



Chicago Public Schools

Comprehensive Annual Financial Report

Department of Finance
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ENGLEWOOD STEM HIGH SCHOOL

Lori Lightfoot
Mayor

City of Chicago, Illinois

Chicago Board of Education
Miguel del Valle
Board President

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



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2019

*Prepared by the
Department of Finance*

Lori Lightfoot, Mayor, City of Chicago
Miguel del Valle, Board President
Janice K. Jackson, EdD, Chief Executive Officer



Board of Education

City of Chicago

Miguel del Valle
PRESIDENT

Office of the Board
1 North Dearborn Street, Suite 950, Chicago, Illinois 60602
(773) 553-1600 Fax (773) 553-3453

Sendhil Revuluri
VICE PRESIDENT

MEMBERS

Luisiana Meléndez
Amy Rome
Lucino Sotelo
Elizabeth Todd-Breland
Dwayne Truss

Dear Friends and Colleagues,

We are pleased to present you with the Chicago Public Schools (CPS) Fiscal Year 2019 financial results.

Once again these results demonstrate CPS' commitment to financial stability. CPS' strong financial controls resulted in general operating revenues slightly exceeding expenditures, and demonstrates our commitment to being good stewards of public funds.

Further, the financial stability achieved through historic state funding reform has allowed CPS to continue investing in the programs and resources that drive student success and align with the equity focus at the heart of our Five-Year Vision. We experienced our largest-ever programmatic expansion in 2019, adding programs like Science, Technology, Engineering, and Math (STEM); International Baccalaureate (IB), world language; and fine and performing arts to the schools that need them most, particularly those on Chicago's South and West sides. We also took significant steps toward our goal of providing every four-year-old in Chicago with access to free, full-day pre-k by 2021; and we grew our Opportunity Schools program, which provides support for schools with the greatest staffing needs to help ensure they have equitable access to highly-qualified educators.

These initiatives align with the Five-Year Vision we released in spring 2019, building on our commitments to academic progress, financial stability, and integrity while ensuring that every decision, investment, and policy has equity at its core. Building on the success of our Equity Office, CPS has created a Curriculum Equity Initiative to provide a high-quality, culturally-sensitive curriculum for every school, and we are currently developing an Equity Framework to help focus our work to support students who need it most.

Our vision, along with the district's improved financial stability, has contributed to historic growth among CPS students. Our graduation rate has jumped over 20 points in the past decade, and our elementary school students achieved their highest-ever elementary math and reading test scores, with more than half of students now meeting or exceeding their peers nationwide for academic growth. In addition, nearly half of all CPS seniors are graduating with college and career credentials, and last year's graduating class earned nearly \$1.5 billion in scholarship offers to help them continue their education. Our district also achieved the lowest-ever single-year dropout rate in CPS history, and a study recently released by the University of Chicago shows that nearly 80 percent of our district's English Learners are achieving English proficiency by the time they enter high school.

CPS is committed to working with the Board of Education and Chicago's new mayor, the Honorable Lori E. Lightfoot, to continue along this historic path. Our focus moving forward will be on maintaining our financial stability and on improving the equity and transparency that is needed if every child from every community in Chicago is to receive the high-quality education that will prepare them 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 PUBLIC SCHOOLS
Chicago Board of Education
2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Introductory Section



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOARD OFFICIALS AS OF JANUARY 22, 2020

Chicago Board of Education
Miguel del Valle, President
Sendhil Revuluri, Vice President

Members

Luisiana Melendez
Amy Rome
Lucino Sotelo
Elizabeth Todd-Breland
Dwayne Truss





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Chicago Public Schools
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO





The Certificate of Excellence in Financial Reporting
is presented to

Chicago Public Schools

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

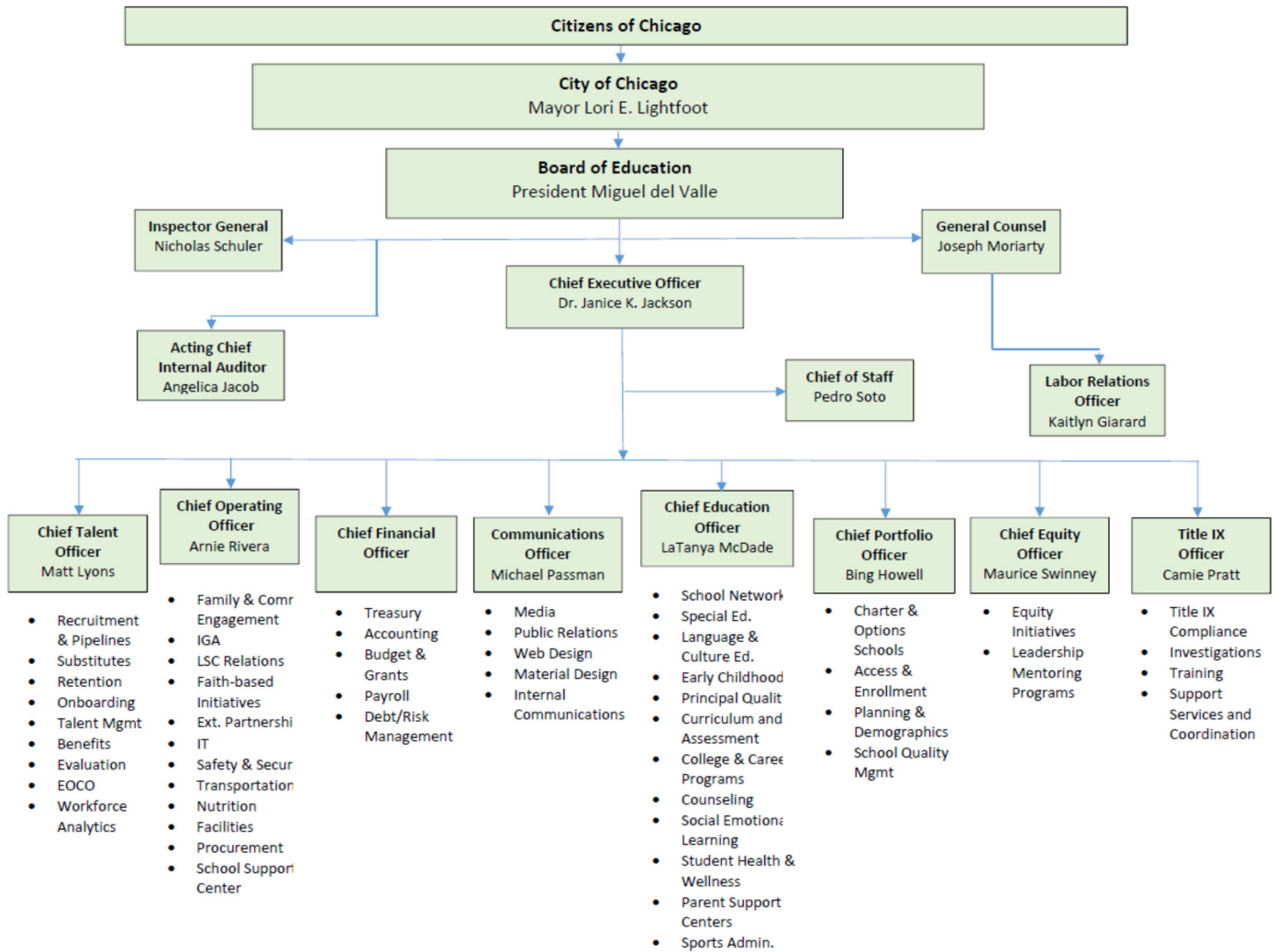
Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



CHICAGO PUBLIC SCHOOLS Chicago Board of Education Organizational Chart



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Board Member Profiles

Miguel del Valle

Miguel del Valle was appointed President of the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019. Mr. del Valle is a retired elected official who has served on an extensive list of several committees, boards, and commissions, including:

- Illinois Student Assistance Commission (ISAC) | Vice Chairman
- Advance Illinois | Founding Board member
- Illinois Federation for Community Schools | Board member
- Illinois Pathways Advisory Council | Council Member
- Illinois Complete Count Commission
- Judicial Candidate Screening Committee
- Illinois P-20 Council

In 2006, Mr. del Valle was appointed by Mayor Richard M. Daley as City Clerk of Chicago, and subsequently won a citywide election to the post in 2007, becoming the first Latino elected to the office of City Clerk. In 1986, Mr. del Valle was elected the first Latino Senator in the Illinois General Assembly where he served for 20 years. He became an Assistant Majority Leader, and served as Chairman of the Senate Education Committee, Consumer Affairs Committee, and Senate Select Committee on Education Funding Reform. He served as Vice Chairman of the Higher Education Committee, and member of the Revenue, Appropriations, Labor, and Executive Committees. He also was the co-founder of the Illinois Legislative Latino Caucus and a member of the Illinois Legislative Black Caucus.

Before running for public office, del Valle worked with several community-based agencies, organizing and providing direct services and institution building. He was Unit Director for the Union League Foundation for Boys and Girls Clubs, and Executive Director of Association House, a human services agency in Chicago. He also did work for the Pilsen Little Village Community Mental Health Center and the Center for Neighborhood Technology. Mr. del Valle is a graduate of Chicago Public Schools and holds a M.A. in Guidance and Counseling from Northeastern Illinois University. He is married to Lupe del Valle, and has four children and four grandchildren. Three of his children attended Jose de Diego Community Academy, and one graduated from Lane Tech. All four of his grandchildren have or are currently attending Chicago Public Schools.

Sendhil Revuluri

Sendhil Revuluri was appointed Vice President of the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Mr. Revuluri was a founding teacher at the Bronx Academy of Letters, a public secondary school in the South Bronx, where he was recognized as a Math for America Master Teacher. He subsequently worked in the CPS Office of High School Teaching and Learning and at the University of Illinois at Chicago as Associate Director of the Suburban Cook County Mathematics Initiative, a project for collaborative improvement in teaching and learning benefiting over 40,000 K–12 students in 40 public school districts. Mr. Revuluri has served on a Local School Council, and on the board of the Illinois Council of Teachers of Mathematics, which recognized him with the Lee Yunker Mathematics Leadership Award. He currently serves on the boards of the Bright Promises Foundation and Math Circles of Chicago. He is a 2016 Fellow of Leadership Greater Chicago.



Mr. Revuluri is Managing Director of Strategic Development at PEAK6 Capital Management, an entrepreneurial investment firm that leverages technology to efficiently manage risk in the options market. He launched its internal Hackathon, leads other innovation projects, and supports the development of business strategy, as well as leading efforts for effective professional learning. Mr. Revuluri was previously an Executive Director of Equity Trading at UBS Warburg LLC in Chicago and Stamford, Connecticut, where he created instruments to manage risk and enable investment opportunities, developed and led new businesses, and collaborated to improve enterprise-level risk systems. He is a CFA Charterholder. Mr. Revuluri was born in Chicago and attended the Illinois Mathematics and Science Academy, from which he received the Alumni Titan Award. He studied physics and mathematics at the University of Chicago and secondary mathematics teaching at Pace University. Mr. Revuluri lives in Pilsen with his wife, Venu Gupta, and their two children, who are currently attending Chicago Public Schools.

Luisiana Meléndez

Luisiana Meléndez was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Dr. Melendez is an Associate Clinical Professor at Erikson Institute and director of the Institute's Bilingual/ESL Certificate Program. She received her BA in Psychology in her native Dominican Republic and a master's in early childhood education and doctorate in child development from Loyola University Chicago/Erikson Institute. Before working in higher education, Dr. Meléndez worked for close to two decades as an early childhood and elementary teacher in the Dominican Republic and in the U.S. Dr. Meléndez contributes to the Erikson Institute's academic programs through course work and initiatives that prepare early childhood practitioners to meet the developmental and learning needs of the increasingly diverse children and families in U.S. educational settings. Dr. Meléndez' academic work pays close attention to the particular instructional needs of young children growing up with more than one language as well as to the potential socio-emotional and cognitive advantages that growing up as bilingual or multilingual child or youth can afford. In addition to her work with current and future educators, Dr. Meléndez is particularly interested in how early care and education programs support emergent bilinguals between birth and age three.

Dr. Meléndez frequently presents in national as well as local conferences and has several publications on her areas of professional interest. In addition to her work in early childhood teacher education and professional development, Dr. Meléndez has been a member of the Early Childhood Committee of the Illinois State Board of Education since 2012. She has also served in several workgroups and advisory boards convened around issues of bilingual and multilingual development, as well as on the Board of Directors of El Valor. Dr. Meléndez has just concluded a term as co-chair of the Chicago Consortium for School Research Steering Committee. Dr. Meléndez has resided in Chicago since 1996 and feels privileged by the opportunity to pursue professional interests that bring together her appreciation for cultural and linguistic diversity with her personal commitment to equity and social justice.

Amy Rome

Amy Rome was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Ms. Rome has dedicated her career to supporting all students and families to thrive, challenging systemic inequities that perpetuate gaps in opportunity within and across schools. For more than 20 years, she worked in and with Chicago Public Schools as a teacher, teacher leader, school leader, and principal supervisor. Notably, Ms. Rome served as the principal of the National Teachers Academy, a Pre-K - 8th grade Chicago Public School on the near south side, where she worked closely with families and staff to create an inclusive environment amidst community housing transitions and community school closures, leading to significant gains in student achievement.

Prior to transitioning from Chicago Public Schools in 2015, Ms. Rome supported eight Chicago Public Schools as a principal manager and worked with principals and their instructional leadership teams across a network of 32 schools. Ms. Rome also directed a graduate program at the University of Illinois at Chicago (UIC) focused on preparing teachers with a social justice curriculum to teach in underserved neighborhood schools.

Ms. Rome currently serves as the President of Leading Educators, a national non-profit organization that partners with school systems to accelerate educational equity for the students furthest from opportunity by strengthening teaching, conditions, and leadership. She was previously the organization's Chief Program Officer and Vice President of Design supporting the design, delivery, and evaluation of systemic, standards-aligned professional learning for teachers and leaders in DC Public Schools, Tulsa Public Schools, and New Orleans among other systems. Ms. Rome holds a bachelor's degree in Chinese Language and Literature from The University of Iowa and a master's in Language Minority Education from National Louis University. She has completed doctoral coursework at UIC in curriculum and instruction and urban school leadership. Ms. Rome is currently an inaugural member of Equity Lab's Nexus Fellowship, a national cohort designed to help leaders activate enduring change around antiracism and equity.

Lucino Sotelo

Lucino Sotelo was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Mr. Sotelo serves as Chief Marketing Officer for KemperSports Management. Lucino is an award-winning digital and marketing executive, consistently delivering transformational results. He has led teams at W.W. Grainger, BMO Harris, HSBC, Grant Thornton, Diamond Technology Partners and CSC Index. Mr. Sotelo has committed himself to community and investing in organizations that help others achieve higher levels of success, with a passionate focus on educational equality in all communities:

- City Year Chicago | Executive Board Member & Committee Chair
- Association of Latino Professionals For America | Senior Leadership Council
- Leadership of Greater Chicago Fellow | Former Executive Board Member
- Chicago Planning Commission | Former Commissioner

Mr. Sotelo has an MBA from Northwestern University's Kellogg School of Management and a Bachelor's of Science degree from DePaul University in Accounting. He is a proud CPS alum of Wells Community Academy and proud parent of two current CPS students. Lucino was recently recognized as one of the country's 2018 Top Latino Leaders by the National Diversity Council, 2015 Top Ten Lideres by Hispanic Executive Magazine, Chicago United Business Leader of Color, Diversity MBA's Top 100 Executives, Who's Who In Hispanic Chicago and Instituto Del Progreso Latino Spirit Award.

Elizabeth Todd-Breland

Elizabeth Todd-Breland was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Professor Todd-Breland is an Assistant Professor of History at the University of Illinois at Chicago. Her research and teaching focus on U.S. urban history, African American history, and the history of education.



Her work also explores interdisciplinary issues related to racial and economic inequality, urban public policy, neighborhood transformation, education policy, and civic engagement. Her book, *A Political Education: Black Politics and Education Reform in Chicago since the 1960s*, analyzes transformations in Black politics, shifts in modes of education organizing, and the racial politics of education reform from the 1960s to the present. Professor Todd-Breland's writing has appeared in scholarly journals and edited volumes. She has also contributed to popular outlets, including NPR, ESPN, the Washington Post, and local radio, television, print, and online media.

Professor Todd-Breland coordinates professional development workshops, curricula, and courses for teachers and gives public talks on African American history, urban education, and racial equity. Todd-Breland is a CPS parent, served as a community member on a Local School Council, and worked with Chicago high school students as a social studies instructor and college counselor. Professor Todd-Breland's research has been supported by grants and fellowships from the National Academy of Education, Spencer Foundation, Andrew W. Mellon Foundation, American Council of Learned Societies, Social Science Research Council, Ford Foundation, and UIC Institute for Research on Race and Public Policy. She earned her PhD in History from the University of Chicago.

Dwayne Truss

Dwayne Truss was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Mr. Truss is a life-long resident of the city of Chicago. Mr. Truss was born and raised in West Garfield Park and is a proud graduate of Chicago Public Schools. After graduating from Westinghouse Area Career Vocational High School in 1981, he joined the United States Marine Corps Reserve. After a short tenure with the USMCR, he transferred to the Army National Guard. Mr. Truss was honorably discharged in 1986.

Mr. Truss graduated with Bachelor of Science in Accounting from Northeastern Illinois University in 1985. Mr. Truss met his wife Cata while a student at Northeastern and they were married in 1986. Together they raised five sons: four are college graduates. Mr. Truss has served his community in the following capacities: Executive Director/Coach of Austin Youth League/Austin Mandela Little League from 1990 to 2007, local school council member at Byford (now Brunson), Hitch and Ella Flagg Young schools, current member of the Columbus Park Advisory Council, former board member of Raise Your Hand for Illinois Public Education, former co-chair of the Austin Community Action Council, member of the Westside Parks Executive Advisory Council and the Westside Branch of the NAACP. Mr. Truss is also an occasional contributor to both the Austin Weekly News and AustinTalks.org community newspapers.

Mr. Truss's major accomplishments include being the catalyst for the construction and current academic focus of the new Westinghouse High School, the renovation of Austin High School, the renovation of the new ball fields at Columbus Park, the renovation of Rockne Stadium, the reconsolidation of Austin High School as the neighborhood high school and the recent Chicago Park District investment of \$3 million in capital improvements for Austin Parks. He is currently employed by the state of Illinois. Mr. Truss currently resides in the Austin community. He is a proud grandfather of eight grandchildren. In addition to his children, he and his wife helped raise two nieces, and two nephews.



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

<u>Member</u>	<u>Term Expires</u>
Miguel del Valle, President.....	June 30, 2023
Sendhil Revuluri, Vice President.....	June 30, 2023
Luisiana Melendez.....	June 30, 2022
Amy Rome.....	June 30, 2023
Lucino Sotelo.....	June 30, 2022
Elizabeth Todd-Breland.....	June 30, 2023
Dwayne Truss.....	June 30, 2022

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

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





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January 22, 2020

Miguel del Valle, President,
Members of the Chicago Board of Education,
And Citizens of the City of Chicago:

The Comprehensive Annual Financial Report (CAFR) of Chicago Public Schools (CPS) for the fiscal year ended June 30, 2019, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of CPS. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with CPS management.

Illinois School Code (105 ILCS 5/34-9) requires CPS to submit an annual report of the financial records and transactions audited by independent certified public accountants. This document is submitted in fulfillment of this requirement. An audit was also conducted to meet the requirements of the Office of Management and Budget (OMB) Uniform Guidance (including the Single Audit Act Amendment of 1996, Government Auditing Standards and the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). For fiscal year ended June 30, 2019, the independent auditors have issued an unmodified opinion on CPS' basic financial statements and other required supplementary information, etc. (See Independent Auditors' Report in the Financial Section of the document).

CPS ended fiscal year 2019 with a positive fund balance of \$471.8 million in the general operating fund. This is the second year in a row that the District has reported positive fund balance, and this improvement in financial sustainability is due in part to increased state funding for educational purposes, as well as earmarks for pension obligations. In addition, CPS has continued to streamline operational costs and shifting much needed resources to the classroom. Additional local revenues were also made available to Chicago Public Schools through Tax Increment Financing ("TIF") funds which went to support various school programs.

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

PROFILE OF CHICAGO PUBLIC SCHOOLS

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

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 2019, CPS had 642 schools, including district-run traditional and "options" schools, as well as charter and contract schools. Charter schools are public schools managed by independent operators, and approved and certified under the State charter law. They can offer a general K-12 educational program or may be approved to offer a program specifically targeting students who have dropped out or are at risk of dropping out. CPS currently authorizes 118 charter schools, serving just nearly 60,000 students.

Student enrollment as of September 2018 was 361,314 a decrease of 10,068 from the September 2017 level (371,382). Approximately 76.4% of our students come from low-income families and 18.7% are English Language Learners. CPS employs 36,287 workers, including 22,168 teaching positions.

LOCAL ECONOMIC OUTLOOK

The Chicago's 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 \$2,984 million in property taxes and \$187.2 million in personal property replacement taxes in fiscal year 2019. Property taxes support the General Fund, Tort Fund and Debt Service Funds. Personal property replacement taxes support the General Fund and Debt Service Funds. In fiscal year 2019, there was \$56.9 million in tax revenue for Capital Improvement Tax, a levy dedicated to capital improvement expenditures.

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

CURRENT CONDITION

The General Operating Fund expenditures budget for fiscal year 2019 was \$5,984 million, \$285 million above the fiscal year 2018 budget of \$5,699 million. The 2019 Chicago Public Schools budget is the most stable budget in years, making critical investments in academic priorities such as college-prep work and universal free pre-K for 4-year-olds. The budget reflected an historic education funding system that takes a major step toward addressing funding inequality for school districts that serve predominantly limited-income students.



Total governmental funds revenues for fiscal year 2019 were \$6,643 million, which is \$131 million more than the \$6,512 million fiscal year 2018 revenue. Total expenditures for fiscal year 2019 were \$7,101 million, which were approximately \$627 million greater than the prior year of \$6,474 million. The increase in year over year expenditures is due in part to increased expenditures from the capital fund, as projects funded in prior years are now underway from the district's historic fiscal year 2017 and 2019 capital plans. CPS ended fiscal year 2019 with a combined fund balance of \$1,962 million in all governmental funds, a decrease of \$42 million from fiscal year 2018's ending fund balance of \$2,004 million.

After years of chronic underfunding by the state, CPS found itself on significantly firmer revenue footing in FY2019. With the Illinois General Assembly having passed a state budget that included \$350 million of expanded financial support for public education as part of Public Act 100-586, CPS received an additional \$65 million in added Evidence-Based Funding (EBF) model revenue, and \$20 million in early childhood funding. Additionally, CPS received \$239 million in pension support from the state — which is a \$6 million increase from FY18 and represents a dramatic improvement in teacher pension equity in Illinois.

FY2019 revenues also included an \$86 million increase in property tax revenues and a \$19 million increase in Personal Property Replacement Taxes (PPRT) revenues. With a lower percentage of these revenues being diverted into the debt service fund, more of these revenues were available for general operations, an increase of \$102 million and \$42 million, respectively. This is driven by a steady increase of new property in Chicago, a stronger than expected growth in property assessments, as well as a general improvement in the state's business climate.

One-Time Resources: In past years, financial results have benefited from one-time fixes such as federal stimulus funding, bond restructuring and TIF surplus, which helped mask the depth of the structural deficit.

As the District's pension burden has increased, CPS has drawn down its prior years' reserves in order to balance the budget. Sufficient operating reserves are necessary to maintain adequate liquidity during the fiscal year as CPS receives its major revenue source, property taxes, in only two installments: March and August. As a result of lower operating reserves, the District now relies in part on short-term borrowing to maintain adequate liquidity during the fiscal year to meet operational funding needs.

CPS reduced its short-term borrowing in FY2019 by \$250 million, from \$1.09 billion in FY2018 to \$844 million in FY2019. By relying less on short-term borrowing, the district saved \$33 million in short-term interest costs in FY2019 and created structural budgetary relief for future fiscal years. Additionally, CPS spent approximately six months of the year in a net positive cash position, an improvement over recent prior years.

However, revenue generation will continue to be a significant priority for CPS in the years to come.

- Federal funding is pressured because of declining funding levels from the federal government.
- By statute, the State has declared that it intends to ramp up its education funding to fully fund the Evidence Based Funding model. This represents a great stride toward rectifying the historical underfunding of all local education agencies in Illinois. As a result of this commitment, CPS was pleased to see receive additional funding from the State.
- CPS does not have an unlimited ability to increase its property tax revenues, which are its main source of local revenue. Because of the Property Tax Extension Limitation Law, if federal and state revenues were to slip, increases to CPS' collection of property tax would likely still be capped at the rate of inflation, which has averaged around 2 percent in the past few years.

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, 2018, the Pension Fund reported \$10,969 million in actuarial assets and \$22,923 million in actuarial liabilities, for a funded ratio of 47.9%. CPS has recorded a net pension liability of \$13,443 million in the accompanying financial statements, 100% of which is recognized by CPS. (For the reasons discussed in Note 12 CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund).

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

Debt Ratings: Investors who purchase municipal bonds use debt ratings as an indicator of the safety and security of the debt sold by that organization. CPS currently has bonds outstanding with credit ratings from Fitch Ratings, Kroll Bond Rating Agency, Moody's Investor Service and Standard & Poor's. During fiscal years 2018 and 2019 CPS' ratings have begun to recover from earlier downgrades, with the ratings companies citing improved revenues and fund balance.

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 2019 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 2019, with inflation at 2.1%, the base property tax levy increased by \$50 million, putting the total budget's percentage of property tax revenue at 45%. Though 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.

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 civic life. With our district's improved financial position and students making remarkable academic progress, CPS is focused on improving equity in our schools. To narrow the opportunity gap for students of color, English learners, diverse learners, and students living in the South and West sides, we have implemented strategic initiatives in the areas of education, finance, community, and the environment to build on our commitments to academic progress, financial stability, and integrity.

Educational Initiatives

Thanks to our students, families, educators, partners, and city leaders who have given their all to lift CPS to new heights, we have so much to be proud of as a district. Our graduation and Freshman OnTrack rates are at an all-time high, and more CPS students than ever are enrolling in college, with nearly half of them earning college and career credentials before they even finish high school.

Earlier this year, the district launched a new five-year vision that builds on the core commitments that remain at the heart of who we are: academic progress, financial stability, and integrity. Driving academic progress will remain the primary focus of our work, and it will be rooted in long-term fiscal stability and a culture and climate that respects and values the contributions of all stakeholders. The CPS Five-Year Vision establishes equity as a moral imperative and acknowledges the fact that not all CPS students are given the same opportunities to succeed. Our Equity Office has been working hand-in-hand with all CPS departments to make sure every decision we make, from capital investments to staffing to curriculum design, has equity at its core.

As a district, we continue to invest 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.

As part of our commitment to creating an early childhood to college continuum, the district launched its plan to provide universal access to full-day preschool to all four-year-olds in Chicago. In SY2019, we added 102 new full-day, pre-kindergarten classrooms, increasing four-year-old preschool enrollment by 14%.



The Department of Social Science and Civic Engagement implemented a number of educational initiatives to expand access to high-quality social science curriculum, financial literacy, civic learning, and student leadership opportunities:

- We trained over 1,000 educators in the new Facing History and Ourselves curriculum for 8th, 9th, and 10th grades.
- We also launched our Participate Civics curriculum which involved training over 400 teachers and engaging more than 200 teachers in in-depth professional learning and piloted new materials and approaches to social science instruction. Over 70 new civics teachers and 30 new Student Voice Committee facilitators have been trained.
- We launched a district-wide electoral engagement initiative, engaging K-12 students with the electoral process.
- To advance the district's commitment to civic life, we launched inaugural CPS Civic Action Awards in partnership with the Obama Foundation.

Relevant, well-rounded, and rigorous curriculum allows our students to challenge themselves academically and reach their full potential. In FY2019, new investments in neighborhood schools provided more than 5,000 additional students with new opportunities to learn in high-quality academic settings, including IB, STEM, magnet and classical schools. Specifically:

- We provided more than 1,800 additional students with access to proven International Baccalaureate programs, on top of the more than 16,000 students who already received an IB education in the nation's largest IB network;
- Nearly 2,100 additional students engaged with the advanced coursework and professional exposure provided through new Early College STEM programs, building on the five existing Early College STEM schools that serve over 3,800 students;
- Through the conversion of three schools into STEM magnet schools, nearly 1,000 additional students received access to STEM magnet programming, building on the over 6,600 students who already benefited from these programs; and
- To meet demand for rigorous classical elementary schools, CPS created two new classical schools, which provided more than 2,600 students with access to a classical school in 2018-19.

New program schools have started incubation including updating their mission and vision statements, forming leadership teams, participating in professional learning, and thoughtfully planning investments to support sustainable work. With a total of 37 STEM and STEAM schools, including 10 Early College STEM Schools, CPS is serving close to 19,000 students, with 93% of those students being African American (48%) or Hispanic (45%).

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. The CS4All Initiative launched in 2013, and CPS is the first district in the nation to elevate computer science to a core graduation requirement, separate from math and science.

Finally, through a commitment to Social Emotional Learning, we are creating supportive school environments that benefit students, staff and families, and help keep more of our students in school and engaged. Based on research-based school climate practices, teaming structures and targeted behavior interventions, our students learn the skills they will need to succeed in school and in life (like goal-setting, cooperation, and conflict resolution). In addition, we are providing training for teachers to understand trauma and mental health, integrate SEL into their instructional practices, develop their own SEL skills, and engage in restorative practices in the classrooms. Over 1000 teachers and staff received trauma training, 104 teachers became newly certified (3 year certification) in Youth Mental Health First Aid, and over 200 clinicians were trained to provide small group interventions on anxiety/depression, trauma, and anger management. These are among the many SEL strategies and supports that benefit school communities, enabling dozens of new schools to earn the Supportive School Certification in school year 2019 (the number of certified supportive schools increased from 422 to 520), and have contributed to the continued decrease in out of school suspensions and expulsions.



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

Community Schools Initiative

CPS manages one of the largest community schools systems 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. Community Schools serve as hubs of their communities to meet students' and families' academic and non-academic needs to develop educated citizens and strengthen local neighborhoods.

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.

Go Green Initiative

CPS is working to reduce environmental impact and costs and teach students to be responsible environmental stewards. The initiative is driven by a 5-year action Energy and Sustainability plan that extends the principles of energy and sustainability across all district operations and provide goals for utility consumption reduction, water conservation, single stream recycling, fleet selection, and education and community engagement.

CPS is implementing strategies to reduce district-wide site Energy Use Intensity (EUI) by collaborating with our local utility partners. The strategies include performing facility assessment to identify energy-saving opportunities and making our schools more energy efficient, obtain incentives for energy-saving LEDs, boiler tune-ups and steam traps replacements. Energy consumption data is tracked via energy dashboards.

Every CPS school can recycle paper, cardboard, newspaper, steel cans, plastic bottles, aluminum cans, and milk cartons. Schools track how much they recycle online through the Monthly 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.

CPS' goal for the land initiative 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.

To improve air quality and reduce contribution to climate change, CPS janitors clean with green cleaning supplies, following the Illinois Green Cleaning Act, and CPS has also established guidelines on the use of student transportation vehicles to prohibit a diesel school bus to idle and decrease vehicle emissions. CPS staff can also save 40 percent on public transportation by taking part in the CPS transit benefit program and contribute to reducing greenhouse gas emissions.



Capital Improvement Program

The fiscal year 2019 CPS budget includes a capital budget totaling \$989 million of investments in long-term district priorities including upgrading or renovating science labs to ensure all students receive a robust science education that prepares them to excel in 21st century careers. Building significantly onto the \$136 million in investments made in the FY2018 capital budget, this capital plan was the largest single-year capital investment in two decades. To support schools throughout the city, the FY2019 capital plan provides funding in five main areas: critical facility needs, overcrowding relief, educational programs, site improvements, and IT and security upgrades. Total expenditures in the Capital Projects Fund in fiscal year 2019, which include projects budgeted in 2019 and in prior fiscal years, were \$613.1 million. The projects were funded by bond proceeds, state capital funds, City of Chicago tax increment financing, and federal E-rate funding.

In addition, the Capital Improvement Tax (CIT) levy is an annual property tax levy dedicated exclusively to school construction projects and the debt service related to those projects. Since its inception, the CIT levy has generated \$45, \$48, \$50, and \$57 million in fiscal years 2016, 2017, 2018, and 2019 respectively. The property tax levy is authorized under state law and can be used only to fund capital projects.

Because the CIT bonds (backed by these CIT property tax revenues) can be used only for capital projects, the bonds have no impact on CPS' operating budget, which supports District payroll and other day-to-day expenses. This allows CPS to issue long-term debt for building projects without impacting classroom funding. Two ratings agencies have rated the CIT bond offering investment grade, thus allowing CPS to achieve a lower borrowing cost. Fitch rated the upcoming CIT bonds A and Kroll rated the bonds BBB.

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, 2018. 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 18th consecutive year. We have included this award in the recognition of the importance of fiscal policies on our ability to educate our students and undertake the new initiatives outlined above.

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

Respectfully submitted,



Lenny Moore, CPA, MBA, CGFM
Controller





FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Chicago Public Schools, (the Board Education of the City of Chicago, a body politic and corporate of the State of Illinois) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Chicago Public Schools as of June 30, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the year ended June 30, 2019 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.



We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Chicago Public Schools as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated January 23, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The individual fund schedules for the year ended June 30, 2018 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 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited Chicago Public Schools' 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated January 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020 on our consideration of Chicago Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chicago Public Schools' internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 22, 2020





CHICAGO PUBLIC SCHOOLS
Management's Discussion and Analysis (Unaudited)
June 30, 2019

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, 2019. 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 \$27.0 billion, an increase of \$1.3 billion from fiscal year 2018, while assets and deferred outflows equaled \$12.2 billion, with an increase of \$609 million. The overall increase in total liabilities and deferred inflows is primarily driven by increases in CPS' pension and debt liabilities of \$1.3 billion. The overall increase in total assets and deferred outflows is mostly derived from higher pension and other post-employment benefit deferred outflows of \$434 million from 2018. CPS ended fiscal year 2019 with a deficit in net position of \$14.796 billion, an increase in the deficit of \$739 million or 5.3% from the prior year. The Statement of Activities presents an increase in total expenses from fiscal year 2018 in governmental activities of \$546 million, a net increase of \$231 million in grants and contributions, an increase of property tax revenues of \$152 million and an increase in non-program state aid of \$154 million.

CPS ended fiscal year 2019 with a combined fund balance for its governmental funds of \$1.963 billion, a decrease of \$41.8 million or 2.1%, from fiscal year 2018. The fund balance increased by \$148.0 million in the General Operating Fund, decreased by \$178.4 million in the Capital Project Fund, and decreased by \$11.4 million in the Debt Service Fund. Total revenues in the General Fund for fiscal year 2019 were \$6.006 billion, which were \$180.3 million or 3.1% higher than the prior year amount of \$5.826 billion. Total expenses in the General Operating Fund for fiscal year 2019 were \$5.859 billion, which increased by \$345.0 million or 6.3% from the fiscal year 2018 amount of \$5.514 billion. The General Operating Fund ended fiscal year 2019 with a positive fund balance of \$471.8 million. The positive fund balance in the General Operating Fund for 2019 is CPS' second consecutive year of reporting positive fund balance.

In fiscal year 2019, the Board issued several series of long-term fixed rate bonds. First, \$450 million in Unlimited Tax General Obligation Refunding (Dedicated Alternative Revenue) Bonds, Series 2018C, which carried a premium of \$28.5 million, were issued December 2018. In addition, \$313 million of Unlimited Tax General Obligation (GO) Bonds, Series 2018D, which carried an original issue premium of discount of \$10.5 million were issued in December 2018. Finally, \$86 million in Dedicated Revenue Capital Improvement Tax ("CIT") Bonds, Series 2018, with an original issue premium of \$4.8 million, were also issued in December 2018. The various series of bonds were primarily issued for a combination of refunding and capital improvement program financing.



OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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



Condensed Statement of Net Position
(Millions of Dollars)

	Governmental Activities			
	2019	2018	Difference	% Change
Current Assets.....	\$ 3,326	\$ 3,060	\$ 266	8.7%
Capital Assets, net.....	6,179	5,960	219	3.7%
Non-current Assets.....	282	579	(297)	-51.3%
Total Assets.....	<u>\$ 9,787</u>	<u>\$ 9,599</u>	<u>\$ 188</u>	2.0%
Total deferred outflows of resources....	<u>\$ 2,438</u>	<u>\$ 2,015</u>	<u>\$ 423</u>	21.0%
Current Liabilities.....	\$ 1,800	\$ 1,781	\$ 19	1.1%
Long-term liabilities:.....	24,893	23,640	1,253	5.3%
Total Liabilities.....	<u>\$ 26,693</u>	<u>\$ 25,421</u>	<u>\$ 1,272</u>	5.0%
Total deferred inflows of resources.....	<u>\$ 328</u>	<u>\$ 250</u>	<u>\$ 78</u>	31.2%
Net Position (deficit):				
Net investment in capital assets.....	\$ (1,426)	\$ (743)	\$ (683)	-91.9%
Restricted for:				
Capital projects.....	107	167	(60)	-35.9%
Debt service.....	716	745	(29)	-3.9%
Grants and donations.....	16	52	(36)	-69.2%
Teacher's pension contributions...	14	9	5	55.6%
Unrestricted.....	<u>(14,223)</u>	<u>(14,287)</u>	<u>64</u>	0.4%
Total net position (deficit).....	<u>\$ (14,796)</u>	<u>\$ (14,057)</u>	<u>\$ (739)</u>	-5.3%

Current assets increased by \$266.1 million, due to current cash balances increasing by \$256.0 million and Federal and other receivables increasing by \$45.3 million from fiscal year 2018. Receivables for property taxes were lower by \$38.9 million. Refer to Note 3 to the basic financial statements for more detailed information on property taxes and state aid.

Capital assets, net of depreciation, increased by \$218.2 million due to an increase in capital spending in 2019. Refer to Note 6 to the basic financial statements for more detailed information on capital assets.

Non-current assets decreased by \$295.8 million due to bond proceeds held with the trustee and other long term investments. Refer to Note 4 to the basic financial statements for more detailed information on cash and investments.

Deferred outflows of resources showed an increase of \$422.6 million, which was directly attributable to the increase in deferred pension and other post-employment benefit outflows of \$433.5 million. Refer to Note 12 and Note 3 to the basic financial statements for more information on CPS' pension and other post-employment benefit liabilities.



Financial Section

Current liabilities increased by \$19.0 million primarily due to an increase in accrued payroll and benefits and an increase in the current portion of long term debt payable. The amount owed to the Chicago Teacher's Pension Fund also decreased \$66.4 million. Combined increases in various payables totaling \$190.9 million were recorded in 2019 including \$169.6 million from accounts payable with the remaining amount comprised of unearned revenue, other accrued liabilities, the current portion of long-term debt, accrued payroll and benefits, interest payable and amounts held for student activities as of June 30, 2019. Refer to Note 8 to the basic financial statements for more detailed information on short-term debt.

Long-term liabilities increased by \$1.253 billion, or 5.3%, as a result of the increase in long-term debt of \$254.6 million, from the issuance of new debt, as well as the increase in the pension liability for CTPF of \$1.0 billion. Other benefits and claims and capitalized lease obligations to the Public Building Commission decreased by \$35.1 million and \$27.8 million respectively. Refer to Note 9 to the basic financial statements for more detailed information on long-term debt.

Deferred inflows of resources, composed of deferred pension and other post-employment benefit inflows ended with a net increase of \$77.8 million.

Net position (deficit) decreased by \$738.9 million to \$14.796 billion (deficit). Of this amount, CPS recorded a net investment in capital assets of negative \$1.426 billion, combined restricted net position of \$852.8 million, including \$106.7 million for capital assets, \$715.8 million for debt service, \$16.2 million for grants and donations and \$14.1 million for future teacher's pension contributions. Restricted net position represents legal constraints from debt covenants and enabling legislation. The \$14.223 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, 2019.



The following table presents the changes in net position to fiscal year 2019 from fiscal year 2018:

Changes in Net Position
(In Millions)

	Governmental Activities			
	2019	2018	Difference	% Change
Revenues:				
Program revenues:				
Charges for services.....	\$ 3	\$ 4	\$ (1)	-25.0%
Operating grants and contributions.....	1,554	1,323	231	17.5%
Capital grants and contributions.....	50	61	(11)	-18.0%
Total program revenues.....	\$ 1,607	\$ 1,388	\$ 219	15.8%
General revenues:				
Property taxes.....	\$ 3,041	\$ 2,889	\$ 152	5.3%
Replacement taxes (PPRT).....	187	168	19	11.3%
Non-program state aid.....	1,606	1,452	154	10.6%
Interest and investment earnings.....	47	19	28	147.4%
Other.....	188	193	(5)	-2.6%
Gain on sale of capital assets.....	-	9	(9)	-100.0%
Total general revenues.....	\$ 5,069	\$ 4,730	\$ 339	7.2%
Total revenues.....	\$ 6,676	\$ 6,118	\$ 558	9.1%
Expenses:				
Instruction.....	\$ 4,770	\$ 4,449	\$ 321	7.2%
Support Services:				
Pupil Support Services.....	514	482	32	6.6%
Administrative Support Services.....	216	171	45	26.3%
Facilities Support Services.....	536	456	80	17.5%
Instructional Support Services.....	585	496	89	17.9%
Food Services.....	231	220	11	5.0%
Community Services.....	43	40	3	7.5%
Interest expense.....	504	545	(41)	-7.5%
Other.....	16	10	6	60.0%
Total expenses.....	\$ 7,415	\$ 6,869	\$ 546	7.9%
Change in net position.....	\$ (739)	\$ (751)	\$ 12	-1.6%
Beginning net position (deficit).....	(14,057)	(13,011)	(1,046)	-8.0%
Implementation of GASB 75.....	-	(295)	295	-100.0%
Beginning net position (deficit), as restated.....	(14,057)	(13,306)	(751)	-5.6%
Ending net position (deficit).....	\$ (14,796)	\$ (14,057)	\$ (739)	-5.3%



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, 2018, the Pension Fund reported \$10.969 billion in actuarial assets and \$22.923 billion in actuarial liabilities, for a funded ratio of 47.9%. CPS has recorded a net pension liability of \$13.443 billion in the accompanying financial statements, 100% of which is recognized by CPS. For the reasons discussed in Note 12, CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund. The CTPF property tax levy, in conjunction with the state funding of normal cost, provides two dedicated sources of revenues to fund pensions. In fiscal year 2019, CPS funded 79% of the pension contribution from these two dedicated revenue sources, significantly reducing the burden of the pension contribution on the operating fund.

Capital Assets

At June 30, 2019, CPS had \$6.179 billion invested in a broad range of capital assets, including land, buildings, improvements and equipment. This amount represents a net increase of \$218.2 million or 3.7% over the prior fiscal year. Refer to Note 6 of the basic financial statements for more detailed information on capital assets.

<u>(In Millions)</u>	<u>2019</u>	<u>2018</u>	<u>Difference</u>
Land.....	\$ 335	\$ 328	7
Construction in progress.....	649	290	359
Buildings and improvements.....	9,645	9,504	141
Equipment and administrative software.....	210	222	(12)
Internally developed software.....	4	8	(4)
Total capital assets.....	\$ 10,843	\$ 10,352	\$ 491
Less: accumulated depreciation.....	(4,664)	(4,392)	(272)
Total capital assets, net.....	\$ 6,179	\$ 5,960	\$ 219

Debt and Capitalized Lease Obligations

In fiscal year 2019, the Board issued several series of long-term fixed rate bonds. First, \$450 million in Unlimited Tax General Obligation Refunding (Dedicated Alternative Revenue) Bonds, Series 2018C, which carried a premium of \$28.5 million, were issued December 2018. In addition, \$313 million of Unlimited Tax General Obligation (GO) Bonds, Series 2018D, which carried an original issue premium of discount of \$10.5 million were issued in December 2018. Finally, \$86 million in Dedicated Revenue Capital Improvement Tax (“CIT”) Bonds, Series 2018, with an original issue premium of \$4.8 million, were also issued in December 2018. The various series of bonds were primarily issued for a combination of refunding and capital improvement program financing.

The debt service on the GO Bonds will be paid from a combination of Evidence Based Funding, Personal Property Replacement Taxes and Intergovernmental Agreement Revenues. The debt service on the CIT Bonds will be paid by a levy of a capital improvement tax that is outside the Board’s property tax cap limitation. As of June 30, 2019, CPS had \$9.0 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus \$8.8 billion last year, an increase of 2.3%. For more detailed information, please refer to Notes 9 and 10 to the basic financial statements.

