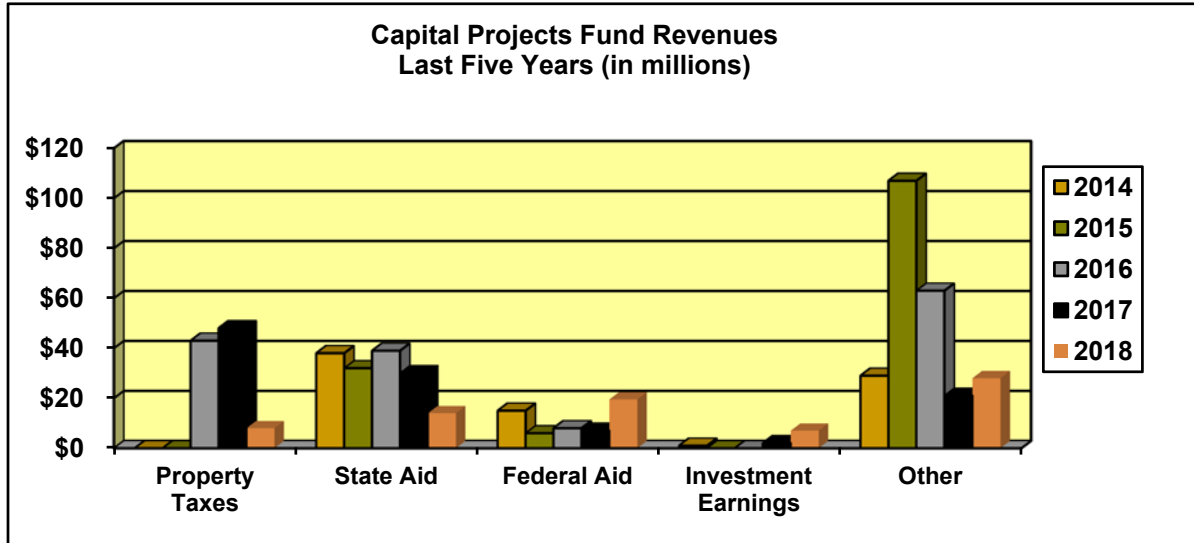
State aid revenues decreased by \$16.1 million from fiscal year 2017 due to lower cash receipts for restricted state grants for capital construction.

Federal aid revenues in fiscal year 2018 increased by \$12.8 million due to higher E-Rate reimbursements from the Federal Communications Commission.

Other revenues were \$7.4 million or 33.3% higher in fiscal year 2018 from 2017, due to an increase in capital project related cash reimbursements from Intergovernmental Agreement (IGA) revenues from the City of Chicago, and projects supported by TIF funds.



Other financing sources decreased \$450 million or 55.0% due to the new debt issued for capital projects in fiscal year 2017 versus the current year.

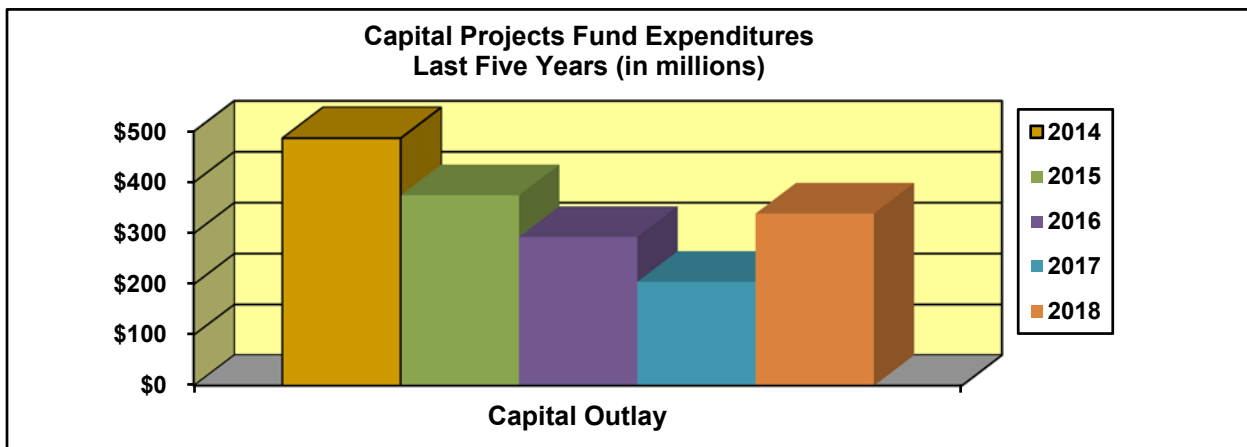


Expenditures
(In Millions)

	2018 Amount	2017 Amount	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Capital Outlay.....	\$ 339	\$ 205	\$ 134	65%

Capital outlay

The actual spending on capital outlay increased \$134.4 million in 2018 from the expenditure of bond proceeds and other capital financing sources for approved capital projects. In 2017, bonds were issued to support the increased CPS capital plan of \$811.6 million and \$348.2 million was issued in 2018. The number of projects initiated in 2018 increased and contributed to the higher spending. Encumbrances in the capital funds as of June 30, 2018 totaled \$266.8 million.

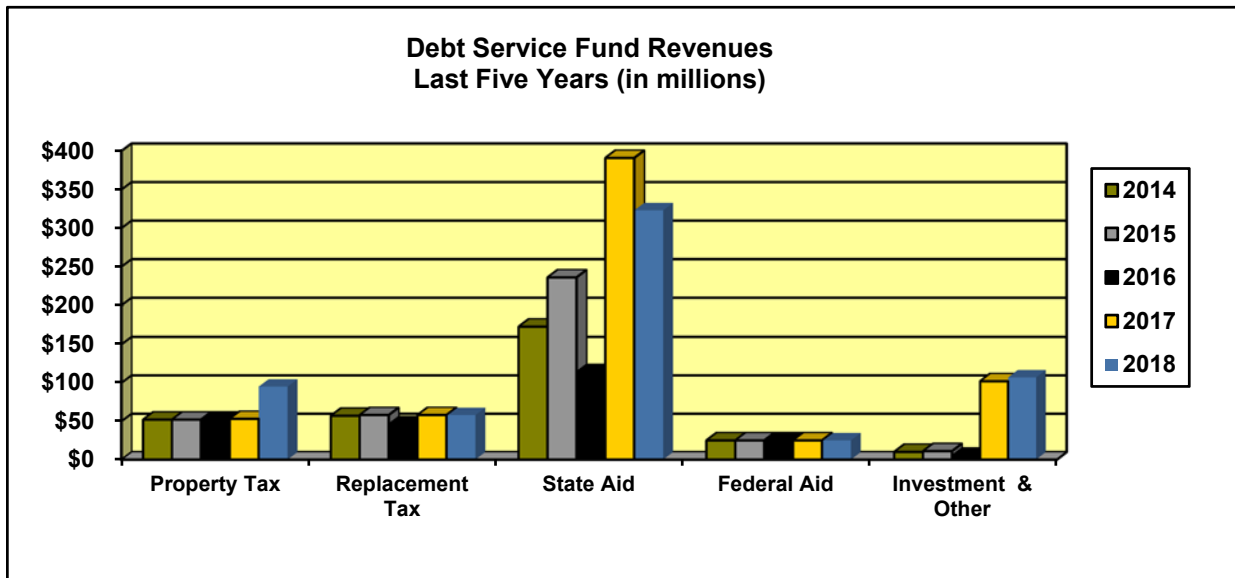


Debt Service Fund

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
(In Millions)**

	2018 Amount	2017 Amount	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Property taxes.....	\$ 95	\$ 53	3.9%	\$ 42	79.2%
Replacement taxes (PPRT).....	58	58	2.4%	-	0.0%
State aid.....	323	391	13.1%	(68)	-17.4%
Federal aid.....	25	25	1.0%	-	0.0%
Interest and investment earnings	6	1	0.2%	5	500.0%
Other.....	101	101	4.1%	-	0.0%
Subtotal.....	\$ 608	\$ 629	24.6%	\$ (21)	-3.3%
Other financing sources	1,859	68	75.4%	1,791	2633.8%
Total.....	\$ 2,467	\$ 697	100.0%	\$ 1,770	253.9%



Property tax revenues increased by \$42.5 million from the receipt of property tax collections from the CIT Levy being used for debt service payments in fiscal year 2018. The non-CIT property tax revenues remained flat from fiscal year 2017, as there was no change in the levy extension, which drives the collection of these funds used to pay down debt service obligations.

Personal property replacement tax (PPRT) revenues presented no change from fiscal year 2017, as these funds were dedicated to the payment of debt service.

State aid revenues related to debt service for fiscal year 2018 are comprised of two revenue sources, Evidence-Based Funding (EBF) and State School Construction funds administered through the Capital Development Board (CDB). A total of \$323.4 million in revenues from these and other sources was allocated to support outstanding debt, a decrease of \$67.7 million from fiscal year 2017.

Federal aid totaling \$24.9 million in fiscal year 2018 remained unchanged from fiscal year 2017. These revenues are attributed to receipts on behalf of Federal subsidies from the issuance of Build America Bonds (“BABs”).

Interest and investment earnings totaled \$5.6 million in 2018, an increase of \$4.5 million over last year. Changes in the market value of securities in compliance with applicable GASB standards are recorded here also.

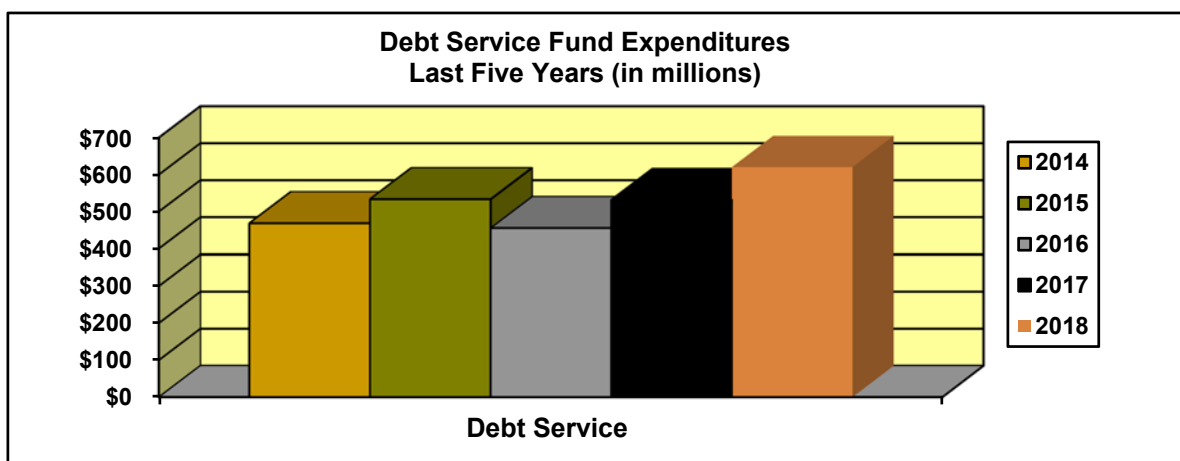
Other revenues account for one-time local revenues and/or the disbursement of property tax revenues from the City of Chicago (based on specific IGAs) allocated for debt service. These revenues were unchanged from fiscal year 2017.

Other financing sources reflect an increase of \$1.791 billion in fiscal year 2018 due to net proceeds received from debt issuances (new money and refundings) of \$1.859 billion in the current year versus just \$67.9 million in the prior year.



**Expenditures
(In Millions)**

	2018 Amount	2017 Amount	Increase (Decrease) from 2017	Percent Increase (Decrease) from 2017
Debt Service.....	\$ 620	\$ 531	\$ 89	17%



Debt service costs

The overall debt service cost for fiscal year 2018 increased by \$89 million, primarily due to the principal repayments on new issues. The amount paid for other fees was similar when compared to fiscal year 2017.

Notes to the Basic Financial Statements

The notes to the basic financial statements follow the statements in the report and complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

Comparative Budgets for General Operating Fund

In August 2016, the Board adopted a balanced budget for fiscal year 2017 that reflected total resources appropriations of \$5.460 billion, including \$81 million of restricted fund balances. In February 2017, the Board adopted a final amended budget for fiscal year 2017 that reflected total resources and appropriations of \$5.411 billion, including \$81 million of restricted fund balances.

In August 2017, the Board adopted a balanced budget for fiscal year 2018 that reflected total resources, including \$57 million of restricted fund balances, and appropriations of \$5.750 billion. In October 2017, the Board adopted a final amended budget for fiscal year 2018 that reflected total resources, including \$57 million of restricted fund balances, and appropriations of \$5.699 billion.

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 General Operating Fund ended fiscal year 2018 with a surplus of \$599 million, which compared favorably with the budgeted deficit of \$57 million.



Financial Section

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 ended June 30, 2018.

**Revenues, Other Financing Sources & Expenditures
General Operating Fund
Budget to Actual Comparison
(In millions)**

**Revenues, Other Financing Sources & Expenditures
General Operating Fund
Budget to Actual Comparison
(In millions)**

	<u>FY2018 Original Budget</u>	<u>Supplemental Appropriations & Transfers In/(Out)</u>	<u>Final Appropriations</u>	<u>Fiscal FY2018 Actual</u>	<u>Over (under) Budget</u>
Revenues:					
Property taxes.....	\$ 2,809	\$ -	\$ 2,809	\$ 2,795	\$ (14)
Replacement taxes.....	90	-	90	110	20
State aid.....	1,699	-	1,699	1,860	161
Federal aid.....	773	-	773	723	(50)
Interest and investment earnings.....	1	-	1	6	5
Other.....	270	-	270	332	62
Subtotal.....	\$ 5,642	\$ -	\$ 5,642	\$ 5,826	\$ 184
Other financing sources (uses).....	-	-	-	287	287
Total.....	\$ 5,642	\$ -	\$ 5,642	\$ 6,113	\$ 471
Expenditures:					
Current:					
Salaries.....	\$ 2,410	\$ 26	\$ 2,436	\$ 2,437	\$ 1
Benefits.....	1,400	(11)	1,389	1,399	10
Services.....	1,323	141	1,464	1,320	(144)
Commodities.....	243	41	284	253	(31)
Other.....	323	(197)	126	105	(21)
Total.....	\$ 5,699	\$ 0	\$ 5,699	\$ 5,514	\$ (185)
Change in fund balances.....	\$ (57)			\$ 599	



Revenues

Actual General Operating Fund revenues were \$471 million over budget primarily from \$287 million in excess debt services funds returned to the Board as a result of debt restructurings. In addition, the variance is due to the following:

Property tax revenues generated a negative variance of \$14 million in fiscal year 2018. This is right in line with the District's levy and extensions at the start of the fiscal year, and the negative variance is largely due to a slightly lower than expected collection percentage.

Personal property replacement taxes (PPRT) revenues received by CPS were \$20 million higher than budgeted in fiscal year 2018. This was driven largely by the one-off impact of changes to the federal tax law passed in November 2017, and an improving business climate around the state of Illinois.

State aid received by CPS in fiscal year 2018 was \$161 million greater than anticipated. Compared to previous years, the state accelerated the payment of categorical grants such that a smaller percentage of the FY2018 state appropriation was left unpaid to CPS by the end of FY2018. This is a one-off change, assuming that the state Comptroller's office maintains the current increased pace of disbursements of funds to local governments like CPS.

Federal aid revenues were \$50 million below budget due to a lower than expected spend. Lunchroom revenue was roughly \$11 million below budget because fewer meals were served, thus reducing CPS' reimbursement (but with an associated cost reduction). Title I and Title II were roughly \$39 million below budget due to historic underspend at the school and district level.

Other local revenues are comprised of miscellaneous or one-time receipts such as appropriated fund-balance, TIF surplus funds (including Transit TIF funds), rental income, daycare fees, private foundation grants, school internal account fund transfers, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were \$62 million higher than budget for fiscal year 2018. Transit TIF revenues were \$10 million higher than budgeted, because of quicker than expected growth in property value in the area of the Red Line Transit TIF. Additionally, TIF revenues from the surplus declared by the Mayor were slightly higher than expected, and there were higher than projected revenues from funds raised by schools, as well as other miscellaneous revenue sources.

Expenditures

Actual General Operating Fund expenditures were \$185 million under budget. The variance is primarily due to the following:

Salaries expenses for the fiscal year 2018 totaled \$2.44 billion and \$1 million over budget. While teacher salaries were under budget, this was offset by higher spending on teacher and ESP extended day pay for afterschool and supplemental programming, as well as higher than expected substitute spending.

Benefits costs are composed of health care (medical, dental, other), unemployment compensation, workers compensation, and pension costs. Benefit costs for fiscal year 2018 were \$1.39 billion and \$10 million over budget due primarily to higher than expected spending on teacher and ESP pension costs (due to higher on-behalf contribution expense). For budgetary purposes, all funding is paid to charters as a "charter tuition" expense (aggregated under Services, below). However, pension payments made on behalf of eligible charter schools teachers are recorded as pension expense (included in this category). Charter schools currently reimburse CPS for this expense and the offsetting revenue is also recognized.



Financial Section

Services related to student transportation, tuition for charter schools and special education purposes, including contractual and professional services, telephone, printing and equipment rental, were budgeted at \$1.46 billion for fiscal year 2018. CPS ended the year \$144 million below budget in this category. Contributing factors include lower than expected enrollment in charters impacting charter school tuition expenses.

Commodities expenditures are derived from utilities, food for school breakfast/lunch, textbooks, and general supplies. Fiscal year 2018 spending on commodities was lower than budget by \$31 million. Lower than expected utilities costs was the largest source of variance, while lower than expected participation in school lunch and breakfast, and decreased spending on software, supplies and postage were the other contributing factors.

Other expenditures includes equipment, facility rental, insurance, repairs, and for budgetary purposes, contingencies for new grants. In total, spending for the “other” category ended the year at \$21 million under budget.

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
Department of Finance
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602

Or visit our website at: http://cps.edu/About_CPS/Financial_information/Pages/Annualreport.aspx 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.)





CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF NET POSITION
June 30, 2018
(Thousands of Dollars)

	GOVERNMENTAL ACTIVITIES
Assets:	
Current assets:	
Cash and investments.....	\$ 164,784
Cash and investments in escrow.....	1,039,219
Cash and investments held in school internal accounts.....	47,824
Property taxes receivable, net of allowance.....	1,430,486
Other receivables:	
Replacement taxes.....	28,668
State aid, net of allowance.....	137,723
Federal aid, net of allowance.....	144,176
Other, net of allowance.....	66,819
Total current assets:.....	<u>\$ 3,059,699</u>
Non-current assets:	
Cash and investments in escrow.....	\$ 567,730
Prepaid item.....	10,997
Land and construction in progress.....	618,080
Buildings, building improvements and equipment, net of accumulated depreciation....	5,342,416
Total non-current assets:.....	<u>\$ 6,539,223</u>
Total assets.....	<u>\$ 9,598,922</u>
Deferred outflows of resources:	
Deferred charge on refunding.....	\$ 129,381
Deferred pension outflows.....	1,885,866
Total deferred outflow of resources:.....	<u>\$ 2,015,247</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

	GOVERNMENTAL ACTIVITIES
Liabilities:	
Current liabilities:	
Accounts payable.....	\$ 395,704
Accrued payroll and benefits.....	201,091
Amount held for student activities.....	47,824
Due to teacher's pension fund.....	253,028
Tax anticipation note.....	599,911
Other accrued liabilities.....	16,981
Unearned revenue.....	12,051
Interest payable.....	60,312
Current portion of long-term debt and capitalized lease obligations.....	193,629
Total current liabilities:	<u>\$ 1,780,531</u>
Long-term liabilities, net of current portion:	
Debt, net of premiums and discounts.....	\$ 8,550,332
Capitalized lease obligations.....	28,375
Other accrued liabilities.....	9,827
Net pension liability.....	12,382,417
Other post employment benefits.....	2,270,891
Other benefits and claims.....	398,278
Total long-term liabilities:	<u>\$ 23,640,120</u>
Total liabilities:	<u>\$ 25,420,651</u>
Deferred inflows of resources:	
Deferred other post employment benefit inflows.....	\$ 124,978
Deferred pension inflows.....	125,419
Total deferred inflow of resources:	<u>\$ 250,397</u>
Net position (deficit):	
Net investment in capital assets.....	\$ (743,406)
Restricted for:	
Debt service.....	744,517
Capital projects.....	167,172
Grants and donations.....	52,333
Teacher's pension contributions.....	9,287
Unrestricted.....	(14,286,782)
Total net position (deficit):	<u>\$ (14,056,879)</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, 2018
(Thousands of dollars)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction.....	\$ 4,449,069	\$ 698	\$ 734,174	\$ 42,728	\$ (3,671,469)
Support services:					
Pupil support services.....	481,371	-	79,308	4,616	(397,447)
Administrative support services....	171,493	-	104,950	1,644	(64,899)
Facilities support services.....	455,563	-	79,905	4,650	(371,008)
Instructional support services.....	496,199	-	81,881	4,765	(409,553)
Food services.....	219,809	3,356	235,877	2,108	21,532
Community services.....	39,863	-	6,608	385	(32,870)
Interest expense.....	544,857	-	-	-	(544,857)
Other.....	10,015	-	-	-	(10,015)
Total governmental activities.....	<u>\$ 6,868,239</u>	<u>\$ 4,054</u>	<u>\$ 1,322,703</u>	<u>\$ 60,896</u>	<u>\$ (5,480,586)</u>
General revenues:					
Taxes:					
Property taxes.....					\$ 2,889,401
Replacement taxes.....					168,254
Non-program state aid.....					1,451,897
Interest and investment earnings.....					19,022
Other.....					192,715
Gain on sale of capital assets					8,674
Total general revenues					<u>\$ 4,729,963</u>
Change in net position.....					(750,623)
Net position - beginning (deficit) as restated.....					<u>(13,306,256)</u>
Net position - ending (deficit).....					<u>\$ (14,056,879)</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, 2018
(Thousands of dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	\$ 164,400	-	\$ 384	\$ 164,784
Cash and investments in escrow.....	576	923,132	683,241	1,606,949
Cash and investments held in school internal accounts.....	47,824	-	-	47,824
Receivables:				
Property taxes, net of allowance.....	1,359,637	7,527	63,322	1,430,486
Replacement taxes.....	28,668	-	-	28,668
State aid, net of allowance.....	136,617	1,106	-	137,723
Federal aid, net of allowance.....	141,062	-	3,114	144,176
Other, net of allowance.....	20,313	5,332	41,174	66,819
Due from other funds.....	3,396	-	-	3,396
Total assets.....	<u>\$ 1,902,493</u>	<u>\$ 937,097</u>	<u>\$ 791,235</u>	<u>\$3,630,825</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable.....	\$ 363,712	\$ 30,422	\$ 1,570	\$ 395,704
Accrued payroll and benefits.....	128,012	-	-	128,012
Amount held for student activities.....	47,824	-	-	47,824
Due to other funds.....	-	3,242	154	3,396
Due to teacher's pension fund.....	253,028	-	-	253,028
Tax anticipation notes.....	599,911	-	-	599,911
Unearned revenue.....	5,490	6,561	-	12,051
Interest payable.....	15,659	-	-	15,659
Total liabilities.....	<u>\$ 1,413,636</u>	<u>\$ 40,225</u>	<u>\$ 1,724</u>	<u>\$1,455,585</u>
Deferred inflows of resources:				
Unavailable property tax revenue	\$ 30,892	\$ 884	\$ 880	\$ 32,656
Other unavailable revenue.....	134,201	877	3,114	138,192
Total deferred inflows.....	<u>\$ 165,093</u>	<u>\$ 1,761</u>	<u>\$ 3,994</u>	<u>\$ 170,848</u>
Fund balances:				
Nonspendable	\$ 429	-	-	\$ 429
Restricted for grants and donations.....	52,333	-	-	52,333
Restricted for teacher's pension contributions	9,287	-	-	9,287
Restricted for capital improvement program.....	-	895,111	-	895,111
Restricted for debt service.....	-	-	785,176	785,176
Assigned for debt service	-	-	341	341
Assigned for commitments and contracts	18,044	-	-	18,044
Unassigned	243,671	-	-	243,671
Total fund balances.....	<u>\$ 323,764</u>	<u>\$ 895,111</u>	<u>\$ 785,517</u>	<u>\$2,004,392</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 1,902,493</u>	<u>\$ 937,097</u>	<u>\$ 791,235</u>	<u>\$3,630,825</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 POSITION

June 30, 2018

(Thousands of dollars)

Total fund balances - governmental funds.....	\$ 2,004,392
Certain items that are recorded as expenditures in the governmental funds are treated as assets in the Statement of Net Position. These items include:	
Prepaid bond insurance costs.....	10,997
Deferred outflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements.....	2,015,247
The cost of capital assets (land, buildings and improvements, equipment and software) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position 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.....	10,352,253
Accumulated depreciation.....	(4,391,757)
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 are not recorded in the governmental funds but they are reported in the Statement of Net Position. All liabilities, both current and long-term, are reported in the Statement of Net Position.	
Other accrued liabilities.....	\$ (26,808)
Debt, net of premiums and discounts.....	(8,697,941)
Capitalized lease obligations.....	(74,395)
Net pension liability.....	(12,382,417)
Total other post employment benefits liability.....	(2,270,891)
Other benefits and claims.....	(471,357)
	(23,923,809)
Interest payable.....	(44,653)
Certain revenues are deferred inflows of resources in the governmental funds because they are not available but are recognized as revenue in the government-wide financial statements.	
Property tax revenue.....	32,656
Other.....	138,192
Deferred inflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements.....	(250,397)
Net position (deficit).....	<u><u>\$ (14,056,879)</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 AND NET CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2018

With Comparative Amounts for the Fiscal Year Ended June 30, 2017

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2018	Total Fiscal Year Ended June 30, 2017
Revenues:					
Property taxes.....	\$ 2,794,613	\$ 8,106	\$ 95,151	\$ 2,897,870	\$ 2,714,956
Replacement taxes.....	109,997	-	58,257	168,254	227,921
State aid.....	1,859,582	14,019	323,355	2,196,956	1,708,865
Federal aid.....	723,432	19,498	24,998	767,928	783,943
Interest and investment earnings.....	6,099	7,305	5,618	19,022	5,442
Other.....	332,323	28,457	100,912	461,692	387,045
Total revenues.....	\$ 5,826,046	\$ 77,385	\$ 608,291	\$ 6,511,722	\$ 5,828,172
Expenditures:					
Current:					
Instruction.....	\$ 3,108,443	\$ -	\$ -	\$ 3,108,443	\$ 2,859,105
Pupil support services.....	453,389	-	-	453,389	441,324
Administrative support services.....	161,524	-	-	161,524	281,383
Facilities support services.....	380,100	-	-	380,100	376,376
Instructional support services.....	346,690	-	-	346,690	327,184
Food services.....	207,042	-	-	207,042	199,944
Community services.....	40,047	-	-	40,047	39,607
Teachers' pension and retirement benefits.....	762,816	-	-	762,816	708,941
Other.....	10,016	-	-	10,016	12,691
Capital outlay.....	12,839	339,189	-	352,028	217,303
Debt service.....	30,974	-	620,431	651,405	569,694
Total expenditures.....	\$ 5,513,880	\$ 339,189	\$ 620,431	\$ 6,473,500	\$ 6,033,552
Revenues in excess of (less than) expenditures.....	312,166	(261,804)	(12,140)	38,222	(205,380)
Other financing sources (uses):					
Gross amounts from debt issuances.....	\$ -	\$ 348,211	\$ 1,803,939	\$ 2,152,150	\$ 879,580
Premiums.....	-	9,848	55,505	65,353	-
Discounts.....	-	(2,675)	(30,757)	(33,432)	(36,097)
Insurance proceeds.....	-	-	-	-	224
Sales of general capital assets.....	-	9,442	-	9,442	6,272
Payment to refunded bond escrow agent.....	-	-	(1,321,865)	(1,321,865)	-
Transfers in / (out).....	286,828	(497)	(286,331)	-	-
Total other financing sources (uses).....	\$ 286,828	\$ 364,329	\$ 220,491	\$ 871,648	\$ 849,979
Net change in fund balances.....	\$ 598,994	\$ 102,525	\$ 208,351	\$ 909,870	\$ 644,599
Fund balances (deficit), beginning of period.....	(275,230)	792,586	577,166	1,094,522	449,923
Fund balances, end of period.....	\$ 323,764	\$ 895,111	\$ 785,517	\$ 2,004,392	\$ 1,094,522

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, 2018

(Thousands of dollars)

Total net change in fund balances - governmental funds.....	\$	909,870
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 Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which the depreciation exceeds capital outlays in the period.		
Capital outlay/equipment.....	\$	265,274
Depreciation expense.....		<u>(298,372)</u>
		(33,098)
In the Statement of Activities, gain or loss on disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds are recorded.....		(768)
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 Position (Net of discount of \$33,432 and premiums of \$65,353).....		(2,184,071)
Payments to refunded escrow agent are reported in the governmental funds as a source of financing use, whereas they are recorded as reductions of long term liabilities in the Statement of Net Position.....		1,321,865
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.....		144,717
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.....		(30,541)
Government funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities		13,246
Since some property taxes and intergovernmental amounts will not be collected for several months after CPS' fiscal year end, they are not considered as "available" revenues in the governmental funds and are instead recorded as unavailable revenues. They are, however, recorded as revenues in the Statement of Activities. The following represents the change in related unavailable revenue balances.		
Property taxes.....		(8,469)
Federal grants.....		(5,886)
State grants and other revenues.....		(155,434)
In the Statement of Activities, pollution remediation obligation, vacant property demolition obligation, legal settlements, sick pay, vacation pay, workers' compensation and unemployment insurance, general and automobile liability, net pension liability, and total other postemployment liability are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are paid when the amounts become due. The following represents the change during the year for these obligations.		
Pollution remediation obligation		(4,393)
Vacant property demolition obligation.....		2,447
Tort liabilities and other claims.....		2,830
Other litigation and claims.....		4,444
Sick pay.....		17,292
Vacation pay.....		756
Workers' compensation and unemployment insurance.....		10,618
General and automobile liability.....		(8,924)
Net pension liability.....		(680,862)
Total other postemployment benefits liability.....		<u>(66,262)</u>
Change in net position.....	\$	<u>(750,623)</u>

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, 2018

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 2018, CPS adopted the following GASB Statements:

- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). Statement issued in June 2015. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplemental information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement impacted the measurement of the OPEB liability and resulted in a restatement of \$295.6 million for the difference between the June 30, 2017 before GASB 75 implementation and after implementation. See Note 13 for additional information on OPEB.
- GASB 81, *Irrevocable Split-Interest Agreements*. Statement issued in March 2016. This Statement provides accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement had no effect on CPS.
- GASB 85, *Omnibus 2017*. Statement issued in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement had no effect on CPS.

- GASB 86, *Certain Debt Extinguishment Issues*. Statement issued in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement had no effect on CPS.

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

- GASB 83, *Certain Asset Retirement Obligations*. Statement issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement is effective for the fiscal year ending June 30, 2019. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 84, *Fiduciary Activities*. Statement issued January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the District's fiscal year ending June 30, 2020. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 87, *Leases*. Statement issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the District's fiscal year ending June 30, 2021. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 88, *Certain Disclosures Related to Debt*. In March 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for the District's fiscal year



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ending June 30, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

- GASB 89, *Accounting for Interest Cost Incurred*. In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement is effective for the District's fiscal year ending June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.
- GASB 90, *Majority Equity Interest- an amendment of GASB Statement No. 14 and No. 61*. In August 2018, GASB issued Statement No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is effective for the District's fiscal year ending June 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

Description of Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Position 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. Deferred outflows of resources represent consumption of resources that is applicable to future reporting periods and is reported in a separate section after assets. Deferred inflows of resources represent acquisition of resources that is applicable to future reporting periods and is reported in a separate section after liabilities.

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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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, State aid, Federal aid, replacement taxes, IGA, and other revenue are considered to be available if collected within 60 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 derivatives, compensated absences, claims and judgments, other postemployment benefits, pension benefits 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
- Workers' and Unemployment Compensation/Tort Immunity Program
- Public Building Commission Operations and Maintenance Program
- Chicago Teacher's Pension Fund Pension Levy 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 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, Dedicated Revenue Capital Improvement Tax 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.

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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position 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.

Cash and Investments in Escrow

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

Property Tax Receivable

CPS records its property tax 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 2017 property taxes were levied for fiscal year 2018 in August 2017 and were billed in fiscal year 2018. In 2018, 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 inflows of resources until the Board passes the levy for the current fiscal year.

Interfund Activity

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. CPS also capitalizes internally developed software with a capitalization threshold of \$75,000 or more. Donated capital assets are recorded at acquisition value.

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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. See Note 6 for additional information on impairments.

Depreciation of buildings and building improvements of CPS is calculated using the straight-line method. Equipment is depreciated using the straight-line method. 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 employees' actual daily wages. 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 Position. Bond premiums and discounts, as well as prepaid insurance, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable as reported includes the unamortized balances of bond premiums and discounts. Prepaid insurance costs are reported as other assets 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 insurance 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 and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – In the government-wide financial statements, for purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Teachers' Pension and of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB— In the government-wide financial statements, for purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago.

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 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, 2018.

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. As of fiscal year 2018, CPS' Board has not delegated the authority to assign amounts to be used for specific purposes to a body or official. 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.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position -- The Statement of Net Position includes the following:

Net investment in capital assets — the component of net position 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted for debt service — the component of net position with constraints placed on the use of debt service 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 capital projects — the component of net position with constraints placed on the use of capital project 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 position 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' compensation/tort immunity — the component of net position 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. For fiscal year 2018, no amounts of net position are restricted for worker's compensation/tort immunity.

Restricted for teacher's pension contributions — the component of net position 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.

Unrestricted — consists of net position that does not meet the criteria of the four 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 accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CPS' financial statements for the year ending June 30, 2017, from which the summarized information was derived.

Management's Use of Estimates -- The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources 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. Unencumbered appropriations, in General operating and Debt Service funds, lapse at fiscal year-end.

Certain funding allocations (primarily Federal and State programs) are made to schools but may not be 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 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. 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 and/or expenditures to be incurred in fiscal year 2018. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

The Debt Service Fund expenditures exceed its appropriations. The variance in this fund in Fiscal Year 2018 is a result of the recording of certain debt service payments in regards to bond refunding transactions which were not originally budgeted for, but were economically beneficial to the District.,



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.

As part of the annual budgetary process, CPS adopts a resolution each December in which it is determined to levy real estate taxes. In FY18, CPS adopted a resolution for its tax levy in August 2017. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in a 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.

Legal limitations on tax rates and the rates extended in calendar years 2018 and 2017 are shown below.

	Maximum 2018 Legal Limit	Tax Rates Extended Per \$100 of EAV	
		2018	2017
General Operating Fund:			
Educational	(A)	\$ 3.161	\$ 3.115
Teachers' Pension	(B)	0.551	0.367
Workers' and Unemployment Compensation/Tort Immunity	(C)	0.039	0.107
Debt Service Fund:			
Public Building Commission Leases Program	(D)	0.128	0.072
Capital Fund:			
Capital Improvement	(E)	0.011	0.065
		<u>\$ 3.890</u>	<u>\$ 3.726</u>

- A. The maximum legal limit for educational purposes under PTELL cannot exceed \$4.00 per \$100 of EAV (105 ILCS 5/34-53), and the total amount billed (extended) under the General Operating Fund is subject to the PTELL as described above.
- B. The tax cap limitation contained in the PTELL does not apply to the taxes levies by CPS for the Teacher Pension. The law creating the Teacher Pension levy became effective in 2016 (105 ILCS 5/34-53). For calendar year 2016, the Teacher Pension levy tax rate cannot exceed \$0.383 per \$100 of EAV and for calendar year 2017 and all later years the tax rate cannot exceed \$0.567 per \$100 of EAV. Property tax collections for the Teacher Pension levy are paid directly to the Chicago Teacher Pension Fund by the County Treasurer.
- C. These tax rates are not limited by law, but are subject to the PTELL as described above.



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

- D. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS to make its lease payments related to the certificates of participation debt obligations.
- E. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS for the Capital Improvement Tax (CIT). Per (105 ILCS 5/34-53.5), the CIT act became effective in 2002 and requires the initial levy of the CIT made by the Board to be authorized by a one-time approval of the Chicago City Council, which approved the CIT in 2015. The CIT Act establishes maximum authorized amounts of the CIT that can be levied each calendar year equal to the cumulative inflationary growth on a base of \$142.5 million starting in 2003.

Note: The City of Chicago established a Transit TIF levy to provide a portion of the matching funds required to leverage more than \$1 billion in federal funding for CTA capital projects. The City received its first Transit TIF distribution on July 11, 2017. A portion of the levy was distributed to various taxing districts within the City including Chicago Public Schools. CPS' portion of the Transit TIF is not available until the actual time of collection. A separate agency number was established to track the collections in February 2018. The total amount generated by the Transit TIF in fiscal year 2018 was \$20.9 million (gross). The tax cap limitation contained in the PTELL does not apply to the taxes received by CPS for the Transit TIF.

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

	Fund Financial Statements	Government Wide- Financial Statements
Revenues:		
Evidence based funding unrestricted revenue.....	\$ 1,540,295	\$ 1,540,295
Educational services block grant.....	122,607	(88,398)
State pension contribution revenue.....	232,992	-
Other restricted state revenue.....	301,062	362,182
Total state aid.....	<u>\$ 2,196,956</u>	<u>\$ 1,814,079</u>
Program Revenues:		
Operating grants and contributions.....		(362,182)
Non-program general state aid.....		<u>\$ 1,451,897</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 General Operating Fund represent deposits for the repayment of short term borrowing held by an escrow agent. The cash and investments in escrow in the Debt Service Fund represent the amount available for debt service payments on the Unlimited Tax GO Bonds and PBC Leases. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax GO Bonds and other revenues.

Cash and Deposits

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.

Custodial Credit Risk — Custodial credit risk for deposits is the risk that in the event of a financial institution failure, CPS deposits may not be returned. The CPS Investment Policy requires collateral with an aggregate market value of not less than 110% of the original acquisition price, including principal and accrued interest, on depository account balances, banker's acceptances and certificates of deposit unless the bank meets certain rating and/or asset size requirements unless either: 1) the bank has assets exceeding \$500 million; or 2) the applicable instrument is insured at the time of purchase by an entity with long-term ratings in one of the highest 2 classifications without regard to gradation, in which case collateralization is not required. 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 be only those securities authorized as allowable investments.

As of June 30, 2018, the book amount of the CPS' deposit accounts was \$43.8 million. The bank balances totaled \$54.3 million as of June 30, 2018. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2018. The bank balance was covered by Federal depository insurance and by collateral held by third-party custodians.

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 and CPS' Investment Policy is derived from this Act. The 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 at A1/A+ or better by a rating service of nationally recognized expertise in rating bonds of states and their political subdivision. All mutual funds purchased invest in eligible securities outlined in the parameters of the CPS Investment Policy and meet certain other regulatory requirements.



NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

The CPS Investment Policy contains the following stated objectives:

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

Custodial Credit Risk — All CPS investment securities shall be held by a third party custodian in accordance with municipal ordinances to the extent required by state statute. The CPS treasurer shall periodically review the approved depositories to evaluate counterparty risk. In order to further reduce custodial risk, investments are registered and held in the name of CPS. The collateral requirements for investments with depository balances is the same as those for cash and deposits (disclosed above). Repurchase agreement investments are required to have collateral not less than 102% of the acquisition price.

At June 30, 2018, CPS had the following cash, investments and maturities \$(000's):

<u>Investment Type</u>	<u>Ratings</u>	<u>Carrying Amount</u>	<u>Maturities</u>		
			<u>Less Than 1 Year</u>	<u>Maturities 1 to 5 Years</u>	<u>Maturities 6 to 10 Years</u>
Repurchase Agreements.....	A3/BBB+	\$ 11,655	\$ -	\$ 11,655	\$ -
U.S. Government Agency Securities.....	Aaa/AA+/AAA	137,016	14,809	122,207	-
U.S. Government Treasury Notes.....	AA+/Aaa	539,217	314,207	97,470	127,540
U.S. Government State & Local Government Series Securities (SLGS)....	AA+/Aaa A-1/P-1/AAAm	72,173	52,369	19,804	-
Commercial Paper.....	Aaa-mf	238,234	238,234	-	-
Money Market Mutual Funds.....	AAAm/Aaa-mf	777,441	777,441	-	-
Total Investments.....		<u>\$ 1,775,736</u>	<u>\$ 1,397,060</u>	<u>\$ 251,136</u>	<u>\$ 127,540</u>
Cash and CDs.....		43,821	-	-	-
Total Cash and Investments.....		<u>\$ 1,819,557</u>	<u>\$ 1,397,060</u>	<u>\$ 251,136</u>	<u>\$ 127,540</u>

Interest Rate Risk — The CPS Investment Policy requires maintenance of a two-tiered portfolio which limits the average maturity of the Liquidity Cash Management tier of the portfolio to six months, 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.

Credit Risk — CPS' Investment Policy limits investment in commercial paper to the top two ratings issued by at least two standard rating services.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk — As of June 30, 2018, no issuer represented over 5% of total investments. Investments issued by the U.S. government and government agencies and investments in mutual funds are excluded from the concentration of credit risk.

CPS categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CPS has the following recurring fair value measurements \$(000's) as of June 30, 2018 using a matrix pricing model:

	June 30, 2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair market level:				
Debt securities				
Repurchase Agreements.....	\$ 11,655	\$ -	\$ 11,655	\$ -
U.S. Government Agency Securities.....	122,207	-	122,207	-
U.S. Treasury Note.....	225,010	-	225,010	-
U.S. Treasury SLGS.....	19,804	-	19,804	-
Total Investments measured at fair value.....	<u>\$ 378,676</u>	<u>\$ -</u>	<u>\$ 378,676</u>	<u>\$ -</u>

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools are measured at amortized cost and therefore excluded from the above fair value table. This exclusion includes money market funds, commercial paper, repurchase agreements and agency obligations held by CPS in the amount of \$1.397 billion.

