CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2015

Prepared by the Department of Finance

Rahm Emanuel, Mayor, City of Chicago
Frank Clark, Board President
Forrest Claypool, Chief Executive Officer

Board of Education
CITY OF CHICAGO

Office of the Board
1 North Dearborn Street, Suite 950, Chicago, Illinois 60602
Telephone (773) 553-1600
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December 16, 2015

Dear Stakeholders,

We are pleased to present to you the Chicago Public Schools (CPS) fiscal year 2015 financial results.

CPS is facing financial crisis. The budget prepared for the General Operating Fund for the fiscal year that ended June 30, 2015 had a deficit gap of $862 million and a structural deficit of $1.1 billion in the Operating Fund. The consistent decline in state education funding, along with an inequitable pension system and rising pension costs, compounded by increasing capital needs, has pushed our District to a financial breaking point. To try and keep cuts away from the classroom, we have reduced our administrative and operating costs over the past several years, and we will continue streamlining our central bureaucracy to achieve maximum efficiency.

Despite our financial problems, our students continue to make academic progress, proving why it's so important that we find a solution and continue to invest in our classrooms. According to the National Assessment for Educational Progress (NAEP), which is often referred to as the nation's report card, CPS students are outpacing their peers nationally in academic growth, with our eighth-graders achieving the best progress in Math growth of any large urban school district in the country. Attendance and graduation rates are on the rise, and CPS students recently recorded the highest composite ACT score in District history.

The solution we've proposed is simple math.

- Since 2009, CPS students have accounted for nearly 20 percent of the state's enrollment.
- Chicago taxpayers also contribute 20 percent of state income tax revenues, which are the primary funding source for public education; thus, CPS should receive a minimum of 20 percent of total education funding from the state.
- This would generate close to $500 million in additional annual revenue.
- Today, we receive just 15 percent of state education funding, and are burdened by pension obligations that affect only our District, as the state covers the full cost of teacher pensions outside of the City of Chicago.

Under our 20 for 20 approach, CPS would receive an additional $450 to $500 million this fiscal year alone, all but eliminating the budget hole that is threatening to derail our current school year. We believe this is a fair and sustainable solution to our funding crisis and hope that Springfield will work with us to make its implementation a priority. Only then will we be able to put CPS on firm financial footing and turn our full focus toward preparing children for success in college, career and life.

The uncertainty facing CPS weighs heavily on our teachers, our school leaders, our families, and especially our students. But it does not have to be this way. There are solutions to be found here, and we firmly believe that if everyone is willing to sacrifice something, then no one will be forced to give up everything. We are confident that if educators, taxpayers, and elected officials come together around the best interests of our children, then 2016 can be the start of a dynamic, financially stable era for Chicago Public Schools.

Respectfully submitted,

Frank M. Clark
President
Chicago Board of Education

Forrest Claypool
Chief Executive Officer
Chicago Public Schools

Chicago Public Schools

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Chicago Board of Education

BOARD OFFICIALS AS OF DECEMBER 16, 2015

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, 2014

Executive Director/CEO

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

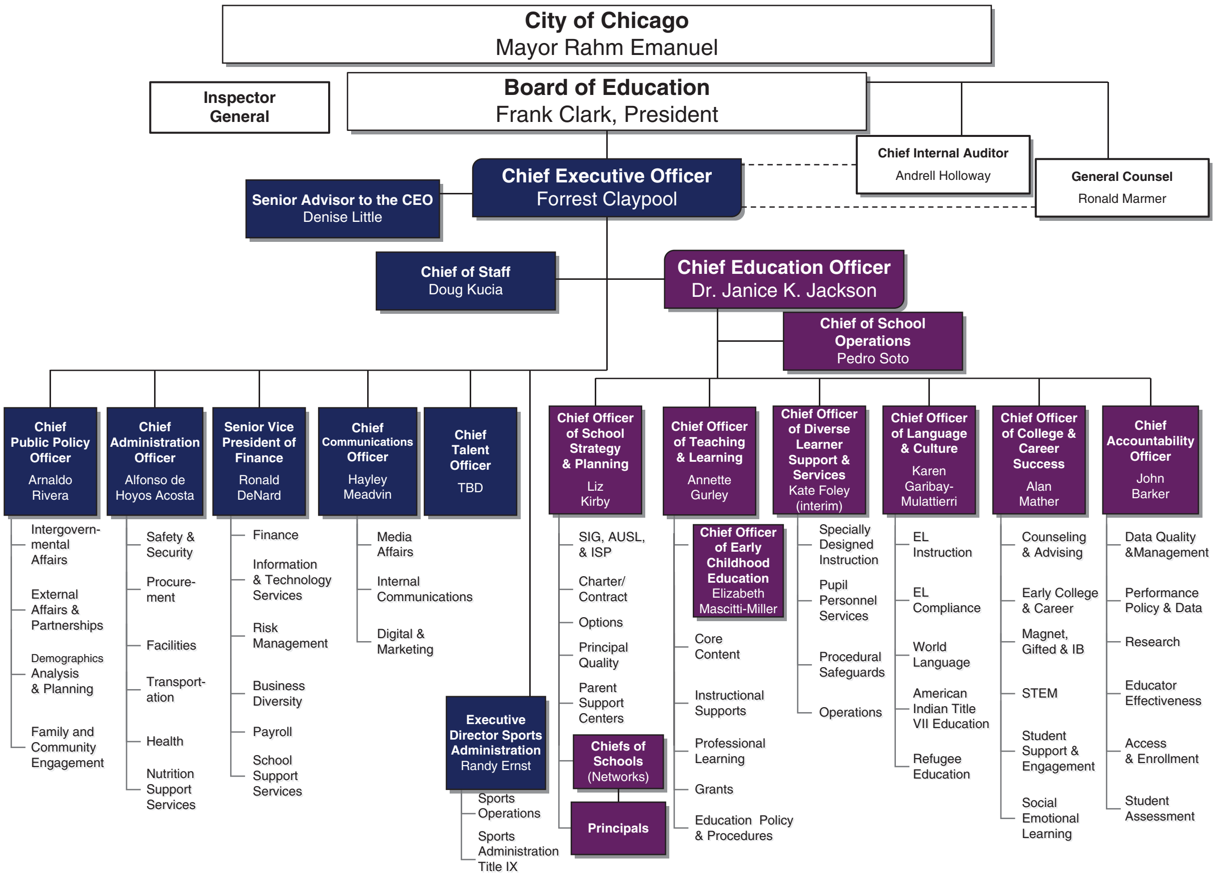
Chicago Public Schools

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014

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

Mark C. Pepera, MBA, RSBO, SFO	John D. Musso, CAE, RSBA
President	Executive Director

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
Organizational Chart



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December 16, 2015

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, 2015, 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.

CPS ended fiscal year 2015 with a deficit of $724 million in the operating funds. This is $138 million better than our budget, which assumed an $862 million deficit. However, it still reflects the significant financial challenges that CPS faces and has faced for the last several years as state revenues have declined, pension payments have dramatically increased, and federal and local revenues have been limited. We continued to decrease costs in our administration, operations, and central office to help address our financial challenges.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Statutory Reporting. The Introductory section includes this transmittal letter, a list of board officials, and an organizational chart. The Financial section includes the basic financial statements as well as the unmodified opinion of independent public accountants on the basic financial statements. The Statistical section contains selected financial and demographic information, generally presented over a multi-year basis. Finally, the Statutory Reporting section includes the results of the Federal Single audit state and federal compliance reporting information.

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

PROFILE OF CHICAGO PUBLIC SCHOOLS

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, which are legally separate organizations for which CPS is financially accountable.

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 2015, CPS has 667 schools, including district-run traditional and options schools, charter and contract schools.

Student enrollment as of September 2014 was 396,683, a decrease of 3,862 from the September 2013 level (400,545). Approximately 85% of our students come from low-income families and 16% are English Language Learners. CPS employs 39,414 workers, including 26,123 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 http://www.cityofchicago.org/city/en/depts/obm/supp_info/annual-budget-recommendations---documents.html.

Local revenues included $2.305 billion in property taxes and $202 million in personal property replacement taxes in fiscal year 2015. Property taxes support the General Fund, Tort Fund and Debt Service Funds. Personal property replacement taxes support the General Fund and Debt Service Funds.

CURRENT CONDITION

Total governmental funds revenues for fiscal year 2015 were $5,437 million, which were slightly less than the $5,442 million fiscal year 2014 revenues as restated. Total expenditures for fiscal year 2015 were $6,529 million, which were $124 million higher than the prior year of $6,405 million.

CPS ended fiscal year 2015 with a fund balance of $832 million in all governmental funds, a decrease of $891 million from fiscal year 2014 restated fund balance of $1,723 million. The entire General Operating Fund balance amount is restricted or assigned for specific uses.

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, 2014, the Pension Fund reported $10,046 million in actuarial assets and $20,317 million in actuarial liabilities, for a funded ratio of 51.5%. In accordance with the new accounting pronouncement, GASB 68, CPS recorded a net pension liability of $9,501 million in the accompanying financial statements. This increased Total Liabilities and decreased Net Position by $6,311 million.

The Pension Fund's Board of Trustees sets the actuarial assumptions based upon recommendations made by the Fund's actuary. Several assumptions were approved by the Trustees for the June 30, 2014 valuation, one of which was the investment return assumption of 7.75% which is consistent with the prior year.

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 maintains credit ratings from Moody's Investor Service, Standard & Poor's and Fitch Ratings. In recent fiscal years, the rating agencies have made downgrades to their respective CPS debt rating citing budget and pension concerns as rationale. Further downgrades occurred after the end of fiscal year 2015. Refer to Note 15 for further information about ratings.

LONG-TERM FINANCIAL PLANNING

CPS continues to face structural budget challenges, with our major revenue sources flat or declining at the state and federal level and property taxes capped. In addition, CPS remains the only school district in the state that must fund the vast majority of its teacher pension costs.

The structural budget deficit is due in part to the State providing CPS with 73 cents for every dollar it provides other districts on average and escalating teacher pension costs. In prior years, short term strategies have been used to balance the General Fund operating budget while simultaneously pursuing State action on funding increases, funding equity and pension reform. However, as of the date of publication of these financial statements there has been no State action to increase funding of education or to reform Chicago teacher pensions, leaving no immediate solution to the projected future structural budget deficits. Refer to Note 17 for further information about the future sustainability of CPS.

MAJOR INITIATIVES

Despite our budget challenges, we maintain our focus on investing in critical areas to ensure every child graduates prepared for success in college, career, and life.

Educational Initiatives

During the past year, CPS has made numerous investments to promote access to high-quality education in every part of the city. For example, CPS and the City of Chicago have made an unprecedented investment to expand pre-kindergarten to all four-year-old children in low-income families. By ensuring children in Chicago have access to a valuable pre-kindergarten education, we are making investments that research shows lead to improved success in school and life.

CPS continues to invest in proven academic models. The International Baccalaureate (IB) Programme is a comprehensive and challenging pre-university program for academically advanced and highly motivated students in grades 11 and 12. More than 1,000 North American colleges and universities recognize the IB diploma and exams for advanced college credit and/or placement. According to the International Baccalaureate organization, research indicates that IB Diploma Programme graduates complete college faster than their peers, feel more prepared for college-level coursework involving research, and are better able to cope with demanding workloads and time-management challenges.

The Early College STEM Schools program connects high school, college, and career. In addition to fulfilling high school graduation requirements, participating students have the opportunity to graduate with industry certifications, college credit, and an Associate’s Degree. Students also receive practical work experience and mentoring from professionals in their field of study. CPS will continue working to provide high-impact STEM mentoring experiences and increased STEM opportunities for CPS students.

The graduation rate for CPS high school students has climbed steadily over the last ten years from 52.7% to 69.9% in 2015. This is a result of key investments such as the full school day and increased STEM and IB programs, as well as improved attendance rates and a concerted effort on the part of CPS to better engage with families and school communities.

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 the District’s day-to-day operations. Total expenditures in the Capital projects fund in fiscal year 2015 were $375 million. The projects were funded by bond proceeds, state funds, and City of Chicago tax increment financing.

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, 2014. CPS also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International (ASBO).

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

Respectfully submitted,

Ronald DeNard	Larry Fraze
Senior Vice President of Finance	*Controller*

Chicago Public Schools

RSM

RSM US LLP

Independent Auditor's 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, each major fund, and the aggregate remaining fund information of Chicago Public Schools (the Board of Education of the City of Chicago, "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise CPS' 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.

Auditor's 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 auditor's 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 relevant to the entity's 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 the entity's 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of CPS, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Operating Fund 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 to the financial statements, in the year ended June 30, 2015, CPS adopted the reporting and disclosure requirements of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — An Amendment of GASB Statement No. 68.*The implementation of GASB Statement No.'s 68 and 71 resulted in a restatement of opening July 1, 2014 net position. Our opinion is not modified with respect to this matter.

As discussed in Note 16 to the financial statements, in the year ended June 30, 2015, CPS changed its governmental funds' revenue recognition measurement period criteria to consider revenues available (able to recognize) if collected within 60 days after year end. This change resulted in a restatement of opening July 1, 2014 fund balances. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the financial statements, management has developed a plan for the future sustainability of CPS. Our opinion is 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 on pages 14 - 29 and pension and other post-employment benefit (OPEB) information on pages 82 - 84, 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.

Other Information

Our audit for the year ended June 30, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise CPS' basic financial statements. The individual fund schedules for the year ended June 30, 2015, the schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2015, 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also previously audited, 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, the basic financial statements of CPS as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated January 20, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The individual fund schedules for the year ended June 30, 2014 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 2014 financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the 2014 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 are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015 on our consideration of CPS' 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 CPS' internal control over financial reporting and compliance.

RSM US LLP

RSM US LLP (formerly McGladrey LLP)
Chicago, Illinois
December 16, 2015

CHICAGO PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)
June 30, 2015

Our discussion and analysis of the financial performance of Chicago Public Schools (CPS) provides an overview of financial activities for the fiscal year ended June 30, 2015. 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.

During fiscal year 2015, CPS implemented the Governmental Accounting Standards Board pronouncements No. 68 (GASB 68) and No. 71 (GASB 71), and also had a change in accounting principle related to revenue recognition. For the purposes of this Management Discussion and Analysis, the cumulative effect of these items was shown against 2015 beginning net position/fund balance. Fiscal year 2014 balances are presented as previously reported as it was impractical to obtain information for the year prior to implementation.

FINANCIAL HIGHLIGHTS

- The government-wide financial statements and Statement of Net Position shows liabilities and deferred inflows totaling $21.020 billion. An increase of $7.788 billion from fiscal year 2014, while assets and deferred outflows equaled $9.808 billion. A decrease of $535 million from fiscal year 2014. CPS ended fiscal year 2015 with a deficit in net position of $11.212 billion, a decrease of $7.253 billion or 183.2% from the prior year. This is due to the operating deficit of expenditures exceeding revenues by $1.022 billion and the recording of the net pension liability in accordance with GASB 68 resulting in an increase of $6.311 billion in liabilities.
- CPS ended fiscal year 2015 with a combined fund balance for its governmental funds of $832 million, a decrease of $198 million or 19.2%, from fiscal year 2014. The fund balance decreased by $76 million in the general operating fund, decreased by $39 million in the capital project fund, and decreased by $83 million in the debt service fund. As of July 1, 2014, CPS changed their revenue recognition accounting method, which increased beginning governmental fund balances by $693 million. However, overall fund balances decreased in fiscal year 2015 for governmental funds due to flat revenues and an increase in expenditures over fiscal year 2014. See the Governmental Funds section below for additional information.
- The general operating fund ended fiscal year 2015 with a fund balance of $360 million, $79 million of which will be used to cover the fiscal year 2016 budget deficit. See Footnote 17 for further discussion on CPS future sustainability.
- In fiscal year 2015, CPS entered into three lines of credit totaling $700 million to fund operating and capital expenditures and provide liquidity to the Board, including funding the pension payment due June 30, 2015. As of June 30, 2015, all $700 million of the lines of credit had been drawn. By August 28, 2015, all of the lines of credit had been repaid.
- In fiscal year 2015, the Board was downgraded by Moody's Investor Services, Standard and Poor's and Fitch Ratings. The rating agencies cited structural gaps which rely on the State to take action to resolve, declining reserves which create pressure on liquidity, increasing pension contributions, and an overleveraged tax base. As of June 30, 2015, the Board was rated Ba3/A-/BBB- by Moody's Investor Service, Standard and Poor's and Fitch Ratings, respectively. The Board is currently rated Ba3/BB/BB+, respectively. For detailed information, please refer to Note 15 to the basic financial statements.

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
(In millions)

	Governmental Activities			
	2015	2014	Difference	% Change
Current Assets	$ 2,635	$ 2,748	$ (113)	-4.1%
Capital Assets, net	6,198	6,175	23	0.4%
Non-current Assets	7	75	(68)	-90.7%
Total Assets	$ 8,840	$ 8,998	$ (158)	-1.8%
Total deferred outflows of resources	$ 968	$ 275	$ 693	252.0%
Current Liabilities	$ 1,548	$ 797	$ 751	94.2%
Long-term Liabilities	18,695	12,421	6,274	50.5%
Total Liabilities	$ 20,243	$13,218	$ 7,025	53.1%
Total deferred inflows of resources	$ 777	$ 14	$ 763	5450.0%
Net Position:				
Net investment in capital assets	$ (159)	$ (37)	$ (122)	329.7%
Restricted for:				
Debt service	446	369	77	20.9%
Grants and donations	65	61	4	6.6%
Workers' comp/tort immunity	41	20	21	105.0%
Unrestricted	(11,605)	(4,372)	(7,233)	165.4%
Total net position (deficit)	$(11,212)	$ (3,959)	$(7,253)	183.2%

Current assets decreased primarily due to lower cash and investment balances as of June 30, 2015.

Capital assets, net of depreciation, increased due to the continued progress of the Capital Improvement Program. Refer to Note 6 to the basic financial statements for more detailed information.

Non-current assets decreased primarily due to cash and investments held in escrow and accumulated changes in the fair value of swaps. Refer to Note 10 to the basic financial statements for more information on derivatives.

Deferred outflows of resources increased primarily due to the recording of pension contributions made after the pension measurement date of June 30, 2014 as a deferred outflow in accordance with the implementation of GASB 68.

Current liabilities increased primarily due to the use of the line of credit at year end to pay pension payments.

Long-term liabilities increased due to the following:

- Recording of the net pension liability for pension plans in accordance with the implementation of GASB 68 — refer to Note 1 and Note 12 to the basic financial statements for more detailed information.
- Long-term debt — refer to Note 8 to the basic financial statements for more detailed information.

Deferred inflows of resources decreased primarily due to the amortization to the interest rate swap premium balance related to derivative instruments.

Net position (deficit) decreased $7.253 billion to an $11.212 billion deficit. This is due to the operating deficit of expenditures exceeding revenues by $1.022 billion and the recording of the net pension liability in accordance with GASB 68 resulting in an increase of $6.311 billion in liabilities. Restricted net position of $552 million is reported separately to present legal constraint from debt covenants and enabling legislation.

The following table presents the changes in net position to FY2015 from FY2014:

Changes in Net Position
(In millions)

	Governmental Activities			
	2015	2014	Difference	% Change
Revenues:				
Program revenues:				
Charges for services	$ 2	$ 4	$ (2)	-50.0%
Operating grants and contributions	1,052	1,087	(35)	-3.2%
Capital grants and contributions	356	162	194	119.8%
Total program revenues	$ 1,410	$ 1,253	$ 157	12.5%
General revenues:				
Property taxes	$ 2,303	$ 2,218	$ 85	3.8%
Replacement taxes (PPRT)	202	188	14	7.4%
Non-program state aid	1,492	1,573	(81)	-5.1%
Interest and investment earnings	(48)	16	(64)	-400.0%
Other	126	181	(55)	-30.4%
Total general revenues	$ 4,075	$ 4,176	$ (101)	-2.4%
Total revenues	$ 5,485	$ 5,429	$ 56	1.0%
Expenses:				
Instruction	$ 4,218	$ 4,140	$ 78	1.9%
Support services:				
Pupil support services	485	487	(2)	-0.4%
Administrative support services	250	242	8	3.3%
Facilities support services	478	655	(177)	-27.0%
Instructional support services	492	475	17	3.6%
Food services	208	206	2	1.0%
Community services	38	38	—	0.0%
Interest expense	332	335	(3)	-0.9%
Other	6	6	—	0.0%
Total expenses	$ 6,507	$ 6,584	$ (77)	-1.2%
Change in net position	$ (1,022)	$(1,155)	$ 133	-11.5%
Beginning net position (deficit)	(3,959)	(2,804)	(1,155)	41.2%
Implementation of GASB 68	(6,231)	—		
Beginning net position (deficit), as restated	(10,190)	(2,804)		
Ending net position (deficit)	$(11,212)	$(3,959)	$(7,253)	183.2%

FINANCIAL SECTION

Pension Funding

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

State statute determines CPS' employer-required contribution to the Teachers' Pension Fund. As of June 30, 2014, the funded ratio of the Teachers' Pension Fund was 51.5%. CPS has recorded a net pension liability of $9.501 billion in the accompanying financial statements, as required by GASB 68. State statute requires CPS to make annual pension contributions to increase the funded ratio to 90.0% by fiscal year 2059. CPS' required pension contribution for fiscal year 2015 was $634 million, not including a $62 million credit for discretionary and required State contributions to the Teachers' Pension Fund.

State statute requires the City of Chicago to contribute to the Municipal Fund all employer pension costs on behalf of CPS' educational support personnel. The statutorily established rate for the City's contribution is an amount equal to the employee contributions two years prior to the year in which the property tax is levied by the City, multiplied by 1.25. Covered employees are required by State statute to contribute 8.5% of their salary. In fiscal year 2015, as in previous fiscal years, CPS paid 7.0%, or $39 million of the required employees' contribution for most employees. Governmental Accounting Standards Board Statement No. 24 requires that certain on-behalf payments made by other governments should be included as revenues and expenditures. For detailed information, please refer to Note 12 to the basic financial statements. In fiscal year 2016, CPS' proportionate share of contributions on behalf of employees decreased from 7% to 5%.

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 the 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, 2015, as compared with June 30, 2014. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.

Governmental Funds
Total Revenues, Other Financing Sources and Expenditures
(In millions)

	2015	2014	2015 Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Revenues:					
Property taxes	$2,305	$2,213	38.2%	$ 92	4.2%
Replacement taxes	202	188	3.3%	14	7.4%
State aid	1,847	1,843	30.6%	4	0.2%
Federal aid	799	904	13.2%	(105)	-11.6%
Interest and investment earnings	(93)	15	-1.5%	(108)	-720.0%
Other	377	273	6.2%	104	38.1%
Subtotal	$5,437	$5,436	90.1%	$ 1	0.0%
Other financing sources	599	139	9.9%	460	330.9%
Total	$6,036	$5,575	100.0%	$ 461	8.3%
Expenditures:					
Current:					
Instruction	$3,253	$3,127	47.0%	$ 126	4.0%
Pupil support services	460	458	6.6%	2	0.4%
General support services	973	987	14.0%	(14)	-1.4%
Food services	197	194	2.8%	3	1.5%
Community services	38	37	0.5%	1	2.7%
Teachers' pension and retirement benefits	676	593	9.8%	83	14.0%
Other	6	6	0.1%	—	0.0%
Capital outlay	392	535	5.7%	(143)	-26.7%
Debt service	533	468	7.7%	65	13.9%
Subtotal	$6,528	$6,405	94.2%	$ 123	1.9%
Other financing uses	399	—	5.8%	399	
Total	$6,927	$6,405	100.0%	$ 522	
Net change in fund balance	$ (891)	$ (830)			

General Operating Fund

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

Revenues:

Revenues and Other Financing Source
(In millions)

	2015 Amount	2014 Amount	2015 Percent of Total	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
Property taxes	$2,253	$2,161	45.9%	$ 92	4.3%
Replacement taxes (PPRT)	144	131	2.9%	13	9.9%
State aid	1,579	1,632	32.2%	(53)	-3.2%
Federal aid	768	864	15.6%	(96)	-11.1%
Interest and Investment earnings	—	4	0.0%	(4)	-100.0%
Other	166	144	3.4%	22	15.3%
Subtotal	$4,910	$4,936	100.0%	$(26)	-0.5%
Other financing sources	—	—	0.0%	—	0.0%
Total	$4,910	$4,936	100.0%	$(26)	-0.5%

Property tax revenues

Property tax revenues increased due to the net impact of an increase in prior year collections as a result of growth in new EAV, taxing to the PTELL cap with positive annual CPI, and the shift in revenue with the 30-day extension of the revenue recognition period; with no change in the extensions for debt service.

Personal property replacement taxes (PPRT)

PPRT derives its revenues primarily from an additional State income tax on corporations and partnerships. CPS received a $13 million increase in PPRT revenue as a result of a statewide increase in tax revenues collected on corporate earnings and public utility capital investments.

State aid

State aid decreased primarily as a result of General State Aid (GSA) and Block Grants allocated to support the general operating fund. The decline in these two sources were partially offset by increases in state increases to CPS for pensions, Bilingual Education, and in various other restricted state revenues.

Federal aid

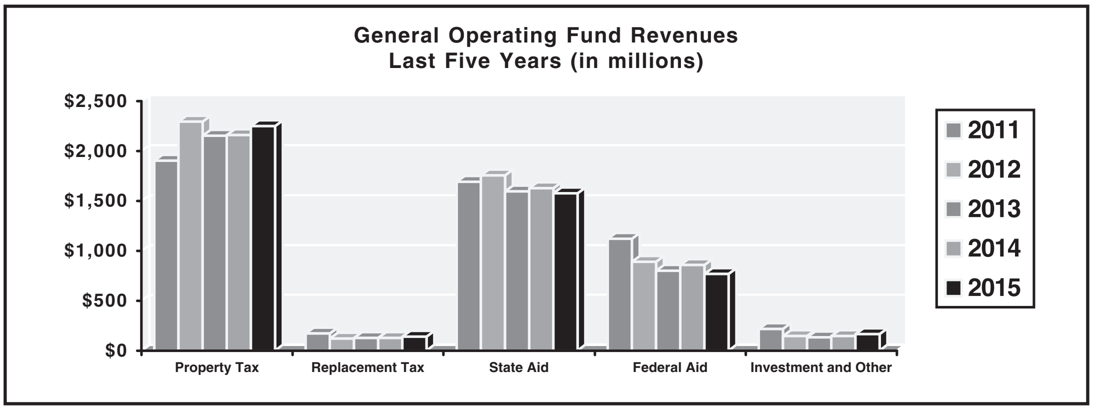
Federal aid decreased by $96 million in fiscal year 2015. This decrease was primarily driven by lower reimbursements for three major federal grants within the fiscal year: IASA Title I — Low Income Grant $87 million, School Improvement Grants $11 million, and the Title II — Teacher Quality Grant $18 million. These decreases were offset by an $11 million increase in the Lunchroom Lunch Program and $6 million in the Lunchroom Breakfast Program. Other minimal fluctuations in revenue for other federal programs also contributed to the overall decrease.

Interest and investment earnings

General operating cash balance was on average $530 million lower in fiscal year 2015 versus fiscal year 2014 and the line of credit covered negative cash flow for a month and a half period in fiscal year 2015. As a result, investments in the operating fund were shorter in duration and generated a lower yield in order to keep the general operating fund liquid for operating purposes. Additionally, these short dated investments were largely in bank depository balances; which are fully liquid at all times, collateralized by securities authorized for safekeeping under the Board's investment policy, and generate a higher investment return than alternative short-dated investments allowable by Board policy. These bank depository balances earn interest which is paid as an earned allowance credit against fees and are recorded as a net against operating expenses.

Other

Local revenues increased primarily due to the recording of charter school facility fees as well as an increase in Tax Increment Financing (TIF) surplus.



FINANCIAL SECTION

Expenditures:
(In millions)

	2015	2014	2015 Percent of Total	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
Salaries	$2,576	$2,541	45.8%	$ 35	1.4%
Benefits	1,356	1,264	24.1%	92	7.3%
Services	1,295	1,238	23.0%	57	4.6%
Commodities	280	293	5.0%	(13)	-4.4%
Other	113	114	2.0%	(1)	-0.9%
Total	$5,620	$5,450	100.0%	$170	3.1%

Salaries

Salaries increased due to contractually required cost of living increases, partially offset by a reduction in headcount.

Benefit

Benefit cost increases were driven primarily by continued escalation in required pension contributions. Each year the Teachers' Pension Fund's actuaries conduct a valuation and certify the contribution for the following fiscal year. Prior to conducting the 2013 valuation, the CTPF actuaries conducted an actuarial experience review, which is typically done every five years. A number of the actuarial assumptions changed (after approval by the Board of Trustees), most notably the investment return assumption, from 8 percent to 7.75 percent, and the mortality assumption. These new assumptions were the largest driver of the additional $84 million pension contribution for fiscal year 2015. An increase in pharmacy benefit costs led to higher hospitalization expenses, while unemployment costs decreased from elevated fiscal year 2014 levels as impacted staff from the closure of 47 schools in the prior fiscal year were no longer eligible for unemployment.

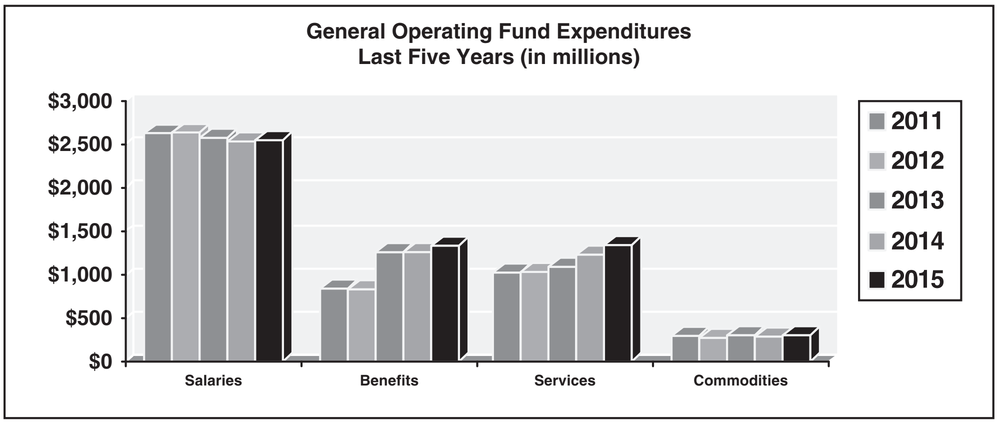
FINANCIAL SECTION

Services

Services increased in fiscal year 2015 as a result of an increase in the SBB rate for all schools, opening 5 net new charter schools, 2 new contract schools, and increased charter student enrollment. Partially offsetting this increase was reduced Professional & Technical expenditures related to FY2013-FY2014 school closing logistics, and the elimination of spending on the no-longer required Supplemental Educational Services (SES) program.

Commodities

Commodities decreased in fiscal year 2015 largely as a result of favorable natural gas prices, as well as a reduction in electric usage driven by the closure of 47 schools prior to fiscal year 2014. These decreases in energy costs were partially offset by increases in food costs.



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)

	2015	2014	2015 Percent of Total	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
State aid	$ 32	$ 38	9.7%	$ (6)	-15.8%
Federal aid	6	15	1.8%	(9)	-60.0%
Interest and investment earnings	—	1	0.0%	(1)	-100.0%
Other	107	29	32.3%	78	269.0%
Subtotal	$145	$ 83	43.8%	$ 62	74.7%
Other financing sources	186	139	56.2%	47	33.8%
Total	$331	$222	100.0%	$109	49.1%

State aid

State aid declined due to a decrease in State School Construction funds administered to the Capital Projects fund through the Capital Development Board (CDB), offset partially by an increase in other restricted state revenues.

Federal aid

Federal aid decreased due to the completion of a noise mitigation grant and reduced federal E-Rate funding.

Interest and investment earnings

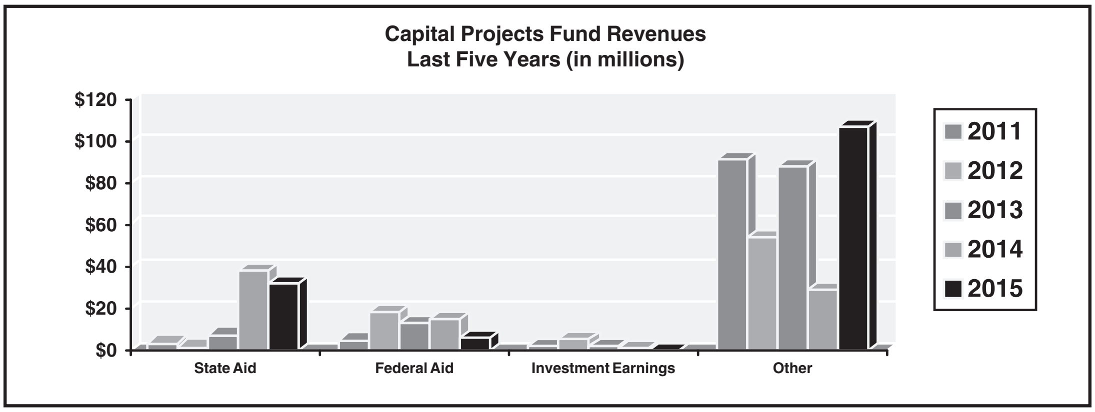
Interest and investment earnings decreased as a result a lower fund balance in the Capital Projects fund in fiscal year 2015 versus fiscal year 2014.

Other

Other revenues increased primarily through an increase in revenue supported by an Intergovernmental Agreement (IGA) with the City of Chicago, due to the timing of billed reimbursable expenditures and revenue recognized by CPS on Modern Schools Across Chicago projects, and projects supported by TIF.

Other financing sources

Other financing sources increased due to additional proceeds from property sales driven by the sale of 125 S. Clark and proceeds from Series 2015C and 2015E bond issuances, partially offset by a decrease in funds drawn on a $300 million Unlimited Tax General Obligation Bonds as variable-rate, revolving lines of credit.

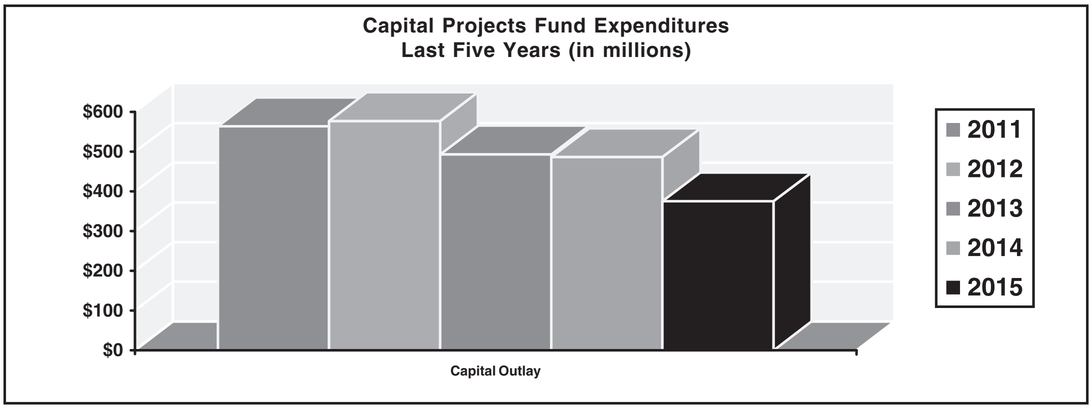


Expenditures:
(In millions)

	2015	2014	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
Capital outlay	$375	$487	$(112)	-23.0%

Capital outlay

The actual spending on capital outlay decreased due to fewer construction projects initiated in FY2015 than FY2014.



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)

	2015	2014	2015 Percent of Total	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
Property taxes	$ 52	$ 52	6.4%	$ —	0.0%
Replacement taxes (PPRT)	58	57	7.1%	1	1.8%
State aid	236	173	29.2%	63	36.4%
Federal aid	25	25	3.1%	—	0.0%
Interest and investment earnings	(93)	10	-11.5%	(103)	-1030.0%
Other	104	100	12.9%	4	4.0%
Subtotal	$382	$417	47.3%	$ (35)	-8.4%
Other financing sources	426	295	52.7%	131	44.4%
Total	$808	$712	100.0%	$ 96	13.5%

Property taxes

Property tax revenue used to pay debt service saw no change in the extension between fiscal year 2014 and fiscal year 2015.

Replacement taxes (PPRT)

PPRT had a slight increase of $1 million in fiscal year 2015 for the amount to support debt service.

State aid

State aid related to debt service for fiscal year 2015 is comprised of two revenue sources, General State Aid (GSA) and State School Construction funds administered through the Capital Development Board (CDB). Bond series supported by GSA revenue required an increase of $63 million for higher debt service obligations for fiscal year 2015. An additional $2 million was needed to cover reductions in federal subsidies due to sequestration. Debt Service Stabilization Fund monies of $59 million were used to offset an even greater increase in debt service and reduce the need for GSA. Also, a reduction of $15 million in debt service was due to the net effect of delaying the sale of the Series 2015AG capital improvement bonds, optional redemptions, and lower than budgeted variable interest rates.

Federal aid

Federal aid continues to be less than anticipated at the time of issuance in fiscal years 2009, 2010 and 2011 for CPS issued Qualified School Construction Bonds (QSCABs) and Build America Bonds (BABs). Beginning with the 2013 Federal Budget and effective March 1, 2013, Federal Budget Sequestration has reduced the amount CPS receives for interest subsidies from the federal government for QSCBs and BABs. The fiscal year 2015 sequester percentage for QSCBs and BABs was 7.3%, which resulted in interest subsidy payments to CPS that were similar as compared to fiscal year 2014, but $2 million lower than the full amount of the potential subsidy.

Interest and investment earnings

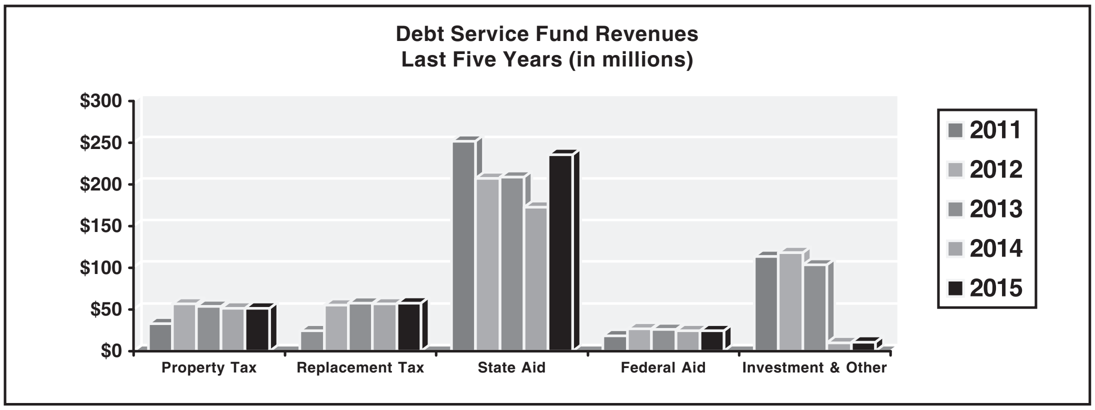
Interest and investment earnings decreased in fiscal year 2015 by $103 million. The decrease was primarily due to the termination of four existing interest rate swap agreements during fiscal year 2015 totaling $110 million. This amount was partially offset by the termination of an investment agreement which netted $4 million to the Board, and market value changes of the securities with maturities over one year, which increased income for fiscal year 2015 as adjusted GASB 31, and investment earnings.

Other

Other revenues account for any one-time local revenues or the disbursement of property tax revenues from the City of Chicago based on the Inter-Governmental Agreement (IGA) for debt service. The increase of $4 million is a result of higher IGA revenues as compared to fiscal year 2014.

Other financing sources

Other financing sources reflect an increase of $131 million in fiscal year 2015 due to the issuance $329 million of Series 2015 General Obligation bonds and $84 million in 2013 General Obligation Line of Credit Bonds. $295 million of 2013 General Obligation line of credit bonds were issued in 2014.



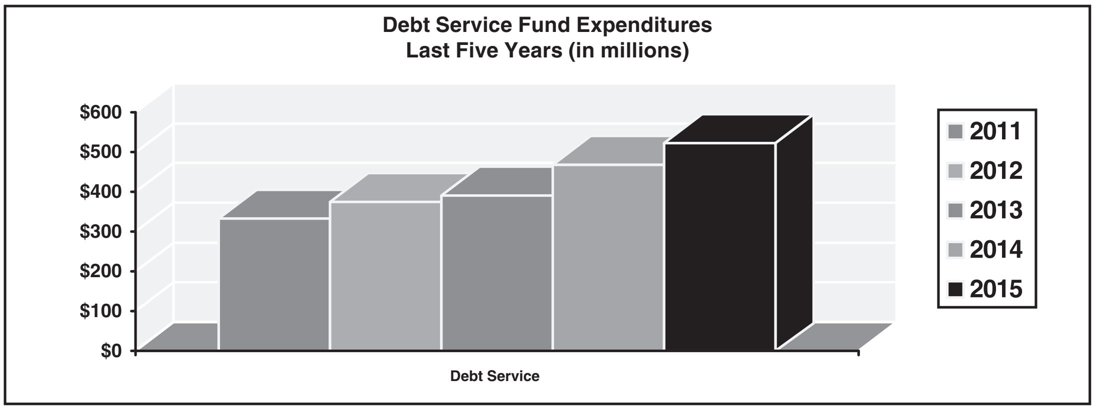
Expenditures:
(In millions)

	2015	2014	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
Debt service	$533	$468	$65	13.9%

FINANCIAL SECTION

Debt service costs

The overall debt service cost for fiscal year 2015 increased by $65 million primarily due to an increase in principal redemptions. The amount paid for other fees was similar when compared to fiscal year 2014.



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 2013, the Board adopted a balanced budget for fiscal year 2014 that reflected total resources, including $643 million of available fund balances, and appropriations of $5.592 billion.

In August 2014, the Board adopted a balanced budget for fiscal year 2015 that reflected total resources, including $797 million of available fund balances, and appropriations of $5.757 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 following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ending June 30, 2015.

The General Operating Fund ended fiscal year 2015 with a deficit of $710 million, which compared favorably with the budgeted deficit of $863 million. This financial performance reflects a combination of CPS' conscientious efforts to improve its financial position and revenues anticipated for the fiscal year 2016 budget that were received during the fiscal year 2015 revenue recognition period. Major budget-to-actual variances are described below:

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

	FY2015 Original Budget	Supplemental Appropriations & Transfers In/(Out)	Final Appropriations	FY2015 Actual	Variance
Revenues:					
Property taxes	$2,178	$ —	$2,178	$2,253	$ 75
Replacement taxes	133	—	133	144	11
State aid	1,508	—	1,508	1,579	71
Federal aid	864	—	864	768	(96)
Interest and investment earnings	—	—	—	—	—
Other	211	—	211	166	(45)
Subtotal	$4,894	$ —	$4,894	$4,910	$ 16
Other financing sources	—	—	—	—	—
Total	$4,894	$ —	$4,894	$4,910	$ 16
Expenditures:					
Current:					
Salaries	$2,612	$ (59)	$2,553	$2,576	$ 23
Benefits	1,310	28	1,338	1,356	18
Services	1,200	148	1,348	1,295	(53)
Commodities	261	45	306	280	(26)
Other	374	(162)	212	113	(99)
Total	$5,757	$ —	$5,757	$5,620	$(137)
Change in fund balances	$ (863)			$ (710)	

Property taxes

The positive variance of $75 million in property tax revenue was the result of the initial appropriation of $48 million dollars to "other local revenue". When we factor this in, the variance at the end of the year is $27 million. This $27 million increase was caused by a $6 million underestimation of the amount of new property EAV that would be available under Property Tax Extension Limitation Law (PTELL). Additionally, collections were $21 million higher than expected due to over performance during the September through June period versus original assumptions and variances in first year collection assumptions.

Replacement taxes

Replacement tax payments received by CPS were $11 million higher than budgeted. This is due to improved statewide performance and reflected in the final payments of fiscal year 2015.

