



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education
Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2007

*Prepared by the
Office of School Financial Services*

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



Board of Education
CITY OF CHICAGO

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ROXANNE WARD

December 14, 2007

Dear Colleagues and Friends,

Every school year is a challenging new chapter in the history of the Chicago Public Schools (CPS). We continue to take bold steps in our quest to improve every child's academic performance. As their current leaders and mentors, we have the opportunity and the responsibility to help them fulfill their goals and become productive citizens.

Consistently, our focus consists of three core strategies: instructional excellence, talent attraction and development of and expanded learning options with the two supporting strategies of managing performance and aligning resources. We continue to advance our approaches towards providing an outstanding education. Our goals include enhancing efforts towards successful recruitment and retention of teachers while strengthening teaching methods and principal leadership. We encourage teacher and student excellence with constructive performance management tools and through the development of numerous expansion projects for educational and support opportunities.

Although many programs help support instructional excellence, four initiatives are at the core of the district's instructional excellence strategy. The *Chicago Reading Initiative* framework, established six years ago, offers increased support in several areas: a balanced literacy framework and high-quality core reading materials, extensive school- and classroom-level coaching, extended time, and additional student support. The *Chicago Math and Science Initiative* (CMSI), now in its fifth year, offers supported curricula and materials, aligned teacher professional development, and school-based coaches. Our *8th — 9th Grade Transition* and *High School Transformation* programs are comprehensive approaches for raising expectations for students and keeping them on target toward measurable goals using specialized curriculum.

We strive to provide effective educational approaches, giving our students a solid foundation for their lives inside and outside of the classroom. The *Renaissance 2010* program is an example of how, with the assistance of outside partnerships, we researched and adopted a variety of educational programs that are already succeeding here. We are at 80% of our goal of 100 new schools by 2010. CPS is also partnering with other public agencies and nonprofit organizations in establishing 110 Community Schools with a goal of making all of our schools Community Schools within five years.

Already we are seeing the fruits of our labor paying off. Student test scores demonstrate that Chicago has significantly increased the percentage of students meeting state standards.

In October 2007, CPS was awarded two federal grants to convert ten of the district's historically lowest performing elementary schools into magnet schools. Five of these schools will become new technology

magnet schools and the other five will be dedicated to a language academy, a Montessori school, two new baccalaureate programs, and the district's first-ever children's engineering program.

CPS ended last fiscal year in strong financial condition, with revenues moderately higher and expenditures less than budgeted. The FY07 comprehensive annual financial report reflects continued strong management practices and strong tax base growth. As a result, *Moody's Investor Service* and *Standard and Poor's* upgraded the debt ratings for CPS in the fall of 2007.

At the start of this school year, CPS worked closely with the Chicago Teachers Union (CTU) to secure a historic new five-year teacher contract that will support teacher quality, development and recognition. The agreement outlines newly established salary ranges, health care benefits with cost containment incentives, job protection standards and an early retirement program. In addition, a joint CPS-CTU committee is creating a new teacher evaluation process to be piloted in 2008 — 2009.

CPS has made many improvements to our financial, purchasing, and budgeting systems allowing access to more information and reducing the paperwork burden. Our investment in these key areas of infrastructure continued in 2007 with the implementation of the CPS@Work Human Resources system and the IMPACT student information system. We completed Phase I of CPS@Work in 2007 with respect to the core business functions of Human Resources, Payroll and Benefits. Phase II began in November 2007, allowing employees to update their benefits information on-line during annual open enrollment via the CPS@Work website. It will be completed in 2008 giving full access self-service functions for employees and managers. Chicago Public Schools' *Instructional Management Program* and *Academic Communication Tool* (IMPACT) is a comprehensive initiative to build and implement a centralized student information solution. IMPACT makes student information more accessible, reduces paperwork, and gives teachers measurable performance data at their fingertips like a dashboard control panel. While the start-up of these two major enterprise systems in 2007 has presented significant challenges, we are starting to reap rewards.

We are very proud of our accomplishments, but we also recognize that there is still much work to be done. The help we have received from the Mayor and the City of Chicago, the philanthropic community, local businesses, and all our supporters make CPS confident that next year will be another year of progress and dynamic change on our path to being the premier urban school district in the country. In spite of all our efforts, there are financial challenges ahead as CPS addresses increasing pension liabilities, educational funding reform, and state funding issues. We cannot accomplish all our goals with our existing funding resources. Our children are entitled to excellent academic programs and the highest quality instruction. Yet, as the third largest school district, we are one of the least funded school districts in the nation. As a parent, teacher, student, community, city and state, we need to focus our time and monetary investments on the most important assets in life: our children, our future. With your continued help, we can bring those dreams into reality so we may be witness to a brighter, more deserving future for our children and for generations to come.

Respectfully Submitted,



Rufus Williams
President
Chicago Board of Education



Arne Duncan
Chief Executive Officer
Chicago Public Schools



Chicago Public Schools
Every Child, Every School

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

2007 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PRINCIPAL OFFICIALS

Mayor of the City of Chicago
Richard M. Daley

Chicago Board of Education
Rufus Williams, President
Clare Muñana, Vice President

Members

Norman R. Bobins
Tariq H. Butt, M.D.
Alberto A. Carrero, Jr.
Roxanne Ward
Peggy Davis

Statutory Officers

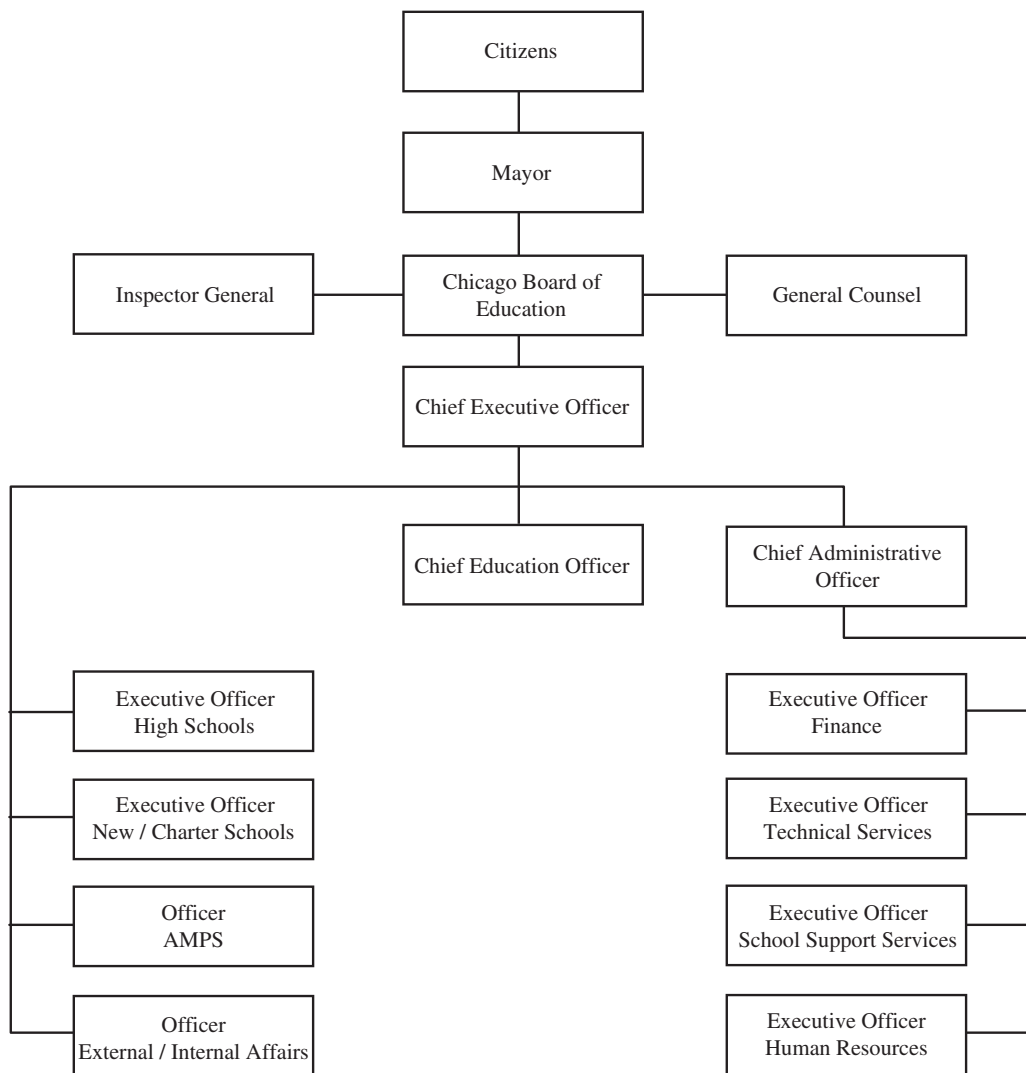
Arne Duncan, Chief Executive Officer
Barbara J. Eason-Watkins, Ed.D., Chief Education Officer
M. Hill Hammock, Chief Administrative and Chief Operating Officer
Pedro Martinez, Chief Financial Officer
Heather A. Obora, Chief Purchasing Officer
Patrick J. Rocks, General Counsel



Introductory Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
Organizational Chart**

The Chicago Public Schools is the third largest school district in the nation. It serves approximately 414,000 students in 622 attendance centers with a staff of over 44,000.



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chicago Public Schools
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director





Chicago Public Schools
Every Child, Every School



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

CHICAGO PUBLIC SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2006

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

President

Executive Director



CHICAGO PUBLIC SCHOOLS**Chicago Board of Education****Board Member Profiles****Rufus Williams, President**

Rufus Williams is President of the Board and also President and Chief Executive Officer of Olympus, LLC, a business management and contract negotiation firm. Prior to founding Olympus, LLC, Mr. Williams worked for 10 years in various positions including Chief Financial Officer and Controller at Harpo Entertainment Group, best known for producing “The Oprah Winfrey Shows”. Mr. Williams began his career at Arthur Andersen & Co., where he rose to the level of Experienced Audit Manager. Mr. Williams left after 10 years to take a position as Corporate Audit Manager at Baxter Healthcare Corporation. Mr. Williams is past President of the Better Boys Foundation, a social service agency that provides assistance to children and their families, and past Treasurer of the Board of Trustees of Francis W. Parker School, where he is now an Honorary Trustee. Mr. Williams graduated Magna Cum Laude from Southern University of Baton Rouge, Louisiana with a degree in Accounting.

Clare Muñana, Vice President

Clare Muñana is Vice President of the Board and a public sector, not-for-profit and management consultant operating her own firm. Ms. Muñana has performed numerous domestic and international engagements for public sector and private sector clients in the U.S., Europe, Africa, and Latin America. Current and recent projects include: strategic plan for a Chicago startup museum, international strategy for European Foundation and Museum, an economic development project for an underserved region in the State of Illinois, a strategic plan for a major museum, and a feasibility study for an economic development agency for a large U.S. city. Ms. Muñana holds a Bachelors degree from Boston College, Masters degree in International Economics from the School of Advanced International Studies at The Johns Hopkins University and a Masters in Business (MBA) from the Kellogg Graduate School of Management at Northwestern University. Ms. Muñana also holds a certificate in French Civilization and Language from the Sorbonne. Ms. Muñana also serves with the Chicago Public Education Fund; Vice Chairman, National Museum of Mexican Arts; the Chicago Council on Global Affairs; the Aspen Institute; the Field Museum; The Commercial Club of Chicago; The Paris/Chicago Sister Cities International Program; Chicago Shakespeare Theater; Nuestro Futuro Chicago Community Trust; Chicago Chamber Musicians; the Art Institute — Trustee on Education; Mayor Daley’s Council of Technology Advisors; and other not-for-profit organizations.

Norman R. Bobins

Norman R. Bobins is Chairman of LaSalle Bank Corporation. Mr. Bobins served as a Trustee of the Public School Teachers’ Pension and Retirement Fund of Chicago and was a member of the Public Building Commission of Chicago. Mr. Bobins received a Bachelor of Arts degree from the University of Wisconsin and a Master of Business Administration from the University of Chicago. Mr. Bobins is active in several civic organizations, including Chicago United, the Field Museum and the Art Institute of Chicago.

Dr. Tariq Butt

Dr. Tariq Butt is a Board Certified Family Physician with teaching appointments at the University of Illinois’ Medical College, Rush University Medical School, and the Faculty with Mt. Sinai Family Residency Program affiliated with the Chicago Medical School. Dr. Butt is Deputy Medical Director of the Access Community Health Network. As part of his medical practice, Dr. Butt provides a range of medical services to patients on the west side of the City, regardless of their ability to pay. Dr. Butt has also served as Chairman of the Mayor’s Asian-American Advisory Council. Dr. Butt is currently serving as a member of the Board of Directors for the Illinois Association of School Boards and National School Board Association — Counsel of Urban Boards of Education (NSBA-CUBE) Steering Committee Member.



Alberto A. Carrero, Jr.

Alberto A. Carrero, Jr. is Senior Vice President and Public Banking Manager of Banco Popular North America (“Banco Popular”), the country’s largest Hispanic-owned bank. Mr. Carrero also serves as a Trustee of the Public School Teachers’ Pension and Retirement Fund of Chicago. Prior to joining Banco Popular, Mr. Carrero worked for the Federal Deposit Insurance Company (FDIC) in the New York Region. Mr. Carrero graduated from the University of Puerto Rico with a degree in Business Administration and Finance. Mr. Carrero has been the recipient of numerous awards from Illinois and New York City and State agencies for excellence in business.

Peggy A. Davis

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

Roxanne M. Ward

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

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

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

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

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



Introductory Section

CHICAGO PUBLIC SCHOOLS

Chicago Board of Educations

Central Administration Profiles

Arne Duncan is the Chief Executive Officer of the Board. Mr. Duncan was formerly Deputy Chief of Staff for the previous Chief Executive Officer of the Board and, prior to that, directed the Ariel Education Initiative. He received a Bachelor of Arts degree in Sociology from Harvard University. Mr. Duncan serves on the boards of directors for the Ariel Education Initiative, The Children's Center, City Year, the Illinois Council Against Handgun Violence and the South Side YMCA, and serves on the Visiting Committee for the University of Chicago's School of Social Service Administration.

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

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

Pedro Martinez is the Chief Financial Officer of the Board. He is a Certified Public Accountant. He has been employed with the Board of Education since September 2003. Prior to joining the Board of Education, he was the Director of Finance at the Archdiocese of Chicago, where he worked with their social service arm, Catholic Charities. He was employed there for eight years. Prior to joining the Archdiocese, he was an audit manager for Deloitte & Touche. He is a graduate of the University of Illinois at Champaign-Urbana and is finishing his MBA at DePaul University. He is a Vincentian Honors Scholar at DePaul. In addition Mr. Martinez serves as the President of The Resurrection Project's (TRP) Board of Directors and Vice-President of the Board at OAI, Inc., an employment services provider.

Heather A. Obora is the Chief Purchasing Officer of the Board. Ms. Obora previously served as the Board's Deputy Chief Financial Officer and Deputy Controller-Disbursements. Prior to joining the Board, Ms. Obora was the Comptroller for the Clerk of the Circuit Court of Cook County, a Senior Tax Accountant for Crowe Chizek in Oak Brook, Illinois and a Senior Accountant for Barbich, Longcrier, Hooper & King, a public accounting firm in Bakersfield, California. Ms. Obora holds a Bachelor of Science degree in Business Administration with a Concentration in Accounting from California State University—Bakersfield.

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





Chicago Public Schools

Pedro Martinez
Chief Financial Officer

December 14, 2007

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

The Comprehensive Annual Financial Report (CAFR) of the Chicago Public Schools (CPS) for the fiscal year ended June 30, 2007, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position as well as the financial condition of CPS.

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

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and statutory reporting, which contains State and Federal compliance reporting information. The introductory section includes this transmittal letter, a list of principal officials, and an organizational chart. The financial section includes the basic financial statements as well as the unqualified opinion of independent public accountants on the basic financial statements. The financial section also includes the management's discussion and analysis (MD&A), which should be read in conjunction with this transmittal letter. The MD&A provides a narrative introduction, overview, and analysis of 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.

This annual report complies with the Governmental Accounting Standards Board (GASB) **New Governmental Financial Reporting Model**, generally referred to as GASB 34. By providing a broader, government-wide perspective while maintaining the traditional features, the annual reports are easier to understand and more useful to stakeholders, such as investors and creditors. As a result of GASB 34, CPS now provides information about the cost of delivering services on a full accrual basis including the cost of depreciating fixed assets.



Introductory Section

PROFILE OF THE CHICAGO PUBLIC SCHOOLS

The Chicago Public Schools is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the City of Chicago. The Chicago Board of Education is established under and governed by the Illinois School Code. The Chicago Board of Education is not a home rule unit of government and operates a system of schools primarily for grades kindergarten through twelve. CPS has no component units, which are legally separate organizations for which the Chicago Public Schools is financially accountable.

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

As a large urban school district, our schools and students reflect the broad diversity of our city. Chicago Public Schools operates 622 schools. At the elementary level CPS has gifted centers, magnet schools, middle schools, special schools, and neighborhood schools. Enhanced educational opportunities are provided at the high school level including small schools, vocational schools, general/technical/academic preparatory high schools, magnet programs, and alternative programs for disruptive students and dropouts. As of September 2006, CPS operates 27 charter schools on 56 campuses with more likely to open next year.

Student enrollment in September 2007 was 408,600, declining from 414,000 in 2006. About 85% of our students come from low-income families and over 14% speak English as a second language. CPS employs about 44,000 workers, including almost 27,900 teaching positions with an annual operating budget of over \$4.7 billion in FY08.

LOCAL ECONOMIC OUTLOOK

Chicago continues to have a strong regional economy, noted for its business diversity and resilience. Sales tax collections have remained strong and the real estate market has continued to grow due to low overall interest rates and strong demand.

Chicago continues to benefit from one of the most diverse economies in the nation. Chicago has continually attracted world-class companies who have made the decision to relocate their headquarters to Chicago, including Mittal Steel, the world's largest steel producer and the Boeing Company, the world's largest aircraft manufacturer. Chicago is also home to the competitive service sector that included financial services firms such as JP Morgan Chase, LaSalle Bank (a Bank of America Subsidiary), Harris Bank (a BMO subsidiary) and the Northern Trust as well as three major financial exchanges including the Chicago Board Options Exchange (CBOE) and the CME Group Inc. (a CME/Chicago Board of Trade Company which recently merged the Chicago Board of Trade and the Chicago Mercantile Exchange). Furthermore, major real estate development continues in Chicago with ambitious skyscrapers either in construction or planned. These include the 92-story Trump Tower Chicago, the newly announced 90-story Shangri-La Hotel, and the planned 150-story Chicago Spire by Santiago Calatrava. The City continues to focus on attracting business and leisure travelers alike demonstrated recently by Chicago's triumphant completion of the World Boxing Championships and successful bid for the U.S. nomination of the 2016 Olympics. Approximately 13.7 million people travel to Chicago on business every year, which is more than any one U.S. destination. There are many local attractions, museums, festivals and professional sports teams, which help to strengthen the area economy and provide jobs.

Home values are strong and the economic impact from tourism and trade shows remains positive. The Chicago Business District is expanding with a healthy mix of commercial, residential and cultural activity. The housing market is a multi-billion dollar industry in Chicago, and new construction contributes positively to the economy by building wealth in communities through employment in construction, material, and



equipment purchases. The Tax Increment Financing (TIF) program continues to be a valuable job creation and economic development program in the city.

The concession sale of the Chicago Downtown Public Parking System which closed in December of 2006 was an innovative financing transaction. The Chicago Downtown Public Parking System is the largest downtown underground public parking system in the world with 9,178 spaces and a prime location under Chicago's world famous Millennium Park. The concession sale allows a private company to operate the Chicago Downtown Public Parking System for a period of 99 years. Proceeds from the Chicago Downtown Public Parking System have been used to repay debt as well as provide for the capital projects for the City's hundreds of parks. Since completing the Downtown Public Parking System transaction the City has continued to look for innovative ways to create new sources of revenue. The City will continue to evaluate its assets to see if they meet the criteria for sales and leases.

EDUCATION PROGRAMS

Chicago Public Schools' goal is to make every Chicago public school a school of choice. To achieve our goal of transforming neighborhood schools into schools of choice, the Chicago public school system has committed to three core educational strategies. These strategies encompass planning and program development in specific areas — teacher excellence and professional development, reading, and creating more learning opportunities.

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

- **Advancing Literacy** — CPS' vision is that all its students will function as readers, writers and critical thinkers in a technologically advancing global society. The mission is to provide a framework for high quality literacy instruction at all grade levels. CPS is training an elite corps of reading specialists to ensure that teachers are trained to use books and materials appropriately. In 2006, schools with reading specialists showed higher gains in test scores than other schools.
- **Improving Human Capital** — CPS continues ongoing efforts to improve teacher quality by actively recruiting from a diverse group of top universities and streamlining the hiring process. This year, CPS received over 20,000 resumes, or 10 resumes for every open teacher position. CPS had the lowest teacher vacancy rate that we ever recorded for the opening of schools.

Merit pay for teachers is an initiative that is being evaluated at CPS. The program focuses on additional and ongoing professional development, multiple career paths for teachers, and instructional focus evaluations as well as performance pay. A goal of implementing a Teacher Advancement Program (TAP) in 40 schools by 2010 has been set. In 2006-2007, TAPs principals reported that the program made it easier to recruit higher quality teachers. TAPs has also led to a decrease in teacher turnover by as much as 50% in other school districts.

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

CPS continues its major initiative of converting low-enrollment and low-performing elementary and high schools into new schools. Renaissance 2010 schools are a combination of CPS-run, contract and charter



Introductory Section

schools. The program has three main objectives: to provide 100 high quality schools by 2010, to expand and diversify educational options and to address priority communities. In the fall of 2007, CPS had 40,200 seats available in 79 Renaissance 2010 schools, up from 30,600 in 2006. The final goal is 76,800 seats by 2010.

CAPITAL IMPROVEMENT PROGRAM

Since the start of the capital program in 1996, nearly every elementary and high school has received some kind of capital improvement. More than \$4.5 billion has already been committed to improving CPS schools. Local sources for new revenue are limited, motivating CPS to continue to lobby for additional resources at the state and Federal levels.

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

To date, 31 new schools, 15 replacement schools, 42 additions, 28 annexes, and 2 links have been constructed. In addition, 458 schools have new roofs, 10 schools have new doors, 418 schools have new windows, 382 schools have masonry repairs, 62 state of the art science labs have been installed, 219 Americans with Disabilities Act projects are underway, 118 school renovations, 27 gymnasiums have been renovated, and 342 play lots have been constructed. CPS, in conjunction with the City of Chicago, the Chicago Park District, and the Public Building Commission of Chicago has created 94 campus parks. The accomplishments thus far have significantly improved the quality of our students' learning environment.

FINANCIAL INFORMATION

CPS ended last fiscal year in good financial condition, with revenues moderately higher than expenditures in the General Operating Fund, using the modified accrual basis of accounting. The year began with uncertain economic conditions, so CPS budgeted prudently and instituted fiscal controls. The FY07 comprehensive annual financial report reflects continued strong management practices and strong tax base growth. As a result, *Moody's Investor Service* and *Standard and Poor's* upgraded the debt ratings for CPS in the fall of 2007. Using the full accrual basis of accounting, CPS has total net assets of over \$113 million, a decrease of approximately \$59 million from fiscal year 2006.

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

Chicago Public Schools has an Investment Policy that defines the parameters within which funds can be invested. Investments must comply with the Investment Policy and other applicable laws and regulations. Investment income for the fiscal year 2007 totaled \$114 million compared to \$72 million in fiscal year 2006. (See Note 4 of the Notes to the Basic Financial Statements.)

Recently, all Chicago Public Schools have successfully transitioned their finances to the U.S. Bank *SinglePoint* consolidated banking system. By having all school accounts at one bank, CPS achieves several advantages: standardized reporting across the CPS organization, low banking fees, increased rate of return for schools, fraud detection, armored car services, and efficient methods to thoroughly manage individual school's finances. Both pioneering and user-friendly, this banking technology makes CPS the first school district in the nation to implement such a proficient financial tracking system.

Risk Management: The Bureau of Risk Management actively assesses and reviews the types of risk and exposures Chicago Public Schools may encounter and strives to mitigate the potential impacts on the organization. Risk Management recently automated and streamlined the student travel process and approved vendor lists. Other programs include life safety at schools, blood-borne pathogens, hazardous materials in science labs, and worker safety at construction sites.



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

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

Pension Funding: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund") or the Municipal Employees Annuity and Benefit Fund of Chicago (the "Annuity Fund"). As of June 30, 2006, the funded ratio of the Pension Fund was 78% and CPS has recorded an estimated pension liability of \$1.75 billion in the accompanying financial statements, as determined under the Generally Accepted Accounting Principles (GAAP). Due to the funded ratio being below 90%, CPS was required to make a contribution of \$80 million to the Pension Fund under the statutory requirements during fiscal year 2007. CPS anticipates \$131 million contribution in fiscal year 2008 and an estimate amount of \$188 million in fiscal year 2009.

All career services employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"). The Annuity Fund had an unfunded accrued actuarial liability for all covered employees, including CPS employees, who account for more than 15,000 of the almost 34,000 participants in the Annuity Fund. The CPS, in the opinion of its legal counsel, has no duty to contribute any sum to the Annuity Fund. (See Note 12 of the Notes to the Basic Financial Statements.)

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

Internal Control Structure: The CPS financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of the CPS from loss, theft, or misuse and to ensure that reliable accounting data are available for the timely preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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



Introductory Section

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the City of Chicago for its comprehensive annual financial report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. CPS has received this award every year since 1996.

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

In 2006, Chicago Public Schools submitted a popular annual financial report (PAFR) to GFOA and was awarded the Certificate of Achievement for the seventh year in a row. CPS anticipates preparing this year's popular version to conform with the program requirements and submitting it to the GFOA. This report is shorter, providing summary financial information only and distributed to a broader audience.

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

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

Respectfully submitted,



Pedro Martinez
Chief Financial Officer



Daryl J. Okrzesik
Controller





Chicago Public Schools
Every Child, Every School



McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Chicago Public Schools (the Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2007, which collectively comprise the CPS' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the CPS' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Chicago Public Schools, as of June 30, 2007, and the respective changes in financial position and the respective budgetary comparison for the General Operating Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2007 on our consideration of the CPS' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McGladrey & Pullen, LLP is a member firm of RSM International – an affiliation of separate and independent legal entities.



Management's discussion and analysis on pages 19 through 33 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

McGladrey & Pullen, LLP

Chicago, Illinois
December 19, 2007





Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2007

Our discussion and analysis of Chicago Public Schools' (CPS) financial performance provides an overview of the school district's financial activities for the fiscal year ended June 30, 2007. As the intent of this management discussion and analysis is to look at CPS' financial performance as a whole, readers should also review the transmittal letter, financial statements and notes to the basic financial statements to further enhance their understanding of CPS' financial performance.

FINANCIAL HIGHLIGHTS

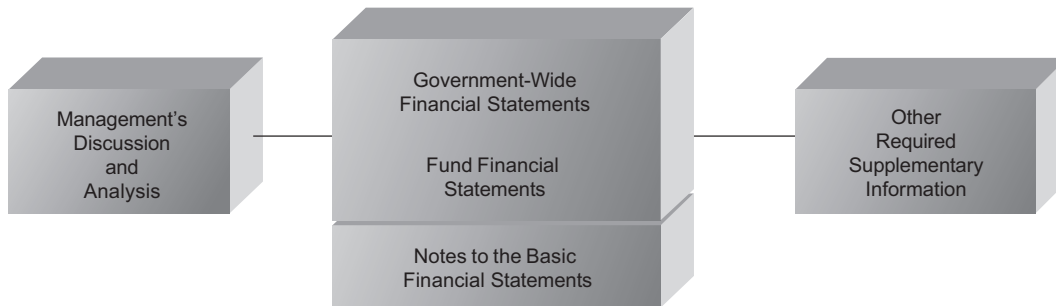
At fiscal year end, total fund balance was \$1.74 billion in fiscal year 2007, an increase of \$383.6 million. In the General Operating Fund, unreserved funds increased from \$307 million in fiscal year 2006 to \$405 million in 2007, an increase of \$98 million.

Total General Operating Fund actual revenues less expenditures exceeded budgeted resources less final appropriations by \$241 million.

During the fiscal year, CPS issued \$355.8 million in debt offerings to further fund the Capital Improvement Program. In November 2007, Standard & Poor's raised its credit rating on CPS' outstanding debt to "AA-" from "A+" and Moody's Investors Service raised its credit rating to "A1" from "A2". These upgraded credit ratings reflect CPS' continued strong financial stability.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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



OVERVIEW OF THE FINANCIAL STATEMENTS

Our Comprehensive Financial Annual Report consists of a series of financial statements and accompanying notes, with the primary focus being on the school district as a whole. Government-wide financial statements including the Statement of Net Assets and the Statement of Activities provide both short-term and long-term information of CPS' financial status. The fund financial statements provide a greater level of detail of how services are financed in the short-term as well as the remaining available resources for future spending. The accompanying notes provide essential information that is not disclosed on the face of the financial statements and as such are an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business. The Statement of Net Assets and

Financial Section

the Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Condensed Statement of Net Assets (Millions of dollars)

	Governmental Activities			
	2007	2006	Difference	% Change
Current assets	\$3,848	\$3,288	\$ 560	17.0%
Capital assets, net	4,488	4,384	104	2.4%
Total Assets	<u>\$8,336</u>	<u>\$7,672</u>	<u>\$ 664</u>	8.7%
Current liabilities	\$ 934	\$ 877	\$ 57	6.5%
Long-term liabilities	7,288	6,622	666	10.1%
Total Liabilities	<u>\$8,222</u>	<u>\$7,499</u>	<u>\$ 723</u>	9.6%
Net Assets:				
Invested in capital assets net of related debt	\$ 267	\$ 268	\$ (1)	-0.4%
Restricted for:				
Debt service	414	357	57	16.0%
Specific purposes	131	86	45	52.3%
Unrestricted	(698)	(538)	(160)	29.7%
Total Net Assets	<u>\$ 114</u>	<u>\$ 173</u>	<u>\$ (59)</u>	-34.1%

- **Total assets** of \$8.3 billion increased due to larger year end cash balances, larger accounts receivable balances, new school construction and other improvement projects as part of the CPS' Capital Improvement Program.
- **Capital assets**, net of depreciation, increased \$104 million or 2.4% over the prior fiscal year due to the continued progress of the Capital Improvement Program.
- **Long-term debt** increased \$245.2 million, or 5.4%. The total long-term portion of debt outstanding and capitalized leases was \$4.58 billion in fiscal year 2006 and \$4.82 billion in fiscal year 2007. In fiscal year 2007, CPS issued \$355.8 million in Unlimited Tax Obligation Bonds to fund the Capital Improvement Program.



- **Accrued pension** increased to \$1.75 billion in fiscal year 2007 from \$1.51 billion in fiscal year 2006, an increase of \$238.4 million, or 15.8%. The year-end balance reflects the increase in the net pension obligation related to the Public School Teachers' Pension and Retirement Fund of Chicago.
- **Other postemployment benefits (OPEB) liability** increased to \$425.1 million in fiscal year 2007 from \$213.3 million in fiscal year 2006, an increase of \$211.8 million, or 99.3%. The year-end balance reflects the increase in net OPEB related to healthcare costs associated with the Public School Teachers' Pension and Retirement Fund of Chicago.
- **Other long-term liabilities** including current portion decreased to \$343.9 million in fiscal year 2007 from \$366.9 million in fiscal year 2006, a decrease of \$23 million, or 6.3%. The year-end balance reflects decreases in accrued sick pay and vacation pay of \$30.9 and \$5 million respectively, and increases in accrued workers' compensation, accrued general and automobile and tort liabilities of \$5.9 million, \$5.8 million and \$1.2 million, respectively.
- **CPS' net assets** decreased \$59 million to \$113.5 million. Of this amount, \$267 million represents CPS' investment in capital assets net of depreciation and related debt. Restricted net assets of \$545 million are reported separately to present legal constraints from debt covenants and enabling legislation. The (\$699) million of unrestricted deficit represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2007.



The following table presents the changes in net assets from fiscal year 2006 to 2007:

Changes in Net Assets
(Millions of dollars)

	Governmental Activities			
	2007	2006	Difference	% Change
Revenues:				
Program Revenues:				
Charges for services	\$ 13	\$ 12	\$ 1	8.3%
Operating grants and contributions	863	897	(34)	-3.8%
Capital grants and contributions	97	67	30	44.8%
Total Program Revenues	<u>\$ 973</u>	<u>\$ 976</u>	<u>\$ (3)</u>	-0.3%
General Revenues:				
Property taxes	\$1,813	\$1,768	\$ 45	2.5%
Replacement taxes	201	185	16	8.6%
State aid	1,652	1,532	120	7.8%
Interest and investment earnings	154	77	77	100.0%
Gain on Sale of fixed assets	23	—	23	100.0%
Miscellaneous	163	74	89	120.3%
Total General Revenues	<u>\$4,006</u>	<u>\$3,636</u>	<u>\$ 370</u>	10.2%
Total Revenues	<u>\$4,979</u>	<u>\$4,612</u>	<u>\$ 367</u>	8.0%
Expenses:				
Instruction	\$3,097	\$3,108	\$ (11)	-0.4%
Support services:				
Pupil support services	361	346	15	4.3%
Administrative support services	179	162	17	10.5%
Facilities support services	461	423	38	9.0%
Instructional support services	481	465	16	3.4%
Food services	186	180	6	3.3%
Community services	45	46	(1)	-2.2%
Interest expense	220	218	2	0.9%
Other	8	22	(14)	-63.6%
Total Expenses	<u>\$5,038</u>	<u>\$4,970</u>	<u>\$ 68</u>	1.4%
Change in Net Assets	\$ (59)	\$ (358)	\$ 299	-83.5%
Beginning Net Assets	173	531	(358)	-67.4%
Ending Net Assets	<u>\$ 114</u>	<u>\$ 173</u>	<u>\$ (59)</u>	-34.1%

- Net Assets decreased to \$114 million in fiscal year 2007 from \$173 million in fiscal year 2006, a decrease of \$59 million or 34.1%. Even though total revenues increased by \$367 million from fiscal year 2006, our expenditures exceeded our revenues in fiscal year 2007, primarily due to high pension and postemployment costs, which were \$238.4 million and \$211.8 million, respectively.

Capital Assets

At June 30, 2007, the CPS had \$4.5 billion invested in a broad range of capital assets, including land, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$104.1 million or 2.4% over the prior fiscal year (\$000's).

	<u>2007</u>	<u>2006</u>	<u>Difference</u>	<u>% Change</u>
Land	\$ 248,713	\$ 244,147	\$ 4,566	1.9%
Buildings	6,051,231	5,817,188	234,043	4.0%
Construction in progress	354,531	367,733	(13,202)	-3.6%
Equipment	<u>149,045</u>	<u>122,626</u>	<u>26,419</u>	21.5%
Total Capital Assets	\$ 6,803,520	\$ 6,551,694	\$ 251,826	3.8%
Less: Accumulated depreciation	<u>(2,315,633)</u>	<u>(2,167,971)</u>	<u>(147,662)</u>	6.8%
Total Capital Assets, net	<u>\$ 4,487,887</u>	<u>\$ 4,383,723</u>	<u>\$ 104,164</u>	2.4%

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

Debt and Capitalized Lease Obligations

In September 2006, CPS issued \$355,805,000 in Unlimited Tax General Obligation Bonds (Series 2006B) at a premium of \$14,443,983. The proceeds from these bonds are being used as part of CPS' Capital Improvement Program, to pay capitalized interest, and to pay costs of issuance of the bonds. As a result of the issuance, CPS recorded net proceeds of \$366,540,325 in the Capital Improvement Fund.

In February 2007, CPS entered into an interest rate swap with Royal Bank of Canada. The interest rate swap is associated with the Series 2000C and 2004C bonds. The intention of entering into the swap was to effectively change the variable interest rate on the Series 2000C and 2004C bonds to a fixed interest rate. Any swap payments payable by CPS will be paid from the General Operating Fund under the 2000C agreement and from the same revenue source pledged to the underlying bonds under the 2004C.

As of June 30, 2007, the CPS had \$4.89 billion in total debt, including accreted interest, and capitalized lease obligations outstanding versus \$4.64 billion last year, an increase of 5.4%. For more detailed information please refer to Notes 8 through 10 to the basic financial statements.

The Chicago School Finance Authority (SFA) was created in January 1980 to exercise oversight and control over the financial affairs of the CPS. The SFA issued debt to fund construction and provide working capital. The principal amount of the SFA bonds outstanding as of June 30, 2007, net of bonds advance refunded or defeased is \$128 million. The SFA bonds are not a direct or contingent obligation of the CPS and the 1995 Amendatory Act suspended the oversight powers of the SFA through the end of 2010. For more detailed information please refer to Note 13 to the basic financial statements.

Pension Funding

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

State statutes determine the CPS' employer-required contribution to the Pension Fund, with the exception of federal funds. As of June 30, 2006, the funded ratio of the Pension Fund was 78% and the CPS has recorded an estimated pension liability of \$1.75 billion in the accompanying financial statements, as determined under generally accepted accounting principles. Because the funded ratio was below 90%, the CPS was required to make an \$80 million contribution to the Pension Fund under the statutory requirements during fiscal year 2007.

All career service employees of the CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"). Covered employees are required by State statute to contribute 8.5%



of their salary. In fiscal year 2007, as in previous fiscal years, the CPS paid a portion, 7%, or \$31.5 million of the required employees' contribution for most employees. For more detailed information please refer to the Note 12 to the basic financial statements.

OVERVIEW OF FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

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

CPS maintains three significant governmental funds: General Operating, Capital Projects, and Debt Service. The following schedules present a summary of the general operating fund, capital projects fund and debt service fund revenues and other financing sources by type and expenditures by program for the period ended June 30, 2007 as compared to June 30, 2006. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.



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

	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>2007 Percent of Total</u>	<u>Increase (Decrease) from 2006</u>	<u>Percent Increase (Decrease) from 2006</u>
Revenues:					
Property taxes	\$1,768	\$1,718	33.9%	\$ 50	2.9%
Replacement taxes	201	185	3.9%	16	8.6%
State aid	1,702	1,603	32.6%	99	6.2%
Federal aid	746	776	14.3%	(30)	-3.9%
Investment income	117	72	2.2%	45	62.5%
Other	286	163	5.5%	123	75.5%
Subtotal	<u>\$4,820</u>	<u>\$4,517</u>	<u>92.4%</u>	<u>\$303</u>	<u>6.7%</u>
Other financing sources	396	401	7.6%	(5)	-1.2%
Total	<u>\$5,216</u>	<u>\$4,918</u>	<u>100.0%</u>	<u>\$298</u>	<u>6.1%</u>
Expenditures:					
Instruction	\$2,492	\$2,539	51.6%	\$ (47)	-1.9%
Pupil support services	349	334	7.2%	15	4.5%
General support services	914	895	18.9%	19	2.1%
Food services	180	173	3.7%	7	4.0%
Community services	45	46	0.9%	(1)	-2.2%
Teachers' pension	156	75	3.2%	81	108.0%
Capital outlay	346	311	7.2%	35	11.3%
Debt service	342	213	7.1%	129	60.6%
Other	8	23	0.2%	(15)	-65.2%
Total	<u>\$4,832</u>	<u>\$4,609</u>	<u>100.0%</u>	<u>\$223</u>	<u>4.8%</u>
Change in Fund Balance	<u>\$ 384</u>	<u>\$ 309</u>			



General Operating Fund

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

Revenues:

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

	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>2007 Percent of Total</u>	<u>Increase (Decrease) from 2006</u>	<u>Percent Increase (Decrease) from 2006</u>
Property taxes	\$1,716	\$1,666	40.1%	\$ 50	3.0%
Replacement taxes	147	132	3.4%	15	11.4%
State aid	1,549	1,492	36.2%	57	3.8%
Federal aid	712	758	16.6%	(46)	-6.1%
Investment income	62	37	1.4%	25	67.6%
Other	<u>96</u>	<u>101</u>	<u>2.2%</u>	<u>(5)</u>	<u>-5.0%</u>
Subtotal	\$4,282	\$4,186	99.9%	\$ 96	2.3%
Other financing sources	<u>2</u>	<u>4</u>	<u>0.1%</u>	<u>(2)</u>	<u>-50.0%</u>
Total	<u>\$4,284</u>	<u>\$4,190</u>	<u>100.0%</u>	<u>\$ 94</u>	<u>2.2%</u>

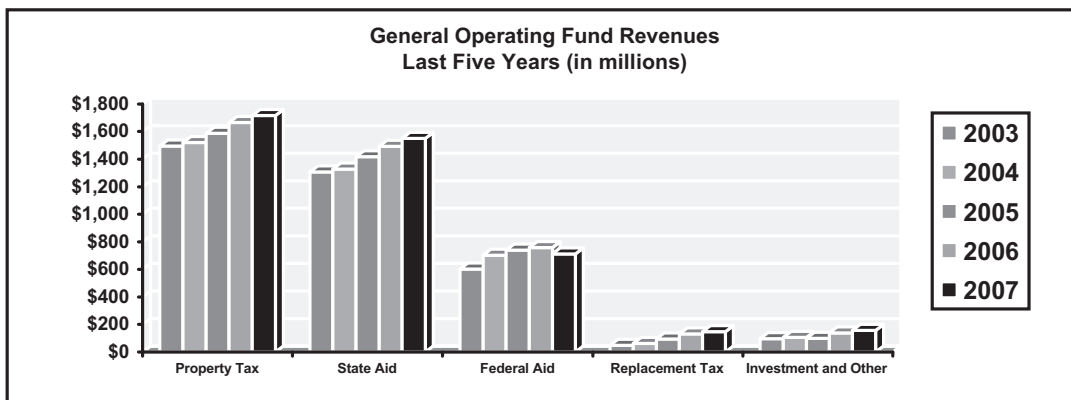
Property taxes increased by \$50.4 million from fiscal year 2006 due to a growing tax base, increases in tax levies and new construction.

Personal property replacement taxes increased \$15.7 million from fiscal year 2006, due to increased collections as a result of higher corporate profits.

State aid increased by \$57.1 million due to a \$170 per pupil increase in foundation level, up to \$5,334 per student.

Federal aid decreased \$45.7 million due to decreased spending on E-rate maintenance projects and less federal grant funds.

Investment income increased \$24.7 million from fiscal year 2006, due to higher interest rates and higher cash balances.



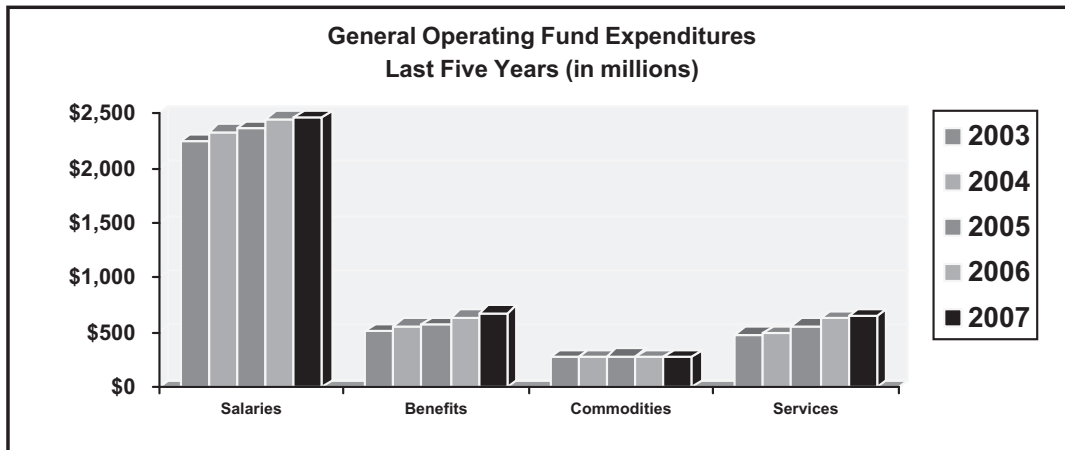
Expenditures:

(Millions of Dollars)

	2007 Amount	2006 Amount	2007 Percent of Total	Increase (Decrease) from 2006	Percent Increase (Decrease) from 2006
Salaries	\$2,459	\$2,454	59.3%	\$ 5	0.2%
Benefits	675	635	16.3%	40	6.3%
Commodities	274	277	6.6%	(3)	-1.1%
Services	650	623	15.7%	27	4.3%
Other	88	96	2.1%	(8)	-8.3%
Total	<u>\$4,146</u>	<u>\$4,085</u>	<u>100.0%</u>	<u>\$61</u>	1.5%

Total expenditures increased by \$61 million, primarily due to the increase in:

- Salaries — Teachers received a 4% salary increase; however this increase was offset by the large number of teachers that retired and were replaced by new teachers at lower salaries and also due to a decrease in student enrollment.
- Benefit charges increased by \$40 million due to an increase in teacher's pension costs of \$35 million and hospitalization costs of \$8 million and a decrease in career service pension costs of \$4 million.
- Services increased by \$27 million due to an expansion of Charter schools.



Capital Projects Fund

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

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

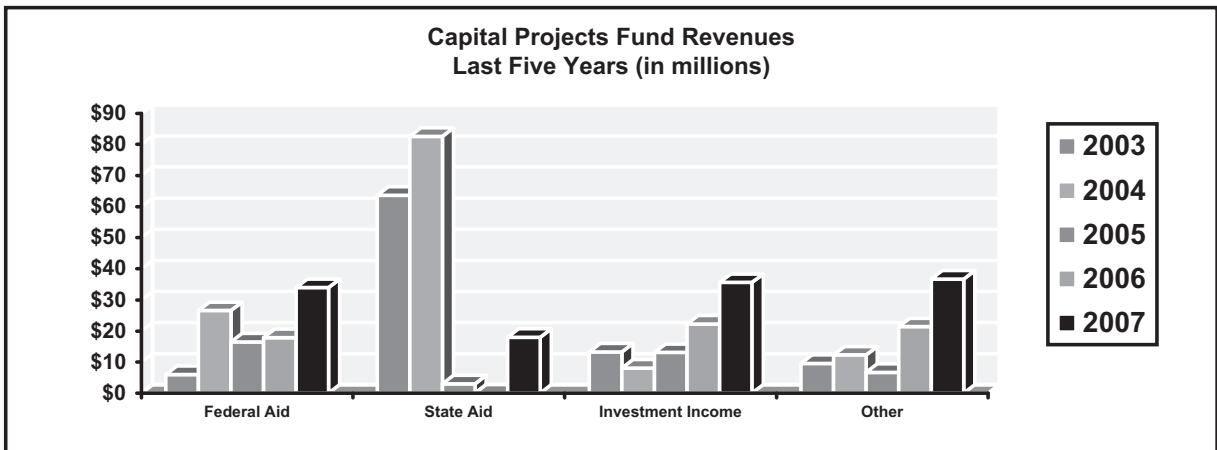
	2007 Amount	2006 Amount	2007 Percent of Total	Increase (Decrease) from 2006	Percent Increase (Decrease) from 2006
State aid	\$ 18	\$ —	3.5%	\$18	100.0%
Federal aid	34	18	6.5%	16	88.9%
Investment income	36	22	6.9%	14	63.6%
Other	37	22	7.1%	15	68.2%
Subtotal	\$125	\$ 62	24.0%	\$63	101.6%
Other financing sources	396	394	76.0%	2	0.5%
Total	<u>\$521</u>	<u>\$456</u>	<u>100.0%</u>	<u>\$65</u>	14.3%

State aid increased \$18 million to provide additional funding to capital projects.

Federal aid increased \$16 million due to increased funding for capital projects.

Investment income increased \$14 million from fiscal year 2006, due to higher interest rates and higher cash balances.

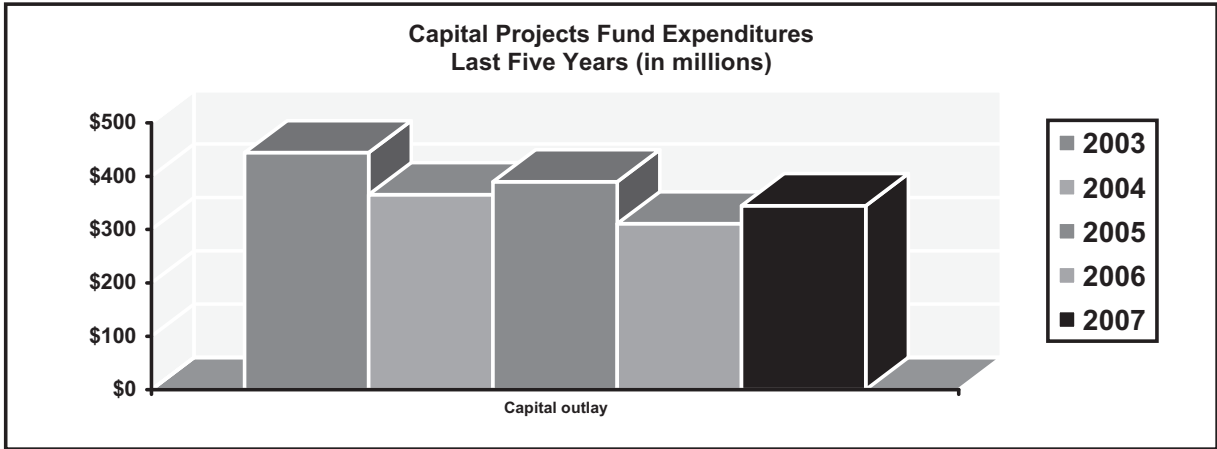
Other income increased \$15 million from fiscal year 2006, due to the fact that the City of Chicago issued general obligation bonds, series 2007 A-K, and proceeds from these bonds are being used to finance the construction and improvement of elementary and high schools that are part of CPS' school system.



Expenditures:
(Millions of Dollars)

	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>2007 Percent of Total</u>	<u>Increase (Decrease) from 2006</u>	<u>Percent Increase (Decrease) from 2006</u>
Capital Outlay	\$345	\$311	100%	\$34	10.9%

Capital Outlay increased by \$34 million due to the continuation of the Capital Improvement Program.



Debt Service Fund

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

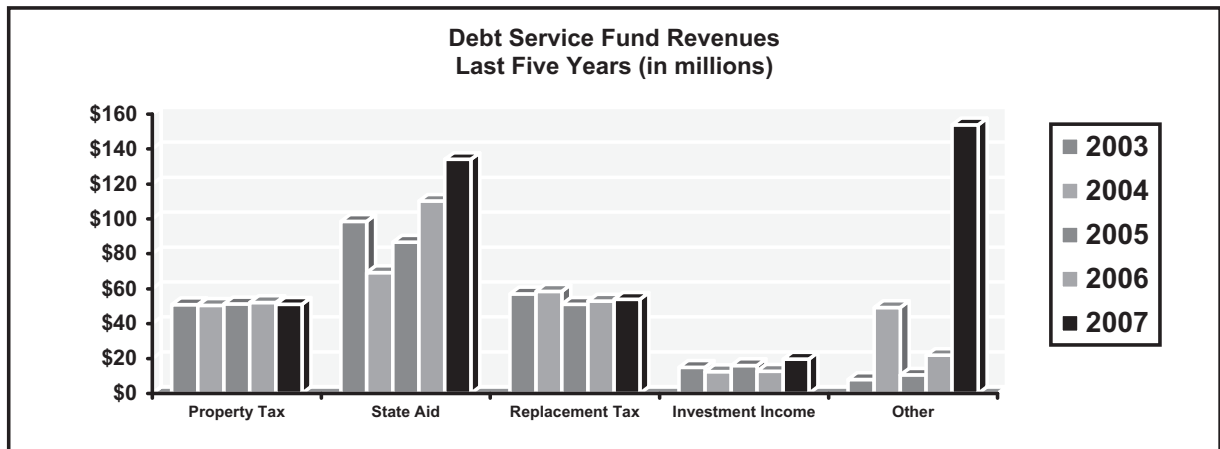
Revenues and Other Financing Sources
(Millions of Dollars)

	2007 Amount	2006 Amount	2007 Percent of Total	Increase (Decrease) from 2006	Percent Increase (Decrease) from 2006
Property taxes	\$ 51	\$ 52	12.4%	\$ (1)	-1.9%
Replacement taxes	54	53	13.2%	1	1.9%
State aid	134	110	32.7%	24	21.8%
Investment income	19	13	4.6%	6	46.2%
Other	<u>154</u>	<u>41</u>	<u>37.6%</u>	<u>113</u>	<u>275.6%</u>
Subtotal	\$412	\$269	100.5%	\$143	53.2%
Other financing sources (uses)	<u>(2)</u>	<u>2</u>	<u>-0.5%</u>	<u>(4)</u>	<u>-200.0%</u>
Total	<u>\$410</u>	<u>\$271</u>	<u>100.0%</u>	<u>\$139</u>	<u>51.3%</u>

State aid increased by \$24 million to provide debt service for new general obligation bonds.

Investment income increased \$6 million from fiscal year 2006, due to higher interest rates and higher cash balances

Other income increased \$113 million from fiscal year 2006 due to the fact that the City of Chicago issued general obligation bonds Series A-K, and proceeds from these bonds in the amount of \$103 million were used to defease CPS' general obligation bonds, Series 2004F, Series 2004H and series 2005C and the swap proceeds increased by \$6 million from fiscal year 2006.