The following table provides a summary of CPS' total cash and investments by fund type as of June 30, 2018 \$(000's):

Fund	Totals
General Operating Fund	\$ 212,800
Capital Projects Fund	923,132
Debt Service Fund	683,625
Total Cash and Investments	<u>\$ 1,819,557</u>



NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2018 for CPS, net of the applicable allowance for uncollectible accounts, are as follows \$(000's):

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fund Financial Statements	Government- Wide Financial Statements
Property taxes.....	\$ 1,460,504	\$ 7,814	\$ 66,762	\$ 1,535,080	\$ 1,535,080
Replacement taxes.....	28,668	-	-	28,668	28,668
State aid.....	136,617	1,818	-	138,435	138,435
Federal aid.....	141,154	-	3,114	144,268	144,268
Other.....	24,779	10,968	41,174	76,921	76,921
Total receivables.....	<u>\$ 1,791,722</u>	<u>\$ 20,600</u>	<u>\$ 111,050</u>	<u>\$ 1,923,372</u>	<u>\$ 1,923,372</u>
Less: Allowance for uncollectibles - property taxes.....	(100,867)	(287)	(3,440)	(104,594)	(104,594)
Less: Allowance for uncollectibles - state aid.....	-	(712)	-	(712)	(712)
Less: Allowance for uncollectibles - federal aid.....	(92)	-	-	(92)	(92)
Less: Allowance for uncollectibles - other.....	(4,466)	(5,636)	-	(10,102)	(10,102)
Total receivables, net.....	<u>\$ 1,686,297</u>	<u>\$ 13,965</u>	<u>\$ 107,610</u>	<u>\$ 1,807,872</u>	<u>\$ 1,807,872</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows \$(000's):

	Beginning Balance	Increases	Decreases and Transfers to In-Service	Ending Balance
Government-wide activities:				
Capital assets, not being depreciated:				
Land.....	\$ 326,742	\$ 1,542	\$ -	\$ 328,284
Construction in progress.....	148,296	275,673	(134,173)	289,796
Total capital assets not being depreciated.....	<u>\$ 475,038</u>	<u>\$ 277,215</u>	<u>\$ (134,173)</u>	<u>\$ 618,080</u>
Capital assets being depreciated:				
Buildings and improvements.....	\$ 9,392,450	\$ 119,334	\$ (7,399)	\$ 9,504,385
Equipment and administrative software.....	220,815	1,349	(136)	222,028
Internally developed software.....	6,112	1,533	115	7,760
Total capital assets being depreciated.....	<u>\$ 9,619,377</u>	<u>\$ 122,216</u>	<u>\$ (7,420)</u>	<u>\$ 9,734,173</u>
Total capital assets.....	<u>\$ 10,094,415</u>	<u>\$ 399,431</u>	<u>\$ (141,593)</u>	<u>\$ 10,352,253</u>
Less accumulated depreciation for:				
Buildings and improvements.....	(3,962,538)	(283,671)	6,626	(4,239,583)
Equipment and administrative software.....	(132,039)	(14,312)	42	(146,309)
Internally developed software.....	(5,476)	(389)	-	(5,865)
Total accumulated depreciation.....	<u>\$ (4,100,053)</u>	<u>\$ (298,372)</u>	<u>\$ 6,668</u>	<u>\$ (4,391,757)</u>
Capital assets, net of depreciation.....	<u>\$ 5,994,362</u>	<u>\$ 101,059</u>	<u>\$ (134,925)</u>	<u>\$ 5,960,496</u>

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

	Depreciation Expenses	Impairment Expenses
Governmental activities:		
Instruction.....	\$ 199,149	\$ 6,826
Pupil support services.....	29,047	996
Administrative support services.....	10,348	355
Facilities support services.....	24,352	835
Instructional support services.....	22,211	761
Food services.....	13,265	455
.....	<u>\$ 298,372</u>	<u>\$ 10,228</u>

Asset Impairment

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. In the absence of a property appraisal, the book values were adjusted to zero. Management reviews capital assets at year-end for impairment.



NOTE 6. CAPITAL ASSETS (continued)

CPS recognized a total of \$10.2 million in impairments in fiscal year 2018.

- Accelerated depreciation of \$5.7 million was recognized as a 25% impairment for CPS facilities of TEAM Englewood, Hope and Harper High School, which will be closed at the end of fiscal year 2021. The remaining life will be recognized over the next three fiscal years.
- A 100% impairment in the amount of \$4.5 million was recognized for the Robeson facility as this school was closed as of June 30, 2018.

NOTE 7. INTERFUND TRANSFERS AND BALANCES

Interfund Balances

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.

General Operating Fund:

Due From Capital Asset Program.....	\$	3,242
Due From Bond Redemption and Interest Program.....		154
Total — Net due from other funds.....	<u>\$</u>	<u>3,396</u>

Capital Projects Fund:

Capital Asset Program — Due To General Operating Fund.....	<u>\$</u>	<u>(3,242)</u>
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Debt Service Fund:

Bond Redemption and Interest Program — Due to General Operating Fund.....	<u>\$</u>	<u>(154)</u>
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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.

The interfund balance due from the Capital Projects Fund to the General Operating Fund is expected to be repaid through a future bond issue or capital asset related transactions.

Interfund Transfers

In fiscal year 2018, CPS transferred to the General Operating Fund \$286.8 million of debt restructuring savings from the Bond Redemption and Interest Program and Capital Improvement Program.

NOTE 8. SHORT TERM DEBT

2017 Tax Anticipation Notes

During FY 2018, the Board closed on nine series of 2017 Educational Purposes Tax Anticipation Notes (the “2017 TANS”) with a total par amount of \$1.2 billion for working capital purposes. The Series 2017 TANS were issued as a direct placements with investors. Each series of TANS issued during FY2018 were structured as single draws. The TANS provided liquidity support within the fiscal year.

NOTE 8. SHORT TERM DEBT (continued)

The 2017 TANS issued were first issued as follows \$(000s):

Description	Initial Advance Date	Amount
Series 2017A1	September 28, 2017	\$93,525
Series 2017A2	September 28, 2017	\$56,475
Series 2017B	October 6, 2017	\$200,000
Series 2017C	October 27, 2017	\$200,000
Series 2017D	December 8, 2017	\$50,000
Series 2017E	January 5, 2018	\$202,635
Series 2017F	January 11, 2018	\$147,365
Series 2017G	February 13, 2018	\$144,730
Series 2017H	February 16, 2018	\$105,270

Each of the TANS are backed by the Board's 2017 Education Property Tax Levy collected in two installments in 2018. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to the Board. The repayment date for the Series 2017E, F, G and H TANS is the earlier of 60 days after the second installment due date of tax year 2017 property taxes or December 14, 2018. The repayment date for the 2017A1, A2, B, C and D TANS was April 2, 2018.

Outstanding Short-Term Notes Balances

As of June 30, 2018, a total of \$600 million in short-term notes issued by the Board were outstanding. The total amount drawn on the issues is reported as a separate line item on the statement of net position and therefore, none of the issues were included in the Note 9 summarizing the changes in long term debt. Any amount of short-term notes paid off subsequent to year end is discussed further in Note 17.

Short-term debt activity for the year ended June 30, 2018 was as follows \$(000's):

Short-Term Debt	Balance July 1, 2017	Draws	Repayments	Balance June 30, 2018
Tax Anticipation Notes.....	\$ 950,000	\$ 1,200,000	\$ (1,550,089)	\$ 599,911
Grant Anticipation Notes.....	386,994	-	(386,994)	-
Total Short-Term Debt.....	<u>\$ 1,336,994</u>	<u>\$ 1,200,000</u>	<u>\$ (1,937,083)</u>	<u>\$ 599,911</u>



NOTE 9. LONG-TERM DEBT

Long-term Obligations

Long-term debt activity for the fiscal year ended June 30, 2018 was as follows \$(000's):

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due within One Year
Governmental activities:					
General Obligation Long-term Debt	\$ 6,617,275	\$ 2,087,250	\$ (1,423,077)	\$ 7,281,448	\$ 112,740
Capital Improvement Tax Long-term Debt	729,580	64,900	-	794,480	-
Add unamortized premium (discount)	(65,492)	31,921	(12,915)	(46,486)	-
Add Arbitrage Liability	164	704	(164)	704	704
Add accretion of capital appreciation bonds	646,787	54,027	(33,019)	667,795	34,165
Subtotal of debt, net of premiums and discounts	\$ 7,928,314	\$ 2,238,802	\$ (1,469,175)	\$ 8,697,941	\$ 147,609
Capitalized lease obligations	117,900	-	(43,505)	74,395	46,020
Total debt and capitalized lease obligations	\$ 8,046,214	\$ 2,238,802	\$ (1,512,680)	\$ 8,772,336	\$ 193,629
Other liabilities:					
Other accrued liabilities	\$ 29,840	\$ 4,392	\$ (7,424)	\$ 26,808	\$ 16,981
Net pension liability	11,011,400	1,371,017	-	12,382,417	-
Total other post-employment benefits liability*	2,329,607	137,166	(195,882)	2,270,891	-
Other benefits and claims	493,929	31,665	(54,237)	471,357	73,079
Total other liabilities:	13,864,776	1,544,240	(257,543)	15,151,473	90,060
Total long-term obligations:	\$ 21,910,990	\$ 3,783,042	\$ (1,770,223)	\$ 23,923,809	\$ 283,689

*Implementation of GASB pronouncement: During fiscal year 2018, CPS implemented GASB Pronouncement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of this GASB resulted in the long-term obligation for OPEB to be recognized as a liability. As a result, CPS made a restatement to beginning Net Position by \$295 million. See Note 13.

General Obligation and Capital Improvement Tax Bonds

CPS issued the following long-term debt in fiscal year 2018.

Unlimited Tax General Obligation Bonds (Dedicated Revenue) Series 2017AB

In July 2017, CPS issued fixed-rate \$500.0 million Unlimited Tax General Obligation Bonds (Dedicated Revenue), Series 2017AB (the “Series 2017AB” Bonds”) with an original issue discount of \$33.4 million. The proceeds of the Series 2017AB Bonds were used to reimburse previous swap termination payments, restructure near term debt service and finance the continued implementation of the Board’s Capital Improvement Program, and pay the costs of issuance on the Series 2017AB Bonds. The refunding increased annual debt service payments over twenty-three years by approximately \$298.9 million, resulting in an economic loss of approximately \$8.4 million.

The Series 2017AB Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2017AB Bonds. The debt service on the Series 2017AB Bonds will be paid from Evidence-Based Funding Revenues.



NOTE 9. LONG-TERM DEBT (continued)

Unlimited Tax General Obligation Bonds (Dedicated Revenue) Series 2017CDEFGH

In November 2017, CPS issued fixed-rate \$1.025 billion Unlimited Tax General Obligation Bonds (Dedicated Revenue), Series 2017CDEFGH (the “Series 2017CDEFGH Bonds”) with an original issue premium of \$30.3 million.

The proceeds of the Series 2017CDEFGH Bonds were used to provide funds to refund or restructure certain outstanding bonds of the Board, finance the continued implementation of the Board’s Capital Improvement Program, fund capitalized interest and pay the costs of issuance on the Series 2017CDEFGH Bonds. The refunding decreased annual debt service payments over twenty-eight years by approximately \$79.3 million, resulting in an economic gain of approximately \$135.3 million.

The Series 2017CDEFGH Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2017CDEFGH Bonds. The debt service on the Series 2017CDEFGH Bonds will be paid from Evidence-Based Funding Revenues, Personal Property Tax Revenues and Intergovernmental Agreement Revenues.

Dedicated Capital Improvement Tax Bonds Series 2017

In November 2017, CPS issued \$64.9 million fixed-rate Dedicated Capital Improvement Tax Bonds, Series 2017 (the “2017 CIT Bonds”) with an original issue premium of \$5.6 million.

The proceeds of the 2017 CIT Bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance on the 2017 CIT Bonds.

Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenue) Series 2018AB

In June 2018, CPS issued fixed-rate \$562.3 million Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenue), and Series 2018AB (the “Series 2018AB” Bonds”), with an original issue premium of \$29.4 million.

The proceeds of the Series 2018AB Bonds were used to refund certain outstanding bonds of the Board, fund capitalized interest on the Bonds, and pay the costs of issuance on the Series 2018AB Bonds. This refunding decreased annual debt service payments over five years by approximately \$1.0 million, resulting in an economic gain of approximately \$1.0 million.

The Series 2018AB Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2018AB Bonds. The debt service on the Series 2018AB Bonds will be paid from Evidence-Based Funding Revenues.

The current portion of long-term debt and long-term lease obligations is comprised of the following \$(000’s):

Bonds.....	\$ 112,740
Arbitrage Liability.....	704
Accreted Interest.....	34,165
Subtotal.....	\$ 147,609
Lease Obligations.....	46,020
Total Current Portion.....	<u>\$ 193,629</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, subsidies from the federal government, state aid, and other state funding to the extent possible, and then from a separate tax levy associated with the bonds.



NOTE 9. LONG-TERM DEBT (continued)

Interest rates on fixed rate bonds range from 1.75% to 7.00%, except that CPS does not pay or accrue interest on the Series 2006A or Series 2003C Bonds. These bond series were issued as “Qualified Zone Academy Bonds” within the meaning of Section 1397E of the Internal Revenue Code of 1986, as amended. “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. As of June 30, 2018 there were no hedged variable rate bonds outstanding. Interest rates on unhedged variable rate bonds assume the average monthly variable rate for June, 2018, and remain the same for the life of the bonds.

Debt service requirements for the Unlimited Tax General Obligation Bonds are scheduled as follows \$(000’s):

Fiscal Year(s)	Fixed Rate Bonds		Variable Rate Bonds		Total**
	Principal	Interest	Principal	Estimated Interest*	
2019.....	\$ 112,740	\$ 332,193	\$ -	\$ 11,808	\$ 456,741
2020.....	142,516	375,327	8,475	11,750	538,068
2021.....	186,645	405,660	8,825	11,516	612,646
2022.....	195,663	399,591	9,225	11,272	615,751
2023.....	203,553	392,730	9,400	11,019	616,702
2024-2028.....	1,367,018	1,804,434	174,580	46,397	3,392,429
2029-2033.....	1,319,283	1,683,454	206,905	13,222	3,222,864
2034-2038.....	1,072,225	837,051	14,800	303	1,924,379
2039-2043.....	1,388,730	488,150	-	-	1,876,880
2044-2047.....	860,865	106,855	-	-	967,720
Total.....	<u>\$6,849,238</u>	<u>\$6,825,445</u>	<u>\$ 432,210</u>	<u>\$ 117,287</u>	<u>\$14,224,180</u>

*Interest in variable rate demand notes assumes current interest rates remain the same as of June 30, 2018, calculated at:
 Series 2008A - 2.732% x outstanding principal
 Series 2008B - 2.732% x outstanding principal

**Does not include debt backed by leases with the Public Building Commission that are discussed in Note 10 and Dedicated Revenue Capital Improvement Tax Bonds discussed further in Note 9.

Floating Rate Note Securities

During the 2018 fiscal year, in connection with the issuance of the Series 2017CDEFGH Bonds, the Board refinanced the last of its remaining outstanding floating rate note securities and as a result, as of June 30, 2018, the Board had no floating rate note securities that remained outstanding.

Direct Placements

Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenues), Series 2008A and 2008B

In May, 2008 the Board issued \$262.8 million (Series 2008A) and \$241.0 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 with no expiration until maturity. The bonds are subject to optional redemption prior to their maturity date at the option of the Board, in whole or in part (and, if in part, in an authorized denomination (\$100,000 and any integral multiple thereof of \$5,000 in excess thereof)) on any LIBOR interest payment date (monthly), at a redemption price equal to 100 percent of the principal amount thereof and accrued interest, if any, to the redemption date.

NOTE 9. LONG-TERM DEBT (continued)**Accreted Interest**

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

Series	Accreted Interest July 1, 2017	Increase	Payment	Accreted Interest June 30, 2018
1998B-1.....	\$ 387,355	\$ 32,505	\$ (12,638)	\$ 407,222
1999A.....	259,432	21,522	(20,381)	260,573
	<u>\$ 646,787</u>	<u>\$ 54,027</u>	<u>\$ (33,019)</u>	<u>\$ 667,795</u>

Defeased Debt

Defeased bonds have been removed from the Statement of Net Position because related assets have been placed in irrevocable trust that, together with interest earned, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at June 30, 2018 are as follows (\$000's):

Description	Amount Defeased	Amount Outstanding
Unlimited Tax General Obligation Bonds Series 2008C.....	\$ 6,985	\$ 450,250
Unlimited Tax General Obligation Bonds Series 2009D.....	12,970	21,910
Unlimited Tax General Obligation Bonds Series 2010F	6,545	144,985
	<u>\$ 26,500</u>	<u>\$ 617,145</u>

Dedicated Revenue Capital Improvement Tax Bonds

Dedicated Revenue Capital Improvement Tax Bonds ("CIT Bonds") issued by the Board are limited obligations payable from and secured by a levy of Capital Improvement Taxes. The CIT Bonds are not general obligations of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or interest on the CIT Bonds. In January 2017, CPS issued the first series of CIT Bonds in the amount of \$729.6 million. The bonds were issued at a fixed rate and designated as Dedicated Revenue Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue), Series 2016. In November 2017, CPS issued a second series of CIT Bonds in the amount of \$64.9 million. The bonds were issued at a fixed rate and designated as Dedicated Revenue Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue), Series 2017. The proceeds of both series of bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance.



NOTE 9. LONG-TERM DEBT (continued)

Debt service requirements for the Series 2016 and Series 2017 CIT Bonds are as follows \$(000's):

<u>Fiscal Year(s)</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2019.....	\$ -	\$ 46,784	\$ 46,784
2020.....	-	46,784	46,784
2021.....	-	46,784	46,784
2022.....	-	46,784	46,784
2023.....	-	46,784	46,784
2024-2028.....	-	233,920	233,920
2029-2033.....	38,225	237,230	275,455
2034-2038.....	226,710	217,544	444,254
2039-2043.....	301,990	127,493	429,483
2044-2047.....	227,555	27,468	255,023
Total.....	<u>\$ 794,480</u>	<u>\$1,077,575</u>	<u>\$ 1,872,055</u>

* Fixed Rate.



NOTE 9. 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, 2017	Accreted Interest
2018H.....	\$ 280,000	Capital Improvement	5.00%	12/1/2046	\$ -	\$ -
2018G.....	126,500	Refunding	5.00%	12/1/2044	-	-
2018F.....	165,510	Refunding	5.00%	12/1/2024	-	-
2018E.....	22,180	Refunding	5.00%	12/1/2021	-	-
2018D.....	79,325	Refunding	5.00%	12/1/2031	-	-
2018C.....	351,485	Refunding	5.00%	12/1/2034	-	-
2018B.....	10,220	Refunding	6.75% to 7.00%	12/1/2042	-	-
2018A.....	552,030	Refunding	4.00% to 5.00%	12/1/2035	-	-
2017B.....	215,000	Refunding	6.75% to 7.00%	12/1/2022	-	-
2017A.....	285,000	Capital Improvement/Working Capital	7.00%	12/1/2046	-	-
CIT 2017.....	64,900	Capital Improvement	5.00%	4/1/2046	-	-
CIT 2016.....	729,580	Capital Improvement	5.75% to 6.10%	4/1/2046	729,580	-
2016B.....	150,000	Capital Improvement	6.50%	12/1/2046	150,000	-
2016A.....	725,000	Capital Improvement/Refunding	7.00%	12/1/2044	725,000	-
2015G.....	88,900	Refunding	Variable	3/1/2032	83,500	-
2015E.....	20,000	Capital Improvement	5.13%	12/1/2032	20,000	-
2015C.....	280,000	Capital Improvement	5.25%	12/1/2039	280,000	-
2015A.....	89,200	Refunding	Variable	3/1/2032	84,000	-
2013A-3.....	157,055	Refunding	Variable	3/1/2036	157,055	-
2013A-2.....	124,320	Refunding	Variable	3/1/2035	124,320	-
2013A-1.....	122,605	Refunding	Variable	3/1/2026	81,015	-
2012B.....	109,825	Refunding	5.00%	12/1/2034	109,825	-
2012A.....	468,915	Capital Improvement	5.00%	12/1/2042	468,915	-
2011C-2.....	44,100	Refunding	Variable	3/1/2032	41,500	-
2011C-1.....	51,000	Refunding	Variable	3/1/2032	42,200	-
2011A.....	402,410	Capital Improvement	5.00% to 5.50%	12/1/2041	402,410	-
2010G.....	72,915	Refunding	2.77% to 4.18%	12/1/2017	5,235	-
2010F.....	183,750	Refunding	5.00%	12/1/2031	161,300	-
2010D.....	125,000	Capital Improvement	6.52%	3/1/2036	125,000	-
2010C.....	257,125	Capital Improvement	6.32%	11/1/2029	257,125	-
2009G.....	254,240	Capital Improvement	1.75%	12/15/2025	254,240	-
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	40,940	-
2008C.....	464,655	Refunding	4.25% to 5.00%	12/1/2032	464,655	-
2008B.....	240,975	Refunding	Variable	3/1/2034	177,550	-
2008A.....	262,785	Refunding	Variable	12/1/2030	262,785	-
2007D.....	238,720	Capital Improvement	4.00% to 5.00%	12/1/2029	169,195	-
2007C.....	6,870	Refunding	4.00% to 4.375%	12/1/2021	3,740	-
2007B.....	197,765	Refunding	5.00%	12/1/2024	197,765	-
2006B.....	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	280,730	-
2006A.....	6,853	Capital Improvement	0.00%	6/1/2021	6,853	-
2005B.....	52,595	Refunding	5.00% to 5.50%	12/1/2021	22,735	-
2005A.....	193,585	Refunding	5.00% to 5.50%	12/1/2031	167,280	-
2004A.....	205,410	Refunding	4.00% to 5.00%	12/1/2020	70,690	-
2003C.....	4,585	Capital Improvement	0.00%	10/27/2017	4,585	-
2002A.....	48,970	Capital Improvement	3.00% to 5.25%	12/1/2022	24,885	-
1999A.....	532,553	Capital Improvement/Refunding	4.30% to 5.30%	12/1/2031	391,893	259,432
1998B-1.....	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	240,144	387,355
Total Bonds.....					\$ 7,346,855	\$ 646,787
Less Current Portion						
For Net Premium/(Discount)						
Total Long-term Debt, net of Current Portion and Premium/(Discount).....						



NOTE 9. LONG-TERM DEBT (continued)

Principal and Accreted Interest June 30, 2017	Issuances	Retirements	Principal Outstanding June 30, 2018	Accreted Interest	Principal and Accreted Interest June 30, 2018
\$ -	\$ 280,000	-	\$ 280,000	-	\$ 280,000
-	126,500	-	126,500	-	126,500
-	165,510	-	165,510	-	165,510
-	22,180	-	22,180	-	22,180
-	79,325	-	79,325	-	79,325
-	351,485	-	351,485	-	351,485
-	10,220	-	10,220	-	10,220
-	552,030	-	552,030	-	552,030
-	215,000	-	215,000	-	215,000
-	285,000	-	285,000	-	285,000
-	64,900	-	64,900	-	64,900
729,580	-	-	729,580	-	729,580
150,000	-	-	150,000	-	150,000
725,000	-	-	725,000	-	725,000
83,500	-	(83,500)	-	-	-
20,000	-	-	20,000	-	20,000
280,000	-	-	280,000	-	280,000
84,000	-	(84,000)	-	-	-
157,055	-	(157,055)	-	-	-
124,320	-	(124,320)	-	-	-
81,015	-	(81,015)	-	-	-
109,825	-	-	109,825	-	109,825
468,915	-	-	468,915	-	468,915
41,500	-	(41,500)	-	-	-
42,200	-	(42,200)	-	-	-
402,410	-	-	402,410	-	402,410
5,235	-	(5,235)	-	-	-
161,300	-	(16,315)	144,985	-	144,985
125,000	-	-	125,000	-	125,000
257,125	-	-	257,125	-	257,125
254,240	-	-	254,240	-	254,240
518,210	-	(13,780)	504,430	-	504,430
40,940	-	(19,030)	21,910	-	21,910
464,655	-	(14,405)	450,250	-	450,250
177,550	-	(8,125)	169,425	-	169,425
262,785	-	-	262,785	-	262,785
169,195	-	(169,195)	-	-	-
3,740	-	(3,740)	-	-	-
197,765	-	(181,730)	16,035	-	16,035
280,730	-	(258,725)	22,005	-	22,005
6,853	-	-	6,853	-	6,853
22,735	-	(22,735)	-	-	-
167,280	-	(7,455)	159,825	-	159,825
70,690	-	(21,090)	49,600	-	49,600
4,585	-	(4,585)	-	-	-
24,885	-	(24,885)	-	-	-
651,325	-	(30,694)	361,199	260,572	621,771
627,499	-	(7,763)	232,381	407,223	639,604
<u>\$ 7,993,642</u>	<u>\$ 2,152,150</u>	<u>\$ (1,423,077)</u>	<u>\$ 8,075,928</u>	<u>\$ 667,795</u>	<u>\$ 8,743,723</u>
(147,770)					(146,905)
(65,491)					(46,486)
<u>\$ 7,780,381</u>					<u>\$ 8,550,332</u>



NOTE 10. LEASE OBLIGATIONS

Capitalized Leases

Annual rental payments are made pursuant to lease agreements with the Public Building Commission (the "PBC"). The PBC constructs, rehabilitates and equips school buildings and facilities for use by 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 \$3.0 million, respectively. The accumulated amortization as of June 30, 2018 amounted to \$0.7 million. The term of the lease commenced October 1, 2005, and shall end February 1, 2021. This end date represents the maturity date of bonds issued for the premises by the Illinois Development Finance Authority Bonds. Debt service includes principal and interest and all other costs associated with these bonds. Additionally, CPS will assume all operating costs and personnel costs of the premises.

The future PBC lease rentals and other capitalized leases due at June 30, 2018, are as follows \$(000's):

<u>Fiscal Year(s)</u>	<u>PBC Lease</u>	<u>Other</u>	<u>Total</u>
2019.....	\$ 52,099	\$ 424	\$ 52,523
2020.....	30,635	424	31,059
2021.....	-	647	647
Total Rentals.....	\$ 82,734	\$ 1,495	\$ 84,229
Less - Interest and other costs.....	(9,214)	(620)	(9,834)
Principal amount of rental due.....	<u>\$ 73,520</u>	<u>\$ 875</u>	<u>\$ 74,395</u>

Following is a summary of changes in PBC Leases and Capitalized Lease outstanding \$(000's):

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2018</u>
PBC Leases.....	\$ 116,850	\$ -	\$ (43,330)	\$ 73,520
Other Capitalized Leases.....	1,050	-	(175)	875
Total Lease Obligations.....	<u>\$ 117,900</u>	<u>\$ -</u>	<u>\$ (43,505)</u>	<u>\$ 74,395</u>
Less: Current Portion PBC Leases.....				(45,845)
Current Portion Other Capitalized Leases.....				(175)
Total Long-Term Leases Outstanding.....				<u>\$ 28,375</u>

Operating Leases

CPS is a lessee in numerous operating leases associated with the rental of trucks, automobiles, 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 10. LEASE OBLIGATIONS (continued)

Total expenditures for operating leases for the fiscal year ending June 30, 2018 were \$17.9 million.

The following is a summary of operating lease commitments as of June 30, 2018 \$(000's):

<u>Fiscal Year(s)</u>	<u>Non-Real Property Leases</u>	<u>Real Property Leases</u>	<u>Total</u>
2019.....	\$ 3,229	\$ 15,709	\$ 18,938
2020.....	1,491	14,969	16,460
2021.....	428	15,037	15,465
2022.....	27	13,778	13,805
2023.....	4	13,979	13,983
2024-2028.....	-	39,853	39,853
2029-2030.....	-	15,775	15,775
Total Operating Lease Commitments.....	<u>\$ 5,179</u>	<u>\$ 129,100</u>	<u>\$ 134,279</u>

NOTE 11. OTHER BENEFITS AND CLAIMSSick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees were able to accumulate a maximum of 325 sick days granted before July 1, 2012. 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 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. Effective July 1, 2012 any sick days granted that remain unused at the end of the fiscal year will not be carried over to the next fiscal year. The Board shall not pay out to any employee the value or any part of the value of any sick days granted on and after July 1, 2012 that are unused at the time the employee separates from the Board employment for any reason.

Vacation Pay Benefits

For eligible employees, the maximum number of accumulated unused vacation days permitted is 20 days for those employees with up to 10 years of service; 25 days for those with 11 to 20 years of service; and 30 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 in accordance with the following parameters:

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of \$100.0 million and Boiler and Machinery Insurance with limits of \$100.0 million. CPS maintains commercial excess liability insurance with limits of \$45.0 million in excess of a \$10.0 million self-insured retention per loss for claims arising from commercial general, automobile, school board legal, and miscellaneous professional liability; additional liability coverage includes special events, fiduciary, foreign travel package, and catastrophic student accident insurance (under Public Act 98-0166, also known as "Rocky's Law"). During fiscal years 2018, 2017, and 2016 there were no casualty claims made in excess of the self-insured retention.



NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

For fiscal year 2018, the CPS had the following deductibles/retentions:

Property.....	\$5,000,000
Boiler and HVAC.....	\$50,000
General Liability.....	\$10,000,000
Student Catastrophic Insurance (Rocky's Law).....	\$25,000

As discussed in Note 15, 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 Program 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 loss estimates established by the respective claim administrators. Tort liabilities are based on loss estimates 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 when there is likelihood that an unfavorable outcome is probable and those expenditures will be liquidated with expendable available financial resources. Total expenditures reported in the fund financial statements amounted to \$30.6 million for claims paid during the fiscal year. No liabilities have been recorded at the fund level for unpaid claims as unpaid claims are not expected to be paid with available financial resources.

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

	Balance July 1, 2017	Increase/ (Decrease)	Payments	Balance June 30, 2018
Accrued sick pay benefits.....	\$ 289,818	\$ 1,557	\$ (18,849)	\$ 272,526
Accrued vacation pay benefits.....	49,520	5,330	(6,086)	48,764
Accrued workers' compensation pay benefits.....	114,290	13,463	(24,081)	103,672
Accrued general and automobile claims.....	21,085	14,143	(5,219)	30,009
Tort liabilities and other claims.....	19,216	(2,828)	-	16,388
	<u>\$ 493,929</u>	<u>\$ 31,665</u>	<u>\$ (54,235)</u>	<u>\$ 471,359</u>
Less: Current portion of accrued sick pay benefits.....				(27,217)
Less: Current portion of accrued vacation pay benefits.....				(6,370)
Less: Current portion of accrued workers' compensation claims.....				(22,145)
Less: Current portion of accrued general and automobile claims.....				(17,349)
Total long-term other benefits and claims.....				<u>\$ 398,278</u>

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

Balance July 1, 2016	Additions	Payments	Balance June 30, 2017	Additions	Payments	Balance June 30, 2018
<u>\$128,399</u>	<u>\$28,957</u>	<u>\$(21,981)</u>	<u>\$135,375</u>	<u>\$27,606</u>	<u>\$(29,300)</u>	<u>\$133,681</u>

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A net liability of \$60.8 million has been recorded for health insurance costs and is reported as part of accounts payable and accrued payroll and benefits in the General Operating Fund, which includes \$32.1 million for estimated medical claims incurred but not reported as of June 30, 2018.



NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

The following is the activity related to medical claims for which CPS is self-insured \$(000's):

<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>\$60,262</u>	<u>\$349,407</u>	<u>(\$360,931)</u>	<u>\$48,738</u>	<u>\$387,824</u>	<u>(\$375,786)</u>	<u>\$60,776</u>



NOTE 12. PENSION BENEFITS

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 Illinois pension funds use 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. The pension code created a Tier 3 effective August 31, 2017, but due to the uncertainty of whether a resolution or ordinance will be passed, the actuarial valuation only uses Tier 1 and Tier 2.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with CPS' contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

Pension — Certified Teachers and Administrators

Plan Description: 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 "CTPF") in which CPS is the major contributor. Copies of the Pension Fund Annual Report are available on the website of the Public School Teachers' Pension & Retirement Fund of Chicago at <http://www.ctpf.org/>.

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the CTPF. Participation in the CTPF is mandatory for all certified members of the teaching force, including those employed by charter schools, and employees of the Pension Fund. As of the June 30, 2017, CTPF Annual report, there were 28,855 active participants in the Pension Fund, substantially all of whom were employees of CPS.

Benefits Provided: An employee hired before January 1, 2011 (Tier 1) may retire at age 55 with at least 20 years of service or at age 62 with 5 years of service. If retirement occurs before age 60, the service retirement pension is reduced $\frac{1}{2}$ of 1% for each month that the age of the member is below 60. However, there is no reduction if the employee has at least 34 years of service.

For service earned before July 1, 1998, the amount of the monthly service retirement pension is 1.67% of highest average salary for the first 10 years, 1.90% for each of the next 10 years, 2.10% for each of the following 10 years, and 2.30% for each year above 30. For service earned after June 30, 1998, the amount of the monthly service retirement pension is 2.2% of highest average salary for each year of service. Service earned before July 1, 1998 can be upgraded to the 2.2% formula through the payment of additional employee contributions of 1% of the teacher's highest salary within the last four years for each year of prior service, up to a maximum of 20%, which upgrades all service years. The number of years for which contributions are required is reduced by one for each three full years of service after June 30, 1998. No contribution is required if the employee has at least 30 years of service. The highest average salary is the average of the 4 highest consecutive years of salary within the last 10 years. The maximum pension payable is 75% of the highest annual salary or \$1,500 per month, whichever is greater.



NOTE 12. PENSION 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, such a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, such a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 0.5% for each month that his or her age is under 67. In addition, the annual final average salary may not exceed \$112,408 for 2017. The final average salary limit is calculated annually as the Social Security Wage Base at the time Public Act 96-0889 was created \$(106,800) increased by the lesser of 3% or one-half of the annual increase in the Consumer Price Index-U during the preceding calendar year.

Contributions: 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 2018, total employee contributions were \$149.6 million, as in previous fiscal years, CPS paid a portion (7% or \$116.3 million) of the required employees' contribution. For employees hired on or after January 1, 2017, there is no employer pickup. A portion of grant funds from the Federal government and General Fund revenues provides the funding for the portion not picked up. The remaining portion is withheld from teachers' salaries.

State law requires statutorily determined employer contributions. Under the Illinois Pension Code, required employer contributions — with the exception of federal funds — are calculated by the Pension Fund's actuary; however, the formula set forth in the Pension Code is not the same as the Annual Required Contribution or the Actuarially Determined Contribution as those terms are defined by GASB. During the fiscal year ended June 30, 2018, total employer contributions to the plan were \$551.4 million. Of this amount, \$25.1 million were Charter School contributions. On June 30, 2016, PA 99-0521 was signed into law and reinstates the ability of the Board of Education to levy a property tax dedicated to paying teacher pensions. As of June 30, 2018, \$253.0 million of levy funds was owed to the CTPF for a fiscal year 2018 statutorily required contribution. This amount was recorded in the Statement of Net Position as an account payable and a deferred outflow of resources by CPS. These funds are included in CPS' contribution to increase the funded ratio to 90%. CPS' employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows (amounts in thousands):

Retirement Benefit Contributions:	
A contribution to increase funded ratio to 90%	\$ 504,739
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded program	21,586
Charter school contributions	25,085
Total CPS Contributions	<u>\$ 551,410</u>
Contributions from the State of Illinois	232,992
CPS contributions on-behalf of employees	116,339
Total CTPF contributions	<u>\$ 900,741</u>

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is \$12.382 billion or 100%. Further discussions with the State and Pension Fund related to the overall net pension liability will occur to determine a reasonable allocation of future plan costs between the entities that contribute to the plan. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Total pension expense for the 2018 fiscal year was \$1.232 billion.



NOTE 12. PENSION BENEFITS (continued)

Employer Deferral of Fiscal Year 2018 Pension Contributions: CPS paid \$551.4 million in contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability measurement date as of June 30, 2017. These contributions will be reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2018.

As June 30, 2018, CPS reported deferred outflows of resources and deferred inflows of resources related to CTPF from the following sources (amounts in thousands):

	Deferred Inflow of Resources	Deferred Outflow of Resources
Difference between expected and actual experience.....	\$ 125,419	\$ 38,465
Net difference between projected and actual investment earnings on pension plan investments.....	-	60,344
Changes in assumptions.....	-	1,235,647
Contributions after the measurement date	-	551,410
Totals.....	\$ 125,419	\$ 1,885,866

The \$551.4 million reported as deferred outflows of resources related to pensions resulting from CPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The annual difference between expected and actual experience is amortized into pension expense over the average expected remaining service lives of active and inactive members calculated at the beginning of the year in which the difference occurs. The difference between projected and actual investment earnings on pension plan investments is amortized over a five-year closed period beginning in the year in which the difference occurs.

The amounts of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

<u>Years Ended June 30:</u>	<u>Amount</u>
2019.....	\$ 234,326
2020.....	422,199
2021.....	367,524
2022.....	184,988
Totals.....	\$ 1,209,037



NOTE 12. PENSION BENEFITS (continued)**Assumptions and Other Inputs**

Actuarial Assumptions: The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions and methods:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.25%, net of investment expense
Projected salary increases	4.00% to 15.50%, varying by age
Inflation	2.50%, general inflation rate 3.25%, wage inflation rate
Cost-of-living adjustments	3% compound for Tier 1 members; the lesser of 3% or one-half of CPI, simple, for Tier 2 members

For healthy participants, mortality rates were based on the RP-2000 Combined Healthy Mortality Table, sex distinct, set back 2 years with generationally mortality improvement from 2004 based on Scale AA. This assumption provides a margin for future mortality improvements. No adjustment is made for post-disabled mortality. For disabled participants, mortality rates were based on the RP-2000 Disabled Mortality Table, sex distinct, set back 3 years.

Most of the actuarial assumptions used for the June 30, 2017 actuarial valuation are based on an experience review for the 5 year period covering July 1, 2007 through June 30, 2012, performed by the prior actuary. Beginning with the June 30, 2017 actuarial valuation, the investment return assumption, general inflation assumption and wage inflation assumption were reduced from 7.75% to 7.25%, 2.75% to 2.50% and 3.50% to 3.25%, respectively. The general inflation assumption also serves as the basis for the determination of annual increases in pension and pensionable salary cap for Tier 2 members. As a result of the change in the general inflation assumption, the assumption regarding future increases in pension and pensionable salary cap was reduced from 1.357% to 1.25% per year for current and future Tier 2 members.

The long-term expected rate of return on pension plan investments was determined under a building-block method by using the current risk-free rate and historical risk premium for each major asset class to develop the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s).



NOTE 12. PENSION BENEFITS (continued)

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2017, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Equities	61.0%	4.6%
Fixed Income	23.0%	1.0%
Real Estate	9.0%	3.5%
Private Equity	5.0%	5.1%
Hedge Funds	0.0%	2.8%
Infrastructure	2.0%	N/A
Commodities	0.0%	0.4%
Cash Equivalents	0.0%	0.0%
Total	100.0%	

Discount Rate: For fiscal year 2017, a single discount rate of 7.07% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25%, cash flows (employee contributions, employer contributions, benefits, and administrative expenses) based on the results of the funding actuarial valuation using an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56%. The projection of cash flows used to determine this single discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contributions rates under the Fund's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contribution were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

For fiscal year 2016, the single discount rate used to measure the total pension liability was 7.75%. The impact of the change in the single discount rate from 7.75% to 7.07% was an increase in the total pension liability of approximately \$1.6 billion. The change in the discount rate was primarily driven by the decrease in the long-term assumed rate of return from 7.75% to 7.25%.

Sensitivity of Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents CPS' net pension liability, calculated using a single discount rate of 7.07%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts in thousands):

1% Decrease (6.07%)	Current Discount (7.07%)	1% Increase (8.07%)
\$ 15,199,983	\$ 12,382,417	\$ 10,033,130



NOTE 12. PENSION BENEFITS (continued)

Additional information regarding the CTPF basic financial statements including the Plan Net Position can be found in the CTPF comprehensive annual financial report by accessing the website at www.ctpf.org.

Pension — Other Personnel

Plan Description: 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 "MEABF" or the "Annuity Fund"). The Plan is administered under Chapter 40, Act 5, Article 8 of the Illinois Compiled Statutes. Benefit and contribution provisions are established by the Statutes and may be amended only by the Illinois state legislature. The Annuity Fund is considered a cost-sharing multiple employer defined benefit plan. As of December 31, 2017, CPS employed approximately 16,721 of the 30,922 active participants in the Annuity Fund.

Benefits Provided: 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 a money purchase annuity with partial City contributions if under age 60 with less than 20 years of service. Employees age 60 or more with at least 10 years of service or age 55 or more 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 each year of service times the final average salary (highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by $\frac{1}{4}$ of 1% 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. An employee with at least 10, 20, or 30 years of service can withdraw and receive a minimum annuity formula at 60, 55, or 50, respectively. The original annuity is limited to 80% of the highest average annual salary, adjusted for annual Internal Revenue Code (IRC) §401(a)(17) and §415 limitations. Employees withdrawing from service at age 60 or older with at least 10 years of service are entitled to a minimum annuity of \$850 per month.

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 $\frac{1}{2}$ percent for each full month the employee is under age 67. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

Tier 3 employees age 65 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 60 with 10 years of service. The annuity is discounted $\frac{1}{2}$ percent for each full month the employee is under age 65. Final average salary is calculated using salary from the 8 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 beginning in 2011 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) $\frac{1}{2}$ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. The annual salary rate limitations for fiscal year 2016 and fiscal year 2017 were \$111,572 and \$112,408, respectively.

Contributions: 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.



NOTE 12. PENSION BENEFITS (continued)

Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute 8.5% of their pensionable salary. Tier 3 employees are required to contribute 11.5% of their pensionable salary. The pensionable salary for Tier 1 members has no limitation while Tier 2 and Tier 3 employees' pensionable salary may not exceed the social security wage base of \$106,800 adjusted by inflation. In fiscal year 2018, as in previous fiscal years, CPS agreed to pay a portion (7% for union and 5% for non-union members or \$32.9 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 \$81.1 million, \$76.7 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining \$4.4 million is funded under federally-funded programs. The portion funded by the City of Chicago and the Federal government is also reflected as revenue in the General Operating Fund.