State aid

State aid received by CPS was $71 million higher than anticipated in fiscal year 2015. This is due in part to $50 million in additional state pension aid for teachers, an additional $20 million in miscellaneous state grants mainly attributable to state hold harmless payments, and $16 million in bilingual TPI and TPE as the result of an increased number of students eligible to receive ELL instruction over initial projections. These increases are partially offset by Block Grant revenues that were $16 million below budget.

Federal aid

Federal revenues were $96 million below budget due to lower than expected spend and a Title I waiver. Lunchroom revenue was $8 million below budget because fewer meals were served, reducing reimbursement (but with an associated cost reduction). Medicaid revenue was below budget by $5 million because of slower claiming. Other grant revenue—received based on reimbursement for expenditures—was below budget because spending was also below budget. Title I was $45 million below budget because of the mid-year waiver approval for the use of supplemental funding. Title II ($10 million) & Title III ($5 million) were below budget because of lower claim amounts due to slow spending. School Improvement Grants & Title IV—21st Century Grants were lower because of $16 million in anticipated grant funding that was not received during the school year.

Other

Other local revenues comprise of miscellaneous or one-time receipts such as TIF surplus funds, rental income, daycare fees, private foundation grants, school internal account funds, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were $45 million below budget. Although CPS saw a $21 million increase in tuition fees, rental income and lunchroom income over budget, these gains were substantially offset by other factors. CPS did not receive $19 million in TIF funding that was anticipated because the final payment fell outside of the revenue recognition period. CPS originally appropriated $48 million to the other local revenue in anticipation of receiving the maximum amount of property tax revenue under PTELL.

Expenditures

Actual General Operating Fund expenditures were $137 million under budget. This is $5 million lower than the fiscal year 2014 variance and a much smaller variance than in prior years as a result of more concise budgeting in times of significant shortfalls to ensure that we are budgeting only the funds that are absolutely necessary.

The variance is primarily due to the following:

Salaries

Salaries show $23 million above final appropriations due to an accounting adjustment that impacts the final salary account appropriations, whereas the associated expenses occur across several different accounts. After adjusting for this entry, salaries in total were $8 million less than budget on a $2.553 billion base; this represents a less than 0.5% variance. Savings of $5 million in teacher salaries out of a total of $1.900 billion budget (0.3%) was the result of turnover slightly higher than budgeted. Career services salaries were $4 million below the $626 million budget (0.6%) due to higher than anticipated turnover and cost savings initiatives.

Benefits

Benefit costs include health care, unemployment compensation, workers compensation, and pension costs. Benefit costs came in over budget by $18 million due to higher than expected pharmacy spend and an accounting adjustment. For budget 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 through an accounting adjustment as a pension expense, separate from the amount budgeted. Charter schools reimburse CPS for this expense and therefore there is an offsetting revenue, which was reflected in the budget.

Services

Expenditures for services include student transportation costs, tuition for charter schools and special education institutions, contractual and professional services, telephone, printing and equipment rental. Fiscal year 2015 expenditures were $53 million below budget in these categories. Professional and contractual services were $16 million below budget, as a result of delayed implementation or less demand for professional development, curriculum/instructional support, attendance services, training, legal and banking services, and contractual programs. Such as community based early childhood, lunchroom repairs, and other services. Transportation expenses came in $11 million under budget, and enrollment below projections resulted in savings of $12 million in charter, private special education, and option school tuition.

Commodities

Major commodities categories include utility, food for breakfast/lunch, textbooks, and general supplies. Spending on commodities was lower than budget by $26 million. Utilities costs were $2 million lower than budget due to favorable natural gas pricing. Savings of $3 million in food costs was the result of fewer meals served than budgeted. Savings in textbooks and supplies totaled $20 million. Much of this savings was at the school level, schools allocated funding to these accounts, but it went unspent. About $8 million of this savings was in funding specifically designated to schools to serve low income students and will be returned to them in fiscal year 2016.

Other

Other includes equipment, facility rental, insurance, repairs, and for budget purposes, contingencies for new grants. In total, spending for these "other" categories was below budget by $99 million. Equipment spending was below budget by $6 million, primarily because schools budgeted their discretionary funds in equipment, but did not spend it. The primary category of savings is in contingency that had been set up for new/anticipated grants. While the original amount established as contingency was much higher in the budget, approximately $33 million of appropriation remained at the end of the year because potential grants were not awarded. This is an annual practice to budget more for grants than we know we have secured so that should we receive funding during the year we have authority to spend it.

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.)

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

STATEMENT OF NET POSITION

June 30, 2015

(Thousands of dollars)

	GOVERNMENTAL ACTIVITIES
Assets:	
Current Assets:	
Cash and investments	$ 166,113
Cash and investments in escrow	502,503
Cash and investments held in school internal accounts	40,888
Property taxes receivable, net of allowance	1,114,780
Other receivables:	
Replacement taxes	33,183
State aid, net of allowance	600,980
Federal aid	115,513
Other, net of allowance	58,090
Other assets	3,284
Total current assets	$ 2,635,334
Non-current Assets:	
Cash and investments in escrow	$ 5,995
Land and construction in progress	759,624
Buildings, building improvements and equipment, and software, net of accumulated depreciation	5,438,003
Derivative instrument	1,353
Total non-current assets	$ 6,204,975
Total assets	$ 8,840,309
Deferred Outflows of Resources:	
Deferred charge on refunding	$ 164,559
Accumulated decrease in fair value of hedging activities	39,025
Deferred pension outflows	764,028
Total deferred outflows of resources	$ 967,612
Liabilities:	
Current Liabilities:	
Accounts payable	$ 307,675
Accrued payroll and benefits	226,698
Amount held for student activities	40,888
Line of credit	700,000
Other accrued liabilities	8,120
Unearned revenue	41,686
Interest payable	25,154
Current portion of long-term debt and capitalized lease obligations	197,355
Total current liabilities	$ 1,547,576
Long-term liabilities, net of current portion:	
Debt, net of premiums and discounts	$ 6,626,847
Capitalized lease obligations	159,005
Derivative instrument liability	37,818
Swap implicit borrowing	80,753
Other accrued liabilities	18,650
Net pension liability	9,501,206
Net other post-employment benefits obligation	1,789,441
Other benefits and claims	481,261
Total long-term liabilities	$ 18,694,981
Total liabilities	$ 20,242,557
Deferred Inflows of Resources:	
Deferred pension inflows	$ 777,267
Total deferred inflows of resources	$ 777,267
Net Position:	
Net investment in capital assets	$ (159,007)
Restricted for:	
Debt service	445,663
Grants and donations	64,584
Workers' comp/tort immunity	41,373
Unrestricted (deficit)	(11,604,516)
Total net position (deficit)	$(11,211,903)

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, 2015
(Thousands of dollars)

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction	$4,217,996	$ 571	$ 548,740	$246,549	$(3,422,136)
Support services:					
Pupil support services	484,745	—	49,481	34,834	(400,430)
Administrative support services	249,662	—	47,157	17,941	(184,564)
Facilities support services	477,892	—	63,274	26,986	(387,632)
Instructional support services	492,232	—	104,709	28,772	(358,751)
Food services	207,834	1,303	208,647	928	3,044
Community services	37,997	—	29,647	179	(8,171)
Interest expense	332,023	—	—	—	(332,023)
Other	6,319	—	—	—	(6,319)
Total governmental activities	$6,506,700	$1,874	$1,051,655	$356,189	$(5,096,982)

General revenues:	
Taxes:	
Property taxes	$ 2,302,881
Replacement taxes	202,148
Non-program state aid	1,492,019
Interest and investment earnings	(47,720)
Other	125,638
Total general revenues	$ 4,074,966
Change in net position	(1,022,016)
Net position — beginning (deficit) as restated	(10,189,887)
Net position — ending (deficit)	$(11,211,903)

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

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS

June 30, 2015

(Thousands of dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	$ 109,126	$ —	$ 56,987	$ 166,113
Cash and investments in escrow	5,144	13,315	490,039	508,498
Cash and investments held in school internal accounts	40,888	—	—	40,888
Receivables:				
Property taxes, net of allowance	1,089,827	—	24,953	1,114,780
Replacement taxes	33,183	—	—	33,183
State aid, net of allowance	585,210	15,770	—	600,980
Federal aid	112,232	178	3,103	115,513
Other, net of allowance	8,103	9,419	40,568	58,090
Due from other funds	146,549	25,978	5	172,532
Total assets	$2,130,262	$ 64,660	$615,655	$2,810,577
Liabilities:				
Accounts payable	$ 291,974	$ 7,320	$ 8,381	$ 307,675
Accrued payroll and benefits	144,133	—	—	144,133
Amount held for student activities	40,888	—	—	40,888
Due to other funds	25,983	146,549	—	172,532
Line of credit	700,000	—	—	700,000
Unearned revenue	8,471	33,215	—	41,686
Total liabilities	$1,211,449	$ 187,084	$ 8,381	$1,406,914
Deferred inflows of resources:				
Unavailable property tax revenue	$ 76,483	$ —	$ 1,731	$ 78,214
Other unavailable revenue	482,045	8,687	3,103	493,835
Total deferred inflows of resources	$ 558,528	$ 8,687	$ 4,834	$ 572,049
Fund balances (deficit):				
Nonspendable	$ 429	$ —	$ —	$ 429
Restricted for grants and donations	64,155	—	—	64,155
Restricted for workers' comp/tort immunity	41,373	—	—	41,373
Restricted for debt service	—	—	545,383	545,383
Assigned for 2016 budget	79,225	—	—	79,225
Assigned for debt service	—	—	57,057	57,057
Assigned for commitments and contracts	73,101	—	—	73,101
Unassigned (deficit)	102,002	(131,111)	—	(29,109)
Total fund balances (deficit)	$ 360,285	$(131,111)	$602,440	$ 831,614
Total liabilities, deferred inflows of resources and fund balances	$2,130,262	$ 64,660	$615,655	$2,810,577

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, 2015
(Thousands of dollars)

Total fund balances — governmental funds		$ 831,614
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		3,284
Derivative instrument		1,353
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		967,612
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		9,743,389
Accumulated depreciation		(3,545,762)
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	$ (26,770)	
Debt, net of premiums and discounts	(6,785,337)	
Capitalized lease obligations	(197,870)	
Net pension liability	(9,501,206)	
Net other post-employment benefits obligation	(1,789,441)	
Other benefits and claims	(563,826)	
		(18,864,450)
Interest payable		(25,154)
Swap implicit borrowing		(80,753)
Derivative instrument liability		(37,818)
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		78,214
Other		493,835
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		(777,267)
Net position (deficit)		$(11,211,903)

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, 2015

With Comparative Amounts for the Fiscal Year Ended June 30, 2014

(Thousands of dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2015	Total Fiscal Year Ended June 30, 2014 (as restated)
Revenues:					
Property taxes	$2,252,828	$ —	$ 51,828	$ 2,304,656	$2,204,252
Replacement taxes	143,867	—	58,281	202,148	188,041
State aid	1,579,324	31,587	236,158	1,847,069	1,840,805
Federal aid	767,548	6,498	24,885	798,931	907,241
Interest and investment earnings	198	368	(93,391)	(92,825)	15,596
Other	165,819	107,171	104,296	377,286	286,472
Total revenues	$4,909,584	$ 145,624	$ 382,057	$ 5,437,265	$5,442,407
Expenditures:					
Current:					
Instruction	$3,253,484	$ —	$ —	$ 3,253,484	$3,126,689
Pupil support services	459,672	—	—	459,672	457,939
Administrative support services	236,748	—	—	236,748	227,412
Facilities support services	356,103	—	—	356,103	400,945
Instructional support services	379,675	—	—	379,675	358,691
Food services	197,084	—	—	197,084	193,642
Community services	38,003	—	—	38,003	37,460
Teachers' pension and retirement benefits	676,078	—	—	676,078	593,225
Other	6,319	—	—	6,319	6,134
Capital outlay	17,200	374,753	—	391,953	534,980
Debt service	—	—	533,493	533,493	467,904
Total expenditures	$5,620,366	$ 374,753	$ 533,493	$ 6,528,612	$6,405,021
Revenues (less than) expenditures	$ (710,782)	$(229,129)	$(151,436)	$(1,091,347)	$ (962,614)
Other financing sources (uses):					
Gross amounts from debt issuances	$ —	$ 148,530	$ 413,350	$ 561,880	$ 131,600
Discount	—	—	(12,502)	(12,502)	—
Sales of general capital assets	—	37,504	—	37,504	7,301
Payment to refunded bond escrow agent	—	—	(386,710)	(386,710)	—
Transfers in / (out)	(12,915)	—	12,915	—	—
Total other financing sources (uses)	$ (12,915)	$ 186,034	$ 27,053	$ 200,172	$ 138,901
Net change in fund balances	$ (723,697)	$ (43,095)	$(124,383)	$ (891,175)	$ (823,713)
Fund balances, beginning of period as restated	1,083,982	(88,016)	726,823	1,722,789	2,546,502
Fund balances, end of period	$ 360,285	$(131,111)	$ 602,440	$ 831,614	$1,722,789

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, 2015

(Thousands of dollars)

Total net change in fund balances — governmental funds		$(891,175)
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 capital outlays exceed the depreciation in the period.		
Capital outlay/equipment	$ 320,003	
Depreciation expense	(267,091)	
		52,912
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		(30,466)
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		(549,378)
Payments to refunded escrow agent are reported in the governmental funds as a source of financing, whereas they are recorded as reductions of long term liabilities in the Statement of Net Position		386,710
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position		214,882
Changes in the fair value of investment derivatives that do not provide current financial resources are not reported in the governmental funds, but are reported in the Statement of Activities		45,105
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		(13,074)
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		(285)
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		(1,775)
Grants		(33,470)
In the Statement of Activities, pollution remediation obligation, legal settlements, sick pay, vacation pay, workers' compensation and unemployment insurance, general and automobile liability, net pension liability, and other post-employment benefits 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		51
Legal settlements		(10,800)
Sick pay		15,028
Vacation pay		1,948
Workers' compensation and unemployment insurance		(3,419)
General and automobile liability		(1,994)
Net pension liability		(93,623)
Other post-employment benefits — teacher		(109,193)
Change in net position		$(1,022,016)

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

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL — GENERAL OPERATING FUND
For the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Original Budget	Supplemental Appropriations & Tranfers In/ (Out)	Final Budget	Fiscal Year Actual	Over (Under) Budget
Revenues:					
Property taxes	$2,178,493	$ —	$2,178,493	$2,252,828	$ 74,335
Replacement taxes	132,735	—	132,735	143,867	11,132
State aid	1,507,740	—	1,507,740	1,579,324	71,584
Federal aid	863,628	—	863,628	767,548	(96,080)
Interest and investment earnings	80	—	80	198	118
Other	211,246	—	211,246	165,819	(45,427)
Total revenues	$4,893,922	$ —	$4,893,922	$4,909,584	$ 15,662
Expenditures:					
Salaries —					
Teachers' salaries	$1,986,062	$ (59,155)	$1,926,907	$1,953,938	$ 27,031
Career service salaries	625,489	723	626,212	622,591	(3,621)
Commodities —					
Energy	78,696	(1,983)	76,713	74,516	(2,197)
Food	100,615	2,229	102,844	99,573	(3,271)
Textbooks	39,288	23,953	63,241	55,254	(7,987)
Supplies	41,345	20,921	62,266	50,571	(11,695)
Other	637	(1)	636	474	(162)
Services —					
Professional and special services	320,744	90,565	411,309	395,221	(16,088)
Charter schools	649,777	19,677	669,454	662,553	(6,901)
Transportation	99,513	15,109	114,622	103,891	(10,731)
Tuition	74,748	21,695	96,443	90,901	(5,542)
Telephone and telecommunications	34,722	(6,595)	28,127	28,061	(66)
Other	20,507	7,248	27,755	14,133	(13,622)
Equipment — educational	41,436	25,996	67,432	60,962	(6,470)
Building and sites —					
Repairs and replacements	16,280	11,255	27,535	27,291	(244)
Capital outlay	—	32	32	5	(27)
Fixed charges —					
Teachers' pension	795,135	5,935	801,070	826,304	25,234
Career service pension	101,378	1,736	103,114	102,012	(1,102)
Hospitalization and dental insurance	341,352	19,932	361,284	357,124	(4,160)
Medicare	39,539	(2,745)	36,794	36,557	(237)
Unemployment compensation	9,141	(896)	8,245	8,138	(107)
Workers' compensation	23,225	4,247	27,472	25,926	(1,546)
Rent	13,181	1,507	14,688	13,030	(1,658)
Other	303,431	(201,385)	102,046	11,340	(90,706)
Total expenditures	$5,756,241	$ —	$5,756,241	$5,620,366	$(135,875)
Revenues in excess of (less than) expenditures	$ (862,319)	$ —	$ (862,319)	$ (710,782)	$ 151,537
Other financing uses:					
Transfers (out)	$ —	$ —	$ —	$ (12,915)	$ (12,915)
Total other financing uses	$ —	$ —	$ —	$ (12,915)	$ (12,915)
Net change in fund balances	$ (862,319)	$ —	$ (862,319)	$ (723,697)	$ 138,622
Fund balances, beginning of period as restated	1,083,982	—	1,083,982	1,083,982	—
Fund balances, end of period	$ 221,663	$ —	$ 221,663	$ 360,285	$ 138,622

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, 2015

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 2015, CPS adopted the following GASB Statements:

- GASB 68, *Accounting and Financial Reporting for Pensions.* The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The implementation of this standard resulted in an unfunded pension liability to be recognized on the Statement of Net Position. Based on the implementation of Statement No. 68, CPS' July 1, 2014 net position was restated by $6,230,440 because of the recognition of the net pension liability and deferred outflows of resources. See Note 12 for additional information on Pensions.
- GASB 69, *Government Combinations and Disposals of Government Operations*, which had no impact on current year financial statements. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.
- GASB 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date.* The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. See Note 12 for additional information on Pensions.

- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* which had no impact on current year financial statements. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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

- GASB 72, *Fair Value Measurement and Application.* The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for the fiscal year ended June 30, 2016. Management has not determined what impact, if any, this statement will have on its financial statements.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). 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 is effective for the fiscal year ended June 30, 2018. Management believes this will have a material impact on its financial statements.
- GASB 77, *Tax Abatement Disclosures.* This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for the fiscal year ended June 30, 2017. 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 will be reported in a separate section after assets. Deferred inflows of resources represent acquisition of resources that is applicable to future reporting periods and will be 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.

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 earned and collected within 60 days of fiscal year end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, net pension liability 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.

Governmental Funds

a. General Operating Fund

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

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

b. Capital Projects Fund

The Capital Projects Fund includes the following programs:

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

Capital Improvement Program — This program is for the receipt and expenditure of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission (PBC) Building Revenue Bonds, State of Illinois Construction Grants, Federal E-rate capital subsidies and other revenues for the purpose of building and improving schools as designated by the Board. The bonds are being repaid in the Debt Service Fund.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assets, 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, based on quoted market prices.

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 2014 property taxes were levied for fiscal year 2015 in October 2014 and were billed in fiscal year 2015. In 2015, the installment due dates were March 3 and August 3. Property taxes unpaid after these dates accrue interest at the rate of 1.5% per month. The treasurers of Cook and DuPage counties, who distribute such receipts to 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. Donated capital assets are recorded at estimated fair market value at date of donation. CPS also capitalizes internally developed software with a capitalization threshold of $75,000 or more.

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

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:

Assets	Years
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 are reported net of applicable bond premium or discount. 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 Retirement Fund 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago. 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.

Swaps

CPS enters into interest rate swap agreements to modify interest rates on outstanding debt. CPS reported the swaps according to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.* Please refer to Note 10 for required disclosures. Swaps are reported at fair value and if they meet the definition of a hedge, then a like amount is reported as a deferred item in the Statement of Net Position. If the swaps are not effective, the change in fair value is reported in the Statement of Activities. Swaps are not reported in the fund financial statements. However, transactions are accounted for if there is the receipt or disbursement of cash.

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, 2015.

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 2015, CPS's 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 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.

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 ended June 30, 2014, 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. All annual unencumbered appropriations lapse at fiscal year-end.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Certain funding allocations (primarily Federal and State programs, including Supplementary General State Aid) 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 in fiscal year 2015. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

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

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

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

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

Legal limitations on tax rates and the rates extended in calendar years 2015 and 2014 are shown below.

	Maximum 2015 Legal Limit	Tax Rates Extended Per $100 of EAV 2015	2014
General Operating Fund:			
Educational	(A)	$3.409	$3.519
Workers' and Unemployment Compensation/Tort Immunity	(B)	0.169	0.067
Debt Service Fund:			
Public Building Commission Leases Program	(C)	0.082	0.085
		$3.660	$3.671

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

C. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS to make its lease payments related to the certificates of participation debt obligations.

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:		
General state aid unrestricted	$ 753,395	$ 753,395
Supplementary general state aid	261,000	261,000
Educational services block grant	483,720	477,624
Other restricted state revenue	348,954	343,058
Total state aid	$1,847,069	$1,835,077
Program Revenues:		
Operating grants and contributions		(343,058)
Non-program general state aid		$1,492,019

NOTE 4. CASH DEPOSITS AND INVESTMENTS

Cash and investments held in the name of the 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 the CPS under the Illinois School Code. Custody is not maintained by the Treasurer of the City of Chicago for cash and investments in escrow and the schools' internal accounts. The cash and investments in escrow in the Debt Service Fund represent the amount available for debt service payments on the Unlimited Tax General Obligation Bonds and PBC Leases. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax General Obligation Bonds and other revenues.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Cash

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

The CPS Investment Policy requires collateral with an aggregate market value of not less than 110% of the original acquisition price, including principal and accrued interest, on depository account balances, banker's acceptances and certificates of deposit unless the bank meets certain rating requirements and or asset unless either: 1) the bank has assets exceeding $500.0 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. Repurchase agreement collateral shall not be less than 102%. Collateral for CPS' bank accounts are held by a third-party custodian in the name of the City of Chicago Treasurer for the benefit of the CPS. Collateral shall be only those securities authorized as allowable investments.

As of June 30, 2015, the book amount of CPS' deposit accounts was $138.0 million. The bank balances totaled $767.6 million as of June 30, 2015. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2015. 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. CPS' Investment Policy is derived from this Act. CPS' Investment Policy authorizes CPS to invest in obligations guaranteed by the full faith and credit of the U.S. Government, certificates of deposit constituting direct obligations of banks, commercial paper, money market mutual funds, repurchase agreements that mature within 330 days, certain U.S. Government agency securities, and certain State and municipal securities that are rated at the time of purchase 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 CPS' Investment Policy and meet certain other regulatory requirements.

CPS' Investment Policy contains the following stated objectives:

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

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

At June 30, 2015, CPS had the following investments ($000's) and maturities:

Investment Type	Ratings	Carrying Amount	Maturities Less Than 1 Year	Maturities 1-5 Years
Repurchase Agreements	Aaa/AA+/AAA	$ 73,913	$ 73,913	$ —
U.S. Government Agency Securities	Aaa/AA+/AAA	189,835	76,149	113,686
U.S. Treasury Notes	Aaa/AA+/AAA	57,129	5,178	51,951
Commercial Paper	A1/A1+/P1	152,465	152,465	—
Money Market Mutual Funds	AAAm/Aaa-mf	104,140	104,140	—
Total Investments		$577,482	$411,845	$165,637
Cash and CDs		138,017		
Total Cash and Investments		$715,499		

Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. CPS' Investment Policy limits investment in commercial paper to the top two ratings issued by at least two standard rating services.

Concentration of Credit Risk — Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2015 one issuer, ING US Funding, represented approximately 6.9% of total investments. No other issuer represented over 5%. Investments issued by the U.S. government and government agencies and investments in mutual funds are excluded from the concentration of credit risk.

Custodial Risk — The custodial risk for deposits or investments is the risk that, in the event of the failure of a depository financial institution or the counterparty to a transaction, a government will not be able to recover deposits, the value of investment, or collateral securities that are in the possession of an outside party. CPS' Investment Policy requires depository balances to be supported by collateral with aggregate market value equal to at least 102% of amounts on deposit. The collateral must be permissible under the CPS Investment Policy and held by a third-party custodian in the City of Chicago's name on behalf of CPS. For investments, the City Treasurer's Office (CTO) serves as a custodian for CPS. The CTO obtains custodial services at a bank that does not accept deposits, only investments. All otherwise uninvested balances are swept daily into a money market fund, and therefore no collateral is required.

Interest Rate Risk — Interest rate risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. 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.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

The following table provides a summary of CPS' total cash and investments as of June 30, 2015 ($000's):

Fund:	Amount
General Operating Fund	$155,158
Capital Projects Fund	13,315
Debt Service Fund	547,026
Total Cash and Investments	$715,499

NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2015 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	$1,171,120	$ —	$26,814	$1,197,934	$1,197,934
Replacement taxes	33,183	—	—	33,183	33,183
State aid	589,052	15,770	—	604,822	604,822
Federal aid	112,232	178	3,103	115,513	115,513
Other	11,458	9,419	40,568	61,445	61,445
Total receivables	$1,917,045	$25,367	$70,485	$2,012,897	$2,012,897
Less: Allowance for uncollectibles — property tax	(81,293)	—	(1,861)	(83,154)	(83,154)
Less: Allowance for uncollectibles — state aid	(3,842)	—	—	(3,842)	(3,842)
Less: Allowance for uncollectibles — other	(3,355)	—	—	(3,355)	(3,355)
Total receivables, net	$1,828,555	$25,367	$68,624	$1,922,546	$1,922,546

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. At June 30, 2015, the components of unavailable revenue reported in the fund financial statements are as follows ($000's):

Unavailable property tax revenue	$ 78,214
Other unavailable revenue	493,835
Total deferred inflows of resources	$572,049

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows ($000's):

Government-wide activities:	Beginning Balance	Increases	Decreases and Transfers to In-service	Ending Balance
Capital assets, not being depreciated:				
Land	$ 314,522	$ —	$ (1,084)	$ 313,438
Construction in progress	401,994	207,535	(163,343)	446,186
Total capital assets not being depreciated	$ 716,516	$ 207,535	$(164,427)	$ 759,624
Capital assets being depreciated:				
Buildings and improvements	$ 8,653,244	$ 256,540	$(158,272)	$ 8,751,512
Equipment and administrative software	205,783	18,612	(501)	223,894
Internally developed software	7,700	659	—	8,359
Total capital assets being depreciated	$ 8,866,727	$ 275,811	$(158,773)	$ 8,983,765
Total capital assets	$ 9,583,243	$ 483,346	$(323,200)	$ 9,743,389
Less accumulated depreciation for:				
Buildings and improvements	$(3,322,932)	$(250,010)	$ 128,890	$(3,444,052)
Equipment and administrative software	(79,180)	(16,127)	501	(94,806)
Internally developed software	(5,950)	(954)	—	(6,904)
Total accumulated depreciation	$(3,408,062)	$(267,091)	$ 129,391	$(3,545,762)
Capital assets, net of depreciation	$ 6,175,181	$ 216,255	$(193,809)	$ 6,197,627

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

Governmental activities:	
Instruction	$177,967
Pupil support services	25,145
Administrative support services	12,950
Facilities support services	19,479
Instructional support services	20,769
Food services	10,781
Total depreciation expense	$267,091

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.

NOTE 6. CAPITAL ASSETS (continued)

Construction Commitments

CPS had active construction projects as of June 30, 2015. These projects include new construction and renovations of schools. At year-end, CPS had approximately $62.1 million in outstanding construction commitments.

NOTE 7. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

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

General Operating Fund:	
Due from Capital Improvement Program	$ 146,549
Due to Capital Asset Program	(25,978)
Due to Bond Redemption and Interest Program	(5)
Total — Net due from (to) other funds	$ 120,566
Capital Projects Fund:	
Capital Assets Program — Due from General Operating Fund	$ 25,978
Capital Improvement Program — Due to General Operating Fund	(146,549)
Total — Net due from (to) other funds	$(120,571)
Debt Service Fund:	
Bond Redemption and Interest Program — Due from General Operating Fund	$ 5

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 Improvement Program to the General Operating Fund is expected to be repaid through a future bond issuance.

Transfers

In fiscal year 2015, CPS transferred from the General Operating Fund $12.9 million to the Debt Service Fund.

NOTE 8. LONG-TERM DEBT

2014 Tax Anticipation Notes

CPS closed on three series of 2014 tax anticipation notes during fiscal year 2015 for working capital purposes. The financings provided liquidity support within the fiscal year. The total capacity on the notes is $700.0 million.

On December 19, 2014, CPS issued $250.0 million (Series 2014A TANs) and $250.0 million (Series 2014B TANs) in Educational Purposes Tax Anticipation Notes in direct placements with PNC Bank NA and BMO Harris Bank, NA, respectively. On June 26, 2015, CPS issued $200.0 million (Series 2014C TANs) in Educational Purposes Tax Anticipation Notes in a direct placement with JP Morgan.

NOTE 8. LONG-TERM DEBT (continued)

Each of the TANs are backed by CPS' 2014 Education Property Tax Levy collected in two installments in 2015. The levy disbursements are intercepted by a trustee and used to repay each issue. When balances of the issues are fully repaid, all remaining levy monies are disbursed to CPS. The Series 2014A&B TANs are structured as revolving facilities that can be drawn and repaid until the earlier of 60 days after the second installment due date of tax year 2014 property taxes or December 18, 2015.

The Series 2014C TANs are structured as a single maturity issued at closing and they do not revolve. They mature on September 30, 2015 and they are subject to redemption by CPS in whole or in part at any time prior to maturity at the option of CPS on or after July 20, 2015.

Short-term debt activity for the year ended June 30, 2015 was as follows ($000's):

	Balance June 30, 2014	Draws	Repayments	Balance June 30, 2015
Tax anticipation notes	$ —	$1,804,430	$(1,104,430)	$700,000

General Obligation Bonds

Unlimited Tax General Obligation Line of Credit Bonds Series 2013BC

As of June 30, 2014, CPS had a total of $131.6 million outstanding on its Series 2013B and Series 2013C lines of credit. The purpose of these lines of credit is to reduce interest expense by delaying the issuance of long-term debt to finance capital expenditures. Accordingly, CPS first pays capital expenditures out of operating funds, then reimburses the operating fund from the lines of credit on an as-needed basis to meet liquidity needs. During fiscal year 2015 additional draws on the lines were made by CPS, and in April 2015, CPS refinanced the remaining amount owed of $208.6 million on the lines of credit through the issuance of Series 2015CE bonds. CPS terminated the lines of credit in May 2015. Activity for the year ended June 30, 2015 was as follows ($000's):

	Balance June 30, 2014	Draws	Repayments	Balance June 30, 2015
2013BC lines of credit	$131,600	$83,780	$(215,380)	$ —

Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue) Series 2015AG

In March 2015, CPS issued $178.1 million Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue) as variable-rate, Series 2015A and 2015G. The proceeds of the Series 2015A Bonds were used to refund outstanding Series 2000B Bonds and the proceeds of the Series 2015G Bonds were used to refund outstanding Series 2011D Bonds.

Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2015C and 2015E Project Bonds

In April 2015, CPS issued $300.0 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) as fixed-rate, Series 2015C and 2015E. The proceeds of the Bonds were used to reimburse CPS for expenditures that were part of CPS' Capital Improvement Program (including green projects in the case of Series 2015E), repay the Series 2013BC lines of credit that had previously reimbursed CPS for capital expenditures, fund capitalized interest on the Bonds, and pay the cost of issuance of the Bonds and the Series 2015AG bonds.

NOTE 8. LONG-TERM DEBT (continued)

The following is a summary of the changes in bonds outstanding ($000's):

Series	Orginal Amount Issued	Debt Purpose	Interest Rate	Final Maturity	Principal Outstanding June 30, 2014	Accreted Interest
2015G	$ 88,900	Refunding	Variable	3/1/2032	$ —	$ —
2015E	20,000	Capital Improvement	5.13%	12/1/2032	—	—
2015C	280,000	Capital Improvement	5.25%	12/1/2039	—	—
2015A	89,200	Refunding	Variable	3/1/2032	—	—
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	114,920	—
2012B	109,825	Refunding	5.00%	12/1/2034	109,825	—
2012A	468,915	Capital Improvement	5.00%	12/1/2042	468,915	—
2011D	95,000	Refunding	Variable	3/1/2032	91,200	—
2011C-2	44,100	Refunding	Variable	3/1/2032	44,100	—
2011C-1	51,000	Refunding	Variable	3/1/2032	49,200	—
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	64,575	—
2010F	183,750	Refunding	5.00%	12/1/2031	183,750	—
2010D	125,000	Capital Improvement	6.52%	3/1/2036	125,000	—
2010C	257,125	Capital Improvement	6.32%	11/1/2029	257,125	—
2009G	254,240	Capital Improvement	1.75%	12/15/2025	254,240	—
2009F	29,125	Capital Improvement	2.50% to 5.00%	12/1/2016	12,325	—
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	52,465	—
2008C	464,655	Refunding	4.25% to 5.00%	12/1/2032	464,655	—
2008B	240,975	Refunding	Variable	3/1/2034	200,775	—
2008A	262,785	Refunding	Variable	12/1/2030	262,785	—
2007D	238,720	Capital Improvement	4.00% to 5.00%	12/1/2029	187,375	—
2007C	6,870	Refunding	4.00% to 4.375%	12/1/2021	4,915	—
2007B	197,765	Refunding	5.00%	12/1/2024	197,765	—
2006B	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	305,875	—
2006A	6,853	Capital Improvement	0.00%	6/1/2021	6,853	—
2005B	52,595	Refunding	5.00% to 5.50%	12/1/2021	38,030	—
2005A	193,585	Refunding	5.00% to 5.50%	12/1/2031	187,490	—
2004G	56,000	Capital Improvement	4.00% to 6.00%	12/1/2022	11,195	—
2004A	205,410	Refunding	4.00% to 5.00%	12/1/2020	186,580	—
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	34,820	—
2001B	9,440	Capital Improvement	0.00%	10/23/2015	9,440	—
2000B,C,D	303,000	Capital Improvement	Variable	3/1/2032	91,400	—
1999A	532,553	Capital Improvement/ Refunding	4.30% to 5.30%	12/1/2031	436,839	247,987
1998B-1	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	266,259	328,579
1997A	499,995	Capital Improvement	5.30% to 5.55%	12/1/2030	17,245	25,136
Total Bonds					$5,944,516	$601,702
Less Current Portion						
For Net Premium/ (Discount)						
Total Long-term Debt, net of Current Portion and Premium/Discount						

NOTE 8. LONG-TERM DEBT (continued)

Principal and Accreted Interest June 30, 2014	Issuances	Retirements	Principal Outstanding June 30, 2015	Accreted Interest	Principal and Accreted Interest June 30, 2015
$ —	$ 88,900	$ —	$ 88,900	$ —	$ 88,900
—	20,000	—	20,000	—	20,000
—	280,000	—	280,000	—	280,000
—	89,200	—	89,200	—	89,200
157,055	—	—	157,055	—	157,055
124,320	—	—	124,320	—	124,320
114,920	—	(7,990)	106,930	—	106,930
109,825	—	—	109,825	—	109,825
468,915	—	—	468,915	—	468,915
91,200	—	(91,200)	—	—	—
44,100	—	—	44,100	—	44,100
49,200	—	(2,000)	47,200	—	47,200
402,410	—	—	402,410	—	402,410
64,575	—	(25,985)	38,590	—	38,590
183,750	—	(7,120)	176,630	—	176,630
125,000	—	—	125,000	—	125,000
257,125	—	—	257,125	—	257,125
254,240	—	—	254,240	—	254,240
12,325	—	—	12,325	—	12,325
518,210	—	—	518,210	—	518,210
52,465	—	—	52,465	—	52,465
464,655	—	—	464,655	—	464,655
200,775	—	—	200,775	—	200,775
262,785	—	—	262,785	—	262,785
187,375	—	—	187,375	—	187,375
4,915	—	(375)	4,540	—	4,540
197,765	—	—	197,765	—	197,765
305,875	—	—	305,875	—	305,875
6,853	—	—	6,853	—	6,853
38,030	—	(15,295)	22,735	—	22,735
187,490	—	(6,405)	181,085	—	181,085
11,195	—	(11,195)	—	—	—
186,580	—	(54,845)	131,735	—	131,735
4,585	—	—	4,585	—	4,585
34,820	—	(3,150)	31,670	—	31,670
9,440	—	—	9,440	—	9,440
91,400	—	(91,400)	—	—	—
684,826	—	(17,279)	419,560	253,196	672,756
594,838	—	(9,215)	257,044	348,094	605,138
42,381	—	(6,113)	11,132	17,881	29,013
$6,546,218	$478,100	$(349,567)	$6,073,049	$619,171	$6,692,220
(161,955)					(158,490)
115,684					93,117
$6,499,947					$6,626,847

FINANCIAL SECTION

NOTE 8. LONG-TERM DEBT (continued)

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

Bonds	$(118,511)
Accreted Interest	(39,979)
Subtotal	$(158,490)
Lease Obligations	(38,865)
Total Current Portion	$(197,355)

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, General State Aid, and other state funding to the extent possible, and then from a separate tax levy associated with the bonds.

Defeased Debt

Defeased bonds have been removed from the Statement of Net 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, 2015 are as follows ($000's):

Description	Amount Defeased	Amount Outstanding
Unlimited Tax General Obligation Bonds Series 2005C	$53,750	$33,200

Future debt and associated swap payments (see Note 10). Interest rates on fixed rate bonds range from 1.75% to 6.52%, except that CPS does not pay or accrue interest on the Series 2006A, Series 2003C Bonds, or the Series 2001B 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. Interest rates on unhedged variable rate bonds assume the average monthly variable rate for June 2015, and remain the same for the life of the bonds.

FINANCIAL SECTION

NOTE 8. LONG-TERM DEBT (continued)

Debt service requirements for the Unlimited Tax General Obligation Bonds and net swap payments are scheduled as follows ($000's):

	Fixed Rate Bonds		Variable Rate Bonds			
Fiscal Year(s)	Principal	Interest	Principal	Estimated Interest*	Interest Rate Swaps, Net**	Total***
2016	$ 100,406	$ 268,038	$ 18,105	$ 12,817	$8,596	$ 407,962
2017	131,208	264,479	24,260	15,520	—	435,467
2018	146,572	250,316	24,975	15,143	—	437,006
2019	149,030	245,178	28,555	14,730	—	437,493
2020	159,381	253,815	30,870	14,232	—	458,298
2021	182,995	263,222	32,505	13,685	—	492,407
2022	167,753	257,692	34,105	13,106	—	472,656
2023	174,878	251,983	35,590	12,495	—	474,946
2024	171,687	242,184	45,310	11,834	—	471,015
2025	177,918	235,686	47,565	11,087	—	472,256
2026	414,523	227,019	88,250	10,151	—	739,943
2027	166,215	218,302	92,700	8,942	—	486,159
2028	170,865	211,543	97,380	7,654	—	487,442
2029	125,397	258,715	102,270	6,298	—	492,680
2030	383,822	247,316	107,410	4,874	—	743,422
2031	157,304	234,924	112,820	3,334	—	508,382
2032	171,850	272,364	64,065	2,007	—	510,286
2033	99,735	93,473	42,185	1,097	—	236,490
2034	105,370	87,931	43,955	719	—	237,975
2035	126,725	81,751	30,375	359	—	239,210
2036	147,195	74,660	18,015	122	—	239,992
2037	162,740	66,574	—	—	—	229,314
2038	189,600	56,974	—	—	—	246,574
2039	200,140	46,141	—	—	—	246,281
2040	211,270	34,773	—	—	—	246,043
2041	176,070	24,076	—	—	—	200,146
2042	185,860	14,473	—	—	—	200,333
2043 +	195,275	4,882	—	—	—	200,157
Total	$4,951,784	$4,788,484	$1,121,265	$180,206	$8,596	$11,050,335

* Interest on variable rate demand notes assumes current interest rates remain the same as of June 30, 2015, calculated at:

Series 2008A — 0.93400% x outstanding principal
Series 2008B — 0.93400% x outstanding principal
Series 2011C-1 — 1.02000% x outstanding principal
Series 2011C-2 — 1.17000% x outstanding principal
Series 2013A-1 — 0.70810% x oustanding principal
Series 2013A-2 — 0.82000% x oustanding princpal

NOTE 8. LONG-TERM DEBT (continued)

Series 2013A-3 — 0.90000% x oustanding principal
Series 2015A — 4.07000% x outstanding principal
Series 2015G — 4.07000% x outstanding principal

** Swap interest assumes current LIBOR and SIFMA rates remain the same as of June 30, 2015, calculated at:

Series 2008A — Swaps terminated in FY 2015, see Note 10
Series 2008B — (3.771%-0.13055%) x swap principal (Swap terminated during FY 2016. See Note 10 and Subsequent Events)
Series 2013A-1 — (3.6617%-0.13076%) x swap principal (Swap terminated during FY 2016. See Note 10 and Subsequent Events)
Series 2013A-2 — (3.825%-0.13076%) x swap princpal (Swap terminated during FY 2016. See Note 10 and Subsequent Events)
Series 2013A-3 — (3.6617%-0.13076%) x swap principal (Swap terminated during FY 2016. See Note 10 and Subsequent Events)
Series 2011D — Swaps transferred to Series 2015G and subsequently terminated in FY 2015, see Note 10

*** Does not include debt backed by leases with the Public Building Commission, discussed in Note 9.
+ Final debt service payment on existing Tax General Obligation Bonds due in FY 2043.

Floating Rate Note Securities

In December 2011, CPS issued $51.0 million (Series 2011C-1) and $44.1 million (Series 2011C-2) variable rate bonds with JP Morgan Chase Bank acting as placement agent. The bonds refunded the former Series 2000D. The interest rate for each series was placed in an initial index floating rate whereby it is reset monthly. For Series 2011C-1, the initial index floating rate is equal to the SIFMA Index plus 95 basis points. For Series 2011C-2, the initial index floating rate is equal to the SIFMA Index plus 110 basis points. The initial index floating rate on the 2011C-1 bonds expires on February 29, 2016, and the initial index floating rate on the 2011C-2 bonds expires on February 28, 2017. Beginning six months prior to the end of each initial index floating rate period, CPS has a call option to refinance or convert each series of bonds to a different interest mode. Any series of bonds that is not successfully converted or refinanced at the time of the initial index floating rate mode expiration will begin to bear interest at the Statutory Maximum Rate (9%) under Illinois law, but the scheduled final maturity of the bonds will not change.

In May 2013, CPS issued $122.6 million (Series 2013A-1), $124.3 million (Series 2013A-2), and $157.1 million (Series 2013A-3) variable rate bonds. The bonds refunded the former Series 2009A, 2009B, 2010A, and 2010B. The interest rate for each series was placed in an initial index floating rate whereby it is reset either weekly or monthly. For Series 2013A-1, the initial index floating rate is equal to 70% of One Month Libor plus 58 basis points. For Series 2013A-2, the initial index floating rate is reset weekly and equal to the SIFMA Index plus 75 basis points. For Series 2013A-3, the initial index floating rate is reset weekly and equal to the SIFMA Index plus 83 basis points. The initial index floating rate on the 2013A-1 bonds expires on June 1, 2016, the initial index floating rate on the 2013A-2 bonds expires on June 1, 2017, and the initial index floating rate on the 2013A-3 bonds expires on June 1, 2018. Beginning six months prior to the end of each initial index floating rate period, CPS has a call option to refinance or convert each series of bonds to a different interest mode. Any series of bonds that is not successfully converted or refinanced at the time of the initial index floating rate expiration will begin to bear interest at the Statutory Maximum Rate under Illinois law, but the scheduled final maturity of the bonds will not change.

NOTE 8. LONG-TERM DEBT (continued)

In March 2015, CPS issued $89.2 million (Series 2015A) and 89.9 million (2015G) variable rate bonds. The bonds refunded the former Series 2000B and 2011D. The interest rate for each series was placed in an initial index floating rate whereby it is reset either weekly or monthly. For 2015A the initial index floating rate is reset weekly and equal to SIFMA Index plus 400 basis points. For 2015G the initial index floating rate reset is weekly and equal to SIFMA Index plus 400 basis points. The initial index floating rate on the 2015A and 2015G bonds expires on March 1, 2017. Beginning six months prior to the end of each initial index floating rate period, CPS has a call option to refinance or convert each series of bonds to a different interest mode. Any series of bonds that is not successfully converted or refinanced at the time of the initial index floating rate expiration will begin to bear interest at the Statutory Maximum Rate under Illinois law, but the scheduled final maturity of the bonds will not change.

