CITY OF CHICAGO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011



Rahm Emanuel, Mayor

Lois A. Scott, Chief Financial Officer

Amer Ahmad, City Comptroller





OFFICE OF THE MAYOR CITY OF CHICAGO

RAHM EMANUEL MAYOR

Dear Chicagoans:

Thank you for your interest in the Comprehensive Annual Financial Report (CAFR) of the City of Chicago for the 2011 fiscal year.

In 2011 the City of Chicago made great strides forward financially. Although the nation's financial environment over the last several years has presented challenges for local governments, by instituting strong management initiatives we were able to improve levels of service, increase efficiency, and advance our city's recovery.

This is a time to build on the momentum that was created in 2011 and continue to responsibly regulate City finances while also thinking creatively to maximize the use of every tax dollar. The decisions we make now will shape the direction of the City for decades to come.

Together, we will make government more effective, deliver services more efficiently, and enhance the City's programs, economic growth and sustainability. This will ensure that Chicago remains a world-class city and a place of opportunity for all its residents.

Sincerely,

RalEmanuel

CITY OF CHICAGO THE CITY COUNCIL As of December 31, 2011 RAHM EMANUEL, Mayor

1st	Ward	JOE MORENO
		ROBERT FIORETTI
		PAT DOWELL
4th		
5th		LESLIE A. HAIRSTON
6th		RODERICK T. SAWYER
7th		
8th	Ward	MICHELLE A. HARRIS
9th		ANTHONY BEALE
10th	Ward	JOHN A. POPE
11th	Ward	JAMES A. BALCER
12th	Ward	GEORGE A. CARDENAS
13th	Ward	MARTY QUINN
14th	Ward	EDWARD M. BURKE
15th	Ward	TONI FOULKES
		JOANN THOMPSON
		LATASHA R. THOMAS
		LONA LANE
		MATTHEW J. O'SHEA
		RICARDO MUÑOZ
		MICHAEL R. ZALEWSKI
		DANIEL S. SOLIS
		ROBERTO MALDONADO
		JASON C. ERVIN
		DEBORAH L. GRAHAM
		ARIEL E. REBOYRAS
		REGNER "RAY" SUAREZ
		SCOTT WAGUESPACK
		RICHARD F. MELL
		CARRIE M. AUSTIN
		REY COLON
		NICHOLAS SPOSATO
		TIMOTHY M. CULLERTON
		MARGARET LAURINO
		PATRICK J. O'CONNOR
		BRENDAN REILLY
		THOMAS M. TUNNEY
		JOHN ARENA
		JAMES CAPPLEMAN
		JOSEPH A. MOORE
50th	Ward	

CITY OF CHICAGO 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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PART I INTRODUCTORY SECTION





DEPARTMENT OF FINANCE CITY OF CHICAGO

June 29, 2012

To the Honorable Mayor Rahm Emanuel,
Members of the City Council and Residents of the City of Chicago:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Chicago (City) for the year ended December 31, 2011. State Law requires that all governmental units publish within six months of the close of each fiscal year, financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited by a licensed public accountant.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City's financial management. The purpose of the CAFR is to provide complete and accurate financial information which complies with the reporting requirements of the Municipal Code of Chicago (Code). The City's financial management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity 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.

The Code also requires the City's basic financial statements to be audited by independent certified public accountants selected by the Committee on Finance of the City Council. This requirement has been met, and the unqualified audit opinion, rendered by Deloitte & Touche LLP, is included in the financial section of this report. The audit was conducted as a subcontractor arrangement between Deloitte & Touche LLP and a consortium of Chicago-based minority and women-owned certified public accounting firms.

In addition to meeting the requirements set forth in the Code, an additional audit designed to meet the requirements of the federal Single Audit Act Amendment of 1996 and related OMB Circular A-133, Audits of State and Local Governments is performed annually.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of 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 City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government. The City, incorporated in 1837, currently occupies a land area of approximately 228 square miles and serves a population of approximately 2,696,000. The City of Chicago is a "home rule" unit of local government under State of Illinois law. The City has a mayor-council form of government. The Mayor is the Chief Executive Officer of the City and is elected by general election. The City Council is the legislative body and consists of 50 members, each representing one of the City's 50 wards. The members of the City Council are elected through popular vote by ward for four-year terms.

The City provides public safety, street maintenance and sanitation, transportation infrastructure, water, sewer, health, cultural, aviation and human services. In addition to general government activities, the City has certain entities which are fiscally dependent on the City and perform services primarily for City employees such as the Municipal Employees' Annuity and Benefit Fund, Laborers' and Retirement Board Employees' Annuity and Benefit Fund, Policemen's Annuity and Benefit Fund and Firemen's Annuity and Benefit Fund. These component units are included in the City's reporting entity.

Additional services are provided by the following related but independent organizations: the Chicago Public Schools, Chicago Park District, Chicago Transit Authority, City Colleges of Chicago and the Chicago Housing Authority.

Annual budgets are adopted for the general fund and certain special revenue funds. Prior to November 15, the Mayor submits to the City Council a proposed budget of expenditures and the means of financing them for the next year. The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing. Prior to January 1, the budget is legally enacted through passage of the appropriation ordinance. Additional information on the budgetary process can be found in Note 3 in the notes to financial statements.

Factors Affecting Financial Condition. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Chicago continues to enjoy one of the most diverse economies in the nation and is comprised of mature and emerging industries including, business and financial services, manufacturing, transportation and warehousing, biotech and life sciences, education and healthcare as primary sectors. Chicago has a significant financial presence with such institutions as the CME Group, (formerly the financial exchanges of the Board of Trade and the Chicago Mercantile Exchange) and the Chicago Board Options Exchange. Chicago is home to nearly two times the global derivatives activity as New York and continues to be a major center for trading. Chicago has long been a center for international business and continues to be widely recognized. The City of Chicago is recognized as the # 4 Most Powerful City in the World by the Richard Florida/Martin Prosperity Institute Global Economic Power Index. Chicago consistently leads the nation in business investments and expansion, 2011 was no exception. Lawson Products, made the decision to relocate its corporate headquarters to Chicago. Founded in 1952, the company is a distributor of maintenance, repair, and operations supplies, in all 50 states as well as Canada and Puerto Rico. More than 300,000 parts are manufactured by Lawson. Due to advantages offered by the City, including access to public transportation and major road systems caused Lawson to relocate its 400 jobs to Chicago. Sara Lee Corporation also made the decision to relocate its new North American Meats corporate headquarters to Chicago bringing at least 500 positions to the City. Since taking office, Mayor Emanuel has announced more than 10,000 jobs that are coming to Chicago, in sectors including banking, financial services, airlines, e-commerce, healthcare IT. human resources, and more. The City continues to be a destination for both business and leisure travelers as tourism and convention activity continue to be a significant part of the economy. There are many local attractions, museums, festivals and professional sports teams that help to strengthen the area economy and provide jobs

Long-term Financial Planning. Long-term financial planning is key to establishing a stable financial environment and future for the City of Chicago. The 2012 budget was strategically constructed to lay a foundation for long term planning. To secure and maintain fiscal health the City evaluates past revenues, expenditures, polices, and programs in light of the factors, driving the broader economy, in order to plan for the future with a clear view of the past, taking an informed and long-term approach to financial planning. The 2011 first ever annual financial report included a trend analysis of all City funds, a financial forecast including a three-year baseline forecast and a three-year alternative forecast, and analyses of the City's reserves, capital program, debt, liabilities, and financial policies.

A New Administration. In 2011, the City of Chicago welcomed new Mayor Rahm Emanuel. Faced with a \$635.7 million budget deficit Mayor Emanuel was committed to aid in the growth of economic development and to secure a stronger financial future for the City. By proposing a \$417 million cut in spending and reforms his budget received unanimous approval from City Council supporting job creation and improved resident services. As a strong advocate of ethics Mayor Emanuel also made a commitment to increase the transparency of City government. To that end the Mayor issued six Executive Orders within the first few days in office and has taken unprecedented measures to increase citizen participation in City government.

Major Initiatives. The City 2011 budget addressed Chicago's most urgent needs and was reconstructed after the beginning of the Emanuel administration. On his first full day in office, Mayor Emanuel announced \$75 million in savings to the City's budget by implementing a variety of cost-saving measures, including cutting senior management payrolls, reducing outside legal counsel expenses, merging overlapping functions across departments, freezing all non-essential contract spending, and improving grants management. In the first 30 days the City implemented initiatives accounting for more than \$25 million worth of those projected savings, including \$17.5 million from freezing non-essential contract spending and procurement improvements, \$6 million in senior management expense reductions, \$1 million in reducing outside legal counsel expenses, and \$650,000 in real estate and energy reductions.

Relevant Financial Policies. The 2012 budget was able to avoid new taxes by identifying innovative reforms, efficiencies, revenue enhancements and investments. It will also allow the City to reinvest \$20 million back into the City's rainy day fund.

The savings include: vacancy reductions; increases in debt collection; health care savings from an employee wellness program; fee waiver reforms and departmental spending reductions. The budget contained 385 total layoffs, and the elimination of more than 2,150 vacant positions.

The budget also created a \$20 million innovation fund that will allow the City to invest in key, innovative projects for departments and agencies by providing loans that will be paid back after savings have been realized.

Awards and Acknowledgments. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chicago for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been prepared without the dedication and expertise of the staff of the Department of Finance. We wish to express our appreciation to those who contributed to the preparation of this report.

Respectfully submitted,

Lois A. Scott

Chief Financial Officer

Amer Ahmad City Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chicago Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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

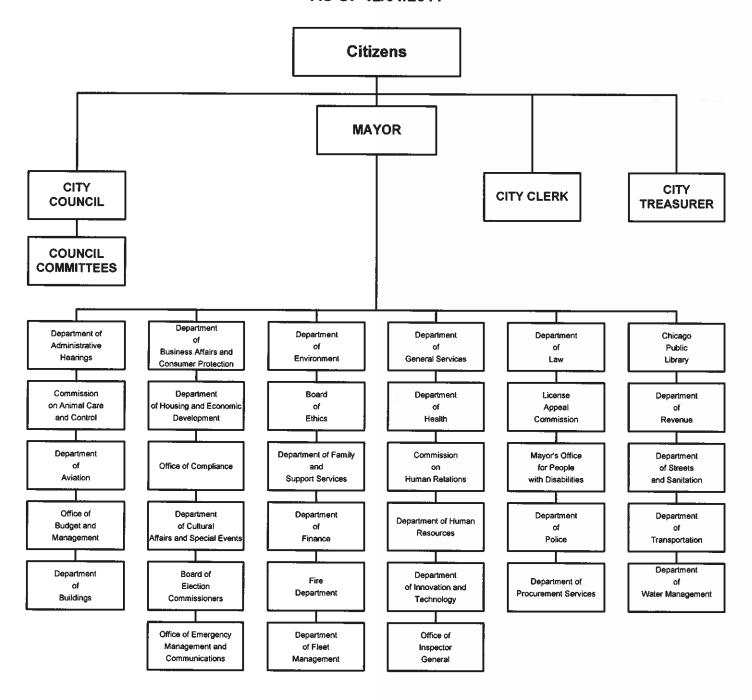
CANADA CORPORATION SEALL OFFICE OF THE C. Dandon President

SEAL OFFICE OF THE C. Dandon

President

Executive Director

CITY OF CHICAGO ORGANIZATION CHART AS OF 12/31/2011



PART II

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS AND THE BASIC FINANCIAL STATEMENTS





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INDEPENDENT AUDITORS' REPORT

To the Honorable Rahm Emanuel, Mayor and Members of the City Council City of Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Pension Plans (the "Plans") which, in aggregate, represent substantially all the assets and revenues of the fiduciary funds, included in the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective net assets or financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, effective January 1, 2011, the City adopted Statement No. 54 of the Governmental Accounting Standards Board (GASB), Fund Balance Reporting and Governmental Fund Type Definitions.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Other Postemployment Benefits Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the GASB 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 and other auditors have applied certain limited procedures to that required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Statements are presented for the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the City's financial statements that collectively comprise the City's basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and are not required parts 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.

June 29, 2012

Deloitte : Touche LLP

Management's Discussion and Analysis

As management of the City of Chicago, Illinois (City) we offer readers of the City's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. We encourage the readers to consider the information presented here in conjunction with information that we have furnished in our letter of transmittal, contained within this report.

2011 Financial Highlights

- Liabilities and Deferred Inflows of the City, in the government-wide financial statements, exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$2,609.6 million (*net deficit*). Of this amount, \$7,232.7 million is an unrestricted deficit, while \$2,151.9 million is invested in capital assets, net of related debt and \$2,471.3 million is restricted for specific purposes.
- The City's total assets and deferred outflows increased by \$1,513.2 million. The increase relates to \$699.1 million increase in capital assets as a result of the City's capital improvement program and \$514.1 million increase in restricted cash and cash equivalents and investments primarily as a result of the City's financing of its business activities capital programs and \$257.4 million increase from deferred outflows in derivative activities.
- Revenues and Other Financing Sources, in the fund financial statements, available for general governmental operations during 2011 were \$7,641.3 million, an increase of \$174.2 million (2.4 percent) from 2010.
- The General Fund, also in the fund financial statements, ended 2011 with a total Fund Balance of \$335.5 million. Total Fund Balance increased from 2010 primarily because Revenues and Other Financing Sources were more than Expenditures and Other Financing Uses by \$194.1 million. Fund Balance at December 31, 2011 of \$143.5 million was assigned. Unassigned Fund Balance was \$167.9 million at December 31, 2011.
- The City's general obligation bonds and notes outstanding increased by \$272.9 million during the current fiscal year. The proceeds from the increase in bonds were used to finance the City's capital plan and certain operating expenses.
- During fiscal year 2011, the City of Chicago implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions. Accordingly, the fiscal year 2011 ending fund balance classified as follows: \$24.1 million represents nonspendable fund balance, \$2,317.7 million is restricted fund balance, \$961.2 million is committed fund balance, \$146.1 million represents assigned fund balance, and unassigned deficit totaling \$1,593.1 million of fund balance for all governmental funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements. These components are described below:

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, using accounting methods similar to those used by private-sector companies. The statements provide both short-term and long-term information about the City's financial position, which assists in assessing the City's economic condition at the end of the fiscal year. These financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This basically means such statements follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

The *statement of net assets* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating, respectively. To assess the overall health of the City, the reader should consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2011

The *statement of activities* presents information showing how the government's net assets changed during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless* of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (for example, uncollected taxes, and earned but unused vacation). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and sanitation, transportation, health, and cultural and recreation. The business-type activities of the City include water, sewer, tollway and airport services.

The government-wide financial statements present information about the City as a primary government, which includes the Chicago Public Library and the City related funds of the Public Building Commission. The government-wide financial statements can be found immediately following this management's discussion and analysis.

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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 a fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 19 individual governmental funds. Information for the six funds that qualify as major is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The six major governmental funds are as follows: the General Fund, the Federal, State and Local Grants Fund, the Special Taxing Areas Fund, Service Concession and Reserve Fund, the Bond, Note Redemption and Interest Fund, and the Community Development and Improvement Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriation budget for its general and certain special revenue funds on a non-GAAP budgetary basis. A budgetary comparison statement has been provided for the General Fund, the only major fund with an appropriation budget, to demonstrate compliance with this budget. The basic governmental fund financial statements can be found immediately following the government-wide statements.

Proprietary funds. These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge user fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds, like government-wide statements, use the accrual basis of accounting and provide both long- and short-term financial information. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The City uses five enterprise funds to account for its water, sewer, tollway and two airports operations.

CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2011

Proprietary funds provide the same type of information as the government-wide financial statements, but provide more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sewer Fund, Chicago Skyway Fund, Chicago-O'Hare International Airport Fund and the Chicago Midway International Airport Fund. All the proprietary funds are considered to be major funds of the City. The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

Fiduciary funds. Fiduciary funds are used primarily to account for resources held for the benefit of parties outside the primary government. The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement can be used only for the trust beneficiaries. The City also uses fiduciary funds to account for transactions for assets held by the City as agent for various entities. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found immediately following the proprietary fund financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of data provided in the government–wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fiduciary fund basic financial statements.

Additional Information. The combining statements, which include nonmajor funds, for governmental funds and trust and agency funds are presented immediately following the notes to the financial statements.

Financial Analysis of the City as a Whole

Net Assets (deficit). As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows exceeded assets by \$2,609.6 million at December 31, 2011.

A large portion of the City's net deficit, \$2,151.9 million reflects its investment in capital assets (land, buildings, roads, bridges, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities and deferred inflows.

City of Chicago, Illinois Summary Statement of Net Assets (in millions of dollars)

	Governmental Activities			ss-type ⁄ities	Total		
	2011	2010	2011	2010	2011	2010	
Current and other assets Capital assets	\$ 6,125.2 7,579.9	\$ 6,109.4 7,288.3	\$ 4,480.3 11,801.2	\$ 3,939.1 11,393.8	\$ 10,605.5 19,381.1	\$ 10,048.5 18,682.1	
Deferred outflows	236.0	92.5	255.1	141.4	491.1	233.9	
Total	13,941.1	13,490.2	16,536.6	15,474.3	30,477.7	28,964.5	
Long-term liabilities outstanding Other liabilities	15,212.4 1,484.0	13,656.4 1,468.7	11,827.3 1,223.6	11,176.8 853.9	27,039.7 2,707.6	24,833.2 2,322.6	
Total Liabilities	16,696.4	15,125.1	13,050.9	12,030.7	29,747.3	27,155.8	
Deferred Inflows	1,639.4	1,660.4	1,700.6	1,719.1	3,340.0	3,379.5	
Net assets: Invested in capital assets, net of related debt	(299.9)	(324.3)	2,451.8	2,365.5	2,151.9	2,041.2	
Restricted	1,596.4	3,611.5	874.8	790.8	2,471.3	4,402.3	
Unrestricted	(5,691.2)	(6,582.5)	(1,541.5)	(1,431.8)	(7,232.7)	(8,014.3)	
Total net assets (deficit)	\$ (4,394.7)	\$ (3,295.3)	\$ 1,785.1	\$ 1,724.5	\$ (2,609.5)	\$ (1,570.8)	

An additional portion of the City's net assets (\$2,471.3 million) represent resources that are subject to external restrictions on how they may be used.

Governmental Activities. Net assets of the City's governmental activities decreased \$1,099.4 million to a deficit of \$4,394.7 million. However, a significant portion of those net assets are either restricted as to the purpose they can be used for or they are invested in capital assets (buildings, roads, bridges, etc.) net of related debt. C onsequently, unrestricted net assets showed a \$5,691.2 million deficit at the end of this year. This deficit does not mean that the City does not have the resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from personnel, property, pollution and casualty claims (\$678.9 million), Municipal employees, Policemen's and Firemen's net pension obligation (\$5,045.2 million) and post-employment benefits (\$341.4 million). The City will include these amounts in future years' budgets as they come due. In addition, the remaining deferred inflow of \$1,639.4 million will be amortized into income over the life of the concession service agreements.

Revenues for all governmental activities in 2011 were \$5,708.4 million, with over half of the City's revenue derived from taxes. Total tax receipts increased slightly. Total tax revenue includes an increase in property taxes received of \$137.9 million (17.3 percent). Other taxes increased by \$61.3 million (2.9 percent) as a result of increases in sales and transaction taxes. Federal/State grants vary from year to year depending primarily on the level of spending for programs, construction and other projects.

Expenses for governmental activities in 2011 were \$6,808.7 million. This reflects an increase of \$144.2 million (2.2 percent) over 2010. Public Safety accounted for approximately 40.0 percent of total expenses.

The cost of all governmental activities was \$6,808.7 million The amount that taxpayers paid for these activities through City taxes was only \$3,118.1 million. Some of the cost was paid by those who directly benefited from the programs (\$680.9 million), or by other governments and or ganizations that subsidized certain programs with grants and contributions (\$1,070.8 million).

CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2011

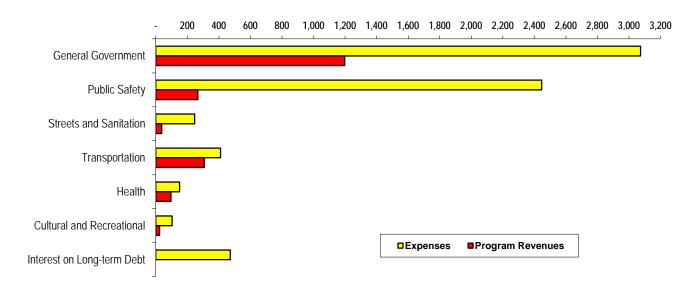
The City paid \$1,070.8 million for the "public benefit" portion with other revenues such as state aid, interest and miscellaneous income.

Although total net assets of business-types activities were \$1,785.1 million, these resources cannot be used to make up for the net asset deficit in governmental activities. The City generally can only use these net assets to finance the continuing operations of the water, sewer, toll way, and airports activities.

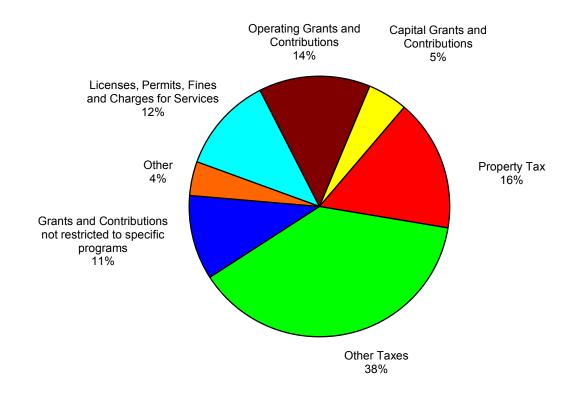
City of Chicago, Illinois Changes in Net Assets Years Ended December 31, (in millions of dollars)

	Governmental Activities		Busine: Activ		Total		
	2011	2010	2011	2010	2011	2010	
Revenues:							
Program Revenues:							
Licenses, Permits, Fines and							
Charges for Services	\$ 680.9	\$ 610.4	\$ 1,494.3	\$ 1,508.3	\$ 2,175.2	\$ 2,118.7	
Operating Grants and Contributions	788.8	674.7	-	-	788.8	674.7	
Capital Grants and Contributions	282.0	114.9	257.4	246.3	539.4	361.2	
General Revenues:							
Property Taxes	934.8	796.9	-	-	934.8	796.9	
Other Taxes	2,183.2	2,121.9	-	-	2,183.2	2,121.9	
Grants and Contributions not							
Restricted to Specific Programs	598.4	654.0	-	57.00	598.4	711.0	
Other	240.3	250.2	83.2		323.5	250.2	
Total Revenues	5,708.4	5,223.0	1,834.9	1,811.6	7,543.3	7,034.6	
Expenses:							
General Government	2,734.4	2,557.7	-	-	2,734.4	2,557.7	
Public Safety	2,689.4	2,824.0	-	-	2,689.4	2,824.0	
Streets and Sanitation	245.9	235.9	-	-	245.9	235.9	
Transportation	410.8	373.4	-	-	410.8	373.4	
Health	151.2	142.4	-	-	151.2	142.4	
Cultural and Recreational	102.8	126.9	-	-	102.8	126.9	
Interest on Long-term Debt	474.6	404.2	-	-	474.6	404.2	
Water	-	-	416.3	399.3	416.3	399.3	
Sewer	-	-	194.8	184.9	194.8	184.9	
Midway International Airport	-	-	218.1	224.5	218.1	224.5	
Chicago-O'Hare International Airport	-	-	933.2	834.5	933.2	834.5	
Chicago Skyway			10.9	11.3	10.9	11.3	
Total Expenses	6,809.1	6,664.5	1,773.3	1,654.5	8,582.4	8,319.0	
Change in Net Assets Before Transfers	(1,100.7)	(1,441.5)	61.6	157.1	(1,039.1)	(1,284.4)	
Transfers	1.0		(1.0)				
Change in Net Assets	(1,099.7)	(1,441.5)	60.6	157.1	(1,039.1)	(1,284.4)	
Net Assets, Beginning of Year	(3,295.3)	(1,853.8)	1,724.5	1,567.4	(1,570.8)	(286.4)	
Net Assets, End of Year	\$ (4,395.0)	\$ (3,295.3)	\$ 1,785.1	\$ 1,724.5	\$ (2,609.9)	\$ (1,570.8)	

Expenses and Program Revenues - Governmental Activities (in millions of dollars)



Revenues by Source - Governmental Activities

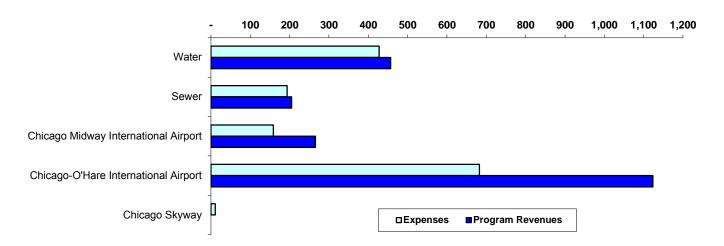


CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2011

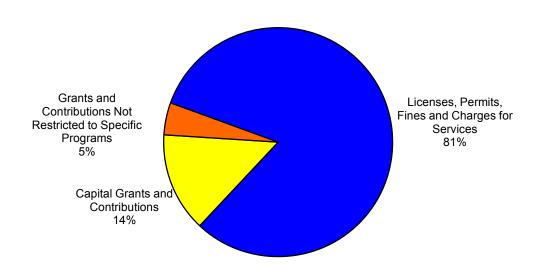
Business-type Activities. Revenues of the City's business-type activities slightly increased by \$23.3 million in 2011 mostly from miscellaneous revenues and additional capital grant revenues received. All Funds met debt service coverage ratios set forth in the applicable bond indentures.

- The Water Fund's operating revenues for 2011 decreased \$4.2 million compared to 2010 operating revenues. This decrease is primarily due to a decrease in pumpage. There was no water rate increase in 2011. Operating expenses before depreciation and amortization for 2011 increased by \$3.1 million compared to 2010 mainly due to increase in costs of sediment disposals offset by decreases in costs of natural gas and electricity, medical premiums, and workmen's compensations costs.
- The Sewer Fund's operating revenues for 2011 increased by \$5.1 million (2.6%) during fiscal year 2011, compared to prior-year operating revenues. Operating expenses before depreciation and amortization for 2011 remained consistent with 2012.
- Chicago Midway International Airport Fund's operating revenues for 2011 increased by \$8.3 million compared to prior year operating revenues. Operating expenses before depreciation and amortization increased by \$1.7 million primarily due to an increase in repairs and maintenance offset by other operating expenses.
- Chicago-O'Hare International Airport Fund's operating revenues for 2011 decreased by \$23.2 million (3.3%) compared to prior year operating revenues. Operating expenses before depreciation and amortization increased by \$20.4 million (5.0%) compared to 2010 primarily due to increased repairs and maintenance, professional and engineering services and other operating expenses.
- The Chicago Skyway was leased for 99 years to a private company. The agreement granted the company to operate the Skyway and to collect toll revenue during the term of the agreement. The City received an upfront payment of \$1.83 billion of which \$446.3 million was used to advance refund all of the outstanding Skyway bonds. The upfront payment is being amortized into non-operating revenue over the period of the lease (\$18.5 million annually).

Expenses and Program Revenues - Business-type Activities (in millions of dollars)



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2011, the City's governmental funds reported combined ending fund balances of \$1,855.9 million, a decrease of \$22.5 million in comparison with the prior year. Of this total amount \$961.3 million was committed to specific expenditures, \$146.1 million was assigned to anticipated uses, (\$1,593.1) million was unassigned, \$2,317.7 million was of restricted in use by legislation, and \$24.1 million was nonspendable.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$167.9 million with a total fund balance of \$335.5 million. As a measure of the General Fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total General Fund balance represents 11.3 percent of total General Fund expenditures. The fund balance of the City's General Fund increased by approximately \$200 million during the current fiscal year.

The Special Taxing Areas Fund has a total fund balance of \$1,451.6 million, which is all restricted to specific expenditures.

The Service Concession and Reserve Fund accounts for deferred inflows from non-business type long-term concession and lease transactions and has a \$618.9 million committed to specific expenditures. The unassigned amount of \$1,639.3 million (deficit) results from the deferred inflows from long-term asset leases.

The Bond, Note Redemption and Interest Fund has a total fund balance of \$412.3 million. This is \$147.7 million higher than 2010.

The Community Development and Improvement Projects Fund has a total fund balance of \$485.8 million. Fund balance is consistent with prior year.

Changes in fund balance. The fund balance for the City's governmental funds decreased by \$22.5 million in 2011. The includes an increase in inventory of \$5.8 million.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water, Sewer, Chicago Skyway, Chicago-O'Hare International Airport, and Chicago Midway International Airport Funds at the end of the year amounted to a deficit of \$1,541.5 million. The unrestricted net assets deficit increased by \$109.7 million due to a decrease in the unrestricted net assets in Chicago O'Hare International Airport, Water, and Sewer Funds. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's 2011 Original General Fund Budget is \$3,263.7 million. This budget reflects an increase of \$83.9 million (3 percent) over the 2010 Budget. The City's 2011 General Fund Budget was approved by the City Council on November 17, 2010. The General Fund revenues on a budgetary basis were \$15.3 million less than the final budget as a result of higher than expected taxes, offset by lower transfers in. In addition, unfavorable results occurred in utility taxes, state income taxes and charges for services. Expenditures were \$194.7 million less than budgeted as a result of favorable variances in general government, primarily as a result of lower than expected health care and personnel related expenses. Additional information on the City's budget can be found in Note #3 under Stewardship, Compliance and Accountability within this report.

The General Fund revenues and expenditures in 2011 ended the current fiscal year with an unassigned fund balance of \$167.9 million.

Capital Asset and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of December 31, 2011 amount to \$19,381.2 million (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, roads, highways and bridges, and property, plant and equipment.

Major capital asset events during the current fiscal year included the following:

- The City continued its LEED Strategy with the construction of a new fire house for Engine Company 109 totaling \$8.4 million in construction cost.
- During 2011 the City completed \$9.6 million in bridge and viaduct reconstruction projects, \$117.0 million in street construction and resurfacing projects, and \$10.0 million in street lighting and transit projects. At year end, Infrastructure projects still in process had expenses totaling over \$387 million.
- Four branch libraries were completed and opened in 2011: Grand Crossing, Little Village, Richard M. Daley and Dunning.
- At the end of 2011, the Water Fund totaled \$2,594.4 million invested in utility plant, net of accumulated depreciation. During 2011, the Water Fund expended \$152 million on capital activities. This included \$2.1 million for structures and improvements, \$78 million for distribution plant, \$6.9 million for equipment, and \$65 million for construction in progress. During 2011, net completed projects totaling \$39.5 million were transferred from construction in progress to applicable capital accounts. Major completed projects for the Water Fund were related to installation and replacements of water mains (\$29.8 million) and Thomas Jefferson pumping station's electrical and control improvements (\$4.8 million). The 2011 Water Main Replacement Program completed 31 miles of water mains of which approximately 18 miles were completed by in-house crews.
- At the end of 2011, the Sewer Fund totaled capital assets of \$1,494.7 million. During 2011, the Sewer Fund had
 capital additions being depreciated of \$88.6 million, and completed projects totaling \$11.7 million were transferred
 from construction in progress to applicable facilities and s tructures capital accounts. The 2011 Sewer Main
 Replacement Program completed 11.8 miles of sewer mains and 42.9 miles of relining of existing sewer mains at a
 cost of \$88.6 million.
- At the end of 2011, Chicago-Midway International Airport totaled \$1,152.5 million, invested in net capital assets. During 2011, the Airport had additions of \$43.3 million related to capital activities. This included \$2.2 million for land acquisition and the balance \$41.1 million for terminal improvements, parking and runway improvements.
- At the end of 2011 Chicago-O'Hare International Airport totaled \$6.3 million, invested in net capital assets. During 2011, the Airport had a dditions of \$393.9 million related to capital activities. This included \$11.7 million for land acquisition and the balance of \$382.2 million for terminal improvements, road and sidewalk enhancement, runway and taxiway improvements, along with fuel system enhancements. During 2011, completed projects totaling \$616.4 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway improvements, security enhancement, electrical, water drainage, fuel system enhancements and terminal improvements.

City of Chicago, Illinois Capital Assets (net of depreciation) (in millions of dollars)

	Governmental Activities			ess-type vities	Total		
	2011	2010	2011	2010	2011	2010	
Land Works of Art and	\$ 1,401.0	\$ 1,382.2	\$ 1,012.6	\$ 864.0	\$ 2,413.6	\$ 2,246.2	
Historical Collections	13.1	13.1	-	-	13.1	13.1	
Construction in Progress	466.3	164.6	1,310.4	1,419.6	1,776.7	1,584.2	
Buildings and Other Improvements	1,699.0	1,677.7	9,141.0	8,767.5	10,840.0	10,445.2	
Machinery and Equipment	313.6	320.2	337.3	342.7	650.9	662.9	
Infrastructure	3,686.9	3,730.5			3,686.9	3,730.5	
Total	\$ 7,579.9	\$ 7,288.3	\$ 11,801.3	\$ 11,393.8	\$ 19,381.2	\$ 18,682.1	

Information on the City's capital assets can be found in Note 7 Capital Assets in this report.

Debt. At the end of the current fiscal year, the City had \$7,223.7 million in General Obligation Bonds and Notes and \$554.0 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$198.3 million in Motor Fuel Tax Revenue Bonds; \$577.7 million of Sales Tax Revenue Bonds; \$131.6 million in Tax Increment Financing Bonds; and \$11,715.0 million in Enterprise Fund Bonds and long-term obligations. For more detail, refer to Note 10 Long-term Obligations in the Basic Financial Statements.

City of Chicago, Illinois General Obligation and Revenue Bonds (in millions of dollars)

	Governmental Activities			ess-type vities	Total		
	2011	2010	2011	2010	2011	2010	
General Obligation	\$ 7,777.7	\$ 7,504.7	\$	\$ -	\$ 7,777.7	\$ 7,504.7	
Installment Purchase Agreement	-	1.2	-	-	-	1.2	
Tax Increment	131.6	163.6	-	-	131.6	163.6	
Revenue Bonds	776.0	559.4	11,715.0	10,923.7	12,491.0	11,483.1	
Total	\$ 8,685.3	\$ 8,228.9	\$11,715.0	\$ 10,923.7	\$ 20,400.3	\$ 19,152.6	

During 2011, the City issued the following:

General Obligation Bonds and Notes:

- General Obligation Bonds, Taxable Project Series 2010C-1 (\$299.3 million)
- General Obligation Notes, Taxable Fixed Rate Series 2011 (\$70.4 million)
- General Obligation Bonds, Project Series 2011A and Taxable Project Series 2011B (\$416.3 million)
- Sales Tax Revenue Bonds, Series 2011A and Taxable Series 2011B (\$232.9 million)

Enterprise Fund Revenue Bonds and Notes:

- Chicago-O'Hare International Airport Third Lien Revenue Bonds, Series 2011A (Non-AMT), Series 2011B (Non-AMT) and Series 2011C (Non-AMT) (\$1,000.0 million)
- Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds, Series 2011A (Non-AMT) and 2011B (AMT) (\$46.0 million)
- Chicago-O'Hare International Airport General Commercial Paper Notes (\$19.9 million)

At December 31, 2011 the City had credit ratings with each of the three major rating agencies as follows:

		Standard &	
Rating Agency	Moody's	Poors	Fitch
General Obligation:			
City	Aa3	A+	AA-
Revenue Bonds:			
O'Hare Airport:			
First Lien General Airport Revenue Bonds	Aa3	AA	AA+
Second Lien General Airport Revenue Bonds	A1	AA-	AA
Third Lien General Airport Revenue Bonds	A1	A-	A-
First Lien Passenger Facility Charge (PFC)	A2	A-	Α
Midway Airport:			
First Lien	A2	Α	Α
Second Lien	A3	A-	A-
Water:			
First Lien	Aa2	AA	AA+
Second Lien	Aa3	AA-	AA
Wastewater:			
First Lien	Aa2	AA-	NR
Junior Lien	Aa3	A+	AA
Sales Tax	Aa2	AAA	AA-
Motor Fuel Tax	Aa3	AA+	A-

CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2011

Economic Factors and Next Year's Budgets and Rates

The City's finances are closely tied with the global and national economies. Nationally, in 2011, existing housing unit sales experienced a slight increase of 2 percent above 2010 levels, but sales in the Midwest were flat compared to 2010. In Chicago, average home prices decreased by 7 percent in 2011 from 2010 levels, while real estate transaction tax collections increased by 5 percent from 2010 collections due mostly to large one-time commercial transactions.

Chicago is a center of tourism and conventions. Chicago's business district includes more than 33,000 hotel rooms within a five-mile range of McCormick Place, the convention facility that contains 2.6 million square feet of exhibit halls. Hotel projects completed in 2011 included the Radisson Blu with 334 rooms and PUBLIC Chicago with 285 rooms. Hotel occupancy increased to 72 percent in 2011 and the average daily room rate increased by 4.6 percent. Revenue per available room, a key metric that accounts for both occupancy and room rate, rose 8 percent over 2010 levels in 2011.

The average national unemployment rate decreased to 9.0 percent in 2011 from 9.6 percent in 2010. Chicago saw a small increase in unemployment in 2011 as the rate increased to 11.3 percent, up from 11.0 percent in 2010.

The City's 2012 Corporate Fund budget was approved unanimously by the City Council on November 16, 2011. The City's Corporate Fund budget totals \$3,095.7 million, reflecting a decrease of \$168.1 million, or approximately 5.2 percent of the 2011 Corporate Fund budget. The 2012 budget balanced a preliminary budget shortfall of \$635.7 million by cutting spending and increasing efficiencies without increasing property or sales taxes. In recent years, the City utilized nonrecurring revenue sources, including funds from its asset concession reserves, to subsidize its operating budget. The 2012 budget begins phasing out this heavy reliance on such nonrecurring revenue sources, and returns \$20 million into its long-term reserves.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Chicago Comptroller's Office.