Overview of Fund Financial Statements

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

Governmental Funds

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

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

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

CPS maintains three governmental funds: General Operating, Capital Projects, and Debt Service. The following schedules present a summary of the General Operating Fund, Capital Projects Fund and Debt Service Fund revenues, and other financing sources by type and expenditures by program for the period ended June 30, 2019, as compared with June 30, 2018. 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)**

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Revenues:					
Property taxes.....	\$ 2,984	\$ 2,898	39.6%	\$ 86	3.0%
Replacement taxes.....	187	168	2.5%	19	11.3%
State aid.....	2,183	2,197	29.0%	(14)	-0.6%
Federal aid.....	705	768	9.4%	(63)	-8.2%
Interest and investment earnings.....	47	19	0.6%	28	147.4%
Other.....	537	462	7.1%	75	16.2%
Subtotal.....	<u>\$ 6,643</u>	<u>\$ 6,512</u>	<u>88.3%</u>	<u>\$ 131</u>	<u>2.0%</u>
Other financing sources	883	2,227	11.7%	(1,344)	-60.4%
Total.....	<u>\$ 7,526</u>	<u>\$ 8,739</u>	<u>100.0%</u>	<u>\$ (1,213)</u>	<u>-13.9%</u>
Expenditures:					
Current:					
Instruction.....	\$ 3,263	\$ 3,108	43.1%	\$ 155	5.0%
Pupil support services.....	486	453	6.4%	33	7.3%
General support services.....	1,027	890	13.6%	137	15.4%
Food services.....	219	207	2.9%	12	5.8%
Community services.....	43	40	0.6%	3	7.5%
Teachers' pension and retirement benefits...	787	763	10.4%	24	3.1%
Other.....	16	10	0.2%	6	60.0%
Capital outlay.....	625	352	8.3%	273	77.6%
Debt service.....	636	651	8.4%	(15)	-2.3%
Subtotal.....	<u>\$ 7,102</u>	<u>\$ 6,474</u>	<u>93.8%</u>	<u>\$ 628</u>	<u>9.7%</u>
Other financing uses	466	1,355	6.2%	(889)	-65.6%
Total.....	<u>\$ 7,568</u>	<u>\$ 7,829</u>	<u>100.0%</u>	<u>\$ (261)</u>	<u>-3.3%</u>
Net change in fund balances.....	<u>\$ (42)</u>	<u>\$ 910</u>			

General Operating Fund

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

Revenues and Other Financing Sources (In Millions)

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Property taxes.....	\$ 2,897	\$ 2,795	48.2%	\$ 102	3.6%
Replacement taxes (PPRT).....	152	110	2.5%	42	38.2%
State aid.....	1,887	1,860	31.4%	27	1.5%
Federal aid.....	680	723	11.3%	(43)	-5.9%
Interest and Investment earnings.....	7	6	0.1%	1	16.7%
Other.....	383	332	6.4%	51	15.4%
Subtotal.....	\$ 6,006	\$ 5,826	100.0%	\$ 180	3.1%
Other financing sources	1	287	0.0%	(286)	-99.7%
Total.....	\$ 6,007	\$ 6,113	100.0%	\$ (106)	-1.7%

Property tax revenues increased by \$102.2 million in fiscal year 2019 as collections from the existing levies were higher due to growth in the Consumer Price Index for All Urban Consumers (CPI-U) of 2.1% and new property added to the tax base. Collections received on or before August 29, 2019 were recognized as revenues under the modified accrual basis of accounting.

Personal property replacement tax (PPRT) revenues are primarily composed of additional State income taxes on corporations and partnerships. These revenues increased by \$42.3 million in fiscal year 2019 due to stronger statewide corporate tax receipts, and a lower refund rate declared by the Illinois Department of Revenue.

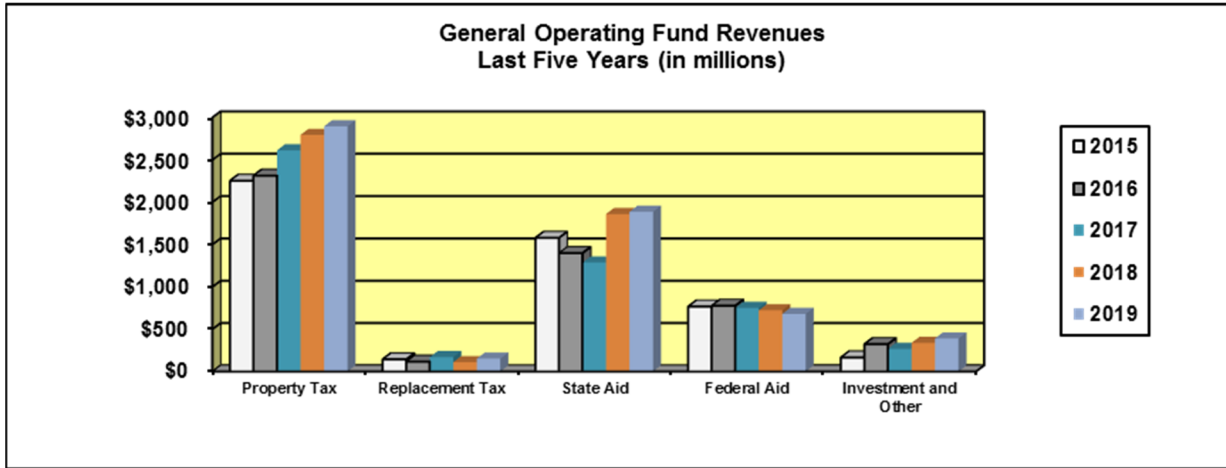
State aid revenues increased by \$27.2 million, as a result of increased state appropriation towards the Evidence Based Funding, and a smaller amount of debt service expenditures that were funded by Evidence Based Funding revenues.

Federal aid decreased by \$43.4 million in fiscal year 2019 due to payments received for Federal aid outside CPS's 60-day revenue recognition policy and are thus counted towards fiscal year 2020 revenue.

Interest and investment earnings totaled \$6.7 million for fiscal year 2019, which is a 16.7% increase from the prior year. The CPS investment policy dictates that investments in the operating fund are to be shorter in duration in order to maintain liquidity. CPS ended 2019 with higher investment earnings from the prior year mainly due to moderate increases in short-term interest rates and higher available cash on hand.

Other revenues are derived from local sources such as intergovernmental revenues, Tax Increment Financing ("TIF") surplus funds and other miscellaneous revenues. TIF surplus funds received from the City of Chicago, accounted for \$93.8 million of the \$383.6 million in other revenues recorded in fiscal year 2019. City Of Chicago pension contributions (to MEABF) made on behalf of administrative CPS personnel, were recorded as on-behalf revenue of \$105.9 million.





Expenditures
(In Millions)

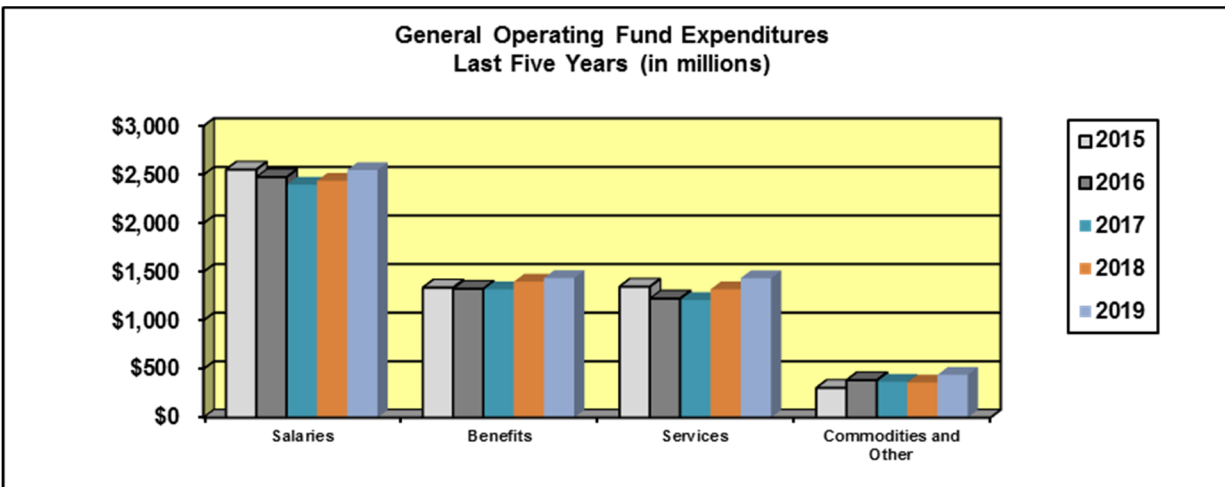
	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Salaries.....	\$ 2,548	\$ 2,437	43.5%	\$ 111	4.6%
Benefits.....	1,436	1,399	24.5%	37	2.6%
Services.....	1,435	1,320	24.5%	115	8.7%
Commodities.....	331	253	5.6%	78	30.8%
Other.....	109	105	1.9%	4	3.8%
Total.....	\$ 5,859	\$ 5,514	100.0%	\$ 345	6.3%

Salaries increased by \$111.3 million or 4.6% due to a combination of contractual salary increases. In addition there was an increase in instructional personnel in support of additional programs and initiatives, as well as additional staff in the Office of Diverse Learners and Support Services in fiscal year 2019.

Benefits expenses increased by \$37.9 million or 2.6% in fiscal year 2019. This change correlates to the increase in overall salaries. CPS also realized a \$53.0 million increase in pension expense driven by higher required contributions to the Chicago Teachers' Pension Fund.

Services expenses increased by \$115.1 million or 8.7%, driven mostly by \$60.0 million in services related to Integrated Facilities Management which was offset by payroll expense reduction for engineering services, \$33.6 million in increased payments to charter schools and \$7.2 million in professional services. Year over year growth in service expenses was partially driven by the further expansion of outsourced facilities management into new zones, and an increase in charter tuition payments as a result of changes to the Board's per capita tuition charge.

Commodities expenses increased by \$78.3 million or 30.8%. Energy costs increased by \$15.3 million and food services expenditures increased by \$6.7 million. Instructional materials increased by \$48.5 million which was driven by district priorities related to curriculum and supplies purchases increased by \$9.2 million.



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)

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Property Taxes.....	\$ 10	\$ 8	2.3%	\$ 2	25.0%
State aid.....	13	14	3.0%	(1)	-7.1%
Federal aid.....	1	20	0.2%	(19)	-95.0%
Interest and investment earnings.....	17	7	3.9%	10	142.9%
Other.....	36	28	8.3%	8	28.6%
Subtotal.....	\$ 77	\$ 77	17.7%	\$ -	0.0%
Other financing sources	\$ 358	\$ 364	82.3%	\$ (6)	-1.6%
Total.....	\$ 435	\$ 441	100.0%	\$ (6)	-1.4%

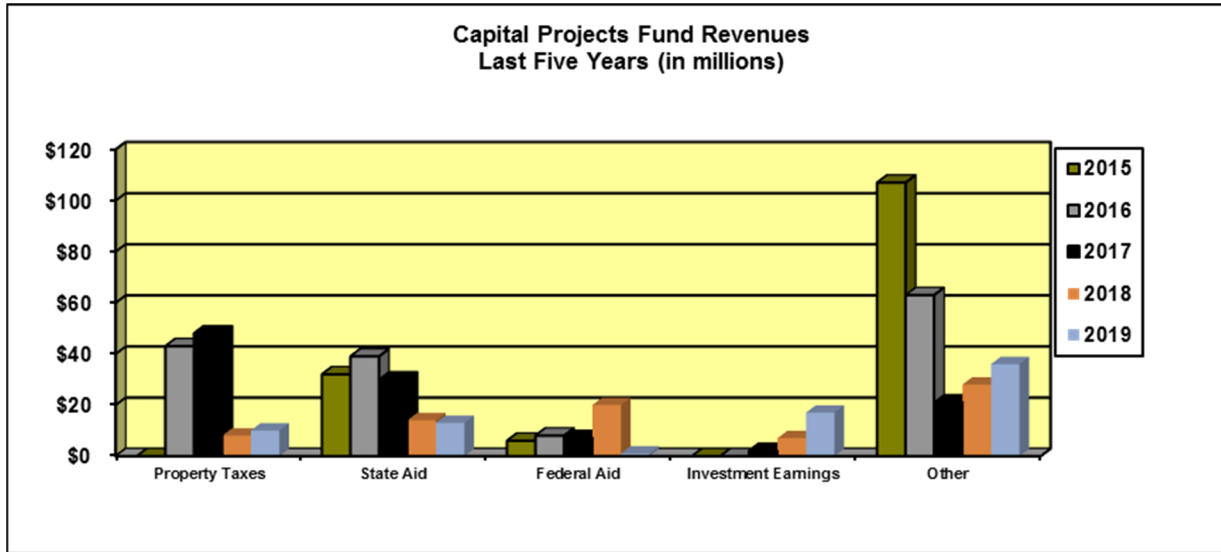
Property tax revenues were collected in the Capital Projects Fund in fiscal year 2019, as a result of the Capital Improvement Tax levy. Net collections received were \$10.1 million, a slight increase over the \$8.1 million collected in fiscal year 2018.

State aid revenues decreased slightly by \$0.5 million from fiscal year 2018 due to lower cash receipts for restricted state grants for capital construction.

Federal aid revenues in fiscal year 2019 decreased by \$19 million due to lower E-Rate reimbursements from the Federal Communications Commission.

Other revenues were \$7.6 million or 28.6% higher in fiscal year 2019 from 2018, due to an increase in capital project related cash reimbursements from Intergovernmental Agreement (IGA) revenues from the City of Chicago, and projects supported by TIF funds.

Other financing sources decreased \$6.7 million or 1.6% due to fewer capital asset sales in fiscal year 2019 than 2018.

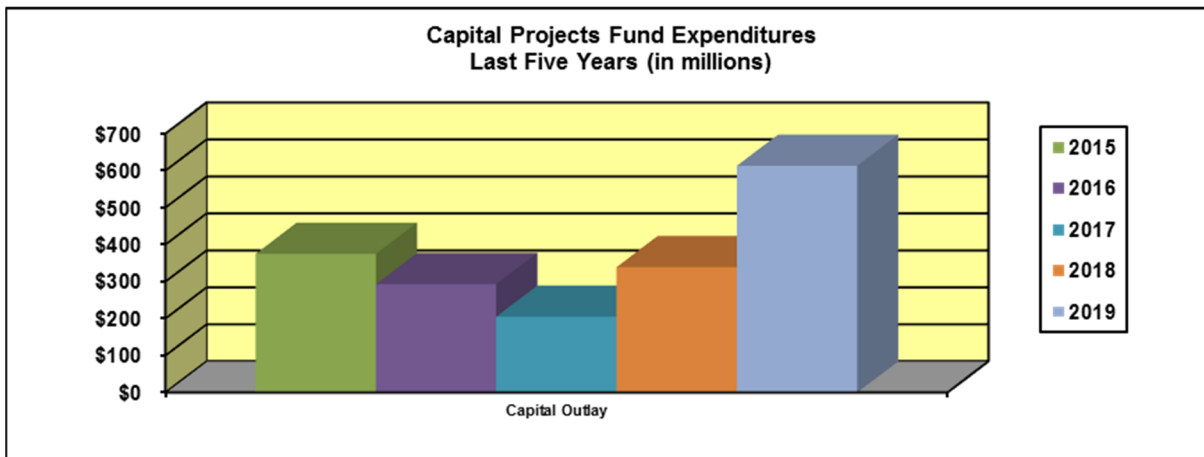


**Expenditures
(In Millions)**

	2019 Amount	2018 Amount	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Capital Outlay.....	\$ 613	\$ 339	\$ 274	81%

Capital outlay

The actual spending on capital outlay increased \$274.7 million in 2019 from the expenditure of bond proceeds and other capital financing sources for approved capital projects. The number of projects initiated in 2019 increased and contributed to the higher spending.

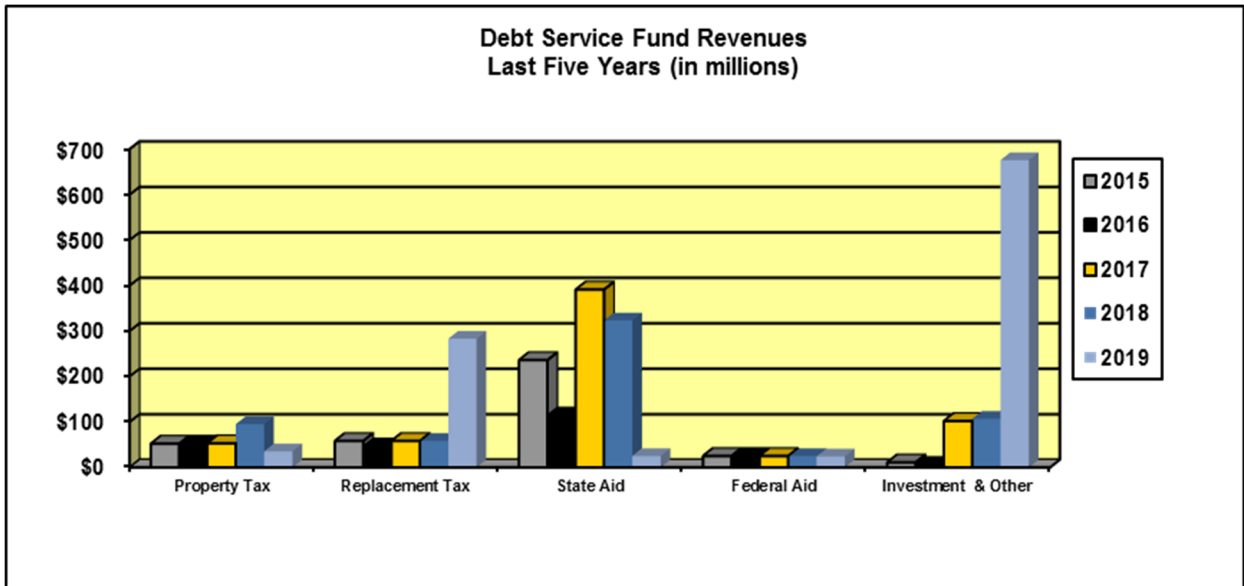


Debt Service Fund

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)**

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Property taxes.....	\$ 77	\$ 95	7.1%	\$ (18)	-18.9%
Replacement taxes (PPRT).....	35	58	3.2%	(23)	-39.7%
State aid.....	283	323	26.3%	(40)	-12.4%
Federal aid.....	25	25	2.3%	-	0.0%
Interest and investment earnings.....	24	6	2.2%	18	300.0%
Other.....	116	101	10.8%	15	14.9%
Subtotal.....	\$ 560	\$ 608	52.0%	\$ (48)	-7.9%
Other financing sources	517	1,859	48.0%	(1,342)	-72.2%
Total.....	\$ 1,077	\$ 2,467	100.0%	\$ (1,390)	-56.3%



Property tax revenues decreased by \$18.1 million from the receipt of property tax collections from the CIT Levy being used for debt service payments in fiscal year 2019. The PBC levy decreased because of the end of the PBC 1989 Series.

Personal property replacement tax (PPRT) revenues decreased by \$23.3 million from fiscal year 2018 as less PPRT revenues were used to pay for debt service.

State aid revenues related to debt service for fiscal year 2019 are comprised of two revenue sources, Evidence-Based Funding (EBF) and State School Construction funds administered through the Capital Development Board (CDB). A total of \$282.7 million in revenues from these and other sources was allocated to support outstanding debt, a decrease of \$40.7 million from fiscal year 2018.

Federal aid totaling \$24.9 million in fiscal year 2019 remained unchanged from fiscal year 2018. These revenues are attributed to receipts on behalf of Federal subsidies from the issuance of Build America Bonds.

Interest and investment earnings totaled \$23.6 million in 2019, an increase of \$17.9 million over last year. Changes in the market value of securities in compliance with applicable GASB standards are recorded here also.

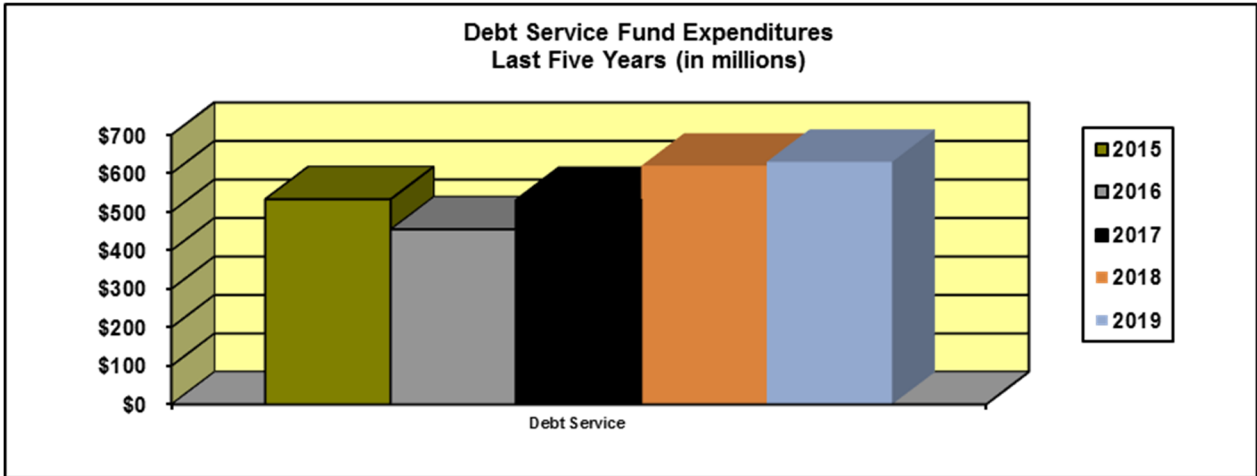
Other revenues account for one-time local revenues and/or the disbursement of property tax revenues from the City of Chicago (based on specific IGAs) allocated for debt service. These revenues increased by \$15.7 million from fiscal year 2018.

Other financing sources reflect a decrease of \$1.342 billion in fiscal year 2019 due to net proceeds received from debt issuances (new money and refunded debt) of \$487.8 million in the current year versus \$1.859 billion in the prior year.



**Expenditures
(In Millions)**

	2019 Amount	2018 Amount	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Debt Service.....	\$ 630	\$ 620	\$ 10	2%



Debt service costs

The overall debt service cost for fiscal year 2019 increased by \$9.1 million, primarily due to the principal repayments on new issues. The amount paid for other fees was similar when compared to fiscal year 2018.

Notes to the Basic Financial Statements

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

Comparative Budgets for General Operating Fund

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

In August 2018, the Board adopted a balanced budget for fiscal year 2019 that reflected total resources, including \$63 million of restricted fund balances, and appropriations of \$5.984 billion.

General Operating Fund Budget and Actual

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

The General Operating Fund ended fiscal year 2019 with a surplus of \$148.0 million, which compared favorably with the budgeted deficit of \$63 million.



Financial Section

The following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ended June 30, 2019.

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

	Fiscal Year 2019 Original Budget	Supplemental Appropriations & Tranfers In/(Out)	Final Appropriations	Fiscal Year 2019 Actual	Over (under) Budget
Revenues:					
Property taxes.....	\$ 2,899	\$ -	\$ 2,899	\$ 2,897	\$ (2)
Replacement taxes.....	126	-	126	152	26
State aid.....	1,849	-	1,849	1,887	38
Federal aid.....	805	-	805	680	(125)
Interest and investment earnings.....	5	-	5	7	2
Other.....	237	-	237	383	146
Subtotal.....	\$ 5,921	\$ -	\$ 5,921	\$ 6,006	\$ 85
Other financing sources (uses).....	63	-	63	1	(62)
Total.....	\$ 5,984	\$ -	\$ 5,984	\$ 6,007	\$ 23
Expenditures:					
Current:					
Salaries.....	\$ 2,508	\$ 25	\$ 2,533	\$ 2,548	\$ 15
Benefits.....	1,451	(24)	1,427	1,436	9
Services.....	1,359	173	1,532	1,435	(97)
Commodities.....	238	94	332	331	(1)
Other.....	428	(268)	160	109	(51)
Total.....	\$ 5,984	\$ -	\$ 5,984	\$ 5,859	\$ (125)
Change in fund balances.....	\$ -			\$ 148	

Revenues

Actual General Operating Fund revenues were \$85 million over budget primarily from a declared TIF Surplus that was larger than budgeted. In addition, the variance is due to the following:

Property tax revenues generated a negative variance of \$2 million in fiscal year 2019. This is right in line with the District's levy and extensions at the start of the fiscal year, and the negative variance is largely due to a slightly lower than expected collection percentage.

Personal property replacement taxes (PPRT) revenues received by CPS were \$26 million higher than budgeted in fiscal year 2019. This was driven largely an improving business climate around the state of Illinois.

State aid received by CPS in fiscal year 2019 was \$38 million greater than anticipated. This is mostly due to the state accelerating payments of categorical grants, with more falling within the revenue recognition period.

Federal aid revenues were \$125 million below budget due to a lower than expected spend and reimbursements for expenditures falling outside the revenue recognition period.

Other local revenues are comprised of miscellaneous or one-time receipts such as appropriated fund-balance, TIF surplus funds (including Transit TIF funds), rental income, daycare fees, private foundation grants, school internal account fund transfers, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were \$146 million higher than budget for fiscal year 2019. Transit TIF revenues were \$48 million higher than budgeted, because of quicker than expected growth in property value in the area of the Red Line Transit TIF. Additionally, TIF revenues from the surplus declared by the Mayor were higher than expected, and there were higher than projected revenues from other miscellaneous revenue sources.

Expenditures

Actual General Operating Fund expenditures were \$125 million under budget. The variance is primarily due to the following:

Salaries expenses for the fiscal year 2019 totaled \$2.55 billion and \$15 million over budget. While teacher and ESP salaries were under budget by 4% and 2%, this was offset by higher spending on teacher and ESP extended day pay for afterschool and supplemental programming by 40% and 78% respectively, as well as higher than expected substitute spending.

Benefits costs are composed of health care (medical, dental, other), unemployment compensation, workers compensation, and pension costs. Benefit costs for fiscal year 2019 were \$1.44 billion and \$9 million over budget due primarily to higher than expected spending on teacher and ESP pension costs (due to higher on-behalf contribution expense). For budgetary purposes, all funding is paid to charters as a "charter tuition" expense (aggregated under Services, below). However, pension payments made on behalf of eligible charter schools teachers are recorded as pension expense (included in this category). Charter schools currently reimburse CPS for this expense and the offsetting revenue is also recognized.



Financial Section

Services are 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 \$1.53 billion for fiscal year 2019. CPS ended the year \$97 million below budget in this category. The two main categories of the variance are contractual and professional services by 43%, tuition for charter schools by 59%, other contributing factors include telephone services, as well as other services which include but are not limited to printing and advertising services.

Commodities expenditures are derived from utilities, food for school breakfast/lunch, textbooks, and general supplies. Fiscal year 2019 spending on commodities was lower than budget by \$1 million. The cost of office and food supplies contributed the largest variance of about 46%, while lower than expected instructional materials (non-digital) and donated food contributed a variance of about 15% & 13% respectively. Decreased spending in software contributed 11% variance while lower than expected software and instructional materials (digital) were the other contributing factor.

Other expenditures include equipment, facility rental, insurance, repairs, and for budgetary purposes, contingencies for new grants. In total, spending for the “other” category ended the year at \$51 million under budget.

Requests for Information

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

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

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

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





CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF NET POSITION
June 30, 2019
(Thousands of Dollars)

	GOVERNMENTAL ACTIVITIES
Assets:	
Current Assets:	
Cash and investments.....	\$ 266,269
Cash and investments in escrow.....	1,189,370
Cash and investments held in school internal accounts.....	52,238
Property taxes receivable, net of allowance	1,391,559
Other receivables:	
Replacement taxes.....	29,956
State aid, net of allowance.....	140,161
Federal aid, net of allowance.....	115,567
Other, net of allowance.....	140,694
Total current assets:.....	<u>\$ 3,325,814</u>
Non-current Assets:	
Cash and investments in escrow.....	\$ 269,390
Prepaid Item.....	13,504
Land and construction in progress.....	984,148
Buildings, building improvements and equipment, net of accumulated depreciation.....	5,194,531
Total non-current assets:.....	<u>\$ 6,461,573</u>
Total Assets.....	<u>\$ 9,787,387</u>
Deferred Outflows of Resources:	
Deferred Charge on refunding.....	\$ 118,174
Deferred OPEB outflows.....	74,588
Deferred pension outflows.....	2,245,118
Total deferred outflow of resources:.....	<u>\$ 2,437,880</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

	GOVERNMENTAL ACTIVITIES
Liabilities:	
Current Liabilities:	
Accounts payable.....	\$ 565,292
Accrued payroll and benefits.....	231,018
Amounts held for student activities.....	52,238
Due to Teacher's Pension Fund.....	186,588
Tax Anticipation Note.....	449,445
Other accrued liabilities.....	20,360
Unearned revenue.....	19,216
Interest payable.....	45,533
Current portion of long-term debt and capitalized lease obligations.....	229,850
Total current liabilities:.....	<u>\$ 1,799,540</u>
Long-term liabilities, net of current portion:	
Debt, net of premiums and discounts.....	\$ 8,804,957
Capitalized lease obligations.....	525
Other accrued liabilities.....	9,827
Net pension liability.....	13,442,717
Total other postemployment benefits liability.....	2,272,125
Other benefits and claims.....	363,126
Total long-term liabilities:.....	<u>\$ 24,893,277</u>
Total liabilities.....	<u>\$ 26,692,817</u>
Deferred Inflows of Resources:	
Deferred otherpostemployment benefit inflows.....	\$ 241,029
Deferred pension inflows.....	87,194
Total deferred inflow of resources:.....	<u>\$ 328,223</u>
Net position (deficit):	
Net investment in capital assets.....	\$ (1,425,566)
Restricted for:	
Debt service.....	715,845
Capital projects.....	106,701
Grants and donations.....	16,183
Teacher's pension contributions.....	14,125
Unrestricted.....	(14,223,061)
Total Net Position (deficit).....	<u>\$ (14,795,773)</u>

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019
(Thousands of dollars)

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS					
<i>Governmental activities:</i>					
Instruction.....	\$4,770,114	\$ 734	\$ 935,120	\$ 34,495	\$ (3,799,765)
Support services:					
Pupil support services.....	513,667	-	75,608	3,715	(434,344)
Administrative support services.....	215,700	-	137,890	1,560	(76,250)
Facilities support services.....	536,053	-	77,137	3,790	(455,126)
Instructional support services.....	585,280	-	86,149	4,232	(494,899)
Food services.....	231,401	2,698	235,595	1,673	8,565
Community services.....	42,641	-	6,276	308	(36,057)
Interest expense.....	504,458	-	-	-	(504,458)
Other.....	15,322	-	-	-	(15,322)
Total governmental activities.....	<u>\$7,414,636</u>	<u>\$ 3,432</u>	<u>\$ 1,553,775</u>	<u>\$ 49,773</u>	<u>\$ (5,807,656)</u>
General revenues:					
Taxes:					
Property taxes.....					\$ 3,041,009
Replacement taxes.....					187,232
Non-program state aid.....					1,605,783
Interest and investment earnings.....					47,250
Other.....					187,488
Total general revenues.....					<u>\$ 5,068,762</u>
Change in net position.....					(738,894)
Net position - beginning (deficit).....					(14,056,879)
Net position - ending (deficit).....					<u>\$ (14,795,773)</u>

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS

June 30, 2019

(Thousands of dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	\$ 246,141	\$ -	\$ 20,128	\$ 266,269
Cash and investments in escrow.....	579	798,364	659,817	1,458,760
Cash and investments held in school internal accounts.....	52,238	-	-	52,238
Receivables:				
Property taxes, net of allowance.....	1,347,928	10,281	33,350	1,391,559
Replacement taxes.....	29,956	-	-	29,956
State aid, net of allowance.....	140,161	-	-	140,161
Federal aid, net of allowance.....	112,452	-	3,115	115,567
Other, net of allowance.....	62,031	16,142	62,521	140,694
Due from other funds.....	9,962	-	-	9,962
Total assets.....	<u>\$ 2,001,448</u>	<u>\$ 824,787</u>	<u>\$ 778,931</u>	<u>\$ 3,605,166</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable.....	\$ 493,040	\$ 71,180	\$ 1,072	\$ 565,292
Accrued payroll and benefits.....	146,767	-	-	146,767
Amount held for student activities.....	52,238	-	-	52,238
Due to other funds.....	-	9,776	186	9,962
Due to Teacher's Pension Fund.....	186,588	-	-	186,588
Tax Anticipation Notes.....	449,445	-	-	449,445
Unearned revenue.....	7,282	11,934	-	19,216
Interest Payable.....	3,786	-	-	3,786
Total liabilities.....	<u>\$ 1,339,146</u>	<u>\$ 92,890</u>	<u>\$ 1,258</u>	<u>\$ 1,433,294</u>
Deferred inflows of resources:				
Unavailable property tax revenue	\$ 30,439	\$ -	\$ 516	\$ 30,955
Other unavailable revenue.....	160,097	15,150	3,115	178,362
Total deferred inflows.....	<u>\$ 190,536</u>	<u>\$ 15,150</u>	<u>\$ 3,631</u>	<u>\$ 209,317</u>
Fund balances:				
Nonspendable	\$ 429	\$ -	\$ -	\$ 429
Restricted for grants and donations.....	16,183	-	-	16,183
Restricted for teacher's pension contributions	14,125	-	-	14,125
Restricted for capital improvement program.....	-	716,747	-	716,747
Restricted for debt service.....	-	-	753,962	753,962
Assigned for debt service	-	-	20,080	20,080
Assigned for commitments and contracts	94,733	-	-	94,733
Unassigned	346,296	-	-	346,296
Total fund balances.....	<u>471,766</u>	<u>716,747</u>	<u>774,042</u>	<u>1,962,555</u>
Total liabilities, deferred inflows of resources and fund balances..	<u>\$ 2,001,448</u>	<u>\$ 824,787</u>	<u>\$ 778,931</u>	<u>\$ 3,605,166</u>

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

June 30, 2019

(Thousands of dollars)

Total fund balances - governmental funds.....	\$	1,962,555
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.....		13,504
Deferred outflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements.....		2,437,880
The cost of capital assets (land, buildings and improvements, equipment and software) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of CPS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds.		
Cost of capital assets.....		10,842,252
Accumulated depreciation.....		(4,663,573)
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.....	\$	(30,187)
Debt, net of premiums and discounts.....		(9,006,957)
Capitalized lease obligations.....		(28,375)
Net pension liability.....		(13,442,717)
Total other post-employment benefits liability.....		(2,272,125)
Interest payable.....		(41,747)
Other benefits and claims.....		(447,377)
		(25,269,485)
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.....		30,955
Other.....		178,362
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.....		(328,223)
Net position (deficit).....	\$	(14,795,773)

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2019	Total Fiscal Year Ended June 30, 2018
Revenues:					
Property taxes.....	\$ 2,896,823	\$ 10,133	\$ 77,070	\$ 2,984,026	\$ 2,897,870
Replacement taxes.....	152,319	-	34,913	187,232	168,254
State aid.....	1,886,770	13,515	282,657	2,182,942	2,196,956
Federal aid.....	679,990	478	24,887	705,355	767,928
Interest and investment earnings.....	6,798	16,891	23,561	47,250	19,022
Other.....	383,654	36,070	116,625	536,349	461,692
Total revenues.....	\$ 6,006,354	\$ 77,087	\$ 559,713	\$ 6,643,154	\$ 6,511,722
Expenditures:					
Current:					
Instruction.....	\$ 3,263,334	\$ -	\$ -	\$ 3,263,334	\$ 3,108,443
Pupil support services.....	486,490	-	-	486,490	453,389
Administrative support services.....	204,288	-	-	204,288	161,524
Facilities support services.....	420,857	-	-	420,857	380,100
Instructional support services.....	400,401	-	-	400,401	346,690
Food services.....	219,159	-	-	219,159	207,042
Community services.....	42,919	-	-	42,919	40,047
Teachers' pension and retirement benefits...	787,183	-	-	787,183	762,816
Other.....	15,322	-	-	15,322	10,016
Capital outlay.....	12,248	613,058	-	625,306	352,028
Debt service.....	6,659	-	629,555	636,214	651,405
Total expenditures.....	\$ 5,858,860	\$ 613,058	\$ 629,555	\$ 7,101,473	\$ 6,473,500
Revenues in excess of (less than) expenditures...	\$ 147,494	\$ (535,971)	\$ (69,842)	\$ (458,319)	\$ 38,222
Other financing sources (uses):					
Gross amounts from debt issuances.....	\$ -	\$ 361,576	\$ 37,704	\$ 399,280	\$ 629,900
Premiums.....	33	4,470	371	4,874	10,768
Discounts.....	-	(9,483)	(1,045)	(10,528)	(21,583)
Issuance of refunding debt.....	-	-	450,115	450,115	1,522,250
Premiums on refunding bonds issued.....	-	-	28,525	28,525	54,585
Discounts on refunding bonds issued.....	-	-	-	-	(11,849)
Sales of general capital assets.....	-	1,251	-	1,251	9,442
Payment to refunded bond escrow agent.....	-	-	(457,035)	(457,035)	(1,321,865)
Transfers in / (out).....	475	(207)	(268)	-	-
Total other financing sources (uses).....	\$ 508	\$ 357,607	\$ 58,367	\$ 416,482	\$ 871,648
Net change in fund balances.....	\$ 148,002	(178,364)	(11,475)	(41,837)	\$ 909,870
Fund balances, beginning of period.....	323,764	895,111	785,517	2,004,392	1,094,522
Fund balances, end of period.....	\$ 471,766	\$ 716,747	\$ 774,042	\$ 1,962,555	\$ 2,004,392

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



**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

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

For the Fiscal Year Ended June 30, 2019

(Thousands of dollars)

Total net change in fund balances - governmental funds.....	\$ (41,837)
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.....	\$ 530,965
Depreciation expense.....	(300,308)
	230,657
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.....	(12,474)
Proceeds from sales of bonds are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Position (Net of discount of \$33,432).....	(849,395)
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.....	457,035
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.....	158,585
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.....	(17,018)
Government funds report the effect of premiums, discounts, gains or losses and similar items when debt is first issued or refunded, whereas these amounts are deferred and amortized in the Statement of Activities	(17,830)
Since some property taxes and intergovernmental amounts will not be collected for several months after CPS' fiscal year end, they are not considered as "available" revenues in the governmental funds and are instead recorded as unavailable revenues. They are, however, recorded as revenues in the Statement of Activities. The following represents the change in related unavailable revenue balances.	
Property taxes.....	(1,701)
Federal grants.....	36,435
State grants and other revenues.....	(2,143)
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, including any related related deferred inflows or outflows 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	(3,379)
Tort liabilities and other claims.....	(161)
Sick pay.....	26,260
Vacation pay and other compensation.....	(12,937)
Workers' compensation and unemployment insurance.....	10,770
General and automobile liability.....	48
Net pension liability.....	(657,112)
Other post-employment benefits - teacher.....	(42,697)
Change in net position.....	\$ (738,894)

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, 2019

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 2019, CPS adopted the following GASB Statements:

- GASB 83, *Certain Asset Retirement Obligations*. Statement issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement had no effect on CPS.
- GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. In March 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement had no effect on CPS.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- GASB 84, *Fiduciary Activities*. Statement issued January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the District's fiscal year ending June 30, 2020. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 87, *Leases*. Statement issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the District's fiscal year ending June 30, 2021. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. In June 2018, the GASB issued Statement 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement is effective for the District's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.
- GASB 90, *Majority Equity Interest- an amendment of GASB Statement No. 14 and No. 61*. In August 2018, GASB issued Statement No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is effective for the District's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB 91, *Conduit Debt Obligations*. In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2022. Management has not determined what impact, if any, this statement will have on its financial statements.

Description of Government-Wide Financial Statements

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

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

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

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 compensated absences, claims and judgments, other postemployment benefits, pension benefits and pollution remediation obligations, are recorded only when payment is due.

Funds

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Governmental Funds***a. General Operating Fund*

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

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

b. Capital Projects Fund

The Capital Projects Fund includes the following programs:

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

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

c. Debt Service Fund

The Debt Service Fund includes the following programs:

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

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits and Investments

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

Cash and Investments in Escrow

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

Property Tax Receivable

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

A calendar year's property tax levies are billed (extended) in two installments in the subsequent calendar year. Calendar year 2018 property taxes were levied for fiscal year 2019 in July 2018 and were billed in fiscal year 2019. In 2019, the installment due dates were March 1 and August 1. Property taxes unpaid after these dates accrue interest at the rate of 1.5% per month. The treasurers of Cook and DuPage counties, who distribute such receipts to CPS, receive collections of property tax installments. CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. CPS does not record a receivable nor related deferred inflows of resources until the Board passes the levy for the current fiscal year.

Interfund Activity

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

Capital Assets

Capital assets; which include land, construction in progress, buildings, building improvements and equipment are reported in the governmental activities columns in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment is a unit cost of \$25,000 or more. CPS also capitalizes internally developed software with a capitalization threshold of \$75,000 or more. Donated capital assets are recorded at acquisition value.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

Vacation and Sick Pay

CPS provides vacation and sick pay benefits for substantially all of its employees. Accrued sick pay benefits were computed using the termination payment method. The liability for accrued vacation pay benefits was computed using the employees' actual daily wages. Please refer to Note 11 for accruals.

Long-term Obligations

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

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

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



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Fund Balances -- Within the governmental fund types, CPS’ fund balances are reported in one of the following classifications:

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

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of CPS’ highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless CPS removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. CPS’ highest level of decision-making authority rests with CPS’ Board of Education. CPS passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2019.

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 2019, CPS’ Board has not delegated the authority to assign amounts to be used for specific purposes to a body or official. CPS’ Board of Education assigns amounts for a specific purpose within the General Operating Fund. Within the other governmental fund types (debt service and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Restricted for workers' compensation/tort immunity — the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on the use of resources are either: a) externally imposed by creditors, (such as through debt covenants) grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. For fiscal year 2019, no amounts of net position are restricted for worker's compensation/tort immunity.

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

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

Comparative Data -- The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CPS' financial statements for the year ending June 30, 2018, from which the summarized information was derived.

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



NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

The Capital Projects Fund is budgeted on a project-by-project basis. Budgeted amounts in the Capital Projects Fund represent the entire project budget for projects that were expected to commence and/or expenditures to be incurred in fiscal year 2019. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

The Debt Service Fund expenditures exceed its appropriations. The variance in this fund in Fiscal Year 2019 is a result of the recording of certain debt service payments in regards to bond refunding transactions which were not originally budgeted for, but were economically beneficial to the District.



NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

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

As part of the annual budgetary process, CPS adopts a resolution by each December in which it is determined to levy real estate taxes. In FY19, CPS adopted a resolution for its tax levy in July 2018. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in a prescribed form must be published and a public hearing must be held if the aggregate annual levy exceeds 105% of the levy of the preceding year.

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

Legal limitations on tax rates and the rates extended in calendar years 2019 and 2018 are shown below.

	Maximum/ 2019 Legal Limit	Tax Rates Extended Per \$100 of EAV	
		2019	2018
General Operating Fund			
Educational.....	(A)	\$2.845	\$3.161
Teachers' Pension.....	(B)	0.511	0.551
Workers' and Unemployment/Tort Immunity.....	(C)	0.093	0.039
Debt Service Fund			
Public Building Commission Leases Program.....	(D)	0.092	0.128
Capital Fund			
Capital Improvement.....	(E)	0.011	0.011
		<u>\$3.552</u>	<u>\$3.890</u>

- A. The maximum legal limit for educational purposes under PTELL cannot exceed \$4.00 per \$100 of EAV (105 ILCS 5/34-53), and the total amount billed (extended) under the General Operating Fund is subject to the PTELL as described above.
- B. The tax cap limitation contained in the PTELL does not apply to the taxes levies by CPS for the Teacher Pension. The law creating the Teacher Pension levy became effective in 2016 (105 ILCS 5/34-53). For calendar year 2018 and 2019, the Teacher Pension levy tax rate cannot exceed \$0.567 per \$100 of EAV. Property tax collections for the Teacher Pension levy are paid directly to the Chicago Teacher Pension Fund by the County Treasurer.
- C. These tax rates are not limited by law, but are subject to the PTELL as described above.

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

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

Note: The City of Chicago established a Transit TIF levy to provide a portion of the matching funds required to leverage more than \$1 billion in federal funding for Chicago Transit Authority capital projects. The City received its first Transit TIF distribution on July 11, 2017. A portion of the levy was distributed to various taxing districts within the City including Chicago Public Schools. CPS' portion of the Transit TIF is not available until the actual time of collection. A separate agency number was established to track the collections in February 2018. The total amount generated by the Transit TIF in fiscal year 2019 was \$58.7 million (gross). The tax cap limitation contained in the PTELL does not apply to the taxes received by CPS for the Transit TIF.

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

Revenues:

Evidence based funding unrestricted revenue.....	\$ 1,605,783	\$ 1,605,783
State pension contribution revenue.....	238,869	232,992
Other restricted state revenue.....	338,290	328,036
Total state aid.....	<u>\$ 2,182,942</u>	<u>\$ 2,166,811</u>

Program Revenues:

Benefit Payments.....		(561,028)
Non-program general state aid.....		<u>\$ 1,605,783</u>

NOTE 4. CASH DEPOSITS AND INVESTMENTS

Cash and investments held in the name of CPS are controlled and managed by CPS' Treasury Department; however, custody is maintained by the Treasurer of the City of Chicago, who is the designated ex-officio Treasurer of CPS under the Illinois School Code. Custody is not maintained by the Treasurer of the City of Chicago for cash and investments in escrow and the schools' internal accounts. The cash and investments in escrow in the General Operating Fund represent deposits for the repayment of short term borrowing held by an escrow agent. The cash and investments in escrow in the Debt Service Fund represent the amount available for debt service payments on the Unlimited Tax GO Bonds and PBC Leases. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax GO Bonds and other revenues.