Direct Placements

In May 2008, CPS 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. The bonds are subject to optional redemption prior to their Maturity Date at the option of CPS, in whole or in part [and, if in part, in an Authorized Denomination ($100,000 and any integral multiple of $5,000 in excess thereof)] on any LIBOR Interest Payment Date (monthly), at a redemption price equal to 100 percent of the principal amount thereof and accrued interest, if any, to the redemption date.

Accreted Interest

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

Series	Accreted Interest June 30, 2014	Increase	Payment	Accreted Interest June 30, 2015
1997A	$ 25,136	$ 1,877	$ (9,132)	$ 17,881
1998B-1	328,579	30,700	(11,185)	348,094
1999A	247,987	23,075	(17,866)	253,196
	$601,702	$55,652	$(38,183)	$619,171

NOTE 9. LEASE OBLIGATIONS

Capitalized Leases

Annual rental payments are made pursuant to lease agreements with the Public Building Commission (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 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, 2015 amounted to $0.5 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

NOTE 9. LEASE OBLIGATIONS (continued)

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.

Future PBC lease rentals and other capitalized leases due at June 30, 2015, are as follows ($000's):

Fiscal Year(s)	PBC Lease Rentals	Other	Total
2016	$ 51,997	$ 424	$ 52,421
2017	52,020	424	52,444
2018	52,069	424	52,493
2019	52,099	424	52,523
2020	30,635	424	31,059
2021	—	647	647
Total Rentals	$238,820	$ 2,767	$241,587
Less — Interest and other costs	(42,350)	(1,367)	(43,717)
Principal amount of rental due	$196,470	$ 1,400	$197,870

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

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
PBC Leases	$232,940	$ —	$(36,470)	$196,470
Other Capitalized Leases	1,575	—	(175)	1,400
Total Lease Obligations	$234,515	$ —	$(36,645)	$197,870
Less: Current Portion PBC Leases				(38,690)
Current Portion Other Capitalized Leases				(175)
Total Long-Term Leases Outstanding				$159,005

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.

In fiscal year 2015 CPS relocated the headquarters office to 42 West Madison Street. CPS leased a portion of the building for fifteen years from November 2014 through November 2029.

Total expenditures for operating leases for the fiscal year ending June 30, 2015 were $17.9 million. The following is a summary of operating lease commitments as of June 30, 2015 (000's):

Fiscal Year(s)	Non-Real Property Leases	Real Property Leases	Total
2016	$ 3,838	$ 15,011	$ 18,849
2017	2,625	13,678	16,303
2018	1,554	13,590	15,144
2019	193	13,872	14,065
2020	1	13,530	13,531
2021-2025	—	65,818	65,818
2026-2030	—	28,519	28,519
Total Operating Lease Commitments	$ 8,211	$164,018	$172,229

NOTE 10. DERIVATIVE INSTRUMENTS

Interest Rate Derivatives

Interest rate derivatives (swaps) are financing structures which exchange interest payments and are used as risk management or investment tools. GASB Statement 53, Accounting and Financial Reporting for Derivative Instruments, addresses the recognition, measurement and disclosure of derivative instruments entered into by state and local governments. The statement divides all derivatives into two types: 1) “hedging derivative instruments”, which are used to manage risk, and 2) “investment derivative instruments”, which are used for any other purpose or do not meet the requirements of an effective hedging derivative instrument. GASB Statement 53 requires governments to measure derivative instruments at fair market value in their financial statements. Derivative instruments can expose governments to risks and liabilities, one of which is changes in fair market value of the derivative instruments.

Breakdown of Outstanding Derivatives

In March 2015, in connection with the refunding of the Series 2011D Bonds, CPS transferred the Series 2011D swap to the Series 2015G refunding bonds. The counterparty Royal Bank of Canada remained.

In May and June 2015, CPS terminated four outstanding swaps and transferred and modified certain thresholds with respect to Additional Termination Events (ATE) on four additional swaps.

The four terminated swaps were (1) Series 2005A basis swap with Merrill Lynch for a total termination payment of $0.3 million, (2) Series 2008A swap with Bank of America for a total termination payment of $40.6 million, (3) Series 2008A swap with Royal Bank of Canada for a total termination payment of $53.3 million, and (4) Series 2015G swap with Royal Bank of Canada for a total termination payment of $16.1 million.

CPS transferred all three swaps with Loop Financial Products I LLC to Deutsche Bank AG. At the same time, the ATE rating threshold on these swaps for any two of Fitch, S&P and Moody’s was reduced to withdrawn or below “BBB-” in the case of Fitch, “BBB” in the case of S&P, and “Baa3” in the case of Moody’s. In addition, the ATE Rating threshold on one remaining swap with Royal Bank of Canada related to the Series 2013A-2 Bonds ($124.3 million notional amount) for any two ratings of Fitch, S&P and Moody’s was reduced to withdrawn or below “BB” in the case of Fitch, “BB” in the case of S&P and “Ba2” in the case of Moody’s.

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

CPS has six interest rate swaps as of June 30, 2015. There are five pay-fixed, receive-variable interest rate swaps, known as “synthetic fixed”, and there is one swap that exchanges two variable interest rate indices, known as a “basis swap”. The following table summarizes the interest rate swaps outstanding as of the end of the period:

Type	Current Notional Amount ($000's)	Current Series	Trade Date	Effective Date	End Date	Terms	Fair Values ($000's)	Counterparty (Rating M/SP/F)
Effective Hedges:								
Synthetic Fixed	90,000	2008B	12/08/03	12/12/03	03/01/34	Pay 3.771% Receive 70% of 1ML	(18,363)	Goldman Sachs Capital Markets, L.P. (A3/A-/A)
Synthetic Fixed	95,350	2008B	12/08/03	12/12/03	03/01/34	Pay 3.771% Receive 70% of 1ML	(19,455)	Goldman Sachs Bank USA (A3/A-/A)
Synthetic Fixed	106,930	2013A-1	11/30/05	12/08/05	03/01/26	Pay 3.6617% Receive 70% of 1ML	(13,359)	Deutsche Bank AG (A3/BBB+/A)
Synthetic Fixed	124,320	2013A-2	02/13/07	03/01/07	03/01/35	Pay 3.825% Receive 70% of 1ML	(30,670)	Royal Bank of Canada (Aa3/AA-/AA)
Synthetic Fixed	157,055	2013A-3	11/30/05	12/08/05	03/01/36	Pay 3.6617% Receive 70% of 1ML	(37,932)	Deutsche Bank AG (A3/BBB+/A)

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

Type	Current Notional Amount ($000's)	Current Series ($000's)	Trade Date	Effective Date	End Date	Terms	Fair Value ($000's)	Counterparty (Rating M/SP/F)
Investment Derivatives:								
Basis Swap	108,651	2005A	10/05/05	11/01/05	12/01/31	Pay SIFMA Receive 70% 1ML + 0.524%	2,561	Deutsche Bank AG (A3/BBB+/A)
TOTAL							$(117,218)	

Amounts Presented in the Statement of Net Position:

Assets:	
Derivative instrument	$ 1,353
Liabilities:	
Derivative instrument liability	(37,818)
Swap implicit borrowing	(80,753)
Total interest rate swaps	$(117,218)

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Fair Value

The following table summarizes changes in fair value for fiscal year 2015 ($000's):

	Current Notional Amount	Fair Value at June 30, 2014	Change in Fair Value*	Fair Value at June 30, 2015
Effective Hedges:				
Synthetic fixed swaps	$573,655	(215,126)	$95,347	$(119,779)
Investment Derivatives:				
Basis Swaps	108,651	87	2,474	2,561
TOTAL	$682,306	$(215,039)	$97,821	$(117,218)

* Includes termination payments of $110 million made in fiscal year 2015.

Credit Risk

As of June 30, 2015, CPS' hedging derivatives are all net liabilities. CPS has interest rate swaps with three different counterparties. CPS monitors counterparty credit risk on an ongoing basis. The associated credit risk for the hedging derivatives is not considered material. All of CPS' interest rate swap counterparties are currently rated A or higher by Fitch, BBB+ or higher by S&P, and A3 or higher by Moody's. CPS manages credit risk by requiring its counterparties to post collateral in certain events. CPS is entitled to collateral from its counterparties if a net position with a counterparty is an asset of $25 million or more and the counterparty is rated below AA by Fitch and/or S&P, or Aa3 by Moody's. CPS is currently only required to post collateral under the terms of the revised swap agreement with Royal Bank of Canada equal to 50% of their exposure should the CPS credit rating be withdrawn or reduced by any two of Fitch, S&P and Moody's to or below "BB" in the case of Fitch, "BB" in the case of S&P and "Ba2" in the case of Moody's. As of the date of this report CPS had no collateral posted.

Interest Rate Risk

All hedging derivatives are pay-fixed, receive-variable, cash flow hedges hedging a portion of CPS' variable rate debt.

Basis Risk

CPS is exposed to basis risk to the degree that variable payments on the hedged item are not offset by the variable receipts from the hedging derivative. All of CPS' hedged variable rate bonds, the Series 2008B, and 2013A-1, A-2, A-3 are index variable rate bonds. There is little basis risk on the hedged portion of the 2008B, or 2013A-1 indexed bonds because the hedged variable payments are based on the same index, 1-Month LIBOR, as the variable receipts from the hedging derivative. In the hedged portion of the Series 2005A, 2013A-2 and A-3, CPS is exposed to basis risk because the variable rate receipts from the hedging derivatives are based on a rate or index other than the interest rates CPS pays on the bonds.

Termination Risk

CPS or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, CPS' swap counterparties have the right to terminate a derivative if the credit rating of CPS' unenhanced, unlimited tax general obligation bonds is withdrawn or reduced to a certain level. Under the terms of the Goldman Sachs swap agreements, the CPS credit rating by both, Moody's, and S&P must be withdrawn or reduced below BBB in the case of S&P, and

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Baa2 in the case of Moody's. Under the terms of the Royal Bank of Canada swap agreement, the CPS credit rating must be withdrawn or reduced by any two of Fitch, S&P and Moody's below "BB" in the case of Fitch, "BB" in the case of S&P and "Ba2" in the case of Moody's. Under the terms of the Deutsche Bank swap agreements, the CPS credit rating by any two of Fitch, S&P and Moody's must be withdrawn or reduced below "BBB-" in the case of Fitch, "BBB-" in the case of S&P and "Baa3" in the case of Moody's.

If such an event occurs, CPS could be forced to terminate a derivative in a liability position. As of June 30, 2015, CPS' unenhanced, unlimited tax general obligation bonds are rated "BBB-" by Fitch, "A-" by S&P, and "Ba3" by Moody's.

Rollover Risk

Rollover risk is the risk that a hedging derivative instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. As of June 30, 2015, rollover risk is not considered material.

Foreign Currency Risk

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

NOTE 11. OTHER BENEFITS AND CLAIMS

Sick 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 cash compensation, all or a portion of their accumulated sick leave days. CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year.

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.

NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

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

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

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of $250.0 million and Boiler and Machinery Insurance with limits of $100.0 million with the following deductibles:

Data processing equipment and media (property)	$ 25,000
Mechanical breakdown	$ 50,000
All other losses (property)	$1,000,000

CPS maintains commercial excess liability insurance with limits of $50.0 million in excess of a $5.0 million self-insured retention per loss for claims arising from general, automobile, school board legal, employment practices, and miscellaneous professional liability; additional coverage includes special events, crime, fiduciary, special crime, pollution, and catastrophic student accident insurance (under Public Act 98-0166, also known as "Rocky's Law"). During fiscal years 2015, 2014, and 2013 there were no casualty claims made in excess of the self-insured retention.

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

CPS' estimate of liabilities for workers' compensation claims, general and automobile claims are actuarially determined based on 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 $37.3 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, 2014	Increase/ (Decrease)	Payments	Balance June 30, 2015
Accrued sick pay benefits	$357,321	$10,605	$(25,633)	$342,293
Accrued vacation pay benefits	60,992	5,299	(7,247)	59,044
Accrued workers' compensation claims	129,280	28,424	(25,005)	132,699
Accrued general and automobile claims	6,218	2,927	(933)	8,212
Tort liabilities and other claims	10,778	10,800	—	21,578
Total	$564,589	$58,055	$(58,818)	$563,826
Less: Current portion of accrued sick pay benefits				(43,092)
Less: Current portion of accrued vacation pay benefits				(11,068)
Less: Current portion of accrued workers' compensation claims				(25,180)
Less: Current portion of accrued general and automobile claims				(3,225)
Total long-term other benefits and claims				$481,261

NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

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

Balance July 1, 2013	Additions	Payments	Balance July 1, 2014	Additions	Payments	Balance June 30, 2015
$120,076	$41,062	$(25,640)	$135,498	$31,351	$(25,938)	$140,911

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A liability of $52.7 million has been recorded for health insurance costs and is reported as part of accrued payroll and benefits in the General Operating Fund, which includes $26.4 million for estimated medical claims incurred but not reported as of June 30, 2015. The following is the activity related to medical claims for which CPS is self-insured ($000's):

Balance July 1, 2013	Additions	Payments	Balance July 1, 2014	Additions	Payments	Balance June 30, 2015
$49,956	$383,721	$(385,516)	$48,161	$391,441	$(388,898)	$52,704

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated)

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 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 the CPS is the major contributor. Copies of the Pension Fund Annual Report are available by contacting the Public School Teachers' Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois, 60601.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

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, 2014, CTPF Annual report, there were 30,654 active participants in the Pension Fund, substantially all of whom were employees of CPS.

Benefits Provided: A member of the Pension Fund who became a participant prior to January 1, 2011 with at least 20 years of service is entitled to a pension upon attainment of age 55. A member with at least 5 but less than 20 years of service is entitled to a pension upon attainment of age 62. The pension benefit is based upon years of service and salary level.

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 $1.5 per month, whichever is greater.

Pension legislation (Public Act 96-0889) created a second tier of benefits for teachers who first become participants under the fund on or after January 1, 2011. Under this act, a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 0.5% for each month that his or her age is under 67. In addition, the annual final average salary may not exceed the social security wage base of $110.6 for 2014 and shall be increased by the lesser of 3% or 0.5% change in the Consumer Price Index-U during the preceding 12-month 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 2015, total employee contributions were $168,129, as in previous fiscal years, CPS paid a portion (7% or $129,651) of the required employees' contribution, which has been recorded as a deferred outflow of resources in the accompanying financial statements. A portion of grant funds from the Federal government and General Operating Fund revenues provides the funding of the 7% portion. The remaining portion (2%) is withheld from teachers' salaries.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

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, 2015, total contributions to the plan were $696,522. Of this amount, $20,804 were Charter School contributions and $62,145 were Contributions from the State of Illinois. CPS' employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows:

Retirement benefit contributions:	
A contribution to increase funded ratio to 90%	$593,129
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded programs	20,444
Charter school contributions	20,804
CPS contributions on-behalf of employees	129,651
Sub-total employer contributions	764,028
Contributions from the State of Illinois	62,145
Total CTPF contributions	$826,173

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is $9.501 billion or 100%. CPS recorded 100% of the plan's liability as part of implementing GASB 68. 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, 2014, 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 2015 fiscal year was $919,796.

Employer Deferral of Fiscal Year 2015 Pension Contributions: CPS paid $764,028 in contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date as of June 30, 2014. These contributions will be reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2015. As June 30, 2015, CPS reported deferred outflows of resources and deferred inflows of resources related to CTPF from the following sources:

	Deferred inflow of resources	Deferred outflow of resources
Difference between expected and actual experience	$ 12,152	$ —
Net difference between projected and actual investment earnings on pension plan investments	765,115	—
Contributions after the measurement date	—	$764,028
Totals	$777,267	$764,028

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

The $764,028 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30:	Deferred Inflow of Resources
2016	$193,304
2017	193,304
2018	193,304
2019	193,304
2020	2,025
Thereafter	2,026
Total	$777,267

Assumptions and Other Inputs

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2007 – June 30, 2012 and an economic study completed June 2014. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.25% to 15.75%, varying by age
Inflation	2.75%
Cost-of-living adjustments	3% compound for Tier 1 members; the lesser of 3% or one-half of CPI, simple, for Tier 2 members

The RP-2000 Combined Healthy Mortality Table, set back 2 years with generational improvement from 2004 using Scale AA. The RP-2000 Disabled Mortality Table, set back 3 years. The mortality tables specified above without future generational improvement reasonably reflect the projected mortality experience of the Fund as of the measurement date. The healthy mortality table was then adjusted to future years using additional generational improvement using Scale AA to anticipate future mortality improvement.

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

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

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). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2014, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	62.5%	7.70%
Fixed Income	19.5%	3.10%
Real Estate	9.0%	6.20%
Private Equity	3.0%	8.70%
Hedge Funds	2.0%	5.10%
Commodities	2.0%	2.80%
Cash Equivalents	2.0%	2.00%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made as specified by Public Act 96-0889. 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 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 7.75%, 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:

1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
$12,136,287	$9,501,206	$7,312,538

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"). The Annuity Fund is considered a cost-sharing multiple employer defined benefit plan. As of December 31, 2014, CPS employed approximately 16,732 of the 30,160 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.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

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 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 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 1/2 percent for each full month the employee is under age 65. Final average salary is calculated using salary from the eight highest consecutive years within the last 10 years of service prior to retirement.

The highest salary for annuity purposes may not exceed the base of $110.6 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) ½ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. The annual salary rate limitations for FY2014 and FY2015 were $110.6 and $111.6, 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.

Both Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute a percentage of their salary (9.0%). The pensionable salary for Tier 1 members has no limitation while Tier 2 employees' pensionable salary may not exceed the social security wage base of $106.8 adjusted by inflation. In fiscal year 2015, as in previous fiscal years, CPS agreed to pay a portion (7% — $38.6 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 $102.0 million, $38.6 million of this amount represents the required employees' contribution paid by CPS on behalf of its employees; $58.2 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining $5.2 million is funded under Federally-funded programs. The portion funded by the City of Chicago and Federal Government is also reflected as revenue in the General Operating Fund. In fiscal year 2016, CPS proportionate share of contributions on behalf of employees decreased from 7% to 5%.

Employer Proportionate Share of Net Pension Liability: At December 31, 2014, the MEABF reported a net pension liability (NPL) of $7,127,608. 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 the CPS is $2,779,767 or 38.9%. The net pension liability was measured as of December 31, 2014. The basis of allocation used in the proportionate share of net pension liability are the actual reported contributions of the covered members during fiscal year 2015.

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

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

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 2015. As a result, CPS recognized on-behalf revenue and on-behalf pension expense of $58,258 for fiscal year 2015.

Employer Deferral of Fiscal Year 2015 Pension Contributions: CPS paid $5.2 million in federal, trust or grant contributions for the fiscal year ended June 30, 2015. Some contributions were made subsequent to the pension liability measurement date of December 31, 2014. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2015. Total pension expense for fiscal year 2015 was $102.0 million.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 – December 31, 2009. They are the same as the assumptions used in the December 31, 2013 actuarial valuation. The total pension liability in the December 31, 2014 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, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open
Remaining amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.00%
Inflation	3.00%

The RP-2000 Combined Healthy Mortality Table, with mortality improvements projected statically to 2010 using Scale AA (adopted December 31, 2010). The mortality rates for pre-retirement are the Post-retirement mortality multiplied by 85% for males and 70% for females (adopted December 31, 2010). The mortality table specified above was determined to contain provision appropriate to reasonably reflect future mortality improvement (actual-to-expected ratios of 111% for male retirees and 107% for female retirees, per the experience study report dated January 17, 2011), based on a review of mortality experience as of the measurement date.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	26%	5.1%
International Equity	22%	5.8%
Fixed Income	27%	0.2%
Real Estate	10%	6.1%
Private Equity	5%	11.1%
Hedge Funds	10%	3.6%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made as specified by Public Act 98-0641. 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 7.50%, 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:

1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
$8,511,386	$7,127,608	$5,955,121

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.

Other Post-Employment Benefits (OPEB)

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 by contacting the Public School Teachers' Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois, 60601.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

The Pension Fund administers a health insurance program that includes two external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance. The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 50% of the individual member's cost for calendar years 2015, 2014 and 2013. 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 statutory threshold, however, does not fall under the definition of a funding cap as set forth in GASB 45. The Pension Fund has total discretion over the program, and no 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. As of June 30, 2014, there were 18,171 retirees and beneficiaries currently receiving health benefits in the Chicago Teachers' Pension Fund Retiree Health Insurance Program. This provision reduces the net position of the Pension Fund.

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

CPS' annual OPEB costs for fiscal year 2015 are as follows:

Annual required contribution	$ 135,729
Interest on net OPEB obligation	75,611
Adjustment to annual required contribution	(102,146)
Annual OPEB cost	109,194
Less: Contributions made by the State of Illinois	—
Increase in Net OPEB obligation	109,194
Net OPEB obligation, beginning of year	1,680,247
Net OPEB obligation, end of year	$1,789,441

The three-year trend information for the fund is as follows:

	2015	2014	2013
Annual OPEB cost	$ 109,194	$ 143,654	$ 200,665
Percentage of annual pension cost contributed	0.0%	0.0%	0.0%
Net OPEB obligation	$1,789,441	$1,680,247	$1,536,593

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (in $000's unless otherwise stated) (continued)

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent, open
Remaining amortization period	29 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	4.50%
Medical trend rate	8.00%
Inflation	2.75%

As of the June 30, 2014 actuarial valuation date, actuarial accrued liability (AAL) for benefits was $1.939 billion, and the actuarial value of assets was $36.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.903 billion, and a funded ratio of 1.86%. The covered payroll (annual payroll of active employees covered by the plan) was $2.233 billion, and the ratio of the UAAL to the covered payroll was 85.21%.

Other Personnel

Actuarial studies on other personnel (personnel other than teachers and administrators) determined that no OPEB liability exists for those employees as of June 30, 2015.

NOTE 13. FUND BALANCE CLASSIFICATIONS AND NET POSITION RESTRICTIONS

a. Fund Balance Classifications

At the end of the 2015 fiscal year, the General Operating Fund reported:

- $429 thousand of nonspendable fund balance for donations in which the principal may not be spent.
- Restricted fund balance consisted of $64.2 million for grants and donations and $41.4 million for tort liabilities.
- Assigned fund balance consisted of $79.2 million appropriated for the 2016 budget and $73.1 million for commitments and contracts.

b. Statement of Net Position

The Statement of Net Position reports $551.7 million of restricted fund balance, of which $445.7 million is restricted for debt service, $64.6 million is restricted for programs funded by grants and donations, and $41.4 million is restricted for workers' comp/tort immunity.

NOTE 14. LITIGATION AND CONTINGENCIES

a. State and Federal Aid Receipts

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2015 resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements at June 30, 2015.

NOTE 14. LITIGATION AND CONTINGENCIES (continued)

b. Pollution Remediation Obligation

In fiscal year 2015, CPS recorded a pollution remediation obligation of $8.1 million as current year expense in the Statement of Activities.

Several CPS facilities contain hazardous contaminates 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. As of June 30, 2015, the estimated liability remains at $18.7 million.

d. Financial Guarantees

As of June 30, 2015, CPS has entered into one nonexchange 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 $4,500,000 (Principal Amount) or the carrying debt amount less $1,000,000. 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 $1,000,000 or less. The gross available amount is scheduled to be reduced to $1,000,000 as of July 1, 2031. Per the June 30, 2015 audited financial statements of Perspectives Charter Schools, the most recent financial information available, the outstanding balance of the revenue bonds is $4,300,000. This guarantee is still in place as of June 30, 2015, 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.

e. Other Litigation and Claims

There are approximately four lawsuits and four union grievances 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 2015.

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts, property tax objections, and other matters, arising out of CPS' ordinary conduct of its business. Certain actions involve alleged damages in substantial amounts. The amounts of liability, if any, on these claims as of June 30, 2015, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However, CPS has recorded a general accrual not specific to any pending legal action for these amounts. 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, 2015.

The liability for other litigation and claims increased by $10.8 million from $10.8 million in fiscal year 2014 to $21.6 million in fiscal year 2015.

NOTE 15. SUBSEQUENT EVENTS

Ratings Agency Downgrades

Standard & Poor's downgraded its long-term bond rating of CPS to "BBB" on July 2, 2015. Fitch Ratings lowered its rating to "BB+" on July 27, 2015. Following the initial release of the proposed fiscal year 2016 Budget, Standard & Poor's further lowered its rating to "BB" on August 14, 2015. Immediately following the fiscal year 2016 Budget's adoption, Kroll Bond Rating Agency lowered its rating to "BBB-" on August 27, 2015. All rating agencies expressed concern about continued fiscal imbalance and rising pension obligations of the Board. The current views by each agency are: Outlook Negative from Moody's Investor Service, Negative Watch from Fitch Ratings, Negative from Kroll Bond Rating Agency, and Credit Watch Negative from Standard & Poor's.

Swap Terminations

Since the end of fiscal year 2015, CPS has terminated all five remaining swaps. The five terminated swaps were: (1) Series 2005A basis swap with Deutsche Bank for a total termination payment to CPS of $2.7 million, (2) Series 2008B swap with Goldman Sachs for a total termination payment of $17.7 million to Goldman Sachs, (3) Series 2008B swap with Goldman Sachs for a total termination payment of $18.7 million to Goldman Sachs, (4) Series 2013A-1 and A-3 swap with Deutsche Bank for a total termination payment of $55.3 million to Deutsche Bank, and (5) Series 2013A-2 swap with Royal Bank of Canada for a total termination payment of $35.0 million to Royal Bank of Canada.

Repayment of 2014 Tax Anticipation Notes

On August 4, 2015, CPS repaid and ended its Education Purposes Tax Anticipation Notes (Series 2014C TANs). On August 28, 2015, CPS repaid and ended its Education Purposes Tax Anticipation Notes (Series 2014A&B TANs).

Issuance of 2015 Tax Anticipation Notes

CPS closed on three new series of Education Purposes Tax Anticipation Notes after the end of fiscal year 2015 for working capital purposes. The financings continue to provide liquidity support within the fiscal year. Each of the issues are backed by CPS' 2015 Education Property Tax Levy to be collected in two installments in 2016. The levy disbursements will be intercepted by a trustee, and after the second installment due date of the levy, it will be used to repay each issue.

(1) $250.0 million Education Purposes Tax Anticipation Notes (Series 2015A-1 TANs) closed on October 14, 2015. These notes were privately placed with JPMorgan. The interest rate on the Series 2015A-1 TANs is variable at 70% of One-Month LIBOR plus a margin of 2.75%. The Series 2015A-1 TANs are subject to redemption by CPS at any time on or after August 1, 2016. (2) $250.0 million Education Purposes Tax Anticipation Notes (Series 2015A-2 TANs) closed on October 28, 2015. These notes were privately placed with JP Morgan. The interest rate on the Series 2015A-2 TANs is fixed at 3.25%. The Series 2015A-2 TANs are subject to redemption on March 31, 2016 only and at any time on or after August 1, 2016. (3) $370.0 million Education Purposes Tax Anticipation Notes (Series 2015B TANs) closed on August 28, 2015. This issue was purchased by Barclays Bank. CPS has the ability to revolve the Series 2015B TANs after repayment so long as the outstanding aggregate amount of all tax anticipation notes outstanding payable from the pledged taxes does not exceed the lesser of: (a) $935.0 million and (b) eighty percent (80%) of all remaining uncollected pledged taxes. The interest rate on the Series 2015B TANs is variable at 70% of One-Month LIBOR plus a margin of 3%, and there is a fee of 2% on unutilized credit amounts under the $370.0 million capacity.

As of the date of this report, CPS has requested draws totaling $870.0 million on the 2015 Educational Purposes Tax Anticipation Notes. Each series of tax anticipation notes matures the earlier of (i) December 27, 2016 or (ii) (A) September 30, 2016, if the second installment of the pledged property tax levy (the **"Tax Penalty Date"**) is on or prior to August 1, 2016 or (B) the 60th day following the Tax

NOTE 15. SUBSEQUENT EVENTS (continued)

Penalty Date, if the Tax Penalty Date is later than August 1, 2016. On December 16, 2015, the Board also authorized the issuance of an additional amount of Education Purposes Tax Anticipation Notes in the aggregate amount up to $195.0 million. These proposed issues when completed would be on parity with the existing transactions and payable from the 2015 Education Property Tax levy.

Approval of Capital Improvement Tax Levy

In October 2015, as part of the City of Chicago's fiscal year 2016 budget, a new Capital Improvement Tax Levy for CPS was approved. The Capital Improvement Tax Levy was created by the Illinois State legislature in 2002, but not previously implemented. The Capital Improvement Tax Levy is outside of CPS's property tax cap limitation and may increase by the rate of inflation in future years. The statute authorizing the Capital Improvement Tax 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.

NOTE 16. CHANGE IN ACCOUNTING METHODOLOGY

Effective July 1, 2014, CPS changed its measurement period for revenue recognition for governmental funds to consider revenues to be available if collected within 60 days after the fiscal year-end. Management believes this change is preferable as it more closely aligns CPS' governmental fund available revenues to amounts used by CPS to pay current liabilities at fiscal year-end in accordance with the modified accrual basis of accounting. The cumulative effect of the restatement on beginning fund balances for fiscal year 2015 is as follows:

	June 30, 2014		
	Fund Balance as Reported	**Fund Balance as Restated**	**Cumulative Effect of Restatement**
General Operating Fund	$ 436,008	$1,083,982	$647,974
Capital Projects Fund	(91,953)	(88,016)	3,937
Debt Service Fund	685,429	726,823	41,394
	$1,029,484	$1,722,789	$693,305

NOTE 17. FUTURE SUSTAINABILITY

As of June 30, 2015, the total fund balance in the General Fund was $360.3 million. The Net Position as reported in the Government-Wide Financial Statements, is a deficit of $11,211.9 million. The fiscal year 2016 budget report was approved by the Board on August 25, 2015 and is available at http://cps.edu/budget. For fiscal year 2016, the unaudited budget report (table 1) estimates resources of $5,687.7 million, a decrease of $68.5 million from fiscal year 2015. Included in the estimate of resources is $480.0 million State Pension Equity Funding that has not yet been approved or appropriated by the State, and $200 million in debt proceeds to pay current year principal and interest payments. Without additional funding from the State, CPS will need to make difficult decisions to balance fiscal year 2017 and future budgets.

The 2016 Budget plan reflects a reduction of state funding as well as increasing personnel and operating costs, teacher pension costs and debt service costs. CPS has three main sources of revenues: 1) property taxes 2) state revenues and 3) federal revenues (some have restricted use). Property taxes, the District's largest single source of revenue has been increasing, although growth is capped at the rate of inflation (on existing properties). Federal revenues is the third major source of funding which has remained relatively stable. However between years 2011-2015, CPS has experienced a $102.7 million decline in state funding for education. The decline in state revenue over the past 5 years is a contributing factor driving budget deficit. Additionally, increasing pension, personnel and other operating costs have added budgetary pressures on the expense side.

Year over year CPS' annual budget deficits have increased due in large part to escalating pension costs, contractual increases in labor costs and declining operating revenue sources. Despite significant

NOTE 17. FUTURE SUSTAINABILITY (continued)

cuts to central office and administrative expenditures and improved efficiencies, CPS' budget deficit has grown. The increase in pension costs is largely due to recent pension UAAL contribution deferrals, lower than expected returns on plan investments, a growing unfunded balance and a change to State law requiring the plan to be 90% funded by 2059. In fiscal year 2015, CPS contributed $634.4 million to the Chicago Teachers Pension Fund (CTPF), up from $600.8 million in fiscal year 2014, forcing CPS to extend their short-term borrowings by an additional $200 million to cover a portion of the payment. In fiscal year 2016, CPS expects to be required to contribute $674 million in pension contribution funding.

Due in large part to the structural deficit and increasing obligations, CPS' credit rating has been downgraded. Moody's cut the District's rating to Ba3 in May 2015. Fitch downgraded CPS general obligation bonds by one notch to 'BB+' from BBB- in July 2015. In August 2015, Standard & Poor's Ratings Services cut the credit rating for CPS to a rating of 'BB' from 'BBB'. Kroll Rating agency still rates CPS as investment grade. These downgrades expose CPS to higher interest rates in future periods. To mitigate these risks, CPS monitors credit markets to determine the most advantageous conditions for debt issuance.

Despite recent downgrades, CPS continues to have borrowing capacity and access to the credit market and intends to continue to issue long-term and short-term debt to finance capital expenditures, restructure existing debt, and meet its cash flow needs, as required. Furthermore, the District has no reason to believe they will not receive an extension of their existing variable rate lines of credit. CPS anticipates, and the Board has approved, an issuance of debt in the third quarter of fiscal year 2016.

The District's budget deficit will have to be resolved with a combined CPS, City, State, and labor solution. In order to address the deteriorating financial situation, CPS has brought in a new management team in July of 2015. The team immediately performed an extensive review of operations and has identified areas for sustainable cost savings and efficiencies and potential revenue increases.

CPS has a myriad of tools and remedies to improve its financial condition and liquidity position. CPS is in the process of implementing sustainable solutions to minimize the budget deficit and improve liquidity through a variety of remedies. CPS has taken, and will continue to take, action to reduce costs in several ways including, but not limited to:

- Administrative workforce reductions
- Operating expenditure reductions
- Operational efficiencies
- Property tax increases
- Short and long term financing
- School level budget reductions
- Labor concessions
- Health Care cost reductions
- Debt restructuring

In addition to these, other tools outside of CPS' direct control include, but are not limited to:

- The City's support for a new property tax levy for pensions
- Equitable increase in state funding, request pending with the State government

CPS believes these actions, when combined with City and State action, will sufficiently address the CPS deficit and provide adequate liquidity. Without these actions, CPS may be in a deficit cash position in fiscal year 2016.

It is critical to note that CPS is the third largest school district in the nation and the second largest employer in the City of Chicago and CPS provides a statutorily required and highly demanded "essential" service.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago:

	2015
CPS' Proportion of the Net Pension Liability	100.000%
CPS' Proportionate Share of the Net Pension Liability	$9,501,206
State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS	—
Total	$9,501,206
CPS' Covered Employee Payroll	$2,149,842
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	441.95%
CTPF Plan Net Position as a Percentage of Total Pension Liability	53.23%

Municipal Employees' Annuity and Benefit Fund of Chicago:

	2015
CPS' Proportion of the Net Pension Liability	0.000%
CPS' Proportionate Share of the Net Pension Liability	$ —
Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with CPS	2,779,767
Total	$2,779,767
Covered Employee Payroll	$ 625,161
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%
MEABF Plan Net Position as a Percentage of Total Pension Liability	42.09%

NOTES:

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.

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

CHICAGO PUBLIC SCHOOLS
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SCHEDULE OF CPS' CONTRIBUTIONS TO DEFINED BENEFIT PENSION PLANS
For the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

	Contractually Required Contributions	Contributions made on behalf of CPS by the State of Illinois	CPS Contributions related to the Contractually required contributions	Total Contributions	Contribution Deficiency (Excess)	CPS' Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Year Ended June 30, 2015	$696,522	$62,145	$634,377	$696,522	$ —	$2,149,842	32.40%

Municipal Employees' Annuity and Benefit Fund of Chicago

	Contractually Required Contributions	Contributions made on behalf of CPS by the City of Chicago	Total Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Year Ended 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.

FINANCIAL SECTION

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
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SCHEDULE OF FUNDING PROGRESS
Other Post-employment Benefits
(Thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2014	$35,977	$1,938,856	$1,902,878	1.86%	$2,233,281	85.21%
6/30/2013	35,797	2,386,106	2,350,309	1.50%	2,239,347	104.96%
6/30/2012	34,125	3,110,316	3,076,191	1.10%	2,224,903	138.26%
6/30/2011	31,325	3,071,517	3,040,192	1.02%	2,090,132	145.45%
6/30/2010	34,858	2,864,877	2,830,019	1.22%	2,107,934	134.26%
6/30/2009	49,692	2,670,283	2,620,591	1.86%	1,996,194	131.28%

Chicago Public Schools

CHICAGO PUBLIC SCHOOLS
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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; 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, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Final Budget	Fiscal Year 2015 Actual	Over (Under) Budget	Fiscal Year 2014 Actual as restated	2015 Over (Under) 2014
Revenues:					
Property taxes	$2,178,493	$2,252,828	$ 74,335	$2,152,753	$ 100,075
Replacement taxes	132,735	143,867	11,132	131,075	12,792
State aid	1,507,740	1,579,324	71,584	1,629,892	(50,568)
Federal aid	863,628	767,548	(96,080)	867,512	(99,964)
Interest and investment earnings	80	198	118	4,458	(4,260)
Other	211,246	165,819	(45,427)	156,115	9,704
Total revenues	$4,893,922	$4,909,584	$ 15,662	$4,941,805	$ (32,221)
Expenditures:					
Teachers' salaries	$1,926,907	$1,953,938	$ 27,031	$1,921,969	$ 31,969
Career service salaries	626,212	622,591	(3,621)	619,462	3,129
Energy	76,713	74,516	(2,197)	87,547	(13,031)
Food	102,844	99,573	(3,271)	96,816	2,757
Textbooks	63,241	55,254	(7,987)	52,871	2,383
Supplies	62,266	50,571	(11,695)	55,223	(4,652)
Other commodities	636	474	(162)	648	(174)
Professional fees	411,309	395,221	(16,088)	441,667	(46,446)
Charter schools	669,454	662,553	(6,901)	580,652	81,901
Transportation	114,622	103,891	(10,731)	104,430	(539)
Tuition	96,443	90,901	(5,542)	66,396	24,505
Telephone and telecommunications	28,127	28,061	(66)	30,297	(2,236)
Other services	27,755	14,133	(13,622)	14,126	7
Equipment — educational	67,432	60,962	(6,470)	62,757	(1,795)
Repair and replacements	27,535	27,291	(244)	31,679	(4,388)
Capital outlay	32	5	(27)	—	5
Teachers' pension	801,070	826,304	25,234	740,419	85,885
Career service pension	103,114	102,012	(1,102)	101,885	127
Hospitalization and dental insurance	361,284	357,124	(4,160)	343,308	13,816
Medicare	36,794	36,557	(237)	35,951	606
Unemployment compensation	8,245	8,138	(107)	16,426	(8,288)
Workers' compensation	27,472	25,926	(1,546)	25,646	280
Rent	14,688	13,030	(1,658)	12,164	866
Other fixed charges	102,046	11,340	(90,706)	7,792	3,548
Total expenditures	$5,756,241	$5,620,366	$(135,875)	$5,450,131	$ 170,235
Revenues in excess of (less than) expenditures	$ (862,319)	$ (710,782)	$ 151,537	$ (508,326)	$(202,456)
Other financing sources (uses):					
Transfers in	$ —	$ (12,915)	$ (12,915)	$ 161	$ (13,076)
Total other financing sources (uses)	$ —	$ (12,915)	$ (12,915)	$ 161	$ (13,076)
Net change in fund balances	$ (862,319)	$ (723,697)	$ 138,622	$ (508,165)	$(215,532)
Fund balances, beginning of period as restated	1,083,982	1,083,982	—	1,592,147	(508,165)
Fund balances, end of period	$ 221,663	$ 360,285	$ 138,622	$1,083,982	$(723,697)

CHICAGO PUBLIC SCHOOLS
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Capital Projects Fund

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

Capital Asset Program:

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

Capital Improvement Program:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Capital Asset Program	Capital Improvement Program	Total
Revenues:			
State aid	$ —	$ 31,587	$ 31,587
Federal aid	—	6,498	6,498
Interest and investment earnings	—	368	368
Other	—	107,171	107,171
Total revenues	$ —	$ 145,624	$ 145,624
Expenditures:			
Capital outlay	$ 15,366	$ 359,387	$ 374,753
Total expenditures	$ 15,366	$ 359,387	$ 374,753
Revenues (less than) expenditures	$(15,366)	$(213,763)	$(229,129)
Other financing sources:			
Gross amounts from debt issuances	$ —	$ 148,530	$ 148,530
Sales of general capital assets	37,504	—	37,504
Total other financing sources	$ 37,504	$ 148,530	$ 186,034
Net change in fund balances	$ 22,138	$ (65,233)	$ (43,095)
Fund balances, beginning of period	3,908	(91,924)	(88,016)
Fund balances, end of period	$ 26,046	$(157,157)	$(131,111)

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
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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, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2015	Variance	Fiscal Year 2014 (as restated)	2015 Over (Under) 2014
Expenditures:					
Capital outlay	$20,574	$ 15,366	$ (5,208)	$ 4,763	$ 10,603
Total expenditures	$ —	$ 15,366	$ (5,208)	$ 4,763	$ 10,603
Revenues in excess of (less than) expenditures	$ —	$(15,366)	$ 5,208	$(4,763)	$(10,603)
Other financing sources:					
Sales of general capital assets	$ —	$ 37,504	$37,504	$ 7,301	$ 30,203
Total other financing sources	$ —	$ 37,504	$37,504	$ 7,301	$ 30,203
Net change in fund balance	$ —	$ 22,138	$22,138	$ 2,538	$ 19,600
Fund balance, beginning of period as restated	3,908	3,908	—	1,370	2,538
Fund balance, end of period	$ 3,908	$ 26,046	$22,138	$ 3,908	$ 22,138

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, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2015	Variance	Fiscal Year 2014 (as restated)	2015 Over (Under) 2014
Revenues:					
State aid	$ 72,400	$ 31,587	$ (40,813)	$ 37,821	$ (6,234)
Federal aid	8,860	6,498	(2,362)	14,920	(8,422)
Interest and investment earnings	—	368	368	820	(452)
Other	108,760	107,171	(1,589)	31,213	75,958
Total revenues	$ 190,020	$ 145,624	$ (44,396)	$ 84,774	$ 60,850
Expenditures:					
Salaries	$ 944	$ 492	$ (452)	$ 364	$ 128
Services	15,469	3,665	(11,804)	4,456	(791)
Educational equipment	—	6,278	6,278	11,147	(4,869)
Capital outlay	472,774	348,811	(123,963)	466,153	(117,342)
Career service pension	89	89	—	66	23
Hospitalization and dental insurance	38	38	—	25	13
Medicare	7	7	—	5	2
Unemployment compensation	2	2	—	3	(1)
Workers' compensation	5	5	—	4	1
Total expenditures	$ 489,328	$ 359,387	$(129,941)	$ 482,223	$(122,836)
Revenues less than expenditures	$(299,308)	$(213,763)	$ 85,545	$(397,449)	$ 183,686
Other financing sources (uses):					
Gross amounts from debt issuances	$ 340,000	$ 148,530	$(191,470)	$ 131,305	$ 17,225
Premiums	—	—	—	—	—
Transfers out	—	—	—	—	—
Total other financing sources (uses)	$ 340,000	$ 148,530	$(191,470)	$ 131,305	$ 17,225
Net change in fund balance	$ 40,692	$ (65,233)	$(105,925)	$(266,144)	$ 200,911
Fund balance, beginning of period as restated	(91,924)	(91,924)	—	174,220	(266,144)
Fund balance, end of period	$ (51,232)	$(157,157)	$(105,925)	$ (91,924)	$ (65,233)

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Service Fund

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

Bond Redemption and Interest Program:

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

Public Building Commission Leases Program:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Bond Redemption and Interest Program	Public Building Commission Leases Program	Total
Revenues:			
Property taxes	$ —	$51,828	$ 51,828
Replacement taxes	58,281	—	58,281
State aid	236,158	—	236,158
Federal aid	24,885	—	24,885
Interest and investment earnings	(93,389)	(2)	(93,391)
Other	104,296	—	104,296
Total revenues	$ 330,231	$51,826	$ 382,057
Expenditures:			
Debt service	$ 481,464	$52,029	$ 533,493
Total expenditures	$ 481,464	$52,029	$ 533,493
Revenues in excess of (less than) expenditures	$(151,233)	$ (203)	$(151,436)
Other financing sources (uses):			
Gross amounts from debt issuances	$ 413,350	$ —	$ 413,350
Bond Discounts	(12,502)	—	(12,502)
Payment to refunded bond escrow agent	(386,710)	—	(386,710)
Transfers (out)	12,920	(5)	12,915
Total other financing sources (uses)	$ 27,058	$ (5)	$ 27,053
Net change in fund balances	$(124,175)	$ (208)	$(124,383)
Fund balances, beginning of period	668,706	58,117	726,823
Fund balances, end of period	$ 544,531	$57,909	$ 602,440

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2015 Actual	Variance	Fiscal Year 2014 Actual (as restated)	2015 Over (Under) 2014
Revenues:					
Property taxes	$ 3,178	$ —	$ (3,178)	$ —	$ —
Replacement taxes	56,165	58,281	2,116	56,966	1,315
State aid	254,382	236,158	(18,224)	173,092	63,066
Federal aid	24,748	24,885	137	24,809	76
Interest and investment earnings	—	(93,389)	(93,389)	10,313	(103,702)
Other	97,004	104,296	7,292	99,144	5,152
Total revenues	$ 435,477	$ 330,231	$(105,246)	$364,324	$ (34,093)
Expenditures:					
Debt service	$ 551,763	$ 481,464	$ (70,299)	$415,922	$ 65,542
Total expenditures	$ 551,763	$ 481,464	$ (70,299)	$415,922	$ 65,542
Revenues in excess of (less than) expenditures	$(116,286)	$(151,233)	$ (34,947)	$ (51,598)	$ (99,635)
Other financing sources (uses):					
Gross amounts from debt issuances	$ —	$ 413,350	$ 413,350	$ 295	$ 413,055
Discounts	—	(12,502)	(12,502)	—	(12,502)
Payment to refunded bond escrow agent	—	(386,710)	(386,710)	—	(386,710)
Transfers in (out)	—	12,920	12,920	(157)	13,077
Total other financing sources (uses)	$ —	$ 27,058	$ 27,058	$ 138	$ 26,920
Net change in fund balance	$(116,286)	$(124,175)	$ (7,889)	$ (51,460)	$ (72,715)
Fund balance, beginning of period as restated	668,706	668,706	—	720,166	(51,460)
Fund balance, end of period	$ 552,420	$ 544,531	$ (7,889)	$668,706	$(124,175)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2015 Actual	Variance	Fiscal Year 2014 Actual (as restated)	2015 Over (Under) 2014
Revenues:					
Property taxes	$52,029	$51,828	$(201)	$51,499	$ 329
Interest and investment earnings	—	(2)	(2)	5	(7)
Total revenues	$52,029	$51,826	$(203)	$51,504	$ 322
Expenditures:					
Debt service	$52,029	$52,029	$ —	$51,982	$ 47
Total expenditures	$52,029	$52,029	$ —	$51,982	$ 47
Revenues in excess of (less than) expenditures	$ —	$ (203)	$(203)	$ (478)	$ 275
Other financing uses:					
Transfers out	$ —	$ (5)	$ (5)	$ (4)	$ (1)
Total other financing uses	$ —	$ (5)	$ (5)	$ (4)	$ (1)
Net change in fund balance	$ —	$ (208)	$(208)	$ (482)	$ 274
Fund balance, beginning of period as restated	58,117	58,117	—	58,599	(482)
Fund balance, end of period	$58,117	$57,909	$(208)	$58,117	$(208)

FINANCIAL SECTION

STATISTICAL SECTION

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)

	2006	2007	2008	2009 (1) (as restated)
Net investment in capital assets	$ 268,190	$ 267,249	$ 133,440	$ 30,202
Restricted for:				
Debt service	357,409	413,747	445,782	391,392
Donations	1,503	1,765	1,826	3,695
Enabling legislation	84,388	129,597	102,695	101,072
Grants and donations	—	—	—	—
Workers' comp/tort immunity	—	—	—	—
Unrestricted	(538,879)	(698,809)	(784,702)	(1,017,248)
Total net position	$ 172,611	$ 113,549	$(100,959)	$ (490,887)

NOTES:

1) For FY2009, the amounts for net position restricted for debt service and unrestricted net position were restated to reflect the effects of GASB 53 adopted in FY2010.