Exhibit 1
CITY OF CHICAGO, ILLINOIS
STATEMENT OF NET ASSETS
December 31, 2011
(Amounts are in Thousands of Dollars)

	Primary Government		
	Governmental	Business-type	_
	Activities	Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Cash and Cash Equivalents	\$ 664,643	\$ 139,709	\$ 804,352
Investments	1,869,980	182,529	2,052,509
Cash and Investments with Escrow Agent	498,483	-	498,483
Receivables (Net of Allowances):			
Property Tax	1,350,049	-	1,350,049
Accounts	836,086	313,433	1,149,519
Internal Balances	(23,595)	23,595	-
Inventories	24,055	18,667	42,722
Restricted Assets:	404.000	040 405	4 040 400
Cash and Cash Equivalents	131,698	916,465	1,048,163
Investments	569,131	2,367,338	2,936,469
Other Assets	204,591	518,584	723,175
Capital Assets: Land, Art, and Construction in Progress	1,880,376	2.323.001	4,203,377
Other Capital Assets, Net of Accumulated Depreciation	5,699,592	9,478,254	15,177,846
Total Capital Assets	7,579,968	11,801,255	19,381,223
Deferred Outflows	236,014	255,099	491,113
Total Assets and Deferred Outflows	\$ 13,941,103	\$ 16,536,674	\$ 30,477,777
LIABILITIES AND DEFERRED INFLOWS			
Voucher Warrants Payable	\$ 454,187	\$ 305,051	\$ 759,238
Short-term Debt	672	-	672
Accrued Interest	177,026	276,577	453,603
Accrued and Other Liabilities	442,258	124,771	567,029
Unearned Revenue	141,345	249,690	391,035
Long-term Liabilities:			
Due Within One Year	202,075	240,295	442,370
Other Long-term liabilities		12,326	12,326
Derivative Instrument Liability	268,319	255,099	523,418
Due in More Than One Year	15,010,494	11,587,150	26,597,644
Total Liabilities	16,696,376	13,050,959	29,747,335
Deferred Inflows	1,639,393	1,700,606	3,339,999
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	(299,859)	2,451,787	2,151,928
Restricted for:			
Capital Projects	-	202,163	202,163
Debt Service	144,776	21,425	166,201
Federal, State and Local Grants	-	-	-
Special Taxing Areas	1,451,632	404.007	1,451,632
Passenger Facility Charges	-	161,987	161,987
Noise Mitigation Program	-	202,477 286 785	202,477 286 785
Other Purposes Unrestricted (Deficit)	(5,691,215)	286,785 (1,541,515)	286,785 (7,232,730)
Total Net Assets	\$ (4,394,666)	\$ 1,785,109	\$ (2,609,557)

See notes to basic financial statements.

Functions/Programs		Expenses		Licenses, Permits, Fines and Charges for Services		
Primary Government						
Governmental Activities:						
General Government	\$	2,734,419	\$	388,886		
Public Safety		2,689,471		211,157		
Streets and Sanitation		245,898		37,291		
Transportation		410,802		28,613		
Health		151,152		7,796		
Cultural and Recreational		102,808		7,201		
Interest on Long-term Debt		474,226		-		
Total Governmental Activities		6,808,776		680,944		
Business-type Activities:						
Water		416,289		454,221		
Sewer		194,838		203,349		
Chicago Midway International Airport		218,172		157,371		
Chicago-O'Hare International Airport		879,281		679,402		
Chicago Skyway		10,930				
Total Business-type Activities		1,719,510		1,494,343		
Total Primary Government	\$	8,528,286	\$	2,175,287		

See notes to basic financial statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Assets							
-		Primary Government								
Operating	Capital									
Grants and	Grants and	Gover	nmental	Bus	iness-type					
Contributions	Contributions	Act	ivities	P	ctivities		Total			
<u></u>										
						_				
\$ 628,805	\$ 3,385	•	713,343)	\$	-	\$	(1,713,343)			
54,877	-	•	423,437)		-		(2,423,437)			
-	-	•	208,607)		-		(208,607)			
-	278,623		103,566)		-		(103,566)			
88,593	-		(54,763)		-		(54,763)			
16,537	-		(79,070)		-		(79,070)			
-			474,226)		_		(474,226)			
788,812	282,008	(5,	057,012)		_		(5,057,012)			
-	2,597		_		40,529		40,529			
_	1,864		_		10,375		10,375			
_	46,086		_		(14,715)		(14,715)			
_	206,891		_		7,012		7,012			
_	-		_		(10,930)		(10,930)			
	257,438				32,271		32,271			
\$ 788,812	\$ 539,446	(5.	057,012)		32,271		(5,024,741)			
<u> </u>	-	(-,	,		,-		(=,==,,=,,			
General Revenues										
Taxes:										
			934,870		-		934,870			
•			564,236		-		564,236			
			310,626		-		310,626			
•			331,441		-		331,441			
			250,486		-		250,486			
Special Area Tax			457,192		-		457,192			
			159,428		-		159,428			
			109,830		-		109,830			
Grants and Contributi	ons not Restricted to									
			598,498		-		598,498			
Unrestricted Investme	ent Earnings		64,294		48,517		112,811			
Miscellaneous			175,758		34,687		210,445			
Total General Reve	nues	3,	956,659		83,204		4,039,863			
Special Item			-		(53,910)		(53,910)			
Transfers			1,000	_	(1,000)					
Change in Net	t Assets	(1,	099,353)		60,565		(1,038,788)			
Net Assets - Beginning			295,313)		1,724,544		(1,570,769)			
Net Assets - Ending			394,666)	\$	1,785,109	\$	(2,609,557)			
		· (·)	, /		,,	<u> </u>	, , , /			

Exhibit 3
CITY OF CHICAGO, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011
(Amounts are in Thousands of Dollars)

100570	General		Federal, State and Local Grants		Special Taxing Areas	
ASSETS Cash and Cash Equivalents Investments Cash and Investments with Escrow Agent	\$	537 109,071	\$	- 75,382	\$	652,107 679,087
Receivables (Net of Allowances): Property Tax						424,056
Accounts		234,269		20,215		4,195
Due From Other Funds		175,129		21,786		118,697
Due From Other Governments		210,686		276,051		-
Inventories		24,055				_
Restricted Cash and Cash Equivalents		-		3,220		-
Restricted Investments		-		-		-
Other Assets		-		7,210		
Total Assets	\$	753,747	\$	403,864	\$	1,878,142
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE Liabilities:						
Voucher Warrants Payable	\$	154,055	\$	181,965	\$	19,881
Bonds, Notes and Other Obligations Payable - Current		-		-		-
Accrued Interest		126 542		- 106 EE9		- 6.041
Due To Other Funds		136,543 112,911		106,558 26,558		6,941 24,267
Claims Payable		12,554		20,556		24,207
Deferred Revenue		2,151		210,467		375,418
Total Liabilities		418,214		525,548		426,507
Deferred Inflows		<u>-</u>		-		-
Fund Balance:						
Nonspendable		24,055		-		-
Restricted		-		-		1,451,635
Committed		-		-		-
Assigned		143,549		-		-
Unassigned		167,929		(121,684)		4 454 005
Total Fund Balance	•	335,533	<u> </u>	(121,684)	•	1,451,635
Total Liabilities, Deferred Inflows and Fund Balance	\$	753,747	\$	403,864	\$	1,878,142

See notes to basic financial statements.

	Service Concession and Reserve	Bond, Note Redemption and Interest	Community Development and Improvement Projects	Other Governmental Funds	Total Governmental Funds
9	852 - -	\$ - 188,380 398,565	\$ 1,130 530,373 2,077	\$ 10,017 287,687 97,841	\$ 664,643 1,869,980 498,483
	- 63 20,000 - -	476,715 32,621 68 1,508	- 1,615 48,443 - -	449,278 16,969 134,206 37,894	1,350,049 309,947 518,329 526,139 24,055
	128,478 569,131	-	-	-	131,698 569,131
(- 5 718,524	\$ 1,097,857	\$ 583,638	- \$ 1,033,892	7,210 \$ 6,469,664
Ş	68 - -	\$ - 41,282 174,566	\$ 26,246 - -	\$ 46,044 6,850 2,460	\$ 428,259 48,132 177,026
	98,273 1,288	4,936	62,863 8,694	164,140 109,595	580,254 283,313
	-	- 464,763	-	- 391,948	12,554 1,444,747
_	99,629	685,547	97,803	721,037	2,974,285
_	1,639,393				1,639,393
	_	_	-	_	24,055
	-	144,776	485,835	235,488	2,317,734
	618,895	267,534	-	74,817	961,246
	- (1,639,393)	-	-	2,550	146,099 (1,593,148)
_	(1,020,498)	412,310	485,835	312,855	1,855,986
3		\$ 1,097,857	\$ 583,638	\$ 1,033,892	\$ 6,469,664

Amounts reported for governmental activities in the statement of net assets are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 7,579,968 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds . 1,287,008 Certain liabilities, including bonds payable, are not due and payable in the current

period and therefore are not reported in the funds (15,117,628)(4,394,666)

Net assets of governmental activities

Exhibit 4
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas	
Revenues:	•	•	•	
Property Tax	\$ -	\$ -	\$ -	
Utility Tax	467,630	-	-	
Sales Tax	536,281	-	-	
Transportation Tax	151,927	-	-	
State Income Tax	236,521	-	-	
Transaction Tax	215,262	-	-	
Special Area Tax	-	-	422,381	
Recreation Tax	159,428	-	-	
Other Taxes	91,767	=	=	
Federal/State Grants	1,294	974,757	-	
Internal Service	306,126	-	-	
Licenses and Permits	102,702	-	-	
Fines	263,288	-	-	
Investment Income	3,378	-	8,098	
Charges for Services	141,647	-	87	
Miscellaneous	103,915		1,698	
Total Revenues	2,781,166	974,757	432,264	
Expenditures:				
Current:	000 000	500.077	405.000	
General Government	863,622	538,377	405,826	
Health	32,390	111,665	23	
Public Safety	1,895,404	83,375	806	
Streets and Sanitation	175,829	-	775	
Transportation	69,683	321,199	59,798	
Cultural and Recreational	420	16,534	2,597	
Employee Pensions	-	-	-	
Other	239	25,503	-	
Capital Outlay	-	2,964	-	
Debt Service:				
Principal Retirement	1,200	-	-	
Interest and Other Fiscal Charges	1,649			
Total Expenditures	3,040,436	1,099,617	469,825	
Revenues (Under)/Over Expenditures	(259,270)	(124,860)	(37,561)	

Continued on following pages.

Cor	ervice ncession Reserve	Re	ond, Note edemption nd Interest	De\ Imp	ommunity velopment and provement Projects		Nonmajor vernmental Funds	Go	Total overnmental Funds
\$	-	\$	515,368	\$	-	\$	373,163	\$	888,531
	-		13,289		-		83,317		564,236
	-		26,427		-		448		563,156
	-		15,613		-		163,901		331,441
	-		_		-		108,153		344,674
	-		_		-		35,224		250,486
	-		_		-		130,513		552,894
	-		-		-		-		159,428
	-		-		-		18,063		109,830
	-		-		-		-		976,051
	-		-		-		15,012		321,138
	-		-		-		-		102,702
	-		-		-		20,534		283,822
	28,895		23,752		6,516		3,282		73,921
	-		_		-		18,915		160,649
	21,033		18,479		7,228		21,415		173,768
	49,928		612,928		13,744		991,940		5,856,727
	121		_		_		249,578		2,057,524
	_		_		_		4,371		148,449
	-		_		_		4,727		1,984,312
	_		_		_		59,987		236,591
	_		_		_		56,909		507,589
	_		_		_		71,354		90,905
	_		_		_		481,407		481,407
	-		-		-		469		26,211
	-		-		411,502		55,747		470,213
	-		143,118		-		44,290		188,608
			393,844	_		_	34,329	_	429,822
	121		536,962		411,502		1,063,168		6,621,631
	49,807		75,966		(397,758)		(71,228)		(764,904)

Exhibit 4 - Concluded
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	General	 Federal, State and Local Grants	 Special Taxing Areas
Other Financing Sources (Uses): Issuance of Debt Premium Payment to Refunded Bond Escrow Agent Transfers In Transfers Out	\$ 95,000 - - 372,744 (14,357)	\$ - - - (9,874)	\$ - - - 135,217 (46,352)
Total Other Financing Sources (Uses) Net Changes in Fund Balance Fund Balance, Beginning of Year Change in Inventory Fund Balance, End of Year	\$ 453,387 194,117 135,541 5,875 335,533	\$ (9,874) (134,734) 13,050 - (121,684)	\$ 88,865 51,304 1,400,331 - 1,451,635

Ą	Service Concession greements nd Reserve	R	ond, Note edemption nd Interest	De Im	ommunity velopment and provement Projects		Nonmajor vernmental Funds	G	Total overnmental Funds
\$	- - - - (287,769)	\$	580,015 - (470,721) - (37,552)	\$	392,729 9,505 - 2,758 (25)	\$	135,078 - (6,066) 61,491 (175,281)	\$	1,202,822 9,505 (476,787) 572,210 (571,210)
	(287,769)		71,742		404,967		15,222		736,540
•	(237,962) (782,536) - (1,020,498)	<u></u>	147,708 264,602 - 412,310	<u> </u>	7,209 478,626 - 485,835	<u> </u>	(56,006) 368,861 - 312,855	<u> </u>	(28,364) 1,878,475 5,875 1,855,986

Exhibit 5 CITY OF CHICAGO, ILLINOIS RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2011 (Amounts are in Thousands of Dollars)

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (28,364)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current	
period	295,846
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(49,360)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments	(500,103)
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as	(047.270)
expenditures in governmental funds	 (817,372)
Change in the net assets of governmental activities	\$ (1,099,353)

Exhibit 6
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND (BUDGETARY BASIS)
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

(Amounts are in Thousands of Dollars)					 /ariance
	Original	Final	Actual		Positive
	Budget	Budget		Amounts	Negative)
Revenues:					
Utility Tax	\$ 479,543	\$ 479,543	\$	467,630	\$ (11,913)
Sales Tax	233,473	233,473		252,530	19,057
Transportation Tax	149,647	149,647		151,927	2,280
Transaction Tax	175,917	175,917		215,262	39,345
Recreation Tax	155,140	155,140		159,428	4,288
Business Tax	77,013	77,013		88,176	11,163
State Income Tax	309,909	309,909		236,521	(73,388)
State Sales Tax	263,121	263,121		283,751	20,630
State Auto Rental	3,192	3,192		3,591	399
Federal/State Grants	1,700	1,700		1,294	(406)
Internal Service	296,628	296,628		306,126	9,498
Licenses and Permits	95,352	95,352		102,702	7,350
Fines	254,416	254,416		263,288	8,872
Investment Income	3,036	3,036		3,378	342
Charges for Services	152,003	152,003		132,587	(19,416)
Municipal Utilities	6,767	6,767		9,060	2,293
Leases, Rentals and Sales	16,456	16,456		22,595	6,139
Miscellaneous	86,400	86,400		81,320	(5,080)
Issuance of Debt, Net of					
Original Discount	-	-		95,000	95,000
Budgeted Prior Years' Surplus					
and Reappropriations	9,360	9,360		-	(9,360)
Transfers In/Out	 494,600	 494,600		372,744	 (121,856)
Total Revenues	 3,263,673	3,263,673		3,248,910	 (14,763)
Expenditures:					
Current:					
General Government	1,045,681	1,045,681		891,112	154,569
Health	37,211	37,211		32,660	4,551
Public Safety	1,917,344	1,917,344		1,899,179	18,165
Streets and Sanitation	184,218	184,218		174,853	9,365
Transportation	76,280	76,280		69,967	6,313
Cultural and Recreational	559	559		420	139
Debt Service:					
Principal Retirement	2,380	2,380		1,200	1,180
Interest and Other Fiscal Charges					-
Total Expenditures	 3,263,673	 3,263,673		3,069,391	 194,282
Revenues Over (Under) Expenditures	\$ 	\$ 	\$	179,519	\$ 179,519

Exhibit 7
CITY OF CHICAGO, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011
(Amounts are in Thousands of Dollars)

		В	usiness-type Activit	ties - Enterprise Fur	nds	
			Major Funds			
ACCETO AND DEFENDED OUTELOWS	Water	Sewer	Chicago Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
ASSETS AND DEFERRED OUTFLOWS						
CURRENT ASSETS:						
Cash and Cash Equivalents Investments Accounts Receivable (Net of	•	\$ 6,528 14,521	\$ 35,366 26,709	\$ 69,207 106,870	\$ 812 410	\$ 139,709 182,529
Allowances)	101,280	59,902	14,467	109,286	60	284,995
Due from Other Funds	17,507	23,145	2,119	25,207	-	67,978
Due from Other Governments		-	2,732	25,706	-	28,438
Inventories	16,345	2,322	· <u> </u>			18,667
Total Current Assets	196,947	106,418	81,393	336,276	1,282	722,316
RESTRICTED ASSETS:						
Cash and Cash Equivalents	30,288	23,037	106,280	756,860	-	916,465
Investments	193,495	110,536	286,015	1,777,292	_	2,367,338
Total Restricted Assets	223,783	133,573	392,295	2,534,152		3,283,803
NONCURRENT ASSETS:						
Other Assets	14,557	10,893	124,365	351,823	10,299	511,937
Property, plant, and equipment:						
Land Structures, Equipment and	5,083	560	109,446	884,939	12,609	1,012,637
Improvements	3,263,421	1,825,960	1,371,443	6,769,384	490,818	13,721,026
Accumulated Depreciation		(411,048)		(2,425,841)	(202,361)	(4,242,772)
Construction Work in Progress	, ,	79,210	52,173	1,030,110		1,310,364
Total Property, Plant and Equipment	2,594,391	1,494,682	1,152,524	6,258,592	301,066	11,801,255
Derivatives instrument			6,647			6,647
Total Noncurrent Assets	2,608,948	1,505,575	1,283,536	6,610,415	311,365	12,319,839
DEFERRED OUTFLOWS	128,386	91,713	35,000			255,099
Total Assets and Deferred Outflows	\$ 3,158,064	\$ 1,837,279	\$ 1,792,224	\$ 9,480,843	\$ 312,647	\$ 16,581,057

		В	usiness-type Activ	rities - Enterprise F	unds	
			M ajor Funds			
	Water	Sewer	Chicago Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
LIABILITIES						
CURRENT LIABILITIES:						
Voucher Warrants Payable Due to Other Funds Accrued and Other Liabilities Unearned Revenue	\$ 30,730 19,765 71,158 14,394	\$ 23,798 11,385 41,655 10,365	\$ 12,443 7,824 2,534 18,943	\$ 51,709 5,394 9,278 205,988	\$ 274 15 146 -	\$ 118,954 44,383 124,771 249,690
Total Current Liabilities	136,047	87,203	41,744	272,369	435	537,798
PAYABLE FROM RESTRICTED ASSETS:						
Current Liabilities Payable From Restricted Assets	77,096	49,318	99,383	477,172		702,969
Total payable from restricted assets	77,096	49,318	99,383	477,172		702,969
NONCURRENT LIABILITIES:						
Revenue Bonds Payable Derivative Instrument Liability Capital Lease Long-term Purchase Obligation	1,711,013 128,386 - 3,290	1,104,768 91,713 -	1,432,613 35,000 9,036	7,338,756 - - -	- - -	11,587,150 255,099 9,036 3,290
Total Noncurrent Liabilities	1,842,689	1,196,481	1,476,649	7,338,756	_	11,854,575
Total Liabilities	2,055,832	1,333,002	1,617,776	8,088,297	435	13,095,342
DEFERRED INFLOWS	-	-	-	-	1,700,606	1,700,606
NET ASSETS:						
Invested in Capital Assets, Net of Related Debt	1,055,054	454,079	(72,325)	713,876	301,103	2,451,787
Restricted Net Assets: Debt Service	_	· .	21,425	· · · · · · · · · · · · · · · · · · ·	· _	21,425
Capital Projects	209	24,610	12,661	164,683	-	202,163
Passenger Facility Charges	-	, - ·	5,177	156,810	-	161,987
Contractual Use Agreement	-	-	23,943	112,114	-	136,057
Noise Mitigation Program	-	-	110,691	91,786	-	202,477
Other	-	-	35,652	115,076	-	150,728
Unrestricted Net Assets	46,969	25,588	37,224	38,201	(1,689,497)	(1,541,515)
Total Net Assets	\$ 1,102,232	\$ 504,277	\$ 174,448	\$ 1,392,546	\$ (1,388,394)	\$ 1,785,109

Exhibit 8
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

		В	usiness-type Acti	ivities - Enterprise I	Funds	
			Major Funds			
	Water	Sewer	Chicago Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
Operating Revenues:						
Charges for Services	\$ 441,769	\$ 202,323	\$ 79,445	\$ 417,552	\$ -	\$ 1,141,089
Rent	-	-	77,926	261,850	-	339,776
Other	12,452	1,026				13,478
Total Operating Revenues	454,221	203,349	157,371	679,402		1,494,343
Operating Expenses:						
Personal Services	108,007	18,802	43,554	154,974	-	325,337
Contractual Services	44,797	3,544	15,650	65,382	-	129,373
Repairs and Maintenance	1,452	62,460	40,732	94,519	-	199,163
Commodities and Materials	24,557	-	-	-	-	24,557
Depreciation and Amortization	47,603	25,917	51,067	178,449	10,930	313,966
General Fund Reimbursements	62,289	29,124	-	-	-	91,413
Other	41,062		10,153	116,175		167,390
Total Operating Expenses	329,767	139,847	161,156	609,499	10,930	1,251,199
Operating Income (Loss)	124,454	63,502	(3,785)	69,903	(10,930)	243,144
Nonoperating Revenues (Expenses):						
Investment Income (Loss)	2,008	3,039	17,460	26,006	4	48,517
Interest Expense	(86,522)	(54,991)	(57,016)	(269,782)	-	(468,311)
Passenger Facility Charges	-	-	43,025	147,150	-	190,175
Other	(442)	159	777	15,701	18,492	34,687
Total Nonoperating Revenues						
(Expenses)	(84,956)	(51,793)	4,246	(80,925)	18,496	(194,932)
Special Item	-	-	-	(53,910)	-	(53,910)
Transfers Out	-	-	-	-	(1,000)	(1,000)
Capital Grants	2,597	1,864	3,061	59,741		67,263
Net Income (Loss)	42,095	13,573	3,522	(5,191)	6,566	60,565
Net Assets (Deficit) - Beginning of Year	1,060,137	490,704	170,926	1,397,737	(1,394,960)	1,724,544
Net Assets (Deficit) - End of Year	\$ 1,102,232	\$ 504,277	\$ 174,448	\$ 1,392,546	\$ (1,388,394)	\$ 1,785,109

Exhibit 9
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

		Bus	siness-type Activit	ties - Enterprise Fu	unds	
_			Major Funds			
	Water	Sewer	Chicago Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
Cash Flows from Operating Activities:						
Received from Customers	\$ 440,408	\$ 186,323	\$ 137,864	\$ 729,196	\$ -	\$ 1,493,791
Payments to Vendors	(89,215)	(34,064)	(68,185)	(248,815)	-	(440,279)
Payments to Employees	(108,007)	(44,037)	(35,997)	(142,451)	_	(330,492)
Transactions with Other City Funds	(66,535)	(27,210)	(8,075)	(61,650)		(163,470)
Cash Flows Provided By						
Operating Activities	176,651	81,012	25,607	276,280		559,550
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Issuance of Bonds	14,573	_	_	1,065,927	_	1,080,500
Acquisition and Construction of	11,070			1,000,027		1,000,000
Capital Assets	(136,902)	(129,310)	(15,230)	(298,769)	(62)	(580,273)
Capital Grant Receipts	(.00,002)	1,864	2,186	49,511	-	53,561
Bond Issuance Costs	_	-	_,	(6,071)	-	(6,071)
Payment to Refund Bonds	_	_	(4,005)	(108,800)	_	(112,805)
Principal Paid on Debt	(56,488)	(25,257)	(7,885)	(107,295)	-	(196,925)
Interest Paid	(86,434)	(50,164)	(60,409)	(319,272)	_	(516,279)
Passenger Facility Charges	-	-	40,623	143,310	_	183,933
Noise Mitigation Program	_	_	(18,210)	(10,129)	_	(28,339)
Transfers Out to Other Funds	_	_	-	-	(1,000)	(1,000)
Deposit			1,420		15	1,435
Cash Flows (Used in) Provided By Capital						
and Related Financing Activities	(265,251)	(202,867)	(61,510)	408,412	(1,047)	(122,263)
Cash Flows from Investing Activities:						
Sale (Purchases) of Investments, Net	(37,663)	(7,284)	(81,418)	(896,173)	152	(1,022,386)
Investment Interest	4,495	2,925	9,179	23,750	4	40,353
Cash Flows (Used in) Provided By						
Investing Activities	(33,168)	(4,359)	(72,239)	(872,423)	156	(982,033)
Net Increase (Decrease) in Cash and						
Cash Equivalents	(121,768)	(126,214)	(108,142)	(187,731)	(891)	(544,746)
Cash and Cash Equivalents,						
Beginning of Year	179,852	155,779	249,788	1,013,798	2,114	1,601,331
Cash and Cash Equivalents,						
End of Year	58,084	\$ 29,565	\$ 141,646	\$ 826,067	\$ 1,223	\$ 1,056,585

Exhibit 9 - Concluded CITY OF CHICAGO, ILLINOIS STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended December 31, 2011 (Amounts are in Thousands of Dollars)

			Busir	ess-	type Activiti	es - I	Enterprise F	und	S	
				Ма	jor Funds					
		Water	Sewer		Chicago Midway ternational Airport		Chicago- O'Hare ternational Airport		Chicago Skyway	Total
Reconciliation of Operating Income to								_		
Cash Flows from Operating Activities:										
Operating Income (Loss)	\$	124,454	\$ 63,502	\$	(3,785)	\$	69,903	\$	(10,930)	\$ 243,144
Depreciation and Amortization		47,603	25,917		51,067		178,449		10,930	313,966
Provision for Uncollectible Accounts		13,947	9,792		(3,886)		3,094		-	22,947
Change in Assets and Liabilities:										
(Increase) Decrease in Receivables		(7,433)	(10,728)		(136)		1,230		-	(17,067)
(Increase) Decrease in Due From Other Funds		(6,367)	3,792		76		(4,249)		-	(6,748)
Increase (Decrease) in Voucher Warrants										
Payable and Due to Other Funds		16,677	(2,540)		(11,955)		(14,278)		-	(12,096)
Increase (Decrease) in Deferred Revenue										
and Other Liabilities		(9,951)	(7,837)		(3,898)		49,302		-	27,616
(Increase) Decrease in Inventories and										
Other Assets	_	(2,279)	 (886)		(1,876)		(7,171)	_	-	 (12,212)
Cash Flows from										
Operating Activities	\$	176,651	\$ 81,012	\$	25,607	\$	276,280	\$	-	\$ 559,550
Supplemental Disclosure of										
Noncash Items:										
Capital asset additions in 2011										
have outstanding accounts payable										
and accrued and other liabilities	\$	15,528	\$ 35,178	\$	30,204	\$	126,191	\$	-	\$ 207,101

Exhibit 10
CITY OF CHICAGO, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011
(Amounts are in Thousands of Dollars)

	Pension Trust	Agency
ASSETS	_	
Cash and Cash Equivalents Investments	\$ 228,118 -	\$ 26,008 91,935
Investments, at Fair Value Bonds and U.S. Government		
Obligations	2,285,253	-
Stocks	5,360,620	-
Mortgages and Real Estate	615,878	-
Other Cash and Investments with	1,763,588	-
Escrow Agent	-	13,918
Property Tax Receivable	=	87,222
Accounts Receivable, Net	681,584	152,280
Due From City	38,330	-
Invested Securities Lending Collateral	 1,222,143	
Total Assets	\$ 12,195,514	\$ 371,363
LIABILITIES		
Voucher Warrants Payable Accrued and Other Liabilities Deferred Revenue	\$ 437,235 - -	\$ 18,564 352,799
Securities Lending Collateral	 1,222,143	
Total Liabilities	 1,659,378	 371,363
NET ASSETS		
Reserved for Employee	10 526 126	
Benefit Plans	 10,536,136	
Total Net Assets Held in Trust for Pension Benefits	\$ 10,536,136	\$ -

Exhibit 11
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET ASSETS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

ADDITIONS	
Contributions: Employees City	\$ 298,805 440,904
Total Contributions	739,709
Investment Income: Net Appreciation in Fair Value of Investments	(158,012
Interest, Dividends and Other Investment Expense	241,68 ⁴ (49,400
Net Investment Income	34,272
Securities Lending Transactions: Securities Lending Income Securities Lending Expense	5,07 ² (926
Net Securities Lending Transactions	4,14
Total Additions	778,126
DEDUCTIONS	
Benefits and Refunds of Deductions Administrative and General	1,631,093 19,45 <i>2</i>
Total Deductions	1,650,544
Net Increase in Net Assets	(872,418
Net Assets Held in Trust for Pension Benefits: Beginning of Year	11,408,554
	\$ 10,536,136

1) Summary of Significant Accounting Policies

The City of Chicago (City), incorporated in 1837, is a "home rule" unit under State of Illinois (State) law. The City has a mayor-council form of government. The Mayor is the Chief Executive Officer of the City and is elected by general election. The City Council is the legislative body and consists of 50 members, each representing one of the City's 50 wards. The members of the City Council are elected through popular vote by ward for four-year terms.

The accounting policies of the City are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Effective January 1, 2011, the City adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and GASB Statement No. 61, The Financial Reporting Entity. GASB Statement No. 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet. As a result, the Service Concession and Reserve Fund was created as a new major special revenue fund, combining two previous major funds. In addition, fund balance categories were reclassified to conform to the provisions of GASB 54. GASB Statement No. 61 is an Omnibus-an amendment of GASB Statements No. 14 and No 34, which had no impact on the current year financial statements.

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

- 1) GASB Statement No. 60, Accounting and Financial Reporting for Service Concession and Reserve Fund will be effective for the City with its year ended December 31, 2012. The objective of this Statement is to improve financial reporting by addressing uses related to service concession and reserve fund (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.
- 2) GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, will be effective for the City beginning with its year ending December 31, 2012. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- 3) GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows or Resources, and Net Position, will be effective for the City beginning with its year ending December 31, 2012. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- 4) GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions An Amendment to GASB Statement No. 53*, will be effective for the City beginning with its year ending December 31, 2012. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.
- 5) GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the City beginning with its year ending December 31, 2013. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

- 6) GASB Statement No. 66, Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62, will be effective for the City beginning with its year ending December 31, 2013. The objective of this statement is to improve accounting and financial reporting for a go vernmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- 7) GASB Statement No. 68, Accounting and Financial Reporting for Pensions, establishes new financial reporting requirements for most governments that provide their employees with pension benefits through these types of plans. Statement No. 68 will be effective for the City beginning with its year ending December 31, 2015. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and r equired supplementary information (RSI).
- a) **Reporting Entity** The City includes the Chicago Public Library and the City-related funds of the Public Building Commission. The financial statements for the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), applicable to governmental units, as required by the Municipal Code of Chicago (Code).

The City's financial statements include the following legal entities as fiduciary trust funds:

<u>The Municipal Employees' Annuity and Benefit Fund of Chicago</u> is governed by a five-member board: three members are elected by plan participants and two are members ex-officio.

<u>The Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago</u> is governed by an eight-member board: two members are elected by plan participants, two are members ex-officio, two members are appointed by the City Department of Human Resources, one member is elected by retired plan participants and one member is elected by the local labor union.

<u>The Policemen's Annuity and Benefit Fund of Chicago</u> is governed by an eight-member board: four members are elected by plan participants and four are appointed by the Mayor.

<u>The Firemen's Annuity and Benefit Fund of Chicago</u> is governed by an eight-member board: four members are elected by plan participants and four are members ex-officio.

Financial statements for each of the pension plans may be obtained at the respective fund's office.

Related Organizations - City officials are responsible for appointing a voting majority of the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making appointments and no fiscal dependency exists between the City and these organizations. Therefore, the Chicago Park District, Chicago Public Schools, Community College District No. 508, Chicago Housing Authority and the Chicago Transit Authority are deemed to be related organizations.

b) **Government-wide and fund financial statements -** The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. G overnmental activities, which normally are supported by taxes and intergovernmental

revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identified 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 properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Maj or individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

c) 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 as are the proprietary fund and fiduciary fund financial statements. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period with the exception of property tax revenue, which is deferred unless taxes are received within 60 days subsequent to year-end. Licenses and permits, charges for services and miscellaneous revenues are not considered to be susceptible to accrual and are recorded as revenues when received in cash. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual basis of accounting, except for interest and principal on long-term debt, the long-term portion of compensated absences, claims and judgments and pension obligations.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Federal, State and Local Grants Fund accounts for the expenditures for programs, which include general government, health, public safety, transportation, aviation, cultural and recreational, and capital outlays. The majority of revenues are provided by several agencies of the Federal government, departments of the Illinois State government and City resources.

Special Taxing Areas Fund accounts for expenditures for special area operations and maintenance and for redevelopment project costs as provided by tax levies on special areas.

Service Concession and Reserve Fund accounts for monies committed for mid and long term uses. The Mid-term portion is subject to appropriation for neighborhood human infrastructure programs, health, and other initiatives. Whereas the Long-term portion is committed for future budgetary and credit rating stabilization. These reserves were created as a result of the Skyway Lease and Parking Meter System transactions. The deferred inflows result from long-term concession and lease transactions whose proceeds are recognized as revenue over the term of the leases.

Bond, Note Redemption and Interest Fund accounts for the expenditures for principal and interest as provided by property tax, utility tax, sales tax, transportation tax, and investment income.

Community Development and Improvement Projects Funds account for proceeds of debt used to acquire property, finance construction, and finance authorized expenditures and supporting services for various activities.

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

Nonspendable – includes amounts that cannot be spent because they are either: a) not in a 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 constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned - includes amounts that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed. 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.

The City reports the following major proprietary funds as business-type activities:

Water Fund accounts for the operations of the Chicago Water System (Water). The Water system purifies and provides Lake Michigan water for the City and 125 suburbs. The Water Fund operates two water treatment facilities and 12 pumping stations with a combined pumping capacity of 3,661 million gallons per day.

Sewer Fund accounts for the operations of the Wastewater Transmission System (Sewer). The Sewer system transports wastewater to the Metropolitan Water Reclamation District of Greater Chicago for processing and disposal. This service is provided for the residents and businesses of the City and certain suburban customers.

Chicago Midway International Airport Fund records operations of Chicago Midway International Airport (Midway) that provides regional travelers with access to airlines that generally specialize in low-cost, point-to-point, origin and destination passenger service. Midway Airport is conveniently located ten miles from downtown Chicago.

Chicago-O'Hare International Airport Fund records operations of Chicago-O'Hare International Airport (O'Hare), the primary commercial airport for the City. The airlines servicing the airport operate out of four terminal buildings. Three domestic terminal buildings, having a total of 169 gates, serve domestic flights and certain international departures. The International Terminal, having a total of 20 gates and five remote aircraft parking positions, serves the remaining international departures and all international arrivals requiring customs clearance.

Chicago Skyway Fund records operations of the Chicago Skyway (Skyway) which provides vehicle passage across the Calumet River, between the State of Indiana and the State of Illinois (State) through the operation of a tollway which consists of a 7.8-mile span connecting the Dan Ryan Expressway to the Indiana Toll Road. Facilities include a single toll plaza consisting of a central office, maintenance garage and toll collection area. In January 2005, the City entered into a long-term Concession and Lease Agreement of the Skyway, granting a private company the ability to operate and to collect toll revenue during the 99-year term of the agreement. The City received a one-time upfront payment of \$1.83 billion.

Additionally, the City reports the following fiduciary funds:

Pension Trust Funds report expenditures for employee pensions as provided by employee and employer contributions and investment earnings.

Agency Funds account for transactions for assets held by the City as agent for certain activities or for various entities. Payroll deductions and special deposits are the primary transactions accounted for in these funds.

Private-sector standards of accounting and financial reporting issued prior to December 1,1989, generally are followed in both the government-wide business type activities and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between the City's water, sewer, airports and skyway funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods and services, or privileges provided, or fines, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

In the fund financial statements, proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are charges to customers for sales and services. The airport funds principal operating revenues are derived from landing fees and terminal use charges as well as rents and concessions. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

d) Assets, liabilities, deferred inflows, and net assets or equity

i) Cash, Cash Equivalents and Investments generally are held with the City Treasurer as required by the Code. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Due to contractual agreements or legal restrictions, the cash and investments of certain funds are segregated and earn and receive interest directly. The City uses separate escrow accounts in which certain tax revenues are deposited and held for payment of debt.

The Code permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal and state savings and loan associations, located within the City, whose deposits are federally insured.

Investments authorized by the Code include interest-bearing general obligations of the City, State and U.S. Government; U.S. Treasury bills and other noninterest-bearing general obligations of the U.S. Government purchased in the open market below face value; domestic money market funds regulated and in good standing with the Securities and Exchange Commission and tax anticipation warrants issued by the City. The City is prohibited by ordinance from investing in derivatives, as defined, without City Council approval. The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

The City's four retirement plans are authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; real estate; and other investment vehicles as set forth in the Illinois Compiled Statutes. These investments are reported at fair value.

Repurchase agreements can be purchased only from banks and certain other institutions authorized to do business in the State. The City Treasurer requires that securities that are pledged to secure these agreements have a fair value equal to the cost of the repurchase agreements plus accrued interest.

Investments generally may not have a maturity date in excess of ten years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

Deficit cash balances result in interfund borrowings from the aggregate of funds other than escrowed funds. Interest income and expense are generally not recognized on these interfund borrowings.

State statutes and the City's Pension Plans' policies permit lending Pension Plan securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. Securities lent at year-end for cash collateral are presented as not categorized in the schedule of custodial credit risk; securities lent for securities collateral are classified according to the category for the collateral.

ii) Receivables and Payables activity between funds are representative of services rendered, outstanding at the end of the fiscal year, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance is based on historical trends. The estimated value of services provided but unbilled at year-end has been included in receivables.

- iii) Inventory includes government-wide inventories, which are stated at cost determined principally, using the average cost method. For proprietary funds, the costs of inventories are recorded as capital assets when used (consumption method). G overnmental fund inventories are accounted for using the purchases method and represent nonspendable resources because they do not represent expendable available financial resources.
- **iv)** Assets Held for Resale includes land and buildings of \$7.2 million, recorded at lower of cost or market in the Federal, State and Local Grant Funds. These assets are purchased through the use of federal grants and City resources and are intended to be resold.
- v) Restricted Assets include certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment. These assets are classified as restricted or committed in the basic financial statements because they are maintained in separate bank accounts and their use is limited by applicable bond covenants or specific City Council action.