Cash and Deposits

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

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

As of June 30, 2019, the book amount of cash and CDs in the CPS' deposit accounts was \$50.4 million. The bank balances totaled \$59.4 million as of June 30, 2019. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2019. The bank balance was covered by Federal depository insurance and by collateral held by third-party custodians.

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

Investments

CPS' investments are authorized under the Illinois Compiled Statutes Finance Investment Act and CPS' Investment Policy is derived from this Act. The CPS Investment Policy authorizes CPS to invest in obligations guaranteed by the full faith and credit of the U.S. Government, certificates of deposit constituting direct obligations of banks, commercial paper, money market mutual funds, repurchase agreements that mature within 330 days, certain U.S. Government agency securities, and certain State and municipal securities that are rated at the time of purchase at A1/A+ or better by a rating service of nationally recognized expertise in rating bonds of states and their political subdivision. All mutual funds purchased invest in eligible securities outlined in the parameters of the CPS Investment Policy and meet certain other regulatory requirements.



NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

The CPS Investment Policy contains the following stated objectives:

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

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

At June 30, 2019, CPS had the following cash, investments and maturities \$(000's):

	Ratings	Carrying Amount	Maturities Less Than 1 Year	Maturities 1 to 5 Years	Maturities 5 to 10 Years
Repurchase Agreements.....	A3/BBB+	\$ 11,870	\$ -	\$ 11,870	\$ -
U.S. Government Agency Securities.....	Aaa/AA+/AAA	205,279	155,487	49,792	-
U.S. Government Treasury Notes.....	AA+/Aaa	663,326	455,598	53,210	154,518
U.S. Government State and Local Government Series Securities (SLGS).....	AA+/Aaa				
Commercial Paper.....	A-1/P-1/AAAm/Aaa-mf	19,804	19,804	-	-
Money Market Mutual Funds.....	Not rated	440,707	440,707	-	-
	AAAm/Aaa-mf	385,921	385,921	-	-
Total Investments.....		\$ 1,726,907	\$ 1,457,517	\$ 114,872	\$ 154,518
Cash and CDs.....		50,360	-	-	-
Total Cash and Investments.....		\$ 1,777,267	\$ 1,457,517	\$ 114,872	\$ 154,518

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

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

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk — As of June 30, 2019, 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, 2019 using a matrix pricing model:

	June 30, 2019	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments by fair market value:				
Debt securities				
Repurchase Agreements.....	\$ 11,870	\$ -	\$ 11,870	\$ -
U.S. Government Agency Securities.....	49,792	-	49,792	-
U.S. Government Treasury Notes.....	207,728	-	207,728	-
Total Cash and Investments.....	<u>\$ 269,390</u>	<u>\$ -</u>	<u>\$ 269,390</u>	<u>\$ -</u>

Debt securities classified in Level 2 of the fair value hierarchy are valued based on market valuation method.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools are measured at amortized cost and therefore excluded from the above fair value table. This exclusion includes money market funds, commercial paper, repurchase agreements and agency obligations held by CPS in the amount of \$1.458 billion.

The following table provides a summary of CPS' total cash and investments by fund type as of June 30, 2019 \$(000's):

Fund	Totals
General Operating Fund.....	\$ 298,958
Capital Projects Funds.....	798,364
Debt Service Funds.....	679,945
Total Cash and Investments.....	<u>\$ 1,777,267</u>



NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2019 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.....	\$ 1,452,128	\$ 10,281	\$ 36,128	\$ 1,498,537	\$ 1,498,537
Replacement taxes.....	29,956	-	-	29,956	29,956
State aid.....	140,161	712	-	140,873	140,873
Federal aid.....	112,544	-	3,115	115,659	115,659
Other.....	68,077	22,058	62,521	152,656	152,656
Total receivables.....	<u>\$ 1,802,866</u>	<u>\$ 33,051</u>	<u>\$ 101,764</u>	<u>\$ 1,937,681</u>	<u>\$ 1,937,681</u>
Less: Allowance for uncollectibles – property tax.....	(104,200)	-	(2,778)	(106,978)	(106,978)
Less: Allowance for uncollectibles – state aid.....	-	(712)	-	(712)	(712)
Less: Allowance for uncollectibles – federal aid.....	(92)	-	-	(92)	(92)
Less: Allowance for uncollectibles – other.....	(6,046)	(5,916)	-	(11,962)	(11,962)
Total receivables, net.....	<u>\$ 1,692,528</u>	<u>\$ 26,423</u>	<u>\$ 98,986</u>	<u>\$ 1,817,937</u>	<u>\$ 1,817,937</u>

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows \$(000's):

	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Government-wide activities:				
Capital assets, not being depreciated:				
Land.....	\$ 328,284	\$ 18,010	\$ (11,044)	\$ 335,250
Construction in progress.....	289,796	523,062	(163,960)	648,898
Total capital assets not being depreciated.....	\$ 618,080	\$ 541,072	\$ (175,004)	\$ 984,148
Capital assets being depreciated/amortized:				
Buildings and improvements.....	\$ 9,504,385	\$ 152,388	\$ (12,062)	\$ 9,644,711
Equipment and administrative software.....	222,028	1,297	(13,740)	209,585
Internally developed software.....	7,760	168	(4,120)	3,808
Total capital assets being depreciated.....	\$ 9,734,173	\$ 153,853	\$ (29,922)	\$ 9,858,104
Total capital assets.....	\$ 10,352,253	\$ 694,925	\$ (204,926)	\$ 10,842,252
Less accumulated depreciation/amortization for:				
Buildings and improvements.....	(4,239,583)	(286,560)	12,038	(4,514,105)
Equipment and administrative software.....	(146,309)	(12,984)	12,334	(146,959)
Internally developed software.....	(5,865)	(764)	4,120	(2,509)
Total accumulated depreciation.....	\$ (4,391,757)	\$ (300,308)	\$ 28,492	\$ (4,663,573)
Capital assets, net of depreciation.....	\$ 5,960,496	\$ 394,617	\$ (176,434)	\$ 6,178,679

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

	Depreciation Expenses	Impairment Expenses
Governmental activities:		
Instruction.....	\$ 196,217	\$ 2,635
Pupil support services.....	29,251	393
Administrative support services.....	12,283	165
Facilities support services.....	25,305	340
Instructional support services.....	24,075	323
Food services.....	13,177	177
Total depreciation expense.....	\$ 300,308	\$ 4,033

Asset Impairment

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



NOTE 6. CAPITAL ASSETS (continued)

During fiscal year 2019, as CPS reviewed pending real estate transactions related to school actions for closed schools or schools to be closed, CPS recognized impairments totaling \$4 million related to various properties.

Construction Commitments

CPS had active construction projects as of June 30, 2019. These projects include new construction and renovations of schools. At year-end, CPS had approximately \$59 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.

General Operating Fund:

Due From Capital Asset Program.....	\$	6,544
Due From Capital Improvement Program.....		3,232
Due From Bond Redemption and Interest Program.....		186
Total — Net due from other funds.....	\$	<u>9,962</u>

Capital Projects Fund:

Capital Asset Program — Due To General Operating Fund.....	\$	(6,544)
Capital Improvement Program — Due To General Operating Fund.....		(3,232)
Total — Net due to other funds.....	\$	<u>(9,776)</u>

Debt Service Fund:

Bond Redemption and Interest Program — Due to General Operating Fund.....	\$	<u>(186)</u>
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The purpose of interfund balances is to present transactions that are to be repaid between major programs at year end. The balances result from operating transactions between funds and are repaid during the fiscal year within the normal course of business.

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

Interfund Transfers

In fiscal year 2019, CPS transferred to the General Operating Fund \$0.5 million of debt restructuring savings from the Bond Redemption and Interest Program and Capital Improvement Program.

NOTE 8. SHORT TERM DEBT

2017 Tax Anticipation Notes

During FY 2019, the Board closed on two series of 2017 Educational Purposes Tax Anticipation Notes (the “2017 TANS”) with a total par amount of \$100 million for working capital purposes. The Series 2017 TANS were issued as a direct placements with investors. Each series of TANS issued during FY 2019 were structured as single draws. The TANS provided liquidity support within the fiscal year.

NOTE 8. SHORT TERM DEBT (continued)

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

<u>Description</u>	<u>Initial Advance Date</u>	<u>Amount</u>
Series 2017J	July 13, 2018	\$57,890
Series 2017I	July 13, 2018	\$42,110

Each of the 2017 TANS were backed by the Board’s 2017 Education Property Tax Levy collected in two installments in 2018. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to the Board. The repayment date for the Series 2017I and J TANS was September 30, 2018.

2018 Tax Anticipation Notes

During FY 2019, the Board closed on nine issuances of 2018 Educational Purposes Tax Anticipation Notes (the “2018 TANS”) with a total par amount of \$1.4 billion for working capital purposes. The Series 2018 TANS were issued as either public sales or direct placements with investors. The TANS provided liquidity support within the fiscal year.

The 2018 TANS were issued as follows (\$000s)

<u>Description</u>	<u>Issuance Date</u>	<u>Amount</u>
Series 2018A	October 31, 2018	\$200,000
Series 2018B	December 5, 2018	\$200,000
Series 2018C	February 4, 2019	\$200,000
Series 2018C	February 12, 2019	\$100,000
Series 2018D	February 12, 2019	\$60,000
Series 2018E	February 21, 2019	\$60,000
Series 2018F	February 27, 2019	\$24,000
Series 2018C	June 4, 2019	\$200,000
Series 2018G	June 20, 2019	\$250,000

Each of the 2018 TANS are backed by the Board’s 2018 Education Property Tax Levy collected in two installments in 2019. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to the Board. The repayment date for the 2018A and B TANS payable from the first installment of property tax monies was March 29, 2019. The repayment date for the Series 2018C, D, E and F TANS payable from the second installment of property tax monies is the earlier of 60 days after the second installment due date of tax year 2018 property taxes or December 13, 2019. The repayment date for the Series 2018G TANS payable from the second installment of property tax monies is October 1, 2019.

Outstanding Short-Term Notes Balances

As of June 30, 2019, a total of \$450 million in short-term notes issued by the Board were outstanding. The total amount drawn on the issues is reported as a separate line item on the statement of net position and therefore, none of the issues were included in the Note 9 summarizing the changes in long term debt. Any amount of short-term notes paid off subsequent to year end is discussed further in Note 17. Short-term debt activity for the year ended June 30, 2019 was as follows \$(000’s):

Short-Term Debt	Balance July 1, 2018	Draws	Repayments	Balance June 30, 2019
Tax Anticipation Notes.....	\$ 599,911	\$ 1,394,000	\$ (1,544,466)	\$ 449,445

NOTE 9. LONG-TERM DEBT

Long-term Obligations

Long-term debt activity for the fiscal year ended June 30, 2019 was as follows \$(000's):

	Balance			Balance	Amounts Due
	June 30, 2018	Additions	Reductions	June 30, 2019	within
					One Year
Governmental activities:					
General Obligation Long-term Debt	\$ 7,281,448	\$ 763,395	\$ (569,775)	\$ 7,475,068	\$ 152,555
Capital Improvement Tax Long-term Debt	794,480	86,000	-	880,480	-
Add unamortized premium (discount)	(46,486)	22,871	(12,694)	(36,309)	-
Add Arbitrage Liability	704	-	(704)	-	-
Add accretion of capital appreciation bonds	667,795	54,088	(34,165)	687,718	49,445
Subtotal of debt, net of premiums and discounts	\$ 8,697,941	\$ 926,354	\$ (617,338)	\$ 9,006,957	\$ 202,000
Capitalized lease obligations	74,395	-	(46,020)	28,375	27,850
Total debt and capitalized lease obligations	\$ 8,772,336	\$ 926,354	\$ (663,358)	\$ 9,035,332	\$ 229,850
Other liabilities:					
Other accrued liabilities	\$ 26,808	\$ 3,379	-	\$ 30,187	\$ 20,360
Net pension liability	12,382,417	1,060,300	-	13,442,717	-
Total other post-employment benefits liability	2,270,891	143,254	(142,020)	2,272,125	-
Other benefits and claims	471,357	26,898	(50,878)	447,377	84,251
Total other liabilities:	15,151,473	1,233,831	(192,898)	16,192,406	104,611
Total long-term obligations:	\$ 23,923,809	\$ 2,160,185	\$ (856,256)	\$ 25,227,738	\$ 334,461

General Obligation and Capital Improvement Tax Bonds

CPS issued the following long-term debt in fiscal year 2019.

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

In December 2018, CPS issued fixed-rate \$450.1 million Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue), Series 2018C (the "Series 2018C" Bonds") with an original issue premium of \$28.5 million.

The proceeds of the Series 2018C Bonds were used to refund outstanding debt for economic savings, fund capitalized interest, and pay the costs of issuance. The refunding decreased annual debt service payments over fourteen years by approximately \$22.4 million, resulting in an economic gain of approximately \$20.6 million.

The Series 2018C 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 2018C Bonds. The debt service on the Series 2018C Bonds will be paid from Evidence-Based Funding Revenues.

Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2018D

In December 2018, CPS issued fixed-rate \$313.3 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue), Series 2018D (the "Series 2018D" Bonds") with an original issue discount of \$10.5 million.

The proceeds of the Series 2018D Bonds were used to finance the continued implementation of the Board's Capital Improvement Program, fund capitalized interest, and pay the costs of issuance.

NOTE 9. LONG-TERM DEBT (continued)

The Series 2018D 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 2018D Bonds. The debt service on the Series 2018D Bonds will be paid from Evidence-Based Funding and Personal Property Replacement Tax Revenues.

Dedicated Capital Improvement Tax Bonds Series 2018

In December 2018, CPS issued \$86.0 million fixed-rate Dedicated Capital Improvement Tax Bonds, Series 2018 (the “2018 CIT Bonds”) with an original issue premium of \$4.8 million.

The proceeds of the 2018 CIT Bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance on the 2018 CIT Bonds.

CIT Bonds are limited obligations payable from and secured by a levy of Capital Improvement Taxes. The CIT Bonds are not general obligations of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or interest on the CIT Bonds.

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

Bonds.....	\$	152,555
Accreted Interest.....		49,445
Subtotal.....	\$	202,000
Lease Obligations.....		27,850
Total Current Portion.....	\$	229,850

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

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 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, 2019 there were no hedged variable rate bonds outstanding. Interest rates on unhedged variable rate bonds assume the average monthly variable rate for June 2019, and remain the same for the life of the bonds.



NOTE 9. LONG-TERM DEBT (continued)

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

Fiscal Year(s)	Fixed Rate Bonds		Variable Rate Bonds		Total**
	Principal	Interest	Principal	Estimated Interest*	
2020.....	\$ 144,081	\$ 390,131	\$ 8,475	\$ 13,720	\$ 556,407
2021.....	176,315	420,683	8,825	13,447	619,270
2022.....	196,043	414,863	9,225	13,162	633,293
2023.....	203,948	407,983	9,400	12,867	634,198
2024.....	209,052	396,703	9,750	12,564	628,069
2025-2029.....	1,357,498	1,883,100	221,640	47,995	3,510,233
2030-2034.....	1,310,926	1,569,823	164,895	9,411	3,055,055
2035-2039.....	1,128,385	854,262	-	-	1,982,647
2040-2044.....	1,396,700	484,550	-	-	1,881,250
2045-2047.....	919,910	81,750	-	-	1,001,660
Total.....	<u>\$ 7,042,858</u>	<u>\$ 6,903,848</u>	<u>\$ 432,210</u>	<u>\$ 123,166</u>	<u>\$ 14,502,082</u>

*Interest in variable rate demand notes assumes current interest rates remain the same as of June 30, 2019, calculated at:
 Series 2008A – 3.190% x outstanding principal
 Series 2008B – 3.190% x outstanding principal

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

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. The Board fully refunded the 2008A and 2008B bonds in September 2019. See Note 17 for further information.

Accreted Interest

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

Series	Accreted Interest			Accreted Interest June 30, 2019
	July 1, 2018	Increase	Payment	
1998B-1.....	\$ 407,222	\$ 33,159	\$ (13,056)	\$ 427,325
1999A.....	260,573	20,929	(21,109)	260,393
	<u>\$ 667,795</u>	<u>\$ 54,088</u>	<u>\$ (34,165)</u>	<u>\$ 687,718</u>

NOTE 9. LONG-TERM DEBT (continued)**Dedicated Revenue Capital Improvement Tax Bonds**

Dedicated Revenue Capital Improvement Tax Bonds (“CIT Bonds”) issued by the Board are limited obligations payable from and secured by a levy of Capital Improvement Taxes. The CIT Bonds are not general obligations of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or interest on the CIT Bonds. The CIT bonds were issued at a fixed rate and designated as Dedicated Revenue Unlimited Tax General Obligation Bonds. The proceeds of all series of issued bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance.

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

<u>Fiscal Year(s)</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2020.....	\$ -	\$ 51,084	\$ 51,084
2021.....	-	51,084	51,084
2022.....	-	51,084	51,084
2023.....	-	51,084	51,084
2024.....	-	51,084	51,084
2025-2029.....	-	255,420	255,420
2030-2034.....	87,615	259,813	347,428
2035-2039.....	266,710	221,955	488,665
2040-2044.....	353,980	114,502	468,482
2045-2047.....	172,175	15,215	187,390
Total.....	<u>\$ 880,480</u>	<u>\$ 1,122,325</u>	<u>\$ 2,002,805</u>

* Fixed Rate.



NOTE 9. LONG-TERM DEBT (continued)

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

Series	Original Amount Issued	Debt Purpose	Interest Rate	Final Maturity	Principal Outstanding June 30, 2018
2018D.....	\$ 313,280	Capital Improvement	5.00%	12/1/2046	\$ -
2018C.....	450,115	Refunding	5.00%	12/1/2046	-
CIT 2018.....	313,280	Capital Improvement	5.00%	4/1/2046	-
2018H.....	280,000	Capital Improvement	5.00%	12/1/2046	280,000
2018G.....	126,500	Refunding	5.00%	12/1/2044	126,500
2018F.....	165,510	Refunding	5.00%	12/1/2024	165,510
2018E.....	22,180	Refunding	5.00%	12/1/2021	22,180
2018D.....	79,325	Refunding	5.00%	12/1/2031	79,325
2018C.....	351,485	Refunding	5.00%	12/1/2034	351,485
2018B.....	10,220	Refunding	6.75% to 7.00%	12/1/2042	10,220
2018A.....	552,030	Refunding	4.00% to 5.00%	12/1/2035	552,030
2017B.....	215,000	Refunding	6.75% to 7.00%	12/1/2022	215,000
2017A.....	285,000	Capital Improvement/Working Capital	7.00%	12/1/2046	285,000
CIT 2017.....	64,900	Capital Improvement	5.00%	4/1/2046	64,900
CIT 2016.....	729,580	Capital Improvement	5.75% to 6.10%	4/1/2046	729,580
2016B.....	150,000	Capital Improvement	6.50%	12/1/2046	150,000
2016A.....	725,000	Capital Improvement/Refunding	7.00%	12/1/2044	725,000
2015E.....	20,000	Capital Improvement	5.13%	12/1/2032	20,000
2015C.....	280,000	Capital Improvement	5.25%	12/1/2039	280,000
2012B.....	109,825	Refunding	5.00%	12/1/2034	109,825
2012A.....	468,915	Capital Improvement	5.00%	12/1/2042	468,915
2011A.....	402,410	Capital Improvement	5.00% to 5.50%	12/1/2041	402,410
2010F.....	183,750	Refunding	5.00%	12/1/2031	144,985
2010D.....	125,000	Capital Improvement	6.52%	3/1/2036	125,000
2010C.....	257,125	Capital Improvement	6.32%	11/1/2029	257,125
2009G.....	254,240	Capital Improvement	1.75%	12/15/2025	254,240
2009E.....	518,210	Capital Improvement	4.682% to 6.14%	12/1/2039	504,430
2009D.....	75,720	Refunding	1.00% to 5.00%	12/1/2023	21,910
2008C.....	464,655	Refunding	4.25% to 5.00%	12/1/2032	450,250
2008B.....	240,975	Refunding	Variable	3/1/2034	169,425
2008A.....	262,785	Refunding	Variable	12/1/2030	262,785
2007B.....	197,765	Refunding	5.00%	12/1/2024	16,035
2006B.....	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	22,005
2006A.....	6,853	Capital Improvement	0.00%	6/1/2021	6,853
2005A.....	193,585	Refunding	5.00% to 5.50%	12/1/2031	159,825
2004A.....	205,410	Refunding	4.00% to 5.00%	12/1/2020	49,600
1999A.....	532,553	Capital Improvement/Refunding	4.30% to 5.30%	12/1/2031	361,199
1998B-1.....	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	232,381
Total Bonds.....					\$ 8,075,928
Less Current Portion					
For Net Premium/(Discount)					
Total Long-term Debt, net of Current Portion and Premium/(Discount).....					



NOTE 9. LONG-TERM DEBT (continued)

Accreted Interest	Principal and Accreted Interest June 30, 2018	Issuances	Retirements	Principal Outstanding June 30, 2019	Accreted Interest	Principal and Accreted Interest June 30, 2019
\$ -	\$ -	\$ 313,280	\$ -	\$ 313,280	\$ -	\$ 313,280
-	-	450,115	-	450,115	-	450,115
-	-	86,000	-	86,000	-	86,000
-	280,000	-	-	280,000	-	280,000
-	126,500	-	-	126,500	-	126,500
-	165,510	-	(585)	164,925	-	164,925
-	22,180	-	-	22,180	-	22,180
-	79,325	-	-	79,325	-	79,325
-	351,485	-	-	351,485	-	351,485
-	10,220	-	-	10,220	-	10,220
-	552,030	-	-	552,030	-	552,030
-	215,000	-	-	215,000	-	215,000
-	285,000	-	-	285,000	-	285,000
-	64,900	-	-	64,900	-	64,900
-	729,580	-	-	729,580	-	729,580
-	150,000	-	-	150,000	-	150,000
-	725,000	-	-	725,000	-	725,000
-	20,000	-	-	20,000	-	20,000
-	280,000	-	-	280,000	-	280,000
-	109,825	-	-	109,825	-	109,825
-	468,915	-	-	468,915	-	468,915
-	402,410	-	-	402,410	-	402,410
-	144,985	-	(13,470)	131,515	-	131,515
-	125,000	-	-	125,000	-	125,000
-	257,125	-	-	257,125	-	257,125
-	254,240	-	-	254,240	-	254,240
-	504,430	-	(6,885)	497,545	-	497,545
-	21,910	-	(12,260)	9,650	-	9,650
-	450,250	-	(450,250)	-	-	-
-	169,425	-	-	169,425	-	169,425
-	262,785	-	-	262,785	-	262,785
-	16,035	-	(16,035)	-	-	-
-	22,005	-	-	22,005	-	22,005
-	6,853	-	-	6,853	-	6,853
-	159,825	-	(7,860)	151,965	-	151,965
-	49,600	-	(24,190)	25,410	-	25,410
260,572	621,771	-	(30,896)	330,303	260,393	590,696
407,223	639,604	-	(7,344)	225,037	427,325	652,362
<u>\$ 667,795</u>	<u>\$ 8,743,723</u>	<u>\$ 849,395</u>	<u>\$ (569,775)</u>	<u>\$ 8,355,548</u>	<u>\$ 687,718</u>	<u>\$ 9,043,266</u>
.....	(146,905)					(202,000)
.....	(46,486)					(36,309)
.....	<u>\$ 8,550,332</u>					<u>\$ 8,804,957</u>



NOTE 10. LEASE OBLIGATIONS

Capitalized Leases

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

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

In 2006, CPS entered into a \$3.7 million lease with an option to purchase with the Teachers Academy of Math and Science. The assets acquired under this lease are land and building at a cost of \$0.7 million and \$3.0 million, respectively. The accumulated amortization as of June 30, 2019 amounted to \$0.7 million. The term of the lease commenced October 1, 2005, and shall end February 1, 2021. This end date represents the maturity date of bonds issued for the premises by the Illinois Development Finance Authority Bonds. Debt service includes principal and interest and all other costs associated with these bonds. Additionally, CPS will assume all operating costs and personnel costs of the premises.

The future PBC lease rentals and other capitalized leases due at June 30, 2019, are as follows \$(000's):

Fiscal Year(s)	PBC Lease	Other	Total
2020.....	\$ 30,635	\$ 424	\$ 31,059
2021.....	-	647	647
Total Rentals.....	\$ 30,635	\$ 1,071	\$ 31,706
Less - Interest and other costs.....	(2,960)	(371)	(3,331)
Principal amount of rental due.....	<u>\$ 27,675</u>	<u>\$ 700</u>	<u>\$ 28,375</u>

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

	Balance			Balance
	July 1, 2018	Additions	Reductions	June 30, 2019
PBC Leases.....	\$ 73,520	\$ -	\$ (45,845)	\$ 27,675
Other Capitalized Leases.....	875	-	(175)	700
Total Lease Obligations.....	<u>\$ 74,395</u>	<u>\$ -</u>	<u>\$ (46,020)</u>	\$ 28,375
Less: Current Portion PBC Leases.....				(27,675)
Current Portion Other Capitalized Leases.....				(175)
Total Long-Term Leases Outstanding.....				<u>\$ 525</u>

Operating Leases

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

NOTE 10. LEASE OBLIGATIONS (continued)

Total expenditures for operating leases for the fiscal year ending June 30, 2019 were \$19.0 million.

The following is a summary of operating lease commitments as of June 30, 2019 \$(000's):

<u>Fiscal Year(s)</u>	<u>Non-Real Property Leases</u>	<u>Real Property Leases</u>	<u>Total</u>
2020.....	\$ 1,904	\$ 14,746	\$ 16,650
2021.....	1,134	14,553	15,687
2022.....	452	13,290	13,742
2023.....	44	13,496	13,540
2024.....	-	12,915	12,915
2025-2029.....	-	38,587	38,587
2030.....	-	2,773	2,773
Total Operating Lease Commitments.....	<u>\$ 3,534</u>	<u>\$ 110,360</u>	<u>\$ 113,894</u>

NOTE 11. OTHER BENEFITS AND CLAIMSSick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees were able to accumulate a maximum of 325 sick days granted before July 1, 2012. If an employee either reaches age 65; has a minimum of 20 years of service at the time of resignation or retirement, or dies, the employee is entitled to receive, as additional compensation, all or a portion of their accumulated sick leave days. CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year. Effective July 1, 2012 any sick days granted that remain unused at the end of the fiscal year will not be carried over to the next fiscal year. The Board shall not pay out to any employee the value or any part of the value of any sick days granted on and after July 1, 2012 that are unused at the time the employee separates from the Board employment for any reason.

Vacation Pay Benefits

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

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

CPS is substantially self-insured and assumes risk of loss in accordance with the following parameters:

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of \$100.0 million and Boiler and Machinery Insurance with limits of \$100.0 million. CPS maintains commercial excess liability insurance with limits of \$45.0 million in excess of a \$10.0 million self-insured retention per loss for claims arising from commercial general, automobile, school board legal, and miscellaneous professional liability; additional liability coverage includes special events, fiduciary, foreign travel package, and catastrophic student accident insurance (under Public Act 98-0166, also known as "Rocky's Law"). During fiscal years 2019, 2018, and 2017 there were no casualty claims made in excess of the self-insured retention.



NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

For fiscal year 2019, the CPS had the following deductibles/retentions:

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

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

CPS' estimate of liabilities for workers' compensation claims, general and automobile claims are actuarially determined based on loss estimates established by the respective claim administrators. Tort liabilities are based on loss estimates established by the respective trial attorneys. CPS accrues for the estimated workers' compensation, general and automobile claims and tort claims in the General Operating Fund when there is likelihood that an unfavorable outcome is probable and those expenditures will be liquidated with expendable available financial resources. Total expenditures reported in the fund financial statements amounted to \$28.1 million for claims paid during the fiscal year. No liabilities have been recorded at the fund level for unpaid claims as unpaid claims are not expected to be paid with available financial resources.

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
Accrued sick pay benefits.....	\$ 272,524	\$ (7,342)	\$ (18,918)	\$ 246,264
Accrued vacation pay and other compensation benefits.....	48,764	18,988	(6,051)	61,701
Accrued workers' compensation pay benefits.....	103,672	12,132	(22,902)	92,902
Accrued general and automobile claims.....	30,009	2,959	(3,007)	29,961
Tort liabilities and other claims.....	16,388	161	-	16,549
	<u>\$ 471,357</u>	<u>\$ 26,898</u>	<u>\$ (50,878)</u>	<u>\$ 447,377</u>
Less: Current portion of accrued sick pay benefits.....				(25,539)
Less: Current portion of accrued vacation pay and other compensation benefits.....				(17,943)
Less: Current portion of accrued workers' compensation claims.....				(23,358)
Less: Current portion of accrued general and automobile claims.....				(17,411)
Total long-term other benefits and claims.....				<u>\$ 363,126</u>

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

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>\$135,375</u>	<u>\$27,606</u>	<u>\$(29,300)</u>	<u>\$133,681</u>	<u>\$15,091</u>	<u>\$(25,909)</u>	<u>\$122,863</u>

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A net liability of \$55.6 million has been recorded for health insurance costs and is reported as part of accounts payable and accrued payroll and benefits in the General Operating Fund, which includes \$25.8 million for estimated medical claims incurred but not reported as of June 30, 2019.

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

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>\$48,738</u>	<u>\$387,824</u>	<u>\$(375,786)</u>	<u>\$60,776</u>	<u>\$366,335</u>	<u>\$(371,499)</u>	<u>\$55,612</u>



NOTE 12. PENSION BENEFITS

Pension legislation (Public Act 96-0889) was approved in April 2010 and established two distinct classes of membership with different retirement eligibility conditions and benefit provisions. For convenience, the Illinois pension funds use a tier concept to distinguish these groups: Tier 1 members are participants that became members before January 1, 2011 and Tier 2 members are participants that became members on or after January 1, 2011. The pension code created a Tier 3 effective August 31, 2017, but due to the uncertainty of whether a resolution or ordinance will be passed, the actuarial valuation only uses Tier 1 and Tier 2.

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

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

Pension — Certified Teachers and Administrators

Plan Description: Pension benefits for certified teachers and administrators are provided under a defined benefit cost-sharing multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "CTPF") in which CPS is the major contributor. Copies of the Pension Fund Annual Report are available on the website of the Public School Teachers' Pension & Retirement Fund of Chicago at <http://www.ctpf.org/>.

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the CTPF. Participation in the CTPF is mandatory for all certified members of the teaching force, including those employed by charter schools, and employees of the Pension Fund. As of the June 30, 2018, CTPF Annual report, there were 28,958 active participants in the Pension Fund, substantially all of whom were employees of CPS.

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



NOTE 12. PENSION BENEFITS (continued)

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

Pension legislation (Public Act 96-0889) created a second tier of benefits for teachers who first become participants under the fund on or after January 1, 2011. Under this act, such a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, such a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 0.5% for each month that his or her age is under 67. In addition, the annual final average salary may not exceed \$113,645 for 2018. The final average salary limit is calculated annually as the Social Security Wage Base at the time Public Act 96-0889 was created \$(106,800) increased by the lesser of 3% or one-half of the annual increase in the Consumer Price Index-U during the preceding calendar year.

Contributions: Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1% for survivor’s pension. In fiscal year 2019, total employee contributions were \$148.7 million, as in previous fiscal years, CPS paid a portion (7% or \$115.6 million) of the required employees’ contribution. For employees hired on or after January 1, 2017, there is no employer pickup. A portion of grant funds from the Federal government and General Fund revenues provides the funding for the portion not picked up. The remaining portion is withheld from teachers’ salaries.

State law requires statutorily determined employer contributions. Under the Illinois Pension Code, required employer contributions — with the exception of federal funds — are calculated by the Pension Fund’s actuary; however, the formula set forth in the Pension Code is not the same as the Annual Required Contribution or the Actuarially Determined Contribution as those terms are defined by GASB. During the fiscal year ended June 30, 2019, total employer contributions to the plan were \$569.7 million. Of this amount, \$26.5 million were Charter School contributions and \$21.4 million were paid from federally-funded programs. On June 30, 2016, PA 99-0521 was signed into law and reinstates the ability of the Board of Education to levy a property tax dedicated to paying teacher pensions. As of June 30, 2019, \$186.6 million of levy funds was owed to CTPF for a fiscal year 2018 statutorily required contribution. This amount was recorded in the Statement of Net Position as an account payable and a deferred outflow of resources by CPS. These funds are included in CPS’ contribution to increase the funded ratio to 90%. CPS’ employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows (amounts in thousands):

Retirement Benefit Contributions:

A contribution to increase funded ratio to 90%.....	\$	521,786
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded program.....		21,387
Charter school contributions.....		26,528
Total CPS Contributions.....	\$	569,701
Contributions from the State of Illinois.....		238,869
CPS contributions on-behalf of employees.....		115,619
Total CTPF Contributions.....	\$	924,189

NOTE 12. PENSION BENEFITS (continued)

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is \$13.443 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, 2018, 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 2019 fiscal year was \$1.466 billion.

Employer Deferral of Fiscal Year 2019 Pension Contributions: CPS paid \$569.7 million in contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date as of June 30, 2018. These contributions will be reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2019.

As June 30, 2019, CPS reported deferred outflows of resources and deferred inflows of resources related to CTPF from the following sources (amounts in thousands):

	Deferred Inflow of Resources	Deferred Outflow of Resources
Difference between expected and actual experience.....	\$ 74,379	\$ 71,896
Net difference between projected and actual investment earnings on pension plan investments.....	12,815	-
Changes in assumptions.....	-	1,603,522
Contributions after the measurement date	-	569,700
Totals.....	<u>\$ 87,194</u>	<u>\$ 2,245,118</u>

The \$569.7 million reported as deferred outflows of resources related to pensions resulting from CPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The annual difference between expected and actual experience is amortized into pension expense over the average expected remaining service lives of active and inactive members calculated at the beginning of the year in which the difference occurs. The difference between projected and actual investment earnings on pension plan investments is amortized over a five-year closed period beginning in the year in which the difference occurs. The amounts of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

<u>Years Ended June 30:</u>	<u>Amount</u>
2020.....	\$ 587,320
2021.....	532,645
2022.....	353,517
2023.....	114,742
Totals.....	<u>\$ 1,588,224</u>

NOTE 12. PENSION BENEFITS (continued)

Assumptions and Other Inputs

Actuarial Assumptions: The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions and methods:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	3.00% to 12.85%, varying by age
Inflation	2.50%, general inflation rate
	3.00%, wage inflation rate
Cost-of-living adjustments	3% compound for Tier 1 members; the lesser of
	3% or one-half of CPI, simple, for Tier 2
	members

For healthy participants, mortality rates were based on the RP-2014 White Collar Healthy Annuitant mortality table, sex distinct. For disabled participants, mortality rates were based on the RP-2014 Disabled Annuitant mortality table, sex distinct.

Most of the actuarial assumptions used for the June 30, 2018 funding actuarial valuation were adopted by the Board of Trustees during the September 20, 2018, Board meeting, and were based on the recommendations from an experience review for the five-year period from July 1, 2012 through June 30, 2017. Beginning with the June 30, 2018 actuarial valuation, the investment return and wage inflation assumptions were reduced from 7.25% to 7.00%, and 3.25% to 3.00%, respectively

The long-term expected rate of return on pension plan investments was determined under a building-block method by using the current risk-free rate and historical risk premium for each major asset class to develop the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major asset class. Best estimates of geometrically determined real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	61.0%	5.39%
Fixed Income	23.0%	2.09%
Real Estate	9.0%	4.16%
Private Equity	5.0%	7.02%
Infrastructure	2.0%	4.64%
Total	100%	

NOTE 12. PENSION BENEFITS (continued)

Discount Rate: For fiscal year 2018, a single discount rate of 6.81% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.00%, cash flows (employee contributions, employer contributions, benefits, and administrative expenses) based on the results of the funding actuarial valuation using an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.62%. The projection of cash flows used to determine this single discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contributions rates under the Fund's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contribution were sufficient to finance the benefit payments through the year 2077. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077, and the municipal bond rate was applied to all benefit payments after that date.

For fiscal year 2017, the single discount rate used to measure the total pension liability was 7.07%. The impact of the change in the single discount rate from 7.07% to 6.81% was an increase in the total pension liability of approximately \$870.3 million. The change in the discount rate was primarily driven by the decrease in the long-term assumed rate of return from 7.25% to 7.00%.

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 6.81%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts in thousands):

1% Decrease (5.81%)	Current Discount (6.81%)	1% Increase (7.81%)
\$16,585,702	\$13,442,717	\$10,849,574

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

Pension — Other Personnel

Plan Description: All career service employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "MEABF" or the "Annuity Fund"). The Plan is administered under Chapter 40, Act 5, Article 8 of the Illinois Compiled Statutes. Benefit and contribution provisions are established by the Statutes and may be amended only by the Illinois state legislature. The Annuity Fund is considered a cost-sharing multiple employer defined benefit plan. As of December 31, 2018, CPS employed approximately 17,146 of the 31,285 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.



NOTE 12. PENSION BENEFITS (continued)

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

Tier 2 employees age 67 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 62 with 10 years of service. The annuity is discounted $\frac{1}{2}$ percent for each full month the employee is under age 67. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

Tier 3 employees age 65 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 60 with 10 years of service. The annuity is discounted $\frac{1}{2}$ percent for each full month the employee is under age 65. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

The highest salary for annuity purposes may not exceed the base of \$106,800 beginning in 2011 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) $\frac{1}{2}$ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. The annual salary rate limitations for fiscal year 2018 and fiscal year 2019 were \$112,408 and \$113,645, 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.

Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute 8.5% of their pensionable salary. Tier 3 employees are required to contribute 11.5% of their pensionable salary. The pensionable salary for Tier 1 members has no limitation while Tier 2 and Tier 3 employees' pensionable salary may not exceed the social security wage base of \$106,800 adjusted by inflation. In fiscal year 2019, as in previous fiscal years, CPS agreed to pay a portion (7% for union and 5% for non-union members or \$32.4 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 \$111.8 million, \$106.3 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining \$5.7 million is funded under federally-funded programs. The portion funded by the City of Chicago and the Federal government is also reflected as revenue in the General Operating Fund.



NOTE 12. PENSION BENEFITS (continued)

Employer Proportionate Share of Net Pension Liability: At December 31, 2018, the MEABF reported a net pension liability (NPL) of \$12.894 billion. The amount of the proportionate share of the net pension liability recognized for CPS is \$0. The proportionate share of the City’s net pension liability associated with CPS is \$5.1333 billion or 39.8%. The net pension liability was measured as of December 31, 2018. The basis of allocation used in the proportionate share of net pension liability was CPS’ proportionate share of covered payroll to the plan’s total covered payroll for the 2018 calendar year, which approximates CPS’ 2019 fiscal year.

Employer Proportionate Share of Pension Expense: The employer’s proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and expenditure/expense in CPS’ financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported employee contributions made to MEABF during fiscal year 2019. As a result, CPS recognized on-behalf revenue and on-behalf pension expense of \$106.3 million for fiscal year 2019.

Employer Deferral of Fiscal Year 2018 Pension Contributions: CPS paid \$5.2 million in federal, trust or grant contributions for the fiscal year ended June 30, 2019. Some contributions were made subsequent to the pension liability measurement date of December 31, 2018. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2019. Total pension expense for fiscal year 2019 was \$111.5 million.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2012 — December 31, 2016. The total pension liability in the December 31, 2018 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, 2018
Actuarial assumptions:	
Investment rate of return...	7.00%, net of investment expense
Projected salary increases	3.50% - 7.75% for year 2023, (1.50% to 6.50% for years 2018-2022), varying by years of service
Inflation.....	2.50%
Municipal bond index	4.10% based on the Bond Buyer 20-Bond Index of general obligation
Cost of living adjustments.	Tier 1: 3.0% compound. Tier 2 & 3: the lesser of 3.0% or one-half the change in CPI, simple

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study for the period January 1, 2012 through December 31, 2016.



NOTE 12. PENSION 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, 2018 are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	26%	5.1%
International Equity	22%	5.3%
Fixed Income	25%	0.8%
Real Estate	10%	4.7%
Private Equity	5%	8.3%
Hedge Funds	10%	3.4%
Infrastructure	2%	5.0%
Total	100%	

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

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

1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
\$15,018,712	\$12,894,434	\$11,132,768

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

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits (OPEB)

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

Benefits Provided: The Pension Fund administers a health insurance program that includes three external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance.

Funding Policy and Annual Other Postemployment Benefit Cost: The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 50% of the individual member's cost for calendar years 2018, 2017 and 2016. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed \$65.0 million plus any previous year amounts authorized but not yet expended. The Pension Fund has total discretion over the program, and no direct contributions are made for the subsidy. Although CPS does not contribute directly to retirees' health care premiums, the impact does require increased contributions by CPS to build assets to the 90% requirement. This provision reduces the net position of the Pension Fund. As of June 30, 2018, the Chicago Teachers' Pension Fund Retiree Health Insurance Program had 16,976 retirees and beneficiaries currently receiving health benefits and 11,573 retirees and beneficiaries entitled to but not yet receiving health benefits. The assets in the Health Insurance are not in a qualifying trust nor are those amounts restricted legally or otherwise required to be used solely to pay OPEB benefits Therefore there are no assets accumulated in a trust.



NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

Total OPEB liability deferred outflows of resources, deferred inflows of resources and expense related to OPEB

The total OPEB liability, as reported at June 30, 2019, was measured as of June 30, 2018, with an actuarial valuation as of June 30, 2018. At June 30, 2019, the CPS recorded a total OPEB liability of \$2.272 billion.

Schedule of Changes in Total OPEB Liability: Below is the schedule of changes in the total OPEB liability, as reported at June 30, 2019 (amounts in thousands):

Beginning Balance, OPEB Liability.....	\$ 2,270,891
Service Cost.....	61,395
Interest on total OPEB Liability.....	81,859
Differences between expected and actual experience.....	(164,007)
Changes of Assumptions.....	88,321
Benefit Payments.....	(66,334)
Ending Balance, OPEB Liability.....	<u>\$ 2,272,125</u>

CPS recognized OPEB expense for the year ended June 30, 2019, of \$109.6 million. At June 30, 2019, CPS reported deferred outflows and deferred inflows of resources, from the following sources (amounts expressed in thousands):

Deferred outflows of resources	Amount
Changes in assumptions.....	\$ 74,588
Total deferred outflows of resources	<u>\$ 74,588</u>
Deferred inflows of resources	Amount
Changes in assumptions.....	\$ 41,167
Differences between expected and actual non-investment income.....	199,862
Total deferred inflows of resources	<u>\$ 241,029</u>

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

Years Ended June 30:	Amount
2020.....	\$ (34,223)
2021.....	(34,223)
2022.....	(34,223)
2023.....	(34,222)
2024.....	(24,477)
Thereafter.....	(5,073)
Totals.....	<u>\$ (166,441)</u>

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

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

Valuation date.....	June 30, 2018
Measurement date.....	June 30, 2018
Actuarial cost method.....	Entry Age Normal
Inflation rate.....	2.50%
Projected salary increases.....	3.00% - 12.85%, varying by age
Discount rate.....	3.62%
Experience Study.....	An experience study of the 5 year period 2012 – 2017.
Mortality.....	Healthy (Non-Disabled) Post-Retirement Mortality: RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, scaled at 108% for males and 94% for women, with rates projected back from 2014 to 2006 using the MP-2014 projection scale and projected from 2006 using scale MP-2017. Disabled Post-Retirement Mortality: RP-2014 Disabled Annuitant mortality table, sex distinct, scaled at 103% for males and 106% for women, with rates projected back from 2014 to 2006 using the MP-2014 projection scale and projected from 2006 using scale MP-2017
Healthcare cost trend rate.....	The trend rates applicable July 1, 2019 are 8.00% and 9.25% for pre- and post-Medicare, respectively, and decrease by 0.5% each year (0.25% for the first year for post-Medicare) to an ultimate trend rate of 4.50%. Excess trend rate of 0.34% and 0.06% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2023 to account for the Excise Tax. Medicare Part A and Part B premiums are assumed to increase by 4.50% each year.

Discount rate: A single discount rate of 3.56% at June 30, 2017, and 3.62% at June 30, 2018, was used to measure the total OPEB liability. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The rate at June 30, 2017 and 2018 was based on Fidelity Index's 20-year Municipal GO AA Index.

Sensitivity of Total OPEB Liability to Changes in the Single Discount Rate: The following table presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.62%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point higher (4.62%) or lower (2.62%) than the current rate (amounts expressed in thousands):

1% Decrease 2.62%	Current Single Discount Rate Assumption 3.62%	1% Increase 4.62%
\$2,699,858	\$2,272,125	\$1,935,450



NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

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

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates Assumption</u>	<u>1% Increase</u>
\$1,906,986	\$2,272,125	\$2,753,386

The summary of current assumed health care cost trend rates applicable July 1, 2019 from Actuarial Methods and Assumptions above and used in the above analysis are as follow:

	Initial	Ultimate
Pre-Medicare	8.00%	4.50%
Post-Medicare	9.25%	4.50%
Medicare Part A	4.50%	4.50%
Medicare Part B	4.50%	4.50%

NOTE 14. FUND BALANCE CLASSIFICATIONS AND NET POSITION RESTRICTIONS

a. Fund Balance Classifications

- 1) At the end of the 2019 fiscal year, the General Operating Fund reported:
 - i. \$429 thousand of non-spendable fund balance for donations in which the principal may not be spent.
 - ii. Restricted fund balance consisted of \$16.2 million for grants and donations and \$14.1 million for future teachers’ pension contributions.
 - iii. Assigned fund balance consisted of \$94.7 million for commitments and contracts.
- 2) At the end of the 2019 fiscal year, the Debt Service Fund reported:
 - i. Assigned fund balance of \$20.1 million for debt service stabilization.

b. Statement of Net Position

The Statement of Net Position reports \$852.8 million of restricted fund balance, of which \$715.8 million is restricted for debt service, \$106.7 million is restricted for capital projects, \$16.2 million is restricted for programs funded by grants and donations and \$14.1 million for future teachers’ pension contributions.