Employer Proportionate Share of Net Pension Liability: At December 31, 2017, the MEABF reported a net pension liability (NPL) of \$11.728 billion. The amount of the proportionate share of the net pension liability recognized for CPS is \$0. The proportionate share of the City's net pension liability associated with CPS is \$4.669 billion or 39.8%. The net pension liability was measured as of December 31, 2017. The basis of allocation used in the proportionate share of net pension liability was CPS' proportionate share of covered payroll to the plan's total covered payroll for the 2017 calendar year, which approximates CPS' 2018 fiscal year.

Employer Proportionate Share of Pension Expense: The employer's proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and expenditure/expense in CPS' financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported employee contributions made to MEABF during fiscal year 2018. As a result, CPS recognized on-behalf revenue and on-behalf pension expense of \$76.7 million for fiscal year 2018.

Employer Deferral of Fiscal Year 2017 Pension Contributions: CPS paid \$4.4 million in federal, trust or grant contributions for the fiscal year ended June 30, 2018. Some contributions were made subsequent to the pension liability measurement date of December 31, 2017. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2018. Total pension expense for fiscal year 2018 was \$81.1 million.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2012 — December 31, 2016. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date.....	December 31, 2017
Actuarial assumptions:	
Investment rate of return...	7.00%, net of investment expense
Projected salary increases	3.50% - 7.75% for year 2023, (1.50% to 6.50% for years 2018-2022), varying by years of service
Inflation.....	2.50%
Cost of living adjustments.	Tier 1: 3.0% compound. Tier 2 & 3: the lesser of 3.0% or one-half the change in CPI, simple

NOTE 12. PENSION BENEFITS (continued)

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an experience study for the period January 1, 2012 through December 31, 2016.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following tables:

Asset Class:	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities.....	26.0%	5.6%
International Equity.....	22.0%	5.7%
Fixed Income.....	27.0%	1.0%
Real Estate.....	10.0%	5.4%
Private Equity.....	5.0%	9.4%
Hedge Funds.....	10.0%	3.6%
Total.....	100.0%	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MEABF's Net Pension Liability to Changes in the Discount Rate: The amount of the proportionate share of the net pension liability recognized for CPS is \$0. Therefore, changes in the discount rate would not affect CPS. However, regarding the sensitivity of MEABF's net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts in thousands):



NOTE 12. PENSION BENEFITS (continued)

1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
\$ 13,807,800	\$ 11,728,378	\$ 10,006,090

Additional information regarding the MEABF basic financial statements including the Plan Net Position can be found in the MEABF comprehensive annual financial report by accessing the website at www.meabf.org.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits (OPEB)

Plan Description: Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple employer plan administered by the Pension Fund. The actuarial analysis is contained in the Pension Fund Annual Report and is available via the website of the Public School Teachers' Pension & Retirement Fund at <http://www.ctpf.org/>. Only CPS and the State of Illinois (a nonemployer contributor) make direct contributions to the Pension Fund and a special funding situation is deemed not to exist with the State. Therefore, 100% of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and OPEB expense is allocated to CPS.

Benefits Provided: The Pension Fund administers a health insurance program that includes three 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.

Funding Policy and Annual Other Postemployment Benefit Cost: 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 50% of the individual member's cost for calendar years 2017, 2016 and 2015. 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 \$65.0 million plus any previous year amounts authorized but not yet expended. The Pension Fund has total discretion over the program, and no direct contributions are made for the subsidy. 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. This provision reduces the net position of the Pension Fund. As of June 30, 2017, the Chicago Teachers' Pension Fund Retiree Health Insurance Program had 17,073 retirees and beneficiaries currently receiving health benefits and 11,366 retirees and beneficiaries entitled to but not yet receiving health benefits. The assets in the Health Insurance are not in a qualifying trust nor are those amounts restricted legally or otherwise required to be used solely to pay OPEB benefits. Therefore there are no assets accumulated in a trust.



NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)**Total OPEB liability deferred outflows of resources, deferred inflows of resources and expense related to OPEB**

The total OPEB liability, as reported at June 30, 2018, was measured as of June 30, 2017, with an actuarial valuation as of June 30, 2017. At June 30, 2018, the CPS recorded a total OPEB liability of \$2.271 billion.

Schedule of Changes in Total OPEB Liability: Below is the schedule of changes in the total OPEB liability, as reported at June 30, 2018 (amounts in thousands):

Beginning Balance, OPEB Liability.....	\$ 2,329,607
Service Cost.....	69,478
Interest on total OPEB Liability.....	67,688
Differences between expected and actual experience.....	(88,232)
Changes of Assumptions.....	(59,199)
Benefit Payments.....	(48,451)
Ending Balance, OPEB Liability.....	<u>\$ 2,270,891</u>

Employer Deferral of Fiscal Year 2018 OPEB Contributions: The CPS recognized OPEB expense for the year ended June 30, 2018, of \$115.3 million. At June 30, 2018, the CPS reported deferred outflows and deferred inflows of resources, from the following sources (amounts expressed in thousands):

Deferred inflows of resources	Amount
Changes in assumptions.....	\$ 50,183
Differences between expected and actual non-investment income.....	74,795
Total deferred inflows of resources	<u>\$ 124,978</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts expressed in thousands):

Years Ended June 30:	Amount
2019.....	\$ (22,454)
2020.....	(22,454)
2021.....	(22,454)
2022.....	(22,454)
2023.....	(22,453)
Thereafter.....	(12,709)
Totals.....	<u>\$ (124,978)</u>



NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions: The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified.

Valuation date.....	June 30, 2017
Measurement date.....	June 30, 2017
Actuarial cost method.....	Entry Age Normal
Inflation rate.....	2.75%
Projected salary increases.....	4.25% - 15.75%, varying by age
Discount rate.....	3.56%
Experience Study.....	An experience study of the 5 year period 2007 – 2012.
Mortality.....	RP-2000 Healthy Annuitant mortality table, sex distinct, set back 2 years with generational mortality improvements from 2004 using Scale AA for healthy mortality and the RP-2000 Disabled mortality table, sex distinct, set back 3 years for disabled mortality.
Healthcare cost trend rate.....	For fiscal years on and after 2018, trend starts at 7.50% and 8.50% for pre- and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.5%. Excess trend rate of 0.29% and 0.00% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax under the Health Care Reform Act.

Discount rate: A single discount rate of 2.85% at June 30, 2016, and 3.56% at June 30, 2017, was used to measure the total OPEB liability. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The rate at June 30, 2016 was based on the 20-Bond GO Index, which is the Bond Buyer Index. The rate at June 30, 2017 was based on Fidelity Index’s 20-year Municipal GO AA Index.

Sensitivity of Total OPEB Liability to Changes in the Single Discount Rate: The following table presents the plan’s total OPEB liability, calculated using a Single Discount Rate of 3.56%, as well as what the plan’s total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point higher (4.56%) or lower (2.56%) than the current rate (amounts expressed in thousands):

1% Decrease 2.56%	Current Single Discount Rate Assumption 3.56%	1% Increase 4.56%
\$2,646,712	\$2,270,891	\$1,967,975

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates (amounts in table expressed in thousands).



NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
\$1,934,940	\$2,270,891	\$2,705,839

Implementation of GASB pronouncement: During fiscal year 2018, CPS implemented GASB Pronouncement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this GASB resulted in the long-term obligation for OPEB to be recognized as a liability and a decrease in net position. As a result, CPS made a restatement to beginning Net Position of \$295.6 million.

NOTE 14. FUND BALANCE CLASSIFICATIONS AND NET POSITION RESTRICTIONS*a. Fund Balance Classifications*

- 1) At the end of the 2018 fiscal year, the General Operating Fund reported:
 - i. \$429 thousand of non-spendable fund balance for donations in which the principal may not be spent.
 - ii. Restricted fund balance consisted of \$52.3 million for grants and donations and \$9.3 million for future teachers' pension contributions.
 - iii. Assigned fund balance consisted of \$18 million for commitments and contracts.
- 2) At the end of the 2018 fiscal year, the Debt Service Fund reported:
 - i. Assigned fund balance of \$341 thousand for debt service stabilization.

b. Statement of Net Position

The Statement of Net Position reports \$973.3 million of restricted fund balance, of which \$744.5 million is restricted for debt service, \$167.2 million is restricted for capital projects, \$52.3 million is restricted for programs funded by grants and donations and \$9.3 million for future teachers' pension contributions.

NOTE 15. LITIGATION AND CONTINGENCIES*a. State and Federal Aid Receipts*

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management, any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2018 resulting from a review by a responsible government agency, will not have a material effect on CPS' financial statements at June 30, 2018.

b. Pollution Remediation Obligation

In fiscal year 2018, CPS recorded a pollution remediation obligation of \$17.0 million as current year expense in the Statement of Activities.



NOTE 15. LITIGATION AND CONTINGENCIES (continued)

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. Vacant Property

In fiscal year 2013, CPS closed 47 schools of which some of the schools were identified to be demolished. In accordance with GASB 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," CPS recorded a liability for the estimated demolition cost of \$18.7 million at June 30, 2013. In fiscal years 2016 and 2017, a total of four (4) of the buildings identified to be demolished were sold, decreasing the estimated liability to \$12.3 million. In fiscal year 2018, two (2) additional buildings were sold, decreasing the estimated liability by an additional \$2.4 million. As of June 30, 2018, the estimated liability is \$9.9 million.

d. Financial Guarantees

As of June 30, 2018, CPS has entered into one non-exchange financial guarantee. The guarantee agreement is with Perspectives Charter Schools, effective July 1, 2003, which is a Charter School under the Chicago Board of Education. Perspectives Charter Schools has a Reimbursement Agreement with Harris Trust and Savings Bank and CPS has guaranteed to pay Harris Trust and Savings Bank all outstanding debt if Perspectives Charter Schools defaults in reimbursing the Bank according to the terms listed in the reimbursement agreement. This amount is not to exceed the lesser of \$4.5 million (Principal Amount) or the carrying debt amount less \$1 million. The guarantee agreement shall be of no further force or effect as of July 1, 2033, or after the gross available amount of the letter of credit has been reduced to \$1 million or less. The gross available amount is scheduled to be reduced to \$1 million as of July 1, 2031. Per the June 30, 2017 audited financial statements of Perspectives Charter Schools, the most recent audited financial information available, the outstanding balance of the revenue bonds is \$3.9 million. Once the July 1, 2017 annual payment of \$0.2 million is made the June 30, 2018 outstanding balance of the revenue bonds will be \$3.7 million. This guarantee is still in place as of June 30, 2018, and CPS is not aware of any qualitative factors that would trigger an event of default. Therefore, CPS is not required to record a liability for this guarantee under GASB 70. In November 2018, the debt was paid in full and CPS received a letter from Harris noting that CPS was released from all obligations or liabilities under the guarantee agreement.

e. Other Litigation and Claims

There are approximately six lawsuits and one union grievance that represent issues in which the financial loss to CPS has been determined to be a potential liability by CPS' law department in fiscal year 2018.

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts 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, 2018, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However in FY16, CPS recorded a general accrual not specific to any pending legal action for these amounts and it remains in FY18. In the opinion of CPS management and legal counsel, the final resolution of these claims and legal actions will not be material to CPS' financial statements as of June 30, 2018. The liability for other litigation and claims, not including workers' compensation and general liability, decreased by \$2.8 million from \$19.2 million in fiscal year 2017 to \$16.4 million in fiscal year 2018.



NOTE 16. TAX ABATEMENT

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Various tax incentive programs exist between Cook County and local businesses and developers that effect tax revenues received by CPS. These programs are Class 6b, Class 7a, Class 7b, Class 8 and Class 9 and are subject to approval by Cook County's Assessor Office based on applicable criteria. Businesses and developers are granted these incentives based on property classification.

The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2017, there were 397 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 7a and Class 7b programs are to encourage commercial development throughout Cook County in need of commercial development, which would not be economically feasible without the incentive. Properties receiving a Class 7a or 7b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2017, there were 122 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 8 programs are to encourage commercial and industrial development throughout Cook County, in areas of severe economic stagnation. Properties receiving a Class 8 incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2017, there were 19 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 9 programs are to reduce the assessment rate on rental projects for low-income multifamily rental buildings that involve substantial rehab or new construction, and where at least 35% of the units have 'affordable rents.' Properties receiving a Class 9 incentive are assessed at 10% of market value for an initial 10 year period, renewable upon application for additional 10 year periods. In calendar year 2017, there were 365 parcels receiving this incentive in the City of Chicago.

The goal of these programs are to attract new industry, commercial and real estate entities, stimulate expansion and retention of existing businesses, and increase employment opportunities.

In the absence of these incentives, the property tax would be assessed at 25% of its market value. These incentives constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2018 fiscal year, the total estimated impact of these incentives to the District is a reduction in property taxes for those properties in the amount of \$34.9 million.

NOTE 17. SUBSEQUENT EVENTSRepayment of 2017 Tax Anticipation Notes

To finance cash flow deficits in Fiscal Year 2018, the Board issued \$1.2 billion in aggregate principal amount of 2017 Tax Anticipation Notes in multiple series (the "2017 TANs") in anticipation of collection of its 2017 tax levy in 2018 in the amount of approximately \$2.423 billion.



NOTE 17. SUBSEQUENT EVENTS (continued)

At the end of Fiscal Year 2018, the Board had outstanding \$600 million of 2017 TANs. In August 2018, the Board repaid and ended all its Series 2017 TANs whereby no 2017 TANs remained outstanding.

Issuance of 2018 Tax Anticipation Notes

After the end of Fiscal Year 2018, for Fiscal Year 2019 the Board approved a levy of *ad valorem* property taxes of approximately \$2.461 billion for educational purposes (the “2018 Tax Levy”) to be collected in calendar year 2019 and authorized the issuance of not to exceed \$1.250 billion principal amount of 2018 Tax Anticipation Notes (the “2018 TANs”) in anticipation of the collection of the 2018 Tax Levy. As of December 15, 2018, the Board has currently issued and has outstanding 2018 TANs in the total aggregate amount of \$400 million. The Board expects to issue additional TANs throughout Fiscal Year 2019 to fund its cash flow needs in an amount up to the authorized amount of \$1.25 billion.

The Series 2018 TANs sub-series designations are as follows: (1) \$200 million Series 2018A tax anticipation notes closed on October 31, 2018; (2) \$200 million of Series 2018B tax anticipation notes closed on December 5, 2018: The Series 2018A and B TANs totaling \$200 million were each sold by a public sale to investors. The 2018 Tax Levy will be intercepted by a trustee, and it will be used to repay each issue.

The interest rate on each of the series of the Series 2018 TANs is a fixed rate ranging from 2.40% to 2.65%.

Principal of and interest on the 2018 TANs is payable on the respective sub-series maturity date of each series of the 2018 TANs from the revenues from the 2018 Tax Levy. Property taxes are payable in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill calculated at 55% of the prior year’s tax bill. The second installment is for the balance of the current year’s tax bill. The maturity date of the 2018AB TANs is March 29, 2019.

Issuance of Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2018CD
On December 13, 2018, the Board issued fixed-rate \$763.4 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue), Series 2018CD (the “Series 2018CD” Bonds”) with an original issue premium of \$17.9 million.

The proceeds of the Series 2018CD Bonds were used to provide funds to refund certain outstanding bonds of the Board, finance the continued implementation of the Board’s Capital Improvement Program, fund capitalized interest and pay the costs of issuance on the Series 2018CD Bonds. The Series 2018CD Bonds are general obligations of the Board.

The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2018CD Bonds. The debt service on the Series 2018CD Bonds will be paid from General State Aid Revenues and Personal Property Replacement Tax Revenues.

Issuance of Dedicated Capital Improvement Tax Bonds Series 2018

On December 13, 2018, the Board issued \$86 million fixed-rate Dedicated Capital Improvement Tax Bonds, Series 2018 (the “2018 CIT Bonds”) with an original issue premium of \$4.8 million. The proceeds of the 2018 CIT Bonds will be used to finance certain permitted capital improvement projects, make a deposit to a consolidated debt service reserve fund, fund capitalized interest on the 2018 CIT Bonds through April 1, 2020, and pay costs of issuance of the 2018 CIT Bonds.



NOTE 17. SUBSEQUENT EVENTS (continued)

The 2018 Bonds are limited obligations of the Board payable from and secured by revenues derived and to be derived by the Board from the levy of a Capital Improvement Tax (the CIT). The Board authorized the initial levy of the CIT in calendar year 2015 for collection in calendar year 2016. The CIT levy was created by the Illinois State Legislature in 2002, but not previously implemented. The Capital Improvement Tax Levy is outside of the Board's property tax cap limitation and may increase by the rate of inflation in future years. The statute authorizing the CIT allows the levy to be used for either expenditures on capital projects or to pay for debt service on bonds that are used to finance capital projects such as the 2018 CIT Bonds.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
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, 2018
(Thousands of dollars)

	Original Budget	Supplemental Appropriations & Transfers In/(Out)	Final Budget	Fiscal Year Actual	Over (Under) Budget
Revenues:					
Property taxes.....	\$ 2,808,707	\$ -	\$ 2,808,707	\$ 2,794,613	\$ (14,094)
Replacement taxes.....	90,438	-	90,438	109,997	19,559
State aid.....	1,699,411	-	1,699,411	1,859,582	160,171
Federal aid.....	1,100	-	1,100	723,432	722,332
Interest and investment earnings.....	772,979	-	772,979	6,099	(766,880)
Other.....	269,393	-	269,393	332,323	62,930
Total revenues.....	<u>\$ 5,642,028</u>	<u>\$ -</u>	<u>\$ 5,642,028</u>	<u>\$ 5,826,046</u>	<u>\$ 184,018</u>
Expenditures:					
Salaries -					
Teachers' salaries.....	\$ 1,860,907	\$ (8,248)	\$ 1,852,659	\$ 1,841,295	\$ (11,364)
Career service salaries.....	549,299	33,972	583,271	595,467	12,196
Commodities -					
Energy.....	74,866	(5,286)	69,580	60,813	(8,767)
Food.....	93,954	6,880	100,834	94,512	(6,322)
Textbook.....	36,807	19,893	56,700	50,296	(6,404)
Supplies.....	36,786	20,070	56,856	46,683	(10,173)
Other.....	410	(19)	391	301	(90)
Services -					
Professional and special services.....	331,975	107,636	439,611	410,175	(29,436)
Charter Schools.....	745,402	(5,126)	740,276	703,124	(37,152)
Transportation.....	106,681	5,048	111,729	106,021	(5,708)
Tuition.....	59,072	132	59,204	50,181	(9,023)
Telephone and telecommunications.....	30,744	(1,140)	29,604	23,718	(5,886)
Other.....	13,059	10,259	23,318	26,819	3,501
Equipment - educational.....	17,061	27,462	44,523	35,214	(9,309)
Building and Sites -					
Repair and replacements.....	18,911	(5,368)	13,543	13,214	(329)
Capital outlay.....	7	1,754	1,761	1,293	(468)
Teachers' pension.....	895,751	(1,178)	894,573	900,791	6,218
Career service pension.....	88,960	364	89,324	113,882	24,558
Hospitalization and dental insurance.....	348,182	(9,472)	338,710	319,344	(19,366)
Medicare.....	36,408	88	36,496	34,601	(1,895)
Unemployment compensation.....	8,997	(97)	8,900	6,604	(2,296)
Workers compensation.....	21,993	(247)	21,746	23,546	1,800
Rent.....	17,501	2,961	20,462	16,840	(3,622)
Debt service.....	79,106	(21,589)	57,517	32,101	(25,416)
Other.....	226,453	(178,749)	47,704	7,045	(40,659)
Total expenditures.....	<u>\$ 5,699,292</u>	<u>\$ -</u>	<u>\$ 5,699,292</u>	<u>\$ 5,513,880</u>	<u>\$ (185,412)</u>
Revenues in excess of (less than) expenditures	<u>\$ (57,264)</u>	<u>\$ -</u>	<u>\$ (57,264)</u>	<u>\$ 312,166</u>	<u>\$ 369,430</u>
Other financing sources (uses):					
Transfers in / (out).....	\$ -	\$ -	\$ -	\$ 286,828	\$ 286,828
Total other financing sources (uses).....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,828</u>	<u>\$ 286,828</u>
Net change in fund balances.....	\$ (57,264)	\$ -	\$ (57,264)	\$ 598,994	\$ 656,258
Fund balances (deficit), beginning of period.....	(275,230)	-	(275,230)	(275,230)	(275,230)
Fund balances (deficit), end of period.....	<u>\$ (332,494)</u>	<u>\$ -</u>	<u>\$ (332,494)</u>	<u>\$ 323,764</u>	<u>\$ 381,028</u>

See Independent Auditors' Report.



SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Four Fiscal Years Ended June 30, 2018
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago:

	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>
CPS' Proportion of the Net Pension Liability.....	100.00%	100.00%	100.00%	100.00%
CPS' Proportionate Share of the Net Pension Liability.....	\$ 9,501,206	\$ 10,023,263	\$ 11,011,400	\$ 12,382,417
State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS.....	-	-	-	-
Total.....	<u>\$ 9,501,206</u>	<u>\$ 10,023,263</u>	<u>\$ 11,011,400</u>	<u>\$ 12,382,417</u>
CPS' Covered Employee Payroll.....	\$ 2,233,281	\$ 2,273,551	\$ 2,281,269	\$ 2,030,175
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll.....	425.44%	440.86%	482.69%	609.92%
CTPF Plan Net Position as a Percentage of Total Pension Liability.....	53.23%	51.61%	47.78%	49.46%

Municipal Employees' Annuity and Benefit Fund of Chicago:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
CPS' Proportion of the Net Pension Liability.....	0.00%	0.00%	0.00%	0.00%
CPS' Proportionate Share of the Net Pension Liability.....	\$ -	\$ -	\$ -	\$ -
Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with CPS.....	2,779,767	7,829,700	7,529,116	4,848,718
Total.....	<u>\$ 2,779,767</u>	<u>\$ 7,829,700</u>	<u>\$ 7,529,116</u>	<u>\$ 4,848,718</u>
Covered Employee Payroll.....	\$ 625,161	\$ 691,178	\$ 657,649	\$ 697,242
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll.....	0.00%	0.00%	0.00%	0.00%
MEABF Plan Net Position as a Percentage of Total Pension Liability.....	42.09%	20.30%	19.05%	27.97%

NOTES:

1) CPS implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

2) In fiscal year 2018 the assumptions for investment return was reduced from 7.75% to 7.25% and the discount rate was reduced from 7.75% to 7.07%

3) The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See Independent Auditors' Report.

SCHEDULE OF CPS' CONTRIBUTION TO DEFINED BENEFIT PENSION PLANS
For the Four Fiscal Years Ended June 30, 2018
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

<u>Year Ended</u>	<u>CPS' Contractually Required Contributions</u>	<u>Contributions made on behalf of CPS by the State of Illinois</u>	<u>CPS Contributions related to the Contractually required contributions</u>	<u>Total Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>CPS' Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
June 30, 2018.....	\$ 784,402	\$ 232,992	\$ 551,410	\$ 784,402	\$ -	\$ 2,111,982	37.14%
June 30, 2017.....	745,386	1,016	733,200	734,216	11,170	2,030,175	36.17%
June 30, 2016.....	687,965	12,105	675,860	687,965	-	2,281,269	30.16%
June 30, 2015.....	696,522	62,145	634,377	696,522	-	2,273,551	30.64%

Municipal Employees' Annuity and Benefit Fund of Chicago

<u>Year Ended</u>	<u>Contractually Required Contributions</u>	<u>Contributions made on behalf of CPS by the City of Chicago</u>	<u>Total Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
June 30, 2018.....	\$ 415,674	\$ 76,700	\$ 76,700	\$ 338,974	\$ 697,242	11.00%
June 30, 2017.....	387,381	61,382	61,382	325,999	657,649	9.33%
June 30, 2016.....	288,660	61,885	61,885	226,775	691,178	8.95%
June 30, 2015.....	327,225	58,200	58,200	269,025	625,161	9.31%

NOTE:

CPS implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available.

The Schedule is intended to show information for 10 years.

See Independent Auditors' Report.



SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY
For the Fiscal Year Ended June 30, 2018
 (Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

	<u>2018</u>
District's Proportion of the Total OPEB Liability.....	100.00%
District's Proportionate Share of the Collective Total OPEB Liability.....	\$ 2,270,891
Total	\$ <u>2,270,891</u>
Covered payroll.....	\$ 2,030,175
District's proportionate share of the Total OPEB liability as a percentage of its employee payroll.....	111.86%
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.00%

Public School Teachers' Pension and Retirement Fund of Chicago

	<u>2018</u>
Contractually required contribution.....	\$ 49,001
Contributions in relation to the contractually required contribution.....	<u>49,001</u>
Contribution Deficiency (Excess).....	<u>\$ -</u>
Covered payroll.....	\$ 2,030,175
Contributions as a Percentage of Employee Payroll.....	2.41%

NOTES:

CPS implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

See Independent Auditors' Report.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

The General Operating Fund is the primary operating fund of the Board. It was created in response to the provisions of P.A. 89-15 which consolidated all of the rate-limited tax levies into the Board's general education tax levy. All information in this fund is presented in accordance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. The General Operating Fund includes all the revenues and expenditures of the following programs: Educational Program; Supplementary General State Aid Program; Chicago Teacher's Pension 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

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE

FINAL APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2018

With Comparative Amounts for the Fiscal Year Ended June 30, 2017

(Thousands of dollars)

	Final Budget	Fiscal Year 2018 Actual	Over (Under) Budget	Fiscal Year 2017 Actual	2018 Over (Under) 2017
Revenues:					
Property taxes.....	\$ 2,808,707	\$ 2,794,613	\$ (14,094)	\$ 2,613,889	\$ 180,724
Replacement taxes.....	90,438	109,997	19,559	169,637	(59,640)
State aid.....	1,699,411	1,859,582	160,171	1,287,702	571,880
Interest and investment earnings.....	1,100	723,432	722,332	1,964	721,468
Federal aid.....	772,979	6,099	(766,880)	752,295	(746,196)
Other.....	269,393	332,323	62,930	265,099	67,224
Total revenues.....	\$ 5,642,028	\$ 5,826,046	\$ 184,018	\$ 5,090,586	\$ 735,460
Expenditures:					
Teachers' salaries.....	\$ 1,852,659	\$ 1,841,295	\$ (11,364)	\$ 1,815,309	\$ 25,986
Career service salaries.....	583,271	595,467	12,196	581,665	13,802
Energy.....	69,580	60,813	(8,767)	69,067	(8,254)
Food.....	100,834	94,512	(6,322)	94,911	(399)
Textbook.....	56,700	50,296	(6,404)	43,255	7,041
Supplies.....	56,856	46,683	(10,173)	44,040	2,643
Other commodities.....	391	301	(90)	221	80
Professional fees.....	439,611	410,175	(29,436)	357,258	52,917
Charter Schools.....	740,276	703,124	(37,152)	668,412	34,712
Transportation.....	111,729	106,021	(5,708)	95,974	10,047
Tuition.....	59,204	50,181	(9,023)	53,668	(3,487)
Telephone and telecommunications.....	29,604	23,718	(5,886)	21,998	1,720
Other services.....	23,318	26,819	3,501	13,814	13,005
Equipment - educational.....	44,523	35,214	(9,309)	30,967	4,247
Repair and replacements.....	13,543	13,214	(329)	18,319	(5,105)
Capital outlay.....	1,761	1,293	(468)	1,017	276
Teachers' pension.....	894,573	900,791	6,218	853,474	47,317
Career service pension.....	89,324	113,882	24,558	99,428	14,454
Hospitalization and dental insurance.....	338,710	319,344	(19,366)	306,871	12,473
Medicare.....	36,496	34,601	(1,895)	33,658	943
Unemployment compensation.....	8,900	6,604	(2,296)	7,040	(436)
Workers compensation.....	21,746	23,546	1,800	20,531	3,015
Rent.....	20,462	16,840	(3,622)	14,638	2,202
Debt service.....	57,517	32,101	(25,416)	38,735	(6,634)
Other fixed charges.....	47,704	7,045	(40,659)	13,488	(6,443)
Total expenditures.....	\$ 5,699,292	\$ 5,513,880	\$ (185,412)	\$ 5,297,758	\$ 216,122
Revenues in excess of (less than) expenditures.....	\$ (57,264)	\$ 312,166	\$ 369,430	\$ (207,172)	\$ 519,338
Other financing sources (uses):					
Other revenue sources /(uses).....	\$ -	\$ -	\$ -	\$ 224	\$ (224)
Transfers in / (out).....	-	286,828	286,828	58,350	228,478
Total other financing sources (uses).....	\$ -	\$ 286,828	\$ 286,828	\$ 58,574	\$ 228,254
Net change in fund balances.....	\$ (57,264)	\$ 598,994	\$ 656,258	\$ (148,598)	\$ 748,040
Fund balances (deficit), beginning of period.....	(275,230)	(275,230)	-	(126,632)	(147,592)
Fund balances, end of period.....	\$ (332,494)	\$ 323,764	\$ 656,258	\$ (275,230)	\$ 598,994



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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, 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 GO 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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2018

(Thousands of dollars)

	<u>Capital Asset Program</u>	<u>Capital Improvement Program</u>	<u>Total</u>
Revenues:			
Property taxes.....	\$ -	\$ 8,106	\$ 8,106
State aid.....	-	14,019	14,019
Federal aid.....	-	19,498	19,498
Interest and investment earnings.....	-	7,305	7,305
Other.....	-	28,457	28,457
Total revenues.....	<u>\$ -</u>	<u>\$ 77,385</u>	<u>\$ 77,385</u>
Expenditures:			
Capital outlay.....	\$ 283	\$ 338,906	\$ 339,189
Total expenditures.....	<u>\$ 283</u>	<u>\$ 338,906</u>	<u>\$ 339,189</u>
Revenues less than expenditures.....	<u>\$ (283)</u>	<u>\$ (261,521)</u>	<u>\$ (261,804)</u>
Other financing sources (uses):			
Gross amounts from debt issuances.....	\$ -	\$ 348,211	\$ 348,211
Premiums.....	-	9,848	9,848
Discounts.....	-	(2,675)	(2,675)
Sales of general capital assets.....	9,442	-	9,442
Transfers in / (out).....	-	(497)	(497)
Total other financing sources (uses).....	<u>\$ 9,442</u>	<u>\$ 354,887</u>	<u>\$ 364,329</u>
Net change in fund balances.....	\$ 9,159	\$ 93,366	\$ 102,525
Fund balances, beginning of period	46,987	745,599	792,586
Fund balances, end of period.....	<u>\$ 56,146</u>	<u>\$ 838,965</u>	<u>\$ 895,111</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, 2018

With Comparative Amounts for the Fiscal Year Ended June 30, 2017

(Thousands of dollars)

	<u>Final</u> <u>Appropriations</u>	<u>Fiscal</u> <u>Year</u> <u>2018</u>	<u>Variance</u>	<u>Fiscal</u> <u>Year</u> <u>2017</u>	<u>2018</u> <u>Over (Under)</u> <u>2017</u>
Expenditures:					
Services.....	\$ -	\$ 283	\$ 283	\$ 105	\$ 178
Capital outlay.....	46,817	-	(46,817)	-	-
Total expenditures.....	<u>\$ 46,817</u>	<u>\$ 283</u>	<u>\$ (46,534)</u>	<u>\$ 105</u>	<u>\$ 178</u>
Revenues less than expenditures.....	<u>\$ (46,817)</u>	<u>\$ (283)</u>	<u>\$ 46,534</u>	<u>\$ (105)</u>	<u>\$ (178)</u>
Other financing sources:					
Sales of general capital assets.....	\$ -	\$ 9,442	\$ 9,442	\$ 6,272	\$ 3,170
Total other financing sources....	<u>\$ -</u>	<u>\$ 9,442</u>	<u>\$ 9,442</u>	<u>\$ 6,272</u>	<u>\$ 3,170</u>
Net change in fund balance.....	\$ (46,817)	\$ 9,159	\$ 55,976	\$ 6,167	\$ 2,992
Fund balance, beginning of period	46,987	46,987	-	40,820	6,167
Fund balance, end of period.....	<u>\$ 170</u>	<u>\$ 56,146</u>	<u>\$ 55,976</u>	<u>\$ 46,987</u>	<u>\$ 9,159</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL IMPROVEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2018
With Comparative Amounts for the Fiscal Year Ended June 30, 2017
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2018	Variance	Fiscal Year 2017	2018 Over (Under) 2017
Revenues:					
Property taxes.....	\$ 5,118	\$ 8,106	\$ 2,988	\$ 48,409	\$ (40,303)
State aid.....	14,022	14,019	(3)	30,150	(16,131)
Federal aid.....	15,700	19,498	3,798	6,653	12,845
Interest and investment earnings.....	-	7,305	7,305	2,077	5,228
Other.....	49,696	28,457	(21,239)	21,090	7,367
Total revenues.....	<u>\$ 84,536</u>	<u>\$ 77,385</u>	<u>\$ (7,151)</u>	<u>\$ 108,379</u>	<u>\$ (30,994)</u>
Expenditures:					
Salaries.....	\$ 796	\$ 739	\$ -	\$ 676	\$ 63
Services.....	12,120	8,406	8,406	13,415	(5,009)
Educational equipment.....	61	61	61	3	58
Capital outlay.....	979,299	321,248	658,051	184,446	136,802
Pension.....	98	130	32	106	24
Hospitalization and dental insurance.....	52	52	-	43	9
Medicare.....	10	10	-	9	1
Unemployment compensation.....	3	2	(1)	2	(0)
Workers compensation.....	7	8	1	6	2
Other.....	16	8,250	8,234	6,024	2,226
Total expenditures.....	<u>\$ 992,463</u>	<u>\$ 338,906</u>	<u>\$ 653,557</u>	<u>\$ 204,730</u>	<u>\$ 134,176</u>
Revenues less than expenditures.....	<u>\$ (51,699)</u>	<u>\$ (261,521)</u>	<u>\$ 646,406</u>	<u>\$ (96,351)</u>	<u>\$ (165,170)</u>
Other financing sources (uses):					
Gross amounts from debt issuances.....	\$ -	\$ 348,211	\$ 348,211	\$ 811,619	\$ (463,408)
Premiums.....	-	9,848	9,848	-	9,848
Discounts.....	-	(2,675)	(2,675)	(36,097)	33,422
Transfers out.....	-	(497)	(497)	-	(497)
Total other financing sources (uses) ..	<u>\$ -</u>	<u>\$ 354,887</u>	<u>\$ 354,887</u>	<u>\$ 775,522</u>	<u>\$ (420,635)</u>
Net change in fund balance.....	<u>\$ (907,927)</u>	<u>\$ 93,366</u>	<u>\$ 1,001,293</u>	<u>\$ 679,171</u>	<u>\$ (585,805)</u>
Fund balance, beginning of period.....	745,599	745,599	-	66,428	679,171
Fund balance, end of period.....	<u>\$ 162,328</u>	<u>\$ 838,965</u>	<u>\$ 1,001,293</u>	<u>\$ 745,599</u>	<u>\$ 93,366</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
STATEMENT OF REVENUES, EXPENDITURES, OTHER
FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Bond Redemption and Interest Program	Public Building Commission Leases Program	Total
Revenues:			
Property taxes.....	\$ 43,538	\$ 51,613	\$ 95,151
Replacement taxes.....	58,257	-	58,257
State aid.....	323,355	-	323,355
Federal aid.....	24,998	-	24,998
Interest and investment earnings.....	5,279	339	5,618
Other.....	100,912	-	100,912
Total revenues.....	<u>\$ 556,339</u>	<u>\$ 51,952</u>	<u>\$ 608,291</u>
Expenditures:			
Current:			
Debt service.....	\$ 568,362	\$ 52,069	\$ 620,431
Total expenditures.....	<u>\$ 568,362</u>	<u>\$ 52,069</u>	<u>\$ 620,431</u>
Revenues less than expenditures.....	<u>\$ (12,023)</u>	<u>\$ (117)</u>	<u>\$ (12,140)</u>
Other financing sources (uses):			
Gross amounts from debt issuances.....	\$ 1,803,939	\$ -	\$ 1,803,939
Premiums.....	55,505	-	\$ 55,505
Discounts.....	(30,757)	-	\$ (30,757)
Payment to refunded bond escrow agent.....	(1,321,865)	-	\$ (1,321,865)
Transfers in / (out).....	(286,057)	(274)	(286,331)
Total other financing sources (uses).....	<u>\$ 220,765</u>	<u>\$ (274)</u>	<u>\$ 220,491</u>
Net change in fund balances.....	\$ 208,742	\$ (391)	\$ 208,351
Fund balances, beginning of period	518,174	58,992	577,166
Fund balances, end of period.....	<u>\$ 726,916</u>	<u>\$ 58,601</u>	<u>\$ 785,517</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 CHANGE IN FUND BALANCE

FINAL APPROPRIATIONS VS. ACTUAL

For the Fiscal Year Ended June 30, 2018

With Comparative Amounts for the Fiscal Year Ended June 30, 2017

(Thousands of dollars)

	Final Appropriations	Fiscal Year 2018	Variance	Fiscal Year 2017	2018 Over (Under) 2017
Revenues:					
Property taxes.....	\$ 43,539	\$ 43,538	\$ (1)	\$ -	\$ 43,538
Replacement taxes.....	58,284	58,257	(27)	58,284	(27)
State aid.....	367,083	323,355	(43,728)	391,013	(67,658)
Federal aid.....	24,726	24,998	272	24,995	3
Interest and investment earnings.....	-	5,279	5,279	1,260	4,019
Other.....	95,500	100,912	5,412	100,856	56
Total revenues.....	<u>\$ 589,132</u>	<u>\$ 556,339</u>	<u>\$ (32,793)</u>	<u>\$ 576,407</u>	<u>\$ (20,068)</u>
Expenditures:					
Debt Service.....	<u>\$ 524,810</u>	<u>\$ 568,362</u>	<u>\$ 43,552</u>	<u>\$ 478,939</u>	<u>\$ 89,423</u>
Total expenditures.....	<u>\$ 524,810</u>	<u>\$ 568,362</u>	<u>\$ 43,552</u>	<u>\$ 478,939</u>	<u>\$ 89,423</u>
Revenues less than expenditures.....	<u>\$ 64,322</u>	<u>\$ (12,023)</u>	<u>\$ 76,345</u>	<u>\$ 97,468</u>	<u>\$ (109,491)</u>
Other financing sources (uses):					
Gross amounts from debt issuances.....	\$ -	\$ 1,803,939	\$ (1,803,939)	\$ 67,961	\$ 1,735,978
Premiums.....	-	55,505	(55,505)	-	55,505
Discounts.....	-	(30,757)	30,757	-	(30,757)
Payment to refunded bond escrow agent....	-	(1,321,865)	1,321,865	-	(1,321,865)
Transfers in / (out).....	500	(286,057)	286,557	(58,245)	(227,812)
Total other financing sources (uses).....	<u>\$ 500</u>	<u>\$ 220,765</u>	<u>\$ (220,265)</u>	<u>\$ 9,716</u>	<u>\$ 211,049</u>
Net change in fund balance.....	\$ 64,822	\$ 208,742	\$ (143,920)	\$ 107,185	\$ 101,557
Fund balance, beginning of period.....	518,174	518,174	-	410,989	107,185
Fund balance, end of period.....	<u>\$ 582,996</u>	<u>\$ 726,916</u>	<u>\$ (143,920)</u>	<u>\$ 518,174</u>	<u>\$ 208,742</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 CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL

For the Fiscal Year Ended June 30, 2018

With Comparative Amounts for the Fiscal Year Ended June 30, 2017

(Thousands of dollars)

	Final Appropriations	Fiscal Year 2018	Variance	Fiscal Year 2017	2018 Over (Under) 2017
Revenues:					
Property taxes.....	\$ 52,069	\$ 51,613	\$ (456)	\$ 52,658	\$ (1,045)
Interest and investment earnings.....	-	339	339	141	198
Total revenues.....	<u>\$ 52,069</u>	<u>\$ 51,952</u>	<u>\$ (117)</u>	<u>\$ 52,799</u>	<u>\$ (847)</u>
Expenditures:					
Debt Service.....	\$ 52,069	\$ 52,069	\$ -	\$ 52,020	\$ 49
Total expenditures.....	<u>\$ 52,069</u>	<u>\$ 52,069</u>	<u>\$ -</u>	<u>\$ 52,020</u>	<u>\$ 49</u>
Revenues less than expenditures.....	<u>\$ -</u>	<u>\$ (117)</u>	<u>\$ (117)</u>	<u>\$ 779</u>	<u>\$ (896)</u>
Other financing sources (uses):					
Transfers in / (out).....	\$ -	\$ (274)	\$ (274)	\$ (105)	\$ (169)
Total other financing sources (uses).....	<u>\$ -</u>	<u>\$ (274)</u>	<u>\$ (274)</u>	<u>\$ (105)</u>	<u>\$ (169)</u>
Net change in fund balance.....	\$ -	\$ (391)	\$ (391)	\$ 674	\$ (1,065)
Fund balance, beginning of period.....	58,992	58,992	-	58,318	674
Fund balance, end of period.....	<u>\$ 58,992</u>	<u>\$ 58,601</u>	<u>\$ (391)</u>	<u>\$ 58,992</u>	<u>\$ (391)</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.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2009 (1)</u> <u>(as restated)</u>	<u>2010 (2)</u>	<u>2011 (3)</u>	<u>2012 (4)</u> <u>(as restated)</u>
Net investment in capital assets.....	\$ 30,202	\$ 440,099	\$ 370,159	\$ 310,028
Restricted for:				
Capital Projects.....	-	-	-	-
Debt service.....	391,392	442,851	276,097	282,253
Donations.....	3,695	5,825	-	-
Enabling legislation.....	101,072	109,163	-	-
Grants and donations.....	-	-	70,045	70,302
Teacher's Pension Contributions.....	-	-	-	-
Workers' comp/tort immunity.....	-	-	91,036	92,680
Unrestricted.....	<u>(1,017,248)</u>	<u>(1,916,207)</u>	<u>(2,009,152)</u>	<u>(2,552,441)</u>
Total net position (deficit).....	<u>\$ (490,887)</u>	<u>\$ (918,269)</u>	<u>\$ (1,201,815)</u>	<u>\$ (1,797,178)</u>

NOTES:

- 1) For fiscal year 2009, the amounts for net position restricted for debt service and unrestricted net position were restated to reflect the effects of GASB 54 adopted in fiscal year 2010.
- 2) Certain items in the fiscal year 2010 financial statements were reclassified to conform with the fiscal year 2011 presentation. These reclassifications had no impact in the total net position as previously reported.
- 3) Certain items in the fiscal year 2011 financial statements were reclassified to conform with the fiscal year 2012 presentation. These reclassifications had no impact in the total net position as previously reported.
- 4) Certain items in the fiscal year 2012 financial statements were restated to reflect the effects of GASB 63 and GASB 65 adopted in fiscal year 2013.
- 5) Certain items in the fiscal year 2016 financial statements were restated to reflect the effects of GASB 82 adopted in fiscal year 2017.
- 6) Certain items in the fiscal year 2017 financial statements were restated to reflect the effects of GASB 75 adopted in fiscal year 2018.