The Water and Sewer funds maintain Rate Stabilization Accounts where any net revenues remaining after providing sufficient funds for all required deposits in the bond accounts may be transferred upon the direction of the City to be used for any lawful purpose of the specific fund.

The O'Hare and Midway funds maintain Passenger Facility Charge accounts as restricted as they are subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital and debt related activities.

vi) Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets, or a network of assets, with an initial cost of more than \$5,000 (not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. The total interest expense (Governmental and Business Activities) incurred by the City during the current fiscal year was \$898.1 million, of which \$123.3 million was capitalized as part of the capital assets under construction projects in proprietary funds.

Property, plant, and equipment of the City are depreciated using the straight-line method, in the year subsequent to acquisition or when placed into service, over the following estimated useful lives:

Utility plant		•
Utility structures and improvements	50 -	100 years
Buildings and improvements	5 -	40 years
Airport runways, aprons, tunnels, taxiways, and paved roads	5 -	40 years
Bridge infrastructure	10 -	50 years
Lighting infrastructure		25 years
Street infrastructure	10 -	25 years
Transit infrastructure	10 -	40 years
Equipment (vehicle, office, and computer)	4 -	33 years

The City has a collection of artwork and historical treasures presented for public exhibition and education that are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other acquisitions. A portion of this collection is not capitalized or depreciated as part of capital assets.

- vii) Deferred Outflows represent the fair value of derivative instruments that are deemed to be effective.
- viii) Employee Benefits are granted for vacation and sick leave, workers' compensation and health care. Unused vacation leave is accrued and may be partially carried over for one year. Sick leave is accumulated at the rate of one day for each month worked, up to a maximum of 200 days. Severance of employment terminates all rights to receive compensation for any unused sick leave. Sick leave pay is not accrued. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees are eligible to defer a portion of their salaries until future years under the City's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Third-party administrators who maintain the investment portfolio administer the Plan. The plan's assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries and are not considered assets of the City.

The City is subject to the State of Illinois Unemployment Compensation Act and has elected the reimbursing employer option for providing unemployment insurance benefits for eligible former employees. Under this option, the City reimburses the State for claims paid by the State. Expenditures for workers' compensation are recorded when paid in the governmental funds. A liability for these amounts is recorded in the government-wide and proprietary fund financial statements.

- ix) Judgments and claims are included in the government-wide financial statements and proprietary fund types in the fund financial statements. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. In the fund financial statements, expenditures for judgments and claims are recorded on the basis of settlements reached or judgments entered within the current fiscal year. Amounts that related to deferred compensatory time and reserves for questioned costs are treated the same way.
- x) Long-term obligations are included in the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the related debt, except in the case of refunding debt transactions where the amortization period is over the term of the refunding or refunded debt, whichever is shorter.

The City enters into interest rate swap agreements to modify interest rates on outstanding debt. For existing swaps the net interest expenditures resulting from these arrangements are recorded as interest expense. The fair value of derivative instruments that are deemed to be effective is accounted for as deferred outflows. Derivative instruments that are deemed not effective are adjusted to fair value with the change in fair value recorded to investment earnings. All interest rate swaps and swaptions are approved by City Council.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received and discounts given on debt issued are reported as other

financing sources or uses. I ssuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Certain debt obligations are to be paid from sales tax, motor fuel or special area taxes.

Long-term purchase obligation represents an agreement with DuPage Water Commission to construct electrical generation facilities not to exceed \$15.0 million. The payment of the obligation will be in the form of credits against the charges for water supplied.

- xi) Deferred inflows represent amounts to be recognized as revenue on a straight line basis over the life of the related long-term lease and concession agreements.
- xii) Fund equity in the government-wide statements is classified as net assets and displayed in four components:
 - (1) Invested in capital assets, net of related debt Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
 - (2) Restricted net assets Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) are legally restricted through constitutional provisions or enabling legislation.
 - (3) Restricted net assets for business activities are provided in Exhibit #7, Statement of Net Assets, Proprietary Funds.
 - (4) Unrestricted net assets All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

2) Reconciliation of Government-wide and Fund Financial Statements

a) Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets.

i) The governmental funds balance sheet includes a r econciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds." The details of this \$1,287.0 million are as follows (dollars in thousands):

Deferred revenue - property tax and grants	\$ 1,184,123
Other assets - pension excess	128,813
Accounts payable - infrastructure retainage	(25,928)
Net adjustment to increase fund balance - total	
governmental funds - to arrive at net assets -	
governmental activities	\$ 1,287,008

ii) Another element of that reconciliation explains that "Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$15,117.6 million are as follows (dollars in thousands):

Long-term liabilities:	
Total bonds, notes and certificates payable	\$ 8,980,229
Pension obligation	5,386,668
Lease obligation	166,787
Pollution remediation	11,235
Claims and judgments	 667,650
Total Long-term liabilities	15,212,569
Bonds, notes and other obligations payable current	(48,132)
Other assets - issuance costs	(71,577)
Accrued interest	3,009
Derivative instruments	(83,485)
Accrued and other liabilities - compensated absences	105,244
Net adjustment to reduce fund balance - total governmental funds - to arrive at net assets -	
governmental activities	\$ 15,117,628

- b) Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.
 - i) The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances total governmental funds and changes in net assets governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$295.8 million are as follows (dollars in thousands):

Capitalized asset expenditures Depreciation expense Loss - disposal of equipment	\$ 636,566 (340,630) (90)
Net adjustment to increase net changes in fund balances - total governmental funds - to arrive at changes in net assets - governmental activities	\$ 295,846

ii) Another element of that reconciliation states that "Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets." The details of this \$(500.1) million are as follows (dollars in thousands):

Proceeds of debt	\$ (1,202,822)
Premium	(9,505)
Payment of refunded bond escrow agent	476,787
Principal retirement	188,318
Payment of cost of issuance	896
Interest expense	46,223
Net adjustment to reduce net changes in fund	
balances - total governmental funds - to arrive at changes in net assets - governmental activities	\$ (500,103)

iii) A third element of that reconciliation states that "Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(817.4) million are as follows (dollars in thousands):

Claims and judgments	\$ (25,888)
Pension and other post employment benefit liabilities	(881,844)
Pollution remediation	3,028
Vacation	102,198
Lease obligations	(8,991)
Inventory	(5,875)
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at	
changes in net assets - governmental activities	\$ (817,372)

3) Stewardship, Compliance and Accountability

- a) **Annual Appropriation Budgets** are established for the General Fund and the Vehicle Tax, Pension, Chicago Public Library and certain Miscellaneous, Special Events, Tourism and Festivals nonmajor Special Revenue Funds, on a non-GAAP budgetary basis:
 - i) Prior to November 15, the Mayor submits to the City Council a proposed budget of expenditures and the means of financing them for the next year.
 - ii) The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
 - iii) Prior to January 1, the budget is legally enacted through passage of the appropriation ordinance.
 - iv) Subsequent to the enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget, which results in a change in total or individual appropriations. The

legal level of budgetary control is designated in the budget by object grouped by purpose except for the Motor Fuel Tax Fund, which is subsequently re-appropriated by project. A separate Motor Fuel Tax Fund Report demonstrates compliance with annual and project-length budgets required by the State. The separately issued Supplement to the Comprehensive Annual Financial Report provides budgetary information for all other budgeted funds. Copies of this report are available upon request.

- v) All annual appropriations unused and unencumbered lapse at year-end. Encumbered appropriations are carried forward to the following year. Project-length financial plans are adopted for Capital Project Funds. Appropriations for Debt Service Funds are established by bond ordinance.
- b) Reconciliation of GAAP Basis to Budgetary Basis The City's budgetary basis of accounting used for budget vs. actual reporting differs from GAAP. For budgetary purposes, encumbrances are recorded as expenditures but are included in "Unassigned" fund balance for GAAP purposes. For budgetary purposes, proceeds of long-term debt and transfers in are classified as revenues. For budgetary purposes prior years' resources used to cover current year budgetary expenditures are recorded as revenues. For GAAP purposes, proceeds of long-term debt and transfers out are treated as other financing sources. Provision for doubtful account expenditures are not budgeted. A reconciliation of the different basis of revenue and expenditure recognition for the year ended December 31, 2011 is as follows (dollars in thousands):

	General Fund
Revenues, GAAP Basis	\$ 2,781,166
Proceeds of Debt Transfers In Prior Year's Surplus Utilized	95,000 372,744 -
Revenues, Budgetary Basis	\$ 3,248,910
Expenditures, GAAP Basis	\$ 3,040,436
Transfers Out Encumbered in 2011 Deduct:	14,357 31,235
Payments on Prior Years' Encumbrances Provision for Doubtful Accounts	(11,087) (5,550)
Expenditures, Budgetary Basis	\$ 3,069,391

c) Individual Fund Deficits includes the Chicago Skyway Fund, an Enterprise Fund, has a fund deficit of \$1,388.4 million which management anticipates will be funded through recognition of deferred inflows. Federal State and Local Grants, a governmental fund, has a deficit of \$121.7 million and will be funded by the recognition of deferred grant revenues. Also, the Service Concession and Reserve Fund, a Special Revenue Fund, has a deficit fund balance of \$1,020.5 million which will be funded through the recognition of deferred inflows.

4) Restricted and Unrestricted Cash, Cash Equivalents and Investments

a) Investments As of December 31, 2011, the City had the following Investments (dollars in thousands):

Investment Type	Investment Maturities (in Years)									
		ess Than 1		1-5		6-10	M	ore Than 10	<u>F</u>	air Value
City Funds										
U.S. Treasuries	\$	95,736	\$	-	\$	-	\$	42,049	\$	137,785
U.S. Agencies*		167,344		3,872,730		179,207		189,373		4,408,654
Commercial Paper		267,507		-		-		-		267,507
Corporate Bonds		23,516		230,709		-		94,653		348,878
Corporate Equities		898		-		-		-		898
Municipal Bonds		5,936		86,856		31,061		-		123,853
Supra national Bonds		-		134,944		-		-		134,944
Certificates of Deposit and										
Other Short-term		1,626,994								1,626,994
Total City Funds	\$	2,187,931	\$	4,325,239	\$	210,268	\$	326,075	\$	7,049,513

^{*}U.S. Agencies include investments in government-sponsored enterprises such as Federal National Mortgage Association, Federal Home Loan Banks, and Federal Home Loan Mortgage Corp.

Pension Trust Funds					
U.S. and Foreign					
Government Agencies	\$ 267,792	\$ 345,475	\$ 174,884	\$ 641,944	\$ 1,430,095
Corporate Bonds	114,389	365,937	317,535	266,558	1,064,419
Corporate Equities	5,201,158	-	-	-	5,201,158
Pooled Funds	1,111,058	-	-	-	1,111,058
Real Estate	606,858	-	-	-	606,858
Securities Received from					
Securities Lending	1,222,143	-	-	-	1,222,143
Venture Capital	506,450	-	-	-	506,450
Certificates of Deposit and					
Other Short-term	449,505	-	-	-	449,505
Other	 90,449	-	 -	 -	90,449
		 _			
Total Pension Trust Funds	\$ 9,569,802	\$ 711,412	\$ 492,419	\$ 908,502	\$ 11,682,135
Total	\$ 11,757,733	\$ 5,036,651	\$ 702,687	\$ 1,234,577	\$ 18,731,648

- i) Interest Rate Risk As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits all securities so purchased, except tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation of the City, shall show on their face that they are fully payable as to principal and interest, where applicable, if any, within ten years from the date of purchase.
- ii) Credit Risk The Code limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by at least two national rating agencies and who are required to maintain such rating during the term of such investment. The Code also limits investments to domestic money market mutual funds regulated by, and in good standing with, the Securities and Exchange Commission. C ertificates of Deposit are also limited by the Code to national banks which provide

collateral of at least 105 percent by marketable U.S. government securities marked to market at least monthly; or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category, as rated by a nationally recognized statistical rating organization maintaining such rating during the term of such investment. The following schedule summarizes the City's and Pension Trust Funds exposure to credit risk (in thousands):

Quality Rating	City	Quality Rating	Pension Trust Funds
Aaa/AAA	\$ 577,773	Aaa/AAA	\$ 115,978
Aa/AA	4,753,783	Aa/AA	181,331
A/A	163,194	A/A	264,690
Baa/BBB	9,935	Baa/BBB	300,408
Ba/BB	-	Ba/BB	84,305
B/B	-	B/B	96,579
Caa/CCC	-	Caa/CCC	21,978
Ca	-	Ca	1,393
C/CC	-	C/CC	6,774
D/D	-	D/D	8,665
P1/A1	267,507	Not Rated	261,985
Not Rated*	1,277,321	Other	1,003,569
Total Funds	\$ 7,049,513		\$ 2,347,655

^{*} Not rated is primarily composed of money market mutual funds

- iii) Custodial Credit Risk Cash and Certificates of Deposit This is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's Investment Policy states that in order to protect the City's deposits, depository institutions are to maintain collateral pledges on City deposits during the term of the deposit of at least 105 percent of marketable U.S. government, or approved securities or surety bonds, issued by top-rated insurers. Collateral is required as security whenever deposits exceed the insured limits of the FDIC. The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$478.9 million. 100 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name.
- iv) Custodial Credit Risk Investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.

v) Foreign Currency Risk - In the case of the Pension Trust Funds, is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The risk of loss is managed by limiting its exposure to fair value loss by requiring their international securities managers to maintain diversified portfolios. The following schedule summarizes the Pension Trust Funds exposure to foreign currency risk (in thousands):

Foreign Currency Risk	
Australian dollar	\$ 80,025
Brazilian real	53,230
British pound	316,421
Canadian dollar	107,785
Chilean peso	4,292
Chinese yuan	1,905
Columbian peso	1,969
Czech Republic koruna	1,860
Danish krone	19,970
Egyptian pound	414
European euro	347,082
Hong Kong dollar	116,284
Hungarian forint	435
Indian rupee	24,371
Indonesian rupiah	20,650
Japanese yen	277,366
Malaysian ringgit	10,087
Mexican peso	23,360
Moroccan dirham	150
New Israeli shekel	7,021
New Taiwan dollar	24,218
New Zealand dollar	2,990
Norwegian krone	14,027
Pakistan rupees	219
Peruvian Nuevo Sol	29
Philippines peso	2,783
Polish zloty	3,495
Qatari riyal	2,302
Singapore dollar	23,192
South African rand	34,609
South Korean won	52,739
Swedish krona	42,800
Swiss franc	96,094
Thailand baht	9,529
Turkish lira	7,740
Total Pension Trust Funds	\$ 1,731,443

vi) The following schedule summarizes the cash and investments reported in the basic financial statements(dollars in thousands):

Per Note 4:	
Investments - City	\$ 7,049,513
Investments - Pension Trust Funds	 11,682,135
	\$ 18,731,648
Per Financial Statements:	
Restricted Investments	\$ 2,936,469
Unrestricted Investments	2,052,509
Investments with Fiduciary Funds	10,117,274
Investments with Escrow Agent	512,401
Invested Securities Lending Collateral	1,222,143
Investments Included as Cash and Cash	
Equivalents on the Statements of Net Assets	 1,890,852
	\$ 18,731,648

5) Property Tax

The City's property tax becomes lien on real property on January 1 of the year it is levied. The Cook County Assessor (Assessor) is responsible for the assessment of all taxable real property within Cook County (County), except for certain railroad property assessed directly by the State. The County Board has established a triennial cycle of reassessment in which one-third of the County will be reassessed each year on a repeating schedule established by the Assessor.

Property in the County is separated into nine classifications for assessment purposes. After the Assessor establishes the fair market value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (Assessed Valuation) for that parcel. These percentages range from 16.0 percent for certain residential, commercial, and industrial property to 38.0 percent for other commercial and industrial property.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year, the Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment among counties. This factor (Equalization Factor) is then applied to the Assessed Valuation to compute the valuation of property to which a tax rate will be applied (Equalized Assessed Valuation). The County Clerk adds the Equalized Assessed Valuation of all real property in the County to the valuation of property assessed directly by the State (to which the Equalization Factor is not applied) to arrive at the base amount (Assessment Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rate by dividing the levy by the Assessment Base and then computes the rate for each parcel of real property by aggregating the tax rates of all governmental units having jurisdiction over that particular parcel. The County Treasurer then issues the tax bills. Property taxes are deposited with the County Treasurer, who remits to the City its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year on March 1 and August 1 or 30 days from mailing of tax bills if later than July 1. The first installment is estimated and is 55.0 percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization and also reflects any changes from the prior year.

The City Council has adopted an ordinance beginning in 1994, limiting the City's aggregate property tax levy to an amount equal to the prior year's aggregate property tax levy plus the lesser of (a) five percent or (b) the percentage

increase in the annualized Consumer Price Index, all as defined in the ordinance. The ordinance provides a safe harbor for that portion of any property tax debt service levy equal to the aggregate interest and principal payments on the City's general obligation bonds and notes during the 12-month period ended January 1, 1994, subject to annual increase in the manner described above for the aggregate levy, all as provided by the ordinance. Increases in the debt service portion of each levy may, however, reduce amounts available within such levy to finance operations.

6) Interfund Balances and Transfers

a) The following balances at December 31, 2011 represent due from/to balances among all funds (dollars in thousands):

Fund Type/Fund	Due From	Due To	
Governmental activities:			
General	\$ 175,129	\$ 136,543	
Federal, State and Local Grants	21,786	106,558	
Special Taxing Areas	118,697	6,941	
Service Concession and Reserve	20,000	98,273	
Bond, Note Redemption and Interest	68	4,936	
Community Development and Improvement Projects	48,443	62,863	
Nonmajor governmental funds	134,206	164,140	
Normajor governmentar lands	104,200	104,140	
Total Governmental activities	518,329	580,254	
Business-type activities:			
Water	17,507	19,765	
Sewer	23,145	11,385	
Chicago Midway International Airport	2,119	7,824	
Chicago-O'Hare International Airport	25,207	5,394	
Chicago Skyway		15	
Total Business-type activities	67,978	44,383	
Fiduciary activities:			
Pension Trust	38,330		
Total Fiduciary activities	38,330		
Total	\$ 624,637	\$ 624,637	

The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

b) The following balances at December 31, 2011 represent interfund transfers among all funds (dollars in thousands):

Fund Type/Fund Transfer In		Tra	insfer Out	
Governmental Activities: General	\$	372,744 - 135,217 - - - 2,758 61,491	\$	14,357 9,874 46,352 - 287,769 37,552 25.00 175,281
Total Governmental Activities	\$	572,210	\$	571,210
Business-type activities: Chicago Skyway Total Business-type activities	\$	<u>-</u>	\$	1,000
Total	\$	572,210	\$	572,210

Transfers are used to move revenues from the fund that the statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

7) Capital Assets

a) Capital Assets activity for the year ended December 31, 2011 was as follows (dollars in thousands)

	Balance January 1, 2011 Additions		Disposals and Transfers		Balance December 31, 2011		
Governmental activities:							
Capital assets, not being depreciated:							
Land	\$	1,382,177	\$ 20,631	\$	(1,831)	\$	1,400,977
Works of Art and Historical Collections		13,132	-		-		13,132
Construction in Progress		164,640	 345,663		(44,036)		466,267
Total capital assets, not being depreciated		1,559,949	 366,294		(45,867)		1,880,376
Capital assets, being depreciated:							
Buildings and Other Improvements		2,400,434	47,656		(1,741)		2,446,349
Machinery and Equipment		1,272,353	89,831		(22,700)		1,339,484
Infrastructure		6,789,079	176,821				6,965,900
Total capital assets, being depreciated		10,461,866	 314,308		(24,441)		10,751,733
Less accumulated depreciation for:							
Buildings and Other Improvements		722,761	63,562		(39,067)		747,256
Machinery and Equipment		952,127	99,226		(25,479)		1,025,874
Infrastructure		3,058,584	225,476		(5,049)		3,279,011
Total accumulated depreciation		4,733,472	388,264		(69,595)		5,052,141
Total capital assets, being depreciated, net		5,728,394	(73,956)		45,154		5,699,592
Total governmental activities	\$	7,288,343	\$ 292,338	\$	(713)	\$	7,579,968
Business-type activities:							
Capital assets, not being depreciated:							
Land	\$	864,011	\$ 13,876	\$	134,750	\$	1,012,637
Construction in Progress		1,419,634	 567,605		(676,875)		1,310,364
Total capital assets, not being depreciated		2,283,645	581,481		(542,125)		2,323,001
Capital assets, being depreciated:							
Buildings and Other Improvements		12,486,254	800,539		(216,872)		13,069,921
Machinery and Equipment		635,673	12,195		3,237		651,105
Total capital assets, being depreciated		13,121,927	812,734		(213,635)		13,721,026
Long angumulated depreciation for:							
Less accumulated depreciation for: Buildings and Other Improvements		3,718,825	210,682		(542)		3 029 065
Machinery and Equipment		292,997	23,256		(2,446)		3,928,965 313,807
Total accumulated depreciation		4,011,822	 233,938		(2,988)		4,242,772
rotal addamated approbation		1,011,022	 200,000	-	(2,000)		1,212,772
Total capital assets, being depreciated, net		9,110,105	 578,796		(210,647)		9,478,254
Total business-type activities	\$	11,393,750	\$ 1,160,277	\$	(752,772)	\$	11,801,255
Total Capital Assets	\$	18,682,093	\$ 1,452,615	\$	(753,485)	\$	19,381,223

b) **Depreciation expense** was charged to functions/programs of the City as follows (dollars in thousands):

Governmental activities:		
General Government	\$	71,446
Public Safety		21,472
Streets and Sanitation		9,307
Transportation		223,809
Health		2,698
Cultural and Recreational		11,898
Total Depreciation Expense - Governmental Activities	\$	340,630
Business-type Activities:		
Water	\$	46,714
Sewer		24,914
Chicago Midway International Airport		42,137
Chicago-O'Hare International Airport		109,355
Chicago Skyway	1	10,818
Total Depreciation Expense - Business-type Activities	\$	233,938

8) Leases

a) Operating Leases

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were approximately \$17.7million for the year ended December 31, 2011. The future minimum lease payments for these leases are as follows (dollars in thousands):

2012	\$ 17,936
2013	17,433
2014	12,382
2015	8,440
2016	7,284
2017 - 2021	 22,003
Total Future Rental Expense	\$ 85,478

b) Capital Leases

During 2003, the City entered into lease and lease back agreements with third parties pertaining to 911 Center Qualified Technological Equipment (QTE), with a book value of \$143.3 million at December 31, 2003. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the City entered into a long-term lease for applicable assets back to the City under a sublease. Under the sublease, the City is required to make future minimum lease payments.

During 2005, the City entered into sale and lease back agreements with third parties pertaining to the City owned portion of a rapid transit line with a book value of \$430.8 million at December 31, 2005. Under the lease agreement, which provides certain cash and tax benefits to the third party, the City entered into a long-term lease for applicable assets back to the City under a sublease. Under the sublease, the City is required to make future minimum lease payments.

The future minimum payments for these leases are as follows (dollars in thousands):

Year Ending	Total	
December 31,		_
2012	\$	3,731
2013		9,104
2014		9,000
2015		9,000
2016		9,000
2017 - 2021		36,987
2022 - 2026		84,014
2027 - 2032		167,164
		_
Total Minimum Future Lease Payments		328,000
Less Interest		161,213
Dragant Value of Minimum		
Present Value of Minimum	c	166 707
Future Lease Payments	\$	166,787

c) Lease Receivables

Most of the O'Hare land, buildings and terminal space are leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2011 (dollars in thousands):

2012	69,575 68,661 67,920 50,007 49,122 129,767 11,336 12,625
2027 - 2031 2032 - 2035	12,625 11,182
Total Minimum Future Rental Income	\$ 470,195

Contingent rentals that may be received under certain leases based on the tenants' revenues or fuel flow are not included in minimum future rental income. Rental income for O'Hare, consisting of all rental and concession revenues except ramp rentals and automobile parking, amounted to \$399.7 million, including contingent rentals of \$84.4 million.

Most of the Midway land and terminal space is leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2011 (dollars in thousands):

2012	31,525 4,337 3,245 724 679
Total Minimum Future Rental Income	

Contingent rentals that may be received under certain leases based on tenants' revenues are not included in minimum future rental income. Rental income for Midway, consisting of all rental and concession revenues except aircraft parking fees and certain departure fees (turns) and automobile parking, amounted to \$86.5 million, including contingent rentals of \$40.4 million.

9) Short-term Debt

Matured bonds represent principal due on coupon bonds in which the coupons have not been presented for payment. For the year ended December 31, 2011, there was minor activity; the balance remained at \$0.7 million.

10) Long-term Obligations

a) **Long-term Debt** activity for the year ended December 31, 2011 was as follows (in thousands):

, , ,	Balance January 1, 2011			uary 1, December 31,		December 31,	Amounts Due within One Year
Governmental activities:							
Bonds, notes and commercial paper payable:							
General obligation debt and commercial paper	\$ 7,504,739	\$ 970,265	\$ 697,337	7,777,667	\$ 58,660		
Installment purchase agreement	1,200	-	1,200	-			
Tax increment	163,576	-	32,015	131,561	22,735		
Revenue	559,417	232,905	16,295	776,027	6,015		
	8,228,932	1,203,170	746,847	8,685,255	87,410		
Less unamortized debt refunding transactions	171,150	6,468	11,553	166,065	-		
Add unamortized premium	198,729	9,504	11,596	196,637	-		
Add accretion of capital appreciation bonds	235,414	33,211	4,223	264,402	19,915		
Less converted portion of conversion bonds		<u> </u>					
Total bonds, notes and certificates payable	8,491,925	1,239,417	751,113	8,980,229	107,325		
Other liabilities: Pension and other postemployment							
benefits obligations	4,520,733	916,072	50,137	5,386,668	-		
Lease obligations	177,011	8,991	19,215	166,787	-		
Pollution Remediation	14,263	-	3,028	11,235	-		
Claims and judgments	641,762	35,217	9,329	667,650	94,750		
Total other liabilities	5,353,769	960,280	81,709	6,232,340	94,750		
Total governmental activities	\$ 13,845,694	\$ 2,199,697	\$ 832,822	\$ 15,212,569	\$ 202,075		
Business-type activities: Revenue bonds and notes payable:							
Water	\$ 1,753,831	\$ 14,573	\$ 47,217	\$ 1,721,187	\$ 44,448		
Sewer	1,125,991	11,288	25,257	1,112,022	27,583		
Chicago-O'Hare International Airport	6,570,520	1,065,924	216,095	7,420,349	140,620		
Chicago Midway International Airport	1,473,380	-	11,890	1,461,490	22,305		
	10,923,722	1,091,785	300,459	11,715,048	234,956		
Less unamortized debt refunding transactions	(125,268)	1,497	16,230	(110,535)	<u>-</u>		
Add unamortized premium	134,452	25,107	31,675	141,020	-		
Add accretion of capital appreciation bonds	79,432	9,027	4,271	84,188	4,493		
Total business-type activities	\$ 11,012,338	\$ 1,074,208	\$ 256,825	\$ 11,829,721	\$ 239,449		
Total long-term obligations	\$ 24,858,032	\$ 3,273,905	\$ 1,089,647	\$ 27,042,290	\$ 441,524		

The Pension obligation liability will be liquidated through a Special Revenue Fund (Pension Fund) as provided by tax levy and State Personal Property Replacement Tax revenues.

b) Issuance of New Debt

i) General Obligation Notes

The General Obligation Notes, Taxable Fixed Rate Series 2011 (\$70.4 million) were sold in November 2011 at a fixed rate of 0.80 percent. The notes mature no later than December 5, 2012. The Series 2011 notes were issued to meet cash flow requirements of the City's Library Funds; the notes are payable from tax collections in the following year or from any other resources legally available to the City. Principal payments for the notes do not require the current appropriation and expenditure of Governmental Fund financial resources.

During 2011, the City issued \$184.2 million in commercial paper notes for certain capital and operating uses.

ii) General Obligation Bonds

General Obligation Bonds, Taxable Project Series 2010C-1 (\$299.3 million) were sold at par in January 2011. The bonds have an interest rate of 7.781 percent and mature January 1, 2035. Net proceeds of \$299.3 million will be used to finance infrastructure improvements; transportation improvements; for grants or loans to assist not-for-profit organizations or educational or cultural institutions; or to assist other municipal corporations or units of local government, or school districts; proceeds may also be used for the acquisition of personal property; acquisition, demolition, remediation or improvement of real property for industrial, commercial or residential purposes; constructing, equipping, altering and repairing various municipal facilities including fire stations, police stations, libraries, senior and health centers and other municipal facilities; enhancement of economic development within the City by making grants or deposits to secure obligations of not-for-profit or for-profit organizations doing or seeking to do business in the City; provision for facilities, services, and equipment to protect and enhance public safety; including, but not limited to, increased costs for police and fire protection services, emergency medical services, staffing at the City's emergency call center and other City facilities, and enhanced security measures at airports and other major City facilities; and other uses permitted by the Ordinance (\$245.0 million); and to fund capitalized interest (\$52.3 million).

General Obligation Bonds, Project Series 2011A-B (\$416.3 million) were sold at a premium in November 2011. The bonds have interest rates ranging from 4.625 percent to 6.034 percent and maturity dates from January 1, 2018 to January 1, 2040. Net proceeds of \$414.3 million will be used to finance infrastructure improvements; transportation improvements; grants or loans to assist not-for-profit organizations or educational or cultural institutions; or to assist other municipal corporations or units of local government, or school districts; cash flow needs of the City; acquisition of personal property; acquisition, demolition, remediation or improvement of real property for industrial, commercial or residential purposes; constructing, equipping, altering and repairing various municipal facilities including fire stations, police stations, libraries, senior and health centers and other municipal facilities; enhancement of economic development within the City by making grants or deposits to secure obligations of not-for-profit organizations doing or seeking to do business in the City; litigation judgments or settlements agreements involving the City, including escrow accounts or other reserves needed for such purposes; payments of certain pension contributions; providing for facilities, services and equipment to protect and enhance public safety, and other uses permitted by the Ordinance (\$366.4 million) and to fund capitalized interest (\$47.9 million).

In November 2011, the City amended two swap overlay agreements (i.e., basis trades) associated with the General Obligation Series 2007E, F&G variable rate bonds with Wells Fargo Bank, N.A. for a notional amount of \$100.0 million each. The agreements, effective January 1, 2014, extend the maturity date to January 1, 2042. Together with the existing underlying swaps on the bonds, in which the City pays 3.9982 percent and receives SIFMA, the net effect is that the City will pay a fixed rate of 3.9982 percent and receive 72.5 percent of one month LIBOR between January 1, 2014 and January 1, 2031. Before

2014 the City will receive SIFMA. The City received a combined upfront payment of \$5.0 million in December 2011.

iii) Sales Tax Revenue Bonds

Sales Tax Revenue Bonds, Series 2011A-C (\$232.9 million) were sold at a premium in November 2011. The bonds have interest rates ranging from 4.375 percent to 5.504 percent and maturity dates from January 1, 2035 to January 1, 2041. Net proceeds of \$240.2 million were used to advance refund certain maturities of the outstanding Sales Tax Revenue and General Obligation Bonds. The advance refunding of the bonds increased the City's total debt service payments by \$155.4 million and resulted in an economic gain (difference between the present values of the debt service on the old and new debt) of \$1.9 million.

iv) TIF Fund Revenue Bonds and Notes

In December 2011, the City executed a termination agreement between Bank of America, N.A. regarding the early termination of the Stockyards Industrial-Commercial Redevelopment Project and Stockyards Southeast Quadrant Industrial Development Project swap transaction with an original trade date of January 29, 1997 an effective date of February 10, 1997, a termination date of December 1, 2014 and an original notional amount of \$34.8 million. The City made a termination payment of \$0.2 million to Bank of America, N.A.

v) Enterprise Fund Revenue Bonds and Notes

Chicago O'Hare International Airport Third Lien Revenue Bonds, Series 2011A-C (\$1,000.0 million) were sold at a premium in April 2011. The bonds have interest rates ranging from 3.00 percent to 6.50 percent and maturity dates from January 1, 2014 to January 1, 2041. Net proceeds of \$1,006.1 million will be used to pay the costs of certain projects at the airport included in the O'Hare Modernization Program and the capital improvement program (\$807.1 million) and to fund capitalized interest and debt service reserves (\$199.0 million).

Chicago O'Hare International Airport Passenger Facility Charge Revenue Bonds, Series 2011A-B (\$46.0 million) were sold at a premium in April 2011. The bonds have interest rates ranging from 5.00 percent to 6.00 percent and maturity dates from January 1, 2017 to January 1, 2033. Net proceeds of \$54.8 million will be used to current refund certain maturities of bonds outstanding (\$51.1 million) and to fund debt service reserves (\$3.7 million). The current refunding of the bonds increased the City's total debt service payments by \$4.4 million and resulted in a net economic gain (taking into account the associated reduction in capitalized interest on the Chicago O'Hare International Airport Third Lien Revenue Bonds, Series 2011A-C) of approximately \$10.1 million.

During 2011, \$19.9 million of Chicago O'Hare International Airport Commercial Paper Notes Series 2005 were issued. The proceeds were used to finance portions of the costs of authorized airport projects.

In April 2011, the City novated its \$60.9 million notional amount swap associated with the Midway Airport Series 2004C&D variable rate bonds with J.P. Morgan to Wells Fargo Bank, N.A. The fixed rate the City pays increased from 4.174 percent to 4.247 percent, and the City will sign a one-way Credit Support Agreement (CSA) that no longer requires the City to post collateral if the mark-to-market exceeds the threshold, as previously defined in the J.P. Morgan agreement. A Goldman Sachs swap covers the remaining balance of the bonds, with a current notional amount of \$91.3 million, which does not have a two-way CSA and remains unchanged.

In May 2011, the City entered into a two-way Credit Support Agreement (CSA) with J.P. Morgan in connection with the \$397.7 million original notional amount swaption associated with the Midway Airport Series 1998 A,B&C fixed rate bonds. The CSA was required because a termination event was triggered

due to the insurer's rating downgrade. Based on the current second lien ratings at Midway Airport (A3/A-/A- by Moody's, S&P and Fitch respectively), if the mark-to-market on the swap is against the City by more than \$25 million, the City/Airport must post collateral for the difference. To mitigate the risk of posting collateral, the City obtained a \$25 million Letter of Credit (LOC) as collateral. The LOC is not expected to be drawn upon as long as there is no event of default by the bank or the City. Based on the current second lien ratings at Midway Airport, if the mark-to-market on the swaption is against the City by more than the combined \$25 million threshold provided in the CSA and the \$25 million LOC, for a total of \$50 million, the City must post collateral for the difference.

c) Annual requirements listed below for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2012 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2011 are as follows (dollars in thousands):

	General	Obli	gation		Tax Increment					
Year Ending	Principal	I Interest		Р	rincipal	lr	nterest			
December 31,			_							
2012	\$ 237,963	\$	399,295	\$	18,350	\$	6,947			
2013	204,751		388,452		26,234		5,931			
2014	214,374		384,488		14,602		11,819			
2015	236,206		378,475		8,965		3,950			
2016	251,617		367,788		11,160		3,401			
2017-2021	1,490,599		1,650,286		38,255		7,162			
2022-2026	1,514,649		1,322,607		7,145		241			
2027-2031	1,458,360		977,356		-		-			
2032-2036	1,217,222		556,014		-		-			
2037-2041	796,674		185,281		-					
•										
	\$ 7,622,415	\$	6,610,042	\$	124,711	\$	39,451			

		Rev	enu	е		Business-type Activities				
Year Ending	Principal			Interest		Principal		Interest		
December 31,										
2012	\$	17,150	\$	38,557	\$	251,486	\$	599,518		
2013		18,040		36,140		360,663		591,737		
2014		18,980		35,200		375,802		575,751		
2015		18,400		34,229		318,319		557,546		
2016		18,135		33,288		360,251		541,798		
2017-2021		102,195		152,244		1,942,915		2,426,218		
2022-2026		128,895		125,364		2,047,403		1,950,628		
2027-2031		124,560		130,296		2,572,290		1,333,303		
2032-2036		168,752		92,371		2,204,845		653,302		
2037-2041		155,205		19,015		1,023,920		137,998		
•										
	\$	770,312	\$	696,704	\$	11,457,894	\$	9,367,799		

Debt service requirements above exclude commercial paper issues as the timing of payments is not certain. For the requirements calculated above, interest on variable rate debt was calculated at the rate in effect or the effective rate of a related swap agreement, if applicable, as of December 31, 2011. Standby bond purchase agreements were

issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

The City's variable rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, an adjustable long rate, or the fixed rate as determined by the remarketing agent, in consultation with the City. An irrevocable letter of credit provides for the timely payment of principal and interest. In the event the bonds are put back to the bank and not successfully remarketed, or if the letter of credit agreements expire without an extension or substitution, the bank bonds will convert to a term loan. There is no principal due on the potential term loans within the next fiscal year.

d) Derivatives

i) Pay-Fixed, Receive-Variable Interest Rate Swaps

(1) Objective of the swaps. In order to protect against the potential of rising interest rates, the City has entered into various separate pay-fixed, receive-variable interest rate swaps at a cost less than what the City would have paid to issue fixed-rate debt. The notional amounts related to bonds maturing on January 1, 2012 have been excluded below because funds for their payment have been provided for.