NOTE 15. LITIGATION AND CONTINGENCIES

a. State and Federal Aid Receipts

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies’ regulations governing the aid. In the opinion of CPS management, any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2019 resulting from a review by a responsible government agency, will not have a material effect on CPS’ financial statements at June 30, 2019.

b. Pollution Remediation Obligation

In fiscal year 2019, CPS recorded a pollution remediation obligation of \$20.3 million as current year expense in the Statement of Activities.

NOTE 15. LITIGATION AND CONTINGENCIES (continued)

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

c. Vacant Property

In fiscal year 2013, CPS closed 47 schools of which some of the schools were identified to be demolished. In accordance with GASB 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," CPS recorded a liability for the estimated demolition cost of \$18.7 million at June 30, 2013. In fiscal years 2016 and 2018, a total of six (6) of the buildings identified to be demolished were sold, decreasing the estimated liability to \$9.9 million. In fiscal year 2019, no additional buildings were sold and the estimated liability as of June 30, 2019 remained at \$9.9 million.

d. Other Litigation and Claims

There are approximately six lawsuits and one union grievance that represent issues in which the financial loss to CPS has been determined to be a potential liability by CPS' law department in fiscal year 2019.

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, 2019, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However in FY16, CPS recorded a general accrual not specific to any pending legal action for these amounts and it remains in FY19. 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, 2019. The liability for other litigation and claims, not including workers' compensation and general liability, increased by \$0.1 million from \$16.4 million in fiscal year 2018 to \$16.5 million in fiscal year 2019.



NOTE 16. TAX ABATEMENT

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

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

The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2018, there were 429 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 7a and Class 7b programs are to encourage commercial development throughout Cook County in need of commercial development, which would not be economically feasible without the incentive. Properties receiving a Class 7a or 7b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2018, there were 145 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 8 programs are to encourage commercial and industrial development throughout Cook County, in areas of severe economic stagnation. Properties receiving a Class 8 incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2018, there were 10 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 9 programs are to reduce the assessment rate on rental projects for low-income multifamily rental buildings that involve substantial rehab or new construction, and where at least 35% of the units have 'affordable rents.' Properties receiving a Class 9 incentive are assessed at 10% of market value for an initial 10 year period, renewable upon application for additional 10 year periods. In calendar year 2018, there were 603 parcels receiving this incentive in the City of Chicago.

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

In the absence of these incentives, the property tax would be assessed at 25% of its market value. These incentives constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2019 fiscal year, the total estimated impact of these incentives to the District is a reduction in property taxes for those properties in the amount of \$32.8 million.

NOTE 17. SUBSEQUENT EVENTSRatings Agency Actions

There were three rating changes related to the long term debt of the Board occurring after June 30, 2019. Fitch Ratings' General Obligation (GO) rating of the Board was upgraded from BB- to BB and the outlook was revised to stable on August 26. In addition, the Standard & Poor's GO rating of the Board was upgraded from B+ to BB- with a positive outlook on August 27. Finally, on November 25 Moody's Investors Service upgraded the Board's GO credit from B2 to B3 and its outlook from stable to positive.

Repayment of 2018 Tax Anticipation Notes

To finance cash flow deficits in Fiscal Year 2019, the Board issued \$1.3 billion in aggregate principal amount of 2018 Tax Anticipation Notes in multiple series (the "2018 TANS") in anticipation of collection of its 2018 tax levy in 2019 in the amount of approximately \$2.461 billion.

At the end of Fiscal Year 2019, the Board had outstanding \$450 million of 2018 TANS. In July 2019, the Board issued an additional \$244 million of 2018 TANS, and in August 2019, the Board repaid and ended all its Series 2018 TANS whereby no 2018 TANS remained outstanding.

Issuance of 2019 Tax Anticipation Notes

After the end of Fiscal Year 2019, for Fiscal Year 2020 the Board approved a levy of *ad valorem* property taxes of approximately \$2.528 billion for educational purposes (the "2019 Tax Levy") to be collected in calendar year 2020 and authorized the issuance of an aggregate principal amount outstanding from time to time of not to exceed \$1.250 billion of 2019 Tax Anticipation Notes (the "2019 TANS") in anticipation of the collection of the 2019 Tax Levy. As of December 1, 2019, the Board has currently issued and has outstanding 2019 TANS in the total aggregate amount of \$250 million. The Board expects to issue additional TANS throughout Fiscal Year 2020 to fund its cash flow needs in an amount up to the authorized amount of \$1.25 billion.

The Series 2019 TANS series designations are as follows: (1) \$250 million Series 2019A tax anticipation notes closed on October 29, 2019: The Series 2019A TANS totaling \$250 million were sold by a public sale to investors. The 2019 Tax Levy will be intercepted by a trustee, and it will be used to repay all issuances of 2019 TANS.

The interest rate on the Series 2019A TANS is a fixed rate of 1.69%.

Principal of and interest on the 2019 TANS is payable on the respective sub-series maturity date of each series of the 2019 TANS from the revenues from the 2019 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 2019A TANS is March 30, 2020.

Issuance of Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue) Series 2019AB

On September 5, 2019, the Board issued fixed-rate \$349.079 million Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue), Series 2019AB (the "Series 2019AB" Bonds") with an original issue premium of \$50.4 million.



NOTE 17. SUBSEQUENT EVENTS (continued)

The proceeds of the Series 2019AB Bonds were used to provide funds to refund certain outstanding bonds of the Board, fund capitalized interest and pay the costs of issuance on the Series 2019AB Bonds.

The Series 2019AB 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 2019AB Bonds.

The debt service on the Series 2019AB Bonds will be paid from Evidence-Based Funding, Intergovernmental Agreement Revenues, and Personal Property Replacement Tax Revenues.



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, 2019
(Thousands of Dollars)

	Original Budget	Supplemental Appropriations & Transfers In/(Out)	Final Budget	Fiscal Year Actual	Over (Under) Budget
Revenues:					
Property taxes.....	\$ 2,899,427	\$ -	\$ 2,899,427	\$ 2,896,823	\$ (2,604)
Replacement taxes.....	126,159	-	126,159	152,319	26,160
State aid.....	1,849,188	-	1,849,188	1,886,770	37,582
Federal aid.....	805,353	-	805,353	679,990	(125,363)
Interest and investment earnings.....	5,000	-	5,000	6,798	1,798
Other.....	236,485	-	236,485	383,654	147,169
Total revenues.....	\$ 5,921,612	\$ -	\$ 5,921,612	\$ 6,006,354	\$ 84,742
Expenditures:					
Salaries -					
Teachers' salaries.....	\$ 1,932,165	\$ (26,951)	\$ 1,905,214	\$ 1,928,020	\$ 22,806
Career service salaries.....	576,203	51,180	627,383	620,004	(7,379)
Commodities -					
Energy.....	74,747	935	75,682	75,408	(274)
Food.....	98,628	686	99,314	100,030	716
Textbook.....	39,651	46,791	86,442	98,607	12,165
Supplies.....	24,699	45,344	70,043	56,202	(13,841)
Other.....	364	33	397	301	(96)
Services -					
Professional and special services.....	386,937	142,074	529,011	480,301	(48,710)
Charter Schools.....	749,408	13,721	763,129	736,530	(26,599)
Transportation.....	106,177	5,567	111,744	107,373	(4,371)
Tuition.....	63,034	(4,083)	58,951	55,333	(3,618)
Telephone and telecommunications.....	31,721	(718)	31,003	28,784	(2,219)
Other.....	22,057	15,705	37,762	27,146	(10,616)
Equipment - educational.....	18,333	38,915	57,248	49,973	(7,275)
Building and Sites -					
Repair and replacements.....	23,781	(3,389)	20,392	8,995	(11,397)
Capital outlay.....	-	279	279	80	(199)
Teachers' pension.....	934,624	(18,317)	916,307	924,209	7,902
Career service pension.....	91,791	(2,883)	88,908	143,486	54,578
Hospitalization and dental insurance.....	356,175	(3,182)	352,993	304,917	(48,076)
Medicare.....	37,304	882	38,186	36,294	(1,892)
Unemployment compensation.....	9,000	(1,938)	7,062	4,146	(2,916)
Workers compensation.....	22,000	1,936	23,936	23,973	37
Rent.....	17,783	1,307	19,090	16,691	(2,399)
Debt service.....	21,000	-	21,000	9,275	(11,725)
Other.....	346,615	(303,894)	42,721	22,782	(19,939)
Total expenditures.....	\$ 5,984,197	\$ -	\$ 5,984,197	\$ 5,858,860	\$ (125,337)
Revenues in excess of (less than) expenditures...	\$ (62,585)	\$ -	\$ (62,585)	\$ 147,494	\$ 210,079
Other financing sources (uses):					
Premiums.....	\$ -	\$ -	\$ -	\$ 33	\$ 33
Transfers in / (out).....	62,585	-	62,585	475	(62,110)
Total other financing sources (uses).....	\$ 62,585	\$ -	\$ 62,585	\$ 508	\$ (62,077)
Net change in fund balances.....	\$ -	\$ -	\$ -	\$ 148,002	\$ 148,002
Fund balances, beginning of period	323,764	-	323,764	323,764	-
Fund balances, end of period.....	\$ 323,764	\$ -	\$ 323,764	\$ 471,766	\$ 148,002

See Independent Auditor's Report.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Four Fiscal Years Ended June 30, 2019
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago:

	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>	<u>2019</u>
CPS' Proportion of the Net Pension Liability	100.00%	100.00%	100.00%	100.00%	100.00%
CPS' Proportionate Share of the Net Pension Liability	\$ 9,501,206	\$ 10,023,263	\$ 11,011,400	\$ 12,382,417	\$ 13,442,717
State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS	-	-	-	-	-
Total	<u>\$ 9,501,206</u>	<u>\$ 10,023,263</u>	<u>\$ 11,011,400</u>	<u>\$ 12,382,417</u>	<u>\$ 13,442,717</u>
CPS' Covered Payroll	\$ 2,233,281	\$ 2,273,551	\$ 2,281,269	\$ 2,030,175	\$ 2,111,982
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	425.44%	440.86%	482.69%	609.92%	636.50%
CTPF Plan Net Position as a Percentage of Total Pension Liability	53.23%	51.61%	47.78%	49.46%	45.23%

Municipal Employees' Annuity and Benefit Fund of Chicago:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
CPS' portion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
CPS' Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with CPS	2,779,767	7,829,700	7,529,116	4,848,718	5,132,885
Total	<u>\$ 2,779,767</u>	<u>\$ 7,829,700</u>	<u>\$ 7,529,116</u>	<u>\$ 4,848,718</u>	<u>\$ 5,132,885</u>
Covered Payroll	\$ 625,161	\$ 691,178	\$ 657,649	\$ 697,242	\$ 690,490
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
MEABF Plan Net Position as a Percentage of Total Pension Liability	42.09%	20.30%	19.05%	27.97%	23.29%

NOTES:

- 1) CPS implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.
- 2) In Fiscal Year 2018, the assumptions for investment return was reduced from 7.75% to 7.25%.
- 3) The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See Independent Auditors' Report



**Chicago PUBLIC SCHOOLS
Chicago Board of Education**

**SCHEDULE OF CPS' CONTRIBUTION TO DEFINED BENEFIT PENSION PLANS
For the Four Fiscal Years Ended June 30, 2019
(Thousands of dollars)**

Public School Teachers' Pension and Retirement Fund of Chicago

<u>Year Ended</u>	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 Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2019	\$ 808,570	\$ 238,869	\$ 569,701	\$ 808,570	\$ -	2,196,918	36.39%
June 30, 2018	784,402	232,992	551,410	784,402	-	2,111,982	37.14%
June 30, 2017	745,386	1,016	733,200	734,216	11,170	2,030,175	36.17%
June 30, 2016	687,965	12,105	675,860	687,965	-	2,281,269	30.16%
June 30, 2015	696,522	62,145	634,377	696,522	-	2,273,551	30.64%

Municipal Employees' Annuity and Benefit Fund of Chicago

<u>Year Ended</u>	Contractually Required Contributions	Contributions made on behalf of CPS by the City of Chicago	Total Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2019	\$ 417,940	\$ 106,278	\$ 106,278	\$ 311,662	\$ 690,490	15.39%
June 30, 2018	415,674	76,700	76,700	338,974	697,242	11.00%
June 30, 2017	387,381	61,382	61,382	325,999	657,649	9.33%
June 30, 2016	288,660	61,885	61,885	226,775	691,178	8.95%
June 30, 2015	327,225	58,200	58,200	269,025	625,161	9.31%

NOTE:

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

See independent Auditors' report

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

**SCHEDULE OF THE CPS' PROPORTIONATE SHARE OF TOTAL OTHER POST-EMPLOYMENT
BENEFITS LIABILITY AND SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS CONTRIBUTIONS**
For the Two Fiscal Years Ended June 30, 2019
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

	<u>2019</u>	<u>2018</u>
District's Proportion of the Total OPEB Liability	100.00%	100.00%
District's Proportionate Share of the Collective Total OPEB Liability	\$ 2,272,125	\$ 2,270,891
Total	<u>\$ 2,272,125</u>	<u>\$ 2,270,891</u>
Covered payroll	\$ 2,111,982	\$ 2,030,176
District's proportionate share of the Total OPEB liability as a percentage of covered payroll	107.58%	111.86%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Public School Teachers' Pension and Retirement Fund of Chicago

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 59,089	\$ 66,868
Contributions in relation to the contractually required contribution	59,089	66,868
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,196,918	\$ 2,111,982
Contributions as a Percentage of covered payroll	2.69%	3.17%

NOTES:

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

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

See Independent Auditors' Report.



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

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



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE

FINAL APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

(Thousands of dollars)

	Final Budget	Fiscal Year 2019 Actual	Over (Under) Budget	Fiscal Year 2018 Actual	2019 Over (Under) 2018
Revenues:					
Property taxes.....	\$ 2,899,427	\$ 2,896,823	\$ (2,604)	\$ 2,794,613	\$ 102,210
Replacement taxes.....	126,159	152,319	26,160	109,997	42,322
State aid.....	1,849,188	1,886,770	37,582	1,859,582	27,188
Federal aid.....	805,353	679,990	(125,363)	723,432	(43,442)
Interest and investment earnings.....	5,000	6,798	1,798	6,099	699
Other.....	236,485	383,654	147,169	332,323	51,331
Total revenues.....	\$ 5,921,612	\$ 6,006,354	\$ 84,742	\$ 5,826,046	\$ 180,308
Expenditures:					
Teachers' salaries.....	\$ 1,905,214	\$ 1,928,020	\$ 22,806	\$ 1,841,296	\$ 86,724
Career service salaries.....	627,383	620,004	(7,379)	595,469	24,535
Energy.....	75,682	75,408	(274)	60,813	14,595
Food.....	99,314	100,030	716	94,511	5,519
Textbook.....	86,442	98,607	12,165	50,295	48,312
Supplies.....	70,043	56,202	(13,841)	46,683	9,519
Other commodities.....	397	301	(96)	301	-
Professional fees.....	529,011	480,301	(48,710)	410,175	70,126
Charter Schools.....	763,129	736,530	(26,599)	703,124	33,406
Transportation.....	111,744	107,373	(4,371)	106,021	1,352
Tuition.....	58,951	55,333	(3,618)	50,180	5,153
Telephone and telecommunications.....	31,003	28,784	(2,219)	30,188	(1,404)
Other services.....	37,762	27,146	(10,616)	20,351	6,795
Equipment - educational.....	57,248	49,973	(7,275)	35,214	14,759
Repair and replacements.....	20,392	8,995	(11,397)	13,214	(4,219)
Capital outlay.....	279	80	(199)	1,292	(1,212)
Teachers' pension.....	916,307	924,209	7,902	900,791	23,418
Career service pension.....	88,908	143,486	54,578	113,882	29,604
Hospitalization and dental insurance.....	352,933	304,917	(48,016)	319,344	(14,427)
Medicare.....	38,186	36,294	(1,892)	34,602	1,692
Unemployment compensation.....	7,062	4,146	(2,916)	6,604	(2,458)
Workers compensation.....	23,936	23,973	37	23,547	426
Rent.....	19,090	16,691	(2,399)	16,841	(150)
Debt service.....	21,000	9,275	(11,725)	32,101	(22,826)
Other fixed charges.....	42,721	22,782	(19,939)	7,041	15,741
Total expenditures.....	\$ 5,984,137	\$ 5,858,860	\$ (125,277)	\$ 5,513,880	\$ 344,980
Revenues in excess of (less than) expenditures...	\$ (62,525)	\$ 147,494	\$ 210,019	\$ 312,166	\$ (164,672)
Other financing sources (uses):					
Premiums.....	\$ -	\$ 33	\$ 33	\$ -	\$ 33
Transfers in (out).....	62,585	475	(62,110)	286,828	(286,353)
Total other financing sources (uses).....	\$ 62,585	\$ 508	\$ (62,077)	\$ 286,828	\$ (286,320)
Net change in fund balances.....	\$ 60	\$ 148,002	\$ 147,942	\$ 598,994	\$ (450,992)
Fund balances, beginning of period.....	323,764	323,764	-	(275,230)	598,994
Fund balances, end of period.....	\$ 323,824	\$ 471,766	\$ 147,942	\$ 323,764	\$ 148,002





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

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

For the Fiscal Year Ended June 30, 2019

(Thousands of dollars)

	Capital Asset Program	Capital Improvement Program	Total
Revenues:			
Property taxes.....	\$ -	\$ 10,133	\$ 10,133
State aid.....	-	13,515	13,515
Federal aid.....	-	478	478
Interest and investment earnings.....	-	16,891	16,891
Other.....	26	36,044	36,070
Total revenues.....	<u>\$ 26</u>	<u>\$ 77,061</u>	<u>\$ 77,087</u>
Expenditures:			
Capital outlay.....	\$ -	\$ 613,058	\$ 613,058
Total expenditures.....	<u>\$ -</u>	<u>\$ 613,058</u>	<u>\$ 613,058</u>
Revenues less than expenditures.....	<u>\$ 26</u>	<u>\$ (535,997)</u>	<u>\$ (535,971)</u>
Other financing sources:			
Gross amounts from debt issuances.....	\$ -	\$ 361,576	\$ 361,576
Premiums.....	-	4,470	4,470
Discounts.....	-	(9,483)	(9,483)
Sales of general capital assets.....	1,251	-	1,251
Transfers in / (out).....	-	(207)	(207)
Total other financing sources (uses).....	<u>\$ 1,251</u>	<u>\$ 356,356</u>	<u>\$ 357,607</u>
Net change in fund balances.....	\$ 1,277	\$ (179,641)	\$ (178,364)
Fund balances, beginning of period	56,146	838,965	895,111
Fund balances, end of period.....	<u>\$ 57,423</u>	<u>\$ 659,324</u>	<u>\$ 716,747</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL ASSET PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Other.....	\$ -	\$ 26	\$ 26	\$ -	\$ 26
Total revenues.....	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 26</u>
Expenditures:					
Services.....	\$ 1	\$ -	\$ 1	\$ 283	\$ (283)
Educational equipment.....	-	-	-	-	-
Capital outlay.....	-	-	-	-	-
Total expenditures.....	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 283</u>	<u>\$ (283)</u>
Revenues less than expenditures.....	<u>\$ (1)</u>	<u>\$ 26</u>	<u>\$ 27</u>	<u>\$ (283)</u>	<u>\$ 26</u>
Other financing sources:					
Sales of general capital assets.....	\$ -	\$ 1,251	\$ 1,251	\$ 9,442	\$ (8,191)
Total other financing sources (uses)...	<u>\$ -</u>	<u>\$ 1,251</u>	<u>\$ 1,251</u>	<u>\$ 9,442</u>	<u>\$ (8,191)</u>
Net change in fund balance.....	\$ (1)	\$ 1,277	\$ 1,278	\$ 9,159	\$ (7,882)
Fund balance, beginning of period	56,146	56,146	-	46,987	9,159
Fund balance, end of period.....	<u>\$ 56,145</u>	<u>\$ 57,423</u>	<u>\$ 1,278</u>	<u>\$ 56,146</u>	<u>\$ 1,277</u>

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL IMPROVEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Property taxes.....	\$ 3,694	\$ 10,133	\$ 6,439	\$ 8,106	\$ 2,027
State aid.....	15,272	13,515	(1,757)	14,019	(504)
Federal aid.....	6,600	478	(6,122)	19,498	(19,020)
Interest and investment earnings.....	-	16,891	16,891	7,305	9,586
Other.....	32,658	36,044	3,386	28,457	7,587
Total revenues.....	<u>\$ 58,224</u>	<u>\$ 77,061</u>	<u>\$ 18,837</u>	<u>\$ 77,385</u>	<u>\$ (324)</u>
Expenditures:					
Salaries.....	\$ 1,612	\$ 1,076	\$ 536	\$ 739	\$ 337
Services.....	17,398	12,071	5,327	8,406	3,665
Educational equipment.....	73	44	29	61	(17)
Capital outlay.....	1,672,376	564,537	1,107,839	321,248	243,289
Pension.....	158	256	(98)	130	126
Hospitalization and dental insurance.....	94	82	12	52	30
Medicare.....	16	15	1	10	5
Unemployment compensation.....	4	2	2	2	-
Workers compensation.....	11	11	-	8	3
Other.....	(24,029)	34,964	(58,993)	8,250	26,714
Total expenditures.....	<u>\$ 1,667,713</u>	<u>\$ 613,058</u>	<u>\$ 1,054,655</u>	<u>\$ 338,906</u>	<u>\$ 274,152</u>
Revenues less than expenditures.....	<u>\$ (1,609,489)</u>	<u>\$ (535,997)</u>	<u>\$ 1,073,492</u>	<u>\$ (261,521)</u>	<u>\$ (274,476)</u>
Other financing sources (uses):					
Gross amounts from debt issuances.....	\$ 388,000	\$ 361,576	\$ (26,424)	\$ 348,211	\$ 13,365
Premiums.....	-	4,470	4,470	9,848	(5,378)
Discounts.....	-	(9,483)	(9,483)	(2,675)	(6,808)
Transfers out.....	-	(207)	(207)	(497)	290
Total other financing sources (uses).....	<u>\$ 388,000</u>	<u>\$ 356,356</u>	<u>\$ (31,644)</u>	<u>\$ 354,887</u>	<u>\$ 1,469</u>
Net change in fund balance.....	<u>\$ (1,221,489)</u>	<u>\$ (179,641)</u>	<u>\$ 1,041,848</u>	<u>\$ 93,366</u>	<u>\$ (273,007)</u>
Fund balance, beginning of period.....	838,965	838,965	-	745,599	93,366
Fund balance, end of period.....	<u>\$ (382,524)</u>	<u>\$ 659,324</u>	<u>\$ 1,041,848</u>	<u>\$ 838,965</u>	<u>\$ (179,641)</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Service Fund

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

Bond Redemption and Interest Program:

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

Public Building Commission Leases Program:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER
FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2019
(Thousands of dollars)

	Bond Redemption and Interest Program	Public Building Commission Leases Program	Total
Revenues:			
Property taxes.....	\$ 46,776	\$ 30,294	\$ 77,070
Replacement taxes.....	34,913	-	34,913
State aid.....	282,657	-	282,657
Federal aid.....	24,887	-	24,887
Interest and investment earnings.....	22,999	562	23,561
Other.....	116,625	-	116,625
Total revenues.....	<u>\$ 528,857</u>	<u>\$ 30,856</u>	<u>\$ 559,713</u>
Expenditures:			
Current:			
Debt service.....	\$ 577,456	\$ 52,099	\$ 629,555
Total expenditures.....	<u>\$ 577,456</u>	<u>\$ 52,099</u>	<u>\$ 629,555</u>
Revenues less than expenditures.....	<u>\$ (48,599)</u>	<u>\$ (21,243)</u>	<u>\$ (69,842)</u>
Other financing sources (uses):			
Gross amounts from debt issuances.....	\$ 487,819	\$ -	\$ 487,819
Premiums.....	28,896	-	28,896
Discounts.....	(1,045)	-	(1,045)
Payment to refunded bond escrow agent.....	(457,035)	-	(457,035)
Transfers in (out).....	348	(616)	(268)
Total other financing sources (uses).....	<u>58,983</u>	<u>(616)</u>	<u>58,367</u>
Net change in fund balances.....	\$ 10,384	\$ (21,859)	\$ (11,475)
Fund balances, beginning of period	726,916	58,601	785,517
Fund balances, end of period.....	<u>\$ 737,300</u>	<u>\$ 36,742</u>	<u>\$ 774,042</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM

SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,

OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE

FINAL APPROPRIATIONS VS. ACTUAL

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

(Thousands of Dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Property taxes.....	\$ 50,521	\$ 46,776	\$ (3,745)	\$ 43,538	\$ 3,238
Replacement taxes.....	34,913	34,913	-	58,257	(23,344)
State aid.....	327,951	282,657	(45,294)	323,355	(40,698)
Federal aid.....	24,745	24,887	142	24,998	(111)
Interest and investment earnings.....	-	22,999	22,999	5,279	17,720
Other.....	112,500	116,625	4,125	100,912	15,713
Total revenues.....	<u>\$ 550,630</u>	<u>\$ 528,857</u>	<u>\$ (21,773)</u>	<u>\$ 556,339</u>	<u>\$ (27,482)</u>
Expenditures:					
Debt Service.....	\$ 576,250	\$ 577,456	\$ (1,206)	\$ 568,362	\$ 9,094
Total expenditures.....	<u>\$ 576,250</u>	<u>\$ 577,456</u>	<u>\$ (1,206)</u>	<u>\$ 568,362</u>	<u>\$ 9,094</u>
Revenues less than expenditures.....	<u>\$ (25,620)</u>	<u>\$ (48,599)</u>	<u>\$ 22,979</u>	<u>\$ (12,023)</u>	<u>\$ (36,576)</u>
Other financing sources (uses):					
Gross amounts from debt issuances.....	\$ -	\$ 487,819	\$ 487,819	\$ 1,803,939	\$ (1,316,120)
Premiums.....	-	28,896	28,896	55,505	(26,609)
Discounts.....	-	(1,045)	(1,045)	(30,757)	29,712
Payment to refunded bond escrow agent	-	(457,035)	457,035	(1,321,865)	864,830
Transfers in (out).....	-	348	348	(286,057)	286,405
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 58,983</u>	<u>\$ 58,983</u>	<u>\$ 220,765</u>	<u>\$ (161,782)</u>
Net change in fund balance.....	\$ (25,620)	\$ 10,384	\$ 36,004	\$ 208,742	\$ (198,358)
Fund balance, beginning of period	726,916	726,916	-	518,174	208,742
Fund balance, end of period.....	<u>\$ 701,296</u>	<u>\$ 737,300</u>	<u>\$ 36,004</u>	<u>\$ 726,916</u>	<u>\$ 10,384</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Property taxes.....	\$ 30,636	\$ 30,294	\$ (342,000)	\$ 51,613	\$ (20,689)
Interest and investment earnings.....	-	562	562	339	223
Total revenues.....	<u>\$ 30,636</u>	<u>\$ 30,856</u>	<u>\$ 220</u>	<u>\$ 51,952</u>	<u>\$ (20,466)</u>
Expenditures:					
Debt Service.....	\$ 30,636	\$ 52,099	\$ (21,463)	\$ 52,069	\$ 30
Total expenditures.....	<u>\$ 30,636</u>	<u>\$ 52,099</u>	<u>\$ (21,463)</u>	<u>\$ 52,069</u>	<u>\$ 30</u>
Revenues less than expenditures.....	<u>\$ -</u>	<u>\$ (21,243)</u>	<u>\$ (21,243)</u>	<u>\$ (117)</u>	<u>\$ (21,126)</u>
Other financing sources (uses):					
Transfers in / (out).....	\$ -	\$ (616)	\$ (616)	\$ (274)	\$ (342)
Total other financing sources (uses)....	<u>\$ -</u>	<u>\$ (616)</u>	<u>\$ (616)</u>	<u>\$ (274)</u>	<u>\$ (342)</u>
Net change in fund balance.....	\$ -	\$ (21,859)	\$ (21,859)	\$ (391)	\$ (21,468)
Fund balance, beginning of period.....	58,601	58,601	-	58,992	(391)
Fund balance, end of period.....	<u>\$ 58,601</u>	<u>\$ 36,742</u>	<u>\$ (21,859)</u>	<u>\$ 58,601</u>	<u>\$ (21,859)</u>







STATISTICAL SECTION



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT**STATISTICAL SECTION**

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

Contents:***Financial Trends***

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>2010 (1)</u>	<u>2011 (2)</u>	<u>2012 (3)</u> <u>(as restated)</u>	<u>2013</u>
Net investment in capital assets.....	\$ 440,099	\$ 370,159	\$ 310,028	\$ 80,009
Restricted for:				
Capital projects.....	-	-	-	-
Debt service.....	442,851	276,097	282,253	345,399
Donations.....	5,825	-	-	-
Enabling legislation.....	109,163	-	-	-
Grants and donations.....	-	70,045	70,302	63,862
Workers' comp/tort immunity.....	-	91,036	92,680	64,985
Teacher's Pension Contributions	-	-	-	-
Unrestricted.....	<u>(1,916,207)</u>	<u>(2,009,152)</u>	<u>(2,552,441)</u>	<u>(3,358,734)</u>
Total net position (deficit).....	<u>\$ (918,269)</u>	<u>\$ (1,201,815)</u>	<u>\$ (1,797,178)</u>	<u>\$ (2,804,479)</u>

- 1) 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.
- 2) 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.
- 3) Certain items in the FY2012 financial statements were restated to reflect the effects of GASB 63 and GASB 65 adopted in FY2013.
- 4) Certain items in the FY2016 financial statements were restated to reflect the effects of GASB 82 adopted in FY2017.
- 5) Certain items in the FY2017 financial statements were restated to reflect the effects of GASB 75 adopted in FY2018.

2014	2015	2016 (4) (as restated)	2017 (5) (as restated)	2018	2019
\$ (37,194)	\$ (159,007)	\$ (342,529)	\$ (644,224)	\$ (743,406)	\$ (1,425,566)
-	-	-	125,516	167,172	715,845
368,794	445,663	510,743	630,308	744,517	106,701
-	-	-	-	-	-
-	-	-	-	-	-
61,451	64,584	65,282	52,287	52,333	16,183
19,838	41,373	35,116	27,344	-	-
-	-	-	-	9,287	14,125
<u>(4,372,335)</u>	<u>(11,604,516)</u>	<u>(12,362,437)</u>	<u>(13,497,487)</u>	<u>(14,286,782)</u>	<u>(14,223,061)</u>
<u>\$ (3,959,446)</u>	<u>\$ (11,211,903)</u>	<u>\$ (12,093,825)</u>	<u>\$ (13,306,256)</u>	<u>\$ (14,056,879)</u>	<u>\$ (14,795,773)</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2010	2011	2012	2013
Governmental Activities:				
Expenses:				
Instruction.....	\$ 3,507,221	\$ 3,712,681	\$ 3,742,788	\$ 4,040,352
Pupil support services.....	438,164	545,428	483,167	494,076
Administrative support services.....	201,908	187,559	192,605	211,294
Facilities support services.....	481,245	499,093	455,342	490,381
Instructional support services.....	523,851	541,714	473,202	491,137
Food services.....	207,127	215,609	219,382	234,659
Community services.....	50,879	47,021	38,941	39,946
Interest expense.....	258,360	285,577	310,452	337,053
Other.....	12,919	8,845	8,115	7,043
Total governmental activities.....	<u>\$ 5,681,674</u>	<u>\$ 6,043,527</u>	<u>\$ 5,923,994</u>	<u>\$ 6,345,941</u>
Program revenues:				
Charges for services				
Instruction.....	\$ 4,308	\$ 692	\$ 727	\$ 700
Food services.....	6,881	6,404	6,083	5,554
Operating grants and contributions.....	1,376,744	1,368,118	1,196,073	963,325
Capital grants and contributions.....	99,054	184,837	112,914	186,394
Total program revenues.....	<u>\$ 1,486,987</u>	<u>\$ 1,560,051</u>	<u>\$ 1,315,797</u>	<u>\$ 1,155,973</u>
Revenues (less than) expenses.....	<u>\$ (4,194,687)</u>	<u>\$ (4,483,476)</u>	<u>\$ (4,608,197)</u>	<u>\$ (5,189,968)</u>
General revenues and other changes in net position:				
Taxes:				
Property taxes.....	\$ 1,896,265	\$ 2,053,119	\$ 2,089,016	\$ 2,156,943
Replacement taxes.....	152,497	197,762	181,927	185,884
Non-program state aid.....	1,532,679	1,792,747	1,611,726	1,688,611
Interest and investment earnings.....	12,734	17,101	20,683	7,879
Gain on sale of capital assets.....	-	-	-	-
Other.....	173,130	139,201	147,550	143,350
Total general revenues and extraordinary item.....	<u>\$ 3,767,305</u>	<u>\$ 4,199,930</u>	<u>\$ 4,050,902</u>	<u>\$ 4,182,667</u>
Change in net position.....	<u>\$ (427,382)</u>	<u>\$ (283,546)</u>	<u>\$ (557,295)</u>	<u>\$ (1,007,301)</u>



2014	2015	2016	2017	2018	2019
\$ 4,139,906	\$ 4,217,996	\$ 3,870,330	\$ 4,024,653	\$ 4,449,069	\$ 4,770,114
487,139	484,745	470,316	472,176	481,371	513,667
241,913	249,662	318,736	301,053	171,493	215,700
654,971	477,892	454,652	465,170	455,563	536,053
474,926	492,232	468,999	460,568	496,199	585,280
205,989	207,834	211,288	213,920	219,809	231,401
37,507	37,997	36,967	39,625	39,863	42,641
335,237	332,023	365,136	448,126	544,857	504,458
6,134	6,319	7,388	12,691	10,015	15,322
<u>\$ 6,583,722</u>	<u>\$ 6,506,700</u>	<u>\$ 6,203,812</u>	<u>\$ 6,437,982</u>	<u>\$ 6,868,239</u>	<u>\$ 7,414,636</u>
\$ 657	\$ 571	\$ 612	\$ 647	\$ 698	\$ 734
3,485	1,303	1,336	1,522	3,356	2,698
1,086,885	1,051,655	1,147,750	1,156,382	1,322,703	1,553,775
162,403	356,189	109,766	57,658	60,896	49,773
<u>\$ 1,253,430</u>	<u>\$ 1,409,718</u>	<u>\$ 1,259,464</u>	<u>\$ 1,216,209</u>	<u>\$ 1,387,653</u>	<u>\$ 1,606,980</u>
\$ (5,330,292)	\$ (5,096,982)	\$ (4,944,348)	\$ (5,221,773)	\$ (5,480,586)	\$ (5,807,656)
\$ 2,218,033	\$ 2,302,881	\$ 2,399,287	\$ 2,696,046	\$ 2,889,401	\$ 3,041,009
188,040	202,148	161,535	227,921	168,254	187,232
1,572,564	1,492,019	1,442,822	1,212,143	1,451,897	1,605,783
15,563	(47,720)	(18,706)	5,442	19,022	47,250
-	-	10,058	7,008	8,674	-
181,125	125,638	190,480	156,369	192,715	187,488
<u>\$ 4,175,325</u>	<u>\$ 4,074,966</u>	<u>\$ 4,185,476</u>	<u>\$ 4,304,929</u>	<u>\$ 4,729,963</u>	<u>\$ 5,068,762</u>
<u>\$ (1,154,967)</u>	<u>\$ (1,022,016)</u>	<u>\$ (758,872)</u>	<u>\$ (916,844)</u>	<u>\$ (750,623)</u>	<u>\$ (738,894)</u>



**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

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

	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>
General operating fund				
Reserved.....	\$ 226,154	\$ -	\$ -	\$ -
Unreserved.....	198,461	-	-	-
Nonspendable.....	-	1,972	3,329	1,720
Restricted for grants and donations.....	-	69,616	69,873	63,434
Restricted for workers' comp/tort immunity.....	-	91,036	92,680	64,985
Restricted for teacher's pension contributions.....	-	-	-	-
Assigned for educational services.....	-	289,000	-	-
Assigned for appropriated fund balance.....	-	181,300	348,900	562,682
Assigned for commitments and contracts.....	-	102,163	110,397	105,664
Unassigned.....	-	5,293	443,575	150,658
Total general operating fund.....	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$ 1,068,754</u>	<u>\$ 949,143</u>
All other governmental funds				
Reserved.....	\$ 604,733	\$ -	\$ -	\$ -
Unreserved, reported in:				
Capital projects fund.....	33,846	-	-	-
Debt service fund.....	124,556	-	-	-
Nonspendable.....	-	-	5,674	4,388
Restricted for capital improvement program.....	-	182,884	88,762	169,368
Restricted for debt service.....	-	271,643	332,517	466,966
Assigned for debt service.....	-	231,413	254,967	269,167
Unassigned (deficit).....	-	-	-	-
Total all other governmental funds.....	<u>\$ 763,135</u>	<u>\$ 685,940</u>	<u>\$ 681,920</u>	<u>\$ 909,889</u>

NOTE:

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



2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
429	429	429	429	429	429
61,022	64,155	64,854	51,858	52,333	16,183
19,838	41,373	35,116	27,344	-	-
-	-	-	-	9,287	14,125
-	-	-	-	-	-
267,652	79,225	-	-	-	-
87,067	73,101	-	-	18,044	94,733
-	102,002	(227,031)	(354,861)	243,671	346,296
<u>\$ 436,008</u>	<u>\$ 360,285</u>	<u>\$ (126,632)</u>	<u>\$ (275,230)</u>	<u>\$ 323,764</u>	<u>\$ 471,766</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,356	-	-
-	-	107,248	792,586	895,111	716,747
491,552	545,383	535,116	660,501	785,176	753,962
193,877	57,057	-	-	341	20,080
(91,953)	(131,111)	(65,809)	(85,691)	-	-
<u>\$ 593,476</u>	<u>\$ 471,329</u>	<u>\$ 576,555</u>	<u>\$ 1,369,752</u>	<u>\$ 1,680,628</u>	<u>\$ 1,490,789</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:				
Property taxes.....	\$ 2,047,163	\$ 1,936,655	\$ 2,352,136	\$ 2,211,568
Replacement taxes.....	152,497	197,762	181,927	185,884
State aid.....	1,552,076	1,949,781	1,965,901	1,815,798
Federal aid.....	1,180,148	1,144,884	935,951	845,796
Interest and investment earnings.....	12,483	13,399	20,760	7,303
Other.....	359,661	417,516	303,744	322,128
Total revenues.....	<u>\$ 5,304,028</u>	<u>\$ 5,659,997</u>	<u>\$ 5,760,419</u>	<u>\$ 5,388,477</u>
Expenditures:				
Current:				
Instruction.....	\$ 2,898,855	\$ 2,955,772	\$ 2,992,481	\$ 3,034,509
Pupil support services.....	416,502	508,803	469,366	454,240
General support services.....	1,010,637	1,023,004	967,692	941,270
Food services.....	196,828	201,325	213,115	215,739
Community services.....	50,331	45,848	39,794	39,656
Teachers' pension and retirement benefits.....	294,424	149,377	183,499	227,766
Other.....	11,928	8,845	8,115	7,043
Capital outlay.....	705,691	580,363	591,148	519,604
Debt service:				
Principal.....	141,977	70,848	88,466	73,423
Interest.....	236,261	249,975	275,707	304,788
Other charges.....	8,359	11,274	10,321	12,198
Total expenditures.....	<u>\$ 5,971,793</u>	<u>\$ 5,805,434</u>	<u>\$ 5,839,704</u>	<u>\$ 5,830,236</u>
Revenues (less than) expenditures.....	<u>\$ (667,765)</u>	<u>\$ (145,437)</u>	<u>\$ (79,285)</u>	<u>\$ (441,759)</u>
Other financing sources (uses):				
Gross amounts from debt issuances.....	\$ 1,083,260	\$ 638,790	\$ 592,510	\$ 982,720
Premiums on bonds issued.....	6,459	14,700	1,229	47,271
Insurance proceeds.....	-	-	-	-
Sales of general capital assets.....	-	-	-	723
Payment to refunded bond escrow agent.....	(288,704)	(269,483)	(190,100)	(480,597)
Discounts on bonds issued.....	-	-	-	-
Total other financing sources (uses).....	<u>\$ 801,015</u>	<u>\$ 384,007</u>	<u>\$ 403,639</u>	<u>\$ 550,117</u>
Net changes in fund balances.....	<u>\$ 133,250</u>	<u>\$ 238,570</u>	<u>\$ 324,354</u>	<u>\$ 108,358</u>

Debt service as a percentage of noncapital expenditures	7.07%	6.09%	6.89%	7.02%
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NOTES:

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

	2014(1)	2015	2016	2017	2018	2019
\$	2,204,252	\$ 2,304,656	\$ 2,408,416	\$ 2,714,956	\$ 2,897,870	\$ 2,984,026
	188,041	202,148	161,535	227,921	168,254	187,232
	1,840,805	1,847,069	1,552,325	1,708,865	2,196,956	2,182,942
	907,241	798,931	808,999	783,943	767,928	705,355
	15,596	(92,825)	(95,650)	5,442	19,022	47,250
	286,472	377,286	437,042	387,045	461,692	536,349
\$	5,442,407	\$ 5,437,265	\$ 5,272,667	\$ 5,828,172	\$ 6,511,722	\$ 6,643,154
\$	3,126,689	\$ 3,253,484	\$ 2,970,553	\$ 2,859,105	\$ 3,108,443	\$ 3,263,334
	457,939	459,672	448,254	441,324	453,389	486,490
	987,048	972,526	1,044,740	948,943	888,314	1,025,546
	193,642	197,084	201,377	199,944	207,042	219,159
	37,460	38,003	37,497	39,607	40,047	42,919
	593,225	676,078	664,123	708,941	762,816	787,183
	6,134	6,319	7,388	12,691	10,016	15,322
	534,980	391,953	308,091	217,303	352,028	625,306
	148,272	214,707	139,096	152,638	144,717	144,542
	315,927	310,923	310,778	375,679	443,886	428,290
	3,705	7,863	31,545	77,377	62,802	63,382
\$	6,405,021	\$ 6,528,612	\$ 6,163,442	\$ 6,033,552	\$ 6,473,500	\$ 7,101,473
\$	(962,614)	\$ (1,091,347)	\$ (890,775)	\$ (205,380)	\$ 38,222	\$ (458,319)
\$	131,600	\$ 561,880	\$ 724,999	\$ 879,580	\$ 2,152,150	\$ 849,395
	-	-	-	-	65,353	33,399
	-	-	-	224	-	-
	7,301	37,504	15,012	6,272	9,442	1,251
	-	(386,710)	(120,856)	-	(1,321,865)	(457,035)
	-	(12,502)	(110,071)	(36,097)	(33,432)	(10,528)
\$	138,901	\$ 200,172	\$ 509,084	\$ 849,979	\$ 871,648	\$ 416,482
\$	(823,713)	\$ (891,175)	\$ (381,691)	\$ 644,599	\$ 909,870	\$ (41,837)

7.64% 8.47% 7.61% 8.97% 9.48% 8.72%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2010		2011	
	Amount	Percent of Total	Amount	Percent of Total
Revenues:				
Property taxes.....	\$ 2,047,163	38.6%	\$ 1,936,655	34.2%
Replacement taxes.....	152,497	2.9%	197,762	3.5%
State aid.....	1,552,076	29.3%	1,949,781	34.5%
Federal aid.....	1,180,148	22.3%	1,144,884	20.2%
Interest and investment earnings...	12,483	0.2%	13,399	0.2%
Other.....	359,661	6.7%	417,516	7.4%
Total revenues.....	\$ 5,304,028	100.0%	\$ 5,659,997	100.0%

	2015		2016	
	Amount	Percent of Total	Amount	Percent of Total
Revenues:				
Property taxes.....	\$ 2,304,656	42.4%	\$ 2,408,416	45.7%
Replacement taxes.....	202,148	3.7%	161,535	3.1%
State aid.....	1,847,069	34.0%	1,552,325	29.4%
Federal aid.....	798,931	14.7%	808,999	15.3%
Interest and investment earnings...	(92,825)	-1.7%	(95,650)	-1.8%
Other.....	377,286	6.9%	437,042	8.3%
Total revenues.....	\$ 5,437,265	100.0%	\$ 5,272,667	100.0%