2) Certain items in the FY2010 financial statements were reclassified to conform with the FY2011 presentation. These reclassifications had no impact in the total net position as previously reported.

3) Certain items in the FY2011 financial statements were reclassified to conform with the FY2012 presentation. These reclassifications had no impact in the total net position as previously reported.

4) Certain items in the FY2012 financial statements were restated to reflect the effects of GASB 63 and GASB 65 adopted in FY2013.

2010 (2)	2011 (3)	2012 (4) (as restated)	2013	2014	2015
$ 440,099	$ 370,159	$ 310,028	$ 80,009	$ (37,194)	$ (159,007)
442,851	276,097	282,253	345,399	368,794	445,663
5,825	—	—	—	—	—
109,163	—	—	—	—	—
—	70,045	70,302	63,862	61,451	64,584
—	91,036	92,680	64,985	19,838	41,373
(1,916,207)	(2,009,152)	(2,552,441)	(3,358,734)	(4,372,335)	(11,604,516)
$ (918,269)	$(1,201,815)	$(1,797,178)	$(2,804,479)	$(3,959,446)	$(11,211,903)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2006	2007	2008	2009
Governmental Activities:				
Expenses:				
Instruction	$ 3,107,897	$ 3,096,529	$ 3,138,036	$ 3,324,936
Pupil support services	346,434	360,628	384,765	408,705
Administrative support services	161,802	178,891	205,693	233,361
Facilities support services	422,731	461,265	519,982	582,539
Instructional support services	465,106	481,477	496,708	512,427
Food services	179,725	186,297	193,614	203,880
Community services	46,205	45,203	46,779	56,392
Interest expense	217,848	219,826	274,356	259,850
Other	23,404	8,126	10,652	8,504
Total governmental activities	$ 4,971,152	$ 5,038,242	$ 5,270,585	$ 5,590,594
Program revenues:				
Charges for services				
Instruction	$ 3,145	$ 3,748	$ 3,940	$ 5,189
Food services	9,317	8,784	8,537	8,298
Operating grants and contributions	896,916	862,674	945,723	1,250,526
Capital grants and contributions	66,732	97,477	128,570	151,405
Total program revenues	$ 976,110	$ 972,683	$ 1,086,770	$ 1,415,418
Revenues (less than) expenditures	$(3,995,042)	$(4,065,559)	$(4,183,815)	$(4,175,176)
General revenues and other changes in net position:				
Taxes:				
Property taxes	$ 1,768,457	$ 1,813,006	$ 1,861,781	$ 1,936,656
Replacement taxes	184,700	201,509	215,489	188,503
Non-program state aid	1,532,169	1,651,730	1,756,386	1,603,926
Interest and investment earnings	71,972	116,907	85,896	43,692
Gain recognized from swaptions earnings	—	37,647	—	—
Gain on sale of capital assets	5,312	22,919	45,386	91
Other	73,629	162,779	4,369	56,132
Extraordinary item - gain on impairment of capital assets	—	—	—	708
Total general revenues and extraordinary item	$ 3,636,239	$ 4,006,497	$ 3,969,307	$ 3,829,708
Change in net position	$ (358,803)	$ (59,062)	$ (214,508)	$ (345,468)

2010	2011	2012	2013	2014	2015
$ 3,507,221	$ 3,712,681	$ 3,742,788	$ 4,040,352	$ 4,139,906	$ 4,217,996
438,164	545,428	483,167	494,076	487,139	484,745
201,908	187,559	192,605	211,294	241,913	249,662
481,245	499,093	455,342	490,381	654,971	477,892
523,851	541,714	473,202	491,137	474,926	492,232
207,127	215,609	219,382	234,659	205,989	207,834
50,879	47,021	38,941	39,946	37,507	37,997
258,360	285,577	310,452	337,053	335,237	332,023
12,919	8,845	8,115	7,043	6,134	6,319
$ 5,681,674	$ 6,043,527	$ 5,923,994	$ 6,345,941	$ 6,583,722	$ 6,506,700
$ 4,308	$ 692	$ 727	$ 700	$ 657	$ 571
6,881	6,404	6,083	5,554	3,485	1,303
1,376,744	1,368,118	1,196,073	963,325	1,086,885	1,051,655
99,054	184,837	112,914	186,394	162,403	356,189
$ 1,486,987	$ 1,560,051	$ 1,315,797	$ 1,155,973	$ 1,253,430	$ 1,409,718
$(4,194,687)	$(4,483,476)	$(4,608,197)	$(5,189,968)	$(5,330,292)	$(5,096,982)
$ 1,896,265	$ 2,053,119	$ 2,089,016	$ 2,156,943	$ 2,218,033	$ 2,302,881
152,497	197,762	181,927	185,884	188,040	202,148
1,532,679	1,792,747	1,611,726	1,688,611	1,572,564	1,492,019
12,734	17,101	20,683	7,879	15,563	(47,720)
—	—	—	—	—	—
—	—	—	—	—	—
173,130	139,201	147,550	143,350	181,125	125,638
—	—	—	—	—	—
$ 3,767,305	$ 4,199,930	$ 4,050,902	$ 4,182,667	$ 4,175,325	$ 4,074,966
$ (427,382)	$ (283,546)	$ (557,295)	$(1,007,301)	$(1,154,967)	$(1,022,016)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF FUND BALANCE
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2006	2007	2008	2009
General operating fund				
Reserved	$188,177	$ 229,093	$ 237,205	$215,452
Unreserved	307,720	404,843	432,391	311,422
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total general operating fund	$495,897	$ 633,936	$ 669,596	$526,874
All other governmental funds				
Reserved	$574,232	$ 463,935	$ 541,068	$373,010
Unreserved, reported in:				
Capital projects fund	284,019	481,445	337,506	—
Debt service fund	—	158,480	178,489	154,616
Nonspendable	—	—	—	—
Restricted for capital improvement program	—	—	—	—
Restricted for debt service	—	—	—	—
Assigned for debt service	—	—	—	—
Unassigned (deficit)	—	—	—	—
Total all other governmental funds	$858,251	$1,103,860	$1,057,063	$527,626

NOTE:

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

2010	2011 (1)	2012	2013	2014	2015
$226,154	$ —	$ —	$ —	$ —	$ —
198,461	—	—	—	—	—
—	1,972	3,329	1,720	429	429
—	69,616	69,873	63,434	61,022	64,155
—	91,036	92,680	64,985	19,838	41,373
—	289,000	—	—	—	—
—	181,300	348,900	562,682	267,652	79,225
—	102,163	110,397	105,664	87,067	73,101
—	5,293	443,575	150,658	—	102,002
$424,615	$740,380	$1,068,754	$949,143	$436,008	$ 360,285
$604,733	$ —	$ —	$ —	$ —	$ —
33,846	—	—	—	—	—
124,556	—	—	—	—	—
—	—	5,674	4,388	—	—
—	182,884	88,762	169,368	—	—
—	271,643	332,517	466,966	491,552	545,383
—	231,413	254,967	269,167	193,877	57,057
—	—	—	—	(91,953)	(131,111)
$763,135	$685,940	$ 681,920	$909,889	$593,476	$ 471,329

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Thousands of dollars)

	2006	2007	2008	2009
Revenues:				
Property taxes	$1,718,249	$1,767,760	$1,813,917	$1,896,540
Replacement taxes	184,700	201,509	215,489	188,503
State aid	1,602,635	1,701,585	1,846,034	1,511,886
Federal aid	775,631	746,029	876,041	1,125,580
Interest and investment earnings	71,947	116,907	85,895	43,693
Other	163,765	286,230	181,028	253,376
Total revenues	$4,516,927	$4,820,020	$5,018,404	$5,019,578
Expenditures:				
Current:				
Instruction	$2,538,909	$2,491,653	$2,575,124	$2,773,440
Pupil support services	333,968	349,324	362,325	390,399
General support services	893,041	914,117	986,905	1,057,672
Food services	172,774	179,902	181,778	194,603
Community services	46,179	45,467	45,708	56,003
Teachers' pension and retirement benefits	75,398	155,563	206,651	237,011
Other	23,404	8,126	10,652	8,504
Capital outlay	310,817	345,963	466,895	672,412
Debt service:				
Principal	49,049	180,767	60,568	81,351
Interest	158,997	154,669	206,028	212,934
Other charges	6,606	6,743	15,546	7,921
Total expenditures	$4,609,142	$4,832,294	$5,118,180	$5,692,250
Revenues (less than) expenditures	$ (92,215)	$ (12,274)	$ (99,776)	$ (672,672)
Other financing sources (uses):				
Gross amounts from debt issuances	$ 385,603	$ 355,805	$1,674,555	$ 225,675
Premiums on bonds issued	4,124	14,444	41,226	—
Insurance proceeds	—	—	—	1,155
Sales of general capital assets	7,596	25,673	6,404	91
Payment to refunded bond escrow agent	—	—	(1,474,081)	(226,408)
Transfers in	2,796	1,904	3,813	20,389
Transfers out	(2,796)	(1,904)	(3,813)	(20,389)
Proceeds from notes	—	—	—	—
Discounts on bonds issued	(326)	—	—	—
Capital leases	3,700	—	—	—
Total other financing sources (uses)	$ 400,697	$ 395,922	$ 248,104	$ 513
Net changes in fund balances	$ 308,482	$ 383,648	$ 148,328	$ (672,159)
Debt service as a percentage of noncapital expenditures	4.79%	7.35%	5.61%	5.71%

NOTES:

1) This schedule was prepared using the modified accrual basis of accounting.
2) Fiscal year 2014 was restated due to a change in the revenue recognition period in fiscal year 2015.

STATISTICAL SECTION

2010	2011	2012	2013	2014 (2)	2015
$2,047,163	$1,936,655	$2,352,136	$2,211,568	$2,204,252	$ 2,304,656
152,497	197,762	181,927	185,884	188,041	202,148
1,552,076	1,949,781	1,965,901	1,815,798	1,840,805	1,847,069
1,180,148	1,144,884	935,951	845,796	907,241	798,931
12,483	13,399	20,760	7,303	15,596	(92,825)
359,661	417,516	303,744	322,128	286,472	377,286
$5,304,028	$5,659,997	$5,760,419	$5,388,477	$5,442,407	$ 5,437,265
$2,898,855	$2,955,772	$2,992,481	$3,034,509	$3,126,689	$ 3,253,484
416,502	508,803	469,366	454,240	457,939	459,672
1,010,637	1,023,004	967,692	941,270	987,048	972,526
196,828	201,325	213,115	215,739	193,642	197,084
50,331	45,848	39,794	39,656	37,460	38,003
294,424	149,377	183,499	227,766	593,225	676,078
11,928	8,845	8,115	7,043	6,134	6,319
705,691	580,363	591,148	519,604	534,980	391,953
141,977	70,848	88,466	73,423	148,272	214,707
236,261	249,975	275,707	304,788	315,927	310,923
8,359	11,274	10,321	12,198	3,705	7,863
$5,971,793	$5,805,434	$5,839,704	$5,830,236	$6,405,021	$ 6,528,612
$ (667,765)	$ (145,437)	$ (79,285)	$ (441,759)	$ (962,614)	$(1,091,347)
$1,083,260	$ 638,790	$ 592,510	$ 982,720	$ 131,600	$ 561,880
6,459	14,700	1,229	47,271	—	—
—	—	—	—	—	—
—	—	—	723	7,301	37,504
(288,704)	(269,483)	(190,100)	(480,597)	—	(386,710)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	(12,502)
—	—	—	—	—	—
$ 801,015	$ 384,007	$ 403,639	$ 550,117	$ 138,901	$ 200,172
$ 133,250	$ 238,570	$ 324,354	$ 108,358	$ (823,713)	$ (891,175)
7.07%	6.09%	6.89%	7.02%	7.64%	8.47%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2006		2007		2008	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	$1,718,249	38.0%	$1,767,760	36.7%	$1,813,917	36.1%
Replacement taxes	184,700	4.1%	201,509	4.2%	215,489	4.3%
State aid	1,602,635	35.5%	1,701,585	35.3%	1,846,034	36.8%
Federal aid	775,631	17.2%	746,029	15.5%	876,041	17.5%
Interest and investment earnings	71,947	1.6%	116,907	2.4%	85,895	1.7%
Other	163,765	3.6%	286,230	5.9%	181,028	3.6%
Total revenues	$4,516,927	100.0%	$4,820,020	100.0%	$5,018,404	100.0%

	2013		2014 (as restated)		2015	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	$2,211,568	41.1%	$2,204,252	40.5%	$2,304,656	42.4%
Replacement taxes	185,884	3.4%	188,041	3.5%	202,148	3.7%
State aid	1,815,798	33.7%	1,840,805	33.9%	1,847,069	34.0%
Federal aid	845,796	15.7%	907,241	16.7%	798,931	14.7%
Interest and investment earnings	7,303	0.1%	15,596	0.3%	(92,825)	-1.7%
Other	322,128	6.0%	286,472	5.3%	377,286	6.9%
Total revenues	$5,388,477	100.0%	$5,442,407	100.0%	$5,437,265	100.0%

NOTES:

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

2014 Revenue was restated due to a change in Revenue recognition, from 30 days to 60 days.

2009		2010		2011		2012	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$1,896,540	37.8%	$2,047,163	38.6%	$1,936,655	34.2%	$2,352,136	40.8%
188,503	3.8%	152,497	2.9%	197,762	3.5%	181,927	3.2%
1,511,886	30.1%	1,552,076	29.3%	1,949,781	34.5%	1,965,901	34.1%
1,125,580	22.4%	1,180,148	22.3%	1,144,884	20.2%	935,951	16.2%
43,693	0.9%	12,483	0.2%	13,399	0.2%	20,760	0.4%
253,376	5.0%	359,661	6.7%	417,516	7.4%	303,744	5.3%
$5,019,578	100.0%	$5,304,028	100.0%	$5,659,997	100.0%	$5,760,419	100.0%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS
Last Ten Fiscal Years
(Thousands of dollars)

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

	2013		2014		2015	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction	$3,034,509	52.0%	$3,126,689	48.8%	$3,253,484	49.9%
Pupil support services	454,240	7.9%	457,939	7.1%	459,672	7.1%
General support services	941,270	16.1%	987,048	15.4%	972,526	14.9%
Food services	215,739	3.7%	193,642	3.0%	197,084	3.0%
Community services	39,656	0.7%	37,460	0.6%	38,003	0.6%
Teachers' pension and retirement benefits	227,766	3.9%	593,225	9.3%	676,078	10.4%
Other	7,043	0.1%	6,134	0.1%	6,319	0.1%
Capital outlay	519,604	8.9%	534,980	8.4%	391,953	6.0%
Debt service	390,409	6.7%	467,904	7.3%	533,493	8.0%
Total expenditures	$5,830,236	100.0%	$6,405,021	100.0%	$6,528,612	100.0%

NOTE:

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

2009		2010		2011		2012	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$2,773,440	48.7%	$2,898,855	48.5%	$2,955,772	50.9%	$2,992,481	51.3%
390,399	6.9%	416,502	7.0%	508,803	8.8%	469,366	8.0%
1,057,672	18.6%	1,010,637	17.0%	1,023,004	17.6%	967,692	16.6%
194,603	3.4%	196,828	3.3%	201,325	3.5%	213,115	3.7%
56,003	1.0%	50,331	0.8%	45,848	0.8%	39,794	0.7%
237,011	4.2%	294,424	4.9%	149,377	2.6%	183,499	3.1%
8,504	0.1%	11,928	0.2%	8,845	0.1%	8,115	0.1%
672,412	11.8%	705,691	11.8%	580,363	10.0%	591,148	10.1%
302,206	5.3%	386,597	6.5%	332,097	5.7%	374,494	6.4%
$5,692,250	100.0%	$5,971,793	100.0%	$5,805,434	100.0%	$5,839,704	100.0%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

DETAILED SCHEDULE OF REVENUE AND EXPENDITURES

For the Fiscal Year Ended June 30, 2015

With Comparative Amounts for the Fiscal Year Ended June 30, 2014

(Thousands of dollars)

	Fiscal Year 2015	Fiscal Year 2014 (as restated)	2015 Over (Under) 2014
Revenues:			
Local taxes:			
Property taxes	$2,252,828	$2,152,753	$ 100,075
Replacement taxes	143,867	131,075	12,792
Total revenue from local taxes	$2,396,695	$2,283,828	$ 112,867
Local nontax revenue:			
Interest and investment earnings	$ 198	$ 4,458	$ (4,260)
Lunchroom operations	1,302	3,485	(2,183)
Other	164,517	152,630	11,887
Total revenue from nontax revenue	$ 166,017	$ 160,573	$ 5,444
Total local revenue	$2,562,712	$2,444,401	$ 118,311
State grants and subsidies:			
General state aid	$ 847,420	$ 972,572	$(125,152)
Block grants	621,625	628,207	(6,582)
Other	110,279	29,113	81,166
Total state grants & subsidies	$1,579,324	$1,629,892	$ (50,568)
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA)	$ 253,514	$ 342,915	$ (89,401)
American Recovery and Reinvestment Act (ARRA) (1)	22,405	36,283	(13,878)
School lunch program	200,412	189,336	11,076
Individuals with Disabilities Education Act (IDEA)	103,899	100,092	3,807
Other	187,318	198,886	(11,568)
Total federal grants and subsidies	$ 767,548	$ 867,512	$ (99,964)
Total revenues	$4,909,584	$4,941,805	$ (32,221)

NOTE:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Fiscal Year 2015	Fiscal Year 2014	2015 Over (Under) 2014
Expenditures:			
Instruction:			
Salaries	$1,844,868	$1,805,207	$ 39,661
Commodities	70,757	72,194	(1,437)
Services	843,073	765,519	77,554
Equipment — educational	43,836	43,884	(48)
Building and sites	4,264	2,750	1,514
Fixed charges	446,686	437,135	9,551
Total instruction	$3,253,484	$3,126,689	$126,795
Pupil support services:			
Salaries	$ 241,575	$ 242,106	$ (531)
Commodities	4,767	4,818	(51)
Services	137,439	136,881	558
Equipment — educational	1,883	1,122	761
Building and sites	65	66	(1)
Fixed charges	73,943	72,946	997
Total pupil support services	$ 459,672	$ 457,939	$ 1,733
Administrative support services:			
Salaries	$ 80,332	$ 86,540	$ (6,208)
Commodities	11,106	8,757	2,349
Services	110,243	96,184	14,059
Equipment — educational	1,460	2,346	(886)
Building and sites	643	561	82
Fixed charges	32,964	33,024	(60)
Total administrative support services	$ 236,748	$ 227,412	$ 9,336

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts for the Fiscal Year Ended June 30, 2014
(Thousands of dollars)

	Fiscal Year 2015	Fiscal Year 2014	2015 Over/(Under) 2014
Facilities support services:			
Salaries	$ 77,376	$ 82,804	$ (5,428)
Commodities	80,751	97,012	(16,261)
Services	134,757	151,710	(16,953)
Equipment — educational	2,196	1,692	504
Building and sites	20,268	26,420	(6,152)
Fixed charges	40,755	41,307	(552)
Total facilities support services	$356,103	$400,945	$(44,842)
Instructional support services:			
Salaries	$255,400	$242,640	$ 12,760
Commodities	10,413	9,559	854
Services	45,286	42,696	2,590
Equipment — educational	5,510	3,396	2,114
Building and sites	1,969	1,860	109
Fixed charges	61,097	58,540	2,557
Total instructional support services	$379,675	$358,691	$ 20,984
Food services:			
Salaries	$ 60,299	$ 60,707	$ (408)
Commodities	96,522	94,035	2,487
Services	4,066	3,182	884
Equipment — educational	620	19	601
Building and sites	—	—	—
Fixed charges	35,577	35,699	(122)
Total food services	$197,084	$193,642	$ 3,442

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)

For the Fiscal Year Ended June 30, 2015

With Comparative Amounts for the Fiscal Year Ended June 30, 2014

(Thousands of dollars)

	Fiscal Year 2015	Fiscal Year 2014	2015 Over/(Under) 2014
Community services:			
Salaries	$ 13,283	$ 12,952	$ 331
Commodities	2,377	1,417	960
Services	17,552	18,465	(913)
Equipment — educational	436	159	277
Building and sites	—	—	—
Fixed charges	4,355	4,467	(112)
Total community services	$ 38,003	$ 37,460	$ 543
Teacher's Pension:			
Fixed charges	$ 676,078	$ 593,225	$ 82,853
Total teachers' pension	$ 676,078	$ 593,225	$ 82,853
Capital outlay:			
Salaries	$ 3,213	$ 8,235	$ (5,022)
Commodities	3,686	5,303	(1,617)
Services	2,311	22,910	(20,599)
Equipment — educational	5,020	10,136	(5,116)
Building and sites	86	22	64
Fixed charges	2,884	1,388	1,496
Total capital outlay	$ 17,200	$ 47,994	$ (30,794)
Other:			
Salaries	$ 184	$ 239	$ (55)
Commodities	9	10	(1)
Services	32	23	9
Equipment — educational	—	2	(2)
Building and sites	—	—	—
Fixed charges	6,094	5,860	234
Total other	$ 6,319	$ 6,134	$ 185
Total expenditures	$5,620,366	$5,450,131	$170,235

NOTE:

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

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OTHER FINANCING SOURCES AND (USES)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2006	2007	2008	2009
General operating fund:				
Capital leases	$ 3,700	$ —	$ —	$ —
Transfers in/(out)	445	1,904	3,813	20,389
Total general operating fund	$ 4,145	$ 1,904	$ 3,813	$ 20,389
All other governmental funds:				
Gross amounts from debt issuances	$385,603	$355,805	$ 1,674,555	$ 225,675
Premiums on bonds issued	4,124	14,444	41,226	—
Insurance proceeds	—	—	—	1,155
Sales of general capital assets	—	25,673	6,404	91
Payment to refunded bond escrow agent	—	—	(1,474,081)	(226,408)
Transfers in/(out)	(445)	(1,904)	(3,813)	(20,389)
Amount from notes	—	—	—	—
Discounts on bonds issued	(326)	—	—	—
Proceeds from swaps	19,345	—	—	—
Total all other governmental funds	$408,301	$394,018	$ 244,291	$ (19,876)

	2010	2011	2012	2013	2014	2015
	$ —	$ —	$ —	$ —	$ —	$ —
	17,851	109,830	62	439	161	(12,915)
	$ 17,851	$ 109,830	$ 62	$ 439	$ 161	$ (12,915)
	$1,083,260	$ 638,790	$ 592,510	$ 982,720	$131,600	$ 561,880
	6,459	14,700	1,229	47,271	—	—
	—	—	—	—	—	—
	—	—	—	723	7,301	37,504
	(288,704)	(269,483)	(190,100)	(480,597)	—	(386,710)
	(17,851)	(109,830)	(62)	(439)	(161)	12,915
	—	—	—	—	—	—
	—	—	—	—	—	(12,502)
	—	—	—	—	—	—
	$ 783,164	$ 274,177	$ 403,577	$ 549,678	$138,740	$ 213,087

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Fiscal Year	Debt Service	Non-Capital	Ratio
2006	214,652	4,298,325	0.05 : 1
2007	342,179	4,486,331	0.08 : 1
2008	260,438	4,651,285	0.06 : 1
2009	301,169	5,019,838	0.06 : 1
2010	383,887	5,266,102	0.07 : 1
2011	332,097	5,225,071	0.06 : 1
2012	374,494	5,248,556	0.07 : 1
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

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(Rate per $100 of equalized assessed valuation)

School Direct Rates	2006	2007	2008 (A)
Education	$2.143	$2.078	$2.376
Worker's and Unemployment Compensation/Tort Immunity	0.228	0.021	0.191
PBC Operation & Maintenance	0.565	0.521	—
Public Building Commission	0.090	0.077	0.016
Total direct rate	$3.026	$2.697	$2.583
Chicago Finance Authority	$0.127	$0.118	$0.091
City of Chicago	1.243	1.062	1.044
Chicago City Colleges	0.234	0.205	0.159
Chicago Park District	0.443	0.379	0.355
Metropolitan Water Reclamation District	0.315	0.284	0.263
Cook County	0.533	0.500	0.446
Cook County Forest Preserve	0.060	0.057	0.053
Total for all governments	$5.981	$5.302	$4.994

Source: Cook County Clerk's Office

NOTES:

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

B) Beginning in fiscal year 2009, the tax levy for Chicago Finance Authority has been consolidated with the Education tax rate.

2009 (B)	2010	2011	2012	2013	2014	2015
$2.426	$2.204	$2.449	$2.671	$3.309	$3.519	$3.409
0.031	0.148	0.067	0.133	0.031	0.067	0.169
—	—	—	—	—	—	—
0.015	0.014	0.065	0.071	0.082	0.085	0.082
$2.472	$ 2.366	$ 2.581	$2.875	$3.422	$3.671	$3.660
$ —	$ —	$ —	$ —	$ —	$ —	$ —
1.147	1.098	1.132	1.229	1.425	1.496	1.473
0.156	0.150	0.151	0.165	0.190	0.199	0.193
0.323	0.309	0.319	0.346	0.395	0.420	0.415
0.252	0.261	0.274	0.320	0.370	0.417	0.430
0.415	0.394	0.423	0.462	0.531	0.560	0.568
0.051	0.049	0.051	0.058	0.063	0.069	0.069
$4.816	$ 4.627	$ 4.931	$5.455	$6.396	$6.832	$6.808

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Thousands of dollars)

			Collected within the Fiscal Year of Extension (A)			Total Collections to Date (B)	
Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Amount	Percentage of Extension	Collections in Subsequent Years	Amount	Percentage of Extension
2005	2006	$1,794,063	$ 804,755	44.86%	$ 939,038	$1,743,793	97.20%
2006	2007	1,874,750	835,191	44.55%	966,657	1,801,848	96.11%
2007	2008	1,901,887	865,576	45.51%	977,055	1,842,631	96.88%
2008	2009	2,001,751	916,129	45.77%	1,025,254	1,941,383	96.98%
2009	2010	2,001,252	1,024,263	51.18%	905,351	1,929,614	96.42%
2010	2011	2,118,541	1,021,564	48.22%	1,036,489	2,058,053	97.14%
2011	2012	2,159,586	1,333,480	61.75%	797,256	2,130,736	98.66%
2012	2013	2,232,684	1,457,645	65.29%	715,576	2,173,221	97.34%
2013	2014	2,289,250	1,508,642	65.90%	737,280	2,245,922	98.11%
2014	2015	2,375,822	2,219,255	93.41%	—	—	—

NOTES:

A) The amount does not represent a full year’s tax collection.

B) The total amount collected to date is net of refunds.

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) Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	Total
2005	2006	$13,420,538	$1,842,613	$10,502,698	$462,099	$26,227,948
2006	2007	18,521,873	2,006,898	12,157,149	688,868	33,374,788
2007	2008	18,937,256	1,768,927	12,239,086	678,196	33,623,465
2008	2009	19,339,573	1,602,768	12,359,537	693,239	33,995,117
2009	2010	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	2011	18,120,678	1,476,291	10,407,012	561,682	30,565,663
2011	2012	17,976,208	1,161,634	10,411,363	544,416	30,093,621
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

NOTES:

A) *Source*: Cook County Assessor's Office

B) Residential, six units and under

C) Residential, seven units and over and mixed-use

D) Industrial/Commercial

E) Vacant, not-for-profit and industrial/commercial incentive classes

F) *Source*: Illinois Department of Revenue

G) *Source*: Cook County Clerk's Office — Total equalized assessed value is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.

H) Property in the City of Chicago is reassessed once every three years. Tax rates are per $100 of the equalized assessed value.

I) *Source*: The Civic Federation — Excludes railroad property. Report not available for 2014 information

N/A: Not available at publishing.

STATISTICAL SECTION

State Equalization Factor (F)	Total Equalized Assessed Value (G)	Total Direct Tax Rate (H)	Total Estimated Fair Cash Value (I)	Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%)
2.7320	$59,304,530	3.026	$286,354,518	20.71%
2.7076	69,511,192	2.697	329,770,733	21.08%
2.8439	73,645,316	2.583	320,503,503	22.98%
2.9786	80,977,543	2.472	310,888,609	26.05%
3.3701	84,586,808	2.366	280,288,730	30.18%
3.3000	82,087,170	2.581	231,986,396	35.38%
2.9706	75,122,914	2.875	222,856,064	33.71%
2.8056	65,250,387	3.422	206,915,723	31.53%
2.6621	62,363,876	3.671	N/A	N/A
2.7253	64,908,057	3.660	N/A	N/A

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Property	2014 Equalized Assessed Valuation	2014 Rank	2014 Percentage of Total Equalized Assessed Valuation	2013 Equalized Assessed Valuation	2013 Rank	2013 Percentage of Total Equalized Assessed Valuation
Willis Tower	$ 364,455	1	0.56%	$ 370,197	1	0.59%
AON Building	241,081	2	0.37%	248,906	2	0.40%
HCSC Blue Cross	206,782	3	0.32%	201,987	3	0.32%
Water Tower Place	195,486	4	0.30%	190,953	5	0.31%
Chase Tower	194,963	5	0.30%	190,442	6	0.31%
Franklin Center	187,461	6	0.29%	183,114	7	0.29%
Prudential Plaza	184,101	7	0.28%	193,495	4	0.31%
300 Lasalle LLC	183,764	8	0.28%	159,537	10	0.26%
Three First National Plaza	182,084	9	0.28%	177,862	8	0.29%
Mark Davids	181,210	10	0.28%	177,008	9	0.28%
Northwestern Memorial Hospital	—	—	—	—	—	—
131 S. Dearborn	—	—	—	—	—	—
One North Wacker	—	—	—	—	—	—
Citigroup Center	—	—	—	—	—	—
Leo Burnett Building	—	—	—	—	—	—
Equity Office Properties	—	—	—	—	—	—
	$2,121,387		3.26%	$2,093,501		3.36%

Property	2009 Equalized Assessed Valuation	2009 Rank	2009 Percentage of Total Equalized Assessed Valuation	2008 Equalized Assessed Valuation	2008 Rank	2008 Percentage of Total Equalized Assessed Valuation
Willis Tower	$ 505,515	1	0.60%	$ 540,074	1	0.67%
AON Building	375,441	2	0.44%	392,192	2	0.48%
HCSC Blue Cross	—	—	—	—	—	—
Water Tower Place	235,907	5	0.28%	242,014	6	0.30%
Chase Tower	231,694	6	0.27%	262,114	5	0.32%
Franklin Center	256,590	4	0.30%	294,569	4	0.36%
Prudential Plaza	318,635	3	0.38%	307,510	3	0.38%
300 Lasalle LLC	—	—	—	—	—	—
Three First National Plaza	231,028	7	0.27%	215,666	10	0.27%
Mark Davids	—	—	—	—	—	—
Northwestern Memorial Hospital	—	—	—	—	—	—
131 S. Dearborn	212,725	8	0.25%	218,722	9	0.27%
One North Wacker	211,526	9	0.25%	—	—	—
Citigroup Center	—	—	—	226,458	7	0.28%
Leo Burnett Building	208,973	10	0.25%	221,846	8	0.27%
Equity Office Properties	—	—	—	—	—	—
	$2,788,034		3.29%	$2,921,165		3.60%

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

2012			2011			2010		
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
$ 386,266	1	0.59%	$ 445,590	1	0.59%	$ 495,000	1	0.60%
255,347	2	0.39%	302,124	2	0.40%	335,454	2	0.41%
205,275	4	0.31%	206,343	6	0.27%	—	—	—
201,246	5	0.31%	207,942	5	0.28%	231,000	4	0.28%
200,708	6	0.31%	204,229	7	0.27%	226,875	5	0.28%
192,985	7	0.30%	197,944	8	0.26%	209,723	8	0.26%
234,964	3	0.36%	272,345	3	0.36%	305,026	3	0.37%
179,804	10	0.28%	190,005	10	0.25%	—	—	—
187,449	8	0.29%	197,183	9	0.26%	226,222	6	0.28%
184,596	9	0.28%	—	—	—	—	—	—
—	—	—	243,609	4	0.32%	—	—	—
—	—	—	—	—	—	210,502	7	0.26%
—	—	—	—	—	—	207,127	9	0.25%
—	—	—	—	—	—	191,070	10	0.23%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
$2,228,640		3.42%	$2,467,314		3.26%	$2,637,999		3.22%

2007			2006			2005		
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
$ 514,662	1	0.70%	$ 493,803	1	0.71%	$ 519,080	1	0.88%
374,456	2	0.51%	356,510	2	0.51%	341,767	2	0.58%
—	—	—	—	—	—	—	—	—
231,069	6	0.31%	219,995	6	0.32%	183,187	9	0.31%
250,261	5	0.34%	238,266	5	0.34%	259,021	5	0.44%
297,653	3	0.40%	283,387	3	0.41%	268,519	4	0.45%
293,604	4	0.40%	279,532	4	0.40%	295,933	3	0.50%
—	—	—	—	—	—	—	—	—
205,913	10	0.28%	196,044	9	0.28%	190,340	7	0.32%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
208,906	9	0.28%	—	—	—	—	—	—
—	—	—	189,061	10	0.27%	—	—	—
216,217	7	0.29%	205,854	7	0.30%	205,727	6	0.35%
211,813	8	0.29%	201,662	8	0.29%	188,219	8	0.32%
—	—	—	—	—	—	179,134	10	0.30%
$ 2,804,554		3.80%	$2,664,114		3.83%	$2,630,927		4.45%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA
Last Ten Fiscal Years

Statewide Replacement Tax Data (A)

Calendar Year	Invested Capital Tax Collections	Business Income Tax Collections (Net of Refunds)	Net Adjustments (C)	Total Replacement Tax Allocations to Local Govts.	Board Percent (E)
2006	$ 227,423,096	$ 1,016,872,677	$ 39,747,236	$ 1,284,043,009	14.00%
2007	211,708,013	1,220,116,567	86,763,391	1,518,587,971	14.00%
2008	212,367,886	1,196,441,849	87,136,806	1,495,946,541	14.00%
2009	205,330,651	987,176,180	69,521,623	1,262,028,454	14.00%
2010	203,650,450	978,009,221	179,094,552	1,360,754,223	14.00%
2011	200,629,609	936,788,640	61,689,732	1,199,107,981	14.00%
2012	203,045,899	1,091,345,367	(93,077,866)	1,201,313,400	14.00%
2013	210,557,060	1,293,732,061	(172,528,019)	1,331,761,102	14.00%
2014	208,039,618	1,243,163,624	(80,317,444)	1,370,885,798	14.00%
2015 (F)	200,808,953	1,319,550,246	(117,189,755)	1,403,169,444	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.