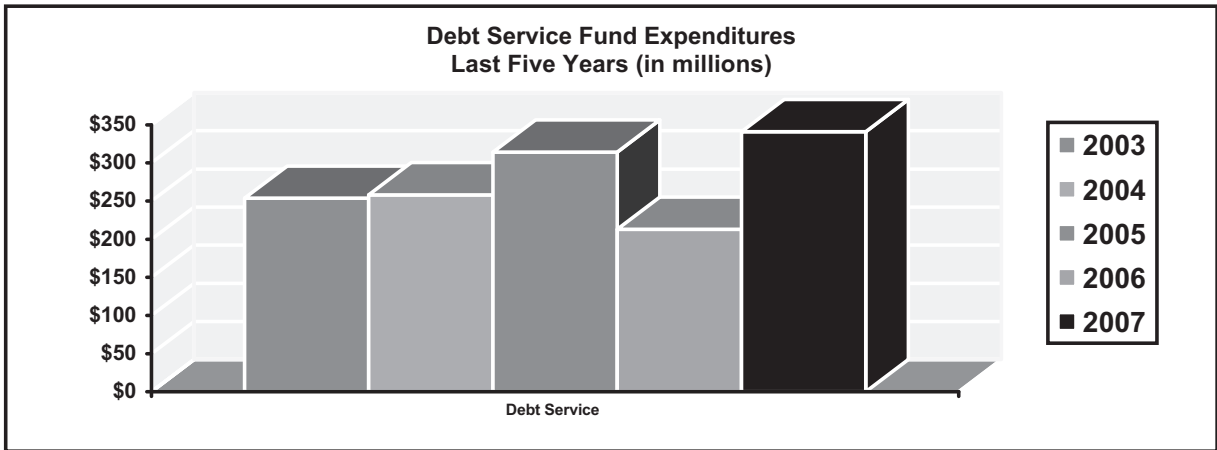


Expenditures:

(Millions of Dollars)

	2007 Amount	2006 Amount	2007 Percent of Total	Increase (Decrease) from 2006	Percent Increase (Decrease) from 2006
Debt service	\$341	\$213	100%	\$128	60.1%

Debt Service increased by \$128 million due to the defeasance of CPS' bonds series 2004F, 2004H and 2005C and required principal and interest payments.



Notes to Basic Financial Statements

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



BUDGETARY HIGHLIGHTS

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

The budget is prepared by fund, account, and unit. Certain funding allocations (primarily Federal and State programs, including Supplementary General State Aid) are made to schools but are not budgeted by account by the schools at the time the budget is adopted. These allocations are included in Other Fixed Charges for budget purposes. During the fiscal year, upon receiving the appropriate approvals from regional offices and the Office of Management and Budget, transfers are made to the appropriate accounts. These transfers are reflected in the schedule shown below. During fiscal year 2007 there were no amendments to the original budget.

The following schedule also presents a summary of the general operating fund revenues and other financing sources by type and expenditures for the period ended June 30, 2007 compared to the final budget as of June 30, 2007.

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

	<u>FY 2007 Approved Budget</u>	<u>Transfers In/(Out)</u>	<u>Final Appropriations</u>	<u>FY 2007 Actual</u>	<u>Variance</u>
Revenues:					
Property taxes	\$1,697	\$ —	\$1,697	\$1,717	\$ 20
Replacement taxes	91	—	91	147	56
State aid	1,584	—	1,584	1,549	(35)
Federal aid	835	—	835	712	(123)
Investment income	21	—	21	62	41
Other	73	—	73	95	22
Subtotal	<u>\$4,301</u>	<u>\$ —</u>	<u>\$4,301</u>	<u>\$4,282</u>	<u>\$ (19)</u>
Other financing sources	—	—	—	2	2
Total	<u>\$4,301</u>	<u>\$ —</u>	<u>\$4,301</u>	<u>\$4,284</u>	<u>\$ (17)</u>
Expenditures:					
Salaries	\$2,514	\$ (5)	\$2,509	\$2,459	\$ (50)
Benefits	738	26	764	675	(89)
Services	569	104	673	650	(23)
Commodities	268	42	310	274	(36)
Other fixed charges	317	(167)	150	88	(62)
Total	<u>\$4,406</u>	<u>\$ —</u>	<u>\$4,406</u>	<u>\$4,146</u>	<u>\$(260)</u>
Change in Fund Balance	<u>\$ (105)</u>			<u>\$ 138</u>	



Actual General Fund revenues were \$17 million lower than the budgeted amount. The variance is primarily due to:

- Replacement tax revenue is \$56 million over budget due to higher corporate profits.
- State aid is \$35 million lower than budget due to delays in making state aid scheduled payments.
- Federal aid is \$123 million lower than budget due to aggressive budgeting of federal revenues based on potential grant awards.
- Investment income is \$41 million over budget due to higher interest rates and higher cash balances.

Actual General Fund expenditures were \$260 million under budget. The variance is primarily due to:

- Salaries expenditure was under budget by \$50 million due to teacher's salaries, which were under by \$25 million and career service salaries which were also under budget by \$25 million.
- Benefit charges expenditure was under budget by \$89 million due to Teachers pension costs, Career service pension costs, unemployment compensation costs, hospitalization costs and workers' compensation costs which were under budget by \$15 million, \$7 million, \$9 million, \$50 million and \$9 million, respectively.
- Services expenditure was under budget by \$23 million due to lower spending for professional services and tuition of \$17 million and \$10 million, respectively.
- Commodities expenditure was under budget by \$36 million due to reduced spending on food, textbooks and supplies of \$10 million, \$16 million and \$6 million, respectively.
- Other Fixed charges expenditure was under budget by \$62 million due to less spending of federal, state and supplemental general state aid by schools.

In July 2006, the Board adopted a balanced budget for fiscal year 2007 that reflected total resources, including \$105 million of available fund balances, and appropriations of \$4.41 billion for the General Operating Fund.

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

REQUESTS FOR INFORMATION

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

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

Or visit our website at: <http://www.cps.k12.il.us> for a complete copy of this report and other financial information.

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF NET ASSETS

June 30, 2007

(Thousands of Dollars)

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash and investments	\$1,187,856
Cash and investments in escrow	971,697
Cash and investments held in school internal accounts	30,123
Property taxes receivable, net of allowance	973,942
Other receivables:	
Replacement taxes	35,576
State aid, net of allowance	398,071
Federal aid	152,336
Other	65,612
Other assets	33,301
Total Current Assets:	<u>\$3,848,514</u>
Non-current Assets:	
Land and construction in progress	603,244
Buildings, building improvements and equipment, net of accumulated depreciation	3,884,643
Total Assets	<u><u>\$8,336,401</u></u>
LIABILITIES:	
Current Liabilities:	
Accounts payable	\$ 257,354
Accrued payroll and benefits	542,831
Amount held for student activities	30,123
Other accrued liabilities	337
Deferred revenue	1,285
Interest payable	36,997
Current portion of long-term debt and capitalized lease obligations	65,426
Total Current Liabilities:	<u>\$ 934,353</u>
Long-term liabilities:	
Debt, net of premiums and discounts	4,414,197
Capitalized lease obligations	414,315
Pension	1,751,427
Other postemployment benefits	425,104
Other benefits and claims	283,456
Total Liabilities	<u><u>\$8,222,852</u></u>
NET ASSETS:	
Invested in capital assets, net of related debt	\$ 267,249
Restricted for:	
Debt service	413,747
Specific purposes	131,362
Unrestricted	(698,809)
Total Net Assets	<u><u>\$ 113,549</u></u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2007
(Thousands of Dollars)

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
FUNCTIONS/PROGRAMS					
<i>Governmental activities:</i>					
Instruction	\$3,096,529	\$ 3,748	\$465,044	\$62,638	\$(2,565,099)
Support services:					
Pupil support services	360,628	—	29,743	8,782	(322,103)
Administrative support services	178,891	—	52,420	4,356	(122,115)
Facilities support services . . .	461,265	—	12,474	8,884	(439,907)
Instructional support services	481,477	—	117,567	9,739	(354,171)
Food services	186,297	8,784	153,124	2,457	(21,932)
Community services	45,203	—	32,302	621	(12,280)
Interest expense	219,826	—	—	—	(219,826)
Other	8,126	—	—	—	(8,126)
Total Governmental Activities	<u>\$5,038,242</u>	<u>\$12,532</u>	<u>\$862,674</u>	<u>\$97,477</u>	<u>\$(4,065,559)</u>
General Revenues:					
Taxes:					
Property taxes					\$1,813,006
Replacement taxes					201,509
Non-program State aid					1,651,730
Interest and investment earnings					116,907
Swaption					37,647
Gain on sale of fixed assets					22,919
Miscellaneous					162,779
Total General Revenues					<u>\$4,006,497</u>
Change in net assets					\$ (59,062)
Net assets — beginning					172,611
Net assets — ending					<u>\$ 113,549</u>

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS

June 30, 2007

(Thousands of Dollars)

	<u>General Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
ASSETS:				
Cash and investments	\$1,080,948	\$ —	\$106,908	\$1,187,856
Cash and investments in escrow	5,803	665,839	300,055	971,697
Cash and investments held in school internal accounts	30,123	—	—	30,123
Receivables:				
Property taxes, net of allowance	946,301	—	27,641	973,942
Replacement taxes	35,576	—	—	35,576
State aid, net of allowance	398,021	50	—	398,071
Federal aid	149,462	2,874	—	152,336
Other	10,860	47,184	7,568	65,612
Due from other funds	27,884	32,304	25,823	86,011
Other assets	6,375	—	—	6,375
Total Assets	<u>\$2,691,353</u>	<u>\$748,251</u>	<u>\$467,995</u>	<u>\$3,907,599</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 230,096	\$ 24,643	\$ 17,356	\$ 272,095
Accrued payroll and benefits	483,047	—	—	483,047
Amount held for student activities	30,123	—	—	30,123
Due to other funds	58,127	27,884	—	86,011
Deferred property tax revenue	934,378	—	27,292	961,670
Other deferred revenue	321,646	15,211	—	336,857
Total Liabilities	<u>\$2,057,417</u>	<u>\$ 67,738</u>	<u>\$ 44,648</u>	<u>\$2,169,803</u>
FUND BALANCES:				
Reserved:				
Reserved for encumbrances	\$ 97,731	\$199,068	\$ —	\$ 296,799
Reserved for restricted donations	1,765	—	—	1,765
Reserved for specific purposes	129,597	—	—	129,597
Reserved for debt service	—	—	264,867	264,867
Unreserved:				
Designated to provide operating capital	233,200	—	—	233,200
Undesignated	171,643	481,445	158,480	811,568
Total Fund Balances	<u>\$ 633,936</u>	<u>\$680,513</u>	<u>\$423,347</u>	<u>\$1,737,796</u>
Total Liabilities and Fund Balances	<u>\$2,691,353</u>	<u>\$748,251</u>	<u>\$467,995</u>	<u>\$3,907,599</u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

June 30, 2007

(Thousands of Dollars)

Total fund balances — governmental funds	\$ 1,737,796
Prepaid assets and deferred charges are recorded as expenditures in governmental funds. The Statement of Net Assets includes these amounts as other assets.	
Prepaid interest	105
Deferred charges — bond issuance costs	26,820
The cost of capital assets (land, buildings and improvements and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Assets includes those capital assets among the assets of the CPS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds.	
Cost of capital assets	6,803,520
Accumulated depreciation	(2,315,633)
Liabilities applicable to the CPS' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest payable on debt and other long-term obligations is not recorded in the governmental funds but they are reported in the Statement of Net Assets. All liabilities, both current and long-term, are reported in the Statement of Net Assets.	
Other accrued liabilities	\$ (337)
Debt, net of premiums and discounts	(4,455,603)
Capitalized lease obligations	(438,335)
Pension	(1,751,427)
Other postemployment benefits	(425,104)
Other benefits and claims	<u>(343,990)</u>
	(7,414,796)
Interest payable	(21,505)
Revenues that have been deferred or unearned in the governmental funds because they are not available but are recognized as revenue in the government-wide financial statements.	
Deferred property tax revenue	961,670
Other deferred revenue	<u>335,572</u>
Net Assets	<u>\$ 113,549</u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN
 FUND BALANCES — GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2007
With Comparative Amounts for the Fiscal Year Ended June 30, 2006
(Thousands of Dollars)

	<u>General Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Fiscal Year Ended June 30, 2007</u>	<u>Total Fiscal Year Ended June 30, 2006</u>
REVENUES:					
Property taxes	\$1,716,516	\$ —	\$ 51,244	\$1,767,760	\$1,718,249
Replacement taxes	147,403	—	54,106	201,509	184,700
State aid	1,549,493	18,070	134,022	1,701,585	1,602,635
Federal aid	711,963	34,066	—	746,029	775,631
Interest and investment income	61,595	35,587	19,725	116,907	71,947
Other	95,534	36,899	153,797	286,230	163,765
Total Revenues	<u>\$4,282,504</u>	<u>\$ 124,622</u>	<u>\$412,894</u>	<u>\$4,820,020</u>	<u>\$4,516,927</u>
EXPENDITURES:					
Instruction	\$2,491,653	\$ —	\$ —	\$2,491,653	\$2,538,909
Pupil support services	349,324	—	—	349,324	333,968
Administration support services	173,283	—	—	173,283	155,980
Facilities support services	353,410	—	—	353,410	357,106
Instructional support services	387,424	—	—	387,424	379,955
Food services	179,902	—	—	179,902	172,774
Community services	45,467	—	—	45,467	46,179
Teacher's pension and retirement benefits	155,563	—	—	155,563	75,398
Capital outlay	948	345,015	—	345,963	310,817
Debt service	1,269	—	340,910	342,179	214,652
Other	8,126	—	—	8,126	23,404
Total Expenditures	<u>\$4,146,369</u>	<u>\$ 345,015</u>	<u>\$340,910</u>	<u>\$4,832,294</u>	<u>\$4,609,142</u>
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES	<u>\$ 136,135</u>	<u>\$(220,393)</u>	<u>\$ 71,984</u>	<u>\$ (12,274)</u>	<u>\$ (92,215)</u>
OTHER FINANCING SOURCES (USES):					
Gross amounts from debt issuances	\$ —	\$ 355,805	\$ —	\$ 355,805	\$ 385,603
Premiums	—	14,444	—	14,444	4,124
Discounts	—	—	—	—	(326)
Capital leases	—	—	—	—	3,700
Sales of general capital assets	—	25,673	—	25,673	7,596
Transfers in/(out)	1,904	—	(1,904)	—	—
Total other financing sources (uses)	<u>\$ 1,904</u>	<u>\$ 395,922</u>	<u>\$ (1,904)</u>	<u>\$ 395,922</u>	<u>\$ 400,697</u>
NET CHANGE IN FUND BALANCES	<u>\$ 138,039</u>	<u>\$ 175,529</u>	<u>\$ 70,080</u>	<u>\$ 383,648</u>	<u>\$ 308,482</u>
Fund Balances, beginning of period	495,897	504,984	353,267	1,354,148	1,045,666
Fund Balances, end of period	<u>\$ 633,936</u>	<u>\$ 680,513</u>	<u>\$423,347</u>	<u>\$1,737,796</u>	<u>\$1,354,148</u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2007
(Thousands of Dollars)

Total net change in fund balances — governmental funds		\$ 383,648
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed the depreciation in the period.		
Capital outlay/equipment	\$ 269,692	
Depreciation expense	<u>(162,775)</u>	106,917
Proceeds from sales of bonds are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Assets		(355,805)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities		155,835
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental fund because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest cost is recognized as the interest accrues, regardless of when it is due		(51,626)
Government funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		(4,319)
Since some property taxes and grants will not be collected for several months after the CPS' fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenues. They are, however, recorded as revenues in the Statement of Activities		
Property taxes		45,245
Grants		90,998
In the Statement of Activities, legal settlements, sick pay, vacation pay, workers' compensation, general and automobile insurance, net pension obligation and other postemployment benefits are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid.		
Legal settlements		(1,250)
Sick pay		30,927
Vacation pay		5,067
Workers' compensation		(5,908)
General and automobile liability		(5,845)
Net pension obligation		(238,404)
Other postemployment benefits		(211,788)
In the Statement of Activities, only gains on the disposal of capital assets are reported, whereas in the government funds, the entire proceeds are recorded		<u>(2,754)</u>
Change in Net Assets		<u>\$ (59,062)</u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**STATEMENT OF REVENUES, EXPENDITURES BY OBJECT,
 OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCE
 FINAL APPROPRIATIONS VS. ACTUAL — GENERAL OPERATING FUND
 For the Fiscal Year Ended June 30, 2007
 (Thousands of Dollars)**

	Approved Budget	Transfers In/(Out)	Final Appropriations	Fiscal Year Actual	Variance
REVENUES:					
Property taxes	\$1,696,562	\$ —	\$1,696,562	\$1,716,516	\$ 19,954
Replacement taxes	91,494	—	91,494	147,403	55,909
State aid	1,584,030	—	1,584,030	1,549,493	(34,537)
Federal aid	834,910	—	834,910	711,963	(122,947)
Interest and investment income	21,283	—	21,283	61,595	40,312
Other	72,443	—	72,443	95,534	23,091
Total Revenues	<u>\$4,300,722</u>	<u>\$ —</u>	<u>\$4,300,722</u>	<u>\$4,282,504</u>	<u>\$ (18,218)</u>
EXPENDITURES:					
Salaries —					
Teachers	\$1,986,556	\$ (37,359)	\$1,949,197	\$1,924,109	\$ 25,088
Career services	527,271	32,462	559,733	535,148	24,585
Commodities —					
Energy	83,268	(3,335)	79,933	77,133	2,800
Food	92,454	1,308	93,762	83,798	9,964
Textbooks	61,999	20,290	82,289	65,772	16,517
Supplies	29,356	22,803	52,159	45,945	6,214
Other	1,202	336	1,538	1,072	466
Services —					
Professional fees	258,293	81,496	339,789	322,252	17,537
Charter schools	4,453	139,742	144,195	141,030	3,165
Transportation	82,289	10,756	93,045	97,076	(4,031)
Tuition	211,771	(138,155)	73,616	63,103	10,513
Telephone and telecommunications	4,508	1,215	5,723	13,701	(7,978)
Other	8,079	8,813	16,892	13,271	3,621
Equipment — Educational	15,245	25,588	40,833	34,614	6,219
Building and sites —					
Repairs and replacements	35,192	3,070	38,262	32,973	5,289
Capital outlay	—	45	45	5	40
Fixed charges —					
Teachers' pension	291,640	5,666	297,306	282,488	14,818
Career service pension	84,759	5,155	89,914	83,317	6,597
Hospitalization and dental insurance	302,840	(2,230)	300,610	250,765	49,845
Medicare	24,773	789	25,562	25,279	283
Unemployment compensation	10,914	6,364	17,278	8,236	9,042
Workers compensation	23,099	10,725	33,824	24,619	9,205
Rent	10,171	2,788	12,959	12,965	(6)
Debt service	1,420	—	1,420	1,269	151
Other	254,170	(198,332)	55,838	6,429	49,409
Total Expenditures	<u>\$4,405,722</u>	<u>\$ —</u>	<u>\$4,405,722</u>	<u>\$4,146,369</u>	<u>\$ 259,353</u>
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES	<u>\$ (105,000)</u>	<u>\$ —</u>	<u>\$ (105,000)</u>	<u>\$ 136,135</u>	<u>\$ 241,135</u>
OTHER FINANCING SOURCES					
Transfers in	—	—	—	1,904	1,904
Total other financing sources	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,904</u>	<u>\$ 1,904</u>
NET CHANGE IN FUND BALANCE	<u>\$ (105,000)</u>	<u>\$ —</u>	<u>\$ (105,000)</u>	<u>\$ 138,039</u>	<u>\$ 243,039</u>
Fund Balance, beginning of period	495,897	—	495,897	495,897	—
Fund Balance, end of period	<u>\$ 390,897</u>	<u>\$ —</u>	<u>\$ 390,897</u>	<u>\$ 633,936</u>	<u>\$ 243,039</u>

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



CHICAGO PUBLIC SCHOOLS**Chicago Board of Education****NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

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

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

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

New Accounting Standards

During fiscal year 2007, CPS adopted the following GASB Statements:

- GASBS 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which had no impact on the current year financial statements.
- GASBS 50, *Pension Disclosures — An Amendment of GASB Statements No. 25 and No. 27*. Please refer to Note 12, Pensions and Other Postemployment Benefits for required disclosures.

Other accounting standards that CPS is currently reviewing for applicability include:

- GASBS 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective for CPS with its year ended June 30, 2009. This statement addresses accounting and financial reporting for pollution (including contamination) 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 assessment and cleanups.
- GASBS 51, *Accounting and Financial Reporting for Intangible Assets*, effective for CPS with its year ended June 30, 2011. This statement establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby, enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

Description of Government-Wide Financial Statements

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

from nonexchange transactions are recognized in accordance with the GASB requirements of accounting and financial reporting for nonexchange transactions.

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 30 days of fiscal year end. For this purpose, the CPS considers State aid, Federal aid and replacement tax revenues that are susceptible to accrual to be available if they are collected within 90 days of fiscal year end. Due to delays in scheduled payments, CPS deferred an additional \$41 million of State Aid revenue as the payment date fell outside the 90-day recognition threshold. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Funds

CPS reports its financial activities through the use of "fund accounting." This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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
- Improving America's Schools Act Program
- Education of the Handicapped Program
- Workers' and Unemployment Compensation/Tort Immunity Program
- Public Building Commission Operations and Maintenance Program
- Other Government-Funded Programs

b. Capital Projects Fund

The Capital Projects Fund includes the following programs:

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

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

c. Debt Service Fund

The Debt Service Fund includes the following programs:

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

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

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

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

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

Receivables and Payables

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

A calendar year's property tax levies are billed (extended) in two installments in the subsequent calendar year. Calendar year 2006 property taxes were levied for fiscal year 2007 in December 2006, and were billed in fiscal year 2007. In 2007, the installment due dates were March 1 and December 3. Property taxes unpaid after these dates accrue interest at the rate of 1.5% per month. The treasurers of Cook and DuPage counties, who distribute such receipts to the CPS, receive collections of property tax installments. The CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. The levy becomes an enforceable lien against the property as of January 1 of the levy year. CPS does not record a receivable nor related deferred revenue until the Board passes the levy for the current fiscal year.

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

Capital Assets

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

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

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

Beginning in fiscal year 2005, CPS implemented procedures related to impaired assets. Generally, a capital asset is considered impaired when its service utility has declined significantly and the events or changes in the circumstances are unexpected or outside the normal life cycle. There were no capital asset impairments during fiscal year 2007.

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

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

Depreciation of buildings and building improvements placed in service prior to fiscal year 2002 was calculated using a composite rate that CPS estimated to be 32 years. For items placed in service subsequent to fiscal year 2001, CPS utilizes the estimated useful lives for specific components within the range noted above.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Vacation and Sick Pay

The CPS provides vacation and sick pay benefits for substantially all of its employees. Accrued sick pay benefits were computed using the termination payment method. The liability for accrued vacation pay benefits is computed using the employee's actual daily wage instead of average daily wage as used in prior years.

Long-term Obligations

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

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

Swaps

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

Fund Balances and Net Assets

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

The Statement of Net Assets includes the following:

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

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

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

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

Comparative Data

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures related to charter schools that were included under the professional services expenditure line in the previous year were reclassified to conform with current year presentation in the Statement of Revenues, Expenditures by Object and Other Financing Sources and Net Changes in Fund Balances.

Management's Use of Estimates

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**Budgets**

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

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

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

In June 2006, the Board adopted a balanced budget for fiscal year 2007 that reflected total resources, including \$105 million of available reserved fund balances, and appropriations of \$4.41 billion for the General Operating Fund.

During fiscal year 2007 the expenditures in the debt service fund were over budget by \$77.2 million due to the defeasance of general obligation bonds series 2004F, 2004H and 2005C with revenues received from the City of Chicago for this purpose.

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

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 2007. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

a. Property Taxes — The CPS levies property taxes using tax levy rates established by statute and an equalized assessed valuation ("EAV") estimated by the CPS. The maximum billing (extension) of property taxes for the rate-limited Educational Levy in any calendar year is limited to the lesser of the tax rate established by statute multiplied by the EAV known at the time the final calendar year tax bills are



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

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.

The CPS' extensions are limited to the prior year EAV multiplied by the current year maximum legal rate limit. In addition, the growth in property tax extensions of the CPS is limited to the lesser of 5% or the percentage increase in the consumer price index for all urban consumers during the calendar year preceding the tax levy year. Extensions can be increased above this limitation due to the following increases: assessed valuation attributable to new construction, referendum approval, or rate limitation.

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

Legal limitations on tax rates and the rates extended in calendar years 2007 and 2006 are shown below.

	<u>Maximum 2006 Legal Limit</u>	<u>Tax Rates Extended Per \$100 of EAV</u>	
		<u>2007</u>	<u>2006</u>
General Operating Fund:			
Educational	(A)	\$2.078	\$2.143
Workers' and Unemployment Compensation/Tort Immunity	(B)	.021	.228
Public Building Commission Operations and Maintenance	(B)	.521	.565
Debt Service Fund:			
Public Building Commission Leases Program	(B)	.077	.090
		<u>\$2.697</u>	<u>\$3.026</u>

- A. The 2007 Educational tax rate is limited to the sum of \$2.621 per \$100 of EAV plus the difference (the "difference tax") between \$.50 per \$100 of EAV and the rate of taxes extended for the Chicago School Finance Authority.
- B. These tax rates are not limited by law, but are subject to the limits described previously.

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

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

	<u>Fund Financial Statements</u>	<u>Government Wide- Financial Statements</u>
Revenues:		
General State Aid Unrestricted	\$ 779,174	\$ 779,107
Supplementary General State Aid	261,000	261,000
General Education Block Grant	155,029	155,029
Educational Services Block Grant	384,149	442,112
Other Restricted State Revenue	<u>122,233</u>	<u>122,478</u>
Total State Aid	<u>\$1,701,585</u>	\$1,759,726
Program Revenues:		
Operating Grants and Contributions		(107,936)
Capital Grants and Contributions		<u>(60)</u>
Non-Program General State Aid		<u>\$1,651,730</u>

NOTE 4. CASH DEPOSITS AND INVESTMENTS

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

Cash

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

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

As of June 30, 2007, the book amount of the CPS' deposit accounts was \$33.9 million. The bank balances totaled \$59.2 million as of June 30, 2007. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2007. 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.



NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)**Investments**

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

The CPS' Investment Policy contains the following stated objectives:

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

At June 30, 2007, the CPS had the following investments (\$000's) and maturities:

<u>Investment Type</u>	<u>Ratings</u>	<u>Carrying Amount</u>	<u>Maturities Less Than 1 Year</u>	<u>Maturities 1-5 Years</u>
Repurchase Agreements	AAA	\$ 101,466	\$ 101,466	\$ —
U.S. Government Agency Securities	AAA	1,129,387	851,577	277,810
Commercial Paper	A1 or A1+/P-1	278,856	278,856	—
Money Market Mutual Funds	AAA	646,069	646,069	—
Total Investments		<u>\$2,155,778</u>	<u>\$1,877,968</u>	<u>\$277,810</u>
Cash		33,898		
Total Cash and Investments		<u>\$2,189,676</u>		

Credit Risk — State law and the CPS' Investment Policy limit investment in repurchase agreements, unless registered or inscribed in the name of the Board, to those purchased through banks or trust companies authorized to do business in the State of Illinois. State law and the CPS' Investment Policy limit investment in commercial paper to the top two ratings issued by at least two standard rating services. As of June 30, 2007, CPS' investments in commercial paper were rated A1+ or A1 by Moody's Investment Service and P-1 by Standard and Poor's. As of June 30, 2007, Standard and Poor's rated the CPS' investments in money market mutual funds AAA as required by the CPS' Investment Policy.

Concentration of Credit Risk — As of June 30, 2007 there were no investments in any one issuer that represent 5% or more of the total investments. Investments issued by the U.S. government and investment in mutual funds are excluded from the concentration of credit risk.

Custodial Risk — During the fiscal year ended June 30, 2007, repurchase agreements were supported by collateral with an aggregate market value equal to at least 102% of amounts invested. The collateral consisted of securities that were permissible under the CPS Investment Policy. Third-party custodians held all collateral in CPS' name.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

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

The following table provides a summary of CPS’ total cash and investments as of June 30, 2007 (\$000’s):

<u>Fund:</u>	<u>Amount</u>
General Operating Fund	\$1,116,874
Capital Projects Fund	665,839
Debt Service Fund	406,963
Total Cash and Investments	<u>\$2,189,676</u>

NOTE 5. RECEIVABLES

Receivables as of June 30, 2007 for the CPS, net of the applicable allowance for uncollectible accounts, are as follows (\$000’s):

	<u>Fund Financial Statements</u>	<u>Government- Wide Financial Statements</u>
Property taxes	\$1,039,558	\$1,039,558
Replacement taxes	35,576	35,576
State aid	401,912	401,912
Federal aid	152,336	152,336
Other	68,369	68,369
Total Receivables	<u>\$1,697,751</u>	<u>\$1,697,751</u>
Less: Allowance for uncollectibles — property tax	(65,616)	(65,616)
Less: Allowance for uncollectibles — state aid	(3,841)	(3,841)
Less: Allowance for uncollectibles — other	<u>(2,757)</u>	<u>(2,757)</u>
Total Receivables, net.	<u>\$1,625,537</u>	<u>\$1,625,537</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2007, the components of deferred revenue reported in the fund financial statements are as follows (\$000’s):

Deferred property taxes	\$ 961,670
Other deferred revenue	336,857
Total Deferred Revenue	<u>\$1,298,527</u>



NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 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	\$ 244,148	\$ 11,704	\$ (7,139)	\$ 248,713
Construction in progress	<u>367,733</u>	<u>202,930</u>	<u>(216,132)</u>	<u>354,531</u>
Total capital assets not being depreciated	<u>\$ 611,881</u>	<u>\$ 214,634</u>	<u>\$(223,271)</u>	<u>\$ 603,244</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 5,817,188	\$ 252,265	\$ (18,222)	\$ 6,051,231
Equipment and administrative software	<u>122,624</u>	<u>26,421</u>	<u>—</u>	<u>149,045</u>
Total capital assets being depreciated	<u>\$ 5,939,812</u>	<u>\$ 278,686</u>	<u>\$ (18,222)</u>	<u>\$ 6,200,276</u>
Total Capital Assets	<u>\$ 6,551,693</u>	<u>\$ 493,320</u>	<u>\$(241,493)</u>	<u>\$ 6,803,520</u>
Less accumulated depreciation for:				
Buildings and improvements	\$(2,129,992)	\$(159,560)	\$ 15,112	\$(2,274,440)
Equipment and administrative software	<u>(37,978)</u>	<u>(3,215)</u>	<u>—</u>	<u>(41,193)</u>
Total accumulated depreciation	<u>\$(2,167,970)</u>	<u>\$(162,775)</u>	<u>\$ 15,112</u>	<u>\$(2,315,633)</u>
Capital Assets, net of depreciation	<u>\$ 4,383,723</u>	<u>\$ 330,545</u>	<u>\$(226,381)</u>	<u>\$ 4,487,887</u>

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

Governmental activities:	
Instruction	\$103,070
Pupil support services	14,450
Administrative support services	7,168
Facility support services	14,619
Instructional support services	16,026
Food services	<u>7,442</u>
Total Depreciation	<u>\$162,775</u>

Construction Commitments

The CPS had active construction projects as of June 30, 2007. These projects include new construction and renovations of schools. At year-end, the CPS had approximately \$199.1 million in outstanding construction encumbrances.



NOTE 7. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

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

General Operating Fund:	
Due from Capital Improvement Program	\$ 27,884
Due to Capital Asset Program	(32,304)
Due to Bond Redemption and Interest Program	<u>(25,823)</u>
Total — Due from other Funds	<u><u>\$(30,243)</u></u>
Capital Projects Fund:	
Capital Assets Program — Due from General Operating Fund	\$ 32,304
Capital Improvement Program — Due to General Operating Fund	<u>(27,884)</u>
Total — Due to other Funds	<u><u>\$ 4,420</u></u>
Debt Service Fund:	
Bond Redemption and Interest Program — Due from General Operating Fund	<u><u>\$ 25,823</u></u>

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

Transfers

Effective June 30, 2007, CPS made operating transfers of \$1.9 million from the Public Building Commission Leases Program to the General Operating Fund to transfer interest earnings.

NOTE 8. LONG-TERM DEBT

General Obligation Bonds

The CPS issued the following bonds in fiscal year 2007:

Unlimited Tax General Obligation Bonds (Series 2006B)

In September 2006, CPS issued \$355,805,000 in Unlimited Tax General Obligation Bonds (Series 2006B) at a premium of \$14,443,983. The proceeds from these bonds are being used as part of CPS’ Capital Improvement Program, and to pay costs of issuance of the bonds. As a result of the issuance, CPS recorded net proceeds of \$366,540,325 in the Capital Improvement Fund.

NOTE 8. LONG-TERM DEBT (continued)

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

Series	Principal Outstanding June 30, 2006	Issuances	Retirements	Principal Outstanding June 30, 2007	Accreted Interest	Principal and Accreted Interest June 30, 2007
2006B	\$ —	\$355,805	\$ —	\$ 355,805	\$ —	\$ 355,805
2006A	6,853	—	—	6,853	—	6,853
2005DE	325,000	—	(5,625)	319,375	—	319,375
2005C	53,750	—	(53,750)	—	—	—
2005B	52,595	—	—	52,595	—	52,595
2005A	193,585	—	—	193,585	—	193,585
2004H	18,500	—	(18,500)	—	—	—
2004G	12,500	—	—	12,500	—	12,500
2004F	25,000	—	(25,000)	—	—	—
2004E	41,090	—	(3,805)	37,285	—	37,285
2004D	53,030	—	—	53,030	—	53,030
2004C-2	48,910	—	—	48,910	—	48,910
2004C-1	75,410	—	—	75,410	—	75,410
2004B	298,075	—	—	298,075	—	298,075
2004A	205,410	—	—	205,410	—	205,410
2003D	249,875	—	(4,350)	245,525	—	245,525
2003C	4,585	—	—	4,585	—	4,585
2003B	183,775	—	—	183,775	—	183,775
2003A	66,230	—	(2,105)	64,125	—	64,125
2002A	48,390	—	(600)	47,790	—	47,790
2001C	31,995	—	(3,925)	28,070	—	28,070
2001B	9,440	—	—	9,440	—	9,440
2001A	6,400	—	(800)	5,600	—	5,600
2000E	13,390	—	—	13,390	—	13,390
2000B,C,D	303,000	—	—	303,000	—	303,000
2000A	16,525	—	—	16,525	—	16,525
IDFA 1999A	12,000	—	—	12,000	—	12,000
1999A	532,554	—	—	532,554	154,810	687,364
1998B-1	328,714	—	—	328,714	180,300	509,014
1998	14,000	—	—	14,000	—	14,000
1997A	499,995	—	—	499,995	25,393	525,388
1997	80,700	—	(9,415)	71,285	—	71,285
1996	55,680	—	(3,030)	52,650	—	52,650
Total Bonds	<u>\$3,866,956</u>	<u>\$355,805</u>	<u>\$(130,905)</u>	<u>\$4,091,856</u>	<u>\$360,503</u>	<u>\$4,452,359</u>
Note Payable	4,598	—	(992)	3,606	—	3,606
Asbestos Abatement Loans	6,154	—	(1,269)	4,885	—	4,885
Total Long-Term Debt	<u>\$3,877,708</u>	<u>\$355,805</u>	<u>\$(133,166)</u>	<u>\$4,100,347</u>	<u>\$360,503</u>	<u>\$4,460,850</u>
Less Current Portion						(41,406)
Deferred Amounts:						
On Refunding						(75,617)
For Net Premium/(Discount)						70,370
Total Long-term Debt, net of Refunding, Current Portion and Premium/(Discount)						<u>\$4,414,197</u>



NOTE 8. LONG-TERM DEBT (continued)

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

Bonds	\$(42,284)
Note Payable	(1,090)
Asbestos Abatement Loans	(1,139)
Accreted Interest	(556)
Refunding	<u>3,663</u>
Subtotal	\$(41,406)
Lease obligations	<u>(24,020)</u>
Total Current Portion	<u><u>\$(65,426)</u></u>

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

Defeased Debt

Defeased bonds have been removed from the Statement of Net Assets because related assets have been placed in an irrevocable trust that, together with interest earned, will provide amounts sufficient for payment of all principal and interest. In January 2007, the City of Chicago issued General Obligation bonds which refunded the CPS' series 2004F, Series 2004H and Series 2005C bonds. CPS received \$103,188,747 in bond proceeds to defease such bonds that are reflected in the table below. Defeased bonds at June 30, 2007 are as follows (\$000's):

<u>Description</u>	<u>Amount Defeased</u>	<u>Amount Outstanding</u>
Unlimited Tax General Obligation Bonds Series 2005C	\$ 53,750	\$ 53,750
Unlimited Tax General Obligation Bonds Series 2004H	18,500	18,500
Unlimited Tax General Obligation Bonds Series 2004F	25,000	25,000
Unlimited Tax General Obligation Bonds Series 2001C	174,575	174,575
Unlimited Tax General Obligation Bonds Series 2001A	35,810	35,810
Unlimited Tax General Obligation Bonds Series 2000A	90,435	90,435
Unlimited Tax General Obligation Bonds Series 1997	<u>370,995</u>	<u>370,995</u>
Total	<u><u>\$769,065</u></u>	<u><u>\$769,065</u></u>

Future debt and associated swap payments (see Note 10). Interest rates on fixed rate bonds range from 2.5% to 6.75%, except that CPS does not pay or accrue interest on the Series 2006A Bonds, Series 2003C Bonds, the Series 2001B Bonds, the Series 2000E Bonds, the IDFA Series 1999A Bonds and the Series 1998 Bonds. These bond series were issued as "qualified zone academy bonds" within the meaning of Section 1397E of the Internal Revenue Code of 1986, as amended. CPS does not pay interest on the bonds, however, for Federal income tax purposes, "eligible taxpayers," as defined in Section 1397E of the Internal Revenue Code, who own these bonds will be entitled to a credit against taxable income. Interest rates on variable rate bonds and net swap payments assume the debt service deposit requirement rate and that auction rates as of June 30, 2007 remain the same throughout their term. Debt service requirements for the Unlimited Tax General Obligation Bonds and net swap payments are scheduled as follows (\$000's):

NOTE 8. LONG-TERM DEBT (continued)

Fiscal Year(s)	Fixed Rate Bonds		Variable Rate Bonds			Total
	Principal	Interest	Principal	Interest*	Interest Rate Swaps, Net**	
2008	\$ 27,869	\$ 94,055	\$ 14,415	\$ 68,203	\$ 6,695	\$ 211,237
2009	33,915	93,153	15,145	67,503	6,699	216,415
2010	85,427	116,362	19,490	66,742	6,703	294,724
2011	85,617	116,146	21,135	65,770	6,707	295,375
2012	104,046	110,385	22,105	64,744	6,711	307,991
2013-2017	469,451	566,425	132,665	306,217	33,629	1,508,387
2018-2022	580,556	536,154	243,630	266,057	33,666	1,660,063
2023-2027	552,111	514,176	441,585	197,792	30,834	1,736,498
2028-2032	488,439	688,675	496,310	90,455	17,607	1,781,486
2033-2037	100,040	12,497	157,905	12,159	2,928	285,529
Total	\$2,527,471	\$2,848,028	\$1,564,385	\$1,205,642	\$152,179	\$8,297,705

* Interest on Series 2000B,C,D variable rate demand notes was calculated at an assumed rate of 6% per annum and interest on Series 2003D unhedged auction rate bonds was calculated at an assumed rate of 5% per annum. Interest on Series 2004CDE and unhedged Series 2005DE variable rate demand notes calculated at an assumed rate of 4.5% per annum (equal annual debt service deposit requirements). Interest on hedged auction rate securities and variable rate demand notes assumes current interest rates remain the same as of June 30, 2007 and was calculated as follows:

Series 2003B — 3.686%
 Series 2003D — 3.753%
 Series 2004B — 3.750%
 Series 2005DE — 3.836%
 Series 2000C — 3.710%
 Series 2004C — 3.8453%

** Series 2003B computed: (3.782% – 3.724%) x Outstanding Principal
 Series 2003D computed: (3.771% – 3.724%) x Outstanding Principal
 Series 2004B computed: (3.5439% – 3.724%) x Outstanding Principal
 Series 2005DE computed: (3.6617% – 3.724%) x Outstanding Principal
 Series 2000C computed: (3.823% – 3.724%) x Outstanding Principal
 Series 2004C computed: (3.825% – 3.724%) x Outstanding Principal

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

Series	Accreted Interest June 30, 2006	Increase	Accreted Interest June 30, 2007	Total Accretable Interest	Remaining Accretable Interest
1997A	\$ 22,095	\$ 3,298	\$ 25,393	\$ 53,485	\$ 28,092
1998B-1	155,273	25,027	180,300	816,756	636,456
1999A	132,685	22,125	154,810	617,287	462,477
	<u>\$310,053</u>	<u>\$50,450</u>	<u>\$360,503</u>	<u>\$1,487,528</u>	<u>\$1,127,025</u>

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



NOTE 9. LEASE OBLIGATIONS

Capitalized Leases

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

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

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

The future PBC lease rentals and other capitalized leases due at June 30, 2007, are as follows (\$000's):

<u>Fiscal Year(s)</u>	<u>PBC Lease Rentals</u>	<u>Other</u>	<u>Total</u>
2008	\$ 51,800	\$ 424	\$ 52,224
2009	51,838	424	52,262
2010	51,830	424	52,254
2011	51,874	424	52,298
2012	51,926	424	52,350
2013-2017	259,993	2,118	262,111
2018-2021	134,805	1,567	136,372
Total Rentals	\$ 654,066	\$ 5,805	\$ 659,871
Less — Interest and other costs	(218,531)	(3,005)	(221,536)
Principal amount of rental due	<u>\$ 435,535</u>	<u>\$ 2,800</u>	<u>\$ 438,335</u>

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

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>
PBC Leases	\$458,030	\$—	\$(22,495)	\$435,535
Other Capitalized Leases	2,975	—	(175)	2,800
	<u>\$461,005</u>	<u>—</u>	<u>\$(22,670)</u>	<u>\$438,335</u>
Less: Current Portion PBC Leases				(23,845)
Current Portion Other Capitalized Leases				(175)
Total Long-Term Leases Outstanding				<u>\$414,315</u>

Operating Leases

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

NOTE 9. LEASE OBLIGATIONS (continued)

Total expenditures for operating leases for the fiscal year ending June 30, 2007 were \$14.3 million. Following is a summary of operating lease commitments as of June 30, 2007 (000's):

<u>Fiscal Year(s)</u>	<u>Non-Real property leases</u>	<u>Real Property leases</u>	<u>Total</u>
2008.....	\$ 8,172	\$ 9,148	\$17,320
2009.....	6,046	8,286	14,332
2010.....	3,593	7,314	10,907
2011.....	1,034	7,383	8,417
2012.....	23	6,624	6,647
2013-2017	—	20,404	20,404
2018-2021	—	1,672	1,672
Total Operating Lease Commitments	<u>\$18,868</u>	<u>\$60,831</u>	<u>\$79,699</u>

NOTE 10. DERIVATIVE INSTRUMENTS**Interest Rate Swaps****Series 2003B**

Swap Objective. CPS entered into two interest rate swaps associated with the issuance of the Series 2003B bonds in February 2003 as a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of entering into the swaps was to effectively change the variable interest rate on the auction rate bonds to a fixed interest rate of 3.782%.

Swap terms. The bonds and the related swap agreements mature on March 1, 2033, and the total notional amount of the swaps equals the \$183,775,000 of Series 2003B variable auction rate bonds. Starting in fiscal year 2018, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays each counterparty a fixed payment of 3.782% and received a variable payment computed at the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) until March 1, 2007, then receives a variable payment computed as 70% of London Interbank Offered Rate (LIBOR) from March 1, 2007 through March 1, 2033.

Fair value. As of June 30, 2007, the swaps have a positive fair value as a result of long term interest rates rising since the execution of the swap. Because the coupons on CPS's variable rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was determined by market prices quoted by each counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps becomes negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+/"A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2007

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Goldman Sachs	\$110,265,000	A1	A+; stable	\$2,339,937
Bank of America.....	73,510,000	Aa1	AA-; stable	1,560,713
Total.....	<u>\$183,775,000</u>			<u>\$3,900,650</u>



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Basis risk. The swaps exposed CPS to basis risk when the rate paid on the auction rate securities was higher than the SIFMA rate received through March 1, 2007. The swaps also expose CPS to basis risk should the relationship between LIBOR and SIFMA converge and the rate paid on the auction rate securities increases to more than the 70% of LIBOR rate received after March 1, 2007. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.782% synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2007, the weighted average auction rate was 3.686% and the 70% of LIBOR was 3.724%. To mitigate the potential for basis risk, CPS funded a reserve to provide for potential basis differential (annual debt service fund deposit is calculated at a rate of 3.902%, and \$3,000,000 was placed in reserve).

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A—" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS's credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2003B bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2003D*Floating to Fixed Rate Swaps*

Swap Objective. CPS entered into two interest rate swaps associated with the issuance of the Series 2003D bonds in December 2003 as a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of entering into the swaps was to effectively change the variable interest rate on certain of the auction rate bonds to a fixed interest rate of 3.771%.

Swap terms. The bonds and the related swap agreements mature on March 1, 2034, and the total notional amount of the swaps equals the \$185,350,000 of Series 2003D variable auction rate bonds. Starting in fiscal year 2018, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays each counterparty a fixed payment of 3.771% and receives a variable payment computed at 70% of the LIBOR through March 1, 2034.

Fair value. As of June 30, 2007, the swaps have a positive fair value as a result of long-term interest rates rising since the execution of the swap. Because the coupons on CPS's variable rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was determined by market prices quoted by each counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps becomes negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A—" / "A3", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)**Swap Counterparty Data as of June 30, 2007**

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Lehman Brothers	\$ 95,350,000	A1	A+; stable	\$2,189,225
Goldman Sachs	90,000,000	A1	A+; stable	2,081,207
Total	<u>\$185,350,000</u>			<u>\$4,270,432</u>

Basis risk. The swaps expose CPS to basis risk should the rate paid on the auction rate securities be higher than the 70% of LIBOR rate received from the swap counterparties. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.771% synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2007, the weighted average auction rate was 3.753% and 70% of LIBOR was 3.724%. To mitigate the potential for basis risk, CPS funded a reserve of \$3,000,000 upon closing the bonds to provide for potential basis differential, and annual debt service fund deposit is calculated at a rate of 3.891%.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, the Series 2003D bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Libor Exchange Swap

Swap Objective. In September 2006, CPS entered into an interest rate swap associated with the issuance of the Series 2003D bonds. The intention of entering into the swap was to effectively change the 70% LIBOR (1 month) CPS receives to 65.02% of LIBOR (5 year).

Swap Terms. The bonds and the related swap agreements mature on March 1, 2034, and the total notional amount of the swap equals the \$185,350,000 of Series 2003D variable auction rate bonds. Starting in fiscal year 2018, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays the counterparty a variable payment computed at 70% of the LIBOR (1 Month) and receives a variable payment 65.02% of LIBOR (5 Year) through March 1, 2034.

Fair Value. As of June 30, 2007, the swap has a negative fair value as a result of long-term interest rates rising since the execution of the swap. Because the coupons on CPS' variable rate bonds adjust to changing interest rates, the bonds do have a corresponding fair value increase. The fair value was determined by market prices quoted by each counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swaps becomes positive, CPS would be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A-" / "A3", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Swap Counterparty Data as of June 30, 2007

Counterparty	Swap Notional Amount	Credit Rating; Outlook		Swap Fair Value
		Moody's	S&P	
Bear Stearns	\$185,350,000	AAA	AAA; stable	\$(774,283)

Basis risk. The swap exposes CPS to basis risk if the 70% of LIBOR rate paid is higher than the 65.02% of LIBOR (5 year) rate received from the swap counterparty, therefore the expected cost savings may not be realized. As of June 30, 2007, the weighted average of 70% of LIBOR was 3.724% and the weighted average rate of 65.02% of LIBOR was 3.5711%.

Termination risk. CPS or the counterparties may terminate the swap if the other party fails to perform under the terms of the contract. The swap may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swap may also be terminated by the counterparty if CPS' credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2004B

Swap Objective. CPS entered into three interest rate swaps associated with the issuance of the Series 2004B bonds in April 2004 as a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of entering into the swaps was to effectively change the variable interest rate on the auction rate bonds to a fixed interest rate of 3.5439%.

Swap terms. The bonds and the related swap agreements mature on March 1, 2032, and the total notional amount (net of offsetting transactions) of the swaps matches the \$298,075,000 of Series 2004B variable auction rate bonds. Starting in fiscal year 2018, the notional value of the swap declines by the same amount of the associated principal amortization. Under two of the swap agreements, CPS pays each counterparty a fixed payment of 3.5439% and receives a variable payment computed at 70% of LIBOR through March 1, 2032. Under the third swap agreement, which allows CPS to better hedge against the associated variable rate debt, CPS receives either a lower percentage of LIBOR in a high interest rate environment, or a higher percentage of LIBOR in a low interest rate environment, based on the following scale:

LIBOR	Percentage of LIBOR
Less than 1.55%	90%
Greater than 1.55% but less than 2.35%	77%
Greater than 2.35% but less than 3.45%	73%
Greater than 3.45% but less than 4.10%	71%
Greater than 4.10% but less than 6.00%	70%
Greater than 6.00%	65%

Fair value. As of June 30, 2007, the swaps have a net positive fair value as a result of long-term interest rates rising since the execution of the swap. Because the coupons on CPS' variable rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was determined by market prices quoted by each counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps becomes negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service

NOTE 10. DERIVATIVE INSTRUMENTS (continued)

are “A+” / “A1”, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2007

Counterparty	Swap Notional Amount	Credit Rating; Outlook		Swap Fair Value
		Moody's	S&P	
Goldman Sachs	\$178,845,000	A1	A+; stable	\$ 8,770,929
Bear Stearns	119,230,000	Aaa	AAA; stable	5,865,364
Subtotal	298,075,000			14,636,293
Bear Stearns	298,075,000	Aaa	AAA; stable	(4,827,512)
Total	<u>\$596,150,000</u>			<u>\$ 9,808,781</u>

Basis risk. The swaps expose CPS to basis risk should the rate paid on the auction rate securities be higher than the rates received from the swap counterparties. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.5439% synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2007, the weighted average auction rate was 3.750% and the 70% of LIBOR rate was 3.724%. Under the third swap agreement, the total rate received by the swap counterparty was 70% of LIBOR. To additionally mitigate the potential for basis risk, CPS's annual debt service fund deposit is calculated at a rate of 3.6639%.

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

Series 1997A

Swaption Objective. In August 2005 CPS sold an option to Bank of America N.A. under which CPS may be caused to enter into an interest rate swap associated with \$100,000,000 of the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007) as a means of monetizing the call option of these bonds in a low interest rate environment. The intention of entering into the swap was to effectively economically refund \$100,000,000 of the Series 1997A bonds, avoiding negative arbitrage in advance refunding escrows, while realizing an upfront payment of \$18,345,000 to be used for costs of issuance and for debt service requirements in fiscal year 2006.

In November 2006, CPS also sold an option to Royal Bank of Canada, under which CPS may be caused to enter into an interest rate swap associated with \$162,785,000 of the Series 1997A bonds upon exercise of the option in July 2007 (effective December 2007). CPS received an upfront payment of \$24,925,000 to be used for costs of issuance and for debt service requirements in fiscal year 2007.

Swaption terms. Upon exercise of the options, CPS will issue variable rate bonds to currently refund \$262,785,000 of the Series 1997A bonds, and the interest rate swaps will become effective under which CPS will pay the counterparty a fixed payment of 5.25% (the current fixed rate of the outstanding Series 1997A bonds) and will receive a variable payment computed at 70% of LIBOR from Bank of America and a variable payment at 70% of LIBOR plus 0.28%.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Fair value. Because CPS received an upfront payment and the fixed rate is higher than current market rates, the swaptions have a negative fair value as determined by market prices quoted by the counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was not exposed to credit risk because the swaptions had a negative fair value. However, should interest rates change and the fair value of the swaptions become positive, CPS would be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+/"A1", respectively or lower, and the fair value of the swaptions reach certain threshold amounts, the fair value of the swaptions will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swaption Counterparty Data as of June 30, 2007

Counterparty	Swaption Notional Amount	Credit Rating; Outlook		Swaption Fair Value
		Moody's	S&P	
Goldman Sachs	\$100,000,000	Aa1	AA-; stable	\$(11,565,308)
Royal Bank of Canada	162,785,000	Aaa	AA-	(17,621,985)
Total	<u>\$262,785,000</u>			<u>\$(29,187,293)</u>

Basis risk. Upon exercise, the swap will expose CPS to basis risk should the rate paid on the variable rate refunding bonds be more than the 70% of LIBOR rate received by the counterparty. Should any adverse basis differential occur once the swap contract becomes effective, the rate paid on the bonds will be higher than the 5.25% synthetic rate, and therefore the expected refunding savings may not be fully realized.