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

2017		2018		2019	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
\$ 2,714,956	46.6%	\$ 2,897,870	46.6%	\$ 2,984,026	46.6%
227,920	3.9%	168,254	3.9%	187,232	3.9%
1,708,865	29.3%	2,196,956	29.3%	2,182,942	29.3%
783,943	13.5%	767,928	13.5%	705,355	13.5%
5,442	0.1%	19,022	0.1%	47,250	0.1%
387,045	6.6%	461,692	6.6%	536,349	6.6%
\$ 5,828,172	100.0%	\$ 6,511,722	100.0%	\$ 6,643,154	100.0%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2010		2011	
	Amount	Percent of Total	Amount	Percent of Total
Expenditures:				
Current:				
Instruction.....	\$ 2,898,855	48.5%	\$ 2,955,772	50.9%
Pupil support services.....	416,502	7.0%	508,803	8.8%
General support services.....	1,010,637	17.0%	1,023,004	17.6%
Food services.....	196,828	3.3%	201,325	3.5%
Community services.....	50,331	0.8%	45,848	0.8%
Teachers' pension and retirement benefits....	294,424	4.9%	149,377	2.6%
Other.....	11,928	0.2%	8,845	0.1%
Capital outlay.....	705,691	11.8%	580,363	10.0%
Debt service.....	386,597	6.5%	332,097	5.7%
Total expenditures.....	<u>\$ 5,971,793</u>	<u>100.0%</u>	<u>\$ 5,805,434</u>	<u>100.0%</u>

	2015		2016	
	Amount	Percent of Total	Amount	Percent of Total
Expenditures:				
Current:				
Instruction.....	\$ 3,253,484	49.9%	\$ 2,970,553	48.1%
Pupil support services.....	459,672	7.1%	448,254	7.3%
General support services.....	972,526	14.9%	1,044,740	17.0%
Food services.....	197,084	3.0%	201,377	3.3%
Community services.....	38,003	0.6%	37,497	0.6%
Teachers' pension and retirement benefits....	676,078	10.4%	664,123	10.8%
Other.....	6,319	0.1%	7,388	0.1%
Capital outlay.....	391,953	6.0%	308,091	5.0%
Debt service.....	533,493	8.0%	481,419	7.8%
Total expenditures.....	<u>\$ 6,528,612</u>	<u>100.0%</u>	<u>\$ 6,163,442</u>	<u>100.0%</u>



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

2017		2018		2019	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
\$ 2,859,105	47.5%	\$ 3,108,443	47.5%	\$ 3,263,334	47.5%
441,324	7.3%	453,389	7.3%	486,490	7.3%
984,943	16.3%	888,314	16.3%	1,025,546	16.3%
199,944	3.3%	207,042	3.3%	219,159	3.3%
39,607	0.7%	40,047	0.7%	42,919	0.7%
708,941	11.7%	762,816	11.7%	787,183	11.7%
12,691	0.2%	10,016	0.2%	15,322	0.2%
217,303	3.6%	352,028	3.6%	625,306	3.6%
569,694	9.4%	651,405	9.4%	636,214	9.4%
<u>\$ 6,033,552</u>	<u>100.0%</u>	<u>\$ 6,473,500</u>	<u>100.0%</u>	<u>\$ 7,101,473</u>	<u>100.0%</u>



**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)**

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:			
Local taxes:			
Property taxes.....	\$ 2,896,823	\$ 2,794,613	\$ 102,210
Replacement taxes.....	152,319	109,997	42,322
Total revenue from local taxes.....	<u>\$ 3,049,142</u>	<u>\$ 2,904,610</u>	<u>\$ 144,532</u>
Local nontax revenue:			
Interest and investment earnings.....	\$ 6,798	\$ 6,099	699
Lunchroom operations.....	3,240	-	3,240
Other.....	380,414	332,323	48,091
Total nontax revenue	<u>\$ 390,452</u>	<u>\$ 338,422</u>	<u>\$ 52,030</u>
Total local revenue.....	<u>\$ 3,439,594</u>	<u>\$ 3,243,032</u>	<u>\$ 196,562</u>
State grants and subsidies:			
Evidence based funding.....	\$ 1,323,126	\$ 1,254,553	68,573
Block grants.....	324,775	122,607	202,168
Other.....	238,869	482,422	(243,553)
Total state grants & subsidies.....	<u>\$ 1,886,770</u>	<u>\$ 1,859,582</u>	<u>\$ 27,188</u>
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA).....	231,693	\$ 261,500	(29,807)
American Recovery and Reinvestment Act (ARRA) (1).....	9,099	8,899	200
School lunch program.....	196,553	196,495	58
Individuals with Disabilities Education Act (IDEA).....	93,185	92,655	530
Other.....	149,460	163,883	(14,423)
Total federal grants and subsidies.....	<u>\$ 679,990</u>	<u>\$ 723,432</u>	<u>\$ (43,442)</u>
Total revenues.....	<u>\$ 6,006,354</u>	<u>\$ 5,826,046</u>	<u>\$ 180,308</u>

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, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Expenditures:			
Instruction:			
Salaries.....	\$ 1,831,853	\$ 1,752,944	\$ 78,909
Commodities.....	76,609	60,504	16,105
Services.....	887,748	844,773	42,975
Equipment - educational.....	30,787	22,849	7,938
Building and sites.....	1,870	2,037	(167)
Fixed charges.....	434,467	425,336	9,131
Total instruction.....	<u>\$ 3,263,334</u>	<u>\$ 3,108,443</u>	<u>\$ 154,891</u>
Pupil support services:			
Salaries.....	\$ 258,119	\$ 234,168	\$ 23,951
Commodities.....	5,663	5,905	(242)
Services.....	144,005	139,801	4,204
Equipment - educational.....	645	684	(39)
Building and sites.....	781	227	554
Fixed charges.....	77,277	72,604	4,673
Total pupil support services.....	<u>\$ 486,490</u>	<u>\$ 453,389</u>	<u>\$ 33,101</u>
Administrative support services:			
Salaries.....	\$ 82,546	\$ 69,868	\$ 12,678
Commodities.....	22,025	13,065	8,960
Services.....	59,392	55,500	3,892
Equipment - educational.....	1,545	635	910
Building and sites.....	602	544	58
Fixed charges.....	38,178	21,912	16,266
Total administrative support services.....	<u>\$ 204,288</u>	<u>\$ 161,524</u>	<u>\$ 42,764</u>



**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)**

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Facilities support services:			
Salaries.....	\$ 35,150	\$ 57,001	\$ (21,851)
Commodities.....	76,131	64,030	12,101
Services.....	273,729	212,289	61,440
Equipment - educational.....	1,397	989	408
Building and sites.....	2,047	7,818	(5,771)
Fixed charges.....	32,403	37,973	(5,570)
Total facilities support services.....	<u>\$ 420,857</u>	<u>\$ 380,100</u>	<u>\$ 40,757</u>
Instructional support services:			
Salaries.....	\$ 254,401	\$ 242,005	\$ 12,396
Commodities.....	46,242	9,963	36,279
Services.....	27,215	28,659	(1,444)
Equipment - educational.....	10,958	6,505	4,453
Building and sites.....	2,162	2,466	(304)
Fixed charges.....	59,423	57,092	2,331
Total instructional support services.....	<u>\$ 400,401</u>	<u>\$ 346,690</u>	<u>\$ 53,711</u>
Food services:			
Salaries.....	\$ 70,264	\$ 66,908	\$ 3,356
Commodities.....	99,102	93,868	5,234
Services.....	5,323	6,076	(753)
Equipment - educational.....	4,002	2,932	1,070
Fixed charges.....	40,468	37,258	3,210
Total food services.....	<u>\$ 219,159</u>	<u>\$ 207,042</u>	<u>\$ 12,117</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Community services:			
Salaries.....	\$ 12,143	\$ 10,855	\$ 1,288
Commodities.....	1,950	1,431	519
Services.....	25,044	24,468	576
Equipment - educational.....	431	194	237
Building and sites.....	6	12	(6)
Fixed charges.....	3,345	3,087	258
Total community services.....	<u>\$ 42,919</u>	<u>\$ 40,047</u>	<u>\$ 2,872</u>
Teacher's Pension:			
Fixed charges.....	\$ 787,183	\$ 762,816	\$ 24,367
Total teachers' pension.....	<u>\$ 787,183</u>	<u>\$ 762,816</u>	<u>\$ 24,367</u>
Capital outlay:			
Salaries.....	\$ 3,315	\$ 2,756	\$ 559
Commodities.....	2,486	3,831	(1,345)
Services.....	3,548	3,669	(121)
Equipment - educational.....	208	426	(218)
Building and sites.....	1,606	1,403	203
Fixed charges.....	1,084	754	331
Total capital outlay.....	<u>\$ 12,248</u>	<u>\$ 12,839</u>	<u>\$ (590)</u>
Debt service:			
Fixed charges.....	6,659	30,974	(24,315)
Total debt service.....	<u>\$ 6,659</u>	<u>\$ 30,974</u>	<u>\$ (24,315)</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Other:			
Salaries.....	\$ -	\$ 256	\$ (256)
Commodities.....	-	12	(12)
Services.....	-	4,803	(4,803)
Fixed charges.....	15,322	4,945	10,377
Total other.....	<u>\$ 15,322</u>	<u>\$ 10,016</u>	<u>\$ 5,306</u>
 Total expenditures.....	 <u>\$ 5,858,860</u>	 <u>\$ 5,513,880</u>	 <u>\$ 344,980</u>





CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2010	2011	2012	2013
General operating fund:				
Insurance proceeds.....	\$ -	\$ -	\$ -	\$ -
Transfers in/(out).....	17,851	109,830	62	439
Total general operating fund.....	<u>\$ 17,851</u>	<u>\$ 109,830</u>	<u>\$ 62</u>	<u>\$ 439</u>
All other governmental funds:				
Gross amounts from debt issuances.....	\$ 1,083,260	\$ 638,790	\$ 592,510	\$ 982,720
Premiums on bonds issued.....	6,459	14,700	1,229	47,271
Sales of general capital assets.....	-	-	-	723
Payment to refunded bond escrow agent.....	(288,704)	(269,483)	(190,100)	(480,597)
Transfers in/(out).....	(17,851)	(109,830)	(62)	(439)
Discounts on bonds issued.....	-	-	-	-
Total all other governmental funds.....	<u>\$ 783,164</u>	<u>\$ 274,177</u>	<u>\$ 403,577</u>	<u>\$ 549,678</u>



2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ 224	\$ -	\$ 33
161	(12,915)	50,162	58,350	286,828	475
<u>\$ 161</u>	<u>\$ (12,915)</u>	<u>\$ 50,162</u>	<u>\$ 58,574</u>	<u>\$ 286,828</u>	<u>\$ 508</u>
\$ 131,600	\$ 561,880	\$ 724,999	\$ 879,580	\$ 2,152,150	\$ 849,395
-	-	-	-	65,353	33,366
7,301	37,504	15,012	6,272	9,442	1,251
-	(386,710)	(120,856)	-	(1,321,865)	(457,035)
(161)	12,915	(50,162)	(58,350)	(286,828)	(475)
-	(12,502)	(110,071)	(36,097)	(33,432)	(10,528)
<u>\$ 138,740</u>	<u>\$ 213,087</u>	<u>\$ 458,922</u>	<u>\$ 791,405</u>	<u>\$ 584,820</u>	<u>\$ 415,974</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

RATIO OF DEBT SERVICE TO NON CAPITAL EXPENDITURES

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

Fiscal Year	Debt Service	Non-Capital	Ratio
2010	\$ 383,887	\$ 5,266,102	0.07 : 1
2011	332,097	5,225,071	0.06 : 1
2012	374,494	5,248,556	0.07 : 1
2013	390,409	5,310,632	0.07 : 1
2014	467,904	5,870,041	0.08 : 1
2015	533,493	6,136,659	0.09 : 1
2016	481,419	5,855,351	0.08 : 1
2017	569,694	5,816,249	0.10 : 1
2018	651,405	6,121,472	0.11 : 1
2019	636,214	6,476,167	0.10 : 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	2010	2011	2012	2013
Education.....	\$ 2.204	\$ 2.449	\$ 2.671	\$ 3.309
Worker's and Unemployment Compensation/Tort Immunity.....	0.148	0.067	0.133	0.031
Public Building Commission.....	0.014	0.065	0.071	0.082
Capital Improvement.....	-	-	-	-
Teacher Pension.....	-	-	-	-
Bonds & Interest (A).....	-	-	-	-
Total direct rate.....	<u>\$ 2.366</u>	<u>\$ 2.581</u>	<u>\$ 2.875</u>	<u>\$ 3.422</u>
City of Chicago.....	\$ 1.098	\$ 1.132	\$ 1.229	\$ 1.425
Chicago City Colleges.....	0.150	0.151	0.165	0.190
Chicago Park District.....	0.309	0.319	0.346	0.395
Metropolitan Water Reclamation District.....	0.261	0.274	0.320	0.370
Cook County.....	0.394	0.423	0.462	0.531
Cook County Forest Preserve.....	0.049	0.051	0.058	0.063
Total for all governments.....	<u>\$ 4.627</u>	<u>\$ 4.931</u>	<u>\$ 5.455</u>	<u>\$ 6.396</u>

Source: Cook County Clerk's Office

NOTES:

A) Beginning in fiscal year 2018, CPS issued a Bond Resolution Series Levy.



2014	2015	2016	2017	2018	2019
\$ 3.519	\$ 3.409	\$ 3.205	\$ 3.115	\$ 3.161	\$ 2.845
0.067	0.169	0.111	0.107	0.039	0.093
0.085	0.082	0.075	0.072	0.069	0.036
-	-	0.064	0.065	0.011	0.011
-	-	-	0.367	0.551	0.511
-	-	-	-	0.059	0.056
<u>\$ 3.671</u>	<u>\$ 3.660</u>	<u>\$ 3.455</u>	<u>\$ 3.726</u>	<u>\$ 3.890</u>	<u>\$ 3.552</u>
\$ 1.496	\$ 1.473	\$ 1.806	\$ 1.880	\$ 1.894	\$ 1.812
0.199	0.193	0.177	0.169	0.164	0.147
0.420	0.415	0.382	0.368	0.358	0.330
0.417	0.430	0.426	0.406	0.402	0.396
0.560	0.568	0.552	0.533	0.496	0.489
0.069	0.069	0.069	0.063	0.062	0.060
<u>\$ 6.832</u>	<u>\$ 6.808</u>	<u>\$ 6.867</u>	<u>\$ 7.145</u>	<u>\$ 7.266</u>	<u>\$ 6.786</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Thousands of dollars)

Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Collected within the Fiscal Year of Extension (A)		Collections in Subsequent Years	Total Collections to Date (B)	
			Amount	Percentage of Extension		Amount	Percentage of Extension
2009	2010	\$ 2,001,252	\$ 1,024,263	51.18%	\$ 891,365	\$ 1,915,628	95.72%
2010	2011	2,118,541	1,021,564	48.22%	1,020,499	2,042,063	96.39%
2011	2012	2,159,586	1,083,667	50.18%	1,027,585	2,111,252	97.76%
2012	2013	2,232,684	1,090,274	48.83%	1,047,462	2,137,736	95.75%
2013	2014	2,289,250	1,134,859	49.57%	1,092,402	2,227,261	97.29%
2014	2015	2,375,822	1,177,370	49.56%	1,139,711	2,317,081	97.53%
2015	2016	2,451,566	1,230,423	50.19%	1,129,700	2,360,123	96.27%
2016	2017	2,757,651	1,242,377	42.05%	1,172,513	2,721,862	98.70%
2017	2018	2,988,432	1,453,350	48.63%	1,497,413	2,950,763	98.74%
2018	2019	3,066,309	1,574,691	51.35%			

NOTES:

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





CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(Thousands of dollars)

Tax Year	Fiscal Year	Assessed Values (A)				Total
		Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	
2009	2010	\$ 18,311,981	\$ 1,812,850	\$ 10,720,244	\$ 592,364	\$ 31,437,439
2010	2011	18,120,678	1,476,291	10,407,012	561,682	30,565,663
2011	2012	17,976,208	1,161,634	10,411,363	544,416	30,093,621
2012	2013	15,560,876	1,252,635	10,201,554	454,593	27,469,658
2013	2014	15,440,622	1,282,342	10,137,795	453,201	27,313,960
2014	2015	15,416,908	1,345,482	10,096,651	487,529	27,346,570
2015	2016	17,319,503	1,589,995	11,240,864	541,183	30,691,545
2016	2017	17,219,809	1,863,312	11,316,868	562,402	30,962,391
2017	2018	17,196,902	1,905,033	11,370,329	497,856	30,970,120
2018	2019	19,759,176	2,329,709	13,321,105	626,755	36,036,745

NOTES:

- A. Source: Cook County Assessor's Office
- B. Residential, six units and under
- C. Residential, seven units and over and mixed-use
- D. Industrial/Commercial
- E. Vacant, not-for-profit and industrial/commercial incentive classes
- F. Source: Cook County Clerk's Office
- G. Source: Cook County Clerk's Office - Total equalized assessed value is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.
- H. Source: Cook County Clerk's Office - Property in the City of Chicago is reassessed once every three years. Tax rates are per \$100 of 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 (%)
3.3701	\$ 84,586,808	2.366	\$ 280,288,730	30.18%
3.3000	82,087,170	2.581	231,986,396	35.38%
2.9706	75,122,914	2.875	222,856,064	33.71%
2.8056	65,250,387	3.422	206,915,723	31.53%
2.6621	62,363,876	3.671	236,695,475	26.35%
2.7253	64,908,057	3.660	255,639,792	25.39%
2.6685	70,963,289	3.455	278,076,449	25.52%
2.8032	74,016,506	3.726	293,121,793	25.25%
2.9627	76,765,303	3.890	306,074,351	25.08%
2.9109	86,326,179	3.552	N/A	N/A



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PRINCIPAL PROPERTY TAX PAYERS, BASED ON EQUALIZED ASSESSED VALUATION

Last Ten Fiscal Years

(Thousands of dollars)

Property	2018			2017		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
	Willis Tower.....	\$ 507,224	1	0.59%	\$ 429,591	1
Prudential Plaza.....	285,268	2	0.33%	248,867	4	0.32%
HCSC Blue Cross.....	283,972	3	0.33%	264,940	2	0.35%
400 W Lake St.....	278,891	4	0.32%	-	-	-
AON Building.....	255,795	5	0.30%	263,985	3	0.34%
Water Tower Place.....	251,219	6	0.29%	239,238	5	0.31%
Merchandise Mart - 222 Mer Mart Plaza..	235,899	7	0.27%	-	-	-
300 Lasalle LLC.....	234,420	8	0.27%	217,715	6	0.28%
Merchandise Mart - 320 N Wells.....	234,387	9	0.27%	-	-	-
Franklin Center.....	218,162	10	0.25%	215,948	7	0.28%
Chase Tower.....	-	-	-	214,683	8	0.28%
Three First National Plaza.....	-	-	-	202,646	9	0.26%
Citadel Center.....	-	-	-	184,853	10	0.24%
Northwestern Memorial Hospital.....	-	-	-	-	-	-
131 S. Dearborn.....	-	-	-	-	-	-
One North Wacker.....	-	-	-	-	-	-
Citigroup Center.....	-	-	-	-	-	-
Leo Burnett Building.....	-	-	-	-	-	-
	<u>\$2,785,237</u>		<u>3.22%</u>	<u>\$2,482,466</u>		<u>3.22%</u>

Property	2013			2012		
	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
	Willis Tower.....	\$ 370,197	1	0.59%	\$ 386,266	1
Prudential Plaza.....	193,495	4	0.31%	234,964	3	0.36%
HCSC Blue Cross.....	201,987	3	0.32%	205,275	4	0.31%
AON Building.....	248,906	2	0.40%	255,347	2	0.39%
Water Tower Place.....	190,953	5	0.31%	201,246	5	0.31%
300 Lasalle LLC.....	159,537	10	0.26%	179,804	10	0.28%
Franklin Center.....	183,114	7	0.29%	192,985	7	0.30%
Chase Tower.....	190,442	6	0.31%	200,708	6	0.31%
Citadel Center.....	177,008	9	0.28%	184,596	9	0.28%
Three First National Plaza.....	177,862	8	0.29%	187,449	8	0.29%
Northwestern Memorial Hospital	-	-	-	-	-	-
131 S. Dearborn.....	-	-	-	-	-	-
One North Wacker.....	-	-	-	-	-	-
Citigroup Center.....	-	-	-	-	-	-
Leo Burnett Building.....	-	-	-	-	-	-
	<u>\$2,093,501</u>		<u>3.36%</u>	<u>\$2,228,640</u>		<u>3.42%</u>

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

2016			2015			2014		
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
\$ 406,464	1	0.55%	\$ 386,932	1	0.55%	\$ 364,455	1	0.56%
212,135	5	0.29%	186,795	9	0.26%	184,101	7	0.28%
250,676	3	0.34%	238,631	3	0.34%	206,782	3	0.32%
-	-	-	-	-	-	-	-	-
252,408	2	0.34%	239,092	2	0.34%	241,081	2	0.37%
226,358	4	0.31%	215,481	4	0.30%	195,486	4	0.30%
-	-	-	-	-	-	-	-	-
205,994	6	0.28%	196,095	5	0.28%	183,764	8	0.28%
-	-	-	-	-	-	-	-	-
204,322	7	0.28%	194,504	6	0.27%	187,461	6	0.29%
203,126	8	0.27%	193,365	7	0.27%	194,963	5	0.30%
191,736	10	0.26%	182,523	10	0.26%	182,084	9	0.28%
196,745	9	0.27%	187,291	8	0.26%	181,210	10	0.28%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 2,349,964</u>		<u>3.19%</u>	<u>\$ 2,220,709</u>		<u>3.13%</u>	<u>\$ 2,121,387</u>		<u>3.26%</u>

2011			2010			2009		
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
\$ 445,590	1	0.59%	\$ 495,000	1	0.60%	\$ 505,515	1	0.60%
272,345	3	0.36%	305,026	3	0.37%	318,635	3	0.38%
206,343	6	0.27%	-	-	-	-	-	-
302,124	2	0.40%	335,454	2	0.41%	375,441	2	0.44%
207,942	5	0.28%	231,000	4	0.28%	235,907	5	0.28%
190,005	10	0.25%	-	-	-	-	-	-
197,944	8	0.26%	209,723	8	0.26%	256,590	4	0.30%
204,229	7	0.27%	226,875	5	0.28%	231,694	6	0.27%
-	-	-	-	-	-	-	-	-
197,183	9	0.26%	226,222	6	0.28%	231,028	7	0.27%
243,609	4	0.32%	-	-	-	-	-	-
-	-	-	210,502	7	0.26%	212,725	8	0.25%
-	-	-	207,127	9	0.25%	211,526	9	0.25%
-	-	-	191,070	10	0.23%	-	-	-
-	-	-	-	-	-	208,973	10	0.25%
<u>\$ 2,467,314</u>		<u>3.26%</u>	<u>\$ 2,637,999</u>		<u>3.22%</u>	<u>\$ 2,788,034</u>		<u>3.29%</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA

Last Ten Fiscal Years

Calendar Year	Invested Capital Tax Collections	Statewide Replacement Tax Data (A)		Total Replacement Tax Allocations to Local Govts.	Board Percent (E)
		Business Income Tax Collections (Net of Refunds)	Net Adjustments (C)		
2010 (A)	\$ 203,650,450	\$ 978,009,221	\$ 179,094,552	\$ 1,360,754,223	14.00%
2011 (A)	200,629,609	936,788,640	61,689,732	1,199,107,981	14.00%
2012 (A)	203,045,899	1,091,345,367	(93,077,866)	1,201,313,400	14.00%
2013 (A)	210,557,060	1,293,732,061	(172,528,019)	1,331,761,102	14.00%
2014 (A)	208,039,618	1,243,163,624	(80,317,444)	1,370,885,798	14.00%
2015 (A)(F)	200,808,953	1,319,550,246	(117,189,755)	1,403,169,444	14.00%
2016 (H)	201,320,237	1,273,378,669	(179,819,398)	1,294,879,508	14.00%
2017 (H)(I)	167,994,422	1,129,654,992	28,259,110	1,325,908,524	14.00%
2018	159,473,143	1,186,564,831	(102,900,432)	1,243,137,542	14.00%
2019 (J)	191,427,268	1,473,173,451	(119,077,069)	1,545,523,650	14.00%

NOTES:

- A) *Source:* Illinois Department of Revenue
- B) *Source:* Board of Education of the City of Chicago
- C) Consists of adjustments for administrative fees, interest earned on deposits, interfund transfers, timing of collections and payments and related items.
- D) Reflects reductions to pay applicable Statutory Claims. All Statutory Claims with respect to debt service have been paid and, under the Statue Revenue Sharing Act, no future Statutory Claims with respect to debt service will arise or need to be paid.
- E) Percentage rounded.
- F) Replacement tax collection for January 1, 2015 — October 31, 2015 only.
- G) Estimated.
- H) The Statewide Replacement Tax Data for calendar year 2016 and 2017 was not made available from the Illinois Department of Revenue (IDOR) at time of publishing. The data is gathered from the Illinois Office of the Comptroller online Ledger. The data for total distributions to local governments is retrieved from IDOR monthly tax distributions online database.
- I) Replacement tax collection for January 1, 2017 — October 31, 2017 only.
- J) Replacement tax collection for January 1, 2019 — December 31, 2019 only.



Board Replacement Tax Data (B)

<u>Allocations To Board</u>	<u>Pro-Forma Pledged Revenues (D)</u>	<u>Fiscal Year Recorded Revenues</u>
\$190,560,089	\$190,560,089	\$152,497,491
167,923,445	167,923,445	197,761,584
168,231,989	168,231,989	181,926,998
186,499,892	186,499,892	185,883,929
191,978,921	191,978,921	188,040,647
206,242,430	206,242,430	202,147,157
181,335,026	181,335,026	161,535,119
185,680,220	185,680,220	227,920,163
174,089,033	174,089,033	168,253,658
216,435,136	216,435,136	187,232,486

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December	Total
2008	\$28,898,261	\$13,371,613	\$37,943,940	\$40,606,164	\$32,510,546	\$17,770,472	\$29,019,609	\$9,371,823	\$209,492,428
2009	21,095,325	7,777,403	37,489,531	36,561,422	29,417,516	3,022,112	33,592,731	7,778,488	176,734,528
2010	22,103,156	8,619,712	32,076,622	22,475,680	22,828,990	2,997,879	43,980,968	35,477,082	190,560,089
2011	18,180,918	10,057,508	36,489,761	26,235,905	24,341,562	6,092,825	40,652,479	5,872,487	167,923,445
2012	25,024,841	6,995,224	38,430,380	25,676,518	33,182,244	4,009,471	25,251,856	9,661,455	168,231,989
2013	25,661,184	8,031,048	40,687,665	36,710,938	35,870,312	3,762,361	26,213,949	9,562,435	186,499,892
2014	32,365,778	9,605,194	42,927,880	31,682,731	31,920,320	3,433,503	31,625,454	8,418,061	191,978,921
2015	28,059,669	8,010,311	49,024,542	40,392,319	33,183,298	4,472,067	33,357,743	9,742,481	(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
2017	29,970,202	19,251,991	49,042,057	31,582,995	32,296,122	1,489,085	22,047,768	8,764,161	194,444,380
2018	19,792,771	17,558,226	36,093,602	36,791,094	28,668,109	2,897,394	25,943,635	6,344,203	(G) 174,089,034



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2018 EAV \$	% Change in EAV (for 2018)
Addison South	5/9/2007	2031	\$ 70,940,232	\$ 153,936,702	117.0%
Archer Courts	5/12/1999	2023	85,326	6,663,216	7709.1%
Archer/Central	5/17/2000	2024	37,646,911	44,561,281	18.4%
Archer/Western	2/11/2009	2033	117,506,250	129,156,495	9.9%
Armitage/Pulaski	6/13/2007	2031	17,643,508	20,120,878	14.0%
Austin/Commercial	9/27/2007	2031	72,287,864	94,128,071	30.2%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	31,154,782	40.5%
Avondale	7/29/2009	2033	40,426,760	42,522,351	5.2%
Belmont/Central	1/12/2000	2024	137,304,682	215,765,473	57.1%
Belmont/Cicero	1/12/2000	2024	33,673,880	53,883,856	60.0%
Bronzeville	11/4/1998	2022	46,166,304	125,126,940	171.0%
Bryn Mawr/Broadway	12/11/1996	2019	17,829,852	57,218,242	220.9%
California/Foster	4/2/2014	2038	15,399,717	21,186,050	37.6%
Canal/Congress	11/12/1998	2022	36,872,487	498,593,828	1252.2%
Central West	2/16/2000	2024	85,481,254	532,385,517	522.8%
Chicago/Central Park	2/27/2002	2026	84,789,947	176,140,998	107.7%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	527,434,068	1269.2%
Cicero/Archer	5/17/2000	2024	19,629,324	31,891,286	62.5%
Clark/Montrose	7/7/1999	2022	23,433,096	84,482,784	260.5%
Clark/Ridge	9/29/1999	2022	39,619,368	81,162,185	104.9%
Commercial Ave.	11/13/2002	2026	40,748,652	62,508,595	53.4%
Devon/Sheridan	3/31/2004	2028	45,541,834	60,690,258	33.3%
Devon/Western	11/3/1999	2023	71,430,503	116,770,119	63.5%
Diversey/Narragansett	2/5/2003	2027	34,746,231	74,452,655	114.3%
Diversey/Chicago River	10/5/2016	2040	-	1,461,351	-
Division/Homan	6/27/2001	2025	24,683,716	52,721,431	113.6%
Edgewater/Ashland	10/1/2003	2027	1,875,282	14,552,897	676.0%
Elston/Armstrong	7/19/2007	2031	45,742,226	57,445,461	25.6%
Englewood Mall	11/29/1989	2025	3,868,736	15,184,443	292.5%
Englewood Neighborhood	6/27/2001	2025	56,079,946	107,331,081	91.4%
Ewing Avenue	3/10/2010	2034	52,994,264	45,731,877	-13.7%
Foster/Edens	2/28/218	2042	25,904,768	32,133,096	24.0%
Fullerton/Milwaukee	2/16/2000	2024	85,157,390	256,093,069	200.7%
Galewood/Armitage Industrial	7/7/1999	2023	48,056,697	118,316,153	146.2%
Goose Island	7/10/1996	2019	13,676,187	120,820,786	783.4%
Greater Southwest (West)	4/12/2000	2024	115,603,413	94,969,213	-17.8%
Harlem Industrial Park	3/14/2007	2031	45,981,764	43,735,155	-4.9%
Harrison/Central	7/26/2006	2030	43,430,700	45,286,548	4.3%
Hollywood/Sheridan	11/7/2007	2031	158,696,916	168,734,931	6.3%
Homan/Arthington	2/5/1998	2021	2,658,362	11,985,502	350.9%
Humbolt Park Commercial	6/27/2001	2025	32,161,252	98,368,837	205.9%
Irving Park/Cicero	6/10/1996	2020	8,150,631	20,220,203	148.1%
Irving Park/Elston	5/13/2009	2033	44,853,282	44,403,733	-1.0%
Jefferson Park	9/9/1998	2021	23,970,085	42,893,222	78.9%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2018 EAV \$	% Change in EAV (for 2018)
Jefferson/Roosevelt	8/30/2000	2024	\$ 52,292,656	\$ 186,705,013	257.0%
Kennedy/Kimball	3/12/2008	2032	72,841,679	85,623,593	17.5%
Kinzie Industrial Corridor	6/10/1998	2022	144,961,719	867,983,369	498.8%
Lake Calumet	12/13/2000	2024	172,496,793	224,241,039	30.0%
Lakefront	3/27/2002	2026	-	7,411,276	-
LaSalle/Central	11/15/2006	2030	4,192,597,468	5,587,387,579	33.3%
Lawrence/Broadway	6/27/2001	2025	38,499,977	110,992,369	188.3%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	234,196,494	112.1%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	70,725,646	61.8%
Lincoln Avenue	11/3/1999	2023	63,741,191	110,543,666	73.4%
Little Village East	4/22/2009	2033	44,751,945	37,088,873	-17.1%
Little Village Ind	6/13/2007	2031	88,054,895	83,798,096	-4.8%
Madden/Wells	11/6/2002	2026	1,333,582	24,962,331	1771.8%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	82,792,428	69.8%
Michigan Ave/Cermak	9/13/1989	2025	5,858,634	44,627,340	661.7%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	103,893,088	113.5%
Midwest	5/17/2000	2036	216,733,898	462,241,680	113.3%
Montclare	8/30/2000	2024	792,770	5,730,939	622.9%
Montrose/Clarendon	6/30/2010	2034	-	3,011,385	-
Near North	7/30/1997	2020	41,373,938	567,042,226	1270.5%
North Ave./Cicero	7/30/1997	2020	5,658,542	32,185,687	468.8%
North Branch/North	7/2/1997	2021	29,574,537	154,522,955	422.5%
North Branch/South	2/5/1998	2021	44,361,677	228,418,758	414.9%
North Pullman	6/30/2009	2033	44,582,869	71,903,491	61.3%
NW Industrial Corridor	12/2/1998	2022	146,115,991	274,625,544	88.0%
Ogden/Pulaski	4/9/2008	2032	221,709,034	197,893,222	-10.7%
Ohio/Wabash	6/7/2000	2024	1,278,143	30,935,261	2320.3%
Pershing/King	9/5/2007	2031	12,948,117	14,602,522	12.8%
Peterson/Cicero	2/16/2000	2024	1,116,653	9,577,973	757.7%
Peterson/Pulaski	2/16/2000	2024	40,112,395	56,207,568	40.1%
Pilsen Area	6/10/1998	2022	111,394,217	409,087,187	267.2%
Portage Park	9/9/1998	2021	65,084,552	112,029,224	72.1%
Pratt/Ridge	6/23/2004	2028	16,414,897	22,914,212	39.6%
Pulaski Corridor	6/9/1999	2023	82,778,075	151,996,792	83.6%
Randolph/Wells	6/9/2010	2034	72,140,805	167,077,762	131.6%
River South	7/30/1997	2020	65,930,580	573,565,610	770.0%
River West	1/10/2001	2025	50,463,240	428,395,143	748.9%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	105,424,376	133.3%
Roosevelt/Racine (DOH)	11/4/1998	2034	6,992,428	39,033,808	458.2%
Roosevelt/Union	5/12/1999	2022	4,369,258	104,027,034	2280.9%
Roseland/Michigan	1/16/2002	2026	29,627,768	38,346,497	29.4%
Sanitary Draig & Ship	7/24/1991	2027	10,722,329	24,706,554	130.4%
South Chicago	4/12/2000	2024	14,775,992	35,428,792	139.8%
South Works	11/3/1999	2023	3,823,633	1,272,231	-66.7%
Stevenson/Brighton Park	4/11/2007	2031	216,330,994	266,225,750	23.1%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)
For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2018 EAV \$	% Change in EAV (for 2018)
Stockyards Annex	12/11/1996	2020	\$ 38,650,631	\$ 68,483,430	77.2%
Stockyards-Southeast Quad	2/26/1992	2028	27,527,305	53,419,530	94.1%
Stony Island Com/Burnside	6/10/1998	2034	46,058,038	100,155,094	117.5%
Southwest Ind. Corridor	3/10/1999	2023	17,662,923	37,005,336	109.5%
Touhy/Western	9/13/2006	2030	55,187,828	58,464,304	5.9%
Washington Park	10/8/2014	2038	72,073,855	92,828,649	28.8%
West Irving Park	1/12/2000	2024	36,446,831	56,804,531	55.9%
West Woodlawn	5/12/2010	2034	127,750,505	100,404,037	-21.4%
Western Ave. South	1/12/2000	2024	69,504,372	224,834,393	223.5%
Western Ave. North	1/12/2000	2024	71,260,546	209,349,590	193.8%
Western/Ogden	2/5/1998	2021	41,536,306	212,453,819	411.5%
Western/Rock Island	2/8/2006	2030	102,358,411	121,513,096	18.7%
Wilson Yard	6/27/2001	2025	56,194,225	198,864,648	253.9%
Woodlawn	1/20/1999	2022	28,865,833	91,749,955	217.8%
105th/Vincennes	10/3/2001	2025	108,828,811	115,963,450	6.6%
107th/Halsted	4/2/2014	2038	122,435,316	110,886,590	-9.4%
111th/Kedzie	9/29/1999	2022	14,456,141	26,284,448	81.8%
116th/Avenue O	10/31/2018	2042	3,144,479	3,379,487	7.5%
119th/Halsted	2/6/2002	2026	63,231,728	76,880,308	21.6%
119th/I-57	11/6/2002	2026	100,669,561	134,047,661	33.2%
24th/Michigan	7/21/1999	2022	15,874,286	77,814,733	390.2%
26th/King Drive	1/11/2006	2030	-	14,087,182	-
35th/Halsted	1/14/1997	2021	81,212,182	233,019,699	186.9%
35th/State	1/14/2004	2028	3,978,955	39,410,886	890.5%
35th/Wallace	12/15/1999	2023	9,047,402	32,053,791	254.3%
43rd/Cottage Grove	7/8/1998	2022	13,728,931	67,567,490	392.2%
47th/Ashland	3/27/2002	2026	53,606,185	91,110,579	70.0%
47th/Halsted	5/29/2002	2026	39,164,012	98,479,177	151.5%
47th/King Drive	3/27/2002	2026	61,269,066	203,171,318	231.6%
47th/State	7/21/2004	2028	19,279,360	51,640,957	167.9%
49th/St. Lawrence	1/10/1996	2020	683,377	9,490,737	1288.8%
51st/Archer	5/17/2000	2024	29,522,751	55,328,417	87.4%
51st/Lake Park	11/15/2012	2036	2,320,971	20,599,249	787.5%
53rd St.	1/10/2001	2025	20,916,553	93,895,086	348.9%
60th/Western	5/9/1996	2019	2,464,026	4,787,622	94.3%
63rd/Ashland	3/29/2006	2030	47,496,362	63,795,357	34.3%
63rd/Pulaski	5/17/2000	2024	56,171,856	86,255,027	53.6%
67th/Cicero	10/2/2002	2026	-	4,179,149	-
67th/Wentworth	5/4/2011	2035	210,005,927	157,721,094	-24.9%
71st/Stony Island	10/7/1998	2021	53,336,063	101,324,331	90.0%
73rd/University	9/13/2006	2030	16,998,947	25,557,588	50.3%
79th Street Corridor	7/8/1998	2021	21,576,305	37,741,782	74.9%
79th/Cicero	6/8/2005	2029	8,018,405	16,996,244	112.0%
79th/SW Highway	10/3/2001	2025	36,347,823	62,148,440	71.0%
79th/Vincennes	9/27/2007	2031	32,132,472	35,523,238	10.6%
83rd/Stewart	3/31/2004	2028	10,618,689	28,057,061	164.2%
87th/Cottage Grove	11/13/2002	2026	53,959,824	84,023,713	55.7%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)
For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV \$	2018 EAV \$	% Change in EAV (for 2018)
95th/Western	7/13/1995	2019	16,035,773	33,849,217	111.1%
			<u>\$ 10,834,380,698</u>	<u>\$ 21,009,129,522</u>	

NOTES:

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

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

The Chicago Public Schools serves on this committee.

Source: Office of The County Clerk Tax Increment Agency

Total 2018 EAV for the City of Chicago is \$86,326,178,932 — Source of The Cook County Report



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF NEW PROPERTY EAV AS A PERCENTAGE OF OVERALL EAV

Last Ten Fiscal Years

(Thousands of dollars)

Tax Year Levy	Fiscal Year	Agency Overall Equalized Assessed Value (A)	Components of New Property by Tax Levy Year (B)					Total New Property (A)	New property percentage of overall EAV
			New Property	Annexed Property	Disconnected Property	Recovered Tax Increment Value	Expired Incentives		
2009	2010	\$ 84,592,286	\$ 1,052,426	\$ -	\$ -	\$ 162	\$ -	\$ 1,052,588	1.24%
2010	2011	82,092,476	727,019	-	-	104,289	18,790	850,098	1.04%
2011	2012	75,127,913	344,503	-	-	-	2,420	346,923	0.46%
2012	2013	65,257,093	213,120	-	-	41,499	19,845	274,464	0.42%
2013	2014	62,370,205	279,426	-	-	244,388	10,066	533,880	0.86%
2014	2015	64,913,774	414,558	-	-	1,040,246	9,912	1,464,716	2.26%
2015	2016	70,968,533	339,649	-	-	21,038	16,432	377,119	0.53%
2016	2017	74,020,998	397,527	-	-	39,040	10,667	447,234	0.60%
2017	2018	76,768,955	624,331	-	-	17,836	9,144	651,311	0.85%
2018	2019	86,335,882	555,209	-	-	320,198	82,544	957,952	1.11%

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, 2019

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 Program Phase II				
Chicago Ag West High School (Al Raby Horticultural)	\$ 16,500,000	\$ 14,902,520	\$ 1,597,480	Chicago/ Central Park
Modern Schools Across Chicago Program Additional Agreements				
Al Raby	631,434	-	631,434	Chicago/ Central Park
Brighton Park II Elementary	25,420,000	7,737,740	17,682,260	Stevenson/ Brighton
Laura Ward Project (Westinghouse High School)	9,181,143	-	9,181,143	Chicago/ Central Park
MSAC Subtotal	\$ 51,732,577	\$ 22,640,260	\$ 29,092,317	
Other Capital Intergovernmental Agreements				
Amundsen Athletic Field	\$ 1,400,000	\$ -	\$ 1,400,000	Western Ave. North
Budlong Bathroom	2,200,000	2,144,830	55,170	Foster/California
Farnsworth Rehabilitation and Improvements	400,000	-	400,000	Elston/Armstrong
Foreman Renovation and Improvements	1,842,000	-	1,842,000	Belmont/Cicero
Jones/NTA Turf Field	4,600,000	4,080,741	519,259	Michigan/Cermak
McClellan Rehabilitation and Improvements	4,000,000	-	4,000,000	35th/Wallace
New South Loop School Escrow	48,333,000	44,200,000	4,133,000	River South
New South Loop School	10,667,000	9,136,000	1,531,000	River South
Peterson Athletic Field	1,000,000	-	1,000,000	Lawrence/Kedzie
Schurz Athletic Field	2,700,000	-	2,700,000	Portage Park
Senn Rehabilitation and Improvements	3,000,000	-	3,000,000	Clark Street/Ridge Avenue
Vaughn Rehabilitation and Improvements	55,000	-	55,000	West Irving Park
Whitney Young Athletic Field	4,300,000	-	4,300,000	Central West
Other Capital IGA Subtotal	\$ 84,497,000	\$ 59,561,572	\$ 24,935,428	
Grand Total	\$ 136,229,577	\$ 82,201,832	\$ 54,027,745	

NOTES:

Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2019.

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



Statistical Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS
For the Fiscal Year Ended June 30, 2019
(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
1998 B-1	Unlimited Tax G.O. Bonds	IGA	10/28/1998
1999A	Unlimited Tax G.O. Bonds	PPRT/IGA	2/25/1999
2004A	Unlimited Tax G.O. Bonds	PPRT/State Aid	4/6/2004
2005A	Unlimited Tax G.O. Bonds	State Aid	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
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/Federal Subsidy	9/24/2009
2009G	Qualified School Construction G.O. Bonds	State Aid	12/17/2009
2010C	Qualified School Construction G.O. Bonds	State Aid/Federal Subsidy	11/2/2010
2010D	Unlimited Tax G.O. Build America Bonds	State Aid/Federal Subsidy	11/2/2010
2010F	Unlimited Tax G.O. Bonds	State Aid	11/2/2010
2011A	Unlimited Tax G.O. Bonds	State Aid	11/1/2011
2012A	Unlimited Tax G.O. Bonds	State Aid	8/21/2012
2012B	Unlimited Tax G.O. Bonds	State Aid	12/21/2012
2015C	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2015E	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2016A	Unlimited Tax G.O. Bonds	State Aid	2/8/2016
2016B	Unlimited Tax G.O. Bonds	State Aid	7/29/2016
2016CIT	Capital Improvement Tax	CIT Levy	1/4/2017
2017CIT	Capital Improvement Tax	CIT Levy	11/30/2017
2017A	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017B	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017C	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017D	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017E	Unlimited Tax G.O. Bonds	PPRT	11/30/2017
2017F	Unlimited Tax G.O. Bonds	IGA	11/30/2017
2017G	Unlimited Tax G.O. Bonds	PPRT/State Aid	11/30/2017
2017H	Unlimited Tax G.O. Bonds	PPRT/IGA/State Aid	11/30/2017
2018A	Unlimited Tax G.O. Bonds	State Aid	6/1/2018
2018B	Unlimited Tax G.O. Bonds	State Aid	6/1/2018
2018C	Unlimited Tax G.O. Bonds	State Aid	12/13/2018
2018D	Unlimited Tax G.O. Bonds	PPRT/State Aid	12/13/2018
2018CIT	Capital Improvement Tax	CIT Levy	12/13/2018

Grand Total Direct Debt

NOTES: A. Net of amounts set aside/escrowed to maturity for December 1, 2018 payments deposited by June 30, 2018.