Board Replacement Tax Data (B)

Allocations to Board	Pro-Forma Pledged Revenues (D)	Fiscal Year Recorded Revenues
$179,817,446	$179,817,446	$184,699,266
212,663,134	212,663,134	201,509,427
209,492,428	209,492,428	215,488,652
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

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December	Total
2006	$24,520,445	$ 8,553,752	$38,608,787	$24,789,508	$32,340,532	$10,213,846	$32,635,826	$ 8,154,750	$179,817,446
2007	23,706,088	12,541,684	42,960,330	35,720,916	35,575,987	15,691,722	32,603,768	13,862,639	212,663,134
2008	28,898,261	13,371,613	37,943,940	40,606,164	32,510,546	17,770,472	29,019,609	9,371,823	209,492,428
2009	21,095,325	7,777,403	37,489,531	36,561,422	29,417,516	3,022,112	33,592,731	7,778,488	176,734,528
2010	22,103,156	8,619,712	32,076,622	22,475,680	22,828,990	2,997,879	43,980,968	35,477,082	190,560,089
2011	18,180,918	10,057,508	36,489,761	26,235,905	24,341,562	6,092,825	40,652,479	5,872,487	167,923,445
2012	25,024,841	6,995,224	38,430,380	25,676,518	33,182,244	4,009,471	25,251,856	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(G)	206,242,430

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS
For the Fiscal Year Ended June 30, 2015

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2014 EAV $	% Change in EAV (for 2014)
Addison Corridor North	6/4/1997	2020	$ 14,400,224	$ 34,671,471	140.8%
Addison South	5/9/2007	2031	70,940,232	99,499,944	40.3%
Archer Courts	5/12/1999	2023	85,326	5,383,292	6209.1%
Archer/Central	5/17/2000	2024	37,646,911	41,278,471	9.6%
Archer/Western	2/11/2009	2033	117,506,250	95,851,787	-18.4%
Armitage/Pulaski	6/13/2007	2031	17,643,508	17,381,315	-1.5%
Austin/Commercial	9/27/2007	2031	72,287,864	78,616,749	8.8%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	26,223,461	18.2%
Avondale	7/29/2009	2033	40,426,760	35,607,059	-11.9%
Belmont/Central	1/12/2000	2024	74,974,945	106,279,051	41.8%
Belmont/Cicero	1/12/2000	2024	33,673,880	44,474,027	32.1%
Bronzeville	11/4/1998	2022	46,166,304	91,459,650	98.1%
Bryn Mawr/Broadway	12/11/1996	2019	17,682,409	41,723,296	136.0%
California/Foster	4/2/2014	2038	15,399,717	14,575,961	-5.3%
Calumet/Cermak	7/29/1998	2021	3,219,685	136,641,588	4143.9%
Calumet River	3/10/2010	2034	14,220,381	7,386,162	-48.1%
Canal/Congress	11/12/1998	2022	36,872,487	335,334,371	809.4%
Central West	2/16/2000	2024	85,481,254	301,719,316	253.0%
Chicago/Central Park	2/27/2002	2026	84,789,947	160,659,461	89.5%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	324,385,229	742.1%
Cicero/Archer	5/17/2000	2024	19,629,324	27,213,774	38.6%
Clark/Montrose	7/7/1999	2022	23,433,096	58,449,740	149.4%
Clark/Ridge	9/29/1999	2022	39,619,368	63,250,467	59.6%
Commercial Ave.	11/13/2002	2026	40,748,652	53,011,704	30.1%
Devon/Sheridan	3/31/2004	2028	46,265,220	37,528,097	-18.9%
Devon/Western	11/3/1999	2023	71,430,503	96,012,346	34.4%
Diversey/Narragansett	2/5/2003	2027	34,746,231	64,010,739	84.2%
Division/Homan	6/27/2001	2025	24,683,716	38,580,778	56.3%
Drexel Blvd.	7/10/2002	2026	127,408	4,852,464	3708.6%
Edgewater/Ashland	10/1/2003	2027	1,875,282	9,917,456	428.9%
Elston/Armstrong	7/19/2007	2031	45,742,226	49,021,628	7.2%
Englewood Mall	7/10/1996	2019	3,868,736	7,621,459	97.0%
Englewood Neighborhood	6/27/2001	2025	56,079,946	128,732,270	129.6%
Ewing Avenue	3/10/2010	2034	52,994,264	43,229,692	-18.4%
Fullerton/Milwaukee	2/16/2000	2024	85,157,390	170,633,738	100.4%
Galewood/Armitage Industrial	7/7/1999	2022	48,056,697	86,350,495	79.7%
Goose Island	7/10/1996	2019	13,676,187	71,306,375	421.4%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2015

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2014 EAV $	% Change in EAV (for 2014)
Greater Southwest (West) . . .	4/12/2000	2024	$ 115,603,413	$ 87,250,706	-24.5%
Harlem Industrial Park	3/14/2007	2031	45,981,764	36,865,644	-19.8%
Harrison/Central	7/26/2006	2030	43,430,700	41,857,208	-3.6%
Hollywood/Sheridan	11/7/2007	2031	158,696,916	122,219,282	-23.0%
Homan/Arthington	2/5/1998	2021	2,658,362	9,708,907	265.2%
Humbolt Park Commercial . .	6/27/2001	2025	32,161,252	70,162,123	118.2%
Irving Park/Cicero	6/10/1996	2020	8,150,631	16,981,056	108.3%
Irving Park/Elston	5/13/2009	2033	44,853,282	37,221,601	-17.0%
Jefferson Park	9/9/1998	2021	23,970,085	31,835,990	32.8%
Jefferson/Roosevelt	8/30/2000	2024	52,292,656	138,029,317	164.0%
Kennedy/Kimball	3/12/2008	2032	72,841,679	61,306,936	-15.8%
Kinzie Conservation	6/10/1998	2021	144,961,719	428,361,755	195.5%
Lake Calumet	12/13/2000	2024	176,186,639	174,690,776	-0.8%
Lakefront	3/27/2002	2026	—	5,510,798	—
Lakeside Dev. Phase 1	5/12/2010	2034	3,489,242	301,843	-91.3%
LaSalle/Central	11/15/2006	2030	4,192,597,468	3,657,041,288	-12.8%
Lawrence/Broadway	6/27/2001	2025	38,603,611	78,913,863	104.4%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	190,320,481	72.4%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	58,657,879	34.2%
Lincoln Avenue	11/3/1999	2023	63,741,191	91,035,499	42.8%
Lincoln/Belmont/Ashland	11/2/1994	2018	2,457,347	16,663,687	578.1%
Little Village East	4/22/2009	2033	44,751,945	35,431,707	-20.8%
Little Village Ind.	6/13/2007	2031	88,054,895	65,749,417	-25.3%
Madden/Wells	11/6/2002	2026	1,333,582	15,415,677	1056.0%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	67,818,348	39.1%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	59,166,109	21.6%
Midwest	5/17/2000	2024	98,090,835	293,721,876	199.4%
Montclare	8/30/2000	2024	792,770	4,556,712	474.8%
Montrose/Clarendon	6/30/2010	2034	—	2,965,363	—
Near North	7/30/1997	2020	41,671,541	323,195,620	675.6%
North Ave./Cicero	7/30/1997	2020	5,658,542	22,540,073	298.3%
North Branch/North	7/2/1997	2021	29,574,537	93,479,021	216.1%
North Branch/South	2/5/1998	2021	44,361,677	138,929,442	213.2%
North Pullman	6/30/2009	2033	44,582,869	47,752,229	7.1%
NW Industrial Corridor	12/2/1998	2021	146,115,991	222,685,757	52.4%
Ogden/Pulaski	4/9/2008	2032	221,709,034	190,676,081	-14.0%
Ohio/Wabash	6/7/2000	2024	1,278,143	23,940,821	1773.1%
Pershing/King	9/5/2007	2031	12,948,117	10,363,729	-20.0%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2015

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2014 EAV $	% Change in EAV (for 2014)
Peterson/Cicero	2/16/2000	2024	$ 1,116,653	$ 7,929,251	610.1%
Peterson/Pulaski	2/16/2000	2024	40,112,395	43,755,467	9.1%
Pilsen Area	6/10/1998	2022	111,394,217	257,269,752	131.0%
Portage Park	9/9/1998	2021	65,084,552	92,500,817	42.1%
Pratt/Ridge	6/23/2004	2028	16,414,897	18,054,313	10.0%
Pulaski Corridor	6/9/1999	2022	82,778,075	115,273,806	39.3%
Randolph/Wells	6/9/2010	2034	72,140,805	55,336,329	-23.3%
Ravenswood Corridor	3/9/2005	2029	44,169,275	48,827,339	10.5%
Read/Dunning	1/11/1991	2015	6,382,072	43,955,956	588.7%
River South	7/30/1997	2020	65,930,580	314,482,082	377.0%
River West	1/10/2001	2025	50,463,240	275,041,170	445.0%
Roosevelt/Canal	3/19/1997	2021	1,276,969	17,980,664	1308.1%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	80,115,083	77.3%
Roosevelt/Racine (DOH)	11/4/1998	2022	6,992,428	30,928,572	342.3%
Roosevelt/Union	5/12/1999	2022	4,369,258	66,438,440	1420.6%
Roseland/Michigan	1/16/2002	2026	29,627,768	35,411,533	19.5%
Sanitary Draig & Ship	7/24/1991	2015	10,722,329	17,067,892	59.2%
South Chicago	4/12/2000	2024	14,775,992	31,103,949	110.5%
South Works	11/3/1999	2023	3,823,633	4,059,678	6.2%
Stevenson/Brighton Park	4/11/2007	2031	216,330,994	181,022,010	-16.3%
Stockyards Annex	12/11/1996	2020	38,650,631	51,379,338	32.9%
Stockyards-Southeast Quad	2/26/1992	2015	21,527,824	39,046,177	81.4%
Stony Island Com/Burnside	6/10/1998	2034	46,058,038	80,513,770	74.8%
Southwest Ind. Corridor	3/10/1999	2023	17,662,923	25,612,211	45.0%
Touhy/Western	9/13/2006	2030	55,187,828	47,948,427	-13.1%
Washington Park	10/8/2014	2038	72,073,855	72,422,464	0.5%
Weed/Fremont	1/8/2008	2032	6,430,360	12,874,410	100.2%
West Irving Park	1/12/2000	2024	36,446,831	46,189,519	26.7%
West Woodlawn	5/12/2010	2034	127,750,505	82,750,638	-35.2%
Western Ave. South	1/12/2000	2024	69,504,372	152,868,061	119.9%
Western Ave. North	1/12/2000	2024	71,260,546	146,959,345	106.2%
Western/Ogden	2/5/1998	2021	41,536,306	150,448,315	262.2%
Western/Rock Island	2/8/2006	2030	102,358,411	107,947,842	5.5%
Wilson Yard	6/27/2001	2025	56,194,225	148,906,990	165.0%
Woodlawn	1/20/1999	2022	28,865,833	66,641,680	130.9%
105th/Vincennes	10/3/2001	2025	108,828,811	114,011,871	4.8%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2015

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2014 EAV $	% Change in EAV (for 2014)
107th/Halsted	4/2/2014	2038	$ 122,435,316	$ 118,712,003	-3.0%
111th/Kedzie	9/29/1999	2022	14,456,141	21,921,024	51.6%
119th/Halsted	2/6/2002	2026	63,231,728	68,837,719	8.9%
119th/I-57	11/6/2002	2026	16,097,672	53,589,835	232.9%
126th/Torrence	12/21/1994	2017	1,224,731	14,213,121	1060.5%
24th/Michigan	7/21/1999	2022	15,874,286	35,308,287	122.4%
26th/King Drive	1/11/2006	2030	—	9,784,032	—
35th/Halsted	1/14/1997	2021	81,212,182	143,368,945	76.5%
35th/State	1/14/2004	2028	3,978,955	28,873,293	625.7%
35th/Wallace	12/15/1999	2023	9,047,402	19,425,960	114.7%
41st/King Drive	7/13/1994	2018	129,892	2,651,490	1941.3%
43rd/Cottage Grove	7/8/1998	2022	13,728,931	46,229,276	236.7%
47th/Ashland	3/27/2002	2026	53,606,185	78,389,483	46.2%
47th/Halsted	5/29/2002	2026	39,164,012	78,560,753	100.6%
47th/King Drive	3/27/2002	2026	61,269,066	150,362,093	145.4%
47th/State	7/21/2004	2028	19,279,360	37,620,491	95.1%
49th/St. Lawrence	1/10/1996	2020	683,377	6,617,030	868.3%
51st/Archer	5/17/2000	2024	29,522,751	31,651,572	7.2%
51st/Lake Park	11/15/2012	2036	2,320,971	345,980	-85.1%
53rd St.	1/10/2001	2025	20,916,553	66,915,451	219.9%
60th/Western	5/9/1996	2019	2,464,026	4,958,716	101.2%
63rd/Ashland	3/29/2006	2030	47,496,362	60,682,583	27.8%
63rd/Pulaski	5/17/2000	2024	56,171,856	75,331,258	34.1%
67th/Cicero	10/2/2002	2026	—	3,220,179	—
67th/Wentworth	5/4/2011	2035	210,005,927	140,737,551	-33.0%
69th/Ashland	11/3/2004	2028	813,600	8,815,684	983.5%
71st/Stony Island	10/7/1998	2021	53,336,063	88,102,866	65.2%
73rd/University	9/13/2006	2030	16,998,947	19,099,484	12.4%
79th Street Corridor	7/8/1998	2021	21,576,305	29,735,357	37.8%
79th/Cicero	6/8/2005	2029	8,018,405	16,074,182	100.5%
79th/SW Highway	10/3/2001	2025	36,347,823	52,827,799	45.3%
79th/Vincennes	9/27/2007	2031	32,132,472	29,391,791	-8.5%
83rd/Stewart	3/21/2004	2028	10,618,689	24,457,281	130.3%
87th/Cottage Grove	11/13/2002	2026	53,959,824	71,686,406	32.9%
95th/Western	7/13/1995	2018	16,035,773	25,366,087	58.2%
			$10,630,936,859	$14,729,139,727	

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2015

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 2014 EAV for the City of Chicago is $64,913,773,771 — 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)

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

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, 2015

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	$ 26,905,058	$ 6,406	Midwest
Mather Renovation	32,401,366	32,401,366	—	Lincon Avenue
Austin Renovation	32,203,759	32,203,759	—	Madison/ Austin
Southwest Elementary (Hernandez Middle School)	32,818,102	32,818,102	—	51st/ Archer
South Shore Replacement HS	72,164,382	72,164,382	—	71st/ Stony Island
Additional Westinghouse HS Funding and Refunding	17,752,030	17,752,030	—	Chicago/ Central Park
Skinner Replacement Elementary	36,418,205	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	13,286,828	843,515	Chicago/ Central Park
Westinghouse High School	32,920,000	31,560,329	—	Chicago/ Central Park
Back of the Yards HS	19,800,000	19,800,000	—	47th/ Ashland
Modern Schools Across Chicago Program Future Payments				
Austin Renovation	5,570,000	—	—	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	—	—	Stevenson/ Brighton
MSAC Subtotal	$ 495,439,779	$ 441,110,407	$ 849,921	

STATISTICAL SECTION

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, 2015 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
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	—	1,500,000	Woodlawn
Holmes Elementary	750,000	606,820	—	Englewood Neighborhood
Manierre Elementary	750,000	750,000	—	Near North
Mays Elementary	750,000	—	750,000	Englewood Neighborhood
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 Neighborhood
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				
Attucks-Farren Building	1,000,000	—	—	47th / King
Burke Elementary	1,000,000	—	—	47th / State
Banneker Elementary	2,000,000	—	—	Englewood Neighborhood
Armour Elementary	2,673,750	—	—	35th / Halsted
Hearst Elementary	2,219,500	—	—	Cicero/Archer
Lawndale Elementary	2,500,000	—	—	Midwest
Plamondon Elementary	1,748,000	—	—	Western /Ogden Industrial Corridor
Schurz High School	2,100,000	—	—	Portage Park
Hayt Elementary	670,000	—	—	Clark/Ridge
Peterson Elementary	500,000	—	—	Lawrence/Kedzie
Chappell Elementary	1,500,000	—	—	Western Ave. North
ADA Subtotal	$ 32,161,500	$ 9,742,364	$ 2,250,000	

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, 2015 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Other Capital Intergovermental Agreements				
Walter Payton HS and Jenner School	$ 11,125,000	$ 11,125,000	$ —	Near North
Walter Payton HS	20,000,000	—	—	Near North
Jones Academic High School Renovation/Addition (old)	42,315,243	40,544,350	—	Near South
Jones Academic High School Renovation/Addition (new)	114,641,656	114,641,656	—	Near South
Jones Academic High School #3	8,700,000	8,145,386	—	Near South
National Teachers Academy	47,000,000	47,900,000	—	24th/ Michigan
Simeon High School	22,184,925	18,381,140	—	Chatham Ridge
Albany Park Middle School	25,000,000	28,662,826	—	*Lawrence/ Kedzie
Juarez High School Addition	15,500,000	18,017,456	—	Pilsen
DePriest Elementary	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	2,201,500	2,201,500	—	Western Avenue South
Coonley Middle School #2	16,500,000	13,611,403	—	Western Avenue South
Arai/ Uplift Elementary School	1,447,244	1,447,244	—	Wilson Yard
Lloyd Elementary	750,000	750,000	—	Midwest
Lloyd Elementary II	550,000	113,947	—	Midwest
Chase	3,600,000	2,759,563	—	Fullerton/Milwaukee
Holmes Elementary	3,270,000	3,270,000	—	Englewood Neighborhood
Morgan Park	44,000	—	—	Western Avenue/Rock Island
Senn High School	1,000,000	1,000,000	—	Clark Ridge
Arai/ Uplift Elementary School Courtyard Renovations	—	—	—	Wilson Yard
Beidler Campus Park	1,000,000	1,000,000	—	Kinzie Industrial
Donoghue	200,000	200,000	—	Madden-Wells
Douglas Park Field (CPD)	2,000,000	—	—	Increment offset proceeds
Ericson Play Lot	350,000	—	—	Midwest MSAC Bonds
Faraday STEM	600,000	—	—	Midwest MSAC Bonds
Jensen Play Lot	650,000	—	—	Midwest MSAC Bonds
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
Lane Tech Renovation #3	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
Stockton	300,000	—	—	Clark Montrose
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	1,114,381	—	Midwest
Crane High School	2,250,000	2,250,000	—	Central West
Other Capital IGA Subtotal	$ 433,619,976	$ 407,768,238	$ 3,500,000	
Grand Total	$ 961,221,255	$ 858,621,009	$ 6,599,921	

NOTES:

Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2015.

* 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, 2015

(Thousands of dollars)

Direct Debt (with pledged revenue source)	Date Issued	Date Final Maturity	Interest Rate	Outstanding at June 30, 2014	Issue or (Redeemed)	Outstanding at June 30, 2015 (A)
PBC GO Lease Certificate 1992 Series A (Property Taxes)	1/1/1992	1/1/2020	6.00% to 6.50%	$146,025	$(22,150)	$123,875
PBC Building Revenue Bonds 1993 Series A (Property Taxes)	4/1/1993	12/1/2018	3.00% to 5.75%	—	—	—
PBC Building Revenue Refunding Bonds 1999 Series B (Property Taxes)	3/11/1999	12/1/2018	5.00% to 5.25%	86,915	(14,320)	72,595
Unlimited Tax G.O. Bonds Series 1997A (PPRT/IGA)	12/3/1997	12/1/2030	5.30% to 5.55%	17,245	(6,113)	11,132
Unlimited Tax G.O. Bonds Series 1998 B-1 (IGA)	10/28/1998	12/1/2031	4.55% to 5.22%	266,259	(9,215)	257,044
Unlimited Tax G.O. Bonds Series 1999A (PPRT/IGA)	2/25/1999	12/1/2031	4.30% to 5.30%	436,839	(17,279)	419,560
Unlimited Tax G.O. Bonds Series 2000B (State Aid)	9/7/2000	3/1/2032	Variable	91,400	(91,400)	—
Qualified Zone Academy G.O. Bonds Series 2001B (State Aid)	10/24/2001	10/23/2015	0.00%	9,440	—	9,440
Unlimited Tax G.O. Bonds Series 2002A (City Note/IGA)	9/24/2002	12/1/2022	3.00% to 5.25%	34,820	(3,150)	31,670
Qualified Zone Academy G.O. Bonds Series 2003C (State Aid)	10/28/2003	10/27/2017	0.00%	4,585	—	4,585
Unlimited Tax G.O. Bonds Series 2004A (PPRT/State Aid)	4/6/2004	12/1/2020	4.00% to 5.00%	186,580	(54,845)	131,735
Unlimited Tax G.O. Bonds Series 2004G (City Note/IGA)	12/9/2004	3/1/2032	4.00% to 6.00%	11,195	(11,195)	—
Unlimited Tax G.O. Bonds Series 2005A (State Aid)	6/27/2005	12/1/2031	5.00% to 5.50%	187,490	(6,405)	181,085
Unlimited Tax G.O. Bonds Series 2005B (PPRT)	6/27/2005	12/1/2021	5.00%	38,030	(15,295)	22,735
Qualified Zone Academy G.O. Bonds Series 2006A (State Aid)	6/7/2006	6/1/2021	0.00%	6,853	—	6,853
Unlimited Tax G.O. Bonds Series 2006B (State Aid)	9/27/2006	12/1/2036	4.25% to 5.00%	305,875	—	305,875
Unlimited Tax G.O. Bonds Series 2007B (IGA)	9/5/2007	12/1/2024	5.00%	197,765	—	197,765

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the fiscal year ended June 30, 2015

(Thousands of dollars)

Direct Debt (with pledged revenue source)	Date Issued	Date Final Maturity	Interest Rate	Outstanding at June 30, 2014	Issue or (Redeemed)	Outstanding at June 30, 2015 (A)
Unlimited Tax G.O. Bonds Series 2007C (IGA)	9/5/2007	12/1/2021	4.00% to 4.375%	$ 4,915	$ (375)	$ 4,540
Unlimited Tax G.O. Bonds Series 2007D (State Aid)	12/13/2007	12/1/2029	4.00% to 5.00%	187,375	—	187,375
Unlimited Tax G.O. Bonds Series 2008A (PPRT/State Aid)	5/13/2008	12/1/2030	Variable	262,785	—	262,785
Unlimited Tax G.O. Bonds Series 2008B (State Aid)	5/13/2008	12/1/2041	Variable	200,775	—	200,775
Unlimited Tax G.O. Bonds Series 2008C (State Aid)	5/1/2008	3/1/2032	4.25% to 5.00%	464,655	—	464,655
Unlimited Tax G.O. Bonds Series 2009D (State Aid)	7/30/2009	12/1/2023	1.00% to 5.00%	52,465	—	52,465
Unlimited Tax G.O. Build America Bonds Series 2009E (State Aid and Federal Subsidy)	9/24/2009	12/1/2039	4.682% to 6.14%	518,210	—	518,210
Unlimited Tax G.O. Bonds Series 2009F (State Aid)	9/24/2009	12/1/2016	2.50% to 5.00%	12,325	—	12,325
Qualified School Construction G.O. Bonds Series 2009G (State Aid)	12/17/2009	12/15/2025	1.75%	254,240	—	254,240
Qualified School Construction G.O. Bonds Series 2010C (State Aid and Federal Subsidy)	11/2/2010	11/1/2029	6.32%	257,125	—	257,125
Unlimited Tax G.O. Build America Bonds Series 2010D (State Aid and Federal Subsidy)	11/2/2010	3/1/2036	6.52%	125,000	—	125,000
Unlimited Tax G.O. Bonds Series 2010F (State Aid)	11/2/2010	12/1/2031	5.00%	183,750	(7,120)	176,630
Unlimited Tax G.O. Bonds Series 2010G (State Aid)	11/2/2010	3/1/2017	2.77% to 4.18%	64,575	(25,985)	38,590
Unlimited Tax G.O. Bonds Series 2011A	11/1/2011	12/1/2041	5.00% to 5.50%	402,410	—	402,410
Unlimited Tax G.O. Bonds Series 2011C-1 (State Aid)	12/20/2011	3/1/2032	Variable	49,200	(2,000)	47,200
Unlimited Tax G.O. Bonds Series 2011C-2 (State Aid)	12/20/2011	3/1/2032	Variable	44,100	—	44,100
Unlimited Tax G.O. Bonds Series 2011D (State Aid)	12/16/2011	3/1/2032	Variable	91,200	(91,200)	—

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the fiscal year ended June 30, 2015

(Thousands of dollars)

Direct Debt (with pledged revenue source)	Date Issued	Date Final Maturity	Interest Rate	Outstanding at June 30, 2014	Issue or (Redeemed)	Outstanding at June 30, 2015 (A)
Unlimited Tax G.O. Bonds Series 2012A (State Aid)	8/21/2012	12/1/2042	5.00%	$ 468,915	$ —	$ 468,915
Unlimited Tax G.O. Bonds Series 2012B (State Aid)	12/21/2012	12/1/2034	5.00%	109,825	—	109,825
Unlimited Tax G.O. Bonds Series 2013A-1 (State Aid)	5/22/2013	3/1/2026	Variable	114,920	(7,990)	106,930
Unlimited Tax G.O. Bonds Series 2013A-2 (State Aid)	5/22/2013	3/1/2035	Variable	124,320	—	124,320
Unlimited Tax G.O. Bonds Series 2013A-3 (State Aid)	5/22/2013	3/1/2036	Variable	157,055	—	157,055
Unlimited Tax G.O. Bonds Series 2015A (State Aid)	3/26/2015	3/1/2032	Variable	—	89,200	89,200
Unlimited Tax G.O. Bonds Series 2015C (State Aid)	4/29/2015	12/1/2039	5.25%-6.00%	—	280,000	280,000
Unlimited Tax G.O. Bonds Series 2015E (State Aid)	4/29/2015	12/1/2039	5.13%	—	20,000	20,000
Unlimited Tax G.O. Bonds Series 2015G (State Aid)	3/26/2015	12/1/2032	Variable	—	88,900	88,900
Grand Total Direct Debt				$6,177,456	$ 92,063	$ 6,269,519

NOTE:

A) Excludes total accreted interest in the following series:

Series	Accreted Interest
1997A	$ 17,881
1998B-1	348,094
1999A	253,196
Total:	$619,171

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED AND PROPOSED BOND ISSUANCES

As of June 30, 2015

(Thousands of dollars)

Bond Authorization	Amount Authorized	Amount Issued	Lien Closed	Retired	Principal Outstanding June 30, 2015 (1)	Remaining Authorization
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)	—	800,527	697,176 (B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	—	865,610	4,585 (C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	—	500,000	— (D)	—
2002 Alternate Bond Authorization	500,000	500,000 (E)	—	468,330	31,670 (E)	—
2004 Alternate Bond Authorization	965,000	965,000 (F)	—	699,114	265,886 (F)	—
2006 Alternate Bond Authorization	750,000	634,258 (G)	—	343,036	291,222 (G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990 (H)	—	187,000	1,712,990 (H)	10
2009 Alternate Bond Authorization	2,300,000	1,906,180 (I)	—	345,850	1,560,330 (I)	393,820
2012 Alternate Bond Authorization	750,000	709,825 (J)	—	300,000	409,825 (J)	40,175
TOTAL	$11,260,000	$10,378,151	$300,000	$5,404,467	$4,973,684	$581,849

(1) Debt Reform Act Section 15 of the State of Illinois states that Alternate bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization. CPS has issued seven series of refunding bonds which met these requirements: $205,410 Series 2004A, of which $131,735 is outstanding; $193,585 Series 2005A, of which 181,085 is outstanding; $52,595 Series 2005B, of which $22,735 is outstanding; $197,765 Series 2007B, of which all is oustanding; $403,980 Series 2013A, of which $388,305 is outstanding; $89,200 Series 2015A, of which all is oustanding; and $88,900 Series 2007G, of which all is oustanding. These series are not included in the authorization table. Total principal amount issued including these series is $11,309,586. Principal outstanding on CPS Debt is $6,073,499.

NOTES:

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	—
		$850,000	$ —

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2015

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1997A	12/3/1997	$ 499,995	$ 11,132
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	—
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	257,044
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	419,560
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	9,440
		$1,497,703	$697,176

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	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	—
		$870,195	$4,585

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	—
		$500,000	$ —

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2015

(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	$31,670
Unlimited Tax GO Bonds, Series 2003D	12/12/2003	257,925	—
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	193,105	—
		$500,000	$31,670

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	259,033
		$965,000	$265,886

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	$ 46,842
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	—
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	4,540
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	187,375
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	52,465
		$634,258	$291,222

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2015

(Thousands of dollars)

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	200,775
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	464,655
Unlimited Tax GO Refunding Bonds, Series 2009A	3/18/2009	130,000	—
Unlimited Taxable GO Bonds, Series 2009E	9/24/2009	518,210	518,210
Unlimited Tax GO Bonds, Series 2009F	9/24/2009	29,125	12,325
Unlimited Tax GO Bonds, Series 2009G	12/17/2009	254,240	254,240
		$1,899,990	$1,712,990

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	176,630
Unlimited Tax GO Refunding Bonds, Series 2010G	11/2/2010	72,915	38,950
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	91,300
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
		$1,906,180	$1,560,330

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2015

(Thousands of dollars)

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 2013B	12/20/2013	150,000	—
Unlimited Tax GO Short-term Line of Credit, Series 2013C	12/20/2013	150,000	—
Unlimited Tax GO Bonds, Series 2015C	4/29/2015	280,000	280,000
Unlimited Tax GO Bonds, Series 2013E	4/29/2015	20,000	20,000
		$709,825	$409,825

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years
As of June 30, 2015
(Thousands of dollars, except per capita)

Fiscal Year	General Obligation Bonds	Leases Securing PBC Bonds	Asbestos Abatement Loan	Capital Leases	Notes Payable	Total Primary Government
2006	$3,866,956	$458,030	$6,154	$2,975	$4,598	$4,338,713
2007	4,091,856	435,535	4,885	2,800	3,606	4,538,682
2008	4,276,507	411,690	3,747	2,625	2,516	4,697,085
2009	4,221,497	386,385	2,710	2,450	1,317	4,614,359
2010	4,904,510	359,215	—	2,275	—	5,266,000
2011	5,249,147	330,375	—	2,100	—	5,581,622
2012	5,593,686	299,780	—	1,925	—	5,895,391
2013	6,058,398	267,330	—	1,750	—	6,327,478
2014	5,944,516	232,940	—	1,575	—	6,179,031
2015	6,073,049	196,470	—	1,400	—	6,270,919

NOTES:

A) Starting in FY2013, 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 FY2013, the total net outstanding debt per capita ratio is the total primary government amount divided by population.

Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt	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
$ N/A	$4,338,713	3.57%	13.00%	2,896,016	$1,498.17	$1,335.27
N/A	4,538,682	3.46%	13.50%	2,896,016	1,567.22	1,412.93
N/A	4,697,085	3.49%	13.82%	2,896,016	1,621.91	1,476.69
N/A	4,614,359	3.45%	14.68%	2,896,016	1,593.35	1,457.69
N/A	5,266,000	4.31%	17.23%	2,695,598	1,953.56	1,819.45
N/A	5,581,622	4.41%	18.55%	2,695,598	2,070.64	1,947.30
N/A	5,895,391	4.47%	21.46%	2,695,598	2,187.04	2,075.12
144,852	6,182,626	N/A	22.64%	2,695,598	2,293.60	2,247.52
167,270	6,011,761	N/A	N/A	2,695,598	2,230.21	2,205.27
167,270	6,103,649	N/A	N/A	2,695,598	2,264.30	2,252.95

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
As of June 30, 2015
(Thousands of dollars)

	2006	2007	2008	2009
Debt limit	$8,184,894	$9,593,382	$10,163,860	$11,175,687
General obligation	711,982	658,947	606,009	553,134
Less: amount set aside for repayment of bonds	(39,984)	(37,322)	(36,238)	(34,719)
Total net debt applicable to limit (A)	$ 671,998	$ 621,625	$ 569,771	$ 518,415
Legal debt margin	$7,512,896	$8,971,757	$ 9,594,089	$10,657,272
Total net debt applicable to the limit as a percentage of debt limit	8.21%	6.48%	5.61%	4.64%

NOTE:

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:

$499.9 million Series 1997A
$328.7 million Series 1998B-1
$532.5 million Series 1999A
$9.44 million Series 2001B
$49.0 million Series 2002A
$4.6 million Series 2003C
$205.4 million Series 2004A
$193.5 million Series 2005A
$52.5 million Series 2005B
$6.9 million Series 2006A
$355.8 million Series 2006B
$197.7 million Series 2007B
$6.8 million Series 2007C
$238.7 million Series 2007D
$262.8 million Series 2008A
$240.9 million Series 2008B
$464.7 million Series 2008C
$75.7 million Series 2009D
$547.3 million Series 2009EF
$254.2 million Series 2009G
$257.1 million Series 2010C
$125.0 million Series 2010D
$183.7 million Series 2010F
$72.9 million Series 2010G
$402.4 million Series 2011A
$95.1 million Series 2011C
$468.9 million Series 2012A
$109.8 million Series 2012B
$403.9 million Series 2013A
$89.2 million Series 2015A
$280.0 million Series 2015C
$20.0 million Series 2015E
$88.9 million Series 2015G

2010	2011	2012	2013	2014	2015
$11,673,736	$11,328,763	$10,367,652	$9,005,479	$8,607,088	$8,958,101
498,593	446,719	394,793	342,830	290,849	238,820
(16,042)	(36,440)	(29,917)	(34,790)	(35,201)	(34,684)
$ 482,551	$ 410,279	$ 364,876	$ 308,040	$ 255,648	$ 204,136
$11,191,185	$10,918,484	$10,002,776	$8,697,439	$8,351,440	$8,753,965
4.13%	3.62%	3.52%	3.42%	2.97%	2.28%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2015

(Thousands of Dollars)

Governmental Unit	Debt Outstanding (A)	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Chicago	$7,990,427	100.00%	$ 7,990,427
City Colleges of Chicago	250,000	100.00%	250,000
Chicago Park District	806,960	100.00%	806,960
Cook County	3,466,977	50.63%	1,755,330
Forest Preserve District	170,322	50.63%	86,234
Water Reclamation District	2,619,000	51.62%	1,351,928
Subtotal, overlapping debt			$12,240,879
Chicago Public School Direct Debt			6,269,519
Total Direct and Overlapping Debt			$18,510,398

NOTES:

A) Debt outstanding data provided by each governmental unit.

B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2014 City of Chicago tax extension within the City of Chicago by the total 2014 Cook County extension for the district.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CPS' DEBT RATING HISTORY

The following table presents the changes in credit rating for Chicago Public Schools for the last five years:

	Jun. 2010	Oct. 2010	Oct. 2011	Jul. 2012	Aug. 2012	Sep. 2012	Oct. 2012	July 2013	Sep. 2013	Mar. 2014	Jun. 2015
S&P	AA-	AA	AA-	AA-	A+	A+	A+	A+	A+	A+	A-
Moody's	A1	Aa2	Aa3	A1	A1	A2	A2	A3	A3	Baa1	Ba3
Fitch	AA-	A+	A+	A+	A+	A+	A	A	A-	A-	BBB-
Kroll											BBB+

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	City of Chicago Population (A)	Personal Income ($000's)	Per Capita Income (B)	Median Age (C)	Number of Households (C)
2005	2,896,016	$114,169,639	$39,423	33.14	1,045,282
2006	2,896,016	121,612,400	41,993	33.48	1,042,014
2007	2,896,016	130,986,804	45,230	33.75	1,033,328
2008	2,896,016	134,592,344	46,475	34.13	1,032,746
2009	2,896,016	133,682,995	46,161	34.50	1,037,069
2010	2,695,598	122,140,241	45,311	34.80	1,045,666
2011	2,695,598	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	N/A	N/A	33.40	1,028,829

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

N/A: Not available at publishing.

Civilian Labor Force (D)		Employment (D)		
Number	Percent of Population	Number	Percent of Population	Unemployment Rate
1,290,020	44.54%	1,198,659	41.39%	7.10%
1,296,045	44.75%	1,227,320	42.38%	5.30%
1,321,924	45.65%	1,245,876	43.02%	5.80%
1,328,413	45.87%	1,235,459	42.66%	7.00%
1,318,491	45.53%	1,174,785	40.57%	10.90%
1,320,502	48.99%	1,175,029	43.59%	11.00%
1,259,055	46.71%	1,116,216	41.41%	11.30%
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%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2014			2013			2012			2011		
Employer	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	18,556	1	1.47%	—	—	—	—	—	—	—	—	—
University of Chicago	16,025	2	1.27%	—	—	—	—	—	—	—	—	—
J.P. Morgan Chase (1)	15,015	3	1.19%	8,499	1	0.78%	8,168	1	0.76%	7,993	1	0.77%
Northwestern Memorial Hospital	14,550	4	1.15%	—	—	—	—	—	—	—	—	—
United Continental Holdings Inc	14,000	5	1.11%	—	—	—	—	—	—	—	—	—
Walgreen's Co.	13,797	6	1.09%	2,869	9	0.26%	2,789	10	0.26%	4,429	7	0.43%
AT&T Inc. (2)	13,000	7	1.03%	—	—	—	—	—	—	—	—	—
Presence Health	11,279	8	0.89%	—	—	—	—	—	—	—	—	—
University of Illinois at Chicago	10,100	9	0.80%	—	—	—	—	—	—	—	—	—
Abbot Laboratories	10,000	10	0.79%	—	—	—	—	—	—	—	—	—
United Airlines	—	—	—	8,199	2	0.75%	7,521	2	0.70%	6,366	2	0.62%
Accenture LLP	—	—	—	5,821	3	0.53%	5,590	3	0.52%	5,014	4	0.48%
Northern Trust	—	—	—	5,353	4	0.49%	5,448	4	0.51%	5,485	3	0.53%
Ford Motor Company	—	—	—	5,103	5	0.47%	4,187	6	0.39%	3,410	10	0.33%
Jewel Food Stores, Inc	—	—	—	4,441	6	0.41%	4,572	5	0.43%	4,799	5	0.46%
ABM Janitorial Midwest, Inc.	—	—	—	3,399	7	0.31%	3,398	8	0.32%	3,629	9	0.35%
Bank of America NT & SA	—	—	—	3,392	8	0.31%	3,811	7	0.36%	4,557	6	0.44%
American Airlines	—	—	—	2,749	10	0.25%	3,076	9	0.29%	—	—	—
SBC Ameritech	—	—	—	—	—	—	—	—	—	—	—	—
CVS Corporation	—	—	—	—	—	—	—	—	—	4,159	8	0.40%
Bonded Maintenance Company	—	—	—	—	—	—	—	—	—	—	—	—
Deloitte & Touche	—	—	—	—	—	—	—	—	—	—	—	—

Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.
Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue- Tax Division report, which is no longer available.

NOTES:

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

Source: Reprinted with permission, Crain's Chicago Business [January 19, 2015], Crain Communications, Inc.

1) J.P. Morgan Chase formerly known as Bank One.
2) AT&T Inc. formerly known as SBC Ameritech. 2014 number of employees is a statewide number.

2010			2009			2008			2007			2006		
Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8,094	1	0.81%	8,431	1	0.81%	8,865	1	0.81%	9,114	1	0.73%	8,979	1	0.82%
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4,552	6	0.33%	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5,585	2	0.58%	6,019	2	0.58%	6,403	2	0.58%	6,102	2	0.49%	5,944	2	0.55%
4,224	7	0.32%	3,341	7	0.32%	4,532	5	0.41%	4,283	5	0.34%	4,470	5	0.41%
5,833	3	0.56%	5,394	4	0.52%	5,084	4	0.46%	4,787	4	0.38%	4,610	4	0.42%
—	—	—	2,764	10	0.27%	3,325	8	0.30%	3,367	8	0.27%	3,480	8	0.32%
5,307	4	0.52%	5,833	3	0.56%	5,977	3	0.55%	5,424	3	0.43%	5,453	3	0.50%
3,840	9	0.30%	—	—	—	—	—	—	—	—	—	—	—	—
4,668	5	0.44%	4,631	5	0.44%	—	—	—	—	—	—	3,108	10	0.29%
3,153	10	0.27%	3,394	6	0.33%	3,582	6	0.33%	3,645	7	0.29%	3,750	7	0.34%
—	—	—	3,136	8	0.30%	3,459	7	0.32%	4,002	6	0.32%	3,834	6	0.35%
4,067	8	0.30%	3,120	9	0.30%	3,161	9	0.29%	3,120	9	0.25%	—	—	—
—	—	—	—	—	—	2,955	10	0.27%	—	—	—	3,298	9	0.30%
—	—	—	—	—	—	—	—	—	2,988	10	0.24%	—	—	—

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2014 NET REVENUES
(Millions of dollars)

Company Name	2014 Net Revenues	Number of Employees (1)
Boeing Co.	$90,762.0	165,500
Archer Daniels Midland Co.	81,201.0	33,900
Walgreen Co. (2)	76,392.0	251,000
Caterpillar Inc.	55,184.0	114,233
United Continental Holdings Inc.	38,901.0	84,000
Deere & Co. (3)	36,066.9	59,623
Allstate Corp.	35,239.0	40,200
Mondelez International Inc.	34,244.0	104,000
Sears Holdings Corp. (4)	31,198.0	196,000
McDonald's Corp.	27,441.3	420,000
Exelon Corp.	27,429.0	28,993
Catamaran Corp.	21,581.9	4,500
Abbott Laboratories	20,247.0	77,000
Abbvie Inc.	19,960.0	26,000
Kraft Foods Group Inc.	18,205.0	22,100
Baxter International Inc.	16,671.0	66,000
Illinois Tool Works Inc.	14,484.0	49,000
CDW Corp.	12,074.5	7,211
R.R. Donnelley & Sons Co.	11,603.4	68,000
Navistar International Corp (3)	10,806.0	14,200

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 25, 2015 issue. Copyright 2015 Crain Communications Inc.

NOTES:

1) Most recent employee count available
2) Fiscal year ends in August.
3) Fiscal year ends in October.
4) Fiscal year ends in February.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES

CURRENT APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2015

With Comparative Amounts for the Fiscal Year Ended June 30, 2014

(Thousands of dollars)

	Approved Budget	Transfers In (Out)	Final Appropriations	Fiscal Year 2015 Actual	Variance	Fiscal Year 2014 Actual (as restated)	2015 Over (Under) 2014
Revenues:							
Property taxes	$2,178,493	$ —	$2,178,493	$2,252,828	$ 74,335	$2,152,753	$ 100,075
Replacement taxes	132,735	—	132,735	143,867	11,132	131,075	12,792
State aid	1,507,740	—	1,507,740	1,579,324	71,584	1,629,892	(50,568)
Federal aid	863,628	—	863,628	767,548	(96,080)	867,512	(99,964)
Interest and investment income	80	—	80	198	118	4,458	(4,260)
Other	211,246	—	211,246	165,819	(45,427)	156,115	9,704
Total revenues	$4,893,922	$ —	$4,893,922	$4,909,584	$ 15,662	$4,941,805	($ 32,221)
Expenditures:							
Teachers' salaries	$1,986,062	$ (59,155)	$1,926,907	$1,953,938	$ 27,031	$1,921,969	$ 31,969
Career service salaries	625,489	723	626,212	622,591	(3,621)	619,462	3,129
Energy	78,696	(1,983)	76,713	74,516	(2,197)	87,547	(13,031)
Food	100,615	2,229	102,844	99,573	(3,271)	96,816	2,757
Textbooks	39,288	23,953	63,241	55,254	(7,987)	52,871	2,383
Supplies	41,345	20,921	62,266	50,571	(11,695)	55,223	(4,652)
Other commodities	637	(1)	636	474	(162)	648	(174)
Professional fees	320,744	90,565	411,309	395,221	(16,088)	441,667	(46,446)
Charter schools	649,777	19,677	669,454	662,553	(6,901)	580,652	81,901
Transportation	99,513	15,109	114,622	103,891	(10,731)	104,430	(539)
Tuition	74,748	21,695	96,443	90,901	(5,542)	66,396	24,505
Telephone and telecommunications	34,722	(6,595)	28,127	28,061	(66)	30,297	(2,236)
Other services	20,507	7,248	27,755	14,133	(13,622)	14,126	7
Equipment — educational	41,436	25,996	67,432	60,962	(6,470)	62,757	(1,795)
Repairs and replacements	16,280	11,255	27,535	27,291	(244)	31,679	(4,388)
Capital outlay	—	32	32	5	(27)	—	5
Teachers' pension	795,135	5,935	801,070	826,304	25,234	740,419	85,885
Career service pension	101,378	1,736	103,114	102,012	(1,102)	101,885	127
Hospitalization and dental insurance	341,352	19,932	361,284	357,124	(4,160)	343,308	13,816
Medicare	39,539	(2,745)	36,794	36,557	(237)	35,951	606
Unemployment compensation	9,141	(896)	8,245	8,138	(107)	16,426	(8,288)
Workers' compensation	23,225	4,247	27,472	25,926	(1,546)	25,646	280
Rent	13,181	1,507	14,688	13,030	(1,658)	12,164	866
Other fixed charges	303,431	(201,385)	102,046	11,340	(90,706)	7,792	3,548
Total expenditures	$5,756,241	$ —	$5,756,241	$5,620,366	($135,875)	$5,450,131	$ 170,235

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUE — BY PROGRAM
For the Fiscal Year Ended June 30, 2015
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Revenues:				
Property taxes	$2,149,561	$ —	$ —	$ —
Replacement taxes	143,867	—	—	—
State aid	822,503	—	164,891	262,020
Federal aid	65,393	103,899	121,924	—
Interest and investment income	197	—	—	—
Other	117,859	—	13,954	5,000
Total revenues	$3,299,380	$103,899	$300,769	$267,020

Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Act Program	Total
$ —	$ —	$103,267	$ —	$ —	$2,252,828
—	—	—	—	—	143,867
—	4,563	1	325,346	—	1,579,324
253,515	200,412	—	—	22,405	767,548
—	—	1	—	—	198
—	7,747	4,657	16,602	—	165,819
$253,515	$212,722	$107,926	$341,948	$22,405	$4,909,584

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES — BY PROGRAM
For the Fiscal Year Ended June 30, 2015
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Teachers' salaries	$1,618,304	$ 66,653	$ 91,967	$92,136
Career service salaries	316,075	5,463	40,633	54,221
Energy	293	—	—	—
Food	2,257	24	2,329	21
Textbooks	37,784	24	4,477	4,927
Supplies	30,565	198	3,576	5,528
Other commodities	209	—	8	85
Professional fees	118,508	2,410	84,462	6,969
Charter schools	577,324	—	8,555	41,970
Transportation	91,838	56	2,347	2,098
Tuition	85,817	1,044	1,899	1,711
Telephone and telecommunications	28,009	—	—	—
Other services	8,970	17	2,543	1,220
Equipment — educational	40,828	43	5,630	6,901
Repairs and replacements	5,966	—	116	1,198
Capital outlay	5	—	—	—
Teachers' pension	768,002	12,219	16,428	16,906
Career service pension	51,152	989	6,567	8,037
Hospitalization and dental insurance	251,629	8,585	17,249	19,637
Medicare	27,261	973	1,900	2,254
Unemployment compensation	6,191	238	400	426
Workers' compensation	19,719	762	1,275	1,357
Rent	733	15	1,151	—
Other fixed charges	(4,288)	346	295	—
Total expenditures	$4,083,151	$100,059	$293,807	$267,602

STATISTICAL SECTION

Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	Total
$ 84,795	$ 1	$ 82	$ —	$1,953,938
22,126	60,303	45,866	77,904	622,591
—	—	—	74,223	74,516
366	94,576	—	—	99,573
8,027	15	—	—	55,254
5,021	13	46	5,624	50,571
22	—	—	150	474
29,390	3,942	25,489	124,051	395,221
34,704	—	—	—	662,553
7,311	25	27	189	103,891
430	—	—	—	90,901
1	2	—	49	28,061
1,289	87	3	4	14,133
6,884	389	69	218	60,962
207	—	34	19,770	27,291
—	—	—	—	5
12,733	—	16	—	826,304
3,594	10,374	7,466	13,833	102,012
12,728	23,562	10,987	12,747	357,124
1,539	831	811	988	36,557
293	191	141	258	8,138
932	609	449	823	25,926
3	11	—	11,117	13,030
1,042	7,665	6,279	1	11,340
$233,437	$202,596	$97,765	$341,949	$5,620,366

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS
Last Ten Fiscal Years and 2016 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2006	2007	2008	2009	2010	2011
Local revenue:						
Property taxes	$1,718,249	$1,767,760	$1,813,917	$1,896,540	$2,047,163	$1,936,655
Replacement taxes	184,700	201,509	215,489	188,503	152,497	197,762
Investment income	71,947	116,907	85,895	43,693	12,483	13,399
Other	163,765	286,230	181,028	253,376	359,661	417,516
Total local	$2,138,661	$2,372,406	$2,296,329	$2,382,112	$2,571,804	$2,565,332
State revenue:						
General state aid	$ 978,672	$1,040,241	$1,107,408	$ 879,658	$1,001,777	$1,163,412
Teachers' pension	74,922	75,242	75,218	74,845	37,551	42,971
Capital	—	—	—	—	—	2,793
Other	549,041	586,102	663,408	557,383	512,748	740,605
Total state	$1,602,635	$1,701,585	$1,846,034	$1,511,886	$1,552,076	$1,949,781
Federal revenue:						
Elementary and Secondary Education Act (ESEA)	$ 273,900	$ 269,446	$ 350,515	$ 369,352	$ 307,331	$ 271,859
Individuals with Disabilities Education Act (IDEA)	99,908	81,721	106,051	95,230	96,240	88,058
School lunchroom	147,899	147,407	150,394	139,096	178,764	175,753
Medicaid	33,422	24,257	31,671	50,758	34,937	72,343
Other	220,502	223,198	237,410	471,144	562,876	536,871
Total federal	$ 775,631	$ 746,029	$ 876,041	$1,125,580	$1,180,148	$1,144,884
Total revenue	$4,516,927	$4,820,020	$5,018,404	$5,019,578	$5,304,028	$5,659,997
Change in revenue from previous year	$ 316,027	$ 303,093	$ 198,384	$ 1,174	$ 284,450	$ 355,969
Percent change in revenue	7.5%	6.7%	4.1%	0.0%	5.7%	6.7%