Termination risk. CPS or the counterparties may terminate the swaption if the other party fails to perform under the terms of the contract. The swaption may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaption may also be terminated by the counterparty if CPS's credit quality rating by any two of Standard Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaption is terminated prior to the option exercise date, and at the time of termination the swaption has a negative fair value, CPS would be liable to the counterparty for payment equal to the swaption's fair value. If the swap is terminated after the option is exercised, the Series 2007A refunding bonds would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2005A

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

Swap terms. The bonds and the related swap agreements mature on December 1, 2031, and the total notional amount of the swaps equals the \$193,585,000 of Series 2005A fixed rate bonds. Starting in fiscal year 2014, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays one counterparty a variable payment computed at the SIFMA rate and receives a variable payment computed at 70% of the London Interbank Offered Rate (LIBOR) plus 52.4 basis points. For the second swap, CPS pays the counterparty a variable payment computed at the SIFMA rate and receives a variable payment computed at 80.764% of LIBOR.



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Fair value. As of June 30, 2007, the swaps have a positive fair value as a result of long term interest rates rising since the execution of the swap. The fair value was determined by market prices quoted by each counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps becomes negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+" / "A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2007

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Loop Financial	\$116,151,000	A2	A+; stable	\$3,797,968
Merrill Lynch	77,434,000	Aa3	A+; stable	3,204,763
Total	<u>\$193,585,000</u>			<u>\$7,002,731</u>

Basis risk. The swaps expose CPS to basis risk should the relationship between LIBOR and SIFMA converge. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the stated coupon on the bonds, and therefore the expected cost savings may not be realized. As of June 30, 2007, the SIFMA rate was 3.7033%. As of June 30, 2007, the rate received by one counterparty was 4.248% (70% of LIBOR + 52.4 basis points) and was 4.2966% from the other (80.764% of LIBOR), effectively lowering the stated coupon on the bonds by a weighted average of 56.41 basis points.

Termination risk. CPS or the counterparties may terminate the swaps if the other party fails to perform under the terms of the contract. The swaps may also be terminated by CPS if the counterparty's credit quality rating falls below designated rating levels from Standard & Poor's, Moody's Investors Service and/or Fitch ("A-" as issued by Standard & Poor's and Fitch or "A3" as issued by Moody's Investors Service). The swaps may also be terminated by the counterparty if CPS's credit quality rating by any two of Standard & Poor's, Moody's Investors Service and Fitch falls below "BBB" as issued by Standard & Poor's or Fitch and "Baa2" as issued by Moody's. If the swaps are terminated, and at the time of termination the swap has a negative fair value, CPS would be liable to the counterparty for payment equal to the swap's fair value.

Series 2005DE

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

Swap terms. The bonds and the related swap agreement mature on March 1, 2036, and the total notional amount of the swaps equals the \$287,055,000 of Series 2005DE variable rate bonds. Starting in fiscal year 2013, the notional value of the swap declines by the same amount of the associated principal amortization. Under the swap, CPS pays the counterparty a fixed payment of 3.6617% and receives a variable payment computed at 70% of the LIBOR.

Fair value. As of June 30, 2007, the swap has a positive fair value as a result of long-term interest rates rising since the execution of the swap. Because the coupons on CPS's variable rate bonds adjust to



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was determined by market prices quoted by the counterparty as of June 30, 2007 (see table below).

Credit risk. As of June 30, 2007, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps becomes negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+" / "A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2007

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Loop Financial	\$287,055,000	A2	A; stable	\$9,639,944

Basis risk. The swaps expose CPS to basis risk should the rate paid on the variable rate debt be higher than the 70% of the LIBOR rate received from the swap counterparty. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.6617% synthetic rate, and therefore the expected cost savings may not be realized. As of June 30, 2007, the weighted average variable rate was 3.836% and 70% of LIBOR was 3.724%. To mitigate the potential for basis risk, CPS's annual debt service fund deposit is calculated at a rate of 3.7817%.

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

Series 2000C and Series 2004C

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

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

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



NOTE 10. DERIVATIVE INSTRUMENTS (continued)

Fair value. As of June 30, 2007, the swap has a positive fair value as a result of long term interest rates rising since the execution of the swap. The fair value was determined by market prices quoted by each counterparty as of June 30, 2007 (see table below). Because the coupons on CPS' variable rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase.

Credit risk. As of June 30, 2007, CPS was exposed to credit risk because the swaps had a positive fair value. However, should interest rates change and the fair value of the swaps become negative, CPS would not be exposed to credit risk in the amount of the derivatives' fair value. To mitigate the potential for credit risk, if a counterparty's credit rating from either Standard & Poor's and Moody's Investors Service are "A+"/"A1", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2007

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating; Outlook</u>		<u>Swap Fair Value</u>
		<u>Moody's</u>	<u>S&P</u>	
Royal Bank of Canada	\$ 61,100,000	Aaa	AA-	\$1,195,056
Royal Bank of Canada	124,320,000	Aaa	AA-	\$2,566,063
Total	<u>\$185,420,000</u>			<u>\$3,761,119</u>

Basis risk. The swaps expose CPS to basis risk should the rate paid on the variable rate debt be higher than the 70% of LIBOR rate received from the swap counterparty. Should any adverse basis differential occur during the swap contract, the rate paid on the bonds will be higher than the 3.823% for the 2000C bonds and 3.825% synthetic rate for 2004C bonds and therefore the expected cost savings may not be realized. As of June 30, 2007, the weighted average variable rate was 3.8453% for Series 2004C and 3.710% for Series 2000C and 70% of LIBOR was 3.724%.

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



NOTE 11. OTHER LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2007</u>
Accrued Sick Pay Benefits	\$245,812	\$26,393	\$(57,322)	\$214,883
Accrued Vacation Pay Benefits	44,426	4,738	(9,805)	39,359
Accrued Workers' Compensation Claims	69,506	24,960	(19,052)	75,414
Accrued General and Automobile Claims	4,339	6,005	(160)	10,184
Tort Liabilities and Other Claims	2,900	2,750	(1,500)	4,150
Total	<u>\$366,983</u>	<u>\$64,846</u>	<u>\$(87,839)</u>	\$343,990
Less: Current Portion of Accrued Sick Pay Benefits				(52,451)
Less: Current Portion of Accrued Vacation Pay Benefits				(7,333)
Less: Current Portion of Tort Liabilities and Other Claims				(750)
Total Other Long-term Liabilities				<u>\$283,456</u>

Sick Pay Benefits

The CPS provides sick pay benefits for substantially all of its employees. Eligible employees can accumulate a maximum of 315 days. If an employee either reaches age 65; is age 58 with between 20 and 33 years of service; has 34 years of service, or; dies, the employee is entitled to receive, as additional cash compensation, all or a portion of their accumulated sick leave days. The CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year.

Vacation Pay Benefits

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

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

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

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

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

During fiscal years 2007, 2006 and 2005 no settlements were made in excess of the self-insured amount and there has been no significant reduction in insurance coverage over the past three fiscal years.

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

As discussed in Note 15, there are pending workers' compensation and tort claims involving the CPS which have arisen out of the ordinary conduct of business. The CPS budgets an amount each year in the Workers' and Unemployment Compensation/Tort Immunity Fund for the estimated claims, of which the expenditures are met through an annual tax levy.

NOTE 11. OTHER LONG-TERM LIABILITIES (continued)

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

The CPS is self-insured for workers' compensation claims and certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A liability of \$55.6 million has been recorded for health insurance costs as a part of accrued payroll in the General Operating Fund, which includes \$26.3 million for estimated medical claims incurred but not reported as of June 30, 2007. Following is the activity related to medical claims for which the CPS is self-insured (\$000's):

<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>\$45,025</u>	<u>\$255,618</u>	<u>\$(251,631)</u>	<u>\$49,012</u>	<u>\$263,695</u>	<u>\$(257,066)</u>	<u>\$55,641</u>

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Pension — Certified Teachers and Administrators

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

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the Pension Fund. Participation in the Pension Fund is mandatory for all members of the teaching force and employees of the Pension Fund. As of June 30, 2006, the most recent report, there were 34,682 active participants in the Pension Fund, substantially all of who were employees of the CPS.

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

Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1.0% for survivor's pension. In fiscal year 2007, as in previous fiscal years, the CPS paid a portion (7% — \$115.3 million) of the required employees' contribution, which has been recorded as an expenditure in the accompanying financial statements. A portion of grant funds from the Federal government and General Operating Fund revenues provides the funding of the 7% portion. The remaining portion (2%) is withheld from teachers' salaries.

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

Retirement benefit contribution:	
A contribution from the State of Illinois	\$ 75,242
A contribution to increase funded ratio to 90%	80,340
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded programs	1,106
A contribution to Early Retirement Option plan	<u>10,521</u>
Total contributions	<u>\$167,209</u>

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

For the fiscal year ended June 30, 2007, employee contributions are \$148.2 million which is 9% of covered payroll. Employer contributions for the year are \$167.2 million which is approximately 5% of covered payroll.

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

The governmental fund financial statements reflect expenditures on both a functional and budgetary account basis. Teachers' pension expenditures reflected on the budgetary account basis include both the CPS' employer share of pension expenditures of \$167.2 million and amounts incurred by the CPS for a portion of the required employees' pension contribution of \$115.3 million, which total \$282.5 million. For functional reporting purposes, all teachers' pension expenditures, except that portion funded by the Federal grants, are reflected in the same functional classifications as the teachers' salaries.

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

The CPS' annual pension costs for fiscal years 2007, 2006 and 2005 are as follows (\$000's):

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Annual required contribution (ARC)	\$ 370,210	\$ 328,366	\$ 258,883
Interest on Net Pension Obligation (NPO)	121,042	100,492	83,200
Adjustment to annual required contribution	<u>(85,639)</u>	<u>(61,849)</u>	<u>(51,206)</u>
Annual Pension Cost (APC) for the fiscal year ended			
June 30, 2007	\$ 405,613	\$ 367,009	\$ 290,877
Less: Contributions made	<u>(167,209)</u>	<u>(110,132)</u>	<u>(74,729)</u>
Increase in NPO	\$ 238,404	\$ 256,877	\$ 216,148
Add NPO, beginning of year	<u>1,513,023</u>	<u>1,256,146</u>	<u>1,039,998</u>
NPO, end of year	<u>\$1,751,427</u>	<u>\$1,513,023</u>	<u>\$1,256,146</u>
Actuarial valuation date	June 30, 2006		
Actual cost method	Projected Unit Credit		
Amortization method	Level percent, open		
Remaining amortization period	30 years		
Asset valuation method	4 year smoothed market		
Actuarial assumptions:			
Investment rate of return	8%		
Projected salary increases	Average of 4% per year		
Inflation	3%		

At June 30, 2006, 2005 and 2004 (the actuarial valuation dates), the Schedule of Funding Progress and other trend information is as follows (\$000's):

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Actuarial value of assets	\$ 10,947,998	\$ 10,506,471	\$ 10,392,193
Less: Actuarial Accrued Liability (AAL)	<u>(14,035,627)</u>	<u>(13,295,876)</u>	<u>(12,105,681)</u>
AAL unfunded (liability)/surplus	<u>\$ (3,087,629)</u>	<u>\$ (2,789,405)</u>	<u>\$ (1,713,488)</u>
Funded ratio	78.0%	79.0%	85.8%
Covered payroll	\$ 1,944,358	\$ 1,968,612	\$ 1,767,631
Unfunded AAL as a percentage of covered payroll	158.8%	141.7%	96.9%

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Annual pension cost	\$ 405,613	\$ 367,009	\$ 290,877
Percentage of annual pension cost contributed	41.2%	30.0%	25.7%
Net Pension Obligation	\$1,751,427	\$1,513,023	\$1,256,146

In the opinion of the CPS' legal counsel, the unfunded actuarial liability of the Pension Fund is not a liability to be funded by the CPS; however, the CPS is required to provide funding in addition to amounts provided from Federal and State sources if the funded ratio drops below 90%. CPS contributed \$80.3 million in fiscal year 2007 to increase the funded ratio to 90% and will make an additional General Operating Fund appropriation of \$131.5 million for the fiscal year ended June 30, 2008.

During fiscal year 2007, approximately 231 teachers participated in CPS' early retirement incentive program. The accrued pension cost of \$6.3 million was recorded in the fund financial statements.

Pension — Other Personnel

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

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

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

Covered employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute a percentage of their salary (8.5%). In fiscal year 2007, as in previous fiscal years, the CPS agreed to pay a portion (7% — \$31.5 million) of the required employees' contribution for most employees. The 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 \$83.3 million, \$31.5 million of this amount represents the required employees' contribution paid by the CPS on behalf of its employees, and \$45.8 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining \$6 million is funded under Federally-funded programs. The portion funded by the City of Chicago and Federal Government is also reflected as revenue in the General Operating Fund.

Career service pension expense in the government-wide financial statements is \$83.3 million.

As of December 31, 2006, the date of the latest available report, the Annuity Fund had net assets of approximately \$6.84 billion and an unfunded accrued actuarial liability for all covered employees, including CPS employees, of approximately \$3.18 billion. The CPS employs approximately 15,000 of the 33,429 active participants in the Annuity Fund. The CPS, in the opinion of its legal counsel, has no duty to contribute any sum to the Annuity Fund.

Other Postemployment Benefits (OPEB)

Healthcare benefits for certified teachers and administrators are provided under a multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Fund”). There are no assets of the CPS included in the Pension Fund. The initial actuarial analysis is contained in a stand alone report that was commissioned by CPS and is available by contacting Chicago Public Schools, 125 South Clark Street, Chicago, Illinois 60603. Subsequent analyses will be contained within the Pension Fund Annual Report and will be available by contacting the Public School Teachers’ Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois 60601.

The Pension Fund administers a health insurance program that includes two external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient’s final pension system prior to retirement. The purpose of this program is to help defray the retired member’s premium cost for health insurance. The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund’s providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 70% of the individual member’s cost for fiscal year 2006. The rebate percentage was 52% of the individual member’s cost for the first month in fiscal year 2005 and 70% for the remaining eleven months in fiscal year 2005. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed \$65 million plus any previous year amounts authorized but not yet expended. The statutory threshold, however, does not fall under the definition of a funding cap as set forth in GASBS 45. The Pension Fund has total discretion over the program, and no employee or employer contributions are made for the subsidy. As of June 30, 2006, the most recent available data, there were 13,330 active participants in the Chicago Teachers’ Pension Fund Retiree Health Insurance Program.

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



NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Other Personnel

Actuarial studies on other personnel determined that no OPEB liability exists for those employees as of June 30, 2007.

NOTE 13. THE CHICAGO SCHOOL FINANCE AUTHORITY

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

The amount of Authority bonds outstanding at June 30, 2007, net of bonds advance refunded or defeased is \$127,795,000. The Authority's bonds are not a direct or contingent obligation of the CPS.

The principal amount of general obligation bonds of the Authority at June 30, 2007 is shown below:

<u>Fiscal Year(s)</u>	<u>Maturities</u>		
	<u>Principal and Sinking Fund Installments</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 61,150	\$ 6,943	\$ 68,093
2009	<u>66,645</u>	<u>3,605</u>	<u>70,250</u>
Total	<u>\$127,795</u>	<u>\$10,548</u>	<u>\$138,343</u>

NOTE 13. THE CHICAGO SCHOOL FINANCE AUTHORITY (continued)

Interest rates on the above Authority bonds range from 5.0% to 6.25%.

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

NOTE 14. FUND BALANCE RESERVATIONS AND NET ASSET RESTRICTIONS

a. Fund Balance Reservation

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

<u>Purpose</u>	<u>Reserved Amount</u>
Workers' Compensation/Tort Immunity	\$ 48,880
Supplementary General State Aid	33,790
Public Building Commission Operations and Maintenance	46,927
Total	<u>\$129,597</u>

The amount reserved for Supplementary General State Aid represents the unexpended and unencumbered portion of the 2007 Supplementary General State Aid allocation.

In its fiscal year 2007 budget, CPS appropriated in its General Operating Fund \$30.0 million of fund balances from amounts reserved for specific purposes and \$75.0 million of general fund balance.

In its fiscal year 2008 budget, CPS appropriated in its General Operating Fund \$36.0 million of fund balances from amounts reserved for specific purposes and \$73.0 million of general fund balance.

In its fiscal year 2007 budget, CPS designated \$218.4 million to provide working capital. In its fiscal year 2008 budget, CPS has designated \$233.2 million to provide working capital.

During fiscal year 2007, the Board reserved \$264.9 million for Debt Service of which \$218.6 million was allocated to the Bond Redemption and Interest Program and the remaining \$46.3 million was allocated to the Public Building Commission Leases Program.

b. Net Assets Restrictions

The government-wide statement of net assets reports \$545.1 million of restricted net assets, of which \$413.7 is restricted for Debt service and \$131.4 million is restricted for Specific purposes.

On the government-wide financial statements, Net Assets Restricted for Specific purposes consists of the following (000's):

<u>Purpose</u>	<u>Restricted Amount</u>
Restricted donations	\$ 1,765
Restricted by enabling legislation	129,597
Total	<u>\$131,362</u>

NOTE 15. LITIGATION AND CONTINGENCIES

a. State and Federal Aid Receipts

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management and legal counsel, any potential adjustments to the Federal or State aid recorded by CPS through

NOTE 15. LITIGATION AND CONTINGENCIES (continued)

June 30, 2007, resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements at June 30, 2007.

b. Asbestos and Lead Abatement

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

c. Wrongful Death Claim

Deena Samuels v Board of Education of the City of Chicago, et. al. is both a survivor action and a wrongful death claim lawsuit on behalf of Aniya Bowers. On March 17, 2005 Deena Samuels, a Board employee, fell on a wet floor in the cafeteria of Oscar DePriest Elementary School. She was pregnant at the time. She gave birth to Aniya Bowers, who died on April 27, 2005. Total Facility Maintenance (TFM), a Board cleaning services vendor, is a co-defendant. It was responsible for cleaning the area of the cafeteria where people sat and ate. The Board's custodians were responsible for cleaning the area near where the food was served. Samuels fell in the latter area. Oral discovery has not yet started in this case. If this is a "premises" case, a negligence standard will apply. If the cause of the fall was some action or inaction by a Board employee, a willful and wanton standard may apply. The major fact issue is whether Samuel's fall is a proximate cause of the premature birth and/or the death of her daughter. Significant discovery still has to be taken on these issues before a more informed opinion can be given. However, because this case involves the death of an infant, the potential exposure can exceed \$1,000,000. A finding of liability on the part of CPS cannot be predicted as either probable or remote at this juncture.

d. Other Litigation and Claims

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts, property tax objections, and other matters, arising out of CPS' ordinary conduct of its business. Certain actions involve alleged damages in substantial amounts. The amounts of liability, if any, on these claims as of June 30, 2007, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. In the opinion of CPS management and legal counsel, the final resolution of these claims and legal actions will not be material to CPS' financial statements as of June 30, 2007.

NOTE 16. SUBSEQUENT EVENTS**Bond Issuance**Unlimited Tax General Obligation Refunding Bonds (Series 2007A)

In September 2007, Chicago Public Schools issued \$262,785,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2007A) as Auction Rate Securities (variable rate). The proceeds from these bonds were used to refund \$262,785,000 of Series 1997A bonds. Costs of issuance of the bonds were paid from an upfront payment associated with two swaptions entered into with Bank of America in 2005 and Royal Bank of Canada in 2006. The debt service will be paid from an Intergovernmental Agreement with the City of Chicago.

Unlimited Tax General Obligation Refunding Bonds (Series 2007BC)

In September 2007, Chicago Public Schools issued \$197,765,000 in Unlimited Tax General Obligation Refunding Bonds (Series 2007B) and \$6,870,000 in Unlimited Tax General Tax Refunding Bonds (Series 2007C) at a premium of \$10,302,848 and \$5,907 respectively. The proceeds from these bonds



NOTE 16. SUBSEQUENT EVENTS (continued)

were used to refund \$199,225,000 of Series 1997A bonds and \$6,700,000 of Series 1997 Bonds, and pay costs of issuance of the bonds. The debt service will be paid from an Intergovernmental Agreement with the City of Chicago.

Unlimited Tax General Obligation Bonds (Series 2007D (E))

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





Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

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



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES AND NET CHANGES IN FUND BALANCE

FINAL APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2007

With Comparative Amounts for the Fiscal Year Ended June 30, 2006

(Thousands of Dollars)

	Final Appropriations	Fiscal Year 2007 Actual	Variance	Fiscal Year 2006 Actual	2007 Over (Under) 2006
REVENUES:					
Property taxes	\$1,696,562	\$1,716,516	\$ 19,954	\$1,666,118	\$ 50,398
Replacement taxes	91,494	147,403	55,909	131,639	15,764
State aid	1,584,030	1,549,493	(34,537)	1,492,361	57,132
Federal aid	834,910	711,963	(122,947)	757,731	(45,768)
Interest and investment income	21,283	61,595	40,312	36,874	24,721
Other	72,443	95,534	23,091	101,129	(5,595)
Total Revenues	<u>\$4,300,722</u>	<u>\$4,282,504</u>	<u>\$ (18,218)</u>	<u>\$4,185,852</u>	<u>\$ 96,652</u>
EXPENDITURES:					
Teachers' salaries	\$1,949,197	\$1,924,109	\$ 25,088	\$1,916,378	\$ 7,731
Career service salaries	559,733	535,148	24,585	537,346	(2,198)
Energy	79,933	77,133	2,800	70,760	6,373
Food	93,762	83,798	9,964	85,815	(2,017)
Textbooks	82,289	65,772	16,517	71,942	(6,170)
Supplies	52,159	45,945	6,214	46,965	(1,020)
Other commodities	1,538	1,072	466	1,135	(63)
Professional fees	339,789	322,252	17,537	319,904	2,348
Charter schools	144,195	141,030	3,165	118,445	22,585
Transportation	93,045	97,076	(4,031)	92,589	4,487
Tuition	73,616	63,103	10,513	62,890	213
Telephone and telecommunications	5,723	13,701	(7,978)	16,944	(3,243)
Other services	16,892	13,271	3,621	13,104	167
Equipment — Educational	40,833	34,614	6,219	38,335	(3,721)
Repairs and replacements	38,262	32,973	5,289	35,556	(2,583)
Capital outlay	45	5	40	4	1
Teachers' pension	297,306	282,488	14,818	247,585	34,903
Career service pension	89,914	83,317	6,597	87,530	(4,213)
Hospitalization and dental insurance	300,610	250,765	49,845	243,003	7,762
Medicare	25,562	25,279	283	29,989	(4,710)
Unemployment compensation	17,278	8,236	9,042	6,382	1,854
Workers' compensation	33,824	24,619	9,205	21,004	3,615
Rent	12,959	12,965	(6)	14,174	(1,209)
Debt service	1,420	1,269	151	1,420	(151)
Other fixed charges	55,838	6,429	49,409	5,894	535
Total Expenditures	<u>\$4,405,722</u>	<u>\$4,146,369</u>	<u>\$ 259,353</u>	<u>\$4,085,093</u>	<u>\$ 61,276</u>
REVENUES IN EXCESS OF (LESS THAN) EXPENDITURES	<u>\$ (105,000)</u>	<u>\$ 136,135</u>	<u>\$ 241,135</u>	<u>\$ 100,759</u>	<u>\$ 35,376</u>
OTHER FINANCING SOURCES:					
Capital leases	\$ —	\$ —	\$ —	\$ 3,700	\$ (3,700)
Transfers in	—	1,904	1,904	445	1,459
Total other financing sources	<u>\$ —</u>	<u>\$ 1,904</u>	<u>\$ 1,904</u>	<u>\$ 4,145</u>	<u>\$ (2,241)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (105,000)</u>	<u>\$ 138,039</u>	<u>\$ 243,039</u>	<u>\$ 104,904</u>	<u>\$ 33,135</u>
Fund Balance, beginning of period	495,897	495,897	—	390,993	104,904
Fund Balance, end of period	<u>\$ 390,897</u>	<u>\$ 633,936</u>	<u>\$ 243,039</u>	<u>\$ 495,897</u>	<u>\$138,039</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Capital Projects Fund

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

Capital Asset Program:

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

Capital Improvement Program:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	<u>Capital Asset Program</u>	<u>Capital Improvement Program</u>	<u>Total</u>
Revenues:			
State aid	\$ —	\$ 18,070	\$ 18,070
Federal aid	—	34,066	34,066
Interest and investment income	—	35,587	35,587
Other	<u>265</u>	<u>36,634</u>	<u>36,899</u>
Total Revenues	<u>\$ 265</u>	<u>\$ 124,357</u>	<u>\$ 124,622</u>
Expenditures:			
Capital outlays	<u>\$ 44</u>	<u>\$ 344,971</u>	<u>\$ 345,015</u>
Total Expenditures	<u>\$ 44</u>	<u>\$ 344,971</u>	<u>\$ 345,015</u>
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES . .	<u>\$ 221</u>	<u>\$(220,614)</u>	<u>\$(220,393)</u>
OTHER FINANCING SOURCES:			
Gross amounts from debt issuances	\$ —	\$ 355,805	\$ 355,805
Premiums	—	14,444	14,444
Sales of general capital assets	<u>25,673</u>	<u>—</u>	<u>25,673</u>
Total other financing sources	<u>\$25,673</u>	<u>370,249</u>	<u>395,922</u>
NET CHANGE IN FUND BALANCES	<u>\$25,894</u>	<u>\$ 149,635</u>	<u>\$ 175,529</u>
Fund Balances, beginning of period	<u>8,142</u>	<u>496,842</u>	<u>504,984</u>
Fund Balances, end of period	<u><u>\$34,036</u></u>	<u><u>\$ 646,477</u></u>	<u><u>\$ 680,513</u></u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Service Fund

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

Bond Redemption and Interest Program:

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

Public Building Commission Leases Program:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER
FINANCING USES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	<u>Bond Redemption and Interest Program</u>	<u>Public Building Commission Leases Program</u>	<u>Total</u>
Revenues:			
Property taxes	\$ —	\$51,244	\$ 51,244
Replacement taxes	54,106	—	54,106
State aid	134,022	—	134,022
Interest and investment income	17,775	1,950	19,725
Other	<u>153,797</u>	<u>—</u>	<u>153,797</u>
Total Revenues	<u>\$359,700</u>	<u>\$53,194</u>	<u>\$412,894</u>
Expenditures:			
Debt service	<u>\$289,144</u>	<u>\$51,766</u>	<u>\$340,910</u>
Total Expenditures	<u>\$289,144</u>	<u>\$51,766</u>	<u>\$340,910</u>
REVENUES IN EXCESS OF/(LESS THAN)			
EXPENDITURES	<u>\$ 70,556</u>	<u>\$ 1,428</u>	<u>\$ 71,984</u>
OTHER FINANCING USES:			
Transfer (out)	<u>(19)</u>	<u>(1,885)</u>	<u>(1,904)</u>
Total other financing uses	<u>\$ (19)</u>	<u>\$ (1,885)</u>	<u>\$ (1,904)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 70,537</u>	<u>\$ (457)</u>	<u>\$ 70,080</u>
Fund Balances, beginning of period	<u>314,896</u>	<u>38,371</u>	<u>353,267</u>
Fund Balances, end of period	<u><u>\$385,433</u></u>	<u><u>\$37,914</u></u>	<u><u>\$423,347</u></u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL

For the Fiscal Year Ended June 30, 2007

With Comparative Amounts for the Fiscal Year Ended June 30, 2006

(Thousands of dollars)

	Final Appropriations	Fiscal Year 2007 Actual	Variance	Fiscal Year 2006 Actual	2007 Over (Under) 2006
REVENUES:					
Replacement taxes	\$ 54,106	\$ 54,106	\$ —	\$ 53,061	\$ 1,045
State aid.	134,680	134,022	(658)	110,274	23,748
Interest and investment income . .	—	17,775	17,775	11,335	6,440
Other	23,125	153,797	130,672	41,255	112,542
Total Revenues	<u>\$211,911</u>	<u>\$359,700</u>	<u>\$147,789</u>	<u>\$215,925</u>	<u>\$143,775</u>
EXPENDITURES:					
Debt service	\$211,908	\$289,144	\$ (77,236)	\$161,872	\$127,272
Total Expenditures	<u>\$211,908</u>	<u>\$289,144</u>	<u>\$ (77,236)</u>	<u>\$161,872</u>	<u>\$127,272</u>
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES	\$ 3	\$ 70,556	\$ 70,553	\$ 54,053	\$ 16,503
OTHER FINANCING SOURCES (USES):					
Transfer in (out)	—	(19)	(19)	2,796	(2,815)
Total other financing sources (uses)	\$ —	\$ (19)	\$ (19)	\$ 2,796	\$ (2,815)
NET CHANGE IN FUND BALANCE					
Fund Balance, beginning of period . .	314,896	314,896	—	258,047	56,849
Fund Balance, end of period	<u>\$314,899</u>	<u>\$385,433</u>	<u>\$ 70,534</u>	<u>\$314,896</u>	<u>\$ 70,537</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING USES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL

For the Fiscal Year Ended June 30, 2007

With Comparative Amounts for the Fiscal Year Ended June 30, 2006

(Thousands of dollars)

	<u>Final</u> <u>Appropriations</u>	<u>Fiscal</u> <u>Year</u> <u>2007 Actual</u>	<u>Variance</u>	<u>Fiscal</u> <u>Year</u> <u>2006 Actual</u>	<u>2007</u> <u>Over (Under)</u> <u>2006</u>
REVENUES:					
Property taxes	\$51,766	\$51,244	\$ (522)	\$52,131	\$ (887)
Interest and investment income . . .	<u>—</u>	<u>1,950</u>	<u>1,950</u>	<u>1,392</u>	<u>558</u>
Total Revenues	<u>\$51,766</u>	<u>\$53,194</u>	<u>\$ 1,428</u>	<u>\$53,523</u>	<u>\$ (329)</u>
EXPENDITURES:					
Debt service	<u>\$51,769</u>	<u>\$51,766</u>	<u>\$ 3</u>	<u>\$51,360</u>	<u>\$ 406</u>
Total Expenditures	<u>\$51,769</u>	<u>\$51,766</u>	<u>\$ 3</u>	<u>\$51,360</u>	<u>\$ 406</u>
REVENUES IN EXCESS OF/(LESS THAN) EXPENDITURES	\$ (3)	\$ 1,428	\$ 1,431	\$ 2,163	\$ (735)
OTHER FINANCING USES:					
Transfer (out)	<u>—</u>	<u>(1,885)</u>	<u>(1,885)</u>	<u>(445)</u>	<u>(1,440)</u>
NET CHANGE IN FUND BALANCE. . .	\$ (3)	\$ (457)	\$ (454)	\$ 1,718	\$(2,175)
Fund Balance, beginning of period. . .	<u>38,371</u>	<u>38,371</u>	<u>—</u>	<u>36,653</u>	<u>1,718</u>
Fund Balance, end of period	<u>\$38,368</u>	<u>\$37,914</u>	<u>\$ (454)</u>	<u>\$38,371</u>	<u>\$ (457)</u>





Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT
STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of CPS' current levels of outstanding debt and CPS' ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which CPS' financial activities take place.

Operating Information

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

Sources:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Invested in capital assets, net of related debt	\$ 574,361	\$ 400,731	\$ 392,041	\$454,841	\$ 413,077	\$ 268,190	\$ 267,249
Restricted for:							
Debt service	409,896	479,774	457,106	390,882	298,538	357,409	413,747
Specific purposes	126,527	103,372	88,207	43,454	45,134	85,891	131,362
Unrestricted	<u>245,203</u>	<u>176,312</u>	<u>67,064</u>	<u>(98,023)</u>	<u>(225,335)</u>	<u>(538,879)</u>	<u>(698,809)</u>
Total Net Assets	<u>\$1,355,987</u>	<u>\$1,160,189</u>	<u>\$1,004,418</u>	<u>\$791,154</u>	<u>\$ 531,414</u>	<u>\$ 172,611</u>	<u>\$ 113,549</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>2001(1)</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:							
EXPENSES:							
Instruction	\$ 2,243,742	\$ 2,438,141	\$ 2,484,448	\$ 2,663,014	\$ 2,777,202	\$ 3,107,897	\$ 3,096,529
Pupil support services	315,700	329,041	332,693	343,777	337,676	346,434	360,628
Administrative support services	131,178	156,583	169,457	176,858	158,303	161,802	178,891
Facilities support services	396,469	334,605	351,492	339,213	379,599	422,731	461,265
Instructional support services	323,685	339,521	332,620	350,717	404,583	465,106	481,477
Food services	173,297	169,006	177,526	189,475	182,315	179,725	186,297
Community services	73,902	48,321	47,435	50,401	42,677	46,205	45,203
Interest Expense	172,436	183,443	186,141	187,646	201,506	217,848	219,826
Other	17,495	21,253	5,297	8,128	8,724	23,404	8,126
Total Expenses	<u>\$ 3,847,904</u>	<u>\$ 4,019,914</u>	<u>\$ 4,087,109</u>	<u>\$ 4,309,229</u>	<u>\$ 4,492,585</u>	<u>\$ 4,971,152</u>	<u>\$ 5,038,242</u>
PROGRAM REVENUES:							
Charges for Services...							
Instruction	\$ —	\$ —	\$ 1,553	\$ 210	\$ 1,014	\$ 3,145	\$ 3,748
Food services	11,698	11,170	11,404	9,620	9,553	9,317	8,784
Operating Grants and Contributions	702,509	687,937	764,750	791,309	876,222	896,916	862,674
Capital Grants and Contributions	250,555	160,118	153,709	161,429	21,722	66,732	97,477
Total Program Revenues	<u>\$ 964,762</u>	<u>\$ 859,225</u>	<u>\$ 931,416</u>	<u>\$ 962,568</u>	<u>\$ 908,511</u>	<u>\$ 976,110</u>	<u>\$ 972,683</u>
Net (Expense)/Revenue	<u>\$(2,883,142)</u>	<u>\$(3,160,689)</u>	<u>\$(3,155,693)</u>	<u>\$(3,346,661)</u>	<u>\$(3,584,074)</u>	<u>\$(3,995,042)</u>	<u>\$(4,065,559)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:							
Taxes:							
Property taxes	\$ 1,459,942	\$ 1,459,942	\$ 1,574,111	\$ 1,561,127	\$ 1,663,783	\$ 1,768,457	\$ 1,813,006
Replacement taxes	137,744	137,744	105,960	120,427	145,724	184,700	201,509
Non- program State aid	1,160,386	1,160,386	1,248,607	1,333,113	1,429,611	1,532,169	1,651,730
Interest and investment earnings	103,520	103,520	49,161	39,501	43,215	71,972	116,907
Gain recognized from swaptions	—	—	—	—	—	5,312	37,647
Gain on sale of fixed assets	—	—	—	—	—	—	22,919
Miscellaneous	29,102	29,102	22,083	79,229	42,001	73,629	162,779
Total General Revenues	<u>\$ 2,890,694</u>	<u>\$ 2,890,694</u>	<u>\$ 2,999,922</u>	<u>\$ 3,133,397</u>	<u>\$ 3,324,334</u>	<u>\$ 3,636,239</u>	<u>\$ 4,006,497</u>
Change in net assets	<u>\$ 7,552(1)</u>	<u>\$ (269,995)</u>	<u>\$ (155,771)</u>	<u>\$ (213,264)</u>	<u>\$ (259,740)</u>	<u>\$ (358,803)</u>	<u>\$ (59,062)</u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
GENERAL OPERATING FUND				
Reserved	\$139,898	\$161,538	\$171,895	\$209,892
Unreserved	<u>221,997</u>	<u>288,255</u>	<u>393,057</u>	<u>201,520</u>
Total General Operating Fund	<u>\$361,895</u>	<u>\$449,793</u>	<u>\$564,952</u>	<u>\$411,412</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$523,449	\$560,972	\$535,235	\$672,851
Unreserved, reported in:				
Capital Projects Fund	129,687	181,265	180,858	261,000
Debt Service Fund	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>\$653,136</u>	<u>\$742,237</u>	<u>\$716,093</u>	<u>\$933,851</u>



<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$155,251	\$120,597	\$110,996	\$142,447	\$188,177	\$ 229,093
<u>209,883</u>	<u>208,359</u>	<u>196,510</u>	<u>248,546</u>	<u>307,720</u>	<u>404,843</u>
<u>\$365,134</u>	<u>\$328,956</u>	<u>\$307,506</u>	<u>\$390,993</u>	<u>\$495,897</u>	<u>\$ 633,936</u>
\$721,138	\$604,734	\$609,203	\$435,625	\$574,232	\$ 463,935
172,786	223,734	203,560	219,048	284,019	481,445
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>158,480</u>
<u>\$893,924</u>	<u>\$828,468</u>	<u>\$812,763</u>	<u>\$654,673</u>	<u>\$858,251</u>	<u>\$1,103,860</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
REVENUES					
Property Taxes	\$1,311,664	\$1,368,081	\$1,403,657	\$1,429,871	\$1,479,968
Replacement Taxes	129,955	137,749	147,657	137,744	114,313
State Aid	997,254	1,238,809	1,373,470	1,431,777	1,467,914
Federal Aid	415,081	470,905	540,723	634,094	554,750
Interest and investment income	76,124	70,199	85,075	103,520	68,050
All Others	93,018	103,715	85,587	82,411	89,505
Total Revenues	<u>\$3,023,096</u>	<u>\$3,389,458</u>	<u>\$3,636,169</u>	<u>\$3,819,417</u>	<u>\$3,774,500</u>
EXPENDITURES					
Instruction	\$1,729,705	\$1,818,566	\$1,891,328	\$1,995,423	\$2,152,958
Pupil Support Services	263,347	271,876	301,714	303,071	311,628
General Support Services	654,157	681,103	681,916	730,187	750,111
Food Services	129,843	154,581	161,614	166,365	160,063
Community Services	63,459	65,465	73,792	73,718	47,523
Capital Outlay	448,019	653,367	547,365	527,902	381,038
Teachers' Pension	65,045	65,045	65,045	65,045	65,045
Debt Service	133,483	135,694	148,854	195,310	219,894
Principal					
Interest					
Other Charges					
Others	5,581	1,790	6,825	17,495	5,138
Total Expenditures	<u>\$3,492,639</u>	<u>\$3,847,487</u>	<u>\$3,878,453</u>	<u>\$4,074,516</u>	<u>\$4,093,398</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>\$ (469,543)</u>	<u>\$ (458,029)</u>	<u>\$ (242,284)</u>	<u>\$ (255,099)</u>	<u>\$ (318,898)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	\$ 12,015	\$ —	\$ 11,436	\$ 59,999	\$ 1,527
Transfers Out	(12,015)	—	(11,436)	(59,999)	(1,527)
Gross amounts from debt issuances	499,995	875,268	324,784	474,460	232,693
Proceeds from notes	—	—	—	—	—
Premium on bonds issued	—	3,372	6,515	—	—
Discount on bonds issued	(19,975)	—	—	(2,644)	(9)
Capital leases	—	—	—	—	—
Sales of general capital assets	—	—	—	—	—
Payment to refunded bond escrow agent	—	(243,612)	—	—	—
Total other financing sources (uses)	<u>\$ 480,020</u>	<u>\$ 635,028</u>	<u>\$ 331,299</u>	<u>\$ 471,816</u>	<u>\$ 232,684</u>
ACCOUNTING ADJUSTMENT	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (152,490)</u>	<u>\$ —</u>
NET CHANGE IN FUND BALANCES	<u>\$ 10,477</u>	<u>\$ 176,999</u>	<u>\$ 89,015</u>	<u>\$ 64,227</u>	<u>\$ (86,214)</u>
DEBT SERVICE AS A PERCENTAGE OF					
NONCAPITAL EXPENDITURES	4.38%	4.25%	4.47%	5.51%	5.92%

NOTES:

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

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$1,546,335	\$1,571,065	\$1,639,237	\$1,718,249	\$1,767,760
105,960	120,427	145,724	184,700	201,509
1,469,567	1,481,448	1,507,115	1,602,635	1,701,585
608,693	730,504	762,955	775,631	746,029
49,161	39,501	43,215	71,947	116,907
94,345	149,253	102,654	163,765	286,230
<u>\$3,874,061</u>	<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>	<u>\$4,820,020</u>
\$2,214,781	\$2,355,114	\$2,429,014	\$2,538,909	\$2,491,653
320,380	327,653	323,225	333,968	349,324
764,002	770,629	821,583	893,041	914,117
170,238	180,588	173,872	172,774	179,902
47,253	49,933	42,325	46,179	45,467
443,873	365,336	389,450	310,817	345,963
65,045	65,045	65,045	75,398	155,563
255,239	259,590	315,809		
			49,049	180,767
			158,997	154,669
			6,606	6,743
12,322	8,128	5,912	23,404	8,126
<u>\$4,293,133</u>	<u>\$4,382,016</u>	<u>\$4,566,235</u>	<u>\$4,609,142</u>	<u>\$4,832,294</u>
<u>\$ (419,072)</u>	<u>\$ (289,818)</u>	<u>\$ (365,335)</u>	<u>\$ (92,215)</u>	<u>\$ (12,274)</u>
\$ 7,711	\$ 30,215	\$ 7,344	\$ 2,796	\$ 1,904
(7,711)	(30,215)	(7,344)	(2,796)	(1,904)
308,635	765,995	524,260	385,603	355,805
—	21,043	5,500	—	—
8,803	—	43,450	4,124	14,444
—	—	—	(326)	—
—	—	—	3,700	—
—	—	—	7,596	25,673
—	(534,375)	(282,478)	—	—
<u>\$ 317,438</u>	<u>\$ 252,663</u>	<u>\$ 290,732</u>	<u>\$ 400,697</u>	<u>\$ 395,922</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<u>\$ (101,634)</u>	<u>\$ (37,155)</u>	<u>\$ (74,603)</u>	<u>\$ 308,482</u>	<u>\$ 383,648</u>
6.63%	6.46%	7.56%	4.99%	7.63%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS

For the last ten fiscal years
(Thousands of dollars)

	1998		1999		2000	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
REVENUES:						
Property Taxes	\$1,311,664	43.4%	\$1,368,081	40.5%	\$1,403,657	38.5%
Replacement Taxes	129,955	4.3%	137,750	4.1%	147,657	4.1%
State Aid	997,254	33.0%	1,249,372	36.9%	1,373,470	37.8%
Federal Aid	415,081	13.7%	452,124	13.4%	540,723	14.9%
Investment Income	76,124	2.5%	70,198	2.1%	85,075	2.3%
All Others	93,018	3.1%	103,714	3.0%	85,587	2.4%
Total Revenues	<u>\$3,023,096</u>	<u>100.0%</u>	<u>\$3,381,239</u>	<u>100.0%</u>	<u>\$3,636,169</u>	<u>100.0%</u>
	2005		2006		2007	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
REVENUES:						
Property Taxes	\$1,639,237	39.0%	\$1,718,249	38.0%	\$1,767,760	36.7%
Replacement Taxes	145,724	3.5%	184,700	4.1%	201,509	4.2%
State Aid	1,507,115	35.9%	1,602,635	35.5%	1,701,585	35.3%
Federal Aid	762,955	18.2%	775,631	17.2%	746,029	15.5%
Investment Income	43,215	1.0%	71,947	1.6%	116,907	2.4%
All Others	102,654	2.4%	163,765	3.6%	286,230	5.9%
Total Revenues	<u>\$4,200,900</u>	<u>100.0%</u>	<u>\$4,516,927</u>	<u>100.0%</u>	<u>\$4,820,020</u>	<u>100.0%</u>

NOTES:

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

2001		2002		2003		2004	
<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
\$1,429,871	37.4%	\$1,479,968	39.2%	\$1,546,335	40.0%	\$1,571,065	38.4%
137,744	3.6%	114,313	3.0%	105,960	2.7%	120,427	2.9%
1,431,777	37.5%	1,467,914	38.9%	1,469,567	37.9%	1,481,448	36.2%
634,094	16.6%	554,750	14.7%	608,693	15.7%	730,504	17.9%
103,520	2.7%	68,050	1.8%	49,161	1.3%	39,501	1.0%
82,411	2.2%	89,505	2.4%	94,345	2.4%	149,253	3.6%
<u>\$3,819,417</u>	<u>100.0%</u>	<u>\$3,774,500</u>	<u>100.0%</u>	<u>\$3,874,061</u>	<u>100.0%</u>	<u>\$4,092,198</u>	<u>100.0%</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS

For the last ten fiscal years
(Thousands of dollars)

	1998		1999		2000	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
EXPENDITURES:						
Instruction	\$1,729,705	49.5%	\$1,818,566	47.3%	\$1,891,328	48.8%
Pupil Support						
Services	263,347	7.5%	271,876	7.0%	301,714	7.8%
General Support						
Services	654,157	18.7%	681,103	17.7%	681,916	17.5%
Food Services	129,843	3.7%	154,581	4.0%	161,614	4.2%
Community Services . . .	63,459	1.8%	65,465	1.7%	73,792	1.9%
Capital Outlay	448,019	12.8%	653,367	17.0%	547,365	14.1%
Teachers' Pension	65,045	2.0%	65,045	1.7%	65,045	1.7%
Debt Service	133,483	3.8%	135,694	3.5%	148,854	3.8%
Others	5,581	0.2%	1,790	0.1%	6,825	0.2%
Total Expenditures . . .	<u>\$3,492,639</u>	<u>100.0%</u>	<u>\$3,847,487</u>	<u>100.0%</u>	<u>\$3,878,453</u>	<u>100.0%</u>
	2005		2006		2007	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
EXPENDITURES:						
Instruction	\$2,429,014	53.3%	\$2,538,909	55.2%	\$2,491,653	51.6%
Pupil Support						
Services	323,225	7.1%	333,968	7.2%	349,324	7.2%
General Support						
Services	821,583	18.0%	893,041	19.4%	914,117	18.9%
Food Services	173,872	3.8%	172,774	3.7%	179,902	3.7%
Community Services . . .	42,325	0.9%	46,179	1.0%	45,467	0.9%
Capital Outlay	389,450	8.5%	310,817	6.7%	345,963	7.2%
Teachers' Pension	65,045	1.4%	75,398	1.6%	155,563	3.2%
Debt Service	315,809	6.9%	214,652	4.7%	342,179	7.1%
Others	5,912	0.1%	23,404	0.5%	8,126	0.2%
Total Expenditures . . .	<u>\$4,566,235</u>	<u>100.0%</u>	<u>\$4,609,142</u>	<u>100.0%</u>	<u>\$4,832,294</u>	<u>100.0%</u>

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



2001		2002		2003		2004	
<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
\$1,995,423	49.0%	\$2,152,958	52.6%	\$2,214,781	51.6%	\$2,355,114	53.8%
303,071	7.4%	311,628	7.6%	320,380	7.5%	327,653	7.5%
730,187	17.9%	750,111	18.3%	764,002	17.8%	770,629	17.6%
166,365	4.1%	160,063	3.9%	170,238	4.0%	180,588	4.1%
73,718	1.8%	47,523	1.2%	47,253	1.1%	49,933	1.1%
527,902	13.0%	381,038	9.3%	443,873	10.3%	365,336	8.3%
65,045	1.6%	65,045	1.6%	65,045	1.5%	65,045	1.5%
195,310	4.8%	219,894	5.4%	255,239	5.9%	259,590	5.9%
17,495	0.4%	5,138	0.1%	12,322	0.3%	8,128	0.2%
<u>\$4,074,516</u>	<u>100.0%</u>	<u>\$4,093,398</u>	<u>100.0%</u>	<u>\$4,293,133</u>	<u>100.0%</u>	<u>\$4,382,016</u>	<u>100.0%</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2007
With Comparative Amounts for the Fiscal Year Ended June 30, 2006
(Thousands of dollars)

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>	<u>2007 Over/(Under) 2006</u>
REVENUES:			
Local Taxes:			
Property taxes	\$1,716,516	\$1,666,118	\$ 50,398
Total revenue from local taxes	<u>\$1,716,516</u>	<u>\$1,666,118</u>	<u>\$ 50,398</u>
Local Nontax Revenue:			
Earnings on investments	\$ 61,595	\$ 36,874	\$ 24,721
Lunchroom operations	8,784	9,317	(533)
Other	<u>86,750</u>	<u>91,812</u>	<u>(5,062)</u>
Total revenue from nontax revenue	<u>\$ 157,129</u>	<u>\$ 138,003</u>	<u>\$ 19,126</u>
Total Local Revenue	<u>\$1,873,645</u>	<u>\$1,804,121</u>	<u>\$ 69,524</u>
State Grants and Subsidies:			
General state aid	\$ 888,220	\$ 868,397	\$ 19,823
Block grants	553,593	520,040	33,553
Replacement Taxes	147,403	131,639	15,764
Other	<u>107,680</u>	<u>103,924</u>	<u>3,756</u>
Total State Grants & Subsidies	<u>\$1,696,896</u>	<u>\$1,624,000</u>	<u>\$ 72,896</u>
Federal Grants and Subsidies:			
Improving America's Schools Act	\$ 269,446	\$ 273,900	\$ (4,454)
Federal lunch program	147,407	147,899	(492)
Individuals with Disabilities Education Act	81,721	99,467	(17,746)
Other	<u>213,389</u>	<u>236,465</u>	<u>(23,076)</u>
Total Federal Grants and Subsidies	<u>\$ 711,963</u>	<u>\$ 757,731</u>	<u>\$(45,768)</u>
Total Revenues	<u><u>\$4,282,504</u></u>	<u><u>\$4,185,852</u></u>	<u><u>\$ 96,652</u></u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND

DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)

For the Fiscal Year Ended June 30, 2007

With Comparative Amounts for the Fiscal Year Ended June 30, 2006

(Thousands of dollars)

	Fiscal Year 2007	Fiscal Year 2006	2007 Over/(Under) 2006
EXPENDITURES:			
Instruction:			
Salaries	\$1,733,181	\$1,728,153	\$ 5,028
Commodities	74,778	86,351	(11,573)
Services	321,455	281,134	40,321
Equipment	23,885	27,597	(3,712)
Building and Sites	3,375	3,749	(374)
Fixed Charges	<u>334,979</u>	<u>411,925</u>	<u>(76,946)</u>
Total Instruction	<u>\$2,491,653</u>	<u>\$2,538,909</u>	<u>\$(47,256)</u>
Pupil Support Services:			
Salaries	\$ 194,993	\$ 188,101	\$ 6,892
Commodities	1,358	2,128	(770)
Services	104,431	102,120	2,311
Equipment	842	860	(18)
Building and Sites	281	196	85
Fixed Charges	<u>47,419</u>	<u>40,563</u>	<u>6,856</u>
Total Pupil Support Services	<u>\$ 349,324</u>	<u>\$ 333,968</u>	<u>\$ 15,356</u>
Administrative Support Services:			
Salaries	\$ 89,789	\$ 88,111	\$ 1,678
Commodities	7,469	4,907	2,562
Services	49,084	39,907	9,177
Equipment	3,064	2,584	480
Building and Sites	2,935	4,872	(1,937)
Fixed Charges	<u>20,942</u>	<u>15,599</u>	<u>5,343</u>
Total Administrative Support Service	<u>\$ 173,283</u>	<u>\$ 155,980</u>	<u>\$ 17,303</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2007
With Comparative Amounts for the Fiscal Year Ended June 30, 2006
(Thousands of dollars)

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>	<u>2007 Over/(Under) 2006</u>
EXPENDITURES			
Facilities Support Services:			
Salaries	\$ 81,180	\$ 78,092	\$ 3,088
Commodities	84,395	78,005	6,390
Services	124,265	145,980	(21,715)
Equipment	2,531	2,039	492
Building and Sites	24,371	28,287	(3,916)
Fixed Charges	<u>36,668</u>	<u>24,703</u>	<u>11,965</u>
Total Facilities Support Services	<u>\$353,410</u>	<u>\$357,106</u>	<u>\$ (3,696)</u>
Instructional Support Services:			
Salaries	\$280,621	\$285,408	\$ (4,787)
Commodities	19,682	15,721	3,961
Services	29,161	24,496	4,665
Equipment	2,690	3,619	(929)
Building and Sites	1,825	1,904	(79)
Fixed Charges	<u>53,445</u>	<u>48,807</u>	<u>4,638</u>
Total Instructional Support Services	<u>\$387,424</u>	<u>\$379,955</u>	<u>\$ 7,469</u>
Food Services:			
Salaries	\$ 60,003	\$ 58,188	\$ 1,815
Commodities	82,875	85,139	(2,264)
Services	3,295	3,359	(64)
Equipment	1,246	1,207	39
Fixed Charges	<u>32,483</u>	<u>24,881</u>	<u>7,602</u>
Total Food Services	<u>\$179,902</u>	<u>\$172,774</u>	<u>\$ 7,128</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2007
With Comparative Amounts for the Fiscal Year Ended June 30, 2006
(Thousands of dollars)

