CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2016

Prepared by the Department of Finance

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

Board of Education
CITY OF CHICAGO

Office of the Board
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January 25, 2017

Dear Stakeholders,

We are pleased to present you with the Chicago Public Schools (CPS) fiscal year 2016 financial results.

One of the most important services this audit provides is an understanding of the strength of CPS' internal financial controls — an issue that is of foremost importance both to this Board and members of the public. We are pleased to report that this audit finds that CPS has instituted significant internal financial controls that provide members of the Board and the public with an additional degree of certainty that appropriate mechanisms are in place to safeguard scarce education dollars.

While CPS continues to lobby for equitable funding from the state and seek out opportunities for new revenue, the District has greatly expanded its Internal Audit department to strengthen internal controls and streamline operations. Through this effort, CPS has increased school audits since last year and identified opportunities to better safeguard District resources. By utilizing sophisticated audits and controls that reach far beyond the resources previously deployed in the District, we are helping to reduce unnecessary spending so that every dollar is maximized. We have also strengthened the policies and procedures in place for the District's financial reporting.

As important as these controls are, CPS still faces significant financial challenges and is doing everything within its control to reduce expenses, streamline operations and minimize disruptions to classrooms.

In FY2016, CPS introduced expenditure reductions and more efficient spending controls to move from a $710 million operating deficit gap in FY2015 to a $537 million deficit gap in FY2016. The District continues to take action to more effectively utilize our limited resources, but the fundamental inequality in state education funding remains an unresolved threat to our district.

Although we have made real progress in working toward fiscal stability, the state of Illinois continues to punish Chicago's students through the perpetuation of an unequitable funding system. On top of the broken funding system, the governor recently cut $215 million in funding promised to CPS to offset the state's pension inequities, which has created unprecedented challenges for the school system.

The bright spot in this situation is that despite Springfield's failure to equitably fund the children of Chicago, CPS students continue to thrive. In 2016, our graduation and attendance rates broke District records, while our dropout rate fell to an all-time low. College enrollment is on the rise, and Chicago students continue to outpace other large urban school districts for growth in reading and math.

In the midst of continued academic progress, our continued financial struggles weigh heavily on our teachers, school leaders, families, and especially our students. But it does not have to be this way. These inequities can be rectified, which is why our fight for equal funding remains ongoing. We will continue to do our part to tighten controls and reduce non-essential spending, and we are confident that 2017 can be the start of a financially stable era for Chicago Public Schools if educators, taxpayers, and elected officials come together in support of our students.

Respectfully submitted,

Frank M. Clark	Forrest Claypool
President	Chief Executive Officer
Chicago Board of Education	Chicago Public Schools

Chicago Public Schools

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Chicago Board of Education

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Frank M. Clark, President
Jaime Guzman, Vice President

Members
Mark F. Furlong
Rev. Michael J. Garanzini, S.J.
Dr. Mahalia Hines
Dominique Jordan Turner
Gail D. Ward

Government Finance Officers Association

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Presented to

Chicago Public Schools

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2015

Jeffrey R. Emer

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Chicago Public Schools

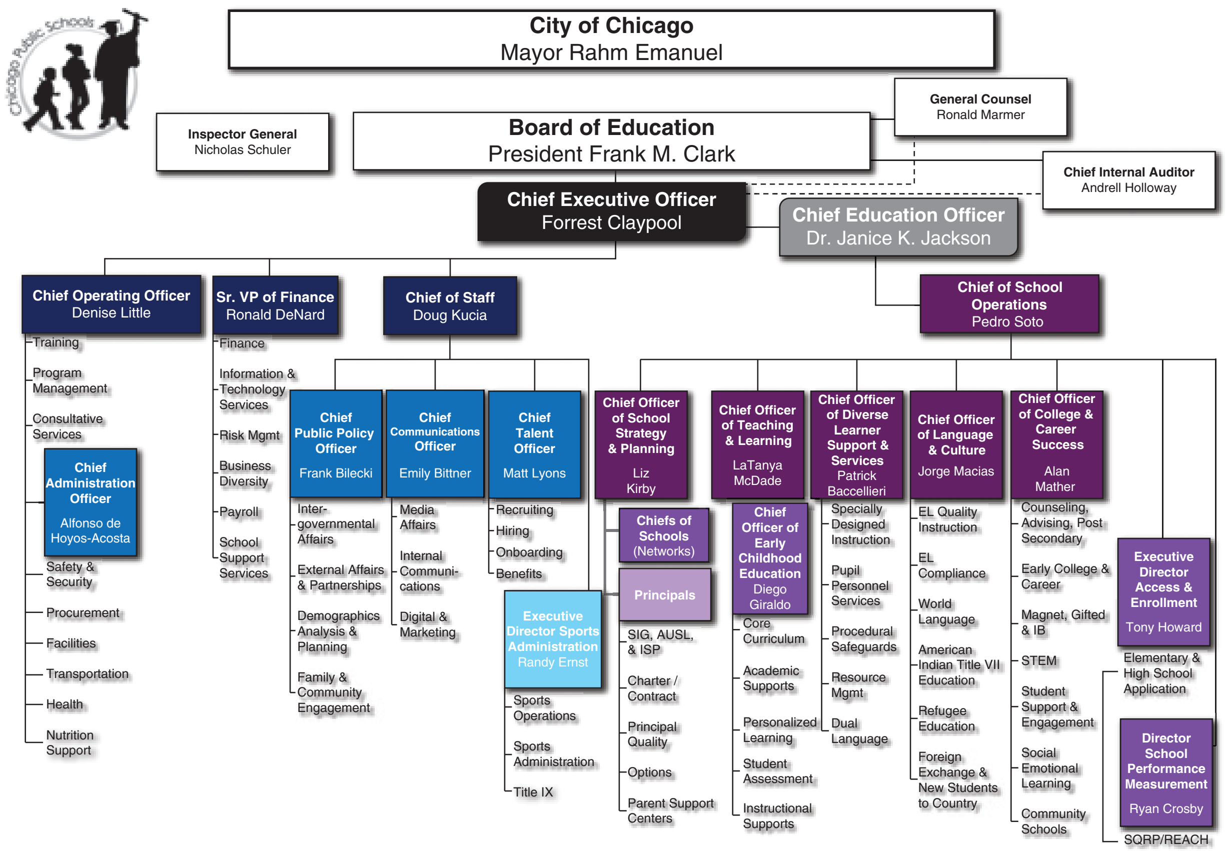
**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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

Brenda R. Burkett, CPA, CSBA, SFO	John D. Musso, CAE, RSBA
President	Executive Director

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education Organizational Chart



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Board Member Profiles

Frank M. Clark

Frank M. Clark was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on July 23, 2015. Mr. Clark was elected President of the Chicago Board of Education on August 26, 2015. Mr. Clark is the retired Chairman and CEO of ComEd. Mr. Clark is heavily involved in the Chicago community, serving on the board of trustees of the Chicago Symphony Orchestra, DePaul University, the Museum of Science and Industry, and the board of directors of the Big Shoulders Fund. Mr. Clark is Chairman of the Executive Committee of The Chicago Community Trust, trustee of The Lincoln Academy of Illinois, and a member of the RAND Advisory Board. Mr. Clark also serves as President of the Business Leadership Council and is a Life Trustee and past Board Chair of the Adler Planetarium and Astronomy Museum, past Chairman of the Board of Metropolitan Family Services, past Chairman of the Board of Jane Addams Hull House, and past President of the Chicago Chapter of American Association of Blacks in Energy. Mr. Clark is also a member of the Chicago Bar Association, the Commercial Club of Chicago and Executives Club of Chicago. Mr. Clark is a co-founder of the Rowe-Clark Math & Science Academy on Chicago's west side. Mr. Clark is Chairman of the Board of Directors for BMO Financial Corporation. He also serves on the board of directors for Aetna Inc. and Waste Management Inc. Mr. Clark received an honorary Doctor of Humane Letters degree from Governor's State University and an honorary Doctor of Law degree from DePaul University. He also has received numerous awards, including the prestigious History Makers Award and the National Humanitarian Award from the National Conference for Community and Justice. In addition, U.S. Black Engineer & Information Technology Magazine named Mr. Clark to its annual list of the 100 Most Important Blacks in Technology in 2008. Mr. Clark was also ranked among the 50 Most Powerful Black Executives in America by *Fortune* magazine in 2002. Mr. Clark holds Bachelor's and Juris Doctor Degrees from DePaul University.

Jaime Guzman

Jaime Guzman was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on January 11, 2016. Mr. Guzman was elected Vice President of the Chicago Board of Education on January 27, 2016. Mr. Guzman is the Director of Local Programs at My Brother's Keeper Alliance (MBKA). MBKA is an independent, nonpartisan 501(c)(3) born out of President Obama's call to action to ensure all of our nation's young people have the opportunity to live up to their full potential. MBKA is leading a collaborative, cross-sectoral movement to break down barriers to success that boys and young men of color (BYMOC) disproportionately face along the life path. He has more than 15 years of experience at the intersection of the public, private and nonprofit sectors. Mr. Guzman has held senior positions at the Taproot Foundation as Executive Director; the Big Shoulders Fund, as the Senior Director of Outreach, managing next generation board leadership and targeted fundraising; at the City Colleges of Chicago, as Chief Advisor to the Board of Trustees; and at the Chicago Public Schools, where he led the Office of New Schools, managing the authorization of new public schools. Mr. Guzman began his career as a bilingual teacher with Teach For America and also worked as a Chicago Public School teacher at Kanoon Magnet School. Mr. Guzman has also served in senior roles with national public service organizations. He was the Regional Director for Education at the National Council of La Raza (NCLR) and Program Director for Teach For America in Chicago. Mr. Guzman holds a Bachelor's degree from Dartmouth College and a Master's degree in Education from Harvard University. He was a 2012 Leadership Greater Chicago fellow, and also served on the Illinois State Charter School Commission.

Mark F. Furlong

Mark Furlong was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on July 1, 2015. Mr. Furlong retired as President and Chief Executive Officer of BMO Harris Bank, N.A. on June 1, 2015, following a lengthy career in business and public service. Mr. Furlong became President and Chief Executive Officer of BMO Harris Bank upon the close of the acquisition of Marshall & Ilsley Corporation by BMO Financial Group in 2011. Headquartered in Chicago, BMO Harris Bank, N.A. is one of North America's leading financial services providers serving personal and commercial customers throughout the Midwest, Arizona and Florida. Mr. Furlong joined Marshall & Ilsley Corporation in 2001 as Senior Vice President and Chief Financial Officer. He was elected President of Marshall & Ilsley Bank in 2004, President of Marshall & Ilsley Corporation in 2005, Chief Executive Officer in 2007 and Chairman in 2010. Prior to joining M&I, Mr. Furlong was Executive Vice President, Chief Financial Officer, of Old Kent Financial Corp., First Vice President, Corporate Development, for H. F. Ahmanson & Company, was a partner for Deloitte & Touche, and manager for KPMG. Mr. Furlong is a Chair of Chicago United, a member of the Board of Directors of Kforce Professional Staffing, Northwestern Memorial Hospital, and World Business Chicago. He recently stepped down from his role as founding Chair of LEAP Innovations, and as a member of the Trustees Committee of the Chicago Community Trust, Neighborhood Housing Services of Chicago, and the Civic Committee of the Commercial Club of Chicago. Mr. Furlong has previously served on the Board of Directors of the United Way of Greater Milwaukee, the Wisconsin Manufacturers and Commerce, Froedtert Health, the United Performing Arts Fund, Junior Achievement of Wisconsin, where he served as Chair from 2007-2009, and Schools that Can Milwaukee, of which he is the founding and immediate past Chair. Mr. Furlong earned a bachelor's of science degree in accounting from Southern Illinois University.

Reverend Michael J. Garanzini, S.J.

Father Michael J. Garanzini, S.J., was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving July 1, 2015. After 14 years of leadership (2001-2015), Father Michael J. Garanzini, stepped down from his position as the 23rd president of Loyola University Chicago and assumed the role of chancellor on July 1, 2015. A seasoned university administrator, tenured professor, author, and scholar, Father Garanzini has spent the majority of his career working in higher education. Father Garanzini's impressive academic credentials combine with a rare blend of experience in teaching, research, service, and administrative leadership at some of the nation's leading Jesuit institutions of higher learning, including Georgetown, Fordham, Saint Louis, and Rockhurst universities, as well as Gregorian University in Rome. In June 2011, Father Garanzini was appointed to serve as the secretary for higher education for the Society of Jesus, to serve as the organization's secretary for higher education. In this role, Father Garanzini assists the Father General on a part-time basis, coordinating and championing Jesuit higher-education issues around the world. Prior to leading Loyola, Father Garanzini was a full professor of psychology at Georgetown University in Washington, DC, where he had been special assistant to the president for two years. Before joining Georgetown, Father Garanzini was a visiting professor at Fordham University in New York. Much of Father Garanzini's academic and administrative experience comes from his years at Saint Louis University, where he held several academic and administrative posts. A St. Louis native, Father Garanzini received a bachelor's of arts in psychology from Saint Louis University in 1971, the same year he entered the Society of Jesus. From 1984 to 1988, he divided his academic responsibilities between the University of San Francisco and Gregorian University in Rome. He received a doctorate in psychology and religion from the Graduate Theological Union/University of California, Berkeley, in 1986. In 1988, he returned to Saint Louis University as an associate professor of counseling and family therapy. He then served as assistant academic vice president from 1992 to 1994. He was appointed academic vice president in 1994, a post he held until 1998. In 2008, he was awarded an honorary doctorate of public service from Carthage College in Kenosha, Wisconsin. Father Garanzini serves on the following boards of trustees: the Association of Catholic Colleges and Universities (ACCU); the Federation of

Independent Illinois Colleges and Universities; the Archdiocese of Chicago, Board of Catholic Schools; the Flannery O'Connor-Andalusia Foundation; and LIFT-Chicago. He serves on investment committees for the ACCU, the Society of Jesus, and other organizations, and he is chairman of the Cuneo Scholarship Foundation. Active in community service, Father Garanzini is known for his work on behalf of children and families. He is a frequent speaker and has published many books and articles on issues such as child and family therapy, moral development, and Catholic education.

Dr. Mahalia A. Hines

Dr. Mahalia Hines was appointed to the Chicago Board of Education in May of 2011 by Mayor Rahm Emanuel. Dr. Mahalia Hines is the chief executive officer of Think COMMON Entertainment, president of the Common Ground Foundation and Hip Hop Schoolhouse Publishing Company. Dr. Hines has worked in the educational field for more than 35 years as a teacher and principal. For 15 of those years, Dr. Hines served as principal in the Chicagoland area for grade levels from elementary through high school. Dr. Hines also worked as a coach for first-year principals and a mentor for current principals and prospective principals in Chicago and continues to work with school leaders of public and charter schools in urban areas throughout the country. In addition to working with schools and school leaders, Dr. Hines travels the country speaking to single mothers on raising successful sons. Dr. Hines received her Doctorate from the University of Illinois, her Master's degree from Northeastern University and Bachelor's degree from Central State University.

Gail D. Ward

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

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

Member	Term Expires
Frank M. Clark, President	June 30, 2018
Jaime Guzman, Vice President	June 30, 2018
Mark F. Furlong	June 30, 2019
Reverend Michael J. Garanzini, S.J	June 30, 2019
Dr. Mahalia A. Hines	June 30, 2018
Dominique Jordan Turner	June 30, 2019*
Gail D. Ward	June 30, 2019

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

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

* Dominique Jordan Turner resigned January 11, 2017.

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January 23, 2017

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

The Comprehensive Annual Financial Report (CAFR) of Chicago Public Schools (CPS) for the fiscal year ending June 30, 2016, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of CPS. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with CPS management. Management has established a comprehensive framework of internal control to provide a reasonable basis for asserting that the financial statements are fairly presented.

Due to continued declines in state funding – driven by the nation's most inequitable education funding formula – coupled with massive pension obligations, CPS' budget situation has continued to deteriorate over the past several years. CPS ended fiscal year 2016 with a deficit of $126.6 million in operating funds. While CPS has continued to streamline operational costs, and has made some important progress in securing additional funding, the compounding financial challenges of declining state revenues, dramatically increasing pension costs, and limits on federal and local revenues continued to persist over the course of fiscal year 2016.

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

PROFILE OF CHICAGO PUBLIC SCHOOLS

CPS is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the City of Chicago. The Chicago Board of Education is established under and governed by the Illinois School Code (105 ILCS 5/34-9). The Chicago Board of Education is not a home-rule unit of government and operates a system of schools primarily for grades pre-kindergarten through twelve. CPS has no component units that are legally separate organizations for which CPS is financially accountable.

CPS is governed by a seven-member Board of Education appointed by the Mayor of the City of Chicago. Board members elect one member to serve as President of the Board. In addition, pursuant to amendments to the Illinois School Code initially enacted in 1988, elected Local School Councils, composed of parents, teachers, principals and community representatives, exercise certain powers relating to the operation of individual schools, most notably the selection of principals. Refer to the CPS website for more information on Local School Councils.

As a large urban school district, our schools and students reflect the broad diversity of our city. In fiscal year 2016, CPS had 676 schools, including district-run traditional and options schools, charter and contract schools.

Student enrollment as of September 2015 was 392,285 a decrease of 4,398 from the September 2014 level (396,683). Approximately 81% of our students come from low-income families and 17% are English Language Learners. CPS employs 37,921 workers, including 25,615 teaching positions.

LOCAL ECONOMIC OUTLOOK

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

Local revenues included $2,408 million in property taxes and $162 million in personal property replacement taxes in fiscal year 2016. Property taxes support the General Fund, Tort Program and Debt Service Funds. Personal property replacement taxes support the General Fund and Debt Service Funds. In fiscal year 2016, there was $42.6 million in tax revenue for Capital Improvement Tax. This is due to the Chicago City Council authorizing a Capital Improvement Tax, derived from property taxes collected in fiscal year 2016.

CURRENT CONDITION

The General Operating Fund expenditures budget for fiscal year 2016 was $5,692 million, which was $64 million below the fiscal year 2015 budget of $5,756 million. This reduction in budgeted expenditures for 2016 was largely driven by $200 million in reductions announced at the beginning of fiscal year 2016. The reductions were offset by a $24 million increase for interest on short term borrowing, $42 million in pension costs, and other cost increases. Actual General Operating Fund expenditures for fiscal year 2016 were $5,414 million; $278 million less than budgeted.

Total governmental funds revenues for fiscal year 2016 were $5,273 million, which is $164 million less than the $5,437 million fiscal year 2015 revenue. Total expenditures for fiscal year 2016 were $6,163 million, which were $365 million lower than the prior year of $6,528 million.

CPS ended fiscal year 2016 with a fund balance of $450 million in all governmental funds, a decrease of $382 million from fiscal year 2015 fund balance of $832 million. The entire General Operating Fund balance amount is restricted or assigned for specific uses.

CPS continues to reduce administrative, central office and operational expenses, in an effort to protect the classrooms. Although we were able to make our full fiscal year 2016 pension payment of $658 million by the June 30 deadline; we needed to borrow an additional $200 million to do so.

Despite these challenges, CPS continues to prioritize our classrooms. Even as our resources become increasingly limited, we continue to seek more effective and innovative ways to educate our students. The past few years have been some of the most financially challenging in CPS' history, yet we continue to make strides. During this time, we have moved to a full school day, implemented full day kindergarten for all students, and expanded Pre-K programs throughout Chicago. We also successfully expanded Safe Passage so that students can focus on their studies and not their safety.

One-Time Resources: In past years, financial results have benefited from one-time fixes such as federal stimulus funding, bond restructuring and TIF surplus, which helped mask the depth of the structural deficit. In fiscal year 2016, CPS received $107 million in TIF surplus revenues.

State funding is driven by formula and CPS expected to experience a year-over-year decline of $107 million, comprised of $56 million in decreased grants and a $50 million reduction in state contribution for pensions in fiscal year 2016. As a result of this trend, CPS has become increasingly reliant on property tax revenue. Since 2007, the percentage of property tax revenue comprising the total budget has steadily increased from 36.7% in fiscal year 2007 to 45.7% in 2016. However, property taxes are capped at the rate of inflation. In fiscal year 2016, with inflation at 0.8%, the base property tax increased to $19 million. Though CPS is able to take advantage of new property that is added to the base property values, the annual increase in revenue remains modest and is not sufficient to make up for the continuing declines in state funding nor the dramatic increases in pension costs. In fact, the Board authorized an additional $250 million in revenue for fiscal year 2017 in property taxes via a restored levy dedicated specifically to teacher pensions, which increases taxes on the average Chicago homeowner by nearly $250. However, even with a significant increase in local taxes, CPS expenses continue to outstrip declining overall revenues.

As the District's pension burden has increased, CPS has drawn down its reserves in order to balance the budget. To bridge the ebb and flow of revenue receipt and payments, the District now relies on short-term borrowing. CPS receives its major revenue source, property taxes, in two installments, March and August. However, most payments are made throughout the year, with two exceptions. Debt service is due in February right before the March installment is collected, and the pension payment is due in June, right before the August installment. CPS' cash flow challenges are driven by its calendar. Without reserves or borrowing, CPS does not have the cash on hand to make those large debt service payments in February and March. As a result, CPS needs to draw from the line of credit during the fiscal year. Borrowing against this credit line was necessary in order to make our pension payment by the June 30 due date. Interest on this borrowing added $24 million to our operating budget this year. CPS ended the year with a total interest expense of $365 million compared to $332 million in fiscal year 2015. This represents an increase of $33 million in borrowing expense.

Pension Funding: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2015, the Pension Fund reported $10,366 million in actuarial assets and $19,951 million in actuarial liabilities, for a funded ratio of 51.8%. In accordance with GASB 68, CPS has recorded a net pension liability of $10,023 million in the accompanying financial statements, 100% of which is recognized by CPS. (For the reasons discussed in Note 13 CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund).

Although the Governor and Illinois General Assembly could not agree on a K-12 Budget for fiscal year 2017 by the scheduled adjournment date of May 31, 2016, a compromise was finally reached in the Special Session that ended on June 30, 2016 (the last day of fiscal year 2016). As part of this compromise, CPS was given a new property tax levy to generate a portion of the yearly employer contribution to the Pension Fund. CPS may levy the new tax annually at a rate not to exceed 0.383%, and it is initially estimated to generate approximately $250 million per year. This new tax is not subject to the Property Tax Extension Limitation Law – more commonly known as "tax caps" – so in the future this portion of CPS' annual employer contribution will not have a negative impact on spending in the classroom (see Senate Bill 318, Public Act 99-0521, effective 6/1/17). Although the tax does not impact CPS' financial statements for the fiscal year ending June 30, 2016, as a new revenue source, it will have a positive impact on future statements.

Debt Ratings: Investors who purchase municipal bonds use debt ratings as an indicator of the safety and security of the debt sold by that organization. CPS has historically maintained a general obligation (GO) long term bond credit rating from Moody's Investor Service, Standard & Poor's, Kroll Bond Rating Agency and Fitch Rating. In recent fiscal years, the rating agencies have made downgrades to their respective CPS' GO bond rating citing budget concerns as rationale. After the end of fiscal year 2016, further downgrades to the GO bond rating occurred. In addition, CPS' structured an entirely new capital improvement tax (CIT) long term bond credit that received an investment grade. Refer to Note 16 for further information about ratings and the CIT bond structure.

LONG-TERM FINANCIAL PLANNING

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

The structural budget deficit is due in part to the State providing CPS with 76 cents for every dollar it provides other districts on average and escalating teacher pension costs. CPS has, and continues to, use short-term strategies to balance the General Operating Fund budget while simultaneously pursuing State action on funding increases and pension reform. In June 2016, this pursuit led to lawmakers reaching an important compromise, which included a commitment by Governor Rauner to provide $215 million in funding for pensions to CPS in fiscal year 2017. Unfortunately, the Governor has reversed this commitment, and over the objection of many elected leaders, CPS remains burdened by the continued inequity in funding from the State, even as the District continues to press for equitable funding.

RELEVANT FINANCIAL POLICIES

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

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

Budgetary Control: Annual budgets are prepared on a basis consistent with GAAP for the General Operating, Capital Projects and Debt Service Funds. The fiscal year begins on July 1 and ends June 30. Individual school units submit budgets based on the school improvement plans and approved by the Local School Councils. Administrative units submit budget requests to the Office of Management and Budget, which analyzes all requests and prepares a comprehensive budget, balancing revenues and appropriations of each fund. The budget is submitted to the Board of Education for appropriation.

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

Budgetary control is maintained by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Capital Projects Funds are budgeted on a project-by-project basis and represent the entire project budget for projects expected to begin in that fiscal year.

MAJOR INITIATIVES

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

Educational Initiatives

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

We continue to invest in proven programs that expand access to high-quality options like a math tutoring program that improves outcomes for at-risk high school students, or adding comprehensive dual language programming at schools across the District so that more students can be certified as bilingual before taking their post-secondary steps.

We are better preparing our students for the jobs of the future, by implementing a computer science curriculum and requiring a computer science credit to graduate high school. CPS has become a model District for those interested in incorporating computer science, first launching the CS4All Initiative in 2013, and now being the first district in the nation to elevate computer science to a core graduation requirement, separate from math and science.

We also continue to answer the challenge issued by Mayor Emanuel to make sure that 50 percent of graduating seniors earn college and career credit by 2019, by investing in programs like the International Baccalaureate (IB) Programme. While Chicago is already home to the largest network of IB schools in the nation, with a total of 43 schools (22 high schools and 21 elementary schools), CPS continues to add additional opportunities for student participation in IB programming. Results from the IB programme have revealed exceptional outcomes for District students, with graduation rates, college enrollment, and college persistence rates all outpacing their CPS and national peers. By providing access to the IB programme for our students, we are providing better options while allowing high school students to earn college credit, easing their transition to, and financial burden from, their college experience.

Finally, through a commitment to Social Emotional Learning, we are keeping more of our students in school and engaged. Based on research-based preventative structures and targeted interventions to address the root cause of students’ behaviors, our students learn the skills they will need to succeed in life (like goal-setting, cooperation, and conflict resolution), as the number of suspensions and expulsions have dropped dramatically. We have also opened Parent Universities at a number of high schools, giving parents the chance to re-engage in our curriculum alongside their students, and enhance the learning process.

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

Go Green Initiative

Chicago Public Schools is working to minimize its impact on the environment and teach students to be environmental stewards. The initiative is driven by a 5-year action plan which covers energy, waste and recycling, transportation and air, water and education and engagement.

Every Chicago Public School can recycle paper, cardboard, newspaper, steel cans, plastic bottles, aluminum cans, and now milk cartons. Schools track how much they recycle online through the Weekly Recycling Report. Students have the opportunity to earn Service Learning hours in Recycling Clubs. Some schools compost food waste, outdoors or in worm bins, to reduce waste and teach students about decomposition. Teachers can find and share free items donated to CPS instead of making new purchases.

Our goal is to increase green space and gardens. In order to conserve water, many schools use rain gardens or green roofs for storm water management. Schools can also attach rain barrels to small modular or shed gutters and catch rainwater for reuse in the garden. CPS has also established guidelines on the use of student transportation vehicles, cleaning supplies and other chemicals in an effort to improve air quality and reduce contribution to climate change. For example, idling a diesel school bus is prohibited by law and CPS contract. CPS janitors clean with green cleaning supplies, following the Illinois Green Cleaning Act. Finally, all CPS staff can save 40 percent on public transit commuting cost by taking part in the CPS transit benefits program.

Community Schools Initiative

CPS manages the largest community schools system in the nation, known as the Community Schools Initiative (CSI). Awarded by the Coalition for Community Schools in 2006 with the Community Schools National Award for Excellence, CSI has launched more than 200 schools, in partnership with nearly 50 lead non-profit organizations, that serve as hubs of their communities to meet students' and families' academic and non-academic needs to develop educated citizens and strengthen local neighborhoods. More than 27,000 students participated in CSI activities/services in the 2015-16 school year.

Community Schools bring together the academic and social supports needed to ensure that all students succeed by offering programs before, during and after the school day for students and their families. The programs are designed to support the school's academic program and expand the services offered within the community. Programs and services offered at each community school vary, but most community schools offer some combination of academic enrichment activities for students, adult education and English as a Second Language classes, student and adult technology training, art activities, recreation and health services. Since 2012 the average dropout rate for CSI participants has been at least 60% below the District average, and the graduation rate and graduates identifying a postsecondary plan (including college, apprenticeship, or military service) has increased.

Community Schools assert a strong link between addressing students' psychosocial well-being and effective support for student learning. In particular, the improvement of student learning is linked to the accomplishment of three operational objectives: 1) To broaden and deepen the range of services, resources, and developmental opportunities available to students, in ways that promote student well-being and attachment to school, address academic and psychosocial deficits, and promote positive development; 2) To address the needs of parents and families, and strengthen the parent-school relationship as an asset to student learning; and, 3) To link classrooms and teachers to community resources and professionals in ways that support student learning. Student perception of academic engagement and teacher perception of school outreach to parents have steadily increased from 2012 through 2014 in CSI schools, meeting or exceeding the District average

Capital Improvement Program

The Capital budget plan includes improvement to school facilities as well as support for technology upgrades, major equipment replacement in schools and continuing CPS' efforts to make its facilities accessible to people with disabilities. The Capital budget reflects the funds for large construction, renovation, or investment projects with value that lasts for multiple years and are outside the scope of the District's day-to-day operations. Total expenditures in the Capital projects fund in fiscal year 2016 were $293 million. The projects were funded by bond proceeds, state funds, and City of Chicago tax increment financing.

In addition, the Capital Improvement Tax levy is an annual property tax levy dedicated exclusively to school construction projects. In 2003, the Illinois legislature in Springfield gave Chicago the right to levy a special property tax, or Capital Improvement Tax levy, to help with school modernization. Led by Mayor Emanuel, the City followed through on this levy in the fall of 2015. Beginning in fiscal year 2016, the Capital Improvement Tax levy will generate roughly $45 million annually, which will be used to pay for the school construction projects and repay bonds issued to finance them. The property tax levy is authorized under state law and can be used only to fund capital projects.

Because the CIT bonds can be used only for capital projects, the bonds have no impact on the District's operating budget, which funds staff and other day-to-day expenses. This allows CPS to issue long-term debt for building projects without impacting classroom funding. CPS issued the first Series of CIT bonds in December 2016. This entirely new bond credit structure, that is separate from the existing CPS general obligation bonds credit, received an investment grade rating from two rating agencies at the initial issuance, allowing CPS to achieve a lower borrowing cost.

AWARDS AND ACKNOWLEDGEMENTS

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the City of Chicago for its CAFR for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. CPS has received this award every year since 1996.

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

CPS also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International for the 15th consecutive year. We have included this award in the recognition of the importance of fiscal policies on our ability to educate our students and undertake the new initiatives outlined above.

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

Respectfully submitted,

Ronald DeNard
Senior Vice President of Finance

Melinda M. Gildart, CPA, MBA
Controller

RSM

RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chicago Public Schools (the Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise CPS' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of CPS, as of June 30, 2016, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, management has developed a plan for the future sustainability of CPS. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 - 27, the budgetary comparison for the General Operating Fund on page 79, and pension and other post-employment benefit (OPEB) information on pages 80 - 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise CPS' basic financial statements. The individual fund schedules for the year ended June 30, 2016, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the basic financial statements of CPS as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 16, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The individual fund schedules for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2017 on our consideration of CPS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPS' internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
January 23, 2017

CHICAGO PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)
June 30, 2016

Our discussion and analysis of the financial performance of Chicago Public Schools (CPS) provides an overview of financial activities for the fiscal year ended June 30, 2016. Because the intent of this management discussion and analysis is to look at financial performance as a whole, readers should also review the transmittal letter, financial statements and notes to the basic financial statements to further enhance their understanding of CPS' financial performance.

FINANCIAL HIGHLIGHTS

The government-wide financial statements and Statement of Net Position shows liabilities and deferred inflows totaling $21.6 billion, an increase of $613.7 million from fiscal year 2015, while assets and deferred outflows equaled $9.7 billion, with a decrease of $145.2 million, respectively. The overall increase in total liabilities and deferred inflows stems from combined increases in the District's line of credit of $170 million and increased long-term debt borrowings of $444 million. The overall decrease in total assets and deferred outflows is derived from a decrease in net capital assets of $47.5 million, lower cash on hand of $132.2 million from prior year and the effect of the termination of derivative instruments and hedging activities of $40.4 million. CPS ended fiscal year 2016 with a deficit in net position of $11.971 billion, an increase in the deficit of $758.9 million or 6.8% from the prior year. The Statement of Activities presents a decrease in total expenses from fiscal year 2015 in governmental activities of $302.9 million, a net decrease of $150.3 million in grants and contributions and an increase in interest and investment earnings of $29 million.

CPS ended fiscal year 2016 with a combined fund balance for its governmental funds of $449.9 million, a decrease of $381.7 million or 45.9%, from fiscal year 2015. The fund balance decreased by $486.9 million in the general operating fund, increased by $238.4 million in the capital project fund, and decreased by $133.1 million in the debt service fund. Total revenues in the general fund for fiscal year 2016 were $4.878 billion, which were $32 million or 0.7% less than the prior year amount of $4.910 billion. Total expenses in the general fund for fiscal year 2016 were $5.414 billion, which decreased by $206 million or 3.7% from fiscal year 2015. The general operating fund ended fiscal year 2016 with a negative fund balance of -$126.6 million. Fund balance decreased in 2015 by $723.7 million, which is $236.8 million higher than the current year's loss. Meanwhile, actual spending results in the general operating fund were $278 million less than projected spending for 2016. See Footnote 17 for further discussion on CPS future sustainability.

In fiscal year 2016, the Board issued $725 million in Unlimited Tax General Obligation Bonds, including discounts of $110 million, to repay debt service obligations, fund the capital improvement program. Total expenditures in the capital projects fund were $293 million and total debt service expenditures totaled $455 million.

CPS debt was downgraded by Moody's Investor Services, Standard and Poor's and Fitch Ratings. Several bond rating changes related to the long term debt of the Board occurred after June 30, 2016. Moody's Investor Service downgraded their general obligation (GO) debt rating of the Board to B3 on September 26, 2016. Standard & Poor's downgraded its long-term bond rating of the Board to "B" on November 9, 2016. Fitch Ratings lowered its rating to "B+" on November 7, 2016. On November 11, 2016, Kroll Bond Rating Agency affirmed its rating of "BBB" on the Board's Series 2016A general obligation bonds and affirmed the "BBB-" rating on the Board's remaining outstanding general obligation bonds. For detailed information, please refer to Note 16 to the basic financial statements

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The government-wide financial statements including the Statement of Net Position and the Statement of Activities provide both short-term and long-term information about CPS' financial status. The fund financial statements provide a greater level of detail of how services are financed in the short-term as well as the remaining available resources for future spending. The accompanying notes provide essential information that is not disclosed on the face of the financial statements, and as such, are an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The ***Statement of Net Position*** presents information on all of CPS' assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, for the resulting net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The ***Statement of Activities*** presents information showing the details of change in net position during the fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

Condensed Statement of Net Position
(In millions)

	Governmental Activities			
	2016	**2015**	**Difference**	**% Change**
Current Assets	$ 2,561	$ 2,635	$ (74)	-2.8%
Capital Assets, net	6,150	6,198	(48)	-0.8%
Non-current Assets	—	7	(7)	-100.0%
Total Assets	$ 8,711	$ 8,840	$ (129)	-1.5%
Total deferred outflows of resources	$ 952	$ 968	$ (16)	-1.7%
Current Liabilities	$ 1,707	$ 1,548	$ 159	10.3%
Long-term Liabilities	19,561	18,695	866	4.6%
Total Liabilities	$ 21,268	$ 20,243	$1,025	5.1%
Total deferred inflows of resources	$ 365	$ 777	$ (412)	-53.0%
Net Position:				
Net investment in capital assets	$ (343)	$ (159)	$ (184)	-115.7%
Restricted for:				
Debt service	511	446	65	14.6%
Grants and donations	65	65	—	0.0%
Workers' comp/tort immunity	35	41	(6)	-14.6%
Unrestricted	(12,239)	(11,605)	(634)	-5.5%
Total net position (deficit)	$(11,971)	$(11,212)	$ (759)	-6.8%

Current assets decreased primarily due to lower cash and investment balances as of June 30, 2016.

Capital assets, net of depreciation, decreased due to the sale of several buildings, including five schools closed as a result of school actions in fiscal year 2013 and the recording of an asset impairment from a 2016 school action. Refer to Note 6 to the basic financial statements for more detailed information.

Non-current assets decreased due to the reduction in long term cash and investments held in escrow.

Deferred outflows of resources decreased overall by $16 million, as the District recorded activity from "year two" of its implementation of GASB Statement No. 68 in fiscal year 2016 (resulting in an increase of $35 million in deferred pension outflows), a decrease of $39 million from the termination of swaps, including accumulated changes in the fair value of swaps and deferred charges on refunding were lower by $12 million from fiscal year 2015. Refer to Note 10 to the basic financial statements for more information on derivatives.

Current liabilities increased primarily as a result of a larger current balance due on the District's line of credit, which was higher by $170 million from prior year and the prioritization of vendor payments that continued from fiscal year 2015.

Long-term liabilities increased due to the issuance of additional long term bonds, a net increase of $444 million from 2015, an increases in the District's net pension liability of $522 million and its OPEB liability of $106 million. Refer to Note 9 to the basic financial statements for more detailed information on long term debt.

Deferred inflows of resources is composed of only deferred pension inflows related to GASB 68 as a result of the District's termination of all of its interest rate swaps, derivative instruments and hedging activities as of 2016.

Net position (deficit) decreased by $759 million to an $11.971 billion deficit. Of this amount, the District recorded a negative net investment in capital assets of $343 million, combined restricted net position of $611 million, including $511 million for debt service, $65 million for grants and donations and $35 million for worker's compensation claims and torts. Restricted net position represents legal constraints from debt covenants and enabling legislation. The $12.239 billion of unrestricted deficit represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2016.

The following table presents the changes in net position to FY2016 from FY2015:

Changes in Net Position
(In millions)

	Governmental Activities			
	2016	2015	Difference	% Change
Revenues:				
Program revenues:				
Charges for services	$ 2	$ 2	$ —	0.0%
Operating grants and contributions	1,147	1,052	95	9.0%
Capital grants and contributions	110	356	(246)	-69.1%
Total program revenues	$ 1,259	$ 1,410	$ (151)	-10.7%
General revenues:				
Property taxes	$ 2,399	$ 2,303	$ 96	4.2%
Replacement taxes (PPRT)	162	202	(40)	-19.8%
Non-program state aid	1,443	1,492	(49)	-3.3%
Interest and investment earnings	(19)	(48)	29	-60.4%
Other	190	126	64	50.8%
Gain on sale of capital assets	10	—	10	0.0%
Total general revenues	$ 4,185	$ 4,075	$ 110	2.7%
Total revenues	$ 5,444	$ 5,485	$ (41)	-0.7%
Expenses:				
Instruction	$ 3,870	$ 4,218	$ (348)	-8.3%
Support services:				
Pupil support services	470	485	(15)	-3.1%
Administrative support services	319	250	69	27.6%
Facilities support services	455	478	(23)	-4.8%
Instructional support services	469	492	(23)	-4.7%
Food services	211	208	3	1.4%
Community services	37	38	(1)	-2.6%
Interest expense	365	332	33	9.9%
Other	7	6	1	16.7%
Total expenses	$ 6,203	$ 6,507	$ (304)	-4.7%
Change in net position	$ (759)	$ (1,022)	$ 263	-25.7%
Beginning net position (deficit)	(11,212)	(3,959)	(7,253)	183.2%
Implementation of GASB 68	—	(6,231)		
Beginning net position (deficit), as restated	(11,212)	(10,190)		
Ending net position (deficit)	$(11,971)	$(11,212)	$ (759)	6.8%

FINANCIAL SECTION

Pension Funding

Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2015, the Pension Fund reported $10,344 million in actuarial assets and $19,951 million in actuarial liabilities, for a funded ratio of 51.8%. In accordance with GASB 68, CPS has recorded a net pension liability of $10.023 billion in the accompanying financial statements, 100% of which is recognized by CPS. (For the reasons discussed in Note 13, CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund).

Although the Governor and Illinois General Assembly could not agree on a K-12 Budget for FY 2017 by the scheduled adjournment date of May 31, 2016, a compromise was finally reached in the Special Session that ended on June 30, 2016 (the last day of fiscal year 2016). As part of this compromise, CPS was given a new property tax levy to generate a portion of the yearly employer contribution to the Pension Fund. CPS may levy the new tax annually at a rate not to exceed 0.383%, and it is initially estimated to generate approximately $250 million per year. This new tax is not subject to the Property Tax Extension Limitation Law — more commonly known as "tax caps" — so in the future this portion of CPS' annual employer contribution will not have a negative impact on spending in the classroom (see Senate Bill 318, Public Act 99-0521, effective 6/1/17). Although the tax does not impact CPS' financial statements for the fiscal year ending June 30, 2016, as a new revenue source, it will have a positive impact on future statements.

Capital Assets

At June 30, 2016, CPS had $6.150 billion invested in a broad range of capital assets, including land, buildings, improvements and equipment. This amount represents a net decrease of $47 million or 0.8% over the prior fiscal year.

(In Millions)	2016	2015	Difference	% Change
Land	$ 314	$ 314	$ —	0.0%
Construction in progress	182	446	(264)	-59.2%
Buildings and improvements	9,242	8,752	490	5.6%
Equipment and administrative software	222	224	(2)	-0.9%
Internally developed software	7	8	(1)	-12.5%
Total capital assets	$ 9,967	$ 9,744	$ 223	2.3%
Less: accumulated depreciation	(3,817)	(3,546)	(271)	7.6%
Total capital assets, net	$ 6,150	$ 6,198	$ (48)	-0.8%

Debt and Capitalized Lease Obligations

In February 2016, CPS issued $725.0 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2016A, at a discount of $110 million. The proceeds of the Bonds were used to reimburse and finance expenditures related to the Board's Capital Improvement Program, refund and restructure certain outstanding obligations of the Board, fund capitalized interest on the Bonds, and pay the cost of issuance on the bonds. A total of $39.5 million was deposited into a capitalized interest account to pay for future debt payments. CPS recorded net proceeds of $357.6 million in the Capital Improvement Fund. In addition, $208.9 million was used to refund outstanding debt. The debt service on this issuance will be paid from General State Aid (GSA).

As of June 30, 2016, CPS had $7.371 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus $6.888 billion last year, an increase of 7%. For more detailed information, please refer to Notes 9 and 10 to the basic financial statements.

Overview of Fund Financial Statements

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

Governmental Funds

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

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

CPS' fund financial statements provide detailed information about the most significant funds. CPS' governmental funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. All of CPS' services are reported in governmental funds, showing how money flows into and out of funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of CPS' operations and the services it provides.

CPS maintains three governmental funds: General Operating, Capital Projects, and Debt Service. The following schedules present a summary of the general operating fund, capital projects fund and debt service fund revenues, and other financing sources by type and expenditures by program for the period ended June 30, 2016, as compared with June 30, 2015. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.

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

	2016 Amount	2015 Amount	2016 Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Revenues:					
Property taxes	$2,409	$2,305	40.1%	$ 104	4.5%
Replacement taxes	162	202	2.7%	(40)	-19.8%
State aid	1,552	1,847	25.8%	(295)	-16.0%
Federal aid	809	799	13.5%	10	1.3%
Interest and investment earnings	(96)	(93)	-1.6%	(3)	3.2%
Other	437	377	7.3%	60	15.9%
Subtotal	$5,273	$5,437	87.7%	$(164)	-3.0%
Other financing sources	740	599	12.3%	141	23.5%
Total	$6,013	$6,036	100.0%	$ (23)	-0.4%
Expenditures:					
Current:					
Instruction	$2,971	$3,253	46.5%	$(282)	-8.7%
Pupil support services	448	460	7.0%	(12)	-2.6%
General support services	1,045	973	16.3%	72	7.4%
Food services	201	197	3.1%	4	2.0%
Community services	38	38	0.6%	—	0.0%
Teachers' pension and retirement benefits	664	676	10.4%	(12)	-1.8%
Other	7	6	0.1%	1	16.7%
Capital outlay	308	392	4.8%	(84)	-21.4%
Debt service	481	533	7.5%	(52)	-9.8%
Subtotal	$6,163	$6,528	96.4%	$(365)	-5.6%
Other financing uses	231	399	3.6%	(168)	-42.1%
Total	$6,394	$6,927	100.0%	$(533)	-7.7%
Net change in fund balances	**$ (381)**	**$ (891)**			

General Operating Fund

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

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

	2016 Amount	2015 Amount	2016 Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Property taxes	2,314	2,253	47.0%	61	2.7%
Replacement taxes (PPRT)	116	144	2.4%	(28)	-19.4%
State aid	1,399	1,579	28.4%	(180)	-11.4%
Federal aid	776	768	15.7%	8	1.0%
Interest and Investment earnings	1	0	0.0%	1	100.0%
Other	272	166	5.5%	106	63.9%
Subtotal	4,878	4,910	99.0%	(32)	-0.7%
Other financing sources (uses)	50	(13)	1.0%	63	100.0%
Total	4,928	4,897	100.0%	31	0.6%

Property tax revenues increased by $61 million in fiscal year 2016 as a result of higher collections from the increased tax levy and new property added to the tax base. Fiscal year 2016 is the second year of CPS' 60 day revenue recognition period, as revenues will appear more "normalized" going forward (CPS changed its revenue recognition period from 30 to 60 days in fiscal year 2015). Collections received on or before August 29, 2016 were recognized as revenues under the modified accrual basis of accounting.

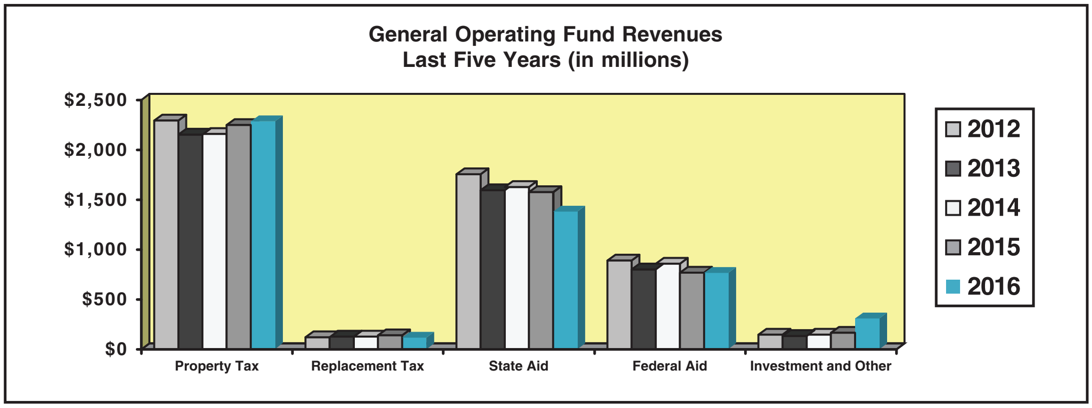
Personal property replacement taxes (PPRT) revenues are primarily composed of additional State income taxes on corporations and partnerships. These revenues decreased by $28 million or 19.4% from fiscal year 2015 due to recognition of CPS' share of the State of Illinois' overpayment to local government agencies in prior years for PPRT revenues ($23.5 million). CPS experienced an additional $5 million decrease in PPRT revenue from reduced collections in fiscal year 2016.