B. Excludes total accreted interest in the following series:

<u>Series</u>	<u>Accreted Interest</u>
1998B-1	\$427,325
1999A	\$260,393
Total	\$687,718

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS

For the Fiscal Year Ended June 30, 2019

(Thousands of dollars)

Final Maturity	Interest Rate	Outstanding at June 30, 2018 (A)	Issued or (Redeemed)	Outstanding at June 30, 2019 (A) (B)
1/1/2020	6.00%-6.5%	\$ 53,800	\$ (26,125)	\$ 27,675
12/1/2018	5.00%-5.25%	19,720	(19,720)	-
12/1/2031	4.55%-5.22%	232,381	(7,345)	225,036
12/1/2031	4.30%-5.3%	361,199	(30,895)	330,304
12/1/2020	4.00%-5.00%	49,600	(24,190)	25,410
12/1/2031	5.00%-5.50%	159,825	(7,860)	151,965
6/1/2021	0.00%	6,853	-	6,853
12/1/2036	4.25%-5.00%	22,005	-	22,005
12/1/2024	5.00%	16,035	(16,035)	-
12/1/2030	Variable	262,785	-	262,785
12/1/2041	Variable	169,425	-	169,425
3/1/2032	4.25%-5.00%	450,250	(450,250)	-
12/1/2023	1.00%-5.00%	21,910	(12,260)	9,650
12/1/2039	4.682%-6.14%	504,430	(6,885)	497,545
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%	144,985	(13,470)	131,515
12/1/2041	5.00%-5.50%	402,410	-	402,410
12/1/2042	5.00%	468,915	-	468,915
12/1/2034	5.00%	109,825	-	109,825
12/1/2039	5.25%-6.00%	280,000	-	280,000
12/1/2039	5.13%	20,000	-	20,000
12/1/2044	7.00%	725,000	-	725,000
12/1/2046	6.50%	150,000	-	150,000
4/1/2046	5.75%-6.10%	729,580	-	729,580
4/1/2046	5.00%	64,900	-	64,900
12/1/2046	7.00%	285,000	-	285,000
12/1/2042	6.75%-7.00%	215,000	-	215,000
12/1/2034	5.00%	351,485	-	351,485
12/1/2031	5.00%	79,325	-	79,325
12/1/2021	5.00%	22,180	-	22,180
12/1/2024	5.00%	165,510	(585)	164,925
12/1/2044	5.00%	126,500	-	126,500
12/1/2046	5.00%	280,000	-	280,000
12/1/2035	4.00%-5.00%	552,030	-	552,030
12/1/2022	4.00%-5.00%	10,220	-	10,220
12/1/2032	5.00%	-	450,115	450,115
12/1/2046	5.00%	-	313,280	313,280
4/1/2046	5.00%	-	86,000	86,000
		\$ 8,149,448	\$ 233,775	\$ 8,383,223



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES

As of June 30, 2019

(Thousands of dollars)

<u>Bond Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Lien Closed</u>	<u>Retired</u>	<u>Principal Outstanding June 30, 2019</u>	<u>(1)</u>	<u>Remaining Authorization</u>
1995 COP Board Authorization	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ -		\$ -
1996 Alternate Bond Authorization	1,150,000	850,000 (A)	300,000	850,000	-	(A)	-
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	-	942,363	555,340	(B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	-	870,195	-	(C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	-	500,000	-	(D)	-
2002 Alternate Bond Authorization	500,000	500,000 (E)	-	500,000	-	(E)	-
2004 Alternate Bond Authorization	965,000	965,000 (F)	-	939,512	25,488	(F)	-
2006 Alternate Bond Authorization	750,000	634,258 (G)	-	621,238	13,020	(G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990 (H)	-	715,995	1,183,995	(H)	10
2009 Alternate Bond Authorization	2,300,000	1,906,180 (I)	-	521,215	1,384,965	(I)	393,820
2012 Alternate Bond Authorization	750,000	709,825 (J)	-	300,000	409,825	(J)	40,175
2015 Alternate Bond Authorization	1,160,000	1,160,000 (K)	-	-	1,160,000	(K)	-
2016 Alternate Bond Authorization	945,000	945,000 (L)	-	-	945,000	(L)	-
TOTAL	\$ 13,365,000	\$ 12,483,151	\$ 300,000	\$ 6,805,518	\$ 5,677,633		\$ 581,849

(1) Debt Reform Act Section 15 of the State of Illinois states that Alternate bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization. CPS currently has outstanding eight series of refunding bonds which met these requirements: \$205,410 Series 2004A, of which \$25,420 is outstanding; \$193,585 Series 2005A, of which \$151,965 is outstanding; \$351,485 Series 2017C, of which all is outstanding; \$79,325 Series 2017D, of which all is outstanding; \$22,180 Series 2017E, of which all is outstanding; \$165,510 Series 2017F, of which \$164,925 is outstanding; \$552,030 Series 2018A, of which all is outstanding; \$450,115 Series 2018C, of which all is outstanding. These series are not included in the authorization table above. Total principal amount issued including these series is \$15,335,231. Principal outstanding on CPS Alternate Bonds only is \$7,475,068.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2019
(Thousands of dollars)

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	-
		<u>\$ 850,000</u>	<u>\$ -</u>

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1997A	12/3/1997	\$ 499,995	\$ -
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	-
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	225,036
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	330,304
Unlimited Tax GO Bonds, IDFA Series 1999A	12/22/1999	12,000	-
Unlimited Tax GO Bonds, Series 2000D	9/7/2000	101,000	-
Unlimited Tax GO Bonds, Series 2001B	10/24/2001	9,440	-
		<u>\$ 1,497,703</u>	<u>\$ 555,340</u>

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

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

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

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2019
(Thousands of dollars)

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

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

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

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

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	\$ 54,488	\$ 3,370
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	-
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	-
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	-
Unlimited Tax GO Refunding Bonds, Series 2009B	6/25/2009	75,410	-
Unlimited Tax GO Refunding Bonds, Series 2009C	6/25/2009	20,265	-
Unlimited Tax GO Refunding Bonds, Series 2009D	7/30/2009	75,720	9,650
		<u>\$ 634,258</u>	<u>\$ 13,020</u>

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2008A	5/13/2008	\$ 262,785	\$ 262,785
Unlimited Tax GO Refunding Bonds, Series 2008B	5/13/2008	240,975	169,425
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	-
Unlimited Tax GO Refunding Bonds, Series 2009A	3/18/2009	130,000	-
Unlimited Taxable GO Bonds, Series 2009E	9/24/2009	518,210	497,545
Unlimited Tax GO Bonds, Series 2009F	9/24/2009	29,125	-
Unlimited Tax GO Bonds, Series 2009G	12/17/2009	254,240	254,240
		<u>\$ 1,899,990</u>	<u>\$ 1,183,995</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2019

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2010A	2/17/2010	\$ 48,910	\$ -
Unlimited Tax GO Refunding Bonds, Series 2010B	2/17/2010	157,055	-
Unlimited Tax GO Bonds, Series 2010C	11/2/2010	257,125	257,125
Unlimited Tax GO Bonds, Series 2010D	11/2/2010	125,000	125,000
Unlimited Tax GO Refunding Bonds, Series 2010F	11/2/2010	183,750	131,515
Unlimited Tax GO Refunding Bonds, Series 2010G	11/2/2010	72,915	-
Unlimited Tax GO Bonds, Series 2011A	11/1/2011	402,410	402,410
Unlimited Tax GO Refunding Bonds, Series 2011C	12/20/2012	95,100	-
Unlimited Tax GO Refunding Bonds, Series 2011D	12/16/2011	95,000	-
Unlimited Tax GO Bonds, Series 2012A	8/21/2012	468,915	468,915
		<u>\$ 1,906,180</u>	<u>\$ 1,384,965</u>

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

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

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

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

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2017B	11/30/2017	\$ 215,000	\$ 215,000
Unlimited Tax GO Bonds, Series 2017G	11/30/2017	126,500	126,500
Unlimited Tax GO Bonds, Series 2017H	11/30/2017	280,000	280,000
Unlimited Tax GO Bonds, Series 2018B	6/1/2018	10,220	10,220
Unlimited Tax GO Bonds, Series 2018D	12/13/2018	313,280	313,280
		<u>\$ 945,000</u>	<u>\$ 945,000</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

OUTSTANDING DEBT PER CAPITA

Last Ten Fiscal Years

As of June 30, 2019

(Thousands of dollars, except per capita)

Fiscal Year	General Obligation Bonds	Capital Improvement Tax Bonds	Leases Securing PBC Bonds	Capital Leases	Total Primary Government	Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt
2010	\$ 4,904,510	\$ -	\$ 359,215	\$ 2,275	\$ 5,266,000	N/A
2011	5,249,147	-	330,375	2,100	5,581,622	N/A
2012	5,593,686	-	299,780	1,925	5,895,391	N/A
2013	6,058,398	-	267,330	1,750	6,327,478	144,852
2014	5,944,516	-	232,940	1,575	6,179,031	167,270
2015	6,073,049	-	196,470	1,400	6,270,919	167,270
2016	6,578,983	-	157,780	1,225	6,737,988	97,695
2017	7,198,734	729,580	116,850	1,050	8,046,214	124,217
2018	7,281,448	794,480	73,520	875	8,150,323	158,585
2019	7,475,068	880,480	27,675	700	8,383,923	164,220

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.
- (C) Total Primary Government's outstanding debts in this schedule do not include the accreted interest and unamortized premium or discount. Therefore, they will not be equal to total debt and capitalized lease obligations in Note 9 Long-Term Debt. For FY19, the accreted interest and unamortized premium (discount) were \$687.7 million and (\$36.3) million, respectively. The addition of these components to the total outstanding debt presented in this table results in a total outstanding debt of \$9,035.3 million.

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
\$ 5,266,000	4.31%	17.23%	2,695,598	\$ 1,953.56	\$ 1,819.45
5,581,622	4.41%	18.55%	2,695,598	2,070.64	1,947.30
5,895,391	4.47%	21.46%	2,695,598	2,187.04	2,075.12
6,182,626	4.62%	22.64%	2,695,598	2,293.60	2,247.52
6,011,761	4.35%	21.98%	2,695,598	2,230.21	2,205.27
6,103,649	4.01%	19.89%	2,695,598	2,264.30	2,252.95
6,640,293	4.30%	21.45%	2,695,598	2,463.38	2,440.64
7,921,997	4.92%	25.58%	2,716,450	2,916.31	2,650.05
7,991,738	4.75%	26.61%	2,705,994	2,953.35	2,690.86
8,219,703	N/A	N/A	N/A	N/A	N/A



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

As of June 30, 2019 (Thousands of dollars)

	2010	2011	2012	2013
Debt limit.....	\$ 11,673,736	\$ 11,328,763	\$ 10,367,652	\$ 9,005,479
General obligation.....	498,593	446,719	394,793	342,830
Less: amount set aside for repayment of bonds.....	(16,042)	(36,440)	(29,917)	(34,790)
Total net debt applicable to limit (A).....	<u>482,551</u>	<u>410,279</u>	<u>364,876</u>	<u>308,040</u>
Legal debt margin.....	<u>\$ 11,191,185</u>	<u>\$ 10,918,484</u>	<u>\$ 10,002,776</u>	<u>\$ 8,697,439</u>
Total net debt applicable to the limit as a percentage of debt limit.....	4.13%	3.62%	3.52%	3.42%

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

\$328.7 million Series 1998B-1	\$280.0 million Series 2015C
\$532.5 million Series 1999A	\$20.0 million Series 2015E
\$205.4 million Series 2004A	\$725.0 million Series 2016A
\$193.5 million Series 2005A	\$150.0 million Series 2016B
\$6.9 million Series 2006A	\$285.0 million Series 2017A
\$355.8 million Series 2006B	\$215.0 million Series 2017B
\$262.8 million Series 2008A	\$351.5 million Series 2017C
\$240.9 million Series 2008B	\$79.3 million Series 2017D
\$75.7 million Series 2009D	\$22.2 million Series 2017E
\$547.3 million Series 2009E	\$165.5 million Series 2017F
\$254.2 million Series 2009G	\$126.5 million Series 2017G
\$257.1 million Series 2010C	\$280.0 million Series 2017H
\$125.0 million Series 2010D	\$552.0 million Series 2018A
\$183.7 million Series 2010F	\$10.2 million Series 2018B
\$402.4 million Series 2011A	\$450.1 million Series 2018C
\$468.9 million Series 2012A	\$313.3 million Series 2018D
\$109.8 million Series 2012B	



2014	2015	2016	2017	2018	2019
<u>\$ 8,607,088</u>	<u>\$ 8,958,101</u>	<u>\$ 9,793,658</u>	<u>\$ 10,214,898</u>	<u>\$ 10,594,116</u>	<u>\$ 11,914,352</u>
290,849	238,820	186,823	134,803	82,734	30,636
(35,201)	(34,684)	(34,866)	(32,761)	(35,452)	(23,173)
<u>255,648</u>	<u>204,136</u>	<u>151,957</u>	<u>102,042</u>	<u>47,282</u>	<u>7,463</u>
<u><u>\$ 8,351,440</u></u>	<u><u>\$ 8,753,965</u></u>	<u><u>\$ 9,641,701</u></u>	<u><u>\$ 10,112,856</u></u>	<u><u>\$ 10,546,834</u></u>	<u><u>\$ 11,906,889</u></u>
2.97%	2.28%	1.55%	1.00%	0.45%	0.06%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2019

(Thousands of Dollars)

<u>Governmental Unit</u>	<u>Debt Outstanding (A)</u>	<u>Estimated Percentage Applicable (B)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of Chicago.....	\$ 8,099,840	100.00%	\$ 8,099,840
City Colleges of Chicago.....	320,446	100.00%	320,446
Chicago Park District.....	800,935	100.00%	800,935
Cook County.....	2,950,122	54.44%	1,606,046
Forest Preserve District.....	145,190	54.44%	79,041
Water Reclamation District.....	2,776,431	55.41%	1,538,420
Subtotal, overlapping debt			<u>\$12,444,728</u>
Chicago Public School Direct Debt			<u>8,383,223</u>
Total Direct and Overlapping Debt			<u><u>\$20,827,951</u></u>

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

(B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2018 tax extension within the City of Chicago by the total 2018 Cook County extension for the district.



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

Fiscal Year Ending June 30, 2019

General Obligation Bonds

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

	Mar. 2014	Mar. 2015	May 2015	July 2015	Aug. 2015	Jan. 2016*	Sept. 2016*	Nov. 2016*	Dec. 2016*	Oct. 2017*	July 2018*	Jun 2019
S&P	A+	A-	A-	BBB	BB	B+	B+	B	B	B	B+	B+
Moody's	Baa1	Baa3	Ba3	Ba3	Ba3	B2	B3	B3	B3	B3	B2	B2
Fitch	A-	BBB-	BBB-	BB+	B+	B+	B+	B+	B+	BB-	BB-	BB-
Kroll		BBB+	BBB+	BBB+	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-

Security Structure: All of CPS' general obligation debt that has been issued as alternate revenue bonds are secured by at least one other revenue stream in addition to the Board's unlimited tax general obligation pledge. CPS has pledged revenues from 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 and Series 2016B bonds has been BBB since January 2016 and September 2016 respectfully. CPS Bond Series 2017CDEFGH and 2018AB have been BBB rated since November 2017 and May 2018 respectfully. All other issues were BBB-.*

Capital Improvement Tax Bonds

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

	Dec. 2016	June 2017	June 2018	June 2019
S&P	None	None	None	None
Moody's	None	None	None	None
Fitch	A	A	A	A
Kroll	BBB	BBB	BBB	BBB

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



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

Employer	2018 (1)			2017			2016			2015		
	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
Northwestern Memorial Healthcare.....	19,886	1	1.54%	16,667	2	1.29%	15,747	3	1.23%	15,317	3	1.20%
Advocate Health Care.....	19,513	2	1.51%	19,049	1	1.48%	18,930	1	1.48%	18,308	1	1.44%
University of Chicago.....	17,345	3	1.35%	16,583	3	1.29%	16,374	2	1.28%	16,197	2	1.27%
Amita Health.....	16,231	4	1.26%	-	-	-	-	-	-	-	-	-
United Continental Holdings Inc. (3)....	14,582	5	1.13%	12,994	6	1.01%	15,157	5	1.18%	14,000	5	1.10%
Amazon.com Inc.....	14,018	6	1.09%	13,240	5	1.03%	-	-	-	-	-	-
J.P. Morgan Chase & Co. (2).....	13,795	7	1.07%	15,701	4	1.22%	15,229	4	1.19%	14,158	4	1.11%
Walgreens Boots Alliance Inc.....	12,311	8	0.96%	12,751	7	0.99%	12,685	6	0.99%	13,006	7	1.02%
Wal-mart Stores Inc.....	11,420	9	0.89%	10,220	10	0.79%	-	-	-	-	-	-
Northwestern University.....	10,865	10	0.84%	10,847	8	0.84%	10,241	7	0.80%	9,708	10	0.76%
Presence Health.....	-	-	-	10,225	9	0.79%	10,183	8	0.79%	10,500	8	0.82%
Abbot Laboratories.....	-	-	-	-	-	-	9,800	9	0.76%	10,000	9	0.79%
Jewel Food Stores, Inc.....	-	-	-	-	-	-	9,660	10	0.75%	-	-	-
Health Care Service Corporation.....	-	-	-	-	-	-	-	-	-	13,006	6	1.02%
SBC/AT&T (4).....	-	-	-	-	-	-	-	-	-	-	-	-
University of Illinois at Chicago.....	-	-	-	-	-	-	-	-	-	-	-	-
Accenture LLP.....	-	-	-	-	-	-	-	-	-	-	-	-
Northern Trust.....	-	-	-	-	-	-	-	-	-	-	-	-
Ford Motor Company.....	-	-	-	-	-	-	-	-	-	-	-	-
ABM Janitorial Midwest, Inc.....	-	-	-	-	-	-	-	-	-	-	-	-
Bank of America NT & SA.....	-	-	-	-	-	-	-	-	-	-	-	-
American Airlines.....	-	-	-	-	-	-	-	-	-	-	-	-
SBC Ameritech.....	-	-	-	-	-	-	-	-	-	-	-	-
CVS Corporation.....	-	-	-	-	-	-	-	-	-	-	-	-

NOTES:

- 1) Source: Reprinted with permission, Crain's Chicago Business [February 11, 2019], Crain Communications, Inc.
- 2) J.P. Morgan Chase formerly known as J.P. Morgan Chase.
- 3) United Continental Holdings Inc. formally known as United Airlines.
- 4) AT&T Inc. formerly known as SBC Ameritech.



Demographic and Economic Information

2014			2013			2012			2011			2010			2009		
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	Number of Employees	Rank	Percentage of Total City Employment
14,550	4	1.15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18,556	1	1.47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16,025	2	1.27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14,000	5	1.11%	8,199	2	0.75%	7,521	2	0.70%	6,366	2	0.62%	5,585	2	0.58%	6,019	2	0.58%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15,015	3	1.19%	8,499	1	0.78%	8,168	1	0.76%	7,993	1	0.77%	8,094	1	0.81%	8,431	1	0.81%
13,797	6	1.09%	2,869	9	0.26%	2,789	10	0.26%	4,429	7	0.43%	4,552	6	0.33%	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,279	8	0.89%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,000	10	0.79%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	4,441	6	0.41%	4,572	5	0.43%	4,799	5	0.46%	5,307	4	0.52%	5,833	3	0.56%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13,000	7	1.03%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,100	9	0.80%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	5,821	3	0.53%	5,590	3	0.52%	5,014	4	0.48%	4,224	7	0.32%	3,341	7	0.32%
-	-	-	5,353	4	0.49%	5,448	4	0.51%	5,485	3	0.53%	5,833	3	0.56%	5,394	4	0.52%
-	-	-	5,103	5	0.47%	4,187	6	0.39%	3,410	10	0.33%	-	-	2,764	10	0.27%	
-	-	-	3,399	7	0.31%	3,398	8	0.32%	3,629	9	0.35%	3,840	9	0.30%	-	-	-
-	-	-	3,392	8	0.31%	3,811	7	0.36%	4,557	6	0.44%	4,668	5	0.44%	4,631	5	0.44%
-	-	-	2,749	10	0.25%	3,076	9	0.29%	-	-	-	3,153	10	0.27%	3,394	6	0.33%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,136	8	0.30%	-
-	-	-	-	-	-	-	-	-	4,159	8	0.40%	4,067	8	0.30%	3,120	9	0.30%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

<u>Year</u>	<u>City of Chicago Population (A)</u>	<u>Personal Income (\$000's)</u>	<u>Per Capita Income (B)</u>	<u>Median Age (C)</u>	<u>Number of Households (C)</u>
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	152,220,419	56,470	33.70	1,035,436
2016	2,695,598	154,417,331	57,285	33.90	1,042,579
2017	2,716,450	160,917,065	59,238	34.10	1,046,789
2018	2,705,994	168,326,357	62,205	34.90	1,077,886

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
1,318,491	45.53%	1,174,785	40.57%	10.90%
1,320,502	48.99%	1,175,029	43.59%	11.00%
1,259,055	46.71%	1,116,216	41.41%	11.30%
1,273,805	47.26%	1,144,896	42.47%	10.10%
1,277,649	47.40%	1,143,944	42.44%	10.50%
1,369,656	50.81%	1,264,234	46.90%	7.70%
1,361,418	50.51%	1,273,727	47.25%	6.40%
1,374,148	50.98%	1,285,806	47.70%	6.40%
1,364,817	50.24%	1,289,325	47.46%	5.50%
1,345,740	49.73%	1,288,755	47.63%	4.20%



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2018 NET REVENUES
(Millions of dollars)

Company Name	2018 Net Revenues	Number of Employees (1)
Walgreens Boots Alliance Inc.....	\$ 131,537.0	354,000
Boeing Co.	101,127.0	153,000
Archer Daniels Midland Co.	64,341.0	31,600
Caterpillar Inc.	54,722.0	104,000
United Continental Holdings Inc.	41,303.0	92,000
Allstate Corp.	39,815.0	45,700
Deere & Co.....	36,577.7	74,413
Exelon Corp.	35,985.0	33,383
Abbvie Inc.	32,753.0	30,000
Abbott Laboratories.....	30,578.0	103,000
Kraft Heinz Co.....	26,259.0	39,000
Mondelez International Inc.	25,938.0	80,000
US Foods Holdings Corp.....	24,175.0	25,000
McDonald's Corp.	21,025.0	210,000
Jones Lang LaSalle.....	16,318.0	90,000
CDW Corp.	16,240.5	9,019
Illinois Tool Works Inc.	14,768.0	48,000
Discover Financial Services Inc.	12,848.0	16,600
LKQ Corp.....	11,876.7	51,000
Tennoco Inc.....	11,763.0	81,000

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 20, 2019 issue. Copyright 2019 Crain Communications Inc.

NOTES:

- 1) Most recent employee count available

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE

FINAL APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

(Thousands of Dollars)

	Approved Budget	Transfers In/(Out)	Final Appropriations	Fiscal Year 2019 Actual	Over/(Under) Budget	Fiscal Year 2018 Actual	2019 Over (under) 2018
Revenues:							
Property taxes.....	\$ 2,899,427	\$ -	\$ 2,899,427	\$ 2,896,823	\$ (2,604)	\$ 2,794,613	\$ 102,210
Replacement taxes.....	126,159	-	126,159	152,319	26,160	109,997	42,322
State aid.....	1,849,188	-	1,849,188	1,886,770	37,582	1,859,582	27,188
Federal aid.....	805,353	-	805,353	679,990	(125,363)	723,432	(43,442)
Interest and investment earnings.....	5,000	-	5,000	6,798	1,798	6,099	699
Other.....	236,485	-	236,485	383,654	147,169	332,323	51,331
Total revenues.....	\$ 5,921,612	\$ -	\$ 5,921,612	\$ 6,006,354	\$ 84,742	\$ 5,826,046	\$ 180,308
Expenditures:							
Teachers' salaries.....	\$ 1,932,165	\$ (26,951)	\$ 1,905,214	\$ 1,928,020	\$ (22,806)	\$ 1,841,295	\$ 86,725
Career service salaries.....	576,203	51,180	627,383	620,004	7,379	595,467	24,537
Energy.....	74,747	935	75,682	75,408	274	60,813	14,595
Food.....	98,628	686	99,314	100,030	(716)	94,512	5,518
Textbook.....	39,651	46,791	86,442	98,607	(12,165)	50,296	48,311
Supplies.....	24,699	45,344	70,043	56,202	13,841	46,683	9,519
Other commodities.....	364	33	397	301	96	301	-
Professional fees.....	386,937	142,074	529,011	480,301	48,710	410,175	70,126
Charter Schools.....	749,408	13,721	763,129	736,530	26,599	703,124	33,406
Transportation.....	106,177	5,567	111,744	107,373	4,371	106,021	1,352
Tuition.....	63,034	(4,083)	58,951	55,333	3,618	50,181	5,152
Telephone and telecommunications.....	31,721	(718)	31,003	28,784	2,219	23,718	5,066
Other services.....	22,057	15,705	37,762	27,146	10,616	26,819	327
Equipment - educational.....	18,333	38,915	57,248	49,973	7,275	35,214	14,759
Repair and replacements.....	23,781	(3,389)	20,392	8,995	11,397	13,214	(4,219)
Capital outlay.....	-	279	279	80	199	1,293	(1,213)
Teachers' pension.....	934,624	(18,317)	916,307	924,209	(7,902)	900,791	23,418
Career service pension.....	91,791	(2,883)	88,908	143,486	(54,578)	113,882	29,604
Hospitalization and dental insurance.....	356,175	(3,182)	352,993	304,917	48,076	319,344	(14,427)
Medicare.....	37,304	882	38,186	36,294	1,892	34,601	1,693
Unemployment compensation.....	9,000	(1,938)	7,062	4,146	2,916	6,604	(2,458)
Workers compensation.....	22,000	1,936	23,936	23,973	(37)	23,546	427
Rent.....	17,783	1,307	19,090	16,691	2,399	16,840	(149)
Debt service.....	21,000	-	21,000	9,275	11,725	32,101	(22,826)
Other fixed charges.....	346,615	(303,894)	42,721	22,782	19,939	7,045	15,737
Total expenditures.....	\$ 5,984,197	\$ -	\$ 5,984,197	\$ 5,858,860	\$ 125,337	\$ 5,513,880	\$ 344,980
Revenues in excess of (less than) expenditures.....	\$ (62,585)	\$ -	\$ (62,585)	\$ 147,494	\$ 210,079	\$ 312,166	\$ (164,672)
Other financing sources (uses):							
Premiums.....	\$ -	\$ -	\$ -	\$ 33	\$ 33	\$ -	\$ 33
Transfers in / (out).....	62,585	-	62,585	475	(62,110)	286,828	(286,353)
Total other financing sources (uses).....	\$ 62,585	\$ -	\$ 62,585	\$ 508	\$ (62,077)	\$ 286,828	\$ (286,320)
Net change in fund balances.....	\$ -	\$ -	\$ -	\$ 148,002	\$ 148,002	\$ 598,994	\$ (450,992)
Fund balances, beginning of period.....	323,764	-	323,764	323,764	-	(275,230)	598,994
Fund balances, end of period.....	\$ 323,764	\$ -	\$ 323,764	\$ 471,766	\$ 148,002	\$ 323,764	\$ 148,002



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUE - BY PROGRAM

For the Fiscal Year Ended June 30, 2019

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Revenues:					
Property taxes.....	\$ 2,386,116	\$ 434,256	\$ -	\$ -	\$ -
Replacement taxes.....	152,319	-	-	-	-
State aid.....	1,196,176	-	-	315,460	-
Federal aid.....	52,517	-	93,185	96,869	-
Interest and investment income....	6,685	98	-	-	-
Other.....	315,506	13,306	-	13,379	-
Total revenues.....	<u>\$ 4,109,319</u>	<u>\$ 447,660</u>	<u>\$ 93,185</u>	<u>\$ 425,708</u>	<u>\$ -</u>



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
\$ -	\$ -	\$ 76,451	\$ -	\$ -	\$ 2,896,823
-	-	-	-	-	152,319
-	3,240	-	371,894	-	1,886,770
231,767	196,553	-	-	9,099	679,990
-	-	15	-	-	6,798
-	16,707	9,675	15,081	-	383,654
\$ 231,767	\$ 216,500	\$ 86,141	\$ 386,975	\$ 9,099	\$ 6,006,354



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

**GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES - BY PROGRAM
For the Fiscal Year Ended June 30, 2019
(Modified Accrual Basis of Accounting)
(Thousands of dollars)**

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Teachers' salaries..... \$	1,643,909	\$ -	\$ 65,439	\$ 109,104	\$ 58
Career service salaries.....	405,847	-	1,148	43,910	29
Energy.....	168	-	-	-	-
Food.....	699	-	1	2,331	-
Textbooks.....	88,947	-	10	3,321	213
Supplies.....	42,194	-	110	6,806	229
Other commodities.....	222	-	-	39	-
Professional fees.....	107,637	-	3,750	85,315	126
Charter schools.....	692,486	-	-	4,061	-
Transportation.....	100,702	-	16	2,141	28
Tuition.....	52,007	-	2,847	472	-
Telephone and telecommunications...	28,758	-	-	6	-
Other services.....	13,698	-	5	2,497	49
Equipment - educational.....	33,517	-	2	8,188	163
Repairs and replacements.....	4,828	-	-	74	11
Capital outlay.....	79	-	-	-	2
Teachers' pension.....	436,492	442,823	10,932	17,234	7
Career service pension.....	90,086	-	148	9,315	2
Hospitalization and dental insurance...	229,877	-	7,068	18,158	-
Medicare.....	29,119	-	924	2,142	1
Unemployment compensation.....	3,360	-	115	238	0
Workers' compensation.....	19,427	-	667	1,376	0
Rent.....	964	-	7	1,139	-
Debt Service.....	9,275	-	-	-	-
Other fixed charges.....	7,407	-	1,796	487	-
Total expenditures..... \$	\$ 4,041,706	\$ 442,823	\$ 94,988	\$ 318,353	\$ 919



Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Program	Total
\$ 106,439	\$ 1	\$ 95	\$ 3	\$ 2,972	\$ 1,928,020
15,474	70,461	47,844	34,008	1,282	620,004
-	-	-	75,240	-	75,408
166	96,833	-	-	-	100,030
3,701	-	-	282	2,133	98,607
4,246	21	69	331	2,194	56,202
8	1	0	25	6	301
31,407	5,611	1,974	241,998	2,484	480,301
38,192	-	-	-	1,791	736,530
4,248	65	21	149	2	107,373
-	7	-	-	-	55,333
19	-	-	-	-	28,784
2,480	58	7,878	102	378	27,146
2,051	3,976	20	438	1,619	49,973
28	-	745	3,309	-	8,995
-	-	-	-	-	80
16,498	-	16	-	207	924,209
3,455	18,688	12,539	9,142	111	143,486
12,826	20,111	10,166	6,542	169	304,917
1,737	989	837	458	86	36,294
194	103	76	57	3	4,146
1,123	595	438	331	16	23,973
-	18	-	14,563	-	16,691
-	-	-	-	-	9,275
4,710	8,384	(2,200)	-	-	22,782
\$ 249,005	\$ 225,923	\$ 82,715	\$ 386,975	\$ 15,454	\$ 5,858,860



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES - ALL FUNDS
Last Ten Fiscal Years and 2020 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> <u>(as restated)</u>	<u>2015</u>
Local revenue:						
Property taxes.....	\$ 2,047,163	\$ 1,936,655	\$ 2,352,136	\$ 2,211,568	\$ 2,204,252	\$2,304,656
Replacement taxes.....	152,497	197,762	181,927	185,884	188,041	202,148
Investment income.....	12,483	13,399	20,760	7,303	15,596	(92,825)
Other.....	359,661	417,516	303,744	322,128	286,472	377,286
Total local.....	<u>\$ 2,571,804</u>	<u>\$ 2,565,332</u>	<u>\$ 2,858,567</u>	<u>\$ 2,726,883</u>	<u>\$ 2,694,361</u>	<u>\$2,791,265</u>
State revenue:						
Evidence based funding.....	\$ 1,001,777	\$ 1,163,412	\$ 1,136,472	\$ 1,094,732	\$ 1,089,673	\$1,014,395
Teachers' pension	37,551	42,971	10,449	10,931	11,903	62,145
Capital.....	-	2,793	-	-	-	-
Other.....	512,748	740,605	818,980	710,135	739,229	770,529
Total state.....	<u>\$ 1,552,076</u>	<u>\$ 1,949,781</u>	<u>\$ 1,965,901</u>	<u>\$ 1,815,798</u>	<u>\$ 1,840,805</u>	<u>\$1,847,069</u>
Federal revenue:						
Elementary and Secondary Education Act (ESEA).....	\$ 307,331	\$ 271,859	\$ 283,681	\$ 264,600	\$ 342,915	\$ 253,514
Individuals with Disabilities Education Act (IDEA).....	96,240	88,058	84,385	106,902	100,092	103,899
School lunchroom.....	178,764	175,753	182,836	190,093	181,902	200,412
Medicaid.....	34,937	72,343	92,736	41,523	44,801	42,524
Other.....	562,876	536,871	292,313	242,678	237,531	198,582
Total federal	<u>\$ 1,180,148</u>	<u>\$ 1,144,884</u>	<u>\$ 935,951</u>	<u>\$ 845,796</u>	<u>\$ 907,241</u>	<u>\$ 798,931</u>
Total revenue.....	<u>\$ 5,304,028</u>	<u>\$ 5,659,997</u>	<u>\$ 5,760,419</u>	<u>\$ 5,388,477</u>	<u>\$ 5,442,407</u>	<u>\$5,437,265</u>
Change in revenue from previous year.....	\$ 284,450	\$ 355,969	\$ 100,422	\$ (371,942)	\$ 53,930	\$ (5,142)
Percent change in revenue.....	5.7%	6.7%	1.8%	-6.5%	1.0%	-0.1%

Note - General State Aid changed to Evidence Based Funding in FY 18.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Budget 2020</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$ 2,408,416	\$ 2,714,956	\$ 2,897,870	\$ 2,984,026	\$ 3,134,500	4.4%	6.3%
161,535	227,921	168,254	187,232	215,300	3.5%	1.3%
(95,650)	5,442	19,022	47,250	5,000	-8.7%	-155.8%
<u>437,042</u>	<u>387,045</u>	<u>461,692</u>	<u>536,349</u>	<u>457,100</u>	2.4%	3.9%
<u>\$ 2,911,343</u>	<u>\$ 3,335,364</u>	<u>\$ 3,546,838</u>	<u>\$ 3,754,857</u>	<u>\$ 3,811,900</u>	4.0%	6.4%
\$ 971,642	\$ 1,074,021	\$ 1,540,295	\$ 1,605,783	\$ 1,673,700	5.3%	10.5%
12,105	1,016	232,992	238,869	257,300	21.2%	32.9%
-	-	6,908	-	-	-	0.0%
<u>568,578</u>	<u>633,828</u>	<u>416,761</u>	<u>338,290</u>	<u>350,800</u>	-3.7%	-14.6%
<u>\$ 1,552,325</u>	<u>\$ 1,708,865</u>	<u>\$ 2,196,956</u>	<u>\$ 2,182,942</u>	<u>\$ 2,281,800</u>	3.9%	4.3%
\$ 150,477	\$ 278,136	\$ 259,691	\$ 229,952	\$ 254,600	-1.9%	0.1%
93,483	93,096	92,655	93,185	105,221	0.9%	0.3%
202,943	198,440	198,304	198,294	235,947	2.8%	3.3%
34,806	37,108	32,392	34,975	35,000	0.0%	-3.8%
<u>327,290</u>	<u>177,163</u>	<u>184,886</u>	<u>148,949</u>	<u>136,732</u>	-13.2%	-7.2%
<u>\$ 808,999</u>	<u>\$ 783,943</u>	<u>\$ 767,928</u>	<u>\$ 705,355</u>	<u>\$ 767,500</u>	-4.2%	-0.8%
<u>\$ 5,272,667</u>	<u>\$ 5,828,172</u>	<u>\$ 6,511,722</u>	<u>\$ 6,643,154</u>	<u>\$ 6,861,200</u>	2.6%	4.8%
\$ (164,598)	\$ 555,505	\$ 683,550	\$ 131,432	\$ 218,046		
-3.0%	10.5%	11.7%	2.0%	3.3%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES - ALL FUNDS

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Compensation:						
Teacher salaries.....	\$ 2,026,257	\$ 2,023,510	\$ 2,026,832	\$ 1,942,007	\$ 1,921,969	\$ 1,953,938
ESP salaries.....	<u>604,042</u>	<u>610,741</u>	<u>618,265</u>	<u>633,489</u>	<u>619,462</u>	<u>622,591</u>
Total salaries.....	\$ 2,630,299	\$ 2,634,251	\$ 2,645,097	\$ 2,575,496	\$ 2,541,431	\$ 2,576,529
Teacher pension.....	475,628	306,111	335,657	374,567	740,419	826,304
ESP pension.....	96,913	102,158	100,026	102,342	101,885	102,012
Hospitalization.....	311,048	353,878	324,918	319,792	343,308	357,124
Medicare.....	34,826	35,004	34,900	36,404	35,951	36,557
Unemployment insurance.....	16,000	21,992	17,141	9,134	16,426	8,138
Workers' compensation.....	28,244	25,859	26,042	23,967	25,646	25,926
Total benefits.....	<u>\$ 962,659</u>	<u>\$ 845,002</u>	<u>\$ 838,684</u>	<u>\$ 866,206</u>	<u>\$ 1,263,635</u>	<u>\$ 1,356,061</u>
Total compensation.....	<u>\$ 3,592,958</u>	<u>\$ 3,479,253</u>	<u>\$ 3,483,781</u>	<u>\$ 3,441,702</u>	<u>\$ 3,805,066</u>	<u>\$ 3,932,590</u>
Non-compensation:						
Energy.....	\$ 78,682	\$ 83,356	\$ 73,409	\$ 76,559	\$ 87,547	\$ 74,516
Food.....	93,088	93,766	104,245	106,650	96,816	99,573
Textbooks.....	70,596	70,249	49,147	68,969	52,871	55,254
Supplies.....	48,046	51,125	45,521	52,925	55,223	50,571
Commodities - other.....	948	478	583	408	648	474
Professional fees.....	381,851	450,127	412,072	398,064	441,667	395,221
Charter schools.....	326,322	377,755	424,423	498,162	580,652	662,553
Transportation.....	109,349	107,530	109,368	106,861	104,430	103,891
Tuition.....	62,568	59,102	55,001	54,626	66,396	90,901
Telephone and telecommunications.....	18,199	19,823	23,451	23,642	30,297	28,061
Services - other.....	15,688	11,789	11,010	12,438	14,126	14,133
Equipment.....	33,661	41,896	40,938	59,654	62,757	60,962
Repairs and replacements.....	31,854	37,355	33,912	26,449	31,679	27,291
Capital outlays.....	691,774	563,390	576,925	493,532	486,986	374,758
Rent.....	12,093	11,941	11,745	10,547	12,164	13,030
Debt service.....	386,597	332,097	374,494	390,409	467,904	523,113
Other.....	17,519	14,402	9,679	8,639	7,792	11,340
Total non-compensation.....	<u>\$ 2,378,835</u>	<u>\$ 2,326,181</u>	<u>\$ 2,355,923</u>	<u>\$ 2,388,534</u>	<u>\$ 2,599,955</u>	<u>\$ 2,585,642</u>
Total expenditures.....	<u>\$ 5,971,793</u>	<u>\$ 5,805,434</u>	<u>\$ 5,839,704</u>	<u>\$ 5,830,236</u>	<u>\$ 6,405,021</u>	<u>\$ 6,518,232</u>
Change in expenditures from previous year....	\$ 279,543	\$ (166,359)	\$ 34,270	\$ (9,468)	\$ 574,785	\$ 113,211
Percent change in expenditures.....	4.9%	-2.8%	0.6%	-0.2%	9.8%	1.8%

2016	2017	2018	2019	Budget 2020	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
\$ 1,869,683	\$ 1,815,309	\$ 1,841,295	\$ 1,928,020	\$ 2,012,813	-0.1%	0.6%
<u>605,817</u>	<u>581,665</u>	<u>595,467</u>	<u>620,004</u>	<u>626,032</u>	0.4%	0.1%
\$ 2,475,500	\$ 2,396,974	\$ 2,436,762	\$ 2,548,024	\$ 2,638,845	0.0%	0.5%
811,051	853,474	900,791	924,209	980,825	7.5%	3.5%
102,762	99,428	113,882	143,486	97,639	0.1%	-0.9%
348,083	306,871	319,344	304,917	368,335	1.7%	0.6%
34,824	33,658	34,601	36,294	39,600	1.3%	1.6%
9,438	7,040	6,604	4,146	9,000	-5.6%	2.0%
<u>20,337</u>	<u>20,531</u>	<u>23,546</u>	<u>23,973</u>	<u>22,000</u>	-2.5%	-3.2%
<u>\$ 1,326,495</u>	<u>\$ 1,321,002</u>	<u>\$ 1,398,768</u>	<u>\$ 1,437,025</u>	<u>\$ 1,517,399</u>	4.7%	2.3%
<u>\$ 3,801,995</u>	<u>\$ 3,717,976</u>	<u>\$ 3,835,530</u>	<u>\$ 3,985,049</u>	<u>\$ 4,156,244</u>	1.5%	1.1%
\$ 70,227	\$ 69,067	\$ 60,813	\$ 75,408	\$ 75,574	-0.4%	0.3%
98,777	94,911	94,512	100,030	98,976	0.6%	-0.1%
54,856	43,255	50,296	98,607	36,366	-6.4%	-8.0%
47,085	44,040	46,683	56,202	29,847	-4.6%	-10.0%
294	221	301	301	331	-10.0%	-6.9%
314,732	357,258	410,175	480,301	424,021	1.1%	1.4%
704,981	668,412	703,124	736,530	753,365	8.7%	2.6%
104,450	95,974	106,021	107,373	107,537	-0.2%	0.7%
61,028	53,668	50,181	55,333	57,783	-0.8%	-8.7%
24,579	21,998	23,718	28,784	16,863	-0.8%	-9.7%
16,471	13,814	26,819	27,146	27,001	5.6%	13.8%
45,407	30,967	35,214	49,973	13,231	-8.9%	-26.3%
18,853	18,319	13,214	8,995	32,947	0.3%	3.8%
294,446	205,852	340,482	613,138	820,605	1.7%	17.0%
16,012	14,638	16,840	16,691	18,146	4.1%	6.8%
480,288	569,694	652,532	638,830	700,284	6.1%	6.0%
<u>8,961</u>	<u>13,488</u>	<u>7,045</u>	<u>22,782</u>	<u>327,305</u>	34.0%	95.9%
<u>\$ 2,361,447</u>	<u>\$ 2,315,576</u>	<u>\$ 2,637,970</u>	<u>\$ 3,116,424</u>	<u>\$ 3,540,182</u>	4.1%	6.5%
<u>\$ 6,163,442</u>	<u>\$ 6,033,552</u>	<u>\$ 6,473,500</u>	<u>\$ 7,101,473</u>	<u>\$ 7,696,426</u>	2.6%	3.4%
\$ (354,790)	\$ (129,890)	\$ 439,948	\$ 627,973	\$ 594,953		
-5.4%	-2.1%	7.3%	9.7%	8.4%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> (as restated)
Revenues:					
Local.....	\$2,571,804	\$2,565,332	\$2,858,567	\$2,726,883	\$ 2,694,361
State.....	1,552,076	1,949,781	1,965,901	1,815,798	1,840,805
Federal.....	1,180,148	1,144,884	935,951	845,796	907,241
Total revenues.....	<u>\$5,304,028</u>	<u>\$5,659,997</u>	<u>\$5,760,419</u>	<u>\$5,388,477</u>	<u>\$ 5,442,407</u>
Total expenditures.....	<u>5,971,793</u>	<u>5,805,434</u>	<u>5,839,704</u>	<u>5,830,236</u>	<u>6,405,021</u>
Revenues less expenditures.....	<u>\$ (667,765)</u>	<u>\$ (145,437)</u>	<u>\$ (79,285)</u>	<u>\$ (441,759)</u>	<u>\$ (962,614)</u>
Other Financing Sources:					
Bond proceeds.....	\$ 1,083,260	\$ 638,790	\$ 592,510	982,720	131,600
Net premiums/discounts.....	6,459	14,700	1,229	47,271	-
Insurance proceeds.....	-	-	-	-	-
Sales of general capital assets.....	-	-	-	723	7,301
Payment to bond escrow agent.....	<u>(288,704)</u>	<u>(269,483)</u>	<u>(190,100)</u>	<u>(480,597)</u>	<u>-</u>
Total other financing sources.....	<u>\$ 801,015</u>	<u>\$ 384,007</u>	<u>\$ 403,639</u>	<u>\$ 550,117</u>	<u>\$ 138,901</u>
Change in fund balance.....	\$ 133,250	\$ 238,570	\$ 324,354	\$ 108,358	\$ (823,713)
Fund balance - beginning of period.....	<u>1,054,500</u>	<u>1,187,750</u>	<u>1,426,320</u>	<u>1,750,674</u>	<u>2,546,502</u>
Fund balance - end of period.....	<u>\$1,187,750</u>	<u>\$1,426,320</u>	<u>\$1,750,674</u>	<u>\$1,859,032</u>	<u>\$ 1,722,789</u>
Revenues as a percent of expenditures.....	88.8%	97.5%	98.6%	92.4%	85.0%
Composition of fund balance					
Reserved:					
Reserved for encumbrances.....	\$ 340,688	\$ -	\$ -	\$ -	-
Reserved for restricted donations.....	5,825	-	-	-	-
Reserved for specific purposes.....	109,163	-	-	-	-
Reserved for debt services.....	375,211	-	-	-	-
Unreserved:					
Designated to provide operating capital.....	-	-	-	-	-
Undesignated.....	356,863	-	-	-	-
Nonspendable.....	-	1,972	9,003	6,108	429
Restricted for grants and donations.....	-	126,855	69,873	63,434	61,022
Restricted for workers' comp/tort immunity.....	-	91,036	92,680	64,985	19,838
Restricted for capital improvement program.....	-	182,884	88,762	169,368	-
Restricted for debt service.....	-	271,643	332,517	466,966	491,552
Restricted for teacher' pension contributions.....	-	-	-	-	-
Assigned for educational services.....	-	289,000	-	-	-
Assigned for appropriated fund balance.....	-	181,300	348,900	562,682	267,652
Assigned for debt service.....	-	231,413	254,967	269,167	193,877
Assigned for commitments and contracts.....	-	44,924	110,397	105,664	87,067
Unassigned.....	<u>-</u>	<u>5,293</u>	<u>443,575</u>	<u>150,658</u>	<u>(91,953)</u>
Total fund balance.....	<u>\$1,187,750</u>	<u>\$1,426,320</u>	<u>\$1,750,674</u>	<u>\$1,859,032</u>	<u>\$ 1,029,484</u>
Unreserved/Unassigned fund balance as a					
percentage of revenues.....	6.7%	0.1%	7.7%	2.8%	-1.7%
Total fund balance as a percentage of revenues.....	22.4%	25.2%	30.4%	34.5%	18.9%

NOTE:

The classification of fund balances for fiscal year 2011 was modified to comply with GASB 54, which was adopted in July 2010.



