
CITY OF CHICAGO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018



Lori E. Lightfoot, Mayor

Jennie Huang Bennett, Chief Financial Officer

Erin Keane, City Comptroller

Prepared by the Department of Finance





OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

June 28, 2019

Dear Chicagoans:

Thank you for your interest in the Comprehensive Annual Financial Report (CAFR) of the City of Chicago for the 2018 fiscal year. We are pleased to make this detailed report available to you as we move forward together in identifying financial solutions and building a government that drives growth and opportunity for all of our neighborhoods and our city's future.

It is no secret that our city faces extraordinary financial challenges, driven by a legacy of pension liabilities, mounting personnel contract increases, and growing debt service obligations – all of which have been long in the making. While these costs loom large for next year and beyond, our administration will be looking at how city government functions to develop a sustainable roadmap for the future. As part of that, we will address our liabilities head on by fulfilling our pension obligations and making our government work more fairly and efficiently for all our residents.

Just like the four stars of our flag, we will build a path forward for our city guided by our central tenets of investing in the safety of our communities, expanding educational opportunities for youth, restoring long-term financial stability, and demanding nothing short of integrity and good government that serves all of Chicago.

I am honored to serve this city and am committed to ensuring our city's hard-earned resources are put to work growing our neighborhoods, strengthening our infrastructure and expanding opportunities that will allow every Chicagoan to build a family, grow their business and pursue their dreams.

We are committed to putting Chicago's fiscal house in order and working in partnership with residents, businesses and all of Chicago's stakeholders to forge a city that is stronger, fairer and more prosperous for all residents for generations to come.

Sincerely,

A handwritten signature in blue ink that reads "Lori E. Lightfoot".

Mayor

**CITY OF CHICAGO
THE CITY COUNCIL
LORI E. LIGHTFOOT, Mayor**

1st Ward	DANIEL LA SPATA
2nd Ward	BRIAN HOPKINS
3rd Ward	PAT DOWELL
4th Ward	SOPHIA D. KING
5th Ward	LESLIE A. HAIRSTON
6th Ward	RODERICK T. SAWYER
7th Ward	GREGORY I. MITCHELL
8th Ward	MICHELLE A. HARRIS
9th Ward	ANTHONY BEALE
10th Ward	SUSAN SADLOWSKI GARZA
11th Ward	PATRICK D. THOMPSON
12th Ward	GEORGE A. CÁRDENAS
13th Ward	MARTY QUINN
14th Ward	EDWARD M. BURKE
15th Ward	RAYMOND A. LOPEZ
16th Ward	STEPHANIE D. COLEMAN
17th Ward	DAVID MOORE
18th Ward	DERRICK G. CURTIS
19th Ward	MATTHEW J. O'SHEA
20th Ward	JEANETTE B. TAYLOR
21st Ward	HOWARD B. BROOKINS, JR.
22nd Ward	MICHAEL D. RODRÍGUEZ
23rd Ward	SILVANA TABARES
24th Ward	MICHAEL W. SCOTT, JR.
25th Ward	BYRON SIGCHO-LOPEZ
26th Ward	ROBERTO MALDONADO
27th Ward	WALTER BURNETT, JR.
28th Ward	JASON C. ERVIN
29th Ward	CHRISTOPHER TALIAFERRO
30th Ward	ARIEL E. REBOYRAS
31st Ward	FELIX CARDONA, JR.
32nd Ward	SCOTT E. WAGUESPACK
33rd Ward	ROSSANA RODRÍGUEZ SÁNCHEZ
34th Ward	CARRIE M. AUSTIN
35th Ward	CARLOS RAMIREZ-ROSA
36th Ward	GILBERT VILLEGAS
37th Ward	EMMA MITTS
38th Ward	NICHOLAS SPOSATO
39th Ward	SAMANTHA NUGENT
40th Ward	ANDRE V. VASQUEZ
41st Ward	ANTHONY NAPOLITANO
42nd Ward	BRENDAN REILLY
43rd Ward	MICHELE E. SMITH
44th Ward	THOMAS M. TUNNEY
45th Ward	JAMES M. GARDINER
46th Ward	JAMES CAPPLEMAN
47th Ward	MATTHEW J. MARTIN
48th Ward	HARRY OSTERMAN
49th Ward	MARIA E. HADDEN
50th Ward	DEBRA L. SILVERSTEIN

**2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE CITY OF CHICAGO**

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PART I
INTRODUCTORY SECTION



DEPARTMENT OF FINANCE
CITY OF CHICAGO

June 28, 2019

To the Honorable Mayor Lori Lightfoot, Members of the City Council and Citizens of the City of Chicago:

We are pleased to submit the Comprehensive Annual Financial Report (“CAFR”) of the City of Chicago (“City”) for the fiscal year that ended December 31, 2018. State law requires that all governmental units publish within six months of the close of each fiscal year financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited by a licensed public accountant.

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

The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

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

In addition to meeting the requirements set forth in the Code, an additional audit (Single Audit Act Amendments of 1996, *Government Auditing Standards*, and Office of Management and Budget’s (“OMB”) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) designed to meet the requirements of the OMB Uniform Guidance, a government-wide framework for grants management, is performed annually.

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

Profile of the Government. The City of Chicago, the third most populated city in the United States, was incorporated in 1837. It occupies land area of approximately 228 miles and, according to the 2018 U.S. Census Bureau, serves a population of more than 2.7 million residents. The City is a municipal corporation and home rule unit of local government under the Illinois Constitution of 1970 and is governed by an elected mayor and city council. The Mayor is the Chief Executive Officer of the City of Chicago and is elected by general election to a four-year term. The City Council, the City's legislative body, consists of 50 members, each representing one of the City's 50 wards. The members of the City Council are elected through popular vote by ward for four-year terms. The City provides public safety, street maintenance, sanitation services, water and sewer services, health, cultural, aviation and human services.

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

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

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

Local Economy. Chicago continues to have the most diverse economy in the United States, with no single industry representing more than 14 percent of the economy. This diversity provides financial stability from mature industries in business and financial services, manufacturing, transportation and warehousing, education and healthcare, and enables the City to promote the growth of emerging industries in technology, tourism, biotech, and life sciences. Chicago has more than 400 major corporate headquarters, offices, and facilities with at least 1,000 employees located in the Chicago metropolitan area, including 34 Fortune 500 companies. For the sixth year in a row, the Chicago area has been recognized by Site Selection Magazine as the top U.S. city for corporate relocations and expansions.

Chicago remains a global financial and trading center and accounts for over one fifth of the world's global derivatives trading market. The Chicago Board Options Exchange is the largest options exchange in the United States, and Chicago-headquartered CME Group is the top derivatives exchange in the world.

Chicago's O'Hare and Midway International Airports are crucial to the global aviation system. In 2018, O'Hare was ranked the busiest airport in the world for aircraft operations, and together with Midway, handled over 105 million passengers, more than 1.1 million aircraft operations and nearly 1.9 million tons of cargo. Chicago's airports are hubs to three of the four largest carriers in the United States with more than 50 passenger airlines providing nonstop services from Chicago to more than 270 destinations worldwide.

Capital improvement programs are underway at both airports that will serve to strengthen Chicago's position as the country's leading aviation hub. O'Hare 21 is an \$8.5 billion plan to transform the airport from curb to gate and build the country's only Global Gateway terminal, increasing capacity by as much as 25 percent. The Midway Modernization Program includes expansions of the TSA security checkpoint area, terminal parking garage, and a redevelopment of Midway's concession program.

O'Hare and Midway are powerful economic engines, generating \$60 billion in annual economic activity and 540,000 jobs. The airports are self-supporting and do not use local or state tax dollars for operations or capital improvements.

In addition, Chicago continues to be a destination for both business and leisure travelers, drawn by the City's numerous cultural attractions, professional sports teams, festivals, museums, parks, restaurants and more. Tourism has grown substantially in recent years with a record 57.6 million visitors citywide in 2018, an increase of 4.3 percent over the prior year. Millennium Park was named the #1 attraction in Chicago, and is among the top 10 visited sites in the US with as many as 25 million guests in 2017.

Debt Administration. The City actively manages its debt portfolio to ensure that it sufficiently supports essential capital improvement programs without overburdening taxpayers. The City also regularly accesses the debt markets to fund its capital needs. As of December 31, 2018, the City has approximately \$8.2 billion of general obligation debt outstanding. Overall general obligation debt decreased by \$1.5 billion in 2018 due to the refunding of certain callable general obligation bonds by the STSC. The Sales Tax Securitization Revenue Bonds, Series 2018AB and Series 2018C refunding bonds issued by the STSC achieved \$81.2 million in present value savings in debt service for City taxpayers.

In addition to its general obligation debt, the City issues revenue debt secured by the following revenues: general airport revenues, water and wastewater fee revenue, and motor fuel tax revenue. Additional information on the City's outstanding indebtedness can be found in Note 10 of the notes in the financial statements.

Long-term Financial Planning and Major Initiatives. Each year, the City presents a financial analysis based on the understanding that in order to protect the health and safety of all Chicago residents, it must take a long-term approach to financial planning to ensure it preserves strong neighborhoods, maintains critical infrastructure and fosters a vibrant local economy. This annual analysis, which is available on the City's website, provides a review of the City's revenues and expenditures over the past ten years, and a forecast of the City's finances for the next three years.

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

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

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financing Reporting to the City of Chicago for its CAFR for the fiscal year 2017. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Jennie Huang Bennett
Chief Financial Officer



Erin Keane
City Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Chicago
Illinois

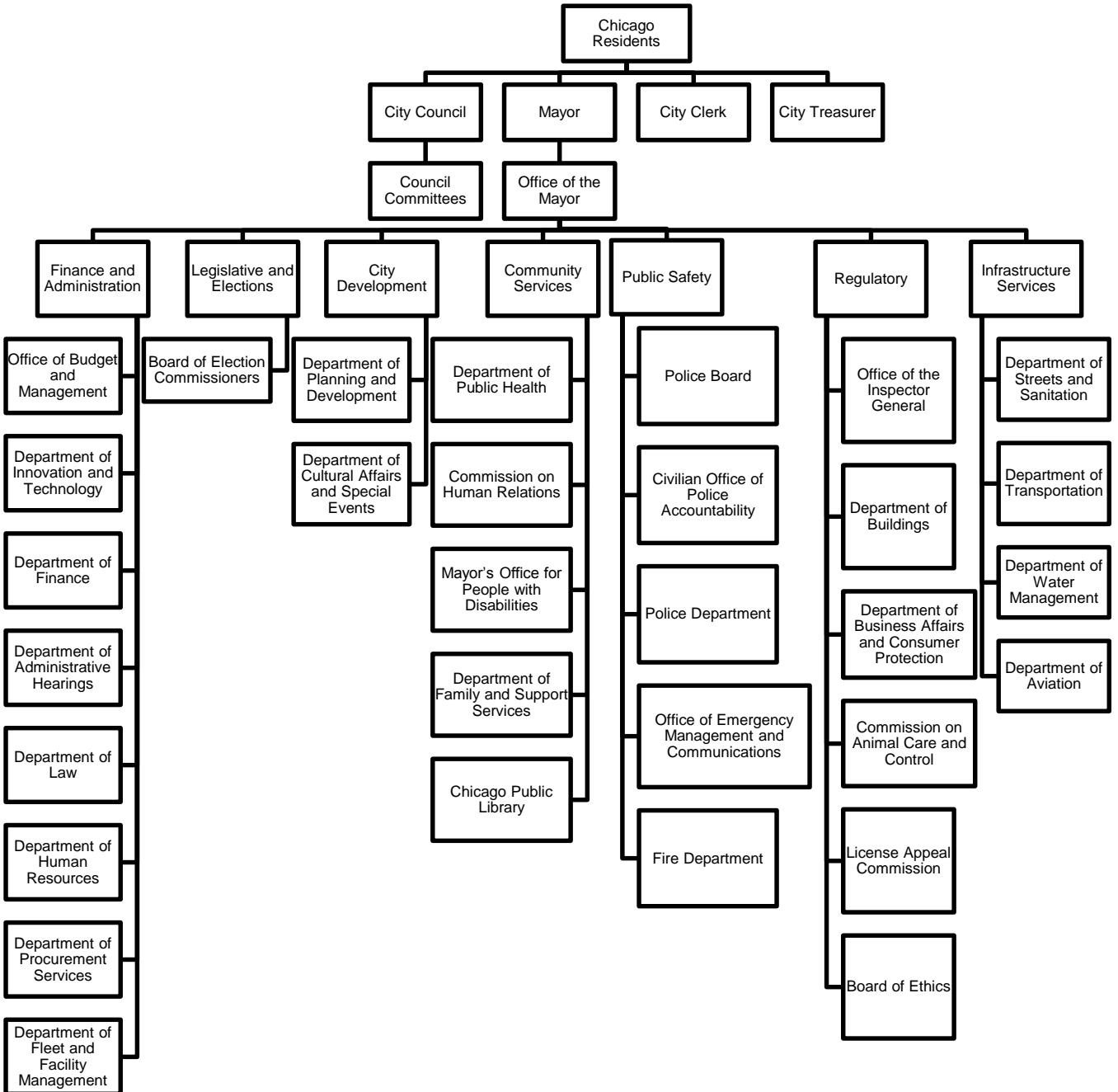
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF CHICAGO ORGANIZATION CHART AS OF 12/31/2018



PART II

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

To the Honorable Lori E. Lightfoot, Mayor
and Members of the City Council
City of Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Pension Plans (the "Plans"), which, in aggregate, represent 100 percent, 95 percent, and 100 percent, respectively, of the revenues, assets, and net position of the fiduciary funds, included in the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and the respective budgetary comparison statements for the General Fund and Pension Special Revenue Fund on the budgetary basis of accounting.

