CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2017

Prepared by the Department of Finance

Board of Education
CITY OF CHICAGO

Office of the Board
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FRANK M. CLARK
PRESIDENT

JAIME GUZMAN
VICE PRESIDENT

MEMBERS
MARK F. FURLONG
ALEJANDRA GARZA
DR. MAHALIA A. HINES
GAIL D. WARD

January 24, 2018

Dear Stakeholders,

We are pleased to present you with the Chicago Public Schools (CPS) fiscal year 2017 financial results.

As a result of Illinois' historic education funding reform and two years of increased fiscal responsibility, CPS is on firmer financial footing than in many years.

Due to the courage and diligence of Illinois' lawmakers, CPS and districts throughout the state are now receiving the funding needed to consistently support high quality schools. This dramatic reform will allow CPS to complete the current school year without furloughs or economic layoffs, and the district now has the financial stability to provide schools with 2018-19 budgets far in advance of the coming school year to allow for effective and thoughtful planning.

In addition to improving the stability of operations, the district's financial turnaround is also attracting the attention of outside experts. In recent months, all major ratings agencies have acknowledged the district's financial improvement, which has allowed CPS to significantly reduce the cost of borrowing.

Despite financial challenges, CPS schools have been making significant progress for many years. A recent study by Stanford University found that Chicago students are progressing in the classroom at a faster rate than 96 percent of school districts in the United States, with gains found across all racial and economic subgroups. This promising research echoes findings from the University of Illinois at Chicago and the University of Chicago's Consortium on School Research, which show CPS students outpacing their peers in Illinois.

We are optimistic that as a result of funding reform and the district's commitment to fiscal responsibility, our schools are entering a new era of stability that will allow Chicago educators to further improve upon what has become one of the finest school districts in the country. As the district looks forward, we are putting an emphasis on stabilizing operations, supporting investments and resources throughout the city, and identifying opportunities to continue investment in high-quality academic programs that help prepare our students for a successful future.

Respectfully submitted,

Frank M. Clark
President
Chicago Board of Education

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
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Chicago Board of Education
Frank M. Clark, President
Jaime Guzman, Vice President

Members
Mark F. Furlong
Alejandra Garza
Dr. Mahalia A. Hines
Gail D. Ward

Government Finance Officers Association

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Chicago Public Schools

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2016

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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, 2016.

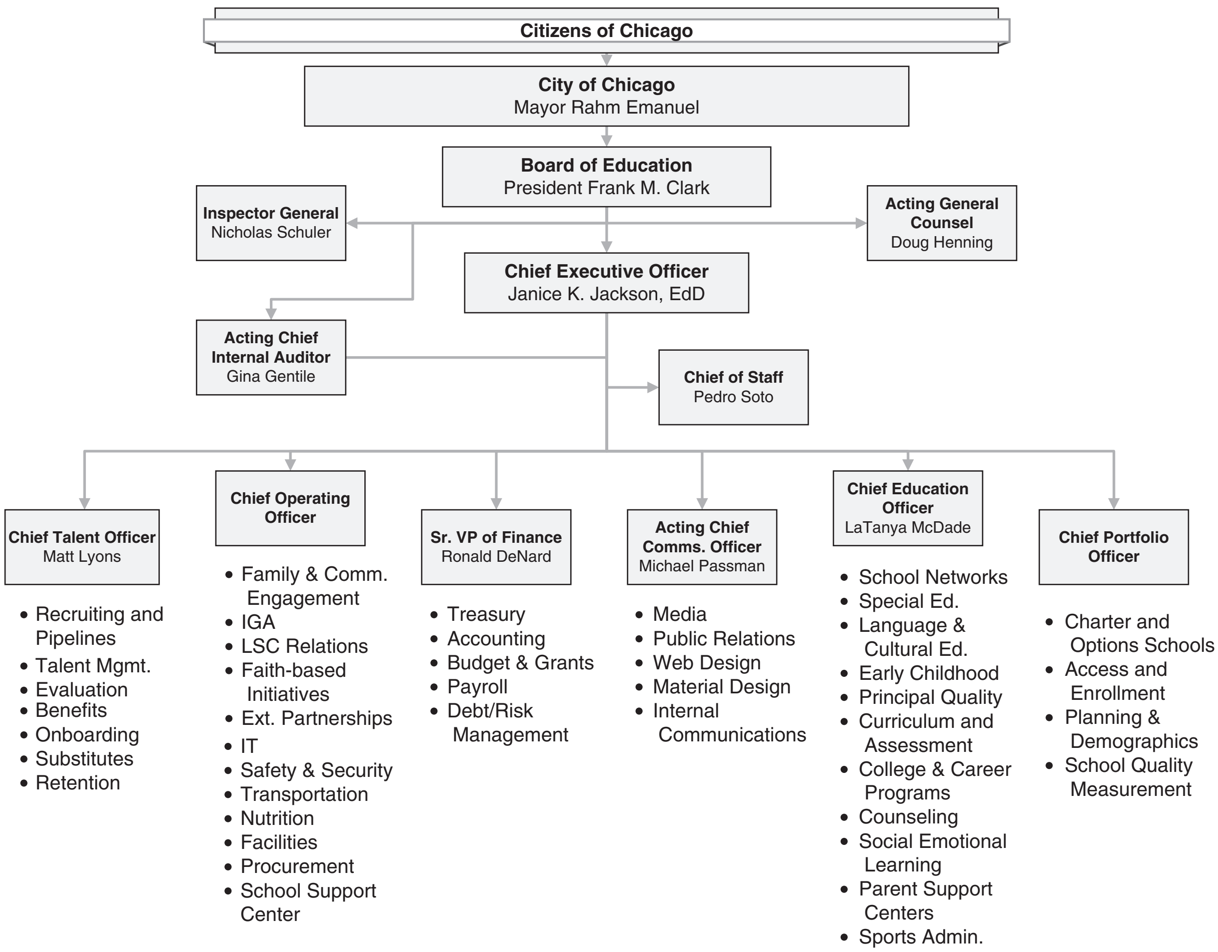
The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Anthony N. Dragona, Ed.D., RSBA	John D. Musso, CAE
President	Executive Director

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education
Organizational Chart



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Board Member Profiles

Frank M. Clark

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

Jaime Guzman

Jaime Guzman was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on January 11, 2016 and was elected as Vice President on January 27, 2016. Mr. Guzman leads Chicago Youth Opportunity Programs for the Obama Foundation, including initiatives of the My Brother's Keeper Alliance, born out of President Obama's call to action to ensure that all of our nation's young people have the opportunity to live up to their full potential. He has nearly 20 years of experience at the intersection of the public, private and nonprofit sectors. Mr. Guzman has held senior positions at the Taproot Foundation as Executive Director; the Big Shoulders Fund, as the Senior Director of Outreach, managing next generation board leadership and targeted fundraising; at the City Colleges of Chicago, as Chief Advisor to the Board of Trustees; and at the Chicago Public Schools, where he led the Office of New Schools, managing the authorization of new public schools. Mr. Guzman began his career as a bilingual teacher with Teach For America and also worked as a Chicago Public School teacher at Kanoon Magnet School. Mr. Guzman has also served in senior roles with national public service organizations. He was the Regional Director for Education at the National Council of La Raza (NCLR) and Program Director for Teach For America in Chicago. Mr. Guzman holds a Bachelor's degree from Dartmouth College and a Master's degree in Education from Harvard University. He was a 2012 Leadership Greater Chicago fellow, and also served on the Illinois State Charter School Commission.

Mark F. Furlong

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

Dr. Mahalia A. Hines

Dr. Mahalia A. Hines was appointed to the Chicago Board of Education in May of 2011 by Mayor Rahm Emanuel. She is currently the CEO of Think COMMON Entertainment, President of the COMMON Ground Foundation and Hip Hop Schoolhouse Publishing Company. Dr. Hines has worked in the educational field for more than 35 years as a teacher and principal. During her 15 year stint as a principal she serviced grade levels from elementary through high school in the Chicagoland area. Dr. Hines also worked as a coach for first-year principals, a mentor for current principals and prospective principals in Chicago and other parts of the country. Dr. Hines continues to work with school leaders of public and charter schools in urban areas throughout the country in order to develop effective school leaders who will guide others to provide the best possible education for the children least likely to receive it. In addition to working with schools and school leaders, she travels the country speaking to single mothers on raising successful sons. Dr. Hines received her doctorate from the University of Illinois, Masters from Northeastern University and bachelor's degree from Central State University.

Gail D. Ward

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

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

Member	Term Expires
Frank M. Clark, President	June 30, 2018
Jaime Guzman, Vice President	June 30, 2018
Mark F. Furlong	June 30, 2019
Alejandra Garza	June 30, 2019
Dr. Mahalia A. Hines	June 30, 2018
Gail D. Ward	June 30, 2019
Vacancy	June 30, 2019

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

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

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January 24, 2018

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

The Comprehensive Annual Financial Report (CAFR) of Chicago Public Schools (CPS) for the fiscal year ended June 30, 2017, 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, 2017, 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 2017 with a deficit of $275.2 million in the operating funds, due in part to declining state funding and massive pension obligations that were addressed by the state legislature at the beginning of fiscal year 2016. While CPS has continued to streamline operational costs, and has made some important progress in securing additional funding, the compounding financial challenges of declining state revenues, dramatically increasing pension costs, and limits on federal and local revenues persisted over the course of fiscal year 2017.

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 2017, CPS had 652 schools, including district-run traditional and options schools, 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 122 charter schools, serving just under 60,000 students.

Student enrollment as of September 2016 was 381,349 a decrease of 10,936 from the September 2015 level (392,285). Approximately 77.7% of our students come from low-income families and 18.0% are English Language Learners. CPS employs 37,345 workers, including 25,044 teaching positions.

LOCAL ECONOMIC OUTLOOK

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

Local revenues included $2,715 million in property taxes and $227 million in personal property replacement taxes in fiscal year 2017. Property taxes support the General Operating Fund, Tort Fund and Debt Service Funds. Personal property replacement taxes support the General Operating and Debt Service Funds. In fiscal year 2017, there was $48.4 million in tax revenue for Capital Improvement Tax. This is due to the Chicago City Council authorizing a Capital Improvement Tax to be derived from property taxes collections levied in fiscal year 2017.

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 2017. 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 15 to the financial statement footnotes.

CURRENT CONDITION

The General Operating Fund expenditures budget for fiscal year 2017 was $5,411 million, $281 million below the fiscal year 2016 budget of $5,692 million. This reduction in budgeted expenditures for 2017 was largely driven by $173 million in mid-year budget reductions in fiscal year 2016 and $200 million of expense-reducing measures included in the fiscal year 2017 budget. In addition, CPS amended the fiscal year 2017 budget in February 2017 to reduce expenses by an additional $104 million, due to the failure of the state's pension funding bill. The reductions were partially offset by $61 million in contractual labor increases, $45 million increase in pension costs, a $14 million increase for interest on cash flow borrowing, over $70 million in additional grant funding and other cost increases. Actual General Operating Fund expenditures for fiscal year 2017 were $5,298 million, $113 million less than budgeted.

Total governmental funds revenues for fiscal year 2017 were $5,828 million, which is $555 million more than the $5,273 million fiscal year 2016 revenue. Total expenditures for fiscal year 2017 were $6,034 million, which were approximately $129 million lower than the prior year of $6,163 million.

CPS ended fiscal year 2017 with a combined fund balance of $1,095 million in all governmental funds, an increase of $645 million from fiscal year 2016's ending fund balance of $450 million.

CPS continues to trim administrative, central office and operational expenses in an effort to protect the classrooms. Due to the timing of collections of property tax revenues due from the new Chicago Teachers Pension Levy, CPS made cash payments of $483 million of the total $733 million amount payable to the CTPF as of June 30, 2017. The remaining $250 million was recorded as a payable due to the Fund at year end, but was collected and disbursed in full, prior to the end of CPS' 60 day revenue recognition period. Making the required payment from these legally restricted property tax monies collected subsequent to the end of the fiscal year, allowed CPS to refrain from borrowing the amount owed from outside parties and incurring additional interest costs.

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

From fiscal years 2014 through 2017, charter schools were paid through the CPS' Student Based Budgeting system, with the same funding formula as CPS schools. They also received equitable shares of Title and other state and federal funding, and were reimbursed based on IEP needs. Following a 2017 change in law, charter schools are now funded a per pupil tuition rate based on the CPS' per capita tuition charge, which is differentiated based on the grades served and whether the charter school operates in a CPS or independent facility. They continue to receive a proportionate share of state and federal funds for serving special populations of students.

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 its pension burden has increased, CPS has drawn down its prior years' reserves in order to balance the budget. To bridge the ebb and flow of revenue receipt and payments, CPS now relies on short-term borrowing. CPS receives its major revenue source, property taxes, in two installments: March and August. However, most CPS payments are made throughout the year, with two exceptions. Debt service is due in February right before the March installment is collected, and the pension payment is due in June, right before the August installment is received.

Overall, CPS' cash flow challenges are driven by its calendar. As previously stated, CPS receives the bulk of its annual property tax collections in March and August installments, and currently operates at a deficit financed by a short term line of credit. CPS ended the year with a total interest expense of $448 million compared to $365 million in fiscal year 2016. This represents an increase of $83 million in borrowing expense.

Pension Funding: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2016, the Pension Fund reported $10,611 million in actuarial assets and $20,246 million in actuarial liabilities, for a funded ratio of 52.4%. In accordance with GASB 68, CPS has recorded a net pension liability of $11,011 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. Although this incremental value of approximately $130 million does not impact CPS' financial statements for the fiscal year ending June 30, 2017, it will have a positive impact on future statements.

Debt Ratings: Investors who purchase municipal bonds use debt ratings as an indicator of the safety and security of the debt sold by that organization. CPS currently has bonds outstanding with credit ratings from Fitch Ratings, Kroll Bond Rating Agency, Moody's Investor Service and Standard & Poor's. In recent fiscal years and during fiscal year 2017, the rating agencies have made downgrades to their respective CPS' debt rating citing budget and pension concerns as rationale.

LONG-TERM FINANCIAL PLANNING

Throughout fiscal year 2017, CPS continued to face structural budget challenges, with our major revenue sources generally flat or declining at the state and federal level, pension costs increasing and property taxes capped. In addition, CPS remained the only school district in the state that must fund the vast majority of its teacher pension costs.

The structural budget deficit that persistent through fiscal year 2017 was due in part to inequitable state education funding prior to state funding reform in early fiscal year 2018, as well as escalating teacher pension costs. CPS has, and continues to, use short-term strategies to balance the General Operating Fund budget. The new state funding law significantly revised the amount of funding to be received by CPS from the State. The Act became effective in August 2017 and is expected to generate approximately $450 million of additional revenue in fiscal year 2018, which is comprised of $221 million in State funding of CPS' annual Teachers' Pension Fund contribution, $76 million in additional State Aid Revenues under the new Evidence Based Funding Formula, increased Teacher's Pension Fund contribution from property tax levy revenues of approximately $130 million, $19 million in State Grants and $4 million of other additional State revenues. These additional resources provide additional financial stability to CPS in the years to come.

State funding is driven by formula and as a result, CPS has become increasingly reliant on property tax revenue. Since 2007, the percentage of property tax revenue comprising the total budget has steadily increased from 36.7% in fiscal year 2007 to 41.5% in 2017. However, property taxes are capped at the rate of inflation. In fiscal year 2017, with inflation at 0.7%, the base property tax increased to $17 million. 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 and is not sufficient to make up for the continuing declines in state funding nor the dramatic increases in pension costs.

RELEVANT FINANCIAL POLICIES

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

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

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

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

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

MAJOR INITIATIVES

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

Educational Initiatives

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

We continue to invest in proven programs that expand access to high-quality education such as Advanced Placement courses, the largest network of International Baccalaureate programs in the nation, a math tutoring program that improves outcomes for at-risk high school students, or adding comprehensive dual language programming so that more students can be certified as bilingual before taking their post-secondary steps.

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

In school year 2017, the Department of Social Science and Civic Engagement implemented a number of educational initiatives in order to expand access for all students to high quality social science curriculum, financial literacy, civic learning and student leadership opportunities. During the past year, a district-wide professional development for social science was developed over 1,000 educators were trained to implement the City Council mandated Burge reparations curriculum; curricular modules were developed for Financial Education and, the US Constitution (HS); the minimum graduation requirement for Financial Education was revised; and a number of pilot curricular projects with several social science education organizations including Facing History and Ourselves, Colonial Williamsburg, Harvard Business School, and the DBQ Project were implemented. In the area of Civic Engagement, over 90 new civics teachers have been trained, and in-depth civic-engagement-related instructional initiatives were provided to 62 additional civics course teachers.

While Chicago is already home to the largest network of IB schools in the nation, with a total of 51 authorized schools (22 high schools and 29 elementary) and 5 schools in the candidacy phase of the application process, CPS continues to add additional opportunities for student participation in IB programming. Results from the IB programme have revealed exceptional outcomes for CPS IB students, with graduation rates, college enrollment, and college persistence rates all outpacing their CPS and national peers. By providing access to the IB programme for our students, we are providing better options while allowing high school students to earn college credit, easing their transition to, and financial burden from, their college experience.

CPS' financial struggles continue as CPS looks for other funding sources to support the expansion of high quality programming. In April 2017 CPS submitted a Magnet Schools Assistance Program (MSAP) Grant application to the Department of Education. MSAP is a five year competitive grant in which districts can apply for up to $15 million dollars. CPS was one of 32 school districts to be awarded this grant for $14.9 million dollars. As a result of this grant, three new magnet STEM schools will be developed. CPS aspires to develop STEM schools where students have opportunities to engage in transdisciplinary learning experiences that will support them in developing the types of skills needed to effectively tackle unknown problems. Everyday in every STEM classroom in CPS, all students will: a) actively make sense of and construct solutions to complex problem, b) productively contribute to the learning community to support a culture of collaboration, risk taking, and innovation, and c) regularly reflect on and communicate their understanding of disciplinary ideas. Through these experiences and purposeful opportunities to face transdisciplinary challenges, students will graduate from CPS as knowledgeable, flexible, and resourceful problem solvers prepared to make the world a better place.

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

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

Go Green Initiative

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

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

Our goal 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. CPS has also established guidelines on the use of student transportation vehicles, cleaning supplies and other chemicals in an effort to improve air quality and reduce contribution to climate change. For example, idling a diesel school bus is prohibited by law and CPS contract. CPS janitors clean with green cleaning supplies, following the Illinois Green Cleaning Act. Finally, all CPS staff can save 40 percent on public transit commuting cost by taking part in the CPS transit benefits program to encourage the use of public transportation.

Community Schools Initiative

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

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.

Lastly, Community Schools assert a strong link between addressing students' psychosocial well-being and effective support for student learning. In particular, the improvement of student learning is linked to the accomplishment of three operational objectives: 1) to broaden and deepen the range of services, resources, and developmental opportunities available to students, in ways that promote student well-being and attachment to school, address academic and psychosocial deficits, and promote positive development; 2) to address the needs of parents and families, and strengthen the parent-school relationship as an asset to student learning; and, 3) to link classrooms and teachers to community resources and professionals in ways that support student learning.

Capital Improvement Program

The Capital budget plan includes improvement to school facilities as well as support for technology upgrades, major equipment replacement in schools and continuing CPS' efforts to make its facilities accessible to people with disabilities. The Capital budget reflects the funds for large construction, renovation, or investment projects with value that lasts for multiple years and are outside the scope of CPS' day-to-day operations. Total expenditures in the Capital Projects Fund in fiscal year 2017 were $205 million. The projects were funded by bond proceeds, state funds, and City of Chicago tax increment financing.

In addition, the Capital Improvement Tax levy is an annual property tax levy dedicated exclusively to school construction projects. Beginning in fiscal year 2016, the Capital Improvement Tax levy will generated roughly $45 million in fiscal year 2016 and over $48 million in fiscal year 2017, which will be used to pay for the school construction projects and repay bonds issued to finance them. The property tax levy is authorized under state law and can be used only to fund capital projects.

Because the CIT bonds issued in fiscal year 2017 (backed by these CIT property tax revenues) can be used only for capital projects, the bonds have no impact on CPS' operating budget, which funds staff and other day-to-day expenses. This allows CPS to issue long-term debt for building projects without impacting classroom funding. Two ratings agencies 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, 2016. 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 16th 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,

Ronald DeNard
Senior Vice President of Finance

Melinda M. Gildart, CPA, MBA
Controller

BAKER TILLY

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 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, 2017, 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, 2017 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Emphasis of Matters

As discussed in Note 1, Chicago Public Schools adopted the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*, effective July 1, 2016. Our opinions are not modified with respect to this matter.

As discussed in Note 1, Chicago Public Schools adopted the provisions of GASB Statement No. 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2016. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, 2017 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, 2017 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, 2017, 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, 2017.

The basic financial statements of Chicago Public Schools as of and for the year ended June 30, 2016 (not presented herein) were audited by other auditors whose report contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated January 23, 2017, stated that the

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

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, 2016 were subjected to the auditing procedures applied in the audit of the 2016 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 and, in their opinion, were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

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

The basic financial statements of Chicago Public Schools' as of and for the year ended June 30, 2016, were audited by other auditors whose report dated January 23, 2017, contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented herein as of and for the year ended June 30, 2016, has been derived from these audited financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2018 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 24, 2018

CHICAGO PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)
June 30, 2017

Our discussion and analysis of the financial performance of Chicago Public Schools provides an overview of financial activities for the fiscal year ended June 30, 2017. 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 $24.0 billion, an increase of $2.4 billion from fiscal year 2016, while assets and deferred outflows equaled $11.0 billion, with an increase of $1.4 billion, respectively. The overall increase in total liabilities and deferred inflows stems from combined increases in CPS' long-term debt borrowings of $709.3 million and higher pension and other post employment benefit obligations of $1.1 billion. The overall increase in total assets and deferred outflows is derived from a decrease in net capital assets of $155.8 million, higher cash on hand of $518 million from prior year, as well as increased cash held by the trustee of $501.6 million. CPS ended fiscal year 2017 with a deficit in net position of $13.011 billion, an increase in the deficit of $1.04 billion or 8.7% from the prior year. The Statement of Activities presents an increase in total expenses from fiscal year 2016 in governmental activities of $234 million, a net decrease of $43 million in grants and contributions and an increase in interest and investment earnings of $24 million.

CPS ended fiscal year 2017 with a combined fund balance for its governmental funds of $1.095 billion, an increase of $644.6 million or 143.3%, from fiscal year 2016. The fund balance decreased by $148.6 million in the General Operating Fund, increased by $685.3 million in the Capital Project Fund, and increased by $107.9 million in the Debt Service Fund. Total revenues in the general fund for fiscal year 2017 were $5.091 billion, which were $212.8 million or 4.4% higher than the prior year amount of $4.878 billion. Total expenses in the General Operating Fund for fiscal year 2017 were $5.298 billion, which decreased by $116 million or, 2.1% from the fiscal year 2016 amount of $5.415 billion. The General Operating Fund ended fiscal year 2017 with a negative fund balance of $275.2 million. Though CPS ended the year with a negative fund balance in the General Operating Fund, the decrease of $148.6 million was the smallest year over year decline since 2013. In addition, actual spending results in the General Operating Fund were $113 million less than projected spending for 2017.

In fiscal year 2017, the Board issued two series of long-term fixed rate bonds. First, $150 million in Unlimited Tax General Obligation (GO) Bonds which carried a discount of $13.7 million, and $730 million in Dedicated Revenue Capital Improvement Tax ("CIT") Bonds including a discount of $22 million. Both series were issued to provide funds for the Board's capital improvement program. Total expenditures in the Capital Projects Fund were $205 million and total debt service expenditures totaled $531 million.

Several bond rating changes related to the long-term debt of the Board occurred during fiscal year 2017, and subsequent to the year end. Within the fiscal year, Moody's Investor Service downgraded their General Obligation debt rating of the Board to "B3" negative outlook. Standard & Poor's downgraded its long-term bond rating of the Board to "B" negative outlook. Fitch Ratings lowered its rating to "B+" negative outlook. Finally, Kroll Bond Rating Agency affirmed its rating of "BBB" negative outlook on the Board's Series 2016A GO bonds and affirmed the "BBB-" negative outlook rating on the Board's remaining outstanding GO bonds. Subsequent to the end of fiscal year 2017, as a result of the passage of PA 100-465 with its' additional State and local sources of revenue, along with a hold harmless provision of the new State funding formula, all rating agencies revised their GO bond rating outlooks from negative to stable or positive. In addition, The Moody's Investor Service "B3" general obligation rating of the Board was confirmed and the outlook was revised to stable on September 5, 2017. The Standard & Poor's "B" General Obligation rating of the Board was affirmed and the outlook was revised to stable on October 31, 2017. Fitch Ratings upgraded the Board's General Obligation rating to "BB-" with a stable outlook on October 27, 2017. On November 8, 2017, Kroll Bond Rating Agency revised their rating outlook to positive and affirmed its rating of "BBB" on the Board's Series 2016A, B and 2017B, C, D, E, F, G, H GO bonds and affirmed the "BBB-" rating on the Board's remaining outstanding GO bonds. All rating agencies expressed concern about the accumulated General Operating Fund deficit as a result of years of structurally imbalanced operations of the Board. However, the revised stable and positive outlooks reflects views by the rating agencies that additional State and local sources of revenue now available to the Board, along with a hold harmless provision of the new State funding formula, provide improved tools for operational and financial improvements going forward.

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			
	2017	2016	Difference	% Change
Current Assets	$ 3,137	$ 2,561	$ 576	22.5%
Capital Assets, net	5,994	6,150	(156)	-2.5%
Non-current Assets	502	—	502	100.0%
Total Assets	$ 9,633	$ 8,711	$ 922	10.6%
Total deferred outflows of resources	$ 1,388	$ 952	$ 436	45.8%
Current Liabilities	$ 2,513	$ 1,707	$ 806	47.2%
Long-term liabilities:	21,342	19,561	1,781	9.1%
Total Liabilities	$ 23,855	$ 21,268	$ 2,587	12.2%
Total deferred inflows of resources	$ 176	$ 365	$ (189)	-51.8%
Net Position:				
Net investment in capital assets	$ (644)	$ (343)	$ (301)	-87.8%
Restricted for:				
Capital projects	126	—	126	100.0%
Debt service	630	511	119	23.3%
Grants and donations	52	65	(13)	-20.0%
Workers' comp/tort immunity	27	35	(8)	-22.9%
Unrestricted	(13,202)	(12,239)	(963)	-7.9%
Total net position (deficit)	$(13,011)	$(11,971)	$(1,040)	-8.7%

Current assets increased by $576.1 million primarily due to higher cash and investment balances, including bond proceeds, which were $520.1 million higher as of June 30, 2017. Receivables for property taxes were higher by $260.7 million (as the Board recorded the new levy for the Chicago Teachers' Pension Fund ("CTPF")). But overall, net receivables from State and Federal aid were down by $204.3 million, due to the change in the Illinois School Funding formula which resulted in a significant shift of funding away from Educational Block Grant programs (for which CPS has previously accrued) and into General State Aid. Refer to Note 3 to the basic financial statements for more detailed information on property taxes and state aid.

Capital assets, net of depreciation, decreased due to the sale of several properties, including adjustments for three school actions approved by the Board within fiscal year 2017, and the recording of asset impairments in relation to CPS software systems and other under-utilized assets. Refer to Note 6 to the basic financial statements for more detailed information on capital assets.

Non-current assets also increased by $501.6 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 $436.1 million, which was directly attributable to an increase in deferred pension outflows in relation to GASB Statement No. 68. of $448 million and a decrease of $12 million in deferred charges stemming from refundings. Refer to Note 12 to the basic financial statements for more information on CPS' pension liabilities.

Current liabilities increased by $806 million from the issuance of new Grant Anticipation Notes (GANs), which had a balance of $386.9 million at year end, as well as a $249.9 million payable due to the Chicago Teacher's Pension Fund. Other reasons for the overall increase in current liabilities were due to: $80 million increase in Tax Anticipation Notes (TANs), a $44 million increase of interest

FINANCIAL SECTION

payable in relation to the GANs and TANs outstanding balances, and a combined increase in accounts payable, other accrued liabilities and the current portion of long-term debt of $91 million. Combined decreases in other current liabilities such as unearned revenue, accrued payroll and benefits and amounts held for student activities of $46 million were also recorded as of June 30, 2017. Refer to Note 8 to the basic financial statements for more detailed information on short-term debt.

Long-term liabilities increased by nearly $1.8 billion, as a result of the increase in long-term debt of $709.3 million, from the issuance of the new CIT bond series, as well as the increase in the pension liability for CTPF of $988.1 million (primarily attributed to year over year investment losses recorded by the Pension Fund). The liability for Other Postemployment Benefits also increased by $138.9 million, in addition to other long-term accrued liabilities of $3.9 million, stemming from the recording of a long-term liability for Medicaid reimbursement overpayments of $5 million. Combined decreases in long-term liabilities include amounts for other benefits and claims and capitalized lease obligations to the Public Building Commission totaling $59.9 million. Refer to Note 9 to the basic financial statements for more detailed information on long-term debt.

Deferred inflows of resources, composed solely of deferred pension inflows related to GASB Statement No. 68, decreased by $188.8 million.

Net position (deficit) decreased by $1.040 billion to an $13.011 billion deficit. Of this amount, CPS recorded a net investment in capital assets of negative $644 million, combined restricted net position of $835 million, including $126 million for capital assets, $630 million for debt service, $52 million for grants and donations and $27 million for worker's compensation claims and torts. Restricted net position represents legal constraints from debt covenants and enabling legislation. The $13.202 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, 2017.

The following table presents the changes in net position to fiscal year 2017 from fiscal year 2016:

Changes in Net Position
(In Millions)

	Governmental Activities			
	2017	2016	Difference	% Change
Revenues:				
Program revenues:				
Charges for services	$ 2	$ 2	$ —	0.0%
Operating grants and contributions	1,156	1,147	9	0.8%
Capital grants and contributions	58	110	(52)	-47.3%
Total program revenues	$ 1,216	$ 1,259	$ (43)	-3.4%
General revenues:				
Property taxes	$ 2,696	$ 2,399	297	12.4%
Replacement taxes (PPRT)	228	162	66	40.7%
Non-program state aid	1,212	1,443	(231)	-16.0%
Interest and investment earnings	5	(19)	24	126.3%
Other	156	190	(34)	-17.9%
Gain on sale of capital assets	7	10	(3)	-30.0%
Total general revenues	$ 4,304	$ 4,185	$ 119	2.8%
Total revenues	$ 5,520	$ 5,444	$ 76	1.4%
Expenses:				
Instruction	$ 4,024	$ 3,870	$ 154	4.0%
Support Services:				
Pupil Support Services	472	470	2	0.4%
Administrative Support Services	301	319	(18)	-5.6%
Facilities Support Services	465	455	10	2.2%
Instructional Support Services	460	469	(9)	-1.9%
Food Services	214	211	3	1.4%
Community Services	40	37	3	8.1%
Interest expense	448	365	83	22.7%
Other	13	7	6	85.7%
Total expenses	$ 6,437	$ 6,203	$ 234	3.8%
Change in net position	$ (917)	$ (759)	$ (158)	-20.8%
Beginning net position (deficit)	(11,971)	(11,212)	(759)	-6.8%
Implementation of GASB 82	(123)	—	(123)	-100.0%
Beginning net position (deficit), as restated	(12,094)	(11,212)	(882)	-7.9%
Ending net position (deficit)	$(13,011)	$(11,971)	$(1,040)	-8.7%

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

FINANCIAL SECTION

Pension Funding

Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2016, the Pension Fund reported $10,611 million in actuarial assets and $20,246 million in actuarial liabilities, for a funded ratio of 52.4%. In accordance with GASB 68, CPS has recorded a net pension liability of $11,011 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.

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

Capital Assets

At June 30, 2017, CPS had $5.994 billion invested in a broad range of capital assets, including land, buildings, improvements and equipment. This amount represents a net decrease of $156 million or 2.5% over the prior fiscal year. Refer to Note 6 of the basic financial statements for more detailed information on capital assets.

(In Millions)	2017	2016	Difference	% Change
Land	$ 327	$ 314	$ 13	4.1%
Construction in progress	148	182	(34)	-18.7%
Buildings and improvements	9,392	9,242	150	1.6%
Equipment and administrative software	221	222	(1)	-0.5%
Internally developed software	6	7	(1)	-14.3%
Total capital assets	$10,094	$ 9,967	$ 127	1.3%
Less: accumulated depreciation	(4,100)	(3,817)	(283)	-7.4%
Total capital assets, net	$ 5,994	$ 6,150	$(156)	-2.5%

Debt and Capitalized Lease Obligations

In fiscal year 2017, the Board issued two series of long-term fixed rate bonds. First, $150 million in Unlimited Tax GO Bonds which carried a discount of $13.7 million, and $729.6 million in Dedicated Revenue Capital Improvement Tax Bonds including a discount of $22.3 million. The proceeds of the both series of bonds were used to finance expenditures related to the Board's capital improvement program, fund capitalized interest, and pay the cost of issuance. A portion of the proceeds of the CIT Bonds was also deposited into a consolidated debt service reserve fund.

A total of $57 million was deposited into a capitalized interest account to pay for future debt payments. CPS recorded net proceeds of $764.7 million in the Capital Improvement Fund. The debt service on the GO Bonds will be paid from General State Aid (GSA). 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, 2017, CPS had $8.228 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus $7.530 billion last year, an increase of 9.3%. 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, 2017, as compared with June 30, 2016. 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)

	2017 Amount	2016 Amount	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease) from 2016
Revenues:					
Property taxes	$2,715	$2,409	40.4%	$ 306	12.7%
Replacement taxes	228	162	3.4%	66	40.7%
State aid	1,709	1,552	25.5%	157	10.1%
Federal aid	784	809	11.7%	(25)	-3.1%
Interest and investment earnings	5	(96)	0.1%	101	105.2%
Other	387	437	5.8%	(50)	-11.4%
Subtotal	$5,828	$5,273	86.8%	$ 555	10.5%
Other financing sources	886	740	13.2%	146	19.7%
Total	$6,714	$6,013	100.0%	$ 701	11.7%
Expenditures:					
Current:					
Instruction	$2,859	$2,971	47.1%	$(112)	-3.8%
Pupil support services	441	448	7.3%	(7)	-1.6%
General support services	985	1,045	16.2%	(60)	-5.7%
Food services	200	201	3.3%	(1)	-0.5%
Community services	40	38	0.7%	2	5.3%
Teachers' pension and retirement benefits	709	664	11.7%	45	6.8%
Other	13	7	0.2%	6	85.7%
Capital outlay	217	308	3.6%	(91)	-29.5%
Debt service	570	481	9.4%	89	18.5%
Subtotal	$6,034	$6,163	99.4%	$(129)	-2.1%
Other financing uses	36	231	0.6%	(195)	-84.4%
Total	$6,070	$6,394	100.0%	$(324)	-5.1%
Net change in fund balances	$ 644	$ (381)			

General Operating Fund

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

Revenues and Other Financing Sources
(Millions of Dollars)

	2017 Amount	2016 Amount	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease) from 2016
Property taxes	$2,614	$2,314	50.8%	$ 300	13.0%
Replacement taxes (PPRT)	170	116	3.3%	54	46.6%
State aid	1,288	1,399	25.0%	(111)	-7.9%
Federal aid	752	776	14.6%	(24)	-3.1%
Interest and Investment earnings	2	1	0.0%	1	100.0%
Other	265	272	5.1%	(7)	-2.6%
Subtotal	$5,091	$4,878	98.9%	$ 213	4.4%
Other financing sources	59	50	1.1%	9	18.0%
Total	$5,150	$4,928	100.0%	$ 222	4.5%

Property tax revenues increased by $300 million in fiscal year 2017 as a result of a new 0.383% teacher pension levy approved by state statute. In addition, collections from the existing levies were higher due to growth in the Consumer Price Index for All Urban Consumers (CPI-U) of 0.7% and new property added to the tax base. Collections received on or before August 29, 2017 were recognized as revenues under the modified accrual basis of accounting.

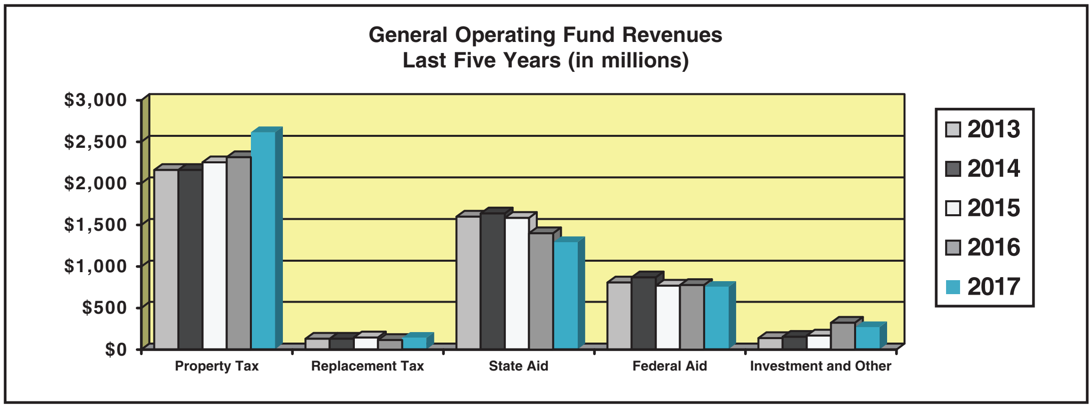
Personal property replacement tax (PPRT) revenues are primarily composed of additional State income taxes on corporations and partnerships. These revenues increased by $54 million due to a state accounting system change which provided a one-time increase to the statewide PPRT Fund of $236 million. In addition, the State released local municipalities from making requested repayments attributed to the prior years' errors in distributing PPRT funds to local taxing districts.

State aid revenues decreased by $111 million, as a result of the delay in payments by the state, due primarily to the effects of the budget impasse and the bill backlog the State accrued over the last two years. While CPS' overall state aid allocation was considerably higher in fiscal year 2017 than in fiscal year 2016 (due to the state's enactment of a hold harmless for General State Aid, creation of a new Equity Grant, and increase in Early Childhood appropriations), payments not received by CPS within the revenue recognition period, were not recognized as revenue for governmental funds financial reporting purposes.

Federal aid decreased by $24 million in fiscal year 2017 due to the decrease of 6% of Title I allocation and smaller allocations decreases in other miscellaneous grants in fiscal year 2017.

Interest and investment earnings totaled $2 million for fiscal year 2017, which is a 100% 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 2017 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, along with the new "Transit" TIF funds allocated to CPS from the City of Chicago accounted for $82 million of the $265 million recorded in fiscal year 2017.



Expenditures:
(In Millions)

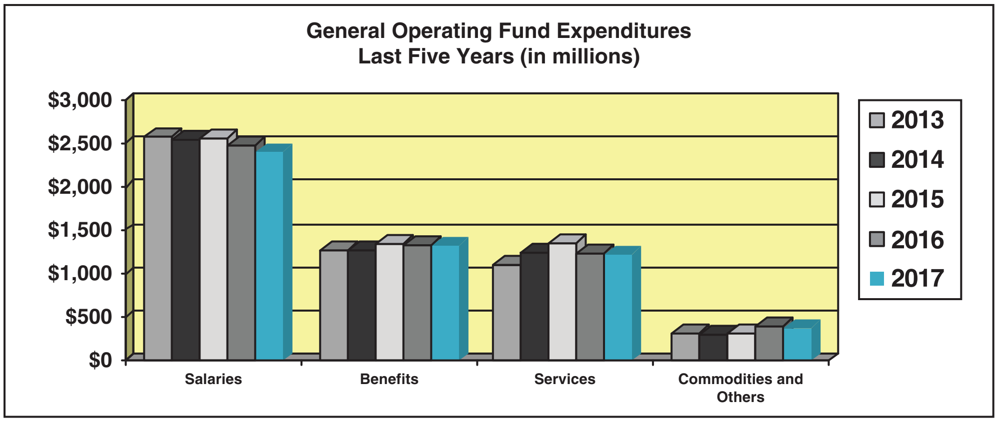
	2017 Amount	2016 Amount	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease) from 2016
Salaries	$2,397	$2,476	45.3%	$ (79)	-3.2%
Benefits	1,321	1,326	24.9%	(5)	-0.4%
Services	1,211	1,226	22.9%	(15)	-1.2%
Commodities	251	271	4.7%	(20)	-7.4%
Other	118	115	2.2%	3	2.6%
Total	$5,298	$5,414	100.0%	$(116)	-2.1%

Salaries decreased by $79 million or 3.2% due to a reduction in teacher and ESP employee headcount over the course of fiscal year 2017, which directly resulted in a reduction in salary expense. Expanded outsourcing of facilities management services also contributed to the additional decrease in salaries from 2016, as these costs shifted to vendor payments for professional services.

Benefits expenses decreased by a total of $5 million in fiscal year 2017. This change is a combined decrease comprised of $41 million in hospitalization expense (due to healthcare plan design change, lower claims, and lower enrollment from reduced staff and outsourcing) and $4 million in Medicare and Unemployment Compensation expense reductions. CPS also realized a $38 million increase in pension expense driven by growth in its contribution to the Chicago Teachers' Pension Fund.

Services expenses decreased by $15 million or 1.2%, driven by $37 million in reduced payments to charter schools. These reductions were the result of mid-year budget cuts and district-wide savings initiatives, from which charter schools received a proportionate reduction in funding. Conversely, professional services also showed increases of $26 million for non-technical services due to the expanded outsourcing of facilities management and other services, of which some of the costs were previously payroll expenses. Vendor contract fees for these services are included here.

Commodities expenses decreased in fiscal year 2017 by 7.4% or $20 million, due largely to lower spend on food services ($4 million); utility costs ($1 million); and instructional materials ($10 million). These costs were lower as a result of reductions in school discretionary spending and the implementation of deferred payment options for textbooks.



