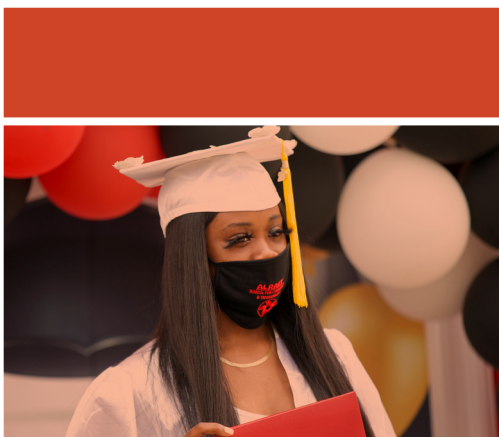




Chicago
Public
Schools

Popular Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



Lori E. Lightfoot, Mayor
City of Chicago, Illinois

CHICAGO BOARD OF EDUCATION

Miguel del Valle, Board President

Sendhil Revuluri, Board Vice President

Board Members: **Luisiana Melendez**, **Amy Rome**,
Lucino Sotelo, **Elizabeth Todd-Breland**, **Dwayne Truss**

CHICAGO PUBLIC SCHOOLS

Janice K. Jackson, EdD, Chief Executive Officer

Miroslava Mejia Krug, Chief Financial Officer

Lenny Moore, CPA, MBA, CGFM, Controller



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

Chicago Public Schools

Illinois

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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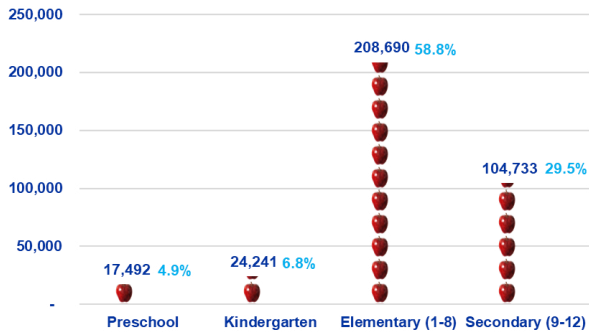
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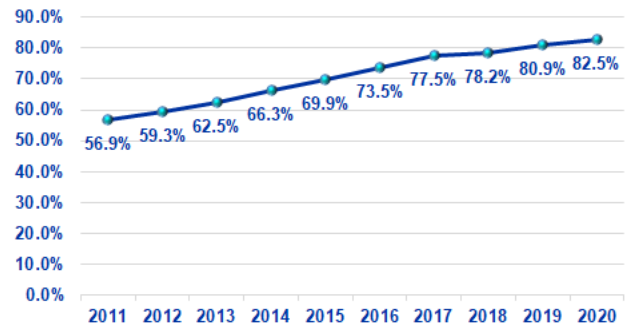
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CPS at a Glance

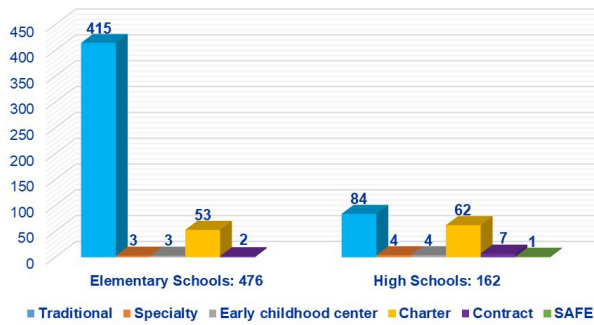
Student Enrollment
Total students: 355,156
As of September 20, 2019



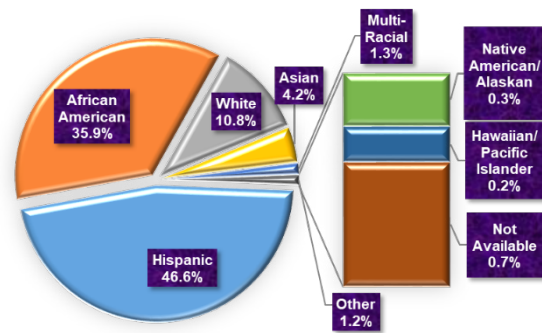
Graduation Rate



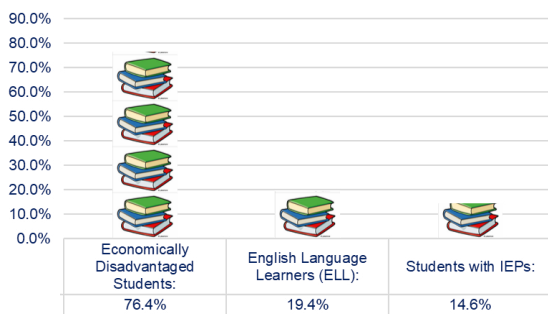
TOTAL SCHOOLS: 638



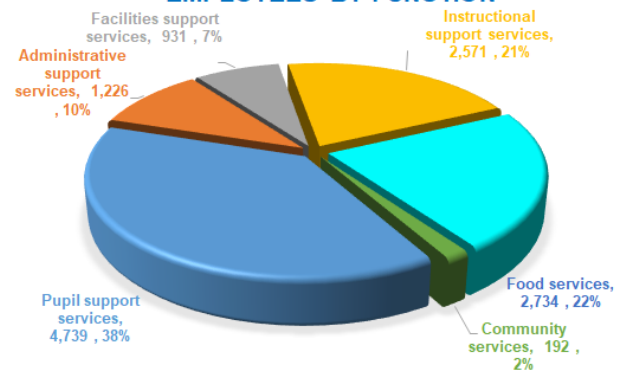
Student Racial Makeup



Additional Student Information



EMPLOYEES BY FUNCTION



Executive Letter

Dear Friends and Colleagues,

It is our privilege to present you with the Chicago Public Schools (CPS) Fiscal Year 2020 (FY20) financial results, which demonstrate the district's continued commitment to financial stability.

In FY20, CPS faced significant challenges due to the onset of COVID-19 and its subsequent effect on the global economy. Despite these circumstances, however, the district's strong financial controls resulted in general operating revenues slightly exceeding expenditures during FY20.

While the global pandemic presented many challenges, we remained committed to our Five-Year Vision goals, investing \$583 million to modernize classrooms, renovate science labs, build new pre-k classrooms, and improve ADA accessibility in our schools.

With little notice or preparation, CPS pivoted to a new model of education delivery in March, as teachers, students and families all learned about remote learning together. This unexpected challenge stretched the ingenuity of our teachers and administrators, and the determination of our students and families. Fighting through this adversity, CPS' one year dropout rate is lower than ever before at 5.6% and the five year graduation rate is at an all-time high of 82.5%.


While we continue managing new and evolving issues created by the pandemic, CPS remains fully committed to investing in the learning environments that students need to thrive. Our Fiscal Year 2021 (FY21) operating budget included \$6.92 billion in funding, with 95 percent of these funds directly supporting schools. Expected increased revenue of \$631 million in FY21 will keep CPS on track for sustainable growth. In FY21, we expect to spend \$758 million on capital projects, moving the district closer to our goal of providing every child from every community in Chicago with equitable access to high quality school environments.

We remain committed to working with the Chicago Board of Education and the Honorable Mayor Lori E. Lightfoot to continue our district's historic progress. Our focus moving forward will be on maintaining the district's financial stability and on improving the equity and transparency that is needed for every child from every community in Chicago to receive the education they need for success in college, career, and civic life.