						Budget
	2015	2016	2017	2018	2019	2020
	\$ 2,791,265	\$2,911,343	\$3,335,364	\$3,546,838	\$3,754,857	\$4,011,585
	1,847,069	1,552,325	1,708,865	2,196,956	2,182,942	2,281,757
	<u>798,931</u>	<u>808,999</u>	<u>783,943</u>	<u>767,928</u>	<u>705,355</u>	<u>767,536</u>
	\$ 5,437,265	\$5,272,667	\$5,828,172	\$6,511,722	\$6,643,154	\$7,060,878
	<u>6,518,232</u>	<u>6,163,442</u>	<u>6,033,552</u>	<u>6,473,500</u>	<u>7,101,473</u>	<u>7,840,139</u>
	<u>\$ (1,080,967)</u>	<u>\$ (890,775)</u>	<u>\$ (205,380)</u>	<u>\$ 38,222</u>	<u>\$ (458,319)</u>	<u>\$ (779,261)</u>
	561,880	724,999	879,580	2,152,150	849,395	\$ 675,000
	(12,502)	(110,071)	(36,097)	31,921	22,871	-
	-	-	223	-	-	-
	37,504	15,012	6,273	9,442	1,251	-
	<u>(397,090)</u>	<u>(120,856)</u>	<u>-</u>	<u>(1,321,865)</u>	<u>(457,035)</u>	<u>-</u>
	<u>\$ 189,792</u>	<u>\$ 509,084</u>	<u>\$ 849,979</u>	<u>\$ 871,648</u>	<u>\$ 416,482</u>	<u>\$ 675,000</u>
	\$ (891,175)	\$ (381,691)	\$ 644,599	\$ 909,870	\$ (41,837)	
	<u>1,722,789</u>	<u>831,614</u>	<u>449,923</u>	<u>1,094,522</u>	<u>2,004,392</u>	
	<u>\$ 831,614</u>	<u>\$ 449,923</u>	<u>\$1,094,522</u>	<u>\$2,004,392</u>	<u>\$1,962,555</u>	
	83.4%	85.5%	96.6%	100.6%	93.5%	
	\$ -	\$ -	\$ -	\$ -	\$ -	
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
	429	429	2,785	429	429	
	64,155	64,854	51,858	52,333	16,183	
	41,373	35,116	27,344	-	-	
	-	107,248	792,586	895,111	716,747	
	545,383	535,116	660,501	785,176	753,962	
	-	-	-	9,287	14,125	
	-	-	-	-	-	
	79,225	-	-	-	-	
	57,057	-	-	341	20,080	
	73,101	-	-	18,044	94,733	
	<u>(29,109)</u>	<u>(292,840)</u>	<u>(440,552)</u>	<u>243,671</u>	<u>346,296</u>	
	<u>\$ 831,614</u>	<u>\$ 449,923</u>	<u>\$1,094,522</u>	<u>\$2,004,392</u>	<u>\$1,962,555</u>	
	-0.5%	-5.6%	-7.6%	3.7%	5.2%	
	15.3%	8.5%	18.8%	30.8%	29.5%	



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of Dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> (as restated)
Local revenue:					
Property taxes.....	\$ 2,035,938	\$ 1,904,169	\$ 2,295,178	\$ 2,157,777	\$ 2,152,753
Replacement taxes.....	96,816	172,384	126,786	128,212	131,075
Investment income.....	3,084	1,920	4,363	2,207	4,458
Other.....	111,985	221,391	142,160	132,717	156,115
Total local.....	<u>\$2,247,823</u>	<u>\$2,299,864</u>	<u>\$2,568,487</u>	<u>\$2,420,913</u>	<u>\$ 2,444,401</u>
State Revenue:					
General state aid.....	\$ 801,198	\$ 940,693	\$ 989,943	\$ 945,651	\$ 972,572
Teacher pension	74,922	42,971	10,449	10,931	11,903
Capital.....	-	-	-	-	-
Other.....	491,677	710,902	756,774	642,842	645,417
Total state.....	<u>\$1,367,797</u>	<u>\$1,694,566</u>	<u>\$1,757,166</u>	<u>\$1,599,424</u>	<u>\$ 1,629,892</u>
Federal revenue:					
Elementary and Secondary Education Act (ESEA) ...	\$ 307,331	\$ 271,859	\$ 283,681	\$ 264,600	\$ 342,915
Individuals with Disabilities Education Act (IDEA).....	96,240	88,058	84,385	106,902	100,092
School lunch program.....	178,764	175,753	182,836	190,093	189,336
Medicaid.....	34,937	72,343	92,736	41,523	40,879
Other.....	543,140	513,444	247,349	202,865	194,290
Total federal	<u>\$1,160,412</u>	<u>\$1,121,457</u>	<u>\$ 890,987</u>	<u>\$ 805,983</u>	<u>\$ 867,512</u>
Total revenue.....	<u>\$4,776,032</u>	<u>\$5,115,887</u>	<u>\$5,216,640</u>	<u>\$4,826,320</u>	<u>\$ 4,941,805</u>
Change in revenue from previous year.....	\$ 196,364	\$ 339,855	\$ 100,753	\$ (390,320)	\$ 115,485
Percentage change in revenue.....	4.3%	7.1%	2.0%	-7.5%	2.4%



<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Budget 2020</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$2,252,828	\$2,313,470	\$2,613,889	\$2,794,613	\$2,896,823	\$3,073,800	3.6%	5.2%
143,867	115,961	169,637	109,997	152,319	151,000	4.6%	1.1%
198	1,347	1,964	6,099	6,798	5,000	8.2%	102.8%
<u>165,819</u>	<u>271,858</u>	<u>265,099</u>	<u>332,323</u>	<u>383,654</u>	<u>289,700</u>	13.1%	18.3%
<u>\$2,562,712</u>	<u>\$2,702,636</u>	<u>\$3,050,589</u>	<u>\$3,243,032</u>	<u>\$3,439,594</u>	<u>\$3,519,500</u>	4.3%	6.1%
\$ 847,420	\$ 857,601	\$ 683,008	\$1,216,940	\$1,323,126	\$1,291,800	5.1%	9.3%
62,145	12,105	1,016	232,992	238,869	257,349	12.3%	30.9%
-	-	-	6,908	-	-	-	-
<u>669,759</u>	<u>529,148</u>	<u>603,678</u>	<u>402,742</u>	<u>324,775</u>	<u>318,251</u>	-4.1%	-12.8%
<u>\$1,579,324</u>	<u>\$1,398,854</u>	<u>\$1,287,702</u>	<u>\$1,859,582</u>	<u>\$1,886,770</u>	<u>\$1,867,400</u>	3.3%	3.0%
\$ 253,514	\$ 293,302	\$ 357,715	\$ 320,005	\$ 231,693	\$ 254,600	-2.8%	-7.5%
103,899	93,483	93,096	92,655	93,185	105,221	-0.3%	-1.4%
200,412	202,943	198,440	196,495	196,553	235,947	1.0%	0.8%
42,524	34,806	37,108	32,392	34,975	35,000	0.0%	-3.1%
<u>167,199</u>	<u>151,743</u>	<u>65,936</u>	<u>81,885</u>	<u>123,584</u>	<u>101,932</u>	-13.8%	-8.7%
<u>\$ 767,548</u>	<u>\$ 776,277</u>	<u>\$ 752,295</u>	<u>\$ 723,432</u>	<u>\$ 679,990</u>	<u>\$ 732,700</u>	-5.2%	-4.8%
<u>\$4,909,584</u>	<u>\$4,877,767</u>	<u>\$5,090,586</u>	<u>\$5,826,046</u>	<u>\$6,006,354</u>	<u>\$6,119,600</u>	0.0%	4.0%
\$ (32,221)	\$ (31,817)	\$ 212,819	\$ 735,460	\$ 180,308	\$ 113,246		
-0.7%	-0.6%	4.4%	14.4%	3.1%	1.9%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Compensation:						
Teachers' salaries.....	\$ 2,026,257	\$ 2,023,510	\$ 2,026,832	\$ 1,942,007	\$ 1,921,969	\$ 1,953,938
ESP salaries.....	604,042	610,741	618,265	633,489	619,462	622,591
Total salaries.....	<u>\$ 2,630,299</u>	<u>\$ 2,634,251</u>	<u>\$ 2,645,097</u>	<u>\$ 2,575,496</u>	<u>\$ 2,541,431</u>	<u>\$ 2,576,529</u>
Teachers' pension.....	475,628	306,111	335,657	374,567	740,419	826,304
ESP pension.....	96,913	102,158	100,026	102,342	101,885	102,012
Hospitalization.....	311,048	353,878	324,918	319,792	343,308	357,124
Medicare.....	34,826	35,004	34,900	36,404	35,951	36,557
Unemployment insurance.....	16,000	21,992	17,141	9,134	16,426	8,138
Workers' compensation.....	28,244	25,859	26,042	23,967	25,646	25,926
Total benefits.....	<u>\$ 962,659</u>	<u>\$ 845,002</u>	<u>\$ 838,684</u>	<u>\$ 866,206</u>	<u>\$ 1,263,635</u>	<u>\$ 1,356,061</u>
Total compensation.....	<u>\$ 3,592,958</u>	<u>\$ 3,479,253</u>	<u>\$ 3,483,781</u>	<u>\$ 3,441,702</u>	<u>\$ 3,805,066</u>	<u>\$ 3,932,590</u>
Non-compensation:						
Energy.....	\$ 78,682	\$ 83,356	\$ 73,409	\$ 76,559	\$ 87,547	\$ 74,516
Food.....	93,088	93,766	104,245	106,650	96,816	99,573
Textbooks.....	70,596	70,249	49,147	68,969	52,871	55,254
Supplies.....	48,046	51,125	45,521	52,925	55,223	50,571
Commodities - other.....	948	478	583	408	648	474
Professional fees.....	381,851	450,127	412,072	398,064	441,667	395,221
Charter schools.....	326,322	377,755	424,423	498,162	580,652	662,553
Transportation.....	109,349	107,530	109,368	106,861	104,430	103,891
Tuition.....	62,568	59,102	55,001	54,626	66,396	90,901
Telephone and telecommunications.....	18,199	19,823	23,451	23,642	30,297	28,061
Services - other.....	15,688	11,789	11,010	12,438	14,126	14,133
Equipment.....	33,661	41,896	40,938	59,654	62,757	60,962
Repairs and replacements.....	31,854	37,355	33,912	26,449	31,679	27,291
Capital outlays.....	10	5	43	75	-	5
Rent.....	12,093	11,941	11,745	10,547	12,164	13,030
Debt service.....	2,710	-	-	-	-	-
Other.....	17,519	14,402	9,679	8,639	7,792	11,340
Total non-compensation	<u>\$ 1,303,184</u>	<u>\$ 1,430,699</u>	<u>\$ 1,404,547</u>	<u>\$ 1,504,668</u>	<u>\$ 1,645,065</u>	<u>\$ 1,687,776</u>
Total expenditures	<u>\$ 4,896,142</u>	<u>\$ 4,909,952</u>	<u>\$ 4,888,328</u>	<u>\$ 4,946,370</u>	<u>\$ 5,450,131</u>	<u>\$ 5,620,366</u>
Change in expenditures from previous year...	\$ 153,363	\$ 13,810	\$ (21,624)	\$ 58,042	\$ 503,761	\$ 170,235
Percent change in expenditures.....	3.2%	0.3%	-0.4%	1.2%	10.2%	3.1%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Budget 2020</u>	<u>Ten Year Compounded Growth Rate</u>	<u>Five Year Compounded Growth Rate</u>
\$ 1,869,683	\$ 1,815,309	\$ 1,841,295	\$ 1,928,020	\$ 1,904,660	-0.6%	-0.5%
<u>605,817</u>	<u>581,665</u>	<u>595,467</u>	<u>620,004</u>	<u>627,058</u>	0.4%	0.1%
\$ 2,475,500	\$ 2,396,974	\$ 2,436,762	\$ 2,548,024	\$ 2,531,718	-0.4%	-0.4%
811,051	853,474	900,791	924,209	916,304	6.8%	2.1%
102,762	99,428	113,882	143,486	88,913	-0.9%	-2.7%
348,083	306,871	319,344	304,917	352,876	1.3%	-0.2%
34,824	33,658	34,601	36,294	37,091	0.6%	0.3%
9,438	7,040	6,604	4,146	8,157	-6.5%	0.0%
<u>20,337</u>	<u>20,531</u>	<u>23,546</u>	<u>23,973</u>	<u>23,935</u>	-1.6%	-1.6%
<u>\$ 1,326,495</u>	<u>\$ 1,321,002</u>	<u>\$ 1,398,768</u>	<u>\$ 1,437,025</u>	<u>\$ 1,427,276</u>	4.0%	1.0%
<u>\$ 3,801,995</u>	<u>\$ 3,717,976</u>	<u>\$ 3,835,530</u>	<u>\$ 3,985,049</u>	<u>\$ 3,958,994</u>	1.0%	0.1%
\$ 70,227	\$ 69,067	\$ 60,813	\$ 75,408	\$ 76,444	-0.3%	0.5%
98,777	94,911	94,512	100,030	85,942	-0.8%	-2.9%
54,856	43,255	50,296	98,607	149,669	7.8%	22.1%
47,085	44,040	46,683	56,202	70,314	3.9%	6.8%
294	221	301	301	399	-8.3%	-3.4%
314,732	357,258	410,175	480,301	509,737	2.9%	5.2%
704,981	668,412	703,124	736,530	765,878	8.9%	2.9%
104,450	95,974	106,021	107,373	111,838	0.2%	1.5%
61,028	53,668	50,181	55,333	57,766	-0.8%	-8.7%
24,579	21,998	23,718	28,784	30,953	5.5%	2.0%
16,471	13,814	26,819	27,146	38,189	9.3%	22.0%
45,407	30,967	35,214	49,973	57,763	5.5%	-1.1%
18,853	18,319	13,214	8,995	19,459	-4.8%	-6.5%
1,135	1,017	1,293	80	279	39.5%	123.5%
16,012	14,638	16,840	16,691	19,108	4.7%	8.0%
25,003	38,735	32,101	9,275	10,002	13.9%	0.0%
<u>8,961</u>	<u>13,487</u>	<u>7,045</u>	<u>22,782</u>	<u>21,463</u>	2.1%	13.6%
<u>\$ 1,612,851</u>	<u>\$ 1,579,781</u>	<u>\$ 1,678,350</u>	<u>\$ 1,873,811</u>	<u>\$ 2,025,203</u>	4.5%	3.7%
<u>\$ 5,414,846</u>	<u>\$ 5,297,757</u>	<u>\$ 5,513,880</u>	<u>\$ 5,858,860</u>	<u>\$ 5,984,197</u>	2.0%	1.3%
\$ (205,520)	\$ (117,089)	\$ 216,123	\$ 344,980	\$ 125,337		
-3.7%	-2.2%	4.1%	6.3%	2.1%		



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2010	2011	2012	2013	2014 (as restated)
Revenues:					
Local.....	\$2,247,823	\$2,299,864	\$2,568,487	\$2,420,913	\$ 2,444,401
State.....	1,367,797	1,694,566	1,757,166	1,599,424	1,629,892
Federal.....	<u>1,160,412</u>	<u>1,121,457</u>	<u>890,987</u>	<u>805,983</u>	<u>867,512</u>
Total revenues.....	\$4,776,032	\$5,115,887	\$5,216,640	\$4,826,320	\$ 4,941,805
Total expenditures.....	<u>4,896,142</u>	<u>4,909,952</u>	<u>4,888,328</u>	<u>4,946,370</u>	<u>5,450,131</u>
Revenues less expenditures.....	\$ (120,110)	\$ 205,935	\$ 328,312	\$ (120,050)	\$ (508,326)
Other financing sources less transfers.....	<u>17,851</u>	<u>109,830</u>	<u>62</u>	<u>439</u>	<u>161</u>
Change in fund balance.....	\$ (102,259)	\$ 315,765	\$ 328,374	\$ (119,611)	\$ (508,165)
Fund balance - beginning of period.....	<u>526,874</u>	<u>424,615</u>	<u>740,380</u>	<u>1,068,754</u>	<u>1,592,147</u>
Fund balance - end of period.....	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$1,068,754</u>	<u>\$ 949,143</u>	<u>\$ 1,083,982</u>
Revenues as a percent of expenditures.....	97.5%	104.2%	106.7%	97.6%	90.7%
Composition of fund balance					
Reserved:					
Reserved for encumbrances.....	\$ 111,166	\$ -	\$ -	\$ -	\$ -
Reserved for restricted donations.....	5,825	-	-	-	-
Reserved by law for specific purposes.....	109,163	-	-	-	-
Unreserved:					
Undesignated.....	198,461	-	-	-	-
Nonspendable.....	-	1,972	3,329	1,720	429
Restricted for grants and donations.....	-	126,855	69,873	63,434	61,022
Restricted for workers' comp/tort immunity.....	-	91,036	92,680	64,985	19,838
Restricted for teachers' pension contributions...	-	-	-	-	-
Assigned for educational services.....	-	289,000	-	-	-
Assigned for appropriated fund balance.....	-	181,300	348,900	562,682	267,652
Assigned for commitments and contracts.....	-	44,924	110,397	105,664	87,067
Unassigned.....	-	5,293	443,575	150,658	-
Total fund balance.....	<u>\$ 424,615</u>	<u>\$ 740,380</u>	<u>\$1,068,754</u>	<u>\$ 949,143</u>	<u>\$ 436,008</u>
Unreserved/unassigned fund balance as a percent of revenues.....	4.2%	0.1%	8.5%	3.1%	0.0%
Total fund balance as a percentage of revenues	8.9%	14.5%	20.5%	19.7%	8.8%

NOTE:

The classification of fund balances for fiscal year 2011 was modified to comply with GASB 54, which was adopted in July 2010.

2015	2016	2017	2018	2019	Budget 2020
\$2,562,712	\$2,702,635	\$3,050,589	\$3,243,032	\$3,439,594	\$3,663,131
1,579,324	1,398,855	1,287,702	1,859,582	1,886,770	1,867,423
<u>767,548</u>	<u>776,277</u>	<u>752,295</u>	<u>723,432</u>	<u>679,990</u>	<u>732,718</u>
\$4,909,584	\$4,877,767	\$5,090,586	\$5,826,046	\$6,006,354	\$6,263,272
<u>5,620,366</u>	<u>5,414,846</u>	<u>5,297,758</u>	<u>5,513,880</u>	<u>5,858,860</u>	<u>6,319,250</u>
\$ (710,782)	\$ (537,079)	\$ (207,172)	\$ 312,166	\$ 147,494	<u>\$ (55,978)</u>
<u>(12,915)</u>	<u>50,162</u>	<u>58,574</u>	<u>286,828</u>	<u>508</u>	
\$ (723,697)	\$ (486,917)	\$ (148,598)	\$ 598,994	\$ 148,002	
<u>1,083,982</u>	<u>360,285</u>	<u>(126,632)</u>	<u>(275,230)</u>	<u>323,764</u>	
<u>\$ 360,285</u>	<u>\$ (126,632)</u>	<u>\$ (275,230)</u>	<u>\$ 323,764</u>	<u>\$ 471,766</u>	
87.4%	90.1%	96.1%	105.7%	102.5%	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
429	429	429	429	429	
64,155	64,854	51,858	52,333	16,183	
41,373	35,116	27,344	-	-	
-	-	-	9,287	14,125	
-	-	-	-	-	
79,225	-	-	-	-	
73,101	-	-	18,044	94,733	
<u>102,002</u>	<u>(227,031)</u>	<u>(354,861)</u>	<u>243,671</u>	<u>346,296</u>	
<u>\$ 360,285</u>	<u>\$ (126,632)</u>	<u>\$ (275,230)</u>	<u>\$ 323,764</u>	<u>\$ 471,766</u>	
2.1%	-4.7%	-7.0%	4.2%	5.8%	
7.3%	-2.6%	-5.4%	5.6%	7.9%	



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, 2019

Eligible Expenditures:

Other General Charges.....	\$	969,000
Physical Education - Athletic Claims.....		64,330
Summer School.....		1,492
Tort Claims - Administration Fee.....		675,750
Tort Claims - Major Settlements.....		7,487,470
Tort Claims - Casualty.....		167,499
General Liability Insurance.....		3,197,113
Property Damage Insurance.....		2,074,681
Investigations - Administration.....		151,375
School Safety Services.....		6,050,061
School Security Personnel.....		58,110,892
Central Service Security.....		4,225,883
Security Services.....		4,782,954
Risk Management Administration.....		26
Absence & Disability Management.....		28,125
Total Eligible Expenditures.....	\$	<u>87,986,651</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS

For the Fiscal Year Ended June 30, 2019

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

	Beginning Balance	Cash Receipts	Cash Disbursements	Amounts Held for Student Activities
Checking:				
Elementary Schools.....	\$ 22,890,495	\$ 32,095,592	\$ 30,044,958	\$ 24,941,130
Alternative Schools.....	11,939	36,730	35,079	13,590
Middle Schools.....	345,571	686,965	658,429	374,107
High Schools.....	24,241,557	33,564,148	31,431,621	26,374,083
	<u>\$ 47,489,562</u>	<u>\$ 66,383,435</u>	<u>\$ 62,170,087</u>	<u>\$ 51,702,910</u>
Investments:				
Elementary Schools.....				108,592
High Schools.....				426,657
Total Cash and Investments Held for Student Activities.....				<u><u>\$ 52,238,159</u></u>

STUDENT FEES

	Graduation Fees (A)	Student Activity Fees (B)	Total
Total Elementary School Fees.....	\$ 109,330	\$ 2,670,515	\$ 2,779,845
Total Elementary Students.....	223,571	223,571	231,470
Average Fee per Student.....	<u>\$ 0.49</u>	<u>\$ 11.94</u>	<u>\$ 12.01</u>
Total High School Fees.....	\$ 51,544	\$ 7,267,152	\$ 7,318,696
Total High School Students.....	80,686	80,686	82,511
Average Fee per Student.....	<u>\$ 0.64</u>	<u>\$ 90.07</u>	<u>\$ 88.70</u>

NOTES:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES
For the Fiscal Year Ended June 30, 2019

<u>Type of Coverage</u>	<u>Provider Broker/Insurer/TPA</u>	<u>Term From – To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
BROKER SERVICES	Mesirow Insurance Services, Inc. an Alliant-owned company	07/01/18-06/30/19	\$ 103,500	Insurance placement and consultation. The contract with Mesirow for these services continues until Feb 28, 2020 with (1) option to renew for a (2) year period.
PROPERTY INSURANCE				
All Risk-Property Insurance layers				
Property Primary I	Lexington Insurance Company	07/01/18-06/30/19	\$ 1,827,160	\$50M per occurrence subject to \$5M deductible/self insured retention
Property Excess II	Starr Surplus Lines Insurance Company	07/01/18-06/30/19	83,300	\$25M per occurrence excess \$50M
Property Excess III	AXIS Speciality Insurance Company	07/01/18-06/30/19	46,856	\$15M per occurrence excess \$25M excess \$50M
Property Excess IV	Steadfast Insurance (Zurich) Company	07/01/18-06/30/19	31,238	\$10M per occurrence excess \$25M excess \$25M excess \$50M
Boiler & Machinery Insurance	Federal Insurance Company (Chubb)	07/01/18-06/30/19	83,188	\$100M subject to \$50,000 deductible/retention
Total Property Program			<u>\$ 2,071,742</u>	Total Property, Boiler & Machinery for year end 06/30/19
LIABILITY INSURANCE				
General Liability, Auto, SBLL, EPL, Abuse	Gemini Insurance Co (Berkley)	07/01/18-06/30/19	\$ 461,390	\$5M excess \$10M Self Insured Retention \$20M excess of \$15M Self Insured Retention (does not follow form of Gemini)
Excess Liability II	Lexington Insurance Company	07/01/18-06/30/19	1,447,394	\$10M excess of \$20M excess of \$15M Self Insured Retention (follows form of Lexington)
Excess Liability III	AXIS Surplus Insurance Company	07/01/18-06/30/19	388,594	\$10M excess of \$30M excess of \$15M Self Insured Retention (follows form of Lexington)
Excess Liability IV	Westchester Fire Insurance Company	07/01/18-06/30/19	288,857	\$10M excess of \$30M excess of \$15M Self Insured Retention (follows form of Lexington)
Special Events CGL	National Casualty Insurance Company	07/01/18-06/30/19	57,635	\$1M/no deductible/\$5M Product Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/18-06/30/19	18,922	\$5M excess of \$5M no deductible
Fiduciary	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/18-06/30/19	85,143	\$10M no deductible
Student Catastrophic	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/18-06/30/19	106,985	\$6M Subject to \$25,000 deductible
Foreign Travel (includes: Travel Property, GL, AL, Foreign Voluntary WC, Travel Accident & Sickness, Kidnap & Ransom)	Insurance Company of the State of PA (AIG)	07/01/18-06/30/19	7,962	\$1M/deductible varies/\$4M master control program agg
Commercial Cyber Liability	Allied World Assurance Co (US) Inc	07/02/18-06/30/19	208,491	\$10M (\$250,000 self insured retention)
Cyber/Privacy Excess	Endurance American Insurance Company	07/02/18-06/30/19	120,637	\$10M excess of \$10M (\$250,000 self insured retention)
Total Liability Insurance Cost			<u>\$ 3,192,010</u>	
Total Insurance Cost			<u>\$ 5,263,752</u>	



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2019

<u>Type of Coverage</u>	<u>Provider Broker/Insurer/TPA</u>	<u>Term From - To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc	07/01/18-06/30/19	\$ 8,104,844	TOTAL: Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc	07/01/18-06/30/19	562,500	Administration fees
			<u>\$ 8,667,344</u>	Total General Liability Claims and Expenses
Workers' Compensation Claims	Cannon, Cochran, Management Services, Inc	07/01/18-06/30/19	\$ 969,000	Claim administration services including receive and review for compensability all employee accident claims. Review and apply PPO discount to medical claims. Pay indemnity costs for compensable claims. Determine case management needs. Provide claim statistics and establish safety initiatives.
	Cannon Cochran Management Services, Inc	07/01/18-06/30/19	23,966,861	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
Total Workers Compensation Claims and Expenses			<u>\$ 24,935,861</u>	
Total Self Insured Program			<u>\$ 33,603,205</u>	
HEALTH INSURANCE HMO/PPO				
Medical-Administrative Services	Blue Cross Blue Advantage HMO	07/01/18-06/30/19	\$ 55,305,514	HMO health care for eligible employees and dependents
	Blue Cross PPO	07/01/18-06/30/19	7,643,898	PPO health care for eligible employees and dependents
	Blue Cross PPO with HSA	07/01/18-06/30/19	780,599	PPO health care for eligible employees and dependents that includes a health savings account.
	Blue Cross HMO Illinois	07/01/18-06/30/19	(76,690)	HMO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. The credit amount is due to adjustments for service occurring in previous years.
	United Healthcare HMO(EPO), PPO, & PPO w/HRA	07/01/18-06/30/19	421	Health care for eligible employees and dependents. Administrative costs for these three plans are billed together. Plans with this vendor terminated on December 31, 2016. The premium amount is due to adjustments for services occurring in previous years.
Medical Total Administrative Fees			<u>\$ 63,653,742</u>	
Medical PPO Claims	Blue Cross PPO and PPO with HSA	07/01/18-06/30/19	\$ 163,549,014	PPO and PPO with HSA health care for eligible employees and dependents
	United Healthcare PPO	07/01/18-06/30/19	76,327	PPO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY19.
	United Healthcare PPO w/HRA	07/01/18-06/30/19	(1,685)	PPO with HRA health care for eligible employees and dependents. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY19. The credit amount is due to adjustments for service occurring in previous years.
Medical Total PPO Claims			<u>\$ 163,623,656</u>	



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2019

<u>Type of Coverage</u>	<u>Provider Broker/Insurer/TPA</u>	<u>Term From - To</u>	<u>Annual Expense</u>	<u>Coverage Details Limits of Liability</u>
Medical HMO Claims	Blue Cross Blue Advantage HMO	07/01/18-06/30/19	\$ 66,486,364	HMO health care for eligible employees and dependents and Claims and Physician Service Fees HMO health care for eligible employees and dependents and Claims and Physician Service Fees. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY19. The HMO (EPO) plan terminated December 31, 2015. The credit amount is due to adjustments for services occurring in previous years.
	Blue Cross HMO Illinois	07/01/18-06/30/19	113,054	
	United Healthcare HMO (EPO)	07/01/18-06/30/19	(4,690)	
Medical Total HMO Claims			<u>\$ 66,594,728</u>	
Medical Claims Total			<u>\$ 230,218,384</u>	
Health Savings Account	HSA Bank	07/01/18-06/30/19	\$ 925,325	CPS contributes funds for plan members and the plan allows employees to also make tax deferred contributions. Contributions go to an investment account under the control of the participating employee.
Medical Claims and Administration Total			<u>\$ 294,797,451</u>	
Flexible Spending Program	Benefits Express	07/01/18-06/30/19	\$ 179,995	Administration of the flexible spending program for employees. Contributions to the plan are made by employees.
COBRA Program	Payflex	07/01/18-06/30/19	149,629	Administration of the COBRA program for former employees continuing insurance coverage. COBRA contributions are made by former employees.
Prescription Drugs	Caremark	07/01/18-06/30/19	77,626,953	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses			<u>\$ 372,754,028</u>	
OTHER INSURANCE				
Dental Insurance	Delta Dental HMO	07/01/18-06/30/19	\$ 2,545,592	Dental HMO for eligible employees and dependents
	Delta Dental PPO	07/01/18-06/30/19	8,577,617	Dental PPO for eligible employees and dependents
Dental Insurance Total			<u>\$ 11,123,209</u>	
Vision Plan	EyeMed	07/01/18-06/30/19	\$ 2,650,827	Vision services for eligible employees and dependents
Term Life Insurance	Aetna Life Insurance	07/01/18-06/30/19	275,113	Life insurance policy at \$25,000 per eligible employee
Total Dental/Vision/Life			<u>\$ 14,049,149</u>	
Total Health/Life Benefit Expenses			<u>\$ 386,803,177</u>	





CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY

Last Ten Fiscal Years

For the Fiscal Year Ended June 30, 2019

(Millions of dollars)

	2010	2011	2012
Unexpended (over expended).....	\$ 73.9	\$ 261.6	\$ 182.2
Proceeds available from bond issuance.....	803.8	382.3	402.4
Property Taxes			
State aid.....	-	2.8	1.3
Federal aid.....	12.3	4.4	18.1
Investment income.....	2.0	2.1	5.5
Other income.....	83.1	91.5	54.2
Total.....	<u>975.1</u>	<u>744.7</u>	<u>663.7</u>
Expenditures.....	666.7	562.3	576.8
Operating transfers in (out).....	(46.8)	(0.2)	1.2
Unexpended.....	<u>261.6</u>	<u>182.2</u>	<u>88.1</u>
Encumbrances.....	229.5	182.2	88.1
Available balance.....	<u>\$ 32.1</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES:

- A) The above amounts do not include construction expenditures made by the Public Building Commission.
- B) Beginning in FY2013, the proceeds available from bond issuance includes both premiums and gross amounts from debt issuances.
- C) In FY2015, CPS changed its revenue recognition policy resulting in a restatement to FY2014 balances.



2013 (B)	2014 (C)	2015	2016	2017	2018	2019
\$ 88.1	\$ 174.2	\$ (91.9)	\$ (157.1)	\$ 66.4	\$ 745.4	\$ 839.0
508.9	131.3	148.5	364.0	775.5	355.4	356.6
			42.5	48.4	8.1	10.1
6.9	37.8	31.6	39.4	30.1	14.0	13.5
13.6	14.9	6.5	7.7	6.7	19.5	0.5
1.9	0.8	0.4	0.1	2.0	7.3	16.9
88.0	31.3	107.2	62.9	21.1	28.5	36.0
707.4	390.3	202.3	359.5	950.2	1,178.2	1,272.6
493.4	482.2	359.4	293.1	204.8	339.2	613.1
(41.6)	-	-	-	-	(497.0)	(0.2)
172.4	(91.9)	(157.1)	66.4	745.4	839.0	659.3
172.4	(91.9)	(157.1)	66.4	745.4	839.0	659.3
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
SCHOOL FOOD SERVICE PROGRAM
Last Five Fiscal Years
(Thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
DAYS MEALS SERVED:					
National School Lunch Program.....	178	176	178	178	178
PUPIL LUNCHES SERVED:					
Paid lunches (regular).....	-	-	-	-	-
Reduced lunches (regular).....	-	-	-	-	-
Free lunches (regular).....	43,507,955	42,061,499	40,401,995	39,139,162	37,006,918
TOTAL PUPIL LUNCHES SERVED.....	43,507,955	42,061,499	40,401,995	39,139,162	37,006,918
Daily Average.....	244,427	238,986	226,978	219,616	207,904
Change from Previous Year.....	298,584	(1,446,456)	(1,659,504)	(1,262,833)	(2,132,244)
Daily Percentage Change.....	0.1%	-2.2%	-5.0%	-3.2%	-5.3%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular).....	-	-	-	-	-
Reduced breakfasts (regular).....	-	-	-	-	-
Free breakfasts (regular).....	26,144,917	24,850,825	23,511,510	22,580,175	22,556,302
TOTAL PUPIL BREAKFASTS SERVED.....	26,144,917	24,850,825	23,511,510	22,580,175	22,556,302
Daily Average.....	146,882	141,198	132,087	126,855	126,721
Change from Previous Year.....	161,072	(1,294,092)	(1,339,315)	(931,335)	(23,873)
Daily Percentage Change.....	0.1%	-3.9%	-6.5%	-4.0%	-0.1%
TOTAL MEALS SERVED.....	69,652,872	66,912,324	63,913,505	61,719,337	59,563,220
Daily Average.....	391,308	380,184	359,065	346,738	334,625
Total Change From Previous Year.....	459,656	(2,740,548)	(2,998,819)	(2,194,168)	(2,156,117)
Daily Percentage Change.....	0.1%	-2.8%	-5.6%	-3.4%	-3.5%
NUMBER OF ADULT LUNCHES (REGULAR)...	241,263	241,533	217,541	202,997	170,618
Daily Average.....	1,355	1,372	1,222	1,140	959
Total Change From Previous Year.....	(188,614)	270	(23,992)	(14,544)	(32,379)
Daily Percentage Change.....	-44.2%	1.3%	-10.9%	-6.7%	-16.0%

NOTE:

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



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
SCHOOL FOOD SERVICE PROGRAM (continued)
Last Five Fiscal Years
(Thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUE:					
Federal and State Sources.....	\$ 204,975	\$ 207,506	\$ 203,003	\$ 197,854	\$ 214,153
Local Sources.....	7,747	8,428	8,704	13,420	16,706
Total Revenue.....	<u>\$ 212,722</u>	<u>\$ 215,934</u>	<u>\$ 211,707</u>	<u>\$ 211,274</u>	<u>\$ 230,859</u>
EXPENDITURES:					
Career Service Salaries.....	\$ 60,303	\$ 61,566	\$ 62,551	\$ 67,015	\$ 70,461
Career Service Pension.....	10,374	11,121	11,359	13,678	18,688
Hospitalization.....	23,562	23,770	21,351	21,867	20,111
Food.....	94,576	94,619	92,500	91,099	96,833
Professional and Special Services.....	3,942	4,234	4,909	6,101	5,611
Administrative Allocation.....	7,665	11,184	9,205	6,657	5,834
Other.....	2,174	3,351	5,878	4,856	-
Total Expenditures.....	<u>\$ 202,596</u>	<u>\$ 209,845</u>	<u>\$ 207,753</u>	<u>\$ 211,273</u>	<u>\$ 217,538</u>
Revenues in excess of Expenditures.....	<u>\$ 10,126</u>	<u>\$ 6,089</u>	<u>\$ 3,954</u>	<u>\$ 1</u>	<u>\$ 13,321</u>
DAILY AVERAGE					
Revenues.....	\$ 1,195	\$ 1,227	\$ 1,189	\$ 1,187	\$ 1,297
Expenditures.....	\$ 1,138	\$ 1,192	\$ 1,167	\$ 1,187	\$ 1,222
PERCENTAGE CHANGE					
Revenues.....	4.9%	1.5%	-2.0%	-0.2%	9.3%
Expenditures.....	-0.1%	3.6%	-1.0%	1.7%	3.0%



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Period Ended June 30, 2018

	2019		
	2019	Administrative	
	Schools	Center	Total
<u>Electricity</u>			
Total Electricity Charges	\$ 52,104,513	\$ 141,910	\$ 52,246,423
Kilowatt Hours	531,188,476	1,251,100	532,439,576
Charge per Kilowatt Hour	\$ 0.09809	\$ 0.11343	\$ 0.09813

<u>Gas</u>			
Total Gas Charges	\$ 23,162,957	\$ -	\$ 23,162,957
Therms	33,844,754	-	33,844,754
Charge per Therm	\$ 0.68439	\$ -	\$ 0.68439

	2018		
	2018	Administrative	
	Schools	Center	Total
<u>Electricity</u>			
Total Electricity Charges	\$ 40,418,200	\$ 114,963	\$ 40,533,163
Kilowatt Hours	535,087,144	1,191,251	536,278,395
Charge per Kilowatt Hour	\$ 0.07554	\$ 0.09651	\$ 0.07558

<u>Gas</u>			
Total Gas Charges	\$ 20,217,133	\$ -	\$ 20,217,133
Therms	33,089,017	-	33,089,017
Charge per Therm	\$ 0.61099	\$ -	\$ 0.61099



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

PROPERTY SALES AND PURCHASES

For the Fiscal Year Ended June 30, 2019

Sales

<u>Unit Location</u>	<u>Date</u> <u>Acquired</u>	<u>Net Book Value</u>	<u>Gross/Sales</u> <u>Proceeds</u>	<u>Gain / (Loss)</u> <u>on Sale</u>
6529-33 S. Steward and 6530 S. Harvard.....	N/A	\$ -	\$ 75,000	\$ 75,000
7600 S. Kedzie.....	7/31/2010	11,043,629	1,000,000	(10,043,629)
11725 S. Perry Avenue.....	6/30/2013 ***	-	125,000	125,000
7025 S. Princeton and 7004-34 S. Princeton...	6/30/2014	24,591	65,000	40,409
		<u>\$ 11,068,220</u>	<u>\$ 1,265,000</u>	<u>\$ (9,803,220)</u>

Purchases

<u>Unit Location</u>	<u>Date</u> <u>Acquired</u>	<u>School</u>	<u>Purchase Cost</u>
5700 W, Berteau.....	10/24/2018	Luther North High School	\$ 10,746,242
5423 W. 64th Place.....	2/14/2019	New Hancock High School	4,358,442
			<u>\$ 15,104,684</u>
			<u>\$ 15,104,684</u>

NOTE:

***Date reflects retirement date



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)
2010	\$ 45,450	\$ 64,879	\$ 84,308	4.00%
2011	47,268	67,974	88,680	4.00%
2012	47,268	68,474	89,680	0.00%
2013	48,686	70,644	92,602	3.00%
2014	49,660	72,163	94,666	2.00%
2015	50,653	73,706	96,759	2.00%
2016	50,653	73,706	96,759	0.00%
2017	50,653	73,706	96,759	0.00%
2018	51,666	75,180	98,694	2.00%
2019	52,958	77,060	101,161	2.50%

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 Contribution and Contribution On-Behalf of Employees	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 Value)
2014	\$ 740,419	\$ 10,045,543	\$ 9,458,351	51.5%	48.5%
2015	826,304	10,344,375	9,606,915	51.9%	48.1%
2016	811,051	10,610,747	9,635,393	52.4%	47.6%
2017	853,474	10,933,032 (A)	10,888,979	50.1%	49.9%
2018 (B)	900,791	10,969,086	11,953,907	47.9%	52.1%

NOTE:

A) The actuarial value includes assets previously restricted for OPEB benefits.

B) The actuarial assumption used for FY18 changed due to changes in the discount rate and mortality table.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS

Last Five Fiscal Years

<u>Fiscal Year</u>	<u>School Year</u>	<u>Average Daily Attendance (A)</u>	<u>Operating Expenses Per Pupil (B)</u>	<u>Per Capita Tuition Charge (C)</u>
2015	2014-15	363,276	15,310	12,229
2016	2015-16	361,764	14,973	12,544
2017	2016-17	347,001	15,419	12,243
2018	2017-18	333,116	15,878	12,678
2019	2018-19	296,951	N/A	N/A

NOTES:

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

N/A: Not available at publishing.



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Elementary					
Pre-Kindergarten.....	24,370	23,705	24,232	24,507	23,671
Kindergarten.....	29,632	28,812	29,594	30,936	30,166
Grades 1-3.....	92,581	91,899	92,302	91,880	92,251
Grades 4-6.....	88,695	87,834	87,630	86,966	86,244
Grades 7-8.....	58,231	56,791	56,520	56,773	56,184
Total Elementary.....	293,509	289,041	290,278	291,062	288,516
Secondary					
9th Grade.....	32,877	31,081	30,336	29,812	30,069
10th Grade.....	34,659	33,303	32,230	31,343	30,963
11th Grade.....	25,436	26,277	27,039	26,610	26,500
12th Grade.....	22,798	22,979	24,268	24,634	24,497
Total Secondary.....	115,770	113,640	113,873	112,399	112,029
Grand Total.....	409,279	402,681	404,151	403,461	400,545

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

2015	2016	2017	2018	2019
22,873	22,555	20,673	19,441	17,668
28,978	27,651	26,093	24,963	24,128
92,526	91,347	86,610	82,188	78,084
86,066	85,391	85,022	84,478	83,026
54,233	54,174	53,898	52,960	52,541
<u>284,676</u>	<u>281,118</u>	<u>272,296</u>	<u>264,030</u>	<u>255,447</u>
30,366	29,130	27,623	27,566	27,296
31,130	31,189	29,704	28,453	28,502
26,378	26,714	27,284	26,279	25,603
24,133	24,134	24,442	25,054	24,466
<u>112,007</u>	<u>111,167</u>	<u>109,053</u>	<u>107,352</u>	<u>105,867</u>
<u>396,683</u>	<u>392,285</u>	<u>381,349</u>	<u>371,382</u>	<u>361,314</u>



CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Elementary.....	21.3	23.2	23.3	24.6	25.2	25.4	25.8	24.7	24.5	21.9
Secondary.....	19.7	19.8	19.2	19.8	21.5	21.9	20.3	23.7	24.4	22.0

Source: Illinois State Board of Education

NOTE:

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, 2019

Functions	2015	2016	2017	2018	2019
Instruction.....	26,261	25,615	25,044	24,010	24,509
Support services:					
Pupil support services.....	4,652	4,415	4,476	4,357	4,436
Administrative support services.....	1,038	705	821	925	1,081
Facilities support services.....	1,468	1,427	1,417	1,144	910
Instructional support services.....	2,965	2,788	2,671	2,515	2,616
Food services.....	2,762	2,721	2,712	2,700	2,718
Community services.....	247	250	204	197	184
Total government employees.....	<u>39,393</u>	<u>37,921</u>	<u>37,345</u>	<u>35,848</u>	<u>36,454</u>



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Number of Schools					
Elementary (A).....	474	474	473	468	422
Special (C).....	13	12	12	12	5
High School.....	109	107	103	98	109
Vocational/Technical (C).....	8	8	8	8	-
Charter Schools.....	71	82	87	95	126
Kindergarten to H.S. (K-12) (C).....	-	-	-	-	5
Total Schools.....	666	675	683	683	681
School Enrollment (B)					
Elementary (A).....	272,308	264,569	263,540	261,638	254,864
Special (C).....	2,073	1,940	1,839	1,961	907
High School.....	91,390	87,061	85,068	81,735	86,184
Vocational/Technical (C).....	9,956	8,833	8,226	7,927	-
Charter Schools.....	33,552	40,278	45,478	50,200	54,572
Kindergarten to H.S. (K-12) (C).....	-	-	-	-	4,018
Total School Enrollment.....	407,955	409,279	402,681	404,151	403,461
Number of High School Graduates....	22,245	20,131	20,914	22,447	22,817

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

NOTES:

- A) Elementary schools include the traditional classification of middle schools.
- B) School enrollment includes the number of students in each type of school regardless of the students' grades.
- C) The governance and school types in fiscal year 2015 has changed compared to 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 2019.

