

City of Chicago, Illinois

Basic Financial Statements as of and for the Year Ended
December 31, 2024, Independent Auditor's Report, and
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based upon an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards* for the
Year Ended December 31, 2024

CITY OF CHICAGO, ILLINOIS
YEAR ENDED DECEMBER 31, 2024
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Brandon Johnson, Mayor
and Members of the City Council
City of Chicago, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, as of December 31, 2024, 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.

We did not audit the financial statements of the City's Pension Trust Funds (the "Trust Funds"), which represent 92%, 100%, and 72%, respectively, of the assets, net position, and revenues of the remaining aggregate fund information as of and for the year ended December 31, 2024. 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 Trust Funds, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Sales Tax Securitization Corporation and the Trust Funds were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the Management's Discussion and Analysis, Schedule of Revenues and Expenditures – Budget and Actual, General Fund

(Budgetary Basis), Schedule of Revenues and Expenditures – Budget and Actual, Pension Fund (Budgetary Basis), Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Deloitte & Touche LLP

June 30, 2025

Management's Discussion and Analysis

As management of the City of Chicago, Illinois (City), we offer readers of the City's Annual Comprehensive Financial Report (ACFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. 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.

2024 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 \$29,250.9 million (net deficit). The net deficit is composed of \$4,045.0 million in net investment in capital assets and \$6,580.1 million in net position restricted for specific purposes, offset by an unrestricted deficit of \$39,875.9 million. The net deficit increased in 2024 by \$1,039.2 million mainly due to a decrease in unrestricted cash and cash equivalents, accounts receivables and due from other governments, and unrestricted investments balances.
- The City's total assets decreased by \$158.9 million. This decrease primarily relates to a \$977.7 million decrease in unrestricted cash and cash equivalents mostly from Governmental Activities due to General Fund expenditures exceeding revenues and the timing of funding to support City's infrastructure projects; a \$217.0 million decrease in due from other governments as reimbursement of grant expenditures became more timely; and a \$128.5 million decrease in right of use asset balances as their book values continue to get amortized, which were offset by a \$692.0 million increase in other capital assets, net of accumulated depreciation, as the City further increased its infrastructure investments through capital infrastructure projects that address maintenance of City assets as outlined in the 2024-2028 Capital Improvement Program, which include citywide transportation network and facility improvements, O'Hare 21, and Water and Sewer system projects; and a \$659.0 million increase in restricted cash and cash equivalents mostly coming from business-type activities due to an increase in cash collections from revenues as the Airports continued to recover from the impacts of the COVID-19 pandemic.
- The City's deferred outflows and deferred inflows decreased by \$976.4 million and \$392.7 million, respectively, due to the amortization of deferred pension costs. Total liabilities decreased by \$488.8 million primarily due to a decrease in long-term liabilities through debt refunding.
- Total Revenues and Other Financing Sources (Uses), in the governmental fund financial statements, during 2024 were \$12,362.2 million, an increase of \$7.9 million (0.1%) from 2023 primarily due to proceeds from issuance of refunding debt as part of the City's overall debt planning.
- The General Fund ended 2024 with a total Fund Balance of \$387.7 million, of which \$317.3 million was Assigned. Total Fund Balance decreased from 2023 by \$667.2 million as the City used its prior year Assigned Fund Balance for planned supplemental pension contributions and with expenditures exceeding revenues. The plan to use assigned fund balance for supplemental pension contributions was set out in Executive Order No. 2023-5, dated May 12, 2023. The actual supplemental pension contribution for 2024 was \$306.6 million.
- The City's General Obligation Bonds and notes outstanding decreased by \$387.4 million during the current fiscal year due to scheduled payments on General Obligation Bonds and current bond refundings, offset by issuances of new and refunding debt and use of the City's two lines of credit with \$341.9 million balance outstanding as of December 31, 2024 to fund ongoing capital programs, including Chicago Works and the Chicago Recovery Plan to reinvest in Chicago neighborhoods.
- The General Fund expenditures on a budgetary basis were \$217.1 million less than budgeted expenditures primarily due to overall operational efficiencies that reduced General Government, Health, Street and Sanitation, and Transportation expenses
- In 2024, the City implemented GASB Statement No. 101, *Compensated Absences* ("GASB 101"). Due to this implementation, the City restated some of its liabilities' beginning balances and beginning net position. As of December 31, 2024, compensated absences liabilities have an outstanding balance of \$187.0 million for Governmental Activities and \$21.5 million for Business-type Activities.

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:

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, Skyway and airport activities.

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 23 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; 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 Sales Tax Securitization Corporation (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, and Chicago Community Catalyst Fund (CCCF) component units, despite being legally separate from the City, are reported as if these were part of the City because, in addition to being financially accountable for these, the STSC and CCCF provide services exclusively to the City. The STSC blended component unit is reported as the STSC Debt Service Fund and a Nonmajor Special Revenue Fund. The CCCF blended component unit is reported within the Service Concession and Reserve 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 airport 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 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 a fiduciary 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 custodial 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 and deferred outflows by \$29,250.9 million at December 31, 2024. Of this amount, \$4,045.0 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 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, \$6,580.1 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 11,412.5	\$ 12,890.6	\$ 6,968.1	\$ 6,318.2	\$ 18,380.6	\$ 19,208.8
Capital assets	10,271.5	9,888.5	21,027.3	20,740.9	31,298.8	30,629.4
Total Assets	21,684.0	22,779.1	27,995.4	27,059.1	49,679.4	49,838.2
Deferred outflows	2,897.2	3,687.0	242.7	429.3	3,139.9	4,116.3
Total	24,581.2	26,466.1	28,238.1	27,488.4	52,819.3	53,954.5
Long-term liabilities outstanding	\$ 48,994.2	\$ 48,790.3	\$ 21,152.6	\$ 21,099.8	\$ 70,146.8	\$ 69,890.1
Other liabilities	5,160.8	5,854.2	1,215.5	1,267.6	6,376.3	7,121.8
Total Liabilities	54,155.0	54,644.5	22,368.1	22,367.4	76,523.1	77,011.9
Deferred Inflows	2,866.2	2,653.7	2,680.8	2,500.6	5,547.0	5,154.3
Net Position:						
Net investment in capital assets	(1,029.4)	(1,050.7)	5,074.4	4,933.6	4,045.0	3,882.8
Restricted	4,511.4	4,107.5	2,068.7	1,992.1	6,580.1	6,099.6
Unrestricted	(35,922.1)	(33,888.9)	(3,953.9)	(4,305.3)	(39,876.0)	(38,194.2)
Total net (deficit) position	<u>\$ (32,440.1)</u>	<u>\$ (30,832.1)</u>	<u>\$ 3,189.2</u>	<u>\$ 2,620.4</u>	<u>\$ (29,250.9)</u>	<u>\$ (28,211.7)</u>

Governmental Activities. Net position of the City's governmental activities decreased \$1,608.0 million to a deficit of \$32,440.1 million primarily due to lower property tax revenues recognized in the current year as compared to prior year; a decrease in intergovernmental revenues due to the non-payment by Chicago Public Schools of a portion of the Municipal Employees' Annuity and Benefit Fund of Chicago (Municipal Employees', MEABF) pension contribution allocable to their employees; lower personal property replacement tax revenues received from the state; and decreased fair market value of investments related to global investment market volatility. Expenses fluctuated through an increase in the area of General Government mostly due to increases in contractual services and personnel costs, offset by a decrease in the area of Public Safety mostly due to lower pension expenses as there were impacts of legislative changes in the prior year. 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 \$35,922.1 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's annual budgets do not include the full amounts needed to finance future liabilities arising from personnel, property, pollution and casualty claims (\$1,365.2 million) and Municipal Employees', Laborers', Policemen's and Firemen's net pension liability and other post-employment benefits (\$35,080.8 million). Since such amounts come due on an annual basis, they will be included in future years' budgets as they come due. In addition, the deferred inflow balance of \$1,366.0 million from Public-Private Partnerships considered as service concession arrangements will be amortized into income over the life of such agreements.

Revenues for all governmental activities in 2024 were \$10,741.7 million, a decrease of \$721.5 million (6.3%) from 2023. Approximately 42.7 percent of City's revenues were derived from taxes other than property taxes, which decreased by \$258.6 million (5.3%) due to decreased revenues from tax increment financing. Other revenues decreased by \$82.4 million (10.1%) primarily due to fair market value adjustments.

Expenses for governmental activities in 2024 were \$12,307.1 million, an decrease of \$56.3 million (0.5%) over 2023. The amount that taxpayers paid for these governmental activities through City taxes was \$6,315.1 million. Some of

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YEAR ENDED DECEMBER 31, 2024

the cost was paid by those who directly benefited from the programs (\$1,225.5 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,229.5 million).

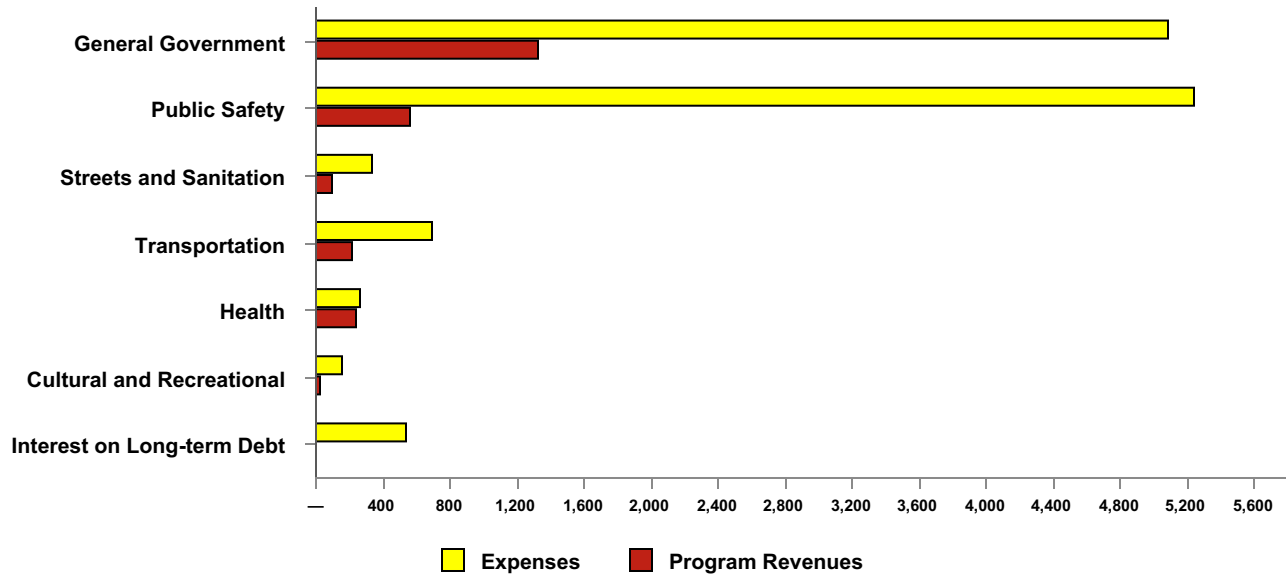
The City received revenues from the state such as income and sales taxes, and other revenues, totaling \$1,237.0 million.

Although total net position of business-type activities was \$3,189.2 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.

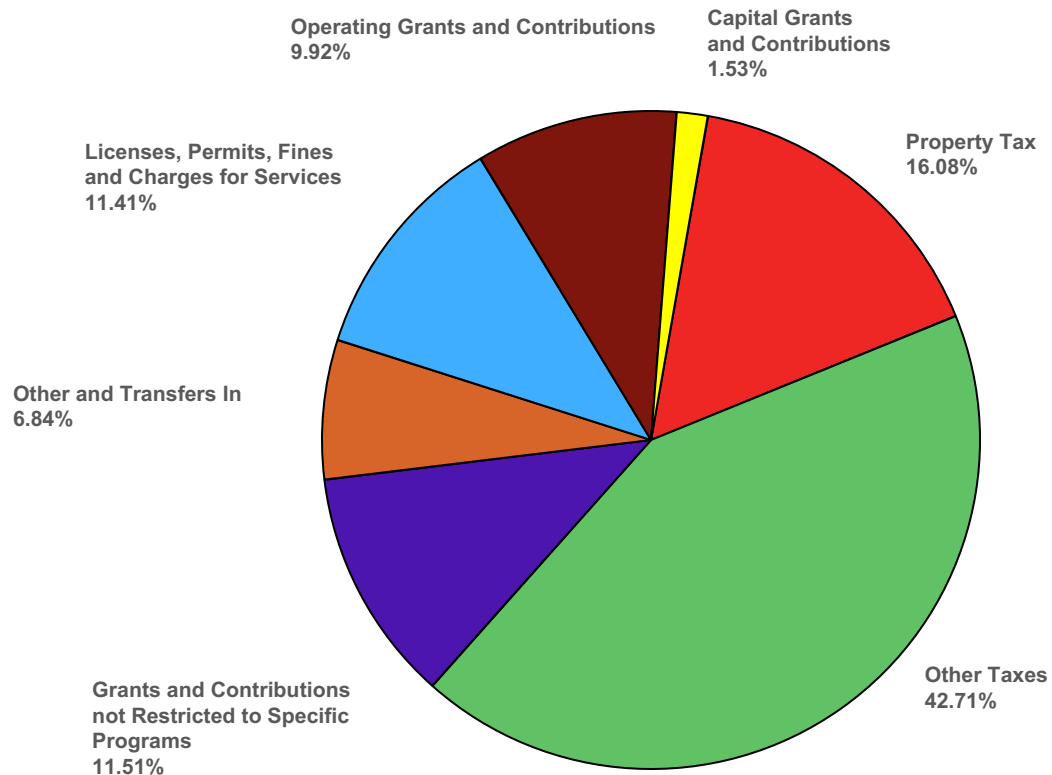
City of Chicago, Illinois Changes in Net Position Years Ended December 31 (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues and Other Transfers:						
Program Revenues:						
Licenses, Permits, Fines and Charges for Services	\$ 1,225.5	\$ 1,225.4	\$ 3,379.9	\$ 3,188.9	\$ 4,605.4	\$ 4,414.3
Operating Grants and Contributions	1,065.3	1,052.8	—	—	1,065.3	1,052.8
Capital Grants and Contributions	164.2	108.1	47.4	54.5	211.6	162.6
General Revenues:						
Property Taxes	1,727.7	2,045.2	—	—	1,727.7	2,045.2
Other Taxes	4,587.4	4,846.0	—	—	4,587.4	4,846.0
Grants and Contributions not Restricted to Specific Programs	1,237.0	1,368.7	—	—	1,237.0	1,368.7
Other	734.6	817.0	408.5	318.2	1,143.1	1,135.2
Total Revenues	<u>10,741.7</u>	<u>11,463.2</u>	<u>3,835.8</u>	<u>3,561.6</u>	<u>14,577.5</u>	<u>15,024.8</u>
Expenses:						
General Government	5,079.5	4,289.0	—	—	5,079.5	4,289.0
Public Safety	5,242.8	6,136.5	—	—	5,242.8	6,136.5
Streets and Sanitation	337.8	306.2	—	—	337.8	306.2
Transportation	691.8	632.0	—	—	691.8	632.0
Health	264.7	285.4	—	—	264.7	285.4
Cultural and Recreational	158.3	146.7	—	—	158.3	146.7
Interest on Long-term Debt	532.2	567.6	—	—	532.2	567.6
Water	—	—	734.4	724.7	734.4	724.7
Sewer	—	—	331.6	324.6	331.6	324.6
Midway International Airport	—	—	323.2	339.0	323.2	339.0
Chicago-O'Hare International Airport	—	—	1,867.9	1,845.1	1,867.9	1,845.1
Chicago Skyway	—	—	7.4	7.9	7.4	7.9
Total Expenses	<u>12,307.1</u>	<u>12,363.4</u>	<u>3,264.5</u>	<u>3,241.4</u>	<u>15,571.6</u>	<u>15,604.8</u>
Change in Net Position Before Transfers	(1,565.4)	(900.2)	571.3	320.2	(994.1)	(580.0)
Transfers In (Out)	2.5	2.5	(2.5)	(2.5)	—	—
Change in Net Position	<u>(1,562.9)</u>	<u>(897.7)</u>	<u>568.8</u>	<u>317.7</u>	<u>(994.1)</u>	<u>(580.0)</u>
Net (Deficit) Position, Beginning of Year (1)	<u>(30,877.2)</u>	<u>(29,934.4)</u>	<u>2,620.4</u>	<u>2,302.7</u>	<u>(28,256.8)</u>	<u>(27,631.6)</u>
Net (Deficit) Position, End of Year	<u>\$ (32,440.0)</u>	<u>\$ (30,832.1)</u>	<u>\$ 3,189.2</u>	<u>\$ 2,620.4</u>	<u>\$ (29,250.9)</u>	<u>\$ (28,211.7)</u>

(1) Restated due to implementation of GASB 101, *Compensated Absences* - see Note 1 of Notes to Basic Financial Statements.

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



Revenues by Source - Governmental Activities



Business-type Activities. Total revenues of the City's business-type activities increased by \$274.2 million in 2024 primarily due to the Airports' continued recovery from the impacts of the COVID-19 pandemic on travel and rate increases for Water and Sewer.

- The Water Fund's total operating revenues increased by \$35.4 million (4.4%) from 2023 primarily due to increases in water fees of \$42.2 million resulting from a water rate increase of 5.00% and 3.37% effective June 1, 2023, and 2024, respectively, offset by the conversion of non-metered to metered accounts and decreases in other operating revenues of \$3.9 million. Operating expenses before depreciation and amortization for the year 2024 increased by \$6.3 million (1.2%) from the year 2023 mainly due to increases in salaries, offset by a decrease in pension expense resulting from changes in actuarial assumptions.
- The Sewer Fund's total net operating revenues increased in 2024 by \$16.1 million or 4.2% primarily due to a sewer rate increase of 5.00% and 3.37% effective as of June 1, 2023, and 2024, respectively. Operating expenses before depreciation and amortization increased by \$3.3 million or 2.2% as compared to 2023 primarily due decrease in repairs and maintenance, offset by a slight increase in pension expense of \$1.4 million.
- Chicago-Midway International Airport's total operating revenues for 2024 decreased by \$7.9 million compared to 2023 operating revenues primarily due to a significant decrease in terminal rental and use charges of \$10.7 million offset by an increase in rents, concession, and other revenues of \$2.9 million. The decrease in enplaned passengers in 2024 compared to influx of passenger travels in 2023, has now stabilized passenger activity to pre-pandemic numbers at the Airport.

Operating expenses before depreciation and amortization for 2024 decreased by \$12.7 million compared to 2023 due to a decrease in other operating expenses of \$12.2 million as there was COVID relief grant expenses related to concessions in previous year, and a decrease in pension expense of \$15.1 million primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments, offset by an increase in salary expense of \$4.5 million due to contractual increases and fringe benefit costs, and an increase in repairs and maintenance of \$7.2 million due to the increase in vendor costs based on economic impacts in 2024.

Midway's total net deficit at December 31, 2024, was \$237.9 million, which was a decrease of \$53.5 million compared to total net deficit at December 31, 2023, which was \$291.4 million, primarily due to an increase in investment income of \$5.7 million due to recognized fair market value changes on December 31, 2024, an increase in operating income before depreciation and amortization of \$4.8 million and an increase in capital grants of \$4.1 million. Reduction of \$13.8 million in total operating expense also contributed to this decrease.

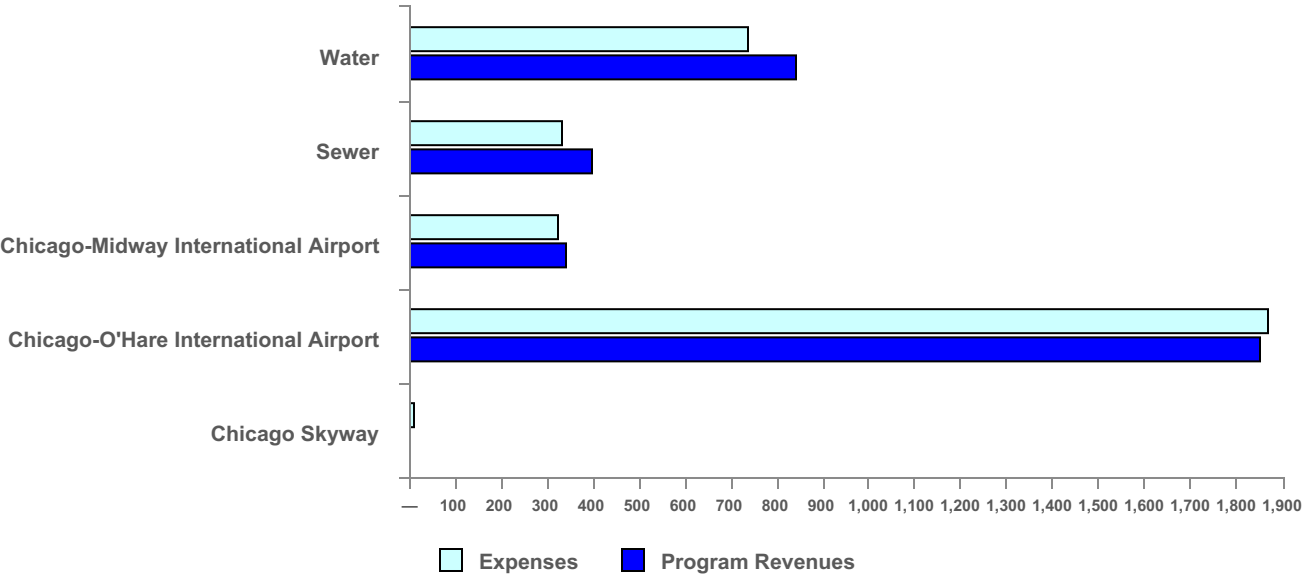
- Chicago O'Hare International Airport's total operating revenues for 2024 increased by \$185.2 million (13.0%) compared to prior year operating revenues due to an increase in terminal use charges and landing fees of \$149.9 million; increases in concessions and other rental revenue of \$30.9 million; and an increase in hotel revenues of \$4.4 million, all due to an increase in passenger and flight activity as the Airport continued to recover from the impacts of the COVID-19 pandemic and economic uncertainties.

Operating expenses before depreciation, amortization and loss on capital asset disposals decreased by \$16.1 million (1.7%) compared to 2023, primarily due to a decrease in pension expense of \$64.8 million (40.0%) and a decrease in other operating maintenance expense of \$8.9 million (5.8%). It was offset by an increase in salary and wages of \$19.6 million (7.9%) due to contractual increases and the increase in fringe benefit costs; increases in professional and engineering expenses of \$16.0 million (8.3%) due to ongoing planning efforts related to the O'Hare 21 program which includes the Terminal Area Plan expansion, Terminal 5 expansion, airport hotel developments, and other capital projects, and planning of new facilities which increased during 2024; an increase in repairs and maintenance of \$17.5 million (9.5%) due to the impact of upgrades to existing infrastructure such as the Terminal 5 upgrades. Hotel expenses increased by \$4.6 million (11.8%) due to the ongoing recovery of hotel business from the impact of the COVID-19 pandemic on travel and tourism and the completion of the Terminal 5 expansion and upgrades.

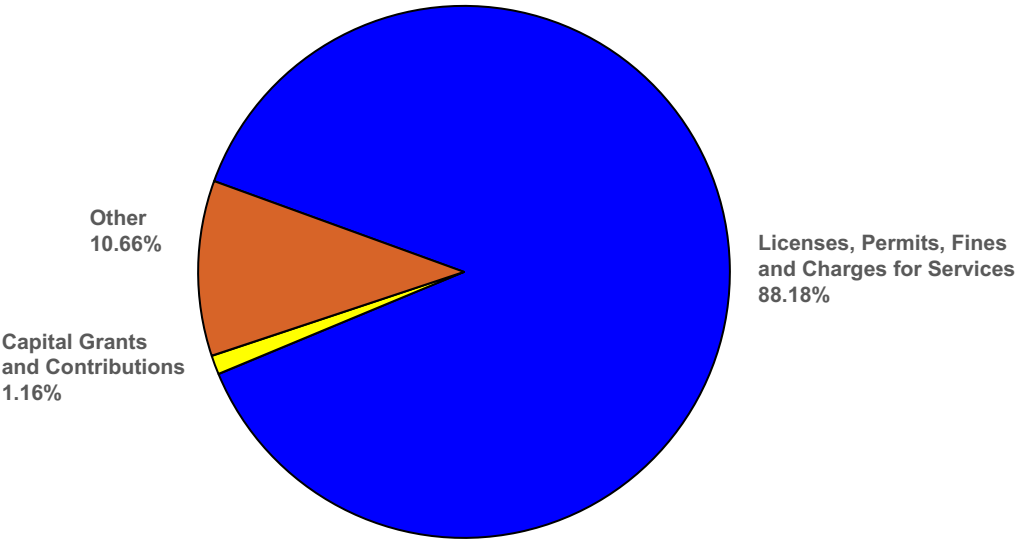
O'Hare's total net position at December 31, 2024, was \$1,206.0 million, which is an increase of \$247.5 million (25.8%) over total net position at December 31, 2023, primarily due to increases in landing fees of \$149.9 million; increases in PFC and CFC balances totaling \$14.9 million (6.5%) due to increases in passenger and flight activity during 2024. Other nonoperating revenue increased by \$69.3 million (239.1%) due to sale of land.

- The Chicago Skyway was leased for 99 years to a private company in 2005. 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). This transaction is accounted for in the Skyway Fund in the Enterprise Funds financials.

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



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

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

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

At December 31, 2024, the City's governmental funds reported combined ending fund balances of \$2,500.0 million, a decrease of \$627.1 million in comparison with the prior year. Of this total amount, \$820.2 million was committed to specific expenditures, \$318.8 million was assigned to anticipated uses, a deficit of \$7,760.6 million was unassigned, \$3,867.9 million was restricted in use by legislation, and \$5,253.8 million was nonspendable.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the assigned fund balance was \$317.3 million, with a total fund balance of \$387.7 million. As a measure of the General Fund's liquidity, it may be helpful to compare the total fund balance to total fund expenditures. Total General Fund balance represents 8.0 percent of total General Fund expenditures. The fund balance of the City's General Fund decreased by approximately \$667.2 million during the current fiscal year primarily due to the City's use of its prior year assigned fund balance for planned supplemental pension contributions and expenditures exceeding revenues — on May 12, 2023, an executive order was signed authorizing the City to assign then current and projected fund balance to cover a portion of supplemental pension payments to the City's four pension funds for the years ended December 31, 2024, 2025, and 2026. The supplemental payments began in fiscal year 2023 and continued in fiscal year 2024. Subsequently, the last draw down of those fund balances was used for a supplemental pension payment in fiscal year 2025.

The Federal, State and Local Grants Fund has a total deficit fund balance of \$710.1 million. The deficit is \$172.0 million lower than 2023 due to more timely reimbursement of expenditures.

The Special Taxing Areas Fund has a total fund balance of \$3,383.7 million. This is \$360.3 million higher than 2023 due to the restricted specific expenditures for special area operations and maintenance that follow state requirements for spending, and for redevelopment project costs as provided by tax levies on special areas.

The Service Concession and Reserve Fund accounts for deferred inflows from nonbusiness type long-term concessionaire agreement transactions and has \$620.4 million committed to specific expenditures. The unassigned deficit of \$1,366.0 million results from the deferred inflows from service concession arrangements.

The Bond, Note Redemption and Interest Fund has a total fund deficit of \$5,043.6 million. This deficit is \$599.3 million higher than 2023, primarily due to the refunding of certain outstanding City bonds with the issuance of General Obligation Series 2024B Bonds, STSC Series 2024A Bonds, and Second Lien STSC Series 2024AB Bonds. The proceeds were recorded in the Bond, Note Redemption and Interest Fund and STSC Debt Service Fund, and refunded amounts to bond escrow agent were recorded in the Bond, Note Redemption and Interest Fund.

The STSC Debt Service Fund has a total fund balance of \$5,333.2 million. The fund balance will be used for future debt service payments for certain outstanding bonds. In 2024, the STSC Fund Balance for nonspendable increased by \$404.5 million due to the issuance of STSC Series 2024A Bonds and Second Lien STSC Series 2024AB Bonds. The net proceeds will be amortized over the life of each bond.

The Community Development and Improvement Projects Fund has a total fund balance of \$145.0 million (deficit). This is \$220.3 million lower than 2023 as proceeds from bond funds are expended for capital project improvements throughout the city.

Changes in fund balance. The fund balance for the City's governmental funds decreased by \$627.1 million in 2024. This includes an increase in inventory of \$15.6 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 \$3,953.9 million. The unrestricted net position deficit increased by \$351.4 million primarily due to the increased expenditures, offset by rate increases for Water and Sewer. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's 2024 General Fund Budget of \$5,805.4 million was approved by City Council on November 15, 2023. An amended General Fund Budget of \$5,875.4 million was passed on April 19, 2024. General Fund revenues ended the year \$378.7 million under the 2024 final General Fund Budget due to a decrease in intergovernmental revenues because of the non-payment by Chicago Public Schools of a portion of the MEABF pension contribution allocable to their employees; lower personal property replacement tax revenues received from the state; and a decrease in revenues from transfers in, fines, and utility taxes. These were offset by an increase in interest income from higher rates in 2024, and increased revenues from transaction, recreation, sales, and transportation taxes. Expenditures were \$217.1 million below budgeted amounts as a result of various cost control measures causing favorable variances in general government, health, streets and sanitation, and transportation expenditures. Additional information on the City's budget can be found in Note 3 under Stewardship, Compliance and Accountability and the Required Supplemental Information section 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, 2024 amount to \$31,298.7 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 2024, the City completed \$552.2 million in infrastructure projects including \$271.9 million in street construction and resurfacing projects, \$192.5 million in street lighting and transit projects, and \$87.8 million in bridge and viaduct reconstruction. At year end, infrastructure projects still in process had expenses totaling nearly \$1,497.2 million, composed of projects for Chicago Works and Chicago Recovery Plan programs.
- At the end of 2024, the Water Fund had \$5,463.8 million invested in utility plant, net of accumulated depreciation. During 2024, the Water Fund expended \$250.7 million on capital activities. This included \$3.4 million for structures and improvements; \$117.4 million for distribution plant, \$6.8 million for equipment; and \$123.0 million for construction in progress. During 2024, net completed projects totaling \$53.6 million were transferred from construction in progress to applicable capital accounts. The major completed projects were installation and replacements of water mains of \$50.5 million.
- At the end of 2024, the Sewer Fund had net utility plant of \$3,316.3 million. During 2024, the Sewer Fund had capital additions being depreciated of \$74.4 million, and completed projects totaling \$89.0 million were transferred from construction in progress to applicable facilities and structures capital accounts.
- At the end of 2024, Chicago Midway International Airport had \$1,143.7 million invested in net capital assets. During 2024, the Airport had additions of \$19.0 million related to capital activities. Construction projects include the Airport's first-ever shared-use lounge in the Central Market which opened in September 2024. During 2024, completed projects totaling \$4.9 million were transferred from construction in progress to applicable buildings and other facilities capital account. These major completed projects were related to building security, runway and taxi improvements and parking enhancements.
- At the end of 2024, Chicago O'Hare International Airport had \$10,914.3 million invested in net capital assets. During 2024, the Airport had additions of \$633.6 million related to property and facilities. This included construction HVAC system upgrades, Central Deicing Pad, concourse improvements CONRAC/Parking, ATS rail, terminal improvements, and runway and taxiway improvements. During 2024, completed projects totaling \$803.2 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to the relocation of airline facilities, Central Deicing Pad, CONRAC/Parking, Fuel Line Relocation, terminal improvements, and runway and taxiway improvements.

City of Chicago, Illinois Capital Assets (net of depreciation) (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,437.9	\$ 1,412.6	\$ 1,040.3	\$ 1,040.2	\$ 2,478.2	\$ 2,452.8
Works of Art and Historical Collections	52.2	50.6	—	—	52.2	50.6
Construction in Progress	1,586.4	1,460.0	2,189.5	2,236.9	3,775.9	3,696.9
Buildings and Other Improvements	1,555.0	1,508.9	17,282.5	16,879.7	18,837.5	18,388.6
Machinery and Equipment	444.3	402.6	411.0	431.6	855.3	834.2
Infrastructure	4,875.3	4,653.4	—	—	4,875.3	4,653.4
Right of Use - Leases	280.4	357.3	104.0	146.9	384.4	504.2
Right of Use - SBITAs	39.9	43.0	—	5.6	39.9	48.6
Total	<u>\$ 10,271.4</u>	<u>\$ 9,888.5</u>	<u>\$ 21,027.3</u>	<u>\$ 20,740.9</u>	<u>\$ 31,298.7</u>	<u>\$ 30,629.4</u>

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 \$5,150.1 million in General Obligation Bonds, \$341.9 million in two General Obligation Lines of Credit and \$14.5 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$5,855.6 million in Sales Tax Securitization Corporation Bonds (STSC Bonds); and \$16,549.3 million in Enterprise Fund Bonds and long-term obligations. For more detail, refer to Note 10 Long-term Obligations in the Basic Financial Statements.

City of Chicago, Illinois General Obligation and Revenue Bonds (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation	\$ 5,506.5	\$ 5,893.9	\$ —	\$ —	\$ 5,506.5	\$ 5,893.9
Revenue Bonds	—	—	16,549.3	16,201.4	16,549.3	16,201.4
STSC Bonds	5,855.6	5,419.3	—	—	5,855.6	5,419.3
Total	<u>\$ 11,362.1</u>	<u>\$ 11,313.2</u>	<u>\$ 16,549.3</u>	<u>\$ 16,201.4</u>	<u>\$ 27,911.4</u>	<u>\$ 27,514.6</u>

During 2024, the City and the STSC issued the following:

General Obligation Bonds and Lines of Credit:

- General Obligation Bonds Series 2024A (\$646.6 million).
- General Obligation Refunding Bonds Series 2024B (\$287.2 million).
- General Obligation Lines of Credit (\$340.1 million).

Enterprise Fund Revenue Bonds and Notes:

- Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024A (AMT) (550.0 million), and Series 2024B (Non-AMT) (\$436.9 million).
- Chicago O'Hare International Airport General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2024C (AMT) (\$513.8 million), Series 2024D (Non-AMT) (\$834.9 million), Series 2024E (AMT) (\$157.4 million), and Series 2024F (Non-AMT) (\$61.0 million).
- Chicago O'Hare International Airport Revolving Line of Credit (AMT) (\$178.0 million) and (Non-AMT) (\$417.8 million).
- Chicago Midway International Airport Senior Lien Revenue Refunding Bonds, Series 2023C (AMT) (\$381.8 million).

- Chicago Midway International Airport Senior Lien Revenue Refunding Bonds Series 2024A (AMT) (\$71.7 million) and Series 2024B (Non-AMT) (\$7.8 million).
- City of Chicago Second Lien Water Revenue Bonds, Refunding Series 2024A (\$300.2 million).
- Water Infrastructure Finance and Innovation Act (WIFIA) Loans (\$61.2 million).
- City of Chicago Second Lien Wastewater Transmission Bonds, Refunding Series 2024A (\$227.9 million).
- City of Chicago Second Lien Wastewater Transmission Bonds, Refunding Series 2024B (\$138.3 million).

Sales Tax Securitization Corporation Bonds:

- Sales Tax Securitization Bonds Refunding Series 2024A (\$202.2 million)
- Second Lien Refunding Series 2024A (\$448.2 million)
- Second Lien Taxable Refunding Series 2024B (\$192.5 million).