Respectfully submitted,



Miguel del Valle
President
Chicago Board of Education



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

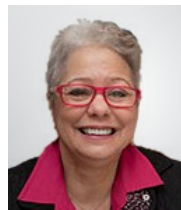
Chicago Board of Education



Miguel del Valle
President



Sendhil Revuluri
Vice President



Luisiana Melendez
Board Member



Amy Rome
Board Member



Lucino Sotelo
Board Member



Elizabeth Todd-Breland
Board Member



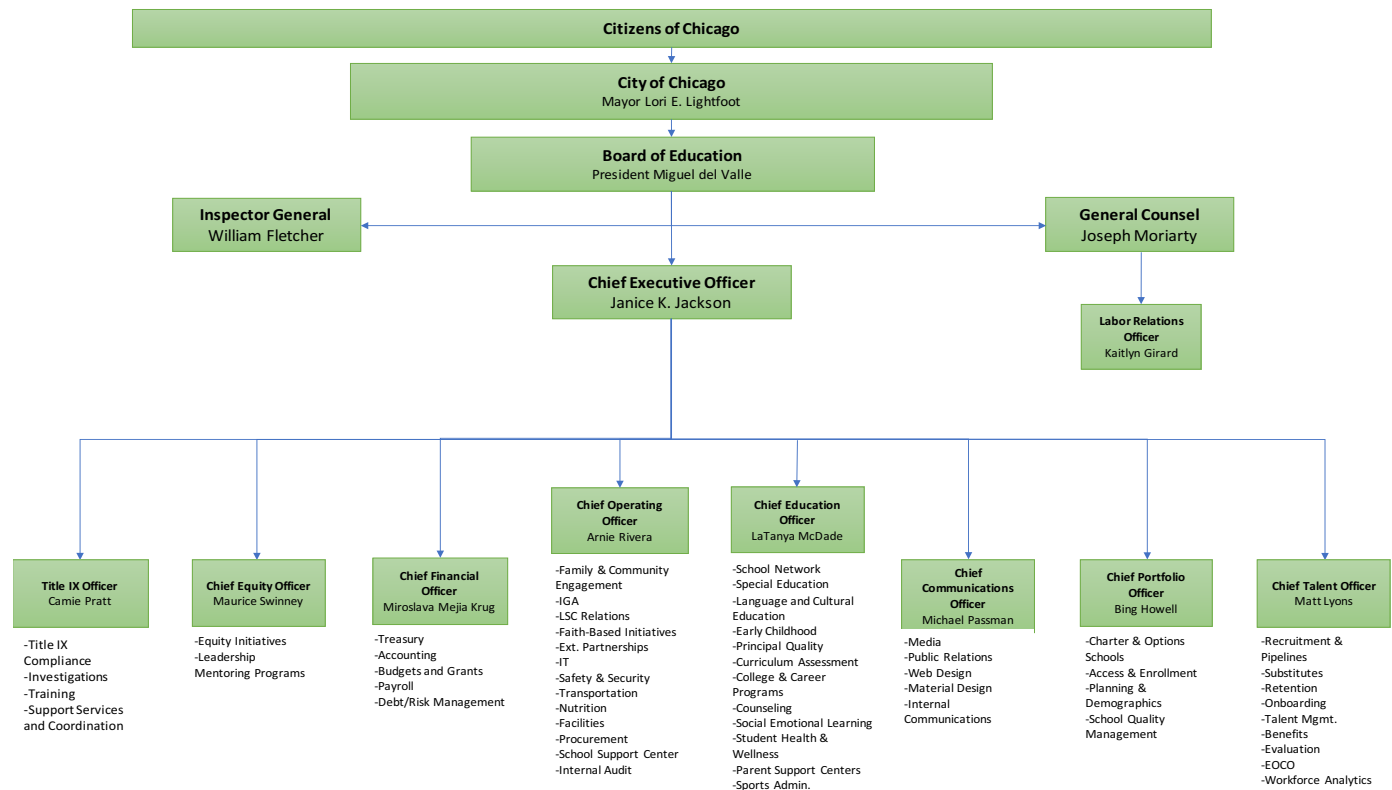
Dwayne Truss
Board Member

CPS Profile

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 Board of Education of the City of Chicago is established under and governed by Illinois School Code and is not a home-rule unit of government. The Board of Education of the City of Chicago operates a system of schools primarily for grades pre-kindergarten through twelve. As the third largest school district in the nation, our schools and students reflect the broad diversity of our city. In fiscal year 2020, CPS had 638 schools, including district-run traditional and options schools, charter and contract schools. Student

enrollment as of September 2019 was 355,156 while CPS employs 37,246 workers, including 24,853 teaching positions.

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.



Chicago Public Schools



Janice K. Jackson, EdD
Chief Executive Officer



LaTanya McDade
Chief Education Officer



Arnaldo Rivera
Chief Operating Officer



Miroslava Mejia Krug
Chief Financial Officer

Background and Summary of Financial Results

Introduction

This popular version of our annual financial report is designed to give our readers a snapshot of Chicago Public Schools' (CPS) financial condition and to highlight information that our parents, teachers, supporters, and community and state leaders should find helpful for improving their understanding of our operations.

This report does not provide all the detailed financial information that is contained in our Comprehensive Annual Financial Report (CAFR). The CAFR includes all of the audited financial statements and disclosures.

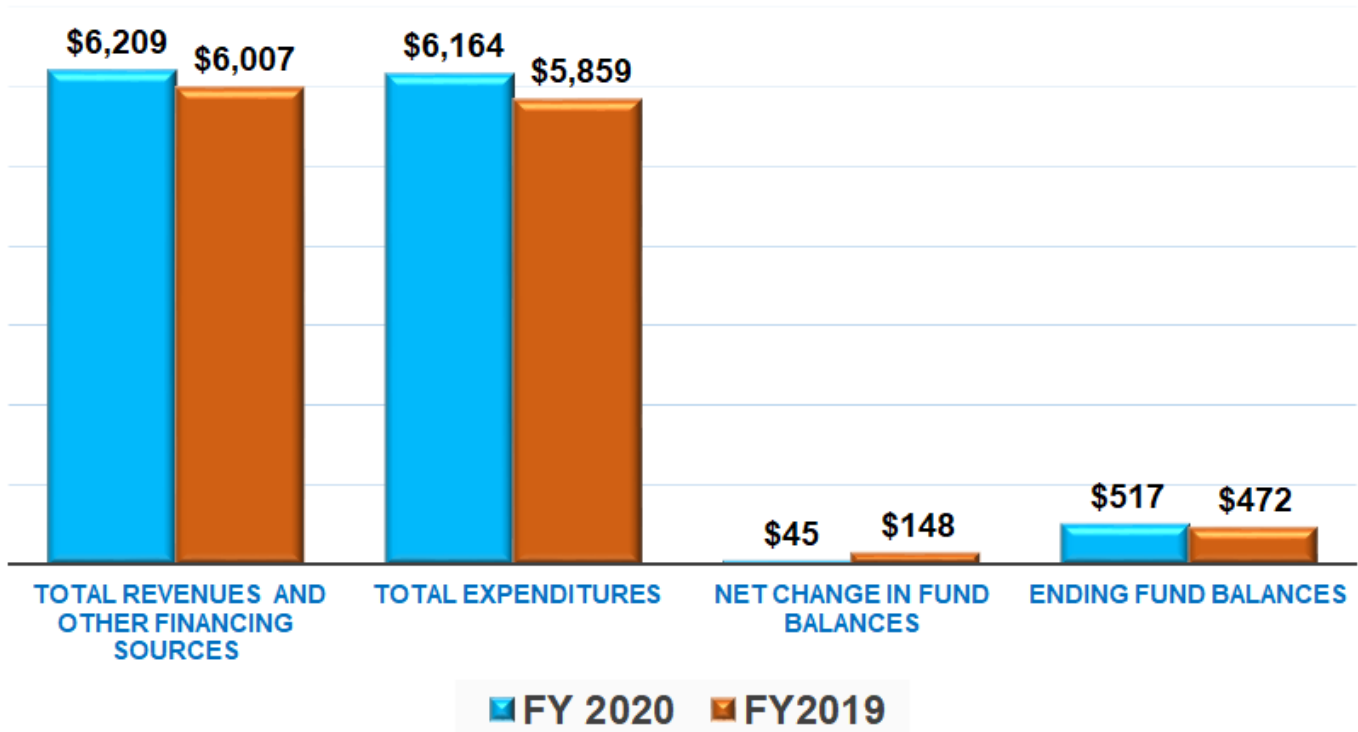
For a detailed report, please visit our website at <https://www.cps.edu/about/finance/annual-financial-report/>. The primary function of the Department of Finance is to ensure the financial integrity of the organization and to accurately report on the Board's financial condition in accordance with all state and federal legislation, governmental regulations and

Board policies. While the external, independent auditors focus primarily on verifying the accuracy of the information presented, they also assess the financial risks to the organization and review the processes that CPS has in place to reduce these risks. As highlighted throughout this report, CPS has focused on improving its financial foundation and funding those activities that will improve the educational achievement of our students.

How We Did Last Year

Despite the unprecedented COVID-19 pandemic, the general operating fund had revenues and other financing sources of \$6.209 billion and expenditures of \$6.164 billion, resulting in \$45.3 million net change in fund balance. It ended FY20 with a positive fund balance of \$517.1 million, which is the third consecutive year of positive fund balance for CPS. Actual general operating fund's expenditures were \$155 million under the FY20 final budget.

**REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE
GENERAL OPERATING FUND
(Amounts in Millions)**



Finance Initiatives and Accomplishments

Impact of COVID-19 on FY2021 Budget

The onset of COVID-19 and subsequent impact on the broader economy potentially has significant implications for CPS' short-term financial picture. As CPS adapts to the remote environment and plans for reopening for in-person learning, CPS has budgeted \$75 million in expenses to cover the associated costs. This is on top of the City's commitment to connect 100,000 students to high-speed internet at no cost through the Chicago Connected initiative and our efforts to distribute 128,000 devices to students this past spring. Along with these additional expenses, COVID-19 will have an impact on CPS' revenues. Economic difficulties at the state level forced the state to forgo its planned increase to Evidence Based Funding, which would have yielded approximately \$65 million in new funding for CPS. Other economically sensitive revenues, like Personal property replacement tax, will likely be reduced significantly in fiscal year 2021 versus 2020. CPS has budgeted for fiscal year 2021 \$343 million in additional funding beyond the CARES act funding already authorized by Congress.

Despite the current COVID-19 environment, CPS still expects operating revenues to increase by \$696 million from actual FY20 revenues, to a total of \$6,894 million. See detailed estimate FY21 revenue resources in the chart below.

Capital Improvement Program

CPS continues to fund its Capital Improvement Program. In Fiscal year 2021 capital improvement plan, \$758 million was budgeted for capital projects that will help ensure students throughout the city have access to modern, safe school buildings for years to come. CPS fund capital projects through a mixture of funding sources, including Capital Improvement Tax Bonds, Intergovernmental agreements with the City of Chicago and Tax Increment Financing (TIF).

Finance Major Accomplishments

- CPS launched an inaugural public engagement process around school funding ahead of the FY2021 budget release that included:
 - Convening of a School Funding Working Group with 24 stakeholders representing principals, teachers, parents, students, State of Illinois, City of Chicago, CPS, and other school funding experts.
 - Six public workshops, held throughout the city (pre-Covid) and attended by over 500 people, that included a presentation on the current state of school funding, small group discussion, and share-out from attendees.
 - A public report from the School Funding Working Group that consolidated feedback from public workshops into recommendations informing the FY2021 budget and future work around school funding.
 - This engagement process helped inform the approach taken and methodology utilized for the FY2020 Equity Grants which included the incorporation of the UIC Economic Hardship Index to reflect greater diversity in need-based metrics and a differentiated approach to improving equitable funding for schools.
- Utilized Environmental, Social and Governmental (ESG) ratings for 100 percent of investment decisions for commercial paper to improve financial returns and reduce the overall risk profile of the portfolio while aligning investments with the broader public interest.
- Under the remote working environment, fiscal year 2020 CAFR was completed more than one month earlier than the previous years. This was a remarkable improvement in efficiency.

FY2021 Budget-All Funds' Revenues
Dollar Amount in Millions



Professional Financial Awards

The Government Finance Officers Association (GFOA) has awarded CPS with the Certificate of Achievement for Excellence in Financial Reporting each year since 1996 for its CAFR. Since 1998, CPS has also received the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting. In addition, CPS has received the Award for Outstanding Achievement in Popular Annual Financial Reporting in the previous years and for fiscal year 19.

Long-Term Financial Planning

As a result of CPS's improved revenue structure, due primarily to new funding from the state and dedicated revenue sources for teacher pensions, the district's reliance on one-time budget balancing measures has declined and performance in fiscal year 2020 indicates a structural balance that the district will seek to maintain going forward. CPS will, however, continue to face challenges in maintaining structural balance, with declining federal revenues, caps on local property taxes, and legacy debt service and pension costs.

The structural budget deficit that persisted through fiscal year 2017 was due primarily to inequitable state education funding, and the new state funding formula both guarantees a minimum funding level for CPS and sets a path to equitable funding. Full equity in funding, however, will not be achieved until the state is able to fully fund its Evidence-Based Funding formula, and,

despite the state's coverage of teacher pension normal cost, CPS remains the only school district in the state that funds the vast majority of its teacher pension costs.

The passage of the new Evidence-Based funding formula (EBF) in 2017 structurally increased the total level of state aid that CPS received. Before then, CPS experienced years of steady state revenue decline, making CPS increasingly reliant on property tax revenue. Since 2007, the percentage of property tax revenue comprising the total budget thus steadily increased from 36.7% in fiscal year 2007 to 41.5% in 2017. In fiscal year 2020, with inflation at 1.9%, the base property tax levy increased by \$174.4 million, putting total budget's percentage of property tax revenue at 50.2%. Although CPS is able to take advantage of new property that is added to the base property values, the annual increase in non-pension dedicated revenues remains modest.



Finance Report: Management's Discussion and Analysis

CPS Annual Financial Report and the Management's Discussion and Analysis (MD&A)

Each year, CPS produces a Comprehensive Annual Financial Report. CAFR is prepared using a reporting combination of both government-wide financial statements and fund financial statements. Financial data contained in this report is presented in conformity with Generally Accepted Accounting Principles (GAAP).

These financial statements consist of two major components:

- Government-wide financial statements include the Statement of Net Position and the Statement of Activities which provide a broad, long-term overview of CPS' finances. They are reported using accrual basis of accounting.
- Fund financial statements include the balance sheet and statement of revenue, expenditures, and net changes in fund balances. They provide a greater level of detail of revenues and expenditures and focus on how well CPS has performed in the short term in the most significant funds. They are reported using the modified accrual basis of accounting.

What is the Management's Discussion and Analysis (MD&A)?

In the MD&A section of the CPS' annual report, management discusses numerous aspects of the organization, both past and present. Among other details, the MD&A provides an overview of the previous year of operations and how the CPS fared in that time period. Management also touches on the upcoming year, outlining future goals and approaches to new projects.

Highlights from the Government-Wide Financial Statements

- Total assets of \$9.6 billion decreased \$182 million or 1.9% primarily due to a decrease in current cash and investment in escrow in FY20. Non-current assets decreased \$89 million primarily due to the decrease in the long term investments. Capital assets, net of depreciation, for fiscal year increased by \$164.9 million due to an increase in construction in progress in fiscal year 2020.
- In fiscal year 2020, CPS issued \$349 million of Unlimited Tax General Obligation Refunding bonds. Long-term liabilities increased \$749 million or 3% due to an increase in the pension and other post-employment benefit (OPEB) liabilities. The total long-term portion of debt outstanding and capitalized leases was \$8.6 billion in fiscal year 2020 and \$8.8 billion in fiscal year 2019.
- Accrued pension increased to \$14.13 billion in fiscal year 2020 from \$13.44 billion in fiscal year 2019, an increase of \$0.69 billion or 3.0%. The year-end balance reflects the increase in the net pension liability related to Chicago Teachers' Pension Fund (CTPF).
- Total OPEB liabilities increased to \$2.555 billion in fiscal year 2020 from \$2.272 billion in fiscal year 2019, an increase of \$283 million, or 12.5%. The year-end balance reflects the increase in Total OPEB related to healthcare costs associated with CTPF.
- CPS' net position decreased \$1.08 billion to a deficit of \$15.877 billion. Of this amount, CPS recorded a negative \$1.561 billion net investment in capital assets, net of depreciation, and related debt. Restricted net position of \$797 million are reported separately to present legal constraints from debt covenants and enabling legislation. The deficit of \$15.113 billion of unrestricted net positions represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2020.



Finance Report: Management's Discussion and Analysis

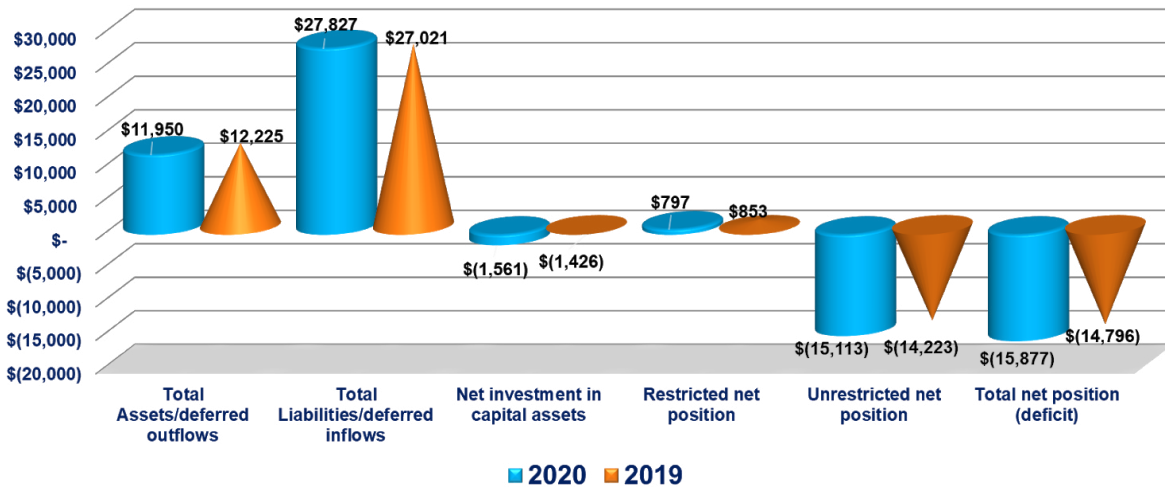
The following condensed Statement of Net Position and Changes in Net Position are aimed at citizens who are interested in a government's finance, but do not have direct access to the detailed accounting data. The government-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business.

may serve as a useful indicator of whether the financial position is improving or deteriorating.