	Fiscal Year 2007	Fiscal Year 2006	2007 Over(Under) 2006
EXPENDITURES			
Community Services:			
Salaries	\$ 19,169	\$ 21,384	\$ (2,215)
Commodities	2,718	3,313	(595)
Services	17,782	16,283	1,499
Equipment	315	399	(84)
Building and Sites	189	194	(5)
Fixed Charges	5,294	4,606	688
Total Community Services	<u>\$ 45,467</u>	<u>\$ 46,179</u>	<u>\$ (712)</u>
Teachers' Pension:			
Fixed Charges	<u>\$ 155,563</u>	<u>\$ 75,398</u>	<u>\$ 80,165</u>
Total Teachers' Pension	<u>\$ 155,563</u>	<u>\$ 75,398</u>	<u>\$ 80,165</u>
Capital outlay:			
Salaries	\$ 5	\$ —	\$ 5
Services	902	—	902
Equipment	40	—	40
Fixed Charges	1	—	1
Total Capital outlay	<u>\$ 948</u>	<u>\$ —</u>	<u>\$ 948</u>
Debt Service:			
Fixed Charges	<u>\$ 1,269</u>	<u>\$ 1,420</u>	<u>\$ (151)</u>
Total Debt Service	<u>\$ 1,269</u>	<u>\$ 1,420</u>	<u>\$ (151)</u>
Other:			
Salaries	\$ 317	\$ 6,287	\$ (5,970)
Commodities	494	—	494
Services	3	18,625	(18,622)
Equipment	1	25	(24)
Building and Sites	—	59	(59)
Fixed Charges	7,311	(1,592)	8,903
Total Other	<u>\$ 8,126</u>	<u>\$ 23,404</u>	<u>\$ (15,278)</u>
Total Expenditures	<u><u>\$4,146,369</u></u>	<u><u>\$4,085,093</u></u>	<u><u>\$ 61,276</u></u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
GENERAL OPERATING FUND:				
Capital leases	\$ —	\$ —	\$ —	\$ —
Transfers in/(out)	<u>(12,015)</u>	<u>—</u>	<u>11,436</u>	<u>(46,797)</u>
Total General Operating Fund	<u><u>\$ (12,015)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 11,436</u></u>	<u><u>\$ (46,797)</u></u>
ALL OTHER GOVERNMENTAL FUNDS:				
Gross amounts from debt issuances	\$499,995	\$ 875,268	\$324,784	\$474,460
Amount from notes	—	—	—	—
Premiums	—	3,372	6,515	—
Discounts	(19,975)	—	—	(2,644)
Proceeds from swaps	—	—	—	—
Payment to refunded bond escrow agent . .	—	(243,612)	—	—
Sales of general capital assets	—	—	—	—
Transfers in/(out)	<u>12,015</u>	<u>—</u>	<u>(11,436)</u>	<u>46,797</u>
	<u><u>\$492,035</u></u>	<u><u>\$ 635,028</u></u>	<u><u>\$319,863</u></u>	<u><u>\$518,613</u></u>

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ —	\$ —	\$ —	\$ —	\$ 3,700	\$ —
<u>1,527</u>	<u>7,711</u>	<u>15,071</u>	<u>328</u>	<u>445</u>	<u>1,904</u>
<u>\$ 1,527</u>	<u>\$ 7,711</u>	<u>\$ 15,071</u>	<u>\$ 328</u>	<u>\$ 4,145</u>	<u>\$ 1,904</u>
\$721,138	\$308,635	\$ 765,995	\$ 524,260	\$385,603	\$355,805
—	—	—	5,500	—	—
—	8,803	21,043	43,450	4,124	14,444
(8)	—	—	—	(326)	—
—	—	—	—	19,345	—
—	—	(534,375)	(282,478)	—	—
—	—	—	—	—	25,673
<u>(1,527)</u>	<u>(7,711)</u>	<u>(15,071)</u>	<u>(328)</u>	<u>(445)</u>	<u>(1,904)</u>
<u>\$719,603</u>	<u>\$309,727</u>	<u>\$ 237,592</u>	<u>\$ 290,404</u>	<u>\$408,301</u>	<u>\$394,018</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>Non-Capital</u>	<u>Ratio</u>
1998	\$133,483	\$3,044,620	0.04 : 1
1999	135,694	3,194,120	0.04 : 1
2000	148,854	3,331,088	0.04 : 1
2001	195,310	3,546,614	0.06 : 1
2002	219,894	3,712,360	0.06 : 1
2003	255,239	3,849,260	0.07 : 1
2004	259,590	4,016,680	0.06 : 1
2005	315,809	4,176,785	0.08 : 1
2006	214,652	4,298,325	0.05 : 1
2007	342,179	4,486,331	0.08 : 1





Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Rate per \$100 of equalized assessed valuation)

<u>School Direct Rates</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Education	\$2.998	\$3.059	\$3.000	\$2.756	\$2.712
Medicare	0.022	0.044	0.048	0.047	0.031
Worker's and Unemployment Compensation/Tort Immunity	0.246	0.192	0.206	0.141	0.191
PBC Operation & Maintenance	0.719	0.722	0.701	0.640	0.685
Public Building Commission	<u>0.099</u>	<u>0.155</u>	<u>0.149</u>	<u>0.130</u>	<u>0.125</u>
TOTAL DIRECT RATE:	\$4.084	\$4.172	\$4.104	\$3.714	\$3.744
Chicago Finance Authority	0.270	0.268	0.255	0.223	0.223
City of Chicago	2.024	1.998	1.860	1.660	1.637
Chicago City Colleges	0.356	0.354	0.347	0.311	0.307
Chicago Park District	0.665	0.653	0.627	0.572	0.567
Metropolitan Water Reclamation District	0.451	0.444	0.419	0.415	0.401
Cook County	0.919	0.911	0.854	0.824	0.746
Cook County Forest Preserve	<u>0.074</u>	<u>0.072</u>	<u>0.070</u>	<u>0.069</u>	<u>0.067</u>
TOTAL FOR ALL GOVERNMENTS:	<u>\$8.843</u>	<u>\$8.872</u>	<u>\$8.536</u>	<u>\$7.788</u>	<u>\$7.692</u>

Source: Cook County Clerk's Office

Note:

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

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



<u>2003</u>	<u>2004 (A)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$2.670	\$2.258	\$2.301	\$2.143	\$2.078
0.017	—	—	—	—
0.150	0.219	0.131	0.228	0.021
0.609	0.565	0.576	0.565	0.521
<u>0.116</u>	<u>0.100</u>	<u>0.096</u>	<u>0.090</u>	<u>0.077</u>
\$3.562	\$3.142	\$3.104	\$3.026	\$2.697
0.177	0.151	0.177	0.127	0.118
1.591	1.380	1.302	1.243	1.062
0.280	0.246	0.242	0.234	0.205
0.545	0.464	0.455	0.443	0.379
0.371	0.361	0.347	0.315	0.284
0.690	0.630	0.593	0.533	0.500
<u>0.061</u>	<u>0.059</u>	<u>0.060</u>	<u>0.060</u>	<u>0.057</u>
<u>\$7.277</u>	<u>\$6.433</u>	<u>\$6.280</u>	<u>\$5.981</u>	<u>\$5.302</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(In thousands of dollars)

Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Collected within the Fiscal Year of Extension (A)		Collections in Subsequent Years	Total Collections to Date (C)	
			Amount	Percentage of Extension		Amount	Percentage of Extension
1997	1998 (B)	\$1,362,211	\$618,949	45.44%	\$703,847	\$1,322,796	97.11%
1998	1999 (B)	1,416,346	618,606	43.68%	761,191	1,379,797	97.42%
1999	2000 (B)	1,451,206	659,950	45.48%	766,215	1,426,165	98.27%
2000	2001 (B)	1,503,488	682,356	45.38%	789,824	1,472,180	97.92%
2001	2002 (B)	1,571,962	694,681	44.19%	856,268	1,550,949	98.66%
2002	2003 (B)	1,614,473	753,457	46.67%	830,145	1,583,602	98.09%
2003	2004 (B)	1,670,337	757,156	45.33%	883,801	1,640,957	98.24%
2004	2005 (B)	1,716,111	769,982	44.87%	937,923	1,707,905	99.52%
2005	2006 (B)	1,794,063	804,755	44.86%	955,889	1,760,644	98.14%
2006	2007 (B)	1,874,750	835,191	44.55%	—	—	—

Note:

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





Chicago Public Schools
Every Child, Every School

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(In thousands of dollars)

Tax Year Levy	Fiscal Year Ended	Assessed Values (A)				Total
		Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	
1997	1998	\$ 6,554,717	\$2,077,044	\$ 7,809,486	\$262,032	\$16,703,279
1998	1999	6,646,198	2,047,577	7,848,335	267,006	16,809,116
1999	2000	6,777,400	2,021,411	7,910,838	282,255	16,991,904
2000	2001	8,758,682	1,966,921	8,807,444	342,942	19,875,989
2001	2002	8,973,796	1,923,257	8,757,366	354,036	20,008,455
2002	2003	9,221,622	1,865,646	8,878,142	349,371	20,314,781
2003	2004	12,677,199	2,233,572	10,303,731	487,680	25,702,182
2004	2005	12,988,216	1,883,048	10,401,429	465,462	25,738,155
2005	2006	13,420,538	1,842,613	10,502,698	462,099	26,227,948
2006	2007	18,521,873	2,006,898	12,157,149	688,868	33,374,788

NOTES:

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



<u>State Equalization Factor (F)</u>	<u>Total Equalized Assessed Value (G)</u>	<u>Total Direct Tax Rate (H)</u>	<u>Total Estimated Fair Cash Value (I)</u>	<u>Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%)</u>
2.1489	\$33,349,557	4.084	\$106,282,207	31.38%
2.1799	33,940,146	4.172	112,606,894	30.14%
2.2505	35,354,802	4.104	124,544,158	28.39%
2.2235	40,480,077	3.714	165,520,130	24.46%
2.3098	41,981,912	3.744	164,572,708	25.51%
2.4689	45,330,892	3.562	189,362,475	23.94%
2.4598	53,168,632	3.142	263,482,258	20.18%
2.5757	55,277,096	3.104	262,080,627	21.09%
2.7320	59,304,530	3.026	286,354,518	20.71%
2.7076	69,511,192	2.697	N/A	N/A

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Property	2006			2005		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Sear's Tower	\$ 493,803	1	0.71%	\$ 519,080	1	0.88%
AON Building	356,510	2	0.51%	341,767	2	0.58%
AT&T Corporate Center 1	283,387	3	0.41%	268,519	4	0.45%
Prudential Plaza	279,532	4	0.40%	295,933	3	0.50%
Chase Tower	238,266	5	0.34%	259,021	5	0.44%
Water Tower Place	219,995	6	0.32%	183,187	9	0.31%
Northwestern Atrium	205,854	7	0.30%	205,727	6	0.35%
Leo Burnett Building	201,662	8	0.29%	188,219	8	0.32%
Three First National Plaza	196,044	9	0.28%	190,340	7	0.32%
One North Wacker	189,061	10	0.27%			
Equity Office Properties				179,134	10	0.30%
Lakeside Tech Ct.						
	<u>\$2,664,114</u>		<u>3.83%</u>	<u>\$2,630,927</u>		<u>4.45%</u>
Property	2001			2000		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Sear's Tower	\$ 395,636	1	0.94%	\$ 318,983	1	0.79%
AON Building	255,702	2	0.61%	227,033	2	0.56%
AT&T Corporate Center 1	202,096	6	0.48%	164,722	6	0.41%
Prudential Plaza	207,991	4	0.50%	169,484	5	0.42%
Chase Tower	207,203	5	0.49%	191,951	4	0.47%
Northwestern Atrium	140,309	8	0.33%			
Leo Burnett						
Three First National Plaza	135,485	10	0.32%	135,204	7	0.33%
Lakeside Tech Ct.						
Bank One Plaza						
Chicago Mercantile Exchange	234,430	3	0.56%	209,010	3	0.52%
Citicorp Plaza	145,476	7	0.35%	134,961	8	0.33%
Cigna						
Three First National Plaza						
Amoco Building						
Hyatt Regency Hotel	139,957	9	0.33%	114,266	9	0.28%
900 North Michigan				111,557	10	0.28%
One First National Plaza						
	<u>\$2,064,285</u>		<u>4.91%</u>	<u>\$1,777,171</u>		<u>4.39%</u>

Source: Cook County Treasurer's Office and Cook County Assessor's Office
N/A — Not available

2004			2003			2002		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
\$ 489,383	1	0.89%	\$ 467,362	1	0.88%	\$ 417,723	1	0.92%
322,214	2	0.58%	307,715	2	0.58%	283,923	2	0.63%
253,156	4	0.46%	241,765	4	0.45%	196,455	5	0.43%
279,002	3	0.50%	266,448	3	0.50%	230,946	3	0.51%
244,202	5	0.44%	233,214	5	0.44%	230,071	4	0.51%
172,706	9	0.31%	164,935	9	0.31%	145,665	10	0.32%
193,957	6	0.35%	185,230	6	0.35%	155,794	7	0.34%
177,450	8	0.32%	169,466	8	0.32%	148,240	9	0.33%
179,451	7	0.32%	171,376	7	0.32%	150,438	8	0.33%
168,886	10	0.31%	161,286	10	0.30%	160,564	6	0.35%
<u>\$2,480,407</u>		<u>4.48%</u>	<u>\$2,368,797</u>		<u>4.45%</u>	<u>\$2,119,819</u>		<u>4.67%</u>
1999			1998			1997		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
\$ 318,984	1	0.90%	\$ 301,947	1	0.89%	\$ 291,616	1	0.87%
—			—			—		
164,723	5	0.47%	159,556	5	0.47%	157,287	5	0.47%
169,483	4	0.48%	164,168	4	0.48%	161,834	4	0.49%
—			—			—		
111,557	9	0.32%	108,058	9	0.32%	106,521	9	0.32%
—			—			—		
191,950	3	0.54%	185,930	3	0.55%	—		
109,676	10	0.31%	106,235	10	0.31%	104,724	10	0.31%
134,960	7	0.38%	130,726	7	0.39%	128,867	7	0.38%
120,393	8	0.34%	116,616	8	0.34%	112,441	8	0.34%
135,203	6	0.38%	130,962	6	0.39%	129,099	6	0.39%
227,033	2	0.64%	219,910	2	0.65%	212,586	2	0.64%
—			—			183,286	3	0.55%
<u>\$1,683,962</u>		<u>4.76%</u>	<u>\$1,624,108</u>		<u>4.79%</u>	<u>\$1,588,261</u>		<u>4.76%</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA

For the last ten fiscal years

Statewide Replacement Tax Data (A)

<u>Calendar Year</u>	<u>Invested Capital Tax Collections</u>	<u>Business Income Tax Collections (Net of Refunds)</u>	<u>Net Adjustments (C)</u>	<u>Total Replacement Tax Allocations to Local Govts.</u>	<u>Board Percent (H)</u>
1998	\$206,668,412	\$ 733,695,881	\$ 42,277,861	\$ 982,642,154	14.00%
1999	212,548,199	733,006,815	13,810,698	959,365,712	14.00%
2000	210,658,641	846,070,645	7,675,153	1,064,404,439	14.00%
2001	253,904,237	682,900,875	26,877,270	963,682,382	14.00%
2002	207,501,611	568,278,611	(5,993,471)	769,786,751	14.00%
2003	199,943,717	579,537,177	(1,991,328)	777,489,566	14.00%
2004	227,782,071	601,155,429	41,328,938	870,266,438	14.00%
2005	213,905,309	870,816,418	111,548,531	1,196,270,258	14.00%
2006	227,423,096	1,016,872,677	39,747,236	1,284,043,009	14.00%
2007(G)	154,531,272	941,223,171	91,025,542	1,186,779,985	14.00%

NOTES:

- A. *Source:* Illinois Department of Revenue
- B. *Source:* Board of Education of the City of Chicago
- C. Consists of adjustments for administrative fees, interest earned on deposits, interfund transfers, timing of collections and payments and related items.
- D. All Board's debt for which there was a replacement tax obligation was retired by the end of 1995.
- E. The amount of the Statutory Claim for pension and retirement purposes has varied over the past 10 years, primarily as a result of (a) increases in required employer contributions funded from property taxes as a consequence of increased payroll and employee contributions (1985-1990 and 1994-1995), (b) a temporary suspension of the statutory requirement that property taxes be applied to pension and retirement purposes (1991-1993), and (c) the suspension of the statutory requirement that property taxes be applied to pension and retirement purposes (1996 and all years thereafter).
- F. Reflects reductions to pay applicable Statutory Claims. All Statutory Claims with respect to debt service have been paid and, under the Statute Revenue Sharing Act, no future Statutory Claims with respect to debt service will arise or need to be paid.
- G. Replacement tax collection for January 1, 2007 — August 31, 2007 only.
- H. Percentage rounded.
- I. Estimated.

Board Replacement Tax Data (B)

Statutory Claims (B)					
Allocations to Board	Allocations for Prior Debt Service (D)	Allocations for Pension Obligations (E)	Remainder after Allocations for Statutory Claims	Pro-Forma Pledged Revenues (F)	Fiscal Year Recorded Revenues
\$137,609,020	\$—	\$—	\$137,609,020	\$137,609,020	\$129,955,000
134,356,610	—	—	134,356,610	134,356,610	137,749,536
149,059,239	—	—	149,059,239	149,059,239	147,657,000
134,934,126	—	—	134,934,126	134,934,126	137,744,000
107,800,973	—	—	107,800,973	107,800,973	114,313,000
108,879,677	—	—	108,879,677	108,879,677	105,959,557
121,872,155	—	—	121,872,155	121,872,155	120,427,242
167,526,745	—	—	167,526,745	167,526,745	145,724,052
179,817,446	—	—	179,817,446	179,817,446	184,699,266
200,655,430	—	—	200,655,430	200,655,430	201,509,427

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December	Total
1998	\$20,065,684	\$ 7,513,742	\$28,179,417	\$17,381,659	\$23,455,991	\$ 9,333,844	\$20,907,185	\$10,771,498	\$137,609,020
1999	18,839,603	7,374,663	28,306,409	15,119,232	27,097,102	5,357,190	25,158,521	7,103,890	134,356,610
2000	16,886,066	9,745,046	39,992,847	14,519,931	28,893,667	5,385,783	25,132,569	8,503,330	149,059,239
2001	19,256,949	9,853,297	25,603,017	18,352,614	25,636,258	3,148,346	24,440,723	8,642,922	134,934,126
2002	16,842,147	6,478,868	25,630,253	12,181,929	16,948,258	2,701,807	19,106,650	7,911,061	107,800,973
2003	14,730,281	6,208,549	25,757,619	12,117,348	17,426,241	1,749,411	16,757,860	14,132,368	108,879,677
2004	19,906,464	8,669,066	26,475,210	13,494,987	19,241,877	8,379,867	19,602,544	6,102,140	121,872,155
2005	21,166,525	11,653,412	33,977,017	18,816,369	26,026,179	20,285,121	27,393,274	8,208,848	167,526,745
2006	24,520,445	8,553,752	38,608,787	24,789,508	32,340,532	10,213,846	32,635,826	8,154,750	179,817,445
2007	23,706,088	12,541,684	42,960,330	35,720,916	35,575,987	8,413,337	32,603,768	9,133,320 (l)	200,655,430

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2007

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2006 EAV \$</u>	<u>% Change in EAV (for 2006)</u>
Addison Corridor North	6/4/1997	2020	\$ 14,400,224	\$ 47,027,399	226.6%
Addison/Kimball	1/12/2000	2023	883,731	10,059,118	1038.3%
Archer Courts	5/12/1999	2022	85,326	5,632,234	6500.8%
Archer/Central	5/17/2000	2023	37,646,911	54,457,484	44.7%
Avalon Park/South Shore	7/31/2002	2025	22,180,151	36,228,889	63.3%
Belmont/Central	1/12/2000	2023	74,974,945	129,687,808	73.0%
Belmont/Cicero	1/12/2000	2023	33,673,880	58,306,995	73.2%
Bloomingtondale/Laramie	9/15/1993	2016	1,206,101	522,565	-56.7%
Bronzeville	11/4/1998	2021	52,170,301	128,073,375	145.5%
Bryn Mawr /Broadway	12/11/1996	2019	17,682,409	49,533,716	180.1%
Calumet/Cermak	7/29/1998	2021	3,219,685	156,929,106	4774.1%
Canal/Congress	11/12/1998	2021	36,872,487	358,167,130	871.4%
Central Loop	6/20/1984	2007	985,292,154	3,075,597,254	212.2%
Central West	2/16/2000	2023	62,116,168	301,722,834	385.7%
Chatham Ridge	12/18/1986	2009	2,626,632	35,217,552	1240.8%
Chicago/CentralPark	2/27/2002	2025	84,789,947	198,536,129	134.2%
Chicago/Kingsbury	4/12/2000	2023	38,520,712	225,703,808	485.9%
Chinatown Basin	12/18/1986	2009	131,657	46,798,165	35445.5%
Cicero/Archer	5/17/2000	2023	19,629,324	36,507,667	86.0%
Clark/Montrose	7/7/1999	2022	23,433,096	58,690,978	150.5%
Clark/Ridge	9/29/1999	2022	39,619,368	72,099,088	82.0%
Commercial Ave.	11/13/2002	2025	40,748,652	68,171,222	67.3%
Devon/Sheridan	3/31/2004	2027	46,265,220	54,267,046	17.3%
Devon/Western	11/3/1999	2022	71,430,503	73,207,852	2.5%
Diversey/Narragansett	2/5/2003	2026	34,746,231	70,663,720	103.4%
Division/Homan	6/27/2001	2024	24,683,716	44,411,625	79.9%
Division/Hooker	7/10/1996	2019	380,624	4,520,720	1087.7%
Division/North Branch	3/15/1991	2014	482,150	2,115,870	338.8%
Drexel Blvd.	7/10/2002	2025	127,408	3,178,510	2394.7%
Eastman/North Branch	10/7/1993	2016	2,222,210	6,949,177	212.7%
Edgewater	12/18/1986	2009	479,172	5,565,282	1061.4%
Edgewater/Ashland	10/1/2003	2026	1,875,282	37,349,398	1891.7%
Englewood Mall	11/29/1989	2012	3,868,736	12,438,210	221.5%
Englewood Neighborhood	6/27/2001	2024	56,079,946	155,539,300	177.4%
Fullerton/Milwaukee	2/16/2000	2023	85,157,390	189,459,009	122.5%
Fullerton/Normandy	10/7/1993	2016	2,031,931	13,697,709	574.1%
Galewood/Armitage	7/7/1999	2022	48,056,697	82,633,846	72.0%
Goose Island	7/10/1996	2019	13,676,187	70,000,072	411.8%
Greater Southwest (West)	4/12/2000	2023	115,603,413	133,946,341	15.9%
Homan/Arthington	2/5/1998	2021	2,658,362	13,903,339	423.0%
Homan/Grand Trunk	12/15/1993	2016	35,753	3,515,118	9731.7%
Howard/Paulina	10/14/1988	2011	10,081,104	42,533,720	321.9%
Humbolt Park Commercial	6/27/2001	2024	32,161,252	84,282,034	162.1%
Irving Park/Cicero	6/10/1996	2019	8,150,631	18,665,440	129.0%
Jefferson Park	9/9/1998	2021	23,970,085	41,357,839	72.5%
Jefferson/Roosevelt	8/30/2000	2023	52,292,656	88,622,718	69.5%
Kinzie Industrial Corridor	6/10/1998	2021	142,386,487	445,391,864	212.8%
Lake Calumet	12/13/2000	2023	189,582,050	299,723,810	58.1%



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

<u>TIF District</u>	<u>Date TIF Initiated</u>	<u>Date TIF Matures</u>	<u>Initial EAV \$</u>	<u>2006 EAV \$</u>	<u>% Change in EAV (for 2006)</u>
Lakefront	3/27/2002	2025	\$ —	\$ 2,000,434	0.0%
Lakeside/Clarendon	7/21/2004	2027	3,091,585	7,249,366	134.5%
LaSalle Central	6/26/2006	2029	4,192,663,826	4,345,456,687	3.6%
Lawrence/Broadway	6/27/2001	2024	38,603,611	96,097,205	148.9%
Lawrence/Kedzie	2/16/2000	2023	110,395,843	238,994,423	116.5%
Lawrence/Pulaski	2/27/2002	2025	43,705,743	65,876,311	50.7%
Lincoln Avenue	11/3/1999	2022	63,741,191	108,202,078	69.8%
Lincoln/Belmont/Ashland	11/2/1994	2017	2,457,347	21,755,883	785.3%
Madden/Wells	11/6/2002	2025	1,333,570	10,832,896	712.3%
Madison/Austin Corridor	9/29/1999	2022	48,748,259	84,363,578	73.1%
Michigan/Cermak	9/13/1989	2013	5,858,634	19,013,820	224.5%
Midway Ind. Corridor	2/16/2000	2023	48,652,950	78,631,189	61.6%
Midwest	5/17/2000	2023	98,087,099	350,012,597	256.8%
Montclare	8/30/2000	2023	792,770	8,442,405	964.9%
Near North	7/30/1997	2020	41,671,541	311,141,902	646.7%
Near South	8/3/1994	2017	128,567,383	898,917,906	599.2%
Near West	6/10/1996	2019	36,805,570	231,399,072	528.7%
North Ave./Cicero	7/30/1997	2020	5,658,542	29,867,820	427.8%
North Branch North	7/2/1997	2020	29,574,537	107,833,122	264.6%
North Branch South	2/5/1998	2021	44,361,677	149,552,366	237.1%
NW Industrial Corridor	12/2/1998	2021	146,115,991	269,248,358	84.3%
Ohio/Wabash	6/7/2000	2023	1,278,143	29,724,875	2225.6%
Peterson/Cicero	2/16/2000	2023	1,116,653	1,450,757	29.9%
Peterson/Pulaski	2/16/2000	2023	40,112,395	60,229,370	50.2%
Pilsen Industrial Corridor	6/10/1998	2021	111,203,219	274,372,215	146.7%
Portage Park	9/9/1998	2021	65,084,552	118,191,436	81.6%
Pulaski Corridor	6/9/1999	2022	82,778,075	153,562,797	85.5%
Ravenswood Corridor	10/15/2005	2028	44,169,275	53,992,219	22.2%
Read/Dunning	1/11/1991	2014	6,382,072	55,118,888	763.7%
River South	7/30/1997	2020	65,852,957	265,255,041	302.8%
River West	1/10/2001	2024	50,463,240	211,138,127	318.4%
Roosevelt/Canal	3/19/1997	2019	1,276,969	25,521,556	1898.6%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	81,795,826	81.0%
Roosevelt/Homan	12/5/1990	2013	3,539,018	21,464,735	506.5%
Roosevelt/Racine (DOH)	11/4/1998	2021	6,992,428	23,479,298	235.8%
Roosevelt/Union	5/12/1999	2022	4,369,258	70,301,997	1509.0%
Roseland/Michigan	1/16/2002	2025	29,627,768	39,781,403	34.3%
Ryan/Garfield	12/18/1986	2009	166,083	7,001,077	4115.4%
Sanitary & Ship Canal	7/24/1991	2014	10,722,329	28,224,785	163.2%
South Chicago	4/12/2000	2023	14,775,992	35,178,788	138.1%
South Works	11/3/1999	2023	3,823,633	7,634,155	99.7%
Stockyards Annex	12/11/1996	2019	38,650,631	69,095,595	78.8%
Stockyards-Industrial	3/8/1989	2014	11,178,459	46,148,502	312.8%
Stockyards-Southeast Quad	2/26/1992	2015	21,527,824	49,805,630	131.4%
Stony Island Com/Burnside	6/10/1998	2021	46,058,038	90,603,704	96.7%
Southwest Ind. Corridor	3/10/1999	2022	17,662,923	30,342,078	71.8%
West Grand	6/10/1996	2019	465,129	2,072,508	345.6%
West Irving Park	1/12/2000	2023	36,446,831	58,390,921	60.2%
West Pullman Ind. Park	3/11/1998	2021	7,050,845	9,208,212	30.6%
West Ridge/Peterson	10/27/1986	2009	1,617,926	7,640,403	372.2%
Western Ave. North	1/12/2000	2023	71,260,546	146,788,015	106.0%
Western Ave. South	1/12/2000	2023	69,515,261	172,863,669	148.7%
Western/Ogden Ind. Corridor	2/5/1998	2021	33,184,486	129,608,487	290.6%
Wilson Yard	6/27/2001	2024	55,960,211	165,931,258	196.5%
Woodlawn	1/20/1999	2022	28,865,833	81,206,867	181.3%
105th Vincennes	10/3/2001	2024	1,268,074	4,836,450	281.4%

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

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2006 EAV \$	% Change in EAV (for 2006)
111th St./Kedzie	9/29/1999	2022	\$ 14,456,141	\$ 24,815,658	71.7%
119th/I-57	11/6/2002	2025	16,097,672	33,101,302	105.6%
119th/Halsted	2/6/2002	2025	18,853,913	32,611,443	73.0%
126th/Torrence	12/21/1994	2017	1,224,731	21,669,463	1669.3%
24th/Michigan	7/21/1999	2022	15,874,286	29,196,194	83.9%
26th/Kostner	4/29/1998	2021	2,834,583	4,842,977	70.9%
35th/Halsted	1/14/1997	2020	80,938,228	146,737,945	81.3%
35th/State	1/14/2004	2027	3,978,955	11,567,852	190.7%
35th/Wallace	12/15/1999	2022	9,047,402	16,589,317	83.4%
41st/King Drive	7/13/1994	2017	129,892	3,152,210	2326.8%
43rd/Cottage Grove	7/8/1998	2021	7,038,638	50,351,279	615.4%
43rd/Damen	8/3/1994	2017	5,596,786	7,895,035	41.1%
45th/Western Industrial	3/27/2002	2025	2,188,976	5,065,283	131.4%
47th/Ashland	3/27/2002	2025	53,606,185	94,412,874	76.1%
47th/Halsted	5/29/2002	2025	39,164,012	92,950,909	137.3%
47th/King Drive	3/27/2002	2025	61,269,066	186,669,520	204.7%
47th/State	7/21/2004	2027	19,279,360	45,485,945	135.9%
49th/St. Lawrence	1/10/1996	2018	683,377	8,563,960	1153.2%
51st/Archer	5/17/2000	2023	29,522,751	42,543,776	44.1%
53rd St.	1/10/2001	2024	23,168,822	38,463,876	66.0%
60th/Western	5/9/1996	2019	2,464,026	7,665,741	211.1%
63rd/Pulaski	5/17/2000	2023	56,171,856	96,444,204	71.7%
67th/Cicero	10/2/2002	2025	—	5,858,921	0.0%
69th/Ashland	1/11/2000	2027	813,600	2,082,084	155.9%
71st/Stony Island	3/4/2005	2021	53,506,725	108,139,678	102.1%
72nd/Cicero	11/17/1993	2016	6,531,993	12,027,263	84.1%
73rd/Kedzie	11/17/1993	2017	14,587,780	13,119,191	-10.1%
79th Street Corridor	7/8/1998	2021	21,576,305	34,950,866	62.0%
79th/SW Highway	10/3/2001	2024	36,347,823	59,625,139	64.0%
83rd/Stewart	3/21/2004	2027	10,618,689	13,534,009	27.5%
87th/Cottage Grove	11/13/2002	2025	53,959,824	93,471,829	73.2%
89th/State	4/1/1998	2021	3,827,328	10,396,271	171.6%
95th/Stony Island	5/16/1990	2013	2,622,436	24,015,674	815.8%
95th/Western	7/13/1995	2018	16,035,773	31,418,920	95.9%
			<u>\$9,364,921,164</u>	<u>\$18,623,897,755</u>	

NOTES:

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

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

For the fiscal year ended June 30, 2007

(Thousands of dollars)

<u>Fiscal Year</u>	<u>CPS Debts</u>	<u>PBC Leases</u>	<u>Total CPS and PBC Debt</u>	<u>SFA Debts</u>	<u>Total</u>
2008	\$ 211,237	\$ 51,800	\$ 263,037	\$ 68,093	\$ 331,130
2009	216,415	51,838	268,253	70,250	338,503
2010	294,724	51,830	346,554	—	346,554
2011	295,375	51,874	347,249	—	347,249
2012	307,991	51,926	359,917	—	359,917
2013	288,570	51,963	340,533	—	340,533
2014	309,634	51,981	361,615	—	361,615
2015	299,328	52,029	351,357	—	351,357
2016	309,918	52,001	361,919	—	361,919
2017	300,937	52,019	352,956	—	352,956
2018	304,872	52,070	356,942	—	356,942
2019	304,925	52,099	357,024	—	357,024
2020	328,364	30,636	359,000	—	359,000
2021	364,091	—	364,091	—	364,091
2022	357,811	—	357,811	—	357,811
2023	329,544	—	329,544	—	329,544
2024	352,441	—	352,441	—	352,441
2025	351,963	—	351,963	—	351,963
2026	351,598	—	351,598	—	351,598
2027	350,952	—	350,952	—	350,952
2028	320,966	—	320,966	—	320,966
2029	412,744	—	412,744	—	412,744
2030	350,235	—	350,235	—	350,235
2031	349,568	—	349,568	—	349,568
2032	347,973	—	347,973	—	347,973
2033	95,659	—	95,659	—	95,659
2034	71,019	—	71,019	—	71,019
2035	55,171	—	55,171	—	55,171
2036	41,180	—	41,180	—	41,180
2037	22,500	—	22,500	—	22,500
TOTAL:	<u>\$8,297,705</u>	<u>\$654,066</u>	<u>\$8,951,771</u>	<u>\$138,343</u>	<u>\$9,090,114</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	4/26/1996 Series 1996 \$350 Million Bond Issue		5/7/1997 Series 1997 \$500 Million Bond Issue		12/3/1997 Series 1997A \$499.9 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 3,190	\$ 3,179	\$ 9,970	\$ 4,450	\$ —	\$ 24,278
2009	3,390	2,981	10,605	3,781	—	24,278
2010	10,495	2,551	11,465	3,036	—	24,278
2011	11,145	1,875	12,235	2,236	—	24,278
2012	11,830	1,157	13,050	1,383	7,332	32,192
2013	12,600	394	13,960	471	6,907	32,616
2014	—	—	—	—	6,501	33,022
2015	—	—	—	—	6,113	33,410
2016	—	—	—	—	5,743	33,781
2017	—	—	—	—	5,389	34,134
2018	—	—	—	—	15,240	23,867
2019	—	—	—	—	16,065	23,034
2020	—	—	—	—	16,910	22,168
2021	—	—	—	—	25,275	21,061
2022	—	—	—	—	26,600	19,699
2023	—	—	—	—	28,000	18,266
2024	—	—	—	—	34,660	16,621
2025	—	—	—	—	36,475	14,754
2026	—	—	—	—	38,390	12,788
2027	—	—	—	—	40,410	10,720
2028	—	—	—	—	42,530	8,543
2029	—	—	—	—	44,760	6,251
2030	—	—	—	—	47,110	3,840
2031	—	—	—	—	49,585	1,302
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$52,650</u>	<u>\$12,137</u>	<u>\$71,285</u>	<u>\$15,357</u>	<u>\$499,995</u>	<u>\$499,181</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	9/24/1998 Series 1998 \$14 Million Bond Issue		10/29/1998 Series 1998B-1 \$328.7 Million Bond Issue		2/25/1999 Series 1999A \$532.5 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ —	\$—	\$ —	\$ —	\$ 1,229	\$ 12,975
2009	—	—	—	—	2,295	13,635
2010	—	—	17,825	11,535	24,342	27,382
2011	—	—	16,843	12,522	23,019	28,710
2012	14,000	—	7,650	6,495	13,984	23,741
2013	—	—	10,384	10,016	13,267	24,642
2014	—	—	9,753	10,647	16,588	29,277
2015	—	—	9,215	11,185	16,149	30,243
2016	—	—	8,698	11,702	15,270	31,104
2017	—	—	8,202	12,198	14,517	31,882
2018	—	—	7,763	12,637	30,694	32,162
2019	—	—	7,344	13,056	30,896	31,919
2020	—	—	14,190	27,710	31,251	31,522
2021	—	—	20,686	43,614	31,661	31,016
2022	—	—	19,607	44,693	32,201	30,458
2023	—	—	18,624	45,676	32,849	29,774
2024	—	—	16,232	42,768	33,595	29,104
2025	—	—	15,379	43,621	34,424	28,202
2026	—	—	14,607	44,393	35,381	27,259
2027	—	—	13,873	45,127	36,452	26,112
2028	—	—	13,176	45,824	7,334	25,691
2029	—	—	21,211	78,789	12,351	46,259
2030	—	—	20,145	79,855	11,722	46,888
2031	—	—	19,134	80,866	11,125	47,485
2032	—	—	18,173	81,827	19,958	90,842
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$14,000</u>	<u>\$—</u>	<u>\$328,714</u>	<u>\$816,756</u>	<u>\$532,554</u>	<u>\$808,284</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	12/22/1999 IDFA Series 1999A \$12 Million Bond Issue		7/20/2000 Series 2000A \$106.9 Million Bond Issue		9/7/2000 Series 2000B,C,D \$303 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest*
2008	\$ —	\$—	\$ —	\$ 923	\$ —	\$ 20,507
2009	—	—	—	923	—	20,507
2010	—	—	2,365	851	3,600	20,453
2011	—	—	2,505	716	4,500	20,224
2012	12,000	—	2,635	577	4,700	19,951
2013	—	—	—	502	5,000	19,664
2014	—	—	—	502	5,400	19,358
2015	—	—	—	502	5,900	19,027
2016	—	—	—	502	6,800	18,659
2017	—	—	—	502	7,700	18,238
2018	—	—	—	502	8,200	17,768
2019	—	—	—	501	11,100	17,233
2020	—	—	—	501	12,700	16,543
2021	—	—	4,385	378	13,600	15,767
2022	—	—	4,635	127	14,400	14,939
2023	—	—	—	—	15,300	14,062
2024	—	—	—	—	16,200	13,130
2025	—	—	—	—	17,200	11,938
2026	—	—	—	—	18,200	10,674
2027	—	—	—	—	19,300	9,336
2028	—	—	—	—	20,500	7,917
2029	—	—	—	—	21,700	6,410
2030	—	—	—	—	23,000	4,814
2031	—	—	—	—	24,400	3,123
2032	—	—	—	—	23,600	1,363
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$12,000</u>	<u>\$—</u>	<u>\$16,525</u>	<u>\$8,509</u>	<u>\$303,000</u>	<u>\$361,605</u>

* Variable rate interest calculated at an assumed rate of 6% per annum.
Interest on auction rate securities assumes current interest rates remain the same as of June 30, 2007 calculated at:
Series 2000C computed: (3.710%* swapped outstanding principal) + (3.823% – 3.724%) * swapped outstanding principal

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	12/19/2000 Series 2000E \$13.4 Million Bond Issue		3/1/2001 Series 2001A \$45.1 Million Bond Issue		10/24/2001 Series 2001B \$9.4 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ —	\$—	\$ 835	\$237	\$ —	\$—
2009	—	—	870	203	—	—
2010	—	—	905	167	—	—
2011	—	—	945	128	—	—
2012	—	—	1,000	81	—	—
2013	—	—	1,045	27	—	—
2014	13,390	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	9,440	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
2027	—	—	—	—	—	—
2028	—	—	—	—	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$13,390</u>	<u>\$—</u>	<u>\$5,600</u>	<u>\$843</u>	<u>\$9,440</u>	<u>\$—</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	12/11/2001 Series 2001C \$217.3 Million Bond Issue		9/24/2002 Series 2002A \$49 Million Bond Issue		2/13/2003 Series 2003A \$75.9 Million Bond Issue	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	4,120	1,351	615	2,295	5,165	3,069
2009	4,330	1,140	1,135	2,267	5,375	2,831
2010	4,545	918	1,675	2,220	5,640	2,567
2011	4,770	679	1,825	2,147	5,900	2,290
2012	5,020	422	2,315	2,061	6,195	2,012
2013	5,285	145	2,405	1,969	6,455	1,713
2014	—	—	3,000	1,846	6,795	1,365
2015	—	—	3,150	1,692	7,150	999
2016	—	—	3,310	1,531	7,525	614
2017	—	—	3,475	1,361	7,925	208
2018	—	—	3,645	1,183	—	—
2019	—	—	3,830	992	—	—
2020	—	—	4,025	786	—	—
2021	—	—	4,240	569	—	—
2022	—	—	4,460	346	—	—
2023	—	—	4,685	117	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
2027	—	—	—	—	—	—
2028	—	—	—	—	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
2033	—	—	—	—	—	—
2034	—	—	—	—	—	—
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$28,070</u>	<u>\$4,655</u>	<u>\$47,790</u>	<u>\$23,382</u>	<u>\$64,125</u>	<u>\$17,668</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	2/13/2003 Series 2003B \$183.8 Million Bond Issue		10/28/2003 Series 2003C \$4.6 Million Bond Issue		12/11/2003 Series 2003D \$257.925 Million Bond Issue	
	Principal	Estimated Interest**	Principal	Interest	Principal	Estimated Interest**
2008	\$ —	\$ 6,881	\$ —	\$—	\$ 4,550	\$ 10,052
2009	—	6,881	—	—	4,825	9,825
2010	—	6,881	—	—	5,100	9,583
2011	—	6,881	—	—	5,350	9,328
2012	—	6,881	—	—	5,600	9,061
2013	—	6,881	—	—	5,925	8,781
2014	—	6,881	—	—	6,275	8,485
2015	—	6,881	—	—	7,125	8,171
2016	—	6,881	—	—	7,500	7,815
2017	—	6,881	—	—	7,925	7,440
2018	8,300	6,876	4,585	—	7,800	7,040
2019	8,650	6,565	—	—	8,125	6,743
2020	9,000	6,241	—	—	8,475	6,434
2021	9,375	5,904	—	—	8,825	6,112
2022	9,775	5,552	—	—	9,225	5,776
2023	10,175	5,186	—	—	9,400	5,426
2024	10,600	4,805	—	—	9,750	5,068
2025	11,050	4,408	—	—	10,200	4,698
2026	11,525	3,994	—	—	10,650	4,310
2027	12,000	3,562	—	—	11,100	3,905
2028	12,500	3,112	—	—	11,550	3,483
2029	13,025	2,644	—	—	12,050	3,044
2030	13,575	2,156	—	—	12,550	2,586
2031	14,150	1,648	—	—	13,050	2,109
2032	14,725	1,117	—	—	13,600	1,612
2033	15,350	566	—	—	14,200	1,095
2034	—	—	—	—	14,800	555
2035	—	—	—	—	—	—
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	\$183,775	\$133,146	\$4,585	\$—	\$245,525	\$158,537

** Interest on auction rate securities assumes current interest rates remain the same as of June 30, 2007 calculated at

Series 2003B computed: (3.686%* swapped outstanding principal) + (3.782% - 3.724%) * swapped outstanding principal

Series 2003D computed: (3.753%* swapped outstanding principal) + (3.771% - 3.724%) * swapped outstanding principal + unswapped outstanding principal * 5.0%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	4/6/2004 Series 2004A \$205.410 Million Bond		4/6/2004 Series 2004B \$298.075 Million Bond		11/10/2004 Series 2004CDE \$222.080 Million Bond	
	Principal	Interest	Principal	Estimated Interest**	Principal	Estimated Interest***
2008	\$ —	\$ 10,270	\$ —	\$ 10,641	\$ 3,975	\$ 14,546
2009	—	10,270	—	10,641	4,155	14,339
2010	—	10,270	—	10,641	4,340	14,150
2011	—	10,270	—	10,641	4,535	13,952
2012	25	10,270	—	10,641	4,740	13,770
2013	2,965	10,195	—	10,641	4,955	13,530
2014	15,840	9,725	—	10,641	5,175	13,304
2015	18,615	8,864	—	10,641	5,410	13,069
2016	36,230	7,493	—	10,641	5,655	12,845
2017	38,020	5,636	—	10,641	5,910	12,565
2018	23,025	4,110	—	10,641	6,175	12,296
2019	24,190	2,930	2,325	10,641	6,450	11,993
2020	25,410	1,690	3,425	10,558	6,740	11,741
2021	21,090	526	3,925	10,436	7,045	11,415
2022	—	—	4,075	10,296	7,360	11,094
2023	—	—	4,225	10,150	7,695	10,759
2024	—	—	33,950	9,999	8,040	10,425
2025	—	—	35,225	8,787	8,400	9,726
2026	—	—	36,600	7,530	8,780	9,046
2027	—	—	37,925	6,223	9,175	8,266
2028	—	—	39,400	4,869	9,585	7,498
2029	—	—	66,625	3,463	10,020	6,672
2030	—	—	7,175	1,084	10,470	5,821
2031	—	—	7,450	828	10,940	4,931
2032	—	—	7,725	562	11,435	4,007
2033	—	—	8,025	286	11,945	3,030
2034	—	—	—	—	12,485	2,015
2035	—	—	—	—	13,045	954
2036	—	—	—	—	—	—
2037	—	—	—	—	—	—
TOTAL	<u>\$205,410</u>	<u>\$102,519</u>	<u>\$298,075</u>	<u>\$212,763</u>	<u>\$214,635</u>	<u>\$277,759</u>

*** Variable rate interest calculated at an assumed rate of 4.50% per annum.

** Interest on auction rate securities assumes current interest rates remain the same as of June 30, 2007 calculated at Series 2004B computed: (3.750%* swapped outstanding principal) + (3.5439% - 3.724%) *

swapped outstanding principal

Series 2004C computed: (3.8453* swapped outstanding principal) + (3.825% - 3.724%) *

swapped outstanding principal

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	12/10/2004 Series 2004FGH \$56.000 Million Bond		6/27/2005 Series 2005AB \$205.410 Million Bond		12/8/2005 Series 2005DE \$325.000 Million Bond	
	Principal	Interest	Principal	Interest	Principal	Estimated Interest**
2008	\$ —	\$ 710	\$ —	\$ 13,180	\$ 5,890	\$ 12,271
2009	—	710	—	13,180	6,165	12,009
2010	—	710	—	13,180	6,450	11,736
2011	—	710	—	13,180	6,750	11,450
2012	260	704	—	13,180	7,065	11,151
2013	270	693	—	13,180	7,395	10,837
2014	775	670	20,660	12,663	7,685	10,558
2015	815	633	21,700	11,604	7,990	10,268
2016	915	588	6,720	10,886	8,305	9,967
2017	965	537	7,085	10,523	8,635	9,654
2018	1,220	473	7,455	10,132	8,975	9,328
2019	1,290	398	7,860	9,711	9,330	8,990
2020	1,370	318	8,300	9,267	9,695	8,638
2021	1,450	234	8,755	8,798	10,080	8,272
2022	1,540	144	31,975	7,734	10,480	7,892
2023	1,630	49	9,750	6,644	10,890	7,497
2024	—	—	10,290	6,093	11,320	7,086
2025	—	—	10,855	5,511	11,765	6,659
2026	—	—	11,455	4,898	12,230	6,216
2027	—	—	12,090	4,250	12,715	5,755
2028	—	—	12,760	3,567	13,215	5,275
2029	—	—	13,465	2,846	13,740	4,777
2030	—	—	14,200	2,085	14,280	4,258
2031	—	—	14,990	1,282	14,845	3,720
2032	—	—	15,815	435	15,430	3,160
2033	—	—	—	—	16,040	2,578
2034	—	—	—	—	16,670	1,973
2035	—	—	—	—	17,330	1,345
2036	—	—	—	—	18,015	691
2037	—	—	—	—	—	—
TOTAL	\$12,500	\$8,281	\$246,180	\$208,009	\$319,375	\$214,011

** Interest on variable rate debt assumes current interest rates remain the same as of June 30, 2007 calculated at Series 2005DE computed: (3.836%* swapped outstanding principal) + (3.6617% - 3.724%) * swapped outstanding principal + unswapped outstanding principal * 4.5%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CPS Issues (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	6/27/2005 Series 2006A \$6.853 Million		9/27/2006 Series 2006B \$355.805 Million		Total		Total CPS Debts
	Principal	Interest	Principal	Interest	G.O. Debt Principal	G.O. Debt Interest	
2008	\$ —	\$—	\$ 2,745	\$ 17,138	\$ 42,284	\$ 168,953	\$ 211,237
2009	—	—	5,915	16,954	49,060	167,355	216,415
2010	—	—	6,170	16,698	104,917	189,807	294,724
2011	—	—	6,430	16,406	106,752	188,623	295,375
2012	—	—	6,750	16,110	126,151	181,840	307,991
2013	—	—	7,020	15,835	105,838	182,732	288,570
2014	—	—	7,305	15,548	125,142	184,492	309,634
2015	—	—	7,595	15,212	116,927	182,401	299,328
2016	—	—	7,975	14,823	130,086	179,832	309,918
2017	—	—	8,375	14,414	124,123	176,814	300,937
2018	—	—	8,795	13,985	141,872	163,000	304,872
2019	—	—	9,230	13,534	146,685	158,240	304,925
2020	—	—	9,695	13,061	161,186	167,178	328,364
2021	6,853	—	10,180	12,564	187,425	176,666	364,091
2022	—	—	10,685	12,043	187,018	170,793	357,811
2023	—	—	11,220	11,495	164,443	165,101	329,544
2024	—	—	11,785	10,920	196,422	156,019	352,441
2025	—	—	12,370	10,316	203,343	148,620	351,963
2026	—	—	12,990	9,682	210,808	140,790	351,598
2027	—	—	13,640	9,016	218,680	132,272	350,952
2028	—	—	14,320	8,317	196,870	124,096	320,966
2029	—	—	15,040	7,602	243,987	168,757	412,744
2030	—	—	15,750	6,871	189,977	160,258	350,235
2031	—	—	16,500	6,105	196,169	153,399	349,568
2032	—	—	17,285	5,302	157,746	190,227	347,973
2033	—	—	18,105	4,439	83,665	11,994	95,659
2034	—	—	19,010	3,511	62,965	8,054	71,019
2035	—	—	19,960	2,537	50,335	4,836	55,171
2036	—	—	20,960	1,514	38,975	2,205	41,180
2037	—	—	22,005	495	22,005	495	22,500
TOTAL	\$6,853	\$—	\$355,805	\$322,447	\$4,091,856	\$4,205,849	\$8,297,705



Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — PBC Issues
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	1/1/1992 1992 Series A			4/1/1993 1993 Series A			3/1/1999 1999 Series B	
	Principal	Interest	Admin Fee	Principal	Interest	Admin Fee	Principal	Interest
2008	\$ 14,830	\$ 16,508	\$ 1,350	\$ 9,015	\$2,492	\$ 1,598	\$ —	\$ 6,007
2009	15,450	15,581	1,350	9,855	1,997	1,598	—	6,007
2010	16,375	14,615	1,350	10,420	1,464	1,233	375	5,998
2011	17,400	13,592	1,350	11,025	902	1,212	415	5,978
2012	18,500	12,504	1,350	11,660	306	1,214	435	5,957
2013	19,650	11,348	1,350	—	—	1,205	12,800	5,610
2014	20,850	10,120	1,350	—	—	1,203	13,540	4,918
2015	22,150	8,817	1,350	—	—	1,205	14,320	4,187
2016	22,025	7,433	1,300	—	—	1,204	16,665	3,374
2017	23,325	6,111	1,300	—	—	1,204	17,605	2,474
2018	24,725	4,712	1,300	—	—	1,204	18,605	1,524
2019	26,125	3,228	1,300	—	—	1,208	19,720	518
2020	27,675	1,661	1,300	—	—	—	—	—
TOTAL	\$269,080	\$126,230	\$17,300	\$51,975	\$7,161	\$15,288	\$114,480	\$52,552



<u>Total Principal</u>	<u>Total Interest and Other Exp</u>	<u>Total PBC Debts</u>
\$ 23,845	\$ 27,955	\$ 51,800
25,305	26,533	51,838
27,170	24,660	51,830
28,840	23,034	51,874
30,595	21,331	51,926
32,450	19,513	51,963
34,390	17,591	51,981
36,470	15,559	52,029
38,690	13,311	52,001
40,930	11,089	52,019
43,330	8,740	52,070
45,845	6,254	52,099
<u>27,675</u>	<u>2,961</u>	<u>30,636</u>
<u>\$435,535</u>	<u>\$218,531</u>	<u>\$654,066</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DETAILED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY — CSFA Issues
For the fiscal year ended June 30, 2007
(Thousands of dollars)

Fiscal Year	4/1/92 Refunding Series 1992A		Refunding Series 1993A		3/03/04 Refunding Series 2004A	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$17,415	\$2,200	\$ 1,165	\$ 629	\$6,915	\$346
2009	17,780	1,111	10,290	566	—	—
TOTAL	<u>\$35,195</u>	<u>\$3,311</u>	<u>\$11,455</u>	<u>\$1,195</u>	<u>\$6,915</u>	<u>\$346</u>



5/20/04 Refunding Series 2004B		5/20/04 Series 2004C		Total		
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>SFA Debt</u>
\$24,555	\$3,157	\$11,100	\$611	\$ 61,150	\$ 6,943	\$ 68,093
38,575	1,928	—	—	66,645	3,605	70,250
<u>\$63,130</u>	<u>\$5,085</u>	<u>\$11,100</u>	<u>\$611</u>	<u>\$127,795</u>	<u>\$10,548</u>	<u>\$138,343</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ASBESTOS LOAN REPAYMENT SCHEDULE
For the fiscal year ended June 30, 2007

<u>Fiscal Year</u>	<u>Loan J8661407-01-0</u>	<u>Loan J851458-01-0</u>	<u>Loan J855547-01-0</u>	<u>Loan J858353-01-0</u>	<u>Total</u>
2008	\$59,316	\$ 85,692	\$257,036	\$ 736,621	\$1,138,665
2009	—	42,849	257,036	736,621	1,036,506
2010	—	—	135,326	736,621	871,947
2011	—	—	—	736,621	736,621
2012	—	—	—	736,621	736,621
2013	—	—	—	364,978	364,978
	<u>\$59,316</u>	<u>\$128,541</u>	<u>\$649,398</u>	<u>\$4,048,083</u>	<u>\$4,885,338</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS

For the fiscal year ended June 30, 2007

(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2006	Issue or (Redeemed)	Outstanding at June 30, 2007
	Issued	Maturity				
Direct Debt (A):						
PBC GO Lease Certificate 1992 Series A	1/1/1992	1/1/2020	6.00% to 6.50%	\$283,030	\$(13,950)	\$269,080
PBC Building Revenue Bonds 1993 Series A	4/1/1993	12/1/2018	3.00% to 5.75%	60,520	(8,545)	51,975
PBC Building Revenue Refunding Bonds 1999 Series B	3/11/1999	12/1/2018	5.00% to 5.25%	114,480	—	114,480
Unlimited Tax G.O. Bonds Series 1996	4/1/1996	12/1/2026	4.80% to 6.25%	55,680	(3,030)	52,650
Unlimited Tax G.O. Bonds Series 1997	5/7/1997	12/1/2027	5.08% to 6.75%	80,700	(9,415)	71,285
Unlimited Tax G.O. Bonds Series 1997A	12/3/1997	12/1/2030	5.30% to 5.55%	499,995	—	499,995
Qualified Zone Academy G.O. Bonds Series 1998	9/24/1998	9/23/2011	0.00%	14,000	—	14,000
Unlimited Tax G.O. Bonds Series 1998 B-1	10/28/1998	12/1/2031	4.55% to 5.22%	328,714	—	328,714
Unlimited Tax G.O. Bonds Series 1999A	2/25/1999	12/1/2031	4.30% to 5.30%	532,554	—	532,554
Qualified Zone Academy G.O. Bonds IDFA Series 1999A	12/22/1999	12/21/2011	0.00%	12,000	—	12,000
Unlimited Tax G.O. Bonds Series 2000A	7/20/2000	12/1/2031	5.10% to 6.00%	16,525	—	16,525
Unlimited Tax G.O. Bonds Series 2000B,C,D	9/7/2000	3/1/2032	Variable	303,000	—	303,000
Qualified Zone Academy G.O. Bonds Series 2000E	12/19/2000	12/18/2013	0.00%	13,390	—	13,390
Unlimited Tax G.O. Bonds Series 2001A	3/1/2001	12/1/2031	4.00% to 5.75%	6,400	(800)	5,600
Qualified Zone Academy G.O. Bonds Series 2001B	10/24/2001	10/23/2015	0.00%	9,440	—	9,440
Unlimited Tax G.O. Bonds Series 2001C	12/11/2001	12/1/2031	5.00% to 5.50%	31,995	(3,925)	28,070

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

For the fiscal year ended June 30, 2007
(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2006	Issue or (Redeemed)	Outstanding at June 30, 2007
	Issued	Maturity				
Unlimited Tax G.O. Bonds Series 2002A	9/24/2002	12/1/2022	3.00% to 5.25%	\$ 48,390	\$ (600)	\$ 47,790
Unlimited Tax G.O. Bonds Series 2003A	2/13/2003	12/1/2016	2.50% to 5.25%	66,230	(2,105)	64,125
Unlimited Tax G.O. Bonds Series 2003B	2/13/2003	3/1/2033	Variable	183,775	—	183,775
Qualified Zone Academy G.O. Bonds Series 2003C	10/28/2003	10/27/2017	0.00%	4,585	—	4,585
Unlimited Tax G.O. Bonds Series 2003D	12/11/2003	3/1/2034	Variable	249,875	(4,350)	245,525
Unlimited Tax G.O. Bonds Series 2004A	4/6/2004	12/1/2020	4.00% to 5.00%	205,410	—	205,410
Unlimited Tax G.O. Bonds Series 2004B	4/6/2004	3/1/2032	Variable	298,075	—	298,075
Unlimited Tax G.O. Bonds Series 2004CDE	11/10/2004	3/1/2035	Variable	218,440	(3,805)	214,635
Unlimited Tax G.O. Bonds Series 2004FGH	12/10/2004	3/1/2032	4.00% to 6.00%	56,000	(43,500)	12,500
Unlimited Tax G.O. Bonds Series 2005AB	6/27/2005	3/1/2031	5.00% to 5.50%	246,180	—	246,180
Unlimited Tax G.O. Bonds Series 2005C	11/15/2005	12/1/2024	3.75% to 5.50%	53,750	(53,750)	—
Unlimited Tax G.O. Bonds Series 2005DE	12/8/2005	3/1/2036	Variable	325,000	(5,625)	319,375
Qualified Zone Academy G.O. Bonds Series 2006A	6/7/2006	6/1/2021	0.00%	6,853	—	6,853
Unlimited Tax G.O. Bonds Series 2006B	9/27/2006	12/1/2036	4.25% to 5.00%	—	355,805	355,805
Total Direct Debt				<u>\$4,324,986</u>	<u>\$202,405</u>	<u>\$4,527,391</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS (continued)
For the fiscal year ended June 30, 2007
(Thousands of dollars)

	Date		Interest Rate	Outstanding at June 30, 2006	Issued or (Redeemed)	Outstanding at June 30, 2007
	Issued	Maturity				
School Finance Authority Debt (B):						
(Not included in financial statements)						
SFA Series 1992A	4/1/1992	6/1/2009	3.50% to 6.25%	\$ 52,050	\$ (16,855)	\$ 35,195
SFA Series 1993A	4/1/1993	6/1/2009	2.60% to 5.50%	20,885	(9,430)	11,455
SFA Series 2004A	3/3/2004	6/1/2008	5.00% to 6.00%	6,915	—	6,915
SFA Series 2004B	5/20/2004	6/1/2009	5.00%	86,515	(23,385)	63,130
SFA Series 2004C	5/20/2004	6/1/2008	5.50%	21,620	(10,520)	11,100
SFA Total				<u>\$ 187,985</u>	<u>\$ (60,190)</u>	<u>\$ 127,795</u>
GRAND TOTAL				<u><u>\$4,512,971</u></u>	<u><u>\$142,215</u></u>	<u><u>\$4,655,186</u></u>

NOTES:

- A. Excludes total accreted interest of \$360,502,405 on Series 1997A, Series 1998B-1, and Series 1999A bonds (\$25,392,733, \$180,299,723, and \$154,809,949, respectively).
- B. The Chicago School Finance Authority (SFA) is a separate body politic and corporate and a unit of local government. See Note 13 of the notes to the basic financial statements. The Board has no obligation for this debt. Accordingly, this debt has not been recorded in the financial statements.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES
As of June 30, 2007
(Thousands of dollars)

<u>Bond Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Lien Closed</u>	<u>Defeased</u>	<u>Principal(1) Outstanding June 30, 2007</u>	<u>Remaining Authorization</u>
1995 COP Board Authorization	\$ 45,000	\$ 45,000	\$ —	\$ —	\$ —	\$ —
1996 Alternate Bond Authorization	1,150,000	850,000 (A)	300,000	652,275	123,935 (A)	—
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	—	—	1,497,703 (B)	2,297
1998 Alternate Bond Authorization	900,000	770,195 (C)	—	126,245	323,995 (C)	129,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	—	174,575	299,045 (D)	—
2002 Alternate Bond Authorization	500,000	500,000 (E)	—	—	486,420 (E)	—
2004 Alternate Bond Authorization	965,000	965,000 (F)	—	97,250	854,680 (F)	—
2006 Alternate Bond Authorization	750,000	54,488 (G)	—	—	54,488 (G)	695,512
TOTAL	<u>\$6,310,000</u>	<u>\$5,182,386</u>	<u>\$300,000</u>	<u>\$1,050,345</u>	<u>\$3,640,266</u>	<u>\$827,614</u>

1. Debt Reform Act Section 15 of the State of Illinois states that Alternate Bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization. CPS has issued three series of refunding bonds which met these requirements: \$205,410,000 Series 2004A, \$193,585,000 Series 2005A and \$52,595,000 Series 2005B which are not included in the authorization table. Total principal amount outstanding including these series is \$4,091,856.