At December 31, 2024 the City had credit ratings with each of the four major rating agencies as follows:

Rating Agency	Moody's	Standard & Poor's	Fitch	Kroll
General Obligation:				
City	Baa3	BBB+	A-	A
Revenue Bonds:				
O'Hare Airport:				
Senior Lien General Airport Revenue Bonds	A2	A+	A+	A+
Passenger Facility Charge (PFC)	A2	A+	A	NR
Customer Facility Charge (CFC)	Baa1	BBB+	NR	NR
Midway Airport:				
Senior Lien	A2	A	A	A
Water:				
Second Lien	Baa1	A+	A+	AA
Wastewater:				
Senior Lien	Baa1	A+	NR	NR
Second Lien	Baa2	A+	A+	AA-
Sales Tax Securitization Corporation Bonds:				
Senior Lien	NR	AA-	AAA	AAA
Second Lien	NR	AA-	AA-	AA+

On November 19, 2024, Standard and Poor's Global Ratings (S&P) affirmed its BBB+ rating on the City of Chicago's General Obligation Bonds. The outlook was placed on a negative watch.

On July 26, 2024, Fitch upgraded the rating on the City of Chicago's General Obligation Bonds to A- from BBB+. The outlook is stable. On November 20, 2024, Fitch affirmed its A- rating on the City of Chicago's General Obligation Bonds. The outlook is stable.

On November 12, 2024, Kroll Bond Rating Agency (Kroll) affirmed its A rating on the City of Chicago's General Obligation Bonds. The outlook was placed on a negative watch.

On January 19, 2024, Moody's affirmed its Baa1 rating on the City of Chicago's Second Lien Water Revenue Bonds. The outlook was revised to positive from stable.

On January 19, 2024, Moody's affirmed its Baa1 rating on the City of Chicago's Senior Lien Wastewater Revenue Bonds. The outlook was revised to positive from stable.

On January 19, 2024, Moody's affirmed its Baa2 rating on the City of Chicago's Second Lien Wastewater Revenue Bonds. The outlook was revised to positive from stable.

On November 19, 2024, S&P affirmed its AA- rating on the Sales Tax Securitization Corporation Senior Lien Bonds and Second Lien Bonds. The outlook on both liens was placed on a negative watch.

On July 26, 2024, Fitch Ratings upgraded the rating on the Sales Tax Securitization Corporation's Senior Lien Bonds to AAA from AA- and affirmed its AA- rating on the Second Lien Bonds. The outlook on both liens is stable. On November 20, 2024, Fitch affirmed its AAA rating on the Sales Tax Securitization Corporation Senior Lien Bonds and AA- rating on the Sales Tax Corporation Second Lien Bonds. The outlook is stable on both liens.

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 2024, the unemployment rate in the Chicago metropolitan area was 5.2 percent, which trended close to the State of Illinois average of 5.0 percent. Both rates were above the national average unemployment rate of 4.0 percent.

The City's 2025 Corporate Fund Budget, totaling \$5,788.0 million, was approved by a 27 to 23 vote of City Council on December 16, 2024. The 2025 budget closed an operating budget deficit of \$982.4 million through a combination of personnel savings, operational efficiencies, increases to certain taxes and fees which resulted to higher revenue projections, as well as the use of available fund balance. With the 2025 budget the City intends to continue its practice of making deposits to its operating liquidity funds from any growth in fund balance that may occur.

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.

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Exhibit 1
CITY OF CHICAGO, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2024
(Amounts are in Thousands of Dollars)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Cash and Cash Equivalents	\$ 1,544,802	\$ 422,296	\$ 1,967,098
Investments	3,499,446	640,573	4,140,019
Receivables (Net of Allowances):			
Property Tax	2,833,961	—	2,833,961
Accounts and Due From Other Governments	1,865,805	494,439	2,360,244
Internal Balances	32,904	(32,904)	—
Inventories	70,409	44,283	114,692
Lease Receivable	71,085	777,474	848,559
Restricted Assets:			
Cash and Cash Equivalents	176,527	1,584,304	1,760,831
Investments	538,153	2,953,824	3,491,977
Cash and Investments with Escrow Agent	767,552	—	767,552
Interest Receivable	—	22,965	22,965
Other Assets	11,852	60,837	72,689
Capital Assets:			
Land, Art, and Construction in Progress	3,076,555	3,229,797	6,306,352
Other Capital Assets, Net of Accumulated Depreciation	6,874,651	17,693,461	24,568,112
Right of Use Assets, Net of Accumulated Amortization	320,244	104,006	424,250
Total Capital Assets	10,271,450	21,027,264	31,298,714
Total Assets	21,683,946	27,995,355	49,679,301
Deferred Outflows	2,897,220	242,694	3,139,914
Total Assets and Deferred Outflows	<u>\$ 24,581,166</u>	<u>\$ 28,238,049</u>	<u>\$ 52,819,215</u>
LIABILITIES AND DEFERRED INFLOWS			
Voucher Warrants Payable	\$ 2,450,352	\$ 456,247	\$ 2,906,599
Accrued Interest	277,662	316,866	594,528
Accrued and Other Liabilities	1,868,986	338,721	2,207,707
Unearned Revenue	476,118	54,839	530,957
Long-term Liabilities:			
Due Within One Year	792,075	579,837	1,371,912
Due in More Than One Year	47,953,407	20,515,917	68,469,324
Right of Use Liability Due Within One Year	87,679	48,851	136,530
Right of Use Liability Due in More Than One Year	248,698	56,817	305,515
Total Liabilities	54,154,977	22,368,095	76,523,072
Deferred Inflows	2,866,232	2,680,764	5,546,996
Total Liabilities and Deferred Inflows	<u>57,021,209</u>	<u>25,048,859</u>	<u>82,070,068</u>
NET POSITION			
Net Investment in Capital Assets	(1,029,414)	5,074,423	4,045,009
Restricted for:			
Capital Projects	166,685	307,980	474,665
Debt Service	961,066	371,928	1,332,994
Special Taxing Areas	3,383,678	—	3,383,678
Passenger Facility Charges	—	406,859	406,859
Contractual Use Agreement	—	589,872	589,872
Airport General Fund	—	230,246	230,246
Customer Facility Charges	—	68,859	68,859
Other Purposes	—	92,910	92,910
Unrestricted (Deficit)	(35,922,058)	(3,953,887)	(39,875,945)
Total Net (Deficit)/Position	<u>\$ (32,440,043)</u>	<u>\$ 3,189,190</u>	<u>\$ (29,250,853)</u>

See notes to basic financial statements.

Exhibit 2
CITY OF CHICAGO, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024
(Amounts are in Thousands of Dollars)

Functions/Programs	Expenses	Licenses, Permits, Fines and Charges for Services
Primary Government		
Governmental Activities:		
General Government	\$ 5,079,514	\$ 551,221
Public Safety	5,242,807	492,434
Streets and Sanitation	337,823	92,718
Transportation	691,792	51,032
Health	264,701	32,017
Cultural and Recreational	158,322	6,075
Interest on Long-term Debt	532,066	—
Total Governmental Activities	12,307,025	1,225,497
Business-type Activities:		
Water	734,415	838,990
Sewer	331,603	397,465
Chicago-Midway International Airport	323,166	332,930
Chicago-O'Hare International Airport	1,867,928	1,810,528
Chicago Skyway	7,386	—
Total Business-type Activities	3,264,498	3,379,913
Total Primary Government	\$ 15,571,523	\$ 4,605,410

See notes to basic financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-type Activities	Total
\$ 773,621	\$ —	\$ (3,754,672)	\$ —	\$ (3,754,672)
68,115	—	(4,682,258)	—	(4,682,258)
—	—	(245,105)	—	(245,105)
—	164,195	(476,565)	—	(476,565)
208,558	—	(24,126)	—	(24,126)
14,976	—	(137,271)	—	(137,271)
—	—	(532,066)	—	(532,066)
1,065,270	164,195	(9,852,063)	—	(9,852,063)
—	—	—	104,575	104,575
—	—	—	65,862	65,862
—	5,642	—	15,406	15,406
—	41,730	—	(15,670)	(15,670)
—	—	—	(7,386)	(7,386)
—	47,372	—	162,787	162,787
\$ 1,065,270	\$ 211,567	(9,852,063)	162,787	(9,689,276)

General Revenues

Taxes:

Property Tax	1,727,709	—	1,727,709
Utility Tax	767,525	—	767,525
Sales Tax	527,553	—	527,553
Transportation Tax	654,268	—	654,268
Transaction Tax	912,371	—	912,371
Special Area Property Tax	1,121,867	—	1,121,867
Recreation Tax	375,782	—	375,782
Other Taxes	228,028	—	228,028
Grants and Contributions not Restricted to			
Specific Programs	1,237,019	—	1,237,019
Unrestricted Investment Earnings	218,605	240,067	458,672
Miscellaneous	516,001	168,461	684,462
Transfers	2,540	(2,540)	—
Total General Revenues and Transfers	8,289,268	405,988	8,695,256
Change in Net Position	(1,562,795)	568,775	(994,020)
Net Position - Beginning, as restated (Note 1)	(30,877,248)	2,620,415	(28,256,833)
Net Position - Ending	\$ (32,440,043)	\$ 3,189,190	\$ (29,250,853)

Exhibit 3
CITY OF CHICAGO, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
ASSETS			
Cash and Cash Equivalents	\$ 338,469	\$ —	\$ 1,045
Investments	458,653	405,595	2,159,252
Receivables (Net of Allowances):			
Property Tax	—	—	1,117,435
Accounts	369,277	2,261	11,944
Due From Other Funds	363,158	118,541	1,190,978
Due From Other Governments	144,388	993,934	—
Inventories	70,409	—	—
Lease Receivable	38,390	—	—
Restricted Cash and Cash Equivalents	—	3,218	—
Restricted Investments	—	—	—
Restricted Cash and Investments with Escrow Agent	132	—	—
Other Assets	2,990	3,267	—
Total Assets	\$ 1,785,866	\$ 1,526,816	\$ 4,480,654
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE			
Liabilities:			
Voucher Warrants Payable	\$ 679,342	\$ 267,795	\$ 129,462
Bonds, Notes and Other Obligations Payable - Current	—	—	—
Accrued Interest	—	—	—
Due To Other Funds	335,827	757,486	25,194
Accrued and Other Liabilities	264,434	6,087	9,033
Claims Payable	79,935	—	—
Unearned Revenue	1,260	474,858	—
Total Liabilities	1,360,798	1,506,226	163,689
Deferred Inflows	37,390	730,662	933,287
Fund Balance:			
Nonspendable	70,409	—	—
Restricted	—	14,302	3,383,678
Committed	—	—	—
Assigned	317,269	—	—
Unassigned	—	(724,374)	—
Total Fund Balance	387,678	(710,072)	3,383,678
Total Liabilities, Deferred Inflows and Fund Balance	\$ 1,785,866	\$ 1,526,816	\$ 4,480,654

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
\$ 47,489	\$ —	\$ —	\$ 57,464	\$ 1,081,874	\$ 18,461	\$ 1,544,802
—	29,745	—	172,243	—	273,958	3,499,446
—	347,719	—	—	1,357,272	11,535	2,833,961
6,872	1,790	140,402	4,827	—	177,284	714,657
—	51,079	5,183,360	—	934	371,661	7,279,711
—	—	—	—	—	12,826	1,151,148
—	—	—	—	—	—	70,409
—	3,275	—	28,151	—	1,269	71,085
41,729	—	—	—	—	131,580	176,527
538,153	—	—	—	—	—	538,153
—	386,128	364,711	3,429	—	13,152	767,552
3,526	—	—	—	—	864	10,647
<u>\$ 637,769</u>	<u>\$ 819,736</u>	<u>\$ 5,688,473</u>	<u>\$ 266,114</u>	<u>\$ 2,440,080</u>	<u>\$ 1,012,590</u>	<u>\$ 18,658,098</u>

\$ 6	\$ —	\$ 302	\$ 198,810	\$ 1,059,211	\$ 114,153	\$ 2,449,081
—	185,461	244,860	—	—	195	430,516
—	167,477	110,179	—	—	6	277,662
17,351	5,210,262	—	184,465	244,374	689,163	7,464,122
—	—	—	1,752	—	159,498	440,804
—	—	—	—	—	—	79,935
—	—	—	—	—	—	476,118
<u>17,357</u>	<u>5,563,200</u>	<u>355,341</u>	<u>385,027</u>	<u>1,303,585</u>	<u>963,015</u>	<u>11,618,238</u>
<u>1,365,961</u>	<u>300,115</u>	<u>—</u>	<u>26,088</u>	<u>1,136,495</u>	<u>9,869</u>	<u>4,539,867</u>

—	—	5,183,360	—	—	—	5,253,769
—	—	149,772	80,251	—	239,867	3,867,870
620,412	—	—	—	—	199,803	820,215
—	—	—	—	—	1,487	318,756
(1,365,961)	(5,043,579)	—	(225,252)	—	(401,451)	(7,760,617)
(745,549)	(5,043,579)	5,333,132	(145,001)	—	39,706	2,499,993
<u>\$ 637,769</u>	<u>\$ 819,736</u>	<u>\$ 5,688,473</u>	<u>\$ 266,114</u>	<u>\$ 2,440,080</u>	<u>\$ 1,012,590</u>	<u>\$ 18,658,098</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	\$ 10,271,450
Other long-term assets are not available to pay for current-period expenditures and therefore are recorded as deferred inflows in the funds	3,106,228
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	1,205
Certain liabilities, including bonds payable, deferred inflows and deferred outflows are not due and payable in the current period and therefore are not reported in the funds	(48,318,919)
Net position of governmental activities	<u>\$ (32,440,043)</u>

Exhibit 4
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
Revenues:			
Property Tax	\$ —	\$ —	\$ —
Utility Tax	388,895	—	—
Sales Tax - Local	103,831	—	—
Transportation Tax	413,037	—	—
State Income Tax	707,348	—	—
State Sales Tax	—	—	—
Transaction Tax	853,135	—	—
Special Area Property Tax	—	—	1,285,961
Recreation Tax	356,325	—	—
Other Taxes	184,003	—	—
Federal/State Grants	1,143	1,418,018	—
Internal Service	334,841	—	—
Licenses and Permits	115,928	—	—
Fines	315,770	—	—
Investment Income	83,806	89	51,861
Charges for Services	480,131	—	—
Miscellaneous	168,012	—	2,320
Total Revenues	4,506,205	1,418,107	1,340,142
Expenditures:			
Current:			
General Government	1,662,392	720,175	814,954
Health	60,909	196,287	2
Public Safety	2,791,171	143,925	17
Streets and Sanitation	271,988	—	—
Transportation	48,234	157,083	158,843
Cultural and Recreational	24	15,848	—
Employee Pensions	—	—	—
Other	13,727	12,759	51
Capital Outlay	—	—	—
Debt Service:			
Principal Retirement	—	—	—
Interest and Other Fiscal Charges	357	—	—
Total Expenditures	4,848,802	1,246,077	973,867
Revenues (Under) Over Expenditures	(342,597)	172,030	366,275

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
\$ —	\$ 324,225	\$ —	\$ —	\$ 1,438,663	\$ —	\$ 1,762,888
—	—	—	—	—	378,630	767,525
—	—	210,947	—	—	212,775	527,553
—	—	—	—	—	241,231	654,268
—	—	—	—	—	—	707,348
—	—	264,288	—	—	264,240	528,528
—	—	—	—	—	59,236	912,371
—	—	—	—	—	12,386	1,298,347
—	—	—	—	—	19,457	375,782
—	—	—	—	—	44,025	228,028
—	—	—	—	—	—	1,419,161
—	—	—	—	—	51,483	386,324
—	—	—	—	—	—	115,928
—	—	—	—	—	47,256	363,026
18,490	7,964	2,617	17,424	2,828	33,526	218,605
—	—	—	—	—	63,560	543,691
21,033	12,299	—	11,563	266,713	33,790	515,730
39,523	344,488	477,852	28,987	1,708,204	1,461,595	11,325,103
—	—	—	—	—	357,020	3,554,541
—	—	—	—	—	4,611	261,809
—	—	—	32,000	—	162,941	3,130,054
—	—	—	—	—	56,435	328,423
—	—	—	—	—	180,719	544,879
—	—	—	—	—	119,342	135,214
—	—	—	—	2,789,687	—	2,789,687
—	—	—	—	—	2	26,539
—	—	—	675,274	—	67,967	743,241
—	673,341	244,860	—	—	10,530	928,731
—	328,419	230,368	—	—	2,615	561,759
—	1,001,760	475,228	707,274	2,789,687	962,182	13,004,877
39,523	(657,272)	2,624	(678,287)	(1,081,483)	499,413	(1,679,774)

Exhibit 4 - Concluded
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
Other Financing Sources (Uses):			
Issuance of Debt	\$ —	\$ —	\$ —
Premium/(Discount) on Debt	—	—	—
Issuance of Refunding Debt	—	—	—
Premium/(Discount) on Refunding Debt	—	—	—
Issuance of Line of Credit	—	—	—
Payment to Refunded Bond Escrow Agent	—	—	—
Transfers In	512,778	—	—
Transfers Out	(852,931)	—	(6,034)
Total Other Financing Sources (Uses)	(340,153)	—	(6,034)
Net Changes in Fund Balance	(682,750)	172,030	360,241
Fund Balance, Beginning of Year	1,054,870	(882,102)	3,023,437
Change in Inventory	15,558	—	—
Fund Balance, End of Year	<u>\$ 387,678</u>	<u>\$ (710,072)</u>	<u>\$ 3,383,678</u>

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
\$ —	\$ 42,178	\$ —	\$ 490,137	\$ —	\$ 114,245	\$ 646,560
—	—	—	38,975	—	—	38,975
—	287,215	842,850	—	—	—	1,130,065
—	23,254	86,153	—	—	—	109,407
—	40,068	—	300,000	—	—	340,068
—	(1,019,965)	(210,541)	—	—	—	(1,230,506)
—	802,354	—	25,321	1,108,534	124,570	2,573,557
(4,577)	(117,145)	(307,436)	(396,438)	(27,051)	(859,405)	(2,571,017)
(4,577)	57,959	411,026	457,995	1,081,483	(620,590)	1,037,109
34,946	(599,313)	413,650	(220,292)	—	(121,177)	(642,665)
(780,495)	(4,444,266)	4,919,482	75,291	—	160,883	3,127,100
—	—	—	—	—	—	15,558
<u>\$ (745,549)</u>	<u>\$ (5,043,579)</u>	<u>\$ 5,333,132</u>	<u>\$ (145,001)</u>	<u>\$ —</u>	<u>\$ 39,706</u>	<u>\$ 2,499,993</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, 2024
(Amounts are in Thousands of Dollars)

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	\$ (642,665)
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	335,155
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	(3,747)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(373,498)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments	(76,145)
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>(801,895)</u>
Change in the net position of governmental activities	<u><u>\$ (1,562,795)</u></u>

See notes to basic financial statements.

Exhibit 6
CITY OF CHICAGO, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024
(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
ASSETS AND DEFERRED OUTFLOWS						
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 106,955	\$ 23,665	\$ 72,115	\$ 218,995	\$ 566	\$ 422,296
Investments	315,153	274,733	22,646	26,878	1,163	640,573
Accounts Receivable (Net of Allowances)	240,132	126,958	26,319	96,065	88	489,562
Interest Receivable	3,624	—	154	1,096	3	4,877
Due from Other Funds	87,548	35,460	7,890	73,401	—	204,299
Inventories	43,355	928	—	—	—	44,283
Cash and Cash Equivalents - Restricted	846	159,632	110,549	720,581	—	991,608
Investments - Restricted	183,987	64,581	—	—	—	248,568
Interest Receivable - Restricted	1,220	4,084	—	—	—	5,304
Lease Receivable	—	—	18,362	59,814	—	78,176
Other Assets - Restricted	—	—	—	4,461	—	4,461
TOTAL CURRENT ASSETS	982,820	690,041	258,035	1,201,291	1,820	3,134,007
NONCURRENT ASSETS:						
Cash and Cash Equivalents - Restricted	—	—	117,131	475,565	—	592,696
Investments - Restricted	80,103	123,124	223,475	2,278,554	—	2,705,256
Lease Receivable	—	—	200,492	498,806	—	699,298
Interest Receivable - Restricted	—	—	1,803	15,858	—	17,661
Other Assets - Restricted	—	—	2,731	32,275	—	35,006
Prepaid Expenses	—	—	66	—	—	66
Other Assets	3,454	3,342	654	5,021	8,833	21,304
Property, Plant, and Equipment:						
Land	16,483	560	117,023	893,620	12,609	1,040,295
Structures, Equipment and Improvements	6,783,884	4,125,550	2,051,496	14,155,119	490,817	27,606,866
Accumulated Depreciation	(1,707,962)	(985,253)	(1,043,886)	(5,861,989)	(314,315)	(9,913,405)
Construction Work in Progress	320,623	130,952	19,026	1,718,901	—	2,189,502
Right of Use Asset	50,761	44,538	48	8,659	—	104,006
Total Property, Plant and Equipment	5,463,789	3,316,347	1,143,707	10,914,310	189,111	21,027,264
TOTAL NONCURRENT ASSETS	5,547,346	3,442,813	1,690,059	14,220,389	197,944	25,098,551
TOTAL ASSETS	6,530,166	4,132,854	1,948,094	15,421,680	199,764	28,232,558
DEFERRED OUTFLOWS	112,413	34,358	15,835	80,088	—	242,694
TOTAL ASSETS AND DEFERRED OUTFLOWS ..	\$ 6,642,579	\$ 4,167,212	\$ 1,963,929	\$ 15,501,768	\$ 199,764	\$ 28,475,252

	Business-type Activities - Enterprise Funds					
	Major Funds					
	Water	Sewer	Chicago-Midway International Airport	Chicago-O'Hare International Airport	Chicago Skyway	Total
LIABILITIES						
CURRENT LIABILITIES:						
Voucher Warrants Payable	\$ 64,301	\$ 11,275	\$ 19,157	\$ 83,984	\$ —	\$ 178,717
Due to Other Funds	49,746	124,803	23,514	39,125	15	237,203
Accrued and Other Liabilities	217,714	20,220	2,622	19,013	—	259,569
Unearned Revenue	—	—	14,299	40,540	—	54,839
Right of Use Liability	24,856	21,803	31	2,161	—	48,851
Compensated Absences Liability	1,511	544	617	2,658	—	5,330
Current Liabilities Payable from Restricted Assets	186,053	228,297	109,592	720,582	—	1,244,524
TOTAL CURRENT LIABILITIES	544,181	406,942	169,832	908,063	15	2,029,033
NONCURRENT LIABILITIES:						
Revenue Bonds and						
Commercial Paper Payable	2,328,380	2,103,371	1,412,373	10,853,165	—	16,697,289
Line of Credit and TIFIA Loan Payable	—	—	—	282,839	—	282,839
Net Pension Liability	1,214,756	442,001	332,923	1,529,984	—	3,519,664
Right of Use Liability	26,503	23,203	16	7,095	—	56,817
Compensated Absences Liability	5,778	1,430	1,570	7,347	—	16,125
Other	1,577	—	1,954	—	—	3,531
TOTAL NONCURRENT LIABILITIES	3,576,994	2,570,005	1,748,836	12,680,430	—	20,576,265
TOTAL LIABILITIES	4,121,175	2,976,947	1,918,668	13,588,493	15	22,605,298
DEFERRED INFLOWS	155,630	74,420	70,658	169,104	1,460,303	1,930,115
DEFERRED INFLOWS FOR LEASES	—	—	212,485	538,164	—	750,649
NET POSITION:						
Net Investment in Capital Assets	3,106,452	1,136,366	(133,048)	775,542	189,111	5,074,423
Restricted Net Position:						
Debt Service	—	—	64,477	307,451	—	371,928
Capital Projects	1,220	60,426	34,481	211,853	—	307,980
Passenger Facility Charges	—	—	4,231	402,628	—	406,859
Airport/Airline Use Agreement	—	—	53,707	536,165	—	589,872
Airport General/Development Fund	—	—	—	230,246	—	230,246
Customer Facility Charge	—	—	14,439	54,420	—	68,859
Other	—	—	18,369	74,541	—	92,910
Unrestricted Net Position (Deficit)	(741,898)	(80,947)	(294,538)	(1,386,839)	(1,449,665)	(3,953,887)
TOTAL NET POSITION/(DEFICIT)	\$ 2,365,774	\$ 1,115,845	\$ (237,882)	\$ 1,206,007	\$ (1,260,554)	\$ 3,189,190

See notes to basic financial statements.

Exhibit 7
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2024
(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
Operating Revenues:						
Charges for Services - Net of Provision for Doubtful Accounts of \$30,854 for Water and \$26,908 for Sewer	\$ 810,048	\$ 396,774	\$ 168,302	\$ 1,102,480	\$ —	\$ 2,477,604
Rent	—	—	120,646	449,674	—	570,320
Hilton Revenues	—	—	—	60,836	—	60,836
Other	28,942	691	—	—	—	29,633
Total Operating Revenues	838,990	397,465	288,948	1,612,990	—	3,138,393
Operating Expenses:						
Personnel Services	200,393	16,078	68,310	267,292	—	552,073
Contractual Services	95,045	9,157	30,802	207,427	—	342,431
Repairs and Maintenance	6,511	48,290	68,784	200,927	—	324,512
Commodities and Materials	31,304	—	—	—	—	31,304
Depreciation and Amortization	119,162	84,727	55,864	426,787	7,386	693,926
General Fund Reimbursements	94,698	56,217	—	—	—	150,915
Pension Expense	79,893	26,585	14,563	97,463	—	218,504
Hilton Expenses	—	—	—	43,138	—	43,138
Other	7,387	—	15,494	143,151	—	166,032
Total Operating Expenses	634,393	241,054	253,817	1,386,185	7,386	2,522,835
Operating Income (Loss)	204,597	156,411	35,131	226,805	(7,386)	615,558
Nonoperating Revenues (Expenses):						
Investment Income	42,421	27,864	29,390	140,385	7	240,067
Interest Expense	(100,022)	(90,549)	(63,161)	(453,888)	—	(707,620)
Passenger Facility Charges	—	—	37,201	155,951	—	193,152
Customer Facility Charges	—	—	6,781	41,587	—	48,368
Noise Mitigation Costs	—	—	(2,986)	(9,337)	—	(12,323)
Cost of Issuance	—	—	(3,202)	(18,518)	—	(21,720)
Lease Interest Income	—	—	8,742	24,460	—	33,202
Other	8,108	10,383	—	98,277	18,491	135,259
Total Nonoperating Revenues (Expenses)	(49,493)	(52,302)	12,765	(21,083)	18,498	(91,615)
Transfers Out	(2,420)	(120)	—	—	—	(2,540)
Capital Grants	—	—	5,642	41,730	—	47,372
Net Income (Loss)	152,684	103,989	53,538	247,452	11,112	568,775
Net Position (Deficit) -						
Beginning of Year	2,213,090	1,011,856	(291,420)	958,555	(1,271,666)	2,620,415
Net Position (Deficit) - End of Year	\$ 2,365,774	\$ 1,115,845	\$ (237,882)	\$ 1,206,007	\$ (1,260,554)	\$ 3,189,190

See notes to basic financial statements.

Exhibit 8
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2024
(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	
Cash Flows from Operating Activities:						
Received from Customers	\$ 810,346	\$ 389,362	\$ 270,050	\$ 1,518,836	\$ —	\$ 2,988,594
Payments to Vendors	(138,674)	(50,056)	(130,664)	(550,991)	—	(870,385)
Payments to Employees	(200,393)	(54,680)	(62,013)	(255,701)	—	(572,787)
Transactions with Other City Funds	(317,071)	(104,694)	(12,013)	(221,499)	—	(655,277)
Cash Flows Provided By						
Operating Activities	154,208	179,932	65,360	490,645	—	890,145
Cash Flows from Capital and Related						
Financing Activities:						
Proceeds from Issuance of Bonds/Commercial						
Paper/IEPA Loans/TIFIA Loans/LOC	418,516	497,831	499,903	3,360,610	—	4,776,860
Acquisition and Construction of Capital Assets	(181,069)	(100,574)	(11,728)	(587,186)	—	(880,557)
Capital Grant Receipts	—	—	9,962	46,883	—	56,845
Bond Issuance Costs	—	—	(6,361)	(18,518)	—	(24,879)
Payment to Commercial Paper Note/LOC	—	—	(1,390)	(595,801)	—	(597,191)
Payment to Refund Bonds	(328,055)	(398,275)	(506,740)	(1,748,640)	—	(2,981,710)
Principal Paid on Debt	(134,014)	(71,812)	(68,350)	(251,682)	—	(525,858)
Interest Paid	(115,056)	(109,602)	(71,023)	(525,636)	—	(821,317)
Subsidy from Federal Program	—	10,383	—	—	—	10,383
Interest Income from Leases	—	—	8,742	24,460	—	33,202
Receipt of (Principal Payment on) Leases and						
Subscriptions	(31,081)	(24,593)	18,273	54,789	—	17,388
Passenger and Customer Facility Charges	—	—	44,107	219,649	—	263,756
Concessionaire Funds	—	—	—	—	46	46
Cash Flows Provided By (Used in) Capital and						
Related Financing Activities	(370,759)	(196,642)	(84,605)	(21,072)	46	(673,032)
Cash Flows Provided by Non Capital Financing						
Activities:						
Noise Mitigation Program	—	—	(2,986)	(9,337)	—	(12,323)
Proceeds from miscellaneous settlements and						
agreements	—	—	—	108,379	—	108,379
Cash Flows Provided By						
Non Capital Financing Activities	—	—	(2,986)	99,042	—	96,056
Cash Flows from Investing Activities:						
Purchases (Sale) of Investments, Net	252,936	37,150	54,475	(55,370)	(184)	289,007
Investment Income (Loss)	29,539	18,195	16,548	102,277	6	166,565
Cash Flows Provided By (Used in)						
Investing Activities	282,475	55,345	71,023	46,907	(178)	455,572
Net Increase (Decrease) in Cash and Cash						
Equivalents	65,924	38,635	48,792	615,522	(132)	768,741
Cash and Cash Equivalents, Beginning of Year	41,877	144,662	251,003	799,619	698	1,237,859
Cash and Cash Equivalents, End of Year	\$ 107,801	\$ 183,297	\$ 299,795	\$ 1,415,141	\$ 566	\$ 2,006,600

Continued on following page.

Exhibit 8 - Concluded
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2024
(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)	\$ 204,597	\$ 156,411	\$ 35,131	\$ 226,805	\$ (7,386)	\$ 615,558
Adjustments to Reconcile:						
Depreciation, Amortization and Loss on Capital						
Asset Disposals	88,081	60,134	55,864	426,787	7,386	638,252
Amortization of Right of Use Assets	31,081	24,593	—	—	—	55,674
Compensated Absences Liability	7,289	1,974	2,187	10,006	—	21,456
Pension Expenses Other than Contribution	(11,570)	—	—	—	—	(11,570)
Provision for Uncollectible Accounts	30,854	26,908	(576)	—	—	57,186
Change in Assets and Liabilities:						
(Increase) Decrease in Receivables	(59,498)	(35,012)	3,791	(11,522)	—	(102,241)
(Increase) Decrease in Due From Other Funds	(7,763)	(2,422)	(803)	(5,181)	—	(16,169)
Increase (Decrease) in Voucher Warrants Payable and Due to Other Funds	(100,851)	(6,157)	(8,831)	(81,028)	—	(196,867)
Increase (Decrease) in Unearned Revenue and Other Liabilities	(19,787)	(39,844)	9,492	(3,094)	—	(53,233)
Increase (Decrease) in Lease Liability	—	613	—	—	—	613
Increase (Decrease) in Deferred Inflows	118	(7,208)	(31,030)	(79,540)	—	(117,660)
(Increase) Decrease in Inventories and Other Assets	(8,343)	(58)	135	7,412	—	(854)
Cash Flows from						
Operating Activities	<u>\$ 154,208</u>	<u>\$ 179,932</u>	<u>\$ 65,360</u>	<u>\$ 490,645</u>	<u>\$ —</u>	<u>\$ 890,145</u>
Supplemental Disclosure of						
Noncash Items:						
Capital asset additions in 2024 with outstanding accounts payable, accrued, or other liabilities	<u>\$ 43,500</u>	<u>\$ 99,033</u>	<u>\$ 11,221</u>	<u>\$ 191,759</u>	<u>\$ —</u>	<u>\$ 345,513</u>
The fair value adjustments (gain) to investments for 2024	<u>\$ (47,200)</u>	<u>\$ 1,016</u>	<u>\$ (5,929)</u>	<u>\$ 87,786</u>	<u>\$ —</u>	<u>\$ 35,673</u>
The accretion adjustments to capital appreciation bonds for 2024	<u>\$ —</u>	<u>\$ 3,459</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,459</u>

See notes to basic financial statements.

Exhibit 9
CITY OF CHICAGO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024
(Amounts are in Thousands of Dollars)

	Pension Trust	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 393,922	\$ 2,365
Investments	—	2,905
Investments, at Fair Value		
Bonds and U.S. Government Obligations	1,557,313	—
Stocks	5,021,073	—
Mortgages and Real Estate	684,498	—
Other	2,307,429	—
Property Tax Receivable	—	136,795
Accounts Receivable, Net	2,390,333	3,899
Due from City	217,315	—
Due from Other Custodial Funds	—	1,206
Right of Use Asset	2,225	—
Property, Plant, Equipment and Other	260	—
Invested Securities Lending Collateral	455,157	—
Total Assets	13,029,525	147,170
Deferred Outflows	266	—
Total Assets and Deferred Outflows	\$ 13,029,791	\$ 147,170
LIABILITIES		
Voucher Warrants Payable	\$ 150,578	\$ 1,677
Accrued and Other Liabilities	—	144,287
Due to Other Custodial Funds	—	1,206
Securities Lending Collateral	455,157	—
Lease Liability	3,217	—
Total Liabilities	608,952	147,170
Deferred Inflows	3,705	—
Total Liabilities and Deferred Inflows	612,657	147,170
NET POSITION		
Restricted for Pension Benefits	12,417,134	—
Total Net Position	\$ 12,417,134	\$ —

See notes to basic financial statements.

Exhibit 10
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2024
(Amounts are in Thousands of Dollars)

	Pension Trust	Custodial Funds
ADDITIONS		
Contributions:		
Employees	\$ 419,260	\$ —
City	2,750,498	—
Taxes Collected for Other Governments	—	143,749
Other Custodial Collections	—	11,057
Total Contributions	<u>3,169,758</u>	<u>154,806</u>
Investment Income:		
Net Appreciation in Fair Value of Investments	713,617	—
Interest, Dividends and Other	254,485	278
Investment Expense	(43,219)	—
Net Investment Income	<u>924,883</u>	<u>278</u>
Securities Lending Transactions:		
Securities Lending Income	17,247	—
Securities Lending Expense	(15,768)	—
Net Securities Lending Transactions	<u>1,479</u>	<u>—</u>
Total Additions	<u>4,096,120</u>	<u>155,084</u>
DEDUCTIONS		
Benefits and Refunds of Deductions	2,777,591	—
Administrative and General	18,413	—
Taxes Distributed to Other Governments	—	144,027
Other Custodial Disbursements	—	11,057
Total Deductions	<u>2,796,004</u>	<u>155,084</u>
Net Increase in Net Position	1,300,116	—
Net Position:		
Beginning of Year	11,117,018	—
End of Year	<u>\$ 12,417,134</u>	<u>\$ —</u>

See notes to basic financial statements.