<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (5)</u> <u>(as restated)</u>	<u>2017 (6)</u> <u>(as restated)</u>	<u>2018</u>
\$ 80,009	\$ (37,194)	\$ (159,007)	\$ (342,529)	\$ (644,224)	\$ (743,406)
-	-	-	-	125,516	167,172
345,399	368,794	445,663	510,743	630,308	744,517
-	-	-	-	-	-
-	-	-	-	-	-
63,862	61,451	64,584	65,282	52,287	52,333
-	-	-	-	-	9,287
64,985	19,838	41,373	35,116	27,344	-
<u>(3,358,734)</u>	<u>(4,372,335)</u>	<u>(11,604,516)</u>	<u>(12,362,437)</u>	<u>(13,497,487)</u>	<u>(14,286,782)</u>
<u>\$ (2,804,479)</u>	<u>\$ (3,959,446)</u>	<u>\$ (11,211,903)</u>	<u>\$ (12,093,825)</u>	<u>\$ (13,306,256)</u>	<u>\$ (14,056,879)</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:			
Expenses:			
Instruction.....	\$ 3,324,936	\$ 3,507,221	\$ 3,712,681
Pupil support services.....	408,705	438,164	545,428
Administrative support services.....	233,361	201,908	187,559
Facilities support services.....	582,539	481,245	499,093
Instructional support services.....	512,427	523,851	541,714
Food services.....	203,880	207,127	215,609
Community services.....	56,392	50,879	47,021
Interest expense.....	259,850	258,360	285,577
Other.....	8,504	12,919	8,845
Total governmental activities.....	<u>\$ 5,590,594</u>	<u>\$ 5,681,674</u>	<u>\$ 6,043,527</u>
Program revenues:			
Charges for services			
Instruction.....	\$ 5,189	\$ 4,308	\$ 692
Food services.....	8,298	6,881	6,404
Operating grants and contributions.....	1,250,526	1,376,744	1,368,118
Capital grants and contributions.....	151,405	99,054	184,837
Total program revenues.....	<u>\$ 1,415,418</u>	<u>\$ 1,486,987</u>	<u>\$ 1,560,051</u>
Revenues (less than) expenditures.....	<u>\$ (4,175,176)</u>	<u>\$ (4,194,687)</u>	<u>\$ (4,483,476)</u>
General revenues and other changes in net position:			
Taxes:			
Property taxes.....	\$ 1,936,656	\$ 1,896,265	\$ 2,053,119
Replacement taxes.....	188,503	152,497	197,762
Non-program state aid.....	1,603,926	1,532,679	1,792,747
Interest and investment earnings.....	43,692	12,734	17,101
Gain on sale of capital assets.....	91	-	-
Other.....	56,132	173,130	139,201
Extraordinary item - gain on impairment of capital assets.....	708	-	-
Total general revenues and extraordinary item....	<u>\$ 3,829,708</u>	<u>\$ 3,767,305</u>	<u>\$ 4,199,930</u>
Change in net position.....	<u>\$ (345,468)</u>	<u>\$ (427,382)</u>	<u>\$ (283,546)</u>

2012	2013	2014	2015	2016	2017	2018
\$ 3,742,788	\$ 4,040,352	\$ 4,139,906	\$ 4,217,996	\$ 3,870,330	\$ 4,024,653	\$ 4,449,069
483,167	494,076	487,139	484,745	470,316	472,176	481,371
192,605	211,294	241,913	249,662	318,736	301,053	171,493
455,342	490,381	654,971	477,892	454,652	465,170	455,563
473,202	491,137	474,926	492,232	468,999	460,568	496,199
219,382	234,659	205,989	207,834	211,288	213,920	219,809
38,941	39,946	37,507	37,997	36,967	39,625	39,863
310,452	337,053	335,237	332,023	365,136	448,126	544,857
8,115	7,043	6,134	6,319	7,388	12,691	10,015
<u>\$ 5,923,994</u>	<u>\$ 6,345,941</u>	<u>\$ 6,583,722</u>	<u>\$ 6,506,700</u>	<u>\$ 6,203,812</u>	<u>\$ 6,437,982</u>	<u>\$ 6,868,239</u>
\$ 727	\$ 700	\$ 657	\$ 571	\$ 612	\$ 647	\$ 698
6,083	5,554	3,485	1,303	1,336	1,522	3,356
1,196,073	963,325	1,086,885	1,051,655	1,147,750	1,156,382	1,322,703
112,914	186,394	162,403	356,189	109,766	57,658	60,896
<u>\$ 1,315,797</u>	<u>\$ 1,155,973</u>	<u>\$ 1,253,430</u>	<u>\$ 1,409,718</u>	<u>\$ 1,259,464</u>	<u>\$ 1,216,209</u>	<u>\$ 1,387,653</u>
<u>\$(4,608,197)</u>	<u>\$(5,189,968)</u>	<u>\$(5,330,292)</u>	<u>\$(5,096,982)</u>	<u>\$(4,944,348)</u>	<u>\$(5,221,773)</u>	<u>\$(5,480,586)</u>
\$ 2,089,016	\$ 2,156,943	\$ 2,218,033	\$ 2,302,881	\$ 2,399,287	\$ 2,696,046	\$ 2,889,401
181,927	185,884	188,040	202,148	161,535	227,921	168,254
1,611,726	1,688,611	1,572,564	1,492,019	1,442,822	1,212,143	1,451,897
20,683	7,879	15,563	(47,720)	(18,706)	5,442	19,022
-	-	-	-	10,058	7,008	8,674
147,550	143,350	181,125	125,638	190,480	156,369	192,715
-	-	-	-	-	-	-
<u>\$ 4,050,902</u>	<u>\$ 4,182,667</u>	<u>\$ 4,175,325</u>	<u>\$ 4,074,966</u>	<u>\$ 4,185,476</u>	<u>\$ 4,304,929</u>	<u>\$ 4,729,963</u>
<u>\$ (557,295)</u>	<u>\$(1,007,301)</u>	<u>\$(1,154,967)</u>	<u>\$(1,022,016)</u>	<u>\$ (758,872)</u>	<u>\$ (916,844)</u>	<u>\$ (750,623)</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>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>
General operating fund				
Reserved.....	\$ 215,452	\$ 226,154	\$ -	\$ -
Unreserved.....	311,422	198,461	-	-
Nonspendable.....	-	-	1,972	3,329
Restricted for grants and donations.....	-	-	69,616	69,873
Restricted for workers' comp/tort immunity.....	-	-	91,036	92,680
Restricted for teacher's pension contributions....	-	-	-	-
Assigned for educational services.....	-	-	289,000	-
Assigned for appropriated fund balance.....	-	-	181,300	348,900
Assigned for commitments and contracts.....	-	-	102,163	110,397
Unassigned.....	-	-	5,293	443,575
Total general operating fund.....	<u>\$ 526,874</u>	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$ 1,068,754</u>
All other governmental funds				
Reserved.....	\$ 373,010	\$ 604,733	\$ -	\$ -
Unreserved, reported in:				
Capital projects fund.....	-	33,846	-	-
Debt service fund.....	154,616	124,556	-	-
Nonspendable.....	-	-	-	5,674
Restricted for capital improvement program.....	-	-	182,884	88,762
Restricted for debt service.....	-	-	271,643	332,517
Assigned for debt service.....	-	-	231,413	254,967
Unassigned (deficit).....	-	-	-	-
Total all other governmental funds.....	<u>\$ 527,626</u>	<u>\$ 763,135</u>	<u>\$ 685,940</u>	<u>\$ 681,920</u>

NOTE:

1) Since fiscal year 2011 fund balances are classified to conform with GASB 54 adopted in July 2010.



2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,720	429	429	429	429	429
63,434	61,022	64,155	64,854	51,858	52,333
64,985	19,838	41,373	35,116	27,344	-
-	-	-	-	-	9,287
-	-	-	-	-	-
562,682	267,652	79,225	-	-	-
105,664	87,067	73,101	-	-	18,044
150,658	-	102,002	(227,031)	(354,861)	243,671
<u>\$949,143</u>	<u>\$436,008</u>	<u>\$360,285</u>	<u>\$(126,632)</u>	<u>\$(275,230)</u>	<u>\$323,764</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
4,388	-	-	-	2,356	-
169,368	-	-	107,248	792,586	895,111
466,966	491,552	545,383	535,116	660,501	785,176
269,167	193,877	57,057	-	-	341
-	(91,953)	(131,111)	(65,809)	(85,691)	-
<u>\$909,889</u>	<u>\$593,476</u>	<u>\$471,329</u>	<u>\$576,555</u>	<u>\$1,369,752</u>	<u>\$1,680,628</u>



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS**
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:				
Property taxes.....	\$ 1,896,540	\$ 2,047,163	\$ 1,936,655	\$ 2,352,136
Replacement taxes.....	188,503	152,497	197,762	181,927
State aid.....	1,511,886	1,552,076	1,949,781	1,965,901
Federal aid.....	1,125,580	1,180,148	1,144,884	935,951
Interest and investment earnings.....	43,693	12,483	13,399	20,760
Other.....	253,376	359,661	417,516	303,744
Total revenues.....	<u>\$ 5,019,578</u>	<u>\$ 5,304,028</u>	<u>\$ 5,659,997</u>	<u>\$ 5,760,419</u>
Expenditures:				
Current:				
Instruction.....	\$ 2,773,440	\$ 2,898,855	\$ 2,955,772	\$ 2,992,481
Pupil support services.....	390,399	416,502	508,803	469,366
General support services.....	1,057,672	1,010,637	1,023,004	967,692
Food services.....	194,603	196,828	201,325	213,115
Community services.....	56,003	50,331	45,848	39,794
Teachers' pension and retirement benefits.....	237,011	294,424	149,377	183,499
Other.....	8,504	11,928	8,845	8,115
Capital outlay.....	672,412	705,691	580,363	591,148
Debt service:				
Principal.....	81,351	141,977	70,848	88,466
Interest.....	212,934	236,261	249,975	275,707
Other charges.....	7,921	8,359	11,274	10,321
Total expenditures.....	<u>\$ 5,692,250</u>	<u>\$ 5,971,793</u>	<u>\$ 5,805,434</u>	<u>\$ 5,839,704</u>
Revenues in excess of (less than) expenditures....	<u>\$ (672,672)</u>	<u>\$ (667,765)</u>	<u>\$ (145,437)</u>	<u>\$ (79,285)</u>
Other financing sources (uses):				
Gross amounts from debt issuances.....	\$ 225,675	\$ 1,083,260	\$ 638,790	\$ 592,510
Premiums on bonds issued.....	-	6,459	14,700	1,229
Insurance proceeds.....	1,155	-	-	-
Sales of general capital assets.....	91	-	-	-
Payment to refunded bond escrow agent.....	(226,408)	(288,704)	(269,483)	(190,100)
Transfers in.....	20,389	-	-	-
Transfers out.....	(20,389)	-	-	-
Discounts on bonds issued.....	-	-	-	-
Total other financing sources (uses).....	<u>\$ 513</u>	<u>\$ 801,015</u>	<u>\$ 384,007</u>	<u>\$ 403,639</u>
Net changes in fund balances.....	<u>\$ (672,159)</u>	<u>\$ 133,250</u>	<u>\$ 238,570</u>	<u>\$ 324,354</u>
Debt service as a percentage of noncapital expenditures				
	5.71%	7.07%	6.09%	6.89%

NOTES:

1) Fiscal year 2014 was restated due to a change in the revenue recognition period in fiscal year 2015.



2013	2014	2015	2016	2017	2018
\$2,211,568	\$2,204,252	\$2,304,656	\$2,408,416	\$2,714,956	\$2,897,870
185,884	188,041	202,148	161,535	227,920	168,254
1,815,798	1,840,805	1,847,069	1,552,325	1,708,865	2,196,956
845,796	907,241	798,931	808,999	783,943	767,928
7,303	15,596	(92,825)	(95,650)	5,442	19,022
322,128	286,472	377,286	437,042	387,045	461,692
<u>\$5,388,477</u>	<u>\$5,442,407</u>	<u>\$5,437,265</u>	<u>\$5,272,667</u>	<u>\$5,828,171</u>	<u>\$6,511,722</u>

\$3,034,509	\$3,126,689	\$3,253,484	\$2,970,553	\$2,859,105	\$3,108,443
454,240	457,939	459,672	448,254	441,324	453,389
941,270	987,048	972,526	1,044,740	948,943	888,314
215,739	193,642	197,084	201,377	199,944	207,042
39,656	37,460	38,003	37,497	39,607	40,047
227,766	593,225	676,078	664,123	708,941	762,816
7,043	6,134	6,319	7,388	12,691	10,016
519,604	534,980	391,953	308,091	217,303	352,028
73,423	148,272	214,707	139,096	152,638	144,717
304,788	315,927	310,923	310,778	375,679	443,886
12,198	3,705	7,863	31,545	77,377	62,802
<u>\$5,830,236</u>	<u>\$6,405,021</u>	<u>\$6,528,612</u>	<u>\$6,163,442</u>	<u>\$6,033,552</u>	<u>\$6,473,500</u>
<u>\$ (441,759)</u>	<u>\$ (962,614)</u>	<u>\$ (1,091,347)</u>	<u>\$ (890,775)</u>	<u>\$ (205,380)</u>	<u>\$ 38,222</u>

\$ 982,720	\$ 131,600	\$ 561,880	\$ 724,999	\$ 879,580	\$2,152,150
47,271	-	-	-	-	65,353
-	-	-	-	224	-
723	7,301	37,504	15,012	6,272	9,442
(480,597)	-	(386,710)	(120,856)	-	(1,321,865)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(12,502)	(110,071)	(36,097)	(33,432)
<u>\$ 550,117</u>	<u>\$ 138,901</u>	<u>\$ 200,172</u>	<u>\$ 509,084</u>	<u>\$ 849,979</u>	<u>\$ 871,648</u>
<u>\$ 108,358</u>	<u>\$ (823,713)</u>	<u>\$ (891,175)</u>	<u>\$ (381,691)</u>	<u>\$ 644,599</u>	<u>\$ 909,870</u>

7.02% 7.64% 8.47% 7.68% 9.09% 9.61%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2009		2010		2011	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes.....	\$ 1,896,540	37.8%	\$ 2,047,163	38.6%	\$ 1,936,655	34.2%
Replacement taxes.....	188,503	3.8%	152,497	2.9%	197,762	3.5%
State aid.....	1,511,886	30.1%	1,552,076	29.3%	1,949,781	34.5%
Federal aid.....	1,125,580	22.4%	1,180,148	22.3%	1,144,884	20.2%
Interest and investment earnings.....	43,693	0.9%	12,483	0.2%	13,399	0.2%
Other.....	253,376	5.0%	359,661	6.7%	417,516	7.4%
Total revenues.....	<u>\$ 5,019,578</u>	<u>100.0%</u>	<u>\$ 5,304,028</u>	<u>100.0%</u>	<u>\$ 5,659,997</u>	<u>100.0%</u>

	2015		2016		2017	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes.....	\$ 2,304,656	42.4%	\$ 2,408,416	45.7%	\$ 2,714,956	46.6%
Replacement taxes.....	202,148	3.7%	161,535	3.1%	227,921	3.9%
State aid.....	1,847,069	34.0%	1,552,325	29.4%	1,708,865	29.3%
Federal aid.....	798,931	14.7%	808,999	15.3%	783,943	13.5%
Interest and investment earnings.....	(92,825)	-1.7%	(95,650)	-1.8%	5,442	0.1%
Other.....	377,286	6.9%	437,042	8.3%	387,045	6.6%
Total revenues.....	<u>\$ 5,437,265</u>	<u>100.0%</u>	<u>\$ 5,272,667</u>	<u>100.0%</u>	<u>\$ 5,828,172</u>	<u>100.0%</u>

2012		2013		2014 (as restated)	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
\$2,352,136	40.8%	\$2,211,568	41.1%	\$2,204,252	40.5%
181,927	3.2%	185,884	3.4%	188,041	3.5%
1,965,901	34.1%	1,815,798	33.7%	1,840,805	33.9%
935,951	16.2%	845,796	15.7%	907,241	16.7%
20,760	0.4%	7,303	0.1%	15,596	0.3%
303,744	5.3%	322,128	6.0%	286,472	5.3%
<u>\$5,760,419</u>	<u>100.0%</u>	<u>\$5,388,477</u>	<u>100.0%</u>	<u>\$5,442,407</u>	<u>100.0%</u>

2018	
Amount	Percent of Total
\$2,897,870	44.5%
168,254	2.6%
2,196,956	33.7%
767,928	11.8%
19,022	0.3%
461,692	7.1%
<u>\$6,511,722</u>	<u>100.0%</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2009		2010		2011	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction.....	\$ 2,773,440	48.7%	\$ 2,898,855	48.5%	\$ 2,955,772	50.9%
Pupil support services.....	390,399	6.9%	416,502	7.0%	508,803	8.8%
General support services.....	1,057,672	18.6%	1,010,637	17.0%	1,023,004	17.6%
Food services.....	194,603	3.4%	196,828	3.3%	201,325	3.5%
Community services.....	56,003	1.0%	50,331	0.8%	45,848	0.8%
Teachers' pension and retirement benefits.....	237,011	4.2%	294,424	4.9%	149,377	2.6%
Other.....	8,504	0.1%	11,928	0.2%	8,845	0.1%
Capital outlay.....	672,412	11.8%	705,691	11.8%	580,363	10.0%
Debt service.....	302,206	5.3%	386,597	6.5%	332,097	5.7%
Total expenditures.....	<u>\$ 5,692,250</u>	<u>100.0%</u>	<u>\$ 5,971,793</u>	<u>100.0%</u>	<u>\$ 5,805,434</u>	<u>100.0%</u>

	2015		2016		2017	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction.....	\$ 3,253,484	49.9%	\$ 2,970,553	48.1%	\$ 2,859,105	47.5%
Pupil support services.....	459,672	7.1%	448,254	7.3%	441,324	7.3%
General support services.....	972,526	14.9%	1,044,740	17.0%	984,943	16.3%
Food services.....	197,084	3.0%	201,377	3.3%	199,944	3.3%
Community services.....	38,003	0.6%	37,497	0.6%	39,607	0.7%
Teachers' pension and retirement benefits.....	676,078	10.4%	664,123	10.8%	708,941	11.7%
Other.....	6,319	0.1%	7,388	0.1%	12,691	0.2%
Capital outlay.....	391,953	6.0%	308,091	5.0%	217,303	3.6%
Debt service.....	533,493	8.0%	481,419	7.8%	569,694	9.4%
Total expenditures.....	<u>\$ 6,528,612</u>	<u>100.0%</u>	<u>\$ 6,163,442</u>	<u>100.0%</u>	<u>\$ 6,033,552</u>	<u>100.0%</u>

2012		2013		2014	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
\$ 2,992,481	51.3%	\$ 3,034,509	52.0%	\$ 3,126,689	48.8%
469,366	8.0%	454,240	7.9%	457,939	7.1%
967,692	16.6%	941,270	16.1%	987,048	15.4%
213,115	3.7%	215,739	3.7%	193,642	3.0%
39,794	0.7%	39,656	0.7%	37,460	0.6%
183,499	3.1%	227,766	3.9%	593,225	9.3%
8,115	0.1%	7,043	0.1%	6,134	0.1%
591,148	10.1%	519,604	8.9%	534,980	8.4%
374,494	6.4%	390,409	6.7%	467,904	7.3%
<u>\$ 5,839,704</u>	<u>100.0%</u>	<u>\$ 5,830,236</u>	<u>100.0%</u>	<u>\$ 6,405,021</u>	<u>100.0%</u>

2018	
Amount	Percent of Total
\$ 3,108,443	48.0%
453,389	7.0%
888,314	13.7%
207,042	3.2%
40,047	0.6%
762,816	11.8%
10,016	0.2%
352,028	5.4%
651,405	10.1%
<u>\$ 6,473,500</u>	<u>100.0%</u>



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2018
With Comparative Amounts for the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)

	Fiscal Year 2018	Fiscal Year 2017	2018 Over (Under) 2017
Revenues:			
Local taxes:			
Property taxes.....	\$ 2,794,613	\$ 2,613,889	\$ 180,724
Replacement taxes.....	109,997	169,637	(59,640)
Total revenue from local taxes.....	<u>\$ 2,904,610</u>	<u>\$ 2,783,526</u>	<u>\$ 121,084</u>
Local nontax revenue:			
Interest and investment earnings.....	\$ 6,099	\$ 1,964	\$ 4,135
Lunchroom operations.....	-	1,309	(1,309)
Other.....	332,323	263,790	68,532
Total revenue from nontax revenue.....	<u>\$ 338,422</u>	<u>\$ 267,063</u>	<u>\$ 71,358</u>
Total local revenue.....	<u>\$ 3,243,032</u>	<u>\$ 3,050,589</u>	<u>\$ 192,442</u>
State grants and subsidies:			
Evidence based funding (1).....	\$ 1,254,533	\$ 667,729	\$ 586,804
Block grants.....	122,607	449,417	(326,810)
Other.....	482,422	170,556	311,886
Total state grants & subsidies.....	<u>\$ 1,859,582</u>	<u>\$ 1,287,702</u>	<u>\$ 571,880</u>
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA).....	\$ 261,500	\$ 277,045	\$ (15,545)
American Recovery and Reinvestment Act (ARRA)	8,899	25,228	(16,329)
School lunch program.....	196,495	184,767	11,728
Individuals with Disabilities Education Act (IDEA).....	92,655	93,096	(441)
Other.....	163,883	172,159	(8,276)
Total federal grants and subsidies.....	<u>\$ 723,432</u>	<u>\$ 752,295</u>	<u>\$ (28,863)</u>
Total revenues.....	<u>\$ 5,826,046</u>	<u>\$ 5,090,586</u>	<u>\$ 735,459</u>

NOTE:

- 1) Evidence based funding replaced General state aid in Fiscal Year 2018.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2018
With Comparative Amounts for the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)

	Fiscal Year 2018	Fiscal Year 2017	2018 Over (Under) 2017
Expenditures:			
Instruction:			
Salaries.....	\$ 1,752,944	\$ 1,723,648	\$ 29,296
Commodities.....	60,504	55,560	4,944
Services.....	844,773	649,122	195,651
Equipment - educational.....	22,849	21,194	1,655
Building and sites.....	2,037	2,015	22
Fixed charges.....	425,336	407,566	17,770
Total instruction.....	<u>\$ 3,108,443</u>	<u>\$ 2,859,105</u>	<u>\$ 249,338</u>
Pupil support services:			
Salaries.....	\$ 234,168	\$ 230,784	\$ 3,384
Commodities.....	5,905	4,917	988
Services.....	139,801	136,212	3,589
Equipment - educational.....	684	528	156
Building and sites.....	227	199	28
Fixed charges.....	72,604	68,684	3,920
Total pupil support services.....	<u>\$ 453,389</u>	<u>\$ 441,324</u>	<u>\$ 12,065</u>
Administrative support services:			
Salaries.....	\$ 69,868	\$ 62,711	\$ 7,157
Commodities.....	13,065	10,388	2,677
Services.....	55,500	182,295	(126,795)
Equipment - educational.....	635	656	(21)
Building and sites.....	544	827	(283)
Fixed charges.....	21,912	24,506	(2,594)
Total administrative support services.....	<u>\$ 161,524</u>	<u>\$ 281,383</u>	<u>\$ (119,859)</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, 2018
With Comparative Amounts for the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Fiscal Year 2018	Fiscal Year 2017	2018 Over (Under) 2017
Facilities support services:			
Salaries.....	\$ 57,001	\$ 71,830	\$ (14,829)
Commodities.....	64,030	73,574	(9,544)
Services.....	212,289	178,871	33,418
Equipment - educational.....	989	660	329
Building and sites.....	7,818	12,948	(5,130)
Fixed charges.....	37,973	38,493	(520)
Total facilities support services.....	<u>\$ 380,100</u>	<u>\$ 376,376</u>	<u>\$ 3,724</u>
Instructional support services:			
Salaries.....	\$ 242,005	\$ 232,001	\$ 10,004
Commodities.....	9,963	8,121	1,842
Services.....	28,659	28,281	378
Equipment - educational.....	6,505	3,645	2,860
Building and sites.....	2,466	2,247	219
Fixed charges.....	57,092	52,889	4,203
Total instructional support services.....	<u>\$ 346,690</u>	<u>\$ 327,184</u>	<u>\$ 19,506</u>
Food services:			
Salaries.....	\$ 66,908	\$ 62,408	\$ 4,500
Commodities.....	93,868	94,415	(547)
Services.....	6,076	4,798	1,278
Equipment - educational.....	2,932	4,036	(1,104)
Fixed charges.....	37,258	34,287	2,971
Total food services.....	<u>\$ 207,042</u>	<u>\$ 199,944</u>	<u>\$ 7,098</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, 2018
With Comparative Amounts for the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)

	Fiscal Year 2018	Fiscal Year 2017	2018 Over (Under) 2017
Community services:			
Salaries.....	\$ 10,855	\$ 10,819	\$ 36
Commodities.....	1,431	1,537	(106)
Services.....	24,468	23,385	1,083
Equipment - educational.....	194	113	81
Building and sites.....	12	509	(497)
Fixed charges.....	3,087	3,244	(157)
Total community services.....	<u>\$ 40,047</u>	<u>\$ 39,607</u>	<u>\$ 440</u>
Teacher's Pension:			
Teachers Pension and retirement benefits.....	\$ 762,816	\$ 708,941	\$ 53,875
Total teachers' pension and retirement benefits.....	<u>\$ 762,816</u>	<u>\$ 708,941</u>	<u>\$ 53,875</u>
Capital outlay:			
Salaries.....	\$ 2,756	\$ 2,570	\$ 186
Commodities.....	3,831	2,972	859
Services.....	3,669	5,525	(1,856)
Equipment - educational.....	426	136	290
Building and sites.....	1,403	592	811
Fixed charges.....	754	673	81
Total capital outlay.....	<u>\$ 12,839</u>	<u>\$ 12,468</u>	<u>\$ 371</u>
Debt service:			
Fixed charges.....	\$ 30,974	\$ 38,735	\$ (7,761)
Total debt service.....	<u>\$ 30,974</u>	<u>\$ 38,735</u>	<u>\$ (7,761)</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, 2018
With Comparative Amounts for the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)

	Fiscal Year 2018	Fiscal Year 2017	2018 Over (Under) 2017
Other:			
Salaries.....	\$ 256	\$ 205	\$ 51
Commodities.....	12	7	5
Services.....	4,803	2,633	2,170
Fixed charges.....	4,945	9,846	(4,901)
Total other.....	<u>\$ 10,016</u>	<u>\$ 12,691</u>	<u>\$ (2,675)</u>
 Total expenditures.....	 <u>\$ 5,513,880</u>	 <u>\$ 5,297,758</u>	 <u>\$ 216,123</u>



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>2009</u>	<u>2010</u>	<u>2011</u>
General operating fund:			
Insurance proceeds.....	\$ -	\$ -	\$ -
Transfers in/(out).....	20,389	17,851	109,830
Total general operating fund.....	<u>\$ 20,389</u>	<u>\$ 17,851</u>	<u>\$ 109,830</u>
All other governmental funds:			
Gross amounts from debt issuances.....	\$ 225,675	\$ 1,083,260	\$ 638,790
Premiums on bonds issued.....	-	6,459	14,700
Insurance proceeds.....	1,155	-	-
Sales of general capital assets.....	91	-	-
Payment to refunded bond escrow agent....	(226,408)	(288,704)	(269,483)
Transfers in/(out).....	(20,389)	(17,851)	(109,830)
Discounts on bonds issued.....	-	-	-
Total all other governmental funds.....	<u>\$ (19,876)</u>	<u>\$ 783,164</u>	<u>\$ 274,177</u>



2012	2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224	\$ -
62	439	161	(12,915)	50,162	58,350	286,828
<u>\$ 62</u>	<u>\$ 439</u>	<u>\$ 161</u>	<u>\$ (12,915)</u>	<u>\$ 50,162</u>	<u>\$ 58,574</u>	<u>\$ 286,828</u>
\$ 592,510	\$ 982,720	\$ 131,600	\$ 561,880	\$ 724,999	\$ 879,580	\$ 2,152,150
1,229	47,271	-	-	-	-	65,353
-	-	-	-	-	-	-
-	723	7,301	37,504	15,012	6,272	9,442
(190,100)	(480,597)	-	(386,710)	(120,856)	-	(1,321,865)
(62)	(439)	(161)	12,915	(50,162)	(58,350)	(286,828)
-	-	-	(12,502)	(110,071)	(36,097)	(33,432)
<u>\$ 403,577</u>	<u>\$ 549,678</u>	<u>\$ 138,740</u>	<u>\$ 213,087</u>	<u>\$ 458,922</u>	<u>\$ 791,405</u>	<u>\$ 584,820</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

RATIO OF DEBT SERVICE TO NON-CAPITAL EXPENDITURES

FISCAL YEAR

(Thousands of dollars)

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>Non-Capital</u>	<u>Ratio</u>
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
2013	390,409	5,310,632	0.07 : 1
2014	467,904	5,870,041	0.08 : 1
2015	533,493	6,136,659	0.09 : 1
2016	481,419	5,855,351	0.08 : 1
2017	569,694	5,816,249	0.10 : 1
2018	651,405	6,121,472	0.11 : 1





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>2009 (A)</u>	<u>2010</u>
Education.....	\$ 2.426	\$ 2.204
Worker's and Unemployment Compensation/Tort Immunity.....	0.031	0.148
Public Building Commission.....	0.015	0.014
Capital Improvement.....	-	-
Teacher Pension.....	-	-
Bonds & Interest (B).....	-	-
Total direct rate.....	<u>\$ 2.472</u>	<u>\$ 2.366</u>
City of Chicago.....	\$ 1.147	\$ 1.098
Chicago City Colleges.....	0.156	0.150
Chicago Park District.....	0.323	0.309
Metropolitan Water Reclamation District.....	0.252	0.261
Cook County.....	0.415	0.394
Cook County Forest Preserve.....	0.051	0.049
Total for all governments.....	<u>\$ 4.816</u>	<u>\$ 4.627</u>

Source: Cook County Clerk's Office

NOTES:

- A) Beginning in fiscal year 2009, the tax levy for Chicago Finance Authority has been consolidated with the Education tax rate.
- B) Beginning in fiscal year 2018, CPS issued a Bond Resolution Series Levy.

2011	2012	2013	2014	2015	2016	2017	2018
\$ 2.449	\$ 2.671	\$ 3.309	\$ 3.519	\$ 3.409	\$ 3.205	\$ 3.115	\$ 3.161
0.067	0.133	0.031	0.067	0.169	0.111	0.107	0.039
0.065	0.071	0.082	0.085	0.082	0.075	0.072	0.069
-	-	-	-	-	0.064	0.065	0.011
-	-	-	-	-	-	0.367	0.551
-	-	-	-	-	-	-	0.059
<u>\$ 2.581</u>	<u>\$ 2.875</u>	<u>\$ 3.422</u>	<u>\$ 3.671</u>	<u>\$ 3.660</u>	<u>\$ 3.455</u>	<u>\$ 3.726</u>	<u>\$ 3.890</u>
\$ 1.132	\$ 1.229	\$ 1.425	\$ 1.496	\$ 1.473	\$ 1.806	\$ 1.880	\$ 1.894
0.151	0.165	0.190	0.199	0.193	0.177	0.169	0.164
0.319	0.346	0.395	0.420	0.415	0.382	0.368	0.358
0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402
0.423	0.462	0.531	0.560	0.568	0.552	0.533	0.496
0.051	0.058	0.063	0.069	0.069	0.069	0.063	0.062
<u>\$ 4.931</u>	<u>\$ 5.455</u>	<u>\$ 6.396</u>	<u>\$ 6.832</u>	<u>\$ 6.808</u>	<u>\$ 6.867</u>	<u>\$ 7.145</u>	<u>\$ 7.266</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
2008	2009	2,001,751	916,129	45.77%	1,022,926	1,939,055	96.87%
2009	2010	2,001,252	1,024,263	51.18%	894,307	1,918,570	95.87%
2010	2011	2,118,541	1,021,564	48.22%	1,021,568	2,043,132	96.44%
2011	2012	2,159,586	1,083,667	50.18%	1,028,680	2,112,347	97.81%
2012	2013	2,232,684	1,090,274	48.83%	1,050,497	2,140,771	95.88%
2013	2014	2,289,250	1,134,859	49.57%	1,097,563	2,232,422	97.52%
2014	2015	2,375,822	1,177,370	49.56%	1,148,914	2,326,284	97.91%
2015	2016	2,451,566	1,230,423	50.19%	1,147,858	2,378,281	97.01%
2016	2017	2,757,651	1,242,377	45.05%	1,183,604	2,425,981	87.97%
2017	2018	2,988,432	1,453,350	48.63%	-	-	

NOTES:

- A) The amount does not represent a full year's tax collection.
- B) The total amount collected to date is net of refunds.
- C) Tax Year 2015 contains Capital Improvement Tax amounts that were not levied in prior years.
- D) Tax Year 2016 contains CTPF Pension amounts that were not levied in prior years.



Statistical Section

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)	
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
2012	2013	15,560,876	1,252,635	10,201,554	454,593	27,469,658
2013	2014	15,440,622	1,282,342	10,137,795	453,201	27,313,960
2014	2015	15,416,908	1,345,482	10,096,651	487,529	27,346,570
2015	2016	17,319,503	1,589,995	11,240,864	541,183	30,691,545
2016	2017	17,219,809	1,863,312	11,316,868	562,402	30,962,391
2017	2018	17,196,902	1,905,033	11,370,329	497,856	30,970,120

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:* Cook County Clerk's Office
 - 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. *Source:* Cook County Clerk's Office — 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.
- N/A: Not available at publishing.



<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>
2.9786	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	222,856,064	33.71%
2.8056	65,250,387	3.422	206,915,723	31.53%
2.6621	62,363,876	3.671	236,695,475	26.35%
2.7253	64,908,057	3.660	255,639,792	25.39%
2.6685	70,963,289	3.455	278,076,449	25.52%
2.8032	74,016,506	3.726	293,121,793	25.25%
2.9627	76,765,303	3.890	N/A	N/A



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PRINCIPAL PROPERTY TAX PAYERS, BASED ON EQUALIZED ASSESSED VALUATION

Last Ten Fiscal Years
(Thousands of dollars)

Property	2017			2016		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower.....	\$ 429,591	1	0.56%	\$ 406,464	1	0.55%
HCSC Blue Cross.....	264,940	2	0.35%	250,676	3	0.34%
AON Building.....	263,985	3	0.34%	252,408	2	0.34%
Prudential Plaza.....	248,867	4	0.32%	212,135	5	0.29%
Water Tower Place.....	239,238	5	0.31%	226,358	4	0.31%
300 Lasalle LLC.....	217,715	6	0.28%	205,994	6	0.28%
Franklin Center.....	215,948	7	0.28%	204,322	7	0.28%
Chase Tower.....	214,683	8	0.28%	203,126	8	0.27%
Three First National Plaza.....	202,646	9	0.26%	191,736	10	0.26%
Citadel Center.....	184,853	10	0.24%	196,745	9	0.27%
Northwestern Memorial Hospital.....	-	-	-	-	-	-
131 S. Dearborn.....	-	-	-	-	-	-
One North Wacker.....	-	-	-	-	-	-
Citigroup Center.....	-	-	-	-	-	-
Leo Burnett Building.....	-	-	-	-	-	-
	<u>\$2,482,466</u>		<u>3.22%</u>	<u>\$2,349,964</u>		<u>3.19%</u>

Property	2012			2011		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower.....	\$ 386,266	1	0.59%	\$ 445,590	1	0.59%
HCSC Blue Cross.....	205,275	4	0.31%	206,343	6	0.27%
AON Building.....	255,347	2	0.39%	302,124	2	0.40%
Prudential Plaza.....	234,964	3	0.36%	272,345	3	0.36%
Water Tower Place.....	201,246	5	0.31%	207,942	5	0.28%
300 Lasalle LLC.....	179,804	10	0.28%	190,005	10	0.25%
Franklin Center.....	192,985	7	0.30%	197,944	8	0.26%
Chase Tower.....	200,708	6	0.31%	204,229	7	0.27%
Three First National Plaza.....	187,449	8	0.29%	197,183	9	0.26%
Citadel Center.....	184,596	9	0.28%	-	-	-
Northwestern Memorial Hospital.....	-	-	-	243,609	4	0.32%
131 S. Dearborn.....	-	-	-	-	-	-
One North Wacker.....	-	-	-	-	-	-
Citigroup Center.....	-	-	-	-	-	-
Leo Burnett Building.....	-	-	-	-	-	-
	<u>\$2,228,640</u>		<u>3.42%</u>	<u>\$2,467,314</u>		<u>3.26%</u>

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

2015			2014			2013		
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
\$ 386,932	1	0.55%	\$ 364,455	1	0.56%	370,197	1	0.59%
238,631	3	0.34%		3	0.32%	\$	3	0.32%
239,092	2	0.34%	206,782	2	0.37%	201,987	2	0.40%
186,795	9	0.26%	241,081	7	0.28%	248,906	4	0.31%
215,481	4	0.30%	184,101	4	0.30%	193,495	5	0.31%
196,095	5	0.28%	195,486	8	0.28%	190,953	10	0.26%
194,504	6	0.27%	183,764	6	0.29%	159,537	7	0.29%
193,365	7	0.27%	187,461	5	0.30%	183,114	6	0.31%
182,523	10	0.26%	194,963	9	0.28%	190,442	8	0.29%
187,291	8	0.26%	182,084	10	0.28%	177,862	9	0.28%
-	-	-	181,210	-	-	177,008	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$2,220,709</u>		<u>3.13%</u>	<u>\$2,121,387</u>		<u>3.26%</u>	<u>\$2,093,501</u>		<u>3.36%</u>

2010			2009			2008		
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
\$ 495,000	1	0.60%	\$ 505,515	1	0.60%	\$ 540,074	1	0.67%
-	-	-	-	-	-	-	-	-
335,454	2	0.41%	375,441	2	0.44%	392,192	2	0.48%
305,026	3	0.37%	318,635	3	0.38%	307,510	3	0.38%
231,000	4	0.28%	235,907	5	0.28%	242,014	6	0.30%
-	-	-	-	-	-	-	-	-
209,723	8	0.26%	256,590	4	0.30%	294,569	4	0.36%
226,875	5	0.28%	231,694	6	0.27%	262,114	5	0.32%
226,222	6	0.28%	231,028	7	0.27%	215,666	10	0.27%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
210,502	7	0.26%	212,725	8	0.25%	218,722	9	0.27%
207,127	9	0.25%	211,526	9	0.25%	-	-	-
191,070	10	0.23%	-	-	-	226,458	7	0.28%
-	-	-	208,973	10	0.25%	221,846	8	0.27%
<u>\$2,637,999</u>		<u>3.22%</u>	<u>\$2,788,034</u>		<u>3.29%</u>	<u>\$2,921,165</u>		<u>3.60%</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA
Last Ten Fiscal Years

Calendar Year	Invested Capital Tax Collections	Statewide Replacement Tax Data (A)		Total Replacement Tax Allocations to Local Govts.	Board Percent (E)
		Business Income Tax Collections (Net of Refunds)	Net Adjustments (C)		
2009 (A)	\$ 205,330,651	\$ 987,176,180	\$ 69,521,623	\$ 1,262,028,454	14.00%
2010 (A)	203,650,450	978,009,221	179,094,552	1,360,754,223	14.00%
2011 (A)	200,629,609	936,788,640	61,689,732	1,199,107,981	14.00%
2012 (A)	203,045,899	1,091,345,367	(93,077,866)	1,201,313,400	14.00%
2013 (A)	210,557,060	1,293,732,061	(172,528,019)	1,331,761,102	14.00%
2014 (A)	208,039,618	1,243,163,624	(80,317,444)	1,370,885,798	14.00%
2015 (A)(F)	200,808,953	1,319,550,246	(117,189,755)	1,403,169,444	14.00%
2016 (H)	201,320,237	1,273,378,669	(179,819,398)	1,294,879,508	14.00%
2017 (H)(I)	167,994,422	1,129,654,992	28,259,110	1,325,908,524	14.00%
2018	159,473,143	1,186,564,831	(102,900,432)	1,243,137,542	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) 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.
- E) Percentage rounded.
- F) Replacement tax collection for January 1, 2015 — October 31, 2015 only.
- G) Estimated.
- H) The Statewide Replacement Tax Data for calendar year 2016 and 2017 was not made available from the Illinois Department of Revenue (IDOR) at time of publishing. The data is gathered from the Illinois Office of the Comptroller online Ledger. The data for total distributions to local governments is retrieved from IDOR monthly tax distributions online database.
- I) Replacement tax collection for January 1, 2017 — October 31, 2017 only.