STATISTICAL SECTION

2012	2013	2014 (as restated)	2015	Budget 2016	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,352,136	$2,211,568	$2,204,252	$2,304,656	$2,359,806	3.2%	4.0%
181,927	185,884	188,041	202,148	207,801	1.2%	1.0%
20,760	7,303	15,596	(92,825)	130	-46.8%	-60.4%
303,744	322,128	286,472	377,286	423,297	10.0%	0.3%
$2,858,567	$2,726,883	$2,694,361	$2,791,265	$2,991,034	3.4%	3.1%
$1,136,472	$1,094,732	$1,089,673	$1,014,395	$ 968,513	-0.1%	-3.6%
10,449	10,931	11,903	62,145	492,105	20.7%	62.8%
—	—	—	—	—	N/A	-100.0%
818,980	710,135	739,229	770,529	735,925	3.0%	-0.1%
$1,965,901	$1,815,798	$1,840,805	$1,847,069	$2,196,543	3.2%	2.4%
$ 283,681	$ 264,600	$ 342,915	$ 253,514	$ 224,418	-2.0%	-3.8%
84,385	106,902	100,092	103,899	94,350	-0.6%	1.4%
182,836	190,093	181,902	200,412	212,652	3.7%	3.9%
92,736	41,523	44,801	42,524	47,895	3.7%	-7.9%
292,313	242,678	237,531	198,582	310,617	3.5%	-10.4%
$ 935,951	$ 845,796	$ 907,241	$ 798,931	$ 889,932	1.4%	-4.9%
$5,760,419	$5,388,477	$5,442,407	$5,437,265	$6,077,509	3.0%	1.4%
$ 100,422	$ (371,942)	$ 53,930	$ (5,142)	$ 640,244		
1.8%	-6.5%	1.0%	-0.1%	11.8%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES — ALL FUNDS
Last Ten Fiscal Years and 2016 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2006	2007	2008	2009	2010	2011
Compensation:						
Teacher salaries	$1,916,378	$1,924,109	$1,885,400	$1,975,940	$2,026,257	$2,023,510
ESP salaries	537,346	535,148	559,741	597,533	604,042	610,741
Total salaries	$2,453,724	$2,459,257	$2,445,141	$2,573,473	$2,630,299	$2,634,251
Teacher pension	247,585	282,488	350,483	392,801	475,628	306,111
ESP pension	87,530	83,317	89,776	93,791	96,913	102,158
Hospitalization	243,003	250,765	260,386	299,206	311,048	353,878
Medicare	29,989	25,279	31,075	33,667	34,826	35,004
Unemployment insurance	6,382	8,236	5,764	8,599	16,000	21,992
Workers' compensation	21,004	24,619	29,757	28,148	28,244	25,859
Total benefits	$ 635,493	$ 674,704	$ 767,241	$ 856,212	$ 962,659	$ 845,002
Total compensation	$3,089,217	$3,133,961	$3,212,382	$3,429,685	$3,592,958	$3,479,253
Non-compensation:						
Energy	$ 70,760	$ 77,133	$ 86,759	$ 92,354	$ 78,682	$ 83,356
Food	85,815	83,798	83,326	89,592	93,088	93,766
Textbooks	71,942	65,772	89,514	86,356	70,596	70,249
Supplies	46,965	45,945	46,030	44,572	48,046	51,125
Commodities — other	1,135	1,072	910	998	948	478
Professional fees	319,904	322,252	360,277	440,921	381,851	450,127
Charter schools	118,445	141,030	189,006	256,154	326,322	377,755
Transportation	92,589	97,076	102,828	109,351	109,349	107,530
Tuition	62,890	63,103	65,105	63,858	62,568	59,102
Telephone and telecommunications	16,944	13,701	17,671	19,426	18,199	19,823
Services — other	13,104	13,271	13,253	13,935	15,688	11,789
Equipment	38,335	34,614	39,003	34,450	33,661	41,896
Repairs and replacements	35,556	32,973	36,999	34,772	31,854	37,355
Capital outlays	310,821	345,020	463,067	648,314	691,774	563,390
Rent	14,174	12,965	11,020	12,000	12,093	11,941
Debt service	214,652	342,179	282,142	302,206	386,597	332,097
Other	5,894	6,429	18,888	13,306	17,519	14,402
Total non-compensation	$1,519,925	$1,698,333	$1,905,798	$2,262,565	$2,378,835	$2,326,181
Total expenditures	$4,609,142	$4,832,294	$5,118,180	$5,692,250	$5,971,793	$5,805,434
Change in expenditures from previous year	$ 42,907	$ 223,152	$ 285,886	$ 574,070	$ 279,543	$ (166,359)
Percent change in expenditures	0.9%	4.8%	5.9%	11.2%	4.9%	-2.8%

STATISTICAL SECTION

2012	2013	2014	2015	Budget 2016	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,026,832	$1,942,007	$1,921,969	$1,953,938	$1,935,371	0.1%	-0.9%
618,265	633,489	619,462	622,591	618,006	1.4%	0.2%
$2,645,097	$2,575,496	$2,541,431	$2,576,529	$2,553,377	0.4%	-0.6%
335,657	374,567	740,419	826,304	817,958	12.7%	21.7%
100,026	102,342	101,885	102,012	96,511	1.0%	-1.1%
324,918	319,792	343,308	357,124	347,273	3.6%	-0.4%
34,900	36,404	35,951	36,557	38,820	2.6%	2.1%
17,141	9,134	16,426	8,138	8,923	3.4%	-16.5%
26,042	23,967	25,646	25,926	22,670	0.8%	-2.6%
$ 838,684	$ 866,206	$1,263,635	$1,356,061	$1,332,155	7.7%	9.5%
$3,483,781	$3,441,702	$3,805,066	$3,932,590	$3,885,532	2.3%	2.2%
$ 73,409	$ 76,559	$ 87,547	$ 74,516	$ 78,339	1.0%	-1.2%
104,245	106,650	96,816	99,573	102,406	1.8%	1.8%
49,147	68,969	52,871	55,254	41,857	-5.3%	-9.8%
45,521	52,925	55,223	50,571	40,987	-1.4%	-4.3%
583	408	648	474	462	-8.6%	-0.7%
412,072	398,064	441,667	395,221	284,875	-1.2%	-8.7%
424,423	498,162	580,652	662,553	730,064	19.9%	14.1%
109,368	106,861	104,430	103,891	100,147	0.8%	-1.4%
55,001	54,626	66,396	90,901	50,439	-2.2%	-3.1%
23,451	23,642	30,297	28,061	26,133	4.4%	5.7%
11,010	12,438	14,126	14,133	15,395	1.6%	5.5%
40,938	59,654	62,757	60,962	22,020	-5.4%	-12.1%
33,912	26,449	31,679	27,291	20,547	-5.3%	-11.3%
576,925	493,532	486,986	374,758	177,556	-5.4%	-20.6%
11,745	10,547	12,164	13,030	16,295	1.4%	6.4%
374,494	390,409	467,904	523,113	538,627	9.6%	10.2%
9,679	8,639	7,792	11,340	276,326	46.9%	80.6%
$2,355,923	$2,388,534	$2,599,955	$2,585,642	$2,522,475	5.2%	1.6%
$5,839,704	$5,830,236	$6,405,021	$6,518,232	$6,408,007	3.3%	2.0%
$ 34,270	$ (9,468)	$ 574,785	$ 113,211	$ (110,225)		
0.6%	-0.2%	9.8%	1.8%	-1.7%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) — ALL FUNDS
Last Ten Fiscal Years and 2016 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2006	2007	2008	2009
Revenues:				
Local	$2,138,661	$2,372,406	$ 2,296,329	$2,382,112
State	1,602,635	1,701,585	1,846,034	1,511,886
Federal	775,631	746,029	876,041	1,125,580
Total revenues	$4,516,927	$4,820,020	$ 5,018,404	$5,019,578
Total expenditures	4,609,142	4,832,294	5,118,180	5,692,250
Revenues less expenditures	$ (92,215)	$ (12,274)	$ (99,776)	$ (672,672)
Other Financing Sources:				
Bond proceeds	$ 385,603	$ 355,805	$ 1,674,555	$ 225,675
Net premiums/discounts	3,798	14,444	41,226	—
Proceeds from swaps	—	—	—	—
Capital leases	3,700	—	—	—
Insurance proceeds	—	—	—	1,155
Sales of general capital assets	7,596	25,673	6,404	91
Payment to bond escrow agent	—	—	(1,474,081)	(226,408)
Transfers in/ (out)	—	—	—	—
Total other financing sources	$ 400,697	$ 395,922	$ 248,104	$ 513
Change in fund balance	$ 308,482	$ 383,648	$ 148,328	$ (672,159)
Fund balance — beginning of period	1,045,666	1,354,148	1,578,331	1,726,659
Fund balance — end of period	$1,354,148	$1,737,796	$ 1,726,659	$1,054,500
Revenues as a percent of expenditures	98.0%	99.7%	98.1%	88.2%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	$ 323,251	$ 296,799	$ 401,281	$ 211,422
Reserved for restricted donations	1,503	1,765	1,826	3,695
Reserved for specific purposes	84,388	129,597	102,695	101,072
Reserved for debt services	353,267	264,867	272,471	272,273
Unreserved:				
Designated to provide operating capital	218,400	233,200	258,000	181,200
Undesignated	373,339	811,568	690,386	284,838
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Restricted for capital improvement program	—	—	—	—
Restricted for debt service	—	—	—	—
Assigned for 2015 Budget	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for debt service	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total fund balance	$1,354,148	$1,737,796	$ 1,726,659	$1,054,500
Unreserved/Unassigned fund balance as a percentage of revenues	13.1%	21.7%	18.9%	9.3%
Total fund balance as a percentage of revenues	30.0%	36.1%	34.4%	21.0%

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

STATISTICAL SECTION

2010	2011	2012	2013	2014 (as restated)	2015	Budget 2016
$2,571,804	$2,565,332	$2,858,567	$2,726,883	$2,694,361	$ 2,791,265	$2,991,034
1,552,076	1,949,781	1,965,901	1,815,798	1,840,805	1,847,069	2,196,542
1,180,148	1,144,884	935,951	845,796	907,241	798,931	889,932
$5,304,028	$5,659,997	$5,760,419	$5,388,477	$5,442,407	$ 5,437,265	$6,077,508
5,971,793	5,805,434	5,839,704	5,830,236	6,405,021	6,518,232	6,408,009
$ (667,765)	$ (145,437)	$ (79,285)	$ (441,759)	$ (962,614)	$(1,080,967)	$ (330,501)
$1,083,260	$ 638,790	$ 592,510	982,720	131,600	561,880	$ 555,000
6,459	14,700	1,229	47,271	—	(12,502)	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	723	7,301	37,504	—
(288,704)	(269,483)	(190,100)	(480,597)	—		—
—	—	—	—	—	(397,090)	
$ 801,015	$ 384,007	$ 403,639	$ 550,117	$ 138,901	$ 189,792	$ 555,000
$ 133,250	$ 238,570	$ 324,354	$ 108,358	$ (823,713)	$ (891,175)	
1,054,500	1,187,750	1,426,320	1,750,674	2,546,502	1,722,789	
$1,187,750	$1,426,320	$1,750,674	$1,859,032	$1,722,789	$ 831,614	
88.8%	97.5%	98.6%	92.4%	85.0%	83.4%	
$ 340,688	$ —	$ —	$ —	$ —	$ —	
5,825	—	—	—	—	—	
109,163	—	—	—	—	—	
375,211	—	—	—	—	—	
—	—	—	—	—	—	
356,863	—	—	—	—	—	
—	1,972	9,003	6,108	429	429	
—	126,855	69,873	63,434	61,022	64,155	
—	91,036	92,680	64,985	19,838	41,373	
—	182,884	88,762	169,368	—	—	
—	271,643	332,517	466,966	491,552	545,383	
—	—	—	—	—	79,225	
—	289,000	—	—	—	—	
—	181,300	348,900	562,682	267,652		
—	231,413	254,967	269,167	193,877	57,057	
—	44,924	110,397	105,664	87,067	73,101	
—	5,293	443,575	150,658	(91,953)	(29,109)	
$1,187,750	$1,426,320	$1,750,674	$1,859,032	$1,029,484	$ 831,614	
6.7%	0.1%	7.7%	2.8%	-1.7%	-0.5%	
22.4%	25.2%	30.4%	34.5%	18.9%	15.3%	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
Last Ten Fiscal Years and 2016 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	2006	2007	2008	2009	2010
Local revenue:					
Property taxes	$1,666,118	$1,716,516	$1,763,282	$1,867,350	$2,035,938
Replacement taxes	131,639	147,403	159,805	132,819	96,816
Investment income	36,874	61,595	40,905	21,405	3,084
Other	101,129	95,534	96,816	102,107	111,985
Total local	$1,935,760	$2,021,048	$2,060,808	$2,123,681	$2,247,823
State Revenue:					
General state aid	$ 868,398	$ 888,220	$ 953,783	$ 700,954	$ 801,198
Teacher pension	74,922	75,233	75,210	74,845	74,922
Other	549,041	586,040	663,358	557,383	491,677
Total state	$1,492,361	$1,549,493	$1,692,351	$1,333,182	$1,367,797
Federal revenue:					
Elementary and Secondary Education Act (ESEA)	$ 273,900	$ 269,446	$ 350,515	$ 369,352	$ 307,331
Individuals with Disabilities Education Act (IDEA)	99,908	81,721	106,051	95,230	96,240
School lunch program	147,899	147,407	150,394	139,096	178,764
Medicaid	33,422	24,257	31,671	50,758	34,937
Other	202,602	189,132	193,895	468,369	543,140
Total federal	$ 757,731	$ 711,963	$ 832,526	$1,122,805	$1,160,412
Total revenue	$4,185,852	$4,282,504	$4,585,685	$4,579,668	$4,776,032
Change in revenue from previous year	$ 240,297	$ 96,652	$ 303,181	$ (6,017)	$ 196,364
Percentage change in revenue	6.1%	2.3%	7.1%	-0.1%	4.3%

STATISTICAL SECTION

2011	2012	2013	2014 (as restated)	2015	Budget 2016	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$1,904,169	$2,295,178	$2,157,777	$2,152,753	$2,252,828	$2,307,809	3.3%	3.9%
172,384	126,786	128,212	131,075	143,867	149,517	1.3%	-2.8%
1,920	4,363	2,207	4,458	198	140	-42.7%	-40.8%
221,391	142,160	132,717	156,115	165,819	245,222	9.3%	2.1%
$2,299,864	$2,568,487	$2,420,913	$2,444,401	$2,562,712	$2,702,688	3.4%	3.3%
$ 940,693	$ 989,943	$ 945,651	$ 972,572	$ 847,420	$ 925,612	0.6%	-0.3%
42,971	10,449	10,931	11,903	62,145	492,105	20.7%	62.8%
710,902	756,774	642,842	645,417	669,759	639,575	1.5%	-2.1%
$1,694,566	$1,757,166	$1,599,424	$1,629,892	$1,579,324	$2,057,292	3.3%	4.0%
$ 271,859	$ 283,681	$ 264,600	$ 342,915	$ 253,514	$ 187,104	-3.7%	-7.2%
88,058	84,385	106,902	100,092	103,899	94,350	-0.6%	1.4%
175,753	182,836	190,093	189,336	200,412	212,652	3.7%	3.9%
72,343	92,736	41,523	40,879	42,524	47,895	3.7%	-7.9%
513,444	247,349	202,865	194,290	167,199	310,617	4.4%	-9.6%
$1,121,457	$ 890,987	$ 805,983	$ 867,512	$ 767,548	$ 852,618	1.2%	-5.3%
$5,115,887	$5,216,640	$4,826,320	$4,941,805	$4,909,584	$5,612,598	3.0%	1.9%
$ 339,855	$ 100,753	$ (390,320)	$ 115,485	$ (32,221)	$ 703,014		
7.1%	2.0%	-7.5%	2.4%	-0.7%	14.3%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES

Last Ten Fiscal Years and 2016 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2006	2007	2008	2009	2010	2011
Compensation:						
Teachers' salaries	$1,916,378	$1,924,109	$1,885,400	$1,975,940	$2,026,257	$2,023,510
ESP salaries	537,346	535,148	559,741	597,533	604,042	610,741
Total salaries	$2,453,724	$2,459,257	$2,445,141	$2,573,473	$2,630,299	$2,634,251
Teachers' pension	247,585	282,488	350,483	392,801	475,628	306,111
ESP pension	87,530	83,317	89,776	93,791	96,913	102,158
Hospitalization	243,003	250,765	260,386	299,206	311,048	353,878
Medicare	29,989	25,279	31,075	33,667	34,826	35,004
Unemployment insurance	6,382	8,236	5,764	8,599	16,000	21,992
Workers' compensation	21,004	24,619	29,757	28,148	28,244	25,859
Total benefits	$ 635,493	$ 674,704	$ 767,241	$ 856,212	$ 962,659	$ 845,002
Total compensation	$3,089,217	$3,133,961	$3,212,382	$3,429,685	$3,592,958	$3,479,253
Non-compensation:						
Energy	$ 70,760	$ 77,133	$ 86,759	$ 92,354	$ 78,682	$ 83,356
Food	85,815	83,798	83,326	89,592	93,088	93,766
Textbooks	71,942	65,772	89,514	86,356	70,596	70,249
Supplies	46,965	45,945	46,030	44,572	48,046	51,125
Commodities — other	1,135	1,072	910	998	948	478
Professional fees	319,904	322,252	360,277	440,921	381,851	450,127
Charter schools	118,445	141,030	189,006	256,154	326,322	377,755
Transportation	92,589	97,076	102,828	109,351	109,349	107,530
Tuition	62,890	63,103	65,105	63,858	62,568	59,102
Telephone and telecommunications	16,944	13,701	17,671	19,426	18,199	19,823
Services — other	13,104	13,271	13,253	13,935	15,688	11,789
Equipment	38,335	34,614	39,003	34,450	33,661	41,896
Repairs and replacements	35,556	32,973	36,999	34,772	31,854	37,355
Capital outlays	4	5	10	12	10	5
Rent	14,174	12,965	11,020	12,000	12,093	11,941
Debt service	1,420	1,269	21,704	1,037	2,710	—
Other	5,894	6,429	18,888	13,306	17,519	14,402
Total non-compensation	$ 995,876	$1,012,408	$1,182,303	$1,313,094	$1,303,184	$1,430,699
Total expenditures	$4,085,093	$4,146,369	$4,394,685	$4,742,779	$4,896,142	$4,909,952
Change in expenditures from previous year	$ 222,697	$ 61,276	$ 248,316	$ 348,094	$ 153,363	$ 13,810
Percent change in expenditures	5.8%	1.5%	6.0%	7.9%	3.2%	0.3%

STATISTICAL SECTION

2012	2013	2014	2015	Budget 2016	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,026,832	$1,942,007	$1,921,969	$1,953,938	$1,935,371	0.1%	-0.9%
618,265	633,489	619,462	622,591	618,006	1.4%	0.2%
$2,645,097	$2,575,496	$2,541,431	$2,576,529	$2,553,377	0.4%	-0.6%
335,657	374,567	740,419	826,304	817,958	12.7%	21.7%
100,026	102,342	101,885	102,012	96,511	1.0%	-1.1%
324,918	319,792	343,308	357,124	347,273	3.6%	-0.4%
34,900	36,404	35,951	36,557	38,820	2.6%	2.1%
17,141	9,134	16,426	8,138	8,923	3.4%	-16.5%
26,042	23,967	25,646	25,926	22,670	0.8%	-2.6%
$ 838,684	$ 866,206	$1,263,635	$1,356,061	$1,332,155	7.7%	9.5%
$3,483,781	$3,441,702	$3,805,066	$3,932,590	$3,885,532	2.3%	2.2%
$ 73,409	$ 76,559	$ 87,547	$ 74,516	$ 78,339	1.0%	-1.2%
104,245	106,650	96,816	99,573	102,406	1.8%	1.8%
49,147	68,969	52,871	55,254	41,857	-5.3%	-9.8%
45,521	52,925	55,223	50,571	40,987	-1.4%	-4.3%
583	408	648	474	462	-8.6%	-0.7%
412,072	398,064	441,667	395,221	284,875	-1.2%	-8.7%
424,423	498,162	580,652	662,553	730,064	19.9%	14.1%
109,368	106,861	104,430	103,891	100,147	0.8%	-1.4%
55,001	54,626	66,396	90,901	50,439	-2.2%	-3.1%
23,451	23,642	30,297	28,061	26,133	4.4%	5.7%
11,010	12,438	14,126	14,133	15,395	1.6%	5.5%
40,938	59,654	62,757	60,962	22,020	-5.4%	-12.1%
33,912	26,449	31,679	27,291	20,547	-5.3%	-11.3%
43	75	—	5	—	-100.0%	-100.0%
11,745	10,547	12,164	13,030	16,295	1.4%	6.4%
—	—	—	—	—	-100.0%	0.0%
9,679	8,639	7,792	11,340	276,327	46.9%	80.6%
$1,404,547	$1,504,668	$1,645,065	$1,687,776	$1,806,293	6.1%	4.8%
$4,888,328	$4,946,370	$5,450,131	$5,620,366	$5,691,825	3.4%	3.0%
$ (21,624)	$ 58,042	$ 503,761	$ 170,235	$ 71,459		
-0.4%	1.2%	10.2%	3.1%	1.3%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
Last Ten Fiscal Years and 2016 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2006	2007	2008	2009
Revenues:				
Local	$1,935,760	$2,021,048	$2,060,808	$2,123,681
State	1,492,361	1,549,493	1,692,351	1,333,182
Federal	757,731	711,963	832,526	1,122,805
Total revenues	$4,185,852	$4,282,504	$4,585,685	$4,579,668
Total expenditures	4,085,093	4,146,369	4,394,685	4,742,779
Revenues less expenditures	$ 100,759	$ 136,135	$ 191,000	$ (163,111)
Other financing sources less transfers	4,145	1,904	3,813	20,389
Change in fund balance	$ 104,904	$ 138,039	$ 194,813	$ (142,722)
Fund balance — beginning of period	390,993	495,897	474,783	669,596
Fund balance — end of period	$ 495,897	$ 633,936	$ 669,596	$ 526,874
Revenues as a percent of expenditures	102.5%	103.3%	104.3%	96.6%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	$ 102,286	$ 97,731	$ 132,684	$ 110,685
Reserved for restricted donations	1,503	1,765	1,826	3,695
Reserved by law for specific purposes	84,388	129,597	102,695	101,072
Unreserved:				
Designated to provide operating capital	218,400	233,200	258,000	181,200
Undesignated	89,320	171,643	174,391	130,222
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Assigned for 2016 Budget	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total fund balance	$ 495,897	$ 633,936	$ 669,596	$ 526,874
Unreserved/unassigned fund balance as a percent of revenues	7.4%	9.5%	9.4%	6.8%
Total fund balance as a percentage of revenues	11.8%	14.8%	14.6%	11.5%

NOTE:

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

STATISTICAL SECTION

2010	2011	2012	2013	2014 (as restated)	2015	Budget 2016
$2,247,823	$2,299,864	$2,568,487	$2,420,913	$2,444,401	$2,562,712	$2,702,689
1,367,797	1,694,566	1,757,166	1,599,424	1,629,892	1,579,324	2,057,293
1,160,412	1,121,457	890,987	805,983	867,512	767,548	852,618
$4,776,032	$5,115,887	$5,216,640	$4,826,320	$4,941,805	$4,909,584	$5,612,600
4,896,142	4,909,952	4,888,328	4,946,370	5,450,131	5,620,366	5,687,710
$ (120,110)	$ 205,935	$ 328,312	$ (120,050)	$ (508,326)	$ (710,782)	$ (75,110)
17,851	109,830	62	439	161	(12,915)	
$ (102,259)	$ 315,765	$ 328,374	$ (119,611)	$ (508,165)	$ (723,697)	
526,874	424,615	740,380	1,068,754	1,592,147	1,083,982	
$ 424,615	$ 740,380	$1,068,754	$ 949,143	$1,083,982	$ 360,285	
97.5%	104.2%	106.7%	97.6%	90.7%	87.4%	
$ 111,166	$ —	$ —	$ —	$ —	$ —	
5,825	—	—	—	—	—	
109,163	—	—	—	—	—	
—	—	—	—	—	—	
198,461	—	—	—	—	—	
—	1,972	3,329	1,720	429	429	
—	126,855	69,873	63,434	61,022	64,155	
—	91,036	92,680	64,985	19,838	41,373	
—	—	—	—	—	79,225	
—	289,000	—	—	—	—	
—	181,300	348,900	562,682	267,652	—	
—	44,924	110,397	105,664	87,067	73,101	
—	5,293	443,575	150,658	—	102,002	
$ 424,615	$ 740,380	$1,068,754	$ 949,143	$ 436,008	$ 360,285	
4.2%	0.1%	8.5%	3.1%	0.0%	2.1%	
8.9%	14.5%	20.5%	19.7%	8.8%	7.3%	

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, 2015

Eligible Expenditures:	
Physical Education — Athletic Claims	$ 63,100
Tort Claims — Administration Fee	491,250
Tort Claims — Major Settlements	723,632
Tort Claims — Casualty	310,516
General Liability Insurance	1,702,483
Property Damage Insurance	2,771,796
Property Loss Reserve Fund	111,654
Compensation and Benefits Management	33,073
Charter Schools — Support Services	272,220
Investigations — Administration	24,187
School Safety Administration	994,866
School Safety Services	21,323,487
Personnel Security Services	54,168,920
Security Police Officers	6,500,000
Central Service Security	4,876,726
Security Services	2,950,638
Crisis Intervention	397,715
Employee Services	48,360
Total Eligible Expenditures	$97,764,623

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS
For the Fiscal Year Ended June 30, 2015

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

	Beginning Balance	Cash Receipts	Cash Disbursements	Amounts Held for Student Activities
Checking:				
Elementary Schools	$17,972,533	$33,595,192	$31,771,290	$19,796,435
Child Parent Centers	46,209	39,019	39,501	45,727
Alternative Schools	20,091	27,857	27,383	20,565
Middle Schools	452,486	533,506	503,729	482,263
High Schools	17,136,871	32,208,509	29,939,465	19,405,915
	$35,628,190	$66,404,083	$62,281,368	$39,750,905
Investments:				
Elementary Schools				138,862
High Schools				998,371
Total Cash and Investments Held for Student Activities				$40,888,138

STUDENT FEES

	Graduation Fees (A)	Student Activity Fees (B)	Total
Total Elementary School Fees	$1,616,954	$3,551,439	$ 5,168,393
Total Elementary Students	251,554	251,554	251,554
Average Fee per Student	$ 6.43	$ 14.12	$ 20.55
Total High School Fees	$ 892,534	$9,778,368	$10,670,902
Total High School Students	88,183	88,183	88,183
Average Fee per Student	$ 10.12	$ 110.89	$ 121.01

NOTES:

A) Graduation fees are defined as all mandatory graduation fees, including cap and gown.

B) Student activity fees are defined as fees collected from students to cover activities and items necessary to complete a given curriculum and fees collected from students to cover the cost of extra-curricular activities and items.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES
For the Fiscal Year Ended June 30, 2015

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
BROKER SERVICES	Mesirow Financial	07/01/14 — 06/30/15	$ 69,750	Insurance placement and consultation. The contract with Mesirow for these services has been extended and continues.
PROPERTY INSURANCE				
All Risk-Property Insurance layers				
Property Primary I	Lexington Insurance Company	07/01/14 — 06/30/15	$ 2,126,660	$50M per occurrence subject to $1M deductible
Property Excess II	Starr Specialty Insurance Chubb Insurance GSINDA Insurance	07/01/14 — 06/30/15	66,364	$21.25M per occurrence $50M excess $50M
Property Excess II	Homeland Insurance Company	07/01/14 — 06/30/15	23,423	$7.5M per occurrence $50M excess $50M
Property Excess II	Steadfast Insurance (Zurich) Company	07/01/14 — 06/30/15	66,364	$21.25M per occurrence $50M excess $50M
Property Excess III	Homeland Insurance Company	07/01/14 — 06/30/15	24,594	$22.5M per occurrence $150M excess $100M
Property Excess III	Great American Insurance Company	07/01/14 — 06/30/15	63,000	$60M per occurrence $150M excess $100M
Property Excess III	Lexington Insurance Company	07/01/14 — 06/30/15	73,781	$67.5M per occurrence $150M excess $100M
Boiler & Machinery Insurance	Federal Insurance Company (Chubb)	07/01/14 — 06/30/15	85,179	$100M subject to $50,000 deductible
Primary Crime	Beazley Insurance Company	07/01/14 — 06/30/15	75,715	$10M subject to $1M deductible
Special Crime	Federal Insurance Company	07/01/14 — 06/30/15	9,495	$5M no deductible
			$ 2,614,575	Total Property, Boiler & Machinery and Crime for year end 06/30/15
Property Loss Reserve			111,804	Self-Insurance contents/claim payments
Total Property Program			$ 2,726,379	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2015

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
LIABILITY INSURANCE				
General Liability Primary Cov A	ACE Illinois Union Insurance Company	07/01/14 — 06/30/15	$ 428,362	$5M Each Occurrence $10M Aggregate subject to $5M deductible
School Board Legal, EPL Cov C	ACE Illinois Union Insurance Company	07/01/14 — 06/30/15	Included above	$5M Each Claim $10M Aggregate subject to $5M School Board Legal Liability deductible and $5M Employment Practices Liability deductible
Miscellaneous Professional Liability Cov D	ACE Illinois Union Insurance Company	07/01/14 — 06/30/15	Included above	$5M Each Claim $5M Aggregate subject to $5M deductible
Automobile Liability	ACE Illinois Union Insurance Company	07/01/14 — 06/30/15	Included above	$5M subject to $5M deductible
Excess Liability I	Allied World Assurance Company	07/01/14 — 06/30/15	445,000	$10M excess of $5M excess $5M Self Insured Retention
Excess Liability II	Lexington Insurance Company	07/01/14 — 06/30/15	326,340	$15M excess of $10M excess $5M excess $5M Self Insured Retention
Excess Liability III	Ironshore Specialty Insurance Company	07/01/14 — 06/30/15	284,900	$20M excess of $30M excess Self Insured Retention
Special Events CGL	National Casualty Insurance Company	07/01/14 — 06/30/15	53,184	$1M/no deductible/$5M Product Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/14 — 06/30/15	18,331	$5M excess of $5M no deductible
Pollution Legal Liability	Lexington Insurance Company	07/01/14 — 06/30/15	93,557	$5M subject to a $500,000 deductible
Fiduciary	Chartis Insurance	07/01/14 — 06/30/15	79,487	$10 million no deductible
Student Catastrophic	National Union Fire Insurance Company of Pittsburg, PA	07/01/14 — 06/30/15	97,259	$6M Subject to $25,000 deductible
Total Liability Insurance Cost			$ 1,826,420	
Total Insurance Cost			$ 4,552,799	
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc	07/01/14 — 06/30/15	$ 866,204	Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc	07/01/14 — 06/30/15	468,000	Administration fees
			$ 1,334,204	Total General Liability Claims and Expenses

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2015

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
Workers' Compensation Claims	Sedgwick Claims Management Services, Inc	07/01/14 — 06/30/15	$ 1,379,848	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.
			$ 23,238,467	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
			$ 24,618,315	Total Workers' Compensation Claims and Expenses
Total Self Insured Program			$ 25,952,519	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2015

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 PPO	07/01/14 — 06/30/15	$ 3,728,274	PPO Health care for eligible employees and dependents
	United Healthcare PPO	07/01/14 — 06/30/15	1,267,758	PPO Health care for eligible employees and dependents
	United Healthcare PPO w/HRA	07/01/14 — 06/30/15	286,828	PPO and Health Reimbursement Account for eligible employees and dependents
	Blue Cross HMO Illinois	07/01/14 — 06/30/15	4,959,194	HMO Health care for eligible employees and dependents
	United Healthcare HMO (EPO)	07/01/14 — 06/30/15	1,161,089	HMO Health care for eligible employees and dependents
Medical Total Administrative Fees			$ 11,403,143	
Medical PPO Claim	Blue Cross/Blue Shield of Illinois	07/01/14 — 06/30/15	$ 91,482,037	PPO Health care of eligible employees, dependents & retirees
	United Healthcare PPO	07/01/14 — 06/30/15	33,872,998	PPO Health care of eligible employees, dependents & retirees
	United Healthcare PPO w/HRA	07/01/14 — 06/30/15	4,963,035	PPO and Health Reimbursement Account for eligible employees and dependents
Medical Total PPO Claims			$ 130,318,070	
Medical HMO Claims	Blue Cross HMO Illinois	07/01/14 — 06/30/15	$ 136,671,670	HMO Healthcare for eligible employees and dependents and Claims and Physician Service Fees
	United Healthcare HMO	07/01/14 — 06/30/15	37,886,954	HMO Healthcare for eligible employees and dependents
Medical Total HMO Claims			$ 174,558,624	
Medical Claims Total		07/01/14 — 06/30/15	$ 304,876,694	
Medical Claims and Administration		07/01/14 — 06/30/15	$ 316,279,837	
Managed Mental Health Service	United Behavioral Health	07/01/14 — 06/30/15	$ 2,585,066	Mental health care for PPO eligible employees and dependents
Utilization Review and Case Management	Encompass	07/01/14 — 06/30/15	$ 1,136,353	Pre-certification, utilization review and case management for PPO eligible employees and dependents
Prescription Drugs	Caremark	07/01/14 — 06/30/15	$ 76,730,436	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses		07/01/14 — 06/30/15	$ 396,731,692	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2015

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
OTHER INSURANCE				
Dental Insurance	Delta Dental HMO	07/01/14 — 06/30/15	$ 2,998,510	Dental HMO for eligible employees and dependents
	Delta Dental PPO	07/01/14 — 06/30/15	7,859,970	Dental PPO for eligible employees and dependents
Dental Insurance Total			$ 10,858,480	
Vision Plan	Vision Service Plan (VSP)	07/01/14 — 06/30/15	$ 185,348	Vision services for eligible employees and dependents
Term Life Insurance	Standard Life Insurance	07/01/14 — 06/30/15	$ 1,687,877	Life insurance policy at $10,000 per eligible employee
Total Dental/Vision/Life			$ 12,731,705	
Total Health/Life Benefit Expenses			$ 409,463,397	

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY

For the Fiscal Year Ended June 30, 2015

(Millions of dollars)

	2006	2007	2008	2009
Unexpended (over expended)	$359.3	$496.8	$ 646.4	$565.7
Proceeds available from bond issuance	389.4	370.2	252.5	—
State aid	—	18.1	0.1	—
Federal aid	17.9	34.1	43.5	2.8
Investment income	22.4	35.6	25.9	12.5
Other income	21.4	36.6	60.4	127.5
Total	$810.4	$991.4	$1,028.8	$708.5
Expenditures	310.8	345.0	463.1	634.6
Operating transfers in (out)	(2.8)	—	—	—
Unexpended	$496.8	$646.4	$ 565.7	$ 73.9
Encumbrances	220.2	199.1	268.6	73.9
Available balance	$276.6	$447.3	$ 297.1	$ —

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.

2010	2011	2012	2013 (B)	2014 (C)	2015
$ 73.9	$261.6	$182.2	$ 88.1	$174.2	$ (91.9)
803.8	382.3	402.4	508.9	131.3	148.5
—	2.8	1.3	6.9	37.8	31.6
12.3	4.4	18.1	13.6	14.9	6.5
2.0	2.1	5.5	1.9	0.8	0.4
83.1	91.5	54.2	88.0	31.3	107.2
$975.1	$744.7	$663.7	$707.4	$390.3	$ 202.3
666.7	562.3	576.8	493.4	482.2	359.4
(46.8)	(0.2)	1.2	(41.6)	—	—
$261.6	$182.2	$ 88.1	$172.4	$ (91.9)	$(157.1)
229.5	182.2	88.1	172.4	(91.9)	(157.1)
$ 32.1	$ —	$ —	$ —	$ —	$ —

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2011	2012	2013	2014	2015 (A)
DAYS MEALS SERVED:					
National School Lunch Program	173	173	181	177	178
PUPIL LUNCHES SERVED:					
Paid lunches (regular)	1,909,112	1,715,302	1,528,287	1,324,623	—
Reduced lunches (regular)	2,332,040	2,219,797	1,919,787	1,353,204	—
Free lunches (regular)	39,495,186	39,439,339	40,730,512	40,531,544	43,507,955
TOTAL PUPIL LUNCHES SERVED	43,736,338	43,374,438	44,178,586	43,209,371	43,507,955
Daily Average	252,811	250,719	244,081	244,121	244,427
Change from Previous Year	(3,390,599)	(361,900)	804,148	(969,215)	298,584
Daily Percentage Change	-7.2%	-0.8%	-2.6%	0.0%	0.1%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)	1,187,763	1,852,888	1,694,160	1,534,733	—
Reduced breakfasts (regular)	957,294	1,276,808	1,023,368	724,873	—
Free breakfasts (regular)	18,908,430	23,935,561	24,138,173	23,724,239	26,144,917
TOTAL PUPIL BREAKFASTS SERVED	21,053,487	27,065,257	26,855,701	25,983,845	26,144,917
Daily Average	121,696	156,447	148,374	146,801	146,882
Change from Previous Year	809,433	6,011,770	(209,556)	(871,856)	161,072
Daily Percentage Change	4.0%	28.6%	-5.2%	-1.1%	0.1%
TOTAL MEALS SERVED	64,789,825	70,439,695	71,034,287	69,193,216	69,652,872
Daily Average	374,508	407,166	392,455	390,922	391,308
Total Change From Previous Year	(2,581,166)	5,649,870	594,592	(1,841,071)	459,656
Daily Percentage Change	-3.8%	8.7%	-3.6%	-0.4%	0.1%
NUMBER OF ADULT LUNCHES (REGULAR)	142,832	114,583	61,741	429,877	241,263
Daily Average	826	662	341	2,429	1,355
Total Change From Previous Year	(29,792)	(28,249)	(52,842)	368,136	(188,614)
Daily Percentage Change	-17.2%	-19.8%	-48.5%	612.2%	-44.2%

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)

	2011	2012	2013	2014	2015
REVENUE:					
Federal and State Sources	$189,087	$196,000	$197,514	$189,152	$204,975
Local Sources	17,803	27,645	32,137	13,698	7,747
Total Revenue	$206,890	$223,645	$229,651	$202,850	$212,722
EXPENDITURES:					
Career Service Salaries	$ 68,328	$ 71,007	$ 71,124	$ 60,680	$ 60,303
Career Service Pension	11,997	12,074	12,136	10,282	10,374
Hospitalization	23,347	22,557	22,907	23,567	23,562
Food	92,093	102,365	103,972	92,984	94,576
Professional and Special Services	2,717	2,167	1,544	2,927	3,942
Administrative Allocation	4,611	9,833	14,624	10,124	7,665
Other	3,797	3,642	3,344	2,286	2,174
Total Expenditures	$206,890	$223,645	$229,651	$202,850	$202,596
Revenues Less Than Expenditures	$ —	$ —	$ —	$ —	$ 10,126
DAILY AVERAGE					
Revenues	$ 1,196	$ 1,293	$ 1,269	$ 1,146	$ 1,195
Expenditures	$ 1,196	$ 1,293	$ 1,269	$ 1,146	$ 1,138
PERCENTAGE CHANGE					
Revenues	-1.5%	8.1%	2.7%	-11.7%	4.9%
Expenditures	-1.5%	8.1%	2.7%	-11.7%	-0.1%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For Fiscal Year Ended June 30, 2015

With Comparative Amounts for the Period Ended June 30, 2014

	2015 Schools	2015 Administrative Center	Total
Electricity			
Total Electricity Charges	$ 48,927,513	$ 372,130	$ 49,299,643
Kilowat Hours	561,374,276	4,310,321	565,684,597
Charge per Kilowatt Hour	$ 0.08716	$ 0.08633	$ 0.08715
Gas			
Total Gas Charges	$ 25,107,307	$ 108,843	$ 25,216,150
Therms	33,742,528	176,107	33,918,635
Charge per Therm	$ 0.74408	$ 0.61805	$ 0.74343

	2014 Schools	2014 Administrative Center	Total
Electricity			
Total Electricity Charges	$ 52,181,507	$ 713,329	$ 52,894,836
Kilowat Hours	571,049,182	8,097,525	579,146,707
Charge per Kilowatt Hour	$ 0.09138	$ 0.08809	$ 0.09133
Gas			
Total Gas Charges	$ 34,504,422	$ 148,261	$ 34,652,683
Therms	39,250,312	295,706	39,546,018
Charge per Therm	$ 0.87909	$ 0.50138	$ 0.87626

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY SALES AND PURCHASES
For the Fiscal Year Ended June 30, 2015

Sales

Unit Location	Date Acquired	Net Book Value	Gross/Sales Proceeds	Gain / (Loss) on Sale
1434-1444 W. Augusta	1893*	$ 1,213.28	$ 3,433,855.00	$ 3,432,641.72
125 S. Clark Street	1998*	28,000,000.00	27,283,012.81	(716,987.19)
521 E. 35th Street	1971*	2,207,464.44	—	(2,207,464.44)
6615 S. Kenwood	1970*	—	29,040.00	29,040.00
1437 N. California	1970*	242,582.10	871,771.00	629,188.90
230 N. Kolmar	1961*	5,208.72	86,555.00	81,346.28
301-307 S. Clinton Street	1853*	—	5,800,000.00	5,800,000.00
		$30,456,468.54	$37,504,233.81	$ 7,047,765.27

Purchases

Unit Location	Date Acquired	School	Purchase Cost
			$ —
			$ —

NOTE:

* Historical records related to the month and day of acquisition are not available.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TEACHERS' BASE SALARIES
(Annual School Year Salary)
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (A)	Median Salary	Maximum Salary (B)	Percent Change (C)
2006	$38,851	$55,014	$71,177	4.00%
2007	40,405	57,215	74,025	4.00%
2008	42,021	59,504	76,986	4.00%
2009	43,702	62,384	81,065	4.00%
2010	45,450	64,879	84,308	4.00%
2011	47,268	67,974	88,680	4.00%
2012	47,268	68,474	89,680	0.00%
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%

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)

Fiscal Year	Employer and Employee Contribution	Net Assets of Plan (Fair Market Value)	Unfunded Obligation (Assets at Fair Market Value)	% Funded of Pension Obligation Fund at Year End (Assets at Fair Market Value)	% Unfunded (Assets at Fair Market)
2010	$475,628	$10,917,417	$5,372,773	67.0%	33.0%
2011	306,111	10,109,315	6,831,312	59.7%	40.3%
2012	335,657	9,364,077	8,011,584	53.9%	46.1%
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%

NOTE:

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.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS
Last Five Fiscal Years

Fiscal Year	School Year	Average Daily Attendance (A)	Operating Expenses Per Pupil (B)	Per Capita Tuition Charge (C)
2011	2010-11	364,331	$13,616	$ 9,127
2012	2011-12	367,883	13,433	9,462
2013	2012-13	365,974	13,791	10,412
2014	2013-14	366,077	15,120	11,707
2015	2014-15	363,276	N/A	N/A

NOTES:

A) *Source:* Office of Accountability, Department of Compliance.

B) *Source:* Illinois State Board of Education — Operating Expense Pupil is the total operating cost of regular K-12 programs divided by the nine-month average daily attendance. This measure excludes expenditures related to Pre-school, Summer School, Adult Education, Capital Expenditures, and Board Principal and Interest.