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)

	2017 Amount	2016 Amount	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease) from 2016
Property Taxes	$ 48	$ 43	5.2%	$ 5	11.6%
State aid	30	39	3.2%	(9)	-23.1%
Federal aid	7	8	0.8%	(1)	-12.5%
Interest and investment earnings	2	—	0.2%	2	100.0%
Other	21	63	2.3%	(42)	-66.7%
Subtotal	$108	$153	11.7%	$ (45)	-29.4%
Other financing sources	$818	$379	88.3%	$439	115.8%
Total	$926	$532	100.0%	$394	74.1%

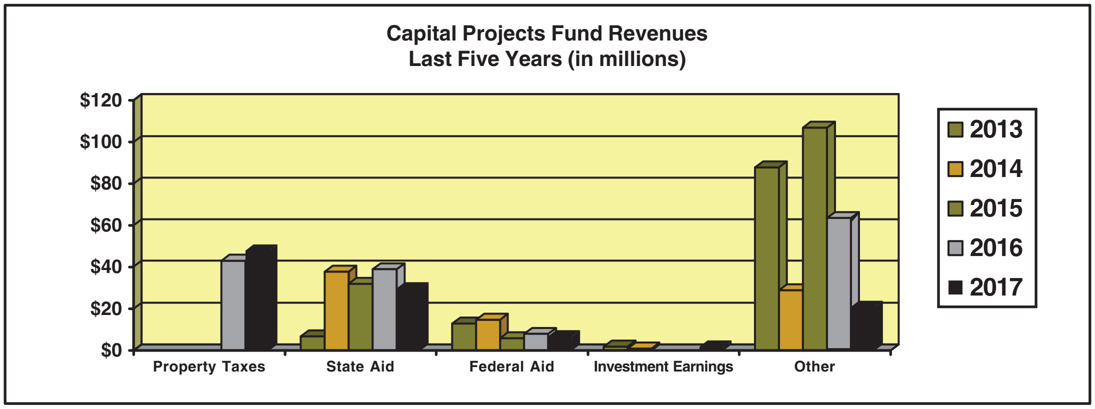
Property tax revenues were collected in the Capital Projects Fund again in fiscal year 2017, as a result of the Chicago City Council authorized Capital Improvement Tax in 2016. Net collections received were $48 million, an increase of $5 million from fiscal year 2016. These funds are restricted for capital project expenditures only.

State aid revenues decreased by $9 million from fiscal year 2016 due to lower cash receipts for restricted state grants for capital construction.

Federal aid revenues in fiscal year 2017 decreased by $1 million due to a $5 million decrease in reimbursements for federal noise abatement grants offset by a $4 million increase in E-Rate reimbursements from the Federal Communications Commission.

Other revenues were $42 million or 66.7% lower in fiscal year 2017 from 2016, due to a decrease in capital project related cash reimbursements from Intergovernmental Agreement (IGA) revenues from the City of Chicago, other revenues in relation to the Modern Schools Across Chicago initiative and projects supported by TIF funds.

Other financing sources increased $439 million or 115.8% due to the CIT bond issuance in July 2016.

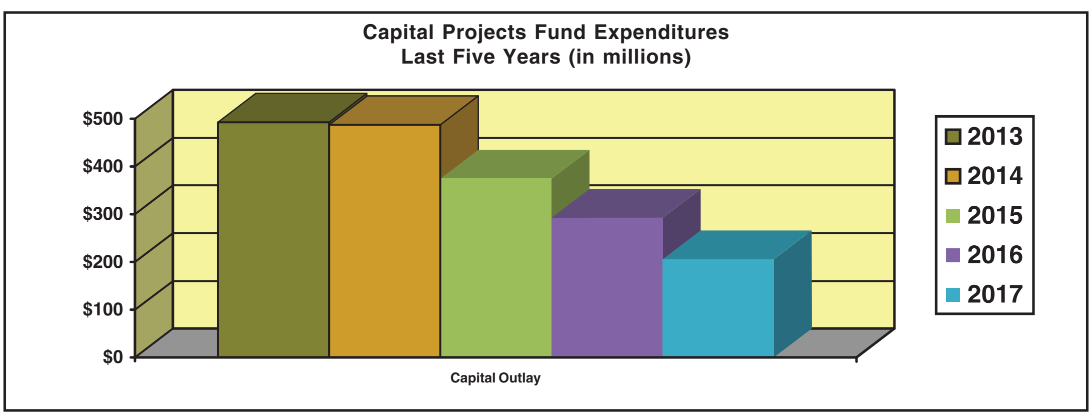


Expenditures:
(in Millions)

	2017 Amount	2016 Amount	Increase (Decrease) from 2016	Percent Increase (Decrease) from 2016
Capital Outlay	$205	$293	$(88)	-30%

Capital outlay

The actual spending on capital outlay decreased in 2017, as a result of CPS' limited capital market access at the time the annual capital plan was being developed. Fewer projects were initiated in 2016, which led to lower spending in 2017 (due to the extended time needed to complete many capital projects). Capital spending in fiscal year 2017 was funded from both capital dedicated property tax revenues and bond proceeds from prior year issuances. Encumbrances in the capital funds as of June 30, 2017 totaled $266.2 million.



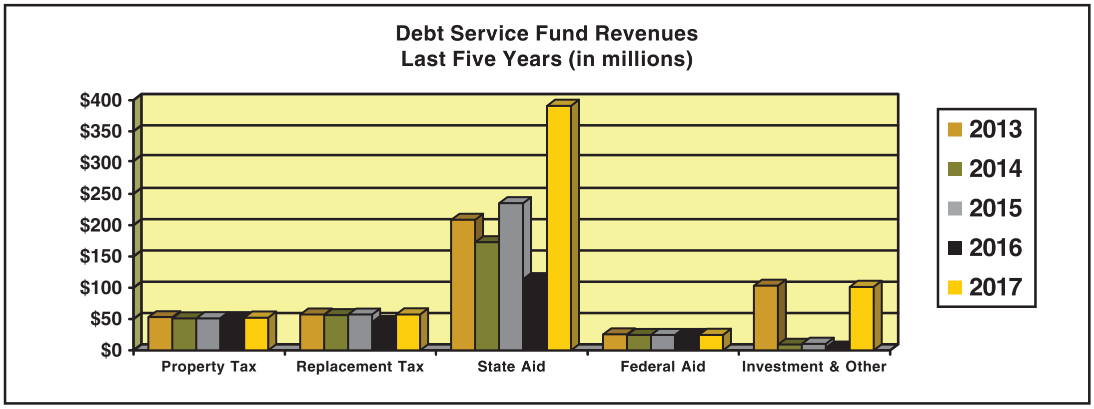
Debt Service Fund

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.

FINANCIAL SECTION

Revenues and Other Financing Sources
(In Millions)

	2017 Amount	2016 Amount	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease) from 2016
Property taxes	$ 53	$ 52	7.6%	$ 1	1.9%
Replacement taxes (PPRT)	58	46	8.3%	12	26.1%
State aid	391	114	56.1%	277	243.0%
Federal aid	25	25	3.6%	—	0.0%
Interest and investment earnings	1	(97)	0.1%	98	101.0%
Other	101	102	14.5%	(1)	-1.0%
Subtotal	$629	$242	90.2%	$ 387	159.9%
Other financing sources	68	296	9.8%	(228)	-77.0%
Total	$697	$538	100.0%	$ 159	29.6%



Property tax revenues remained flat from fiscal year 2016, as there was no change in the levy extension, which drives the collection of these funds used to pay down debt service obligations.

Personal property replacement tax (PPRT) revenues increased by $12 million or 26.1% from fiscal year 2016, as a result of a state accounting system change which provided a one-time increase to the statewide PPRT Fund.

State aid revenues related to debt service for fiscal year 2017 are comprised of two revenue sources, General State Aid (GSA) and State School Construction funds administered through the Capital Development Board (CDB). A total of $391 million in revenues from these and other sources was allocated to support outstanding debt, an increase of $277 million from fiscal year 2016, due to bond restructuring which temporarily suppressed costs associated with the debt service requirements in fiscal year 2016.

Federal aid totaling $25 million in fiscal year 2017 remained unchanged from fiscal year 2016. These revenues are attributed to receipts on behalf of Federal subsidies from the issuance of Build America Bonds ("BABs").

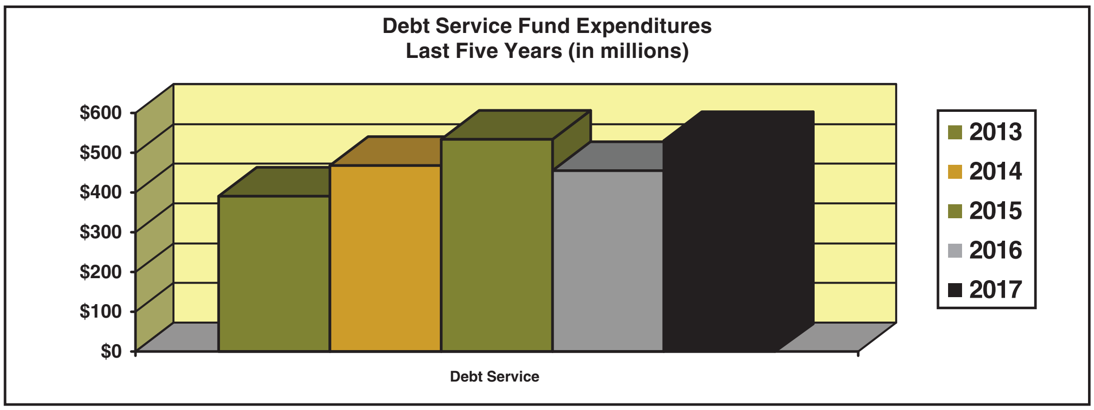
Interest and investment earnings totaled $1 million in 2017 after showing net investment losses of $93 and $97 million in 2015 and 2016, respectively. These prior year losses were a result of the termination of various interest rate swap agreements. The Board also recognized revenue due to the termination of an investment agreement, which netted $4 million in funds to be returned back the Board, as well as the recording of market value changes of securities in compliance with applicable GASB standards.

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 were $1 million lower than in fiscal year 2016.

Other financing sources reflect a decrease of $228 million in fiscal year 2017 due to net proceeds received from debt issuances in the current year totaling just $67.9 million versus $296.1 million in the prior year.

Expenditures:
(in Millions)

	2017 Amount	2016 Amount	Increase (Decrease) from 2015	Percent Increase (Decrease) from 2015
Debt Service	$531	$455	$76	17%



Debt service costs

The overall debt service cost for fiscal year 2017 increased by $76 million, primarily due to the principal repayments on new issues. The amount paid for other fees was similar when compared to fiscal year 2016.

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

In August 2016, the Board adopted a balanced budget for fiscal year 2017 that reflected total resources including $81 million of available fund balances, and appropriations of $5.460 billion. In February 2017, the Board adopted a final amended budget for fiscal year 2017 that reflected total resources including $81 million of available fund balances, and appropriations of $5.411 billion.

General Operating Fund Budget and Actual

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

The following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ended June 30, 2017.

The General Operating Fund ended fiscal year 2017 with a deficit of $148 million, which compared unfavorably with the budgeted deficit of $81 million. Major budget-to-actual variances are described below:

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

	Fiscal Year 2017 Original Budget	Supplemental Appropriations & Transfers In/(Out)	Final Appropriations	Fiscal Year 2017 Actual	Over (under) Budget
Revenues:					
Property taxes	$2,608	$ —	$2,608	$2,614	$ 6
Replacement taxes	131	—	131	170	39
State aid	1,499	—	1,499	1,288	(211)
Federal aid	830	—	830	752	(78)
Interest and investment earnings	—	—	—	2	2
Other	263	—	263	265	2
Subtotal	$5,330	$ —	$5,330	$5,091	(239)
Other financing sources (uses)	—	—	—	59	59
Total	$5,330	$ —	$5,330	$5,149	$(181)
Expenditures:					
Current:					
Salaries	$2,350	$ 68	$2,418	$2,397	$ (21)
Benefits	1,361	(33)	1,328	1,321	(7)
Services	1,194	92	1,286	1,211	(76)
Commodities	249	23	272	251	(21)
Other	257	(150)	107	118	11
Total	$5,411	$ —	$5,411	$5,298	$(113)
Change in fund balances	$ (81)			$ (148)	

Property tax revenues received in fiscal year 2017 generated a positive variance of $6 million in property tax revenue and was due to a combination of a higher collections percentage, as compared to original estimates.

Personal property replacement taxes (PPRT) revenues received by CPS were $39 million higher than budgeted. This was driven largely due to the fact that CPS budgeted to repay over-allocated PPRT revenues received in prior years, based on an error found in the Illinois Department of Revenue's (IDOR) calculation of the PPRT Fund distribution rate. As a result, local governments were informed their PPRT revenues would be considerably lower going forward, due to the correction of this error. Given this information, CPS budgeted fiscal year 2017 revenues lower than fiscal year 2016. In combination with reductions in budgeted PPRT Fund revenues, IDOR has since implemented a new accounting system which provided a one-time bump in PPRT Fund revenues and thereby exceeded any downward adjustment in distribution rate that was budgeted.

State aid received by CPS in fiscal year 2017 was $211 million lower than anticipated. The fiscal year 2017 budget relied on a state contribution of $111 million for the normal cost to the Chicago Teachers' Pension Fund, which upon veto of the legislation that would have provided such funding, never came to fruition. In addition, the state backlog of bills caused a delay in the payment of block grant funding for CPS.

Federal aid revenues were $78 million below budget due to a lower than expected spend. Lunchroom revenue was $4 million below budget because fewer meals were served, thus reducing CPS' reimbursement (but with an associated cost reduction). Medicaid revenues received were lower by $21 million than budgeted due to lower than projected enrollment and reimbursement rates. Other reimbursement based federal grant revenues were lower due to reduced spending in those grants. Title I was $24 million below budget due to historic underspend at the school and district level. Title II ($3 million) and Title III ($5 million) were below budget because of lower claim amounts due to slower spending. Perkins, GEAR Up, and 21st Century ($6 million) grants were below budget also due to delayed grant allocations and slower spending. School Improvement Grants and other submitted expected grants were lower because of $15 million in anticipated grant funding that was not received during the school year.

Other local revenues comprise of miscellaneous or one-time receipts such as appropriated fund-balance, TIF surplus funds, rental income, daycare fees, private foundation grants, school internal account fund transfers, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were $2 million higher than budget for fiscal year 2017. CPS saw a $15 million shortfall in TIF surplus revenues due to timing of payments budgeted in fiscal year 2017 offset by higher than projected revenues from funds raised by schools, City of Chicago pension contributions for employees enrolled in the Municipal Employees' Annuity and Benefit Fund of Chicago, and other miscellaneous revenue sources.

Expenditures

Actual General Operating Fund expenditures were $113 million under budget. CPS attributes these results to tighter spending restrictions, organization-wide savings initiatives, and mid-year budget cuts to make up for the shortfall in state revenue.

The variance is primarily due to the following:

Salaries expenses for the fiscal year 2017 totaled $2.397 billion and resulted in a $21 million positive variance from budget. Teacher salaries finished nearly on budget while career service salaries finished with a positive variance of $21 million due to budget reductions and central hiring slowdowns.

Benefits costs are composed of health care (medical, dental, other), unemployment compensation, workers compensation, and pension costs. Benefit costs for fiscal year 2017 were $1.325 billion and were $7 million under budget due primarily to lower than expected spending on health care claims. For budgetary purposes, all funding is paid to charters as a "charter tuition" expense (aggregated under Services, below). However, pension payments made on behalf of eligible charter schools teachers are recorded as pension expense (included in this category). Charter schools currently reimburse CPS for this expense and the offsetting revenue is also recognized.

Services related to student transportation, tuition for charter schools and special education purposes, including contractual and professional services, telephone, printing and equipment rental, were budgeted at $1.286 billion for fiscal year 2017. CPS ended the year $75 million below budget in this category. The biggest positive variance to budget was a $33 million underspend on charter school tuition, due to charter schools receiving a proportionate share of central and school-based budget cuts. The remaining $43 million of underspend was driven by spending slowdowns, district-wide savings initiatives, transportation savings, and reduced professional development.

Commodities expenditures of $251 million are derived from utility, food for school breakfast/lunch, textbooks, and general supplies. Spending on commodities was lower than budget by $21 million. Savings on supplies totaled $10 million and was due primarily to mid-year budget reductions to schools and central office departments. Utilities costs were $6 million lower than budget due to lower than anticipated electric and gas consumption and favorable commodity pricing. Savings of $2 million in food costs was the result of fewer meals served than were budgeted. An additional $2 million in textbook savings was due to school underspend.

Other expenditures includes equipment, facility rental, insurance, repairs, and for budgetary purposes, contingencies for new grants. In total, spending for the "other" category ended the year at $11 million over budget. This category included budgeted savings for various organizational savings initiatives, including some that did not materialize, driving the negative variance to 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, 2017
(Thousands of Dollars)

	GOVERNMENTAL ACTIVITIES
Assets:	
Current Assets:	
Cash and investments	$ 120,596
Cash and investments in escrow	952,521
Cash and investments held in school internal accounts	41,288
Property taxes receivable, net of allowance	1,395,299
Other receivables:	
Replacement taxes	32,296
State aid, net of allowance	431,478
Federal aid, net of allowance	98,148
Other, net of allowance	62,889
Other assets	2,677
Total current assets:	$ 3,137,192
Non-current Assets:	
Cash and investments in escrow	501,641
Land and construction in progress	475,038
Buildings, building improvements and equipment, net of accumulated depreciation	5,519,324
Total non-current assets:	$ 6,496,003
Total Assets	$ 9,633,195
Deferred Outflows of Resources:	
Deferred Charge on refunding	140,759
Deferred pension outflows	1,246,918
Total deferred outflow of resources:	$ 1,387,677
Liabilities:	
Current Liabilities:	
Accounts payable	404,731
Accrued payroll and benefits	201,984
Amount held for student activities	41,288
Due to Teacher's Pension Fund	249,990
Grant Anticipation Note	386,994
Tax Anticipation Note	950,000
Other accrued liabilities	12,589
Unearned revenue	1,389
Interest payable	72,863
Current portion of long-term debt and capitalized lease obligations	191,439
Total current liabilities:	$ 2,513,267
Long-term liabilities, net of current portion:	
Debt, net of premiums and discounts	7,780,380
Capitalized lease obligations	74,395
Other accrued liabilities	17,251
Net pension liability	11,011,400
Other postemployment benefits	2,034,016
Other benefits and claims	424,372
Total long-term liabilities:	$ 21,341,814
Total liabilities	$ 23,855,081
Deferred Inflows of Resources:	
Deferred pension inflows	176,460
Total deferred inflow of resources:	$ 176,460
Net position (deficit):	
Net investment in capital assets	(644,224)
Restricted for:	
Debt service	630,308
Capital projects	125,516
Grants and donations	52,287
Worker's comp/tort immunity	27,344
Unrestricted	(13,201,900)
Total Net Position (deficit)	$(13,010,669)

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, 2017

(Thousands of dollars)

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction	$4,024,653	$ 647	$ 602,886	$38,823	$(3,382,297)
Support services:					
Pupil support services	472,176	—	70,612	4,555	(397,009)
Administrative support services	301,053	—	106,389	2,904	(191,760)
Facilities support services	465,170	—	69,564	4,487	(391,119)
Instructional support services	460,568	—	68,876	4,443	(387,249)
Food services	213,920	1,522	232,129	2,064	21,795
Community services	39,625	—	5,926	382	(33,317)
Interest expense	448,126	—	—	—	(448,126)
Other	12,691	—	—	—	(12,691)
Total governmental activities	$6,437,982	$2,169	$1,156,382	$57,658	$(5,221,773)

General revenues:	
Taxes:	
Property taxes	$ 2,696,046
Replacement taxes	227,921
Non-program state aid	1,212,143
Interest and investment earnings	5,442
Other	156,369
Gain on sale of capital assets	7,008
Total general revenues	$ 4,304,929
Change in net position	(916,844)
Net position — beginning (deficit) as restated	(12,093,825)
Net position — ending (deficit)	$(13,010,669)

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, 2017
(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	$ 120,075	$ —	$ 521	$ 120,596
Cash and investments in escrow	137,916	715,985	600,261	1,454,162
Cash and investments held in school internal accounts	41,288	—	—	41,288
Receivables:				
Property taxes, net of allowance	1,348,307	22,774	24,218	1,395,299
Replacement taxes	32,296	—	—	32,296
State aid, net of allowance	428,160	3,318	—	431,478
Federal aid, net of allowance	95,038	—	3,110	98,148
Other, net of allowance	15,390	6,281	41,218	62,889
Due from other funds	89,336	76,082	—	165,418
Other assets	—	—	2,356	2,356
Total assets	$2,307,806	$824,440	$671,684	$3,803,930
Liabilities, deferred inflows of resources and fund balances (deficits)				
Liabilities:				
Accounts payable	$ 376,904	$ 23,458	$ 4,369	$ 404,731
Accrued payroll and benefits	132,427	—	—	132,427
Amount held for student activities	41,288	—	—	41,288
Due to other funds	76,082	2,967	86,369	165,418
Due to Teacher's Pension Fund	249,990	—	—	249,990
Tax Anticipation Notes	950,000	—	—	950,000
Grant Anticipation Notes	386,994	—	—	386,994
Unearned revenue	1,389	—	—	1,389
Interest Payable	36,534	—	—	36,534
Total liabilities	$2,251,608	$ 26,425	$ 90,738	$2,368,771
Deferred inflows of resources:				
Unavailable property tax revenue	$ 40,273	$ 182	$ 670	$ 41,125
Other unavailable revenue	291,155	5,247	3,110	299,512
Total deferred inflows of resources	$ 331,428	$ 5,429	$ 3,780	$ 340,637
Fund balances (deficits):				
Nonspendable	$ 429	$ —	$ 2,356	$ 2,785
Restricted for grants and donations	51,858	—	—	51,858
Restricted for workers' comp/tort immunity	27,344	—	—	27,344
Restricted for capital improvement program	—	792,586	—	792,586
Restricted for debt service	—	—	660,501	660,501
Unassigned	(354,861)	—	(85,691)	(440,552)
Total fund balances (deficits)	$ (275,230)	$792,586	$577,166	$1,094,522
Total liabilities, deferred inflows of resources and fund balances (deficit)	$2,307,806	$824,440	$671,684	$3,803,930

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, 2017
(Thousands of dollars)

Total fund balances — governmental funds		$ 1,094,522
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		321
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		1,387,677
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 is 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		10,094,415
Accumulated depreciation		(4,100,053)
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	$ (29,840)	
Debt, net of premiums and discounts	(7,928,314)	
Capitalized lease obligations	(117,900)	
Net pension liability	(11,011,400)	
Net other postemployment benefits obligation	(2,034,016)	
Other benefits and claims	(493,929)	
		(21,615,399)
Interest payable		(36,329)
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		41,125
Other		299,512
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		(176,460)
Net position (deficit)		$(13,010,669)

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, 2017

With Comparative Amounts for the Fiscal Year Ended June 30, 2016

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2017	Total Fiscal Year Ended June 30, 2016
Revenues:					
Property taxes	$2,613,889	$ 48,409	$ 52,658	$2,714,956	$2,408,416
Replacement taxes	169,637	—	58,284	227,921	161,535
State aid	1,287,702	30,150	391,013	1,708,865	1,552,325
Federal aid	752,295	6,653	24,995	783,943	808,999
Interest and investment earnings	1,964	2,077	1,401	5,442	(95,650)
Other	265,099	21,090	100,856	387,045	437,042
Total revenues	$5,090,586	$108,379	$629,207	$5,828,172	$5,272,667
Expenditures:					
Current:					
Instruction	$2,859,105	$ —	$ —	$2,859,105	$2,970,553
Pupil support services	441,324	—	—	441,324	448,254
Administrative support services	281,383	—	—	281,383	303,785
Facilities support services	376,376	—	—	376,376	380,989
Instructional support services	327,184	—	—	327,184	359,966
Food services	199,944	—	—	199,944	201,377
Community services	39,607	—	—	39,607	37,497
Teachers' pension and retirement benefits	708,941	—	—	708,941	664,123
Other	12,691	—	—	12,691	7,388
Capital outlay	12,468	204,835	—	217,303	308,091
Debt service	38,735	—	530,959	569,694	481,419
Total expenditures	$5,297,758	$204,835	$530,959	$6,033,552	$6,163,442
Revenues in excess of (less than) expenditures	$ (207,172)	$ (96,456)	$ 98,248	$ (205,380)	$ (890,775)
Other financing sources (uses):					
Gross amounts from debt issuances	$ —	$811,619	$ 67,961	$ 879,580	$ 724,999
Discounts	—	(36,097)	—	(36,097)	(110,071)
Insurance proceeds	224	—	—	224	—
Sales of general capital assets	—	6,272	—	6,272	15,012
Payment to refunded bond escrow agent	—	—	—	—	(120,856)
Transfers in / (out)	58,350	—	(58,350)	—	—
Total other financing sources (uses)	$ 58,574	$781,794	$ 9,611	$ 849,979	$ 509,084
Net change in fund balances (deficits)	$ (148,598)	$685,338	$107,859	$ 644,599	$ (381,691)
Fund balances (deficits), beginning of period	(126,632)	107,248	469,307	449,923	831,614
Fund balances (deficits), end of period	$ (275,230)	$792,586	$577,166	$1,094,522	$ 449,923

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, 2017

(Thousands of dollars)

Total net change in fund balances — governmental funds		$644,599
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 depreciation exceeds capital outlays in the period.		
Capital outlay/equipment	$ 146,808	
Depreciation expense	(303,302)	
		(156,494)
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		736
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		(879,580)
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position		152,813
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities however, interest cost is recognized as the interest accrues, regardless of when it is due		(22,251)
Government funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities		27,104
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		(27,960)
Federal grants		4,542
State grants and other revenues		(293,265)
In the Statement of Activities, pollution remediation obligation, vacant property demolition obligation, legal settlements, sick pay, vacation pay, workers' compensation and unemployment insurance, general and automobile liability, net pension liability, and other postemployment benefits are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are paid when the amounts become due. The following represents the change during the year for these obligations.		
Pollution remediation obligation		(10,512)
Vacant property demolition obligation		1,005
Tort liabilities and other claims		(1,516)
Other litigation and claims		(5,143)
Sick pay		21,560
Vacation pay		1,740
Workers' compensation and unemployment insurance		601
General and automobile liability		(7,577)
Net pension liability		(228,275)
Other postemployment benefits — teacher		(138,971)
Change in net position		$(916,844)

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Board of Education of the City of Chicago (the Board) 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 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 (PBC) 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 2017, CPS adopted the following GASB Statements:

- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, which is intended to improve usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability, and establishes requirements for those pensions and pension plans that are not administered through a trust and pensions and pension plans not covered by Statements 67 and 68. This implementation of the statement had no financial impact on CPS.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces Statement No. 43 and addresses the financial reports of defined benefit other postemployment benefit (OPEB) plans that are administered through trusts that meet specified criteria. This Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement requires more extensive note disclosures and Required Supplementary Information (RSI) related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. This Statement also sets forth note disclosure requirements for defined contribution OPEB plans. This implementation of the statement had no financial impact on CPS.
- GASB 77, *Tax Abatement Disclosures.* This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. See Note 15 for additional information on tax abatements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which addresses a practice issue regarding the scope and applicability of Statement No. 68. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local government employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employees through a cost–sharing multiple-employer defined benefit pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and has no predominant state or local governmental employer(either individually or collectively with other state or local governmental employers that provide pension through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This implementation of the statement had no financial impact on CPS.
- GASB 80, *Blending Requirements for Certain Component Units — An Amendment of GASB Statement No. 14.* This Statement amends the blending requirements for the financial statement presentation of component units for all state and local governments established in paragraph 53 of Statement *No.14, The financial Reporting Entity, as amended*. This implementation of the statement had no financial impact on CPS.
- GASB 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68 and No.73.* This Statement addresses issues with (1) the presentation of payroll-related measures in required supplementary information stated in Statements No. 67 *Financial Reporting for Pension Plans* and No. 68 *Accounting and Financial Reporting for Pensions*, (2) the selection of Assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, stated in Statements No. 67, No. 68, and No.73 *Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB Statement 68, and the Amendments to Certain Provisions of GASB Statement No. 67 and No. 68*, and (3) the classification of payments made by employers to satisfy employee contribution requirements as stated by Statements No. 67 and No. 68. Implementation of this pronouncement resulted in a restatement of beginning Net Position. See Note 12 for the impact of the implementation of this pronouncement and additional information on pensions.

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

- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). Statement issued in June 2015. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplemental information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the fiscal year ending June 30, 2018. This Statement will have an effect on CPS and the OPEB liability will be added to the Statement of Net Position.
- GASB 81, *Irrevocable Split-Interest Agreements*. Statement issued in March 2016. This Statement provides accounting and financial reporting guidance for irrevocable split-interest agreements in

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

which a government is a beneficiary. This Statement is effective for the fiscal year ending June 30, 2018. This Statement will have no effect on CPS

- 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 is effective for the fiscal year ending June 30, 2019. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 84, *Fiduciary Activities.* Statement issued in 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 CPS' fiscal year ending June 30, 2020, but CPS plans to early adopt the standard in fiscal year 2019.
- GASB 85, *Omnibus 2017*. Statement issued in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement is effective for CPS' fiscal year ending June 30, 2018. Management has not determined what impact, if any, this Statement will have on its financial statements.
- GASB 86, *Certain Debt Extinguishment Issues.* Statement issued in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for CPS' fiscal year ending June 30, 2018. 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 CPS' fiscal year ending June 30, 2021. 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*.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Funds

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

Governmental Funds

a. General Operating Fund

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

Educational Program
Supplementary General State Aid Program
School Food Service Program
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 GO Bonds, (PBC) Building Revenue Bonds, State of Illinois Construction Grants, Federal E-rate capital subsidies and other revenues for the purpose of building and improving schools as designated by the Board. The bonds are being repaid in the Debt Service Fund.

c. Debt Service Fund

The Debt Service Fund includes the following programs:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deposits and Investments

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

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 2016 property taxes were levied for fiscal year 2017 in August 2016 and were billed in fiscal year 2017. In 2017, 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".

Capital Assets

Capital assets—which include land, construction in progress, buildings, building improvements, equipment and software—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 and administrative software/systems is a unit cost of $25,000 or more. CPS 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Beginning in fiscal year 2005, CPS implemented procedures related to impairment of 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.

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

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

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

Vacation and Sick Pay

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on 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.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2017.

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 2017, 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: There is a negative fund balance in the General Operating Fund.

Net Position

The Statement of Net Position includes the following:

Net investment in capital assets — the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, net of premiums and discounts, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

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

Unrestricted — consists of net position that does not meet the criteria of the five 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, 2016, from which the summarized information was derived.

Management's Use of Estimates

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

The Capital Projects Fund is budgeted on a project-by-project basis. Budgeted amounts in the Capital Projects Fund represent the entire project budget for projects that were expected to commence in fiscal year 2017. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

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

As part of the annual budgetary process, CPS adopts a resolution each December in which it is determined to levy real estate taxes. In fiscal year 2017, CPS adopted a resolution for tax levy in August 2016 because that tied public discussion of the tax levy more closely with the budget that the levy was going to fund and CPS needed to do short term borrowing against the levy. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in prescribed form must be published and a public hearing must be held if the aggregate annual levy exceeds 105% of the levy of the preceding year.

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

Legal limitations on tax rates and the rates extended in calendar years 2017 and 2016 are shown below.

	Maximum 2017 Legal Limit	Tax Rates Extended Per $100 of EAV 2017	Tax Rates Extended Per $100 of EAV 2016
General Operating Fund:			
Educational	(A)	$3.115	$3.205
Teachers Pension	(B)	0.367	N/A
Workers' and Unemployment Compensation/Tort Immunity	(C)	0.107	0.111
Debt Service Fund:			
Public Building Commission Leases Program	(D)	0.072	0.075
Capital Projects Fund:			
Capital Improvement	(E)	0.065	0.064
		$3.726	$3.455

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

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 2016 the Teacher Pension levy tax rate cannot exceed $0.383 per $100 of EAV and for calendar year 2017 and all later years the 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. The Board authorized the initial Teacher Pension levy for $271.8 million in calendar year 2016 for collection in 2017.

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

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 Board authorized the initial levy of the CIT for $45 million in calendar year 2015 for collection in 2016. The CIT Act establishes maximum authorized amounts of the CIT that can be levied each calendar year equal to the cumulative inflationary growth on a base of $142.5 million starting in 2003.

Note: 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. The incremental revenue generated by the Transit TIF attributable to CPS is projected to be $9.3 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):

	Fund Financial Statements	Government Wide-Financial Statements
Revenues:		
General state aid unrestricted	$ 813,716	$ 813,735
Supplementary general state aid	261,000	261,000
Educational services block grant	448,721	137,408
Other restricted state revenue	185,428	212,339
Total state aid	$1,708,865	$1,424,482
Program Revenues:		
Operating grants and contributions		(212,339)
Non-program general state aid		$1,212,143

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, 2017, the book amount of CPS' deposit accounts was $28.3 million. The bank balances totaled $43.1 million as of June 30, 2017. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2017. 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, Amount 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. The 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, 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, 2017, CPS had the following investments $(000's) and maturities:

Investment Type	Ratings	Carrying Amount	Maturities Less Than 1 Year	Maturities 1-5 Years	Maturities 5-10 Years
Repurchase Agreements	A-/Baa2	$ 11,457	$ —	$11,457	$ —
U.S. Government Agency Securities	Aaa/AA+/AAA	2,100	2,100	—	—
U.S. Treasury Notes	AA+/Aaa	91,660	—	6,590	85,070
U.S. Government State & Local Government Securities SLGS	AA+/Aaa	43,213	43,213	—	—
Money Market Mutal Funds	AAAm/Aaa-mf	1,439,312	1,439,312	—	—
Total Investments		$1,587,742	$1,484,625	$18,047	$85,070
Cash & CDs		28,304	—	—	—
Total Cash and Investments		$1,616,046	$1,484,625	$18,047	$85,070

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 — The CPS Investment Policy limits investment in commercial paper to the top two ratings issued by at least two standard rating services. As of June 30, 2017, Moody's Investment Service rated CPS' investments in banker's acceptances and commercial paper A1+ or A1 by Standard and Poor's, and P-1 by Moody's. As of June 30, 2017, Standard and Poor's rated CPS' investments in money market mutual funds AAAm/Aaa-mf and municipal securities as A1/A+ or better as required by the CPS Investment Policy.

Concentration of Credit Risk — As of June 30, 2017, 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.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

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, 2017 using a matrix pricing model:

		Fair Value Measurements Using		
	June 30, 2017	Level 1	Level 2	Level 3
Investments by fair market level:				
Debt securities				
U.S. Treasury Note	$91,660	$—	$91,660	$—
Total Investments measured at fair value	$91,660	$—	$91,660	$—

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 $1,496 million.

The following table provides a summary of CPS' total cash and investments by fund type as of June 30, 2017 $(000's):

Fund	Amount
General Operating Fund	$ 299,279
Capital Projects Fund	715,985
Debt Service Fund	600,782
Total Cash and Investments	$1,616,046

NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2017 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	$1,441,287	$24,450	$26,079	$1,491,816	$1,491,816
Replacement taxes	32,296	—	—	32,296	32,296
State aid	432,002	4,030	—	436,032	436,032
Federal aid	95,130	—	3,110	98,240	98,240
Other	20,093	12,398	41,218	73,709	73,709
Total receivables	$2,020,808	$40,878	$70,407	$2,132,093	$2,132,093
Less: Allowance for uncollectibles — property tax	(92,980)	(1,676)	(1,861)	(96,517)	(96,517)
Less: Allowance for uncollectibles — state aid	(3,842)	(712)	—	(4,554)	(4,554)
Less: Allowance for uncollectibles — federal aid	(92)	—	—	(92)	(92)
Less: Allowance for uncollectibles — other	(4,703)	(6,117)	—	(10,820)	(10,820)
Total receivables, net	$1,919,191	$32,373	$68,546	$2,020,110	$2,020,110

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2017, the components of unavailable revenue reported in the fund financial statements are as follows $(000's):

Unavailable property tax revenue	$ 41,125
Other unavailable revenue	299,512
Total deferred inflows of resources	$340,637

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows $(000's):

Government-wide activities:	Beginning Balance	Increases	Decreases and Transfers to In-Service	Ending Balance
Capital assets, not being depreciated:				
Land	$ 313,529	$ 14,906	$ (1,693)	$ 326,742
Construction in progress	182,387	168,808	(202,899)	148,296
Total capital assets not being depreciated	$ 495,916	$ 183,714	$(204,592)	$ 475,038
Capital assets being depreciated:				
Buildings and improvements	$ 9,241,738	$ 178,766	$ (28,054)	$ 9,392,450
Equipment and administrative software	222,322	544	(2,051)	220,815
Internally developed software	6,889	176	(953)	6,112
Total capital assets being depreciated	$ 9,470,949	$ 179,486	$ (31,058)	$ 9,619,377
Total capital assets	$ 9,966,865	$ 363,200	$(235,650)	$10,094,415
Less accumulated depreciation for:				
Buildings and improvements	$(3,699,816)	$(280,266)	$ 17,544	$ (3,962,538)
Equipment and administrative software	(110,849)	(22,687)	1,497	(132,039)
Internally developed software	(6,080)	(349)	953	(5,476)
Total accumulated depreciation	$(3,816,745)	$(303,302)	$ 19,994	$ (4,100,053)
Capital assets, net of depreciation	$ 6,150,120	$ 59,898	$(215,656)	$ 5,994,362

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

	Depreciation Expenses	Impairment Expenses
Governmental activities:		
Instruction	$190,196	$ 8,375
Pupil support services	29,358	1,293
Administrative support services	18,719	824
Facilities support services	25,038	1,103
Instructional support services	21,765	958
Food services	13,301	586
Total depreciation expense	$298,377	$13,139

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 of these assets are adjusted to zero. Management reviews capital assets at year end for impairment.

At year end, CPS determined that most of the IMPACT system (for student attendance), originally implemented in fiscal year 2008 through 2009, with an estimated useful life of 20 years, has a

NOTE 6. CAPITAL ASSETS (continued)

remaining useful life of just 2 years. Accelerated depreciation of $4.9 million was recorded to reflect this change in useful life. This accelerated depreciation is included in the impairment expense totals for fiscal year 2017.

During fiscal year 2017, as CPS reviewed pending real estate transactions related to school actions for closed schools, CPS recognized impairments totaling $8.2 million related to various properties.

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 $(000's):	
Due To Capital Improvement Program	$(76,082)
Due From Capital Asset Program	2,967
Due From Bond Redemption and Interest Program	86,369
Total — Net due from (to) other funds	$ 13,254
Capital Projects Fund $(000's):	
Capital Asset Program — Due To General Operating Fund	$ (2,967)
Capital Improvement Program — Due From General Operating Fund	76,082
Total — Net due from (to) other funds	$ 73,115
Debt Service Fund $(000's):	
Bond Redemption and Interest Program — Due to General Operating Fund	$(86,369)

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

Interfund Transfers

In fiscal year 2017, CPS transferred to the General Operating Fund $58.3 million of debt restructuring savings from the Bond Redemption and Interest Program.

NOTE 8. SHORT TERM DEBT

2016 Tax Anticipation Notes

During fiscal year 2017, the Board closed on four series of 2016 Educational Purposes Tax Anticipation Notes (TANs) with a total capacity of $1.55 billion for working capital purposes. Series 2016A1, A2, A3 TANs were issued as a direct placement with JP Morgan, and Series 2016A4 was issued as a direct placement with PNC Bank. Each series of TANs issued during fiscal year 2017 was structured as a single draws. The TANs provided liquidity support within the fiscal year.

NOTE 8. SHORT TERM DEBT (continued)

The 2016 TANs issued were first issued as follows $(000's):

Description	Initial Advance Date	Amount
Series 2016A1	September 8, 2016	$325,000
Series 2016A2	October 3, 2016	$150,000
Series 2016A3	November 10, 2016	$475,000
Series 2016A4	January 12, 2017	$600,000

Each of the TANs are backed by the Board's 2016 Education Property Tax Levy collected in two installments in 2017. 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 2016A1, A2, A3 TANs is the earlier of 60 days after the second installment due date of tax year 2016 property taxes or December 15, 2017. The repayment date for the 2016A4 TANs was March 31, 2017.

2017 Grant Anticipation Notes

During fiscal year 2017, the Board closed on two series of 2017 Grant Anticipation Notes (GANs) with a total capacity of $387 million for working capital purposes. Series 2017A, B GANs were issued as a direct placement with JP Morgan. The Series 2017A, B GANs were structured as single draws. The GANs provided liquidity support within the fiscal year.

The 2017 GANs issued were first issued as follows $(000's):

Description	Initial Advance Date	Amount
Series 2017A	June 19, 2017	$275,000
Series 2017B	June 26, 2017	$112,000

Each of the GANs are backed by monies expected to be received by the Board and derived from certain grants from the State of Illinois. The grants were appropriated by the State for the fiscal year ended June 30, 2017, but they had not been received by the Board as of the time of the issuance of either series of GANs.

At such time as the pledged grants are paid by the State to the Board, the monies will be deposited with a trustee and used to repay the GANs. On December 28, 2017, any remaining outstanding Series 2017A, B GANs shall be subject to mandatory exchange for a tax anticipation note (TAN) in a principal amount not less than the sum of the outstanding GANs. The TAN will then be payable from the Board's levy of real property taxes for the 2017 tax levy year for educational purposes.