Emphasis of Matter

As discussed in Notes 1 and 18 to financial statements, beginning net position was restated due to the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The Combining and Individual Fund Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the

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

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

Deloitte & Touche LLP

June 25, 2019

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Management's Discussion and Analysis

As management of the City of Chicago, Illinois (City) we offer readers of the City's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2018. 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.

2018 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 \$29,364.7 million (*net deficit*). The net deficit is composed of \$3,966.7 million in net investment in capital assets and \$3,445.6 million in net position restricted for specific purposes offset by an unrestricted deficit of \$36,777.0 million. The net deficit increased in 2018 by \$996.6 million as a result of a \$558.7 million increase in the Other Post Employment Benefits (OPEB) liability due to the new financial reporting requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") and due to expenses being greater than revenues by \$437.9 million for 2018.
- The City's total assets increased by \$2,451.0 million. This increase primarily relates to a \$1,230.1 million net increase in cash, cash equivalents and investments due to debt issuances and a \$1,066.2 million increase in capital assets as a result of the City's capital improvement program.
- The City's deferred outflows and deferred inflows decreased by \$1,233.6 million and \$2,045.5 million, respectively, primarily due to changes in assumptions for pension activities. The City's total liabilities increased by \$4,259.5 million. These were primarily related to increases in net pension liability of \$2,074.5 million, \$1,684.2 million increase of Chicago-O'Hare revenue bonds and \$558.7 million increase in OPEB due to the restatement for GASB 75.
- Total Revenues and Other Financing Sources (Uses), in the fund financial statements, during 2018 were \$7,876.0 million, a decrease of \$180.9 million (2.2%) from 2017. The change was primarily related to a decrease in debt issuances, offset by an increase in tax revenues.
- The General Fund ended 2018 with a total Fund Balance of \$332.3 million, of which \$161.9 million was Unassigned. Total Fund Balance increased from 2017 primarily because Revenues and Other Financing Sources were greater than Expenditures and Other Financing Uses by \$44.4 million.
- The City's General Obligation Bonds and notes outstanding decreased by \$1,478.8 million during the current fiscal year due to General Obligation Bonds and other debt payments and refundings of \$1,635.2 million, offset by a net increase in Line of Credit balances of \$156.4 million. There were no General Obligation Bonds issued in 2018.
- The General Fund expenditures on a budgetary basis were \$113.9 million less than budgeted due to positive variances for debt service transfers.

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

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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 services.

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains 22 individual governmental funds. Information for the eight funds that qualify as major is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The eight major governmental funds are as follows: the General Fund, the Federal, State and Local Grants Fund, the Special Taxing Areas Fund, the Service Concession and Reserve Fund, the Bond, Note Redemption and Interest Fund, the STSC Debt Service Fund, the Community Development and Improvement Projects Fund, and the Pension Fund. Data from the other governmental funds is combined into a single, aggregated presentation.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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

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

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

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

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

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

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

Financial Analysis of the City as a whole

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows exceeded assets by \$29,364.7 million at December 31, 2018. Of this amount, \$3,966.7 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, \$3,445.6 million, represents resources that are subject to external restrictions on how they may be used.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 6,709.0	\$ 6,639.4	\$ 7,427.6	\$ 6,112.4	\$ 14,136.6	\$ 12,751.8
Capital assets	8,798.6	8,745.6	17,450.7	16,437.5	26,249.3	25,183.1
Total Assets	15,507.6	15,385.0	24,878.3	22,549.9	40,385.9	37,934.9
Deferred outflows	3,148.6	4,089.9	902.6	1,194.9	4,051.2	5,284.8
Total	18,656.2	19,474.9	25,780.9	23,744.8	44,437.1	43,219.7
Long-term liabilities outstanding	39,518.9	37,411.5	20,824.2	18,771.4	60,343.1	56,182.9
Other liabilities	2,423.4	2,364.5	1,561.9	1,521.5	3,985.3	3,886.0
Total Liabilities	41,942.3	39,776.0	22,386.1	20,292.9	64,328.4	60,068.9
Deferred Inflows	6,841.6	8,413.7	2,631.8	3,105.2	9,473.4	11,518.9
Net Position:						
Net investment in capital assets	(332.2)	(551.1)	4,298.9	3,866.0	3,966.7	3,314.9
Restricted	2,509.1	2,416.1	936.5	868.0	3,445.6	3,284.1
Unrestricted	(32,304.6)	(30,579.8)	(4,472.4)	(4,387.3)	(36,777.0)	(34,967.1)
Total net (deficit) position	<u>\$ (30,127.7)</u>	<u>\$ (28,714.8)</u>	<u>\$ 763.0</u>	<u>\$ 346.7</u>	<u>\$ (29,364.7)</u>	<u>\$ (28,368.1)</u>

Governmental Activities. Net position of the City's governmental activities decreased \$1,412.9 million to a deficit of \$30,127.7 million primarily due to an increase of \$558.7 million in the Other Post Employment Benefits liability due to the new financial reporting requirements of GASB Statement No. 75 and due to expenses being greater than revenues and transfers by \$854.2 million for 2018. 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 \$32,304.6 million deficit at the end of this year. This deficit does not mean that the City does not have the resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from personnel, property, pollution and casualty claims (\$1,076.8 million) and Municipal Employees', Laborers', Policemen's and Firemen's net pension liability and other post-employment benefits (\$27,446.2 million). The City will include these amounts in future years' budgets as they come due. In addition, the deferred inflow balance of \$1,492.2 million from concession service agreements will be amortized into income over the life of such agreements.

Revenues for all governmental activities in 2018 were \$7,445.1 million, an increase of \$509.7 million from 2017. Over half of the City's revenues were derived from taxes which increased by \$387.8 million (9.0%). In addition, Other revenues increased by \$80.3 million (26.0%) primarily due to the gain on the sale of capital assets.

Expenses for governmental activities in 2018 were \$8,301.8 million, an increase of \$121.6 million (1.5%) over 2017. The amount that taxpayers paid for these governmental activities through City taxes was \$4,673.8 million. Some of the cost was paid by those who directly benefited from the programs (\$911.2 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$682.7 million).

The City paid \$1,177.3 million for the "public benefit" portion with other revenues such as state aid, interest and miscellaneous income.

Although total net position of business-types activities was \$763.0 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.

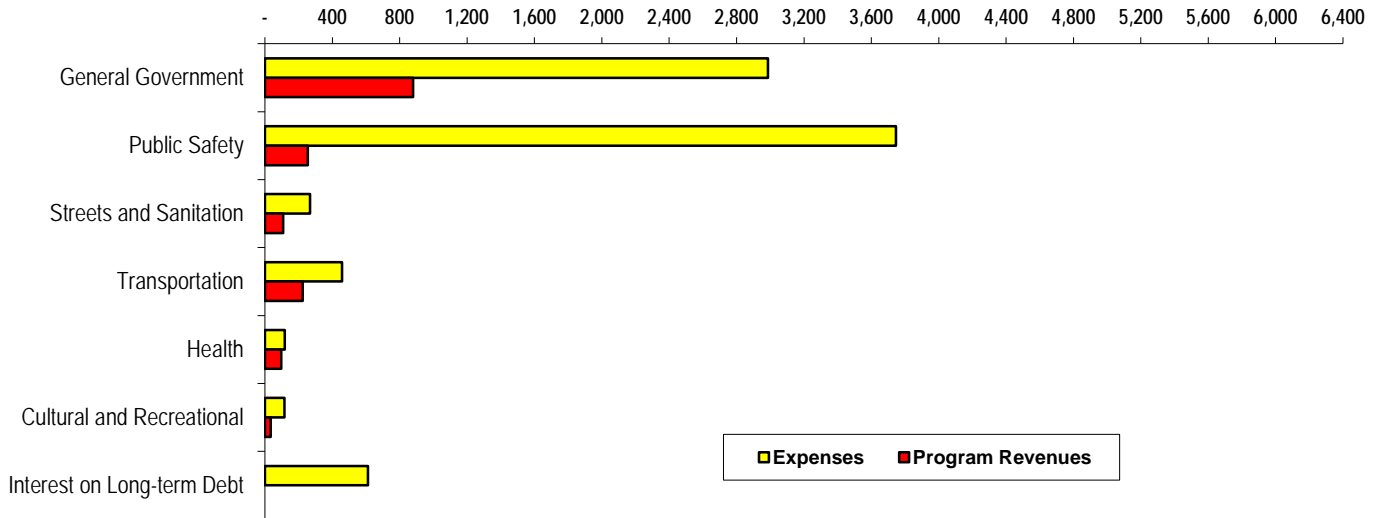
**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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

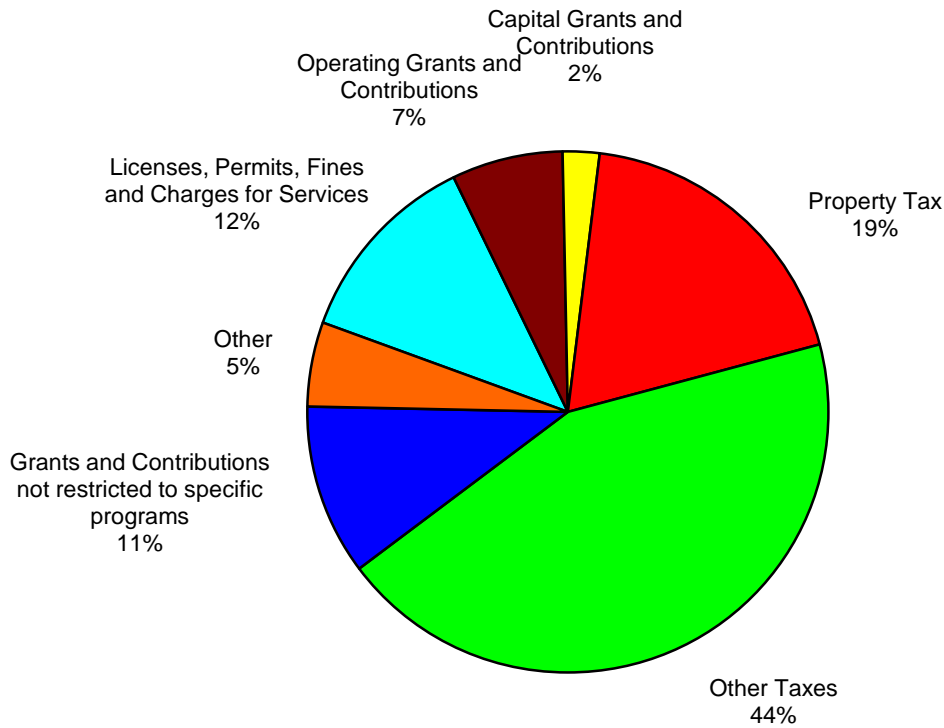
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues and Other Transfers:						
Program Revenues:						
Licenses, Permits, Fines and						
Charges for Services	\$ 911.2	\$ 900.3	\$ 2,661.1	\$ 2,527.8	\$ 3,572.3	\$ 3,428.1
Operating Grants and Contributions	511.9	473.2	-	-	511.9	473.2
Capital Grants and Contributions	170.8	205.5	140.1	120.0	310.9	325.5
General Revenues:						
Property Taxes	1,405.4	1,327.2	-	-	1,405.4	1,327.2
Other Taxes	3,268.4	2,958.8	-	-	3,268.4	2,958.8
Grants and Contributions not						
Restricted to Specific Programs	788.7	762.0	-	-	788.7	762.0
Other	388.7	308.4	96.5	83.6	485.2	392.0
Total Revenues	<u>7,445.1</u>	<u>6,935.4</u>	<u>2,897.7</u>	<u>2,731.4</u>	<u>10,342.8</u>	<u>9,666.8</u>
Expenses:						
General Government	2,985.4	2,914.7	-	-	2,985.4	2,914.7
Public Safety	3,746.8	3,636.1	-	-	3,746.8	3,636.1
Streets and Sanitation	267.4	247.8	-	-	267.4	247.8
Transportation	458.6	414.0	-	-	458.6	414.0
Health	117.2	124.1	-	-	117.2	124.1
Cultural and Recreational	115.1	121.5	-	-	115.1	121.5
Interest on Long-term Debt	611.3	722.0	-	-	611.3	722.0
Water	-	-	577.3	581.6	577.3	581.6
Sewer	-	-	281.9	293.0	281.9	293.0
Midway International Airport	-	-	293.6	285.0	293.6	285.0
Chicago-O'Hare International Airport	-	-	1,318.0	1,256.7	1,318.0	1,256.7
Chicago Skyway	-	-	8.1	8.5	8.1	8.5
Total Expenses	<u>8,301.8</u>	<u>8,180.2</u>	<u>2,478.9</u>	<u>2,424.8</u>	<u>10,780.7</u>	<u>10,605.0</u>
Change in Net Position Before Transfers	(856.7)	(1,244.8)	418.8	306.6	(437.9)	(938.2)
Transfers In (Out)	2.5	2.2	(2.5)	(2.2)	-	-
Change in Net Position	<u>(854.2)</u>	<u>(1,242.6)</u>	<u>416.3</u>	<u>304.4</u>	<u>(437.9)</u>	<u>(938.2)</u>
Net (Deficit) Position, Beginning of Year as Restated (Note 18)	<u>(29,273.5)</u>	<u>(27,472.2)</u>	<u>346.7</u>	<u>42.3</u>	<u>(28,926.8)</u>	<u>(27,429.9)</u>
Net (Deficit) Position, End of Year	<u><u>\$ (30,127.7)</u></u>	<u><u>\$ (28,714.8)</u></u>	<u><u>\$ 763.0</u></u>	<u><u>\$ 346.7</u></u>	<u><u>\$ (29,364.7)</u></u>	<u><u>\$ (28,368.1)</u></u>

**CITY OF CHICAGO, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2018**

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



Revenues by Source - Governmental Activities



**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

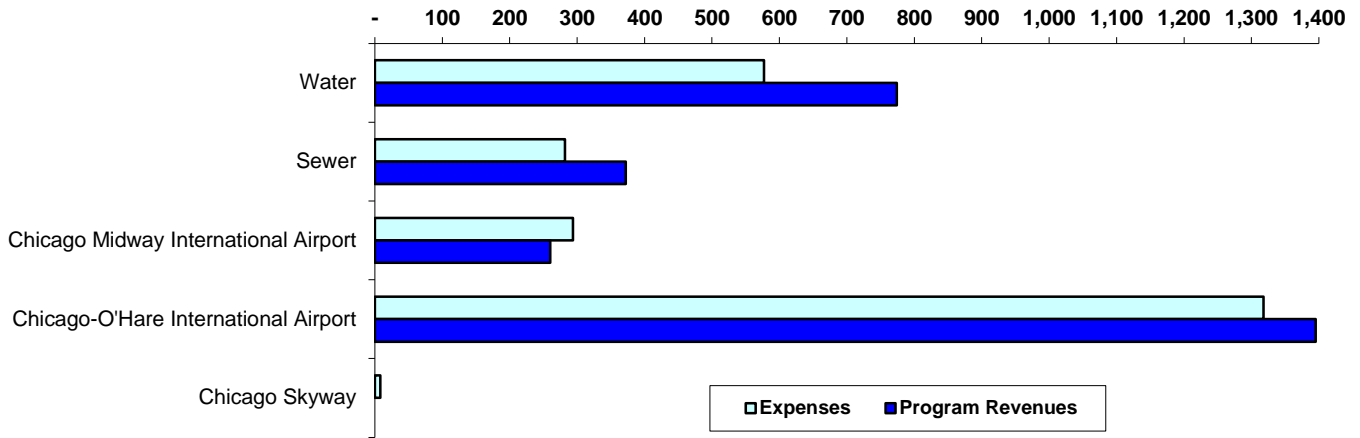
Business-type Activities. Total Revenues of the City's business-type activities increased by \$166.3 million in 2018 mostly from an increase in charges for services, rental income, and other general revenues.

