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# CITY OF CHICAGO

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017



Rahm Emanuel, Mayor

Carole L. Brown, Chief Financial Officer

Erin Keane, City Comptroller

Prepared by the Department of Finance

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**OFFICE OF THE MAYOR**

**CITY OF CHICAGO**

**RAHM EMANUEL**  
MAYOR

June 29, 2018

Dear Chicagoans:

Thank you for your interest in the City of Chicago's Comprehensive Annual Financial Report ("CAFR") for the 2017 fiscal year. The 2017 CAFR presents a transparent, accurate and complete accounting of Chicago's finances. For the sixth consecutive year, the independent auditors found no material weakness.

We have been deliberate in making strategic financial decisions and identifying operational efficiencies because we know that decisions we make today will have a lasting impact for years to come. In 2017, Chicago made significant progress towards improving our long-term financial and economic security. The 2017 fiscal year was the first year the City of Chicago was not forced to confront an immediate pension crisis that threatened the retirement of City employees and our financial and economic future. All four of the City's pension funds have a dedicated funding source in place and are on the road to solvency for the first time in over a decade.

On top of addressing our pension challenges, we built on our work since 2011 to create more certainty in our fiscal outlook by further reducing the City's structural budget deficit and eliminating risky debt instruments – variable rate debt, swaps and "scoop and toss" – all while continuing to confidently invest in Chicago's neighborhoods, youth, and public safety. In 2017, we kicked-off the first year of two-year hiring surge at the Chicago Police Department, launched the City-issued universal ID called the "CityKey", and invested \$64 million in youth programming, from summer jobs to mentoring and afterschool curriculum. We have tripled our investments in Chicago's next generation since 2011, because when we invest in our children's future, we give them the confidence to believe in their own futures.

As we recognize the significant progress we've made thus far, we will not stop building on this momentum by further reforming city operations, confronting our financial challenges head on, and making additional investments in our neighborhoods, infrastructure, youth, and public safety.

Sincerely,

A handwritten signature in blue ink that reads "Rahm Emanuel".

Mayor

**CITY OF CHICAGO  
THE CITY COUNCIL  
RAHM EMANUEL, Mayor**

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1st Ward .....	JOE MORENO
2nd Ward .....	BRIAN HOPKINS
3rd Ward .....	PAT DOWELL
4th Ward .....	SOPHIA KING
5th Ward .....	LESLIE A. HAIRSTON
6th Ward .....	RODERICK T. SAWYER
7th Ward .....	GREGORY MITCHELL
8th Ward .....	MICHELLE A. HARRIS
9th Ward .....	ANTHONY BEALE
10th Ward .....	SUSAN SADLOWSKI-GARZA
11th Ward .....	PATRICK D. THOMPSON
12th Ward .....	GEORGE A. CARDENAS
13th Ward .....	MARTY QUINN
14th Ward .....	EDWARD M. BURKE
15th Ward .....	RAYMOND A. LOPEZ
16th Ward .....	TONI L. FOULKES
17th Ward .....	DAVID MOORE
18th Ward .....	DERRICK G. CURTIS
19th Ward .....	MATTHEW J. O'SHEA
20th Ward .....	WILLIE B. COCHRAN
21st Ward .....	HOWARD BROOKINS, JR.
22nd Ward .....	RICARDO MUÑOZ
23rd Ward .....	SILVANA TABARES
24th Ward .....	MICHAEL W. SCOTT, JR.
25th Ward .....	DANIEL S. SOLIS
26th Ward .....	ROBERTO MALDONADO
27th Ward .....	WALTER BURNETT, JR.
28th Ward .....	JASON C. ERVIN
29th Ward .....	CHRIS TALIAFERRO
30th Ward .....	ARIEL E. REBOYRAS
31st Ward .....	MILLY SANTIAGO
32nd Ward .....	SCOTT WAGUESPACK
33rd Ward .....	DEBORAH MELL
34th Ward .....	CARRIE M. AUSTIN
35th Ward .....	CARLOS RAMIREZ-ROSA
36th Ward .....	GILBERT VILLEGAS
37th Ward .....	EMMA MITTS
38th Ward .....	NICHOLAS SPOSATO
39th Ward .....	MARGARET LAURINO
40th Ward .....	PATRICK J. O'CONNOR
41st Ward .....	ANTHONY NAPOLITANO
42nd Ward .....	BRENDAN REILLY
43rd Ward .....	MICHELE SMITH
44th Ward .....	THOMAS M. TUNNEY
45th Ward .....	JOHN ARENA
46th Ward .....	JAMES CAPPLEMAN
47th Ward .....	AMEYA PAWAR
48th Ward .....	HARRY OSTERMAN
49th Ward .....	JOSEPH A. MOORE
50th Ward .....	DEBRA L. SILVERSTEIN

**2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE CITY OF CHICAGO**

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**PART I**  
**INTRODUCTORY SECTION**



DEPARTMENT OF FINANCE  
CITY OF CHICAGO

June 29, 2018

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

We are pleased to submit the Comprehensive Annual Financial Report (“CAFR”) of the City of Chicago for the fiscal year that ended December 31, 2017. State law requires that all governmental units publish financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited by a licensed public accountant within six months of the close of each fiscal year.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management. The purpose of the CAFR is to provide complete and accurate financial information which complied 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 the valuation of costs and benefits requires estimates and judgments by management.

The Code also requires that the City’s basic financial statements are audited by independent certified public accountants selected by the Committee of Finance of the City Council. This requirement has been met, and the unmodified 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 (Single Audit Act Amendments of 1996, *Government Auditing Standards*, and *Office of Management and Budget’s (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) designed to meet the requirements of the OMB Uniform Guidance, a government-wide framework for grants management, is performed annually. GAAP requires that management provided a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). The 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.

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**Profile of the Government.** The City of Chicago, the third most populated city in the United States, was incorporated in 1837. It occupies land area of approximately 228 square miles and, according to the 2010 census, serves a population of more than 2.7 million residents. The City is a municipal corporation and home rule unit of local government under the Illinois Constitution of 1970 and is governed by an elected mayor and city council. The Mayor is the Chief Executive Officer of the City of Chicago and is elected by general election to a four-year term. The City Council, the City's legislative body, 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 to a four-year term. The City provides public safety, street maintenance, sanitation services, water and sewer services, health, cultural, aviation and human services.

*General Government Services ("General Fund").* The General Fund is the City's general operating fund and supports essential City services and activities, such as police and fire protection, trash collection, and public health programs. The General Fund also supports a portion of the City's share of pension contributions for its employees. General Fund revenues come primarily from a variety of local and intergovernmental taxes, fees and fines.

In addition to general government services, the City has component units that are included in its reporting entity because of the significance of their operational and/or financial relationships. These component units include the Municipal Employees' Annuity and Benefit Fund of Chicago, Laborers' Annuity and Benefit Fund, Policemen's Annuity and Benefit Fund, the Firemen's Annuity and Benefit Fund, and the Sales Tax Securitization Corporation ("STSC"). Additional information about these component units can be found in the notes to the financial statements.

**Budget Process.** Annual budgets are adopted for all of the City's funds, including the general fund and certain special revenue and enterprise funds. On or before October 15, the Mayor submits a proposed budget of expenditures and the means required and at least one public hearing is held regarding the proposed budget. The budget recommendation must be made available for public inspection at least ten days prior to the passage of the annual appropriation ordinance, which must be enacted by December 31. Additional information on the budgetary process can be found in Note 3 of the notes in the financial statements.

**Local Economy.** Chicago continues to have one of the world's most robust and diverse economies with no single industry employing more than 12 percent of the City's workforce. This diversity provides financial stability from mature industries in business and financial services, manufacturing, transportation and warehousing, education and healthcare, and enables the City to promote the growth of emerging industries in technology, tourism, biotech, and life sciences. Chicago has more than 400 major corporate headquarters (with at least 1,000 employees) located in the Chicago metropolitan area, including 34 Fortune 500 companies. For the fifth year in a row, the Chicago area was recognized in 2017 by Site Selection Magazine as having more new and expanded corporate facilities than any other metro area with a population over one million.

Chicago remains a global financial and trading center and accounts for one fifth of the world's global derivatives trading market, which is two times the size of New York City's market. Chicago-based exchanges generated \$4.9 billion in annual global derivatives trading volume with a notional value of more than one quadrillion dollars in 2017. The Chicago Board Options Exchange is the largest options exchange in the United States, and Chicago-headquartered CME Group is the top derivatives exchange in the world.

For the first time in 2017, Chicago led all major cities in the Americas for Foreign Direct Investment (FDI) Strategy according to fDi Magazine's *The American Cities of the Future*. As the home to 80 consulates and honorary consulates, 100 international/ethnic chambers of commerce and international trade-based organizations, Chicago continues to be the global gateway for international business activity with more than 1,800 foreign-based companies representing over \$100 billion in foreign direct investment.

Chicago's aviation system is at the nexus of global travel. Serving more than 79 million passengers in 2017, Chicago's O'Hare International Airport -- a dual hub to American and United Airlines -- serves a total of 46 domestic and international carriers, operates 185 gates, and provides concessions from more than 174,000 square feet of airport space. Midway Airport, the City's second airport facility serves international and regional jet activity from five active runways. It operates from 43 gates and offers a variety of 49 concessionaires to the traveling public.

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Both airports are self-supporting, using no local or state tax dollars for operations or capital improvements. Together Chicago's airport system generates more than \$45 billion in annual economic activity and has created 540,000 jobs for the region.

In addition, Chicago continues to be a destination for both business and leisure travelers, drawn by the City's numerous cultural attractions, professional sports teams, festivals, museums, parks, restaurants and more. Tourism has grown substantially in recent years with a record 55.2 million visitors citywide in 2017, an increase of 2.5 percent over the prior year. Chicago's tourism industry supported 146,500 jobs in 2017, which is a 17 percent increase since 2011. Millennium Park was named the #1 attraction in the Midwest and among the top 10 most visited sites in the US with 12.9 million guests just in the second half of 2016.

**Economic Development.** A sign of Chicago's strong economic growth, the City has seen a 400 percent increase in the number of tower cranes operating in Chicago in 2017 compared to 2010. In 2017, there were 60 tower cranes operating in the City, breaking records for the most tower cranes to operate in one year since the height of the Great Recession.

In 2017, the Chicago Riverwalk and the Chinatown Branch of the Chicago Public Library received recognition from the Architizer A+ Award – the largest awards program focused on promoting and celebrating the year's best architecture and products. The Chicago Riverwalk was recognized in the Architecture and Urban Transformation category and the Chinatown Branch Library was recognized in the Institution-Libraries category. The Chinatown Branch Library opened in August 2015. The most recent expansion of the Chicago Riverwalk to Wolf Point opened to the public in fall 2016.

Community investments like the Neighborhood Opportunity Fund are helping to generate an economic boost to a diverse mix of small businesses and services by providing grant funding to local entrepreneurs to expand, rehab, repair and grow their commercial businesses and cultural institutions in 2017. Through partnerships with downtown developments and corporate leaders, the Neighborhood Opportunity Fund has leveraged downtown growth to generate money for neighborhood economies, helping more than 30 small businesses in some of Chicago's underserved communities.

**Debt Administration.** The City regularly accesses the debt markets to fund its capital needs. The City actively manages its debt portfolio to ensure that it sufficiently supports essential capital improvement projects without over burdening taxpayers. As of December 31, 2017 the City has approximately \$9.7 billion of general obligation debt outstanding. Overall general obligation debt increased by \$660 million in 2017 as a result of the issuance of General Obligation Project and Refunding Bonds, Series 2017AB in the early part of the year and the refunding of certain other callable general obligation bonds by the STSC. The AAA/AAA/AA rated Sales Tax Securitization Revenue Bonds, Series 2017ABC refunding bonds issued by the STSC achieved \$46.3 million in present value savings in debt service for City taxpayers.

In addition to its general obligation debt, the City issues revenue debt secured by the following revenues: general airport revenues, water and wastewater fee revenue, and motor fuel tax revenue. Additional information on the City's outstanding indebtedness can be found in Note 9 of the notes in the financial statements.

**Long Term Planning and Major Initiatives.** Each year the City of Chicago presents an Annual Financial Analysis based on the critical understanding that to protect the health and safety of all Chicagoans, strengthen neighborhoods, maintain infrastructure and public spaces, and foster a vibrant local economy, it must take an informed and long-term approach to financial planning. The Annual Financial Analysis, which is available on the City's website, provides a review of the City's revenues and expenditures over the past ten years, forecast of the City's finances for the next three years, and analyses of its liquidity, pensions, debt obligations, tax increment financing, and capital improvement program.

The City bases its annual budget on an assessment of the available resources for that year and an understanding of the City's service priorities, adopting a balanced budget each year in accordance with the Illinois Municipal Code.

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As part of the annual budget process, the City evaluates each department's direct and indirect costs in order to accurately assess expenses across City government and strives to maintain a diversified revenue system that is responsive to the changing economy and designed to protect the City from short-term fluctuations in any individual revenue source. The City's financial policies are intended to secure the City's financial integrity and health, encourage equitable allocation of costs and resources, and identify potential financial risks and options to mitigate, maximize economic efficiency, and allow sufficient flexibility to consider new fiscal and budgetary strategies.

**Awards and Acknowledgements.** 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 CAFR in the fiscal year 2016. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

We believe our current CAFR continues to meet the GFOA Certificate of Achievement program's requirements, and it has been submitted for consideration for this year's award.

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

Respectfully submitted,



Carole L. Brown  
Chief Financial Officer

Erin Keane  
City Comptroller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Chicago  
Illinois**

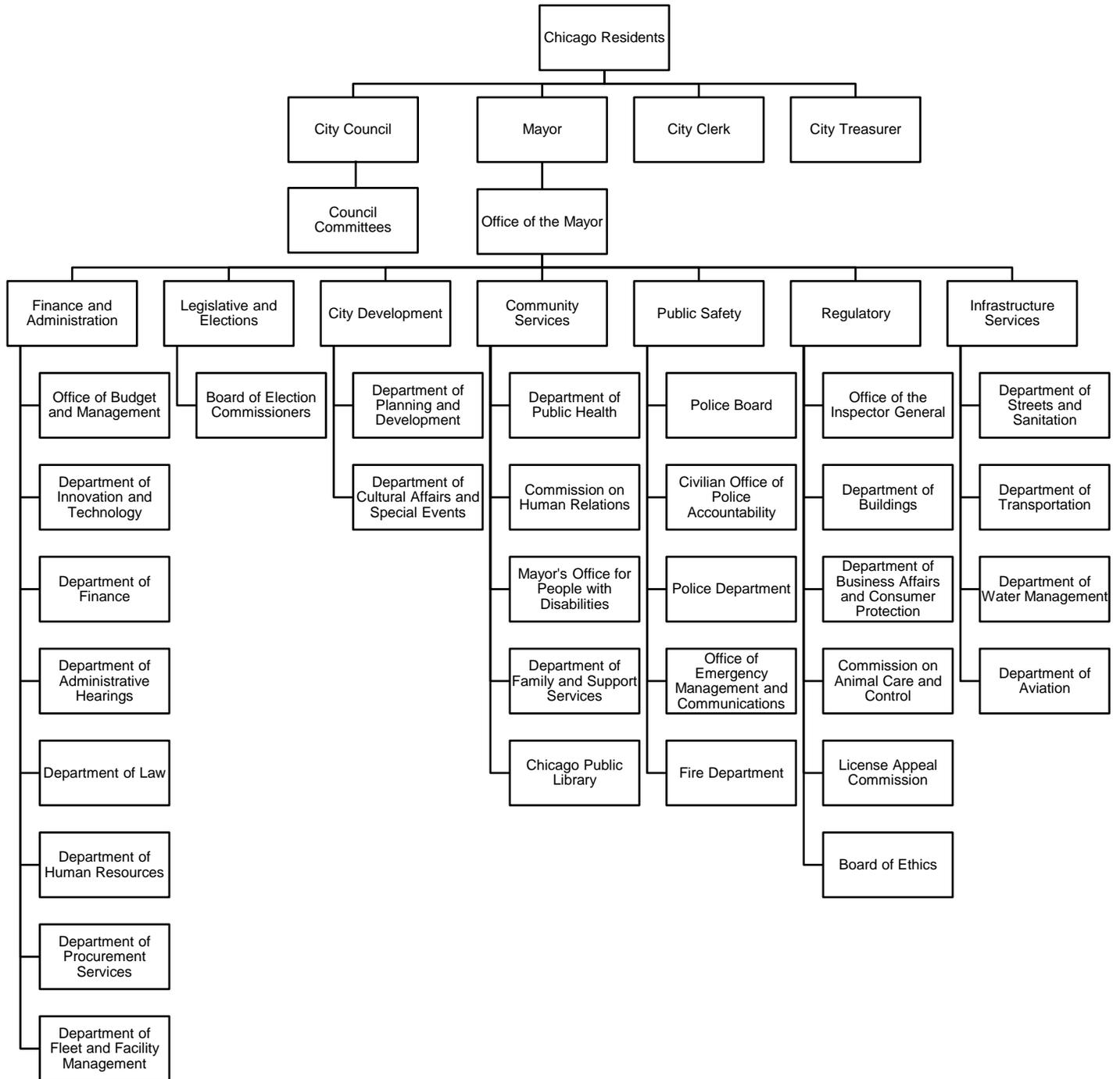
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

CITY OF CHICAGO  
 ORGANIZATION CHART  
 AS OF 12/31/2017



**PART II**

**FINANCIAL SECTION**

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

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Pension Plans (the "Plans"), which, in aggregate, represent 100 percent, 95 percent, and 100 percent, respectively, of the revenues, assets, and net position of the fiduciary funds, included in the aggregate remaining fund information. Those statements were audited by other auditors whose reports 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 from material misstatement.

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

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

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and the respective budgetary comparison statements for the General Fund and Pension Special Revenue Fund on the budgetary basis of accounting.

## **Other Matters**

### ***Required Supplementary Information***

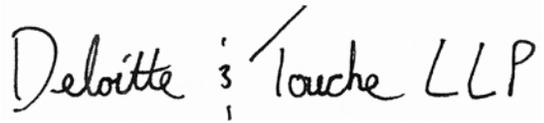
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Other Postemployment Benefits Funding Progress as listed in the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

### ***Other Information***

Our audit 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, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the Combining and Individual Fund Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in black ink that reads "Deloitte Touche LLP". The word "Deloitte" is written in a cursive style, followed by a vertical separator consisting of a colon and a comma. The word "Touche" is also in cursive, and "LLP" is in a simpler, blocky font.

June 29, 2018

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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**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, 2017. 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.

**2017 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 \$28,368.1 million (*net deficit*). The net deficit is composed of \$3,314.9 million in net investment in capital assets and \$3,284.1 million in net position restricted for specific purposes offset by an unrestricted deficit of \$34,967.1 million. The net deficit increased in 2017 by \$938.2 million due to expenses being greater than revenues for 2017.
- The City's total assets increased by \$3,593.8 million. This increase primarily relates to a \$1,109.2 million increase in capital assets as a result of the City's capital improvement program, and a \$1,210.6 million and \$1,014.8 million increase in cash, cash equivalents and investments in the proprietary and governmental funds, respectively due to issuance of debt.
- The City's deferred outflows and total liabilities decreased by \$1,668.5 million and \$4,634.8 million, respectively, and the City's deferred inflows increased by \$7,498.3 million. These were primarily related to the decrease in the net pension liability as a result of the changes under Public Act 100-0023 (P.A. 100-0023) which requires increased future contributions to the Municipal Employees' Annuity Benefit Fund of Chicago (Municipal Employees') and the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers'). The increase in future required contributions increased the discount rate used to determine the total pension liability and therefore decreased the pension liability.
- Total Revenues and Other Financing Sources (Uses), in the fund financial statements, during 2017 were \$8,057.0 million, an increase of \$714.7 million (9.7%) from 2016, primarily due to the increased proceeds from debt.
- The General Fund ended 2017 with a total Fund Balance of \$288.4 million, of which \$155.5 million was Unassigned. Total Fund Balance increased from 2016 primarily because Revenues and Other Financing Sources were greater than Expenditures and Other Financing Uses by \$16.6 million.
- The City's General Obligation Bonds and notes outstanding increased by \$513.6 million during the current fiscal year. The proceeds from the issuance of General Obligation Bonds were used to fund capital projects, refund or pay interest on all or a portion of certain outstanding general obligation bonds, fund capitalized interest and pay costs of issuance.
- The General Fund expenditures on a budgetary basis were \$96.1 million less than budgeted as a result of variances in general government expenditures primarily due to lower than anticipated personnel costs.
- During 2017, the City entered into an Assignment, Purchase and Sale Agreement with the newly-formed Sales Tax Securitization Corporation (STSC). The STSC is a special purpose not-for-profit, non-stock corporation which provides benefits exclusively to the City, and as a result, is presented as a blended component unit of the City. The STSC issued \$743.7 million in bonds, the proceeds of which were applied by the City to refund certain outstanding City bonds.

**Overview of the Basic 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:

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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**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 position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position 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 infrastructure.

The *statement of activities* presents information showing how the government's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in 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. 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 22 individual governmental funds. Information for the eight 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 eight major governmental funds are as follows: the General Fund,

**CITY OF CHICAGO, ILLINOIS  
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the Federal, State and Local Grants Fund, the Special Taxing Areas Fund, the Service Concession and Reserve Fund, the Bond, Note Redemption and Interest Fund, the STSC Debt Service Fund, the Community Development and Improvement Projects Fund, and the Pension Fund. Data from the other governmental funds is 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 to demonstrate compliance with this budget. The basic governmental fund financial statements can be found immediately following the government-wide statements.

**Blended Component Unit.** The STSC component unit, despite being legally separate from the City, is reported as if it were part of the City because, in addition to being financially accountable for it, the STSC provides services exclusively to the City. The STSC blended component unit is reported as the STSC Debt Service Fund and a Nonmajor Special Revenue Fund.

**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, Skyway, and two airports operations.

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 position and a statement of changes in fiduciary net position. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund basic 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 for 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 basic financial statements.

### **Financial Analysis of the City as a whole**

**Net Position.** As noted earlier, net position 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 \$28,368.1 million at December 31, 2017. Of this amount, \$3,314.9 million represents the City's 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

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities and deferred inflows.

An additional portion of the City's net position, \$3,284.1 million, represents resources that are subject to external restrictions on how they may be used.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets .....	\$ 6,639.4	\$ 5,451.0	\$ 6,112.4	\$ 4,816.2	\$ 12,751.8	\$ 10,267.2
Capital assets .....	8,745.6	8,676.3	16,437.5	15,397.6	25,183.1	24,073.9
Total Assets .....	15,385.0	14,127.3	22,549.9	20,213.8	37,934.9	34,341.1
Deferred outflows .....	4,089.9	5,667.9	1,194.9	1,285.4	5,284.8	6,953.3
Total .....	19,474.9	19,795.2	23,744.8	21,499.2	43,219.7	41,294.4
Long-term liabilities outstanding .....	37,411.5	43,065.4	18,771.4	18,351.4	56,182.9	61,416.8
Other liabilities .....	2,364.5	1,947.5	1,521.5	1,339.4	3,886.0	3,286.9
Total Liabilities .....	39,776.0	45,012.9	20,292.9	19,690.8	60,068.9	64,703.7
Deferred Inflows .....	8,413.7	2,254.5	3,105.2	1,766.1	11,518.9	4,020.6
Net Position:						
Net investment in capital assets .....	(551.1)	(65.5)	3,866.0	3,373.1	3,314.9	3,307.6
Restricted .....	2,416.1	2,269.6	868.0	879.9	3,284.1	3,149.5
Unrestricted .....	(30,579.8)	(29,676.3)	(4,387.3)	(4,210.7)	(34,967.1)	(33,887.0)
Total net (deficit) position .....	<u>\$ (28,714.8)</u>	<u>\$ (27,472.2)</u>	<u>\$ 346.7</u>	<u>\$ 42.3</u>	<u>\$ (28,368.1)</u>	<u>\$ (27,429.9)</u>

**Governmental Activities.** Net position of the City's governmental activities decreased \$1,242.6 million to a deficit of \$28,714.8 million primarily due to expenses being greater than revenues and transfers in for 2017. A significant portion of net position is either restricted as to the purpose they can be used for or they are classified as net investment in capital assets (buildings, roads, bridges, etc.). Consequently, unrestricted net position showed a \$30,579.8 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 (\$1,047.8 million) and Municipal Employees', Laborers', Policemen's and Firemen's net pension liability and other post-employment benefits (\$25,246.6 million). The City will include these amounts in future years' budgets as they come due. In addition, the deferred inflow balance of \$1,513.2 million from concession service agreements will be amortized into income over the life of such agreements.

Revenues for all governmental activities in 2017 were \$6,935.4 million, an increase of \$196.0 million from 2016. Over half of the City's revenues were derived from taxes which increased by \$190.8 million (4.7%). Total tax revenue included an increase in property taxes received of \$62.7 million (5.0%).

Expenses for governmental activities in 2017 were \$8,180.2 million, a decrease of \$1,998.1 million (19.6%) over 2016. This decrease is primarily due to a decrease in pension expense as a result of the changes under P.A. 100-0023 which requires increased future contributions to Municipal Employees' and Laborers'. The increase in future required contributions increased the discount rate used to determine the total pension liability and decreased the current year pension expense. The amount that taxpayers paid for these governmental activities through City taxes was \$4,286.0 million. Some of the cost was paid by those who directly benefited from the programs (\$900.3 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$678.7 million).

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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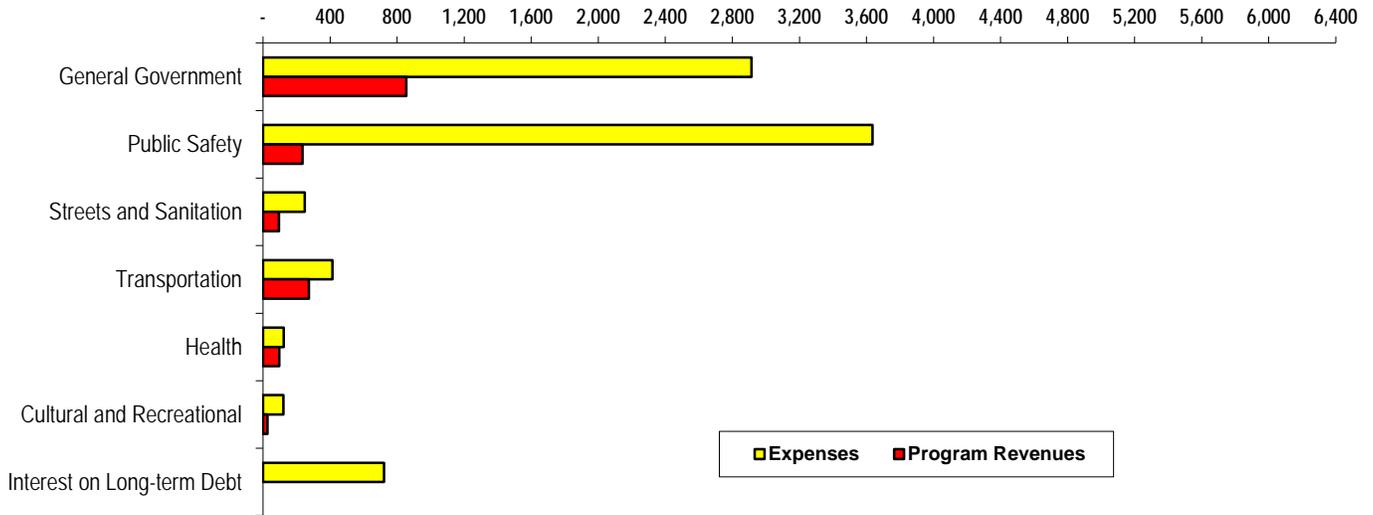
The City paid \$1,070.4 million for the "public benefit" portion with other revenues such as state aid, interest and miscellaneous income.

Although total net position of business-types activities was \$346.7 million, these resources cannot be used to make up for the deficit in net position in governmental activities. The City generally can only use this net position to finance the continuing operations of the water, sewer, Skyway, and airports activities.

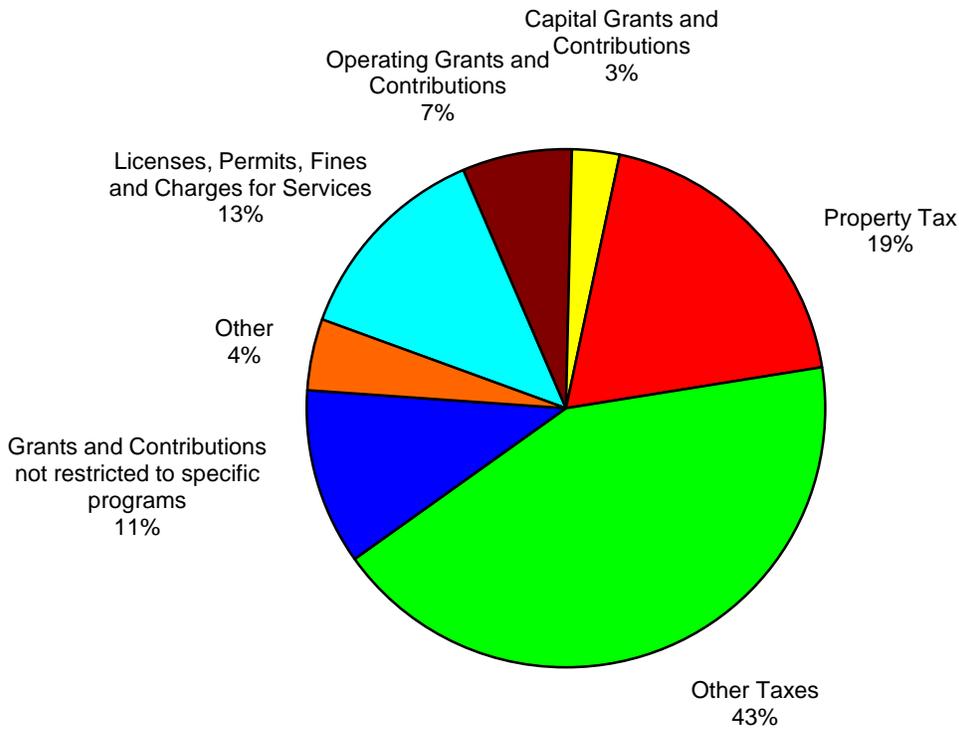
**City of Chicago, Illinois  
Changes in Net Position  
Years Ended December 31,  
(in millions of dollars)**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues and Other Transfers:						
Program Revenues:						
Licenses, Permits, Fines and						
Charges for Services .....	\$ 900.3	\$ 879.7	\$ 2,527.8	\$ 2,502.1	\$ 3,428.1	\$ 3,381.8
Operating Grants and Contributions .....	473.2	516.7	-	-	473.2	516.7
Capital Grants and Contributions .....	205.5	221.5	120.0	115.1	325.5	336.6
General Revenues:						
Property Taxes .....	1,327.2	1,264.5	-	-	1,327.2	1,264.5
Other Taxes .....	2,958.8	2,830.7	-	-	2,958.8	2,830.7
Grants and Contributions not						
Restricted to Specific Programs .....	762.0	782.0	-	-	762.0	782.0
Other .....	308.4	244.3	83.6	48.5	392.0	292.8
Total Revenues .....	<u>6,935.4</u>	<u>6,739.4</u>	<u>2,731.4</u>	<u>2,665.7</u>	<u>9,666.8</u>	<u>9,405.1</u>
Expenses:						
General Government .....	2,914.7	4,549.2	-	-	2,914.7	4,549.2
Public Safety .....	3,636.1	4,266.1	-	-	3,636.1	4,266.1
Streets and Sanitation .....	247.8	257.0	-	-	247.8	257.0
Transportation .....	414.0	378.8	-	-	414.0	378.8
Health .....	124.1	116.7	-	-	124.1	116.7
Cultural and Recreational .....	121.5	114.7	-	-	121.5	114.7
Interest on Long-term Debt .....	722.0	495.8	-	-	722.0	495.8
Water .....	-	-	581.6	816.0	581.6	816.0
Sewer .....	-	-	293.0	350.4	293.0	350.4
Midway International Airport .....	-	-	285.0	320.0	285.0	320.0
Chicago-O'Hare International Airport .....	-	-	1,256.7	1,330.2	1,256.7	1,330.2
Chicago Skyway .....	-	-	8.5	8.7	8.5	8.7
Total Expenses .....	<u>8,180.2</u>	<u>10,178.3</u>	<u>2,424.8</u>	<u>2,825.3</u>	<u>10,605.0</u>	<u>13,003.6</u>
Change in Net Position Before Transfers	(1,244.8)	(3,438.9)	306.6	(159.6)	(938.2)	(3,598.5)
Transfers In (Out) .....	2.2	2.5	(2.2)	(2.5)	-	-
Change in Net Position .....	<u>(1,242.6)</u>	<u>(3,436.4)</u>	<u>304.4</u>	<u>(162.1)</u>	<u>(938.2)</u>	<u>(3,598.5)</u>
Net (Deficit) Position, Beginning of Year .....	<u>(27,472.2)</u>	<u>(24,035.8)</u>	<u>42.3</u>	<u>204.4</u>	<u>(27,429.9)</u>	<u>(23,831.4)</u>
Net (Deficit) Position, End of Year .....	<u>\$ (28,714.8)</u>	<u>\$ (27,472.2)</u>	<u>\$ 346.7</u>	<u>\$ 42.3</u>	<u>\$ (28,368.1)</u>	<u>\$ (27,429.9)</u>

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



**Revenues by Source - Governmental Activities**



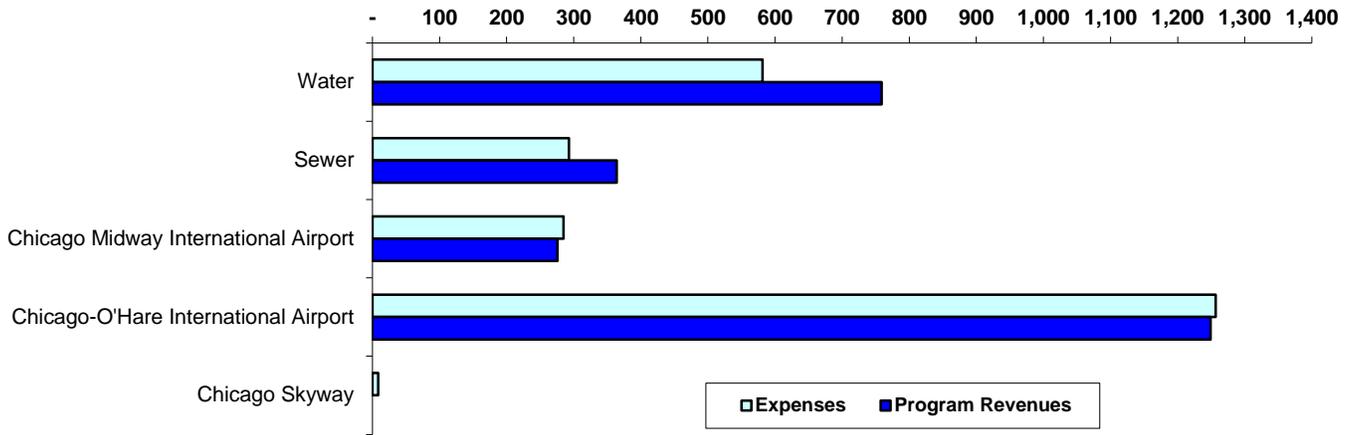
**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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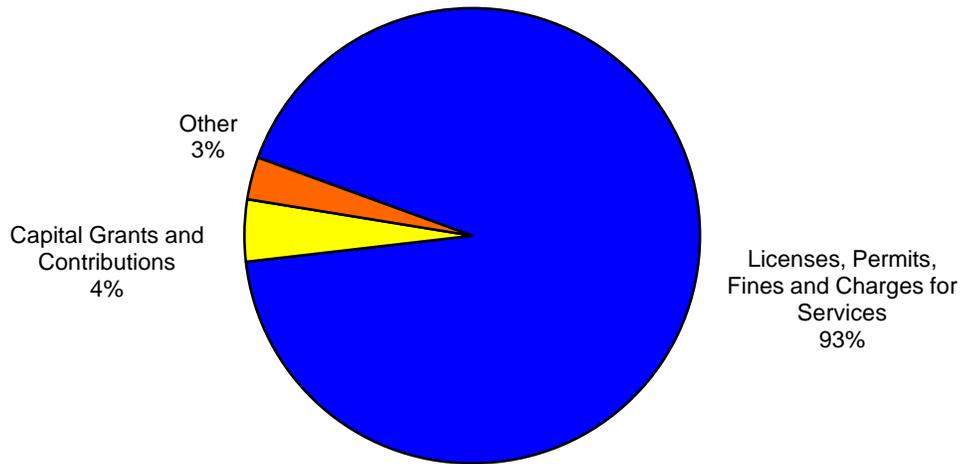
**Business-type Activities.** Total Revenues of the City's business-type activities increased by \$65.7 million in 2017 mostly from an increase in charges for services, rental income, and other general revenues.

- The Water Fund's total operating revenues decreased by \$2.4 million (0.3%) from 2016 primarily due to a decrease in net water fees of \$6.2 million resulting from the continued conversion from non-metered to metered accounts, offset by an increase in penalties and other revenues related to water fees of \$3.8 million. Operating expenses before depreciation and amortization for the year ended 2017 decreased by \$136.2 million (25.3%) from the year ended 2016 primarily due to a decrease in pension expense of \$132.9 million as a result of the changes under P.A. 100-0023 which requires increased future contributions to Municipal Employees' and Laborers'. The increase in future required contributions increased the discount rate used to determine the total pension liability and decreased the current year pension expense.
- The Sewer Fund's total operating revenues decreased in 2017 by \$11.3 million (3.1%) primarily due to the conversion of non-metered customers to metered customers. There was a rate increase of 1.83% effective June 1, 2017. Operating expenses before depreciation and amortization for 2017 decreased \$64.4 million (28.3%) from 2016 primarily due to a decrease in pension expense of \$70.5 million as a result of the changes under P.A. 100-0023 which requires increased future contributions to Municipal Employees' and Laborers'. The increase in future required contributions increased the discount rate used to determine the total pension liability and decreased the current year expense.
- Chicago Midway International Airport's total operating revenues for 2017 increased by \$12.8 million (7.0%) from 2016 primarily due to increases in the landing fees and terminal rental rates to pay for capital development of the airport, increases in concession revenues due to a new concessions management contract that the Airport entered into in May 2017 with Midway Partnership LLC, and parking revenues due to a new rate structure implemented in January 2017. Operating expenses before depreciation and amortization decreased by \$11.6 million (6.4%) compared to 2016 primarily due to a decrease in pension expense as a result of the changes under P.A. 100-0023 which requires increased future contributions to Municipal Employees' and Laborers'. The increase in future required contributions increased the discount rate used to determine the total pension liability and decreased the current year pension expense. This was offset by an increase in professional and engineering services for pre-construction (planning) related services associated with the Midway Modernization Program.
- Chicago O'Hare International Airport's total operating revenues for 2017 increased by \$28.3 million (3.0%) compared to 2016 primarily due to increases in concession revenues, parking revenues due to a new rate structure implemented in January 2017, and rents. Operating expenses before depreciation, amortization and loss on capital asset disposals decreased by \$98.7 million (13.1%) compared to 2016 primarily due to a decrease in pension expense as a result of the changes under P.A. 100-0023 which requires increased future contributions to Municipal Employees' and Laborers'. The increase in future required contributions increased the discount rate used to determine the total pension liability and decreased the current year pension expense. This was offset by an increase in professional and engineering services primarily due to the O'Hare Use and Lease Agreement related Terminal Area Plan development negotiations.
- The Chicago Skyway was leased for 99 years to a private company. The agreement granted the company the right 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 nonoperating 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**



**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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**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, 2017, the City's governmental funds reported combined ending fund balances of \$1,622.0 million, an increase of \$713.7 million in comparison with the prior year. Of this total amount, \$790.5 million was committed to specific expenditures, \$106.9 million was assigned to anticipated uses, a deficit of \$1,973.9 million was unassigned, \$1,903.5 million was restricted in use by legislation, and \$795.0 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 \$155.5 million with a total fund balance of \$288.4 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 8.3% of total General Fund expenditures. The fund balance of the City's General Fund increased by approximately \$18.8 million during the current fiscal year due to higher revenues and lower expenses for certain categories.

The Federal, State and Local Grants Fund has a total deficit fund balance of \$241.4 million. The deficit is \$1.5 million lower than 2016 primarily due to more timely reimbursement of expenditures.

The Special Taxing Areas Fund has a total fund balance of \$1,347.3 million, which is all restricted to specific expenditures.

The Service Concession and Reserve Fund accounts for deferred inflows from nonbusiness type long-term concession and lease transactions and has \$668.3 million committed to specific expenditures. The unassigned deficit of \$1,513.2 million results from the deferred inflows from long-term asset leases.

The Bond, Note Redemption and Interest Fund has a total fund deficit of \$329.0 million. This is \$596.8 million lower than 2016, primarily due to the refunding of certain outstanding City bonds.

The STSC Debt Service Fund has a total fund balance of \$795.1 million, of which \$769.1 million is nonspendable and \$26.0 million is restricted. The fund balance will be used for future debt service payments for certain outstanding bonds.

The Community Development and Improvement Projects Fund has a total fund balance of \$346.0 million. This is \$301.0 million higher than 2016 primarily due to an increase in bond proceeds.

**Changes in fund balance.** The fund balance for the City's governmental funds increased by \$713.7 million in 2017. This includes an increase in inventory of \$2.2 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 position 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 \$4,387.3 million. The unrestricted net position deficit increased by \$176.6 million primarily due to an increase in the accrued liabilities in the Water Fund for IEPA loan activity. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City's business-type activities.

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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**General Fund Budgetary Highlights**

The City's 2017 Original General Fund Budget of \$3,780.2 million was approved by City Council on November 16, 2016. The Final General Fund Budget of \$3,796.6 million was approved by City Council on February 22, 2017. The Final Budget included an additional \$16.4 million of prior year available resources, which represented unexpended funds from an earlier property tax rebate program which was authorized as part of the 2016 Budget. General Fund revenues ended the year \$56.9 million under the 2017 Final General Fund Budget primarily as a result of not using \$53 million of budgeted prior reappropriations authorized by a series of amendments to the 2017 Original General Fund Budget. Expenditures were \$96.1 million less than budgeted amounts as a result of favorable variances in general government expenditures. Additional information on the City's budget can be found in Note 3 under Stewardship, Compliance and Accountability within this report.

**Capital Asset and Debt Administration**

**Capital Assets.** The City's capital assets for its governmental and business-type activities as of December 31, 2017 amount to \$25,183.1 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:

- During 2017, the City completed \$412.0 million in infrastructure projects including \$202.3 million in street construction and resurfacing projects, \$126.4 million in street lighting and transit projects, and \$83.3 million in bridge and viaduct reconstruction. At year end, infrastructure projects still in process had expenses totaling nearly \$665.8 million.
- At the end of 2017, the Water Fund had \$4,467.3 million invested in utility plant, net of accumulated depreciation. During 2017, the Water Fund expended \$425.8 million on capital activities. This included \$5.1 million for structures and improvements, \$124.1 million for distribution plant, \$11.4 million for equipment, and \$285.1 million for construction in progress. During 2017, net completed projects totaling \$219.6 million were transferred from construction in progress to applicable capital accounts. The major completed projects were installation and replacement of water mains (\$124.5 million), meter save program (\$24.9 million), and conversion of the Springfield pumping station from steam to electric power (\$67.4 million).
- At the end of 2017, the Sewer Fund had \$2,576.1 million invested in utility plant, net of accumulated depreciation. During 2017, the Sewer Fund had capital additions being depreciated of \$144.3 million, and completed projects totaling \$9.1 million were transferred from construction in progress to applicable facilities and structures capital accounts. The 2017 Sewer Main Replacement Program completed 22.3 miles of sewer mains and 40.7 miles of relining of existing sewer mains.
- At the end of 2017, Chicago-Midway International Airport had \$1,167.1 million invested in net capital assets. During 2017, the Airport had additions of \$35.9 million related to capital activities. This included \$0.8 million for land acquisition and the balance of \$35.1 million for construction projects relating to runway rehabilitation and parking and security improvements. During 2017, completed projects totaling \$14.2 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxi improvements, roads, and sidewalks.
- At the end of 2017, Chicago-O'Hare International Airport had \$8.0 billion invested in net capital assets. During 2017, the Airport had additions of \$889.2 million related to capital activities. This included \$0.2 million for land acquisition and the balance of \$889.0 million for construction in progress related to new runway construction projects (Runway 9C-27C) and associated taxiways, central deicing pad and construction of the Consolidated Rental Car Facility and Automated Transit System extension. During 2017, completed projects totaling \$189.4 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxi improvements, electrical system upgrades, parking facilities heating and refrigeration system enhancements, and security and terminal improvements.

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land .....	\$ 1,399.8	\$ 1,397.3	\$ 1,028.7	\$ 1,027.8	\$ 2,428.5	\$ 2,425.1
Works of Art and Historical Collections .....	47.0	46.0	-	-	47.0	46.0
Construction in Progress .....	694.0	741.0	1,873.7	1,045.0	2,567.7	1,786.0
Buildings and Other Improvements .....	1,534.6	1,585.4	13,174.9	13,028.0	14,709.5	14,613.4
Machinery and Equipment .....	285.0	239.7	360.2	296.8	645.2	536.5
Infrastructure .....	4,785.2	4,666.8	-	-	4,785.2	4,666.8
<b>Total .....</b>	<b>\$ 8,745.6</b>	<b>\$ 8,676.2</b>	<b>\$ 16,437.5</b>	<b>\$ 15,397.6</b>	<b>\$ 25,183.1</b>	<b>\$ 24,073.8</b>

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 \$9,349.4 million in General Obligation Bonds and \$337.2 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$743.7 million in Sales Tax Securitization Corporation Bonds (STSC Bonds); \$254.2 million in Motor Fuel Tax Revenue Bonds; \$27.9 million in Tax Increment Financing Bonds; and \$14,664.1 million in Enterprise Fund Bonds and long-term obligations. For more detail, refer to Note 9 Long-term Obligations in the Basic Financial Statements.

**General Obligation and Revenue Bonds  
(in millions of dollars)**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation .....	\$ 9,686.6	\$ 9,173.0	\$ -	\$ -	\$ 9,686.6	\$ 9,173.0
Tax Increment .....	27.9	33.5	-	-	27.9	33.5
Revenue Bonds .....	254.2	766.6	14,664.1	13,203.3	14,918.3	13,969.9
STSC Bonds .....	743.7	-	-	-	743.7	-
<b>Total .....</b>	<b>\$ 10,712.4</b>	<b>\$ 9,973.1</b>	<b>\$ 14,664.1</b>	<b>\$ 13,203.3</b>	<b>\$ 25,376.5</b>	<b>\$ 23,176.4</b>

During 2017, the City and the STSC issued the following:

**General Obligation Bonds:**

- General Obligation Bonds, Project and Refunding Series 2017A and Taxable Project Series 2017B (\$1,160.3 million).

**Enterprise Fund Revenue Bonds and Notes:**

- Chicago – O'Hare International Airport General Commercial Paper Notes (\$102.2 million).
- Chicago – O'Hare International Airport Senior Lien Revenue Bonds, Series 2016D (Non-AMT), Series 2016E (Non-AMT), Series 2016F (Non-AMT) and Series 2016G (AMT) (\$1,117.2 million).

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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- Chicago – O’Hare International General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2017A (Non-AMT), Series 2017B (Non-AMT), Series 2017C (Non-AMT) and Series 2017D (AMT) (\$812.5 million).
- Second Lien Water Revenue Refunding Bonds, Series 2017 (\$199.4 million) and 2017-2 (\$235.3 million).
- Second Lien Wastewater Revenue and Revenue Refunding Bonds, Series 2017 A&B (\$396.1 million).

**Sales Tax Securitization Corporation Bonds:**

- Sales Tax Securitization Bonds Refunding Series 2017A and Taxable Series 2017B & C (\$743.7 million).

At December 31, 2017 the City had credit ratings with each of the four major rating agencies as follows:

<b>Rating Agency</b>	<b>Moody's</b>	<b>Standard &amp; Poors</b>	<b>Fitch</b>	<b>Kroll</b>
General Obligation: City	Ba1	BBB+	BBB-	BBB+
Revenue Bonds:				
O'Hare Airport:				
Senior Lien General Airport Revenue Bonds	A2	A	A	A+
Senior Lien Passenger Facility Charge (PFC)	A2	A	A	NR
Customer Facility Charge (CFC)	Baa1	BBB	NR	NR
Midway Airport:				
First Lien	A2	A	NR	NR
Second Lien	A3	A	A	A
Water:				
First Lien	Baa1	A+	AA	NR
Second Lien	Baa2	A	AA-	AA
Wastewater:				
First Lien	Baa2	A+	NR	NR
Second Lien	Baa3	A	AA-	AA-
Sales Tax	Ba1	AA	BBB-	AA+
Motor Fuel Tax	Ba1	BB+	BBB-	NR

In February 2017, Fitch Ratings (Fitch) downgraded the rating of the Motor Fuel Tax revenue bonds from BBB to BBB-, with a negative outlook.

In May 2017, Fitch downgraded ratings of the Senior Lien Water revenue bonds from AA+ to AA, with a negative outlook.

In May 2017, Fitch downgraded ratings of the Second Lien Water revenue bonds from AA to AA-, with a negative outlook.

In May 2017, Fitch downgraded ratings of the Senior Lien Wastewater Transmission revenue bonds from AA to AA-, with a negative outlook.

In June 2017, S&P downgraded the rating of the Motor Fuel Tax revenue bonds from BBB- to BB+ with a negative outlook.

See Subsequent Events in the footnotes for ratings changes in 2018.

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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**Economic Factors and Next Year's Budgets and Rates**

Regional, national, and global economies play a major role in the City's finances and economic growth. In 2017, the unemployment rate in the Chicago metropolitan area was 4.9%, marking the lowest rate since the Recession. Across the Chicagoland area and in Chicago, home prices continued to rise. In Chicago, the median home prices increased to \$285,000, which is a 4.8% increase over the 2016 median sale price. Additionally, the number of homes sold in Chicago increased by 1.8%. Tourism and business travel to Chicago increased by 2.5% over 2016 levels, reaching 55.2 million visitors in 2017. The Chicago tourism industry supported an estimated 146,500 jobs in 2017, which is a 17.0% increase since 2011.

The City's 2018 General Fund Budget, totaling \$3,852.5 million, was approved by a 47 to 3 vote of City Council on November 21, 2017. The 2018 budget closed an operating budget deficit of \$114.2 million through a combination of reforms, spending cuts, and revenue growth. The 2018 budget includes a \$5 million deposit into the City's operating liquidity fund, which is part of the City's practice of adding to its budget stabilization funds.