NOTES:

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds Series 1996	4/17/1996	\$350,000	\$ 52,650
Unlimited Tax GO Bonds Series 1997	5/7/1997	500,000	71,285
		<u>\$850,000</u>	<u>\$123,935</u>

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

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2007

(Thousands of dollars)

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, PBC Series C of 1999	9/30/1999	\$316,255	\$ —
Unlimited Tax GO Bonds, Series 2000A	7/20/2000	106,960	16,525
Unlimited Tax GO Bonds, Series 2000B,C	9/7/2000	202,000	202,000
Unlimited Tax GO Bonds, Series 2000E	12/19/2000	13,390	13,390
Unlimited Tax GO Bonds, Series 2001A	3/1/2001	45,110	5,600
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	81,895
Total issued and outstanding debt:		<u>\$770,195</u>	<u>\$323,995</u>

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2001C	12/11/2001	\$217,260	\$ 28,070
Unlimited Tax GO Bonds, Series 2003A	2/13/2003	75,890	64,125
Unlimited Tax GO Bonds, Series 2003B	2/13/2003	183,775	183,775
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	23,075	23,075
		<u>\$500,000</u>	<u>\$299,045</u>

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2002A	9/24/2002	\$ 48,970	\$ 47,790
Unlimited Tax GO Bonds, Series 2003D	12/12/2003	257,925	245,525
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	193,105	193,105
		<u>\$500,000</u>	<u>\$486,420</u>

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2004CDE	11/10/2004	\$222,080	\$214,635
Unlimited Tax GO Bonds, Series 2004FGH	12/2/2004	56,000	12,500
Unlimited Tax GO Bonds, Series 2005C	11/15/2005	53,750	—
Unlimited Tax GO Bonds, Series 2005D	12/8/2005	195,000	189,375
Unlimited Tax GO Bonds, Series 2005E	12/8/2005	130,000	130,000
Unlimited Tax GO Bonds, Series 2006A	6/27/2006	6,853	6,853
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	301,317	301,317
		<u>\$965,000</u>	<u>\$854,680</u>

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

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	\$54,488	\$54,488
		<u>\$54,488</u>	<u>\$54,488</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OUTSTANDING DEBT PER CAPITA

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

As of June 30, 2007

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Leases Securing PBC Bonds</u>	<u>Asbestos Abatement Loan</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>
1998	\$1,349,995	\$23,500	\$596,369	\$18,399	\$9,874	\$1,998,137
1999	2,002,488	12,000	584,249	16,919	7,108	2,622,764
2000	2,062,947	—	884,589	15,438	4,281	2,967,255
2001	2,474,893	—	849,784	13,253	4,958	3,342,888
2002	2,691,983	—	785,844	11,833	3,130	3,492,790
2003	2,989,853	—	698,899	10,413	7,124	3,706,289
2004	3,275,193	—	607,094	8,994	—	3,891,281
2005	3,510,968	—	476,044	7,574	—	3,994,586
2006	3,866,956	—	458,030	6,154	2,975	4,334,115
2007	4,091,856	—	435,535	4,885	2,800	4,535,076



<u>Percentage of Personal Income</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Total Outstanding Debt Per Capita</u>	<u>Total General Obligation Debt Per Capita</u>
4.70%	11.89%	2,783,726	\$ 717.79	\$ 484.96
5.93%	15.44%	2,783,726	942.18	719.36
6.29%	14.93%	2,896,016	1,024.60	712.34
5.21%	16.71%	2,896,016	1,154.31	854.59
3.42%	17.19%	2,896,016	1,206.07	929.55
3.62%	14.42%	2,896,016	1,279.79	1,032.40
3.63%	15.12%	2,896,016	1,343.67	1,130.93
3.59%	15.23%	2,896,016	1,379.34	1,212.34
n/a	12.99%	2,896,016	1,496.58	1,335.27
n/a	n/a	2,896,016	1,565.97	1,412.93

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

As of June 30, 2007

(Dollars in thousands)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Debt Limit	\$4,603,349	\$4,684,736	\$4,879,951
General obligation	1,267,107	1,232,435	1,165,919
Less: Amount set aside for repayment of bonds . .	<u>(50,347)</u>	<u>(49,942)</u>	<u>(37,921)</u>
Total Net Debt applicable to Limit(A)	<u>1,216,760</u>	<u>1,182,493</u>	<u>1,127,998</u>
Legal debt margin	<u>\$3,386,589</u>	<u>\$3,502,243</u>	<u>\$3,751,953</u>
 Total net debt applicable to the limit as a percentage of debt limit	 26.43%	 25.24%	 23.11%

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

\$350.0 million Series 1996	\$49.0 million Series 2002A
\$500.0 million Series 1997	\$75.9 million Series 2003A
\$499.9 million Series 1997A	\$183.8 million Series 2003B
\$14.0 million Series 1998	\$4.6 million Series 2003C
\$328.7 million Series 1998B-1	\$257.9 million Series 2003D
\$532.6 million Series 1999A	\$205.4 million Series 2004A
\$316.3 million PBC Series C of 1999	\$298.1 million Series 2004B
\$12.0 million IDFA Series 1999A	\$222.08 million Series 2004CDE
\$106.9 million Series 2000A	\$56.0 million Series 2004FGH
\$303.0 million Series 2000B,C,D	\$246.18 million Series 2005AB
\$13.4 million Series 2000E	\$53.750 million Series 2005C
\$45.1 million Series 2001A	\$325.0 million Series 2005DE
\$9.4 million Series 2001B	\$6.850 million Series 2006A
217.3 million Series 2001C	\$355.0 million Series 2006B

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$5,587,224	\$5,794,463	\$6,256,611	\$7,338,200	\$7,629,142	\$8,184,894	\$9,593,382
1,161,290	1,069,366	979,083	917,855	764,761	711,982	658,947
<u>(38,379)</u>	<u>(37,965)</u>	<u>(37,486)</u>	<u>(36,226)</u>	<u>(38,913)</u>	<u>(39,984)</u>	<u>(37,322)</u>
<u>1,122,911</u>	<u>1,031,401</u>	<u>941,597</u>	<u>881,629</u>	<u>725,848</u>	<u>671,998</u>	<u>621,625</u>
<u>\$4,464,313</u>	<u>\$4,763,062</u>	<u>\$5,315,014</u>	<u>\$6,456,571</u>	<u>\$6,903,294</u>	<u>\$7,512,896</u>	<u>\$8,971,757</u>
20.10%	17.80%	15.05%	12.01%	9.51%	8.21%	6.48%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2007

(Dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding (a)</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Chicago	\$6,259,414	100.00%	\$ 6,259,414
School Finance Authority	127,795	100.00%	127,795
Community College District	31,695	100.00%	31,695
Chicago Park District	861,865	100.00%	861,865
Water Reclamation District	1,521,282	49.14%	747,558
County	3,022,505	48.16%	1,455,638
Forest Preserve District	127,185	48.16%	<u>61,252</u>
			\$ 9,545,217
Other debt			
City of Chicago	717,275	100.00%	717,275
Subtotal, overlapping debt			10,262,492
Chicago Public Schools Direct Debt			<u>4,527,391</u>
Total Direct and Overlapping Debt			<u><u>\$14,789,883</u></u>

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



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CPS' DEBT RATING HISTORY

CPS has issued \$5.6 billion of general obligation bonds to date, of which \$4.1 billion is currently outstanding, for the purpose of financing its Capital Improvement Program or refunding outstanding debt. In addition, CPS also has issued general obligation lease obligations with the Public Building Commission (the "PBC") securing \$436 million (principal amount) currently outstanding. The CPS' current lease obligations to the PBC mature in 2020.

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

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

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

CPS' Rating History 2000 – 2007								
<u>Name of Agency</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Standard & Poor's Rating Services	A+	A+	A+	A+	A+	A+	A+	A A -
Moody's Investor Services	A3	A3	A2	A2	A2	A2	A2	A1
Fitch Investor Services, L.P.	A	A	A+	A+	A+	A+	A+	A+



Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS FOR LAST TEN YEARS

<u>Year</u>	<u>City of Chicago Population (A)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Income (B)</u>	<u>Median Age (C)</u>	<u>Number of Households (C)</u>
1997	2,783,726	80,661,245	28,976	34.10	975,900
1998	2,783,726	85,961,459	30,880	34.20	1,002,300
1999	2,783,726	88,166,170	31,672	34.70	1,026,900
2000	2,896,016	98,232,863	33,920	31.50	1,061,928
2001	2,896,016	100,735,021	34,784	34.80	1,074,200
2002	2,896,016	102,009,268	35,224	31.90	1,059,960
2003	2,896,016	102,298,869	35,324	32.60	1,067,823
2004	2,896,016	107,239,472	37,030	32.60	1,051,018
2005	2,896,016	114,169,639	39,423	33.14	1,045,282
2006	2,896,016	N/A	N/A	33.48	1,042,014

NOTES:

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

Civilian Labor Force (D)		Employment (D)		
Number	Percent of Population	Number	Percent of Population	Unemployment Rate
1,345,246	48.33%	1,259,768	45.25%	6.40%
1,337,379	48.04%	1,258,289	45.20%	5.90%
1,355,681	48.70%	1,275,174	45.81%	5.90%
1,383,496	47.77%	1,307,918	45.16%	5.50%
1,377,439	47.56%	1,284,252	44.34%	6.80%
1,347,074	46.51%	1,235,053	42.64%	8.30%
1,328,447	45.87%	1,220,382	42.14%	8.10%
1,316,233	45.44%	1,218,151	42.06%	7.50%
1,303,882	45.02%	1,212,164	41.85%	7.00%
1,324,357	45.73%	1,255,442	43.35%	5.20%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Last One Year

<u>Employer</u>	2006		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
J.P. Morgan Chase	8,979	1	0.82%
United Airlines	5,944	2	0.55%
Jewel Food Stores, Inc	5,453	3	0.50%
Northern Trust	4,610	4	0.42%
Accenture LLP	4,470	5	0.41%
SBC/AT&T	3,834	6	0.35%
American Airlines	3,750	7	0.34%
Ford Motor Company	3,480	8	0.32%
Bonded Maintenance Company	3,298	9	0.30%
Bank of America	3,108	10	0.29%

NOTES:

- (1) Source: City of Chicago, Department of Revenue, Employers Expense Tax Return, June 30, 2006.
- (2) Beginning with fiscal year 2007, the Chicago Board of Education will accumulate 10 years of data

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2006 NET REVENUES

(Millions of dollars)

<u>Company Name</u>	<u>Net Revenues</u>	<u>Employees (1)</u>
Boeing Co. (2)	\$61,530.0	154,000
Sears Holdings Corp. (3)	53,012.0	315,000
Walgreen Co. (4)	47,409.0	195,000
Motorola Inc.	42,879.0	66,000
Caterpillar Inc (5)	41,517.0	94,593
Archer Daniels Midland Co. (6)	36,596.1	26,821
Allstate Corp.	35,796.0	37,900
Kraft Foods Inc.	34,356.0	90,000
Abbott Laboratories (7)	22,476.3	66,663
Deere & Co. (8)	21,754.8	46,549
McDonald's Corp.	21,586.4	465,000
UAL Corp.	19,340.0	55,000
Sara Lee Corp.	15,944.0	109,000
Exelon Corp.	15,655.0	17,200
Illinois Tool Works Inc.	14,055.0	55,000
Baxter International Inc.	10,378.0	48,000
CNA Financial Corp.	10,376.0	9,800
R.R. Donnelley & Sons Co.	9,316.6	53,000
Officemax Inc.	8,965.7	36,000
Aon Corp.	8,954.0	43,100

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", From May 15, 2007, issue
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- (1) Most recent employee count available
- (2) Acquired Avaiil Inc., 5/06
- (3) Fiscal year ends in January
- (4) Fiscal year ends in August
- (5) Acquired Progress Rail Services Holding Corp., 12/06
- (6) Fiscal year ends in June
- (7) Acquired Guidant Corp's vascular devices, 4/06; acquired Kos Pharmaceuticals, Inc., 12/06
- (8) Fiscal year ends in October

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

<u>Year</u>	<u>Residential</u>		<u>Residential and Non-Residential Estimated Cost</u>
	<u>Units</u>	<u>Estimated Cost</u>	
1997	5,367	284,650	749,268
1998	6,246	668,666	1,378,364
1999	8,644	611,862	1,483,672
2000	6,550	862,148	1,663,062
2001	7,418	902,250	1,826,076
2002	8,403	1,094,958	1,925,440
2003	9,476	1,332,758	3,027,185
2004	15,750	1,600,000	4,200,000
2005	17,131	1,537,877	3,408,474
2006	23,150	3,178,050	7,985,728

NOTES:

Source: City of Chicago Construction and Permits.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES

CURRENT APPROPRIATIONS AND ACTUAL

For the fiscal year ended June 30, 2007

With Comparative Amounts for the Fiscal Year Ended June 30, 2006

(Thousands of dollars)

	Approved Budget	Transfers In (Out)	Final Appropriations	Fiscal Year 2007 Actual	Variance	Fiscal Year 2006 Actual	2007 Over (Under) 2006
REVENUES:							
Property taxes	\$1,696,562	\$ —	\$1,696,562	\$1,716,516	\$ 19,954	\$1,666,118	\$ 50,398
Replacement taxes	91,494	—	91,494	147,403	55,909	131,639	15,764
State aid	1,584,030	—	1,584,030	1,549,493	(34,537)	1,492,361	57,132
Federal aid	834,910	—	834,910	711,963	(122,947)	757,731	(45,768)
Interest and investment income	21,283	—	21,283	61,595	40,312	36,874	24,721
Other	72,443	—	72,443	95,534	23,091	101,129	(5,595)
Total Revenues	<u>\$4,300,722</u>	<u>\$ —</u>	<u>\$4,300,722</u>	<u>\$4,282,504</u>	<u>\$ (18,218)</u>	<u>\$4,185,852</u>	<u>\$ 96,652</u>
EXPENDITURES:							
Teachers' salaries	\$1,986,556	\$ (37,359)	\$1,949,197	\$1,924,109	\$ 25,088	\$1,916,378	\$ 7,731
Career service salaries	527,271	32,462	559,733	535,148	24,585	537,346	(2,198)
Energy	83,268	(3,335)	79,933	77,133	2,800	70,760	6,373
Food	92,454	1,308	93,762	83,798	9,964	85,815	(2,017)
Textbooks	61,999	20,290	82,289	65,772	16,517	71,942	(6,170)
Supplies	29,356	22,803	52,159	45,945	6,214	46,965	(1,020)
Other commodities	1,202	336	1,538	1,072	466	1,135	(63)
Professional fees	258,293	81,496	339,789	322,252	17,537	319,904	2,348
Charter schools	4,453	139,742	144,195	141,030	3,165	118,445	22,585
Transportation	82,289	10,756	93,045	97,076	(4,031)	92,589	4,487
Tuition	211,771	(138,155)	73,616	63,103	10,513	62,890	213
Telephone and telecommunications	4,508	1,215	5,723	13,701	(7,978)	16,944	(3,243)
Other services	8,079	8,813	16,892	13,271	3,621	13,104	167
Equipment — Educational	15,245	25,588	40,833	34,614	6,219	38,335	(3,721)
Repairs and replacements	35,192	3,070	38,262	32,973	5,289	35,556	(2,583)
Capital outlay	—	45	45	5	40	4	1
Teachers' pension	291,640	5,666	297,306	282,488	14,818	247,585	34,903
Career service pension	84,759	5,155	89,914	83,317	6,597	87,530	(4,213)
Hospitalization and dental insurance	302,840	(2,230)	300,610	250,765	49,845	243,003	7,762
Medicare	24,773	789	25,562	25,279	283	29,989	(4,710)
Unemployment compensation	10,914	6,364	17,278	8,236	9,042	6,382	1,854
Workers' compensation	23,099	10,725	33,824	24,619	9,205	21,004	3,615
Rent	10,171	2,788	12,959	12,965	(6)	14,174	(1,209)
Debt service	1,420	—	1,420	1,269	151	1,420	(151)
Other fixed charges	254,170	(198,332)	55,838	6,429	49,409	5,894	535
Total Expenditures	<u>\$4,405,722</u>	<u>\$ —</u>	<u>\$4,405,722</u>	<u>\$4,146,369</u>	<u>\$ 259,353</u>	<u>\$4,085,093</u>	<u>\$ 61,276</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUE — BY PROGRAM
For the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	<u>Educational Program</u>	<u>Education of Handicapped Program</u>	<u>Other Government Funded Program</u>	<u>Supplementary General State Aid</u>
REVENUES:				
Property taxes	\$1,303,533	\$ —	\$ —	\$ —
Replacement taxes	127,114	—	—	—
State aid	1,253,785	—	20,283	264,666
Federal aid	29,044	81,721	166,151	—
Interest and investment income	53,160	—	—	—
Other	<u>60,927</u>	<u>2</u>	<u>2,099</u>	<u>6,303</u>
Total Revenues	<u>\$2,827,563</u>	<u>\$81,723</u>	<u>\$188,533</u>	<u>\$270,969</u>

NOTE:

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



<u>Improving America's School Act Program</u>	<u>School Lunch Program</u>	<u>Workers' and Unemployment Compensation/ Tort Immunity Program</u>	<u>Public Building Commission Operations and Maintenance Program</u>	<u>Total</u>
\$ —	\$ —	\$76,977	\$336,006	\$1,716,516
—	20,289	—	—	147,403
—	10,759	—	—	1,549,493
269,446	147,407	—	18,194	711,963
—	—	3,030	5,405	61,595
1	15,014	3,281	7,907	95,534
<u>\$269,447</u>	<u>\$193,469</u>	<u>\$83,288</u>	<u>\$367,512</u>	<u>\$4,282,504</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES — BY PROGRAM
For the Fiscal Year Ended June 30, 2007
(Thousands of dollars)

	Educational Program	Education of Handicapped Program	Other Government Funded Program	Supplementary General State Aid
EXPENDITURES:				
Teachers' salaries	\$1,580,833	\$48,873	\$ 75,560	\$101,420
Career service salaries	222,592	15,885	23,246	72,053
Energy	488	—	—	—
Food	504	25	775	21
Textbooks	25,613	494	11,763	8,232
Supplies	17,859	692	4,272	8,828
Other commodities	192	30	36	250
Professional fees	234,938	2,219	28,005	19,902
Transportation	83,149	1,031	2,867	1,982
Tuition	55,476	1,832	5,506	207
Telephone and telecommunications	1,215	—	1	2
Other services	5,259	750	2,392	1,664
Equipment — Educational	12,244	177	6,538	6,724
Repairs and replacements	4,313	56	257	2,611
Capital outlay	—	—	5	—
Teachers' pension	250,948	4,340	6,232	13,559
Career service pension	33,736	2,747	3,695	10,800
Hospitalization and dental insurance	167,300	7,239	8,390	20,649
Medicare	17,042	744	1,173	2,350
Unemployment compensation	6,190	222	305	564
Workers' compensation	18,503	664	912	1,685
Rent	1,490	25	258	—
Debt service	—	—	—	—
Other fixed charges	(18,400)	95	153	281
Total Expenditures	<u>\$2,721,484</u>	<u>\$88,140</u>	<u>\$182,341</u>	<u>\$273,784</u>

NOTE:

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

Improving America's School Act Program	School Lunch Program	Workers' and Unemployment Compensation/Tort Immunity Program	Public Building Commission Operations and Maintenance Program	Total
\$117,413	\$ 1	\$ —	\$ 9	\$1,924,109
27,487	61,025	33,566	79,294	535,148
—	—	—	76,645	77,133
142	82,331	—	—	83,798
19,049	—	—	621	65,772
6,944	482	46	6,822	45,945
174	—	—	390	1,072
57,779	2,748	9,163	108,528	463,282
7,965	11	28	43	97,076
82	—	—	—	63,103
—	—	—	12,483	13,701
2,465	567	85	89	13,271
4,822	1,246	161	2,702	34,614
881	—	18	24,837	32,973
—	—	—	—	5
7,407	1	—	1	282,488
4,109	10,255	4,982	12,993	83,317
10,724	20,897	6,155	9,411	250,765
1,850	777	577	766	25,279
351	216	107	281	8,236
1,049	645	320	841	24,619
30	—	—	11,162	12,965
—	—	—	1,269	1,269
6,531	12,270	5,378	121	6,429
<u>\$277,254</u>	<u>\$193,472</u>	<u>\$60,586</u>	<u>\$349,308</u>	<u>\$4,146,369</u>

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS

For the Last Ten Fiscal Years and 2008 Budget

(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Local Revenue:					
Property Taxes	\$1,311,664	\$1,368,081	\$1,403,657	\$1,429,871	\$1,479,968
Replacement Taxes	129,955	137,749	147,657	137,744	114,313
Investment Income	76,124	70,199	85,075	103,520	68,050
Other	<u>93,018</u>	<u>103,715</u>	<u>85,587</u>	<u>82,411</u>	<u>89,505</u>
Total Local	<u>\$1,610,761</u>	<u>\$1,679,744</u>	<u>\$1,721,976</u>	<u>\$1,753,546</u>	<u>\$1,751,836</u>
State Revenue:					
General State Aid	\$ 572,663	\$ 696,519	\$ 720,772	\$ 730,359	\$ 806,640
Teacher Pension	65,045	65,045	65,045	65,045	65,045
Capital	3,094	48,520	106,816	134,070	99,004
Other	<u>356,452</u>	<u>428,725</u>	<u>481,994</u>	<u>502,303</u>	<u>497,225</u>
Total State	<u>\$ 997,254</u>	<u>\$1,238,809</u>	<u>\$1,374,627</u>	<u>\$1,431,777</u>	<u>\$1,467,914</u>
Federal Revenue:					
ESEA/Title I	\$ 173,439	\$ 182,103	\$ 168,268	\$ 172,943	\$ 177,841
IDEA	23,808	31,199	40,039	56,056	62,850
Lunchroom	124,420	129,281	136,464	138,958	142,057
Medicaid	43,125	41,214	46,910	70,297	38,200
Other	<u>50,289</u>	<u>87,108</u>	<u>147,886</u>	<u>195,840</u>	<u>133,802</u>
Total Federal	<u>\$ 415,081</u>	<u>\$ 470,905</u>	<u>\$ 539,567</u>	<u>\$ 634,094</u>	<u>\$ 554,750</u>
Total Revenue	<u>\$3,023,096</u>	<u>\$3,389,458</u>	<u>\$3,636,170</u>	<u>\$3,819,417</u>	<u>\$3,774,500</u>
Change in Revenue from Previous Year . .	n/a	\$ 366,362	\$ 246,712	\$ 183,247	\$ (44,917)
Percent Change in Revenue	n/a	12.1%	7.3%	5.0%	-1.2%

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Budget 2008</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,546,335	\$1,571,065	\$1,639,237	\$1,718,249	\$1,767,760	\$1,822,489	3.3%	3.3%
105,960	120,427	145,724	184,700	201,509	200,007	4.4%	13.5%
49,161	39,501	43,215	71,947	116,907	36,650	-7.0%	-5.7%
<u>94,345</u>	<u>149,253</u>	<u>102,654</u>	<u>163,765</u>	<u>286,230</u>	<u>87,390</u>	-0.6%	-1.5%
<u>\$1,795,801</u>	<u>\$1,880,246</u>	<u>\$1,930,830</u>	<u>\$2,138,661</u>	<u>\$2,372,406</u>	<u>\$2,146,536</u>	2.9%	3.6%
\$ 786,950	\$ 853,533	\$ 908,330	\$ 978,672	\$1,040,241	\$1,086,382	6.6%	6.7%
65,045	—	65,045	74,922	75,242	75,263	1.5%	3.0%
141,127	127,682	3,061	—	—	—	-100.0%	-100.0%
<u>476,445</u>	<u>500,233</u>	<u>530,679</u>	<u>549,041</u>	<u>586,102</u>	<u>652,069</u>	6.2%	6.5%
<u>\$1,469,567</u>	<u>\$1,481,448</u>	<u>\$1,507,115</u>	<u>\$1,602,635</u>	<u>\$1,701,585</u>	<u>\$1,813,714</u>	6.2%	4.3%
\$ 209,971	\$ 244,118	\$ 277,610	\$ 273,900	\$ 269,446	\$ 340,300	7.0%	10.1%
71,477	86,289	105,835	99,908	81,721	108,086	16.3%	8.6%
146,247	151,207	145,668	147,899	147,407	146,077	1.6%	0.0%
31,765	35,772	26,000	33,422	24,257	33,600	-2.5%	1.1%
<u>149,233</u>	<u>213,118</u>	<u>207,842</u>	<u>220,502</u>	<u>223,198</u>	<u>234,099</u>	16.6%	9.4%
<u>\$ 608,693</u>	<u>\$ 730,504</u>	<u>\$ 762,955</u>	<u>\$ 775,631</u>	<u>\$ 746,029</u>	<u>\$ 862,162</u>	8.1%	7.2%
<u>\$3,874,061</u>	<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>	<u>\$4,820,020</u>	<u>\$4,822,412</u>	4.8%	4.5%
\$ 99,561	\$ 218,137	\$ 108,702	\$ 316,027	\$ 303,093	\$ 2,392		
2.6%	5.6%	2.7%	7.5%	6.7%	0.1%		

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES — ALL FUNDS

For the Last Ten Fiscal Years and 2008 Budget

(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Compensation:						
Teacher Salaries	\$1,435,987	\$1,485,925	\$1,573,412	\$1,639,064	\$1,690,449	\$1,749,974
ESP Salaries	<u>375,659</u>	<u>386,811</u>	<u>420,119</u>	<u>452,502</u>	<u>495,123</u>	<u>495,154</u>
Total Salaries	\$1,811,646	\$1,872,736	\$1,993,531	\$2,091,566	\$2,185,572	\$2,245,128
Teacher Pension	165,858	175,512	180,051	181,775	179,011	190,259
ESP Pension	75,433	67,979	63,351	64,104	70,843	73,754
Hospitalization	125,745	139,399	150,139	161,192	192,342	196,457
Medicare	12,965	16,155	17,815	20,261	22,212	23,358
Workers' Compensation	14,259	14,653	10,021	8,312	14,690	13,806
Unemployment Insurance	<u>2,756</u>	<u>1,449</u>	<u>1,350</u>	<u>1,740</u>	<u>2,336</u>	<u>3,374</u>
Total Benefits	\$ 397,016	\$ 415,147	\$ 422,727	\$ 437,384	\$ 481,434	\$ 501,008
Total Compensation	<u>\$2,208,662</u>	<u>\$2,287,883</u>	<u>\$2,416,258</u>	<u>\$2,528,950</u>	<u>\$2,667,006</u>	<u>\$2,746,136</u>
Non-Compensation:						
Energy	\$ 64,838	\$ 58,150	\$ 45,222	\$ 71,234	\$ 53,453	\$ 62,388
Food	75,103	92,259	88,415	90,691	86,145	92,539
Textbooks	63,645	65,838	71,201	74,305	77,948	72,118
Supplies	33,429	33,755	38,564	37,702	40,655	40,653
Commodities — Other	857	985	995	1,091	949	1,155
Professional fees	183,276	234,419	207,969	185,746	186,398	217,917
Charter schools	12,779	22,271	31,634	38,898	46,951	54,444
Transportation	92,074	92,270	101,300	105,373	95,502	98,901
Tuition	44,888	39,522	27,149	68,593	73,172	67,779
Telephone and telecommunications	10,734	18,425	21,677	24,543	24,880	13,981
Services — Other	16,664	11,279	14,151	15,767	21,425	26,485
Equipment	55,095	49,295	49,560	48,924	51,947	42,398
Repairs and Replacements	46,557	47,476	57,173	52,112	58,707	48,739
Capital Outlays	446,197	651,119	547,398	527,566	381,156	443,890
Rent	4,262	4,794	6,639	7,283	8,104	9,468
Debt Service	133,483	137,197	148,854	195,310	219,894	255,239
Other	96	550	4,294	428	(894)	(1,097)
Unallocated Appropriations (budget only)	—	—	—	—	—	—
Total Non-Compensation	<u>\$1,283,977</u>	<u>\$1,559,604</u>	<u>\$1,462,195</u>	<u>\$1,545,566</u>	<u>\$1,426,392</u>	<u>\$1,546,997</u>
Total Expenditures	<u>\$3,492,639</u>	<u>\$3,847,487</u>	<u>\$3,878,453</u>	<u>\$4,074,516</u>	<u>\$4,093,398</u>	<u>\$4,293,133</u>
Change in Expenditures from Previous Year	n/a	\$ 354,848	\$ 30,966	\$ 196,063	\$ 18,882	\$ 199,735
Percent Change in Expenditures	n/a	10.2%	0.8%	5.1%	0.5%	4.9%

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Budget 2008</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,820,063	\$1,850,403	\$1,916,378	\$1,924,109	\$2,011,812	3.4%	2.8%
<u>520,267</u>	<u>515,427</u>	<u>537,346</u>	<u>535,148</u>	<u>561,881</u>	4.1%	2.6%
\$2,340,330	\$2,365,830	\$2,453,724	\$2,459,257	\$2,573,693	3.6%	2.8%
194,511	198,065	247,585	282,488	349,301	7.7%	12.9%
79,498	81,560	87,530	83,317	89,676	1.7%	4.0%
229,045	230,204	243,003	250,765	307,282	9.3%	9.4%
25,480	26,719	29,989	25,279	34,382	10.2%	8.0%
16,997	17,953	21,004	24,619	40,534	11.0%	24.0%
<u>4,711</u>	<u>8,558</u>	<u>6,382</u>	<u>8,236</u>	<u>10,831</u>	14.7%	26.3%
<u>\$ 550,242</u>	<u>\$ 563,059</u>	<u>\$ 635,493</u>	<u>\$ 674,704</u>	<u>\$ 832,006</u>	7.7%	10.7%
<u>\$2,890,572</u>	<u>\$2,928,889</u>	<u>\$3,089,217</u>	<u>\$3,133,961</u>	<u>\$3,405,699</u>	4.4%	4.4%
\$ 63,233	\$ 64,647	\$ 70,760	\$ 77,133	\$ 90,951	3.4%	7.8%
96,712	89,628	85,815	83,798	89,477	1.8%	-0.7%
74,377	79,677	71,942	65,772	82,784	2.7%	2.8%
42,380	45,210	46,965	45,945	52,592	4.6%	5.3%
1,306	1,314	1,135	1,072	1,679	7.0%	7.8%
226,306	292,517	319,904	322,252	152,715	-1.8%	-6.9%
66,643	82,537	118,445	141,030	167,000	29.3%	25.1%
96,775	93,639	92,589	97,076	84,260	-0.9%	-3.2%
78,582	66,854	62,890	63,103	235,379	18.0%	28.3%
6,208	8,635	16,944	13,701	4,952	-7.4%	-18.7%
19,431	11,516	13,104	13,271	16,959	0.2%	-8.5%
43,315	44,081	38,335	34,614	20,233	-9.5%	-13.8%
45,353	35,224	35,556	32,973	39,184	-1.7%	-4.3%
360,328	389,450	310,821	345,020	855,000	6.7%	14.0%
7,974	10,393	14,174	12,965	10,681	9.6%	2.4%
259,590	315,809	214,652	342,179	278,074	7.6%	1.7%
(2,092)	6,215	5,894	6,429	8,940	57.4%	-252.1%
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>189,853</u>		
<u>\$1,486,421</u>	<u>\$1,637,346</u>	<u>\$1,519,925</u>	<u>\$1,698,333</u>	<u>\$2,380,713</u>	6.4%	9.0%
<u>\$4,376,993</u>	<u>\$4,566,235</u>	<u>\$4,609,142</u>	<u>\$4,832,294</u>	<u>\$5,786,412</u>	5.2%	6.2%
\$ 83,860	\$ 189,242	\$ 42,907	\$ 223,152	\$ 954,118		
2.0%	4.3%	0.9%	4.8%	19.7%		

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) — ALL FUNDS
For the Last Ten Fiscal Years and 2008 Budget
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues:					
Local	\$1,610,761	\$1,679,744	\$1,721,976	\$1,753,546	\$1,751,836
State	997,254	1,238,809	1,374,626	1,431,777	1,467,914
Federal	415,081	470,905	539,567	634,094	554,750
Total Revenues	<u>\$3,023,096</u>	<u>\$3,389,458</u>	<u>\$3,636,169</u>	<u>\$3,819,417</u>	<u>\$3,774,500</u>
Total Expenditures	<u>3,492,639</u>	<u>3,847,487</u>	<u>3,878,453</u>	<u>4,074,516</u>	<u>4,093,398</u>
Revenues less Expenditures	<u>\$ (469,543)</u>	<u>\$ (458,029)</u>	<u>\$ (242,284)</u>	<u>\$ (255,099)</u>	<u>\$ (318,898)</u>
Other Financing Sources:					
Bond Proceeds	\$ 480,020	\$ 878,640	\$ 331,299	\$ 474,460	\$ 232,693
Net premiums/discounts	—	—	—	(2,644)	(9)
Proceeds from Swaps	—	—	—	—	—
Capital Leases	—	—	—	—	—
Sales of general capital assets	—	—	—	—	—
Payment to Bond Escrow Agent	—	(243,612)	—	—	—
Total Other Financing Sources	<u>\$ 480,020</u>	<u>\$ 635,028</u>	<u>\$ 331,299</u>	<u>\$ 471,816</u>	<u>\$ 232,684</u>
Revenues and Other Financing Sources					
Less Expenditures	\$ 10,477	\$ 176,999	\$ 89,015	\$ 216,717	\$ (86,214)
Accounting Adjustment	—	—	—	(152,490)	—
Change in Fund Balance	<u>\$ 10,477</u>	<u>\$ 176,999</u>	<u>\$ 89,015</u>	<u>\$ 64,227</u>	<u>\$ (86,214)</u>
Fund Balance — Beginning of Period	1,004,554	1,015,031	1,192,030	1,281,045	1,345,272
Fund Balance — End of Period	<u>\$1,015,031</u>	<u>\$1,192,030</u>	<u>\$1,281,045</u>	<u>\$1,345,272</u>	<u>\$1,259,058</u>
Revenues as a Percent of Expenditures	86.6%	88.1%	93.8%	93.7%	92.2%
Composition of Fund Balance					
Reserved:					
Reserved for Encumbrances	\$ 397,597	\$ 459,045	\$ 390,861	\$ 415,068	\$ 380,340
Reserved for restricted donations	429	429	2,836	3,638	429
Reserved for specific purposes	59,339	53,158	66,436	56,579	36,096
Reserved for debt services	205,982	209,878	246,997	407,458	459,524
Unreserved:					
Designated to Provide Operating Capital	196,300	231,300	295,900	201,520	201,500
Undesignated	<u>155,384</u>	<u>238,220</u>	<u>278,015</u>	<u>261,009</u>	<u>181,169</u>
Total Fund Balance	<u>\$1,015,031</u>	<u>\$1,192,030</u>	<u>\$1,281,045</u>	<u>\$1,345,272</u>	<u>\$1,259,058</u>
Unreserved Fund Balance as a Percent of Revenues . .	11.6%	13.9%	15.8%	12.1%	10.1%
Total Fund Balance as a Percent of Revenues	33.6%	35.2%	35.2%	35.2%	33.4%

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Budget 2008</u>
\$1,795,801	\$1,880,246	\$1,930,830	\$2,138,661	\$2,372,406	\$2,146,536
1,469,567	1,481,448	1,507,115	1,602,635	1,701,585	1,813,714
608,693	730,504	762,955	775,631	746,029	862,162
<u>\$3,874,061</u>	<u>\$4,092,198</u>	<u>\$4,200,900</u>	<u>\$4,516,927</u>	<u>\$4,820,020</u>	<u>\$4,822,412</u>
4,293,133	4,382,016	4,566,235	4,609,142	4,832,294	5,786,412
<u>\$(419,072)</u>	<u>\$ (289,818)</u>	<u>\$ (365,335)</u>	<u>\$ (92,215)</u>	<u>\$ (12,274)</u>	<u>\$ (964,000)</u>
\$308,635	\$ 765,995	\$ 529,760	\$ 385,603	\$ 355,805	
8,803	21,043	43,450	3,798	14,444	
—	—	—	—	—	
—	—	—	3,700	—	
—	—	—	7,596	25,673	
—	(534,375)	(282,478)	—	—	
<u>\$317,438</u>	<u>\$ 252,663</u>	<u>\$ 290,732</u>	<u>\$ 400,697</u>	<u>\$ 395,922</u>	
\$ (101,634)	\$ (37,155)	\$ (74,603)	\$ 308,482	\$ 383,648	
—	—	—	—	—	
<u>\$(101,634)</u>	<u>\$ (37,155)</u>	<u>\$ (74,603)</u>	<u>\$ 308,482</u>	<u>\$ 383,648</u>	
1,259,058	1,157,424	1,120,269	1,045,666	1,354,148	
<u>\$1,157,424</u>	<u>\$1,120,269</u>	<u>\$1,045,666</u>	<u>\$1,354,148</u>	<u>\$1,737,796</u>	
90.2%	93.4%	92.0%	98.0%	99.7%	
\$245,902	\$ 291,730	\$ 238,238	\$ 323,251	\$ 296,799	
429	1,439	1,459	1,503	1,765	
41,289	42,015	43,675	84,388	129,597	
437,711	385,015	294,700	353,267	264,867	
161,233	171,300	190,000	218,400	233,200	
270,860	228,770	277,594	373,339	811,568	
<u>\$1,157,424</u>	<u>\$1,120,269</u>	<u>\$1,045,666</u>	<u>\$1,354,148</u>	<u>\$1,737,796</u>	
11.2%	9.8%	11.1%	13.1%	21.7%	
29.9%	27.4%	24.9%	30.0%	36.1%	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANAYLSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
For the Last Ten Fiscal Years and 2008 Budget
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Local Revenue:					
Property Taxes	\$1,269,819	\$1,314,362	\$1,352,374	\$1,379,010	\$1,429,307
Replacement Taxes	75,743	84,513	89,142	71,230	57,193
Investment Income	31,326	28,006	36,347	42,501	16,505
Other	<u>89,716</u>	<u>71,113</u>	<u>65,515</u>	<u>78,107</u>	<u>66,917</u>
Total Local	<u>\$1,466,604</u>	<u>\$1,497,994</u>	<u>\$1,543,378</u>	<u>\$1,570,848</u>	<u>\$1,569,922</u>
State Revenue:					
General State Aid	\$ 572,663	\$ 696,519	\$ 700,135	\$ 708,359	\$ 774,316
Teacher Pension	65,045	65,045	65,045	65,045	65,045
Other	<u>356,452</u>	<u>428,725</u>	<u>481,994</u>	<u>502,303</u>	<u>497,225</u>
Total State	<u>\$ 994,160</u>	<u>\$1,190,289</u>	<u>\$1,247,174</u>	<u>\$1,275,707</u>	<u>\$1,336,586</u>
Federal Revenue:					
ESEA/Title I	\$ 173,439	\$ 182,103	\$ 168,268	\$ 172,943	\$ 177,841
IDEA	23,808	31,199	40,039	56,056	62,850
Lunchroom	124,420	129,281	136,464	138,958	142,057
Medicaid	43,125	41,214	46,910	70,297	38,200
Other	<u>50,289</u>	<u>76,546</u>	<u>105,992</u>	<u>114,057</u>	<u>118,625</u>
Total Federal	<u>\$ 415,081</u>	<u>\$ 460,343</u>	<u>\$ 497,673</u>	<u>\$ 552,311</u>	<u>\$ 539,573</u>
Total Revenue	<u>\$2,875,845</u>	<u>\$3,148,626</u>	<u>\$3,288,225</u>	<u>\$3,398,866</u>	<u>\$3,446,081</u>
Change in Revenue from Previous Year	n/a	\$ 272,781	\$ 139,599	\$ 110,641	\$ 47,215
Percent Change in Revenue . .	n/a	9.49%	4.43%	3.36%	1.39%

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Budget 2008</u>	<u>Ten year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$1,495,382	\$1,520,557	\$1,587,803	\$1,666,118	\$1,716,516	\$1,770,689	3.38%	3.44%
48,852	61,897	94,546	131,639	147,403	145,900	6.78%	24.46%
20,803	18,779	14,003	36,874	61,595	36,650	1.58%	11.99%
<u>76,609</u>	<u>87,545</u>	<u>85,377</u>	<u>101,129</u>	<u>95,534</u>	<u>70,523</u>	-2.38%	-1.64%
<u>\$1,641,646</u>	<u>\$1,688,778</u>	<u>\$1,781,729</u>	<u>\$1,935,760</u>	<u>\$2,021,048</u>	<u>\$2,023,762</u>	3.27%	4.27%
\$ 765,739	\$ 829,157	\$ 821,699	\$ 868,398	\$ 888,220	\$ 926,000	4.92%	3.87%
65,045	—	65,045	74,922	75,233	75,263	1.47%	2.96%
<u>476,445</u>	<u>500,233</u>	<u>530,679</u>	<u>549,041</u>	<u>586,040</u>	<u>652,069</u>	6.23%	6.48%
<u>\$1,307,229</u>	<u>\$1,329,390</u>	<u>\$1,417,423</u>	<u>\$1,492,361</u>	<u>\$1,549,493</u>	<u>\$1,653,332</u>	5.22%	4.81%
\$ 209,971	\$ 244,118	\$ 277,610	\$ 273,900	\$ 269,446	\$ 340,300	6.97%	10.14%
71,477	86,289	105,835	99,908	81,721	108,086	16.33%	8.62%
146,247	151,207	145,668	147,899	147,407	146,077	1.62%	-0.02%
31,765	35,772	26,000	33,422	24,257	33,600	-2.46%	1.13%
<u>143,217</u>	<u>186,435</u>	<u>191,290</u>	<u>202,602</u>	<u>189,132</u>	<u>234,099</u>	16.63%	10.33%
<u>\$ 602,677</u>	<u>\$ 703,821</u>	<u>\$ 746,403</u>	<u>\$ 757,731</u>	<u>\$ 711,963</u>	<u>\$ 862,162</u>	7.58%	7.42%
<u>\$3,551,552</u>	<u>\$3,721,989</u>	<u>\$3,945,555</u>	<u>\$4,185,852</u>	<u>\$4,282,504</u>	<u>\$4,539,256</u>	4.67%	5.03%
\$ 105,471	\$ 170,437	\$ 223,566	\$ 240,297	\$ 96,652	\$ 256,752		
3.06%	4.80%	6.01%	6.09%	2.31%	6.00%		

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES
For the Last Ten Fiscal Years and 2008 Budget
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Compensation:					
Teacher Salaries	\$1,435,987	\$1,485,925	\$1,573,412	\$1,639,064	\$1,690,449
ESP Salaries	<u>375,659</u>	<u>386,811</u>	<u>420,119</u>	<u>452,502</u>	<u>495,123</u>
Total Salaries	\$1,811,646	\$1,872,736	\$1,993,531	\$2,091,566	\$2,185,572
Teacher Pension	165,858	175,512	180,051	181,775	179,011
ESP Pension	75,433	67,979	63,351	64,104	70,843
Hospitalization	125,745	139,399	150,139	161,192	192,342
Medicare	12,965	16,155	17,815	20,261	22,212
Workers' Compensation	14,259	14,653	10,021	8,312	14,690
Unemployment Insurance	<u>2,756</u>	<u>1,449</u>	<u>1,350</u>	<u>1,740</u>	<u>2,336</u>
Total Benefits	\$ 397,016	\$ 415,147	\$ 422,727	\$ 437,384	\$ 481,434
Total Compensation	<u>\$2,208,662</u>	<u>\$2,287,883</u>	<u>\$2,416,258</u>	<u>\$2,528,950</u>	<u>\$2,667,006</u>
Non-Compensation:					
Energy	\$ 64,838	\$ 58,150	\$ 45,222	\$ 71,234	\$ 53,453
Food	75,103	92,259	88,415	90,691	86,145
Textbooks	63,645	65,838	71,201	74,305	77,948
Supplies	33,429	33,755	38,564	37,702	40,655
Commodities — Other	857	985	995	1,091	949
Professional fees	183,276	234,419	207,969	185,746	186,398
Charter schools	12,779	22,271	31,634	38,898	46,951
Transportation	92,074	92,270	101,300	105,373	95,502
Tuition	44,888	39,522	27,149	68,593	73,172
Telephone and telecommunications	10,734	18,425	21,677	24,543	24,880
Services — Other	16,664	11,279	14,151	15,767	21,425
Equipment	55,095	49,295	49,560	48,924	51,947
Repairs and replacements	46,557	47,476	57,173	52,112	58,707
Capital Outlays	29	54	33	58	118
Rent	4,262	4,794	6,639	7,283	8,104
Debt Service	1,679	1,503	2,268	1,421	1,420
Other	96	550	4,294	428	(894)
Unallocated Appropriations (budget only)	—	—	—	—	—
Total Non-Compensation	<u>\$ 706,005</u>	<u>\$ 772,845</u>	<u>\$ 768,244</u>	<u>\$ 824,169</u>	<u>\$ 826,880</u>
Total Expenditures	<u>\$2,914,667</u>	<u>\$3,060,728</u>	<u>\$3,184,502</u>	<u>\$3,353,119</u>	<u>\$3,493,886</u>
Change in Expenditures from Previous Year	n/a	\$ 146,061	\$ 123,774	\$ 168,617	\$ 140,767
Percent Change in Expenditures	n/a	5.01%	4.04%	5.29%	4.20%