- The Water Fund's total operating revenues increased by \$14.9 million (2.0%) from 2017 primarily due to a decrease in the provision for doubtful accounts resulting from collected water charges from prior years accounts receivable and an increase in water fees of \$4.9 million (0.6%) offset by a decrease in penalties resulting from the collected water charges from prior year accounts. Operating expenses before depreciation and amortization for the year ended 2018 increased by \$9.1 million (2.3%) from the year ended 2017 primarily due to an increase in transmission and distribution of \$20.1 million, central services and general fund reimbursement of \$5.3 million and customer accounting and collection of \$4.0 million offset by a decrease in pension expense of \$21.6 million.
- The Sewer Fund's total operating revenues increased in 2018 by \$12.1 million (3.4%) primarily due to pumpage and rate increases during the year that were offset by continued conversion of non-metered customers to metered customers. There was a rate increase of 1.54% during 2018. Operating expenses before depreciation and amortization for 2018 decreased \$7.7 million (4.7%) from 2017 primarily due to a decrease in pension expense.
- Chicago Midway International Airport's total operating revenues for 2018 increased by \$11.5 million (5.9%) from 2017 primarily due to increases in the landing fees and terminal rental rates to pay for capital development of the airport and operational infrastructure reliability. Operating expenses before depreciation and amortization increased by \$10.4 million (6.11%) compared to 2017 due to increases in salaries and wages of \$3.2 million due to increased public safety presence, pension expense of \$2.6 million primarily as a result of 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, and repairs and maintenance of \$2.8 million due to increased equipment and fuel maintenance.
- Chicago O'Hare International Airport's total operating revenues for 2018 increased by \$85.7 million (8.8%) compared to 2017 due to increases in terminal rents and landing fees to fund capital development, increase in cargo and hangar ground rents of \$2.00/sq. ft. on airport property outside of the airfield area and \$2.25/sq. ft. in the airfield area as leases were finalized in 2017 and the full year impact was realized in 2018. In 2018, the City Council approved the new Airline Use and Lease Agreement ("AULA") for airlines operating at O'Hare, which went into effect as of July 1, 2018 for provisions regarding rates and charges. The AULA provides that the aggregate of all rentals, fees and charges to be paid by the signatory airlines shall be sufficient to pay for the net cost of operating, maintaining and developing O'Hare. Specifically, the AULA allows the City to commence a \$6.1 billion terminal expansion program (known as the Terminal Area Plan or "TAP") that includes construction of new gates and concourses, in addition to \$2.4 billion in additional pre-approved capital projects.

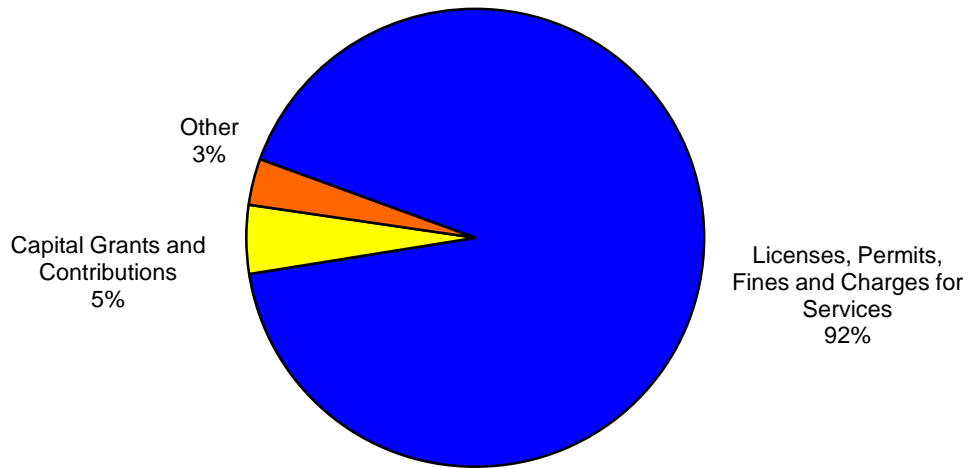
Operating expenses before depreciation, amortization and loss on capital asset disposals increased by \$57.8 million (8.9%) compared to 2017 primarily due to increases in salaries and wages of \$16.6 million as a result of increased public safety presence and increases in medical benefits costs, repairs and maintenance of \$19.7 million due to emergency airfield repairs and additional snow equipment rental as a result of extreme weather conditions, professional and engineering services of \$9.8 million primarily due to the inclusion of the CATCo Consortium Operations costs in the Airport's budget based on the new rate structure in the AULA, and other operating expenses of \$11.7 million primarily due to increases in indirect costs and insurance.

- The Chicago Skyway was leased for 99 years to a private company. The agreement granted the company the right to operate the Skyway and to collect toll revenue during the term of the agreement. The City received an upfront payment of \$1.83 billion of which \$446.3 million was used to advance refund all of the outstanding Skyway bonds. The upfront payment is being amortized into nonoperating revenue over the period of the lease (\$18.5 million annually).

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



Revenues by Source - Business-type Activities



**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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, 2018, the City's governmental funds reported combined ending fund balances of \$1,728.2 million, an increase of \$106.3 million in comparison with the prior year. Of this total amount, \$821.5 million was committed to specific expenditures, \$145.2 million was assigned to anticipated uses, a deficit of \$3,365.9 million was unassigned, \$2,011.3 million was restricted in use by legislation, and \$2,116.1 million was nonspendable.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$161.9 million with a total fund balance of \$332.3 million. As a measure of the General Fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total General Fund balance represents 9.2% of total General Fund expenditures. The fund balance of the City's General Fund increased by approximately \$44.0 million during the current fiscal year due to other financing sources offset by expenditures greater than revenues.

The Federal, State and Local Grants Fund has a total deficit fund balance of \$198.7 million. The deficit is \$42.7 million lower than 2017 primarily due to more timely reimbursement of expenditures.

The Special Taxing Areas Fund has a total fund balance of \$1,471.7 million, which is all restricted to specific expenditures.

The Service Concession and Reserve Fund accounts for deferred inflows from nonbusiness type long-term concession and lease transactions and has \$652.5 million committed to specific expenditures. The unassigned deficit of \$1,492.2 million results from the deferred inflows from long-term asset leases.

The Bond, Note Redemption and Interest Fund has a total fund deficit of \$1,785.9 million. This is \$1,456.9 million lower than 2017, primarily due to the refunding of certain outstanding City bonds.

The STSC Debt Service Fund has a total fund balance of \$2,148.7 million. The fund balance will be used for future debt service payments for certain outstanding bonds. In 2018, the STSC Fund Balance for nonspendable increased by \$1.3 billion due to the issuance of Bond Series 2018AB and Bond Series 2018C. 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 \$347.8 million. This is \$1.8 million higher than 2017.

Changes in fund balance. The fund balance for the City's governmental funds increased by \$106.3 million in 2018. This includes a decrease in inventory of \$0.5 million.

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

Unrestricted net position of the Water, Sewer, Chicago Skyway, Chicago-O'Hare International Airport, and Chicago Midway International Airport Funds at the end of the year amounted to a deficit of \$4,472.4 million. The unrestricted net position deficit increased by \$85.1 million primarily due to an increase in net pension liability. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City's business-type activities.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

General Fund Budgetary Highlights

The City's 2018 General Fund Budget of \$3,852.5 million was approved by City Council on November 21, 2017. General Fund revenues ended the year \$83.2 million under the 2018 Final General Fund Budget primarily as a result of not using \$37 million of budgeted prior year available fund balance and lower than anticipated revenues from other sources. Expenditures were \$113.9 million less than budgeted amounts as a result of favorable variances in general government expenditures. Additional information on the City's budget can be found in Note 3 under Stewardship, Compliance and Accountability within this report.

Capital Asset and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of December 31, 2018 amount to \$26,249.3 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 2018, the City completed \$431.9 million in infrastructure projects including \$374.1 million in street construction and resurfacing projects, \$33.7 million in street lighting and transit projects, and \$19.3 million in bridge and viaduct reconstruction, and \$4.8 million in storm water projects. At year end, infrastructure projects still in process had expenses totaling nearly \$566.1 million.
- At the end of 2018, the new facilities of the Department of Fleet and Facilities Management currently had a construction in progress balance of \$36.0 million. The largest facility, located at 69th and Wentworth Avenue, opened in February 2019.
- At the end of 2018 the Water Fund had \$4,755.9 million invested in utility plant, net of accumulated depreciation. During 2018, the Water Fund expended \$391.6 million on capital activities. This included \$0.3 million for structures and improvements, \$124.7 million for distribution plant, \$13.5 million for equipment and \$253.1 million for construction in progress. During 2018, net completed projects totaling \$234.9 million were transferred from construction in progress to applicable capital accounts. The major completed projects were installation and replacement of water mains (\$183.9 million), meter save program (\$26.3 million), and Jardine Water Purification Plant mixing and settling basin equipment (\$6.7 million).
- At the end of 2018, the Sewer Fund had net utility plant of \$2,735.4 million. During 2018, the Sewer Fund had capital additions being depreciated of \$237.5 million, and completed projects totaling \$59.0 million were transferred from construction in progress to applicable facilities and structures capital accounts. The 2018 Sewer Main Replacement Program completed 21.8 miles of sewer mains and 44.5 miles of relining of existing sewer mains.
- At the end of 2018, Chicago-Midway International Airport had \$1,196.7 million invested in net capital assets. During 2018, the Airport had additions of \$80.9 million related to capital activities. Construction projects include runway rehabilitation, and passenger security checkpoint and terminal garage enhancements. During 2018, completed projects totaling \$18.0 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to building security, runway and taxi improvements and parking enhancements.
- At the end of 2018, Chicago-O'Hare International Airport had \$8.5 billion invested in net capital assets. During 2018, the Airport had additions of \$825.4 million related to capital activities. This included construction for relocation of airline facilities, Central De-icing Pad, Bravo Pad Parking, CONRAC/ parking, ATS rail, terminal improvements, 9C-27C runway construction and taxiway improvements. During 2018 completed projects totaling \$849.9 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to Central De-icing Pad, CONRAC/ Parking, Fuel Line Relocation projects, Bravo Pad Parking, terminal improvements, and runway and taxiway improvements.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,409.5	\$ 1,399.8	\$ 1,028.5	\$ 1,028.7	\$ 2,438.0	\$ 2,428.5
Works of Art and Historical Collections	48.1	47.0	-	-	48.1	47.0
Construction in Progress	637.2	694.0	1,922.0	1,873.7	2,559.2	2,567.7
Buildings and Other Improvements	1,492.8	1,534.6	14,134.0	13,174.9	15,626.8	14,709.5
Machinery and Equipment	299.1	285.0	366.2	360.2	665.3	645.2
Infrastructure	4,911.9	4,785.2	-	-	4,911.9	4,785.2
Total	\$ 8,798.6	\$ 8,745.6	\$ 17,450.7	\$ 16,437.5	\$ 26,249.3	\$ 25,183.1

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

Debt. At the end of the current fiscal year, the City had \$7,993.8 million in General Obligation Bonds/Line of Credit and \$214.0 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$2,036.4 million in Sales Tax Securitization Corporation Bonds (STSC Bonds); \$249.9 million in Motor Fuel Tax Revenue Bonds; \$19.9 million in Tax Increment Financing Bonds; and \$16,382.4 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	
	2018	2017	2018	2017	2018	2017
General Obligation	\$ 8,207.8	\$ 9,686.6	\$ -	\$ -	\$ 8,207.8	\$ 9,686.6
Tax Increment	19.9	27.9	-	-	19.9	27.9
Revenue Bonds	249.9	254.2	16,382.4	14,652.0	16,632.3	14,906.2
STSC Bonds	2,036.4	743.7	-	-	2,036.4	743.7
Total	\$ 10,514.0	\$ 10,712.4	\$ 16,382.4	\$ 14,652.0	\$ 26,896.4	\$ 25,364.4

During 2018, the City and the STSC issued the following:

Enterprise Fund Revenue Bonds and Notes:

- Chicago – O'Hare International Airport Commercial Paper Notes (\$138.8 million).
- Chicago – O'Hare International General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2018A (AMT), Series 2018B (Non-AMT) and Series 2018C (Taxable) (\$2,012.9 million).
- Chicago – Midway International Airport Second Lien Revenue Refunding Bonds Series 2018A (Taxable) (\$45.7 million).