**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 Department of Finance.

**Exhibit 1**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and Cash Equivalents .....	\$ 851,501	\$ 512,065	\$ 1,363,566
Investments .....	1,538,985	468,751	2,007,736
Receivables (Net of Allowances):			
Property Tax .....	1,853,000	-	1,853,000
Accounts .....	1,097,912	442,422	1,540,334
Internal Balances .....	(66,586)	66,586	-
Inventories .....	25,945	23,043	48,988
Restricted Assets:			
Cash and Cash Equivalents .....	73,805	2,056,257	2,130,062
Investments .....	598,083	2,471,906	3,069,989
Cash and Investments with Escrow Agent .....	654,911	-	654,911
Interest Receivable .....	-	15,294	15,294
Other Assets .....	11,824	56,060	67,884
Capital Assets:			
Land, Art, and Construction in Progress .....	2,140,851	2,902,437	5,043,288
Other Capital Assets, Net of Accumulated Depreciation .....	6,604,739	13,535,085	20,139,824
Total Capital Assets .....	8,745,590	16,437,522	25,183,112
Total Assets .....	15,384,970	22,549,906	37,934,876
Deferred Outflows .....	4,089,870	1,194,900	5,284,770
Total Assets and Deferred Outflows .....	\$ 19,474,840	\$ 23,744,806	\$ 43,219,646
<b>LIABILITIES AND DEFERRED INFLOWS</b>			
Voucher Warrants Payable .....	\$ 884,321	\$ 521,701	\$ 1,406,022
Accrued Interest .....	289,714	314,782	604,496
Accrued and Other Liabilities .....	1,091,201	403,360	1,494,561
Unearned Revenue .....	99,240	257,370	356,610
Derivative Instrument Liability .....	-	24,319	24,319
Long-term Liabilities:			
Due Within One Year .....	256,608	481,816	738,424
Due in More Than One Year .....	37,154,875	18,289,500	55,444,375
Total Liabilities .....	39,775,959	20,292,848	60,068,807
Deferred Inflows .....	8,413,728	3,105,202	11,518,930
Total Liabilities and Deferred Inflows .....	48,189,687	23,398,050	71,587,737
<b>NET POSITION</b>			
Net Investment in Capital Assets .....	(551,074)	3,866,056	3,314,982
Restricted for:			
Capital Projects .....	444,911	201,929	646,840
Debt Service .....	623,866	28,165	652,031
Special Taxing Areas .....	1,347,294	-	1,347,294
Passenger Facility Charges .....	-	196,869	196,869
Contractual Use Agreement .....	-	185,874	185,874
Airport Development Fund .....	-	169,999	169,999
Customer Facility Charges .....	-	57,060	57,060
Other Purposes .....	-	28,125	28,125
Unrestricted (Deficit) .....	(30,579,844)	(4,387,321)	(34,967,165)
Total Net (Deficit)/Position .....	\$ (28,714,847)	\$ 346,756	\$ (28,368,091)

See notes to basic financial statements.

**Exhibit 2**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

Functions/Programs	Expenses	Licenses, Permits, Fines and Charges for Services
Primary Government		
Governmental Activities:		
General Government .....	\$ 2,914,655	\$ 521,232
Public Safety .....	3,636,102	194,586
Streets and Sanitation .....	247,836	95,180
Transportation .....	414,044	66,994
Health .....	124,090	6,881
Cultural and Recreational .....	121,483	15,407
Interest on Long-term Debt .....	722,008	-
Total Governmental Activities .....	8,180,218	900,280
Business-type Activities:		
Water .....	581,642	759,014
Sewer .....	293,047	357,623
Chicago Midway International Airport .....	284,974	244,073
Chicago-O'Hare International Airport .....	1,256,665	1,167,089
Chicago Skyway .....	8,506	-
Total Business-type Activities .....	2,424,834	2,527,799
Total Primary Government .....	\$ 10,605,052	\$ 3,428,079

See notes to basic financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 332,688	\$ -	\$ (2,060,735)	\$ -	\$ (2,060,735)
40,708	-	(3,400,808)	-	(3,400,808)
-	-	(152,656)	-	(152,656)
-	205,505	(141,545)	-	(141,545)
88,915	-	(28,294)	-	(28,294)
10,903	-	(95,173)	-	(95,173)
-	-	(722,008)	-	(722,008)
<u>473,214</u>	<u>205,505</u>	<u>(6,601,219)</u>	<u>-</u>	<u>(6,601,219)</u>
-	-	-	177,372	177,372
-	6,419	-	70,995	70,995
-	31,556	-	(9,345)	(9,345)
-	82,001	-	(7,575)	(7,575)
-	-	-	(8,506)	(8,506)
<u>-</u>	<u>119,976</u>	<u>-</u>	<u>222,941</u>	<u>222,941</u>
<u>\$ 473,214</u>	<u>\$ 325,481</u>	<u>(6,601,219)</u>	<u>222,941</u>	<u>(6,378,278)</u>
General Revenues				
Taxes:				
Property Tax .....		1,327,236	-	1,327,236
Utility Tax .....		609,205	-	609,205
Sales Tax .....		344,911	-	344,911
Transportation Tax .....		476,329	-	476,329
Transaction Tax .....		497,965	-	497,965
Special Area Tax .....		605,548	-	605,548
Recreation Tax .....		253,140	-	253,140
Other Taxes .....		171,742	-	171,742
Grants and Contributions not Restricted to				
Specific Programs .....		762,009	-	762,009
Unrestricted Investment Earnings .....		87,741	53,114	140,855
Loss on Disposal and Sale of Capital Assets ..		(28,583)	(18,711)	(47,294)
Miscellaneous .....		249,173	49,287	298,460
Transfers .....		2,215	(2,215)	-
Total General Revenues and Transfers .....		<u>5,358,631</u>	<u>81,475</u>	<u>5,440,106</u>
Change in Net Position .....		<u>(1,242,588)</u>	<u>304,416</u>	<u>(938,172)</u>
Net Position - Beginning .....		<u>(27,472,259)</u>	<u>42,340</u>	<u>(27,429,919)</u>
Net Position - Ending .....		<u>\$ (28,714,847)</u>	<u>\$ 346,756</u>	<u>\$ (28,368,091)</u>

**Exhibit 3**  
**CITY OF CHICAGO, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	General	Federal, State and Local Grants	Special Taxing Areas
<b>ASSETS</b>			
Cash and Cash Equivalents .....	\$ 3,500	\$ -	\$ 476,754
Investments .....	170,423	91,884	774,514
Receivables (Net of Allowances):			
Property Tax .....	-	-	524,997
Accounts .....	226,081	4,275	3,759
Due From Other Funds .....	233,028	22,474	88,489
Due From Other Governments .....	204,948	393,967	-
Inventories .....	25,945	-	-
Restricted Cash and Cash Equivalents .....	-	3,218	-
Restricted Investments .....	-	-	-
Restricted Cash and Investments with Escrow Agent .....	-	-	-
Other Assets .....	-	3,267	-
<b>Total Assets .....</b>	<b>\$ 863,925</b>	<b>\$ 519,085</b>	<b>\$ 1,868,513</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Voucher Warrants Payable .....	\$ 214,162	\$ 160,258	\$ 55,640
Bonds, Notes and Other Obligations Payable - Current .....	-	-	-
Accrued Interest .....	-	-	-
Due To Other Funds .....	185,342	253,145	1,581
Accrued and Other Liabilities .....	139,158	6,099	4,408
Claims Payable .....	33,529	-	-
Unearned Revenue .....	1,405	97,835	-
<b>Total Liabilities .....</b>	<b>573,596</b>	<b>517,337</b>	<b>61,629</b>
Deferred Inflows .....	1,968	243,150	459,590
<b>Fund Balance:</b>			
Nonspendable .....	25,945	-	-
Restricted .....	-	7,438	1,347,294
Committed .....	-	-	-
Assigned .....	106,900	-	-
Unassigned .....	155,516	(248,840)	-
<b>Total Fund Balance .....</b>	<b>288,361</b>	<b>(241,402)</b>	<b>1,347,294</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance .....</b>	<b>\$ 863,925</b>	<b>\$ 519,085</b>	<b>\$ 1,868,513</b>

See notes to basic financial statements.

Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development and Improvement Projects	Pension	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 36,520	\$ 325	\$ 115,556	\$ 193,139	\$ 25,707	\$ 851,501
-	89,283	-	322,283	-	90,598	1,538,985
-	498,833	-	-	806,220	22,950	1,853,000
5,182	12,564	26,034	2,263	496	178,752	459,406
30,940	412	769,064	19,453	-	100,608	1,264,468
-	2,960	-	-	-	36,631	638,506
-	-	-	-	-	-	25,945
34,089	-	-	-	-	36,498	73,805
598,083	-	-	-	-	-	598,083
-	591,587	-	-	-	63,324	654,911
-	-	-	-	-	-	3,267
<u>\$ 668,294</u>	<u>\$ 1,232,159</u>	<u>\$ 795,423</u>	<u>\$ 459,555</u>	<u>\$ 999,855</u>	<u>\$ 555,068</u>	<u>\$ 7,961,877</u>
\$ 7	\$ -	\$ 356	\$ 52,300	\$ 194,159	\$ 199,882	\$ 876,764
-	81,297	-	-	-	-	81,297
-	288,919	-	-	-	795	289,714
-	769,064	-	59,501	123,896	62,421	1,454,950
-	-	-	1,754	-	6,930	158,349
-	-	-	-	-	-	33,529
-	-	-	-	-	-	99,240
<u>7</u>	<u>1,139,280</u>	<u>356</u>	<u>113,555</u>	<u>318,055</u>	<u>270,028</u>	<u>2,993,843</u>
<u>1,513,194</u>	<u>421,872</u>	<u>-</u>	<u>-</u>	<u>681,800</u>	<u>24,502</u>	<u>3,346,076</u>
-	-	769,064	-	-	-	795,009
-	-	26,003	346,000	-	176,759	1,903,494
668,287	-	-	-	-	122,202	790,489
-	-	-	-	-	-	106,900
<u>(1,513,194)</u>	<u>(328,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,423)</u>	<u>(1,973,934)</u>
<u>(844,907)</u>	<u>(328,993)</u>	<u>795,067</u>	<u>346,000</u>	<u>-</u>	<u>260,538</u>	<u>1,621,958</u>
<u>\$ 668,294</u>	<u>\$ 1,232,159</u>	<u>\$ 795,423</u>	<u>\$ 459,555</u>	<u>\$ 999,855</u>	<u>\$ 555,068</u>	<u>\$ 7,961,877</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds .....	8,745,590
Other long-term assets are not available to pay for current-period expenditures and therefore are recorded as deferred inflows in the funds .....	1,832,882
Bond issuance costs that are expensed in statement of revenues, expenditures and changes in fund balances but reported as other assets in the statement of activities .....	8,557
Certain liabilities, including bonds payable, and deferred outflows are not due and payable in the current period and therefore are not reported in the funds .....	(40,923,834)
Net position of governmental activities .....	<u>\$ (28,714,847)</u>

Exhibit 4

CITY OF CHICAGO, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended December 31, 2017

(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
Revenues:			
Property Tax .....	\$ -	\$ -	\$ -
Utility Tax .....	438,979	-	-
Sales Tax (Local) .....	229,861	-	-
Transportation Tax .....	274,999	-	-
State Income Tax .....	388,236	-	-
State Sales Tax .....	270,499	-	-
Transaction Tax .....	434,218	-	-
Special Area Tax .....	-	-	491,310
Recreation Tax .....	253,140	-	-
Other Taxes .....	146,991	-	-
Federal/State Grants .....	2,514	703,251	-
Internal Service .....	347,738	-	-
Licenses and Permits .....	133,500	-	-
Fines .....	344,925	-	-
Investment Income .....	6,978	-	20,344
Charges for Services .....	189,802	-	24
Miscellaneous .....	97,079	-	1,626
<b>Total Revenues .....</b>	<b>3,559,459</b>	<b>703,251</b>	<b>513,304</b>
Expenditures:			
Current:			
General Government .....	929,471	346,562	375,399
Health .....	30,083	93,052	-
Public Safety .....	2,228,705	54,656	426
Streets and Sanitation .....	197,491	-	-
Transportation .....	50,069	163,270	60,633
Cultural and Recreational .....	-	15,659	-
Employee Pensions .....	-	-	-
Other .....	-	350	-
Capital Outlay .....	-	48,174	-
Debt Service:			
Principal Retirement .....	6,145	-	3,118
Interest and Other Fiscal Charges .....	12,894	-	-
<b>Total Expenditures .....</b>	<b>3,454,858</b>	<b>721,723</b>	<b>439,576</b>
<b>Revenues Over (Under) Expenditures ..</b>	<b>104,601</b>	<b>(18,472)</b>	<b>73,728</b>

Continued on following pages.

Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development and Improvement Projects	Pension	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 472,547	\$ -	\$ -	\$ 740,019	\$ -	\$ 1,212,566
-	22,327	-	-	-	143,103	604,409
-	38,816	11,221	-	-	65,013	344,911
-	13,245	-	-	-	188,085	476,329
-	-	-	-	-	-	388,236
-	-	14,713	-	-	86,047	371,259
-	-	-	-	-	63,747	497,965
-	-	-	-	-	21,219	512,529
-	-	-	-	-	-	253,140
-	-	-	-	-	24,751	171,742
-	-	-	-	-	-	705,765
-	-	-	-	-	33,664	381,402
-	2,616	-	-	-	-	136,116
-	-	-	-	-	18,929	363,854
49,113	1,990	-	6,083	54	3,178	87,740
-	-	-	-	-	51,001	240,827
21,033	12,187	-	12,302	82,129	22,817	249,173
<u>70,146</u>	<u>563,728</u>	<u>25,934</u>	<u>18,385</u>	<u>822,202</u>	<u>721,554</u>	<u>6,997,963</u>
7	-	-	1,350	-	340,437	1,993,226
-	-	-	-	-	-	123,135
-	-	-	45,143	-	4,743	2,333,673
-	-	-	-	-	44,734	242,225
-	-	-	-	-	104,850	378,822
-	-	-	-	-	87,414	103,073
-	-	-	-	931,618	-	931,618
-	-	-	-	-	394	744
-	-	-	164,627	-	62,591	275,392
-	283,857	-	-	-	60,825	353,945
-	571,925	6,467	-	-	18,308	609,594
<u>7</u>	<u>855,782</u>	<u>6,467</u>	<u>211,120</u>	<u>931,618</u>	<u>724,296</u>	<u>7,345,447</u>
<u>70,139</u>	<u>(292,054)</u>	<u>19,467</u>	<u>(192,735)</u>	<u>(109,416)</u>	<u>(2,742)</u>	<u>(347,484)</u>

**Exhibit 4 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	General	Federal, State and Local Grants	Special Taxing Areas
Other Financing Sources (Uses):			
Issuance of Debt .....	\$ -	\$ 19,977	\$ -
Issuance of Line of Credit .....	-	-	-
Premium/(Discount) .....	-	-	-
Payment to Refunded Bond Escrow Agent .....	-	-	-
Proceeds from Sale of Assets .....	-	-	-
Transfers In .....	180,227	-	12,042
Transfers Out .....	(268,263)	-	(48,295)
Total Other Financing (Uses) Sources .....	<u>(88,036)</u>	<u>19,977</u>	<u>(36,253)</u>
Net Changes in Fund Balance .....	16,565	1,505	37,475
Fund Balance, Beginning of Year .....	269,582	(242,907)	1,309,819
Change in Inventory .....	2,214	-	-
Fund Balance, End of Year .....	<u>\$ 288,361</u>	<u>\$ (241,402)</u>	<u>\$ 1,347,294</u>

See notes to basic financial statements.

<u>Service Concession and Reserve</u>	<u>Bond, Note Redemption and Interest</u>	<u>STSC Debt Service</u>	<u>Community Development and Improvement Projects</u>	<u>Pension</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 553,936	\$ 743,735	\$ 471,158	\$ -	\$ 135,166	\$ 1,923,972
-	77,203	-	-	-	-	77,203
-	(11,953)	33,917	(9,803)	-	-	12,161
-	(971,766)	-	-	-	-	(971,766)
-	-	-	15,225	-	-	15,225
-	125,023	-	17,128	109,416	145,902	589,738
(21,060)	(77,203)	(2,052)	(5)	-	(170,645)	(587,523)
(21,060)	(304,760)	775,600	493,703	109,416	110,423	1,059,010
49,079	(596,814)	795,067	300,968	-	107,681	711,526
(893,986)	267,821	-	45,032	-	152,857	908,218
-	-	-	-	-	-	2,214
<u>\$ (844,907)</u>	<u>\$ (328,993)</u>	<u>\$ 795,067</u>	<u>\$ 346,000</u>	<u>\$ -</u>	<u>\$ 260,538</u>	<u>\$ 1,621,958</u>

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**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, 2017**  
**(Amounts are in Thousands of Dollars)**

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Amounts reported for governmental activities in the statement of activities are different from amounts reported for governmental funds in the statement of revenues, expenditures and changes in fund balances because:

Net change in fund balances - total governmental funds .....	\$ 711,526
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 .....	127,759
In the Statement of Activities, gain or loss on disposal and sale of capital assets is reported, whereas in the governmental funds, the entire proceeds are recorded .....	(43,808)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds .....	193,341
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 .....	(802,641)
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 .....	<u>(1,428,765)</u>
Change in the net position of governmental activities .....	<u>\$ (1,242,588)</u>

See notes to basic financial statements.

**Exhibit 6**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance
<b>Revenues:</b>				
Utility Tax .....	\$ 437,020	\$ 437,020	\$ 438,979	\$ 1,959
Sales Tax .....	326,040	326,040	229,861	(96,179)
Transportation Tax .....	241,440	241,440	274,999	33,559
Transaction Tax .....	394,940	394,940	434,218	39,278
Recreation Tax .....	221,563	221,563	253,140	31,577
Other Taxes .....	128,320	128,320	146,991	18,671
State Income Tax .....	399,618	399,618	388,236	(11,382)
State Sales Tax .....	372,800	372,800	270,499	(102,301)
Federal/State Grants .....	1,800	1,800	2,514	714
Internal Service .....	358,885	358,885	347,738	(11,147)
Licenses and Permits .....	128,000	128,000	133,500	5,500
Fines .....	358,800	358,800	344,925	(13,875)
Investment Income .....	1,500	1,500	6,978	5,478
Charges for Services .....	197,945	197,945	189,802	(8,143)
Miscellaneous .....	137,533	137,933	97,079	(40,854)
Budgeted Prior Years' Surplus and Reappropriations .....	37,000	53,000	-	(53,000)
Transfers In/Out .....	37,000	37,000	180,227	143,227
<b>Total Revenues .....</b>	<b>3,780,204</b>	<b>3,796,604</b>	<b>3,739,686</b>	<b>(56,918)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government .....	1,305,128	1,320,528	1,202,087	118,441
Health .....	31,990	31,990	31,633	357
Public Safety .....	2,175,078	2,176,078	2,212,796	(36,718)
Streets and Sanitation .....	207,026	207,026	197,744	9,282
Transportation .....	56,100	56,100	50,982	5,118
<b>Debt Service:</b>				
Principal Retirement .....	2,145	2,145	2,145	-
Interest and Other Fiscal Charges .....	2,737	2,737	3,080	(343)
<b>Total Expenditures .....</b>	<b>3,780,204</b>	<b>3,796,604</b>	<b>3,700,467</b>	<b>96,137</b>
<b>Revenues Over Expenditures .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,219</b>	<b>\$ 39,219</b>

See notes to basic financial statements.

**Exhibit 7**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**PENSION FUND (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance
<b>Revenues:</b>				
Property Taxes .....	\$ 839,083	\$ 839,083	\$ 740,019	\$ (99,064)
Investment Income .....	-	-	54	54
Other Revenue .....	82,300	82,300	82,129	(171)
Transfers In .....	108,605	108,605	109,416	811
<b>Total Revenues .....</b>	<b>1,029,988</b>	<b>1,029,988</b>	<b>931,618</b>	<b>(98,370)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
City Contribution to - Municipal Employees' Annuity and Benefit Fund .....	266,988	266,988	256,127	10,861
City Contribution to - Laborers' and Retirement Board Employees' Annuity and Benefit Fund .....	36,000	36,000	35,142	858
City Contribution to - Policemen's Annuity and Benefit Fund .....	500,000	500,000	439,805	60,195
City Contribution to - Firemen's Annuity and Benefit Fund .....	227,000	227,000	200,544	26,456
<b>Total Expenditures .....</b>	<b>1,029,988</b>	<b>1,029,988</b>	<b>931,618</b>	<b>98,370</b>
 Revenues Over Expenditures .....	 \$ -	 \$ -	 \$ -	 \$ -

See notes to basic financial statements.

**Exhibit 8**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					Total
	Water	Sewer	Chicago- International Airport	Chicago- O'Hare International Airport	Chicago Skyway	
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
<b>CURRENT ASSETS:</b>						
Cash and Cash Equivalents .....	\$ 192,899	\$ 55,338	\$ 46,037	\$ 217,206	\$ 585	\$ 512,065
Investments .....	330,238	102,703	5,009	30,026	775	468,751
Accounts Receivable (Net of Allowances) .....	189,169	105,155	19,369	83,660	11	397,364
Interest Receivable .....	285	-	97	430	-	812
Due from Other Funds .....	36,670	22,238	1,583	39,257	-	99,748
Inventories .....	22,068	975	-	-	-	23,043
Cash and Cash Equivalents - Restricted .....	68,025	107,660	85,740	785,667	-	1,047,092
Investments - Restricted .....	120,846	108,324	-	-	-	229,170
Interest Receivable - Restricted .....	527	1,638	-	-	-	2,165
Other Assets - Restricted .....	-	-	-	2,028	-	2,028
<b>TOTAL CURRENT ASSETS .....</b>	<b>960,727</b>	<b>504,031</b>	<b>157,835</b>	<b>1,158,274</b>	<b>1,371</b>	<b>2,782,238</b>
<b>NONCURRENT ASSETS:</b>						
Cash and Cash Equivalents - Restricted .....	-	-	128,616	880,549	-	1,009,165
Investments - Restricted .....	-	200,538	442,809	1,599,389	-	2,242,736
Interest Receivable - Restricted .....	-	-	2,033	11,096	-	13,129
Other Assets - Restricted .....	-	-	3,068	31,445	-	34,513
Due from Other Governments - Restricted .....	-	-	29,707	14,539	-	44,246
Other Assets .....	2,962	1,299	612	5,030	9,616	19,519
<b>Property, Plant, and Equipment:</b>						
Land .....	6,858	560	116,475	892,248	12,609	1,028,750
Structures, Equipment and Improvements .....	5,184,483	3,102,022	1,685,956	9,432,232	490,817	19,895,510
Accumulated Depreciation .....	(1,145,919)	(614,866)	(667,724)	(3,672,833)	(259,083)	(6,360,425)
Construction Work in Progress .....	421,867	88,343	32,427	1,331,050	-	1,873,687
<b>Total Property, Plant and Equipment .....</b>	<b>4,467,289</b>	<b>2,576,059</b>	<b>1,167,134</b>	<b>7,982,697</b>	<b>244,343</b>	<b>16,437,522</b>
<b>TOTAL NONCURRENT ASSETS: .....</b>	<b>4,470,251</b>	<b>2,777,896</b>	<b>1,773,979</b>	<b>10,524,745</b>	<b>253,959</b>	<b>19,800,830</b>
<b>TOTAL ASSETS .....</b>	<b>5,430,978</b>	<b>3,281,927</b>	<b>1,931,814</b>	<b>11,683,019</b>	<b>255,330</b>	<b>22,583,068</b>
<b>DEFERRED OUTFLOWS .....</b>	<b>365,315</b>	<b>108,421</b>	<b>154,462</b>	<b>566,702</b>	<b>-</b>	<b>1,194,900</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS .....</b>	<b>\$ 5,796,293</b>	<b>\$ 3,390,348</b>	<b>\$ 2,086,276</b>	<b>\$ 12,249,721</b>	<b>\$ 255,330</b>	<b>\$ 23,777,968</b>

See notes to basic financial statements.

**Exhibit 8**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - Concluded**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					Total
	Water	Sewer	Chicago- Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Voucher Warrants Payable .....	\$ 29,219	\$ 3,728	\$ 23,867	\$ 73,793	\$ -	\$ 130,607
Due to Other Funds .....	12,482	8,904	9,537	2,224	15	33,162
Accrued and Other Liabilities .....	260,725	38,597	2,743	8,984	-	311,049
Unearned Revenue .....	17,128	13,671	3,874	222,697	-	257,370
Current Liabilities Payable from Restricted Assets .....	189,397	215,984	85,387	785,667	-	1,276,435
<b>TOTAL CURRENT LIABILITIES .....</b>	<b>508,951</b>	<b>280,884</b>	<b>125,408</b>	<b>1,093,365</b>	<b>15</b>	<b>2,008,623</b>
<b>NONCURRENT LIABILITIES:</b>						
Revenue Bonds and Commercial Paper Payable .....	2,525,481	1,982,359	1,842,175	8,783,253	-	15,133,268
Line of Credit and TIFIA Loan Payable .....	-	-	-	171,901	-	171,901
Net Pension Liability .....	1,041,779	392,602	290,610	1,259,340	-	2,984,331
Derivative Instrument Liability .....	-	-	24,319	-	-	24,319
Other .....	1,577	-	1,991	-	-	3,568
<b>TOTAL NONCURRENT LIABILITIES ...</b>	<b>3,568,837</b>	<b>2,374,961</b>	<b>2,159,095</b>	<b>10,214,494</b>	<b>-</b>	<b>18,317,387</b>
<b>TOTAL LIABILITIES .....</b>	<b>4,077,788</b>	<b>2,655,845</b>	<b>2,284,503</b>	<b>11,307,859</b>	<b>15</b>	<b>20,326,010</b>
<b>DEFERRED INFLOWS .....</b>	<b>634,009</b>	<b>246,802</b>	<b>108,774</b>	<b>525,920</b>	<b>1,589,697</b>	<b>3,105,202</b>
<b>NET POSITION:</b>						
Net Investment in Capital Assets .....	1,949,409	735,564	(180,803)	1,117,543	244,343	3,866,056
Restricted Net Position:						
Debt Service .....	-	-	8,750	19,415	-	28,165
Capital Projects .....	527	116,376	41,292	43,734	-	201,929
Passenger Facility Charges .....	-	-	4,035	192,834	-	196,869
Contractual Use Agreement .....	-	-	34,541	151,333	-	185,874
Air Development Fund .....	-	-	-	169,999	-	169,999
Customer Facility Charge .....	-	-	31,573	25,487	-	57,060
Other .....	-	-	7,285	20,840	-	28,125
Unrestricted Net (Deficit) .....	(865,440)	(364,239)	(253,674)	(1,325,243)	(1,578,725)	(4,387,321)
<b>TOTAL NET POSITION/(DEFICIT) .....</b>	<b>\$ 1,084,496</b>	<b>\$ 487,701</b>	<b>\$ (307,001)</b>	<b>\$ 415,942</b>	<b>\$ (1,334,382)</b>	<b>\$ 346,756</b>

See notes to basic financial statements.

**Exhibit 9**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					Total
	Major Funds					
	Water	Sewer	Chicago- Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	
Operating Revenues:						
Charges for Services - Net of Provision for Doubtful Accounts of \$20,203 for Water and \$20,813 for Sewer .....	\$ 729,644	\$ 356,473	\$ 95,416	\$ 650,974	\$ -	\$ 1,832,507
Rent .....	-	-	99,609	325,205	-	424,814
Other .....	29,370	1,150	-	-	-	30,520
<b>Total Operating Revenues .....</b>	<b>759,014</b>	<b>357,623</b>	<b>195,025</b>	<b>976,179</b>	<b>-</b>	<b>2,287,841</b>
Operating Expenses:						
Personnel Services .....	122,954	12,591	48,185	205,957	-	389,687
Contractual Services .....	55,844	2,466	24,344	101,798	-	184,452
Repairs and Maintenance .....	1,300	66,541	44,506	95,310	-	207,657
Commodities and Materials .....	22,603	-	-	-	-	22,603
Depreciation and Amortization .....	71,088	48,171	51,443	262,331	8,506	441,539
Loss on Capital Asset Disposals .....	-	-	-	18,711	-	18,711
General Fund Reimbursements .....	84,737	47,522	-	-	-	132,259
Pension Expense .....	107,095	34,397	40,211	145,992	-	327,695
Other .....	7,694	-	13,719	103,437	-	124,850
<b>Total Operating Expenses .....</b>	<b>473,315</b>	<b>211,688</b>	<b>222,408</b>	<b>933,536</b>	<b>8,506</b>	<b>1,849,453</b>
<b>Operating Income (Loss) .....</b>	<b>285,699</b>	<b>145,935</b>	<b>(27,383)</b>	<b>42,643</b>	<b>(8,506)</b>	<b>438,388</b>
Nonoperating Revenues (Expenses):						
Investment Income (Loss) .....	10,248	4,348	5,722	32,771	25	53,114
Interest Expense .....	(108,327)	(81,359)	(61,277)	(313,202)	-	(564,165)
Passenger Facility Charges .....	-	-	40,918	151,816	-	192,734
Customer Facility Charges .....	-	-	8,130	39,094	-	47,224
Noise Mitigation Costs .....	-	-	(1,289)	(16,445)	-	(17,734)
Cost of Issuance .....	-	-	-	(12,193)	-	(12,193)
Other .....	3,245	6	475	26,860	18,701	49,287
<b>Total Nonoperating Revenues (Expenses) .....</b>	<b>(94,834)</b>	<b>(77,005)</b>	<b>(7,321)</b>	<b>(91,299)</b>	<b>18,726</b>	<b>(251,733)</b>
Transfers Out .....	(2,095)	(120)	-	-	-	(2,215)
Capital Grants .....	-	6,419	31,556	82,001	-	119,976
<b>Net Income (Loss) .....</b>	<b>188,770</b>	<b>75,229</b>	<b>(3,148)</b>	<b>33,345</b>	<b>10,220</b>	<b>304,416</b>
Net Position (Deficit) - Beginning of Year .....	895,726	412,472	(303,853)	382,597	(1,344,602)	42,340
<b>Net Position (Deficit) - End of Year .....</b>	<b>\$ 1,084,496</b>	<b>\$ 487,701</b>	<b>\$ (307,001)</b>	<b>\$ 415,942</b>	<b>\$ (1,334,382)</b>	<b>\$ 346,756</b>

See notes to basic financial statements.

**Exhibit 10**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					
	Water	Sewer	Chicago-Midway International Airport	Chicago-O'Hare International Airport	Chicago Skyway	Total
<b>Cash Flows from Operating Activities:</b>						
Received from Customers .....	\$ 737,146	\$ 358,600	\$ 197,343	\$ 1,003,818	\$ -	\$ 2,296,907
Payments to Vendors .....	(74,661)	(29,299)	(83,615)	(307,547)	(236)	(495,358)
Payments to Employees .....	(122,989)	(51,950)	(44,479)	(187,117)	-	(406,535)
Transactions with Other City Funds .....	(106,537)	(63,423)	(12,714)	(85,131)	-	(267,805)
Cash Flows Provided By						
Operating Activities .....	432,959	213,928	56,535	424,023	(236)	1,127,209
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Proceeds from Issuance of Bonds/Commercial Paper/IEPA Loans/TIFIA Loans/LOC .....						
	655,495	506,380	-	2,404,756	-	3,566,631
Acquisition and Construction of						
Capital Assets .....	(392,151)	(165,650)	(39,634)	(818,606)	-	(1,416,041)
Capital Grant Receipts .....	-	6,419	3,147	101,937	-	111,503
Bond Issuance Costs .....	(4,146)	(5,394)	(4,061)	(17,839)	-	(31,440)
Payment to Refund Bonds .....	-	(240,400)	-	(615,843)	-	(856,243)
Principal Paid on Debt .....	(578,857)	(51,653)	(25,770)	(277,850)	-	(934,130)
Interest Paid .....	(132,476)	(87,983)	(82,336)	(348,042)	-	(650,837)
Passenger and Customer Facility Charges .....	-	-	50,513	190,961	-	241,474
Concessionaire Funds .....	-	-	-	-	79	79
Cash Flows (Used in) Provided By Capital and Related Financing Activities .....						
	(452,135)	(38,281)	(98,141)	619,474	79	30,996
<b>Cash Flows from Non Capital Financing Activities:</b>						
Noise Mitigation Program .....	-	-	(1,289)	(16,445)	-	(17,734)
Proceeds from Settlement Agreement .....	-	-	475	778	-	1,253
Cash Flows Used in Non Capital Financing Activities .....						
	-	-	(814)	(15,667)	-	(16,481)
<b>Cash Flows from Investing Activities:</b>						
(Purchases) Sale of Investments, Net .....	52,621	(174,695)	66,305	(488,302)	222	(543,849)
Investment Income (Loss) .....	11,390	5,261	8,470	38,549	42	63,712
Cash Flows (Used in) Provided By Investing Activities .....						
	64,011	(169,434)	74,775	(449,753)	264	(480,137)
<b>Net (Decrease) Increase in Cash and Cash Equivalents .....</b>						
	44,835	6,213	32,355	578,077	107	661,587
<b>Cash and Cash Equivalents, Beginning of Year .....</b>						
	216,089	156,785	228,038	1,305,345	478	1,906,735
<b>Cash and Cash Equivalents, End of Year .....</b>						
	\$ 260,924	\$ 162,998	\$ 260,393	\$ 1,883,422	\$ 585	\$ 2,568,322

See notes to basic financial statements.

**Exhibit 10 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					
	Water	Sewer	Chicago- Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
Reconciliation of Operating Income to Cash Flows from Operating Activities:						
Operating Income (Loss) .....	\$ 285,699	\$ 145,935	\$ (27,383)	\$ 42,643	\$ (8,506)	\$ 438,388
Adjustments to Reconcile:						
Depreciation and Amortization and Impairment .....	71,088	48,171	51,443	281,042	8,506	460,250
Pension Expense Other than Contribution .....	82,683	24,921	30,663	107,299	-	245,566
Provision for Uncollectible Accounts .....	20,203	20,813	41	-	-	41,057
Change in Assets and Liabilities:						
(Increase) Decrease in Receivables .....	(41,041)	(19,093)	(3,324)	(1,812)	-	(65,270)
(Increase) Decrease in Due From Other Funds .....	(764)	(4,766)	443	(7,406)	-	(12,493)
(Decrease) Increase in Voucher Warrants Payable and Due to Other Funds .....	11,958	(1,127)	(737)	(19,066)	-	(8,972)
Increase (Decrease) in Unearned Revenue and Other Liabilities .....	2,965	(944)	5,560	29,451	(236)	36,796
Increase in Inventories and Other Assets .....	168	18	(171)	(8,128)	-	(8,113)
Cash Flows from Operating Activities .....	<u>\$ 432,959</u>	<u>\$ 213,928</u>	<u>\$ 56,535</u>	<u>\$ 424,023</u>	<u>\$ (236)</u>	<u>\$ 1,127,209</u>
<b>Supplemental Disclosure of Noncash Items:</b>						
Capital asset additions in 2017 have outstanding accounts payable and accrued and other liabilities .....	<u>\$ 66,176</u>	<u>\$ 115,648</u>	<u>\$ 18,330</u>	<u>\$ 212,735</u>	<u>\$ -</u>	<u>\$ 412,889</u>

See notes to basic financial statements.

**Exhibit 11**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents .....	\$ 242,857	\$ 110,080
Investments .....	8,899,948	109,443
Cash and Investments with		
Escrow Agent .....	-	10,617
Property Tax Receivable .....	-	91,101
Accounts Receivable, Net .....	1,086,904	8,511
Due From City .....	123,896	-
Property, Plant, Equipment and other .....	198	-
Invested Securities Lending Collateral .....	553,047	-
<b>Total Assets .....</b>	<b>\$ 10,906,850</b>	<b>\$ 329,752</b>
Deferred Outflows .....	\$ 274	\$ -
<b>LIABILITIES</b>		
Voucher Warrants Payable .....	\$ 284,285	\$ 22,214
Accrued and Other Liabilities .....	-	307,538
Securities Lending Collateral .....	553,047	-
<b>Total Liabilities .....</b>	<b>\$ 837,332</b>	<b>\$ 329,752</b>
<b>NET POSITION</b>		
Restricted for Pension Benefits .....	10,069,792	
<b>Total Net Position .....</b>	<b>\$ 10,069,792</b>	

See notes to basic financial statements.

**Exhibit 12**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FIDUCIARY FUNDS - PENSION TRUST FUNDS**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	<u>Total</u>
<b>ADDITIONS</b>	
Contributions:	
Employees .....	\$ 302,551
City .....	<u>1,020,156</u>
Total Contributions .....	<u>1,322,707</u>
Investment Income:	
Net Appreciation in	
Fair Value of Investments .....	1,214,709
Interest, Dividends and Other .....	197,009
Investment Expense .....	<u>(43,427)</u>
Net Investment Income .....	<u>1,368,291</u>
Securities Lending Transactions:	
Securities Lending Income .....	7,448
Securities Lending Expense .....	<u>(4,363)</u>
Net Securities Lending Transactions .....	<u>3,085</u>
Other Additions	
OPEB Termination .....	<u>5,393</u>
Total Additions .....	<u>2,699,476</u>
<b>DEDUCTIONS</b>	
Benefits and Refunds of Deductions .....	2,099,213
Administrative and General .....	<u>18,473</u>
Total Deductions .....	<u>2,117,686</u>
Net Increase in Net Position .....	581,790
Net Position:	
Beginning of Year .....	<u>9,488,002</u>
End of Year .....	<u><u>\$ 10,069,792</u></u>

See notes to basic financial statements.

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

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**1) Summary of Significant Accounting Policies**

The City of Chicago (City), incorporated in 1837, is a “home rule” unit 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 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, 2017, the City adopted the following GASB Statements:

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, an amendment of GASB Statement No. 14 (“GASB 80”), amends the blending requirements for the financial statement presentation of component units of all state and local governments. GASB 80 was effective for the City for its year ended December 31, 2017. The adoption of this Statement had no impact on the City’s financial statements.

GASB Statement No. 82, *Pension Issues*, an amendment of GASB Statements No. 67, No. 68, and No. 73 (“GASB 82”), addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (Plan member) contribution requirements. GASB 82 was effective for the City for its year ended December 31, 2017. The adoption of this Statement adjusted the presentation of payroll-related measures in the required supplementary information, but did not have an impact on the City’s financial statements.

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

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. GASB 75 will be effective for the City beginning with its year ending December 31, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB.

GASB Statement No. 83, *Certain Asset Retirement Obligations* – (“GASB 83”), addresses accounting and financial reporting for certain asset retirement obligations (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will have to recognize a liability based on the guidance in this statement. This Statement also requires disclosure of information about the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. GASB 83 will be effective for the City beginning with its year ending December 31, 2019.

GASB Statement No. 84, *Fiduciary Activities* – (“GASB 84”) will improve the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the City beginning with its year ending December 31, 2019.

GASB Statement No. 85, *Omnibus* – (“GASB 85”) the objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses various miscellaneous issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (OPEB). GASB 85 will be effective for the City

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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beginning with its year ending December 31, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* – (“GASB 86”) establishes accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. GASB 86 will be effective for the City beginning with its year ending December 31, 2018.

GASB Statement No. 87, *Leases* – (“GASB 87”) will improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement will establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement will increase the usefulness of governments’ financial statements by requiring reporting of certain lease liabilities that are currently not reported. GASB 87 will be effective for the City beginning with its year ending December 31, 2020.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* – (“GASB 88”) will improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB 88 will be effective for the City beginning with its year ending December 31, 2019.

- a) **Reporting Entity** – The financial reporting entity consists of the City and its component units, which are legally separate organizations for which the City is financially accountable. 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 includes the Chicago Public Library.

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

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

The Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago 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.

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

The Firemen’s Annuity and Benefit Fund of Chicago 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 these four pension plans (collectively, “Pension Plans”) may be obtained at the respective Pension Plans’ offices.

Blended Component Unit

The City’s financial statements also include, as a blended component unit, the Sales Tax Securitization Corporation (the “STSC”). The STSC is a special purpose not-for-profit corporation incorporated under the provisions of the General Not-For-Profit Corporation Act of 1986 of the State of Illinois (805 ILCS 105) (the

**CITY OF CHICAGO, ILLINOIS  
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“State”), as amended, and organized in accordance with an ordinance adopted by the City of Chicago City Council on October 11, 2017. The STSC is a non-stock corporation, has no members, and is governed by a board of directors (the “Board”). Except as described in the following sentence, the Board has five voting directors all of whom are officials of the City. The STSC’s Bylaws require the vote of an additional “independent director” as a condition to taking certain actions. The independent director would be appointed by the Mayor of the City prior to any such actions.

Pursuant to a sale agreement authorized by Division 13 of Article 8 of the Illinois Municipal Code, in 2017 the City entered into an Assignment, Purchase and Sale Agreement (“Sale Agreement”) with the STSC under which the City sold its right, title and interest in and to certain sales tax revenues collected by the State (the “Sales Tax Revenues”). The Sales Tax Revenues consist of (a) revenues resulting from collection of three separate taxes (collectively, the “Home Rule Sales Tax Revenues”) imposed by the City pursuant to its home rule powers and authority granted by State statute; and (b) revenues resulting from the collection of four separate taxes (collectively, the “Local Share Sales Tax Revenues”) imposed by the State. In exchange for selling its right, title and interest in the Sales Tax Revenues, the City received a residual certificate which represents the City’s ownership interest in excess Sales Tax Revenues to be received by the STSC to pay debt service requirements of any outstanding obligations and administrative costs during the term of the Sale Agreement. The Sale Agreement is effective until there are no secured obligations outstanding for the STSC.

On December 14, 2017, the STSC issued \$743.7 million of bonds (the “2017 Bonds”) to provide funds for the STSC to use, along with the proceeds of any additional bonds issued by the STSC. The proceeds from the 2017 Bonds were applied by the City to refund all of the outstanding City of Chicago Sales Tax Revenue Bonds and refund certain of the City’s outstanding general obligation bonds.

The STSC provides benefits exclusively to the City, and as a result, is presented as a blended component unit of the City.

The City reports the General Fund of the STSC as a non-major special revenue fund and the Debt Service Fund of the STSC as a major debt-service fund.

Complete financial statements of the STSC can be obtained at [www.salestaxsecuritizationcorporation.com](http://www.salestaxsecuritizationcorporation.com).

The City’s 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 financial accountability or fiscal dependency exists between the City and these organizations. Therefore, the Chicago Park District, Chicago Public Building Commission, 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 position 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. Governmental 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 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. Major individual governmental funds and major individual enterprise funds are reported as separate columns

CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017

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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 collectible 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 recorded as deferred inflows 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 the 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 and reports all financial resources not accounted for and reported 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 agreements.

**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.

**STSC Debt Service Fund** accounts for the expenditures for principal and interest as provided by sales tax revenues.

**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.

**Pension Fund** accounts for the City's contribution to the City's four Employees' Annuity and Benefit Funds as provided by the tax levy and other sources of revenue, including the allocable share from Enterprise Funds and Special Revenue Funds.

**CITY OF CHICAGO, ILLINOIS  
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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 (i.e., City Council); 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. The City's highest level of decision-making authority is held by the City Council. The City Council passes Ordinances to commit their fund balances.

**Assigned** includes amounts that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: (a) the City Council itself; or (b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The Budget Director or Comptroller has authority to assign amounts related to certain legal obligations outside of the appropriation process within the General Fund. Within the other governmental fund types (special revenue, debt service, and capital projects) resources are assigned in accordance with the established fund purpose and approved appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

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

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 purification facilities with a combined output pumping capacity of 2,160 million gallons per day 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 services. Midway Airport is conveniently located 10 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 serving the Airport operate out of four terminal buildings with a total of 185 gates as of December 31, 2017. Three domestic terminal buildings, having a total of 165 aircraft gates serve domestic flights and certain international departures. The International Terminal, with 20 aircraft gates and four hardstand positions, serves the remaining international departures and all international arrivals.

**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

**CITY OF CHICAGO, ILLINOIS  
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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.

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. General revenues include internally dedicated resources and 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, deferred outflows, and net position 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.

**CITY OF CHICAGO, ILLINOIS  
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Government purchased in the open market below face value; commercial paper and State and Local Government Series (SLGS), 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 or equal to 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 thirty 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, the City and the City's Pension Plans' policies permit lending 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.

Securities Lending by the Pension Plans - The State Statutes and the Board of Trustees permit the Pension Plans to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. The Plans' custodians, acting as the lending agent, lends securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest. The Plan does not have the right to sell or pledge securities received as collateral unless the borrower defaults. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. The contracts with the Fund's custodian require the securities lending agent to indemnify the Funds.

Municipal Employees' - The average term of securities loaned was 75 days at December 31, 2017. The cash collateral is invested in tri-party repurchase agreements and bank deposits which had a weighted average maturity of 34 days at December 31, 2017.

Laborers' Employees' - The average term of securities loaned was 67 days at December 31, 2017. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 28 days at December 31, 2017.

Policemen's Employees' - The average term of the Fund's loan was approximately 1 day as of December 31, 2017. Cash collateral was reinvested in indemnified repurchase agreements which had an interest sensitivity of 3.48 days at December 31, 2017.

Firemen's Employees' - The average term of securities loaned was 59 days in 2017. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 27 days at December 31, 2017.

**CITY OF CHICAGO, ILLINOIS**  
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- 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 expenses when used (consumption method). Governmental fund inventories are accounted for using the purchases method and represent nonspendable resources because they do not represent expendable available financial resources.

- iv) **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.

- v) **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 acquisition 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 \$1,265.3 million, of which \$91.5 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:

**CITY OF CHICAGO, ILLINOIS  
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Utility plant.....	25 - 100 years
Utility structures and improvements.....	50 - 100 years
Buildings and improvements.....	10 - 40 years
Airport runways, aprons, tunnels, taxiways, and paved roads.....	30 years
Bridge infrastructure.....	10 - 40 years
Lighting infrastructure.....	25 years
Street infrastructure.....	10 - 25 years
Transit infrastructure.....	25 - 40 years
Equipment (vehicle, office, and computer) .....	5 - 20 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.

**vi) Deferred Outflows** represent unamortized loss on bond refundings, the fair value of derivative instruments that are deemed to be effective hedges, differences between estimated and actual investment earnings related to pensions, changes in actuarial assumptions related to pensions and other pension related changes.

**vii) 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.

**viii) Judgments and claims** are included in the government-wide financial statements and proprietary fund types. 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 relate to deferred compensatory time and reserves for questioned costs are treated the same way.

**ix) 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 position. Bond premiums and discounts, as well as issuance costs, are deferred and

**CITY OF CHICAGO, ILLINOIS**  
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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 and/or cash flows 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. Under certain bond ordinances adopted by the City Council, interest rate swaps and swaptions are authorized to be entered into by designated City officials in connection with certain bonds issued by the City. For swaps related to Midway Bonds, airline approval is also required before entering into a swap agreement.

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. Issuance 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's four pension plans and additions to/deductions from the City's Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The financial statements of the Plans are prepared using the accrual basis of accounting.

- x) 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 and differences between projected and actual actuarial experience related to pensions, and other pension related changes. In the fund financials, grants that meet all of the eligibility criteria except for time availability and property taxes levied for a future period are also included in deferred inflows.
- xi) Net Position** in the government-wide statements is classified in three components:
- (1) Net investment in capital assets - 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 position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or are legally restricted through constitutional provisions or enabling legislation.  
  
Restricted net position for business activities are provided in Exhibit 7, Statement of Net Position, Proprietary Funds.
  - (3) Unrestricted - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets." As of December 31, 2017, the unrestricted net position represents a deficit.

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**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 position.**

i) The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. 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 \$1,832.9 million are as follows (dollars in thousands):

Deferred inflows - property tax .....	\$ 1,582,968
Deferred inflows - grants .....	243,150
Deferred inflows - charges for services .....	1,968
Deferred inflows - utility tax .....	4,796
Net adjustment to increase fund balance - total governmental funds - to arrive at net position - governmental activities .....	\$ 1,832,882

ii) Another element of that reconciliation explains that “Certain liabilities and deferred outflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$40,923.8 million are as follows (dollars in thousands):

Long-term liabilities:	
Total bonds, notes and certificates payable .....	\$ (11,117,049)
Pension benefits .....	(25,058,993)
Other postemployment benefits .....	(187,641)
Pollution remediation .....	(35,044)
Claims and judgments .....	(1,012,756)
Total Long-term liabilities .....	(37,411,483)
Accounts payable - infrastructure retainage .....	(7,557)
Bonds, notes and other obligations payable current .....	81,297
Deferred outflows-unamortized loss on refunding .....	177,493
Deferred outflows-pension costs .....	3,912,377
Deferred inflows-pension .....	(6,900,534)
Accrued and other liabilities - compensated absences .....	(85,098)
Accrued and other liabilities - pension payable to pension funds ....	(690,329)
Net adjustment to reduce fund balance - total governmental funds - to arrive at net position - governmental activities .....	\$ (40,923,834)

**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 position - 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 \$127.8 million are as follows (dollars in thousands):

**CITY OF CHICAGO, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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Capitalized asset expenditures .....	\$ 527,205
Depreciation expense .....	<u>(399,446)</u>
Net adjustment to increase net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$ 127,759</u>

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 position.” The details of this decrease of \$802.6 million are as follows (dollars in thousands):

Proceeds of debt .....	\$ (1,923,972)
Proceeds from line of credit .....	(77,203)
(Premium) / Discount .....	(12,161)
Payment to refunded bond escrow agent .....	971,766
Principal retirement .....	353,945
Interest expense .....	<u>(115,016)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities ..	<u>\$ (802,641)</u>

Another 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 decrease of \$1,428.8 million are as follows (dollars in thousands):

Claims and judgments .....	\$ (70,134)
Pension costs .....	(1,341,837)
Other post employment benefit liabilities .....	(20,432)
Pollution remediation .....	(1,843)
Vacation .....	3,267
Inventory .....	<u>2,214</u>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$ (1,428,765)</u>

**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 October 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.

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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- 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.
  - 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, 2017 is as follows (dollars in thousands):

	<u>General Fund</u>
Revenues, GAAP Basis .....	\$ 3,559,459
Add:	
Transfers In .....	<u>180,227</u>
Revenues, Budgetary Basis .....	<u>\$ 3,739,686</u>
Expenditures, GAAP Basis .....	\$ 3,454,858
Add:	
Transfers Out .....	268,263
Encumbered in 2017.....	16,857
Deduct:	
Payments on Prior Years' Encumbrances .....	(24,511)
Payments on Prior Years' Assignments .....	<u>(15,000)</u>
Expenditures, Budgetary Basis .....	<u>\$ 3,700,467</u>

- c) **Individual Fund Deficits** include the Chicago Skyway Fund, an Enterprise Fund, which has a fund deficit of \$1,334.4 million which management anticipates will be funded through recognition of deferred inflows. Midway International Airport Fund has a fund deficit of \$307.0 million which will be funded through future revenues. Federal State and Local Grants, a governmental fund, has a deficit of \$241.4 million and will be funded by the recognition of deferred grant inflows and unearned revenue. The Service Concession and Reserve Fund, a Special Revenue Fund, has a deficit fund balance of \$844.9 million which will be funded through the recognition of deferred inflows. The Bond, Note Redemption and Interest Fund, a Debt Service Fund, has a deficit fund balance of \$329.0 million which will be funded through the amortization of the deferred inflow associated with the City's sale of sales tax revenues to the STSC. The STSC is a blended component unit and for presentation purposes deferred inflows have been reclassified as internal balances.

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**4) Restricted and Unrestricted Cash, Cash Equivalents and Investments**

a) **Investments** As of December 31, 2017, the City had the following Investments (dollars in thousands):

Investment Type	Maturities (in Years)				Total
	Less Than 1	1-5	6-10	More Than 10	
<b>City Funds</b>					
U.S. Treasuries .....	\$ 312,630	\$ 4,925	\$ -	\$ -	\$ 317,555
U.S. Agencies* .....	726,748	656,544	9,426	-	1,392,718
Commercial Paper .....	1,250,365	-	-	-	1,250,365
Corporate Bonds .....	136,926	548,752	513,464	281,912	1,481,054
Corporate Equities .....	795	-	-	-	795
Certificates of Deposit and Other Short-term .....	2,645,371	-	-	-	2,645,371
Municipal Bonds .....	122,058	417,873	240,088	354,166	1,134,185
State and Local Government Series .....	127,134	151,670	-	-	278,804
<b>Total City Funds .....</b>	<b>\$ 5,322,027</b>	<b>\$ 1,779,764</b>	<b>\$ 762,978</b>	<b>\$ 636,078</b>	<b>\$ 8,500,847</b>

\*U.S. Agencies include investments in government-sponsored enterprises such as Federal National Mortgage Association, Federal Home Loan Banks, and Federal Home Loan Mortgage Corporation.

Included in the table above are investments held with escrow agent.

<b>Pension Trust Funds</b>					
U.S. and Foreign					
Government Agencies .....	\$ 30,274	\$ 202,007	\$ 153,378	\$ 309,289	\$ 694,948
Corporate Bonds .....	765,765	387,022	290,255	206,566	1,649,608
Corporate Equities .....	5,062,007	-	-	-	5,062,007
Pooled Funds .....	128,774	20,915	-	-	149,689
Real Estate .....	569,995	-	-	-	569,995
Securities Received from Securities Lending .....	553,047	-	-	-	553,047
Venture Capital .....	463,693	-	-	-	463,693
Certificates of Deposit and Other Short-term .....	292,872	-	-	-	292,872
Derivatives .....	27,924	-	-	-	27,924
Other .....	31,155	126,055	74,365	-	231,575
<b>Total Pension Trust Funds .....</b>	<b>\$ 7,925,506</b>	<b>\$ 735,999</b>	<b>\$ 517,998</b>	<b>\$ 515,855</b>	<b>\$ 9,695,358</b>
<b>Total .....</b>	<b>\$ 13,247,533</b>	<b>\$ 2,515,763</b>	<b>\$ 1,280,976</b>	<b>\$ 1,151,933</b>	<b>\$ 18,196,205</b>

**City's Fair Value Measurements for Investments:**

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation techniques used to measure fair value.