State aid revenues decreased by $180 million or 11.4% as a result of reductions in General State Aid (GSA) from reduced CPS enrollment and the State's unfavorable funding formula (proration of state aid to local districts). CPS had a decrease in the Formula Grant claim due to increasing property tax values and a decrease in the Poverty Grant claim due to a declining low-income student population. These decreases are partially offset by increases in Block Grant Revenue. Overall, expected Block Grant payments of $90 million for State Pre-K and $11 million for Bilingual education were due to CPS prior to the end of its revenue recognition period and thus were not recognized in the current fiscal year.

Federal aid were primarily flat from fiscal year 2015 and registered a small increase of $8 million or 1% in fiscal year 2016.

Interest and investment earnings totaled $1 million for fiscal year 2016. Investments in the operating fund were shorter in duration and generated a lower yield in order to keep the general operating fund liquid for operating purposes.

Other revenues are derived from local sources such as intergovernmental revenues, Tax Increment Financing (TIF) surplus funds and other miscellaneous revenues. Other revenues increased 63.9% in fiscal year 2016 to $272 million from increased TIF surplus funds and IGA revenues.



Expenditures:
(In Millions)

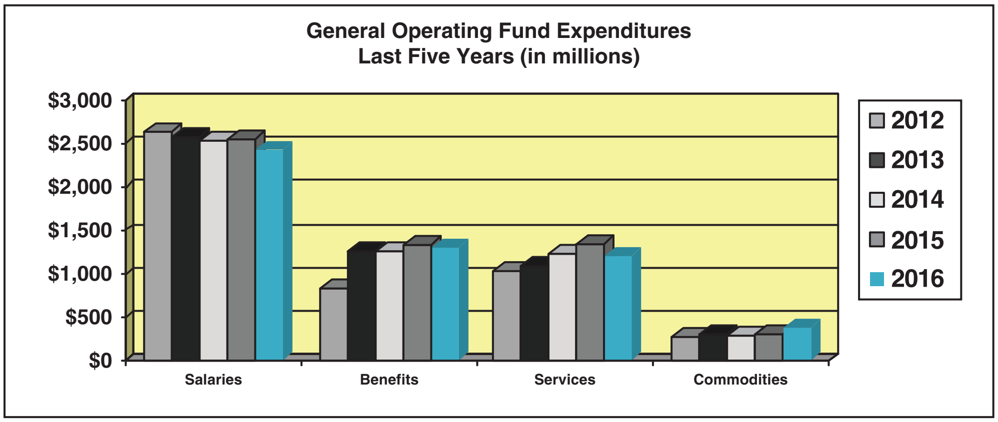
	2016 Amount	2015 Amount	2016 Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Salaries	$2,476	$2,576	45.7%	$(100)	-3.9%
Benefits	1,326	1,356	24.5%	(30)	-2.2%
Services	1,226	1,295	22.6%	(69)	-5.3%
Commodities	271	280	5.0%	(9)	-3.2%
Other	115	113	2.1%	2	1.8%
Total	$5,414	$5,620	100.0%	$(206)	-3.7%

Salaries decreased by $100 million or 3.9% due to a reduction in teacher and ESP employee headcount in the second half of fiscal year 2016, which subsequently resulted in a reduction in salary expense.

Benefits expenses decreased by a total of $30 million in fiscal year 2016. This net decrease is comprised of a decrease of $15 million in pension expense (due to the lower number of active teachers), a $9 million decrease in hospitalization expense and reduced third party administrative fees charged by vendors, such as the $5 million decrease in worker's compensation expenses. In fiscal year 2016, CPS had fewer employee claims and implemented several new cost saving initiatives.

Services expenses decreased by $69 million or 5.3% from the prior year as a result of professional service expenditures related to FY2013-FY2014 school closing logistics occurring in fiscal year 2015, in addition to the elimination of spending on the previously mandated Supplemental Educational Services (SES) program.

Commodities expenses decreased in fiscal year 2016 by 3.2% or 9 million, largely as a result of reduced natural gas purchases as well as lower supplies costs.



Capital Projects Fund

The capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The use of capital projects funds is required for major capital acquisition and construction activities financed through borrowing or other financing agreements.

Revenues and Other Financing Sources
(In Millions)

	2016 Amount	2015 Amount	2016 Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Property Taxes	$ 43	$ —	8.1%	$ 43	100.0%
State aid	39	32	7.3%	7	21.9%
Federal aid	8	6	1.5%	2	33.3%
Other	63	107	11.8%	(44)	-41.1%
Subtotal	$153	$145	28.8%	$ 8	5.5%
Other financing sources	$379	$186	71.2%	$193	103.8%
Total	$532	$331	100.0%	$201	60.7%

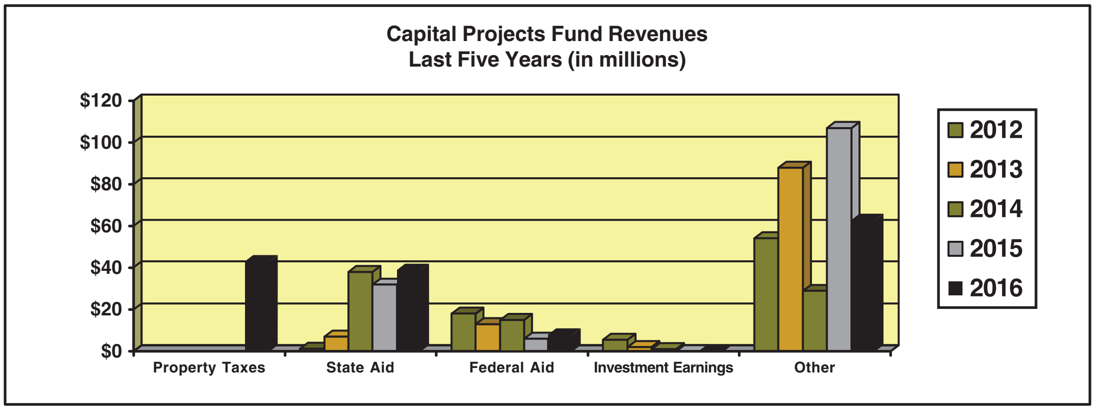
Property tax revenues were collected for the first time in the Capital Projects fund in fiscal year 2016, as a result of the Chicago City Council authorized Capital Improvement Tax. Net collections received were $43 million, which are dedicated to capital project expenditures only.

State aid revenues increased by $7 million from fiscal year 2015 mostly as a result of cash receipts from Department of Transportation grants for noise abatement in the amount of $5.5 million.

Federal aid revenues in fiscal year 2016 slightly showed a slight increase of $2 million from the prior year.

Other revenues were $44 million or $41.1% higher in fiscal year 2016 from 2015. Cash reimbursements were received from Intergovernmental Agreement (IGA) revenues from the City of Chicago, other revenues in relation to the Modern Schools Across Chicago initiative and other projects supported by Tax Incremental Financing (TIF) funds.

Other financing sources increased due to proceeds received from property sales, including buildings closed as a result of Board actions, of $15 million, in addition to proceeds from new debt of $379 million.

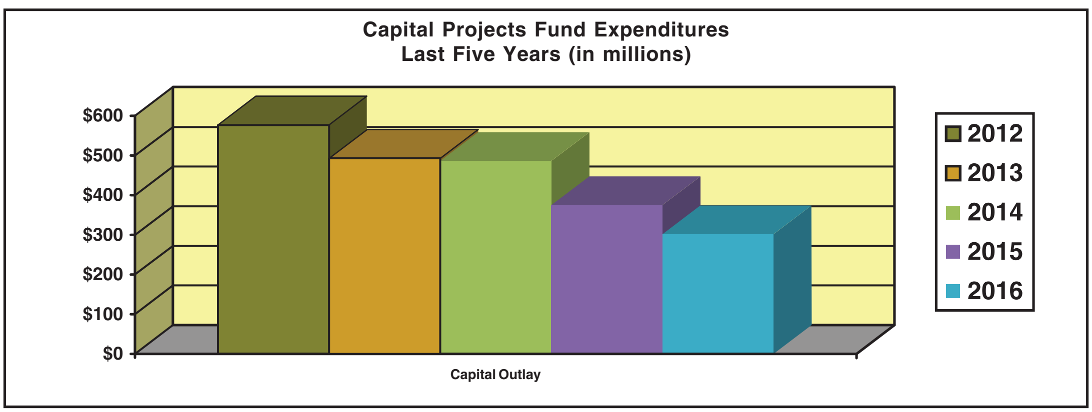


Expenditures:
(in Millions)

	2016 Amount	2015 Amount	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Capital Outlay	$293	$375	$(82)	-22%

Capital outlay

The actual spending on capital outlay decreased due to fewer construction projects initiated in fiscal year 2016 versus the prior years. The issuance of bonds to support the capital improvement program in the current year, will support capital projects previously delayed or initially funded from the general operating fund.

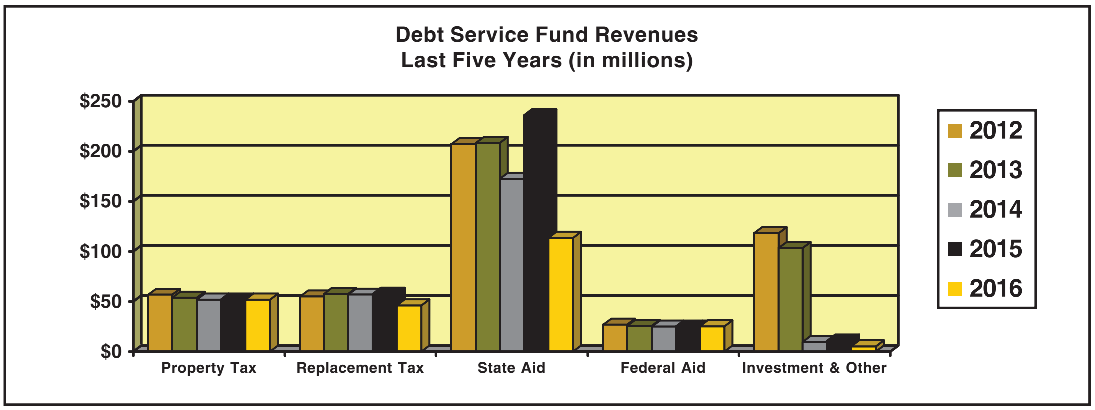


Debt Service Fund

The debt service fund is established to account for annual property tax levies and other revenues that are used for the payment of principal and interest on bonds and lease obligations.

Revenues and Other Financing Sources (In Millions)

	2016 Amount	2015 Amount	2016 Percent of Total	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Property taxes	$ 52	$ 52	9.7%	$ —	0.0%
Replacement taxes (PPRT)	46	58	8.6%	$ (12)	-20.7%
State aid	114	236	21.2%	$(122)	-51.7%
Federal aid	25	25	4.6%	$ —	0.0%
Interest and investment earnings	(97)	(93)	-18.0%	$ (4)	-4.3%
Other	102	104	19.0%	$ (2)	-1.9%
Subtotal	$242	$382	45.0%	$(140)	-36.6%
Other financing sources	$296	$426	55.0%	$(130)	-30.5%
Total	$538	$808	100.0%	$(270)	-33.4%



Property taxes revenues remained flat from fiscal year 2015, as there was no change in the levy extension, which drives the collection of these funds used to pay down debt service obligations.

Personal property replacement taxes (PPRT) revenues were reduced by $12 million or 20.7% from fiscal year 2015, as a result of CPS setting aside a lower portion of replacement taxes to pay debt service in fiscal year 2016. As previously noted, CPS experienced a decrease in overall replacement taxes due to an overpayment received in prior years for statewide tax revenues collected on corporate earnings and public utility capital investments.

State aid revenues related to debt service for fiscal year 2016 are comprised of two revenue sources, General State Aid (GSA) and State School Construction funds administered through the Capital Development Board (CDB). A total of $114 million in revenues from these and other sources was allocated to support outstanding debt, a decrease of $122 million from the prior year.

Federal aid totaling $25 million in fiscal year 2016 remained unchanged from fiscal year 2015.

Interest and investment earnings continued to decrease for CPS in fiscal year 2016. We recorded a net investment loss of $97 million, which was a decrease or $4 million or 4.3% from prior year. The decrease was primarily due to the termination of four existing interest rate swap agreements during fiscal year 2016 totaling $110 million. This amount was partially offset by the termination of an investment agreement which netted $4 million to the Board, and recorded market value changes of securities in compliance with applicable GASB standards.

FINANCIAL SECTION

Other revenues account for one-time local revenues and/or the disbursement of property tax revenues from the City of Chicago (based on specific Inter-Governmental Agreements (IGAs)) allocated for debt service. These revenues were $2 million lower than in fiscal year 2015.

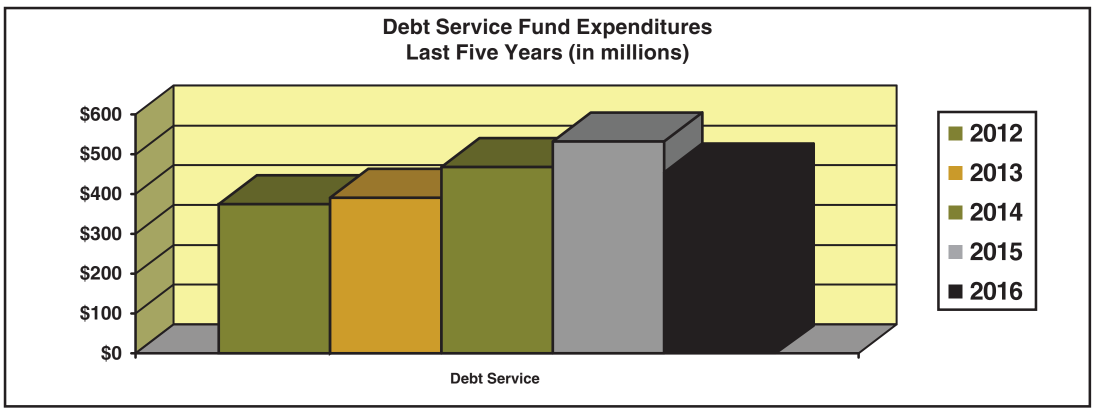
Other financing sources reflect a decrease of $130 million in fiscal year 2016 due to a portion of the net proceeds received from debt issuances in the current year being deposited into the capital projects fund and a discount recorded for $65 million.

Expenditures:
(in Millions)

	2016 Amount	2015 Amount	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Debt Service	$455	$533	$(78)	-15%

Debt service costs

The overall debt service cost for fiscal year 2016 decreased by $78 million, primarily due to the restructuring of payments in relation to the Series 2016A bond. The amount paid for other fees was similar when compared to fiscal year 2015.



Notes to the Basic Financial Statements

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

Comparative Budgets for General Operating Fund

In July 2014, the Board adopted a balanced budget for fiscal year 2015 that reflected total resources, including $797 million of available fund balances, and appropriations of $5.757 billion.

In August 2015, the Board adopted a balanced budget for fiscal year 2016 that reflected total resources including $79 million of available fund balances, and appropriations of $5.691 billion.

General Operating Fund Budget and Actual

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

The following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ending June 30, 2016.

The General Operating Fund ended fiscal year 2016 with a deficit of $487 million, which compared unfavorably with the budgeted deficit of 79 million. Major budget-to-actual variances are described below:

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

	FY2016 Original Budget	Supplemental Appropriations & Tranfers In/(Out)	Final Appropriations	Fiscal FY2016 Actual	Over (under) Budget
Revenues:					
Property taxes	$2,308	$ —	$2,308	$2,314	$ 6
Replacement taxes	150	—	150	116	(34)
State aid	2,057	—	2,057	1,399	(658)
Federal aid	853	—	853	776	(77)
Interest and investment earnings	—	—	—	1	1
Other	245	—	245	272	27
Subtotal	$5,613	—	$5,613	$4,878	$(735)
Other financing sources (uses).	—	—	—	50	50
Total	$5,613	—	$5,613	$4,928	$(685)
Expenditures:					
Current:					
Salaries	$2,553	$ (67)	$2,486	$2,476	$ (10)
Benefits	1,332	(13)	1,319	1,326	7
Services	1,229	100	1,289	1,226	(63)
Commodities	264	18	282	271	(11)
Other	313	(38)	316	115	(201)
Total	$5,692	$ —	$5,692	$5,414	$(278)
Change in fund balances.	$ (79)			$ (486)	

Property taxes revenues received in fiscal year 2016 generated a positive variance of $6 million in property tax revenue and was due to a combination of a higher collections percentage, as compared to original estimates, along with higher than expected prior year receipts.

Personal property replacement taxes received by CPS were $34 million lower than budgeted. This is driven largely by a downward adjustment made to the State's calculation of the PPRT distribution rate. The state informed CPS that the recent years' PPRT distributions statewide were artificially high due to an error in the state's calculation of Corporate Income Tax payments. The estimated PPRT operating revenue of $150 million in CPS's fiscal year 2016 budget was artificially high as a result.

State aid received by CPS in fiscal year 2016 was $658 million lower than anticipated in fiscal year 2016. The fiscal year 2016 budget relied on $480 million in additional pension support from the state which was not received. Additionally, final payments of $90 million in Special Education Transportation Block Grant, $11 million in Bilingual Education, and $6 million in Early Childhood Block Grant were not received and/or recognized within CPS's fiscal year 2016 revenue recognition period. Finally, CPS's operating revenues from GSA were $70 million lower than budgeted due to a larger than anticipated debt service payment.

Federal aid revenues were $77 million below budget due to a lower than expected spend. Lunchroom revenue was $10 million below budget because fewer meals were served, thus reducing CPS' reimbursement (but with an associated cost reduction). Medicaid revenues received were lower by $4 million from payments being received from the State after the District's revenue recognition period. Other reimbursement based federal grant revenues were lower due to reduced spending in those grants. Title I was $30 million below budget because of the mid-year waiver approval for the use of supplemental funding. Title II ($16 million) & Title III ($9 million) were below budget because of lower claim amounts due to slower spending. School Improvement Grants and other submitted expected grants were lower because of $8 million in anticipated grant funding that was not received during the school year.

Other local revenues comprise of miscellaneous or one-time receipts such as appropriated fund-balance, TIF surplus funds, rental income, daycare fees, private foundation grants, school internal account fund transfers, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were $27 million higher than budget for fiscal year 2016. CPS saw a $19 million increase in TIF revenues due to timing of calendar year 2015 and 2016 receipts, as well as $16 million higher than anticipated school internal fund transfers, rental income, and MEABF contribution revenues.

Expenditures

Actual General Operating Fund expenditures were $278 million under budget. In fiscal year 2015, actual spending was $136 million lower than the budget. The District attributes these results to tighter spending restrictions and mid-year budget cuts to make up for the shortfall in state revenue.

The variance is primarily due to the following:

Salaries expenses for the fiscal year 2016 totaled $2.476 billion and resulted in a $10 million positive variance from budget. Savings of $3 million in teacher salaries, was the result of higher than expected turnover. Career services salaries were $7.7 million below budget mostly due to mid-year cost savings initiatives and higher than anticipated turnover.

Benefits costs are composed of health care (medical, dental, other), unemployment compensation, workers compensation, and pension costs. Benefit costs for fiscal year 2016 were $1.326 billion and were just $7 million over budget due to somewhat higher than expected pharmacy spend. For budgetary purposes, all funding is paid to charters as a "charter tuition" expense (aggregated under Services, below). However, pension payments made on behalf of eligible charter schools teachers are recorded as pension expense (included in this category). Charter schools currently reimburse CPS for this expense and the offsetting revenue is also recognized.

Services related to student transportation, tuition for charter schools and special education purposes, including contractual and professional services, telephone, printing and equipment rental, were budgeted at $1.226 billion for fiscal year 2016. CPS ended the year $63 million below budget in this category. The positive variance to budget primarily consisted of professional and contractual services, at $42 million below budget, as a result of delayed IT implementations, reduced professional development, curriculum/instructional support, attendance services, training, legal and banking services, and contractual programs. Enrollment based projections resulted in savings of $16 million in charter, private special education, and option school tuition. Transportation expenses were $2 million over budget due to a greater than anticipated increases in student ridership.

Commodities expenditures of $271 million are derived from utility, food for school breakfast/lunch, textbooks, and general supplies. Spending on commodities was lower than budget by $11 million. Savings on supplies totaled $8 million and was due primarily to mid-year budget reductions to schools and central office departments. Utilities costs were $1 million lower than budget due to lower than anticipated electric and gas consumption. Savings of $1 million in food costs was the result of fewer meals served than were budgeted.

Other expenditures includes equipment, facility rental, insurance, repairs, and for budgetary purposes, contingencies for new grants. In total, spending for the "other" category ended the year at $201 million below budget. The primary driver for the savings was the mostly untapped contingency that had been set up for new/anticipated grants. While the original budget adopted was $38 million higher than the current budget total, this appropriation remained at the end of the year because potential grants were ultimately not awarded.

Requests for Information

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

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

Or visit our website at: http://cps.edu/About_CPS/Financial_information/Pages/Annualreport.aspx for a complete copy of this report and other financial information.

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

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF NET POSITION
June 30, 2016
(Thousands of dollars)

	2016 GOVERNMENTAL ACTIVITIES
Assets:	
Current Assets:	
Cash and investments	$ 33,915
Cash and investments in escrow	519,099
Cash and investments held in school internal accounts	43,520
Property taxes receivable, net of allowance	1,134,583
Other receivables:	
Replacement taxes	33,320
State aid, net of allowance	618,190
Federal aid	115,785
Other	59,730
Other assets	2,913
Total current assets:	$ 2,561,055
Non-current Assets:	
Land and construction in progress	495,916
Buildings, building improvements and equipment, net of accumulated depreciation	5,654,204
Total non-current assets:	$ 6,150,120
Total Assets	$ 8,711,175
Deferred Outflows of Resources:	
Deferred Charge on refunding	152,661
Deferred pension outflows	798,910
Total deferred outflow of resources:	$ 951,571
LIABILITIES:	
Current Liabilities:	
Accounts payable	358,304
Accrued payroll and benefits	212,589
Amount held for student activities	43,520
Tax Anticipation Note	869,996
Other accrued liabilities	2,077
Unearned revenue	34,393
Interest payable	28,972
Current portion of long-term debt and capitalized lease obligations	156,910
Total current liabilities:	$ 1,706,761
Long-term liabilities, net of current portion:	
Debt, net of premiums and discounts	7,071,085
Capitalized lease obligations	117,900
Other accrued liabilities	13,369
Net pension liability	10,023,263
Other postemployment benefits	1,895,045
Other benefits and claims	440,834
Total long-term liabilities:	$ 19,561,496
Total liabilities	$ 21,268,257
Deferred Inflows of Resources:	
Deferred pension inflows	365,264
Total deferred inflow of resources:	$ 365,264
Net position:	
Net investment in capital assets	(342,529)
Restricted for:	
Debt service	510,743
Grants and donations	65,282
Worker's comp/tort immunity	35,116
Unrestricted (deficit)	(12,239,387)
Total Net Position	$(11,970,775)

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016
(Thousands of dollars)

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction	$3,870,330	$ 612	$ 629,716	$ 72,854	$(3,167,148)
Support services:					
Pupil support services	470,316	—	75,051	8,853	(386,412)
Administrative support services	318,736	—	50,863	6,000	(261,873)
Facilities support services	454,652	—	72,552	8,558	(373,542)
Instructional support services	468,999	—	74,841	8,828	(385,330)
Food services	211,288	1,336	238,828	3,977	32,853
Community services	36,967	—	5,899	696	(30,372)
Interest expense	365,136	—	—	—	(365,136)
Other	7,388	—	—	—	(7,388)
Total governmental activities	$6,203,812	$1,948	$1,147,750	$109,766	$(4,944,348)
General revenues:					
Taxes:					
Property taxes					$ 2,399,287
Replacement taxes					161,535
Non-program state aid					1,442,822
Interest and investment earnings					(18,706)
Other					190,480
Gain on sale of capital assets					10,058
Total general revenues					$ 4,185,476
Change in net position					(758,872)
Net position — beginning (deficit)					(11,211,903)
Net position — ending (deficit)					$(11,970,775)

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

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS

June 30, 2016

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	$ 13,450	$ —	$ 20,465	$ 33,915
Cash and investments in escrow	786	44,000	474,313	519,099
Cash and investments held in school internal accounts	43,520	—	—	43,520
Receivables:				
Property taxes, net of allowance	1,067,047	43,425	24,111	1,134,583
Replacement taxes	33,320	—	—	33,320
State aid, net of allowance	611,604	6,586	—	618,190
Federal aid	107,354	5,331	3,100	115,785
Other, net of allowance	4,534	14,556	40,640	59,730
Due from other funds	89,340	76,958	—	166,298
Total assets	$1,970,955	$190,856	$562,629	$2,724,440
Liabilities and fund balances:				
Liabilities:				
Accounts payable	$ 307,512	$ 48,440	$ 2,351	$ 358,303
Accrued payroll and benefits	144,686	—	—	144,686
Amount held for student activities	43,520	—	—	43,520
Due to other funds	76,958	2,968	86,372	166,298
Tax Anticipation Note	869,996	—	—	869,996
Unearned revenue	18,882	15,139	—	34,021
Total liabilities	$1,461,554	$ 66,547	$ 88,723	$1,616,824
Deferred inflows of resources:				
Unavailable property tax revenue	$ 66,749	$ 837	$ 1,499	$ 69,085
Other unavailable revenue	569,285	16,223	3,100	588,608
Total deferred inflows	$ 636,033	$ 17,061	$ 4,599	$ 657,693
Fund balances:				
Nonspendable	$ 429	—	—	$ 429
Restricted for grants and donations	64,854	—	—	64,854
Restricted for workers' comp/tort immunity	35,116	—	—	35,116
Restricted for capital improvement program	—	107,248	—	107,248
Restricted for debt service	—	—	535,116	535,116
Unassigned	(227,031)	—	(65,809)	(292,840)
Total fund balances	$ (126,632)	$107,248	$469,307	$ 449,923
Total liabilities, deferred inflows and fund balances	$1,970,955	$190,856	$562,629	$2,724,440

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2016

(Thousands of dollars)

Total fund balances — governmental funds		$ 449,923
Certain items that are recorded as expenditures in the governmental funds are treated as assets in the Statement of Net Position. These items include:		
Prepaid bond insurance costs		2,913
Deferred outflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements		951,571
The cost of capital assets (land, buildings and improvements, equipment and software) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of CPS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds.		
Cost of capital assets		9,966,865
Accumulated depreciation		(3,816,745)
Liabilities applicable to CPS' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Debt, interest payable on debt and other long-term obligations are not recorded in the governmental funds but they are reported in the Statement of Net Position. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Other accrued liabilities	$ (15,446)	
Debt, net of premiums and discounts	(7,186,890)	
Capitalized lease obligations	(159,005)	
Net pension liability	(10,023,263)	
Other post-employment benefits obligation	(1,895,045)	
Other benefits and claims	(508,737)	
		(19,788,386)
Interest payable		(28,972)
Certain revenues are deferred inflows of resources in the governmental funds because they are not available but are recognized as revenue in the government-wide financial statements.		
Property tax revenue		69,085
Other		588,235
Deferred inflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements		(365,264)
Net position (deficit)		$(11,970,775)

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

For the Fiscal Year Ended June 30, 2016

With Comparative Amounts for the Fiscal Year Ended June 30, 2015

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2016	Total Fiscal Year Ended June 30, 2015
Revenues:					
Property taxes	$2,313,470	$ 42,588	$ 52,358	$2,408,416	$ 2,304,656
Replacement taxes	115,961	—	45,574	161,535	202,148
State aid	1,398,854	39,430	114,041	1,552,325	1,847,069
Federal aid	776,277	7,707	25,015	808,999	798,930
Interest and investment earnings	1,347	84	(97,081)	(95,650)	(92,825)
Other	271,858	62,910	102,274	437,042	377,287
Total revenues	$4,877,767	$ 152,719	$ 242,181	$5,272,667	$ 5,437,265
Expenditures:					
Current:					
Instruction	$2,970,553	—	—	$2,970,553	$ 3,253,484
Pupil support services	448,254	—	—	448,254	459,672
Administrative support services	303,785	—	—	303,785	236,748
Facilities support services	380,989	—	—	380,989	356,103
Instructional support services	359,966	—	—	359,966	379,675
Food services	201,377	—	—	201,377	197,084
Community services	37,497	—	—	37,497	38,003
Teachers' pension and retirement benefits	664,123	—	—	664,123	676,078
Other	7,388	—	—	7,388	6,319
Capital outlay	14,780	293,311	—	308,091	391,953
Debt service	26,134	—	455,285	481,419	533,493
Total expenditures	$5,414,846	$ 293,311	$ 455,285	$6,163,442	$ 6,528,612
Revenues in excess of (less than) expenditures	$ (537,079)	$(140,592)	$(213,104)	$ (890,775)	$(1,091,347)
Other financing sources (uses):					
Gross amounts from debt issuances	—	$ 428,892	$ 296,107	$ 724,999	$ 561,880
Discounts	—	(64,953)	(45,118)	(110,071)	(12,502)
Sales of general capital assets	—	15,012	—	15,012	37,504
Payment to refunded bond escrow agent	—	—	(120,856)	(120,856)	(386,710)
Transfers in / (out)	50,162	—	(50,162)	—	—
Total other financing sources (uses)	$ 50,162	$ 378,951	$ 79,971	$ 509,084	$ 200,172
Net change in fund balances	$ (486,917)	$ 238,359	$(133,133)	$ (381,691)	$ (891,175)
Fund balances, beginning of period	360,285	(131,111)	602,440	831,614	1,722,789
Fund balances, end of period	$ (126,632)	$ 107,248	$ 469,307	$ 449,923	$ 831,614

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2016

(Thousands of dollars)

Total net change in fund balances — governmental funds		$(381,691)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed the depreciation in the period.		
Capital outlay/equipment	$ 253,002	
Depreciation expense	(291,570)	
		(38,568)
In the Statement of Activities, gain or loss on disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds are recorded		(8,939)
Proceeds from sales of bonds are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Position (Net of discount of $110,071)		(614,929)
Payments to refunded escrow agent are reported in the governmental funds as a source of financing use, whereas they are recorded as reductions of long term liabilities in the Statement of Net Position		120,856
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position		139,105
Changes in the fair value of investment derivatives that do not provide current financial resources are not reported in the governmental funds, but are reported in the Statement of Activities		76,944
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities however, interest cost is recognized as the interest accrues, regardless of when it is due		(22,399)
Government funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities		(249)
Since some property taxes and intergovernmental amounts will not be collected for several months after CPS' fiscal year end, they are not considered as "available" revenues in the governmental funds and are instead recorded as unavailable revenues. They are, however, recorded as revenues in the Statement of Activities. The following represents the change in related unavailable revenue balances.		
Property taxes		(9,129)
Federal grants		(8,123)
State grants and other revenues		102,524
In the Statement of Activities, pollution remediation obligation, legal settlements, sick pay, vacation pay, workers' compensation and unemployment insurance, general and automobile liability, net pension liability, and other post-employment benefits are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are paid when the amounts become due. The following represents the change during the year for these obligations.		
Pollution remediation obligation		6,043
Vacant property demolition obligation		5,373
Other litigation and claims		3,878
Sick pay		30,915
Vacation pay		7,784
Workers' compensation and unemployment insurance		17,808
General and automobile liability		(5,298)
Net pension liability		(75,173)
Other post-employment benefits — teacher		(105,604)
Change in net position		$(758,872)

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

New Accounting Standards

During fiscal year 2016, CPS adopted the following GASB Statements:

- GASB 72, *Fair Value Measurement and Application.* The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. See Note 4 for additional information on Cash Deposits and Investments.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance that will result in governments applying that guidance with less variation. This statement will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This statement is also intended to improve implementation guidance by elevating its authoritative status to a level that requires it to be exposed for a period of broad public comment prior to issuance, as is done for other GASB pronouncements. The implementation of this statement had no financial impact on the CPS.
- GASB 79, C*ertain External Investment Pools and Pool Participants.* This statement establishes criteria for an external investment pool to qualify for making the elections to measure all of its investments at amortized cost for financial reporting purposes. The implementation of this statement had no financial impact on the CPS.

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

- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statements 67 and 68, which is intended to improve usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability, and establishes requirements for those pensions and pension plans that are not administered through a trust and pensions and pension plans not covered by Statements 67 and 68. This Statement is effective for the fiscal year ending June 30, 2017.

- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces Statement No. 43 and addresses the financial reports of defined benefit other postemployment benefit (OPEB) plans that are administered through trusts that meet specified criteria. This statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. This statement requires more extensive note disclosures and Required Supplementary Information (RSI) related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. This statement also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for the fiscal year end June 30, 2017.

- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplemental information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the fiscal year ending June 30, 2018. GASB 75 is expected to have a material impact on the District's financial statements.

- GASB 77, *Tax Abatement Disclosures.* This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for the fiscal year ending June 30, 2017.

- GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which addresses a practice issue regarding the scope and applicability of Statement No. 68. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local government employers whose employees are provided with such pensions. This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employees through a cost — sharing multiple-employer defined benefit pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pension through the pension plan). This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement is effective for the fiscal year ending June 30, 2017.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB 80, *Blending Requirements for Certain Component Units — An Amendment of GASB Statement No. 14.* This statement amends the blending requirements for the financial statement presentation of component units for all state and local governments established in paragraph 53 of Statement *No.14, The Financial Reporting Entity, as amended*. This Statement is effective for the fiscal year ending June 30, 2017.
- GASB 81, *Irrevocable Split-Interest Agreements*, which provides accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement is effective for the fiscal year ending June 30, 2018.
- GASB 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68 and No.73.* This statement addresses issues with (1) the presentation of payroll-related measures in required supplementary information stated in Statements No. 67 *Financial Reporting for Pension Plans* and No. 68 *Accounting and Financial Reporting for Pensions*, (2) The selection of Assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, stated in Statements No. 67, No. 68, and No. 73 *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and the Amendments to Certain Provisions of GASB Statement No. 67 and No. 68*, and (3) the classification of payments made by employers to satisfy employee contribution requirements as stated by Statements No. 67 and No. 68. This Statement is effective for the fiscal year ending June 30, 2017.
- GASB 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. GASB 83, establishes criteria for determining the timing and pattern of the recognition of a liability and a corresponding deferred outflow of resources or AROs. This Statement is effective for the fiscal year ending June 30, 2019.

Description of Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Position and the Statement of Activities were prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the GASB requirements of accounting and financial reporting for non-exchange transactions. Deferred outflows of resources represent consumption of resources that is applicable to future reporting periods and is reported in a separate section after assets. Deferred inflows of resources represent acquisition of resources that is applicable to future reporting periods and is reported in a separate section after liabilities.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Measurable means that the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, State aid, Federal aid, replacement taxes, IGA, and other revenue are considered to be available if collected within 60 days of fiscal year end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to derivatives, compensated absences, claims and judgments, other postemployment benefits, pension benefits and pollution remediation obligations, are recorded only when payment is due.

Funds

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Elementary and Secondary Education Act (ESEA) Program
Individuals with Disabilities Education Act (IDEA) Program
Workers' and Unemployment Compensation/Tort Immunity Program
Public Building Commission Operations and Maintenance Program
Other Government-Funded Programs

b. Capital Projects Fund

The Capital Projects Fund includes the following programs:

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

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

c. Debt Service Fund

The Debt Service Fund includes the following programs:

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances

Deposits and Investments

CPS' cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. In addition, State statutes authorize CPS to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements and the State Treasurer's Investment Pool. CPS' investments are reported at fair value based on quoted Market prices and valuations provided by third party account custodians. As of June 30, 2016 CPS holdings only include debt securities reported at fair value.

Cash and Investments in Escrow

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

Property Tax Receivable

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A calendar year's property tax levies are billed (extended) in two installments in the subsequent calendar year. Calendar year 2015 property taxes were levied for fiscal year 2016 in August 2015 and were billed in fiscal year 2016. In 2016, the installment due dates were March 1 and August 1. Property taxes unpaid after these dates accrue interest at the rate of 1.5% per month. The treasurers of Cook and DuPage counties, who distribute such receipts to CPS, receive collections of property tax installments. CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. CPS does not record a receivable nor related deferred inflows of resources until the Board passes the levy for the current fiscal year.

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All 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 acquisition value. CPS also capitalizes internally developed software with a capitalization threshold of $75,000 or more.

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

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

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

Beginning in fiscal year 2005, CPS implemented procedures related to impaired assets. Generally, a capital asset is considered impaired when its service utility has declined significantly and the events or changes in the circumstances are unexpected or outside the normal life cycle. See Note 6 for additional information on impairments.

Depreciation of buildings and building improvements of CPS is calculated using the straight-line method. Equipment is depreciated using the straight-line method. CPS' capital assets have the following estimated useful lives:

Assets	Years
Buildings and building improvements	25-50
Administrative software/systems	20
Internally developed software	3
Equipment	5

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vacation and Sick Pay

CPS provides vacation and sick pay benefits for substantially all of its employees. Accrued sick pay benefits were computed using the termination payment method. The liability for accrued vacation pay benefits was computed using the employees' actual daily wages. Please refer to Note 12 for accruals.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as prepaid insurance, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable as reported includes the unamortized balances of bond premiums and discounts. Prepaid insurance costs are reported as other assets and amortized over the term of the related debt.

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

Pensions — In the government-wide financial statements, for purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Swaps

CPS enters into interest rate swap agreements to modify interest rates on outstanding debt. CPS reported the swaps according to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.* Please refer to Note 11 for required disclosures. Swaps are reported at fair value and if they meet the definition of a hedge, then a like amount is reported as a deferred item in the Statement of Net Position. If the swaps are not effective, the change in fair value is reported in the Statement of Activities. Swaps are not reported in the fund financial statements. However, transactions are accounted for if there is the receipt or disbursement of cash. CPS terminated all swap agreements as of June 30, 2016.

Fund Balances

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

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

Restricted — includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed — includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of CPS' highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless CPS removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. CPS' highest level of decision-making authority rests with CPS' Board of Education. CPS passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2016.

Assigned — includes amounts that are constrained by CPS *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) CPS' Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. As of fiscal year 2016, CPS's Board has not delegated the authority to assign amounts to be used for specific purposes to a body or official. CPS' Board of Education assigns amounts for a specific purpose within the General Operating Fund. Within the other governmental fund types (debt service and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

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

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

Note: There is a negative fund balance in the General Operating Fund.

Net Position

The Statement of Net Position includes the following:

Net investment in capital assets — the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted for debt service — the component of net position with constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted — consists of net position that does not meet the criteria of the four preceding categories.

Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CPS' financial statements for the year ending June 30, 2015, from which the summarized information was derived.

Management's Use of Estimates

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

The Capital Projects Fund is budgeted on a project-by-project basis. Budgeted amounts in the Capital Projects Fund represent the entire project budget for projects that were expected to commence in fiscal year 2016. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

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

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

As part of the annual budgetary process, CPS adopts a resolution each December in which it is determined to levy real estate taxes. In FY16, CPS adopted a resolution for tax levy in August 2015 because that tied public discussion of the tax levy more closely with the budget that the levy was going to fund and CPS needed to do short term borrowing against the levy. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in prescribed form must be published and a public hearing must be held if the aggregate annual levy exceeds 105% of the levy of the preceding year.

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

Legal limitations on tax rates and the rates extended in calendar years 2016 and 2015 are shown below.

	Maximum 2016 Legal Limit	Tax Rates Extended Per $100 of EAV 2016	2015
General Operating Fund:			
Educational	(A)	$3.205	$3.409
Workers' and Unemployment Compensation/Tort Immunity	(B)	0.111	0.169
Debt Service Fund:			
Public Building Commission Leases Program	(C)	0.075	0.082
Capital Fund:			
Capital Improvement	(D)	0.064	0.000
		$3.455	$3.660

NOTES:

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

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

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

D. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS for the Capital Improvement Tax (CIT). Per (105 ILCS 5/34-53.5), the CIT act became effective in 2002 and requires the initial levy of the CIT made by the Board to be authorized by a one-time approval of the Chicago City Council, which approved the CIT in 2015. The Board authorized the initial levy of the CIT for $45 million in calendar year 2015 for collection in 2016. The CIT Act establishes maximum authorized amounts of the CIT that can be levied each calendar year equal to the cumulative inflationary growth on a base of $142.5 million starting in 2003.

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

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

	Fund Financial Statements	Government Wide-Financial Statements
Revenues:		
General state aid unrestricted	$ 710,642	$ 710,642
Supplementary general state aid	261,000	261,000
Educational services block grant	387,994	471,180
Other restricted state revenue	192,689	203,928
Total state aid	$1,552,325	$1,646,750
Program Revenues:		
Operating grants and contributions		(203,928)
Non-program general state aid		$1,442,822

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 and other revenues.

Cash and Deposits

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

Custodial Credit Risk — Custodial credit risk for deposits is the risk that in the event of a financial institution failure, CPS deposits may not be returned. The CPS Investment Policy requires collateral with an aggregate market value of not less than 110% of the original acquisition price, including principal and accrued interest, on depository account balances, banker's acceptances and certificates of deposit unless the bank meets certain rating requirements and or asset unless either: 1) the bank has assets exceeding $500,000,000; or 2) the applicable instrument is insured at the time of purchase by an entity with long-term ratings in one of the highest 2 classifications without regard to gradation, in which case collateralization is not required. Collateral for 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, 2016, the book amount of the CPS' deposit accounts was $49.7 million. The bank balances totaled $58.1 million as of June 30, 2016. The difference between the book and bank

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2016. The bank balance was covered by Federal depository insurance and by collateral held by third-party custodians.

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

Investments

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

The CPS' Investment Policy contains the following stated objectives:

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

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

At June 30, 2016, the CPS had the following investments ($000's) and maturities:

Investment Type	Ratings	Carrying Amount	Maturities Less Than 1 Year	Maturities 1-5 Years
Repurchase Agreements	A-/Baa2	$ 46,691	$ 46,691	$ —
U.S. Government Agency Securities	Aaa/AA+/AAA	13,275	11,898	1,377
U.S. Treasury Notes	AA+/Aaa	88,866	—	88,866
Commercial Paper	A-1/P-1/AAAm / Aaa-mf	132,434	132,434	—
Money Market Mutual Funds	AAAm/Aaa-mf	265,605	265,605	—
Total Investments		$546,871	$456,628	$90,243
Cash and CDs		49,662	—	—
Total Cash and Investments		$596,533	$456,628	$90,243

* In order to further reduce custodial risk, investments are registered and held in the name of CPS.

FINANCIAL SECTION

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, limits the average maturity of the Enhanced Cash Management tier of the portfolio to five years and limits the maturity of any single issue in the Enhanced Cash Management tier of the portfolio to 10 years.

Credit Risk — CPS' Investment Policy limits investment in commercial paper to the top two ratings issued by at least two standard rating services. As of June 30, 2016, Moody's Investment Service rated the CPS' investments in banker's acceptances and commercial paper A1+ or A1 by Standard and Poor's, and P-1 by Moody's. As of June 30, 2016, Standard and Poor's rated the CPS' investments in money market mutual funds AAAm/Aaa-mf and municipal securities as A1/A+ or better as required by the CPS' Investment Policy.

Concentration of Credit Risk — As of June 30, 2016, no issuer represented over 5% of total investments. Investments issued by the U.S. government and government agencies and investments in mutual funds are excluded from the concentration of credit risk.

CPS categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. CPS has the following recurring fair value measurements ($000's) as of June 30, 2016 using a matrix pricing model:

		Fair Value Measurements Using		
	June 30, 2016	Level 1	Level 2	Level 3
Investments by fair value level:				
Debt securities				
Federal Farm Credit Bank Note	$ 1,377	$ —	$ 1,377	$ —
US Treasury Note	88,866	—	88,866	—
Total debt securities	$90,243	$ —	$90,243	$ —
Total investments measured at fair value	$90,243	$ —	$90,243	$ —

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools are measured at amortized cost and therefore excluded from the above fair value table. This exclusion includes money market funds, commercial paper, repurchase agreements and agency obligations held by CPS in the amount of $456.7 million.

The following table provides a summary of CPS' total cash and investments by fund type as of June 30, 2016 ($000's):

Fund	Amount
General Operating Fund	$ 57,756
Capital Projects Fund	44,000
Debt Service Fund	494,778
Total Cash and Investments	$596,534

NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2016 for CPS, net of the applicable allowance for uncollectible accounts, are as follows ($000's):

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fund Financial Statements	Government-Wide Financial Statements
Property taxes	$1,149,416	$45,000	$25,972	$1,220,388	$1,220,388
Replacement taxes	33,320	—	—	33,320	33,320
State aid	615,446	6,586	—	622,032	622,032
Federal aid	107,354	5,331	3,100	115,785	115,785
Other	4,534	14,556	40,640	59,730	59,730
Total receivables	$1,910,070	$71,472	$69,713	$2,051,255	$2,051,255
Less: Allowance for uncollectibles — property tax	(82,369)	(1,575)	(1,861)	(85,805)	(85,805)
Less: Allowance for uncollectibles — state aid	(3,842)	—	—	(3,842)	(3,842)
Total receivables, net	$1,823,859	$69,898	$67,851	$1,961,608	$1,961,608

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2016, the components of unavailable revenue reported in the fund financial statements are as follows ($000's):

Unavailable property tax revenue	$ 69,085
Other unavailable Revenue	588,608
Total deferred inflows of resources	$657,693

FINANCIAL SECTION

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	$ 313,438	$ 1,561	$ (1,470)	$ 313,529
Construction in progress	446,186	170,796	(434,595)	182,387
Total capital assets not being depreciated	$ 759,624	$ 172,357	$(436,065)	$ 495,916
Capital assets being depreciated:				
Buildings and improvements	$ 8,751,512	$ 513,349	$ (23,123)	$ 9,241,738
Equipment and administrative software	223,894	1,558	(3,130)	222,322
Internally developed software	8,359	333	(1,803)	6,889
Total capital assets being depreciated	$ 8,983,765	$ 515,240	$ (28,056)	$ 9,470,949
Total capital assets	$ 9,743,389	$ 687,597	$(464,121)	$ 9,966,865
Less accumulated depreciation for:				
Buildings and improvements	$(3,444,052)	$(273,531)	$ 17,767	$(3,699,816)
Equipment and administrative software	(94,806)	(17,335)	1,292	(110,849)
Internally developed software	(6,904)	(704)	1,528	(6,080)
Total accumulated depreciation	$(3,545,762)	$(291,570)	$ 20,587	$(3,816,745)
Capital assets, net of depreciation	$ 6,197,627	$ 396,027	$(443,534)	$ 6,150,120

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

	Depreciation Expense	Impairment Expense
Governmental activities:		
Instruction	$185,667	$2,537
Pupil support services	28,017	383
Administrative support services	18,987	260
Facilities support services	23,813	325
Instructional support services	22,499	307
Food services	12,587	172
Total depreciation expense	$291,570	$3,984

Asset Impairment

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

On February 24, 2016, the CPS Board of Education voted to close the Moses Montefiore Specialty Elementary School, effective July 1, 2016. Because this constitutes a change in the manner or expected duration of use of a capital asset, an impairment has been recognized for the school building. As of June 30, 2016, the net book value of the building was written down from $3.754 million to zero due to this closure.

NOTE 6. CAPITAL ASSETS (continued)

At year end, CPS determined that internally developed software capitalized on June 30, 2012 was no longer in service. As of June 30, 2016, the net book value of the software was written down from $0.230 million to zero due to this impairment.