<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
426	425	424	424	424
-	-	-	-	-
121	122	118	115	113
-	-	-	-	-
131	129	122	121	120
-	-	-	-	-
<u>667</u>	<u>678</u>	<u>664</u>	<u>660</u>	<u>657</u>
251,554	247,487	239,606	231,470	223,571
-	-	-	-	-
88,183	86,208	83,739	82,511	80,686
-	-	-	-	-
56,946	58,590	58,004	57,401	57,057
-	-	-	-	-
<u>400,545</u>	<u>396,683</u>	<u>381,349</u>	<u>371,382</u>	<u>361,314</u>
<u>22,825</u>	<u>22,839</u>	<u>22,805</u>	<u>23,230</u>	<u>23,107</u>





STATUTORY REPORTING SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Chicago Public Schools, (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements, and have issued our report thereon dated January 22, 2020.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 22, 2020



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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Chicago Public Schools' (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Chicago Public Schools' major federal programs for the year ended June 30, 2019. Chicago Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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



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

Opinion on Each Major Federal Program

In our opinion, Chicago Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

Chicago Public Schools' Response to Finding

Chicago Public Schools' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Chicago Public Schools' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

Chicago Public Schools' Response to Finding

Chicago Public Schools' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Chicago Public Schools' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 22, 2020



Statutory Reporting Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Illinois State Board of Education (ISBE)						
Child Nutrition Cluster						
National School Lunch Program	Lunch Program	4210	10.555	19-4210-00	09/01/18-09/30/19	N/A
		4210	10.555	18-4210-00	09/01/17-09/30/18	N/A
Food Donation Program	Food Donation Program *Noncash Awards	4290	10.555	18-4290-00	07/01/18-06/30/19	N/A
Summer Food Service Program for Children	Summer Food Service Program	4225	10.559	19-4225-00	10/01/18-09/30/19	N/A
School Breakfast Program	Breakfast Program	4220	10.553	19-4220-00	09/01/18-09/30/19	N/A
		4220	10.553	18-4220-00	09/01/17-09/30/18	N/A
Total Child Nutrition Cluster						\$ -
Passed Through Illinois State Board of Education (ISBE)						
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	19-4226-00	09/01/18-09/30/19	N/A
		4226	10.558	18-4226-00	09/01/17-09/30/18	N/A
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	17-4240-17 / 17-4240-18	07/01/17-09/30/18	N/A
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	19-4240-00	07/01/18-09/30/19	N/A
Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (not including cluster)						\$ -
Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (including cluster)						\$ -
Passed Through Illinois Department of Human Services (IDHS)						
Supplemental Nutrition Assistance Program Cluster						
Supplemental Nutrition Assistance Program	Homeless Service Food Stamp Outreach	4099	10.561	FCSXQ04965	10/1/18-9/30/19	\$ 345,265
Supplemental Nutrition Assistance Program Cluster						\$ 345,265
Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services (including cluster)						\$ 345,265
TOTAL U.S. DEPARTMENT OF AGRICULTURE						\$ 345,265
U.S. DEPARTMENT OF EDUCATION						
Passed Through Illinois State Board of Education (ISBE)						
Special Education Cluster (IDEA)						
Special Education Grants to State	IDEA - Flow Through Instruction	4620	84.027A	18-4620-00	08/31/17-08/31/18	93,777,234
Special Education Grants to State	IDEA - Flow Through Instruction	4620	84.027A	19-4620-00	07/01/18-08/31/19	97,873,981
Special Education Grants to State	IDEA Room & Board	4625	84.027A	19-4625-00	09/01/18-08/31/19	N/A
Special Education Grants to State	IDEA Room & Board	4625	84.027A	18-4625-00	09/01/17-08/31/18	N/A
Special Education - Preschool Grants	IDEA - Pre-School Flow Through	4600	84.173A	18-4600-00	07/01/17-08/31/18	1,277,691
Special Education - Preschool Grants	IDEA - Pre-School Flow Through	4600	84.173A	19-4600-00	07/01/18-08/31/19	1,585,518
Special Education - Preschool Grants	IDEA - Pre-School Discretionary	4605	84.173A	18-4605-01	07/01/17-08/31/18	489,250
Special Education - Preschool Grants	IDEA - Pre-School Discretionary	4605	84.173A	19-4605-01	07/01/18-08/31/19	489,250
Total Special Education Cluster (IDEA)						\$ 195,492,924
Passed Through Illinois State Board of Education (ISBE)						
Title I Grants to Local Education Agencies	Title I - Low Income	4300	84.010A	18-4300-00	07/01/17-08/31/18	282,519,959
Title I Grants to Local Education Agencies	Title I - Low Income	4300	84.010A	19-4300-00	07/01/18-08/31/19	272,818,183
Title I Grants to Local Education Agencies	ESEA - School Improvement	4331	84.010A	18-4331-SS	08/31/17-08/31/18	3,915,800
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-19	02/22/19-8/31/2019	1,774,770
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-29	02/22/19-8/31/2019	4,053,053
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-39	02/22/19-8/31/2019	1,721,377
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-49	02/22/19-8/31/2019	3,863,430
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-59	02/22/19-8/31/2019	2,158,818
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-69	02/22/19-8/31/2019	3,290,615
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-79	02/22/19-8/31/2019	2,742,241
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-89	02/22/19-8/31/2019	2,906,390
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-90	02/22/19-8/31/2019	2,250,000
Title I Grants to Local Education Agencies	II-Empower (Cohort 19)	4331	84.010A	19-4331-99	02/22/19-8/31/2019	2,874,502
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Neglected Private	4305	84.010A	18-4305-00	09/29/17-08/31/18	624,385
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Neglected Private	4305	84.010A	19-4305-00	07/01/18-08/31/19	657,430
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Delinquent Private	4306	84.010A	18-4306-00	09/29/17-08/31/18	1,332,876
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Delinquent Private	4306	84.010A	19-4306-00	07/01/18-08/31/19	1,433,470

See accompanying notes to Schedule of Expenditures of Federal Awards



Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
\$ -	\$ 102,267,488	\$ 111,028,229	\$ 111,028,229	\$ -	\$ 8,760,741	\$ -	\$ 111,028,229
8,000,815	21,842,795	13,841,980	13,841,980	-	-	113,262,226	127,104,206
-	12,847,939	12,847,939	12,847,939	-	-	-	12,847,939
-	2,874,410	3,035,328	3,035,328	-	160,918	-	3,035,328
-	38,767,755	42,430,831	42,430,831	-	3,663,076	-	42,430,831
2,978,159	8,130,401	5,152,242	5,152,242	-	-	41,259,472	46,411,714
\$ 10,978,974	\$ 186,730,788	\$ 188,336,549	\$ 188,336,549	\$ -	\$ 12,584,735	\$ 154,521,698	\$ 342,858,247
\$ -	\$ 6,645,222	\$ 7,897,833	\$ 7,897,833	\$ -	\$ 1,252,611	\$ -	\$ 7,897,833
445,525	764,511	318,986	318,986	-	-	7,536,040	7,855,026
342,313	482,202	139,889	139,889	-	-	1,808,803	1,948,692
-	1,227,289	1,600,892	1,600,892	-	373,603	-	1,600,892
\$ 787,838	\$ 9,119,224	\$ 9,957,600	\$ 9,957,600	\$ -	\$ 1,626,214	\$ 9,344,843	\$ 19,302,443
\$ 11,766,812	\$ 195,850,012	\$ 198,294,149	\$ 198,294,149	\$ -	\$ 14,210,949	\$ 163,866,541	\$ 362,160,690
\$ -	\$ 98,884	\$ 134,283	\$ 134,283	\$ -	\$ 35,399	\$ -	\$ 134,283
\$ -	\$ 98,884	\$ 134,283	\$ 134,283	\$ -	\$ 35,399	\$ -	\$ 134,283
\$ -	\$ 98,884	\$ 134,283	\$ 134,283	\$ -	\$ 35,399	\$ -	\$ 134,283
\$ 11,766,812	\$ 195,948,896	\$ 198,428,432	\$ 198,428,432	\$ -	\$ 14,246,348	\$ 163,866,541	\$ 362,294,973
19,259,294	19,393,144	140,090	140,090	-	6,240	87,636,803	87,776,893
-	82,524,227	90,272,243	90,272,243	-	7,748,016	-	90,272,243
-	650,897	650,897	650,897	-	-	-	650,897
-	1,682,989	1,682,989	1,682,989	-	-	473,162	2,156,151
434,041	431,544	(2,497)	(2,497)	-	-	1,163,625	1,161,128
-	682,473	1,317,723	1,317,723	-	635,250	-	1,317,723
138,364	138,415	51	51	-	-	348,246	348,297
-	233,867	396,280	396,280	-	162,413	-	396,280
\$ 19,831,699	\$ 105,737,556	\$ 94,457,776	\$ 94,457,776	\$ -	\$ 8,551,919	\$ 89,621,836	\$ 184,079,612
\$ 65,929,782	\$ 80,084,351	\$ 14,154,569	\$ 14,154,569	\$ 1,093,327	\$ -	\$ 250,552,463	\$ 264,707,032
-	196,578,744	237,863,946	237,863,946	37,098,869	41,285,202	-	237,863,946
1,367,752	1,635,274	267,522	267,522	-	-	3,648,278	3,915,800
-	24,359	648,598	648,598	-	624,239	-	648,598
-	-	1,510,262	1,510,262	1,510,262	1,510,262	-	1,510,262
-	166,161	918,186	918,186	-	752,025	-	918,186
-	93,615	1,545,267	1,545,267	-	1,451,652	-	1,545,267
-	62,896	949,069	949,069	-	886,173	-	949,069
-	237,656	1,602,070	1,602,070	-	1,364,414	-	1,602,070
-	112,433	1,225,632	1,225,632	-	1,113,199	-	1,225,632
-	317,498	1,448,708	1,448,708	-	1,131,210	-	1,448,708
-	323,416	1,035,167	1,035,167	-	711,751	-	1,035,167
-	111,925	931,936	931,936	280,374	820,011	-	931,936
282,936	400,001	117,065	117,065	-	-	465,950	583,015
-	116,099	458,435	458,435	-	342,336	-	458,435
380,769	615,432	234,663	234,663	-	-	652,558	887,221
-	457,861	779,709	779,709	-	321,848	-	779,709

See accompanying notes to Schedule of Expenditures of Federal Awards



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
Title I Grants to Local Education Agencies	IL Empower Pilot	4399	84.010A	18-4399-IP	03/28/18-08/31/18	75,000
Supporting Effective Instruction State Grants	Title IIA - Teacher Quality	4932	84.367A	18-4932-00	07/01/17-08/31/18	28,453,545
Supporting Effective Instruction State Grants	Title IIA - Teacher Quality	4932	84.367A	19-4932-00	07/01/18-08/31/19	23,766,289
Supporting Effective Instruction State Grants	Title II - Teacher Quality Leadership	4935	84.367A	18-4935-02	08/21/17-08/31/18	34,382
Supporting Effective Instruction State Grants	Title II - Teacher Quality Leadership	4935	84.367A	19-4935-02	07/01/18-08/31/19	27,505
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	17-4909-00	09/01/16-08/31/17	13,425,047
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	18-4909-00	09/01/17-08/31/18	11,896,752
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	19-4909-00	09/01/18-08/31/19	9,092,341
English Language Acquisition Grants	Title III - Immigrant Education Program (IEP)	4905	84.365A	18-4905-00	09/01/17-08/31/18	1,035,251
English Language Acquisition Grants	Title III - Immigrant Education Program (IEP)	4905	84.365A	19-4905-00	09/01/18-08/31/19	684,664
Student Support and Academic Enrichment Program	Title IVA Student Support and Academic Enrichment	4400	84.424A	18-4400-00	07/01/17-08/31/18	3,955,713
Student Support and Academic Enrichment Program	Title IVA Student Support and Academic Enrichment	4400	84.424A	19-4400-00	07/01/18-08/31/19	12,059,497
Career and Technical Education	V.E. - Perkins - Title IIC - Secondary	4745	84.048A	18-4745-00	07/01/17-08/31/18	6,240,819
Career and Technical Education	V.E. - Perkins - Title IIC - Secondary	4745	84.048A	19-4745-00	07/01/18-06/30/19	6,103,306
School Improvement Grants	School Improvement - Cohort 5	4339	84.377A	18-4339-15	08/21/17-08/31/18	3,224,471
School Improvement Grants	School Improvement - Cohort 5	4339	84.377A	19-4339-15	07/01/18-08/31/19	1,526,764
School Improvement Grants	School Improvement - Cohort 6	4339	84.377A	18-4339-16	08/21/17-08/31/18	2,140,458
School Improvement Grants	School Improvement - Cohort 6	4340	84.377A	19-4339-16	07/01/18-08/31/19	2,046,548
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-13	07/01/17-08/31/18	3,150,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-15	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-25	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-35	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-45	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-55	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-65	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-13	07/31/18-08/31/19	3,150,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-15	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-25	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-35	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-45	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-55	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-65	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-75	07/01/17-08/31/18	135,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-75	07/01/18-08/31/19	135,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-19	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-29	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-39	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-49	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-59	07/01/18-08/31/19	450,000
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	18-4920-00	08/21/17-06/30/18	911,213
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	19-4920-00	07/1/18-06/30/19	906,766
Preschool Development Grants	Preschool Expansion	4902	84.419B	18-4902-PE	10/03/17-08/31/18	2,999,131
Preschool Development Grants	Preschool Expansion	4902	84.419B	19-4902-PE	09/28/18-12/31/19	2,999,131
Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)						\$ 740,441,892
Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)						\$ 935,934,816
Direct Funding						
TRIO Cluster						
TRIO - Talent Search	Pullman Talent Search	N/A	84.044A	P044A160585	09/01/17-08/31/18	261,110
TRIO - Talent Search	Pullman Talent Search	N/A	84.044A	P044A160585	09/01/18-08/31/19	240,077
Total TRIO Cluster						\$ 501,187
Direct Funding						
Impact Aid	Federal Impact Aid Grant	N/A	84.041	S041B-2016-1446	07/01/17-06/30/18	N/A
Indian Education - Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A160666	07/01/16-06/30/17	202,065
Indian Education - Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A170666	07/01/17-06/30/18	204,142
Indian Education - Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A140666	07/01/18-06/30/19	217,185
Magnet Schools Assistance Program	Magnet Schools Assistance Program	N/A	84.165A	U165A170071	10/01/17-09/30/18	2,672,187
Innovative Approaches to Literacy, Full-service Community Schools, and Promise Neighborhoods	Start on Success Program	N/A	84.215H	U215H150069	10/01/17-09/30/18	614,777
Innovative Approaches to Literacy, Full-service Community Schools, and Promise Neighborhoods	Start on Success Program	N/A	84.215H	U215H150069	10/01/18-09/30/19	313,569
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052-16	10/01/17-09/30/18	460,789
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052	10/01/18-09/30/19	105,686
Arts in Education	Model Development and Dissemination - Project Cultivate	N/A	84.351D	U351D180107	10/1/18-09/30/19	487,604
Teacher Incentive Fund	Distributed Leadership in Opportunity Schools	N/A	84.374A	U374A170088	10/01/17-09/30/18	1,814,488
Teacher Incentive Fund	Distributed Leadership in Opportunity Schools	N/A	84.374A	U374A170088	10/01/18-09/30/19	2,927,373

See accompanying notes to Schedule of Expenditures of Federal Awards



Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
29,664	61,300	31,636	31,636	-	-	29,664	61,300
6,280,273	7,991,253	1,710,980	1,710,980	41,259	-	24,524,518	26,235,498
-	15,212,044	18,765,422	18,765,422	1,434,436	3,553,378	-	18,765,422
5,651	26,713	21,062	21,062	-	-	12,226	33,288
-	-	4,500	4,500	-	4,500	-	4,500
239	-	-	-	-	239	9,046,027	9,046,027
2,257,653	3,338,438	1,080,785	1,080,785	10,765	-	8,746,426	9,827,211
-	8,342,805	8,348,174	8,348,174	442,000	5,369	-	8,348,174
143,987	336,761	192,774	192,774	-	-	143,987	336,761
-	167,712	241,691	241,691	-	73,979	-	241,691
2,606,310	2,897,047	290,737	290,737	-	-	3,297,275	3,588,012
-	3,925,084	9,603,768	9,603,768	1,134,038	5,678,684	-	9,603,768
2,466,768	3,221,702	754,934	754,934	-	-	5,485,885	6,240,819
-	2,451,300	5,247,041	5,247,041	13,999	2,795,741	-	5,247,041
994,363	1,289,848	295,485	295,485	-	-	2,536,689	2,832,174
-	870,442	1,265,747	1,265,747	-	395,305	-	1,265,747
845,881	902,195	56,314	56,314	-	-	1,773,824	1,830,138
-	740,928	1,570,983	1,570,983	-	830,055	-	1,570,983
1,484,570	2,019,312	534,742	534,742	-	-	2,549,888	3,084,630
247,806	327,195	79,389	79,389	-	-	453,443	532,832
187,623	302,062	114,439	114,439	-	-	393,720	508,159
265,818	354,589	88,771	88,771	-	-	430,828	519,599
257,250	311,798	54,548	54,548	-	-	468,219	522,767
278,434	411,452	133,018	133,018	-	-	397,434	530,452
210,178	268,200	58,022	58,022	-	-	460,569	518,591
-	1,294,791	2,718,863	2,718,863	-	1,424,072	-	2,718,863
-	221,091	420,029	420,029	-	198,938	-	420,029
-	187,782	406,991	406,991	-	219,209	-	406,991
-	167,933	380,372	380,372	-	212,439	-	380,372
-	196,180	376,670	376,670	-	180,490	-	376,670
-	132,672	317,285	317,285	-	184,613	-	317,285
-	152,807	388,694	388,694	-	235,887	-	388,694
53,696	95,216	41,520	41,520	-	-	53,696	95,216
-	35,244	88,488	88,488	-	53,244	-	88,488
-	84,711	310,096	310,096	-	310,096	-	310,096
-	77,211	293,945	293,945	-	216,734	-	293,945
-	107,527	352,310	352,310	-	244,783	-	352,310
-	78,157	257,412	257,412	-	179,255	-	257,412
-	79,859	261,959	261,959	-	182,100	-	261,959
910,784	910,557	(227)	(227)	-	-	911,213	910,986
-	3,000	878,119	878,119	-	875,119	-	878,119
725,214	724,620	(594)	(594)	-	-	2,999,131	2,998,537
-	1,687,596	2,675,229	2,675,229	-	987,633	-	2,675,229
\$ 88,213,401	\$ 343,344,855	\$ 326,402,927	\$ 326,402,927	\$ 43,059,329	\$ 71,271,473	\$ 320,033,911	\$ 646,436,838
\$ 108,045,100	\$ 449,082,411	\$ 420,860,703	\$ 420,860,703	\$ 43,059,329	\$ 79,823,392	\$ 409,655,747	\$ 830,516,450
\$ 76,273	\$ 141,594	\$ 65,321	\$ 65,321	\$ -	\$ -	\$ 212,167	\$ 277,488
-	186,543	229,291	229,291	-	42,748	-	229,291
\$ 76,273	\$ 328,137	\$ 294,612	\$ 294,612	\$ -	\$ 42,748	\$ 212,167	\$ 506,779
\$ 12,575	\$ 115,236	\$ 102,661	\$ 102,661	\$ -	\$ -	\$ 68,249	\$ 170,910
13,983	-	(13,983)	(13,983)	-	-	164,727	150,744
58,586	55,697	(2,889)	(2,889)	-	-	183,363	180,474
-	141,718	204,003	204,003	-	62,285	-	204,003
339,564	2,331,065	2,126,615	2,126,615	-	135,114	362,971	2,489,586
73,780	119,779	45,999	45,999	-	-	255,209	301,208
-	123,756	212,479	212,479	-	88,723	-	212,479
150,044	254,666	104,622	104,622	-	-	250,481	355,103
-	24,298	56,094	56,094	-	31,796	-	56,094
-	60,434	226,416	226,416	-	165,982	-	226,416
394,722	851,264	456,542	456,542	-	-	448,149	904,691
-	993,517	1,218,220	1,218,220	-	224,703	-	1,218,220

See accompanying notes to Schedule of Expenditures of Federal Awards



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
School Safety National Activities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/16-09/30/17	1,274,909
School Safety National Activities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/17-09/30/18	1,989,718
School Safety National Activities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/18-09/30/19	1,092,050
Total U.S. Department of Education - Direct Funding (not including cluster)						\$ 14,376,542
Total U.S. Department of Education - Direct Funding (including cluster)						\$ 14,877,729
Passed Through Illinois Department of Human Services						
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CWF00155	07/01/17-06/30/18	\$ 400,000
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CXF00155	07/01/18-06/30/19	400,000
Total U.S. Department of Education Passed Through IDHS						\$ 800,000
Passed Through Northeastern Illinois University						
Gaining Early Awareness and Readiness for Undergraduate Program	Gear Up 5 (Year 7)	N/A	84.334A	P334A110082 / P0048086	09/26/17-09/25/18	\$ 1,023,250
Gaining Early Awareness and Readiness for Undergraduate Program	Gear Up 6 (Year 4)	N/A	84.334A	P334A140132 / P0048087	09/25/17-09/24/18	864,212
Gaining Early Awareness and Readiness for Undergraduate Program	Gear Up 6 (Year 5)	N/A	84.334A	P0052227	09/25/18-09/24/19	885,522
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Ella Flagg Young	N/A	84.287	PO#0047632	11/01/17-06/30/18	36,692
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Ella Flagg Young	N/A	84.287	PO 00050041	02/27/19-08/31/19	27,900
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Duke Ellington	N/A	84.287	PO#0047628	11/01/17-06/30/18	16,232
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Frederick A Douglas	N/A	84.287	PO#0047772	12/04/17-06/30/18	4,058
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Azuela Elementary	N/A	84.287	PO 00051435	04/04/19-08/31/19	15,000
Total U.S. Department of Education Passed Through Northeastern Illinois University						\$ 2,872,866
TOTAL U.S. DEPARTMENT OF EDUCATION						\$ 954,485,411
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed Through Centers for Disease Control						
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Surveillance	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	1U87PS004162-05	08/01/17-07/31/18	\$ 271,672
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Surveillance	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	NU87PS004311-01-00	08/01/18-07/31/19	300,000
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Surveillance	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	1U87PS004162-05	08/01/17-07/31/18	61,250
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Surveillance	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	NU87PS004311-01-00	08/01/18-07/31/19	60,000
Total U.S. Department of Health and Human Services Passed Through Centers for Disease Control						\$ 692,922
Passed Through City of Chicago Department of Family and Support Services						
Head Start	Head Start - Child Development	N/A	93.600	PO#33360-3	12/01/17-11/30/18	\$ 35,912,000
Head Start	Head Start - Child Development	N/A	93.600	PO#33360-4	12/01/18-11/30/19	35,912,000
Head Start	Head Start - Supp DIS SP initiatives	N/A	93.600	IGA	12/01/17-11/30/18	1,021,990
Head Start	Head Start - Supp DIS SP initiatives	N/A	93.600	IGA	12/01/18-11/30/19	1,281,337
Total U.S. Department of Health and Human Services Passed Through City of Chicago Department of Family and Support Services						\$ 74,127,327
Direct Funding						
Teen Pregnancy Prevention Program	Teen Pregnancy Prevention Grant (MICAH)	N/A	93.297	TP2AH000034-00-00	07/01/17-06/30/18	\$ 79,466
Children's Health Insurance Program	Healthy Schools Health City Medicaid Enrollment Project	N/A	93.767	120CMS331507-02-03	07/01/17-06/30/18	649,936
Total U.S. Department of Health and Human Services - Direct Funding						\$ 729,402
Passed Through Illinois Department of Human Services						
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Refugee Children Impact Grant	N/A	93.566	FCSWK01131	07/01/17-06/30/18	\$ 57,525
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Refugee Children Impact Grant	N/A	93.566	9FCSXK04937	07/01/18-06/30/19	57,525
Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services						\$ 115,050
Passed Through Illinois Department of Healthcare and Family Services (IDHFS)						
Medicaid Cluster						
Medical Assistance Program	Medicaid - Administrative Services	N/A	93.778	95-4900-00	07/01/13-06/30/19	\$ N/A
Total Medicaid Cluster						\$ -
Total U.S. Department of Health and Human Services Passed Through IDHFS (including cluster)						\$ -
Passed Through Illinois Department of Public Health						
Maternal and Child Health Services Block Grant to the States	Middle School Youth Risk Behavior Survey (YRBS) Program	N/A	93.994	86380013F	07/01/18-06/30/19	\$ 72,300
Total U.S. Department of Health and Human Services Passed Through IDPH						\$ 72,300
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						\$ 75,737,001
U.S. DEPARTMENT OF JUSTICE						
Direct Funding						
National Institute of Justice Research, Evaluation and Development Project Grants		N/A	16.560	2014-CK-BX-0002	01/01/18-12/31/18	\$ 739,307
Total U.S. Department of Justice - Direct Funding						\$ 739,307
TOTAL U.S. DEPARTMENT OF JUSTICE						\$ 739,307

See accompanying notes to Schedule of Expenditures of Federal Awards



Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
47,691	0	(47,691)	(47,691)	-	-	385,282	337,591
495,771	538,015	42,244	42,244	-	-	837,619	879,863
-	334,343	665,451	665,451	-	331,108	-	665,451
\$ 1,586,716	\$ 5,943,788	\$ 5,396,783	\$ 5,396,783	\$ -	\$ 1,039,711	\$ 2,956,050	\$ 8,352,833
\$ 1,662,989	\$ 6,271,925	\$ 5,691,395	\$ 5,691,395	\$ -	\$ 1,082,459	\$ 3,168,217	\$ 8,859,612
\$ 219,850	\$ 219,850	\$ -	\$ -	\$ -	\$ -	400,000	400,000
-	258,625	258,625	258,625	-	-	-	258,625
\$ 219,850	\$ 478,475	\$ 258,625	\$ 258,625	\$ -	\$ -	\$ 400,000	\$ 658,625
\$ 268,309	\$ 422,124	\$ 153,815	\$ 153,815	\$ -	\$ -	628,791	782,606
253,621	388,753	135,132	135,132	-	-	610,943	746,075
-	-	533,822	533,822	-	533,822	-	533,822
7,896	16,164	8,268	8,268	-	-	20,528	28,796
20,528	20,528	25,265	25,265	-	25,265	-	25,265
13,581	13,581	-	-	-	-	13,581	13,581
6,979	-	(6,979)	(6,979)	-	-	6,979	-
-	-	14,835	14,835	-	14,835	-	14,835
\$ 570,914	\$ 861,150	\$ 864,158	\$ 864,158	\$ -	\$ 573,922	\$ 1,280,822	\$ 2,144,980
\$ 110,498,853	\$ 456,693,961	\$ 427,674,881	\$ 427,674,881	\$ 43,059,329	\$ 81,479,773	\$ 414,504,786	\$ 842,179,667
\$ 85,295	\$ 84,157	\$ (1,138)	\$ (1,138)	\$ -	\$ -	262,418	261,280
-	81,127	120,911	120,911	-	39,784	-	120,911
29,925	19,510	(10,415)	(10,415)	-	-	44,766	34,351
-	9,992	34,604	34,604	-	24,612	-	34,604
\$ 115,220	\$ 194,786	\$ 143,962	\$ 143,962	\$ -	\$ 64,396	\$ 307,184	\$ 451,146
\$ 9,252,983	\$ 22,254,255	\$ 13,001,272	\$ 13,001,272	\$ -	\$ -	22,509,903	35,511,175
-	15,482,562	21,926,977	21,926,977	-	6,444,415	-	21,926,977
631,026	1,031,332	400,306	400,306	-	-	631,026	1,031,332
-	-	747,149	747,149	-	747,149	-	747,149
\$ 9,884,009	\$ 38,768,149	\$ 36,075,704	\$ 36,075,704	\$ -	\$ 7,191,564	\$ 23,140,929	\$ 59,216,633
\$ 19,245	\$ 31,875	\$ 12,630	\$ 12,630	\$ -	\$ -	59,681	72,311
29,492	26,500	(2,992)	(2,992)	-	-	367,834	364,842
\$ 48,737	\$ 58,375	\$ 9,638	\$ 9,638	\$ -	\$ -	\$ 427,515	\$ 437,153
\$ 17,344	\$ 17,344	\$ -	\$ -	\$ -	\$ -	57,525	57,525
-	40,547	57,525	57,525	-	16,978	-	57,525
\$ 17,344	\$ 57,891	\$ 57,525	\$ 57,525	\$ -	\$ 16,978	\$ 57,525	\$ 115,050
\$ 2,374,723	\$ 7,960,001	\$ 8,256,738	\$ 8,256,738	\$ -	\$ 2,671,460	49,419,547	57,676,285
\$ 2,374,723	\$ 7,960,001	\$ 8,256,738	\$ 8,256,738	\$ -	\$ 2,671,460	\$ 49,419,547	\$ 57,676,285
\$ 2,374,723	\$ 7,960,001	\$ 8,256,738	\$ 8,256,738	\$ -	\$ 2,671,460	\$ 49,419,547	\$ 57,676,285
\$ -	\$ 72,300	\$ 72,300	\$ 72,300	\$ -	\$ -	-	72,300
\$ -	\$ 72,300	\$ 72,300	\$ 72,300	\$ -	\$ -	\$ -	\$ 72,300
\$ 12,440,033	\$ 47,111,502	\$ 44,615,867	\$ 44,615,867	\$ -	\$ 9,944,398	\$ 73,352,700	\$ 117,968,567
\$ 519,659	\$ 580,390	\$ 60,865	\$ 60,865	\$ -	\$ 134	534,771	595,636
\$ 519,659	\$ 580,390	\$ 60,865	\$ 60,865	\$ -	\$ 134	\$ 534,771	\$ 595,636
\$ 519,659	\$ 580,390	\$ 60,865	\$ 60,865	\$ -	\$ 134	\$ 534,771	\$ 595,636

See accompanying notes to Schedule of Expenditures of Federal Awards



Statutory Reporting Section

**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
U.S. DEPARTMENT OF LABOR						
Passed Through Manufacturing Renaissance						
Youthbuild	Youth Career Connect	N/A	17.274	YC-25414-14-60-A-17	07/01/17-06/30/18	\$ 73,083
Total U.S. Department of Labor Passed Through Manufacturing Renaissance						\$ 73,083
TOTAL U.S. DEPARTMENT OF LABOR						\$ 73,083
U.S. DEPARTMENT OF DEFENSE						
Passed Through City Colleges of Chicago						
Basic and Applied Scientific Research	Critical MASS Year 5	N/A	12.300	18-12-1-0738	04/01/17-03/31/18	\$ 410,000
Basic and Applied Scientific Research	Critical MASS Year 6	N/A	12.300	19-12-1-0738	06/26/17-7/31/2019	395,000
Total U.S. Department of Defense Passed Through City Colleges of Chicago						\$ 805,000
Direct Funding						
Language Grant Program	Startalk Arabic and Chinese Language Institute	N/A	12.900	H-98230-18-1-0159	04/12/18-03/31/19	\$ 90,000
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/17-06/30/18	\$ 1,031,822
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/18-06/30/19	1,084,253
Total U.S. Department of Defense - Direct Funding						\$ 2,206,075
TOTAL U.S. DEPARTMENT OF DEFENSE						\$ 3,011,075
ENVIRONMENTAL PROTECTION AGENCY						
Environmental Education Grant Program	CIMBY-EPA	N/A	66.951	NE-83619701-0	04/01/16-09/30/17	\$ 192,200
Total Environmental Protection Agency						\$ 192,200
NATIONAL SCIENCE FOUNDATION						
Research and Development Cluster						
Passed Through DePaul University						
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125	07/01/17-09/30/18	\$ 274,340
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	500165SG155	10/01/18-09/30/19	285,232
Computer and Information Science and Engineering	Chicago Alliance For Equity in Computer Science	N/A	47.070	501334SG159	10/15/17-09/30/18	164,334
Computer and Information Science and Engineering	Chicago Alliance For Equity in Computer Science	N/A	47.070	501334SG159	10/1/18-09/30/19	164,334
Education and Human Resources	Advancing High School Computer Science Through Math	N/A	47.076	501313SG151	06/15/17-05/31/18	128,898
Education and Human Resources	Advancing High School Computer Science Through Math	N/A	47.076	501313SG151	06/1/18-05/31/19	123,993
Total National Science Foundation Passed Through DePaul University						\$ 1,141,131
Passed Through The Learning Partnership						
Computer and Information Science and Engineering	Course in Career and Technical Education Clusters in Urban	N/A	47.070	LP201801	01/15/17-12/31/18	\$ 238,068
Total National Science Foundation Passed Through The Learning Partnership						\$ 238,068
Passed Through The University of Chicago						
Computer and Information Science and Engineering	Scratch Encore	N/A	47.070	FP066563-01	09/01/17-08/31/18	\$ 96,890
Computer and Information Science and Engineering	Scratch Encore	N/A	47.070	FP066563-01	09/01/18-08/31/19	64,878
Total National Science Foundation Passed Through The University of Chicago						\$ 161,768
Passed Through University of Massachusetts						
Education and Human Resources	Broadening Advanced Technological Education Connections	N/A	47.076	DUE-1104145	05/01/16-07/31/18	\$ 60,593
Total National Science Foundation Passed Through University of Massachusetts						\$ 60,593
Total Research and Development Cluster						\$ 1,601,560
TOTAL NATIONAL SCIENCE FOUNDATION						\$ 1,601,560
GRAND TOTAL						\$ 1,036,184,902

See accompanying notes to Schedule of Expenditures of Federal Awards



Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
\$ 61,627	\$ 14,426	\$ (47,201)	\$ (47,201)	\$ -	\$ -	\$ 61,627	\$ 14,426
\$ 61,627	\$ 14,426	\$ (47,201)	\$ (47,201)	\$ -	\$ -	\$ 61,627	\$ 14,426
\$ 61,627	\$ 14,426	\$ (47,201)	\$ (47,201)	\$ -	\$ -	\$ 61,627	\$ 14,426
\$ 104,524	\$ 63,368	\$ (41,156)	\$ (41,156)	\$ -	\$ -	\$ 320,459	\$ 279,303
-	-	256,838	256,838	-	256,838	-	256,838
\$ 104,524	\$ 63,368	\$ 215,682	\$ 215,682	\$ -	\$ 256,838	\$ 320,459	\$ 536,141
\$ 4,224	\$ (0)	\$ (4,224)	\$ (4,224)	\$ -	\$ -	\$ 4,224	\$ (0)
\$ 160,041	\$ 160,041	\$ -	\$ -	\$ -	\$ -	\$ 491,366	\$ 491,366
49,269	361,236	427,893	427,893	-	115,926	49,269	477,162
\$ 213,534	\$ 521,277	\$ 423,669	\$ 423,669	\$ -	\$ 115,926	\$ 544,859	\$ 968,528
\$ 318,058	\$ 584,645	\$ 639,351	\$ 639,351	\$ -	\$ 372,764	\$ 865,318	\$ 1,504,669
\$ 19,165	\$ 42,229	\$ 23,064	\$ 23,064	\$ -	\$ -	\$ 169,135	\$ 192,199
\$ 19,165	\$ 42,229	\$ 23,064	\$ 23,064	\$ -	\$ -	\$ 169,135	\$ 192,199
\$ 19,030	\$ 196,598	\$ 177,568	\$ 177,568	\$ -	\$ -	\$ 43,678	\$ 221,246
-	94,158	159,435	159,435	-	65,277	-	159,435
5,424	19,552	14,128	14,128	-	-	5,424	19,552
-	30,638	32,832	32,832	-	2,194	-	32,832
4,905	4,905	-	-	-	-	4,905	4,905
-	13,039	18,475	18,475	-	5,436	-	18,475
\$ 29,359	\$ 358,890	\$ 402,438	\$ 402,438	\$ -	\$ 72,907	\$ 54,007	\$ 456,445
\$ 21,597	\$ 102,488	\$ 80,891	\$ 80,891	\$ -	\$ -	\$ 21,597	\$ 102,488
\$ 21,597	\$ 102,488	\$ 80,891	\$ 80,891	\$ -	\$ -	\$ 21,597	\$ 102,488
\$ -	\$ -	\$ 6,976	\$ 6,976	\$ -	\$ 6,976	\$ -	\$ 6,976
-	-	49,052	49,052	-	49,052	-	49,052
\$ -	\$ -	\$ 56,028	\$ 56,028	\$ -	\$ 56,028	\$ -	\$ 56,028
\$ 24,528	\$ 25,814	\$ 1,286	\$ 1,286	\$ -	\$ -	\$ 47,740	\$ 49,026
\$ 24,528	\$ 25,814	\$ 1,286	\$ 1,286	\$ -	\$ -	\$ 47,740	\$ 49,026
\$ 75,484	\$ 487,192	\$ 540,643	\$ 540,643	\$ -	\$ 128,935	\$ 123,344	\$ 663,987
\$ 75,484	\$ 487,192	\$ 540,643	\$ 540,643	\$ -	\$ 128,935	\$ 123,344	\$ 663,987
\$ 135,699,691	\$ 701,463,241	\$ 671,935,902	\$ 671,935,902	\$ 43,059,329	\$ 106,172,352	\$ 653,478,222	\$ 1,325,414,124

See accompanying notes to Schedule of Expenditures of Federal Awards



Statutory Reporting Section

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL CATALOG NUMBER
For the Fiscal Year Ended June 30, 2019

Program Name	Federal Catalog Number	Federal Award Expenditures	Pass Through to Subrecipients	Cluster Total
School Breakfast Program (1)	10.553	\$ 47,583,073	\$ -	\$ -
National School Lunch Program (1)	10.555	137,718,148	-	188,336,549 (1)
Child and Adult Care Food Program	10.558	8,216,819	-	-
Summer Food Service Program for Children (1)	10.559	3,035,328	-	-
Supplemental Nutrition Assistance Program (5)	10.561	134,283	-	134,283 (5)
Fresh Fruit and Vegetable Program	10.582	1,740,781	-	-
Basic and Applied Scientific Research	12.300	215,682	-	-
Basic Scientific Research	12.431	427,893	-	-
Language Grant Program	12.900	(4,224)	-	-
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	60,865	-	-
Youthbuild	17.274	(47,201)	-	-
Computer and Information Science and Engineering (6)	47.070	520,882	-	540,643 (6)
Education and Human Resources (6)	47.076	19,761	-	-
Environmental Education Grant Program	66.951	23,064	-	-
Title I Grants to Local Education Agencies	84.010	265,722,440	39,982,832	-
Special Education Grants to State (2)	84.027	92,746,219	-	94,457,776 (2)
Impact Aid	84.041	102,661	-	-
TRIO - Talent Search (3)	84.044	294,612	-	294,612 (3)
Career and Technical Education	84.048	6,001,975	13,999	-
Indian Education - Grants to Local Education Agencies	84.060	187,131	-	-
Rehabilitation Grants to States	84.126	258,625	-	-
Magnet Schools Assistance Program	84.165	2,126,615	-	-
Special Education - Preschool Grants (2)	84.173	1,711,557	-	-
Safe and Drug-Free Schools and Communities	84.184	660,004	-	-
Education for Homeless Children and Youth	84.196	877,892	-	-
Fund for the Improvement of Education	84.215	258,478	-	-
Twenty-First Century Community Learning Centers	84.287	7,718,952	-	-
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	822,769	-	-
Arts in Education	84.351	387,132	-	-
English Language Acquisition Grants	84.365	9,863,424	452,765	-
Supporting Effective Instruction State Grants	84.367	20,501,964	1,475,695	-
Teacher Incentive Fund	84.374	1,674,762	-	-
School Improvement Grants	84.377	3,188,529	-	-
Preschool Expansion	84.419	2,674,635	-	-
Student Support and Academic Enrichment Program	84.424	9,894,505	1,134,038	-
Cooperative Agreements to Promote Adolescent Health through Substance Abuse and Mental Health Services	93.079	143,962	-	-
Teen Pregnancy Prevention Program	93.297	12,630	-	-
Refugee and Entrant Assistance	93.566	57,525	-	-
Head Start	93.600	36,075,704	-	-
Projects of Regional and National Significance Children's Health Insurance Program	93.767	(2,992)	-	-
Medical Assistance Program (4)	93.778	8,256,738	-	8,256,738 (4)
Maternal and Child Health Services	93.994	72,300	-	-
Total		\$ 671,935,902	\$ 43,059,329	\$ 292,020,601

Clusters:

- (1) Child Nutrition Cluster
- (2) Special Education Cluster (IDEA)
- (3) TRIO Cluster
- (4) Medicaid Cluster
- (5) Supplemental Nutrition Assistance Program Cluster
- (6) Research and Development Cluster



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SINGLE AUDIT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

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 Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The U.S. Department of Education (“ED”) is CPS’ cognizant federal agency for the Single Audit. Cognizant duties have been delegated to the Illinois State Board of Education (the “ISBE”) by the ED, which, in turn, oversees the performance of such duties.

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

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

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

3. BASIS OF PRESENTATION IN THE SCHEDULE OF GRANT ACTIVITY

General — The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of CPS under programs of the federal government for the year ended June 30, 2019. 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, 2019, are reflected in the Schedule. An active federal program is defined as a federal program that incurred expenditures (adjustments) of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. In addition, there is no federal insurance in effect during the year and no loan or loan guarantees outstanding at year end.

Revenues — Grant revenues for expenditure-driven federal programs are recognized in the Schedule based on expenditures incurred during the fiscal year. Grant revenues for formula-driven federal programs are recognized based on units of services provided as of June 30, 2019.

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”).



Statutory Reporting Section

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, 2019. 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, or (2) corrections of prior year’s estimated accruals.

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

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

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

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

“Revenue recognized” per the Schedule	\$671,935,902
E-Rate program revenues not included in the Schedule	14,028,663
Medicaid Fee for Service Revenue not included in the Schedule	27,014,979
Build America Bonds (BABS) revenue not included in the Schedule	24,887,809
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	3,954,202
Adjustments to record revenue that do not provide current financial resources	<u>(36,467,010)</u>
Federal aid per the Statement of Revenues, Expenditures and Net Changes in Fund Balances — Governmental Funds	<u><u>\$705,354,546</u></u>

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, 2019, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the related amounts accrued and reported in the Schedule. CPS plans to submit a program liquidation report to the respective grantor agencies, which will revise the outstanding obligation amounts per the final claim, thereby reflecting the appropriate year-end adjustments for these federal awards.



**CHICAGO PUBLIC SCHOOLS
Chicago Board of Education**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019**

SECTION I — SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Auditee qualified as low-risk auditee? yes no

Identification of major federal programs:

CFDA Number	Name of Federal Program	Amount Expended
84.027	Special Education Grants to States	\$92,746,219
84.173	Special Education – Preschool Grants	1,711,557
84.048	Career and Technical Education – Basic Grants	6,001,975
84.377	School Improvement Grants	3,188,529
93.600	Head Start	36,075,704
93.778	Medical Assistance Program	8,256,738
		<u>\$147,980,722</u>

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



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

None reported.

SECTION III — FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Information on the Federal Program:

Federal Agency: U.S. Department of Education

Federal Program Title: School Improvement Grants

CFDA Number: 84.377

Pass-Through Entity: Illinois State Board of Education

Pass-Through Entity Identification Number: 19-4339-16

Criteria:

Procurement Standards of Title 2 of the *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) state that all non-federal entities will follow Sections 200.318 through Section 200.326. Section 200.320 identifies four methods of procurement to be followed:

- (a) Procurement by micro-purchases
- (b) Procurement by small purchases procedures
- (c) Procurement by sealed bids (formal advertising)
- (d) Procurement by competitive proposals
- (e) Procurement by noncompetitive proposals

Per Section 320(b) if small purchases procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Title 2 CFR section 200.303 states the following regarding internal control:

“The auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with law, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

Condition/Context:

Chicago Public Schools’ (CPS) procurement policies and procedures state that no purchases shall be made except as provided by applicable Illinois law, federal law and the Board of Education of the City of Chicago. The procurement policy also states that all purchases for Biddable Items and Non-biddable Items that do not exceed \$25,000 shall be completed via a purchase order, however, our procedures revealed that the purchase order process does not require solicitation of an adequate number of price or rate quotations for such purchases that exceed the micro-purchase threshold of \$3,500 as established by the Uniform Guidance.

We tested nine purchase orders totaling \$527,347. Two purchase orders totaling \$16,066 were purchases greater than \$3,500 but less than \$25,000, and for which CPS did not obtain an adequate number of price or rate quotations as required by the Uniform Guidance.

Cause:

CPS procurement policies and procedures do not account for the small purchase requirements of 2 CFR section 200.320(b) of the Uniform Guidance.

Questioned Costs:

Questioned costs are unable to be determined, however, actual purchase orders that did not comply with the small purchase requirements of the Uniform Guidance totaled \$16,066 for CFDA Number 84.377.



Statutory Reporting Section

Effect:

CPS has not complied with the requirements of the Uniform Guidance as it relates to small purchases that fall between \$3,500 and \$25,000.

Recommendation:

We recommend that CPS review and revise its procurement policies and procedures in order to comply with the small purchase requirements of the Uniform Guidance.

Views of Responsible Officials:

The Department of Procurement and Business Diversity will update the CPS Procurement Manual to require that all departments using designated Federal Funds to procure goods or services between \$10,000 (as allowed by exception in advance of revisions to FAR) and \$25,000 in value will do so after requesting and evaluating quotes from at least three prospective suppliers.