			Fair Value at									
	Changes in	Fair Value	Decembe	r 31,	2011	1	Notional					
	Classification	Amount	Classification		Amount		Amount					
Governmental Activities												
Cash Flow Hedges:												
· ·	Deferred Outflow of		Deferred Outflow of									
Pay-fixed Interest Rate SWAPS	Resources	\$ (147,826)	Resources	\$	(268,273)	\$	781,630					
Investment Derivative Instruments:												
Pay-fixed Interest Rate SWAPS	Investment Income	(14,951)	Investment Revenue		(39,480)		199,040					
Business-type Activities												
Cash Flow Hedges:												
	Deferred Outflow of		Deferred Outflow of									
Pay-fixed Interest Rate SWAPS	Resources	(113,720)	Resources		(255,099)		967,230					
Total				\$	(562,852)							

(2) Terms, fair values, and credit risk. The objective and terms, including the fair values and credit ratings, of the City's hedging derivative instruments outstanding as of December 31, 2011, are as follows. The notional amounts of the swaps match the principal amounts of the associated debt. The City's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category. The notional amounts related to bonds maturing on January 1, 2012 have been excluded below because funds for their payment have been provided for. Under the swaps, the City pays the counterparty a fixed payment and receives a variable payment computed according to the London Interbank Offered Rate (LIBOR) and/or The Securities Industry and Financial Markets Association(SIFMA) Municipal Swap Index. The terms, including fair values of the swaptions as of December 31, 2011, are as follows (dollars in thousands):

Associated Bond Issue	Notional Amounts	Effective Date	Terms	Fair Values	Termi- nation Date	Counter- party Credit Rating
Hedging Instruments						
Governmental Activities:						
GO VRDB (Series 2007EFG)	\$ 200,000		Pay 3.998%; receive SIFMA Pay SIFMA; receive 72.5% of LIBOR *	\$ (60,034) (23,712)	1/1/2042 1/1/2042	
GO VRDB (Series 2005D)	222,790		Pay 4.104%; receive SIFMA Pay SIFMA; receive 72.5% of LIBOR *	(69,032) (19,437)	1/1/2040 1/1/2031	
GO VRDB (Neighborhoods Alive 21 Program, Series 2002B)	206,700	10/3/2002	Pay 3.575%; receive 70% of LIBOR	(53,212)	1/1/2037	Aa1/A+ A2/A
Sales Tax Revenue Refunding Bonds (VRDB Series 2002)	113,240	6/27/2002	Pay 4.23%; receive 75.25% of LIBOR	(35,338)	1/1/2034	Aa1/A+
Tax Increment Allocation Bonds (Near North TIF, Series 1999A)	38,900	9/1/1999	Pay 5.084%; receive 67% of LIBOR	(7,508)	1/1/2019	A2/A
Business-type Activities:						
Chicago Midway International Airport Revenue Bonds (Series 2004C&D)	148,500	12/14/2004	Pay 4.174%; receive SIFMA Plus .05%	(35,000)	1/1/2035	Aa3/A Aa1/A+
Wastewater Transmission Variable Rate Revenue Bonds (Series 2008C)	232,560		Pay 3.886%; receive 95% of 3 Mo. LIBOR (if LIBOR is < 3%) or 67% of 3 Mo. LIBOR (if LIBOR is > 3%) Pay 3.886%; receive SIFMA (if LIBOR is < 3%)	(64,293)	1/1/2039	
	99,670	7/29/2004	or 67% of LIBOR (if LIBOR is > 3%)	(27,420)	1/1/2039	Aa1/A+
Water Variable Rate Revenue Refunding Bonds (Series 2004)	191,900	4/16/2008	Pay 3.8694%; receive SIFMA	(43,495)	11/1/2025	Aa3/A
Water Variable Rate Revenue Refunding Bonds (Series 2004)	194,600	8/5/2004	Pay 3.8669%; receive SIFMA	(50,532)	11/1/2031	Aa1/AA-
Second Lien Water Revenue Refunding Bonds (Series 2000)	100,000	4/16/2008	Pay 3.8694%; receive SIFMA	(34,359)	11/1/2030	Aa3/A
Investment Instruments						
Governmental Activities:						
		8/7/2003	Pay 4.052%; receive 66.91% of 10 Yr LIBOR Pay 66.91% of 10 Yr LIBOR;	(26,194)	1/1/2034	Aa3/AA- Aa1/A+
GO VRDB (Series 2003B)	199,040	3/1/2011	receive 75% of 1 Mo. LIBOR *	(13,286)	3/1/2014	Aa1/A+
Total	\$ 1,947,900			\$ (562,852)		

See Table 31 in Statistical Section for Counterparty Entities and additional details for credit ratings. Type and objective for all the SWAPS is the same, as mentioned earlier.

* Reflects SWAP Overlay agreement.

- (3) Fair Value. As of December 31, 2011, the swaps had a negative fair value of \$562.9 million. As per industry convention, the fair values of the City's outstanding swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Because interest rates are below the Fixed Rate Paid, the City's swaps had negative values. Note that the combination of the negative fair value of \$562.9 million and the unamortized interest rate swap premium balance of \$40.1 million represent the total fair value of the derivative liability in the statement of net assets.
- (4) Credit Risk. The City is exposed to credit risk (counterparty risk) through the counterparties with which it enters into agreements. If minimum credit rating requirements are not maintained, the counterparty is required to post collateral to a third party. This protects the City by mitigating the credit risk, and therefore the ability to pay a termination payment, inherent in a swap. Collateral on all swaps is to be in the form of cash or Eligible Collateral held by a third-party custodian. Upon credit events, the swaps also allow transfers, credit support, and termination if the counterparty is unable to meet the said credit requirements.
- (5) Basis Risk. Basis risk refers to the mismatch between the variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and SIFMA/LIBOR ratios. Credit may create basis risk because the City's bonds may trade differently than the swap index as a result of a credit change in the City. SIFMA/LIBOR ratios (or spreads) may create basis risk. With percentage of LIBOR swaps, if the City's bonds trade at a higher percentage of LIBOR over the index received on the swap, basis risk is created. This can occur due to many factors including, without limitation, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The City is exposed to basis risk on all swaps except those that are based on Cost of Funds, which provide cash flows that mirror those of the underlying bonds. For all other swaps, if the rate paid on the bonds is higher than the rate received, the City is liable for the difference. The difference would need to be available on the debt service payment date and it would add additional underlying cost to the transaction.
- (6) Tax Risk. The swap exposes the City to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced. There have been no tax law changes since the execution of the City's swap transactions.
- (7) Termination Risk. The risk that the swap could be terminated as a result of certain events including a ratings downgrade for the issuer or swap counterparty, covenant violation, bankruptcy, payment default or other defined events of default. Termination of a swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination.
- (8) Swap payments and associated debt. Bonds maturing and interest payable January 1, 2012 have been excluded because funds for their payment have been provided for. As of December 31, 2011, debt service requirements of the City's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (dollars in thousands):

		Variable-R	ate l	Bonds	I	nterest Rate	
Year Ending	Principal			Interest		aps, Net	Total
December 31,							
2012	\$	20,875	\$	5,914	\$	71,448	\$ 98,237
2013		22,070		5,890		70,604	98,564
2014		36,320		5,865		69,703	111,888
2015		37,865		5,887		68,370	112,122
2016		57,465		5,787		66,757	130,009
2017 - 2021		358,400		26,076		299,123	683,599
2022 - 2026		417,735		20,368		223,324	661,427
2027 - 2031		392,915		15,967		153,474	562,356
2032 - 2036		416,135		9,137		71,687	496,959
2037 - 2041		188,120		2,682		16,287	207,089
2042 - 2045							 -
	\$	1,947,900	\$	103,573	\$	1,110,777	\$ 3,162,250

ii) Swaptions

(1) Objective of the swaptions. In prior years, the City entered into several swaption contracts that provided the City upfront payments totaling \$42.1 million. The term swaption refers to the City selling an option to a counterparty to execute a swap at a certain date in the future if certain conditions exist. If the conditions do not exist, the counterparty will not execute the option, no swaptions have been exercised. In the event the options are executed and the City enters into a fixed to floating rate swap, the City would be exposed to the risks as described under Swaps. The notional amounts related to bonds maturing on January 1, 2012 have been excluded below because funds for their payment have been provided for.

				Fair Value at							
	Changes in	Fair Valu	ıe	Decembe	011	Notional					
	Classification	on Amount Classification Amo		Mount		Amount					
Governmental Activities											
Investment Derivative Instruments:											
	Investment			Investment							
Pay-fixed Interest Rate SWAPS	Revenue	\$	9,002	Revenue	\$	(7,998)	\$	471,875			
Business-type Activities											
Investment Derivative Instruments:											
	Investment			Investment							
Pay-fixed Interest Rate SWAPS	Revenue	1	2,605	Revenue		(7,208)		373,400			
Total					\$	(15,206)					

(2) *Terms.* The notional amounts related to bonds maturing on January 1, 2012 have been excluded below because funds for their payment have been provided for. The terms, including fair values of the swaptions as of December 31, 2011, are as follows (dollars in thousands):

Associated Bond Issue	Notional Trade Amounts Date		Variable Rate Paid	Fixed Rate Received	Fair Values	Swap Termi- nation Date	Up-Front Payment
GO Bonds (GO, Series 2001A; GO Series 2002A; GO, Series 2003A; and GO, Series 2004A)	\$ 318,670	12/18/2003	SIFMA+ 30bps	5.000%	\$ (7,077)	1/1/2024	\$ 13,384
Chicago Midway Airport Revenue Bonds (Series 1998A(AMT); Series 1998B(Non-AMT); and Refunding Series 1998C(Non-AMT))	373,400	10/27/1999	SIFMA+ 25bps	5.100	(7,208)	1/1/2030	23,500
Sales Tax Revenue Bonds (Series 1999)	23,285	6/21/2002	SIFMA+ 30bps	4.984	(16)	1/1/2019	728
Sales Tax Revenue Bonds (Series 1998)	69,275	6/21/2002	SIFMA+ 30bps	5.250	(543)	1/1/2028	2,562
Sales Tax Revenue Bonds (Series 1997) Total	60,645 \$ 845,275	6/21/2002	SIFMA+ 30bps	5.375	(362) \$ (15,206)	1/1/2027	1,964 \$ 42,138

- (3) Fair value. As of December 31, 2011, the swaptions had a negative fair value of \$15.2 million. As per industry convention, the fair values of the City's outstanding swaptions were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Because interest rates are below the Fixed Rate Received, the City's swaptions had negative values. The negative value is also driven by the upfront payment received by the City upon execution of the swaption agreement. Note that the combination of the negative fair value of \$15.2 million and the unamortized interest rate swaption premium balance of \$21.8 million, represent the total fair value of the derivative asset in the statement of net assets.
- (4) Credit Risk. The City is exposed to credit risk (counterparty risk) through the counterparties with which it enters into agreements. If minimum credit rating requirements are not maintained, the counterparty is required to post collateral to a third party. This protects the City by mitigating the credit risk, and therefore the ability to pay a termination payment, inherent in a swap. Collateral on all swaptions is to be in the form of cash or Eligible Collateral held by a third-party custodian. Upon credit events, the swaptions also allow transfers, credit support, and termination if the counterparty is unable to meet the said credit requirements.
- (5) Basis Risk. Basis risk refers to the mismatch between the variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and SIFMA/LIBOR ratios. Credit may create basis risk because the City's bonds may trade differently than the swap index as a result of a credit change in the City. SIFMA/LIBOR ratios (or spreads) may create basis risk. With percentage of LIBOR swaps, if the City's bonds trade at a higher percentage of LIBOR over the index received on the swap, basis risk is

created. This can occur due to many factors including, without limitation, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The City is exposed to basis risk on all swaptions except those that are based on Cost of Funds, which provide cash flows that mirror those of the underlying bonds. For all other swaptions, if the rate paid on the bonds is higher than the rate received, the City is liable for the difference. The difference would need to be available on the debt service payment date, and it would add additional underlying cost to the transaction.

- (6) Tax Risk. The swap exposes the City to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced. There have been not ax law changes since the execution of the swaption transactions.
- (7) Termination Risk. The risk that the swap could be terminated as a result of certain events including a ratings downgrade for the issuer or swap counterparty, covenant violation, bankruptcy, payment default or other defined events of default. Termination of a swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination.

e) **Debt Covenants**

i) Water Fund - The ordinances authorizing the issuance of outstanding Water Revenue Bonds provide for the creation of separate accounts into which net revenues, as defined, or proceeds are to be credited, as appropriate. The ordinances require that net revenues available for bonds, as adjusted, equal 120 percent of the current annual debt service on the outstanding senior lien bonds and that City management maintains all covenant reserve account balances at specified amounts. The above requirements were met at December 31, 2011. The Water Rate Stabilization account had a balance in restricted assets of \$61.4 million at December 31, 2011.

The ordinances authorizing the issuance of outstanding Second Lien Water Revenue Bonds provide for the creation of separate accounts into which monies will be deposited, as appropriate. The ordinances require that net revenues are equal to the sum of the aggregate annual debt service requirements for the fiscal year of the outstanding senior lien bonds and 110 percent of the aggregate annual debt service requirements of the outstanding second lien bonds. This requirement was met at December 31, 2011.

ii) Sewer Fund - The ordinances authorizing the issuance of outstanding Wastewater Transmission Revenue Bonds provide for the creation of separate accounts into which net revenues, as defined, or proceeds are to be credited, as appropriate. The ordinances require that net revenues available for bonds equal 115 percent of the current annual debt service requirements on the outstanding senior lien bonds. This requirement was met at December 31, 2011. The Sewer Rate Stabilization account had a balance in restricted assets of \$25.6 million at December 31, 2011.

The ordinances authorizing the issuance of outstanding Second Lien Wastewater Transmission Revenue Bonds provide for the creation of separate accounts into which monies will be deposited, as appropriate. The ordinances require that net revenues equal 100 percent of the sum of the current maximum annual debt service requirements of the outstanding senior lien bonds and the maximum annual debt service requirements of the second lien bonds. This requirement was met at December 31, 2011.

iii) Chicago Midway International Airport Fund - The master indenture securing the issuance of Chicago Midway International Airport Revenue Bonds requires that the City set rates and charges for the use and operation of Midway so that revenues, together with any other available monies and the cash balance held in the Revenue Fund on the first day of such year not required to be deposited in any fund or account, will be at least sufficient (a) to provide for the operation and maintenance expenses for the year and (b) to provide for the greater of (i) the amounts needed to be deposited into the First and Junior Lien

Debt Service Fund, the Operations & Maintenance Reserve Account, the Working Capital Account, the First Lien Debt Service Reserve Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125 percent of the Aggregate First Lien Debt Service for such fiscal year reduced by an amount equal to the sum of any amount held in any capitalized interest account for disbursement during such fiscal year to pay interest on First Lien Bonds. These requirements were met at December 31, 2011.

iv) Chicago-O'Hare International Airport Fund - In 1983, the City Council adopted the General Airport Revenue Bond ordinance authorizing the issuance and sale of Chicago-O'Hare International Airport General Airport Revenue Bonds in unlimited series for the purpose of financing the cost of improvements and expansion of O'Hare and to redeem its existing outstanding bond obligations. The ordinance further permits the issuance of second lien notes, bonds and other obligations which are payable from, and secured by, a pledge of amounts deposited in the junior lien obligation debt service account created under the ordinance. The ordinance requires that net revenues in each year equal not less than the sum of (i) the amount required to be deposited for such year in the debt service reserve fund, the maintenance reserve fund, the special capital projects fund and the junior lien debt service fund, and (ii) 110 percent of the aggregate first lien and second lien debt service for the bond year commencing during such fiscal year reduced by an amount equal to the sum of any amount held in any capitalized interest account for disbursement during such fiscal year to pay interest on b onds. T his requirement was met at December 31, 2011. The ordinance provides for the creation of separate accounts that are to be credited with revenues in a specified priority. At the end of each year, any excess funds over amounts required in accounts other than Special Capital Projects, Emergency Reserve and Airport Development accounts are reallocated with the following year's revenues.

The Master Indenture of Trust securing Chicago-O'Hare International Airport Third Lien Obligations requires that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding First Lien Bonds, Second Lien Obligations, Third Lien Obligations or other Airport Obligations are issued and secured, and (b) 110 percent the Aggregate First, Second and Third Lien Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on First Lien Bonds, Second Lien obligations. This requirement was met at December 31, 2011.

The master indenture securing the Passenger Facility Charge (PFC) Revenue Bonds requires PFC revenues, as defined, to be deposited into the PFC Revenue Fund. The PFC Revenue Fund is required to transfer amounts no later than the twentieth day of each month to various funds, as defined, as appropriate to meet debt service and debt service reserve requirements.

f) No-Commitment Debt and Public Interest Loans include various special assessment, private activity bonds and loans. These types of financings are used to provide private entities with low-cost capital financing for construction and rehabilitation of facilities deemed to be in the public interest. Bonds payable on no-commitment debt are not included in the accompanying financial statements because the City has no obligation to provide for their repayment, which is the responsibility of the borrowing entities. In addition, federal programs/grants, including Community Development Block Grants and Community Service Block Grants, provide original funding for public interest loans. Loans receivable are not included as assets because payments received on loans are used to fund new loans or other program activities in the current year and are not available for general City operating purposes. Loans provided to third parties are recorded as current and prior year programs/grants expenditures. Funding for future loans will be from a combination of the repayment of existing loans and additional funds committed from future programs/grants expenditures.

g) **Defeased Bonds** have been removed from the Statement of Net Assets because related assets have been placed in irrevocable trusts that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at December 31, 2011, not including principal payments due January 1, 2012, are as follows (dollars in thousands):

		Amount efeased	Ou	tstanding
Emergency Telephone System - Series 1993	\$	213,730	\$	132,100
General Obligation Refunding Bonds - Series 1993B	•	21,515	-	10,995
General Obligation Refunding Bonds - Series 1995A-2		35,515		13,625
General Obligation Project and Refunding Bonds - Series 1998		341,820		16,900
General Obligation Bonds - Series 2001A		404,131		134,105
General Obligation Project and Refunding Bonds - Series 2002A		135,690		113,245
General Obligation Project and Refunding Bonds - Series 2003A		92,720		82,285
General Obligation Project Bonds - Series 2003C		87,645		77,395
General Obligation Project Bonds - Series 2004A		207,015		198,505
General Obligation Project and Refunding Bonds - Series 2005B		4,440		3,095
General Obligation Project and Refunding Bonds - Series 2005E		22,186		12,717
General Obligation Project and Refunding Bonds - Series 2006A		20,670		13,715
General Obligation Direct Access Bonds - Series 2006		4,755		4,755
General Obligation Project and Refunding Bonds - Series 2007A		10,300		10,010
Neighborhoods Alive 21 Program - Series 2001A		213,825		60,170
Neighborhoods Alive 21 Program - Series 2002A		36,820		10,835
Neighborhoods Alive 21 Program - Series 2003		90,600		84,775
Lake Millenium Project Parking Facilities Bonds - Series 1998		149,880		43,880
Near South Redevelopment Project Tax Increment - Series 1994A		23,000		7,025
Chatham Ridge Redevelopment Project Tax Increment - Series 2002		6,565		4,600
Special Transportation Revenue Bonds - Series 2001		118,715		100,470
Total	\$ 2	2,241,537	\$	1,135,202

11) Pension Trust Funds

a) Retirement Benefit-Eligible City employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees'; the Laborers' and Retirement Board Employees'; the Policemen's; and the Firemen's Annuity and Benefit Funds of Chicago. Plans are administered by individual retirement boards represented by elected and appointed officials. Certain employees of the Chicago Board of Education participate in the Municipal Employees' or the Laborers' and Retirement Board Employees' Annuity and Benefit Funds for which the City levies taxes to make the required employer contributions. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information.

The financial statements of the Plans are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when payable.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Fixed income securities are valued principally using quoted market prices provided by independent pricing services. For collective investments, the net asset value is determined and certified by the investment managers as of the reporting date. Real estate investments are generally valued by appraisals or other approved methods. Investments that do not have an established market are reported at estimated fair value.

The Plans have a securities lending program. At year-end, the Plans have no credit risk exposure to borrowers because the amounts the Plans owe the borrowers exceed the amounts the borrowers owe the Plans. The contract with the Plans' master custodian requires it to indemnify the Plans if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the fund for income distributions by the securities' issuers while the securities are on Ioan. All securities loans can be terminated on demand by either the Plans or the borrower, although the average term of the loans has not exceeded 117 days. The Plans' custodian lends securities for collateral in the form of cash, irrevocable letters of credit and/or U.S. government obligations equal to at least 102 percent of the fair value of securities or international securities for collateral of 105 percent. Cash collateral is invested in the lending agents' short-term investment pool, which at year-end has a weighted average maturity that did not exceed 75 days. The Plans cannot pledge to sell collateral securities received unless the borrower defaults. Loans outstanding as of December 31, 2011 are as follows: market value of securities loaned \$1,201.8 million, market value of cash collateral from borrowers \$1,222.1 million and market value of non-cash collateral from borrowers \$12.1 million.

The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 20 years of credited service. Employees who retire at or after age 55 (50 for policemen and firemen) with 20 years of credited service qualify to receive a money purchase annuity and those with more than 20 years of credited service qualify to receive a minimum formula annuity. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.0 percent to 2.4 percent per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service.

State law requires City contributions at statutorily, not actuarially determined rates. The City's contribution is equal to the total amount of contributions by employees to the Plan made in the calendar year two years prior, multiplied by 1.25 for the Municipal Employees', 1.00 for the Laborers', 2.00 for the Policemen's, and 2.26 for the Firemen's. State law also requires covered employees to contribute a percentage of their salaries.

The City's annual pension cost for the current year and related information for each Plan is as follows (dollars in thousands):

		unicipal								
	Em	Employees'		Laborers'		Policemen's		iremen's	Total	
Contribution rates:										
City (a)		(a)		(a)		(a)		(a)		n/a
Plan members		8.5%		8.5%		9%		9.125%		n/a
Annual required contribution	\$	611,756	\$	57,259	\$	402,752	\$	250,056	\$ 1,	321,823
Interest on net pension obligation		80,592		(13,967)		143,292		107,674		317,591
Adjustment to annual required										
contribution		(82,857)		14,359		(97,891)		(110,699)		(277,088)
Annual pension cost		609,491		57,651		448,153		247,031	1,	362,326
Contributions made		147,009		12,779		174,035		82,870		416,693
Increase in net pension obligation Net pension obligation (excess),		462,482		44,872		274,118		164,161		945,633
beginning of year	1	1,007,404		(174,584)		1,791,148		1,345,928	3,	,969,896
Net pension obligation (excess),										
end of year	\$1	1,469,886	\$	(129,712) ³	\$	2,065,266	\$	1,510,089	\$ 4,	915,529

^{*} Laborers' net pension excess is recorded in other assets in the statement of net assets.

	Municipal Employees'	Laborers'	Policemen's	Firemen's
Actuarial valuation date	12/31/2011	12/31/2011	12/31/2011	12/31/2011
Actuarial cost method	30 years	, ,	Entry age normal Level percent, open 30 years 5-yr. Smoothed Market	Entry age normal Level dollar, open 30 years 5-yr. Smoothed Market
Actuarial assumptions: Investment rate of return (a) Projected salary increases (a):		8.0%	8.0%	8.0%
Inflation Seniority/Merit Postretirement benefit increases	3.0 (b) (f)	3.0 (c) (f)	3.0 (d) (g)	3.0 (e) (g)

- (a) Proceeds from a tax levy not more than the amount equal to the total amount of contributions by the employees to the Fund made in the calendar year, two years prior to the year for which the annual applicable tax is levied multiplied by 1.25 for Municipal, 1.00 for Laborers', 2.00 Policemen's and 2.26 for Firemen's
- (b) Service-based increases equivalent to a level annual rate increase of 2.4 percent over a full career.
- (c) Service-based increases equivalent to a level annual rate increase of 1.9 percent over a full career.
- (d) Service-based increases equivalent to a level annual rate increase of 2.8 percent over a full career.
- (e) Service-based increases equivalent to a level annual rate increase of 3.0 percent over a full career.
- (f) 3.0 percent per year beginning at the earlier of:
 - 1) the later of the first of January of the year after retirement and age 60;
 - 2) the later of the first of January of the year after the second anniversary of retirement and age 53.
- (g) Uses 3.0 percent per year for annuitants age 55 or over, born before 1955 with at least 20 years of service and 1.5 percent per year for 20 years for annuitants age 60 or over, born in 1955 or later.

The following tables of information assist users in assessing each fund's progress in accumulating sufficient assets to pay benefits when due. The three-year historical information for each Plan is as follows (dollars in thousands):

Year	Pension Cost	Pension Cost Contributed	 let Pension et) / Obligation
Municipal Employees':			
2009	\$ 412,576	35.88%	\$ 679,738
2010	482,420	32.08	1,007,406
2011	609,491	24.12	1,469,886
Laborers':			
2009	34,024	42.99	(206,362)
2010	47,129	32.57	(174,585)
2011	57,651	22.17	(129,712)
Policemen's:			
2009	373,972	46.00	1,562,419
2010	403,228	43.28	1,791,146
2011	448,153	38.83	2,065,266
Firemen's:			
2009	201,397	44.30	1,211,208
2010	215,666	37.53	1,345,927
2011	247,031	33.55	1,510,089

SCHEDULE OF FUNDING PROGRESS

(dollars in thousands)

Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Surplus) AAL as a Percentage of Covered Payroll ((b-a)/c)
Municipal Employees':							
2009	12/31/09	\$6,295,788	\$ 10,830,119	\$4,534,331	58%	\$ 1,551,973	292%
2010	12/31/10	6,003,390	11,828,666	5,825,276	51	1,541,388	378
2011	12/31/11	5,552,291	12,292,930	6,740,639	45	1,605,993	420
Laborers':							
2009	12/31/09	1,601,352	1,975,749	374,397	81	208,626	179
2010	12/31/10	1,529,404	2,030,025	500,621	75	199,863	250
2011	12/31/11	1,422,414	2,152,854	730,440	66	195,238	374
Policemen's:							
2009	12/31/09	3,884,978	8,736,102	4,851,124	44	1,011,205	480
2010	12/31/10	3,718,955	9,210,056	5,491,101	40	1,048,084	524
2011	12/31/11	3,444,690	9,522,395	6,077,705	36	1,034,403	588
Firemen's:							
2009	12/31/09	1,269,231	3,428,838	2,159,607	37	400,912	539
2010	12/31/10	1,198,114	3,655,026	2,456,912	33	400,404	614
2011	12/31/11	1,101,742	3,851,919	2,750,177	29	425,385	647

The unfunded liability to the Plans poses significant financial challenges. The unfunded liability has consistently increased in recent years, and actuaries for the Municipal Employees' Plan and the Laborers' Plan indicate that the unfunded liability of those plans will continue to increase for the foreseeable future. Although the actuaries for the Policemen's and the Firemen's Plans project that the unfunded liabilities of those Plans will decrease in the future, such a decrease will result from significantly increased contributions to those Plans as a result of State Law. Furthermore, the contributions made by the City to the Plans have been lower than the cash outlays of the Plans in recent years. As a result, the Plans have used investment earnings or assets of the Plans to satisfy these cash outlays. The use of investment earnings or assets of the Plans for these purposes reduces the amount of assets on hand to pay benefits in the future and prevents the Plans from recognizing the full benefits of compounding investment returns. Since 2001, the City has contributed to the Plans as required by State Law. However, this amount has not been sufficient to fully fund the Normal Cost plus an amortized portion of the UAAL in each year as a result of a contribution limitation which has had the effect, and may have the effect in the future, of limiting the Pension Levy to an amount insufficient to fully fund the Plans to the amount of the Actuarially Required Contribution. No assurance can be made that the State Law applicable to the Plans will not be amended in the future.

b) Other Post Employment Benefits (OPEB) - Under State law, certain health benefits are available to employees who retire from the City based upon their participation in the City's pension plans. The Pension Plans and the City agreed to share in the cost of the Settlement Health Care Plan (see Note 12). This single employee defined benefit plan is administered by the City. Substantially all employees who qualify as Municipal or Laborers' pension plan participants older than age 55 with at least 20 years of service and Police and pension plan participants older than age 50 with at least 10 years of service may become eligible for postemployment benefits if they eventually become an annuitant. Health benefits include basic benefits for annuitants and supplemental benefits for Medicare eligible annuitants. The amounts below represent the accrued liability of the City's pension plans related to their own employees and a subsidy paid to the City (see Note 12). The plan is financed on a pay as you go basis (dollars in thousands).

Annual OPEB Cost and Contributions Made For Fiscal Year Ending December 31, 2011

		unicipal ployees'	La	borers'	Poli	icemen's	Fire	emen's	 Total
Contribution Rates City:	-		-			rom the tax ment benef	-		
Annual Required Contribution Interest on Net OPEB Obligation Adjustment to Annual -	\$	22,804 2,477	\$	3,543 208	\$	10,538 433	\$	4,469 320	\$ 41,354 3,438
Required Contribution		(3,234)		(271)		(343)		(417)	(4,265)
Annual OPEB Cost Contributions Made		22,047 9,516		3,480 2,580		10,628 9,592		4,372 2,628	 40,527 24,316
Increase in Net OPEB Obligation		12,531		900		1,036		1,744	16,211
Net OPEB Obligation, Beginning of Year		55,044		4,619		9,618		7,106	 76,387
Net OPEB Obligation, End of Year	\$	67,575	\$	5,519	\$	10,654	\$	8,850	\$ 92,598

Actuarial Method and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

	Municipal Employees'	Laborers'	Policemen's	Firemen's
Actuarial Valuation Date	12/31/2011	12/31/2011	12/31/2011	12/31/2011
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, Open	Level Dollar, Open	Level Percent, Open	Level Dollar, Open
Remaining Amortization Method	30 years	30 years	30 years	30 years
Asset Valuation Method	No Assets (Pay-as-you-go)	No Assets (Pay-as-you-go)	No Assets (Pay-as-you-go)	No Assets (Pay-as-you-go)
Actuarial assumptions: OPEB Investment				
Rate of Return (a)	4.5%	4.5%	4.5%	4.5%
Projected Salary Increases (a) Inflation	3.0%	3.0%	3.0%	3.0%
Seniority / Merit	(b)	(c)	(d)	(e)
Healthcare Cost Trend Rate (f)	0.0%	0.0%	0.0%	0.0%

- (a) Compounded Annually
- (b) Service-based increases equivalent to a level annual rate of increase of 2.4 percent over a full career
- (c) Service-based increases equivalent to a level annual rate of increase of 1.9 percent over a full career
- (d) Service-based increases equivalent to a level annual rate of increase of 2.8 percent over a full career
- (e) Service-based increases equivalent to a level annual rate of increase of 3.0 percent over a full career
- (f) Trend not applicable fixed dollar subsidy

OPEB COST SUMMARY

(dollars in thousands)

	Year	Annual OPEB Cost	% of Annual OPEB Obligation	Net OPEB oligation
Municipal Employees'	2009 2010 2011	\$ 22,561 22,375 22,047	42.77% 42.68 43.16	\$ 42,220 55,045 67,575
Laborers'	2009 2010 2011	3,646 3,559 3,479	70.29 72.68 74.15	3,647 4,619 5,519
Policemen's	2009 2010 2011	11,863 10,736 10,627	78.11 87.13 90.25	8,237 9,619 10,654
Firemen's	2009 2010 2011	4,319 4,354 4,372	61.24 60.74 60.12	5,397 7,107 8,850

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as the results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents, as required, supplementary information following the notes to the financial statements (dollars in thousands, unaudited).

	Actuarial Valuation Date	Va	uarial lue of ssets (a)	iability (AAL) ntry Age (b)	_	Infunded Surplus) UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a) / c)
Municipal Employees'	12/31/2011	\$	-	\$ 163,242	\$	163,242	-	\$ 1,605,993	10.16 %
Laborers'	12/31/2011		-	38,328		38,328	-	195,238	19.63
Policemen's	12/31/2011		-	165,955		165,955	-	1,034,403	16.04
Firemen's	12/31/2011		-	46,980		46,980	-	425,385	11.04

12) Other Post Employment Benefits - City Obligation

The annuitants who retired prior to July 1, 2005 received a 55 percent subsidy from the City and the annuitants who retired on or after July 1, 2005 received a 50, 45, 40 and zero percent subsidy from the City based on the annuitant's length of actual employment with the City for the gross cost of retiree health care under a court approved settlement agreement. The pension funds contributed \$65 for each Medicare eligible annuitant and \$95 for each Non-Medicare eligible annuitant to their gross cost. The annuitants contributed a total of \$68.3 million in 2011 to the gross cost of their retiree health care pursuant to premium amounts set forth in the above-referenced settlement agreement.

The cost of health benefits is recognized as an expenditure in the accompanying financial statements as claims are reported and are funded on a pay-as-you-go basis. In 2011, the net expense to the City for providing these benefits to approximately 24,252 annuitants plus their dependents was approximately \$99.1 million.

The City's net expense and the annuitants' contribution indicated above are preliminary and subject to the reconciliation per the court approved settlement agreement.

Plan Description Summary- The City of Chicago is party to a written legal settlement agreement outlining the provisions of the retiree health program, The Settlement Health Care Plans (the Plans), through June 30, 2013. The agreement does not require or extend continuation of the Plans after June 30, 2013. Pursuant to the Settlement, the City administers a single employer defined benefit healthcare plan (the Health Plan), for which the City pays a portion of the costs on a pay as you go method. Under the Settlement agreement, the City of Chicago sponsors health benefit plans for employees, former employees and retired former employees. The provisions of the program provide in general, that the City pay a percentage of the cost (based upon an employee's service) for hospital and medical coverage to eligible retired employees and their dependents for a specified period, until June 30, 2013.

In addition, Illinois Compiled Statutes authorize the four respective Pension Funds (Police, Fire, Municipal, and Laborers) to provide a fixed monthly dollar subsidy to each annuitant who has elected coverage under the Health Plan through June 30, 2013. After that date, no supplements are authorized.

The liabilities for the monthly dollar supplements paid to annuitants enrolled in the retiree medical plan by their respective Pension Funds are included in the liabilities and reports of the respective four Pension Funds (see Note 11).

Funding Policy - The City's retiree health plan is a single employer plan which operates on a pay as you go funding basis. No assets are accumulated or dedicated to funding the retiree health plan benefits.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC (Annual Required Contribution) represents a level of funding, that if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities over a period of two years (the remaining years of coverage under the Settlement agreement).

The following table shows the components of the City's annual OPEB costs for the year for the Settlement Plan, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the Retiree Health Plan. The *Net OPEB Obligation* is the amount entered upon the City's Statement of Net Assets as of year end as the net liability for the other postemployment benefits – the retiree health plan. The amount of the annual cost for the retiree health plan which is to be recorded in the Statement of Changes in Net Assets for 2011 is the *Annual OPEB Cost (expense)*.

Annual OPEB Cost and Contributions Made

(dollars in thousands)

(dollars in thousands)		
	_	Retiree ettlement ealth Plan
Contribution Rates: City Plan Members	Pay	As You Go N/A
Annual Required Contribution	\$	200,062
Interest on Net OPEB Obligation Adjustment to Annual Required Contribution		4,567 (155,675)
Annual OPEB Cost Contributions Made		48,954 99,091
Decrease in Net OPEB Obligation		(50,137)
Net OPEB Obligation, Beginning of Year		304,483
Net OPEB Obligation, End of Year	\$	254,346

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 is as follows (dollars in thousands):

Schedule of Contributions,
OPEB Costs and Net Obligations

Fiscal	Annual	Percentage of	Net
Year	OPEB	Annual OPEB	OPEB
Ended	Cost	Cost Contributed	Obligation
Lilaca	0000	Occi Continbated	Obligation
12/31/2011	\$ 48,954	202.4%	\$ 254,345
12/31/2010	82,874	129.6	304,483
12/31/2009	157,809	62.1	329,040

Funded Status and Funding Progress - As of January 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$390.6 million all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2,475.1 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as the results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents, as required, supplementary information following the notes to the financial statements (dollars in thousands, unaudited).

Actuarial Valuation Date	Va	tuarial llue of ssets	1	Actuarial Accrued Liability (AAL)		Infunded Actuarial rued Liability (UAAL)	Funded Ratio	Covered Payroll	
12/31/2010	\$	-	\$	390,611	\$	390,611	0%	\$ 2,475,080	

Actuarial Method and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

For the Settlement Plan benefits (not provided by the Pension Funds) in the actuarial valuation for the fiscal year ended December 31, 2011, the projected unit credit actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 11.5 percent initially, reduced by decrements to an ultimate rate of 10.5 percent. Both rates included a 3 percent inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. However, the funds expected to be used to pay benefits are assumed to be invested for durations which will yield an annual return rate of 1.5 percent. The Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over 2 years.

	Settlement Health Plan
Actuarial Valuation Date	December 31, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	2 years
Asset Valuation Method	Market Value
Actuarial Assumptions: Investment Rate of Return Projected Salary Increases Healthcare Inflation Rate	1.50% 2.5% 11.5% initial to 10.5% ultimate

13) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; certain benefits for and injuries to employees and natural disasters. The City provides worker's compensation benefits and employee health benefits under self-insurance programs except for insurance policies maintained for certain Enterprise Fund activities. The City uses various risk management techniques to finance these risks by retaining, transferring and controlling risks depending on the risk exposure.

Risks for O'Hare, Midway, and certain other major properties, along with various special events, losses from certain criminal acts committed by employees and public official bonds are transferred to commercial insurers. Claims have not exceeded the purchased insurance coverage in the past three years, accordingly, no liability is reported for these claims. All other risks are retained by the City and are self-insured. The City pays claim settlements and judgments from the self-insured programs. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The General Fund is primarily used to record all non-Enterprise Fund claims. The estimated portion of non-Enterprise Fund claims not yet settled has been recorded in the Governmental Activities in the Statement of Net Assets as claims payable along with amounts related to deferred compensatory time and estimated liabilities for questioned costs. As of December 31, 2011, the total amount of non-Enterprise Fund claims was \$502.0 million. This liability is the City's best estimate based on available information. Changes in the reported liability for all funds are as follows (dollars in thousands):

	2011		2010
Balance, January 1	\$	555,285	\$513,333
Claims incurred and change in estimates		585,980	632,765
Claims paid on current and prior year events		(586,468)	(590,813)
Balance, December 31	\$	554,797	\$ 555,285

14) Expenditure of Funds and Appropriation of Fund Balances

The City expends funds by classification as they become available, and "Restricted" funds are expended first. If/when City Council formally sets aside or designates funds for a specific purpose, they are considered "Committed". The Mayor (or his/her designee) may in this capacity, also set aside or designate funds for specific purposes and all of these funds will be considered "Assigned". Any remaining funds, which are not specifically allocated in one or more of the previous three categories, are considered "Unassigned" until such allocation is completed.