Construction Commitments

CPS had active construction projects as of June 30, 2016. These projects include new construction and renovations of schools. At year-end, CPS had approximately $97.7 million in outstanding construction commitments.

NOTE 7. INTERFUND TRANSFERS AND BALANCES

Interfund Balances

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

General Operating Fund:	
Due To Capital Improvement Program	$(76,958)
Due From Capital Asset Program	2,968
Due From Bond Redemption and Interest Program	86,372
Total — Net due from (to) other funds	$ 12,382
Capital Projects Fund:	
Capital Asset Program — Due To General Operating Fund	$ (2,968)
Capital Improvement Program — Due From General Operating Fund	76,958
Total — Net due from (to) other funds	$ 73,990
Debt Service Fund:	
Bond Redemption and Interest Program — Due to General Operating Fund	$(86,372)

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.

Interfund Transfers

In fiscal year 2016, CPS transferred to the General Operating Fund $50.2 million of debt restructuring savings from the Bond Redemption and Interest Program.

NOTE 8. SHORT-TERM DEBT

2015 Tax Anticipation Notes

During FY 2016, the Board closed on five series of 2015 Educational Purposes Tax Anticipation Notes (TANS) with a total capacity of $1.065 billion for working capital purposes. Series 2015A1,A2,A3 TANS were issued as a direct placement with JP Morgan, and Series 2015B,B1 were issued as a direct placement with Barclays. The TANS provided liquidity support within the fiscal year.

NOTE 8. SHORT-TERM DEBT (continued)

The 2015 TANs issued were first issued as follows ($000s)

Description	Initial Advance Date	Amount
Series 2015A1	October 14, 2015	$250,000
Series 2015A2	October 28, 2015	$250,000
Series 2015A3	December 29, 2015	$65,000
Series 2015B	August 28, 2015	$200,000
Series 2015B	November 30, 2015	$88,100
Series 2015B	December 22, 2015	$81,900
Series 2015B1	February 3, 2016	$130,000

Each of the TANS are backed by the Board's 2015 Education Property Tax Levy collected in two installments in 2016. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to the Board. The Series 2015A1,A2 TANS were structured as a single draw repaid the earlier of 60 days after the second installment due date of tax levy year 2015 property taxes or December 27, 2016. 2015B TANS were structured as a revolving facility that can be drawn and repaid until the earlier of 60 days after the second installment due date of tax levy year 2015 property taxes or December 27, 2016. The Series 2015A3 and Series 2015B1 TANS were structured as a single draw repaid on March 31, 2016.

As of June 30, 2016, a total of $870 million in 2015 tax anticipation notes was outstanding. The total amount drawn on the issues is reported as a separate line item on the statement of net position and therefore, none of the issues were included in the Note 9 summarizing the changes in long-term debt. This amount was paid off subsequent to year end and is discussed further in Note 16.

Short-term debt activity for the year ended June 30, 2016 was as follows ($000's):

Balance June 30, 2015	Draws	Repayments	Balance June 30, 2016
$700,000	$1,472,520	($1,302,520)	$870,000

NOTE 9. LONG-TERM DEBT

Long-term Obligations

Long-term Debt activity for the fiscal year ended June 30, 2016 was as follows (in thousands)

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due within One Year
Governmental activities:					
General Obligation Long-term Debt	$ 6,073,049	$ 725,000	$(219,066)	$ 6,578,983	$ 74,148
Add unamortized premium (discount)	93,117	(110,071)	(9,296)	(26,250)	—
Add accretion of capital appreciation bonds	619,171	54,965	(39,979)	634,157	$ 41,657
Subtotal of debt, net of premiums and discounts	$ 6,785,337	$ 669,894	$(268,341)	$ 7,186,890	$115,805
Capitalized lease obligations	197,870	—	(38,865)	159,005	41,105
Total debt and capitalized lease obligations	$ 6,983,207	$ 669,894	$(307,206)	$ 7,345,895	$156,910
Derivative instrument liability	$ 37,818	$ —	(37,818)	$ —	$ —
Swap implicit borrowing	80,753	—	(80,753)	—	—
Other liabilities:					
Other accrued liabilities	18,650	—	(3,204)	15,446	2,077
Net pension liability	9,501,205	522,058	—	10,023,263	—
Net other post-employment benefits obligation	1,789,441	105,604	—	1,895,045	—
Other benefits and claims	563,826	6,055	(61,144)	508,737	67,903
Total other liabilities:	$11,873,122	$ 633,717	$ (64,348)	$12,442,491	$ 69,980
Total long-term obligations:	$18,974,900	$1,303,611	$(490,125)	$19,788,386	$226,890

General Obligation Bonds

CPS issued the following long-term debt in fiscal year 2016.

Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue) Series 2016A

In 2016, CPS issued $725.0 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) as fixed-rate, Series 2016A. The proceeds of the Bonds were used to reimburse and finance expenditures related to the Board's Capital Improvement Program, refund and restructure certain outstanding obligations of the Board, fund capitalized interest on the Bonds, and pay the cost of issuance on the bonds.

NOTE 9. LONG-TERM DEBT (continued)

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

Bonds	$ (74,148)
Accreted Interest	(41,657)
Subtotal	$(115,805)
Lease Obligations	(41,105)
Total Current Portion	$(156,910)

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

Defeased Debt

Defeased bonds have been removed from the Statement of Net Position because related assets have been placed in irrevocable trust that, together with interest earned, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at June 30, 2016 are as follows ($000's):

Description	Amount Defeased	Amount Outstanding
Unlimited Tax General Obligation Bonds, Series 2006B	$ 8,375	$ 8,375
Unlimited Tax General Obligation Bonds, Series 2007D	9,310	9,310
Unlimited Tax General Obligation Bonds, Series 2009D	1,500	1,500
Unlimited Tax General Obligation Bonds, Series 2009F	6,255	6,255
	$25,400	$25,400

NOTE 9. LONG-TERM DEBT (continued)

Future debt and associated swap payments (see Note 10). Interest rates on fixed rate bonds range from 1.75% to 7.00%, except that CPS does not pay or accrue interest on the Series 2006A, Series 2003C Bonds, or the Series 2001B Bonds. These bond series were issued as “Qualified Zone Academy Bonds” within the meaning of Section 1397E of the Internal Revenue Code of 1986, as amended. “Eligible taxpayers,” as defined in Section 1397E of the Internal Revenue Code, who own these bonds will be entitled to a credit against taxable income. As of June 30, 2016 there were no hedged variable rate bonds outstanding. Interest rates on unhedged variable rate bonds assume the average monthly variable rate for June, 2016, and remain the same for the life of the bonds. Debt service requirements for the Unlimited Tax General Obligation Bonds are scheduled as follows ($000’s):

Future Payments of Unlimited Tax GO Bonds
As of June 30, 2016

	Fixed Rate Bonds		Variable Rate Bonds		
Fiscal Year(s)	**Principal**	**Interest**	**Principal**	**Estimated Interest***	**Total****
2017	$ 67,748	$ 312,686	$ 6,400	$ 27,931	$ 414,765
2018	127,337	300,585	24,975	27,459	480,356
2019	149,030	295,928	28,555	26,262	499,775
2020	159,381	304,565	30,870	24,914	519,730
2021	182,995	313,972	32,505	23,468	552,940
2022-2026	1,106,759	1,468,314	250,820	92,554	2,918,447
2027-2031	1,063,603	1,405,650	512,580	44,136	3,025,969
2032-2036	739,690	831,113	198,595	5,962	1,775,360
2037-2041	1,130,535	402,500	—	—	1,533,035
2042-2045	766,605	76,828	—	—	843,433
Total	$5,493,683	$5,712,141	$1,085,300	$272,686	$12,563,810

* Interest on variable rate demand notes assumes current interest rates remain the same as of June 30, 2016, calculated at:

Series 2008A — 1.21000% x outstanding principal
Series 2008B — 1.21000% x outstanding principal
Series 2011C-1 — 9.00000% x outstanding principal
Series 2011C-2 — 1.51000% x outstanding principal
Series 2013A-1 — 7.50000% x oustanding principal
Series 2013A-2 — 1.15500% x oustanding princpal
Series 2013A-3 — 1.23500% x oustanding principal
Series 2015A — 4.41000% x outstanding principal
Series 2015G — 4.41000% x outstanding principal

** Does not include debt backed by leases with the Public Building Commission, discussed in Note 10.

NOTE 9. LONG-TERM DEBT (continued)

Floating Rate Note Securities

Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011C-1 and 2011C-2

In December, 2011 the Board issued $51.0 million (Series 2011C-1) and $44.1 million (Series 2011C-2) variable rate bonds with JP Morgan Chase Bank acting as placement agent. The bonds refunded the former Series 2000D.

For the Series 2011C-1, an initial index floating rate period was set up to February 29, 2016. During this initial period, the rate is reset monthly and equal to SIFMA plus 95 basis points. The Series 2011C-1 bonds are callable beginning on September 1, 2015. As of June 30, 2016 the Board had not remarketed, redeemed or tendered for the Series 2011C-1 bonds, as a result for the period beginning March 1, 2016 the rate will be equal to 9.00% until such time that the issue is refinanced.

For the Series 2011C-2, an initial index floating rate period was set up to February 28, 2017. During this initial period, the rate is reset monthly and equal to SIFMA plus 110 basis points. The Series 2011C-2 bonds are callable beginning on September 1, 2016. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2011C-1 bonds, after the end of the initial index floating rate period, the rate will be equal to 9.00% until such time that the issue is refinanced.

Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2013A-1, 2013A-2 and 2013A-3

In May, 2013, the Board issued $122.6 million (Series 2013A-1), $124.3 million (Series 2013A-2), and $157.1 million (Series 2013A-3) variable rate bonds. The bonds refunded the former Series 2009A, 2009B, 2010A, and 2010B.

For the Series 2013A-1, an initial index floating rate period was set up to June 1, 2016. During this initial period, the rate is reset monthly and equal to 70% of One Month Libor plus 58 basis points. The Series 2013A-1 bonds are callable beginning on December 1, 2015. As of June 30, 2016, the Board has not remarketed, redeemed or tendered for the Series 2013A-1 bonds, as a result for the period beginning June 1, 2016 and the next 90 days thereafter the rate will be 7.50%. On the 91st day and thereafter, the rate will be equal to 9.00% until such time that the issue is refinanced.

For the Series 2013A-2, an initial index floating rate period was set up to June 1, 2017. During this initial period, the rate is reset weekly and equal to the SIFMA Index plus 75 basis points. The Series 2013A-2 bonds are callable beginning on December 1, 2016. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2013A2 bonds, after the end of the initial index floating rate period and for the next 90 days thereafter, the rate will be 7.50%. On the 91st day and thereafter the rate will be equal to 9% until such time that the issue is refinanced.

For the Series 2013A-3, an initial index floating rate period was set up to June 1, 2018. During this initial period, the rate is reset weekly and equal to the SIFMA Index plus 83 basis points. The Series 2013A-3 bonds are callable beginning on December 1, 2017. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2013A3 bonds, after the end of the initial index floating rate period and for the next 90 days thereafter, the rate will be 7.50%. On the 91st day and thereafter the rate will be equal to 9% until such time that the issue is refinanced.

Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenues), Series 2015A and 2015G

In March, 2015, the Board issued $89.2 million (Series 2015A) and $88.9 million (2015G) variable rate bonds. The bonds refunded the former Series 2000B and 2011D.

NOTE 9. LONG-TERM DEBT (continued)

For Series 2015A and the Series 2015G, an initial index floating rate period was set up to March 1, 2017. During this initial period, the rate is reset weekly and equal to the SIFMA Index plus 400 basis points. Both the Series 2015A and the Series 2015G bonds are callable beginning on September 1, 2016. Under the terms of the bond indenture for each series of bonds, if the Board has not remarketed, redeemed or tendered for the Series 2015A and 2015G bonds, after the end of the initial index floating rate period, the rate will be equal to 9.00% until such time that each issue is refinanced.

Direct Placements

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

In May 2008, the Board issued $262.8 million (Series 2008A) and $241.0 million (Series 2008B) variable rate bonds in direct placements with Dexia Credit Local. The interest rate for each series is reset monthly, and is equal to the one month LIBOR rate plus 75 basis points with no expiration until maturity. The bonds are subject to optional redemption prior to their maturity date at the option of the Board, in whole or in part (and, if in part, in an authorized denomination ($100,000 and any integral multiple thereof of $5,000 in excess thereof)) on any LIBOR interest payment date (monthly), at a redemption price equal to 100 percent of the principal amount thereof and accrued interest, if any, to the redemption date.

Accreted Interest

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

Series	Accreted Interest June 30, 2015	Increase	Payment	Accreted Interest June 30, 2016
1997A	$ 17,881	$ 1,134	$ (9,502)	$ 9,513
1998B-1	348,094	31,281	(11,702)	367,673
1999A	253,196	22,550	(18,775)	256,971
	$619,171	$54,965	$(39,979)	$634,157

NOTE 9. LONG-TERM DEBT (continued)

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

Series	Orginal Amount Issued	Debt Purpose	Interest Rate	Final Maturity	Principal Outstanding June 30, 2015	Accreted Interest
2016A	$725,000	Capital Improvement/ Refunding	7.00%	12/1/2044	$ —	$ —
2015G	88,900	Refunding	Variable	3/1/2032	88,900	—
2015E	20,000	Capital Improvement	5.13%	12/1/2032	20,000	—
2015C	280,000	Capital Improvement	5.25%	12/1/2039	280,000	—
2015A	89,200	Refunding	Variable	3/1/2032	89,200	—
2013A-3	157,055	Refunding	Variable	3/1/2036	157,055	—
2013A-2	124,320	Refunding	Variable	3/1/2035	124,320	—
2013A-1	122,605	Refunding	Variable	3/1/2026	106,930	—
2012B	109,825	Refunding	5.00%	12/1/2034	109,825	—
2012A	468,915	Capital Improvement	5.00%	12/1/2042	468,915	—
2011C-2	44,100	Refunding	Variable	3/1/2032	44,100	—
2011C-1	51,000	Refunding	Variable	3/1/2032	47,200	—
2011A	402,410	Capital Improvement	5.00% to 5.50%	12/1/2041	402,410	—
2010G	72,915	Refunding	2.77% to 4.18%	12/1/2017	38,590	—
2010F	183,750	Refunding	5.00%	12/1/2031	176,630	—
2010D	125,000	Capital Improvement	6.52%	3/1/2036	125,000	—
2010C	257,125	Capital Improvement	6.32%	11/1/2029	257,125	—
2009G	254,240	Capital Improvement	1.75%	12/15/2025	254,240	—
2009F	29,125	Capital Improvement	2.50% to 5.00%	12/1/2016	12,325	—
2009E	518,210	Capital Improvement	4.682% to 6.14%	12/1/2039	518,210	—
2009D	75,720	Refunding	1.00% to 5.00%	12/1/2023	52,465	—
2008C	464,655	Refunding	4.25% to 5.00%	12/1/2032	464,655	—
2008B	240,975	Refunding	Variable	3/1/2034	200,775	—
2008A	262,785	Refunding	Variable	12/1/2030	262,785	—
2007D	238,720	Capital Improvement	4.00% to 5.00%	12/1/2029	187,375	—
2007C	6,870	Refunding	4.00% to 4.375%	12/1/2021	4,540	—
2007B	197,765	Refunding	5.00%	12/1/2024	197,765	—
2006B	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	305,875	—
2006A	6,853	Capital Improvement	0.00%	6/1/2021	6,853	—
2005B	52,595	Refunding	5.00% to 5.50%	12/1/2021	22,735	—
2005A	193,585	Refunding	5.00% to 5.50%	12/1/2031	181,085	—
2004G	56,000	Capital Improvement	4.00% to 6.00%	12/1/2022	—	—
2004A	205,410	Refunding	4.00% to 5.00%	12/1/2020	131,735	—
2003C	4,585	Capital Improvement	0.00%	10/27/2017	4,585	—
2002A	48,970	Capital Improvement	3.00% to 5.25%	12/1/2022	31,670	—
2001B	9,440	Capital Improvement	0.00%	10/23/2015	9,440	—
1999A	532,553	Capital Improvement/ Refunding	4.30% to 5.30%	12/1/2031	419,560	253,196
1998B-1	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	257,044	348,094
1997A	499,995	Capital Improvement	5.30% to 5.55%	12/1/2030	11,132	17,881
Total Bonds					$6,073,049	$619,171
Less Current Portion						
For Net Premium/ (Discount)						
Total Long-term Debt, net of Current Portion and Premium/Discount						

NOTE 9. LONG-TERM DEBT (continued)

Principal and Accreted Interest June 30, 2015	Issuances	Retirements	Principal Outstanding June 30, 2016	Accreted Interest	Principal and Accreted Interest June 30, 2016
$ —	$725,000	$ —	$ 725,000	$ —	$ 725,000
88,900	—	—	88,900	—	88,900
20,000	—	—	20,000	—	20,000
280,000	—	—	280,000	—	280,000
89,200	—	—	89,200	—	89,200
157,055	—	—	157,055	—	157,055
124,320	—	—	124,320	—	124,320
106,930	—	(16,940)	89,990	—	89,990
109,825	—	—	109,825	—	109,825
468,915	—	—	468,915	—	468,915
44,100	—	—	44,100	—	44,100
47,200	—	(3,600)	43,600	—	43,600
402,410	—	—	402,410	—	402,410
38,590	—	(15,855)	22,735	—	22,735
176,630	—	(7,475)	169,155	—	169,155
125,000	—	—	125,000	—	125,000
257,125	—	—	257,125	—	257,125
254,240	—	—	254,240	—	254,240
12,325	—	(12,325)	—	—	—
518,210	—	—	518,210	—	518,210
52,465	—	(7,125)	45,340	—	45,340
464,655	—	—	464,655	—	464,655
200,775	—	(15,425)	185,350	—	185,350
262,785	—	—	262,785	—	262,785
187,375	—	(18,180)	169,195	—	169,195
4,540	—	(390)	4,150	—	4,150
197,765	—	—	197,765	—	197,765
305,875	—	(16,350)	289,525	—	289,525
6,853	—	—	6,853	—	6,853
22,735	—	—	22,735	—	22,735
181,085	—	(6,720)	174,365	—	174,365
—	—	—	—	—	—
131,735	—	(57,255)	74,480	—	74,480
4,585	—	—	4,585	—	4,585
31,670	—	(3,310)	28,360	—	28,360
9,440	—	(9,440)	—	—	—
672,756	—	(14,235)	405,325	256,971	662,296
605,138	—	(8,698)	248,346	367,673	616,019
29,013	—	(5,743)	5,389	9,513	14,902
$6,692,220	$725,000	$(219,066)	$6,578,983	$634,157	$7,213,140
(158,490)					(115,805)
93,117					(26,250)
$6,626,847					$7,071,085

FINANCIAL SECTION

NOTE 10. LEASE OBLIGATIONS

Capitalized Leases

Annual rental payments are made pursuant to lease agreements with the Public Building Commission (the "PBC"). The PBC constructs, rehabilitates and equips school buildings and facilities for use by 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 a $3.7 million lease with an option to purchase with the Teachers Academy of Math and Science. The assets acquired under this lease are land and building at a cost of $0.7 million and $3.0 million, respectively. The accumulated depreciation as of June 30, 2016 amounted to $0.6 million. The term of the lease commenced October 1, 2005, and shall end February 1, 2021. This end date represents the maturity date of bonds issued for the premises by the Illinois Development Finance Authority Bonds. Debt service includes principal and interest and all other costs associated with these bonds. Additionally, CPS will assume all operating costs and personnel costs of the premises.

The future PBC lease rentals and other capitalized leases due at June 30, 2016, are as follows ($000's):

Fiscal Year(s)	PBC Lease Rentals	Other	Total
2017	$ 52,020	$ 424	$ 52,444
2018	52,069	424	52,493
2019	52,099	424	52,523
2020	30,635	424	31,059
2021	—	647	647
Total Rentals	$186,823	$ 2,343	$189,166
Less — Interest and other costs	(29,043)	(1,118)	(30,161)
Principal amount of rental due	$157,780	$ 1,225	$159,005

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

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016
PBC Leases	$196,470	$ —	$(38,690)	$157,780
Other Capitalized Leases	1,400	—	(175)	1,225
Total Lease Obligations	$197,870	$ —	$(38,865)	$159,005
Less: Current Portion PBC Leases				(40,930)
Current Portion Other Capitalized Leases				(175)
Total Long-Term Leases Outstanding				$117,900

Operating Leases

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

FINANCIAL SECTION

NOTE 10. LEASE OBLIGATIONS (continued)

Total expenditures for operating leases for the fiscal year ended June 30, 2016 were $18.8 million. The following is a summary of operating lease commitments as of June 30, 2016 (000's):

Fiscal Year(s)	Non-Real Property Leases	Real Property Leases	Total
2017	$ 3,440	$ 14,947	$ 18,387
2018	2,718	14,719	17,437
2019	1,246	15,023	16,269
2020	110	14,597	14,707
2021	1	14,482	14,483
2022-2026	—	58,939	58,939
2027-2030	—	22,147	22,147
Total Operating Lease Commitments	$ 7,515	$154,854	$162,369

NOTE 11. DERIVATIVE INSTRUMENTS

Interest Rate Derivatives

Interest rate derivatives are financing structures which exchange ("swap") interest payments. They are used as risk management or investment tools.

Breakdown of Outstanding Derivatives

In fiscal year 2016, CPS terminated all six of its remaining outstanding swaps. CPS made termination payments to counterparties on five of the six outstanding swaps and received a termination credit on one outstanding swap. The total net amount of termination payments in fiscal year 2016 was $123 million.

The six outstanding terminated swaps were (1) Series 2008B with Goldman Sachs for a total termination payment of $17.68 million, (2) Series 2008B with Goldman Sachs for a total termination payment of $18.73 million, (3) Series 2005A swap with Deutsche Bank AG for a total termination credit of $2.66 million, (4) Series 2013A1 swap with Deutsche Bank AG for a total termination payment of $14.46 million, (5) Series 2013A2 swap with Royal Bank of Canada for a total termination payment of $34.98 million, and (6) Series 2013A3 swap with Deutsche Bank AG for a total termination payment of $40.81 million.

Fair Value

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

	Fair Value at June 30, 2015	Change in Fair Value*	Fair Value at June 30, 2016
Effective Hedges:			
Synthetic fixed swaps	$(119,779)	$119,779	$—
Investment Derivatives:			
Basis Swaps	2,561	(2,561)	$—
TOTAL	**$(117,218)**	**$117,218**	**$—**

* Includes termination payments.

NOTE 12. OTHER BENEFITS AND CLAIMS

Sick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees were able to accumulate a maximum of 325 sick days granted before July 1, 2012. If an employee either reaches age 65; has a minimum of 20 years of service at the time of resignation or retirement, or dies, the employee is entitled to receive, as additional cash compensation, all or a portion of their accumulated sick leave days. CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year.

Effective July 1, 2012 any sick days granted that remain unused at the end of the fiscal year will not be carried over to the next fiscal year. The Board shall not pay out to any employee the value or any part of the value of any sick days granted on and after July 1, 2012 that are unused at the time the employee separates from the Board employment for any reason.

Vacation Pay Benefits

For eligible employees, the maximum number of accumulated unused vacation days permitted is 20 days for those employees with up to 10 years of service; 25 days for those with 11 to 20 years of service; and 30 days for those with more than 20 years of service. Eligible employees are entitled to receive 100% of accumulated vacation days at their current salary rate. These amounts will be liquidated from the General Operating Fund.

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

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

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

EPD Equipment, Data, and Media	$ 25,000
Mechanical breakdown	$ 50,000
All other losses (property)	$5,000,000

CPS maintains commercial excess liability insurance with limits of $55.0 million in excess of a $10.0 million self-insured retention per loss for claims arising from general, automobile, school board legal, employment practices, and miscellaneous professional liability; additional coverage includes special events, crime, fiduciary, special crime, pollution, and catastrophic student accident insurance (under Public Act 98-0166, also known as "Rocky's Law"). During fiscal years 2016, 2015, and 2014 there were no casualty claims made in excess of the self-insured retention.

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

CPS' estimate of liabilities for workers' compensation claims, general and automobile claims are actuarially determined based on loss estimates established by the respective claim administrators. Tort liabilities are based on loss estimates established by the respective trial attorneys. CPS accrues for the estimated workers' compensation, general and automobile claims and tort claims in the General Operating Fund when there is likelihood that an unfavorable outcome is probable and those expenditures will be liquidated with expendable available financial resources. Total expenditures reported in the fund financial statements amounted to $29.3 million for claims paid during the fiscal year. No liabilities have been recorded at the fund level for unpaid claims as unpaid claims are not expected to be paid with available financial resources.

NOTE 12. OTHER BENEFITS AND CLAIMS (continued)

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

	Balance July 1, 2015	Increase/ (Decrease)	Payments	Balance June 30, 2016
Accrued sick pay benefits	$342,293	$ 372	$(31,287)	$311,378
Accrued vacation pay benefits	59,044	(454)	(7,330)	51,260
Accrued workers' compensation claims	132,699	1,984	(19,792)	114,891
Accrued general and automobile claims	8,212	8,031	(2,735)	13,508
Tort liabilities and other claims	21,578	(3,878)	—	17,700
Total	$563,826	$ 6,055	$(61,144)	$508,737
Less: Current portion of accrued sick pay benefits				(25,990)
Less: Current portion of accrued vacation pay benefits				(8,362)
Less: Current portion of accrued workers' compensation claims				(23,970)
Less: Current portion of accrued general and automobile claims				(9,581)
Total long-term other benefits and claims				$440,834

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

Balance July 1, 2014	Additions	Payments	Balance July 1, 2015	Additions	Payments	Balance June 30, 2016
$135,498	$31,351	$(25,938)	$140,911	$10,016	$(22,528)	$128,399

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A liability of $60.3 million has been recorded for health insurance costs and is reported as part of accrued payroll and benefits in the General Operating Fund, which includes $29.4 million for estimated medical claims incurred but not reported as of June 30, 2016. The following is the activity related to medical claims for which CPS is self-insured ($000's):

Balance July 1, 2014	Additions	Payments	Balance July 1, 2015	Additions	Payments	Balance June 30, 2016
$48,161	$391,441	$(386,898)	$52,704	$392,891	$(385,333)	$60,262

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

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

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

FINANCIAL SECTION

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

Pension — Certified Teachers and Administrators

Plan Description: Pension benefits for certified teachers and administrators are provided under a defined benefit cost-sharing multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "CTPF") in which the CPS is the major contributor. Copies of the Pension Fund Annual Report are available by contacting the Public School Teachers' Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois, 60601.

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the CTPF. Participation in the CTPF is mandatory for all certified members of the teaching force, including those employed by charter schools, and employees of the Pension Fund. As of the June 30, 2015, CTPF Annual report, there were 29,706 active participants in the Pension Fund, substantially all of whom were employees of CPS.

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

For service earned before July 1, 1998, the amount of the monthly service retirement pension is 1.67% of highest average salary for the first 10 years, 1.90% for each of the next 10 years, 2.10% for each of the following 10 years, and 2.30% for each year above 30. For service earned after June 30, 1998, the amount of the monthly service retirement pension is 2.2% of highest average salary for each year of service. Service earned before July 1, 1998 can be upgraded to the 2.2% formula through the payment of additional employee contributions of 1% of the teacher's highest salary within the last four years for each year of prior service, up to a maximum of 20%, which upgrades all service years. The number of years for which contributions are required is reduced by one for each three full years of service after June 30, 1998. No contribution is required if the employee has at least 30 years of service. The highest average salary is the average of the 4 highest consecutive years of salary within the last 10 years. The maximum pension payable is 75% of the highest annual salary or $1.5 per month, whichever is greater.

Pension legislation (Public Act 96-0889) created a second tier of benefits for teachers who first become participants under the fund on or after January 1, 2011. Under this act, a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 0.5% for each month that his or her age is under 67. In addition, the annual final average salary may not exceed the social security wage base of $106.8 for 2011 and shall be increased by the lesser of 3% or 0.5% change in the Consumer Price Index-U during the preceding 12-month calendar year.

Contributions: Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1% for survivor's pension. In fiscal year 2016, total employee contributions were $158,207, as in previous fiscal years, CPS paid a portion (7% or $123,050) of the required employees' contribution, which has been recorded as a deferred outflow of

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

resources in the accompanying government-wide 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.

State law requires statutorily determined employer contributions. Senate Bill 1946, which was signed into law on April 14, 2010, as Public Act 96-0889, revised the funding provisions that had previously been in effect. Public Act 96-0889 specifies that, for Fiscal Years 2014 through 2059, the Board of Education is to make annual contributions calculated as a level percent of payroll sufficient to bring the total assets of the fund up to 90% of the total actuarial liabilities of the fund by the end of Fiscal Year 2059. Under the Illinois Pension Code, required employer contributions — with the exception of federal funds — are calculated by the Pension Fund's actuary; however, the formula set forth in the Pension Code is not the same as the Annual Required Contribution or the Actuarially Determined Contribution as those terms are defined by GASB. During the fiscal year ended June 30, 2016, total employer contributions to the plan were $687,965. Of this amount, $21,002 were Charter School contributions and $12,105 were Contributions from the State of Illinois. CPS' employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows ($000's):

Retirement Benefit Contributions:	
A contribution to increase funded ratio to 90%	$631,016
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded program	23,842
Charter school contributions	21,002
CPS contribution on-behalf of employees	123,050
Sub-total employer contributions	$798,910
Contributions from the State of Illinois	12,105
Total CTPF contributions	$811,015

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is $10.023 billion or 100%. Further discussions with the State and Pension Fund related to the overall net pension liability will occur to determine a reasonable allocation of future plan costs between the entities that contribute to the plan. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Total pension expense for the 2016 fiscal year was $886,188.

Employer Deferral of Fiscal Year 2016 Pension Contributions: CPS paid $798,910 in contributions for the fiscal year ended June 30, 2016. These contributions were made subsequent to the pension liability measurement date as of June 30, 2015. These contributions will be reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2016. As of June 30, 2016, CPS reported deferred outflows of resources and deferred inflows of resources related to CTPF from the following sources ($000's):

	Deferred inflow of resources	Deferred outflow of resources
Difference between expected and actual experience	$120,937	$ —
Net difference between projected and actual investment earnings on pension plan investments	244,327	—
Contributions after the measurement date	—	798,910
Totals	$365,264	$798,910

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

The $798,910 reported as deferred outflows of resources related to pensions resulting from CPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows ($000's):

Years Ended June 30:	Deferred Inflow of Resources
2017	$138,629
2018	138,629
2019	138,629
2020	(52,648)
2021	2,025
Thereafter	—
Total	$365,264

Assumptions and Other Inputs

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2007 — June 30, 2012 and an economic study completed June 2014. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	28 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.25% to 15.75%, varying by age
Inflation	2.75%
Cost-of-living adjustments	3% compound for Tier 1 members; the lesser of 3% or one-half of CPI, simple, for Tier 2 members

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

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

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2015, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	60.0%	5.6%
Fixed Income	21.0%	0.8%
Real Estate	7.0%	3.9%
Private Equity	3.0%	6.3%
Hedge Funds	2.0%	3.0%
Infrastructure	3.0%	N/A
Commodities	0.0%	0.5%
Public REITs	2.0%	N/A
Cash Equivalents	2.0%	0.0%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made as specified by Public Act 96-0889. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents CPS' net pension liability, calculated using a single discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
$12,677,156	$10,023,263	$7,826,252

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

Pension — Other Personnel

Plan Description: All career service employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "MEABF"). The Annuity Fund is considered a cost-sharing multiple employer defined benefit plan. As of December 31, 2015, CPS employed approximately 17,143 of the 30,683 active participants in the Annuity Fund.

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

Tier 1 employees age 55 or more with at least 10 years of service are entitled to receive a money purchase annuity with partial City contributions if under age 60 with less than 20 years of service.

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employees age 60 or more with at least 10 years of service or age 55 or more with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.4% per each year of service times the final average salary (highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by ¼ of 1% for each month the employee is under age 60 if the employee has less than 25 years of service. The annuity is not discounted if the employee is age 50 with at least 30 years of service. An employee with at least 10, 20, or 30 years of service can withdraw and receive a minimum annuity formula at 60, 55, or 50, respectively. The original annuity is limited to 80% of the highest average annual salary, adjusted for annual Internal Revenue Code (IRC) §401(a)(17) and §415 limitations. Employees withdrawing from service at age 60 or older with at least 10 years of service are entitled to a minimum annuity of $.850 per month.

Tier 2 employees age 67 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 62 with 10 years of service. The annuity is discounted ½ percent for each full month the employee is under age 67. Final average salary is calculated using salary from the eight highest consecutive years within the last 10 years of service prior to retirement.

The highest salary for annuity purposes may not exceed the base of $106.8 beginning in 2011 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) ½ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. The annual salary rate limitations for FY2015 and FY2016 were $111.6 and $112.5, respectively.

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

Both Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute a percentage of their salary (8.5%). The pensionable salary for Tier 1 members has no limitation while Tier 2 employees' pensionable salary may not exceed the social security wage base of $106.8 adjusted by inflation. In fiscal year 2016, as in previous fiscal years, CPS agreed to pay a portion (7% for union and 5% for non-union members or $35.754 million) of the required employees' contribution for most employees. CPS also receives a portion of the cost of providing pension benefits from grants by the Federal government for career service employees paid from certain Federally-funded programs. The amount reflected as career service pension expenditures in the accompanying governmental fund financial statements is $102.908 million, $35.754 million of this amount represents the required employees' contribution paid by CPS on behalf of its employees; $61.885 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining $5.268 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.

Employer Proportionate Share of Net Pension Liability: At December 31, 2015, the MEABF reported a net pension liability (NPL) of $18,617,442. The amount of the proportionate share of the net pension liability recognized for CPS is $0. The proportionate share of the City's net pension liability associated with the CPS is $7,829,700 or 42.1%. The net pension liability was measured as of December 31, 2015. The basis of allocation used in the proportionate share of net pension liability are the actual reported contributions of the covered members during fiscal year 2016.

Employer Proportionate Share of Pension Expense: The employer's proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and expenditure/expense in CPS' financial statements. The basis of allocation used in the proportionate share of collective pension

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

expense is the actual reported employee contributions made to MEABF during fiscal year 2016. As a result, CPS recognized on-behalf revenue and on-behalf pension expense of $61,885 for fiscal year 2016.

Employer Deferral of Fiscal Year 2015 Pension Contributions: CPS paid $5.268 million in federal, trust or grant contributions for the fiscal year ended June 30, 2016. Some contributions were made subsequent to the pension liability measurement date of December 31, 2015. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2016. Total pension expense for fiscal year 2016 was $102.908 million.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2005 — December 31, 2009. They are the same as the assumptions used in the December 31, 2014 actuarial valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 year smoothed market
Amortization Method	Level dollar, open
Remaining Amortization Period	1 Years as of December 31, 2015
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.5% - 8.25%, varying by years of service
Inflation	3.00%
Cost of living adjustments	Tier 1: 3.0% compound. Tier 2: the lesser of 3.0% or one-half the change in CPI, simple

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

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table ($000's):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	26%	4.9%
International Equity	22%	5.0%
Fixed Income	27%	0.2%
Real Estate	10%	6.0%
Private Equity	5%	8.6%
Hedge Funds	10%	3.0%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 3.7%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made as specified by Public Act 98-0641. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MEABF's Net Pension Liability to Changes in the Discount Rate: The amount of the proportionate share of the net pension liability recognized for CPS is $0. Therefore, changes in the discount rate would not affect CPS. However, regarding the sensitivity of MEABF's net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 3.7%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease (2.7%)	Current Discount (3.7%)	1% Increase (4.7%)
$22,207,242	$18,617,442	$15,675,669

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

Other Post-Employment Benefits (OPEB)

Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple employer plan administered by the Pension Fund. The actuarial analysis is contained in the Pension Fund Annual Report and is available by contacting the Public School Teachers' Pension & Retirement Fund of Chicago, 203 North LaSalle Street, Chicago, Illinois, 60601.

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

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance. The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 50% of the individual member's cost for calendar years 2016, 2015 and 2014. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed $65.0 million plus any previous year amounts authorized but not yet expended. The statutory threshold, however, does not fall under the definition of a funding cap as set forth in GASB 45. The Pension Fund has total discretion over the program, and no direct contributions are made for the subsidy. Although CPS does not contribute directly to retirees' health care premiums, the impact does require increased contributions by CPS to build assets to the 90% requirement. As of June 30, 2015, there were 17,490 retirees and beneficiaries currently receiving health benefits in the Chicago Teachers' Pension Fund Retiree Health Insurance Program. This provision reduces the net position of the Pension Fund.

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

CPS' annual OPEB costs for fiscal year 2016 are as follows ($000's):

Annual required contribution	$ 135,505
Interest on net OPEB obligation	80,525
Adjustment to annual required contribution	(110,426)
Annual OPEB cost	$ 105,604
Less: Contributions made by the State of Illinois	—
Increase in Net OPEB obligation	$ 105,604
Net OPEB obligation, beginning of year	1,789,441
Net OPEB obligation, end of year	$1,895,045

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

	2016	2015	2014
Annual OPEB cost	$ 105,604	$ 109,194	$ 143,654
Percentage of annual pension cost contributed	0.0%	0.0%	0.0%
Net OPEB obligation	$1,895,045	$1,789,441	$1,680,247

NOTE 13. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent, closed
Remaining amortization period	28 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	4.50%
Medical trend rate	8.00% graded to 5% over 6 years
Inflation	2.75%

As of the June 30, 2015 actuarial valuation date, actuarial accrued liability (AAL) for benefits was $1.911 billion, and the actuarial value of assets was $21.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1.889 billion, and a funded ratio of 1.14%. The covered payroll (annual payroll of active employees covered by the plan) was $2.156 billion, and the ratio of the UAAL to the covered payroll was 87.64%.

Other Personnel

Actuarial studies on other personnel (personnel other than teachers and administrators) determined that no OPEB liability exists for those employees as of June 30, 2016.

NOTE 14. FUND BALANCE CLASSIFICATIONS AND NET POSITION RESTRICTIONS

a. Fund Balance Classifications

At the end of the 2016 fiscal year, the General Operating Fund reported:

- $429 thousand of nonspendable fund balance for donations in which the principal may not be spent.
- Restricted fund balance consisted of $64.9 million for grants and donations and $35.1 million for tort liabilities.

Note: There is a negative fund balance in the general operating fund. This is due to the operating deficit of expenditures exceeding revenues.

b. Statement of Net Position

The Statement of Net Position reports $611.1 million of restricted fund balance, of which $510.7 million is restricted for debt service, $65.3 million is restricted for programs funded by grants and donations, and $35.1 million is restricted for workers' comp/tort immunity.

NOTE 15. LITIGATION AND CONTINGENCIES

a. State and Federal Aid Receipts

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2016 resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements at June 30, 2016.

NOTE 15. LITIGATION AND CONTINGENCIES (continued)

b. Pollution Remediation Obligation

In fiscal year 2016, CPS recorded a pollution remediation obligation of $2.1 million as current year expense in the Statement of Activities.

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

c. Vacant Property

In fiscal year 2013, CPS closed 47 schools of which some of the schools were identified to be demolished. In accordance with GASB 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,"* CPS recorded a liability for the estimated demolition cost of $18.7 million at June 30, 2013. In fiscal year 2016, three (3) of the buildings identified to be demolished were sold, decreasing the estimated liability by $5.4 million. As of June 30, 2016, the estimated liability is $13.3 million.

d. Financial Guarantees

As of June 30, 2016, CPS has entered into one nonexchange financial guarantee. The guarantee agreement is with Perspectives Charter Schools, effective July 1, 2003, which is a Charter School under the Chicago Board of Education. Perspectives Charter Schools has a Reimbursement Agreement with Harris Trust and Savings Bank and CPS has guaranteed to pay Harris Trust and Savings Bank all outstanding debt if Perspectives Charter Schools defaults in reimbursing the Bank according to the terms listed in the reimbursement agreement. This amount is not to exceed the lesser of $4,500,000 (Principal Amount) or the carrying debt amount less $1,000,000. The guarantee agreement shall be of no further force or effect as of July 1, 2033, or after the gross available amount of the letter of credit has been reduced to $1,000,000 or less. The gross available amount is scheduled to be reduced to $1,000,000 as of July 1, 2031. Per the June 30, 2015 audited financial statements of Perspectives Charter Schools, the most recent audited financial information available, the outstanding balance of the revenue bonds is $4,300,000. Once the July 1, 2015 annual payment of $200,000 is made the June 30, 2016 outstanding balance of the revenue bonds will be $4,100,000. This guarantee is still in place as of June 30, 2016, and CPS is not aware of any qualitative factors that would trigger an event of default. Therefore, CPS is not required to record a liability for this guarantee under GASB 70.

e. Other Litigation and Claims

There are five lawsuits and one union grievance that represent issues in which the financial loss to CPS has been determined to be a potential liability by CPS' law department in fiscal year 2016.

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts and other matters, arising out of CPS' ordinary conduct of its business. Certain actions involve alleged damages in substantial amounts. The amounts of liability, if any, on these claims as of June 30, 2016, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However in FY15, CPS had recorded a general accrual not specific to any pending legal action for these amounts and it remains in FY16. 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, 2016.

The liability for other litigation and claims, not including workers' compensation and general liability, decreased by $3.9 million from $21.6 million in fiscal year 2015 to $17.7 million in fiscal year 2016.

NOTE 16 — SUBSEQUENT EVENTS

Ratings Agency Downgrades

Several bond rating changes related to the long term debt of the Board occurred after June 30, 2016. Moody's Investor Service downgraded their general obligation (GO) debt rating of the Board to B3 on September 26, 2016. Standard & Poor's downgraded its long-term bond rating of the Board to "B" on November 9, 2016. Fitch Ratings lowered its rating to "B+" on November 7, 2016. On November 11, 2016, Kroll Bond Rating Agency affirmed its rating of "BBB" on the Board's Series 2016A general obligation bonds and affirmed the "BBB-" rating on the Board's remaining outstanding general obligation bonds. All rating agencies continue to express concern about continued structural fiscal imbalance, weakened liquidity position and rising pension obligations of the Board. The current outlook views by each agency is negative.

In addition, CPS structured an entirely new capital improvement tax (CIT) long term bond credit that is separate from the existing CPS GO credit. This CIT credit structure received an investment grade rating from two rating agencies in December 2016. Fitch Ratings rated the CIT credit "A" and Kroll Bond Rating Agency rated the CIT credit "BBB". See Issuance of Dedicated Capital Improvement Tax Bonds Series 2016 within this Note 16 for further information.

Repayment of 2015 Tax Anticipation Notes

To finance cash flow deficits in Fiscal Year 2016, the Board issued $1.065 billion principal amount of 2015 Tax Anticipation Notes (the "2015 TANs") in anticipation of collection of its 2015 tax levy in 2016 in the amount of approximately $2.305 billion.

On August 3, 2016, the Board repaid and ended its Series 2015A2 tax anticipation note issue. On August 12, 2016, the Board repaid and ended its Series 2015B tax anticipation note issue. On August 15, 2016, the Board repaid and ended its Series 2015A1 tax anticipation note issue. Upon the repayment of the 2015A1 issue on August 15, 2016 no additional 2015 TANs remained outstanding.

Issuance of 2016 Tax Anticipation Notes

For Fiscal Year 2017, on August 24, 2016 the Board approved a levy of *ad valorem* property taxes of approximately $2.343 billion for educational purposes (the "2016 Tax Levy") to be collected in calendar year 2017 and authorized the issuance of not to exceed $1.550 billion principal amount of 2016 Tax Anticipation Notes (the "2016 TANs") in anticipation of the collection of the 2016 Tax Levy. As of January 12, 2017, the Board has currently issued and has outstanding four series of 2016A TANS (the "2016A TANs") in the total aggregate amount of $1,550 million.

The Series 2016A TANs sub-series designations are as follows: (1) $325 million Series 2016A1 tax anticipation notes closed on September 8, 2016; (2) $250 million of Series 2016A2 tax anticipation notes closed on October 3, 2016; (3) $475 million Series 2016A3 tax anticipation notes closed on November 10, 2016; and (4) $600 million Series 2016A4 tax anticipation notes closed on January 12, 2017. The Series 2016A1, A2 and A3 TANs totaling $950 million were privately placed with JP Morgan. The Series 2016A4 TANs were privately placed with PNC Bank. The 2016 Tax Levy will be collected and held by a trustee, and it will be used to repay each issue.

The interest rate on each of the series of the Series 2016A TANs is a variable and equal to the lesser of: (i) the sum of (A) the product of (I) 0.70 multiplied by (II) LIBOR, plus (B) the Applicable Spread; and (ii) 9.00%.

NOTE 16 — SUBSEQUENT EVENTS (continued)

Principal of and interest on the 2016A TANs is payable on the respective sub-series maturity date of each series of the 2016A TANs from the revenues from the 2016 Tax Levy. Property taxes are payable in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill calculated at 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill. The maturity date of the 2016A4 TANs is March 31, 2017. The maturity date of the 2016A2, A3 and A4 TANs is the earlier of (A) December 15, 2017 or (B) (1) September 30, 2017, if the Tax Penalty Date is on or prior to August 1, 2017 or (2) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2017.

The 2016A TANs are subject to extraordinary mandatory redemption on occurrence of certain events of default under the indentures securing 2016 TANs and in the event a court or other governmental authority shall rule or otherwise make a determination that the Board is not legally entitled to levy or collect the 2016 Levy, or that tax receipts are not available to pay the expenses of the Board or the 2016A TANs at any time, in either case, at the discretion of the Board, or any such court or other governmental authority shall make any other ruling or determination that adversely affects or limits the security for the 2016A TANs.

Issuance of Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2016B

On July 29, 2016, the Board issued fixed-rate $150.0 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue), Series 2016B (the "Series 2016B" Bonds") with an original issue discount of $13.5 million.

The proceeds of the Series 2016B Bonds were used to provide funds for the continued implementation of the Board's Capital Improvement Program, fund capitalized interest on the Series 2016B Bonds, and pay the costs of issuance on the Series 2016B Bonds.

The Series 2016B Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2016B Bonds. The debt service on the Series 2016B Bonds will be paid from General State Aid Revenues.

Issuance of Dedicated Capital Improvement Tax Bonds Series 2016

On January 4, 2017, the Board issued $729.58 million fixed-rate Dedicated Capital Improvement Tax Bonds, Series 2016 (the "2016 CIT Bonds") with an original issue discount of $22.35 million.

The proceeds of the 2016 CIT Bonds will be used to finance certain permitted capital improvement projects, make a deposit to a consolidated debt service reserve fund, fund capitalized interest on the 2016 CIT Bonds through April 1, 2018, and pay costs of issuance of the 2016 CIT Bonds.

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

NOTE 16 — SUBSEQUENT EVENTS (continued)

Pension Property Tax Levy.

In 2016, the Illinois General Assembly adopted and Governor Rauner signed, Public Act 099 — 0521 that authorized the Board to annually levy a property tax on all real property within the boundaries of the School District at a rate not to exceed 0.383%. The proceeds from this additional tax are expected to be approximately $250 million in Fiscal Year 2017 and will be paid directly to the Pension Fund to be credited to the Board's annual required contribution. The pension property tax levy is not subject to the limitations of PTELL and does not impact State Aid Revenues received by the Board. Public Act 099 — 0521 becomes effective June 1, 2017 and the Board has authorized the levy of this additional tax for tax year 2016 and expects that the full 2016 pension property tax levy will be collected in an approximate amount of $250 million with the second property tax installment payment expected to be due August 1, 2017. The Board's Fiscal Year 2017 budget reflects that this $250 million in revenue will be credited to its required Statutory Contribution to the Pension Fund due in June 2017; however, agreement on this credit has not been finalized with the Pension Fund and the Board cannot predict whether the Pension Fund will apply the credit to the June 2017 required Statutory Contribution.