Board Replacement Tax Data (B)

Board	Revenues (D)	Revenues
\$176,734,528	\$176,734,528	\$188,503,101
190,560,089	190,560,089	152,497,491
167,923,445	167,923,445	197,761,584
168,231,989	168,231,989	181,926,998
186,499,892	186,499,892	185,883,929
191,978,921	191,978,921	188,040,647
206,242,430	206,242,430	202,147,157
181,335,026	181,335,026	161,535,119
185,680,220	185,680,220	227,920,163
174,089,033	174,089,033	168,253,658

Monthly Summary of the Total Allocations to the Board of Education

Year	January	March	April	May	July	August	October	December	Total
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	9,661,455	168,231,989
2013	25,661,184	8,031,048	40,687,665	36,710,938	35,870,312	3,762,361	26,213,949	9,562,435	186,499,892
2014	32,365,778	9,605,194	42,927,880	31,682,731	31,920,320	3,433,503	31,625,454	8,418,061	191,978,921
2015	28,059,669	8,010,311	49,024,542	40,392,319	33,183,298	4,472,067	33,357,743	9,742,481	206,242,430
2016	26,524,204	10,652,765	37,937,134	30,650,698	33,320,166	3,878,948	30,306,843	8,064,267	181,335,026
2017	29,970,202	19,251,991	49,042,057	31,582,995	32,296,122	1,489,085	22,047,768	8,764,161	194,444,380
2018	19,792,771	17,558,226	36,093,602	36,791,094	28,668,109	2,897,394	25,943,635	6,344,203 (G)	174,089,034



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2018

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2017 EAV \$	% Change in EAV (for 2017)
Addison South.....	5/9/2007	2031	\$ 70,940,232	\$ 128,480,584	81.1%
Archer Courts.....	5/12/1999	2023	85,326	6,420,724	7424.9%
Archer/Central.....	5/17/2000	2024	37,646,911	42,827,423	13.8%
Archer/Western.....	2/11/2009	2033	117,506,250	113,188,424	-3.7%
Armitage/Pulaski.....	6/13/2007	2031	17,643,508	20,115,276	14.0%
Austin/Commercial.....	9/27/2007	2031	72,287,864	87,294,181	20.8%
Avalon Park/South Shore.....	7/31/2002	2026	22,180,151	28,660,328	29.2%
Avondale.....	7/29/2009	2033	40,426,760	37,584,915	-7.0%
Belmont/Central.....	1/12/2000	2024	137,304,682	206,155,930	50.1%
Belmont/Cicero.....	1/12/2000	2024	33,673,880	49,491,330	47.0%
Bronzeville.....	11/4/1998	2022	46,166,304	102,539,521	122.1%
Bryn Mawr/Broadway.....	12/11/1996	2019	17,829,852	48,695,165	173.1%
California/Foster.....	4/2/2014	2038	15,399,717	19,726,830	28.1%
Calumet/Cermak.....	7/29/1998	2021	3,219,685	182,619,864	5572.0%
Canal/Congress.....	11/12/1998	2022	36,872,487	456,520,596	1138.1%
Central West.....	2/16/2000	2024	85,481,254	404,742,146	373.5%
Chicago/Central Park.....	2/27/2002	2026	84,789,947	182,984,103	115.8%
Chicago/Kingsbury.....	4/12/2000	2024	38,520,706	429,332,404	1014.5%
Cicero/Archer.....	5/17/2000	2024	19,629,324	30,275,039	54.2%
Clark/Montrose.....	7/7/1999	2022	23,433,096	72,706,213	210.3%
Clark/Ridge.....	9/29/1999	2022	39,619,368	72,578,661	83.2%
Commercial Ave.....	11/13/2002	2026	40,748,652	59,085,196	45.0%
Devon/Sheridan.....	3/31/2004	2028	45,541,834	54,246,478	19.1%
Devon/Western.....	11/3/1999	2023	71,430,503	108,295,053	51.6%
Diversey/Narragansett.....	2/5/2003	2027	34,746,231	68,320,135	96.6%
Division/Homan.....	6/27/2001	2025	24,683,716	43,588,676	76.6%
Drexel Blvd.....	7/10/2002	2026	127,408	5,709,669	4381.4%
Edgewater/Ashland.....	10/1/2003	2027	1,875,282	13,049,440	595.9%
Elston/Armstrong.....	7/19/2007	2031	45,742,226	53,051,531	16.0%
Englewood Mall.....	11/29/1989	2025	3,868,736	14,509,751	275.1%
Englewood Neighborhood.....	6/27/2001	2025	56,079,946	144,203,566	157.1%
Ewing Avenue.....	3/10/2010	2034	52,994,264	48,510,145	-8.5%
Fullerton/Milwaukee.....	2/16/2000	2024	85,157,390	213,240,231	150.4%
Galewood/Armitage Industrial.....	7/7/1999	2023	48,056,697	111,181,163	131.4%
Goose Island.....	7/10/1996	2019	13,676,187	91,438,561	568.6%
Greater Southwest (West).....	4/12/2000	2024	115,603,413	90,410,414	-21.8%
Harlem Industrial Park.....	3/14/2007	2031	45,981,764	40,032,591	-12.9%
Harrison/Central.....	7/26/2006	2030	43,430,700	47,116,466	8.5%
Hollywood/Sheridan.....	11/7/2007	2031	158,696,916	144,146,689	-9.2%
Homan/Arthington.....	2/5/1998	2021	2,658,362	13,948,625	424.7%
Humbolt Park Commercial.....	6/27/2001	2025	32,161,252	87,578,493	172.3%
Irving Park/Cicero.....	6/10/1996	2020	8,150,631	19,413,463	138.2%
Irving Park/Elston.....	5/13/2009	2033	44,853,282	39,743,597	-11.4%
Jefferson Park.....	9/9/1998	2021	23,970,085	41,351,163	72.5%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2018

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2017 EAV \$	% Change in EAV (for 2017)
Jefferson/Roosevelt.....	8/30/2000	2024	\$ 52,292,656	\$ 156,894,059	200.0%
Kennedy/Kimball.....	3/12/2008	2032	72,841,679	76,434,868	4.9%
Kinzie Conservation.....	6/10/1998	2022	144,961,719	667,843,403	360.7%
Lake Calumet.....	12/13/2000	2024	175,893,913	201,700,897	14.7%
Lakefront.....	3/27/2002	2026	-	5,487,541	-
LaSalle/Central.....	11/15/2006	2030	4,192,597,468	4,615,912,374	10.1%
Lawrence/Broadway.....	6/27/2001	2025	38,499,977	98,014,948	154.6%
Lawrence/Kedzie.....	2/16/2000	2024	110,395,843	211,072,720	91.2%
Lawrence/Pulaski.....	2/27/2002	2026	43,705,743	65,472,474	49.8%
Lincoln Avenue.....	11/3/1999	2023	63,741,191	104,902,169	64.6%
Lincoln/Belmont/Ashland.....	11/2/1994	2018	2,457,347	21,881,037	790.4%
Little Village East.....	4/22/2009	2033	44,751,945	36,865,813	-17.6%
Little Village Ind.....	6/13/2007	2031	88,054,895	82,713,722	-6.1%
Madden/Wells.....	11/6/2002	2026	1,333,582	21,758,751	1531.6%
Madison/Austin Corridor.....	9/29/1999	2023	48,748,259	77,365,945	58.7%
Michigan Ave/Cermak.....	9/13/1989	2025	5,858,634	30,879,994	427.1%
Midway Ind. Corridor.....	2/16/2000	2024	48,652,950	102,834,661	111.4%
Midwest.....	5/17/2000	2036	216,733,898	479,923,827	121.4%
Montclare.....	8/30/2000	2024	792,770	5,478,944	591.1%
Montrose/Clarendon.....	6/30/2010	2034	-	3,640,433	-
Near North.....	7/30/1997	2020	41,373,938	494,739,409	1095.8%
North Ave./Cicero.....	7/30/1997	2020	5,658,542	28,696,745	407.1%
North Branch/North.....	7/2/1997	2021	29,574,537	111,123,089	275.7%
North Branch/South.....	2/5/1998	2021	44,361,677	195,643,528	341.0%
North Pullman.....	6/30/2009	2033	44,582,869	60,991,452	36.8%
NW Industrial Corridor.....	12/2/1998	2022	146,115,991	251,320,308	72.0%
Ogden/Pulaski.....	4/9/2008	2032	221,709,034	213,510,159	-3.7%
Ohio/Wabash.....	6/7/2000	2024	1,278,143	28,639,310	2140.7%
Pershing/King.....	9/5/2007	2031	12,948,117	12,642,331	-2.4%
Peterson/Cicero.....	2/16/2000	2024	1,116,653	8,094,736	624.9%
Peterson/Pulaski.....	2/16/2000	2024	40,112,395	58,575,102	46.0%
Pilsen Area.....	6/10/1998	2022	111,394,217	329,057,632	195.4%
Portage Park.....	9/9/1998	2021	65,084,552	101,391,006	55.8%
Pratt/Ridge.....	6/23/2004	2028	16,414,897	22,529,980	37.3%
Pulaski Corridor.....	6/9/1999	2023	82,778,075	140,533,747	69.8%
Randolph/Wells.....	6/9/2010	2034	72,140,805	76,785,076	6.4%
Ravenswood Corridor.....	3/9/2005	2029	44,169,275	62,995,083	42.6%
Read/Dunning.....	1/11/1991	2027	6,382,072	47,103,597	638.1%
River South.....	7/30/1997	2020	65,930,580	475,819,263	621.7%
River West.....	1/10/2001	2025	50,463,240	346,514,416	586.7%
Roosevelt/Cicero Corridor.....	2/5/1998	2021	45,179,428	91,917,320	103.4%
Roosevelt/Racine (DOH).....	11/4/1998	2034	6,992,428	36,894,014	427.6%
Roosevelt/Union.....	5/12/1999	2022	4,369,258	90,879,255	1980.0%
Roseland/Michigan.....	1/16/2002	2026	29,627,768	37,650,965	27.1%
Sanitary Draig & Ship.....	7/24/1991	2027	10,722,329	19,291,864	79.9%
South Chicago.....	4/12/2000	2024	14,775,992	35,758,389	142.0%
South Works.....	11/3/1999	2023	3,823,633	1,312,018	-65.7%
Stevenson/Brighton Park.....	4/11/2007	2031	216,330,994	235,712,116	9.0%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2018

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2017 EAV \$	% Change in EAV (for 2017)
Stockyards Annex.....	12/11/1996	2020	\$ 38,650,631	\$ 62,209,203	61.0%
Stockyards-Southeast Quad.....	2/26/1992	2016	27,527,305	49,171,956	78.6%
Stony Island Com/Burnside.....	6/10/1998	2034	46,058,038	92,006,345	99.8%
Southwest Ind. Corridor.....	3/10/1999	2023	17,662,923	34,126,102	93.2%
Touhy/Western.....	9/13/2006	2030	55,187,828	52,466,303	-4.9%
Washington Park.....	10/8/2014	2038	72,073,855	84,690,481	17.5%
Weed/Fremont.....	1/8/2008	2032	6,430,360	18,202,210	183.1%
West Irving Park.....	1/12/2000	2024	36,446,831	53,555,716	46.9%
West Woodlawn.....	5/12/2010	2034	127,750,505	98,447,801	-22.9%
Western Ave. South.....	1/12/2000	2024	69,504,372	188,690,671	171.5%
Western Ave. North.....	1/12/2000	2024	71,260,546	181,682,023	155.0%
Western/Ogden.....	2/5/1998	2021	41,536,306	181,083,797	336.0%
Western/Rock Island.....	2/8/2006	2030	102,358,411	117,189,440	14.5%
Wilson Yard.....	6/27/2001	2025	56,194,225	175,926,151	213.1%
Woodlawn.....	1/20/1999	2022	28,865,833	78,155,850	170.8%
105th/Vincennes.....	10/3/2001	2025	108,828,811	123,823,645	13.8%
107th/Halsted.....	4/2/2014	2038	122,435,316	131,545,860	7.4%
111th/Kedzie.....	9/29/1999	2022	14,456,141	25,584,389	77.0%
119th/Halsted.....	2/6/2002	2026	63,231,728	80,560,725	27.4%
119th/I-57.....	11/6/2002	2026	100,669,561	157,940,925	56.9%
24th/Michigan.....	7/21/1999	2022	15,874,286	58,690,654	269.7%
26th/King Drive.....	1/11/2006	2030	-	11,834,890	-
35th/Halsted.....	1/14/1997	2021	81,212,182	191,309,367	135.6%
35th/State.....	1/14/2004	2028	3,978,955	45,545,994	1044.7%
35th/Wallace.....	12/15/1999	2023	9,047,402	24,990,837	176.2%
41st/King Drive.....	7/13/1994	2018	129,892	3,112,690	2296.4%
43rd/Cottage Grove.....	7/8/1998	2022	13,728,931	60,166,879	338.2%
47th/Ashland.....	3/27/2002	2026	53,606,185	88,730,144	65.5%
47th/Halsted.....	5/29/2002	2026	39,164,012	94,173,110	140.5%
47th/King Drive.....	3/27/2002	2026	61,269,066	173,103,231	182.5%
47th/State.....	7/21/2004	2028	19,279,360	43,351,944	124.9%
49th/St. Lawrence.....	1/10/1996	2020	683,377	7,269,682	963.8%
51st/Archer.....	5/17/2000	2024	29,522,751	50,738,815	71.9%
51st/Lake Park.....	11/15/2012	2036	2,320,971	18,915,151	715.0%
53rd St.....	1/10/2001	2025	20,916,553	85,503,542	308.8%
60th/Western.....	5/9/1996	2019	2,464,026	4,405,422	78.8%
63rd/Ashland.....	3/29/2006	2030	47,496,362	67,378,286	41.9%
63rd/Pulaski.....	5/17/2000	2024	56,171,856	82,636,447	47.1%
67th/Cicero.....	10/2/2002	2026	-	3,887,540	-
67th/Wentworth.....	5/4/2011	2035	210,005,927	160,239,700	-23.7%
71st/Stony Island.....	10/7/1998	2021	53,336,063	96,651,253	81.2%
73rd/University.....	9/13/2006	2030	16,998,947	23,209,784	36.5%
79th Street Corridor.....	7/8/1998	2021	21,576,305	35,007,493	62.2%
79th/Cicero.....	6/8/2005	2029	8,018,405	16,165,348	101.6%
79th/SW Highway.....	10/3/2001	2025	36,347,823	58,669,063	61.4%
79th/Vincennes.....	9/27/2007	2031	32,132,472	31,894,334	-0.7%
83rd/Stewart.....	3/31/2004	2028	10,618,689	26,993,574	154.2%
87th/Cottage Grove.....	11/13/2002	2026	53,959,824	77,570,806	43.8%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)
For the Fiscal Year Ended June 30, 2018

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2017 EAV \$</u>	<u>% Change in EAV (for 2017)</u>
95th/Western.....	7/13/1995	2019	\$ 16,035,773	\$ 30,128,514	87.9%
			<u>\$ 10,871,644,610</u>	<u>\$ 18,617,645,330</u>	

NOTES:

State law empowers cities to create Tax Increment Financing Districts (TIFs) to finance redevelopment of blighted areas or areas at risk of blight. Taxes subsequently generated by new development and increases in property values in TIF districts are reinvested for further development. Increased tax revenues pay for general improvements such as roadways, viaducts, sewers, and sidewalk 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 2017 EAV for the City of Chicago is \$76,765,305,536 — 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		Components of New Property by Tax Levy Year (B)					Total New Property (A)	New property percentage of overall EAV
		Equalized Assessed Value (A)	New Property	Annexed Property	Disconnected Property	Recovered Tax Increment Value	Expired Incentives			
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%	
2012	2013	65,257,093	213,120	-	-	41,499	19,845	274,464	0.42%	
2013	2014	62,370,205	279,426	-	-	244,388	10,066	533,880	0.86%	
2014	2015	64,913,774	414,558	-	-	1,040,246	9,912	1,464,716	2.26%	
2015	2016	70,968,533	339,649	-	-	21,038	16,432	377,119	0.53%	
2016	2017	74,020,998	397,527	-	-	39,040	10,667	447,234	0.60%	
2017	2018	76,768,955	624,331	-	-	17,836	9,144	651,311	0.85%	

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

Chicago Board of Education

Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools
Capital Intergovernmental Agreements as of June 30, 2018

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Modern Schools Across Chicago (MSAC)				
Program Phase I				
Collins Renovation.....	\$ 30,300,000	\$ 31,788,774	\$ -	Midwest
Mather Renovation.....	32,401,366	32,401,366	-	Lincoln 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.....	36,418,205	34,340,000	-	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	15,150,000	-	Lawrence/ Kedzie
Modern Schools Across Chicago				
Program Phase II				
Avondale Irving Park Elementary.....	25,000,000	25,452,297	-	Fullerton/ Milwaukee
Belmont Cragin Elementary.....	31,300,000	28,712,447	-	Galewood/ Armitage
Hernandez Middle School.....	9,540,000	6,382,816	-	51st/ Archer
Boone Clinton Elementary.....	18,655,000	18,767,428	-	Touhy/ Western
Chicago Ag West High School (Al Raby Horticultural).....	22,000,000	14,523,717	-	Chicago/ Central Park
Westinghouse High School.....	32,920,000	31,929,188	-	Chicago/ Central Park
Back of the Yards HS.....	19,800,000	19,800,000	-	47th/ Ashland
Modern Schools Across Chicago				
Program Additional Agreements				
Austin Renovation.....	5,570,000	Rescinded	-	Madison/ Austin
Skinner Replacement Elementary.....	6,120,000	3,506,630	-	Central/ West
Peterson Addition.....	2,900,000	2,900,000	-	Lawrence/ Kedzie
Brighton Park II Elementary.....	25,420,000	7,737,740	17,682,260	Stevenson/ Brighton
Modern Schools Across Chicago				
Program Re-Programmed Bond Funds				
Ericson Play Lot.....	225,000	200,881	-	Midwest MSAC Bonds
Faraday STEM.....	650,000	633,267	-	Midwest MSAC Bonds
Jensen Play Lot.....	400,000	378,365	-	Midwest MSAC Bonds
Prieto ES Modular.....	1,900,000	1,849,239	-	Belmont Central
Prosser High School Renovation.....	978,602	978,602	-	Galewood/Armitage
Back of the Yard HS Renovation.....	225,000	225,000	-	47th/ Ashland
MSAC Subtotal	\$ 499,818,381	\$ 459,602,965	\$ 17,682,260	
American Disabilities Act (ADA)				
ADA Accessibility -Year 1				
Beidler Elementary.....	\$ 750,000	\$ 594,531	\$ -	Kinzie Industrial
Brown Elementary.....	750,000	750,000	-	Central West
Creiger Campus.....	1,500,250	1,207,911	-	Central West
Dodge Elementary.....	750,000	476,025	-	Midwest
Fiske Elementary.....	1,500,000	-	-	Woodlawn
Holmes Elementary.....	750,000	606,820	-	Englewood Nbhd



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools
Capital Intergovernmental Agreements as of June 30, 2018 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Manierre Elementary.....	750,000	750,000	-	Near North
Mays Elementary.....	750,000	-	-	Englewood Nbhd
McAuliffe Elementary.....	750,000	441,771	-	Pulaski Corridor
Mollison Elementary.....	750,000	750,000	-	47th/ King Drive
Morton Elementary.....	750,000	750,000	-	Kinzie Industrial
Nicholson Elementary.....	750,000	600,125	-	Englewood Nbhd
Ryerson Elementary.....	750,000	750,000	-	Chicago/ Central Park
Schiller Elementary.....	1,500,000	565,181	-	Near North
Seward Elementary.....	1,500,000	1,500,000	-	47th/ Ashland
ADA Accessibility -Years 2-5				
Amundsen.....	1,083,069	1,083,069	-	Western Ave. North
Burke Elementary.....	1,000,000	Pending	-	47th / State
Banneker Elementary.....	2,000,000	Pending	-	Englewood Nbhd
Armour Elementary.....	2,673,750	Pending	-	35th / Halsted
Hearst Elementary.....	2,219,500	Pending	-	Cicero/Archer
Lawndale Elementary.....	2,500,000	Pending	-	Midwest
Plamondon Elementary.....	1,748,000	Pending	-	Western/Ogden Corridor
Schurz High School.....	2,852,792	2,852,792	-	Portage Park
Hayt Elementary.....	670,000	Pending	-	Clark/Ridge
Peterson Elementary.....	500,000	Pending	-	Lawrence/Kedzie
Chappell Elementary.....	760,137	760,137	-	Western Ave. North
ADA Subtotal	\$ 32,257,498	\$ 14,438,363	\$ -	
Other Capital Intergovernmental Agreements				
Walter Payton HS and Jenner School.....	\$ 11,125,000	\$ 11,125,000	\$ -	Near North
Walter Payton HS Addition.....	20,000,000	18,123,790	-	Near North
Jones Academic High School Renovation/Addition (Original).....	42,315,243	42,315,243	-	Near South
Jones Academic High School Renovation/Addition (Amended).....	114,641,656	114,641,656	-	Near South
Jones Academic High School New Construction.....	8,700,000	8,145,386	-	Near South
National Teachers Academy New Construction.....	47,000,000	44,529,387	-	24th/ Michigan
Simeon High School Renovation.....	22,184,925	18,381,140	-	Chatham Ridge
Albany Park Middle School New Construction.....	25,000,000	28,662,826	-	*Lawrence/ Kedzie
Juarez High School Addition.....	18,500,000	18,017,456	-	Pilsen
DePriest Elementary New Construction....	18,500,000	21,457,220	-	*Madison/ Austin
Additional Westinghouse HS				
Refunding Debt Service.....	53,750,000	58,618,967	-	*Chicago/ Central Park
Canter Elementary School.....	150,000	150,000	-	53rd Street
Orozoco Elementary Health Center School.....	250,000	250,000	-	Western/ Ogden
Lane Tech High School Stadium.....	1,892,100	1,892,100	-	Western Avenue South
Clark Park Lane Tech High School.....	3,500,000	3,500,000	-	Western Avenue South
Coonley Middle School Renovation.....	2,201,500	2,201,500	-	Western Avenue South

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools
Capital Intergovernmental Agreements as of June 30, 2018 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Coonley Middle School Addition.....	16,500,000	14,644,445	-	Western Avenue South
Arai/ Uplift Elementary School Renovation..	1,447,244	1,447,244	-	Wilson Yard
Lloyd Elementary Turf Field.....	750,000	750,000	-	Midwest
Lloyd Elementary Turf Field Scope Increase.....	550,000	113,947	-	Midwest
Chase ADA Renovation.....	3,600,000	2,759,563	-	Fullerton/Milwaukee
Holmes Elementary Lunchroom.....	3,270,000	3,270,000	-	Englewood Nbhd
Senn High School Auditorium Upgrade....	1,000,000	1,000,000	-	Clark Ridge
Arai/ Uplift Elementary School Courtyard Renovations.....	-	Rescinded	-	Wilson Yard
Beidler Campus Park.....	1,000,000	1,000,000	-	Kinzie Industrial
Donoghue Parking Lot.....	200,000	200,000	-	Madden-Wells
Juarez High School Athletic Field.....	701,308	701,308	-	Pilsen Industrial Corridor
Kenwood Academy.....	60,000	60,000	-	53rd Street
Lane Tech Renovation #2.....	2,000,000	2,000,000	-	Western Avenue South
Melody STEM.....	1,500,000	713,385	-	*Madison/ Austin
Spencer Play Lot.....	700,000	545,958	-	*Madison/ Austin
Tilton Play Lot.....	500,000	456,448	-	*Madison/ Austin
Whittier Renovation.....	2,887,000	2,887,000	-	Pilsen Industrial Corridor
McPherson Elementary School.....	400,000	400,000	-	Western Avenue North
Amundsen High School.....	500,000	500,000	-	Western Avenue North
Penn Elementary School.....	1,150,000	1,150,000	-	Midwest
Crane High School.....	2,250,000	2,250,000	-	Central West
Addams Renovation.....	1,700,000	1,043,273	-	Ewing Avenue
Ames renovation.....	4,500,000	4,476,461	-	Pulaski Industrial
Amundsen Gym.....	2,600,000	2,600,000	-	Western Ave. North
Amundsen CTE.....	760,000	454,331	-	Western Ave. North
Belmont Cragin Playground.....	287,000	121,737	-	Belmont Central
Budlong ES Bathroom Improvements.....	2,200,000	2,141,830	3,000	Foster / California
Cather ES Space to Grow.....	500,000	500,000	-	Kinzie Industrial
Earle ES Playground.....	287,000	190,826	-	63rd Ashland
Franklin ES Lockers.....	410,000	276,785	-	Near North
Gallistel Renovation.....	2,700,000	2,031,117	-	Ewing Avenue
Hope HS/ KIPP Playground.....	287,000	253,614	-	47th Ashland
New Selective Enrollment High School....	520,000	-	-	Near North
Wadsworth Space to Grow.....	500,000	500,000	-	Woodlawn
New South Loop School.....	10,667,000	9,136,000	-	River South
New South Loop School Escrow Agreement	48,333,000	15,900,000	-	River South
Schurz Athletic Field.....	2,700,000	Pending	-	Portage Park
Whitney Young Athletic Field.....	4,300,000	Pending	-	Central West
Morton - Space to Grow.....	500,000	Pending	-	Kinzie Industrial
Wells HS UAF.....	1,700,000	1,700,000	-	Open Space
Perez Elementary School New Playground	800,000	698,894	-	Pilsen Redevelopment
Nettelhorst Playground Project.....	400,000	263,467	-	Open Space
Drake School Based Health Center.....	500,000	Pending	-	W 27th St/ S. Deaborn St
Other Capital IGA Subtotal	\$ 517,826,976	\$ 471,149,306	\$ 3,000	
Grand Total	\$1,049,902,855	\$ 945,190,634	\$ 17,685,260	

NOTES:

Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public
*City of Chicago refunded bonds to cover future principal and interest payments, no additional amounts to be paid to CPS.



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, 2018

(Thousands of dollars)

<u>Series</u>	<u>Debt Type</u>	<u>Pledged Revenue Source</u>	<u>Issued</u>
1992A	PBC GO Lease Certificate	Property Taxes	1/1/1992
1999B	PBC Building Revenue Refunding Bonds	Property Taxes	3/11/1999
1998 B-1	Unlimited Tax G.O. Bonds	IGA	10/28/1998
1999A	Unlimited Tax G.O. Bonds	PPRT/IGA	2/25/1999
2002A	Unlimited Tax G.O. Bonds	City Note/IGA	9/24/2002
2003C	Qualified Zone Academy G.O. Bonds	State Aid	10/28/2003
2004A	Unlimited Tax G.O. Bonds	PPRT/State Aid	4/6/2004
2005A	Unlimited Tax G.O. Bonds	State Aid	6/27/2005
2005B	Unlimited Tax G.O. Bonds	PPRT	6/27/2005
2006A	Qualified Zone Academy G.O. Bonds	State Aid	6/7/2006
2006B	Unlimited Tax G.O. Bonds	State Aid	9/27/2006
2007B	Unlimited Tax G.O. Bonds	IGA	9/5/2007
2007C	Unlimited Tax G.O. Bonds	IGA	9/5/2007
2007D	Unlimited Tax G.O. Bonds	State Aid	12/13/2007
2008A	Unlimited Tax G.O. Bonds	PPRT/IGA	5/13/2008
2008B	Unlimited Tax G.O. Bonds	State Aid	5/13/2008
2008C	Unlimited Tax G.O. Bonds	State Aid	5/1/2008
2009D	Unlimited Tax G.O. Bonds	State Aid	7/30/2009
2009E	Unlimited Tax G.O. Build America Bonds	State Aid and Federal Subsidy	9/24/2009
2009G	Qualified School Construction G.O. Bonds	State Aid	12/17/2009
2010C	Qualified School Construction G.O. Bonds	State Aid and Federal Subsidy	11/2/2010
2010D	Unlimited Tax G.O. Build America Bonds	State Aid and Federal Subsidy	11/2/2010
2010F	Unlimited Tax G.O. Bonds	State Aid	11/2/2010
2010G	Unlimited Tax G.O. Bonds	State Aid	11/2/2010
2011A	Unlimited Tax G.O. Bonds	State Aid	11/1/2011
2011C-1	Unlimited Tax G.O. Bonds	State Aid	12/20/2011
2011C-2	Unlimited Tax G.O. Bonds	State Aid	12/20/2011
2012A	Unlimited Tax G.O. Bonds	State Aid	8/21/2012
2012B	Unlimited Tax G.O. Bonds	State Aid	12/21/2012
2013A-1	Unlimited Tax G.O. Bonds	State Aid	5/22/2013
2013A-2	Unlimited Tax G.O. Bonds	State Aid	5/22/2013
2013A-3	Unlimited Tax G.O. Bonds	State Aid	5/22/2013
2015A	Unlimited Tax G.O. Bonds	State Aid	3/26/2015
2015C	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2015E	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2015G	Unlimited Tax G.O. Bonds	State Aid	3/26/2015
2016A	Unlimited Tax G.O. Bonds	State Aid	2/8/2016
2016B	Unlimited Tax G.O. Bonds	State Aid	7/29/2016
2016CIT	Capital Improvement Tax	CIT Levy	1/4/2017
2017CIT	Capital Improvement Tax	CIT Levy	11/30/2017
2017A	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017B	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017C	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017D	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017E	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017F	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017G	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017H	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2018A	Unlimited Tax G.O. Bonds	State Aid	6/1/2018
2018B	Unlimited Tax G.O. Bonds	State Aid	6/1/2018
Grand Total Direct Debt			

NOTES:

- A. Net of amounts set aside/ escrow ed to maturity for December 1, 2018 payments deposited by June 30, 2018
B. Excludes total accreted interest in the following series:

<u>Series</u>	<u>Accreted Interest</u>
1998B-1	\$ 407,223
1999A	260,572
Total	\$ 667,795



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS

For the Fiscal Year Ended June 30, 2018

(Thousands of dollars)

Final Maturity	Interest Rate	Outstanding at June 30, 2017	Issue or (Redeemed)	Outstanding at June 30, 2018 (A) (B)
1/1/2020	6.00%-6.5%	\$ 78,525	\$ (24,725)	\$ 53,800
12/1/2018	5.00%-5.25%	38,325	(18,605)	19,720
12/1/2031	4.55%-5.22%	240,144	(7,763)	232,381
12/1/2031	4.30%-5.3%	391,893	(30,694)	361,199
12/1/2022	3.00%-5.25%	24,885	(24,885)	-
10/27/2017	0.00%	4,585	(4,585)	-
12/1/2020	4.00%-5.00%	70,690	(21,090)	49,600
12/1/2031	5.00%-5.50%	167,280	(7,455)	159,825
12/1/2021	5.00%	22,735	(22,735)	-
6/1/2021	0.00%	6,853	-	6,853
12/1/2036	4.25%-5.00%	280,730	(258,725)	22,005
12/1/2024	5.00%	197,765	(181,730)	16,035
12/1/2021	4.00%-4.375%	3,740	(3,740)	-
12/1/2029	4.00%-5.00%	169,195	(169,195)	-
12/1/2030	Variable	262,785	-	262,785
12/1/2041	Variable	177,550	(8,125)	169,425
3/1/2032	4.25%-5.00%	464,655	(14,405)	450,250
12/1/2023	1.00%-5.00%	40,940	(19,030)	21,910
12/1/2039	4.682%-6.14%	518,210	(13,780)	504,430
12/15/2025	1.75%	254,240	-	254,240
11/1/2029	6.32%	257,125	-	257,125
3/1/2036	6.52%	125,000	-	125,000
12/1/2031	5.00%	161,300	(16,315)	144,985
3/1/2017	2.77%-4.18%	5,235	(5,235)	-
12/1/2041	5.00%-5.50%	402,410	-	402,410
3/1/2032	Variable	42,200	(42,200)	-
3/1/2032	Variable	41,500	(41,500)	-
12/1/2042	5.00%	468,915	-	468,915
12/1/2034	5.00%	109,825	-	109,825
3/1/2026	Variable	81,015	(81,015)	-
3/1/2035	Variable	124,320	(124,320)	-
3/1/2036	Variable	157,055	(157,055)	-
3/1/2032	Variable	84,000	(84,000)	-
12/1/2039	5.25%-6.00%	280,000	-	280,000
12/1/2039	5.13%	20,000	-	20,000
3/1/2032	Variable	83,500	(83,500)	-
12/1/2044	7.00%	725,000	-	725,000
12/1/2046	6.50%	150,000	-	150,000
4/1/2046	5.75%-6.10%	729,580	-	729,580
4/1/2046	5.00%	-	64,900	64,900
12/1/2046	7.00%	-	285,000	285,000
12/1/2042	6.75%-7.00%	-	215,000	215,000
12/1/2034	5.00%	-	351,485	351,485
12/1/2031	5.00%	-	79,325	79,325
12/1/2021	5.00%	-	22,180	22,180
12/1/2024	5.00%	-	165,510	165,510
12/1/2044	5.00%	-	126,500	126,500
12/1/2046	5.00%	-	280,000	280,000
12/1/2035	4.00%-5.00%	-	552,030	552,030
12/1/2022	4.00%-5.00%	-	10,220	10,220
		\$ 7,463,705	\$ 685,743	\$ 8,149,448



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES

As of June 30, 2018

(Thousands of dollars)

<u>Bond Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Lien Closed</u>	<u>Retired</u>	<u>Principal Outstanding June 30, 2018</u>	<u>(1)</u>	<u>Remaining Authorization</u>
1995 COP Board Authorization	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ -		\$ -
1996 Alternate Bond Authorization	1,150,000	850,000 (A)	300,000	850,000	-	(A)	-
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	-	904,123	593,580	(B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	-	870,195	-	(C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	-	500,000	-	(D)	-
2002 Alternate Bond Authorization	500,000	500,000 (E)	-	500,000	-	(E)	-
2004 Alternate Bond Authorization	965,000	965,000 (F)	-	939,512	25,488	(F)	-
2006 Alternate Bond Authorization	750,000	634,258 (G)	-	608,978	25,280	(G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990 (H)	-	258,860	1,641,130	(H)	10
2009 Alternate Bond Authorization	2,300,000	1,906,180 (I)	-	507,745	1,398,435	(I)	393,820
2012 Alternate Bond Authorization	750,000	709,825 (J)	-	300,000	409,825	(J)	40,175
2015 Alternate Bond Authorization	1,160,000	1,160,000 (K)	-	-	1,160,000		-
2016 Alternate Bond Authorization	945,000	631,720 (L)	-	631,720	631,720		313,280
TOTAL	\$ 13,365,000	\$ 12,169,871	\$ 300,000	\$ 6,916,133	\$ 5,885,458		\$ 895,129

(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 currently has outstanding eight series of refunding bonds which met these requirements: \$205,410 Series 2004A, of which \$49,600 is outstanding; \$193,585 Series 2005A, of which \$159,825 is outstanding; \$197,765 Series 2007B, of which \$16,035 is outstanding; \$351,485 Series 2017C, of which all is outstanding; \$79,325 Series 2017D, of which all is outstanding; \$22,180 Series 2017E, of which all is outstanding; \$165,510 Series 2017F, of which all is outstanding; \$552,030 Series 2018A, of which all is outstanding. These series are not included in the authorization table above. Total principal amount issued including these series is \$1,395,990. Principal outstanding on CPS Alternate Bonds only is \$7,281,448.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2018
(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1996	4/17/1996	\$ 350,000	\$ -
Unlimited Tax GO Bonds Series 1997	5/7/1997	500,000	-
		<u>\$ 850,000</u>	<u>\$ -</u>

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1997A	12/3/1997	\$ 499,995	\$ -
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	-
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	232,381
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	361,199
Unlimited Tax GO Bonds, IDFA Series 1999A	12/22/1999	12,000	-
Unlimited Tax GO Bonds, Series 2000D	9/7/2000	101,000	-
Unlimited Tax GO Bonds, Series 2001B	10/24/2001	9,440	-
		<u>\$ 1,497,703</u>	<u>\$ 593,580</u>

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

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

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

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2018
(Thousands of dollars)

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

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

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2004CDE	11/10/2004	\$ 222,080	\$ -
Unlimited Tax GO Bonds, Series 2004FGH	12/9/2004	56,000	-
Unlimited Tax GO Bonds, Series 2005C	11/15/2005	53,750	-
Unlimited Tax GO Bonds, Series 2005DE	12/8/2005	325,000	-
Unlimited Tax GO Bonds, Series 2006A	6/7/2006	6,853	6,853
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	301,317	18,635
		<u>\$ 965,000</u>	<u>\$ 25,488</u>

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	54,488	3,370
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	-
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	-
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	-
Unlimited Tax GO Refunding Bonds, Series 2009B	6/25/2009	75,410	-
Unlimited Tax GO Refunding Bonds, Series 2009C	6/25/2009	20,265	-
Unlimited Tax GO Refunding Bonds, Series 2009D	7/30/2009	75,720	21,910
		<u>\$ 634,258</u>	<u>\$ 25,280</u>

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2008A	5/13/2008	262,785	262,785
Unlimited Tax GO Refunding Bonds, Series 2008B	5/13/2008	240,975	169,425
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	450,250
Unlimited Tax GO Refunding Bonds, Series 2009A	3/18/2009	130,000	-
Unlimited Taxable GO Bonds, Series 2009E	9/24/2009	518,210	504,430
Unlimited Tax GO Bonds, Series 2009F	9/24/2009	29,125	-
Unlimited Tax GO Bonds, Series 2009G	12/17/2009	254,240	254,240
		<u>\$ 1,899,990</u>	<u>\$ 1,641,130</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2018

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2010A	2/17/2010	48,910	-
Unlimited Tax GO Refunding Bonds, Series 2010B	2/17/2010	157,055	-
Unlimited Tax GO Bonds, Series 2010C	11/2/2010	257,125	257,125
Unlimited Tax GO Bonds, Series 2010D	11/2/2010	125,000	125,000
Unlimited Tax GO Refunding Bonds, Series 2010F	11/2/2010	183,750	144,985
Unlimited Tax GO Refunding Bonds, Series 2010G	11/2/2010	72,915	-
Unlimited Tax GO Bonds, Series 2011A	11/1/2011	402,410	402,410
Unlimited Tax GO Refunding Bonds, Series 2011C	12/20/2012	95,100	-
Unlimited Tax GO Refunding Bonds, Series 2011D	12/16/2011	95,000	-
Unlimited Tax GO Bonds, Series 2012A	8/21/2012	468,915	468,915
		<u>\$ 1,906,180</u>	<u>\$ 1,398,435</u>

J. The total issued and outstanding debt for the 2012 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2012B	12/21/2012	109,825	109,825
Unlimited Tax GO Short-term Line of Credit, Series 2	12/20/2013	150,000	-
Unlimited Tax GO Short-term Line of Credit, Series 2	12/20/2013	150,000	-
Unlimited Tax GO Bonds, Series 2015C	4/29/2015	280,000	280,000
Unlimited Tax GO Bonds, Series 2015E	4/29/2015	20,000	20,000
		<u>\$ 709,825</u>	<u>\$ 409,825</u>

K. The total issued and outstanding debt for the 2015 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2016A	2/8/2016	725,000	725,000
Unlimited Tax GO Bonds, Series 2016B	7/29/2016	150,000	150,000
Unlimited Tax GO Bonds, Series 2017A	7/11/2017	285,000	285,000
		<u>\$ 1,160,000</u>	<u>\$ 1,160,000</u>

L. The total issued and outstanding debt for the 2016 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2017B	11/30/2017	215,000	215,000
Unlimited Tax GO Bonds, Series 2016G	11/30/2017	126,500	126,500
Unlimited Tax GO Bonds, Series 2017H	11/30/2017	280,000	280,000
Unlimited Tax GO Bonds, Series 2018B	6/1/2018	10,220	10,220
		<u>\$ 631,720</u>	<u>\$ 631,720</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

OUTSTANDING DEBT PER CAPITA

Last Ten Fiscal Years

As of June 30, 2018

(Thousands of dollars, except per capita)

Fiscal Year	General Obligation Bonds	Capital Improvement Tax Bonds	Leases Securing PBC Bonds	Asbestos Abatement Loan	Capital Leases	Notes Payable	Total Primary Government	Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt
2008	\$4,276,507	\$ -	\$ 411,690	\$ 3,747	\$ 2,625	\$ 2,516	\$ 4,697,085	N/A
2009	4,221,497	-	386,385	2,710	2,450	1,317	4,614,359	N/A
2010	4,904,510	-	359,215	-	2,275	-	5,266,000	N/A
2011	5,249,147	-	330,375	-	2,100	-	5,581,622	N/A
2012	5,593,686	-	299,780	-	1,925	-	5,895,391	N/A
2013	6,058,398	-	267,330	-	1,750	-	6,327,478	144,852
2014	5,944,516	-	232,940	-	1,575	-	6,179,031	167,270
2015	6,073,049	-	196,470	-	1,400	-	6,270,919	167,270
2016	6,578,983	-	157,780	-	1,225	-	6,737,988	97,695
2017	7,198,734	729,580	116,850	-	1,050	-	8,046,214	124,217
2018	7,281,448	794,480	73,520	-	875	-	8,150,323	158,585

Notes:

- (A) Starting in fiscal year 2013, CPS will include information about accumulated resources that are restricted to repaying the principal of outstanding general bonded debt. These accumulated resources will be subtracted from the total primary government amount in order to calculate a net total primary amount.
- (B) For all years prior to fiscal year 2013, the total net outstanding debt per capita ratio is the total primary government amount divided by population.