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Sales Tax Securitization Corporation Bonds:

- Sales Tax Securitization Bonds Series 2018A and Taxable Series 2018B (\$680.3 million).
- Sales Tax Securitization Bonds Series 2018C (\$612.4 million).

At December 31, 2018 the City had credit ratings with each of the four major rating agencies as follows:

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

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

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

See Subsequent Events in the footnotes for ratings changes in 2019.

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 2018, the unemployment rate in the Chicago metropolitan area was 4.0%, marking the lowest rate since the Recession. Across the Chicagoland area and in Chicago, home prices continued to rise. In Chicago, the median home prices increased to \$285,000, which is a 2.4% increase over the 2017 median sale price. Tourism and business travel to Chicago increased by 4.3% over 2017 levels, reaching 57.6 million visitors in 2018. The Chicago tourism industry supported an estimated 150,000 jobs in 2018.

The City's 2019 General Fund Budget, totaling \$3,877.0 million, was approved by a 48 to 1 vote of City Council on November 14, 2018. The 2019 budget closed an operating budget deficit of \$97.9 million through a combination of reforms, spending cuts, and revenue growth. The 2019 budget includes a \$10 million deposit into the City's operating liquidity fund, which is part of the City's practice of adding to its budget stabilization funds.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Requests for Information

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

Exhibit 1
CITY OF CHICAGO, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2018
(Amounts are in Thousands of Dollars)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Cash and Cash Equivalents	\$ 1,344,338	\$ 674,952	\$ 2,019,290
Investments	1,158,227	380,033	1,538,260
Receivables (Net of Allowances):			
Property Tax	2,004,049	-	2,004,049
Accounts and Due From Other Governments	1,067,614	477,324	1,544,938
Internal Balances	(68,704)	68,704	-
Inventories	25,463	21,242	46,705
Restricted Assets:			
Cash and Cash Equivalents	93,179	4,218,984	4,312,163
Investments	584,884	1,510,458	2,095,342
Cash and Investments with Escrow Agent	491,341	-	491,341
Interest Receivable	-	13,461	13,461
Other Assets	8,610	62,467	71,077
Capital Assets:			
Land, Art, and Construction in Progress	2,094,891	2,950,560	5,045,451
Other Capital Assets, Net of Accumulated Depreciation	6,703,703	14,500,102	21,203,805
Total Capital Assets	8,798,594	17,450,662	26,249,256
Total Assets	15,507,595	24,878,287	40,385,882
Deferred Outflows	3,148,560	902,604	4,051,164
Total Assets and Deferred Outflows	\$ 18,656,155	\$ 25,780,891	\$ 44,437,046
LIABILITIES AND DEFERRED INFLOWS			
Voucher Warrants Payable	\$ 843,167	\$ 578,487	\$ 1,421,654
Short-term Debt	-	2,040	2,040
Accrued Interest	283,196	309,351	592,547
Accrued and Other Liabilities	1,197,275	322,978	1,520,253
Unearned Revenue	99,747	328,801	428,548
Derivative Instrument Liability	-	20,239	20,239
Long-term Liabilities:			
Due Within One Year	264,118	492,040	756,158
Due in More Than One Year	39,254,777	20,332,152	59,586,929
Total Liabilities	41,942,280	22,386,088	64,328,368
Deferred Inflows	6,841,569	2,631,782	9,473,351
Total Liabilities and Deferred Inflows	48,783,849	25,017,870	73,801,719
NET POSITION			
Net Investment in Capital Assets	(332,211)	4,298,879	3,966,668
Restricted for:			
Capital Projects	416,037	257,815	673,852
Debt Service	621,315	15,900	637,215
Special Taxing Areas	1,471,732	-	1,471,732
Passenger Facility Charges	-	231,621	231,621
Contractual Use Agreement	-	190,867	190,867
Airport General Fund	-	137,216	137,216
Customer Facility Charges	-	42,267	42,267
Other Purposes	-	60,854	60,854
Unrestricted (Deficit)	(32,304,567)	(4,472,398)	(36,776,965)
Total Net (Deficit)/Position	\$ (30,127,694)	\$ 763,021	\$ (29,364,673)

See notes to basic financial statements.

Exhibit 2
CITY OF CHICAGO, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

Functions/Programs	Expenses	Licenses, Permits, Fines and Charges for Services
Primary Government		
Governmental Activities:		
General Government	\$ 2,985,409	\$ 523,026
Public Safety	3,746,763	205,401
Streets and Sanitation	267,444	107,880
Transportation	458,611	53,247
Health	117,199	6,166
Cultural and Recreational	115,130	15,510
Interest on Long-term Debt	611,296	-
Total Governmental Activities	8,301,852	911,230
Business-type Activities:		
Water	577,264	773,960
Sewer	281,948	369,703
Chicago Midway International Airport	293,594	253,504
Chicago-O'Hare International Airport	1,318,038	1,263,971
Chicago Skyway	8,140	-
Total Business-type Activities	2,478,984	2,661,138
Total Primary Government	\$ 10,780,836	\$ 3,572,368

See notes to basic financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 355,536	\$ -	\$ (2,106,847)	\$ -	\$ (2,106,847)
48,389	-	(3,492,973)	-	(3,492,973)
-	-	(159,564)	-	(159,564)
-	170,830	(234,534)	-	(234,534)
89,667	-	(21,366)	-	(21,366)
18,321	-	(81,299)	-	(81,299)
-	-	(611,296)	-	(611,296)
<u>511,913</u>	<u>170,830</u>	<u>(6,707,879)</u>	<u>-</u>	<u>(6,707,879)</u>
-	-	-	196,696	196,696
-	2,274	-	90,029	90,029
-	6,776	-	(33,314)	(33,314)
-	131,020	-	76,953	76,953
-	-	-	(8,140)	(8,140)
<u>-</u>	<u>140,070</u>	<u>-</u>	<u>322,224</u>	<u>322,224</u>
<u>\$ 511,913</u>	<u>\$ 310,900</u>	<u>(6,707,879)</u>	<u>322,224</u>	<u>(6,385,655)</u>
General Revenues				
Taxes:				
Property Tax		1,405,396	-	1,405,396
Utility Tax		700,823	-	700,823
Sales Tax		361,482	-	361,482
Transportation Tax		506,193	-	506,193
Transaction Tax		547,262	-	547,262
Special Area Tax		703,261	-	703,261
Recreation Tax		279,515	-	279,515
Other Taxes		169,899	-	169,899
Grants and Contributions not Restricted to				
Specific Programs		788,737	-	788,737
Unrestricted Investment Earnings		26,087	50,628	76,715
Gain on Sale of Capital Assets		79,527	-	79,527
Miscellaneous		282,990	45,953	328,943
Transfers		2,540	(2,540)	-
Total General Revenues and Transfers		<u>5,853,712</u>	<u>94,041</u>	<u>5,947,753</u>
Change in Net Position		<u>(854,167)</u>	<u>416,265</u>	<u>(437,902)</u>
Net Position - Beginning, as restated (Note 18) .		<u>(29,273,527)</u>	<u>346,756</u>	<u>(28,926,771)</u>
Net Position - Ending		<u>\$ (30,127,694)</u>	<u>\$ 763,021</u>	<u>\$ (29,364,673)</u>

Exhibit 3
CITY OF CHICAGO, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
ASSETS			
Cash and Cash Equivalents	\$ 197,712	\$ -	\$ 496,095
Investments	138,872	78,550	680,889
Receivables (Net of Allowances):			
Property Tax	-	-	587,786
Accounts	250,109	2,436	4,567
Due From Other Funds	220,143	25,358	218,608
Due From Other Governments	49,768	446,084	-
Inventories	25,463	-	-
Restricted Cash and Cash Equivalents	-	3,218	-
Restricted Investments	-	-	-
Restricted Cash and Investments with Escrow Agent	-	-	-
Other Assets	-	3,267	-
Total Assets	<u>\$ 882,067</u>	<u>\$ 558,913</u>	<u>\$ 1,987,945</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Voucher Warrants Payable	\$ 224,475	\$ 165,182	\$ 50,166
Bonds, Notes and Other Obligations Payable - Current	-	-	-
Accrued Interest	-	-	-
Due To Other Funds	163,969	263,367	1,901
Accrued and Other Liabilities	136,713	6,559	2,255
Claims Payable	21,055	-	-
Unearned Revenue	603	99,144	-
Total Liabilities	<u>546,815</u>	<u>534,252</u>	<u>54,322</u>
Deferred Inflows	2,925	223,409	461,891
Fund Balance:			
Nonspendable	25,463	-	-
Restricted	-	12,371	1,471,732
Committed	-	-	-
Assigned	145,000	-	-
Unassigned	161,864	(211,119)	-
Total Fund Balance	<u>332,327</u>	<u>(198,748)</u>	<u>1,471,732</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 882,067</u>	<u>\$ 558,913</u>	<u>\$ 1,987,945</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
\$ -	\$ 33,932	\$ -	\$ 284,858	\$ 215,800	\$ 115,941	\$ 1,344,338
-	66,215	-	151,902	-	41,799	1,158,227
-	519,752	-	-	870,175	26,336	2,004,049
4,089	1,933	57,704	2,346	1,095	213,932	538,211
-	412	2,090,686	15,428	64,116	105,540	2,740,291
-	2,935	-	-	-	30,616	529,403
-	-	-	-	-	-	25,463
63,490	-	-	-	-	26,471	93,179
584,884	-	-	-	-	-	584,884
-	423,190	31,749	-	-	36,402	491,341
-	-	-	-	-	-	3,267
<u>\$ 652,463</u>	<u>\$ 1,048,369</u>	<u>\$ 2,180,139</u>	<u>\$ 454,534</u>	<u>\$ 1,151,186</u>	<u>\$ 597,037</u>	<u>\$ 9,512,653</u>
\$ 7	\$ -	\$ 242	\$ 60,903	\$ 281,319	\$ 58,456	\$ 840,750
-	77,037	-	-	-	-	77,037
-	251,859	31,167	-	-	170	283,196
-	2,090,686	-	44,092	176,042	244,980	2,985,037
-	-	-	1,754	-	11,948	159,229
-	-	-	-	-	-	21,055
-	-	-	-	-	-	99,747
<u>7</u>	<u>2,419,582</u>	<u>31,409</u>	<u>106,749</u>	<u>457,361</u>	<u>315,554</u>	<u>4,466,051</u>
<u>1,492,160</u>	<u>414,677</u>	<u>-</u>	<u>-</u>	<u>693,825</u>	<u>29,485</u>	<u>3,318,372</u>
-	-	2,090,686	-	-	-	2,116,149
-	-	58,044	347,785	-	121,338	2,011,270
652,456	-	-	-	-	169,067	821,523
-	-	-	-	-	231	145,231
<u>(1,492,160)</u>	<u>(1,785,890)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,638)</u>	<u>(3,365,943)</u>
<u>(839,704)</u>	<u>(1,785,890)</u>	<u>2,148,730</u>	<u>347,785</u>	<u>-</u>	<u>251,998</u>	<u>1,728,230</u>
<u>\$ 652,463</u>	<u>\$ 1,048,369</u>	<u>\$ 2,180,139</u>	<u>\$ 454,534</u>	<u>\$ 1,151,186</u>	<u>\$ 597,037</u>	<u>\$ 9,512,653</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	8,798,594
Other long-term assets are not available to pay for current-period expenditures and therefore are recorded as deferred inflows in the funds	1,826,212
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	5,343
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	(42,486,073)
Net position of governmental activities	<u>\$ (30,127,694)</u>

Exhibit 4

CITY OF CHICAGO, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended December 31, 2018

(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
Revenues:			
Property Tax	\$ -	\$ -	\$ -
Utility Tax	432,060	-	-
Sales Tax (Local)	56,986	-	-
Transportation Tax	307,084	-	-
State Income Tax	392,449	-	-
State Sales Tax	-	-	-
Transaction Tax	477,507	-	-
Special Area Tax	-	-	673,523
Recreation Tax	279,515	-	-
Other Taxes	146,030	-	-
Federal/State Grants	3,444	733,417	-
Internal Service	270,172	-	-
Licenses and Permits	139,792	-	-
Fines	336,900	-	-
Investment Income	1,627	-	6,076
Charges for Services	193,489	-	6
Miscellaneous	104,694	-	1,932
Total Revenues	3,141,749	733,417	681,537
Expenditures:			
Current:			
General Government	1,064,874	390,608	410,072
Health	30,767	85,790	-
Public Safety	2,229,455	54,839	461
Streets and Sanitation	206,499	-	1
Transportation	54,376	143,555	53,799
Cultural and Recreational	-	12,579	-
Employee Pensions	-	-	-
Other	1,258	1,012	4,473
Capital Outlay	-	2,380	-
Debt Service:			
Principal Retirement	2,250	-	-
Interest and Other Fiscal Charges	7,974	-	-
Total Expenditures	3,597,453	690,763	468,806
Revenues (Under) Over Expenditures ..	(455,704)	42,654	212,731

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
\$ -	\$ 530,031	\$ -	\$ -	\$ 870,534	\$ -	\$ 1,400,565
-	22,324	-	-	-	243,278	697,662
-	-	38,651	-	-	265,845	361,482
-	11,817	-	-	-	187,292	506,193
-	-	-	-	-	-	392,449
-	-	50,220	-	-	342,624	392,844
-	-	-	-	-	69,755	547,262
-	-	-	-	-	25,616	699,139
-	-	-	-	-	-	279,515
-	-	-	-	-	23,869	169,899
-	-	-	-	-	-	736,861
-	-	-	-	-	28,324	298,496
-	2,674	-	-	-	-	142,466
-	-	-	-	-	18,195	355,095
(191)	7,184	-	5,694	190	5,507	26,087
-	-	-	-	-	40,901	234,396
21,033	9,127	-	22,160	103,063	20,981	282,990
20,842	583,157	88,871	27,854	973,787	1,272,187	7,523,401
-	-	-	-	-	267,047	2,132,601
-	-	-	-	-	-	116,557
-	-	-	31,000	-	96,096	2,411,851
-	-	-	-	-	52,951	259,451
-	-	-	-	-	104,030	355,760
-	-	-	-	-	85,154	97,733
-	-	-	-	1,159,227	-	1,159,227
-	-	-	-	-	391	7,134
-	-	-	239,700	-	46,844	288,924
-	203,960	-	-	-	129,060	335,270
-	514,472	67,161	-	-	15,161	604,768
-	718,432	67,161	270,700	1,159,227	796,734	7,769,276
20,842	(135,275)	21,710	(242,846)	(185,440)	475,453	(245,875)

Exhibit 4 - Concluded
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
Other Financing Sources (Uses):			
Issuance of Debt	\$ -	\$ -	\$ -
Issuance of Line of Credit	-	-	-
Premium/(Discount)	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Proceeds from Sale of Assets	-	-	-
Transfers In	627,542	-	19,965
Transfers Out	(127,390)	-	(108,258)
Total Other Financing Sources (Uses)	<u>500,152</u>	<u>-</u>	<u>(88,293)</u>
Net Changes in Fund Balance	44,448	42,654	124,438
Fund Balance, Beginning of Year	288,361	(241,402)	1,347,294
Change in Inventory	(482)	-	-
Fund Balance, End of Year	<u>\$ 332,327</u>	<u>\$ (198,748)</u>	<u>\$ 1,471,732</u>

See notes to basic financial statements.