Teachers Contract and Revised 2017 Budget

The Board's agreement with Chicago Teacher's Union ("CTU") expired on June 30, 2015. On October 10, 2016, both parties reached a new agreement on all issues subject to collective bargaining. The new agreement was then ratified by CTU's House of Delegates and, subsequently, by the CTU's full membership on November 1, 2016. The Board approved the new agreement and a revised Fiscal Year 2017 Budget at a December 7, 2016. The Board expects the new agreement to increase costs by approximately $55 million above the amounts budgeted for Fiscal Year 2017. The revised Fiscal Year 2017 Budget will provide funding for the increased costs from additional revenues provided from surplus tax increment financing revenues that the City of Chicago has announced it will distribute to the Board in Fiscal Year 2017.

NOTE 17. FUTURE SUSTAINABILITY

For the year ended June 30, 2016 the total fund balance in the General Fund decreased by $487 million and as of June 30, 2016, the total fund balance in the General Fund was a deficit of $127 million and the unrestricted net position as reported in the Government-Wide Financial Statements, is a deficit of $12.2 billion. The long-term future sustainability of the District at its current operating level is dependent on new revenue sources or major reductions in costs.

Fiscal Year 2017 Budget

The Board approved on August 24, 2016 a balanced budget for fiscal year 2017. The budget contains estimated resources of $5.5 billion for operations which is .6 billion greater than actual revenue for 2016. The fiscal 2017 budget is available at http://cps.edu/budget.

The 2017 Budget plan reflects an increase of state funding as well as increasing personnel and operating costs, teacher pension costs and debt service costs. CPS has three main sources of revenues: 1) property taxes 2) state revenues and 3) federal revenues, of which property taxes are the District's largest single source of revenue.

1. In fiscal year 2016, property taxes increased by $104 million from fiscal year 2015. Growth is normally capped at the rate of inflation (on existing properties), although in 2017 the State allowed CPS to increase its property tax levy by an additional $250 million to be used for pension funding purposes.

NOTE 17. FUTURE SUSTAINABILITY (continued)

2. The 2017 budget includes additional State funding of $420 million. Included in the estimate of these resources is $215 million State Pension Equity Funding that has not yet been approved or appropriated by the State. Without additional funding from the State, CPS will need to make difficult decisions to balance fiscal year 2018 and future budgets.
3. Federal revenues is the third major source of funding which has remained relatively stable.

The 2016 total budgeted expenditures were $5.7 billion and the actual were $5.4 billion, a favorable variance of 300 million. The 2017 Budget reflects estimated expenditures of $5.5 billion. Approximately 70% of the District's costs are payroll related. Cost reductions initiated in 2016 are expected to continue in 2017.

The overall increase in pension costs is largely due to several years of pension contribution deferrals, lower than expected returns on plan investments, a growing unfunded liability balance and a change to State law requiring the plan to be 90% funded by 2059. In fiscal year 2017, CPS estimates a pension contribution of $733 million for the required pension contribution to the Chicago Teachers Pension Fund (CTPF). In contrast, the fiscal year 2016 contribution was $676 million, which is a 7.78% increase.

Risk Mitigation and Debt

To mitigate risks, CPS monitors credit markets to determine the most advantageous conditions for debt issuance. Despite credit rating downgrades, CPS continues to have borrowing capacity and will continue to access the long term credit market. A new credit instrument restricted for capital purposes and debt retirement was introduced to the marketplace in December 2016, backed by a dedicated capital improvement tax, which received a single 'A' investment grade rating. Furthermore, the District has access to the short term market and has increased our total lines of credit from $1.0 billion in 2016 to $1.5 billion in 2017. Management has no reason to believe CPS will not receive an extension of their existing variable lines of credit.

Management Initiatives and Internal Factors

Our experienced Board of Directors and senior management team have instituted extensive reviews of operations, identified efficiencies and created cash and overall financial forecasts to identify concerns and act immediately to remedy them. CPS has a myriad of tools and remedies to improve its financial condition and liquidity position. CPS has taken, and will continue to take, action to improve their financial condition in several ways including, but not limited to:

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

NOTE 17. FUTURE SUSTAINABILITY (continued)

External Factors

In addition to the internal factors driving CPS' financial and operational performance, other external factors outside of CPS' direct control include, but are not limited to:

- Request for equitable state funding-Pending with the State government.
- Pension reform

CPS believes internal decisions and initiatives, coupled with Local and State responses to appropriately fund public education, will sufficiently address the CPS deficit and provide adequate liquidity. Without these actions, CPS may be in a deficit cash position in fiscal year 2017and without additional funding, CPS will need to make difficult decisions to balance fiscal year 2018 and future budgets.

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

Chicago Public Schools

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES BY OBJECT
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL — GENERAL OPERATING FUND
For the Fiscal Year Ended June 30, 2016
(Thousands of Dollars)

	Original Budget	Supplemental Appropriations & Tranfers In/(Out)	Final Budget	Fiscal Year Actual	Over (under) Budget
Revenues:					
Property taxes	$2,307,809	$ —	$2,307,809	$2,313,469	$ 5,660
Replacement taxes	149,517	—	149,517	115,961	(33,557)
State aid	2,057,293	—	2,057,293	1,398,855	(658,437)
Federal aid	852,618	—	852,618	776,277	(76,341)
Interest and investment earnings	140	—	140	1,347	1,207
Other	245,223	—	245,223	271,858	26,635
Total revenues	$5,612,600	$ —	$5,612,600	$4,877,767	(734,833)
Expenditures:					
Salaries —					
Teachers' salaries	$1,935,371	$(62,570)	$1,872,801	$1,869,683	$ (3,118)
Career service salaries	618,006	(4,544)	613,462	605,817	(7,645)
Commodities -		—			
Energy	78,339	(6,697)	71,642	70,227	(1,415)
Food	102,406	(2,691)	99,715	98,777	(938)
Textbook	41,857	13,246	55,103	54,856	(247)
Supplies	40,987	14,070	55,057	47,085	(7,972)
Other	462	17	479	294	(185)
Services —		—			
Professional and special services	284,875	71,656	356,531	314,732	(41,799)
Charter Schools	730,064	(12,296)	717,768	704,981	(12,786)
Transportation	100,147	2,017	102,164	104,450	2,286
Tuition	50,439	14,154	64,593	61,028	(3,565)
Telephone and telecommunications	26,133	403	26,536	24,579	(1,957)
Other	15,395	5,945	21,340	16,471	(4,869)
Equipment — educational	22,020	18,606	40,626	45,407	4,782
Building and Sites —		—			
Repair and replacements	20,547	(95)	20,452	18,853	(1,598)
Capital outlay	—	2,386	2,386	1,135	(1,251)
Teachers' pension	817,958	(24,157)	793,801	811,051	17,250
Career service pension	96,511	8,044	104,555	102,762	(1,793)
Hospitalization and dental insurance	347,273	8,151	355,424	348,083	(7,341)
Medicare	38,820	(3,407)	35,413	34,824	(589)
Unemployment compensation	8,923	652	9,575	9,438	(137)
Workers compensation	22,670	(2,728)	19,942	20,337	395
Rent	16,295	958	17,253	16,012	(1,242)
Debt service	20,417	—	20,417	25,003	4,586
Other	255,910	(41,120)	214,790	8,961	(205,829)
Total expenditures	$5,691,825	$ —	$5,691,825	$5,414,846	(276,979)
Revenues in excess of (less than) expenditures	$ (79,225)	$ —	$ (79,225)	$ (537,079)	(457,854)
Other financing sources (uses):					
Transfers in / (out)	$ —	—	$ —	$ 50,162	50,162
Total other financing sources (uses)	—	—	—	50,162	50,162
Net change in fund balances	$ (79,225)	—	$ (79,225)	$ (486,917)	$(407,692)
Fund balances, beginning of period	360,285	—	360,285	360,285	—
Fund balances, end of period	$ 281,060	—	$ 281,060	$ (126,632)	$(407,692)

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

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY

For the Two Fiscal Years Ended June 30, 2016

(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago:

	2015	2016
CPS' Proportion of the Net Pension Liability	100.000%	100.000%
CPS' Proportionate Share of the Net Pension Liability	$9,501,206	$10,023,263
State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS	—	—
Total	$9,501,206	$10,023,263
CPS' Covered Employee Payroll	$2,233,281	$ 2,273,551
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	425.44%	440.86%
CTPF Plan Net Position as a Percentage of Total Pension Liability	53.23%	51.61%

Municipal Employees' Annuity and Benefit Fund of Chicago:

	2015	2016
CPS' Proportion of the Net Pension Liability	0.000%	0.000%
CPS' Proportionate Share of the Net Pension Liability	$ —	$ —
Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with CPS	2,779,767	7,829,700
Total	$2,779,767	$ 7,829,700
Covered Employee Payroll	$ 625,161	$ 691,178
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%
MEABF Plan Net Position as a Percentage of Total Pension Liability	42.09%	20.30%

NOTES:

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

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CPS' CONTRIBUTIONS TO DEFINED BENEFIT PENSION PLANS
For the Two Fiscal Years Ended June 30, 2016
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

Year Ended	CPS' Contractually Required Contributions	Contributions made on behalf of CPS by the State of Illinois	CPS Contributions related to the Contractually required contributions	Total Contributions	Contribution Deficiency (Excess)	CPS' Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2016	$687,965	$12,105	$675,860	$687,965	$ —	$2,281,269	30.16%
June 30, 2015	696,522	62,145	634,377	696,522	—	$2,273,551	30.64%

Municipal Employees' Annuity and Benefit Fund of Chicago

Year Ended	Contractually Required Contributions	Contributions made on behalf of CPS by the City of Chicago	Total Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2016	$288,660	$61,885	$61,885	$226,775	$691,178	8.95%
June 30, 2015	327,225	58,200	58,200	269,025	625,161	9.31%

NOTE:

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

The Schedule is intended to show information for 10 years.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2015	$21,713	$1,910,992	$1,889,279	1.14%	$2,155,604	87.64%
6/30/2014	35,977	1,938,856	1,902,878	1.86%	2,233,281	85.21%
6/30/2013	35,797	2,386,106	2,350,309	1.50%	2,239,347	104.96%
6/30/2012	34,125	3,110,316	3,076,191	1.10%	2,224,903	138.26%
6/30/2011	31,325	3,071,517	3,040,192	1.02%	2,090,132	145.45%
6/30/2010	34,858	2,864,877	2,830,019	1.22%	2,107,934	134.26%
6/30/2009	49,692	2,670,283	2,620,591	1.86%	1,996,194	131.28%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS AND ACTUAL
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015

	Final Budget	Fiscal Year 2016 Actual	Over (under) Budget	Fiscal Year 2015 Actual	2016 Over (under) 2015
Revenues:					
Property taxes	$2,307,809	$2,313,469	$ 5,660	$2,252,828	$ 60,641
Replacement taxes	149,517	115,961	(33,556)	143,867	(27,906)
State aid	2,057,293	1,398,855	(658,438)	1,579,324	(180,469)
Federal aid	852,618	776,277	(76,341)	767,548	8,729
Interest and investment earnings	140	1,347	1,207	198	1,149
Other	245,223	271,858	26,635	165,819	106,039
Total revenues	$5,612,600	$4,877,767	$(734,833)	$4,909,584	$ (31,817)
Expenditures:					
Teachers' salaries	$1,872,801	$1,869,683	$ (3,118)	$1,953,938	$ (84,255)
Career service salaries	613,462	605,817	(7,645)	622,591	(16,774)
Energy	71,642	70,227	(1,415)	74,516	(4,289)
Food	99,715	98,777	(938)	99,573	(796)
Textbook	55,103	54,856	(247)	55,255	(399)
Supplies	55,057	47,085	(7,972)	50,571	(3,486)
Other commodities	479	294	(185)	474	(180)
Professional fees	356,531	314,732	(41,799)	395,221	(80,489)
Charter Schools	717,768	704,981	(12,786)	662,553	42,428
Transportation	102,164	104,450	2,286	103,891	559
Tuition	64,593	61,028	(3,565)	90,901	(29,873)
Telephone and telecommunications	26,536	24,579	(1,957)	28,061	(3,482)
Other services	21,340	16,471	(4,869)	14,133	2,338
Equipment – educational	40,626	45,407	4,782	60,962	(15,555)
Repair and replacements	20,452	18,853	(1,598)	27,291	(8,438)
Capital outlay	2,386	1,135	(1,251)	5	1,130
Teachers' pension	793,801	811,051	17,250	826,304	(15,253)
Career service pension	104,555	102,762	(1,793)	102,012	750
Hospitalization and dental insurance	355,424	348,083	(7,341)	357,124	(9,041)
Medicare	35,413	34,824	(589)	36,557	(1,733)
Unemployment compensation	9,575	9,438	(137)	8,138	1,300
Workers compensation	19,942	20,337	395	25,926	(5,589)
Rent	17,253	16,012	(1,242)	13,029	2,982
Debt service	20,417	25,003	4,586	1,971	23,032
Other fixed charges	214,790	8,961	(205,829)	9,368	(407)
Total expenditures	$5,691,825	$5,414,846	$(276,979)	$5,620,366	$(205,520)
Revenues in excess of (less than) expenditures	$ (79,225)	$ (537,079)	$(457,854)	$ (710,782)	$ 173,703
Other financing sources (uses):					
Transfers in / (out)	$ —	$ 50,162	$ 50,162	$ (12,915)	$ 63,077
Total other financing sources (uses)	$ —	50,162	$ 50,162	$ (12,915)	63,077
Net change in fund balances	$ (79,225)	$ (486,917)	$(407,692)	$ (723,697)	$ 236,780
Fund balances, beginning of period	360,285	360,285	—	1,083,982	(723,697)
Fund balances, end of period	$ 281,060	$ (126,632)	$(407,692)	$ 360,285	$(486,917)

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Capital Projects Fund

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

Capital Asset Program:

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

Capital Improvement Program:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2016
(Thousands of dollars)

	Capital Asset Program	Capital Improvement Program	Total
Revenues:			
Property taxes	$ —	$ 42,588	$ 42,588
State aid	—	39,430	39,430
Federal aid	—	7,707	7,707
Interest and investment earnings	—	84	84
Other	—	62,910	62,910
Total revenues	$ —	$ 152,719	$ 152,719
Expenditures:			
Capital outlay	$ 238	$ 293,073	$ 293,311
Total expenditures	$ 238	$ 293,073	$ 293,311
Revenues less than expenditures	$ (238)	$(140,354)	$(140,592)
Other financing sources:			
Gross amounts from debt issuances	—	428,892	428,892
Discounts	—	(64,953)	(64,953)
Sales of general capital assets	15,012	—	15,012
Total other financing sources (uses)	$15,012	$ 363,939	$ 378,951
Net change in fund balances	$14,774	$ 223,585	$ 238,359
Fund balances, beginning of period	26,046	(157,157)	(131,111)
Fund balances, end of period	$40,820	$ 66,428	$ 107,248

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL ASSET PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2016	Variance	Fiscal Year 2015	2016 Over (Under) 2015
Expenditures:					
Services	$ 47	$ 41	$ (6)	$ —	$ 41
Educational equipment	8	—	(8)	—	—
Capital outlay	6,193	197	(5,996)	15,366	(15,169)
Total expenditures	$ 6,248	$ 238	$ (6,010)	$ 15,366	$(15,169)
Revenues less than expenditures	$ (6,248)	$ (238)	$ (6,010)	$(15,366)	$ 15,128
Other financing sources:					
Sales of general capital assets	$ —	$15,012	$15,012	$ 37,504	$(22,492)
Total other financing sources (uses)	$ —	$15,012	$15,012	$ 37,504	$(22,492)
Net change in fund balance	$ (6,248)	$14,774	$21,022	$ 22,138	$ (7,364)
Fund balance, beginning of period	26,046	26,046	—	3,908	22,138
Fund balance, end of period	$19,798	$40,820	$21,022	$ 26,046	$ 14,774

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL IMPROVEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2016	Variance	Fiscal Year 2015	2016 Over (Under) 2015
Revenues:					
Property taxes	$ —	$ 42,588	$ 42,588	$ —	$ 42,588
State aid	96,349	39,430	(56,919)	31,587	7,843
Federal aid	12,487	7,707	(4,780)	6,498	1,209
Interest and investment earnings	—	84	84	368	(284)
Other	82,535	62,910	(19,625)	107,171	(44,261)
Total revenues	$ 191,371	$ 152,719	$ (38,651)	$ 145,624	$ 7,095
Expenditures:					
Salaries	$ 1,436	$ 824	$ (612)	$ 492	$ 332
Services	17,503	16,828	(674)	3,665	13,163
Educational equipment	67	—	(67)	6,278	(6,278)
Capital outlay	642,214	269,049	(373,165)	348,811	(79,762)
Career Service Pension	146	146	—	89	57
Hospitalization and dental insurance	65	65	—	38	27
Medicare	11	11	—	7	4
Unemployment compensation	3	3	—	2	1
Workers compensation	7	7	—	5	2
Other	(5,853)	6,140	11,993	—	6,140
Total expenditures	$ 655,599	$ 293,073	$(362,525)	$ 359,387	$ (66,312)
Revenues less than expenditures	$(464,228)	$(140,354)	$ 323,874	$(213,763)	$ 73,407
Other financing sources:					
Gross amounts from debt issuances	$ 555,000	$ 428,892	$(126,108)	$ 148,530	$280,362
Discounts	—	(64,953)	(64,953)	—	(64,953)
Transfers (out)/in	40,000	—	(40,000)	—	—
Total other financing sources	$ 595,000	$ 363,939	$(231,061)	$ 148,530	$215,410
Net change in fund balance	$ 130,772	$ 223,585	$ 92,812	$ (65,233)	$288,818
Fund balance, beginning of period	(157,157)	(157,157)	—	(91,924)	(65,233)
Fund balance, end of period	$ (26,385)	$ 66,428	$ 92,812	$(157,157)	$223,585

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Service Fund

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

Bond Redemption and Interest Program:

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

Public Building Commission Leases Program:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of Dollars)

	Bond Redemption and Interest Program	Public Building Commission Leases Program	Total
Revenues:			
Property taxes	$ —	$52,358	$ 52,358
Replacement taxes	45,574	—	45,574
State aid	114,041	—	114,041
Federal aid	25,015	—	25,015
Interest and investment earnings	(97,225)	144	(97,081)
Other	102,274	—	102,274
Total revenues	$ 189,679	$52,502	$ 242,181
Expenditures:			
Debt service	$ 403,288	$51,997	$ 455,285
Total expenditures	$ 403,288	$51,997	$ 455,285
Revenues in excess of (less than) expenditures	$(213,609)	$ 505	$(213,104)
Other financing sources (uses):			
Gross amounts from debt issuances	$ 296,107	$ —	$ 296,107
Discounts	(45,118)	—	(45,118)
Payment to refunded bond escrow agent	(120,856)	—	(120,856)
Transfers in / (out)	(50,066)	(96)	(50,162)
Total other financing sources (uses)	$ 80,067	$ (96)	$ 79,971
Net change in fund balances	$(133,542)	$ 410	$(133,133)
Fund balances, beginning of period	544,531	57,909	602,440
Fund balances, end of period	$ 410,989	$58,319	$ 469,307

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2016	Variance	Fiscal Year 2015	2016 Over (Under) 2015
Revenues:					
Replacement taxes	$ 58,283	$ 45,574	$ (12,709)	$ 58,281	$ (12,707)
State aid	42,900	114,041	71,141	236,158	(122,117)
Federal aid	24,827	25,015	188	24,885	130
Interest and investment earnings	30	(97,225)	(97,255)	(93,389)	(3,836)
Other	95,500	102,274	6,774	104,296	(2,022)
Total revenues	$ 221,541	$ 189,679	$ (31,862)	$ 330,231	$(140,552)
Expenditures:					
Debt Service	486,651	403,288	(83,362)	481,464	(78,176)
Total expenditures	$ 486,651	$ 403,288	$ (83,362)	$ 481,464	$ (78,176)
Revenues less than expenditures	$(265,110)	$(213,609)	$ 51,501	$(151,233)	$ (62,376)
Other financing sources:					
Gross amounts from debt issuances	$ 294,530	$ 296,107	$ 1,577	$ 413,350	$(117,243)
Discounts	—	(45,118)	(45,118)	(12,502)	(32,616)
Payment to refunded bond escrow agent	—	(120,856)	(120,856)	(386,710)	265,854
Transfers in / (out)	—	(50,066)	(50,066)	12,920	(62,986)
Total other financing sources	$ 294,530	$ 80,067	$(214,464)	$ 27,058	$ 53,009
Net change in fund balance	$ 29,420	$(133,542)	$(162,963)	$(124,175)	$ (9,367)
Fund balance, beginning of period	544,531	544,531	—	668,706	(124,175)
Fund balance, end of period	$ 573,951	$ 410,989	$(162,963)	$ 544,531	$(133,542)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2016	Variance	Fiscal Year 2015	2016 Over (Under) 2015
Revenues:					
Property taxes	$51,997	$52,358	$361	$51,828	$ 530
Interest and investment earnings	—	144	144	(2)	146
Total revenues	$51,997	$52,502	$505	$51,826	$ 676
Expenditures:					
Debt Service	51,997	51,997	—	52,029	(32)
Total expenditures	$51,997	$51,997	$ —	$52,029	$ (32)
Revenues less than expenditures	$ —	$ 505	$505	$ (203)	$ 708
Other financing sources:					
Transfers in / (out)	—	(96)	(96)	(5)	(91)
Total other financing sources	$ —	$ (96)	$ (96)	$ (5)	$ (91)
Net change in fund balance	$ —	$ 410	$410	$ (208)	$ 618
Fund balance, beginning of period	57,909	57,909	—	58,117	(208)
Fund balance, end of period	$57,909	$58,319	$410	$57,909	$ 410

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

Unless otherwise noted, the information contained herein is derived from the comprehensive annual financial reports for the relevant year.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Thousands of dollars)

	2007	2008	2009 (1) (as restated)	2010 (2)
Net investment in capital assets	$ 267,249	$ 133,440	$ 30,202	$ 440,099
Restricted for:				
Debt service	413,747	445,782	391,392	442,851
Donations	1,765	1,826	3,695	5,825
Enabling legislation	129,597	102,695	101,072	109,163
Grants and donations	—	—	—	—
Workers' comp/tort immunity	—	—	—	—
Unrestricted	(698,809)	(784,702)	(1,017,248)	(1,916,207)
Total net position	$ 113,549	$(100,959)	$ (490,887)	$ (918,269)

NOTES:

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

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

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

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

2011 (3)	2012 (4) (as restated)	2013	2014	2015	2016
$ 370,159	$ 310,028	$ 80,009	$ (37,194)	$ (159,007)	$ (342,529)
276,097	282,253	345,399	368,794	445,663	510,743
—	—	—	—	—	
—	—	—	—	—	
70,045	70,302	63,862	61,451	64,584	65,282
91,036	92,680	64,985	19,838	41,373	35,116
(2,009,152)	(2,552,441)	(3,358,734)	(4,372,335)	(11,604,516)	(12,239,387)
$(1,201,815)	$(1,797,178)	$(2,804,479)	$(3,959,446)	$(11,211,903)	$(11,970,775)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2007	2008	2009	2010
Governmental Activities:				
Expenses:				
Instruction	$ 3,096,529	$ 3,138,036	$ 3,324,936	$ 3,507,221
Pupil support services	360,628	384,765	408,705	438,164
Administrative support services	178,891	205,693	233,361	201,908
Facilities support services	461,265	519,982	582,539	481,245
Instructional support services	481,477	496,708	512,427	523,851
Food services	186,297	193,614	203,880	207,127
Community services	45,203	46,779	56,392	50,879
Interest expense	219,826	274,356	259,850	258,360
Other	8,126	10,652	8,504	12,919
Total governmental activities	$ 5,038,242	$ 5,270,585	$ 5,590,594	$ 5,681,674
Program revenues:				
Charges for services				
Instruction	$ 3,748	$ 3,940	$ 5,189	$ 4,308
Food services	8,784	8,537	8,298	6,881
Operating grants and contributions	862,674	945,723	1,250,526	1,376,744
Capital grants and contributions	97,477	128,570	151,405	99,054
Total program revenues	$ 972,683	$ 1,086,770	$ 1,415,418	$ 1,486,987
Revenues (less than) expenditures	$(4,065,559)	$(4,183,815)	$(4,175,176)	$(4,194,687)
General revenues and other changes in net position:				
Taxes:				
Property taxes	$ 1,813,006	$ 1,861,781	$ 1,936,656	$ 1,896,265
Replacement taxes	201,509	215,489	188,503	152,497
Non-program state aid	1,651,730	1,756,386	1,603,926	1,532,679
Interest and investment earnings	116,907	85,896	43,692	12,734
Gain recognized from swaptions earnings	37,647	—	—	—
Gain on sale of capital assets	22,919	45,386	91	—
Other	162,779	4,369	56,132	173,130
Extraordinary item — gain on impairment of capital assets	—	—	708	—
Total general revenues and extraordinary item	$ 4,006,497	$ 3,969,307	$ 3,829,708	$ 3,767,305
Change in net position	$ (59,062)	$ (214,508)	$ (345,468)	$ (427,382)

2011	2012	2013	2014	2015	2016
$ 3,712,681	$ 3,742,788	$ 4,040,352	$ 4,139,906	$ 4,217,996	$ 3,870,330
545,428	483,167	494,076	487,139	484,745	470,316
187,559	192,605	211,294	241,913	249,662	318,736
499,093	455,342	490,381	654,971	477,892	454,652
541,714	473,202	491,137	474,926	492,232	468,999
215,609	219,382	234,659	205,989	207,834	211,288
47,021	38,941	39,946	37,507	37,997	36,967
285,577	310,452	337,053	335,237	332,023	365,136
8,845	8,115	7,043	6,134	6,319	7,388
$ 6,043,527	$ 5,923,994	$ 6,345,941	$ 6,583,722	$ 6,506,700	$ 6,203,812
$ 692	$ 727	$ 700	$ 657	$ 571	$ 612
6,404	6,083	5,554	3,485	1,303	1,336
1,368,118	1,196,073	963,325	1,086,885	1,051,655	1,147,750
184,837	112,914	186,394	162,403	356,189	109,766
$ 1,560,051	$ 1,315,797	$ 1,155,973	$ 1,253,430	$ 1,409,718	$ 1,259,464
$(4,483,476)	$(4,608,197)	$(5,189,968)	$(5,330,292)	$(5,096,982)	$(4,944,348)
$ 2,053,119	$ 2,089,016	$ 2,156,943	$ 2,218,033	$ 2,302,881	$ 2,399,287
197,762	181,927	185,884	188,040	202,148	161,535
1,792,747	1,611,726	1,688,611	1,572,564	1,492,019	1,442,822
17,101	20,683	7,879	15,563	(47,720)	(18,706)
—	—	—	—	—	—
—	—	—	—	—	10,058
139,201	147,550	143,350	181,125	125,638	190,480
—	—	—	—	—	—
$ 4,199,930	$ 4,050,902	$ 4,182,667	$ 4,175,325	$ 4,074,966	$ 4,185,476
$ (283,546)	$ (557,295)	$(1,007,301)	$(1,154,967)	$(1,022,016)	$ (758,872)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2007	2008	2009	2010
General operating fund				
Reserved	$ 229,093	$ 237,205	$215,452	$226,154
Unreserved	404,843	432,391	311,422	198,461
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total general operating fund	$ 633,936	$ 669,596	$526,874	$424,615
All other governmental funds				
Reserved	$ 463,935	$ 541,068	$373,010	$604,733
Unreserved, reported in:				
Capital projects fund	481,445	337,506	—	33,846
Debt service fund	158,480	178,489	154,616	124,556
Nonspendable	—	—	—	—
Restricted for capital improvement program	—	—	—	—
Restricted for debt service	—	—	—	—
Assigned for debt service	—	—	—	—
Unassigned (deficit)	—	—	—	—
Total all other governmental funds	$1,103,860	$1,057,063	$527,626	$763,135

NOTE:

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

2011 (1)	2012	2013	2014	2015	2016
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
1,972	3,329	1,720	429	429	429
69,616	69,873	63,434	61,022	64,155	64,854
91,036	92,680	64,985	19,838	41,373	35,116
289,000	—	—	—	—	—
181,300	348,900	562,682	267,652	79,225	—
102,163	110,397	105,664	87,067	73,101	—
5,293	443,575	150,658	—	102,002	(227,031)
$740,380	$1,068,754	$949,143	$436,008	$ 360,285	$(126,632)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	5,674	4,388	—	—	—
182,884	88,762	169,368	—	—	107,248
271,643	332,517	466,966	491,552	545,383	535,116
231,413	254,967	269,167	193,877	57,057	—
—	—	—	(91,953)	(131,111)	(65,809)
$685,940	$ 681,920	$909,889	$593,476	$ 471,329	$ 576,555

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2007	2008	2009	2010
Revenues:				
Property taxes	$1,767,760	$ 1,813,917	$1,896,540	$2,047,163
Replacement taxes	201,509	215,489	188,503	152,497
State aid	1,701,585	1,846,034	1,511,886	1,552,076
Federal aid	746,029	876,041	1,125,580	1,180,148
Interest and investment earnings	116,907	85,895	43,693	12,483
Other	286,230	181,028	253,376	359,661
Total revenues	$4,820,020	$ 5,018,404	$5,019,578	$5,304,028
Expenditures:				
Current:				
Instruction	$2,491,653	$ 2,575,124	$2,773,440	$2,898,855
Pupil support services	349,324	362,325	390,399	416,502
General support services	914,117	986,905	1,057,672	1,010,637
Food services	179,902	181,778	194,603	196,828
Community services	45,467	45,708	56,003	50,331
Teachers' pension and retirement benefits	155,563	206,651	237,011	294,424
Other	8,126	10,652	8,504	11,928
Capital outlay	345,963	466,895	672,412	705,691
Debt service:				
Principal	180,767	60,568	81,351	141,977
Interest	154,669	206,028	212,934	236,261
Other charges	6,743	15,546	7,921	8,359
Total expenditures	$4,832,294	$ 5,118,180	$5,692,250	$5,971,793
Revenues (less than) expenditures	$ (12,274)	$ (99,776)	$ (672,672)	$ (667,765)
Other financing sources (uses):				
Gross amounts from debt issuances	$ 355,805	$ 1,674,555	$ 225,675	$1,083,260
Premiums on bonds issued	14,444	41,226	—	6,459
Insurance proceeds	—	—	1,155	—
Sales of general capital assets	25,673	6,404	91	—
Payment to refunded bond escrow agent	—	(1,474,081)	(226,408)	(288,704)
Transfers in	1,904	3,813	20,389	—
Transfers out	(1,904)	(3,813)	(20,389)	—
Proceeds from notes	—	—	—	—
Discounts on bonds issued	—	—	—	—
Capital leases	—	—	—	—
Total other financing sources (uses)	$ 395,922	$ 248,104	$ 513	$ 801,015
Net changes in fund balances	$ 383,648	$ 148,328	$ (672,159)	$ 133,250
Debt service as a percentage of noncapital expenditures	7.35%	5.61%	5.71%	7.07%

NOTES:

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

2011	2012	2013	2014 (2)	2015	2016
$1,936,655	$2,352,136	$2,211,568	$2,204,252	$ 2,304,656	$2,408,416
197,762	181,927	185,884	188,041	202,148	161,535
1,949,781	1,965,901	1,815,798	1,840,805	1,847,069	1,552,325
1,144,884	935,951	845,796	907,241	798,931	808,999
13,399	20,760	7,303	15,596	(92,825)	(95,650)
417,516	303,744	322,128	286,472	377,286	437,042
$5,659,997	$5,760,419	$5,388,477	$5,442,407	$ 5,437,265	$5,272,667
$2,955,772	$2,992,481	$3,034,509	$3,126,689	$ 3,253,484	$2,970,553
508,803	469,366	454,240	457,939	459,672	448,254
1,023,004	967,692	941,270	987,048	972,526	1,044,740
201,325	213,115	215,739	193,642	197,084	201,377
45,848	39,794	39,656	37,460	38,003	37,497
149,377	183,499	227,766	593,225	676,078	664,123
8,845	8,115	7,043	6,134	6,319	7,388
580,363	591,148	519,604	534,980	391,953	308,091
70,848	88,466	73,423	148,272	214,707	139,096
249,975	275,707	304,788	315,927	310,923	310,778
11,274	10,321	12,198	3,705	7,863	31,545
$5,805,434	$5,839,704	$5,830,236	$6,405,021	$ 6,528,612	$6,163,442
$ (145,437)	$ (79,285)	$ (441,759)	$ (962,614)	$(1,091,347)	$ (890,775)
$ 638,790	$ 592,510	$ 982,720	$ 131,600	$ 561,880	$ 724,999
14,700	1,229	47,271	—	—	—
—	—	—	—	—	—
—	—	723	7,301	37,504	15,012
(269,483)	(190,100)	(480,597)	—	(386,710)	(120,856)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	(12,502)	(110,071)
—	—	—	—	—	—
$ 384,007	$ 403,639	$ 550,117	$ 138,901	$ 200,172	$ 509,084
$ 238,570	$ 324,354	$ 108,358	$ (823,713)	$ (891,175)	$ (381,691)
6.09%	6.89%	7.02%	7.64%	8.47%	7.68%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2007		2008		2009	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	$1,767,760	36.7%	$1,813,917	36.1%	$1,896,540	37.8%
Replacement taxes	201,509	4.2%	215,489	4.3%	188,503	3.8%
State aid	1,701,585	35.3%	1,846,034	36.8%	1,511,886	30.1%
Federal aid	746,029	15.5%	876,041	17.5%	1,125,580	22.4%
Interest and investment earnings	116,907	2.4%	85,895	1.7%	43,693	0.9%
Other	286,230	5.9%	181,028	3.6%	253,376	5.0%
Total revenues	$4,820,020	100.0%	$5,018,404	100.0%	$5,019,578	100.0%

	2014 (as restated)		2015		2016	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	$2,204,252	40.5%	$2,304,656	42.4%	$2,408,416	45.7%
Replacement taxes	188,041	3.5%	202,148	3.7%	161,535	3.1%
State aid	1,840,805	33.9%	1,847,069	34.0%	1,552,325	29.4%
Federal aid	907,241	16.7%	798,931	14.7%	808,999	15.3%
Interest and investment earnings	15,596	0.3%	(92,825)	-1.7%	(95,650)	-1.8%
Other	286,472	5.3%	377,286	6.9%	437,042	8.3%
Total revenues	$5,442,407	100.0%	$5,437,265	100.0%	$5,272,667	100.0%

NOTES:

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

2010		2011		2012		2013	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$2,047,163	38.6%	$1,936,655	34.2%	$2,352,136	40.8%	$2,211,568	41.1%
152,497	2.9%	197,762	3.5%	181,927	3.2%	185,884	3.4%
1,552,076	29.3%	1,949,781	34.5%	1,965,901	34.1%	1,815,798	33.7%
1,180,148	22.3%	1,144,884	20.2%	935,951	16.2%	845,796	15.7%
12,483	0.2%	13,399	0.2%	20,760	0.4%	7,303	0.1%
359,661	6.7%	417,516	7.4%	303,744	5.3%	322,128	6.0%
$5,304,028	100.0%	$5,659,997	100.0%	$5,760,419	100.0%	$5,388,477	100.0%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2007		2008		2009	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction	$2,491,653	51.6%	$2,575,124	50.3%	$2,773,440	48.7%
Pupil support services	349,324	7.2%	362,325	7.1%	390,399	6.9%
General support services	914,117	18.9%	986,905	19.3%	1,057,672	18.6%
Food services	179,902	3.7%	181,778	3.6%	194,603	3.4%
Community services	45,467	0.9%	45,708	0.9%	56,003	1.0%
Teachers' pension and retirement benefits	155,563	3.2%	206,651	4.0%	237,011	4.2%
Other	8,126	0.2%	10,652	0.2%	8,504	0.1%
Capital outlay	345,963	7.2%	466,895	9.1%	672,412	11.8%
Debt service	342,179	7.1%	282,142	5.5%	302,206	5.3%
Total expenditures	$4,832,294	100.0%	$5,118,180	100.0%	$5,692,250	100.0%

	2014		2015		2016	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction	$3,126,689	48.8%	$3,253,484	49.9%	$2,970,553	48.1%
Pupil support services	457,939	7.1%	459,672	7.1%	448,254	7.3%
General support services	987,048	15.4%	972,526	14.9%	1,044,740	17.0%
Food services	193,642	3.0%	197,084	3.0%	201,377	3.3%
Community services	37,460	0.6%	38,003	0.6%	37,497	0.6%
Teachers' pension and retirement benefits	593,225	9.3%	676,078	10.4%	664,123	10.8%
Other	6,134	0.1%	6,319	0.1%	7,388	0.1%
Capital outlay	534,980	8.4%	391,953	6.0%	308,091	5.0%
Debt service	467,904	7.3%	533,493	8.0%	481,419	7.8%
Total expenditures	$6,405,021	100.0%	$6,528,612	100.0%	$6,163,442	100.0%

NOTE:

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

2010		2011		2012		2013	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$2,898,855	48.5%	$2,955,772	50.9%	$2,992,481	51.3%	$3,034,509	52.0%
416,502	7.0%	508,803	8.8%	469,366	8.0%	454,240	7.9%
1,010,637	17.0%	1,023,004	17.6%	967,692	16.6%	941,270	16.1%
196,828	3.3%	201,325	3.5%	213,115	3.7%	215,739	3.7%
50,331	0.8%	45,848	0.8%	39,794	0.7%	39,656	0.7%
294,424	4.9%	149,377	2.6%	183,499	3.1%	227,766	3.9%
11,928	0.2%	8,845	0.1%	8,115	0.1%	7,043	0.1%
705,691	11.8%	580,363	10.0%	591,148	10.1%	519,604	8.9%
386,597	6.5%	332,097	5.7%	374,494	6.4%	390,409	6.7%
$5,971,793	100.0%	$5,805,434	100.0%	$5,839,704	100.0%	$5,830,236	100.0%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Fiscal Year 2016	Fiscal Year 2015	2016 Over (Under) 2015
Revenues:			
Local taxes:			
Property taxes	$2,313,470	$2,252,828	$ 60,642
Replacement taxes	115,961	143,867	(27,906)
Total revenue from local taxes	$2,429,431	$2,396,695	$ 32,736
Local nontax revenue:			
Interest and investment earnings	$ 1,347	$ 198	$ 1,149
Lunchroom operations	—	1,302	(1,302)
Other	271,858	164,517	107,341
Total revenue from nontax revenue	$ 273,205	$ 166,017	$ 107,188
Total local revenue	$2,702,636	$2,562,712	$ 139,924
State grants and subsidies:			
General state aid	$ 857,601	$ 847,420	$ 10,181
Block grants	511,192	621,625	(110,433)
Other	30,061	110,279	(80,218)
Total state grants & subsidies	$1,398,854	$1,579,324	$(180,470)
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA)	$ 293,302	$ 253,514	$ 39,788
American Recovery and Reinvestment Act (ARRA) (1)	14,304	22,405	(8,101)
School lunch program	202,943	200,412	2,531
Individuals with Disabilities Education Act (IDEA)	93,483	103,899	(10,416)
Other	172,245	187,318	(15,073)
Total federal grants and subsidies	$ 776,277	$ 767,548	$ 8,729
Total revenues	$4,877,767	$4,909,584	$ (31,817)

NOTE:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Fiscal Year 2016	Fiscal Year 2015	2016 Over (Under) 2015
Expenditures:			
Instruction:			
Salaries	$1,775,630	$1,844,868	$ (69,238)
Commodities	68,814	70,757	(1,943)
Services	653,379	843,073	(189,694)
Equipment — educational	33,310	43,836	(10,526)
Building and sites	2,449	4,264	(1,815)
Fixed charges	436,971	446,686	(9,715)
Total instruction	$2,970,553	$3,253,484	$(282,931)
Pupil support services:			
Salaries	$ 230,887	$ 241,575	$ (10,688)
Commodities	4,277	4,767	(490)
Services	140,994	137,439	3,555
Equipment — educational	446	1,883	(1,437)
Building and sites	402	65	337
Fixed charges	71,248	73,943	(2,695)
Total pupil support services	$ 448,254	$ 459,672	$ (11,418)
Administrative support services:			
Salaries	$ 67,187	$ 80,332	$ (13,145)
Commodities	11,569	11,106	463
Services	196,280	110,243	86,037
Equipment — educational	375	1,460	(1,085)
Building and sites	536	643	(107)
Fixed charges	27,838	32,964	(5,126)
Total administrative support services	$ 303,785	$ 236,748	$ 67,037

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Fiscal Year 2016	Fiscal Year 2015	2016 Over/(Under) 2015
Facilities support services:			
Salaries	$ 77,424	$ 77,376	$ 48
Commodities	74,855	80,751	(5,896)
Services	170,328	134,757	35,571
Equipment — educational	1,135	2,196	(1,061)
Building and sites	13,390	20,268	(6,878)
Fixed charges	43,857	40,755	3,102
Total facilities support services	$380,989	$356,103	$ 24,886
Instructional support services:			
Salaries	$246,951	$255,400	$ (8,449)
Commodities	9,456	10,413	(957)
Services	37,868	45,286	(7,418)
Equipment — educational	4,257	5,510	(1,253)
Building and sites	1,815	1,969	(154)
Fixed charges	59,619	61,097	(1,478)
Total instructional support services	$359,966	$379,675	$(19,709)
Food services:			
Salaries	$ 61,527	$ 60,299	$ 1,228
Commodities	97,247	96,522	725
Services	4,356	4,066	290
Equipment — educational	1,762	620	1,142
Building and sites	—	—	—
Fixed charges	36,485	35,577	908
Total food services	$201,377	$197,084	$ 4,293

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Fiscal Year 2016	Fiscal Year 2015	2016 Over/(Under) 2015
Community services:			
Salaries	$ 12,901	$ 13,283	$ (382)
Commodities	1,384	2,377	(993)
Services	18,501	17,552	949
Equipment — educational	377	436	(59)
Building and sites	117	—	117
Fixed charges	4,217	4,355	(138)
Total community services	$ 37,497	$ 38,003	$ (506)
Teacher's Pension:			
Fixed charges	$664,123	$676,078	$(11,955)
Total teachers' pension	$664,123	$676,078	$(11,955)
Capital outlay:			
Salaries	$ 2,822	$ 3,213	$ (391)
Commodities	3,626	3,686	(60)
Services	2,495	2,311	184
Equipment — educational	3,717	5,020	(1,303)
Building and sites	1,279	86	1,193
Fixed charges	841	2,884	(2,043)
Total capital outlay	$ 14,780	$ 17,200	$ (2,420)
Debt service:			
Services	$ 1,131	$ —	$ 1,131
Fixed charges	25,003	—	25,003
Total debt service	$ 26,134	$ —	$ 26,134

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Fiscal Year Ended June 30, 2015
(Thousands of dollars)

	Fiscal Year 2016	Fiscal Year 2015	2016 Over/(Under) 2015
Other:			
Salaries	$ 172	$ 184	$ (12)
Commodities	9	9	—
Services	909	32	877
Equipment — educational	29	—	29
Building and sites	—	—	—
Fixed charges	6,269	6,094	175
Total other	$ 7,388	$ 6,319	$ 1,069
Total expenditures	$5,414,846	$5,620,366	$(205,520)

NOTE:

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

Chicago Public Schools

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

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

2010	2011	2012	2013	2014	2015	2016
$ 17,851	$109,830	$ 62	$ 439	$ 161	$ (12,915)	$ 50,162
$ 17,851	$109,830	$ 62	$ 439	$ 161	$ (12,915)	$ 50,162
$1,083,260	$638,790	$ 592,510	$ 982,720	$131,600	$ 561,880	$ 724,999
6,459	14,700	1,229	47,271	—	—	—
—	—	—	—	—	—	—
—	—	—	723	7,301	37,504	15,012
(288,704)	(269,483)	(190,100)	(480,597)	—	(386,710)	(120,856)
(17,851)	(109,830)	(62)	(439)	(161)	12,915	(50,162)
—	—	—	—	—	—	—
—	—	—	—	—	(12,502)	(110,071)
—	—	—	—	—	—	—
$ 783,164	$274,177	$ 403,577	$ 549,678	$138,740	$ 213,087	$ 458,922

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Fiscal Year	Debt Service	Non-Capital	Ratio
2007	$342,179	$4,486,331	0.08 : 1
2008	260,438	4,651,285	0.06 : 1
2009	301,169	5,019,838	0.06 : 1
2010	383,887	5,266,102	0.07 : 1
2011	332,097	5,225,071	0.06 : 1
2012	374,494	5,248,556	0.07 : 1
2013	390,409	5,310,632	0.07 : 1
2014	467,904	5,870,041	0.08 : 1
2015	533,493	6,136,659	0.09 : 1
2016	481,419	5,855,351	0.08 : 1

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

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

Source: Cook County Clerk's Office

NOTES:

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

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

2009 (B)	2010	2011	2012	2013	2014	2015	2016
$2.426	$2.204	$2.449	$2.671	$3.309	$3.519	$3.409	$3.205
0.031	0.148	0.067	0.133	0.031	0.067	0.169	0.111
—	—	—	—	—	—	—	—
0.015	0.014	0.065	0.071	0.082	0.085	0.082	0.075
—	—	—	—	—	—		0.064
$2.472	$2.366	$2.581	$2.875	$3.422	$3.671	$3.660	$3.455
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
1.147	1.098	1.132	1.229	1.425	1.496	1.473	1.806
0.156	0.150	0.151	0.165	0.190	0.199	0.193	0.177
0.323	0.309	0.319	0.346	0.395	0.420	0.415	0.382
0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426
0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552
0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069
$4.816	$4.627	$4.931	$5.455	$6.396	$6.832	$6.808	$6.867

Note:

The tax direct rate for the Capital Improvement for fiscal year 2016 is rounded up by .001 in order to tie to the agency grand total of 3.455 on the Cook County Agency Report for tax year 2015.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

			Collected within the Fiscal Year of Extension (A)			Total Collections to Date (B)	
Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Amount	Percentage of Extension	Collections in Subsequent Years	Amount	Percentage of Extension
2006	2007	$1,874,750	$ 835,191	44.55%	$ 966,103	$1,801,294	96.08%
2007	2008	1,901,887	865,576	45.51%	976,942	1,842,518	96.88%
2008	2009	2,001,751	916,129	45.77%	1,024,939	1,941,068	96.97%
2009	2010	2,001,252	1,024,263	51.18%	899,999	1,924,262	96.15%
2010	2011	2,118,541	1,021,564	48.22%	1,030,958	2,052,522	96.88%
2011	2012	2,159,586	1,083,667	50.18%	1,040,248	2,123,915	98.35%
2012	2013	2,232,684	1,090,274	48.83%	1,074,246	2,164,520	96.95%
2013	2014	2,289,250	1,134,859	49.57%	1,125,993	2,260,852	98.76%
2014	2015	2,375,822	1,177,370	49.56%	1,172,030	2,349,400	98.89%
2015	2016	2,451,566	1,230,423	50.19%	—	—	—

NOTES:

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

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

C) Tax Year 2015 contains Capital Improvement Tax amounts that were not levied in prior years.