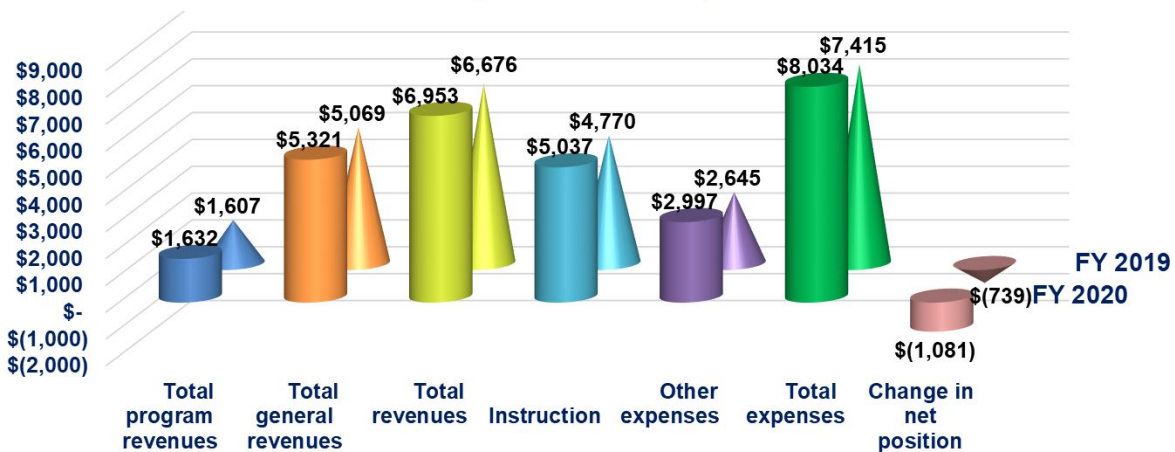
All of CPS' services are reported in the government-wide financial statements, including instruction, pupil support support services, facility support services and food services. Property taxes, replacement taxes, state aid, interest and investment earnings finance most of these activities. Additionally,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

The Statement of Net Position presents information on all of CPS' assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position

Condensed Statement of Net Position (Amount in Million)



Condensed Changes in Net Position (Amount in Million)



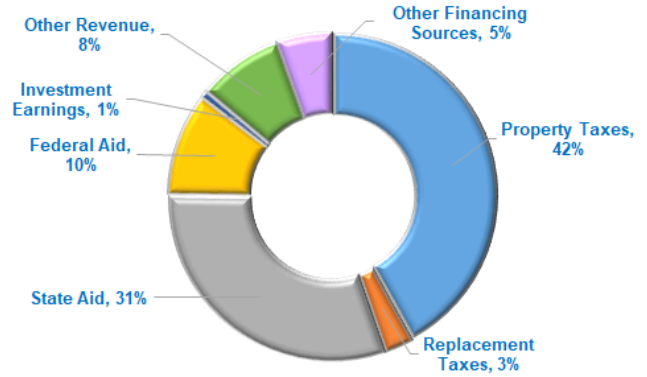
Finance Report: Revenues and Other Financing Sources

How Are Chicago Public Schools Funded?

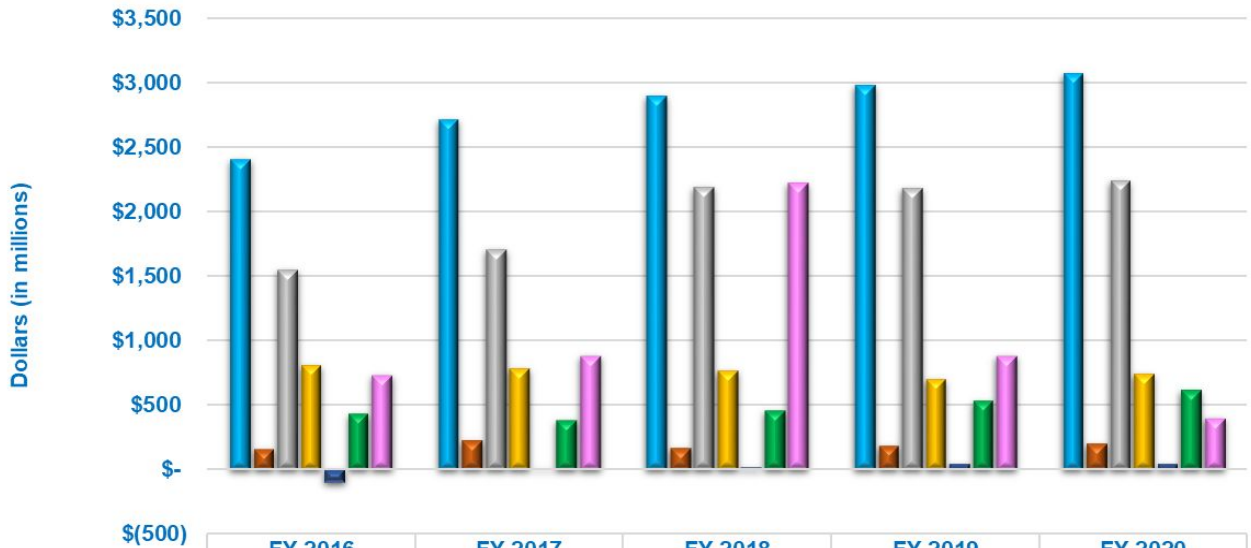
The Chicago Public Schools are financed through a combination of local, state and federal sources. CPS uses fund accounting to ensure and to demonstrate compliance with government accounting and legal requirements. Resources from all sources for all funds totaled \$7.3 billion for fiscal year 2020.

*Governmental Fund Financial Statements are available in CPS' Comprehensive Annual Financial Report (CAFR)

Revenues and Other Financing Sources
Fiscal Year 2020



Revenues and Other Financing Sources - All Funds



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Property Taxes	\$2,408	\$2,715	\$2,898	\$2,984	\$3,074
Replacement Taxes	162	228	168	187	202
State Aid	1,552	1,709	2,197	2,183	2,240
Federal Aid	809	784	768	705	747
Investment Earnings	(96)	5	19	47	48
Other Revenue	437	387	462	537	622
Other Financing Sources	740	886	2,227	883	400

Finance Report: Revenues and Other Financing Sources

Resources by Type - General Operating Fund

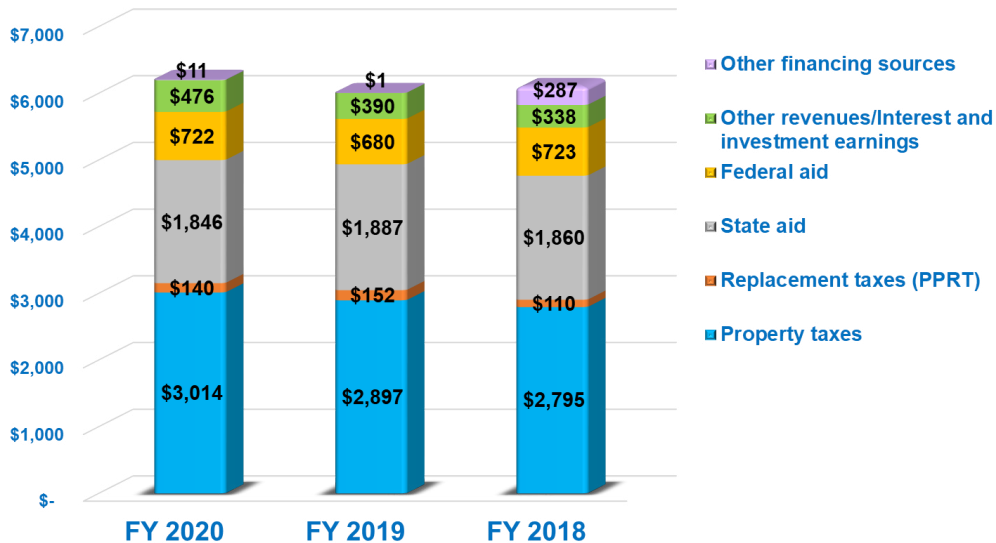
The following charts present a summary of revenues and other financing sources by type for the general operating fund for the fiscal years ended June 30, 2020, June 30, 2019 and June 30, 2018. Local property taxes provide approximately 48.5% of all revenues in fiscal year 2020. The other local revenues come from personal property replacement taxes, interest income and other miscellaneous revenues.