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, 2024, the City adopted the following GASB Statements:

GASB Statement	Impact
GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”) – Remaining provisions	This statement's remaining provisions address clarifications of the provisions of GASB Statement No. 53, <i>Accounting and Financial Reporting for Derivative Instruments</i> (“GASB 53”). The City adopted the remaining provisions of GASB 99 as of and for the year ended December 31, 2024. The adoption of the remaining provisions of GASB 99 had no material impact to the basic financial statements.
GASB Statement No. 100, <i>Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62</i> (“GASB 100”)	This statement's primary objective is to improve financial reporting by enhancing the requirements for accounting changes and error corrections. This statement defines types of accounting changes, establishes uniform guidance for their recognition and reporting, and prescribes how error corrections should be handled. The City adopted GASB 100 as of January 1, 2024. The adoption of GASB 100 had no material impact to the basic financial statements.
GASB Statement No. 101, <i>Compensated Absences</i> (“GASB 101”)	This statement is intended to improve consistency and enhance the accounting and financial reporting for compensated absences. It establishes a unified model for recognizing liabilities related to both unused and used-but-unpaid leave, based on updated recognition and measurement guidance. In addition, this statement provides clearer definitions and requirements for when and how compensated absences should be reported. The City adopted GASB 101 as of January 1, 2024. The adoption of GASB 101 resulted in a restatement to beginning balances of accrued and other liabilities, long-term liabilities due in one year and due within more than one year, and unrestricted net position. There was no material impact to business-type activities. See the following table for summary impact of GASB 101 implementation for governmental activities only.

SUMMARY STATEMENT OF NET POSITION - RESTATEMENT DUE TO GASB 101

Balances as of January 1, 2024

(Amounts are in Thousands of Dollars)

	As Previously Stated	GASB 101 Impact	As Restated
Governmental Activities			
LIABILITIES AND DEFERRED INFLOWS			
Accrued and Other Liabilities	\$ 2,037,352	\$ (113,387)	\$ 1,923,965
Long-term Liabilities:			
Due Within One Year	711,872	19,047	730,919
Due in More Than One Year	47,789,536	139,503	47,929,039
Total Liabilities	54,644,507	45,163	54,689,670
Total Liabilities and Deferred Inflows	<u>\$ 57,298,229</u>	<u>\$ 45,163</u>	<u>\$ 57,343,392</u>
NET POSITION			
Unrestricted (Deficit)	(33,888,893)	(45,163)	(33,934,056)
Total Net (Deficit)/Position	<u>\$ (30,832,085)</u>	<u>\$ (45,163)</u>	<u>\$ (30,877,248)</u>

Upcoming Accounting Standards

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of the implementation of these standards.

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 102, <i>Certain Risk Disclosures</i> ("GASB 102")	2025
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i> ("GASB 103")	2026
GASB Statement No. 104, <i>Disclosure of Certain Capital Assets</i> ("GASB 104")	2026

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 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 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 "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 the 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.

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.

The City's financial statements also include, as a blended component unit, the Chicago Community Catalyst Fund LLC (the "CCCF"). The CCCF is a special purpose investment-related limited liability company incorporated under the provisions of the Illinois Limited Liability Company Act of the State of Illinois (805 ILCS 180) (the "State"), as amended, and organized in accordance with an ordinance adopted by the City of Chicago City Council on November 16, 2016 (the "CCCF Ordinance").

The CCCF is an investment vehicle to provide funding in communities as a catalyst for economic development that can only be invested by the City, and thus provides benefits exclusively to the City. As a result, is presented as a blended component unit of the City.

The City reports the CCCF within the Service Concession and Reserve Fund. During 2020, the CCCF provided Small Business Resiliency Loans to eligible local small businesses to assist with the impact of the COVID-19 Pandemic. As of December 31, 2024, the loans receivable balance was \$3.1 million.

Complete financial statements of the STSC can be obtained at 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.

- a) **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 are 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 in the fund financial statements.

- b) **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, except for Ground Emergency Medical Transportation services, which are recorded as revenue if collected within the first 90 days subsequent to year-end. 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, maintenance, and redevelopment project costs as provided by tax levies on special areas.

Service Concession and Reserve Fund accounts for monies committed for mid-term 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 concessionaire agreement transactions whose proceeds are recognized as revenue over the term of the agreements. This fund also includes the CCCF blended component unit as described above.

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.

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 494,459 accounts that includes the city and the 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 of and businesses in 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 201 gates as of December 31, 2024. Three domestic terminal buildings, having a total of 170 aircraft gates serve the majority of O'Hare's domestic flights and certain international departures. Terminal 5, with 31 aircraft gates and four hardstand positions, serves the remaining international departures, all international arrivals requiring customs clearance, and additional domestic flights.

Chicago Skyway Fund records operations of the Chicago Skyway (Skyway) which provides vehicle passage across the Calumet River, between the State of Indiana and the State of Illinois (State) through the operation of a tollway which consists of a 7.8-mile span connecting the Dan Ryan Expressway to the Indiana Toll Road. Facilities include a single toll plaza consisting of a central office, maintenance garage and toll collection area. In January 2005, the City entered into a Public-Private Partnership considered as a service concession arrangement 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.

Custodial Funds account for transactions for assets held by the City as agent for certain activities or for various entities, such as tax collected on behalf of another government (i.e., McCormick Departure Tax; Special Assessments; CPS Building and Improvement).

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 O'Hare and Midway 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 (committed, assigned or unassigned) resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

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.

c) Assets, liabilities, deferred inflows, deferred outflows, and net position or fund balance

- 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, state savings and loan associations, located within the city, whose deposits are federally insured.

Investments authorized by the Code include interest-bearing general obligations of the City, State, and U.S. Government; U.S. Treasury bills and other noninterest-bearing general obligations of the U.S. Government purchased in the open market below face value; 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 derivative instruments, 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 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 (Plans) - The State Statutes and the Board of Trustees permit the Plans to lend their 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, lend securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102 percent of the fair value of domestic securities plus accrued interest and 105 percent of the fair value of foreign securities plus accrued interest. The Plans do 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 Plans or the borrowers. The contracts with the Plans' custodian require the securities lending agent to indemnify the Plans.

Municipal Employees' - The average term of securities loaned was 169 days at December 31, 2024. The cash collateral is invested in tri-party repurchase agreements and bank deposits which had a weighted average maturity of 21 days at December 31, 2024.

Laborers' - The average term of securities loaned was 90 days at December 31, 2024. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 45 days at December 31, 2024.

Policemen's - The average term of the Fund's loan was approximately 3.79 days as of December 31, 2024. Cash collateral was reinvested in indemnified repurchase agreements which had an interest sensitivity of one day at December 31, 2024.

Firemen's - The average term of securities loaned was 38 days in 2024. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 21 days at December 31, 2024.

- 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. Donated commodities, such as COVID-19 personal protective equipment, are not treated as nonspendable resources thus are presented as part of the unassigned fund balance.
- 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 and Customer Facility Charges as they are subject to State regulation to finance operating, capital, and debt-related activities of car rental consolidated facility and related activities.

- v) **Leases** are defined by GASB Statement No. 87, *Leases* ("GASB 87"), as contracts that convey control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is defined as the periods covered by any renewal options which a lessee has a noncancelable right to use an underlying asset, plus any applicable periods covered by any renewal periods that are reasonably certain to be exercised, or options to terminate that are not reasonably certain to be exercised. Contracts that transfer ownership of the underlying asset are recognized as financed purchases in the financial statements. Leases that have a maximum term of less than 12 months are considered short-term leases. Short-term lease payments are recognized in the period of payment.

As a lessor, the City recognizes a lease receivable and a deferred inflow of resources at the commencement of a lease term. The lease receivable is recorded at the net present value of the future fixed payments, discounted at the City's incremental borrowing rate at lease inception. The City recognizes interest revenue on the lease receivable, and reduces the lease receivable in subsequent reporting periods in a systematic manner over the lease term. The deferred inflow of resources is recognized as inflow of resources (revenue) on a straight-line basis over the term of the lease.

As a lessee, the City recognizes a lease liability and an intangible right of use lease asset. At the commencement of a lease, the lease liability is recorded at the net present value of the future fixed payments, discounted at the City's incremental borrowing rate at lease inception. The lease liability is reduced as payments are made and are recognized as an outflow of resources (i.e., interest expense) in a systematic manner over the term of the lease. The right of use lease asset is initially recorded at the amount of the lease liability. The right of use lease asset is amortized on a straight-line basis over the lease term.

- vi) **Subscription-Based Information Technology Arrangements** (SBITAs) are defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"), as contracts that convey control of the right to use another party's information technology (IT) software, alone or in conjunction with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term is the period during which the City has a noncancelable right to use the underlying IT asset, plus any applicable periods covered by options that are reasonably certain to be exercised, or options to terminate that are reasonably certain to not be exercised. The subscription term commences when the initial implementation stage is completed, and the subscription asset is placed into service. At commencement, the City recognizes a subscription liability and an intangible right of use subscription asset. Future subscription payments are discounted using the incremental borrowing rate and reduce the subscription liability, and the City recognizes amortization of the discount on the subscription liability as an outflow of resources (i.e., interest expense) in subsequent financial reporting periods.

- vii) **Capital Assets**, which include land and improvements, buildings and improvements, utility plant, utility structures and improvements, airport runways, aprons, tunnels, taxiways, and paved roads, equipment (vehicles, office, and computer), intangible assets, right to use lease and subscription assets, and infrastructure assets (e.g. transit, lighting, roads, bridges, sidewalks) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Related depreciation or amortization is allocated to programs in the statement of activities. 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.

Capital outlay is recorded as an expenditure in governmental funds and as an asset in the government-wide financial statements and proprietary funds. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements that extend the useful lives of capital assets or increase their value are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The business-type activities prospectively adopted GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") as of January 1, 2021. Prior to the adoption of GASB 89, interest expense was capitalized during construction of those capital projects that were paid for from the bond

proceeds and were being amortized over the depreciable life of the related assets on a straight-line basis. Subsequent to the adoption of GASB 89, interest expense on construction bond proceeds was expensed as incurred.

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

Utility plant	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.

viii) **Deferred Outflows** represent unamortized loss on bond refundings, differences between estimated and actual investment earnings related to pensions, changes in actuarial assumptions related to pensions, and other pension related changes. Deferred Outflows for OPEB represent the difference between expected and actual non-investment experience and assumption changes.

ix) **Employee Benefits** are granted for vacation leave, sick leave, compensatory time in lieu of overtime pay, workers' compensation, and health care. Unused vacation leave and compensatory time is accrued when leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, 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, and is accrued only to the extent that leave is more likely than not to be used for time off. It is assumed that when leave is taken the credits or hours earned first are the ones first utilized or paid. Severance of employment terminates all rights to receive compensation for any unused sick leave. With the adoption of GASB Statement No. 101, *Compensated Absences* ("GASB 101"), a liability is accrued for certain types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees when such type of leave commences, for the remaining balance of leave more likely than not to be used. 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 Sections 457 and 401(a). 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.

- x) **Judgments and claims** are included in the government-wide financial statements and proprietary fund types. Uninsured claim expenses 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 recognized to the extent the liabilities are "normally expected to be liquidated with expendable available financial resources." Governments, in general, are normally expected to liquidate liabilities with expendable available financial resources to the extent that the liabilities mature (come due for payment) each period. Amounts that relate to deferred compensatory time and reserves for questioned costs are treated the same way.
- xi) **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 bond insurance costs, are deferred and amortized over the life of the related debt, except in the case of refunding debt transactions where the amortization period is over the term of the refunding or refunded debt, whichever is shorter.

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

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 property taxes, sales taxes, 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.

- xii) **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 governmental 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. Deferred inflows for OPEB represent the difference between expected and actual non-investment experience and assumption changes.

xiii) **Net Position** in the government-wide statements is classified in three separate categories:

- (1) Net investment in capital assets - Consists of capital assets, both tangible and intangible and including restricted capital assets, net of accumulated depreciation (financed through borrowing, donated, purchased with existing resources) and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings including accounts payable and retainage payable, that are attributable to the acquisition, construction, or improvement of those assets. Also, reduced by capital-related deferred inflows of resources and increased by capital-related deferred outflows of resources. The unspent resources and associated portion of outstanding capital-related debt, if any, are reported in the appropriate component of net position (restricted or unrestricted, depending on the constraints on the unexpended resources).

(2) Net position-restricted net position - Consists of non-capital assets the use of which is restricted less related liabilities and deferred inflows of resources. The limitation on the use of noncapital assets must be substantive to qualify as a restriction, and is considered restricted only if the limitation is considered externally enforceable. Externally enforceable limitations result from constraints imposed by: parties outside the government (creditors, grantors, donors, other governments); constitutional provisions; or enabling legislation (legislation that raises resources from external parties subject to a legally enforceable requirement that those resources “be used only for the specific purpose stipulated in the legislation”). Restricted net position for business activities is provided in Exhibit 6, Statement of Net Position, Proprietary Funds.

(3) Net position-unrestricted - Any portion of net position not already classified as either net investment in capital assets or net position-restricted, is classified as net position-unrestricted. As of December 31, 2024, the net position-unrestricted represents a deficit.

xiv) **Public-Private Partnership Arrangements** (PPPs) are defined by GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* ("GASB 94"), as arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Underlying PPP assets include: (a) existing assets of a transferor, (b) assets that are newly purchased or constructed by the operator, or (c) existing assets of a transferor that are to be improved by the operator. Recognition of the underlying PPP asset should be reported using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of a service concession arrangement, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

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 \$3,106.2 million are as follows (dollars in thousands):

Deferred inflows - property tax	\$	2,375,566
Deferred inflows - grants		730,662
Net adjustment to increase fund balance - total governmental funds - to arrive at net position - governmental activities	\$	3,106,228

- ii) Another element of that reconciliation explains that "Certain liabilities, deferred inflows 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 \$48,318.9 million are as follows (dollars in thousands):

Long-term liabilities:	
Total bonds, notes and certificates payable	\$ (12,080,615)
Pension benefits	(33,013,389)
Other postemployment benefits	(2,067,352)
Pollution remediation	(31,944)
Compensated absences	(187,003)
Claims and judgments	(1,365,179)
Total long-term liabilities	(48,745,482)
Accounts payable - infrastructure retainage	(1,271)
Bonds, notes and other obligations payable current	430,516
Deferred outflows - unamortized loss on refunding	174,242
Deferred outflows - pension costs	1,725,049
Deferred outflows - other postemployment benefits costs	997,929
Deferred inflows - pension	(1,064,793)
Deferred inflows - other postemployment benefits	(367,800)
Accrued and other liabilities - compensated absences	20,679
Accrued and other liabilities - pension payable to pension funds	(1,151,611)
Right of Use liability	(336,377)
Net adjustment to decrease fund balance - total governmental funds - to arrive at net position - governmental activities	\$ (48,318,919)

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 \$335.2 million are as follows (dollars in thousands):

Capitalized asset expenditures	\$ 969,289
Donated assets	271
Depreciation expense	(502,672)
Amortization expense	(131,733)
Net adjustment to increase net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities	\$ 335,155

- 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 \$76.1 million are as follows (dollars in thousands):

Proceeds of debt	\$	(646,560)
Proceeds from line of credit		(340,068)
(Premium) / Discount on debt		(38,975)
Proceeds of refunding debt		(1,130,065)
(Premium) / Discount on refunding debt		(109,407)
Payment to refunded bond escrow agent		1,230,506
Principal retirement		928,731
Interest expense		29,693
Net adjustment to decrease net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities	\$	(76,145)

- iii) 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 \$801.9 million are as follows (dollars in thousands):

Claims and judgments	\$	(221,779)
Pension costs		(499,850)
Other post employment benefit liabilities		(205,980)
Pollution remediation		2,731
Vacation		(16,249)
Inventory		15,558
Leases and SBITAs		123,674
Net adjustment to decrease net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities	\$	(801,895)

3) Stewardship, Compliance and Accountability

- a) **Annual Appropriation Budgets** are established for the General fund; Pension fund; Vehicle Tax fund; Motor Fuel Tax and Project fund; Chicago Public Library fund; Special Events, Tourism and Festivals fund; and a group of miscellaneous funds which include the Emergency Communication fund, Affordable Housing Opportunity fund, CTA Real Property Transfer Tax fund, Neighborhoods Opportunity fund, Chicago Police CTA Detail fund, and Cannabis Regulation Tax fund, among others, on a non-GAAP budgetary basis:

- i) In October, the Mayor submits to the City Council a proposed budget of expenditures and the means of financing them for the next year.
- ii) The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
- iii) Prior to January 1, the budget is legally enacted through passage of the appropriation ordinance.
- iv) Subsequent to the enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget, which results in a change in total or individual appropriations. The legal level of budgetary control is designated in the budget by object grouped by purpose.

- 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) **Individual Fund Deficits** include the Chicago Skyway fund, an enterprise fund, which has a deficit fund balance of \$1,260.6 million which management anticipates will be funded through recognition of deferred inflows. Midway International Airport fund, another enterprise fund, has a deficit fund balance of \$237.9 million which will be funded through future revenues. Federal State and Local Grants, a governmental fund, has a deficit fund balance of \$710.1 million and will be funded by the recognition of deferred grant inflows. The Service Concession and Reserve fund, a special revenue fund, has a deficit fund balance of \$745.5 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 \$5,043.6 million which will be funded through the amortization of the deferred inflow (reclassified to due to other funds on the blended fund financials) 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. The Community Development and Improvement Projects fund, a capital projects fund, has a deficit fund balance of \$145.0 million which will be funded by future borrowings. Nonmajor special revenues funds that have deficit balances are the Vehicle Tax fund (\$67.8 million), Motor Fuel Tax and Project fund (\$2.7 million), Special Events, Tourism and Festivals fund (\$25.5 million), and MEABF Pension Reserve fund (\$55.7 million), and will be funded through future revenues. The Highway and Transportation Projects fund, Building Projects fund, and Equipment Projects fund, which are nonmajor Capital Projects funds, also have deficits of \$0.1 million, \$0.6 million, and \$12.6 million, respectively, and will be funded by future borrowings.

4) Restricted and Unrestricted Cash, Cash Equivalents and Investments

a) **Investments** As of December 31, 2024, 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	
City Funds					
U.S. Treasury	\$ 14,627	\$ 6,689	\$ —	\$ —	\$ 21,316
Agency MBS *	—	52,456	50,103	483,466	586,025
Agency Bonds	695,236	966,988	96,707	94,044	1,852,975
Commercial Paper	1,823,490	—	—	—	1,823,490
Corporate ABS *	12,794	94,128	12,017	514,450	633,389
Corporate Bonds	181,665	1,262,574	935,576	163,695	2,543,510
ETF-Corporate Equity	796	—	—	—	796
Money Market Funds	2,653,071	—	—	—	2,653,071
Municipal Bonds	124,398	180,099	138,262	613,079	1,055,838
State and Local					
Government Series	26,167	16,011	—	—	42,178
Supranational Bonds	48,455	72,818	21,855	45,254	188,382
Total City Funds	\$ 5,580,699	\$ 2,651,763	\$ 1,254,520	\$ 1,913,988	\$ 11,400,970

* In 2019, structured products issued by U.S. Agencies were classified as Asset-Backed Securities (ABS). In 2020, ABS were further divided into Agency Mortgage-Backed Securities (MBS) and Corporate ABS.

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

Pension Trust Funds					
U.S. and Foreign Government Agencies ...	\$ 10,991	\$ 147,116	\$ 193,861	\$ 409,513	\$ 761,481
Corporate Bonds	1,190,678	451,079	169,323	125,374	1,936,454
Corporate Equities	4,517,236	—	—	—	4,517,236
Pooled Funds	181,169	—	—	—	181,169
Real Estate	515,605	—	—	—	515,605
Securities Received from Securities					
Lending	455,157	—	—	—	455,157
Venture Capital	1,108,083	—	—	—	1,108,083
Certificates of Deposit and Other Short-term	654,363	—	—	—	654,363
Derivatives	2,215	—	—	—	2,215
Other	280,378	4,884	2,367	—	287,629
Total Pension Trust Funds	<u>\$ 8,915,875</u>	<u>\$ 603,079</u>	<u>\$ 365,551</u>	<u>\$ 534,887</u>	<u>\$ 10,419,392</u>
Total	<u>\$ 14,496,574</u>	<u>\$ 3,254,842</u>	<u>\$ 1,620,071</u>	<u>\$ 2,448,875</u>	<u>\$ 21,820,362</u>

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. Investments that are valued through other observable inputs (Level 2), are valued using methods that include, but are not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing.

The City's investments measured at fair value as of December 31, 2024 are as follows (dollars in thousands):

Investments by Fair Value Level	Level 1	Level 2	Level 3
U.S. Treasury	\$ —	\$ 13,342	\$ —
State and Local Government Series	—	16,011	—
Agency Bonds	—	1,765,716	—
Agency MBS	—	586,025	—
Corporate ABS	—	633,389	—
Corporate Bonds	—	2,530,390	—
Municipal Bonds	—	1,044,087	—
Supranational Bonds	—	188,382	—
Total Investments at Fair Value	<u>\$ —</u>	<u>\$ 6,777,342</u>	<u>\$ —</u>

Money market investments; commercial papers; 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; and other investments included above that have the option to use amortized cost, 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 \$4,623.6 million.

CITY OF CHICAGO, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

Pension Trust Funds' Investments measured at fair value as of December 31, 2024 are as follows (dollars in thousands):

Summary	Total	Level 1	Level 2	Level 3
U.S. and Foreign				
Government Agencies	\$ 761,481	\$ 67,163	\$ 694,318	\$ —
Corporate Bonds	1,502,092	851,156	603,457	47,479
Corporate Equities	3,936,491	3,934,616	98	1,777
Pooled Funds	141,873	—	141,873	—
Securities Received from				
Securities Lending	455,157	—	455,157	—
Venture Capital	78,961	—	—	78,961
Certificates of Deposit and				
Other Short-term	563,172	11,260	551,912	—
Derivatives	2,215	1,998	217	—
Other	7,251	—	7,251	—
Subtotal	<u>7,448,693</u>	<u>4,866,193</u>	<u>2,454,283</u>	<u>128,217</u>

Pension Trust Funds' Investments measured at net asset value:		Unfunded Commitments	Redemption Frequency	Redemption Notice
Corporate Bonds	\$ 434,362	\$ 55,655	Daily	5 Days
Corporate Equities	580,745			
Pooled Funds	39,296			
Real Estate	515,605	52,449	Quarterly, Not eligible - Closed-end, As needed, N/A, Illiquid	10, 30 or 90 Days - Open-end, 30-45 Days, Not eligible, N/A
Venture Capital	1,029,122	356,403	Quarterly, Every 3 years, Not eligible, As needed, N/A, Illiquid, Closed-end / Daily - Quarterly	90, 180 Days or N/A, 30-95 Days, Not eligible, N/A, 90 Days, 3-45 Days
Certificates of Deposit and				
Other Short-term	91,191			
Other *	280,378	48,429	Illiquid	N/A
Subtotal	<u>2,970,699</u>			
Pension Trust Funds' Investments Total ...	<u>\$ 10,419,392</u>			

* Other includes Fixed Assets & Hedge Fund of Funds.

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* - The interest rate risk, or market risk, refers to the chance that investments in bonds – also known as fixed-income securities – will suffer as the result of unexpected interest rate changes. However, the City mitigates interest rate risks by diversifying portfolios to include a multitude of different bonds that have varying maturation schedules.
- 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 or demand deposits in 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;
 - (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 with assets exceeding \$500.0 million that, at the time of purchase, are rated investment grade 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.
- (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 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 Aa or equivalent rating without regard to any refinement or gradation of rating category by numerical modifier or otherwise on a quarterly basis.

The following schedule summarizes the City's and Pension Trust Funds' exposure to credit risk (dollars in thousands):

Quality Rating	City	Quality Rating	Pension Trust Funds
Aaa/AAA	\$ 4,033,143	Aaa/AAA	\$ 213,136
Aa/AA	3,424,926	Aa/AA	70,198
A/A	681,649	A/A	145,935
Baa/BBB	1,466,860	Baa/BBB	181,485
Ba/BB	8,255	Ba/BB	151,452
B/B	—	B/B	158,606
Caa/CCC	—	Caa/CCC	21,059
Ca	—	Ca/CC	1,074
C/CC	—	CC/C	298
D/D	—	D/D	356
P1/A1	464,502	Not Rated	170,688
P2/A2	1,021,303	Other	509,924
P3/A3	—		
MIG1/SP-1+	—		
MIG2/SP-1+	—		
Not Rated *	300,332		
Total Funds	<u>\$ 11,400,970</u>		<u>\$ 1,624,211</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 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 deposits in 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 100 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 100 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 deposit.

The collateral required to secure City funds must be held in third-party 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 bank balance of cash and certificates of deposit with the City's various municipal depositories was \$264.4 million. 100.0 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name. There was no uncollateralized bank balance at December 31, 2024.

- iv) *Custodial Credit Risk - Investments:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of

investment or collateral securities that are in the possession of an outside party. The City limits custodial credit risk exposure because investment securities are registered in the City's name and held by the City's third-party custodians.

- 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):

Foreign Currency Risk		
Australian Dollar	\$	59,186
Brazilian Real		22,546
British Pound		170,307
Canadian Dollar		46,260
Chilean Peso		2,482
Chinese Yuan		(1,268)
Colombian Peso		733
Czech Republic Koruna		2,170
Danish Krone		27,613
Egyptian Pound		253
European Euro		319,176
HK Chinese Yuan Renminbi		412
Hong Kong Dollar		125,873
Hungarian Forint		2,615
Indian Rupee		41,470
Indonesian Rupiah		15,791
Japanese Yen		256,774
Kuwaiti Dinar		742
Malaysian Ringgit		6,016
Mexican Peso		14,545
New Israeli Shekel		5,764
New Taiwan Dollar		77,727
New Zealand Dollar		1,336
Norwegian Krone		21,799
Philippine Peso		4,023
Polish Zloty		6,890
Qatari Riyal		425
Russian Ruble		1,647
Saudi Riyal		2,578
Singapore Dollar		20,597
South African Rand		18,317
South Korean Won		44,099
Swedish Krona		41,422
Swiss Franc		79,288
Thai Baht		6,083
Turkish Lira		2,479
United Arab Emirates Dirham		4,261
Uruguayan Peso		29
Total Pension Trust Funds	\$	<u>1,452,460</u>

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

Per Note 4:

Investments - City	\$	11,400,970
Investments - Pension Trust Funds		10,419,392
Total Cash and Investments	\$	<u>21,820,362</u>

Per Financial Statements:

Restricted Investments	\$	3,491,977
Unrestricted Investments		4,140,019
Investments with Fiduciary Funds		9,573,218
Investments with Escrow Agent		767,552
Invested Securities Lending Collateral		455,157
Investments Included as Cash and Cash		
Equivalents on the Statement of Net Position		3,392,439
Total Cash and Investments	\$	<u>21,820,362</u>

5) Property Tax

The City's property tax becomes a lien on real property on January 1 of the year for which 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 and a limited number of other property types assessed directly by the State. The Cook 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 determined by the Assessor.

Property in the County is separated into multiple classifications for assessment purposes. After the Assessor establishes a property's fair market value, 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 percent for certain residential, commercial, and industrial property to 25 percent for other commercial and industrial property.

In addition, the City uses Tax Increment Financing (TIF) for Special Areas. TIF funds are used to build and repair roads and infrastructure, to clean polluted land, and to put vacant properties back to productive use, usually in conjunction with private development projects. TIF Funds can be generated by growth in the Equalized Assessed Valuation (EAV) of properties within a designated district over a period of years. The length of this period may vary, but generally, TIF districts expire when the City Council dissolves the TIF district's special allocation fund or as otherwise provided under state law. Funding levels for specific projects are coordinated with area plans and goals. When an area is declared a TIF district, a base EAV is established and the amount of property tax distributed annually among the taxing districts having levying authority over that area is limited to that derived from the base EAV. As property values increase in the area, all property tax growth generated from any incremental EAV above the base EAV, minus certain exemptions, can be used to fund redevelopment costs within the TIF district. The increase, or increment, can be used to pay back bonds issued to pay upfront costs, or can be used on a pay-as-you-go basis for individual projects. When the TIF district expires, the incremental EAV is combined with the base EAV and all property tax revenue from the area is distributed annually among the levying taxing districts.

The Illinois Department of Revenue (Department) has the statutory responsibility of ensuring uniformity of real property assessments on an inter-county basis throughout the state. Each year, the Department furnishes the county clerks with an adjustment factor to equalize the level of assessment among counties (Equalization Factor). The 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 taxable real property in the County to the valuation of property assessed directly by the State of Illinois and subtracts total amounts of EAV in TIF districts to arrive at the base amount (Tax Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rates for the different taxing districts sufficient to produce their allowable levies. 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 for a certain tax year become due and payable

in two installments during the following calendar year. The installments are due on March 1 and either August 1 or 30 days after mailing the of second installment if issued after July 1. The first installment is 55 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 1993 that, starting with the City's 1994 fiscal year, limited any increase in the City's aggregate property tax levy to the lesser of (a) five percent or (b) the percentage increase in the annualized Consumer Price Index during the 12-month period most recently announced preceding the filing of the City's preliminary budget estimate report over the prior year's aggregate levy, unless the city reduced the prior year's aggregate levy, in which case the highest aggregate levy from the last three preceding tax years would be used to compute the limiting amount (Limit). The ordinance provides that the Limit shall not reduce that portion of each levy attributable to: (a) the greater of: (i) for any levy year, interest and principal on the general obligation notes and bonds of the city outstanding on January 1, 1994, to be paid from collections of the levy made for such levy year, or (ii) interest and principal on the general obligation notes and bonds of the City up to an amount not to exceed the amount of interest and principal payments on the City's general obligation notes and bonds during the period of January 2, 1993, to January 1, 1994; (b) payments by the City under installment contracts or under Public Building Commission (Commission) leases for the retirement of bonds issued by the Commission to pay for the subject properties, not to exceed the amount of such payments during the period of January 2, 1993, to January 1, 1994; or (c) payments due as a result of the refunding one or more times of any of the foregoing. The ordinance further provides that the amounts described in clauses (a), (b), and (c) are subject to annual increase in the same 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 the Limit. In 2015, the City Council added an exception to the Limit for amounts of the annual property tax levy specifically levied for pensions. In 2020, the City Council amended this ordinance again and reaffirmed the levies required to meet the City's pension contribution obligations under the Illinois Pension Code are not included in the aggregate levy when computing the Limit. The 2020 amendment also required the City to, beginning with the budget for fiscal year 2021, include in each year's budget an increase in the property tax levy equal to the lesser of the most recent annual increase in the CPI or 5 percent unless and until the City meets its contribution obligations required under the Illinois Pension Code and listed in this section of the ordinance. The 2020 amendment does not limit the City Council's authority to make other adjustments in the property tax levy as it deems appropriate at any time.

6) Interfund Balances and Transfers

- a) The following balances at December 31, 2024 represent due from/to balances among all funds (dollars in thousands):

Fund Type/Fund	Due From	Due To
Governmental Funds:		
General	\$ 363,158	\$ 335,827
Federal, State and Local Grants	118,541	757,486
Special Taxing Areas	1,190,978	25,194
Service Concession and Reserve	—	17,351
Bond, Note Redemption and Interest *	51,079	5,210,262
STSC Debt Service *	5,183,360	—
Community Development and Improvement Projects	—	184,465
Pension	934	244,374
Nonmajor Governmental Funds	371,661	689,163
Total Governmental Funds	7,279,711	7,464,122
Enterprise Funds:		
Water	87,548	49,746
Sewer	35,460	124,803
Chicago-Midway International Airport	7,890	23,514
Chicago-O'Hare International Airport	73,401	39,125
Chicago Skyway	—	15
Total Enterprise Funds	204,299	237,203
Fiduciary Funds:		
Pension Trust	217,315	—
Total Fiduciary Funds	217,315	—
Total	\$ 7,701,325	\$ 7,701,325

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 balance within the STSC Debt Service fund and the Due To balance 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.

- b) The following balances at December 31, 2024 represent interfund transfers among all funds (dollars in thousands):

Fund Type/Fund	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 512,778	\$ 852,931
Special Taxing Areas	—	6,034
Service Concession and Reserve	—	4,577
Bond, Note Redemption and Interest	802,354	117,145
STSC Debt Service *	—	307,436
Community Development and Improvement Projects	25,321	396,438
Pension	1,108,534	27,051
Nonmajor Governmental Funds *	124,570	859,405
Total Governmental Funds	<u>2,573,557</u>	<u>2,571,017</u>
Business-type activities:		
Water	—	2,420
Sewer	—	120
Total Business-type activities	<u>—</u>	<u>2,540</u>
Total	<u>\$ 2,573,557</u>	<u>\$ 2,573,557</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.

7) Capital Assets

- a) **Capital Assets** activity of Governmental Activities for the year ended December 31, 2024 was as follows (dollars in thousands):

	Balance January 1, 2024	Additions and Transfers	Disposals and Transfers	Balance December 31, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,412,643	\$ 25,295	\$ —	\$ 1,437,938
Works of Art and Historical Collections	50,631	1,551	—	52,182
Construction in Progress	1,460,010	759,390	(632,965)	1,586,435
Total capital assets, not being depreciated	2,923,284	786,236	(632,965)	3,076,555
Capital assets, being depreciated:				
Buildings and Other Improvements	3,076,783	125,450	—	3,202,233
Machinery and Equipment	2,048,399	134,663	(19,054)	2,164,008
Infrastructure	11,372,251	552,249	—	11,924,500
Total capital assets, being depreciated	16,497,433	812,362	(19,054)	17,290,741
Less accumulated depreciation for:				
Buildings and Other Improvements	1,567,881	79,304	—	1,647,185
Machinery and Equipment	1,645,774	92,951	(19,054)	1,719,671
Infrastructure	6,718,817	330,417	—	7,049,234
Total accumulated depreciation	9,932,472	502,672	(19,054)	10,416,090
Total capital assets, being depreciated, net	6,564,961	309,690	—	6,874,651
Right of use assets, being amortized:				
Leased - Buildings	159,031	8,571	—	167,602
Leased - Equipment	367,922	4,417	—	372,339
SBITAs	80,614	38,696	—	119,310
Total right of use assets, being amortized	607,567	51,684	—	659,251
Less accumulated amortization for:				
Leased - Buildings	21,651	11,998	—	33,649
Leased - Equipment	148,018	77,892	—	225,910
SBITAs	37,605	41,843	—	79,448
Total accumulated amortization	207,274	131,733	—	339,007
Total right of use assets, being amortized, net	400,293	(80,049)	—	320,244
Total governmental activities	\$ 9,888,538	\$ 1,015,877	\$ (632,965)	\$ 10,271,450

- b) **Capital Assets** activity of Business-type Activities for the year ended December 31, 2024 was as follows (dollars in thousands):

	Balance January 1, 2024	Additions and Transfers	Disposals and Transfers	Balance December 31, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,040,174	\$ 122	\$ —	\$ 1,040,296
Construction in Progress	2,236,916	832,035	(879,450)	2,189,501
Total capital assets, not being depreciated	3,277,090	832,157	(879,450)	3,229,797
Capital assets, being depreciated:				
Buildings and Other Improvements	25,615,609	1,030,758	(26,203)	26,620,164
Machinery and Equipment	983,598	7,742	(4,640)	986,700
Total capital assets, being depreciated	26,599,207	1,038,500	(30,843)	27,606,864
Less accumulated depreciation for:				
Buildings and Other Improvements	8,735,952	607,017	(5,263)	9,337,706
Machinery and Equipment	551,964	24,442	(709)	575,697
Total accumulated depreciation	9,287,916	631,459	(5,972)	9,913,403
Total capital assets, being depreciated, net	17,311,291	407,041	(24,871)	17,693,461
Right of use assets, being amortized:				
Leased - Buildings	6,250	2,569	—	8,819
Leased - Equipment	236,931	10,899	—	247,830
SBITAs	11,102	—	—	11,102
Total right of use assets, being amortized	254,283	13,468	—	267,751
Less accumulated amortization for:				
Leased - Buildings	942	1,068	—	2,010
Leased - Equipment	95,363	55,287	—	150,650
SBITAs	5,486	5,599	—	11,085
Total accumulated amortization	101,791	61,954	—	163,745
Total right of use assets, being amortized, net	152,492	(48,486)	—	104,006
Total business-type activities	\$ 20,740,873	\$ 1,190,712	\$ (904,321)	\$ 21,027,264
Total Capital Assets	\$ 30,629,411	\$ 2,206,589	\$ (1,537,286)	\$ 31,298,714

- c) **Depreciation and amortization expenses** were charged to functions/programs of the City as follows
(dollars in thousands):

	Depreciation	Amortization	Total
Governmental activities:			
General Government	\$ 39,849	\$ 40,552	\$ 80,401
Public Safety	77,675	22,585	100,260
Streets and Sanitation	18,863	2,278	21,141
Transportation	338,775	64,071	402,846
Health	3,493	1,329	4,822
Cultural and Recreational	24,017	918	24,935
Total Depreciation and Amortization - Governmental activities	<u>\$ 502,672</u>	<u>\$ 131,733</u>	<u>\$ 634,405</u>
Business-type activities:			
Water	\$ 86,928	\$ 31,081	\$ 118,009
Sewer	60,134	24,593	84,727
Chicago Midway International Airport	55,864	752	56,616
Chicago-O'Hare International Airport	421,259	5,528	426,787
Chicago Skyway	7,274	—	7,274
Total Depreciation and Amortization - Business-type activities	<u>\$ 631,459</u>	<u>\$ 61,954</u>	<u>\$ 693,413</u>

8) Leases

a) As Lessee:

The City leases facilities and equipment from others and these leases have terms between two and 21, and two and four years, respectively, requiring monthly or annual payments. The Water Fund leases building and equipment under noncancelable operating leases. These leases have terms between one and four years. The Sewer Fund leases equipment from other vendors. These leases have terms between three and five years. The O'Hare International Airport Fund leases equipment from other vendors. These leases have terms between one and five years. The Midway International Airport Fund leases equipment from other vendors. These leases have terms between one and five years.