D) Amounts collected within the fiscal year of extension for Tax Year 2011 - 2014 were revised to present the information on the cash basis of accounting.

STATISTICAL SECTION

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Thousands of dollars)

Tax Year Levy	Fiscal Year	Assessed Values (A)				Total
		Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	
2006	2007	$18,521,873	$2,006,898	$12,157,149	$688,868	$33,374,788
2007	2008	18,937,256	1,768,927	12,239,086	678,196	33,623,465
2008	2009	19,339,573	1,602,768	12,359,537	693,239	33,995,117
2009	2010	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	2011	18,120,678	1,476,291	10,407,012	561,682	30,565,663
2011	2012	17,976,208	1,161,634	10,411,363	544,416	30,093,621
2012	2013	15,560,876	1,252,635	10,201,554	454,593	27,469,658
2013	2014	15,440,622	1,282,342	10,137,795	453,201	27,313,960
2014	2015	15,416,908	1,345,482	10,096,651	487,529	27,346,570
2015	2016	17,319,503	1,589,995	11,240,864	541,183	30,691,545

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.

N/A: Not available at publishing.

State Equalization Factor (F)	Total Equalized Assessed Value (G)	Total Direct Tax Rate (H)	Total Estimated Fair Cash Value (I)	Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%)
2.7076	$69,511,192	$2.697	$329,770,733	21.08%
2.8439	73,645,316	2.583	320,503,503	22.98%
2.9786	80,977,543	2.472	310,888,609	26.05%
3.3701	84,586,808	2.366	280,288,730	30.18%
3.3000	82,087,170	2.581	231,986,396	35.38%
2.9706	75,122,914	2.875	222,856,064	33.71%
2.8056	65,250,387	3.422	206,915,723	31.53%
2.6621	62,363,876	3.671	236,695,475	26.35%
2.7253	64,908,057	3.660	255,639,792	25.39%
2.6685	70,963,289	3.455	N/A	N/A

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2015			2014		
Property	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower	$ 386,932	1	0.55%	$ 364,455	1	0.56%
AON Building	239,092	2	0.34%	241,081	2	0.37%
HCSC Blue Cross	238,631	3	0.34%	206,782	3	0.32%
Water Tower Place	215,481	4	0.30%	195,486	4	0.30%
300 Lasalle LLC	196,095	5	0.28%	183,764	8	0.28%
Franklin Center	194,504	6	0.27%	187,461	6	0.29%
Chase Tower	193,365	7	0.27%	194,963	5	0.30%
Citadel Center	187,291	8	0.26%	181,210	10	0.28%
Prudential Plaza	186,795	9	0.26%	184,101	7	0.28%
Three First National Plaza	182,523	10	0.26%	182,084	9	0.28%
Northwestern Memorial Hospital	—	—	—	—	—	—
131 S. Dearborn	—	—	—	—	—	—
One North Wacker	—	—	—	—	—	—
Citigroup Center	—	—	—	—	—	—
Leo Burnett Building	—	—	—	—	—	—
	$2,220,709		3.13%	$2,121,387		3.26%

	2010			2009		
Property	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower	$ 495,000	1	0.60%	$ 505,515	1	0.60%
AON Building	335,454	2	0.41%	375,441	2	0.44%
HCSC Blue Cross	—	—	—	—	—	—
Water Tower Place	231,000	4	0.28%	235,907	5	0.28%
300 Lasalle LLC	—	—	—	—	—	—
Franklin Center	209,723	8	0.26%	256,590	4	0.30%
Chase Tower	226,875	5	0.28%	231,694	6	0.27%
Citadel Center	—	—	—	—	—	—
Prudential Plaza	305,026	3	0.37%	318,635	3	0.38%
Three First National Plaza	226,222	6	0.28%	231,028	7	0.27%
Northwestern Memorial Hospital	—	—	—	—	—	—
131 S. Dearborn	210,502	7	0.26%	212,725	8	0.25%
One North Wacker	207,127	9	0.25%	211,526	9	0.25%
Citigroup Center	191,070	10	0.23%	—	—	—
Leo Burnett Building	—	—	—	208,973	10	0.25%
	$2,637,999		3.22%	$2,788,034		3.29%

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

2013			2012			2011		
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
$ 370,197	1	0.59%	$ 386,266	1	0.59%	$ 445,590	1	0.59%
248,906	2	0.40%	255,347	2	0.39%	302,124	2	0.40%
201,987	3	0.32%	205,275	4	0.31%	206,343	6	0.27%
190,953	5	0.31%	201,246	5	0.31%	207,942	5	0.28%
159,537	10	0.26%	179,804	10	0.28%	190,005	10	0.25%
183,114	7	0.29%	192,985	7	0.30%	197,944	8	0.26%
190,442	6	0.31%	200,708	6	0.31%	204,229	7	0.27%
177,008	9	0.28%	184,596	9	0.28%	—	—	—
193,495	4	0.31%	234,964	3	0.36%	272,345	3	0.36%
177,862	8	0.29%	187,449	8	0.29%	197,183	9	0.26%
—	—	—	—	—	—	243,609	4	0.32%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
$ 2,093,501		3.36%	$2,228,640		3.42%	$2,467,314		3.26%

2008			2007			2006		
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
$ 540,074	1	0.67%	$ 514,662	1	0.70%	$ 493,803	1	0.71%
392,192	2	0.48%	374,456	2	0.51%	356,510	2	0.51%
—	—	—	—	—	—	—	—	—
242,014	6	0.30%	231,069	6	0.31%	219,995	6	0.32%
—	—	—	—	—	—	—	—	—
294,569	4	0.36%	297,653	3	0.40%	283,387	3	0.41%
262,114	5	0.32%	250,261	5	0.34%	238,266	5	0.34%
—	—	—	—	—	—	—	—	—
307,510	3	0.38%	293,604	4	0.40%	279,532	4	0.40%
215,666	10	0.27%	205,913	10	0.28%	196,044	9	0.28%
—	—	—	—	—	—	—	—	—
218,722	9	0.27%	208,906	9	0.28%	—	—	—
—	—	—	—	—	—	189,061	10	0.27%
226,458	7	0.28%	216,217	7	0.29%	205,854	7	0.30%
221,846	8	0.27%	211,813	8	0.29%	201,662	8	0.29%
$ 2,921,165		3.60%	$2,804,554		3.80%	$2,664,114		3.83%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA
Last Ten Fiscal Years

Statewide Replacement Tax Data (A)

Calendar Year	Invested Capital Tax Collections	Business Income Tax Collections (Net of Refunds)	Net Adjustments (C)	Total Replacement Tax Allocations to Local Govts.	Board Percent (E)
2007	$ 211,708,013	$ 1,220,116,567	$ 86,763,391	$ 1,518,587,971	14.00%
2008	212,367,886	1,196,441,849	87,136,806	1,495,946,541	14.00%
2009	205,330,651	987,176,180	69,521,623	1,262,028,454	14.00%
2010	203,650,450	978,009,221	179,094,552	1,360,754,223	14.00%
2011	200,629,609	936,788,640	61,689,732	1,199,107,981	14.00%
2012	203,045,899	1,091,345,367	(93,077,866)	1,201,313,400	14.00%
2013	210,557,060	1,293,732,061	(172,528,019)	1,331,761,102	14.00%
2014	208,039,618	1,243,163,624	(80,317,444)	1,370,885,798	14.00%
2015 (F)	200,808,953	1,319,550,246	(117,189,755)	1,403,169,444	14.00%
2016 (H)	N/A	N/A	N/A	N/A	N/A

NOTES:

A) *Source*: Illinois Department of Revenue

B) *Source*: Board of Education of the City of Chicago

C) Consists of adjustments for administrative fees, interest earned on deposits, interfund transfers, timing of collections and payments and related items.

D) Reflects reductions to pay applicable Statutory Claims. All Statutory Claims with respect to debt service have been paid and, under the Statue Revenue Sharing Act, no future Statutory Claims with respect to debt service will arise or need to be paid.

E) Percentage rounded.

F) Replacement tax collection for January 1, 2015 — October 31, 2015 only.

G) Estimated.

H) The Statewide Replacement Tax Data for calendar year 2016 was not made available from the Illinois Department of Revenue (IDOR) at time of publishing.

Board Replacement Tax Data (B)

Board	Revenues (D)	Revenues
$212,663,134	$212,663,134	$201,509,427
209,492,428	209,492,428	215,488,652
176,734,528	176,734,528	188,503,101
190,560,089	190,560,089	152,497,491
167,923,445	167,923,445	197,761,584
168,231,989	168,231,989	181,926,998
186,499,892	186,499,892	185,883,929
191,978,921	191,978,921	188,040,647
206,242,430	206,242,430	202,147,157
181,335,026	181,335,026	161,535,119

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December	Total
2007	$23,706,088	$12,541,684	$42,960,330	$35,720,916	$35,575,987	$15,691,722	$32,603,768	$13,862,639	$212,663,134
2008	28,898,261	13,371,613	37,943,940	40,606,164	32,510,546	17,770,472	29,019,609	9,371,823	209,492,428
2009	21,095,325	7,777,403	37,489,531	36,561,422	29,417,516	3,022,112	33,592,731	7,778,488	176,734,528
2010	22,103,156	8,619,712	32,076,622	22,475,680	22,828,990	2,997,879	43,980,968	35,477,082	190,560,089
2011	18,180,918	10,057,508	36,489,761	26,235,905	24,341,562	6,092,825	40,652,479	5,872,487	167,923,445
2012	25,024,841	6,995,224	38,430,380	25,676,518	33,182,244	4,009,471	25,251,856	9,661,455	168,231,989
2013	25,661,184	8,031,048	40,687,665	36,710,938	35,870,312	3,762,361	26,213,949	9,562,435	186,499,892
2014	32,365,778	9,605,194	42,927,880	31,682,731	31,920,320	3,433,503	31,625,454	8,418,061	191,978,921
2015	28,059,669	8,010,311	49,024,542	40,392,319	33,183,298	4,472,067	33,357,743	9,742,481(G)	206,242,430
2016	26,524,204	10,652,765	37,937,134	30,650,698	33,320,166	3,878,948	30,306,843	8,064,267	181,335,026

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2016

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2015 EAV $	% Change in EAV (for 2015)
Addison Corridor North	6/4/1997	2020	$ 14,400,224	$ 42,579,728	195.7%
Addison South	5/9/2007	2031	70,940,232	118,469,466	67.0%
Archer Courts	5/12/1999	2023	85,326	5,786,498	6681.6%
Archer/Central	5/17/2000	2024	37,646,911	38,624,004	2.6%
Archer/Western	2/11/2009	2033	117,506,250	101,343,264	-13.8%
Armitage/Pulaski	6/13/2007	2031	17,643,508	18,287,653	3.7%
Austin/Commercial	9/27/2007	2031	72,287,864	78,869,095	9.1%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	26,087,259	17.6%
Avondale	7/29/2009	2033	40,426,760	35,335,174	-12.6%
Belmont/Central	1/12/2000	2024	137,304,682	169,021,038	23.1%
Belmont/Cicero	1/12/2000	2024	33,673,880	44,187,009	31.2%
Bronzeville	11/4/1998	2022	46,166,304	96,262,094	108.5%
Bryn Mawr/Broadway	12/11/1996	2019	17,682,409	43,766,505	147.5%
California/Foster	4/2/2014	2038	15,399,717	14,917,544	-3.1%
Calumet/Cermak	7/29/1998	2021	3,219,685	164,882,168	5021.1%
Calumet River	3/10/2010	2034	14,220,381	6,972,718	-51.0%
Canal/Congress	11/12/1998	2022	36,872,487	382,158,077	936.4%
Central West	2/16/2000	2024	85,481,254	364,506,261	326.4%
Chicago/Central Park	2/27/2002	2026	84,789,947	167,418,239	97.5%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	387,139,275	905.0%
Cicero/Archer	5/17/2000	2024	19,629,324	28,299,002	44.2%
Clark/Montrose	7/7/1999	2022	23,433,096	63,345,163	170.3%
Clark/Ridge	9/29/1999	2022	39,619,368	65,268,122	64.7%
Commercial Ave.	11/13/2002	2026	40,748,652	52,477,712	28.8%
Devon/Sheridan	3/31/2004	2028	46,265,220	40,076,934	-13.4%
Devon/Western	11/3/1999	2023	71,430,503	94,033,908	31.6%
Diversey/Narragansett	2/5/2003	2027	34,746,231	62,121,306	78.8%
Division/Homan	6/27/2001	2025	24,683,716	39,369,651	59.5%
Drexel Blvd.	7/10/2002	2026	127,408	5,345,620	4095.7%
Edgewater/Ashland	10/1/2003	2027	1,875,282	45,715,705	2337.8%
Elston/Armstrong	7/19/2007	2031	45,742,226	49,527,831	8.3%
Englewood Mall	11/29/1989	2025	3,868,736	8,777,381	126.9%
Englewood Neighborhood	6/27/2001	2025	56,079,946	134,140,890	139.2%
Ewing Avenue	3/10/2010	2034	52,994,264	44,540,869	-16.0%
Fullerton/Milwaukee	2/16/2000	2024	85,157,390	183,383,033	115.3%
Galewood/Armitage Industrial	7/7/1999	2023	48,056,697	127,116,038	164.5%
Goose Island	7/10/1996	2019	13,676,187	82,230,274	501.3%
Greater Southwest (West)	4/12/2000	2024	115,603,413	84,894,981	-26.6%
Harlem Industrial Park	3/14/2007	2031	45,981,764	36,593,874	-20.4%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2016

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2015 EAV $	% Change in EAV (for 2015)
Harrison/Central	7/26/2006	2030	$ 43,430,700	$ 45,341,918	4.4%
Hollywood/Sheridan	11/7/2007	2031	158,696,916	128,384,501	-19.1%
Homan/Arthington	2/5/1998	2021	2,658,362	9,962,872	274.8%
Humbolt Park Commercial	6/27/2001	2025	32,161,252	76,486,951	137.8%
Irving Park/Cicero	6/10/1996	2020	8,150,631	17,563,924	115.5%
Irving Park/Elston	5/13/2009	2033	44,853,282	37,855,204	-15.6%
Jefferson Park	9/9/1998	2021	23,970,085	33,965,264	41.7%
Jefferson/Roosevelt	8/30/2000	2024	52,292,656	156,837,609	199.9%
Kennedy/Kimball	3/12/2008	2032	72,841,679	64,916,277	-10.9%
Kinzie Conservation	6/10/1998	2022	144,961,719	516,995,046	256.6%
Lake Calumet	12/13/2000	2024	176,186,639	186,597,658	5.9%
Lakefront	3/27/2002	2026	—	5,478,630	—
Lakeside Dev Phase 1	5/12/2010	2034	3,489,242	295,552	-91.5%
LaSalle/Central	11/15/2006	2030	4,192,597,468	4,039,777,575	-3.6%
Lawrence/Broadway	6/27/2001	2025	38,603,611	88,815,677	130.1%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	192,085,262	74.0%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	60,961,947	39.5%
Lincoln Avenue	11/3/1999	2023	63,741,191	94,037,314	47.5%
Lincoln/Belmont/Ashland	11/2/1994	2018	2,457,347	19,978,591	713.0%
Little Village East	4/22/2009	2033	44,751,945	35,125,893	-21.5%
Little Village Ind	6/13/2007	2031	88,054,895	70,079,847	-20.4%
Madden/Wells	11/6/2002	2026	1,333,582	18,159,288	1261.7%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	69,095,126	41.7%
Michigan Ave/Cermak	9/13/1989	2025	5,858,634	28,615,109	388.4%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	115,875,364	138.2%
Midwest	5/17/2000	2036	216,733,898	433,553,731	100.0%
Montclare	8/30/2000	2024	792,770	4,780,661	503.0%
Montrose/Clarendon	6/30/2010	2034	—	2,903,570	—
Near North	7/30/1997	2020	41,671,541	404,916,427	871.7%
North Ave./Cicero	7/30/1997	2020	5,658,542	25,826,141	356.4%
North Branch/North	7/2/1997	2021	29,574,537	106,208,388	259.1%
North Branch/South	2/5/1998	2021	44,361,677	153,286,422	245.5%
North Pullman	6/30/2009	2033	44,582,869	55,139,149	23.7%
NW Industrial Corridor	12/2/1998	2022	146,115,991	228,672,342	56.5%
Ogden/Pulaski	4/9/2008	2032	221,709,034	198,398,980	-10.5%
Ohio/Wabash	6/7/2000	2024	1,278,143	25,795,389	1918.2%
Pershing/King	9/5/2007	2031	12,948,117	11,467,793	-11.4%
Peterson/Cicero	2/16/2000	2024	1,116,653	7,385,359	561.4%
Peterson/Pulaski	2/16/2000	2024	40,112,395	50,530,487	26.0%
Pilsen Area	6/10/1998	2022	111,394,217	272,657,556	144.8%
Portage Park	9/9/1998	2021	65,084,552	89,806,460	38.0%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2016

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2015 EAV $	% Change in EAV (for 2015)
Pratt/Ridge	6/23/2004	2028	$ 16,414,897	$ 20,241,056	23.3%
Pulaski Corridor	6/9/1999	2023	82,778,075	123,489,301	49.2%
Randolph/Wells	6/9/2010	2034	72,140,805	73,899,459	2.4%
Ravenswood Corridor	3/9/2005	2029	44,169,275	53,783,653	21.8%
Read/Dunning	1/11/1991	2027	6,382,072	45,236,301	608.8%
River South	7/30/1997	2020	65,930,580	403,566,834	512.1%
River West	1/10/2001	2025	50,463,240	294,074,065	482.7%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	81,211,376	79.8%
Roosevelt/Racine (DOH)	11/4/1998	2034	6,992,428	32,299,677	361.9%
Roosevelt/Union	5/12/1999	2022	4,369,258	78,375,909	1693.8%
Roseland/Michigan	1/16/2002	2026	29,627,768	35,596,506	20.1%
Sanitary Draig & Ship	7/24/1991	2027	10,722,329	16,978,537	58.3%
South Chicago	4/12/2000	2024	14,775,992	33,181,948	124.6%
South Works	11/3/1999	2023	3,823,633	3,975,066	4.0%
Stevenson/Brighton Park	4/11/2007	2031	216,330,994	194,598,906	-10.0%
Stockyards Annex	12/11/1996	2020	38,650,631	56,235,821	45.5%
Stockyards-Southeast Quad	2/26/1992	2016	21,527,824	41,638,026	93.4%
Stony Island Com/Burnside	6/10/1998	2034	46,058,038	82,273,027	78.6%
Southwest Ind. Corridor	3/10/1999	2023	17,662,923	28,061,736	58.9%
Touhy/Western	9/13/2006	2030	55,187,828	50,095,553	-9.2%
Washington Park	10/8/2014	2038	72,073,855	73,483,337	2.0%
Weed/Fremont	1/8/2008	2032	6,430,360	16,387,907	154.9%
West Irving Park	1/12/2000	2024	36,446,831	47,648,822	30.7%
West Woodlawn	5/12/2010	2034	127,750,505	90,405,091	-29.2%
Western Ave. South	1/12/2000	2024	69,504,372	168,864,537	143.0%
Western Ave. North	1/12/2000	2024	71,260,546	165,258,095	131.9%
Western/Ogden	2/5/1998	2021	41,536,306	164,482,952	296.0%
Western/Rock Island	2/8/2006	2030	102,358,411	108,702,988	6.2%
Wilson Yard	6/27/2001	2025	56,194,225	151,791,860	170.1%
Woodlawn	1/20/1999	2022	28,865,833	70,081,884	142.8%
105th/Vincennes	10/3/2001	2025	108,828,811	118,800,193	9.2%
107th/Halsted	4/2/2014	2038	122,435,316	128,185,922	4.7%
111th/Kedzie	9/29/1999	2022	14,456,141	22,017,412	52.3%
119th/Halsted	2/6/2002	2026	63,231,728	75,551,426	19.5%
119th/I-57	11/6/2002	2026	100,669,561	150,374,336	49.4%
126th/Torrence	12/21/1994	2017	1,224,731	17,755,920	1349.8%
24th/Michigan	7/21/1999	2022	15,874,286	38,786,788	144.3%
26th/King Drive	1/11/2006	2030	—	10,386,547	—
35th/Halsted	1/14/1997	2021	81,212,182	163,321,540	101.1%
35th/State	1/14/2004	2028	3,978,955	34,721,772	772.6%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2016

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2015 EAV $	% Change in EAV (for 2015)
35th/Wallace	12/15/1999	2023	$ 9,047,402	$ 21,948,120	142.6%
41st/King Drive	7/13/1994	2018	129,892	2,659,530	1947.5%
43rd/Cottage Grove	7/8/1998	2022	13,728,931	52,136,392	279.8%
47th/Ashland	3/27/2002	2026	53,606,185	82,622,008	54.1%
47th/Halsted	5/29/2002	2026	39,164,012	85,979,592	119.5%
47th/King Drive	3/27/2002	2026	61,269,066	159,468,970	160.3%
47th/State	7/21/2004	2028	19,279,360	39,001,932	102.3%
49th/St. Lawrence	1/10/1996	2020	683,377	6,604,440	866.4%
51st/Archer	5/17/2000	2024	29,522,751	30,980,874	4.9%
51st/Lake Park	11/15/2012	2036	2,320,971	338,769	-85.4%
53rd St.	1/10/2001	2025	20,916,553	72,191,020	245.1%
60th/Western	5/9/1996	2019	2,464,026	3,967,957	61.0%
63rd/Ashland	3/29/2006	2030	47,496,362	63,138,986	32.9%
63rd/Pulaski	5/17/2000	2024	56,171,856	73,465,925	30.8%
67th/Cicero	10/2/2002	2026	—	3,540,765	—
67th/Wentworth	5/4/2011	2035	210,005,927	148,831,797	-29.1%
69th/Ashland	11/3/2004	2028	813,600	10,132,958	1145.4%
71st/Stony Island	10/7/1998	2021	53,336,063	86,819,204	62.8%
73rd/University	9/13/2006	2030	16,998,947	21,675,095	27.5%
79th Street Corridor	7/8/1998	2021	21,576,305	32,520,604	50.7%
79th/Cicero	6/8/2005	2029	8,018,405	15,015,019	87.3%
79th/SW Highway	10/3/2001	2025	36,347,823	52,636,257	44.8%
79th/Vincennes	9/27/2007	2031	32,132,472	29,191,983	-9.2%
83rd/Stewart	3/31/2004	2028	10,618,689	25,470,580	139.9%
87th/Cottage Grove	11/13/2002	2026	53,959,824	71,610,712	32.7%
95th/Western	7/13/1995	2019	16,035,773	27,319,767	70.4%
			$10,901,063,213	$16,523,579,959	

NOTE

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

State law requires the City to call a meeting of the Joint Review Board in order for the City to legally create any TIF.

The Chicago Public Schools serves on this committee.

Source: Office of The County Clerk Tax Increment Agency

Total 2015 EAV for the City of Chicago is $70,968,532,875—Source of The Cook County Report

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF NEW PROPERTY EAV AS A PERCENTAGE OF OVERALL EAV

Last Ten Fiscal Years

(Thousands of dollars)

			Components of New Property by Tax Levy Year (B)						
Tax Year Levy	Fiscal Year	Agency Overall Equalized Assessed Value (A)	New Property	Annexed Property	Disconnected Property	Recovered Tax Increment Value	Expired Incentives	Total New Property (A)	New property percentage of overall EAV
2006	2007	$69,517,264	$ 786,042	$—	$—	$ —	$ 8,980	$ 795,022	1.14%
2007	2008	73,651,158	838,279	—	—	45,875	24,179	908,333	1.23%
2008	2009	80,983,239	1,073,096	—	—	2,318,769	—	3,391,865	4.19%
2009	2010	84,592,286	1,052,426	—	—	162	—	1,052,588	1.24%
2010	2011	82,092,476	727,019	—	—	104,289	18,790	850,098	1.04%
2011	2012	75,127,913	344,503	—	—	—	2,420	346,923	0.46%
2012	2013	65,257,093	213,120	—	—	41,499	19,845	274,464	0.42%
2013	2014	62,370,205	279,426	—	—	244,388	10,066	533,880	0.86%
2014	2015	64,913,774	414,558	—	—	1,040,246	9,912	1,464,716	2.26%
2015	2016	70,968,533	339,649	—	—	21,038	16,432	377,119	0.53%

NOTES:

A) *Source*: Cook County Clerk's Office—Agency Tax Rate Report, includes DuPage County Valuation.

B) *Source*: Cook County Clerk's Office—PTELL New Property, Annexed Property, Disconnected Property, Recovered Tax Increment Report by Town Within Agency.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Capital Intergovernmental Agreements as of June 30, 2016

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Modern Schools Across Chicago (MSAC) Program Phase I				
Collins Renovation	$ 30,300,000	$ 31,788,774	$ —	Midwest
Mather Renovation	32,401,366	32,401,366	—	Lincoln Avenue
Austin Renovation	32,203,759	32,203,759	—	Madison/ Austin
Southwest Elementary (Hernandez Middle School)	32,818,102	32,818,102	—	51st/ Archer
South Shore Replacement HS	72,164,382	72,164,382	—	71st/ Stony Island
Additional Westinghouse HS Funding and Refunding	17,752,030	17,752,030	—	Chicago/ Central Park
Skinner Replacement Elementary	36,418,205	34,340,000	—	Central West
Avondale Irving Park Elementary	10,766,724	10,766,724	—	Fullerton/ Milwaukee
Boone Clinton Elementary	8,142,740	8,142,740	—	Touhy/ Western
Belmont Cragin Elementary	8,097,471	8,097,471	—	Galewood/ Armitage
Peterson Addition	15,150,000	15,150,000	—	Lawrence/ Kedzie
Modern Schools Across Chicago Program Phase II				
Avondale Irving Park Elementary	25,000,000	25,452,297	—	Fullerton/ Milwaukee
Belmont Cragin Elementary	31,300,000	28,712,447	—	Galewood/ Armitage
Hernandez Middle School	9,540,000	6,382,816	—	51st/ Archer
Boone Clinton Elementary	18,655,000	18,767,428	—	Touhy/ Western
Chicago Ag West High School (Al Raby Horticultural)	22,000,000	13,286,828		Chicago/ Central Park
Westinghouse High School	32,920,000	31,560,329	—	Chicago/ Central Park
Back of the Yards HS	19,800,000	19,800,000	—	47th/ Ashland
Modern Schools Across Chicago Program Additional Agreements				
Austin Renovation	5,570,000	Rescinded	—	Madison/ Austin
Skinner Replacement Elementary	6,120,000	3,506,630	—	Central/ West
Peterson Addition	2,900,000	2,900,000	—	Lawrence/ Kedzie
Brighton Park II Elementary	25,420,000	—	25,420,000	Stevenson/ Brighton
Modern Schools Across Chicago Program Re-Programmed Bond Funds				
Ericson Play Lot	225,000	200,881	—	Midwest MSAC Bonds
Faraday STEM	650,000	633,267	—	Midwest MSAC Bonds
Jensen Play Lot	400,000	378,365	—	Midwest MSAC Bonds
Prieto ES Modular	1,900,000	1,849,239	—	
Prosser High School Renovation	978,602	978,602	—	Galewood/Armitage
Back of the Yard HS Renovation	225,000	225,000	—	47th/ Ashland
MSAC Subtotal	**$499,818,381**	**$450,259,477**	**$25,420,000**	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Capital Intergovernmental Agreements as of June 30, 2016 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
American Disabilities Act (ADA)				
ADA Accessibility -Year 1				
Beidler Elementary	$ 750,000	$ 594,531	$ —	Kinzie Industrial
Brown Elementary	750,000	750,000	—	Central West
Creiger Campus	1,500,250	1,207,911	—	Central West
Dodge Elementary	750,000	476,025	—	Midwest
Fiske Elementary	1,500,000	—		Woodlawn
Holmes Elementary	750,000	606,820	—	Englewood Neighborhood
Manierre Elementary	750,000	750,000	—	Near North
Mays Elementary	750,000	—		Englewood Neighborhood
McAuliffe Elementary	750,000	441,771	—	Pulaski Corridor
Mollison Elementary	750,000	750,000	—	47th/ King Drive
Morton Elementary	750,000	750,000	—	Kinzie Industrial
Nicholson Elementary	750,000	600,125	—	Englewood Neighborhood
Ryerson Elementary	750,000	750,000	—	Chicago/ Central Park
Schiller Elementary	1,500,000	565,181	—	Near North
Seward Elementary	1,500,000	1,500,000	—	47th/ Ashland
ADA Accessibility -Years 2-5				
Attucks-Farren Building	1,000,000	Pending	—	47th / King
Burke Elementary	1,000,000	Pending	—	47th / State
Banneker Elementary	2,000,000	Pending	—	Englewood Neighborhood
Armour Elementary	2,673,750	Pending	—	35th / Halsted
Hearst Elementary	2,219,500	Pending	—	Cicero/Archer
Lawndale Elementary	2,500,000	Pending	—	Midwest
Plamondon Elementary	1,748,000	Pending	—	Western /Ogden Industrial Corridor
Schurz High School	2,100,000	Pending	—	Portage Park
Hayt Elementary	670,000	Pending	—	Clark/Ridge
Peterson Elementary	500,000	Pending	—	Lawrence/Kedzie
Chappell Elementary	1,500,000	Pending	—	Western Ave. North
ADA Subtotal	**$ 32,161,500**	**$ 9,742,365**	**$ —**	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Capital Intergovernmental Agreements as of June 30, 2016 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Other Capital Intergovernmental Agreements				
Walter Payton HS and Jenner School	$ 11,125,000	$ 11,125,000	$ —	Near North
Walter Payton HS Addition	20,000,000	15,399,790	—	Near North
Jones Academic High School Renovation/ Addition (Original)	42,315,243	42,315,243	—	Near South
Jones Academic High School Renovation/ Addition (Amended)	114,641,656	114,641,656	—	Near South
Jones Academic High School New Construction	8,700,000	8,145,386	—	Near South
National Teachers Academy New Construction	47,000,000	44,529,387	—	24th/ Michigan
Simeon High School Renovation	22,184,925	18,381,140	—	Chatham Ridge
Albany Park Middle School New Construction	25,000,000	28,662,826	—	*Lawrence/ Kedzie
Juarez High School Addition	18,500,000	18,017,456	—	Pilsen
DePriest Elementary New Construction	18,500,000	21,457,220	—	*Madison/ Austin
Additional Westinghouse HS- Refunding Debt Service	53,750,000	58,618,967	—	*Chicago/ Central Park
Canter Elementary School	150,000	150,000	—	53rd Street
Orozoco Elementary Health Center School	250,000	250,000	—	Western/ Ogden
Lane Tech High School Stadium	1,892,100	1,892,100	—	Western Avenue South
Clark Park Lane Tech High School	3,500,000	3,500,000		Western Avenue South
Coonley Middle School Renovation	2,201,500	2,201,500	—	Western Avenue South
Coonley Middle School Addition	16,500,000	14,729,008	—	Western Avenue South
Arai/ Uplift Elementary School Renovation	1,447,244	1,447,244	—	Wilson Yard
Lloyd Elementary Turf Field	750,000	750,000	—	Midwest
Lloyd Elementary Turf Field Scope Increase	550,000	113,947	—	Midwest
Chase ADA Renovation	3,600,000	2,759,563	—	Fullerton/Milwaukee
Holmes Elementary Lunchroom	3,270,000	3,270,000	—	Englewood Neighborhood
Senn High School Auditorium Upgrade	1,000,000	1,000,000	—	Clark Ridge
Arai/ Uplift Elementary School Courtyard Renovations	—	Rescinded	—	Wilson Yard
Beidler Campus Park	1,000,000	1,000,000	—	Kinzie Industrial
Donoghue Parking Lot	200,000	200,000	—	Madden-Wells
Juarez High School Athletic Field	701,308	701,308	—	Pilsen Industrial Corridor
Kenwood Academy	60,000	60,000	—	53rd Street
Lane Tech Renovation #2	2,000,000	2,000,000	—	Western Avenue South
Melody STEM	1,500,000	713,385	—	*Madison/ Austin
Spencer Play Lot	700,000	545,958	—	*Madison/ Austin
Tilton Play Lot	500,000	456,448	—	*Madison/ Austin
Whittier Renovation	2,887,000	2,887,000	—	Pilsen Industrial Corridor
McPherson Elementary School	400,000	400,000	—	Western Avenue North
Amundsen High School	500,000	500,000	—	Western Avenue North
Penn Elementary School	1,150,000	1,114,381		Midwest
Crane High School	2,250,000	2,250,000	—	Central West
Addams Renovation	1,700,000	—		Ewing Avenue
Ames renovation	4,500,000	4,476,461	—	Pulaski Industrial Corridor
Amundsen Gym	2,600,000	2,600,000	—	Western Ave. North
Amundsen CTE	760,000	—	—	Western Ave. North
Belmont Cragin Playground	287,000	—	—	Belmont Central
Budlong ES Bathroom Improvements	2,200,000	2,141,830	—	Foster / California
Cather ES Space to Grow	500,000	384,528	—	Kinzie Industrial
Earle ES Playground	287,000	—	—	63rd Ashland
Franklin ES Lockers	410,000	87,245	—	Near North
Gallistel Renovation	2,700,000	2,031,117	—	Ewing Avenue
Hope HS/ KIPP Playground	287,000	—	—	47th Ashland
New Selective Enrollment High School	520,000	—	—	Near North
Wadsworth Space to Grow	500,000	98,472	—	Woodlawn
Other Capital IGA Subtotal	**$447,926,976**	**$438,005,568**	**$ —**	
Grand Total	**$979,906,857**	**$898,007,409**	**$25,420,000**	

NOTES:
Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2016.

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS
For the fiscal year ended June 30, 2016
(Thousands of dollars)

Series	Debt Type	Pledged Revenue Source	Issued
1992A	PBC GO Lease Certificate	Property Taxes	1/1/1992
1999B	PBC Building Revenue Refunding Bonds	Property Taxes	3/11/1999
1997A	Unlimited Tax G.O. Bonds	PPRT/IGA	12/3/1997
1998 B-1	Unlimited Tax G.O. Bonds	IGA	10/28/1998
1999A	Unlimited Tax G.O. Bonds	PPRT/IGA	2/25/1999
2001B	Qualified Zone Academy G.O. Bonds	State Aid	10/24/2001
2002A	Unlimited Tax G.O. Bonds	City Note/IGA	9/24/2002
2003C	Qualified Zone Academy G.O. Bonds	State Aid	10/28/2003
2004A	Unlimited Tax G.O. Bonds	PPRT/State Aid	4/6/2004
2005A	Unlimited Tax G.O. Bonds	State Aid	6/27/2005
2005B	Unlimited Tax G.O. Bonds	PPRT	6/27/2005
2006A	Qualified Zone Academy G.O. Bonds	State Aid	6/7/2006
2006B	Unlimited Tax G.O. Bonds	State Aid	9/27/2006
2007B	Unlimited Tax G.O. Bonds	IGA	9/5/2007
2007C	Unlimited Tax G.O. Bonds	IGA	9/5/2007
2007D	Unlimited Tax G.O. Bonds	State Aid	12/13/2007
2008A	Unlimited Tax G.O. Bonds	PPRT/IGA	5/13/2008
2008B	Unlimited Tax G.O. Bonds	State Aid	5/13/2008
2008C	Unlimited Tax G.O. Bonds	State Aid	5/1/2008
2009D	Unlimited Tax G.O. Bonds	State Aid	7/30/2009
2009E	Unlimited Tax G.O. Build America Bonds	State Aid and Federal Subsidy	9/24/2009
2009F	Unlimited Tax G.O. Bonds	State Aid	9/24/2009
2009G	Qualified School Construction G.O. Bonds	State Aid	12/17/2009
2010C	Qualified School Construction G.O. Bonds	State Aid and Federal Subsidy	11/2/2010
2010D	Unlimited Tax G.O. Build America Bonds	State Aid and Federal Subsidy	11/2/2010
2010F	Unlimited Tax G.O. Bonds	State Aid	11/2/2010
2010G	Unlimited Tax G.O. Bonds	State Aid	11/2/2010
2011A	Unlimited Tax G.O. Bonds	State Aid	11/1/2011
2011C-1	Unlimited Tax G.O. Bonds	State Aid	12/20/2011
2011C-2	Unlimited Tax G.O. Bonds	State Aid	12/20/2011
2012A	Unlimited Tax G.O. Bonds	State Aid	8/21/2012
2012B	Unlimited Tax G.O. Bonds	State Aid	12/21/2012
2013A-1	Unlimited Tax G.O. Bonds	State Aid	5/22/2013
2013A-2	Unlimited Tax G.O. Bonds	State Aid	5/22/2013
2013A-3	Unlimited Tax G.O. Bonds	State Aid	5/22/2013
2015A	Unlimited Tax G.O. Bonds	State Aid	3/26/2015
2015C	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2015E	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2015G	Unlimited Tax G.O. Bonds	State Aid	3/26/2015
2016A	Unlimited Tax G.O. Bonds	State Aid	2/8/2016
		Grand Total Direct Debt	

NOTES: A. Net of amounts set aside/ escrowed to maturity for 12/1/16 payments deposited by 6/30/16 in connection with the series 2016A Bonds.
B. Excludes total accreted interest in the following series:

Series	Accreted Interest
1997A	$ 9,513
1998B-1	367,673
1999A	256,972
Total	**$634,158**

STATISTICAL SECTION

Final Maturity	Interest Rate	Outstanding at June 30, 2015	Issued or (Redeemed)	Outstanding at June 30, 2016 (A) (B)
1/1/2020	6.00%-6.5%	$ 123,875	($ 22,025)	$ 101,850
12/1/2018	5.00%-5.25%	72,595	(16,665)	55,930
12/1/2030	5.30%-5.55%	11,132	(5,743)	5,389
12/1/2031	4.55%-5.22%	257,044	(8,698)	248,346
12/1/2031	4.30%-5.3%	419,560	(14,235)	405,325
10/23/2015	0.00%	9,440	(9,440)	—
12/1/2022	3.00%-5.25%	31,670	(3,310)	28,360
10/27/2017	0.00%	4,585	—	4,585
12/1/2020	4.00%-5.00%	131,735	(57,255)	74,480
12/1/2031	5.00%-5.50%	181,085	(6,720)	174,365
12/1/2021	5.00%	22,735	—	22,735
6/1/2021	0.00%	6,853	—	6,853
12/1/2036	4.25%-5.00%	305,875	(16,350)	289,525
12/1/2024	5.00%	197,765	—	197,765
12/1/2021	4.00%-4.375%	4,540	(390)	4,150
12/1/2029	4.00%-5.00%	187,375	(18,180)	169,195
12/1/2030	Variable	262,785	—	262,785
12/1/2041	Variable	200,775	(15,425)	185,350
3/1/2032	4.25%-5.00%	464,655	—	464,655
12/1/2023	1.00%-5.00%	52,465	(7,125)	45,340
12/1/2039	4.682%-6.14%	518,210	—	518,210
12/1/2016	2.50%-5.00%	12,325	(12,325)	—
12/15/2025	1.75%	254,240	—	254,240
11/1/2029	6.32%	257,125	—	257,125
3/1/2036	6.52%	125,000	—	125,000
12/1/2031	5.00%	176,630	(7,475)	169,155
3/1/2017	2.77%-4.18%	38,590	(15,855)	22,735
12/1/2041	5.00%-5.50%	402,410	—	402,410
3/1/2032	Variable	47,200	(3,600)	43,600
3/1/2032	Variable	44,100	—	44,100
12/1/2042	5.00%	468,915	—	468,915
12/1/2034	5.00%	109,825	—	109,825
3/1/2026	Variable	106,930	(16,940)	89,990
3/1/2035	Variable	124,320	—	124,320
3/1/2036	Variable	157,055	—	157,055
3/1/2032	Variable	89,200	—	89,200
12/1/2039	5.25%-6.00%	280,000	—	280,000
12/1/2039	5.13%	20,000	—	20,000
3/1/2032	Variable	88,900	—	88,900
12/1/2044	7.00%	—	725,000	725,000
		$6,269,519	**$ 467,244**	**$6,736,763**

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED AND PROPOSED BOND ISSUANCES

As of June 30, 2016

(Thousands of dollars)

Bond Authorization	Amount Authorized	Amount Issued	Lien Closed	Retired	Principal Outstanding June 30, 2016 (1)	Remaining Authorization
1995 COP Board Authorization	$ 45,000	$ 45,000	$ —	$ 45,000	$ —	$ —
1996 Alternate Bond Authorization	1,150,000	850,000 (A)	300,000	850,000	— (A)	—
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	—	838,643	659,060 (B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	—	865,610	4,585 (C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	—	500,000	— (D)	—
2002 Alternate Bond Authorization	500,000	500,000 (E)	—	471,640	28,360 (E)	—
2004 Alternate Bond Authorization	965,000	965,000 (F)	—	712,960	252,040 (F)	—
2006 Alternate Bond Authorization	750,000	634,258 (G)	—	371,235	263,023 (G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990 (H)	—	214,750	1,685,240 (H)	10
2009 Alternate Bond Authorization	2,300,000	1,906,180 (I)	—	373,140	1,533,040 (I)	393,820
2012 Alternate Bond Authorization	750,000	709,825 (J)	—	300,000	409,825 (J)	40,175
2015 Alternate Bond Authorization	1,160,000	725,000 (K)	—	—	725,000(K)	435,000
TOTAL	**$12,420,000**	**$11,103,151**	**$300,000**	**$5,542,978**	**$ 5,560,173**	**$1,016,849**

(1) Debt Reform Act Section 15 of the State of Illinois states that Alternate bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization. CPS has issued eight series of refunding bonds which met these requirements: $205,410 Series 2004A, of which $74,480 is outstanding; $193,585 Series 2005A, of which $181,085 is outstanding; $52,595 Series 2005B, of which $22,735 is outstanding; $197,765 Series 2007B, of which all is outstanding; $403,980 Series 2013A, of which $371,365 is outstanding; $89,200 Series 2015A, of which all is outstanding; $88,900 Series 2015G, of which all is outstanding; and $88,900 Series 2007G, of which all is outstanding. These series are not included in the authorization table. Total principal amount issued including these series is $12,334,586. Principal outstanding on CPS Debt is $6,578,983.

NOTES:

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1996	4/17/1996	$350,000	$ —
Unlimited Tax GO Bonds Series 1997	5/7/1997	500,000	—
		$850,000	$ —

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES

As of June 30, 2016

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1997A	12/3/1997	$ 499,995	$ 5,389
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	—
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	248,346
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	405,325
Unlimited Tax GO Bonds, IDFA Series 1999A	12/22/1999	12,000	—
Unlimited Tax GO Bonds, Series 2000D	9/7/2000	101,000	—
Unlimited Tax GO Bonds, Series 2001B	10/24/2001	9,440	—
		$1,497,703	$659,060

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

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

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

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2016

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2002A	9/24/2002	$ 48,970	$28,360
Unlimited Tax GO Bonds, Series 2003D	12/12/2003	257,925	—
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	193,105	—
		$500,000	$28,360

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2004CDE	11/10/2004	$222,080	$ —
Unlimited Tax GO Bonds, Series 2004FGH	12/9/2004	56,000	—
Unlimited Tax GO Bonds, Series 2005C	11/15/2005	53,750	—
Unlimited Tax GO Bonds, Series 2005DE	12/8/2005	325,000	—
Unlimited Tax GO Bonds, Series 2006A	6/7/2006	6,853	6,853
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	301,317	245,187
		$965,000	$252,040

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	$ 54,488	$ 44,338
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	—
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	4,150
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	169,195
Unlimited Tax GO Refunding Bonds, Series 2009B	6/25/2009	75,410	—
Unlimited Tax GO Refunding Bonds, Series 2009C	6/25/2009	20,265	—
Unlimited Tax GO Refunding Bonds, Series 2009D	7/30/2009	75,720	45,340
		$634,258	$263,023

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2016

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2008A	5/13/2008	$ 262,785	$ 262,785
Unlimited Tax GO Refunding Bonds, Series 2008B	5/13/2008	240,975	185,350
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	464,655
Unlimited Tax GO Refunding Bonds, Series 2009A	3/18/2009	130,000	—
Unlimited Taxable GO Bonds, Series 2009E	9/24/2009	518,210	518,210
Unlimited Tax GO Bonds, Series 2009F	9/24/2009	29,125	—
Unlimited Tax GO Bonds, Series 2009G	12/17/2009	254,240	254,240
		$1,899,990	$1,685,240

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2010A	2/17/2010	$ 48,910	$ —
Unlimited Tax GO Refunding Bonds, Series 2010B	2/17/2010	157,055	—
Unlimited Tax GO Bonds, Series 2010C	11/2/2010	257,125	257,125
Unlimited Tax GO Bonds, Series 2010D	11/2/2010	125,000	125,000
Unlimited Tax GO Refunding Bonds, Series 2010F	11/2/2010	183,750	169,155
Unlimited Tax GO Refunding Bonds, Series 2010G	11/2/2010	72,915	22,735
Unlimited Tax GO Bonds, Series 2011A	11/1/2011	402,410	402,410
Unlimited Tax GO Refunding Bonds, Series 2011C	12/20/2012	95,100	87,700
Unlimited Tax GO Refunding Bonds, Series 2011D	12/16/2011	95,000	—
Unlimited Tax GO Bonds, Series 2012A	8/21/2012	468,915	468,915
		$1,906,180	$1,533,040

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2016

(Thousands of dollars)

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

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

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2016A	2/8/2016	$725,000	$725,000
		$725,000	$725,000

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years
(Thousands of dollars, except per capita)
As of June 30, 2016

Fiscal Year	General Obligation Bonds	Leases Securing PBC Bonds	Asbestos Abatement Loan	Capital Leases	Notes Payable	Total Primary Government
2007	$4,091,856	$435,535	$4,885	$2,800	$3,606	$4,538,682
2008	4,276,507	411,690	3,747	2,625	2,516	4,697,085
2009	4,221,497	386,385	2,710	2,450	1,317	4,614,359
2010	4,904,510	359,215	—	2,275	—	5,266,000
2011	5,249,147	330,375	—	2,100	—	5,581,622
2012	5,593,686	299,780	—	1,925	—	5,895,391
2013	6,058,398	267,330	—	1,750	—	6,327,478
2014	5,944,516	232,940	—	1,575	—	6,179,031
2015	6,073,049	196,470	—	1,400	—	6,270,919
2016	6,578,983	157,780	—	1,225	—	6,737,988

NOTES:

(A) Starting in FY2013, CPS will include information about accumulated resources that are restricted to repaying the principal of outstanding general bonded debt. These accumulated resources will be subtracted from the total primary government amount in order to calculate a net total primary amount.

(B) For all years prior to FY2013, the total net outstanding debt per capita ratio is the total primary government amount divided by population.

Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt	Net Total Primary Government	Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Population	Total Net General Bonded Debt Per Capita	Total General Obligation Debt Per Capita
N/A	$4,538,682	3.46%	13.50%	2,896,016	$1,567.22	$1,412.93
N/A	4,697,085	3.49%	13.82%	2,896,016	1,621.91	1,476.69
N/A	4,614,359	3.45%	14.68%	2,896,016	1,593.35	1,457.69
N/A	5,266,000	4.31%	17.23%	2,695,598	1,953.56	1,819.45
N/A	5,581,622	4.41%	18.55%	2,695,598	2,070.64	1,947.30
N/A	5,895,391	4.47%	21.46%	2,695,598	2,187.04	2,075.12
144,852	6,182,626	4.62%	22.64%	2,695,598	2,293.60	2,247.52
167,270	6,011,761	4.35%	n/a	2,695,598	2,230.21	2,205.27
167,270	6,103,649	n/a	n/a	2,695,598	2,264.30	2,252.95
97,695	6,640,293	n/a	n/a	2,695,598	2,463.38	2,440.64

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
As of June 30, 2016
(Thousands of dollars)

	Fiscal Year			
	2007	2008	2009	2010
Debt limit	$9,593,382	$10,163,860	$11,175,687	$11,673,736
General obligation	658,947	606,009	553,134	498,593
Less: amount set aside for repayment of bonds	(37,322)	(36,238)	(34,719)	(16,042)
Total net debt applicable to limit (A)	$ 621,625	$ 569,771	$ 518,415	$ 482,551
Legal debt margin	$8,971,757	$ 9,594,089	$10,657,272	$11,191,185
Total net debt applicable to the limit as a percentage of debt limit	6.48%	5.61%	4.64%	4.13%

NOTE:

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

$499.9 million Series 1997A
$328.7 million Series 1998B-1
$532.5 million Series 1999A
$9.44 million Series 2001B
$49.0 million Series 2002A
$4.6 million Series 2003C
$205.4 million Series 2004A
$193.5 million Series 2005A
$52.5 million Series 2005B
$6.9 million Series 2006A
$355.8 million Series 2006B
$197.7 million Series 2007B
$6.8 million Series 2007C
$238.7 million Series 2007D
$262.8 million Series 2008A
$240.9 million Series 2008B
$464.7 million Series 2008C
$75.7 million Series 2009D
$547.3 million Series 2009EF
$254.2 million Series 2009G
$257.1 million Series 2010C
$125.0 million Series 2010D
$183.7 million Series 2010F
$72.9 million Series 2010G
$402.4 million Series 2011A
$95.1 million Series 2011C
$468.9 million Series 2012A
$109.8 million Series 2012B
$403.9 million Series 2013A
$89.2 million Series 2015A
$280.0 million Series 2015C
$20.0 million Series 2015E
$88.9 million Series 2015G
$725.0 million Series 2016A

Fiscal Year					
2011	2012	2013	2014	2015	2016
$11,328,763	$10,367,652	$9,005,479	$8,607,088	$8,958,101	$9,793,658
446,719	394,793	342,830	290,849	238,820	186,823
(36,440)	(29,917)	(34,790)	(35,201)	(34,684)	(34,866)
$ 410,279	$ 364,876	$ 308,040	$ 255,648	$ 204,136	$ 151,957
$10,918,484	$10,002,776	$8,697,439	$8,351,440	$8,753,965	$9,641,701
3.62%	3.52%	3.42%	2.97%	2.28%	1.55%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2016

(Thousands of Dollars)

Governmental Unit	Debt Outstanding (A)	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Chicago	$9,097,065	100.00%	$ 9,097,065
City Colleges of Chicago	245,995	100.00%	245,995
Chicago Park District	798,045	100.00%	798,045
Cook County	3,362,052	51.98%	1,747,595
Forest Preserve District	168,620	53.47%	90,161
Water Reclamation District	2,629,939	54.46%	1,432,265
Subtotal, overlapping debt			$13,411,126
Chicago Public School Direct Debt			6,736,763
Total Direct and Overlapping Debt			$20,147,889

NOTES:

(A) Debt outstanding data provided by each governmental unit.

(B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2015 City of Chicago tax extension within the City of Chicago by the total 2015 Cook County extension for the district.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CPS' DEBT RATING HISTORY

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

	Jul. 2012	Aug. 2012	Sep. 2012	Oct. 2012	July 2013	Sep. 2013	Mar. 2014	Mar. 2015	May 2015	July 2015	Aug. 2015	Jan. 2016*
S&P	AA-	A+	A+	A+	A+	A+	A+	A-	A-	BBB	BB	B+
Moody's	A1	A1	A2	A2	A3	A3	Baal	Baa3	Ba3	Ba3	Ba3	B2
Fitch	A+	A+	A+	A	A	A-	A-	BBB-	BBB-	BB+	BBB-	B+
Kroll								BBB+	BBB+	BBB+	BBB-	BBB-

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

NOTES: *The rating provided by Kroll for the CPS Series 2016A bonds was BBB. All other issues were BBB-.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	City of Chicago Population (A)	Personal Income ($000's)	Per Capita Income (B)	Median Age (C)	Number of Households (C)
2006	2,896,016	$121,612,400	$41,993	33.48	1,042,014
2007	2,896,016	130,986,804	45,230	33.75	1,033,328
2008	2,896,016	134,592,344	46,475	34.13	1,032,746
2009	2,896,016	133,682,995	46,161	34.50	1,037,069
2010	2,695,598	122,140,241	45,311	34.80	1,045,666
2011	2,695,598	126,523,283	46,937	33.20	1,045,666
2012	2,695,598	131,930,653	48,943	33.10	1,030,076
2013	2,695,598	133,866,092	49,661	33.30	1,028,746
2014	2,695,598	138,230,265	51,280	33.40	1,028,829
2015	2,695,598	N/A	N/A	33.70	1,035,436

NOTES:

A) *Source*: U.S. Census Bureau. The census is conducted decennially at the start of each decade.

B) *Source*: Bureau of Economic Analysis. These rates are for Cook County.

C) *Source*: World Business Chicago Website.

D) *Source*: Illinois Workforce Info Center Website

N/A: Not available at publishing.

Civilian Labor Force (D)		Employment (D)		
Number	Percent of Population	Number	Percent of Population	Unemployment Rate
1,296,045	44.75%	1,227,320	42.38%	5.30%
1,321,924	45.65%	1,245,876	43.02%	5.80%
1,328,413	45.87%	1,235,459	42.66%	7.00%
1,318,491	45.53%	1,174,785	40.57%	10.90%
1,320,502	48.99%	1,175,029	43.59%	11.00%
1,259,055	46.71%	1,116,216	41.41%	11.30%
1,273,805	47.26%	1,144,896	42.47%	10.10%
1,277,649	47.40%	1,143,944	42.44%	10.50%
1,369,656	50.81%	1,264,234	46.90%	7.70%
1,361,418	50.51%	1,273,727	47.25%	6.40%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2015			2014			2013			2012			2011		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health Care	18,308	1	1.44%	18,556	1	1.47%	—	—	—	—	—	—	—	—	—
University of Chicago	16,197	2	1.27%	16,025	2	1.27%	—	—	—	—	—	—	—	—	—
Northwestern Memorial Healthcare	15,317	3	1.20%	14,550	4	1.15%	—	—	—	—	—	—	—	—	—
J.P. Morgan Chase (2)	14,158	4	1.11%	15,015	3	1.19%	8,499	1	0.78%	8,168	1	0.76%	7,993	1	0.77%
United Continental Holdings Inc	14,000	5	1.10%	14,000	5	1.11%	—	—	—	—	—	—	—	—	—
Health Care Service Corporation	13,006	6	1.02%	—	—	—	—	—	—	—	—	—	—	—	—
Walgreens Boots Alliance Inc.	13,006	7	1.02%	13,797	6	1.09%	2,869	9	0.26%	2,789	10	0.26%	4,429	7	0.43%
Presence Health	10,500	8	0.82%	11,279	8	0.89%	—	—	—	—	—	—	—	—	—
Abbot Laboratories	10,000	9	0.79%	10,000	10	0.79%	—	—	—	—	—	—	—	—	—
Northwestern University	9,708	10	0.76%	—	—	—	—	—	—	—	—	—	—	—	—
AT&T Inc. (3)	—	—	—	13,000	7	1.03%	—	—	—	—	—	—	—	—	—
University of Illinois at Chicago	—	—	—	10,100	9	0.80%	—	—	—	—	—	—	—	—	—
United Airlines	—	—	—	—	—	—	8,199	2	0.75%	7,521	2	0.70%	6,366	2	0.62%
Accenture LLP	—	—	—	—	—	—	5,821	3	0.53%	5,590	3	0.52%	5,014	4	0.48%
Northern Trust	—	—	—	—	—	—	5,353	4	0.49%	5,448	4	0.51%	5,485	3	0.53%
Ford Motor Company	—	—	—	—	—	—	5,103	5	0.47%	4,187	6	0.39%	3,410	10	0.33%
Jewel Food Stores, Inc	—	—	—	—	—	—	4,441	6	0.41%	4,572	5	0.43%	4,799	5	0.46%
ABM Janitorial Midwest, Inc.	—	—	—	—	—	—	3,399	7	0.31%	3,398	8	0.32%	3,629	9	0.35%
Bank of America NT & SA	—	—	—	—	—	—	3,392	8	0.31%	3,811	7	0.36%	4,557	6	0.44%
American Airlines	—	—	—	—	—	—	2,749	10	0.25%	3,076	9	0.29%	—	—	—
SBC Ameritech	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
CVS Corporation	—	—	—	—	—	—	—	—	—	—	—	—	4,159	8	0.40%
Bonded Maintenance Company	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deloitte & Touche	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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

NOTES:

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

1) *Source*: Reprinted with permission, Crain's Chicago Business [January 18, 2016], Crain Communications, Inc.
2) J.P. Morgan Chase formerly known as Bank One.
3) AT&T Inc. formerly known as SBC Ameritech. 2014 number of employees is a statewide number.

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2015 NET REVENUES
(Millions of dollars)

Company Name	2015 Net Revenues	Number of Employees (1)
Walgreens Boots Alliance Inc. (2)	$103,444.0	360,000
Boeing Co.	96,114.0	161,400
Archer Daniels Midland Co.	67,702.0	32,300
Caterpillar Inc.	47,011.0	105,700
United Continental Holdings Inc.	37,864.0	84,000
Allstate Corp.	35,653.0	41,600
Mondelez International Inc.	29,636.0	99,000
Exelon Corp.	29,447.0	29,762
Deere & Co. (3)	28,862.0	57,180
McDonald's Corp.	25,413.0	420,000
Sears Holdings Corp. (4)	25,146.0	178,000
Abbvie Inc.	22,859.0	28,000
Abbott Laboratories	20,405.0	74,000
Kraft Heinz Co. (5)	18,388.0	42,000
Illinois Tool Works Inc.	13,405.0	48,000
CDW Corp.	12,988.7	8,465
R.R. Donnelley & Sons Co.	11,256.8	68,400
Navistar International Corp (3)	10,140.0	13,200
Discover Financial Services Inc.	10,002.0	15,036
W.W. Grainger Inc.	9,973.4	25,800

Source: **Crain's Chicago Business,** "Chicago's Largest Public Companies", from May 23, 2016 issue. Copyright 2016 Crain Communications Inc.

NOTES:

1) Most recent employee count available
2) Fiscal year ends in August.
3) Fiscal year ends in October.
4) Fiscal year ends in January.
5) Company has dual headquarters in Pittsburgh and Chicago.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES

CURRENT APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2016

With Comparative Amounts for the Fiscal Year Ended June 30, 2015

(Thousands of dollars)

	Approved Budget	Transfers In (Out)	Final Appropriations	Fiscal Year 2016 Actual	Variance	Fiscal Year 2015 Actual	2016 Over (Under) 2015
Revenues:							
Property taxes	$2,307,809	$ —	$2,307,809	$2,313,469	$ 5,660	$2,252,828	$ 60,641
Replacement taxes	149,517	—	149,517	115,961	(33,556)	143,867	(27,906)
State aid	2,057,293	—	2,057,293	1,398,855	(658,438)	1,579,324	(180,469)
Federal aid	852,618	—	852,618	776,277	(76,341)	767,548	8,729
Interest and investment income	140	—	140	1,347	1,207	198	1,149
Other	245,223	—	245,223	271,858	26,635	165,819	106,039
Total revenues	$5,612,600	$ —	$5,612,600	$4,877,767	($ 734,833)	$4,909,584	($ 31,817)
Expenditures:							
Teachers' salaries	$1,935,371	$(62,570)	$1,872,801	$1,869,683	$ (3,118)	$1,953,938	$ (84,255)
Career service salaries	618,006	(4,544)	613,462	605,817	(7,645)	622,591	(16,774)
Energy	78,339	(6,697)	71,642	70,227	(1,415)	74,516	(4,289)
Food	102,406	(2,691)	99,715	98,777	(938)	99,573	(796)
Textbooks	41,857	13,246	55,103	54,856	(247)	55,254	(398)
Supplies	40,987	14,070	55,057	47,085	(7,972)	50,571	(3,486)
Other commodities	462	17	479	294	(185)	474	(180)
Professional fees	284,875	71,656	356,531	314,732	(41,799)	395,221	(80,489)
Charter schools	730,064	(12,296)	717,768	704,981	(12,787)	662,553	42,428
Transportation	100,147	2,017	102,164	104,450	2,286	103,891	559
Tuition	50,439	14,154	64,593	61,028	(3,565)	90,901	(29,873)
Telephone and telecommunications	26,133	403	26,536	24,579	(1,957)	28,061	(3,482)
Other services	15,395	5,945	21,340	16,471	(4,869)	14,133	2,338
Equipment — educational	22,020	18,606	40,626	45,407	4,781	60,962	(15,555)
Repairs and replacements	20,547	(95)	20,452	18,853	(1,599)	27,291	(8,438)
Capital outlay	—	2,386	2,386	1,135	(1,251)	5	1,130
Teachers' pension	817,958	(24,157)	793,801	811,051	17,250	826,304	(15,253)
Career service pension	96,511	8,044	104,555	102,762	(1,793)	102,012	750
Hospitalization and dental insurance	347,273	8,151	355,424	348,083	(7,341)	357,124	(9,041)
Medicare	38,820	(3,407)	35,413	34,824	(589)	36,557	(1,733)
Unemployment compensation	8,923	652	9,575	9,438	(137)	8,138	1,300
Workers' compensation	22,670	(2,728)	19,942	20,337	395	25,926	(5,589)
Rent	16,295	958	17,253	16,012	(1,241)	13,030	2,982
Other fixed charges	276,327	(41,120)	235,207	33,964	(201,243)	11,340	22,624
Total expenditures	$5,691,825	$ —	$5,691,825	$5,414,846	($ 276,979)	$5,620,366	($ 205,520)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUE — BY PROGRAM
For the Fiscal Year Ended June 30, 2016
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Revenues:				
Property taxes	$2,234,094	$ —	$ —	$ —
Replacement taxes	115,961	—	—	—
State aid	700,128	—	131,330	261,193
Federal aid	55,421	93,483	116,824	—
Interest and investment income	1,328	—	—	—
Other	227,582	—	8,384	5,089
Total revenues	$3,334,514	$93,483	$256,538	$266,282

Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Act Program	Total
$ —	$ —	$79,375	$ —	$ —	$2,313,469
—	—	—	—	—	115,961
—	4,563	—	301,641	—	1,398,855
293,302	202,943	—	—	14,304	776,277
—	—	19	—	—	1,347
—	8,428	5,138	17,237	—	271,858
$293,302	$215,934	$84,532	$318,878	$14,304	$4,877,767

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES — BY PROGRAM
For the Fiscal Year Ended June 30, 2016
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program
Teachers' salaries	$1,495,518	$63,095	$ 93,818
Career service salaries	305,775	3,741	37,898
Energy	192	—	—
Food	1,129	10	2,767
Textbooks	39,571	14	4,267
Supplies	28,170	153	3,784
Other commodities	203	—	4
Professional fees	65,960	2,195	75,782
Charter schools	609,413	—	6,959
Transportation	93,948	10	2,073
Tuition	56,520	2,762	1,761
Telephone and telecommunications	24,493	—	7
Other services	8,999	28	2,145
Equipment — educational	25,605	4	3,583
Repairs and replacements	4,138	—	97
Capital outlay	1,135	—	—
Teachers' pension	747,918	11,306	15,822
Career service pension	50,769	699	6,140
Hospitalization and dental insurance	236,631	8,043	17,508
Medicare	25,168	905	1,837
Unemployment compensation	6,923	271	479
Workers' compensation	14,916	585	1,031
Rent	767	17	1,391
Other fixed charges	12,649	19	246
Total expenditures	$3,856,510	$93,857	$279,399

STATISTICAL SECTION

Supplementary General State Aid	Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	Total
$97,868	$119,302	$ 2	$ 80	$ —	$1,869,683
50,267	23,030	61,566	46,034	77,506	605,817
—	—	—	—	70,035	70,227
3	249	94,619	—	—	98,777
4,668	6,324	12	—	—	54,856
4,422	5,989	69	70	4,428	47,085
51	16	—	—	20	294
5,639	33,433	4,234	16,555	110,934	314,732
46,953	41,656	—	—	—	704,981
1,729	6,418	17	22	233	104,450
—	(15)	—	—	—	61,028
—	—	—	—	79	24,579
841	3,483	103	861	11	16,471
4,696	9,768	1,541	186	24	45,407
1,112	197	—	268	13,041	18,853
—	—	—	—	—	1,135
16,885	19,106	—	14	—	811,051
7,808	3,913	11,121	7,944	14,368	102,762
20,443	18,314	23,770	10,976	12,398	348,083
2,227	2,040	845	802	1,000	34,824
535	512	236	172	310	9,438
1,154	1,103	509	371	668	20,337
—	—	17	—	13,820	16,012
—	3,432	11,184	6,434	—	33,964
$267,301	$298,270	$209,845	$90,789	$318,875	$5,414,846

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS
Last Ten Fiscal Years and 2017 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2007	2008	2009	2010	2011	2012
Local revenue:						
Property taxes	$ 1,767,760	$1,813,917	$1,896,540	$2,047,163	$1,936,655	$2,352,136
Replacement taxes	201,509	215,489	188,503	152,497	197,762	181,927
Investment income	116,907	85,895	43,693	12,483	13,399	20,760
Other	286,230	181,028	253,376	359,661	417,516	303,744
Total local	$ 2,372,406	$2,296,329	$2,382,112	$2,571,804	$2,565,332	$2,858,567
State revenue:						
General state aid	$ 1,040,241	$1,107,408	$ 879,658	$1,001,777	$1,163,412	$1,136,472
Teachers' pension	75,242	75,218	74,845	37,551	42,971	10,449
Capital	—	—	—	—	2,793	—
Other	586,102	663,408	557,383	512,748	740,605	818,980
Total state	$ 1,701,585	$1,846,034	$1,511,886	$1,552,076	$1,949,781	$1,965,901
Federal revenue:						
Elementary and Secondary Education Act (ESEA)	$ 269,446	$ 350,515	$ 369,352	$ 307,331	$ 271,859	$ 283,681
Individuals with Disabilities Education Act (IDEA)	81,721	106,051	95,230	96,240	88,058	84,385
School lunchroom	147,407	150,394	139,096	178,764	175,753	182,836
Medicaid	24,257	31,671	50,758	34,937	72,343	92,736
Other	223,198	237,410	471,144	562,876	536,871	292,313
Total federal	$ 746,029	$ 876,041	$1,125,580	$1,180,148	$1,144,884	$ 935,951
Total revenue	$ 4,820,020	$5,018,404	$5,019,578	$5,304,028	$5,659,997	$5,760,419
Change in revenue from previous year	$303,093.00	$ 198,384	$ 1,174	$ 284,450	$ 355,969	$ 100,422
Percent change in revenue	6.7%	4.1%	0.0%	5.7%	6.7%	1.8%

STATISTICAL SECTION

2013	2014 (as restated)	2015	2016	Budget 2017	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,211,568	$2,204,252	$2,304,656	$2,408,416	$2,659,829	4.2%	2.5%
185,884	188,041	202,148	161,535	188,814	-0.6%	0.7%
7,303	15,596	(92,825)	(95,650)	—	-100.0%	-100.0%
322,128	286,472	377,286	437,042	398,100	3.4%	5.6%
$2,726,883	$2,694,361	$2,791,265	$2,911,343	$3,246,743	3.2%	2.6%
$1,094,732	$1,089,673	$1,014,395	$ 971,642	$1,076,161	0.3%	-1.1%
10,931	11,903	62,145	12,105	227,386	11.7%	85.2%
—	—	—	—	—	—	—
710,135	739,229	770,529	568,578	687,335	1.6%	-3.4%
$1,815,798	$1,840,805	$1,847,069	$1,552,325	$1,990,882	1.6%	0.3%
$ 264,600	$ 342,915	$ 253,514	$ 150,477	$ 186,189	-3.6%	-8.1%
106,902	100,092	103,899	93,483	97,850	1.8%	3.0%
190,093	181,902	200,412	202,943	208,392	3.5%	2.7%
41,523	44,801	42,524	34,806	58,000	9.1%	-9.0%
242,678	237,531	198,582	327,290	310,269	3.3%	1.2%
$ 845,796	$ 907,241	$ 798,931	$ 808,999	$ 860,700	1.4%	-1.7%
$5,388,477	$5,442,407	$5,437,265	$5,272,667	$6,098,325	2.4%	1.1%
$ (371,942)	$ 53,930	$ (5,142)	$ (164,598)	$ 825,658		
-6.5%	1.0%	-0.1%	-3.0%	15.7%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES — ALL FUNDS

Last Ten Fiscal Years and 2017 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2007	2008	2009	2010	2011	2012
Compensation:						
Teacher salaries	$1,924,109	$1,885,400	$1,975,940	$2,026,257	$2,023,510	$2,026,832
ESP salaries	535,148	559,741	597,533	604,042	610,741	618,265
Total salaries	$2,459,257	$2,445,141	$2,573,473	$2,630,299	$2,634,251	$2,645,097
Teacher pension	282,488	350,483	392,801	475,628	306,111	335,657
ESP pension	83,317	89,776	93,791	96,913	102,158	100,026
Hospitalization	250,765	260,386	299,206	311,048	353,878	324,918
Medicare	25,279	31,075	33,667	34,826	35,004	34,900
Unemployment insurance	8,236	5,764	8,599	16,000	21,992	17,141
Workers' compensation	24,619	29,757	28,148	28,244	25,859	26,042
Total benefits	$ 674,704	$ 767,241	$ 856,212	$ 962,659	$ 845,002	$ 838,684
Total compensation	$3,133,961	$3,212,382	$3,429,685	$3,592,958	$3,479,253	$3,483,781
Non-compensation:						
Energy	$ 77,133	$ 86,759	$ 92,354	$ 78,682	$ 83,356	$ 73,409
Food	83,798	83,326	89,592	93,088	93,766	104,245
Textbooks	65,772	89,514	86,356	70,596	70,249	49,147
Supplies	45,945	46,030	44,572	48,046	51,125	45,521
Commodities — other	1,072	910	998	948	478	583
Professional fees	322,252	360,277	440,921	381,851	450,127	412,072
Charter schools	141,030	189,006	256,154	326,322	377,755	424,423
Transportation	97,076	102,828	109,351	109,349	107,530	109,368
Tuition	63,103	65,105	63,858	62,568	59,102	55,001
Telephone and telecommunications	13,701	17,671	19,426	18,199	19,823	23,451
Services — other	13,271	13,253	13,935	15,688	11,789	11,010
Equipment	34,614	39,003	34,450	33,661	41,896	40,938
Repairs and replacements	32,973	36,999	34,772	31,854	37,355	33,912
Capital outlays	345,020	463,067	648,314	691,774	563,390	576,925
Rent	12,965	11,020	12,000	12,093	11,941	11,745
Debt service	342,179	282,142	302,206	386,597	332,097	374,494
Other	6,429	18,888	13,306	17,519	14,402	9,679
Total non-compensation	$1,698,333	$1,905,798	$2,262,565	$2,378,835	$2,326,181	$2,355,923
Total expenditures	$4,832,294	$5,118,180	$5,692,250	$5,971,793	$5,805,434	$5,839,704
Change in expenditures from previous year	$ 223,152	$ 285,886	$ 574,070	$ 279,543	$ (166,359)	$ 34,270
Percent change in expenditures	4.8%	5.9%	11.2%	4.9%	-2.8%	0.6%

STATISTICAL SECTION

2013	2014	2015	2016	Budget 2017	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$1,942,007	$1,921,969	$1,953,938	$1,869,683	$1,773,479	-0.8%	-2.6%
633,489	619,462	622,591	605,817	576,398	0.7%	-1.4%
$2,575,496	$2,541,431	$2,576,529	$2,475,500	$2,349,877	-0.5%	-2.3%
374,567	740,419	826,304	811,051	843,643	11.6%	20.2%
102,342	101,885	102,012	102,762	92,607	1.1%	-1.5%
319,792	343,308	357,124	348,083	359,126	3.7%	2.0%
36,404	35,951	36,557	34,824	36,449	3.7%	0.9%
9,134	16,426	8,138	9,438	8,499	0.3%	-13.1%
23,967	25,646	25,926	20,337	20,593	-1.8%	-4.6%
$ 866,206	$1,263,635	$1,356,061	$1,326,495	$1,360,917	7.3%	10.2%
$3,441,702	$3,805,066	$3,932,590	$3,801,995	$3,710,794	1.7%	1.3%
$ 76,559	$ 87,547	$ 74,516	$ 70,227	$ 75,719	-0.2%	0.6%
106,650	96,816	99,573	98,777	97,095	1.5%	-1.4%
68,969	52,871	55,254	54,856	37,602	-5.4%	-5.2%
52,925	55,223	50,571	47,085	38,056	-1.9%	-3.5%
408	648	474	294	394	-9.5%	-7.5%
398,064	441,667	395,221	314,732	309,401	-0.4%	-5.6%
498,162	580,652	662,553	704,981	677,988	17.0%	9.8%
106,861	104,430	103,891	104,450	98,439	0.1%	-2.1%
54,626	66,396	90,901	61,028	59,630	-0.6%	1.6%
23,642	30,297	28,061	24,579	28,499	7.6%	4.0%
12,438	14,126	14,133	16,471	20,430	4.4%	13.2%
59,654	62,757	60,962	45,407	24,451	-3.4%	-9.8%
26,449	31,679	27,291	18,853	20,537	-4.6%	-9.5%
493,532	486,986	374,758	294,446	337,507	-0.2%	-10.2%
10,547	12,164	13,030	16,012	15,023	1.5%	5.0%
390,409	467,904	523,113	480,288	563,735	5.1%	8.5%
8,639	7,792	11,340	8,961	245,813	44.0%	91.0%
$2,388,534	$2,599,955	$2,585,642	$2,361,447	$2,650,319	4.6%	2.4%
$5,830,236	$6,405,021	$6,518,232	$6,163,442	$6,361,113	2.8%	1.7%
$ (9,468)	$ 574,785	$ 113,211	$ (354,790)	$ 197,671		
-0.2%	9.8%	1.8%	-5.4%	3.2%		

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Last Ten Fiscal Years and 2017 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2007	2008	2009	2010
Revenues:				
Local	$2,372,406	$ 2,296,329	$2,382,112	$2,571,804
State	1,701,585	1,846,034	1,511,886	1,552,076
Federal	746,029	876,041	1,125,580	1,180,148
Total revenues	$4,820,020	$ 5,018,404	$5,019,578	$5,304,028
Total expenditures	4,832,294	5,118,180	5,692,250	5,971,793
Revenues less expenditures	$ (12,274)	$ (99,776)	$ (672,672)	$ (667,765)
Other Financing Sources:				
Bond proceeds	$ 355,805	$ 1,674,555	$ 225,675	$1,083,260
Net premiums/discounts	14,444	41,226	—	6,459
Proceeds from swaps	—	—	—	—
Capital leases	—	—	—	—
Insurance proceeds	—	—	1,155	—
Sales of general capital assets	25,673	6,404	91	—
Payment to bond escrow agent	—	(1,474,081)	(226,408)	(288,704)
Transfers in/ (out)	—	—	—	—
Total other financing sources	$ 395,922	$ 248,104	$ 513	$ 801,015
Change in fund balance	$ 383,648	$ 148,328	$ (672,159)	$ 133,250
Fund balance — beginning of period	1,354,148	1,578,331	1,726,659	1,054,500
Fund balance — end of period	$1,737,796	$ 1,726,659	$1,054,500	$1,187,750
Revenues as a percent of expenditures	99.7%	98.1%	88.2%	88.8%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	$ 296,799	$ 401,281	$ 211,422	$ 340,688
Reserved for restricted donations	1,765	1,826	3,695	5,825
Reserved for specific purposes	129,597	102,695	101,072	109,163
Reserved for debt services	264,867	272,471	272,273	375,211
Unreserved:				
Designated to provide operating capital	233,200	258,000	181,200	—
Undesignated	811,568	690,386	284,838	356,863
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Restricted for capital improvement program	—	—	—	—
Restricted for debt service	—	—	—	—
Assigned for 2017 Budget	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for debt service	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total fund balance	$1,737,796	$ 1,726,659	$1,054,500	$1,187,750
Unreserved/Unassigned fund balance as a percentage of revenues	21.7%	18.9%	9.3%	6.7%
Total fund balance as a percentage of revenues	36.1%	34.4%	21.0%	22.4%

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

2011	2012	2013	2014 (as restated)	2015	2016	Budget 2017
$2,565,332	$2,858,567	$2,726,883	$2,694,361	$ 2,791,265	$2,911,343	$3,246,700
1,949,781	1,965,901	1,815,798	1,840,805	1,847,069	1,552,325	1,990,882
1,144,884	935,951	845,796	907,241	798,931	808,999	860,667
$5,659,997	$5,760,419	$5,388,477	$5,442,407	$ 5,437,265	$5,272,667	$6,098,249
5,805,434	5,839,704	5,830,236	6,405,021	6,518,232	6,163,442	5,514,800
$ (145,437)	$ (79,285)	$ (441,759)	$ (962,614)	$(1,080,967)	$ (890,775)	$ 583,449
$ 638,790	$ 592,510	982,720	131,600	561,880	724,999	$ 331,000
14,700	1,229	47,271	—	(12,502)	(110,071)	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	723	7,301	37,504	15,012	—
(269,483)	(190,100)	(480,597)	—	(397,090)	(120,856)	—
—	—	—	—	—	—	—
$ 384,007	$ 403,639	$ 550,117	$ 138,901	$ 189,792	$ 509,084	$ 331,000
$ 238,570	$ 324,354	$ 108,358	$ (823,713)	$ (891,175)	$ (381,691)	
1,187,750	1,426,320	1,750,674	2,546,502	1,722,789	831,614	
$1,426,320	$1,750,674	$1,859,032	$1,722,789	$ 831,614	$ 449,923	
97.5%	98.6%	92.4%	85.0%	83.4%	85.5%	
$ —	$ —	$ —	$ —	$ —	$ —	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
1,972	9,003	6,108	429	429	429	
126,855	69,873	63,434	61,022	64,155	64,854	
91,036	92,680	64,985	19,838	41,373	35,116	
182,884	88,762	169,368	—	—	107,248	
271,643	332,517	466,966	491,552	545,383	535,116	
—	—	—	—	—	—	
289,000	—	—	—	—	—	
181,300	348,900	562,682	267,652	79,225		
231,413	254,967	269,167	193,877	57,057		
44,924	110,397	105,664	87,067	73,101		
5,293	443,575	150,658	(91,953)	(29,109)	(292,840)	
$1,426,320	$1,750,674	$1,859,032	$1,029,484	$ 831,614	$ 449,923	
0.1%	7.7%	2.8%	-1.7%	-0.5%	-5.6%	
25.2%	30.4%	34.5%	18.9%	15.3%	8.5%	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
Last Ten Fiscal Years and 2017 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	2007	2008	2009	2010	2011
Local revenue:					
Property taxes	$1,716,516	$1,763,282	$1,867,350	$2,035,938	$1,904,169
Replacement taxes	147,403	159,805	132,819	96,816	172,384
Investment income	61,595	40,905	21,405	3,084	1,920
Other	95,534	96,816	102,107	111,985	221,391
Total local	$2,021,048	$2,060,808	$2,123,681	$2,247,823	$2,299,864
State Revenue:					
General state aid	$ 888,220	$ 953,783	$ 700,954	$ 801,198	$ 940,693
Teacher pension	75,233	75,210	74,845	74,922	42,971
Other	586,040	663,358	557,383	491,677	710,902
Total state	$1,549,493	$1,692,351	$1,333,182	$1,367,797	$1,694,566
Federal revenue:					
Elementary and Secondary Education Act (ESEA)	$ 269,446	$ 350,515	$ 369,352	$ 307,331	$ 271,859
Individuals with Disabilities Education Act (IDEA)	81,721	106,051	95,230	96,240	88,058
School lunch program	147,407	150,394	139,096	178,764	175,753
Medicaid	24,257	31,671	50,758	34,937	72,343
Other	189,132	193,895	468,369	543,140	513,444
Total federal	$ 711,963	$ 832,526	$1,122,805	$1,160,412	$1,121,457
Total revenue	$4,282,504	$4,585,685	$4,579,668	$4,776,032	$5,115,887
Change in revenue from previous year	$ 96,652	$ 303,181	$ (6,017)	$ 196,364	$ 339,855
Percentage change in revenue	2.3%	7.1%	-0.1%	4.3%	7.1%

2012	2013	2014 (as restated)	2015	2016	Budget 2017	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,295,178	$2,157,777	$2,152,753	$2,252,828	$2,313,470	$2,607,809	4.3%	2.6%
126,786	128,212	131,075	143,867	115,961	130,531	-1.2%	0.6%
4,363	2,207	4,458	198	1,347	—	-100.0%	-100.0%
142,160	132,717	156,115	165,819	271,858	263,148	10.7%	13.1%
$2,568,487	$2,420,913	$2,444,401	$2,562,712	$2,702,636	$3,001,488	4.0%	3.2%
$ 989,943	$ 945,651	$ 972,572	$ 847,420	$ 857,601	$ 702,748	-2.3%	-6.6%
10,449	10,931	11,903	62,145	12,105	227,386	11.7%	85.2%
756,774	642,842	645,417	669,759	529,148	672,563	1.4%	-2.3%
$1,757,166	$1,599,424	$1,629,892	$1,579,324	$1,398,854	$1,602,697	0.3%	-1.8%
$ 283,681	$ 264,600	$ 342,915	$ 253,514	$ 293,302	$ 86,521	-10.7%	-21.1%
84,385	106,902	100,092	103,899	93,483	97,850	1.8%	3.0%
182,836	190,093	189,336	200,412	202,943	208,392	3.5%	2.7%
92,736	41,523	40,879	42,524	34,806	58,000	9.1%	-9.0%
247,349	202,865	194,290	167,199	151,743	379,076	7.2%	8.9%
$ 890,987	$ 805,983	$ 867,512	$ 767,548	$ 776,277	$ 829,839	1.5%	-1.4%
$5,216,640	$4,826,320	$4,941,805	$4,909,584	$4,877,767	$5,434,024	2.4%	0.8%
$ 100,753	$ (390,320)	$ 115,485	$ (32,221)	$ (31,817)	$ 556,257		
2.0%	-7.5%	2.4%	-0.7%	-0.6%	11.4%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES
Last Ten Fiscal Years and 2017 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2007	2008	2009	2010	2011	2012
Compensation:						
Teachers' salaries	$1,924,109	$1,885,400	$1,975,940	$2,026,257	$2,023,510	$2,026,832
ESP salaries	535,148	559,741	597,533	604,042	610,741	618,265
Total salaries	$2,459,257	$2,445,141	$2,573,473	$2,630,299	$2,634,251	$2,645,097
Teachers' pension	282,488	350,483	392,801	475,628	306,111	335,657
ESP pension	83,317	89,776	93,791	96,913	102,158	100,026
Hospitalization	250,765	260,386	299,206	311,048	353,878	324,918
Medicare	25,279	31,075	33,667	34,826	35,004	34,900
Unemployment insurance	8,236	5,764	8,599	16,000	21,992	17,141
Workers' compensation	24,619	29,757	28,148	28,244	25,859	26,042
Total benefits	$ 674,704	$ 767,241	$ 856,212	$ 962,659	$ 845,002	$ 838,684
Total compensation	$3,133,961	$3,212,382	$3,429,685	$3,592,958	$3,479,253	$3,483,781
Non-compensation:						
Energy	$ 77,133	$ 86,759	$ 92,354	$ 78,682	$ 83,356	$ 73,409
Food	83,798	83,326	89,592	93,088	93,766	104,245
Textbooks	65,772	89,514	86,356	70,596	70,249	49,147
Supplies	45,945	46,030	44,572	48,046	51,125	45,521
Commodities — other	1,072	910	998	948	478	583
Professional fees	322,252	360,277	440,921	381,851	450,127	412,072
Charter schools	141,030	189,006	256,154	326,322	377,755	424,423
Transportation	97,076	102,828	109,351	109,349	107,530	109,368
Tuition	63,103	65,105	63,858	62,568	59,102	55,001
Telephone and telecommunications	13,701	17,671	19,426	18,199	19,823	23,451
Services — other	13,271	13,253	13,935	15,688	11,789	11,010
Equipment	34,614	39,003	34,450	33,661	41,896	40,938
Repairs and replacements	32,973	36,999	34,772	31,854	37,355	33,912
Capital outlays	5	10	12	10	5	43
Rent	12,965	11,020	12,000	12,093	11,941	11,745
Debt service	1,269	21,704	1,037	2,710	—	—
Other	6,429	18,888	13,306	17,519	14,402	9,679
Total non-compensation	$1,012,408	$1,182,303	$1,313,094	$1,303,184	$1,430,699	$1,404,547
Total expenditures	$4,146,369	$4,394,685	$4,742,779	$4,896,142	$4,909,952	$4,888,328
Change in expenditures from previous year	$ 61,276	$ 248,316	$ 348,094	$ 153,363	$ 13,810	$ (21,624)
Percent change in expenditures	1.5%	6.0%	7.9%	3.2%	0.3%	-0.4%

STATISTICAL SECTION

2013	2014	2015	2016	Budget 2017	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$1,942,007	$1,921,969	$1,953,938	$1,869,683	$1,773,479	-0.8%	-2.6%
633,489	619,462	622,591	605,817	576,398	0.7%	-1.4%
$2,575,496	$2,541,431	$2,576,529	$2,475,500	$2,349,877	-0.5%	-2.3%
374,567	740,419	826,304	811,051	843,643	11.6%	20.2%
102,342	101,885	102,012	102,762	92,607	1.1%	-1.5%
319,792	343,308	357,124	348,083	359,126	3.7%	2.0%
36,404	35,951	36,557	34,824	36,449	3.7%	0.9%
9,134	16,426	8,138	9,438	8,499	0.3%	-13.1%
23,967	25,646	25,926	20,337	20,593	-1.8%	-4.6%
$ 866,206	$1,263,635	$1,356,061	$1,326,495	$1,360,917	7.3%	10.2%
$3,441,702	$3,805,066	$3,932,590	$3,801,995	$3,710,794	1.7%	1.3%
$ 76,559	$ 87,547	$ 74,516	$ 70,227	$ 75,719	-0.2%	0.6%
106,650	96,816	99,573	98,777	97,095	1.5%	-1.4%
68,969	52,871	55,254	54,856	37,602	-5.4%	-5.2%
52,925	55,223	50,571	47,085	38,056	-1.9%	-3.5%
408	648	474	294	394	-9.5%	-7.5%
398,064	441,667	395,221	314,732	309,401	-0.4%	-5.6%
498,162	580,652	662,553	704,981	677,991	17.0%	9.8%
106,861	104,430	103,891	104,450	98,439	0.1%	-2.1%
54,626	66,396	90,901	61,028	59,630	-0.6%	1.6%
23,642	30,297	28,061	24,579	28,499	7.6%	4.0%
12,438	14,126	14,133	16,471	11,665	-1.3%	1.2%
59,654	62,757	60,962	45,407	24,451	-3.4%	-9.8%
26,449	31,679	27,291	18,853	20,236	-4.8%	-9.8%
75	—	5	1,135	301	50.6%	47.6%
10,547	12,164	13,030	16,012	15,023	1.5%	5.0%
—	—	—	25,003	34,000	38.9%	0.0%
8,639	7,792	11,340	8,961	275,577	45.6%	95.4%
$1,504,668	$1,645,065	$1,687,776	$1,612,851	$1,804,079	5.9%	5.1%
$4,946,370	$5,450,131	$5,620,366	$5,414,846	$5,514,873	2.9%	2.4%
$ 58,042	$ 503,761	$ 170,235	$ (205,520)	$ 100,027		
1.2%	10.2%	3.1%	-3.7%	1.8%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Last Ten Fiscal Years and 2017 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2007	2008	2009	2010
Revenues:				
Local	$2,021,048	$2,060,808	$2,123,681	$2,247,823
State	1,549,493	1,692,351	1,333,182	1,367,797
Federal	711,963	832,526	1,122,805	1,160,412
Total revenues	$4,282,504	$4,585,685	$4,579,668	$4,776,032
Total expenditures	4,146,369	4,394,685	4,742,779	4,896,142
Revenues less expenditures	$ 136,135	$ 191,000	$ (163,111)	$ (120,110)
Other financing sources less transfers	1,904	3,813	20,389	17,851
Change in fund balance	$ 138,039	$ 194,813	$ (142,722)	$ (102,259)
Fund balance — beginning of period	495,897	474,783	669,596	526,874
Fund balance — end of period	$ 633,936	$ 669,596	$ 526,874	$ 424,615
Revenues as a percent of expenditures	103.3%	104.3%	96.6%	97.5%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	$ 97,731	$ 132,684	$ 110,685	$ 111,166
Reserved for restricted donations	1,765	1,826	3,695	5,825
Reserved by law for specific purposes	129,597	102,695	101,072	109,163
Unreserved:				
Designated to provide operating capital	233,200	258,000	181,200	—
Undesignated	171,643	174,391	130,222	198,461
Nonspendable	—	—	—	—
Restricted for grants and donations	—	—	—	—
Restricted for workers' comp/tort immunity	—	—	—	—
Assigned for 2017 Budget	—	—	—	—
Assigned for educational services	—	—	—	—
Assigned for appropriated fund balance	—	—	—	—
Assigned for commitments and contracts	—	—	—	—
Unassigned	—	—	—	—
Total fund balance	$ 633,936	$ 669,596	$ 526,874	$ 424,615
Unreserved/unassigned fund balance as a percent of revenues	9.5%	9.4%	6.8%	4.2%
Total fund balance as a percentage of revenues	14.8%	14.6%	11.5%	8.9%

NOTE:

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

2011	2012	2013	2014 (as restated)	2015	2016	Budget 2017
$2,299,864	$2,568,487	$2,420,913	$2,444,401	$2,562,712	$2,702,635	$3,001,500
1,694,566	1,757,166	1,599,424	1,629,892	1,579,324	1,398,855	1,602,697
1,121,457	890,987	805,983	867,512	767,548	776,277	829,839
$5,115,887	$5,216,640	$4,826,320	$4,941,805	$4,909,584	$4,877,767	$5,434,036
4,909,952	4,888,328	4,946,370	5,450,131	5,620,366	5,414,846	5,514,873
$ 205,935	$ 328,312	$ (120,050)	$ (508,326)	$ (710,782)	$ (537,079)	$ (80,837)
109,830	62	439	161	(12,915)	50,162	
$ 315,765	$ 328,374	$ (119,611)	$ (508,165)	$ (723,697)	$ (486,917)	
424,615	740,380	1,068,754	1,592,147	1,083,982	360,285	
$ 740,380	$1,068,754	$ 949,143	$1,083,982	$ 360,285	$ (126,632)	
104.2%	106.7%	97.6%	90.7%	87.4%	90.1%	
$ —	$ —	$ —	$ —	$ —	$ —	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
1,972	3,329	1,720	429	429	429	
126,855	69,873	63,434	61,022	64,155	64,854	
91,036	92,680	64,985	19,838	41,373	35,116	
—	—	—	—	—	—	
289,000	—	—	—	—	—	
181,300	348,900	562,682	267,652	79,225	—	
44,924	110,397	105,664	87,067	73,101	—	
5,293	443,575	150,658	—	102,002	(227,031)	
$ 740,380	$1,068,754	$ 949,143	$ 436,008	$ 360,285	$ (126,632)	
0.1%	8.5%	3.1%	0.0%	2.1%	-4.7%	
14.5%	20.5%	19.7%	8.8%	7.3%	-2.6%	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF TORT EXPENDITURES
As Required Under Section 9-103 (a-5) of the Tort Immunity Act
For the Fiscal Year Ended June 30, 2016

Eligible Expenditures:	
Other General Charges	$ 556,250
Physical Education — Athletic Claims	47,369
Legal Services	127,373
Tort Claims — Administration Fee	607,100
Tort Claims — Major Settlements	2,082,692
Tort Claims — Casualty	686,051
General Liability Insurance	1,472,401
Property Damage Insurance	2,124,685
Property Loss Reserve Fund	4,381
Charter Schools — Support Services	312,511
Investigations — Administration	37,226
School Safety Services	20,919,261
School Security Personnel	53,216,428
Central Service Security	4,707,490
Security Services	3,866,685
Crisis Intervention	11,572
Risk Management Administration	8,800
Employee Solutions	1,518
Total Eligible Expenditures	$90,789,792

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS

For the Fiscal Year Ended June 30, 2016

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

	Beginning Balance	Cash Receipts	Cash Disbursements	Amounts Held for Student Activities
Checking:				
Elementary Schools	$19,708,021	$35,045,808	$33,556,185	$21,197,644
Child Parent Centers	46,350	50,874	53,924	43,300
Alternative Schools	22,147	30,228	30,444	21,931
Middle Schools	519,346	567,770	627,861	459,255
High Schools	19,526,645	35,573,698	34,334,583	20,765,760
	$39,822,509	$71,268,378	$68,602,997	$42,487,890
Investments:				
Elementary Schools				118,622
High Schools				913,179
Total Cash and Investments Held for Student Activities				$43,519,691

STUDENT FEES

	Graduation Fees (A)	Student Activity Fees (B)	Total
Total Elementary School Fees	$1,628,785	$3,502,292	$ 5,131,077
Total Elementary Students	247,487	247,487	247,487
Average Fee per Student	$ 6.58	$ 14.15	$ 20.73
Total High School Fees	$ 837,339	$9,833,923	$10,671,262
Total High School Students	86,208	86,208	86,208
Average Fee per Student	$ 9.71	$ 114.07	$ 123.79

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
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES
For the Fiscal Year Ended June 30, 2016

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
BROKER SERVICES	Mesirow Financial	07/01/15 — 06/30/16	$ 69,750	Insurance placement and consultation. The contract with Mesirow for these services has been extended and continues.
PROPERTY INSURANCE				
All Risk-Property Insurance layers				
Property Primary I	Lexington Insurance Company	07/01/15 — 06/30/16	$ 1,789,688	$50M per occurrence subject to $5M deductible
Property Excess II	Starr Specialty Insurance Chubb Insurance GSINDA Insurance	07/01/15 — 06/30/16	74,731	$25M per occurrence $50M excess $50M
Property Excess II	Steadfast Insurance (Zurich) Company	07/01/15 — 06/30/16	73,553	$25M per occurrence $50M excess $50M
Boiler & Machinery Insurance	Federal Insurance Company (Chubb)	07/01/15 — 06/30/16	84,792	$100M subject to $50,000 deductible
			$ 2,022,764	Total Property, Boiler & Machinery for year end 06/30/16
Property Loss Reserve			—	Self-Insurance contents/claim payments
Total Property Program			$ 2,022,764	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2016