Outstanding Short-Term Notes Balances

As of June 30, 2017, a total of $1.34 billion in short-term notes issued by the Board were outstanding. The outstanding short-term notes consisted of $950 million in TANs and $387 million in GANs. Any amount of short-term notes paid off subsequent to year end is discussed further in Note 16.

Short-term debt activity for the year ended June 30, 2017 was as follows $(000's):

Short-Term Debt	Balance July 1, 2016	Draws	Repayments	Balance June 30, 2017
Tax Anticipation Notes	$870,000	$1,550,000	$(1,470,000)	$ 950,000
Grant Anticipation Notes	—	387,000	(6)	386,994
Total Short-term Debt	$870,000	$1,937,000	$(1,470,006)	$1,336,994

NOTE 9. LONG-TERM DEBT

Long-term Obligations

Long-term Debt activity for the fiscal year ended June 30, 2017 was as follows $(000's):

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due within One Year
Governmental activities:					
General Obligation Long-term Debt	$ 6,578,983	$ 150,000	$(111,708)	$ 6,617,275	$114,752
Capital Improvement Tax Long-term Debt	—	729,580	—	729,580	—
Add unamortized premium (discount)	(26,250)	(36,097)	(3,145)	(65,492)	—
Add Arbitrage Liability	—	164	—	164	164
Add accretion of capital appreciation bonds	634,157	54,286	(41,656)	646,787	33,018
Subtotal of debt, net of premiums and discounts	$ 7,186,890	$ 897,933	$(156,509)	$ 7,928,314	$147,934
Capitalized lease obligations	159,005	—	(41,105)	117,900	43,505
Total debt and capitalized lease obligations	$ 7,345,895	$ 897,933	$(197,614)	$ 8,046,214	$191,439
Other liabilities:					
Other accrued liabilities	$ 15,446	$ 14,484	$ (90)	$ 29,840	$ 12,589
Net pension liability	10,023,263	988,137	—	11,011,400	—
Net other postemployment benefits obligation	1,895,045	138,971	—	2,034,016	—
Other benefits and claims	508,737	48,147	(62,955)	493,929	69,557
Total other liabilities:	$12,442,491	$1,189,739	$ (63,045)	$13,569,185	$ 82,146
Total long-term obligations:	$19,788,386	$2,087,672	$(260,659)	$21,615,399	$273,585

General Obligation and Capital Improvement Tax Bonds

CPS issued the following long-term debt in fiscal year 2017.

Unlimited Tax GO Bonds (Dedicated Revenue) Series 2016B

In July 2016, CPS issued $150.0 million Unlimited Tax GO Bonds (Dedicated Revenue) as fixed-rate, Series 2016B. The proceeds of the Bonds were used to provide funds for the capital improvements, fund capitalized interest, and pay costs of issuance.

Dedicated Capital Improvement Tax Bonds Series 2016

In January 2017, CPS issued $729.6 million Dedicated Capital Improvement Tax Bonds. The proceeds of the 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.

NOTE 9. LONG-TERM DEBT (continued)

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

Bonds	$114,752
Arbitrage Liability	164
Accreted Interest	33,018
Subtotal	$147,934
Lease Obligations	43,505
Total Current Portion	$191,439

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

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 and Series 2003C 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, 2017 there were no hedged variable rate bonds outstanding. Interest rates on unhedged variable rate bonds assume the average monthly variable rate for June 2017, and remain the same for the life of the bonds. Debt service requirements for the Unlimited Tax GO Bonds are scheduled as follows $(000's):

	Fixed Rate Bonds		Variable Rate Bonds		
Fiscal Year(s)	Principal	Interest	Principal	Estimated Interest*	Total**
2018	$ 114,752	$ 310,021	$ —	$ 49,884	$ 474,657
2019	149,030	305,678	28,555	49,388	532,651
2020	159,381	314,315	30,870	47,358	551,924
2021	182,995	323,722	32,505	45,158	584,380
2022	167,753	318,192	34,105	42,839	562,889
2023-2027	1,165,221	1,475,574	309,415	170,121	3,120,331
2028-2032	1,009,238	1,506,362	483,945	76,329	3,075,874
2033-2037	768,880	666,515	134,530	8,382	1,578,307
2038-2042	1,197,520	384,264	—	—	1,581,784
2043-2047	648,580	77,405	—	—	725,985
Total	$5,563,350	$5,682,048	$1,053,925	$489,459	$12,788,782

NOTE 9. LONG-TERM DEBT (continued)

* Interest on variable rate demand notes assumes current interest rates remain the same as of June 30, 2017, calculated at:

Series 2008A — 1.80050% x outstanding principal
Series 2008B — 1.80050% x outstanding principal
Series 2011C-1 — 9.00000% x outstanding principal
Series 2011C-2 — 9.00000% x outstanding principal
Series 2013A-1 — 9.00000% x outstanding principal
Series 2013A-2 — 7.50000% x outstanding principal
Series 2013A-3 — 1.74000% x outstanding principal
Series 2015A — 9.00000% x outstanding principal
Series 2015G — 9.00000% x outstanding principal

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

Floating Rate Note Securities

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

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

For the Series 2011C-1, an initial index floating rate period was set up to February 29, 2016. During this initial period, the rate was reset monthly and equal to the Securities Industry and Financial Markets (SIFMA) Index plus 95 basis points. The Series 2011C-1 bonds were callable beginning on September 1, 2015. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2011C-1 bonds, after the end of the initial index floating rate period on March 1, 2016, the rate will be equal to 9.00% until such time that the issue is refinanced. For the period beginning March 1, 2016 and continuing through June 30, 2017, the Board had not remarketed, redeemed or tendered for the Series 2011C-1 bonds, as a result the rate adjusted to 9.00% until such time that the issue is refinanced.

For the Series 2011C-2, an initial index floating rate period was set up to February 28, 2017. During this initial period, the rate was reset monthly and equal to the SIFMA Index plus 110 basis points. The Series 2011C-2 bonds were callable beginning on September 1, 2016. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2011C-2 bonds, after the end of the initial index floating rate period on March 1, 2017, the rate will be equal to 9.00% until such time that the issue is refinanced. For the period beginning March 1, 2017 and continuing through June 30, 2017, the Board had not remarketed, redeemed or tendered for the Series 2011C-2 bonds, as a result the rate adjusted to 9.00% until such time that the issue is refinanced.

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

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

For the Series 2013A-1, an initial index floating rate period was set up to June 1, 2016. During this initial period, the rate was reset monthly and equal to 70% of one month London Interbank Offered Rate (LIBOR) plus 58 basis points. The Series 2013A-1 bonds are callable beginning on December 1,

NOTE 9. LONG-TERM DEBT (continued)

2015. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2013A-1 bonds, after the end of the initial index floating rate period on June 1, 2016, the rate will be equal to 7.50%. On the 91st day and thereafter, the rate will be equal to 9.00% until such time that the issue is refinanced. For the period beginning June 1, 2016 and continuing through June 30, 2017, the Board had not remarketed, redeemed or tendered for the Series 2013A-1 bonds, as a result for the period beginning June 1, 2016 and the next 90 days thereafter the rate was equal to 7.50%. On the 91st day and thereafter, the rate was equal to 9.00% until such time that the issue is refinanced.

For the Series 2013A-2, an initial index floating rate period was set up to June 1, 2017. During this initial period, the rate is reset weekly and equal to the SIFMA Index plus 75 basis points. The Series 2013A-2 bonds are callable beginning on December 1, 2016. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2013A-2 bonds, after the end of the initial index floating rate period on June 1, 2017, the rate will be equal to 7.50%. On the 91st day and thereafter, the rate will be equal to 9.00% until such time that the issue is refinanced. For the period beginning June 1, 2017 and continuing through June 30, 2017, the Board had not remarketed, redeemed or tendered for the Series 2013A-1 bonds, as a result for the period beginning June 1, 2017 the rate was equal to 7.50%. On the 91st day and thereafter, the rate will be equal to 9.00% until such time that the issue is refinanced.

For the Series 2013A-3, an initial index floating rate period was set up to June 1, 2018. During this initial period, the rate is reset weekly and equal to the SIFMA Index plus 83 basis points. The Series 2013A-3 bonds are callable beginning on December 1, 2017. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2013A-3 bonds, after the end of the initial index floating rate period and for the next 90 days thereafter, the rate will be 7.50%. On the 91st day and thereafter the rate will be equal to 9.00% until such time that the issue is refinanced.

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

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

For Series 2015A and the Series 2015G, an initial index floating rate period was set up to March 1, 2017. During this initial period, the rate is reset weekly and equal to the SIFMA Index plus 400 basis points. Both the Series 2015A and the Series 2015G bonds are callable beginning on September 1, 2016. Under the terms of the bond indenture, if the Board has not remarketed, redeemed or tendered for the Series 2015A or Series 2015G bonds, after the end of the initial index floating rate period on March 1, 2017, the rate will be equal to 9.00% until such time that the issue is refinanced. For the period beginning March 1, 2017 and continuing through June 30, 2017, the Board had not remarketed, redeemed or tendered for the Series 2015A or Series 2015G bonds, as a result the rate adjusted to 9.00% until such time that the issue is refinanced.

Direct Placements

Unlimited Tax GO 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.

NOTE 9. LONG-TERM DEBT (continued)

Accreted Interest

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

Series	Accreted Interest July 1, 2016	Increase	Payment	Accreted Interest June 30, 2017
1997A	$ 9,513	$ 343	$ (9,856)	$ —
1998B-1	367,673	31,879	(12,197)	387,355
1999A	256,971	22,064	(19,603)	259,432
	$634,157	$54,286	$(41,656)	$646,787

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. In January 2017, CPS issued the first series of CIT Bonds in the amount of $729.6 million. The bonds were issued at a fixed rated and designated as Dedicated Revenue Capital Improvement Tax Bonds (Dedicated Alternate Revenue), Series 2016. The proceeds of the 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 Series 2016 CIT Bonds are as follows ($000's):

Fiscal Year(s)	Principal	Interest*	Total
2018	$ —	$ 43,539	$ 43,539
2019	—	43,539	43,539
2020	—	43,539	43,539
2021	—	43,539	43,539
2022	—	43,539	43,539
2023-2027	—	217,695	217,695
2028-2032	—	217,695	217,695
2033-2037	195,980	196,286	392,266
2038-2042	261,760	130,497	392,257
2043-2047	271,840	41,963	313,803
Total	$729,580	$1,021,831	$1,751,411

* Fixed Rate.

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NOTE 9. LONG-TERM DEBT (continued)

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

Series	Orginal Amount Issued	Debt Purpose	Interest Rate	Final Maturity	Principal Outstanding July 1, 2016	Accreted Interest
CIT 2016	$729,580	Capital Improvement	6.25%	4/1/2046	$ —	$ —
2016B	150,000	Capital Improvement	6.50%	12/1/2046	—	—
2016A	725,000	Capital Improvement/Refunding	7.00%	12/1/2044	725,000	—
2015G	88,900	Refunding	Variable	3/1/2032	88,900	—
2015E	20,000	Capital Improvement	5.13%	12/1/2032	20,000	—
2015C	280,000	Capital Improvement	5.25%	12/1/2039	280,000	—
2015A	89,200	Refunding	Variable	3/1/2032	89,200	—
2013A-3	157,055	Refunding	Variable	3/1/2036	157,055	—
2013A-2	124,320	Refunding	Variable	3/1/2035	124,320	—
2013A-1	122,605	Refunding	Variable	3/1/2026	89,990	—
2012B	109,825	Refunding	5.00%	12/1/2034	109,825	—
2012A	468,915	Capital Improvement	5.00%	12/1/2042	468,915	—
2011C-2	44,100	Refunding	Variable	3/1/2032	44,100	—
2011C-1	51,000	Refunding	Variable	3/1/2032	43,600	—
2011A	402,410	Capital Improvement	5.00% to 5.50%	12/1/2041	402,410	—
2010G	72,915	Refunding	2.77% to 4.18%	12/1/2017	22,735	—
2010F	183,750	Refunding	5.00%	12/1/2031	169,155	—
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	518,210	—
2009D	75,720	Refunding	1.00% to 5.00%	12/1/2023	45,340	—
2008C	464,655	Refunding	4.25% to 5.00%	12/1/2032	464,655	—
2008B	240,975	Refunding	Variable	3/1/2034	185,350	—
2008A	262,785	Refunding	Variable	12/1/2030	262,785	—
2007D	238,720	Capital Improvement	4.00% to 5.00%	12/1/2029	169,195	—
2007C	6,870	Refunding	4.00% to 4.375%	12/1/2021	4,150	—
2007B	197,765	Refunding	5.00%	12/1/2024	197,765	—
2006B	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	289,525	—
2006A	6,853	Capital Improvement	0.00%	6/1/2021	6,853	—
2005B	52,595	Refunding	5.00% to 5.50%	12/1/2021	22,735	—
2005A	193,585	Refunding	5.00% to 5.50%	12/1/2031	174,365	—
2004A	205,410	Refunding	4.00% to 5.00%	12/1/2020	74,480	—
2003C	4,585	Capital Improvement	0.00%	10/27/2017	4,585	—
2002A	48,970	Capital Improvement	3.00% to 5.25%	12/1/2022	28,360	—
1999A	532,553	Capital Improvement/Refunding	4.30% to 5.30%	12/1/2031	405,325	256,971
1998B-1	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	248,346	367,673
1997A	499,995	Capital Improvement	5.30% to 5.55%	12/1/2030	5,389	9,513
Total Bonds					$6,578,983	$634,157
Less Current Portion						
For Net Premium/ (Discount)						
Total Long-term Debt, net of Current Portion and Premium/Discount						

NOTE 9. LONG-TERM DEBT (continued)

Principal and Accreted Interest July 1, 2016	Issuances	Retirements	Principal Outstanding June 30, 2017	Accreted Interest	Principal and Accreted Interest June 30, 2017
$ —	$729,580	$ —	$ 729,580	$ —	$ 729,580
—	150,000	—	150,000	—	150,000
725,000	—	—	725,000	—	725,000
88,900	—	(5,400)	83,500	—	83,500
20,000	—	—	20,000	—	20,000
280,000	—	—	280,000	—	280,000
89,200	—	(5,200)	84,000	—	84,000
157,055	—	—	157,055	—	157,055
124,320	—	—	124,320	—	124,320
89,990	—	(8,975)	81,015	—	81,015
109,825	—	—	109,825	—	109,825
468,915	—	—	468,915	—	468,915
44,100	—	(2,600)	41,500	—	41,500
43,600	—	(1,400)	42,200	—	42,200
402,410	—	—	402,410	—	402,410
22,735	—	(17,500)	5,235	—	5,235
169,155	—	(7,855)	161,300	—	161,300
125,000	—	—	125,000	—	125,000
257,125	—	—	257,125	—	257,125
254,240	—	—	254,240	—	254,240
518,210	—	—	518,210	—	518,210
45,340	—	(4,400)	40,940	—	40,940
464,655	—	—	464,655	—	464,655
185,350	—	(7,800)	177,550	—	177,550
262,785	—	—	262,785	—	262,785
169,195	—		169,195	—	169,195
4,150	—	(410)	3,740	—	3,740
197,765	—	—	197,765	—	197,765
289,525	—	(8,795)	280,730	—	280,730
6,853	—	—	6,853	—	6,853
22,735	—	—	22,735	—	22,735
174,365	—	(7,085)	167,280	—	167,280
74,480	—	(3,790)	70,690	—	70,690
4,585	—	—	4,585	—	4,585
28,360	—	(3,475)	24,885	—	24,885
662,296	—	(13,432)	391,893	259,432	651,325
616,019	—	(8,202)	240,144	387,355	627,499
14,902	—	(5,389)	—	—	—
$7,213,140	$879,580	$(111,708)	$7,346,855	$646,787	$7,993,642
(115,805)					(147,770)
(26,250)					(65,491)
$7,071,085					$7,780,381

CPS has no defeased bonds to report as of June 30, 2017.

FINANCIAL SECTION

NOTE 10. LEASE OBLIGATIONS

Capitalized Leases

Annual rental payments are made pursuant to lease agreements with 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, 2017 amounted to $0.65 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, 2017, are as follows $(000's):

Fiscal Year(s)	PBC Lease Rentals	Other	Total
2018	$ 52,069	$ 424	$ 52,493
2019	52,099	424	52,523
2020	30,635	424	31,059
2021	—	647	647
Total Rentals	$134,803	$1,919	$136,722
Less — Interest and other costs	(17,953)	(869)	(18,822)
Principal amount of rental due	$116,850	$1,050	$117,900

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

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
PBC Leases	$157,780	$ —	$(40,930)	$116,850
Other Capitalized Leases	1,225	—	(175)	1,050
Total Lease Obligations	$159,005	$ —	$(41,105)	$117,900
Less: Current Portion PBC Leases				(43,330)
Current Portion Other Capitalized Leases				(175)
Total Long-Term Leases Outstanding				$ 74,395

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, 2017 were $18.4 million. The following is a summary of operating lease commitments as of June 30, 2017 ($000's):

Fiscal Year(s)	Non-Real Property Leases	Real Property Leases	Total
2018	$ 3,225	$ 14,750	$ 17,975
2019	1,872	14,831	16,703
2020	1,211	14,362	15,573
2021	361	14,237	14,598
2022	—	12,907	12,907
2023-2027	—	51,255	51,255
2028-2030	—	15,775	15,775
Total Operating Lease Commitments	$ 6,669	$138,117	$144,786

NOTE 11. OTHER BENEFITS AND CLAIMS

Sick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees were able to accumulate a maximum of 325 sick days granted before July 1, 2012. If an employee either reaches age 65; has a minimum of 20 years of service at the time of resignation or retirement, or dies, the employee is entitled to receive, as additional cash compensation, all or a portion of these 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, an employee who either reaches age 65; has a minimum of 20 years of service at the time of resignation or retirement; or dies, are entitled to receive 100% of accumulated vacation days at their current salary rate. These amounts will be liquidated from the General Operating Fund.

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

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

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of $100.0 million and Boiler and Machinery Insurance with limits of $100.0 million. CPS maintains commercial excess liability insurance with limits of $55.0 million in excess of a $10.0 million self-insured retention per loss for claims arising from general, automobile, school board legal, employment practices, and miscellaneous professional liability; additional 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 2017, 2016, and 2015 there were no casualty claims made in excess of the self-insured retention. For fiscal year 2017, 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

NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

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

CPS' estimate of liabilities for workers' compensation claims, general and automobile claims are actuarially determined based on loss estimates established by the respective claim administrators. Tort liabilities are based on loss estimates established by the respective trial attorneys. CPS accrues for the estimated workers' compensation, general and automobile claims and tort claims in the General Operating Fund when there is likelihood that an unfavorable outcome is probable and those expenditures will be liquidated with expendable available financial resources. Total expenditures reported in the fund financial statements amounted to $34.0 million for claims paid during the fiscal year. No liabilities have been recorded at the fund level for unpaid claims as unpaid claims are not expected to be paid with available financial resources.

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

	Balance July 1, 2016	Increase/ (Decrease)	Payments	Balance June 30, 2017
Accrued sick pay benefits	$311,378	$11,537	$(33,097)	$289,818
Accrued vacation pay benefits	51,260	3,953	(5,693)	49,520
Accrued workers' compensation claims	114,891	18,547	(19,148)	114,290
Accrued general and automobile claims	13,508	10,410	(2,833)	21,085
Tort liabilities and other claims	17,700	1,516	—	19,216
Total	$508,737	$45,963	$(60,771)	$493,929
Less: Current portion of accrued sick pay benefits				(28,149)
Less: Current portion of accrued vacation pay benefits				(6,756)
Less: Current portion of accrued workers' compensation claims				(22,265)
Less: Current portion of accrued general and automobile claims				(12,387)
Total long-term other benefits and claims				$424,372

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

Balance July 1, 2015	Additions	Payments	Balance July 1, 2016	Additions	Payments	Balance June 30, 2017
$140,911	$10,016	$(22,528)	$128,399	$28,957	$(21,981)	$135,375

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A liability of $48.7 million has been recorded for health insurance costs and is reported as part of accrued payroll and benefits in the General Operating Fund, which includes $30.2 million for estimated medical claims incurred but not reported as of June 30, 2017. The following is the activity related to medical claims for which CPS is self-insured $(000's):

Balance July 1, 2015	Additions	Payments	Balance July 1, 2016	Additions	Payments	Balance June 30, 2017
$52,704	$392,891	$(385,333)	$60,262	$349,407	$(360,931)	$48,738

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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, 2016, CTPF Annual report, there were 29,543 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 ½ 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.

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.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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 $111,572 for 2016. 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 2017, total employee contributions were $153.3 million, as in previous fiscal years, CPS paid a portion (7% or $119.2 million) of the required employees' contribution. For employees hired on or after January 1, 2017, CPS paid only 3.5% of the required 9.0% employee contributions in fiscal year 2017. A portion of grant funds from the Federal government and General Operating Fund revenues provide the funding for the 7% portion. The remaining portion (2%) 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, 2017, total employer contributions to the plan were $733.2 million. Of this amount, $19.0 million were Charter School contributions. 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, 2017, $250.0 million of levy funds was owed to the CTPF for a fiscal year 2017 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%	$688,908
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded program	25,275
Charter school contributions	19,017
Total CPS Contributions	$733,200
Contributions from the State of Illinois	1,015
CPS contributions on-behalf of employees	119,240
Total CTPF contributions	$853,455

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is $11.011 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, 2016, 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 2017 fiscal year was $962.5 million.

Employer Deferral of Fiscal Year 2017 Pension Contributions: CPS paid $733.2 million in contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

liability measurement date as of June 30, 2016. These contributions will be reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2017. As June 30, 2017, 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	$176,460	$ —
Net difference between projected and actual investment earnings on pension plan investments	—	513,718
Contributions after the measurement date	—	733,200
Totals	$176,460	$1,246,918

The $733.2 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, 2017. 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):

Years Ended June 30:	Amount
2018	$ 2,344
2019	2,344
2020	193,623
2021	138,947
Thereafter	—
Total	$337,258

FINANCIAL SECTION

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Assumptions and Other Inputs

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 — June 30, 2012. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	27 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.75%, net of investment expense
Projected salary increases	4.25% to 15.75%, varying by age
Inflation	2.75%
Cost-of-living adjustments	3% compound for Tier 1 members; the lesser of 3% or one-half of CPI, simple, for Tier 2 members

For healthy participants, mortality rates were based on the RP-2000 Combined Healthy Mortality Table for males and females, as appropriate, set back 2 years and adjusted for mortality improvements generationally from 2004 based on Scale AA. For disabled participants, mortality rates were based on the RP-2000 Disabled Mortality Table, set back three years with generational improvement from 2004 using Scale AA. The RP-2000 Disabled Mortality Table, set back 3 years.

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 were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	61.0%	5.3%
Fixed Income	23.0%	0.8%
Real Estate	9.0%	3.8%
Private Equity	5.0%	6.0%
Hedge Funds	0.0%	3.0%
Infrastructure	2.0%	N/A
Commodities	0.0%	0.5%
Cash Equivalents	0.0%	0.0%
Total	100%	

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
$13,703,876	$11,011,400	$8,784,802

Implementation of GASB pronouncement: During fiscal year 2017, CPS implemented GASB pronouncement No. 82 — *Pension Issues — An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The implementation of this GASB resulted in a change in the treatment of how CPS handled contributions made by CPS on behalf of plan members. Specifically, contributions of this nature are now expensed as an employee benefit and not treated as a pension contribution. As a result, CPS made a restatement to reduce the beginning Net Position and deferred outflow of resources balances by $123.1 million.

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

Pension — Other Personnel

Plan Description: All career service employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "MEABF"). The Annuity Fund is considered a cost-sharing multiple employer defined benefit plan. As of December 31, 2016, CPS employed approximately 16,468 of the 30,296 active participants in the Annuity Fund.

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

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

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The highest salary for annuity purposes may not exceed the base of $106,800 beginning in 2011 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) ½ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. The annual salary rate limitations for fiscal year 2015 and fiscal year 2016 were $111,600 and $112,500, respectively.

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

Both Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute a percentage of their salary (8.5%). The pensionable salary for Tier 1 members has no limitation while Tier 2 employees' pensionable salary may not exceed the social security wage base of $106,800 adjusted by inflation. In fiscal year 2016, as in previous fiscal years, CPS agreed to pay a portion (7% for union and 5% for non-union members or $34.0 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 $65.5 million, $61.4 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining $4.1 million is funded under federally-funded programs. The portion funded by the City of Chicago and Federal Government is also reflected as revenue in the General Operating Fund.

Employer Proportionate Share of Net Pension Liability: At December 31, 2016, the MEABF reported a net pension liability (NPL) of $18.855 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 $7.529 billion or 39.9%. The net pension liability was measured as of December 31, 2016. 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 2016 calendar year, which approximates CPS' 2017 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 2017. As a result, CPS recognized on-behalf revenue and on-behalf pension expense of $61.4 million for fiscal year 2017.

Employer Deferral of Fiscal Year 2017 Pension Contributions: CPS paid $4.1 million in federal, trust or grant contributions for the fiscal year ended June 30, 2017. Some contributions were made subsequent to the pension liability measurement date of December 31, 2016. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2017. Total pension expense for fiscal year 2017 was $65.5 million.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2005 — December 31, 2009. They are the same as the assumptions used in the December 31, 2015 actuarial valuation. The total pension liability in the December 31, 2016 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, 2016
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 year smoothed market
Amortization Method	Level dollar amoritization
Remaining Amortization Period	30 years, open
Actuarial assumptions:	
Investment rate of return	7.50%, net of investment expense
Projected salary increases	4.5% - 8.25%, varying by years of service
Inflation	3.00%
Cost of living adjustments	Tier 1: 3.0% compound. Tier 2: the lesser of 3.0% or one-half the change in CPI, simple

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

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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	26%	4.8%
International Equity	22%	5.0%
Fixed Income	27%	0.5%
Real Estate	10%	5.2%
Private Equity	5%	8.6%
Hedge Funds	10%	2.8%
Total	100%	

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Discount Rate: The discount rate used to measure the total pension liability was 3.91%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made as specified by Public Act 98-0641. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MEABF's Net Pension Liability to Changes in the Discount Rate: The amount of the proportionate share of the net pension liability recognized for CPS is $0. Therefore, changes in the discount rate would not affect CPS. However, regarding the sensitivity of MEABF's net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 3.91%, 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 (2.91%)	Current Discount (3.91%)	1% Increase (4.91%)
$22,351,267	$18,855,044	$15,983,851

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

Other Post Employment Benefits (OPEB)

Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple employer plan administered by the Pension Fund. The actuarial analysis is contained in the Pension Fund Annual Report and is available via the website of the Public School Teachers' Pension & Retirement Fund at http://www.ctpf.org/.

The Pension Fund administers a health insurance program that includes two external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance. The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 50% of the individual member's cost for calendar years 2016, 2015 and 2014. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed $65.0 million plus any previous year amounts authorized but not yet expended. The statutory threshold, however, does not fall under the definition of a funding cap as set forth in GASB 45. The Pension Fund has total discretion over the program, and no direct contributions are made for the subsidy. Although CPS does not contribute directly to retirees' health care premiums, the impact does require increased contributions by CPS to build assets to the 90% requirement. As of June 30, 2016, there were 18,063 retirees and beneficiaries currently receiving health benefits in the Chicago Teachers' Pension Fund Retiree Health Insurance Program. This provision reduces the net position of the Pension Fund.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

CPS' annual OPEB cost for fiscal year 2017 are as follows (amounts in thousands):

Annual required contribution	$ 149,474
Interest on net OPEB obligation	66,327
Adjustment to annual required contribution	(76,830)
Annual OPEB cost	$ 138,971
Less: Contributions made by the State of Illinois	—
Increase in Net OPEB obligation	$ 138,971
Net OPEB obligation, beginning of year	1,895,045
Net OPEB obligation, end of year	$2,034,016

The three-year trend information for the fund is as follows (amounts in thousands):

	2017	2016	2015
Annual OPEB cost	$ 138,971	$ 105,604	$ 109,194
Percentage of annual pension cost contributed	0.0%	0.0%	0.0%
Net OPEB obligation	$2,034,016	$1,895,045	$1,789,441

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2016
Actuarial cost method	Projected unit credit
Amortization method	Level percent, closed
Remaining amortization period	27 years
Asset valuation method	Market
Actuarial assumptions:	
Discount rate	3.50%
Medical trend rate	7.75% graded to 4.5% over 8 years
Inflation	2.75%

As of the June 30, 2016 actuarial valuation date, actuarial accrued liability (AAL) for benefits was $2.223 billion, and the actuarial value of assets was $20.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of $2.202 billion, and a funded ratio of 0.91%. The covered payroll (annual payroll of active employees covered by the plan) was $2.071 billion, and the ratio of the UAAL to the covered payroll was 106.34%.

NOTE 12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Other Personnel

Actuarial studies on other personnel (personnel other than teachers and administrators) determined that no OPEB liability exists for those employees as of June 30, 2017.

NOTE 13. FUND BALANCE CLASSIFICATIONS AND NET POSITION RESTRICTIONS

a. Fund Balance Classifications

1) At the end of the fiscal year 2017, the General Operating Fund reported:

- $429 thousand of nonspendable fund balance for donations in which the principal may not be spent.
- Restricted fund balance consisted of $51.8 million for grants and donations and $27.3 million for tort liabilities.
- There is a negative fund balance in the general operating fund. This is due to the operating deficit of expenditures exceeding revenues.

2) At the end of the fiscal year 2017, the Debt Service Fund reported $2.4 million of nonspendable fund balance for prepaid items.

b. Statement of Net Position

The Statement of Net Position reports $835.4 million of restricted fund balance, of which $630.3 million is restricted for debt service, $125.5 million is restricted for capital projects, $52.3 million is restricted for programs funded by grants and donations, and $27.3 million is restricted for worker's comp/tort liabilities.

NOTE 14. LITIGATION AND CONTINGENCIES

a. State and Federal Aid Receipts

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2017 resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements as of June 30, 2017.

b. Pollution Remediation Obligation

In fiscal year 2017, CPS recorded a pollution remediation obligation of $12.6 million as current year expense in the Statement of Activities.

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

c. Vacant Property

In fiscal year 2013, CPS closed 47 schools of which some of the schools were identified to be demolished. In accordance with GASB 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,"* CPS recorded a liability for the estimated demolition cost of $18.7 million at June 30, 2013. In fiscal year 2016, three (3) of the buildings identified to be demolished were sold, decreasing the estimated liability to $13.3 million. In fiscal year 2017, an additional building was sold, decreasing the estimated liability by an additional $1 million. As of June 30, 2017, the estimated liability is $12.3 million.

NOTE 14. LITIGATION AND CONTINGENCIES (continued)

d. Financial Guarantees

As of June 30, 2017, CPS has entered into one nonexchange financial guarantee. The guarantee agreement is with Perspectives Charter Schools, effective July 1, 2003, which is a Charter School under the Chicago Board of Education. Perspectives Charter Schools has a Reimbursement Agreement with Harris Trust and Savings Bank and CPS has guaranteed to pay Harris Trust and Savings Bank all outstanding debt if Perspectives Charter Schools defaults in reimbursing the Bank according to the terms listed in the reimbursement agreement. This amount is not to exceed the lesser of $4.5 million (Principal Amount) or the carrying debt amount less $1 million. The guarantee agreement shall be of no further force or effect as of July 1, 2033, or after the gross available amount of the letter of credit has been reduced to $1 million or less. The gross available amount is scheduled to be reduced to $1 million as of July 1, 2031. Per the June 30, 2016 audited financial statements of Perspectives Charter Schools, the most recent audited financial information available, the outstanding balance of the revenue bonds is $4.1 million. Once the July 1, 2016 annual payment of $0.2 million is made the June 30, 2017 outstanding balance of the revenue bonds will be $3.9 million. This guarantee is still in place as of June 30, 2017, and CPS is not aware of any qualitative factors that would trigger an event of default. Therefore, CPS is not required to record a liability for this guarantee under GASB 70.

e. State Medicaid Reimbursement Overpayments

State of Illinois Medicaid billing rates for CPS Fee-For-Service reimbursements, are adjusted in arrears by the Illinois Department of Healthcare and Family Services (IHFS) on future claims. According to the State's analysis, overpayments were made to CPS in prior fiscal years, including fiscal year 2014 and 2015. IHFS estimates that the total CPS prior year overpayments for fiscal year 2014 rate adjustments amount to $2.1 million. CPS' contracted third party administrator for Medicaid determined that over payments for fiscal year 2015 rate adjustments are approximately $5.0 million. CPS recorded liabilities for both amounts as of June 30, 2017. Retroactive rate adjustments for fiscal year 2016 and fiscal year 2017 have not yet been determined.

f. Other Litigation and Claims

There are approximately five lawsuits and one union grievance that represent issues in which the financial loss to CPS has been determined to be a potential liability by CPS' law department in fiscal year 2017.

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, 2017, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However in fiscal year 2016, CPS had recorded a general accrual not specific to any pending legal action for these amounts and it remains in fiscal year 2017. 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, 2017.

The liability for other litigation and claims, not including workers' compensation and general liability, increased by $1.5 million from $17.7 million in fiscal year 2016 to $19.2 million in fiscal year 2017.

NOTE 15 — 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.

NOTE 15 — TAX ABATEMENT (continued)

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 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, and 20% in the 12th year. In calendar year 2016, there were 392 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, and 20% in the 12th year. In calendar year 2016, there were 112 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 multi-family 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 2016, there were 1,327 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 fiscal year 2017, the total estimated impact of these incentives to CPS is a reduction in property taxes for those properties in the amount of $37.5 million.

NOTE 16 — SUBSEQUENT EVENTS

Repayment of 2016 Tax Anticipation Notes

To finance cash flow deficits in fiscal year 2017, the Board issued $1.55 billion in aggregate principal amount of 2016 Tax Anticipation Notes in multiple series (the "2016 TANs") in anticipation of collection of its 2016 tax levy in 2017 in the amount of approximately $2.34 billion.

At the end of fiscal year 2017, the Board had outstanding $950 million of 2016 TANs. In August 2017, the Board repaid and ended all its Series 2016 TANs whereby no 2016 TANs remained outstanding.

Repayment of 2017 Grant Anticipation Notes

To finance cash flow deficits in fiscal year 2017, the Board issued $387 million in aggregate principal amount of 2017 Grant Anticipation Notes in two series (the "2017 GANs") in anticipation of the receipt of certain grants from the State of Illinois.

At the end of fiscal year 2017, the Board had outstanding $387 million of 2017 GANs. In September 2017, the Board repaid and ended all its Series 2017 GANs whereby no 2017 GANs remained outstanding.

NOTE 16 — SUBSEQUENT EVENTS (continued)

Issuance of 2017 Tax Anticipation Notes

After the end of fiscal year 2017, for fiscal year 2018, the Board approved a levy of *ad valorem* property taxes of approximately $2.423 billion for educational purposes (the "2017 Tax Levy") to be collected in calendar year 2018 and authorized the issuance of not to exceed $1.550 billion principal amount of 2017 Tax Anticipation Notes (the "2017 TANs") in anticipation of the collection of the 2017 Tax Levy. As of December 15, 2017, the Board has currently issued and has outstanding 2017 TANs in the total aggregate amount of $600 million. The Board expects to issue additional TANs throughout fiscal year 2018 to fund its cash flow needs in an amount up to the authorized amount of $1.55 billion.

The Series 2017 TANs sub-series designations are as follows: (1) $93.5 million Series 2017A1 tax anticipation notes closed on September 28, 2017; (2) $56.5 million of Series 2017A2 tax anticipation notes closed on September 28, 2017; (3) $200 million Series 2017B tax anticipation notes closed on October 6, 2017; and (4) $200 million Series 2017C tax anticipation notes closed on October 27, 2017; (5) $50 million Series 2017D tax anticipation notes closed on December 8, 2017. The Series 2017A1 and A2 TANs totaling $150 million were privately placed with Morgan Stanley. The Series 2017BC TANs were privately placed with PNC Bank. The Series 2017D TANs were privately placed with Capital Research and Management Company. The 2017 Tax Levy will be intercepted by a trustee, and it will be used to repay each issue.

The interest rate on each of the series of the Series 2017 TANs is a variable and equal to the lesser of: (i) the sum of (A) the product of (I) 0.70 multiplied by (II) one month LIBOR Rate, plus (B) 2.75%.

Principal of and interest on the 2017 TANs is payable on the respective sub-series maturity date of each series of the 2017 TANs from the revenues from the 2017 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 2017A1, A2, B, C and D TANs is April 2, 2018.

Issuance of Unlimited Tax GO Bonds (Dedicated Alternate Revenue) Series 2017AB

On July 13, 2017, the Board issued fixed-rate $500.0 million Unlimited Tax GO Bonds (Dedicated Alternate Revenue), Series 2017AB (the "Series 2017AB Bonds") with an original issue discount of $33.4 million.

The proceeds of the Series 2017AB Bonds were used to provide working capital funds to the Board, finance the continued implementation of the Board's Capital Improvement Program, and pay the costs of issuance on the Series 2017AB Bonds.

The Series 2017AB Bonds are general obligations of the Board. The full faith, credit and the taxing power of the Board are pledged to the punctual payment of the principal and interest on the Series 2017AB Bonds. The debt service on the Series 2017AB Bonds will be paid from General State Aid Revenues.

Issuance of Unlimited Tax GO Bonds (Dedicated Alternate Revenue) Series 2017CDEFGH

On November 30, 2017, the Board issued fixed-rate $745 million Unlimited Tax GO Refunding Bonds (Dedicated Revenue), Series 2017CDEFG (the "Series 2017CDEFG Bonds"), and $280 million Unlimited Tax GO Bonds (Dedicated Revenue), Series 2017H (the "Series 2017H Bonds"), with an original issue premium of $30.3 million.

The proceeds of the Series 2017CDEFG Bonds were used to provide funds to refund or restructure certain outstanding bonds of the Board and fund capitalized interest on the Series 2017CDEFG Bonds, while the proceeds of the Series 2017H Bonds were used to finance the continued implementation of the Board's Capital Improvement Program.

NOTE 16 — SUBSEQUENT EVENTS (continued)

The Series 2017CDEFGH 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 2017CDEFGH Bonds. The debt service on the Series 2017CDEFGH Bonds will be paid from General State Aid Revenues, Personal Property Tax Revenues and Intergovernmental Agreement Revenues.

Issuance of Dedicated Capital Improvement Tax Bonds Series 2017

On November 30, 2017, the Board issued $64.9 million fixed-rate Dedicated Capital Improvement Tax Bonds, Series 2017 (the “2017 CIT Bonds”) with an original issue premium of $5.6 million.

The proceeds of the 2017 CIT Bonds will be used to finance certain permitted capital improvement projects, make a deposit to a consolidated debt service reserve fund, fund capitalized interest on the 2017 CIT Bonds through April 1, 2018, and pay costs of issuance of the 2017 CIT Bonds.

The 2017 Bonds are limited obligations of the Board payable from and secured by revenues derived and to be derived by the Board from the levy of the CIT. The Board authorized the initial levy of the CIT in calendar year 2015 for collection in calendar year 2016. The CIT levy was created by the Illinois State Legislature in 2002, but not previously implemented. The Capital Improvement Tax Levy is outside of the Board’s property tax cap limitation and may increase by the rate of inflation in future years. The statute authorizing the CIT allows the levy to be used for either expenditures on capital projects or to pay for debt service on bonds that are used to finance capital projects such as the 2017 CIT Bonds.

State Funding of the Board Under Public Act 100-465

In August 2017, Public Act 100-465 (“PA 100-465”) became effective. It provides a significant revision to the State’s funding of the Board. One of the largest of these revisions related to PA 100-465, was that it established a new Evidence Based Funding Formula (“EBF Formula”) for allocating state revenues to school districts beginning with the 2017-2018 school year. It replaced the State’s previous method of allocating operating dollars to schools in Illinois. Under PA 100-465, the Board expects to receive significant additional revenues in fiscal year 2018 with final amounts still to be determined.

Teacher’s Pension Fund Property Tax Levy and State Contributions

In August 2017, as a result of PA 100-465, the Board became authorized to increase its current 0.383% annual teacher’s pension fund property tax levy on all real property within the boundaries of the school district to a maximum rate of 0.567%. The Board first authorized this increase of the levy to the maximum rate for the Tax Year 2017 in October 2017. The proceeds from this additional tax are expected to be approximately $130 million in fiscal year 2018 and will be paid directly to the Pension Fund to be credited to the Board’s annual required contribution. The pension property tax levy is not subject to the limitations of PTELL and does not impact State Aid Revenues received by the Board. The Board’s fiscal year 2018 budget reflects that a total of $405 million in revenue attributable to the overall 0.567% levy will be credited to its required Statutory Contribution to the Pension Fund due in June 2018; however, the Board and the Pension Fund have been in discussions since the summer of 2016 regarding the mechanisms by which the amounts of the tax levy attributable to the second installment may be credited to the Board’s annual contribution due on June 30 of the year in which the tax is collected and an agreement on this credit has not been finalized with the Pension Fund.

NOTE 16 — SUBSEQUENT EVENTS (continued)

In addition, PA 100-465, provided for an increase in the required State Contribution to the Pension Fund in an amount of $221 million for fiscal year 2018 to cover “normal pension costs” of the Board teachers and other covered employees, similar to State funding that is provided to other schools districts in the State for teacher’s pensions. This increase in State Contribution will bring the total contribution for fiscal year 2018 to $223 million by the State.

Teacher’s Pension Fund Reduction of Actuarial Assumption Rate

As a result of board actions on September 21, 2017, the Teacher’s Pension Fund Board approved a reduction of the actuarial assumption investment return rate from 7.75% to 7.50% to be effective as of June 30, 2017. At their December 14, 2017 meeting, the Teacher’s Pension Fund Board approved an additional 0.25% reduction of the actuarial assumption investment return rate from 7.50% to 7.25%, a new consumer price index assumption of 2.5%, and a reduction in the wage inflation assumption from 3.50% to 3.25%, to be effective as of June 30, 2017. These changes will be effective for CPS in fiscal year 2018.