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets
- Level 2 - Observable inputs other than quoted market prices, and
- Level 3 - Unobservable Inputs

Investments that are valued using net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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The investments measured value at fair value as of December 31, 2017 are as follows (dollars in thousands):

<b>Investments by Fair Value Level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. Treasuries .....	\$ -	\$ 45,797	\$ -
U.S. Agencies .....	-	1,252,599	-
Corporate Bonds .....	-	1,457,667	-
Municipal Bonds .....	-	1,111,777	-
State and Local Government Series .....	-	217,792	-
<b>Total Investments at Fair Value .....</b>	<b>\$ -</b>	<b>\$ 4,085,632</b>	<b>\$ -</b>

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for the City are \$4,415.2 million.

Pension Trust Funds' Investments (Dollars in thousands):

<b>Summary</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. and Foreign				
Government Agencies ..	\$ 694,948	\$ -	\$ 694,827	\$ 121
Corporate Bonds .....	1,130,862	-	1,130,794	68
Corporate Equities .....	4,502,197	4,497,635	4,062	500
Pooled Funds .....	124,230	5,711	118,519	-
Real Estate .....	15,100	15,100	-	-
Securities Received from				
Securities Lending .....	553,047	-	553,047	-
Certificates of Deposit				
and Other Short-term ....	222,732	30,117	192,590	25
Derivatives .....	27,924	-	27,924	-
Other .....	204,719	-	204,719	-
<b>Subtotal .....</b>	<b>7,475,759</b>	<b>4,548,563</b>	<b>2,926,482</b>	<b>714</b>

<b>Investments measured at net asset value:</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice</b>	
Corporate Bonds .....	\$ 518,746	\$ 9,450	as needed	daily, monthly
Corporate Equities .....	559,810	-	as needed; quarterly, not eligible	daily, up to 90 days, N/A
Pooled Funds .....	25,459	-		
Real Estate .....	554,895	54,201	as needed; quarterly, N/A	60/90 days, open end or N/A
Venture Capital .....	463,693	126,215	as needed or N/A	90 days or N/A
Certificates of Deposit				
and Other Short-term ....	70,140	-		
Other * .....	26,856	77,476	as needed or N/A	up to 90 days or N/A
<b>Subtotal .....</b>	<b>2,219,599</b>			
<b>Total .....</b>	<b>\$ 9,695,358</b>			

\* Other includes Fixed Assets & Hedge Fund of Funds.

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Corporate bonds - Include debt instruments created by companies for the purpose of raising capital and pay a specified amount of interest on a regular basis.

Corporate equities - Include investments in funds primarily holding publicly traded US and non-US equity securities.

Pooled funds - Include investments that are pooled to maximize the total return.

Real estate funds - Include investments in open and closed-end real estate funds. Investments in open-end funds have limited redemption availability as redemption opportunities are based on available liquidity. Closed-end funds do not offer redemptions. Distributions from closed-end funds will be received as the underlying investments are liquidated.

Venture capital - Includes investments where the objective is to achieve long-term capital appreciation, preserve capital, and achieve a consistent pattern of returns through investments in limited partnerships, privately issued securities, private equity funds, and other pooled investments with a focus on the venture sector and undervalued alternative investments. Closed-end limited partnership interests are generally illiquid and cannot be redeemed.

Short-term investments - Include short-term investments of high quality and low risk to protect capital while achieving investment returns.

Other - Includes Hedge Funds of long/short equity hedge fund-of-funds.

*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, which shall show on their face that they are fully payable as to principal and interest, where applicable, if any, within thirty years from the date of purchase.

*ii) Credit Risk* – With regard to credit risk, the Code limits the investments in securities to:

- (1) Interest-bearing general obligations of the United States and the State of Illinois;
- (2) United States treasury bills and other non-interest bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;
- (3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City, the Chicago Board of Education, the Chicago Housing Authority, the Chicago Park District, the Chicago Transit Authority, and the City Colleges of Chicago;
- (4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;
- (5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement; Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;
- (6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in *Custodial Credit Risk – Cash and Certificates of Deposit* below;

**CITY OF CHICAGO, ILLINOIS**  
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- (7) Bankers acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;
- (8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;
- (9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;
- (10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;
- (11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;
- (12) Bonds of companies organized in the United States with assets exceeding \$1.0 billion that, at the time of purchase, are rated not less than two classes above investment grade, or equivalent rating, by at least two accredited ratings agencies;
- (13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within four intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;
- (14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within four intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;
- (15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;
- (16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;
- (17) Bonds, notes, debentures, or other similar obligations of agencies of the United States rated, at the time of purchase, no less than AAA by at least two accredited rating agencies.
- (18) Asset-backed or agency mortgage-backed securities, any of which are rated at least investment grade by at least two accredited rating agencies, but no funds may be invested in: (1) obligations the payment of which represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral that pays no principal (e.g., MBS Interest-Only Strips); (2) obligations the payment of which represents the principal balance repayments from the underlying mortgage-backed security collateral that pays no interest (e.g., MBS Principal-Only Strips); (3) collateralized mortgage obligations ("CMOs") that have a stated final maturity date of greater than 10

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years; and (4) CMOs the interest rate of which is determined in a manner that adjusts in the opposite direction to the changes in a market index (e.g.. Inverse Floating Rate CMOs).

(19)Interest in the Chicago Community Catalyst Fund.

Total holdings across all funds held by the City shall have no less than an overall average rating of Aa1 on a quarterly basis, as rated by two accredited rating agencies. The following schedule summarizes the City's and Pension Trust Funds' exposure to credit risk (in thousands):

<u>Quality Rating</u>	<u>City</u>	<u>Quality Rating</u>	<u>Pension Trust Funds</u>
Aaa/AAA .....	\$ 2,855,158	Aaa/AAA .....	\$ 226,045
Aa/AA .....	2,856,880	Aa/AA .....	104,250
A/A .....	1,017,335	A/A .....	198,350
Baa/BBB .....	88,882	Baa/BBB .....	330,375
Ba/BB .....	-	Ba/BB .....	220,051
B/B .....	-	B/B .....	148,547
Caa/CCC .....	-	Caa/CCC .....	22,198
Ca .....	-	Ca .....	455
C/CC .....	-	CC/C .....	4,634
D/D .....	-	D/D .....	3,962
P1/A1 .....	1,320,670	Not Rated .....	327,372
P2/A2 .....	18,249	Other .....	431,137
MIG1/SP-1+ .....	12,168		
MIG2/SP-1+ .....	-		
Not Rated* .....	331,505		
Total Funds .....	<u>\$ 8,500,847</u>		<u>\$ 2,017,376</u>

\* 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 public fund deposits, depository institutions are to maintain collateral pledges on City deposits and certificates of deposit during the term of the deposit.

For certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance, any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 102 percent by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; (2) secured by a corporate surety bond issued by an insurance company licensed to do business in the State of Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least 102 percent by an irrevocable letter of credit issued in favor of the City by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit.

The collateral required to secure City funds must be held in safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written notification and authorization of the City Treasurer. The final maturity of acceptable collateral pledged shall not exceed 120 months.

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The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$902.3 million. 96.6 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name. \$30.6 million was uncollateralized at December 31, 2017, and thus was subject to custodial credit risk.

- 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.

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- v) *Foreign Currency Risk* - In the case of the Pension Trust Funds, this 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):

<u>Foreign Currency Risk</u>	
Argentine peso .....	\$ 709
Australian dollar .....	60,641
Brazilian real .....	38,165
British pound .....	259,862
Canadian dollar .....	70,708
Chilean peso .....	1,341
Chinese yuan .....	363
Colombian peso .....	5,123
Czech Republic koruna .....	2,436
Danish krone .....	35,792
Egyptian pound .....	519
European euro .....	450,794
HK Chinese Yuan renminbi .....	1
Hong Kong dollar .....	197,639
Hungarian forint .....	3,973
Indian rupee .....	62,099
Indonesian rupiah .....	25,002
Japanese yen .....	384,672
Kenyan shilling .....	534
Malaysian ringgit .....	8,226
Mexican peso .....	22,409
New Israeli shekel .....	8,322
New Taiwan dollar .....	49,023
New Zealand dollar .....	(5,134)
Norwegian krone .....	23,102
Pakistan rupee .....	81
Philippines peso .....	8,329
Polish zloty .....	2,234
Qatari riyal .....	276
Russian ruble .....	(808)
Singapore dollar .....	12,471
South African rand .....	36,362
South Korean won .....	68,993
Swedish krona .....	48,831
Swiss franc .....	86,238
Taiwan dollar .....	6,169
Thailand baht .....	18,449
Turkish lira .....	8,088
United Arab Emirates dirham ..	451
Total Pension Trust Funds .....	<u>\$ 2,002,485</u>

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

Per Note 4:	
Investments - City .....	\$ 8,500,847
Investments - Pension Trust Funds .....	9,695,358
	<u>\$ 18,196,205</u>
Per Financial Statements:	
Restricted Investments .....	\$ 3,069,989
Unrestricted Investments .....	2,007,736
Investments with Fiduciary Funds .....	9,009,391
Investments with Escrow Agent .....	665,528
Invested Securities Lending Collateral .....	553,047
Investments Included as Cash and Cash Equivalents on the Statement of Net Position .....	2,890,514
	<u>\$ 18,196,205</u>

**5) Property Tax**

The City's property tax becomes a 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 fifteen 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 10.0 percent for certain residential, commercial, and industrial property to 25.0 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 Illinois 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 of Illinois and subtracts total amounts of EAV in Tax Increment Financing Districts to arrive at the base amount (Tax Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rate by dividing the levy by the Tax 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 55.0 percent of the prior year's tax bill. The second installment tax bill equals the total tax liability for the year minus the first installment tax bill amount.

The City Council adopted an ordinance effective 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. The ordinance provides an exception 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. Most general obligation bond levies approved after 2001 have also been excluded from this limit. In 2015 the City Council added an exception for portions of the property tax levy used to meet the City's pension obligations.

**CITY OF CHICAGO, ILLINOIS  
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**6) Interfund Balances and Transfers**

a) The following balances at December 31, 2017 represent due from/to balances among all funds (dollars in thousands):

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General .....	\$ 233,028	\$ 185,342
Federal, State and Local Grants .....	22,474	253,145
Special Taxing Areas .....	88,489	1,581
Service Concession and Reserve .....	30,940	-
Bond, Note Redemption and Interest * .....	412	769,064
STSC Debt Service * .....	769,064	-
Community Development and Improvement Projects ...	19,453	59,501
Pension .....	-	123,896
Nonmajor Governmental Funds .....	<u>100,608</u>	<u>62,421</u>
Total Governmental Funds .....	1,264,468	1,454,950
Enterprise Funds:		
Water .....	36,670	12,482
Sewer .....	22,238	8,904
Chicago Midway International Airport .....	1,583	9,537
Chicago-O'Hare International Airport .....	39,257	2,224
Chicago Skyway .....	<u>-</u>	<u>15</u>
Total Enterprise Funds .....	99,748	33,162
Fiduciary activities:		
Pension Trust .....	<u>123,896</u>	<u>-</u>
Total Fiduciary activities .....	<u>123,896</u>	<u>-</u>
Total .....	<u>\$ 1,488,112</u>	<u>\$ 1,488,112</u>

The balances result 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.

\* The STSC is a blended component unit of the City. The due from balance within the STSC Debt Service fund relates to the reclassification of amounts as a result of blending deferred outflows. The Due From within the STSC Debt Service fund and the Due To within the City's Bond, Notes Redemption and Interest fund represent the sale of sales tax revenues that will be amortized over the duration of the related bonds.

**CITY OF CHICAGO, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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b) The following balances at December 31, 2017 represent interfund transfers among all funds (dollars in thousands):

<u>Fund Type/Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General .....	\$ 180,227	\$ 268,263
Special Taxing Areas .....	12,042	48,295
Service Concession and Reserve .....	-	21,060
Bond, Note Redemption and Interest .....	125,023	77,203
STSC Debt Service * .....	-	2,052
Community Development and Improvement Projects ...	17,128	5
Pension .....	109,416	-
Nonmajor Governmental Funds * .....	<u>145,902</u>	<u>170,645</u>
Total Governmental Funds .....	<u>589,738</u>	<u>587,523</u>
Business-type activities:		
Water .....	-	2,095
Sewer .....	<u>-</u>	<u>120</u>
Total Business-type activities .....	<u>-</u>	<u>2,215</u>
Total .....	<u>\$ 589,738</u>	<u>\$ 589,738</u>

Transfers are used to move revenues from the fund that the statute or budget requires to collect them to the fund that the 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.

\* The STSC is a blended component unit of the City. Included within the Transfer Out balance of the Nonmajor Governmental Funds is the transfer of the residual sales tax revenues from the STSC General Fund (blended as a nonmajor special revenue fund) to the City's General Fund.

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**7) Capital Assets**

a) **Capital Assets** activity for the year ended December 31, 2017 was as follows (dollars in thousands):

	<b>Balance January 1, 2017</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Balance December 31, 2017</b>
Governmental activities:				
Capital assets, not being depreciated:				
Land .....	\$ 1,397,316	\$ 6,302	\$ (3,840)	\$ 1,399,778
Works of Art and Historical Collections .....	45,976	1,048	-	47,024
Construction in Progress .....	741,043	409,339	(456,333)	694,049
Total capital assets, not being depreciated .....	<u>2,184,335</u>	<u>416,689</u>	<u>(460,173)</u>	<u>2,140,851</u>
Capital assets, being depreciated:				
Buildings and Other Improvements .....	2,664,568	38,115	(20,730)	2,681,953
Machinery and Equipment .....	1,523,894	94,277	(15,257)	1,602,914
Infrastructure .....	9,176,818	404,176	(4,267)	9,576,727
Total capital assets, being depreciated .....	<u>13,365,280</u>	<u>536,568</u>	<u>(40,254)</u>	<u>13,861,594</u>
Less accumulated depreciation for:				
Buildings and Other Improvements .....	1,079,142	69,379	(1,160)	1,147,361
Machinery and Equipment .....	1,284,234	48,397	(14,688)	1,317,943
Infrastructure .....	4,509,986	281,670	(105)	4,791,551
Total accumulated depreciation .....	<u>6,873,362</u>	<u>399,446</u>	<u>(15,953)</u>	<u>7,256,855</u>
Total capital assets, being depreciated, net ....	<u>6,491,918</u>	<u>137,122</u>	<u>(24,301)</u>	<u>6,604,739</u>
Total governmental activities .....	<u>\$ 8,676,253</u>	<u>\$ 553,811</u>	<u>\$ (484,474)</u>	<u>\$ 8,745,590</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land .....	\$ 1,027,752	\$ 998	\$ -	\$ 1,028,750
Construction in Progress .....	1,044,956	1,274,640	(445,909)	1,873,687
Total capital assets, not being depreciated .....	<u>2,072,708</u>	<u>1,275,638</u>	<u>(445,909)</u>	<u>2,902,437</u>
Capital assets, being depreciated:				
Buildings and Other Improvements .....	18,597,449	626,481	(108,944)	19,114,986
Machinery and Equipment .....	698,497	82,262	(235)	780,524
Total capital assets, being depreciated .....	<u>19,295,946</u>	<u>708,743</u>	<u>(109,179)</u>	<u>19,895,510</u>
Less accumulated depreciation for:				
Buildings and Other Improvements .....	5,569,441	414,189	(43,578)	5,940,052
Machinery and Equipment .....	401,658	18,944	(229)	420,373
Total accumulated depreciation .....	<u>5,971,099</u>	<u>433,133</u>	<u>(43,807)</u>	<u>6,360,425</u>
Total capital assets, being depreciated, net ....	<u>13,324,847</u>	<u>275,610</u>	<u>(65,372)</u>	<u>13,535,085</u>
Total business-type activities .....	<u>\$ 15,397,555</u>	<u>\$ 1,551,248</u>	<u>\$ (511,281)</u>	<u>\$ 16,437,522</u>
Total Capital Assets .....	<u>\$ 24,073,808</u>	<u>\$ 2,105,059</u>	<u>\$ (995,755)</u>	<u>\$ 25,183,112</u>

**CITY OF CHICAGO, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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b) **Depreciation expense** was charged to functions/programs of the City as follows (dollars in thousands):

Governmental activities:	
General Government .....	\$ 28,523
Public Safety .....	44,791
Streets and Sanitation .....	15,327
Transportation .....	290,683
Health .....	1,611
Cultural and Recreational .....	18,511
Total Depreciation Expense - Governmental activities ....	<u>\$ 399,446</u>
Business-type activities:	
Water .....	\$ 66,007
Sewer .....	44,970
Chicago Midway International Airport .....	51,443
Chicago-O'Hare International Airport .....	262,331
Chicago Skyway .....	8,382
Total Depreciation Expense - Business-type activities ....	<u>\$ 433,133</u>

8) **Leases**

a) **Operating Leases**

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were approximately \$16.3 million for the year ended December 31, 2017.

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

2018 .....	\$ 17,098
2019 .....	4,803
2020 .....	3,155
2021 .....	2,587
2022 .....	1,914
2023 - 2027 .....	4,082
2028 - 2032 .....	109
2033 - 2037 .....	109
2038 - 2042 .....	109
Total Future Rental Expense.....	<u>\$ 33,966</u>

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**b) 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, 2017 (dollars in thousands):

2018 .....	\$	186,533
2019 .....		93,958
2020 .....		4,680
2021 .....		4,680
2022 .....		4,839
2023 - 2027 .....		24,619
2028 - 2032 .....		25,300
2033 - 2037 .....		21,199
2038 - 2042 .....		14,315
2043 - 2047 .....		9,212
Thereafter .....		6,569
Total Minimum Future Rental Income .....	\$	<u>395,904</u>

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 \$475.4 million, including contingent rentals of \$97.7 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, 2017 (dollars in thousands):

2018 .....	\$	53,004
2019 .....		27,569
2020 .....		27,569
2021 .....		27,569
2022 .....		27,569
2023 - 2027 .....		<u>137,845</u>
Total Minimum Future Rental Income .....	\$	<u>301,125</u>

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 \$103.5 million, including contingent rentals of \$40.2 million.

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**9) Long-term Obligations**

a) **Long-term Debt** activity for the year ended December 31, 2017 was as follows (in thousands):

	<b>Balance January 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2017</b>	<b>Amounts Due within One Year</b>
Governmental activities:					
Bonds and notes payable:					
General obligation and other debt .....	\$ 9,173,009	\$ 1,237,463	\$ 723,845	\$ 9,686,627	\$ 114,147
Tax increment .....	33,520	-	5,595	27,925	5,710
Revenue .....	766,628	20,168	532,572	254,224	4,295
STSC .....	-	743,735	-	743,735	-
	<u>9,973,157</u>	<u>2,001,366</u>	<u>1,262,012</u>	<u>10,712,511</u>	<u>124,152</u>
Add unamortized premium/(discount) .....	118,300	12,161	41,786	88,675	-
Add accretion of capital appreciation bonds .....	<u>318,844</u>	<u>31,374</u>	<u>34,355</u>	<u>315,863</u>	<u>21,553</u>
Total bonds, notes and certificates payable .....	<u>10,410,301</u>	<u>2,044,901</u>	<u>1,338,153</u>	<u>11,117,049</u>	<u>145,705</u>
Other liabilities:					
Net pension liability .....	31,512,071	-	6,453,078	25,058,993	-
Other postemployment benefits obligation .....	167,209	20,432	-	187,641	-
Pollution remediation .....	33,201	1,843	-	35,044	-
Claims and judgments .....	<u>942,622</u>	<u>166,436</u>	<u>96,302</u>	<u>1,012,756</u>	<u>110,903</u>
Total other liabilities .....	<u>32,655,103</u>	<u>188,711</u>	<u>6,549,380</u>	<u>26,294,434</u>	<u>110,903</u>
Total governmental activities .....	<u>\$ 43,065,404</u>	<u>\$ 2,233,612</u>	<u>\$ 7,887,533</u>	<u>\$ 37,411,483</u>	<u>\$ 256,608</u>
Business-type activities:					
Revenue bonds and notes payable:					
Water .....	\$ 2,468,397	\$ 501,214	\$ 568,606	\$ 2,401,005	\$ 88,916
Sewer .....	1,692,820	460,654	292,093	1,861,381	56,201
Chicago-O'Hare International Airport .....	7,260,508	2,191,787	806,415	8,645,880	298,185
Chicago Midway International Airport .....	<u>1,781,605</u>	<u>-</u>	<u>25,770</u>	<u>1,755,835</u>	<u>27,930</u>
	<u>13,203,330</u>	<u>3,153,655</u>	<u>1,692,884</u>	<u>14,664,101</u>	<u>471,232</u>
Add unamortized premium/(discount) .....	815,420	320,904	95,949	1,040,375	-
Add accretion of capital appreciation bonds .....	85,363	7,397	10,251	82,509	10,584
Net pension liability .....	4,247,194	-	1,262,863	2,984,331	-
Total business-type activities .....	<u>\$ 18,351,307</u>	<u>\$ 3,481,956</u>	<u>\$ 3,061,947</u>	<u>\$ 18,771,316</u>	<u>\$ 481,816</u>
Total long-term obligations .....	<u>\$ 61,416,711</u>	<u>\$ 5,715,568</u>	<u>\$10,949,480</u>	<u>\$ 56,182,799</u>	<u>\$ 738,424</u>

The Pension obligation liability will be liquidated through a Special Revenue Fund (Pension Fund) as provided by tax levy and other operating revenues.

**b) Issuance of New Debt**

**i) General Obligation Line of Credit**

During 2017, the City drew \$77.2 million from its Line of Credit to fund certain capital projects and operating uses. The City has excluded this line of credit amount from current liabilities, as it intends and has the ability to refinance the obligation on a long-term basis. As of December 31, 2017 the outstanding balance is \$77.2 million and the Line of Credit matures on September 24, 2019.

**ii) General Obligation Loans**

In February 2017, the City completed a refinancing of the outstanding Michael Reese Loan. The loan has a fixed interest rate of 3.55%, with a maturity date of June 30, 2024. Principal payments will be made semi-annually with the first semi-annual principal payment on the refinanced loan due on June 30, 2019. As of December 31, 2017, the outstanding balance is \$72.8 million.

**iii) General Obligation Bonds**

General Obligation Bonds, Tax Exempt Series 2017A (\$886.0 million) and Taxable Series 2017B (\$274.3 million) were sold at a discount in January 2017. The bonds have interest rates ranging from 5.625 percent to 7.045 percent and maturity dates from January 1, 2029 to January 1, 2038. Net proceeds of \$1,129.2 million will be used to pay a portion of the costs of 2017 projects (\$365.3 million), to refund or pay current and future interest, and refund a portion of certain outstanding General Obligation bonds (\$461.7 million), pay certain judgments and settlements (\$225.0 million), and fund capitalized interest (\$77.2 million). The refunding of interest only in the amount of \$213.4 million is reported as cash held with escrow agent in the City's financials. The refunding of the bonds increased the City's total debt service payments by \$514.8 million, resulting in a net economic loss of approximately \$32.3 million and a book loss of approximately \$2.6 million. A portion of the bond proceeds were deposited in an irrevocable trust with escrow agents to provide for all future debt service payments for certain outstanding bonds. Therefore, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

**iv) Revenue Loans**

In June 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to complete the Wacker Drive Reconstruction Project. Net proceeds of \$96.7 million will fund the Chicago Riverwalk along the main branch of the Chicago River (\$96.6 million) and fund capitalized interest (\$191 thousand). The interest rate is 3.33 percent and the final maturity of the loan is January 1, 2048. Total loan disbursements made to the City in 2017 were \$20.0 million. The final disbursement was made on December 1, 2017, and no further disbursements will be made. As of December 31, 2017, the final total outstanding loan amount is \$96.7 million. Principal repayment will begin on January 1, 2020 with a final maturity of January 1, 2048.

**v) Enterprise Fund Revenue Bonds and Notes**

In August 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions and improvements to the airport transit system (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of \$288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86 percent and the final maturity of the loan is January 1, 2054. Disbursements of \$156.8 million were made in 2017. As of December 31, 2017, the outstanding TIFIA loan amount is \$159.8 million that includes accrued interest of \$3.0 million.

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O'Hare issued \$102.2 million of Series 2016 Commercial Paper Notes in 2017. The proceeds were used to finance portions of the costs of authorized airport projects. As of December 31, 2017, there is \$102.2 million of outstanding commercial paper notes.

O'Hare Senior Lien Revenue Bonds, Series 2016 DEFG (\$1,117.2 million) were sold at a premium in January 2017. The bonds have interest rates ranging from 2.0 percent to 5.25 percent and maturity dates from January 1, 2018 to January 1, 2052. The net proceeds of \$1,196.1 million will be used to fund certain capital projects (\$1,012.8 million), to fund debt service reserves (\$49.6 million), and to fund capitalized interest (\$133.7 million).

O'Hare Senior Lien Revenue and Revenue Refunding Bonds, Series 2017 ABCD (\$812.5 million) were sold at a premium in June 2017. The bonds have interest rates ranging from 3.125 percent to 5.0 percent and maturity dates from January 1, 2018 to January 1, 2052. The net proceeds of \$924.3 million will be used to refund certain maturities of General Airport Revenue Bonds outstanding (\$600.9 million), fund certain capital projects (\$266.8 million), to fund debt service reserves (\$18.6 million), and to fund capitalized interest (\$38.0 million). The current and advance refunding of the bonds decreased the City's total debt service payment by \$64.2 million resulting in a net economic gain of approximately \$58.9 million and a book loss of approximately \$73.4 million. A portion of the bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for certain outstanding bonds. Therefore, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

Second Lien Water Revenue Bonds, Refunding Series 2017 (\$199.4 million) were sold at a premium in June 2017. The bonds have interest rates ranging from 5.0 percent to 5.25 percent and maturity dates from November 1, 2017 to November 1, 2036. The net proceeds of \$230.2 million were used to refund certain maturities of Water Revenue bonds outstanding. The current and advance refunding of the bonds decreased the City's total debt service payments by \$42.8 million resulting in a net economic gain of approximately \$32.4 million and a book loss of approximately \$0.4 million. A portion of the bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for certain outstanding bonds. Therefore, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

Second Lien Water Revenue Bonds, Refunding Series 2017-2 (\$235.3) million were sold at a premium in December 2017. The bonds have an interest rate of 5.0 percent and maturity dates from November 1, 2018 to November 1, 2038. The net proceeds of \$271.0 million were used to refund certain maturities of Water Revenue bonds outstanding. The advance refunding of the bonds decreased the total debt service payment by \$46.0 million, resulting in a net economic gain of approximately \$37.7 million and a book loss of approximately \$5.5 million. A portion of the bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for certain outstanding bonds. Therefore, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

Second Lien Wastewater Transmission Revenue Project and Refunding Bonds, Series 2017 A&B (\$396.1 million) were sold at a premium in June 2017. The bonds have interest rates ranging from 4.0 percent to 5.25 percent and maturity dates from January 1, 2018 to January 1, 2052. The net proceeds of \$441.8 million will be used to fund certain capital projects (\$196.0 million) and to refund certain maturities of Wastewater Transmission Revenue bonds outstanding (\$242.5 million). The current and advance refunding of the bonds decreased the Sewer's total debt service payments by \$54.1 million, resulting in a net economic gain of approximately \$32.6 million and a book loss of approximately \$5.3 million. A portion of the bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for certain outstanding bonds. Therefore, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

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A loan agreement was signed on October 8, 2014, with the Illinois Environmental Protection Agency to line approximately 20 miles of existing sewer line ranging in diameter from 8 inches to 72 inches located throughout the City. In 2017, the Sewer Fund drew \$56.2 million from this loan agreement. The loan has an interest rate of 1.99 percent with the maturity dates from June 9, 2017 to June 9, 2036.

A loan agreement was signed on January 22, 2016, with the Illinois Environmental Protection Agency to install approximately 4,900 lineal feet of reinforced concrete sewer main ranging from 36 to 72 inch diameter pipe on the 56th street corridor. In 2017, the Sewer Fund drew \$4.1 million from this loan agreement. The loan has an interest rate of 1.86 percent with the maturity dates from August 18, 2016 to August 18, 2036.

A loan agreement was signed on November 4, 2016, with the Illinois Environmental Protection Agency to install approximately 5,300 lineal feet of reinforced concrete sewer main ranging from 24 to 55 inch diameter pipe on Avenue "L" corridor. In 2017, the Sewer Fund drew \$4.3 million from this loan agreement. The loan has an interest rate of 1.75 percent with the maturity dates from May 3, 2018 to November 3, 2037.

A loan agreement was signed on May 27, 2014, with the Illinois Environmental Protection Agency for the replacement of the obsolete electrical switchgear and distribution equipment at the South Water Purification Plant and other installation building construction and minor architectural and electrical projects. In 2017, the Water Fund drew \$40.4 million from this loan agreement. The loan agreement has an interest rate of 1.99 percent with maturity dates from March 9, 2018 to September 9, 2037.

An amended loan agreement was signed on May 18, 2016, with the Illinois Environmental Protection Agency for the replacement of approximately 24 miles of damaged, undersized, leaking and antiquated water main located throughout the City with new 8 - inch water mains. The original loan agreement was signed on January 22, 2015. The amendment increased the original loan amount from \$47 million to \$59.5 million. In 2016, the Water Fund drew \$55.3 million from this loan agreement. In 2017, the Water Fund drew an additional \$6.5 million. The loan agreement has an interest rate of 2.21 percent with maturity dates from July 31, 2016 to January 31, 2036.

A loan agreement was signed on November 17, 2015, with the Illinois Environmental Protection Agency for the installation of water meters equipped with AMR (Automatic Meter Reading) at residences throughout the City. The Water Fund drew \$19.6 million from this loan agreement. The loan agreement has an interest rate of 1.86 percent with maturity dates from June 1, 2017 to June 1, 2036.

**vi) STSC Bonds and Notes**

The Sales Tax Securitization Corporation issued Sales Tax Securitization Refunding Series 2017ABC bonds were sold at a premium in December 2017. The bonds have interest rates ranging from 2.596% to 5.0% and maturity dates from January 1, 2020 to January 1, 2043. The net proceeds of \$785.2 million were used to advance refund all of the City's outstanding Sales Tax Revenue Bonds (\$614.9 million) and to refund all or a portion of certain outstanding General Obligation bonds (\$170.3 million). The current and advance refunding of the bonds decreased the City's total debt service payments by \$21.0 million, resulting in a net economic gain of approximately \$46.3 million and a book loss of approximately \$85.0 million. The bonds are secured by a pledge of the Sales Tax Revenues. A portion of the bond proceeds were deposited in an irrevocable trust with escrow agents to provide for all future debt service payments for certain outstanding bonds. Therefore, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

- c) **Annual requirements** listed below for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2018 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2017 are as follows (dollars in thousands):

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Year Ending December 31,	General Obligation		Tax Increment	
	Principal	Interest	Principal	Interest
2018 .....	\$ 194,097	\$ 455,975	\$ 5,710	\$ 1,233
2019 .....	276,480	477,066	6,020	960
2020 .....	355,650	535,759	4,135	706
2021 .....	352,334	518,433	4,375	494
2022 .....	358,800	507,029	7,685	192
2023-2027 .....	1,760,155	2,280,901	-	-
2028-2032 .....	2,192,734	1,799,986	-	-
2033-2037 .....	2,672,166	1,031,159	-	-
2038-2042 .....	1,261,836	271,411	-	-
2043-2047 .....	108,170	6,830	-	-
	<u>\$9,532,422</u>	<u>\$ 7,884,549</u>	<u>\$ 27,925</u>	<u>\$ 3,585</u>

Year Ending December 31,	Sales Tax					
	Revenue		Securitization Corporation		Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2018 .....	\$ 4,515	\$ 10,864	\$ -	\$ 29,451	\$ 471,233	\$ 711,579
2019 .....	4,980	10,642	3,000	28,123	478,315	688,490
2020 .....	5,365	10,399	3,150	27,973	466,419	674,035
2021 .....	5,777	10,140	27,045	27,816	435,008	649,936
2022 .....	6,217	9,862	33,705	26,752	463,112	628,915
2023-2027 .....	38,737	44,427	189,305	112,983	2,712,014	2,787,575
2028-2032 .....	54,133	34,056	163,925	74,278	3,108,230	2,028,799
2033-2037 .....	77,532	19,697	147,630	47,819	3,137,530	1,216,587
2038-2042 .....	22,758	7,396	175,975	19,380	2,080,109	514,901
2043-2047 .....	29,915	2,934	-	-	721,938	180,854
2048-2052 .....	-	-	-	-	452,205	60,432
2053-2054 .....	-	-	-	-	23,651	924
	<u>\$ 249,929</u>	<u>\$ 160,417</u>	<u>\$ 743,735</u>	<u>\$ 394,575</u>	<u>\$14,549,764</u>	<u>\$ 10,143,027</u>

For the debt requirements calculated above, interest rates for fixed rate bonds debt range from 0.74 percent to 7.781 percent and 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, 2017. Letters of credit were issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

O'Hare and Midway have variable rate bonds that 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 on the O'Hare's and Midway's variable rate Bonds. In the event that variable rate bonds are tendered by the owners thereof for purchase by the City and not successfully remarketed, the City would be obligated to reimburse the letter of credit bank for amounts drawn under the letter of credit to fund the purchase of such tendered bonds. If the City fails to reimburse the bank, the City's obligation to reimburse the bank may be converted to a term loan. There are no term loans currently outstanding under any reimbursement agreement. As of December 31, 2017, the principal balance of variable rate bonds was \$240.6 million and \$252.3 million for O'Hare and Midway, respectively.

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d) **Derivatives**

i) **Interest Rate Swaps**

(1) *Objective of the swaps.* In order to protect against the potential of rising interest rates and/or changes in cash flows, the City has entered into various separate interest rate swaps at a cost less than what the City would have paid to issue fixed-rate debt. Midway has the following outstanding swaps (dollars in thousands):

	Changes in Fair Value		Fair Value at		Notional Amount
	Classification	Amount	Classification	Amount	
<b>Business-type Activities</b>					
Hedges:					
	Deferred		Deferred		
	Outflow of		Outflow of		
Interest Rate Swaps ..	Resources	\$ 1,715	Resources	\$ (24,319)	\$ 127,625

(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, 2017, are as follows. The notional amounts of the swaps approximate 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. Under the swaps on a net basis for each related series of bonds, 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 as of December 31, 2017, are as follows (dollars in thousands):

Associated Bond Issue	Notional Amounts	Effective Date	Terms	Fair Values	Termination Date	Counterparty Credit Rating
<b>Hedging Instruments</b>						
<b>Business-type Activities:</b>						
Chicago Midway International Airport	76,575	12/14/2004	Pay 4.174%; receive SIFMA Plus .05%	\$ (14,256)	1/1/2035	A1/A+
Revenue Bonds (Series 2004C&D) ...	51,050	4/21/2011	Pay 4.247%; receive SIFMA Plus .05%	(10,063)	1/1/2035	Aa2/AA-
				<u>\$ (24,319)</u>		

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.

(3) *Fair Value.* As of December 31, 2017, the swaps had a negative fair value of \$24.3 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.

Derivative instruments are valued in the market using regression analysis. Significant inputs to the derivative valuation for interest rate swaps are observable in active markets and are classified as Level 2 in the fair value hierarchy.

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- (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) *Rollover Risk.* The risk that the City may be exposed to rising variable interest rates if (i) the swap expires or terminates prior to the maturity of the bonds and (ii) the City is unable to renew or replace the swap.
- (9) *Swap payments and associated debt.* As of December 31, 2017, 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):

Year Ending	Variable-Rate Bonds		Interest	Total
	Principal	Interest	Rate Swaps, Net	
December 31,				
2018 .....	\$ 4,775	\$ 2,140	\$ 3,041	\$ 9,956
2019 .....	5,000	2,053	2,918	9,971
2020 .....	5,225	1,963	2,789	9,977
2021 .....	5,350	1,870	2,658	9,878
2022 .....	5,675	1,772	2,518	9,965
2023 - 2027 .....	32,400	7,227	10,270	49,897
2028 - 2032 .....	40,375	4,024	5,719	50,118
2033 - 2035 .....	28,825	557	792	30,174
	<u>\$ 127,625</u>	<u>\$ 21,606</u>	<u>\$ 30,705</u>	<u>\$ 179,936</u>

e) **Debt Covenants**

- i) **Water Fund** - The ordinances authorizing the issuance of outstanding Water Revenue Bonds require that net revenues available for bonds, as adjusted shall each fiscal year at least equal the greater of (i) 120% of the aggregate debt service requirement for the fiscal year on all the outstanding senior lien bonds, or (ii) the sum of (A) aggregate debt service requirements for the fiscal year on the outstanding senior lien bonds, plus (B) 110 percent of the aggregate debt service requirements for the fiscal year on of the outstanding second lien bonds, plus (C) aggregate outstanding debt service requirements for the fiscal year on the outstanding IEPA loans, plus (D) annual debt service requirement for the fiscal year on aggregate outstanding water commercial paper notes, plus (E) annual debt service requirement on any outstanding water line of credit. This requirement was met at December 31, 2017.
- ii) **Sewer Fund** - The ordinances authorizing the issuance of outstanding 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 available for bonds, as adjusted shall each fiscal year at least equal (A) 115 percent of the aggregate debt service requirement for the fiscal year on the outstanding senior lien bonds, plus (B) the sum of the aggregate annual debt service requirements for the fiscal year on of the outstanding second lien bonds, plus (C) 115 percent of the aggregate outstanding debt service requirements for the fiscal year on of the outstanding IEPA loans, plus (D) annual debt service requirement for the fiscal year on aggregate outstanding debt service on any outstanding wastewater line of credit and commercial paper notes. This requirement was met at December 31, 2017.
- iii) **Chicago Midway International Airport Fund** - The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds requires in each year that the City fix and establish and revise from time to time whenever necessary, such rates and other charges for the use and operation of Midway and for services rendered by the City in the operation of Midway in order that, in each Fiscal year, Revenues, together with any Other Available Monies deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then 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 Fiscal Year and (b) to provide for the greater of (i) the amounts needed to make the Deposits required during such Fiscal Year into the Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125 percent of the Aggregate 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 First Lien Bonds. These requirements were met at December 31, 2017.

The Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations requires that the City fix and establish and revise from time to time whenever necessary, such rentals, rates and other charges for the use and operation of Midway and for certain services rendered by the City in the operation of Midway in order that in each Fiscal Year, Revenues, together with Other Available Moneys deposited with the First Lien Trustee or the Second Lien Trustee with respect to such Fiscal Year and any cash balance held in the First Lien Revenue Fund or the Second Lien Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account under the First Lien Indenture for the Second Lien Indenture, will be at least sufficient (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for the greater of (A) or (B) as follows: (A) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above; or (B) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above or an amount not less than 110 percent of the Aggregate First Lien Debt Service and Aggregate Second Lien Debt Service for the Bond Year commencing during such Fiscal Year, reduced by (X) any amount held in any Capitalized Interest Account for disbursement during such Bond Year to pay interest on First Lien Bonds, and (Y) any amount held in any capitalized interest account established pursuant to a Supplemental Indenture under the Second Lien Indenture for disbursement during such

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Bond Year to pay interest on Second Lien Obligations. These requirements were met at December 31, 2017.

- iv) **Chicago-O'Hare International Airport Fund** - The Master Indenture of Trust securing Chicago O'Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of O'Hare in order 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 Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and ten-hundredths times Aggregate 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 Senior Lien Obligations. This requirement was met at December 31, 2017.

The Master Trust Indenture securing Chicago O'Hare International Airport Passenger Facility Charge (PFC) Obligations requires PFC Revenues, as defined, received by the City to be deposited into the PFC Revenue Fund. The City covenants to pay from the PFC Revenue Fund not later than the twentieth day of each calendar month the following amounts in the following order of priority: (1) to the Trustee for deposit in the Bond Fund, the sum required to make all of the Sub-Fund Deposits and Other Required Deposits to be disbursed from the Bond Fund [to meet debt service and debt service reserve requirements] in the calendar month pursuant to the Master Indenture; (2) to make any payments required for the calendar month with respect to Subordinated PFC Obligations; and (3) all moneys and securities remaining in the PFC Revenue Fund shall be transferred by the City (or the Trustee if it then holds the PFC Revenue Fund pursuant to the Master Indenture) to the PFC Capital Fund.

The Indenture of Trust Securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City, (3) to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve months, as determined by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

- 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

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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 Position 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, 2017, not including principal payments due January 1, 2018, are as follows (dollars in thousands):

	<b>Amount</b>	
	<b>Defeased</b>	<b>Outstanding</b>
General Obligation Emergency Telephone System - Series 1993 .....	\$ 213,730	\$ 69,930
General Obligation Bonds - Series 2001A .....	47,505	9,185
General Obligation Project and Refunding Bonds - Series 2002A .....	2,305	2,305
General Obligation Project and Refunding Bonds - Series 2003A .....	13,580	13,580
General Obligation Project Bonds - Series 2003C .....	5,110	5,110
General Obligation Project Bonds - Series 2004A .....	23,435	23,435
General Obligation Project and Refunding Bonds - Series 2005A .....	43,545	2,555
General Obligation Project and Refunding Bonds - Series 2005B .....	49,465	5,335
General Obligation Project and Refunding Bonds - Series 2006A .....	84,560	43,420
General Obligation Project and Refunding Bonds - Series 2007A .....	54,460	10,090
General Obligation Project and Refunding Bonds - Series 2007C .....	42,175	24,650
General Obligation Project and Refunding Bonds - Series 2008A .....	46,105	24,895
General Obligation Neighborhoods Alive 21 Program - Series 2003 .....	1,400	1,400
Lakefront Millennium Project Parking Facilities Bonds - Series 1998 .....	149,880	43,880
Sales Tax Revenue Bonds - Series 2002 .....	110,580	109,975
Sales Tax Revenue Bonds - Series 2005 .....	68,055	68,055
Sales Tax Revenue Bonds - Series 2009A .....	68,730	67,640
Sales Tax Revenue Bonds - Series 2009B .....	2,150	2,150
Sales Tax Revenue Refunding Bonds - Series 2009C .....	20,012	20,012
Sales Tax Revenue Refunding Bonds - Series 2011A .....	214,340	214,340
Sales Tax Revenue Refunding Bonds - Series 2011B .....	18,565	18,565
Water Revenue Second Lien Bonds - Series 2008A .....	312,735	312,735
Wastewater Transmission Second Lien Revenue Bonds - Series 2008A .....	131,055	131,055
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008A ....	530,170	530,170
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008C ....	36,255	36,255
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2010A ....	13,645	13,645
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011A ....	348,075	348,075
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011B ....	121,905	121,905
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011C ....	283,925	283,925
Special Transportation Revenue Bonds - Series 2001 .....	118,715	78,575
<b>Total .....</b>	<b>\$ 3,176,167</b>	<b>\$ 2,636,847</b>

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**10) Pension Funds and Other Postemployment Benefits**

**a) Pension**

**General Information about the Pension Plan**

**Plan Description** – Eligible City employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees’ Annuity and Benefit Fund of Chicago (Municipal Employees’); the Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (Laborers’); the Policemen’s Annuity and Benefit Fund of Chicago (Policemen’s); and the Firemen’s Annuity and Benefit Fund of Chicago (Firemen’s). The plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by Plan members. Certain employees of the Chicago Board of Education participate in Municipal Employees’ or Laborers’. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at [www.meabf.org](http://www.meabf.org), [www.labfchicago.org](http://www.labfchicago.org), [www.chipabf.org](http://www.chipabf.org), and [www.fabf.org](http://www.fabf.org).

**Benefits provided** - The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirements of age and service are different for employees depending on when they first became members of their respective Plans. For all four Plans, employees who became members before January 1, 2011 are considered Tier 1 Employees. For Policemen’s and Firemen’s, those employees who became members on or after January 1, 2011 are considered Tier 2 Employees. For Municipal Employees’ and Laborers’, those employees who became members on or after January 1, 2011 but before July 6, 2017 are considered Tier 2 Employees. For Municipal Employees’ and Laborers’, those employees who became members on or after July 6, 2017 are considered Tier 3 Employees. Public Act 100-0023 (P.A. 100-0023), which established the requirements for Tier 3 employees, includes a provision for Tier 2 employees to elect to be considered as Tier 3 employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2 percent to 2.5 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 for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

Benefit terms provide for annual adjustments to each employee’s retirement allowance subsequent to the employees’ retirement date. For Tier 1 Employees, the annual adjustments for Municipal Employees’ and Laborers’ are 3.0 percent, compounded, and for Policemen’s and the majority of participants in Firemen’s 3.0 percent, simple, for annuitants born before January 1, 1966 and 1.5 percent, simple, born after January 1, 1966 or later. For Tier 2 Employees and Tier 3 Employees, the annual adjustments are equal to the lesser of 3.0 percent and 50 percent of CPI-U of the original benefit.

**Employees covered by benefit terms** - At December 31, 2017, the following employees were covered by the benefit terms:

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries currently receiving benefits .....	25,383	3,703	13,628	4,878	47,592
Inactive employees entitled to but not yet receiving benefits .....	17,549	1,469	640	77	19,735
Active employees .....	30,922	2,794	12,633	4,613	50,962
	<u>73,854</u>	<u>7,966</u>	<u>26,901</u>	<u>9,568</u>	<u>118,289</u>

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**Contributions** – Historically State law required City contributions at statutorily, not actuarially, determined rates. State law also requires covered employees to contribute a percentage of their salaries. The City’s contribution for payment year 2017 for Municipal Employees’ and Laborers’ was calculated based on the total amount of contributions by employees to the respective Plans made in the calendar year two years prior, multiplied by 1.25 for Municipal Employees’, and 1.00 for Laborers’.

For the Municipal Employees’ and Laborers’ Plans, Public Act 100-0023 (P.A. 100-0023) was enacted on July 6, 2017. P.A. 100-0023 requires the City to contribute specific amounts to the Municipal Employees’ and the Laborers’ Plans in the aggregate amounts as follows: in payment year 2018, \$302.0 million; in payment year 2019, \$392.0 million; in payment year 2020, \$481.0 million; in payment year 2021, \$571.0 million; and in payment year 2022, \$660.0 million. Additionally, P.A. 100-0023 requires that the City’s contributions are at actuarially determined rates beginning in payment year 2023 and future funding be sufficient to produce a funding level of 90 % by the end of 2058.

For Policemen’s and Firemen’s, Public Act 99-0506 (P.A. 99-0506) was enacted on May 31, 2016. P.A. 99-0506 requires the City to contribute specific amounts to the Policemen’s and Firemen’s Plans in the aggregate amounts as follows: in payment year 2017, \$672 million; in payment year 2018, \$727 million; in payment year 2019, \$792 million; and in payment year 2020, \$824 million. Additionally, P.A. 99-0506 requires that the City’s contributions are at actuarially determined rates beginning in payment year 2021 and future funding be sufficient to produce a funding level of 90 % by the end of 2055.

The City’s contributions are budgeted in the same year as the applicable levy year for the property taxes funding the contributions. The City’s contributions are then paid to the pension funds in the following year which is when the levied property taxes are collected and paid to the City by the Cook County Treasurer.

**Net Pension Liability**

The City’s net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial reports were provided by each of the pension funds.

*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Municipal Employees'	Laborers'	Policemen's	Firemen's
Inflation .....	2.5%	2.25%	2.75%	2.5%
Salary Increases .....	3.5% - 7.75% (a)	3.00% (b)	3.75% (c)	3.75% (d)
Investment Rate of Return .....	7.0% (e)	7.25% (f)	7.25%	7.5%

- (a) (1.50%-6.50% for 2018-2022), varying by years of service
- (b) Plus a service - based increase in the first 9 years
- (c) Plus additional percentage related to service
- (d) Plus additional service based increases
- (e) Net of investment expense
- (f) Net of investment expense, including inflation

Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table (Blue Collar mortality table for Laborers' and Firemen's) for males or females, as appropriate. Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table (Blue Collar mortality table for Laborers' and Firemen's). Disabled mortality rates were based on the RP-2014 Healthy Annuitant mortality table for Policemen’s and Blue Collar mortality table for Firemen’s.

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The mortality actuarial assumptions used in the December 31, 2017 valuation were adjusted based on the results of actuarial experience study for the period as noted below:

- Municipal Employees' - January 1, 2012 - December 31, 2016
- Laborers' - January 1, 2012 - December 31, 2016
- Policemen's - January 1, 2009 - December 31, 2013
- Firemen's - January 1, 2012 - December 31, 2016

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

Asset Class:	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Equity .....	-	-	-	60.0%	-	-	-	7.25%
Domestic equity .....	26.0%	-	-	-	5.60%	-	-	-
U.S. equity .....	-	25.0%	21.0%	-	-	5.80%	6.10%	-
Non U.S. equity .....	-	20.0%	21.0%	-	-	5.70%	7.70%	-
Global low volatility equity ..	-	5.0%	-	-	-	5.00%	-	-
International equity .....	22.0%	-	-	-	5.70%	-	-	-
Fixed income .....	27.0%	20.0%	22.0%	20.0%	1.00%	(0.20%)	1.90%	7.34%
Hedge funds .....	10.0%	10.0%	5.0%	-	3.60%	3.60%	4.00%	-
Private debt .....	-	3.0%	-	-	-	8.20%	-	-
Private equity .....	5.0%	4.0%	-	-	9.40%	9.40	-	-
Private markets .....	-	-	17.0%	-	-	-	7.40%	-
GAA .....	-	-	5.0%	-	-	-	4.40%	-
Real estate .....	10.0%	10.0%	5.0%	8.0%	5.40%	5.40%	4.60%	7.62%
Real assets .....	-	-	4.0%	-	-	-	4.80%	-
Private Real assets .....	-	3.0%	-	-	-	5.80%	-	-
Other investments .....	-	-	-	12.0%	-	-	-	7.70%
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>				

*Discount rate*

Municipal Employees' - The discount rate used to measure the total pension liability as of December 31, 2017 was 7.0 percent, which is an increase from the discount rate of 3.91 percent used to measure the total pension liability as of December 31, 2016. The increase in the discount rate was mainly a result of the increased projected contributions as specified by Public Act 100-0023. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.0 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service cost of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability. The valuation as of December 31, 2016, projected that the pension plan's fiduciary net position would be available to make payments through 2023. As a result of the increase in

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projected contributions, the pension plan's fiduciary net position is now projected to be available to make all projected future benefit payments of current plan members.

Laborers' - A Single Discount Rate of 7.07 percent was used to measure the total pension liability as of December 31, 2017, which is an increase from the discount rate of 4.17 percent used to measure the total pension liability as of December 31, 2016. The increase in the discount rate was mainly a result of the increased projected contributions as specified by Public Act 100-0023. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.31 percent (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2071. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2071, and the municipal bond rate was applied to all benefit payments after that date. The valuation as of December 31, 2016, projected that the pension plan's fiduciary net position would be available to make payments through 2027. As a result of the increase in projected contributions, the pension plan's fiduciary net position is now projected to be available to make all projected future benefit payments of current plan members through 2071.

Policemen's - A Single Discount Rate of 7.0 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25 percent (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance benefit payments through the year 2070. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2070, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's - A Single Discount Rate of 7.23 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.31 percent (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the statutory contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position and future contributions were sufficient to finance future benefit payments only through the year 2070. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2070, and the municipal bond rate was applied to all benefit payments after that date.