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
LIABILITY INSURANCE				
General Liability, Auto, SBLL, EPL, Abuse	Allied World Assurance Company	07/01/15 — 06/30/16	$ 552,680	$10M excess $10M Self Insured Retention
Excess Liability II	Lexington Insurance Company	07/01/15 — 06/30/16	383,690	$15M excess of $10M excess $10M excess $10M Self Insured Retention
Excess Liability III	Ironshore Specialty Insurance Company	07/01/15 — 06/30/16	313,174	$20M excess of $30M excess Self Insured Retention
Special Events CGL	National Casualty Insurance Company	07/01/15 — 06/30/16	42,738	$1M/no deductible/$5M Product Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/15 — 06/30/16	16,134	$5M excess of $5M no deductible
Fiduciary	Chartis Insurance	07/01/15 — 06/30/16	82,214	$10 million no deductible
Student Catastrophic	National Union Fire Insurance Company of Pittsburg, PA	07/01/15 — 06/30/16	97,259	$6M Subject to $25,000 deductible
Total Liability Insurance Cost			$ 1,487,889	
Total Insurance Cost			$ 3,510,653	
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc	07/01/15 — 06/30/16	$ 2,485,998	Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc	07/01/15 — 06/30/16	477,750	Administration fees
			$ 2,963,748	Total General Liability Claims and Expenses

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2016

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
Workers' Compensation Claims	Sedgwick Claims Management Services, Inc	07/01/15 — 12/31/15	$ 692,924	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. *Note: As of 01/01/16, Sedgwick is no longer the 3rd party administrator for CPS Workers Compensation Program. It will be managed by CCMSI*
	Cannon, Cochran, Management Services, Inc	01/01/16 — 06/30/16	$ 556,250	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.
	Sedgwick Claims Management Services, Inc		$ 11,481,254	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses. *Note: As of 01/01/16, Sedgwick is no longer the 3rd party administrator for CPS Workers Compensation Program. It will be managed by CCMSI*
	Cannon Cochran Management Services, Inc		$ 8,330,115	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
			$ 21,060,543	Total Workers Compensation Claims and Expenses
Total Self Insured Program			$ 24,024,291	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2016

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
HEALTH INSURANCE / HMO/PPO				
Medical-Administrative Services	Blue Cross PPO	07/01/15 — 06/30/16	$ 3,660,561	PPO Health care for eligible employees and dependents
	United Healthcare PPO	07/01/15 — 06/30/16	1,301,094	PPO Health care for eligible employees and dependents
	United Healthcare PPO w/HRA	07/01/15 — 06/30/16	285,861	PPO and Health Reimbursement Account for eligible employees and dependents
	Blue Cross HMO Illinois	07/01/15 — 06/30/16	3,901,158	HMO Health care for eligible employees and dependents
	Blue Cross BA HMO	07/01/15 — 06/30/16	5,846,596	HMO Health care for eligible employees and dependents
	United Healthcare HMO (EPO)	07/01/15 — 06/30/16	1,119,483	HMO Health care for eligible employees and dependents
Medical Total Administrative Fees			$ 16,114,753	
Medical PPO Claim	Blue Cross/Blue Shield of Illinois	07/01/15 — 06/30/16	$ 88,260,589	PPO Health care of eligible employees & dependents
	United Healthcare PPO	07/01/15 — 06/30/16	32,911,558	PPO Health care of eligible employees & dependents
	United Healthcare PPO w/HRA	07/01/15 — 06/30/16	3,469,184	PPO and Health Reimbursement Account for eligible employees and dependents
Medical Total PPO Claims			$124,641,331	
Medical HMO Claims	Blue Cross HMO Illinois	07/01/15 — 06/30/16	$129,253,513	HMO Healthcare for eligible employees and dependents and Claims and Physician Service Fees
	United Healthcare HMO	07/01/15 — 06/30/16	34,537,058	HMO Healthcare for eligible employees and dependents
	Blue Cross BA HMO	07/01/15 — 06/30/16	645,338	HMO Healthcare for eligible employees and dependents and Claims and Physician Service Fees
Medical Total HMO Claims			$164,435,909	
Medical Claims Total		07/01/15 — 06/30/16	$289,077,240	
Medical Claims and Administration		07/01/15 — 06/30/16	$305,191,993	
Managed Mental Health Service	United Behavioral Health	07/01/15 — 06/30/16	$ 2,846,187	Mental health care for PPO eligible employees and dependents
Utilization Review and Case Management	Encompass	07/01/15 — 06/30/16	$ 1,215,383	Pre-certification, utilization review and case management for PPO eligible employees and dependents
Prescription Drugs	Caremark	07/01/15 — 06/30/16	$ 83,000,000	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses		07/01/15 — 06/30/16	$392,253,563	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2016

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
OTHER INSURANCE				
Dental Insurance	Delta Dental HMO	07/01/15 — 06/30/16	$ 2,819,598	Dental HMO for eligible employees and dependents
	Delta Dental PPO	07/01/15 — 06/30/16	7,891,795	Dental PPO for eligible employees and dependents
Dental Insurance Total			$ 10,711,393	
Vision Plan	Vision Service Plan (VSP)	07/01/15 — 06/30/16	$ 180,473	Vision services for eligible employees and dependents
Term Life Insurance	Aetna Life Insurance	07/01/15 — 06/30/16	$ 1,506,468	Life insurance policy at $10,000 per eligible employee
Total Dental/Vision/Life			$ 12,398,334	
Total Health/Life Benefit Expenses			$ 404,651,897	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY
For the Fiscal Year Ended June 30, 2016
(Millions of dollars)

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

NOTES:

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

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

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

2010	2011	2012	2013 (B)	2014 (C)	2015	2016 (D)
$ 73.9	$261.6	$182.2	$ 88.1	$174.2	$ (91.9)	$(157.1)
803.8	382.3	402.4	508.9	131.3	148.5	364.0
						42.5
—	2.8	1.3	6.9	37.8	31.6	39.4
12.3	4.4	18.1	13.6	14.9	6.5	7.7
2.0	2.1	5.5	1.9	0.8	0.4	0.1
83.1	91.5	54.2	88.0	31.3	107.2	62.9
$975.1	$744.7	$663.7	$707.4	$390.3	$ 202.3	$ 359.5
666.7	562.3	576.8	493.4	482.2	359.4	293.1
(46.8)	(0.2)	1.2	(41.6)	—	—	—
$261.6	$182.2	$ 88.1	$172.4	$ (91.9)	$(157.1)	$ 66.4
229.5	182.2	88.1	172.4	(91.9)	(157.1)	66.4
$ 32.1	$ —	$ —	$ —	$ —	$ —	$ —

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2012	2013	2014	2015 (A)	2016 (A)
DAYS MEALS SERVED:					
National School Lunch Program	$ 173	$ 181	$ 177	$ 178	$ 176
PUPIL LUNCHES SERVED:					
Paid lunches (regular)	1,715,302	1,528,287	1,324,623	—	—
Reduced lunches (regular)	2,219,797	1,919,787	1,353,204	—	—
Free lunches (regular)	39,439,339	40,730,512	40,531,544	43,507,955	42,061,499
TOTAL PUPIL LUNCHES SERVED	$43,374,438	$44,178,586	$43,209,371	$43,507,955	$42,061,499
Daily Average	250,719	244,081	244,121	244,427	238,986
Change from Previous Year	(361,900)	804,148	(969,215)	298,584	(1,446,456)
Daily Percentage Change	-0.8%	-2.6%	0.0%	0.1%	-2.2%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)	1,852,888	1,694,160	1,534,733	—	—
Reduced breakfasts (regular)	1,276,808	1,023,368	724,873	—	—
Free breakfasts (regular)	23,935,561	24,138,173	23,724,239	26,144,917	24,850,825
TOTAL PUPIL BREAKFASTS SERVED	$27,065,257	$26,855,701	$25,983,845	$26,144,917	$24,850,825
Daily Average	156,447	148,374	146,801	146,882	141,198
Change from Previous Year	6,011,770	(209,556)	(871,856)	161,072	(1,294,092)
Daily Percentage Change	28.6%	-5.2%	-1.1%	0.1%	-3.9%
TOTAL MEALS SERVED	$70,439,695	$71,034,287	$69,193,216	$69,652,872	$66,912,324
Daily Average	407,166	392,455	390,922	391,308	380,184
Total Change From Previous Year	5,649,870	594,592	(1,841,071)	459,656	(2,740,548)
Daily Percentage Change	8.7%	-3.6%	-0.4%	0.1%	-2.8%
NUMBER OF ADULT LUNCHES (REGULAR)	114,583	61,741	429,877	241,263	241,533
Daily Average	662	341	2,429	1,355	1,372
Total Change From Previous Year	(28,249)	(52,842)	368,136	(188,614)	270
Daily Percentage Change	-19.8%	-48.5%	612.2%	-44.2%	1.3%

NOTE:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2012	2013	2014	2015	2016
REVENUE:					
Federal and State Sources	$196,000	$197,514	$189,152	$204,975	$207,506
Local Sources	27,645	32,137	13,698	7,747	8,428
Total Revenue	$223,645	$229,651	$202,850	$212,722	$215,934
EXPENDITURES:					
Career Service Salaries	$ 71,007	$ 71,124	$ 60,680	$ 60,303	$ 61,566
Career Service Pension	12,074	12,136	10,282	10,374	11,121
Hospitalization	22,557	22,907	23,567	23,562	23,770
Food	102,365	103,972	92,984	94,576	94,619
Professional and Special Services	2,167	1,544	2,927	3,942	4,234
Administrative Allocation	9,833	14,624	10,124	7,665	11,184
Other	3,642	3,344	2,286	2,174	3,351
Total Expenditures	$223,645	$229,651	$202,850	$202,596	$209,845
Revenues Less Than Expenditures	$ —	$ —	$ —	$ 10,126	$ 6,089
DAILY AVERAGE					
Revenues	$ 1,293	$ 1,269	$ 1,146	$ 1,195	$ 1,227
Expenditures	$ 1,293	$ 1,269	$ 1,146	$ 1,138	$ 1,192
PERCENTAGE CHANGE					
Revenues	8.1%	2.7%	-11.7%	4.9%	1.5%
Expenditures	8.1%	2.7%	-11.7%	-0.1%	3.6%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION
For Fiscal Year Ended June 30, 2016
With Comparative Amounts for the Period Ended June 30, 2015

	2016 Schools	2016 Administrative Center	Total
Electricity			
Total Electricity Charges	$ 49,639,877	$ 128,922	$ 49,768,799
Kilowat Hours	527,270,030	1,189,074	528,459,104
Charge per Kilowatt Hour	$ 0.09415	$ 0.10842	$ 0.09418
Gas			
Total Gas Charges	$ 20,459,051	$ —	$ 20,459,051
Therms	26,555,109	—	26,555,110
Charge per Therm	$ 0.77044	$ —	$ 0.77044

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY SALES AND PURCHASES
For the Fiscal Year Ended June 30, 2016

	Sales*			
Unit Location	**Date Acquired**	**Net Book Value**	**Gross/Sales Proceeds**	**Gain / (Loss) on Sale**
1450 N. Larrabee	N/A	$1,040,513	$ —	(1,040,513)
115 W. 108th Street	1903	58,200	3,000**	(55,200)
511 S. Plymouth Court	2000	450,000	551,155	101,155
5211-29 S. Prairie	2015	7,700	124,890	117,190
2221 South Lawndale Ave	N/A	—	3,800**	3,800
2620 W. Hirsch	1885, 1918	—	2,726,980	2,726,980
221 E. 49th Street (Main)	1963	—	285,855	285,855
739 N. Ada	1884	18,520	4,492,292	4,473,772
1540 W. 84th Street	N/A	—	2,250	2,250
230 N. Kolmar	1962	—	10,000	10,000
4525 N. Kenmore	1906, 1941	—	4,469,783	4,469,783
2722 S. Martin Luther King Drive	1961	—	1,321,381	1,321,381
		$1,574,933	$13,991,386	$12,416,454

NOTE:

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

** Sale Price instead of Net Proceeds were used to calculate Gain/(Loss)

There were no purchases in fiscal year 2016

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Fiscal Year	Minimum Salary (A)	Median Salary	Maximum Salary (B)	Percent Change (C)
2007	$40,405	$57,215	$74,025	4.00%
2008	42,021	59,504	76,986	4.00%
2009	43,702	62,384	81,065	4.00%
2010	45,450	64,879	84,308	4.00%
2011	47,268	67,974	88,680	4.00%
2012	47,268	68,474	89,680	0.00%
2013	48,686	70,644	92,602	3.00%
2014	49,660	72,163	94,666	2.00%
2015	50,653	73,706	96,759	2.00%
2016	50,653	73,706	96,759	0.00%

NOTES:

A) The minimum salary represents the minimum amount a CPS teacher with a bachelor's degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on education attainment and years of service. Minimum salary excludes pension and hospitalization benefits.

B) The maximum salary represents the maximum amount a CPS teacher with a doctoral degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on educational attainment and years of service. The majority of the Chicago Public Schools Teaching Staff receive the maximum salary due to the 16 years minimum needed to reach the highest pay scale dependent on years of service only. Maximum salary excludes pension and hospitalization benefits.

C) The percent change is the official CTU (Chicago Teachers Union) agreed to minimum salary increase for that year, net of any changes to the salary schedule or step advances on the pay schedule.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHERS' PENSION FUNDING ANALYSIS

Last Five Fiscal Years

(Thousands of dollars)

Fiscal Year	Employer and Employee Contribution	Net Assets of Plan (Fair Market Value)	Unfunded Obligation (Assets at Fair Market Value)	% Funded of Pension Obligation Fund at Year End (Assets at Fair Market Value)	% Unfunded (Assets at Fair Market)
2011	$306,111	$10,109,315	$6,831,312	59.7%	40.3%
2012	335,657	9,364,077	8,011,584	53.9%	46.1%
2013	374,567	9,422,519(A)	9,622,014(A)	49.5%(A)	50.5%
2014	740,419	10,045,543	9,458,351	51.5%	48.5%
2015	826,304	10,344,375	9,606,915	51.9%	48.1%

NOTE:

A) The Board of Trustees at the Public School Teachers' Pension and Retirement Fund of Chicago (CTPF) approved various changes to their assumptions used in the valuation of the fund starting in fiscal year 2013.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS
Last Five Fiscal Years

Fiscal Year	School Year	Average Daily Attendance (A)	Operating Expenses Per Pupil (B)	Per Capita Tuition Charge (C)
2012	2011-12	367,883	$13,433	$ 9,462
2013	2012-13	365,974	13,791	10,412
2014	2013-14	366,077	15,120	11,707
2015	2014-15	363,276	15,310	12,229
2016	2015-16	361,764	N/A	N/A

NOTES:

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

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

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

N/A: Not available at publishing.

Chicago Public Schools

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	2007	2008	2009
Elementary			
Pre-Kindergarten	21,363	21,388	23,325
Kindergarten	28,403	27,901	28,975
Grades 1-3	95,744	93,853	93,416
Grades 4-6	94,235	90,701	89,234
Grades 7-8	62,385	62,217	59,839
Total Elementary	302,130	296,060	294,789
Secondary			
9th Grade	37,514	35,151	34,233
10th Grade	30,286	31,994	32,177
11th Grade	23,871	24,608	25,292
12th Grade	19,893	20,788	21,464
Total Secondary	111,564	112,541	113,166
Grand Total	413,694	408,601	407,955

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

2010	2011	2012	2013	2014	2015	2016
24,370	23,705	24,232	24,507	23,671	22,873	22,555
29,632	28,812	29,594	30,936	30,166	28,978	27,651
92,581	91,899	92,302	91,880	92,251	92,526	91,347
88,695	87,834	87,630	86,966	86,244	86,066	85,391
58,231	56,791	56,520	56,773	56,184	54,233	54,174
293,509	289,041	290,278	291,062	288,516	284,676	281,118
32,877	31,081	30,336	29,812	30,069	30,366	29,130
34,659	33,303	32,230	31,343	30,963	31,130	31,189
25,436	26,277	27,039	26,610	26,500	26,378	26,714
22,798	22,979	24,268	24,634	24,497	24,133	24,134
115,770	113,640	113,873	112,399	112,029	112,007	111,167
409,279	402,681	404,151	403,461	400,545	396,683	392,285

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary	21.1	20.0	23.5	21.3	23.2	23.3	24.6	25.2	25.4	25.8
Secondary	19.6	16.3	19.5	19.7	19.8	19.2	19.8	21.5	21.9	20.3

Source: Illinois State Board of Education

NOTE:

Starting in 2009, the ratio includes Charter Schools.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION

Last Five Fiscal Years

As of June 30, 2016

Functions	2012	2013	2014	2015	2016
Instruction	25,884	26,909	26,123	26,261	25,615
Support services:					
Pupil support services	4,841	5,010	4,676	4,652	4,415
Administrative support services	1,129	1,063	1,042	1,038	705
Facilities support services	1,666	1,633	1,527	1,468	1,427
Instructional support services	3,134	3,311	2,920	2,965	2,788
Food services	3,688	3,562	2,860	2,762	2,721
Community services	326	339	266	247	250
Total government employees	40,668	41,827	39,414	39,393	37,921

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Number of Schools						
Elementary (A)	472	474	474	474	474	473
Special (C)	18	17	17	13	12	12
High School	93	98	98	109	107	103
Vocational/Technical (C)	12	10	10	8	8	8
Charter Schools	27	28	67	71	82	87
Kindergarten to H.S. (K-12) (C)	—	—	—	—	—	—
Total Schools	622	627	666	675	683	683
School Enrollment (B)						
Elementary (A)	287,252	279,823	274,875	272,308	264,569	263,540
Special (C)	3,222	2,846	2,762	2,073	1,940	1,839
High School	88,487	88,936	90,055	91,390	87,061	85,068
Vocational/Technical (C)	15,313	14,219	11,251	9,956	8,833	8,226
Charter Schools	19,420	22,777	29,012	33,552	40,278	45,478
Kindergarten to H.S. (K-12) (C)	—	—	—	—	—	—
Total School Enrollment	413,694	408,601	407,955	409,279	402,681	404,151
Number of High School Graduates	18,235	20,285	18,972	22,245	20,131	20,914

Source: Office of Accountability, Data Quality and Management

NOTES:

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

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

C) The governance and school types in fiscal year 2015 has changed compared to FY14 and prior years. As a result, there is no longer a category for "Vocational/Technical", "Special" or "Kindergarten to H.S (K-12)" in fiscal year 2016.

2012-2013	2013-2014	2014-2015	2015-2016
468	422	426	425
12	5	—	—
98	109	121	122
8	—	—	—
95	126	131	129
—	5	—	—
681	667	678	676
261,638	254,864	251,554	247,487
1,961	907	—	—
81,735	86,184	88,183	86,208
7,927	—	—	—
50,200	54,572	56,946	58,590
—	4,018	—	—
403,461	400,545	396,683	392,285
22,447	22,817	22,825	22,839

STATISTICAL SECTION

RSM US LLP

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chicago Public Schools (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise CPS's basic financial statements, and have issued our report thereon dated January 23, 2017. Our report includes an emphasis of matter paragraph relative to management's plan for future sustainability. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Response to Finding

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

Purpose of this Report

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

RSM US LLP

Chicago, Illinois
January 23, 2017

RSM US LLP

Report on Compliance for Each
Major Federal Program; Report on Internal Control over Compliance;
and Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Chicago Public Schools' (Board of Education of the City of Chicago, the "CPS", a body politic and corporate of the State of Illinois) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CPS's major federal programs for the year ended June 30, 2016. CPS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CPS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CPS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CPS's compliance.

Opinion on Each Major Federal Program

In our opinion, CPS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002, 2016-003, 2016-004 and 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

CPS's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. CPS's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of CPS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CPS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CPS's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002, 2016-003, 2016-004 and 2016-005 that we consider to be significant deficiencies.

CPS's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. CPS's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of CPS as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise CPS's basic financial statements. We issued our report thereon dated January 23, 2017, which contained unmodified opinions on those financial statements. Our report includes an emphasis of matter paragraph relative to management's plan for future sustainability. Our opinion is not modified with respect to this matter. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

RSM US LLP

Chicago, Illinois
January 23, 2017

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

FOR THE YEAR ENDED JUNE 30, 2016

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
NATIONAL SECURITY AGENCY					
Direct Funding					
Language Grant Program	Startalk Arabic and Chinese Language Institute	N/A	12.900	H-98230-14-1-0013	04/07/14-02/28/15
		N/A	12.900	H-98230-15-1-0073	03/13/15-02/28/16
		N/A	12.900	H-98230-16-1-0085	04/01/16-02/28/17
	TOTAL NATIONAL SECURITY AGENCY				
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Illinois State Board of Education (ISBE)					
National School Lunch Program	Lunch Program	4210	10.555	15-4210-00	09/01/14-09/30/15
		4210	10.555	16-4210-00	09/01/15-09/30/16
Food Donation Program	Food Donation Program * Noncash Awards	4290	10.555	16-4290-00	07/01/15-06/30/16
School Breakfast Program	Breakfast Program	4220	10.553	15-4220-00	09/01/14-09/30/15
		4220	10.553	16-4220-00	09/01/15-09/30/16
	Total Child Nutrition Cluster				
Passed Through Illinois State Board of Education (ISBE)					
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	15-4226-00	09/01/14-09/30/15
		4226	10.558	16-4226-00	09/01/15-09/30/16
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	11-4240-10	07/01/10-06/30/11
		4240	10.582	15-4240-15 / 15-4240-16	07/01/14-09/30/15
		4240	10.582	16-4240-15 / 16-4240-16	07/01/15-09/30/16
Team Nutrition Grants	Healthier US Challenge	N/A	10.574	N/A	07/01/15-06/30/16
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (not including cluster)				
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (including cluster)				
Passed Through Natural Resources Conservation Services					
Soil and Water Conservation	Community Gardens for Agricultural Sciences Region	N/A	10.902	65-5A12-14-335	09/22/14-12/31/15
	Total U. S. Department of Agriculture Through Natural Resources Conservation Services				
Passed Through Northwestern Illinois Association					
Team Nutrition Grants	Illnet Mini Grants	N/A	10.574	N/A	09/01/10-05/31/16
	Total U. S. Department of Agriculture Passed Through Northwestern Illinois Association				
Passed Through Illinois Department of Human Services					
Supplemental Nutrition Assistance Program	Homeless Services & Supportive Housing	N/A	10.561	FCSSQ01324	07/01/14-06/30/15
		N/A	10.561	FCSUQ01324	07/01/15-06/30/16
	Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services				
	TOTAL U.S. DEPARTMENT OF AGRICULTURE				
U.S. DEPARTMENT OF EDUCATION					
Passed Through Illinois State Board of Education (ISBE)					
Education of Homeless Children and Youth Cluster					
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	15-4920-00	07/01/14-06/30/15
		4920	84.196A	16-4920-00	07/01/15-06/30/16
	Total Education for Homeless Children and Youth Cluster				
Passed Through Illinois State Board of Education (ISBE)					
School Improvement Grants Cluster					
School Improvement Grants	School Improvement — Cohort 3	4339	84.377A	15-4339-13	07/01/14-08/31/15
	School Improvement — Cohort 4	4339	84.377A	15-4339-14	07/01/14-08/31/15
	School Improvement — Cohort 5	4339	84.377A	15-4339-15	07/30/14-08/31/15
	School Improvement — Cohort 3	4339	84.377A	16-4339-13	09/30/15-08/31/16
	School Improvement — Cohort 4	4339	84.377A	16-4339-14	07/01/15-08/31-16
	School Improvement — Cohort 5	4339	84.377A	16-4339-15	07/01/15-08/31/16
	School Improvement — Cohort 6	4339	84.377A	16-4339-16	01/01/16-08/31/16
School Improvement Grants, Recovery Acts	ARRA-School Improvement Grant — Harper	4855	84.388A	12-4855-11	08/15/11-08/31/12
	ARRA-School Improvement Grant — Tilden	4855	84.388A	12-4855-12	09/01/11-08/31/12
	ARRA-School Improvement Grant — Transformation	4855	84.388A	13-4855-12	07/01/12-08/31/13
	Total School Improvement Grants Cluster				
Passed Through Illinois State Board of Education (ISBE)					
Special Education Cluster (IDEA)					
Special Education Grants to State	IDEA — Flow Through Instruction	4620	84.027A	10-4620-00	07/01/09-08/31/10
		4620	84.027A	15-4620-00	07/01/14-08/31/15
		4620	84.027A	16-4620-00	07/01/15-08/31/16
	Room and Board	4625	84.027A	16-4625-00	09/01/15-08/31/16

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2015	Cash (Received) Refunded July 1, 2015 June 30, 2016	Revenue Recognized July 1, 2015 June 30, 2016	Federal Award Expenditures July 1, 2015 June 30, 2016	Pass Through to Subrecipient July 1, 2015 June 30, 2016	Accrued (Deferred) Grant Revenue June 30, 2016	Prior Years' Expenditures Through June 30, 2015	Final Status Cumulative Expenditures Through June 30, 2016
$ 89,992	$ 3,077	$ —	$ (3,077)	$ (3,077)	$ —	$ —	$ 93,069	$ 89,992
89,865	6,018	(89,863)	83,845	83,845	—	—	6,018	89,863
89,984	—	—	4,267	4,267	—	4,267	—	4,267
$ 269,841	**$ 9,095**	**$ (89,863)**	**$ 85,035**	**$ 85,035**	**$ —**	**$ 4,267**	**$ 99,087**	**$ 184,122**
$ N/A	$ 9,417,109	$ (9,417,109)	$ 1,497,589	$ 1,497,589	$ —	$ 1,497,589	$127,698,215	$129,195,804
N/A	—	(123,279,259)	131,211,635	131,211,635	—	7,932,376	—	131,211,635
N/A	—	(13,113,493)	13,113,493	13,113,493	—	—	—	13,113,493
N/A	3,792,681	(9,151,369)	5,358,687	5,358,687	—	—	43,384,827	48,743,514
N/A	—	(40,384,481)	43,987,777	43,987,777	—	3,603,296	—	43,987,777
$ —	**$13,209,790**	**$(195,345,711)**	**$195,169,181**	**$195,169,181**	**$ —**	**$13,033,261**	**$171,083,042**	**$366,252,223**
$ N/A	$ 1,237,528	$ (1,477,968)	$ 240,440	$ 240,440	$ —	$ —	$ 6,959,125	$ 7,199,565
N/A	—	(6,471,359)	7,533,432	7,533,432	—	1,062,073	—	7,533,432
								—
N/A	94	—	(94)	(94)	—	—	94	94
1,869,132	494,712	(494,053)	(659)	(659)	—	—	1,869,790	1,869,131
2,169,265	—	(1,790,449)	2,169,265	2,169,265	—	378,816	—	2,169,265
N/A	—	(52,500)	52,500	52,500	—	—	—	52,500
$ 4,038,397	**$ 1,732,334**	**$ (10,286,329)**	**$ 9,994,884**	**$ 9,994,884**	**$ —**	**$ 1,440,889**	**$ 8,829,009**	**$ 18,823,987**
$ 4,038,397	**$14,942,124**	**$(205,632,040)**	**$205,164,065**	**$205,164,065**	**$ —**	**$14,474,150**	**$179,912,051**	**$385,076,210**
$ 2,500	$ —	$ (2,500)	$ 2,500	$ 2,500	$ —	$ —	$ —	$ 2,500
$ 2,500	**$ —**	**$ (2,500)**	**$ 2,500**	**$ 2,500**	**$ —**	**$ —**	**$ —**	**$ 2,500**
$ 5,500	$ 1,200	$ —	$ —	$ —	$ —	$ 1,200	$ 5,500	$ 5,500
$ 5,500	**$ 1,200**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1,200**	**$ 5,500**	**$ 5,500**
$ 422,914	$ 24,786	$ (24,786)	$ —	$ —	$ —	$ —	$ 257,073	$ 257,073
343,406	—	(57,847)	57,847	57,847	—	—	—	57,847
$ 766,320	**$ 24,786**	**$ (82,633)**	**$ 57,847**	**$ 57,847**	**$ —**	**$ —**	**$ 257,073**	**$ 314,920**
$ 4,812,717	**$14,968,110**	**$(205,717,173)**	**$205,224,412**	**$205,224,412**	**$ —**	**$14,475,350**	**$180,174,624**	**$385,399,130**
$ 807,100	$ 801,289	$ (801,289)	$ —	$ —	$ —	$ —	$ 803,565	$ 803,565
838,820	—	—	803,127	803,127	—	803,127	—	803,127
$ 1,645,920	**$ 801,289**	**$ (801,289)**	**$ 803,127**	**$ 803,127**	**$ —**	**$ 803,127**	**$ 803,565**	**$ 1,606,692**
$ 9,088,410	$ 1,556,239	$ (1,509,172)	$ (47,067)	$ (47,067)	$ —	$ —	$ 7,619,242	$ 7,572,175
3,680,906	474,620	(778,501)	303,881	303,881	—	—	3,051,454	3,355,335
5,552,415	792,858	(1,484,399)	691,541	691,541	—	—	4,117,416	4,808,957
2,500,000	—	(647,407)	1,717,802	1,717,802	—	1,070,395	—	1,717,802
3,658,904	—	(1,626,770)	2,630,069	2,630,069	—	1,003,299	—	2,630,069
6,295,873	—	(2,935,647)	4,562,358	4,562,358	—	1,626,711	—	4,562,358
500,000	—	(118,008)	453,015	453,015	—	335,007	—	453,015
1,910,000	1,121	—	(1,121)	(1,121)	—	—	1,836,228	1,835,107
1,865,150	644,406	—	(644,406)	(644,406)	—	—	976,871	332,465
1,651,428	(1)	—	1	1	—	—	16,030,438	16,030,439
$36,703,086	**$ 3,469,243**	**$ (9,099,904)**	**$ 9,666,073**	**$ 9,666,073**	**$ —**	**$ 4,035,412**	**$ 33,631,649**	**$ 43,297,722**
$96,011,080	$ 125,436	$ —	$ (125,436)	$ (125,436)	$ —	$ —	$ 91,007,811	$ 90,882,375
95,604,447	664,252	(664,252)	—	—	—	—	95,604,447	95,604,447
90,119,237	—	(84,612,767)	89,199,602	89,199,602	—	4,586,835	—	89,199,602
N/A	—	(2,578,098)	2,578,098	2,578,098	—	—	—	2,578,098

STATUTORY REPORTING SECTION

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
Special Education — Preschool Grants	IDEA — Pre-School Flow Through	4600	84.173A	15-4600-00	07/01/14-08/31/15
		4600	84.173A	16-4600-00	07/01/15-08/31/16
	IDEA — Pre-School Discretionary	4605	84.173A	15-4605-01	07/01/14-06/30/15
		4605	84.173A	16-4605-01	07/01/15-08/31/16
	Total Special Education Cluster (IDEA)				
Passed Through Illinois State Board of Education (ISBE)					
Title I, Part A Cluster					
Title I Grants to Local Education Agencies	Title I — Low Income	4300	84.010A	12-4300-00	07/01/11-08/31/12
		4300	84.010A	14-4300-00	07/01/13-08/31/14
		4300	84.010A	15-4300-00	07/01/14-08/31/15
		4300	84.010A	16-4300-00	07/01/15-08/31/16
	ESEA — School Improvement	4331	84.010A	15-4331-SS	07/01/14-06/30/15
		4331	84.010A	16-4331-SS	07/01/15-06/30/16
	ESEA — Title I — Low Income — Neglected Private	4305	84.010A	15-4305-00	07/01/14-08/31/15
		4305	84.010A	16-4305-00	07/01/14-08/31/16
	ESEA — Title I — Low Income — Delinquent Private	4306	84.010A	12-4306-00	07/01/11-08/31/12
		4306	84.010A	15-4306-00	07/01/14-08/31/15
		4306	84.010A	16-4306-00	07/01/15-08/31/16
	Total Title I, Part A Cluster				
Passed Through Illinois State Board of Education (ISBE)					
Improving Teacher Quality State Grants	Title IIA — Teacher Quality	4932	84.367A	14-4932-00	07/01/13-08/31/14
	Title IIA — Teacher Quality	4932	84.367A	15-4932-00	07/01/14-08/31/15
	Title IIA — Teacher Quality	4932	84.367A	16-4932-00	07/01/15-08/31/16
	Title II — Teacher Quality Leadership	4935	84.367A	16-4935-02	05/06/16-08/31/16
Career and Technical Education	V.E. — Perkins — Title IIC — Secondary	4745	84.048A	11-4745-00	07/01/10-08/31/11
	V.E. — Perkins — Title IIC — Secondary	4745	84.048A	15-4745-00	07/01/14-08/31/15
	V.E. — Perkins — Title IIC — Secondary	4745	84.048A	16-4745-00	07/01/15-08/31/16
	Perkins Leadership High Schools that Work	4720	84.048A	11-4720-01	08/10/10-07/31/11
Twenty-First Century Community Learning Centers	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-13	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-15	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-35	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-45	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-55	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-65	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-25	07/1/15-08/31-16
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-13	07/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-15	11/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-25	11/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-35	11/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-45	11/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-55	11/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	15-4421-65	11/01/14-08/31/15
	Title IV — 21st Century Comm Learning Centers	N/A	84.287C	Agreement	11/01/14-08/31/15
Race to the Top	Race to the Top	4901	84.395	15-4901-00	07/01/14-06/30/15
		4901	84.395	16-4901-00	07/01/15-12/31/16
	Race to the Top — Early Learning Challenge	4999	84.412	15-4999-00	07/01/14-06/30/15
	Race to the Top — Early Learning Challenge	4998	84.412	16-4998-00	07/01/15-06/30/16
English Language Acquisition Grants	Title III — Lang Inst Prog — Limited Eng LIPLEP	4909	84.365A	15-4909-00	09/01/14-08/31/15
		4909	84.365A	16-4909-00	09/01/15-08/31/16
	Title III — Sheltered Instruction	4998	84.365A	16-4998-SI	07/01/15-09/30/15
	International Baccalaureate	4999	84.365A	4999-IB	07/01/10-06/30/14
		4999	84.365A	4999-IB	07/01/15-06/30/16
Preschool Development Grants	Preschool Expansion	4999	84.419B	15-4999-PE	02/24/15-08/31/15
		4902	84.419B	16-4902-PE	07/01/15-06/30/16
	Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)				
	Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)				
Direct Funding					
Impact Aid	Federal Impact Aid Grant	N/A	84.041	S041Z-2008-1446	07/01/15-06/30/16
Indian Education — Grants to Local Education Agencies	Indian Elementary/Secondary School Assistance Program	N/A	84.060A	S060A140666	07/01/14-06/30/15
		N/A	84.060A	S060A140666	07/01/15-06/30/16

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2015	Cash (Received) Refunded July 1, 2015 June 30, 2016	Revenue Recognized July 1, 2015 June 30, 2016	Federal Award Expenditures July 1, 2015 June 30, 2016	Pass Through to Subrecipient July 1, 2015 June 30, 2016	Accrued (Deferred) Grant Revenue June 30, 2016	Prior Years' Expenditures Through June 30, 2015	Final Status: Cumulative Expenditures Through June 30, 2016
1,267,600	424,509	(716,651)	292,142	292,142	—	—	957,716	1,249,858
1,311,409	—	(690,439)	1,163,840	1,163,840	—	473,401	—	1,163,840
489,250	169,499	(192,594)	23,095	23,095	—	—	466,155	489,250
489,250	—	(191,220)	381,434	381,434	—	190,214	—	381,434
$ 285,292,273	$ 1,383,696	$ (89,646,021)	$ 93,512,775	$ 93,512,775	$ —	$ 5,250,450	$ 188,036,129	$ 281,548,904
$ 332,558,791	$ 450,001	$ —	$ —	$ —	$ —	$ 450,001	$ 290,751,234	$ 290,751,234
308,559,813	(1,062,981)	—	1,062,981	1,062,981	—	—	283,491,894	284,554,875
291,933,677	35,167,648	(52,851,018)	17,683,370	17,683,370	355,498	—	213,275,574	230,958,944
323,134,906	—	(234,440,219)	272,206,021	272,206,021	41,300,010	37,765,802	—	272,206,021
3,915,800	2,003,972	(1,960,411)	(43,561)	(43,561)	—	—	2,362,114	2,318,553
3,915,800	—	(1,621,027)	3,481,037	3,481,037	—	1,860,010	—	3,481,037
693,584	178,927	(583,398)	282,658	282,658	—	(121,813)	317,773	600,431
680,886	—	(190,953)	399,273	399,273	—	208,320	—	399,273
774,664	18,216	—	(18,216)	(18,216)	—	—	648,199	629,983
947,785	259,557	(350,414)	90,857	90,857	—	—	624,989	715,846
1,166,491	—	(497,962)	762,882	762,882	—	264,920	—	762,882
$1,268,282,197	$37,015,340	$(292,495,402)	$295,907,302	$295,907,302	$41,655,508	$40,427,240	$ 791,471,777	$1,087,379,079
$ 56,200,586	$ (2,269,107)	$ 2,269,107	$ —	$ —	$ —	$ —	$ 46,851,060	$ 46,851,060
43,713,318	10,662,545	(15,121,775)	4,459,230	4,459,230	268,263	—	29,885,201	34,344,431
43,655,852	—	(21,828,562)	27,012,189	27,012,189	5,450,228	5,183,627	—	27,012,189
62,512	—	—	—	—	—	—	—	—
7,974,040	(99,900)	—	99,900	99,900	—	—	7,874,120	7,974,020
5,978,354	2,173,123	(2,651,420)	478,297	478,297	—	—	5,500,057	5,978,354
5,960,454	—	(3,014,104)	4,937,757	4,937,757	—	1,923,653	—	4,937,757
10,000	5,118	—	(5,118)	(5,118)	—	—	8,061	2,943
2,835,000	—	(953,618)	2,196,890	2,196,890	—	1,243,272	—	2,196,890
540,000	—	(253,907)	439,484	439,484	—	185,577	—	439,484
540,000	—	(197,867)	414,602	414,602	—	216,735	—	414,602
540,000	—	(216,294)	456,004	456,004	—	239,710	—	456,004
540,000	—	(149,109)	333,929	333,929	—	184,820	—	333,929
540,000	—	(260,014)	476,832	476,832	—	216,818	—	476,832
540,000	—	(179,177)	409,817	409,817	—	230,640	—	409,817
3,150,000	1,080,218	(1,695,094)	614,876	614,876	—	—	2,535,124	3,150,000
540,000	211,173	(371,162)	159,989	159,989	—	—	281,550	441,539
540,000	263,052	(485,623)	222,571	222,571	—	—	308,912	531,483
540,000	173,685	(466,505)	292,820	292,820	—	—	195,671	488,491
540,000	223,349	(463,220)	239,871	239,871	—	—	239,558	479,429
540,000	207,588	(477,671)	270,083	270,083	—	—	207,588	477,671
540,000	311,015	(447,158)	136,143	136,143	—	—	403,857	540,000
32,110	32,110	(32,110)	—	—	—	—	32,110	32,110
5,603,712	2,495,946	(2,642,254)	146,308	146,308	—	—	4,492,690	4,638,998
2,541,974	—	(1,779,857)	1,955,336	1,955,336	—	175,479	—	1,955,336
193,655	27,314	(25,493)	(1,821)	(1,821)	—	—	193,655	191,834
70,000	—	—	70,000	70,000	—	70,000	—	70,000
12,746,883	2,184,417	(3,041,555)	857,138	857,138	—	—	7,180,582	8,037,720
13,883,538	—	(6,433,020)	7,177,942	7,177,942	406,799	744,922	—	7,177,942
7,700	—	(7,700)	7,700	7,700	—	—	—	7,700
494,424	(62,498)	291,158	(229,200)	(229,200)	—	(540)	940,699	711,499
291,158	—	(291,158)	291,158	291,158	—	—	—	291,158
804,253	4,500	(708,635)	704,135	704,135	—	—	4,500	708,635
5,400,000	—	(3,083,682)	5,119,961	5,119,961	—	2,036,279	—	5,119,961
$ 218,089,523	$17,623,648	$ (64,717,479)	$ 59,744,823	$ 59,744,823	$ 6,125,290	$12,650,992	$ 107,134,995	$ 166,879,818
$1,810,012,999	$60,293,216	$(456,760,095)	$459,634,100	$459,634,100	$47,780,798	$63,167,221	$1,121,078,115	$1,580,712,215
$ 76,411	$ —	$ (60,496)	$ 76,411	$ 76,411	$ —	$ 15,915	$ —	$ 76,411
234,313	58,709	(63,494)	4,785	4,785	—	—	203,369	208,154
239,087	—	(196,523)	211,833	211,833	—	15,310	—	211,833

STATUTORY REPORTING SECTION

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
Fund for the Improvement of Education	Carol M. White Physical Education Program	N/A	84.215F	S215F130218	10/01/14-09/30/15
		N/A	84.215F	S215F130218	10/01/14-09/30/16
Safe and Drug-Free Schools and Communities	School Emergency Response to Violence (Project SERV)	N/A	84.184S	S184S160005	04/29/16-09/28/16
	Start on Success Program	N/A	84.215H	U215H150069	10/01/15-09/30/16
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052	10/01/14-09/30/15
		N/A	84.351C	U351C140052	10/01/14-09/30/16
Early Reading First	Enhancing Early Reading in Chicago (EERIC)	N/A	84.359B	S359B050093	10/01/05-06/30/09
High School Graduation Initiative	Pathways to Accelerated Student Success (PASS)	N/A	84.360A	S360A100176	10/01/14-09/30/15
		N/A	84.360A	S360A100176	10/01/15-09/30/16
TRIO — Talent Search	Pullman Talent Search	N/A	84.044A	P044A110797	09/01/14-08/31/15
		N/A	84.044A	P044A110797	09/01/15-08/31/16
	Total U.S. Department of Education — Direct Funding (not including cluster)				
Passed Through Illinois Department of Human Services					
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CTD00155	07/01/14-06/30/15
		N/A	84.126	46CUD00155	07/01/15-06/30/16
Rehabilitation Services Vocational Rehabilitation Grants to States	IDHS-Community Based Employment Services	N/A	84.126	46CTD03159	07/01/14-06/30/15
	Total U.S. Department of Education Passed Through IDHS				
Passed Through WestED					
Improving Teacher Quality	Improving Teacher Quality — RA Leadership & Sustainability	N/A	84.367D	S000029593.0	10/01/15-09/30/16
	Total U.S. Department of Education Passed Through WestED				
Passed Through Illinois Board of Higher Education					
Improving Teacher Quality Through Human Relationships	Title II T.Q.E. (Depaul University)	N/A	84.367A	500194SG014	01/01/04-09/30/05
	Total U.S. Department of Education Passed Through Illinois Higher Board of Education				
Passed Through American Institute for Research					
Back on Track Study	Back on Track Study	N/A	84.305A	R305A110149	06/01/11-08/31/11
	Total U.S. Department of Education Passed Through American Institute for Research				
Passed Through University of Illinois at Chicago					
UIC — Substitute Reimbursement	UIC — Substitute Reimbursement	N/A	84.305F	R305F100007	01/24/14-06/30/17
	Total U.S. Department of Education Passed Through University of Illinois at Chicago				
Passed Through University of Southern California					
Pathways for Success University of Southern California	Pathways For Success — University of Southern California	N/A	84.305a	R305A140281-15/55562128	07/01/15-06/30/16
	Total U.S. Department of Education Passed Through University of Southern California				
Passed Through National Opinion Research Center					
Education Research, Development and Dissemination	Preventing Truancy in Urban Schools	N/A	84.305	R305A120809	07/01/13-06/30/14
		N/A	84.305	R305A120809	07/01/14-06/30/15
		N/A	84.305	R305A120809	07/01/15-06/30/16
Child Health and Human Development Extramural Research	Randomized Study to Abate Truancy in Urban Schools	N/A	93.865	R01HD067500	12/01/13-11/30/14
		N/A	93.865	R01HD067500	12/01/14-11/30/15
	Total U.S. Department of Education Passed Through National Opinion Research Center				
Passed Through Northeastern Illinois University					
Gaining Early Awareness and	Gear-Up 4 (Year 3)	N/A	84.334A	P334A100031 / P0019677	10/01/12-09/30/13
Readiness for Undergraduate Program	Gear-Up 4 (Year 6)	N/A	84.334A	P334A100031 / P0042020	10/01/15-09/30/16
	Gear Up 5 (Year 5)	N/A	84.334A	P334A110082 / P0042021	09/26/15-09/25/16
	Gear-Up 4 (Year 5)	N/A	84.334A	P334A100031 / P00371701	10/01/14-09/30/15
	Gear-Up 5 (Year 3)	N/A	84.334A	P334A110082 / P0032423	09/26/13-09/25/14
	Gear-Up 5 (Year 4)	N/A	84.334A	P334A110082 / PO037306	08/26/14-09/25/15
	Gear Up 6 (Year 1)	N/A	84.334A	P334A140132 /PO038883	09/25/14-09/24/15
	Gear Up 6 (Year 2)	N/A	84.334A	P334A140132 / P0042022	09/25/15-09/24/16
	Gear-Up-Kelly High School — (NEIU)	N/A	84.334A	PO#017870	06/20/11-08/08/11
	Gear-Up-Harlan High School — (NEIU)	N/A	84.334A	PO#018067	06/27/11-08/08/11
	Gear-Up-Wells High School — (NEIU)	N/A	84.334A	PO#017869	06/20/11-08/08/11
	Gear-Up-Curie High School — (NEIU)	N/A	84.334A	PO#017886	06/20/11-08/08/11
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU — Ella Flagg Young	N/A	84.287	PO#035851	10/13/14-08/15/15
		N/A	84.287	PO#0040535	10/15/15-08/31/16
	Illinois 21st Century CLC NEIU- Duke Ellington	N/A	84.287	PO#036419	10/13/14-08/15/15
		N/A	84.287	PO#0040534	10/15/15-06/15/16
	Illinois 21st Century CLC NEIU- Michelle Clark Academic	N/A	84.287	PO#035853	10/13/14-08/15/15
		N/A	84.287	PO#0040533	11/01/15-08/31/16
	Illinois 21st Century CLC NEIU- Frederick A Douglas	N/A	84.287	PO#035852	10/13/14-08/15/15
		N/A	84.287	PO#041070	10/15/15-08/15/16
	Total U.S. Department of Education Passed Through Northeastern Illinois University				
Passed Through University of Illinois at Chicago					
Teacher Quality Partnership Grants	Increase Teacher Quality	N/A	84.336S	U336S090013	10/01/11-09/30/12
		N/A	84.336S	U336S090013	10/01/13-09/30/15
	ISU Chicago Teacher Education Pipeline	N/A	84.336S	U336S090145	01/15/15-09/30/15