Revocation of Charter School which leases CPS facility

In December 2017, the Board approved the revocation of the charter of the Architecture, Construction and Engineering Technical Charter School (ACE Tech HS), effective as of July 1, 2018. ACE Tech HS currently leases a CPS property at 5410 S. State Street, which houses the charter school. The lease agreement states that it will be revoked upon revocation of the charter. At this time, CPS is determining future utilization of this property. Accordingly, CPS has determined that the assets associated with the property are not considered impaired.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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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, 2017
(Thousands of Dollars)

	Original Budget	Supplemental Appropriations & Transfers In/(Out)	Final Budget	Fiscal Year Actual	Over (Under) Budget
Revenues:					
Property taxes	$2,607,809	$ —	$2,607,809	$2,613,889	$ 6,080
Replacement taxes	130,531	—	130,531	169,637	39,106
State aid	1,498,897	—	1,498,897	1,287,702	(211,195)
Federal aid	829,839	—	829,839	752,295	(77,544)
Interest and investment earnings	—	—	—	1,964	1,964
Other	263,148	—	263,148	265,099	1,951
Total revenues	$5,330,224	$ —	$5,330,224	$5,090,586	$(239,638)
Expenditures:					
Salaries —					
Teachers' salaries	$1,773,479	$ 41,524	$1,815,003	$1,815,309	$ 306
Career service salaries	576,398	26,372	602,770	581,665	(21,105)
Commodities —					
Energy	75,719	(595)	75,124	69,067	(6,057)
Food	97,095	(655)	96,440	94,911	(1,529)
Textbook	37,602	7,629	45,231	43,255	(1,976)
Supplies	38,056	16,315	54,371	44,040	(10,331)
Other	394	5	399	221	(178)
Services —					
Professional and special services	309,401	56,544	365,945	357,258	(8,687)
Charter Schools	677,988	22,947	700,935	668,412	(32,523)
Transportation	98,439	3,792	102,231	95,974	(6,257)
Tuition	59,630	1,437	61,067	53,668	(7,399)
Telephone and telecommunications	28,499	4,558	33,057	21,998	(11,059)
Other	20,430	3,034	23,464	13,814	(9,650)
Equipment — educational	24,451	9,607	34,058	30,967	(3,091)
Building and Sites —					
Repair and replacements	20,236	(725)	19,511	18,319	(1,192)
Capital outlay	301	1,785	2,086	1,017	(1,069)
Teachers' pension	843,643	4,384	848,027	853,474	5,447
Career service pension	92,607	9,612	102,219	99,428	(2,791)
Hospitalization and dental insurance	359,126	(43,316)	315,810	306,871	(8,939)
Medicare	36,449	(1,961)	34,488	33,658	(830)
Unemployment compensation	8,499	(1,165)	7,334	7,040	(294)
Workers compensation	20,593	(487)	20,106	20,531	425
Rent	15,023	1,714	16,737	14,638	(2,099)
Debt service	34,000	—	34,000	38,735	4,735
Other	163,015	(162,355)	660	13,488	12,828
Total expenditures	$5,411,073	$ —	$5,411,073	$5,297,758	$(113,315)
Revenues in excess of (less than) expenditures	$ (80,849)	$ —	$ (80,849)	$ (207,172)	$(126,323)
Other financing sources (uses):					
Insurance proceeds	$ —	$ —	$ —	$ 224	$ 224
Transfers in / (out)	—	—	—	58,350	58,350
Total other financing sources (uses)	$ —	$ —	$ —	$ 58,574	$ 58,574
Net change in fund balances	$ (80,849)	$ —	$ (80,849)	$ (148,598)	$ (67,749)
Fund balances, beginning of period	(126,632)	—	(126,632)	(126,632)	—
Fund balances, end of period	$ (207,481)	$ —	$ (207,481)	$ (275,230)	$ (67,749)

See Independent Auditors' Report.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY

For the Three Fiscal Years Ended June 30, 2017

(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago:

	2015	2016	2017
CPS Proportion of the Net Pension Liability	100.00%	100.00%	100.00%
CPS Proportionate Share of the Net Pension Liability	$9,501,206	$10,023,263	$11,011,400
State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS	—	—	—
Total	$9,501,206	$10,023,263	$11,011,400
CPS Covered Employee Payroll	$2,233,281	$ 2,273,551	$ 2,281,269
CPS Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	425.44%	440.86%	482.69%
CTPF Plan Net Position as a Percentage of Total Pension Liability	53.23%	51.61%	47.78%

Municipal Employees' Annuity and Benefit Fund of Chicago:

	2015	2016	2017
CPS Proportion of the Net Pension Liability	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
Total	$2,779,767	$7,829,700	$7,529,116
Covered Employee Payroll	$ 625,161	$ 691,178	$ 657,649
CPS Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%
MEABF Plan Net Position as a Percentage of Total Pension Liability	42.09%	20.30%	19.05%

NOTES:

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

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

See Independent Auditors' Report.

CHICAGO PUBLIC SCHOOLS
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SCHEDULE OF CPS' CONTRIBUTIONS TO DEFINED BENEFIT PENSION PLANS
For the Three Fiscal Years Ended June 30, 2017
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

Year Ended	Total Contractually Required Contributions	Contributions made on behalf of CPS by the State of Illinois	CPS Contributions related to the Contractually Required contributions	Total Contributions	Contribution Deficiency (Excess)	CPS' Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 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%

NOTE:

The contribution deficiency consists of amounts that are made on behalf of CPS by the State of Illinois, which the State will pay in fiscal year 2018. CPS is not required to make any additional contributions.

Municipal Employees' Annuity and Benefit Fund of Chicago

Year Ended	Contractually Required Contributions	Contributions made on behalf of CPS by the City of Chicago	Total Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 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.

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
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SCHEDULE OF FUNDING PROGRESS
Other Postemployment Benefits (Thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2016	$20,230	$2,222,546	$2,202,316	0.91%	$2,071,041	106.34%
6/30/2015	21,713	1,910,992	1,889,279	1.14%	2,155,604	87.64%
6/30/2014	35,977	1,938,856	1,902,879	1.86%	2,233,281	85.21%
6/30/2013	35,797	2,386,106	2,350,309	1.50%	2,239,347	104.96%
6/30/2012	34,125	3,110,316	3,076,191	1.10%	2,224,903	138.26%
6/30/2011	31,325	3,071,517	3,040,192	1.02%	2,090,132	145.45%
6/30/2010	34,858	2,864,877	2,830,019	1.22%	2,107,934	134.26%
6/30/2009	49,692	2,670,283	2,620,591	1.86%	1,996,194	131.28%
6/30/2008	44,989	2,407,122	2,362,133	1.87%	1,914,559	123.38%
6/30/2007	47,402	2,022,008	1,974,606	2.34%	1,863,182	105.98%

See Independent Auditors' Report.

CHICAGO PUBLIC SCHOOLS
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE

FINAL APPROPRIATIONS AND ACTUAL

For the Fiscal Year Ended June 30, 2017

With Comparative Amounts for the Fiscal Year Ended June 30, 2016

(Thousands of dollars)

	Final Budget	Fiscal Year 2017 Actual	Over (Under) Budget	Fiscal Year 2016 Actual	2017 Over (Under) 2016
Revenues:					
Property taxes	$2,607,809	$2,613,889	$ 6,080	$2,313,469	$ 300,420
Replacement taxes	130,531	169,637	39,106	115,961	53,676
State aid	1,498,897	1,287,702	(211,195)	1,398,855	(111,153)
Interest and investment earnings	—	1,964	1,964	1,347	617
Federal aid	829,839	752,295	(77,544)	776,278	(23,983)
Other	263,148	265,099	1,951	271,857	(6,758)
Total revenues	$5,330,224	$5,090,586	$(239,638)	$4,877,767	$ 212,819
Expenditures:					
Teachers' salaries	$1,815,003	$1,815,309	$ 306	$1,869,683	$ (54,374)
Career service salaries	602,770	581,665	(21,105)	605,817	(24,152)
Energy	75,124	69,067	(6,057)	70,227	(1,160)
Food	96,440	94,911	(1,529)	98,777	(3,866)
Textbook	45,231	43,255	(1,976)	54,856	(11,601)
Supplies	54,371	44,040	(10,331)	47,085	(3,045)
Other commodities	399	221	(178)	294	(73)
Professional fees	365,945	357,258	(8,687)	314,732	42,526
Charter Schools	700,935	668,412	(32,523)	704,981	(36,569)
Transportation	102,231	95,974	(6,257)	104,450	(8,476)
Tuition	61,067	53,668	(7,399)	61,028	(7,360)
Telephone and telecommunications	33,057	21,998	(11,059)	24,579	(2,581)
Other services	23,464	13,814	(9,650)	16,471	(2,657)
Equipment – educational	34,058	30,967	(3,091)	45,407	(14,440)
Repair and replacements	19,511	18,319	(1,192)	18,853	(534)
Capital outlay	2,086	1,017	(1,069)	1,135	(118)
Teachers' pension	848,027	853,474	5,447	811,051	42,423
Career service pension	102,219	99,428	(2,791)	102,762	(3,334)
Hospitalization and dental insurance	315,810	306,871	(8,939)	348,083	(41,212)
Medicare	34,488	33,658	(830)	34,824	(1,166)
Unemployment compensation	7,334	7,040	(294)	9,438	(2,398)
Workers compensation	20,106	20,531	425	20,338	193
Rent	16,737	14,638	(2,099)	16,011	(1,373)
Debt service	34,000	38,735	4,735	25,003	13,732
Other fixed charges	660	13,488	12,828	8,961	4,527
Total expenditures	$5,411,073	$5,297,758	$(113,315)	$5,414,846	$(117,088)
Revenues in excess of (less than) expenditures	$ (80,849)	$ (207,172)	$(126,323)	$ (537,079)	$ 329,907
Other financing sources (uses):					
Insurance proceeds	$ —	$ 224	$ 224	$ —	$ 224
Transfers in / (out)	—	58,350	58,350	50,162	8,188
Total other financing sources (uses)	$ —	$ 58,574	$ 58,574	$ 50,162	$ 8,412
Net change in fund balances	$ (80,849)	$ (148,598)	$ (67,749)	$ (486,917)	$ 338,319
Fund balances, beginning of period	(126,632)	(126,632)	—	360,285	(486,917)
Fund balances, end of period	$ (207,481)	$ (275,230)	$ (67,749)	$ (126,632)	$(148,598)

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 GO 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
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CAPITAL PROJECTS FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2017
(Thousands of dollars)

	Capital Asset Program	Capital Improvement Program	Total
Revenues:			
Property taxes	$ —	$ 48,409	$ 48,409
State aid	—	30,150	30,150
Federal aid	—	6,653	6,653
Interest and investment earnings	—	2,077	2,077
Other	—	21,090	21,090
Total revenues	$ —	$108,379	$108,379
Expenditures:			
Capital outlay	$ 105	$204,730	$204,835
Total expenditures	$ 105	$204,730	$204,835
Revenues in excess of expenses	$ (105)	$ (96,351)	$ (96,456)
Other financing sources:			
Gross amounts from debt issuances	$ —	$811,619	$811,619
Discounts	—	(36,097)	(36,097)
Sales of general capital assets	6,272	—	6,272
Total other financing sources (uses)	$ 6,272	$775,522	$781,794
Net change in fund balances	$ 6,167	$679,171	$685,338
Fund balances, beginning of period	40,820	66,428	107,248
Fund balances, end of period	$46,987	$745,599	$792,586

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
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CAPITAL ASSET PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2017	Variance	Fiscal Year 2016	2017 Over (Under) 2016
Expenditures:					
Services	$ 16	$ 105	$ 89	$ 41	$ 64
Educational equipment	8	—	(8)	—	—
Capital outlay	5,996	—	(5,996)	197	(197)
Total expenditures	$ 6,020	$ 105	$ (5,915)	$ 238	$ (133)
Revenues less than expenditures	$ (6,020)	$ (105)	$ 5,915	$ (238)	$ 133
Other financing sources:					
Sales of general capital assets	$ —	$ 6,272	$ 6,272	$15,012	$ (8,740)
Total other financing sources (uses)	$ —	$ 6,272	$ 6,272	$15,012	$ (8,740)
Net change in fund balance	$ (6,020)	$ 6,167	$12,187	$14,774	$ (8,607)
Fund balance, beginning of period	40,820	40,820	—	26,046	14,774
Fund balance, end of period	$34,800	$46,987	$12,187	$40,820	$ 6,167

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, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2017	Variance	Fiscal Year 2016	2017 Over (Under) 2016
Revenues:					
Property taxes	$ —	$ 48,409	$ 48,409	$ 42,588	$ 5,821
State aid	14,772	30,150	15,378	39,430	(9,280)
Federal aid	6,000	6,653	653	7,707	(1,054)
Interest and investment earnings	—	2,077	2,077	84	1,993
Other	39,432	21,090	(18,342)	62,910	(41,820)
Total revenues	$ 60,204	$108,379	$ 48,175	$ 152,719	$ (44,340)
Expenditures:					
Salaries	$ 730	$ 676	$ (54)	$ 824	$ (148)
Services	10,111	13,415	3,304	16,828	(3,413)
Educational equipment	86	3	(83)	—	3
Capital outlay	1,197,777	184,446	(1,013,331)	269,049	(84,603)
Pension	106	106	—	146	(40)
Hospitalization and dental insurance	43	43	—	65	(22)
Medicare	9	9	—	11	(2)
Unemployment compensation	2	2	—	3	(1)
Workers compensation	6	6	—	7	(1)
Other	830	6,024	5,194	6,140	(116)
Total expenditures	$ 1,209,700	$204,730	$(1,004,970)	$ 293,073	$ (88,343)
Revenues in excess of expenditures	$(1,149,496)	$ (96,351)	$ 1,053,145	$(140,354)	$ 44,003
Other financing sources:					
Gross amounts from debt issuances	$ 330,975	$811,619	$ 480,644	$ 428,892	$382,727
Discounts	—	(36,097)	(36,097)	(64,953)	28,856
Total other financing sources	$ 330,975	$775,522	$ 444,547	$ 363,939	$411,583
Net change in fund balance	$ (818,521)	$679,171	$ 1,497,692	$ 223,585	$455,586
Fund balance, beginning of period	66,428	66,428	—	(157,157)	223,585
Fund balance, end of period	$ (752,093)	$745,599	$ 1,497,692	$ 66,428	$679,171

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 GO bonds by the Board and for lease payments to the Public Building Commission. The fund includes the Bond Redemption and Interest Program and the Public Building Commission Leases Program.

Bond Redemption and Interest Program:

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

Public Building Commission Leases Program:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2017
(Thousands of Dollars)

	Bond Redemption and Interest Program	Public Building Commission Leases Program	Total
Revenues:			
Property taxes	$ —	$52,658	$ 52,658
Replacement taxes	58,284	—	58,284
State aid	391,013	—	391,013
Federal aid	24,995	—	24,995
Interest and investment earnings	1,260	141	1,401
Other	100,856	—	100,856
Total revenues	$576,408	$52,799	$629,207
Expenditures:			
Current:			
Debt service	$478,939	$52,020	$530,959
Total expenditures	$478,939	$52,020	$530,959
Revenues in excess of (less than) expenditures	$ 97,469	$ 779	$ 98,248
Other financing sources (uses):			
Gross amounts from debt issuances	$ 67,961	$ —	$ 67,961
Transfers in / (out)	(58,245)	(105)	(58,350)
Total other financing sources (uses)	$ 9,716	$ (105)	$ 9,611
Net change in fund balances	$107,185	$ 674	$107,859
Fund balances, beginning of period	410,989	58,318	469,307
Fund balances, end of period	$518,174	$58,992	$577,166

FINANCIAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2017	Variance	Fiscal Year 2016	2017 Over (Under) 2016
Revenues:					
Replacement taxes	$ 58,284	$ 58,284	$ —	$ 45,574	$ 12,710
State aid	373,413	391,013	17,600	114,041	276,972
Federal aid	24,827	24,995	168	25,015	(20)
Interest and investment earnings	—	1,260	1,260	(97,225)	98,485
Other	95,500	100,856	5,356	102,274	(1,418)
Total revenues	$552,024	$576,408	$ 24,384	$ 189,679	$ 386,729
Expenditures:					
Debt Service	$511,715	$478,939	$(32,776)	$ 403,288	$ 75,651
Total expenditures	$511,715	$478,939	$(32,776)	$ 403,288	$ 75,651
Revenues less than expenditures	$ 40,309	$ 97,469	$ 57,160	$(213,609)	$ 311,078
Other financing sources:					
Gross amounts from debt issuances	$ —	$ 67,961	$ 67,961	$ 296,107	$(228,146)
Discounts	—	—	—	(45,118)	45,118
Payment to refunded bond escrow agent	—	—	—	(120,856)	120,856
Transfers in / (out)	4,585	(58,245)	(62,830)	(50,066)	(8,179)
Total other financing sources	$ 4,585	$ 9,716	$ 5,131	$ 80,067	$ (70,351)
Net change in fund balance	$ 44,894	$107,185	$ 62,291	$(133,542)	$ 240,727
Fund balance, beginning of period	410,989	410,989	—	544,531	(133,542)
Fund balance, end of period	$455,883	$518,174	$ 62,291	$ 410,989	$ 107,185

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, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2017	Variance	Fiscal Year 2016	2017 Over (Under) 2016
Revenues:					
Property taxes	$52,020	$52,658	$ 638	$52,358	$300
Interest and investment earnings	—	141	141	144	(3)
Total revenues	$52,020	$52,799	$ 779	$52,502	$297
Expenditures:					
Debt Service	$52,020	$52,020	$ —	$51,997	$ 23
Total expenditures	$52,020	$52,020	$ —	$51,997	$ 23
Revenues less than expenditures	$ —	$ 779	$ 779	$ 505	$274
Other financing sources:					
Transfers in / (out)	$ —	$ (105)	$(105)	$ (96)	$ (9)
Total other financing sources	$ —	$ (105)	$(105)	$ (96)	$ (9)
Net change in fund balance	$ —	$ 674	$ 674	$ 409	$265
Fund balance, beginning of period	58,318	58,318	—	57,909	409
Fund balance, end of period	$58,318	$58,992	$ 674	$58,318	$674

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)

	2008	2009 (1) (as restated)	2010 (2)	2011 (3)
Net investment in capital assets	$ 133,440	$ 30,202	$ 440,099	$ 370,159
Restricted for:				
Capital projects	—	—	—	—
Debt service	445,782	391,392	442,851	276,097
Donations	1,826	3,695	5,825	—
Enabling legislation	102,695	101,072	109,163	—
Grants and donations	—	—	—	70,045
Workers' comp/tort immunity	—	—	—	91,036
Unrestricted	(784,702)	(1,017,248)	(1,916,207)	(2,009,152)
Total net position	$(100,959)	$ (490,887)	$ (918,269)	$(1,201,815)

1) For fiscal year 2009, the amounts for net position restricted for debt service and unrestricted net position were restated to reflect the effects of GASB 54 adopted in fiscal year 2010.
2) Certain items in the fiscal year 2010 financial statements were reclassified to conform with the fiscal year 2011 presentation. These reclassifications had no impact in the total net position as previously reported.
3) Certain items in the fiscal year 2011 financial statements were reclassified to conform with the fiscal year 2012 presentation. These reclassifications had no impact in the total net position as previously reported.
4) Certain items in the fiscal year 2012 financial statements were restated to reflect the effects of GASB 63 and GASB 65 adopted in fiscal year 2013.
5) Certain items in the fiscal year 2016 financial statements were restated to reflect the effects of GASB 82 adopted in fiscal year 2017.

	2012 (4) (as restated)	2013	2014	2015	2016 (5) (as restated)	2017
	$ 310,028	$ 80,009	$ (37,194)	$ (159,007)	$ (342,529)	$ (644,224)
	—	—	—	—	—	125,516
	282,253	345,399	368,794	445,663	510,743	630,308
	—	—	—	—	—	—
	—	—	—	—	—	—
	70,302	63,862	61,451	64,584	65,282	52,287
	92,680	64,985	19,838	41,373	35,116	27,344
	(2,552,441)	(3,358,734)	(4,372,335)	(11,604,516)	(12,362,437)	(13,201,900)
	$(1,797,178)	$(2,804,479)	$(3,959,446)	$(11,211,903)	$(12,093,825)	$(13,010,669)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2008	2009	2010	2011
Governmental Activities:				
Expenses:				
Instruction	$ 3,138,036	$ 3,324,936	$ 3,507,221	$ 3,712,681
Pupil support services	384,765	408,705	438,164	545,428
Administrative support services	205,693	233,361	201,908	187,559
Facilities support services	519,982	582,539	481,245	499,093
Instructional support services	496,708	512,427	523,851	541,714
Food services	193,614	203,880	207,127	215,609
Community services	46,779	56,392	50,879	47,021
Interest expense	274,356	259,850	258,360	285,577
Other	10,652	8,504	12,919	8,845
Total governmental activities	$ 5,270,585	$ 5,590,594	$ 5,681,674	$ 6,043,527
Program revenues:				
Charges for services				
Instruction	$ 3,940	$ 5,189	$ 4,308	$ 692
Food services	8,537	8,298	6,881	6,404
Operating grants and contributions	945,723	1,250,526	1,376,744	1,368,118
Capital grants and contributions	128,570	151,405	99,054	184,837
Total program revenues	$ 1,086,770	$ 1,415,418	$ 1,486,987	$ 1,560,051
Revenues (less than) expenditures	$(4,183,815)	$(4,175,176)	$(4,194,687)	$(4,483,476)
General revenues and other changes in net position:				
Taxes:				
Property taxes	$ 1,861,781	$ 1,936,656	$ 1,896,265	$ 2,053,119
Replacement taxes	215,489	188,503	152,497	197,762
Non-program state aid	1,756,386	1,603,926	1,532,679	1,792,747
Interest and investment earnings	85,896	43,692	12,734	17,101
Gain recognized from swaptions earnings	—	—	—	—
Gain on sale of capital assets	45,386	91	—	—
Other	4,369	56,132	173,130	139,201
Extraordinary item — gain on impairment of capital assets	—	708	—	—
Total general revenues and extraordinary item	$ 3,969,307	$ 3,829,708	$ 3,767,305	$ 4,199,930
Change in net position	$ (214,508)	$ (345,468)	$ (427,382)	$ (283,546)

STATISTICAL SECTION

2012	2013	2014	2015	2016	2017
$ 3,742,788	$ 4,040,352	$ 4,139,906	$ 4,217,996	$ 3,870,330	$ 4,024,653
483,167	494,076	487,139	484,745	470,316	472,176
192,605	211,294	241,913	249,662	318,736	301,053
455,342	490,381	654,971	477,892	454,652	465,170
473,202	491,137	474,926	492,232	468,999	460,568
219,382	234,659	205,989	207,834	211,288	213,920
38,941	39,946	37,507	37,997	36,967	39,625
310,452	337,053	335,237	332,023	365,136	448,126
8,115	7,043	6,134	6,319	7,388	12,691
$ 5,923,994	$ 6,345,941	$ 6,583,722	$ 6,506,700	$ 6,203,812	$ 6,437,982
$ 727	$ 700	$ 657	$ 571	$ 612	$ 647
6,083	5,554	3,485	1,303	1,336	1,522
1,196,073	963,325	1,086,885	1,051,655	1,147,750	1,156,382
112,914	186,394	162,403	356,189	109,766	57,658
$ 1,315,797	$ 1,155,973	$ 1,253,430	$ 1,409,718	$ 1,259,464	$ 1,216,209
$(4,608,197)	$(5,189,968)	$(5,330,292)	$(5,096,982)	$(4,944,348)	$(5,221,773)
$ 2,089,016	$ 2,156,943	$ 2,218,033	$ 2,302,881	$ 2,399,287	$ 2,696,046
181,927	185,884	188,040	202,148	161,535	227,921
1,611,726	1,688,611	1,572,564	1,492,019	1,442,822	1,212,143
20,683	7,879	15,563	(47,720)	(18,706)	5,442
—	—	—	—	—	—
—	—	—	—	10,058	7,008
147,550	143,350	181,125	125,638	190,480	156,369
—	—	—	—	—	—
$ 4,050,902	$ 4,182,667	$ 4,175,325	$ 4,074,966	$ 4,185,476	$ 4,304,929
$ (557,295)	$(1,007,301)	$(1,154,967)	$(1,022,016)	$ (758,872)	$ (916,844)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2008	2009	2010	2011 (1)
General operating fund				
Reserved	$ 237,205	$215,452	$226,154	$ —
Unreserved	432,391	311,422	198,461	—
Nonspendable	—	—	—	1,972
Restricted for grants and donations	—	—	—	69,616
Restricted for workers' comp/tort immunity	—	—	—	91,036
Assigned for educational services	—	—	—	289,000
Assigned for appropriated fund balance	—	—	—	181,300
Assigned for commitments and contracts	—	—	—	102,163
Unassigned	—	—	—	5,293
Total general operating fund	$ 669,596	$526,874	$424,615	$740,380
All other governmental funds				
Reserved	$ 541,068	$373,010	$604,733	$ —
Unreserved, reported in:				
Capital projects fund	337,506	—	33,846	—
Debt service fund	178,489	154,616	124,556	—
Nonspendable	—	—	—	—
Restricted for capital improvement program	—	—	—	182,884
Restricted for debt service	—	—	—	271,643
Assigned for debt service	—	—	—	231,413
Unassigned (deficit)	—	—	—	—
Total all other governmental funds	$1,057,063	$527,626	$763,135	$685,940

NOTE:

1) Since fiscal year 2011 fund balances are classified to conform with GASB 54 adopted in July 2010.

STATISTICAL SECTION

2012	2013	2014	2015	2016	2017
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
3,329	1,720	429	429	429	429
69,873	63,434	61,022	64,155	64,854	51,858
92,680	64,985	19,838	41,373	35,116	27,344
—	—	—	—	—	—
348,900	562,682	267,652	79,225	—	—
110,397	105,664	87,067	73,101	—	—
443,575	150,658	—	102,002	(227,031)	(354,861)
$1,068,754	$949,143	$436,008	$ 360,285	$(126,632)	$ (275,230)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
5,674	4,388	—	—	—	2,356
88,762	169,368	—	—	107,248	792,586
332,517	466,966	491,552	545,383	535,116	660,501
254,967	269,167	193,877	57,057	—	—
—	—	(91,953)	(131,111)	(65,809)	(85,691)
$ 681,920	$909,889	$593,476	$ 471,329	$ 576,555	$1,369,752

STATISTICAL SECTION

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)

	2008	2009	2010	2011
Revenues:				
Property taxes	$ 1,813,917	$1,896,540	$2,047,163	$1,936,655
Replacement taxes	215,489	188,503	152,497	197,762
State aid	1,846,034	1,511,886	1,552,076	1,949,781
Federal aid	876,041	1,125,580	1,180,148	1,144,884
Interest and investment earnings	85,895	43,693	12,483	13,399
Other	181,028	253,376	359,661	417,516
Total revenues	$ 5,018,404	$5,019,578	$5,304,028	$5,659,997
Expenditures:				
Current:				
Instruction	$ 2,575,124	$2,773,440	$2,898,855	$2,955,772
Pupil support services	362,325	390,399	416,502	508,803
General support services	986,905	1,057,672	1,010,637	1,023,004
Food services	181,778	194,603	196,828	201,325
Community services	45,708	56,003	50,331	45,848
Teachers' pension and retirement benefits	206,651	237,011	294,424	149,377
Other	10,652	8,504	11,928	8,845
Capital outlay	466,895	672,412	705,691	580,363
Debt service:				
Principal	60,568	81,351	141,977	70,848
Interest	206,028	212,934	236,261	249,975
Other charges	15,546	7,921	8,359	11,274
Total expenditures	$ 5,118,180	$5,692,250	$5,971,793	$5,805,434
Revenues (less than) expenditures	$ (99,776)	$ (672,672)	$ (667,765)	$ (145,437)
Other financing sources (uses):				
Gross amounts from debt issuances	$ 1,674,555	$ 225,675	$1,083,260	$ 638,790
Premiums on bonds issued	41,226	—	6,459	14,700
Insurance proceeds	—	1,155	—	—
Sales of general capital assets	6,404	91	—	—
Payment to refunded bond escrow agent	(1,474,081)	(226,408)	(288,704)	(269,483)
Transfers in	3,813	20,389	—	—
Transfers out	(3,813)	(20,389)	—	—
Proceeds from notes	—	—	—	—
Discounts on bonds issued	—	—	—	—
Capital leases	—	—	—	—
Total other financing sources (uses)	$ 248,104	$ 513	$ 801,015	$ 384,007
Net changes in fund balances	$ 148,328	$ (672,159)	$ 133,250	$ 238,570
Debt service as a percentage of noncapital expenditures	5.61%	5.71%	7.07%	6.09%

NOTES:

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

2012	2013	2014 (2)	2015	2016	2017
$2,352,136	$2,211,568	$2,204,252	$ 2,304,656	$2,408,416	$2,714,956
181,927	185,884	188,041	202,148	161,535	227,921
1,965,901	1,815,798	1,840,805	1,847,069	1,552,325	1,708,865
935,951	845,796	907,241	798,931	808,999	783,943
20,760	7,303	15,596	(92,825)	(95,650)	5,442
303,744	322,128	286,472	377,286	437,042	387,045
$5,760,419	$5,388,477	$5,442,407	$ 5,437,265	$5,272,667	$5,828,172
$2,992,481	$3,034,509	$3,126,689	$ 3,253,484	$2,970,553	$2,859,105
469,366	454,240	457,939	459,672	448,254	441,324
967,692	941,270	987,048	972,526	1,044,740	948,943
213,115	215,739	193,642	197,084	201,377	199,944
39,794	39,656	37,460	38,003	37,497	39,607
183,499	227,766	593,225	676,078	664,123	708,941
8,115	7,043	6,134	6,319	7,388	12,691
591,148	519,604	534,980	391,953	308,091	217,303
88,466	73,423	148,272	214,707	139,096	152,638
275,707	304,788	315,927	310,923	310,778	375,679
10,321	12,198	3,705	7,863	31,545	77,377
$5,839,704	$5,830,236	$6,405,021	$ 6,528,612	$6,163,442	$6,033,552
$ (79,285)	$ (441,759)	$ (962,614)	$(1,091,347)	$ (890,775)	$ (205,380)
$ 592,510	$ 982,720	$ 131,600	$ 561,880	$ 724,999	$ 879,580
1,229	47,271	—	—	—	—
—	—	—	—	—	224
—	723	7,301	37,504	15,012	6,272
(190,100)	(480,597)	—	(386,710)	(120,856)	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	(12,502)	(110,071)	(36,097)
—	—	—	—	—	—
$ 403,639	$ 550,117	$ 138,901	$ 200,172	$ 509,084	$ 849,979
$ 324,354	$ 108,358	$ (823,713)	$ (891,175)	$ (381,691)	$ 644,599
6.89%	7.02%	7.64%	8.47%	7.68%	9.09%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008		2009		2010	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	$1,813,917	36.1%	$1,896,540	37.8%	$2,047,163	38.6%
Replacement taxes	215,489	4.3%	188,503	3.8%	152,497	2.9%
State aid	1,846,034	36.8%	1,511,886	30.1%	1,552,076	29.3%
Federal aid	876,041	17.5%	1,125,580	22.4%	1,180,148	22.3%
Interest and investment earnings	85,895	1.7%	43,693	0.9%	12,483	0.2%
Other	181,028	3.6%	253,376	5.0%	359,661	6.7%
Total revenues	$5,018,404	100.0%	$5,019,578	100.0%	$5,304,028	100.0%

	2015		2016		2017	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Revenues:						
Property taxes	$2,304,656	42.4%	$2,408,416	45.7%	$2,714,956	46.6%
Replacement taxes	202,148	3.7%	161,535	3.1%	227,921	3.9%
State aid	1,847,069	34.0%	1,552,325	29.4%	1,708,865	29.3%
Federal aid	798,931	14.7%	808,999	15.3%	783,943	13.5%
Interest and investment earnings	(92,825)	-1.7%	(95,650)	-1.8%	5,442	0.1%
Other	377,286	6.9%	437,042	8.3%	387,045	6.6%
Total revenues	$5,437,265	100.0%	$5,272,667	100.0%	$5,828,172	100.0%

2011		2012		2013		2014 (as restated)	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$1,936,655	34.2%	$2,352,136	40.8%	$2,211,568	41.1%	$2,204,252	40.5%
197,762	3.5%	181,927	3.2%	185,884	3.4%	188,041	3.5%
1,949,781	34.5%	1,965,901	34.1%	1,815,798	33.7%	1,840,805	33.9%
1,144,884	20.2%	935,951	16.2%	845,796	15.7%	907,241	16.7%
13,399	0.2%	20,760	0.4%	7,303	0.1%	15,596	0.3%
417,516	7.4%	303,744	5.3%	322,128	6.0%	286,472	5.3%
$5,659,997	100.0%	$5,760,419	100.0%	$5,388,477	100.0%	$5,442,407	100.0%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008		2009		2010	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction	$2,575,124	50.3%	$2,773,440	48.7%	$2,898,855	48.5%
Pupil support services	362,325	7.1%	390,399	6.9%	416,502	7.0%
General support services	986,905	19.3%	1,057,672	18.6%	1,010,637	17.0%
Food services	181,778	3.6%	194,603	3.4%	196,828	3.3%
Community services	45,708	0.9%	56,003	1.0%	50,331	0.8%
Teachers' pension and retirement benefits	206,651	4.0%	237,011	4.2%	294,424	4.9%
Other	10,652	0.2%	8,504	0.1%	11,928	0.2%
Capital outlay	466,895	9.1%	672,412	11.8%	705,691	11.8%
Debt service	282,142	5.5%	302,206	5.3%	386,597	6.5%
Total expenditures	$5,118,180	100.0%	$5,692,250	100.0%	$5,971,793	100.0%

	2015		2016		2017	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Expenditures:						
Current:						
Instruction	$3,253,484	49.9%	$2,970,553	48.1%	$2,859,105	47.5%
Pupil support services	459,672	7.1%	448,254	7.3%	441,324	7.3%
General support services	972,526	14.9%	1,044,740	17.0%	984,943	16.3%
Food services	197,084	3.0%	201,377	3.3%	199,944	3.3%
Community services	38,003	0.6%	37,497	0.6%	39,607	0.7%
Teachers' pension and retirement benefits	676,078	10.4%	664,123	10.8%	708,941	11.7%
Other	6,319	0.1%	7,388	0.1%	12,691	0.2%
Capital outlay	391,953	6.0%	308,091	5.0%	217,303	3.6%
Debt service	533,493	8.0%	481,419	7.8%	569,694	9.4%
Total expenditures	$6,528,612	100.0%	$6,163,442	100.0%	$6,033,552	100.0%

2011		2012		2013		2014	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$2,955,772	50.9%	$2,992,481	51.3%	$3,034,509	52.0%	$3,126,689	48.8%
508,803	8.8%	469,366	8.0%	454,240	7.9%	457,939	7.1%
1,023,004	17.6%	967,692	16.6%	941,270	16.1%	987,048	15.4%
201,325	3.5%	213,115	3.7%	215,739	3.7%	193,642	3.0%
45,848	0.8%	39,794	0.7%	39,656	0.7%	37,460	0.6%
149,377	2.6%	183,499	3.1%	227,766	3.9%	593,225	9.3%
8,845	0.1%	8,115	0.1%	7,043	0.1%	6,134	0.1%
580,363	10.0%	591,148	10.1%	519,604	8.9%	534,980	8.4%
332,097	5.7%	374,494	6.4%	390,409	6.7%	467,904	7.3%
$5,805,434	100.0%	$5,839,704	100.0%	$5,830,236	100.0%	$6,405,021	100.0%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Fiscal Year 2017	Fiscal Year 2016	2017 Over (Under) 2016
Revenues:			
Local taxes:			
Property taxes	$2,613,889	$2,313,470	$ 300,419
Replacement taxes	169,637	115,961	53,676
Total revenue from local taxes	$2,783,526	$2,429,431	$ 354,095
Local nontax revenue:			
Interest and investment earnings	$ 1,964	$ 1,347	$ 617
Lunchroom operations	1,309	—	1,309
Other	263,790	271,858	(8,068)
Total revenue from nontax revenue	$ 267,063	$ 273,205	$ (6,142)
Total local revenue	$3,050,589	$2,702,636	$ 347,953
State grants and subsidies:			
General state aid	$ 666,713	$ 857,601	$(190,888)
Block grants	449,417	511,192	(61,775)
Other	170,556	30,061	140,495
Total state grants & subsidies	$1,287,702	$1,398,854	$(111,152)
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA)	$ 277,045	$ 293,302	$ (16,257)
American Recovery and Reinvestment Act (ARRA) (1)	25,228	14,304	10,924
School lunch program	184,767	202,943	(18,176)
Individuals with Disabilities Education Act (IDEA)	93,096	93,483	(387)
Other	172,159	172,245	(86)
Total federal grants and subsidies	$ 752,295	$ 776,277	$ (23,982)
Total revenues	$5,090,586	$4,877,767	$ 211,803

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, 2017

With Comparative Amounts for the Fiscal Year Ended June 30, 2016

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	Fiscal Year 2017	Fiscal Year 2016	2017 Over (Under) 2016
Expenditures:			
Instruction:			
Salaries	$1,723,648	$1,775,630	$ (51,982)
Commodities	55,560	68,814	(13,254)
Services	649,122	653,379	(4,257)
Equipment — educational	21,194	33,310	(12,116)
Building and sites	2,015	2,449	(434)
Fixed charges	407,566	436,971	(29,405)
Total instruction	$2,859,105	$2,970,553	$(111,448)
Pupil support services:			
Salaries	$ 230,784	$ 230,887	$ (103)
Commodities	4,917	4,277	640
Services	136,212	140,994	(4,782)
Equipment — educational	528	446	82
Building and sites	199	402	(203)
Fixed charges	68,684	71,248	(2,564)
Total pupil support services	$ 441,324	$ 448,254	$ (6,930)
Administrative support services:			
Salaries	$ 62,711	$ 67,187	$ (4,476)
Commodities	10,388	11,569	(1,181)
Services	182,295	196,280	(13,985)
Equipment — educational	656	375	281
Building and sites	827	536	291
Fixed charges	24,506	27,838	(3,332)
Total administrative support services	$ 281,383	$ 303,785	$ (22,402)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Fiscal Year 2017	Fiscal Year 2016	2017 Over/(Under) 2016
Facilities support services:			
Salaries	$ 71,830	$ 77,424	$ (5,594)
Commodities	73,574	74,855	(1,281)
Services	178,871	170,328	8,543
Equipment — educational	660	1,135	(475)
Building and sites	12,948	13,390	(442)
Fixed charges	38,493	43,857	(5,363)
Total facilities support services	$376,376	$380,989	$ (4,612)
Instructional support services:			
Salaries	$232,001	$246,951	$(14,950)
Commodities	8,121	9,456	(1,335)
Services	28,281	37,868	(9,587)
Equipment — educational	3,645	4,257	(612)
Building and sites	2,247	1,815	432
Fixed charges	52,889	59,619	(6,730)
Total instructional support services	$327,184	$359,966	$(32,782)
Food services:			
Salaries	$ 62,408	$ 61,527	$ 881
Commodities	94,415	97,247	(2,832)
Services	4,798	4,356	442
Equipment — educational	4,036	1,762	2,274
Fixed charges	34,287	36,485	(2,198)
Total food services	$199,944	$201,377	$ (1,433)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Fiscal Year 2017	Fiscal Year 2016	2017 Over/(Under) 2016
Community services:			
Salaries	$ 10,819	$ 12,901	$ (2,082)
Commodities	1,537	1,384	153
Services	23,385	18,501	4,884
Equipment — educational	113	377	(264)
Building and sites	509	117	392
Fixed charges	3,244	4,217	(973)
Total community services	$ 39,607	$ 37,497	$ 2,110
Teacher's Pension:			
Fixed charges	$708,941	$664,123	$44,818
Total teachers' pension	$708,941	$664,123	$44,818
Capital outlay:			
Salaries	$ 2,570	$ 2,822	$ (252)
Commodities	2,972	3,626	(654)
Services	5,525	2,495	3,030
Equipment — educational	136	3,717	(3,581)
Building and sites	592	1,279	(687)
Fixed charges	673	841	(168)
Total capital outlay	$ 12,468	$ 14,780	$ (2,312)
Debt service:			
Services	$ —	$ 1,131	$ (1,131)
Fixed charges	38,735	25,003	13,732
Total debt service	$ 38,735	$ 26,134	$12,601

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Thousands of dollars)

	Fiscal Year 2017	Fiscal Year 2016	2017 Over/(Under) 2016
Other:			
Salaries	$ 205	$ 172	$ 33
Commodities	7	9	(2)
Services	2,633	909	1,724
Equipment — educational	—	29	(29)
Building and sites	—	—	—
Fixed charges	9,846	6,269	3,577
Total other	$ 12,691	$ 7,388	$ 5,303
Total expenditures	$5,297,758	$5,414,846	$(117,088)

NOTE:

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

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2008	2009	2010
General operating fund:			
Capital leases	$ —	$ —	$ —
Insurance proceeds	—	—	—
Transfers in/(out)	3,813	20,389	17,851
Total general operating fund	$ 3,813	$ 20,389	$ 17,851
All other governmental funds:			
Gross amounts from debt issuances	$ 1,674,555	$ 225,675	$1,083,260
Premiums on bonds issued	41,226	—	6,459
Insurance proceeds	—	1,155	—
Sales of general capital assets	6,404	91	—
Payment to refunded bond escrow agent	(1,474,081)	(226,408)	(288,704)
Transfers in/(out)	(3,813)	(20,389)	(17,851)
Amount from notes	—	—	—
Discounts on bonds issued	—	—	—
Proceeds from swaps	—	—	—
Total all other governmental funds	$ 244,291	$ (19,876)	$ 783,164

2011	2012	2013	2014	2015	2016	2017
$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	224
109,830	62	439	161	(12,915)	50,162	58,350
$ 109,830	$ 62	$ 439	$ 161	$ (12,915)	$ 50,162	$ 58,574
$ 638,790	$ 592,510	$ 982,720	$131,600	$ 561,880	$ 724,999	$879,580
14,700	1,229	47,271	—	—	—	—
—	—	—	—	—	—	—
—	—	723	7,301	37,504	15,012	6,272
(269,483)	(190,100)	(480,597)	—	(386,710)	(120,856)	—
(109,830)	(62)	(439)	(161)	12,915	(50,162)	(58,350)
—	—	—	—	—	—	—
—	—	—	—	(12,502)	(110,071)	(36,097)
—	—	—	—	—	—	—
$ 274,177	$ 403,577	$ 549,678	$138,740	$ 213,087	$ 458,922	$791,405

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Fiscal Year	Debt Service	Non-Capital	Ratio
2008	$260,438	$4,651,285	0.06 : 1
2009	301,169	5,019,838	0.06 : 1
2010	383,887	5,266,102	0.07 : 1
2011	332,097	5,225,071	0.06 : 1
2012	374,494	5,248,556	0.07 : 1
2013	390,409	5,310,632	0.07 : 1
2014	467,904	5,870,041	0.08 : 1
2015	533,493	6,136,659	0.09 : 1
2016	481,419	5,855,351	0.08 : 1
2017	569,694	5,816,249	0.10 : 1

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

School Direct Rates	2008 (A)	2009 (B)
Education	$2.376	$2.426
Worker's and Unemployment Compensation/Tort Immunity	0.191	0.031
Public Building Commission	0.016	0.015
Capital Improvement	—	—
Teacher Pension	—	—
Total direct rate	$2.583	$2.472
Chicago Finance Authority	$0.091	$ —
City of Chicago	1.044	1.147
Chicago City Colleges	0.159	0.156
Chicago Park District	0.355	0.323
Metropolitan Water Reclamation District	0.263	0.252
Cook County	0.446	0.415
Cook County Forest Preserve	0.053	0.051
Total for all governments.	$4.994	$4.816

Source: Cook County Clerk's Office

NOTES:

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

STATISTICAL SECTION

2010	2011	2012	2013	2014	2015	2016	2017
$2.204	$2.449	$2.671	$3.309	$3.519	$3.409	$3.205	$3.115
0.148	0.067	0.133	0.031	0.067	0.169	0.111	0.107
0.014	0.065	0.071	0.082	0.085	0.082	0.075	0.072
—	—	—	—	—		0.064	0.065
—	—	—	—	—	—	—	0.367
$2.366	$2.581	$2.875	$3.422	$3.671	$3.660	$3.455	$3.726
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
1.098	1.132	1.229	1.425	1.496	1.473	1.806	1.880
0.150	0.151	0.165	0.190	0.199	0.193	0.177	0.169
0.309	0.319	0.346	0.395	0.420	0.415	0.382	0.368
0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533
0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063
$4.627	$4.931	$5.455	$6.396	$6.832	$6.808	$6.867	$7.145

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
2007	2008	$1,901,887	$ 865,576	45.51%	$ 976,272	$1,841,848	96.84%
2008	2009	2,001,751	916,129	45.77%	1,024,224	1,940,353	96.93%
2009	2010	2,001,252	1,024,263	51.18%	896,008	1,920,271	95.95%
2010	2011	2,118,541	1,021,564	48.22%	1,024,043	2,045,607	96.56%
2011	2012	2,159,586	1,083,667	50.18%	1,032,349	2,116,016	97.98%
2012	2013	2,232,684	1,090,274	48.83%	1,059,921	2,150,195	96.31%
2013	2014	2,289,250	1,134,859	49.57%	1,110,217	2,245,076	98.07%
2014	2015	2,375,822	1,177,370	49.56%	1,165,126	2,342,496	98.60%
2015	2016	2,451,566	1,230,423	50.19%	1,156,686	2,387,109	97.37%
2016	2017	2,757,651	1,159,655	42.05%	—	—	—

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 Pension amounts that were not levied in prior years.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

Tax Year Levy	Fiscal Year	Assessed Values (A) Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	Total
2007	2008	18,937,256	1,768,927	12,239,086	678,196	33,623,465
2008	2009	19,339,573	1,602,768	12,359,537	693,239	33,995,117
2009	2010	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	2011	18,120,678	1,476,291	10,407,012	561,682	30,565,663
2011	2012	17,976,208	1,161,634	10,411,363	544,416	30,093,621
2012	2013	15,560,876	1,252,635	10,201,554	454,593	27,469,658
2013	2014	15,440,622	1,282,342	10,137,795	453,201	27,313,960
2014	2015	15,416,908	1,345,482	10,096,651	487,529	27,346,570
2015	2016	17,319,503	1,589,995	11,240,864	541,183	30,691,545
2016	2017	17,219,809	1,863,312	11,316,868	562,402	30,962,391

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 the equalized assessed value.