In addition to the categories above, any amounts which will be used to balance a subsequent year's budget will be considered "Assigned" as Budgetary Stabilization funds. The amounts may vary from fiscal year to fiscal year or depending on the City's budgetary condition, or may not be designated at all. The funds may be as signed by the Mayor or his designee/CEO or his designee, up to the amount of available "Unassigned" fund balance at the end of the previous fiscal year.

a) Fund Balance Classifications

On the fund financial statements, the Fund Balance consists of the following (in thousands):

Nonspendable for Inventory	\$ 24,055
Restricted for Grants and Donations	3,890
Restricted for Debt Service	144,776
Restricted for TIF & Special Service Area	
Programs and Redevelopment	1,569,165
Restricted for Capital Projects	599,903
Committed for Debt Service	267,534
Committed for Budget and Credit Rating Stabilization	618,895
Committed for Repair, Maintenance and City Services	74,824
Assigned for Future Appropriated Fund Balance	118,049
Assigned for Encumbrances	25,500
Assigned for Special Events	2,543
Unassigned	 (1,593,148)
Total Government Fund Balance	\$ 1,855,986

At the end of the fiscal year the total encumbrances for the general operating fund amounted to \$25.5 million, \$12.7 million for the capital projects fund and \$12.8 million for the special revenue fund.

15) Commitments and Contingencies

The City is a defendant in various pending and threatened individual and class action litigation relating principally to claims arising from contracts, personal injury, property damage, police conduct, alleged discrimination, civil rights actions and other matters. City management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial position of the City.

The City participates in a number of federal-and state-assisted grant programs. These grants are subject to audits by or on behalf of the grantors to assure compliance with grant provisions. Based upon past experience and

management's judgment, the City has made provisions in the General Fund for questioned costs and other amounts estimated to be disallowed. City management expects such provision to be adequate to cover actual amounts disallowed, if any.

As of December 31, 2011, the Enterprise Funds have entered into contracts for approximately \$824.9 million for construction projects.

The City's pollution remediation obligation of \$11.2 million is primarily related to Brownfield redevelopment projects. These projects include removal of underground storage tanks, cleanup of contaminated soil, and removal of other environmental pollution identified at the individual sites. The estimated liability is calculated using the expected cash flow technique. The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

16) Concession Agreements

The major fund entitled Service Concession and Reserve Fund is used for the purpose of accounting for the deferred inflows associated with governmental fund long-term lease and concession transactions. Deferred inflows are amortized over the life of the related lease and concession agreements. Proceeds from these transactions may be transferred from this fund in accordance with ordinances approved by city council that define the use of proceeds.

In February 2009, the City completed a \$1.15 billion concession agreement to allow a private operator to manage and collect revenues from the City's metered parking system for 75 years. The City received an upfront payment of \$1.15 billion which was recognized as a deferred inflow that will be amortized and recognized as revenue over the term of the agreement. In 2009, the City recognized \$15.3 million of revenue and will continue to recognize \$15.3 million for each subsequent year through 2083.

In December 2006, the City completed a long-term concession and lease of the City's downtown underground public parking system. The concession granted a private company the right to operate the garages and collect parking and related revenues for the 99-year term of the operating lease. The City received an upfront payment of \$563.0 million of which \$347.8 million was simultaneously used to purchase three of the underground garages from the Chicago Park District. The City recognized a deferred inflow that will be amortized and recognized as revenue over the term of the lease. In 2007, the City recognized \$5.7 million of revenue and will continue to recognize \$5.7 million for each subsequent year through 2105.

In January 2005, the City completed a long-term concession and lease of the Skyway. The concession granted a private company the right to operate the Skyway and to collect toll revenue from the Skyway for the 99-year term of the operating lease. The City received an upfront payment of \$1.83 billion; a portion of the payment (\$446.3 million) advance refunded all of the outstanding Skyway bonds. The City recognized a deferred inflow of \$1.83 billion that will be amortized and recognized as revenue over the 99-year term of the operating lease. In 2005, the City recognized \$18.5 million of revenue related to this transaction and will recognize \$18.5 million for each subsequent year through 2103. Skyway land, bridges, other facilities and equipment continue to be reported on the Statement of Net Assets and will be depreciated, as applicable, over their useful lives. The deferred inflow of the Skyway is reported in the Proprietary Funds Statement of Net Assets.

17) Subsequent Events

In January 2012, the City reduced the O'Hare International Airport Commercial Paper Program from \$600 million authorized amount outstanding to \$300 million. The amount authorized by City Council remains \$600 million, and the City may increase the program size in the future.

In January 2012, the City redeemed \$3.9 million of Chicago Midway Airport Second Lien Revenue Bonds Series 2010A-2.

In February 2012, the City entered into a swap overlay agreement (i.e., basis trade) associated with the General Obligation Series 2005D variable rate bonds with PNC Bank, N.A. for a notional amount of \$207.9 million. The agreement is effective January 1, 2031 through January 1, 2040, and the City will pay SIFMA and receive 72.5 percent of one month LIBOR. The City received an upfront payment of \$4.0 million.

In February 2012, the City entered into a swap overlay agreement (i.e., Constant Maturity Swap (CMS) reversal) associated with the General Obligation Series 2003B variable rate bonds with PNC Bank, N.A. for a notional amount of \$144.6 million. The agreement is effective March 1, 2014 through November 1, 2014 and the City will pay 66.91 percent of 10 year LIBOR and receive 75 percent of one month LIBOR. Together with the existing underlying swaps on the bonds, in which the City pays 4.052 percent and receives 66.91 percent of 10 year LIBOR, the net effect is that the City will pay a fixed rate of 4.052 percent and receive 75 percent of one month LIBOR through November 1, 2014, after which time the City will receive 66.91 percent of 10 year LIBOR through expiration (January 1, 2034). The City received an upfront payment of \$1.3 million.

In April 2012, the City terminated the swaption transaction with J.P. Morgan in relation to Chicago Midway International Airport bonds with a notional amount of \$397.7 million and a trade date of October 27, 1999. The City paid \$8.2 million to terminate the swaption.

In April 2012, \$8.3 million of Chicago Midway Airport Commercial Paper Notes Series 2003 were issued. The proceeds will be used to fund the swaption termination payment.

In May 2012, the City terminated three swaption transactions with J.P. Morgan in relation to Chicago Sales Tax Revenue bonds with notional amounts of \$69.3 million, \$60.6 million and \$23.3 million and a trade date of June 21, 2002. The City paid \$540 thousand, \$365 thousand and \$20 thousand respectively to terminate the swaptions.

In May 2012, the City redeemed all outstanding O'Hare International Airport General Airport Revenue Bonds. As a result, the first lien pledge on revenues has been discharged and satisfied.

In May 2012, \$1 million of General Obligation Commercial Paper Notes Series 2002 were issued. The proceeds will be used to fund the Sales Tax Revenue Bonds swaptions termination payments.

In May 2012, the City sold Second Lien Water Revenue Bonds Project Series 2012 (\$399.4 million). The bonds were issued at interest rates ranging from 4.0 percent to 5.0 percent and maturity dates from November 1, 2016 to November 1, 2042. Proceeds will be used to finance portions of the costs of authorized projects.

In May 2012, the City sold General Obligation Bonds Project Series 2012A, General Obligation Bonds Taxable Project and Refunding Series 2012B and General Obligation Bonds Refunding Series 2012C (\$594.8 million). The bonds were issued at interest rates ranging from 4.0 percent to 5.432 percent and maturity dates from January 1, 2020 to January 1, 2042. Proceeds will be used to pay for a portion of the costs of various capital projects of the City and to refund certain outstanding General Obligation bonds.

In June 2012, \$30.6 million of Chicago O'Hare International Airport Commercial Paper Notes Series 2005 were issued. The proceeds were used to finance portions of the costs of authorized airport projects.

In June 2012, Moody's Investors Service downgraded 15 banks and securities firms with global capital markets operations. The downgrade impacted certain letter of credit providers for the City's various variable rate demand bonds and may potentially cause credit spreads to increase or certain bonds to become bank bonds. The City will monitor its variable rate bond issues and convert or refinance the bonds as necessary. Additionally, the downgrade has impacted certain swap counterparties, however, no action is required by the City.

In June 2012, Moody's Investors Service downgraded the swap counterparty, Bank of America, N.A., on the Senior Lien Tax Increment Allocation Bonds (Near North Redevelopment Project), Series 1999A. Bank of America was downgraded to A3 from A2, which triggers an Additional Termination Event (ATE).

REQUIRED SUPPLEMENTARY INFORMATION CITY OF CHICAGO, ILLINOIS SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS FUNDING PROGRESS Last Three Years (dollars are in thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Surplus) AAL as a Percentage of Covered Payroll ((b-a) / c)
Municipal Employees'							
2009	12/31/2009	_	224,173	224,173	_	1,551,973	14.44 %
2010		_	223,564	223,564	_	1,541,388	14.50
2011		_	163,242	163,242	_	1,605,993	10.16
Laborers'			,	,		, ,	
2009	12/31/2009	_	41,738	41,738	_	208,626	20.01 %
2010		_	41,361	41,361	_	199,863	20.69
2011		_	38,328	38,328	_	195,238	19.63
			00,020	00,020		,	
Policemen's							
2009	12/31/2009	-	164,800	164,800	-	1,011,205	16.30 %
2010		-	164,796	164,796	-	1,048,084	15.72
2011	12/31/2011	-	165,955	165,955	-	1,034,404	16.04
Firemen's							
2009	12/31/2009	_	47,933	47,933	_	400,912	11.96 %
2010		_	48,222	48,222	-	400,404	12.04
2011	12/31/2011	-	46,980	46,980	-	425,385	11.04
City of Chicago							
2008		-	787,395	787,395	-	2,475,107	31.81 %
2009		-	533,387	533,387	-	2,546,961	20.94
2010	12/31/2010	-	390,611	390,611	-	2,475,080	15.78

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND



Schedule A-1
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
LOCAL TAX REVENUE				
UTILITY TAX:				
Gas	\$ 119,850	\$ 119,850	\$ 113,681	\$ (6,169)
Electric	98,800	98,800	98,100	(700)
Telecommunication	147,693	147,693	140,998	(6,695)
Commonwealth Edison	91,200	91,200	90,655	(545)
Infrastructure Maintenance	-	-	65	65
Fiber Optics	-	-	-	-
Cable Television	22,000	22,000	24,131	2,131
Total Utility Tax	479,543	479,543	467,630	(11,913)
SALES TAX:				
Home Rule Retailers' Occupation	233,473	233,473	252,530	19,057
TRANSPORTATION TAX:				
Parking	92,810	92,810	93,449	639
Vehicle Fuel	47,837	47,837	49,367	1,530
Ground Transportation	9,000	9,000	9,111	111
Total Transportation Tax	149,647	149,647	151,927	2,280
TRANSACTION TAX:				
Real Property	65,270	65,270	85,986	20,716
Personal Property Lease	105,163	105,163	123,523	18,360
Motor Vehicle Lessor	5,484	5,484	5,753	269
Total Transaction Tax	175,917	175,917	215,262	39,345
RECREATION TAX:				
Amusement	81,830	81,830	86,055	4,225
Automatic Amusement	1,150	1,150	913	(237)
Liquor	32,000	32,000	31,584	(416)
Boat Mooring	1,328	1,328	1,439	111
Cigarette	18,652	18,652	18,666	14
Off Track Betting	1,392	1,392	837	(555)
Soft Drink	18,788	18,788	19,934	1,146
Total Recreation Tax	155,140	155,140	159,428	4,288
BUSINESS TAX:				
Hotel	52,913	52,913	60,082	7,169
Employers' Expense	19,600	19,600	23,496	3,896
Foreign Fire Insurance	4,500	4,500	4,598	98
Total Business Tax	77,013	77,013	88,176	11,163
TOTAL LOCAL TAX REVENUE	1,270,733	1,270,733	1,334,953	64,220

Schedule A-1 - Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

Name			Original Budget		Final Budget		Actual Amounts		/ariance Positive Negative)
STATE INCOME TAX:	INTERGOVERNMENTAL REVENUE		200901		200901				10901110/
Income									
Personal Property Replacement 42,047 42,047 36,180 (5,867) Total State Income Tax 309,909 309,909 236,521 (73,388) STATE SALES TAX: State Retailers' Occupation 263,121 263,121 283,751 20,630 STATE AUTO RENTAL TAX: Municipal Auto Rental 3,192 3,192 3,591 399 FEDERAL/STATE GRANTS: TOTAL INTERGOVERNMENTAL REVENUE 577,922 577,922 525,157 (55,765) LOCAL NON-TAX REVENUE INTERNAL SERVICE: Water Fund 62,268 62,268 62,268 62,268 62,268 62,388 9,252 363 Chicago-O'Hare International Airport Fund 35,214 35,214 32,676 (2,538) 9,262 363 62,268 76,268 62,268 62,268 <t< td=""><td></td><td>Ф</td><td>267 862</td><td>Ф</td><td>267 862</td><td>¢</td><td>200 341</td><td>Ф</td><td>(67 521)</td></t<>		Ф	267 862	Ф	267 862	¢	200 341	Ф	(67 521)
Total State Income Tax 309,909 309,909 236,521 (73,388) STATE SALES TAX: State Retailers' Occupation 263,121 263,121 283,751 20,630 STATE AUTO RENTAL TAX: Municipal Auto Rental 3,192 3,192 3,591 399 FEDERAL/STATE GRANTS: Grants 1,700 1,700 1,294 (406) TOTAL INTERGOVERNMENTAL REVENUE 577,922 577,922 525,157 (52,765) LOCAL NON-TAX REVENUE INTERNAL SERVICE: Water Fund 662,68 62,268 62,268 62,268 Chicago-O'Hare International Airport Fund 35,214 35,214 32,676 (2,538) Vehicle Tax Fund 20,308 20,308 20,308 - Chicago Midway International Airport Fund 8,889 8,889 9,252 363 Federal Funds 7,146 7,146 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 Electrical Construction 71,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other 7 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: Alcoholic Liquor Dealers' License 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 18,214 15 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,803 6,803 (6,803 6,80		Ψ		Ψ		Ψ		Ψ	, ,
STATE SALES TAX: State Retailers' Occupation 263,121 263,121 283,751 20,630 STATE AUTO RENTAL TAX: Municipal Auto Rental 3,192 3,192 3,591 399 FEDERAL/STATE GRANTS: 1,700 1,700 1,294 (406) TOTAL INTERGOVERNMENTAL REVENUE 577,922 577,922 525,157 (52,765) LOCAL NON-TAX REVENUE INTERNAL SERVICE: Water Fund 62,268 62,268 62,268 - Chicago-O'Hare International Airport Fund 35,214 35,214 32,676 (2,538) Vehicle Tax Fund 20,308 20,308 20,308 - Chicago Midway International Airport Fund 8,889 8,889 9,252 363 Federal Funds - 16,072 14,762 (1,310) Sewer Fund 27,424 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery<	· · · · · · · · · · · · · · · · · · ·								
State Retailers' Occupation 263,121 263,121 283,751 20,630 STATE AUTO RENTAL TAX: Municipal Auto Rental 3,192 3,192 3,591 399 FEDERAL/STATE GRANTS: Grants 1,700 1,700 1,294 (406) TOTAL INTERGOVERNMENTAL REVENUE 577,922 577,922 525,157 (52,765) LOCAL NON-TAX REVENUE INTERNAL SERVICE: Water Fund 62,268 62,268 62,268 6 2			309,909		309,909		250,521		(13,300)
STATE AUTO RENTAL TAX:			263 121		263 121		283 751		20.630
Municipal Auto Rental 3,192 3,192 3,591 399 FEDERAL/STATE GRANTS: 1,700 1,700 1,294 (406) Grants 1,700 1,700 1,294 (406) TOTAL INTERGOVERNMENTAL REVENUE 577,922 577,922 525,157 (52,765) LOCAL NON-TAX REVENUE 577,922 577,922 525,167 (52,765) Chicago Midway International Airport Fund 35,214 35,214 35,214 32,676 (2,538) Vehicle Tax Fund 27,424 27,424 27,424 27,	•		200,121	_	200, 121		200,701		20,000
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Grants 1,700 1,700 1,294 (406) TOTAL INTERGOVERNMENTAL REVENUE 577,922 577,922 525,157 (52,765) LOCAL NON-TAX REVENUE 577,922 577,922 525,157 (52,765) INTERNAL SERVICE: Water Fund 62,268 62,268 62,268 62,268 - Chicago-O'Hare International Airport Fund 35,214 35,214 32,676 (2,538) Vehicle Tax Fund 20,308 20,308 20,308 - - Chicago Midway International Airport Fund 8,889 8,889 9,252 363 Federal Funds - 16,072 14,762 (1,310) Sewer Fund 27,424 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - -	· · · · · · · · · · · · · · · · · · ·		0,102	_	0,102		0,001		000
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NTERNAL SERVICE: Water Fund			0,0		0,0		020,.0.		(0=,: 00)
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Chicago-O'Hare International Airport Fund 35,214 35,214 32,676 (2,538) Vehicle Tax Fund 20,308 20,308 20,308 - Chicago Midway International Airport Fund 8,889 8,889 9,252 363 Federal Funds - 16,072 14,762 (1,310) Sewer Fund 27,424 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - - Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - <td></td> <td></td> <td>62.269</td> <td></td> <td>62 269</td> <td></td> <td>62.269</td> <td></td> <td></td>			62.269		62 269		62.269		
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Chicago Midway International Airport Fund 8,889 8,889 9,252 363 Federal Funds - 16,072 14,762 (1,310) Sewer Fund 27,424 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - - - Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS 8,244<	·		•						(2,556)
Federal Funds - 16,072 14,762 (1,310) Sewer Fund 27,424 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - - Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: Alcoholic Liquor Dealers' License 9,800 9,800 12,247 2,447 Building Permits									363
Sewer Fund 27,424 27,424 27,424 - Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - - Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 3,447 4,465 3,050 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465									
Emergency Communication Fund 71,346 71,346 82,831 11,485 Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 -									(1,310)
Federal Funds - Pensions 17,766 17,766 19,971 2,205 Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - - Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 3,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,803 6,332 (471) Other 39,110 39,110<									11 /85
Indirect Cost Recovery 17,898 1,826 1,669 (157) Electrical Services 259 - - - Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: Alcoholic Liquor Dealers' License 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64									
Electrical Services 259 -							•		
Electrical Construction - 259 122 (137) Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 3,800 9,800 12,247 2,447 Building License 9,800 9,800 12,247 2,447 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64	-				1,020		1,000		(157)
Transportation 11,344 11,344 14,573 3,229 Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 3,800 9,800 12,247 2,447 Building License 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64			200		259		122		(137)
Fleet Management 14,329 14,329 9,408 (4,921) Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 3,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64			11 344						` ,
Miscellaneous - Planning, Purchasing, etc. 9,583 9,583 9,608 25 Other - - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 306,126 9,498 12,247 2,447 Building License 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64	•		,						
Other - - 1,254 1,254 Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: Alcoholic Liquor Dealers' License 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64	•								, ,
Total Internal Service 296,628 296,628 306,126 9,498 LICENSES AND PERMITS: 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64	-		-		-				
LICENSES AND PERMITS: 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64			296 628		296 628				
Alcoholic Liquor Dealers' License 9,800 9,800 12,247 2,447 Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64			200,020	_	200,020		000,120		0,100
Building License 18,224 18,224 20,484 2,260 Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64			9.800		9.800		12.247		2.447
Building Permits 21,415 21,415 24,465 3,050 Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64	•								
Fines and Penalties 6,803 6,803 6,332 (471) Other 39,110 39,110 39,174 64	•								
Other			•						
									, ,
	Total Licenses and Permits								

Schedule A-1 - Concluded
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	Original Budget			Final Budget		Actual Amounts		Variance Positive Negative)
LOCAL NON-TAX REVENUE - Concluded								
FINES:								
Fines, Forfeitures and Penalties	\$	254,416	\$	254,416	\$	263,288	\$	8,872
INVESTMENT INCOME:								
Interest on Investments		3,036		3,036		3,378		342
CHARGES FOR SERVICES:								
Inspection		11,187		11,187		9,917		(1,270)
Information		800		800		963		163
Safety		120,253		120,253		100,693		(19,560)
Reimbursement of Current Expense		8,385		8,385		7,210		(1,175)
Other		11,378		11,378		13,804		2,426
Total Charges for Services		152,003		152,003		132,587		(19,416)
MUNICIPAL UTILITIES:								
Parking		6,767		6,767		9,060		2,293
Total Municipal Utilities		6,767		6,767		9,060		2,293
LEASES, RENTALS AND SALES:								
Sale of Land and Buildings		8,800		8,800		6,726		(2,074)
Vacation of Streets and Alleys		500		500		5,100		4,600
Sale of Impounded Autos		237		237		54		(183)
Sale of Materials		1,100		1,100		5,326		4,226
Rentals and Leases		5,819		5,819		5,389		(430)
Total Leases, Rentals and Sales		16,456		16,456		22,595		6,139
MISCELLANEOUS:								
Property Damage		160		160		103		(57)
Other		86,240		86,240		81,217		(5,023)
Total Miscellaneous		86,400		86,400		81,320		(5,080)
TOTAL LOCAL NON-TAX REVENUE		911,058		911,058		921,056		9,998
Issuance of Debt, Net of Original								
Discount				-		95,000		95,000
Budgeted Prior Years' Surplus								
and Reappropriations		9,360	_	9,360				(9,360)
Transfers In		494,600	_	494,600		372,744		(121,856)
Total Revenues	\$	3,263,673	\$	3,263,673	\$	3,248,910	\$	(14,763)

NONMAJOR GOVERNMENTAL FUNDS



Schedule B-1 CITY OF CHICAGO, ILLINOIS NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET December 31, 2011 (Amounts are in Thousands of Dollars)

	Total	Service	Total	Total	
	Special	Fund	Capital	Nonmajor	
	Revenue	Special	Project	Governmental	
	Funds	Taxing Areas	Funds	Funds	
ASSETS					
Cash and Cash Equivalents	\$ 1,178	\$ 8,304	\$ 535	\$ 10,017	
Investments	193,715	6,437	87,535	287,687	
Cash and Investments with Escrow Agent	-	97,826	15	97,841	
Receivables (Net of Allowances):					
Property Tax	342,893	106,385	-	449,278	
Accounts	11,886	36	5,047	16,969	
Due from Other Funds	89,768	-	44,438	134,206	
Due from Other Governments	14,063		23,831	37,894	
Total Assets	\$ 653,503	\$ 218,988	\$ 161,401	\$ 1,033,892	
LIABILITIES AND FUND BALANCE Liabilities:					
Voucher Warrants Payable	\$ 33,878	\$ -	\$ 12,166	\$ 46,044	
Bonds, Notes and Other Obligations Payable - Current	-	6,850	-	6,850	
Accrued Interest	-	2,460	-	2,460	
Due to Other Funds	149,643	-	14,497	164,140	
Accrued and Other Liabilities	88,390	43	21,162	109,595	
Deferred Revenue	299,843	92,105		391,948	
Total Liabilities	571,754	101,458	47,825	721,037	
Fund Balance: Nonspendable					
Restricted	3,890	117,530	- 114,068	235,488	
Committed	74,817	117,000	114,000	235,466 74,817	
Assigned	3,042	_	(492)	2,550	
Unassigned	5,0 4 2	_	(432)	2,550	
Total Fund Balance	81,749	117,530	113,576	312,855	
Total Liabilities and Fund Balance	\$ 653,503	\$ 218,988	\$ 161,401	\$ 1,033,892	
ו סנמו בומטווונופס מוזע ו עוזע במומוזטפ	Ψ 000,000	Ψ 210,300	Ψ 101,701	Ψ 1,000,002	

Schedule B-2
CITY OF CHICAGO, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	Total Special Revenue Funds		Debt Service Fund Special Taxing Areas		Total Capital Project Funds		Total Nonmajor vernmental Funds
REVENUES							
Property Tax	\$	373,163	\$ -	\$	-	\$	373,163
Utility Tax		83,317	-		-		83,317
Sales Tax		-	448		-		448
Transportation Tax		163,901	-		-		163,901
State Income Tax		108,153	-		-		108,153
Transaction Tax		35,224	-		-		35,224
Special Area Tax		-	130,513		-		130,513
Other Taxes		18,063	-		-		18,063
Federal/State Grants		-	-		-		-
Internal Service		15,012	-		-		15,012
Fines		20,534	_		_		20,534
Investment Income		1,954	1		1,327		3,282
Charges for Services		18,915	-		-		18,915
Miscellaneous		18,374	1,869		1,172		21,415
Total Revenues		856,610	132,831		2,499		991,940
EXPENDITURES			<u> </u>		•		<u>, </u>
Current:							
General Government		249,578	_		_		249,578
Health		4,371	_		_		4,371
Public Safety		4,727	_		_		4,727
Streets and Sanitation		59,987	_		_		59,987
Transportation		56,909	_		_		56,909
Cultural and Recreational		71,354	_		_		71,354
Employee Pensions		481,407	_		_		481,407
Other		469	_		_		469
Capital Outlay		-	_		55,747		55,747
Debt Service:					,		, ·
Principal Retirement		_	44,290		_		44,290
Interest and Other Fiscal Charges		2,533	31,796		_		34,329
Total Expenditures		931,335	 76,086		55,747		1,063,168
			 ,,,,,,,		,		,,
Revenues Over (Under) Expenditures		(74,725)	56,745		(53,248)		(71,228)

Continued on following page.

	Debt Service Total Fund Special Special Revenue Taxing Funds Areas		Total Capital Project Funds	Total Nonmajor Governmental Funds		
OTHER FINANCING SOURCES (USES) Issuance of Debt		72,925 - 14,357 (36,548) 50,734	\$ (6,066) 47,134 (138,733) (97,665)	\$ 62,153 - - - - 62,153	\$	135,078 (6,066) 61,491 (175,281) 15,222
Net Change in Fund Balances Fund Balance - Beginning of Year Fund Balance - End of Year	\$	(23,991) 105,740 81,749	\$ (40,920) 158,450 117,530	\$ 8,905 104,671 113,576	\$	(56,006) 368,861 312,855

NONMAJOR SPECIAL REVENUE FUNDS

Vehicle Tax Fund – Expenditures made in accordance with the policy established by the City Council in connection with street repairs and maintenance, as provided by sale of vehicle licenses.

Motor Fuel Tax and Project Fund – Expenditures for repair and maintenance of streets and pavements as provided by the City's distributive share of State Motor Fuel Tax and Motor Fuel Tax Revenue Bonds.

Pension Fund – For the City's contribution to Employees' Annuity and Benefit Funds as provided by tax levy and State Personal Property Replacement Tax Revenue.

Public Building Commission Fund – For rentals of space and long-term lease obligation by the City as provided by tax levy.

Miscellaneous Fund – Expenditures for environmental management purposes related to liquid waste, inspection, operation of emergency communication system and other obligations, s provided by revenues from fees collected for disposal of liquid waste, by fees on telephone billings and transfers in.

Chicago Public Library Fund – Expenditures for acquisition, repairs, construction and equipment of library buildings; also library maintenance and operations as provided by proceeds of debt, fines and miscellaneous revenues.

Special Events, Tourism and Festivals Fund – Expenditures for promoting tourism, conventions and other special events projects in Chicago as provided by the State from Municipal Hotel-Motel Tax receipts and by proceeds from Jazz, Blues and Gospel Festivals and Taste of Chicago.

Health and Welfare Fund – For general assistance to be expended and administered by the Illinois Department of Public Aid as provided by patient fees, City and State grants and proceeds of debt, and for neighborhood human infrastructure projects designed to improve the quality of life for citizens.

Schedule C-1
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2011
(Amounts are in Thousands of Dollars)

			_	Motor uel Tax		
		Vehicle	·	and		
	Tax		Project			Pension
ASSETS		TUX		roject		1 01101011
Cash and Cash Equivalents	\$	_	\$	348	\$	_
Investments	Ψ	89,236	Ψ	3,674	Ψ	1
Receivables (Net of Allowances):		00,200		0,0.		•
Property Tax		_		_		342,893
Accounts		2,222		2,060		275
Due from Other Funds		43,309		26		-
Due from Other Governments		-		4,162		_
Total Assets	\$	134,767	\$	10,270	\$	343,169
LIABILITIES AND FUND BALANCE						
Liabilities:						
Voucher Warrants Payable	\$	8,931	\$	3,868	\$	4,821
Due to Other Funds		36,441		537		38,504
Accrued and Other Liabilities		75,071		5,436		-
Deferred Revenue						299,843
Total Liabilities		120,443		9,841		343,168
Fund Balance (Deficit):						
Nonspendable						
Restricted						
Committed		14,324		429		1
Assigned		-		-		-
Unassigned						
Total Fund Balance (Deficit)		14,324		429		1
Total Liabilities and Fund Balance	\$	134,767	\$	10,270	\$	343,169

Buil	ıblic Iding nission	Mis	cellaneous		Chicago Public Library	I T	Special Events, ourism and estivals	Health and Welfare	Total Ionmajor Special Revenue Funds	
\$	- -	\$	- 81,935	\$	- -	\$	316 3,723	\$ 514 15,146	\$ 1,178 193,715	
\$	5,187 5,187	\$	7,637 669 - 90,241	\$	182 19,862 - 20,044	\$	132 3,902 4,714 12,787	\$ (622) 22,000 - 37,038	\$ 342,893 11,886 89,768 14,063 653,503	
\$	30 - - 30	\$	9,413 61,455 75 - 70,943	\$	3,089 8,667 1,489 - 13,245	\$	1,745 1,676 6,319 - 9,740	\$ 2,011 2,333 - - - 4,344	\$ 33,878 149,643 88,390 299,843 571,754	
<u></u>	5,157 - - 5,157 5,187	 	3,890 15,408 - - 19,298 90,241		6,799 - - - 6,799 20,044	<u></u>	5 3,042 - 3,047 12,787	 32,694 - - 32,694 37,038	 3,890 74,817 3,042 - 81,749 653,503	

	 √ehicle Tax	F	Motor uel Tax and Project		Pension
Revenues:					
Property Tax	\$ -	\$	-	\$	373,163
Utility Tax	-		-		-
Sales Tax	-		-		-
Transportation Tax	95,746		66,976		-
State Income Tax	-		-		108,153
Transaction Tax	-		-		-
Special Area Tax	-		-		-
Other Taxes	-		-		-
Federal/State Grants	-		-		-
Internal Service	15,012		_		_
Fines	12,163		_		_
Investment Income	(123)		58		90
Charges for Services	12,846		2,410		-
Miscellaneous	4,629		_,		_
Total Revenues	 140,273		69,444		481,406
	 110,210		00,		101,100
Expenditures:					
Current:					
General Government	65,531		12,135		-
Health	-		-		-
Public Safety	445		-		-
Streets and Sanitation	37,570		22,417		-
Transportation	28,971		27,938		-
Cultural and Recreational	-		_		_
Employee Pensions	-		_		481,407
Other	-		_		, -
Capital Outlay	_		_		_
Debt Service:					
Principal Retirement	_		_		_
Interest and Other Fiscal Charges	_		18		_
Total Expenditures	 132,517		62,508		481,407
•	 				<u> </u>
Revenues Over (Under) Expenditures	 7,756		6,936		(1)
Other Financing Sources (Uses):					
Issuance of Debt	_		_		_
Transfers In	_		_		_
Transfers Out	_		_		_
Total Other Financing Sources (Uses)	 				
Total Other Financing Sources (USES)	 				
Net Change in Fund Balances	7,756		6,936		(1)
Fund Balance (Deficit) - Beginning of Year	6,625		(6,606)		(1)
				_	
Fund Balance (Deficit) - End of Year	\$ 14,381	\$	330	\$	(1)

	Total Nonmajor Special Revenue Funds		
\$ - \$ - \$ - \$ -	\$ 373,163		
- 83,317	83,317		
	-		
1,179 -	163,901		
	108,153 35,224		
- 35,224	35,224		
18,063 -	18,063		
	-		
	15,012		
- 6,000 2,371	20,534		
2,302 (630) 67 2 188	1,954		
- 49 9 3,601 -	18,915		
<u> </u>	18,374		
2,302 130,156 2,948 29,893 188	856,610		
- 118,405 33,633 4,605 15,269 - 4,371	249,578 4,371		
- 4,182 - 100 -	4,727		
	59,987		
	56,909		
51,188 20,166 -	71,354		
	481,407		
469 -	469		
	-		
	-		
1,094 - 1,421	2,533		
1,094 126,958 86,242 25,340 15,269	931,335		
1,208 3,198 (83,294) 4,553 (15,081)	(74,725)		
70,425 2,500 -	72,925		
14,357 (20,549)	14,357		
(36,548) 84,782 2,500 (36,548)	(36,548) 50,734		
04,762 2,500 (30,548)	50,734		
1,208 3,198 1,488 7,053 (51,629)	(23,991)		
<u>3,949</u> <u>16,100</u> <u>5,361</u> <u>(4,007)</u> <u>84,318</u>	105,740		
\$ 5,157 \$ 19,298 \$ 6,849 \$ 3,046 \$ 32,689	\$ 81,749		

Schedule C-3
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	Transaction and Property Tax	Special Area and Utility Taxes	Trans- portation Tax	State Taxes	
FUND					
Original and Final Budgeted Revenues:	•				
Vehicle Tax	\$ -	\$ -	\$ 104,392	\$ -	
Motor Fuel Tax and Project	-	-	57,700	-	
Pension	334,720	-	-	101,875	
Miscellaneous	26,108	71,846	-	-	
Chicago Public Library	-	-	-	-	
Special Events, Tourism and Festivals	-	-	1,328	14,766	
Health and Welfare	-	-	-	-	
Special Taxing Areas					
Total Original and Final Budgeted Revenues	360,828	71,846	163,420	116,641	
Actual Revenues:					
Vehicle Tax	-	-	95,746	-	
Motor Fuel Tax and Project	-	-	66,976	-	
Pension	378,112	-	-	108,153	
Miscellaneous	35,224	83,317	-	-	
Chicago Public Library	-	-	-	-	
Special Events, Tourism and Festivals	-	-	1,179	18,063	
Health and Welfare	-	-	-	-	
Special Taxing Areas		422,381			
Total Actual Revenues	413,336	505,698	163,901	126,216	
Variance Positive (Negative)	\$ 52,508	\$ 433,852	\$ 481	\$ 9,575	

Internal Service	Fines	Investment Income	Leases, Rentals, Sales and Charges for Services	Miscel- laneous	Proceeds of Debt	Budgeted Prior Years' Surplus and Operating Transfers In/ Other	Total Nonmajor Special Revenue Funds
\$ 15,43	\$ 11,000 -	\$ - 6,240	\$ 7,150	\$ 8,055	\$ - 14,534	\$ (2,291) (17,964)	\$ 143,742 60,510
_	_	0,240	_	_	14,554	(17,304)	436,595
_	_	_	_	13,220	_	3,516	114,690
_	2,900	110	500	10,220	70,441	21,369	95,330
_	-	5	17,360	6,500	2,500	(5,137)	37,322
-	-	-	-	-	-,	29,119	29,119
				5,929		<u> </u>	5,929
15,43	3 13,900	6,355	25,010	33,714	87,475	28,612	923,237
15,01	2 12,163	(123)	12,846	4,629	-	-	140,273
-	-	` 58 [°]	2,410	-	-	-	69,444
-	-	90	-	-	-	-	486,355
-	6,000	(630)	49	6,196	-	-	130,156
-	2,371	67	9	501	70,425	14,357	87,730
-	-	2	3,601	7,048	2,500	-	32,393
-	-	188	-	-	-	-	188
		8,098	87	1,698		135,217	567,481
15,01	20,534	7,750	19,002	20,072	72,925	149,574	1,514,020
\$ (42	\$ 6,634	\$ 1,395	\$ (6,008)	\$ (13,642)	\$ (14,550)	\$ 120,962	\$ 590,783

Schedule C-4
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF EXPENDITURES AND ENCUMBRANCES BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

FUND	General Government	Health	Public Safety	Streets and Sanitation		
Original and Final Budget:						
Vehicle Tax	\$ 72,289	\$ -	\$ -	\$ 41,819		
Motor Fuel Tax and Project	12,135	-	-	15,977		
Pension	-	-	7.000	-		
Miscellaneous	72,028	5,818	7,220	-		
Chicago Public Library	39,978	-	-	-		
Special Events, Tourism and Festivals	5,753	-	100	-		
Health and Welfare	21,650					
Total Original and Final Budget	223,833	5,818	7,320	57,796		
Actual Expenditures and Encumbrances: Vehicle Tax Motor Fuel Tax and Project Pension Miscellaneous Chicago Public Library Special Events, Tourism and Festivals Health and Welfare	65,458 12,135 - 83,442 34,856 5,188 18,779	- - - 2,432 - - -	- - - 2,941 - 100	37,732 17,572 - - - - -		
Total Actual Expenditures and Encumbrances	219,858	2,432	3,041	55,304		
Variance Positive (Negative)	\$ 3,975	\$ 3,386	\$ 4,279	\$ 2,492		

	Trans- portation	Cultural and creational	Employee Pensions				Employee		Trai	erating nsfers Out	ar	nterest nd Other Fiscal Charges		Total Nonmajor Special Revenue Funds
\$	29,634 28,096 - 26,108 - - - - 83,838	\$ 55,186 32,070 - 87,256	\$	- 450,541 - - - - 450,541	\$	- - - - - - -	\$	- 15,617 - - 166 - - - 15,783	\$	143,742 71,825 450,541 111,174 95,330 37,923 21,650 932,185				
_	29,581 25,888 - 35,085 - - - 90,554	51,378 17,512 - 68,890	_	- - 481,407 - - - 481,407		- - - - - - - -		15,763 - - - 87 - - - 15,722	_	132,771 71,230 481,407 123,900 86,321 22,800 18,779 937,208				
\$	(6,716)	\$ 18,366	\$	(30,866)	\$		\$	61	\$	(5,023)				

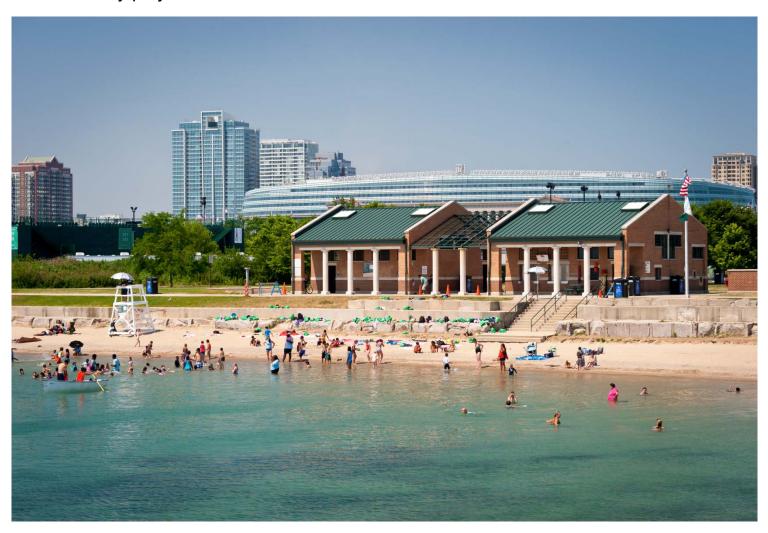
NONMAJOR CAPITAL PROJECT FUNDS

Highway and Transportation Projects – Proceeds of debt used to improve highways and transportation systems.