- Property tax increased by \$117 million or 4% from FY19 as collections from the existing levies were higher due to the

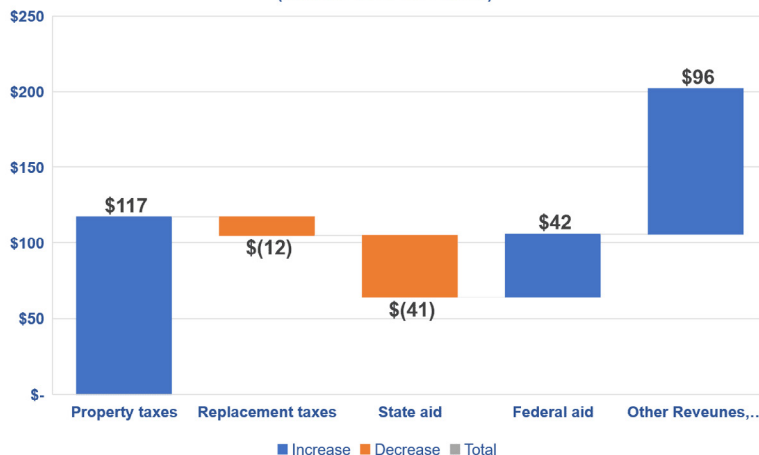
inflation 1.9%, new property added to the tax bases and slightly larger than expected assessment increases.

- State aid decreased by \$41 million, or 2.2% from FY19 as a result of an increased allocation of EBF revenue to the debt service fund instead of the General Operating Fund. Additionally, diversions to charter schools approved by ISBE was increased.
- Other revenue, interest and investment earnings and other financing sources were increased by \$96 million, or 24.6% from FY19, mainly due to the increase in Tax Increment Financing surplus funding by \$61.8 million.

REVENUES BY SOURCE - GENERAL OPERATING FUND
(Amount in Millions)



REVENUES BY SOURCES INCREASE (DECREASE) FROM FY2019
GENERAL OPERATING FUND
(AMOUNTS IN MILLIONS)



Finance Report: Expenditures by Function and Object

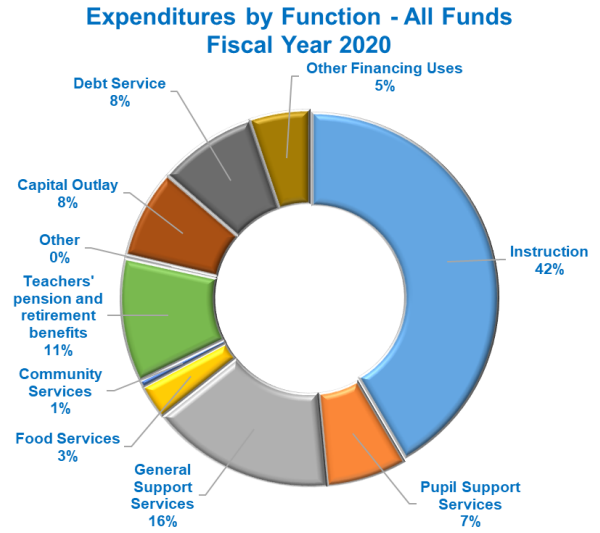
Where Does the Money Go?

These graphs display fiscal year 2020 and previous years' expenditures across specific program areas.

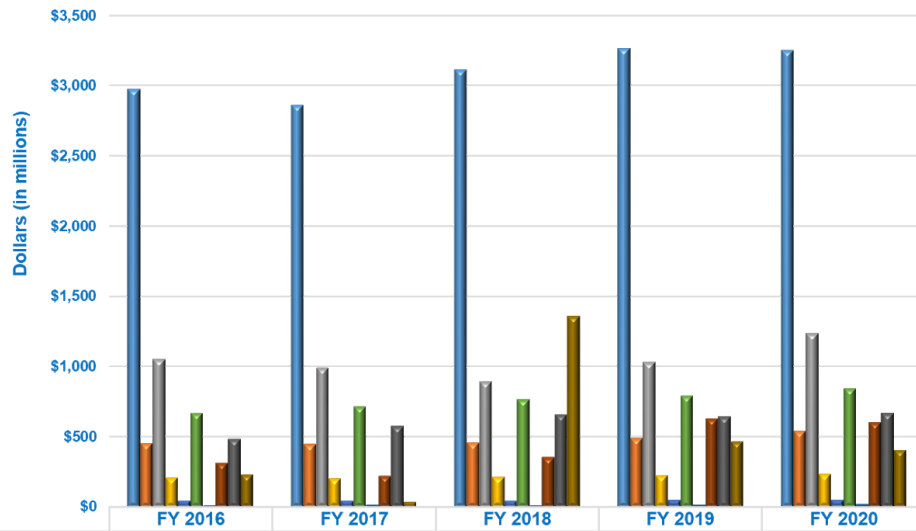
Instruction includes basic education and special education for students with physical, mental, emotional and/or learning disabilities. Also included are vocational education, summer school, supplementary bilingual education and education for economically deprived students.

Pupil Support Services includes guidance counseling, social work, speech pathology, nursing, psychology, occupational and physical therapy services.

Detailed fund financial statements and description of other expenditures by function are available in CPS' CAFR.



Expenditures by Function - All Funds



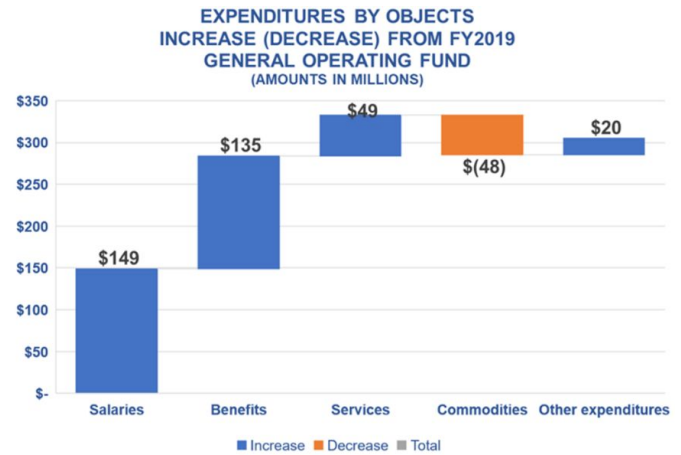
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Instruction	\$2,971	\$2,859	\$3,108	\$3,263	\$3,247
Pupil Support Services	448	441	453	486	538
General Support Services	1,045	985	890	1,027	1,232
Food Services	201	200	207	219	227
Community Services	38	40	40	43	44
Teachers' pension and retirement benefits	664	709	763	787	835
Other	7	13	10	16	18
Capital Outlay	308	217	352	625	599
Debt Service	481	570	651	636	661
Other Financing Uses	231	36	1,355	466	402