I. *Source*: The Civic Federation — Excludes railroad property.

N/A: Not available at publishing.

State Equalization Factor (F)	Total Equalized Assessed Value (G)	Total Direct Tax Rate (H)	Total Estimated Fair Cash Value (I)	Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%)
2.8439	73,645,316	2.583	320,503,503	22.98%
2.9786	80,977,543	2.472	310,888,609	26.05%
3.3701	84,586,808	2.366	280,288,730	30.18%
3.3000	82,087,170	2.581	231,986,396	35.38%
2.9706	75,122,914	2.875	222,856,064	33.71%
2.8056	65,250,387	3.422	206,915,723	31.53%
2.6621	62,363,876	3.671	236,695,475	26.35%
2.7253	64,908,057	3.660	255,639,792	25.39%
2.6685	70,963,289	3.455	278,076,449	25.52%
2.8032	74,016,506	3.726	N/A	N/A

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2016			2015		
Property	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower	$ 406,464	1	0.55%	$ 386,932	1	0.55%
AON Building	252,408	2	0.34%	239,092	2	0.34%
HCSC Blue Cross	250,676	3	0.34%	238,631	3	0.34%
Water Tower Place	226,358	4	0.31%	215,481	4	0.30%
Prudential Plaza	212,135	5	0.29%	186,795	9	0.26%
300 Lasalle LLC	205,994	6	0.28%	196,095	5	0.28%
Franklin Center	204,322	7	0.28%	194,504	6	0.27%
Chase Tower	203,126	8	0.27%	193,365	7	0.27%
Citadel Center	196,745	9	0.27%	187,291	8	0.26%
Three First National Plaza	191,736	10	0.26%	182,523	10	0.26%
Northwestern Memorial Hospital	—	—	—	—	—	—
131 S. Dearborn	—	—	—	—	—	—
One North Wacker	—	—	—	—	—	—
Citigroup Center	—	—	—	—	—	—
Leo Burnett Building	—	—	—	—	—	—
	$2,349,964		3.19%	$2,220,709		3.13%

	2011			2010		
Property	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
Willis Tower	$ 445,590	1	0.59%	$ 495,000	1	0.60%
AON Building	302,124	2	0.40%	335,454	2	0.41%
HCSC Blue Cross	206,343	6	0.27%	—	—	—
Water Tower Place	207,942	5	0.28%	231,000	4	0.28%
Prudential Plaza	272,345	3	0.36%	305,026	3	0.37%
300 Lasalle LLC	190,005	10	0.25%	—	—	—
Franklin Center	197,944	8	0.26%	209,723	8	0.26%
Chase Tower	204,229	7	0.27%	226,875	5	0.28%
Citadel Center	—	—	—	—	—	—
Three First National Plaza	197,183	9	0.26%	226,222	6	0.28%
Northwestern Memorial Hospital	243,609	4	0.32%	—	—	—
131 S. Dearborn	—	—	—	210,502	7	0.26%
One North Wacker	—	—	—	207,127	9	0.25%
Citigroup Center	—	—	—	191,070	10	0.23%
Leo Burnett Building	—	—	—	—	—	—
	$2,467,314		3.26%	$2,637,999		3.22%

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

2014			2013			2012		
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
$ 364,455	1	0.56%	$ 370,197	1	0.59%	$ 386,266	1	0.59%
241,081	2	0.37%	248,906	2	0.40%	255,347	2	0.39%
206,782	3	0.32%	201,987	3	0.32%	205,275	4	0.31%
195,486	4	0.30%	190,953	5	0.31%	201,246	5	0.31%
184,101	7	0.28%	193,495	4	0.31%	234,964	3	0.36%
183,764	8	0.28%	159,537	10	0.26%	179,804	10	0.28%
187,461	6	0.29%	183,114	7	0.29%	192,985	7	0.30%
194,963	5	0.30%	190,442	6	0.31%	200,708	6	0.31%
181,210	10	0.28%	177,008	9	0.28%	184,596	9	0.28%
182,084	9	0.28%	177,862	8	0.29%	187,449	8	0.29%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
$2,121,387		3.26%	$2,093,501		3.36%	$2,228,640		3.42%

2009			2008			2007		
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
$ 505,515	1	0.60%	$ 540,074	1	0.67%	$ 514,662	1	0.70%
375,441	2	0.44%	392,192	2	0.48%	374,456	2	0.51%
—	—	—	—	—	—	—	—	—
235,907	5	0.28%	242,014	6	0.30%	231,069	6	0.31%
—	—	—	—	—	—	—	—	—
256,590	4	0.30%	294,569	4	0.36%	297,653	3	0.40%
231,694	6	0.27%	262,114	5	0.32%	250,261	5	0.34%
—	—	—	—	—	—	—	—	—
318,635	3	0.38%	307,510	3	0.38%	293,604	4	0.40%
231,028	7	0.27%	215,666	10	0.27%	205,913	10	0.28%
—	—	—	—	—	—	—	—	—
212,725	8	0.25%	218,722	9	0.27%	208,906	9	0.28%
211,526	9	0.25%	—	—	—	—	—	—
—	—	—	226,458	7	0.28%	216,217	7	0.29%
208,973	10	0.25%	221,846	8	0.27%	211,813	8	0.29%
$2,788,034		3.29%	$2,921,165		3.60%	$2,804,554		3.80%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA
Last Ten Fiscal Years

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

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.

Board Replacement Tax Data (B)

Board	Revenues (D)	Revenues
$209,492,428	$209,492,428	$215,488,652
176,734,528	176,734,528	188,503,101
190,560,089	190,560,089	152,497,491
167,923,445	167,923,445	197,761,584
168,231,989	168,231,989	181,926,998
186,499,892	186,499,892	185,883,929
191,978,921	191,978,921	188,040,647
206,242,430	206,242,430	202,147,157
181,335,026	181,335,026	161,535,119
185,680,220	185,680,220	227,920,163

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(G)	194,444,380

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2017

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2016 EAV $	% Change in EAV (for 2016)
Addison South	5/9/2007	2031	$ 70,940,232	$124,048,445	74.9%
Archer Courts	5/12/1999	2023	85,326	6,102,483	7,052.0%
Archer/Central	5/17/2000	2024	37,646,911	40,571,480	7.8%
Archer/Western	2/11/2009	2033	117,506,250	106,967,520	-9.0%
Armitage/Pulaski	6/13/2007	2031	17,643,508	19,425,679	10.1%
Austin/Commercial	9/27/2007	2031	72,287,864	81,398,363	12.6%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	27,676,433	24.8%
Avondale	7/29/2009	2033	40,426,760	35,563,073	-12.0%
Belmont/Central	1/12/2000	2024	137,304,682	174,873,581	27.4%
Belmont/Cicero	1/12/2000	2024	33,673,880	46,499,843	38.1%
Bronzeville	11/4/1998	2022	46,166,304	97,987,454	112.2%
Bryn Mawr/Broadway	12/11/1996	2019	17,745,437	46,027,367	159.4%
California/Foster	4/2/2014	2038	15,399,717	15,721,179	2.1%
Calumet/Cermak	7/29/1998	2021	3,219,685	172,899,540	5,270.1%
Canal/Congress	11/12/1998	2022	36,872,487	433,181,007	1,074.8%
Central West	2/16/2000	2024	85,481,254	389,861,566	356.1%
Chicago/Central Park	2/27/2002	2026	84,789,947	173,603,636	104.7%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	398,577,477	934.7%
Cicero/Archer	5/17/2000	2024	19,629,324	29,201,117	48.8%
Clark/Montrose	7/7/1999	2022	23,433,096	69,756,014	197.7%
Clark/Ridge	9/29/1999	2022	39,619,368	68,421,356	72.7%
Commercial Ave.	11/13/2002	2026	40,748,652	55,307,525	35.7%
Devon/Sheridan	3/31/2004	2028	45,541,834	41,664,271	-8.5%
Devon/Western	11/3/1999	2023	71,430,503	99,454,783	39.2%
Diversey/Narragansett	2/5/2003	2027	34,746,231	64,488,697	85.6%
Division/Homan	6/27/2001	2025	24,683,716	42,020,229	70.2%
Drexel Blvd.	7/10/2002	2026	127,408	5,501,564	4,218.1%
Edgewater/Ashland	10/1/2003	2027	1,875,282	49,532,736	2,541.3%
Elston/Armstrong	7/19/2007	2031	45,742,226	51,386,332	12.3%
Englewood Mall	11/29/1989	2025	3,868,736	10,935,025	182.7%
Englewood Neighborhood	6/27/2001	2025	56,079,946	139,715,192	149.1%
Ewing Avenue	3/10/2010	2034	52,994,264	46,025,740	-13.1%
Fullerton/Milwaukee	2/16/2000	2024	85,157,390	194,069,768	127.9%
Galewood/Armitage Industrial	7/7/1999	2023	48,056,697	131,970,833	174.6%
Goose Island	7/10/1996	2019	13,676,187	86,718,979	534.1%
Greater Southwest (West)	4/12/2000	2024	115,603,413	85,885,905	-25.7%
Harlem Industrial Park	3/14/2007	2031	45,981,764	37,681,661	-18.1%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)
For the Fiscal Year Ended June 30, 2017

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2016 EAV $	% Change in EAV (for 2016)
Harrison/Central	7/26/2006	2030	$ 43,430,700	$ 48,032,746	10.6%
Hollywood/Sheridan	11/7/2007	2031	158,696,916	135,669,276	-14.5%
Homan/Arthington	2/5/1998	2021	2,658,362	11,704,272	340.3%
Humbolt Park Commercial	6/27/2001	2025	32,161,252	82,500,123	156.5%
Irving Park/Cicero	6/10/1996	2020	8,150,631	18,381,041	125.5%
Irving Park/Elston	5/13/2009	2033	44,853,282	37,838,228	-15.6%
Jefferson Park	9/9/1998	2021	23,970,085	38,172,391	59.3%
Jefferson/Roosevelt	8/30/2000	2024	52,292,656	148,370,992	183.7%
Kennedy/Kimball	3/12/2008	2032	72,841,679	70,269,214	-3.5%
Kinzie Conservation	6/10/1998	2022	144,961,719	609,044,900	320.1%
Lake Calumet	12/13/2000	2024	176,186,639	190,901,333	8.4%
Lakefront	3/27/2002	2026	—	5,356,269	—
Lakeside Dev Phase 1	5/12/2010	2034	3,489,242	310,471	-91.1%
LaSalle/Central	11/15/2006	2030	4,192,597,468	4,316,452,776	3.0%
Lawrence/Broadway	6/27/2001	2025	38,603,611	92,522,086	139.7%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	201,897,126	82.9%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	62,307,350	42.6%
Lincoln Avenue	11/3/1999	2023	63,741,191	98,339,864	54.3%
Lincoln/Belmont/Ashland	11/2/1994	2018	2,457,347	20,983,369	753.9%
Little Village East	4/22/2009	2033	44,751,945	36,037,154	-19.5%
Little Village Ind	6/13/2007	2031	88,054,895	74,542,228	-15.3%
Madden/Wells	11/6/2002	2026	1,333,582	19,070,267	1,330.0%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	71,165,109	46.0%
Michigan Ave/Cermak	9/13/1989	2025	5,858,634	29,117,750	397.0%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	107,518,625	121.0%
Midwest	5/17/2000	2036	216,733,898	460,377,996	112.4%
Montclare	8/30/2000	2024	792,770	5,021,978	533.5%
Montrose/Clarendon	6/30/2010	2034	—	2,866,148	—
Near North	7/30/1997	2020	41,373,938	485,583,813	1,073.6%
North Ave./Cicero	7/30/1997	2020	5,658,542	26,668,838	371.3%
North Branch/North	7/2/1997	2021	29,574,537	106,853,083	261.3%
North Branch/South	2/5/1998	2021	44,361,677	169,893,527	283.0%
North Pullman	6/30/2009	2033	44,582,869	58,926,827	32.2%
NW Industrial Corridor	12/2/1998	2022	146,115,991	238,802,705	63.4%
Ogden/Pulaski	4/9/2008	2032	221,709,034	206,793,256	-6.7%
Ohio/Wabash	6/7/2000	2024	1,278,143	27,097,483	2,020.1%
Pershing/King	9/5/2007	2031	12,948,117	11,756,228	-9.2%
Peterson/Cicero	2/16/2000	2024	1,116,653	7,758,760	594.8%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2017

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2016 EAV $	% Change in EAV (for 2016)
Peterson/Pulaski	2/16/2000	2024	$ 40,112,395	$ 55,376,539	38.1%
Pilsen Area	6/10/1998	2022	111,394,217	300,115,987	169.4%
Portage Park	9/9/1998	2021	65,084,552	90,877,103	39.6%
Pratt/Ridge	6/23/2004	2028	16,414,897	21,262,780	29.5%
Pulaski Corridor	6/9/1999	2023	82,778,075	134,160,861	62.1%
Randolph/Wells	6/9/2010	2034	72,140,805	66,979,425	-7.2%
Ravenswood Corridor	3/9/2005	2029	44,169,275	58,080,633	31.5%
Read/Dunning	1/11/1991	2027	6,382,072	46,474,032	628.2%
River South	7/30/1997	2020	65,930,580	451,254,165	584.4%
River West	1/10/2001	2025	50,463,240	309,798,685	513.9%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	87,627,694	94.0%
Roosevelt/Racine (DOH)	11/4/1998	2034	6,992,428	33,656,369	381.3%
Roosevelt/Union	5/12/1999	2022	4,369,258	87,467,906	1,901.9%
Roseland/Michigan	1/16/2002	2026	29,627,768	35,744,390	20.6%
Sanitary Draig & Ship	7/24/1991	2027	10,722,329	18,211,899	69.9%
South Chicago	4/12/2000	2024	14,775,992	34,459,855	133.2%
South Works	11/3/1999	2023	3,823,633	4,175,718	9.2%
Stevenson/Brighton Park	4/11/2007	2031	216,330,994	207,987,968	-3.9%
Stockyards Annex	12/11/1996	2020	38,650,631	57,368,252	48.4%
Stockyards-Southeast Quad	2/26/1992	2016	21,527,824	41,403,445	92.3%
Stony Island Com/Burnside	6/10/1998	2034	46,058,038	86,851,699	88.6%
Southwest Ind. Corridor	3/10/1999	2023	17,662,923	30,072,900	70.3%
Touhy/Western	9/13/2006	2030	55,187,828	52,440,064	-5.0%
Washington Park	10/8/2014	2038	72,073,855	77,987,840	8.2%
Weed/Fremont	1/8/2008	2032	6,430,360	17,215,132	167.7%
West Irving Park	1/12/2000	2024	36,446,831	49,603,790	36.1%
West Woodlawn	5/12/2010	2034	127,750,505	96,279,729	-24.6%
Western Ave. South	1/12/2000	2024	69,504,372	178,659,765	157.0%
Western Ave. North	1/12/2000	2024	71,260,546	173,882,916	144.0%
Western/Ogden	2/5/1998	2021	41,536,306	173,222,150	317.0%
Western/Rock Island	2/8/2006	2030	102,358,411	112,251,671	9.7%
Wilson Yard	6/27/2001	2025	56,194,225	162,434,193	189.1%
Woodlawn	1/20/1999	2022	28,865,833	74,011,465	156.4%
105th/Vincennes	10/3/2001	2025	108,828,811	125,085,436	14.9%
107th/Halsted	4/2/2014	2038	122,435,316	133,536,483	9.1%
111th/Kedzie	9/29/1999	2022	14,456,141	23,458,474	62.3%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2017

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2016 EAV $	% Change in EAV (for 2016)
119th/Halsted	2/6/2002	2026	$ 63,231,728	$ 80,992,366	28.1%
119th/I-57	11/6/2002	2026	100,669,561	158,375,812	57.3%
126th/Torrence	12/21/1994	2017	1,224,731	18,219,204	1,387.6%
24th/Michigan	7/21/1999	2022	15,874,286	41,007,963	158.3%
26th/King Drive	1/11/2006	2030	—	11,358,656	—
35th/Halsted	1/14/1997	2021	81,212,182	180,214,519	121.9%
35th/State	1/14/2004	2028	3,978,955	39,060,497	881.7%
35th/Wallace	12/15/1999	2023	9,047,402	23,299,602	157.5%
41st/King Drive	7/13/1994	2018	129,892	2,848,631	2,093.1%
43rd/Cottage Grove	7/8/1998	2022	13,728,931	54,667,371	298.2%
47th/Ashland	3/27/2002	2026	53,606,185	84,033,035	56.8%
47th/Halsted	5/29/2002	2026	39,164,012	90,337,462	130.7%
47th/King Drive	3/27/2002	2026	61,269,066	166,738,526	172.1%
47th/State	7/21/2004	2028	19,279,360	40,863,453	112.0%
49th/St. Lawrence	1/10/1996	2020	683,377	7,122,664	942.3%
51st/Archer	5/17/2000	2024	29,522,751	49,751,303	68.5%
51st/Lake Park	11/15/2012	2036	2,320,971	5,038,253	117.1%
53rd St.	1/10/2001	2025	20,916,553	73,709,492	252.4%
60th/Western	5/9/1996	2019	2,464,026	4,168,253	69.2%
63rd/Ashland	3/29/2006	2030	47,496,362	65,526,966	38.0%
63rd/Pulaski	5/17/2000	2024	56,171,856	76,560,059	36.3%
67th/Cicero	10/2/2002	2026	—	3,703,940	—
67th/Wentworth	5/4/2011	2035	210,005,927	155,891,419	-25.8%
71st/Stony Island	10/7/1998	2021	53,336,063	88,966,758	66.8%
73rd/University	9/13/2006	2030	16,998,947	22,730,371	33.7%
79th Street Corridor	7/8/1998	2021	21,576,305	34,209,308	58.6%
79th/Cicero	6/8/2005	2029	8,018,405	15,295,069	90.7%
79th/SW Highway	10/3/2001	2025	36,347,823	54,706,997	50.5%
79th/Vincennes	9/27/2007	2031	32,132,472	30,680,655	-4.5%
83rd/Stewart	3/31/2004	2028	10,618,689	28,224,334	165.8%
87th/Cottage Grove	11/13/2002	2026	53,959,824	76,486,129	41.7%
95th/Western	7/13/1995	2019	16,035,773	27,430,565	71.1%
			$10,870,671,047	$17,557,326,500	

NOTE

State law empowers cities to create Tax Increment Financing Districts (TIFs) to finance redevelopment of blighted areas or areas at risk of blight. Taxes subsequently generated by new development and

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

For the Fiscal Year Ended June 30, 2017

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 2016 EAV for the City of Chicago is $74,016,506,351 — Source of The Cook County Report

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF NEW PROPERTY EAV AS A PERCENTAGE OF OVERALL EAV

Last Ten Fiscal Years

(Thousands of dollars)

			Components of New Property by Tax Levy Year (B)						
Tax Year Levy	Fiscal Year	Agency Overall Equalized Assessed Value (A)	New Property	Annexed Property	Disconnected Property	Recovered Tax Increment Value	Expired Incentives	Total New Property (A)	New property percentage of overall EAV
2007	2008	$73,651,158	$ 838,279	$—	$—	$ 45,875	$24,179	$ 908,333	1.23%
2008	2009	80,983,239	1,073,096	—	—	2,318,769	—	3,391,865	4.19%
2009	2010	84,592,286	1,052,426	—	—	162	—	1,052,588	1.24%
2010	2011	82,092,476	727,019	—	—	104,289	18,790	850,098	1.04%
2011	2012	75,127,913	344,503	—	—	—	2,420	346,923	0.46%
2012	2013	65,257,093	213,120	—	—	41,499	19,845	274,464	0.42%
2013	2014	62,370,205	279,426	—	—	244,388	10,066	533,880	0.86%
2014	2015	64,913,774	414,558	—	—	1,040,246	9,912	1,464,716	2.26%
2015	2016	70,968,533	339,649	—	—	21,038	16,432	377,119	0.53%
2016	2017	74,020,998	397,527	—	—	39,040	10,667	447,234	0.60%

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, 2017

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Modern Schools Across Chicago (MSAC) Program Phase I				
Collins Renovation	$ 30,300,000	$ 31,788,774	$ —	Midwest
Mather Renovation	32,401,366	32,401,366	—	Lincoln Avenue
Austin Renovation	32,203,759	32,203,759	—	Madison/ Austin
Southwest Elementary (Hernandez Middle School)	32,818,102	32,818,102	—	51st/ Archer
South Shore Replacement HS	72,164,382	72,164,382	—	71st/ Stony Island
Additional Westinghouse HS Funding and Refunding	17,752,030	17,752,030	—	Chicago/ Central Park
Skinner Replacement Elementary	36,418,205	34,340,000	—	Central West
Avondale Irving Park Elementary	10,766,724	10,766,724	—	Fullerton/ Milwaukee
Boone Clinton Elementary	8,142,740	8,142,740	—	Touhy/ Western
Belmont Cragin Elementary	8,097,471	8,097,471	—	Galewood/ Armitage
Peterson Addition	15,150,000	15,150,000	—	Lawrence/ Kedzie
Modern Schools Across Chicago Program Phase II				
Avondale Irving Park Elementary	25,000,000	25,452,297	—	Fullerton/ Milwaukee
Belmont Cragin Elementary	31,300,000	28,712,447	—	Galewood/ Armitage
Hernandez Middle School	9,540,000	6,382,816	—	51st/ Archer
Boone Clinton Elementary	18,655,000	18,767,428	—	Touhy/ Western
Chicago Ag West High School (Al Raby Horticultural)	22,000,000	14,523,717	—	Chicago/ Central Park
Westinghouse High School	32,920,000	31,560,329	368,859	Chicago/ Central Park
Back of the Yards HS	19,800,000	19,800,000	—	47th/ Ashland
Modern Schools Across Chicago Program Additional Agreements				
Austin Renovation	5,570,000	Rescinded	—	Madison/ Austin
Skinner Replacement Elementary	6,120,000	3,506,630	—	Central/ West
Peterson Addition	2,900,000	2,900,000	—	Lawrence/ Kedzie
Brighton Park II Elementary	25,420,000	5,549,463	19,870,537	Stevenson/ Brighton
Modern Schools Across Chicago Program Re-Programmed Bond Funds				
Ericson Play Lot	225,000	200,881	—	Midwest MSAC Bonds
Faraday STEM	650,000	633,267	—	Midwest MSAC Bonds
Jensen Play Lot	400,000	378,365	—	Midwest MSAC Bonds
Prieto ES Modular	1,900,000	1,849,239	—	Belmont Central
Prosser High School Renovation	978,602	978,602	—	Galewood/Armitage
Back of the Yard HS Renovation	225,000	225,000	—	47th/ Ashland
MSAC Subtotal	**$499,818,381**	**$457,045,829**	**$20,239,396**	

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, 2017 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
American Disabilities Act (ADA)				
ADA Accessibility -Year 1				
Beidler Elementary	$ 750,000	$ 594,531	$ —	Kinzie Industrial
Brown Elementary	750,000	750,000	—	Central West
Creiger Campus	1,500,250	1,207,911	—	Central West
Dodge Elementary	750,000	476,025	—	Midwest
Fiske Elementary	1,500,000	—		Woodlawn
Holmes Elementary	750,000	606,820	—	Englewood Neighborhood
Manierre Elementary	750,000	750,000	—	Near North
Mays Elementary	750,000	—	—	Englewood Neighborhood
McAuliffe Elementary	750,000	441,771	—	Pulaski Corridor
Mollison Elementary	750,000	750,000	—	47th/ King Drive
Morton Elementary	750,000	750,000	—	Kinzie Industrial
Nicholson Elementary	750,000	600,125	—	Englewood Neighborhood
Ryerson Elementary	750,000	750,000	—	Chicago/ Central Park
Schiller Elementary	1,500,000	565,181	—	Near North
Seward Elementary	1,500,000	1,500,000	—	47th/ Ashland
ADA Accessibility -Years 2-5				
Amundsen	1,083,069	—	1,083,069	Western Ave. North
Burke Elementary	1,000,000	Pending	—	47th / State
Banneker Elementary	2,000,000	Pending	—	Englewood Neighborhood
Armour Elementary	2,673,750	Pending	—	35th / Halsted
Hearst Elementary	2,219,500	Pending	—	Cicero/Archer
Lawndale Elementary	2,500,000	Pending	—	Midwest
Plamondon Elementary	1,748,000	Pending	—	Western /Ogden Industrial Corridor
Schurz High School	2,852,792	—	2,285,792	Portage Park
Hayt Elementary	670,000	Pending	—	Clark/Ridge
Peterson Elementary	500,000	Pending	—	Lawrence/Kedzie
Chappell Elementary	760,137	—	760,137	Western Ave. North
ADA Subtotal	**$32,257,498**	**$9,742,365**	**$4,128,998**	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

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

Capital Intergovernmental Agreements as of June 30, 2017 (continued)

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Other Capital Intergovernmental Agreements				
Walter Payton HS and Jenner School	$ 11,125,000	$ 11,125,000	$ —	Near North
Walter Payton HS Addition	20,000,000	17,935,474	144,662	Near North
Jones Academic High School Renovation/ Addition (Original)	42,315,243	42,315,243	—	Near South
Jones Academic High School Renovation/ Addition (Amended)	114,641,656	114,641,656	—	Near South
Jones Academic High School New Construction	8,700,000	8,145,386	—	Near South
National Teachers Academy New Construction	47,000,000	44,529,387	—	24th/ Michigan
Simeon High School Renovation	22,184,925	18,381,140	—	Chatham Ridge
Albany Park Middle School New Construction	25,000,000	28,662,826	—	*Lawrence/ Kedzie
Juarez High School Addition	18,500,000	18,017,456	—	Pilsen
DePriest Elementary New Construction	18,500,000	21,457,220	—	*Madison/ Austin
Additional Westinghouse HS- Refunding Debt Service	53,750,000	58,618,967	—	*Chicago/ Central Park
Canter Elementary School	150,000	150,000	—	53rd Street
Orozoco Elementary Health Center School	250,000	250,000	—	Western/ Ogden
Lane Tech High School Stadium	1,892,100	1,892,100	—	Western Avenue South
Clark Park Lane Tech High School	3,500,000	3,500,000	—	Western Avenue South
Coonley Middle School Renovation	2,201,500	2,201,500	—	Western Avenue South
Coonley Middle School Addition	16,500,000	14,729,008	270,772	Western Avenue South
Arai/ Uplift Elementary School Renovation	1,447,244	1,447,244	—	Wilson Yard
Lloyd Elementary Turf Field	750,000	750,000	—	Midwest
Lloyd Elementary Turf Field Scope Increase	550,000	113,947	—	Midwest
Chase ADA Renovation	3,600,000	2,759,563	—	Fullerton/Milwaukee
Holmes Elementary Lunchroom	3,270,000	3,270,000	—	Englewood Neighborhood
Senn High School Auditorium Upgrade	1,000,000	1,000,000	—	Clark Ridge
Arai/ Uplift Elementary School Courtyard Renovations	—	Rescinded	—	Wilson Yard
Beidler Campus Park	1,000,000	1,000,000	—	Kinzie Industrial
Donoghue Parking Lot	200,000	200,000	—	Madden-Wells
Juarez High School Athletic Field	701,308	701,308	—	Pilsen Industrial Corridor
Kenwood Academy	60,000	60,000	—	53rd Street
Lane Tech Renovation #2	2,000,000	2,000,000	—	Western Avenue South
Melody STEM	1,500,000	713,385	—	*Madison/ Austin
Spencer Play Lot	700,000	545,958	—	*Madison/ Austin
Tilton Play Lot	500,000	456,448	—	*Madison/ Austin
Whittier Renovation	2,887,000	2,887,000	—	Pilsen Industrial Corridor
McPherson Elementary School	400,000	400,000	—	Western Avenue North
Amundsen High School	500,000	500,000	—	Western Avenue North
Penn Elementary School	1,150,000	1,150,000		Midwest
Crane High School	2,250,000	2,250,000	—	Central West
Addams Renovation	1,700,000	1,043,273	—	Ewing Avenue
Ames renovation	4,500,000	4,476,461	—	Pulaski Industrial Corridor
Amundsen Gym	2,600,000	2,600,000	—	Western Ave. North
Amundsen CTE	760,000	454,331	—	Western Ave. North
Belmont Cragin Playground	287,000	121,737	14,164	Belmont Central
Budlong ES Bathroom Improvements	2,200,000	2,141,830	3,000	Foster / California
Cather ES Space to Grow	500,000	384,528	115,472	Kinzie Industrial
Earle ES Playground	287,000	172,352	8,675	63rd Ashland
Franklin ES Lockers	410,000	276,785	—	Near North
Gallistel Renovation	2,700,000	2,031,117	—	Ewing Avenue
Hope HS/ KIPP Playground	287,000	228,685	23,408	47th Ashland
New Selective Enrollment High School	520,000	—	—	Near North
Wadsworth Space to Grow	500,000	500,000	—	Woodlawn
New South Loop School	10,667,000	5,446,871	1,334,823	River South
Other Capital IGA Subtotal	**$458,593,976**	**$448,635,188**	**$ 1,914,976**	
Grand Total	**$990,669,855**	**$915,423,382**	**$26,283,370**	

NOTES:
Based on I6AS approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2017.

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS
For the Fiscal Year Ended June 30, 2017
(Thousands of dollars)

Series	Debt Type	Pledged Revenue Source	Issued
1992A	PBC GO Lease Certificate	Property Taxes	1/1/1992
1999B	PBC Building Revenue Refunding Bonds	Property Taxes	3/11/1999
1997A	Unlimited Tax GO Bonds	PPRT/IGA	12/3/1997
1998 B-1	Unlimited Tax GO Bonds	IGA	10/28/1998
1999A	Unlimited Tax GO Bonds	PPRT/IGA	2/25/1999
2002A	Unlimited Tax GO Bonds	City Note/IGA	9/24/2002
2003C	Qualified Zone Academy GO Bonds	State Aid	10/28/2003
2004A	Unlimited Tax GO Bonds	PPRT/State Aid	4/6/2004
2005A	Unlimited Tax GO Bonds	State Aid	6/27/2005
2005B	Unlimited Tax GO Bonds	PPRT	6/27/2005
2006A	Qualified Zone Academy GO Bonds	State Aid	6/7/2006
2006B	Unlimited Tax GO Bonds	State Aid	9/27/2006
2007B	Unlimited Tax GO Bonds	IGA	9/5/2007
2007C	Unlimited Tax GO Bonds	IGA	9/5/2007
2007D	Unlimited Tax GO Bonds	State Aid	12/13/2007
2008A	Unlimited Tax GO Bonds	PPRT/IGA	5/13/2008
2008B	Unlimited Tax GO Bonds	State Aid	5/13/2008
2008C	Unlimited Tax GO Bonds	State Aid	5/1/2008
2009D	Unlimited Tax GO Bonds	State Aid	7/30/2009
2009E	Unlimited Tax GO Build America Bonds	State Aid and Federal Subsidy	9/24/2009
2009G	Qualified School Construction GO Bonds	State Aid	12/17/2009
2010C	Qualified School Construction GO Bonds	State Aid and Federal Subsidy	11/2/2010
2010D	Unlimited Tax GO Build America Bonds	State Aid and Federal Subsidy	11/2/2010
2010F	Unlimited Tax GO Bonds	State Aid	11/2/2010
2010G	Unlimited Tax GO Bonds	State Aid	11/2/2010
2011A	Unlimited Tax GO Bonds	State Aid	11/1/2011
2011C-1	Unlimited Tax GO Bonds	State Aid	12/20/2011
2011C-2	Unlimited Tax GO Bonds	State Aid	12/20/2011
2012A	Unlimited Tax GO Bonds	State Aid	8/21/2012
2012B	Unlimited Tax GO Bonds	State Aid	12/21/2012
2013A-1	Unlimited Tax GO Bonds	State Aid	5/22/2013
2013A-2	Unlimited Tax GO Bonds	State Aid	5/22/2013
2013A-3	Unlimited Tax GO Bonds	State Aid	5/22/2013
2015A	Unlimited Tax GO Bonds	State Aid	3/26/2015
2015C	Unlimited Tax GO Bonds	State Aid	4/29/2015
2015E	Unlimited Tax GO Bonds	State Aid	4/29/2015
2015G	Unlimited Tax GO Bonds	State Aid	3/26/2015
2016A	Unlimited Tax GO Bonds	State Aid	2/8/2016
2016B	Unlimited Tax GO Bonds	State Aid	7/29/2016
2016CIT	Capital Improvement Tax	CIT Levy	1/4/2017
		Grand Total Direct Debt	

NOTES: A. Net of amounts set aside/ escrowed to maturity for 12/1/17 payments deposited by 6/30/17.
B. Excludes total accreted interest in the following series:

Series	Accreted Interest
1997A	$ —
1998B-1	387,355
1999A	259,432
Total	**$646,787**

STATISTICAL SECTION

Final Maturity	Interest Rate	Outstanding at June 30, 2016	Issue or (Redeemed)	Outstanding at June 30, 2017 (A) (B)
1/1/2020	6.00%-6.5%	$ 101,850	$ (23,325)	$ 78,525
12/1/2018	5.00%-5.25%	55,930	(17,605)	38,325
12/1/2030	5.30%-5.55%	5,389	(5,389)	—
12/1/2031	4.55%-5.22%	248,346	(8,202)	240,144
12/1/2031	4.30%-5.3%	405,325	(13,432)	391,893
12/1/2022	3.00%-5.25%	28,360	(3,475)	24,885
10/27/2017	0.00%	4,585	—	4,585
12/1/2020	4.00%-5.00%	74,480	(3,790)	70,690
12/1/2031	5.00%-5.50%	174,365	(7,085)	167,280
12/1/2021	5.00%	22,735	—	22,735
6/1/2021	0.00%	6,853	—	6,853
12/1/2036	4.25%-5.00%	289,525	(8,795)	280,730
12/1/2024	5.00%	197,765	—	197,765
12/1/2021	4.00%-4.375%	4,150	(410)	3,740
12/1/2029	4.00%-5.00%	169,195	—	169,195
12/1/2030	Variable	262,785	—	262,785
12/1/2041	Variable	185,350	(7,800)	177,550
3/1/2032	4.25%-5.00%	464,655	—	464,655
12/1/2023	1.00%-5.00%	45,340	(4,400)	40,940
12/1/2039	4.682%-6.14%	518,210	—	518,210
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%	169,155	(7,855)	161,300
3/1/2017	2.77%-4.18%	22,735	(17,500)	5,235
12/1/2041	5.00%-5.50%	402,410	—	402,410
3/1/2032	Variable	43,600	(1,400)	42,200
3/1/2032	Variable	44,100	(2,600)	41,500
12/1/2042	5.00%	468,915	—	468,915
12/1/2034	5.00%	109,825	—	109,825
3/1/2026	Variable	89,990	(8,975)	81,015
3/1/2035	Variable	124,320	—	124,320
3/1/2036	Variable	157,055	—	157,055
3/1/2032	Variable	89,200	(5,200)	84,000
12/1/2039	5.25%-6.00%	280,000	—	280,000
12/1/2039	5.13%	20,000	—	20,000
3/1/2032	Variable	88,900	(5,400)	83,500
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
		$6,736,763	**$ 726,942**	**$7,463,705**

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES
As of June 30, 2017
(Thousands of dollars)

Bond Authorization	Amount Authorized	Amount Issued	Lien Closed	Retired	Principal Outstanding June 30, 2017 (1)	Remaining Authorization
1995 COP Board Authorization	$ 45,000	$ 45,000	$ —	$ 45,000	$ —	$ —
1996 Alternate Bond Authorization	1,150,000	850,000 (A)	300,000	850,000	— (A)	—
1997 Alternate Bond Authorization	1,500,000	1,497,703 (B)	—	865,666	632,037 (B)	2,297
1998 Alternate Bond Authorization	900,000	870,195 (C)	—	865,610	4,585 (C)	29,805
2001 Alternate Bond Authorization	500,000	500,000 (D)	—	500,000	— (D)	—
2002 Alternate Bond Authorization	500,000	500,000 (E)	—	475,115	24,885 (E)	—
2004 Alternate Bond Authorization	965,000	965,000 (F)	—	958,147	6,853 (F)	—
2006 Alternate Bond Authorization	750,000	634,258 (G)	—	420,383	213,875 (G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990 (H)	—	222,550	1,677,440 (H)	10
2009 Alternate Bond Authorization	2,300,000	1,906,180 (I)	—	402,495	1,503,685 (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	875,000 (K)	—	—	875,000	285,000
2016 Alternate Bond Authorization	945,000	— (L)	—	—	—	945,000
TOTAL	**$13,365,000**	**$11,253,151**	**$300,000**	**$5,904,966**	**$5,348,185**	**$1,811,849**

NOTES:

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

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES

As of June 30, 2017

(Thousands of dollars)

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

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1997A	12/3/1997	$ 499,995	$ —
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	—
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	240,144
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	391,893
Unlimited Tax GO Bonds, IDFA Series 1999A	12/22/1999	12,000	—
Unlimited Tax GO Bonds, Series 2000D	9/7/2000	101,000	—
Unlimited Tax GO Bonds, Series 2001B	10/24/2001	9,440	—
		$1,497,703	$632,037

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

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2017

(Thousands of dollars)

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

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

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	$24,885
Unlimited Tax GO Bonds, Series 2003D	12/12/2003	257,925	—
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	193,105	—
		$500,000	$24,885

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	—
		$965,000	$6,853

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2017

(Thousands of dollars)

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	$ —
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	—
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	3,740
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	169,195
Unlimited Tax GO Refunding Bonds, Series 2009B	6/25/2009	75,410	—
Unlimited Tax GO Refunding Bonds, Series 2009C	6/25/2009	20,265	—
Unlimited Tax GO Refunding Bonds, Series 2009D	7/30/2009	75,720	40,940
		$634,258	$213,875

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	177,550
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	464,655
Unlimited Tax GO Refunding Bonds, Series 2009A	3/18/2009	130,000	—
Unlimited Taxable GO Bonds, Series 2009E	9/24/2009	518,210	518,210
Unlimited Tax GO Bonds, Series 2009F	9/24/2009	29,125	—
Unlimited Tax GO Bonds, Series 2009G	12/17/2009	254,240	254,240
		$1,899,990	$1,677,440

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2017

(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	161,300
Unlimited Tax GO Refunding Bonds, Series 2010G	11/2/2010	72,915	5,235
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	83,700
Unlimited Tax GO Refunding Bonds, Series 2011D	12/16/2011	95,000	—
Unlimited Tax GO Bonds, Series 2012A	8/21/2012	468,915	468,915
		$1,906,180	$1,503,685

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

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)

As of June 30, 2017

(Thousands of dollars)

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
		$875,000	$875,000

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

Date Issued	Amount Issued	Principal Outstanding
	$	$
	$ —	$ —

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years
As of June 30, 2017
(Thousands of dollars, except per capita)

Fiscal Year	General Obligation Bonds	Capital Improvement Tax Bonds	Leases Securing PBC Bonds	Asbestos Abatement Loan	Capital Leases	Notes Payable	Total Primary Government	Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt
2008	$4,276,507	$ —	$411,690	$3,747	$2,625	$2,516	$4,697,085	N/A
2009	4,221,497	—	386,385	2,710	2,450	1,317	4,614,359	N/A
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

Notes:

(A) Starting in fiscal year 2013, 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 fiscal year 2013, the total net outstanding debt per capita ratio is the total primary government amount divided by population.