<u>Service Concession and Reserve</u>	<u>Bond, Note Redemption and Interest</u>	<u>STSC Debt Service</u>	<u>Community Development and Improvement Projects</u>	<u>Pension</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 1,292,700	\$ -	\$ -	\$ -	\$ 1,292,700
-	233,627	-	-	-	-	233,627
-	-	110,062	-	-	-	110,062
-	(1,392,431)	-	-	-	-	(1,392,431)
-	-	-	106,131	-	-	106,131
-	70,809	-	142,688	185,440	225,544	1,271,988
<u>(15,639)</u>	<u>(233,627)</u>	<u>(70,809)</u>	<u>(4,188)</u>	<u>-</u>	<u>(709,537)</u>	<u>(1,269,448)</u>
<u>(15,639)</u>	<u>(1,321,622)</u>	<u>1,331,953</u>	<u>244,631</u>	<u>185,440</u>	<u>(483,993)</u>	<u>352,629</u>
5,203	(1,456,897)	1,353,663	1,785	-	(8,540)	106,754
(844,907)	(328,993)	795,067	346,000	-	260,538	1,621,958
-	-	-	-	-	-	(482)
<u>\$ (839,704)</u>	<u>\$ (1,785,890)</u>	<u>\$ 2,148,730</u>	<u>\$ 347,785</u>	<u>\$ -</u>	<u>\$ 251,998</u>	<u>\$ 1,728,230</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, 2018
(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	\$	106,754
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		84,748
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		(26,604)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(6,670)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments		84,784
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		<u>(1,097,179)</u>
Change in the net position of governmental activities	\$	<u><u>(854,167)</u></u>

See notes to basic financial statements.

Exhibit 6
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Original Budget	Final Budget	Actual Amounts	Variance
Revenues:				
Utility Tax	\$ 435,700	\$ 435,700	\$ 432,060	\$ (3,640)
Sales Tax	54,800	54,800	56,986	2,186
Transportation Tax	309,500	309,500	307,084	(2,416)
Transaction Tax	422,638	422,638	477,507	54,869
Recreation Tax	268,890	268,890	279,515	10,625
Other Taxes	132,740	132,740	146,030	13,290
State Income Tax	386,714	386,714	392,449	5,735
Federal/State Grants	1,800	1,800	3,444	1,644
Internal Service	280,421	280,421	270,172	(10,249)
Licenses and Permits	131,050	131,050	139,792	8,742
Fines	326,200	326,200	336,900	10,700
Investment Income	8,000	8,000	1,627	(6,373)
Charges for Services	191,240	191,240	193,489	2,249
Miscellaneous	241,694	241,694	104,694	(137,000)
Budgeted Prior Years' Surplus and Reappropriations	37,000	37,000	-	(37,000)
Transfers In	624,090	624,090	627,542	3,452
Total Revenues	3,852,477	3,852,477	3,769,291	(83,186)
Expenditures:				
Current:				
General Government	1,370,690	1,370,690	1,217,183	153,507
Health	32,916	32,916	30,777	2,139
Public Safety	2,176,781	2,176,781	2,223,737	(46,956)
Streets and Sanitation	209,734	209,734	206,815	2,919
Transportation	57,400	57,400	55,121	2,279
Debt Service:				
Principal Retirement	2,250	2,250	2,250	-
Interest and Other Fiscal Charges	2,706	2,706	2,706	-
Total Expenditures	3,852,477	3,852,477	3,738,589	113,888
Revenues (Under) Over Expenditures ...	\$ -	\$ -	\$ 30,702	\$ 30,702

See notes to basic financial statements.

Exhibit 7
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PENSION FUND (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Original Budget	Final Budget	Actual Amounts	Variance
Revenues:				
Property Taxes	\$ 905,514	\$ 905,514	\$ 870,534	\$ (34,980)
Investment Income	-	-	190	190
Other Revenue	103,063	103,063	103,063	-
Transfers In	178,922	178,922	185,440	6,518
Total Revenues	1,187,499	1,187,499	1,159,227	(28,272)
Expenditures:				
Current:				
City Contribution to - Municipal Employees' Annuity and Benefit Fund	344,000	344,000	345,260	(1,260)
City Contribution to - Laborers' and Retirement Board Employees' Annuity and Benefit Fund	48,000	48,000	48,140	(140)
City Contribution to - Policemen's Annuity and Benefit Fund	557,000	557,000	527,454	29,546
City Contribution to - Firemen's Annuity and Benefit Fund	238,499	238,499	238,373	126
Total Expenditures	1,187,499	1,187,499	1,159,227	28,272
 Revenues Over Expenditures	 \$ -	 \$ -	 \$ -	 \$ -

See notes to basic financial statements.

Exhibit 8
CITY OF CHICAGO, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018
(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	
ASSETS AND DEFERRED OUTFLOWS						
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 206,922	\$ 73,084	\$ 62,153	\$ 332,057	\$ 736	\$ 674,952
Investments	264,309	97,690	5,081	12,271	682	380,033
Accounts Receivable (Net of Allowances)	193,388	109,429	18,651	92,960	4	414,432
Interest Receivable	2,222	-	145	671	4	3,042
Due from Other Funds	38,708	20,075	2,022	39,929	-	100,734
Inventories	20,453	789	-	-	-	21,242
Cash and Cash Equivalents - Restricted	127,032	173,559	104,883	786,847	-	1,192,321
Investments - Restricted	70,642	14,249	-	-	-	84,891
Interest Receivable - Restricted	256	2,189	-	-	-	2,445
Other Assets - Restricted	-	-	-	1,923	-	1,923
TOTAL CURRENT ASSETS	923,932	491,064	192,935	1,266,658	1,426	2,876,015
NONCURRENT ASSETS:						
Cash and Cash Equivalents - Restricted	-	-	183,311	2,843,352	-	3,026,663
Investments - Restricted	-	156,439	296,144	972,984	-	1,425,567
Interest Receivable - Restricted	-	-	1,706	9,310	-	11,016
Other Assets - Restricted	-	-	3,306	37,817	-	41,123
Due from Other Governments - Restricted	-	-	32,416	27,434	-	59,850
Other Assets	2,797	1,209	573	5,338	9,504	19,421
Property, Plant, and Equipment:						
Land	6,858	560	116,250	892,248	12,609	1,028,525
Structures, Equipment and Improvements	5,536,536	3,304,057	1,703,964	10,229,588	490,818	21,264,963
Accumulated Depreciation	(1,215,511)	(661,173)	(719,107)	(3,901,958)	(267,112)	(6,764,861)
Construction Work in Progress	427,987	91,925	95,571	1,306,552	-	1,922,035
Total Property, Plant and Equipment	4,755,870	2,735,369	1,196,678	8,526,430	236,315	17,450,662
TOTAL NONCURRENT ASSETS:	4,758,667	2,893,017	1,714,134	12,422,665	245,819	22,034,302
TOTAL ASSETS	5,682,599	3,384,081	1,907,069	13,689,323	247,245	24,910,317
DEFERRED OUTFLOWS	241,755	75,820	134,202	450,827	-	902,604
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 5,924,354	\$ 3,459,901	\$ 2,041,271	\$ 14,140,150	\$ 247,245	\$ 25,812,921

See notes to basic financial statements.

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	\$ 23,600	\$ 3,291	\$ 23,388	\$ 85,097	\$ -	\$ 135,376
Due to Other Funds	9,949	9,096	10,744	2,226	15	32,030
Accrued and Other Liabilities	231,527	41,227	1,542	14,668	-	288,964
Unearned Revenue	15,940	12,654	16,676	283,531	-	328,801
Current Liabilities Payable from Restricted Assets	197,930	187,808	104,441	786,846	-	1,277,025
TOTAL CURRENT LIABILITIES	478,946	254,076	156,791	1,172,368	15	2,062,196
NONCURRENT LIABILITIES:						
Revenue Bonds and Commercial Paper Payable	2,550,388	2,005,573	1,782,568	10,379,262	-	16,717,791
Line of Credit and TIFIA Loan Payable	-	-	-	258,150	-	258,150
Net Pension Liability	1,172,444	453,667	329,702	1,400,398	-	3,356,211
Derivative Instrument Liability	-	-	20,239	-	-	20,239
Other	1,577	-	1,954	-	-	3,531
TOTAL NONCURRENT LIABILITIES ...	3,724,409	2,459,240	2,134,463	12,037,810	-	20,355,922
TOTAL LIABILITIES	4,203,355	2,713,316	2,291,254	13,210,178	15	22,418,118
DEFERRED INFLOWS	435,097	161,529	82,841	381,103	1,571,212	2,631,782
NET POSITION:						
Net Investment in Capital Assets	2,163,158	827,773	(172,197)	1,243,830	236,315	4,298,879
Restricted Net Position:						
Debt Service	-	-	5,381	10,519	-	15,900
Capital Projects	256	115,576	49,213	92,770	-	257,815
Passenger Facility Charges	-	-	3,854	227,767	-	231,621
Contractual Use Agreement	-	-	35,978	154,889	-	190,867
Air Development Fund	-	-	-	137,216	-	137,216
Customer Facility Charge	-	-	13,798	28,469	-	42,267
Other	-	-	12,461	48,393	-	60,854
Unrestricted Net (Deficit)	(877,512)	(358,293)	(281,312)	(1,394,984)	(1,560,297)	(4,472,398)
TOTAL NET POSITION/(DEFICIT)	\$ 1,285,902	\$ 585,056	\$ (332,824)	\$ 548,869	\$ (1,323,982)	\$ 763,021

See notes to basic financial statements.

Exhibit 9
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018
(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 \$8,205 for Water and \$12,611 for Sewer	\$ 746,546	\$ 368,211	\$ 106,125	\$ 709,933	\$ -	\$ 1,930,815
Rent	-	-	100,408	351,980	-	452,388
Other	27,414	1,492	-	-	-	28,906
Total Operating Revenues	773,960	369,703	206,533	1,061,913	-	2,412,109
Operating Expenses:						
Personnel Services	134,888	13,472	51,408	222,550	-	422,318
Contractual Services	57,315	3,664	24,144	111,642	-	196,765
Repairs and Maintenance	2,249	68,563	47,326	115,008	-	233,146
Commodities and Materials	23,844	-	-	-	-	23,844
Depreciation and Amortization	74,636	48,504	51,383	259,467	8,140	442,130
Loss on Capital Asset Disposal	-	-	-	22,218	-	22,218
General Fund Reimbursements	88,286	51,188	-	-	-	139,474
Pension Expense	85,451	18,938	42,843	145,920	-	293,152
Other	19,323	-	15,689	115,146	-	150,158
Total Operating Expenses	485,992	204,329	232,793	991,951	8,140	1,923,205
Operating Income (Loss)	287,968	165,374	(26,260)	69,962	(8,140)	488,904
Nonoperating Revenues (Expenses):						
Investment Income (Loss)	5,072	2,436	6,408	36,707	5	50,628
Interest Expense	(91,272)	(77,619)	(59,598)	(305,798)	-	(534,287)
Passenger Facility Charges	-	-	39,469	163,221	-	202,690
Customer Facility Charges	-	-	7,502	38,837	-	46,339
Noise Mitigation Costs	-	-	(648)	(6,097)	-	(6,745)
Cost of Issuance	-	-	(555)	(14,192)	-	(14,747)
Other	2,058	5,010	1,083	19,267	18,535	45,953
Total Nonoperating Revenues (Expenses)	(84,142)	(70,173)	(6,339)	(68,055)	18,540	(210,169)
Transfers Out	(2,420)	(120)	-	-	-	(2,540)
Capital Grants	-	2,274	6,776	131,020	-	140,070
Net Income (Loss)	201,406	97,355	(25,823)	132,927	10,400	416,265
Net Position (Deficit) -						
Beginning of Year	1,084,496	487,701	(307,001)	415,942	(1,334,382)	346,756
Net Position (Deficit) - End of Year	\$ 1,285,902	\$ 585,056	\$ (332,824)	\$ 548,869	\$ (1,323,982)	\$ 763,021