Building Projects – Proceeds of debt used to finance exterior and interior construction and mechanical work on buildings used by City departments and the public.

Equipment Projects – Proceeds of debt used to purchase capital assets and maintain equipment and machinery for various City departments.

Chicago Public Building Commission – Accounts for assets held by Public Building Commission as trustee or agent during the interim financing period of certain City projects.



Schedule D-1 CITY OF CHICAGO, ILLINOIS NONMAJOR CAPITAL PROJECT FUNDS COMBINING BALANCE SHEET December 31, 2011 (Amounts are in Thousands of Dollars)

										Total
	H	lighway					(Chicago	N	Nonmajor
		and						Public		Capital
	Trar	nsportation	Вι	uilding	Е	quipment		Building		Project
	F	rojects	Pr	ojects		Projects	Co	mmission		Funds
ASSETS										
Cash and Cash Equivalents	\$	22	\$	-	\$	513	\$	_	\$	535
Investments		3,463		109		83,963		-		87,535
Cash and Investments with escrow Agent		-		-		15		-		15
Accounts Receivable (Net of Allowances)		20		-		179		4,848		5,047
Due from Other Funds		-		14		44,424		-		44,438
Due from Other Governments						-		23,831		23,831
Total Assets	\$	3,505	\$	123	\$	129,094	\$	28,679	\$	161,401
LIABILITIES AND FUND BALANCE										
Liabilities:										
Voucher Warrants Payable	\$	122	\$	62	\$	11,982	\$	-	\$	12,166
Due to Other Funds		-		553		13,944		-		14,497
Accrued and Other Liabilities		-				1,010		20,152		21,162
Total Liabilities		122		615		26,936		20,152		47,825
Fund Balance:										
Nonspendable										-
Restricted		3,383				102,158		8,527		114,068
Committed										-
Assigned				(492)						(492)
Unassigned		-		- (100)	_	- 400 455				
Total Fund Balance		3,383		(492)		102,158		8,527		113,576
Total Liabilities and Fund Balance	\$	3,505	\$	123	\$	129,094	\$	28,679	\$	161,401

Schedule D-2
CITY OF CHICAGO, ILLINOIS
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

					Total
	Highway			Chicago	Nonmajor
	and			Public	Capital
	Transportation	Building	Equipment	Building	Project
	Projects	Projects	Projects	Commission	Funds
REVENUES					
Investment Income	\$ 11	\$ 9	\$ 1,306	\$ 1	\$ 1,327
Miscellaneous			1,172		1,172
Total Revenues	11	9	2,478	1	2,499
EXPENDITURES					
Capital Outlay	_	1,739	54,008	_	55,747
Total Expenditures		1,739	54,008		55,747
Revenues Over (Under) Expenditures	11	(1,730)	(51,530)	1	(53,248)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	62,153	-	62,153
Total Other Financing					
Sources (Uses)			62,153		62,153
Net Change in Fund Balance	11	(1,730)	10,623	1	8,905
Fund Balance - Beginning of Year	3,371	1,239	91,535	8,526	104,671
Fund Balance - End of Year	\$ 3,382	\$ (491)	\$ 102,158	\$ 8,527	\$ 113,576

FIDUCIARY FUNDS

Agency Funds – Account for transactions for assets held by the City as agent for various entities.

Pension Trust Funds – Expenditures for employee pensions as provided by employee and employer contributions and investment earnings.



Schedule E-1
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2011
(Amounts are in Thousands of Dollars)

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
ASSETS: Cash, January 1, 2011 Additions Deductions	\$ 4,006 3,292,349 3,296,355	\$ 17,355 4,642 21,969	\$ 40,003 698,872 735,013	\$ 24,561 99,913 111,751	\$ 1,030 21,789 13,424	\$ 86,955 4,117,565 4,178,512
Cash, December 31, 2011		28	3,862	12,723	9,395	26,008
Investments, January 1, 2011 Additions Deductions	1,393 388 1,543	45 11,900 4,642	40,786 111,967 92,031	8,030 39,289 27,162	3,029 13,277 12,791	53,283 176,821 138,169
Investments, December 31, 2011	238	7,303	60,722	20,157	3,515	91,935
Cash and Investments with Escrow Agent, January 1, 2011 Additions Deductions	- - -	- - -	16,605 110,138 112,947	121 1 	- - -	16,726 110,139 112,947
Cash and Investments with Escrow Agent, December 31, 2011		-	13,796	122	<u>-</u>	13,918
Accounts Receivables, January 1, 2011 Additions Deductions	2 19,406 3	3,846 10,069 	141,424 166,785 163,558	66,359 127,911 133,802	1,103 80 120	212,734 324,251 297,483
Accounts Receivables, December 31, 2011	19,405	13,915	144,651	60,468	1,063	239,502

Schedule E-1 - Concluded
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2011
(Amounts are in Thousands of Dollars)

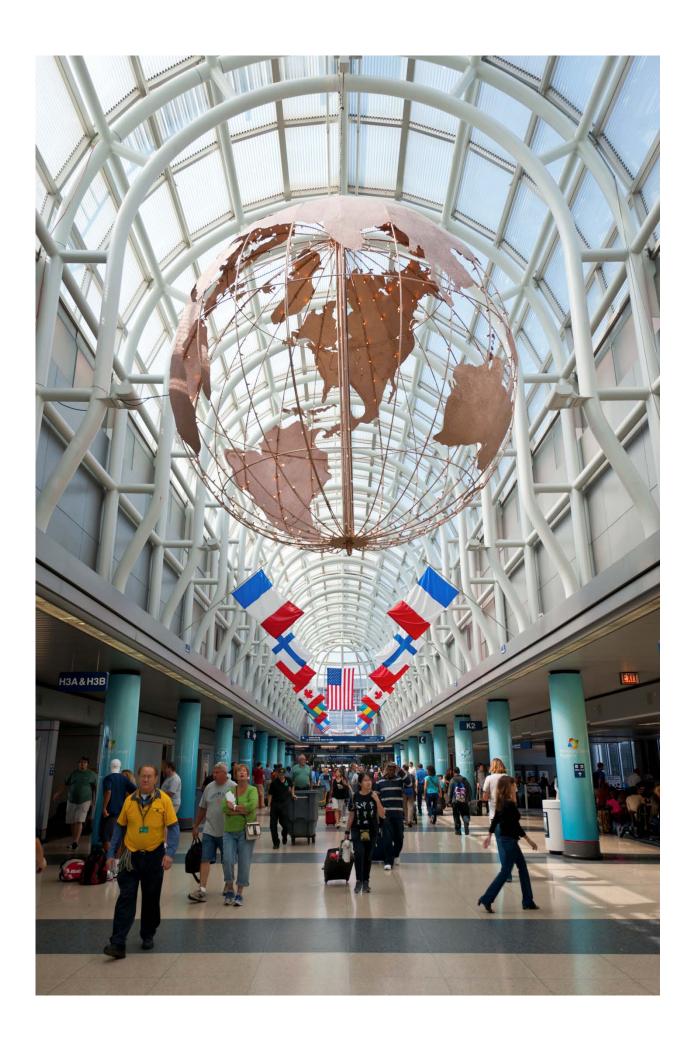
	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
ASSETS - Concluded: Total Assets, January 1, 2011 Additions Deductions	\$ 5,401 3,312,143 3,297,901	\$ 21,246 26,611 26,611	\$ 238,818 1,087,762 1,103,549	\$ 99,071 267,114 272,715	\$ 5,162 35,146 26,335	\$ 369,698 4,728,776 4,727,111
Total Assets, December 31, 2011	\$ 19,643	\$ 21,246	\$ 223,031	\$ 93,470	\$ 13,973	\$ 371,363
LIABILITIES: Voucher Warrants Payable January 1, 2011 Additions	, \$ 7,677,710 7,684,786	\$ 34 -	\$ 35,589 563,100 576,190	\$ 3,806 20,532 21,235	\$ 5 127 128	\$ 39,434 8,261,469 8,282,339
Voucher Warrants Payable December 31, 2011		34	22,499	3,103	4	18,564
Accrued Liabilities, January 1, 2011	5,401	21,212	203,229	95,265	5,157	330,264
Additions Deductions	1,183,530 1,162,212	<u>-</u>	248,540 251,237	2,966 7,864	8,917 105	1,443,953 1,421,418
Accrued Liabilities, December 31, 2011	26,719	21,212	200,532	90,367	13,969	352,799
Total Liabilities, January 1, 2011 Additions Deductions	5,401 8,863,609 8,849,367	21,246 - -	238,818 821,503 837,290	99,071 34,824 40,425	5,162 9,048 237	369,698 9,728,984 9,727,319
Total Liabilities, December 31, 2011	\$ 19,643	\$ 21,246	\$ 223,031	\$ 93,470	\$ 13,973	\$ 371,363

Schedule E-2
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
December 31, 2011
(Amounts are in Thousands of Dollars)

		Pension Trust Funds										
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total							
ASSETS Cash and Cash Equivalents	\$ 1,569	\$ 53,529	\$ 136,446	\$ 36,574	\$ 228,118							
Receivables Employer and OtherInterest and Dividends	185,261 15,554	15,646 2,481	366,878 7,995	80,931 6,838	648,716 32,868							
Total Receivables	200,815	18,127	374,873	87,769	681,584							
Due from City	13,978	1,249	15,825	7,278	38,330							
Investments, at Fair Value Bonds and U.S. Government												
ObligationsStocks	1,268,830 2,347,258	240,359 881,287	625,957 1,504,522	150,107 627,553	2,285,253 5,360,620							
Mortgages and Real Estate	405,561	37,706	120,610	52,001	615,878							
Other	917,148	101,253	707,269	37,918	1,763,588							
Total Investments	4,938,797	1,260,605	2,958,358	867,579	10,025,339							
Invested Securities Lending												
Collateral	593,296	165,838	312,160	150,849	1,222,143							
Total Assets	5,748,455	1,499,348	3,797,662	1,150,049	12,195,514							
LIABILITIES												
Voucher Warrants Payable	101,910	19,906	309,993	5,426	437,235							
Securities Lending Collateral	593,296	165,838	312,160	150,849	1,222,143							
Total Liabilities	695,206	185,744	622,153	156,275	1,659,378							
Net Assets Held in Trust for Pension Benefits	\$ 5,053,249	\$ 1,313,604	\$ 3,175,509	\$ 993,774	\$ 10,536,136							

Schedule E-3
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	Pension Trust Funds									
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total					
ADDITIONS Contributions										
Employees		\$ 16,069 15,359	\$ 98,222 183,522	\$ 51,918 85,498	\$ 298,805 440,904					
Total Contributions	289,121	31,428	281,744	137,416	739,709					
Investment Income Net Appreciation in Fair Value of Investments	(68,465)	(24,681)	(20,412)	(44,454)	(158,012)					
Interest, Dividends and Other	123,916	27,681	62,706	27,381	241,684					
Investment Expense	(25,722)	(8,105)	(9,669)	(5,904)	(49,400)					
Net Investment Income	29,729	(5,105)	32,625	(22,977)	34,272					
Securities Lending Transactions Securities Lending Income Securities Lending Expense Net Securities Lending	2,203 (348)	702 (108)	1,419 (284)	747 (186)	5,071 (926)					
Transactions	1,855	594	1,135	561	4,145					
Total Additions	320,705	26,917	315,504	115,000	778,126					
DEDUCTIONS Benefits and Refunds of										
Deductions	695,674	136,533	575,305	223,581	1,631,093					
Administrative and General	7,375	3,994	4,359	3,723	19,451					
Total Deductions	703,049	140,527	579,664	227,304	1,650,544					
Net Increase in Net Assets Net Assets Held in Trust for Pension Benefits:	(382,344)	(113,610)	(264,160)	(112,304)	(872,418)					
Beginning of Year	5,435,593	1,427,214	3,439,669	1,106,078	11,408,554					
End of Year	\$ 5,053,249	\$ 1,313,604	\$ 3,175,509	\$ 993,774	\$ 10,536,136					



PART III

STATISTICAL SECTION (UNAUDITED)

This part of the City's 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 the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's 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 the City's financial activities take place.

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning that year.

Table 1
CITY OF CHICAGO
NET ASSETS BY COMPONENT
Last Ten Fiscal Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	2002			2003		2004		2005
Governmental Activities: Invested in capital assets,								
net of related debt	•	1,418,685	\$	1,091,893	\$	813,964	\$	514,271
Restricted		997,687		1,216,595		1,346,754		2,632,804
Unrestricted (deficit) Total governmental activities,		(827,376)		(1,202,113)		(1,397,160)		(1,597,634)
net assets	\$	1,588,996	\$	1,106,375	\$	763,558	\$	1,549,441
Business-type activities: Invested in capital assets,								
net of related debt	\$	1,744,719	\$	1,560,539	\$	1,610,788	\$	1,879,343
Restricted		716,704		897,313		877,781		886,488
Unrestricted		(23,929)		(16,955)		(117,238)		(1,603,766)
Total business type activities, net assets	\$	2,437,494	\$	2,440,897	\$	2,371,331	\$	1,162,065
Primary Government: Invested in capital assets,								
net of related debt	\$	3,163,404	\$	2,652,432	\$	2,424,752	\$	2,393,614
Restricted		1,714,391		2,113,908		2,224,535		3,519,292
Unrestricted		(851,305)		(1,219,068)	_	(1,514,398)	_	(3,201,400)
Total primary government, net assets	\$	4,026,490	\$	3,547,272	\$	3,134,889	\$	2,711,506
110t a336t3	Ψ	7,020,730	Ψ	0,071,212	Ψ	5, 157,003	Ψ	2,111,000

Note: The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year ended 2002.

⁽¹⁾ As a result of the implementation of GASB Statement No. 53, the results of 2009 were restated, retroactively.

 2006	2007	2008	2009 (1)	2010	2011
\$ 574,393 2,451,160 (2,003,328)	\$ 570,665 2,980,207 (3,435,506)	\$ 494,930 2,842,149 (4,092,388)	\$ 251,103 3,735,128 (5,840,026)	\$ (324,284) 3,611,533 (6,582,562)	\$ (299,859) 1,596,408 (5,691,215)
\$ 1,022,225	\$ 115,366	\$ (755,309)	\$ (1,853,795)	\$ (3,295,313)	\$ (4,394,666)
\$ 1,940,069 971,669 (1,587,939)	\$ 2,168,833 881,908 (1,561,634)	\$ 2,323,394 779,894 (1,517,891)	\$ 2,286,658 821,909 (1,541,136)	\$ 2,365,522 790,881 (1,431,859)	\$ 2,451,787 874,837 (1,541,515)
\$ 1,323,799	\$ 1,489,107	\$ 1,585,397	\$ 1,567,431	\$ 1,724,544	\$ 1,785,109
\$ 2,514,462 3,422,829 (3,591,267)	\$ 2,739,498 3,862,115 (4,997,140)	\$ 2,818,324 3,622,043 (5,610,279)	\$ 2,537,761 4,557,037 (7,381,162)	\$ 2,041,238 4,402,414 (8,014,421)	\$ 2,151,928 2,471,245 (7,232,730)
\$ 2,346,024	\$ 1,604,473	\$ 830,088	\$ (286,364)	\$ (1,570,769)	\$ (2,609,557)

Table 2
CITY OF CHICAGO
CHANGES IN NET ASSETS - ACCRUAL BASIS OF ACCOUNTING
Last Ten Fiscal Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
General Government	\$ 1,587,322	\$ 1,738,548	\$ 1,642,072	\$ 1,842,353
Public Safety	1,623,340	1,646,760	1,853,887	1,834,008
Employee Pensions	328,518	354,819	299,810	388,053
Streets and Sanitation	318,982	335,727	334,878	353,976
Transportation	240,572	304,580	275,536	285,598
Health	178,741	174,780	164,830	147,376
Cultural and Recreational	102,516	100,725	95,924	114,504
Other	10,332	10,771	10,581	9,892
Interest on Long-term Debt	280,347	301,181	352,119	335,373
Total Governmental Activities	4,670,670	4,967,891	5,029,637	5,311,133
Business-type Activities:				
Water	305,246	318,925	297,902	326,444
Sewer	146,286	144,420	135,013	132,727
Chicago Midway	140,200	144,420	100,010	132,727
International Airport	117,117	128.550	138,404	170,959
Chicago-O'Hare	117,117	120,330	130,404	170,959
International Airport	611,484	636,653	645,437	692,575
Chicago Skyway	34,790	37,544	42,373	16,915
Total Business-type Activities	 1,214,923	 1,266,092	 1,259,129	 1,339,620
Total business-type Activities	 1,214,323	 1,200,032	 1,200,120	 1,000,020
Total Primary Government	\$ 5,885,593	\$ 6,233,983	\$ 6,288,766	\$ 6,650,753

Employee Pensions and Other have been reclassified by function.

The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year ended 2002.

 2006		2007		2008		2009		2010	 2011
\$ 2,088,299 2,300,048	\$	2,452,145 2,435,437	\$	2,384,586 2,434,842	\$	2,364,754 2,521,151	\$	2,557,681 2,824,028	\$ 2,734,419 2,689,471
337,103 292,679 170,769 119,193		367,222 333,401 175,577 128,003		371,112 381,090 170,838 140,065		297,156 351,101 166,914 129,996		235,863 373,437 142,352 126,939	245,898 410,802 151,152 102,808
371,523 5,679,614		385,305 6,277,090		381,504 6,264,037		386,125 6,217,197		404,218 6,664,518	474,226 6,808,776
324,075 130,471		350,181 136,961		371,441 158,292		382,502 169,982		399,347 184,888	416,289 194,838
188,092		211,082		217,609		206,613		224,465	218,172
697,497 12,752 1,352,887		751,351 13,555 1,463,130		803,404 12,359 1,563,105		811,710 11,775 1,582,582		834,487 11,312 1,654,499	879,281 10,930 1,719,510
\$ 7,032,501	\$	7,740,220	\$	7,827,142	\$	7,799,779	\$	8,319,017	\$ 8,528,286

Table 2 - Continued CITY OF CHICAGO CHANGES IN NET ASSETS - ACCRUAL BASIS OF ACCOUNTING Last Ten Fiscal Years Ended December 31, 2011 (Amounts are in Thousands of Dollars)

		2002		2003		2004		2005	
Program Revenues									
Governmental Activities:									
Licenses, Permits, Fines and									
Charges for Services:									
General Government	\$	337,809	\$	350,643	\$	362,973	\$	363,196	
Public Safety		91,392		99,907		112,721		120,853	
Streets and Sanitation		26,937		24,420		31,494		36,980	
Transportation		14,216		21,697		23,589		23,260	
Health		3,135		6,083		12,333		4,165	
Cultural and Recreational		18,977		20,217		21,423		24,288	
Other		-		-		-		1	
Operating Grants and Contributions		710,906		680,939		649,066		637,654	
Capital Grants and Contributions		352,189		236,676		173,529		133,673	
Total Governmental Activities		1,555,561		1,440,582		1,387,128		1,344,070	
5									
Business-type Activities:									
Licenses, Permits, Fines and									
Charges for Services:		045 450		0.47.455		007.544		0.4.4.007	
Water		315,458		317,455		327,514		344,267	
Sewer		141,330		142,373		144,988		143,522	
Chicago Midway		00.050				0= 000			
International Airport		89,858		78,973		85,608		92,228	
Chicago-O'Hare		4=4.040		404.0==		440 =00			
International Airport		451,046		481,957		442,569		532,877	
Chicago Skyway		43,232		39,770		41,191		1,896	
Capital Grants and Contributions		194,922		179,626		210,915		228,467	
Total Business-type Activities and									
Program Revenues		1,235,846		1,240,154		1,252,785		1,343,257	
Total Primary Government	_		_		_		_		
Program Revenues	\$	2,791,407	\$	2,680,736	\$	2,639,913	\$	2,687,327	
Net (Expenses)/Revenues									
Governmental Activities	\$	(3,115,109)	\$	(3,527,309)	\$	(3,642,509)	\$	(3,967,063)	
Business-type Activities	Ψ	20,923	Ψ	(25,938)	Ψ	(6,344)	Ψ	3,637	
Total Primary Government		20,020		(20,000)		(0,044)		0,007	
Net Expense	\$	(3,094,186)	\$	(3,553,247)	\$	(3,648,853)	\$	(3,963,426)	
	<u> </u>	(3,00.,.00)		(3,000,=11)		(3,0.0,000)	_	(3,000,120)	

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2006		2007	2008		2009		2010		2011
\$ 385,082 151,835 36,058 10,224 5,529 23,127	\$	422,363 155,529 41,467 13,262 2,795 24,412	\$ 440,023 129,518 40,578 14,071 3,157 25,725	\$	382,617 158,490 30,990 24,895 2,504 22,375	\$	370,028 150,710 38,092 21,640 8,332 21,635	\$	388,886 211,157 37,291 28,613 7,796 7,201
 659,279 142,705 1,413,839	<u>-</u>	610,974 137,613 1,408,415	 624,356 139,949 1,417,377	_	611,301 115,261 1,348,433	_	674,677 114,871 1,399,985	_	788,812 282,008 1,751,764
330,439 136,437		334,377 138,681	370,244 160,005		410,213 175,163		458,395 198,229		454,221 203,349
105,570		107,253	124,985		122,301		149,056		157,371
545,916 -		652,763 -	684,282 -		624,443 -		702,603 -		679,402 -
 273,320		268,331	 224,823		211,174		246,309		257,438
 1,391,682		1,501,405	 1,564,339		1,543,294		1,754,592		1,751,781
\$ 2,805,521	\$	2,909,820	\$ 2,981,716	\$	2,891,727	\$	3,154,577	\$	3,503,545
\$ (4,265,775) 38,795	\$	(4,868,675) 38,275	\$ (4,846,660) 1,234	\$	(4,868,764) (39,288)	\$	(5,264,533) 100,093	\$	(5,057,012) 32,271
\$ (4,226,980)	\$	(4,830,400)	\$ (4,845,426)	\$	(4,908,052)	\$	(5,164,440)	\$	(5,024,741)

Table 2 - Concluded CITY OF CHICAGO CHANGES IN NET ASSETS - ACCRUAL BASIS OF ACCOUNTING Last Ten Fiscal Years Ended December 31, 2011 (Amounts are in Thousands of Dollars)

	2002			2003		2004		2005
General Revenues and Other								,
Changes in Net Assets								
Governmental Activities:								
Taxes								
Property Tax	\$	692,867	\$	706,666	\$	693,411	\$	696,085
Utility Tax		488,419		512,567		504,800		539,325
Sales Tax		190,462		187,152		203,251		248,807
Transportation Tax		322,811		330,926		322,018		337,993
Transaction Tax		232,168		242,212		278,584		325,227
Special Area Tax		150,077		277,401		350,293		386,537
Other Taxes		162,951		166,671		165,607		205,811
Grants and Contributions Not								
Restricted to Specific Programs		506,452		498,205		522,951		606,509
Unrestricted Investment Earnings		52,377		24,414		27,377		80,728
Special Item		-		-		-		-
Transfers		27,662		-		96,000		1,236,099
Miscellaneous		74,187		98,474		135,400		89,825
Total Governmental Activities		2,900,433		3,044,688		3,299,692		4,752,946
Business-type Activities:								
Investment Earnings		42,094		28,093		27,109		57,916
Miscellaneous		6,132		1,248		5,669		(34,720)
Special Item		-		_		· -		-
Transfers		(27,662)		_		(96,000)		(1,236,099)
Total Business-type Activities		20,564		29,341	-	(63,222)		(1,212,903)
Total Primary Government	\$	2,920,997	\$	3,074,029	\$	3,236,470	\$	3,540,043
Change in Net Assets								
Governmental Activities	\$	(214,676)	\$	(482,621)	\$	(342,817)	\$	785,883
Business-type Activities	•	41,487	т.	3,403	*	(69,566)	т.	(1,209,266)
Total Primary Government	\$	(173,189)	\$	(479,218)	\$	(412,383)	\$	(423,383)

⁽¹⁾ As a result of the implementation of GASB Statement No. 53, the results of 2009 were restated, retroactively.

	2006		2007		2008		2009 (1)		2010	2011	
\$	700,636 522,089 288,052 337,780 339,020 460,940 233,620	\$	732,415 552,179 293,078 332,459 304,715 533,260 245,408	\$	799,878 629,497 273,951 321,362 275,434 531,314 262,734 712,360	\$	797,026 579,101 252,282 333,199 205,026 501,042 250,982	\$	796,928 561,936 260,364 335,235 227,772 477,241 259,325	\$	934,870 564,236 310,626 331,441 250,486 457,192 269,258
	148,631		182,700		90,176		12,296		100,269		64,294
	2,000 51,774 3,738,559		1,000 69,941 3,961,816		79,279 3,975,985	_	238,126 3,770,278		149,902 3,823,015	_	1,000 175,758 3,957,659
<u>•</u>	97,556 27,383 - (2,000) 122,939	<u> </u>	100,720 27,313 - (1,000) 127,033	<u></u>	57,451 37,605 - - 95,056	<u> </u>	12,381 8,941 - - 21,322 3,791,600	<u></u>	6,831 50,190 - - 57,021 3,880,036	<u> </u>	48,517 34,687 (53,910) (1,000) 28,294
\$	3,861,498	Φ	4,088,849	Φ	4,071,041	Φ	3,791,000	Φ	3,000,030	Φ	3,985,953
\$	(527,216) 161,734 (365,482)	\$	(906,859) 165,308 (741,551)	\$	(870,675) 96,290 (774,385)	\$	(1,098,486) (17,966) (1,116,452)	\$	(1,441,518) 157,114 (1,284,404)	\$	(1,099,353) 60,565 (1,038,788)

Table 3
CITY OF CHICAGO, ILLINOIS
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
Last Ten Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

2002	of Total		0000				
			2003	of Total		2004	of Total
Revenues:							
Property Tax \$ 662,919	14.3 %	\$	729,458	15.5 %	\$	651,950	14.0 %
Utility Tax	10.5	Ψ	512,567	10.9	Ψ	504,800	10.9
Sales Tax	9.0		414,425	8.8		441,579	9.5
Transportation Tax 322,811	7.0		330,926	7.0		322,018	6.9
State Income Tax	5.9		266,512	5.7		282,676	6.1
Transaction Tax	5.0		242,212	5.2		278,584	6.0
Special Area Tax 145,365	3.1		222,263	4.7		284,127	6.1
Other Taxes 162,951	3.5		166,671	3.5		165,607	3.6
Total Taxes 2,707,659	58.3		2,885,034	61.3		2,931,341	63.1
Federal/State Grants 1,088,585	23.4		965,885	20.6		852,050	18.3
Internal Service	7.4		324,745	6.9		293,339	6.3
Licenses and Permits 83,148	1.8		96,678	2.1		104,627	2.3
Fines 181,711	3.9		192,746	4.1		202,536	4.4
Investment Income 52,377	1.1		24,414	0.5		27,377	0.6
Charges for Services 116,581	2.5		120,376	2.6		150,879	3.2
Miscellaneous 74,128	1.6		90,375	1.9		81,645	1.8
Total Revenues <u>\$ 4,643,950</u>	100.0 %	\$	4,700,253	100.0 %	\$	4,643,794	100.0 %
	Percent			Percent			Percent
2009	of Total		2010	of Total		2011	of Total
Revenues:							
Property Tax \$ 806,010	15.1 %	\$	754,081	14.0 %	\$	888,531	15.2 %
Utility Tax 579,101	10.9	Ψ	561,936	10.4	Ψ	564,236	9.6
Sales Tax 503,952	9.4		527,004	9.8		563,156	9.6
Transportation Tax 333,199	6.2		335,235	6.2		331,441	5.7
State Income Tax 347,814	6.5		385,668	7.2		344,674	5.9
Transaction Tax	3.8		227,772	4.2		250,486	4.3
Special Area Tax 487,909	9.1		486,526	9.0		552,894	9.4
Other Taxes	4.7		259,325	4.8		269,258	4.5
Total Taxes 3,513,993	65.7		3,537,547	65.6		3,764,676	64.2
Federal/State Grants 753,269	14.1		815,879	15.2		976,051	16.7
Internal Service 306,095	5.8		295,765	5.5		321,138	5.5
Licenses and Permits 100,458	1.9		96,240	1.8		102,702	1.8
Fines 267,891	5.0		272,667	5.1		283,822	4.8
Investment Income 31,520	0.6		103,725	1.9		73,921	1.3
Charges for Services 124,557	2.4		113,565	2.1		160,649	2.7
Miscellaneous 238,126	4.5		149,902	2.8		173,768	3.0
Total Revenues <u>\$ 5,335,909</u>	100.0 %	\$	5,385,290	100.0 %	\$	5,856,727	100.0 %

(1) Includes General, Special Revenue, Permanent, Debt Service and Capital Project Funds.

	Percent		Percent		Percent		Percent
 2005	of Total	2006	of Total	2007	of Total	2008	of Total
\$ 739,419	14.6 %	\$ 665,990	12.8 % \$	661,707	12.1 % \$	729,823	13.1 %
539,325	10.6	522,089	10.0	552,179	10.1	629,497	11.3
499,228	9.8	559,156	10.7	570,927	10.4	548,571	9.9
337,993	6.7	337,780	6.5	332,459	6.1	321,362	5.8
354,022	7.0	380,111	7.3	433,446	7.9	435,393	7.8
325,227	6.4	339,020	6.5	304,715	5.6	275,434	4.9
346,580	6.8	374,342	7.2	488,193	8.9	552,709	9.9
205,811	4.1	233,620	4.5	245,408	4.5	262,734	4.7
3,347,605	66.0	3,412,108	65.5	3,589,034	65.6	3,755,523	67.4
806,472	15.9	823,504	15.8	781,967	14.3	796,911	14.2
273,516	5.4	275,191	5.3	303,827	5.5	329,643	5.9
120,904	2.4	117,689	2.3	148,172	2.7	114,707	2.1
210,850	4.2	221,819	4.3	240,277	4.4	274,443	4.9
80,728	1.6	148,631	2.8	182,700	3.3	90,176	1.6
131,139	2.6	155,215	3.0	151,369	2.8	144,161	2.6
 97,093	1.9	51,774	1.0	79,956	1.4	79,279	1.3
\$ 5,068,307	100.0 %	\$ 5,205,931	100.0 % \$	5,477,302	100.0 % \$	5,584,843	100.0 %

REVENUE SOURCES

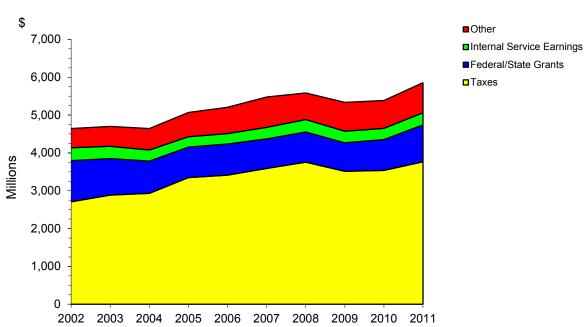


Table 4
CITY OF CHICAGO, ILLINOIS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
Last Ten Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

		Percent		Percent		Percent
	2002	of Total	2003	of Total	2004	of Total
Expenditures:						
Current:						
Public Safety	\$ 1,464,970	26.2 %	\$ 1,594,333	28.0 %	\$ 1,579,014	29.5 %
General Government	1,399,128	25.0	1,474,984	25.9	1,358,469	25.4
Employee Pensions	328,518	5.9	354,819	6.2	299,810	5.6
Streets and Sanitation	357,924	6.4	356,512	6.2	353,020	6.6
Transportation	467,902	8.4	421,665	7.4	308,535	5.8
Health	177,993	3.2	174,412	3.1	179,531	3.4
Cultural and Recreational	83,509	1.5	81,637	1.4	77,661	1.4
Other	10,388	0.2	10,684	0.2	10,191	0.2
Capital Outlay	758,356	13.6	564,519	9.9	563,975	10.5
Debt Service:	. 55,555		33.,3.3	0.0	333,313	
Principal Retirement	285,688	5.1	396,748	7.0	303,755	5.7
Interest and Other Fiscal		• • • • • • • • • • • • • • • • • • • •	333,113		333,: 33	• • • • • • • • • • • • • • • • • • • •
Charges	251,162	4.5	267,734	4.7	315,916	5.9
-	\$ 5,585,538	100.0 %	\$ 5,698,047	100.0 %	\$ 5,349,877	100.0 %
Total Expenditures	\$ 5,565,556	100.0 /6	\$ 5,096,047	100.0 /6	\$ 5,549,677	100.0 /6
Debt Service as a Percentage of						
Non Capital Expenditures (2)				12.8 %		12.7 %
		Percent		Percent		Percent
	2009	of Total	2010	of Total	2011	of Total
Expenditures:						
Current:						
Public Safety	\$ 1,913,711	30.5 %	\$ 1,909,728	30.1 %	\$ 1,984,312	30.0 %
General Government	1,663,990	26.5	1,786,450	28.2	2,057,524	31.1
Employee Pensions	430,915	6.9	435,432	6.9	481,407	7.3
Streets and Sanitation	300,131	4.8	232,426	3.7	236,591	3.6
Transportation	261,948	4.2	297,339	4.7	507,589	7.7
Health	177,812	2.8	153,877	2.4	148,449	2.2
Cultural and Recreational	107,604	1.7	104,297	1.6	90,905	1.4
Other	7,676	0.2	30,000	0.5	26,211	0.3
Capital Outlay	619,273	9.9	628,910	9.9	470,213	7.1
Debt Service:						
Principal Retirement	434,905	6.9	389,928	6.2	188,608	2.8
Interest and Other Fiscal	0=4 400				400.000	
Charges	351,430	5.6	366,035	5.8	429,822	6.5
Total Expenditures	\$ 6,269,395	100.0 %	\$ 6,334,422	100.0 %	\$ 6,621,631	100.0 %
Debt Service as a Percentage of						
Non Capital Expenditures (2)		13.6 %		12.6 %		10.3 %

⁽¹⁾ Includes General, Special Revenue, Debt Service and Capital Project Funds.

⁽²⁾ Non Capital Expenditures include all expenditures except Capital Expenditures included in Capital Outlay with Transportation.

	Percent		Percent		Percent		Percent
2005	of Total	2006	of Total	2007	of Total	2008	of Total
\$ 1,611,923	28.0 %	\$ 1,851,356	29.5 %	\$ 1,880,599	30.8 %	\$ 1,892,152	27.7 %
1,620,307	28.2	1,523,482	24.3	1,650,679	27.1	1,804,925	26.4
388,053	6.7	396,923	6.3	371,649	6.1	413,690	6.0
339,760	5.9	353,828	5.6	377,485	6.1	382,628	5.6
221,377	3.8	244,381	3.9	267,476	4.4	334,684	4.9
166,580	2.9	173,594	2.8	195,254	3.2	184,597	2.7
95,153	1.7	99,841	1.6	108,527	1.8	117,664	1.7
9,382	0.1	9,112	0.1	4,427	0.1	14,483	0.2
452,284	7.9	915,311	14.6	602,433	9.9	661,464	9.7
543,413	9.5	375,028	6.0	297,503	4.9	656,805	9.6
204 662	5 0	224 507	5 0	242 400	5.0	270 207	<i></i>
301,662	5.3	331,507	5.3	342,489	5.6	376,297	5.5
\$ 5,749,894	100.0 %	\$ 6,274,363	100.0 %	\$ 6,098,521	100.0 %	\$ 6,839,389	100.0 %
	<u>15.8 %</u>		12.9 %		11.4 %		16.7 %



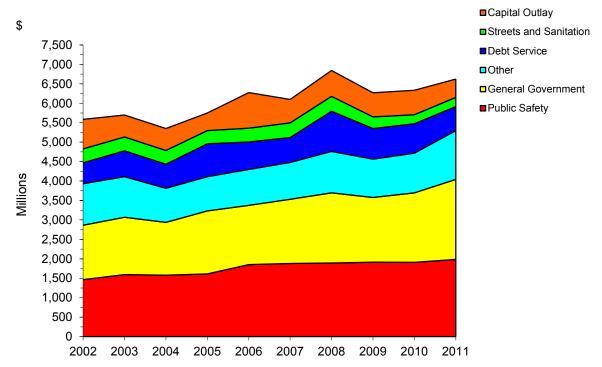


Table 4A
CITY OF CHICAGO, ILLINOIS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)
Modified Accrual Basis of Accounting

	 2002	2003	2004	 2005
Excess of revenues over (under) expenditures	\$ 941,588	\$ (997,794)	\$ (706,083)	\$ (681,587)
Other Financing Sources (Uses):				
Issuance of Debt, including premium/discount Payment to Refunded Bond	\$ 917,326	\$ 1,322,827	\$ 720,357	\$ 1,871,896
Escrow Agent	(132,289) 138,882	(173,725) 166,798	(143,143) 200,780	(1,186,065) 1,469,857
Transfers out Total other financing sources	(111,220)	(166,798)	(104,780)	(233,758)
(uses) Net change in fund balances	\$ 812,699 1,754,287	\$ 1,149,102 151,308	\$ 673,214 (32,869)	\$ 1,921,930 1,240,343

2006	2007		2008	2009	 2010	 2011	
\$ (1,068,432)	\$	(621,219)	\$ (1,254,546)	\$ (933,486)	\$ (949,132)	\$ (764,110)	
\$ 762,833	\$	1,653,881	\$ 795,432	\$ 1,001,302	\$ 1,434,390	\$ 1,212,326	
(276,607) 670,035 (668,035)		(951,419) 332,016 (331,016)	(186,421) 293,448 (293,448)	(213,435) 2,253,459 (2,253,459)	(412,184) 647,407 (647,407)	(476,787) 572,211 (571,210)	
\$ 488,226 (580,206)	\$	703,462 82,243	\$ 609,011 (645,535)	\$ 787,867 (145,619)	\$ 1,022,206 73,074	\$ 736,540 (27,570)	

Table 5
CITY OF CHICAGO, ILLINOIS
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended December 31, 2011
(Amounts Are in Thousands of Dollars)
(Modified Accrual Basis of Accounting)

	2002	2003		 2004	 2005
General Fund: Reserved Unreserved Total General Fund	\$ 124,447 13,014 137,461	\$	40,897 19,458 60,355	\$ 30,981 42,246 73,227	\$ 53,171 57,648 110,819
General Fund Balance: (2) Nonspendable Assigned Unassigned Total Fund Balance	- - - -	\$	- - - -	\$ - - - -	\$ - - - -
Other Governmental Funds: Reserved	 453,902 109,027 1,039,993 - - 1,602,922		481,563 200,175 1,149,095 - - 1,830,833	 488,985 294,690 999,816 - 1,783,491	 1,350,927 525,769 832,129 - 274,272 2,983,097
Other Governmental Fund Balance: (2) Restricted Committed Assigned Unassigned Total Fund Balance	\$ - - - - - -	\$	- - - - - -	\$ - - - - - -	\$ 3,093,916 - - - - -
Total Governmental Funds	\$ _	\$		\$ _	\$ _

- (1) This balance represents the Reserve Fund, Unreserved, Designated for Future Appropriations balance.
- (2) Beginning with 2011, GASB Statement No. 54 was implemented which changed the way fund balance is presented. All periods after 2011 will be presented in the same format.