2003	2004	2005	2006	2007	Budget 2008	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
\$1,749,974	\$1,820,063	\$1,850,403	\$1,916,378	\$1,924,109	\$2,011,812	3.43%	2.83%
<u>495,154</u>	<u>520,267</u>	<u>515,427</u>	<u>537,346</u>	<u>535,148</u>	<u>561,881</u>	4.11%	2.56%
\$2,245,128	\$2,340,330	\$2,365,830	\$2,453,724	\$2,459,257	\$2,573,693	3.57%	2.77%
190,259	194,511	198,065	247,585	282,488	349,301	7.73%	12.92%
73,754	79,498	81,560	87,530	83,317	89,676	1.74%	3.99%
196,457	229,045	230,204	243,003	250,765	307,282	9.35%	9.36%
23,358	25,480	26,719	29,989	25,279	34,382	10.24%	8.04%
13,806	16,997	17,953	21,004	24,619	40,534	11.01%	24.04%
<u>3,374</u>	<u>4,711</u>	<u>8,558</u>	<u>6,382</u>	<u>8,236</u>	<u>10,831</u>	14.67%	26.27%
\$ 501,008	\$ 550,242	\$ 563,059	\$ 635,493	\$ 674,704	\$ 832,006	7.68%	10.68%
<u>\$2,746,136</u>	<u>\$2,890,572</u>	<u>\$2,928,889</u>	<u>\$3,089,217</u>	<u>\$3,133,961</u>	<u>\$3,405,699</u>	4.43%	4.40%
\$ 62,388	\$ 63,233	\$ 64,647	\$ 70,760	\$ 77,133	\$ 90,951	3.44%	7.83%
92,539	96,712	89,628	85,815	83,798	89,477	1.77%	-0.67%
72,118	74,377	79,677	71,942	65,772	82,784	2.66%	2.80%
40,653	42,380	45,210	46,965	45,945	52,592	4.64%	5.28%
1,155	1,306	1,314	1,135	1,072	1,679	6.96%	7.77%
217,917	226,306	292,517	319,904	322,252	152,715	-1.81%	-6.86%
54,444	66,643	82,537	118,445	141,030	167,000	29.31%	25.13%
98,901	96,775	93,639	92,589	97,076	84,260	-0.88%	-3.15%
67,779	78,582	66,854	62,890	63,103	235,379	18.02%	28.27%
13,981	6,208	8,635	16,944	13,701	4,952	-7.44%	-18.75%
26,485	19,431	11,516	13,104	13,271	10,457	-4.55%	-16.96%
42,398	43,315	44,081	38,335	34,614	20,233	-9.53%	-13.75%
48,739	45,353	35,224	35,556	32,973	39,184	-1.71%	-4.27%
17	15	—	4	5	—	-100.00%	-100.00%
9,468	7,974	10,393	14,174	12,965	10,681	9.62%	2.44%
1,420	1,420	1,420	1,420	1,269	1,420	-1.66%	0.00%
(1,097)	(2,092)	6,215	5,894	6,429	8,906	57.30%	-252.02%
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>189,887</u>		
\$ 849,305	\$ 867,938	\$ 933,507	\$ 995,876	\$1,012,408	\$1,242,557	5.82%	7.91%
<u>\$3,595,441</u>	<u>\$3,758,510</u>	<u>\$3,862,396</u>	<u>\$4,085,093</u>	<u>\$4,146,369</u>	<u>\$4,648,256</u>	4.78%	5.27%
\$ 101,555	\$ 163,069	\$ 103,886	\$ 222,697	\$ 61,276	\$ 501,887		
2.91%	4.54%	2.76%	5.77%	1.50%	12.10%		

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

For the Last Ten Fiscal Years and 2008 Budget
(Modified Accrual Basis of Accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Revenues:				
Local	\$1,466,604	\$1,497,994	\$1,543,378	\$1,570,848
State	994,160	1,190,289	1,247,174	1,275,707
Federal	<u>415,081</u>	<u>460,343</u>	<u>497,673</u>	<u>552,311</u>
Total Revenues	\$2,875,845	\$3,148,626	\$3,288,225	\$3,398,866
Total Expenditures	<u>2,914,667</u>	<u>3,060,728</u>	<u>3,184,502</u>	<u>3,353,119</u>
Revenues — Expenditures	\$ (38,822)	\$ 87,898	\$ 103,723	\$ 45,747
Other Financing Sources — Transfers	<u>(12,015)</u>	<u>—</u>	<u>11,436</u>	<u>(46,797)</u>
Revenues and Other Financing Sources				
Less Expenditures	\$ (50,837)	\$ 87,898	\$ 115,159	\$ (1,050)
Equity Transfer	(91,379)	—	—	—
Accounting Adjustment	<u>—</u>	<u>—</u>	<u>—</u>	<u>(152,490)</u>
Change in Fund Balance	\$ (142,216)	\$ 87,898	\$ 115,159	\$ (153,540)
Fund Balance — Beginning of Period	<u>504,111</u>	<u>361,895</u>	<u>449,793</u>	<u>564,952</u>
Fund Balance — End of Period	<u>\$ 361,895</u>	<u>\$ 449,793</u>	<u>\$ 564,952</u>	<u>\$ 411,412</u>
Revenues as a Percent of Expenditures	98.7%	102.9%	103.3%	101.4%
Composition of Fund Balance				
Reserved:				
Reserved for Encumbrances	\$ 80,130	\$ 107,951	\$ 102,623	\$ 149,675
Reserved for restricted donations	429	429	2,836	3,638
Reserved by law for specific purposes ...	59,339	53,158	66,436	56,579
Unreserved:				
Designated to Provide Operating				
Capital	196,300	231,300	295,900	201,520
Undesignated	<u>25,697</u>	<u>56,955</u>	<u>97,157</u>	<u>—</u>
Total Fund Balance	<u>\$ 361,895</u>	<u>\$ 449,793</u>	<u>\$ 564,952</u>	<u>\$ 411,412</u>
Unreserved Fund Balance as a Percent of				
Revenues	7.7%	9.2%	12.0%	5.9%
Total Fund Balance as a Percent of				
Revenues	12.6%	14.3%	17.2%	12.1%

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Budget 2008</u>
\$1,569,922	\$1,641,646	\$1,688,778	\$1,781,729	\$1,935,760	\$2,021,048	\$2,023,762
1,336,586	1,307,229	1,329,390	1,417,423	1,492,361	1,549,493	1,653,332
<u>539,573</u>	<u>602,677</u>	<u>703,821</u>	<u>746,403</u>	<u>757,731</u>	<u>711,963</u>	<u>862,162</u>
\$3,446,081	\$3,551,552	\$3,721,989	\$3,945,555	\$4,185,852	\$4,282,504	\$4,539,256
<u>3,493,886</u>	<u>3,595,441</u>	<u>3,758,510</u>	<u>3,862,396</u>	<u>4,085,093</u>	<u>4,146,369</u>	<u>4,648,256</u>
\$(47,805)	\$ (43,889)	\$ (36,521)	\$ 83,159	\$ 100,759	\$ 136,135	<u>\$ (109,000)</u>
<u>1,527</u>	<u>7,711</u>	<u>15,071</u>	<u>328</u>	<u>4,145</u>	<u>1,904</u>	
\$(46,278)	\$ (36,178)	\$ (21,450)	\$ 83,487	\$ 104,904	\$ 138,039	
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
\$(46,278)	\$ (36,178)	\$ (21,450)	\$ 83,487	\$ 104,904	\$ 138,039	
<u>411,412</u>	<u>365,134</u>	<u>328,956</u>	<u>307,506</u>	<u>390,993</u>	<u>495,897</u>	
<u>\$365,134</u>	<u>\$ 328,956</u>	<u>\$ 307,506</u>	<u>\$ 390,993</u>	<u>\$ 495,897</u>	<u>\$ 633,936</u>	
98.6%	98.8%	99.0%	102.2%	102.5%	103.3%	
\$118,726	\$ 78,879	\$ 67,542	\$ 97,313	\$ 102,286	\$ 97,731	
429	429	1,439	1,459	1,503	1,765	
36,096	41,289	42,015	43,675	84,388	129,597	
201,500	161,233	171,300	190,000	218,400	233,200	
<u>8,383</u>	<u>47,126</u>	<u>25,210</u>	<u>58,546</u>	<u>89,320</u>	<u>171,643</u>	
<u>\$365,134</u>	<u>\$ 328,956</u>	<u>\$ 307,506</u>	<u>\$ 390,993</u>	<u>\$ 495,897</u>	<u>\$ 633,936</u>	
6.1%	5.9%	5.3%	6.3%	7.4%	9.5%	
10.6%	9.3%	8.3%	9.9%	11.8%	14.8%	

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, 2007

Eligible Expenditures:	
Physical Education — Athletic Claims	\$ 250,000
Tort Claims — Administration Fee	525,665
Tort Claims — Major Settlements	63,976
Tort Claims — Casualty	24,999
General Liability Insurance	1,497,991
Property Damage Insurance	2,802,693
Property Loss Reserve Fund	212,765
Life Safety	1,068,254
School Safety Administration	317,678
School Safety Services	2,245,932
Personnel Security Services	38,850,401
Security Police Officers	8,099,352
Central Service Security	4,172,139
Bureau Of Risk & Benefits Management	211,714
Risk Management Administration	56,834
Ombudsman	292,023
Total Eligible Expenditures	<u>\$60,692,416</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS

For the Fiscal Year Ended June 30, 2007

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Amounts Held for Student Activities</u>
Checking:				
Elementary Schools	\$13,551,276	\$38,288,472	\$37,933,899	\$13,905,849
Child Parent Centers	72,892	226,136	232,188	66,840
Alternative Schools	24,394	45,060	14,679	54,775
Middle Schools	444,849	845,443	848,714	441,578
High Schools	<u>11,300,674</u>	<u>43,259,005</u>	<u>43,308,015</u>	<u>11,251,664</u>
	<u>\$25,394,085</u>	<u>\$82,664,116</u>	<u>\$82,337,495</u>	<u>\$25,720,706</u>
Investments:				
Elementary Schools				509,590
Middle Schools				110,570
High Schools				<u>3,782,411</u>
Total Cash and Investments Held for Student Activities				<u>\$30,123,277</u>

STUDENT FEES

	<u>Graduation Fees (A)</u>	<u>Student Activity Fees (B)</u>	<u>Total</u>
Total Elementary School Fees	\$2,436,967	\$2,251,112	\$ 4,688,079
Total Elementary Students	<u>301,122</u>	<u>301,122</u>	<u>301,122</u>
Average Fee per Student	<u>\$ 8.09</u>	<u>\$ 7.48</u>	<u>\$ 15.57</u>
Total High School Fees	\$5,066,080	\$7,701,785	\$12,767,865
Total High School Students	<u>112,572</u>	<u>112,572</u>	<u>112,572</u>
Average Fee per Student	<u>\$ 45.00</u>	<u>\$ 68.42</u>	<u>\$ 113.42</u>

NOTES:

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



Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Board of Education of the City of Chicago

SCHEDULE OF INSURANCE AND INSURANCE SERVICES

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Broker Services	Mesirow Financial	07/01/06 — 06/30/07	\$ 108,000	Insurance placement / consultation.
Property Insurance				
All Risk-Property Insurance				
1st Layer of Property Insurance	Lexington Insurance	07/01/06 — 06/30/07	2,046,100	\$50 Million subject to \$500,000 deductible.
2nd Layer of Property Insurance	Travelers	07/01/06 — 06/30/07	310,000	\$150 million excess of \$50,000,000
Boiler & Machinery Insurance	Federal Chubb	07/01/06 — 06/30/07	125,250	\$100 Million subject \$50,000 deductible.
Commercial Crime Insurance				\$50 Million subject to \$500,000 deductible. Coverage including fidelity.
1st Layer of Crime Insurance	Great American	07/01/06 — 06/30/07	39,468	\$10 million excess of \$500,000 deductible
2nd Layer of Crime Insurance	Zurich-American Insurance	07/01/06 — 06/30/07	35,078	\$10 million excess of \$10 million
3rd Layer of Crime Insurance	Travelers Casualty & Surety	07/01/06 — 06/30/07	29,640	\$10 million excess of \$20 million
4th Layer of Crime Insurance	Great American	07/01/06 — 06/30/07	21,341	\$10 million excess of \$30 million
5th Layer of Crime Insurance	Hanover	07/01/06 — 06/30/07	16,300	\$10 million excess of \$40 million
			<u>\$ 2,623,177</u>	Total Property, Boiler & Machinery and Crime for year ending 7/1/2007
Liability Insurance				
General Liability and School Board Legal Liability Insurance				\$75 million in excess of \$10 million Self-Insured Retention for General and School Board Legal Liability for Personal Injury, Property Damage, Employers Liability, Discrimination and other "Wrongful Acts." Includes Terrorism Coverage and Surplus Lines Tax and Fees.

(continued)

Statistical Section

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
1st Layer Liability Insurance	Princeton E&S	10/31/06 — 10/31/07	390,750	\$10 million per loss excess \$10 million self-insured retention
2nd Layer Liability Insurance	Westchester	10/31/06 — 10/31/07	285,936	\$15 Million excess \$10 Million
3rd Layer Liability Insurance	Great American Assurance	10/31/06 — 10/31/07	235,000	\$15 Million excess \$25 Million
4th Layer Liability Insurance	Lexington Insurance	10/31/06 — 10/31/07	212,934	\$15 Million excess \$40 Million
5th Layer Liability Insurance	Firemans Fund	10/31/06 — 10/31/07	147,631	\$20 Million excess \$55 Million
Workfare Insurance	Liberty Mutual	12/13/06 — 12/13/07	3,418	Statutory Workers Compensation/ \$1,000,000. Employers Liability for non-compensated students in intern and job shadow programs
			<u>\$ 1,275,669</u>	Total Liability Insurance
				Premiums and Related Expenses
Total Insurance Cost			<u>\$ 4,006,846</u>	

Self Insurance Programs

General Liability Claims	Martin Boyer Company/Cambridge	07/01/06 — 06/30/07	\$ 482,895	Claim administration services including investigation and adjustment of liability claims; pay medical costs, legal expense and settlements; Escrow funding for claims authorized up to \$2,000,000
			<u>1,172,891</u>	Amounts paid through escrow accounts to claimants, attorneys and expenses.
			<u>\$ 1,655,786</u>	Total General Liability Claims and Expenses
Workers Compensation Claims	Martin Boyer Company/Cambridge	07/01/06 — 06/30/07	\$ 724,342	Claim administration services including receive and review for compensability all employee accident claims. Review and apply PPO discount to medical claims. Pay indemnity costs for compensable claims. Determine case management needs. Provide claim statistics and establish safety initiatives. Escrow funding for claims authorized up to \$14,000,000.
			<u>23,558,389</u>	Amounts paid through escrow accounts to claimants, attorneys and expenses.
			<u>\$ 24,282,731</u>	Total Workers' Compensation Claims and Expenses

(continued)



Operating Information

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Interscholastic Athletic and Extracurricular Activity Injury Claims	Martin Boyer Company/Cambridge	07/01/06 — 06/30/07	\$ 60,361	Investigate eligibility for student coverage for incidents arising out of interscholastic athletic and extracurricular activities, including ROTC and student travel. Benefits include medical expense, disability income and accidental death benefits of up to \$1,000,000 per student in exchange for a waiver of all liability claims against the Board of Education. Investigate and obtain offsets from insurance and subrogation. Escrow funding for claims authorized up to \$300,000.
			<u>250,000</u>	Interscholastic Claims Payments
			<u>\$ 310,361</u>	Total Interscholastic Claims and Expenses
Life Safety	Various		<u>\$ 379,912</u>	Promotes safety programs
Total Self Insured Programs			<u>\$ 26,628,790</u>	
Capital Program/Owner Controlled Insurance Program (OCIP)				
OCIP Paid Claims	General & Workers' Compensation Claims	07/01/06 — 06/30/07	1,926,788	OCIP General Liability and Workers Compensation Claims
OCIP Surety Bond	Aon/Safeco	07/01/06 — 06/30/07	18,563	Secure outstanding liability for TIG policy year losses.
			<u>\$ 1,945,351</u>	Total OCIP Insurance, Claims and Expenses
Health Insurance/HMO/PPO				
Medical-Administrative Services	Blue Cross/Blue Shield of Illinois	07/01/06 — 06/30/07	\$ 3,503,373	PPO Health care for eligible employees and dependents.
	United Healthcare PPO	07/01/06 — 06/30/07	1,220,818	PPO Health care for eligible employees and dependents.
	United Healthcare PPO w/HRA	07/01/06 — 06/30/07	491,409	PPO and Health Reimbursement Account for eligible employees and dependents.
	Blue Cross HMO Illinois	07/01/06 — 06/30/07	5,379,788	HMO Health care for eligible employees and dependents.
	United Healthcare HMO (EPO)	07/01/06 — 06/30/07	<u>1,005,008</u>	HMO Health care for eligible employees and dependents.
Medical Total Admin. Fees			<u>\$ 11,600,396</u>	
Medical PPO Claim	Blue Cross/Blue Shield of Illinois	07/01/06 — 06/30/07	\$ 53,139,072	PPO Health care for eligible employees and dependents and retirees.
	United Healthcare PPO	07/01/06 — 06/30/07	17,393,152	PPO Health care of eligible employees, dependents & retirees.

(continued)

Statistical Section

<u>Type of Coverage</u>	<u>Provider Broker/ Insurer/TPA</u>	<u>Term From — To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
	United Healthcare PPO w/HRA	07/01/06 — 06/30/07	<u>4,774,455</u>	PPO and Health Reimbursement Account for eligible employees and dependents.
Medical Total PPO Claims			<u>\$ 75,306,679</u>	
Medical HMO Claims	Blue Cross HMO Illinois	07/01/06 — 06/30/07	\$124,803,142	HMO Healthcare for eligible employees and dependents. Claims and Physician Service Fees.
	United Healthcare HMO	07/01/06 — 06/30/07	<u>23,537,347</u>	HMO Healthcare for eligible employees and dependents.
Medical Total HMO Claims			<u>\$148,340,489</u>	
Medical Claims Total		07/01/06 — 06/30/07	<u>\$223,647,168</u>	
Medical Claims and Expenses		07/01/06 — 06/30/07	<u>\$235,247,564</u>	
Managed Mental Health Service	United Behavioral Health	07/01/06 — 06/30/07	<u>\$ 584,267</u>	Mental health care for PPO eligible employees and dependents.
Utilization Review and and Case Mangement	Encompass		<u>\$ 592,184</u>	Pre-certification, utilization review and case management for PPO eligible employees and dependents.
Prescription Drugs	Caremark	07/01/06 — 06/30/07	<u>\$ 45,517,884</u>	Pharmaceutical services for PPO and HMO eligible employees and dependents.
Total Medical Expenses		07/01/06 — 06/30/07	<u>\$281,941,899</u>	
Other Insurance				
Dental Insurance	CompBenefits of Illinois	07/01/06 — 06/30/07	\$ 4,618,619	Dental HMO for eligible employees and dependents.
	Delta Dental	07/01/06 — 06/30/07	<u>8,315,090</u>	Dental PPO for eligible employees and dependents.
Dental Insurance Total			<u>\$ 12,933,709</u>	
Vision Plan	Vision Service Plan (VSP)	07/01/06 — 06/30/07	<u>\$ 268,793</u>	Vision services for eligible employees and dependents.
Term Life Insurance	Prudential Life Insurance	07/01/06 — 06/30/07	<u>\$ 2,465,847</u>	Life insurance policy at \$10,000 per eligible employee.
Total Dental/Vision/Life			<u>\$ 15,668,349</u>	
Total Health/Life Benefit Expenses			<u>\$297,610,248</u>	





Chicago Public Schools
Every Child, Every School



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY

For the fiscal year ended June 30, 2007

(Millions of dollars — except for project summary)

	<u>1997 (A)</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Unexpended	\$278.8	\$456.1	\$ 445.6	\$519.9	\$ 449.2
Proceeds Available from Bond Issuance	458.0	387.5	634.2	331.3	469.2
State Aid	1.3	3.1	48.5	49.5	—
Federal Aid	—	—	10.6	41.9	81.8
Investment Income	17.8	41.8	29.3	37.1	42.8
Other Income	8.6	3.3	1.4	19.6	4.3
Total	<u>\$764.5</u>	<u>\$891.8</u>	<u>\$1,169.6</u>	<u>\$999.3</u>	<u>\$1,047.3</u>
Expenditures	308.4	446.2	649.7	544.6	519.8
Operating Transfers In / (Out)	—	—	—	(5.5)	(13.2)
Unexpended	\$456.1	\$445.6	\$ 519.9	\$449.2	\$ 514.3
Encumbrances	184.7	316.5	351.1	288.2	265.4
Available Balance	<u>\$271.4</u>	<u>\$129.1</u>	<u>\$ 168.8</u>	<u>\$161.0</u>	<u>\$ 248.9</u>

NOTE:

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

A. Fiscal year 1997 was a ten month period.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Program to Date as of June 30, 2007</u>
\$514.3	\$433.1	\$386.1	\$426.5	\$359.3	\$496.8	\$ —
232.7	313.6	257.3	284.0	389.4	370.2	4,127.4
—	58.1	82.2	3.1	—	18.1	263.9
15.2	6.0	26.7	16.6	17.9	34.1	250.8
33.1	13.3	8.1	13.2	22.4	35.6	294.5
<u>1.1</u>	<u>9.6</u>	<u>11.8</u>	<u>12.2</u>	<u>21.4</u>	<u>36.6</u>	<u>129.9</u>
\$796.4	\$833.7	\$772.2	\$755.6	\$810.4	\$991.4	\$5,066.5
363.3	441.6	360.8	389.0	310.8	345.0	4,679.2
—	(6.0)	15.1	(7.3)	(2.8)	—	(19.7)
\$433.1	\$386.1	\$426.5	\$359.3	\$496.8	\$646.4	\$ 367.6
<u>261.6</u>	<u>175.2</u>	<u>223.6</u>	<u>140.8</u>	<u>220.2</u>	<u>199.1</u>	<u>199.2</u>
<u>\$171.5</u>	<u>\$210.9</u>	<u>\$202.9</u>	<u>\$218.5</u>	<u>\$276.6</u>	<u>\$447.3</u>	<u>\$ 168.4</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
DAYS MEALS SERVED:					
National School Lunch Program	179	179	173	173	173
PUPIL LUNCHES SERVED:					
Paid lunches (regular)	3,798,931	3,847,219	3,648,536	3,332,446	2,827,976
Reduced lunches (regular)	3,950,416	3,923,832	3,577,319	3,646,341	3,480,051
Free lunches (regular)	<u>48,517,899</u>	<u>48,224,045</u>	<u>45,899,056</u>	<u>45,029,271</u>	<u>43,011,934</u>
TOTAL PUPIL LUNCHES SERVED	<u>56,267,246</u>	<u>55,995,096</u>	<u>53,124,911</u>	<u>52,008,058</u>	<u>49,319,961</u>
DAILY AVERAGE	314,342	312,822	307,080	300,625	285,086
Change from Previous Year	(492,329)	(272,150)	(2,870,185)	(1,116,853)	(2,688,097)
DAILY PERCENTAGE CHANGE	-0.9%	-0.5%	-5.1%	-2.1%	-5.2%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)	540,538	583,102	521,750	455,803	312,752
Reduced breakfasts (regular)	494,298	512,863	467,460	486,385	451,567
Free breakfasts (regular)	<u>14,857,461</u>	<u>14,623,404</u>	<u>13,562,132</u>	<u>13,504,698</u>	<u>12,962,522</u>
TOTAL PUPIL BREAKFASTS SERVED	<u>15,892,297</u>	<u>15,719,369</u>	<u>14,551,342</u>	<u>14,446,886</u>	<u>13,726,841</u>
DAILY AVERAGE	88,784	87,818	84,112	83,508	79,346
Change from Previous Year	148,539	(172,928)	(1,168,027)	(104,456)	(720,045)
DAILY PERCENTAGE CHANGE	-0.9%	-1.1%	-7.4%	-0.7%	-5.0%
TOTAL MEALS SERVED	<u>72,159,543</u>	<u>71,714,465</u>	<u>67,676,253</u>	<u>66,454,944</u>	<u>63,046,802</u>
DAILY AVERAGE	403,126	400,639	391,192	384,133	364,432
TOTAL CHANGE FROM PREVIOUS YEAR	(343,790)	(445,078)	(4,038,212)	(1,221,309)	(3,408,142)
DAILY PERCENTAGE CHANGE	-0.5%	-0.6%	-5.6%	-1.8%	-5.1%
NUMBER OF ADULT LUNCHES (REGULAR)	<u>713,248</u>	<u>667,865</u>	<u>532,469</u>	<u>387,624</u>	<u>301,213</u>
DAILY AVERAGE	3,985	3,731	3,078	2,241	1,741
TOTAL CHANGE FROM PREVIOUS YEAR	(1,350)	(45,383)	(135,396)	(144,845)	(86,411)
DAILY PERCENTAGE CHANGE	-0.2%	-6.4%	-20.3%	-27.2%	-22.3%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
REVENUE:					
Federal and State Sources	\$156,763	\$161,127	\$156,062	\$180,175	\$158,166
Local Sources	<u>13,404</u>	<u>11,620</u>	<u>9,553</u>	<u>9,317</u>	<u>35,303</u>
Total Revenue	<u>\$170,167</u>	<u>\$172,747</u>	<u>\$165,615</u>	<u>\$189,492</u>	<u>\$193,469</u>
EXPENDITURES:					
Career Service Salaries	\$ 53,248	\$ 56,936	\$ 57,543	\$ 59,199	\$ 61,025
Career Service Pension	3,633	3,841	3,853	4,310	10,255
Hospitalization	16,254	19,383	19,130	19,501	20,897
Food	91,683	95,795	88,606	84,634	82,331
Professional and Special Services	3,327	3,492	3,256	2,910	2,748
Administrative Allocation	11,639	12,142	12,163	15,456	12,270
Other	<u>3,030</u>	<u>2,420</u>	<u>2,562</u>	<u>3,467</u>	<u>3,946</u>
Total Expenditures	<u>\$182,814</u>	<u>\$194,009</u>	<u>\$187,113</u>	<u>\$189,477</u>	<u>\$193,472</u>
Revenues Less Than Expenditures	<u>\$ (12,647)</u>	<u>\$ (21,262)</u>	<u>\$ (21,498)</u>	<u>\$ 15</u>	<u>\$ (3)</u>
DAILY AVERAGE					
Revenues	\$ 951	\$ 965	\$ 957	\$ 1,095	\$ 1,118
Expenditures	\$ 1,021	\$ 1,084	\$ 1,082	\$ 1,095	\$ 1,118
PERCENTAGE CHANGE					
Revenues	3.7%	1.5%	-4.1%	14.4%	2.1%
Expenditures	5.2%	6.1%	-3.6%	1.3%	2.1%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For Fiscal Year Ended June 30, 2007

With Comparative Amounts for the Period Ended June 30, 2006

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

	<u>2006 Schools</u>	<u>2006 Administrative Center</u>	<u>Total</u>
<u>Electricity</u>			
Commonwealth Edison			
Total Electricity Charges(B)	\$ 39,039,507	\$ 898,890	\$ 39,938,397
Kilowatt Hours	<u>531,983,176</u>	<u>12,832,125</u>	<u>544,815,301</u>
Charge per Kilowatt Hour	<u>\$ 0.07338</u>	<u>\$ 0.07005</u>	<u>\$ 0.07331</u>
<u>Gas</u>			
Total Gas Charges	\$ 32,224,276	\$ 65,946	\$ 32,290,222
Therms	<u>34,120,849</u>	<u>558,573</u>	<u>34,679,422</u>
Charge per Therm	<u>\$ 0.94442</u>	<u>\$ 0.11806</u>	<u>\$ 0.93111</u>

NOTES:

- A. Fiscal year 2007 electricity and consumption amounts represent amounts that have been billed for service during fiscal year 2007 and have been paid to Commonwealth Edison as of July 31, 2007.
- B. Fiscal year 2006 electricity and consumption amounts represent amounts that have been billed for service during fiscal year 2006 and have been paid to Commonwealth Edison as of July 31, 2006.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY SALES AND PURCHASES
For the Fiscal Year Ending June 30, 2007

Sales				
<u>Unit Location</u>	<u>Type</u>	<u>Date Acquired</u>	<u>Cost Basis (A)</u>	<u>Gross/Sales Proceeds</u>
919 W. Barry Avenue	Land	10/11/1961	\$ 223,486	\$25,000,100
17-27 N. Talman	Land	5/28/1975	1,075	431,000
8433 — 57 S. Lawndale Avenue	Land	6/13/1951	5,510	242,000
500-508 S. State	Land	10/17/2000	1,290,000	—
			<u>\$1,520,071</u>	<u>\$25,673,100</u>

Purchases				
<u>Unit Location</u>	<u>Type</u>	<u>Date Acquired</u>	<u>School</u>	<u>Purchase Cost</u>
1226-1234 W. Adams	Land	7/5/2006	Skinner	\$2,335,000
1440 W. Cermak	Land	12/19/2006	Juarez	3,500,000
421 N. Sawyer	Land	6/1/2007	Skinner	2,000,000
				<u>\$7,835,000</u>

Summary of Owned Properties				
<u>Type</u>	<u>Total at June 30, 2006</u>	<u>Sales</u>	<u>Purchases</u>	<u>Total at June 30, 2007</u>
Commercial Properties	1	—	—	1
School Properties	1,005	1	3	1,007
Land and Land Leases Properties	33	3	—	30
Totals	<u>1,039</u>	<u>4</u>	<u>3</u>	<u>1,038</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

<u>Fiscal Year</u>	<u>Minimum Salary (A)</u>	<u>Median Salary</u>	<u>Maximum Salary (B)</u>	<u>Percent Change (C)</u>
1998.....	30,567	42,476	54,385	3.25%
1999.....	31,598	43,909	56,220	3.37%
2000.....	32,546	45,227	57,907	3.00%
2001.....	33,197	46,421	59,644	2.00%
2002.....	33,861	47,647	61,433	2.00%
2003.....	34,538	48,907	63,276	2.00%
2004.....	35,920	50,864	65,807	4.00%
2005.....	37,357	52,899	68,439	4.00%
2006.....	38,851	55,015	71,177	4.00%
2007.....	40,405	57,215	74,025	4.00%

NOTES:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TEACHERS' PENSION FUNDING ANALYSIS

For the last five fiscal years

(Thousands of dollars)

<u>Fiscal Year</u>	<u>Employer and Employee Contribution</u>	<u>Net Assets of Plan (Fair market Value)</u>	<u>Unfunded Obligation (Assets at Fair Market Value)</u>	<u>% Funded of Pension Obligation Fund at Year End (Assets at Fair market Value)</u>	<u>% Unfunded (Assets at Fair Market)</u>
2002.....	\$179,011	\$10,619,061	\$ 406,421	96.3%	3.7%
2003.....	190,259	10,494,755	916,773	92.0%	8.0%
2004.....	194,511	10,392,193	1,713,488	85.8%	14.2%
2005.....	198,065	10,506,471	2,789,405	79.0%	21.0%
2006.....	247,585	10,947,998	3,087,629	78.0%	22.0%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS

For the last five fiscal years

<u>Fiscal Year</u>	<u>School Year</u>	<u>Average Daily Attendance (A)</u>	<u>Operating Expenses Per Pupil (B)</u>	<u>Per Capita Tuition Charge (C)</u>
2003	2002-03	395,884	\$ 8,786	\$6,157
2004	2003-04	392,570	9,564	6,682
2005	2004-05	385,461	10,555	9,488
2006	2005-06	380,205	10,409	7,482
2007	2006-07	370,500	n/a	n/a

NOTES:

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



Chicago Public Schools
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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL STUDENT MEMBERSHIP
For the last ten fiscal years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Elementary				
Pre-Kindergarten	19,266	21,835	19,891	21,793
Kindergarten	35,506	36,673	35,221	33,733
Grades 1-3	114,624	121,956	122,098	118,739
Grades 4-6	89,332	96,148	100,249	106,587
Grades 7-8	54,540	58,927	59,172	58,429
Special Education (A)	16,306	—	—	—
Total Elementary	<u>329,574</u>	<u>335,539</u>	<u>336,631</u>	<u>339,281</u>
Secondary				
9th Grade	32,271	34,042	34,472	34,258
10th Grade	25,810	25,739	27,010	27,491
11th Grade	19,921	19,593	18,498	20,008
12th Grade	15,826	16,172	15,139	14,432
Special Education (A)	4,782	—	—	—
Total Secondary	<u>98,610</u>	<u>95,546</u>	<u>95,119</u>	<u>96,189</u>
Grand Total	<u>428,184</u>	<u>431,085</u>	<u>431,750</u>	<u>435,470</u>

NOTES:

A. In 1998, the courts mandated the State to assign all special education students a grade level according to their biological age.

Source: Department of Compliance — Office of REA

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
21,109	21,788	22,085	21,417	21,205	21,363
32,458	31,655	31,539	29,986	29,502	28,403
117,181	114,470	107,677	101,944	98,157	95,744
107,091	107,575	105,633	103,005	100,065	94,235
60,606	62,037	63,262	64,205	62,921	62,385
—	—	—	—	—	—
<u>338,445</u>	<u>337,525</u>	<u>330,196</u>	<u>320,557</u>	<u>311,850</u>	<u>302,130</u>
34,116	33,895	35,813	35,529	36,735	37,514
28,186	28,780	27,925	29,218	29,555	30,286
20,755	21,519	22,347	22,711	23,764	23,871
16,116	16,870	18,138	18,797	19,078	19,893
—	—	—	—	—	—
<u>99,173</u>	<u>101,064</u>	<u>104,223</u>	<u>106,255</u>	<u>109,132</u>	<u>111,564</u>
<u>437,618</u>	<u>438,589</u>	<u>434,419</u>	<u>426,812</u>	<u>420,982</u>	<u>413,694</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

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

Source: Illinois State Board of Education

Note:

Information is not available prior to fiscal year 2002.



Chicago Public Schools
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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

For the last ten fiscal years

	<u>1997-1998</u>	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>
Number of Schools				
Elementary (A)	475	476	478	478
Special	24	27	27	26
High School	69	69	71	72
Vocational/Technical	7	7	7	7
Charter Schools	8	12	14	13
Total Schools	<u>583</u>	<u>591</u>	<u>597</u>	<u>596</u>
School Enrollment (B)				
Elementary (A)	325,159	329,334	330,588	332,811
Special	5,763	6,533	5,491	4,996
High School	84,152	81,475	80,712	81,516
Vocational/Technical	9,913	9,428	9,424	9,414
Charter Schools	3,197	4,315	5,535	6,733
Total School Enrollment	<u>428,184</u>	<u>431,085</u>	<u>431,750</u>	<u>435,470</u>
Number of High School Graduates	<u>16,567</u>	<u>16,195</u>	<u>14,875</u>	<u>14,091</u>

NOTES:

Source: Department of Compliance — Office of REA

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

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

<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
480	479	482	475	475	472
28	27	25	19	18	18
70	75	82	93	98	93
7	7	6	6	12	12
15	14	18	20	22	27
<u>600</u>	<u>602</u>	<u>613</u>	<u>613</u>	<u>625</u>	<u>622</u>
331,385	328,261	319,966	309,818	298,030	287,252
6,348	5,111	4,937	3,730	3,076	3,222
84,759	87,740	90,888	92,787	88,490	88,487
9,042	8,633	8,135	8,203	15,970	15,313
6,084	8,844	10,493	12,274	15,416	19,420
<u>437,618</u>	<u>438,589</u>	<u>434,419</u>	<u>426,812</u>	<u>420,982</u>	<u>413,694</u>
<u>15,752</u>	<u>15,753</u>	<u>16,057</u>	<u>16,487</u>	<u>16,898</u>	<u>18,235</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHOOL INFORMATION DESCRIPTION

The school general information tables contain student and financial data as of June 30, 2007. The following is an explanation of each data element.

<u>COLUMN NAME</u>	<u>DESCRIPTION</u>
Unit Name	School Name
Student Membership	Total membership as of September 30, 2006
Per Pupil Expenditures	Total Fiscal Year 2007 school expenses per student excluding capital spending
Per Pupil Capital Expenditures	Total Fiscal Year 2007 capital expenses per student
Per Pupil Supplementary Expenditures	Total Fiscal Year 2007 Federal, State Supplementary State Aid, PL94-142 and desegregation expenses per student at the school



General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	877	\$ 8,131	\$ 695	\$ 1,040
AASTA — ORR HS	506	\$ 6,980	\$ —	\$1,036
ACE TECH CHTR HS	377	8,836	2,542	835
ACT CHTR HS	308	9,104	—	1,024
ALT LEARNING COMMNTY HS	250	1,325	—	1,325
AMUNDSEN HS	1,493	7,662	774	1,253
ASPIRA CHRTR — RAMIREZ	349	8,473	—	867
AUSTIN BUS & ENTRP HS	217	6,875	—	605
AUSTIN HS	254	24,370	38,007	3,417
BEST HS	346	8,175	—	1,155
BEST PRACTICE HS	369	6,780	55	990
BIG PICT HS — METRO	67	18,469	207	1,390
BIG PICT HS — YARDS	81	14,999	120	1,012
BOGAN TECH HS	2,091	7,201	1,575	1,065
BRONZEVILLE HS	239	7,586	314	794
BROOKS CPHS	777	7,945	166	654
CALUMET HS	186	23,680	34,118	2,764
CARVER MIL ACAD HS	536	13,119	129	1,464
CHGO INTL CHRT — ELLISON	158	8,348	—	748
CHGO INTL CHRT — NORTHTOWN	702	7,974	—	381
CHICAGO ACAD HS	378	8,493	4,036	633
CHICAGO AGR SCI HS	587	11,360	64	957
CHICAGO DISCOVERY HS	406	7,314	26	1,034
CHICAGO MIL ACAD HS	518	10,034	31	1,001
CHICAGO VOC AA HS	408	6,370	—	776
CHICAGO VOC HS	2,020	8,235	330	1,181
CLARK MAGNET HS	1,072	7,748	1,491	941
CLEMENTE AA HS	385	5,440	—	341
CLEMENTE HS	2,180	8,532	105	1,522
COLLINS HS	558	11,986	7,479	2,034
CORLISS HS	1,364	7,954	29	1,231
CRANE AA HS	413	5,283	—	787
CRANE TECH HS	1,038	10,449	320	1,437
CURIE HS	3,018	7,814	175	1,229
DEVRY ADVANTAGE HS	204	3,687	—	195
DOUGLASS HS	642	10,046	334	1,804
DUNBAR VOC HS	1,752	7,335	324	1,209
DYETT HS	554	9,568	50	1,530
ENGLEWOOD AA HS	250	7,679	4	1,067
ENGLEWOOD HS	446	12,117	6,973	2,100
ENTREPRENEURSHIP HS	508	7,277	122	921

General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	877	\$ 8,131	\$ 695	\$ 1,040
EXCEL — ORR HS	480	\$ 7,186	\$ 3	\$1,256
FARRAGUT HS	2,440	6,802	70	1,104
FENGER HS	1,119	8,164	1,410	1,066
FENGER AA HS	233	7,040	—	699
FOREMAN HS	1,976	7,206	63	953
GAGE PARK HS	1,752	6,874	30	1,027
GLOBAL VISIONS HS	378	7,983	52	1,213
GRAHAM, R. TRNG CTR	188	22,253	65	1,119
HANCOCK HS	873	6,555	5,733	965
HARLAN HS	1,388	7,803	188	1,421
HARPER HS	1,301	8,294	38	1,257
HIRSCH HS	1,025	7,970	66	1,350
HOPE CPHS	1,015	7,612	10	1,243
HUBBARD HS	1,715	7,063	6	1,055
HYDE PARK HS	2,007	7,478	942	1,070
IDOC/HEALY SOUTH HS	106	16,052	—	536
INFINITY HS	188	8,502	306	767
JEFFERSON, N	450	17,027	—	372
JONES CPHS	807	8,003	275	608
JUAREZ HS	1,565	8,355	7,073	1,426
JULIAN HS	1,943	7,346	149	1,337
KELLY HS	3,162	6,859	61	1,132
KELVYN PARK HS	1,549	8,735	139	1,473
KENNEDY HS	1,538	8,447	598	935
KENWOOD HS	1,709	6,679	1	828
KING CPHS	923	7,706	41	390
LAKE VIEW HS	1,494	7,147	107	951
LANE TECH HS	4,248	6,219	—	428
LAS CASAS HS	110	33,019	2,111	1,218
LINC ALT HS	276	10,648	—	1,081
LINCOLN PARK HS	2,192	6,687	155	485
LINDBLOM MSHS	250	15,542	381	881
MANLEY HS	1,084	8,071	147	1,552
MARSHALL HS	1,135	8,918	795	1,623
MATHER HS	1,857	7,310	30	1,117
MORGAN PARK HS	2,084	6,792	323	510
MULTICULTURAL ARTS HS	191	8,594	194	914
NEW MILLNM HS	342	7,572	85	813
NOBLE ST. CHRTR — PRTISKER	145	8,561	—	820
NOBLE ST. CHRTR — RAUNER	146	8,683	—	780



General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	877	\$ 8,131	\$ 695	\$ 1,040
NOBLE ST. CHRTR HS	468	\$ 8,930	\$ —	\$ 912
NORTH LAWNDALE CHRTR	401	8,412	—	1,032
NORTH-GRAND HS	702	8,233	170	817
NORTHSIDE CPHS	1,075	7,260	—	352
NORTHSIDE LRN CTR HS	270	21,648	5,144	704
PAYTON CPHS	837	8,303	11	287
PEACE & EDUCATION ALT HS	89	15,465	17	1,071
PERSPECTIVES CHRTR — CALUMET	279	7,106	—	730
PERSPECTIVES CHRTR HS	349	8,780	1	835
PHILLIPS HS	793	9,622	91	1,408
PHOENIX MIL ACAD HS	278	10,853	122	946
PROSSER HS	1,383	8,219	41	1,175
RABY HS	409	7,680	178	694
RICHARDS HS	564	8,381	21	1,235
RICKOVER NAVAL HS	218	10,079	328	666
ROBESON AA HS	227	6,184	—	1,039
ROBESON HS	1,282	8,000	79	1,306
ROOSEVELT HS	1,628	8,212	180	1,164
SCH OF LEADRSHS HS	386	9,208	90	1,673
SCH OF SOC JUST HS	192	8,254	249	495
SCH OF TECH HS	453	7,653	202	877
SCH OF THE ARTS HS	495	8,416	—	1,380
SCHURZ HS	2,278	7,530	74	1,200
SENN AA HS	134	11,107	9	1,257
SENN HS	1,372	9,135	2,115	1,474
SIMEON HS	1,570	8,296	254	1,206
SIMPSON HS	213	10,382	197	1,332
SOUTHSIDE OCCP HS	235	19,949	1,963	966
SPRY COMM LINKS HS	101	9,546	—	496
STEINMETZ HS	2,055	7,871	345	1,124
SULLIVAN HS	966	9,534	53	1,461
TAFT HS	2,646	6,852	25	468
TILDEN AA HS	249	8,327	—	1,229
TILDEN HS	1,245	9,564	16	1,553
U OF CHICAGO CHTR HS	159	7,331	—	659
UPLIFT COMMUNITY HS	433	9,940	126	964
URBAN PREP CHTR HS	166	6,665	—	627
VAUGHN OCCP HS	228	15,406	30	862
VINES PREP HS	515	6,470	11	1,094
VON STEUBEN HS	1,479	7,175	171	621

General Information For High Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for High Schools	877	\$ 8,131	\$ 695	\$ 1,040
WASHINGTON, G. HS	1,599	\$ 7,315	\$ 64	\$1,011
WELLS HS	1,076	8,561	395	1,298
WESTINGHOUSE HS	160	21,817	63,812	3,531
WILLIAMS HS — PREP MED	168	6,624	206	593
WORLD LANGUAGE HS	184	7,535	263	664
YNG WOMEN LDRSHP CHRT	343	8,292	27	767
YORK ALT HS	317	26,350	—	1,115
YOUNG MAGNET HS	2,207	6,862	168	424
YOUTH CONNCTNS CHRTR	2,818	8,046	2	852



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
ABBOTT	121	\$15,936	\$ 300	\$ 1,665
ADDAMS	873	5,736	1	1,170
AGASSIZ	355	9,960	1	1,859
ALBANY PARK	290	7,436	27,634	801
ALCOTT	453	8,449	10	434
ALDRIDGE	210	9,564	6,035	2,425
ALTGELD	693	6,260	20	1,252
AMES	799	6,183	—	1,153
ANDERSEN	583	8,178	66	1,655
ANTHONY — BURNHAM BR	158	650	—	—
ARIEL	431	7,162	140	1,141
ARMOUR	257	12,546	772	2,127
ARMOUR BR	169	145	—	—
ARMSTRONG, G.	1,287	6,194	548	1,102
ARMSTRONG, L.	183	9,837	893	1,775
ASHBURN	532	6,581	20	894
ASHE	731	5,571	618	1,048
ASPIRA CHRTR — HAUGAN	506	7,171	666	1,051
ATTUCKS	373	9,414	114	1,584
AUDUBON	427	7,592	95	665
AVALON PARK	687	6,363	27	1,090
AVONDALE	708	5,824	126	1,046
BANNEKER	432	7,929	11	1,788
BARNARD	323	8,295	101	1,602
BARRY	847	6,025	5	904
BARTON	742	6,214	2,192	1,026
BASS	659	6,081	35	1,192
BATEMAN	984	6,142	9	966
BEARD	161	26,140	49	508
BEASLEY CPC	151	6,068	—	5,387
BEASLEY MAGNET	1,296	5,719	63	1,084
BEAUBIEN	1,002	5,849	116	724
BEETHOVEN	499	8,442	58	2,094
BEIDLER	482	7,637	—	1,482
BELDING	499	6,496	49	720
BELL	862	8,132	652	432
BELMONT-CRAGIN	265	8,215	38	1,662
BELMONT-CRAGIN EC	363	3,796	—	35
BENNETT	472	7,217	3,276	1,452
BETHUNE	351	6,990	1,054	1,130

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
BLACK BR	190	\$ 5,264	\$ 522	\$ —
BLACK MAGNET	284	8,951	1,496	1,657
BLAINE	773	6,241	2,004	272
BLAIR	121	30,657	90	512
BOND	579	7,673	95	1,309
BONTEMPS	447	6,943	21	1,627
BOONE	1,129	6,367	33	857
BOUCHET	1,037	6,761	71	1,309
BRADWELL	909	5,589	220	1,251
BRENNEMANN	326	8,488	9	1,587
BRENTANO	573	7,679	460	1,398
BRIDGE	710	5,703	14	657
BRIGHT	340	7,626	326	1,059
BRIGHTON PARK	904	5,848	244	1,031
BRONZEVILLE LH CHTR	320	6,292	—	795
BROWN, R.	339	6,995	16	1,315
BROWN, W.	257	12,217	2,409	2,019
BROWNELL	332	7,265	45	1,048
BRUNSON	937	5,372	57	1,035
BUCKINGHAM	41	43,788	18,114	1,271
BUDLONG	812	6,302	—	836
BURBANK	1,292	6,103	1	1,182
BURKE	226	8,574	840	1,310
BURLEY	476	6,462	3	367
BURNHAM	144	15,943	71	3,820
BURNSIDE	729	7,229	66	1,698
BURR	305	7,790	102	1,534
BURROUGHS	544	7,003	1,142	1,543
BYRNE	671	6,349	197	407
CALDWELL	445	8,609	4,141	1,370
CALHOUN NORTH	509	7,042	80	1,314
CAMERON	1,072	5,982	11	1,157
CANTER MID	258	7,718	576	922
CANTY	649	6,276	38	304
CARDENAS	409	8,405	—	1,728
CARDENAS BR	252	2,450	—	—
CARNEGIE	672	6,593	175	1,414
CARPENTER	357	10,110	457	1,681
CARROLL	310	5,949	407	1,384
CARROLL ANNEX	244	7,006	6	—



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
CARSON	1,276	\$ 5,685	\$ 62	\$ 1,259
CARTER	423	7,552	2	1,486
CARVER MID	290	11,297	1	2,102
CARVER PRIMARY	329	9,932	1,991	2,669
CASALS	643	6,593	7	1,069
CASELL	322	8,481	89	249
CASTELLANOS	587	6,918	1,666	1,509
CATALYST CHARTER	120	5,718	—	852
CATHER	245	8,677	854	1,980
CHALMERS	290	8,795	3,389	2,024
CHAPPELL	398	8,791	151	923
CHASE	589	7,437	12	1,383
CHAVEZ	957	6,797	24	1,320
CHGO CHILD CHOIR CHTR	197	7,243	—	542
CHGO INTL CHRT — BASIL	736	6,584	—	867
CHGO INTL CHRT — BUCKTOWN	641	6,792	—	650
CHGO INTL CHRT — LONGWOOD	1,465	7,058	—	646
CHGO INTL CHRT — PRAIRIE	404	7,317	—	989
CHGO INTL CHRT — SOUTH SHORE	322	7,130	—	756
CHGO INTL CHRT — W. BELDEN	496	7,465	—	1,043
CHGO INTL CHRT — WASHINGTON	454	7,467	—	956
CHGO INTL CHRT — WRIGHTWOOD	566	6,449	—	562
CHGO MATH/SCI CHTR	374	8,689	44	719
CHICAGO ACAD	582	7,096	32	404
CHICAGO VIRTUAL CHTR	187	2,707	—	2,103
CHOPIN	269	10,052	108	1,377
CHRISTOPHER	246	24,942	94	786
CLAREMONT	693	6,900	18	1,493
CLARK, G. R.	369	8,566	39	1,503
CLAY	778	7,108	199	942
CLEVELAND	617	7,151	25	1,120
CLINTON	1,290	5,111	50	923
CLISSOLD	637	6,706	137	798
COCKRELL CPC	44	12,683	—	40
COLE CPC	54	7,668	—	7,653
COLEMON, J.	286	6,411	89	797
COLES	688	6,905	109	1,587
COLUMBIA EXPLORERS	1,032	5,906	67	1,104
COLUMBUS	307	7,032	163	796
COOK	793	6,649	18	1,144

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
COONLEY	328	\$ 9,943	\$ 195	\$ 807
COOPER	772	6,665	10	1,120
COPERNICUS	431	7,344	699	1,418
CORKERY	724	5,419	299	1,018
COURTENAY	217	12,707	2,142	675
CROWN	396	7,545	548	2,065
CUFFE	803	6,236	(523)	1,087
CULLEN	366	6,810	27	1,371
CURTIS	559	6,598	5	1,230
DALEY	946	5,879	9	1,275
DARWIN	808	7,266	7	1,434
DAVIS DEV CTR	80	24,309	3,556	450
DAVIS, M.	355	7,550	2,117	1,476
DAVIS, N.	1,664	5,425	2	1,175
DAWES	1,118	5,909	318	1,095
DE DIEGO	1,128	6,495	55	1,377
DE LA CRUZ	191	9,382	1,110	1,945
DECATUR CLASSICAL	266	6,786	105	1,196
DELANO	423	8,077	101	1,420
DELANO CPC	103	6,382	97	4,970
DENEEN	552	6,770	14,740	1,142
DEPRIEST	763	6,702	(699)	1,337
DETT	383	8,076	9	1,255
DEVER	801	5,385	22	335
DEWEY	373	8,429	29	2,097
DEWEY CPC	110	6,642	—	4,524
DIRKSEN	644	6,537	10	466
DISNEY MAGNET	1,536	6,477	19	1,449
DIXON	665	5,757	—	1,175
DODGE	457	7,287	34	1,003
DOOLITTLE	548	6,609	37	1,340
DOOLITTLE EC	79	11,020	—	—
DORE	571	5,885	2,697	369
DRAKE	371	8,832	70	1,929
DRUMMOND	260	9,875	111	1,536
DUBOIS	276	7,901	77	1,702
DULLES	531	6,772	10	1,236
DUMAS	390	6,947	21	995
DUMAS CPC	40	5,908	—	—
DUNNE	517	6,142	1,597	1,353



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
DURKIN PARK	453	\$ 5,656	\$ 30	\$ 804
DVORAK	662	6,495	7	1,272
EARHART	291	7,348	2,800	1,291
EARLE	487	7,069	684	1,240
EBERHART	1,787	5,677	4	1,280
EBINGER	635	5,801	328	112
EDGEBROOK	359	6,405	3,098	87
EDISON	264	7,233	358	1,223
EDWARDS	1,222	6,161	89	1,312
ELLINGTON	607	6,570	449	957
EMMET	568	6,002	285	1,299
ERICSON	637	6,244	42	1,636
ERIE CHARTER	127	7,198	14	805
ESMOND	490	8,335	1,336	1,774
EVERETT	373	7,254	18	1,008
EVERGREEN	452	6,602	27	1,150
EVERS	411	7,512	59	1,527
FAIRFIELD	708	6,053	162	1,097
FALCONER	1,526	5,700	192	1,147
FARADAY	301	9,182	1,110	1,734
FARNSWORTH	562	8,354	722	305
FERGUSON CPC	123	6,889	—	5,317
FERMI	326	7,704	61	1,001
FERNWOOD	436	7,258	2,425	1,604
FIELD	463	7,512	102	1,557
FINKL	524	7,158	5	1,436
FISKE	428	7,543	36	1,575
FLEMING — GRIMES BR	274	5,048	33	—
FORT DEARBORN	690	5,816	134	1,259
FOSTER PARK	581	8,365	2,784	1,512
FOUNDATIONS	85	11,651	—	1,311
FRANKLIN MAGNET	364	7,704	221	1,488
FULLER	329	8,224	60	1,830
FULTON	727	5,852	18	1,096
FUNSTON	621	6,754	—	1,120
GALAPAGOS CHARTER	242	—	—	—
GALE	588	8,713	7	1,554
GALILEO	617	6,303	49	1,532
GALLISTEL	799	8,924	64	2,148
GALLISTEL BR	489	1,206	8	—