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*Changes in the Net Pension Liability (dollars in thousands):*

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Total pension liability					
Service cost .....	\$ 572,534	\$ 80,232 *	\$ 237,333 *	\$ 93,367 *	\$ 983,466
Interest .....	915,711	154,047	917,720	371,622	2,359,100
Benefit changes .....	-	150	-	-	150
Differences between					
expected and actual experience .....	(177,755)	(62,178)	(299,923)	26,954	(512,902)
Assumption changes .....	(7,431,191)	(1,074,754)	238,975	414,219	(7,852,751)
Benefit payments including refunds .....	(888,174)	(157,050)	(747,891)	(306,098)	(2,099,213)
Pension plan administrative expense .....	-	(3,985)	(4,843)	(3,172)	(12,000)
Net change in total pension liability .....	(7,008,875)	(1,063,538)	341,371	596,892	(7,134,150)
Total pension liability:					
Total pension liability - Beginning .....	23,291,271	3,693,645	13,113,091	5,149,258	45,247,265
Total pension liability - Ending (a) .....	<u>\$ 16,282,396</u>	<u>\$ 2,630,107</u>	<u>\$ 13,454,462</u>	<u>\$ 5,746,150</u>	<u>\$ 38,113,115</u>
Plan fiduciary net position					
Contributions-employer .....	\$ 261,764	\$ 35,457	\$ 494,483	\$ 228,453	\$ 1,020,157
Contributions-employee .....	134,765	17,411	103,011	47,364	302,551
Net investment income (loss) .....	610,515	207,981	412,190	140,570	1,371,256
Benefit payments including					
refunds of employee contribution .....	(888,174)	(157,050)	(747,891)	(306,098)	(2,099,213)
Administrative expenses .....	(6,473)	(3,985)	(4,843)	(3,172)	(18,473)
Other .....	5,394	-	97	22	5,513
Net change in plan fiduciary net position ..	117,791	99,814	257,047	107,139	581,791
Plan fiduciary net position - beginning .....	4,436,227	1,167,740	2,865,019	1,019,014	9,488,000
Plan fiduciary net position - ending (b) .....	<u>\$ 4,554,018</u>	<u>\$ 1,267,554</u>	<u>\$ 3,122,066</u>	<u>\$ 1,126,153</u>	<u>\$ 10,069,791</u>
Net pension liability-ending (a)-(b) .....	<u>\$ 11,728,378</u>	<u>\$ 1,362,553</u>	<u>\$ 10,332,396</u>	<u>\$ 4,619,997</u>	<u>\$ 28,043,324</u>

\* Includes pension plan administrative expense

Changes in Actuarial Assumptions: Changes under P.A. 100-0023 resulted in an increase in future required contributions to the Municipal Employees' and Laborers' pension plans resulting in an increase in the discount rate for the Municipal Employees' and Laborers' Pension Plans as discussed in the discount rate section above.

The change in the discount rate and other assumptions decreased the net pension liability by \$7.4 billion for Municipal Employees' and \$1.1 billion for Laborers'. This change is being amortized into expense over a 5 year period for Municipal Employees' and 4 year period for Laborers'.

*Sensitivity of the net pension liability to changes in the discount rate*

Municipal Employees' - The following presents the net pension liability as of December 31, 2017, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate (dollars in thousands):

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	1% Decrease	Current Discount Rate	1% Increase
Net pension liability December 31, 2017			
Municipal Employees' discount rate .....	6.00%	7.00%	8.00%
Municipal Employees' net pension liability ...	\$ 13,807,800	\$ 11,728,378	\$ 10,006,090

Laborers' - The following presents the net pension liability as of December 31, 2017, calculated using the discount rate of 7.07 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.07 percent) or 1 percentage point higher (8.07 percent) than the current rate (dollars in thousands):

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability December 31, 2017			
Laborers' discount rate .....	6.07%	7.07%	8.07%
Laborers' Employees' net pension liability ...	\$ 1,680,428	\$ 1,362,553	\$ 1,096,678

Policemen's - The following presents the net pension liability as of December 31, 2017, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate (dollars in thousands):

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability December 31, 2017			
Policemen's Employees' discount rate .....	6.00%	7.00%	8.00%
Policemen's Employees' net pension liability ...	\$ 11,944,827	\$ 10,332,396	\$ 8,978,202

Firemen's - The following presents the net pension liability as of December 31, 2017, calculated using the discount rate of 7.23 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.23 percent) or 1 percentage point higher (8.23 percent) than the current rate (dollars in thousands):

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability December 31, 2017			
Firemen's Employees' discount rate .....	6.23%	7.23%	8.23%
Firemen's Employees' net pension liability ....	\$ 5,303,879	\$ 4,619,997	\$ 4,046,477

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Pension Plans reports.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2017, the City recognized pension expense of \$2.5 billion. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

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	Municipal Employees'		Laborers'		Policemen's		Firemen's	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience .....	\$ -	\$ 262,410	\$ -	\$ 63,241	\$ 1,180	\$ 300,297	\$ 38,351	\$ 3,983
Changes of assumptions .....	3,484,702	6,292,305	151,720	793,688	272,073	-	433,139	49,019
Net difference between projected and actual earnings on pension plan investments ..	-	109,820	66,791	99,507	138,623	168,002	38,717	52,300
<b>Total .....</b>	<b>\$ 3,484,702</b>	<b>\$ 6,664,535</b>	<b>\$ 218,511</b>	<b>\$ 956,436</b>	<b>\$ 411,876</b>	<b>\$ 468,299</b>	<b>\$ 510,207</b>	<b>\$ 105,302</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows (dollars in thousands):

Year ended December 31:	Municipal Employees'	Laborers'	Policemen's	Firemen's
2018 .....	\$ 57,074	\$ (201,159)	\$ 11,046	\$ 97,948
2019 .....	57,074	(332,885)	11,046	97,948
2020 .....	(1,712,937)	(179,004)	(32,801)	82,590
2021 .....	(1,581,044)	(24,877)	(36,612)	53,063
2022 .....	-	-	(9,102)	73,356
<b>Total .....</b>	<b>\$ (3,179,833)</b>	<b>\$ (737,925)</b>	<b>\$ (56,423)</b>	<b>\$ 404,905</b>

*Deferred outflows and deferred inflows related to changes in proportionate share of contributions*

For the year ended December 31, 2017, the City reported a pension benefit of \$48.4 million, deferred inflows of \$204.2 million and deferred outflows of \$5.5 million related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension expense/(benefit) over a period of four years.

*Payable to the Pension Plans*

At December 31, 2017, the City reported a payable of \$690.3 million for the outstanding amount of contributions to the Pension Plans required for the year ended December 31, 2017.

**b) Other Post Employment Benefits (OPEB) - Pension Funds**

Applicable state law authorized the four respective Pension Funds (Policemen's, Firemen's, Municipal Employees', and Laborers') to provide a fixed monthly dollar subsidy to each annuitant who had elected coverage under any City health plan through December 31, 2016. After that date, no Pension Fund subsidies were authorized by state law.

*Underwood litigation* - In 2017, the Illinois Appellate Court held that current and future annuitants hired prior to the execution of a court approved settlement agreement in 2003 in the *City of Chicago v. Korshak* (those who retired prior to August 23, 1989 and their dependents, *Korshak* group) litigation, and subject to certain eligibility requirements, are entitled to receive lifetime fixed rate monthly subsidies equal to the subsidy amounts provided in the 1983 and 1985 amendments to the Pension Code. Those subsidies are, for Policemen's and Firemen's, \$21 per month or \$55 per month, depending on the annuitant's Medicare eligibility, and for Municipal Employees' and Laborers', \$25 per month for those annuitants who are 65 or older with at least 15 years of service. The issue of whether the Pension Funds or the City is obligated to make the subsidy payments to the annuitants is still subject to litigation. The 1983 and 1985 statutes state that the Pension Funds are obligated to make the payments but none of the Pension Funds included the liability for

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the monthly subsidies in their respective actuarial valuation reports under GASB 43. For that reason, the City has included the liability for the monthly fixed subsidies for this limited group under GASB 45 and is reported together with the Retirees' Settlement Health Plan liability.

**c) Other Post Employment Benefits - City Obligation**

**Retirees' Settlement Health Plan** - As of January 1, 2014, the City of Chicago agreed to provide a healthcare plan with a subsidy of 55% of the cost of that plan to those City annuitants who retired prior to August 23, 1989, for their lifetimes. 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. The net expense to the City in 2017 for providing these benefits was \$22.7 million. Of that amount, \$14.8 million was attributed to runoff claims for the retirees who no longer received subsidized healthcare from the City after December 31, 2016, and \$7.9 million was attributed to the class of retirees and their dependents (those who retired prior to August 23, 1989), who will continue to receive lifetime subsidized healthcare from the City. The average number of annuitants in this latter group is 2,978 and a total of 3,378 covered lives including dependents. Duty Disabled retirees who have statutory pre-63/65 coverage will continue to have fully subsidized coverage under the active health plan until age 65.

**Special Benefits under the Collective Bargaining Agreements (CBA)** - Under the terms of the latest collective bargaining agreements for the Fraternal Order of Police and the International Association of Fire Fighters, certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the healthcare benefit program offered to actively employed members. They may keep this coverage until they reach the age of Medicare eligibility. CBA special early retirement benefits cease at Medicare eligibility age.

An extension of the CBA was negotiated (and finalized in 2014) governing the contract period (thru June 30, 2016 for Police Captains, Sergeants and Lieutenants and June 30, 2017 for remaining Police and Fire). As of the date of this report, negotiations are ongoing regarding new agreements which cover the retiree health benefits. Under the "maintenance of effort" protocols, the provisions of the prior agreement are honored until a new agreement is signed. It is not known whether the CBA special health benefits will be specifically eliminated, modified, or extended at this time. Therefore the actuarial valuation assumes the expiration of the early retirement special benefits as of the December of the contract expiration year, but includes the liabilities for continuation of payments to those members who would have already retired under the CBA as of December 31 of that year. Based upon prior history, the negotiations are assumed to be concluded by December 31, 2019. CBA retirees were required to contribute 2% of their pension for health care coverage beginning at the end of 2017.

**Funding Policy** - 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 post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution "ARC" of the employer. The ARC 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 ten years.

The following table shows the components of the City's annual OPEB costs for the year for the Health Plan and CBA Special Benefits, the amount actually contributed to the plan, and changes in the City's net OPEB obligation. The *Net OPEB Obligation* is the amount entered upon the City's Statement of Net Position as of year end as the net liability for the other post-employment benefits – the Health Plan. The amount of the annual cost that is recorded in the Statement of Changes in Net Position for 2017 is the annual OPEB cost (expense).

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**Annual OPEB Cost and Contributions Made**  
(dollars in thousands)

	Retiree Settlement Health Plan	CBA Special Benefits	Total
Contribution Rates:			
City .....	Pay-As-You-Go	Pay-As-You-Go	Pay-As-You-Go
Plan Members .....	N/A	N/A	N/A
Annual Required Contribution .....	\$ 50,871	\$ 66,091	\$ 116,962
Interest on Net OPEB Obligation .....	81	4,935	5,016
Adjustment to Annual Required Contribution .....	(307)	(18,724)	(19,031)
Annual OPEB Cost .....	50,645	52,302	102,947
Contributions Made .....	38,967	43,548	82,515
Increase/(Decrease) in Net OPEB Obligation .....	11,678	8,754	20,432
Net OPEB Obligation, Beginning of Year .....	2,698	164,511	167,209
Net OPEB Obligation, End of Year .....	\$ 14,376	\$ 173,265	\$ 187,641

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 are as follows (dollars in thousands):

**Schedule of Contributions,  
OPEB Costs and Net Obligations**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<b>Settlement Plan</b>			
12/31/2017	\$ 50,645	76.9%	\$ 14,376
12/31/2016	38,469	130.1	2,698
12/31/2015	43,645	133.5	14,280
<b>CBA Special Benefits</b>			
12/31/2017	\$ 52,302	83.3%	\$ 173,265
12/31/2016	45,560	87.0	164,511
12/31/2015	48,195	79.4	158,571
<b>Total</b>			
12/31/2017	\$ 102,947	80.2%	\$ 187,641
12/31/2016	84,029	106.7	167,209
12/31/2015	91,840	105.1	172,851

**Funded Status and Funding Progress** - As of January 1, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$842.9 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2,627.7 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was 32.1 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, (unaudited) supplementary information following the notes to the financial statements.

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**Schedule of Funding Progress (dollars in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<b>Settlement Plan</b>						
12/31/2016	\$ -	\$ 331,496	\$ 331,496	0%	\$ 2,627,662	12.6 %
<b>CBA Special Benefits</b>						
12/31/2016	\$ -	\$ 511,429	\$ 511,429	0%	\$ 1,547,102	33.1 %
<b>Total</b>						
12/31/2016	\$ -	\$ 842,925	\$ 842,925	0%		32.1 %

**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 Health Plan Benefits the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.0% for 2018, reduced by decrements to an ultimate rate of 5.0% in 2029. Rates included a 2.5% 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 3.0%. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years. The benefits include lifetime benefits for the class of retirees (those who retired prior to August 23, 1989, *Korshak* group) and their dependents, lifetime fixed subsidy benefits for the annuitant category (except *Korshak*) hired prior to 2003, Non-CBA health benefits provided to duty disability participants under the active health plan payable to age 63/65.

For the Special Benefits under the CBA for Police and Fire, the contract’s expiration dates are of June 30, 2016 (for Police Captains, Sergeants and Lieutenants) and June 30, 2017 for all other Police and Fire. The expectations consistent with the City’s posture on sunsetting retiree health benefits, was that the CBA benefits would expire at the end of the current contract period and not be renewed. Negotiations are ongoing and expected to continue, based upon prior history, for two to three years. Since the City is required to honor the provisions of the existing contract until a new agreement is negotiated under the “Maintenance of Effort” protocol, the valuation has included liabilities for CBA benefits as if the actual expiration of the contracts was extended to 12/31/2019. This would mean liabilities are included only for payments on behalf of early retired, already retired and in pay status as of December 31 of the assumed expiration year of the contract (2019). The entry age normal method was selected. The actuarial assumptions included an annual health care cost trend rate of 8.0% in 2018, reduced by decrements to an ultimate rate of 5.0% in 2029. Rates included a 2.5% inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. The funds expected to be used to pay benefits are assumed to be invested for durations which will yield an annual return rate of 3.0%. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years.

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**Summary of Assumptions and Methods**

	Settlement Health Plan	CBA Special Benefits
Actuarial Valuation Date .....	December 31, 2016	December 31, 2016
Actuarial Cost Method .....	Entry Age Normal	Entry Age Normal
Amortization Method .....	Level Dollar, open	Level Dollar, open
Remaining Amortization Period .	10 years	10 years
Asset Valuation Method .....	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return .....	3.0%	3.0%
Projected Salary Increases .....	2.5%	2.5%
	1.9% for 2017 then	1.9% for 2017 then
Healthcare Inflation Rate .....	8.0% to 5.0% in 2029	8.0% to 5.0% in 2029

**11) 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 Position as claims payable along with amounts related to deferred compensatory time and estimated liabilities for questioned costs. As of December 31, 2017, the total amount of non-Enterprise Fund claims was \$528.8 million and Enterprise Fund was \$75.4 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):

	<u>2017</u>	<u>2016</u>
Balance, January 1 .....	\$ 585,372	\$572,360
Claims incurred and change in estimates .....	501,767	666,444
Claims paid on current and prior year events .....	<u>(482,877)</u>	<u>(653,432)</u>
Balance, December 31 .....	<u>\$ 604,262</u>	<u>\$585,372</u>

**12) 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

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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 that 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 assigned by the Mayor or his designee, up to the amount of available “Unassigned” fund balance at the end of the previous fiscal year.

**Fund Balance Classifications**

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

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development Improvement Projects	Other Governmental Funds
Nonspendable Purpose:								
Inventory .....	\$ 25,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STSC Blended Balance * .....	-	-	-	-	-	769,064	-	-
Restricted Purpose:								
Capital Projects .....	-	-	1,347,294	-	-	-	346,000	98,714
Grants .....	-	7,438	-	-	-	-	-	-
Debt Service .....	-	-	-	-	-	26,003	-	74,988
General Government .....	-	-	-	-	-	-	-	3,057
Committed Purpose:								
Budget and Credit Rating Stabilization ...	-	-	-	668,287	-	-	-	-
Repair, Maintenance and City Services ..	-	-	-	-	-	-	-	79,267
Pension Contributions Reserve .....	-	-	-	-	-	-	-	42,935
Assigned Purpose:								
Future obligations .....	16,900	-	-	-	-	-	-	-
Special Projects .....	53,000	-	-	-	-	-	-	-
Assigned for Future								
Appropriated Fund Balance .....	37,000	-	-	-	-	-	-	-
Unassigned .....	155,516	(248,840)	-	(1,513,194)	(328,993)	-	-	(38,423)
Total Government Fund Balance .....	<u>\$ 288,361</u>	<u>\$ (241,402)</u>	<u>\$ 1,347,294</u>	<u>\$ (844,907)</u>	<u>\$ (328,993)</u>	<u>\$ 795,067</u>	<u>\$ 346,000</u>	<u>\$ 260,538</u>

\* The STSC is a blended component unity of the City. The STSC Blended Balance above, represents the sale of sales tax revenues that will be amortized over the life of the related bonds. As discussed in the Fund Deficit footnote 3c, the deficit within the City’s Bonds, Note Redemption and Interest Fund represents this sale that has been deferred and will be funded through the recognition of the related amortization.

At the end of the fiscal year, total encumbrances amounted to \$16.9 million for the General Operating Fund, \$34.7 million for the Special Taxing Areas Fund, \$7.0 million for the Capital Projects Fund and \$24.8 million for the Non Major Special Revenue Fund.

**13) Deferred Outflows and Inflows of Resources**

In accordance with Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the City reports deferred outflows of resources in the Statement of Net Position in a separate section following Assets. Similarly, the City reports deferred inflows of resources in the Statement of Net Position in a separate section following Liabilities.

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The components of the deferred outflows of resources and deferred inflows of resources at December 31, 2017 are as follows (dollars in thousands):

	Governmental Activities	Business-type Activities
Deferred Outflows of Resources:		
Deferred outflows from pension activities ...	\$ 3,906,856	\$ 718,440
Changes in proportionate share of pension contributions .....	5,521	228,233
Unamortized deferred bond refunding costs .....	177,493	223,908
Derivatives .....	-	24,319
Total Deferred Outflows of Resources .....	<u>\$ 4,089,870</u>	<u>\$ 1,194,900</u>
Deferred Inflows of Resources:		
Deferred inflows from pension activities .....	\$ 6,696,345	\$ 1,498,226
Changes in proportionate share of pension contributions .....	204,189	17,279
Long-Term lease and Service concession arrangements .....	1,513,194	1,589,697
Total Deferred Inflows of Resources .....	<u>\$ 8,413,728</u>	<u>\$ 3,105,202</u>

The components of the deferred inflows of resources related to the governmental funds at December 31, 2017 are as follows (dollars in thousands):

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	Pension	Other Governmental Funds	Total Governmental Funds
<b>Governmental Funds:</b>								
<b>Deferred inflow of resources:</b>								
Property Taxes .....	\$ -	\$ -	\$ 459,590	\$ -	\$ 421,872	\$ 681,800	\$ 19,706	\$ 1,582,968
Utility Taxes .....	-	-	-	-	-	-	4,796	4,796
Grants .....	-	243,150	-	-	-	-	-	243,150
Charges for Services .....	1,968	-	-	-	-	-	-	1,968
Long-term Lease and Concession Agreements .....	-	-	-	1,513,194	-	-	-	1,513,194
Total Governmental Funds .....	<u>\$ 1,968</u>	<u>\$ 243,150</u>	<u>\$ 459,590</u>	<u>\$ 1,513,194</u>	<u>\$ 421,872</u>	<u>\$ 681,800</u>	<u>\$ 24,502</u>	<u>\$ 3,346,076</u>

**14) 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, 2017, the Enterprise Funds have entered into contracts for approximately \$666.7 million for construction projects.

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The City's pollution remediation obligation of \$35.0 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.

**15) 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 the 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. The City recognizes \$15.3 million of revenue for each 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 Chicago Loop Parking, LLC (CLP) the right to operate the garages and collect parking and related revenues for the 99-year term of the agreement. 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. The City recognizes \$5.7 million of revenue for each year through 2105. In January 2014, CLP assigned all of its interests in the concession and lease agreement to LMG2, LLC, the designee of its lenders, in lieu of foreclosure by the lenders on their leasehold mortgage on the underground garages.

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 agreement. 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 agreement. The City recognizes \$18.5 million of revenue related to this transaction for each year through 2103. Skyway land, bridges, other facilities and equipment continue to be reported on the Statement of Net Position 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 Position.

In February 2016, the owners of the Skyway concessionaire sold their ownership interests in the concessionaire to a new entity. Pursuant to the concession and lease agreement for the Skyway, the City approved the transfer of ownership interests.

In May 2016, the concessionaire of the City's downtown underground public parking garages sold its concession interest in the garages to Millennium Parking Garages, LLC. Pursuant to the concession and lease agreement for the garages, the City approved the transfer of the concession interest.

**16) Tax Abatements**

GASB Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"), requires governments that enter into tax abatement agreements to disclose: (1) Brief descriptive information concerning the agreement; (2) The gross dollar amount of taxes abated during the period; and 3) Commitments made by government, other than to abate taxes, that are part of the tax abatement agreement.

**Tax Abatement Agreements Entered into Directly by the City**

**The Boeing Company**

The City entered into a Tax Reimbursement Payment Agreement with The Boeing Company (“Boeing”) as of November 1, 2001. The relocation of Boeing constituted a substantial public benefit from its creation of not less than 500 permanent FTE jobs and through payment of various taxes and governmental charges and was expected to foster further economic growth and development in the City.

Boeing may submit to the City for each year of the agreement an annual reimbursement form for reimbursement of an amount equal to the portion of the Boeing General Real Estate Taxes paid during such calendar year to the City, the Board of Education of the City of Chicago and the City Library Fund, in aggregate. In the form, Boeing must certify compliance with the terms of the agreement including, without limitation, Boeing continues to meet certain operational criteria, occupies not less than 125,000 rentable square feet at the building as its corporate headquarters, has at least \$25.0 billion in annual world-wide revenues, and employs a minimum of 500 full time employees within Chicago.

The above listed real estate taxes are reimbursed by way of an annual payment to Boeing in an amount equal to the allocable share of the real estate taxes. The City is entitled to terminate the agreement and/or recover certain payments if Boeing does not comply with the terms of the agreement. For the 2017 reporting period, the tax reimbursement to Boeing totaled \$1.8 million.

**Tax Increment Financing**

The City adopted certain ordinances approving various redevelopment plans pursuant to provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-7 4.4-1 (the “Act”). The redevelopment plans designate a “redevelopment project area” under the Act, and adopt tax increment allocation financing for each redevelopment project area.

In an effort to promote redevelopment and finance construction projects in the redevelopment project areas to eradicate blighted conditions, the City uses tax increment financing to reimburse developers for the costs of the TIF-funded improvements pursuant to the terms and conditions of redevelopment agreements entered into by the City and a developer. Projects range from new construction to redevelopment and expansion initiatives throughout the City. The maximum reimbursable amount is set forth in each agreement. If the total project cost is lower than the project budget established in the agreement, the reimbursable amount will be prorated.

For the 2017 reporting period, the amount of property tax revenue forgone by the City due to the agreements under the Tax Increment Allocation Redevelopment Act amounts to \$71.3 million on an accrual basis of accounting.

**Tax Abatement Agreements Entered Into By Other Governments**

**Cook County**

Cook County provides tax reductions under numerous programs with individuals, local businesses, and developers. The objective of the agreements is to encourage the development and rehabilitation of new and existing industrial and commercial property, reutilization of abandoned property, and increase multi-family residential affordable rental housing throughout Cook County by offering a real estate tax incentive. An eligibility application must be filed prior to commencement of a project and include a resolution from the municipality where the real estate is located. Once the project has been completed, the applicant must file an Incentive Appeal Form with the County Assessor’s Office. Upon approval by the County Assessor’s Office and based on the property classification, the applicant is eligible to receive one of the following tax incentives:

- Class 7a, 7b, and C: Property will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year

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- Class 7c: Property will be assessed at 10% of market value for the first 3 years, 15% in the 4th year and 20% in the 5th year.
- Class 6b: Property will be assessed at 10% of the market value for 10 years and for any subsequent 10-year renewal periods; if not renewed, 15% in the 11<sup>th</sup> year and 15% in the 12<sup>th</sup> year.
- Class L: Renewable properties will be assessed at 10% of market value for the first 10 years and for any subsequent 10-year renewal periods; if not renewed, 15% in the 11<sup>th</sup> year and 20% in the 12<sup>th</sup> year. Commercial properties will be assessed at 10% of market value for the first 10 years, 15% in the 11<sup>th</sup> year and 20% in the 12<sup>th</sup> year.

In the absence of the incentive, the property tax would be assessed at 25% of its market value. This incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2017 reporting period, the amount of property tax revenue forgone by the City due to these incentives is estimated at \$12 million.

**17) Subsequent Events**

**Ratings**

In February 2018, Kroll Bond Rating Agency, Inc. (KBRA) upgraded the rating of the City's General Obligation bonds from BBB+ to A with a stable outlook.

In February 2018, Fitch Ratings, KBRA, Moody's, and Standard and Poor's withdrew their ratings on the City's Sales Tax revenue bonds as all of the outstanding Sales Tax bonds were defeased.

**Bonds**

In February 2018, the Sales Tax Securitization Corporation sold Sales Tax Securitization Bonds, Series 2018AB (\$680.3 million). The 2018A bonds (\$376.3 million) were issued at interest rates between 4.0% and 5.0% with mandatory sinking fund or maturity dates between January 1, 2031 and January 1, 2048. The 2018B bonds (\$304.0 million) were issued at an interest rate of 3.82% with mandatory sinking fund or maturity dates between January 1, 2039 and January 1, 2048. Proceeds will be used to provide funds for the City to refund certain of the City's outstanding General Obligation bonds and to pay costs of issuance.

**Commercial Paper and Lines of Credit**

In May 2018, the City amended terms the General Obligation Line of Credit Agreement and extended the expiration date to May 31, 2020.

As of December 31, 2017, the outstanding balance for the City's General Obligation Line of Credit was \$77.2 million. Since January 1, 2018, the City has not executed any additional draws and has paid down \$38.6 million. The City's repayment obligation under the line of credit is a general obligation of the City.

**Purchase and Sale of Assets**

The 2FM headquarters complex at 1685 N. Throop was sold to developer Sterling Bay for \$104.7 million in February 2018. As part of the same transaction, the City sold a portion of the former Kennedy King College campus to Sterling Bay for an additional \$1.3 million. A portion of the proceeds will be used to construct a new, \$37.0 million maintenance headquarters at 6800 S. Wentworth Ave.

In January 2018, 30.4 acres of vacant land located at 4301 W. Chicago Avenue was acquired for \$9.6 million for a new Public Safety Training Academy.

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**Lease and Maintenance Agreements**

On March 28 2018, the City Council approved the new Airline Use and Lease Agreement (“AULA”) for airlines operating at O’Hare. Apart from provisions regarding rates and charges that will become operative on July 1, 2018, the AULA went into effect as of May 12, 2018. The AULA provides that the aggregate of all rentals, fees and charges to be paid by the signatory airlines shall be sufficient to pay for the net cost of operating, maintaining and developing O’Hare. Specifically, AULA will allow the City to commence a \$6.1 billion terminal expansion program (known as the Terminal Area Plan or “TAP”) that includes construction of several new gates, in addition to \$2.4 billion in additional pre-approved capital projects. The City is currently in the process of executing the AULA with each of the signatory airlines.

On April 18, 2018, the City Council authorized the City to enter into an agreement (the “City-CATCo Agreement”), with the Chicago Airlines Terminal Consortium (“CATCo”) for the maintenance and operation of City-owned equipment in Terminals 1, 2, 3 and 5 at O’Hare and the provision of other aeronautical services to the City. Previously, CATCo was known as CICA Terminal Corporation and maintained equipment only for use by airlines operating in Terminal 5. The City-CATCo Agreement provides that CATCo’s costs in providing services to the City thereunder constitute O&M expenses allocable to signatory airlines under the AULA. The City-CATCo Agreement will be executed in July 2018 and will be effective retroactive to May 12, 2018.

On April 18, 2018, the City Council authorized the City to enter into an agreement with ORD Fuel Company, LLC (“Fuel System Lease Agreement”) under which the parties agree that the fuel system is to be used for the receipt, storage, delivery, distribution, handling, and dispensing of aircraft fuel and automotive fuel for ground services equipment and other vehicles at O’Hare and the carrying on of activities reasonably necessary or convenient in connection with the Fuel System Lease Agreement. ORD Fuel Company, LLC’s performance pursuant to the Fuel System Lease Agreement is anticipated to improve operations and efficiency throughout O’Hare.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF CHICAGO, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**Last Three Fiscal Years (dollars are in thousands)**

Municipal Employees':	2017	2016	2015
Total pension liability			
Service cost .....	\$ 572,534	\$ 619,743	\$ 226,816
Interest .....	915,711	878,369	909,067
Benefit changes .....	-	-	2,140,009
Differences between expected and actual experience .....	(177,755)	(127,119)	(109,835)
Assumption changes .....	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds .....	(888,174)	(859,672)	(826,036)
Pension plan administrative expense .....	-	-	-
Net change in total pension liability .....	\$ (7,008,875)	\$ (67,599)	\$ 11,051,776
Total pension liability - beginning .....	23,291,271	23,358,870	12,307,094
Total pension liability - ending (a) .....	\$ 16,282,396	\$ 23,291,271	\$ 23,358,870
Plan fiduciary net position			
Contributions-employer .....	\$ 261,764	\$ 149,718	\$ 149,225
Contributions-employee .....	134,765	130,391	131,428
Net investment income .....	610,515	281,419	114,025
Benefit payments including refunds of employee contribution .....	(888,174)	(859,672)	(826,036)
Administrative expenses .....	(6,473)	(7,056)	(6,701)
Other .....	5,394	-	-
Net change in plan fiduciary net position .....	\$ 117,791	\$ (305,200)	\$ (438,059)
Plan fiduciary net position - beginning .....	4,436,227	4,741,427	5,179,486
Plan fiduciary net position - ending (b) .....	\$ 4,554,018	\$ 4,436,227	\$ 4,741,427
Net pension liability - ending (a)-(b) .....	\$ 11,728,378	\$ 18,855,044	\$ 18,617,443
Plan fiduciary net position as a percentage of the total pension liability .....	27.97 %	19.05 %	20.30 %
Covered payroll* .....	\$ 1,686,533	\$ 1,646,939	\$ 1,643,481
Employer's net pension liability as a percentage of covered payroll .....	695.41 %	1,144.85 %	1,132.81 %

\*Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Note:

Beginning with fiscal year 2015, the City will accumulate ten years of data.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF CHICAGO, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - Continued**  
**Last Three Fiscal Years (dollars are in thousands)**

Laborers':	2017	2016	2015
Total pension liability			
Service cost * .....	\$ 80,232	\$ 82,960	\$ 38,389
Interest .....	154,047	150,166	153,812
Benefit changes .....	150	-	384,033
Differences between expected and actual experience .....	(62,178)	(30,428)	(46,085)
Assumption changes .....	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds .....	(157,050)	(154,683)	(152,530)
Pension plan administrative expense .....	(3,985)	(4,080)	(3,844)
Net change in total pension liability .....	<u>\$ (1,063,538)</u>	<u>\$ (18,970)</u>	<u>\$ 1,549,710</u>
Total pension liability - beginning .....	3,693,645	3,712,615	2,162,905
Total pension liability - ending (a) .....	<u>\$ 2,630,107</u>	<u>\$ 3,693,645</u>	<u>\$ 3,712,615</u>
Plan fiduciary net position			
Contributions-employer .....	\$ 35,457	\$ 12,603	\$ 12,412
Contributions-employee .....	17,411	17,246	16,844
Net investment income .....	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution .....	(157,050)	(154,683)	(152,530)
Administrative expenses .....	(3,985)	(4,080)	(3,844)
Other .....	-	-	-
Net change in plan fiduciary net position .....	<u>\$ 99,814</u>	<u>\$ (70,917)</u>	<u>\$ (149,436)</u>
Plan fiduciary net position - beginning .....	1,167,740	1,238,657	1,388,093
Plan fiduciary net position - ending (b) .....	<u>\$ 1,267,554</u>	<u>\$ 1,167,740</u>	<u>\$ 1,238,657</u>
Net pension liability - ending (a)-(b) .....	<u><u>\$ 1,362,553</u></u>	<u><u>\$ 2,525,905</u></u>	<u><u>\$ 2,473,958</u></u>
Plan fiduciary net position as a percentage of the total pension liability .....	48.19 %	31.61 %	33.36 %
Covered payroll ** .....	\$ 208,442	\$ 208,155	\$ 204,773
Employer's net pension liability as a percentage of covered payroll .....	653.68 %	1,213.47 %	1,208.15 %

\* Includes pension plan administrative expense

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Note:

Beginning with fiscal year 2015, the City will accumulate ten years of data.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CHICAGO, ILLINOIS**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - Continued**

**Last Three Fiscal Years (dollars are in thousands)**

Policemen's:	2017	2016	2015
Total pension liability			
Service cost * .....	\$ 237,333	\$ 220,570	\$ 213,585
Interest .....	917,720	851,098	832,972
Benefit changes .....	-	606,250	-
Differences between expected and actual experience .....	(299,923)	1,801	(105,969)
Assumption changes .....	238,975	112,585	-
Benefit payments including refunds .....	(747,891)	(707,196)	(676,777)
Pension plan administrative expense .....	(4,843)	(4,750)	(4,508)
Net change in total pension liability .....	<u>\$ 341,371</u>	<u>\$ 1,080,358</u>	<u>\$ 259,303</u>
Total pension liability - beginning .....	13,113,091	12,032,733	11,773,430
Total pension liability - ending (a) .....	<u>\$ 13,454,462</u>	<u>\$ 13,113,091</u>	<u>\$ 12,032,733</u>
Plan fiduciary net position			
Contributions-employer .....	\$ 494,483	\$ 272,428	\$ 572,836
Contributions-employee .....	103,011	101,476	107,626
Net investment income .....	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution .....	(747,891)	(707,196)	(676,777)
Administrative expenses .....	(4,843)	(4,750)	(4,508)
Other .....	97	1,413	3,092
Net change in plan fiduciary net position .....	<u>\$ 257,047</u>	<u>\$ (193,930)</u>	<u>\$ (3,065)</u>
Plan fiduciary net position - beginning .....	2,865,019	3,058,949	3,062,014
Plan fiduciary net position - ending (b) .....	<u>\$ 3,122,066</u>	<u>\$ 2,865,019</u>	<u>\$ 3,058,949</u>
Net pension liability - ending (a)-(b) .....	<u><u>\$ 10,332,396</u></u>	<u><u>\$ 10,248,072</u></u>	<u><u>\$ 8,973,784</u></u>
Plan fiduciary net position as a percentage of the total pension liability .....	23.20 %	21.85 %	25.42 %
Covered payroll** .....	\$ 1,150,406	\$ 1,119,527	\$ 1,086,608
Employer's net pension liability as a percentage of covered payroll .....	898.15 %	915.39 %	825.85 %

\* Includes pension plan administrative expense

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Note:

Beginning with fiscal year 2015, the City will accumulate ten years of data.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CHICAGO, ILLINOIS**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - Concluded**

**Last Three Fiscal Years (dollars are in thousands)**

Firemen's:	2017	2016	2015
Total pension liability			
Service cost * .....	\$ 93,367	\$ 94,115	\$ 87,203
Interest .....	371,622	342,085	338,986
Benefit changes .....	-	227,213	-
Differences between expected and actual experience .....	26,954	24,110	(7,981)
Assumption changes .....	414,219	(74,373)	176,282
Benefit payments including refunds .....	(306,098)	(286,759)	(278,017)
Pension plan administrative expense .....	(3,172)	(3,217)	(3,149)
Net change in total pension liability .....	<u>\$ 596,892</u>	<u>\$ 323,174</u>	<u>\$ 313,324</u>
Total pension liability - beginning .....	5,149,258	4,826,084	4,512,760
Total pension liability - ending (a) .....	<u>\$ 5,746,150</u>	<u>\$ 5,149,258</u>	<u>\$ 4,826,084</u>
Plan fiduciary net position			
Contributions-employer .....	\$ 228,453	\$ 154,101	\$ 236,104
Contributions-employee .....	47,364	48,960	46,552
Net investment income .....	140,570	60,881	7,596
Benefit payments including refunds of employee contribution .....	(306,098)	(286,759)	(278,017)
Administrative expenses .....	(3,172)	(3,217)	(3,149)
Other .....	22	(53)	7
Net change in plan fiduciary net position .....	<u>\$ 107,139</u>	<u>\$ (26,087)</u>	<u>\$ 9,093</u>
Plan fiduciary net position - beginning .....	1,019,014	1,045,101	1,036,008
Plan fiduciary net position - ending (b) .....	<u>\$ 1,126,153</u>	<u>\$ 1,019,014</u>	<u>\$ 1,045,101</u>
Net pension liability - ending (a)-(b) .....	<u><u>\$ 4,619,997</u></u>	<u><u>\$ 4,130,244</u></u>	<u><u>\$ 3,780,983</u></u>
Plan fiduciary net position as a percentage of the total pension liability .....	19.60 %	19.79 %	21.66 %
Covered payroll ** .....	\$ 469,407	\$ 478,471	\$ 465,232
Employer's net pension liability as a percentage of covered payroll .....	984.22 %	863.22 %	812.71 %

\* Includes pension plan administrative expense

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Note:

Beginning with fiscal year 2015, the City will accumulate ten years of data.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF CHICAGO, ILLINOIS**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last Ten Fiscal Years (dollars are in thousands)**

**Municipal Employees':**

Years Ended December 31,	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2008	\$ 360,387	\$ 146,803	\$ 213,584	\$ 1,543,977	9.51 %
2009	413,509	148,047	265,462	1,551,973	9.54 %
2010	483,948	154,752	329,196	1,541,388	10.04 %
2011	611,756	147,009	464,747	1,605,993	9.15 %
2012	690,823	148,859	541,964	1,590,794	9.36 %
2013	820,023	148,197	671,826	1,580,289	9.38 %
2014	839,039	149,747	689,292	1,602,978	9.34 %
2015	677,200	149,225	527,975	1,643,481	9.08 %
2016	961,770	149,718	812,052	1,646,939	9.09 %
2017	1,005,457	261,764	743,693	1,686,533	15.52 %

\* The funding method mandated by the Illinois Pension Code is insufficient to avoid insolvency, and without a change, the Fund is projected to become insolvent within the next 10 years (during 2025). Therefore, the actuarially determined contribution is comprised of an employer normal cost payment and a 30-year, level dollar amortization payment on the unfunded actuarial accrued liability.

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

**Laborers':**

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2008	\$ 17,652	\$ 15,233	\$ 2,419	\$ 216,744	7.03 %
2009	33,518	14,627	18,891	208,626	7.01 %
2010	46,665	15,352	31,313	199,863	7.68 %
2011	57,259	12,779	44,480	195,238	6.55 %
2012	77,566	11,853	65,713	198,790	5.96 %
2013	106,199	11,583	94,616	200,352	5.78 %
2014	106,019	12,161	93,858	202,673	6.00 %
2015	79,851	12,412	67,439	204,773	6.06 %
2016	117,033	12,603	104,430	208,155	6.05 %
2017	124,226	35,457	88,769	208,442	17.01 %

\* The LABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded liability using dollar payments and a 30 year open amortization period.

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF CHICAGO, ILLINOIS  
SCHEDULE OF CONTRIBUTIONS - Continued  
Last Ten Years (dollars are in thousands)**

**Policemen's:**

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2008	\$ 318,235	\$ 172,836	\$ 145,399	\$ 1,023,581	16.89 %
2009	339,488	172,044	167,444	1,011,205	17.01 %
2010	363,625	174,501	189,124	1,048,084	16.65 %
2011	402,752	174,035	228,717	1,034,404	16.82 %
2012	431,010	197,885	233,125	1,015,171	19.49 %
2013	474,177	179,521	294,656	1,015,426	17.68 %
2014	491,651	178,158	313,493	1,074,333	16.58 %
2015	785,501	575,928	209,573	1,086,608	53.00 %
2016	785,695	273,840	511,855	1,119,527	24.46 %
2017	910,938	494,580	416,358	1,150,406	42.99 %

\* The PABF Statutory Funding does not conform to Actuarial Standards of Practice; therefore, for fiscal years 2015 and after, the actuarially determined contribution is equal to the normal cost plus a 30-year level dollar amortization of the unfunded actuarial liability. Prior to 2015 the actuarially determined contribution was equal to the "ARC" which was equal to normal cost plus a 30-year open level percent amortization of the unfunded actuarial liability.

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

**Firemen's:**

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2008	\$ 189,941	\$ 81,258	\$ 108,683	\$ 396,182	20.51 %
2009	203,867	89,212	114,655	400,912	22.25 %
2010	218,388	80,947	137,441	400,404	20.22 %
2011	250,056	82,870	167,186	425,385	19.48 %
2012	271,506	81,522	189,984	418,965	19.46 %
2013	294,878	103,669	191,209	416,492	24.89 %
2014	304,265	107,334	196,931	460,190	23.32 %
2015	323,545	236,104	87,441	465,232	50.75 %
2016	333,952	154,101	179,851	478,471	32.21 %
2017	372,845	228,453	144,392	469,407	48.67 %

\* The historically FABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the Actuarially Determined Contribution is equal to the normal cost plus an amount to amortize the unfunded liability using level dollar payments and a 30 year amortization period. Amounts for fiscal years prior to 2015 were based on the "ARC" which was equal to normal cost plus an amount to amortize the unfunded liability using a 30-year open period level dollar amortization.

\*\* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF CHICAGO, ILLINOIS  
SCHEDULE OF CONTRIBUTIONS - Concluded**

Actuarial Methods and Assumptions:	Municipal Employees'		Laborers'		Policemen's		Firemen's
Actuarial valuation date.....	12/31/2017	(a)	12/31/2017	(b)	12/31/2017		12/31/2017
Actuarial cost method.....	Entry age normal		Entry age normal		Entry age normal		Entry age normal
Asset valuation method.....	5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market
Actuarial assumptions:							
Inflation .....	2.50%		2.25%		2.75%		2.50%
Salary increases .....	3.50% - 7.75%	(c)	3.00%	(d)	3.75%	(e)	3.75%
Investment rate of return .....	7.0%	(f)	7.25%	(g)	7.25%		7.50%
Retirement Age .....	(h)		(i)		(j)		(i)
Mortality .....	(k)		(l)		(m)		(n)
Other information .....	(o)		(p)		(q)		(q)

- (a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the middle of the year.
- (b) Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the end of the fiscal year in which contributions are reported.
- (c) (1.50%-6.50% for 2018-2022), varying by years of service.
- (d) Plus a service-based increase in the first 9 years.
- (e) Salary increase rates based on age-related productivity and merit rates plus inflation.
- (f) Net of investment expense.
- (g) Net of investment expense, including inflation.
- (h) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2017).  
For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011).  
For employees first hired on or after July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2017).
- (i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2017, actuarial valuation pursuant to an experience study of the period January 1, 2012, through December 31, 2016.
- (j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2014, actuarial valuation pursuant to an experience study of the period January 1, 2009, through December 31, 2013.
- (k) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.
- (l) Post Retirement Mortality: Scaling factors of 117% for males, and 102% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales. No adjustment is made for post-disabled mortality.  
Pre Retirement Mortality: Scaling factors of 109% for males, and 103% for females of the RP-2014 Blue Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.
- (m) Post-Retirement Healthy mortality rates: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 108% for males and 97% for females.  
Pre-Retirement mortality rates: Sex distinct Retirement Plans 2014 Total Employee mortality table weighted 85% for males and 115% for females. Disabled Mortality: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 115% for males and 115% for females
- (n) Post Retirement Mortality: Scaling factors of 106% for males, and 98% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.  
Disabled Mortality: Scaling factors of 107% for males, and 99% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.  
Pre-Retirement Mortality: Scaling factors of 92% for males, and 100% for females of the RP-2014 Blue Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.  
Future mortality improvements in pre- and post-retirement mortality are reflected by projecting the base mortality tables back from the year 2014 to the year 2006 using the MP-2014 projection scale and projecting from 2006 using the MP-2017 projection scale.
- (o) Other assumptions: Same as those used in the December 31, 2017, actuarial funding valuations.
- (p) The actuarial valuation is based on the statutes in effect as of December 31, 2017. Benefit changes as a result of Public Act 100-0023 were recognized in the Total Pension Liability as of December 31, 2017.
- (q) The actuarial valuation is based on the statutes in effect as of December 31, 2017.