2006	 2007	 2008	 2009	2010		 2011
\$ 35,557 26,834	\$ 39,673 4,634	\$ 48,217 226	\$ 52,048 2,658	\$	54,390 81,151	\$ - -
62,391	44,307	48,443	54,706		135,541	-
\$ -	\$ -	\$ -	\$ -	\$	-	\$ 24,055
-	-	-	-		-	143,549
 	 -	 -	 -		_	 167,929 335,533
800,546 723,353 696,630 - 231,017	 1,191,674 816,551 906,603 (556,819) 191,391	 461,830 959,424 372,063 (551,137) 660,333	 1,418,399 (409,796) 321,251 - 422,319		1,419,714 (349,517) 534,013 - 138,724	 - - - -
\$ 2,451,546 2,513,937	\$ 2,549,400 2,593,707	\$ 1,902,513 1,950,956	\$ 1,752,173 1,806,879	\$	1,742,934 1,878,475	\$ <u>-</u>
\$ -	\$ -	\$ -	\$ -	\$	-	\$ 2,317,734
-	-	-	-		-	961,246 2,550
-	- -	- -	- -		-	2,550 (1,761,077)
 -	-	-	-		-	1,520,453
\$ _	\$ _	\$ 	\$ 	\$	-	\$ 1,855,986

Table 6
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	2007 (3)		2008 (3)	2009 (3)		2010 (3)			2011 (3)
Revenues:									
Utility Tax	\$ 501,023	\$	524,842	\$	481,275	\$	467,411	\$	467,630
Sales Tax	543,238	*	518,131	*	476,557	*	495,842	*	536,281
State Income Tax	377,727		378,545		251,820		282,011		236,521
Other Taxes	687,511		637,923		572,472		590,575		618,385
Federal/State Grants	3,366		2,347		1,714		1,735		1,294
Other Revenues (1)	822,561		813,983		777,788		773,278		921,849
Total Revenues	2,935,426		2,875,771		2,561,626		2,610,852		2,781,960
Expenditures:									
Current:	1 0 4 5 4 0 7		1.050.004		1 000 014		4 000 004		1 005 404
Public Safety	1,845,497		1,856,634		1,862,914		1,828,984		1,895,404
General Government	860,976		889,266		857,626		903,890		863,622
Other (2)	349,616		356,066		288,559		296,063		278,561
Debt Service	6,930		5,318		4,978	_	5,004	_	2,849
Total Expenditures	 3,063,019		3,107,284	_	3,014,077	_	3,033,941	_	3,040,436
Revenues Under Expenditures	(127,593)	_	(231,513)	_	(452,451)		(423,089)		(258,476)
Other Financing Sources (Uses):									
Issuance of Debt, Net of Original									
Discount/Including Premium	23,921		164,000		58,500		16,500		95,000
Transfers In	130,561		94,058		416,135		502,502		372,744
Transfers Out	(42,500)		(25,193)		(17,463)		(13,600)		(14,357)
Total Other Financing Sources (Uses) .	 111,982	_	232,865	_	457,172	_	505,402	_	453,387
	,			_				_	,
Revenues and Other Financing Sources									
Over (Under) Expenditures and									
Other Financing Uses	(15,611)		1,352		4,721		82,313		194,911
Fund Balance - Beginning of Year	62,391		44,307		48,443		54,706		135,541
Change in Inventory	(2,473)		2,784		1,542		(1,478)		5,875
	 (=, 0)	_	_,		.,		(. , 0)		5,5.5
Fund Balance - End of Year	\$ 44,307	\$	48,443	\$	54,706	\$	135,541	\$	336,327

- (2) Includes Health, Streets and Sanitation, Transportation, Cultural and Recreational and Other Expenditures.
- (3) Source: City of Chicago Basic Financial Statements for years ended December 31, 2007-2011.

⁽¹⁾ Includes Internal Service, Licenses and Permits, Fines, Investment Income, Charges for Services and Miscellaneous Revenues.

Table 7
CITY OF CHICAGO, ILLINOIS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

		2007 (3)	_	2008 (3)	_	2009 (3)		2010 (3)		2011 (3)
Revenues:										
Property Tax	\$	314,742	\$	326,334	\$	334,792	\$	316,618	\$	373,163
Utility Tax	Ψ.	28,838	*	82,373	*	75,688	Ψ	72,201	*	83,317
Sales Tax		5		-		-		-		448.00
State Income Tax		55,719		56,848		95,994		103,657		108,153
Other Taxes		465,533		554,096		572,651		588,717		217,188
Federal/State Grants		778,601		794,564		751,555		814,144		974,757
Other Revenues (1)		114,906		120,401		131,295		121,017		105,705
Total Revenues		1,758,344		1,934,616		1,961,975		2,016,354		1,862,731
Expenditures:										
Current:										
Public Safety		35,102		35,518		50,797		80,744		88,908
General Government		789,703		915,659		799,236		882,553		1,193,781
Employee Pensions		371,649		413,690		430,915		435,432		481,407
Other (2)		603,553		677,990		566,612		521,876		522,377
Capital Outlay		16,674		4,360		3,357		4,903		2,964
Debt Service		7,603		5,628		3,632		3,898		2,533
Total Expenditures		1,824,284	_	2,052,845	_	1,854,549		1,929,406		2,291,970
Revenues Under Expenditures		(65,940)		(118,229)		107,426		86,948		(429,239)
Other Financing Sources (Uses):										
Issuance of Debt, Net of Original										
Discount/Including Premium		144,614		163,628		72,925		88,018		72,925
Payment to Refunded Bond Escrow Agent .		, -		-		· -		-		-
Transfers In		108,045		155,637		185,358		94,424		149,574
Transfers Out		(86,470)		(48,604)		(1,746,126)		(65,807)		(380,543)
Total Other Financing Sources (Uses)		166,189	_	270,661	_	(1,487,843)		116,635		(158,044)
Revenues and Other Financing Sources										
Over (Under) Expenditures and										
Other Financing Uses		100,249		152,432		(1,380,417)		203,583		(587,283)
Guidi i manonig Good		100,210		.02, .02		(1,000,111)		200,000		(001,200)
Fund Balance - Beginning of Year		782,848	_	883,097	_	1,035,529		(344,888)		(141,305)
Fund Balance - End of Year	\$	883,097	\$	1,035,529	\$	(344,888)	\$	(141,305)	\$	(728,588)

- (1) Includes Internal Service, Fines, Investment Income, Charges for Services and Miscellaneous Revenues.
- (2) Includes Health, Streets and Sanitation, Transportation, Cultural and Recreational and Other Expenditures.
- (3) Source: Major and Nonmajor Special Revenue Funds for years ended December 31, 2007-2011.

Table 8
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

		2007 (2)		2008 (3)	2009 (3)		2010 (3)			2011 (3)
Revenues:										
Property Tax	\$	346,965	\$	403,489	\$	471,218	\$	437,463	\$	515,368
Utility Tax	•	22,318	•	22,282	•	22,138	•	22,324	•	13,289
Sales Tax		27,684		30,440		27,395		31,162		26,875
Other Taxes		217,731		220,220		131,993		129,566		146,126
Other Revenues (1)		30,594		6,562		38,720		61,004		44,101
Total Revenues		645,292		682,993		691,464		681,519		745,759
Expenditures:										
Debt Service		625,459		1,022,156		777,725		747,061		613,048
Total Expenditures		625,459		1,022,156		777,725		747,061		613,048
Revenues Over (Under) Expenditures		19,833		(339,163)		(86,261)		(65,542)		132,711
Other Financing Sources (Uses):										
Issuance of Debt, Net of Original										
Discount/Including Premium		777,151		405,311		340,324		560,524		580,015
Payment to Refunded Bond Escrow Agent .		(951,419)		(186,421)		(213,435)		(412,184)		(476,787)
Transfers In		63,807		33,186		684,277		44,185		47,134
Transfers Out		(73,325)		(141,498)		(81,291)		(110,049)	_	(176,285)
Total Other Financing Sources (Uses)		(183,786)	_	110,578		729,875		82,476		(25,923)
Revenues and Other										
Financing Sources										
Over (Under) Expenditures and										
Other Financing Uses		(163,953)		(228,585)		643,614		16,934		106,788
Fund Balance - Beginning of Year		155,042		(8,911)		(237,496)		406,118		423,052
Fund Balance - End of Year	\$	(8,911)	\$	(237,496)	\$	406,118	\$	423,052	\$	529,840

- (1) Includes Investment Income and Miscellaneous Revenues.
- (2) Source: Major (Bond, Note Redemption and Interest) and Nonmajor (Special Taxing Areas) Debt Service Funds for years ended December 31, 2007-2011.

Table 9
CITY OF CHICAGO, ILLINOIS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

_	2007 (2)	 2008 (2)	 2009 (2)	2010 (2)		 2011 (2)
Revenues:						
Other Revenues (1) \$	76,666	\$ 44,464	\$ 18,240	\$	43,135	\$ 16,243
Total Revenues	76,666	44,464	18,240		43,135	16,243
Expenditures:						
Capital Outlay	585,759	 657,104	 615,916		624,007	 467,249
Total Expenditures	585,759	657,104	615,916		624,007	467,249
Revenues Under Expenditures	(509,093)	(612,640)	(597,676)		(580,872)	(451,006)
Other Financing Sources (Uses): Issuance of Debt, Net of Original						
Discount/Including Premium	708,195	62,493	529,553		769,348	464,386
Transfers In	29,603	10,567	16,334		6,296	2,759
Transfers Out	(27,521)	(96)	(3,734)		(99)	(25)
Total Other Financing Sources (Uses) .	710,277	72,964	542,153		775,545	467,120
Revenues and Other Financing Sources Over (Under) Expenditures and						
Other Financing Uses	201,184	(539,676)	(55,523)		194,673	16,114
Fund Balance - Beginning of Year	782,639	983,823	444,147		388,624	583,297
Fund Balance - End of Year \$	983,823	\$ 444,147	\$ 388,624	\$	583,297	\$ 599,411

⁽¹⁾ Includes Investment Income, Charges for Services and Miscellaneous Revenues.

⁽²⁾ Source: Major (Community Development and Improvement Projects) and Nonmajor (Capital Projects Funds) for years ended December 31, 2007-2011.

		2007	 2008	Percent Change
Note Redemption and Interest (2)	\$	33,506	\$ 73,363	118.95 %
Bond Redemption and Interest		381,145	414,853	8.84
Policemen's Annuity and Benefit (3)		141,080	139,640	(1.02)
Municipal Employees' Annuity and Benefit (3)		128,378	131,344	2.31
Firemen's Annuity and Benefit (3)		65,242	65,426	0.28
Laborers' and Retirement Board Employees'				
Annuity and Benefit (3)		<u>-</u>	 9,526	
Total	\$	749,351	\$ 834,152	11.32

- (1) See Table 11 PROPERTY LEVIES, COLLECTIONS AND ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES 2002 2011. Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.
- (2) Includes Corporate, Chicago Public Library Maintenance and Operations, Chicago Public Library Building and Sites and City Relief Funds.
- (3) For information regarding the City's unfunded (assets in excess of) pension benefit obligations under its Pensions Plans, see the individual Pension Plans Financial Statements.
- (4) Estimated; actual was not available from the Cook County Clerk's Office at time of publication.
- (5) Source: Cook County Clerk's Office.

 2009	Percent Change		2010	Percent Change	2011		Percent Change	
\$ 73,363	- %	\$	73,377	0.02 %	\$	73,377	- %	
409,512	(1.29)		409,979	0.11		411,445	0.36	
141,741	1.50		140,165	(1.11)		143,785	2.58	
130,026	(1.00)		132,531	1.93		126,997	(4.18)	
66,140	1.09		64,323	(2.75)		66,125	2.80	
13,327	39.90		13,714	2.90		11,759	(14.26)	
\$ 834,109	(0.01)	\$	834,089	-	\$	833,488 (4)	(0.07)	

Table 11
CITY OF CHICAGO, ILLINOIS
PROPERTY LEVIES, COLLECTIONS AND
ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES
Last Ten Years Ended December 31, 2011
(Amounts are in Thousands of Dollars)

	Collected Within Fiscal Year Total Tax						Total Collections to Date							
Tax Year (1)		Total Tax Levy for Fiscal Year (2)	_		Amount	Percentage of Levy		Collections in Subsequent Years	_	Amount	Percen- tage of Levy	,	Estimated Allowance for ncollectible Taxes	Net utstanding Taxes eceivable
2002	\$	707,181		\$	676,997	95.73 %	\$	13,192	\$	690,189	97.60 %	\$	16,992	\$ -
2003		719,695			674,325	93.70		24,708		699,033	97.13		20,662	-
2004		719,780			694,214	96.45		8,073		702,287	97.57		17,493	-
2005		718,071	(3)		694,593	96.73		6,526		701,119	97.64		16,952	-
2006		719,230	(3)		630,666	87.69		63,099		693,765	96.46		25,465	-
2007		749,351	(3)		712,008	95.02		18,852		730,860	97.53		18,491	-
2008		834,152	(3)		776,522	93.09		42,549		819,071	98.19		14,810	271
2009		834,109	(3)		700,579	83.99		121,300		821,879	98.53		11,985	245
2010		834,089	(3)		790,141	94.73		-		790,141	94.73		25,005	18,943
2011		833,488	(3), (4)		-	N/A		-		-	N/A		33,340	800,148
	Tota	ıl Net Outsta	anding T	axes	s Receivable									\$ 819,607

- (1) Taxes for each year become due and payable in the following year. For example, taxes for the 2011 tax levy become due and payable in 2012.
- (2) Does not include levy for Special Service Areas and Tax Increment Projects.
- (3) Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.
- (4) Estimate; actual was not available from Cook County Clerk's Office at time of publication.

Table 12
CITY OF CHICAGO, ILLINOIS
TOP TEN ESTIMATED EQUALIZED ASSESSED VALUATION (EAV)
Current Year and Nine Years Ago (2)
(Amounts are in Thousands of Dollars)

Property	2010 EAV	Rank	Percent- tage of Total EAV	2001 EAV	Rank	Percent- tage of Total EAV
Willis Tower (4)	\$ 150,000	1	0.18 %	\$ 404,146	1	0.96 %
AON Building (3)	101,653	2	0.12	265,627	2	0.63
Chicago Mercantile Exchange	,			243,259	3	0.58
Prudential Plaza	92,432	3	0.11	216,064	4	0.51
Bank One Plaza	,			215,245	5	0.51
AT&T Corporate Center 1	63,552	8	0.08	209,940	6	0.50
Citicorp Plaza	57,900	10	0.07	145,755	7	0.35
Northwestern Atrium	,			140,744	8	0.34
Hyatt Regency Hotel				138,687	9	0.33
Three First National Plaza	68,552	6	0.08	136,278	10	0.32
Citadel Center	63,789	7	0.08	,		
Chase Plaza	68,750	5	0.08			
Water Tower Place	70,000	4	0.09			
Hines One LP	62,766	9	0.08			
Totals	\$ 799,394		0.97 %	\$ 2,115,745		5.03 %

- (1) Source: Cook County Treasurer's Office, Cook County Assessor's Office.
- (2) 2011 information not available at time of publication.
- (3) AON Building formerly known as AMOCO Building.
- (4) Willis Tower formerly known as Sears Tower.

Table 13
CITY OF CHICAGO, ILLINOIS
ASSESSED AND ESTIMATED FAIR MARKET VALUE OF ALL TAXABLE PROPERTY
Last Ten Years
(Amounts are in Thousands of Dollars)

Assessed Values (1) Tax Year Class 2 (2) Class 3 (3) Class 5 (4) Other (5) Total 2001 \$ 8,973,796 1,923,256 8,757,366 \$ 354,036 \$ 20,008,454 2002 20,314,782 9,221,622 1,865,646 8,878,142 349,372 10,303,732 2003 12,677,199 2,233,572 487,680 25,702,183 1,883,048 465,462 2004 12,988,216 10,401,429 25,738,155 2005 13,420,538 1,842,613 10,502,698 462,099 26,227,948 2006 18,521,873 2,006,898 12,157,149 688,868 33,374,788 2007 18,937,256 1,768,927 12,239,086 678,196 33,623,465 2008 19,339,574 1,602,768 12,359,537 693,239 33,995,117 2009 18,311,981 1,812,850 10,720,244 592,364 31,437,439 2010 (9) 18,074,177 1,416,863 10,467,682 606,941 30,565,663

- (1) Source: Cook County Assessor's Office. Excludes portion of City in DuPage County.
- (2) Residential, 6 units and under.
- (3) Residential, 7 units and over and mixed use.
- (4) Industrial/Commercial.
- (5) Vacant, not-for-profit and industrial/commercial incentive classes. Includes railroad and farm property.
- (6) Source: Illinois Department of Revenue.
- (7) Source: Cook County Clerk's Office. Excludes portion of City in DuPage County and net of exemptions. Calculations also include assessment of pollution control facilities.
- (8) Source: The Civic Federation. Excludes railroad property and portion of City in DuPage County.
- (9) 2011 information not available at time of publication.
- (10) 2010 information not available at time of publication.

State Equalization Factor (6)	 Total Equalized Assessed Value (7)	-	Total Direct Tax Rate	T(otal Estimated Fair Market Value (8)	Ratio of Total Equalized Assessed to Total Estimated Fair Market Value (9)
2.3098	\$ 41,981,912	\$	1.637	\$	185,912,246	22.58 %
2.4689	45,330,892		1.591		201,938,231	22.45
2.4598	53,168,632		1.380		223,572,427	23.78
2.5757	55,277,096		1.302		262,080,627	21.09
2.7320	59,304,530		1.243		286,354,518	20.71
2.7080	69,517,264		1.062		329,770,733	21.08
2.8439	73,645,316		1.044		320,503,503	22.98
2.9786	80,977,543		1.030		310,888,609	26.05
3.3701	84,685,258		0.986		280,288,730	30.21
3.3000	82,087,170		1.020		N/A (10)	N/A (10)

EQUALIZED ASSESSED VALUE

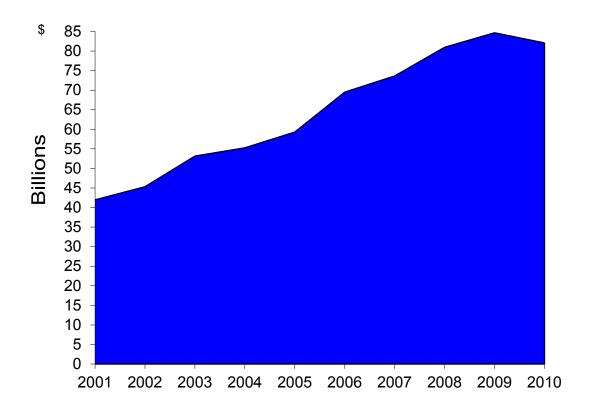


Table 14
CITY OF CHICAGO, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Per \$100 OF EQUALIZED ASSESSED VALUATION
Last Ten Years

Tax Year		City	So Build Impro	nicago chool ling and ovement und	S Fi	hicago School inance uthority	 Board of Education		 Community College District No. 508
2001	\$	1.637	\$	-	\$	0.223	\$	3.744	\$ 0.307
2002		1.591		-		0.177		3.562	0.280
2003		1.380		_		0.151		3.142	0.246
2004		1.302		_		0.177		3.104	0.242
2005		1.243		_		0.127		3.026	0.234
2006		1.062		_		0.118		2.697	0.205
2007		1.044		_		0.091		2.583	0.159
2008		1.030		0.117		-		2.472	0.156
2009		0.986		0.112		-		2.366	0.150
2010	(1)	1.016		1.116		-		2.581	0.151

(1) 2011 information not available from the Cook County Clerk's Office at time of publication.

Table 15
CITY OF CHICAGO, ILLINOIS
PROPERTY TAX RATES - CITY OF CHICAGO
Per \$100 OF EQUALIZED ASSESSED VALUATION
Last Ten Years
(Amounts for Tax Extension are in Thousands of Dollars)

Tax Year	Total City Tax Extension	R	Bond, Note edemption nd Interest	Libra	icago Public ry Bond, Note otion and Interest	 olicemen's nnuity and Benefit
2001	\$ 687,381	\$	0.783791	\$	0.158920	\$ 0.289912
2002	707,181		0.804928		0.138133	0.271463
2003	719,695 (2)		0.713397		0.117772	0.230466
2004	719,780 (2)		0.647396		0.113280	0.216752
2005	718,071 (2)		0.606566		0.090041	0.231467
2006	719,230 (2)		0.519706		0.049968	0.194953
2007	749,351 (2)		0.550055		0.039514	0.191548
2008	834,152 (2)		0.508488		0.094354	0.172426
2009	834,109 (2)		0.478955		0.091851	0.167552
2010 (1) 834,089 (2)		0.494109		0.094665	0.170734

- (1) 2011 information not available from the Cook County Clerk's Office at time of publication.
- (2) Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.

Chicago Park District		Metropolitan Water Reclamation District		Forest Preserve District of Cook County		Cook County	Total	
\$	0.567	\$	0.401	\$	0.067	\$ 0.746	\$	7.692
	0.545		0.371		0.061	0.690		7.277
	0.464		0.361		0.059	0.630		6.433
	0.455		0.347		0.060	0.593		6.280
	0.443		0.315		0.060	0.533		5.981
	0.379		0.284		0.057	0.500		5.302
	0.355		0.263		0.053	0.446		4.994
	0.323		0.252		0.051	0.415		4.816
	0.309		0.261		0.049	0.394		4.627
	0.319		0.274		0.051	0.423		5.931

Municipal Employees' Annuity and Benefit		Firemen's Annuity and Benefit	Reti E	borers' and rement Board Employees' anuity and Benefit	E	Public Building mmission	Total
\$	0.277774	\$ 0.126603	\$	_	\$	_	\$ 1.637
	0.259848	0.116628		_		_	1.591
	0.218316	0.100049		_		_	1.380
	0.229048	0.095524		_		_	1.302
	0.231683	0.083243		_		_	1.243
	0.197399	0.099974		_		_	1.062
	0.174302	0.088581		_		_	1.044
	0.162182	0.080787		0.011763		_	1.030
	0.153704	0.078184		0.015754		_	0.986
	0.161435	0.078352		0.016705		_	1.016

Table 16
CITY OF CHICAGO, ILLINOIS
RATIO OF GENERAL NET BONDED DEBT TO EQUALIZED ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
Last Ten Years

(Amounts are in Thousands of Dollars Except Where Noted)

Tax Year			Equalized Assessed Value (2)		G. O. Bonds		G. O. Notes		General Obligation Certificates and Other		
2002	2,896,016	\$	45,330,892	\$	4,114,093	\$	274,753	\$	234,087		
2003	2,896,016		53,168,632		4,555,253		378,733		367,027		
2004	2,896,016		55,277,096		4,983,428		226,427		362,592		
2005	2,896,016		59,304,530		5,077,434		112,495		344,426		
2006	2,896,016		69,517,264		5,394,802		72,530		322,145		
2007	2,896,016		73,651,158		5,759,573		77,998		458,654		
2008	2,896,016		80,977,543		5,687,447		259,097		362,140		
2009	2,896,016		84,685,258		6,051,947		230,263		439,670		
2010	2,695,598		84,685,258		6,536,596		268,526		574,755		
2011	2,695,598		N/A (4)		6,997,975		198,132		554,015		

- (1) Source: U.S. Census Bureau.
- (2) Source: Cook County Clerk's Office.
- (3) Gross Bonded Debt includes bonds, notes and capitalized lease obligations that are noncurrent.
- (4) N/A means not available at time of publication.
- (5) Amounts are in dollars.

Table 17
CITY OF CHICAGO, ILLINOIS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION DEBT
TO TOTAL GOVERNMENTAL EXPENDITURES
Last Ten Years (Amounts are in Thousands of Dollars)

Year Ended December 31,	Principal	Interest	General Obligatio Debt Service Expenditures	n Governmental Expenditures	Ratio of Debt Service Expenditures to Governmental Expenditures
2002	\$ 242,694	\$ 203,553	\$ 446,247	\$ 5,585,538	8.0 %
2003	331,432	213,063	544,495	5,698,047	9.6
2004	240,327	247,197	487,524	5,349,877	9.1
2005	223,778	242,286	466,064	5,749,894	8.1
2006	201,865	273,190	475,055	6,274,363	7.6
2007	143,575	267,698	411,273	6,098,521	6.7
2008	429,066	302,105	731,171	6,839,389	10.7
2009	380,946	298,057	679,003	6,269,395	10.8
2010	336,378	319,423	655,801	6,334,422	10.4
2011	129,303	369,880	499,183	6,621,207	7.5

Fotal Gross nded Debt (3)	 ss Reserve Debt Service	 let Bonded Debt	Ratio of Net Bonded Debt to Equalized Assessed Value	Net onded Debt er Capita (5)
\$ 4,622,933	\$ 112,700	\$ 4,510,233	9.95 %	\$ 1,557.39
5,301,013	183,347	5,117,666	9.63	1,767.14
5,572,447	135,795	5,436,652	9.84	1,877.29
5,534,355	133,011	5,401,344	9.11	1,865.09
5,789,477	102,951	5,686,526	8.18	1,963.57
6,296,225	70,543	6,225,682	8.45	2,149.74
6,308,684	10,080	6,298,604	7.78	2,174.92
6,721,880	50,431	6,671,449	7.88	2,303.66
7,379,877	58,822	7,321,055	8.65	2,715.93
7,750,122	249,355	7,500,767	N/A (4)	2,782.60

Table 18
CITY OF CHICAGO, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
December 31, 2011
(Amounts are in Thousands of Dollars)

	City of Chicago Direct Debt	Net Direct Long-term Debt (1)	Percentage of Overlapping Bonded Debt (2)	Net Debt Applicable
City of Chicago G. O. Bonds and Notes (Includes Commercial Paper)	\$ 7,698,647			
G. O. Fixed Rate, Taxable Notes Series 2011 (3)	(70,425)	\$ 7,628,222	100.00 %	\$ 7,628,222
Board of Education		5,907,450	100.00	5,907,450
Chicago School Finance Authority		-	100.00	-
Chicago Park District		924,170	100.00	924,170
City Colleges of Chicago		-	100.00	-
Cook County		3,709,260	48.17	1,786,751
Cook County Forest Preserve District		94,885	48.17	45,706
Metropolitan Water Reclamation				
District of Greater Chicago		2,466,464	49.18	1,213,007
Total Overlapping Debt		13,102,229		9,877,084
Net Direct and Overlapping Long-term Debt		\$ 20,730,451		\$ 17,505,306

- (1) Source: Amount of Net Direct Debt was obtained from each of the respective taxing bodies.
- (2) Cook County Clerk's Office
- (3) Notes issued and outstanding in 2011 that have a nominal maturity no later than December 5, 2012 are excluded from Net Direct Long-term Debt.

Table 19
CITY OF CHICAGO, ILLINOIS
DEBT STATISTICS
Last Ten Years
(Amounts are in Thousands of Dollars Except Where Noted)

	2002	2003	2004	2005
Direct Debt	\$ 4,257,256	\$ 4,798,541 \$	5,113,565	\$ 5,123,729
Overlapping Debt	6,644,501	7,150,282	7,429,853	7,574,950
Total Debt	\$ 10,901,757	\$ 11,948,823	12,543,418	\$ 12,698,679
Equalized Assessed Valuation (1) Direct Debt Burden (2) Total Debt Burden (2)	\$ 45,330,892	\$ 53,168,632 \$	55,277,096	\$ 59,304,530
	10.14%	10.59%	9.62%	9.27%
	25.97%	26.36%	23.59%	22.97%
Estimated Fair Market Value (FMV) (5) % of Direct Debt to FMV % of Total Direct Debt to FMV	\$ 201,938,231	\$ 223,572,427 \$	262,080,627	\$ 286,354,518
	2.11%	2.15%	1.95%	1.79%
	5.40%	5.34%	4.79%	4.43%
Population (3) Direct Debt Per Capita (4) Total Debt Per Capita (4)	2,896,016	2,896,016	2,896,016	2,896,016
	\$ 1,470.04	\$ 1,656.95	1,765.72	\$ 1,769.23
	3,764.40	4,125.95	4,331.27	4,384.88

- (1) Source: Cook County Clerk's Office. Excludes portion of City in DuPage County and exemptions.
- (2) Due to the one-year lag in the Equalized Assessed Valuation, debt burden measures are computed utilizing the prior year's Assessed Valuation. The Assessed Valuation for 2001 is \$41,981,912.
- (3) Source: U.S. Census Bureau.
- (4) Amounts are in dollars.
- (5) Source: The Civic Federation.
- (6) N/A means not available at time of publication.

_	2006	 2007	 2008	 2009	 2010	 2011
\$	5,422,232 7,750,883	\$ 5,805,921 7,904,184	\$ 6,126,295 7,529,359	\$ 6,866,270 8,539,070	\$ 7,328,452 9,158,243	\$ 7,628,222 9,877,084
\$	13,173,115	\$ 13,710,105	\$ 13,655,654	\$ 15,405,340	\$ 16,486,695	\$ 17,505,306
\$	69,517,264 9.14% 22.21%	\$ 73,645,316 8.35% 19.72%	\$ 80,977,543 8.32% 18.54%	\$ 84,685,258 8.48% 19.02%	\$ 82,087,170 8.65% 19.47%	N/A (6) 9.01% 20.67%
\$	329,770,733 1.64% 3.99%	\$ 320,503,503 1.81% 4.28%	\$ 310,888,609 1.97% 4.39%	280,288,730 2.45% 5.50%	N/A (6) N/A (6) N/A (6)	N/A (6) N/A (6) N/A (6)
\$	2,896,016 1,872.31 4,548.70	\$ 2,896,016 2,004.80 4,734.13	\$ 2,896,016 2,115.42 4,715.32	\$ 2,896,016 2,370.94 5,319.49	\$ 2,695,598 2,718.67 6,116.15	\$ 2,695,598 2,829.88 6,494.03

Table 20
CITY OF CHICAGO, ILLINOIS
REVENUE BOND COVERAGE
Last Ten Years Ended December 31, 2011
(Amounts are in Thousands of Dollars Except Where Noted)

Proprietary Funds

				 t Revenue		Deb	t Se	rvi	ce Require	men	ts	5 .
Year	Re	Gross evenues (1)	perating pense (2)	vailable for ebt Service	F	Principal	. <u>-</u>		Interest		Total	Percent Coverage
2002	\$	1,232,203	\$ 751,884	\$ 480,319	\$	87,653		\$	269,777	\$	357,430	134 %
2003		1,241,829	769,871	471,958		82,610			292,688		375,298	126
2004		1,235,290	721,879	513,411		102,559			318,733		421,292	122
2005		1,344,175	776,318	567,857		543,460	(3)		315,585		859,045	66
2006		1,422,873	779,168	643,705		210,891			397,341		608,232	106
2007		1,550,299	856,550	693,749		168,712			416,810		585,522	118
2008		1,602,668	913,499	689,169		219,482			438,553		658,035	105
2009		1,516,939	887,676	629,263		216,841			369,379		586,220	107
2010		1,768,225	911,935	856,290		220,124			379,185		599,309	143
2011		1,767,722	937,233	830,489		166,825			306,916		473,741	175

Tax Increment Financing Funds

				Ne	t Revenue		Debt	Servi	ce Requirer	ment	s	
Year	Rev	Gross venues (1)	perating pense (2)		railable for bt Service	F	Principal		nterest	_	Total	Percent Coverage
2006	(4)\$	400,404	\$ 124,905	\$	275,499	\$	75,248	\$	31,553	\$	106,801	258%
2007		509,238	238,757		270,481		91,378		48,514		139,892	193%
2008		557,596	296,469		261,127		176,221		58,292		234,513	111%
2009		495,588	185,947		309,641		37,000		28,740		65,740	471%
2010		474,390	229,266		245,124		36,535		28,431		64,966	377%
2011		544,415	266,916		277,499		44,290		31,796		76,086	365%

Sales Tax and Motor Fuel Tax Funds

	t Revenue		Debt	Servi	ce Require	ments		
<u>Year</u>	 vailable for ebt Service	P	rincipal		nterest		Total	Percent Coverage
2006 (4)	\$ 643,343	\$	6,215	\$	25,930	\$	32,145	2001%
2007	652,883		13,030		25,595		38,625	1690%
2008	625,200		10,345		26,361		36,706	1703%
2009	578,119		5,425		24,245		29,670	1948%
2010	611,707		5,715		16,632		22,347	2737%
2011	618,871		16,295		25,970		42,265	1464%

- (1) Total revenues include nonoperating revenues except for grants.
- (2) Total operating expenses excluding depreciation and amortization.
- (3) \$446.3 million of Skyway principal was included even though that requirement was met through lease proceeds.
- (4) Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data for TIF and Sales Tax and Motor Fuel Tax Funds.

Table 21
CITY OF CHICAGO, ILLINOIS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Years Ended December 31, 2011
(Amounts are in Thousands of Dollars Except Where Noted)

Governmental Funds

Year	Net General Obligation Debt	Α	Increment Ilocation onds and Notes	S	otor Fuel and ales Tax Revenue	Pι	stallment urchase greement	Capital Leases	Water Revenue Bonds	_	Skyway
2002	\$ 4,622,933	\$	519,646	\$	454,220	\$	15,200	\$ -	\$ 1,003,787	\$	437,910
2003	5,301,013		471,846		543,380		13,800	31,332	974,014		437,910
2004	5,572,447		470,688		533,530		12,400	32,263	1,022,433		423,600
2005	5,534,355		407,709		518,800		10,900	309,813	1,031,089		-
2006	5,789,477		351,776		512,585		9,200	278,861	1,169,224		-
2007	6,296,225		285,363		499,555		7,500	245,685	1,195,803		-
2008	6,308,684		204,811		552,345		5,500	207,065	1,464,838		-
2009	6,721,880		179,871		559,417		3,500	169,282	1,424,319		-
2010	7,379,877		156,881		553,702		1,200	177,011	1,711,615		-
2011	7,750,122		125,201		770,312		-	166,787	1,677,851		-

- (1) See Table 13 for Estimated Fair Market Value
- (2) Amounts in Dollars
- (3) 2010 information not available at time of publication.
- (4) 2011 information not available at time of publication.

Proprietary Fund Revenue Bonds

			Chicago							
			O'Hare						Ratio of	
	Chicago	In	ternational	Chicago					Bonded	
	O'Hare		Airport	Midway	W	astewater			Debt to	
Ir	nternational	F	Passenger	Airport	Tra	ansmission		Total	Estimated	
	Airport	Fac	cility Charge	Revenue	I	Revenue		Primary	Fair Market	Per
Re	venue Bonds	Rev	venue Bonds	Bonds		Bonds	(Government	Value (1)	Capita (2)
	_		_	 _		_		_		
\$	2,487,040	\$	903,875	\$ 1,145,435	\$	669,388	\$	12,259,434	6.07 %	4,233.21
	3,218,040		880,326	1,164,353		654,363		13,690,377	6.12	4,727.31
	3,195,155		854,533	1,279,455		747,463		14,143,967	5.40	4,883.94
	4,387,805		1,215,416	1,272,115		731,963		15,419,965	5.38	5,324.54
	4,353,685		796,715	1,268,764		770,528		15,300,815	4.64	5,283.40
	4,562,956		766,255	1,254,664		754,908		15,868,914	4.95	5,479.57
	4,912,635		725,675	1,239,404		902,904		16,523,861	5.32	5,705.72
	5,092,010		709,200	1,246,190		878,875		16,984,544	6.06	5,864.80
	5,647,115		816,110	1,465,495		1,100,800		19,009,806	N/A (3)	7,052.17
	6,481,960		797,769	1,439,185		1,084,224		20,293,411	N/A (4)	7,528.35

Table 22
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE REQUIREMENTS FOR GENERAL LONG-TERM DEBT (1)
December 31, 2011

Year			5	Sales Tax and		
Ended	 General Ob	igatio		Revenu	e Bon	
December 31,	 Principal		Interest	 Principal		Interest
2012	\$ 237,962,715	\$	399,295,457	\$ 17,150,000	\$	38,556,717
2013	204,751,568		388,452,260	18,040,000		36,140,333
2014	214,374,425		384,487,648	18,980,000		35,199,715
2015	236,206,371		378,474,915	18,400,000		34,228,549
2016	251,616,761		367,788,355	18,135,000		33,288,259
2017	274,801,947		356,294,101	18,525,000		32,355,449
2018	287,336,972		343,572,830	19,450,000		31,433,920
2019	298,158,700		329,885,414	20,425,000		30,466,309
2020	313,573,918		317,696,052	21,405,000		29,485,165
2021	316,727,240		302,837,796	22,390,000		28,502,801
2022	320,683,400		293,502,762	23,405,000		27,429,525
2023	312,138,319		279,007,163	24,535,000		26,307,210
2024	306,147,012		264,645,481	25,720,000		25,130,181
2025	287,408,971		249,015,174	26,965,000		23,895,799
2026	288,271,163		236,436,522	28,270,000		22,601,359
2027	283,684,720		217,229,738	27,412,551		23,564,519
2028	283,884,806		210,985,712	31,000,000		19,951,255
2029	287,314,515		195,541,678	20,990,799		29,973,720
2030	327,997,520		185,381,060	23,080,429		27,894,498
2031	275,478,596		168,216,874	22,076,638		28,912,336
2032	276,403,762		139,142,623	22,692,868		28,300,155
2033	262,976,194		124,599,360	23,144,107		27,627,546
2034	251,437,377		110,562,969	38,945,000		14,174,055
2035	222,017,607		96,625,339	40,925,000		12,195,050
2036	204,386,559		85,084,089	43,045,000		10,074,025
2037	186,007,925		74,242,706	45,275,000		7,843,075
2038	172,291,380		64,248,708	34,870,000		5,496,500
2039	182,400,000		24,851,969	36,615,000		3,753,000
2040	124,465,000		14,489,606	38,445,000		1,922,250
2041	131,510,000		7,447,795	-		-
	\$ 7,622,415,443	\$	6,610,042,156	\$ 770,312,392	\$	696,703,275

(1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2012, have been excluded from this schedule because funds for their payment have been provided in the debt service funds. For variable rate debt, interest has been calculated at the rate in effect or effective rate of a Swap Agreement, if applicable, as of December 31, 2011. Amounts above exclude Commercial Paper issues as the timing of payments is not certain.