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
$4,338,713	3.57%	13.00%	2,896,016	$1,498.17	$1,335.27
4,538,682	3.46%	13.50%	2,896,016	1,567.22	1,412.93
4,697,085	3.49%	13.82%	2,896,016	1,621.91	1,476.69
4,614,359	3.45%	14.68%	2,896,016	1,593.35	1,457.69
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	4.14%	19.89%	2,695,598	2,264.30	2,252.95
6,640,293	N/A	21.45%	2,695,598	2,463.38	2,440.64
7,921,997	N/A	N/A	2,695,599	2,938.86	2,670.55

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
As of June 30, 2017
(Thousands of dollars)

	Fiscal Year			
	2008	2009	2010	2011
Debt limit	$10,163,860	$11,175,687	$11,673,736	$11,328,763
General obligation	606,009	553,134	498,593	446,719
Less: amount set aside for repayment of bonds	(36,238)	(34,719)	(16,042)	(36,440)
Total net debt applicable to limit (A)	$ 569,771	$ 518,415	$ 482,551	$ 410,279
Legal debt margin	$ 9,594,089	$10,657,272	$11,191,185	$10,918,484
Total net debt applicable to the limit as a percentage of debt limit	5.61%	4.64%	4.13%	3.62%

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

$499.9 million Series 1997A
$328.7 million Series 1998B-1
$532.5 million Series 1999A
$9.44 million Series 2001B
$49.0 million Series 2002A
$4.6 million Series 2003C
$205.4 million Series 2004A
$193.5 million Series 2005A
$52.5 million Series 2005B
$6.9 million Series 2006A
$355.8 million Series 2006B
$197.7 million Series 2007B
$6.8 million Series 2007C
$238.7 million Series 2007D
$262.8 million Series 2008A
$240.9 million Series 2008B
$464.7 million Series 2008C
$75.7 million Series 2009D
$547.3 million Series 2009EF
$254.2 million Series 2009G
$257.1 million Series 2010C
$125.0 million Series 2010D
$183.7 million Series 2010F
$72.9 million Series 2010G
$402.4 million Series 2011A
$95.1 million Series 2011C
$468.9 million Series 2012A
$109.8 million Series 2012B
$403.9 million Series 2013A
$89.2 million Series 2015A
$280.0 million Series 2015C
$20.0 million Series 2015E
$88.9 million Series 2015G
$725.0 million Series 2016A
$150.0 million Series 2016B

Fiscal Year						
2012	2013	2014	2015	2016		2017
$10,367,652	$9,005,479	$8,607,088	$8,958,101	$9,793,658	(G)	$10,214,898
394,793	342,830	290,849	238,820	186,823	(B)	134,803
(29,917)	(34,790)	(35,201)	(34,684)	(34,866)	(C)	(32,761)
$ 364,876	$ 308,040	$ 255,648	$ 204,136	$ 151,957		$ 102,042
$10,002,776	$8,697,439	$8,351,440	$8,753,965	$9,641,701		$10,112,856
3.52%	3.42%	2.97%	2.28%	1.55%		1.00%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2017
(Thousands of Dollars)

Governmental Unit	Debt Outstanding (A)	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Chicago	$9,805,104	100.00%	$ 9,805,104
City Colleges of Chicago	241,830	100.00%	241,830
Chicago Park District	822,045	100.00%	822,045
Cook County	3,213,142	51.59%	1,657,660
Forest Preserve District	159,440	51.59%	82,255
Water Reclamation District	2,740,113	52.59%	1,441,025
Subtotal, overlapping debt			$14,049,919
Chicago Public School Direct Debt			8,046,214
Total Direct and Overlapping Debt			$22,096,133

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

(B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2015 City of Chicago tax extension within the City of Chicago by the total 2016 Cook County extension for the district.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CPS' DEBT RATING HISTORY

Fiscal Year Ending June 30, 2017

General Obligation Bonds

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

	July 2013	Sep. 2013	Mar. 2014	Mar. 2015	May 2015	July 2015	Aug. 2015	Jan. 2016*	Sept. 2016*	Nov. 2016*	Dec. 2016*	June 2017*
S&P	A+	A+	A+	A-	A-	BBB	BB	B+	B+	B	B	B
Moody's	A3	A3	Baa1	Baa3	Ba3	Ba3	Ba3	B2	B3	B3	B3	B3
Fitch	A	A-	A-	BBB-	BBB-	BB+	B+	B+	B+	B+	B+	B+
Kroll				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 PPRT, revenues from an 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. 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
S&P	None	None
Moody's	None	None
Fitch	A	A
Kroll	BBB	BBB

Security Structure: In Fiscal Year 2017, CPS structured an entirely new 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.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	City of Chicago Population (A)	Personal Income $(000's)	Per Capita Income (B)	Median Age (C)	Number of Households (C)
2007	2,896,016	$130,986,804	$45,230	33.75	1,033,328
2008	2,896,016	134,592,344	46,475	34.13	1,032,746
2009	2,896,016	133,682,995	46,161	34.50	1,037,069
2010	2,695,598	122,140,241	45,311	34.80	1,045,666
2011	2,695,598	126,523,283	46,937	33.20	1,045,666
2012	2,695,598	131,930,653	48,943	33.10	1,030,076
2013	2,695,598	133,866,092	49,661	33.30	1,028,746
2014	2,695,598	138,230,265	51,280	33.40	1,028,829
2015	2,695,598	147,486,949	54,714	33.70	1,035,436
2016	2,695,598	N/A	N/A	33.90	1,042,579

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**
1,321,924	45.65%	1,245,876	43.02%	5.80%
1,328,413	45.87%	1,235,459	42.66%	7.00%
1,318,491	45.53%	1,174,785	40.57%	10.90%
1,320,502	48.99%	1,175,029	43.59%	11.00%
1,259,055	46.71%	1,116,216	41.41%	11.30%
1,273,805	47.26%	1,144,896	42.47%	10.10%
1,277,649	47.40%	1,143,944	42.44%	10.50%
1,369,656	50.81%	1,264,234	46.90%	7.70%
1,361,418	50.51%	1,273,727	47.25%	6.40%
1,371,326	50.87%	1,282,117	47.56%	6.50%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2016 (1)			2015			2014			2013			2012		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Advocate Health Care	18,930	1	1.48%	18,308	1	1.44%	18,556	1	1.47%	—	—	—	—	—	—
University of Chicago	16,374	2	1.28%	16,197	2	1.27%	16,025	2	1.27%	—	—	—	—	—	—
Northwestern Memorial Healthcare	15,747	3	1.23%	15,317	3	1.20%	14,550	4	1.15%	—	—	—	—	—	—
J.P. Morgan Chase & Co. (2)	15,229	4	1.19%	14,158	4	1.11%	15,015	3	1.19%	8,499	1	0.78%	8,168	1	0.76%
United Continental Holdings Inc. (3)	15,157	5	1.18%	14,000	5	1.10%	14,000	5	1.11%	8,199	2	0.75%	7,521	2	0.70%
Walgreens Boots Alliance Inc.	12,685	6	0.99%	13,006	7	1.02%	13,797	6	1.09%	2,869	9	0.26%	2,789	10	0.26%
Northwestern University	10,241	7	0.80%	9,708	10	0.76%	—	—	—	—	—	—	—	—	—
Presence Health	10,183	8	0.79%	10,500	8	0.82%	11,279	8	0.89%	—	—	—	—	—	—
Abbot Laboratories	9,800	9	0.76%	10,000	9	0.79%	10,000	10	0.79%	—	—	—	—	—	—
Jewel Food Stores, Inc.	9,660	10	0.75%	—	—	—	—	—	—	4,441	6	0.41%	4,572	5	0.43%
Health Care Service Corporation	—	—	—	13,006	6	1.02%	—	—	—	—	—	—	—	—	—
SBC/AT&T (4)	—	—	—	—	—	—	13,000	7	1.03%	—	—	—	—	—	—
University of Illinois at Chicago	—	—	—	—	—	—	10,100	9	0.80%	—	—	—	—	—	—
Accenture LLP	—	—	—	—	—	—	—	—	—	5,821	3	0.53%	5,590	3	0.52%
Northern Trust	—	—	—	—	—	—	—	—	—	5,353	4	0.49%	5,448	4	0.51%
Ford Motor Company	—	—	—	—	—	—	—	—	—	5,103	5	0.47%	4,187	6	0.39%
ABM Janitorial Midwest, Inc.	—	—	—	—	—	—	—	—	—	3,399	7	0.31%	3,398	8	0.32%
Bank of America NT & SA	—	—	—	—	—	—	—	—	—	3,392	8	0.31%	3,811	7	0.36%
American Airlines	—	—	—	—	—	—	—	—	—	2,749	10	0.25%	3,076	9	0.29%
SBC Ameritech	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
CVS Corporation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonded Maintenance Company	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deloitte & Touche	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

NOTES:

Beginning with fiscal year 2007, the Chicago Board of Education will accumulate 10 years of data.

1) *Source*: Reprinted with permission, Crain's Chicago Business [January 16, 2017], Crain Communications, Inc.
2) J.P. Morgan Chase formerly known as Bank One.
3) United Continental Holdings Inc. formaly known as United Airlines.
4) AT&T Inc. formerly known as SBC Ameritech.
5) *Source*: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.

Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue- Tax Division report, which is no longer available.

2011			2010			2009			2008			2007 (5)		
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
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7,993	1	0.77%	8,094	1	0.81%	8,431	1	0.81%	8,865	1	0.81%	9,114	1	0.73%
6,366	2	0.62%	5,585	2	0.58%	6,019	2	0.58%	6,403	2	0.58%	6,102	2	0.49%
4,429	7	0.43%	4,552	6	0.33%	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—		—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4,799	5	0.46%	5,307	4	0.52%	5,833	3	0.56%	5,977	3	0.55%	5,424	3	0.43%
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5,014	4	0.48%	4,224	7	0.32%	3,341	7	0.32%	4,532	5	0.41%	4,283	5	0.34%
5,485	3	0.53%	5,833	3	0.56%	5,394	4	0.52%	5,084	4	0.46%	4,787	4	0.38%
3,410	10	0.33%	—	—	—	2,764	10	0.27%	3,325	8	0.30%	3,367	8	0.27%
3,629	9	0.35%	3,840	9	0.30%	—	—	—	—	—	—	—	—	—
4,557	6	0.44%	4,668	5	0.44%	4,631	5	0.44%	—	—	—	—	—	—
—	—	—	3,153	10	0.27%	3,394	6	0.33%	3,582	6	0.33%	3,645	7	0.29%
—	—	—	—	—	—	3,136	8	0.30%	3,459	7	0.32%	4,002	6	0.32%
4,159	8	0.40%	4,067	8	0.30%	3,120	9	0.30%	3,161	9	0.29%	3,120	9	0.25%
—	—	—	—	—	—	—	—	—	2,955	10	0.27%	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	2,988	10	0.24%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2016 NET REVENUES
(Millions of dollars)

Company Name	2016 Net Revenues	Number of Employees (1)
Walgreens Boots Alliance Inc. (2)	$117,351.0	360,000
Boeing Co.	94,571.0	150,500
Archer Daniels Midland Co.	62,346.0	31,800
Caterpillar Inc.	38,537.0	95,400
United Continental Holdings Inc.	36,556.0	88,000
Allstate Corp.	36,534.0	43,500
Exelon Corp.	31,360.0	34,396
Deere & Co. (3)	26,644.0	56,767
Kraft Heinz Co.	26,487.0	41,000
Mondelez International Inc.	25,923.0	90,000
Abbvie Inc.	25,638.0	30,000
McDonald's Corp.	24,621.9	375,000
US Foods Holdings Corp.	22,918.8	25,000
Sears Holdings Corp. (4)	22,138.0	140,000
Abbott Laboratories	20,853.0	75,000
CDW Corp.	13,981.9	8,516
Illinois Tool Works Inc.	13,599.0	50,000
Conagra Brands Inc. (5)	11,642.9	20,900
Discover Financial Services Inc.	10,497.0	15,549
Baxter International Inc.	10,163.0	48,000

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 22, 2017 issue. Copyright 2017 Crain Communications Inc.

NOTES:

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

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, 2017
With Comparative Amounts for the Fiscal Year Ended June 30, 2016
(Thousands of Dollars)

	Approved Budget	Tranfers In/(Out)	Final Appropriations	Fiscal Year 2017 Actual	Variance	Fiscal Year 2016 Actual	2017 Over (under) 2016
Revenues:							
Property taxes	$2,607,809	$ —	$2,607,809	$2,613,889	$ 6,080	$2,313,469	$ 300,420
Replacement taxes	130,531	—	130,531	169,637	39,106	115,961	53,676
State aid	1,498,897	—	1,498,897	1,287,702	(211,195)	1,398,855	(111,153)
Federal aid	829,839	—	829,839	752,295	(77,544)	776,278	(23,983)
Interest and investment earnings	—	—	—	1,964	1,964	1,347	617
Other	263,148	—	263,148	265,099	1,951	271,857	(6,758)
Total revenues	$5,330,224	$ —	$5,330,224	$5,090,586	$(239,638)	$4,877,767	$ 212,819
Expenditures:							
Teachers' salaries	$1,773,479	$ 41,524	$1,815,003	$1,815,309	$ 306	$1,869,683	$ (54,374)
Career service salaries	576,398	26,372	602,770	581,665	(21,105)	605,817	(24,152)
Energy	75,719	(595)	75,124	69,067	(6,057)	70,227	(1,160)
Food	97,095	(655)	96,440	94,911	(1,529)	98,777	(3,866)
Textbook	37,602	7,629	45,231	43,255	(1,976)	54,856	(11,601)
Supplies	38,056	16,314	54,371	44,040	(10,331)	47,085	(3,045)
Other commodities	394	5	399	221	(178)	294	(73)
Professional fees	309,401	56,544	365,945	357,258	(8,687)	314,732	42,526
Charter Schools	677,988	22,947	700,935	668,412	(32,523)	704,981	(36,569)
Transportation	98,439	3,792	102,231	95,974	(6,257)	104,450	(8,476)
Tuition	59,630	1,437	61,067	53,668	(7,399)	61,028	(7,360)
Telephone and telecommunications	28,499	4,558	33,057	21,998	(11,059)	24,579	(2,581)
Other services	20,430	3,034	23,464	13,814	(9,650)	16,471	(2,657)
Equipment - educational	24,451	9,608	34,058	30,967	(3,091)	45,407	(14,440)
Repair and replacements	20,236	(725)	19,511	18,319	(1,192)	18,853	(534)
Capital outlay	301	1,785	2,086	1,017	(1,069)	1,135	(118)
Teachers' pension	843,643	4,383	848,027	853,474	5,447	811,051	42,423
Career service pension	92,607	9,612	102,219	99,428	(2,791)	102,762	(3,334)
Hospitalization and dental insurance	359,126	(43,316)	315,810	306,871	(8,939)	348,083	(41,212)
Medicare	36,449	(1,961)	34,488	33,658	(830)	34,824	(1,166)
Unemployment compensation	8,499	(1,165)	7,334	7,040	(294)	9,438	(2,398)
Workers compensation	20,593	(487)	20,106	20,531	425	20,338	193
Rent	15,023	1,714	16,737	14,638	(2,099)	16,011	(1,373)
Debt service	34,000	—	34,000	38,735	4,735	25,003	13,732
Other fixed charges	163,013	(162,353)	660	13,488	12,828	8,961	4,527
Total expenditures	$5,411,073	$ —	$5,411,073	$5,297,758	$(113,315)	$5,414,846	$(117,088)
Revenues in excess of (less than) expenditures	$ (80,849)	$ —	$ (80,849)	$ (207,172)	$(126,323)	$ (537,079)	$ 329,907
Other financing sources (uses):							
Other revenue sources/(uses)	$ —	$ —	$ —	$ 224	$ —	$ —	$ 224
Transfers in / (out)	—	—	—	58,350	58,350	50,162	8,188
Total other financing sources (uses)	$ —	$ —	$ —	$ 58,574	$ 58,350	$ 50,162	$ 8,412
Net change in fund balances	$ (80,849)	$ —	$ (80,849)	$ (148,598)	$ (67,973)	$ (486,917)	$ 338,319
Fund balances, beginning of period	(126,632)	—	(126,632)	(126,632)	—	360,285	(486,917)
Fund balances, end of period	$ (207,481)	$ —	$ (207,481)	$ (275,230)	$ (67,973)	$ (126,632)	$(148,598)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUE — BY PROGRAM
For the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program
Revenues:				
Property taxes	$2,275,347	$260,148	$ —	$ —
Replacement taxes	169,637	—	—	—
State aid	575,327	—	—	143,929
Federal aid	54,367	—	93,096	114,390
Interest and investment income	1,961	—	—	—
Other	214,018	891	—	15,262
Total revenues	$3,290,657	$261,039	$93,096	$273,581

Supplementary General State Aid	Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Act Program	Total
$ —	$ —	$ —	$78,394	$ —	$ —	$2,613,889
—	—	—	—	—	—	169,637
261,000	—	4,563	—	302,883	—	1,287,702
—	278,136	198,440	—	—	13,866	752,295
—	—	—	3	—	—	1,964
4,584	—	8,704	5,253	16,387	—	265,099
$265,584	$278,136	$211,707	$83,650	$319,270	$13,866	$5,090,586

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES — BY PROGRAM
For the Fiscal Year Ended June 30, 2017
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program
Teachers' salaries	$1,397,394	$ —	$63,510	$114,600
Career service salaries	297,977	—	2,692	37,687
Energy	164	—	—	—
Food	427	—	1	1,794
Textbooks	30,707	—	34	3,614
Supplies	26,169	—	137	3,888
Other commodities	152	—	—	8
Professional fees	98,330	—	2,841	66,212
Charter schools	571,163	—	—	6,366
Transportation	86,725	—	15	1,692
Tuition	49,128	—	2,436	2,100
Telephone and telecommunications	21,944	—	—	12
Other services	7,192	—	39	1,723
Equipment — educational	15,708	—	4	4,298
Repairs and replacements	4,329	—	—	132
Capital outlay	1,014	—	—	3
Teachers' pension	531,696	250,000	11,301	19,673
Career service pension	49,452	—	497	6,343
Hospitalization and dental insurance	202,132	—	7,262	19,050
Medicare	23,654	—	904	2,098
Unemployment compensation	4,996	—	205	438
Workers' compensation	14,574	—	599	1,277
Rent	1,975	—	14	1,247
Debt Service	38,735	—	—	—
Other fixed charges	(11,221)	—	2,543	255
Total expenditures	$3,464,516	$250,000	$95,034	$294,510

Supplementary General State Aid	Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Program	Total
$116,944	$116,902	$ 1	$ 80	$ —	$ 5,878	$1,815,309
43,499	18,111	62,551	45,722	71,515	1,911	581,665
—	—	—	—	68,903	—	69,067
2	179	92,500	8	—	—	94,911
3,970	4,702	31	—	25	172	43,255
4,088	5,004	120	38	4,352	244	44,040
26	7	1	—	25	2	221
5,408	35,323	4,909	17,179	124,270	2,786	357,258
47,695	43,188	—	—	—	—	668,412
1,585	5,666	26	19	197	49	95,974
—	4	—	—	—	—	53,668
—	15	13	—	14	—	21,998
661	594	59	3,457	11	78	13,814
3,051	3,504	4,036	161	56	149	30,967
996	111	—	173	12,578	—	18,319
—	—	—	—	—	—	1,017
20,368	19,588	—	13	—	835	853,474
6,986	3,054	11,359	8,035	13,479	223	99,428
20,144	15,601	21,351	10,089	10,616	626	306,871
2,343	1,939	862	787	934	137	33,658
459	391	182	131	219	19	7,040
1,338	1,139	530	382	638	54	20,531
—	—	17	9	11,376	—	14,638
—	—	—	—	—	—	38,735
—	7,505	9,205	5,138	62	1	13,488
$279,563	$282,527	$207,753	$91,421	$319,270	$13,164	$5,297,758

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES — ALL FUNDS
Last Ten Fiscal Years and 2018 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008	2009	2010	2011	2012	2013
Local revenue:						
Property taxes	$1,813,917	$1,896,540	$2,047,163	$1,936,655	$2,352,136	$2,211,568
Replacement taxes	215,489	188,503	152,497	197,762	181,927	185,884
Investment income	85,895	43,693	12,483	13,399	20,760	7,303
Other	181,028	253,376	359,661	417,516	303,744	322,128
Total local	$2,296,329	$2,382,112	$2,571,804	$2,565,332	$2,858,567	$2,726,883
State revenue:						
General state aid	$1,107,408	$ 879,658	$1,001,777	$1,163,412	$1,136,472	$1,094,732
Teachers' pension	75,218	74,845	37,551	42,971	10,449	10,931
Capital	—	—	—	2,793	—	—
Other	663,408	557,383	512,748	740,605	818,980	710,135
Total state	$1,846,034	$1,511,886	$1,552,076	$1,949,781	$1,965,901	$1,815,798
Federal revenue:						
Elementary and Secondary Education Act (ESEA)	$ 350,515	$ 369,352	$ 307,331	$ 271,859	$ 283,681	$ 264,600
Individuals with Disabilities Education Act (IDEA)	106,051	95,230	96,240	88,058	84,385	106,902
School lunchroom	150,394	139,096	178,764	175,753	182,836	190,093
Medicaid	31,671	50,758	34,937	72,343	92,736	41,523
Other	237,410	471,144	562,876	536,871	292,313	242,678
Total federal	$ 876,041	$1,125,580	$1,180,148	$1,144,884	$ 935,951	$ 845,796
Total revenue	$5,018,404	$5,019,578	$5,304,028	$5,659,997	$5,760,419	$5,388,477
Change in revenue from previous year	$ 198,384	$ 1,174	$ 284,450	$ 355,969	$ 100,422	$ (371,942)
Percent change in revenue	4.1%	0.0%	5.7%	6.7%	1.8%	-6.5%

2014 (as restated)	2015	2016	2017	Budget 2018	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,204,252	$2,304,656	$2,408,416	$2,714,956	$2,779,400	4.4%	4.7%
188,041	202,148	161,535	227,921	148,700	-3.6%	-4.4%
15,596	(92,825)	(95,650)	5,442	—	-100.0%	-100.0%
286,472	377,286	437,042	387,045	628,600	13.3%	14.3%
$2,694,361	$2,791,265	$2,911,343	$3,335,364	$3,556,700	4.5%	5.5%
$1,089,673	$1,014,395	$ 971,642	$1,074,021	$1,746,800	4.7%	9.8%
11,903	62,145	12,105	1,016	—	-100.0%	-100.0%
—	—	—	—	14,000	—	—
739,229	770,529	568,578	633,828	315,300	-7.2%	-15.0%
$1,840,805	$1,847,069	$1,552,325	$1,708,865	$2,076,100	1.2%	2.7%
$ 342,915	$ 253,514	$ 150,477	$ 278,136	$ 286,766	-2.0%	1.6%
100,092	103,899	93,483	93,096	96,549	-0.9%	-2.0%
181,902	200,412	202,943	198,440	203,444	3.1%	1.4%
44,801	42,524	34,806	37,108	41,807	2.8%	0.1%
237,531	198,582	327,290	177,163	185,934	-2.4%	-5.2%
$ 907,241	$ 798,931	$ 808,999	$ 783,943	$ 814,500	-0.7%	-0.8%
$5,442,407	$5,437,265	$5,272,667	$5,828,172	$6,447,300	2.5%	3.7%
$ 53,930	$ (5,142)	$ (164,598)	$ 555,505	$ 619,128		
1.0%	-0.1%	-3.0%	10.5%	10.6%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES — ALL FUNDS
Last Ten Fiscal Years and 2018 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008	2009	2010	2011	2012	2013
Compensation:						
Teacher salaries	$1,885,400	$1,975,940	$2,026,257	$2,023,510	$2,026,832	$1,942,007
ESP salaries	559,741	597,533	604,042	610,741	618,265	633,489
Total salaries	$2,445,141	$2,573,473	$2,630,299	$2,634,251	$2,645,097	$2,575,496
Teacher pension	350,483	392,801	475,628	306,111	335,657	374,567
ESP pension	89,776	93,791	96,913	102,158	100,026	102,342
Hospitalization	260,386	299,206	311,048	353,878	324,918	319,792
Medicare	31,075	33,667	34,826	35,004	34,900	36,404
Unemployment insurance	5,764	8,599	16,000	21,992	17,141	9,134
Workers' compensation	29,757	28,148	28,244	25,859	26,042	23,967
Total benefits	$ 767,241	$ 856,212	$ 962,659	$ 845,002	$ 838,684	$ 866,206
Total compensation	$3,212,382	$3,429,685	$3,592,958	$3,479,253	$3,483,781	$3,441,702
Non-compensation:						
Energy	$ 86,759	$ 92,354	$ 78,682	$ 83,356	$ 73,409	$ 76,559
Food	83,326	89,592	93,088	93,766	104,245	106,650
Textbooks	89,514	86,356	70,596	70,249	49,147	68,969
Supplies	46,030	44,572	48,046	51,125	45,521	52,925
Commodities — other	910	998	948	478	583	408
Professional fees	360,277	440,921	381,851	450,127	412,072	398,064
Charter schools	189,006	256,154	326,322	377,755	424,423	498,162
Transportation	102,828	109,351	109,349	107,530	109,368	106,861
Tuition	65,105	63,858	62,568	59,102	55,001	54,626
Telephone and telecommunications	17,671	19,426	18,199	19,823	23,451	23,642
Services — other	13,253	13,935	15,688	11,789	11,010	12,438
Equipment	39,003	34,450	33,661	41,896	40,938	59,654
Repairs and replacements	36,999	34,772	31,854	37,355	33,912	26,449
Capital outlays	463,067	648,314	691,774	563,390	576,925	493,532
Rent	11,020	12,000	12,093	11,941	11,745	10,547
Debt service	282,142	302,206	386,597	332,097	374,494	390,409
Other	18,888	13,306	17,519	14,402	9,679	8,639
Total non-compensation	$1,905,798	$2,262,565	$2,378,835	$2,326,181	$2,355,923	$2,388,534
Total expenditures	$5,118,180	$5,692,250	$5,971,793	$5,805,434	$5,839,704	$5,830,236
Change in expenditures from previous year	$ 285,886	$ 574,070	$ 279,543	$ (166,359)	$ 34,270	$ (9,468)
Percent change in expenditures	5.9%	11.2%	4.9%	-2.8%	0.6%	-0.2%

STATISTICAL SECTION

2014	2015	2016	2017	Budget 2018	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$1,921,969	$1,953,938	$1,869,683	$1,815,309	$1,860,907	-0.1%	-0.8%
619,462	622,591	605,817	581,665	549,299	-0.2%	-2.8%
$2,541,431	$2,576,529	$2,475,500	$2,396,974	$2,410,206	-0.1%	-1.3%
740,419	826,304	811,051	853,474	895,751	9.8%	19.1%
101,885	102,012	102,762	99,428	88,960	-0.1%	-2.8%
343,308	357,124	348,083	306,871	348,182	2.9%	1.7%
35,951	36,557	34,824	33,658	36,408	1.6%	0.0%
16,426	8,138	9,438	7,040	8,997	4.6%	-0.3%
25,646	25,926	20,337	20,531	21,993	-3.0%	-1.7%
$1,263,635	$1,356,061	$1,326,495	$1,321,002	$1,400,291	6.2%	10.1%
$3,805,066	$3,932,590	$3,801,995	$3,717,976	$3,810,497	1.7%	2.1%
$ 87,547	$ 74,516	$ 70,227	$ 69,067	$ 74,866	-1.5%	-0.4%
96,816	99,573	98,777	94,911	93,954	1.2%	-2.5%
52,871	55,254	54,856	43,255	36,807	-8.5%	-11.8%
55,223	50,571	47,085	44,040	36,786	-2.2%	-7.0%
648	474	294	221	410	-7.7%	0.1%
441,667	395,221	314,732	357,258	331,976	-0.8%	-3.6%
580,652	662,553	704,981	668,412	745,402	14.7%	8.4%
104,430	103,891	104,450	95,974	106,681	0.4%	0.0%
66,396	90,901	61,028	53,668	59,072	-1.0%	1.6%
30,297	28,061	24,579	21,998	30,744	5.7%	5.4%
14,126	14,133	16,471	13,814	19,866	4.1%	9.8%
62,757	60,962	45,407	30,967	17,061	-7.9%	-22.1%
31,679	27,291	18,853	18,319	18,918	-6.5%	-6.5%
486,986	374,758	294,446	205,852	136,234	-11.5%	-22.7%
12,164	13,030	16,012	14,638	17,501	4.7%	10.7%
467,904	523,113	480,288	569,694	576,879	7.4%	8.1%
7,792	11,340	8,961	13,488	298,753	31.8%	103.1%
$2,599,955	$2,585,642	$2,361,447	$2,315,576	$2,601,910	3.2%	1.7%
$6,405,021	$6,518,232	$6,163,442	$6,033,552	$6,412,407	2.3%	1.9%
$ 574,785	$ 113,211	$ (354,790)	$ (129,890)	$ 378,855		
9.8%	1.8%	-5.4%	-2.1%	6.3%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) — ALL FUNDS
Last Ten Fiscal Years and 2018 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008	2009	2010	2011
Revenues:				
Local	$ 2,296,329	$2,382,112	$2,571,804	$2,565,332
State	1,846,034	1,511,886	1,552,076	1,949,781
Federal	876,041	1,125,580	1,180,148	1,144,884
Total revenues	$ 5,018,404	$5,019,578	$5,304,028	$5,659,997
Total expenditures	5,118,180	5,692,250	5,971,793	5,805,434
Revenues less expenditures	$ (99,776)	$ (672,672)	$ (667,765)	$ (145,437)
Other Financing Sources:				
Bond proceeds	$ 1,674,555	$ 225,675	$1,083,260	$ 638,790
Net premiums/discounts	41,226	—	6,459	14,700
Insurance proceeds	—	1,155	—	—
Sales of general capital assets	6,404	91	—	—
Payment to bond escrow agent	(1,474,081)	(226,408)	(288,704)	(269,483)
Total other financing sources	$ 248,104	$ 513	$ 801,015	$ 384,007
Change in fund balance	$ 148,328	$ (672,159)	$ 133,250	$ 238,570
Fund balance — beginning of period	1,578,331	1,726,659	1,054,500	1,187,750
Fund balance — end of period	$ 1,726,659	$1,054,500	$1,187,750	$1,426,320
Revenues as a percent of expenditures	98.1%	88.2%	88.8%	97.5%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	$ 401,281	$ 211,422	$ 340,688	$ —
Reserved for restricted donations	1,826	3,695	5,825	—
Reserved for specific purposes	102,695	101,072	109,163	—
Reserved for debt services	272,471	272,273	375,211	—
Unreserved:				
Designated to provide operating capital	258,000	181,200	—	—
Undesignated	690,386	284,838	356,863	—
Nonspendable	—	—	—	1,972
Restricted for grants and donations	—	—	—	126,855
Restricted for workers' comp/tort immunity	—	—	—	91,036
Restricted for capital improvement program	—	—	—	182,884
Restricted for debt service	—	—	—	271,643
Assigned for educational services	—	—	—	289,000
Assigned for appropriated fund balance	—	—	—	181,300
Assigned for debt service	—	—	—	231,413
Assigned for commitments and contracts	—	—	—	44,924
Unassigned	—	—	—	5,293
Total fund balance	$ 1,726,659	$1,054,500	$1,187,750	$1,426,320
Unreserved/Unassigned fund balance as a percentage of revenues	18.9%	9.3%	6.7%	0.1%
Total fund balance as a percentage of revenues	34.4%	21.0%	22.4%	25.2%

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

2012	2013	2014 (as restated)	2015	2016	2017	Budget 2018
$2,858,567	$2,726,883	$2,694,361	$ 2,791,265	$2,911,343	$3,335,363	$3,509,331
1,965,901	1,815,798	1,840,805	1,847,069	1,552,325	1,708,865	2,080,516
935,951	845,796	907,241	798,931	808,999	783,943	813,405
$5,760,419	$5,388,477	$5,442,407	$ 5,437,265	$5,272,667	$5,828,172	$6,403,252
5,839,704	5,830,236	6,405,021	6,518,232	6,163,442	6,033,552	6,412,406
$ (79,285)	$ (441,759)	$ (962,614)	$(1,080,967)	$ (890,775)	$ (205,381)	$ (9,154)
$ 592,510	982,720	131,600	561,880	724,999	879,580	$ 22,278
1,229	47,271	—	(12,502)	(110,071)	(36,097)	—
—	—	—	—	—	224	—
—	723	7,301	37,504	15,012	6,273	—
(190,100)	(480,597)	—	(397,090)	(120,856)	—	—
$ 403,639	$ 550,117	$ 138,901	$ 189,792	$ 509,084	$ 849,980	$ 22,278
$ 324,354	$ 108,358	$ (823,713)	$ (891,175)	$ (381,691)	$ 644,599	
1,426,320	1,750,674	2,546,502	1,722,789	831,614	449,923	
$1,750,674	$1,859,032	$1,722,789	$ 831,614	$ 449,923	$1,094,522	
98.6%	92.4%	85.0%	83.4%	85.5%	96.6%	
$ —	$ —	$ —	$ —	$ —	$ —	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
9,003	6,108	429	429	429	2,785	
69,873	63,434	61,022	64,155	64,854	51,858	
92,680	64,985	19,838	41,373	35,116	27,344	
88,762	169,368	—	—	107,248	792,586	
332,517	466,966	491,552	545,383	535,116	660,501	
—	—	—	—	—	—	
348,900	562,682	267,652	79,225		—	
254,967	269,167	193,877	57,057		—	
110,397	105,664	87,067	73,101		—	
443,575	150,658	(91,953)	(29,109)	(292,840)	(440,552)	
$1,750,674	$1,859,032	$1,029,484	$ 831,614	$ 449,923	$1,094,552	
7.7%	2.8%	-1.7%	-0.5%	-5.6%	-7.6%	
30.4%	34.5%	18.9%	15.3%	8.5%	18.8%	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES
Last Ten Fiscal Years and 2018 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	2008	2009	2010	2011	2012
Local revenue:					
Property taxes	$1,763,282	$1,867,350	$2,035,938	$1,904,169	$2,295,178
Replacement taxes	159,805	132,819	96,816	172,384	126,786
Investment income	40,905	21,405	3,084	1,920	4,363
Other	96,816	102,107	111,985	221,391	142,160
Total local	$2,060,808	$2,123,681	$2,247,823	$2,299,864	$2,568,487
State Revenue:					
General state aid	$ 953,783	$ 700,954	$ 801,198	$ 940,693	$ 989,943
Teacher pension	75,210	74,845	74,922	42,971	10,449
Other	663,358	557,383	491,677	710,902	756,774
Total state	$1,692,351	$1,333,182	$1,367,797	$1,694,566	$1,757,166
Federal revenue:					
Elementary and Secondary Education Act (ESEA)	$ 350,515	$ 369,352	$ 307,331	$ 271,859	$ 283,681
Individuals with Disabilities Education Act (IDEA)	106,051	95,230	96,240	88,058	84,385
School lunch program	150,394	139,096	178,764	175,753	182,836
Medicaid	31,671	50,758	34,937	72,343	92,736
Other	193,895	468,369	543,140	513,444	247,349
Total federal	$ 832,526	$1,122,805	$1,160,412	$1,121,457	$ 890,987
Total revenue	$4,585,685	$4,579,668	$4,776,032	$5,115,887	$5,216,640
Change in revenue from previous year	$ 303,181	$ (6,017)	$ 196,364	$ 339,855	$ 100,753
Percentage change in revenue	7.1%	-0.1%	4.3%	7.1%	2.0%

STATISTICAL SECTION

2013	2014 (as restated)	2015	2016	2017	Budget 2018	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,157,777	$2,152,753	$2,252,828	$2,313,470	$2,613,889	$2,808,707	4.0%	2.6%
128,212	131,075	143,867	115,961	169,637	90,438	0.6%	6.0%
2,207	4,458	198	1,347	1,964	1,100	-26.2%	-14.8%
132,717	156,115	165,819	271,858	265,099	269,393	10.6%	13.3%
$2,420,913	$2,444,401	$2,562,712	$2,702,636	$3,050,589	$3,169,638	4.0%	3.5%
$ 945,651	$ 972,572	$ 847,420	$ 857,601	$ 683,008	$1,179,121	-3.3%	-7.2%
10,931	11,903	62,145	12,105	1,016	232,992	-35.0%	-37.3%
642,842	645,417	669,759	529,148	603,678	287,297	-0.9%	-4.4%
$1,599,424	$1,629,892	$1,579,324	$1,398,854	$1,287,702	$1,699,410	-2.7%	-6.0%
$ 264,600	$ 342,915	$ 253,514	$ 293,302	$ 357,715	$ 92,538	0.2%	4.7%
106,902	100,092	103,899	93,483	93,096	96,549	-1.3%	2.0%
190,093	189,336	200,412	202,943	198,440	203,444	2.8%	1.7%
41,523	40,879	42,524	34,806	37,108	41,806	1.6%	-16.7%
202,865	194,290	167,199	151,743	65,936	338,642	-10.2%	-23.2%
$ 805,983	$ 867,512	$ 767,548	$ 776,277	$ 752,295	$ 772,979	-1.0%	-3.3%
$4,826,320	$4,941,805	$4,909,584	$4,877,767	$5,090,586	$5,642,027	1.1%	-0.5%
$ (390,320)	$ 115,485	$ (32,221)	$ (31,817)	$ 212,819	$ 551,441		
-7.5%	2.4%	-0.7%	-0.6%	4.4%	10.8%		

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES
Last Ten Fiscal Years and 2018 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008	2009	2010	2011	2012	2013
Compensation:						
Teachers' salaries	$1,885,400	$1,975,940	$2,026,257	$2,023,510	$2,026,832	$1,942,007
ESP salaries	559,741	597,533	604,042	610,741	618,265	633,489
Total salaries	$2,445,141	$2,573,473	$2,630,299	$2,634,251	$2,645,097	$2,575,496
Teachers' pension	350,483	392,801	475,628	306,111	335,657	374,567
ESP pension	89,776	93,791	96,913	102,158	100,026	102,342
Hospitalization	260,386	299,206	311,048	353,878	324,918	319,792
Medicare	31,075	33,667	34,826	35,004	34,900	36,404
Unemployment insurance	5,764	8,599	16,000	21,992	17,141	9,134
Workers' compensation	29,757	28,148	28,244	25,859	26,042	23,967
Total benefits	$ 767,241	$ 856,212	$ 962,659	$ 845,002	$ 838,684	$ 866,206
Total compensation	$3,212,382	$3,429,685	$3,592,958	$3,479,253	$3,483,781	$3,441,702
Non-compensation:						
Energy	$ 86,759	$ 92,354	$ 78,682	$ 83,356	$ 73,409	$ 76,559
Food	83,326	89,592	93,088	93,766	104,245	106,650
Textbooks	89,514	86,356	70,596	70,249	49,147	68,969
Supplies	46,030	44,572	48,046	51,125	45,521	52,925
Commodities — other	910	998	948	478	583	408
Professional fees	360,277	440,921	381,851	450,127	412,072	398,064
Charter schools	189,006	256,154	326,322	377,755	424,423	498,162
Transportation	102,828	109,351	109,349	107,530	109,368	106,861
Tuition	65,105	63,858	62,568	59,102	55,001	54,626
Telephone and telecommunications	17,671	19,426	18,199	19,823	23,451	23,642
Services — other	13,253	13,935	15,688	11,789	11,010	12,438
Equipment	39,003	34,450	33,661	41,896	40,938	59,654
Repairs and replacements	36,999	34,772	31,854	37,355	33,912	26,449
Capital outlays	10	12	10	5	43	75
Rent	11,020	12,000	12,093	11,941	11,745	10,547
Debt service	21,704	1,037	2,710	—	—	—
Other	18,888	13,306	17,519	14,402	9,679	8,639
Total non-compensation	$1,182,303	$1,313,094	$1,303,184	$1,430,699	$1,404,547	$1,504,668
Total expenditures	$4,394,685	$4,742,779	$4,896,142	$4,909,952	$4,888,328	$4,946,370
Change in expenditures from previous year	$ 248,316	$ 348,094	$ 153,363	$ 13,810	$ (21,624)	$ 58,042
Percent change in expenditures	6.0%	7.9%	3.2%	0.3%	-0.4%	1.2%