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

	Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) Entry Age ( b )	Unfunded Actuarial Liability (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	Unfunded (Surplus) AAL as a Percentage of Covered Payroll (( b-a ) / c )
City of Chicago							
Settlement Plan							
2015 .....	12/31/2014	-	\$ 311,748	\$ 311,748	- %	2,487,787	12.53 %
2016 .....	12/31/2015	-	254,910	254,910	-	2,563,649	9.94
2017 .....	12/31/2016	-	331,496	331,496	-	2,627,662	12.62
CBA Special Benefits							
2015 .....	12/31/2014	-	\$ 468,889	\$ 468,889	- %	1,438,428	32.60 %
2016 .....	12/31/2015	-	460,612	460,612	-	1,499,552	30.72
2017 .....	12/31/2016	-	511,429	511,429	-	1,547,102	33.06

**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, 2017**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>LOCAL TAX REVENUE</b>				
<b>UTILITY TAX:</b>				
Gas .....	\$ 121,000	\$ 121,000	\$ 124,681	\$ 3,681
Electric .....	98,200	98,200	95,389	(2,811)
Telecommunication .....	98,020	98,020	101,892	3,872
Commonwealth Edison .....	90,300	90,300	88,311	(1,989)
Cable Television .....	29,500	29,500	28,706	(794)
Total Utility Tax .....	<u>437,020</u>	<u>437,020</u>	<u>438,979</u>	<u>1,959</u>
<b>SALES TAX:</b>				
Home Rule Retailers' Occupation .....	326,040	326,040	229,861	(96,179)
<b>TRANSPORTATION TAX:</b>				
Parking .....	138,400	138,400	135,363	(3,037)
Vehicle Fuel .....	49,040	49,040	54,230	5,190
Ground Transportation .....	54,000	54,000	85,406	31,406
Total Transportation Tax .....	<u>241,440</u>	<u>241,440</u>	<u>274,999</u>	<u>33,559</u>
<b>TRANSACTION TAX:</b>				
Real Property .....	166,100	166,100	161,737	(4,363)
Personal Property Lease .....	222,040	222,040	265,724	43,684
Motor Vehicle Lessor .....	6,800	6,800	6,757	(43)
Total Transaction Tax .....	<u>394,940</u>	<u>394,940</u>	<u>434,218</u>	<u>39,278</u>
<b>RECREATION TAX:</b>				
Amusement .....	143,150	143,150	172,617	29,467
Automatic Amusement .....	450	450	443	(7)
Liquor .....	32,700	32,700	32,631	(69)
Boat Mooring .....	1,330	1,330	1,303	(27)
Cigarette .....	19,910	19,910	21,254	1,344
Off Track Betting .....	423	423	554	131
Soft Drink .....	23,600	23,600	24,338	738
Total Recreation Tax .....	<u>221,563</u>	<u>221,563</u>	<u>253,140</u>	<u>31,577</u>
<b>BUSINESS TAX:</b>				
Hotel .....	110,320	110,320	131,609	21,289
Foreign Fire Insurance .....	4,400	4,400	5,603	1,203
Shopping Bag Tax .....	9,200	9,200	5,642	(3,558)
Total Business Tax .....	<u>123,920</u>	<u>123,920</u>	<u>142,854</u>	<u>18,934</u>
<b>TOTAL LOCAL TAX REVENUE .....</b>	<u><b>1,744,923</b></u>	<u><b>1,744,923</b></u>	<u><b>1,774,051</b></u>	<u><b>29,128</b></u>

**Schedule A-1 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>INTERGOVERNMENTAL REVENUE</b>				
<b>STATE INCOME TAX:</b>				
Income .....	\$ 267,350	\$ 267,350	\$ 239,894	\$ (27,456)
Personal Property Replacement .....	132,268	132,268	148,342	16,074
Total State Income Tax .....	<u>399,618</u>	<u>399,618</u>	<u>388,236</u>	<u>(11,382)</u>
<b>STATE SALES TAX:</b>				
State Retailers' Occupation .....	372,800	372,800	270,499	(102,301)
<b>STATE AUTO RENTAL TAX:</b>				
Municipal Auto Rental .....	4,400	4,400	4,137	(263)
<b>FEDERAL/STATE GRANTS:</b>				
Grants .....	1,800	1,800	2,514	714
TOTAL INTERGOVERNMENTAL REVENUE .....	<u>778,618</u>	<u>778,618</u>	<u>665,386</u>	<u>(113,232)</u>
<b>LOCAL NON-TAX REVENUE</b>				
<b>INTERNAL SERVICE:</b>				
Water Fund .....	84,737	84,737	84,737	-
Chicago-O'Hare International Airport Fund .....	27,791	27,791	25,144	(2,647)
Vehicle Tax Fund .....	33,236	33,236	33,236	-
Chicago Midway International Airport Fund .....	7,931	7,931	6,957	(974)
Federal Funds .....	21,279	21,279	18,409	(2,870)
Sewer Fund .....	45,718	45,718	45,718	-
Emergency Communication Fund .....	95,286	95,286	93,818	(1,468)
Federal Funds - Pensions .....	19,089	19,089	18,620	(469)
Intergovernmental Vouchers (IV) .....	4,715	4,715	4,715	-
Transportation .....	3,921	3,921	4,239	318
Department of Fleet and Facility Management .....	6,894	6,894	5,045	(1,849)
Miscellaneous - Planning, Purchasing, etc. ....	1,946	1,946	558	(1,388)
Public Safety - Police, Fire and OEMC .....	842	842	115	(727)
Other .....	5,500	5,500	6,427	927
Total Internal Service .....	<u>358,885</u>	<u>358,885</u>	<u>347,738</u>	<u>(11,147)</u>
<b>LICENSES AND PERMITS:</b>				
Alcoholic Liquor Dealers' License .....	12,900	12,900	12,663	(237)
Business License .....	20,400	20,400	22,286	1,886
Building Permits .....	43,400	43,400	43,169	(231)
Fines and Penalties .....	5,900	5,900	6,074	174
Other .....	45,400	45,400	49,308	3,908
Total Licenses and Permits .....	<u>128,000</u>	<u>128,000</u>	<u>133,500</u>	<u>5,500</u>

**Schedule A-1 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**  
**(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 .....	\$ 358,800	\$ 358,800	\$ 344,925	\$ (13,875)
INVESTMENT INCOME:				
Interest on Investments .....	1,500	1,500	6,978	5,478
CHARGES FOR SERVICES:				
Inspection .....	12,500	12,500	12,682	182
Information .....	605	605	283	(322)
Safety .....	70,500	70,500	70,035	(465)
Sanitation .....	61,240	61,240	63,955	2,715
Reimbursement of Current Expense .....	6,300	6,300	6,272	(28)
Other .....	25,000	25,000	28,921	3,921
Total Charges for Services .....	176,145	176,145	182,148	6,003
MUNICIPAL UTILITIES:				
Parking .....	21,800	21,800	7,654	(14,146)
Total Municipal Utilities .....	21,800	21,800	7,654	(14,146)
LEASES, RENTALS AND SALES:				
Sale of Land and Buildings .....	19,000	19,000	10,785	(8,215)
Vacation of Streets and Alleys .....	3,000	3,000	868	(2,132)
Sale of Impounded Autos .....	42	42	16	(26)
Sale of Materials .....	300	300	1,012	712
Rentals and Leases .....	13,661	13,661	13,204	(457)
Total Leases, Rentals and Sales .....	36,003	36,003	25,885	(10,118)
MISCELLANEOUS:				
Property Damage .....	150	150	184	34
Other .....	101,380	101,780	71,010	(30,770)
Total Miscellaneous .....	101,530	101,930	71,194	(30,736)
TOTAL LOCAL NON-TAX REVENUE .....	1,182,663	1,183,063	1,120,022	(63,041)
Budgeted Prior Year's Surplus				
and Reappropriations .....	37,000	53,000	-	(53,000)
Transfers In .....	37,000	37,000	180,227	143,227
Total Revenues .....	<u>\$ 3,780,204</u>	<u>\$ 3,796,604</u>	<u>\$ 3,739,686</u>	<u>\$ (56,918)</u>

Schedule A-2

CITY OF CHICAGO, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
<b>OFFICE OF THE MAYOR - 01 -</b>			
2005.0000-Personnel Services .....	\$ 6,279,625	\$ 6,279,625	\$ 6,726,291
2005.0100-Contractual Services .....	229,458	229,458	214,362
2005.0200-Travel .....	27,830	27,830	27,778
2005.0300-Commodities and Materials .....	30,000	30,000	30,000
Total .....	<u>6,566,913</u>	<u>6,566,913</u>	<u>6,998,431</u>
<b>OFFICE OF THE INSPECTOR GENERAL - 03 -</b>			
2005.0000-Personnel Services .....	4,903,182	4,903,182	4,214,738
2005.0100-Contractual Services .....	649,464	649,464	649,452
2005.0200-Travel .....	5,025	5,025	5,020
2005.0300-Commodities and Materials .....	14,635	14,635	14,335
2005.0400-Equipment .....	25,000	25,000	25,000
2005.0700-Contingencies .....	980	980	980
Total .....	<u>5,598,286</u>	<u>5,598,286</u>	<u>4,909,525</u>
<b>OFFICE OF BUDGET AND MANAGEMENT - 05 -</b>			
2005.0000-Personnel Services .....	2,935,512	2,935,512	2,807,745
2005.0100-Contractual Services .....	33,986	33,986	24,985
2005.0200-Travel .....	1,000	1,000	497
2005.0300-Commodities and Materials .....	5,800	5,800	1,698
Total .....	<u>2,976,298</u>	<u>2,976,298</u>	<u>2,834,925</u>
<b>DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -</b>			
2005.0000-Personnel Services .....	8,959,990	8,959,990	7,620,621
2005.0100-Contractual Services .....	11,130,446	11,130,446	10,182,616
2005.0200-Travel .....	4,050	4,050	3,039
2005.0300-Commodities and Materials .....	23,650	23,650	2,978
Total .....	<u>20,118,136</u>	<u>20,118,136</u>	<u>17,809,254</u>
<b>CITY COUNCIL COMMITTEES</b>			
<b>CITY COUNCIL - 15 -</b>			
2005.0000-Personnel Services .....	15,763,286	15,763,286	15,258,534
2005.0100-Contractual Services .....	70,150	70,150	67,405
2005.0200-Travel .....	1,000	1,000	-
2005.0700-Contingencies .....	43,000	43,000	42,337
2005.0982-Order of the City Council .....	1,000	1,000	-
2005.9008-Aldermanic Expense Allowance .....	4,850,000	4,850,000	4,530,250
2005.9010-Legal, Technical, Medical and Professional Services, Appraisals, Consultants, Printers, Court Reporters and Contractual Services: To Be Expended at the Direction of the Chairman of the Committee on Finance .....	92,072	92,072	21,666

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
CITY COUNCIL - 15 - Concluded			
2005.9072-Contingent and Other Expenses for Corporate Purposes not Otherwise Provided for: To Be Expended under the Direction of the President Pro Tempore of the City Council .....			
	\$ 4,000	\$ 4,000	\$ -
Total .....	<u>20,824,508</u>	<u>20,824,508</u>	<u>19,920,192</u>
COMMITTEE ON FINANCE - 15 -			
2010.0000-Personnel Services .....	1,770,860	1,770,860	1,922,269
2010.0100-Contractual Services .....	190,400	190,400	148,538
2010.0200-Travel .....	8,000	8,000	-
2010.0300-Commodities and Materials .....	51,500	51,500	40,497
2010.0700-Contingencies .....	100	100	-
2010.9005-For the Payment of Legal Fees Pursuant to Sec. 2-152-170 of the Municipal Code: To Be Expended under the Direction of the Committee on Finance .....	50,000	50,000	-
2010.9006-Legal Assistance to The City Council: To Be Expended under the Direction of the Chairman of the Committee on Finance .....	50,000	50,000	-
2010.9010-Legal, Technical, Medical and Professional Services, Appraisals, Consultants, Printers, Court Reporters and Contractual Services: To Be Expended at the Direction of the Chairman of the Committee on Finance .....	92,500	92,500	28,203
Total .....	<u>2,213,360</u>	<u>2,213,360</u>	<u>2,139,507</u>
COUNCIL OFFICE OF FINANCIAL ANALYSIS - 15 -			
2012.0000-Personnel Services .....	274,056	274,056	295,560
2012.0700-Contingencies .....	27,160	27,160	-
Total .....	<u>301,216</u>	<u>301,216</u>	<u>295,560</u>
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS - 15 -			
2214.0000-Personnel Services .....	492,468	492,468	802,379
2214.0100-Contractual Services .....	15,000	15,000	14,998
2214.0300-Commodities and Materials .....	12,000	12,000	11,981
2214.0400-Equipment .....	9,500	9,500	9,496
2214.0700-Contingencies .....	15,000	15,000	14,999
Total .....	<u>543,968</u>	<u>543,968</u>	<u>853,853</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON AVIATION - 15 -			
2220.0000-Personnel Services .....	\$ 108,046	\$ 108,046	\$ 107,781
2220.0100-Contractual Services .....	200	200	-
2220.0300-Commodities and Materials .....	500	500	-
2220.0700-Contingencies .....	750	750	-
Total .....	<u>109,496</u>	<u>109,496</u>	<u>107,781</u>
COMMITTEE ON LICENSE AND CONSUMER PROTECTION - 15 -			
2225.0000-Personnel Services .....	107,246	107,246	122,994
2225.0100-Contractual Services .....	7,500	7,500	4,292
2225.0300-Commodities and Materials .....	10,500	10,500	499
Total .....	<u>125,246</u>	<u>125,246</u>	<u>127,785</u>
COMMITTEE ON PUBLIC SAFETY - 15 -			
2235.0000-Personnel Services .....	159,355	159,355	157,091
2235.0100-Contractual Services .....	1,000	1,000	990
2235.0300-Commodities and Materials .....	1,000	1,000	969
2235.0700-Contingencies .....	500	500	492
Total .....	<u>161,855</u>	<u>161,855</u>	<u>159,542</u>
COMMITTEE ON HEALTH AND ENVIRONMENTAL PROTECTION - 15 -			
2240.0000-Personnel Services .....	90,300	90,300	90,517
2240.0100-Contractual Services .....	2,006	2,006	301
2240.0300-Commodities and Materials .....	800	800	555
2240.0700-Contingencies .....	500	500	-
Total .....	<u>93,606</u>	<u>93,606</u>	<u>91,373</u>
COMMITTEE ON COMMITTEES, RULES AND ETHICS - 15 -			
2245.0000-Personnel Services .....	105,068	105,068	124,312
2245.0100-Contractual Services .....	40,000	40,000	38,845
2245.0300-Commodities and Materials .....	500	500	270
Total .....	<u>145,568</u>	<u>145,568</u>	<u>163,427</u>
COMMITTEE ON ECONOMIC, CAPITAL AND TECHNOLOGY DEVELOPMENT - 15 -			
2255.0000-Personnel Services .....	102,575	102,575	98,998
2255.0100-Contractual Services .....	1,000	1,000	712
2255.0300-Commodities and Materials .....	500	500	-
2255.0700-Contingencies .....	1,000	1,000	-
Total .....	<u>105,075</u>	<u>105,075</u>	<u>99,710</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON EDUCATION AND CHILD DEVELOPMENT - 15 -			
2260.0000-Personnel Services .....	\$ 163,483	\$ 163,483	\$ 166,812
2260.0100-Contractual Services .....	3,000	3,000	1,762
2260.0700-Contingencies .....	2,000	2,000	-
Total .....	<u>168,483</u>	<u>168,483</u>	<u>168,574</u>
COMMITTEE ON ZONING, LANDMARKS AND BUILDING STANDARDS - 15 -			
2275.0000-Personnel Services .....	310,574	310,574	329,199
2275.0100-Contractual Services .....	15,300	15,300	12,289
2275.0300-Commodities and Materials .....	74,700	74,700	74,699
Total .....	<u>400,574</u>	<u>400,574</u>	<u>416,187</u>
COMMITTEE ON HOUSING AND REAL ESTATE - 15 -			
2280.0000-Personnel Services .....	198,164	198,164	196,442
2280.0300-Commodities and Materials .....	8,000	8,000	7,478
Total .....	<u>206,164</u>	<u>206,164</u>	<u>203,920</u>
COMMITTEE ON HUMAN RELATIONS - 15 -			
2286.0000-Personnel Services .....	92,556	92,556	84,125
2286.0300-Commodities and Materials .....	1,000	1,000	350
Total .....	<u>93,556</u>	<u>93,556</u>	<u>84,475</u>
COMMITTEE ON WORKFORCE DEVELOPMENT AND AUDIT - 15 -			
2290.0000-Personnel Services .....	503,565	503,565	498,471
2290.0100-Contractual Services .....	30,000	30,000	2,532
2290.0300-Commodities and Materials .....	5,000	5,000	7,778
Total .....	<u>538,565</u>	<u>538,565</u>	<u>508,781</u>
CITY COUNCIL LEGISLATIVE REFERENCE BUREAU - 15 -			
2295.0000-Personnel Services .....	362,144	362,144	352,290
2295.0300-Commodities and Materials .....	4,000	4,000	4,000
Total .....	<u>366,144</u>	<u>366,144</u>	<u>356,290</u>
TOTAL CITY COUNCIL COMMITTEES .....	<u>26,397,384</u>	<u>26,397,384</u>	<u>25,696,957</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY CLERK - 25 -			
2005.0000-Personnel Services .....	\$ 2,586,818	\$ 2,586,818	\$ 2,531,707
2005.0100-Contractual Services .....	506,047	506,047	391,012
2005.0300-Commodities and Materials .....	56,290	56,290	40,461
Total .....	<u>3,149,155</u>	<u>3,149,155</u>	<u>2,963,180</u>
DEPARTMENT OF FINANCE - 27 -			
City Comptroller			
2011.0000-Personnel Services .....	2,801,459	2,801,459	2,447,878
2011.0100-Contractual Services .....	48,718	48,718	34,530
2011.0200-Travel .....	2,386	2,386	80
2011.0300-Commodities and Materials .....	17,920	17,920	823
Total .....	<u>2,870,483</u>	<u>2,870,483</u>	<u>2,483,311</u>
DEPARTMENT OF FINANCE - 27 -			
Accounting and Financial Reporting			
2012.0000-Personnel Services .....	4,685,632	4,685,632	4,697,147
2012.0100-Contractual Services .....	771,732	771,732	616,363
2012.0200-Travel .....	3,000	3,000	2,876
2012.0300-Commodities and Materials .....	15,000	15,000	9,159
Total .....	<u>5,475,364</u>	<u>5,475,364</u>	<u>5,325,545</u>
DEPARTMENT OF FINANCE - 27 -			
Financial Strategy and Operations			
2015.0000-Personnel Services .....	5,705,951	5,705,951	5,322,900
2015.0100-Contractual Services .....	1,053,327	1,053,327	644,806
2015.0200-Travel .....	4,200	4,200	3,181
2015.0300-Commodities and Materials .....	64,300	64,300	14,600
2015.0400-Equipment .....	90,000	90,000	26,145
Total .....	<u>6,917,778</u>	<u>6,917,778</u>	<u>6,011,632</u>
DEPARTMENT OF FINANCE - 27 -			
Revenue Services and Operations			
2020.0000-Personnel Services .....	24,103,475	24,103,475	21,022,523
2020.0100-Contractual Services .....	28,822,452	28,822,452	25,962,282
2020.0200-Travel .....	10,000	10,000	964
2020.0300-Commodities and Materials .....	204,159	204,159	171,942
2020.0400-Machinery and Equipment .....	150,000	150,000	-
Total .....	<u>53,290,086</u>	<u>53,290,086</u>	<u>47,157,711</u>
TOTAL FINANCE .....	<u>68,553,711</u>	<u>68,553,711</u>	<u>60,978,199</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY TREASURER - 28 -			
2005.0000-Personnel Services .....	\$ 884,725	\$ 884,725	\$ 726,176
2005.0100-Contractual Services .....	650,488	650,488	572,939
2005.0200-Travel .....	15,000	15,000	356
2005.0300-Commodities and Materials .....	6,500	6,500	5,178
Total .....	<u>1,556,713</u>	<u>1,556,713</u>	<u>1,304,649</u>
DEPARTMENT OF ADMINISTRATIVE HEARINGS - 30 -			
2005.0000-Personnel Services .....	3,180,187	3,180,187	3,058,339
2005.0100-Contractual Services .....	5,374,378	5,374,378	4,834,073
2005.0200-Travel .....	2,000	2,000	847
2005.0300-Commodities and Materials .....	34,504	34,504	27,397
Total .....	<u>8,591,069</u>	<u>8,591,069</u>	<u>7,920,656</u>
DEPARTMENT OF LAW - 31 -			
2005.0000-Personnel Services .....	25,582,962	25,582,962	24,053,791
2005.0100-Contractual Services .....	2,827,601	2,827,601	2,727,575
2005.0200-Travel .....	98,908	98,908	78,410
2005.0300-Commodities and Materials .....	113,317	113,317	106,032
Total .....	<u>28,622,788</u>	<u>28,622,788</u>	<u>26,965,808</u>
DEPARTMENT OF HUMAN RESOURCES - 33 -			
2005.0000-Personnel Services .....	5,939,510	5,939,510	5,009,957
2005.0100-Contractual Services .....	436,518	436,518	418,843
2005.0200-Travel .....	2,560	2,560	480
2005.0300-Commodities and Materials .....	29,775	29,775	17,758
2005.9067-For Physical Exams .....	210,000	210,000	209,995
Total .....	<u>6,618,363</u>	<u>6,618,363</u>	<u>5,657,033</u>
DEPARTMENT OF PROCUREMENT SERVICES - 35 -			
2005.0000-Personnel Services .....	5,993,845	5,993,845	5,730,338
2005.0100-Contractual Services .....	682,618	682,618	572,185
2005.0200-Travel .....	10,090	10,090	4,382
2005.0300-Commodities and Materials .....	21,635	21,635	17,280
Total .....	<u>6,708,188</u>	<u>6,708,188</u>	<u>6,324,185</u>
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT			
BUREAU OF FINANCE AND ADMINISTRATION - 38 -			
2103.0000-Personnel Services .....	2,955,090	2,955,090	2,822,653
2103.0100-Contractual Services .....	651,723	651,723	592,624
2103.0300-Commodities and Materials .....	45,500	45,500	37,774
Total .....	<u>3,652,313</u>	<u>3,652,313</u>	<u>3,453,051</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
<b>BUREAU OF FACILITY MANAGEMENT - 38 -</b>			
2126.0000-Personnel Services .....	\$ 33,540,371	\$ 33,540,371	\$ 31,596,694
2126.0100-Contractual Services .....	26,471,552	26,471,552	25,822,097
2126.0200-Travel .....	16,000	16,000	7,012
2126.0300-Commodities and Materials .....	4,044,575	4,044,575	3,989,348
Total .....	<u>64,072,498</u>	<u>64,072,498</u>	<u>61,415,151</u>
<b>BUREAU OF ASSET MANAGEMENT - 38 -</b>			
2131.0000-Personnel Services .....	3,667,460	3,667,460	3,582,392
2131.0100-Contractual Services .....	14,743,395	14,743,395	14,418,041
2131.0300-Commodities and Materials .....	38,045,945	38,045,945	29,898,688
2131.9067-For Physical Exams .....	57,340	57,340	55,758
2131.9160-For Expenses Related to Services Provided by PBC .....	446,347	446,347	446,347
Total .....	<u>56,960,487</u>	<u>56,960,487</u>	<u>48,401,226</u>
<b>BUREAU OF FLEET OPERATIONS - 38 -</b>			
2140.0000-Personnel Services .....	36,989,303	36,989,303	34,334,378
2140.0100-Contractual Services .....	15,293,600	15,293,600	14,883,031
2140.0200-Travel .....	10,000	10,000	5,228
2140.0300-Commodities and Materials .....	20,776,624	20,776,624	18,717,730
Total .....	<u>73,069,527</u>	<u>73,069,527</u>	<u>67,940,367</u>
<b>TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT .....</b>	<u>197,754,825</u>	<u>197,754,825</u>	<u>181,209,795</u>
<b>BOARD OF ELECTION COMMISSIONERS - ELECTION AND ADMINISTRATION DIVISION - 39 -</b>			
2005.0000-Personnel Services .....	7,194,282	7,194,282	7,107,093
2005.0100-Contractual Services .....	4,211,739	4,211,739	5,010,028
2005.0200-Travel .....	6,336	6,336	5,735
2005.0300-Commodities and Materials .....	211,942	211,942	211,674
Total .....	<u>11,624,299</u>	<u>11,624,299</u>	<u>12,334,530</u>
<b>COMMISSION ON HUMAN RELATIONS - 45 -</b>			
2005.0000-Personnel Services .....	1,094,682	1,094,682	1,061,686
2005.0100-Contractual Services .....	68,737	68,737	46,121
2005.0200-Travel .....	600	600	217
2005.0300-Commodities and Materials .....	1,500	1,500	1,346
Total .....	<u>1,165,519</u>	<u>1,165,519</u>	<u>1,109,370</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES - 48 -			
2005.0000-Personnel Services .....	\$ 1,184,353	\$ 1,184,353	\$ 1,172,458
2005.0100-Contractual Services .....	189,195	189,195	169,493
2005.0200-Travel .....	12,311	12,311	6,816
2005.0300-Commodities and Materials .....	8,586	8,586	6,092
2005.9400-Internal Transfers and Reimbursements .....	20,000	20,000	20,000
Total .....	<u>1,414,445</u>	<u>1,414,445</u>	<u>1,374,859</u>
DEPARTMENT OF FAMILY AND SUPPORT SERVICES - 50 -			
2005.0000-Personnel Services .....	4,546,247	4,546,247	7,253,369
2005.0100-Contractual Services .....	624,448	624,448	550,623
2005.0200-Travel .....	3,800	3,800	1,915
2005.0300-Commodities and Materials .....	28,040	28,040	21,796
2005.9143-Workforce Services for Target Populations ...	1,050,000	1,050,000	1,049,250
2005.9204-Youth Mentoring Programs .....	6,000,000	6,000,000	5,991,307
2005.9253-Early Childhood Education Program .....	15,075,000	15,075,000	14,192,560
2005.9254-Violence Reduction Program .....	2,605,000	2,605,000	2,269,102
2005.9255-Homeless Services for Youth .....	1,540,979	1,540,979	1,489,071
2005.9259-Summer Programs .....	16,663,403	16,663,403	16,583,403
2005.9260-After School Programs .....	17,756,201	17,756,201	17,730,459
2005.9261-Children's Advocacy Center .....	900,000	900,000	900,000
2005.9262-Earned Income Tax Credit .....	850,000	850,000	850,000
2005.9263-Homeless Services .....	6,899,876	6,899,876	6,977,806
2005.9290-Homeless Supportive Services .....	1,800,000	1,800,000	1,756,183
2005.9400-Internal Transfers and Reimbursements .....	92,260	92,260	92,260
Total .....	<u>76,435,254</u>	<u>76,435,254</u>	<u>77,709,104</u>
DEPARTMENT OF PLANNING AND DEVELOPMENT - 54 -			
2005.0000-Personnel Services .....	9,526,223	9,526,223	9,326,944
2005.0100-Contractual Services .....	3,435,533	3,435,533	3,124,782
2005.0200-Travel .....	7,310	7,310	3,882
2005.0300-Commodities and Materials .....	20,883	20,883	9,014
2005.0400-Equipment .....	10,000	10,000	3,237
2005.9110-Property Management, Maintenance and Security.....	80,000	80,000	38,553
2005.9183-Foreclosure Prevention Program .....	339,000	339,000	339,000
2005.9211-Single-Family Troubled Building Initiative .....	75,000	75,000	75,000
2005.9212-Multi-Family Troubled Building Initiative .....	175,000	175,000	175,000
2005.9224-Micro Market Recovery Program .....	522,700	522,700	522,700
Total .....	<u>14,191,649</u>	<u>14,191,649</u>	<u>13,618,112</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
<b>POLICE BOARD - 55 -</b>			
2005.0000-Personnel Services .....	\$ 283,272	\$ 283,272	\$ 239,272
2005.0100-Contractual Services .....	188,882	188,882	163,477
2005.0200-Travel .....	500	500	274
2005.0300-Commodities and Materials .....	990	990	129
Total .....	<u>473,644</u>	<u>473,644</u>	<u>403,152</u>
<b>CIVILIAN OFFICE OF POLICE ACCOUNTABILITY - 60 -</b>			
2005.0000-Personnel Services .....	5,916,810	5,916,810	5,607,035
2005.0100-Contractual Services .....	1,300,432	1,300,432	945,948
2005.0200-Travel .....	15,000	15,000	4,617
2005.0300-Commodities and Materials .....	84,990	84,990	76,558
Total .....	<u>7,317,232</u>	<u>7,317,232</u>	<u>6,634,158</u>
<b>LICENSE APPEAL COMMISSION - 77 -</b>			
2005.0000-Personnel Services .....	76,932	76,932	81,531
2005.0100-Contractual Services .....	101,995	101,995	84,578
2005.0300-Commodities and Materials .....	500	500	462
Total .....	<u>179,427</u>	<u>179,427</u>	<u>166,571</u>
<b>BOARD OF ETHICS - 78 -</b>			
2005.0000-Personnel Services .....	756,420	756,420	758,623
2005.0100-Contractual Services .....	62,272	62,272	46,146
2005.0200-Travel .....	3,905	3,905	2,759
2005.0300-Commodities and Materials .....	3,210	3,210	1,920
Total .....	<u>825,807</u>	<u>825,807</u>	<u>809,448</u>
<b>DEPARTMENT OF FINANCE GENERAL - 99 -</b>			
2005.0000-Personnel Services .....	398,304,395	398,304,395	326,690,800
2005.0100-Contractual Services .....	78,211,247	82,011,247	72,579,530
2005.0300-Commodities and Materials .....	115,200	115,200	60,677
2005.0400-Equipment .....	1,612,000	1,612,000	1,388,040
2005.0912-For Payment of Bonds .....	15,478,572	15,478,572	15,292,975
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	15,423,400	15,423,400	11,921,014
2005.0934-Claims for Damages and Liabilities Against the City when Ordered Paid by the City Council .....	200,000	200,000	79,093
2005.0991-To Provide for Matching and Supplementary Grant Funds Currently in Effect and New Grants .....	7,096,607	7,096,607	5,518,407
2005.9027-For the City Contribution to Social Security Tax.....	897,841	897,841	577,908

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Concluded</u>			
2005.9030-After School Investments .....	\$ -	\$ 1,800,000	\$ 1,800,000
2005.9076-City's Contribution to Medicare Tax .....	35,305,550	35,305,550	36,549,228
2005.9121-Lobbyist on Behalf of the City of Chicago .....	480,000	480,000	435,183
2005.9176-West Nile Virus Program .....	425,000	425,000	398,200
2005.9180-For World Business Chicago Program .....	1,000,000	1,000,000	1,000,000
2005.9210-Economic Development Initiatives .....	-	2,000,000	2,000,000
2005.9214-Parks Investments .....	-	3,500,000	3,500,000
2005.9257-Community Policing .....	1,500,000	1,500,000	1,309,074
2005.9291-Legal Protection Fund .....	-	1,300,000	1,300,000
2005.9292-Vacant Building Rehab Program .....	-	2,000,000	2,000,000
2005.9293-Cyber-Security Initiatives at City Colleges .....	-	1,000,000	999,941
2005.9377-For Transfers to Debt Service .....	123,471,077	123,471,077	122,971,000
2005.9635-To Reimburse Midway Fund for Fire			
Department Salaries .....	2,852,109	2,852,109	2,852,109
2005.9636-To Reimburse Midway Fund for Fire			
Department Benefits .....	1,467,410	1,467,410	1,467,410
2005.9638-For Corporate Fund Subsidy of Chicago			
Public Library .....	18,985,000	18,985,000	18,985,000
2005.9980-Municipal Fund Pension Allocation .....	92,920,000	92,920,000	92,135,000
2005.9981-Laborers' Fund Pension Allocation .....	12,544,000	12,544,000	12,544,000
Total .....	<u>808,289,408</u>	<u>823,689,408</u>	<u>736,354,589</u>
TOTAL GENERAL GOVERNMENT .....	<u>1,305,128,513</u>	<u>1,320,528,513</u>	<u>1,202,086,490</u>
<u>HEALTH</u>			
DEPARTMENT OF PUBLIC HEALTH - 41 -			
1005.0000-Personnel Services .....	16,069,402	16,069,402	16,182,794
1005.0100-Contractual Services .....	15,153,391	15,153,391	14,737,141
1005.0200-Travel .....	10,850	10,850	12,904
1005.0300-Commodities and Materials .....	726,480	726,480	672,918
1005.0400-Equipment .....	30,234	30,234	27,143
Total .....	<u>31,990,357</u>	<u>31,990,357</u>	<u>31,632,900</u>
TOTAL HEALTH .....	<u>31,990,357</u>	<u>31,990,357</u>	<u>31,632,900</u>
<u>PUBLIC SAFETY</u>			
INDEPENDENT POLICE REVIEW AUTHORITY - 56 -			
2005.0000-Personnel Services .....	2,896,323	2,896,323	2,876,281
Total .....	<u>2,896,323</u>	<u>2,896,323</u>	<u>2,876,281</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>PUBLIC SAFETY - Continued</u>			
CHICAGO POLICE DEPARTMENT - 57 -			
1005.0000-Personnel Services .....	\$ 1,363,775,959	\$ 1,363,775,959	\$ 1,402,559,764
1005.0100-Contractual Services .....	24,128,452	24,728,452	21,247,387
1005.0200-Travel .....	305,570	305,570	158,479
1005.0300-Commodities and Materials .....	5,914,450	5,914,450	5,282,786
1005.0400-Equipment .....	36,250	36,250	35,600
1005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	19,844,350	19,844,350	38,277,466
1005.0937-For Cost and Administration of Hospital and Medical Expenses for Employees Injured on Duty Who Are Not Covered Under Workers' Compensation Act ...	19,000,000	19,000,000	17,421,194
1005.9067-For Physical Exams .....	1,736,069	1,736,069	1,732,319
Total .....	<u>1,434,741,100</u>	<u>1,435,341,100</u>	<u>1,486,714,995</u>
OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS - 58 -			
2705.0000-Personnel Services .....	84,840,005	84,840,005	83,773,959
2705.0100-Contractual Services .....	16,093,112	16,093,112	15,850,667
2705.0200-Travel .....	81,717	81,717	81,986
2705.0300-Commodities and Materials .....	1,303,127	1,303,127	1,217,543
2705.0400-Equipment .....	87,727	87,727	91,127
Total .....	<u>102,405,688</u>	<u>102,405,688</u>	<u>101,015,282</u>
CHICAGO FIRE DEPARTMENT - 59 -			
2005.0000-Personnel Services .....	562,284,906	562,284,906	561,206,283
2005.0100-Contractual Services .....	6,180,239	6,180,239	3,888,353
2005.0200-Travel .....	50,900	50,900	20,713
2005.0300-Commodities and Materials .....	2,766,514	2,766,514	2,581,386
CHICAGO FIRE DEPARTMENT - 59 - Concluded			
2005.0400-Equipment .....	164,000	164,000	153,058
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	2,702,000	2,702,000	2,701,938
2005.0937-For Cost and Administration of Hospital and Medical Expenses for Employees Injured on Duty Who Are Not Covered Under Workers' Compensation Act ...	9,000,000	9,000,000	4,954,603
2005.9067-For Physical Exams .....	1,080,000	1,080,000	214,176
Total .....	<u>584,228,559</u>	<u>584,228,559</u>	<u>575,720,510</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>PUBLIC SAFETY - Concluded</u>			
DEPARTMENT OF BUILDINGS - 67 -			
2005.0000-Personnel Services .....	\$ 19,723,099	\$ 19,723,099	\$ 18,840,658
2005.0100-Contractual Services .....	2,784,013	2,784,013	2,505,970
2005.0200-Travel .....	155,000	155,000	143,277
2005.0300-Commodities and Materials .....	41,620	41,620	35,930
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	300,000	300,000	70,500
2005.0989-For Refunds for Cancelled Voucher Warrants and Payroll Checks and for Refunding Duplicate Payments and Payments Made in Error .....	100,000	100,000	21,825
2005.9019-For Board Up and Demolition of Abandoned Buildings .....	3,000,000	3,000,000	2,413,268
Total .....	<u>26,103,732</u>	<u>26,103,732</u>	<u>24,031,428</u>
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services .....	13,666,267	13,666,267	12,073,414
2005.0100-Contractual Services .....	4,517,757	4,917,757	4,094,767
2005.0200-Travel .....	37,343	37,343	13,399
2005.0300-Commodities and Materials .....	140,234	140,234	118,229
Total .....	<u>18,361,601</u>	<u>18,761,601</u>	<u>16,299,809</u>
COMMISSION ON ANIMAL CARE AND CONTROL - 73 -			
2005.0000-Personnel Services .....	4,635,433	4,635,433	5,005,493
2005.0100-Contractual Services .....	1,120,744	1,120,744	584,086
2005.0200-Travel .....	480	480	254
2005.0300-Commodities and Materials .....	584,079	584,079	547,996
Total .....	<u>6,340,736</u>	<u>6,340,736</u>	<u>6,137,829</u>
TOTAL PUBLIC SAFETY .....	<u>2,175,077,739</u>	<u>2,176,077,739</u>	<u>2,212,796,134</u>
<u>STREETS AND SANITATION</u>			
COMMISSIONER'S OFFICE - 81 -			
2005.0000-Personnel Services .....	1,640,506	1,640,506	1,397,724
2005.0100-Contractual Services .....	433,693	433,693	418,965
2005.0200-Travel .....	200	200	-
2005.0300-Commodities and Materials .....	6,150	6,150	5,778
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	540,000	540,000	346,609
Total .....	<u>2,620,549</u>	<u>2,620,549</u>	<u>2,169,076</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>STREETS AND SANITATION - Concluded</u>			
COMMISSIONER'S OFFICE -			
ADMINISTRATIVE SERVICES DIVISION - 81 -			
2006.0000-Personnel Services .....	\$ 1,771,308	\$ 1,771,308	\$ 1,775,287
2006.0100-Contractual Services .....	35,008	35,008	28,651
2006.0200-Travel .....	250	250	-
2006.0300-Commodities and Materials .....	5,250	5,250	4,925
Total .....	<u>1,811,816</u>	<u>1,811,816</u>	<u>1,808,863</u>
BUREAU OF SANITATION - 81 -			
2020.0000-Personnel Services .....	99,133,803	99,133,803	93,849,957
2020.0100-Contractual Services .....	51,413,643	51,413,643	51,406,725
2020.0300-Commodities and Materials .....	160,016	160,016	148,718
2020.0400-Equipment .....	33,102	33,102	33,042
Total .....	<u>150,740,564</u>	<u>150,740,564</u>	<u>145,438,442</u>
BUREAU OF RODENT CONTROL - 81 -			
2025.0000-Personnel Services .....	8,657,255	8,657,255	7,815,047
2025.0100-Contractual Services .....	1,476,806	1,476,806	1,474,447
2025.0300-Commodities and Materials .....	92,962	92,962	89,858
2025.0400-Equipment .....	8,722	8,722	8,189
Total .....	<u>10,235,745</u>	<u>10,235,745</u>	<u>9,387,541</u>
BUREAU OF STREET OPERATIONS - 81 -			
2045.0000-Personnel Services .....	19,458,131	19,458,131	17,700,615
2045.0100-Contractual Services .....	2,796,920	2,796,920	2,665,104
2045.0300-Commodities and Materials .....	440,125	440,125	370,231
Total .....	<u>22,695,176</u>	<u>22,695,176</u>	<u>20,735,950</u>
BUREAU OF FORESTRY - 81 -			
2060.0000-Personnel Services .....	16,256,114	16,256,114	15,590,540
2060.0100-Contractual Services .....	2,553,656	2,553,656	2,531,989
2060.0200-Travel .....	4,700	4,700	3,645
2060.0300-Commodities and Materials .....	95,645	95,645	77,439
2060.0400-Equipment .....	11,575	11,575	975
Total .....	<u>18,921,690</u>	<u>18,921,690</u>	<u>18,204,588</u>
TOTAL STREETS AND SANITATION .....	<u>207,025,540</u>	<u>207,025,540</u>	<u>197,744,460</u>

**Schedule A-2 Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<b>TRANSPORTATION</b>			
<b>COMMISSIONER'S OFFICE - 84 -</b>			
2105.0000-Personnel Services .....	\$ 2,363,946	\$ 2,363,946	\$ 2,075,836
2105.0100-Contractual Services .....	101,754	101,754	93,680
2105.0200-Travel .....	3,000	3,000	2,203
2105.0300-Commodities and Materials .....	7,100	7,100	6,416
2105.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	1,300,000	1,300,000	1,107,967
Total .....	<u>3,775,800</u>	<u>3,775,800</u>	<u>3,286,102</u>
<b>DIVISION OF ADMINISTRATION - 84 -</b>			
2115.0000-Personnel Services .....	5,263,687	5,263,687	4,984,825
2115.0100-Contractual Services .....	197,326	197,326	166,147
2115.0200-Travel .....	1,300	1,300	-
2115.0300-Commodities and Materials .....	11,600	11,600	10,860
Total .....	<u>5,473,913</u>	<u>5,473,913</u>	<u>5,161,832</u>
<b>DIVISION OF TRAFFIC SAFETY - 84 -</b>			
2130.0000-Personnel Services .....	834,209	834,209	753,559
2130.0100-Contractual Services .....	14,611,410	14,611,410	14,256,325
2130.0200-Travel .....	5,600	5,600	1,897
2130.0300-Commodities and Materials .....	5,100	5,100	1,941
Total .....	<u>15,456,319</u>	<u>15,456,319</u>	<u>15,013,722</u>
<b>DIVISION OF SIGN MANAGEMENT- 84 -</b>			
2140.0000-Personnel Services .....	3,310,842	3,310,842	2,928,468
2140.0100-Contractual Services .....	436,157	436,157	432,957
2140.0300-Commodities and Materials .....	508,983	508,983	475,449
2140.0400-Equipment .....	7,800	7,800	6,832
Total .....	<u>4,263,782</u>	<u>4,263,782</u>	<u>3,843,706</u>
<b>DIVISION OF PROJECT DEVELOPMENT - 84 -</b>			
2145.0000-Personnel Services .....	3,239,535	3,239,535	2,993,285
2145.0100-Contractual Services .....	785,489	785,489	776,831
2145.0200-Travel .....	6,000	6,000	1,387
2145.0300-Commodities and Materials .....	31,900	31,900	25,405
2145.9142-Ex-Offender/Re-Entry Initiatives .....	250,000	250,000	250,000
Total .....	<u>4,312,924</u>	<u>4,312,924</u>	<u>4,046,908</u>

**Schedule A-2 Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>TRANSPORTATION - Concluded</u>			
DIVISION OF ELECTRICAL OPERATIONS - 84 -			
2150.0000-Personnel Services .....	\$ 8,261,458	\$ 8,261,458	\$ 7,109,798
2150.0100-Contractual Services .....	441,790	441,790	394,317
2150.0200-Travel .....	16,000	16,000	8,791
2150.0300-Commodities and Materials .....	562,625	562,625	525,065
2150.0400-Equipment .....	21,000	21,000	20,644
Total .....	<u>9,302,873</u>	<u>9,302,873</u>	<u>8,058,615</u>
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services .....	12,929,072	12,929,072	11,044,401
2155.0100-Contractual Services .....	262,752	262,752	244,145
2155.0200-Travel .....	1,600	1,600	-
2155.0300-Commodities and Materials .....	305,161	305,161	269,096
2155.0400-Equipment .....	15,325	15,325	13,224
Total .....	<u>13,513,910</u>	<u>13,513,910</u>	<u>11,570,866</u>
TOTAL TRANSPORTATION .....	<u>56,099,521</u>	<u>56,099,521</u>	<u>50,981,751</u>
<u>PRINCIPAL RETIREMENT</u>			
2005.9540 - Payment of General Obligation Certificate .....	2,145,000	2,145,000	2,144,947
TOTAL PRINCIPAL RETIREMENT .....	<u>2,145,000</u>	<u>2,145,000</u>	<u>2,144,947</u>
<u>INTEREST AND OTHER FISCAL CHARGES</u>			
2005.9540-Interest on General Obligation Certificate .....	2,737,330	2,737,330	3,080,060
TOTAL INTEREST AND OTHER FISCAL CHARGES .....	<u>2,737,330</u>	<u>2,737,330</u>	<u>3,080,060</u>
TOTAL GENERAL FUND .....	<u>\$ 3,780,204,000</u>	<u>\$ 3,796,604,000</u>	<u>\$ 3,700,466,742</u>

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**SPECIAL REVENUE FUNDS -  
FEDERAL, STATE AND LOCAL  
GRANTS**

Schedule B-1  
CITY OF CHICAGO, ILLINOIS  
SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS  
COMBINING BALANCE SHEET  
December 31, 2017  
With Comparative Totals for December 31, 2016  
(Amounts are in Thousands of Dollars)

	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Trans- portation</u>
<b>ASSETS:</b>				
Investments .....	\$ 5,873	\$ 8,921	\$ 5,545	\$ 12,858
Receivables (Net of Allowances) .....	1,335	62	1,162	53
Due from Other Funds .....	13,452	514	262	38
Due from Other Governments .....	73	34,310	43,541	201,461
Restricted Assets - Cash and Cash Equivalents .....	-	-	-	-
Other Assets .....	-	-	-	-
<b>Total Assets .....</b>	<b><u>\$ 20,733</u></b>	<b><u>\$ 43,807</u></b>	<b><u>\$ 50,510</u></b>	<b><u>\$ 214,410</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Voucher Warrants Payable .....	\$ 375	\$ 18,565	\$ 9,502	\$ 49,513
Due to Other Funds .....	27,568	24,311	36,239	139,184
Accrued and Other Liabilities .....	322	211	176	546
Unearned Revenue .....	8,184	7,443	5,993	29,265
<b>Total Liabilities .....</b>	<b><u>\$ 36,449</u></b>	<b><u>\$ 50,530</u></b>	<b><u>\$ 51,910</u></b>	<b><u>\$ 218,508</u></b>
<b>Deferred Inflows:</b>				
Deferred Inflows .....	74	10,529	32,301	169,675
<b>Fund Balance (Deficit):</b>				
Restricted .....	-	-	-	-
Unassigned .....	(15,790)	(17,252)	(33,701)	(173,773)
<b>Total Fund Balance (Deficit) .....</b>	<b><u>(15,790)</u></b>	<b><u>(17,252)</u></b>	<b><u>(33,701)</u></b>	<b><u>(173,773)</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balance .....</b>	<b><u>\$ 20,733</u></b>	<b><u>\$ 43,807</u></b>	<b><u>\$ 50,510</u></b>	<b><u>\$ 214,410</u></b>

Aviation	Environmental Control	Cultural and Recreational	Human Services	Urban Development	Capital Outlay	Intrafund Activity Elimination	Totals	
							2017	2016
\$ 49	\$ 4,124	\$ 4,077	\$ 46,915	\$ 2,212	\$ 1,310	\$ -	\$ 91,884	\$ 108,351
-	-	11	1,559	93	-	-	4,275	4,630
30	1,582	1,376	5,220	-	-	-	22,474	25,908
-	327	4,973	100,910	-	8,372	-	393,967	425,126
-	-	-	3,215	3	-	-	3,218	3,218
-	-	-	2,964	303	-	-	3,267	4,075
<u>\$ 79</u>	<u>\$ 6,033</u>	<u>\$ 10,437</u>	<u>\$ 160,783</u>	<u>\$ 2,611</u>	<u>\$ 9,682</u>	<u>\$ -</u>	<u>\$ 519,085</u>	<u>\$ 571,308</u>
\$ 2	\$ 28	\$ 401	\$ 75,249	\$ 81	\$ 6,542	\$ -	\$ 160,258	\$ 169,952
-	5	1,976	21,338	536	1,988	-	253,145	281,017
4	-	32	4,736	72	-	-	6,099	12,203
-	7	4,615	40,356	550	1,422	-	97,835	97,990
<u>\$ 6</u>	<u>\$ 40</u>	<u>\$ 7,024</u>	<u>\$ 141,679</u>	<u>\$ 1,239</u>	<u>\$ 9,952</u>	<u>\$ -</u>	<u>\$ 517,337</u>	<u>\$ 561,162</u>
-	-	4,352	22,971	-	3,248	-	243,150	253,053
73	5,993	-	-	1,372	-	-	7,438	11,054
-	-	(939)	(3,867)	-	(3,518)	-	(248,840)	(253,961)
73	5,993	(939)	(3,867)	1,372	(3,518)	-	(241,402)	(242,907)
<u>\$ 79</u>	<u>\$ 6,033</u>	<u>\$ 10,437</u>	<u>\$ 160,783</u>	<u>\$ 2,611</u>	<u>\$ 9,682</u>	<u>\$ -</u>	<u>\$ 519,085</u>	<u>\$ 571,308</u>

**Schedule B-2**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Year Ended December 31, 2017**  
**With Comparative Totals for 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Trans- portation</u>
Revenues:				
Federal/State Grants .....	\$ 247	\$ 89,429	\$ 45,276	\$ 163,844
Total Revenues .....	<u>247</u>	<u>89,429</u>	<u>45,276</u>	<u>163,844</u>
Expenditures:				
Current .....	<u>(341)</u>	<u>93,051</u>	<u>54,657</u>	<u>163,269</u>
Total Expenditures .....	<u>(341)</u>	<u>93,051</u>	<u>54,657</u>	<u>163,269</u>
Revenues Over (Under) Expenditures .....	<u>588</u>	<u>(3,622)</u>	<u>(9,381)</u>	<u>575</u>
Other Financing Sources (Uses):				
Proceeds of Debt, net .....	-	-	-	19,977
Operating Transfers Out .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses) .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,977</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses) .....	588	(3,622)	(9,381)	20,552
Fund Balance (Deficit) - Beginning of Year .....	<u>(16,378)</u>	<u>(13,630)</u>	<u>(24,320)</u>	<u>(194,325)</u>
Fund Balance (Deficit) - End of Year .....	<u>\$ (15,790)</u>	<u>\$ (17,252)</u>	<u>\$ (33,701)</u>	<u>\$ (173,773)</u>

Aviation	Environmental Control	Cultural and Recreational	Human Services	Urban Development	Capital Outlay	Totals	
						2017	2016
\$ 1	\$ 478	\$ 10,905	\$ 346,286	\$ 68	\$ 46,717	\$ 703,251	\$ 743,734
1	478	10,905	346,286	68	46,717	703,251	743,734
-	347	15,660	346,906	-	48,174	721,723	797,245
-	347	15,660	346,906	-	48,174	721,723	797,245
1	131	(4,755)	(620)	68	(1,457)	(18,472)	(53,511)
-	-	-	-	-	-	19,977	30,746
-	-	-	-	-	-	-	(4,000)
-	-	-	-	-	-	19,977	26,746
1	131	(4,755)	(620)	68	(1,457)	1,505	(26,765)
72	5,862	3,816	(3,247)	1,304	(2,061)	(242,907)	(216,142)
<u>\$ 73</u>	<u>\$ 5,993</u>	<u>\$ (939)</u>	<u>\$ (3,867)</u>	<u>\$ 1,372</u>	<u>\$ (3,518)</u>	<u>\$ (241,402)</u>	<u>\$ (242,907)</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

Schedule C-1  
**CITY OF CHICAGO, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents .....	\$ 12,391	\$ 3,998	\$ 9,318	\$ 25,707
Investments .....	28,640	5,393	56,565	90,598
Receivables (Net of Allowances):				
Property Tax .....	-	22,950	-	22,950
Accounts .....	178,383	61	308	178,752
Due from Other Funds .....	99,905	-	703	100,608
Due from Other Governments .....	18,591	-	18,040	36,631
Restricted Cash and Cash Equivalents .....	36,498	-	-	36,498
Restricted Cash and Investments with Escrow Agent .....	115	63,209	-	63,324
<b>Total Assets .....</b>	<b>\$ 374,523</b>	<b>\$ 95,611</b>	<b>\$ 84,934</b>	<b>\$ 555,068</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Voucher Warrants Payable .....	\$ 193,983	\$ -	\$ 5,899	\$ 199,882
Accrued Interest .....	-	795	-	795
Due to Other Funds .....	43,678	-	18,743	62,421
Accrued and Other Liabilities .....	6,567	122	241	6,930
<b>Total Liabilities .....</b>	<b>244,228</b>	<b>917</b>	<b>24,883</b>	<b>270,028</b>
Deferred Inflows .....	4,796	19,706	-	24,502
<b>Fund Balance:</b>				
Restricted .....	3,057	74,988	98,714	176,759
Committed .....	122,202	-	-	122,202
Unassigned .....	240	-	(38,663)	(38,423)
<b>Total Fund Balance .....</b>	<b>125,499</b>	<b>74,988</b>	<b>60,051</b>	<b>260,538</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance ...</b>	<b>\$ 374,523</b>	<b>\$ 95,611</b>	<b>\$ 84,934</b>	<b>\$ 555,068</b>

Schedule C-2

CITY OF CHICAGO, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2017

(Amounts are in Thousands of Dollars)

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Utility Tax .....	\$ 143,103	\$ -	\$ -	\$ 143,103
Sales Tax (Local) .....	65,013	-	-	65,013
Transportation Tax .....	188,085	-	-	188,085
State Sales Tax .....	86,047	-	-	86,047
Transaction Tax .....	63,747	-	-	63,747
Special Area Tax .....	-	21,219	-	21,219
Other Taxes .....	24,751	-	-	24,751
Internal Service .....	33,664	-	-	33,664
Fines .....	18,929	-	-	18,929
Investment Income .....	1,242	1,559	377	3,178
Charges for Services .....	51,001	-	-	51,001
Miscellaneous .....	20,923	924	970	22,817
Total Revenues .....	<u>696,505</u>	<u>23,702</u>	<u>1,347</u>	<u>721,554</u>
<b>EXPENDITURES</b>				
Current:				
General Government .....	340,437	-	-	340,437
Public Safety .....	4,743	-	-	4,743
Streets and Sanitation .....	44,734	-	-	44,734
Transportation .....	104,850	-	-	104,850
Cultural and Recreational .....	87,414	-	-	87,414
Other .....	394	-	-	394
Capital Outlay .....	-	-	62,591	62,591
Debt Service:				
Principal Retirement .....	-	60,825	-	60,825
Interest and Other Fiscal Charges .....	2,147	16,161	-	18,308
Total Expenditures .....	<u>584,719</u>	<u>76,986</u>	<u>62,591</u>	<u>724,296</u>
Revenues Over (Under) Expenditures .....	<u>111,786</u>	<u>(53,284)</u>	<u>(61,244)</u>	<u>(2,742)</u>

Continued on following page.

Schedule C-2 - Concluded  
 CITY OF CHICAGO, ILLINOIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 Year Ended December 31, 2017  
 (Amounts are in Thousands of Dollars)

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt .....	\$ -	\$ -	\$ 135,166	\$ 135,166
Transfers In .....	96,875	49,027	-	145,902
Transfers Out .....	(155,747)	(14,898)	-	(170,645)
Total Other Financing Sources (Uses) .....	<u>(58,872)</u>	<u>34,129</u>	<u>135,166</u>	<u>110,423</u>
Net Change in Fund Balances .....	52,914	(19,155)	73,922	107,681
Fund Balance - Beginning of Year .....	72,585	94,143	(13,871)	152,857
Fund Balance - End of Year .....	<u>\$ 125,499</u>	<u>\$ 74,988</u>	<u>\$ 60,051</u>	<u>\$ 260,538</u>

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## 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.

**Public Building Commission Fund** - For rentals of space and long-term lease obligations 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, as provided by revenues from fees collected for disposal of liquid waste, by surcharges 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.

**Municipal Employees' Annuity Benefit Fund (MEABF) Reserve** - A tax assessed to meet the City's funding obligations to the Municipal Employees' Annuity and Benefit Fund of Chicago.

**Sales Tax Securitization Corporation - General Fund** - The STSC was organized for the limited purpose of purchasing certain sales tax revenues from the City and issuing bonds, notes, or other obligations for the benefit of the City.