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
GARVEY, M.	520	\$ 7,783	\$ 70	\$ 1,800
GARVY, J.	609	5,574	232	280
GARY	1,286	5,959	104	1,180
GILLESPIE	714	5,389	199	1,195
GLADSTONE	431	8,060	390	1,357
GOETHE	653	7,138	736	1,001
GOLDBLATT	371	8,238	48	2,254
GOMPERS	400	7,674	149	1,544
GOODLOW MAGNET	545	6,795	184	1,439
GOUDY	741	6,950	17	1,316
GRAHAM, A.	618	7,277	53	1,318
GRAY	1,292	5,979	10	996
GREELEY	488	7,727	54	1,545
GREEN, W.	275	8,249	483	1,721
GREENE, N.	622	6,341	6	1,112
GREGORY	428	8,138	53	1,963
GRESHAM	502	7,381	3	1,158
GRIMES	178	12,834	152	2,155
GRISSOM	335	7,417	16	727
GUGGENHEIM	386	6,141	29	1,190
GUNSAULUS	709	6,423	1	1,517
HAINES	750	6,138	15	1,239
HALE	891	5,749	—	475
HALEY	755	6,052	88	1,325
HAMILTON	212	12,316	228	909
HAMLIN	407	9,997	1,426	2,334
HAMLIN BR	290	2,897	—	—
HAMLIN BR EC CTR	166	13	—	—
HAMMOND	528	6,461	27	1,086
HAMPTON	726	6,501	45	1,203
HANSBERRY CPC	87	8,379	—	5,538
HANSON PARK	1,530	7,395	14	1,014
HARTE	404	7,259	2,644	1,170
HARVARD	520	6,197	301	1,182
HAUGAN	1,076	6,185	96	944
HAWTHORNE	554	5,807	21	829
HAY	699	5,491	980	1,232
HAYT	912	6,082	47	907
HEALY	849	8,141	135	1,547
HEALY BR	464	1,806	270	—



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
HEARST	703	\$ 7,023	\$ 235	\$ 1,414
HEDGES	858	5,584	12	1,417
HEDGES BR	136	6,331	—	—
HEFFERAN	444	7,288	201	1,148
HENDERSON	572	6,210	1,560	1,141
HENDRICKS	325	9,352	1,410	2,710
HENRY	718	6,700	44	1,342
HENSON	449	7,395	908	995
HERBERT	440	8,323	987	852
HERZL	683	7,523	38	1,637
HERZL CPC	90	9,415	—	7,996
HIBBARD	1,159	6,496	59	1,138
HIGGINS	445	7,717	56	2,003
HINTON	558	6,199	47	1,231
HITCH	400	7,333	—	678
HOLDEN	619	6,955	364	1,064
HOLMES	560	6,583	258	1,289
HOWE	688	6,078	569	1,397
HOYNE	365	5,862	90	1,161
HUGHES, C.	403	6,028	2,558	1,150
HUGHES, L.	427	6,651	35	1,300
HURLEY	949	6,326	94	1,269
INTER — AMERICAN	580	6,721	26	1,509
IRVING	516	6,450	1,287	1,058
IRVING PARK MID	334	7,807	145	1,597
JACKSON, A.	538	6,877	27	1,226
JACKSON, M.	368	10,762	588	1,124
JAHN	480	7,374	407	1,389
JAMIESON	809	6,415	75	683
JENNER	452	9,203	4	2,038
JENSEN	427	7,311	390	2,271
JOHNS	363	6,794	523	1,112
JOHNSON	373	8,000	368	1,873
JOHNSON CPC	61	6,676	152	—
JOPLIN	609	5,932	95	1,277
JORDAN	670	6,225	152	1,265
JOYNER CPC	47	10,369	—	9,630
JUNGMAN	423	6,786	304	1,065
KANOON MAGNET	692	6,275	114	1,557
KELLER MAGNET	217	7,880	39	1,204

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
KELLMAN	295	\$ 8,672	\$ 1,030	\$ 1,691
KELLOGG	284	9,094	7	1,214
KERSHAW	252	8,575	532	1,092
KEY	453	6,026	134	1,035
KILMER	874	6,000	26	1,282
KING EL	348	7,535	8	1,429
KINZIE	700	9,161	34	357
KIPLING	478	7,240	57	1,374
KIPP ASCEND CHRTR	305	7,055	—	891
KOHN	640	6,548	17	1,252
KOZMINSKI	459	7,757	236	2,113
LAFAYETTE	655	8,270	41	1,488
LARA	566	5,271	29	1,016
LASALLE	582	6,664	89	1,363
LATHROP	368	7,301	1,028	1,839
LAVIZZO	680	5,613	37	1,056
LAWNDALE	509	8,473	1,501	2,018
LAWRENCE	650	6,306	53	1,336
LEARN CHARTER	350	6,669	5	970
LEE	1,106	6,019	29	1,028
LEGACY CHARTER	214	4,898	12	552
LELAND	192	10,789	31	2,305
LEMOYNE	61	34,463	97,860	1,953
LENART	302	6,556	116	729
LEWIS	1,037	5,465	269	1,102
LIBBY	702	6,483	150	1,159
LINCOLN	661	5,817	6	449
LINNE	710	6,549	17	1,009
LITTLE VILLAGE	793	5,629	67	1,192
LLOYD	1,398	5,355	189	1,009
LOCKE, A. CHARTER	485	6,194	—	861
LOCKE, J	1,150	6,427	65	1,106
LOGANDALE MID	324	7,922	—	1,264
LOVETT	589	6,040	40	841
LOWELL	762	7,189	197	1,193
LOZANO BILINGUAL	452	9,085	12	1,785
LYON	1,234	5,901	54	977
MADERO MID	337	8,491	34	1,314
MADISON	487	7,395	33	1,784
MANIERRE	500	8,181	67	2,110



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
MANN	812	\$ 5,757	\$ 5	\$ 1,132
MARCONI	365	6,906	2,721	2,049
MARQUETTE	1,665	707	26	1,214
MARSH	725	6,806	4,422	1,104
MARSHALL MID	407	8,402	365	1,156
MASON	692	8,819	17	1,950
MAY	722	6,411	52	1,518
MAYER	524	7,256	17	1,225
MAYO	523	6,369	104	1,308
MAYS	395	6,601	532	1,291
MCAULIFFE	843	5,928	45	1,164
MCCLELLAN	270	8,938	151	1,035
MCCORKLE	283	6,993	49	1,787
MCCORMICK	932	5,846	34	969
MCCOSH	858	6,694	29	1,683
MCCUTCHEON	315	7,904	2,258	1,771
MCCUTCHEON BR	88	7,177	44	—
MCDADE CLASSICAL	199	8,705	2,427	2,864
MCDOWELL	207	7,624	11	961
MCKAY	1,413	5,712	252	1,057
MCKINLEY PARK	302	6,345	96	1,007
MCNAIR	607	7,599	2	1,261
MCPHERSON	682	7,609	1	912
MEDILL	209	11,060	217	1,597
MELODY	437	7,435	117	1,632
METCALFE	778	6,312	6	1,557
MIDWAY	273	6,005	140	788
MILLER CPC	77	2,170	—	121
MIRELES	1,229	5,788	582	1,337
MITCHELL	234	9,904	30	1,628
MOLLISON	309	7,539	153	1,460
MONROE	1,268	6,366	53	1,288
MONTEFIORE	101	34,241	2,495	1,056
MOOS	664	7,418	48	1,440
MORGAN	374	10,168	80	1,268
MORRILL	1,044	6,228	16	1,210
MORTON	395	8,673	59	1,687
MOZART	887	5,975	7	1,164
MT GREENWOOD	581	6,700	9	228
MT VERNON	390	8,317	934	1,180

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
MURPHY	561	\$ 6,681	\$ 66	\$ 1,171
MURRAY	418	7,246	82	1,393
NAMASTE CHARTER	194	8,056	—	839
NASH	635	6,731	616	1,213
NATL TEACHERS ACAD	531	10,000	4,341	1,387
NEIL	425	13,869	5,248	946
NETTELHORST	456	7,120	22	240
NEW FIELD	639	6,595	—	1,430
NEWBERRY MAGNET	556	6,650	31	931
NIA	47	16,866	—	1,060
NICHOLSON	468	7,724	245	1,679
NIGHTINGALE	1,352	5,380	530	1,000
NINOS HEROES	748	6,084	1,785	1,516
NIXON	1,080	5,208	12	946
NOBEL	864	5,587	10	1,093
NORTH RIVER	296	7,504	27	853
NORTHWEST MID	1,004	6,243	85	1,318
NORWOOD PARK	357	9,789	131	140
NR NORTH SPED CTR	98	36,115	379	1,311
OGDEN	619	6,740	—	592
OGLESBY	663	6,296	60	989
O'KEEFFE	746	5,777	277	1,112
ONAHAN	562	5,819	1,039	125
ORIOLE PARK	570	5,751	321	184
OROZCO	719	7,300	1	1,668
ORTIZ DE DOMINGUEZ	801	5,443	18	952
OTIS	467	9,493	632	1,942
O'TOOLE	772	5,933	700	1,151
OVERTON	378	7,258	8	1,385
OVERTON CPC	68	9,684	—	8,439
OWEN	250	9,477	65	1,676
OWENS	473	7,592	—	1,910
PADEREWSKI	306	8,753	14	2,068
PALMER	933	5,210	874	747
PARK MANOR	391	6,836	362	1,007
PARKER	591	9,241	502	2,144
PARKER CPC	96	7,985	—	6,603
PARKMAN	275	8,916	182	1,359
PARKSIDE	373	7,045	131	1,578
PASSAGES CHRTR	233	7,116	—	822



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
PASTEUR	1,328	\$ 5,908	\$ 74	\$ 917
PEABODY	276	9,038	191	1,366
PECK	1,454	5,149	11	914
PEIRCE	924	7,090	64	1,275
PENN	420	9,744	493	1,457
PEREZ	541	7,636	97	1,227
PERSHING E. MAGNET	235	7,752	1,837	1,726
PERSHING W. MAGNET	253	7,588	15	806
PETERSON	961	5,605	289	745
PICCOLO	802	6,775	—	1,184
PICKARD	647	6,910	16	1,238
PILSEN	486	7,532	89	1,771
PIRIE	552	5,819	225	1,240
PLAMONDON	207	9,238	—	1,106
POE CLASSICAL	175	9,166	5,319	2,472
POPE	175	11,834	119	2,638
PORTAGE PARK	1,147	5,674	25	792
POWELL	618	5,271	249	953
PRESCOTT	208	10,650	36	1,763
PRICE	299	8,548	36	1,955
PRINCETON A C	234	7,613	74	1,346
PRITZKER	595	6,205	91	1,218
PROVIDENCE — ENGLEWOOD CHRTR	196	6,176	—	665
PRUSSING	711	5,625	1,446	410
PULASKI	877	6,637	8	1,537
PULLMAN	417	7,061	128	1,262
RANDOLPH	706	5,707	88	1,544
RAVENSWOOD	479	7,153	82	1,177
RAY	654	7,652	49	263
REAVIS	403	7,115	92	1,329
REED	336	7,454	308	1,655
REILLY	1,551	5,683	6	994
REINBERG	1,274	6,633	701	790
REVERE	528	7,615	43	1,503
ROBINSON	260	8,438	29	1,667
ROGERS	626	6,814	—	610
ROQUE DE DUPREY	337	6,601	—	1,253
ROSENWALD — CARROL BR	164	3,425	116	404
ROSS	502	7,102	1,645	1,198
RUDOLPH LRNG CTR	83	36,387	—	692

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
RUGGLES	439	\$ 6,738	\$ 57	\$ 1,221
RUIZ	1,021	5,705	277	1,231
RYDER	455	7,902	2,042	1,086
RYERSON	516	7,092	94	1,416
SABIN MAGNET	552	6,635	135	1,669
SALAZAR BILINGUAL	368	6,563	—	904
SANDOVAL	1,279	5,251	4	945
SAUCEDO	1,212	6,388	2	1,510
SAUGANASH	415	6,682	62	209
SAWYER	2,005	5,179	446	1,159
SAYRE	540	7,299	7,891	1,387
SCAMMON	1,067	5,301	17	989
SCHILLER	271	9,290	1	2,561
SCHILLER CPC	26	15,914	264	441
SCHMID	295	7,412	89	1,026
SCHNEIDER	180	11,032	—	1,300
SCHUBERT	1,384	5,302	1	1,017
SEWARD	714	7,566	14	1,716
SEWARD BR	234	3,596	—	—
SEXTON	542	7,982	69	1,411
SHABAZZ CHARTER	303	6,659	—	518
SHABAZZ CHRTR — DUSABLE	185	7,737	6	690
SHABAZZ CHRTR — SIZMORE	166	6,685	—	849
SHEDD — BENNETT BR	151	3,502	5	—
SHERIDAN MAGNET	524	6,841	22	1,554
SHERMAN	617	6,282	1,418	854
SHERWOOD	417	6,854	64	1,390
SHIELDS	1,824	5,554	12	1,225
SHOESMITH	352	7,411	77	1,428
SHOOP	877	5,373	11,199	1,097
SKINNER CLASSICAL	617	8,199	4,099	723
SMITH, W.	467	7,301	119	1,229
SMYSER	887	5,890	43	498
SMYTH, J.	509	7,618	436	1,489
SOLOMON	389	8,714	185	347
SONGHAI	609	6,777	167	1,300
SOUTH CHICAGO	156	11,038	253	1,261
SOUTH LOOP	378	8,233	285	1,519
SOUTH LOOP BR	85	10,748	2,419	—
SPENCER	951	6,303	31	1,524



General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
SPRY	811	\$ 6,545	\$ 715	\$ 1,346
STAGG	555	6,582	222	1,120
STEVENSON	1,240	6,062	15	820
STEWART	377	9,626	25	1,626
STOCK	213	13,611	1,274	110
STOCKTON	484	8,421	123	1,432
STOCKTON BR	101	5,975	1	—
STONE	620	7,105	67	1,308
STOWE	1,104	6,746	22	1,234
SUDER MONTESSORI	136	11,840	606	1,349
SULLIVAN	763	6,482	5	1,409
SUMNER	602	6,643	36	1,378
SUTHERLAND	793	5,706	78	333
SWIFT	628	6,793	669	1,240
TALCOTT	547	8,316	60	1,312
TALMAN	311	6,941	5	1,010
TANNER	607	5,980	46	1,164
TARKINGTON	1,095	4,912	740	692
TAYLOR	724	6,171	18	1,165
TELPOCHCALLI	288	7,655	152	1,490
THORP, J. N.	583	8,013	133	1,296
THORP, O. A.	826	5,678	2	1,188
TILTON	479	7,019	48	1,590
TONTI	902	5,013	338	1,127
TONTI BR	212	4,636	84	—
TRUMBULL	481	8,292	10	1,489
TURNER-DREW	381	7,083	—	1,763
TWAIN	1,006	5,390	10,770	732
U OF C CHRT — DONOGHUE	250	6,363	—	747
U OF C CHRT — NTH KENWOOD	435	6,775	—	797
UNO CHARTER — FUENTES	477	7,042	—	810
UNO CHARTER — LAS CASAS	247	7,198	—	879
UNO CHARTER — PAZ	789	7,738	—	1,039
UNO CHARTER — TAMAYO	266	7,262	—	1,011
VANDERPOEL MAGNET	306	6,271	64	1,278
VELMA THOMAS EC CTR	194	7,271	141	282
VICK EC CTR	207	10,629	8	107
VOLTA	949	5,621	—	866
VON HUMBOLDT	608	7,480	91	1,531
VON HUMBOLDT CPC	87	10,948	—	7,181

General Information for Elementary Schools

Unit Name	Student Memb	Per Pupil Regular Exp	Per Pupil Capital Exp	Per Pupil Suppl Exp
Average for Elementary Schools	544	\$ 6,794	\$ 451	\$ 1,188
WACKER	265	\$ 7,551	\$ 178	\$ 1,709
WADSWORTH	340	8,379	7,893	1,748
WADSWORTH CPC	23	9,419	—	—
WALSH	558	7,491	—	1,402
WARD, J.	450	8,807	869	1,554
WARD, L.	462	7,025	1,536	1,224
WARREN	429	7,228	832	1,420
WASHINGTON, G.	721	5,944	1	1,083
WASHINGTON, H.	675	6,027	30	1,366
WATERS	368	8,565	249	1,387
WEBSTER	512	6,276	43	1,456
WELLS PREP	149	7,676	—	1,135
WENTWORTH	502	6,982	457	1,181
WEST PARK	760	5,553	39	1,105
WEST PULLMAN	530	7,052	68	1,402
WESTCOTT	564	6,451	307	1,264
WHEATLEY CPC	79	10,754	—	5,994
WHISTLER	479	7,554	165	1,578
WHITE	224	8,639	81	1,386
WHITNEY	1,063	5,855	82	1,103
WHITTIER	399	7,650	116	1,331
WILDWOOD	348	8,570	148	595
WILLIAMS MIDDLE	127	9,152	—	670
WILLIAMS MULTIPLEX	274	11,442	88	1,231
WOODLAWN	197	9,014	4,400	1,225
WOODS	576	6,517	558	1,641
WOODSON SOUTH	459	9,020	1,332	1,856
WOODSON SOUTH CPC	47	10,136	—	10,136
YALE	299	9,312	318	1,985
YATES	804	7,960	30	1,103
YOUNG	1,480	5,591	56	1,079
ZAPATA	808	6,404	20	1,176
ZAPATA BR	114	1,414	784	—





Chicago Public Schools
Every Child, Every School

McGladrey & Pullen

Certified Public Accountants

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

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

We have audited the financial statements of Chicago Public Schools (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2007, and have issued our report thereon dated December 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items FS07-01, FS07-02, FS07-03, FS07-04, and FS07-05 to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items FS07-01 and FS07-02 to be material weaknesses.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPS' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items SA07-01, SA07-02, and SA07-03.

We also noted certain matters that we reported to management of CPS in a separate letter dated December 19, 2007.

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

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

McGladrey & Pullen, LLP

Chicago, Illinois
December 19, 2007

McGladrey & Pullen

Certified Public Accountants

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

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

Compliance

We have audited the compliance of the Chicago Public Schools (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. CPS' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of CPS' management. Our responsibility is to express an opinion on CPS' compliance based on our audit.

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

In our opinion, CPS complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items SA07-01, SA07-02, and SA07-03.

Internal Control Over Compliance

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



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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items SA07-01, SA07-02, SA07-03, SA07-04, SA07-05, SA07-06 and SA07-07 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs we considered item SA07-04 to be a material weakness.

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

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

McGladrey & Pullen, LLP

Chicago, Illinois
December 19, 2007

Statutory Reporting Section

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

For the Year Ended June 30, 2007

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
U.S. DEPARTMENT OF EDUCATION Direct Funding					
Public Law (P.L.) 81-874	Federal Impact Aid Grant	N/A	84.041	23-IL-2005-1711	07/01/06-06/30/07
Indian Education Act	Indian Elementary/Secondary School Assistance Program	N/A N/A	84.060A 84.060A	B060A050666 B060A050666	09/01/05-08/31/06 09/01/06-08/31/07
Magnet Schools Assistance	Magnet Schools Assistance Program	N/A N/A	84.165A 84.165A	U165A040101 U165A040101	08/01/05-07/31/06 08/01/06-07/31/07
Safe and Drug-Free Schools and Communities — National Programs	Alcohol Abuse Reduction Grant	N/A N/A N/A	84.184A 84.184A 84.184A	Q184A050172 Q184A050172 S184A020112	08/15/05-08/14/06 08/15/06-08/14/07 10/01/05-08/31/06
Training for All Teachers	Title VII Training for All Teachers	N/A	84.195B	T195B010121	10/01/05-09/30/06
Fund for the Improvement of Education	Elementary & Secondary School Counseling Demonstration Program	N/A	84.215E	Q215E030338	05/01/05-04/30/07
Funds for the Improvement of Education	Carol White Physical Education Program	N/A	84.215F	Q215F040798	09/01/04-09/30/06
	Funds for the Improvement of Education	N/A N/A N/A N/A	84.215K 84.215K 84.215K 84.215K	U215K050111 U215K050546 U215K050709 U215K050113	06/01/06-05/31/07 09/20/06-07/30/07 10/01/06-06/30/07 09/08/06-08/31/07
	Smaller Learning Communities in CPS High School	N/A N/A	84.215L 84.215L	V215L032222 V215L032222	09/01/05-08/31/06 09/01/06-08/31/07
	Smaller Learning Communities in CPS High School - Washington	N/A N/A	84.215L 84.215L	V215L042072 V215L042072	07/01/05-06/30/06 07/01/06-06/30/07
	Smaller Learning Communities in CPS High School - Oval	N/A	84.215L	S215L060071-01	10/01/06-09/30/07
	Teaching American History Grant	N/A N/A N/A N/A	84.215X 84.215X 84.215X 84.215X	S215X020433 U215X040022 U215X040022 U215X060094-01	10/01/05-09/30/06 10/01/05-09/30/06 10/01/06-09/30/07 07/01/06-06/30/07
Comprehensive School Grants	Bilingual Education Comprehensive Grant - Pickard	N/A	84.290U	T290U010083-02	07/01/05-07/02/06
Foreign Language Assistance Program	Foreign Language Assistance Program - LEA SPANISH HERITAGE	N/A N/A	84.293B 84.293B	T293B040188 T293B040188	07/01/05-06/30/06 07/01/06-06/30/07
	Foreign Language Assistance Program - LEA Mandarin & Japanese	N/A N/A	84.293B 84.293B	T293B040158 T293B040158	07/01/05-06/30/06 07/01/06-06/30/07
	Foreign Language Assistance Program - LEA KLACE	N/A	84.293B	T393b060037	09/15/06-09/14/07
Chicago High Need Area Partnership for Teachers	Chicago High Need Area Partnership for Teachers- Gray Schl	N/A N/A	84.326C 84.326C	P336C050062 P336C050062	10/01/06-09/30/07 10/01/06-09/30/07
	Chicago High Need Area Partnership for Teachers- Hayt Schl	N/A	84.326C	P336C050062	10/01/06-09/30/07
	Chicago High Need Area Partnership for Teachers- Nettelhorst Schl	N/A	84.326C	P336C050062	10/01/06-09/30/07
	Chicago High Need Area Partnership for Teachers- South Loop Schl	N/A	84.326C	P336C050062	10/01/06-09/30/07
	Chicago High Need Area Partnership for Teachers- Senn Schl	N/A	84.326C	P336C050062	10/01/06-09/30/07

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
N/A	\$ —	\$ (187,425)	\$ 187,425	\$ 187,425	\$—	\$ —	\$ —	\$ 187,425
82,557	5,632	(22,692)	17,060	17,060	—	—	51,833	68,893
89,412	—	(29,516)	74,315	74,315	—	44,799	—	74,315
4,675,805	718,540	(718,540)	—	—	—	—	2,012,989	2,012,989
5,235,688	—	(1,878,214)	2,449,423	2,449,423	—	571,209	—	2,449,423
470,768	125,921	(125,921)	—	—	—	—	195,049	195,049
735,647	—	(267,603)	320,493	320,493	—	52,890	—	320,493
1,106,148	12,637	(21,083)	8,446	8,446	—	—	302,587	311,033
217,960	13,439	(44,204)	30,765	30,765	—	—	187,195	217,960
412,461	80,364	(80,364)	—	—	—	—	412,461	412,461
614,560	38	(1,388)	1,350	1,350	—	—	582,689	584,039
223,200	40,531	(45,461)	4,930	4,930	—	—	160,959	165,889
198,400	59,853	(78,319)	18,466	18,466	—	—	179,934	198,400
595,200	75,989	(84,580)	8,591	8,591	—	—	586,609	595,200
217,770	7,067	(98,601)	118,638	118,638	—	27,104	16,816	135,454
832,970	61,242	(61,242)	—	—	—	—	435,083	435,083
397,886	—	(303,927)	397,886	397,886	—	93,959	—	397,886
636,603	37,474	(37,474)	—	—	—	—	247,267	247,267
353,833	—	(129,953)	165,033	165,033	—	35,080	—	165,033
988,618	—	(381,269)	666,642	666,642	—	285,373	—	666,642
356,101	2,413	(34,773)	32,360	32,360	—	—	319,046	351,406
495,161	119,863	(119,863)	—	—	—	—	345,367	345,367
555,906	—	(153,140)	253,914	253,914	—	100,774	—	253,914
521,134	—	(2,832)	88,766	88,766	—	85,934	—	88,766
241,184	41,119	(41,119)	—	—	—	—	241,184	241,184
169,364	18,435	(18,435)	—	—	—	—	118,065	118,065
184,438	—	(108,203)	130,486	130,486	—	22,283	—	130,486
175,000	33,526	(33,526)	—	—	—	—	120,180	120,180
221,440	—	(136,583)	164,658	164,658	—	28,075	—	164,658
297,137	—	(28,388)	52,120	52,120	—	23,732	—	52,120
16,600	—	(16,600)	—	—	—	(16,600)	—	—
16,600	—	(16,600)	—	—	—	(16,600)	—	—
16,600	—	(16,600)	—	—	—	(16,600)	—	—
16,600	—	(16,600)	—	—	—	(16,600)	—	—
16,600	—	(16,600)	—	—	—	(16,600)	—	—
16,600	—	(16,600)	—	—	—	(16,600)	—	—

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
Advance Placement Incentive Program	Advanced Placement Incentive Program	N/A	84.330C	U330C050139	06/01/05-05/31/06
		N/A	84.330C	U330C050139	06/01/06-05/31/07
		N/A	84.330C	S330C060067-01	10/01/06-09/30/07
Transition to Teaching Program	Transition to Teaching	N/A	84.350A	S350A020044	10/01/05-09/30/06
		N/A	84.350A	S350A020044	10/01/06-09/30/07
Golden Teachers Program	Golden Teachers	N/A	84.350A	U350A040016	10/01/05-09/30/06
		N/A	84.350A	U350A040016	10/01/06-09/30/07
Arts in Education	Comm. Arts Partnership	N/A	84.351B	S351B020080-03	10/01/05-09/30/06
Building Curriculum, Community & Leadership Through The Arts	BCCL Through The Arts Program	N/A	84.351C	U351C050095	10/01/05-09/30/06
		N/A	84.351C	U351C050095	10/01/06-09/30/07
Arts in Education	Comm. Arts Partnership	N/A	84.351D	U351D050101	10/10/05-09/30/06
		N/A	84.351D	U351D050101	10/10/06-09/30/07
	Title V Early Childhood Literacy Thru The Arts Partnership For Arts Integration	N/A	84.351D	U351D030128	10/01/05-09/30/06
		N/A	84.351D	U351D060110	07/01/06-06/30/07
Chicago Early Readers	Early Reading First	N/A	84.359B	S359B050093	10/01/05-09/30/06
		N/A	84.359B	S359B050093	10/01/06-09/30/07
Dropout Prevention Program	School Dropout Prevention	N/A	84.360A	S360A020217-03	09/23/05-09/22/06
Voluntary School Choice	School Choice Program	N/A	84.361A	S361A020019-01	10/01/05-09/30/06
		N/A	84.361A	S361A020019-05	10/01/06-09/30/07
Effective Leaders Improve Schools	Effective Leaders Improve Schools — Elis	N/A	84.363A	U363A050089	10/01/05-09/30/06
		N/A	84.363A	U363A050089	10/01/06-09/30/07
The ABC's Library Literacy Program	The ABC's Library Literacy Program	N/A	84.364A	S364A060370-01	09/01/06-08/31/07
Striving Readers Program	Striving Readers Program	N/A	84.371A	S371A060097	03/01/06-02/28/07
		N/A	84.371A	S371A060097	03/01/07-02/28/08
Teachers Incentive Fund Program	Teachers Incentive Fund Program	N/A	84.374A	S374A070047-01	11/01/06-09/30/07
U.S. v Board of Education /civ. No 80 C 5124	Creating a New Approach to Learning (Project Canal)	N/A	84.903A	S903A880001-00	10/01/05-08/31/06
Total U.S. Department of Education — Direct Funding					
Passed Through Illinois Department of Human Services (IDHS)					
Rehabilitation Grants to States - Education to Careers	Secondary Transitional Experience Program (STEP)	N/A	84.126	40C4001797	07/01/05-06/30/06
		N/A	84.126	40C6001797	07/01/06-06/30/07
Total U.S. Department of Education Passed Through IDHS					
Passed Through Illinois Board Higher Education					
Teacher Quality Enhancement	Teachers Quality Education — DePaul	N/A	84.367A	500194SG014	01/19/04-09/30/05
	Teachers Quality Education — Chicago State University	N/A	84.367A	AGREEMENT	04/25/05-09/30/06
Bilingual Summer Math Lab	Bilingual Summer math Lab — Columbia	N/A	84.367B	AGREEMENT	04/05/05-09/30/06
		N/A	84.367B	AGREEMENT	09/30/06-08/31/07
Chicago Teachers Project Grant	Chicago Teachers Project — University of Chicago	N/A	84.367B	30565	06/01/05-09/30/06
Total U.S. Department of Education Passed Through Illinois Board Higher Education					

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
938,429	127,483	(127,483)	—	—	—	—	671,960	671,960
1,302,339	—	(465,595)	611,700	611,700	—	146,105	—	611,700
954,745	—	(86,048)	328,374	328,374	—	242,326	—	328,374
616,298	(76,343)	—	76,343	76,343	—	—	229,029	305,372
469,112	—	(152,686)	203,581	203,581	—	50,895	—	203,581
1,088,328	33,282	(33,282)	—	—	—	—	274,337	274,337
803,864	—	(254,381)	417,930	417,930	—	163,549	—	417,930
39,374	9,590	(12,243)	2,653	2,653	—	—	24,276	26,929
330,199	32,759	(32,759)	—	—	—	—	281,313	281,313
368,718	—	(195,670)	327,333	327,333	—	131,663	—	327,333
275,000	144,944	(144,944)	—	—	—	—	242,089	242,089
287,600	—	(209,870)	253,854	253,854	—	43,984	—	253,854
335,264	39,522	(43,635)	4,113	4,113	—	—	331,151	335,264
237,191	—	(70,094)	161,270	161,270	—	91,176	—	161,270
1,210,971	132,980	(132,980)	—	—	—	—	538,304	538,304
1,542,956	—	(647,620)	914,181	914,181	—	266,561	—	914,181
41,135	7,271	(8,902)	1,631	1,631	—	—	27,681	29,312
3,759,016	395,654	(701,843)	306,189	306,189	—	—	2,643,897	2,950,086
2,976,069	—	(1,415,343)	1,944,952	1,944,952	—	529,609	—	1,944,952
1,007,764	312,392	(312,392)	—	—	—	—	737,643	737,643
1,418,629	—	(870,635)	1,222,590	1,222,590	—	351,955	—	1,222,590
298,678	—	(120,571)	210,585	210,585	—	90,014	—	210,585
4,999,809	393,055	(3,167,303)	2,774,248	2,774,248	—	—	622,155	3,396,403
6,177,587	—	(224,677)	1,179,054	1,179,054	—	954,377	—	1,179,054
131,273	—	(22,152)	64,153	64,153	—	42,001	—	64,153
209,298	46,923	(58,182)	11,259	11,259	—	—	168,702	179,961
\$53,221,597	\$3,053,595	\$(14,885,528)	\$16,207,760	\$16,207,760	\$ —	\$4,375,827	\$13,307,850	\$29,515,610
\$ 781,174	\$ 125,216	\$ (125,216)	\$ —	\$ —	\$ —	\$ —	\$ 775,498	\$ 775,498
766,505	—	(733,760)	766,505	766,505	—	32,745	—	766,505
\$ 1,547,679	\$ 125,216	\$(858,976)	\$ 766,505	\$ 766,505	\$ —	\$ 32,745	\$ 775,498	\$ 1,542,003
\$ 27,000	\$ 2,503	\$ —	\$ —	\$ —	\$(2,503)	\$ —	\$ 27,000	\$ 24,497
15,000	(2,408)	2,408	—	—	—	—	12,592	12,592
106,250	3,110	(3,539)	429	429	—	—	105,821	106,250
92,000	—	—	54,090	54,090	—	54,090	—	54,090
25,000	6,201	(18,057)	11,856	11,856	—	—	13,144	25,000
\$ 265,250	\$ 9,406	\$ (19,188)	\$ 66,375	\$ 66,375	\$(2,503)	\$ 54,090	\$ 158,557	\$ 222,429

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
Passed Through University of Illinois at Chicago					
Teacher Quality Enhancement	Teacher Quality Enhancement — Supporting Teachers	N/A	84.336B	03-4-547-1	07/01/05-06/30/06
	Teacher Quality Enhancement — Golden Teachers Mentoring	N/A	84.336B	E-7-547	07/01/06-06/30/07
Total U.S. Department of Education Passed Through University of Illinois at Chicago					
Passed Through Illinois State University					
Teacher Quality Enhancement (ISU)	Title II — TQE (ISU)	N/A	84.336B	URO#00A059	07/01/00-05/30/05
Total U.S. Department of Education Passed Through Illinois State University					
Passed Through Chicago State University					
Improving Teacher Quality	Title II — Teacher Quality Enhancement(CSU)	N/A	84.367	PO#0019429	04/04/06-09/30/07
Total U.S. Department of Education Passed Through Chicago State University					
Passed Through Northeastern Illinois University					
NCLB Improving Teacher Quality	IBHE NCLB Learning Together(NEIU)	N/A	84.367	PO#44893	04/01/05-09/30/06
		N/A	84.367	PO#49050	10/01/06-09/30/07
Gaining Early Awareness and Readiness for Undergraduate Program	Gear-Up-Jamieson/(NEIU)	N/A	84.334A	PO#43118	10/01/05-08/31/06
	Gear-Up-Kelvyn Park High School/(NEIU)	N/A	84.334A	PO#43418	10/01/05-08/31/06
		N/A	84.334A	PO#48039	09/01/06-08/31/07
	Gear-Up-Wells High School/(NEIU)	N/A	84.334A	PO#43970	10/01/05-08/31/06
		N/A	84.334A	PO#48037	10/01/06-06/30/07
	Gear-Up-Roosevelt High School/(NEIU)	N/A	84.334A	PO#48038	09/01/06-08/30/07
	Gear-Up-Mather High School/(NEIU)	N/A	84.334A	PO#42874	10/01/05-08/31/06
		N/A	84.334A	PO#48089	11/15/06-06/30/07
	Gear-Up-Ames Middle School/(NEIU)	N/A	84.334A	PO#48036	09/01/06-08/31/07
	Gear-Up-Forman High School/(NEIU)	N/A	84.334A	PO#48088	09/01/06-08/31/07
	Gear-Up-Kelly High School/(NEIU)	N/A	84.334A	PO#49125	09/01/06-08/31/07
	Gear-Up-Michelle Clark High School/(NEIU)	N/A	84.334A	PO#48090	10/16/06-06/30/07
	Gear-Up-Monroe Elementary/(NEIU)	N/A	84.334A	PO#48034	09/01/06-08/31/07
	Gear-Up-Stowe Elementary/(NEIU)	N/A	84.334A	PO#48035	09/01/06-08/31/07
	Gear-Up Grant/(NEIU)		N/A	84.334A	PO#44449
		N/A	84.334A	PO#44449	09/01/06-08/31/07
Gear-Up Grant-Transition Program		N/A	84.334A	PO#50242	05/15/07-08/15/07
Illinois 21st Century Community Learning Centers	Illinois 21st Century Community Learning Ctrs.(NEIU)Anderson School	N/A	84.287	PO#44370	10/01/05-05/31/06
		N/A	84.287	PO#44873	10/01/05-06/30/06
	Illinois 21st Century Community Learning Ctrs.(NEIU)Otis School		N/A	84.287	PO#43972
		N/A	84.287	PO#50363	10/01/06-06/30/07



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
\$ 269,129	\$(13,601)	\$ —	\$ —	\$ —	\$ —	\$(13,601)	\$225,528	\$ 225,528
108,000	—	—	70,001	70,001	—	70,001	—	70,001
\$ 377,129	\$(13,601)	\$ —	\$ 70,001	\$ 70,001	\$ —	\$ 56,400	\$225,528	\$ 295,529
\$ 295,000	\$ 3,238	\$ —	\$ —	\$ —	\$(3,238)	\$ —	\$146,259	\$ 143,021
\$ 295,000	\$ 3,238	\$ —	\$ —	\$ —	\$(3,238)	\$ —	\$146,259	\$ 143,021
\$ 12,614	\$ —	\$(12,614)	\$ 11,119	\$ 11,119	\$ —	\$(1,495)	\$ —	\$ 11,119
\$ 12,614	\$ —	\$(12,614)	\$ 11,119	\$ 11,119	\$ —	\$(1,495)	\$ —	\$ 11,119
\$ 39,718	\$ —	\$(16,546)	\$ 16,546	\$ 16,546	\$ —	\$ —	\$ —	\$ 16,546
32,058	—	—	—	—	—	—	—	—
5,083	2,263	(2,263)	—	—	—	—	5,083	5,083
32,926	15,593	(15,593)	—	—	—	—	23,599	23,599
19,869	—	(15,646)	17,120	17,120	—	1,474	—	17,120
106,519	11,395	(14,176)	2,781	2,781	—	—	80,699	83,480
4,500	—	(2,122)	4,498	4,498	—	2,376	—	4,498
8,035	—	(3,742)	7,302	7,302	—	3,560	—	7,302
6,013	2,850	(2,850)	—	—	—	—	6,013	6,013
4,870	—	—	—	—	—	—	—	—
9,342	—	(8,035)	9,342	9,342	—	1,307	—	9,342
11,635	—	(6,546)	10,727	10,727	—	4,181	—	10,727
6,727	—	—	—	—	—	—	—	—
1,000	—	(602)	602	602	—	—	—	602
8,035	—	—	—	—	—	—	—	—
8,035	—	(345)	1,921	1,921	—	1,576	—	1,921
1,125,000	270,922	(271,398)	476	476	—	—	422,425	422,901
1,353,344	—	—	1,115,703	1,115,703	—	1,115,703	—	1,115,703
227,349	—	—	—	—	—	—	—	—
35,000	32,401	(32,401)	—	—	—	—	32,401	32,401
39,000	31,893	(31,893)	—	—	—	—	31,893	31,893
35,000	23,976	(23,976)	—	—	—	—	26,162	26,162
31,450	—	—	12,406	12,406	—	12,406	—	12,406

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Wells High School	N/A	84.287	PO#37037	07/01/04-06/30/05
		N/A	84.287	PO#43971	10/01/05-06/30/06
		N/A	84.287	PO#43887	10/01/05-06/30/06
		N/A	84.287	PO#48041	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Barton School	N/A	84.287	PO#44479	10/01/05-06/30/06
		N/A	84.287	PO#48040	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Cook Elem. School	N/A	84.287	PO#43347	10/01/05-05/31/06
		N/A	84.287	PO#48043	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Salazar Bil. School	N/A	84.287	PO#43422	10/01/05-05/31/06
		N/A	84.287	PO#48045	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Ames Middle School	N/A	84.287	PO#43548	10/01/05-05/31/06
		N/A	84.287	PO#48044	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Kelvyn Park School	N/A	84.287	PO#43545	10/01/05-06/30/06
		N/A	84.287	PO#48042	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Irving Park Middle	N/A	84.287	PO#48147	10/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Thurgood Marshall	N/A	84.287	PO#48146	09/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Northwest Middle	N/A	84.287	PO#48145	09/01/06-06/30/07
	Illinois 21st Century Community Learning Ctrs.(NEIU)/Otis	N/A	84.287	PO#50325	10/01/06-06/30/07
Total U.S. Department of Education Passed Through Northeastern Illinois University					
Passed Through Mexican Fine Arts Museum					
Mexican Fine Arts Museum	21st Century Mexican Fine Arts Museum	N/A	84.287	DISTRICT 201	07/19/04-06/30/05
		N/A	84.287	DISTRICT 201	07/01/05-06/30/06
		N/A	84.287	DISTRICT 201	07/01/06-06/30/07
Total U.S. Department of Education Passed Through Mexican Fine Arts Museum					
Passed Through Illinois State Board of Education					
Title II — Teacher Quality	Class Size Reduction (NCLB)	4932	84.367A	06-4932-00	07/01/05-08/31/06
		4932	84.367A	07-4932-00	07/01/06-08/31/07
Title II Teacher Quality Leadership	Title II Teacher Quality Leadership	4935	84.367A	07-4935-SS	07/01/06-08/31/07
Advanced Placement — Incentive	Advance Placement Lane Tech	4904	84.330C	06-4904-00	09/21/05-08/31/06
	Advance Placement Farragut	4904	84.330C	06-4904-01	05/05/05-08/31/06
	Advance Placement Kelvyn Park	4904	84.330C	06-4904-03	09/06/05-08/31/06
	Advance Placement Chicago Vocational	4904	84.330C	06-4904-04	09/23/05-08/31/06
Vocational Education — Basic Grants to State	VE. — Perkins — Title IIC — Secondary	4745	84.048	06-4745-00	7/1/2005-08/31/06
		4745	84.048	07-4745-00	7/1/2006-08/31/07
	VE. — Perkins — State Leadership — Clemente	4720	84.048A	06-4720-00	08/01/05-07/31/06
		4720	84.048A	07-4720-00	08/01/06-07/31/07
	VE. — Perkins — State Leadership — Chgo Agricultural	4720	84.048A	06-4720-01	08/01/05-07/31/06
		4720	84.048A	07-4720-01	08/01/06-07/31/07

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
56,193	898	(898)	—	—	—	—	45,738	45,738
36,325	7,430	(7,430)	—	—	—	—	21,642	21,642
5,147	1,018	(1,018)	—	—	—	—	2,058	2,058
19,029	—	(5,165)	8,086	8,086	—	2,921	—	8,086
4,920	4,871	(4,871)	—	—	—	—	4,871	4,871
9,079	—	(755)	4,317	4,317	—	3,562	—	4,317
6,523	2,751	(2,751)	—	—	—	—	6,371	6,371
9,385	—	(6,820)	9,385	9,385	—	2,565	—	9,385
55,031	20,018	(20,018)	—	—	—	—	45,279	45,279
36,522	—	(6,617)	25,717	25,717	—	19,100	—	25,717
6,910	4,586	(4,586)	—	—	—	—	6,661	6,661
7,883	—	(6,464)	7,883	7,883	—	1,419	—	7,883
15,720	7,516	(7,516)	—	—	—	—	15,720	15,720
12,783	—	(9,284)	12,783	12,783	—	3,499	—	12,783
14,105	—	(4,360)	14,105	14,105	—	9,745	—	14,105
19,105	—	(9,452)	19,105	19,105	—	9,653	—	19,105
33,210	—	(10,121)	33,210	33,210	—	23,089	—	33,210
26,377	—	—	5,829	5,829	—	5,829	—	5,829
\$ 3,524,755	\$ 440,381	\$ (556,260)	\$ 1,339,844	\$ 1,339,844	\$—	\$1,223,965	\$ 776,615	\$ 2,116,459
\$ 96,840	\$ 1,784	\$ —	\$ —	\$ —	\$—	\$ 1,784	\$ 96,824	\$ 96,824
96,840	26,874	(26,880)	6	6	—	—	96,834	96,840
102,760	—	(83,155)	102,260	102,260	—	19,105	—	102,260
\$ 296,440	\$ 28,658	\$ (110,035)	\$ 102,266	\$ 102,266	\$—	\$ 20,889	\$ 193,658	\$ 295,924
\$53,197,265	\$6,867,182	\$ (8,860,760)	\$ 1,993,578	\$ 1,993,578	\$—	\$ —	\$41,423,998	\$43,417,576
52,576,344	—	(35,055,820)	40,565,192	40,565,192	—	5,509,372	—	40,565,192
1,600,000	—	(1,000,000)	966,514	966,514	—	(33,486)	—	966,514
16,000	(3,920)	(2,000)	5,920	5,920	—	—	10,080	16,000
15,498	(5,445)	(10,053)	7,594	7,594	—	(7,904)	—	7,594
10,000	(9,377)	—	9,265	9,265	—	(112)	623	9,888
10,000	(1,877)	—	1,518	1,518	—	(359)	8,123	9,641
9,532,928	(141,432)	(899,597)	1,041,029	1,041,029	—	—	8,491,899	9,532,928
9,287,310	—	(8,465,425)	7,479,344	7,479,344	—	(986,081)	—	7,479,344
20,000	6,173	(6,173)	—	—	—	—	20,000	20,000
15,000	—	(15,000)	14,033	14,033	—	(967)	—	14,033
20,000	(3,181)	406	2,775	2,775	—	—	13,275	16,050
15,000	—	(14,264)	8,320	8,320	—	(5,944)	—	8,320

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
	VE. — Perkins — State Leadership — Marshall	4720	84.048A	07-4720-02	08/01/06-07/31/07
	VE. — Perkins — State Leadership — Corliss	4720	84.048A	07-4720-03	08/01/06-07/31/07
Title I Grants to Local Education Agencies	Title I — Reading First	4334	84.357	06-4334-00	07/01/05-08/31/06
	Title 1 — Reading First 11	4334 4334	84.357 84.357	06-4334-07 07-4334-07	02/01/06-08/31/06 07/01/06-06/30/07
	Reading First — School Assistance Part B	4337 4337	84.357 84.357	06-4337-00 07-4337-00	07/01/05-08/31/06 07/01/06-06/30/07
	Reading First — Professional Development	4337	84.357	06-4337-01	07/01/05-08/31/06
	Reading First Academies	4337	84.357	06-4337-02	07/01/05-06/30/06
	Reading First — Technical Assistance	4337 4337	84.357 84.357	06-4337-04 07-4337-04	07/01/05-08/31/06 07/01/06-06/30/07
Title I Grants to Local Education Agencies	ESEA Title I — Low Income	4300 4300	84.010 84.010	06-4300-00 07-4300-00	07/01/05-08/31/06 07/01/06-08/31/07
Title I Grants to Local Education Agencies	ESEA — School Improvement	4331 4331	84.010 84.010	06-4331-SS 07-4331-SS	07/01/05-08/31/06 07/01/06-08/31/07
Title I Program for Neglected and Delinquent Children	ESEA — Title I — Low Income — Neglected Private	4305 4305	84.010 84.010	06-4305-00 07-4305-00	07/27/05-08/31/06 07/01/06-08/31/07
Title I Program for Neglected and Delinquent Children	ESEA — Title I — Low Income — Delinquent Private	4306 4306	84.010 84.010	06-4306-00 07-4306-00	07/27/05-08/31/06 07/01/06-08/31/07
Comprehensive School Reform Demonstration	ESEA — Comprehensive School	4332	84.332	06-4332-00	10/13/05-08/31/06
Special Education — Pre-School Incentives	IDEA — Pre-School Flow Through	4600 4600	84.173A 84.173A	06-4600-00 07-4600-00	07/01/05-08/31/06 07/01/06-06/30/07
Special Education — Preschool Grants	IDEA — Pre-School Discretionary	4605 4605	84.173 84.173	06-4605-01 07-4605-01	07/01/05-06/30/06 07/01/06-06/30/07
Special Education Grants to State	IDEA — Flow Through/Low Incidence	4620 4620 4620	84.027 84.027 84.027	05-4620-00 06-4620-00 07-4620-00	07/01/04-06/30/05 07/01/05-06/30/06 07/01/06-08/31/07
	Room and Board	4625 4625	84.027 84.027	06-4625-00 07-4625-00	09/01/05-08/31/06 09/01/06-08/31/07
	IDEA — Discretionary — Corey H Training Tech	4630 4630	84.027 84.027	06-4630-04 07-4630-04	07/01/05-06/30/06 07/01/06-06/30/07
	IDEA — Parent Mentor	4630 4630	84.027 84.027	06-4630-05 07-4630-05	07/01/05-06/30/06 07/01/06-06/30/07
	IDEA — Professional Development Academy	4631	84.323	06-4631-PD	11/07/05-06/30/06
	IDEA — Regional Professional Development Center	4631 4631	84.323A 84.323A	06-4631-RC 07-4631-RC	02/01/06-09/30/06 09/01/06-09/30/07
Innovative Education Program Strategies	Title V — Innovative Programs — Formula	4100 4100	84.298 84.298	06-4100-00 07-4100-00	07/01/05-08/31/06 07/01/06-08/31/07
21st Century Community Learning Centers	Title IV — 21st Century Comm Learning Centers	4421	84.287C	06-4421-00	07/07/05-06/30/06



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
25,000	—	(19,514)	18,931	18,931	—	(583)	—	18,931
25,000	—	(21,980)	25,000	25,000	—	3,020	—	25,000
9,361,987	2,397,088	(2,663,482)	266,394	266,394	—	—	9,095,593	9,361,987
8,707,254	4,828,745	(7,017,088)	2,188,343	2,188,343	—	—	4,828,745	7,017,088
9,818,912	—	(6,660,744)	9,007,815	9,007,815	—	2,347,071	—	9,007,815
80,593	50,466	(48,933)	—	—	(1,533)	—	50,466	48,933
1,231,035	—	(875,576)	1,134,218	1,134,218	—	258,642	—	1,134,218
22,327	9,967	(11,604)	1,637	1,637	—	—	14,590	16,227
272,868	215,699	(214,845)	—	—	(854)	—	263,293	262,439
123,984	116,592	(116,984)	350	350	—	(42)	123,592	123,942
820,500	—	(668,422)	718,373	718,373	—	49,951	—	718,373
299,695,114	85,373,961	(110,079,811)	24,705,850	24,705,850	—	—	252,920,331	277,626,181
303,184,767	—	(152,483,245)	237,891,938	237,891,938	—	85,408,693	—	237,891,938
14,551,867	1,365,332	(2,404,432)	1,039,101	1,039,101	—	1	9,717,199	10,756,300
12,295,568	—	(11,656,785)	6,901,366	6,901,366	—	(4,755,419)	—	6,901,366
881,471	77,793	(178,966)	101,173	101,173	—	—	668,526	769,699
850,356	—	(550,818)	439,810	439,810	—	(111,008)	—	439,810
1,301,657	171,391	(156,139)	—	—	(15,252)	—	884,540	869,288
1,326,257	—	(668,083)	726,495	726,495	—	58,412	—	726,495
2,500,000	1,280,603	(1,461,004)	180,401	180,401	—	—	2,280,603	2,461,004
1,627,337	(66,593)	18,889	47,704	47,704	—	—	1,209,129	1,256,833
1,729,896	—	(1,625,595)	1,533,352	1,533,352	—	(92,243)	—	1,533,352
501,681	15,997	(23,091)	1,543	1,543	—	(5,551)	480,429	481,972
501,681	—	(423,409)	501,343	501,343	—	77,934	—	501,343
98,049,454	(366,554)	366,554	—	—	—	—	98,049,453	98,049,453
92,490,493	14,743,671	(14,743,670)	—	—	(1)	—	92,490,494	92,490,493
90,510,984	—	(75,459,886)	77,796,929	77,796,929	—	2,337,043	—	77,796,929
N/A	834,766	(834,766)	—	—	—	—	2,901,135	2,901,135
N/A	—	(880,011)	785,674	785,674	—	(94,337)	—	785,674
2,750,000	1,083,879	(998,683)	—	—	(85,196)	—	2,649,767	2,564,571
2,750,000	—	(2,750,000)	2,750,000	2,750,000	—	—	—	2,750,000
30,000	2,460	(2,053)	—	—	(407)	—	29,460	29,053
30,000	—	(26,438)	17,981	17,981	—	(8,457)	—	17,981
235,000	68,533	(73,350)	4,817	4,817	—	—	229,728	234,545
293,000	(67,046)	(19,564)	86,610	86,610	—	—	42,829	129,439
420,000	—	(177,897)	148,507	148,507	—	(29,390)	—	148,507
4,692,053	1,586,090	(1,734,597)	148,507	148,507	—	—	3,257,516	3,406,023
4,398,587	—	(2,253,836)	2,727,263	2,727,263	—	473,427	—	2,727,263
3,690,000	—	379,459	—	—	(379,459)	—	3,690,000	3,310,541

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>	
		4421	84.287C	07-4421-00	07/31/07-08/31/07	
		4421	84.287C	05-4421-05	09/16/04-06/30/05	
		4421	84.287C	06-4421-05	07/01/05-08/31/06	
		4421	84.287C	07-4421-05	07/31/06-08/31/07	
		4421	84.287C	07-4421-07	09/11/06-08/31/07	
Safe and Drug-Free School and Communities State Grant	Title IV — Safe & Drug-Free School Formula	4400	84.186A	06-4400-00	07/01/05-08/31/06	
		4400	84.186A	07-4400-00	07/01/06-08/31/07	
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196	06-4920-00	07/01/05-06/30/06	
		4920	84.196	07-4920-00	07/01/06-08/31/07	
English Language Acquisition Grants	Title III — Lang Inst Prog — Limited Eng LIPLEP	4909	84.365A	06-4909-00	09/01/05-08/31/06	
		4909	84.365A	07-4909-00	09/26/06-08/31/07	
Education Technology State Grants	Technology — Enhancing Education — Formula	4971	84.318X	06-4971-00	12/12/05-08/31/06	
		4971	84.318X	07-4971-00	01/05/07-08/31/07	
Fund for the Improvement of Education	International Baccalaureate	4999	84.365A	07-4999-1B	07/01/06-06/30/07	
Other Federal Programs	Illinois Virtual School	4999	84.215	06-4999-00	09/01/05-09/30/06	
Illinois Mathematics and Science Partnership Program	Mathematics and Science	4936	84.366	06-4936-00	02/10/05-08/31/06	
		4936	84.366	07-4936-00	11/09/06-08/31/07	
Hurricane Emergency Relief Act(HERA) Program	Hurricane Emergency Relief Act	4995	84.938C	06-4995-00	07/01/05-09/30/06	
Total U.S. Department of Education Passed Through Illinois State Board of Education						
TOTAL U.S. DEPARTMENT OF EDUCATION						
NATIONAL FOREIGN LANGUAGE CULTURE						
Startalk Language Institute	Startalk Arabic Language Institute	N/A	N/A	AGREEMENT	02/22/07-12/21/07	
	Startalk Chinese Language Institute	N/A	N/A	AGREEMENT	02/22/07-12/21/07	
TOTAL NATIONAL FOREIGN LANGUAGE						
U. S. DEPARTMENT OF STATE						
Summer Language Institute	Summer Language Institute for American Youth	N/A	87.256	S-ECPY-07-GR-094(DT)	05/14/07-12/31/07	
TOTAL U.S. DEPARTMENT OF STATE						
U.S. DEPARTMENT OF AGRICULTURE Passed Through Illinois State Board of Education(ISBE)						
National School Lunch and Breakfast Program	Lunch Program	4210	10.555	06-4210-00	07/01/05-09/30/06	
		4210	10.555	07-4210-00	07/01/06-09/30/07	
	Breakfast Program	4220	10.553	06-4220-00	07/01/05-09/30/06	
		4220	10.553	07-4220-00	07/01/06-09/30/07	
	Breakfast Program(Needy)	4220	10.553	06-4220-00	07/01/05-09/30/06	
		4220	10.553	07-4220-00	07/01/06-09/30/07	
	Child & Adult Care Food Program	4226	10.558	06-4226-00	09/01/05-09/30/06	
		4226	10.558	07-4226-00	09/01/06-09/30/07	
	Federal Snacks	4210	10.555	06-4210-00	07/01/05-09/30/06	
		4210	10.555	07-4210-00	07/01/06-09/30/07	
	Child Nutrition Commodity Salvage		4250	10.565	07-4250-00	07/01/06-06/30/07