Refer to the Capital Assets footnote for the right of use asset balances by major class and related accumulated amortization as of December 31, 2024.

There are no variable payments for the period ending December 31, 2024. The City did not have other payments attributable to residual value guarantees or termination penalties not previously included in the measurement of the lease liability.

As of December 31, 2024, the principal and interest requirements to maturity for lease liabilities are as follows (dollars in thousands):

Year Ended	Governmental			Business-type		
	Principal	Interest	Total	Principal	Interest	Total
December 31,						
2025	\$ 81,616	\$ 9,042	\$ 90,658	\$ 48,838	\$ 5,410	\$ 54,248
2026	80,258	8,180	88,438	49,783	1,305	51,088
2027	6,844	6,321	13,165	1,420	292	1,712
2028	4,846	6,079	10,925	200	266	466
2029	4,229	5,866	10,095	177	258	435
2030-2034	27,898	25,734	53,632	1,189	1,135	2,324
2035-2039	37,479	17,823	55,302	1,639	791	2,430
2040-2044	47,360	7,742	55,102	2,112	345	2,457
2045	5,908	108	6,016	297	5	302
Total	<u>\$ 296,438</u>	<u>\$ 86,895</u>	<u>\$ 383,333</u>	<u>\$ 105,655</u>	<u>\$ 9,807</u>	<u>\$ 115,462</u>

b) As Lessor:

- i) The City leases office and equipment space in its managed facilities to others. These leases have terms between two and 43 years.

The total amount of inflows of resources recognized for the period ending December 31, 2024 is as follows (dollars in thousands) :

Lease Revenue	\$ 20,354
Interest Income	3,805
Other Variable Payments	22,768

The City did not have any revenues associated with residual value guarantees and termination penalties. In addition to the lease revenues recognized of \$24.2 million, the City recognized other related revenues which consist of Community Marketplace and Riverwalk concessions and other concession revenues of \$18.7 million as well as facility and equipment, and street furniture rentals of \$4.1 million.

Below is a schedule of future payments that are included in the measurement of the lease receivables as of December 31, 2024 (dollars in thousands) :

Year Ended	Principal	Interest	Total
December 31,			
2025	\$ 20,786	\$ 2,360	\$ 23,146
2026	21,944	1,549	23,493
2027	23,552	694	24,246
2028	1,123	181	1,304
2029	223	167	390
2030-2034	1,460	653	2,113
2035-2039	1,345	271	1,616
2040-2044	288	126	414
Thereafter	364	92	456
Total	<u>\$ 71,085</u>	<u>\$ 6,093</u>	<u>\$ 77,178</u>

ii) Chicago O'Hare and Midway International Airports

The Chicago O'Hare and Midway International Airports (Airports) lease terminal square footage (except for regulated leases), aircraft maintenance, cargo facilities, hangars, and other structures to air carriers and other tenants under various operating leases, a majority of which is non-cancellable and terminate no later than August 2055 for O'Hare and April 2033 for Midway. Certain provisions of the leases provide for fixed and variable rental payments to be received by the Airports, and all are generally designed to allow the Airports to meet their debt service requirements and recover certain operating, maintenance and fund deposit costs. In addition, certain agreements under which the Airports receive revenue under concessions operations at the Airports provide for payment of fee based on the greater of an aggregated percentage of gross receipts or guaranteed minimum.

In accordance with GASB 87, the Airports recognize a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for regulated leases and short-term leases. This provision was implemented as of January 1, 2022.

1) Regulated Leases

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses (e.g., cargo and hangar). These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing

opportunities are made available to any potential lessee should a facility become vacant. In accordance with GASB 87, the Airports recognize lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

The Airports operate under signatory airlines use and lease agreements and non-signatory airlines lease agreements. These agreements define the responsibilities of the Airports and the airlines, and establish a cost structure to operate airfield and terminal facilities primarily through charges to airlines in the forms of landing fees, terminal rentals, joint use fees, terminal ramp fees, consortium equipment and fuel usage fees, and federal inspection service fees. Landing fees are charged for each landing at the Airports based on the maximum weight of the aircraft. Terminal rents are set at the beginning of each fiscal year and adjusted during the year to estimate the annual cost to operate terminal buildings. They are allocated to airlines based on square footage occupied. Joint use fees are calculated based on a combination of terminal square footage and landed weight activity. Terminal ramp fees are calculated based on landed weight activity. Federal inspection service fees are charged for each arriving international passenger. The total revenues related to regulated leases for O'Hare was \$1,102,480 plus \$154,078 which is included in the rentals, concessions, and other revenues of \$449,674. Revenues recognized from regulated leases for Midway for the year ended December 31, 2024 was \$168,302.

Expected future minimum lease payments to be received from regulated leases at December 31, 2024 are as follows (dollars in thousands), projected using the following assumptions: 1) revenues earned from the signatory airlines (long-term and short-term) for the year ended December 31, 2024, 2) through the expiration of the agreements with the signatory airlines, 3) without considering future expansion changes in operations by the Airport:

Years Ended December 31,	Chicago O'Hare International Airport	Chicago Midway International Airport	Total
2025	\$ 450,474	\$ 68,942	\$ 519,416
2026	450,474	67,585	518,059
2027	450,474	67,585	518,059
2028	433,342	501	433,843
2029	418,604	501	419,105
2030 - 2034	1,708,455	1,502	1,709,957
2035 - 2039	178,096	—	178,096
2040 - 2044	170,942	—	170,942
2045 - 2049	112,456	—	112,456
2050 - 2054	2,674	—	2,674
Total Minimum Future Rental Income	<u>\$ 4,375,991</u>	<u>\$ 206,616</u>	<u>\$ 4,582,607</u>

2) Non-regulated Leases

These contracts allow control of the right of use the Airports' assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater 12 months at commencement of the leases are recognized in accordance with the provisions of GASB 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases. The Airports' non-regulated leases are grouped into the following categories:

a. Ground and facilities

The Airports are lessors for agreements with tenants that develop the Airports' real estate for airport-related uses, and concurrent commercial development. The agreements require periodic

payments based on ground and facilities rental rates or other amounts as specified in each lease agreement and is based on square footage. In addition, these agreements may require payment of reimbursable costs and other variable payments. These variable inflows were not included in the measurement of the lease receivable.

b. Concessions

The Airports are lessors on contracts that provide concessionaires the right to operate at the Airports. These agreements typically require an operator to pay a minimum guaranteed annual rent amount plus a percentage of the concession operator's gross receipts above a certain threshold. The agreements may also require the operator to reimburse the Airports of costs they incur to maintain areas and facilities used for operations. Performance based and other variable inflows are not included in the measurement of the lease receivable.

c. Rent-A-Car

The Airports lease square footage to car rental companies at the on-site car rental facility. These agreements require payment of ground rents based on the Airports' ground rental rate and acreage leased. Inflows for ground rents were included in the measurements of the lease receivable. Additionally, these agreements require certain payments based on the lessees' gross receipts in the form of minimum annual guaranteed rents and percent rents, and reimbursement to the Airports of certain costs they incur to maintain the car rental facility and transportation to and from the terminal areas. Lessees that conduct rental operations from other facilities outside of the Airports' boundaries are required to pay a percent rent based on their gross receipts and certain reimbursable costs to the Airports. The performance-based and variable inflows are not included in the measurement of the lease receivable.

The expected future principal and interest payments that are included in the measurement of the lease receivable as of December 31, 2024 are as follows (dollars in thousands):

Years Ended December 31,	Chicago O'Hare International Airport			Chicago Midway International Airport		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 59,814	\$ 23,186	\$ 83,000	\$ 18,362	\$ 8,589	\$ 26,951
2026	30,965	21,467	52,432	19,019	7,840	26,859
2027	23,758	20,320	44,078	18,995	7,073	26,068
2028	24,654	19,269	43,923	19,780	6,288	26,068
2029	25,446	18,183	43,629	20,598	5,471	26,069
2030 - 2034	141,740	72,888	214,628	99,706	14,368	114,074
2035 - 2039	135,890	42,387	178,277	22,394	710	23,104
2040 - 2044	114,846	9,854	124,700	—	—	—
2045 - 2049	696	260	956	—	—	—
2050 - 2054	718	107	825	—	—	—
2055	93	1	94	—	—	—
Total Minimum Future Rental Income	<u>\$ 558,620</u>	<u>\$ 227,922</u>	<u>\$ 786,542</u>	<u>\$ 218,854</u>	<u>\$ 50,339</u>	<u>\$ 269,193</u>

The inflows (revenues) recognized in the year ended December 31, 2024, are as follows (dollars in thousands):

	Chicago O'Hare International Airport			Chicago Midway International Airport		
	Amortization of Leases Deferred Inflows	Inflows from Short-term Leases and Variable Lease Payments	Total	Amortization of Leases Deferred Inflows	Inflows from Short-term Leases and Variable Lease Payments	Total
Ground and Facilities	\$ 1,940	\$ 645	\$ 2,585	\$ —	\$ —	\$ —
Concessions	39,792	213,091	252,883	12,685	53,931	66,616
Rent-A-Car	22,594	35,745	58,339	7,514	4,292	11,806
Total	<u>\$ 64,326</u>	<u>\$ 249,481</u>	<u>\$ 313,807</u>	<u>\$ 20,199</u>	<u>\$ 58,223</u>	<u>\$ 78,422</u>

9) Short-term Debt

There was no short-term debt issued during 2024.

10) Long-term Obligations

a) Long-term Debt activity for the year ended December 31, 2024 was as follows (dollars in thousands):

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Amounts Due within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation and other debt	\$ 5,443,934	\$ 933,775	\$ 1,213,059	\$ 5,164,650	\$ 191,281
Line of Credit (LOC)	450,000	340,068	448,171	341,897	—
Total General Obligation Debt, other debt and LOC	5,893,934	1,273,843	1,661,230	5,506,547	191,281
STSC	5,419,341	842,850	406,620	5,855,571	244,860
	11,313,275	2,116,693	2,067,850	11,362,118	436,141
Add unamortized premium/(discount)	448,914	148,382	80,085	517,211	—
Add accretion of capital appreciation bonds	229,045	6,632	34,391	201,286	35,238
Total bonds, notes and certificates payable	11,991,234	2,271,707	2,182,326	12,080,615	471,379
Other liabilities:					
Net pension liability	33,316,699	—	303,310	33,013,389	—
Net other postemployment benefits liability	2,015,400	53,068	1,116	2,067,352	—
Pollution remediation	34,675	—	2,731	31,944	—
Compensated absences (1)	158,550	28,453	—	187,003	32,781
Claims and judgments	1,143,400	454,902	233,123	1,365,179	287,915
Total other liabilities	36,668,724	536,423	540,280	36,664,867	320,696
Right of Use liability	408,367	51,684	123,674	336,377	87,679
Total governmental activities	\$ 49,068,325	\$ 2,859,814	\$ 2,846,280	\$ 49,081,859	\$ 879,754
Business-type activities:					
Revenue bonds and notes payable:					
Water	\$ 2,394,488	\$ 363,450	\$ 445,664	\$ 2,312,274	\$ 122,968
Sewer	2,035,448	458,606	464,214	2,029,840	86,665
Chicago-O'Hare International Airport	10,257,593	3,149,736	2,600,281	10,807,048	299,714
Chicago-Midway International Airport	1,513,915	461,290	575,090	1,400,115	64,710
	16,201,444	4,433,082	4,085,249	16,549,277	574,057
Add unamortized premium/(discount)	851,919	337,654	235,090	954,483	—
Add accretion of capital appreciation bonds	57,573	3,459	10,157	50,875	450
Net pension liability	3,887,396	—	367,732	3,519,664	—
Compensated absences	—	21,455	—	21,455	5,330
Right of Use liability:					
Water	74,421	7,745	30,807	51,359	24,856
Sewer	64,025	5,406	24,426	45,005	21,803
Chicago-O'Hare International Airport	13,995	318	5,057	9,256	2,161
Chicago-Midway International Airport	731	—	683	48	31
Total business-type activities	\$ 21,151,504	\$ 4,809,119	\$ 4,759,201	\$ 21,201,422	\$ 628,688
Total long-term obligations	\$ 70,219,829	\$ 7,668,933	\$ 7,605,481	\$ 70,283,281	\$ 1,508,442

The net pension liability will be liquidated through a special revenue fund (Pension Fund) as provided by tax levy and other operating revenues. The net other postemployment benefit liability will be liquidated with resources from the General Fund. The change in the compensated absences liability is presented as a net change.

(1) Due to the implementation of GASB 101, the beginning balance related to compensated absences has been restated for Governmental Activities (see Note 1).

b) Issuance of New Debt

i) General Obligation Line of Credit

The City entered into a Revolving Line of Credit Agreement in December 2021 with RBC Capital Markets, LLC and Royal Bank of Canada with a borrowing capacity of up to \$225.0 million (the "RBC Line of Credit Agreement") and a Revolving Line of Credit Agreement in December 2021 with Wells Fargo Bank, National Association with a borrowing capacity of up to \$225.0 million (the "Wells Fargo Line of Credit Agreement") to provide funding for Chicago Works. On June 28, 2024, the City amended the Wells Fargo Line of Credit Agreement to increase the borrowing capacity to \$265.5 million. As of December 31, 2024, the outstanding balances on the City's Line of Credit Agreements was \$150.0 million for RBC and \$191.9 million for Wells Fargo.

ii) General Obligation Bonds

In August 2024, the City sold its \$646.6 million aggregate principal amount of Chicago General Obligation Bonds, Series 2024A. The 2024A Bonds closed on August 14, 2024, and carry interest rates ranging from 5.00% to 5.25% with maturities between January 1, 2041, and January 1, 2045. Proceeds of the Series 2024A Bonds were used to fund certain projects that were part of the Chicago Works and Chicago Recovery Plan projects, refinance credit agreements associated with these projects, fund capitalized interest, and pay the costs of issuance.

In December 2024, the City sold its \$287.2 million aggregate principal amount of Chicago General Obligation Bonds, Refunding Series 2024B. The 2024B bonds closed on December 19, 2024, and carry 5.00% interest rates with maturities between January 1, 2025, and January 1, 2041. Proceeds of the 2024B bonds were used to refund certain outstanding general obligation bonds of the City, repurchase and cancel, by means of a tender offer, certain outstanding bonds of the City, and pay the costs of issuance.

iii) Enterprise Fund Revenue Bonds and Notes

Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds, Series 2023C (AMT) in the amount of \$381.8 million were sold at a premium of \$30.9 million in January of 2024. The bonds have 5.00% interest rates and maturity dates ranging from January 1, 2025 to January 1, 2041. The net proceeds of \$412.7 million along with other funds were used to refund certain airport obligations and pay the costs of issuance on the bonds.

Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds, Series 2024A (\$71.7 million) and Series 2024B (\$7.8 million) were sold at a premium of \$7.7 million in March of 2024. The bonds have 5.00% interest rates and maturity dates ranging from January 1, 2025, to January 1, 2035. The net proceeds of \$87.2 million, along with other funds, were used to refund certain outstanding airport obligations, pay the costs associated with terminating a swap agreement associated with those obligations, and pay the costs of issuance.

City of Chicago Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024A (\$227.9 million) were sold at a premium of \$23.9 million in April 17, 2024. The bonds have 5.00% interest rates and maturity dates ranging from January 1, 2025, to January 1, 2044. The net proceeds of \$251.8 million were used to refund certain outstanding second lien wastewater transmission revenue bonds and to pay the costs of issuance.

City of Chicago Second Lien Water Revenue Bonds, Refunding Series 2024A (\$300.2 million) were sold at a premium of \$36.8 million in September 25, 2024. The bonds have 5.00% interest rates and maturity dates ranging from November 1, 2025, to November 1, 2044. The net proceeds of \$337.0 million were used to pay at maturity or refund certain of the City's outstanding second lien water revenue bonds and pay the costs of issuance.

Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (\$513.8 million), Series 2024D (\$834.9 million), Series 2024E (\$157.4 million), and Series 2024F

(\$61.0 million) were sold at a premium of \$131.6 million in October of 2024. The bonds have interest rates ranging from 5.00% to 5.25% and maturity dates ranging from January 1, 2025, to January 1, 2046. The net proceeds of \$1,698.7 million along with other funds were used to refund certain airport obligations, fund the related debt service reserve requirements, and pay costs of issuance on the bonds.

Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2024A (\$550.0 million) and Series 2024B (\$436.9 million) were sold at a premium of \$91.4 million in September of 2024. The bonds have interest rates ranging from 5.00% to 5.50% and maturity dates ranging from January 1, 2036, to January 1, 2044. The net proceeds of \$1,078.3 million, along with other funds, were used to pay for or reimburse the City for airport capital projects, make payments to reserve funds, pay capitalized interest, and costs of issuance on the bonds.

City of Chicago Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024B (\$138.3 million) were sold at a premium of \$15.3 million in December 4, 2024. The bonds have 5.00% interest rates and maturity dates ranging from January 1, 2026, to January 1, 2039. The net proceeds of \$153.6 million along with other funds were used to refund certain outstanding second lien wastewater transmission revenue bonds and to pay the costs of issuance on the bonds.

In 2024, the Airport drew \$595.8 million from its line of credit (\$295.8 million from Bank of America and \$300.0 million from Wells Fargo Bank) to finance certain capital projects at the Chicago O'Hare International Airport. The line of credits was paid off by the bond proceeds of Chicago O'Hare Series 2024 A&B Senior Lien Bonds. In September 2024, the City amended the Bank of America Revolving Credit Agreement available commitment amount to \$100.0 million. The line of credit expires December 2, 2025. At December 31, 2024, the Airport has an unused line of credit of \$100.0 million. In July 2022, the Airport entered into a Revolving Line of Credit Agreement with Wells Fargo Bank that allows the City to draw on the line of credit in an aggregate amount not to exceed \$300.0 million. The line of credit expires July 22, 2027. At December 31, 2024, O'Hare had an unused line of credit of \$300.0 million. In December 2024, the Airport entered into a Revolving Line of Credit Agreement with PNC Bank that allows the City to draw on the line of credit in an aggregate amount not to exceed \$200 million. The line of credit expires December 22, 2027. At December 31, 2024, O'Hare had an unused line of credit of \$200.0 million. The Airport has a total line of credit of \$600.0 million.

On October 20, 2023, the City of Chicago entered into a term sheet and loan agreement with the United States Environmental Protection Agency (U.S. EPA) under a Water Infrastructure Finance and Innovation Act (WIFIA) program to fund a portion of eligible project costs as described in the loan agreement. The City issued and delivered to the U.S. EPA its Second Lien Water Revenue Bonds, Project Series 2023C (\$336.0 million), dated October 20, 2023 (the 2023 Bond). The parties agreed to administrative revisions to the loan agreement and to re-execute the loan agreement as of December 3, 2024. Upon re-execution and the substitution of the WIFIA Bond (as described in the term sheet) for the 2023 Bond by delivery of the WIFIA Bond to the U.S. EPA, the prior loan agreement and the 2023 Bond were terminated and cancelled in full force and effect and the term sheet remains in full force and effect. The WIFIA Bond has a 4.38% interest rate and matures on November 1, 2056. In 2024, the Water Fund drew \$56.4 million from this loan agreement. The outstanding WIFIA loan as of December 31, 2024, including \$4.8 million of capitalized interest was \$61.2 million.

On July 26, 2017, a loan agreement was signed with the Illinois Environmental Protection Agency for a project that consists of the replacement of the obsolete electrical switchgear and existing temporary standby generators at the Jardine Water Purification Plant. Amounts initially drawn from this agreement are classified as advances until repayment terms are established. Once repayment terms are established, the total advances are converted to long-term debt. In 2021, the Water Fund converted \$37.0 million into long-term debt. In 2024 the Water Fund drew \$1.1 million and converted to long-term debt. As of December 31, 2024, the total funds drawn from this loan agreement are \$39.3 million. The loan agreement has an interest rate of 1.64% with maturity dates ranging from January 4, 2022, to January 4, 2041.

On July 22, 2022, a loan agreement was signed with the Illinois Environmental Protection Agency for a project involving the final phase of the City's 2012 Meter Save contract. Loan funds will be utilized to

install water meters at residences throughout the city that are currently unmetered. The funds will also be used to replace outdated meters with meters with AMR capabilities (Automatic Meter Reading). Amounts initially drawn from this agreement are classified as advances until repayment terms are established. Once repayment terms are established, the total advances are converted to long-term debt. In 2024, the Water Fund drew \$1.0 million and converted to long-term debt. As of December 31, 2024, the total funds drawn from this loan agreement are \$6.4 million. The loan agreement has an interest rate of 1.11% with maturity dates ranging from February 16, 2024, to August 16, 2043.

A loan agreement was signed on February 26, 2022, with the Illinois Environment Protection Agency as part of the City's multi-year rehabilitation program. For this loan, approximately 32,000 lineal feet of 42-inch to 72-inch diameter sewer main will be replaced at various locations throughout the city. The amount drawn from the loan agreement by the Sewer Fund in 2024 was \$15.7 million. The loan agreement has an interest rate of 1.11% with maturity dates ranging from December 14, 2024 to June 14, 2044.

A loan agreement was signed on April 22, 2022, with the Illinois Environment Protection Agency as part of the City's multi-year rehabilitation program. The funds will be specifically used for the installation of 12,400 lineal feet of 72-inch to 90-inch diameter sewer main. The amount drawn from the loan agreement by the Sewer Fund in 2024 was \$13.1 million. The loan agreement has an interest rate of 1.11% with maturity dates ranging from December 3, 2024 to June 3, 2044.

A loan agreement was signed on May 10, 2022, with the Illinois Environment Protection Agency. The loan proceeds will be utilized for the rehabilitation of sewers by lining a total of 250,000 lineal feet of sewers ranging in diameter between 8-inches and 60-inches. The amount drawn from the loan agreement by the Sewer Fund in 2024 was \$58.5 million. The loan agreement has an interest rate of 1.11% with maturity dates ranging from January 31, 2025 to July 31, 2044.

A loan agreement was signed on September 1, 2020, with the Illinois Environment Protection Agency as part of the City's multi-year rehabilitation program. The funds will be specifically used for the installation of 19,800 lineal feet of 12-inch to 72-inch diameter sewer main. In 2024, the Sewer Fund drew an additional \$0.8 million. Total funds drawn from this loan are \$13.4 million. The loan agreement has an interest rate of 1.35% with maturity dates ranging from February 22, 2024 to August 22, 2042.

A loan agreement was signed on December 14, 2020, with the Illinois Environment Protection Agency of a 5-year rehabilitation program conducted throughout the city. Approximately 26,900 lineal feet of 12-inch to 60-inch diameter sewer main will replace existing, aging sewer main as part of the continuation of the City's 3-year sewer lining contract which was awarded in 2016. Activities associated with this loan consist of lining approximately 42 miles of sewer main throughout the city. In 2024, the Sewer Fund drew an additional \$1.6 million. Total funds drawn from this loan are \$60.3 million. The loan agreement has an interest rate of 1.84% with maturity dates ranging from April 9, 2021 to April 9, 2040.

A loan agreement was signed on May 25, 2018, with the Illinois Environment Protection Agency as part of a 5-year sewer rehabilitation program conducted throughout the City of Chicago. In 2024, the Sewer Fund drew an additional \$2.7 million. Total funds drawn from this loan are \$28.8 million. The loan agreement has an interest rate of 1.76% with maturity dates ranging from July 15, 2020 to January 15, 2040.

iv) Sales Tax Securitization Corporation

In December 2024, the Sales Tax Securitization Corporation ("STSC") sold its \$842.9 million aggregate principal amount of Sales Tax Securitization Bonds and Second Lien Sales Tax Securitization Bonds comprising of Sales Tax Securitization Bonds Refunding Series 2024A (\$202.2 million), Second Lien Sales Tax Securitization Bonds, Refunding Series 2024A (\$448.2 million), and Second Lien Sales Tax Securitization Bonds, Taxable Refunding Series 2024B (\$192.5 million).

The Sales Tax Securitization Bonds Refunding Series 2024A bonds were issued at 5.00% interest rates with maturities from January 1, 2029, to January 1, 2044. The Second Lien Sales Tax Securitization Bonds, Refunding Bonds 2024A were issued at 5.0% interest rates with maturities from January 1, 2035,

to January 1, 2041. The Second Lien Sales Tax Securitization Bonds, Taxable Refunding Series 2024B were issued at interest rates ranging from 4.531% to 5.234% with maturities from January 1, 2025, to January 1, 2039. Proceeds were used to refund certain outstanding general obligation bonds of the City, and repurchase and cancel by means of a tender offer both general obligation bonds of the City as well as senior lien bonds. Proceeds were also used to pay the costs of issuance.

- c) **Annual requirements** listed below for each year include amounts payable January 1 of the following year. Except for the Business-type activities, bonds maturing and interest payable January 1, 2024 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2024 are as follows (dollars in thousands):

Year Ended December 31,	General Obligation		Sales Tax Securitization Corporation		Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 58,404	\$ 271,525	\$ 185,925	\$ 248,525	\$ 574,057	\$ 737,240
2026	106,347	268,006	197,924	239,888	544,892	768,832
2027	140,985	262,239	252,224	230,638	567,494	746,197
2028	166,536	290,906	243,072	218,709	588,147	722,196
2029	210,684	277,556	275,599	207,264	612,401	675,899
2030-2034	1,237,257	1,194,394	1,462,944	846,558	3,428,040	2,918,506
2035-2039	1,436,853	776,736	1,482,202	500,071	3,442,924	2,097,195
2040-2044	1,402,882	289,006	1,019,311	225,317	1,996,823	1,403,857
2045-2049	219,046	29,944	491,510	44,467	1,743,686	998,953
2050-2054	—	—	—	—	1,977,572	534,053
2055-2059	—	—	—	—	980,211	117,073
2060-2062	—	—	—	—	93,030	9,524
	<u>\$ 4,978,994</u>	<u>\$ 3,660,312</u>	<u>\$ 5,610,711</u>	<u>\$ 2,761,437</u>	<u>\$ 16,549,277</u>	<u>\$ 11,729,525</u>

Amounts above exclude the Line of Credit as the timing of payments is not certain.

For the debt requirements calculated above, interest rates for fixed rate bonds debt range from 0.79 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, 2024. Letters of credit were issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

Midway has 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 Midway 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, 2024, the principal balance of variable rate bonds was \$124.7 million for Midway.

d) **Derivatives**

i) **Interest Rate Swaps**

On March 13, 2024, the Chicago Midway Airport terminated its derivative interest liability that was previously designated as a hedge of the variability of cash flows associated with the Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds Series 2024AB. At termination, the derivative interest liability had a negative fair value of \$4.9 million and was recognized as investment loss.

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 percent 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 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, 2024.
- 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 the outstanding second lien bonds, plus (C) 115 percent of the 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 debt service on any outstanding wastewater line of credit and commercial paper notes. This requirement was met at December 31, 2024.
- iii) Chicago-Midway International Airport Fund** - The Master Indenture of Trust securing Chicago Midway Airport Senior 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 services rendered by the City in the operation of Midway in order that in each Fiscal Year, Senior Lien Revenues, together with Other Available Moneys 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: (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for (i) the amounts needed to make the deposits required during such Fiscal Year into the Senior Lien Debt Service Fund, the O&M Reserve Account, the Working Capital Account, the Common Debt Service Reserve Sub-Fund, any debt service reserve sub-fund or account established for the benefit of a single Series of Senior Lien Obligations that are not Common Reserve Bonds, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund; and (ii) (A) prior to the end of the Fiscal Year ending on December 31, 2024, an amount not less than 115 percent of the Aggregate Senior Lien Debt Service for the bond Year commencing during such Fiscal Year; (B) after the Fiscal Year ending on December 31, 2024 but prior to the end of the Fiscal Year ending on December 31, 2025, an amount not less than 120 percent of the Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year; or (C) after the Fiscal Year ending on December 31, 2025, an amount not less than 125 percent of Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year. These requirements were met at December 31, 2024.
- 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 twenty-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, 2024.

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.

O'Hare was awarded a total of \$651.8 million of COVID-19 Relief Funds. O'Hare applied all of the COVID-19 Relief Funds through 2024 to airline rates and charges, PFCs, and CFCs. These funds were available for use for any airport purpose.

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

- 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, 2024 are as follows (dollars in thousands):

	Amount Defeased	Outstanding
City Colleges of Chicago Capital Improvement Project - Series 1999	\$ 25,023	\$ 16,099
General Obligation Project Bonds - Series 2000A	3,181	3,181
General Obligation Neighborhoods Alive 21 Program - Series 2002B	73,370	61,385
General Obligation Project and Refunding Bonds - Series 2003B	79,100	35,115
General Obligation Project and Refunding Bonds - Series 2005D	121,915	121,915
General Obligation Refunding Bonds - Series 2007E	59,075	59,075
General Obligation Refunding Bonds - Series 2007F	52,695	52,695
General Obligation Refunding Bonds - Series 2007G	10,710	10,710
General Obligation Project and Refunding Bonds - Series 2008C	13,634	7,826
General Obligation Project and Refunding Bonds - Series 2014A	415,045	11,245
General Obligation Bonds - Series 2015A	325,425	171,815
General Obligation Bonds - Series 2015B	620,068	349,201
General Obligation Refunding Bonds - Series 2015C	54,340	54,340
General Obligation Project and Refunding Bonds - Series 2017A	341,015	—
General Obligation Project Bonds - Series 2017B	169,640	42,855
General Obligation Bonds - Series 2019A	10,125	10,125
General Obligation Refunding Bonds - Series 2020A	84,895	84,895
Motor Fuel Tax Revenue Bonds - Series 2013	73,040	—
Sales Tax Revenue Bonds - Series 2002	110,580	80,605
Sales Tax Revenue Refunding Bonds - Series 2009C	20,012	20,012
Sales Tax Securitization Corporation Bonds - Series 2017A	19,775	—
Sales Tax Securitization Corporation Bonds - Series 2018A	174,390	—
Water Revenue Second Lien Bonds - Series 2012	21,830	—
Water Revenue Second Lien Bonds - Series 2014	306,225	—
Wastewater Transmission Revenue Bonds Second Lien - Series 2008C	182,475	175,230
Wastewater Transmission Revenue Bonds Second Lien - Series 2012	5,000	—
Wastewater Transmission Revenue Bonds Second Lien - Series 2014	240,975	—
Chicago-O'Hare International Airport Bonds Senior Lien GARBS Refunding - Series 2015A	370,455	370,455
Chicago-O'Hare International Airport Bonds Senior Lien GARBS Refunding - Series 2015B	800,145	800,145
Chicago-O'Hare International Airport Bonds Senior Lien GARBS - Series 2015C	174,000	174,000
Chicago-O'Hare International Airport Bonds Senior Lien GARBS - Series 2015D	116,670	116,670
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Refunding Bonds - Series 2010C	31,325	—
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Refunding Bonds - Series 2011AB	4,690	—
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Refunding Bonds - Series 2012AB	251,355	—
Chicago-Midway International Airport Revenue Bonds - Series 1998C	4,300	—
Chicago-Midway International Airport Second Lien Revenue Bonds - Series 2004C&D	89,475	—
Chicago-Midway International Airport Second Lien Revenue Refunding Bonds - Series 2013A ..	118,600	—
Chicago-Midway International Airport Second Lien Revenue Refunding Bonds - Series 2013B ..	83,525	—
Chicago-Midway International Airport Second Lien Revenue and Refunding Bonds - Series 2014A	417,265	—
Chicago-Midway International Airport Second Lien Revenue Bonds - Series 2014B	240,885	—
Special Transportation Revenue Bonds - Series 2001	118,715	48,635
Total	<u>\$ 6,434,963</u>	<u>\$ 2,878,229</u>

- h) **Conduit Debt** – To further the goal of providing affordable housing, the City is an issuer of bonds that provide capital financing to private-sector entities for the acquisition, construction and/or rehabilitation of multi-family residential buildings. The bond proceeds are loaned by the City, directly or indirectly, to the building owners, the third-party obligors. The bonds are repayable from the building owner's repayment of the loan of the bond proceeds or from other collateral provided by the building owner. The City is not obligated to provide any other assurance of repayment to the bondholders beyond that provided by the building owner. The building owner, and not the City, is also responsible for ensuring the tax-exempt status of the bonds.

O'Hare from time-to-time, issues special facility revenue bonds on behalf of various airlines, as well as certain non-airline parties, as third-party obligors of such bonds, to finance or refinance a portion of the capital improvements at O'Hare. These special facility revenue bonds are secured separately from general O'Hare revenue bonds and customer facility charge revenue bonds and are secured solely by amounts received by a debt trustee from such airline and non-airline parties pursuant to the terms of related special facility financing agreements. Further, with respect to the special facility revenue bonds, the airline or non-airline party, respectively, and not O'Hare, is responsible for fulfilling the debt service obligations of such bonds and ensuring the tax-exempt status of such bonds. Given O'Hare's limited commitment, there has been no obligation recognized as of December 31, 2024.

11) 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', MEABF); the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers', LABF); the Policemen's Annuity and Benefit Fund of Chicago (Policemen's, PABF); and the Firemen's Annuity and Benefit Fund of Chicago (Firemen's, FABF). 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 elected City officials have the ability to opt into Municipal Employees', and 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 additional required supplementary information that may be obtained at www.meabf.org, www.labfchicago.org, www.chipabf.org, and www.fabf.org.