Finance Report: Expenditures by Function and Object

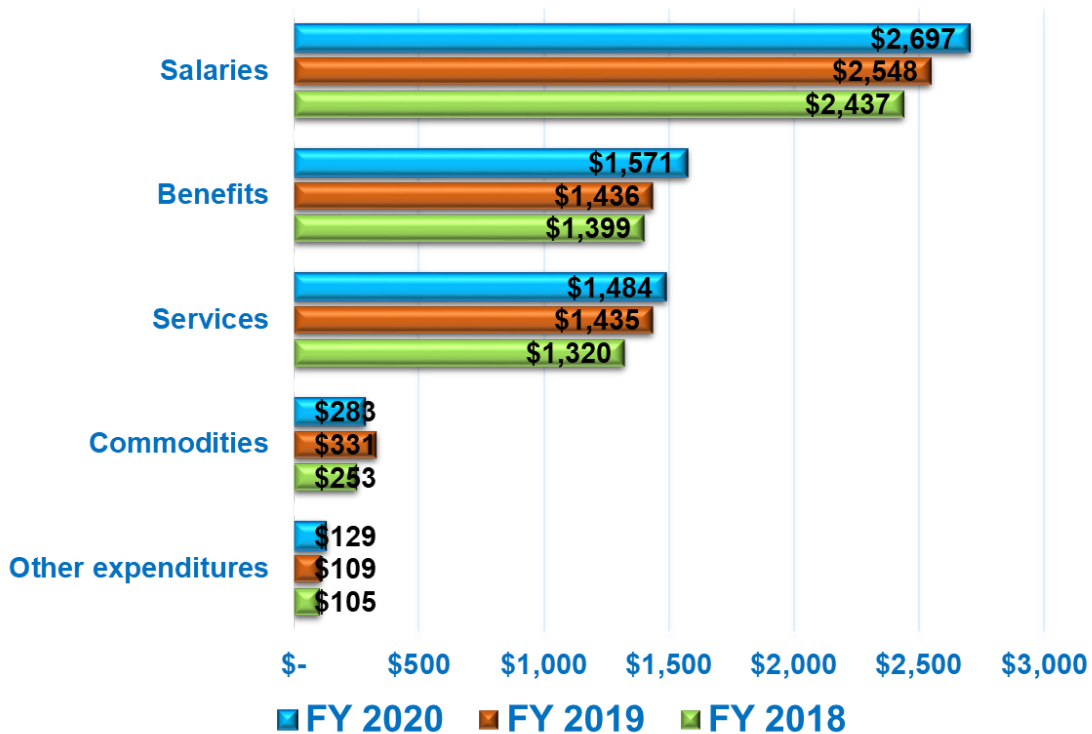
Expenditures by Object

The following chart represents a summary of the general operating fund expenditures by objects for the fiscal years ended June 30, 2020, June 30, 2019 and June 30, 2018.

- FY20 total expenditures \$6,164 million in GOF increased \$305 million, or 5.2% from FY19 total expenditures \$5,859 million.
- Salaries increased by \$149.1 million, or 5.8% from FY19, mainly due to contractual salary increases related to the district's new contracts.
- Benefits were increased by \$135 million or 9.4% in FY20. This change correlates to the increase in overall salaries.
- Services were increased by \$49 million or 3.4% from FY19, driven mostly by \$26 million increased payment to charter schools and \$19 million increase in profession services.



EXPENDITURES BY OBJECTS GENERAL OPERATING FUND (Amount in Millions)



Finance Report: Capital Improvement

The Capital Improvement Program (“CIP”) is designed to relieve overcrowding and renovate school buildings to enhance the educational environment. Chicago Public Schools’ CIP uses a phased prototype renovation process that allows us to restore buildings while minimizing the impact on students and maximizing the benefit to the community. Since the inception of the CIP in 1995, the CIP has made a significant impact on the physical quality of our schools, which in turn has made a substantial impact on our students’ learning environment.

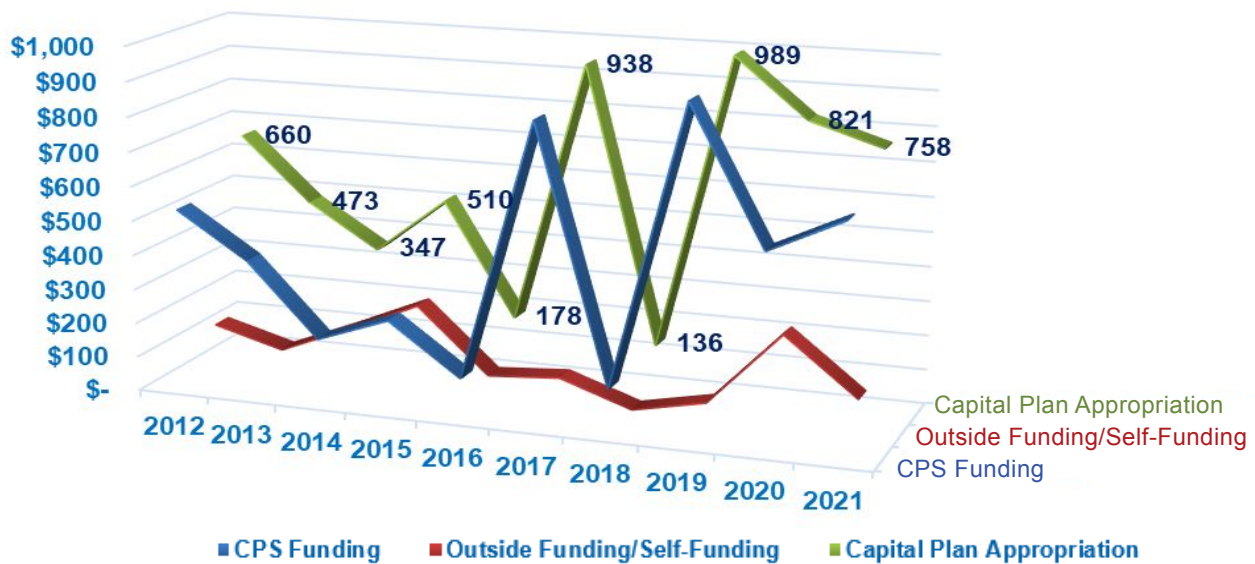
Since 2012, CPS and the Board of Education have appropriated over \$5 billion to build new schools, provide playgrounds and air conditioning, improve access to technology with new computers and expanded bandwidth, expand academic programs (career and technical education programs, for example), and make core investments in our facilities to maintain roofs, fix chimneys, and replace or fix boilers and other mechanical systems. This has been done to ensure the students have a high-quality learning environment to support their education.

Program Scope	Total # of Projects
Facility Needs	21
Chimney Stabilization	8
Fire Alarm Replacement	38
Masonry Remediation Program	84
ADA Program	1
Interior Improvements	10
Pre-K Program Phase I	106
Pre-K Program Phase II	24
Science Labs	23
STEAM, STEM, IB, Magnet, CTE	24
Site Improvements	20
Potential State Funded Projects	1
Totals	360

New Construction and Renovations

Below are the projects that are currently being pursued, in various stages, and a quick snapshot of the fiscal year 2020 projects that will take two or three years to complete.

Capital Plan by Project Year Budget Dollar Amount in Million



Capital Improvement Plan for FY 2021

The FY2021 budget for CPS includes a capital budget of \$758 million of capital investments that will focus on priority facilities needs at neighborhood schools; full-day Pre-K expansions; ADA accessibility; and continued expansion of technology upgrades, modern science labs, and other academic priorities.

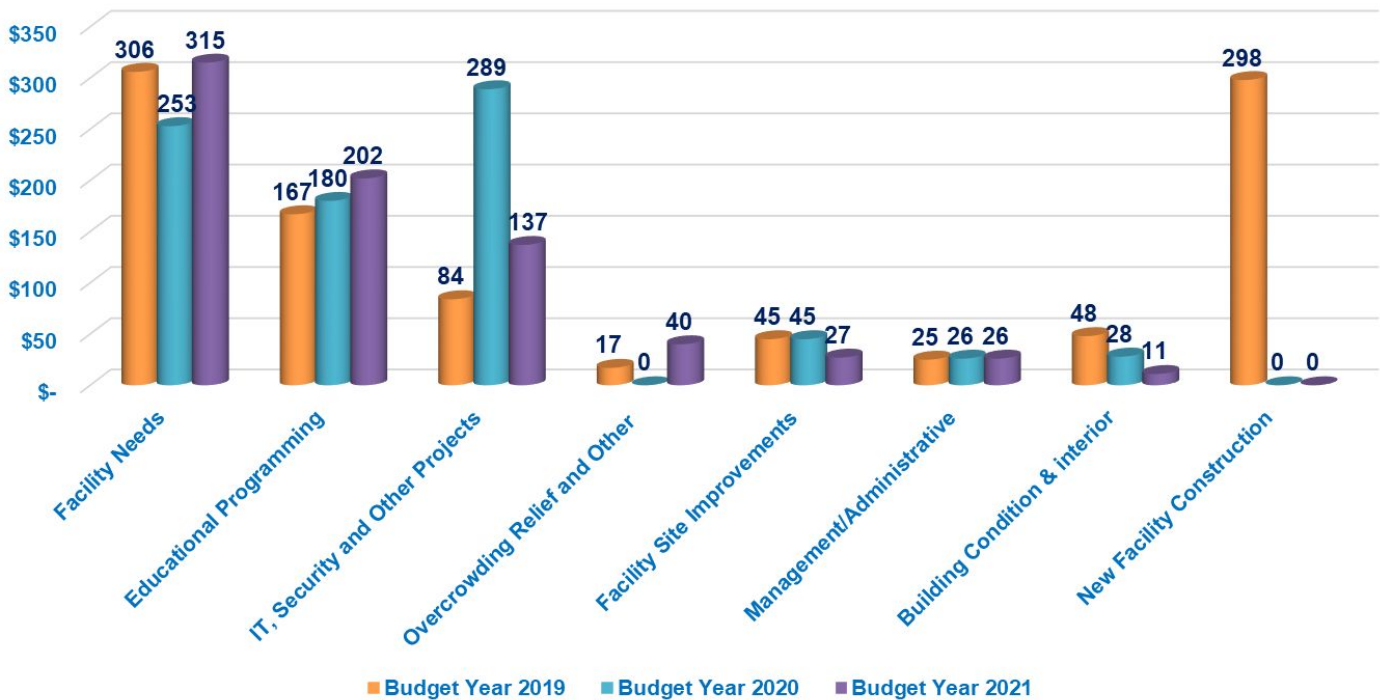
The CPS facility portfolio includes 522 campuses and 798 buildings. Our average facility age is over 80 years old, and the total CPS facility need is over \$3 billion. Since FY2016, CPS has invested over \$2.1 billion into capital improvements across the district. These projects include major renovations to ensure our schools stay warm and dry, facility construction to relieve overcrowding, security cameras to provide a safer environment for our children, and renovations to aid programmatic