STATISTICAL SECTION

2014	2015	2016	2017	Budget 2018	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$1,921,969	$1,953,938	$1,869,683	$1,815,309	$1,860,907	-0.1%	-0.8%
619,462	622,591	605,817	581,665	549,299	-0.2%	-2.8%
$2,541,431	$2,576,529	$2,475,500	$2,396,974	$2,410,206	-0.1%	-1.3%
740,419	826,304	811,051	853,474	895,751	9.8%	19.1%
101,885	102,012	102,762	99,428	88,960	-0.1%	-2.8%
343,308	357,124	348,083	306,871	348,182	2.9%	1.7%
35,951	36,557	34,824	33,658	36,408	1.6%	0.0%
16,426	8,138	9,438	7,040	8,997	4.6%	-0.3%
25,646	25,926	20,337	20,531	21,993	-3.0%	-1.7%
$1,263,635	$1,356,061	$1,326,495	$1,321,003	$1,400,291	6.2%	10.1%
$3,805,066	$3,932,590	$3,801,995	$3,717,976	$3,810,497	1.7%	2.1%
$ 87,547	$ 74,516	$ 70,227	$ 69,067	$ 74,866	-1.5%	-0.4%
96,816	99,573	98,777	94,911	93,954	1.2%	-2.5%
52,871	55,254	54,856	43,255	36,807	-8.5%	-11.8%
55,223	50,571	47,085	44,040	36,786	-2.2%	-7.0%
648	474	294	221	410	-7.7%	0.1%
441,667	395,221	314,732	357,258	331,976	-0.8%	-3.6%
580,652	662,553	704,981	668,412	745,402	14.7%	8.4%
104,430	103,891	104,450	95,974	106,681	0.4%	0.0%
66,396	90,901	61,028	53,668	59,072	-1.0%	1.6%
30,297	28,061	24,579	21,998	30,744	5.7%	5.4%
14,126	14,133	16,471	13,814	19,866	4.1%	9.8%
62,757	60,962	45,407	30,967	17,061	-7.9%	-22.1%
31,679	27,291	18,853	18,319	18,918	-6.5%	-6.5%
—	5	1,135	1,017	—	-11.5%	-22.7%
12,164	13,030	16,012	14,638	17,501	4.7%	10.7%
—	—	25,003	38,735	—	7.4%	8.1%
7,792	11,340	8,961	13,488	298,753	31.8%	103.1%
$1,645,068	$1,687,776	$1,612,851	$1,579,782	$1,888,797	3.2%	1.7%
$5,450,131	$5,620,366	$5,414,849	$5,297,758	$5,699,294	2.3%	1.9%
$ 574,785	$ 113,211	$ (354,790)	$ (322,608)	$ 378,855		
9.8%	1.8%	-5.4%	-5.7%	6.3%		

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
Last Ten Fiscal Years and 2018 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2008	2009	2010	2011
Revenues:				
Local	$2,060,808	$2,123,681	$2,247,823	$2,299,864
State	1,692,351	1,333,182	1,367,797	1,694,566
Federal	832,526	1,122,805	1,160,412	1,121,457
Total revenues	$4,585,685	$4,579,668	$4,776,032	$5,115,887
Total expenditures	4,394,685	4,742,779	4,896,142	4,909,952
Revenues less expenditures	$ 191,000	$ (163,111)	$ (120,110)	$ 205,935
Other financing sources less transfers	3,813	20,389	17,851	109,830
Change in fund balance	$ 194,813	$ (142,722)	$ (102,259)	$ 315,765
Fund balance — beginning of period	474,783	669,596	526,874	424,615
Fund balance — end of period	$ 669,596	$ 526,874	$ 424,615	$ 740,380
Revenues as a percent of expenditures	104.3%	96.6%	97.5%	104.2%
Composition of fund balance				
Reserved:				
Reserved for encumbrances	$ 132,684	$ 110,685	$ 111,166	$ —
Reserved for restricted donations	1,826	3,695	5,825	—
Reserved by law for specific purposes	102,695	101,072	109,163	—
Unreserved:				
Designated to provide operating capital	258,000	181,200	—	—
Undesignated	174,391	130,222	198,461	—
Nonspendable	—	—	—	1,972
Restricted for grants and donations	—	—	—	126,855
Restricted for workers' comp/tort immunity	—	—	—	91,036
Assigned for 2017 Budget	—	—	—	—
Assigned for educational services	—	—	—	289,000
Assigned for appropriated fund balance	—	—	—	181,300
Assigned for commitments and contracts	—	—	—	44,924
Unassigned	—	—	—	5,293
Total fund balance	$ 669,596	$ 526,874	$ 424,615	$ 740,380
Unreserved/unassigned fund balance as a percent of revenues	9.4%	6.8%	4.2%	0.1%
Total fund balance as a percentage of revenues	14.6%	11.5%	8.9%	14.5%

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

2012	2013	2014 (as restated)	2015	2016	2017	Budget 2018
$2,568,487	$2,420,913	$2,444,401	$2,562,712	$2,702,635	$3,050,589	$3,252,500
1,757,166	1,599,424	1,629,892	1,579,324	1,398,855	1,287,702	1,666,000
890,987	805,983	867,512	767,548	776,277	752,295	773,000
$5,216,640	$4,826,320	$4,941,805	$4,909,584	$4,877,767	$5,090,586	$5,691,500
4,888,328	4,946,370	5,450,131	5,620,366	5,414,846	5,297,758	5,749,900
$ 328,312	$ (120,050)	$ (508,326)	$ (710,782)	$ (537,079)	$ (207,172)	$ (58,400)
62	439	161	(12,915)	50,162	58,574	
$ 328,374	$ (119,611)	$ (508,165)	$ (723,697)	$ (486,917)	$ (148,598)	
740,380	1,068,754	1,592,147	1,083,982	360,285	(126,632)	
$1,068,754	$ 949,143	$1,083,982	$ 360,285	$ (126,632)	$ (275,230)	
106.7%	97.6%	90.7%	87.4%	90.1%	96.1%	
$ —	$ —	$ —	$ —	$ —	$ —	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
3,329	1,720	429	429	429	429	
69,873	63,434	61,022	64,155	64,854	51,858	
92,680	64,985	19,838	41,373	35,116	27,344	
—	—	—	—	—	—	
—	—	—	—	—	—	
348,900	562,682	267,652	79,225	—	—	
110,397	105,664	87,067	73,101	—	—	
443,575	150,658	—	102,002	(227,031)	(354,861)	
$1,068,754	$ 949,143	$ 436,008	$ 360,285	$ (126,632)	$ (275,230)	
8.5%	3.1%	0.0%	2.1%	-4.7%	-7.0%	
20.5%	19.7%	8.8%	7.3%	-2.6%	-5.4%	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF TORT EXPENDITURES
As Required Under Section 9-103 (a-5) of the Tort Immunity Act
For the Fiscal Year Ended June 30, 2017

Eligible Expenditures:	
Other General Charges	$ 1,075,000
Physical Education — Athletic Claims	163,871
Summer School	152,811
Legal Services	759,458
Tort Claims — Administration Fee	503,125
Tort Claims — Major Settlements	1,896,951
Tort Claims — Casualty	727,600
General Liability Insurance	2,468,118
Property Damage Insurance	2,022,974
Property Loss Reserve Fund	31,308
Investigations — Administration	64,840
School Safety Services	20,561,634
School Security Personnel	52,487,053
Central Service Security	4,097,437
Security Services	4,392,845
Risk Management Administration	9,100
Technology Purchases	7,163
Total Eligible Expenditures	$91,421,288

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS
For the Fiscal Year Ended June 30, 2017

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

	Beginning Balance	Cash Receipts	Cash Disbursements	Amounts Held for Student Activities
Checking:				
Elementary Schools	$19,765,881	$31,195,727	$31,116,039	$19,845,569
Child Parent Centers	37,489	51,622	59,755	29,356
Alternative Schools	12,504	19,035	19,005	12,534
Middle Schools	245,524	614,527	542,201	317,850
High Schools	19,199,871	29,144,441	27,555,039	20,789,273
	$39,261,269	$61,025,352	$59,292,039	$40,994,582
Investments:				
Elementary Schools				67,376
High Schools				225,573
Total Cash and Investments Held for Student Activities				$41,287,531

STUDENT FEES

	Graduation Fees (A)	Student Activity Fees (B)	Total
Total Elementary School Fees	$1,702,345	$3,297,688	$ 5,000,033
Total Elementary Students	239,606	239,606	239,606
Average Fee per Student	$ 7.10	$ 13.76	$ 20.87
Total High School Fees	$ 898,134	$9,754,831	$10,652,965
Total High School Students	83,739	83,739	83,739
Average Fee per Student	$ 10.73	$ 116.49	$ 127.22

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, 2017

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
BROKER SERVICES	Mesirow Insurance Services, Inc. an Alliant-owned company	07/01/16 — 06/30/17	$ 100,000	Insurance placement and consultation. The contract with Mesirow for these services has been extended and continues until Feb 28, 2018.
PROPERTY INSURANCE				
All Risk-Property Insurance layers				
Property Primary I	Lexington Insurance Company	07/01/16 — 06/30/17	$ 1,797,450	$50M per occurrence subject to $5M deductible
Property Excess II	Starr Specialty Insurance Chubb Insurance GSINDA Insurance	07/01/16 — 06/30/17	71,638	$25M per occurrence $50M excess $50M
Property Excess II	Steadfast Insurance (Zurich) Company	07/01/16 — 06/30/17	73,553	$25M per occurrence $50M excess $50M
Boiler & Machinery Insurance	Federal Insurance Company (Chubb)	07/01/16 — 06/30/17	83,980	$100M subject to $50,000 deductible
			$ 2,026,621	Total Property, Boiler & Machinery for year end 06/30/16
Property Loss Reserve			—	Self-Insurance contents/claim payments
Total Property Program			$ 2,026,621	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2017

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
LIABILITY INSURANCE				
General Liability, Auto, SBLL, EPL, Abuse	Gemini Insurance Co (Berkley)	07/01/16 — 06/30/17	$ 445,910	$5M excess $10M Self Insured Retention
Excess Liability II	Lexington Insurance Company	07/01/16 — 06/30/17	881,450	$10M excess of $15M Self Insured Retention (does not follow form of Gemini)
Excess Liability III	Ironshore Specialty Insurance Company	07/01/16 — 06/30/17	451,384	$10M excess of $10M excess of $15M Self Insured Retention (follows form of Lexington)
Excess Liability IV	AXIS Surplus Insurance Company	07/01/16 — 06/30/17	362,950	$10M excess of $10M excess of $10M excess of $15M Self Insured Retention (follows form of Lexington)
Excess Liability V	Lexington Insurance Company	07/01/16 — 06/30/17	259,250	$10M excess of $10M excess of $10M excess of $10 excess $15M Self Insured Retention (follows form of Lexington)
Special Events CGL	National Casualty Insurance Company	07/01/16 — 06/30/17	50,571	$1M/no deductible/$5M Product Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/16 — 06/30/17	16,603	$5M excess of $5M no deductible
Fiduciary	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/16 — 06/30/17	83,123	$10 million no deductible
Student Catastrophic	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/16 — 06/30/17	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)		5,763	$1M/deductible varies/$4M master control program agg
Total Liability Insurance Cost			$ 2,663,989	
Total Insurance Cost			$ 4,690,610	

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2017

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc.	07/01/16 — 06/30/17	$ 3,702,730	Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc.	07/01/16 — 06/30/17	525,000	Administration fees
			$ 4,227,730	Total General Liability Claims and Expenses
Workers' Compensation Claims	Cannon, Cochran, Management Services, Inc.	07/01/16 — 06/30/17	$ 1,075,000	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.	07/01/16 — 06/30/17	19,018,038	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
			$ 20,093,038	Total Workers Compensation Claims and Expenses
Total Self Insured Program			$ 24,320,768	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2017

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
HEALTH INSURANCE / HMO/PPO				
Medical-Administrative Services	Blue Cross PPO	07/01/16 — 06/30/17	$ 5,790,146	PPO health care for eligible employees and dependents
	Blue Cross PPO with HSA	07/01/16 — 06/30/17	297,313	PPO health care for eligible employees and dependents that includes a health savings account. This plan was instituted in 2017.
	United Healthcare HMO(EPO), PPO, & PPO w/HRA	07/01/16 — 06/30/17	1,667,524	Health care for eligible employees and dependents. Administrative costs for these three plans are paid together. Plans with this vendor terminated on December 31, 2016
	Blue Cross HMO Illinois	07/01/16 — 06/30/17	21,677,445	HMO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. No premiums were paid in 2017.
	Blue Cross Blue Advantage HMO	07/01/16 — 06/30/17	38,250,937	HMO health care for eligible employees and dependents
Medical Total Administrative Fees			$ 67,683,365	
Medical PPO Claim	Blue Cross PPO and PPO with HSA	07/01/16 — 06/30/17	$113,119,906	PPO and PPO with HSA Health care for eligible employees and dependents
	United Healthcare PPO	07/01/16 — 06/30/17	36,375,011	PPO health care for eligible employees and dependents. The PPO plan terminated December 31,2016. Payments made to the vendor are claims for services provided prior to the termination date.
	United Healthcare PPO w/HRA	07/01/16 — 06/30/17	184,179	PPO with HSA health care for eligible employees and dependents. The PPO plan terminated December 31, 2016. Payments made to the vendor are claims for services provided prior to the termination date.
Medical Total PPO Claims			$149,679,096	
Medical HMO Claims	Blue Cross Blue Advantage HMO	07/01/16 — 06/30/17	$ 33,105,379	HMO Healthcare for eligible employees and dependents and Claims and Physician Service Fees

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2017

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
	Blue Cross HMO Illinois	07/01/16 — 06/30/17	$ 35,568,562	HMO Healthcare 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 2017.
	United Healthcare HMO (EPO)	07/01/16 — 06/30/17	147,764	The HMO (EPO) plan terminated December 31, 2015. Payments made to the vendor are claims for services provided prior to the termination date.
Medical Total HMO Claims			$ 68,821,705	
Medical Claims Total		07/01/16 — 06/30/17	$218,500,801	
Health Savings Account	HSA Bank	07/01/16 — 06/30/17	$ 1,727,839	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		07/01/16 — 06/30/17	$287,912,005	
Managed Mental Health Service	United Behavioral Health	07/01/16 — 06/30/17	$ 2,095,951	Mental health care for PPO eligible employees and dependents. Contract with this vendor terminated on December 31, 2016 and premiums are no longer paid as of that date, but claims for 2016 services continue to be paid in 2017.
Utilization Review and Case Management	Telligen	07/01/16 — 06/30/17	578,274	Pre-certification, utilization review and case management for PPO eligible employees and dependents. Contract with this vendor terminated December 31, 2016.
Prescription Drugs	Caremark	07/01/16 — 06/30/17	74,746,492	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses		07/01/16 — 06/30/17	$365,332,722	

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)
For the Fiscal Year Ended June 30, 2017

Type of Coverage	Provider Broker/ Insurer/TPA	Term From — To	Annual Expense	Coverage Details Limits of Liability
OTHER INSURANCE				
Dental Insurance	Delta Dental HMO	07/01/16 — 06/30/17	$ 2,610,803	Dental HMO for eligible employees and dependents
	Delta Dental PPO	07/01/16 — 06/30/17	8,411,352	Dental PPO for eligible employees and dependents
Dental Insurance Total			$ 11,022,155	
Vision Plan	Vision Service Plan (VSP)	07/01/16 — 06/30/17	$ 2,288,442	Vision services for eligible employees and dependents
Term Life Insurance	Aetna Life Insurance	07/01/16 — 06/30/17	$ 273,911	Life insurance policy at $10,000 per eligible employee
Total Dental/Vision/Life			$ 13,584,508	
Total Health/Life Benefit Expenses			$ 378,917,230	

STATISTICAL SECTION

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, 2017
(Millions of dollars)

	2008	2009	2010
Unexpended (over expended)	$ 646.4	$565.7	$ 73.9
Proceeds available from bond issuance	252.5	—	803.8
Property Taxes			
State aid	0.1	—	—
Federal aid	43.5	2.8	12.3
Investment income	25.9	12.5	2.0
Other income	60.4	127.5	83.1
Total	$1,028.8	$708.5	$975.1
Expenditures	463.1	634.6	666.7
Operating transfers in (out)	—	—	(46.8)
Unexpended	$ 565.7	$ 73.9	$261.6
Encumbrances	268.6	73.9	229.5
Available balance	$ 297.1	$ —	$ 32.1

NOTES:

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

B) Beginning in fiscal year 2013, the proceeds available from bond issuance includes both premiums and gross amounts from debt issuances.

C) In fiscal year 2015, CPS changed its revenue recognition policy resulting in a restatement to fiscal year 2014 balances.

2011	2012	2013 (B)	2014 (C)	2015	2016	2017
$261.6	$182.2	$ 88.1	$174.2	$ (91.9)	$(157.1)	$ 66.4
382.3	402.4	508.9	131.3	148.5	364.0	775.5
					42.5	48.4
2.8	1.3	6.9	37.8	31.6	39.4	30.1
4.4	18.1	13.6	14.9	6.5	7.7	6.7
2.1	5.5	1.9	0.8	0.4	0.1	2
91.5	54.2	88.0	31.3	107.2	62.9	21.1
$744.7	$663.7	$707.4	$390.3	$ 202.3	$ 359.5	$950.2
562.3	576.8	493.4	482.2	359.4	293.1	204.8
(0.2)	1.2	(41.6)	—	—	—	—
$182.2	$ 88.1	$172.4	$ (91.9)	$(157.1)	$ 66.4	$745.4
182.2	88.1	172.4	(91.9)	(157.1)	66.4	745.4
$ —	$ —	$ —	$ —	$ —	$ —	$ —

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2013	2014	2015 (A)	2016 (A)	2017 (A)
DAYS MEALS SERVED:					
National School Lunch Program	181	177	178	176	178
PUPIL LUNCHES SERVED:					
Paid lunches (regular)	1,528,287	1,324,623	—	—	—
Reduced lunches (regular)	1,919,787	1,353,204	—	—	—
Free lunches (regular)	40,730,512	40,531,544	43,507,955	42,061,499	40,401,995
TOTAL PUPIL LUNCHES SERVED	$44,178,586	$43,209,371	$43,507,955	$42,061,499	$40,401,995
Daily Average	244,081	244,121	244,427	238,986	226,978
Change from Previous Year	804,148	(969,215)	298,584	(1,446,456)	(1,659,504)
Daily Percentage Change	-2.6%	0.0%	0.1%	-2.2%	-5.0%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)	1,694,160	1,534,733	—	—	—
Reduced breakfasts (regular)	1,023,368	724,873	—	—	—
Free breakfasts (regular)	24,138,173	23,724,239	26,144,917	24,850,825	23,511,510
TOTAL PUPIL BREAKFASTS SERVED	$26,855,701	$25,983,845	$26,144,917	$24,850,825	$23,511,510
Daily Average	148,374	146,801	146,882	141,198	132,087
Change from Previous Year	(209,556)	(871,856)	161,072	(1,294,092)	(1,339,315)
Daily Percentage Change	-5.2%	-1.1%	0.1%	-3.9%	-6.5%
TOTAL MEALS SERVED	$71,034,287	$69,193,216	$69,652,872	$66,912,324	$63,913,505
Daily Average	392,455	390,922	391,308	380,184	359,065
Total Change From Previous Year	594,592	(1,841,071)	459,656	(2,740,548)	(2,998,819)
Daily Percentage Change	-3.6%	-0.4%	0.1%	-2.8%	-5.6%
NUMBER OF ADULT LUNCHES (REGULAR)	61,741	429,877	241,263	241,533	217,541
Daily Average	341	2,429	1,355	1,372	1,222
Total Change From Previous Year	(52,842)	368,136	(188,614)	270	(23,992)
Daily Percentage Change	-48.5%	612.2%	-44.2%	1.3%	-10.9%

NOTE:

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

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

	2013	2014	2015	2016	2017
REVENUE:					
Federal and State Sources	$197,514	$189,152	$204,975	$207,506	$203,003
Local Sources	32,137	13,698	7,747	8,428	8,704
Total Revenue	$229,651	$202,850	$212,722	$215,934	$211,707
EXPENDITURES:					
Career Service Salaries	$ 71,124	$ 60,680	$ 60,303	$ 61,566	$ 62,551
Career Service Pension	12,136	10,282	10,374	11,121	11,359
Hospitalization	22,907	23,567	23,562	23,770	21,351
Food	103,972	92,984	94,576	94,619	92,500
Professional and Special Services	1,544	2,927	3,942	4,234	4,909
Administrative Allocation	14,624	10,124	7,665	11,184	9,205
Other	3,344	2,286	2,174	3,351	5,878
Total Expenditures	$229,651	$202,850	$202,596	$209,845	$207,753
Revenues in excess of Expenditures	$ —	$ —	$ 10,126	$ 6,089	$ 3,954
DAILY AVERAGE					
Revenues	$ 1,269	$ 1,146	$ 1,195	$ 1,227	$ 1,189
Expenditures	$ 1,269	$ 1,146	$ 1,138	$ 1,192	$ 1,167
PERCENTAGE CHANGE					
Revenues	2.7%	-11.7%	4.9%	1.5%	-2.0%
Expenditures	2.7%	-11.7%	-0.1%	3.6%	-1.0%

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For Fiscal Year Ended June 30, 2017

With Comparative Amounts for the Period Ended June 30, 2016

	2017 Schools	2017 Administrative Center	Total
Electricity			
Total Electricity Charges	$ 48,922,397	$ 137,317	$ 49,059,714
Kilowat Hours	526,124,627	1,304,676	527,429,303
Charge per Kilowatt Hour	$ 0.09299	$ 0.10525	$ 0.09302
Gas			
Total Gas Charges	$ 20,007,024	$ —	$ 20,007,024
Therms	28,948,830	—	28,948,830
Charge per Therm	$ 0.69112	$ —	$ 0.69112

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY SALES AND PURCHASES
For the Fiscal Year Ended June 30, 2017

Sales

Unit Location	Date Acquired	Net Book Value	Gross/Sales Proceeds	Gain / (Loss) on Sale
5221 W Congress Parkway	N/A*	$ —	$ 201,065	$ 201,065
1345 N Rockwell St	1979	58,390	—**	(58,390)
1852 S Albany Ave	1918	—	—**	—
5200 N Ashland	1909	3,606,067	5,250,000	1,643,933
116th & Oakley	N/A*	125,025	—**	(125,025)
91st & Vanderpoel	1974	195,000	—**	(195,000)
13425 S Baltimore	2000	28,811	30,400	1,589
		$4,013,293	$5,481,465	$1,468,172

Purchases

Unit Location	Date Acquired	School	Purchase Cost
7131-7145 W. 64th Place	06/05/17	Dore	$1,891,183
16th & Dearborn	01/27/17	South Loop	5,100,000
			$6,991,183

NOTE:

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

** Property was transferred to the City of Chicago

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)
2008	$42,021	$59,504	$76,986	4.00%
2009	43,702	62,384	81,065	4.00%
2010	45,450	64,879	84,308	4.00%
2011	47,268	67,974	88,680	4.00%
2012	47,268	68,474	89,680	0.00%
2013	48,686	70,644	92,602	3.00%
2014	49,660	72,163	94,666	2.00%
2015	50,653	73,706	96,759	2.00%
2016	50,653	73,706	96,759	0.00%
2017	50,653	73,706	96,759	0.00%

NOTES:

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

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

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

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TEACHERS' PENSION FUNDING ANALYSIS
Last Five Fiscal Years
(Thousands of dollars)

Fiscal Year	Employer and Employee Contribution	Net Assets of Plan (Fair Market Value)	Unfunded Obligation (Assets at Fair Market Value)	% Funded of Pension Obligation Fund at Year End (Assets at Fair Market Value)	% Unfunded (Assets at Fair Market Value)
2012	$335,657	$ 9,364,077	$8,011,584	53.9%	46.1%
2013	374,567	9,422,519(A)	9,622,014(A)	49.5%(A)	50.5%
2014	740,419	10,045,543	9,458,351	51.5%	48.5%
2015	826,304	10,344,375	9,606,915	51.9%	48.1%
2016	811,051	10,610,747	9,635,393	52.4%	47.6%

NOTE:

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

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS

Last Five Fiscal Years

Fiscal Year	School Year	Average Daily Attendance (A)	Operating Expenses Per Pupil (B)	Per Capita Tuition Charge (C)
2013	2012-13	365,974	$13,791	$10,412
2014	2013-14	366,077	15,120	11,707
2015	2014-15	363,276	15,310	12,229
2016	2015-16	361,764	14,973	12,544
2017	2016-17	347,001	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.

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	2008	2009
Elementary		
Pre-Kindergarten	21,388	23,325
Kindergarten	27,901	28,975
Grades 1-3	93,853	93,416
Grades 4-6	90,701	89,234
Grades 7-8	62,217	59,839
Total Elementary	296,060	294,789
Secondary		
9th Grade	35,151	34,233
10th Grade	31,994	32,177
11th Grade	24,608	25,292
12th Grade	20,788	21,464
Total Secondary	112,541	113,166
Grand Total	408,601	407,955

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

2010	2011	2012	2013	2014	2015	2016	2017
24,370	23,705	24,232	24,507	23,671	22,873	22,555	20,673
29,632	28,812	29,594	30,936	30,166	28,978	27,651	26,093
92,581	91,899	92,302	91,880	92,251	92,526	91,347	86,610
88,695	87,834	87,630	86,966	86,244	86,066	85,391	85,022
58,231	56,791	56,520	56,773	56,184	54,233	54,174	53,898
293,509	289,041	290,278	291,062	288,516	284,676	281,118	272,296
32,877	31,081	30,336	29,812	30,069	30,366	29,130	27,623
34,659	33,303	32,230	31,343	30,963	31,130	31,189	29,704
25,436	26,277	27,039	26,610	26,500	26,378	26,714	27,284
22,798	22,979	24,268	24,634	24,497	24,133	24,134	24,442
115,770	113,640	113,873	112,399	112,029	112,007	111,167	109,053
409,279	402,681	404,151	403,461	400,545	396,683	392,285	381,349

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Elementary……………..…	20.0	23.5	21.3	23.2	23.3	24.6	25.2	25.4	25.8	24.7
Secondary………………..	16.3	19.5	19.7	19.8	19.2	19.8	21.5	21.9	20.3	23.7

Source: Illinois State Board of Education

NOTE:

Starting in 2009, the ratio includes Charter Schools.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION

Last Five Fiscal Years

As of June 30, 2017

Functions	2013	2014	2015	2016	2017
Instruction	26,909	26,123	26,261	25,615	25,044
Support services:					
Pupil support services	5,010	4,676	4,652	4,415	4,476
Administrative support services	1,063	1,042	1,038	705	821
Facilities support services	1,633	1,527	1,468	1,427	1,417
Instructional support services	3,311	2,920	2,965	2,788	2,671
Food services	3,562	2,860	2,762	2,721	2,712
Community services	339	266	247	250	204
Total government employees	41,827	39,414	39,393	37,921	37,345

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Number of Schools						
Elementary (A)	474	474	474	474	473	468
Special (C)	17	17	13	12	12	12
High School	98	98	109	107	103	98
Vocational/Technical (C)	10	10	8	8	8	8
Charter Schools	28	67	71	82	87	95
Kindergarten to H.S. (K-12) (C)	—	—	—	—	—	—
Total Schools	627	666	675	683	683	681
School Enrollment (B)						
Elementary (A)	279,823	274,875	272,308	264,569	263,540	261,638
Special (C)	2,846	2,762	2,073	1,940	1,839	1,961
High School	88,936	90,055	91,390	87,061	85,068	81,735
Vocational/Technical (C)	14,219	11,251	9,956	8,833	8,226	7,927
Charter Schools	22,777	29,012	33,552	40,278	45,478	50,200
Kindergarten to H.S. (K-12) (C)	—	—	—	—	—	—
Total School Enrollment	408,601	407,955	409,279	402,681	404,151	403,461
Number of High School Graduates	20,285	18,972	22,245	20,131	20,914	22,447

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 fiscal year 2014 and prior years. As a result, there is no longer a category for "Vocational/Technical", "Special" or "Kindergarten to H.S (K-12)" in fiscal year 2016.

2013-2014	2014-2015	2015-2016	2016-2017
422	426	425	424
5	—	—	—
109	121	122	118
—	—	—	—
126	131	129	122
5	—	—	—
667	678	676	664
254,864	251,554	247,487	239,606
907	—	—	—
86,184	88,183	86,208	83,739
—	—	—	—
54,572	56,946	58,590	58,004
4,018	—	—	—
400,545	396,683	392,285	381,349
22,817	22,825	22,839	22,805

BAKER TILLY

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, 2017, 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 24, 2018. Our report includes an emphasis of matter paragraph relative to the adoption of the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*, and GASB Statement No. 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68, and No. 73*, both effective July 1, 2016. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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.

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

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 24, 2018

BAKER TILLY

REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 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, 2017. 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.

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

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, 2017.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the governmental activities and each major fund of Chicago Public Schools, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements. We issued our report thereon dated January 24, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report includes an emphasis of matter paragraph relative to the adoption of the provisions of GASB Statement No. 77, *Tax*

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

Abatement Disclosures, and GASB Statement No. 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68, and No. 73*, both effective July 1, 2016. Our opinion is not modified with respect to this matter. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The basic financial statements of Chicago Public Schools as of and for the year ended June 30, 2016 (not presented herein) were audited by other auditors whose report contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated January 23, 2017, stated that 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, 2016 was subjected to the auditing procedures applied in the audit of the 2016 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 and, in their opinion, were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 24, 2018

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number
NATIONAL SECURITY AGENCY				
Direct Funding				
Language Grant Program	Startalk Arabic and Chinese Language Institute	N/A	12.900	H-98230-16-1-0085
	TOTAL NATIONAL SECURITY AGENCY			
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Illinois State Board of Education (ISBE)				
Child Nutrition Cluster				
National School Lunch Program	Lunch Program	4210	10.555	15-4210-00
		4210	10.555	16-4210-00
		4210	10.555	17-4210-00
	Food Donation Program * Noncash Awards	4290	10.555	17-4290-00
School Breakfast Program	Breakfast Program	4220	10.553	16-4220-00
		4220	10.553	17-4220-00
	Total Child Nutrition Passed Through Illinois State Board of Education (including cluster)			
Passed Through Illinois State Board of Education (ISBE)				
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	16-4226-00
		4226	10.558	17-4226-00
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	16-4240-15 / 16-4240-16
		4240	10.582	17-4240-16 / 17-4240-17
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (not including cluster)			
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (including cluster)			
Passed Through Northwestern Illinois Association				
Team Nutrition Grants	Illnet Mini Grants	N/A	10.574	N/A
	Total U. S. Department of Agriculture Passed Through Northwestern Illinois Association			
Direct Funding				
Plant and Animal Disease, Pest Control, and Animal Care	Summer Internship Program	N/A	10.025	16-1001-0899-CA
	TOTAL U.S. DEPARTMENT OF AGRICULTURE			
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	10-4620-00
		4620	84.027A	16-4620-00
		4620	84.027A	17-4620-00
	Room and Board	4625	84.027A	16-4625-00
		4625	84.027A	17-4625-00
Special Education — Preschool Grants	IDEA — Pre-School Flow Through	4600	84.173A	16-4600-00
		4600	84.173A	17-4600-00
	IDEA — Pre-School Discretionary	4605	84.173A	16-4605-01
		4605	84.173A	17-4605-01
	Total Special Education Cluster (IDEA)			
Passed Through Illinois State Board of Education (ISBE)				
Title I Grants to Local Education Agencies	Title I — Low Income	4300	84.010A	12-4300-00
		4300	84.010A	16-4300-00
		4300	84.010A	17-4300-00
	ESEA — School Improvement	4331	84.010A	16-4331-SS
		4331	84.010A	17-4331-SS
	ESEA — Title I — Low Income — Neglected Private	4305	84.010A	15-4305-00
		4305	84.010A	16-4305-00
		4305	84.010A	17-4305-00
	ESEA — Title I — Low Income — Delinquent Private	4306	84.010A	16-4306-00
		4306	84.010A	17-4306-00
Supporting Effective Instruction State Grants	Title IIA — Teacher Quality	4932	84.367A	16-4932-00
	Title IIA — Teacher Quality	4932	84.367A	17-4932-00
	Title II — Teacher Quality Leadership	4935	84.367A	16-4935-02
		4935	84.367A	17-4935-02
English Language Acquisition State Grants	Title III — Lang Inst Prog — Limited Eng LIPLEP	4909	84.365A	16-4909-00
		4909	84.365A	17-4909-00
	Title III — Immigrant Education Program (IEP)	4905	84.365A	17-4905-00

Contract Period	Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2016	Cash (Received) Refunded July 1, 2016 June 30, 2017	Revenue Recognized July 1, 2016 June 30, 2017	Federal Award Expenditures July 1, 2016 June 30, 2017	Pass Through to Subrecipients July 1, 2016 June 30, 2017	Accrued (Deferred) Grant Revenue June 30, 2017	Prior Years' Expenditures Through June 30, 2016	Final Status Cumulative Expenditures Through June 30, 2017
04/01/16-02/28/17	$ 89,984	$ 4,267	$ 87,949	$ 83,682	$ 83,682	$ —	$ —	$ 4,267	$ 87,949
	$ 89,984	**$ 4,267**	**$ 87,949**	**$ 83,682**	**$ 83,682**	**$ —**	**$ —**	**$ 4,267**	**$ 87,949**
09/01/14-09/30/15	N/A	$ 1,497,589	$ 1,497,589	$ —	$ —	$ —	$ —	$129,195,804	$129,195,804
09/01/15-09/30/16	N/A	7,932,376	10,193,027	2,260,651	2,260,651	—	—	131,211,635	133,472,286
09/01/16-09/30/17	N/A	—	119,002,794	127,532,020	127,532,020	—	8,529,226	—	127,532,020
07/01/16-06/30/17	N/A	—	13,673,672	13,673,672	13,673,672	—	—	—	13,673,672
09/01/15-09/30/16	N/A	3,603,296	9,128,742	5,525,446	5,525,446	—	—	43,987,777	49,513,223
09/01/16-09/30/17	N/A	—	38,708,043	41,999,463	41,999,463	—	3,291,420	—	41,999,463
	$ —	**$13,033,261**	**$192,203,867**	**$190,991,252**	**$190,991,252**	**$ —**	**$11,820,646**	**$304,395,216**	**$495,386,468**
09/01/15-09/30/16	N/A	$ 1,062,073	$ 1,318,380	$ 256,307	$ 256,307	$ —	$ —	$ 7,533,432	$ 7,789,739
09/01/16-09/30/17	N/A	—	6,850,939	7,192,622	7,192,622	—	341,683	—	7,192,622
07/01/15-09/30/16	N/A	378,816	378,816	—	—	—	—	2,169,265	2,169,265
07/01/16-09/30/17	N/A	—	1,348,650	1,698,006	1,698,006	—	349,356	—	1,698,006
	$ —	**$ 1,440,889**	**$ 9,896,785**	**$ 9,146,935**	**$ 9,146,935**	**$ —**	**$ 691,039**	**$ 9,702,697**	**$ 18,849,632**
	$ —	**$14,474,150**	**$202,100,652**	**$200,138,187**	**$200,138,187**	**$ —**	**$12,511,685**	**$314,097,913**	**$514,236,100**
09/01/10-05/31/16	$ 5,500	$ 1,200	$ —	$ (1,200)	$ (1,200)			$ 5,500	$ 4,300
	$ 5,500	**$ 1,200**	**$ —**	**$ (1,200)**	**$ (1,200)**	**$ —**	**$ —**	**$ 5,500**	**$ 4,300**
01/01/16-12/31/16	$ 7,200	$ —	$ 7,200	$ 7,200	$ 7,200	$ —	$ —	$ —	$ 7,200
	$ 12,700	**$14,475,350**	**$202,107,852**	**$200,144,187**	**$200,144,187**	**$ —**	**$12,511,685**	**$314,103,413**	**$514,247,600**
07/01/09-08/31/10	$ 96,011,080	$ —	$ 62,718	$ 62,718	$ 62,718	$ —	$ —	$ 90,882,375	$ 90,945,093
07/01/15-08/31/16	90,119,237	4,586,835	5,490,404	903,569	903,569	—	—	89,199,602	90,103,171
07/01/16-08/31/17	92,962,285	—	81,464,718	90,619,014	90,619,014	—	9,154,296	—	90,619,014
09/01/15-08/31/16	N/A	—	1,143,524	1,143,524	1,143,524	—	—	1,080,903	2,224,427
09/01/16-08/31/17	N/A	—	640,347	1,081,476	1,081,476	—	441,129	—	1,081,476
07/01/15-08/31/16	1,311,409	473,401	473,803	402	402	—	—	1,163,840	1,164,242
07/01/16-08/31/17	1,636,546	—	985,855	1,268,078	1,268,078	—	282,223	—	1,268,078
			—						
07/01/15-08/31/16	489,250	190,214	219,990	29,776	29,776	—	—	381,434	411,210
07/01/16-08/31/17	508,435	—	263,577	443,773	443,773	—	180,196	—	443,773
	$283,038,242	**$ 5,250,450**	**$ 90,744,936**	**$ 95,552,330**	**$ 95,552,330**	**$ —**	**$10,057,844**	**$182,708,154**	**$278,260,484**
07/01/11-08/31/12	$332,558,791	$ 450,001	$ 2,036,437	$ 1,586,436	$ 1,586,436	$ —	$ —	$290,751,234	$292,337,670
07/01/15-08/31/16	323,134,906	37,765,802	44,064,047	6,298,245	6,298,245	1,561,913	—	272,206,021	278,504,266
07/01/16-08/31/17	303,328,046	—	223,731,459	272,374,435	272,374,435	41,630,594	48,642,976	—	272,374,435
07/01/15-06/30/16	3,915,800	1,860,010	2,294,374	434,364	434,364	—	—	3,481,037	3,915,401
07/01/16-06/30/17	3,915,800	—	3,288,626	3,793,554	3,793,554	—	504,928	—	3,793,554
07/01/14-08/31/15	693,584	(121,813)	(121,813)	—	—	—	—	600,431	600,431
07/01/15-08/31/16	680,886	208,320	385,541	177,221	177,221	—	—	399,273	576,494
07/01/16-08/31/17	684,384	—	293,713	409,107	409,107	—	115,394	—	409,107
07/01/15-08/31/16	1,166,491	264,920	368,796	103,876	103,876	—	—	762,882	866,758
07/01/16-08/31/17	947,785	—	434,171	599,909	599,909	—	165,738	—	599,909
07/01/15-08/31/16	43,655,852	5,183,627	8,234,859	3,051,232	3,051,232	237,816	—	27,012,189	30,063,421
07/01/16-08/31/17	47,233,993	—	33,590,721	39,346,867	39,346,867	4,230,842	5,756,146	—	39,346,867
05/06/16-08/31/16	62,512	—	8,300	8,300	8,300	—	—	—	8,300
07/01/16-08/31/17	68,763	—	8,300	8,300	8,300	—	—	—	8,300
09/01/15-08/31/16	13,883,538	744,922	2,208,328	1,463,406	1,463,406	48,481	—	7,177,942	8,641,348
09/01/16-08/31/17	13,425,047	(2,047)	6,820,740	8,119,295	8,119,295	499,508	1,296,508	—	8,119,295
09/01/16-08/31/17	805,508	—	395,862	555,946	555,946	—	160,084	—	555,946