C) *Source:* Illinois State Board of Education — Per Capita Tuition Charge is the amount a local school district charges as tuition for non-resident students per Section 18-3 of the School Code. It is a reasonable measure of basic education program costs. Per Capita Tuition is calculated by deducting the costs of supplemental programs from operating expenses and dividing the result by the nine- month average daily attendance.

N/A: Not available at publishing.

Chicago Public Schools

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	2006	2007	2008
Elementary			
Pre-Kindergarten	21,205	21,363	21,388
Kindergarten	29,502	28,403	27,901
Grades 1-3	98,157	95,744	93,853
Grades 4-6	100,065	94,235	90,701
Grades 7-8	62,921	62,385	62,217
Total Elementary	311,850	302,130	296,060
Secondary			
9th Grade	36,735	37,514	35,151
10th Grade	29,555	30,286	31,994
11th Grade	23,764	23,871	24,608
12th Grade	19,078	19,893	20,788
Total Secondary	109,132	111,564	112,541
Grand Total	420,982	413,694	408,601

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

2009	2010	2011	2012	2013	2014	2015
23,325	24,370	23,705	24,232	24,507	23,671	22,873
28,975	29,632	28,812	29,594	30,936	30,166	28,978
93,416	92,581	91,899	92,302	91,880	92,251	92,526
89,234	88,695	87,834	87,630	86,966	86,244	86,066
59,839	58,231	56,791	56,520	56,773	56,184	54,233
294,789	293,509	289,041	290,278	291,062	288,516	284,676
34,233	32,877	31,081	30,336	29,812	30,069	30,366
32,177	34,659	33,303	32,230	31,343	30,963	31,130
25,292	25,436	26,277	27,039	26,610	26,500	26,378
21,464	22,798	22,979	24,268	24,634	24,497	24,133
113,166	115,770	113,640	113,873	112,399	112,029	112,007
407,955	409,279	402,681	404,151	403,461	400,545	396,683

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary	21.7	21.1	20.0	23.5	21.3	23.2	23.3	24.6	25.2	25.4
Secondary	19.3	19.6	16.3	19.5	19.7	19.8	19.2	19.8	21.5	21.9

Source: Illinois State Board of Education

NOTE:

Starting in 2009, the ratio includes Charter Schools.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION

Last Five Fiscal Years

As of June 30, 2015

Functions	2011	2012	2013	2014	2015
Instruction	26,383	25,884	26,909	26,123	26,261
Support services:					
Pupil support services	4,891	4,841	5,010	4,676	4,652
Administrative support services	1,123	1,129	1,063	1,042	1,038
Facilities support services	1,686	1,666	1,633	1,527	1,468
Instructional support services	3,380	3,134	3,311	2,920	2,965
Food services	3,661	3,688	3,562	2,860	2,762
Community services	320	326	339	266	247
Total government employees	41,444	40,668	41,827	39,414	39,393

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Number of Schools						
Elementary (A)	475	472	474	474	474	474
Special (C)	18	18	17	17	13	12
High School	98	93	98	98	109	107
Vocational/Technical (C)	12	12	10	10	8	8
Charter Schools	22	27	28	67	71	82
Kindergarten to H.S. (K-12) (C)	—	—	—	—	—	—
Total Schools	625	622	627	666	675	683
School Enrollment (B)						
Elementary (A)	298,030	287,252	279,823	274,875	272,308	264,569
Special (C)	3,076	3,222	2,846	2,762	2,073	1,940
High School	88,490	88,487	88,936	90,055	91,390	87,061
Vocational/Technical (C)	15,970	15,313	14,219	11,251	9,956	8,833
Charter Schools	15,416	19,420	22,777	29,012	33,552	40,278
Kindergarten to H.S. (K-12) (C)	—	—	—	—	—	—
Total School Enrollment	420,982	413,694	408,601	407,955	409,279	402,681
Number of High School Graduates	16,898	18,235	20,285	18,972	22,245	20,131

Source: Office of Accountability, Data Quality and Management

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 FY14 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 2015.

2011-2012	2012-2013	2013-2014	2014-2015
473	468	422	426
12	12	5	—
103	98	109	121
8	8	—	—
87	95	126	131
—	—	5	—
683	681	667	678
263,540	261,638	254,864	251,554
1,839	1,961	907	—
85,068	81,735	86,184	88,183
8,226	7,927	—	—
45,478	50,200	54,572	56,946
—	—	4,018	—
404,151	403,461	400,545	396,683
20,914	22,447	22,817	22,825

RSM US LLP

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, 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, each major fund and the aggregate remaining fund information of the Chicago Public Schools (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise CPS's basic financial statements, and have issued our report thereon dated December 16, 2015. Our report includes emphasis of matter paragraphs relative the adoption of the reporting and disclosure requirements of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68,* the change in measurement period for revenue recognition for governmental funds and management's plan for future sustainability. The implementation of GASB Statements No. 68 and No. 71 and the change in measurement period for revenue recognition resulted in a restatement of opening July 1, 2014 net position. Our opinion is not modified with respect to these matters.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CPS's 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 CPS's internal control. Accordingly, we do not express an opinion on the effectiveness of CPS's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2015-01, 2015-02, 2015-03 and 2015-04 to be material weaknesses.

CPS's Response to Findings

CPS's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. CPS's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPS's 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.

RSM US LLP

RSM US LLP (formerly McGladrey LLP)
Chicago, Illinois
December 16, 2015

RSM US LLP

Independent Auditor's Report on Compliance for Each Major Federal Program; Internal Control over Compliance; and on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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' (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CPS's major federal programs for the year ended June 30, 2015. CPS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CPS's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CPS's 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 CPS's compliance.

Opinion on Each Major Federal Program

In our opinion, CPS 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, 2015.

Report on Internal Control over Compliance

Management of CPS 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 CPS's 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the CPS's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of CPS as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise CPS's basic financial statements. We issued our report thereon dated December 16, 2015, which contained unmodified opinions on those financial statements. Our report includes emphasis of matter paragraphs relative the adoption of the reporting and disclosure requirements of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, the change in measurement period for revenue recognition for governmental funds and management's plan for future sustainability. The implementation of GASB Statements No. 68 and No. 71 and the change in the measurement period for revenue recognition resulted in a restatement of opening July 1, 2014 net position. Our opinion is not modified with respect to these matters. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States, CPS's basic financial statements as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated January 20, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. Our report includes an emphasis of matter paragraph regarding projected revenue deficits for fiscal years 2015, 2016 and 2017 and management believes, absent State action, CPS would be left with limited options to resolve the structural budget deficit. The schedule of expenditures of federal awards for the year ended June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

RSM US LLP

RSM US LLP (formerly McGladrey LLP)
Chicago, Illinois
December 16, 2015

BOARD OF EDUCATION OF THE CITY OF CHICAGO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Passed Through Illinois State Board of Education					
Learn and Serve America — School and Community Based Programs	Generator Go Green Initiative G3	N/A	94.004	09KSNMN002	08/01/11-07/31/12
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed Through Chicago Housing Authority					
Distressed Public Housing	Employability Plus	N/A	14.866	AB-0809-001	07/01/10-06/30/11
		N/A	14.866	AB-0809-001	07/01/11-06/30/12
Section 8 Housing Choice Vouchers		N/A	14.871	AB-0809-001	01/01/14-06/30/14
	TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
NATIONAL SECURITY AGENCY					
Direct Funding					
Language Grant Program	Startalk Arabic and Chinese Language Institute	N/A	12.900	H-98230-14-1-0013	04/07/14-02/28/15
		N/A	12.900	H-98230-15-1-0073	03/13/15-02/28/16
	TOTAL NATIONAL SECURITY AGENCY				
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Illinois State Board of Education (ISBE)					
Child Nutrition Cluster					
National School Lunch Program	Lunch Program	4210	10.555	15-4210-00	09/01/13-09/30/15
Food Donation Program	Food Donation Program * Noncash Awards	4290	10.555	15-4290-00	07/01/14-06/30/15
School Breakfast Program	Breakfast Program	4220	10.553	15-4220-00	09/01/13-09/30/15
	Total Child Nutrition Cluster				
Passed Through Illinois State Board of Education (ISBE)					
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	15-4226-00	09/01/13-09/30/15
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	12-4240-11	07/01/11-09/30/12
		4240	10.582	14-4240-14	07/01/13-06/30/14
		4240	10.582	15-4240-15	07/01/14-09/30/15
Team Nutrition Grants	Healthier US Challenge	NA	10.574	N/A	07/01/12-06/30/15
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (not including cluster)				
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (including cluster)				
Passed Through Northwestern Illinois Association					
Team Nutrition Grants	Illnet Mini Grants	N/A	10.574	N/A	09/01/10-05/31/11
	Total U. S. Department of Agriculture Passed Through Northwestern Illinois Association				
Passed Through Illinois Department of Human Services					
Farm to School Grant Program	Farm to School Implementation Grant	N/A	10.575	CN-F2S-IMPL-13-IL-01	12/01/13-11/28/14
Supplemental Nutrition Assistance Program	Homeless Services & Supportive Housing	N/A	10.561	FCSSQ01324	07/01/13-06/30/14
		N/A	10.561	FCSSQ01324	07/01/14-06/30/15
	Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services				
	TOTAL U.S. DEPARTMENT OF AGRICULTURE				
Education of Homeless Children and Youth Cluster					
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	14-4920-00	07/01/13-06/30/14
		4920	84.196A	15-4920-00	07/01/14-06/30/15
	Total Education for Homeless Children and Youth Cluster				
Passed Through Illinois State Board of Education (ISBE)					
School Improvement Grants Cluster					
School Improvement Grants	School Improvement Grants — Bogan	4339	84.377A	14-4339-13	07/01/13-08/31/14
	School Improvement Grants — Kelly	4339	84.377A	14-4339-14	07/01/13-08/31/14
	School Improvement — Cohort 3	4339	84.377A	15-4339-13	07/01/14-08/31/15
	School Improvement — Cohort 4	4339	84.377A	15-4339-14	07/01/14-08/31/15
	School Improvement — Cohort 5	4339	84.377A	15-4339-15	07/30/14-08/31/15
School Improvement Grants, Recovery Acts	ARRA-School Improvement Grant — Harper	4855	84.388A	12-4855-11	07/01/11-08/31/12
	ARRA-School Improvement Grant — Tilden	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA-School Improvement Grant — Transformation	4855	84.388A	13-4855-12	07/01/12-08/31/13
	ARRA-School Improvement Grants — Hancock	4855	84.388A	14-4855-12	07/01/13-08/31/14
	Total School Improvement Grants Cluster				
Passed Through Illinois State Board of Education (ISBE)					
Special Education Cluster (IDEA)					
Special Education Grants to State	IDEA — Flow Through Instruction	4620	84.027A	10-4620-00	07/01/09-08/31/10

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2014	Cash (Received) Refunded July 1, 2014 June 30, 2015	Revenue Recognized July 1, 2014 June 30, 2015	Federal Award Expenditures July 1, 2014 June 30, 2015	Adjustments to Grant Revenue July 1, 2014 June 30, 2015	Accrued (Deferred) Grant Revenue June 30, 2015	Prior Years' Expenditures Through June 30, 2014	Final Status: Cumulative Expenditures Through June 30, 2015
$ 57,000	$ (516)	$ —	$ 516	$ 516	$ —	$ —	$ 38,211	$ 38,727
$ 57,000	**$ (516)**	**$ —**	**$ 516**	**$ 516**	**$ —**	**$ —**	**$ 38,211**	**$ 38,727**
$ 86,000	$ 25,285	$ —	$ (25,285)	$ (25,285)	$ —	$ —	$ 86,000	$ 60,715
86,000	25,221	—	(25,221)	(25,221)	—	—	84,529	59,308
43,000	14,700	(13,320)	(1,380)	(1,380)	—	—	42,726	41,346
$ 215,000	**$ 65,206**	**$ (13,320)**	**$ (51,886)**	**$ (51,886)**	**$ —**	**$ —**	**$ 213,255**	**$ 161,369**
$ 89,992	$ 4,870	$ (89,992)	$ 88,199	$ 88,199	$ —	$ 3,077	$ 4,870	$ 93,069
89,865	—	—	6,018	6,018	—	6,018	—	6,018
$ 179,857	**$ 4,870**	**$ (89,992)**	**$ 94,217**	**$ 94,217**	**$ —**	**$ 9,095**	**$ 4,870**	**$ 99,087**
$ N/A	$5,884,674	$(128,212,301)	$131,744,735	$131,744,735	$ —	$ 9,417,108	$368,582,263	$500,326,998
N/A	—	(11,017,167)	11,017,167	11,017,167	—	—	—	11,017,167
N/A	2,328,933	(48,345,557)	49,809,305	49,809,305	—	3,792,681	138,288,449	188,097,754
—	**$8,213,607**	**$(187,575,025)**	**$192,571,207**	**$192,571,207**	**$ —**	**$13,209,789**	**$506,870,712**	**$699,441,919**
$ N/A	$ 835,372	$ (6,787,170)	$ 7,189,326	$ 7,189,326	$ —	$ 1,237,528	$ 18,913,279	$ 26,102,605
N/A	94	—	—	—	—	94	94	94
860,435	273,467	(243,194)	(30,272)	(30,272)	—	1	890,707	860,435
1,869,132	—	(1,375,078)	1,869,790	1,869,790	—	494,712	—	1,869,790
93,000	—	(30,500)	30,500	30,500	—	—	62,500	93,000
$ 2,822,567	**$1,108,933**	**$ (8,435,942)**	**$ 9,059,344**	**$ 9,059,344**	**$ —**	**$ 1,732,335**	**$ 19,866,580**	**$ 28,925,924**
$ 2,822,567	**$9,322,540**	**$(196,010,967)**	**$201,630,551**	**$201,630,551**	**$ —**	**$14,942,124**	**$526,737,292**	**$728,367,843**
$ 5,500	$ 1,200	$ —	$ —	$ —	$ —	$ 1,200	$ 5,500	$ 5,500
$ 5,500	**$ 1,200**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1,200**	**$ 5,500**	**$ 5,500**
$ 52,698	$ 7,196	$ (16,278)	$ 9,082	$ 9,082	$ —	$ —	$ 43,616	$ 52,698
487,290	—	(70,405)	70,405	70,405	—	—	329,979	400,384
422,914	—	(232,287)	257,073	257,073	—	24,786	—	257,073
$ 962,902	**$ 7,196**	**$ (318,970)**	**$ 336,560**	**$ 336,560**	**$ —**	**$ 24,786**	**$ 373,595**	**$ 710,155**
$ 3,790,969	**$9,330,936**	**$(196,329,937)**	**$201,967,111**	**$201,967,111**	**$ —**	**$14,968,110**	**$527,116,387**	**$729,083,498**
$ 807,100	$ 582,735	$ (582,735)	$ —	$ —	$ —	$ —	$ 805,334	$ 805,334
835,285	—	(2,276)	803,565	803,565	—	801,289	—	803,565
$ 1,642,385	**$ 582,735**	**$ (585,011)**	**$ 803,565**	**$ 803,565**	**$ —**	**$ 801,289**	**$ 805,334**	**$ 1,608,899**
$ 9,663,624	$2,706,213	$ (3,721,936)	$ 1,015,723	$ 1,015,723	$ —	$ —	$ 7,929,392	$ 8,945,115
3,333,333	794,305	(1,154,608)	360,303	360,303	—	—	2,625,457	2,985,760
9,088,410	—	(6,063,003)	7,619,242	7,619,242	—	1,556,239	—	7,619,242
3,680,906	—	(2,576,834)	3,051,454	3,051,454	—	474,620	—	3,051,454
5,552,415	—	(3,324,558)	4,117,416	4,117,416	—	792,858	—	4,117,416
1,910,000	1,121	—	—	—	—	1,121	1,836,228	1,836,228
1,865,150	644,406	—	—	—	—	644,406	976,871	976,871
17,444,711	(1)	—	—	—	—	(1)	16,030,438	16,030,438
17,414,272	2,957,141	(5,157,172)	2,200,031	2,200,031	—	—	14,566,387	16,766,418
$69,952,821	**$7,103,185**	**$ (21,998,111)**	**$ 18,364,169**	**$ 18,364,169**	**$ —**	**$ 3,469,243**	**$ 43,964,773**	**$ 62,328,942**
$96,011,080	$ 125,436	$ —	$ —	$ —	$ —	$ 125,436	$ 91,007,811	$ 91,007,811

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
		4620	84.027A	14-4620-00	07/01/13-08/31/14
		4620	84.027A	15-4620-00	07/01/14-08/31/15
	Room and Board	4625	84.027A	15-4625-00	09/01/14-08/31/15
	IDEA — Parent Mentor	4630	84.027A	14-4630-05	07/01/13-06/30/14
Special Education — Preschool Grants	IDEA — Pre-School Flow Through	4600	84.173A	14-4600-00	07/01/13-08/31/14
		4600	84.173A	15-4600-00	07/01/14-08/31/15
	IDEA — Pre-School Discretionary	4605	84.173A	12-4605-01	07/01/11-06/30/12
		4605	84.173A	14-4605-01	07/01/13-06/30/14
		4605	84.173A	15-4605-01	07/01/14-06/30/15
Preschool Expansion	Preschool Expansion	4999	84.419B	15-4999-PE	02/24/15-08/31/15
	Total Special Education Cluster (IDEA)				
Passed Through Illinois State Board of Education (ISBE)					
Title I, Part A Cluster					
Title I Grants to Local Education Agencies					
	Title I — Low Income	4300	84.010A	12-4300-00	07/01/11-08/31/12
		4300	84.010A	13-4300-00	07/01/12-08/31/13
		4300	84.010A	14-4300-00	07/01/13-08/31/14
		4300	84.010A	15-4300-00	07/01/14-08/31/15
	ESEA — School Improvement	4331	84.010A	14-4331-SS	07/01/13-06/30/14
		4331	84.010A	15-4331-SS	07/01/14-06/30/15
	ESEA — Title I — Low Income — Neglected Private	4305	84.010A	14-4305-00	07/01/13-08/31/14
		4305	84.010A	15-4305-00	07/01/14-08/31/15
	ESEA — Title I — Low Income — Delinquent Private	4306	84.010A	12-4306-00	07/01/11-08/31/12
		4306	84.010A	14-4306-00	07/01/13-06/30/14
		4306	84.010A	15-4306-00	07/01/14-08/31/15
	Total Title I, Part A Cluster				
Passed Through Illinois State Board of Education					
Improving Teacher Quality State Grants	Title IIA — Teacher Quality	4932	84.367A	13-4932-00	07/01/12-08/31/13
		4932	84.367A	14-4932-00	07/01/13-08/31/14
		4932	84.367A	15-4932-00	07/01/14-08/31/15
	Title II — Teacher Quality Leadership	4935	84.367	13-4935-02	06/10/13-09/30/13
		4935	84.367	14-4935-02	10/04/13-08/31/14
		4935	84.367	15-4935-02	11/03/14-06/30/15
Career and Technical Education — Basic Grants to States	V.E. — Perkins — Title IIC — Secondary	4745	84.048A	11-4745-00	07/01/10-08/31/11
		4745	84.048A	13-4745-00	07/01/12-08/31/13
		4745	84.048	14-4745-00	07/01/13-08/31/14
		4745	84.048	15-4745-00	07/01/14-08/31/15
Perkins Leadership High Schools that Work	Perkins Leadership High Schools that Work	4720	84.048A	11-4720-01	08/10/10-07/31/11
Twenty-First Century Community Learning Centers	Title IV — 21st Century Comm Learning Centers	4421	84.287	14-4421-01	08/13/13-08/31/14
		4421	84.287	14-4421-02	08/13/13-08/31/14
		4421	84.287	14-4421-22	08/13/13-08/31/14
		4421	84.287	14-4421-21	08/13/13-08/31/14
		4421	84.287	14-4421-23	08/13/13-08/31/14
		4421	84.287	14-4421-13	08/13/13-08/31/14
		4421	84.287	15-4421-13	07/01/14-08/31/15
		4421	84.287	15-4421-15	11/01/14-08/31/15
		4421	84.287	15-4421-25	11/01/14-08/31/15
		4421	84.287	15-4421-35	11/01/14-08/31/15
		4421	84.287	15-4421-45	11/01/14-08/31/15
		4421	84.287	15-4421-55	11/01/14-08/31/15
		4421	84.287	15-4421-65	11/01/14-08/31/15
		4421	84.287	Agreement	11/01/14-08/31/15
Race to the Top	Race to the Top	4901	84.413A	14-4901-00	07/01/13-06/30/14
		4901	84.413A	15-4901-00	07/01/14-06/30/15
	Race to the Top — Early Learning Challenge Phase 2	4999	84.395A	14-4999-00	01/01/14-06/30/14
		4999	84.395A	15-4999-00	07/01/14-06/30/15

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2014	Cash (Received) Refunded July 1, 2014 June 30, 2015	Revenue Recognized July 1, 2014 June 30, 2015	Federal Award Expenditures July 1, 2014 June 30, 2015	Adjustments to Grant Revenue July 1, 2014 June 30, 2015	Accrued (Deferred) Grant Revenue June 30, 2015	Prior Years' Expenditures Through June 30, 2014	Final Status: Cumulative Expenditures Through June 30, 2015
103,623,039	21,073,861	(21,433,370)	359,509	359,509	—	—	97,903,897	98,263,406
95,604,447	—	(94,940,195)	95,604,447	95,604,447	—	664,252	—	95,604,447
N/A	(700,247)	(2,069,199)	2,769,446	2,769,446	—	—	453,929	3,223,375
60,000	33,527	(33,527)	—	—	—	—	60,000	60,000
1,386,335	157,052	(555,903)	398,851	398,851	—	—	962,477	1,361,328
1,267,600		(533,207)	957,716	957,716	—	424,509	—	957,716
489,250	1	—	(1)	(1)	—	—	486,468	486,467
489,250	184,107	(215,402)	31,295	31,295	—	—	404,182	435,477
489,250	—	(296,656)	466,155	466,155	—	169,499	—	466,155
804,253	—	—	4,500	4,500	—	4,500	—	4,500
$ 300,224,504	**$ 20,873,737**	**$(120,077,459)**	**$100,591,918**	**$100,591,918**	**$ —**	**$ 1,388,196**	**$191,278,764**	**$291,870,682**
$ 332,558,791	$ 671,176	$ —	$ (221,174)	$ (221,174)	$ —	$ 450,002	$ (1,815,261)	$ (2,036,435)
325,795,584	—	700,000	(700,000)	(700,000)	—	—	—	(700,000)
308,559,813	104,942,900	(122,555,830)	16,549,949	16,549,949	—	(1,062,981)	266,941,945	283,491,894
291,933,677	—	(178,107,926)	213,275,574	213,275,574	—	35,167,648	—	213,275,574
3,193,498	1,536,223	(1,515,573)	(20,650)	(20,650)	—	—	2,958,038	2,937,388
3,915,800	—	(358,142)	2,362,114	2,362,114	—	2,003,972	—	2,362,114
719,374	118,637	(400,189)	281,552	281,552	—	—	339,861	621,413
693,584	—	(138,846)	317,773	317,773	—	178,927	—	317,773
774,664	(14,413)	32,629	—	—	—	18,216	648,199	648,199
909,032	224,981	(250,023)	25,042	25,042	—	—	755,855	780,897
947,785	—	(365,432)	624,989	624,989	—	259,557	—	624,989
$1,270,001,602	**$107,479,504**	**$(302,959,332)**	**$232,495,169**	**$232,495,169**	**$ —**	**$37,015,341**	**$269,828,637**	**$502,323,806**
$ 59,918,597	$ 1	$ —	$ (1)	$ (1)	$ —	$ —	$ 38,365,859	$ 38,365,858
56,200,586	16,538,700	(21,184,833)	2,377,026	2,377,026	—	(2,269,107)	44,474,034	46,851,060
43,713,318	—	(19,222,656)	29,885,201	29,885,201	—	10,662,545	—	29,885,201
132,182	(13,800)	13,800	—		—	—	132,100	132,100
88,121	37,400	(41,400)	4,000	4,000	—	—	51,200	55,200
78,139	—	(77,400)	77,400	77,400	—	—	—	77,400
7,974,040	(99,900)	—	—		—	(99,900)	7,874,120	7,874,120
6,107,181	1	—	—		—	1	6,107,182	6,107,182
5,739,480	1,280,874	(2,342,434)	1,061,560	1,061,560	—	—	4,677,547	5,739,107
5,978,354	—	(3,326,934)	5,500,057	5,500,057	—	2,173,123	—	5,500,057
10,000	5,118	—	—		—	5,118	8,061	8,061
1,012,500	370,995	(482,845)	111,850	111,850	—	—	816,936	928,786
1,302,350	452,112	(649,043)	196,931	196,931	—	—	1,105,419	1,302,350
1,463,200	460,503	(649,386)	188,883	188,883	—	—	1,185,143	1,374,026
1,500,000	560,573	(771,161)	210,588	210,588	—	—	1,228,825	1,439,413
337,500	123,934	(212,252)	88,318	88,318	—	—	245,844	334,162
3,150,000	1,081,202	(1,282,460)	201,258	201,258	—	—	2,947,549	3,148,807
3,150,000	—	(1,454,906)	2,535,124	2,535,124	—	1,080,218	—	2,535,124
540,000	—	(70,377)	281,550	281,550	—	211,173	—	281,550
540,000	—	(45,860)	308,912	308,912	—	263,052	—	308,912
540,000	—	(21,986)	195,671	195,671	—	173,685	—	195,671
540,000	—	(16,209)	239,558	239,558	—	223,349	—	239,558
540,000	—	—	207,588	207,588	—	207,588	—	207,588
540,000	—	(92,842)	403,857	403,857	—	311,015	—	403,857
32,110	—	—	32,110	32,110	—	32,110	—	32,110
7,154,816	2,295,533	(2,316,561)	21,028	21,028	—	—	5,507,299	5,528,327
5,603,712	—	(1,996,744)	4,492,690	4,492,690	—	2,495,946	—	4,492,690
106,345	106,345	(106,345)	—	—	—	—	106,345	106,345
193,655	—	(166,341)	193,655	193,655	—	27,314	—	193,655

STATUTORY REPORTING SECTION

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
English Language Acquisition Grants	Title III — Lang Inst Prog — Limited Eng LIPLEP	4909	84.365A	14-4909-00	09/01/13-08/31/14
		4909	84.365A	15-4909-00	09/01/14-08/31/15
	Title III — Program Improvement Grant	4999	84.365A	15-4999-PI	07/01/14-10/31/14
International Baccalaureate	International Baccalaureate	4999	84.365A	4999-IB	07/01/10-06/30/14
		4999	84.365A	4999-IB	07/01/04-06/30/15
	Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)				
	Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)				
Direct Funding					
Impact Aid	Federal Impact Aid Grant	N/A	84.041	23-IL-2015-1711	07/01/10-06/30/15
Indian Education — Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A130666	07/01/13-06/30/14
Agencies	Program	N/A	84.060A	S060A140666	07/01/14-06/30/15
Safe and Drug-Free Schools and Communities	Safe and Drug Free Schools (Project SERV)	N/A	84.184S	S184S130002	01/30/13-07/31/14
Fund for the Improvement of Education	Carol M. White Physical Education Program	N/A	84.215F	S215F130218	10/01/13-09/30/14
		N/A	84.215F	S215F130218	10/01/14-09/30/15
	Smaller Learning Communities	N/A	84.215L	S215L080581	07/10/08-07/09/14
	Smaller Learning Communities Cohort 10	N/A	84.215L	S215L100017	10/10/12-09/30/13
		N/A	84.215L	S215L100017	10/01/13-09/30/14
Transition to Teaching Program	Transition to Teaching BETP	N/A	84.350A	U350A090042	10/01/09-09/30/14
Arts in Education	Development and Dissemination Grant Program	N/A	84.351D	U351D090039	07/01/09-06/30/14
	Students (CREATES)	N/A	84.351C	U351C110047	10/01/13-09/30/14
	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052	10/01/14-09/30/15
Early Reading First	Enhancing Early Reading in Chicago (EERIC)	N/A	84.359B	S359B050093	10/01/05-06/30/09
High School Graduation Initiative	Pathways to Accelerated Student Success (PASS)	N/A	84.360A	S360A100176	10/01/13-09/30/14
		N/A	84.360A	S360A100176	10/01/14-09/30/16
School Leadership Program	Effective Leaders Improve Schools — (ELIS) II	N/A	84.363A	U363A080120	10/01/08-09/30/14
TRIO — Talent Search	Pullman Talent Search	N/A	84.044A	P044A110797	09/01/13-08/31/14
		N/A	84.044A	P044A110797	09/01/14-08/31/15
	Total U.S. Department of Education — Direct Funding (not including cluster)				
Passed Through Illinois Department of Human Services					
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CRD00155	07/01/12-06/30/13
		N/A	84.126	46CRD00155	07/01/13-06/30/14
		N/A	84.126	46CRD00155	07/01/14-06/30/15
Rehabilitation Services Vocational Rehabilitation Grants to States	IDHS-Community Based Employment Services	N/A	84.126	46CTD03159	07/01/14-06/30/15
	Total U.S. Department of Education Passed Through IDHS				
Passed Through Illinois Board of Higher Education					
Improving Teacher Quality Through Human Relationships	Title II T.Q.E. (Depaul University)	N/A	84.367A	500194SG014	01/01/04-09/30/05
	Total U.S. Department of Education Passed Through Illinois Higher Board of Education				
Passed Through University of Illinois at Chicago					
UIC — Substitute Reimbursement	UIC — Substitute Reimbursement	N/A	84.305F	R305F100007	01/24/14-06/30/15
	Total U.S. Department of Education Passed Through University of Illinois at Chicago				
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	08/01/14-06/30/15
	Total U.S. Department of Education Passed Through University of Southern California				
Passed Through National Opinion Research Center					
Education Research, Development and Dissemination	Preventing Truancy in Urban Schools	N/A	84.305	R305A100709	07/01/12-08/31/13
		N/A	84.305	R305A120809	07/01/13-06/30/14
		N/A	84.305	R305A120809	07/01/14-06/30/15
Child Health and Human Development Extramural Research	Randomized Study to Abate Truancy in Urban Schools	N/A	93.865	R01HD067500	12/01/13-11/30/14
		N/A	93.865	R01HD067500	12/01/14-11/30/15
	Total U.S. Department of Education Passed Through National Opinion Research Center				09/26/13-09/25/14
Passed Through Northeastern Illinois University					
Gaining Early Awareness and	Chicago Gear Up Alliance	N/A	84.334A	P334A1000031	
Readiness for Undergraduate Program	Gear-Up 4 (Year 4)	N/A	84.334A	P334A100031 /P0032031	
		N/A	84.334A	P334A100031 /P00371701	
	Gear-Up 5 (Year 3)	N/A	84.334A	P334A110082 /P0032423	

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2014	Cash (Received) Refunded July 1, 2014 June 30, 2015	Revenue Recognized July 1, 2014 June 30, 2015	Federal Award Expenditures July 1, 2014 June 30, 2015	Adjustments to Grant Revenue July 1, 2014 June 30, 2015	Accrued (Deferred) Grant Revenue June 30, 2015	Prior Years' Expenditures Through June 30, 2014	Final Status: Cumulative Expenditures Through June 30, 2015
11,753,117	2,419,024	(3,830,655)	1,411,631	1,411,631	—	—	6,650,427	8,062,058
12,746,883	—	(4,996,165)	7,180,582	7,180,582	—	2,184,417	—	7,180,582
10,000	—	(10,000)	10,000	10,000	—	—	—	10,000
769,591	151,335	77,865	—	—	—	229,200	940,699	940,699
535,778	—	(535,778)	244,080	244,080	—	(291,698)	—	244,080
$ 240,001,555	**$ 25,769,950**	**$ (65,811,908)**	**$ 57,661,107**	**$ 57,661,107**	**$ —**	**$17,619,149**	**$122,424,589**	**$ 180,085,696**
$1,881,822,867	**$161,809,111**	**$(511,431,821)**	**$409,915,928**	**$409,915,928**	**$ —**	**$60,293,218**	**$628,302,097**	**$1,038,218,025**
$ N/A	$ (17,234)	$ (69,244)	$ 86,478	$ 86,478	$ —	$ —	$ 28,724	$ 115,202
192,104	23,382	(23,382)	—	—	—	—	192,104	192,104
234,313	—	(144,660)	203,369	203,369	—	58,709	—	203,369
49,792	29,545	(29,545)	—	—	—	—	37,252	37,252
750,000	34,894	(350,171)	315,277	315,277	—	—	59,757	375,034
717,383	—	(238,511)	467,789	467,789	—	229,278	—	467,789
5,174,698	119,530	(131,572)	12,043	12,043	—	1	5,093,491	5,105,534
2,505,908	12,937	—	(12,936)	(12,936)	—	1	1,848,350	1,835,414
1,617,328	146,597	(808,894)	662,297	662,297	—	—	671,645	1,333,942
1,530,181	3,653	(19,899)	16,246	16,246	—	—	489,209	505,455
1,385,743	29,482	(27,143)	(2,339)	(2,339)	—	—	1,198,736	1,196,397
580,805	222,529	(264,969)	42,440	42,440	—	—	522,040	564,480
349,851	—	(2,299)	98,292	98,292		95,993	—	98,292
846,947	69,116	—	—	—	—	69,116	69,116	69,116
5,084,822	284,699	(942,650)	657,951	657,951	—	—	1,517,615	2,175,566
5,003,347	—	(1,470,145)	2,069,708	2,069,708	—	599,563	—	2,069,708
8,550,751	115,205	(165,280)	50,074	50,074	—	(1)	6,443,802	6,493,876
226,067	21,446	(85,057)	63,611	63,611	—	—	140,323	203,934
230,000	—	(145,789)	212,178	212,178	—	66,389	—	212,178
$ 35,030,040	**$ 1,095,781**	**$ (4,919,210)**	**$ 4,942,478**	**$ 4,942,478**	**$ —**	**$ 1,119,049**	**$ 18,312,164**	**$ 23,254,642**
$ 691,956	$ (2,573)	$ 2,573	$ —	$ —	$ —	$ —	$ 352,010	$ 352,010
1,124,571	292,950	(292,950)	—	—	—	—	573,336	573,336
1,124,571	—	(393,038)	542,428	542,428	—	149,390	—	542,428
250,000	—	(94,697)	158,604	158,604	—	63,907	—	158,604
$ 3,191,098	**$ 290,377**	**$ (778,112)**	**$ 701,032**	**$ 701,032**	**$ —**	**$ 213,297**	**$ 925,346**	**$ 1,626,378**
$ 27,000	$ —	$ (58,741)	$ —	$ —	$ —	$ (58,741)	$ —	$ —
$ 27,000	**$ —**	**$ (58,741)**	**$ —**	**$ —**	**$ —**	**$ (58,741)**	**$ —**	**$ —**
$ 35,000	$ 8,703	$ —	$ 5,874	$ 5,874	$ —	$ 14,577	$ 8,703	$ 14,577
$ 35,000	**$ 8,703**	**$ —**	**$ 5,874**	**$ 5,874**	**$ —**	**$ 14,577**	**$ 8,703**	**$ 14,577**
$ 10,890	$ —	$ (9,606)	$ 9,606	$ 9,606	$ —	$ —	$ —	$ 9,606
$ 10,890	**$ —**	**$ (9,606)**	**$ 9,606**	**$ 9,606**	**$ —**	**$ —**	**$ —**	**$ 9,606**
$ 906,269	$ 47,644	$ (47,644)	$ —	$ —	$ —	$ —	$ 719,744	$ 719,744
681,525	138,560	(134,568)	(3,711)	(3,711)	—	281	352,289	348,578
579,877	—	(206,413)	316,899	316,899	—	110,486	—	316,899
313,705	287,238	(118,500)	(12,945)	(12,945)	—	155,793	287,238	274,293
245,500	—	(89,402)	236,400	236,400	—	146,998	—	236,400
$ 2,726,876	**$ 473,442**	**$ (596,527)**	**$ 536,643**	**$ 536,643**	**$ —**	**$ 413,558**	**$ 1,359,271**	**$ 1,895,914**
$ 413,322	$ 1	$ —	$ —	$ —	$ —	$ 1	$ 413,322	$ 413,322
449,218	119,414	(131,664)	12,250	12,250	—	—	324,793	337,043
333,037	—	(135,711)	232,985	232,985	—	97,274	—	232,985
1,097,940	639,586	(1,097,940)	489,670	489,670	—	31,316	639,586	1,129,256

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
		N/A	84.334A	P334A110082/PO037306	08/26/14-09/25/15
	Gear Up 6	N/A	84.334A	P334A140132/PO038883	09/25/14-09/24/15
	Gear-Up-Kelly High School — (NEIU)	N/A	84.334A	PO#017870	06/20/11-08/08/11
	Gear-Up 2014 Summer Recovery Kelly	N/A	84.334A	PO#033507	06/19/14-08/31/14
	Gear-Up-Harlan High School — (NEIU)	N/A	84.334A	PO#018067	06/27/11-08/08/11
	Gear-Up 2014 Summer Recovery Harlan	N/A	84.334A	PO#033506	06/19/14-08/31/14
	Gear-Up-Wells High School — (NEIU)	N/A	84.334A	PO#017869	06/20/11-08/08/11
	Gear-Up-Curie High School — (NEIU)	N/A	84.334A	PO#017886	06/20/11-08/08/11
	Gear-Up 2014 Summer Recovery Curie	N/A	84.334A	PO#033504	06/19/14-08/31/14
	Gear-Up 2014 Summer Recovery Infinity	N/A	84.334A	PO#033673	06/19/14-08/31/14
	Gear-Up 2014 Summer Recovery Hope	N/A	84.334A	PO#033671	06/19/14-08/31/14
	Gear-Up 2014 Summer Recovery Percy	N/A	84.334A	PO#033672	06/19/14-08/31/14
	Gear-Up 2014 Summer Recovery Hyde Park	N/A	84.334A	PO#033741	06/19/14-08/31/14
	Gear-Up 2014 Summer Recovery Theodore	N/A	84.334A	PO#033505	06/19/14-08/31/14
Title IV 21st Century	Illinois 21st Century CLC NEIU- Saucedo	N/A	84.287	PO#030739	10/15/13-06/05/14
	Illinois 21st Century CLC NEIU- Curie	N/A	84.287	PO#030740	10/15/13-06/05/14
	Illinois 21st Century CLC NEIU- Ella Flagg Young	N/A	84.287	PO#031210	10/01/13-08/31/14
		N/A	84.287	PO#035851	10/13/14-08/15/15
	Illinois 21st Century CLC NEIU- Duke Ellington	N/A	84.287	PO#031208	10/01/13-06/05/14
		N/A	84.287	PO#036419	10/13/14-08/15/15
	Illinois 21st Century CLC NEIU- Michelle Clark Academic	N/A	84.287	PO#031213	10/01/13-08/31/14
		N/A	84.287	PO#035853	10/13/14-08/15/15
	Illinois 21st Century CLC NEIU- Frederick A Douglas	N/A	84.287	PO#031209	10/01/13-06/05/14
		N/A	84.287	PO#035852	10/13/14-08/15/15
	Total U.S. Department of Education Passed Through Northeastern Illinois University				
Passed Through University of Illinois at Chicago					
Teacher Quality Partnership Grants	Increase Teacher Quality	N/A	84.336S	U336S090013	10/01/11-09/30/12
		N/A	84.336S	U336S090013	10/01/13-09/30/15
	ISU Chicago Teacher Education Pipeline	N/A	84.336S	U336S090145	01/15/15-09/30/15
	Total U.S. Department of Education Passed Through University of Illinois at Chicago				
Passed Through University of Minnesota					
Midwest Expansion of the Child Parent Center Education	Midwest Expansion of the Child Parent Center Education Program	N/A	84.411B	U411B110098	01/01/13-12/31/13
		N/A	84.411B	U411B110098	01/01/14-12/31/14
Investing In Innovation(i3)	Comprehensive Induction and Mentoring	N/A	84.411B	U411B120035	07/01/13-06/30/14
	Comprehensive Strategies to Promote Social and Emotional Learning	N/A	84.411C	U411C130091	07/01/14-06/30/15
	Total U.S. Department of Education Passed Through University of Minnesota				
Passed Through Columbia College — Chicago					
Investing In Innovation(i3)	i3 Convergence Academies: Digital Media Whole School Reform Model Project	N/A	84.411B	Agreement	03/01/13-06/30/14
		N/A	84.411B	Agreement	07/01/14-06/30/15
	Total U.S. Department of Education Passed Through Columbia College — Chicago				
Passed Through Old Dominion University Research Foundation / Success for All Foundation					
Investing In Innovation(i3)	Investing In Innovation(i3)	N/A	84.411A	U411A110004/14-138-317101	07/01/13-06/30/14
		N/A	84.411A	U411A110004/14-138-317101	07/01/14-06/30/15
	Total U.S. Department of Education Passed Through Old Dominion University Research Foundation / Success for All Foundation				
	TOTAL U.S. DEPARTMENT OF EDUCATION				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through Centers for Disease Control					
Community Transformation Grants	Healthy Chicago Public Schools	N/A	93.737	1H75DP004181-01	09/30/13-09/29/14
		N/A	93.737	1H75DP004181-SG12	09/30/14-03/29/15
Healthy Chicago Public Schools	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	1U87PS004162-01	08/01/13-07/31/14
		N/A	93.079	1U87PS004162-02	08/01/14-07/31/15
	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	1U87PS004162-01	08/01/13-07/31/14
		N/A	93.079	1U87PS004162-02	08/01/14-07/31/15
Substance Abuse and Mental Health Services Projects of Regional and National Significance	CPS Youth Mental Health First Aid (YMHFA)	N/A	93.243	1H79SM062028-01	09/30/14-09/29/15
	Total U.S. Department of Health and Human Services Passed Through Centers for Disease Control				
Passed Through City of Chicago					
Head Start Cluster					
Head Start	Head Start — Child Development	N/A	93.600	PO#28837-1	12/31/13-11/30/14
		N/A	93.600	PO#28837-2	12/01/14-11/30/15