Exhibit 10
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018
(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
Cash Flows from Operating Activities:						
Received from Customers	\$ 768,547	\$ 364,412	\$ 218,913	\$ 1,119,995	\$ -	\$ 2,471,867
Payments to Vendors	(97,400)	(31,185)	(99,379)	(314,320)	-	(542,284)
Payments to Employees	(134,874)	(51,640)	(45,367)	(202,667)	-	(434,548)
Transactions with Other City Funds	(124,992)	(61,740)	(5,119)	(82,338)	-	(274,189)
Cash Flows Provided By						
Operating Activities	411,281	219,847	69,048	520,670	-	1,220,846
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Issuance of Bonds/Commercial Paper/IEPA Loans/TIFIA Loans/LOC	108,279	91,664	45,670	2,173,861	-	2,419,474
Acquisition and Construction of Capital Assets	(349,318)	(234,702)	(55,685)	(753,691)	-	(1,393,396)
Capital Grant Receipts	-	207	4,067	118,125	-	122,399
Bond Issuance Costs	-	-	(3,332)	(20,114)	-	(23,446)
Payment to Commercial Paper Note/LOC	-	-	-	(112,297)	-	(112,297)
Payment to Refund Bonds	-	-	(62,720)	(27,370)	-	(90,090)
Principal Paid on Debt	(102,197)	(57,417)	(27,930)	(298,185)	-	(485,729)
Interest Paid	(115,575)	(89,707)	(82,596)	(413,215)	-	(701,093)
Passenger and Customer Facility Charges	-	-	46,732	195,961	-	242,693
Concessionaire Funds	-	-	-	-	53	53
Cash Flows (Used in) Provided By Capital and Related Financing Activities	(458,811)	(289,955)	(135,794)	863,075	53	(21,432)
Cash Flows from Non Capital Financing Activities:						
Noise Mitigation Program	-	-	(648)	(6,097)	-	(6,745)
Proceeds from Settlement Agreement	-	4,931	171	643	-	5,745
Cash Flows Provided by (used in) Non Capital Financing Activities	-	4,931	(477)	(5,454)	-	(1,000)
Cash Flows from Investing Activities:						
Purchases (Sale) of Investments, Net	108,547	139,815	146,856	648,567	93	1,043,878
Investment Income	12,013	9,007	10,321	51,976	5	83,322
Cash Flows Provided By Investing Activities	120,560	148,822	157,177	700,543	98	1,127,200
Net Increase in Cash and Cash Equivalents						
Cash and Cash Equivalents, Beginning of Year	260,924	162,998	260,393	1,883,422	585	2,568,322
Cash and Cash Equivalents, End of Year	\$ 333,954	\$ 246,643	\$ 350,347	\$ 3,962,256	\$ 736	\$ 4,893,936

See notes to basic financial statements.

Exhibit 10 - Concluded
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018
(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)	\$ 287,968	\$ 165,374	\$ (26,260)	\$ 69,962	\$ (8,140)	\$ 488,904
Adjustments to Reconcile:						
Depreciation, Amortization and Loss on Capital						
Asset Disposals	74,636	48,504	51,383	281,685	8,140	464,348
Pension Expense Other than Contribution	53,316	6,191	31,353	99,229	-	190,089
Provision for Uncollectible Accounts	8,205	12,611	8	-	-	20,824
Change in Assets and Liabilities:						
(Increase) Decrease in Receivables	(12,430)	(16,885)	2,220	(8,435)	-	(35,530)
(Increase) Decrease in Due From Other Funds	(2,037)	2,163	(439)	(672)	-	(985)
(Decrease) Increase in Voucher Warrants						
Payable and Due to Other Funds	(8,153)	(404)	692	11,306	-	3,441
Increase in Unearned Revenue and Other Liabilities	8,162	2,107	10,143	66,517	-	86,929
Increase (Decrease) in Inventories and Other Assets	1,614	186	(52)	1,078	-	2,826
Cash Flows from Operating Activities	<u>\$ 411,281</u>	<u>\$ 219,847</u>	<u>\$ 69,048</u>	<u>\$ 520,670</u>	<u>\$ -</u>	<u>\$ 1,220,846</u>
 Supplemental Disclosure of Noncash Items:						
Capital asset additions in 2018 with outstanding accounts payable, accrued, or other liabilities	<u>\$ 75,782</u>	<u>\$ 82,446</u>	<u>\$ 30,041</u>	<u>\$ 236,181</u>	<u>\$ -</u>	<u>\$ 424,450</u>
The fair value adjustments (loss) to investments for 2018	<u>\$ 15,125</u>	<u>\$ 7,805</u>	<u>\$ (3,809)</u>	<u>\$ (13,747)</u>	<u>\$ -</u>	<u>\$ 5,374</u>

See notes to basic financial statements.

Exhibit 11
CITY OF CHICAGO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018
(Amounts are in Thousands of Dollars)

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 159,516	\$ 182,187
Investments	-	167,863
Investments, at Fair Value		
Bonds and U.S. Government		
Obligations	1,839,944	-
Stocks	3,664,384	-
Mortgages and Real Estate	633,689	-
Other	1,497,249	-
Cash and Investments with		
Escrow Agent	-	11,401
Property Tax Receivable	-	112,594
Accounts Receivable, Net	1,239,948	11,975
Due From City	176,042	-
Property, Plant, Equipment and other	323	-
Invested Securities Lending Collateral	358,440	-
Total Assets	<u>\$ 9,569,535</u>	<u>\$ 486,020</u>
LIABILITIES		
Voucher Warrants Payable	\$ 261,095	\$ 55,243
Accrued and Other Liabilities	-	430,777
Securities Lending Collateral	358,440	-
Total Liabilities	<u>\$ 619,535</u>	<u>\$ 486,020</u>
Deferred Inflows	<u>\$ 258</u>	<u>\$ -</u>
Total Liabilities and Deferred Inflows	<u>\$ 619,793</u>	<u>\$ 486,020</u>
NET POSITION		
Restricted for Pension Benefits	<u>8,949,742</u>	
Total Net Position	<u>\$ 8,949,742</u>	

See notes to basic financial statements.

Exhibit 12
CITY OF CHICAGO, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS - PENSION TRUST FUNDS
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	<u>Total</u>
ADDITIONS	
Contributions:	
Employees	\$ 309,318
City	<u>1,235,137</u>
Total Contributions	<u>1,544,455</u>
Investment Income:	
Net Depreciation in	
Fair Value of Investments	(638,215)
Interest, Dividends and Other	202,321
Investment Expense	<u>(40,668)</u>
Net Investment Income	<u>(476,562)</u>
Securities Lending Transactions:	
Securities Lending Income	8,835
Securities Lending Expense	<u>(6,177)</u>
Net Securities Lending Transactions	<u>2,658</u>
Total Additions	<u>1,070,551</u>
DEDUCTIONS	
Benefits and Refunds of Deductions	2,172,025
Administrative and General	<u>17,923</u>
Total Deductions	<u>2,189,948</u>
Net Increase in Net Position	(1,119,397)
Net Position:	
Beginning of Year	<u>10,069,139</u>
End of Year	<u><u>\$ 8,949,742</u></u>

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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, 2018, the City adopted the following GASB Statements:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for Other Postemployment Benefits (OPEB). GASB 75 details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. The City Adopted GASB 75 for the year ended December 31, 2018. GASB 75 required governments providing defined Other Postemployment Benefits to recognize their long-term obligation for Other Postemployment Benefits as a liability, and to more comprehensively and comparably measure the annual costs of Other Postemployment Benefits. The Statement also enhanced accountability and transparency through revised and new note disclosures and required supplementary information (see RSI and Notes 11 and 18). Beginning Net Position was restated as a result of implementation of this standard (see Note 18).

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

GASB Statement No. 86, *Certain Debt Extinguishment Issues* – (“GASB 86”) establishes accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. Adoption of GASB 86 had no impact to the City as historical defeasances of debt have not been from existing resources.

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

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

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

GASB Statement No. 87, *Leases* – (“GASB 87”) will improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the

CITY OF CHICAGO, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

payment provisions of the contract. The Statement will establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that are currently not reported. GASB 87 will be effective for the City beginning with its year ending December 31, 2020.

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

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – ("GASB 89") will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB 89 will be effective for the City beginning with its year ending December 31, 2020.

GASB Statement No. 90, *Majority Equity Interests*, an amendment of GASB Statements No. 14 and No. 61 ("GASB 90") aims to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. GASB 90 will be effective for the City beginning with its year ending December 31, 2019.

GASB Statement No. 91, *Conduit Debt Obligations* – ("GASB 91") provides a single method of reporting conduit debt obligations by issuers and aims to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 will be effective for the City beginning with its year ending December 31, 2021.

- a) **Reporting Entity** – The financial reporting entity consists of the City and its component units, which are legally separate organizations for which the City is financially accountable. The financial statements for the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), applicable to governmental units, as required by the Municipal Code of Chicago (Code). The City includes the Chicago Public Library.

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

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

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

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

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

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Financial statements for each of these four pension plans (collectively, "Pension Plans") may be obtained at the respective Pension Plans' offices.

Blended Component Unit

The City's financial statements also include, as a blended component unit, the Sales Tax Securitization Corporation (the "STSC"). The STSC is a special purpose not-for-profit corporation incorporated under the provisions of the General Not-For-Profit Corporation Act of 1986 of the State of Illinois (805 ILCS 105) (the "State"), as amended, and organized in accordance with an ordinance adopted by the City of Chicago City Council on October 11, 2017. The STSC is a non-stock corporation, has no members, and is governed by a board of directors (the "Board"). Except as described in the following sentence, the Board has five voting directors all of whom are officials of the City. The STSC's Bylaws require the vote of an additional "independent director" as a condition to taking certain actions. The independent director would be appointed by the Mayor of the City prior to any such actions.

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

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

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

Complete financial statements of the STSC can be obtained at www.salestaxsecuritizationcorporation.com.

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

- b) **Government-wide and fund financial statements** - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services.

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

**CITY OF CHICAGO, ILLINOIS
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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.

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

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

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

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

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

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

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

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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 the City and 125 suburbs. The Water Fund operates two water purification facilities with a combined output pumping capacity of 2,160 million gallons per day and 12 pumping stations with a combined pumping capacity of 3,661 million gallons per day.

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

Chicago Midway International Airport Fund records operations of Chicago Midway International Airport (Midway) that provides regional travelers with access to airlines that generally specialize in low-cost, point-to-point, origin and destination passenger services. Midway Airport is conveniently located 10 miles from downtown Chicago.

Chicago-O'Hare International Airport Fund records operations of Chicago-O'Hare International Airport (O'Hare), the primary commercial airport for the City. The airlines serving the Airport operate out of four terminal buildings with a total of 191 gates as of December 31, 2018. Three domestic terminal buildings, having a total of 171 aircraft gates serve domestic flights and certain international departures. The International Terminal, with 20 aircraft gates and four hardstand positions, serves the remaining international departures and all international arrivals.

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

Additionally, the City reports the following fiduciary funds:

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

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

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

Amounts reported as program revenues include: (1) charges to customers or applicants for goods and services, or privileges provided, or fines; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. General revenues include internally dedicated resources and taxes.

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

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

When both restricted and unrestricted (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.

d) **Assets, liabilities, deferred inflows, deferred outflows, and net position or equity**

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

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state or national banks and federal and state savings and loan associations, located within the City, whose deposits are federally insured.

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

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

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

Investments generally may not have a maturity date in excess of thirty years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances. Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

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

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

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

Municipal Employees' - The average term of securities loaned was 92 days at December 31, 2018. The cash collateral is invested in tri-party repurchase agreements and bank deposits which had a weighted average maturity of 26 days at December 31, 2018.

Laborers' Employees' - The average term of securities loaned was 90 days at December 31, 2018. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 30 days at December 31, 2018.

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Policemen's Employees' - The average term of the Fund's loan was approximately 1 day as of December 31, 2018. Cash collateral was reinvested in indemnified repurchase agreements which had an interest sensitivity of 1 day at December 31, 2018.

Firemen's Employees' - The average term of securities loaned was 51 days in 2018. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 27 days at December 31, 2018.

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

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

- iii) **Inventory** includes government-wide inventories, which are stated at cost determined principally, using the average cost method. For proprietary funds, the costs of inventories are recorded as expenses when used (consumption method). Governmental fund inventories are accounted for using the purchases method and represent nonspendable resources because they do not represent expendable available financial resources.

- iv) **Restricted Assets** include certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment. These assets are classified as restricted or committed in the basic financial statements because they are maintained in separate bank accounts and their use is limited by applicable bond covenants or specific City Council action.

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. The total interest expense (Governmental and Business Activities) incurred by the City during the current fiscal year was \$1,252.8 million, of which \$107.2 million was capitalized as part of the capital assets under construction projects in proprietary funds.

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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.

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

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

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

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

viii) Judgments and claims are included in the government-wide financial statements and proprietary fund types. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. In the fund financial statements, expenditures for judgments and claims are recorded on the basis of settlements reached or judgments entered within the current fiscal year. Amounts that relate to deferred compensatory time and reserves for questioned costs are treated the same way.

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- ix) **Long-term obligations** are included in the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the related debt, except in the case of refunding debt transactions where the amortization period is over the term of the refunding or refunded debt, whichever is shorter.

The City enters into interest rate swap agreements to modify interest rates and/or cash flows on outstanding debt. For existing swaps, the net interest expenditures resulting from these arrangements are recorded as interest expense. The fair value of derivative instruments that are deemed to be effective is accounted for as deferred outflows. Derivative instruments that are deemed not effective are adjusted to fair value with the change in fair value recorded to investment earnings. Under certain bond ordinances adopted by the City Council, interest rate swaps and swaptions are authorized to be entered into by designated City officials in connection with certain bonds issued by the City. For swaps related to Midway Bonds, airline approval is also required before entering into a swap agreement.