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2017

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number
Career and Technical Education	V.E. — Perkins — Title IIC — Secondary	4745	84.048A	16-4745-00
	V.E. — Perkins — Title IIC — Secondary	4745	84.048A	17-4745-00
School Improvement Grants	School Improvement — Cohort 3	4339	84.377A	16-4339-13
	School Improvement — Cohort 4	4339	84.377A	16-4339-14
	School Improvement — Cohort 5	4339	84.377A	16-4339-15
	School Improvement — Cohort 6	4339	84.377A	16-4339-16
	School Improvement — Cohort 4	4339	84.377A	17-4339-14
	School Improvement — Cohort 5	4339	84.377A	17-4339-15
	School Improvement — Cohort 6	4339	84.377A	17-4339-16
Twenty-First Century Community Learning Centers	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-13
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-25
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-35
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-45
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-55
	Title IV — 21st Century Comm Learning Centers	4421	84.287	16-4421-65
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-13
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-15
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-25
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-35
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-45
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-55
	Title IV — 21st Century Comm Learning Centers	4421	84.287	17-4421-65
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	16-4920-00
		4920	84.196A	17-4920-RF
Race to the Top	Race to the Top	4901	84.395	16-4901-00
Race to the Top — Early Learning Challenge	Race to the Top — Early Learning Challenge	4998	84.412	16-4998-00
English Language Acquisition State Grants	International Baccalaureate	4999	84.365A	4999-IB
		4999	84.365A	4999-IB
Preschool Development Grants	Preschool Expansion	4902	84.419B	16-4902-PE
		4902	84.419B	17-4902-PE
	Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)			
	Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)			
Direct Funding				
TRIO Cluster				
TRIO — Talent Search	Pullman Talent Search	N/A	84.044A	P044A110797
		N/A	84.044A	P044A160585
	Total TRIO Cluster			
Direct Funding				
Impact Aid	Federal Impact Aid Grant	N/A	84.041	S041Z-2008-1446
		N/A	84.041	S041B-2016-1446
Indian Education — Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A140666
Agencies	Program	N/A	84.060A	S060A150666
Fund for the Improvement of Education	Carol M. White Physical Education Program	N/A	84.215F	S215F130218
Safe and Drug-Free Schools and Communities	School Emergency Response to Violence (Project SERV)	N/A	84.184S	S184S160005
Start on Success Program	Start on Success Program	N/A	84.215H	U215H150069
		N/A	84.215H	U215H150069
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052
		N/A	84.351C	U351C140052-16
Early Reading First	Enhancing Early Reading in Chicago (EERIC)	N/A	84.359B	S359B050093
High School Graduation Initiative	Pathways to Accelerated Student Success (PASS)	N/A	84.360A	S360A100176
Safe and Drug-Free Schools and Communities	Healing Trauma Together	N/A	84.184C	S184C160002
	Total U.S. Department of Education — Direct Funding (not including cluster)			
	Total U.S. Department of Education — Direct Funding (including cluster)			
Passed Through Illinois Department of Human Services				
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CTD00155
		N/A	84.126	46CUD00155
		N/A	84.126	46CVF00155
Rehabilitation Services Vocational Rehabilitation Grants to States	IDHS-Community Based Employment Services	N/A	84.126	46CTD03159
	Total U.S. Department of Education Passed Through IDHS			
Passed Through WestED				
Improving Teacher Quality	Improving Teacher Quality — RA Leadership & Sustainability	N/A	84.367D	S000029593.0
	Total U.S. Department of Education Passed Through WestED			
Passed Through University of Illinois at Chicago				
Education Research, Development and Dissemination	UIC — Substitute Reimbursement	N/A	84.305F	R305F100007
	Total U.S. Department of Education Passed Through University of Illinois at Chicago			

									Final Status
Contract Period	Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2016	Cash (Received) Refunded July 1, 2016 June 30, 2017	Revenue Recognized July 1, 2016 June 30, 2017	Federal Award Expenditures July 1, 2016 June 30, 2017	Pass Through to Subrecipients July 1, 2016 June 30, 2017	Accrued (Deferred) Grant Revenue June 30, 2017	Prior Years' Expenditures Through June 30, 2016	Cumulative Expenditures Through June 30, 2017
07/01/15-08/31/16	5,960,454	1,923,653	2,606,334	682,681	682,681	—	—	4,937,757	5,620,438
07/01/16-08/31/17	6,466,250	—	3,814,296	5,832,984	5,832,984	—	2,018,688	—	5,832,984
09/30/15-08/31/16	2,500,000	1,070,395	1,616,082	545,687	545,687	—	—	1,717,802	2,263,489
07/01/15-08/31/16	3,658,904	1,003,299	1,730,396	727,097	727,097	—	—	2,630,069	3,357,166
07/01/15-08/31/16	6,295,873	1,626,711	2,664,027	1,037,316	1,037,316	—	—	4,562,358	5,599,674
01/01/16-08/31/16	500,000	335,007	381,992	46,985	46,985	—	—	453,015	500,000
07/01/16-08/31/17	1,301,738	—	487,677	707,389	707,389	—	219,712	—	707,389
07/01/16-08/31/17	6,248,614	—	4,061,943	5,068,454	5,068,454	—	1,006,511	—	5,068,454
07/01/16-08/31/17	2,000,000	—	1,282,050	1,869,878	1,869,878	—	587,828	—	1,869,878
07/01/15-08/31/16	2,835,000	1,243,272	1,810,354	567,082	567,082	—	—	2,196,890	2,763,972
07/01/15-08/31/16	540,000	185,577	260,887	75,310	75,310	—	—	439,484	514,794
07/01/15-08/31/16	540,000	230,640	315,046	84,406	84,406	—	—	409,817	494,223
07/01/15-08/31/16	540,000	216,735	337,716	120,981	120,981	—	—	414,602	535,583
07/01/15-08/31/16	540,000	239,710	323,706	83,996	83,996	—	—	456,004	540,000
07/01/15-08/31/16	540,000	184,820	378,908	194,088	194,088	—	—	333,929	528,017
07/01/15-08/31/16	540,000	216,818	273,575	56,757	56,757	—	—	476,832	533,589
07/01/16-08/31/17	2,362,500	—	1,439,721	2,118,077	2,118,077	—	678,356	—	2,118,077
07/01/16-08/31/17	540,000	—	258,685	404,132	404,132	—	145,447	—	404,132
07/01/16-08/31/17	540,000	—	279,728	397,341	397,341	—	117,613	—	397,341
07/01/16-08/31/17	540,000	—	239,822	377,917	377,917	—	138,095	—	377,917
07/01/16-08/31/17	540,000	—	305,830	440,235	440,235	—	134,405	—	440,235
07/01/16-08/31/17	540,000	—	197,331	442,215	442,215	—	244,884	—	442,215
07/01/16-08/31/17	540,000	—	352,779	452,577	452,577	—	99,798	—	452,577
07/01/15-06/30/16	838,820	803,127	838,807	35,680	35,680	—	—	803,127	838,807
07/01/16-06/30/17	838,706	—	—	838,706	838,706	—	838,706	—	838,706
07/01/15-12/31/16	2,541,974	175,479	760,549	585,070	585,070	—	—	1,955,336	2,540,406
07/01/15-06/30/16	70,000	70,000	70,000	—	—	—	—	70,000	70,000
07/01/10-06/30/16	748,500	(540)	—	540	540	—	—	711,499	712,039
07/01/16-06/30/17	327,320	—	327,320	327,320	327,320	—	—	—	327,320
07/01/15-06/30/16	5,400,000	2,036,279	1,988,375	(47,904)	(47,904)	—	—	5,119,961	5,072,057
07/01/16-06/30/17	473,561	—	87,378	472,002	472,002	—	384,624	—	472,002
	$1,148,009,900	**$57,914,724**	**$357,533,775**	**$362,875,492**	**$362,875,492**	**$48,209,154**	**$63,256,441**	**$630,079,491**	**$ 992,954,983**
	$1,431,048,142	**$63,165,174**	**$448,278,711**	**$458,427,822**	**$458,427,822**	**$48,209,154**	**$73,314,285**	**$812,787,645**	**$1,271,215,467**
09/01/15-08/31/16	$ 216,373	$ 13,926	$ 41,010	$ 27,084	$ 27,084	$ —	$ —	$ 187,452	$ 214,536
09/01/16-07/31/17	240,000	—	128,419	159,996	159,996	—	31,577	—	159,996
	$ 456,373	**$ 13,926**	**$ 169,429**	**$ 187,080**	**$ 187,080**	**$ —**	**$ 31,577**	**$ 187,452**	**$ 374,532**
07/01/15-06/30/16	N/A	$ 15,915	$ 31,830	$ 15,915	$ 15,915	$ —	$ —	$ 76,411	$ 92,326
07/01/16-06/30/17	N/A	—	71,164	87,156	87,156	—	15,992	—	87,156
07/01/15-06/30/16	239,087	15,310	23,847	8,537	8,537	—	—	211,833	220,370
07/01/16-06/30/17	202,065	—	130,226	164,206	164,206	—	33,980	—	164,206
10/01/14-06/30/17	914,812	128,241	463,170	531,042	531,042	—	196,113	348,845	879,887
04/29/16-09/28/16	70,650	70,650	70,650	—	—	—	—	70,650	70,650
10/01/15-09/30/16	395,455	53,640	166,557	112,917	112,917	—	—	162,859	275,776
10/01/16-09/30/17	447,615	—	137,436	180,918	180,918	—	43,482	—	180,918
10/01/14-09/30/16	349,888	96,554	196,015	99,461	99,461	—	—	247,514	346,975
10/01/16-09/30/17	349,639	—	298,535	408,026	408,026	—	109,491	—	408,026
10/01/05-06/30/09	846,947	69,116	—	(69,116)	(69,116)	—	—	69,116	—
10/01/15-09/30/16	2,674,722	56,080	119,425	63,345	63,345	—	—	924,113	987,458
10/01/16-09/90/18	1,274,909	—	110,463	194,430	194,430	—	83,967	—	194,430
	$ 7,765,789	**$ 505,506**	**$ 1,819,318**	**$ 1,796,837**	**$ 1,796,837**	**$ —**	**$ 483,025**	**$ 2,111,341**	**$ 3,908,178**
	$ 8,222,162	**$ 519,432**	**$ 1,988,747**	**$ 1,983,917**	**$ 1,983,917**	**$ —**	**$ 514,602**	**$ 2,298,793**	**$ 4,282,710**
07/01/14-06/30/15	$ 1,124,571	$ (5,622)	$ (5,622)	$ —	$ —	$ —	$ —	$ 552,845	$ 552,845
07/01/15-06/30/16	925,074	344,663	387,825	43,162	43,162	—	—	357,223	400,385
07/07/16-06/30/17	400,000	—	200,350	373,875	373,875	—	173,525	—	373,875
07/01/14-06/30/15	250,000	1	1	—	—	—	—	146,919	146,919
	$ 2,699,646	**$ 339,042**	**$ 582,554**	**$ 417,037**	**$ 417,037**	**$ —**	**$ 173,525**	**$ 1,056,987**	**$ 1,474,024**
10/01/15-09/30/16	$ 79,500	$ 26,304	$ 46,024	$ 19,720	$ 19,720	$ —	$ —	$ 26,304	$ 46,024
	$ 79,500	**$ 26,304**	**$ 46,024**	**$ 19,720**	**$ 19,720**	**$ —**	**$ —**	**$ 26,304**	**$ 46,024**
01/24/14-06/30/17	$ 35,000	$ 9,143	$ —	$ (9,143)	$ (9,143)			$ 14,577	$ 5,434
	$ 35,000	**$ 9,143**	**$ —**	**$ (9,143)**	**$ (9,143)**	**$ —**	**$ —**	**$ 14,577**	**$ 5,434**

STATUTORY REPORTING SECTION

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2017

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number
Passed Through University of Southern California				
Education Research, Development and Dissemination	Pathways For Success — University of Southern California	N/A	84.305A	R305A140281-15/55562128
			84.305A	R305A140281-15/55562128
	Total U.S. Department of Education Passed Through University of Southern California			
Passed Through National Opinion Research Center				
Education Research, Development and Dissemination	Preventing Truancy in Urban Schools	N/A	84.305	R305A120809
	Total U.S. Department of Education Passed Through National Opinion Research Center			
Passed Through Northeastern Illinois University				
Gaining Early Awareness and	Gear-Up 4 (Year 5)	N/A	84.334A	P334A100031 / P0042020
Readiness for Undergraduate Program	Gear-Up 4 (Year 6)	N/A	84.334A	P334A100031 / P0044855
	Gear Up 5 (Year 5)	N/A	84.334A	P334A110082 / P0042021
	Gear Up 5 (Year 6)	N/A	84.334A	P334A110082 / P0044924
	Gear Up 6 (Year 2)	N/A	84.334A	P334A140132 / P0042022
	Gear Up 6 (Year 3)	N/A	84.334A	P334A140132 / P0044925
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU — Ella Flagg Young	N/A	84.287	PO#0040535
	Illinois 21st Century CLC NEIU — Ella Flagg Young	N/A	84.287	PO#0044304
	Illinois 21st Century CLC NEIU- Duke Ellington	N/A	84.287	PO#0040534
	Illinois 21st Century CLC NEIU- Duke Ellington	N/A	84.287	PO#0044301
	Illinois 21st Century CLC NEIU- Michelle Clark Academic	N/A	84.287	PO#0040533
	Illinois 21st Century CLC NEIU- Michelle Clark Academic	N/A	84.287	PO#0044302
	Illinois 21st Century CLC NEIU- Frederick A Douglas	N/A	84.287	PO#0041070
	Illinois 21st Century CLC NEIU- Frederick A Douglas	N/A	84.287	PO#0044303
	Total U.S. Department of Education Passed Through Northeastern Illinois University			
Passed Through University of Illinois at Chicago				
Teacher Quality Partnership Grants	Increase Teacher Quality	N/A	84.336S	U336S090013
	Total U.S. Department of Education Passed Through University of Illinois at Chicago			
Passed Through University of Minnesota				
Education Innovation and Research	Midwest Expansion of the Child Parent Center Education Program	N/A	84.411B	U411B110098
		N/A	84.411B	U411B110098
		N/A	84.411B	U411B110098
Investing In Innovation (i3)	Comprehensive Strategies to Promote Social and Emotional Learning	N/A	84.411C	U411C130091
	Total U.S. Department of Education Passed Through University of Minnesota			
Passed Through Columbia College — Chicago				
Investing In Innovation (i3)	i3 Convergence Academies: Digital Media Whole School Reform Model Project	N/A	84.411	Agreement
	Total U.S. Department of Education Passed Through Columbia College — Chicago			
Passed Through Old Dominion University Research Foundation / Success for All Foundation				
Investing In Innovation (i3)	Investing In Innovation (i3)	N/A	84.411A	U411A110004/14-138-317101
	Total U.S. Department of Education Passed Through Old Dominion University Research Foundation / Success for All Foundation			
	TOTAL U.S. DEPARTMENT OF EDUCATION			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Centers for Disease Control				
Cooperative Agreements to Promote Adolescent Health Through	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	5U87PS004162-03
School-Based HIV/STD Prevention and School-Based Surveillance	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	1U87PS004162-04
	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	5U87PS004162-03
	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	1U87PS004162-04
Substance Abuse and Mental Health Services	CPS Youth Mental Health First Aid (YMHFA)	N/A	93.243	1H79SM062028-01
Projects of Regional and National Significance	CPS Youth Mental Health First Aid (YMHFA)	N/A	93.243	1H79SM062028-01
	Total U.S. Department of Health and Human Services Passed Through Centers for Disease Control			
Passed Through Aids Foundation of Chicago				
Sexually Transmitted Diseases (STD) Provider Education Grants	CDC Community Approaches to Reducing STD	N/A	93.978	Agreement
	Passed Through Aids Foundation of Chicago			

Contract Period	Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2016	Cash (Received) Refunded July 1, 2016 June 30, 2017	Revenue Recognized July 1, 2016 June 30, 2017	Federal Award Expenditures July 1, 2016 June 30, 2017	Pass Through to Subrecipients July 1, 2016 June 30, 2017	Accrued (Deferred) Grant Revenue June 30, 2017	Prior Years' Expenditures Through June 30, 2016	Final Status Cumulative Expenditures Through June 30, 2017
07/01/15-06/30/16	$ 19,310	$ 11,126	$ 11,126	$ —	$ —	$ —	$ —	$ 11,126	$ 11,126
07/01/16-06/30/17	27,846	—	—	25,501	25,501	—	25,501	—	25,501
	$ 47,156	**$ 11,126**	**$ 11,126**	**$ 25,501**	**$ 25,501**	**$ —**	**$ 25,501**	**$ 11,126**	**$ 36,627**
07/01/15-06/30/16	$ 435,932	$ 92,324	$ 89,569	$ (2,755)	$ (2,755)	$ —	$ —	$ 192,494	$ 189,739
	$ 435,932	**$ 92,324**	**$ 89,569**	**$ (2,755)**	**$ (2,755)**	**$ —**	**$ —**	**$ 192,494**	**$ 189,739**
10/01/15-09/30/16	$ 344,263	$ 283,714	$ 297,260	$ 13,546	$ 13,546	$ —	$ —	$ 283,714	$ 297,260
10/01/16-09/30/17	101,754	—	40,698	59,493	59,493	—	18,795	—	59,493
09/26/15-09/25/16	968,178	605,631	731,793	126,162	126,162	—	—	605,631	731,793
09/26/16-09/25/17	947,024	—	278,790	569,585	569,585	—	290,795	—	569,585
09/25/15-09/24/16	806,155	492,786	621,252	128,466	128,466	—	—	492,786	621,252
09/25/16-09/24/17	1,072,855	—	324,520	549,692	549,692	—	225,172	—	549,692
10/15/15-08/31/16	38,102	25,951	25,951	—	—	—	—	38,102	38,102
10/24/16-06/30/17	18,504	—	—	24,989	24,989	—	24,989	—	24,989
10/15/15-06/15/16	23,597	17,208	9,144	(8,064)	(8,064)	—	—	23,597	15,533
10/24/16-06/30/17	16,070	—	—	13,760	13,760	—	13,760	—	13,760
11/01/15-08/31/16	21,834	20,140	20,140	—	—	—	—	21,834	21,834
10/24/16-06/30/17	12,806	—	—	11,459	11,459	—	11,459	—	11,459
10/15/15-08/15/16	6,839	6,839	37,759	30,920	30,920	—	—	6,839	37,759
10/24/16-06/30/17	7,172	—		1,132	1,132	—	1,132	—	1,132
	$ 4,385,153	**$ 1,452,269**	**$ 2,387,307**	**$ 1,521,140**	**$ 1,521,140**	**$ —**	**$ 586,102**	**$ 1,472,503**	**$ 2,993,643**
10/01/11-09/30/12	$ 91,645	$ 29,103	$ —	$ (29,103)	$ (29,103)			$ 46,453	$ 17,350
	$ 91,645	**$ 29,103**	**$ —**	**$ (29,103)**	**$ (29,103)**	**$ —**	**$ —**	**$ 46,453**	**$ 17,350**
01/01/14-12/31/14	$ 2,001,576	$ 904,116	$ 904,116	$ —	$ —	$ —	$ —	$ 1,942,930	$ 1,942,930
01/01/15-06/30/16	1,564,904	1,486,894	1,486,894	—	—	—	—	1,486,894	1,486,894
01/02/16-12/30/16	1,651,843	—	—	352,754	352,754	—	352,754	—	352,754
07/01/15-06/30/16	108,160	13,086	12,988	(98)	(98)	—	—	52,131	52,033
	$ 5,326,483	**$ 2,404,096**	**$ 2,403,998**	**$ 352,656**	**$ 352,656**	**$ —**	**$ 352,754**	**$ 3,481,955**	**$ 3,834,611**
07/01/15-06/30/16	$ 103,875	$ 32,916	$ 24,125	$ (8,791)	$ (8,791)	$ —	$ —	$ 103,875	$ 95,084
	$ 103,875	**$ 32,916**	**$ 24,125**	**$ (8,791)**	**$ (8,791)**	**$ —**	**$ —**	**$ 103,875**	**$ 95,084**
07/01/15-06/30/17	$ 190,000	$ 56,059	$ 51,620	$ 95,000	$ 95,000	$ —	$ 99,439	$ 79,020	$ 174,020
	$ 190,000	**$ 56,059**	**$ 51,620**	**$ 95,000**	**$ 95,000**	**$ —**	**$ 99,439**	**$ 79,020**	**$ 174,020**
	$1,452,664,694	**$68,136,988**	**$455,863,781**	**$462,793,001**	**$462,793,001**	**$48,209,154**	**$75,066,208**	**$821,571,732**	**$1,284,364,733**
08/01/15-07/31/16	$ 320,000	$ 44,087	$ 64,802	$ 20,715	$ 20,715	$ —	$ —	$ 253,257	$ 273,972
08/01/16-07/31/17	320,000	—	123,855	218,349	218,349	2,400	94,494	—	218,349
08/01/15-07/31/16	50,000	4,262	7,734	3,472	3,472	—	—	44,229	47,701
08/01/16-07/31/17	50,000	—	32,731	45,492	45,492	—	12,761	—	45,492
09/30/14-09/29/15	49,931	11,073	11,031	(42)	(42)	—	—	56,158	56,116
09/30/14-09/29/16	49,184	469	9,305	8,836	8,836	—	—	16,727	25,563
	$ 839,115	**$ 59,891**	**$ 249,458**	**$ 296,822**	**$ 296,822**	**$ 2,400**	**$ 107,255**	**$ 370,371**	**$ 667,193**
10/01/15-09/30/16	$ 20,000	$ 12,504	$ 12,504	$ —	$ —	$ —	$ —	$ 12,504	$ 12,504
	$ 20,000	**$ 12,504**	**$ 12,504**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 12,504**	**$ 12,504**

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2017

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number
Passed Through City of Chicago Department of Family and Support Services				
Head Start	Head Start — Child Development	N/A	93.600	PO#33360-1
			93.600	PO#33360-1
	Head Start — Supp DIS SP initiatives	N/A	93.600	IGA
		N/A	93.600	IGA
	Total U.S. Department of Health and Human Services Passed Through City of Chicago Department of Family and Support Services			
Direct Funding				
Teen Pregnancy Prevention Program	Chicago Teen Pregnancy Prevention Initiative	N/A	93.297	TP1AH000066-05-00
	Teen Pregnancy Prevention Grant (MICAH)	N/A	93.297	TP1AH000066-05-00
Projects of Regional and National Significance	Enhancing Students Skills for Success	N/A	93.243	5U795M060297-03
Children's Health Insurance Program	Healthy Schools Health City Medicaid Enrollment Project	N/A	93.767	1Z0CMS331507-01-00
	Total U.S. Department of Health and Human Services — Direct Funding			
Passed Through Illinois Department of Human Services				
Refugee and Entrant Assistance	Refugee Children Impact Grant	N/A	93.566	FCSUK01131
		N/A	93.566	FCSUVK01131
	Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services			
Passed Through National Opinion Research Center				
Child Health and Human Development Extramural Research	Randomized Study to Abate Truancy in Urban Schools	N/A	93.865	R01HD067500
	Total U.S. Department of Health and Human Services Passed Through National Opinion Research Center			
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
	Total Medicaid Passed Through Illinois Department of Health care and Family Services (Including Cluster)			
	Total U.S. Department of Health and Human Services Passed Through IDHFS (including cluster)			
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
U.S. DEPARTMENT OF JUSTICE				
Passed Through Illinois Department of Human Services				
Juvenile Accountability Block Grants	Restorative Justice Conflict Resolution	N/A	16.523	FCSUR03403
	Total U.S. Department of Justice Passed Through Illinois Department of Human Services			
Passed Through the City of Chicago				
National Forum on Youth Violence Prevention	National Youth Forum on Violence	N/A	16.819	2013-NY-FX-K001
	Total U.S. Department of Justice Passed Through City of Chicago			
Direct Funding				
National Institute of Justice Research, Evaluation and Development Project Grants	Connect and Redirect to Respect	N/A	16.560	2014-CK-BX-0002
		N/A	16.560	2014-CK-BX-0002
		N/A	16.560	2014-CK-BX-0002
Project Safe Neighborhood	Project Safe Neighborhood	N/A	16.609	113004
	Total U.S. Department of Justice — Direct Funding			
	TOTAL U.S. DEPARTMENT OF JUSTICE			
U.S. DEPARTMENT OF LABOR				
Passed Through Manufacturing Renaissance				
Youthbuild	Youth Career Connect	N/A	17.274	YC-25414-14-60-A-17
		N/A	17.274	YC-25414-14-60-A-17
	Total U.S. Department of Labor Passed Through Manufacturing Renaissance			
	TOTAL U.S. DEPARTMENT OF LABOR			
U.S. DEPARTMENT OF COMMERCE				
Passed through the Illinois Deparment of Commerce and Economic Opportunity				
Coastal Zone Management Administration Awards	CIMBY-IDNR	N/A	11.419	16-065-N15-23
	Total U.S. Department of Commerce Passed Through Illinois Department of Commerce and Economic Opportunity			
	TOTAL U.S. DEPARTMENT OF COMMERCE			

Contract Period	Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2016	Cash (Received) Refunded July 1, 2016 June 30, 2017	Revenue Recognized July 1, 2016 June 30, 2017	Federal Award Expenditures July 1, 2016 June 30, 2017	Pass Through to Subrecipients July 1, 2016 June 30, 2017	Accrued (Deferred) Grant Revenue June 30, 2017	Prior Years' Expenditures Through June 30, 2016	Final Status: Cumulative Expenditures Through June 30, 2017
12/01/15-11/30/16	$ 37,619,668	$ 6,972,994	$ 19,055,808	$ 12,082,814	$ 12,082,814	$ —	$ —	$ 25,444,587	$ 37,527,401
12/01/16-11/30/17	37,619,688	—	22,106,320	25,335,304	25,335,304	—	3,228,984	—	25,335,304
12/01/15-11/30/16	975,000	426,771	960,116	533,345	533,345	—	—	426,771	960,116
12/01/16-11/30/17	1,132,670	—	—	599,434	599,434	—	599,434	—	599,434
	$ 77,347,026	**$ 7,399,765**	**$ 42,122,244**	**$ 38,550,897**	**$ 38,550,897**	**$ —**	**$ 3,828,418**	**$ 25,871,358**	**$ 64,422,255**
09/01/15-08/31/16	$ 979,953	$ —	$ 80,134	$ 80,134	$ 80,134	$ —	$ —	$ 752,161	$ 832,295
07/01/16-06/30/17	65,000	—	7,505	45,890	45,890	—	38,385	—	45,890
09/30/15-09/29/16	136,515	6,121	27,118	20,997	20,997	—	—	99,115	120,112
07/01/16-06/30/17	435,962	—	163,229	267,268	267,268	—	104,039	—	267,268
	$ 1,617,430	**$ 6,121**	**$ 277,986**	**$ 414,289**	**$ 414,289**	**$ —**	**$ 142,424**	**$ 851,276**	**$ 1,265,565**
07/01/15-06/30/16	$ 57,525	$ 18,473	$ 17,411	$ (1,062)	$ (1,062)	$ —	$ —	$ 55,267	$ 54,205
07/01/16-06/30/17	57,525	—	37,940	56,653	56,653	—	18,713	—	56,653
	$ 115,050	**$ 18,473**	**$ 55,351**	**$ 55,591**	**$ 55,591**	**$ —**	**$ 18,713**	**$ 55,267**	**$ 110,858**
12/01/13-11/30/14	$ 313,705	$ 155,793	$ 198,772	$ 42,979	$ 42,979	$ —	$ —	$ 274,293	$ 317,272
	$ 313,705	**$ 155,793**	**$ 198,772**	**$ 42,979**	**$ 42,979**	**$ —**	**$ —**	**$ 274,293**	**$ 317,272**
07/01/13-06/30/17	$ N/A	$ 6,105,753	$ 12,630,713	$ 8,870,533	$ 8,870,533	$ —	$ 2,345,573	$ 32,557,642	$ 41,428,175
	$ —	**$ 6,105,753**	**$ 12,630,713**	**$ 8,870,533**	**$ 8,870,533**	**$ —**	**$ 2,345,573**	**$ 32,557,642**	**$ 41,428,175**
	$ —	**$ 6,105,753**	**$ 12,630,713**	**$ 8,870,533**	**$ 8,870,533**	**$ —**	**$ 2,345,573**	**$ 32,557,642**	**$ 41,428,175**
	$ 80,252,326	**$ 13,758,300**	**$ 55,547,028**	**$ 48,231,111**	**$ 48,231,111**	**$ 2,400**	**$ 6,442,383**	**$ 59,992,711**	**$ 108,223,822**
07/01/15-06/30/16	$ 76,589	$ 26,961	$ 26,961	$ —	$ —	$ —	$ —	$ 76,589	$ 76,589
	$ 76,589	**$ 26,961**	**$ 26,961**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 76,589**	**$ 76,589**
10/01/13-09/30/16	$ 200,000	$ 120,301	$ 1	$ (120,300)	$ (120,300)	$ —	$ —	$ 120,300	$ —
	$ 200,000	**$ 120,301**	**$ 1**	**$ (120,300)**	**$ (120,300)**	**$ —**	**$ —**	**$ 120,300**	**$ —**
01/01/15-12/31/15	$ 737,861	$ 44,120	$ 44,120	$ —	$ —	$ —	$ —	$ 226,703	$ 226,703
01/01/15-12/31/16	720,009	116,476	512,746	416,825	416,825	—	20,555	116,476	533,301
01/01/16-12/31/17	739,307	—	43,795	71,114	71,114	—	27,319	—	71,114
02/01/15-01/31/16	118,896	2,936	—	(2,936)	(2,936)	—	—	119,981	117,045
	$ 2,316,073	**$ 163,532**	**$ 600,661**	**$ 485,003**	**$ 485,003**	**$ —**	**$ 47,874**	**$ 463,160**	**$ 948,163**
	$ 2,592,662	**$ 310,794**	**$ 627,623**	**$ 364,703**	**$ 364,703**	**$ —**	**$ 47,874**	**$ 660,049**	**$ 1,024,752**
07/01/15-06/30/16	$ 148,683	$ 148,683	$ 148,683	$ —	$ —	$ —	$ —	$ 148,683	$ 148,683
07/01/16-06/30/17	186,000	—	—	137,442	137,442	—	137,442	—	137,442
	$ 334,683	**$ 148,683**	**$ 148,683**	**$ 137,442**	**$ 137,442**	**$ —**	**$ 137,442**	**$ 148,683**	**$ 286,125**
	$ 334,683	**$ 148,683**	**$ 148,683**	**$ 137,442**	**$ 137,442**	**$ —**	**$ 137,442**	**$ 148,683**	**$ 286,125**
10/17/15-04/30/16	$ 100,000	$ 22,986	$ 68,581	$ 64,013	$ 64,013	$ —	$ 18,418	$ 35,112	$ 99,125
	$ 100,000	**$ 22,986**	**$ 68,581**	**$ 64,013**	**$ 64,013**	**$ —**	**$ 18,418**	**$ 35,112**	**$ 99,125**
	$ 100,000	**$ 22,986**	**$ 68,581**	**$ 64,013**	**$ 64,013**	**$ —**	**$ 18,418**	**$ 35,112**	**$ 99,125**

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Fiscal Year Ended June 30, 2017

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Illinois Department of Aviation				
Airport Improvement Program	Noise Abatement — Farnsworth	N/A	20.106	3-17-0022-106-2009
		N/A	20.106	3-17-0022-125-2012
	Noise Abatement — Ebinger	N/A	20.106	3-17-0022-142
	Total U.S. Department of Transportation Passed Through Illinois Department of Aviation			
U.S. DEPARTMENT OF DEFENSE				
Passed Through City Colleges of Chicago				
Basic and Applied Scientific Research	Critical MASS Year 3	N/A	12.300	16-12-1-0738
	Critical MASS Year 4	N/A	12.300	17-12-1-0738
	Critical MASS Year 5	N/A	12.300	18-12-1-0738
	Total U.S. Department of Defense Passed Through City Colleges of Chicago			
Direct Funding				
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251
	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251
	Total U.S. Department of Defense — Direct Funding			
	TOTAL U.S. DEPARTMENT OF DEFENSE			
ENVIRONMENTAL PROTECTION AGENCY				
Environmental Education Grant Program	CIMBY-EPA	N/A	66.951	NE-83619701-0
	Total Environmental Protection Agency			
NATIONAL SCIENCE FOUNDATION				
Passed Through DePaul University				
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125
	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125
	Total National Science Foundation Passed Through DePaul University			
Passed Through University of Massachusetts				
Education and Human Resources	Broadening Advanced Technological Education Connections	N/A	47.076	DUE-1104145
	Total National Science Foundation Passed University of Massachusetts			
	TOTAL NATIONAL SCIENCE FOUNDATION			
	GRAND TOTAL			

Contract Period	Amount of Grant	Accrued (Deferred) Grant Revenue June 30, 2016	Cash (Received) Refunded July 1, 2016 June 30, 2017	Revenue Recognized July 1, 2016 June 30, 2017	Federal Award Expenditures July 1, 2016 June 30, 2017	Pass Through to Subrecipients July 1, 2016 June 30, 2017	Accrued (Deferred) Grant Revenue June 30, 2017	Prior Years' Expenditures Through June 30, 2016	Final Status: Cumulative Expenditures Through June 30, 2017
09/23/09-09/22/11	$ 300,000	$ 800	$ —	$ (800)	$ (800)	$ —	$ —	$ 291,791	$ 290,991
09/06/12-09/07/15	4,550,000	178,196	—	(178,196)	(178,196)	—	—	4,730,610	4,552,414
09/16/14-06/30/16	6,000,000	5,330,461	5,291,225	(39,236)	(39,236)	—	—	5,330,461	5,291,225
	$ 10,850,000	**$ 5,509,457**	**$ 5,291,225**	**$ (218,232)**	**$ (218,232)**	**$ —**	**$ —**	**$ 10,352,862**	**$ 10,134,630**
04/01/15-03/31/16	$ 542,072	$ 106,157	$ 106,157	$ —	$ —	$ —	$ —	$ 357,816	$ 357,816
04/01/16-03/31/17	420,000	101,126	393,666	292,540	292,540	—	—	101,126	393,666
04/01/17-03/31/18	410,000	—	—	68,261	68,261	—	68,261	—	68,261
	$ 1,372,072	**$ 207,283**	**$ 499,823**	**$ 360,801**	**$ 360,801**	**$ —**	**$ 68,261**	**$ 458,942**	**$ 819,743**
05/15/15-06/30/16	$ 1,084,253	$ 297,654	$ 277,701	$ (19,953)	$ (19,953)	$ —	$ —	$ 621,093	$ 601,140
05/15/16-06/30/17	883,925	69,742	481,091	657,300	657,300	—	245,951	69,742	727,042
	$ 1,968,178	**$ 367,396**	**$ 758,792**	**$ 637,347**	**$ 637,347**	**$ —**	**$ 245,951**	**$ 690,835**	**$ 1,328,182**
	$ 3,340,250	**$ 574,679**	**$ 1,258,615**	**$ 998,148**	**$ 998,148**	**$ —**	**$ 314,212**	**$ 1,149,777**	**$ 2,147,925**
04/01/16-09/30/17	192,200	—	51,841	70,665	70,665	—	18,824	—	70,665
	$ 192,200	**$ —**	**$ 51,841**	**$ 70,665**	**$ 70,665**	**$ —**	**$ 18,824**	**$ —**	**$ 70,665**
10/15/15-06/30/16	$ 114,346	$ 21,645	$ 26,325	$ 29,115	$ 29,115	$ —	$ 24,435	$ 21,645	$ 50,760
07/01/16-06/30/17	164,018	—	—	18,728	18,728	—	18,728	—	18,728
	$ 278,364	**$ 21,645**	**$ 26,325**	**$ 47,843**	**$ 47,843**	**$ —**	**$ 43,163**	**$ 21,645**	**$ 69,488**
05/01/16-07/31/18	60,593	—	—	19,419	19,419	—	19,419	—	19,419
	$ 60,593	**$ —**	**$ —**	**$ 19,419**	**$ 19,419**	**$ —**	**$ 19,419**	**$ —**	**$ 19,419**
	$ 338,957	**$ 21,645**	**$ 26,325**	**$ 67,262**	**$ 67,262**	**$ —**	**$ 62,582**	**$ 21,645**	**$ 88,907**
	$1,550,768,456	**$102,963,149**	**$721,079,503**	**$712,735,982**	**$712,735,982**	**$48,211,554**	**$94,619,628**	**$1,208,040,251**	**$1,920,776,233**

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, 2017

Program Name	Federal Catalog Number	Federal Award Expenditures	Pass Through to Subrecipients	Cluster Total
Plant and Animal Disease, Pest Control, and Animal Care	10.025	$ 7,200	$ —	$ —
School Breakfast Program **(1)**	10.553	47,524,909	—	—
National School Lunch Program **(1)**	10.555	143,466,343	—	190,991,252**(1)**
Child and Adult Care Food Program	10.558	7,448,929	—	—
Team Nutrition Grants	10.574	(1,200)	—	—
Fresh Fruit and Vegetable Program	10.582	1,698,006	—	—
Coastal Zone Management Administration Awards	11.419	64,013	—	—
Basic and Applied Scientific Research	12.300	360,801	—	—
Basic Scientific Research	12.431	637,347	—	—
Language Grant Program	12.900	83,682	—	—
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	487,939	—	—
Project Safe Neighborhood	16.609	(2,936)	—	—
National Forum on Youth Violence Prevention	16.819	(120,300)	—	—
Youthbuild	17.274	137,442	—	—
Airport Improvement Program	20.106	(218,232)	—	—
Computer and Information Science and Engineering	47.070	47,843	—	—
Education and Human Resources	47.076	19,419	—	—
Environmental Education Grant Program	66.951	70,665	—	—
Title I Grants to Local Education Agencies	84.010	285,777,147	43,192,507	—
Special Education Grants to State **(2)**	84.027	93,810,301	—	95,552,330**(2)**
Impact Aid	84.041	103,071	—	—
TRIO — Talent Search **(3)**	84.044	187,080	—	187,080**(3)**
Career and Technical Education	84.048	6,515,665	—	—
Indian Education — Grants to Local Education Agencies	84.060	172,743	—	—
Rehabilitation Grants to States	84.126	417,037	—	—
Special Education - Preschool Grants **(2)**	84.173	1,742,029	—	—
Safe and Drug-Free Schools and Communities	84.184	194,430	—	—
Education for Homeless Children and Youth	84.196	874,386	—	—
Fund for the Improvement of Education	84.215	824,877	—	—

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL CATALOG NUMBER (continued)
For the Fiscal Year Ended June 30, 2017

Program Name	Federal Catalog Number	Federal Award Expenditures	Pass Through to Subrecipients	Cluster Total
Twenty-First Century Community Learning Centers	84.287	$ 5,889,310	$ —	$ —
Education Research, Development and Dissemination	84.305	13,603	—	—
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	1,446,944	—	—
Teacher Quality Partnership Grants	84.336	(29,103)	—	—
Arts in Education	84.351	507,487	—	—
Early Reading First	84.359	(69,116)	—	—
High School Graduation Initiative	84.360	63,345	—	—
English Language Acquisition Grants	84.365	10,466,507	547,989	—
Supporting Effective Instruction State Grants	84.367	42,434,419	4,468,658	—
School Improvement Grants	84.377	10,002,806	—	—
Race to the Top	84.395	585,070	—	—
Education Innovation and Research	84.411	438,865	—	—
Preschool Development Grants	84.419	424,098	—	—
Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	288,028	2,400	—
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	29,791	—	—
Teen Pregnancy Prevention Program	93.297	126,024	—	—
Refugee and Entrant Assistance	93.566	55,591	—	—
Head Start	93.600	38,550,897	—	—
Projects of Regional and National Significance Children's Health Insurance Program	93.767	267,268	—	—
Medical Assistance Program **(4)**	93.778	8,870,533	—	8,870,533**(4)**
Child Health and Human Development Extramural Research	93.865	42,979	—	—
Total		**$712,735,982**	**$48,211,554**	**$295,601,195**

Clusters:

(1) Child Nutrition Cluster
(2) Special Education Cluster (IDEA)
(3) TRIO Cluster
(4) Medicaid Cluster

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SINGLE AUDIT
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

1. SCOPE OF SINGLE AUDIT

General — The Board of Education of the City of Chicago ("CPS") is a body politic and corporate of the State of Illinois. All significant federal financial and compliance operations of CPS are included in the scope of the Title 2 U.S. Code of Federal Regulations Part 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, 2017. 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, 2017, 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, 2017.

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

Expenditures — For all expenditure-driven federal programs, expenditures included on the Schedule represent actual expenditures incurred (governmental fund basis) during the fiscal year ended June 30, 2017. In accordance with Uniform Guidance, pension costs are uniformly charged to all positions as a direct benefit cost in proportion to pensionable salary regardless of whether the funding source is local, state, or federal.

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

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

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

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

Indirect Cost Rate — The amount expended includes amounts claimed as indirect cost recovery using an approved indirect cost rate percent by the 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	$712,735,982
E-Rate program revenues not included in the Schedule	16,706,020
Medicare Part D Revenue not included in the Schedule	238,837
Medicaid Fee for Service Revenue not included in the Schedule	26,870,123
Build America Bonds (BABS) revenue not included in the Schedule	25,006,637
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	6.903,289
Adjustments to record revenue that do not provide current financial resources	(4,517,864)
Federal aid per the Statement of Revenues, Expenditures and Net Changes in Fund Balances — Governmental Funds	$783,943,024

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, 2017, 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, 2017

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 _X_ no
> Significant deficiency (ies) identified?	____ yes _X_ none reported
Noncompliance material to financial statements noted?	____ yes _X_ no

Federal Awards

Internal control over major programs:

> Material weakness (es) identified?	____ yes _X_ no
> Significant deficiency (ies) identified?	____ yes _X_ 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 _X_ no
Auditee qualified as low-risk auditee?	____ yes _X_ no

Identification of major federal programs:

CFDA Number	Name of Federal Program	Amount Expended
84.010	Title I — Grants to Local Educational Agencies	$285,777,147
84.365	Title III — English Language Acquisition State Grants	10,466,507
84.367	Title II — Supporting Effective Instruction State Grants	42,434,419
93.600	Head Start	38,550,897
		$377,228,970

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

None reported.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2017

I. FINANCIAL STATEMENT FINDINGS

Finding 2016-001: Maintenance of Capital Asset Records

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2016-002: Subrecipient Monitoring

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

Finding 2016-003: Standards of Documentation of Personnel Expenses

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

Finding 2016-004: Procurement

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.

Finding 2016-005: Special Education Funding and Child Tracking System

Correction Action Plan: See prior year report.

Current Status: Corrective action was taken.