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006-June 30, 2007	Revenue Recognized July 1, 2006-June 30, 2007	Expenditure July 1, 2006-June 30, 2007	Adjustments to Grant Revenue July 1, 2006-June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
3,075,000	—	(3,075,000)	2,743,105	2,743,105	—	(331,895)	—	2,743,105
3,150,000	(2,404)	—	—	—	—	(2,404)	2,998,593	2,998,593
3,307,500	180,059	(26,111)	—	—	(153,948)	—	2,995,900	2,841,952
3,597,000	—	(3,123,346)	2,551,302	2,551,302	—	(572,044)	—	2,551,302
1,121,377	—	(961,377)	934,947	934,947	—	(26,430)	—	934,947
6,835,060	338,480	(793,417)	454,937	454,937	—	—	4,809,871	5,264,808
5,821,699	—	(2,927,007)	3,090,805	3,090,805	—	163,798	—	3,090,805
653,905	(1,516)	3,761	—	—	(2,245)	—	652,389	650,144
692,297	—	(692,297)	629,319	629,319	—	(62,978)	—	629,319
9,356,942	(155,400)	(473,824)	629,224	629,224	—	—	8,496,059	9,125,283
9,815,294	—	(9,815,294)	8,474,909	8,474,909	—	(1,340,385)	—	8,474,909
5,857,632	(353,876)	16,260	337,616	337,616	—	—	4,219,117	4,556,733
4,286,127	—	(2,635,350)	3,148,546	3,148,546	—	513,196	—	3,148,546
155,915	—	(155,914)	155,914	155,914	—	—	—	155,914
200,000	1,084	(94,576)	93,492	93,492	—	—	106,084	199,576
153,000	—	(137,182)	137,182	137,182	—	—	—	137,182
250,000	—	(153,412)	104,611	104,611	—	(48,801)	—	104,611
1,532,625	1,265,375	(1,265,375)	—	—	—	—	1,532,625	1,532,625
\$1,157,953,401	\$121,702,765	\$(479,858,546)	\$447,478,416	\$447,478,416	\$(638,895)	\$88,683,740	\$561,656,054	\$1,008,495,575
\$1,217,493,865	\$125,349,658	\$(496,301,147)	\$466,042,286	\$466,042,286	\$(644,636)	\$94,446,161	\$577,240,019	\$1,042,637,669
\$ 102,024	\$ —	\$ —	\$ 4,411	\$ 4,411	\$ —	\$ 4,411	\$ —	\$ 4,411
99,996	—	—	6,968	6,968	—	6,968	—	6,968
\$ 202,020	\$ —	\$ —	\$ 11,379	\$ 11,379	\$ —	\$ 11,379	\$ —	\$ 11,379
\$ 201,447	\$ —	\$ —	\$ 30,534	\$ 30,534	\$ —	\$ 30,534	\$ —	\$ 30,534
\$ 201,447	\$ —	\$ —	\$ 30,534	\$ 30,534	\$ —	\$ 30,534	\$ —	\$ 30,534

N/A	\$ 19,790,723	\$ (34,252,626)	\$ 14,461,903	\$ 17,322,176	\$ —	\$ —	\$ 116,786,841	\$ 134,109,017
N/A	—	(78,654,047)	97,350,845	116,604,875	—	18,696,798	—	116,604,875
N/A	(35,407)	(41,551)	76,958	92,179	—	—	957,794	1,049,973
N/A	—	(379,779)	465,164	557,164	—	85,385	—	557,164
N/A	3,791,145	(6,227,407)	2,436,262	2,918,105	—	—	21,082,687	24,000,792
N/A	—	(14,445,470)	17,797,400	21,317,367	—	3,351,930	—	21,317,367
N/A	1,780	(54,581)	52,801	63,244	—	—	3,816,524	3,879,768
N/A	—	(3,341,728)	3,489,161	4,179,247	—	147,433	—	4,179,247
N/A	49,356	(66,421)	17,065	20,440	—	—	944,184	964,624
N/A	—	(694,440)	737,911	883,855	—	43,471	—	883,855
N/A	—	(76,878)	76,878	92,083	—	—	—	92,083

Statutory Reporting Section

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE</u> <u>Program Name</u>	<u>Name of Grant</u>	<u>ISBE</u> <u>Account</u> <u>Number</u>	<u>Federal</u> <u>Catalog</u> <u>Number</u>	<u>Contract</u> <u>Number</u>	<u>Contract</u> <u>Period</u>
Food Donation Program	Food Donation Program	4228	10.550	03-4228-00	07/01/06-06/30/07
Total U.S. Department of Agriculture Passed Through Illinois State Board of Education					
Passed Through Illinois Department of Human Services					
Homeless Services and Supportive Housing	Homeless Services and Supportive Housing	N/A	10.561	681X1797ES1	07/01/06-06/30/07
Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services					
TOTAL U.S. DEPARTMENT OF AGRICULTURE					
HOUSING URBAN DEVELOPMENT					
Passed Through Chicago Housing Authority					
Amer-I-Can Youthbuild	Amer-I-Can Youthbuild	N/A	14.243	IGA - Y01MIL0181	09/01/04-01/30/06
Employability Plus	Employability Plus	N/A	14.866	Agreement	07/01/05-06/30/06
		N/A	14.866	Agreement	07/01/06-06/30/07
TOTAL HOUSING URBAN DEVELOPMENT					
U.S. DEPARTMENT OF LABOR					
Passed Through Illinois Department of Commerce and Opportunity					
Graduation Recovery and Aptitude Development(E-Grad)	Graduation Recovery and Aptitude	N/A	17.258	03-67628	07/01/04-08/31/05
Total U.S. Department of Labor Passed Through IDOCEO					
Passed Through Mayors' Office of Workforce Development					
WIA In School Youth (MOWD) FY2006	WIA In School Youth (MOWD) FY2006	N/A	17.259	9105	07/01/05-06/30/06
		N/A	17.259	9105-2	07/01/06-06/30/07
Total U.S. Department of Labor Passed Through Mayor's Office of Workforce					
Passed Through Illinois Office of Education Services (SIU)					
Illinois Health Science Career Cluster Initiative	Illinois Health Science Career Cluster Initiative	N/A	17.267	SIU-05-25	07/01/05-06/30/06
Total U.S. Department of Labor Passed Through ICES					
TOTAL U.S. DEPARTMENT OF LABOR					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Passed Through Illinois State Board of Education					
Learn & Serve America	Learn and Serve America	4910	94.004	06-4910-00	09/01/05-08/31/06
		4910	94.004	07-4910-00	09/01/06-08/31/07
	Learn and Serve-Lane Tech-Foreign Language	4910	94.004	04-4910-00	07/01/03-08/31/04
Total Corporation for National and Community Service Passed Through Illinois State Board of Education					
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
INSTITUTE OF MUSEUM AND LIBRARY					
Pass Through Illinois State Library					
Bridging the Gap Between Community	Bridging the Gap Between Community Brentano	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Humboldt	N/A	45.310	07-9314	10/01/06-06/30/07



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
N/A	—	(10,445,222)	10,445,222	9,988,300	—	—	—	9,988,300
\$ —	\$ 23,597,597	\$ (148,680,150)	\$ 147,407,570	\$ 174,039,035	\$ —	\$ 22,325,017	\$ 143,588,030	\$ 317,627,065
N/A	\$ —	\$ (205,350)	\$ 226,992	\$ 226,992	\$ —	\$ 21,642	\$ —	\$ 226,992
\$ —	\$ —	\$ (205,350)	\$ 226,992	\$ 226,992	\$ —	\$ 21,642	\$ —	\$ 226,992
\$ —	\$ 23,597,597	\$ (148,885,500)	\$ 147,634,562	\$ 174,266,027	\$ —	\$ 22,346,659	\$ 143,588,030	\$ 317,854,057
\$225,000	\$ (218,253)	\$ —	\$ —	\$ —	\$ —	\$ (218,253)	\$ —	\$ —
76,250	21,451	—	—	—	—	21,451	76,026	76,026
79,300	—	—	79,300	79,300	—	79,300	—	79,300
\$380,550	\$ (196,802)	\$ —	\$ 79,300	\$ 79,300	\$ —	\$ (117,502)	\$ 76,026	\$ 155,326
\$287,302	\$ 122,258	\$ —	\$ —	\$ —	\$(122,258)	\$ —	\$ 191,327	\$ 69,069
\$287,302	\$ 122,258	\$ —	\$ —	\$ —	\$(122,258)	\$ —	\$ 191,327	\$ 69,069
\$254,063	\$ 108,931	\$ (108,931)	\$ —	\$ —	\$ —	\$ —	\$ 169,767	\$ 169,767
177,844	—	(85,283)	149,630	149,630	—	64,347	—	149,630
\$431,907	\$ 108,931	\$ (194,214)	\$ 149,630	\$ 149,630	\$ —	\$ 64,347	\$ 169,767	\$ 319,397
\$ 40,000	\$ 40,000	\$ (40,000)	\$ —	\$ —	\$ —	\$ —	\$ 40,000	\$ 40,000
\$ 40,000	\$ 40,000	\$ (40,000)	\$ —	\$ —	\$ —	\$ —	\$ 40,000	\$ 40,000
\$759,209	\$ 271,189	\$ (234,214)	\$ 149,630	\$ 149,630	\$(122,258)	\$ 64,347	\$ 401,094	\$ 428,466
\$140,339	\$ (69,846)	\$ 3,735	\$ 66,111	\$ 66,111	\$ —	\$ —	\$ 50,442	\$ 116,553
141,000	—	(113,333)	64,883	64,883	—	(48,450)	—	64,883
5,509	(37)	—	37	37	—	—	5,472	5,509
\$286,848	\$ (69,883)	\$ (109,598)	\$ 131,031	\$ 131,031	\$ —	\$ (48,450)	\$ 55,914	\$ 186,945
\$286,848	\$ (69,883)	\$ (109,598)	\$ 131,031	\$ 131,031	\$ —	\$ (48,450)	\$ 55,914	\$ 186,945
\$ 3,000	\$ —	\$ (3,000)	\$ 2,594	\$ 2,594	\$ —	\$ (406)	\$ —	\$ 2,594
3,000	—	(3,000)	2,635	2,635	—	(365)	—	2,635

Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
	Bridging the Gap Between Community Orozco	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Dusable	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Lane	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Chgo H.S. Agriculture	N/A	45.310	07-9314	10/01/06-06/30/07
	Bridging the Gap Between Community Manley	N/A	45.310	07-9314	10/01/06-06/30/07
CPS and MLS School Librarian for a Day	School Librarian for a Day	N/A	45.310	07-8093	10/01/06-06/30/07
Librarians for the 21st Century	Librarians 21st Century	N/A N/A	45.313 45.313	RE0104004704 RE0104004704	10/01/05-09/30/06 10/01/06-09/30/07
TOTAL INSTITUTE OF MUSEUM AND LIBRARY					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Funding					
Health Program	Comprehensive School Health	N/A N/A	93.938 93.938	U87/CCU5226581-04 U87/CCU5226581-05	03/01/06-02/28/07 03/01/07-02/28/08
Early Head Start Program	Early Head Start Start-Up	N/A	93.600	05YC0110/02	05/01/05-08/31/06
Ethic Community Organizations — Refugee	Refugee Program	N/A	93.576	G/90RE0105/01	09/30/05-09/30/06
Refugee Children School Impact Grant	Refugee Children Impact Grant	N/A N/A	93.576 93.576	81X634000 81X7116000	03/07/05-09/30/06 07/01/06-06/30/07
Total U.S. Department of Health & Human Services - Direct Funding					
Passed Through University of Chicago					
CDC and Prevention Investigations and Technical Assistance Controlling Asthma in American Cities		N/A	93.283	U59CCU520726-01	09/01/01-09/30/03
Total U.S. Department of Health & Human Services Passed Through University of Chicago					
Passed Through City of Chicago					
Head Start	Pre-Kindergarten-Child Development	N/A N/A	93.600 93.600	PO#9743/1 PO#9743/1	12/01/05-11/30/06 12/01/06-11/30/07
	Headstart - Supp Dis SP Initiative	N/A N/A	93.600 93.600	PO#10752 PO#10752	12/01/05-11/30/06 12/01/06-11/30/07
Total U.S. Department of Health & Human Services Passed Through City of Chicago					
Passed Through Illinois Department of Human Services(IDHS)					
Temporary Assistance for Needy Families(TANF)	TANF	N/A	93.558	Agreement	07/01/06-06/30/07
Total U.S. Department of Health & Human Services Passed Through IDHS					
Medicaid	Medicaid - Administrative Services	N/A N/A N/A	93.778 93.778 93.778	95-4900-00 95-4900-00 95-4900-00	07/01/94-06/30/95 07/01/05-06/30/06 07/01/06-06/30/07
Total U.S. Department of Health & Human Services Passed Through IDPA					
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICE					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
3,000	—	(3,000)	2,832	2,832	—	(168)	—	2,832
3,000	—	(3,000)	2,536	2,536	—	(464)	—	2,536
3,000	—	(3,000)	3,000	3,000	—	—	—	3,000
3,000	—	(3,000)	2,144	2,144	—	(856)	—	2,144
3,000	—	(3,000)	2,017	2,017	—	(983)	—	2,017
4,500	—	(4,500)	4,299	4,299	—	(201)	—	4,299
272,287	67,186	(67,186)	—	—	—	—	137,220	137,220
135,067	—	(2,124)	2,124	2,124	—	—	—	2,124
\$ 432,854	\$ 67,186	\$ (94,810)	\$ 24,181	\$ 24,181	\$—	\$ (3,443)	\$ 137,220	\$ 161,401
\$ 314,300	\$ 32,158	\$ (223,835)	\$ 191,677	\$ 191,677	\$—	\$ —	\$ 61,930	\$ 253,607
315,865	—	—	92,073	92,073	—	92,073	—	92,073
546,215	82,481	(132,966)	50,485	50,485	—	—	493,093	543,578
204,058	51,675	(137,948)	86,273	86,273	—	—	112,856	199,129
50,000	18,976	(18,976)	—	—	—	—	18,976	18,976
181,024	—	(104,032)	123,317	123,317	—	19,285	—	123,317
\$ 1,611,462	\$ 185,290	\$ (617,757)	\$ 543,825	\$ 543,825	\$—	\$ 111,358	\$ 686,855	\$ 1,230,680
\$ 84,999	\$ (9,803)	\$ —	\$ 9,803	\$ 9,803	\$—	\$ —	\$ 75,196	\$ 84,999
\$ 84,999	\$ (9,803)	\$ —	\$ 9,803	\$ 9,803	\$—	\$ —	\$ 75,196	\$ 84,999
\$37,800,000	\$ 9,794,940	\$(25,398,045)	\$15,603,105	\$15,603,105	\$—	\$ —	\$22,196,893	\$ 37,799,998
36,000,000	—	(12,329,838)	22,609,573	22,609,573	—	10,279,735	—	22,609,573
824,883	309,562	(606,672)	299,626	299,626	—	2,516	501,049	800,675
859,054	—	(248,369)	506,151	506,151	—	257,782	—	506,151
\$75,483,937	\$10,104,502	\$(38,582,924)	\$39,018,455	\$39,018,455	\$—	\$10,540,033	\$22,697,942	\$ 61,716,397
\$17,000,065	\$ —	\$(17,000,000)	\$17,000,000	\$17,000,000	\$—	\$ —	\$ —	\$ 17,000,000
\$17,000,065	\$ —	\$(17,000,000)	\$17,000,000	\$17,000,000	\$—	\$ —	\$ —	\$ 17,000,000
N/A	\$(3,839,022)	\$ —	\$ 3,839,022	\$ 3,839,022	\$—	\$ —	\$ —	\$ 3,839,022
N/A	2,935,113	(2,935,113)	—	—	—	—	11,678,460	11,678,460
N/A	—	(2,919,120)	12,248,644	12,248,644	—	9,329,524	—	12,248,644
\$ —	\$ (903,909)	\$ (5,854,233)	\$16,087,666	\$16,087,666	\$—	\$ 9,329,524	\$11,678,460	\$ 27,766,126
\$94,180,463	\$ 9,376,080	\$(62,054,914)	\$72,659,749	\$72,659,749	\$—	\$19,980,915	\$35,138,453	\$107,798,202

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
U.S. DEPARTMENT OF JUSTICE					
Direct Funding					
Juvenile Justice & Delinquency Prevention	Juvenile Justice & Delinquency Prevention	N/A	16.540	2004-JL-FX-0152	09/01/04-08/31/06
TOTAL U.S. DEPARTMENT OF JUSTICE					
U.S. Department of Environment Protection Agency					
CPS-Marshall Faraday Campus — Brownfields Clean-Up	CPS-Marshall Faraday Campus PK	N/A	66.818	BF96568101	01/01/06-03/31/07
TOTAL U.S. DEPARTMENT OF ENVIRONMENT AGENCY					
NATIONAL SCIENCE FOUNDATION					
Direct Funding					
Education and Human Resources	Chicago Systemic Initiative — NSF	N/A	47.076	ESR-0085115	09/01/04-08/30/06
TOTAL NATIONAL SCIENCE FOUNDATION					
DEPARTMENT OF TRANSPORTATION — FEDERAL AVIATION ADMINISTRATION					
Passed Through Illinois Department of Aviation					
Airport Improvement Program	Noise Abatement — Project Administration	N/A	20.106	Agreement	N/A
	Noise Abatement — Carroll	N/A	20.106	3-17-0025-56	N/A
	Noise Abatement — Hearst	N/A	20.106	3-17-0025-55	N/A
	Noise Abatement — Nightingale	N/A	20.106	3-17-0025-53	N/A
	Noise Abatement — Hurley Elementary Schl	N/A	20.106	3-17-0025-NN	N/A
	Noise Abatement — Tonti Branch	N/A	20.106	3-17-0025-54	07/01/04-06/30/07
	Noise Abatement — Tonti	N/A	20.106	3-17-0025-54	07/01/04-06/30/07
	Noise Abatement — Hancock	N/A	20.106	3-17-0025-62	12/12/05-12/15/07
	Noise Abatement — Kennedy HS	N/A	20.106	3-17-0025-AD	N/A
	Noise Abatement — Byrne Schl	N/A	20.106	3-17-0025-51	N/A
	Noise Abatement — Dore School	N/A	20.106	3-17-0025-64	N/A
TOTAL FEDERAL AVIATION ADMINISTRATION					
DEPARTMENT OF TRANSPORTATION					
Passed Through Illinois Department of Transportation					
Highway Safety Project	Illinois Department of Transportation	N/A	20.600	OP7-1051-101	10/01/06-09/30/07
Total U.S. Department of Transportation Passed Through IDOT					
TOTAL DEPARTMENT OF TRANSPORTATION					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
\$ 543,362	\$ 122,949	\$ (128,430)	\$ 5,481	\$ 5,481	\$ —	\$ —	\$ 419,349	\$ 424,830
\$ 543,362	\$ 122,949	\$ (128,430)	\$ 5,481	\$ 5,481	\$ —	\$ —	\$ 419,349	\$ 424,830
\$ 134,483	\$ 4,715	\$ (68,473)	\$ 68,426	\$ 68,426	\$ —	\$ 4,668	\$ 4,715	\$ 73,141
\$ 134,483	\$ 4,715	\$ (68,473)	\$ 68,426	\$ 68,426	\$ —	\$ 4,668	\$ 4,715	\$ 73,141
\$ 2,823,314	\$ 9,012	\$ (171,686)	\$ 162,674	\$ 162,674	\$ —	\$ —	\$ 2,660,640	\$ 2,823,314
\$ 2,823,314	\$ 9,012	\$ (171,686)	\$ 162,674	\$ 162,674	\$ —	\$ —	\$ 2,660,640	\$ 2,823,314
\$ N/A	\$ 38,999	\$ (25,640)	\$ —	\$ —	\$ —	\$ 13,359	\$ 45,924	\$ 45,924
1,170,000	475,841	(408,655)	—	—	(14,127)	53,059	1,161,594	1,147,467
2,000,000	678,816	(774,283)	137,586	137,586	—	42,119	1,867,208	2,004,794
2,400,000	1,216,901	(1,676,033)	609,817	609,817	—	150,685	1,324,956	1,934,773
1,900,000	(40,623)	—	—	—	—	(40,623)	1,671,468	1,671,468
1,172,000	263,273	(13,912)	190,040	190,040	—	439,401	994,003	1,184,043
1,200,000	1,509,176	(756,607)	—	—	(710,275)	42,294	1,858,135	1,147,860
5,837,000	474,479	(4,041,007)	4,168,018	4,168,018	—	601,490	710,428	4,878,446
3,949,867	48,022	(184,982)	—	—	(56,508)	(193,468)	96,649	40,141
1,928,000	73,982	(126,414)	52,432	52,432	—	—	1,697,855	1,750,287
1,420,000	173,739	(1,147,998)	974,259	974,259	—	—	173,739	1,147,998
\$22,976,867	\$4,912,605	\$ (9,155,531)	\$6,132,152	\$6,132,152	\$ (780,910)	\$1,108,316	\$11,601,959	\$16,953,201
\$ 126,000	\$ —	\$ —	\$ 18,500	\$ 18,500	\$ —	\$ 18,500	\$ —	\$ 18,500
\$ 126,000	\$ —	\$ —	\$ 18,500	\$ 18,500	\$ —	\$ 18,500	\$ —	\$ 18,500
\$23,102,867	\$4,912,605	\$ (9,155,531)	\$6,150,652	\$6,150,652	\$ (780,910)	\$1,126,816	\$11,601,959	\$16,971,701

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Supplementary Schedule of Expenditures of Federal Awards (continued)

<u>FUNDING SOURCE Program Name</u>	<u>Name of Grant</u>	<u>ISBE Account Number</u>	<u>Federal Catalog Number</u>	<u>Contract Number</u>	<u>Contract Period</u>
U.S. DEPARTMENT OF DEFENSE DIRECT FUNDING:					
U.S. Army	R.O.T.C. Salaries: Army	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
U.S. Navy	Navy Salaries — W. Young HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
	Navy Salaries — Simeon HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
	Navy Salaries — Taft HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
	Navy JROTC — Corliss HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
	Navy JROTC — Rickover HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
U.S. Marines	Marine Salaries — Curie HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
	Marine Salaries — Juarez HS	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
U.S. Air Force	Air Force Junior Reserve-Phillips	N/A	12.609	Agreement	07/01/05-06/30/06
		N/A	12.609	Agreement	07/01/06-06/30/07
U.S. Navy	Navy JROTC HS CPS — Rickover Academy	N/A	12.300	N00014-05-1-0815	06/03/05-06/02/06
		N/A	12.300	N00014-05-1-0815	06/03/06-06/02/07
TOTAL U.S. DEPARTMENT OF DEFENSE					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
NASA Explorer School	NASA Explorer School Barton	N/A	43.001	AGREEMENT	10/06/05-10/05/07
	NASA Explorer School Harlan	N/A	43.001	AGREEMENT	10/13/05-12/12/07
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
GRAND TOTAL					



Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2006	Cash (Received) Refunded July 1, 2006 June 30, 2007	Revenue Recognized July 1, 2006 June 30, 2007	Expenditure July 1, 2006 June 30, 2007	Adjustments to Grant Revenue July 1, 2006 June 30, 2007	Accrued (Deferred) Grant Revenue June 30, 2007	Prior Years' Expenditures and Encumbrances Through June 30, 2006	Final Status Cumulative Expenditures Through June 30, 2007
\$ N/A	\$ 292,413	\$ (292,413)	\$ —	\$ —	\$ —	\$ —	\$ 3,155,799	\$ 3,155,799
N/A	—	(2,727,853)	3,028,704	3,028,704	—	300,851	—	3,028,704
N/A	29,778	(29,778)	—	—	—	—	51,725	51,725
N/A	—	(37,323)	47,450	47,450	—	10,127	—	47,450
N/A	44,836	(44,836)	—	—	—	—	75,571	75,571
N/A	—	(54,979)	77,065	77,065	—	22,086	—	77,065
N/A	40,754	(40,754)	—	—	—	—	73,948	73,948
N/A	—	(51,090)	72,213	72,213	—	21,123	—	72,213
N/A	28,422	(28,422)	—	—	—	—	49,375	49,375
N/A	—	(34,854)	49,127	49,127	—	14,273	—	49,127
N/A	26,843	(26,843)	—	—	—	—	46,813	46,813
N/A	—	(66,257)	91,623	91,623	—	25,366	—	91,623
N/A	4,799	(4,799)	—	—	—	—	50,652	50,652
N/A	—	(46,941)	46,941	46,941	—	—	—	46,941
N/A	5,050	(5,050)	—	—	—	—	53,280	53,280
N/A	—	(49,295)	54,550	54,550	—	5,255	—	54,550
N/A	4,103	(4,103)	—	—	—	—	29,724	29,724
N/A	—	(40,160)	44,385	44,385	—	4,225	—	44,385
1,815,615	982,603	(982,603)	—	—	—	—	1,544,778	1,544,778
270,000	—	(46,078)	132,092	132,092	—	86,014	—	132,092
\$ 2,085,615	\$ 1,459,601	\$ (4,614,431)	\$ 3,644,150	\$ 3,644,150	\$ —	\$ 489,320	\$ 5,131,665	\$ 8,775,815
\$ 15,000	\$ (10,000)	\$ (5,000)	\$ 14,852	\$ 14,852	\$ —	\$ (148)	\$ —	\$ 14,852
15,000	—	(15,000)	9,984	9,984	—	(5,016)	—	9,984
\$ 30,000	\$ (10,000)	\$ (20,000)	\$ 24,836	\$ 24,836	\$ —	\$ (5,164)	\$ —	\$ 24,836
\$1,342,656,897	\$164,893,907	\$(721,838,734)	\$696,818,871	\$723,450,336	\$(1,547,804.00)	\$138,326,240	\$776,455,084	\$1,498,357,616

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

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
As of and for the Year Ended June 30, 2007

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

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

Fiscal Period Audited — Contractual funding periods are indicated in the Schedule of Expenditures of Federal Award (the “Schedule”). Single Audit testing procedures were performed for federal financial assistance transactions occurring during the fiscal year ended June 30, 2007.

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

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

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

3. BASIS OF PRESENTATION IN THE STATEMENT OF GRANT ACTIVITY

General — All federal programs considered active during the year ended June 30, 2007, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year.

Revenues — Grant revenues for expenditure-driven federal programs and federal loans are recognized in the Schedule based on expenditure incurred during the fiscal year. Grant revenues for formula-driven federal programs are recognized based on units of services provided as of June 30, 2007.

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, expenditure included on the schedules represent actual expenditures incurred during the fiscal year ended June 30, 2007.

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

- Expenditures for the Nation School Lunch and Breakfast Program are accumulated together with other food service expenditures in the CPS’ accounting records. The federal portion of the National School Lunch and Breakfast Program expenditures, reflected in the Schedule, was determined



based on the percentage of federal lunch and breakfast revenues to the total lunch and breakfast revenues during the fiscal year ended June 30, 2007.

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

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

Accrued and Deferred Grant Revenue — Various funding schedules are used for the federal awards received by the CPS. Consequently, timing differences between the recognition of revenues and related cash receipts can exist at the beginning and end of the fiscal year. Accrued grant revenue balances represent the excess of revenue recognized over cash received to date. Deferred grant revenue balances represent the excess of cash received over revenue recognized to date.

4. RELATIONSHIP TO THE FINANCIAL STATEMENTS INCLUDED IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The following is a reconciliation of federal grant revenues as reflected in the Schedule of Federal Grant Revenues reflected in the CPS’ Comprehensive Annual Financial Reports:

“Revenue recognized” per the Schedule	\$696,818,871
“Adjustments to increase (decrease) accrued grant revenue” per the Schedule	<u>(1,547,804)</u>
Total revenues per the Schedule	695,271,067
E-Rate program revenues not included in the Schedule	43,120,650
Medicare Part D Revenue not included in the Schedule	1,386,972
Medicaid Fee for Service Revenue not in the Schedule	13,145,796
Adjustments to record revenue not collected within 90 days (“available”)	<u>(6,895,542)</u>
Federal revenues per the CPS’ Comprehensive Annual Financial Report	<u><u>\$746,028,943</u></u>

Expenditures relating to individual federal programs are not represented separately from other CPS expenditures in the CPS’ Comprehensive Annual Financial Report. Accordingly, a similar reconciliation of expenditures is not included herein.

5. FINAL CLAIMS

Some final claims for federal programs with contractual funding period ended June 30, 2007, 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. FINDINGS AND QUESTIONED COSTS

The findings and questioned costs identified in connection with the fiscal year ended June 30, 2007, single audit are disclosed in the accompanying Schedule of Findings and Questioned Cost 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, 2007**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiency (ies) identified that is not considered to be material weaknesses?	<u> X </u>	Yes	<u> </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiency (ies) identified that is not considered to be material weakness(es)?	<u> X </u>	Yes	<u> </u>	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<u> X </u>	Yes	<u> </u>	No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount Expended</u>
10.553	Breakfast Program	\$ 24,884,815(1)
10.555	National School Lunch Program	134,831,346(1)
10.558	Child & Adult Care Food Program	4,242,491
84.010	Title I — Low Income	271,805,733
84.027	IDEA Flow-through	81,350,584(2)
84.048	Vocational Education Title IIC	8,589,432
84.173	IDEA Preschool	2,083,942(2)
84.186	Title IV — Safe and Drug Free Schools	3,545,742
	Title IV — 21st Century Community	
84.287	Learning Centers	6,484,446
84.298	Innovative Programs	2,875,770
84.318	Technology Enhancing Education	3,486,162
N/A	R.O.T.C. Salaries — Army	3,512,058
20.106	Noise Abatement	6,132,152
93.558	TANF/Regional Safe Schools	17,000,000
		<u>\$570,824,673</u>

Notes:

- (1) Part of Nutrition cluster
(2) Part of Special Education cluster

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

Auditee qualified as low-risk auditee? _____

Yes

\$3,000,000

X No

II. FINANCIAL STATEMENT FINDINGS**Finding FS07-01: Purchasing — Control Over Automated Vendor Payments**

Criteria:

Timely reconciliation procedures over purchasing programs

Condition:

In August 2006 the CPS implemented a new purchasing program designed to expedite the purchasing process and obtain better vendor discounts. The program known as the "Ghost Card Program" enables vendors to get paid more quickly and generates revenue for the CPS in the form of rebates from Harris Bank through a revenue share clause in the Bank Card contract. For fiscal year 2007, approximately \$100 million in purchases were processed through the Ghost Card Program.

Transactions are initiated by authorized CPS personnel through the Oracle system by use of a purchase order. The vendor ships the goods to the designated location and submits an electronic request for payment to a merchant processor. The merchant processor pays the vendor and settles the transaction with the financial institution. The card issuing bank sends a daily transaction report to the CPS for it to begin its reconciliation process. Later in the accounting period, CPS performs a reconciliation of the purchase order, vendor invoice, receiving report, and payment to ensure that the vendor properly transacted an accurate amount with the merchant processor and subsequently with the card issuing bank. The transaction reconciliation should be completed within 30 days.

In our review of the Ghost Card Program, we noted three significant issues.

- There were numerous vendor invoices that exceeded the approved purchase order amount. For the period from inception of the program through June 30, 2007, the cumulative amount was \$829,000 representing overpayments to vendors.
- There were numerous instances where the bank paid the vendor, but CPS either did not receive an invoice or did not process the receipt. This amount totaled \$1,908,000. Compliance with established receipting procedures by CPS School personnel and vendor compliance with invoicing procedures is essential to making this program work effectively.
- The third category was where the invoice was approved by CPS, but the vendor was not paid. This is a direct result of the vendor not submitting a transaction to the merchant processor for the paper invoice submitted to the CPS for processing. This amount totaled \$129,000 and reflects an amount funded to the CPS credit card program bank account for payment of transactions on the ghost card account but not yet processed against said account by the vendor.

These issues appear to have occurred due to the newness of the program and the large volume of transactions. The reconciliation process is manual and subject to error. Several of the unreconciled amounts dated back to the inception of the program.

The program is largely manual. Vendors submit paper copies of invoices which are manually entered into the system and manually compared to the purchase order, receiving report and payment. Invoices from vendors should be electronic to reduce the amount of manual intervention.

All unreconciled differences noted above were adjusted for in the June 30, 2007 financial statements.

Context:

Approximately \$100 million in purchases were processed through the Ghost Card Program.

Cause and Effect:

- If CPS does not reconcile the invoices received from vendors to the actual payments to vendors, there is a potential for vendor overpayment or underpayment.
- Not properly processing the receipt of goods from a vendor does not leave evidence as to whether or not goods were actually received prior to payment.

Recommendation

We recommend the reconciliation of the Ghost Card Program become a function of accounting. A detailed reconciliation of the payments, invoices, purchase orders and receipts should be performed monthly and any unreconciled differences identified and adjusted. Due to the volume of transactions associated with this program, we also recommend that this system be automated. Vendors should be required to submit electronic invoices.

Corrective Action Plan

Management agrees with the Auditor's recommendations. The CPS credit card (P-Card) department will be reassigned to the Division of Finance by January 2008. The September reconciliation is in progress, July and August are completed. The P-Card unit is responsible for the reconciliation of the Ghost Card Program. The P-Card department has recovered in excess of \$520,000 from vendors to date. The Chief Purchasing Officer is also contacting all vendors with ghost card transactions that have not been properly invoiced through Accounts Payable in order to rectify the lack of proper procedures in the Ghost Card Program. Further, the Chief Purchasing Officer is reporting to the Chief Education Officer a list of schools that have not properly receipted invoices received and processed by Accounts Payable.

Finding FS07-02: Information Technology — CPS at Work — System Implementation

Criteria:

System design completion and testing prior to implementation

Condition:

The Information Systems Audit and Control Association (ISACA) has developed specific controls to be utilized for the development of system applications. Each application system has six major phases during the system development and maintenance life-cycle process. Each phase is divided into various activities, participants, responsibilities, and deliverables. The six phases include:

- Systems Planning Phase
- Systems Analysis Phase
- Systems Design Phase
- Systems Construction Phase
- Systems Implementation Phase
- Systems Operation and Maintenance Phase

CPS entered into a contract with a vendor for the implementation of the new payroll system, *CPS at Work*. The contractor was responsible for ensuring the system was installed in accordance with approved methodologies.

Our testing indicated several problems were encountered in connection with the system implementation.

Some of the more significant issues were as follows:

- The timeline established by CPS was not followed. Many of the milestones identified in the contract were not met by the contractor.
- A major part of the system involving the design, construction and implementation phases related to the posting of data to the general ledger was not complete at the time of installation. This resulted in the inability to post payroll data to its general ledger for approximately four months and the internal controls normally associated with this process were not present.
- Sufficient training of employees did not take place prior to implementation. As a result, many employees were unable to accurately enter data into the new system and they were not paid properly.
- Sufficient testing of the system did not take place prior to implementation. No testing of the general ledger interface was done prior to implementation.
- System documentation relating to customization is lacking.
- Data cleansing did not take place prior to converting to the new system.

Context:

Numerous employees were paid late or paid incorrectly. Information was recorded on the general ledger months after it occurred and controls normally associated with the postings did not occur.

Cause and Effect:

- If the system design, construction, and implementation are not complete prior to the installation of the new system, this results in a significant delay in regarding general ledger postings which results in a decline in internal controls.

Statutory Reporting Section

- Not properly training employees prior to implementation leads to inaccurate data entry and increased errors.
- Insufficient testing prior to implementation causes problems with general ledger postings.

Recommendation

All systems should be complete and fully tested prior to implementation. Comprehensive training of all personnel should be conducted to ensure users of the new system are fully aware of the requirements.

Corrective action plan

Management agrees.

- The timeline established by CPS was not followed.

The scope for Phase I was quite ambitious, the time line was aggressive, and some parts of the phase conflicted with key department initiatives that can not be moved. Based on the lesson learned (that scope must balance with resources and time), we significantly modified Phase II by removing some deliverables to allow us to deliver consistently high quality outcomes on schedule. Additionally, the CPS added staff experienced in PeopleSoft and a project manager position to more effectively schedule and deliver projects for the various initiative in Phase II. We are working more closely with CRT on project planning and quality control.

- A major part of the system involving the design, construction and implementation phases related to the posting of data to the general ledger was not complete at the time of installation.

See response for finding regarding Payroll Postings.

- Sufficient training of employees did not take place prior to implementation.

We recognize training is an ongoing commitment.

1. In the last three (3) months, significant resources have been allocated to training. Over 50 payroll staff has attended formal PS training in Time and Labor and North American Payroll. In HRIT, about a dozen individuals have had training related to payroll and time and labor.
 2. All HRIS staff have had training in Payroll, Benefits, or both, or have had individuals classes conducted by a consultant who has been on staff in HRIS for training purposes for about four (4) months.
 3. Training has been offered to members of the HR community as well.
 4. Training was provided to payroll clerks and online tutorials are still available to them.
- Sufficient testing of the system did not take place prior to implementation. No testing of the general ledger interface was done prior to implementation.

We have identified methodology and project governance as areas in which we need to add resources and implement testing standards. As demonstrated by the current testing process for payroll tax bundles, we have made significant improvements in the testing approach, communication of test results, and training HRIS and HRIT in the testing standards. This is an ongoing commitment. HRIS is also adding a Project Manager, who, going forward, will oversee these standards

- System documentation relating to customization is lacking.

We have a project plan for refining the Phase I customizations and documenting them. We expect to complete over 25 major customizations by June 2008.

- Data cleansing did not take place prior to converting to the new system.

In some of the modules, particularly in Benefits, significant data cleansing did take place. Since “go-live” in March 2007, we have identified other modules that needed additional data cleansing. The most significant module was Time & Labor (T&L) where over 20 million rows had status updates of paid time to “closed” to correct the T&L performance problems and reduce payroll check errors. In Payroll, significant attention was paid to cleansing garnishments and employee tax data. The significant data cleansing projects still ahead of us include stipends for increments, union dues, and leave accruals. We expect to be completed with these projects by June 2008.

Finding FS07-03: Payroll Postings

Criteria:

Timely payroll postings to the general ledger

Condition:

The new payroll system went live on March 26, 2007. As of this date, CPS employees were paid from the new payroll system.

Even though the new system was up and running and generating paychecks for employees, the District was not capable of recording the payroll expense in the general ledger or charging any of the federal grant programs. Accordingly actual results of operations could not be determined. It wasn't until late August 2007 when all the fiscal year 2007 payroll runs from the new system were posted to the general ledger. These postings required substantial manual intervention to ensure amounts were properly recorded.

Context:

All payroll runs subsequent to March 26, 2007 were not posted timely.

Cause and Effect:

- In order to properly monitor actual costs incurred, the payroll needs to be posted to the general ledger on a more timely basis.
- Delays in posting payroll costs to federal programs may result in delays for claiming reimbursement resulting in lost revenue to the District.

Recommendation

Payroll amounts should be posted to their respective expense accounts at the time the payroll is issued. In order to achieve this goal, the process should be integrated and seamless so that immediately upon issuance of the payroll, the general ledger and all subsidiary ledgers are updated automatically.

Corrective Action Plan

Management agrees. The General Ledger (GL) interface for payroll distributions to the GL was not developed or tested until after we went LIVE on March 26, 2007. The FY 07 payroll distributions were completed by the end of August 2007, earlier than it has been completed in the past (despite the fact that it was the first time distributions were conducted in a new system with new processes).

By mid-January 2008, we expect to be current on the payrolls for FY 08. After that, the process of posting the payrolls to the GL will be completed as the payrolls are run. The current process runs the payroll through a preliminary mode in PeopleSoft which identifies the payroll exceptions that need to be corrected. As edits and validation are done prior to confirming the payroll, we expect that the payroll exceptions will be minimal. Once the payroll exceptions are corrected, the payroll is run in final mode and submitted to Accounting for their review. Upon approval by Accounting, the payroll is submitted to Oracle Tech for posting to the GL.

It is important to note that the GL program requires that distributions be executed in a sequential manner. It cannot be run out-of-order (that is, the current distributions cannot be run until the prior ones are completed and validated).

One problem with GL interface was the number of supplemental payrolls. Due to our changes, we have reduced the number of payrolls run, making interface requirements more efficient. In time, these efficiencies in payroll will streamline the efficiency of the posting of payrolls to the GL.

Our goal for FY 09 is to move all employees onto one payroll cycle.

Finding FS07-04: Budget Monitoring

Criteria:

Payroll monitoring for payroll process outside of position control

Condition:

The District has a good process for monitoring payroll costs associated with regular teacher positions. This system requires positions be identified and pre-approved well in advance of the school year. "Position control" ensures 95% of the District's payroll costs are appropriate.

Payroll costs that are not controlled by "position control" are placed in various general ledger accounts or "personnel buckets." Each personnel bucket has a budget and payroll costs for the following are accumulated in the personnel bucket:

- Athletic coaches
- Substitute teachers
- Extended day
- Preschool
- Miscellaneous employee expenses

Context:

For fiscal year 2007, several of the personnel bucket positions exceeded their budgeted amount by \$200,000 or more. One bucket relating to athletic coaches exceeded budget by \$1.8 million. In previous years, when personnel buckets went negative, as compared to budget, the system would not allow any further charges to that bucket.

Cause and Effect:

- Not monitoring personnel bucket positions may lead to actual expenses exceeding the budgeted amounts, resulting in more expenditures than desired.

Recommendation

We recommend the District perform timely monitoring of positions of the position control system so that potential issues can be identified. When a personnel bucket reaches its maximum, controls in the system should be activated to prevent charges from entering a filled bucket.

Corrective Action Plan

Management agrees. Monitoring of bucket expenditures has been a set control that was temporarily stopped due to expenditures not being distributed. Now that expenditures are being posted for FY08, the Bucket Expenditure Management report will be distributed to all principals and appropriate administrative personnel the week of December 3rd. The Bucket Expenditure report is a tool that provides the percentage of bucket appropriation usage and inactivation date if usage percentage is over 100. Principals will be able to see for each bucket position both original and current appropriation, posted expenditures, un-posted expenditures, next pay period amount, total expenditures, and remaining funds available. Buckets that exceed or equal 100 percent of their current appropriation will be inactivated and prevented from submitting time against bucket position until additional funds are added to bucket. The inactivation/activation process will be controlled by the Oracle Position Control system and the Kronos time system.

The Oracle Budget Transfer System will also activate an inactive bucket when an approved budget transfer is completed.

Finding FS07-05: Payroll — Controls Over Non-Routine Payroll Payments

Criteria:

Controls over non-routine payroll payments

Condition:

During our audit procedures we noted several coaches received duplicate payments for their coaching services. The coaches were paid on March 31, 2007, then again on April 3, 2007. The total amount of the duplicate payment was approximately \$170,000.

In reviewing the payments made to coaches, we discovered the list of coaches and amounts was determined by the Athletics Department, and then forwarded to the Payroll Department for processing. There was no subsequent follow-up in either the Athletics Department or the Payroll Department to ensure proper amounts were paid.

Similar overpayments occurred for the deferred payroll balances of employees that retired at June 30, 2007. Our testing indicated several retirees were overpaid in July 2007 for their deferred balances. The aggregate amount of this overpayment was approximately \$60,000.

Because these payments were paid outside of the regular salaried positions, the internal controls in place for such non-routine payments do not appear to be working. As such, the District needs to rely on other controls to ensure these payments are made properly.

Context:

Duplicate payments resulted in approximately \$170,000 for coaches and approximately \$60,000 for retired teachers.

Cause and Effect:

- Inadequate controls over non-routine payroll payments may lead to either over or underpayments to employees.

Recommendation

We recommend the District establish review procedures for non-routine payroll such that the amounts paid are determined to be appropriate.

Corrective action plan

Management agrees. The payroll department has begun to tighten processing procedures for coach payments. In collaboration with the Department of Sports Administration, new workflows and audits will be in place prior to the first payroll for coaches in December 2007 to prevent over payments.

Audits will be implemented to ensure that payments submitted by the Department of Sports Administration are reviewed prior to loading into PeopleSoft pay sheets. As an example, a report has been created to evaluate whether coaching pay for an employee is being submitted more than once for a time period.

Workflows will be implemented to ensure that once the payroll information is inputted, a control totals, payroll summary report will be generated and reviewed by the Department of Sports Administration prior to payroll processing completion and a check register will be submitted immediately following payroll confirmation.

Also for each payroll, a comprehensive audit of every paycheck received by every employee, comparing their standard rate of pay to KRONOS, is conducted.

Similar overpayments occurred for the deferred payroll balances of employees that retired at June 30, 2007. Our testing indicated several retirees were overpaid in July 2007 for their deferred balances. The aggregate amount of this overpayment was approximately \$60,000.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding SA07-01: ELIGIBILITY/ADMINISTRATION OF THE LUNCH AND BREAKFAST PROGRAMS — Recurring (2004, 2005, 2006)

Questioned Costs: N/A

Federal Agency: US Department of Agriculture
CFDA 10.553 School Breakfast Program (Child Nutrition Cluster)
CFDA 10.555 National School Lunch Program (Child Nutrition Cluster)

Criteria:

CPS is required to monitor the administration of the lunch and breakfast programs to ensure that the reimbursement received is for eligible meals.

Condition:

The following exceptions were noted during the current year of testing:

- 1 student out of 80 students selected for testing received a free meal but did not have an approved application on file with the Principal's Office.
- In 4 out of 8 schools, the Food service manager's meal count did not reconcile to the Daily Cashier's Report (LR33) for one day.
- In 4 out of 8 schools, the Principal's list of students eligible to receive free or reduced meals (Statistical Information Report) did not reconcile to the number of approved applications for free and reduced meals on file.
- In 7 out of 8 schools, lunchroom management did not use the ticket system properly to count the meals.
- In 3 out of 8 schools, lunchroom equipment lists were not properly maintained, leading to discrepancies between Central Office records and actual equipment at the schools.

Context:

FY2007 expenditures for the National School Lunch and Breakfast Programs were approximately \$160 million.

Cause and Effect

- If CPS does not reconcile the physical count of applications to the information on the Principal's Report (Statistical Information Report), meal counts can be incorrectly reported and could affect the reimbursement formula of the lunch and breakfast programs.
- Not properly using the ticket system for identifying eligible students increases the risk that free lunches and breakfast are distributed to ineligible students.
- Overstatement of reimbursable meals on schools' Statistical Information Reports could result in excess reimbursement claims with USDA.
- Equipment lists do not reflect current equipment.



Recommendation

Increase the monitoring at the schools over the administration of the lunch and breakfast programs to include the following:

- Continued reconciliation of the actual applications on file with the number of eligible student in the Principal's Report (Statistical Information Report) and timely follow up of discrepancies
- Improve training and review procedures to ensure that student applications are properly processed and meal tickets are properly received and counted.
- Update lunchroom equipment lists to reflect current equipment at schools

Corrective action plan

Person responsible: Director of Food Service and Warehousing, Principals of each school

Supervisory staff must visit each school before February 1st of each year. The review covers all compliance issues. Special emphasis will be placed on instructing food service personnel on the approved ticket and collection procedures. The principal is responsible for statistical information. In-service sessions are conducted annually for principals and/or their designees on all food services compliance issues including statistical information reports. We will continue to monitor schools to ensure that statistical information is compiled and entered correctly.

With nine FTE's to monitor the 634 sites having food services, it is impossible to visit each school more than two or three times a school year. We will continue to monitor those schools having problems with statistical information reports and other compliance issues more closely.

Finding SA07-02: CASH MANAGEMENT (2004, 2005, 2006) — Recurring

Questioned costs: \$111,915

Federal Agency: US Department of Education

CFDA 84.173 Preschool Incentive

CFDA 84.287 21st Century Community Learning Centers

Criteria: Recipients of federal awards must follow procedures to minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement.

Condition:

Certain grant programs had monthly cash balances exceeding the average monthly expenditures for the next month for at least one month during the fiscal year.

Context:

FY2007 average month-ending cash in excess of expenditures was approximately as follows:

CFDA 84.173 Preschool Incentive — \$75,000

CFDA 84.287 21st Century Community Learning Centers — \$395,000

21st Century Community Learning Centers Extended — \$958,000

21st Century Community Learning Centers After School — \$811,000

Cause and Effect

Continued cash balances in excess of the expenditures could cause the federal government or pass through grantor to reduce future budgeted amounts for these grants and frequency of cash funding to CPS. Consequently, this could result in possible cutbacks for special programs at CPS.

Recommendation

- Ensure that payment requests are scheduled based on historical patterns of spending
- Continue to monitor unusually large cash balances and inform grant administrators of these conditions
- Consider regular meetings to discuss these large balances and allow the revenue department to revise the payment schedule directly with the federal government or pass through grantor.

Corrective action plan

Person responsible: Director of Grants Administration and Coordinator, Department of revenue

CPS will focus its cash management efforts on all grants, regardless of amount. Furthermore, CPS will also train program administrators and other CPS personnel with grant implementation responsibilities on using prior year expenditure patterns for scheduling payment requests and mid-year adjustments to grant budgets. CPS will also make necessary adjustments to grant payment schedules to reflect expenditure patterns.

Finding SA07-03: SPECIAL TESTS AND PROVISIONS (Comparability of Services) (2006) Recurring

Questioned costs: N/A

Federal Agency: US Department of Education

CFDA 84.010 Title I Low Income

Criteria: Recipients of Title I grant funds are required to monitor compliance with Special Tests and Provisions related to Comparability of Services. An LEA is considered to have met the statutory comparability requirements if it has implemented (1) an LEA-wide salary schedule; (2) a policy to ensure equivalence among schools in teachers, administrators, and other staff; and (3) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

Condition:

CPS has a policy to ensure compliance with the requirement for comparability of services and has established written procedures to implement the policy. The Illinois State Board of Education (ISBE), as pass through grantor, has required that Districts establish benchmarks to measure comparability of services and to document whether all schools within each District meet the comparability benchmark. CPS used staff/student ratio as a benchmark for fiscal years 2006 and 2007 and its documentation indicated that a number of Title I schools did not meet the staff/student ratio benchmarks.

Context:

Total expenditures for this grant were approximately \$272 million.

Cause and Effect

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

Recommendation

- Measure compliance with comparability benchmarks more than once each year and estimate the number of comparability positions or average salary per student needed for the next fiscal year in advance of the current year-end.

Corrective action plan

Person responsible: Director of Grants Administration



In July of 2007, ISBE directed CPS to change its method of demonstrating comparability to a ratio of dollars per pupil instead of pupil per staff. Schools that were not comparable were to be given additional resources to be used for professional development, instructional supplies, and other instructional expenses. Due to the lateness of this notification, it was determined that the additional funds necessary to meet comparability would be allocated to the schools in the fall of 2007.

Going forward, CPS will initiate a comparability analysis for the following fiscal year using preliminary budget projections. CPS will also measure compliance with comparability benchmarks on a semi-annual basis, in the months of November and March.

Finding SA07-04: INFORMATION TECHNOLOGY — CPS AT WORK — SYSTEM IMPLEMENTATION (Allowable Costs)

Questioned costs: N/A
 Federal Agency: Various
 See Section II Financial Statement finding FS07-02

Finding SA07-05: PAYROLL POSTINGS (Allowable Costs)

Questioned costs: N/A
 Federal Agency: Various
 See Section II Financial Statement finding FS07-03

Finding SA07-06: BUDGET MONITORING (Allowable Costs)

Questioned costs: N/A
 Federal Agency: Various
 See Section II Financial Statement finding FS07-04

Finding SA07-07: PAYROLL — CONTROLS OVER NON-ROUTINE PAYROLL PAYMENTS (Allowable Costs)

Questioned costs: N/A
 Federal Agency: Various
 See Section II Financial Statement finding FS07-05

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2007

- I. Administration of the Lunch and Breakfast Programs (recurring)
Corrective Action Plan — See Finding SA07-01
Current Status — See Finding SA07-01
- II. Cash management — several programs (recurring)
Corrective Action Plan — See Finding SA07-02
Current Status — See Finding SA07-02
- III. Period of Availability of Federal Funds/Allowable Costs and Cost Principles (closed)
Corrective Action Plan — See prior year report
Current Status — No exceptions were noted in FY2007
- IV. Procurement, Suspension, and Debarment (closed)
Corrective Action Plan — See prior year report
Current Status — No exceptions were noted in FY2007
- V. Special Tests and Provisions (Comparability of Services) (recurring)
Corrective Action Plan — See Finding SA07-03
Current Status — See Finding SA07-03





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