Benefits provided – The Plans provide retirement, disability, and death benefits as established by State of Illinois 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', Tier 3 employees are those that either (i) became members on or after July 6, 2017, or (ii) became members on or after January 1, 2011, but before July 6, 2017, and elected to become 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 such employee's 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, 2024, the following employees were covered by the benefit terms:

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries currently receiving benefits	25,828	3,504	14,794	5,460	49,586
Inactive employees entitled to but not yet receiving benefits	26,410	1,406	1,204	159	29,179
Active employees	38,655	2,735	11,769	4,775	57,934
	<u>90,893</u>	<u>7,645</u>	<u>27,767</u>	<u>10,394</u>	<u>136,699</u>

Contributions – The City's contributions to the Municipal Employees' and Laborers' Plans are governed by the Illinois Pension Code, which was modified with respect to such contributions by Public Act 100-0023 (P.A. 100-0023), enacted July 6, 2017. Beginning with payment year 2023, P.A. 100-0023 requires that the City's annual contributions to the Municipal Employees' and the Laborers' Plans each be an amount actuarially determined to be sufficient to produce funding level of 90 percent for each such Plan by the end of 2058.

The City's contributions for the Policemen's and Firemen's Plans are governed by the Illinois Pension Code, which was modified with respect to such contributions by Public Act 99-0506 (P.A. 99-0506), enacted on May 31, 2016. Beginning with payment year 2021, the City's annual contributions to the Policemen's and Firemen's Plans each be an amount actuarially determined to be sufficient to produce a funding level of 90 percent for each such Plan by the end of 2055. In 2021, Public Act 101-0673 was enacted, which changed the terms of the automatic benefit increase provisions and eligibility for certain Tier 1 participants for the Firemen's Plan.

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.

The City Council has approved a policy to fund supplemental pension contributions to each of the Plans in an amount which, in the determination of the Chief Financial Officer of the City and together with the contributions required of the City under the Illinois Pension Code, will not increase the total net pension liability of the City's pension funds based on best efforts projections and information available at the time of the approval of the City's budget. Pursuant to such policy, the City funded an advance contribution to the funds during 2024 in an aggregate amount of \$306.6 million.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2024, 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, 2024 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	2.50 %	2.25 %	2.25 %	2.50 %
Salary Increases	2.50%-14.00% (a)	3.00 % (b)	3.50 % (c)	3.50%-25.00% (d)
Investment Rate of Return	6.75 % (e)	6.75 % (e)	6.75 % (e)	6.75 % (e)

- (a) varying by years of service and employer
- (b) plus a service-based increase in the first 9 years
- (c) plus service based increases consistent with bargaining contracts
- (d) varying by years of service
- (e) net of investment expense

Mortality Assumptions

<i>Pension Plans</i>		<i>Mortality Table Name</i>	<i>Mortality Improvement</i>
<i>Municipal Employees'</i>	<i>Post Retirement</i>	PubG-2010 Retiree Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	<i>Beneficiary</i>	PubG-2010 Contingent Survivor Table Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	PubG-2010 Employee Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
<i>Laborers'</i>	<i>Post Retirement</i>	Pub-2010 Amount-weighted Below Median Income General Healthy Retiree Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
	<i>Pre-Retirement</i>	Pub-2010 Amount-weighted Below Median Income General Employee Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
<i>Policemen's</i>	<i>Post Retirement</i>	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2021 2-dimensional
	<i>Disabled</i>	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2021 2-dimensional
	<i>Pre-Retirement</i>	Pub-2010 Amount-weighted Safety Employee Mortality Table, Sex Distinct	Generational – Scale MP-2021 2-dimensional
<i>Firemen's</i>	<i>Post Retirement</i>	PubS-2010 Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	<i>Disabled</i>	PubS-2010 Disabled Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	<i>Beneficiary</i>	Pub-2010 Contingent Survivor Amount-weighted Mortality Table	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	PubS-2010 Employee Amount-weighted Mortality Table	Generational – Scale MP-2021

The mortality actuarial assumptions used in the December 31, 2024 valuation were adjusted based on the results of actuarial experience study for the period as noted below:

Municipal Employees' - January 1, 2017 - December 31, 2021

Laborers' - January 1, 2017 - December 31, 2019

Policemen's - January 1, 2019 - December 31, 2023

Firemen's - January 1, 2017 - December 31, 2021

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				Municipal			
	Employees'	Laborers'	Policemen's	Firemen's	Employees'	Laborers'	Policemen's	Firemen's
Equity	— %	— %	— %	57.0 %	— %	— %	— %	7.40 %
Domestic equity	25.0	—	—	—	4.80	—	—	—
U.S. equity	—	22.0	29.5	—	—	5.40	5.78	—
Non U.S. equity	—	15.0	19.5	—	—	5.40	6.87	—
Global equity	4.0	—	—	—	4.80	—	—	—
Global low volatility equity	—	4.0	—	—	—	3.60	—	—
International equity ..	17.0	—	—	—	4.90	—	—	—
Fixed income	22.0	26.0	15.0	22.0	2.50	1.30	2.63	4.90
Hedge funds	10.0	8.0	5.0	—	3.00	3.20	4.18	—
Infrastructure	3.0	—	—	—	4.30	—	—	—
Private debt	4.0	6.0	—	—	6.60	7.00	—	—
Private equity	4.0	6.0	—	—	7.50	8.10	—	—
Private markets	—	—	24.0	—	—	—	7.87	—
Real estate	8.0	8.0	7.0	—	3.90	4.10	7.29	—
Private real assets ...	—	3.0	—	—	—	4.70	—	—
Cash	3.0	2.0	—	—	0.40	—	—	—
Other investments	—	—	—	21.0	—	—	—	6.80
Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>				

Discount Rate

Municipal Employees' - The Single Discount Rate used to measure the total pension liability as of December 31, 2024 was 6.62 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, with an additional supplemental contribution of \$168.7 million during 2025. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the year 2080. Therefore, the long-term expected rate of return on pension plan investments of 6.75 percent was applied to projected benefits for all periods through 2079 and the municipal bond index rate of 4.08 percent was applied thereafter to determine total pension liability.

Laborers' - A Single Discount Rate of 6.64 percent was used to measure the total pension liability as of December 31, 2024. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75 percent and a municipal bond rate of 4.08 percent (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). 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 2080. As a result, the long-

term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2080, and the municipal bond rate was applied to all benefit payments after that date.

Policemen's - A Single Discount Rate of 6.66 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 6.75 percent and a municipal bond rate of 4.08 percent (based on the most recent date available on or before the measurement date of the Fidelity "20-Year Municipal GO AA Index"). 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 2080. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2080, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's - A Single Discount Rate of 6.75 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 6.75 percent and a municipal bond rate of 4.08 percent (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds). The projection of cash flows used to determine the discount rate assumed that 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 99-0506. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members throughout the projection period. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefits for all periods.

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

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Total pension liability					
Service cost	\$ 344,821	\$ 42,336	* \$ 302,649	* \$ 114,995	\$ 804,801
Interest	1,272,351	200,343	1,162,637	487,097	3,122,428
Benefit changes	—	—	(19,008)	—	(19,008)
Differences between					
expected and actual experience	104,089	3,850	(126,016)	1,702	(16,375)
Assumption changes	(543,345)	(3,343)	68,473	—	(478,215)
Benefit payments including refunds	(1,141,513)	(183,828)	(1,016,120)	(434,989)	(2,776,450)
Pension plan administrative expenses ..	—	(3,482)	(4,625)	—	(8,107)
Net change in total pension liability	36,403	55,876	367,990	168,805	629,074
Total pension liability:					
Total pension liability - beginning	20,168,740	3,071,577	17,762,046	7,318,750	48,321,113
Total pension liability - ending (a)	<u>\$ 20,205,143</u>	<u>\$ 3,127,453</u>	<u>\$ 18,130,036</u>	<u>\$ 7,487,555</u>	<u>\$ 48,950,187</u>
Plan fiduciary net position					
Contributions-employer **	\$ 1,118,398	\$ 147,466	\$ 1,011,371	\$ 472,122	\$ 2,749,357
Contributions-employee	220,416	24,229	121,412	53,203	419,260
Net investment income	385,713	91,803	343,400	105,357	926,273
Benefit payments including					
refunds of employee contribution	(1,141,513)	(183,828)	(1,016,120)	(434,989)	(2,776,450)
Administrative expenses	(6,374)	(3,482)	(4,625)	(3,932)	(18,413)
Other	—	—	85	5	90
Net change in plan fiduciary net position ..	576,640	76,188	455,523	191,766	1,300,117
Adjustment as of January 1, 2024	—	—	(1)	—	(1)
Plan fiduciary net position - beginning	4,480,631	1,183,981	3,869,934	1,582,472	11,117,018
Plan fiduciary net position - ending (b)	<u>\$ 5,057,271</u>	<u>\$ 1,260,169</u>	<u>\$ 4,325,456</u>	<u>\$ 1,774,238</u>	<u>\$ 12,417,134</u>
Net pension liability-ending (a)-(b)	<u>\$ 15,147,872</u>	<u>\$ 1,867,284</u>	<u>\$ 13,804,580</u>	<u>\$ 5,713,317</u>	<u>\$ 36,533,053</u>

* Includes pension plan administrative expense.

** Includes City's supplemental pension contributions starting 2023. In 2024, the total contribution was \$306.6 million.

Changes in Actuarial Assumptions. Changes in the municipal bond rate resulted in a decrease in the single discount rate for Municipal Employees', Laborers' and Policemen's. See discount rate section above. The actuarial mortality assumptions for Policemen have changed from the prior actuarial valuation to reflect the results of the experience study performed for the period January 1, 2019 through December 31, 2023.

The change in the single discount rate and other assumptions increased the net pension liability by \$68.5 million for Policemen's and decreased the net pension liability by \$543.3 million for Municipal Employees' and \$3.3 million for Laborers'. These changes are being amortized into expense over a four-year period for Municipal Employees' and Laborers' and a five-year period for Policemen's.

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, 2024, calculated using the discount rate of 6.62 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 (5.62 percent) or 1 percentage point higher (7.62 percent) than the current rate (dollars in thousands):

Net pension liability December 31, 2024	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	5.62 %	6.62 %	7.62 %
Municipal Employees' net pension liability	\$ 17,576,843	\$ 15,147,872	\$ 13,116,558

Laborers' - The following presents the net pension liability as of December 31, 2024, calculated using the discount rate of 6.64 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 (5.64 percent) or 1 percentage point higher (7.64 percent) than the current rate (dollars in thousands):

Net pension liability December 31, 2024	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	5.64 %	6.64 %	7.64 %
Laborers' net pension liability	\$ 2,232,731	\$ 1,867,284	\$ 1,560,411

Policemen's - The following presents the net pension liability as of December 31, 2024, calculated using the discount rate of 6.66 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 (5.66 percent) or 1 percentage point higher (7.66 percent) than the current rate (dollars in thousands):

Net pension liability December 31, 2024	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	5.66 %	6.66 %	7.66 %
Policemen's net pension liability	\$ 16,046,801	\$ 13,804,580	\$ 11,940,359

Firemen's - The following presents the net pension liability as of December 31, 2024, calculated using the discount rate of 6.75 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 (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate (dollars in thousands):

Net pension liability December 31, 2024	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	5.75 %	6.75 %	7.75 %
Firemen's net pension liability	\$ 6,580,982	\$ 5,713,317	\$ 4,984,482

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, 2024, the City recognized pension expense/(benefit) of \$1,281.1 million for Municipal Employees', \$171.0 million for Laborers', \$1,300.2 million for Policemen's, and \$482.0 million for Firemen's, for a total pension expense of \$3,234.3 million. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	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	\$ 210,429	\$ —	\$ 27,621	\$ 9,876	\$ 340,219	\$ 112,052	\$ 78,588	\$ 76,007
Changes of assumptions ..	323,233	434,676	90,377	36,614	279,741	349,723	38,586	136,901
Net difference between projected and actual earnings on pension plan investments	80,371	—	58,065	—	95,701	—	50,139	—
Total	\$ 614,033	\$ 434,676	\$ 176,063	\$ 46,490	\$ 715,661	\$ 461,775	\$ 167,313	\$ 212,908

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
2025	\$ 125,711	\$ 42,654	\$ 224,537	\$ 13,747
2026	174,082	74,090	120,858	5,863
2027	(12,074)	16,783	(80,912)	(45,744)
2028	(108,362)	(3,954)	(1,136)	(11,265)
2029	—	—	(9,461)	(8,351)
Thereafter	—	—	—	155
Total	\$ 179,357	\$ 129,573	\$ 253,886	\$ (45,595)

Deferred outflows and deferred inflows related to changes in proportionate share of contributions are determined based on the ratio of each proprietary fund's personnel salaries as enrolled within each corresponding pension plan to the total budgeted salaries for each year. Changes in each proprietary fund's proportionate share result in a deferred inflow or deferred outflow, depending on each pension plan's actuarial valuation report. The governmental activities' proportionate share is the residual deferred inflow or deferred outflow after allocating amounts to proprietary funds.

For the year ended December 31, 2024, the City reported a pension expense/(benefit) of \$7.0 million, deferred inflows of \$293.2 million and deferred outflows of \$283.0 million related to changes in its proportionate share of contributions. These deferred amounts will be recognized as pension expense/(benefit) over a period of five years:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 102,950	\$ 100,199
2026	79,997	83,006
2027	51,200	73,697
2028	45,511	34,553
2029	2,959	1,739
Total	<u>\$ 282,617</u>	<u>\$ 293,194</u>

Payable to the Pension Plans

At December 31, 2024, the City reported a payable of \$1,151.6 million in accrued and other liabilities for the outstanding amount of contributions to the pension plans required for the year ended December 31, 2024.

b) Other Post Employment Benefits (OPEB) - City Obligation

General Information about the OPEB Plan

Plans Description – The City's defined benefit OPEB plans are single-employer plans administered by the City. Certain annuitants are: (1) provided special benefits under the applicable collective bargaining agreements (CBAs); (2) entitled to retiree health benefits pursuant to the City's prior promise; (3) entitled to certain Pension Fund subsidies required by court order under the 1983 and 1985 amendments to the Pension Codes; or (4) provided statutorily required duty disabled benefits. 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. Based upon the Illinois Appellate Court Decision of 2017, the Pension Funds were determined to be obligated to provide the fixed monthly dollar subsidies to certain eligible annuitants pursuant to the 1983 and 1985 amendments to the Pension Code. The subsidies are no longer included in the City OPEB obligation.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 and benefits are funded on a pay-as-you-go basis.

Benefits Provided

CBA – Under the terms of the latest collective bargaining agreements for the Fraternal Order of Police ("FOP"), Chicago Lodge No. 7 (now known as the "Chicago John Dineen ("CJD") Lodge No. 7"), the Policemen's Benevolent & Protective Association of Illinois (the Police Captains, Sergeants and Lieutenants known as the "PBPA"), and the International Association of Fire Fighters (IAFF), 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. Those employees retiring at age 55 but before 60 are required to contribute 3.5 percent of their pension for health care coverage; those retiring at age 60 but before age 63 are required to contribute 1.5 percent of their pension for health care coverage. These rates represents an increase in retiree contributions of 1.5 percent of their pension for those who retire before age 63 and after 2020 for those covered by the PBPA agreements (for those covered by the IAFF and FOP/CJD agreements, the 1.5% increase occurs for those who retire after 2021 and July of 2022, respectively, and before the age of 63). Subsequent increases in the new retiree contributions are assumed to be phased in as bargaining agreements are renegotiated.

The OPEB CBA liability is determined based upon the continued assumed phase in of higher contributions from new retirees. Increases of 1.5% from current new retiree contribution rates are assumed to be negotiated in 2027 and 2032 and apply respectively.

The City's position is to eliminate all post-retirement health benefits except for statutorily required benefits and benefits promised to a closed group of certain annuitants who retired prior to August 23, 1989. The City has entered into a collective bargaining agreement with the Fraternal Order of Police for the periods of 2017 through 2027; that agreement includes the CBA benefit for the full term of that agreement. At this time, other than the new collective bargaining agreement with the Fraternal Order of Police, it is not known whether or when the CBA special early retirement health benefits will be specifically eliminated, modified, or extended. Therefore this year's reporting of liabilities is based upon the assumption of indefinite continuation of benefits.

Non-CBA – As of January 1, 2014, the City promised to provide a healthcare plan with a subsidy of 55 percent of the cost of that plan to those City annuitants who retired prior to August 23, 1989. These are lifetime benefits provided to this defined, closed retiree group. The eligible members were previously defined as the Korshak/Window group in the Korshak settlement agreement, which provided post-retirement health benefits for most City employees. The Korshak settlement agreement expired in 2013.

In 2017, the Illinois Appellate Court, in the Underwood v. City of Chicago case, held that current and future annuitants hired prior to the execution of the Korshak settlement agreement (which covered most of the City employees and retirees) were entitled to receive lifetime fixed rate monthly subsidies equal to the subsidy amounts provided in the 1983 and 1985 amendments to the Pension Code. Liabilities for these subsidies have been accrued within the applicable Pension Funds and are not reflected in the City's OPEB reporting.

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.

Employees covered by benefit terms – At December 31, 2024, the following employees were covered by the benefit terms:

	CBA Benefits	Non-CBA Benefits	Total
Active employees	16,642	14,979	31,621
Inactive employees or beneficiaries currently receiving benefits	3,559	1,632	5,191
Inactive employees entitled to but not yet receiving benefits	—	—	—
Total	<u>20,201</u>	<u>16,611</u>	<u>36,812</u>

Net OPEB Liability

The City's net OPEB liability of \$2.1 billion was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The net OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Actuarial Cost Method:	Entry Normal Age
Asset Valuation Method:	Market Value
Funding Policy:	Pay as You Go
Discount Rate:	4.08%
Health Care Trend Rates:	Graded 7.70% to ultimate rate of 5.00%
Retirement Age:	Varies by Bargaining Group – Rates are Graded by age and service

The valuation assumptions reflected the actuarial experience studies prepared by the Pension Funds. The discount rate of 4.08 percent was used to measure the total OPEB liability. This Discount Rate was based

upon the average Bond Buyer 20-year general obligation AA Municipal Bond rate index for the period ended December 31, 2024.

Mortality Assumptions

Bargaining Plan Members		Mortality Table Name	Scaling	Mortality Improvement
<i>Firemen's</i>	<i>Post Retirement</i>	Pub-2010 Safety Retiree Amount-weighted Mortality Table, Sex Distinct	119% M 100% F	Generational – Scale MP-2021
	<i>Disabled</i>	Pub-2010 Safety Disabled Annuitant Amount-weighted Mortality Table	100% M 100% F	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	Pub-2010 Employee Amount-weighted Safety Mortality Table	100% M 100% F	Generational – Scale MP-2021
<i>Policemen's</i>	<i>Post Retirement</i>	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	119% M 102% F	Generational – Scale MP-2021 2-dimentional
	<i>Disabled</i>	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	129% M 112% F	Generational – Scale MP-2021 2-dimentional
	<i>Pre-Retirement</i>	Pub-2010 Amount-weighted Safety Employee Mortality Table, Sex Distinct	100% M 100% F	Generational – Scale MP-2021 2-dimentional
<i>Municipal Employee's</i>	<i>Post Retirement</i>	Pub-2010 Healthy Retiree Amount-weighted Below Median General Mortality Table (sex-specific)	111% M 117% F	Generational – Scale MP-2021
	<i>Beneficiary</i>	Pub-2010 Contingent Survivor Amount-weighted Below Median General Mortality Table (sex-specific)	113% M 111% F	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	Pub-2010 Healthy General Employee Amount-weighted Below Median Mortality Table (sex-specific)	90% M 92% F	Generational – Scale MP-2021
<i>Laborers'</i>	<i>Post Retirement</i>	Pub-2010 Amount-weighted Below Median Income General Healthy Retiree Mortality Table, Sex Distinct	109% M 108% F	Generational – Scale MP-2020 2-Dimensional
	<i>Pre-Retirement</i>	Pub-2010 Amount-weighted Below Median Income General Healthy Employee Mortality Table, Sex Distinct	111% M 115% F	Generational – Scale MP-2020 2-Dimensional

Changes in the Net OPEB Liability (dollars in thousands):

	CBA Benefits	Non-CBA Benefits	Total
Total OPEB liability			
Service cost	\$ 108,463	\$ 13,342	\$ 121,805
Interest	67,795	6,383	74,178
Benefit changes (Contribution Increases)	—	—	—
Differences between expected and actual experience	(70,515)	(3,197)	(73,712)
Assumption changes	26,766	(1,470)	25,296
Benefit payments including refunds	(79,441)	(16,174)	(95,615)
Net change in total OPEB liability	53,068	(1,116)	51,952
Total OPEB liability:			
Total OPEB liability - beginning	1,838,004	177,396	2,015,400
Total OPEB liability - ending (a)	\$ 1,891,072	\$ 176,280	\$ 2,067,352
Plan fiduciary net position			
Contributions-employer	\$ 79,441	\$ 16,174	\$ 95,615
Contributions-employee	—	—	—
Net investment income (loss)	—	—	—
Benefit payments including refunds of employee contribution	(79,441)	(16,174)	(95,615)
Administrative expenses	—	—	—
Other	—	—	—
Net change in plan fiduciary net position	—	—	—
Plan fiduciary net position - beginning	—	—	—
Plan fiduciary net position - ending (b)	\$ —	\$ —	\$ —
Net OPEB liability-ending (a)-(b)	\$ 1,891,072	\$ 176,280	\$ 2,067,352

Assumption changes include a change in the discount rate from 3.77 percent for beginning of the year values to 4.08 percent for the disclosure date, and changes to health care cost trend rates. Assumptions regarding future retiree contribution increases were included in year end determinations, such that contributions would increase by 1.5 percent for retirements between 2030 and 2034 and increase again in 2035 by 1.5 percent, then no future increases anticipated thereafter.

Sensitivity of the total OPEB Liability to changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08 percent) or 1 percentage point higher (5.08 percent) than the current discount rate (dollars in thousands):

	1% Decrease 3.08 %	Current Discount Rate 4.08 %	1% Increase 5.08 %
CBA Benefits	\$ 2,042,151	\$ 1,891,072	\$ 1,753,073
Non-CBA Benefits	187,467	176,280	166,289
Total	\$ 2,229,618	\$ 2,067,352	\$ 1,919,362

Sensitivity of the total OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.70 percent decreasing to 4.00 percent) or 1 percentage point higher (8.70 percent decreasing to 6.00 percent) than the current healthcare cost trend rates (dollars in thousands):

	1% Decrease 6.70%-4.00%	Current Trend Rates 7.70%-5.00%	1% Increase 8.70%-6.00%
CBA Benefits	\$ 1,709,025	\$ 1,891,072	\$ 2,098,289
Non-CBA Benefits	160,395	176,280	194,752
Total	<u>\$ 1,869,420</u>	<u>\$ 2,067,352</u>	<u>\$ 2,293,041</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense/(benefit) of \$301.6 million. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (dollars in thousands):

	CBA Benefits		Non-CBA Benefits		Total	
	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 non-investment experience	\$ 28,671	\$ 95,195	\$ 18,155	\$ 15,130	\$ 46,826	\$ 110,325
Assumption Changes	934,144	219,695	16,959	37,780	951,103	257,475
Total	<u>\$ 962,815</u>	<u>\$ 314,890</u>	<u>\$ 35,114</u>	<u>\$ 52,910</u>	<u>\$ 997,929</u>	<u>\$ 367,800</u>

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

Year Ended December 31:	CBA Benefits	Non-CBA Benefits	Total
2025	\$ 106,807	\$ (1,194)	\$ 105,613
2026	106,807	(1,194)	105,613
2027	109,071	(1,961)	107,110
2028	111,595	(2,815)	108,780
2029	105,595	(2,892)	102,703
Thereafter	108,050	(7,740)	100,310
	<u>\$ 647,925</u>	<u>\$ (17,796)</u>	<u>\$ 630,129</u>

12) 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; terrorist acts; and natural disasters. The City is a State-certified self-insurer for statutorily required workers' compensation benefits, and an employee health benefits provider under self-insured (PPO) and partially insured (HMO) 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, mitigating, 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. Paid and closed 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 with an excess liability insurance policy covering claims in excess of the City's self-insured retention. 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, 2024, the total amount of non-Enterprise Fund claims was \$829.2 million and Enterprise Fund was \$106.6 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):

	2024	2023
Balance, January 1	\$ 869,434	\$ 788,743
Claims incurred and change in estimates	825,522	785,147
Claims paid on current and prior year events	(759,109)	(704,456)
Balance, December 31	<u>\$ 935,847</u>	<u>\$ 869,434</u>

13) Expenditure of Funds and Appropriation of Fund Balances

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

In addition to the categories above, any amounts 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/her 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	\$ 70,409	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
STSC Blended Balance *	—	—	—	—	—	5,183,360	—	—
Restricted Purpose:								
Capital Projects	—	—	3,383,678	—	—	—	80,251	239,867
Grants	—	14,302	—	—	—	—	—	—
Debt Service	—	—	—	—	—	149,772	—	—
Committed Purpose:								
Budget and Credit Rating Stabilization	—	—	—	620,412	—	—	—	—
Repair, Maintenance and City Services	—	—	—	—	—	—	—	199,803
Assigned Purpose:								
Future obligations	317,269	—	—	—	—	—	—	1,487
Unassigned	—	(724,374)	—	(1,365,961)	(5,043,579)	—	(225,252)	(401,451)
Total Government Fund Balance	<u>\$ 387,678</u>	<u>\$ (710,072)</u>	<u>\$ 3,383,678</u>	<u>\$ (745,549)</u>	<u>\$ (5,043,579)</u>	<u>\$ 5,333,132</u>	<u>\$ (145,001)</u>	<u>\$ 39,706</u>

* The STSC is a blended component unit of the City. The STSC Blended Balance above, represents a deferred outflow from the acquisition of sales tax revenues that will be amortized into expenditures over the life of the related bonds. As discussed in the Fund Deficit footnote 3b, 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 \$40.0 million for the General Fund, \$67.6 million for the Special Taxing Areas Fund, \$228.4 million for the Capital Projects Funds, and \$88.7 million for the Nonmajor Special Revenue Funds.

14) 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.

The components of the deferred outflows of resources and deferred inflows of resources at December 31, 2024 are as follows (dollars in thousands):

	Governmental Activities	Business-type Activities
Deferred Outflows of Resources:		
Deferred outflows from pension activities	\$ 1,493,211	\$ 179,859
Deferred outflows from other post employment benefits activities	997,929	—
Changes in proportionate share of pension contributions	231,838	50,779
Unamortized deferred bond refunding costs	174,242	12,056
Total Deferred Outflows of Resources	<u>\$ 2,897,220</u>	<u>\$ 242,694</u>
Deferred Inflows of Resources:		
Deferred inflows from pension activities	\$ 1,053,107	\$ 102,742
Deferred inflows from other post employment benefits activities	367,800	—
Changes in proportionate share of pension contributions	11,686	281,508
Unamortized deferred bond refunding costs	—	85,562
Long-term concessionaire arrangements	1,365,961	1,460,303
Deferred inflows of leases	67,678	750,649
Total Deferred Inflows of Resources	<u>\$ 2,866,232</u>	<u>\$ 2,680,764</u>

The components of the deferred inflows of resources related to the governmental funds at December 31, 2024 are as follows (dollars in thousands):

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	Community Development and Improvement Projects	Pension	Other Govern- mental Funds	Total Govern- mental Funds
Governmental Funds:									
Deferred inflow of resources:									
Property Taxes	\$ —	\$ —	\$ 933,287	\$ —	\$ 297,187	\$ —	\$ 1,136,495	\$ 8,597	\$ 2,375,566
Grants	—	730,662	—	—	—	—	—	—	730,662
Long-term Concession Agreements ...	—	—	—	1,365,961	—	—	—	—	1,365,961
Leases	37,390	—	—	—	2,928	26,088	—	1,272	67,678
Total Governmental Funds	<u>\$37,390</u>	<u>\$730,662</u>	<u>\$ 933,287</u>	<u>\$ 1,365,961</u>	<u>\$ 300,115</u>	<u>\$ 26,088</u>	<u>\$1,136,495</u>	<u>\$ 9,869</u>	<u>\$4,539,867</u>

15) Commitments and Contingencies

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

The City participates in a number of federal and state assisted grant programs. These grants are subject to audits by or on behalf of the grantors to assure compliance with grant provisions. Based upon past experience and management's judgment, the City has made provisions in the General Fund for questioned costs and other amounts estimated to be disallowed. City management expects such provision to be adequate to cover actual amounts disallowed, if any.

As of December 31, 2024, the City has entered into contracts for approximately \$338.5 million for construction projects. As of December 31, 2024, the Enterprise Funds have entered into contracts for approximately \$1,125.4 million for construction projects.

The City's pollution remediation obligation of \$31.9 million is primarily related to Brownfield redevelopment projects. These projects include removal of underground storage tanks, cleanup of contaminated soil, and removal of other environmental pollution identified at the individual sites. The estimated liability is calculated using the expected cash flow technique. The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

16) Public-Private Partnership Arrangements (PPPs)

The major fund entitled Service Concession and Reserve Fund is used for the purpose of accounting for the deferred inflows associated with governmental fund PPPs. 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 PPP considered as a service concession arrangement 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 November 2006, the Chicago Park District entered into an agreement to transfer its ownership interests in three underground downtown public parking garages to the City, all of which are adjacent to a fourth underground downtown public parking garage built by and already owned by the City. In December 2006, the City completed a PPP of the four-garage system to a private operator to manage 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 transferred by the City to the Chicago Park District, and the remainder was used to pay off the outstanding bonds that financed the construction of the City's original garage. The City recognized a deferred inflow that will be amortized and recognized as revenue over the term of the agreement. The City recognizes \$5.7 million of revenue for each year through 2105.

In January 2005, the City completed a PPP considered as a service concession arrangement 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.

17) 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

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. Some agreements require applicants to return funds received from the City if they breach their agreement, e.g., by vacating the property before the end of the compliance period under the agreement.

For the 2024 reporting period, the amount of property tax revenue forgone by the City due to the agreements under the Act amounts to \$139.0 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 percent of market value for the first 10 years, 15 percent in the 11th year and 20 percent in the 12th year.
- Class 7c: Property will be assessed at 10 percent of market value for the first 3 years, 15 percent in the fourth year and 20 percent in the fifth year.
- Class 6b, 7d, and 8: Property will be assessed at 10 percent of the market value for the first 10 years and for any subsequent 10-year renewal periods; if not renewed, 15 percent in the 11th year and 20 percent in the 12th year.
- Class L: Renewable properties will be assessed at 10 percent of market value for the first 10 years and for any subsequent 10-year renewal periods; if not renewed, 15 percent in the 11th year and 20 percent in the 12th year. Commercial properties will be assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year and 20 percent in the 12th year.

In the absence of the incentive, the property tax would be assessed at 25 percent 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 2024 reporting period, the amount of property tax revenue forgone by the City due to these incentives is estimated at \$25.9 million. The City requires applicants for certain of these incentives to enter into an agreement including development, reporting, and other requirements. If an applicant breaches their agreement, the City may pursue a revocation of the incentive.

18) Subsequent Events

The City has evaluated events occurring subsequent to December 31, 2024, and through June 30, 2025, the date the financial statements were available to be issued. The City did not identify any subsequent events to be disclosed apart from those discussed below.

Corporate Fund

On January 14, 2025, the City made planned supplemental pension payments to the City's four pension funds totaling \$272.0 million.

On January 14, 2025, S&P Global Ratings downgraded the City of Chicago's General Obligation Bonds to BBB from BBB+. The outlook is stable.

On June 30, 2025, the City sold its \$695.4 million aggregate principal amount of General Obligation Bonds, 2025 Series A, B, C, D (taxable), and E. The Series A, B, C, and E bonds were issued at interest rates ranging from 5.00% to 6.00% with maturities between January 1, 2032, and January 1, 2046. The Series D bonds were issued at a 5.90% interest rate with a January 1, 2032 maturity. Proceeds of the bonds were used to finance a portion of the City's capital improvement program, refinance outstanding lines of credit, fund capitalized interest, and pay the costs of issuance.

On June 30, 2025, the City sold its \$66.5 million aggregate principal amount of General Obligation Bonds, Series F (Housing and Economic Development Projects) and \$16.1 million of General Obligation Bonds, Taxable Series G, (Housing and Economic Development Projects). The Housing and Economic Development Bonds, Series F were issued at interest rates from 5.50% to 6.00% and maturity dates between January 1, 2040, and January 1, 2045. The Housing and Economic Development Bonds, Series G were issued at interest rates from 5.40% to 6.25% and maturity dates between January 1, 2028, and January 1, 2035. Proceeds of the Housing and Economic Development Bonds were used to finance certain affordable housing and community development programs, fund capitalized interest, and pay the costs of issuance.

On June 30, 2025, the City executed a fourth amendment to the revolving line of credit agreement with Wells Fargo. This amendment changed the term out provisions of the agreement to take effect automatically, without requiring the City to provide a request for amortization period prior to the commitment maturity date.

Chicago O'hare International Airport Fund

On April 29, 2025, the City of Chicago entered into a revolving line of credit agreement with The Huntington National Bank at the Chicago O'Hare International Airport, and The Huntington National Bank made an advance of \$64.8 million pursuant to such agreement. The revolving line of credit agreement is for an aggregate maximum principal amount \$150.0 million and expires on April 28, 2028.

On April 29, 2025, Bank of America, N.A. made an advance of \$64.8 million pursuant to its revolving line of credit agreement with Chicago O'Hare International Airport.

On April 29, 2025, Wells Fargo Bank, National Association made an advance of \$211.1 million pursuant to its revolving line of credit agreement with Chicago O'Hare International Airport.

Chicago Midway International Airport Fund

On June 30, 2025, the City executed an amendment to PNC's letter of credit supporting the City's Midway Airport Second Lien Revenue Refunding Bonds, Series 2014C (AMT). The amendment extends the expiration date of the letter of credit for a three-year period to July 10, 2028.

Water Fund

On February 14, 2025, and May 15, 2025, the City of Chicago received disbursements in the amounts of \$18.1 million and \$16.6 million, respectively, pursuant to the Water Infrastructure Finance Innovation Act (WIFIA) Loan Agreement entered into by the City and United States Environmental Protection Agency dated December 3, 2024.

On June 17, 2025, the City of Chicago entered into a revolving credit agreement with PNC Bank, National Association, and PNC Bank, National Association made an advance of \$1.1 million pursuant to such agreement in order to provide funds for Water System purposes. The revolving line of credit agreement is for an aggregate maximum principal amount \$40.0 million and expires on June 16, 2028.

Sales Tax Securitization Corporation

On January 14, 2025, S&P Global Ratings downgraded the Sales Tax Securitization Corporation's Senior Lien Bonds and Second Lien Bonds to A+ from AA-. The outlook on both liens is stable.

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

Municipal Employees':	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 344,821	\$ 316,247	\$ 263,993	\$ 246,066
Interest	1,272,351	1,242,052	1,269,645	1,228,905
Benefit changes	—	—	—	—
Differences between expected and actual experience	104,089	155,758	84,258	121,988
Assumption changes	(543,345)	442,725	143,996	—
Benefit payments including refunds	(1,141,513)	(1,095,929)	(1,055,585)	(1,010,191)
Pension plan administrative expenses	—	—	—	—
Net change in total pension liability	36,403	1,060,853	706,307	586,768
Total pension liability - beginning	20,168,740	19,107,887	18,401,580	17,814,812
Total pension liability - ending (a)	<u>\$ 20,205,143</u>	<u>\$ 20,168,740</u>	<u>\$ 19,107,887</u>	<u>\$ 18,401,580</u>
Plan fiduciary net position				
Contributions-employer **	\$ 1,118,398	\$ 1,077,258	\$ 959,550	\$ 573,198
Contributions-employee	220,416	194,174	176,339	163,411
Net investment income	385,713	359,991	(429,912)	498,299
Benefit payments including refunds of employee contribution	(1,141,513)	(1,095,929)	(1,055,585)	(1,010,191)
Administrative expenses	(6,374)	(6,651)	(6,873)	(6,687)
Other	—	—	—	—
Net change in plan fiduciary net position	576,640	528,843	(356,481)	218,030
Plan fiduciary net position - beginning	4,480,631	3,951,788	4,308,269	4,090,239
Plan fiduciary net position - ending (b)	<u>\$ 5,057,271</u>	<u>\$ 4,480,631</u>	<u>\$ 3,951,788</u>	<u>\$ 4,308,269</u>
Net pension liability - ending (a)-(b)	<u>\$ 15,147,872</u>	<u>\$ 15,688,109</u>	<u>\$ 15,156,099</u>	<u>\$ 14,093,311</u>
Plan fiduciary net position as a percentage of the total pension liability	25.03 %	22.22 %	20.68 %	23.41 %
Covered payroll*	\$ 2,600,118	\$ 2,383,203	\$ 2,166,182	\$ 2,001,181
Employer's net pension liability as a percentage of covered payroll	582.58 %	658.28 %	699.67 %	704.25 %

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

** Includes City's supplemental pension contribution starting in 2023. The contributions were \$101.6 million in 2023 and \$178.1 million in 2024.