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2015	Cash (Received) Refunded July 1, 2015 June 30, 2016	Revenue Recognized July 1, 2015 June 30, 2016	Federal Award Expenditures July 1, 2015 June 30, 2016	Pass Through to Subrecipient July 1, 2015 June 30, 2016	Accrued (Deferred) Grant Revenue June 30, 2016	Prior Years' Expenditures Through June 30, 2015	Final Status: Cumulative Expenditures Through June 30, 2016
717,383	229,278	(314,060)	84,782	84,782	—	—	467,789	552,571
750,000	—	(220,604)	348,845	348,845	—	128,241	—	348,845
70,650	—	—	70,650	70,650	—	70,650	—	70,650
395,455	—	(109,219)	162,859	162,859	—	53,640	—	162,859
349,851	95,993	(106,533)	10,540	10,540	—	—	98,292	108,832
349,888	—	(150,960)	247,514	247,514	—	96,554	—	247,514
846,947	69,116	—	—	—	—	69,116	69,116	69,116
5,003,347	599,563	(858,480)	258,917	258,917	—	—	2,069,708	2,328,625
2,674,722	—	(868,033)	924,113	924,113	—	56,080	—	924,113
252,133	66,389	(119,971)	53,582	53,582	—	—	212,178	265,760
216,373	—	(173,526)	187,452	187,452	—	13,926	—	187,452
$ 12,176,560	**$ 1,119,048**	**$ (3,241,899)**	**$ 2,642,283**	**$ 2,642,283**	**$ —**	**$ 519,432**	**$ 3,120,452**	**$ 5,762,735**
$ 1,124,571	$ 149,390	$ (165,429)	$ 10,417	$ 10,417	$ —	$ (5,622)	$ 542,428	$ 552,845
925,074	—	(12,560)	357,223	357,223	—	344,663	—	357,223
250,000	63,907	(52,221)	(11,685)	(11,685)	—	1	158,604	146,919
$ 2,299,645	**$ 213,297**	**$ (230,210)**	**$ 355,955**	**$ 355,955**	**$ —**	**$ 339,042**	**$ 701,032**	**$ 1,056,987**
$ 79,500	$ —	$ —	$ 26,304	$ 26,304	$ —	$ 26,304	$ —	$ 26,304
$ 79,500	**$ —**	**$ —**	**$ 26,304**	**$ 26,304**	**$ —**	**$ 26,304**	**$ —**	**$ 26,304**
$ 27,000	$ (58,741)	$ 58,741	$ —	$ —	$ —	$ —	$ —	$ —
$ 27,000	**$ (58,741)**	**$ 58,741**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
$ 181,720	$ —	$ (107,105)	$ 107,105	$ 107,105	$ —	$ —	$ —	$ 107,105
$ 181,720	**$ —**	**$ (107,105)**	**$ 107,105**	**$ 107,105**	**$ —**	**$ —**	**$ —**	**$ 107,105**
$ 35,000	$ 14,577	$ (5,434)	$ —	$ —	$ —	$ 9,143	$ 14,577	$ 14,577
$ 35,000	**$ 14,577**	**$ (5,434)**	**$ —**	**$ —**	**$ —**	**$ 9,143**	**$ 14,577**	**$ 14,577**
$ 19,310	$ —	$ —	$ 11,126	$ 11,126	$ —	$ 11,126	$ —	$ 11,126
$ 19,310	**$ —**	**$ —**	**$ 11,126**	**$ 11,126**	**$ —**	**$ 11,126**	**$ —**	**$ 11,126**
$ 681,525	$ 281	$ —	$ (281)	$ (281)	$ —	$ —	$ 348,578	$ 348,297
579,877	110,486	(106,732)	(3,753)	(3,753)	—	—	316,899	313,146
435,932	—	(100,170)	192,494	192,494	—	92,324	—	192,494
313,705	155,793	—	—	—	—	155,793	274,293	274,293
245,500	146,998	(155,435)	8,437	8,437	—	—	236,400	244,837
$ 2,256,539	**$ 413,558**	**$ (362,337)**	**$ 196,897**	**$ 196,897**	**$ —**	**$ 248,117**	**$ 1,176,170**	**$ 1,373,067**
$ 413,322	$ 1	$ —	$ —	$ —	$ —	$ 1	$ 413,322	$ 413,322
344,263	—	—	283,714	283,714	—	283,714	—	283,714
968,178	—	—	605,631	605,631	—	605,631	—	605,631
333,037	97,274	(159,131)	61,857	61,857	—	—	232,985	294,842
1,097,940	31,316	—	(31,316)	(31,316)	—	—	1,129,256	1,097,940
849,195	266,665	(458,119)	191,455	191,455	—	—	596,220	787,675
534,244	93,039	(253,274)	160,235	160,235	—	—	93,039	253,274
806,155	—	—	492,786	492,786	—	492,786	—	492,786
12,326	10,956	—	(10,956)	(10,956)	—	—	10,956	—
10,408	7,437	—	(7,437)	(7,437)	—	—	7,437	—
12,326	11,996	—	(11,996)	(11,996)	—	—	11,996	—
12,326	10,653	—	(10,653)	(10,653)	—	—	10,653	—
43,623	20,357	(20,357)	—	—	—	—	43,623	43,623
38,102	—	(12,151)	38,102	38,102	—	25,951	—	38,102
18,423	7,799	(7,799)	—	—	—	—	15,194	15,194
23,597	—	(6,389)	23,597	23,597	—	17,208	—	23,597
10,753	3,526	(3,526)	—	—	—	—	6,286	6,286
21,834	—	(1,694)	21,834	21,834	—	20,140	—	21,834
11,890	5,187	(5,187)	—	—	—	—	7,103	7,103
6,839	—	—	6,839	6,839	—	6,839	—	6,839
$ 5,568,781	**$ 566,206**	**$ (927,627)**	**$ 1,813,692**	**$ 1,813,692**	**$ —**	**$ 1,452,270**	**$ 2,578,070**	**$ 4,391,762**
$ 91,645	$ 29,103	$ —	$ —	$ —	$ —	$ 29,103	$ 46,453	$ 46,453
91,425	21,881	—	(21,881)	(21,881)	—	—	21,881	—
225,000	164,828	(175,882)	11,054	11,054	—	—	198,828	209,882

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
	Total U.S. Department of Education Passed Through University of Illinois at Chicago				
Passed Through University of Minnesota					
Midwest Expansion of the Child Parent Center	Midwest Expansion of the Child Parent Center Education Program	N/A	84.411B	U411B110098	01/01/13-12/31/13
Education		N/A	84.411B	U411B110098	01/01/14-12/31/14
		N/A	84.411B	U411B110098	01/01/15-06/30/16
Investing In Innovation (i3)	Comprehensive Strategies to Promote Social and Emotional Learning	N/A	84.411C	U411C130091	07/01/14-06/30/15
		N/A	84.411C	U411C130091	07/01/15-06/30/16
	Total U.S. Department of Education Passed Through University of Minnesota				
Passed Through Columbia College — Chicago					
Investing In Innovation(i3)	i3 Convergence Academies: Digital Media Whole School Reform Model Project	N/A	84.411	Agreement	07/01/14-06/30/15
		N/A	84.411	Agreement	07/01/15-06/30/16
	Total U.S. Department of Education Passed Through Columbia College — Chicago				
Passed Through Old Dominion University Research Foundation / Success for All Foundation					
Investing In Innovation(i3)	Investing In Innovation (i3)	N/A	84.411A	U411A110004/14-138-317101	07/01/13-06/30/14
			84.411A	U411A110004/14-138-317101	07/01/14-06/30/15
			84.411A	U411A110004/14-138-317101	07/01/15-06/30/16
	Total U.S. Department of Education Passed Through Old Dominion University Research Foundation / Success for All Foundation				
	TOTAL U.S. DEPARTMENT OF EDUCATION				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through Centers for Disease Control					
Community Transformation Grants	Healthy Chicago Public Schools	N/A	93.737	1H75DP004181-01	09/30/13-09/29/14
Cooperative Agreements to Promote Adolescent	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	1U87PS004162-01	08/01/13-07/31/14
Health through	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	5U87PS004162-02	08/01/14-07/31/15
	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	5U87PS004162-03	08/01/15-07/31/16
	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	1U87PS004162-01	08/01/13-07/31/14
	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	5U87PS004162-02	08/01/14-07/31/15
	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	5U87PS004162-03	08/01/15-07/31/16
Substance Abuse and Mental Health Services	CPS Youth Mental Health First Aid (YMHFA)	N/A	93.243	1H79SM062028-01	09/30/14-09/29/15
	CPS Youth Mental Health First Aid (YMHFA)	N/A	93.243	1H79SM062028-01	09/30/14-09/29/16
	Total U.S. Department of Health and Human Services Passed Through Centers for Disease Control				
Passed Through Aids Foundation of Chicago					
Preventive Health Services	CDC Community Approaches to Reducing STD	N/A	93.978	Agreement	10/01/15-09/30/16
		N/A	93.978	Agreement	01/01/15-09/30/15
	Passed Through Aids Foundation of Chicago				
Passed Through City of Chicago					
Head Start	Head Start — Child Development	N/A	93.600	PO#28837-2	12/01/14-11/30/15
			93.600	PO#33360-1	12/01/15-11/30/16
	Head Start — Supp DIS SP initiatives	N/A	93.600	PO#38583	12/01/14-11/30/15
		N/A	93.600	IGA	12/01/15-11/30/16
	Total U.S. Department of Health and Human Services Passed Through City of Chicago-Head Start Cluster				
Direct Funding					
Teenage Pregnancy Prevention Program	Chicago Teen Pregnancy Prevention Initiative	N/A	93.297	TP1AH000066-05-00	09/01/14-08/31/15
		N/A	93.297	TP1AH000066-05-00	09/01/15-08/31/16
Projects of Regional and National Significance	Enhancing Students Skills for Success	N/A	93.243	1U79SM060297-01	09/30/10-09/29/11
		N/A	93.243	5U795M060297-03	09/30/14-09/29/15
		N/A	93.243	5U795M060297-03	09/30/15-09/29/16
	Total U.S. Department of Health and Human Services — Direct Funding				
Passed Through Illinois Department of Human Services					
Refugee and Entrant Assistance	Refugee Children Impact Grant	N/A	93.576	FCSSK01131	07/01/14-06/30/15
		N/A	93.576	FCSUK01131	07/01/15-06/30/16
	Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services				
Passed Through Illinois Department of Healthcare and Family Services (IDHFS)					
Medical Assistance Program	Medicaid — Administrative Services	N/A	93.778	95-4900-00	07/01/13-06/30/16
	Total U.S. Department of Health and Human Services Passed Through IDHFS				
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2015	Cash (Received) Refunded July 1, 2015 June 30, 2016	Revenue Recognized July 1, 2015 June 30, 2016	Federal Award Expenditures July 1, 2015 June 30, 2016	Pass Through to Subrecipient July 1, 2015 June 30, 2016	Accrued (Deferred) Grant Revenue June 30, 2016	Prior Years' Expenditures Through June 30, 2015	Final Status: Cumulative Expenditures Through June 30, 2016
$ 408,070	**$ 215,812**	**$ (175,882)**	**$ (10,827)**	**$ (10,827)**	**$ —**	**$ 29,103**	**$ 267,162**	**$ 256,335**
$ 2,112,985	$ (30,327)	$ 30,327	$ —	$ —	$ —	$ —	$ 2,277,740	$ 2,277,740
2,001,576	1,603,223	—	(699,107)	(699,107)	—	904,116	2,642,037	1,942,930
1,564,904	—	—	1,486,894	1,486,894	—	1,486,894	—	1,486,894
207,120	57,635	(51,425)	(6,210)	(6,210)	—	—	140,879	134,669
108,160	—	(39,045)	52,131	52,131	—	13,086	—	52,131
$ 5,994,745	**$ 1,630,531**	**$ (60,143)**	**$ 833,708**	**$ 833,708**	**$ —**	**$ 2,404,096**	**$ 5,060,656**	**$ 5,894,364**
$ 108,776	$ 43,336	$ (40,618)	$ (2,717)	$ (2,717)	$ —	$ —	$ 110,049	$ 107,332
103,875	—	(70,959)	103,875	103,875	—	32,916	—	103,875
$ 212,651	**$ 43,336**	**$ (111,577)**	**$ 101,158**	**$ 101,158**	**$ —**	**$ 32,916**	**$ 110,049**	**$ 211,207**
$ 95,000	$ —	$ (16,387)	$ 16,387	$ 16,387	$ —	$ —	$ —	$ 16,387
95,000	31,748	(31,748)	—	—	—	—	31,748	31,748
95,000	—	(22,961)	79,020	79,020	—	56,059	—	79,020
$ 285,000	**$ 31,748**	**$ (71,096)**	**$ 95,407**	**$ 95,407**	**$ —**	**56,059**	**$ 31,748**	**$ 127,155**
$1,839,557,520.00	**$64,482,588.00**	**$(461,994,664.00)**	**$465,806,908.44**	**$465,806,908.44**	**$47,780,798.00**	**$68,294,829.44**	**$1,134,138,031.00**	**$1,599,944,939.44**
$ 4,398,118	$ 14,204	$ —	$ (14,204)	$ (14,204)	$ —	$ —	$ 3,213,155	$ 3,198,951
225,000	18,627	—	(18,627)	(18,627)	—	—	237,123	218,496
400,000	142,520	(196,767)	54,247	54,247	—	—	288,902	343,149
320,000	—	(209,170)	253,257	253,257	1,115	44,087	—	253,257
50,000	3,467	—	(3,467)	(3,467)	—	—	50,197	46,730
50,000	10,710	(16,246)	5,536	5,536	—	—	34,590	40,126
50,000	—	(39,967)	44,229	44,229	—	4,262	—	44,229
49,931	1,584	(42,754)	52,243	52,243	—	11,073	3,915	56,158
49,184	—	(16,258)	16,727	16,727	—	469	—	16,727
$ 5,592,233	**$ 191,112**	**$ (521,162)**	**$ 389,941**	**$ 389,941**	**$ 1,115**	**$ 59,891**	**$ 3,827,882**	**$ 4,217,823**
$ 20,000	$ —	$ —	$ 12,504	$ 12,504	$ —	$ 12,504	$ —	$ 12,504
17,968	—	(2,947)	2,947	2,947	—	—	—	2,947
$ 37,968	**$ —**	**$ (2,947)**	**$ 15,451**	**$ 15,451**	**$ —**	**$ 12,504**	**$ —**	**$ 15,451**
38,796,279	$ 7,775,145	$ (19,523,288)	$ 11,748,143	$ 11,748,143	$ —	$ —	26,139,448	37,887,591
36,517,007	—	(18,471,593)	25,444,587	25,444,587	—	6,972,994	—	25,444,587
975,000	611,146	(928,887)	317,741	317,741	—	—	611,146	928,887
975,000	—	—	426,771	426,771	—	426,771	—	426,771
$ 77,263,286	**$ 8,386,291**	**$ (38,923,768)**	**$ 37,937,242**	**$ 37,937,242**	**$ —**	**$ 7,399,765**	**$ 26,750,594**	**$ 64,687,836**
$ 3,268,237	$ 1,048,790	$ (1,752,231)	$ 703,441	$ 703,441	$ —	$ —	$ 2,682,796	$ 3,386,237
979,953	—	(752,161)	752,161	752,161	—	—	—	752,161
99,456	2,053	—	(2,053)	(2,053)	—	—	2,053	2,053
302,697	39,501	(57,040)	17,539	17,539	—	—	89,929	107,468
99,115	—	(92,994)	99,115	99,115	—	6,121	—	99,115
$ 4,749,458	**$ 1,090,344**	**$ (2,654,426)**	**$ 1,570,203**	**$ 1,570,203**	**$ —**	**$ 6,121**	**$ 2,774,778**	**$ 4,347,034**
$ 48,750	$ 15,681	$ (15,681)	$ —	$ —	$ —	$ —	$ 48,750	$ 48,750
57,525	—	(36,794)	55,267	55,267	—	18,473	—	55,267
$ 106,275	**$ 15,681**	**$ (52,475)**	**$ 55,267**	**$ 55,267**	**$ —**	**$ 18,473**	**$ 48,750**	**$ 104,017**
$ N/A	$ 6,204,190	$ (8,278,570)	$ 8,180,133	$ 8,180,133	$ —	$ 6,105,753	$ 24,377,509	$ 32,557,642
$ —	**$ 6,204,190**	**$ (8,278,570)**	**$ 8,180,133**	**$ 8,180,133**	**$ —**	**$ 6,105,753**	**$ 24,377,509**	**$ 32,557,642**
$ 87,749,220	**$ 15,887,618**	**$ (50,433,348)**	**$ 48,148,237**	**$ 48,148,237**	**$ 1,115**	**$ 13,602,507**	**$ 57,779,513**	**$ 105,929,803**

Supplementary Schedule of Expenditures of Federal Awards (continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period
U.S. DEPARTMENT OF JUSTICE					
Passed Through Illinois Department of Human Services					
Juvenile Accountability Block Grants	Restorative Justice Conflict Resolution	N/A	16.523	FCSTR03403	07/01/14-06/30/15
		N/A	16.540	FCSTR03403	07/01/14-06/30/15
		N/A	16.523	FCSUR03403	07/01/15-06/30/16
	Total U.S. Department of Justice Passed Through Illinois Department of Human Services				
Passed Through the Chicago Police Department					
Public Safety Parntership and Community Policing Grants	DOJ — Secure Our Schools	N/A	16.710	2008-CK-WX-0661	09/01/08-02/28/15
	Total U.S. Department of Justice Passed Through Chicago Police Department				
Passed Through the City of Chicago					
National Forum on Youth Violence Prevention	National Youth Forum on Violence	N/A	16.819	2013-NY-FX-K001	10/01/13-09/30/16
	Total U.S. Department of Justice Passed Through City of Chicago				
Direct Funding					
National Institute of Justice Research, Evaluation, and		N/A	16.560	2014-CK-BX-0002	01/01/15-12/31/15
Development Project Grants	Connect and Redirect to Respect	N/A	16.560	2014-CK-BX-0002	01/01/15-12/31/16
Project Safe Neighborhood	Project Safe Neighborhood	N/A	16.609	113003	02/01/14-01/31/15
		N/A	16.609	113004	02/01/15-01/31/16
	Total U.S. Department of Justice — Direct Funding				
	TOTAL U.S. DEPARTMENT OF JUSTICE				
U.S. DEPARTMENT OF LABOR					
Passed Through Manufacturing Renaissance					
Youthbuild	Youth Career Connect	N/A	17.274	YC-25414-14-60-A-17	06/01/14-06/30/15
		N/A	17.274	YC-25414-14-60-A-17	07/01/15-06/30/16
	Total U.S. Department of Labor Passed Through Manufacturing Renasissance				
Passed through the Illinois Deparment of Commerce and Economic Opportunity					
Coastal Zone Management Administration Awards	CIMBY Gets Wet	N/A	11.419	14-013-N12-11	04/19/14-05/31/15
	CIMBY-IDNR	N/A	11.419	16-065-N15-23	10/17/15-04/30/16
Incentive Grants — WIA Section 203	Illinois Innovation Talent Program — Schurz	N/A	17.267	Agreement	07/01/10-05/31/11
	Total U.S. Department of Labor Passed Through Illinois Department of Commerce and Economic Opportunity				
	TOTAL U.S. DEPARTMENT OF LABOR				
U.S. DEPARTMENT OF TRANSPORTATION					
Passed Through Illinois Department of Aviation					
Airport Improvement Program	Noise Abatement -Farnsworth	N/A	20.106	3-17-0022-106-2009	09/23/09-09/22/11
		N/A	20.106	3-17-0022-125-2012	09/06/12-09/07/15
	Noise Abatement — Ebinger	N/A	20.106	3-17-0022-134	04/08/14-06/30/16
		N/A	20.106	3-17-0022-142	09/16/14-06/30/16
	Total U.S. Department of Transportation Passed Through Illinois Department of Aviation				
OFFICE OF NAVAL RESEARCH					
Passed Through City Colleges of Chicago					
Basic and Applied Scientific Research	Critical MASS	N/A	12.300	15-12-1-0738	07/01/14-06/30/15
	Critical MASS Year 3	N/A	12.300	16-12-1-0738	04/01/15-03/31/16
	Critical MASS Year 4	N/A	12.300	17-12-1-0738	04/01/16-03/31/17
	Total Office of Naval Research Passed Through City Colleges of Chicago				
US ARMY RESEARCH					
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/15-06/30/16
	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/16-06/30/17
	Total US Army Research Office				
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
National Leadership Grant for Libraries	Re-enVision to Intergrate Technology and Libraries (REVITAL)	N/A	45.312	LG-07-13-0288-13	10/01/13-06/30/15
	Total Institute of Museum and Library Services				
NATIONAL SCIENCE FOUNDATION					
Passed Through DePaul University					
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125	10/15/15-0/30/16
	Total National Science Foundation Passed Through DePaul University				
U.S. DEPARTMENT OF COMMERCE					
Passed Through NIST Summer Institute Program					
Science, Technology, Business and/or Education Outreach	NIST Summer Institute for Middle School Science Teachers	N/A	11.620	70NANB16H0132	05/15/16-9/30/16
	Total U.S. Department of Commerce Passed Through NIST Summer Institute Program				
	GRAND TOTAL				

Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2015	Cash (Received) Refunded July 1, 2015 June 30, 2016	Revenue Recognized July 1, 2015 June 30, 2016	Federal Award Expenditures July 1, 2015 June 30, 2016	Pass Through to Subrecipient July 1, 2015 June 30, 2016	Accrued (Deferred) Grant Revenue June 30, 2016	Prior Years' Expenditures Through June 30, 2015	Final Status: Cumulative Expenditures Through June 30, 2016
$ 114,312	$ 91,487	$ (91,487)	$ —	$ —	$ —	$ —	$ 114,312	$ 114,312
42,698	29,200	(29,200)	—	—	—	—	35,734	35,734
76,589	—	(49,628)	76,589	76,589	—	26,961	—	76,589
$ 233,599	**$ 120,687**	**$ (170,315)**	**$ 76,589**	**$ 76,589**	**$ —**	**$ 26,961**	**$ 150,046**	**$ 226,635**
$ 305,819	$ 58,741	$ (58,741)	$ —	$ —	$ —	$ —	$ 305,819	$ 305,819
$ 305,819	**$ 58,741**	**$ (58,741)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 305,819**	**$ 305,819**
$ 200,000	$ 91,505	$ —	$ 28,795	$ 28,795	$ —	$ 120,301	$ 91,505	$ 120,300
$ 200,000	**$ 91,505**	**$ —**	**$ 28,795**	**$ 28,795**	**$ —**	**$ 120,301**	**$ 91,505**	**$ 120,300**
$ 737,861	$ 18,528	$ (182,583)	$ 208,175	$ 208,175	$ —	$ 44,120	$ 18,528	$ 226,703
720,009	—	—	116,476	116,476	—	116,476	—	116,476
118,896	799	—	(799)	(799)	—	—	104,414	103,615
118,896	36,813	(96,720)	62,843	62,843	—	2,936	57,138	119,981
$ 1,695,662	**$ 56,140**	**$ (279,303)**	**$ 386,695**	**$ 386,695**	**$ —**	**$ 163,532**	**$ 180,080**	**$ 566,775**
$ 2,435,080	**$ 327,073**	**$ (508,359)**	**$ 492,079**	**$ 492,079**	**$ —**	**$ 310,794**	**$ 727,450**	**$ 1,219,529**
$ 37,317	$ 40,515	$ (37,317)	$ (3,198)	$ (3,198)	$ —	$ —	$ 40,515	$ 37,317
148,683	—	—	148,683	148,683	—	148,683	—	148,683
$ 186,000	**$ 40,515**	**$ (37,317)**	**$ 145,485**	**$ 145,485**	**$ —**	**$ 148,683**	**$ 40,515**	**$ 186,000**
$ 134,736	$ 57,649	$ (67,993)	$ 10,344	$ 10,344	$ —	$ —	$ 116,795	$ 127,139
100,000	—	(12,126)	35,112	35,112	—	22,986	—	35,112
5,000	(5,000)	—	5,000	5,000	—	—	—	5,000
$ 239,736	**$ 52,649**	**$ (80,119)**	**$ 50,456**	**$ 50,456**	**$ —**	**$ 22,986**	**$ 116,795**	**$ 167,251**
$ 425,736	**$ 93,164**	**$ (117,436)**	**$ 195,941**	**$ 195,941**	**$ —**	**$ 171,669**	**$ 157,310**	**$ 353,251**
$ 350,000	$ (148,099)	$ 148,899	$ —	$ —	$ —	$ 800	$ 291,791	$ 291,791
4,500,000	178,196	—	—	—	—	178,196	4,730,610	4,730,610
$ 375,000	$ —	$ —	$ —	$ —	$ —	$ —	$ 44,138	$ 44,138
6,000,000	—	—	5,330,461	5,330,461	—	5,330,461	—	5,330,461
$ 11,225,000	**$ 30,097**	**$ 148,899**	**$ 5,330,461**	**$ 5,330,461**	**$ —**	**$ 5,509,457**	**$ 5,066,539**	**$ 10,397,000**
$ 514,181	$ 207,694	$ (181,309)	$ (26,385)	$ (26,385)	$ —	$ —	$ 383,634	$ 357,249
542,072	—	(251,659)	357,816	357,816	—	106,157	—	357,816
420,000	—	—	101,126	101,126	—	101,126	—	101,126
$ 1,476,253	**$ 207,694**	**$ (432,968)**	**$ 432,557**	**$ 432,557**	**$ —**	**$ 207,283**	**$ 383,634**	**$ 816,191**
$ 1,084,253	$ 974	$ (323,439)	$ 620,119	$ 620,119	$ —	$ 297,654	$ 974	$ 621,093
883,925	—	—	69,742	69,742	—	69,742	—	69,742
$ 1,968,178	**$ 974**	**$ (323,439)**	**$ 689,861**	**$ 689,861**	**$ —**	**$ 367,396**	**$ 974**	**$ 690,835**
$ 249,999	$ 249,502	$ (249,502)	$ —	$ —	$ —	$ —	$ 249,502	$ 249,502
$ 249,999	**$ 249,502**	**$ (249,502)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 249,502**	**$ 249,502**
$ 114,346	$ —	$ —	$ 21,645	$ 21,645	$ —	$ 21,645	$ —	$ 21,645
$ 114,346	**$ —**	**$ —**	**$ 21,645**	**$ 21,645**	**$ —**	**$ 21,645**	**$ —**	**$ 21,645**
$ 24,000	$ —	$ (24,000)	$ 24,000	$ 24,000	$ —	$ —	$ —	$ 24,000
$ 24,000	**$ —**	**$ (24,000)**	**$ 24,000**	**$ 24,000**	**$ —**	**$ —**	**$ —**	**$ 24,000**
$1,950,307,890	**$96,255,915**	**$(719,741,853)**	**$726,451,136**	**$726,451,136**	**$47,781,913**	**$102,965,198**	**$1,378,776,664**	**$2,105,229,948**

BOARD OF EDUCATION OF THE CITY OF CHICAGO
SINGLE AUDIT

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

1. SCOPE OF SINGLE AUDIT

General — The Board of Education of the City of Chicago ("CPS") is a body politic and corporate of the State of Illinois. All significant federal financial and compliance operations of CPS are included in the scope of the Title 2 U.S. Code of Federal Regulations Part 20 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The U.S. Department of Education (the "USDEd") is CPS' cognizant federal agency for the Single Audit. Cognizant duties have been delegated to the Illinois State Board of Education (the "ISBE") by the USDEd, which, in turn, oversees the performance of such duties.

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

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

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

3. BASIS OF PRESENTATION IN THE SCHEUDLE OF GRANT ACTIVITY

General — The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of CPS under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and the pass through requirements of ISBE. Because the schedule presents only a selected portion of the operations of CPS, it is not intended to and does not present the financial position or changes in net position of CPS. Only federal programs considered active during the year ended June 30, 2016, are reflected in the Schedule. An active federal program is defined as a federal program that incurred expenditures (adjustments) of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

Revenues — Grant revenues for expenditure-driven federal programs are recognized in the Schedule based on expenditures incurred during the fiscal year. Grant revenues for formula-driven federal programs are recognized based on units of services provided as of June 30, 2016.

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

Expenditures — For all expenditure-driven federal programs, expenditures included on the Schedule represent actual expenditures incurred (governmental fund basis) during the fiscal year ended June 30, 2016. In accordance with Uniform Guidance, pension costs are uniformly charged to all positions as a direct benefit cost in proportion to pensionable salary regardless of whether the funding source is local, state, or federal.

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

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

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

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

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

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

The following is a reconciliation of federal grant revenues as reflected in the Supplementary Schedule of Expenditures of Federal Awards in CPS' Comprehensive Annual Financial Reports:

"Revenue recognized" per the Schedule	$726,451,136
E-Rate program revenues not included in the Schedule	16,577,751
Medicare Part D Revenue not included in the Schedule	517,070
Medicaid Fee for Service Revenue not included in the Schedule	26,607,632
Build America Bonds (BABS) revenue not included in the Schedule	25,011,602
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	5,708,666
Adjustments to record revenue that do not provide current financial resources	8,124,546
Federal aid per the Statement of Revenues, Expenditures and Net Changes in Fund Balances — Governmental Funds	$808,998,403

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

5. FINAL CLAIMS

Some final claims for federal programs with a contractual funding period ended June 30, 2016, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the related amounts accrued and reported in the Schedule. CPS plans to submit a program liquidation report to the respective grantor agencies, which will revise the outstanding obligation amounts per the final claim, thereby reflecting the appropriate year-end adjustments for these federal awards.

6. FINDINGS AND QUESTIONED COSTS

The findings and questioned costs identified in connection with the fiscal year ended June 30, 2016, Single Audit are disclosed in the accompanying Schedule of Findings and Questioned Costs and Auditee Corrective Action Plan. The presentation conforms to the formatting requirements of the ISBE. The questioned cost reflected in such schedule reflect the potential reimbursement effect of costs which were deemed as inappropriately allocated to a federal program or which could have been allocated to a federal program, but were not.

Board of Education of the City of Chicago

Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	_X_ Yes ____ No

Identification of major programs:

CFDA Number	Name of Federal Program	Amount Expended
84.010	Title I — Grants to Local Education Agencies	$295,907,302
84.027	Special Education Grants to States	91,652,264(1)
84.173	Special Education — Preschool Grants	1,860,511(1)
84.048	Career and Technical Education — Basic Grants	4,966,440
84.377	School Improvement Grants	10,311,599(2)
84.388	School Improvement Grants, Recovery Act	(645,526)(2)
84.419B	Preschool Development Grant	5,824,096
84.334A	Gaining Early Awareness and Readiness for Undergraduate Program	1,723,319
93.778	Medical Assistance Program	7,421,767
		$419,021,772

Notes:

(1) Part of Special Education cluster
(2) Part of School Improvement Grants cluster

Dollar threshold used to distinguish between type A and type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	____ Yes _X_ No

II. FINANCIAL STATEMENT FINDINGS

2016-001: Maintenance of Capital Asset Records

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

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

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* defines asset impairment as a "significant, unexpected decline in the service utility of a capital asset." An unexpected decline results when "at the time the capital asset was acquired, the event of change in circumstance would not have been expected to occur during the useful life of the capital asset." GASB 42 lists five indicators of impairment, with indicator #4 being "a change in the manner or expected duration of use of a capital asset, such as closure of a school prior to the end of its useful life." Under this impairment indicator, it appears as though school buildings scheduled for closure would meet the impairment requirement.

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

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

- The District does not have controls in place to provide reasonable assurance that schools and departments maintain accurate fixed asset inventory listings or update the listings quarterly in accordance with board policy.
- The District does not reconcile fixed assets in a timely manner.
- The District did not identify, and subsequently record an impairment charge, for a school which was approved for closure subsequent to year-end.
- The District does not have physical security in place to secure the property which is maintained at the warehouse where surplus assets are stored.

Context:

Asset Management Noncompliance

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

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

Maintaining proper controls over fixed assets with costs over $25,000 has a direct impact on the financial statements, as these assets are required to be capitalized for financial reporting purposes. Although assets below this amount may not be capitalized on the financial statements, strong controls are still critical for operational purposes and to ensure compliance with state and federal requirements over asset management.

Internal Audit and Compliance performs school based audits on various areas of school level operations, including fixed assets. During our audit, we reviewed the audit work of CPS' Internal Audit and Compliance department for twelve internal audit school visits during fiscal year 2016, and performed audit procedures at 3 schools. In total, we performed audit procedures or reviewed the work of internal audit for 375 assets and noted exceptions with 125 (33%) of these.

Type of Exception:	# of Instances
Identification issues (tags/serial #'s/duplicates)	85
Asset not found	38
Asset not recorded in Oracle	1
Asset register amount overstated	1
Total	125

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

Fixed Asset Registers Noncompliance — Acquisitions Through State and Federal Grants

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

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

The following conditions were noted during testing for fiscal year 2016:

- 18 out of 68 equipment additions tested were recorded in the District asset registers, but were missing required information as to the unique identification number assigned to the property.
- 36 out of 140 equipment items tested do not meet the requirements of federal equipment and real property management guidelines, such as missing asset tags and serial numbers.
- 78 out of 140 equipment items tested, an annual equipment inventory has not been performed for.
- 83 out of 140 equipment items tested, a physical inventory was not taken within the last two years.

Maintenance of Fixed Assets Records

We also observed that the fixed asset ledger is not reconciled to the general ledger in a timely manner. We believe that timely reconciliation is a critical control to help ensure fixed asset additions and retirements are properly recorded. Subsequent to year-end, the District capitalized approximately $255 million of additions.

School Impairment

Through our testing of fixed assets, we noted that the District failed to record an impairment charge for a school that was approved for closure subsequent to year-end. The District properly identified the school as scheduled for closing, but did not record an impairment charge because the closure happened subsequent to fiscal year-end. However, this is a subsequent event that requires adjustment to the financial statements. As such, the District wrote-down the remaining asset, resulting in an adjustment of approximately $3.8 million.

Warehouse

The District operates a warehouse which contains various items (mainly furniture and supplies) that the District has either received from an outside entity or which came from a closed school. We visited the warehouse and noted there was both a lack of security cameras and security professionals on site.

Cause and Effect:

These errors are due to 1) the ineffectiveness of the maintenance of asset registers and records, 2) the lack of timely reconciliation of accounting records, and 3) the lack of controls over evaluating school impairment.

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

Based on discussions with school administrators, employee turnover, lack of record keeping for the movement of assets between classrooms and employees, and insufficient training on how to use the fixed asset application contribute to the asset management issue.

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

The District did not properly record an impairment charge for a school which was closed subsequent to year-end. This resulted in an audit adjustment of approximately $3.8 million to write-down the value of the school at year-end.

The District has not taken adequate measures to secure the inventory located at the warehouse.

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

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

We recommend the District update its procedures on how to account for impairment once a school has been approved for closure.

We recommend the District implement security measures at the warehouse.

Management Response and Corrective Action Plan:
See Corrective Action Plan.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2016-002: Subrecipient Monitoring

Federal Agency: U.S. Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:
Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2016-4300-00; award years July 1, 2015 through August 31, 2016

Criteria:
Uniform Administrative Requirements and Cost Principles for Federal Awards (2 CFR Part 200, "Uniform Guidance") requires pass-through to ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification (2 CFR Part 200.331). Subawards must include the following federal award identification information:

- Subrecipient name
- Subrecipient's unique entity identifier
- Federal Award Identification Number (FAIN)
- Federal Award Date (see 2 CFR Part 200.39 Federal award date) of award to the recipient by the Federal agency
- Subaward Period of Performance start and end date
- Amount of federal funds obligated by this action by the pass-through entity to the subrecipient
- Total amount of federal funds obligated to the subrecipient by the pass-through entity including the current obligation
- Total amount of the federal award committed to the subrecipient by the pass-through entity
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)

- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity
- CFDA Number and name; the pass-through entity must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement
- Identification of whether the award is Research and Development
- Indirect cost rate for the federal award (including if the de minimis rate is charged per 2 CFR Part 200.414).

Condition:
In 6 out of 6 subrecipient awards selected for testing, management was unable to demonstrate they communicated the following at the time of subaward:

- Federal Award Identification Number (FAIN)
- Federal Award Date (see 2 CFR Part 200.39 Federal award date) of award to the recipient by the Federal agency
- Subaward Period of Performance start and end date
- Amount of federal funds obligated by this action by the pass-through entity to the subrecipient
- Total amount of federal funds obligated to the subrecipient by the pass-through entity including the current obligation
- Total amount of the federal award committed to the subrecipient by the pass-through entity
- CFDA Number and name; the pass-through entity must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement

Context:
The amount of grant funds passing through to subrecipients is not a significant portion of total grant expenditures.

Questioned costs:
None.

Cause:
Due to staffing limitations and changes in the district, the new uniform grant guidance implementation was delayed. The Grants Operation Team has recently taken the lead to update, address and/or implement the new requirements for 2 CFR Part 200, “Uniform Guidance”.

Effect:
Subrecipients may not be aware of federal compliance requirements at the time of an award and may be deficient in complying with those requirements.

Recommendation:
We recommend CPS standardize its subaward notification documentation, through revised written policies and procedures, to include the federal award identification information required by 2 CFR Part 200.331. The subaward notification should be available to the subrecipient at the time of subaward and prior to disbursement.

Management Response and Corrective Action Plan:
See Corrective Action Plan.

Finding 2016-003: Standards for Documentation of Personnel Expenses

Federal Agency: U.S. Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:
Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2016-4300-00; award years July 1, 2015 through August 31, 2016

Career and Technical Education (V.E. — Perkins — Title IIC — Secondary); Illinois State Board of Education; CFDA number 84.048A; ISBE project numbers 2015-4745-00, 2016-4745-00; award years July 1, 2014 through August 31, 2016

Gaining Early Awareness and Readiness for Undergraduate Program (Gear Up 6); Northeastern Illinois University; CFDA number 84.334A; project numbers P334A140132/P0042022; award years September 25, 2015 through September 24, 2016

School Improvement Grants (School Improvement Cohort 4-6); Illinois State Board of Education; CFDA number 84.377A; ISBE project numbers 15-4339-14, 16-4339-14, 16-4339-15, 16-4339-16; award years July 1, 2014 through August 31, 2016

Criteria:
Costs of compensation are allowable to the extent that they satisfy the Uniform Administrative Requirements and Cost Principles for Federal Awards (2 CFR Part 200, “Uniform Guidance”). Paragraph (i) of 2 CFR Part 200.430, *Standards for Documentation of Personnel Expenses*, requires charges to federal awards for salaries and wages be based on records that accurately reflect the work performed. These records must reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities.

Condition:
In reviewing CPS’s established written policy for compliance with *Standards for Documentation of Personnel Expenses*, we noted:

1. The policy refers to OMB Circular A-87, Attachment B, Section 11 as being the source of rules and regulations related to compensation for personnel services. This was true prior to Uniform Guidance being effective.
2. CPS’s written policy does not require, for all employees, the personnel expense documentation to reflect total activity for which the employee is compensated (not exceeding 100% of compensated activities). Specifically, the use of the “Bucket Position” and “Personal Activity Report” options under CPS’s written policy, result in noncompliance with 2 CFR Part 200.430.

Context:
A majority of the personnel expenses charged to federal awards are supported by documentation that is compliant with 2 CFR Part 200.430. Of the $237,000 amount tested in fiscal year 2016, $14,600 was out of compliance. The amount for each grant is as follows:

- Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2016-4300-00; award years July 1, 2015 through August 31, 2016 — $1,091

- Career and Technical Education (V.E. — Perkins — Title IIC — Secondary); Illinois State Board of Education; CFDA number 84.048A; ISBE project numbers 2015-4745-00, 2016-4745-00; award years July 1, 2014 through August 31, 2016—$1,057
- Gaining Early Awareness and Readiness for Undergraduate Program (Gear Up 6); Northeastern Illinois University; CFDA number 84.334A; project numbers P334A140132/P0042022; award years September 25, 2015 through September 24, 2016 — $488
- School Improvement Grants (School Improvement Cohort 4-6); Illinois State Board of Education; CFDA number 84.377A; ISBE project numbers 15-4339-14, 16-4339-14, 16-4339-15, 16-4339-16; award years July 1, 2014 through August 31, 2016 — $11,930

Cause:
In the absence of clear guidance from major funding agencies, CPS was not aware that they needed update and/or change the process for out of school time documentation. The “Time and Effort” that is correctly in place did document the out of school time questioned above, but may not have meet the current guidance.

Effect:
Recipients that do not comply with all the requirements related to a particular grant risk future reductions in funding or the grantor agency may require CPS to reimburse for questioned costs.

Questioned costs:
$14,568

Recommendation:
We recommend CPS request implementation guidance from its major funding agencies (U.S. Department of Education and Illinois State Board of Education) regarding employees who have additional responsibilities beyond their regular schedules. We also recommend CPS update is written policies and procedures to require in all instances documentation reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities.

Management Response and Corrective Action Plan:
See Corrective Action Plan.

Finding 2016-004: Procurement

Federal Agency: U.S. Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:
Title I Grants to Local Education Agencies (Low Income); Illinois State Board of Education; CFDA number 84.010; ISBE project numbers 2016-4300-00; award years July 1, 2015 through August 31, 2016

Special Education Grants; Illinois State Board of Education; CFDA number 84.027A; ISBE project number 16-4625-00; award year September 1, 2015 through August 31, 2016

Preschool Development Grants; Illinois State Board of Education; CFDA number 84.419B; ISBE project number 15-4999-PE; award year February 25, 2015 through August 31, 2015

Criteria:
The A-102 Common Rule (§ .36(b)(9)) requires grantees and subgrantees to maintain records sufficient to detail the significant history of a procurement. These records should include: rationale for

the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Condition:
CPS was unable to locate certain procurement files that contain the history of the procurement, including the rationale for the method of procurement, selection of contract type, basis for contractor selection, and the basis of contract price. Specifically, the exceptions were as follows:

- Title I Grants to Local Education Agencies (Low Income) — CPS was unable to locate the contract files for one selection.
- Special Education Grants — CPS was unable to locate the contract files for one selection.
- Preschool Development Grants — CPS was unable to locate the contract files for two selections.

Context:
Although CPS was unable to locate the procurement files, invoices and contracts did exist that evidence the allowability of the expenditures. Additionally, CPS was able to provide support that the procurement action was properly approved (Chief Purchasing Officer over $25,000 and Board Report over $75,000).

Cause:
CPS recently relocated and various procurement files were sent to storage misfiled.

Effect:
Noncompliance with federal administrative requirements could result in a lack of documentation to support procurement actions.

Questioned costs:
None.

Recommendation:
We recommend CPS ensure its written policies and procedures require that supporting documentation is maintained as evidence that contracts undergo the proper procurement process and that execution of those procedures is monitored for compliance by supervisory level personnel.

Management Response and Corrective Action Plan:
See Corrective Action Plan.

Finding 2016-005: Special Education Funding and Child Tracking System

Federal Agency: US Department of Education

Federal Program Title, Pass-Through Entity (if applicable), CFDA Number:
Special Education Grants; Illinois State Board of Education; CFDA number 84.027A; ISBE project number 16-4625-00; award year September 1, 2015 through August 31, 2016

Criteria:
Requirements regarding the *Report of Children and Youth with Disabilities Receiving Special Education Under Part B of the Individuals With Disabilities Education Act, as amended (OMB Nos. 1820-0030 and 1875-0240), require* the Illinois State Board of Education to report to the US Department of Education an unduplicated count of children with disabilities receiving special education

and related services. CPS is required to report in accordance with the ISBE established procedure, which is through the Special Education Funding and Child Tracking System (FACTS). ISBE specifies that only students with an individualized educational program (IEP) or individualized service plan (ISP) should be reported on the FACTS.

Condition:
CPS was unable to provide support that students listed in their FACTS had an IEP or ISP.

Context:
For 1 out of 60 students tested, CPS was unable to provide support that the student has an IEP or ISP.

Cause:
There was an error in the data collection and student, who had an IEP in a previous was improperly included in the report.

Effect:
Noncompliance with this requirement can lead to inaccurate reporting of data by ISBE to the federal government related to its special education funding.

Questioned costs:
None.

Recommendation:
We recommend CPS develop controls to identify that all special needs students have an Individualized Educational Program in place.

Management Response and Corrective Action Plan:
See Corrective Action Plan.

Board of Education of the City of Chicago

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2016

I. FINANCIAL STATEMENT FINDINGS

Finding 2015-001: Fixed Assets

Correction Action Plan: See prior year report.

Current Status: Certain components of the prior year corrective action plan has been taken. See 2016-001.

Finding 2015-002: Accrued Sick Leave Calculation

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

Finding 2015-003: Grants Management

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

Finding 2015-004: Accounts Payable

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The prior year single audit disclosed no federal award findings or questioned costs in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from prior year's Summary Schedule of Prior Year Audit Findings.

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Chicago, IL 60601

The Chicago Public School's Corrective Action Plan for the findings identified in connection with your audit of federal awards conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) for the year ended June 30, 2016 are identified below. The findings are titled and numbered consistently with the titles and numbers assigned in the schedule of findings and questioned costs.

Finding 2016-001:

Corrective Action Plan:

As of the report date, CPS Facilities and Finance departments are in the process of implementing a new inventory software system which will not only aid in tracking assets but also reduce expenditures for new assets, when comparable and existing resources are currently located within CPS and may be redeployed. Currently a pilot program is underway that utilizes asset tagging and radio-frequency identification (RFID) to conduct inventories and track existing assets going forward. New asset management procedures and training will be updated as the implementation occurs and will be aligned with Federal grant and ISBE inventory requirements.

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

The timeliness issue in the recording of FY2016 assets had two underlying causes: the loss of staff with institutional knowledge and implementing new procedures performed to improve system controls. In prior years, CPS has relied on manual workarounds to accommodate unexpected system behaviors. In the course of recording FY16 assets, CPS spent significant time working to identify and resolve software issues and outdated system configurations, with a goal towards eliminating these workarounds. As a result, the need for manual processes has been reduced and control over the completeness and accuracy of financial records for assets in FY16 and future fiscal years has been increased.

In order to avoid future issues related to the proper recording of impairments for closed schools, additional guidance will be added to existing Finance procedures that clearly state the proper treatment of closed and closing schools.

Contact person: Jose Alfonso de Hoyes Acostas, Chief Administrative Officer

Anticipated completion date: 6/30/2017

Finding 2016-002:

Corrective Action Plan:

Chicago Public Schools is in the process of standardizing its subaward notification documentation to include the federal award identification information required by 2 CFR Part 200.331. This subaward notification will be made available to the subrecipient at the time of the subaward and prior to disbursement.

For the 2016-2017 school year, Chicago Public Schools will re-issue budget “one-pagers” (document identifying all funding streams each school will receive) including all required information to satisfy federal compliance requirements per recent uniform grant guidance. We will provide instruction and information regarding changes under the new guidance and require each subrecipient to provide their DUNS number and SAM verification during this redistribution process, with a due date of February 28, 2017. This will ensure that CPS has accurate, up-to-date and verifiable information on file. For all future award cycles, this same information will be included in the district’s annual budget release. Should any new subrecipients come on board, we will request the required information during this process.

Contact person: Kimberly Thomas, Deputy Grants Director

Anticipated completion date: 6/30/2017

Finding 2016-003:

Corrective Action Plan:

CPS will follow-up and continue to request implementation guidance from its major funding agencies (U.S. Department of Education and Illinois State Board of Education) regarding employees who have additional responsibilities beyond their regular schedules. CPS will also reach out to other K-12 organizations to inquire about their processes. In the absence of clear guidance CPS will continue to use our current process to document time.

Additionally, CPS is in the process of updating written policies and procedures for full and split funded positions to more align “Time and Effort” at the activity level as required in the new guidance. For out of school time, guidance will be updated as we receive clarification on how to document this time.

Contact person: Kimberly Thomas, Deputy Grants Director

Anticipated completion date: 6/30/2017

Finding 2016-004:

Corrective Action Plan:

CPS will review, sort and refile procurement files by designated specification number to easily track and locate procurement documentation for future requests.

Contact person: Charles Mayfield, Procurement Director

Anticipated completion date: 6/30/2017

Finding 2016-005:

Corrective Action Plan:

In the collection of the FACTS report for ISBE, additional vetting of ensuring that students who are exited are not included in the FACTS report. CPS will create a mechanism in the SSM to close out the student records that are exited within the year.

Contact person: Elizabeth Keenan, Deputy Chief and Director of Special Education

Anticipated completion date: 6/30/2017