enhancements, among others. Additionally, CPS is investing \$100 million in the next five years to ensure all CPS campuses are more accessible. The FY 2021 budget also includes \$100 million to develop new preschool classrooms throughout the city, moving CPS closer to the goal of providing universal Pre-K for all 4-year-olds.

The FY2021 capital budget is funded by future estimated \$410 million bond proceeds backed by Evidence-Based Funding (EBF), potential state capital funding \$47.3 million, and potential outside resources as they become identified.

Capital Budget by Project Type

Budget Dollar Amount by Million



Finance Report: Long-Term Debt

Long-Term Debt

As of June 30, 2020, CPS had \$8.8 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus \$9.0 billion for fiscal year 2019 - a decrease of 0.2 billion. The decrease in outstanding debt represents the significant decrease in new debt issued in fiscal year 2020.

Bond Issuances

In fiscal year 2020, CPS issued its Unlimited Tax General Obligation Refunding Bonds Series 2019AB (September). The various series of bonds were primarily issued for a combination of refunding and capital improvement program financing.

Debt Ratings

Investors who purchase municipal bonds use debt ratings as an indicator of the financial stability of an organization and consequently the safety and security of the debt sold by that organization. In general, higher credit ratings often result in lower borrowing costs via reduced interest rates paid on municipal bonds. Strong ratings also promote a wider market by attracting more buyers of municipal bonds. CPS currently has bonds outstanding with credit ratings from Fitch Ratings, Kroll Bond Rating Agency, Moody's Investor Service and Standard and Poor's. During fiscal

year 2020, Moody's Investor Service general obligation (GO) rating of the Board was upgraded from B2 to B1 and the outlook was positive. Also in 2020, Fitch Ratings' General Obligation (GO) rating of the Board was upgraded from BB- to BB and the outlook was revised to stable.

CPS DEBT RATINGS		
General Obligation Bonds (GO)	JUN. 2020	JUN. 2019
Fitch Ratings	BB	BB-
Kroll Bond Ratings	BBB	BBB-
Moody's Investor Service	B1	B2
Standard and Poor's	BB-	B+
Capital Improvement Bonds (GO)	JUN. 2020	JUN. 2019
Fitch Ratings	A	A
Kroll Bond Ratings	BBB	BBB

Highest rating is 'AAA'; lowest is 'D'

BOND ISSUANCES				
DATE	PURPOSE	(IN THOUSANDS)	SERVICES	TYPE OF BONDS
Sept. 2019	Refunding	\$ 225,284	2019A	Unlimited Tax General Obligation Refunding (GO)
Sept. 2019	Refunding	\$ 123,795	2019B	Unlimited Tax General Obligation Refunding (GO)

Education Initiatives and Programs

Response to the Covid-19 Pandemic

Since the start of the pandemic, the district is committed to ensuring every student who needs a device receives one.



School year 2019-2020, the district distributed more than **128,000** devices, and, as of September 21, the district distributed more than 48,000 devices for the fall.



Connected more than **35,000** students to high-speed internet through the groundbreaking Chicago Connected program.



Provided more than **23 million** meals to students at hundreds of sites across the city.

Curriculum Equity Initiative

In Fiscal year 2020, the district invested \$8.7 million for the Curriculum Equity Initiative (CEI). The CEI is a multi-year initiative that will provide teachers with a high-quality curriculum across six content areas: English Language Arts, Math, Science, Social Science, Spanish and French.

As a district, Chicago Public Schools strategically invests in proven programs that expand access to high-quality educational opportunities to our youngest learners; promote civic engagement; expand Advanced Placement, International Baccalaureate, STEM, and STEAM programming; and support the whole child through comprehensive social and emotional services and trauma informed care.

STEM and International Baccalaureate

Through the Academic Programs RFP, the district invests in schools by providing school-based academic programs in a variety of content areas. For the Office of Teaching and Learning, these include Fine and Performing Arts, STEM, STEAM, Personalized Learning, IB, and Gifted programs. In FY20, the district invested \$5.2 million to incubate the following new programs: 7 IB Schools, 11 STEM/STEAM schools, 6 Fine and Performing Arts schools, 2 Personalized Learning schools and 1 gifted program.

Social Science and Civic Engagement

In school year 2020, with just over a \$2 million operating budget, the Office of Social Science and Civic Engagement supported the development and implementation of 14 curriculum supports, supplementary guidance and toolkits for schools to realize its mission of building transformation schools that ignite curiosity, promote agency and elevate active participation in civic life.

Social and Emotional Learning

Through the district's commitment to Social and Emotional Learning (SEL), we are keeping more of our students in school and engaged. With an over \$10 million investment in social and emotional learning supports, including over \$5 million for restorative practices and direct student services from community partners, the district is dedicated to providing students with the SEL skills necessary for college, career and life success.



Education Outcomes

Thanks to our students, families, educators, partners, and city leaders who have given their all to lift CPS to new heights. Despite unprecedented pandemic of the 2019-20 school year, we have so much to be proud of as a district. Our graduation rates are at an all-time high, and a record high number of CPS students are earning college and career credentials before they even finish high school.

Graduate Growth

In 2019-20 School year, CPS students posted a record high 82.5% graduation rate, an accomplishment spearheaded by strong gains from Latin and African American students. Over the past decade, the district's graduation rate has increased by nearly 27 percentage points.

Record High College and Career Credentials Earned

This year, more CPS graduates earned college and career credentials than ever before. Credential attainment jumped a two-percentage points this year, with 49.3 percent of 2020 graduates earning at least one early college and career credential, which helps make college more accessible and affordable for students and their families.

Supporting Post-Secondary Success

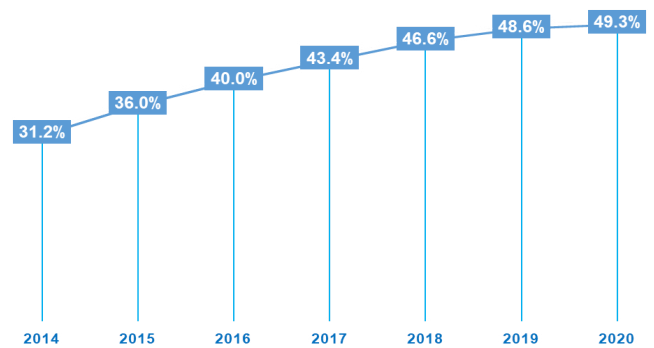
The Class of 2020 was the first class to graduate under Learn. Plan.Succeed, which ensures seniors have meaningful planning conversations with dedicated staff, and submit concrete post-secondary plans. More than 97 percent of seniors at district-operated schools submitted a plan, and nearly 83 percent of those plans included a college acceptance.