Service A	rea Bor			tals		Ende	
Principal		Interest	Principal		Interest	Decemb	er 31,
\$ 18,350,000	\$	6,904,018	\$ 273,462,715	\$	444,756,192		2012
26,233,905		5,931,000	249,025,473		430,523,593		2013
14,601,762		11,818,797	247,956,187		431,506,160		2014
8,965,000		3,950,522	263,571,371		416,653,986		2015
11,160,000		3,400,094	280,911,761		404,476,708		2016
11,685,000		2,666,019	305,011,947		391,315,569		2017
14,940,000		1,970,857	321,726,972		376,977,607		2018
5,025,000		1,105,663	323,608,700		361,457,386		2019
3,165,000		821,307	338,143,918		348,002,524		2020
3,440,000		598,388	342,557,240		331,938,985		2021
7,145,000		241,144	351,233,400		321,173,431		2022
-		-	336,673,319		305,314,373		2023
-		-	331,867,012		289,775,662		2024
-		-	314,373,971		272,910,973		2025
-		-	316,541,163		259,037,881		2026
-		-	311,097,271		240,794,257		2027
-		-	314,884,806		230,936,967		2028
-		-	308,305,314		225,515,398		2029
-		-	351,077,949		213,275,558		2030
-		-	297,555,234		197,129,210		2031
-		-	299,096,630		167,442,778		2032
-		-	286,120,301		152,226,906		2033
-		-	290,382,377		124,737,024		2034
-		-	262,942,607		108,820,389		2035
-		-	247,431,559		95,158,114		2036
-		-	231,282,925		82,085,781		2037
-		-	207,161,380		69,745,208		2038
-		-	219,015,000		28,604,969		2039
-		-	162,910,000		16,411,856		2040
-		-	131,510,000		7,447,795		2041

Table 23
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION DEBT (1)
December 31, 2011

Year Ended	General Obli	aation	Ronds		General (Obligatior r Notes	ı
December 31,	 Principal	gation	Interest		Principal		Interest
December 51,	 1 TillCipai		IIICICSC	-	Timoipai		merest
2012	\$ 141,827,715	\$	376,280,910	\$	70,425,000	\$	616,610
2013	177,936,568		367,167,266		-		-
2014	186,174,425		360,215,459		-		-
2015	197,441,371		349,454,030		-		_
2016	209,531,761		341,068,446		-		_
2017	227,001,947		332,017,010		-		-
2018	237,021,972		321,971,638		-		-
2019	247,788,700		311,152,139		-		-
2020	257,063,918		301,864,219		_		_
2021	268,762,240		290,153,093		_		_
2022	275,308,400		283,586,845		_		-
2023	264,743,319		271,727,927		_		_
2024	276,287,012		260,120,959		_		_
2025	280,463,971		248,150,987		_		_
2026	280,606,163		235,924,610		_		_
2027	283,009,720		217,109,584		_		_
2028	283,169,806		210,901,765		_		_
2029	286,464,515		195,496,084		_		_
2030	327,997,520		185,381,060		_		_
2031	275,478,596		168,216,874		_		_
2032	276,403,762		139,142,623		_		_
2033	262,976,194		124,599,360		_		-
2034	251,437,377		110,562,969		_		-
2035	222,017,607		96,625,339		_		-
2036	204,386,559		85,084,089		_		-
2037	186,007,925		74,242,706		_		-
2038	172,291,380		64,248,708		_		_
2039	182,400,000		24,851,969		_		_
2040	124,465,000		14,489,606		_		_
2041	131,510,000		7,447,795		-		_
	, ,		, ,				
	 0.007.075.440		0.000.050.000	Φ.	70.405.000		040.040
	\$ 6,997,975,443	\$	6,369,256,069	\$	70,425,000	\$	616,610

(1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2012, have been excluded from this schedule because funds for their payment have been provided in the debt service funds. For variable rate debt, interest has been calculated at the rate in effect or effective rate of a Swap Agreement, if applicable, as of December 31, 2011. Amounts above exclude Commercial Paper issues as the timing of payments is not certain.

Other Genera Del	bligation	To	tals			Yea Ende	
Principal	Interest	Principal		Interest	 Total	Decembe	er 31,
\$ 25,710,000	\$ 22,397,937	\$ 237,962,715	\$	399,295,457	\$ 637,258,172		2012
26,815,000	21,284,994	204,751,568		388,452,260	593,203,828		2013
28,200,000	24,272,189	214,374,425		384,487,648	598,862,073		2014
38,765,000	29,020,885	236,206,371		378,474,915	614,681,286		2015
42,085,000	26,719,909	251,616,761		367,788,355	619,405,116		2016
47,800,000	24,277,091	274,801,947		356,294,101	631,096,048		2017
50,315,000	21,601,192	287,336,972		343,572,830	630,909,802		2018
50,370,000	18,733,275	298,158,700		329,885,414	628,044,114		2019
56,510,000	15,831,833	313,573,918		317,696,052	631,269,970		2020
47,965,000	12,684,703	316,727,240		302,837,796	619,565,036		2021
45,375,000	9,915,917	320,683,400		293,502,762	614,186,162		2022
47,395,000	7,279,236	312,138,319		279,007,163	591,145,482		2023
29,860,000	4,524,522	306,147,012		264,645,481	570,792,493		2024
6,945,000	864,187	287,408,971		249,015,174	536,424,145		2025
7,665,000	511,912	288,271,163		236,436,522	524,707,685		2026
675,000	120,154	283,684,720		217,229,738	500,914,458		2027
715,000	83,947	283,884,806		210,985,712	494,870,518		2028
850,000	45,594	287,314,515		195,541,678	482,856,193		2029
-	-	327,997,520		185,381,060	513,378,580		2030
-	-	275,478,596		168,216,874	443,695,470		2031
-	-	276,403,762		139,142,623	415,546,385		2032
-	-	262,976,194		124,599,360	387,575,554		2033
-	-	251,437,377		110,562,969	362,000,346		2034
-	-	222,017,607		96,625,339	318,642,946		2035
-	-	204,386,559		85,084,089	289,470,648		2036
-	-	186,007,925		74,242,706	260,250,631		2037
-	-	172,291,380		64,248,708	236,540,088		2038
-	-	182,400,000		24,851,969	207,251,969		2039
-	-	124,465,000		14,489,606	138,954,606		2040
-	-	131,510,000		7,447,795	138,957,795		2041
\$ 554,015,000	\$ 240,169,477	\$ 7,622,415,443	\$	6,610,042,156	\$ 14,232,457,599		

Table 24
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE REQUIREMENTS FOR PROPRIETARY FUNDS (1)
December 31, 2011

Year Ended	Wa Revenu	ater	ande		Transmission ue Bonds		
		е вс			e bui		
December 31,	 Principal		Interest	 Principal		Interest	
2012	\$ 44,447,844	\$	85,234,277	\$ 29,487,726	\$	53,511,720	
2013	42,218,561		87,914,521	30,894,445		52,121,701	
2014	43,400,405		86,763,432	32,441,208		50,628,364	
2015	44,656,240		85,520,587	34,073,014		48,999,269	
2016	46,151,561		84,058,491	35,714,867		47,332,553	
2017	47,736,190		82,495,334	37,351,765		45,781,888	
2018	49,396,127		80,883,342	39,063,712		44,169,113	
2019	56,688,859		73,620,098	33,907,338		49,600,368	
2020	59,118,994		71,336,066	32,925,292		50,555,425	
2021	66,767,088		63,533,524	33,974,245		49,571,311	
2022	69,736,588		60,660,343	35,152,543		48,494,360	
2023	72,616,814		57,615,976	36,331,623		47,390,709	
2024	76,484,862		54,360,575	47,856,894		36,294,789	
2025	76,998,065		50,995,969	30,861,031		52,802,010	
2026	66,535,116		47,585,043	31,814,960		51,909,628	
2027	69,199,084		44,246,446	32,803,635		50,941,221	
2028	81,398,102		40,779,180	38,749,384		30,087,831	
2029	84,717,171		37,057,459	40,704,384		28,089,485	
2030	84,936,290		33,111,816	42,554,384		25,989,257	
2031	54,865,461		29,219,313	44,567,192		23,643,794	
2032	46,735,000		26,298,382	46,345,000		21,164,826	
2033	48,995,000		23,592,420	48,680,000		18,559,553	
2034	51,375,000		20,756,861	50,960,000		15,822,466	
2035	53,865,000		17,785,046	53,335,000		12,956,478	
2036	56,475,000		14,670,589	46,650,000		9,956,027	
2037	49,650,000		11,406,747	48,840,000		7,215,474	
2038	52,020,000		8,386,838	39,420,000		4,345,647	
2039	37,915,000		5,224,376	28,765,000		1,984,785	
2040	39,575,000		2,668,146	-		- -	
	\$ 1,674,674,422	\$	1,387,781,197	\$ 1,084,224,642	\$	979,920,052	

(1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2012, have been excluded from this schedule because funds for their payment have been provided in the debt service funds. For variable rate debt, interest has been calculated at the rate in effect or effective rate of a Swap Agreement, if applicable, as of December 31, 2011. Amounts above exclude Commercial Paper issues as the timing of payments is not certain.

Chicago-O'Har	e In	iternational								
Airport and Ch									Year	
International A				Tot	als	1			Ended	1
 Principal		Interest		Principal		Interest		Total	December	
 							_	. 010.		• • • • • • • • • • • • • • • • • • •
\$ 177,550,000	\$	460,771,723	\$	251,485,570	\$	599,517,720	\$	851,003,290		2012
287,550,000		451,700,459		360,663,006		591,736,681		952,399,687		2013
299,960,000		438,359,403		375,801,613		575,751,199		951,552,812		2014
239,590,000		423,026,011		318,319,254		557,545,867		875,865,121		2015
278,385,000		410,407,281		360,251,428		541,798,325		902,049,753		2016
327,015,000		395,619,002		412,102,955		523,896,224		935,999,179		2017
321,310,000		378,526,903		409,769,839		503,579,358		913,349,197		2018
299,090,000		361,824,119		389,686,197		485,044,585		874,730,782		2019
273,615,000		346,428,543		365,659,286		468,320,034		833,979,320		2020
264,955,000		332,272,515		365,696,333		445,377,350		811,073,683		2021
258,875,000		318,444,748		363,764,131		427,599,451		791,363,582		2022
272,500,000		304,741,574		381,448,437		409,748,259		791,196,696		2023
348,610,000		290,285,001		472,951,756		380,940,365		853,892,121		
304,120,000		272,551,094		411,979,096		376,349,073		788,328,169		
318,910,000		256,496,487		417,260,076		355,991,158		773,251,234		
335,800,000		239,596,242		437,802,719		334,783,909		772,586,628		
485,530,000		221,793,689		605,677,486		292,660,700		898,338,186		
380,670,000		196,221,774		506,091,555		261,368,718		767,460,273		
400,325,000		176,570,074		527,815,674		235,671,147		763,486,821		
395,470,000		155,955,055		494,902,653		208,818,162		703,720,815		
407,415,000		135,579,033		500,495,000		183,042,241		683,537,241		
414,365,000		114,682,423		512,040,000		156,834,396		668,874,396		
441,885,000		93,299,879		544,220,000		129,879,206		674,099,206		
213,230,000		70,464,120		320,430,000		101,205,644		421,635,644		
224,535,000		57,714,094		327,660,000		82,340,710		410,000,710		2036
235,600,000		44,279,190		334,090,000		62,901,411		396,991,411		2037
246,350,000		30,481,392		337,790,000		43,213,877		381,003,877		2038
147,345,000		15,609,644		214,025,000		22,818,805		236,843,805		
98,440,000		6,395,308		138,015,000		9,063,454		147,078,454		2040
\$ 8,698,995,000	\$	7,000,096,780	\$ 1	11,457,894,064	\$	9,367,798,029	\$	20,825,692,093		

Table 25 CITY OF CHICAGO, ILLINOIS LONG-TERM DEBT December 31, 2011

Long-term debt is comprised of the following issues at December 31, 2011 (dollars in thousands):			
	(Original	tstanding at cember 31,
		Principal	2011
General Long-term Debt:			
General Obligation Debt:			
General Obligation Bonds:			
Refunding Series of 1991 - 5.75% to 7.0%	\$	54,743	\$ 1,237
Refunding Series of 1993 A - 3.8% to 5.5%		92,260	10,340
Refunding Series of 1993 B - 4.25% to 5.125%		153,280	73,480
Project and Refunding Series 1995 A-2 - 5.0% to 6.25%		220,390	81,645
Tender Bonds 1996 B - Variable Rate (.08% at December 31, 2011)		1,500	1,500
Project and Refunding Series 1998 - 3.85% to 5.5%		426,600	51,835
Emergency Telephone System Refunding Series 1999 - 4.5% to 5.5%		213,110	133,655
City Colleges of Chicago Capital Improvement Project Series 1999 - 6.0%		308,964	203,686
Project Series 2000 A - 4.85% to 6.75%		254,293	7,403
Neighborhoods Alive 21 Program Series 2000 A and B - 5.75% to 7.82%		199,685	260
Project and Refunding Series 2001 A - 4.0% to 5.65%		580,338	86,807
Project and Refunding Series 2002 A - 4.0% to 5.65%		169,765	3,385
Neighborhoods Alive 21 Program Series 2002 B - 3.575%		206,700	206,700
Neighborhoods Alive 21 Program Series 2003 - 2.0% to 5.25%		103,140	9,650
Project and Refunding Series 2003 A - 4.625% to 5.25%		157,990	63,980
Project and Refunding Series 2003 B - 4.052%		202,500	199,040
Project Series 2003 C and D - 2.0% to 5.25%		198,265	77,745
Emergency Telephone System Series 2004 - 3.0% to 6.9%		64,665	46,365
Project and Refunding Series 2004 - 1.92% to 5.5%		489,455	201,095
Refunding Series 2005 A - 2.5% to 5.0%		441,090	403,775
Project and Refunding Series 2005 B and C - 3.5% to 5.0%		339,275	307,755
Variable Rate Demand Bonds Series 2005 D - 4.104%		222,790	222,790
Direct Access Bonds, Series 2005 - 2.876% to 4.5%		114,695	73,357
Direct Access Bonds, Series 2006 - 3.5% to 4.4%		35,753	30,708
Project and Refunding Series 2006 A and B - 3.5% to 5.375%		649,995	588,410
Project and Refunding Series 2007 A and B - 3.75% to 5.462%		589,590	553,460
City Colleges of Chicago Capital Improvement Project Series 2007 - 4.0% to 5.0%		39,110	36,615
Project and Refunding Series 2007 C and D - 4.0% to 5.44%		330,890	322,985
Project and Refunding Series 2007 E through G - 3.998%		200,000	200,000
Project and Refunding Series 2008 A and B - 3.0% to 5.765%		473,705	468,805
Project and Refunding Series 2008 C through E - 1.0% to 6.05%		611,017	606,992
Project and Refunding Series 2009 A through D - 4.0% to 6.257%		793,275	793,275
Project Series 2010B - 7.517%		213,555	213,555
Project Series 2010C-1 - 7.781%		299,340	299,340
Project Series 2011 A and B - 4.625% to 6.034%		416,345	416,345
Total General Obligation Bonds	\$	9,868,068	\$ 6,997,975
5		<u> </u>	

	Original Principal	Outstanding at December 31, 2011
General Obligation Notes: Commercial Paper Notes - Variable Rate (.30% to .43% at December 31, 2011)	\$ 127,707	\$ 127,707
Tender Notes Series 2011 - 0.8%	70,425	70,425
Total General Obligation Notes	198,132	198,132
· · · · · · · · · · · · · · · · · · ·		
Total General Obligation Bonds and Notes	10,066,200	7,196,107
Conoral Obligation Cortificatos and Other Obligations		
General Obligation Certificates and Other Obligations: Building Acquisition Certificates (Limited Tax) Series 1997 - 4.4% to 5.4%	28,800	13,570
Modern Schools Across Chicago Program - Series 2007 A through K - 3.6% to 5.0%	356,005	300,420
Modern Schools Across Chicago Program - Series 2007 A tillought K - 3.0% to 5.364%	150,115	149,025
MRL Financing LLC Promissory Note - 5.0% to 7.5%	91,000	91,000
Total General Obligation Certificates and Other Obligations	625,920	554,015
Total deficial obligation definicates and other obligations	023,720	334,013
Total General Obligation Debt	10,692,120	7,750,122
Tax Increment Allocation Bonds and Notes: Read-Dunning Redevelopment Project Tax Increment - Series 1996 B - 7.25% Sanitary Drainage Tax Increment - Series 1997 A - 7.375% to 7.75% Lincoln/Belmont/Ashland Tax Increment - Series 1998 - 4.0% to 11.0% Irving/Cicero Tax Increment - Series 1998 - 7.0% Near South Tax Increment - Series 1999 A and B - 4.0% to 5.65% Near North Tax Increment - Series 1999 A and B - 5.084% to 6.89% Neighborhood Improvement Fund Tax Increment Notes - 7.0% to 9.5% Goose Island Redevelopment Tax Increment - Series 2000 - 7.45% Near South Tax Increment - Series 2001 A and B - 4.75% to 6.25% Pilsen Redevelopment Project - Series 2004 - 4.35% to 6.75% Total Tax Increment Allocation Bonds and Notes	7,035 5,530 12,375 4,470 50,000 55,000 17,420 16,800 46,242 49,520 264,392	1,980 1,700 6,430 1,410 12,045 38,900 1,164 13,230 16,457 31,885 125,201
Motor Fuel Tax and Sales Tax Revenue Bonds:		
Motor Fuel Tax Revenue Bonds - Refunding Series 1993 - 4.05% to 6.125%	70,175	12,015
Motor Fuel Tax Revenue Bonds - Series 2003 - 2.25% to 5.25%	115,645	114,390
Motor Fuel Tax Revenue Bonds - Series 2008 A and B - 4.0% to 5.0%	66,635	66,635
Sales Tax Revenue Bonds - Series 1998 - 4.5% to 5.5%	125,000	20,555
Sales Tax Revenue Bonds - Series 2002 - 4.23%	116,595	113,240
Sales Tax Revenue Refunding Bonds - Series 2005 - 3.25% to 5.0%	142,825	119,680
Sales Tax Revenue Refunding Bonds - Series 2009 - 4.25% to 6.0%	90,892	90,892
Motor Fuel Tax and Sales Tax Revenue Bonds - Concluded: Sales Tax Revenue Refunding Bonds - Series 2011 - 4.375% to 5.504%	\$ 232,905	\$ 232,905

	Original Principal	Outstanding at December 31, 2011
Total Motor Fuel Tax and Sales Tax Revenue Bonds	960,672	770,312
Total General Long-term Debt	11,917,184	8,645,635
Proprietary Fund Revenue Bonds: Water Revenue Bonds: Refunding Series 1993 - 4.125% to 6.5%	49,880	20,635
Series 1997 - 3.9% to 5.25%	277,911	17,389
Series 2000 - 2nd Lien - 3.87%	100,000	100,000
Series 2000 - 4.375% to 5.875%	156,819	22,664
Series 2001 - 3.0% to 5.75%	353,905	80,945
Series 2004 - 2nd Lien - 3.867%	500,000	376,300
Series 2006A - 2nd Lien - 4.5% to 5.0%	215,400	193,330
Series 2008 - 2nd Lien - 4.0% to 5.25%	549,915	500,710
Series 2010 - 2nd Lien - 2.0% to 6.742%	313,580	300,355
Commercial Paper Notes - Variable Rate (.50% to .60% at December 31, 2011)	46,929	46,929
Illinois Environmental Protection Agency Loan - 2.905%	3,605	2,095
Illinois Environmental Protection Agency Loan - 2.57%	2,641	1,926
Illinois Environmental Protection Agency Loan - 1.25%	6,000	6,000
Illinois Environmental Protection Agency Loan - 0.00%	8,573	8,573
Chicago-O'Hare International Airport Revenue Bonds:		
Series of 1984 - 2nd Lien - Variable Rate (.13% at December 31, 2011)	100,000	10,575
Series of 1988 - 2nd Lien - Variable Rate (.25% at December 31, 2011)	150,000	10,900
Refunding Series of 1993 A - 4.8% to 5.0%	324,270	26,455
Series of 1994 B - 2nd Lien - Variable Rate (.15% at December 31, 2011)	68,700	28,600
Series of 1994 C - 2nd Lien - Variable Rate (.12% at December 31, 2011)	83,800	35,000
Series of 1996 A and B - 2nd Lien - 4.7% to 7.1%	216,075	17,180
Refunding Series of 1999 - 2nd Lien - 5.5%	409,850	220,115
Refunding Series of 2002 A - 3rd Lien - 5.25% to 5.75%	490,515	490,515
Refunding Series of 2003 A through C - 3rd Lien - 4.5% to 6.0%	986,310	986,310
Series of 2003 D through F - 3rd Lien - 2.125% to 5.5%	149,330	129,070
Series of 2004 A through H - 3rd Lien - 3.49% to 5.35%	385,045	214,930
Series of 2005 A and B - 3rd Lien - 5.0% to 5.25%	1,200,000	1,200,000
Series of 2005 C and D - 3rd Lien - Variable Rate (.09% at December 31, 2011)	300,000	240,600
Series of 2006 A through D - 3rd Lien - 4.55% to 5.5%	156,150	73,800
Series of 2008 A through D - 3rd Lien - 4.0% to 5.0%	779,915	777,210
Series of 2010 A through F - 3rd Lien - 1.75% to 6.845%	1,039,985	1,020,700
Series of 2011 A through C - 3rd Lien - 3.0% to 6.5%	1,000,000	1,000,000

Proprietary Fund Revenue Bonds - Concluded: Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds: \$ 700,000 \$ 503,245 Series of 2001 A through E - 2nd Lien - 3.4% to 5.75% \$ 700,000 \$ 503,245 Refunding Series of 2010 A through D - 2.0% to 6.322% 137,665 137,385 Refunding Series of 2011 A and B - 5.0% to 6.0% 46,005 46,005 Commercial Paper Notes - Variable Rate (.28% to .35% at December 31, 2011) 19,919 19,919 Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1996 A and B - 4.8% to 6.5% 254,040 137,795 Series 1998 B, B and C - 4.3% to 5.5% 254,040 137,795 Series 1998 - 2nd Lien A and B - Variable Rate (.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2010 A - 2nd Lien - 4.174% 152,150 148,500 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 <th></th> <th colspan="2">Original Principal</th> <th></th> <th>standing at cember 31, 2011</th>		Original Principal			standing at cember 31, 2011
Series of 2001 A through E - 2nd Lien - 3.4% to 5.75% \$ 700,000 \$ 503,245 Refunding Series of 2008 A - 4.0% to 5.0% 111,425 91,215 Refunding Series of 2010 A through D - 2.0% to 6.322% 137,665 137,385 Refunding Series of 2011 A and B - 5.0% to 6.0% 46,005 46,005 Commercial Paper Notes - Variable Rate (.28% to .35% at December 31, 2011) 19,919 19,919 Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1996 A and B - 4.8% to 6.5% 254,040 137,795 Series 1998 A, B and C - 4.3% to 5.5% 397,715 373,400 Series 1998 - 2nd Lien A and B - Variable Rate (09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2004 C and D - 2nd Lien - 4.174% 152,150 148,500 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 222,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.5% 62,423 35,168	' '				
Refunding Series of 2008 A - 4.0% to 5.0% 111,425 91,215 Refunding Series of 2010 A through D - 2.0% to 6.322% 137,665 137,385 Refunding Series of 2011 A and B - 5.0% to 6.0% 46,005 46,005 Commercial Paper Notes - Variable Rate (.28% to .35% at December 31, 2011) 19,919 19,919 Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1998 A, B and C - 4.3% to 5.5% 254,040 137,795 Series 1998 - 2nd Lien A and B - Variable Rate (0.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2010 A - 2nd Lien - 4.174% 152,150 148,500 Series 2010 A - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1993 - 5.125% to 5.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.0% 62,423 35,168 Series 2000 1 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Ser		ф	700 000	ф	F02 24F
Refunding Series of 2010 A through D - 2.0% to 6.322% 137,665 137,385 Refunding Series of 2011 A and B - 5.0% to 6.0% 46,005 46,005 Commercial Paper Notes - Variable Rate (.28% to .35% at December 31, 2011) 19,919 19,919 Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1996 A and B - 4.8% to 6.5% 254,040 137,795 Series 1998 A, B and C - 4.3% to 5.5% 397,715 373,400 Series 1998 - 2nd Lien A and B - Variable Rate (.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2010 A - 2nd Lien - 4.174% 152,150 148,500 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.332% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.5% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570	· · · · · · · · · · · · · · · · · · ·	\$		\$	
Refunding Series of 2011 A and B - 5.0% to 6.0% 46,005 Commercial Paper Notes - Variable Rate (.28% to .35% at December 31, 2011) 19,919 Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1998 A, and B - 4.8% to 6.5% 254,040 137,795 Series 1998 - 2nd Lien A and B - Variable Rate (.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 155,030 147,135 Series 2006 A and B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2008 A - 2nd Lien - 4.0% to 5.5% 155,030 147,135			•		
Commercial Paper Notes - Variable Rate (.28% to .35% at December 31, 2011) 19,919 Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1998 A, B and C - 4.3% to 5.5% 397,715 373,400 Series 1998 - 2nd Lien A and B - Variable Rate (.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2001 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.0% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 155,030 147,135 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230					
Chicago Midway Airport Revenue Bonds: 254,040 137,795 Series 1998 A, B and C - 4.3% to 5.5% 397,715 373,400 Series 1998 - 2nd Lien A and B - Variable Rate (.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2004 C and D - 2nd Lien - 4.174% 152,150 148,500 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 3.0% to 5.5% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency	· · · · · · · · · · · · · · · · · · ·				
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Series 1998 A, B and C - 4.3% to 5.5% 397,715 373,400 Series 1998 - 2nd Lien A and B - Variable Rate (.09% at December 31, 2011) 171,000 132,525 Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2004 C and D - 2nd Lien - 4.174% 152,150 148,500 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.0% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311 <td>0 7 1</td> <td></td> <td></td> <td></td> <td></td>	0 7 1				
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Series 2001 A and B - 5.0% to 5.5% 295,855 255,065 Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5% 77,565 64,885 Series 2004 C and D - 2nd Lien - 4.174% 152,150 148,500 Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011) 80,475 80,475 Series 2010 B through D - 2nd Lien - 3.532% to 7.168% 246,540 246,540 Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.0% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 C 1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	•		•		
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Series 2010 B through D - 2nd Lien - 3.532% to 7.168%246,540246,540Wastewater Transmission Revenue Bonds:232,8808,760Refunding Series 1993 - 5.125% to 6.5%232,8808,760Refunding Series 1998 A - 4.55% to 5.0%62,42335,168Series 2001 - 2nd Lien - 3.5% to 5.5%187,68568,570Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25%61,92545,125Series 2006 A and B - 2nd Lien - 4.5% to 5.0%155,030147,135Series 2008 A - 2nd Lien - 4.0% to 5.5%167,635160,110Series 2008 C1 through C3 - 2nd Lien - 3.886%332,230332,230Series 2010 - 2nd Lien - 2.0% to 6.9%275,865274,810Illinois Environmental Protection Agency Loan - 2.5%1,5461,311			152,150		148,500
Wastewater Transmission Revenue Bonds: 232,880 8,760 Refunding Series 1993 - 5.125% to 6.5% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Series 2010 A - 2nd Lien - Variable Rate (.09% to .10% at December 31, 2011)		80,475		80,475
Refunding Series 1993 - 5.125% to 6.5% 232,880 8,760 Refunding Series 1998 A - 4.55% to 5.0% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Series 2010 B through D - 2nd Lien - 3.532% to 7.168%		246,540		246,540
Refunding Series 1998 A - 4.55% to 5.0% 62,423 35,168 Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Wastewater Transmission Revenue Bonds:				
Series 2001 - 2nd Lien - 3.5% to 5.5% 187,685 68,570 Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Refunding Series 1993 - 5.125% to 6.5%		232,880		8,760
Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25% 61,925 45,125 Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Refunding Series 1998 A - 4.55% to 5.0%		62,423		35,168
Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Series 2001 - 2nd Lien - 3.5% to 5.5%		187,685		68,570
Series 2006 A and B - 2nd Lien - 4.5% to 5.0% 155,030 147,135 Series 2008 A - 2nd Lien - 4.0% to 5.5% 167,635 160,110 Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25%		61,925		45,125
Series 2008 C1 through C3 - 2nd Lien - 3.886% 332,230 Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311			155,030		147,135
Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Series 2008 A - 2nd Lien - 4.0% to 5.5%		167,635		160,110
Series 2010 - 2nd Lien - 2.0% to 6.9% 275,865 274,810 Illinois Environmental Protection Agency Loan - 2.5% 1,546 1,311	Series 2008 C1 through C3 - 2nd Lien - 3.886%		332,230		332,230
Illinois Environmental Protection Agency Loan - 2.5%			275,865		274,810
<u> </u>					
	<u> </u>				
Total Proprietary Fund Revenue Bonds \$\frac{11,480,989}{\\$}		\$		\$	

The balance outstanding at December 31, 2011 listed above for each year excluded amounts payable January 1, 2012. In addition, the balance outstanding of water revenue bonds at December 31, 2011 excludes payments due on November 1, 2012.

Table 26
CITY OF CHICAGO, ILLINOIS
POPULATION AND INCOME STATISTICS
Last Ten Years

Year	Population(1)	Median Age (2)	Number of Households (2)	Unemployment Rate (3)	r Capita ome (4)	 Total Income
2002	2,896,016	31.9	1,059,960	8.5 %	\$ 35,085	\$ 101,606,721,360
2003	2,896,016	32.6	1,067,823	8.2	35,464	102,704,311,424
2004	2,896,016	32.6	1,051,018	7.2	37,169	107,642,018,704
2005	2,896,016	33.0	1,045,282	7.0	38,439	111,319,959,024
2006	2,896,016	33.5	1,040,000	5.2	41,887	121,305,422,192
2007	2,896,016	33.7	1,033,328	5.7	43,714	126,596,443,424
2008	2,896,016	34.1	1,032,746	6.4	45,328	131,270,613,248
2009	2,896,016	34.5	1,037,069	10.0	43,727	126,634,091,632
2010	2,695,598	34.8	1,045,666	10.1	45,957	123,881,597,286
2011	2,695,598	33.2	1,048,222	9.3	N/A (5)	N/A (5)

- (1) Source: U.S. Census Bureau.
- (2) Source: World Business Chicago Website, Claritas data estimates; Cook County's Website.
- (3) Source: Bureau of Labor Statistics 2011, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.
- (4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area (in 2011 dollars).
- (5) N/A means not available at time of publication.

Table 27
CITY OF CHICAGO, ILLINOIS
PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Current Year and Nine Years Ago (See Note at the End of this Page)

	2011 (1)			2002 (1)			
			Percentage			Percentage	
	Number		of	Number		of	
	of		Total City	of		Total City	
Employer	Employees	Rank	Employment	Employees	Rank	Employment	
L.D. Mannay Okasa Basil, N. A. (0)	7.000		0.77.0/	0.000		0.57.0/	
J. P. Morgan Chase Bank, N. A. (2)	7,993	1	0.77 %	6,320	4	0.57 %	
United Airlines	6,366	2	0.62	8,656	2	0.79	
Northern Trust Corporation	5,485	3	0.53	5,312	5	0.48	
Accenture LLP	5,014	4	0.48	4,399	10	0.40	
Jewel Food Stores, Inc	4,799	5	0.46	5,249	7	0.48	
Bank of America NT & SA	4,557	6	0.44				
Walgreen's Co	4,429	7	0.43				
CVS Corporation	4,159	8	0.40				
ABM Janitorial Services - North Central	3,629	9	0.35				
Ford Motor Company	3,410	10	0.33	5,269	6	0.48	
SBC Ameritech (3)				17,165	1	1.56	
Exelon Corporation				7,538	3	0.68	
American Airlines				4,666	8	0.42	
Arthur Andersen, LLP				4,570	9	0.41	

⁽¹⁾ Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.

⁽²⁾ J. P. Morgan Chase formerly known as Banc One.

⁽³⁾ Ameritech currently known as SBC/AT&T.

Table 28
CITY OF CHICAGO, ILLINOIS
FULL TIME EQUIVALENT CITY OF CHICAGO EMPLOYEES BY FUNCTION
Last Six Years (See Note at the End of this Page)

		Budgeted Full Time Equivalent Positions								
Function	2011	2010	2009	2008	2007	2006				
General Government	4,363	4,401	4,419	5,112	5,195	5,214				
Public Safety	22,716	22,912	22,954	23,313	23,397	23,345				
Streets and Sanitation	2,576	2,605	3,087	3,648	3,609	3,578				
Transportation	980	1,022	718	819	829	862				
Health	991	1,117	1,257	1,535	1,554	1,570				
Cultural and Recreational	1,207	1,213	1,318	1,596	1,608	1,620				
Business-type Activities	3,615	3,619	3,666	3,898	4,015	4,108				
Total	36,448	36,889	37,419	39,921	40,207	40,297				

⁽¹⁾ Source: City of Chicago 2012 Program and Budget Summary, 2011 figures. Includes full time equivalent positions in grant related programs.

⁽²⁾ Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data.

Table 29
CITY OF CHICAGO, ILLINOIS
OPERATING INDICATORS BY FUNCTION/DEPARTMENT
Last Six Years (See Note at the End of this Page)

Function/Program	2011	2010	2009	2008	2007	2006
Police Physical Arrests	152,740	167,355	181,254	196,621	221,915	227,576
Fire Emergency Responses	343,749	343,214	363,519	377,808	402,403	300,971
Refuse Collection Refuse Collected (Tons per Day)	3,983	3,931	3,974	4,240	4,320	4,451
Cultural Volumes in Library	5,790,289	5,769,587	5,743,002	5,721,334	5,891,306	5,700,000
Water Average Daily Consumption (Thousand of Gallons)	770,925	773,612	808,551	827,156	860,285	884,970

Table 30 CITY OF CHICAGO, ILLINOIS CAPITAL ASSET STATISTICS BY FUNCTION Last Five Years (See Note at the End of this Page)

Function	2011	2010	2009	2008	2007	2006
Police Stations	26	25	25	25	25	25
Fire Stations	104	103	103	101	102	102
Other Public Works Streets (Miles) Streetlights Traffic Signals	4,091 278,788 2,960	3,775 261,019 2,960	3,775 259,699 2,960	3,775 285,989 2,960	3,775 192,511 2,727	3,775 190,000 2,795
Water Mains (Miles)	4,360	4,300	4,300	4,375	4,236	4,230
Sewers Mains (Miles)	4,400	4,400	4,400	4,500	4,500	4,500

NOTE:

(1) Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data.

Table 31 CITY OF CHICAGO, ILLINOIS INTEREST RATE SWAP COUNTERPARTY ENTITIES December 31, 2011

Associated Bond Issue	Current Notional Amounts		Counterparty Credit Rating Moody's/S&P	Counterparty Entity
GO VRDB (Series 2007EFG)	\$ 150,000 50,000 200,000		Aa3/A+* A2/A- Aa3/AA-	Deutchse Morgan Stanley Wells Fargo
GO VRDB (Series 2005D)	155,953 66,837 100,000 61,395 61,395	** **	Aa3/A Aa3/A+ Aa3/A+ Aa3/A+* Aa3/A+	Goldman Sachs Loop Financial Products III Rice Financial BMO Jefferies & Co
Chicago Midway International Airport Revenue Bonds (Series 2004C&D)	89,100 59,400		Aa3/A Aa3/AA-	Goldman Sachs Wells Fargo
Wastewater Transmission Variable Rate Revenue Bonds (Series 2008C)	232,560 49,835 49,835		Aa3/A+* A2/A Aa1/A+	Loop Financial Products I Bank of America JP Morgan
Water Variable Rate Revenue Refunding Bonds (Series 2004)	191,900		Aa3/A	UBS
Water Variable Rate Revenue Refunding Bonds (Series 2004)	194,600		Aa1/AA-	RBC
Second Lien Water Revenue Refunding Bonds (Series 2000)	100,000		Aa3/A	UBS
GO VRDB (Series 2003B)	149,280 49,760 49,760 149,280	** **	Aa3/AA- Aa1/A+ Aa1/A+ Aa3/A+	Wells Fargo JP Morgan JP Morgan Rice Financial
GO VRDB (Neighborhoods Alive 21 Program, Series 2002B)	155,025 51,675		Aa1/A+ A2/A	JP Morgan Bank of America
Sales Tax Revenue Refunding Bonds (VRDB Series 2002)	113,240		Aa1/A+	JP Morgan
Tax Increment Allocation Bonds (Near North TIF, Series 1999A)	38,900		A2/A	Bank of America
Total	\$ 2,569,730	<u> </u>		

Source: Survey of Derivative Instruments - Notional amount as of 12/31/11.

^{*} Reflects the rating of the credit support provider.

^{**} Reflects Swap overlay agreement.