2020	2019	2018	2017	2016	2015
\$ 236,302	\$ 228,465	\$ 223,528	\$ 572,534	\$ 619,743	\$ 226,816
1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
—	—	—	—	—	2,140,009
100,938	16,676	95,540	(177,755)	(127,119)	(109,835)
—	—	—	(7,431,191)	(578,920)	8,711,755
(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
—	—	—	—	—	—
554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,776
17,260,356	16,808,614	16,282,396	23,291,271	23,358,870	12,307,094
\$ 17,814,812	\$ 17,260,356	\$ 16,808,614	\$ 16,282,396	\$ 23,291,271	\$ 23,358,870
\$ 496,992	\$ 418,269	\$ 349,574	\$ 261,764	\$ 149,718	\$ 149,225
157,798	146,645	138,400	134,765	130,391	131,428
335,403	560,940	(204,975)	610,515	281,419	114,025
(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
—	—	—	5,394	—	—
9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
4,080,642	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
\$ 4,090,239	\$ 4,080,642	\$ 3,914,180	\$ 4,554,018	\$ 4,436,227	\$ 4,741,427
\$ 13,724,573	\$ 13,179,714	\$ 12,894,434	\$ 11,728,378	\$ 18,855,044	\$ 18,617,443
22.96 %	23.64 %	23.29 %	27.97 %	19.05 %	20.30 %
\$ 1,861,905	\$ 1,802,790	\$ 1,734,596	\$ 1,686,533	\$ 1,646,939	\$ 1,643,481
737.13 %	731.07 %	743.37 %	695.41 %	1,144.85 %	1,132.81 %

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Ten Fiscal Years (dollars are in thousands)

Laborers':	2024	2023	2022	2021
Total pension liability				
Service cost *	\$ 42,336	\$ 35,725	\$ 39,331	\$ 40,411
Interest	200,343	197,214	193,347	192,343
Benefit changes	—	—	—	—
Differences between expected and actual experience	3,850	43,615	(27,236)	(31,083)
Assumption changes	(3,343)	158,524	(109,355)	21,870
Benefit payments including refunds	(183,828)	(180,947)	(177,162)	(172,514)
Pension plan administrative expenses	(3,482)	(3,396)	(3,607)	(3,837)
Net change in total pension liability	55,876	250,735	(84,682)	47,190
Total pension liability - beginning	3,071,577	2,820,842	2,905,524	2,858,334
Total pension liability - ending (a)	\$ 3,127,453	\$ 3,071,577	\$ 2,820,842	\$ 2,905,524
Plan fiduciary net position				
Contributions-employer ***	\$ 147,466	\$ 123,796	\$ 116,176	\$ 84,969
Contributions-employee	24,229	19,136	19,069	17,637
Net investment income	91,803	98,494	(161,680)	138,105
Benefit payments including refunds of employee contribution	(183,828)	(180,947)	(177,162)	(172,514)
Administrative expenses	(3,482)	(3,396)	(3,607)	(3,837)
Other	—	—	—	—
Net change in plan fiduciary net position	76,188	57,083	(207,204)	64,360
Plan fiduciary net position - beginning	1,183,981	1,126,898	1,334,102	1,269,742
Plan fiduciary net position - ending (b)	\$ 1,260,169	\$ 1,183,981	\$ 1,126,898	\$ 1,334,102
Net pension liability - ending (a)-(b)	\$ 1,867,284	\$ 1,887,596	\$ 1,693,944	\$ 1,571,422
Plan fiduciary net position as a percentage of the total pension liability	40.29 %	38.55 %	39.95 %	45.92 %
Covered payroll **	\$ 252,856	\$ 238,725	\$ 214,083	\$ 212,122
Employer's net pension liability as a percentage of covered payroll	738.48 %	790.70 %	791.26 %	740.81 %

* Includes pension plan administrative expenses.

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

*** Includes City's supplemental pension contribution starting in 2023. The contributions were \$12.1 million in 2023 and \$20.3 million in 2024.

2020	2019	2018	2017	2016	2015
\$ 39,216	\$ 38,522	\$ 40,801	\$ 80,232	\$ 82,960	\$ 38,389
191,099	188,347	183,135	154,047	150,166	153,812
—	—	—	150	—	384,033
(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
2,775,649	2,693,404	2,630,107	3,693,645	3,712,615	2,162,905
\$ 2,858,334	\$ 2,775,649	\$ 2,693,404	\$ 2,630,107	\$ 3,693,645	\$ 3,712,615
\$ 73,744	\$ 59,346	\$ 47,844	\$ 35,457	\$ 12,603	\$ 12,412
18,064	18,143	17,837	17,411	17,246	16,844
163,057	184,027	(75,219)	207,981	57,997	(22,318)
(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
—	—	661	—	—	—
82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
1,187,549	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
\$ 1,269,742	\$ 1,187,549	\$ 1,094,683	\$ 1,267,554	\$ 1,167,740	\$ 1,238,657
\$ 1,588,592	\$ 1,588,100	\$ 1,598,721	\$ 1,362,553	\$ 2,525,905	\$ 2,473,958
44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
\$ 207,195	\$ 211,608	\$ 211,482	\$ 208,442	\$ 208,155	\$ 204,773
766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	1,208.15 %

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

Policemen's:	2024	2023	2022	2021
Total pension liability				
Service cost *	\$ 302,649	\$ 267,382	\$ 294,515	\$ 284,707
Interest	1,162,637	1,062,690	1,011,977	963,417
Benefit changes	(19,008)	1,060,152	40,210	—
Differences between expected and actual experience	(126,016)	107,955	179,968	450,528
Assumption changes	68,473	40,696	(700,065)	37,029
Benefit payments including refunds	(1,016,120)	(987,199)	(947,589)	(887,076)
Pension plan administrative expenses	(4,625)	(4,260)	(4,394)	(3,337)
Net change in total pension liability	367,990	1,547,416	(125,378)	845,268
Total pension liability - beginning	17,762,046	16,214,630	16,340,008	15,494,740
Total pension liability - ending (a)	\$ 18,130,036	\$ 17,762,046	\$ 16,214,630	\$ 16,340,008
Plan fiduciary net position				
Contributions-employer ***	\$ 1,011,371	\$ 942,953	\$ 801,706	\$ 788,770
Contributions-employee	121,412	115,162	114,403	136,225
Net investment income	343,400	316,389	(324,259)	370,141
Benefit payments including refunds of employee contribution	(1,016,120)	(987,199)	(947,589)	(887,076)
Administrative expenses	(4,625)	(4,260)	(4,394)	(3,337)
Other	85	109	368	91
Net change in plan fiduciary net position	455,523	383,154	(359,765)	404,814
Adjustment as of January 1,	(1)	—	(119)	(48)
Plan fiduciary net position - beginning	3,869,934	3,486,780	3,846,664	3,441,898
Plan fiduciary net position - ending (b)	\$ 4,325,456	\$ 3,869,934	\$ 3,486,780	\$ 3,846,664
Net pension liability - ending (a)-(b)	\$ 13,804,580	\$ 13,892,112	\$ 12,727,850	\$ 12,493,344
Plan fiduciary net position as a percentage of the total pension liability	23.86 %	21.79 %	21.50 %	23.54 %
Covered payroll**	\$ 1,337,507	\$ 1,339,704	\$ 1,274,050	\$ 1,258,338
Employer's net pension liability as a percentage of covered payroll	1,032.11 %	1,036.95 %	999.01 %	992.84 %

* Includes pension plan administrative expenses.

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

*** Includes City's supplemental pension contribution starting in 2023. The contributions were \$89.5 million in 2023 and \$79.9 million in 2024.

2020	2019	2018	2017	2016	2015
\$ 286,537	\$ 240,383	\$ 242,998	\$ 237,333	\$ 220,570	\$ 213,585
942,623	944,739	931,731	917,720	851,098	832,972
—	24,216	—	—	606,250	—
61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
260,021	1,140,418	(259,052)	238,975	112,585	—
(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
\$ 15,494,740	\$ 14,789,602	\$ 13,313,258	\$ 13,454,462	\$ 13,113,091	\$ 12,032,733
\$ 739,441	\$ 581,936	\$ 588,035	\$ 494,483	\$ 272,428	\$ 572,836
113,622	110,792	107,186	103,011	101,476	107,626
271,891	369,982	(137,977)	412,190	142,699	(5,334)
(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
472	32	1,600	97	1,413	3,092
279,469	257,340	(216,886)	257,047	(193,930)	(3,065)
—	(91)	—	—	—	—
3,162,429	2,905,180	3,122,066	2,865,019	3,058,949	3,062,014
\$ 3,441,898	\$ 3,162,429	\$ 2,905,180	\$ 3,122,066	\$ 2,865,019	\$ 3,058,949
\$ 12,052,842	\$ 11,627,173	\$ 10,408,078	\$ 10,332,396	\$ 10,248,072	\$ 8,973,784
22.21 %	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
\$ 1,195,980	\$ 1,228,987	\$ 1,205,324	\$ 1,150,406	\$ 1,119,527	\$ 1,086,608
1,007.78 %	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Ten Fiscal Years (dollars are in thousands)

Firemen's:	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 114,995	\$ 120,151	\$ 111,917	\$ 112,730
Interest	487,097	481,018	466,819	429,630
Benefit changes	—	4,964	11,737	196,531
Differences between expected and actual experience	1,702	(83,067)	(30,667)	93,928
Assumption changes	—	—	53,665	(340,370)
Benefit payments including refunds	(434,989)	(420,725)	(401,968)	(388,674)
Pension plan administrative expenses	—	—	—	—
Net change in total pension liability	168,805	102,341	211,503	103,775
Total pension liability - beginning	7,318,750	7,216,409	7,004,906	6,901,131
Total pension liability - ending (a)	<u>\$ 7,487,555</u>	<u>\$ 7,318,750</u>	<u>\$ 7,216,409</u>	<u>\$ 7,004,906</u>
Plan fiduciary net position				
Contributions-employer ***	\$ 472,122	\$ 467,098	\$ 399,210	\$ 367,481
Contributions-employee	53,203	52,456	53,031	52,268
Net investment income	105,357	129,524	(155,590)	129,513
Benefit payments including refunds of employee contribution	(434,989)	(420,725)	(401,968)	(388,674)
Administrative expenses	(3,932)	(3,584)	(3,390)	(3,082)
Other	5	7	5	5
Net change in plan fiduciary net position	191,766	224,776	(108,702)	157,511
Plan fiduciary net position - beginning	1,582,472	1,357,696	1,466,398	1,308,887
Plan fiduciary net position - ending (b)	<u>\$ 1,774,238</u>	<u>\$ 1,582,472</u>	<u>\$ 1,357,696</u>	<u>\$ 1,466,398</u>
Net pension liability - ending (a)-(b)	<u>\$ 5,713,317</u>	<u>\$ 5,736,278</u>	<u>\$ 5,858,713</u>	<u>\$ 5,538,508</u>
Plan fiduciary net position as a percentage of the total pension liability	23.70 %	21.62 %	18.81 %	20.93 %
Covered payroll **	\$ 529,090	\$ 523,829	\$ 525,480	\$ 520,047
Employer's net pension liability as a percentage of covered payroll	1,079.84 %	1,095.07 %	1,114.93 %	1,065.00 %

* Includes pension plan administrative expenses.

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

*** Includes City's supplemental pension contribution starting in 2023. The contributions were \$38.7 million in 2023 and \$28.3 million in 2024.

2020	2019	2018	2017	2016	2015
\$ 109,487	\$ 102,141	\$ 97,143 *	\$ 93,367 *	\$ 94,115 *	\$ 87,203 *
410,128	408,586	410,821	371,622	342,085	338,986
—	—	—	—	227,213	—
174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
30,468	190,954	382,611	414,219	(74,373)	176,282
(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
—	—	(3,285)	(3,172)	(3,217)	(3,149)
358,640	290,131	506,210	596,892	323,174	313,324
6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
\$ 6,901,131	\$ 6,542,491	\$ 6,252,360	\$ 5,746,150	\$ 5,149,258	\$ 4,826,084
\$ 368,423	\$ 255,382	\$ 249,684	\$ 228,453	\$ 154,101	\$ 236,104
54,414	46,623	45,894	47,364	48,960	46,552
105,367	161,082	(58,000)	140,570	60,881	7,596
(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
13	507	6	22	(53)	7
159,066	114,031	(90,363)	107,139	(26,087)	9,093
1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
\$ 1,308,887	\$ 1,149,821	\$ 1,035,790	\$ 1,126,153	\$ 1,019,014	\$ 1,045,101
\$ 5,592,244	\$ 5,392,670	\$ 5,216,570	\$ 4,619,997	\$ 4,130,244	\$ 3,780,983
18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
\$ 500,368	\$ 457,082	\$ 456,969	\$ 469,407	\$ 478,471	\$ 465,232
1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %

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
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 %
2018	1,049,916	349,574	700,342	1,734,596	20.15 %
2019	1,117,388	418,269	699,119	1,802,790	23.20 %
2020	1,167,154	496,992	670,162	1,861,905	26.69 %
2021	1,218,361	573,198	645,163	2,001,181	28.64 %
2022	1,262,413	959,550	302,863	2,166,182	44.30 %
2023	1,273,345	1,077,258	196,087	2,383,203	45.20 %
2024	1,238,711	1,118,398	120,313	2,600,118	43.01 %

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

** Includes City's supplemental pension contribution starting in 2023. The contributions were \$101.6 million in 2023 and \$178.1 million in 2024.

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
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 %
2018	129,247	47,844	81,403	211,482	22.62 %
2019	148,410	59,346	89,064	211,608	28.05 %
2020	155,794	73,744	82,050	207,195	35.59 %
2021	155,245	84,969	70,276	212,122	40.06 %
2022	153,023	116,176	36,847	214,083	54.27 %
2023	153,405	123,796	29,609	238,725	51.86 %
2024	168,828	147,466	21,362	252,856	58.32 %

* 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 level 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.

*** Includes City's supplemental pension contribution starting in 2023. The contributions were \$12.1 million in 2023 and \$20.3 million in 2024.

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
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 %
2018	924,654	589,635	335,019	1,205,324	48.92 %
2019	933,770	581,968	351,802	1,228,987	47.35 %
2020	1,037,582	739,913	297,669	1,195,980	61.87 %
2021	1,047,839	788,861	258,978	1,258,338	62.69 %
2022	1,085,159	802,074	283,085	1,274,050	62.95 %
2023	1,118,719	943,062	175,657	1,339,704	70.39 %
2024	1,242,010	1,011,456	230,554	1,337,507	75.62 %

* 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 the 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.

*** Includes City's supplemental pension contribution starting in 2023. The contributions were \$89.5 million in 2023 and \$79.9 million in 2024.

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
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 %
2018	412,220	249,684	162,536	456,969	54.64 %
2019	442,045	255,382	186,663	457,082	55.87 %
2020	466,556	368,423	98,133	500,368	73.63 %
2021	476,498	367,481	109,017	520,047	70.66 %
2022	509,936	399,210	110,726	525,480	75.97 %
2023	528,572	467,098	61,474	523,829	89.17 %
2024	541,052	472,122	68,930	529,090	89.23 %

* The FABF Statutory Funding Policy does not satisfy all of the conditions for a reasonable method outlined in Actuarial Standards of Practice No. 4. Therefore, the actuary has calculated and disclosed an Actuarially Determined Contribution that is equal to employer normal cost payment plus layered amortization payments 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.

*** Includes City's supplemental pension contribution starting in 2023. The contributions were \$38.7 million in 2023 and \$28.3 million in 2024.

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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	12/31/2023			12/31/2023		12/31/2023		12/31/2023	
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%		2.25%		2.50%	
Salary increases	2.50% - 14.00%	(a)		3.00%	(b)	3.50%	(c)	3.50% - 25.00%	(d)
Investment rate of return	6.75%	(e)		6.75%	(f)	6.75%	(e)	6.75%	(e)
Retirement Age	(g)			(h)		(i)		(j)	
Mortality	(k)			(l)		(m)		(n)	
Other information	(o)			(p)		(q)		(r)	

- (a) Varying by years of service and employer.
- (b) Plus a service-based increase in the first nine years.
- (c) Plus service based increases consistent with bargaining contracts.
- (d) Varying by years of service.
- (e) Net of investment expense.
- (f) Net of investment expense, including inflation.
- (g) Tier 1 - For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2022). Tier 2 - 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). Tier 3 - For employees first hired and contributed on or after July 6, 2017, or "elective" Tier 3 members, rates of retirement for each age from 60 to 80 were used (effective December 31, 2018).
- (h) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2020, valuation pursuant to an experience study of the period January 1, 2017, through December 31, 2019.
- (i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019, actuarial valuation pursuant to an experience study of the period January 1, 2014, through December 31, 2018.
- (j) Retirement rates are based on the recent experience of the Fund (effective December 31, 2022).
- (k) Post-retirement mortality rates were based on the PubG-2010 Retiree Amount-weighted Below Median Mortality Tables (sex specific), using 117% of the rates for females and 111% of the rates for males, projected generationally using scale MP-2021. Beneficiary mortality rates were based on the PubG-2010 Contingent Survivor Table Amount-weighted Below Median Mortality table (sex-specific), using 111% of the rates for females and 113% of the rates for males, projected generationally using scale MP-2021. Pre-retirement mortality rates were based on the PubG-2010 Employee Amount-weighted Below Median Mortality table (sex-specific), using 92% of the rates for females and 90% of the rates for males, projected generationally using scale MP-2021.
- (l) Post Retirement Mortality: Scaling factors of 109% for males, and 108% for females of the Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements. Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.
- (m) Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females, set forward one year for males. Pre-Retirement mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females. Disabled Mortality: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females, set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2018 projection scale.
- (n) Post-retirement mortality rates for non-disabled pensioners were based on the PubS-2010 Retiree Amount-weighted Mortality Table, using 119% of rates for males and 100% of rates for females, projected generationally using scale MP-2021. Post-retirement rates for disabled pensioners were based on the PubS-2010 Disabled Retiree Amount-weighted Mortality Table, projected generationally using scale MP-2021. Beneficiary mortality rates were based on the Pub-2010 Contingent Survivor Amount-weighted Mortality Table, using 100% of rates for males and 113% of rates for females, projected generationally using scale MP-2021. Pre-retirement mortality rates were based on the PubS-2010 Employee Amount-weighted Mortality Table, projected generationally using scale MP-2021.
- (o) Other assumptions: Same as those used in the December 31, 2023, actuarial funding valuations.
- (p) Demographic assumptions were updated for the actuarial valuations as of December 31, 2020. The Investment Rate of Return was adopted for the actuarial valuation as of December 31, 2023.
- (q) The actuarially determined contribution for fiscal year ended December 31, 2024 was determined in the funding actuarial valuation as of December 31, 2023 and the statutory contribution (upon which the actual contribution was based) for fiscal year ending December 31, 2024 was determined in the funding actuarial valuation as of December 31, 2022 using the actuarial assumptions and provisions in effect as of December 31, 2022..
- (r) Other assumptions: Same as those used in the December 31, 2024, actuarial funding valuations.

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

CBA Benefits:	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 108,463	\$ 94,396	\$ 121,211	\$ 126,249
Interest	67,795	65,989	32,523	34,661
Benefit changes	—	—	—	9,896 *
Differences between expected and actual experience	(70,515)	(18,920)	28,013	(4,226)
Assumption changes	26,766	104,567	(248,217)	(61,564)
Benefit payments including refunds	(79,441)	(74,805)	(68,621)	(72,444)
OPEB plan administrative expense	—	—	—	—
Net change in total OPEB liability	53,068	171,227	(135,091)	32,572
Total OPEB liability - beginning	1,838,004	1,666,777	1,801,868	1,769,296
Total OPEB liability - ending (a)	\$ 1,891,072	\$ 1,838,004	\$ 1,666,777	\$ 1,801,868
Plan fiduciary net position				
Contributions-employer	\$ 79,441	\$ 74,805	\$ 68,621	\$ 72,444
Contributions-employee	—	—	—	—
Net investment income	—	—	—	—
Benefit payments including refunds of member contribution	(79,441)	(74,805)	(68,621)	(72,444)
Administrative expenses	—	—	—	—
Other	—	—	—	—
Net change in plan fiduciary net position	—	—	—	—
Plan fiduciary net position - beginning	—	—	—	—
Plan fiduciary net position - ending (b)	\$ —	\$ —	\$ —	\$ —
Net OPEB liability - ending (a)-(b)	\$ 1,891,072	\$ 1,838,004	\$ 1,666,777	\$ 1,801,868
Covered employee payroll***	\$ 1,812,380	\$ 1,748,994	\$ 1,711,607	\$ 1,723,556
Net OPEB liability as a percentage of covered employee payroll	104.34 %	105.09 %	97.38 %	104.54 %

* Contribution Increases

** Cadillac tax & Subsidy

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

Notes:

(1) Beginning with fiscal year 2018, the City will accumulate ten years of data.

(2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

2020	2019	2018
\$ 12,215	\$ 3,398	\$ 3,954
16,357	14,760	15,049
(82,923) *	(10) **	—
(6,712)	19,330	(35,640)
1,261,663	253,605	(9,990)
(56,528)	(51,717)	(49,972)
—	—	—
1,144,072	239,366	(76,599)
625,224	385,858	462,457
\$ 1,769,296	\$ 625,224	\$ 385,858
\$ 56,528	\$ 51,717	\$ 49,972
—	—	—
—	—	—
(56,528)	(51,717)	(49,972)
—	—	—
—	—	—
—	—	—
\$ —	\$ —	\$ —
\$ 1,769,296	\$ 625,224	\$ 385,858
\$ 1,657,041	\$ 1,631,705	\$ 182,222
106.77 %	38.32 %	211.75 %

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Seven Years (dollars are in thousands)

Non-CBA Benefits:	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 13,342	\$ 12,533	\$ 15,266	\$ 15,049
Interest	6,383	6,483	3,475	3,696
Benefit changes	—	—	—	—
Differences between expected and actual experience	(3,197)	(4,820)	7,810	2,717
Assumption changes	(1,470)	11,313	(37,848)	1,177
Benefit payments including refunds	(16,174)	(16,375)	(18,590)	(18,534)
OPEB plan administrative expense	—	—	—	—
Net change in total OPEB liability	(1,116)	9,134	(29,887)	4,105
Total OPEB liability - beginning	177,396	168,262	198,149	194,044
Total OPEB liability - ending (a)	\$ 176,280	\$ 177,396	\$ 168,262	\$ 198,149
Plan fiduciary net position				
Contributions-employer	\$ 16,174	\$ 16,375	\$ 18,590	\$ 18,534
Contributions-employee	—	—	—	—
Net investment income	—	—	—	—
Benefit payments including refunds of member contribution	(16,174)	(16,375)	(18,590)	(18,534)
Administrative expenses	—	—	—	—
Other	—	—	—	—
Net change in plan fiduciary net position	—	—	—	—
Plan fiduciary net position - beginning	—	—	—	—
Plan fiduciary net position - ending (b)	\$ —	\$ —	\$ —	\$ —
Net OPEB liability - ending (a)-(b)	\$ 176,280	\$ 177,396	\$ 168,262	\$ 198,149
Covered employee payroll**	\$ 1,454,011	\$ 1,362,905	\$ 1,207,229	\$ 1,162,829
Net OPEB liability as a percentage of covered employee payroll	12.12 %	13.02 %	13.94 %	17.04 %

* Cadillac tax & Subsidy

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

Notes:

(1) Beginning with fiscal year 2018, the City will accumulate ten years of data.

(2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

2020	2019	2018
\$ 12,697	\$ 14,904	\$ 10,673
5,331	11,869	9,411
—	(106,959) *	—
(11,185)	24,481	(7,490)
1,597	(20,946)	22,922
(17,959)	(18,560)	(20,606)
—	—	—
(9,519)	(95,211)	14,910
203,563	298,774	283,864
\$ 194,044	\$ 203,563	\$ 298,774
\$ 17,959	\$ 18,560	\$ 20,606
—	—	—
—	—	—
(17,959)	(18,560)	(20,606)
—	—	—
—	—	—
—	—	—
—	—	—
\$ —	\$ —	\$ —
\$ 194,044	\$ 203,563	\$ 298,774
\$ 1,161,573	\$ 1,153,439	\$ 2,580,360
16.71 %	17.65 %	11.58 %

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF CHICAGO, ILLINOIS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND (BUDGETARY BASIS)
Year Ended December 31, 2024
(Dollars are in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance
Revenues:				
Utility Tax	\$ 407,254	\$ 407,254	\$ 388,895	\$ (18,359)
Sales Tax	96,052	96,052	103,831	7,779
Transportation Tax	403,064	403,064	413,037	9,973
Transaction Tax	795,699	795,699	853,135	57,436
Recreation Tax	344,272	344,272	356,325	12,053
Other Taxes	184,334	184,334	184,003	(331)
State Income Tax	872,105	872,105	707,348	(164,757)
Federal/State Grants	2,000	2,000	1,143	(857)
Internal Service	528,020	528,020	334,841	(193,179)
Licenses and Permits	115,302	115,302	115,928	626
Fines	347,876	347,876	315,770	(32,106)
Investment Income *	3,500	3,500	83,806	80,306
Charges for Services	509,075	509,075	480,131	(28,944)
Miscellaneous	201,833	201,833	161,369	(40,464)
Issuance of Debt, Net of Original Discount	—	—	—	—
Budgeted Prior Years' Surplus and Reappropriations	414,310	484,310	484,310	—
Transfers In	580,701	580,701	512,778	(67,923)
Total Revenues	<u>5,805,397</u>	<u>5,875,397</u>	<u>5,496,650</u>	<u>(378,747)</u>
Expenditures:				
Current:				
General Government	2,834,156	2,904,156	2,505,491	398,665
Health	78,605	78,605	63,684	14,921
Public Safety	2,564,032	2,564,032	2,770,788	(206,756)
Streets and Sanitation	277,370	277,370	271,292	6,078
Transportation	49,822	49,822	46,663	3,159
Debt Service:				
Principal Retirement	—	—	—	—
Interest and Other Fiscal Charges	1,412	1,412	351	1,061
Total Expenditures	<u>5,805,397</u>	<u>5,875,397</u>	<u>5,658,269</u>	<u>217,128</u>
Revenues (Under) Over Expenditures	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (161,619)</u>	<u>\$ (161,619)</u>

See notes to basic financial statements.

* Investment income reflects fair market value adjustment on investments at December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF CHICAGO, ILLINOIS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PENSION FUND (BUDGETARY BASIS)
Year Ended December 31, 2024
(Dollars are in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:				
Property Taxes	\$ 1,411,863	\$ 1,411,863	\$ 1,438,663	\$ 26,800
Investment Income	—	—	2,828	2,828
Other Revenue	266,713	266,713	266,713	—
Transfers In	1,128,479	1,128,479	1,108,534	(19,945)
Total Revenues	<u>2,807,055</u>	<u>2,807,055</u>	<u>2,816,738</u>	<u>9,683</u>
Expenditures:				
Current:				
City Contribution to - Municipal Employees' Annuity and Benefit Fund	1,127,819	1,127,819	1,130,009	(2,190)
City Contribution to - Laborers' and Retirement Board Employees' Annuity and Benefit Fund	149,931	149,931	150,630	(699)
City Contribution to - Policemen's Annuity and Benefit Fund	1,041,471	1,041,471	1,026,660	14,811
City Contribution to - Firemen's Annuity and Benefit Fund	487,834	487,834	482,388	5,446
Total Expenditures	<u>2,807,055</u>	<u>2,807,055</u>	<u>2,789,687</u>	<u>17,368</u>
Revenues Over Expenditures	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 27,051 *</u>	<u>\$ 27,051 *</u>

See notes to basic financial statements.

* In 2024, current property tax collections from prior tax levy years that were recorded as revenues within the Pension Fund for GAAP and budgetary purposes were transferred to the General Fund for assignment as future pension contributions.

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF CHICAGO, ILLINOIS
RECONCILIATION OF GAAP BASIS TO BUDGETARY BASIS
Year Ended December 31, 2024
(Dollars are in thousands)

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 budgetary purposes, grant reimbursements to other funds are counted as revenues and not netted against expenditures. For GAAP purposes, proceeds of long-term debt and transfers out are treated as other financing sources. For GAAP purposes, in-kind contributions and expenditures related to in-kind contributions are recorded as revenues and expenditures. 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, 2024 is as follows (dollars in thousands):

	Fund (See Exhibit 4)	
	General	Pension
Revenues, GAAP Basis	\$ 4,506,205	\$ 1,708,204
Add:		
Transfers In	512,778	1,108,534
Net Effect of Revenue Reclassification for Lease Transactions	(323)	—
Prior Year's Surplus Utilized	484,310	—
Deduct:		
In-Kind Contribution Receipts	(6,320)	—
Revenues, Budgetary Basis	<u>\$ 5,496,650</u>	<u>\$ 2,816,738</u>
Expenditures, GAAP Basis	\$ 4,848,802	\$ 2,789,687
Add:		
Transfers Out	852,931	—
Encumbered in 2024	40,022	—
Deduct:		
In-Kind Contribution Usage	(3,331)	—
Payments on Prior Years' Encumbrances	(66,428)	—
Provision for Doubtful Accounts and Other	(13,727)	—
Expenditures, Budgetary Basis	<u>\$ 5,658,269</u>	<u>\$ 2,789,687</u>

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

To the Honorable Brandon Johnson, Mayor
and Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the City's Pension Trust Funds (the "Trust Funds"), as described in our report on the City's financial statements. The financial statements of the Sales Tax Securitization Corporation and the Trust Funds were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Sales Tax Securitization Corporation and Trust Funds or that are reported on separately by those auditors who audited the financial statements of the Trust Funds.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies

may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Deloitte & Touche LLP

June 30, 2025

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2024

1. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Finding 2024-01: Material Weakness in Internal Controls over Financial Reporting

Criteria

The City of Chicago is required to prepare financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). To do so, the City should maintain sufficient accounting personnel proficient in Governmental Accounting Standards Board (GASB) standards supported by effective accounting and financial reporting technologies.

Condition

Due to the size and diversity of the City's operations, the financial accounting and reporting requirements are very complex. In addition to the traditional governmental services, the City also owns and operates large enterprise operations, primarily a water and wastewater utility and two international airports. Department of Finance staff are required to possess specific accounting expertise to fulfill the increased accounting and reporting requirements brought about by GASB. The Department of Finance is not currently adequately staffed, thereby creating competing demands on their time and limiting their ability to prepare complete financial statements accurately and timely in accordance with GAAP. Specifically, the positions of the Managing Deputy Comptroller and the Enterprise Director of Financial Reporting remain unfilled. In addition, the current financial reporting system structure is decentralized and requires a significant amount of manual processes to compile the financial statements.

Cause

The City has been unable to hire and retain a sufficient number of qualified accounting personnel during critical financial reporting periods. This staffing shortfall has limited the Department's capacity to complete supporting schedules and thoroughly review the financial statements on a timely basis.

Effect

The lack of sufficient levels of accounting personnel resulted in the lack of a precise review of the financial statements and supporting schedules that resulted in the following current year material misstatements:

- Current year material misstatement of accounts receivable and miscellaneous revenue within the Non-Major Special Revenue Fund Governmental Funds Financial Statements and the Government-Wide Governmental Activities Financial Statements
- Current year material misstatement of due from other governments and deferred inflows within the Federal, State and Local Grants Fund Governmental Funds Financial Statements;

and due from other governments and general government program revenues, operating grants and contributions within the Governmental Activities Statement of Activities

- Current year material classification misstatements of net position within the O'Hare Airport Fund and the Sewer Fund

Recommendation

The City should evaluate the current state of both technology and personnel in its accounting and finance organization, identify needs, and execute necessary steps to remediate needs identified.

The City also should ensure that technically proficient staff are recruited and retained to fill key vacancies. Succession planning should be established to maintain continuity of expertise.

Additionally, the City should assess its current financial reporting processes and identify opportunities for strategic technology implementation to automate manual tasks and enhance the efficiency and accuracy of financial reporting.



DEPARTMENT OF FINANCE
CITY OF CHICAGO

July 16, 2025

**Response to Findings Related to the Basic Financial Statements in Accordance with
Government Auditing Standards**

The City of Chicago acknowledges Finding 2024-01 as reported by Deloitte through its audit of the City's financial statements for the fiscal year ended 2024. Management accepts the associated recommendations and has taken steps to address the underlying causes of the identified material weaknesses in internal controls over financial reporting.

As of July 2025, the City Comptroller and the Deputy Director for Finance and Administration have intensified recruitment efforts, particularly for the critical leadership role of *Managing Deputy Comptroller* for the Accounting and Financial Reporting Bureau within the Department of Finance — a position that has remained vacant for the past three fiscal years. This senior-level role is expected to provide strategic oversight and strengthen the City's external financial reporting processes. The role will directly supervise and coordinate the activities of the Department of Finance's three core external reporting divisions: General Accounting, Enterprise Accounting, and Grant and Project Accounting.

To attract high-caliber candidates, the City has been actively recruiting through multiple reputable finance and accounting networks, including but not limited to: the Government Finance Officers Association (GFOA), Illinois Government Finance Officers Association (IGFOA), Association of Government Accountants (AGA), as well as university alumni associations and professional networks affiliated with major public accounting firms.

The City has successfully implemented Workiva — its pioneer cloud-based automated external reporting platform — for the Citywide Annual Comprehensive Financial Report (ACFR). Further refinement and configuration of this platform are being done to fully support the reporting needs of the City's major proprietary funds, namely the O'Hare International Airport, Midway International Airport, Water, and Sewer funds. Concurrently, management is actively evaluating integration opportunities with the City's upcoming enterprise resource planning (ERP) system to support continuous improvement in the timeliness, transparency, and accuracy of financial reporting.

In response to uncollectible accounts receivable found in the ledger as issued by the Department of Planning and Development and the Department of Housing (relating primarily to building permit invoices), the

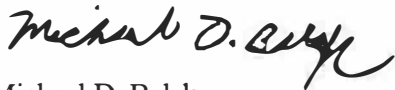
Department of Finance will initiate a coordinated effort to analyze historical collection trends and implement receivables aging schedules. This process will support the timely and accurate estimation and recording of required bad debt allowances in accordance with applicable accounting standards.

Although a potential duplication of due from other governments and deferred inflows was identified in the Federal, State, and Local Grants governmental fund, as well as a corresponding potential program revenues misstatement in the government-wide financials, these discrepancies were corrected during the audit process and did not impact the final audited financial statements. Management recognizes that these issues were the result of manual error and anticipates resolution through strengthened oversight by the incoming Managing Deputy Comptroller.