	Net Total Primary Government	Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Population	Total Net General Bonded Debt Per Capita	Total General Obligation Debt Per Capita
\$	4,697,085	3.49%	13.82%	2,896,016	\$ 1,621.91	\$ 1,476.69
	4,614,359	3.45%	14.68%	2,896,016	1,593.35	1,457.69
	5,266,000	4.31%	17.23%	2,695,598	1,953.56	1,819.45
	5,581,622	4.41%	18.55%	2,695,598	2,070.64	1,947.30
	5,895,391	4.47%	21.46%	2,695,598	2,187.04	2,075.12
	6,182,626	4.62%	22.64%	2,695,598	2,293.60	2,247.52
	6,011,761	4.35%	21.98%	2,695,598	2,230.21	2,205.27
	6,103,649	4.01%	19.89%	2,695,598	2,264.30	2,252.95
	6,640,293	4.30%	21.45%	2,695,598	2,463.38	2,440.64
	7,921,997	4.92%	25.58%	2,716,450	2,916.31	2,650.05
	7,991,738	N/A	N/A	2,716,450	2,941.98	2,680.50



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
As of June 30, 2018
(Thousands of dollars)

	Fiscal Year			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 11,175,687	\$ 11,673,736	\$ 11,328,763	\$ 10,367,652
General obligation	553,134	498,593	446,719	394,793
Less: amount set aside for repayment of bonds	(34,719)	(16,042)	(36,440)	(29,917)
Total net debt applicable to limit (A)	<u>518,415</u>	<u>482,551</u>	<u>410,279</u>	<u>364,876</u>
Legal debt margin	<u>\$ 10,657,272</u>	<u>\$ 11,191,185</u>	<u>\$ 10,918,484</u>	<u>\$ 10,002,776</u>
Total net debt applicable to the limit as a percentage of debt limit	4.64%	4.13%	3.62%	3.52%

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

\$328.7 million Series 1998B-1	\$468.9 million Series 2012A
\$532.5 million Series 1999A	\$109.8 million Series 2012B
\$205.4 million Series 2004A	\$280.0 million Series 2015C
\$193.5 million Series 2005A	\$20.0 million Series 2015E
\$6.9 million Series 2006A	\$725.0 million Series 2016A
\$355.8 million Series 2006B	\$150.0 million Series 2016B
\$197.7 million Series 2007B	\$285.0 million Series 2017A
\$262.8 million Series 2008A	\$215.0 million Series 2017B
\$240.9 million Series 2008B	\$351.5 million Series 2017C
\$464.7 million Series 2008C	\$79.3 million Series 2017D
\$75.7 million Series 2009D	\$22.2 million Series 2017E
\$547.3 million Series 2009EF	\$165.5 million Series 2017F
\$254.2 million Series 2009G	\$126.5 million Series 2017G
\$257.1 million Series 2010C	\$280.0 million Series 2017H
\$125.0 million Series 2010D	\$552.0 million Series 2018A
\$183.7 million Series 2010F	\$10.2 million Series 2018B
\$402.4 million Series 2011A	



Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 9,005,479	\$ 8,607,088	\$ 8,958,101	\$ 9,793,658	\$ 10,214,898	\$ 10,594,116
342,830	290,849	238,820	186,823	134,803	82,734
(34,790)	(35,201)	(34,684)	(34,866)	(32,761)	(35,452)
<u>308,040</u>	<u>255,648</u>	<u>204,136</u>	<u>151,957</u>	<u>102,042</u>	<u>47,282</u>
<u>\$ 8,697,439</u>	<u>\$ 8,351,440</u>	<u>\$ 8,753,965</u>	<u>\$ 9,641,701</u>	<u>\$ 10,112,856</u>	<u>\$ 10,546,834</u>
3.42%	2.97%	2.28%	1.55%	1.00%	0.45%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2018

(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.....	\$ 8,819,502	100.00%	\$ 8,819,502
City Colleges of Chicago.....	315,560	100.00%	315,560
Chicago Park District.....	781,890	100.00%	781,890
Cook County.....	3,354,242	49.38%	1,656,325
Forest Preserve District.....	150,960	50.90%	76,839
Water Reclamation District.....	2,640,610	51.89%	1,370,213
Subtotal, overlapping debt			<u>\$13,020,329</u>
Chicago Public School Direct Debt			<u>8,149,448</u>
Total Direct and Overlapping Debt			<u><u>\$21,169,777</u></u>

(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 2016 City of Chicago tax extension within the City of Chicago by the total 2017 Cook County extension for the district.



CHICAGO PUBLIC SCHOOLS**Chicago Board of Education
CPS' DEBT RATING HISTORY**

Fiscal Year Ending June 30, 2018

General Obligation Bonds

The following table presents the changes in general obligation credit rating for Chicago Board of Education for the last five years:

	<u>Mar. 2014</u>	<u>Mar. 2015</u>	<u>May 2015</u>	<u>July 2015</u>	<u>Aug. 2015</u>	<u>Jan. 2016</u>	<u>Sept. 2016*</u>	<u>Nov. 2016*</u>	<u>Dec. 2016*</u>	<u>Nov. 2017*</u>	<u>May 2018*</u>	<u>June 2018*</u>
S&P	A+	A-	A-	BBB	BB	B+	B+	B	B	B	B	B
Moody's	Baa1	Baa3	Ba3	Ba3	Ba3	B2	B3	B3	B3	B3	B3	B3
Fitch	A-	BBB-	BBB-	BB+	B+	B+	B+	B+	B+	BB-	BB-	BB-
Kroll		BBB+	BBB+	BBB+	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-

Security Structure: All of CPS' general obligation debt that has been issued as 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 PPRT, revenues from an IGA with the City of Chicago, revenues from City Notes and Intergovernmental Agreements with the City of Chicago, federal subsidies, and both State Aid and State Grant revenues as alternate revenue sources.

NOTES: *The rating provided by Kroll for the CPS Series 2016A and Series 2016B bonds has been BBB since January 2016 and September 2016 respectfully. All other issues were BBB-. CPS Bond Series 2017CDEFGH and 2018AB have been BBB rated since November 2017 and May 2018 respectfully. All other issues were BBB-.

Capital Improvement Tax Bonds

The following table presents the changes in the dedicated revenue capital improvement tax credit rating for Chicago Board of Education since inception beginning in December 2016:

	<u>Nov. 2017</u>	<u>June 2018</u>
S&P	None	None
Moody's	None	None
Fitch	A	A
Kroll	BBB	BBB

Security Structure: In fiscal year 2017, CPS structured an entirely new capital improvement tax (CIT) long term bond credit that is separate from the existing CPS general obligation credit. The CIT Bonds are limited obligations of the Board payable from and secured by a revenues derived and to be derived by the Board from the levy of a capital improvement tax. The Capital Improvement Tax Levy is outside of the Board's property tax cap limitation and may increase by the rate of inflation in future years. The statute authorizing the CIT allows the levy to be used for either expenditures on capital projects or to pay for debt service on bonds that are used to finance capital projects such as the CIT Bonds issued in fiscal year 2017 and 2018.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Last Ten Years

Employer	2017 (1)			2016			2015			2014			2013		
	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	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health Care.....	19,049	1	1.48%	18,930	1	1.48%	18,308	1	1.44%	18,556	1	1.47%	-	-	-
Northwestern Memorial Healthcare.....	16,667	2	1.29%	15,747	3	1.23%	15,317	3	1.20%	14,550	4	1.15%	-	-	-
University of Chicago.....	16,583	3	1.29%	16,374	2	1.28%	16,197	2	1.27%	16,025	2	1.27%	-	-	-
J.P. Morgan Chase & Co. (2).....	15,701	4	1.22%	15,229	4	1.19%	14,158	4	1.11%	15,015	3	1.19%	8,499	1	0.78%
Amazon.com Inc.....	13,240	5	1.03%	-	-	-	-	-	-	-	-	-	-	-	-
United Continental Holdings Inc. (3).....	12,994	6	1.01%	15,157	5	1.18%	14,000	5	1.10%	14,000	5	1.11%	8,199	2	0.75%
Walgreens Boots Alliance Inc.....	12,751	7	0.99%	12,685	6	0.99%	13,006	7	1.02%	13,797	6	1.09%	2,869	9	0.26%
Northwestern University.....	10,847	8	0.84%	10,241	7	0.80%	9,708	10	0.76%	-	-	-	-	-	-
Presence Health.....	10,225	9	0.79%	10,183	8	0.79%	10,500	8	0.82%	11,279	8	0.89%	-	-	-
Wal-mart Stores Inc.....	10,220	10	0.79%	-	-	-	-	-	-	-	-	-	-	-	-
Abbot Laboratories.....	-	-	-	9,800	9	0.76%	10,000	9	0.79%	10,000	10	0.79%	-	-	-
Jewel Food Stores, Inc.....	-	-	-	9,660	10	0.75%	-	-	-	-	-	-	4,441	6	0.41%
Health Care Service Corporation.....	-	-	-	-	-	-	13,006	6	1.02%	-	-	-	-	-	-
SBC/AT&T (4).....	-	-	-	-	-	-	-	-	-	13,000	7	1.03%	-	-	-
University of Illinois at Chicago.....	-	-	-	-	-	-	-	-	-	10,100	9	0.80%	-	-	-
Accenture LLP.....	-	-	-	-	-	-	-	-	-	-	-	-	5,821	3	0.53%
Northern Trust.....	-	-	-	-	-	-	-	-	-	-	-	-	5,353	4	0.49%
Ford Motor Company.....	-	-	-	-	-	-	-	-	-	-	-	-	5,103	5	0.47%
ABM Janitorial Midwest, Inc.....	-	-	-	-	-	-	-	-	-	-	-	-	3,399	7	0.31%
Bank of America NT & SA.....	-	-	-	-	-	-	-	-	-	-	-	-	3,392	8	0.31%
American Airlines.....	-	-	-	-	-	-	-	-	-	-	-	-	2,749	10	0.25%
SBC Ameritech.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CVS Corporation.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonded Maintenance Company.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES:

Beginning with fiscal year 2008, the Chicago Board of Education will accumulate 10 years of data.

- 1) Source: Reprinted with permission, Crain's Chicago Business [January 15, 2018], Crain Communications, Inc.
- 2) J.P. Morgan Chase formerly known as Bank One.
- 3) United Continental Holdings Inc. formally known as United Airlines.
- 4) AT&T Inc. formerly known as SBC Ameritech.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT) (continued)

Last Ten Years

2012			2011			2010			2009			2008		
<u>Number of employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,168	1	0.76%	7,993	1	0.77%	8,094	1	0.81%	8,431	1	0.81%	8,865	1	0.81%
7,521	2	0.70%	6,366	2	0.62%	5,585	2	0.58%	6,019	2	0.58%	6,403	2	0.58%
2,789	10	0.26%	4,429	7	0.43%	4,552	6	0.33%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,572	5	0.43%	4,799	5	0.46%	5,307	4	0.52%	5,833	3	0.56%	5,977	3	0.55%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,590	3	0.52%	5,014	4	0.48%	4,224	7	0.32%	3,341	7	0.32%	4,532	5	0.41%
5,448	4	0.51%	5,485	3	0.53%	5,833	3	0.56%	5,394	4	0.52%	5,084	4	0.46%
4,187	6	0.39%	3,410	10	0.33%	-	-	-	2,764	10	0.27%	3,325	8	0.30%
3,398	8	0.32%	3,629	9	0.35%	3,840	9	0.30%	-	-	-	-	-	-
3,811	7	0.36%	4,557	6	0.44%	4,668	5	0.44%	4,631	5	0.44%	-	-	-
3,076	9	0.29%	-	-	-	3,153	10	0.27%	3,394	6	0.33%	3,582	6	0.33%
-	-	-	-	-	-	-	-	-	3,136	8	0.30%	3,459	7	0.32%
-	-	-	4,159	8	0.40%	4,067	8	0.30%	3,120	9	0.30%	3,161	9	0.29%
-	-	-	-	-	-	-	-	-	-	-	-	2,955	10	0.27%



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 (\$000's)</u>	<u>Per Capita Income (B)</u>	<u>Median Age (C)</u>	<u>Number of Households (C)</u>
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	126,523,283	46,937	33.20	1,045,666
2012	2,695,598	131,930,653	48,943	33.10	1,030,076
2013	2,695,598	133,866,092	49,661	33.30	1,028,746
2014	2,695,598	138,230,265	51,280	33.40	1,028,829
2015	2,695,598	147,486,949	54,714	33.70	1,035,436
2016	2,695,598	154,417,331	57,285	33.90	1,042,579
2017	2,716,450	160,917,065	59,238	34.10	1,046,789

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



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS (continued)

Last Ten Calendar Years

Civilian Labor Force (D)		Employment (D)		
Number	Percent of Population	Number	Percent of Population	Unemployment Rate
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%
1,273,805	47.26%	1,144,896	42.47%	10.10%
1,277,649	47.40%	1,143,944	42.44%	10.50%
1,369,656	50.81%	1,264,234	46.90%	7.70%
1,361,418	50.51%	1,273,727	47.25%	6.40%
1,371,326	50.87%	1,282,117	47.56%	6.50%
1,364,817	50.24%	1,289,325	47.46%	5.50%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2017 NET REVENUES

(Millions of dollars)

<u>Company Name</u>	<u>2017 Net Revenues</u>	<u>Number of Employees (1)</u>
Walgreens Boots Alliance Inc.....	\$ 118,214.0	345,000
Boeing Co.	93,392.0	140,800
Archer Daniels Midland Co.	60,828.0	31,300
Caterpillar Inc.	45,462.0	98,400
Allstate Corp.	38,524.0	42,900
United Continental Holdings Inc.	37,736.0	89,800
Exelon Corp.	33,531.0	34,621
Deere & Co.	29,737.7	60,476
Abbvie Inc.	28,216.0	29,000
Abbott Laboratories	27,390.0	99,000
Kraft Heinz Co.....	26,232.0	39,000
Mondelez International Inc.	25,896.0	83,000
US Foods Holdings Corp.....	24,147.2	25,355
McDonald's Corp.	22,820.4	235,000
Sears Holdings Corp.	16,702.0	89,000
CDW Corp.	15,191.5	8,726
Illinois Tool Works Inc.	14,314.0	50,000
Discover Financial Services Inc.	11,545.0	16,500
Baxter International Inc.	10,561.0	47,000
W.W Grainger Inc.....	10,424.9	25,700

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 21, 2018 issue. Copyright 2018 Crain Communications Inc.

NOTES:

- 1) Most recent employee count available



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE

FINAL APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2018

With Comparative Amounts for the Fiscal Year Ended June 30, 2017

(Thousands of Dollars)

	Final Budget	Fiscal Year 2018 Actual	Over (Under) Budget	Fiscal Year 2017 Actual	2018 Over (Under) 2017
Revenues:					
Property taxes.....	2,808,707	2,794,613	(14,094)	2,613,889	180,724
Replacement taxes.....	90,438	109,997	19,559	169,637	(59,640)
State aid.....	1,699,411	1,859,582	160,171	1,287,702	571,880
Interest and investment earnings.....	1,100	723,432	722,332	1,964	721,468
Federal aid.....	772,979	6,099	(766,880)	752,295	(746,196)
Other.....	269,393	332,323	62,930	265,099	67,224
Total revenues.....	5,642,028	5,826,046	184,018	5,090,586	735,460
Expenditures:					
Teachers' salaries.....	1,852,659	1,841,295	(11,364)	1,815,309	25,986
Career service salaries.....	583,271	595,467	12,196	581,665	13,802
Energy.....	69,580	60,813	(8,767)	69,067	(8,254)
Food.....	100,834	94,512	(6,322)	94,911	(399)
Textbook.....	56,700	50,296	(6,404)	43,255	7,041
Supplies.....	56,856	46,683	(10,173)	44,040	2,643
Other commodities.....	391	301	(90)	221	80
Professional fees.....	439,611	410,175	(29,436)	357,258	52,917
Charter Schools.....	740,276	703,124	(37,152)	668,412	34,712
Transportation.....	111,729	106,021	(5,708)	95,974	10,047
Tuition.....	59,204	50,181	(9,023)	53,668	(3,487)
Telephone and telecommunications.....	29,604	23,718	(5,886)	21,998	1,720
Other services.....	23,318	26,819	3,501	13,814	13,005
Equipment - educational.....	44,523	35,214	(9,309)	30,967	4,247
Repair and replacements.....	13,543	13,214	(329)	18,319	(5,105)
Capital outlay.....	1,761	1,293	(468)	1,017	276
Teachers' pension.....	894,573	900,791	6,218	853,474	47,317
Career service pension.....	89,324	113,882	24,558	99,428	14,454
Hospitalization and dental insurance.....	338,710	319,344	(19,366)	306,871	12,473
Medicare.....	36,496	34,601	(1,895)	33,658	943
Unemployment compensation.....	8,900	6,604	(2,296)	7,040	(436)
Workers compensation.....	21,746	23,546	1,800	20,531	3,015
Rent.....	20,462	16,840	(3,622)	14,638	2,202
Debt service.....	57,517	32,101	(25,416)	38,735	(6,634)
Other fixed charges.....	47,704	7,045	(40,391)	13,488	(6,443)
Total expenditures.....	5,699,292	5,513,880	(184,876)	5,297,758	216,122
Revenues in excess of (less than) expenditures	(57,264)	312,166	368,894	(207,172)	519,338
Other financing sources (uses):					
Other revenue sources /(uses).....	0	0	0	224	(224)
Transfers in / (out).....	0	286,828	286,828	58,350	228,478
Total other financing sources (uses).....	0	286,828	286,828	58,574	228,254
Net change in fund balances.....	(57,264)	598,994	656,258	(148,598)	747,592
Fund balances, beginning of period.....	(275,230)	(275,230)	0	(126,632)	(148,598)
Fund balances, end of period.....	(332,494)	323,764	656,258	(275,230)	598,994



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUE — BY PROGRAM

For the Fiscal Year Ended June 30, 2018

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>Educational Program</u>	<u>CTPF Pension Levy</u>	<u>Individuals with Disabilities Education Act (IDEA) Program</u>	<u>Other Government Funded Program</u>
Revenues:				
Property taxes.....	\$ 2,351,803	\$ 414,041	\$ -	\$ -
Replacement taxes.....	108,996	-	-	-
State aid.....	1,041,658	-	-	274,614
Federal aid.....	69,693	-	92,655	102,190
Interest and investment income	6,044	46	-	-
Other.....	257,678	10,186	-	30,924
Total revenues.....	<u>\$ 3,835,862</u>	<u>\$ 424,273</u>	<u>\$ 92,655</u>	<u>\$ 407,728</u>



Supplementary General State Aid	Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Act Program	Total
\$ -	\$ -	\$ -	\$ 28,769	\$ -	\$ -	\$ 2,794,613
-	-	1,001	-	-	-	109,997
212,874	-	1,384	-	329,052	-	1,859,582
-	261,500	196,495	-	-	8,899	723,432
-	-	-	9	-	-	6,099
4,692	-	12,419	7,026	9,408	-	332,323
<u>\$ 217,566</u>	<u>\$ 261,500</u>	<u>\$ 211,299</u>	<u>\$ 35,804</u>	<u>\$ 338,460</u>	<u>\$ 8,899</u>	<u>\$ 5,826,046</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

**GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES - BY PROGRAM
For the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)
(Thousands of dollars)**

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program
Teachers' salaries.....	\$ 1,448,320	\$ -	\$ 59,582	\$ 111,091
Career service salaries.....	331,154	-	3,414	40,729
Energy.....	131	-	-	-
Food.....	444	-	-	2,733
Textbook.....	40,763	-	5	1,929
Supplies.....	29,095	-	120	5,700
Other commodities.....	246	-	-	3
Professional and special services.....	102,104	-	4,521	79,104
Charter Schools.....	652,346	-	-	7,206
Transportation.....	96,884	-	13	1,725
Tuition.....	47,627	-	-	2,213
Telephone.....	23,686	-	-	-
Other services.....	18,814	-	7	2,288
Education equipment.....	23,145	-	6	4,259
Repair and replacement.....	4,436	-	-	111
Capital outlay.....	1,293	-	-	-
Teachers' pension.....	410,221	426,025	10,104	18,352
Career service pension.....	60,785	-	600	7,220
Hospitalization and dental insurance.....	216,654	-	7,233	19,649
Medicare.....	25,173	-	868	2,113
Unemployment compensation.....	4,841	-	181	403
Workers compensation.....	17,257	-	644	1,437
Rent.....	1,306	-	4	1,175
Debt service.....	30,977	1,124	-	-
Other fixed charges.....	(14,614)	-	2,377	878
Total expenditures.....	<u>\$ 3,573,088</u>	<u>\$ 427,149</u>	<u>\$ 89,679</u>	<u>\$ 310,318</u>



Operating Information

Supplementary General State Aid	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 Program	Total
\$ 109,930	\$ 107,814	\$ -	\$ 81	\$ 11	\$ 4,466	\$ 1,841,295
35,039	16,362	67,015	46,753	53,675	1,326	595,467
-	-	-	-	60,682	-	60,813
10	204	91,099	18	4	-	94,512
3,789	3,678	3	-	21	108	50,296
4,137	4,494	24	55	2,898	160	46,683
18	6	-	-	25	3	301
3,521	35,157	6,101	2,222	176,380	1,065	410,175
3,709	39,863	-	-	-	-	703,124
1,365	5,695	51	9	243	36	106,021
337	-	4	-	-	-	50,181
-	40	-	-	(8)	-	23,718
587	529	116	4,423	8	47	26,819
2,698	1,917	2,932	128	42	87	35,214
728	84	-	204	7,651	-	13,214
-	-	-	-	-	-	1,293
18,150	17,231	-	13	-	695	900,791
6,606	3,027	13,678	9,926	11,838	202	113,882
18,716	14,711	21,867	10,766	9,256	492	319,344
2,089	1,773	937	839	713	96	34,601
390	331	170	124	150	14	6,604
1,390	1,182	607	444	536	49	23,546
-	-	16	4	14,335	-	16,840
-	-	-	-	-	-	32,101
2	6,676	6,657	4,971	-	98	7,045
\$ 213,211	\$ 260,774	\$ 211,277	\$ 80,980	\$ 338,460	\$ 8,944	\$ 5,513,880



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS

Last Ten Fiscal Years and 2019 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> <u>(as restated)</u>
Local revenue:						
Property taxes.....	\$ 1,896,540	\$ 2,047,163	\$ 1,936,655	\$ 2,352,136	\$ 2,211,568	\$ 2,204,252
Replacement taxes.....	188,503	152,497	197,762	181,927	185,884	188,041
Investment income.....	43,693	12,483	13,399	20,760	7,303	15,596
Other.....	253,376	359,661	417,516	303,744	322,128	286,472
Total local.....	<u>\$ 2,382,112</u>	<u>\$ 2,571,804</u>	<u>\$ 2,565,332</u>	<u>\$ 2,858,567</u>	<u>\$ 2,726,883</u>	<u>\$ 2,694,361</u>
State revenue:						
Evidence based funding (1).....	\$ 879,658	\$ 1,001,777	\$ 1,163,412	\$ 1,136,472	\$ 1,094,732	\$ 1,089,673
Teachers' pension.....	74,845	37,551	42,971	10,449	10,931	11,903
Capital.....	-	-	2,793	-	-	-
Special Education.....	-	-	-	-	-	-
Other.....	557,383	512,748	740,605	818,980	710,135	739,229
Total state.....	<u>\$ 1,511,886</u>	<u>\$ 1,552,076</u>	<u>\$ 1,949,781</u>	<u>\$ 1,965,901</u>	<u>\$ 1,815,798</u>	<u>\$ 1,840,805</u>
Federal revenue:						
Elementary and Secondary Education Act (ESEA)	\$ 369,352	\$ 307,331	\$ 271,859	\$ 283,681	\$ 264,600	\$ 342,915
Individuals with Disabilities Education Act (IDEA)	95,230	96,240	88,058	84,385	106,902	100,092
School lunchroom.....	139,096	178,764	175,753	182,836	190,093	181,902
Medicaid.....	50,758	34,937	72,343	92,736	41,523	44,801
Other.....	471,144	562,876	536,871	292,313	242,678	237,531
Total federal.....	<u>\$ 1,125,580</u>	<u>\$ 1,180,148</u>	<u>\$ 1,144,884</u>	<u>\$ 935,951</u>	<u>\$ 845,796</u>	<u>\$ 907,241</u>
Total revenue.....	<u>\$ 5,019,578</u>	<u>\$ 5,304,028</u>	<u>\$ 5,659,997</u>	<u>\$ 5,760,419</u>	<u>\$ 5,388,477</u>	<u>\$ 5,442,407</u>
Change in revenue from previous year.....	\$ 1,174	\$ 284,450	\$ 355,969	\$ 100,442	\$ (371,942)	\$ 53,930
Percent change in revenue.....	0.0%	5.7%	6.7%	1.89%	-6.5%	1.0%

NOTES:

1) General State Aid changed to Evidence Based Funding in FY18



Operating Information

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Budget 2019</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$ 2,304,656	\$ 2,408,416	\$ 2,714,956	\$ 2,897,870	\$ 2,984,278	4.3%	5.6%
202,148	161,535	227,921	168,254	161,100	-1.1%	-2.2%
(92,825)	(95,650)	5,442	19,022	5,000	-8.0%	4.1%
<u>377,286</u>	<u>437,042</u>	<u>387,045</u>	<u>461,692</u>	<u>381,643</u>	6.2%	10.0%
<u>\$ 2,791,265</u>	<u>\$ 2,911,343</u>	<u>\$ 3,335,364</u>	<u>\$ 3,546,838</u>	<u>\$ 3,532,021</u>	4.1%	5.7%
\$ 1,014,395	\$ 971,642	\$ 1,074,021	\$ 1,540,295	\$ 1,646,302	5.8%	7.2%
62,145	12,105	1,016	232,992	238,900	12.0%	81.3%
-	-	-	-	13,300	N/A	N/A
-	-	-	6,908	-	N/A	N/A
<u>770,529</u>	<u>568,578</u>	<u>633,828</u>	<u>416,761</u>	<u>293,900</u>	-2.9%	-10.8%
<u>\$ 1,847,069</u>	<u>\$ 1,552,325</u>	<u>\$ 1,708,865</u>	<u>\$ 2,196,956</u>	<u>\$ 2,192,402</u>	3.8%	3.6%
\$ 253,514	\$ 150,477	\$ 278,136	\$ 261,500	\$ 309,604	-3.4%	-5.3%
103,899	93,483	93,096	92,655	96,549	-0.3%	-1.5%
200,412	202,943	198,440	196,495	203,444	3.5%	1.6%
42,524	34,806	37,108	32,392	41,807	-4.4%	-6.3%
<u>198,582</u>	<u>327,290</u>	<u>177,163</u>	<u>184,886</u>	<u>185,296</u>	-8.9%	-4.9%
<u>\$ 798,931</u>	<u>\$ 808,999</u>	<u>\$ 783,943</u>	<u>\$ 767,928</u>	<u>\$ 836,700</u>	-3.8%	-3.3%
<u>\$ 5,437,265</u>	<u>\$ 5,272,667</u>	<u>\$ 5,828,172</u>	<u>\$ 6,511,722</u>	<u>\$ 6,561,123</u>	2.6%	3.7%
\$ (5,142)	\$ (164,598)	\$ 555,505	\$ 683,550	\$ 49,401		
-0.1%	-3.0%	10.5%	11.7%	0.8%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES - ALL FUNDS

Last Ten Fiscal Years and 2019 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Compensation:						
Teacher salaries.....	\$ 1,975,940	\$ 2,026,257	\$ 2,023,510	\$ 2,026,832	\$ 1,942,007	\$ 1,921,969
ESP salaries.....	597,533	604,042	610,741	618,265	633,489	619,462
Total salaries.....	\$ 2,573,473	\$ 2,630,299	\$ 2,634,251	\$ 2,645,097	\$ 2,575,496	\$ 2,541,431
Teacher pension.....	392,801	475,628	306,111	335,657	374,567	740,419
ESP pension.....	93,791	96,913	102,158	100,026	102,342	101,885
Hospitalization.....	299,206	311,048	353,878	324,918	319,792	343,308
Medicare.....	33,667	34,826	35,004	34,900	36,404	35,951
Unemployment insurance.....	8,599	16,000	21,992	17,141	9,134	16,426
Workers' compensation.....	28,148	28,244	25,859	26,042	23,967	25,646
Total benefits.....	\$ 856,212	\$ 962,659	\$ 845,002	\$ 838,684	\$ 866,206	\$ 1,263,635
Total compensation.....	\$ 3,429,685	\$ 3,592,958	\$ 3,479,253	\$ 3,483,781	\$ 3,441,702	\$ 3,805,066
Non-compensation:						
Energy.....	\$ 92,354	\$ 78,682	\$ 83,356	\$ 73,409	\$ 76,559	\$ 87,547
Food.....	89,592	93,088	93,766	104,245	106,650	96,816
Textbooks.....	86,356	70,596	70,249	49,147	68,969	52,871
Supplies.....	44,572	48,046	51,125	45,521	52,925	55,223
Commodities - other.....	998	948	478	583	408	648
Professional fees.....	440,921	381,851	450,127	412,072	398,064	441,667
Charter schools.....	256,154	326,322	377,755	424,423	498,162	580,652
Transportation.....	109,351	109,349	107,530	109,368	106,861	104,430
Tuition.....	63,858	62,568	59,102	55,001	54,626	66,396
Telephone and telecommunications.....	19,426	18,199	19,823	23,451	23,642	30,297
Services - other.....	13,935	15,688	11,789	11,010	12,438	14,126
Equipment.....	34,450	33,661	41,896	40,938	59,654	62,757
Repairs and replacements.....	34,772	31,854	37,355	33,912	26,449	31,679
Capital outlays.....	648,314	691,774	563,390	576,925	493,532	486,986
Rent.....	12,000	12,093	11,941	11,745	10,547	12,164
Debt service.....	302,206	386,597	332,097	374,494	390,409	467,904
Other.....	13,306	17,519	14,402	9,679	8,639	7,792
Total non-compensation.....	\$ 2,262,565	\$ 2,378,835	\$ 2,326,181	\$ 2,355,923	\$ 2,388,534	\$ 2,599,955
Total expenditures.....	\$ 5,692,250	\$ 5,971,793	\$ 5,805,434	\$ 5,839,704	\$ 5,830,236	\$ 6,405,021
Change in expenditures from						
previous year.....	\$ 574,070	\$ 279,543	\$ (166,359)	\$ 34,270	\$ (9,468)	\$ 574,785
Percent change in expenditures.....	11.2%	4.9%	-2.8%	0.6%	-0.2%	9.8%



2015	2016	2017	2018	Budget 2019	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
\$ 1,953,938	\$ 1,869,683	\$ 1,815,309	\$ 1,841,295	\$ 1,926,851	-0.7%	-0.9%
<u>622,591</u>	<u>605,817</u>	<u>581,665</u>	<u>595,467</u>	<u>576,203</u>	0.0%	-0.8%
\$ 2,576,529	\$ 2,475,500	\$ 2,396,974	\$ 2,436,762	\$ 2,503,054	-0.5%	-0.8%
826,304	811,051	853,474	900,791	934,624	8.7%	4.0%
102,012	102,762	99,428	113,882	91,791	2.0%	2.3%
357,124	348,083	306,871	319,344	356,175	0.7%	-1.4%
36,557	34,824	33,658	34,601	37,304	0.3%	-0.8%
8,138	9,438	7,040	6,604	9,000	-2.6%	-16.7%
<u>25,926</u>	<u>20,337</u>	<u>20,531</u>	<u>23,546</u>	<u>22,000</u>	-1.8%	-1.7%
<u>\$ 1,356,061</u>	<u>\$ 1,326,495</u>	<u>\$ 1,321,002</u>	<u>\$ 1,398,768</u>	<u>\$ 1,450,894</u>	5.0%	2.1%
<u>\$ 3,932,590</u>	<u>\$ 3,801,995</u>	<u>\$ 3,717,976</u>	<u>\$ 3,835,530</u>	<u>\$ 3,953,948</u>	1.1%	0.2%
\$ 74,516	\$ 70,227	\$ 69,067	\$ 60,813	\$ 74,747	-4.1%	-7.0%
99,573	98,777	94,911	94,512	98,628	0.5%	-0.5%
55,254	54,856	43,255	50,296	39,651	-5.3%	-1.0%
50,571	47,085	44,040	46,683	30,013	0.5%	-3.3%
474	294	221	301	364	-11.3%	-14.2%
395,221	314,732	357,258	410,175	386,937	-0.7%	-1.5%
662,553	704,981	668,412	703,124	749,408	10.6%	3.9%
103,891	104,450	95,974	106,021	106,177	-0.3%	0.3%
90,901	61,028	53,668	50,181	63,034	-2.4%	-5.4%
28,061	24,579	21,998	23,718	31,721	2.0%	-4.8%
14,133	16,471	13,814	26,819	22,057	6.8%	13.7%
60,962	45,407	30,967	35,214	18,333	0.2%	-10.9%
27,291	18,853	18,319	13,214	23,781	-9.2%	-16.0%
374,758	294,446	205,852	340,482	989,000	-6.2%	-6.9%
13,030	16,012	14,638	16,840	17,783	3.4%	6.7%
523,113	480,288	569,694	652,532	606,885	8.0%	6.9%
<u>11,340</u>	<u>8,961</u>	<u>13,488</u>	<u>7,045</u>	<u>367,618</u>	-6.2%	-2.0%
<u>\$ 2,585,642</u>	<u>\$ 2,361,447</u>	<u>\$ 2,315,576</u>	<u>\$ 2,637,970</u>	<u>\$ 3,626,137</u>	1.5%	0.3%
<u>\$ 6,518,232</u>	<u>\$ 6,163,442</u>	<u>\$ 6,033,552</u>	<u>\$ 6,473,500</u>	<u>\$ 7,580,085</u>	1.3%	0.2%
\$ 113,211	\$ (354,790)	\$ (129,890)	\$ 439,948	\$ 1,106,585		
1.8%	-5.4%	-2.1%	7.3%	17.1%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) - ALL FUNDS

Last Ten Fiscal Years and 2019 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:				
Local.....	\$2,382,112	\$2,571,804	\$2,565,332	\$2,858,567
State.....	1,511,886	1,552,076	1,949,781	1,965,901
Federal.....	1,125,580	1,180,148	1,144,884	935,951
Total revenues.....	<u>\$5,019,578</u>	<u>\$5,304,028</u>	<u>\$5,659,997</u>	<u>\$5,760,419</u>
Total expenditures.....	<u>5,692,250</u>	<u>5,971,793</u>	<u>5,805,434</u>	<u>5,839,704</u>
Revenues less expenditures.....	<u>\$ (672,672)</u>	<u>\$ (667,765)</u>	<u>\$ (145,437)</u>	<u>\$ (79,285)</u>
Other Financing Sources:				
Bond proceeds.....	\$ 225,675	\$ 1,083,260	\$ 638,790	\$ 592,510
Net premiums/discounts.....	-	6,459	14,700	1,229
Insurance proceeds.....	1,155	-	-	-
Sales of general capital assets.....	91	-	-	-
Payment to bond escrow agent.....	(226,408)	(288,704)	(269,483)	(190,100)
Transfers in/ (out).....	-	-	-	-
Total other financing sources.....	<u>\$ 513</u>	<u>\$ 801,015</u>	<u>\$ 384,007</u>	<u>\$ 403,639</u>
Change in fund balance.....	<u>\$ (672,159)</u>	<u>\$ 133,250</u>	<u>\$ 238,570</u>	<u>\$ 324,354</u>
Fund balance - beginning of period.....	<u>1,726,659</u>	<u>1,054,500</u>	<u>1,187,750</u>	<u>1,426,320</u>
Fund balance - end of period.....	<u>\$1,054,500</u>	<u>\$1,187,750</u>	<u>\$1,426,320</u>	<u>\$1,750,674</u>
Revenues as a percent of expenditures.....	88.2%	88.8%	97.5%	98.6%
Composition of fund balance				
Reserved:				
Reserved for encumbrances.....	\$ 211,422	\$ 340,688	\$ -	\$ -
Reserved for restricted donations.....	3,695	5,825	-	-
Reserved for specific purposes.....	101,072	109,163	-	-
Reserved for debt services.....	272,273	375,211	-	-
Unreserved:				
Designated to provide operating capital.....	181,200	-	-	-
Undesignated.....	284,838	356,863	-	-
Nonspendable.....	-	-	1,972	9,003
Restricted for grants and donations.....	-	-	126,855	69,873
Restricted for workers' comp/tort immunity.....	-	-	91,036	92,680
Restricted for capital improvement program.....	-	-	182,884	88,762
Restricted for debt service.....	-	-	271,643	332,517
Restricted for teacher's pension contributions.....	-	-	-	-
Assigned for educational services.....	-	-	289,000	-
Assigned for appropriated fund balance.....	-	-	181,300	348,900
Assigned for debt service.....	-	-	231,413	254,967
Assigned for commitments and contracts.....	-	-	44,924	110,397
Unassigned.....	-	-	5,293	443,575
Total fund balance.....	<u>\$ 1,054,500</u>	<u>\$ 1,187,750</u>	<u>\$ 1,426,320</u>	<u>\$ 1,750,674</u>
Unreserved/Unassigned fund balance as a percentage of revenues.....	9.3%	6.7%	0.1%	7.7%
Total fund balance as a percentage of revenues.....	21.0%	22.4%	25.2%	30.4%

NOTE:

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

	2014						Budget
2013	(as restated)	2015	2016	2017	2018	2019	
\$2,726,883	\$ 2,694,361	\$ 2,791,265	\$2,911,343	\$ 3,335,363	\$3,546,838	\$3,527,000	
1,815,798	1,840,805	1,847,069	1,552,325	1,707,849	2,196,956	2,192,400	
845,796	907,241	798,931	808,999	783,943	767,928	836,700	
\$5,388,477	\$ 5,442,407	\$ 5,437,265	\$5,272,667	\$ 5,828,171	\$6,511,722	\$6,556,100	
5,830,236	6,405,021	6,518,232	6,163,442	6,033,552	6,473,500	-	
<u>\$ (441,759)</u>	<u>\$ (962,614)</u>	<u>\$ (1,080,967)</u>	<u>\$ (890,775)</u>	<u>\$ (205,380)</u>	<u>\$ 38,222</u>	<u>\$ 6,556,100</u>	
982,720	131,600	561,880	724,999	879,580	2,152,150	\$ 313,000	
47,271	-	(12,502)	(110,071)	(36,097)	31,921	-	
-	-	-	-	-	-	-	
723	7,301	37,504	15,012	6,273	9,442	-	
(480,597)	-	(397,090)	(120,856)	-	(1,321,865)	-	
-	-	-	-	-	-	-	
<u>\$ 550,117</u>	<u>\$ 138,901</u>	<u>\$ 189,792</u>	<u>\$ 509,084</u>	<u>\$ 849,756</u>	<u>\$ 871,648</u>	<u>\$ 313,000</u>	
\$ 108,358	\$ (823,713)	\$ (891,175)	\$ (381,691)	\$ 644,376	\$ 909,870		
1,750,674	2,546,502	1,722,789	831,614	449,923	1,094,522		
<u>\$1,859,032</u>	<u>\$ 1,722,789</u>	<u>\$ 831,614</u>	<u>\$ 449,923</u>	<u>\$ 1,094,299</u>	<u>\$2,004,392</u>		
92.4%	85.0%	83.4%	85.5%	96.6%	100.6%		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
6,108	429	429	429	2,785	429		
63,434	61,022	64,155	64,854	51,858	52,333		
64,985	19,838	41,373	35,116	27,344	-		
169,368	-	-	107,248	792,586	895,111		
466,966	491,552	545,383	535,116	660,501	785,176		
-	-	-	-	-	9,287		
-	-	-	-	-	-		
562,682	267,652	79,225	-	-	-		
269,167	193,877	57,057	-	-	341		
105,664	87,067	73,101	-	-	18,044		
150,658	(91,953)	(29,109)	(292,840)	(440,552)	243,671		
<u>\$1,859,032</u>	<u>\$ 1,029,484</u>	<u>\$ 831,614</u>	<u>\$ 449,923</u>	<u>\$ 1,094,522</u>	<u>\$2,004,392</u>		
2.8%	-1.7%	-0.5%	-5.6%	-7.6%	3.7%		
34.5%	18.9%	15.3%	8.5%	18.8%	30.8%		



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
Last Ten Fiscal Years and 2019 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Local revenue:					
Property taxes.....	\$ 1,867,350	\$ 2,035,938	\$ 1,904,169	\$2,295,178	\$2,157,777
Replacement taxes.....	132,819	96,816	172,384	126,786	128,212
Investment income.....	21,405	3,084	1,920	4,363	2,207
Other.....	102,107	111,985	221,391	142,160	132,717
Total local.....	<u>\$ 2,123,681</u>	<u>\$ 2,247,823</u>	<u>\$ 2,299,864</u>	<u>\$2,568,487</u>	<u>\$2,420,913</u>
State Revenue:					
General state aid.....	\$ 700,954	\$ 801,198	\$ 940,693	\$ 989,943	\$ 945,651
Teacher pension.....	74,845	74,922	42,971	10,449	10,931
Special Ed.....	-	-	-	-	-
Other.....	557,383	491,677	710,902	756,774	642,842
Total state.....	<u>\$ 1,333,182</u>	<u>\$ 1,367,797</u>	<u>\$ 1,694,566</u>	<u>\$1,757,166</u>	<u>\$1,599,424</u>
Federal revenue:					
Elementary and Secondary Education Act (ESEA) \$	369,352	\$ 307,331	\$ 271,859	\$ 283,681	\$ 264,600
Individuals with Disabilities Education Act (IDEA)...	95,230	96,240	88,058	84,385	106,902
School lunch program.....	139,096	178,764	175,753	182,836	190,093
Medicaid.....	50,758	34,937	72,343	92,736	41,523
Other.....	468,369	543,140	513,444	247,349	202,865
Total federal.....	<u>\$ 1,122,805</u>	<u>\$ 1,160,412</u>	<u>\$ 1,121,457</u>	<u>\$ 890,987</u>	<u>\$ 805,983</u>
Total revenue.....	<u>\$ 4,579,668</u>	<u>\$ 4,776,032</u>	<u>\$ 5,115,887</u>	<u>\$5,216,640</u>	<u>\$4,826,320</u>
Change in revenue from previous year.....	\$ (6,017)	\$ 196,364	\$ 339,855	\$ 100,753	\$ (390,320)
Percentage change in revenue.....	-0.1%	4.3%	7.1%	2.0%	-7.5%