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2014	Cash (Received) Refunded July 1, 2014 June 30, 2015	Revenue Recognized July 1, 2014 June 30, 2015	Federal Award Expenditures July 1, 2014 June 30, 2015	Adjustments to Grant Revenue July 1, 2014 June 30, 2015	Accrued (Deferred) Grant Revenue June 30, 2015	Prior Years' Expenditures Through June 30, 2014	Final Status: Cumulative Expenditures Through June 30, 2015
849,195	—	(329,555)	596,220	596,220	—	266,665	—	596,220
534,244	—	—	93,039	93,039	—	93,039	—	93,039
12,326	10,956	—	—	—	—	10,956	10,956	10,956
21,873	5,559	(17,356)	11,797	11,797	—	—	5,559	17,356
3,104	7,437	—	—	—	—	7,437	7,437	7,437
8,749	—	(4,450)	4,450	4,450	—	—	—	4,450
12,326	11,996	—	—	—	—	11,996	11,996	11,996
12,326	10,653	—	—	—	—	10,653	10,653	10,653
41,702	7,631	(36,633)	29,001	29,001	—	(1)	7,631	36,632
4,375	951	(1,437)	485	485	—	(1)	951	1,436
4,312	—	(3,696)	3,696	3,696	—	—	—	3,696
4,312	—	(3,604)	3,604	3,604	—	—	—	3,604
4,312	—	(3,011)	3,011	3,011	—	—	—	3,011
8,749	—	(2,789)	2,789	2,789	—	—	—	2,789
22,104	12,946	(10,793)	(2,152)	(2,152)	—	1	18,435	16,283
31,824	19,458	(19,459)	—	—	—	(1)	19,653	19,653
64,985	22,410	(51,105)	28,695	28,695	—	—	35,600	64,295
43,623	—	(23,266)	43,623	43,623		20,357	—	43,623
18,890	9,762	(9,762)	—	—	—	—	9,762	9,762
18,423	—	(7,395)	15,194	15,194	—	7,799	—	15,194
20,595	4,330	(6,353)	2,023	2,023	—	—	8,335	10,358
10,753	—	(2,760)	6,286	6,286	—	3,526	—	6,286
13,620	6,227	(6,227)	—	—	—	—	6,227	6,227
11,890	—	(1,916)	7,103	7,103	—	5,187	—	7,103
$ 4,072,129	**$ 889,317**	**$ (1,906,882)**	**$ 1,583,769**	**$ 1,583,769**	**$ —**	**$ 566,204**	**$ 1,530,896**	**$ 3,114,665**
$ 91,645	$ 29,103	$ —	$ —	$ —	$ —	$ 29,103	$ 46,453	$ 46,453
91,425	—	—	21,881	21,881	—	21,881	—	21,881
225,000	—	(34,000)	198,828	198,828	—	164,828	—	198,828
$ 408,070	**$ 29,103**	**$ (34,000)**	**$ 220,709**	**$ 220,709**	**$ —**	**$ 215,812**	**$ 46,453**	**$ 267,162**
$ 2,112,985	$ 2,239,087	$ (2,308,067)	$ 38,653	$ 38,653	$ —	$ (30,327)	$ 2,239,087	$ 2,277,740
2,001,576	1,262,821	(1,038,814)	1,379,216	1,379,216	—	1,603,223	1,262,821	2,642,037
112,450	28,034	(27,090)	(944)	(944)	—	—	83,933	82,989
207,120	—	(83,244)	140,879	140,879	—	57,635	—	140,879
$ 4,434,131	**$ 3,529,942**	**$ (3,457,215)**	**$ 1,557,804**	**$ 1,557,804**	**$ —**	**$ 1,630,531**	**$ 3,585,841**	**$ 5,143,645**
$ 103,875	$ 37,328	$ (32,662)	$ (4,666)	$ (4,666)	$ —	$ —	$ 46,454	$ 41,788
108,776	—	(66,713)	110,049	110,049	—	43,336	—	110,049
$ 212,651	**$ 37,328**	**$ (99,375)**	**$ 105,383**	**$ 105,383**	**$ —**	**$ 43,336**	**$ 46,454**	**$ 151,837**
$ 95,000	$ 15,348	$ —	$ (15,348)	$ (15,348)	$ —	$ —	$ 15,348	$ —
95,000	—	—	31,748	31,748	—	31,748	—	31,748
$ 190,000	**$ 15,348**	**$ —**	**$ 16,400**	**$ 16,400**	**$ —**	**$ 31,748**	**$ 15,348**	**$ 31,748**
$1,932,160,752	**$168,178,452**	**$(523,291,489)**	**$419,595,626**	**$419,595,626**	**$ —**	**$64,482,589**	**$654,132,573**	**$1,073,728,199**
$ 4,398,118	$ 585,456	$ (1,915,589)	$ 1,344,338	$ 1,344,338	$ —	$ 14,205	$ 1,868,817	$ 3,213,155
4,398,118	—	(127,024)	127,024	127,024	—	—	—	127,024
50,000	8,132	(17,116)	12,451	12,451	—	3,467	37,746	50,197
50,000	—	(23,880)	34,590	34,590	—	10,710	—	34,590
225,000	43,092	(64,627)	40,163	40,163	—	18,628	196,960	237,123
320,000	—	(146,382)	288,902	288,902	—	142,520	—	288,902
49,931	—	(2,331)	3,915	3,915	—	1,584	—	3,915
$ 9,491,167	**$ 636,680**	**$ (2,296,949)**	**$ 1,851,383**	**$ 1,851,383**	**$ —**	**$ 191,114**	**$ 2,103,523**	**$ 3,954,906**
$ 39,413,560	$ 11,403,183	$ (25,808,198)	$ 14,405,015	$ 14,405,015	$ —	$ —	$ 24,858,105	$ 39,263,120
38,796,279	—	(18,364,302)	26,139,448	26,139,448	—	7,775,146	—	26,139,448

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
	Head Start — Supp DIS SP initiatives	N/A	93.600	PO#30583	12/01/13-11/30/14
		N/A	93.600	PO#38583	12/01/14-11/30/15
	Total U.S. Department of Health and Human Services Passed Through City of Chicago-Head Start Cluster				
Direct Funding					
Chicago Teen Pregnancy Prevention Initiative	Chicago Teen Pregnancy Prevention Initiative	N/A	93.297	TP1AH000066-04-00	09/01/13-08/31/14
		N/A	93.297	TP1AH000066-05-00	09/01/14-08/31/15
Substance Abuse and Mental Health Services — Projects of Regional and National Significance	Enhancing Students Skills for Success	N/A	93.243	1U79SM060297-01	09/30/10-09/29/11
		N/A	93.243	5U795M060297-03	09/30/13-09/29/14
		N/A	93.243	5U795M060297-03	09/30/14-09/29/15
	Total U.S. Department of Health and Human Services — Direct Funding				
Passed Through Illinois Department of Human Services					
Refugee and Entrant Assistance Discretionary Grants	Refugee Children Impact Grant	N/A	93.576	FCSSK01131	07/01/13-06/30/14
		N/A	93.576	FCSTK01131	07/01/14-06/30/15
	Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services				
Passed Through Illinois Department of Healthcare and Family Services (IDHFS)					
Medical Assistance Program	Medicaid — Administrative Services	N/A	93.778	95-4900-00	07/01/13-06/30/15
	Total U.S. Department of Health and Human Services Passed Through IDHFS				
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
U.S. DEPARTMENT OF JUSTICE					
Passed Through Illinois Department of Human Services					
Juvenile Accountability Block Grants	Restorative Justice Conflict Resolution	N/A	16.523	FCSTR03403	07/01/14-06/30/15
Juvenile Justice and Delinquency Prevention Allocation to States		N/A	16.540	FCSTR03403	07/01/14-06/30/15
	Total U.S. Department of Justice Passed Through Illinois Department of Human Services				
Passed Through the Chicago Police Department					
DOJ — Secure Our Schools	DOJ — Secure Our Schools	N/A	16.710	2008-CK-WX-0661	09/01/08-02/28/15
		N/A	16.710	2011-CK-WX-0007	09/01/11-08/31/13
	Total U.S. Department of Justice Passed Through Chicago Police Department				
Passed Through the City of Chicago					
National Forum on Youth Violence Prevention	National Youth Forum on Violence	N/A	16.819	2013-NY-FX-K001	10/01/13-09/30/15
	Total U.S. Department of Justice Passed Through City of Chicago				
Direct Funding					
Connect and Redirect to Respect	Connect and Redirect to Respect	N/A	16.560	2014-CK-BX-0002	01/01/15-12/31/15
Project Safe Neighborhood	Project Safe Neighborhood	N/A	16.609	113003	02/01/14-01/31/15
		N/A	16.609	113004	02/01/15-01/31/16
Edward Byrne Memorial Justice Assistance Grant Program	ICJA-Gale	N/A	16.738	410033	12/06/13-09/30/14
	Total U.S. Department of Justice — Direct Funding				
	TOTAL U.S. DEPARTMENT OF JUSTICE				
U.S. DEPARTMENT OF LABOR					
Passed Through Manufacturing Renasissance					
Youthbuild	Youth Career Connect	N/A	17.274	YC-25414-14-60-A-17	06/01/14-06/30/15
	Total U.S. Department of Labor Passed Through Manufacturing Renaissance				
Passed Through Illinois Department of Commerce and Economic Opportunity					
Coastal Zone Management Administration Awards	CIMBY Gets Wet	N/A	11.419	NO14-004	10/01/13-09/30/14
	CIMBY Gets Wet	N/A	11.419	14-013-N12-11	05/28/14-05/31/15
Illinois Innovation Talent Program	Illinois Innovation Talent Program — Schurz	N/A	17.267	Agreement	07/01/10-05/31/11
Illinois Innovation Talent Program	Illinois Innovation Talent Program — Infinity	N/A	17.267	Agreement	02/09/12-12/01/12
	Total U.S. Department of Labor Passed Through Illinois Department of Commerce and Economic Opportunity				
	TOTAL U.S. DEPARTMENT OF LABOR				
U.S. DEPARTMENT OF TRANSPORTATION					
Passed Through Illinois Department of Aviation					
Noise Program	Noise Abatement — Farnsworth	N/A	20.106	3-17-0022-106-2009	09/23/09-09/22/11
		N/A	20.106	3-17-0022-125-2012	09/06/12-09/07/15
	Noise Abatement — Ebinger	N/A	20.106	3-17-0022-134	04/08/14-06/30/15
	Total U.S. Department of Transportation Passed Through Illinois Department of Aviation				
OFFICE OF NAVAL RESEARCH					
Passed Through City Colleges of Chicago					
Basic and Applied Scientific Research	Critical MASS	N/A	12.300	14-12-1-0738	07/01/13-06/30/14
		N/A	12.300	15-12-1-0738	07/01/14-06/30/15
	Total Office of Naval Research Passed Through City Colleges of Chicago				
US ARMY RESEARCH					
Accelerated STEM Program of Study & Leadership	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	10/01/13-06/30/15
	Total US Army Research Office				

								Final Status
Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2014	Cash (Received) Refunded July 1, 2014 June 30, 2015	Revenue Recognized July 1, 2014 June 30, 2015	Federal Award Expenditures July 1, 2014 June 30, 2015	Adjustments to Grant Revenue July 1, 2014 June 30, 2015	Accrued (Deferred) Grant Revenue June 30, 2015	Prior Years' Expenditures Through June 30, 2014	Cumulative Expenditures Through June 30, 2015
975,000	599,556	(913,688)	314,132	314,132	—	—	599,556	913,688
975,000	—	—	611,146	611,146	—	611,146	—	611,146
$80,159,839	**$12,002,739**	**$(45,086,188)**	**$41,469,741**	**$41,469,741**	**$ —**	**$ 8,386,292**	**$25,457,661**	**$ 66,927,402**
$ 4,093,618	$ 842,685	$ (2,120,739)	$ 1,278,054	$ 1,278,054	$ —	$ —	$ 2,746,448	$ 4,024,502
3,268,237	—	(1,634,006)	2,682,796	2,682,796	—	1,048,790	—	2,682,796
99,456	2,053	—	—	—	—	2,053	2,053	2,053
319,051	58,905	(39,985)	(18,920)	(18,920)	—	—	174,374	155,454
302,697	—	(50,428)	89,929	89,929	—	39,501	—	89,929
$ 8,083,059	**$ 903,643**	**$ (3,845,158)**	**$ 4,031,859**	**$ 4,031,859**	**$ —**	**$ 1,090,344**	**$ 2,922,875**	**$ 6,954,734**
$ 193,602	$ 69,319	$ (65,596)	$ (3,723)	$ (3,723)	$ —	$ —	$ 175,334	$ 171,611
48,750	—	(33,069)	48,750	48,750	—	15,681	—	48,750
$ 242,352	**$ 69,319**	**$ (98,665)**	**$ 45,027**	**$ 45,027**	**$ —**	**$ 15,681**	**$ 175,334**	**$ 220,361**
$ N/A	$ 7,106,233	$(12,134,371)	$11,232,328	$11,232,328	$ —	$ 6,204,190	$13,145,181	$ 24,377,509
$ —	**$ 7,106,233**	**$(12,134,371)**	**$11,232,328**	**$11,232,328**	**$ —**	**$ 6,204,190**	**$13,145,181**	**$ 24,377,509**
$97,976,417	**$20,718,614**	**$(63,461,331)**	**$58,630,338**	**$58,630,338**	**$ —**	**$15,887,621**	**$43,804,574**	**$102,434,912**
$ 114,312	$ —	$ (22,825)	$ 114,312	$ 114,312	$ —	$ 91,487	$ —	$ 114,312
42,698	—	(6,534)	35,734	35,734	—	29,200	—	35,734
$ 157,010	**$ —**	**$ (29,359)**	**$ 150,046**	**$ 150,046**	**$ —**	**$ 120,687**	**$ —**	**$ 150,046**
$ 291,920	$ —	$ (247,078)	$ 305,819	$ 305,819	$ —	$ 58,741	$ —	$ 305,819
500,000	—	(35,893)	35,893	35,893	—	—	464,107	500,000
$ 791,920	**$ —**	**$ (282,971)**	**$ 341,712**	**$ 341,712**	**$ —**	**$ 58,741**	**$ 464,107**	**$ 805,819**
$ 200,000	$ —	$ —	$ 91,505	$ 91,505	$ —	$ 91,505	$ —	$ 91,505
$ 200,000	**$ —**	**$ —**	**$ 91,505**	**$ 91,505**	**$ —**	**$ 91,505**	**$ —**	**$ 91,505**
$ 2,179,178	$ —	$ —	$ 18,528	$ 18,528	$ —	$ 18,528	$ —	$ 18,528
118,896	19,136	(103,615)	85,278	85,278	—	799	19,136	104,414
118,896	—	(20,325)	57,138	57,138	—	36,813	—	57,138
35,000	—	(35,000)	35,000	35,000	—	—	—	35,000
$ 2,451,970	**$ 19,136**	**$ (158,940)**	**$ 195,944**	**$ 195,944**	**$ —**	**$ 56,140**	**$ 19,136**	**$ 215,080**
$ 3,600,900	**$ 19,136**	**$ (471,270)**	**$ 779,207**	**$ 779,207**	**$ —**	**$ 327,073**	**$ 483,243**	**$ 1,262,450**
$ 186,000	$ —	$ —	$ 40,515	$ 40,515	$ —	$ 40,515	$ —	$ 40,515
$ 186,000	**$ —**	**$ —**	**$ 40,515**	**$ 40,515**	**$ —**	**$ 40,515**	**$ —**	**$ 40,515**
$ 100,000	$ 62,563	$ (93,022)	$ 30,459	$ 30,459	$ —	$ —	$ 65,063	95,522
134,736	2,863	(59,146)	113,932	113,932	—	57,649	2,863	$ 116,795
5,000	(5,000)	—	—	—	—	(5,000)	—	—
5,000	(4)	—	4	4	—	—	4,996	5,000
$ 244,736	**$ 60,422**	**$ (152,168)**	**$ 144,395**	**$ 144,395**	**$ —**	**$ 52,649**	**$ 72,922**	**$ 217,317**
$ 430,736	**$ 60,422**	**$ (152,168)**	**$ 184,910**	**$ 184,910**	**$ —**	**$ 93,164**	**$ 72,922**	**$ 257,832**
$ 350,000	$ 800	$ (148,899)	$ —	$ —	$ —	$ (148,099)	$ 291,791	$ 291,791
4,500,000	29,298	(126,567)	275,466	275,466	—	178,197	4,455,144	4,730,610
375,000	—	(44,138)	44,138	44,138	—	—	—	44,138
$ 5,225,000	**$ 30,098**	**$ (319,604)**	**$ 319,604**	**$ 319,604**	**$ —**	**$ 30,098**	**$ 4,746,935**	**$ 5,066,539**
$ 339,000	$ 42,364	$ (52,267)	$ 9,902	$ 9,902	$ —	$ (3)	$ 183,412	$ 193,314
514,181	—	(175,940)	383,634	383,634		207,694	—	383,634
$ 853,181	**$ 42,364**	**$ (228,207)**	**$ 393,536**	**$ 393,536**	**$ —**	**$ 207,691**	**$ 183,412**	**$ 576,948**
$ 3,000,000	$ —	$ —	$ 974	$ 974	$ —	$ 974	$ —	$ 974
$ 3,000,000	**$ —**	**$ —**	**$ 974**	**$ 974**	**$ —**	**$ 974**	**$ —**	**$ 974**

STATUTORY REPORTING SECTION

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
National Leadership Grant for Libraries	Re-enVision to Intergrate Technology and Libraries (REVITAL)	N/A	45.312	LG-07-13-0288-13	10/01/13-06/30/15
	Total Institute of Museum and Library Services				
NATIONAL SCIENCE FOUNDATION					
Passed Through Chicago Pre-College Science					
Science, Engineering, and Technology for Students Educators, and Parents Program	SETSEP	N/A	47.076	Agreement	01/01/11-12/31/12
	Total National Science Foundation Passed Through Chicago Pre-College Science				
	GRAND TOTAL				

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2014	Cash (Received) Refunded July 1, 2014 June 30, 2015	Revenue Recognized July 1, 2014 June 30, 2015	Federal Award Expenditures July 1, 2014 June 30, 2015	Adjustments to Grant Revenue July 1, 2014 June 30, 2015	Accrued (Deferred) Grant Revenue June 30, 2015	Prior Years' Expenditures Through June 30, 2014	Final Status: Cumulative Expenditures Through June 30, 2015
$ 249,999	$ 132,970	$ —	$ 116,532	$ 116,532	$ —	$ 249,502	$ 132,970	$ 249,502
$ 249,999	**$ 132,970**	**$ —**	**$ 116,532**	**$ 116,532**	**$ —**	**$ 249,502**	**$ 132,970**	**$ 249,502**
$ 125,012	$ (30)	$ —	$ 30	$ 30	$ —	$ —	$ 13,226	$ 13,256
$ 125,012	**$ (30)**	**$ —**	**$ 30**	**$ 30**	**$ —**	**$ —**	**$ 13,226**	**$ 13,256**
$2,047,864,823	**$198,582,522**	**$(784,357,318)**	**$682,030,715**	**$682,030,715**	**$ —**	**$96,255,917**	**$1,230,942,578**	**$1,912,973,293**

BOARD OF EDUCATION OF THE CITY OF CHICAGO
OMB CIRCULAR A-133

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

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

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 OMB Circular A-133 audit (the “Single Audit”). The U.S. Department of Education (the “USDEd”) 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 USDEd, which, in turn, oversees the performance of such duties.

Fiscal Period Audited — Contractual funding periods are indicated in the Schedule of Expenditures of Federal Awards (the “Schedule”).

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

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

The majority of 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 SCHEUDLE 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, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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. All federal programs considered active during the year ended June 30, 2015, are reflected in the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

Revenues — Grant revenues for expenditure-driven federal programs and federal loans are recognized in the Schedule based on expenditures incurred during the fiscal year. Grant revenues for formula-driven federal programs are recognized based on units of services provided as of June 30, 2015.

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

Expenditures — For all expenditure-driven federal programs, expenditures included on the Schedule represent actual expenditures incurred during the fiscal year ended June 30, 2015. In accordance with OMB Circular A-87, pension costs are uniformly charged to all positions as a direct benefit cost in proportion to pensionable salary regardless of whether the funding source is local, state, or federal.

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

- The expenditures for the National School Lunch and Breakfast Program in the schedule only reflected the portion funded by the Program.
- Expenditures for the Food Donation Program represent commodities received at amounts per the USDA standard price listings.

Adjustments to Increase (Decrease) Accrued Grant Revenue — Adjustments reflected in the Schedule of Expenditures of Federal Awards represent (1) adjustments for recorded expenditures that have been determined to be unallowable by respective funding agencies, (2) corrections of prior year's estimated accruals.

Accrued and 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.

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	$682,030,715
E-Rate program revenues not included in the Schedule	23,177,791
Medicare Part D Revenue not included in the Schedule	480,832
Medicaid Fee for Service Revenue not included in the Schedule	30,703,041
Build America Bonds (BABS) revenue not included in the Schedule	24,901,229
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	5,093,873
Adjustments to record revenue that do not provide current financial resources	32,542,613
Federal aid per the Statement of Revenues, Expenditures and Net Changes in Fund Balances — Governmental Funds	$798,930,094

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, 2015, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the related amounts accrued and reported in the Schedule. The CPS plans to submit a program liquidation report to the respective grantor agencies, which will revise the outstanding obligation amounts per the final claim, thereby reflecting the appropriate year-end adjustments for these federal awards.

6. SUBRECIPIENTS

Included in the total federal expenditure of $682,030,715 presented on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2015 is $40,713,649 of federal awards provided to subrecipients. The following is a summary of the subrecipient amounts passed through CPS for the fiscal year ended June 30, 2015.

Program Name	Name of Grant	CFDA	Amount
Title I — Public Instruction and Support Services	Title I — Low Income	84.010	$33,854,825
Title III — Language Acquisition	Title III — Language Acquisition	84.365A	249,398
Title IIA — Teacher Quality	Title IIA — Teacher Quality	84.367A	6,401,841
Healthy Chicago Public Schools — HIV/STD Prevention Initiative	Healthy Chicago Public Schools	93.079	2,885
Chicago Teen Pregnancy Prevention Initiative	Chicago Teen Pregnancy Prevention Initiative	93.297	2,000
School Improvement Grant	School Improvement Transformation	84.388A	202,700
	Total Awards to Subrecipients		$40,713,649

7. FINDINGS AND QUESTIONED COSTS

The findings and questioned costs identified in connection with the fiscal year ended June 30, 2015, Single Audit are disclosed in the accompanying Schedule of Findings and Questioned Costs and Auditee Corrective Action Plan. The presentation conforms to the formatting requirements of the ISBE. The questioned cost reflected in such schedule reflect the potential reimbursement effect of costs which were deemed as inappropriately allocated to a federal program or which could have been allocated to a federal program, but were not.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	X	Yes		No
Significant deficiency(ies) identified?		Yes	X	No
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies)?		Yes	X	No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?		Yes	X	No

Identification of major programs:

CFDA Number	Name of Federal Program	Amount Expended
84.010	Title I — Grants to Local Education Agencies	$232,495,169
84.287	Twenty-First Century Community Learning Centers	5,302,970
10.555;10.553	Child Nutrition Cluster	192,571,207
10.558	Child and Adult Care Food Program	7,189,326
93.297	Chicago Teen Pregnancy	4,031,859
84.360	Pathways	2,727,659
		$444,318,190

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

Auditee qualified as low-risk auditee?	X	Yes		No

II. FINANCIAL STATEMENT FINDINGS

Finding 2015-001: Fixed Assets

Criteria:

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* require that:

- Capital assets be reported at historical cost and that capital assets include land, improvements to land, buildings, building improvements, vehicles, equipment, and all other tangible or intangible assets that are used in operations and have a useful life extending beyond a single reporting period;
- Governments may use any established depreciation method
    - Capital assets are to be depreciated over their estimated useful lives;
    - Governments should consider how long an asset is expected to meet service demands.
- Depreciation expense be reported in the statement of activities.
- Governments provide detail in the notes to the financial statements about capital assets, including beginning- and end-of-year balances with accumulated depreciation presented separately from historic cost, capital acquisitions, sales or other dispositions, and current-period depreciation expense.
- In determining estimated useful life, a government should consider an asset's present conditions and how long it is expected to meet service demands.

In addition, Government Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments. Once any of the five obligating events occurs, a government is required to estimate the components of expected pollution remediation outlays and determine whether said outlays should be accrued as a liability. Obligating events include the following:

- The government is compelled to take pollution remediation action because of an imminent endangerment.
- The government violates a pollution prevention-related permit or license.
- The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible part for remediation, or as a government responsible for sharing costs.
- The government is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The government commences or legally obligates itself to commence pollution remediation.

Management of the District should have policies, procedures and controls in place to provide reasonable assurance that the District meets the various financial reporting requirements in preparing its annual Comprehensive Annual Financial Report.

Condition:
Based on our testing, we noted the following issues in relation to the District's capital asset record maintenance:

- The District does not have controls in place to provide reasonable assurance units maintain accurate fixed asset inventory listings or update the listings quarterly in accordance with board policy.
- The District does not have effective controls over the financial reporting of fixed assets. The District's Oracle Fixed Asset Module is not fully interfaced with the General Ledger Module and is not being reconciled on a timely basis.
- The District's controls did not identify that pollution remediation costs were improperly capitalized as fixed asset additions for fiscal years 2011, 2012, 2013, and 2014.

Context:

Asset Management Noncompliance
Effective internal controls over fixed assets includes maintaining a fixed asset listing, updating the fixed asset listing at least quarterly and performing a physical inventory over assets at least annually.

The District's board policy requires schools to maintain a fixed asset inventory listing, update the listing quarterly, and perform a physical inventory annually. The asset listing should include all tangible assets with a value of $500 or more and a useful life over a year. Each asset should be tagged, and the tag number should be referenced in the asset register. The listing should include any assets purchased, capital leases or assets donated to the school. Examples of assets commonly held by schools include computers, printers, other electronics, office furniture, gym equipment and engineer's equipment.

At the end of the school year the physical inventory allows for schools to test for the accuracy of the fixed asset listing. Previously, each school independently monitored its fixed asset records and submitted their final registers to Internal Accounts. Historically, these records have been inaccurate and unreliable. An electronic asset register is more efficient and significantly more accurate in preserving information.

While conducting our audit, we tested 159 assets and noted exceptions with 37 (23%) of these. Below is a summary for all exceptions noted:

Type of Exception:	# of Instances
Asset not found	36
Register not updated properly	1
Total	37

Based on discussions with school administrators, there are several recurring causes for the ineffectiveness of this control, including employee turnover, lack of record keeping for the movement of assets between classrooms or employees and insufficient training on how to use the asset module.

Fixed Asset Registers Noncompliance — Acquisitions Through State and Federal Grants
Effective controls over fixed assets are critical for compliance with State and Federal Grant Requirements. Federal Grant requirements include specific identification requirements over fixed assets purchased with federal funds, including that all assets be added to asset registers, purchase price, serial numbers, tag numbers and funding sources be included. The District also is required to have controls in place such as the performance of an annual physical inventory, and that all deletions are properly documented and approved.

Equipment purchases do not represent a material portion of the total expenditures of the affected grant programs.

The following conditions were noted during testing for fiscal year 2015:

- 20 out of 61 equipment additions tested were recorded in the District asset registers, but were missing required information as to the unique identification number assigned to the property.
- 30 out of 130 equipment items tested do not meet the requirements of federal ERPM guidelines such as missing asset tags and serial numbers.
- 17 out of 130 equipment items tested, an annual equipment inventory has not been performed for.
- 7 out of 130 equipment items tested, a physical inventory was not taken within the last two years.
- 1 out of the 60 equipment deletions tested, the District did not maintain documentation that an official investigation by the proper authority was conducted.

Maintenance of Fixed Assets Records

Through our testing of fixed assets, we noted that the District manually enters current year additions and retirements while also determining which assets require capitalization. Manual processes are inefficient, prone to error and increase the risk of material misstatement. Subsequent to year-end, the District capitalized approximately $338 million of additions through manual adjustments.

We also observed that the fixed asset ledger is not reconciled to the general ledger in a timely manner. We believe that timely reconciliation is a critical control to help ensure fixed asset additions and retirements are properly recorded. Without a timely reconciliation control, the District's accounting personnel is required to manually adjust the fixed assets register. Entering manual adjustments is an extremely inefficient process and resulted in significant audit timeline delays.

Improper Capitalization of Pollution Remediation Costs

The District accounting department should be identifying the assets to be placed into service through a completed project list received from the Capital Department. This list should identify the amount of pollution remediation costs, if any, in addition to other significant attributes of the project. The pollution remediation cost identified should not be included in the asset amount when capitalized and should be expensed.

Beginning in fiscal year 2011, the District has not recorded capitalized projects at cost less pollution remediation expenses. The District was recording an estimated environmental liability for Construction in Process at year-end, however this entry was reversed in the subsequent year. Upon review of the pollution remediation expenditure detail, management determined the District has improperly capitalized remediation costs which resulted in an adjustment of approximately $33.9 million to reduce the balance of capital assets.

Cause and Effect:

These errors are due to 1) the ineffectiveness of the maintenance of asset registers and records, and 2) the lack of a regular reconciliation of accounting records, and 3) the lack of controls over evaluating projects for pollution remediation costs.

Individual schools are required to maintain their equipment registers and annually perform a physical inventory of their property and reconcile the results with their equipment register. A number of schools failed to perform the physical inventory and update their registers. Central Office staff did not adequately follow up on incomplete physical inventories to understand if proper updates and corrections were made to equipment registers, including the identification of lost, stolen or disposed of equipment.

CPS requires individual schools to track equipment in registers that are designed to comply with State and Federal requirements. Many equipment items lacked all data required to by Federal and State requirements.

The District's fixed asset subsidiary ledgers were not reconciled throughout the fiscal year. Failure to close out fixed assets in a timely manner results in significant year end reporting and audit timeline delays.

Each year, accounting transfer projects out of CIP into the fixed asset register. Accounting does not perform a review over the CIP transfers to determine if pollution remediation costs have been removed. This lack of review resulted in the District improperly capitalizing remediation expenditures and an adjustment approximating $33.9 million was required.

Recommendations:
We recommend that the District acquire and implement a capital assets module that is fully integrated with the general ledger system.

We recommend that the District begin using radio-frequency identification devices for the purpose of automatically identifying and tracking tags attached to fixed assets. Use of this technology could improve the effectiveness of this control.

Additional training at the school level and increased oversight by the School Support Center would improve the effectiveness of these controls. We recommend that the District work with the schools to enforce the requirements in these areas.

To prevent the need for major adjustments to the capital accounts at the end of each year, we suggest the District review any projects transferred from CIP for pollution remediation costs.

Management Response and Corrective Action Plan:
As of June 30, 2014, CPS reported, net of depreciation, $5.4B in depreciable assets. Of that CPS identified $34 million (<1%) in FY2015 as being improperly capitalized pollution remediation costs related to the prior four years. In FY2015 CPS implemented a new internal control to review asset valuations annually as part of financial statement preparation. Prior to completion of the FY2015 financial statements, as a direct result of the new control CPS identified $34M in environmental remediation costs had been improperly capitalized. The error in prior year's audited financial statements was corrected by CPS in FY2015 and subsequently communicated to RSM. CPS will retain the new control and review asset valuations annually.

As reported in the audit finding, equipment purchases do not represent a material portion of the total expenditures of the affected grant programs. Such equipment purchases are expensed when acquired. CPS has compensating controls in the acquisition process that prevent a material misstatement. Examples of such controls include system-requirements for an approved purchase order before an invoice can be entered and three-way match before payment.

CPS conducted two physical inventories in FY2015; February and June. The inventory process is manual and inefficient. CPS has been evaluating a number of systems that will not only aid in tracking assets but also reduce purchasing of new assets when comparable resources are elsewhere in CPS and can be redeployed. As CPS continues the evaluation process we believe the tools available will significantly reduce costs related to acquisition of assets and educational materials. CPS anticipates implementation to begin in FY2017. Implementation will include tagging and RFID or other similar technology.

Finding 2015-002: Accrued Sick Leave Calculation

Criteria:
Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences,* requires that sick leave be accrued as a liability as the benefits are earned by the employees but only to the extent it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. The District utilizes the *termination payments method* to calculate the liability. Under this approach, the District estimates the amount of sick leave that will be paid out upon termination based on its experience in making such payment.

Condition:
The calculation for the sick leave accrual is based on average years of service of the population. While reviewing the accrual, we identified that the District improperly excluded approximately 200,000 years of service, which equates to an understatement of the liability of approximately $152 million. Management's validation of the population was not effective, and thus did not detect the error.

Context:
The initial sick leave accrual provided by the District was approximately $190 million based on an incomplete population. Upon receipt of an updated population, the District determined the accrual should be approximately $342 million, resulting in an audit adjustment of $152 million.

Cause and Effect:
The District does not have adequate internal controls and procedures in place to calculate the year-end sick leave accrual. Per review of the District's year-end close procedures, we noted that the District did not perform any tests to validate the completeness of the population, nor did the District analytically review the accrual by comparing to prior years. The lack of such controls resulted in a material audit adjustment of approximately $152 million.

Recommendation:
We recommend that the District implement the following procedures related to the calculation of the sick leave accrual:

- To assess the reasonableness of the liability, the District should review the year over year change in the balance and investigate significant fluctuations.
- To determine completeness of the population used in the calculation, the District should randomly select employees listed in the prior year population and determine if the employee has been properly included or excluded from the current year population.

Management Response and Corrective Action Plan:
The sick pay accrual is an estimate of possible future liabilities that is calculated by CPS once per year. The estimate does not affect actual payments to employees.

CPS continually reviews its procedures to find ways to be more effective. In reviewing prior year procedures it was determined an alternative procedure would be used to calculate the liability for employees who had met the criteria for payout. However, CPS did not include an estimate for employees that may, at some future date, meet the criteria for payout.

Because of the change in procedure it was determined a comparison to prior years would not have yielded an accurate comparison, although testing of individual employee data in the current period was completed. Subsequent to the finding by CPS' auditors, CPS reverted the sick pay accrual calculation to be consistent with prior years and determined that an average of $760 per eligible employee year of service was excluded. In testing the calculation CPS then determined 833 employees who should have been excluded in prior year's sick pay accrual had been incorrectly included.

Effective with the FY2016 calculation CPS will select employees included in the accrual to test that they should be included. CPS will select employees that should be excluded to test that they have been excluded.

Future changes in CPS accounting procedures affecting the financial statements will include a review of relevant GASB requirements to ensure compliance. Additionally, CPS will perform a recalculation of at least one prior year using the new procedure so a comparison analysis can be completed.

Finding 2015-003: Grants Management

Criteria:
Governmental entities that receive significant amounts of federal and state funding have very specific internal control and compliance requirements, which can be onerous, and must be monitored with a full understanding of these complexities. Sound internal controls over grants management should include the following:

- Policies, procedures and controls in place to ensure it accurately identifies if revenue is both measurable and available as defined by Government Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.
- Effective grant monitoring at interim periods, including expenditures and revenues in comparison to budget and status of cash receipts and outstanding receivables.
- Cash received should be recorded timely and applied to the appropriate account receivable subledger within a day of the initial receipt to allow management to track the accounts receivable balance outstanding by specific grant, report accurate information for both internal and external purposes, and follow up on any receivables outstanding for an unusually long period.
- System that allows for the timely determination of federal funds received and expended for each individual CFDA number for its fiscal year.

Condition:
During our audit, we noted the following:

- We determined the District overstated the Block Grant's year-end receivable balance by $44 million and recorded an audit adjustment for this amount. GASB stipulates that governments participating in reimbursement-type grants cannot qualify for resources without first incurring an allowable cost. This type of stipulation is considered an eligibility requirement which impacts the timing of recognition. The Educational Services Block Grant (Block Grant) is a reimbursement grant authorized through Article 1D {105 ILCS 5/1D} of the Illinois School Code and has nine separate components included in the annual appropriation. Under the Illinois School Code, payments pertaining to five of the State's appropriation lines are reimbursements for prior fiscal year expenditures. However, the remaining four appropriation lines are to reimburse current fiscal year expenditures.

  The State of Illinois general assembly passed the 2016 appropriation as part of Public Act 099-005 effective July 1, 2015. Upon notification that the amounts were appropriated, the District should have recorded a receivable for the five components which reimburse prior year expenditures, as eligible costs were incurred and all eligibility requirements under the grant was met. Eligible costs were not yet incurred for the remaining four components, as these components are intended to reimburse fiscal year 2016 expenditures. However, the District incorrectly recorded a receivable for all nine appropriation lines.

Under the District's revenue recognition policies, the District should record revenue in the government wide financial statements if it is earned and measurable, and in the fund financial statements if the payment is also received within the availability period of 60 days. If payment is not received, the amount would still be recorded as a receivable in the fund financial statements, but also reported as a deferred inflow of resources. We noted that the District did not receive funds under this grant within 60 days of year end. As a result, revenues in the government wide statements were overstated by the $44 million amount, and deferred inflows of resources were overstated in the fund financial statements by the same amount.

- Subsequent to the District's submission of its final trial balance to the external audit firm, the District recorded an entry to correct its recognition of revenue in accordance with GASB Statement No. 33. The adjusting entry affected over 43 individual grants in an aggregate amount of approximately $50,000,000 to correct revenue recognized on the fund financial statements.
- A significant amount of adjustments relating to re-allocations of payroll costs are made outside of the standard accounting system. This practice causes confusion and eliminates management's ability to monitor payroll by department against budgetary amounts. It also prevents the District from properly monitoring costs funded by federal or state grants to ensure that budgets are adhered to and that the District does not over-expend such grants. The need for these adjustments results from improper identification of required cost centers at the beginning of the grant period. Had the proper positions been identified at the beginning of the grant period, the need to make subsequent adjustments would be greatly reduced.
- The District's initial process to record a cash receipt of grant funding is to credit the unapplied collections account. The unapplied collections account grows as receipts are not recorded in the accounts receivable subsidiary ledgers in a timely manner. The District's process for closing this account is to allocate unapplied collections to the related accounts receivable grant codes. The additional manual adjustments at year end impacted the financial close process and timeline.
- The District was unable to finalize its Schedule of Expenditures of Federal Awards for fiscal year ended June 30, 2015 until November 30, 2015.

Context:

The District recorded a receivable for the full amount of the Block Grant appropriated by the State of Illinois in July, 2015. Funding for the Block Grant includes nine components. Per our review of the District's year-end balances, we determined the District incorrectly recorded a receivable for all nine components of the Block Grant. Since payment on four of the nine components do not reimburse prior fiscal expenditures, the District should not have recorded a receivable related to these components. The improper recording resulted in an overstatement of approximately $44 million in the Fund Financial Statements.

A significant amount of adjustments relating to re-allocations of payroll costs are made outside of the standard accounting system. This practice causes confusion and eliminates management's ability to monitor payroll by department against budgetary amounts. It also prevents the District from properly monitoring costs funded by federal or state grants to ensure that budgets are adhered to and that the District does not over-expend such grants. The need for these adjustments results from improper identification of required cost centers at the beginning of the grant period. Had the proper positions been identified at the beginning of the grant period, the need to make subsequent adjustments would be greatly reduced.

The District's initial process to record a cash receipt of grant funding is to credit the unapplied collections account. The unapplied collections account grows as receipts are not recorded in the accounts receivable subsidiary ledgers in a timely manner. The District's process for closing this account is to allocate unapplied collections to the related accounts receivable grant codes. The additional manual adjustments at year end impacted the financial close process and timeline.

The District was unable to finalize its Schedule of Expenditures of Federal Awards for fiscal year ended June 30, 2015 until November 30, 2015.

Cause and Effect:
After year end, the District reviews grant receivables for collectability and cash collections received within the 60 day collection period. Since only a portion of the Block Grant is received one year in arrears, a $44 million audit adjustment was required to fairly state year-end account balances. The audit adjustment had the following impact on the financial statements:

- FFS: Decrease to Block Grant receivables
- FFS: Decrease to Block Grant deferred inflows
- GWFS: Decrease to Block Grant revenues
- GWFS: Decrease to Block Grant receivables

Ineffective grant monitoring at interim periods, including expenditures and revenues in comparison to budget, resulted in making an adjusting entry after the fiscal year 2015 trial balance was provided to the external audit firm, that should have been made in the beginning of the fiscal year.

The need for the payroll adjustments results from improper identification of required cost centers at the beginning of the grant period, which results in a need to make subsequent manual adjustments and delays financial close process and timeline.

The unapplied collections account grows as receipts are not recorded in the accounts receivable subsidiary ledgers in a timely manner, which results in a manual adjustment process that takes place at year end and delays financial close process and timeline.

Due to the lack of interim grant accounting monitoring procedures, the year-end close process related to federal grants is delayed and therefore the District was unable to finalize its Schedule of Expenditures of Federal Awards for fiscal year ended June 30, 2015 until November 30, 2015.

Recommendation:
We recommend the District review the effectiveness of its year-end account reconciliation process.

We recommend the District improve its position control policies and procedures to minimize the need for these adjustments near the end of the year. Implementation of this suggestion would save a substantial amount of effort on the part of management, and would provide the District with a more accurate picture of its payroll costs by department from year to year which will, in turn, improves the payroll budgeting process.

We recommend the District improve the processes and controls over posting cash receipts. Grant receipts should be posted to the proper subsidiary ledger within 48 hours to prevent discrepancies. We also recommend the District review the accounts receivable subledger system to determine if modifications to the system would allow the posted date to be modified for unapplied receipts.

We recommend the District improve its interim grant accounting monitoring procedures so that it can complete the year-end close process and finalize its Schedule of Expenditures of Federal Awards in a timely fashion.

Management Response and Corrective Action Plan:
As of June 30, 2015, CPS had $1.8 billion and $1.9 billion in accounts receivable on the Fund and Government Wide financial statements, respectively. The $44 million audit adjustment is 2.4% of the Fund receivable and 2.3% of the Government Wide receivable. Subsequent to the finding CPS updated the reconciliation process to correct the error and prevent future errors.

CPS agrees that the process for posting cash receipts is inefficient. If a receipt of payment is applied to the wrong bill and subsequently corrected in the reconciliation process it creates a timing issue within the general ledger. CPS is reviewing the process to prevent misapplication. CPS will review the reconciliation process as well.

CPS makes payroll and other adjustment to maximize the use of grant dollars. CPS agrees some payroll adjustments should be made in advance to prevent after-the-fact administrative burden whenever possible. However, many adjustments are made after-the-fact due to unexpected underspends on grants allowing for additional expenses to be reclassified. These adjustments allow CPS to direct funding to the classroom where it can best be utilized. CPS will review its processes to identify ways to reduce year-end adjustments to grant expenses.

Finding 2015-004: Accounts Payable

Criteria:
The District's fund financial statements are prepared using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Under this method, expenditures are generally recorded when a liability is incurred. At the end of the fiscal year, the District should record an accounts payable liability for any goods received or services performed before the end of the year which were subsequently paid after the year-end.

Condition:
During our testing for unrecorded liabilities, we noted numerous exceptions in which invoices relating to goods received or services performed prior to year-end were not recorded as payables in the proper period (68 exceptions out of a sample of 272 transactions). The District changed its accounts payable process during the year, and began to record invoices in the system based upon the *receipt date* of the invoice. The District then calculated accounts payable at year-end based upon this receipt date, not based on the date the actual goods were received or services performed. While this is an acceptable approach for cash flow purposes, this is not in accordance with generally accepted accounting principles (GAAP). The District's internal controls did not identify that a significant amount of transactions were being inappropriately omitted thus not recorded in accordance with GAAP.

Context:
Because of the high error rate (25% of transactions) resulting from our testing, the District engaged a third party to review the accounts payable liability at year-end. As such, an audit adjustment of approximately $18 million was booked to increase the liability at year-end.

Cause and Effect:
The accounts payable understatement of $18 million is a result of a change in the process.

To manage cash flow, the District changed the process for entering accounts payable into the system and based it upon the receipt date of the invoice. However, this process should not have been used to calculate the liability at year-end. Generally accepted accounting principles dictate that a liability is based on the date the goods were received or services performed, regardless of invoice receipt date.

Further, in July 2015, the District terminated approximately 1,400 employees. The layoffs had a significant impact within the accounts payable department, and there were less employees dedicated to processing payables.

Recommendation:
To adhere to both generally accepted accounting principles and also manage cash flow, we recommend the District modify its general ledger system. The system should allow for invoices to be

entered with both a receipt date and an invoice date. The receipt date should be utilized for cash flow purposes and vendor payment, and the invoice date should be utilized for determining the proper payable balance at year-end.

Management Response and Corrective Action Plan:
In FY2015 CPS reviewed all invoices $10,000 or greater received between July 1 and August 31 to determine whether they should be included in the accounts payable accrual. CPS also performed a departmental review to determine if costs were reasonably stated when compared with budget. Finally, CPS reviewed the number of invoices received in FY2015 that were in the accrual at the end of FY2014. Based on these procedures, before the adjustment, CPS accrued $85 million in FY2015 compared to $52 million in FY2014. The $18 million audit adjustment represents 1.5% of liabilities in the General Operating Fund, and 1.2% of Total Current Liabilities on the Statement of Net Position, as of June 30, 2015.

In FY2015 CPS evaluated whether the general ledger system could be modified to include both invoice receipt date and invoice date. It was determined that making such a change would require significant customization of the general ledger system and was deemed to be too costly.

CPS Accounts Payable department has been effected by the layoffs implemented as a result of CPS constrained resources. In prior years CPS staffed the department year-round based on the highest periods of transactions. Currently, the department is staffed for lowest periods of transactions and supplemented by temporary staffing firms during higher periods.

Beginning in FY2016, CPS has lowered the threshold for review of invoices received after June 30 from $10,000 to $2,500. CPS will continue to perform a year-over-year departmental variance analysis. CPS will review the processing of Accounts Payable in FY2016 for ways to increase efficiency.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
There were no findings or questioned costs for federal awards.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

I. Finding SA14-03: Subrecipient Monitoring

Corrective Action Plan — See prior year report.

Current Status — Corrective action was taken.

II. Finding SA14-04: Title I, Part A Targeted Assistance Programs

Corrective Action Plan — See prior year report.

Current Status — Corrective action was taken.