Further, this additional layer of leadership will ensure that all balances — including net positions across all primary government reporting entities — are properly reconciled and supported by precise documentation, and that amounts are accurately reflected at the consolidated reporting level.

All related corrective action plans are being led by myself as City Comptroller. If you have any questions, please feel free to contact me at (312) 744-2887 or at Michael.Belsky@cityofchicago.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Belsky".

Michael D. Belsky
City Comptroller

City of Chicago | Department of Finance
121 N LaSalle Street, Room 700
Chicago, Illinois 60602

CITY OF CHICAGO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

Finding 2023-01 has not been remediated and is repeated as Finding 2024-01 for the year ended December 31, 2024.

CITY OF CHICAGO

Chicago, Illinois

REPORT ON FEDERAL AWARDS

For the Year Ended December 31, 2024

CITY OF CHICAGO

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Independent Auditors' Report on Schedule of Expenditures of Federal Awards

To the Honorable Brandon Johnson, Mayor,
and the Members of the City Council of
City of Chicago, Illinois

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the schedule of expenditures of federal awards (the Schedule) of the City of Chicago (the City), for the year ended December 31, 2024, and the related notes.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of federal awards of the City for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

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

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS, and *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Chicago, Illinois
July 23, 2025

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency / Program / Grant Title or Cluster Title		Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
I. Department of Agriculture						
A. Food and Nutrition Service						
Child Nutrition Cluster						
Summer Food Service Program for Children (passed through Illinois State Board of Education)						
Summer Food Program 2019	10.559	IL058N1099		\$ 12,063	\$ -	\$ -
Summer Food and Adult & Child Care	10.559	3000MY20841		46,129	-	-
Summer Food and Adult & Child Care	10.559	3000MY20841		39,200	-	-
				97,392	-	-
Total Child Nutrition Cluster				97,392	-	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children (passed through Illinois Department of Human Services)						
Women, Infants and Children Program 2022	10.557	FCSBQ00825		(430)	-	-
Women, Infants and Children Program 2023	10.557	FCSCQ00825		2,026,985	-	810,083
Women, Infants and Children Program 2024	10.557	FCSDQ00825		2,030,029	-	695,631
				4,056,584	-	1,505,714
Child and Adult Care Food Program (passed through Illinois State Board of Education)						
Child and Adult Care Food Program	10.558	IL058N1099		4,485	-	-
Child and Adult Care Food Program	10.558	3000MY20841		38,178	-	-
				42,663	-	-
Total Food and Nutrition Service				4,196,639	-	1,505,714
B. Animal And Plant Health Inspection Service						
Plant and Animal Disease, Pest Control, and Animal Care O'Hare Inspection Station Upgrade						
	10.025	AP22PPQFO000G002		194,932	-	-
				194,932	-	-
Total Animal And Plant Health Inspection Service				194,932	-	-
C. Agricultural Marketing Service						
Farmers Market and Local Food Promotion Program Farmers Markets						
	10.175	FMPPIL1092		8,333	-	-
				8,333	-	-
Total Agricultural Marketing Service				8,333	-	-
Total Department of Agriculture				4,399,904	-	1,505,714
II. Department of Commerce						
A. Economic Development Administration						
Economic Development Cluster						
Economic Adjustment Assistance (passed through Illinois Department of Commerce and Economic Opportunity)						
COVID-19 Tourism Marketing 2023	11.307	22-611043		11,930	-	-
				11,930	-	-
Total Economic Development Cluster				11,930	-	-
Total Department of Commerce				11,930	-	-
III. Department of Housing and Urban Development						
A. Assistant Secretary for Community Planning and Development						
CDBG - Entitlement/Special Purpose Grants Cluster						
Community Development Block Grants/Entitlement Grants						
Community Development Block Grant YR45	14.218	B19MC170006		398,815	-	398,815
Community Development Block Grant YR46	14.218	B20MC170006		146,150	-	146,150
Community Development Block Grant YR47	14.218	B21MC170006		3,047,018	-	-
Community Development Block Grant YR48	14.218	B22MC170006		8,179,366	-	571,499
Community Development Block Grant YR49	14.218	B23MC170006		1,959,012	-	545,182
Community Development Block Grant YR49	14.218	B23MC170006		(2,662,834)	-	-
Community Development Block Grant YR50	14.218	B24MC170006		65,409,671	-	35,480,178
Community Development Block Grant YR50	14.218	B24MC170006		14,203,881	-	-
Neighborhood Stabilization Program (NSP1) HERA 2009	14.218	B08MN170002		13,968	-	-
COVID-19 Community Development Block Grant CARES Act (CDBG-CV)	14.218	B20MW170006		(1,259)	-	(1,259)
COVID-19 Community Development Block Grant CARES Act (CDBG-CV)	14.218	B20MW170006		1,040,759	-	1,031,575
				91,734,547	-	38,172,140
Total CDBG - Entitlement/Special Purpose Grants Cluster				91,734,547	-	38,172,140

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
Emergency Solutions Grant Program					
Emergency Solutions Grant 2022	14.231	E22-MC-17-0006	\$ 111,783	\$ -	-
Emergency Solutions Grant 2023	14.231	E23-MC-17-0006	222,125	-	6,304
Emergency Solutions Grant 2024	14.231	E24-MC-17-0006	5,994,065	-	5,994,065
COVID-19 Emergency Solutions Grant 2020 - CARES ACT	14.231	E-20-MW-17-0006	661,126	-	597,585
			6,989,099	-	6,597,954
Home Investment Partnerships Program					
HOME 2018	14.239	M18-MC170201	84,946	-	-
HOME 2019	14.239	M19-MC170201	1,876,706	-	-
HOME 2020	14.239	M20-MC170201	5,320,930	-	-
HOME 2021	14.239	M21-MC170201	12,203,372	-	-
HOME 2021	14.239	M20-MC170201	7,875,036	-	-
HOME 2022	14.239	M22-MC170201	7,673,535	-	-
HOME 2023	14.239	M23-MC170201	3,393,094	-	(710)
HOME 2024	14.239	M24-MC170201	2,809,065	-	292,733
COVID-19 Home Investment Partnership - ARP	14.239	M21-MP170201	150,409	-	-
			41,387,093	-	292,023
Housing Opportunities for Persons with AIDS					
HOPWA 2022/2024	14.241	ILH22F001	212,027	-	212,027
HOPWA 2023/2025	14.241	ILH23F001	1,462,140	-	1,462,140
HOPWA 2024/2026	14.241	ILH24F001	10,000,104	-	9,641,173
HOPWA Housing & Healthy Study 2022/2024	14.241	IL-H210008	499,353	-	484,426
			12,173,624	-	11,799,766
ARRA - Neighborhood Stabilization Program (Recovery Act Funded)					
ARRA Neighborhood Stabilization Program (NSP II) 2010	14.256	B09LNIL0025	23,198	-	-
			23,198	-	-
Neighborhood Stabilization Program					
Neighborhood Stabilization Program (NSP III) 2011	14.264	B11MN170002	3,874	-	-
			3,874	-	-
Total Assistant Secretary for Community Planning and Development			152,311,435	-	56,861,883
B. Assistance Secretary for Public and Indian Housing					
Moving to Work Demonstration Program					
(passed through Chicago Housing Authority)					
CHA Home Modification 2024/2029	14.881	13142	234,024	-	234,024
CHA Family Supportive Services 2023/2024	14.881	12891	1,125,216	-	743,346
			1,359,240	-	977,370
Total Assistance Secretary of Public and Indian Housing			1,359,240	-	977,370
C. Office of Lead Hazard Control and Healthy Homes					
Lead Hazard Reduction Demonstration Grant Program					
Lead Hazard Reduction Demonstration Grant Program 2022	14.905	ILLHD0491-22	2,472,610	-	2,472,610
(passed through Cook County)					
Lead Based Paint Hazard Control 2022	14.905	H22-25-022	288,733	-	282,406
			2,761,343	-	2,755,016
Total Office of Lead Hazard Control and Healthy Homes			2,761,343	-	2,755,016
Total Department of Housing and Urban Development			156,432,018	-	60,594,269
IV. Department of Justice					
A. Office of Justice Programs					
Services for Trafficking Victims					
Housing Assist For Victims of Human Trafficking 2020/2023	16.320	2020VTBX0053	4,342	-	4,342
			4,342	-	4,342
Juvenile Justice and Delinquency Prevention					
Reducing Risk for Girls 2021/2024	16.540	15PJDP21GG03	76,838	-	73,693
			76,838	-	73,693
Crime Victim Assistance					
(passed through Illinois Criminal Justice Information Authority)					
Services to Victims of Domestic Violence Help Line 2023/2024	16.575	219115	257,600	-	257,600
			257,600	-	257,600

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
Edward Byrne Memorial Justice Assistance Grant Program					
Edward Byrne Memorial Justice Assistance 2019	16.738	2019-DJ-BX-0682	\$ 403,174	\$ -	-
Edward Byrne Memorial Justice Assistance 2020	16.738	2020-DJ-BX-0446	337,548	-	-
Edward Byrne Memorial Justice Assistance 2021	16.738	15PBJA-21-GG-01455-JAGX	496,256	-	-
Edward Byrne Memorial Justice Assistance 2022	16.738	15PBJA-22-GG-02106-JAGX	426,020	-	-
Local Law Enforcement Crime Gund - 2022	16.738	15PBJA-22-GG-01761-JAGP	2,657	-	-
Operation Legend 2020	16.738	2020-MU-BX-0908	957,838	-	-
Presidential Nominating Conventions	16.738	15PBJA-24-GG-00028-PNCX	64,636,114	-	-
			67,259,607	-	-
Congressionally Recommended Awards					
Disabled Survivors of Gun & Community Violence	16.753	15POVIC-23GG	100,999	-	-
			100,999	-	-
Criminal and Juvenile Justice and Mental Health Collaboration Program					
Connect and Protect - 2021	16.745	15PBJA-21-GG-04315-MENT	209,609	-	-
			209,609	-	-
National Sexual Assault Kit Initiative					
Sexual Assault Kit Initiative - 2020	16.833	2020AKBX0026	195,703	-	-
			195,703	-	-
Total Office of Justice Programs			68,104,698	-	335,635
B. Office on Violence Against Women (OVW)					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program					
Improving Criminal Justice Response to Domestic Violence - 2020/2023	16.590	2020WEAX0005	191	-	-
			191	-	-
Total Office on Violence Against Women Office (OVW)			191	-	-
C. Office of Community Oriented Policing Services					
Public Safety Partnership and Community Policing Grants					
Cops Hiring Program - 2022-2027	16.710	15JCOPS-21-GG-03416-UHPX	3,406,019	-	-
Law Enforcement Mental Health & Wellness ACT - 2021-2023	16.710	15JCOPS-21-GG-02179-SLEM	24,556	-	-
			3,430,575	-	-
Total Office of Community Oriented Policing Services			3,430,575	-	-
D. Criminal Division					
Equitable Sharing Program					
Asset Forfeiture Program	16.922	N/A	472,902	-	-
			472,902	-	-
Total Criminal Division			472,902	-	-
Total Department of Justice			72,008,366	-	335,635
V. Department of Transportation					
A. Federal Aviation Administration					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs					
		3-17-0025-105, 24-2371-18256, 3-17-0025-104, 3-17-0025-103	9,402,038	-	-
Federal Airport Midway Field Development	20.106				
		3-17-0022-192-2023, 3-17-0022-194-2024, 24-2371-18256, 3-17-0022-189	35,306,988	-	-
Federal Airport O'Hare Field Development	20.106		44,709,026	-	-
Total Federal Aviation Administration			44,709,026	-	-
B. Federal Highway Administration					
Highway Planning and Construction					
(passed through Illinois Department of Transportation)					
Create Program Support Services	20.205	1439-22556	57,699	-	-
Railroad Related Support Services	20.205	1439-22552	180,298	-	-
Transportation Planning and Programming	20.205	C-21-0015	27,580	-	-
Grand Avenue Improvements, Chicago to Damen	20.205	D-88-031-12	(1,554)	(389)	-
Lakefront Bicycle Trail - Navy Pier Flyover	20.205	C-88-001-01	(5,205)	(2,231)	-
UWP Core Grant (3-C Transportation Activities)	20.205	C-24-0014	558,234	-	-
Cermak Road at Kenton Avenue Vertical Clearance Improvements	20.205	C-88-006-20	1,799,708	-	-
Chicago Avenue, Latrobe Avenue to Kedzie Avenue	20.205	P-88-001-18	2,323	-	-
Pedestrian Countdown Signals (Various Locations)	20.205	C-88-002-17	250,707	-	-
PIN & LINK Assembly Expansion Joint Retrofits #2	20.205	C-88-010-14	235,500	-	-
Lake Front Bicycle Trail #2 (Navy Pier Flyover)	20.205	C-88-011-13	234,118	-	-
PIN & LINK Number 4 at Various Locations	20.205	C-88-005-20	8,637,788	-	-
Chicago River Edge Access Study	20.205	20-1439-17285	143,850	-	-

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North Grant Park - Streeterville Transportation Demand Study	20.205	C-20-0015	\$ 61,025	\$ -	\$ -
UWP Core Grant	20.205	C-25-0015	266,497	-	-
130th Street/Torrence Avenue/Brainard Avenue Main Contract	20.205	C-88-025-04	-	344,328	-
Van Buren Street Bridge Over Main Branch of Chicago River	20.205	P-88-039-12	(7,445)	(1,861)	-
Street for Cycling Project #1	20.205	C-88-011-14	84	-	-
Street for Cycling Phase V-1	20.205	P-88-011-17	(3,206)	-	-
Lake Front Bicycle Trail #2 (Navy Pier Flyover)	20.205	C-88-011-13	(215,954)	-	-
Highway Safety Improvement Program	20.205	C-88-031-14	180,612	-	-
Create Program & Railroad Support Service	20.205	C-18-0015	546	-	-
Oakwood Blvd. Viaduct Over Metra/ICRR - STP	20.205	C-88-027-13	(109,210)	-	-
Lakefront Bicycle Trail #3 (Navy Pier Flyover) Over the Chicago River (ST	20.205	C-88-004-17	108,269	-	-
Montrose Harbor Bridges and Underpass Improvement	20.205	D-88-021-11	8,932	2,233	-
Weber Spur Trail (Phase I & II)	20.205	P-88-006-10	41,328	10,332	-
Adams Street Viaduct Over Union Stations & Adams Basule Rehab	20.205	C-88-002-14	-	176,128	-
Columbia Drive Bridge Over Jackson Park Lagoon	20.205	P-88-002-15	108,966	27,241	-
Roosevelt Rd. From Western Ave. to LSD	20.205	C-88-009-19	(933)	-	-
Stony Island Avenue Interconnect - Midway Plaisance to 95th Street	20.205	C-88-062-06	1,569,159	-	-
Chicago Traffic Advisory System	20.205	C-88-010-19	(161,431)	-	-
Enhanced Travel Information and Arterial Monitoring Systems - Midway					
Airport Area	20.205	C-88-059-06	(57,461)	-	-
Streets for Cycling - Phase VI: Belmont Cragin (Design)	20.205	P-88-012-17	188,847	-	-
Streets for Cycling - Phase VII (Program Management)	20.205	STN-5-702	1,278,758	-	-
Bridge Inspection Services 2022-2023	20.205	BI88-001-18	4,326,056	-	-
Walk to Transit: Series I & II	20.205	C-88-014-10	39,357	-	-
Chicago Streets for Cycling PH IV - Project 1A	20.205	C-88-017-15	(658)	-	-
Broadway/Sheridan Road Interconnect: Devon Ave. To Hollywood Ave.	20.205	C-88-049-12	42,611	-	-
Arterial Street Resurfacing Project 83 - North Area	20.205	C-88-005-18	(739,707)	-	-
Arterial Street Resurfacing Project 84 - Central Area	20.205	C-88-007-18	170,479	-	-
Pavement Preservation and Roadside Safety Appurtenances	20.205	S-88-001-20	27,125	-	-
Arterial Street Resurfacing Project 91 - North	20.205	C-88-009-20	39,597	-	-
Arterial Street Resurfacing Project 93 - South	20.205	C-88-011-20	14,268	-	-
Arterial Street Resurfacing Project 94 - Far South	20.205	C-88-012-20	(918,839)	-	-
Traffic Signal Modernization Number 1	20.205	P-88-003-20	194,328	-	-
31st Street & 43rd Street Bridge Over Metra & IC(CN) Railroad	20.205	C-88-002-18	2,766,196	-	-
Lincoln Village Pedestrian and Bicycle Bridge Over North Shore Channel					
at Hood Avenue	20.205	C-88-009-14	(27,420)	-	-
Blue Island Streetscape Improvement Project, West 19th Street - West					
21st Street	20.205	C-88-001-18	(27)	-	-
Lincoln Ashland Belmont Streetscape, Section 2	20.205	C-88-004-20	739,972	-	-
71st Street Streetscape/South Shore Drive to Jeffrey Blvd. - Phase II					
(Median)	20.205	C-88-008-19	(84,884)	-	-
43rd Street Bicycle Pedestrian Bridge - ITEP	20.205	C-88-006-16	4,534	-	-
ADA Ramp Improvement Project No. 56 & 60 (Central)	20.205	C-88-016-16	13,009	-	-
Montrose Harbor Bridges and Underpass Improvement	20.205	C-88-009-21	4,719,444	-	-
Chicago Congestion Pricing and Mobility Study	20.205	19-1439-10849	56,377	-	-
Complex Intersections Framework Plan	20.205	19-1439-9531	232,064	-	-
Southwest Industrial Corridor Transportation Study (SWICTS)	20.205	20-1439-17313	12,193	-	-
Economic Benefits of Create	20.205	20-1439-16352	58,986	-	-
South Branch Parks Access Study	20.205	1439-18255	(21,519)	-	-
43rd Street Bicycle Pedestrian Bridge - TAP	20.205	C-88-006-16	140,541	-	-
North Avenue Viaduct Vertical Clearance Improvement/Ashland Ave. To					
Elston Ave.	20.205	P-88-002-19	1,563	-	-
43rd Street Bicycle Pedestrian Bridge - STP	20.205	C-88-006-16	(107,919)	-	-
Milwaukee Avenue - Belmont to Logan	20.205	C-88-001-21	11,869,538	-	-
Arterial Street Resurfacing Project #79	20.205	C-88-018-17	(748)	-	-
Arterial Street Resurfacing Project #80	20.205	C-88-020-17	(11,715)	-	-
Arterial Street Resurfacing Project #86	20.205	C-88-004-18	(358)	-	-
Arterial Street Resurfacing Project #88	20.205	C-88-005-19	(31,128)	-	-
Arterial Street Resurfacing Project #95	20.205	C-88-005-21	4,787,365	-	-
Arterial Street Resurfacing Project #96	20.205	C-88-006-21	4,523,520	-	-
Arterial Street Resurfacing Project #97	20.205	C-88-007-21	8,174,505	-	-
Arterial Street Resurfacing Project #98	20.205	C-88-008-21	6,845,096	-	-
Canal Street Viaduct - From Madison Street to Adams Street	20.205	C-88-002-19	2,552,358	-	-
Columbus Avenue From Kedzie Avenue to Western Avenue	20.205	D-88-001-20	57,530	-	-
Cicero Avenue Bascula Bridge - Sanitary and Ship Canal Rehabilitation	20.205	P-88-005-16	67,192	-	-
			65,909,311	555,781	-
Total Federal Highway Administration			65,909,311	555,781	-
C. Federal Transit Administration					
Federal Transit Cluster					
Federal Transit Capital Investment Grants					
Equitable Transit Oriented Development (ETOD)	20.500	IL-2023-011-00	606,840	-	-
			606,840	-	-
Total Federal Transit Cluster			606,840	-	-

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Transit Services Programs Cluster					
New Freedom Program					
Accessible Pedestrian Signals (APS) in the Central Loop	20.521	IL-57-X025-XX	\$ 1,124	\$ -	\$ -
			1,124	-	-
Total Federal Transit Cluster			1,124	-	-
Total Federal Transit Administration			607,964	-	-
D. National Highway Traffic Safety Administration					
Highway Safety Cluster					
State and Community Highway Safety					
(passed through Illinois Department of Transportation)					
Injury Prevention (Pedestrian and Bicycle Safety Initiative) FY23-24	20.600	HS-24-0220	642,003	-	-
Sustained Traffic Enforcement Program 2023	20.600	HS-24-021	336,171	-	-
			978,174	-	-
National Priority Safety Programs					
(passed through Illinois Department of Transportation)					
Injury Prevention (Pedestrian and Bicycle Safety Initiative)	20.616	HS-21-0255	(757,138)	-	-
Non-Enforcement Impaired Driving Prevention Training	20.616	HS-24-0253	62,439	-	-
			(694,699)	-	-
Total Highway Safety Cluster			283,475	-	-
Total National Highway Traffic Safety Administration			283,475	-	-
E. Pipeline and Hazardous Materials Safety Administration					
Interagency Hazardous Materials Public Sector Training and Planning Grants					
(passed through Illinois Department of Transportation)					
Hazardous Materials Emergency Preparedness - 2022	20.703	22CHGOHME	8,280	-	-
			8,280	-	-
Total Pipeline and Hazardous Materials Safety Administration			8,280	-	-
Total Department of Transportation			111,518,056	555,781	-
VI. Department of the Treasury					
A. Departmental Offices					
COVID-19 Emergency Rental Assistance Program					
COVID-19 Emergency Rental Assistance Program	21.023	N/A	6,988,162	-	3,502,585
(passed through Illinois Department of Human Services)					
COVID-19 Court Based Rental Assistance Program	21.023	FCSBH06503	(5,700)	-	-
			6,982,462	-	3,502,585
COVID-19 Coronavirus State and Local Fiscal Recovery Funds					
COVID-19 ARP Local Fiscal Recovery Fund	21.027	N/A	168,839,209	-	134,836,990
(passed through Emergency and Transitional Housing Program)					
COVID-19 Taste of Chicago Marketing Tourism	21.027	21-411085	9	-	-
			168,839,218	-	134,836,990
Total Department of the Treasury			175,821,680	-	138,339,575
VII. National Endowment for the Arts					
Promotion of the Arts Grants to Organizations and Individuals					
NEA Artworks - 2023/2024	45.024	1911371-62-2	12,108	-	-
NEA Artworks - 2023/2024	45.024	19138174243	51,000	-	-
			63,108	-	-
Promotion of the Arts Partnership Agreements					
(passed through Illinois Arts Council)					
IAC - Community Arts Access Program (CAAP) - 2023/2024	45.025	2024-0037696	140,200	-	-
			140,200	-	-
Total National Endowment for the Arts			203,308	-	-
VIII. Environmental Protection Agency					
A. Congressionally Mandated Projects					
Congressionally Mandated Projects					
Daycare Lead Service Line Replacement FY24/25	66.202	CG00E037640	83,809	-	-
			83,809	-	-
Total Congressionally Mandated Projects			83,809	-	-

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B. Office of Water					
Clean Water State Revolving Fund (passed through Illinois Environmental Protection Agency)					
Sewer Lining	66.458	L175798, L175800, L176046	\$ 8,466,209	\$ -	-
			8,466,209	-	-
Drinking Water State Revolving Fund (passed through Illinois Environmental Protection Agency)					
Central Park Pumping Station Conversion	66.468	L173766, L175319, L175482, L175559, L175843	14,362,359	-	-
			14,362,359	-	-
Total Office of Water			22,828,568	-	-
C. Performance Partnership Grants					
Performance Partnership Grants (passed through Illinois Environmental Protection Agency)					
Air Pollution Control Program - 2023	66.605	44100183425	224,736	-	-
Air Pollution Control Program - 2024	66.605	44100183425	120,444	-	-
			345,180	-	-
Total Performance Partnership Grants			345,180	-	-
D. Office of Solid Waste and Emergency Response					
Superfund State, Political Subdivision and Indian Tribe Site-Specific Cooperative Agreements					
Anadarko Streeterville Removal	66.802	00E02452	396,767	-	-
			396,767	-	-
Total Office of Solid Waste and Emergency Response			396,767	-	-
E. Water Infrastructure Finance and Innovation (WIFIA)					
Water Infrastructure Finance and Innovation (WIFIA)					
Water Main and Lead Service Line Replacement Program Project	66.958	N20164IL	56,405,415	-	-
			56,405,415	-	-
Total Water Infrastructure Finance and Innovation (WIFIA)			56,405,415	-	-
Total Environmental Protection Agency			80,059,739	-	-
IX. Department of Energy					
A. Renewable Energy Research and Development					
Renewable Energy Research and Development					
Chicago Climate Action Plan Advanced Transportation Technologies Initiative	81.087	DEFG3605GO86	(291,098)	-	-
			(291,098)	-	-
Total Department of Energy			(291,098)	-	-
X. Department of Health and Human Services					
A. Administration for Community Living					
Aging Cluster					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (passed through Illinois Department on Aging)					
Area Aging Plan 2021/2023	93.044	T32212	16,718	-	-
Area Aging Plan 2022/2024	93.044	T32312	465,990	-	-
Area Aging Plan 2023/2025	93.044	T32412	1,906,212	-	713,331
Area Aging Plan 2024/2026	93.044	T32512	122,134	-	-
COVID-19 ARP Area Plan on Aging 2021/2024	93.044	ARPAT32112	1,669,276	-	1,380,515
			4,180,330	-	2,093,846
Special Programs for the Aging - Title III, Part C - Nutrition Services (passed through Illinois Department on Aging)					
Area Aging Plan 2018/2021	93.045	T31912	209,787	-	209,787
Area Aging Plan 2022/2024	93.045	T32312	3,823	-	-
Area Aging Plan 2023/2025	93.045	T32412	5,185,159	-	3,890,486
Area Aging Plan 2024/2026	93.045	T32512	2,108,415	-	879,965
COVID-19 ARP Area Aging Plan 2021/2024	93.045	ARPAT32112	2,317,648	-	2,220,862
			9,824,832	-	7,201,100

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Nutrition Services Incentive Program (passed through Illinois Department on Aging)					
Area Aging Plan 2023/2025	93.053	T32412	\$ 2,305,794	\$ -	\$ 2,305,794
Area Aging Plan 2024/2026	93.053	T32512	406,711	-	145,295
			2,712,505	-	2,451,089
Total Aging Cluster			16,717,667	-	11,746,035
Special Programs for the Aging, Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation (passed through Illinois Department on Aging)					
Area Aging Plan 2021/2023	93.041	T32212	22,920	-	-
Area Aging Plan 2023/2025	93.041	T32412	17,443	-	-
			40,363	-	-
Special Programs for the Aging - Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals (passed through Illinois Department on Aging)					
Area Aging Plan 2023/2025	93.042	T32412	61,954	-	-
Area Aging Plan 2024/2026	93.042	T32512	24,989	-	-
COVID-19 ARP Area Aging Plan 2021/2024	93.042	ARPAT32112	714	-	-
			87,657	-	-
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services (passed through Illinois Department on Aging)					
Area Aging Plan 2023/2025	93.043	T32412	198,277	-	198,277
COVID-19 ARP Area Plan on Aging 2021/2024	93.043	ARPAT32112	274,628	-	114,383
			472,905	-	312,660
National Family Caregiver Support, Title III, Part E (passed through Illinois Department on Aging)					
Area Aging Plan 2022/2024	93.052	T32312	46,388	-	-
Area Aging Plan 2023/2025	93.052	T32412	498,157	-	335,202
Area Aging Plan 2024/2026	93.052	T32512	92,610	-	-
COVID-19 ARP Area Plan on Aging 2021/2024	93.052	ARPAT32112	2,020,409	-	1,711,669
			2,657,564	-	2,046,871
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects Discretionary Projects and Programs (passed through AGE Options)					
Senior Medicare Patrol 2023/2024	93.048	90MPPG008401	31,500	-	31,500
Senior Medicare Patrol 2024/2025	93.048	90MPPG008401	36,000	-	26,000
			67,500	-	57,500
Medicare Enrollment Assistance Program (passed through Illinois Department on Aging) Medicare Improvements for Patients and Providers ACT (MIPPA) 2022/2023	93.071	MIPPA2212	122,445	-	-
			122,445	-	-
Elder Abuse Prevention Interventions Program (passed through AGE Options)					
COVID-19 American Rescue Plan RAA - APS 2022/2025	93.747	RAAC62312	159,912	-	-
COVID-19 Long Term Care OMB - LTCC - ARP 2022/2025	93.747	LTCC62312	21,180	-	-
			181,092	-	-
Total Administration for Community Living			20,347,193	-	14,163,066
B. Administration for Children and Families					
Community Services Block Grant (passed through Illinois Department of Commerce and Economic Opportunity)					
Community Services Block Grant 2022	93.569	22-231036	(21,480)	-	-
Community Services Block Grant 2023	93.569	23-231036	(30,677)	-	443
Community Services Block Grant 2024	93.569	24-231036	11,197,671	-	4,569,357
			11,145,514	-	4,569,800
CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (passed through Illinois Department of Human Services)					
Child Care Services 2023	93.596	FCSCI00434	-	5,386,682	-
Child Care Services 2024	93.596	FCSDI00434	688,658	5,724,461	688,658
			688,658	11,111,143	688,658
Total CCDF Cluster			688,658	11,111,143	688,658

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Head Start Cluster					
Head Start					
Early Headstart 2020/2021	93.600	05CH011895	\$ (669)	\$ -	\$ (669)
Early Headstart 2021/2022	93.600	05CH012050-02	400,986	-	(1,553)
Early Headstart 2021/2022	93.600	05CH012050-01	(27,009)	-	(27,009)
Base Headstart 2022/2023	93.600	05CH012050-03	(16,507)	-	(139,715)
Early Headstart 2023/2024	93.600	05CH012050-04	21,569,431	-	19,633,203
Early Headstart 2023/2024	93.600	05CH012050-04	26,371,665	-	23,509,460
Early Headstart 2024/2025	93.600	05CH012050-05	2,262,501	-	2,030,237
Early Headstart 2024/2025	93.600	05CH012050-05	3,565,870	-	1,696,002
Early Headstart Child Care Partnership 2021/2022	93.600	05HP000439-02	(2,376)	-	(2,376)
Early Headstart Child Care Partnership 2023/2024	93.600	05HP000439-04	13,397,495	-	11,491,159
Early Headstart Child Care Partnership 2022/2023	93.600	05HP000439-03	9,876	-	(274,939)
Early Headstart Child Care Partnership 2024/2025	93.600	05HP000439-05	1,849,379	-	755,806
Early Headstart Expansion 2023/2024	93.600	05HP000514-01	3,183,823	-	2,725,082
Early Headstart Expansion 2024/2025	93.600	05HP000514-02	533,311	-	237,165
			73,097,776	-	61,631,853
Total Head Start Cluster			73,097,776	-	61,631,853
Social Services Block Grant					
(passed through Illinois Department of Human Services)					
Title XX - Donated Funds Initiative - A.S.N. 2023/2024	93.667	FCSCJ00048	313,646	-	313,646
Title XX - Donated Funds Initiative - A.S.N. 2024/2025	93.667	FCSDJ00048	205,108	-	205,108
Title XX - Donated Funds Initiative - Challenge 2023/2024	93.667	FCSCJ00229	65,093	-	65,093
Title XX - Donated Funds Initiative - Challenge 2024/2025	93.667	FCSDJ00229	53,320	-	53,320
Title XX - Donated Funds Initiative - Dare 2022/2023	93.667	FCSBJ00231	(5,602)	-	(5,602)
Title XX - Donated Funds Initiative - Dare 2023/2024	93.667	FCSCJ00231	190,054	-	190,054
Title XX - Donated Funds Initiative - Dare 2024/2025	93.667	FCSDJ00231	202,559	-	202,559
Chicago Family Connects 2022/2023	93.667	FCSCU05885	184,464	-	-
Chicago Family Connects 2024/2025	93.667	FCSDU05885	200,287	-	-
			1,408,929	-	1,024,178
Total Administration for Children and Families			86,340,877	11,111,143	67,914,489
C. Centers for Disease Control and Prevention					
Public Health Emergency Preparedness					
Public Health Emergency Preparedness 2022	93.069	NU90TP922033	762,487	-	-
Public Health Emergency Preparedness 2023	93.069	NU90TP922033	6,871,774	-	1,568,730
Public Health Emergency Preparedness 2023	93.069	NU90TU000058	3,501,477	-	-
			11,135,738	-	1,568,730
Project Grants and Cooperative Agreements for Tuberculosis Control Programs					
Tuberculosis Elimination and Laboratory 2024	93.116	NU52PS910172	788,507	-	-
			788,507	-	-
Injury Prevention and Control Research and State and Community Based Programs					
Injury Prevention and Control Research 2023	93.136	NH28CE003542	2,047,873	-	2,009,039
Injury Prevention and Control Research 2024	93.136	NH28CE003542	856,971	-	433,126
			2,904,844	-	2,442,165
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children					
Lead Poisoning Prevention - Childhood Lead Poisoning Prevention 2022	93.197	NUE2EH001436	54,725	-	-
Lead Poisoning Prevention - Childhood Lead Poisoning Prevention 2023	93.197	NUE2EH001436	314,835	-	110,816
Lead Poisoning Prevention - Childhood Lead Poisoning Prevention 2024	93.197	NUE2EH001436	89,989	-	30,624
			459,549	-	141,440
Immunization Cooperative Agreements					
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	25,689	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	9,192	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	(74,162)	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	2,230,417	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	1,037,866	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	2,659,223	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	5,085,478	-	3,986,307
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	239,742	-	-
Immunization and Vaccines for Children 2021	93.268	NH23IP922613	(497)	-	(497)
Immunization and Vaccines for Children 2022	93.268	NH23IP922613	14,502	-	-
COVID-19 Immunization and Vaccines for Children 2022	93.268	NH23IP922613	12,029	-	-
Immunization and Vaccines for Children 2022	93.268	NH23IP922613	(129,099)	-	-
Immunization and Vaccines for Children 2023	93.268	NH23IP922613	6,018,762	-	940,521
			17,129,142	-	4,926,331
Immunization and Vaccines for Children 2022 - Direct Assistance					
Vaccines	93.268	5 NH23IP922613-04-00	66,134,121	-	-
Other	93.268	5 NH23IP922613-04-00	14,064	-	-
			66,148,185	-	-
Total Immunization Cooperative Agreements			83,277,327	-	4,926,331