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

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

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

- x) **Deferred inflows** represent amounts to be recognized as revenue on a straight line basis over the life of the related long-term lease and concession agreements and differences between projected and actual actuarial experience related to pensions, and other pension related changes. In the fund financials, grants that meet all of the eligibility criteria except for time availability and property taxes levied for a future period are also included in deferred inflows. Deferred inflows for OPEB represent the difference between expected and actual non-investment experience and assumption changes.

- xi) **Net Position** in the government-wide statements is classified in three components:

- (1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or are legally restricted through constitutional provisions or enabling legislation.

Restricted net position for business activities are provided in Exhibit 8, Statement of Net Position, Proprietary Funds.

- (3) Unrestricted - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets." As of December 31, 2018, the unrestricted net position represents a deficit.

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2) Reconciliation of Government-wide and Fund Financial Statements

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

i) The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.” The details of this \$1,826.2 million are as follows (dollars in thousands):

Deferred inflows - property tax	\$	1,591,921
Deferred inflows - grants		223,409
Deferred inflows - charges for services		2,925
Deferred inflows - utility tax		7,957
Net adjustment to increase fund balance - total governmental funds - to arrive at net position - governmental activities	\$	<u>1,826,212</u>

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 \$42,486.1 million are as follows (dollars in thousands):

Long-term liabilities:		
Total bonds, notes and certificates payable	\$	(10,995,871)
Pension benefits		(26,761,592)
Other postemployment benefits		(684,632)
Pollution remediation		(44,415)
Claims and judgments		<u>(1,032,385)</u>
Total Long-term liabilities		(39,518,895)
Accounts payable - infrastructure retainage		(2,417)
Bonds, notes and other obligations payable current		77,037
Deferred outflows - unamortized loss on refunding		148,573
Deferred outflows - pension costs		2,979,471
Deferred outflows - other postemployment benefits costs.....		20,516
Deferred inflows - pension		(5,301,864)
Deferred inflows - other postemployment benefits.....		(47,545)
Accrued and other liabilities - compensated absences		(81,807)
Accrued and other liabilities - pension payable to pension funds ...		<u>(759,142)</u>
Net adjustment to reduce fund balance - total governmental funds - to arrive at net position - governmental activities	\$	<u>(42,486,073)</u>

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

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lives and reported as depreciation expense.” The details of this \$84.7 million are as follows (dollars in thousands):

Capitalized asset expenditures	\$ 507,711
Depreciation expense	(422,963)
	<hr/>
Net adjustment to increase net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities	<u>\$ 84,748</u>

ii) Another element of that reconciliation states that “Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.” The details of this increase of \$84.8 million are as follows (dollars in thousands):

Proceeds of debt	\$ (1,292,700)
Proceeds from line of credit	(233,627)
(Premium) / Discount	(110,062)
Payment to refunded bond escrow agent	1,392,431
Principal retirement	335,270
Interest expense	(6,528)
	<hr/>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities ..	<u>\$ 84,784</u>

Another element of that reconciliation states that “Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this decrease of \$1,097.2 million are as follows (dollars in thousands):

Claims and judgments	\$ (19,629)
Pension costs	(1,105,648)
Other post employment benefit liabilities	34,660
Pollution remediation	(9,371)
Vacation	3,291
Inventory	(482)
	<hr/>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities	<u>\$ (1,097,179)</u>

3) Stewardship, Compliance and Accountability

a) **Annual Appropriation Budgets** are established for the General Fund and the Vehicle Tax, Pension, Chicago Public Library and certain Miscellaneous, Special Events, Tourism and Festivals nonmajor Special Revenue Funds, on a non-GAAP budgetary basis:

- i) 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.

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- iv) Subsequent to the enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget, which results in a change in total or individual appropriations. The legal level of budgetary control is designated in the budget by object grouped by purpose.
 - v) All annual appropriations unused and unencumbered lapse at year-end. Encumbered appropriations are carried forward to the following year. Project-length financial plans are adopted for Capital Project Funds. Appropriations for Debt Service Funds are established by bond ordinance.
- b) **Reconciliation of GAAP Basis to Budgetary Basis** - The City’s budgetary basis of accounting used for budget vs. actual reporting differs from GAAP. For budgetary purposes, encumbrances are recorded as expenditures but are included in “Unassigned” fund balance for GAAP purposes. For budgetary purposes, proceeds of long-term debt and transfers in are classified as revenues. For budgetary purposes prior years’ resources used to cover current year budgetary expenditures are recorded as revenues. For GAAP purposes, proceeds of long-term debt and transfers out are treated as other financing sources. Provision for doubtful account expenditures are not budgeted. A reconciliation of the different basis of revenue and expenditure recognition for the year ended December 31, 2018 is as follows (dollars in thousands):

	General Fund
Revenues, GAAP Basis	\$ 3,141,749
Add:	
Transfers In	627,542
Revenues, Budgetary Basis	\$ 3,769,291
Expenditures, GAAP Basis	\$ 3,597,453
Add:	
Transfers Out	127,390
Encumbered in 2018.....	11,000
Deduct:	
Payments on Prior Years' Encumbrances	4,004
Provision for Doubtful Accounts and Other.....	(1,258)
Expenditures, Budgetary Basis	\$ 3,738,589

- c) **Individual Fund Deficits** include the Chicago Skyway Fund, an Enterprise Fund, which has a deficit fund balance of \$1,324.0 million which management anticipates will be funded through recognition of deferred inflows. Midway International Airport Fund has a deficit fund balance of \$332.8 million which will be funded through future revenues. Federal State and Local Grants, a governmental fund, has a deficit fund balance of \$198.7 million and will be funded by the recognition of deferred grant inflows and unearned revenue. The Service Concession and Reserve Fund, a Special Revenue Fund, has a deficit fund balance of \$839.7 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 \$1,785.9 million which will be funded through the amortization of the deferred inflow associated with the City’s sale of sales tax revenues to the STSC. The STSC is a blended component unit and for presentation purposes deferred inflows have been reclassified as internal balances.

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4) Restricted and Unrestricted Cash, Cash Equivalents and Investments

a) **Investments** As of December 31, 2018, 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. Treasuries	\$ 109,621	\$ -	\$ -	\$ -	\$ 109,621
U.S. Agencies*	544,183	520,946	9,304	-	1,074,433
Commercial Paper	1,861,993	-	-	-	1,861,993
Corporate Bonds	146,905	524,963	521,925	211,253	1,405,046
Corporate Equities	1,455	-	-	-	1,455
Certificates of Deposit and Other Short-term	3,901,045	-	-	-	3,901,045
Municipal Bonds	144,054	315,245	248,852	223,282	931,433
Supra National Bonds.....	-	49,981	-	-	49,981
State and Local Government Series	105,695	46,161	-	-	151,856
Asset Backed Securities.....	47,426	42,277	32,147	64,244	186,094
Total City Funds	<u>\$ 6,862,377</u>	<u>\$ 1,499,573</u>	<u>\$ 812,228</u>	<u>\$ 498,779</u>	<u>\$ 9,672,957</u>

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

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

Pension Trust Funds					
U.S. and Foreign					
Government Agencies	\$ 33,530	\$ 195,645	\$ 132,718	\$ 331,529	\$ 693,422
Corporate Bonds	467,312	419,264	234,635	167,999	1,289,210
Corporate Equities	3,966,132	-	-	-	3,966,132
Pooled Funds	125,477	20,936	-	-	146,413
Real Estate	620,386	-	-	-	620,386
Securities Received from Securities Lending	358,440	-	-	-	358,440
Venture Capital	564,521	-	-	-	564,521
Certificates of Deposit and Other Short-term	206,658	-	-	-	206,658
Derivatives	22,231	-	-	-	22,231
Other	93,878	132,317	59,115	-	285,310
Total Pension Trust Funds	<u>\$ 6,458,565</u>	<u>\$ 768,162</u>	<u>\$ 426,468</u>	<u>\$ 499,528</u>	<u>\$ 8,152,723</u>
Total	<u>\$ 13,320,942</u>	<u>\$ 2,267,735</u>	<u>\$ 1,238,696</u>	<u>\$ 998,307</u>	<u>\$ 17,825,680</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

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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, 2018 are as follows (dollars in thousands):

Investments by Fair Value Level	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasuries	\$ -	\$ 14,934	\$ -
U.S. Agencies	-	857,788	-
Corporate Bonds	-	1,377,786	-
Municipal Bonds	-	886,342	-
Supra National Bonds	-	49,981	-
State and Local Government Series	-	151,856	-
Asset Backed Securities	-	150,036	-
Total Investments at Fair Value	<u>\$ -</u>	<u>\$ 3,488,723</u>	<u>\$ -</u>

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for the City are \$6,184.2 million.

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Pension Trust Funds' Investments measured at fair value as of December 31, 2018 are as follows (Dollars in thousands):

Summary	Total	Level 1	Level 2	Level 3
U.S. and Foreign				
Government Agencies ...	\$ 693,422	\$ -	\$ 689,238	\$ 4,184
Corporate Bonds	915,444	-	915,444	-
Corporate Equities	3,509,945	3,508,579	933	433
Pooled Funds	124,050	43,047	81,003	-
Real Estate	13,684	13,684	-	-
Securities Received from				
Securities Lending	358,440	-	358,440	-
Certificates of Deposit				
and Other Short-term	167,622	21,610	145,917	95
Derivatives	22,231	37	22,194	-
Other	192,789	-	192,789	-
Subtotal	<u>5,997,627</u>	<u>3,586,957</u>	<u>2,405,958</u>	<u>4,712</u>

Pension Trust Funds' Investments measured at net asset value:	Unfunded Commitments	Redemption Frequency	Redemption Notice	
Corporate Bonds	\$ 373,766	\$ 6,064	daily	5 days
Corporate Equities	456,187	-		
Pooled Funds	22,363	-		
Real Estate	606,702	44,475	as needed, N/A, illiquid	45/90 days, open end, not eligible, N/A
Venture Capital	564,521	70,460	as needed, N/A, not eligible, illiquid	90 days, not eligible, N/A
Certificates of Deposit and Other Short-term	39,036	-		
Other *	92,521	16,607	illiquid	N/A
Subtotal	<u>2,155,096</u>			
Pension Trust Funds' Investments Total...	<u>\$ 8,152,723</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.

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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; 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 organized in the United States with assets exceeding \$1.0 billion that, at the time of purchase, are rated not less than two classes above investment grade, or equivalent rating, by at least two accredited ratings agencies;
 - (13) Debt instruments of international financial institutions, including but not limited to the World Bank and

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the International Monetary Fund, that, at the time of purchase, are rated within four intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;

- (14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within four intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;
- (15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the City or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;
- (16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;
- (17) Bonds, notes, debentures, or other similar obligations of agencies of the United States rated, at the time of purchase, no less than AAA by at least two accredited rating agencies.
- (18) Asset-backed or agency mortgage-backed securities, any of which are rated at least investment grade by at least two accredited rating agencies, but no funds may be invested in: (1) obligations the payment of which represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral that pays no principal (e.g., MBS Interest-Only Strips); (2) obligations the payment of which represents the principal balance repayments from the underlying mortgage-backed security collateral that pays no interest (e.g., MBS Principal-Only Strips); (3) collateralized mortgage obligations ("CMOs") that have a stated final maturity date of greater than 10 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) Interests in the Chicago Community Catalyst Fund.

Total holdings across all funds held by the City shall have no less than an overall average rating of Aa1 on a quarterly basis, as rated by two accredited rating agencies.

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

<u>Quality Rating</u>	<u>City</u>	<u>Quality Rating</u>	<u>Pension Trust Funds</u>
Aaa/AAA	\$ 4,239,208	Aaa/AAA	\$ 193,067
Aa/AA	2,149,538	Aa/AA	127,868
A/A	906,791	A/A	192,475
Baa/BBB	141,510	Baa/BBB	347,348
Ba/BB	-	Ba/BB	186,908
B/B	-	B/B	116,451
Caa/CCC	-	Caa/CCC	21,913
Ca	-	Ca	394
C/CC	-	CC/C	605
D/D	-	D/D	294
P1/A1	2,005,197	Not Rated	364,707
P2/A2	-	Other	334,729
MIG1/SP-1+	-		
MIG2/SP-1+	-		
Not Rated*	230,713		
Total Funds	<u>\$ 9,672,957</u>		<u>\$ 1,886,759</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 102 percent by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; (2) secured by a corporate surety bond issued by an insurance company licensed to do business in the State of Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least 102 percent by an irrevocable letter of credit issued in favor of the City by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the 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 final maturity of acceptable collateral pledged shall not exceed 120 months.

The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$1,035.1 million. 97.7 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name. \$23.7 million was uncollateralized at December 31, 2018, and thus was subject to custodial credit risk.