2014 (as restated)	2015	2016	2017	2018	Budget 2019	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
\$2,152,753	\$2,252,828	\$2,313,470	\$ 2,613,889	\$ 2,794,613	\$ 2,899,427	4.1%	5.4%
131,075	143,867	115,961	169,637	109,997	126,159	-1.9%	-3.4%
4,458	198	1,347	1,964	6,099	5,000	-11.8%	6.5%
156,115	165,819	271,858	265,099	332,323	236,485	12.5%	16.3%
<u>\$2,444,401</u>	<u>\$2,562,712</u>	<u>\$2,702,636</u>	<u>\$ 3,050,589</u>	<u>\$ 3,243,032</u>	<u>\$ 3,267,071</u>	4.3%	5.8%
\$ 972,572	\$ 847,420	\$ 857,601	\$ 683,008	\$ 1,216,940	\$ 1,318,351	5.7%	4.6%
11,903	62,145	12,105	1,016	232,992	238,869	12.0%	81.3%
-	-	-	-	6,908	-	N/A	N/A
645,417	669,759	529,148	603,678	402,742	291,969	-3.2%	-9.0%
<u>\$1,629,892</u>	<u>\$1,579,324</u>	<u>\$1,398,854</u>	<u>\$ 1,287,702</u>	<u>\$ 1,859,582</u>	<u>\$ 1,849,189</u>	3.4%	2.7%
\$ 342,915	\$ 253,514	\$ 293,302	\$ 357,715	\$ 320,005	\$ 358,114	-1.4%	-1.4%
100,092	103,899	93,483	93,096	92,655	103,041	-0.3%	-1.5%
189,336	200,412	202,943	198,440	196,495	205,815	3.5%	0.7%
40,879	42,524	34,806	37,108	32,392	35,000	-4.4%	-4.5%
194,290	167,199	151,743	65,936	81,885	103,383	-16.0%	-15.9%
<u>\$ 867,512</u>	<u>\$ 767,548</u>	<u>\$ 776,277</u>	<u>\$ 752,295</u>	<u>\$ 723,432</u>	<u>\$ 805,353</u>	-4.3%	-3.6%
<u>\$4,941,805</u>	<u>\$4,909,584</u>	<u>\$4,877,767</u>	<u>\$ 5,090,586</u>	<u>\$ 5,826,046</u>	<u>\$ 5,921,614</u>	2.4%	3.3%
\$ 115,485	\$ (32,221)	\$ (31,817)	\$ 212,819	\$ 735,460	\$ 95,568		
2.4%	-0.7%	-0.6%	4.4%	14.4%	1.6%		



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES
Last Ten Fiscal Years and 2019 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Compensation:					
Teachers' salaries.....	\$ 1,975,940	\$ 2,026,257	\$ 2,023,510	\$ 2,026,832	\$ 1,942,007
ESP salaries.....	597,533	604,042	610,741	618,265	633,489
Total salaries.....	\$ 2,573,473	\$ 2,630,299	\$ 2,634,251	\$ 2,645,097	\$ 2,575,496
Teachers' pension.....	392,801	475,628	306,111	335,657	374,567
ESP pension.....	93,791	96,913	102,158	100,026	102,342
Hospitalization.....	299,206	311,048	353,878	324,918	319,792
Medicare.....	33,667	34,826	35,004	34,900	36,404
Unemployment insurance.....	8,599	16,000	21,992	17,141	9,134
Workers' compensation.....	28,148	28,244	25,859	26,042	23,967
Total benefits.....	\$ 856,212	\$ 962,659	\$ 845,002	\$ 838,684	\$ 866,206
Total compensation.....	\$ 3,429,685	\$ 3,592,958	\$ 3,479,253	\$ 3,483,781	\$ 3,441,702
Non-compensation:					
Energy.....	\$ 92,354	\$ 78,682	\$ 83,356	\$ 73,409	\$ 76,559
Food.....	89,592	93,088	93,766	104,245	106,650
Textbooks.....	86,356	70,596	70,249	49,147	68,969
Supplies.....	44,572	48,046	51,125	45,521	52,925
Commodities - other.....	998	948	478	583	408
Professional fees.....	440,921	381,851	450,127	412,072	398,064
Charter schools.....	256,154	326,322	377,755	424,423	498,162
Transportation.....	109,351	109,349	107,530	109,368	106,861
Tuition.....	63,858	62,568	59,102	55,001	54,626
Telephone and telecommunications.....	19,426	18,199	19,823	23,451	23,642
Services - other.....	13,935	15,688	11,789	11,010	12,438
Equipment.....	34,450	33,661	41,896	40,938	59,654
Repairs and replacements.....	34,772	31,854	37,355	33,912	26,449
Capital outlays.....	12	10	5	43	75
Rent.....	12,000	12,093	11,941	11,745	10,547
Debt service.....	1,037	2,710	-	-	-
Other.....	13,306	17,519	14,402	9,679	8,639
Total non-compensation.....	\$ 1,313,094	\$ 1,303,184	\$ 1,430,699	\$ 1,404,547	\$ 1,504,668
Total expenditures.....	\$ 4,742,779	\$ 4,896,142	\$ 4,909,952	\$ 4,888,328	\$ 4,946,370
Change in expenditures from previous year.....	\$ 348,094	\$ 153,363	\$ 13,810	\$ (21,624)	\$ 58,042
Percent change in expenditures.....	7.9%	3.2%	0.3%	-0.4%	1.2%



2014	2015	2016	2017	2018	Budget 2019	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
\$ 1,921,969	\$ 1,953,938	\$ 1,869,683	\$ 1,815,309	\$ 1,841,295	\$ 1,932,165	-0.7%	-0.9%
619,462	622,591	605,817	581,665	595,467	576,203	3.5%	-0.8%
\$ 2,541,431	\$ 2,576,529	\$ 2,475,500	\$ 2,396,974	\$ 2,436,762	\$ 2,508,368	-0.5%	-0.8%
740,419	826,304	811,051	853,474	900,791	934,624	8.7%	4.0%
101,885	102,012	102,762	99,428	113,882	91,791	2.0%	2.3%
343,308	357,124	348,083	306,871	319,344	356,175	0.7%	-1.4%
35,951	36,557	34,824	33,658	34,601	37,304	0.3%	-0.8%
16,426	8,138	9,438	7,040	6,604	9,000	-2.6%	-16.7%
25,646	25,926	20,337	20,531	23,546	22,000	-1.8%	-1.7%
\$ 1,263,635	\$ 1,356,061	\$ 1,326,495	\$ 1,321,002	\$ 1,398,768	\$ 1,450,894	5.0%	2.1%
\$ 3,805,066	\$ 3,932,590	\$ 3,801,995	\$ 3,717,976	\$ 3,835,530	\$ 3,959,262	1.1%	0.2%
\$ 87,547	\$ 74,516	\$ 70,227	\$ 69,067	\$ 60,813	\$ 74,747	-4.1%	-7.0%
96,816	99,573	98,777	94,911	94,512	98,628	0.5%	-0.5%
52,871	55,254	54,856	43,255	50,296	39,651	-5.3%	-1.0%
55,223	50,571	47,085	44,040	46,683	24,699	0.5%	-3.3%
648	474	294	221	301	364	-11.3%	-14.2%
441,667	395,221	314,732	357,258	410,175	386,937	-0.7%	-1.5%
580,652	662,553	704,981	668,412	703,124	749,408	10.6%	3.9%
104,430	103,891	104,450	95,974	106,021	106,177	-0.3%	0.3%
66,396	90,901	61,028	53,668	50,181	63,034	-2.4%	-5.4%
30,297	28,061	24,579	21,998	23,718	31,721	2.0%	-4.8%
14,126	14,133	16,471	13,814	26,819	22,057	6.8%	13.7%
62,757	60,962	45,407	30,967	35,214	18,333	0.2%	-10.9%
31,679	27,291	18,853	18,319	13,214	23,781	-9.2%	-16.0%
-	5	1,135	1,016	1,293	-	59.7%	N/A
12,164	13,030	16,012	14,638	16,840	17,783	3.4%	6.7%
-	-	25,003	38,735	32,101	21,000	41.0%	N/A
7,792	11,340	8,961	13,488	7,045	346,618	-6.2%	-2.0%
\$ 1,645,065	\$ 1,687,776	\$ 1,612,851	\$ 1,579,781	\$ 1,678,350	\$ 2,024,938	2.5%	0.4%
\$ 5,450,131	\$ 5,620,366	\$ 5,414,846	\$ 5,297,757	\$ 5,513,880	\$ 5,984,200	1.5%	0.2%
\$ 503,761	\$ 170,235	\$ (205,520)	\$ (117,089)	\$ 216,123	\$ 470,320		
10.2%	3.1%	-3.7%	-2.2%	4.1%	8.5%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

**Last Ten Fiscal Years and 2019 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:				
Local.....	\$2,123,681	\$2,247,823	\$2,299,864	\$2,568,487
State.....	1,333,182	1,367,797	1,694,566	1,757,166
Federal.....	<u>1,122,805</u>	<u>1,160,412</u>	<u>1,121,457</u>	<u>890,987</u>
Total revenues.....	\$4,579,668	\$4,776,032	\$5,115,887	\$5,216,640
Total expenditures.....	<u>4,742,779</u>	<u>4,896,142</u>	<u>4,909,952</u>	<u>4,888,328</u>
Revenues less expenditures.....	\$ (163,111)	\$ (120,110)	\$ 205,935	\$ 328,312
Other financing sources less transfers.....	<u>20,389</u>	<u>17,851</u>	<u>109,830</u>	<u>62</u>
Change in fund balance.....	\$ (142,722)	\$ (102,259)	\$ 315,765	\$ 328,374
Fund balance - beginning of period.....	669,596	526,874	424,615	740,380
Fund balance - end of period.....	<u>\$ 526,874</u>	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$1,068,754</u>
Revenues as a percent of expenditures.....	96.6%	97.5%	104.2%	106.7%

Composition of fund balance

Reserved:

Reserved for encumbrances.....	\$ 110,685	\$ 111,166	\$ -	\$ -
Reserved for restricted donations.....	3,695	5,825	-	-
Reserved by law for specific purposes.....	101,072	109,163	-	-

Unreserved:

Designated to provide operating capital.....	181,200	-	-	-
Undesignated.....	130,222	198,461	-	-
Nonspendable.....	-	-	1,972	3,329
Restricted for grants and donations.....	-	-	126,855	69,873
Restricted for workers' comp/tort immunity.....	-	-	91,036	92,680
Restricted for teacher's pension contributions.....	-	-	-	-
Assigned for educational services.....	-	-	289,000	-
Assigned for appropriated fund balance.....	-	-	181,300	348,900
Assigned for commitments and contracts.....	-	-	44,924	110,397
Unassigned.....	-	-	5,293	443,575
Total fund balance.....	<u>\$ 526,874</u>	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$1,068,754</u>

Unreserved/unassigned fund balance

as a percent of revenues.....	6.8%	4.2%	0.1%	8.5%
Total fund balance as a percentage of revenues	11.5%	8.9%	14.5%	20.5%

NOTE:

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

2013	2014 (as restated)	2015	2016	2017	2018	Budget 2019
\$2,420,913	\$ 2,444,401	\$2,562,712	\$2,702,635	\$3,050,589	\$3,243,032	\$3,267,071
1,599,424	1,629,892	1,579,324	1,398,855	1,287,702	1,859,582	1,849,188
805,983	867,512	767,548	776,277	752,295	723,432	805,353
\$4,826,320	\$ 4,941,805	\$4,909,584	\$4,877,767	\$5,090,586	\$5,826,046	\$5,921,612
4,946,370	5,450,131	5,620,366	5,414,846	5,297,758	5,513,880	5,984,197
\$ (120,050)	\$ (508,326)	\$ (710,782)	\$ (537,079)	\$ (207,172)	\$ 312,166	\$ (62,585)
439	161	(12,915)	50,162	58,574	286,828	
\$ (119,611)	\$ (508,165)	\$ (723,697)	\$ (486,917)	\$ (148,598)	\$ 598,994	
1,068,754	1,592,147	1,083,982	360,285	(126,632)	(275,230)	
\$ 949,143	\$ 1,083,982	\$ 360,285	\$ (126,632)	\$ (275,230)	\$ 323,764	
97.6%	90.7%	87.4%	90.1%	96.1%	105.7%	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,720	429	429	429	429	429	
63,434	61,022	64,155	64,854	51,858	52,333	
64,985	19,838	41,373	35,116	27,344	-	
-	-	-	-	-	9,287	
-	-	-	-	-	-	
562,682	267,652	79,225	-	-	-	
105,664	87,067	73,101	-	-	18,044	
150,658	-	102,002	(227,031)	(354,861)	243,671	
\$ 949,143	\$ 436,008	\$ 360,285	\$ (126,632)	\$ (275,230)	\$ 323,764	
3.1%	0.0%	2.1%	-4.7%	-7.0%	4.2%	
19.7%	8.8%	7.3%	-2.6%	-5.4%	5.6%	



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, 2018

Eligible Expenditures:

Other General Charges.....	\$ 7,147,004
Physical Education - Athletic Claims.....	152,326
Summer School.....	1,669
Tort Claims - Administration Fee.....	597,250
Tort Claims - Major Settlements.....	3,990,147
Tort Claims - Casualty.....	321,121
General Liability Insurance.....	2,671,824
Property Damage Insurance.....	1,967,613
Property Loss Reserve Fund.....	110,870
Investigations - Administration.....	56,430
School Safety Services.....	5,605,583
School Security Personnel.....	54,213,740
Central Service Security.....	3,855,498
Security Services.....	4,435,257
Absence & Disability Management.....	37,134
Total Eligible Expenditures.....	<u>\$ 85,163,466</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS
For the Fiscal Year Ended June 30, 2018

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.....	\$ 22,154,052	\$ 32,643,296	\$ 31,906,851	\$ 22,890,496
Child Parent Centers.....	-	-	-	-
Alternative Schools.....	19,048	23,857	30,966	11,939
Middle Schools.....	368,092	606,179	628,700	345,571
High Schools.....	22,971,647	32,186,236	30,916,327	24,241,557
	<u>\$ 45,512,839</u>	<u>\$ 65,459,568</u>	<u>\$ 63,482,844</u>	<u>\$ 47,489,562</u>
Investments:				
Elementary Schools.....				\$ 92,146
High Schools.....				242,498
Total Cash and Investments Held for Student Activities.....				<u>\$ 47,824,206</u>

STUDENT FEES

	<u>Graduation Fees (A)</u>	<u>Student Activity Fees (B)</u>	<u>Total</u>
Total Elementary School Fees.....	\$ 1,622,321	\$ 3,443,015	\$ 5,065,337
Total Elementary Students.....	231,470	231,470	231,470
Average Fee per Student.....	<u>7</u>	<u>15</u>	<u>22</u>
Total High School Fees.....	\$ 898,134	\$ 9,434,057	\$ 10,332,191
Total High School Students.....	82,511	82,511	82,511
Average Fee per Student.....	<u>11</u>	<u>114</u>	<u>125</u>



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES
For the Fiscal Year Ended June 30, 2018

<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 Insurance Services, Inc. an Alliant-owned company	07/01/17-06/30/18	\$ 103,500	Insurance placement and consultation. The contract with Mesirow for these services continues until Feb 28, 2020 with (1) option to renew for a (2) year period.
PROPERTY INSURANCE				
All Risk-Property Insurance layers				
Property Primary I	Lexington Insurance Company	07/01/17-06/30/18	\$ 1,827,256	\$50M per occurrence subject to \$5M deductible/self insured retention
Property Excess II	Starr Specialty Insurance; Chubb Insurance; GSINDA Insurance	07/01/17-06/30/18	70,833	\$25M per occurrence excess \$50M
Property Excess III	Steadfast Insurance (Zurich) Company	07/01/17-06/30/18	72,727	\$25M per occurrence excess \$50M
Boiler & Machinery Insurance	Federal Insurance Company (Chubb)	07/01/17-06/30/18	83,036	\$100M subject to \$50,000 deductible/retention
Total Property Program			\$ 2,053,852	Total Property, Boiler & Machinery for year end 06/30/18
LIABILITY INSURANCE				
General Liability, Auto, SBLL, EPL, Abuse	Gemini Insurance Co (Berkley)	07/01/17-06/30/18	\$ 446,877	\$5M excess \$10M Self Insured Retention
Excess Liability II	Lexington Insurance Company	07/01/17-06/30/18	900,451	\$10M excess of \$15M Self Insured Retention (does not follow form of Gemini)
Excess Liability III	Ironshore Specialty Insurance Company	07/01/17-06/30/18	479,094	\$10M excess of \$10M excess of \$15M Self Insured Retention (follows form of Lexington)
Excess Liability IV	AXIS Surplus Insurance Company	07/01/17-06/30/18	373,320	\$10M excess of \$10M excess of \$10M excess of \$15M Self Insured Retention (follows form of Lexington)
Excess Liability V	Lexington Insurance Company	07/01/17-06/30/18	270,592	\$10M excess of \$10M excess of \$10M excess of \$10M excess \$15M Self Insured Retention (follows form of Lexington)
Special Events CGL	National Casualty Insurance Company	07/01/17-06/30/18	57,635	\$1M/no deductible/\$5M Product Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/17-06/30/18	18,922	\$5M excess of \$5M no deductible
Fiduciary	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/17-06/30/18	83,628	\$10 million no deductible
Student Catastrophic	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/17-06/30/18	106,985	\$6M subject to \$25,000 deductible
Foreign Travel (includes: Travel Property, GL, AL, Foreign Voluntary WC, Travel Accident & Sickness, Kidnap & Ransom)	Insurance Company of the State of PA (AIG)	07/01/17-06/30/18	6,899	\$1M/deductible varies/\$4M master control program agg
Total Liability Insurance Cost			\$ 2,744,403	
Total Insurance Cost			\$ 4,798,255	



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2018

<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>
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc	07/01/17-06/30/18	\$ 5,280,399	TOTAL: Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc	07/01/17-06/30/18	525,000	Administration fees
			<u>\$ 5,805,399</u>	Total General Liability Claims and Expenses
Workers' Compensation Claims	Cannon, Cochran, Management Services, Inc	07/01/17-06/30/18	\$ 975,000	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.
	Cannon Cochran Management Services, Inc	07/01/17-06/30/18	24,064,215	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
			<u>\$ 25,039,215</u>	Total Workers' Compensation Claims and Expenses
Total Self Insured Program			<u>\$ 30,844,614</u>	



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)

For the Fiscal Year Ended June 30, 2018

Type of Coverage	Provider Broker/Insurer/TPA	Term From – To	Annual Expense	Coverage Details Limits of Liability
HEALTH INSURANCE HMO/PPO				
Medical-Administrative Services	Blue Cross Blue Advantage HMO	07/01/17-06/30/18	\$ 54,165,609	HMO health care for eligible employees and dependents PPO health care for eligible employees and dependents PPO health care for eligible employees and dependents that includes a health savings account. HMO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. No premiums were paid in FY18. The charges are for fees and prior year adjustments. Health care for eligible employees and dependents. Administrative costs for these three plans are paid together. Plans with this vendor terminated on December 31, 2016.
	Blue Cross PPO	07/01/17-06/30/18	7,235,812	
	Blue Cross PPO with HSA	07/01/17-06/30/18	654,223	
	Blue Cross HMO Illinois	07/01/17-06/30/18	4,518	
	United Healthcare HMO(EPO), PPO, & PPO w/HRA	07/01/17-06/30/18	43,548	
Medical Total Administrative Fees			\$ 62,103,710	
Medical PPO Claims	Blue Cross PPO and PPO with HSA	07/01/17-06/30/18	\$ 168,958,888	PPO and PPO with HSA health care for eligible employees and dependents
	United Healthcare PPO	07/01/17-06/30/18	1,248,300	PPO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY18.
	United Healthcare PPO w/HRA	07/01/17-06/30/18	696	PPO with HSA health care for eligible employees and dependents. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY18.
Medical Total PPO Claims			\$ 170,207,884	



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2018

<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>
Medical HMO Claims	Blue Cross Blue Advantage HMO	07/01/17-06/30/18	\$ 69,628,696	HMO health care for eligible employees and dependents and Claims and Physician Service Fees HMO health care for eligible employees and dependents and Claims and Physician Service Fees. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY18. The HMO (EPO) plan terminated December 31, 2015. There is a credit balance as of FY18 for this plan due to adjustments for services from 2015.
	Blue Cross HMO Illinois	07/01/17-06/30/18	545,757	
	United Healthcare HMO (EPO)	07/01/17-06/30/18	(45,540)	
Medical Total HMO Claims			<u>\$ 70,128,913</u>	
Medical Claims Total		07/01/17-06/30/18	<u>\$ 240,336,797</u>	
Health Savings Account	HSA Bank	07/01/17-06/30/18	\$ 1,768,725	CPS contributes funds for plan members and the plan allows employees to also make tax deferred contributions. Contributions go to an investment account under the control of the participating employee.
Medical Claims and Administration Total		07/01/17-06/30/18	<u>\$ 304,209,232</u>	
Managed Mental Health Service	Optum Behavioral Health	07/01/17-06/30/18	\$ 49,608	Mental health care for PPO eligible employees and dependents. Contract with this vendor terminated on December 31, 2016 and premiums are no longer paid as of that date, but a payment was made for post-expiration services
Utilization Review and Case Management	Telligen	07/01/17-06/30/18	395	Pre-certification, utilization review and case management for PPO eligible employees and dependents. Contract with this vendor terminated December 31, 2016. A payment was made in FY18 for services performed in 2016.
Prescription Drugs	Caremark	07/01/17-06/30/18	73,345,566	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses		07/01/17-06/30/18	<u>\$ 377,604,801</u>	



**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2018**

<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	07/01/17-06/30/18	\$ 2,548,315	Dental HMO for eligible employees and dependents Dental PPO for eligible employees and dependents
	Delta Dental PPO	07/01/17-06/30/18	8,332,236	
Dental Insurance Total			<u>\$ 10,880,551</u>	
Vision Plan	EyeMed	07/01/17-06/30/18	\$ 2,413,041	Vision services for eligible employees and dependents
Term Life Insurance	Aetna Life Insurance	07/01/17-06/30/18	\$ 270,282	Life insurance policy at \$25,000 per eligible employee
Total Dental/Vision/Life			<u>\$ 13,563,874</u>	
Total Health/Life Benefit Expenses			<u>\$ 391,168,675</u>	



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)

For the Fiscal Year Ended June 30, 2018



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY

Last Ten Fiscal Years

For the Fiscal Year Ended June 30, 2018

(Millions of dollars)

	2009	2010	2011
Unexpended (over expended).....	\$ 565.7	\$ 73.9	\$ 261.6
Proceeds available from bond issuance.....	-	803.8	382.3
Property Taxes.....	-	-	-
State aid.....	-	-	2.8
Federal aid.....	2.8	12.3	4.4
Investment income.....	12.5	2.0	2.1
Other income.....	127.5	83.1	91.5
Total.....	<u>\$ 708.5</u>	<u>\$ 975.1</u>	<u>\$ 744.7</u>
Expenditures.....	634.6	666.7	562.3
Operating transfers in (out).....	-	(46.8)	(0.2)
Unexpended.....	<u>\$ 73.9</u>	<u>\$ 261.6</u>	<u>\$ 182.2</u>
Encumbrances.....	<u>73.9</u>	<u>229.5</u>	<u>182.2</u>
Available balance.....	<u>\$ -</u>	<u>\$ 32.1</u>	<u>\$ -</u>

NOTES:

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

B) Beginning in FY2013, the proceeds available from bond issuance includes both premiums and gross amounts from debt issuances.

C) In FY2015, CPS changed its revenue recognition policy resulting in a restatement to FY2014 balances.



2012	2013 (B)	2014 (C)	2015	2016	2017	2018
\$ 182.2	\$ 88.1	\$ 174.2	\$ (91.9)	\$ (157.1)	\$ 66.4	\$ 745.4
402.4	508.9	131.3	148.5	364.0	775.5	355.4
-	-	-	-	42.5	48.4	8.1
1.3	6.9	37.8	31.6	39.4	30.1	14.0
18.1	13.6	14.9	6.5	7.7	6.7	19.5
5.5	1.9	0.8	0.4	0.1	2.0	7.3
54.2	88.0	31.3	107.2	62.9	21.1	28.6
\$ 663.7	\$ 707.4	\$ 390.3	\$ 202.3	\$ 359.5	\$ 950.2	\$ 1,178.3
576.8	493.4	482.2	359.4	293.1	204.8	338.9
1.2	(41.6)	-	-	-	-	(0.5)
\$ 88.1	\$ 172.4	\$ (91.9)	\$ (157.1)	\$ 66.4	\$ 745.4	\$ 838.9
88.1	172.4	(91.9)	(157.1)	66.4	745.4	838.9
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM

Last Five Fiscal Years

(Thousands of dollars)

	<u>2014</u>	<u>2015 (A)</u>	<u>2016 (A)</u>	<u>2017 (A)</u>	<u>2018 (A)</u>
DAYS MEALS SERVED:					
National School Lunch Program.....	177	178	176	178	178
PUPIL LUNCHESES SERVED:					
Paid lunches (regular).....	1,324,623	-	-	-	-
Reduced lunches (regular).....	1,353,204	-	-	-	-
Free lunches (regular).....	40,531,544	43,507,955	42,061,499	40,401,995	39,139,162
TOTAL PUPIL LUNCHESES SERVED.....	\$ 43,209,371	\$ 43,507,955	\$42,061,499	\$ 40,401,995	\$39,139,162
Daily Average.....	244,121	244,427	238,986	226,978	219,616
Change from Previous Year.....	(969,215)	298,584	(1,446,456)	(1,659,504)	(1,262,833)
Daily Percentage Change.....	0.0%	0.1%	-2.2%	-5.0%	-3.2%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular).....	1,534,733	-	-	-	-
Reduced breakfasts (regular).....	724,873	-	-	-	-
Free breakfasts (regular).....	23,724,239	26,144,917	24,850,825	23,511,510	22,580,175
TOTAL PUPIL BREAKFASTS SERVED.....	\$ 25,983,845	\$ 26,144,917	\$24,850,825	\$ 23,511,510	\$22,580,175
Daily Average.....	146,801	146,882	141,198	132,087	126,855
Change from Previous Year.....	(871,856)	161,072	(1,294,092)	(1,339,315)	(931,335)
Daily Percentage Change.....	-1.1%	0.1%	-3.9%	-6.5%	-4.0%
TOTAL MEALS SERVED.....					
TOTAL MEALS SERVED.....	69,193,216	69,652,872	66,912,324	63,913,505	61,719,337
Daily Average.....	390,922	391,308	380,184	359,065	346,738
Total Change From Previous Year.....	(1,841,071)	459,656	(2,740,548)	(2,998,819)	(2,194,168)
Daily Percentage Change.....	-0.4%	0.1%	-2.8%	-5.6%	-3.4%
NUMBER OF ADULT LUNCHESES (REGULAR)...					
NUMBER OF ADULT LUNCHESES (REGULAR)...	429,877	241,263	241,533	217,541	202,997
Daily Average.....	2,429	1,355	1,372	1,222	1,140
Total Change From Previous Year.....	368,136	(188,614)	270	(23,992)	(14,544)
Daily Percentage Change.....	612.2%	-44.2%	1.3%	-10.9%	-6.7%

NOTE:

A) Beginning in fiscal year 2015 through fiscal year 2018 all breakfasts and lunches are provided to pupils free of charge per the Community Eligibility Provision Program.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM (continued)
Last Five Fiscal Years
(Thousands of dollars)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUE:					
Federal and State Sources.....	\$ 189,152	\$ 204,975	\$ 207,506	\$ 203,003	\$ 197,854
Local Sources.....	13,698	7,747	8,428	8,704	13,420
Total Revenue.....	<u>\$ 202,850</u>	<u>\$ 212,722</u>	<u>\$ 215,934</u>	<u>\$ 211,707</u>	<u>\$ 211,274</u>
EXPENDITURES:					
Career Service Salaries.....	\$ 60,680	\$ 60,303	\$ 61,566	\$ 62,551	\$ 67,015
Career Service Pension.....	10,282	10,374	11,121	11,359	13,678
Hospitalization.....	23,567	23,562	23,770	21,351	21,867
Food.....	92,984	94,576	94,619	92,500	91,099
Professional and Special Services.....	2,927	3,942	4,234	4,909	6,101
Administrative Allocation.....	10,124	7,665	11,184	9,205	6,657
Other.....	2,286	2,174	3,351	5,878	4,856
Total Expenditures.....	<u>\$ 202,850</u>	<u>\$ 202,596</u>	<u>\$ 209,845</u>	<u>\$ 207,753</u>	<u>\$ 211,273</u>
Revenues in excess of Expenditures.....	<u>\$ -</u>	<u>\$ 10,126</u>	<u>\$ 6,089</u>	<u>\$ 3,954</u>	<u>\$ 1</u>
DAILY AVERAGE					
Revenues.....	\$ 1,146	\$ 1,195	\$ 1,227	\$ 1,189	\$ 1,187
Expenditures.....	\$ 1,146	\$ 1,138	\$ 1,192	\$ 1,167	\$ 1,187
PERCENTAGE CHANGE					
Revenues.....	-11.7%	4.9%	1.5%	-2.0%	-0.2%
Expenditures.....	-11.7%	-0.1%	3.6%	-1.0%	1.7%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For Fiscal Year Ended June 30, 2018

With Comparative Amounts for the Period Ended June 30, 2017

	2018 Schools	2018 Administrative Center	Total
<u>Electricity</u>			
Total Electricity Charges.....	\$ 40,418,200	\$ 114,963	\$ 40,533,163
Kilowat Hours.....	535,087,144	1,191,251	\$ 536,278,395
Charge per Kilowatt Hour.....	<u>\$ 0.07554</u>	<u>\$ 0.09651</u>	<u>\$ 0.07558</u>
<u>Gas</u>			
Total Gas Charges.....	\$ 20,217,133	\$ -	\$ 20,217,133
Therms.....	33,089,017	-	\$ 33,089,017
Charge per Therm.....	<u>\$ 0.61099</u>	<u>\$ -</u>	<u>\$ 0.61099</u>

	2017 Schools	2017 Administrative Center	Total
<u>Electricity</u>			
Total Electricity Charges.....	\$ 48,922,397	\$ 137,317	\$ 49,059,714
Kilowat Hours.....	526,124,627	1,304,676	527,429,303
Charge per Kilowatt Hour.....	<u>\$ 0.09299</u>	<u>\$ 0.10525</u>	<u>\$ 0.09302</u>
<u>Gas</u>			
Total Gas Charges.....	\$ 20,007,024	\$ -	\$ 20,007,024
Therms.....	28,948,830	-	28,948,830
Charge per Therm.....	<u>\$ 0.69112</u>	<u>\$ -</u>	<u>\$ 0.69112</u>

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

PROPERTY SALES AND PURCHASES

For the Fiscal Year Ended June 30, 2018

<u>Unit Location</u>	Sales			
	<u>Date Acquired</u>	<u>Net Book Value</u>	<u>Gross/Sales Proceeds</u>	<u>Gain / (Loss) on Sale</u>
410 N Monticello.....	1973	\$ -	\$ 10,000	\$ 10,000
1726 W Berteau.....	1950	-	5,300,000	5,300,000
1310 S Ashland.....	1960	-	2,102,018	2,102,018
112 W Garfield.....	1976	18,811	100,000	81,189
5055 S State Street.....	1957	-	100,000	100,000
11941 S Parnell Ave.....	1970	-	250,000	250,000
515-535 N Parkside.....	1907	-	175,000	175,000
5500 W Madison.....	1913	-	75,000	75,000
740 S Campbell.....	1941	-	1,510,000	1,510,000
838 W Marquette.....	1900	-	55,000	55,000
		<u>\$ 18,811</u>	<u>\$ 9,677,018</u>	<u>\$ 9,658,207</u>

<u>Unit Location</u>	Purchases		
	<u>Date Acquired</u>	<u>School</u>	<u>Purchase Cost</u>
None			\$ -
			<u>\$ -</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>
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%
2013.....	48,686	70,644	92,602	3.00%
2014.....	49,660	72,163	94,666	2.00%
2015.....	50,653	73,706	96,759	2.00%
2016.....	50,653	73,706	96,759	0.00%
2017.....	50,653	73,706	96,759	0.00%
2018.....	51,666	75,180	98,694	2.00%

NOTES:

- A) The minimum salary represents the minimum amount a CPS teacher with a bachelor's degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on education attainment and years of service. Minimum salary excludes pension and hospitalization benefits.
- B) The maximum salary represents the maximum amount a CPS teacher with a doctoral degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on educational attainment and years of service. The majority of the Chicago Public Schools Teaching Staff 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 Value)</u>
2013.....	\$ 374,567	\$ 9,422,519	(A)	\$ 9,622,014	(A)	49.5%	(A)	50.5%
2014.....	740,419	10,045,543		9,458,351		51.5%		48.5%
2015.....	826,304	10,344,375		9,606,915		51.9%		48.1%
2016.....	811,051	10,610,747		9,635,393		52.4%		47.6%
2017.....	853,474	10,933,032	(B)	10,888,979		50.1%		49.9%

NOTES:

- A) The Board of Trustees at the Public School Teachers' Pension and Retirement Fund of Chicago (CTPF) approved various changes to their assumptions used in the valuation of the fund starting in fiscal year 2013.
- B) The actuarial value includes assets previously restricted for OPEB benefits.



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>
2014.....	2013-14	366,077	\$ 15,120	\$ 11,707
2015.....	2014-15	363,276	15,310	12,229
2016.....	2015-16	361,764	14,973	12,544
2017.....	2016-17	347,001	15,419	12,243
2018.....	2017-18	333,116	N/A	N/A

NOTES:

- A) *Source:* Department of Finance, Grants Management.
- 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.

N/A: Not available at publishing.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>
Elementary		
Pre-Kindergarten.....	23,325	24,370
Kindergarten.....	28,975	29,632
Grades 1-3.....	93,416	92,581
Grades 4-6.....	89,234	88,695
Grades 7-8.....	59,839	58,231
Total Elementary.....	<u>294,789</u>	<u>293,509</u>
Secondary		
9th Grade.....	34,233	32,877
10th Grade.....	32,177	34,659
11th Grade.....	25,292	25,436
12th Grade.....	21,464	22,798
Total Secondary.....	<u>113,166</u>	<u>115,770</u>
Grand Total.....	<u>407,955</u>	<u>409,279</u>

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



<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
23,705	24,232	24,507	23,671	22,873	22,555	20,673	19,441
28,812	29,594	30,936	30,166	28,978	27,651	26,093	24,963
91,899	92,302	91,880	92,251	92,526	91,347	86,610	82,188
87,834	87,630	86,966	86,244	86,066	85,391	85,022	84,478
<u>56,791</u>	<u>56,520</u>	<u>56,773</u>	<u>56,184</u>	<u>54,233</u>	<u>54,174</u>	<u>53,898</u>	<u>52,960</u>
<u>289,041</u>	<u>290,278</u>	<u>291,062</u>	<u>288,516</u>	<u>284,676</u>	<u>281,118</u>	<u>272,296</u>	<u>264,030</u>
31,081	30,336	29,812	30,069	30,366	29,130	27,623	27,566
33,303	32,230	31,343	30,963	31,130	31,189	29,704	28,453
26,277	27,039	26,610	26,500	26,378	26,714	27,284	26,279
<u>22,979</u>	<u>24,268</u>	<u>24,634</u>	<u>24,497</u>	<u>24,133</u>	<u>24,134</u>	<u>24,442</u>	<u>25,054</u>
<u>113,640</u>	<u>113,873</u>	<u>112,399</u>	<u>112,029</u>	<u>112,007</u>	<u>111,167</u>	<u>109,053</u>	<u>107,352</u>
<u>402,681</u>	<u>404,151</u>	<u>403,461</u>	<u>400,545</u>	<u>396,683</u>	<u>392,285</u>	<u>381,349</u>	<u>371,382</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Elementary.....	23.5	21.3	23.2	23.3	24.6	25.2	25.4	25.8	24.7	24.5
Secondary.....	19.5	19.7	19.8	19.2	19.8	21.5	21.9	20.3	23.7	24.4

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, 2018

<u>Functions</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction.....	26,123	26,261	25,615	25,044	24,010
Support services:					
Pupil support services.....	4,676	4,652	4,415	4,476	4,357
Administrative support services.....	1,042	1,038	705	821	925
Facilities support services.....	1,527	1,468	1,427	1,417	1,144
Instructional support services.....	2,920	2,965	2,788	2,671	2,515
Food services.....	2,860	2,762	2,721	2,712	2,700
Community services.....	266	247	250	204	197
Total government employees.....	<u>39,414</u>	<u>39,393</u>	<u>37,921</u>	<u>37,345</u>	<u>35,848</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	<u>2006-2007</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Number of Schools				
Elementary (A).....	472	474	474	474
Special (C).....	18	17	13	12
High School.....	93	98	109	107
Vocational/Technical (C).....	12	10	8	8
Charter Schools.....	27	67	71	82
Kindergarten to H.S. (K-12) (C).....	-	-	-	-
Total Schools.....	<u>622</u>	<u>666</u>	<u>675</u>	<u>683</u>
School Enrollment (B)				
Elementary (A).....	287,252	274,875	272,308	264,569
Special (C).....	3,222	2,762	2,073	1,940
High School.....	88,487	90,055	91,390	87,061
Vocational/Technical (C).....	15,313	11,251	9,956	8,833
Charter Schools.....	19,420	29,012	33,552	40,278
Kindergarten to H.S. (K-12) (C).....	-	-	-	-
Total School Enrollment.....	<u>413,694</u>	<u>407,955</u>	<u>409,279</u>	<u>402,681</u>
Number of High School Graduates....	<u>18,235</u>	<u>18,972</u>	<u>22,245</u>	<u>20,131</u>

Source: Information & Technology Services_ Enterprise Data Strategy-Data Analytics

NOTES:

- 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.
- C) The governance and school types in fiscal year 2015 has changed compared to fiscal year 2014 and prior years. As a result, there is no longer a category for "Vocational/Technical", "Special" or "Kindergarten to H.S (K-12)" in fiscal year 2016.



<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
473	468	422	426	425	424	424
12	12	5	-	-	-	-
103	98	109	121	122	118	115
8	8	-	-	-	-	-
87	95	126	131	129	122	121
-	-	5	-	-	-	-
<u>683</u>	<u>681</u>	<u>667</u>	<u>678</u>	<u>676</u>	<u>664</u>	<u>660</u>
263,540	261,638	254,864	251,554	247,487	239,606	231,470
1,839	1,961	907	-	-	-	-
85,068	81,735	86,184	88,183	86,208	83,739	82,511
8,226	7,927	-	-	-	-	-
45,478	50,200	54,572	56,946	58,590	58,004	57,401
-	-	4,018	-	-	-	-
<u>404,151</u>	<u>403,461</u>	<u>400,545</u>	<u>396,683</u>	<u>392,285</u>	<u>381,349</u>	<u>371,382</u>
<u>20,914</u>	<u>22,447</u>	<u>22,817</u>	<u>22,825</u>	<u>22,839</u>	<u>22,805</u>	<u>23,230</u>





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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Chicago Public Schools (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements, and have issued our report thereon dated January 23, 2019. Our report includes an emphasis of matter paragraph relative to the adoption of the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chicago Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chicago Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Chicago Public Schools' internal control.

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 the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chicago Public Schools' financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 23, 2019





REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Chicago Public Schools' (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Chicago Public Schools' major federal programs for the year ended June 30, 2018. Chicago Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Chicago Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Chicago Public Schools' 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Chicago Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Chicago Public Schools complied, in all material respects, with the types of 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, 2018.