Schedule D-1  
CITY OF CHICAGO, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
December 31, 2017  
(Amounts are in Thousands of Dollars)

	Vehicle Tax	Motor Fuel Tax and Project	Public Building Commission
<b>ASSETS</b>			
Cash and Cash Equivalents .....	\$ -	\$ 11,823	\$ -
Investments .....	15,970	-	-
Receivables (Net of Allowances):			
Accounts .....	3,628	1,504	-
Due from Other Funds .....	56,889	2,654	-
Due from Other Governments .....	-	9,094	3,226
Restricted Cash and Cash Equivalents .....	-	-	-
Restricted Cash and Investments with Escrow Agent .....	-	115	-
<b>Total Assets .....</b>	<b><u>\$ 76,487</u></b>	<b><u>\$ 25,190</u></b>	<b><u>\$ 3,226</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Voucher Warrants Payable .....	\$ 12,055	\$ 7,269	\$ -
Due to Other Funds .....	20,472	421	30
Accrued and Other Liabilities .....	4,534	267	-
<b>Total Liabilities .....</b>	<b><u>37,061</u></b>	<b><u>7,957</u></b>	<b><u>30</u></b>
Deferred Inflows .....	-	-	-
<b>Fund Balance (Deficit):</b>			
Restricted .....	-	-	-
Committed .....	39,426	17,233	3,196
Unassigned .....	-	-	-
<b>Total Fund Balance (Deficit) .....</b>	<b><u>39,426</u></b>	<b><u>17,233</u></b>	<b><u>3,196</u></b>
<b>Total Liabilities and Fund Balance .....</b>	<b><u>\$ 76,487</u></b>	<b><u>\$ 25,190</u></b>	<b><u>\$ 3,226</u></b>

Miscellaneous	Chicago Public Library	Special Events, Tourism and Festivals	Health and Welfare	MEABF Pension Reserve	STSC General Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 216	\$ -	\$ 352	\$ -	\$ -	\$ 12,391
8,910	-	2,389	1,371	-	-	28,640
9,923	110	686	239	11,233	151,060	178,383
20,044	17,717	2,331	270	-	-	99,905
-	-	6,271	-	-	-	18,591
-	-	-	-	36,498	-	36,498
-	-	-	-	-	-	115
<u>\$ 38,877</u>	<u>\$ 18,043</u>	<u>\$ 11,677</u>	<u>\$ 2,232</u>	<u>\$ 47,731</u>	<u>\$ 151,060</u>	<u>\$ 374,523</u>
\$ 12,971	\$ 7,226	\$ 3,642	\$ -	\$ -	\$ 150,820	\$ 193,983
18,960	53	3,742	-	-	-	43,678
148	1,260	358	-	-	-	6,567
<u>32,079</u>	<u>8,539</u>	<u>7,742</u>	<u>-</u>	<u>-</u>	<u>150,820</u>	<u>244,228</u>
-	-	-	-	4,796	-	4,796
3,057	-	-	-	-	-	3,057
3,741	9,504	3,935	2,232	42,935	-	122,202
-	-	-	-	-	240	240
<u>6,798</u>	<u>9,504</u>	<u>3,935</u>	<u>2,232</u>	<u>42,935</u>	<u>240</u>	<u>125,499</u>
<u>\$ 38,877</u>	<u>\$ 18,043</u>	<u>\$ 11,677</u>	<u>\$ 2,232</u>	<u>\$ 47,731</u>	<u>\$ 151,060</u>	<u>\$ 374,523</u>

Schedule D-2  
CITY OF CHICAGO, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)  
Year Ended December 31, 2017  
(Amounts are in Thousands of Dollars)

	Vehicle Tax	Motor Fuel Tax and Project	Public Building Commission
Revenues:			
Utility Tax .....	\$ -	\$ -	\$ -
Sales Tax (Local) .....	-	-	-
Transportation Tax .....	131,178	55,530	-
State Sales Tax .....	-	-	-
Transaction Tax .....	-	-	-
Other Taxes .....	-	-	-
Internal Service .....	33,664	-	-
Fines .....	17,143	-	-
Investment Income .....	395	125	-
Charges for Services .....	33,494	-	-
Miscellaneous .....	80	-	442
Total Revenues .....	<u>215,954</u>	<u>55,655</u>	<u>442</u>
Expenditures:			
Current:			
General Government .....	92,820	18,787	335
Health .....	-	-	-
Public Safety .....	509	-	-
Streets and Sanitation .....	37,832	6,902	-
Transportation .....	75,656	29,194	-
Cultural and Recreational .....	-	-	-
Other .....	-	-	-
Debt Service:			
Principal Retirement .....	-	-	-
Interest and Other Fiscal Charges .....	-	-	-
Total Expenditures .....	<u>206,817</u>	<u>54,883</u>	<u>335</u>
Revenues Over (Under) Expenditures .....	<u>9,137</u>	<u>772</u>	<u>107</u>
Other Financing Sources (Uses):			
Transfers In .....	687	-	-
Transfers Out .....	(10)	-	-
Total Other Financing Sources (Uses) .....	<u>677</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances .....	9,814	772	107
Fund Balance (Deficit) - Beginning of Year .....	<u>29,612</u>	<u>16,461</u>	<u>3,089</u>
Fund Balance (Deficit) - End of Year .....	<u>\$ 39,426</u>	<u>\$ 17,233</u>	<u>\$ 3,196</u>

<u>Miscellaneous</u>	<u>Chicago Public Library</u>	<u>Special Events, Tourism and Festivals</u>	<u>Health and Welfare</u>	<u>MEABF Pension Reserve</u>	<u>STSC General Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 100,260	\$ -	\$ -	\$ -	\$ 42,843	\$ -	\$ 143,103
-	-	-	-	-	65,013	65,013
-	-	1,377	-	-	-	188,085
-	-	-	-	-	86,047	86,047
63,747	-	-	-	-	-	63,747
-	-	24,751	-	-	-	24,751
-	-	-	-	-	-	33,664
-	1,786	-	-	-	-	18,929
557	8	35	30	92	-	1,242
4,624	24	12,859	-	-	-	51,001
13,016	165	6,600	620	-	-	20,923
<u>182,204</u>	<u>1,983</u>	<u>45,622</u>	<u>650</u>	<u>42,935</u>	<u>151,060</u>	<u>696,505</u>
179,030	36,389	12,267	799	-	10	340,437
-	-	-	-	-	-	-
4,021	-	213	-	-	-	4,743
-	-	-	-	-	-	44,734
-	-	-	-	-	-	104,850
-	56,437	30,977	-	-	-	87,414
-	-	394	-	-	-	394
-	-	-	-	-	-	-
-	2,147	-	-	-	-	2,147
<u>183,051</u>	<u>94,973</u>	<u>43,851</u>	<u>799</u>	<u>-</u>	<u>10</u>	<u>584,719</u>
<u>(847)</u>	<u>(92,990)</u>	<u>1,771</u>	<u>(149)</u>	<u>42,935</u>	<u>151,050</u>	<u>111,786</u>
-	96,188	-	-	-	-	96,875
-	(3,109)	(1,818)	-	-	(150,810)	(155,747)
-	<u>93,079</u>	<u>(1,818)</u>	-	-	<u>(150,810)</u>	<u>(58,872)</u>
(847)	89	(47)	(149)	42,935	240	52,914
7,645	9,415	3,982	2,381	-	-	72,585
<u>\$ 6,798</u>	<u>\$ 9,504</u>	<u>\$ 3,935</u>	<u>\$ 2,232</u>	<u>\$ 42,935</u>	<u>\$ 240</u>	<u>\$ 125,499</u>

**Schedule D-3**  
**CITY OF CHICAGO, ILLINOIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

FUND	Transaction and Property Tax	Special Area and Utility Taxes	Trans- portation Tax	State Taxes
Final Budgeted Revenues:				
Vehicle Tax .....	\$ -	\$ -	\$ 127,723	\$ 10,000
Motor Fuel Tax and Project .....	-	-	58,039	-
Miscellaneous .....	66,440	94,661	-	-
Chicago Public Library .....	-	-	-	-
Special Events, Tourism and Festivals .....	-	-	-	24,679
Health and Welfare .....	-	-	-	-
MEABF Pension Reserve .....	-	56,000	-	-
Total Final Budgeted Revenues .....	<u>66,440</u>	<u>150,661</u>	<u>185,762</u>	<u>34,679</u>
Actual Revenues:				
Vehicle Tax .....	-	-	131,178	-
Motor Fuel Tax and Project .....	-	-	55,530	-
Public Building Commission .....	-	-	-	-
Miscellaneous .....	63,747	100,260	-	-
Chicago Public Library .....	-	-	-	-
Special Events, Tourism and Festivals .....	-	-	1,377	24,751
Health and Welfare .....	-	-	-	-
MEABF Pension Reserve .....	-	42,843	-	-
Total Actual Revenues .....	<u>63,747</u>	<u>143,103</u>	<u>188,085</u>	<u>24,751</u>
Variance Positive (Negative) .....	<u>\$ (2,693)</u>	<u>\$ (7,558)</u>	<u>\$ 2,323</u>	<u>\$ (9,928)</u>

Internal Service	Fines	Investment Income	Leases, Rentals, Sales and Charges for Services	Miscellaneous	Proceeds of Debt	Budgeted Prior Years' Surplus and Operating Transfers In/ Other	Total Nonmajor Special Revenue Funds
\$ 32,797	\$ 8,800	\$ -	\$ 11,487	\$ 1,000	\$ -	\$ 30,625	\$ 222,432
-	-	-	-	-	-	4,232	62,271
-	-	-	-	31,147	-	771	193,019
-	1,520	2	165	600	77,203	22,961	102,451
-	-	-	12,400	6,500	-	3,436	47,015
-	-	-	-	800	-	74	874
-	-	-	-	-	-	-	56,000
<u>32,797</u>	<u>10,320</u>	<u>2</u>	<u>24,052</u>	<u>40,047</u>	<u>77,203</u>	<u>62,099</u>	<u>684,062</u>
33,664	17,143	395	33,494	80	-	687	216,641
-	-	125	-	-	-	-	55,655
-	-	-	-	442	-	-	442
-	-	557	4,624	13,016	-	-	182,204
-	1,786	8	24	165	-	96,188	98,171
-	-	35	12,859	6,600	-	-	45,622
-	-	30	-	620	-	-	650
-	-	92	-	-	-	-	42,935
<u>33,664</u>	<u>18,929</u>	<u>1,242</u>	<u>51,001</u>	<u>20,923</u>	<u>-</u>	<u>96,875</u>	<u>642,320</u>
<u>\$ 867</u>	<u>\$ 8,609</u>	<u>\$ 1,240</u>	<u>\$ 26,949</u>	<u>\$ (19,124)</u>	<u>\$ (77,203)</u>	<u>\$ 34,776</u>	<u>\$ (41,742)</u>

**Schedule D-4**  
**CITY OF CHICAGO, ILLINOIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF EXPENDITURES AND ENCUMBRANCES -**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

FUND	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Streets and Sanitation</u>
Final Budget:				
Vehicle Tax .....	\$ 106,416	\$ -	\$ -	\$ 37,204
Motor Fuel Tax and Project .....	15,593	-	-	12,721
Miscellaneous .....	188,367	-	5,936	-
Library .....	45,797	-	-	-
Special Events, Tourism and Festivals .....	14,643	-	-	-
Health and Welfare .....	800	-	-	-
Total Original and Final Budget .....	<u>371,616</u>	<u>-</u>	<u>5,936</u>	<u>49,925</u>
Actual Expenditures and Encumbrances:				
Vehicle Tax .....	93,719	-	-	37,212
Motor Fuel Tax and Project .....	14,602	-	-	6,859
Miscellaneous .....	179,629	-	3,409	-
Library .....	38,967	-	-	-
Special Events, Tourism and Festivals .....	13,715	-	-	-
Health and Welfare .....	800	-	-	-
Total Actual Expenditures and Encumbrances ...	<u>341,432</u>	<u>-</u>	<u>3,409</u>	<u>44,071</u>
Variance Positive (Negative) .....	<u>\$ 30,184</u>	<u>\$ -</u>	<u>\$ 2,527</u>	<u>\$ 5,854</u>

<u>Trans- portation</u>	<u>Cultural and Recreational</u>	<u>Employee Pensions</u>	<u>Operating Transfers Out</u>	<u>Interest and Other Fiscal Charges</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 78,812	\$ -	\$ -	\$ -	\$ -	\$ 222,432
33,957	-	-	-	-	62,271
-	-	-	-	-	194,303
-	56,654	-	-	-	102,451
-	31,293	-	-	-	45,936
-	-	-	-	-	800
<u>112,769</u>	<u>87,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,193</u>
75,204	-	-	-	-	206,135
31,212	-	-	-	-	52,673
-	-	-	-	-	183,038
-	56,212	-	-	-	95,179
-	30,544	-	-	-	44,259
-	-	-	-	-	800
<u>106,416</u>	<u>86,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,084</u>
<u>\$ 6,353</u>	<u>\$ 1,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,109</u>

**Schedule D-5**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<b>VEHICLE TAX FUND</b>			
<b>GENERAL GOVERNMENT</b>			
CITY COUNCIL COMMITTEES - 15 -			
COMMITTEE ON TRANSPORTATION AND PUBLIC WAY			
2230.0000-Personnel Services .....	\$ 437,750	\$ 437,750	\$ 479,105
2230.9000-Purposes as Specified .....	16,387	16,387	16,046
Total .....	<u>454,137</u>	<u>454,137</u>	<u>495,151</u>
COMMITTEE ON PEDESTRIAN AND TRAFFIC SAFETY			
2265.0000-Personnel Services .....	244,379	244,379	242,800
2265.0300-Commodities and Materials .....	5,000	5,000	-
Total .....	<u>249,379</u>	<u>249,379</u>	<u>242,800</u>
TOTAL CITY COUNCIL COMMITTEES .....	<u>703,516</u>	<u>703,516</u>	<u>737,951</u>
CITY CLERK - 25 -			
2005.0000-Personnel Services .....	4,190,647	4,190,647	3,599,630
2005.0100-Contractual Services .....	2,215,387	2,215,387	1,281,075
2005.0200-Travel .....	23,940	23,940	8,397
2005.0300-Commodities and Materials .....	422,570	422,570	226,713
2005.9400-Internal Transfers and Reimbursements .....	20,000	20,000	16,301
Total .....	<u>6,872,544</u>	<u>6,872,544</u>	<u>5,132,116</u>
DEPARTMENT OF FINANCE - 27 -			
FINANCIAL STRATEGY AND OPERATIONS			
2015.0000-Personnel Services .....	427,552	427,552	360,487
Total .....	<u>427,552</u>	<u>427,552</u>	<u>360,487</u>
REVENUE SERVICES AND OPERATIONS			
2020.0000-Personnel Services .....	473,085	473,085	450,556
2020.0100-Contractual Services .....	4,500	4,500	-
2020.0300-Commodities and Materials .....	500	500	-
2020.0400-Equipment .....	1,177,575	1,177,575	1,170,714
Total .....	<u>1,655,660</u>	<u>1,655,660</u>	<u>1,621,270</u>
TOTAL DEPARTMENT OF FINANCE .....	<u>2,083,212</u>	<u>2,083,212</u>	<u>1,981,757</u>
DEPARTMENT OF LAW - 31 -			
2005.0000-Personnel Services .....	1,334,205	1,334,205	1,248,237
2005.0100-Contractual Services .....	86,960	86,960	82,131
2005.0200-Travel .....	3,228	3,228	1,226
2005.0300-Commodities and Materials .....	5,170	5,170	4,856
2005.9400-Internal Transfers and Reimbursements .....	700	700	700
Total .....	<u>1,430,263</u>	<u>1,430,263</u>	<u>1,337,150</u>

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Continued</u>			
<u>GENERAL GOVERNMENT - Continued</u>			
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -			
BUREAU OF FACILITY MANAGEMENT			
2126.0100-Contractual Services .....	\$ 900,625	\$ 900,625	\$ 1,087,979
2126.0300-Commodities and Materials .....	38,426	38,426	37,771
Total .....	<u>939,051</u>	<u>939,051</u>	<u>1,125,750</u>
BUREAU OF ASSET MANAGEMENT			
2131.0100-Contractual Services .....	4,607,138	4,607,138	3,434,328
2131.0300-Commodities and Materials .....	8,873,752	8,873,752	7,928,888
Total .....	<u>13,480,890</u>	<u>13,480,890</u>	<u>11,363,216</u>
BUREAU OF FLEET OPERATIONS			
2140.0100-Contractual Services .....	3,434,944	3,434,944	3,372,494
Total .....	<u>3,434,944</u>	<u>3,434,944</u>	<u>3,372,494</u>
TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT.....	<u>17,854,885</u>	<u>17,854,885</u>	<u>15,861,460</u>
DEPARTMENT OF BUILDINGS - 67 -			
2005.0000-Personnel Services .....	477,747	477,747	475,452
2005.0100-Contractual Services .....	31,000	31,000	2,148
2005.0300-Commodities and Materials .....	3,008	3,008	2,820
Total .....	<u>511,755</u>	<u>511,755</u>	<u>480,420</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services .....	28,053,486	28,053,486	24,146,607
2005.0100-Contractual Services .....	10,703,956	10,703,956	8,416,128
2005.0931-Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs.....	11,800	11,800	5,720
2005.0934-Claims for Damages and Liability.....	375,000	375,000	79,761
2005.0989-Refunds for Cancelled Voucher Warrants and Payroll Checks and Duplicate Payments and Payments Made in Error.....	765,000	765,000	663,605
2005.0991-To Provide for Matching and Supplementary Grant Funds Currently in Effect as well as New Grants.....	707,700	707,700	656,750

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<b><u>VEHICLE TAX FUND - Continued</u></b>			
DEPARTMENT OF FINANCE - GENERAL - 99 - Continued			
2005.9027-For the City Contribution to Social Security Tax .....	\$ 22,477	\$ 22,477	\$ 22,477
2005.9076-City's Contribution to Medicare Tax .....	951,419	951,419	951,419
2005.9581-Reserved for Excess Expenses Related to Snow Events .....	2,122,634	2,122,634	-
2005.9610-To Reimburse Corporate Fund for Pension Payments .....	17,772,176	17,772,176	17,772,176
2005.9611-To Reimburse the Corporate Fund for Indirect Costs Chargeable to fund .....	15,464,000	15,464,000	15,464,000
2005.9774-Transfer for Services provided by the Office of Emergency Management and Communication.....	10,000	10,000	10,000
Total .....	<u>76,959,648</u>	<u>76,959,648</u>	<u>68,188,643</u>
TOTAL GENERAL GOVERNMENT .....	<u>106,415,823</u>	<u>106,415,823</u>	<u>93,719,497</u>
<b><u>STREETS AND SANITATION</u></b>			
BUREAU OF SANITATION - 81 -			
2020.0000-Personnel Services .....	5,124,687	5,124,687	5,993,300
2020.0100-Contractual Services .....	2,057,511	2,057,511	2,055,699
2020.0400-Equipment .....	500	500	-
Total .....	<u>7,182,698</u>	<u>7,182,698</u>	<u>8,048,999</u>
BUREAU OF STREET OPERATIONS - 81 -			
2045.0000-Personnel Services .....	3,993,051	3,993,051	3,153,098
2045.0100-Contractual Services .....	1,877,686	1,877,686	1,765,306
2045.0300-Commodities and Materials .....	241,219	241,219	208,475
2045.0400-Equipment .....	33,700	33,700	29,538
2045.9400-Internal Transfers and Reimbursements .....	5,000	5,000	5,000
Total .....	<u>6,150,656</u>	<u>6,150,656</u>	<u>5,161,417</u>
BUREAU OF TRAFFIC SERVICES - 81 -			
2070.0000-Personnel Services .....	14,103,098	14,103,098	13,739,408
2070.0100-Contractual Services .....	8,906,175	8,906,175	9,849,401
2070.0300-Commodities and Materials .....	133,600	133,600	113,646
2070.0992-For Tow Storage Refund .....	700,000	700,000	270,800
2070.9400-Internal Transfers and Reimbursements .....	28,000	28,000	28,000
Total .....	<u>23,870,873</u>	<u>23,870,873</u>	<u>24,001,255</u>

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Continued</u>			
<u>STREETS AND SANITATION-Continued</u>			
TOTAL STREETS AND SANITATION .....	\$ 37,204,227	\$ 37,204,227	\$ 37,211,671
<u>TRANSPORTATION</u>			
DIVISION OF ENGINEERING - 84 -			
2125.0000-Personnel Services .....	7,687,137	7,687,137	6,676,864
2125.0100-Contractual Services .....	4,847,267	4,847,267	4,838,278
2125.0200-Travel .....	44,878	44,878	33,819
2125.0300-Commodities and Materials .....	18,310	18,310	14,430
Total .....	<u>12,597,592</u>	<u>12,597,592</u>	<u>11,563,391</u>
DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 -			
2135.0000-Personnel Services .....	5,129,590	5,129,590	4,622,682
2135.0100-Contractual Services .....	4,775,094	4,775,094	4,740,043
2135.0200-Travel .....	99,200	99,200	72,910
2135.0300-Commodities and Materials .....	39,150	39,150	35,558
2135.9400-Internal Transfers and Reimbursements.....	4,000	4,000	4,000
Total .....	<u>10,047,034</u>	<u>10,047,034</u>	<u>9,475,193</u>
DIVISION OF ELECTRICAL OPERATIONS - 84 -			
2150.0000-Personnel Services .....	5,205,604	5,205,604	5,139,765
2150.0100-Contractual Services .....	1,299,485	1,299,485	1,296,402
2150.0200-Travel .....	117,560	117,560	121,006
2150.0300-Commodities and Materials .....	1,553,710	1,553,710	1,455,156
2150.0400-Equipment .....	3,250	3,250	3,052
Total .....	<u>8,179,609</u>	<u>8,179,609</u>	<u>8,015,381</u>
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services .....	44,793,399	44,793,399	43,181,061
2155.0100-Contractual Services .....	393,853	393,853	371,078
2155.0200-Travel .....	18,500	18,500	19,096
2155.0300-Commodities and Materials .....	2,746,963	2,746,963	2,549,464
2155.9400-Internal Transfers and Reimbursements .....	35,000	35,000	29,295
Total .....	<u>47,987,715</u>	<u>47,987,715</u>	<u>46,149,994</u>
TOTAL TRANSPORTATION .....	<u>78,811,950</u>	<u>78,811,950</u>	<u>75,203,959</u>

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Concluded</u>			
TOTAL VEHICLE TAX FUND .....	\$ 222,432,000	\$ 222,432,000	\$ 206,135,127
<u>MOTOR FUEL TAX AND PROJECT FUND</u>			
<u>GENERAL GOVERNMENT</u>			
<u>DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -</u>			
BUREAU OF ASSET MANAGEMENT			
2131.0300-Commodities and Materials .....	15,592,576	15,592,576	14,601,556
Total .....	15,592,576	15,592,576	14,601,556
TOTAL FLEET AND FACILITY MANAGEMENT .....	15,592,576	15,592,576	14,601,556
TOTAL GENERAL GOVERNMENT .....	15,592,576	15,592,576	14,601,556
<u>STREETS AND SANITATION - 81 -</u>			
BUREAU OF STREET OPERATIONS			
2045.0300-Commodities and Materials .....	12,721,200	12,721,200	6,859,070
Total .....	12,721,200	12,721,200	6,859,070
TOTAL STREETS AND SANITATION .....	12,721,200	12,721,200	6,859,070
<u>TRANSPORTATION - 84 -</u>			
DIVISION OF ELECTRICAL OPERATIONS			
2005.9189.For Payment of the Annual Contribution to the CTA.....	3,000,000	3,000,000	3,000,000
2150.0000-Personnel Services .....	12,970,658	12,970,658	11,639,953
2150.0300-Commodities and Materials.....	2,250,825	2,250,825	2,243,096
Total .....	18,221,483	18,221,483	16,883,049
DIVISION OF IN-HOUSE CONSTRUCTION			
2155.0000-Personnel Services .....	6,735,591	6,735,591	5,329,073
2155.0100-Contractual Services.....	825,000	825,000	825,000
2155.0300-Commodities and Materials.....	8,175,334	8,175,334	8,175,189
Total .....	15,735,925	15,735,925	14,329,262
TOTAL TRANSPORTATION .....	33,957,408	33,957,408	31,212,311

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>MOTOR FUEL TAX AND PROJECT FUND - Concluded</u>			
TOTAL MOTOR FUEL TAX AND PROJECT FUND .....	\$ 62,271,184	\$ 62,271,184	\$ 52,672,937
<u>MISCELLANEOUS FUND</u>			
<u>EMERGENCY COMMUNICATION</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0100-Contractual Services .....	100,000	100,000	-
2005.9639-For Operations of the Office of Emergency Management and Communications .....	95,313,000	95,313,000	93,818,391
Total .....	95,413,000	95,413,000	93,818,391
TOTAL EMERGENCY COMMUNICATION .....	95,413,000	95,413,000	93,818,391
<u>SPECIAL DEPOSIT ACTIVITIES</u>			
<u>CHICAGO PARKING METERS</u>			
<u>GENERAL GOVERNMENT</u>			
FINANCE - GENERAL - 99 -			
2005.0100-Contractual Services .....	21,736,220	21,736,220	21,736,219
Total .....	21,736,220	21,736,220	21,736,219
TOTAL CHICAGO PARKING METERS .....	21,736,220	21,736,220	21,736,219
<u>PUBLIC SAFETY</u>			
DEPARTMENT OF POLICE - 57 -			
2005.9999- Miscellaneous .....	5,723,140	5,723,140	3,195,992
Total .....	5,723,140	5,723,140	3,195,992
TOTAL SPECIAL DEPOSIT ACTIVITIES .....	27,459,360	27,459,360	24,932,211

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>MISCELLANEOUS FUND-Continued</u>			
<u>COMMONWEALTH EDISON SETTLEMENT</u>			
<u>GENERAL GOVERNMENT</u>			
OFFICE OF THE MAYOR - 01 -			
2005.9210 Personnel .....	\$ 224,400	\$ 224,400	\$ -
2005.9211 Technical Support, Networks and Digital Assets .....	360,686	360,686	676
2005.9214 Energy Efficiencies and Renewables .....	144,828	144,828	-
2005.9215 Climate Leadership and General Events .....	54,000	54,000	-
Total .....	<u>783,914</u>	<u>783,914</u>	<u>676</u>
DEPARTMENT OF LAW- 31			
2005.9211 Technical Support, Networks and Digital Assets .....	314,500	314,500	91,460
Total .....	<u>314,500</u>	<u>314,500</u>	<u>91,460</u>
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT- 38			
2005.9211 Technical Support, Networks and Digital Assets .....	100,000	100,000	-
Total .....	<u>100,000</u>	<u>100,000</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION- 84			
2005.9211 Technical Support, Networks and Digital Assets .....	96,642	96,642	-
Total .....	<u>96,642</u>	<u>96,642</u>	<u>-</u>
TOTAL COMMONWEALTH EDISON SETTLEMENT .....	<u>1,295,056</u>	<u>1,295,056</u>	<u>92,136</u>
<u>DEPARTURE TAX</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF FINANCE - 27 -			
2020.0000-Personnel Services .....	472,137	472,137	472,137
Total .....	<u>472,137</u>	<u>472,137</u>	<u>472,137</u>
DEPARTMENT OF AVIATION - 85 -			
2005.0100-Contractual Services .....	393,735	393,735	393,735
Total .....	<u>393,735</u>	<u>393,735</u>	<u>393,735</u>
TOTAL GENERAL GOVERNMENT.....	<u>865,872</u>	<u>865,872</u>	<u>865,872</u>

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<u>MISCELLANEOUS FUND-Concluded</u>			
<u>PUBLIC SAFETY</u>			
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services .....	\$ 212,657	\$ 212,657	\$ 212,657
Total .....	<u>212,657</u>	<u>212,657</u>	<u>212,657</u>
TOTAL DEPARTURE TAX .....	<u>1,078,529</u>	<u>1,078,529</u>	<u>1,078,529</u>
<u>ALLIED SETTLEMENT FUND</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF LAW - 31 -			
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside			
Counsel Expenses and Expert Costs .....	250,000	250,000	-
Total .....	<u>250,000</u>	<u>250,000</u>	<u>-</u>
DEPARTMENT OF PROCUREMENT SERVICES - 35 -			
2005.0100-Contractual Services .....	875,000	875,000	427,266
2005.0200-Travel .....	7,500	7,500	-
2005.0300-Commodities and Materials .....	10,000	10,000	4,197
2005.0400-Equipment .....	75,000	75,000	-
2005.9012 Procurement Services .....	1,400,000	1,400,000	-
Total .....	<u>2,367,500</u>	<u>2,367,500</u>	<u>431,463</u>
TOTAL ALLIED SETTLEMENT.....	<u>2,617,500</u>	<u>2,617,500</u>	<u>431,463</u>
<u>CTA REAL PROPERTY TRANSFER TAX</u>			
FINANCE GENERAL - 99 -			
2005.9205-For Distribution of the Net Proceeds of the Real Property			
Transfer Tax-CTA Portion .....	65,776,000	65,776,000	62,021,444
2005.9640-To Reimburse Corporate Fund for Costs Incurred for			
Collection of the Real Property Transfer Tax-CTA Portion .....	664,000	664,000	664,000
Total .....	<u>66,440,000</u>	<u>66,440,000</u>	<u>62,685,444</u>
TOTAL CTA REAL PROPERTY TRANSFER TAX .....	<u>66,440,000</u>	<u>66,440,000</u>	<u>62,685,444</u>
TOTAL MISCELLANEOUS FUND .....	<u>194,303,445</u>	<u>194,303,445</u>	<u>183,038,174</u>

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<b>LIBRARY FUND</b>			
<b>GENERAL GOVERNMENT</b>			
DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -			
2005.0000-Personnel Services .....	\$ 1,142,765	\$ 1,142,765	\$ 1,186,578
Total .....	<u>1,142,765</u>	<u>1,142,765</u>	<u>1,186,578</u>
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -			
BUREAU OF FACILITY MANAGEMENT - 38 -			
2126.0100-Contractual Services .....	6,965,769	6,965,769	6,189,319
2126.0300-Commodities and Materials .....	574,772	574,772	572,631
Total .....	<u>7,540,541</u>	<u>7,540,541</u>	<u>6,761,950</u>
BUREAU OF ASSET MANAGEMENT -38-			
2131.0100-Contractual Services .....	1,387,517	1,387,517	1,195,394
2131.0300-Commodities and Materials .....	3,970,380	3,970,380	3,415,242
Total .....	<u>5,357,897</u>	<u>5,357,897</u>	<u>4,610,636</u>
BUREAU OF FLEET OPERATIONS -38-			
2140.0100-Contractual Services .....	37,485	37,485	-
2140.0300-Commodities and Materials .....	15,000	15,000	15,000
Total .....	<u>52,485</u>	<u>52,485</u>	<u>15,000</u>
TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT.....	<u>12,950,923</u>	<u>12,950,923</u>	<u>11,387,586</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services .....	9,870,103	9,870,103	7,524,453
2005.0100-Contractual Services .....	1,227,429	1,227,429	1,020,346
2005.0400-Equipment .....	100,000	100,000	92,618
2005.0955-Interest on Library Financing .....	1,700,000	1,700,000	2,147,429
2005.9027-City's Contribution to Social Security Tax .....	19,150	19,150	19,150
2005.9076-City's Contribution to Medicare Tax .....	810,584	810,584	810,584
2005.9112-Property Maintenance Contract for the Harold Washington Library Center.....	7,335,236	7,335,236	7,335,236
2005.9199 -For Purchase of Chicago Public Library Books and Materials....	7,500,000	7,500,000	7,442,877
2005.9980-Municipal Fund Pension Allocation .....	3,141,000	3,141,000	-
Total .....	<u>31,703,502</u>	<u>31,703,502</u>	<u>26,392,693</u>
TOTAL GENERAL GOVERNMENT.....	<u>45,797,190</u>	<u>45,797,190</u>	<u>38,966,857</u>

**Schedule D-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<b><u>LIBRARY FUND - Concluded</u></b>			
<b><u>CULTURAL AND RECREATIONAL</u></b>			
CHICAGO PUBLIC LIBRARY - 91 -			
2005.0000-Personnel Services .....	\$ 52,712,229	\$ 52,712,229	\$ 52,391,365
2005.0100-Contractual Services .....	3,286,890	3,286,890	3,184,092
2005.0200-Travel .....	23,880	23,880	23,880
2005.0300-Commodities and Materials .....	600,811	600,811	582,267
2005.9400-Internal Transfers & Reimbursements .....	30,000	30,000	30,000
Total .....	<u>56,653,810</u>	<u>56,653,810</u>	<u>56,211,604</u>
<b>TOTAL LIBRARY FUND .....</b>	<b><u>102,451,000</u></b>	<b><u>102,451,000</u></b>	<b><u>95,178,461</u></b>
<b><u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND</u></b>			
<b><u>SPECIAL EVENTS AND MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
OFFICE OF THE MAYOR - 01 -			
2005.0000-For Personnel Services .....	382,056	382,056	382,982
Total .....	<u>382,056</u>	<u>382,056</u>	<u>382,982</u>
CITY COUNCIL COMMITTEE ON SPECIAL EVENTS, CULTURAL AFFAIRS AND RECREATION- 15 -			
2155.0000-Personnel Services .....	153,388	153,388	140,495
2155.0300-Commodities and Materials .....	8,720	8,720	600
Total .....	<u>162,108</u>	<u>162,108</u>	<u>141,095</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services .....	1,048,311	1,048,311	686,895
2005.0100-Contractual Services .....	4,857,034	4,857,034	4,573,702
2005.0991-To Provide for Matching and Supplementary Grant Funds .....	183,750	183,750	-
2005.9027-City's Contribution to Social Security Tax .....	1,922	1,922	1,922
2005.9076-City's Contribution to Medicare Tax .....	81,372	81,372	81,372
2005.9124-For the Sisters Cities Program .....	528,643	528,643	528,643
2005.9610-To Reimburse Corporate Fund for Pension Payments .....	1,056,753	1,056,753	1,056,753
2005.9611-To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund .....	4,443,000	4,443,000	4,443,000
2005.9700-Reimbursable Transfers Between Funds .....	1,898,500	1,898,500	1,818,500
Total .....	<u>14,099,285</u>	<u>14,099,285</u>	<u>13,190,787</u>

**Schedule D-5 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
<b><u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND - Concluded</u></b>			
TOTAL GENERAL GOVERNMENT.....	\$ 14,643,449	\$ 14,643,449	\$ 13,714,864
<b><u>CULTURAL AND RECREATIONAL</u></b>			
DEPARTMENT OF CULTURAL AFFAIRS - 23 -			
2015.0000-Personnel Services .....	6,485,703	6,485,703	5,374,950
2015.0100-Contractual Services .....	3,240,303	3,240,303	3,666,255
2015.0200-Travel .....	10,500	10,500	1,148
2015.0300-Commodities and Materials .....	95,000	95,000	85,643
2015.9188-Expenses Related to the Operations of Millennium Park .....	6,950,831	6,950,831	6,950,831
2015.9219-Implementation of Cultural Plan .....	1,250,000	1,250,000	1,250,000
2015.9288-Expenses Related to the Programming for Millennium Park .....	265,500	265,500	265,090
2015.9800-Special Events Projects .....	12,994,714	12,994,714	12,950,053
Total .....	<u>31,292,551</u>	<u>31,292,551</u>	<u>30,543,970</u>
TOTAL CULTURAL AND RECREATIONAL .....	<u>31,292,551</u>	<u>31,292,551</u>	<u>30,543,970</u>
TOTAL MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX .....	<u>45,936,000</u>	<u>45,936,000</u>	<u>44,258,834</u>
<b>TOTAL SPECIAL EVENTS, TOURISM AND FESTIVALS FUND .....</b>	<b><u>45,936,000</u></b>	<b><u>45,936,000</u></b>	<b><u>44,258,834</u></b>
<b><u>HEALTH AND WELFARE FUND</u></b>			
<b><u>NORFOLK SOUTHERN</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
DEPARTMENT OF PLANNING AND DEVELOPMENT- GENERAL - 54 -			
2005.9001 Conservation Innovation Grant (CIG) .....	800,000	800,000	800,000
Total .....	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
TOTAL GENERAL GOVERNMENT .....	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
TOTAL NORFOLK SOUTHERN .....	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
TOTAL HEALTH AND WELFARE FUND .....	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
<b>TOTAL SPECIAL REVENUE FUNDS .....</b>	<b><u>\$ 628,193,629</u></b>	<b><u>\$ 628,193,629</u></b>	<b><u>\$ 582,083,533</u></b>

## **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 E-1  
CITY OF CHICAGO, ILLINOIS  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
December 31, 2017  
(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Total Nonmajor Capital Project Funds
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$ 9	\$ 1	\$ 9,308	\$ -	\$ 9,318
Investments .....	13	101	56,451	-	56,565
Accounts Receivable (Net of Allowances) .....	-	-	308	-	308
Due from Other Funds .....	-	-	703	-	703
Due from Other Governments .....	-	-	-	18,040	18,040
Total Assets .....	<u>\$ 22</u>	<u>\$ 102</u>	<u>\$ 66,770</u>	<u>\$ 18,040</u>	<u>\$ 84,934</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Voucher Warrants Payable .....	\$ 122	\$ 1	\$ 5,776	\$ -	\$ 5,899
Due to Other Funds .....	-	703	-	18,040	18,743
Accrued and Other Liabilities .....	-	-	241	-	241
Total Liabilities .....	<u>122</u>	<u>704</u>	<u>6,017</u>	<u>18,040</u>	<u>24,883</u>
Fund Balance:					
Restricted .....	-	-	98,714	-	98,714
Unassigned .....	(100)	(602)	(37,961)	-	(38,663)
Total Fund Balance .....	<u>(100)</u>	<u>(602)</u>	<u>60,753</u>	<u>-</u>	<u>60,051</u>
Total Liabilities and Fund Balance .....	<u>\$ 22</u>	<u>\$ 102</u>	<u>\$ 66,770</u>	<u>\$ 18,040</u>	<u>\$ 84,934</u>

Schedule E-2

CITY OF CHICAGO, ILLINOIS

NONMAJOR CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2017

(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Total Nonmajor Capital Project Funds
<b>REVENUES</b>					
Investment Income .....	\$ 1	\$ 5	\$ 371	\$ -	\$ 377
Miscellaneous .....	-	-	970	-	970
Total Revenues .....	<u>1</u>	<u>5</u>	<u>1,341</u>	<u>-</u>	<u>1,347</u>
<b>EXPENDITURES</b>					
Capital Outlay .....	-	-	62,591	-	62,591
Total Expenditures .....	<u>-</u>	<u>-</u>	<u>62,591</u>	<u>-</u>	<u>62,591</u>
Revenues Over (Under) Expenditures .....	<u>1</u>	<u>5</u>	<u>(61,250)</u>	<u>-</u>	<u>(61,244)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt .....	-	-	135,166	-	135,166
Total Other Financing Sources (Uses) ...	<u>-</u>	<u>-</u>	<u>135,166</u>	<u>-</u>	<u>135,166</u>
Net Change in Fund Balance .....	1	5	73,916	-	73,922
Fund Balance - Beginning of Year .....	(101)	(607)	(13,163)	-	(13,871)
Fund Balance - End of Year .....	<u>\$ (100)</u>	<u>\$ (602)</u>	<u>\$ 60,753</u>	<u>\$ -</u>	<u>\$ 60,051</u>

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## **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 F-1  
CITY OF CHICAGO, ILLINOIS  
FIDUCIARY FUNDS - AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
December 31, 2017  
(Amounts are in Thousands of Dollars)

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
<b>ASSETS:</b>						
Cash,						
January 1, 2017.....	\$ 6,541	\$ 125	\$ 124,597	\$ 12,576	\$ 3,884	\$ 147,723
Additions.....	3,578,267	779	4,421,363	143,778	862	8,145,049
Deductions.....	3,581,229	734	4,465,869	134,051	809	8,182,692
Cash,						
December 31, 2017.....	3,579	170	80,091	22,303	3,937	110,080
Investments,						
January 1, 2017.....	13,994	268	111,085	26,904	289	152,540
Additions.....	18,376	715	8,702,253	86,061	770	8,808,175
Deductions.....	27,630	754	8,739,258	82,818	812	8,851,272
Investments,						
December 31, 2017.....	4,740	229	74,080	30,147	247	109,443
Cash and Investments with Escrow Agent,						
January 1, 2017.....	-	-	9,066	122	-	9,188
Additions.....	-	-	97,022	-	-	97,022
Deductions.....	-	-	95,593	-	-	95,593
Cash and Investments with Escrow Agent,						
December 31, 2017.....	-	-	10,495	122	-	10,617
Accounts Receivables,						
January 1, 2017.....	645	3,846	165,323	941	1,025	171,780
Additions.....	236	3	315,214	14,497	4	329,954
Deductions.....	881	2	386,982	14,251	6	402,122
Accounts Receivables,						
December 31, 2017.....	-	3,847	93,555	1,187	1,023	99,612

**Schedule F-1 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
<b>ASSETS - Concluded:</b>						
<b>Total Assets,</b>						
January 1, 2017.....	\$ 21,180	\$ 4,239	\$ 410,071	\$ 40,543	\$ 5,198	\$ 481,231
Additions.....	3,596,879	1,497	13,535,852	244,336	1,636	17,380,200
Deductions.....	3,609,740	1,490	13,687,702	231,120	1,627	17,531,679
<b>Total Assets,</b>						
December 31, 2017.....	<u>\$ 8,319</u>	<u>\$ 4,246</u>	<u>\$ 258,221</u>	<u>\$ 53,759</u>	<u>\$ 5,207</u>	<u>\$ 329,752</u>
<b>LIABILITIES:</b>						
<b>Voucher Warrants Payable,</b>						
January 1, 2017.....	\$ 178	\$ 34	\$ 39,076	\$ 3,145	\$ 4	\$ 42,437
Additions.....	-	-	713,050	12,065	9	725,124
Deductions.....	178	-	733,909	11,251	9	745,347
<b>Voucher Warrants Payable,</b>						
December 31, 2017.....	<u>-</u>	<u>34</u>	<u>18,217</u>	<u>3,959</u>	<u>4</u>	<u>22,214</u>
<b>Accrued Liabilities,</b>						
January 1, 2017.....	21,002	4,205	370,995	37,398	5,194	438,794
Additions.....	9,629,540	7	290,095	18,661	20	9,938,323
Deductions.....	9,642,223	-	421,086	6,259	11	10,069,579
<b>Accrued Liabilities,</b>						
December 31, 2017.....	<u>8,319</u>	<u>4,212</u>	<u>240,004</u>	<u>49,800</u>	<u>5,203</u>	<u>307,538</u>
<b>Total Liabilities,</b>						
January 1, 2017.....	21,180	4,239	410,071	40,543	5,198	481,231
Additions.....	9,629,540	7	1,003,145	30,726	29	10,663,447
Deductions.....	9,642,401	-	1,154,995	17,510	20	10,814,926
<b>Total Liabilities</b>						
December 31, 2017.....	<u>\$ 8,319</u>	<u>\$ 4,246</u>	<u>\$ 258,221</u>	<u>\$ 53,759</u>	<u>\$ 5,207</u>	<u>\$ 329,752</u>

**Schedule F-2**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF PLAN NET POSITION**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Pension Trust Funds				
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$ 492	\$ 40,134	\$ 156,036	\$ 46,195	\$ 242,857
Receivables					
Employer and Other .....	272,569	34,663	558,107	193,238	1,058,577
Interest and Dividends .....	12,121	2,414	5,822	7,970	28,327
Total Receivables .....	284,690	37,077	563,929	201,208	1,086,904
Due from City .....	18,014	1,599	72,767	31,516	123,896
Property, Plant, Equipment and Other .....	31	1	-	166	198
Investments, at Fair Value					
Bonds and U.S. Government Obligations .....	986,492	255,737	513,292	190,201	1,945,722
Stocks .....	2,089,698	696,436	1,485,918	617,149	4,889,201
Mortgages and Real Estate .....	431,421	65,763	72,810	16,486	586,480
Other .....	788,536	184,592	474,247	31,170	1,478,545
Total Investments .....	4,296,147	1,202,528	2,546,267	855,006	8,899,948
Invested Securities Lending					
Collateral .....	243,632	51,184	146,521	111,710	553,047
Total Assets .....	4,843,006	1,332,523	3,485,520	1,245,801	10,906,850
Deferred Outflows .....	-	274	-	-	274
<b>LIABILITIES</b>					
Voucher Warrants Payable .....	45,356	14,058	216,933	7,938	284,285
Securities Lending Collateral .....	243,632	51,184	146,521	111,710	553,047
Total Liabilities .....	288,988	65,242	363,454	119,648	837,332
Net Position Restricted for Pension Benefits .....	<u>\$ 4,554,018</u>	<u>\$ 1,267,555</u>	<u>\$ 3,122,066</u>	<u>\$ 1,126,153</u>	<u>\$ 10,069,792</u>

**Schedule F-3**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION**  
**Year Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	Pension Trust Funds				
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
<b>ADDITIONS</b>					
Contributions					
Employees .....	\$ 134,765	\$ 17,411	\$ 103,011	\$ 47,364	\$ 302,551
City .....	261,764	35,456	494,483	228,453	1,020,156
Total Contributions .....	<u>396,529</u>	<u>52,867</u>	<u>597,494</u>	<u>275,817</u>	<u>1,322,707</u>
Investment Income					
Net Appreciation in Fair					
Value of Investments .....	522,085	196,486	371,090	125,048	1,214,709
Interest, Dividends and Other ....	106,291	19,720	50,557	20,441	197,009
Investment Expense .....	(19,341)	(8,463)	(10,129)	(5,494)	(43,427)
Net Investment Income .....	<u>609,035</u>	<u>207,743</u>	<u>411,518</u>	<u>139,995</u>	<u>1,368,291</u>
Securities Lending Transactions					
Securities Lending Income .....	3,733	769	2,150	796	7,448
Securities Lending Expense .....	(2,253)	(530)	(1,381)	(199)	(4,363)
Net Securities Lending Transactions .....	<u>1,480</u>	<u>239</u>	<u>769</u>	<u>597</u>	<u>3,085</u>
Other Additions					
OPEB Termination .....	5,393	-	-	-	5,393
Total Additions .....	<u>1,012,437</u>	<u>260,849</u>	<u>1,009,781</u>	<u>416,409</u>	<u>2,699,476</u>
<b>DEDUCTIONS</b>					
Benefits and Refunds of					
Deductions .....	888,174	157,050	747,891	306,098	2,099,213
Administrative and General .....	6,473	3,985	4,843	3,172	18,473
Total Deductions .....	<u>894,647</u>	<u>161,035</u>	<u>752,734</u>	<u>309,270</u>	<u>2,117,686</u>
Net Decrease in Net Position .....	<u>117,790</u>	<u>99,814</u>	<u>257,047</u>	<u>107,139</u>	<u>581,790</u>
Net Position Restricted for					
Pension Benefits:					
Beginning of Year .....	4,436,228	1,167,741	2,865,019	1,019,014	9,488,002
End of Year .....	<u>\$ 4,554,018</u>	<u>\$ 1,267,555</u>	<u>\$ 3,122,066</u>	<u>\$ 1,126,153</u>	<u>\$ 10,069,792</u>

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# 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.

**Table 1**  
**CITY OF CHICAGO**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	<u>2008</u>	<u>2009 (1)</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:				
Net Investment in Capital Assets ....	\$ 494,930	\$ 251,103	\$ (324,284)	\$ (299,859)
Restricted .....	2,842,149	3,735,128	3,611,533	1,596,408
Unrestricted (deficit) .....	<u>(4,092,388)</u>	<u>(5,840,026)</u>	<u>(6,582,562)</u>	<u>(5,691,215)</u>
Total governmental activities, net position .....	<u>\$ (755,309)</u>	<u>\$ (1,853,795)</u>	<u>\$ (3,295,313)</u>	<u>\$ (4,394,666)</u>
Business-type activities:				
Net Investment in Capital Assets ....	\$ 2,323,394	\$ 2,286,658	\$ 2,365,522	\$ 2,451,787
Restricted .....	779,894	821,909	790,881	874,837
Unrestricted .....	<u>(1,517,891)</u>	<u>(1,541,136)</u>	<u>(1,431,859)</u>	<u>(1,541,515)</u>
Total business type activities, net position .....	<u>\$ 1,585,397</u>	<u>\$ 1,567,431</u>	<u>\$ 1,724,544</u>	<u>\$ 1,785,109</u>
Primary Government:				
Net Investment in Capital Assets ....	\$ 2,818,324	\$ 2,537,761	\$ 2,041,238	\$ 2,151,928
Restricted .....	3,622,043	4,557,037	4,402,414	2,471,245
Unrestricted .....	<u>(5,610,279)</u>	<u>(7,381,162)</u>	<u>(8,014,421)</u>	<u>(7,232,730)</u>
Total primary government, net position .....	<u>\$ 830,088</u>	<u>\$ (286,364)</u>	<u>\$ (1,570,769)</u>	<u>\$ (2,609,557)</u>

Notes:

- (1) As a result of the implementation of GASB Statement No. 53, the results of 2009 were restated, retroactively.
- (2) The City implemented GASB Statement No. 68 in 2015 and the net position was restated at January 1, 2015.