Scholarship Dollars Earned

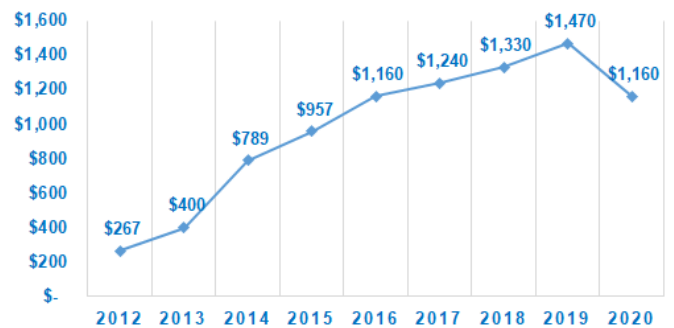
Last year's graduating class earned over \$1.16 billion in scholarship offers, making 2020 the fifth straight year that students have earned over \$1 billion. Expanding access to college-level programming and support from dedicated school counselors and college and career coaches have helped ensure students are aware of scholarship opportunities and receive the support they need to complete applications. More than 10,000 seniors accessed the CPS Academic Works Scholarship tool, which is a resource that pairs students with over 200 strategic scholarships that are promoted throughout the school year.



EARLY COLLEGE AND CAREER CREDENTIALS



SCHOLARSHIP DOLLARS EARNED
AMOUNT IN MILLION



Chicago Public Schools has gained national recognition for its notable gains in leadership in urban education. Chicago Public School's highlights can be found below.

U.S. News & World Report: U.S. News 2019 Best high Schools Rankings

The top five spots and 26 of the top 100 high schools in Illinois were CPS schools, with eight CPS Schools ranking among the top 500 schools in the United States.

Chicago Sun-Times: Lightfoot unveils \$50 million program to provide free high-speed internet to CPS students

June 25, 2020

"Roughly 100,000 Chicago Public Schools students will get free access to high-speed internet service over the next four years, thanks to a \$50 million program bankrolled in part by Illinois' richest man."

"While we remain fully committed to making every possible effort to getting students back in the classroom this fall, we also need to be realistic," Lightfoot said Thursday. "We don't have a crystal ball. We can't predict what the public health metrics will tell us. But I can tell you this: We will be prepared for whatever the fates have in store for us."

CBS Local: CPS Increases Its Budget with \$125 Million for the Upcoming Year

April 28, 2020

"CPS CEO Janice Jackson said the money will go towards everything from special education resources to equity grants to specific schools.

"These budgets include more than \$125 million to promote greater equity in our schools. This budget also addresses key priorities such as special education, college and career readiness and supports and services for our district's schools in our highest need areas."

Of that amount, Jackson said, the lion's share will go towards special education services. That's \$97 million. She added it's the largest amount committed to special education in the history of the Chicago Public School system."

Jackson said 255 schools will receive \$44 million in equity grants.

WBEZ: Chicago High Schools Going From 'College Prep' To 'Early College'

September 10, 2019

"The school district has a five-year goal of getting 60% of students some postsecondary credentials before graduating. College credits can be earned through Advanced Placement courses or by taking college classes either on a college campus (dual enrollment) or at their high school (dual credit)."

"Taking college courses at their school or a nearby college gives more students the chance to earn credit. It also opens the door for all students, including lower-performing ones, to try a college-level curriculum."

NBC: CPS Reaches Record-breaking Graduation Rates for 2019-2020 School Year

September 4, 2020

"Lightfoot said the school system's graduation rate ended up at 82.5% this past year, despite finishing the school year in a remote learning format."

"The district also reported a record low dropout rate at 5.6% in the 2019-2020 school year, according to the Chicago mayor."

Chicago Tribune: Barack Obama video chats with Chicago Public Schools educators to thank them during Teacher Appreciation Week surprise

May 6, 2020

"Obama tweeted a video montage of the calls Wednesday morning that said he made the calls "to simply say thank you."

"There's no limit to the devotion I've seen in teachers like these @ChiPubSchools educators," Obama said in the tweet. "Their dedication shapes the best parts of who we become. I couldn't be more thankful for their work, especially as they shift lessons online to keep students on track during this crisis."

Glossary

BUDGET Allocation of available revenue in accordance with the spending guidelines and policies of the revenue sources to carry out educational goals of the school district..

BOND A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future (the maturity date), together with periodic interest at a specified rate.

CAPITAL ASSETS All tangible property which cannot easily be converted into cash and which is usually held for a long period, including real estate, equipment, etc.

CAPITAL IMPROVEMENT Any permanent structure or other asset in real estate added to a property that adds to its value, whether through new construction or renovation.

DEBT RATINGS A grade assigned by credit rating agencies that evaluate the credit worthiness of a corporation's debt issues. A rating is specified by a letter classification, such as AAA, B, or CC. This rating is a financial indicator to potential investors of debt securities (i.e. bonds).

DEBT SERVICE FUND Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

FUND ACCOUNTING Accounting whereby nonprofit organizations and organizations in the public sector are measured by accountability instead of profitability. These organizations have a need for special reporting



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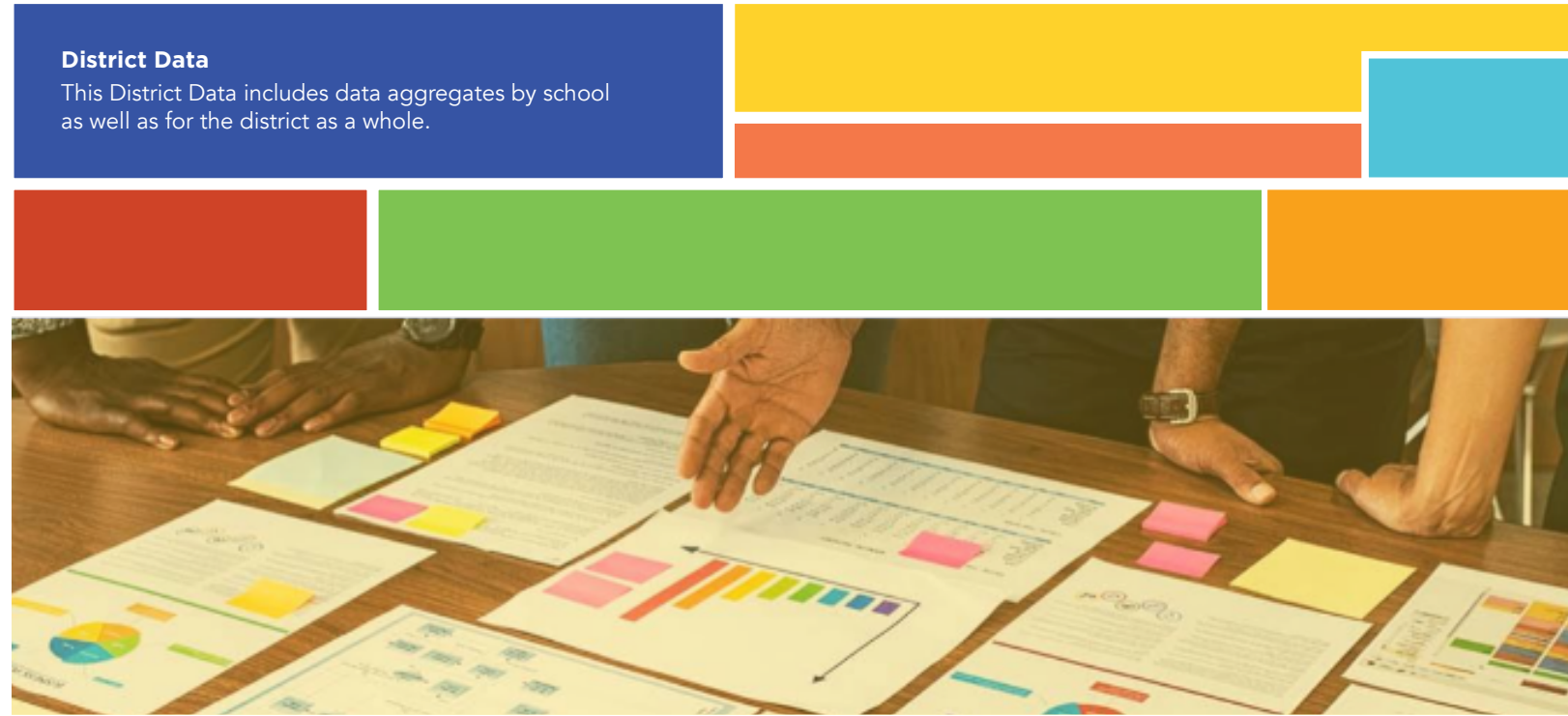
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Special Thanks to

Significant efforts were made by all staff of the Office of Controller and many others in the Department of Finance and throughout the district to prepare the CPS' Fiscal Year 2020 Comprehensive Annual Financial Report, from which much of the content of this report was adopted.

District Data

This District Data includes data aggregates by school as well as for the district as a whole.





Chicago
Public
Schools

**Popular Annual
Financial Report**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020