Report on Internal Control Over Compliance

Management of Chicago Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Chicago Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Chicago Public Schools' 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 a 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. *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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 23, 2019



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018**

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
NATIONAL SECURITY AGENCY						
Direct Funding						
Language Grant Program	Startalk Arabic and Chinese Language Institute	N/A N/A	12.900 12.900	H-98230-17-1-0014 H-98230-18-1-0159	04/19/17-03/31/18 04/12/18-03/31/19	\$ 89,947 90,000
TOTAL NATIONAL SECURITY AGENCY						\$ 179,947
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Illinois State Board of Education (ISBE)						
Child Nutrition Cluster						
National School Lunch Program	Lunch Program	4210 4210	10.555 10.555	17-4210-00 18-4210-00	09/01/16-09/30/17 09/01/17-09/30/18	N/A N/A
Food Donation Program	Food Donation Program * Noncash Awards	4290	10.555	18-4290-00	07/01/17-06/30/18	N/A
Summer Food Service Program for Children	Summer Food Service Program	4225	10.559	17-4225-00	10/01/16-09/30/17	N/A
School Breakfast Program	Breakfast Program	4220 4220	10.553 10.553	17-4220-00 18-4220-00	09/01/16-09/30/17 09/01/17-09/30/18	N/A N/A
Total Child Nutrition Cluster						\$ -
Passed Through Illinois State Board of Education (ISBE)						
Child and Adult Care Food Program	Child & Adult Care Food Program	4226 4226	10.558 10.558	17-4226-00 18-4226-00	09/01/16-09/30/17 09/01/17-09/30/18	N/A N/A
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240 4240	10.582 10.582	17-4240-16 / 17-4240-17 17-4240-17 / 17-4240-18	07/01/16-09/30/17 07/01/17-09/30/18	N/A N/A
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)						\$ -
TOTAL U.S. DEPARTMENT OF AGRICULTURE						\$ -
U.S. DEPARTMENT OF EDUCATION						
Passed Through Illinois State Board of Education (ISBE)						
Special Education Cluster (IDEA)						
Special Education Grants to State	IDEA - Flow Through Instruction	4620 4620 4620	84.027A 84.027A 84.027A	16-4620-00 17-4620-00 18-4620-00	07/01/15-08/31/16 07/01/16-08/31/17 08/31/17-08/31/18	\$ 90,119,237 92,962,285 93,777,234
	Room and Board	4625 4625	84.027A 84.027A	17-4625-00 18-4625-00	09/01/16-08/31/17 09/01/17-08/31/18	N/A N/A
Special Education - Preschool Grants	IDEA - Pre-School Flow Through	4600 4600	84.173A 84.173A	17-4600-00 18-4600-00	07/01/16-08/31/17 07/01/17-08/31/18	1,636,546 1,277,691
	IDEA - Pre-School Discretionary	4605 4605	84.173A 84.173A	17-4605-01 18-4605-01	07/01/16-08/31/17 07/01/17-08/31/18	508,435 489,250
Total Special Education Cluster (IDEA)						\$ 280,770,678
Passed Through Illinois State Board of Education (ISBE)						
Title I Grants to Local Education Agencies	Title I - Low Income	4300 4300 4300	84.010A 84.010A 84.010A	16-4300-00 17-4300-00 18-4300-00	07/01/15-08/31/16 07/01/16-08/31/17 07/01/17-08/31/18	\$ 323,134,906 303,328,046 282,519,959
	ESEA - School Improvement	4331 4331	84.010A 84.010A	17-4331-SS 18-4331-SS	07/01/16-06/30/17 08/31/17-08/31/18	3,915,800 3,915,800
	ESEA - Title I - Low Income - Neglected Private	4305 4305	84.010A 84.010A	17-4305-00 18-4305-00	07/01/16-08/31/17 09/29/17-08/31/18	684,384 624,385
	ESEA - Title I - Low Income - Delinquent Private	4306 4306	84.010A 84.010A	17-4306-00 18-4306-00	07/01/16-08/31/17 09/29/17-08/31/18	947,785 1,332,876
	IL Empower Pilot	4399	84.010A	18-4399-IP	03/28/18-08/31/18	75,000



Accrued (Deferred) Grant Revenue June 30, 2017	Cash Received (Refunded) July 1, 2017 June 30, 2018	Revenue Recognized July 1, 2017 June 30, 2018	Federal Award Expenditures July 1, 2017 June 30, 2018	Pass Through to Subrecipients July 1, 2017 June 30, 2018	Accrued (Deferred) Grant Revenue June 30, 2018	Prior Years' Expenditures Through June 30, 2017	Final Status Cumulative Expenditures Through June 30, 2018
\$ -	\$ 89,731	\$ 89,731	\$ 89,731	\$ -	\$ -	\$ -	\$ 89,731
-	-	4,224	4,224	-	4,224	-	4,224
\$ -	\$ 89,731	\$ 93,955	\$ 93,955	\$ -	\$ 4,224	\$ -	\$ 93,955
\$ 8,529,226	\$ 22,622,029	\$ 14,092,803	\$ 14,092,803	\$ -	\$ -	\$ 114,178,058	\$ 128,270,861
-	105,261,411	113,262,226	113,262,226	-	8,000,815	-	113,262,226
-	12,464,139	12,464,139	12,464,139	-	-	13,673,672	26,137,811
-	2,435,123	2,435,123	2,435,123	-	-	-	2,435,123
3,291,420	8,447,740	5,156,320	5,156,320	-	-	41,999,463	47,155,783
-	38,281,313	41,259,472	41,259,472	-	2,978,159	-	41,259,472
\$ 11,820,646	\$ 189,511,755	\$ 188,670,083	\$ 188,670,083	\$ -	\$ 10,978,974	\$ 169,851,193	\$ 358,521,276
\$ 341,683	\$ 630,144	\$ 288,461	\$ 288,461	\$ -	\$ -	\$ 7,192,622	\$ 7,481,083
-	7,090,515	7,536,040	7,536,040	-	445,525	-	7,536,040
349,356	349,356	-	-	-	-	1,698,006	1,698,006
-	1,466,490	1,808,803	1,808,803	-	342,313	-	1,808,803
\$ 691,039	\$ 9,536,505	\$ 9,633,304	\$ 9,633,304	\$ -	\$ 787,838	\$ 8,890,628	\$ 18,523,932
\$ 12,511,685	\$ 199,048,260	\$ 198,303,387	\$ 198,303,387	\$ -	\$ 11,766,812	\$ 178,741,821	\$ 377,045,208
\$ 12,511,685	\$ 199,048,260	\$ 198,303,387	\$ 198,303,387	\$ -	\$ 11,766,812	\$ 178,741,821	\$ 377,045,208
\$ -	\$ (114,521)	\$ (114,521)	\$ (114,521)	\$ -	\$ -	\$ 90,103,171	\$ 89,988,650
9,154,296	9,682,487	528,191	528,191	-	-	90,619,014	91,147,205
-	68,377,509	87,636,803	87,636,803	-	19,259,294	-	87,636,803
441,129	1,079,161	638,032	638,032	-	-	1,081,476	1,719,508
-	473,162	473,162	473,162	-	-	-	473,162
282,223	284,435	2,212	2,212	-	-	1,268,078	1,270,290
-	733,584	1,163,625	1,163,625	-	430,041	-	1,163,625
180,196	158,454	(21,742)	(21,742)	-	-	443,773	422,031
-	209,882	348,246	348,246	-	138,364	-	348,246
\$ 10,057,844	\$ 80,884,153	\$ 90,654,008	\$ 90,654,008	\$ -	\$ 19,827,699	\$ 183,515,512	\$ 274,169,520
\$ -	\$ (419)	\$ (419)	\$ (419)	\$ -	\$ -	\$ 278,504,266	\$ 278,503,847
48,642,976	56,587,327	7,944,351	7,944,351	1,362,746	-	272,374,435	280,318,786
-	184,622,681	250,552,463	250,552,463	38,500,387	65,929,782	-	250,552,463
504,928	626,722	121,794	121,794	-	-	3,793,554	3,915,348
-	2,280,526	3,648,278	3,648,278	-	1,367,752	-	3,648,278
115,394	290,681	175,287	175,287	-	-	409,107	584,394
-	183,014	465,950	465,950	-	282,936	-	465,950
165,738	333,105	167,367	167,367	-	-	599,909	767,276
-	271,789	652,558	652,558	-	380,769	-	652,558
-	-	29,664	29,664	-	29,664	-	29,664



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

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	Amount of Grant
Supporting Effective Instruction State Grants	Title IIA - Teacher Quality	4932	84.367A	17-4932-00	07/01/16-08/31/17	47,233,993
		4932	84.367A	18-4932-00	07/01/17-08/31/18	28,453,545
	Title II - Teacher Quality Leadership	4935	84.367A	17-4935-02	07/01/16-08/31/17	68,763
		4935	84.367A	18-4935-02	08/21/17-08/31/18	34,382
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	17-4909-00	09/01/16-08/31/17	13,425,047
		4909	84.365A	18-4909-00	09/01/17-08/31/18	11,896,752
	Title III - Immigrant Education Program (IEP)	4905	84.365A	17-4905-00	09/01/16-08/31/17	805,508
		4905	84.365A	18-4905-00	09/01/17-08/31/18	1,035,251
Student Support and Academic Enrichment Program Career and Technical Education	Title IVA Student Support and Academic Enrichment V.E. - Perkins - Title IIC - Secondary	4400	84.424A	18-4400-00	07/01/17-08/31/18	3,955,713
		4745	84.048A	16-4745-00	07/01/15-08/31/16	5,960,454
		4745	84.048A	17-4745-00	07/01/16-08/31/17	6,466,250
		4745	84.048A	18-4745-00	07/01/17-08/31/18	6,240,819
School Improvement Grants	School Improvement - Cohort 4	4339	84.377A	17-4339-14	07/01/16-08/31/17	1,301,738
	School Improvement - Cohort 5	4339	84.377A	17-4339-15	07/01/16-08/31/17	6,248,614
	School Improvement - Cohort 6	4339	84.377A	17-4339-16	07/01/16-08/31/17	2,000,000
	School Improvement - Cohort 5	4339	84.377A	18-4339-15	08/21/17-08/31/18	3,224,471
	School Improvement - Cohort 6	4339	84.377A	18-4339-16	08/21/17-08/31/18	2,140,458
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-13	07/01/16-08/31/17	2,362,500
	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-15	07/01/16-08/31/17	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-25	07/01/16-08/31/17	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-35	07/01/16-08/31/17	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-45	07/01/16-08/31/17	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-55	07/01/16-08/31/17	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	17-4421-65	07/01/16-08/31/17	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-13	07/01/17-08/31/18	3,150,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-15	07/01/17-08/31/18	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-25	07/01/17-08/31/18	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-35	07/01/17-08/31/18	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-45	07/01/17-08/31/18	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-55	07/01/17-08/31/18	540,000
	Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-65	07/01/17-08/31/18	540,000
Title IV - 21st Century Comm Learning Center	4421	84.287	18-4421-75	04/03/18-08/31/18	135,000	
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	17-4920-RF	08/15/16-06/30/17	838,706
		4920	84.196A	18-4920-00	08/21/17-06/30/18	911,213
Preschool Development Grants	Preschool Expansion	4902	84.419B	17-4902-PE	07/01/16-06/30/17	473,561
		4902	84.419B	18-4902-PE	10/03/17-08/31/18	2,999,131
Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)						\$ 1,078,320,810
Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)						\$ 1,359,091,488
Direct Funding						
TRIO Cluster						
TRIO - Talent Search	Pullman Talent Search	N/A	84.044A	P044A160585	09/01/16-07/31/17	\$ 240,000
		N/A	84.044A	P044A160585	09/01/17-08/31/18	261,110
Total TRIO Cluster						\$ 501,110
Direct Funding						
Impact Aid	Federal Impact Aid Grant	N/A	84.041	S041B-2016-1446	07/01/16-06/30/17	N/A
		N/A	84.041	S041B-2016-1446	07/01/17-06/30/18	N/A
Indian Education - Grants to Local Education Agencies	Indian Elementary/Secondary School Assistance Program	N/A	84.060A	S060A160666	07/01/16-06/30/17	202,065
		N/A	84.060A	S060A170666	07/01/17-06/30/18	204,142
Magnet Schools Assistance Program	Magnet Schools Assistance Program	N/A	84.165A	U165A170071	10/01/17-09/30/18	2,672,187
Fund for the Improvement of Education	Carol M. White Physical Education Program	N/A	84.215F	S215F130218	10/01/14-06/30/17	914,812



Accrued (Deferred) Grant Revenue June 30, 2017	Cash Received (Refunded) July 1, 2017 June 30, 2018	Revenue Recognized July 1, 2017 June 30, 2018	Federal Award Expenditures July 1, 2017 June 30, 2018	Pass Through to Subrecipients July 1, 2017 June 30, 2018	Accrued (Deferred) Grant Revenue June 30, 2018	Prior Years' Expenditures Through June 30, 2017	Final Status Cumulative Expenditures Through June 30, 2018
5,756,146	7,675,970	1,919,824	1,919,824	832,872	-	39,346,867	41,266,691
-	18,244,245	24,524,518	24,524,518	2,599,263	6,280,273	-	24,524,518
-	20,600	20,600	20,600	-	-	8,300	28,900
-	6,575	12,226	12,226	-	5,651	-	12,226
1,296,508	2,223,240	926,732	926,732	147,737	-	8,119,295	9,046,027
-	6,488,773	8,746,426	8,746,426	650,167	2,257,653	-	8,746,426
160,084	261,297	101,213	101,213	-	-	555,946	657,159
-	-	143,987	143,987	-	143,987	-	143,987
-	690,965	3,297,275	3,297,275	510,704	2,606,310	-	3,297,275
-	(2,550)	(2,550)	(2,550)	-	-	5,620,438	5,617,888
2,018,688	2,612,075	593,387	593,387	-	-	5,832,984	6,426,371
-	3,019,117	5,485,885	5,485,885	-	2,466,768	-	5,485,885
219,712	365,983	146,271	146,271	-	-	707,389	853,660
1,006,511	1,462,200	455,689	455,689	-	-	5,068,454	5,524,143
587,828	577,492	(10,336)	(10,336)	-	-	1,869,878	1,859,542
-	1,542,326	2,536,689	2,536,689	-	994,363	-	2,536,689
-	927,943	1,773,824	1,773,824	-	845,881	-	1,773,824
678,356	902,458	224,102	224,102	-	-	2,118,077	2,342,179
145,447	243,755	98,308	98,308	-	-	404,132	502,440
117,613	222,447	104,834	104,834	-	-	397,341	502,175
138,095	287,389	149,294	149,294	-	-	377,917	527,211
134,405	226,970	92,565	92,565	-	-	440,235	532,800
244,884	329,454	84,570	84,570	-	-	442,215	526,785
99,798	145,066	45,268	45,268	-	-	452,577	497,845
-	1,065,318	2,549,888	2,549,888	-	1,484,570	-	2,549,888
-	205,637	453,443	453,443	-	247,806	-	453,443
-	206,097	393,720	393,720	-	187,623	-	393,720
-	165,010	430,828	430,828	-	265,818	-	430,828
-	210,969	468,219	468,219	-	257,250	-	468,219
-	119,000	397,434	397,434	-	278,434	-	397,434
-	250,391	460,569	460,569	-	210,178	-	460,569
-	-	53,696	53,696	-	53,696	-	53,696
838,706	838,676	(30)	(30)	-	-	838,706	838,676
-	429	911,213	911,213	-	910,784	-	911,213
384,624	383,696	(928)	(928)	-	-	472,002	471,074
-	2,273,917	2,999,131	2,999,131	-	725,214	-	2,999,131
\$ 63,256,441	\$ 299,388,356	\$ 324,345,077	\$ 324,345,077	\$ 44,603,876	\$ 88,213,162	\$ 628,754,024	\$ 953,099,101
\$ 73,314,285	\$ 380,272,509	\$ 414,999,085	\$ 414,999,085	\$ 44,603,876	\$ 108,040,861	\$ 812,269,536	\$ 1,227,268,621
\$ 31,577	\$ 96,471	\$ 64,894	\$ 64,894	\$ -	\$ -	\$ 159,996	\$ 224,890
-	135,894	212,167	212,167	-	76,273	-	212,167
\$ 31,577	\$ 232,365	\$ 277,061	\$ 277,061	\$ -	\$ 76,273	\$ 159,996	\$ 437,057
\$ 15,992	\$ 15,992	\$ -	\$ -	\$ -	\$ -	\$ 87,156	\$ 87,156
-	55,674	68,249	68,249	-	12,575	-	68,249
33,980	20,518	521	521	-	13,983	164,206	164,727
-	124,777	183,363	183,363	-	58,586	-	183,363
-	23,407	362,971	362,971	-	339,564	-	362,971
196,113	196,236	123	123	-	-	879,887	880,010



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2018**

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
Start on Success Program	Start on Success Program	N/A	84.215H	U215H150069	10/01/16-09/30/17	447,615
		N/A	84.215H	U215H150069	10/01/17-09/30/18	614,777
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052-16	10/01/16-09/30/17	349,639
		N/A	84.351C	U351C140052-16	10/01/17-09/30/18	460,789
Teacher Incentive Fund	Distributed Leadership in Opportunity Schools	N/A	84.374A	U374A170088	10/01/17-09/30/18	1,814,488
Safe and Drug-Free Schools and Communities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/16-09/30/17	1,274,909
		N/A	84.184C	S184C160002	10/01/17-09/30/18	1,989,718
Total U.S. Department of Education - Direct Funding (not including cluster)						\$ 10,945,141
Total U.S. Department of Education - Direct Funding (including cluster)						\$ 11,446,251
Passed Through Illinois Department of Human Services						
Rehabilitation Grants to States	Secondary Transitional Experience Program(STEP)	N/A	84.126	46CVF00155	07/07/16-06/30/17	\$ 400,000
		N/A	84.126	46CWF00155	07/01/17-06/30/18	400,000
Total U.S. Department of Education Passed Through IDHS						\$ 800,000
Passed Through University of Southern California						
Pathways for Success University of Southern California	Pathways For Success - University of Southern California	N/A	84.305A	R305A140281-15/55562128	07/01/16-06/30/17	\$ 27,846
Total U.S. Department of Education Passed Through University of Southern California						\$ 27,846
Passed Through Northeastern Illinois University						
Readiness for Undergraduate Program	Gear-Up 4 (Year 6) Gear Up 5 (Year 6) Gear Up 5 (Year 7) Gear Up 6 (Year 3) Gear Up 6 (Year 4)	N/A	84.334A	P334A10031/P0044855	10/01/16-09/30/17	\$ 10,1754
		N/A	84.334A	P334A10082 / P0044924	09/26/16-09/25/17	947,024
		N/A	84.334A	P334A10082 / P0048086	09/26/17-09/25/18	1,023,250
		N/A	84.334A	P334A140132 / P0044925	09/25/16-09/24/17	1,072,855
		N/A	84.334A	P334A140132 / P0048087	09/25/17-09/24/18	864,212
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Ella Flagg Young Illinois 21st Century CLC NEIU - Duke Ellington Illinois 21st Century CLC NEIU- Michelle Clark Illinois 21st Century CLC NEIU - Frederick A Douglas	N/A	84.287	PO#0044304	10/24/16-06/30/17	18,504
		N/A	84.287	PO#0047632	11/01/17-06/30/18	36,692
		N/A	84.287	PO#0044301	10/24/16-06/30/17	16,070
		N/A	84.287	PO#0047628	11/01/17-06/30/18	16,232
		N/A	84.287	PO#0044302	10/24/16-06/30/17	12,806
		N/A	84.287	PO#0044303	10/24/16-06/30/17	7,172
N/A	84.287	PO#0047772	12/04/17-06/30/18	4,058		
Total U.S. Department of Education Passed Through Northeastern Illinois University						\$ 4,120,629
Passed Through University of Minnesota						
Midwest Expansion of the Child Parent Center Education	Midwest Expansion of the Child Parent Center Education	N/A	84.411B	U411B110098	01/01/15-06/30/16	\$ 1,564,904
		N/A	84.411B	U411B110098	01/02/16-12/30/16	1,651,843
Total U.S. Department of Education Passed Through University of Minnesota						\$ 3,216,747
Passed Through Old Dominion University Research Foundation / Success for All Foundation						
Investing In Innovation(3)	Investing In Innovation (3)	N/A	84.411A	U411A110004/14-138-317101	07/01/15-06/30/17	\$ 190,000
Total U.S. Department of Education Passed Through Old Dominion University Research Foundation / Success for All Foundation						\$ 190,000
TOTAL U.S. DEPARTMENT OF EDUCATION						\$ 1,378,892,961
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed Through Centers for Disease Control						
Substance Abuse and Mental Health Service	CDC Strategy 1 Youth Risk Behavior Survey (HIV) CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	1U87PS004162-04	08/01/16-07/31/17	\$ 320,000
		N/A	93.079	1U87PS004162-05	08/01/17-07/31/18	271,672
		N/A	93.079	1U87PS004162-04	08/01/16-07/31/17	50,000
		N/A	93.079	1U87PS004162-05	08/01/17-07/31/18	612,500
Total U.S. Department of Health and Human Services Passed Through Centers for Disease Control						\$ 702,922



Accrued (Deferred) Grant Revenue June 30, 2017	Cash Received (Refunded) July 1, 2017 June 30, 2018	Revenue Recognized July 1, 2017 June 30, 2018	Federal Award Expenditures July 1, 2017 June 30, 2018	Pass Through to Subrecipients July 1, 2017 June 30, 2018	Accrued (Deferred) Grant Revenue June 30, 2018	Prior Years' Expenditures Through June 30, 2017	Final Status Cumulative Expenditures Through June 30, 2018
43,482	90,793	47,311	47,311	-	-	180,918	228,229
-	181,429	255,209	255,209	-	73,780	-	255,209
109,491	183,903	74,412	74,412	-	-	408,026	482,438
-	100,437	250,481	250,481	-	150,044	-	250,481
-	53,427	448,149	448,149	-	394,722	-	448,149
83,967	227,128	190,852	190,852	-	47,691	194,430	385,282
-	341,848	837,619	837,619	-	495,771	-	837,619
\$ 483,025	\$ 1,615,569	\$ 2,719,260	\$ 2,719,260	\$ -	\$ 1,586,716	\$ 1,914,623	\$ 4,633,883
\$ 514,602	\$ 1,847,934	\$ 2,996,321	\$ 2,996,321	\$ -	\$ 1,662,989	\$ 2,074,619	\$ 5,070,940
\$ 173,525	\$ 173,525	\$ -	\$ -	\$ -	\$ -	\$ 373,875	\$ 373,875
\$ -	\$ 180,150	\$ 400,000	\$ 400,000	\$ -	\$ 219,850	\$ -	\$ 400,000
\$ 173,525	\$ 353,675	\$ 400,000	\$ 400,000	\$ -	\$ 219,850	\$ 373,875	\$ 773,875
\$ 25,501	\$ 25,501	\$ -	\$ -	\$ -	\$ -	\$ 25,501	\$ 25,501
\$ 25,501	\$ 25,501	\$ -	\$ -	\$ -	\$ -	\$ 25,501	\$ 25,501
\$ 18,795	\$ 33,693	\$ 14,898	\$ 14,898	\$ -	\$ -	\$ 59,493	\$ 74,391
290,795	448,669	157,874	157,874	-	-	569,585	727,459
-	360,482	628,791	628,791	-	268,309	-	628,791
225,172	532,400	307,228	307,228	-	-	549,692	856,920
-	357,322	610,943	610,943	-	253,621	-	610,943
24,989	18,068	(6,921)	(6,921)	-	-	24,989	18,068
-	12,633	20,528	20,528	-	7,895	-	20,528
13,760	13,564	(196)	(196)	-	-	13,760	13,564
-	-	13,581	13,581	-	13,581	-	13,581
11,459	10,737	(722)	(722)	-	-	11,459	10,737
1,132	1,116	(16)	(16)	-	-	1,132	1,116
-	-	6,979	6,979	-	6,979	-	6,979
\$ 586,102	\$ 1,788,684	\$ 1,752,967	\$ 1,752,967	\$ -	\$ 550,385	\$ 1,230,110	\$ 2,983,077
\$ -	\$ 788,612	\$ 788,612	\$ 788,612	\$ -	\$ -	\$ 1,486,894	\$ 2,275,506
352,754	352,724	(30)	(30)	-	-	352,754	352,724
\$ 352,754	\$ 1,141,336	\$ 788,582	\$ 788,582	\$ -	\$ -	\$ 1,839,648	\$ 2,628,230
\$ 99,439	\$ 95,000	\$ (4,439)	\$ (4,439)	\$ -	\$ -	\$ 174,020	\$ 169,581
\$ 99,439	\$ 95,000	\$ (4,439)	\$ (4,439)	\$ -	\$ -	\$ 174,020	\$ 169,581
\$ 75,066,208	\$ 385,524,639	\$ 420,932,516	\$ 420,932,516	\$ 44,603,876	\$ 110,474,085	\$ 817,987,309	\$ 1,238,919,825
\$ 94,494	\$ 154,383	\$ 59,889	\$ 59,889	\$ -	\$ -	\$ 218,349	\$ 278,238
-	177,123	262,418	262,418	-	85,295	-	262,418
12,761	17,269	4,508	4,508	-	-	45,492	50,000
-	14,841	44,766	44,766	-	29,925	-	44,766
\$ 107,255	\$ 363,616	\$ 371,581	\$ 371,581	\$ -	\$ 115,220	\$ 263,841	\$ 635,422



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2018**

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
Passed Through City of Chicago Department of Family and Support Services						
Head Start	Head Start - Child Development	N/A	93.600	PO#33360-1	12/01/16-11/30/17	\$ 37,619,688
		N/A	93.600	PO#33360-3	12/01/17-11/30/18	35,912,000
	Head Start - Supp DIS SP initiatives	N/A	93.600	IGA	12/01/16-11/30/17	1,132,670
		N/A	93.600	IGA	12/01/17-11/30/18	1,021,990
Total U.S. Department of Health and Human Services Passed Through City of Chicago Department of Family and Support Services						\$ 75,686,348
Direct Funding						
Teen Pregnancy Prevention Program	Chicago Teen Pregnancy Prevention Initiative	N/A	93.297	TP1AH000066-05-00	09/01/15-08/31/16	\$ 979,953
	Teen Pregnancy Prevention Grant (MICAH)	N/A	93.297	TP1AH000066-05-00	07/01/16-06/30/17	65,000
	Teen Pregnancy Prevention Grant (MICAH)	N/A	93.297	TP2AH000034-00-00	07/01/17-06/30/18	79,466
Children's Health Insurance Program	Healthy Schools Health City Medicaid Enrollment Project	N/A	93.767	120CMS331507-01-00	07/01/16-06/30/17	435,962
		N/A	93.767	120CMS331507-02-03	07/01/17-06/30/18	649,936
Total U.S. Department of Health and Human Services - Direct Funding						\$ 2,210,317
Passed Through Illinois Department of Human Services						
Refugee and Entrant Assistance	Refugee Children Impact Grant	N/A	93.566	FCSUVK01131	07/01/16-06/30/17	\$ 57,525
		N/A	93.566	FCSWK01131	07/01/17-06/30/18	57,525
Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services						\$ 115,050
Passed Through Illinois Department of Healthcare and Family Services (IDHFS) Medicaid Cluster						
Medical Assistance Program	Medicaid - Administrative Services	N/A	93.778	95-4900-00	07/01/13-06/30/18	N/A
Total Medicaid Cluster						\$ -
Total U.S. Department of Health and Human Services Passed Through IDHFS (including cluster)						\$ -
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						\$ 78,714,637
U.S. DEPARTMENT OF JUSTICE						
Direct Funding						
National Institute of Justice Research, Evaluation and Development Project Grants	Connect and Redirect to Respect	N/A	16.560	2014-CK-BX-0002	01/01/15-12/31/16	\$ 737,860
		N/A	16.560	2014-CK-BX-0002	01/01/16-12/31/17	720,009
		N/A	16.560	2014-CK-BX-0002	01/01/18-12/31/18	739,307
Total U.S. Department of Justice - Direct Funding						\$ 2,197,176
TOTAL U.S. DEPARTMENT OF JUSTICE						\$ 2,197,176
U.S. DEPARTMENT OF LABOR						
Passed Through Manufacturing Renaissance						
Youthbuild	Youth Career Connect	N/A	17.274	YC-25414-14-60-A-17	07/01/16-06/30/17	\$ 186,000
		N/A	17.274	YC-25414-14-60-A-17	07/01/17-06/30/18	73,083
Total U.S. Department of Labor Passed Through Manufacturing Renaissance						\$ 259,083
TOTAL U.S. DEPARTMENT OF LABOR						\$ 259,083
U.S. DEPARTMENT OF COMMERCE						
Passed through the Illinois Department of Commerce and Economic Opportunity						
Coastal Zone Management Administration Awards	CIMBY-IDNR	N/A	11,419	16-065-N15-23	10/17/15-04/30/16	\$ 100,000
Total U.S. Department of Commerce Passed Through Illinois Department of Commerce and Economic Opportunity						\$ 100,000
TOTAL U.S. DEPARTMENT OF COMMERCE						\$ 100,000
U.S. DEPARTMENT OF DEFENSE						
Passed Through City Colleges of Chicago						
Basic and Applied Scientific Research	Critical MASS Year 4	N/A	12,300	17-12-1-0738	04/01/16-03/31/17	420,000
	Critical MASS Year 5	N/A	12,300	16-12-1-0738	04/01/17-03/31/18	410,000
Total U.S. Department of Defense Passed Through City Colleges of Chicago						\$ 830,000



Accrued (Deferred) Grant Revenue June 30, 2017	Cash Received (Refunded) July 1, 2017 June 30, 2018	Revenue Recognized July 1, 2017 June 30, 2018	Federal Award Expenditures July 1, 2017 June 30, 2018	Pass Through to Subrecipients July 1, 2017 June 30, 2018	Accrued (Deferred) Grant Revenue June 30, 2018	Prior Years' Expenditures Through June 30, 2017	Final Status Cumulative Expenditures Through June 30, 2018
\$ 3,228,984	\$ 13,944,048	\$ 10,715,064	\$ 10,715,064	\$ -	\$ -	\$ 25,335,304	\$ 36,050,368
-	13,256,920	22,509,903	22,509,903	-	9,252,983	-	22,509,903
599,434	962,345	362,911	362,911	-	-	599,434	962,345
-	-	631,026	631,026	-	631,026	-	631,026
\$ 3,828,418	\$ 28,163,313	\$ 34,218,904	\$ 34,218,904	\$ -	\$ 9,884,009	\$ 25,934,738	\$ 60,153,642
\$ -	\$ (237,820)	\$ (237,820)	\$ (237,820)	\$ -	\$ -	\$ 832,295	\$ 594,475
38,385	38,385	-	-	-	-	45,890	45,890
-	40,436	59,681	59,681	-	19,245	-	59,681
104,039	10,956	6,917	6,917	-	-	267,268	274,185
-	338,342	367,834	367,834	-	29,492	-	367,834
\$ 142,424	\$ 290,299	\$ 196,612	\$ 196,612	\$ -	\$ 48,737	\$ 1,145,453	\$ 1,342,065
\$ 18,713	\$ 18,381	\$ (332)	\$ (332)	\$ -	\$ -	\$ 56,653	\$ 56,321
-	40,181	57,525	57,525	-	17,344	-	57,525
\$ 18,713	\$ 58,562	\$ 57,193	\$ 57,193	\$ -	\$ 17,344	\$ 56,653	\$ 113,846
\$ 2,345,573	\$ 7,962,222	\$ 7,991,372	\$ 7,991,372	\$ -	\$ 2,374,723	\$ 41,428,175	\$ 49,419,547
\$ 2,345,573	\$ 7,962,222	\$ 7,991,372	\$ 7,991,372	\$ -	\$ 2,374,723	\$ 41,428,175	\$ 49,419,547
\$ 2,345,573	\$ 7,962,222	\$ 7,991,372	\$ 7,991,372	\$ -	\$ 2,374,723	\$ 41,428,175	\$ 49,419,547
\$ 6,442,383	\$ 36,838,012	\$ 42,835,662	\$ 42,835,662	\$ -	\$ 12,440,033	\$ 68,828,860	\$ 111,664,522
\$ 20,555	\$ 20,555	\$ -	\$ -	\$ -	\$ -	\$ 533,301	\$ 533,301
27,319	15,863	88,544	88,544	-	-	71,114	159,658
-	15,112	534,771	534,771	-	519,659	-	534,771
\$ 47,874	\$ 151,530	\$ 623,315	\$ 623,315	\$ -	\$ 519,659	\$ 604,415	\$ 1,227,730
\$ 47,874	\$ 151,530	\$ 623,315	\$ 623,315	\$ -	\$ 519,659	\$ 604,415	\$ 1,227,730
\$ 137,442	\$ 120,002	\$ (17,440)	\$ (17,440)	\$ -	\$ -	\$ 137,442	\$ 120,002
-	-	61,627	61,627	-	61,627	-	61,627
\$ 137,442	\$ 120,002	\$ 44,187	\$ 44,187	\$ -	\$ 61,627	\$ 137,442	\$ 181,629
\$ 137,442	\$ 120,002	\$ 44,187	\$ 44,187	\$ -	\$ 61,627	\$ 137,442	\$ 181,629
\$ 18,418	\$ 18,418	\$ -	\$ -	\$ -	\$ -	\$ 99,125	\$ 99,125
\$ 18,418	\$ 18,418	\$ -	\$ -	\$ -	\$ -	\$ 99,125	\$ 99,125
\$ 18,418	\$ 18,418	\$ -	\$ -	\$ -	\$ -	\$ 99,125	\$ 99,125
-	27,475	27,475	27,475	-	-	393,666	421,141
68,261	215,935	252,198	252,198	-	104,524	68,261	320,459
\$ 68,261	\$ 243,410	\$ 279,673	\$ 279,673	\$ -	\$ 104,524	\$ 461,927	\$ 741,600



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2018**

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
Direct Funding						
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/16-06/30/17	\$ 883,925
		N/A	12.431	W911NF-15-1-0251	05/15/17-06/30/18	1,031,822
		N/A	12.431	W911NF-15-1-0251	05/15/18-06/30/19	1,084,253
Total U.S. Department of Defense - Direct Funding						\$ 3,000,000
TOTAL U.S. DEPARTMENT OF DEFENSE						\$ 3,830,000
ENVIRONMENTAL PROTECTION AGENCY						
Environmental Education Grant Program	CIMBY-EPA	N/A	66.951	NE-83619701-0	04/01/16-09/30/17	\$ 192,200
Total Environmental Protection Agency						\$ 192,200
NATIONAL SCIENCE FOUNDATION						
Passed Through DePaul University						
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125	10/15/15-06/30/16	\$ 114,346
	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125	07/01/16-06/30/17	232,138
	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125	07/01/17-09/30/19	274,340
	Chicago Alliance For Equity in Computer Science	N/A	47.070	501334SG159	10/15/17-09/30/18	164,334
Education and Human Resources	Advancing High School Computer Science Through Math and Science Integration	N/A	47.076	501313SG151	06/15/17-05/31/18	128,898
Total National Science Foundation Passed Through DePaul University						\$ 914,056
Passed Through The Learning Partnership						
Computer and Information Science and Engineering	Adapting and Implementing a Geospatial High School Course in Career and Technical Education Clusters in Urban Settings	N/A	47.070	LP201801	01/15/17-12/31/18	\$ 238,068
Total National Science Foundation Passed Through The Learning Partnership						\$ 238,068
Passed Through University of Massachusetts						
Education and Human Resources	Broadening Advanced Technological Education Connections	N/A	47.076	DUE-1104145	05/01/16-07/31/18	\$ 60,593
Total National Science Foundation Passed University of Massachusetts						\$ 60,593
TOTAL NATIONAL SCIENCE FOUNDATION						\$ 1,212,717
GRAND TOTAL						\$ 1,465,578,721



Accrued (Deferred) Grant Revenue June 30, 2017	Cash Received (Refunded) July 1, 2017 June 30, 2018	Revenue Recognized July 1, 2017 June 30, 2018	Federal Award Expenditures July 1, 2017 June 30, 2018	Pass Through to Subrecipients July 1, 2017 June 30, 2018	Accrued (Deferred) Grant Revenue June 30, 2018	Prior Years' Expenditures Through June 30, 2017	Final Status Cumulative Expenditures Through June 30, 2018
\$ 245,951	\$ 274,167	\$ 28,216	\$ 28,216	\$ -	\$ -	\$ 727,042	\$ 755,258
-	331,325	491,366	491,366	-	160,041	-	491,366
-	-	49,269	49,269	-	49,269	-	49,269
\$ 245,951	\$ 605,492	\$ 568,851	\$ 568,851	\$ -	\$ 209,310	\$ 727,042	\$ 1,295,893
\$ 314,212	\$ 848,902	\$ 848,524	\$ 848,524	\$ -	\$ 313,834	\$ 1,188,969	\$ 2,037,493
\$ 18,824	\$ 98,129	\$ 98,470	\$ 98,470	\$ -	\$ 19,165	\$ 70,665	\$ 169,135
\$ 18,824	\$ 98,129	\$ 98,470	\$ 98,470	\$ -	\$ 19,165	\$ 70,665	\$ 169,135
\$ 24,435	\$ (7,659)	\$ (7,659)	\$ (7,659)	\$ -	\$ 24,435	\$ 50,760	\$ 43,101
18,728	-	(18,728)	(18,728)	-	-	18,728	-
-	24,648	43,678	43,678	-	19,030	-	43,678
-	-	5,424	5,424	-	5,424	-	5,424
-	-	4,905	4,905	-	4,905	-	4,905
\$ 43,163	\$ 16,989	\$ 27,620	\$ 27,620	\$ -	\$ 53,794	\$ 69,488	\$ 97,108
\$ -	\$ -	\$ 21,597	\$ 21,597	\$ -	\$ 21,597	\$ -	\$ 21,597
\$ -	\$ -	\$ 21,597	\$ 21,597	\$ -	\$ 21,597	\$ -	\$ 21,597
\$ 19,419	\$ 23,212	\$ 28,321	\$ 28,321	\$ -	\$ 24,528	\$ 19,419	\$ 47,740
\$ 19,419	\$ 23,212	\$ 28,321	\$ 28,321	\$ -	\$ 24,528	\$ 19,419	\$ 47,740
\$ 62,582	\$ 40,201	\$ 77,538	\$ 77,538	\$ -	\$ 99,919	\$ 88,907	\$ 166,445
\$ 94,619,628	\$ 622,777,824	\$ 663,857,554	\$ 663,857,554	\$ 44,603,876	\$ 135,699,358	\$ 1,067,747,513	\$ 1,731,605,067



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL CATALOG NUMBER
For the Fiscal Year Ended June 30, 2018**

Program Name	Federal Catalog Number	Federal Award Expenditures	Pass Through to Subrecipients	Cluster Total
School Breakfast Program (1).....	10.553	\$ 46,415,792	\$ -	\$ -
National School Lunch Program (1).....	10.555	139,819,168	-	188,670,083 (1)
Child and Adult Care Food Program.....	10.558	7,824,501	-	-
Summer Food Service Program for Children (1)...	10.559	2,435,123	-	-
Fresh Fruit and Vegetable Program.....	10.582	1,808,803	-	-
Basic and Applied Scientific Research.....	12.300	279,673	-	-
Basic Scientific Research.....	12.431	568,851	-	-
Language Grant Program.....	12.900	93,955	-	-
National Institute of Justice Research, Evaluation and Development Project Grants.....	16.560	623,315	-	-
Youthbuild.....	17.274	44,187	-	-
Computer and Information Science and Engineering.....	47.070	44,312	-	-
Broadening Advanced Technological Education Connections.....	47.076	33,226	-	-
Environmental Education Grant Program.....	66.951	98,470	-	-
Title I Grants to Local Education Agencies.....	84.010	263,757,293	39,863,133	-
Special Education Grants to State (2).....	84.027	89,161,667	-	90,654,008 (2)
Impact Aid.....	84.041	68,249	-	-
TRIO - Talent Search (3).....	84.044	277,061	-	277,061 (3)
Career and Technical Education.....	84.048	6,076,722	-	-
Indian Education - Grants to Local Education Agencies.....	84.060	183,884	-	-
Rehabilitation Grants to States.....	84.126	400,000	-	-
Magnet Schools Assistance Program.....	84.165	362,971	-	-
Special Education - Preschool Grants (2).....	84.173	1,492,341	-	-
Safe and Drug-Free Schools and Communities... Education for Homeless Children and Youth.....	84.184 84.196	1,028,471 911,183	- -	- -



Program Name	Federal Catalog Number	Federal Award Expenditures	Pass Through to Subrecipients	Cluster Total
Fund for the Improvement of Education.....	84.215	302,643	-	-
Twenty-First Century Community Learning Centers.....	84.287	6,039,971	-	-
Gaining Early Awareness and Readiness for Undergraduate Program.....	84.334	1,719,734	-	-
Arts in Education.....	84.351	324,893	-	-
English Language Acquisition Grants.....	84.365	9,918,358	797,904	-
Supporting Effective Instruction State Grants.....	84.367	26,477,168	3,432,135	-
Teacher Incentive Fund.....	84.374	448,149	-	-
School Improvement Grants.....	84.377	4,902,137	-	-
Midwest Expansion of the Child Parent Center Education.....	84.411	784,143	-	-
Preschool Expansion.....	84.419	2,998,203	-	-
Student Support and Academic Enrichment Program.....	84.424	3,297,275	510,704	-
Cooperative Agreements to Promote Adolescent Health through Substance Abuse and Mental Health Services.....	93.079	371,581	-	-
Teen Pregnancy Prevention Program.....	93.297	(178,139)	-	-
Refugee and Entrant Assistance.....	93.566	57,193	-	-
Head Start.....	93.600	34,218,904	-	-
Projects of Regional and National Significance Children's Health Insurance Program.....	93.767	374,751	-	-
Medical Assistance Program (4).....	93.778	7,991,372	-	7,991,372 (4)
Total.....		\$663,857,554	\$ 44,603,876	\$287,592,524

Clusters:

- (1) Child Nutrition Cluster
- (2) Special Education Cluster (IDEA)
- (3) TRIO Cluster
- (4) Medicaid Cluster



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SINGLE AUDIT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018

1. SCOPE OF SINGLE AUDIT

General — The Board of Education of the City of Chicago (“CPS”) is a body politic and corporate of the State of Illinois. All significant federal financial and compliance operations of CPS are included in the scope of the Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The U.S. Department of Education (“ED”) is CPS cognizant federal agency for the Single Audit. Cognizant duties have been delegated to the Illinois State Board of Education (the “ISBE”) by the ED, which, in turn, oversees the performance of such duties.

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

Generally, federal awards are granted for the purpose of providing specific goods or 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 CPS’ federal awards are passed through and received from the ISBE. For those pass-through federal awards, CPS’ direct reporting responsibility is to ISBE, which, in their capacity as sub-grantors, oversee and monitor the utilization of such federal awards by CPS.

3. BASIS OF PRESENTATION IN THE SCHEDULE OF GRANT ACTIVITY

General — The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of CPS under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and the pass through requirements of ISBE. Because the Schedule presents only a selected portion of the operations of CPS, it is not intended to and does not present the financial position or changes in net position of CPS. Only federal programs considered active during the year ended June 30, 2018, are reflected in the Schedule. An active federal program is defined as a federal program that incurred expenditures (adjustments) 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 no loan or loan guarantees 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, 2018.

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 (governmental fund basis) during the fiscal year ended June 30, 2018. In accordance with Uniform Guidance, 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 reflect 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 Unearned Grant Revenue — Various funding schedules are used for the federal awards received by 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. Unearned grant revenue balances represent the excess of cash received over revenue recognized to date.

Indirect Cost Rate — The amount expended includes amounts claimed as indirect cost recovery using an approved indirect cost rate percent by the ISBE or as per the funding agencies approved budget. The Chicago Public Schools has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 Supplementary Schedule of Expenditures of Federal Awards in CPS’ Comprehensive Annual Financial Reports:

“Revenue recognized” per the Schedule	\$663,857,554
E-Rate program revenues not included in the Schedule	39,123,393
Medicaid Fee for Service Revenue not included in the Schedule	24,429,474
Build America Bonds (BABS) revenue not included in the Schedule	25,002,627
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	9,607,550
Adjustments to record revenue that do not provide current financial resources	<u>5,907,864</u>
Federal aid per the Statement of Revenues, Expenditures and Net Changes in Fund Balances — Governmental Funds	<u><u>\$767,928,462</u></u>



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Expenditures relating to individual federal programs are not represented separately from other CPS expenditures in 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, 2018, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the related amounts accrued and reported in the Schedule. 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.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

SECTION I — SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *unmodified*

Internal control over financial reporting:

- > Material weakness (es) identified? yes no
- > Significant deficiency (ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- > Material weakness (es) identified? yes no
- > Significant deficiency (ies) identified? yes none reported

Type of auditors' report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance? yes no

Auditee qualified as low-risk auditee? yes no

Identification of major federal programs:

CFDA Number	Name of Federal Program	Amount Expended
10.553	Child Nutrition Cluster: School Breakfast Program	\$46,415,792
10.555	Child Nutrition Cluster: National School Lunch Program	139,819,168
10.559	Child Nutrition Cluster: Summer Food Service Program for Children	2,435,123
10.558	Child and Adult Care Food Program	7,824,501
84.287	Twenty-First Century Community Learning Centers	6,039,971
84.424	Student Support and Academic Enrichment Program	3,297,275
		<u>\$205,831,830</u>

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

SECTION II — FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

None reported.

SECTION III — FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