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<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>
\$ (215,961)	\$ (242,862)	\$ 28,744	\$ (292,432)	\$ (65,466)	\$ (551,074)
1,908,516	1,940,911	1,491,995	1,519,914	2,269,517	2,416,071
<u>(7,537,057)</u>	<u>(9,120,377)</u>	<u>(10,564,064)</u>	<u>(25,263,289)</u>	<u>(29,676,310)</u>	<u>(30,579,844)</u>
<u>\$ (5,844,502)</u>	<u>\$ (7,422,328)</u>	<u>\$ (9,043,325)</u>	<u>\$ (24,035,807)</u>	<u>\$ (27,472,259)</u>	<u>\$ (28,714,847)</u>
\$ 2,388,310	\$ 2,446,242	\$ 2,713,825	\$ 2,892,548	\$ 3,373,063	\$ 3,866,056
982,517	883,758	978,972	1,042,980	879,934	868,021
<u>(1,354,572)</u>	<u>(1,278,777)</u>	<u>(1,185,755)</u>	<u>(3,731,167)</u>	<u>(4,210,657)</u>	<u>(4,387,321)</u>
<u>\$ 2,016,255</u>	<u>\$ 2,051,223</u>	<u>\$ 2,507,042</u>	<u>\$ 204,361</u>	<u>\$ 42,340</u>	<u>\$ 346,756</u>
\$ 2,172,349	\$ 2,203,380	\$ 2,742,569	\$ 2,600,116	\$ 3,307,597	\$ 3,314,982
2,891,033	2,824,669	2,470,967	2,562,894	3,149,451	3,284,092
<u>(8,891,629)</u>	<u>(10,399,154)</u>	<u>(11,749,819)</u>	<u>(28,994,456)</u>	<u>(33,886,967)</u>	<u>(34,967,165)</u>
<u>\$ (3,828,247)</u>	<u>\$ (5,371,105)</u>	<u>\$ (6,536,283)</u>	<u>\$ (23,831,446)</u>	<u>\$ (27,429,919)</u>	<u>\$ (28,368,091)</u>

**Table 2**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING**  
**Last Ten Fiscal Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	2008	2009	2010	2011
<b>Expenses</b>				
Governmental Activities:				
General Government .....	\$ 2,384,586	\$ 2,364,754	\$ 2,557,681	\$ 2,734,419
Public Safety .....	2,434,842	2,521,151	2,824,028	2,689,471
Streets and Sanitation .....	371,112	297,156	235,863	245,898
Transportation .....	381,090	351,101	373,437	410,802
Health .....	170,838	166,914	142,352	151,152
Cultural and Recreational .....	140,065	129,996	126,939	102,808
Interest on Long-term Debt .....	381,504	386,125	404,218	474,226
Total Governmental Activities .....	<u>6,264,037</u>	<u>6,217,197</u>	<u>6,664,518</u>	<u>6,808,776</u>
Business-type Activities:				
Water .....	371,441	382,502	399,347	416,289
Sewer .....	158,292	169,982	184,888	194,838
Chicago Midway International Airport .....	217,609	206,613	224,465	218,172
Chicago-O'Hare International Airport .....	803,404	811,710	834,487	879,281
Chicago Skyway .....	12,359	11,775	11,312	10,930
Total Business-type Activities .....	<u>1,563,105</u>	<u>1,582,582</u>	<u>1,654,499</u>	<u>1,719,510</u>
Total Primary Government .....	<u>\$ 7,827,142</u>	<u>\$ 7,799,779</u>	<u>\$ 8,319,017</u>	<u>\$ 8,528,286</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>
\$	2,751,944	\$ 2,667,205	\$ 2,857,789	\$ 6,238,028	\$ 4,549,261	\$ 2,914,655
	2,910,160	3,044,811	2,913,469	3,192,197	4,266,146	3,636,102
	228,622	242,500	275,814	253,432	256,985	247,836
	383,510	400,506	475,751	471,689	378,779	414,044
	123,055	119,678	125,068	119,199	116,692	124,090
	146,283	128,302	121,548	118,775	114,676	121,483
	460,660	477,959	580,701	861,293	495,856	722,008
	<u>7,004,234</u>	<u>7,080,961</u>	<u>7,350,140</u>	<u>11,254,613</u>	<u>10,178,395</u>	<u>8,180,218</u>
	417,499	442,474	455,433	900,346	816,012	581,642
	195,911	216,587	225,600	505,032	350,388	293,047
	225,867	241,080	248,231	315,724	320,033	284,974
	955,276	920,781	1,029,559	1,380,512	1,330,240	1,256,665
	10,621	10,585	10,314	8,727	8,651	8,506
	<u>1,805,174</u>	<u>1,831,507</u>	<u>1,969,137</u>	<u>3,110,341</u>	<u>2,825,324</u>	<u>2,424,834</u>
\$	<u>8,809,408</u>	<u>8,912,468</u>	<u>9,319,277</u>	<u>14,364,954</u>	<u>13,003,719</u>	<u>10,605,052</u>

**Table 2 - Continued**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING**  
**Last Ten Fiscal Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	2008	2009	2010	2011
<b>Program Revenues</b>				
Governmental Activities:				
Licenses, Permits, Fines and				
Charges for Services:				
General Government .....	\$ 440,023	\$ 382,617	\$ 370,028	\$ 388,886
Public Safety .....	129,518	158,490	150,710	211,157
Streets and Sanitation .....	40,578	30,990	38,092	37,291
Transportation .....	14,071	24,895	21,640	28,613
Health .....	3,157	2,504	8,332	7,796
Cultural and Recreational .....	25,725	22,375	21,635	7,201
Operating Grants and Contributions .....	624,356	611,301	674,677	788,812
Capital Grants and Contributions .....	139,949	115,261	114,871	282,008
Total Governmental Activities .....	<u>1,417,377</u>	<u>1,348,433</u>	<u>1,399,985</u>	<u>1,751,764</u>
Business-type Activities:				
Licenses, Permits, Fines and				
Charges for Services:				
Water .....	370,244	410,213	458,395	454,221
Sewer .....	160,005	175,163	198,229	203,349
Chicago Midway				
International Airport .....	124,985	122,301	149,056	157,371
Chicago-O'Hare				
International Airport .....	684,282	624,443	702,603	679,402
Chicago Skyway .....	-	-	-	-
Capital Grants and Contributions .....	224,823	211,174	246,309	257,438
Total Business-type Activities and				
Program Revenues .....	<u>1,564,339</u>	<u>1,543,294</u>	<u>1,754,592</u>	<u>1,751,781</u>
Total Primary Government				
Program Revenues .....	<u>\$ 2,981,716</u>	<u>\$ 2,891,727</u>	<u>\$ 3,154,577</u>	<u>\$ 3,503,545</u>
<b>Net (Expenses)/Revenues</b>				
Governmental Activities .....	\$ (4,846,660)	\$ (4,868,764)	\$ (5,264,533)	\$ (5,057,012)
Business-type Activities .....	1,234	(39,288)	100,093	32,271
Total Primary Government				
Net Expense .....	<u>\$ (4,845,426)</u>	<u>\$ (4,908,052)</u>	<u>\$ (5,164,440)</u>	<u>\$ (5,024,741)</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>
\$	452,892	\$ 467,423	\$ 505,275	\$ 534,325	\$ 501,468	\$ 521,232
	199,572	196,344	208,206	182,670	202,379	194,586
	42,138	45,629	44,552	39,602	100,996	95,180
	39,343	46,076	44,278	37,522	52,524	66,994
	1,751	2,023	2,281	5,839	7,232	6,881
	14,454	15,947	14,643	14,850	15,122	15,407
	748,256	634,384	470,659	496,679	516,728	473,214
	172,456	184,415	249,860	249,064	221,532	205,505
	<u>1,670,862</u>	<u>1,592,241</u>	<u>1,539,754</u>	<u>1,560,551</u>	<u>1,617,981</u>	<u>1,578,999</u>
	576,287	637,114	692,634	769,408	761,411	759,014
	253,912	292,290	322,228	375,877	368,966	357,623
	201,749	221,205	216,662	225,383	232,483	244,073
	857,114	870,654	1,012,529	1,029,788	1,139,380	1,167,089
	-	-	-	-	-	-
	83,219	213,067	95,624	85,968	115,206	119,976
	<u>1,972,281</u>	<u>2,234,330</u>	<u>2,339,677</u>	<u>2,486,424</u>	<u>2,617,446</u>	<u>2,647,775</u>
\$	<u>3,643,143</u>	<u>3,826,571</u>	<u>3,879,431</u>	<u>4,046,975</u>	<u>4,235,427</u>	<u>4,226,774</u>
\$	(5,333,372)	\$ (5,488,720)	\$ (5,810,386)	\$ (9,694,062)	\$ (8,560,414)	\$ (6,601,219)
	167,107	402,823	370,540	(623,917)	(207,878)	222,941
\$	<u>(5,166,265)</u>	<u>(5,085,897)</u>	<u>(5,439,846)</u>	<u>(10,317,979)</u>	<u>(8,768,292)</u>	<u>(6,378,278)</u>

**Table 2 - Concluded**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING**  
**Last Ten Fiscal Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	2008	2009 (1)	2010	2011
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property Tax .....	\$ 799,878	\$ 797,026	\$ 796,928	\$ 934,870
Utility Tax .....	629,497	579,101	561,936	564,236
Sales Tax .....	273,951	252,282	260,364	310,626
Transportation Tax .....	321,362	333,199	335,235	331,441
Transaction Tax .....	275,434	205,026	227,772	250,486
Special Area Tax .....	531,314	501,042	477,241	457,192
Other Taxes .....	262,734	250,982	259,325	269,258
Grants and Contributions Not				
Restricted to Specific Programs .....	712,360	601,198	654,043	598,498
Unrestricted Investment Earnings .....	90,176	12,296	100,269	64,294
Loss on Disposal and				
Sale of Capital Assets .....	-	-	-	-
Transfers .....	-	-	-	1,000
Miscellaneous .....	79,279	238,126	149,902	175,758
Total Governmental Activities .....	<u>3,975,985</u>	<u>3,770,278</u>	<u>3,823,015</u>	<u>3,957,659</u>
Business-type Activities:				
Investment Earnings .....	57,451	12,381	6,831	48,517
Loss on Disposal and				
Sale of Capital Assets .....	-	-	-	-
Miscellaneous .....	37,605	8,941	50,190	34,687
Special Item .....	-	-	-	(53,910)
Transfers .....	-	-	-	(1,000)
Total Business-type Activities .....	<u>95,056</u>	<u>21,322</u>	<u>57,021</u>	<u>28,294</u>
Total Primary Government .....	<u>\$ 4,071,041</u>	<u>\$ 3,791,600</u>	<u>\$ 3,880,036</u>	<u>\$ 3,985,953</u>
<b>Change in Net Position</b>				
Governmental Activities .....	\$ (870,675)	\$ (1,098,486)	\$ (1,441,518)	\$ (1,099,353)
Business-type Activities .....	96,290	(17,966)	157,114	60,565
Total Primary Government .....	<u>\$ (774,385)</u>	<u>\$ (1,116,452)</u>	<u>\$ (1,284,404)</u>	<u>\$ (1,038,788)</u>

**NOTES:**

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

(2) The City implemented GASB Statement No. 68 in 2015 and the net position was restated at January 1, 2015. Employee Pensions and Other have been reclassified by function.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>
\$	896,246	\$ 906,740	\$ 926,839	\$ 1,179,395	\$ 1,264,473	\$ 1,327,236
	548,682	547,651	570,469	562,697	557,992	609,205
	294,417	307,837	324,273	346,319	347,131	344,911
	373,544	381,080	406,624	384,978	449,744	476,329
	281,957	344,493	379,256	466,432	542,896	497,965
	274,617	306,057	260,256	444,972	537,026	605,548
	294,280	298,951	323,946	369,405	395,889	424,882
	692,232	754,716	740,911	815,157	781,968	762,009
	92,050	(6,259)	62,400	(1,357)	30,400	87,741
	-	(16,886)	-	-	-	(28,583)
	-	-	-	625	2,540	2,215
	135,511	139,710	194,415	264,806	213,903	249,173
	<u>3,883,536</u>	<u>3,964,090</u>	<u>4,189,389</u>	<u>4,833,429</u>	<u>5,123,962</u>	<u>5,358,631</u>
	25,197	(13,243)	35,849	27,563	13,196	53,114
	-	-	-	-	-	(18,711)
	38,842	47,354	49,430	39,744	35,201	49,287
	-	-	-	-	-	-
	-	-	-	(625)	(2,540)	(2,215)
	64,039	34,111	85,279	66,682	45,857	81,475
\$	<u>3,947,575</u>	<u>3,998,201</u>	<u>4,274,668</u>	<u>4,900,111</u>	<u>5,169,819</u>	<u>5,440,106</u>
\$	(1,449,836)	\$ (1,524,630)	\$ (1,620,997)	\$ (4,860,633)	\$ (3,436,452)	\$ (1,242,588)
	231,146	436,934	455,819	(557,235)	(162,021)	304,416
\$	<u>(1,218,690)</u>	<u>(1,087,696)</u>	<u>(1,165,178)</u>	<u>(5,417,868)</u>	<u>(3,598,473)</u>	<u>(938,172)</u>

**Table 3**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**Last Ten Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

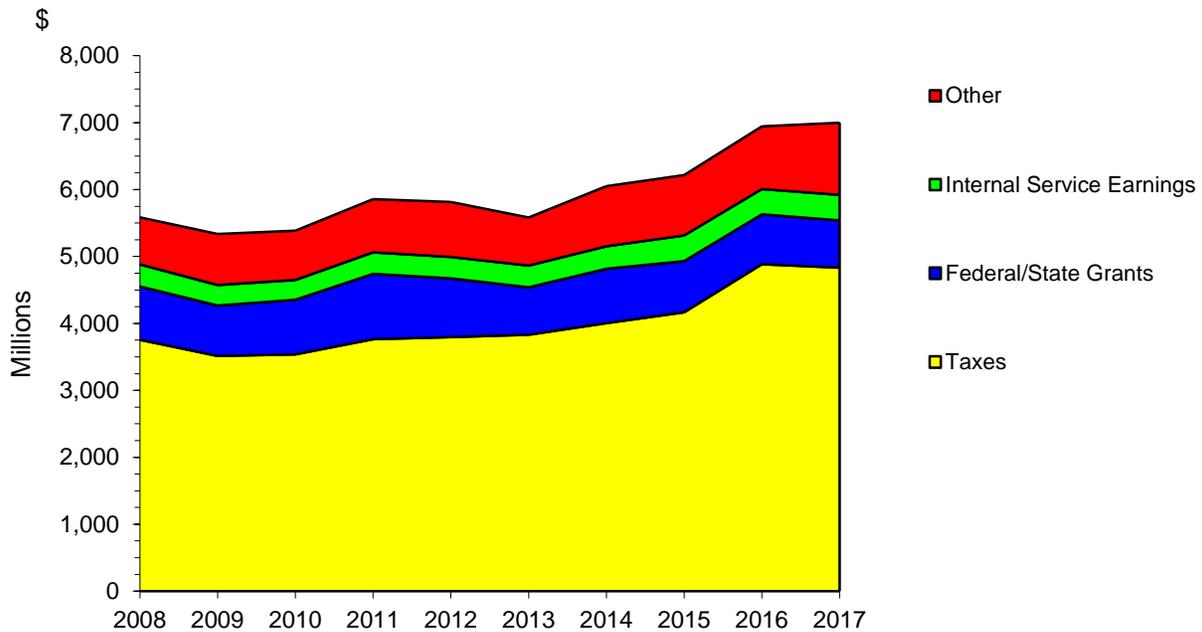
	2008	Percent of Total	2009	Percent of Total	2010	Percent of Total
Revenues:						
Property Tax .....	\$ 729,823	13.1 %	\$ 806,010	15.1 %	\$ 754,081	14.0 %
Utility Tax .....	629,497	11.3	579,101	10.9	561,936	10.4
Sales Tax .....	548,571	9.9	503,952	9.4	527,004	9.8
Transportation Tax .....	321,362	5.8	333,199	6.2	335,235	6.2
State Income Tax .....	435,393	7.8	347,814	6.5	385,668	7.2
Transaction Tax .....	275,434	4.9	205,026	3.8	227,772	4.2
Special Area Tax .....	552,709	9.9	487,909	9.1	486,526	9.0
Other Taxes .....	262,734	4.7	250,982	4.7	259,325	4.8
Total Taxes .....	<u>3,755,523</u>	<u>67.4</u>	<u>3,513,993</u>	<u>65.7</u>	<u>3,537,547</u>	<u>65.6</u>
Federal/State Grants .....	796,911	14.2	753,269	14.1	815,879	15.2
Internal Service .....	329,643	5.9	306,095	5.8	295,765	5.5
Licenses and Permits .....	114,707	2.1	100,458	1.9	96,240	1.8
Fines .....	274,443	4.9	267,891	5.0	272,667	5.1
Investment Income .....	90,176	1.6	31,520	0.6	103,725	1.9
Charges for Services .....	144,161	2.6	124,557	2.4	113,565	2.1
Miscellaneous .....	79,279	1.3	238,126	4.5	149,902	2.8
Total Revenues .....	<u>\$ 5,584,843</u>	<u>100.0 %</u>	<u>\$ 5,335,909</u>	<u>100.0 %</u>	<u>\$ 5,385,290</u>	<u>100.0 %</u>
	2015	Percent of Total	2016	Percent of Total	2017	Percent of Total
Revenues:						
Property Tax .....	\$ 869,841	14.0 %	\$ 1,294,063	18.6 %	\$ 1,212,566	17.3 %
Utility Tax .....	562,697	9.0	557,992	8.0	604,409	8.6
Sales Tax .....	703,234	11.3	713,557	10.3	716,170	10.2
Transportation Tax .....	384,978	6.2	449,744	6.5	476,329	6.8
State Income Tax .....	456,397	7.3	413,673	6.0	388,236	5.6
Transaction Tax .....	466,432	7.5	542,896	7.8	497,965	7.1
Special Area Tax .....	353,413	5.7	516,886	7.4	512,529	7.3
Other Taxes .....	369,405	5.9	395,889	5.7	424,882	6.1
Total Taxes .....	<u>4,166,397</u>	<u>66.9</u>	<u>4,884,700</u>	<u>70.3</u>	<u>4,833,086</u>	<u>69.0</u>
Federal/State Grants .....	764,846	12.3	745,603	10.8	705,765	10.1
Internal Service .....	382,758	6.2	376,895	5.4	381,402	5.5
Licenses and Permits .....	129,035	2.1	132,873	1.9	136,116	1.9
Fines .....	387,160	6.2	337,769	4.9	363,854	5.2
Investment Income .....	(26,895)	(0.4)	30,400	0.4	87,740	1.3
Charges for Services .....	147,927	2.4	221,965	3.2	240,827	3.4
Miscellaneous .....	264,806	4.3	213,865	3.1	249,173	3.6
Total Revenues .....	<u>\$ 6,216,034</u>	<u>100.0 %</u>	<u>\$ 6,944,070</u>	<u>100.0 %</u>	<u>\$ 6,997,963</u>	<u>100.0 %</u>

**NOTE:**

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

2011	Percent of Total	2012	Percent of Total	2013	Percent of Total	2014	Percent of Total
\$ 888,531	15.2 %	\$ 941,398	16.2 %	\$ 866,149	15.5 %	\$ 929,841	15.4 %
564,236	9.6	548,682	9.4	547,651	9.8	570,469	9.4
563,156	9.6	594,290	10.2	623,942	11.2	658,799	10.9
331,441	5.7	373,544	6.5	381,080	6.8	406,624	6.7
344,674	5.9	391,285	6.7	436,740	7.8	404,050	6.7
250,486	4.3	281,957	4.9	344,493	6.2	379,256	6.3
552,894	9.4	370,454	6.3	332,040	5.9	331,380	5.5
269,258	4.5	294,280	5.0	298,951	5.4	323,946	5.4
<u>3,764,676</u>	<u>64.2</u>	<u>3,795,890</u>	<u>65.2</u>	<u>3,831,046</u>	<u>68.6</u>	<u>4,004,365</u>	<u>66.3</u>
976,051	16.7	877,864	15.1	708,702	12.7	812,175	13.3
321,138	5.5	319,285	5.5	324,601	5.8	335,762	5.5
102,702	1.8	117,568	2.1	123,633	2.2	122,143	2.0
283,822	4.8	306,510	5.3	329,460	5.9	353,517	5.8
73,921	1.3	90,885	1.6	(19,111)	(0.3)	69,650	1.2
160,649	2.7	170,724	2.9	161,415	2.9	172,928	2.9
173,768	3.0	135,511	2.3	122,710	2.2	179,939	3.0
<u>\$ 5,856,727</u>	<u>100.0 %</u>	<u>\$ 5,814,237</u>	<u>100.0 %</u>	<u>\$ 5,582,456</u>	<u>100.0 %</u>	<u>\$ 6,050,479</u>	<u>100.0 %</u>

### REVENUE SOURCES



**Table 4**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**Last Ten Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	2008	Percent of Total	2009	Percent of Total	2010	Percent of Total
Expenditures:						
Current:						
Public Safety .....	\$ 1,892,152	27.7 %	\$ 1,913,711	30.5 %	\$ 1,909,728	30.1 %
General Government .....	1,804,925	26.4	1,663,990	26.5	1,786,450	28.2
Employee Pensions .....	413,690	6.0	430,915	6.9	435,432	6.9
Streets and Sanitation .....	382,628	5.6	300,131	4.8	232,426	3.7
Transportation .....	334,684	4.9	261,948	4.2	297,339	4.7
Health .....	184,597	2.7	177,812	2.8	153,877	2.4
Cultural and Recreational .....	117,664	1.7	107,604	1.7	104,297	1.6
Other .....	14,483	0.2	7,676	0.2	30,000	0.5
Capital Outlay .....	661,464	9.7	619,273	9.9	628,910	9.9
Debt Service:						
Principal Retirement .....	656,805	9.6	434,905	6.9	389,928	6.2
Interest and Other Fiscal Charges .....	376,297	5.5	351,430	5.6	366,035	5.8
Total Expenditures .....	<u>\$ 6,839,389</u>	<u>100.0 %</u>	<u>\$ 6,269,395</u>	<u>100.0 %</u>	<u>\$ 6,334,422</u>	<u>100.0 %</u>
Debt Service as a Percentage of Non Capital Expenditures (2) .....		<u>16.7 %</u>		<u>13.6 %</u>		<u>12.6 %</u>
	2015	Percent of Total	2016	Percent of Total	2017	Percent of Total
Expenditures:						
Current:						
Public Safety .....	\$ 2,111,709	28.6 %	\$ 2,265,213	30.5 %	\$ 2,333,673	31.8 %
General Government .....	2,063,897	27.9	2,046,396	27.6	1,993,226	27.1
Employee Pensions .....	479,581	6.5	810,497	10.9	931,618	12.7
Streets and Sanitation .....	249,078	3.3	248,029	3.3	242,225	3.3
Transportation .....	475,482	6.4	402,477	5.4	378,822	5.2
Health .....	119,048	1.6	116,416	1.6	123,135	1.7
Cultural and Recreational .....	95,049	1.3	94,030	1.3	103,073	1.4
Other .....	6,726	0.1	4,086	0.1	744	0.0
Capital Outlay .....	425,050	5.8	286,018	3.9	275,392	3.7
Debt Service:						
Principal Retirement .....	513,806	7.0	660,019	8.9	353,945	4.8
Interest and Other Fiscal Charges .....	850,243	11.5	483,468	6.5	609,594	8.3
Total Expenditures .....	<u>\$ 7,389,669</u>	<u>100.0 %</u>	<u>\$ 7,416,649</u>	<u>100.0 %</u>	<u>\$ 7,345,447</u>	<u>100.0 %</u>
Debt Service as a Percentage of Non Capital Expenditures (2) .....		<u>20.1 %</u>		<u>16.7 %</u>		<u>14.1 %</u>

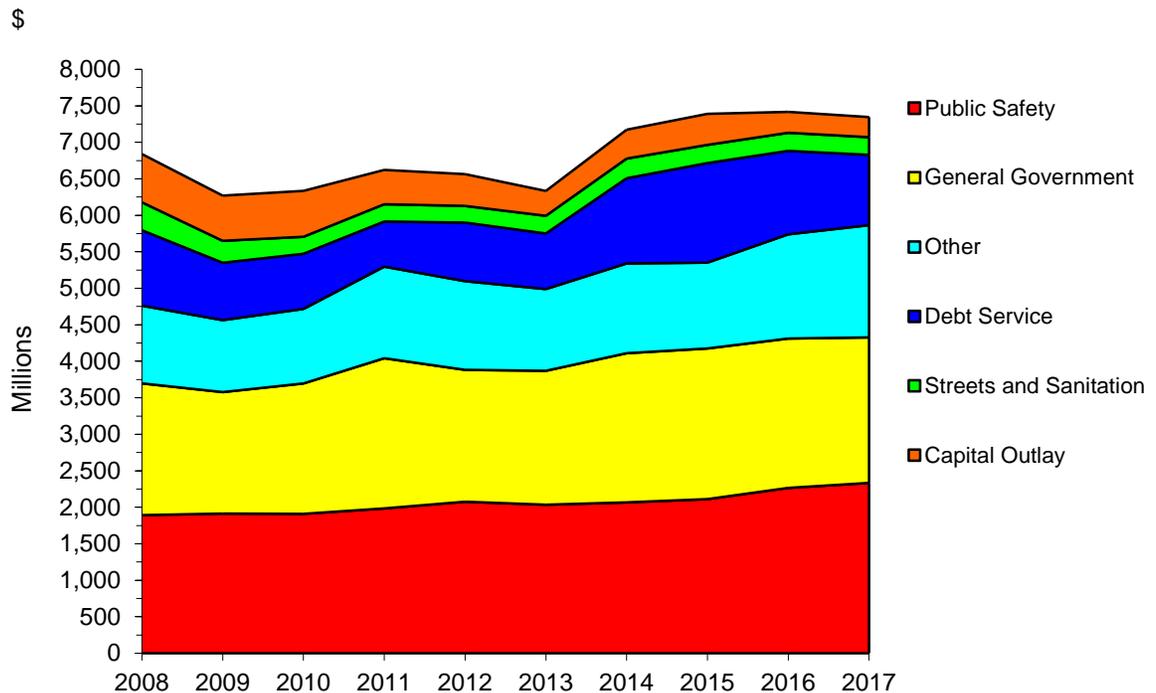
**NOTES:**

(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.

2011	Percent of Total	2012	Percent of Total	2013	Percent of Total	2014	Percent of Total
\$1,984,312	30.0 %	\$2,075,959	31.7 %	\$2,034,896	32.1 %	\$2,066,979	28.8 %
2,057,524	31.1	1,806,541	27.5	1,834,558	29.0	2,043,557	28.5
481,407	7.3	458,951	7.0	444,748	7.0	483,493	6.7
236,591	3.6	228,100	3.6	241,787	3.8	269,393	3.8
507,589	7.7	514,303	7.8	443,199	7.0	518,501	7.2
148,449	2.2	127,567	1.9	126,599	2.0	128,769	1.8
90,905	1.4	102,384	1.6	97,487	1.6	93,525	1.4
26,211	0.3	11,725	0.1	7,681	0.1	5,410	0.0
470,213	7.1	435,600	6.6	340,481	5.4	395,216	5.5
188,608	2.8	340,754	5.2	297,152	4.7	599,395	8.4
429,822	6.5	461,962	7.0	464,587	7.3	568,156	7.9
<u>\$6,621,631</u>	<u>100.0 %</u>	<u>\$6,563,846</u>	<u>100.0 %</u>	<u>\$6,333,175</u>	<u>100.0 %</u>	<u>\$7,172,394</u>	<u>100.0 %</u>
	<u>10.3 %</u>		<u>13.7 %</u>		<u>13.1 %</u>		<u>17.9 %</u>

### EXPENDITURES BY FUNCTION



**Table 4A**  
**CITY OF CHICAGO, ILLINOIS**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**  
**Modified Accrual Basis of Accounting**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Excess of revenues over (under) expenditures .....	\$ (1,254,546)	\$ (933,486)	\$ (949,132)	\$ (764,904)
Other Financing Sources (Uses):				
Issuance of Debt, including premium/discount .....	\$ 795,432	\$ 1,001,302	\$ 1,434,390	\$ 1,212,326
Payment to Refunded Bond Escrow Agent .....	(186,421)	(213,435)	(412,184)	(476,787)
Issuance of line of credit .....	-	-	-	-
Proceeds from sale of assets .....	-	-	-	-
Transfers in .....	293,448	2,253,459	647,407	572,211
Transfers out .....	(293,448)	(2,253,459)	(647,407)	(571,210)
Total other financing sources (uses) .....	<u>609,011</u>	<u>787,867</u>	<u>1,022,206</u>	<u>736,540</u>
Net change in fund balances .....	<u>\$ (645,535)</u>	<u>\$ (145,619)</u>	<u>\$ 73,074</u>	<u>\$ (28,364)</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>\$ (749,609)</u>	<u>\$ (750,719)</u>	<u>\$ (1,121,915)</u>	<u>\$ (1,173,635)</u>	<u>\$ (472,579)</u>	<u>\$ (347,484)</u>
\$ 758,557	\$ 235,367	\$ 1,021,812	\$ 1,093,939	\$ 554,638	\$ 1,936,133
(268,397)	-	(302,862)	-	(496,150)	(971,766)
-	144,673	-	239,131	337,140	77,203
-	-	-	-	-	15,225
178,750	160,322	652,586	229,609	375,790	589,738
(178,750)	(160,322)	(652,586)	(228,984)	(373,250)	(587,523)
<u>490,160</u>	<u>380,040</u>	<u>718,950</u>	<u>1,333,695</u>	<u>398,168</u>	<u>1,059,010</u>
<u>\$ (259,449)</u>	<u>\$ (370,679)</u>	<u>\$ (402,965)</u>	<u>\$ 160,060</u>	<u>\$ (74,411)</u>	<u>\$ 711,526</u>

**Table 5**  
**CITY OF CHICAGO, ILLINOIS**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years Ended December 31, 2017**  
**(Amounts Are in Thousands of Dollars)**  
**(Modified Accrual Basis of Accounting)**

	2008	2009	2010	2011
<b>General Fund:</b>				
Reserved .....	\$ 48,217	\$ 52,048	\$ 54,390	\$ -
Unreserved .....	226	2,658	81,151	-
<b>Total General Fund .....</b>	<b>48,443</b>	<b>54,706</b>	<b>135,541</b>	<b>-</b>
<b>General Fund Balance: (2)</b>				
Nonspendable .....	\$ -	\$ -	\$ -	\$ 24,055
Assigned .....	-	-	-	143,549
Unassigned .....	-	-	-	167,929
<b>Total Fund Balance .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335,533</b>
<b>Other Governmental Funds:</b>				
Reserved .....	\$ 461,830	\$ 1,418,399	\$ 1,419,714	\$ -
Unreserved, Reported in:				
Special Revenue Funds .....	959,424	(409,796)	(349,517)	-
Capital Projects Funds .....	372,063	321,251	534,013	-
Debt Service Funds .....	(551,137)	-	-	-
Permanent Fund (1) .....	660,333	422,319	138,724	-
<b>Total All Other Governmental Funds .....</b>	<b>1,902,513</b>	<b>1,752,173</b>	<b>1,742,934</b>	<b>-</b>
 <b>Total Governmental Funds .....</b>	 <b>\$ 1,950,956</b>	 <b>\$ 1,806,879</b>	 <b>\$ 1,878,475</b>	 <b>\$ -</b>
<b>Other Governmental Fund Balance: (2)</b>				
Nonspendable .....	\$ -	\$ -	\$ -	\$ -
Restricted .....	-	-	-	2,317,734
Committed .....	-	-	-	961,246
Assigned .....	-	-	-	2,550
Unassigned .....	-	-	-	(1,761,077)
<b>Total Fund Balance .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,520,453</b>
 <b>Total Governmental Funds .....</b>	 <b>\$ -</b>	 <b>\$ -</b>	 <b>\$ -</b>	 <b>\$ 1,855,986</b>

**NOTE:**

- (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.

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
\$ 20,885	\$ 24,788	\$ 24,498	\$ 23,828	\$ 23,730	\$ 25,945
177,000	108,424	65,223	98,377	92,115	106,900
33,417	33,845	51,557	93,027	153,737	155,516
<u>231,302</u>	<u>167,057</u>	<u>141,278</u>	<u>215,232</u>	<u>269,582</u>	<u>288,361</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 769,064
2,332,911	2,262,028	1,829,431	1,878,692	1,755,914	1,903,494
882,127	699,073	696,067	677,821	709,769	790,489
-	-	-	-	-	-
<u>(1,852,973)</u>	<u>(1,901,567)</u>	<u>(1,843,440)</u>	<u>(1,789,019)</u>	<u>(1,827,047)</u>	<u>(2,129,450)</u>
<u>1,362,065</u>	<u>1,059,534</u>	<u>682,058</u>	<u>767,494</u>	<u>638,636</u>	<u>1,333,597</u>
<u>\$ 1,593,367</u>	<u>\$ 1,226,591</u>	<u>\$ 823,336</u>	<u>\$ 982,726</u>	<u>\$ 908,218</u>	<u>\$ 1,621,958</u>

**Table 6**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	2013	2014	2015	2016	2017
<b>Revenues:</b>					
Utility Tax .....	\$ 456,869	\$ 473,496	\$ 437,780	\$ 434,409	\$ 438,979
Sales Tax .....	583,681	620,299	665,793	674,515	500,360
State Income Tax .....	308,899	278,031	336,959	413,673	388,236
Other Taxes .....	749,742	803,961	935,658	1,080,423	1,109,348
Federal/State Grants .....	1,871	2,335	1,845	1,869	2,514
Other Revenues (1) .....	929,429	998,028	1,088,600	1,077,723	1,120,022
Total Revenues .....	<u>3,030,491</u>	<u>3,176,150</u>	<u>3,466,635</u>	<u>3,682,612</u>	<u>3,559,459</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public Safety .....	1,953,572	2,020,072	2,061,540	2,195,201	2,228,705
General Government .....	885,268	929,918	1,064,470	993,682	929,471
Other (2) .....	267,852	270,899	298,817	263,503	277,643
Debt Service .....	2,382	10,369	8,275	20,822	19,039
Total Expenditures .....	<u>3,109,074</u>	<u>3,231,258</u>	<u>3,433,102</u>	<u>3,473,208</u>	<u>3,454,858</u>
Revenues Over (Under) Expenditures .	<u>(78,583)</u>	<u>(55,108)</u>	<u>33,533</u>	<u>209,404</u>	<u>104,601</u>
<b>Other Financing Sources (Uses):</b>					
Issuance of Debt, Net of Original Discount/Including Premium .....	-	-	19,300	-	-
Transfers In .....	21,018	39,700	34,551	14,998	180,227
Transfers Out .....	(10,583)	(10,081)	(12,760)	(169,955)	(268,263)
Total Other Financing Sources (Uses) .	<u>10,435</u>	<u>29,619</u>	<u>41,091</u>	<u>(154,957)</u>	<u>(88,036)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(68,148)	(25,489)	74,624	54,447	16,565
Fund Balance - Beginning of Year .....	231,302	167,057	141,278	215,232	269,582
Change in Inventory .....	3,903	(290)	(670)	(97)	2,214
Fund Balance - End of Year .....	<u>\$ 167,057</u>	<u>\$ 141,278</u>	<u>\$ 215,232</u>	<u>\$ 269,582</u>	<u>\$ 288,361</u>

**NOTES:**

- (1) Includes Internal Service, Licenses and Permits, Fines, Investment Income, Charges for Services and Miscellaneous Revenues.  
(2) Includes Health, Streets and Sanitation, Transportation, Cultural and Recreational and Other Expenditures.

**Table 7**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	2013 (3)	2014 (3)	2015 (3)	2016 (3)	2017 (3)
Revenues:					
Property Tax .....	\$ 316,958	\$ 357,457	\$ 360,132	\$ 747,957	\$ 740,019
Utility Tax .....	68,458	74,641	102,593	101,260	143,103
Sales Tax (Local) .....	-	-	-	-	65,013
State Sales Tax .....	-	-	-	-	86,047
State Income Tax .....	127,841	126,019	119,438	-	-
Other Taxes .....	589,422	624,676	626,821	791,824	767,893
Federal/State Grants .....	706,831	809,840	763,001	743,734	703,251
Other Revenues (1) .....	96,263	162,996	143,029	194,061	300,082
Total Revenues .....	<u>1,905,773</u>	<u>2,155,629</u>	<u>2,115,014</u>	<u>2,578,836</u>	<u>2,805,408</u>
Expenditures:					
Current:					
Public Safety .....	81,324	46,907	50,169	70,012	59,825
General Government .....	949,290	1,113,639	999,427	1,052,714	1,062,405
Employee Pensions .....	444,748	483,493	479,581	810,497	931,618
Other (2) .....	648,901	744,699	646,566	601,535	570,356
Capital Outlay .....	7,187	9,863	45,445	47,760	48,174
Debt Service .....	115	4,332	71	9,267	5,265
Total Expenditures .....	<u>2,131,565</u>	<u>2,402,933</u>	<u>2,221,259</u>	<u>2,591,785</u>	<u>2,677,643</u>
Revenues Over (Under) Expenditures ...	<u>(225,792)</u>	<u>(247,304)</u>	<u>(106,245)</u>	<u>(12,949)</u>	<u>127,765</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original					
Discount/Including Premium .....	125,063	17,768	28,657	30,746	19,977
Line of Credit .....	-	-	75,994	-	-
Payment to Refunded Bond Escrow Agent .	-	-	-	-	-
Transfers In .....	91,022	184,033	32,257	123,941	218,333
Transfers Out .....	(59,631)	(64,863)	(70,322)	(81,412)	(225,102)
Total Other Financing Sources (Uses) ...	<u>156,454</u>	<u>136,938</u>	<u>66,586</u>	<u>73,275</u>	<u>13,208</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(69,338)	(110,366)	(39,659)	60,326	140,973
Fund Balance - Beginning of Year .....	<u>404,548</u>	<u>335,210</u>	<u>224,844</u>	<u>185,185</u>	<u>245,511</u>
Fund Balance - End of Year .....	<u>\$ 335,210</u>	<u>\$ 224,844</u>	<u>\$ 185,185</u>	<u>\$ 245,511</u>	<u>\$ 386,484</u>

**NOTES:**

- (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, 2013-2017.

**Table 8**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	<u>2013 (2)</u>	<u>2014 (2)</u>	<u>2015 (2)</u>	<u>2016 (2)</u>	<u>2017 (2)</u>
<b>Revenues:</b>					
Property Tax .....	\$ 549,191	\$ 572,384	\$ 509,709	\$ 546,106	\$ 472,547
Utility Tax .....	22,324	22,332	22,324	22,323	22,327
Sales Tax (Local) .....	-	-	-	-	50,037
State Sales Tax .....	40,261	38,500	37,441	39,042	14,713
Other Taxes .....	17,400	12,569	11,749	33,168	34,464
Other Revenues (1) .....	11,888	36,443	22,460	23,920	19,276
Total Revenues .....	<u>641,064</u>	<u>682,228</u>	<u>603,683</u>	<u>664,559</u>	<u>613,364</u>
<b>Expenditures:</b>					
Debt Service .....	759,242	1,152,850	1,355,703	1,113,398	939,235
Total Expenditures .....	<u>759,242</u>	<u>1,152,850</u>	<u>1,355,703</u>	<u>1,113,398</u>	<u>939,235</u>
Revenues Over (Under) Expenditures ...	<u>(118,178)</u>	<u>(470,622)</u>	<u>(752,020)</u>	<u>(448,839)</u>	<u>(325,871)</u>
<b>Other Financing Sources (Uses):</b>					
Issuance of Debt, Net of Original					
Discount/Including Premium .....	4	371,207	1,096,759	861,032	1,319,635
Line of Credit .....	-	-	-	-	77,203
Payment to Refunded Bond Escrow Agent .	-	(300,600)	-	(496,150)	(971,766)
Transfers In .....	46,352	411,413	57,351	223,151	174,050
Transfers Out .....	(89,157)	(268,872)	(124,488)	(106,838)	(94,153)
Total Other Financing Sources (Uses) ...	<u>(42,801)</u>	<u>213,148</u>	<u>1,029,622</u>	<u>481,195</u>	<u>504,969</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(160,979)	(257,474)	277,602	32,356	179,098
Fund Balance - Beginning of Year .....	<u>470,459</u>	<u>309,480</u>	<u>52,006</u>	<u>329,608</u>	<u>361,964</u>
Fund Balance - End of Year .....	<u>\$ 309,480</u>	<u>\$ 52,006</u>	<u>\$ 329,608</u>	<u>\$ 361,964</u>	<u>\$ 541,062</u>

**NOTES:**

(1) Includes Investment Income and Miscellaneous Revenues.

(2) Source: Major (Bond, Note Redemption and Interest and Sales Tax Securitization Corporation) and Nonmajor Debt Service Fund Special Taxing Areas for years ended December 31, 2013-2017.

**Table 9**  
**CITY OF CHICAGO, ILLINOIS**  
**CAPITAL PROJECTS FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	<u>2013 (2)</u>	<u>2014 (2)</u>	<u>2015 (2)</u>	<u>2016 (2)</u>	<u>2017 (2)</u>
Revenues:					
Other Revenues (1) .....	\$ 5,128	\$ 36,472	\$ 30,702	\$ 18,063	\$ 19,732
Total Revenues .....	<u>5,128</u>	<u>36,472</u>	<u>30,702</u>	<u>18,063</u>	<u>19,732</u>
Expenditures:					
General Government .....	-	-	-	-	1,350
Public Safety .....	-	-	-	-	45,143
Capital Outlay .....	333,294	385,353	379,605	238,258	227,218
Total Expenditures .....	<u>333,294</u>	<u>385,353</u>	<u>379,605</u>	<u>238,258</u>	<u>273,711</u>
Revenues Over (Under) Expenditures .	<u>(328,166)</u>	<u>(348,881)</u>	<u>(348,903)</u>	<u>(220,195)</u>	<u>(253,979)</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original Discount/Including Premium .....	110,300	630,575	62,360	-	596,521
Issuance Line of Credit .....	144,673	-	50,000	-	-
Proceeds from Sale of Assets .....	-	-	-	-	15,225
Transfers In .....	1,930	17,440	105,450	13,700	17,128
Transfers Out .....	(951)	(308,770)	(21,414)	(15,045)	(5)
Total Other Financing Sources (Uses) .	<u>255,952</u>	<u>339,245</u>	<u>196,396</u>	<u>(1,345)</u>	<u>628,869</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(72,214)	(9,636)	(152,507)	(221,540)	374,890
Fund Balance - Beginning of Year .....	<u>487,058</u>	<u>414,844</u>	<u>405,208</u>	<u>252,701</u>	<u>31,161</u>
Fund Balance - End of Year .....	<u>\$ 414,844</u>	<u>\$ 405,208</u>	<u>\$ 252,701</u>	<u>\$ 31,161</u>	<u>\$ 406,051</u>

**NOTES:**

- (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, 2013-2017.

**Table 10**  
**CITY OF CHICAGO, ILLINOIS**  
**PROPERTY TAX LEVIES BY FUND (1)**  
**Five Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

	<u>2013</u>	<u>2014</u>	<u>Percent Change</u>
Note Redemption and Interest (2) .....	\$ 74,231	\$ 97,061	30.76 %
Bond Redemption and Interest .....	411,807	412,139	0.08
Policemen's Annuity and Benefit (3) .....	138,146	136,680	(1.06)
Municipal Employees' Annuity and Benefit (3) .....	122,066	123,239	0.96
Firemen's Annuity and Benefit (3) .....	81,518	81,363	(0.19)
Laborers' and Retirement Board Employees' Annuity and Benefit (3) .....	<u>10,486</u>	<u>10,934</u>	4.27
Total .....	<u>\$ 838,254</u>	<u>\$ 861,416</u>	2.76

**NOTES:**

- (1) See Table 11 - PROPERTY LEVIES, COLLECTIONS AND ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES 2008 - 2017. 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.

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<u>2015</u>	<u>Percent Change</u>	<u>2016</u>	<u>Percent Change</u>	<u>2017</u>	<u>Percent Change</u>
\$ 97,708	0.67 %	\$ 80,359	(17.76) %	\$ 80,420	0.08 %
411,730	(0.10)	430,584	4.58	438,620	1.87
361,987	164.84	455,355	25.79	490,685	7.76
124,706	1.19	124,706	0.00	124,706	-
179,424	120.52	194,825	8.58	212,622	9.13
<u>11,070</u>	1.24	<u>11,070</u>	0.00	<u>11,070</u>	-
<u>\$ 1,186,625</u>	37.75	<u>\$ 1,296,899</u>	9.29	<u>\$ 1,358,123 (4)</u>	4.72

**Table 11**  
**CITY OF CHICAGO, ILLINOIS**  
**PROPERTY LEVIES, COLLECTIONS AND**  
**ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES**  
**Last Ten Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

Tax Year (1)	Total Tax Levy for Fiscal Year (2), (3)	Collected Within Fiscal Year		Collections in Subsequent Years	Total Collections to Date		Estimated Allowance for Uncollectible Taxes	Net Outstanding Taxes Receivable
		Amount	Percen- tage of Levy		Amount	Percen- tage of Levy		
2008 .....	\$ 834,152	\$ 776,522	93.09 %	\$ 31,942	\$ 808,464	96.92 %	\$ 25,688	\$ -
2009 .....	834,109	700,579	83.99	99,463	800,042	95.92	34,067	-
2010 .....	834,089	790,141	94.73	14,576	804,717	96.48	29,372	-
2011 .....	833,948	800,582	96.00	3,443	804,025	96.41	29,923	-
2012 .....	834,636	804,245	96.36	9,129	813,374	97.45	21,262	-
2013 .....	838,254	807,985	96.39	11,876	819,861	97.81	18,393	-
2014 .....	861,416	832,042	96.59	14,757	846,799	98.30	14,354	263
2015 .....	1,186,625	1,156,428	97.46	18,446	1,174,874	99.01	11,516	235
2016 .....	1,296,899	1,271,653	98.05	-	1,271,653	98.05	24,489	757
2017 .....	1,358,123 (4)	-	N/A	-	-	N/A	54,325	1,303,798
Total Net Outstanding Taxes Receivable .....								<u>\$ 1,305,053</u>

**NOTES:**

- (1) Taxes for each year become due and payable in the following year. For example, taxes for the 2017 tax levy become due and payable in 2018.
- (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) (1)**  
**Current Year and Nine Years Ago (2)**  
**(Amounts are in Thousands of Dollars)**

Property	2016 EAV	Rank	Percentage		2007 EAV	Rank	Percentage	
			of Total EAV				of Total EAV	
Willis Tower (4) .....	\$ 406,464	1	0.55 %		\$ 514,662	1	0.70 %	
AON Building (3) .....	252,409	2	0.34		374,456	2	0.51	
Blue Cross Blue Shield Tower (5) .....	250,676	3	0.34					
Water Tower Place .....	226,358	4	0.31		231,069	6	0.31	
Prudential Plaza .....	212,135	5	0.29		293,604	4	0.40	
300 N. LaSalle .....	205,993	6	0.28					
Franklin Center (6) .....	204,322	7	0.28		297,653	3	0.40	
Chase Plaza .....	203,125	8	0.27		250,261	5	0.34	
Citadel Center .....	196,745	9	0.27					
Three First National Plaza .....	191,736	10	0.26		205,913	10	0.28	
UBS Tower .....					208,906	9	0.28	
Leo Burnett Building .....					211,813	8	0.29	
Citicorp Plaza .....					216,217	7	0.29	
Totals .....	<u>\$ 2,349,963</u>		<u>3.19 %</u>		<u>\$ 2,804,554</u>		<u>3.80 %</u>	

**NOTES:**

- (1) Source: Cook County Treasurer's Office, Cook County Assessor's Office.
- (2) 2017 information not available at time of publication.
- (3) AON Building formerly known as AMOCO Building.
- (4) Willis Tower formerly known as Sears Tower.
- (5) Blue Cross Blue Shield formerly known as Health Care Service Corporation Blue Cross.
- (6) Franklin Center formerly known as AT&T Corporate Center 1.

**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)**

Tax Year	Assessed Values (1)				
	Class 2 (2)	Class 3 (3)	Class 5 (4)	Other (5)	Total
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	33,995,118
2009	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	18,074,177	1,416,863	10,467,682	606,941	30,565,663
2011	17,932,671	1,116,175	10,456,103	588,672	30,093,621
2012	15,529,678	1,208,620	10,233,051	498,310	27,469,659
2013	15,410,659	1,236,401	10,172,186	494,714	27,313,960
2014	15,390,835	1,298,776	10,124,569	512,390	27,326,570
2015	17,296,324	1,532,714	11,269,605	592,903	30,691,546
2016	17,191,167	1,598,117	11,369,258	603,849	30,762,391

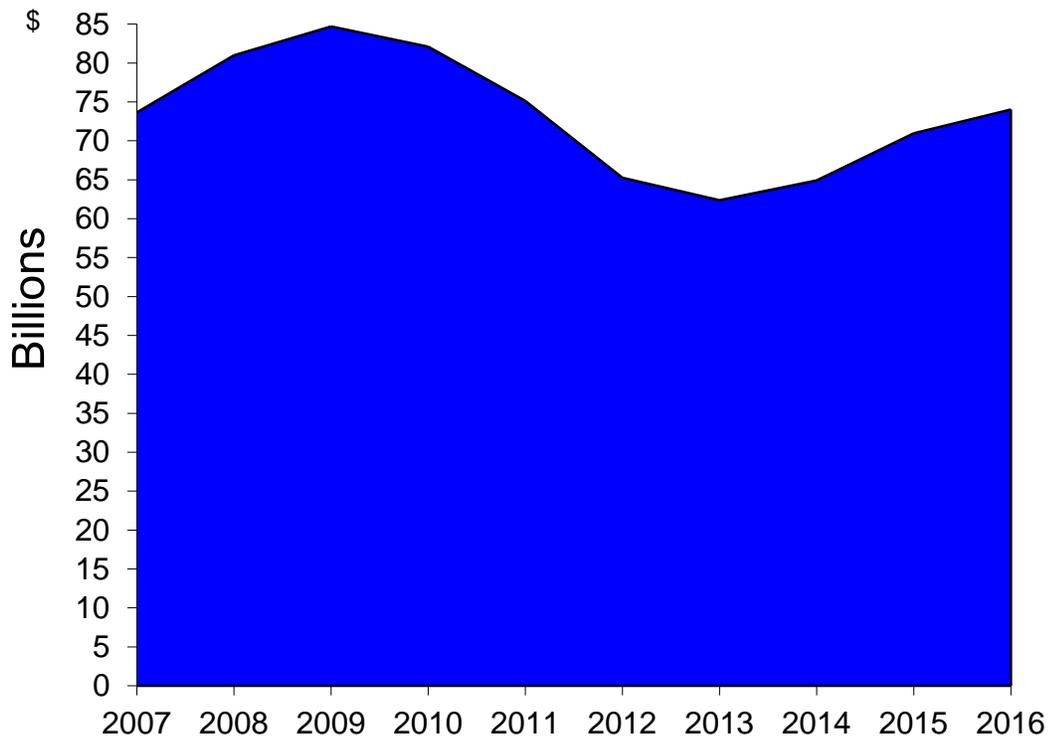
**NOTES:**

- (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.

2017 information not available at time of publication.

State Equalization Factor (6)	Total Equalized Assessed Value (7)	Total Direct Tax Rate	Total Estimated Fair Market Value (8)	Ratio of Total Equalized Assessed to Total Estimated Fair Market Value
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	231,986,397	35.38
2.9706	75,122,914	1.110	222,856,064	33.71
2.8056	65,250,387	1.279	206,915,723	31.53
2.6621	62,363,876	1.344	236,695,475	26.35
2.7253	64,908,057	1.327	255,639,792	25.39
2.6685	70,963,289	1.672	278,027,604	25.52
2.8032	74,016,506	1.752	293,121,793	25.25

### 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	Chicago School Building and Improvement Fund	Chicago School Finance Authority	Board of Education	Community College District No. 508
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	1.016	1.116	-	2.581	0.151
2011	1.110	0.119	-	2.875	0.165
2012	1.279	0.146	-	3.422	0.190
2013	1.344	0.152	-	3.671	0.199
2014	1.327	0.146	-	3.660	0.193
2015	1.672	0.134	-	3.455	0.177
2016 (1)	1.752	0.128	-	3.726	0.169

**NOTE:**

(1) 2017 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 (2)	Bond, Note Redemption and Interest	Chicago Public Library Bond, Note Redemption and Interest	Policemen's Annuity and Benefit
2007	\$ 749,351	\$ 0.550055	\$ 0.039514	\$ 0.191548
2008	834,152	0.508488	0.094354	0.172426
2009	834,109	0.478955	0.091851	0.167552
2010	834,089	0.494109	0.094665	0.170734
2011	833,948	0.542475	0.103443	0.191381
2012	834,636	0.623916	0.119254	0.220459
2013	838,254	0.653302	0.125978	0.221494
2014	861,416	0.659187	0.125228	0.210554
2015	1,186,625	0.602426	0.115391	0.510054
2016 (1)	1,296,899	0.575897	0.114343	0.615146

**NOTES:**

(1) 2017 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.

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Chicago Park District	Metropolitan Water Reclamation District	Forest Preserve District of Cook County	Cook County	Total
\$ 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
0.346	0.320	0.058	0.462	5.455
0.395	0.370	0.063	0.531	6.396
0.420	0.417	0.069	0.560	6.832
0.415	0.430	0.069	0.568	6.808
0.382	0.426	0.069	0.552	6.867
0.368	0.406	0.063	0.533	7.145

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Municipal Employees' Annuity and Benefit	Firemen's Annuity and Benefit	Laborers' and Retirement Board Employees' Annuity and Benefit	Total
\$ 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
0.169036	0.088014	0.015651	1.110
0.197892	0.100313	0.017166	1.279
0.195713	0.130700	0.016813	1.344
0.189848	0.125339	0.016844	1.327
0.175716	0.252815	0.015598	1.672
0.168467	0.263192	0.014955	1.752

**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)**

<u>Tax Year</u>	<u>Population (1)</u>	<u>Equalized Assessed Value (2)</u>	<u>G. O. Bonds (7)</u>	<u>Other G. O. Debt</u>	<u>General Certificates Obligation and Other (7)</u>	<u>Unamortized Premiums (3)</u>
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	82,087,170	6,536,596	268,526	574,755	-
2011	2,695,598	75,122,914	6,997,975	198,132	554,015	-
2012	2,695,598	65,250,387	7,244,917	166,460	528,305	-
2013	2,695,598	62,363,876	7,159,396	270,188	501,490	-
2014	2,695,598	64,908,057	7,798,956	-	473,290	129,002
2015	2,695,598	70,963,289	8,562,720	239,131	434,525	87,809
2016	2,695,598	74,016,506	8,551,473	124,263	392,440	91,787
2017	2,695,598	N/A (6)	9,197,357	77,203	335,065	51,707

**NOTES:**

- (1) Source: U.S. Census Bureau.
- (2) Source: Cook County Clerk's Office.
- (3) Beginning in 2014, the City will present Unamortized Premiums and Capital Appreciation Bonds Accreted Interest amounts applicable to General Obligation Bonds only and Other General Obligation Debt.
- (4) Gross Bonded Debt includes bonds, and notes obligations that are noncurrent.
- (5) Amounts are in dollars.
- (6) N/A means not available at time of publication.
- (7) The balance outstanding at December 31, 2017 listed above for each bond series excluded amounts payable January 1, 2018, if applicable.

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<u>Accreted Interest (3)</u>	<u>Total Gross -Net of Premiums &amp; Accretions- Bonded Debt (4)</u>	<u>Less Reserve for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Equalized Assessed Value</u>	<u>Net Bonded Debt Per Capita (5)</u>
-	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	8.92	2,715.93
-	7,750,122	249,355	7,500,767	9.98	2,782.60
-	7,939,682	105,582	7,834,100	12.01	2,906.26
-	7,931,074	16,298	7,914,776	12.69	2,936.19
290,179	8,691,427	99,725	8,591,702	13.24	3,187.31
297,645	9,621,830	232,442	9,389,388	13.23	3,483.23
307,236	9,467,199	285,375	9,181,824	12.41	3,406.23
315,863	9,977,195	249,110	9,728,085	N/A (6)	3,608.88

**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 (2)	Interest and Other Financing Charges (3)	General Obligation Debt Service Expenditures	Governmental Expenditures	Ratio of Debt Service Expenditures to Governmental Expenditures (1)
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
2012 .....	305,879	475,906	781,785	6,563,846	11.9
2013 .....	218,918	399,794	618,712	6,333,175	9.8
2014 .....	446,749	442,705	889,454	7,172,394	12.4
2015 .....	326,556	501,721	828,277	7,389,669	11.2
2016 .....	574,949	424,489	999,438	7,416,649	13.5
2017 .....	276,565	564,748	841,313	7,345,447	11.5

- (1) The City issued bonds backed by a property tax levy on behalf of Community College District No. 508. The annual debt service related to the bonds was (in thousands) \$6,891 in 2007 and approximately \$35,170 since 2008.
- (2) This includes G. O. Bonds, G. O. Notes, G. O. Certificates, G. O. Commercial Paper (CP), G. O. Line of Credit, (LOC), Other G. O. Debt, and City Colleges of Chicago Bonds. For FY 2017 the principal payments for LOC were \$124.2 million.
- (3) For FY 2017, interest payments exclude Michael Reese Loan.