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Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
Viral Hepatitis Prevention and Control					
Adult Viral Hepatitis Prevention and Control 2023/2024	93.270	NU51PS005136	\$ 12,281	\$ -	-
Adult Viral Hepatitis Prevention and Control 2024/2025	93.270	NU51PS005136	78,086	-	-
			90,367	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)					
COVID-19 Building Epidemiology and Health IT Capacity Program 2019	93.323	NU50CK000556	426,830	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	865,359	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	38,045,430	-	16,323,765
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	23,079,824	-	9,922,084
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	859,421	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	9,987	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	316,060	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	964,115	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	1,043,354	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	1,035,526	-	818,071
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	1,036,752	-	548,946
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	27,516	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	44,136	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	27,759	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	261,022	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	80,707	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	33,265	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	85,225	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	125,415	-	-
Building Epidemiology and Health IT Capacity Program 2019	93.323	NU50CK000556	54,441	-	-
Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	38,463	-	-
Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	340,981	-	-
Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	298,319	-	-
Building Epidemiology and Health IT Capacity Program 2023	93.323	NU50CK000556	135,591	-	-
Epidemiology and Laboratory Capacity - CORE 2024	93.323	NU51CK000329	544,811	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2024	93.323	NU51CK000329	72,732	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2024	93.323	NU51CK000329	40,697	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2024	93.323	NU51CK000329	300,000	-	-
			70,193,738	-	27,612,866
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response					
COVID-19 Public Health Crisis Response - 2021	93.354	NU90TP922158	4,987,271	-	425,701
Public Health Crisis Response - 2022	93.354	NU90TP922214	525,467	-	-
			5,512,738	-	425,701
National and State Tobacco Control Program					
Outcomes to Reduce the Burden of Menthol Tobacco Products 2023	93.387	NU58DP007720	75,649	-	-
Outcomes to Reduce the Burden of Menthol Tobacco Products 2024	93.387	23NU58DP0077	13,987	-	-
			89,636	-	-
Activities to Support State, Tribal, Local and Territorial (STLT)					
Health Department Response to Public Health or Healthcare Crises					
COVID-19 Health Disparities (C5) 2021	93.391	NH75OT000082	5,833,171	-	3,704,679
			5,833,171	-	3,704,679
Community Health Workers for Public Health Response and Resilient					
COVID-19 Community Health Workers For COVID Response and Resilient Communities (C3)	93.495	NU58DP007270	562,449	-	-
COVID-19 Community Health Workers For COVID Response and Resilient Communities (C3)	93.495	NU58DP007270	546,501	-	546,501
			1,108,950	-	546,501
HIV Prevention Activities - Health Department Based					
Integrated HIV Surveillance and Prevention 2021	93.940	NU62PS924560	10,305	-	-
Integrated HIV Surveillance and Prevention 2022	93.940	NU62PS924560	-	-	-
Integrated HIV Surveillance and Prevention 2023	93.940	NU62PS924560	4,358,901	-	1,264,269
Integrated HIV Surveillance and Prevention 2024	93.940	NU62PS924821	4,747,928	-	1,321,689
Integrated HIV Ending HIV Epidemic 2022	93.940	NU62PS924631	(34,535)	-	-
Integrated HIV Ending HIV Epidemic 2023	93.940	NU62PS924631	2,821,291	-	459,280
			11,903,890	-	3,045,238
Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance					
Medical Monitoring Project 2023	93.944	NU62PS924603	193,295	-	-
Medical Monitoring Project 2024	93.944	NU62PS924603	228,802	-	-
HIV Behavioral Surveillance 2024	93.944	NU62PS924765	452,517	-	452,517
			874,614	-	452,517

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health					
Strengthening US Public Health (A2)-2022	93.967	NE11OE00094	\$ 1,486	\$ -	-
Strengthening US Public Health (A2)-2023	93.967	NE11OE00094	858,207	-	-
Strengthening US Public Health 2023	93.967	NE11OE00094	1,486	-	-
Strengthening US Public Health 2024	93.967	NE11OE00094	49,466	-	-
COVID-19 Strengthening US Public Health Infrastructure, Workforce, and Data System-2022	93.967	NE11OE00094	18,502	-	-
COVID-19 Strengthening US Public Health Infrastructure, Workforce, and Data System-2022	93.967	NE11OE00094	1,229,976	-	-
			2,159,123	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants					
Strengthening STD Prevention & Control for Health Departments (STD PCHD) 2023	93.977	NH25PS005128	1,319,020	-	60,000
COVID-19 Strengthening STD Prevention & Control for Health Departments (C6) 2023	93.977	NH25PS005128	795,239	-	-
			2,114,259	-	60,000
Sexually Transmitted Diseases (STD) Provider Education Grants					
National Network of STD Training Centers	93.978	WU-24-0337	36,310	-	-
			36,310	-	-
Total Centers for Disease Control and Prevention			198,482,761	-	44,926,168
D. National Institutes of Health					
Research and Development Cluster					
National Center for Advancing Translational Sciences					
C3 Clinical and Translation Research - NWU 2023	93.350	UL1TR001422	23,953	-	-
C3 Clinical and Translation Research - UOC 2023	93.350	UL1TR002389	29,213	-	-
C3 Clinical and Translation Research - UOC 2024	93.350	UL1TR002389	21,233	-	-
C3 Clinical and Translation Research - NWU 2024	93.350	UL1TR001422	23,846	-	-
			98,245	-	-
Total National Institutes of Health / Research and Development Cluster			98,245	-	-
E. Office of the Secretary					
Community Programs to Improve Minority Health Grant Program					
COVID-19 Developing Health Literacy (C5) 2021/2023	93.137	CPIMP211238	959,506	-	125,000
			959,506	-	125,000
National Bioterrorism Hospital Preparedness Program					
Hospital Preparedness Program (HPP) 2023	93.889	U3REP190582E	2,097,287	-	1,127,083
Hospital Preparedness Program (HPP) 2024	93.889	U3REP0720A	706,548	-	226,708
			2,803,835	-	1,353,791
Total Office of the Secretary			3,763,341	-	1,478,791
F. Health Resources and Services Administration					
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B					
Ending the HIV Epidemic-Ryan White 2023	93.686	UT8H33950-01	465,862	-	465,862
Ending the HIV Epidemic-Ryan White 2024	93.686	UT8H33950-05	2,738,652	-	821,858
			3,204,514	-	1,287,720
HIV Emergency Relief Project Grants					
Ryan White HIV Care Act - Part A Emergency Relief 2021	93.914	21H89HA00008	(1,926)	-	(1,926)
Ryan White HIV Care Act - Part A Emergency Relief 2022	93.914	22H89HA00008	(737)	-	(737)
Ryan White HIV Care Act - Part A Emergency Relief 2023	93.914	23H89HA00008	4,590,926	-	4,590,926
Ryan White HIV Care Act - Part A Emergency Relief 2024	93.914	24H89HA00008	19,599,159	-	16,550,848
			24,187,422	-	21,139,111
Maternal and Child Health Services Block Grant to the States (passed through Illinois Department of Public Health)					
Maternal and Child Health Block Grant 2022	93.994	263800088J	5,092	-	-
Maternal and Child Health Block Grant 2023	93.994	46380014L	1,794,331	-	245,959
Maternal and Child Health Block Grant 2024	93.994	46380014L	2,364,501	-	359,977
Oral Health Promotion 2022	93.994	T12HP29075	30,265	-	-
Oral Health Promotion 2024	93.994	53788411M	24,917	-	-
			4,219,106	-	605,936
Total Health Resources and Services Administration			31,611,042	-	23,032,767

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
G. Substance Abuse and Mental Health Services Administration					
Block Grants for Prevention and Treatment of Substance Abuse (passed through Illinois Department of Human Services)					
Substance Abuse Prevention Program 2023/2024	93.959	43CCZ03560	\$ 84,878.00	\$ -	\$ -
Substance Abuse Prevention Program 2024/2025	93.959	43CDZ03560	105,148	-	-
			190,026	-	-
Total Substance Abuse and Mental Health Services Administration			190,026	-	-
Total Department of Health and Human Services			340,833,485	11,111,143	151,515,281
XI. Corporation for National and Community Service					
Corporation for National and Community Service					
Foster Grandparent/Senior Companion Cluster					
AmeriCorps Seniors Foster Grandparent Program (FGP)					
Foster Grandparent Program 2022/2023	94.011	21SFCIL002	(33,231)	-	-
Foster Grandparent Program 2023/2024	94.011	21SFCIL002	262,136	-	-
Foster Grandparent Program 2024/2025	94.011	24SFCIL001	223,662	-	-
			452,567	-	-
AmeriCorps Seniors Senior Companion Program (SCP)					
Senior Companion Program 2022/2023	94.016	21SCCIL001	(11,938)	-	-
Senior Companion Program 2023/2024	94.016	21SCCIL001	181,543	-	-
Senior Companion Program 2024/2025	94.016	24SCCIL001	117,167	-	-
			286,772	-	-
Total Foster Grandparent/Senior Companion Cluster			739,339	-	-
Total Corporation for National and Community Service			739,339	-	-
XII. Department of Homeland Security					
A. Federal Emergency Management Agency					
Emergency Food and Shelter National Board Program (passed through Department of Human Services)					
Shelter Support Program - 2023	97.024	FCSCK07572	9,321,312	-	9,321,312
Shelter Support Program - 2024	97.024	FCSDK07572	9,632,300	-	-
			18,953,612	-	9,321,312
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (passed through Illinois Emergency Management Agency)					
COVID-19 FEMA Public Assistance Grant - 2020	97.036	FEMA4489DRIL	1,711,589	7,670,026	-
COVID-19 FEMA Public Assistance Grant - 2021	97.036	FEMA4489DRIL	3,297,208	53,368,801	-
COVID-19 FEMA Public Assistance Grant - 2022	97.036	FEMA4489DRIL	1,812,623	35,189,909	-
COVID-19 FEMA Public Assistance Grant - 2023	97.036	FEMA4489DRIL	-	184,248	-
COVID-19 FEMA Public Assistance Grant - 2024	97.036	FEMA4489DRIL	-	(16,188,927)	-
			6,821,420	80,224,057	-
Emergency Management Performance Grants					
Assistance to Firefighters 2024 (passed through Illinois Emergency Management Agency)	97.042	EMW-2023-FG-09400	5,220	-	-
Emergency Management Assistance 2023	97.042	23EMACHGO	556,613	-	-
			561,833	-	-
Assistance to Firefighters Grant					
Assistance to Firefighters 2022	97.044	EMW-2021-FG-03299	203,826	-	-
			203,826	-	-
Port Security Grant Program					
Port Security Grant Program 2020/CFD	97.056	EMW-2020-PU-00472	111,839	-	-
Port Security Grant Program 2020/CFD	97.056	EMW-2020-PU-00472	158,249	-	-
			270,088	-	-
Homeland Security Grant Program (passed through Illinois Emergency Management Agency)					
Urban Areas Security Initiative Grant 2020	97.067	20UASICHGO	6,172,090	-	-
Urban Areas Security Initiative Grant 2021	97.067	21UACHICAG	8,149,291	-	-
Urban Areas Security Initiative Grant 2022	97.067	22UACHICAG	15,278,855	-	-
Urban Areas Security Initiative Grant 2023	97.067	23UACHICAG	10,616,346	-	-
			40,216,582	-	-
Rail and Transit Security Grant Program (passed through Chicago Transit Authority)					
Transit Security Grant Program 2020	97.075	EMW-2020-RA-00027-S01	485,273	-	-
Transit Security Grant Program 2021	97.075	EMW-2021-RA-00027-S01	335,303	-	-
			820,576	-	-

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ State Pass-Through Number	2024 Federal Expenditures	2024 Non-Federal Expenditures	2024 Sub-recipient Expenditures
Regional Catastrophic Preparedness Grant Program (RCPGP)					
Regional Catastrophic Planning Grant Program 2021	97.111	EMC-2021-CA-00021	\$ 816,774	\$ -	\$ -
			816,774	-	-
Shelter and Services Program (passed through Department of Human Services)					
Shelter And Services FEMA SSP-A/C - 2023	97.141	FCSC07572	1,760,588	17,257,107	-
Shelter And Services FEMA SSP-A/C - 2024	97.141	2024SP05033	-	13,441,881	-
Shelter And Services FEMA SSP-A/C - 2024	97.141	2024SP05108	-	12,288,565	-
			1,760,588	42,987,553	-
Total Federal Emergency Management Agency			70,425,299	123,211,610	9,321,312
B. Assistant Secretary for Countering Weapons of Mass Destruction					
Securing the Cities Program					
Securing the Cities Program 2018	97.106	16DNSTC00001	357,896	-	-
Securing the Cities Program 2019	97.106	16DNSTC00001	3,481,745	-	-
Securing the Cities Program 2020	97.106	16DNSTC00001	580,780	-	-
Securing the Cities Program 2021	97.106	21CWDSTC0001	(104,755)	-	-
Securing the Cities Program 2022	97.106	21CWDSTC0001	(2,081)	-	-
Securing the Cities Program 2022	97.106	21CWDSTC0001	371,923	-	-
			4,685,508	-	-
Total Assistant Secretary for Countering Weapons of Mass Destruction			4,685,508	-	-
Total Department of Homeland Security			75,110,807	123,211,610	9,321,312
TOTALS:			\$ 1,016,847,534	\$ 134,878,534	\$ 361,611,786

CITY OF CHICAGO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2024

NOTE 1 – REPORTING ENTITY

The City of Chicago (the “City”) is a governmental entity established by laws of the State of Illinois and has the powers of a body corporate, as defined in the statutes. All significant operations of the City are included in the scope of the Office of Management and Budget (“OMB”) requirements contained in 2 CFR Part 200, Subpart F (“Single Audit”). The U.S. Department of Health and Human Services (“HHS”) has been designated as the City’s cognizant agency for the Single Audit. The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board.

Programs Subject to Single Audit – A Schedule of Expenditures of Federal Awards (the “SEFA”) is presented for each federal program and a summary of expenditures by federal agency is as follows:

U.S. Department of Agriculture	\$ 4,399,904
U.S. Department of Commerce	11,930
U.S. Department of Housing and Urban Development	156,432,018
U.S. Department of Justice	72,008,366
U.S. Department of Transportation	111,518,056
U.S. Department of Treasury	175,821,680
U.S. National Endowment for the Arts	203,308
U.S. Environmental Protection Agency	80,059,739
U.S. Department of Energy	(291,908)
U.S. Department of Health and Human Services	340,833,485
U.S. Corporation for National and Community Service	739,339
U.S. Department of Homeland Security	<u>75,110,807</u>

Total Expenditures of Federal Awards	<u>\$ 1,016,847,534</u>
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Passenger Facility Charges collected and expended, as prescribed by Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 issued by the Federal Aviation Administration of the United States Department of Transportation, are not included in this Single Audit report and are audited separately.

NOTE 2 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Chicago under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule presents only a selected portion of the operations of the City of Chicago and accordingly, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Chicago.

CITY OF CHICAGO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2024

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are generally reported on the accrual or modified accrual basis of accounting depending on the type of fund. Some expenditures are reported when the reimbursement is received due to uncertainty of the source of funding at the time the expenditure is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Certain financial awards were received by the City in the form of noncash direct assistance. These noncash awards are included on the Schedule under ALN 93.268. The schedule of expenditures of federal awards includes a column titled Non-Federal Expenditures. Amounts reported in this column include the City's required match for federal programs.

The City has a cost allocation plan for allocation of common and indirect costs related to grant programs. The amounts allocated to 2024 grant programs are based primarily on 2023 budgeted amounts. Variances between actual costs and budgeted amounts are adjusted on a prospective basis. A copy of the cost allocation plan is kept on file at the City. The City's cost allocation plan for 2024 has been prepared on a Direct Cost Base that does conform to the direct cost bases in the Uniform Guidance. The City's 2024 Cost Allocation Plan (Local Organization Cost Allocation Plan – LOCAP) was provided for review and negotiation to the City's indirect cost cognizant agency and is pending negotiation and approval, expected in 2025.

The City has not elected to use the applicable de minimis indirect cost rate allowed by the Uniform Guidance. Individual City departments' indirect cost rate proposals (ICRP's) for 2024 have been prepared on a Salaries and Wages plus all Fringe Benefits (S&W+FB) Direct Cost Base that does conform to the Uniform Guidance.

The 2024 Indirect Cost Rate Agreements related to the ICRP's for the Chicago Departments of Planning and Development, Housing, Public Health, and Family and Support Services are pending negotiation with the City's indirect cost cognizant agencies. The provisional rates in the 2023 Indirect Cost Rate Agreement for these departments extending from 01/01/2023 through 12/31/2025 were used for 2024 indirect cost recovery.

Federal/State Commingled Funds – The City of Chicago receives various federal awards that are passed through the State of Illinois. Many of these contracts contain a blend of state and federal awards. To the extent practical, the federal funding has been segregated from the state funding based on information provided by the state agencies. In some instances, individual state contracts contain multiple federal ALNs and the City has segregated the federal dollars associated with each contract award based on information received from the pass-through state agency. Due to the timing differences between the pass-through agency fiscal year end and the City's reporting period, allocation differences may result.

The state contract for the Child Care program (federal cluster 93.575/93.596), passed through the Illinois Department of Human Services ("IDHS"), has been considered a Type A cluster for audit testing purposes each year. The final allocation of federal expenditures varies depending on the most recent available information provided by IDHS and may be reported under both ALNs or one ALN. For FY2024 the Child Care program included federal funds confirmed by IDHS for ALN 93.596.

CITY OF CHICAGO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2024

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

COVID-19

While continuing to recover from the impacts of the COVID-19 pandemic, the City received federal and state grants, including \$7.5 million of ARP Act funds used to replace lost revenues due to the impacts of the COVID-19 pandemic totaling \$1,855.0 million. These revenues were primarily used to respond to the ongoing effects of the COVID-19 pandemic, such as housing and rental assistance, and public safety, as well as provide essential government services.

In addition, the City is eligible for the Federal Emergency Management Agency (FEMA) Public Assistance Program and in FY2024 received reimbursements for eligible expenditures incurred in FY2020, FY2021, FY2022, and FY2023 under this grant in the amount of \$1,711,589, \$3,297,208, \$1,812,623, and \$1,760,588 respectively, as reflected under ALN 97.036 and 97.141 in the Schedule.

WIFIA Loan (ALN 66.958):

The City of Chicago (Department of Water Management) executed a Water Infrastructure Finance and Innovation ("WIFIA") loan agreement with the U.S. Environmental Protection Agency in October 2023 and re-executed the agreement in December 2024 to secure a lower interest rate prior to the first disbursement. The initial draw of \$56.4 million was received in 2024 and includes EPA-certified eligible project costs incurred between June 2022 and September 2024. For SEFA purposes, expenditures under the WIFIA program are recognized only when certified by the EPA as eligible and disbursed to the City. Accordingly, the full \$56.4 million disbursement is reported on the FY2024 SEFA and represents the outstanding loan balance as of December 31, 2024. Future reporting will follow this same approach for consistency.

**Report on Compliance
for Each Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditors' Report

To the Honorable Brandon Johnson, Mayor, and the Members of the City Council of
City of Chicago

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Chicago's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on 14.241 Housing Opportunities for Persons with AIDS (HOPWA)

In our opinion, except for the noncompliance described in the "Basis for Qualified and Unmodified Opinions" section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on HOPWA for the year ended December 31, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Matter Giving Rise to Qualified Opinion on 14.241 Housing Opportunities for Persons with AIDS (HOPWA)

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the City with Assistance Listing 14.241 HOPWA as described in finding 2024-002 for one Special Test and Provision related to Housing Quality Standards. Consequently, we were unable to determine whether the City complied with those requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002, to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of the compliance and, accordingly, we express no opinion on it.

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

Baker Tilly US, LLP

Chicago, Illinois
July 23, 2025

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS (Information obtained from separate report audited by other auditors)

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

Internal control over financial reporting:

- | | | |
|---|-------------------|----------------------------|
| > Material weakness(es) identified? | <u> X </u> yes | <u> </u> no |
| > Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Noncompliance material to financial statements noted?

 yes X no

FEDERAL AWARDS

Internal control over major programs:

- | | | |
|---|------------------|-----------------------------|
| > Material weakness(es) identified? | <u> X </u> yes | <u> </u> no |
| > Significant deficiency(ies) identified? | <u> X </u> yes | <u> </u> none reported |

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

14.241 Housing Opportunities for Persons with Aids	<i>Qualified</i>
All other major programs	<i>Unmodified</i>

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?

 X yes no

Auditee qualified as low-risk auditee?

 yes X no

Dollar threshold used to distinguish between type A and type B programs:

 \$ 3,050,542

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS (cont.)

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.218	CDBG – Entitlement / Special Purpose Grants Cluster: Community Development Block Grants / Entitlement Grants
14.218	CDBG – Entitlement / Special Purpose Grants Cluster: COVID-19 Community Development Block Grants / Entitlement Grants
14.231	Emergency Solutions Grant Program
14.231	COVID-19 Emergency Solutions Grant Program
14.239	Home Investment Partnerships Program
14.239	COVID-19 Home Investment Partnerships Program
14.241	Housing Opportunities for Persons with AIDS
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.468	Drinking Water State Revolving Fund
66.958	Water Infrastructure Finance & Innovation (WIFIA)
93.044	Aging Cluster: Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
93.044	Aging Cluster: COVID-19 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
93.045	Aging Cluster: Special Programs for the Aging – Title III, Part C – Nutrition Services
93.045	Aging Cluster: COVID-19 Special Programs for the Aging – Title III, Part C – Nutrition Services
93.053	Aging Cluster: Nutrition Services Incentive Program
93.914	HIV Emergency Relief Project Grants
97.036	COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Finding 2024-001 was reported by other auditors and is included in a separate report issued by those auditors.

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2024

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2024-002

Assistance**Listing Number**

14.241 Housing Opportunities for Persons with AIDS

Federal Agency

U.S. Department of Housing and Urban Development

Pass-through Agency

Not applicable

Award Numbers / Years

Not applicable

City Department

Chicago Department of Public Health (CDPH)

Criteria: All housing that involves acquisition, rehabilitation, conversion, lease, repair of facilities, new construction, project-or tenant-based rental assistance (including assistance for shared housing arrangements), and operating costs must meet various housing quality standards listed in 24 CFR sections 574.310(b)(1)-(2).

Condition/Context: CDPH was unable to provide a full listing of housing units requiring inspections that receive HOPWA funding. Consequently, we were not able to complete testing in relation to this requirement. It was noted that a review conducted by HUD identified a similar issue where CDPH was in process of updating policies and procedures that would allow for identification of the housing units that require inspections.

Effect: CDPH cannot demonstrate that it is compliant with the housing quality standards applicable to program-assisted units.

Questioned Costs: Not able to be determined.

Cause: CDPH did not have a process in place in 2024 to identify all housing units that require inspections.

Recommendation: In response to the HUD review, CDPH developed a corrective action plan to begin compiling a comprehensive list of all projects requiring inspections. Documentation is to be provided to HUD that includes appropriate support for completion of the required inspections. This process is expected to begin taking place in the summer of 2025. We recommend that CDPH follow through with this corrective action to address this finding.

Views of Responsible Officials: See Corrective Action Plan.

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2024

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2024-003

Assistance

Listing Number

14.231 Emergency Solutions Grants Program

Federal Agency

U.S. Department of Housing and Urban Development

Pass-through Agency

Not applicable

Award Numbers / Years

E-22-MC-17-0006, 2022 / E-24-MC-17-0006, 2024

City Departments

Department of Family and Support Services (DFSS)
Department of Finance (DOF)

Criteria: The program regulations for the Emergency Solutions Grants Program include requirements related to the timing of expenditures as well as payments to subrecipients. Specifically, all of the grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the City. In addition, the City must pay each subrecipient for allowable costs within 30 days after receiving the subrecipient's complete payment request.

Condition/Context: There was one award (E-22-MC-17-0006) where the period of performance ended in the audit year and was subject to the 24-month expenditure requirement. This award was underspent by \$281,760 upon reaching 24 months after the award was executed by HUD. We also tested 40 individual payments made to subrecipients. 13 of those payments were paid after the 30-day subrecipient payment requirement. Our samples were not statistically valid.

Effect: The City is not meeting target expenditure and payment requirements in accordance with the program agreements.

Questioned Costs: None noted.

Cause: DFSS did not expend the full amount of the identified award within the required timeframe because it was prioritizing the spending of a related CARES award during the same timeframe. The City's Voucher Audit and Tracking Unit (VATS) within the Department of Finance is responsible for making payments to subrecipients. At times, VATS will experience a significant increase in voucher submissions and is operating with limited staffing, which has caused some delays in processing payments.

Recommendation: We recommend that DFSS determine if the budgeting and monitoring process can identify instances where spending does not occur within the required timeframes for current grants to help increase compliance in subsequent years. We also recommend that VATS review its processing procedures to determine if priority can be given to vouchers from programs with specific payment requirements.

Views of Responsible Officials: See Corrective Action Plan.

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2024

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2024-004

Assistance**Listing Number**

14.231 Emergency Solutions Grants Program

Federal Agency

U.S. Department of Housing and Urban Development

Pass-through Agency

Not applicable

Award Numbers / Years

E-22-MC-17-0006, 2022 / E-23-MC-17-0006, 2023

City Department

Department of Family and Support Services (DFSS)

Criteria: According to program requirements, recipients of Emergency Solutions Grant Program funding must match the funding provided by HUD with an equal amount from sources other than those provided under the program. In addition, a recipient cannot use program funds to replace funds the City provided for street outreach and emergency shelter services during the preceding 12-month period.

Condition/Context: We reviewed the process used by DFSS to monitor the matching requirement for two of the four active awards. According to the initial documentation received, it appeared that one award was under matched and one award was over matched. DFSS made corrections to the calculations based on the issues noted during our audit to both awards. The level of effort requirements were dependent on these same calculations and were revised along with the matching calculations. Our samples were not statistically valid.

Effect: The City may not meet the various financial requirements contained in the awards' terms and conditions without appropriate oversight.

Questioned Costs: None noted.

Cause: DFSS did not have a definitive process in place to identify, calculate, and monitor the matching and level of effort requirements.

Recommendation: We recommend DFSS review its policies and procedures regarding the matching and level of effort requirements to ensure they are accurately performed and monitored by appropriate financial personnel.

Views of Responsible Officials: See Corrective Action Plan.

CITY OF CHICAGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2024

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2024-005

Assistance**Listing Number**

14.239 Home Investment Partnerships Program

Federal Agency

U.S. Department of Housing and Urban Development

Pass-through Agency

Not applicable

Award Numbers / Years

Not applicable

City Department

Department of Housing (DOH)

Criteria: Participating jurisdictions must perform on-site inspections of rental housing occupied by tenants receiving HOME/HOME-ARP-assisted tenant-based rental assistance to determine compliance with housing quality standards per 24 CFR sections 92.209(i), 92.251(f), and 92.504 (d)).

Condition/Context: One rental housing project had no evidence it was reinspected after failing the initial required inspection. A sample was taken of 14 projects receiving HOME-assisted funding. Supporting documentation was viewed for the most recent inspection of each project in the sample to ensure the inspection was completed within the required timeframe. It was noted that for a project that failed an inspection, a follow-up inspection was not completed. Our sample was not statistically valid.

Effect: There is a higher likelihood that housing funded by the HOME program is not considered to be compliant with property standards.

Questioned Costs: None noted.

Cause: DOH did not have a process in place to ensure the reinspection was done timely.

Recommendation: We recommend that the Chicago Department of Housing ensure that reinspections are flagged and completed in a timely manner in situations when the initial inspection failed.

Views of Responsible Officials: See Corrective Action Plan.

**CITY OF CHICAGO, ILLINOIS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2024**



CITY OF CHICAGO



DEPARTMENT OF FINANCE

CORRECTIVE ACTION PLAN
Year Ended December 31, 2024

FINDING 2024-002

The Chicago Department of Public Housing (CDPH) will continue working through its corrective action plan (CAP) for U.S. Department of Housing and Urban Development (HUD) which involves completing an assessment of all client-files for individuals receiving HOPWA services in the Chicago Eligible Metropolitan Statistical Area. CDPH staff developed the Client-file assessment tool in collaboration with HUD, and all HOPWA Project Sponsors in the Eligible Metropolitan Statistical Area have submitted, through Secure File Transfer, client files for every single individual receiving HOPWA services through their organization.

CDPH staff are currently conducting a comprehensive assessment of the completeness of these files including documentation of the inspection of units resided in by individuals and households. This assessment is being conducted through REDCap secure survey to capture the assessment results for every single individual receiving HOPWA services. CDPH anticipates completion of this assessment by August 31, 2025. The results of the assessment will be submitted to HUD as a formal completion of the HUD-issued Corrective Action Plan. Following this submission, CDPH will engage with HUD in designing ongoing monitoring of HOPWA Project Sponsors in the jurisdiction.

Director of Program Operations Stonehouse at the Chicago Department of Public Health for the Community Health Services Division of the Syndemic Infectious Disease Bureau will be responsible for overseeing the completion of the client file assessment, analysis of the results of the assessment and communication of these results with the HUD HOPWA Project Officer and HOPWA Project Sponsors, and working with HUD and other interest holders to design and implement ongoing monitoring standards.

CITY OF CHICAGO

CORRECTIVE ACTION PLAN Year Ended December 31, 2024

FINDING 2024-003

The Department of Family and Support Services (DFSS) will review its budget and monitoring process for the Emergency Solutions Grant (ESG) Program to ensure grant funds are prioritized for spending in accordance with the program requirements. Monthly expenditure reports will be reviewed by the Director of Homeless Prevention Policy & Planning to assess spending progress and to follow up on any delays in vouchering by subrecipients. Specifically:

1. The Director will review monthly expenditure reports provided by the Department of Family and Support Services (DFSS) Finance team by the 10th of each month for all ESG grant awards.
2. The Homeless Services Division will send notices to agencies with expenditures below contracted expenditure expectations on ESG awards on at least a quarterly basis. The notice will include the current expenditure rate, a reminder on expectations to voucher on a monthly basis within 15 calendar days of the end of the month, and a request for the agency's plan to improve expenditure rates in line with contract expectations, which are as follows:
 - a. First quarter 25%
 - b. Second quarter 50%
 - c. Third quarter 75%
 - d. Fourth quarter 100%
3. Any unspent ESG funds in the first 12 months of the grant will be reallocated in the second 12 months of the grant to maximize expenditures.

Director of Homeless Prevention Policy & Planning Howard at the Department of Family and Support Services will be responsible for ensuring the implementation of this corrective action plan by December 31, 2025.

The Voucher Audit and Tracking Unit (VATS) within the Department of Finance, Grant and Project Accounting Division will closely monitor the daily report of accumulated subrecipient (delegate agency) vouchers and prioritize aged vouchers. The goal is to issue payment for aged subrecipient vouchers within 15 calendar days. If the supporting documentation for the vouchers is incomplete or requires additional follow-up information, VATS will hold the vouchers for 2 business days pending the additional supporting documentation/information from the delegate agency. If the supporting documentation is not received within 2 business days, then VATS will reject the vouchers and provide an explanation for the rejection. The delegate agency will be allowed to re-submit the voucher(s) with the required supporting documentation.

Chief Voucher Expeditors Mendez and Vargas at the Department of Finance, Grant and Project Accounting Division, Voucher Audit and Tracking Systems (VATS) Unit will be responsible for ensuring timely payments to subrecipients and for the implementation of this corrective action plan by July 31, 2025.

CITY OF CHICAGO

CORRECTIVE ACTION PLAN Year Ended December 31, 2024

FINDING 2024-004

The Department of Family and Support Services (DFSS) will document its annual process regarding the calculation of Emergency Solutions Grant (ESG) matching and level of effort requirements to ensure it is accurately performed and reviewed by the appropriate DFSS Finance management personnel, Supervisor of Accounting and Director of Finance. The completed match will be sent for final review to DFSS' Deputy Commissioner of Finance for confirmation and required financial grant reporting.

Deputy Commissioner of Finance Cieczczak at the Department of Family and Support Services will be responsible for providing oversight and monitoring this process. The defined process will be documented and implemented by December 31, 2025.

FINDING 2024-005

The finding was a result of a 2022 original inspection that occurred for one rental property. The property was placed in temporary non-compliance status as a follow-up inspection was scheduled. The property did not correct all the non-compliant issues, and it did not receive a final non-compliant determination letter. The non-issuance of the final non-compliant letter was a mistake made by a Rehabilitation Construction Specialist (RCS) staff person. The RCS staff person should have followed up with the non-compliant determination letter within 12 months of the original inspection as described in Department of Housing's policies and procedures. The property was inspected in June per the tri-annual inspection schedule and was issued a non-compliant letter.

This oversight was a mistake made by the Rehabilitation Construction Specialist by not following up with the final non-compliant determination letter, which did not comply with the normal practice of Department of Housing's policies and procedures. Deputy Commissioner of DOH's Construction and Compliance (CAC) Division, Smith, will ensure all managers within CAC properly train their RCS staff on current policies and procedures. The managers' specific tasks will include:

1. Review all temporary non-compliant and non-compliant projects with the RCS staff on a monthly basis to ensure follow-up notices are sent and reinspection(s) are scheduled within the timeframe given for that particular violation.
2. Track correspondences to owners and property managers informing them of reinspection dates and time for all non-compliant projects.
3. Collect final compliance determination for all non-compliant projects within the 12-month period.

Deputy Commissioner Smith at Department of Housing's Construction and Compliance Division will be responsible for ensuring the corrective action plan is implemented by December 31, 2025.

**CITY OF CHICAGO, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**



CITY OF CHICAGO



DEPARTMENT OF FINANCE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2024

FINDING 2023-001 Material Weakness in Internal Controls over Financial Reporting

Finding 2023-001 was reported on by other auditors and is included in a separate report issued by those auditors.

2024 STATUS

The Accounting and Financial Reporting Bureau of the Department of Finance (DOF), together with the Office of Budget and Management (OBM) and the Department of Human Resources (DHR), is continuing the recruitment efforts to fill in vacancies for Managing Deputy Comptroller for Accounting and Financial Reporting, and Director of Accounting for the General Accounting Division. The Enterprise Accounting Division has filled all Directors and Supervisors of Accounting vacancies from the previous year. DOF is on track to implementing its automated financial reporting solution for all four Enterprise reports (O'Hare, Midway, Water, and Sewer) in addition to the Citywide Annual Comprehensive Financial Report. The corrective action plan is being led by City Comptroller Belsky.

CITY OF CHICAGO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2024

FINDING 2023-002

Assistance

Listing Numbers

93.268 COVID-19 Immunization Cooperative Agreements
 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
 93.354 COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
 93.686 Ending the HIV Epidemic: A Plan for America – Ryan White HIV/AIDS Program Parts A and B

Federal Agency

U.S. Department of Health and Human Services

Pass-through Agency

Not applicable

Award Numbers / Years

93.268: NH23IP922613
 93.323: NU50CK000556
 93.354: NU90TP922158
 93.686: UT8H33950-01

City Department

Chicago Department of Public Health (CDPH)

Subawards sampled across the programs noted above were found to be submitted beyond the due date, not reported at all, reported using the wrong amount, or reported with an incorrect sub awardee name. Sample sizes and errors found during testing are noted below. Our sample was not statistically valid.

Assistance Listing Number	93.268	93.323	93.354	93.686
Transactions tested / Dollar amount	2 transactions \$1,271,996	8 transactions \$4,437,092	1 transaction \$500,000	2 transactions \$1,082,969
Subawards not reported / Dollar amount	N/A	N/A	N/A	N/A
Reports not timely / Dollar amount	2 reports \$1,271,996	5 reports \$2,434,641	N/A	2 reports \$1,082,969
Subawards amount incorrect / Dollar amount	N/A	1 subaward \$504,083	N/A	N/A
Subawards missing key elements / Dollar amount	N/A	N/A	1 subaward \$500,000	N/A

2024 STATUS

The Chicago Department of Public Health (CDPH) started the process as prescribed, starting with contracts executed after September 1, 2024. However, in November 2024, the federal government announced that it was retiring from the FFATA Subaward Reporting System (FSRS.gov). The System for Award Management (SAM.gov) is the new reporting platform effective March 6, 2025.

The department will become familiar with the new reporting platform and will establish a new process. The official process will be implemented by June 30, 2025. Inquiries regarding any updates should be directed at Assistant Commissioner Pfeiffer at the Chicago Department of Public Health.

CITY OF CHICAGO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2024

FINDING 2023-003

Assistance Listing Number	21.023 COVID-19 Emergency Rental Assistance Program
Federal Agency	U.S. Department of Treasury
Pass-through Agency	Not Applicable
Award Number / Year	ERA2
City Department	Department of Housing (DOH)

Two out of the four quarterly ERA Compliance reports were sampled. It was noted that DOH did not file the second quarter report on a timely basis. The portal did not allow a report to be filed after the due date. The sample was not statistically valid.

2024 STATUS

Under the Director of Policy, the Department of Housing (DOH) has a better understanding of the preparation and submission of these complex reports.

By January 1, 2025, the Department of Housing (DOH) developed a process through which the final reports are completed prior to their deadline. In addition, DOH established and clarified a manner for storing and circulating final reports.