**Table 18**  
**CITY OF CHICAGO, ILLINOIS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**December 31, 2017**  
**(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 Other G. O. Debt .....	\$ 9,609,625	* \$ 9,609,625 *	100.00 %	\$ 9,609,625
Board of Education .....		8,179,138	100.00	8,179,138
Chicago Park District .....		821,000	100.00	821,000
City Colleges of Chicago .....		315,560	100.00	315,560
Cook County .....	1,595,187	3,092,047	51.59	1,595,048
Cook County Forest Preserve District .....		150,960	51.59	77,873
Metropolitan Water Reclamation District of Greater Chicago .....		<u>2,697,667</u>	52.59	<u>1,418,606</u>
Total Overlapping Debt .....		<u>15,256,372</u>		<u>12,407,225</u>
Net Direct and Overlapping Long-term Debt .....		<u>\$ 24,865,997</u>		<u>\$ 22,016,850</u>

**NOTES:**

- (1) Table 18 includes the governmental entities that operate as separate, independent units of government and have the authority to issue bonds and levy taxes on real property within the City of Chicago. The net direct long-term debt amount provided by each entity is comprised solely of the tax-levy supported obligations. Table 18 does not include non-property tax levy backed debt issued by the listed entities.
- (2) Cook County Clerk's Office.
- \* The balance outstanding at December 31, 2017 listed above for each bond series excluded amounts payable January 1, 2018, if applicable.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Direct Debt	\$ 6,126,295	\$ 6,866,270	\$ 7,328,452	\$ 7,628,222
Overlapping Debt	<u>7,529,359</u>	<u>8,539,070</u>	<u>9,158,243</u>	<u>9,877,084</u>
Total Debt	<u>\$ 13,655,654</u>	<u>\$ 15,405,340</u>	<u>\$ 16,486,695</u>	<u>\$ 17,505,306</u>
Equalized				
Assessed Valuation (1)	\$ 80,977,543	\$ 84,685,258	\$ 82,087,170	\$ 75,122,914
Direct Debt Burden (2)	8.32%	8.48%	8.65%	9.29%
Total Debt Burden (2)	18.54%	19.02%	19.47%	21.33%
Estimated Fair Market				
Value (FMV) (5)	\$ 310,888,609	\$ 280,288,730	\$ 231,986,397	\$ 222,856,064
% of Direct Debt to FMV	1.97%	2.45%	3.16%	3.42%
% of Total Direct Debt to FMV	4.39%	5.50%	7.11%	7.85%
Population (3)	2,896,016	2,896,016	2,695,598	2,695,598
Direct Debt Per Capita (4)	\$ 2,115.42	\$ 2,370.94	\$ 2,718.67	\$ 2,829.88
Total Debt Per Capita (4)	4,715.32	5,319.49	6,116.15	6,494.03

**NOTES:**

- (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 2007 is \$73,645,316.
- (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.

2012	2013	2014	2015	2016	2017
\$ 7,939,682	\$ 7,670,298	\$ 8,339,626	\$ 9,041,892	\$ 8,943,914	\$ 9,609,625
10,384,421	10,338,490	10,113,429	10,397,181	11,232,989	12,407,225
<u>\$ 18,324,103</u>	<u>\$ 18,008,788</u>	<u>\$ 18,453,055</u>	<u>\$ 19,439,073</u>	<u>\$ 20,176,903</u>	<u>\$ 22,016,850</u>
\$ 65,250,387	\$ 62,363,876	\$ 64,908,057	\$ 70,963,289	\$ 74,016,506	\$ N/A (6)
10.57%	11.76%	13.37%	13.93%	12.60%	12.98%
24.39%	27.60%	29.59%	29.95%	28.43%	29.75%
\$ 206,915,723	\$ 236,695,475	\$ 255,639,792	\$ 278,027,604	\$ 293,121,793	N/A (6)
3.84%	3.24%	3.26%	3.25%	3.05%	N/A (6)
8.86%	7.61%	7.22%	6.99%	6.88%	N/A (6)
2,695,598	2,695,598	2,695,598	2,695,598	2,695,598	2,695,598
\$ 2,945.43	\$ 2,845.49	\$ 3,093.79	\$ 3,354.32	\$ 3,317.97	\$ 3,564.93
6,797.79	6,680.81	6,845.63	7,211.41	7,485.13	8,167.71

**Table 20**  
**CITY OF CHICAGO, ILLINOIS**  
**REVENUE BOND COVERAGE**  
**Last Ten Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars Except Where Noted)**

Proprietary Funds								
Year	Gross Revenues (1)	Operating Expense (2)	Other Available Funds (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2008	\$ 1,602,668	\$ 913,499	\$ 47,067	\$ 736,236	\$ 219,482	\$ 438,553	\$ 658,035	1.12
2009	1,516,939	887,676	41,021	670,284	216,841	369,379	586,220	1.14
2010	1,768,225	911,935	10,370	866,660	220,124	379,185	599,309	1.45
2011	1,767,722	937,233	61,202	891,691	166,825	306,916	473,741	1.88
2012	1,935,020	967,517	83,050	1,050,553	209,298	479,277	688,575	1.53
2013	2,020,371	969,551	211,531	1,262,351	277,225	494,226	771,451	1.64
2014 *	2,306,308	1,042,605	280,251	1,543,954	290,340	569,475	859,815	1.80
2015 *	2,391,485	1,054,949	344,579	1,681,115	336,960	570,523	907,483	1.85
2016 *	2,531,472	1,112,868	555,170	1,973,774	417,727	579,779	997,506	1.98
2017 *	2,622,659	1,215,210	649,204	2,056,653	455,434	610,727	1,066,161	1.93

\* Beginning in 2014, revenues are net of provision for doubtful accounts.

Tax Increment Financing Funds								
Year	Gross Revenues (1)	Operating Expense (2)	Net Revenue Available for Debt Debt (4)	Debt Service Requirements			Coverage	
				Principal	Interest	Total		
2008	\$ 557,596	\$ 296,469	\$ 261,127	\$ 176,221	\$ 58,292	\$ 234,513	1.11	
2009	495,588	185,947	309,641	37,000	28,740	65,740	4.71	
2010	474,390	229,266	245,124	36,535	28,431	64,966	3.77	
2011	544,415	266,916	277,499	44,290	31,796	76,086	3.65	
2012	487,495	361,783	125,712	43,025	29,136	72,161	1.74	
2013	427,287	334,414	92,873	51,194	27,721	78,915	1.18	
2014	410,018	567,079	(157,061)	69,912	30,963	100,875	(1.56)	
2015	366,264	349,066	17,198	37,070	24,089	61,159	0.28	
2016	493,399	376,482	116,917	58,090	18,561	76,651	1.53	
2017	514,992	437,313	77,679	60,825	16,161	76,986	1.01	

**Table 20 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**REVENUE BOND COVERAGE**  
**Last Ten Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars Except Where Noted)**

Sales Tax Funds						
Year	Net Revenue Available for Debt Service (4)	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2008 .....	\$ 548,571	\$ 9,135	\$ 16,385	\$ 25,520	21.50	
2009 .....	503,952	425	13,630	14,055	35.86	
2010 .....	527,004	445	6,300	6,745	78.13	
2011 .....	563,156	465	18,481	18,946	29.72	
2012 .....	594,290	11,300	29,509	40,809	14.56	
2013 .....	623,942	11,875	27,515	39,390	15.84	
2014 .....	658,798	12,485	27,292	39,777	16.56	
2015 .....	703,234	13,125	25,678	38,803	18.12	
2016 .....	713,557	13,795	25,610	39,405	18.11	
2017 .....	716,170	12,260	15,051	27,311	26.22	

Motor Fuel Tax Funds						
Year	Net Revenue Available for Debt Service (4)	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2008 .....	\$ 57,472	\$ 1,210	\$ 9,976	\$ 11,186	5.14	
2009 .....	55,625	5,000	10,618	15,618	3.56	
2010 .....	55,209	5,270	10,332	15,602	3.54	
2011 .....	52,567	5,550	9,996	15,546	3.38	
2012 .....	53,421	5,850	9,840	15,690	3.40	
2013 .....	52,405	6,165	9,453	15,618	3.36	
2014 .....	53,772	5,915	6,642	12,557	4.28	
2015 .....	49,048	5,045	9,356	14,401	3.41	
2016 .....	51,626	4,085	10,207	14,292	3.61	
2017 .....	51,581	4,295	10,805	15,100	3.42	

**NOTES:**

- (1) Total revenues include nonoperating revenues except for grants.
- (2) Total operating expenses excluding depreciation and amortization.
- (3) Other Available Funds is calculated only for the Water and Sewer funds, and is calculated as net current unrestricted assets as of December 31 of the prior year.
- (4) Net Revenue Available for Debt Service will not tie to the revenues from Exhibit 4 since not all revenue is available for debt service.

**Table 21**  
**CITY OF CHICAGO, ILLINOIS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Years Ended December 31, 2017**  
**(Amounts are in Thousands of Dollars Except Where Noted)**

Year	Governmental Funds						
	Net General Obligation Debt (4)	Tax Increment Allocation Bonds and Notes	Motor Fuel Revenue and Sales Tax Securitization Corporation (4)	Installment Purchase Agreement	Capital Leases	Water Revenue Bonds	Chicago O'Hare International Airport Customer Facility Charge Revenue Bonds
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	-
2012	7,939,682	106,241	753,162	-	163,012	1,988,655	-
2013	7,931,074	80,127	735,122	-	171,673	1,954,020	248,750
2014	8,272,246	69,995	725,395	-	116,858	2,381,770	248,750
2015	9,236,376	60,660	735,882	-	-	2,391,395	248,750
2016	9,068,176	33,520	748,748	-	-	2,468,397	248,750
2017	9,609,625	27,925	993,664	-	-	2,401,005	248,750

**NOTES:**

(1) See Table 13 for Estimated Fair Market Value

(2) Amounts in Dollars

(3) 2017 information not available at time of publication.

(4) The balance outstanding at December 31, 2017 listed above for each bond series excluded amounts payable January 1, 2018, if applicable.

Proprietary Fund Revenue Bonds

Chicago O'Hare International Airport Other Debt	Chicago O'Hare International Airport Revenue Bonds	Chicago O'Hare International Airport Passenger Facility Charge Revenue Bonds	Chicago Midway Airport Revenue Bonds	Wastewater Transmission Revenue Bonds	Total Primary Government	Ratio of Bonded Debt to Estimated Fair Market Value (1)	Per Capita (2)
\$ -	\$ 4,912,635	\$ 725,675	\$ 1,239,404	\$ 902,904	\$ 16,523,861	5.16	\$ 5,705.72
-	5,092,010	709,200	1,246,190	878,875	16,984,544	5.46	5,864.80
-	5,647,115	816,110	1,465,495	1,100,800	19,009,806	6.78	7,052.17
-	6,481,960	797,769	1,439,185	1,084,224	20,293,411	8.75	7,528.35
-	6,270,770	750,706	1,383,215	1,334,918	20,690,361	9.28	7,675.61
-	6,563,780	683,780	1,470,343	1,333,984	21,172,653	10.23	7,854.53
-	6,406,710	682,271	1,506,325	1,602,175	22,012,495	9.30	8,166.09
-	6,586,490	631,245	1,506,325	1,686,178	23,083,301	9.03	8,563.33
12,098	6,404,030	595,630	1,781,605	1,692,820	23,053,774	7.86	8,552.38
274,140	7,564,355	558,635	1,755,835	1,861,381	25,295,315	N/A (3)	9,383.93

**Table 22**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE REQUIREMENTS FOR GENERAL LONG-TERM DEBT (1)**  
**December 31, 2017**

Year Ended Dec. 31,	General Obligation Debt (2)		Motor Fuel Tax Revenue Bonds		Sales Tax Securitization Corporation Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018 ...	\$ 194,096,972	\$ 455,975,347	\$ 4,515,000	\$ 10,864,473	\$ -	\$ 29,451,360
2019 ...	276,480,064	477,065,594	4,979,654	10,641,573	3,000,000	28,123,315
2020 ...	355,650,282	535,759,323	5,365,292	10,399,336	3,150,000	27,973,315
2021 ...	352,333,604	518,433,051	5,777,526	10,139,952	27,045,000	27,815,815
2022 ...	358,799,764	507,029,282	6,217,119	9,862,366	33,705,000	26,752,045
2023 ...	352,409,683	490,363,923	6,689,882	9,565,427	34,990,000	25,468,941
2024 ...	341,065,192	473,525,300	7,181,683	9,247,692	36,345,000	24,114,305
2025 ...	339,273,971	457,555,750	7,713,447	8,908,440	37,780,000	22,679,341
2026 ...	356,276,163	441,528,156	8,281,159	8,546,100	39,295,000	21,159,677
2027 ...	371,129,720	417,927,982	8,870,874	8,159,127	40,895,000	19,560,564
2028 ...	382,824,806	406,157,793	9,493,716	7,745,909	42,570,000	17,882,735
2029 ...	404,144,515	384,781,949	10,068,483	7,306,021	44,330,000	16,122,315
2030 ...	424,712,520	367,133,994	10,768,919	6,840,648	24,825,000	14,274,885
2031 ...	495,303,596	343,104,217	11,510,892	6,345,270	25,660,000	13,437,786
2032 ...	485,748,762	298,808,387	12,290,844	5,818,170	26,540,000	12,559,702
2033 ...	511,441,194	271,380,169	13,610,315	5,257,833	27,490,000	11,607,712
2034 ...	544,327,377	241,274,997	14,500,951	4,637,693	28,470,000	10,621,646
2035 ...	579,007,607	206,743,229	15,449,513	3,979,629	29,490,000	9,600,426
2036 ...	610,476,559	173,788,971	16,452,886	3,281,209	30,545,000	8,542,620
2037 ...	426,912,925	137,971,380	17,518,085	2,540,193	31,635,000	7,446,971
2038 ...	276,556,380	112,678,984	3,728,555	1,754,019	32,765,000	6,312,224
2039 ...	288,695,000	65,971,977	4,111,747	1,629,858	33,940,000	5,136,943
2040 ...	288,935,000	48,249,307	4,522,303	1,492,937	35,150,000	3,919,515
2041 ...	305,905,000	31,256,080	4,962,113	1,342,344	36,410,000	2,658,684
2042 ...	101,745,000	13,254,033	5,433,199	1,177,106	37,710,000	1,352,658
2043 ...	108,170,000	6,829,854	5,615,766	996,180	-	-
2044 ...	-	-	6,129,697	809,175	-	-
2045 ...	-	-	6,680,086	605,056	-	-
2046 ...	-	-	7,269,481	382,610	-	-
2047 ...	-	-	4,220,295	140,536	-	-
	<u>\$ 9,532,421,656</u>	<u>\$ 7,884,549,029</u>	<u>\$ 249,929,482</u>	<u>\$ 160,416,882</u>	<u>\$ 743,735,000</u>	<u>\$ 394,575,500</u>

**NOTE:**

(1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2018, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.

(2) Amounts above exclude the Line of Credit.

Tax Increment and Special Service Area Bonds		Totals		Year Ended	
Principal	Interest	Principal	Interest	December 31,	
\$ 5,710,000	\$ 1,232,911	\$ 204,321,972	\$ 497,524,091	.....	2018
6,020,000	959,730	290,479,718	516,790,212	.....	2019
4,135,000	706,375	368,300,574	574,838,349	.....	2020
4,375,000	493,625	389,531,130	556,882,443	.....	2021
7,685,000	192,125	406,406,883	543,835,818	.....	2022
-	-	394,089,565	525,398,291	.....	2023
-	-	384,591,875	506,887,297	.....	2024
-	-	384,767,418	489,143,531	.....	2025
-	-	403,852,322	471,233,933	.....	2026
-	-	420,895,594	445,647,673	.....	2027
-	-	434,888,522	431,786,437	.....	2028
-	-	458,542,998	408,210,285	.....	2029
-	-	460,306,439	388,249,527	.....	2030
-	-	532,474,488	362,887,273	.....	2031
-	-	524,579,606	317,186,259	.....	2032
-	-	552,541,509	288,245,714	.....	2033
-	-	587,298,328	256,534,336	.....	2034
-	-	623,947,120	220,323,284	.....	2035
-	-	657,474,445	185,612,800	.....	2036
-	-	476,066,010	147,958,544	.....	2037
-	-	313,049,935	120,745,227	.....	2038
-	-	326,746,747	72,738,778	.....	2039
-	-	328,607,303	53,661,759	.....	2040
-	-	347,277,113	35,257,108	.....	2041
-	-	144,888,199	15,783,797	.....	2042
-	-	113,785,766	7,826,034	.....	2043
-	-	6,129,697	809,175	.....	2044
-	-	6,680,086	605,056	.....	2045
-	-	7,269,481	382,610	.....	2046
-	-	4,220,295	140,536	.....	2047
<u>\$ 27,925,000</u>	<u>\$ 3,584,766</u>	<u>\$ 10,554,011,138</u>	<u>\$ 8,443,126,177</u>		

**Table 23**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION DEBT (1)**  
**December 31, 2017**

Year Ended Dec. 31,	General Obligation Bonds (3)		Alternative Revenue Bonds (2)		Other General Obligation Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2018 . . .	\$ 137,711,972	\$ 435,061,910	\$ 54,135,000	\$ 18,207,537	\$ 2,250,000	\$ 2,705,900
2019 . . .	205,913,700	459,165,908	57,330,000	15,433,725	13,236,364	2,465,961
2020 . . .	278,293,918	521,275,729	64,120,000	12,487,198	13,236,364	1,996,396
2021 . . .	282,547,240	507,685,270	56,550,000	9,221,601	13,236,364	1,526,180
2022 . . .	289,698,400	499,694,726	55,865,000	6,278,266	13,236,364	1,056,290
2023 . . .	303,598,319	486,406,878	35,575,000	3,370,648	13,236,364	586,397
2024 . . .	317,642,012	471,809,519	16,805,000	1,598,951	6,618,180	116,830
2025 . . .	333,348,971	456,802,313	5,925,000	753,437	-	-
2026 . . .	349,806,163	441,075,993	6,470,000	452,163	-	-
2027 . . .	370,454,720	417,807,828	675,000	120,154	-	-
2028 . . .	382,109,806	406,073,846	715,000	83,947	-	-
2029 . . .	403,294,515	384,736,355	850,000	45,594	-	-
2030 . . .	424,712,520	367,133,994	-	-	-	-
2031 . . .	495,303,596	343,104,217	-	-	-	-
2032 . . .	485,748,762	298,808,387	-	-	-	-
2033 . . .	511,441,194	271,380,169	-	-	-	-
2034 . . .	544,327,377	241,274,997	-	-	-	-
2035 . . .	579,007,607	206,743,229	-	-	-	-
2036 . . .	610,476,559	173,788,971	-	-	-	-
2037 . . .	426,912,925	137,971,380	-	-	-	-
2038 . . .	276,556,380	112,678,984	-	-	-	-
2039 . . .	288,695,000	65,971,977	-	-	-	-
2040 . . .	288,935,000	48,249,307	-	-	-	-
2041 . . .	305,905,000	31,256,080	-	-	-	-
2042 . . .	101,745,000	13,254,033	-	-	-	-
2043 . . .	108,170,000	6,829,854	-	-	-	-
	<u>\$ 9,102,356,656</u>	<u>\$ 7,806,041,854</u>	<u>\$ 355,015,000</u>	<u>\$ 68,053,221</u>	<u>\$ 75,050,000</u>	<u>\$ 10,453,954</u>

**NOTE:**

- (1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2018, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.
- (2) Alternative Revenue Bonds include General Obligation Bonds (Emergency Telephone System), Series 1999 and Series 2004, and General Obligation Bonds (Modern Schools Across Chicago Program) Series 2007A-K and 2010A/B.
- (3) Amounts above exclude the Line of Credit.

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Totals		
Principal	Interest	Total
\$ 194,096,972	\$ 455,975,347	\$ 650,072,319
276,480,064	477,065,594	753,545,658
355,650,282	535,759,323	891,409,605
352,333,604	518,433,051	870,766,655
358,799,764	507,029,282	865,829,046
352,409,683	490,363,923	842,773,606
341,065,192	473,525,300	814,590,492
339,273,971	457,555,750	796,829,721
356,276,163	441,528,156	797,804,319
371,129,720	417,927,982	789,057,702
382,824,806	406,157,793	788,982,599
404,144,515	384,781,949	788,926,464
424,712,520	367,133,994	791,846,514
495,303,596	343,104,217	838,407,813
485,748,762	298,808,387	784,557,149
511,441,194	271,380,169	782,821,363
544,327,377	241,274,997	785,602,374
579,007,607	206,743,229	785,750,836
610,476,559	173,788,971	784,265,530
426,912,925	137,971,380	564,884,305
276,556,380	112,678,984	389,235,364
288,695,000	65,971,977	354,666,977
288,935,000	48,249,307	337,184,307
305,905,000	31,256,080	337,161,080
101,745,000	13,254,033	114,999,033
108,170,000	6,829,854	114,999,854
<u>\$ 9,532,421,656</u>	<u>\$ 7,884,549,029</u>	<u>\$ 17,416,970,685</u>

**Table 24**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE REQUIREMENTS FOR PROPRIETARY FUNDS (1)**  
**December 31, 2017**

Year Ended December 31,	Water Revenue Bonds		Wastewater Transmission Revenue Bonds	
	Principal	Interest	Principal	Interest
2018 .....	\$ 88,916,070	\$ 124,589,105	\$ 56,201,436	\$ 89,117,582
2019 .....	90,619,561	117,280,205	58,520,160	86,096,739
2020 .....	89,459,930	113,578,883	56,469,154	90,773,935
2021 .....	91,172,832	104,320,232	56,420,126	90,860,786
2022 .....	95,196,807	100,200,159	58,494,803	88,838,160
2023 .....	98,836,267	95,860,828	60,826,586	86,551,893
2024 .....	103,658,405	91,284,749	63,256,964	84,160,772
2025 .....	112,725,658	86,624,477	76,151,399	71,367,681
2026 .....	118,406,818	81,333,958	60,522,621	86,912,361
2027 .....	124,130,054	75,640,035	62,756,247	84,681,699
2028 .....	117,428,608	69,600,498	65,042,061	82,304,733
2029 .....	122,517,588	64,034,614	72,502,778	59,660,748
2030 .....	123,922,106	58,197,818	75,957,064	56,097,854
2031 .....	95,422,271	52,329,949	79,032,045	52,312,104
2032 .....	87,941,244	47,745,602	82,545,302	48,286,394
2033 .....	91,153,562	43,561,306	84,745,233	44,060,175
2034 .....	94,978,106	39,230,597	88,298,373	39,647,341
2035 .....	93,539,922	34,724,526	91,451,411	35,027,376
2036 .....	93,062,362	30,125,927	90,596,053	30,149,081
2037 .....	87,271,338	25,448,073	83,875,745	25,296,355
2038 .....	88,720,000	20,885,825	87,825,000	20,471,956
2039 .....	77,395,000	15,946,126	82,835,000	15,662,130
2040 .....	81,035,000	11,415,897	65,230,000	11,426,162
2041 .....	43,530,000	6,674,750	38,275,000	8,599,863
2042 .....	45,705,000	4,498,250	40,180,000	6,672,269
2043 .....	21,590,000	2,213,000	24,685,000	5,067,325
2044 .....	22,670,000	1,133,500	25,945,000	3,801,575
2045 .....	-	-	7,720,000	2,959,950
2046 .....	-	-	8,105,000	2,564,325
2047 .....	-	-	8,510,000	2,148,950
2048 .....	-	-	8,935,000	1,757,500
2049 .....	-	-	9,295,000	1,392,900
2050 .....	-	-	9,665,000	1,013,700
2051 .....	-	-	10,055,000	619,300
2052 .....	-	-	10,455,000	209,100
2053 .....	-	-	-	-
2054 .....	-	-	-	-
	<u>\$ 2,401,004,509</u>	<u>\$ 1,518,478,889</u>	<u>\$ 1,861,380,561</u>	<u>\$ 1,416,570,774</u>

**NOTE:**

1) 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, 2017. Amounts above exclude Commercial Paper and Line of Credit issues as the timing of payments is not certain.

Chicago-O'Hare International Airport and Chicago Midway International Airport Bonds		Totals		Total	Year Ended December 31,
Principal	Interest	Principal	Interest		
\$ 326,115,000	\$ 497,871,919	\$ 471,232,506	\$ 711,578,606	\$ 1,182,811,112	..... 2018
329,175,000	485,113,375	478,314,721	688,490,319	1,166,805,040	..... 2019
320,490,000	469,682,418	466,419,084	674,035,236	1,140,454,320	..... 2020
287,415,000	454,754,878	435,007,958	649,935,896	1,084,943,854	..... 2021
309,420,000	439,876,706	463,111,610	628,915,025	1,092,026,635	..... 2022
308,885,000	424,375,972	468,547,853	606,788,693	1,075,336,546	..... 2023
351,910,000	407,822,304	518,825,369	583,267,825	1,102,093,194	..... 2024
374,700,382	389,641,412	563,577,439	547,633,570	1,111,211,009	..... 2025
388,039,303	370,584,965	566,968,742	538,831,284	1,105,800,026	..... 2026
407,208,224	350,732,170	594,094,525	511,053,904	1,105,148,429	..... 2027
416,374,106	330,363,145	598,844,775	482,268,376	1,081,113,151	..... 2028
411,274,988	309,787,518	606,295,354	433,482,880	1,039,778,234	..... 2029
432,940,870	288,627,427	632,820,040	402,923,099	1,035,743,139	..... 2030
453,556,752	266,312,145	628,011,068	370,954,198	998,965,266	..... 2031
471,772,634	243,138,821	642,259,180	339,170,817	981,429,997	..... 2032
499,269,496	219,290,450	675,168,291	306,911,931	982,080,222	..... 2033
515,971,358	195,500,046	699,247,837	274,377,984	973,625,821	..... 2034
557,263,220	171,021,569	742,254,553	240,773,471	983,028,024	..... 2035
322,796,063	150,967,088	506,454,478	211,242,096	717,696,574	..... 2036
343,257,925	132,537,030	514,405,008	183,281,458	697,686,466	..... 2037
360,320,768	113,207,786	536,865,768	154,565,567	691,431,335	..... 2038
377,963,610	93,064,566	538,193,610	124,672,822	662,866,432	..... 2039
286,367,433	74,738,541	432,632,433	97,580,600	530,213,033	..... 2040
244,451,256	60,620,758	326,256,256	75,895,371	402,151,627	..... 2041
160,276,059	51,015,964	246,161,059	62,186,483	308,347,542	..... 2042
168,284,882	43,878,391	214,559,882	51,158,716	265,718,598	..... 2043
158,319,685	36,941,760	206,934,685	41,876,835	248,811,520	..... 2044
98,550,468	31,492,622	106,270,468	34,452,572	140,723,040	..... 2045
107,606,035	26,469,164	115,711,035	29,033,489	144,744,524	..... 2046
69,951,622	22,183,910	78,461,622	24,332,860	102,794,482	..... 2047
73,283,189	18,739,551	82,218,189	20,497,051	102,715,240	..... 2048
76,851,716	15,090,723	86,146,716	16,483,623	102,630,339	..... 2049
80,580,244	11,274,352	90,245,244	12,288,052	102,533,296	..... 2050
84,489,751	7,267,993	94,544,751	7,887,293	102,432,044	..... 2051
88,595,240	3,067,163	99,050,240	3,276,263	102,326,503	..... 2052
11,601,708	689,593	11,601,708	689,593	12,291,301	..... 2053
12,049,157	234,460	12,049,157	234,460	12,283,617	..... 2054
<u>\$ 10,287,378,144</u>	<u>\$ 7,207,978,655</u>	<u>\$ 14,549,763,214</u>	<u>\$ 10,143,028,318</u>	<u>\$ 24,692,791,532</u>	

**Table 25**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2017**

Long-term debt is comprised of the following issues at December 31, 2017 (dollars in thousands):

	Original Principal	Outstanding at December 31, 2017
General Long-term Debt:		
General Obligation Debt:		
General Obligation Bonds (1):		
Refunding Series of 1993 B - 4.25% to 5.125% .....	\$ 153,280	\$ 16,135
* Emergency Telephone System Refunding Series 1999 - 4.5% to 5.5% .....	213,110	70,215
City Colleges of Chicago Capital Improvement Project Series 1999 - 6.0% .....	308,964	124,103
Project Series 2000 A - 4.85% to 6.75% .....	254,293	7,403
Project and Refunding Series 2001 A - 4.0% to 5.65% .....	580,338	13,715
Neighborhoods Alive 21 Program Series 2002 B - 5.0% to 5.5% .....	206,700	161,280
Neighborhoods Alive 21 Program Series 2003 - 2.0% to 5.25% .....	103,140	8,250
Project and Refunding Series 2003 A - 4.625% to 5.25% .....	157,990	21,260
Project and Refunding Series 2003 B - 5.0% to 5.5% .....	202,500	139,410
Project Series 2003 C - 2.0% to 5.25% .....	176,890	28,670
* Emergency Telephone System Series 2004 - 3.0% to 6.09% .....	64,665	24,785
Project and Refunding Series 2004 - 1.92% to 5.5% .....	489,455	52,400
Refunding Series 2005 A - 2.5% to 5.0% .....	441,090	56,235
Project and Refunding Series 2005 B - 3.5% to 5.0% .....	300,350	143,515
Project and Refunding Series 2005 D - 5.5% .....	222,790	174,005
Direct Access Bonds, Series 2005 - 2.85% to 4.5% .....	114,695	62,811
Direct Access Bonds, Series 2006 - 3.5% to 4.4% .....	35,753	25,813
Project and Refunding Series 2006 A - 3.5% to 5.0% .....	582,435	254,360
Project and Refunding Series 2007 A and B - 3.75% to 5.462% .....	589,590	472,660
City Colleges of Chicago Capital Improvement Project Series 2007 - 4.0% to 5.0% .....	39,110	32,020
Project and Refunding Series 2007 C and D - 4.0% to 5.44% .....	330,890	226,125
Project and Refunding Series 2007 E through G - 5.5% .....	200,000	153,700
Project and Refunding Series 2008 A and B - 3.0% to 5.765% .....	473,705	406,375
Project and Refunding Series 2008 C through E - 1.0% to 6.05% .....	611,017	583,647
Project and Refunding Series 2009 A through D - 4.0% to 6.257% .....	793,275	785,040
Project Series 2010 B - 7.517% .....	213,555	213,555
Project Series 2010 C-1 - 7.781% .....	299,340	299,340
Project Series 2011 A and B - 4.625% to 6.034% .....	416,345	416,345
Project Series 2012 A through C - 4.0% to 5.432% .....	594,850	594,850
Project and Refunding Series 2014 A and B - 4.0% to 6.314% .....	883,420	880,685
General Obligation Series 2015 A and B - 5.0% to 7.75% .....	1,088,390	1,088,390
Refunding Series 2015C - 5.0% .....	500,000	500,000
Project and Refunding Series 2017 A and B - 5.625% to 7.045% .....	1,160,260	1,160,260
Total General Obligation Bonds .....	<u>\$ 12,802,185</u>	<u>\$ 9,197,357</u>

\* Secured by alternate revenues.

**Table 25 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2017**

	Original Principal	Outstanding at December 31, 2017
Line of Credit:		
Line of Credit - Variable Rate (4.225% at December 31, 2017) .....	\$ 77,203	\$ 77,203
Total Line of Credit .....	<u>77,203</u>	<u>77,203</u>
Total General Obligation Bonds and Notes .....	<u>12,879,388</u>	<u>9,274,560</u>
General Obligation Certificates and Other Obligations (1):		
** Building Acquisition Certificates (Limited Tax) Series 1997 - 4.4% to 5.4% .....	\$ 28,800	\$ 2,250
* Modern Schools Across Chicago Program - Series 2007 A through K - 3.6% to 5.0% .....	356,005	152,190
* Modern Schools Across Chicago Program - Series 2010 A and B - 3.0% to 5.364% .....	150,115	107,825
** MRL Financing LLC Promissory Note - 5.0% to 7.5% .....	91,000	72,800
Total General Obligation Certificates and Other Obligations .....	<u>625,920</u>	<u>335,065</u>
Total General Obligation Debt .....	<u>13,505,308</u>	<u>9,609,625</u>
Tax Increment Allocation Bonds and Notes (1):		
Goose Island Redevelopment Tax Increment - Series 2000 - 7.45% .....	16,800	4,385
Pilsen Redevelopment Project - Series 2014 A and B - 0.95% to 5.0% .....	33,410	23,540
Total Tax Increment Allocation Bonds and Notes .....	<u>50,210</u>	<u>27,925</u>
Motor Fuel Tax Revenue Bonds (1):		
Motor Fuel Tax Revenue Bonds - Series 2008 A - 4.0% to 5.0% .....	62,900	61,930
Motor Fuel Tax Revenue Bonds - Series 2013 - 2.0% to 5.0% .....	105,895	91,260
Motor Fuel Tax Revenue Bonds - Riverwalk TIFIA Loan - 3.33% .....	96,739	96,739
Total Motor Fuel Tax Revenue Bonds .....	<u>265,534</u>	<u>249,929</u>
Sales Tax Securitization Corporation Bonds (1):		
Sales Tax Securitization Corporation Bonds - Series 2017ABC - 2.596% to 5.0% .....	743,735	743,735
Total Sales Tax Securitization Corporation Bonds .....	<u>743,735</u>	<u>743,735</u>
Total General Long-term Debt .....	<u>\$ 14,564,787</u>	<u>\$ 10,631,214</u>

\* Secured by alternate revenues.

\*\* General Obligation Certificates and other obligations without property tax levy.

**NOTE:** (1) The balance outstanding at December 31, 2017 listed above for each bond series excluded amounts payable January 1, 2018, if applicable.

Proprietary Fund Revenue Bonds:

Water Revenue Bonds:

Series 1997 - Sr Lien 3.9% to 5.25% .....	\$ 277,911	\$ 2,466
Series 2000 - 2nd Lien - 5.0% .....	100,000	100,000
Series 2000 - Sr Lien 4.375% to 5.875% .....	156,819	7,156
Series 2001 - 2nd Lien 3.0% to 5.75% .....	81,500	80,690
Series 2004 - 2nd Lien - 2.0% to 5.0% .....	500,000	339,725
Series 2008 - 2nd Lien - 4.0% to 5.25% .....	549,915	99,400
Series 2010 - 2nd Lien - 2.0% to 6.742% .....	313,580	300,355
Series 2012 - 2nd Lien - 4.0% to 5.0% .....	399,445	383,700
Series 2014 - 2nd Lien - 3.0% to 5.0% .....	367,925	351,125

**Table 25 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2017**

	Original Principal	Outstanding at December 31, 2017
Proprietary Fund Revenue Bonds - Continued		
Water Revenue Bonds - Concluded:		
Series 2016 - 2nd Lien - 4.0% to 5.0% .....	59,595	59,595
Series 2017 - 2nd Lien -5.0% to 5.25% .....	199,355	192,820
Series 2017 - 2 - 2nd Lien -5.0% .....	235,260	235,260
Illinois Environmental Protection Agency Loan - 2.905% .....	3,605	1,123
Illinois Environmental Protection Agency Loan - 2.57% .....	2,643	1,260
Illinois Environmental Protection Agency Loan - 1.25% .....	6,000	4,354
Illinois Environmental Protection Agency Loan - 0.00% .....	9,077	6,383
Illinois Environmental Protection Agency Loan - 1.25% .....	1,528	1,207
Illinois Environmental Protection Agency Loan - 1.25% .....	1,502	1,187
Illinois Environmental Protection Agency Loan - 1.25% .....	6,092	4,814
Illinois Environmental Protection Agency Loan - 2.29% .....	6,542	5,602
Illinois Environmental Protection Agency Loan - 1.93% .....	39,422	34,492
Illinois Environmental Protection Agency Loan - 1.93% .....	15,000	13,152
Illinois Environmental Protection Agency Loan - 1.93% .....	47,000	42,158
Illinois Environmental Protection Agency Loan - 1.995% .....	15,058	13,768
Illinois Environmental Protection Agency Loan - 2.21% .....	62,179	59,795
Illinois Environmental Protection Agency Loan - 1.995% .....	40,450	40,450
Illinois Environmental Protection Agency Loan -1.86 % .....	19,584	18,968
Total Water Revenue Bonds .....	<u>3,516,987</u>	<u>2,401,005</u>
Chicago-O'Hare International Airport Bonds:		
Chicago-O'Hare International Airport Revenue Bonds:		
Series of 2004 F and G - 3rd Lien - 5.3% to 5.35% .....	29,360	29,360
Series of 2005 B - 3rd Lien - 5.25% .....	238,990	56,605
Series of 2005 C and D - 3rd Lien - Variable Rate (1.70% at December 31, 2017) .....	300,000	240,600
Series of 2008 C and D - 3rd Lien - 4.0% to 4.6% .....	74,245	30,000
Series of 2010 A through D and F - 3rd Lien - 3.0% to 6.845% .....	992,625	889,880
Series of 2011 A and B - 3rd Lien - 3.0% to 6.0% .....	716,075	172,850
Refunding Series of 2012 A and B - Senior Lien - 1.0% to 5.0% .....	722,495	473,830
Refunding Series of 2013 A and B - Senior Lien - 2.0% to 5.25% .....	501,785	441,660
Series of 2013 C and D - Senior Lien - 3.0% to 5.5% .....	396,120	388,895
Refunding Series of 2015 A and B - Senior Lien - 2.0% to 5.0% .....	1,620,180	1,591,885
Series of 2015 C and D - Senior Lien - 3.625% to 5.0% .....	327,200	327,200
Refunding Series of 2016 A through C - Senior Lien - 3.0% to 5.0% .....	1,014,335	991,845
Series of 2016 D through G - Senior Lien - 2.00% to 5.25% .....	1,117,250	1,117,250
Refunding Series of 2017 A through C - Senior Lien - 3.125% to 5.0% .....	534,420	534,420
Series of 2017 D - Senior Lien - 5.0% .....	278,075	278,075
Total Chicago-O'Hare International Airport Revenue Bonds .....	<u>8,863,155</u>	<u>7,564,355</u>
Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds:		
Series of 2013 A Senior Lien - 3.0% to 5.75% .....	248,750	248,750
Total Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds .....	<u>248,750</u>	<u>248,750</u>

**Table 25 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2017**

	Original Principal	Outstanding at December 31, 2017
Proprietary Fund Revenue Bonds - Concluded:		
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds:		
Refunding Series of 2010 A through D - 2.0% to 6.395% .....	137,665	128,800
Refunding Series of 2011 A and B - 5.0% to 6.0% .....	46,005	27,360
Refunding Series of 2012 A and B - 2.5% to 5.0% .....	452,095	402,475
Total Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds .....	<u>635,765</u>	<u>558,635</u>
Chicago-O'Hare International Airport Commercial Paper Notes:		
Series A, B and C Variable Rate (1.20% to 1.27% at December 31, 2017) .....	102,239	102,239
Total Chicago-O'Hare International Airport Commercial Paper Notes .....	<u>102,239</u>	<u>102,239</u>
Chicago-O'Hare International Airport Revolving Line of Credit:		
Revolving Line of Credit - AMT Variable Rate (2.1125% at December 31, 2017) .....	6,916	6,916
Revolving Line of Credit - Non- AMT Variable Rate (2.1125% at December 31, 2017) .....	5,182	5,182
Total Chicago-O'Hare International Airport Revolving Line of Credit .....	<u>12,098</u>	<u>12,098</u>
Chicago-O'Hare International Airport TIFIA Loan:		
TIFIA Loan - 3.86% .....	159,803	159,803
Total Chicago-O'Hare International Airport TIFIA Loan .....	<u>159,803</u>	<u>159,803</u>
Chicago Midway International Airport Revenue Bonds:		
Series 1998 C - 5.25% to 5.5% .....	54,210	25,775
Series 2004 C and D - 2nd Lien - 4.174% to 4.274% .....	152,150	127,625
Series 2010 C - 2nd Lien - 3.782% to 7.168% .....	63,470	61,260
Refunding Series 2013 A through C - 2nd Lien - .74% to 5.5% .....	333,960	308,385
Series 2014 A through B - 2nd Lien - 4.0% to 5.0% .....	771,810	771,810
Refunding Series 2014C - Variable Rate (1.71% at December 31, 2017) .....	124,710	124,710
Series 2016 A through B - 2nd Lien - 2.0% to 5.0% .....	342,395	336,270
Total Chicago Midway International Airport Revenue Bonds .....	<u>1,842,705</u>	<u>1,755,835</u>
Wastewater Transmission Revenue Bonds:		
Refunding Series 1998 A Sr Lien - 4.55% to 5.0% .....	62,423	35,168
Series 2001 - 2nd Lien - 3.5% to 5.5% .....	73,100	50,925
Series 2008 A - 2nd Lien - 4.0% to 5.5% .....	167,635	12,255
Series 2008 C1 through C3 - 2nd Lien - 3.886% .....	332,230	316,780
Series 2010 A and B - 2nd Lien - 2.0% to 6.9% .....	275,865	258,440
Series 2012 - 2nd Lien - 3.0% to 5.0% .....	276,470	256,165
Series 2014 - 2nd Lien - 3.0% to 5.0% .....	292,405	282,770
Series 2015 - 2nd Lien - 2.591% to 6.042% .....	87,080	87,080
Series 2017 A - 2nd Lien - 4.00% to 5.25% .....	180,590	180,590
Series 2017 B Refunding - 2nd Lien - 5.00% .....	215,485	215,485
Illinois Environmental Protection Agency Loan - 2.5% .....	1,546	874
Illinois Environmental Protection Agency Loan - 0.00% .....	15,000	10,328
Illinois Environmental Protection Agency Loan - 1.25% .....	17,564	14,300
Illinois Environmental Protection Agency Loan - 1.25% .....	17,812	14,077
Illinois Environmental Protection Agency Loan - 1.25% .....	15,000	13,160
Illinois Environmental Protection Agency Loan - 1.93% .....	54,170	50,732

**Table 25 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2017**

	<u>Original Principal</u>	<u>Outstanding at December 31, 2017</u>
Proprietary Fund Revenue Bonds - Concluded:		
Wastewater Transmission Revenue Bonds - Concluded:		
Illinois Environmental Protection Agency Loan - 1.995% .....	56,198	53,950
Illinois Environmental Protection Agency Loan - 1.86% .....	4,118	4,039
Illinois Environmental Protection Agency Loan - 1.75% .....	4,263	4,263
Total Wastewater Transmission Revenue Bonds .....	<u>2,148,954</u>	<u>1,861,381</u>
Total Proprietary Fund Revenue Bonds .....	<u>\$ 17,530,456</u>	<u>\$ 14,664,101</u>

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

<u>Year</u>	<u>Population (1)</u>	<u>Median Age (2)</u>	<u>Number of Households (2)</u>	<u>City Employment</u>	<u>Unemployment Rate (3)</u>	<u>Per Capita Income (4)</u>	<u>Total Income</u>
2008 ...	2,896,016	34.1	1,032,746	1,237,856	6.4	\$ 45,328	\$ 131,270,613,248
2009 ...	2,896,016	34.5	1,037,069	1,171,841	10.0	43,727	126,634,091,632
2010 ...	2,695,598	34.8	1,045,666	1,116,830	10.1	45,957	123,881,597,286
2011 ...	2,695,598	33.2	1,048,222	1,120,402	9.3	45,977	123,935,509,246
2012 ...	2,695,598	33.2	1,054,488	1,144,896	8.9	48,305	130,210,861,390
2013 ...	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014 ...	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015 ...	2,695,598	34.2	1,053,229	1,273,727	5.7	53,886	145,254,993,828
2016 ...	2,695,598	34.4	1,053,986	1,282,117	5.4	55,621	149,931,856,358
2017 ...	2,695,598	N/A (5)	N/A (5)	1,289,325	4.7	N/A (5)	N/A (5)

**NOTES:**

(1) Source: U.S. Census Bureau.

(2) Source: American Fact Finder - United States Census Bureau data estimates.  
 Data not available for 2017.

(3) Source: Bureau of Labor Statistics 2017, 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.

(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**

Employer	2017 (1)			2008 (3)		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health Care .....	19,049	1	1.48 %			
Northwestern Memorial Healthcare .....	16,667	2	1.29			
University of Chicago .....	16,583	3	1.29			
JPMorgan Chase & Co. ....	15,701	4	1.22	8,865	1	0.81 %
Amazon.com Inc. ....	13,240	5	1.03			
United Continental Holdings Inc. (2) .....	12,994	6	1.01	6,403	2	0.58
Walgreens Boots Alliance Inc. ....	12,751	7	0.99			
Northwestern University .....	10,847	8	0.84			
Presence Health .....	10,225	9	0.79			
Wal-mart Stores Inc. ....	10,220	10	0.79			
Jewel Food Stores, Inc. ....				5,977	3	0.55
Northern Trust .....				5,084	4	0.46
Accenture LLP .....				4,532	5	0.41
American Airlines .....				3,582	6	0.33
SBC/AT&T .....				3,459	7	0.32
Ford Motor Company .....				3,325	8	0.30
CVS Corporation .....				3,161	9	0.29
Bonded Maintenance Company .....				2,955	10	0.27

**NOTES:**

- (1) Source: Reprinted with permission from the January 15, 2018 issue of Crain’s Chicago Business.  
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- (2) United Continental Holdings Inc. formerly known as United Airlines.
- (3) Source: City of Chicago, Department of Revenue, Employer’s Expense Tax Returns.  
 Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue-Tax Division report, which is no longer available.

**Table 28**  
**CITY OF CHICAGO, ILLINOIS**  
**FULL TIME EQUIVALENT CITY OF CHICAGO EMPLOYEES BY FUNCTION**  
**Last Ten Years (1)**

Function	Budgeted Full Time Equivalent Positions									
	2017	2016	2015	2014 (2)	2013 (2)	2012 (2)	2011	2010	2009	2008
General										
Government .....	3,733	3,674	3,764	3,760	3,725	3,857	4,363	4,401	4,419	5,112
Public Safety .....	22,354	21,458	21,182	21,138	21,067	21,040	22,716	22,912	22,954	23,313
Streets and										
Sanitation .....	2,298	2,328	2,341	2,341	2,351	2,302	2,576	2,605	3,087	3,648
Transportation .....	1,362	1,321	1,297	1,171	932	929	980	1,022	718	819
Health .....	606	613	656	713	738	904	991	1,117	1,257	1,535
Cultural and										
Recreational .....	1,255	1,261	1,253	1,244	1,214	1,153	1,207	1,213	1,318	1,596
Business-type										
Activities .....	4,047	3,672	3,636	3,679	3,528	3,559	3,615	3,619	3,666	3,898
Total .....	<u>35,655</u>	<u>34,327</u>	<u>34,129</u>	<u>34,046</u>	<u>33,555</u>	<u>33,744</u>	<u>36,448</u>	<u>36,889</u>	<u>37,419</u>	<u>39,921</u>

**NOTES:**

- (1) Source: City of Chicago 2017 Budget Overview.  
Includes full time equivalent positions in grant related programs.
- (2) Per Office of Budget Management restated figures.

**Table 29**  
**CITY OF CHICAGO, ILLINOIS**  
**OPERATING INDICATORS BY FUNCTION/DEPARTMENT**  
**Last Ten Years**

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police Physical										
Arrests .....	82,663	85,493	112,996	129,166	143,618	145,390	152,740	167,355	181,254	196,621
Fire Emergency										
Responses (1) ....	709,664	713,492	685,525	685,588	675,570	472,752	343,749	343,214	363,519	377,808
Refuse Collection										
Refuse Collected										
(Tons per Day) ...	3,632	3,561	3,403	3,265	3,562	3,763	3,983	3,931	3,974	4,240
Cultural Volumes										
in Library (2) .....	11,472	11,823	11,469	11,527	11,452	5,691	5,790	5,770	5,743	5,721
Water Average Daily										
Consumption										
(Thousands of										
Gallons) .....	680,468	701,148	719,467	752,362	756,486	793,274	770,925	773,612	808,551	827,156

Notes: (1) In 2013, Office of Emergency Management and Communications implemented new system accounting for Administrative calls.  
(2) Beginning in 2013, Chicago Public Library utilizes new process to identify library holdings. Figures in thousands.

**Table 30**  
**CITY OF CHICAGO, ILLINOIS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Years**

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police Stations .....	25	25	25	25	25	25	26	25	25	25
Fire Stations .....	104	104	104	104	104	104	104	103	103	101
Other Public Works:										
Streets ( Miles) .....	4,116	4,116	4,116	4,116	4,116	4,116	4,091	3,775	3,775	3,775
Streetlights .....	330,097	328,683	327,613	327,613	327,613	279,668	278,788	261,019	259,699	285,989
Traffic Signals .....	3,043	3,042	3,037	3,035	3,035	3,035	2,960	2,960	2,960	2,960
Water										
Mains (Miles) .....	4,281	4,295	4,311	4,322	4,321	4,349	4,360	4,300	4,300	4,375
Sewers										
Mains (Miles) .....	4,462	4,452	4,428	4,428	4,428	4,450	4,400	4,400	4,400	4,500

**Table 31**  
**CITY OF CHICAGO, ILLINOIS**  
**INTEREST RATE SWAP COUNTERPARTY ENTITIES**  
**December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

Associated Bond Issue	Current Notional Amounts	Counterparty Credit Rating Moody's/S&P	Counterparty Entity	City ATE Level (1)
Chicago Midway Airport Revenue Bonds (Series 2004C&D ).....	76,575 51,050	A1/A+ Aa2/AA-	Goldman Sachs Wells Fargo	Baa1/BBB+ Baa2/BBB
Total.....	<u>\$ 127,625</u>			

Source: Survey of Derivative Instruments.

- (1) A counterparty may terminate its related interest rate swap if the City rating for the respective credit falls below the rating listed in the column City ATE Level by Moody's or Standard and Poor's.

**Table 32**  
**CITY OF CHICAGO, ILLINOIS**  
**BANK FACILITIES**  
**As of December 31, 2017**  
**(Amounts are in Thousands of Dollars)**

Bond Liquidity, Letters of Credit and Direct Purchase Facilities

Issue	Series	Principal Outstanding	Expiration or Termination	Bond Maturity Date	Bank	Ratings Thresholds (1)		
						Fitch	Moody's	S&P
Midway 2nd Lien	2004 C-1	\$ 54,725	11/25/2019	01/01/2035	Bank of Montreal	BBB-	N/A	BBB-
Midway 2nd Lien	2004 C-2	\$ 64,425	11/25/2019	01/01/2035	Bank of Montreal	BBB-	N/A	BBB-
Midway 2nd Lien	2004 D	\$ 13,050	11/25/2019	01/01/2035	Bank of Montreal	BBB-	N/A	BBB-
Midway 2nd Lien	2014 C	\$ 124,710	07/17/2020	01/01/2035	Barclays	(2)	(2)	(2)
O'Hare 3rd Lien	2005 C	\$ 140,600	07/24/2020	01/01/2035	Bank of America	BBB-	Baa3	BBB-
O'Hare 3rd Lien	2005 D	\$ 100,000	08/14/2020	01/01/2035	Barclays	(2)	(2)	(2)

Commercial Paper (CP) Letters of Credit and Lines of Credit Providers

Issue	Series	Borrowing Authority	Amount Outstanding (Dec. 31, 2017)	Expiration or Termination	Bank	Ratings Thresholds (1)			
						Fitch	Moody's	S&P	Kroll
G. O. Line of Credit	2015	\$ 170,000	25,734	09/24/2019	JPMorgan	BBB- (3)	N/A	BBB- (3)	BBB- (3)
G. O. Line of Credit	2015	\$ 170,000	25,734	09/24/2019	BMO Harris	BBB- (3)	N/A	BBB- (3)	BBB- (3)
G. O. Line of Credit	2015	\$ 170,000	25,735	09/24/2019	Bank of China	BBB- (3)	N/A	BBB- (3)	BBB- (3)
Midway CP	2003A-D	\$ 85,000	-	07/10/2020	JPMorgan	BBB-	Baa3	BBB-	N/A
O'Hare CP	2016 (4)	\$ 180,000	34,301	09/27/2019	Bank of America	BBB- (3)	Baa3	BBB- (3)	N/A
O'Hare CP	2016 (4)	\$ 120,000	46,938	09/27/2019	Bank of Tokyo	BBB- (3)	Baa3	BBB- (3)	N/A
O'Hare CP	2016 (4)	\$ 120,000	21,000	09/27/2019	Barclays	BBB- (3)	Baa3	BBB- (3)	N/A
O'Hare Line of Credit	2016	\$ 180,000	12,098	12/12/2019	JPMorgan	BBB-	N/A	BBB-	BBB-

**Notes:**

- (1) An underlying rating by any rating agency for the related debt (or lowest rated lien of the related credit) below what is shown in the chart in the "Ratings Threshold" column would constitute an event of default under the agreements with the related banks.
- (2) The agreement with Barclays provides that it is an event of default if (A) any two Rating Agencies then rating the Debt of the City payable from or secured by Pledged Revenues which is senior to or on parity with the Bonds shall have downgraded their rating on such Debt to or below "Baa2" (or its equivalent) or "BBB" (or its equivalent), respectively, or (B) any Rating Agency shall have downgraded its rating of any Debt of the City payable from or secured by the Pledged Revenues which is senior to or on a parity with the Bonds to below "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same and such downgrade, suspension or withdrawal shall remain for a period of 180 days.
- (3) An underlying rating by two of the three rating agencies, S&P, Fitch or Kroll, would constitute an event of default under the agreements with the banks.
- (4) O'Hare 2009 Program. 2016 Issue series A1-A3, B1-B3 and C1-C3.