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- 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	
Argentine peso	\$ 429
Australian dollar	57,065
Brazilian real	46,828
British pound	201,732
Canadian dollar	58,321
Chilean peso	1,533
Chinese yuan	(144)
Colombian peso	2,999
Czech Republic koruna	1,996
Danish krone	27,278
Egyptian pound	529
European euro	362,327
HK Chinese Yuan renminbi	869
Hong Kong dollar	149,190
Hungarian forint	4,433
Indian rupee	44,548
Indonesian rupiah	22,412
Japanese yen	271,109
Kenyan shilling	301
Malaysian ringgit	7,818
Mexican peso	15,550
New Israeli shekel	11,389
New Taiwan dollar	35,092
New Zealand dollar	(2,381)
Norwegian krone	16,743
Pakistan rupee	61
Peruvian Nuevo Sol.....	214
Philippines peso	5,620
Polish zloty	2,429
Qatari riyal	1,168
Russian ruble	26
Singapore dollar	12,877
South African rand	23,473
South Korean won	44,672
Swedish krona	41,923
Swiss franc	64,003
Taiwan dollar	6,930
Thailand baht	15,211
Turkish lira	1,883
United Arab Emirates dirham ..	639
Vietnamese Dong.....	190
Total Pension Trust Funds	<u>\$ 1,559,285</u>

**CITY OF CHICAGO, ILLINOIS
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vi) The following schedule summarizes the cash and investments reported in the basic financial statements (dollars in thousands):

Per Note 4:	
Investments - City	\$ 9,672,957
Investments - Pension Trust Funds	8,152,723
	<u>\$ 17,825,680</u>
Per Financial Statements:	
Restricted Investments	\$ 2,095,342
Unrestricted Investments	1,538,260
Investments with Fiduciary Funds	7,803,129
Investments with Escrow Agent	502,742
Invested Securities Lending Collateral	358,440
Investments Included as Cash and Cash Equivalents on the Statement of Net Position	5,527,767
	<u>\$ 17,825,680</u>

5) Property Tax

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

Property in the County is separated into multiple classifications for assessment purposes. After the Assessor establishes the fair market value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (Assessed Valuation) for that parcel. These percentages range from 10.0 percent for certain residential, commercial, and industrial property to 25.0 percent for other commercial and industrial property.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment among counties. This factor (Equalization Factor) is then applied to the Assessed Valuation to compute the valuation of property to which a tax rate will be applied (Equalized Assessed Valuation). The County Clerk adds the Equalized Assessed Valuation of all real property in the County to the valuation of property assessed directly by the State of Illinois and subtracts total amounts of EAV in Tax Increment Financing Districts to arrive at the base amount (Tax Base) used in calculating the annual tax rates.

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

The City Council adopted an ordinance effective in 1994 limiting the City's aggregate property tax levy to an amount equal to the prior year's aggregate property tax levy plus the lesser of (a) five percent or (b) the percentage increase in the annualized Consumer Price Index. The ordinance provides an exception for that portion of any property tax debt service levy equal to the aggregate interest and principal payments on the City's general obligation bonds and notes during the 12-month period ended January 1, 1994, subject to annual increase in the manner described above for the aggregate levy, all as provided by the ordinance. Most general obligation bond levies approved after 2001 have also been excluded from this limit. In 2015 the City Council added an exception for portions of the property tax levy used to meet the City's pension obligations.

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NOTES TO BASIC FINANCIAL STATEMENTS
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6) Interfund Balances and Transfers

a) The following balances at December 31, 2018 represent due from/to balances among all funds (dollars in thousands):

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General	\$ 220,143	\$ 163,969
Federal, State and Local Grants	25,358	263,367
Special Taxing Areas	218,608	1,901
Bond, Note Redemption and Interest *	412	2,090,686
STSC Debt Service *	2,090,686	-
Community Development and Improvement Projects ...	15,428	44,092
Pension	64,116	176,042
Nonmajor Governmental Funds	105,540	244,980
Total Governmental Funds	2,740,291	2,985,037
Enterprise Funds:		
Water	38,708	9,949
Sewer	20,075	9,096
Chicago Midway International Airport	2,022	10,744
Chicago-O'Hare International Airport	39,929	2,226
Chicago Skyway	-	15
Total Enterprise Funds	100,734	32,030
Fiduciary activities:		
Pension Trust	176,042	-
Total Fiduciary activities	176,042	-
Total	<u>\$ 3,017,067</u>	<u>\$ 3,017,067</u>

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

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

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b) The following balances at December 31, 2018 represent interfund transfers among all funds (dollars in thousands):

<u>Fund Type/Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General	\$ 627,542	\$ 127,390
Special Taxing Areas	19,965	108,258
Service Concession and Reserve	-	15,639
Bond, Note Redemption and Interest	70,809	233,627
STSC Debt Service *	-	70,809
Community Development and Improvement Projects ...	142,688	4,188
Pension	185,440	-
Nonmajor Governmental Funds *	<u>225,544</u>	<u>709,537</u>
Total Governmental Funds	<u>1,271,988</u>	<u>1,269,448</u>
Business-type activities:		
Water	-	2,420
Sewer	<u>-</u>	<u>120</u>
Total Business-type activities	<u>-</u>	<u>2,540</u>
Total	<u>\$ 1,271,988</u>	<u>\$ 1,271,988</u>

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

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

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YEAR ENDED DECEMBER 31, 2018

7) Capital Assets

a) **Capital Assets** activity for the year ended December 31, 2018 was as follows (dollars in thousands):

	<u>Balance January 1, 2018</u>	<u>Additions and Transfers</u>	<u>Disposals and Transfers</u>	<u>Balance December 31, 2018</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,399,778	\$ 9,810	\$ (42)	\$ 1,409,546
Works of Art and Historical Collections	47,024	1,123	-	48,147
Construction in Progress	694,049	409,227	(466,078)	637,198
Total capital assets, not being depreciated	<u>2,140,851</u>	<u>420,160</u>	<u>(466,120)</u>	<u>2,094,891</u>
Capital assets, being depreciated:				
Buildings and Other Improvements	2,681,953	37,056	(26,033)	2,692,976
Machinery and Equipment	1,602,914	72,785	(17,833)	1,657,866
Infrastructure	9,576,727	427,314	(3,422)	10,000,619
Total capital assets, being depreciated	<u>13,861,594</u>	<u>537,155</u>	<u>(47,288)</u>	<u>14,351,461</u>
Less accumulated depreciation for:				
Buildings and Other Improvements	1,147,361	69,276	(16,410)	1,200,227
Machinery and Equipment	1,317,943	56,495	(15,650)	1,358,788
Infrastructure	4,791,551	297,192	-	5,088,743
Total accumulated depreciation	<u>7,256,855</u>	<u>422,963</u>	<u>(32,060)</u>	<u>7,647,758</u>
Total capital assets, being depreciated, net	<u>6,604,739</u>	<u>114,192</u>	<u>(15,228)</u>	<u>6,703,703</u>
Total governmental activities	<u>\$ 8,745,590</u>	<u>\$ 534,352</u>	<u>\$ (481,348)</u>	<u>\$ 8,798,594</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,028,750	\$ -	\$ (225)	\$ 1,028,525
Construction in Progress	1,873,687	1,222,109	(1,173,761)	1,922,035
Total capital assets, not being depreciated	<u>2,902,437</u>	<u>1,222,109</u>	<u>(1,173,986)</u>	<u>2,950,560</u>
Capital assets, being depreciated:				
Buildings and Other Improvements	19,114,986	1,446,979	(104,392)	20,457,573
Machinery and Equipment	780,524	31,818	(4,952)	807,390
Total capital assets, being depreciated	<u>19,895,510</u>	<u>1,478,797</u>	<u>(109,344)</u>	<u>21,264,963</u>
Less accumulated depreciation for:				
Buildings and Other Improvements	5,940,052	416,834	(33,278)	6,323,608
Machinery and Equipment	420,373	22,132	(1,252)	441,253
Total accumulated depreciation	<u>6,360,425</u>	<u>438,966</u>	<u>(34,530)</u>	<u>6,764,861</u>
Total capital assets, being depreciated, net	<u>13,535,085</u>	<u>1,039,831</u>	<u>(74,814)</u>	<u>14,500,102</u>
Total business-type activities	<u>\$ 16,437,522</u>	<u>\$ 2,261,940</u>	<u>\$ (1,248,800)</u>	<u>\$ 17,450,662</u>
Total Capital Assets	<u>\$ 25,183,112</u>	<u>\$ 2,796,292</u>	<u>\$ (1,730,148)</u>	<u>\$ 26,249,256</u>

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

Governmental activities:	
General Government	\$ 27,788
Public Safety	52,895
Streets and Sanitation	17,525
Transportation	306,230
Health	986
Cultural and Recreational	17,539
Total Depreciation Expense - Governmental activities	<u>\$ 422,963</u>
Business-type activities:	
Water	\$ 72,991
Sewer	47,096
Chicago Midway International Airport	51,383
Chicago-O'Hare International Airport	259,467
Chicago Skyway	8,029
Total Depreciation Expense - Business-type activities	<u>\$ 438,966</u>

8) **Leases**

a) **Operating Leases**

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were approximately \$16.9 million for the year ended December 31, 2018.

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

2019	\$ 17,683
2020	5,906
2021	5,408
2022	4,801
2023.....	4,307
2024 - 2028.....	4,769
2029 - 2033.....	1,530
2034 - 2038.....	393
2039 - 2043.....	87
Total Future Rental Expense.....	<u>\$ 44,884</u>

b) **Lease Receivables**

Most of the O'Hare land, buildings and terminal space are leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2018 (dollars in thousands):

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2019	\$	328,780
2020		324,340
2021		311,735
2022		311,678
2023.....		303,700
2024 - 2028		1,455,215
2029 - 2033		1,433,481
2034 - 2038		299,978
2039 - 2043		295,878
2044 - 2048		270,539
2049 - 2053		130,361
Thereafter		509
Total Minimum Future Rental Income	\$	<u>5,466,194</u>

Contingent rentals that may be received under certain leases based on the tenants' revenues or fuel consumption are not included in minimum future rental income. Rental income for O'Hare, consisting of all rental and concession revenues except ramp rentals and automobile parking, amounted to \$515.3 million, including contingent rentals of \$66.2 million.

Most of the Midway land and terminal space is leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2018 (dollars in thousands):

2019.....	\$	73,130
2020.....		72,777
2021.....		72,600
2022.....		72,600
2023.....		70,147
2024 - 2028.....		305,744
2029 - 2033		103,896
2034 - 2038		2,503
2039 - 2043		2,169
Total Minimum Future Rental Income	\$	<u>775,566</u>

Contingent rentals that may be received under certain leases based on tenants' revenues are not included in minimum future rental income. Rental income for Midway, consisting of all rental and concession revenues except aircraft parking fees and certain departure fees (turns) and automobile parking, amounted to \$118.9 million, including contingent rentals of \$46.2 million.

9) Short-term Debt

Line of Credit At December 31, 2018, there was \$2.0 million outstanding on a revolving line of credit for O'Hare International Airport. The line of credit has been supported by an underlying letter of credit which will expire on December 12, 2019. Since the expiration of the letter of credit will be within one year from the date of the financial statements, the outstanding amount at December 31, 2018 has been reclassified from long-term debt to short-term debt.

2018	Balance January 31	Additions	Reductions	Balance December 31
Revolving Line of Credit	\$ 12,098	\$ -	\$ (10,058)	\$ 2,040

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10) Long-term Obligations

a) **Long-term Debt** activity for the year ended December 31, 2018 was as follows (in thousands):

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2018</u>	<u>Amounts Due within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation and other debt	\$ 9,609,424	\$ -	\$ 1,635,272	\$ 7,974,152	\$ 107,863
Line of Credit (LOC)	77,203	233,627	77,203	233,627	-
Total General Obligation Debt, other debt and LOC....	9,686,627	233,627	1,712,475	8,207,779	107,863
Tax increment	27,925	-	7,980	19,945	3,750
Revenue	254,224	-	4,295	249,929	4,515
STSC	743,735	1,292,700	-	2,036,435	-
	<u>10,712,511</u>	<u>1,526,327</u>	<u>1,724,750</u>	<u>10,514,088</u>	<u>116,128</u>
Add unamortized premium/(discount)	88,675	110,062	40,439	158,298	-
Add accretion of capital appreciation bonds	315,863	29,175	21,553	323,485	22,293
Total bonds, notes and certificates payable	<u>11,117,049</u>	<u>1,665,564</u>	<u>1,786,742</u>	<u>10,995,871</u>	<u>138,421</u>
Other liabilities:					
Net pension liability	25,058,993	1,702,599	-	26,761,592	-
Other postemployment benefits obligation*	746,321	-	61,689	684,632	-
Pollution remediation	35,044	9,371	-	44,415	-
Claims and judgments	1,012,756	220,434	200,805	1,032,385	125,697
Total other liabilities	<u>26,853,114</u>	<u>1,932,404</u>	<u>262,494</u>	<u>28,523,024</u>	<u>125,697</u>
Total governmental activities	<u>\$ 37,970,163</u>	<u>\$ 3,597,968</u>	<u>\$ 2,049,236</u>	<u>\$ 39,518,895</u>	<u>\$ 264,118</u>
Business-type activities:					
Revenue bonds and notes payable:					
Water	\$ 2,401,005	\$ 148,305	\$ 91,969	\$ 2,457,341	\$ 97,009
Sewer	1,861,381	89,597	57,417	1,893,561	62,346
Chicago-O'Hare International Airport**	8,633,782	2,249,980	565,782	10,317,980	291,035
Chicago Midway International Airport	1,755,835	45,670	88,020	1,713,485	36,480
	<u>14,652,003</u>	<u>2,533,552</u>	<u>803,188</u>	<u>16,382,367</u>	<u>486,870</u>
Add unamortized premium/(discount)	1,040,375	53,981	87,558	1,006,798	-
Add accretion of capital appreciation bonds	82,509	6,891	10,584	78,816	5,170
Net pension liability	2,984,331	371,880	-	3,356,211	-
Total business-type activities	<u>\$ 18,759,218</u>	<u>\$ 2,966,304</u>	<u>\$ 901,330</u>	<u>\$ 20,824,192</u>	<u>\$ 492,040</u>
Total long-term obligations	<u>\$ 56,729,381</u>	<u>\$ 6,564,272</u>	<u>\$ 2,950,566</u>	<u>\$ 60,343,087</u>	<u>\$ 756,158</u>

* Due to the implementation of GASB75, the beginning balance related to Other Postemployment Benefits Obligation liability has been restated (see Note 18).

** Chicago-O'Hare International Airport Line of Credit is no longer included due to reclassification to short-term debt.

The Pension obligation liability will be liquidated through a Special Revenue Fund (Pension Fund) as provided by tax levy and other operating revenues. The Other postemployment benefit obligation liability will be liquidated with resources from the General Fund.

b) Issuance of New Debt

i) General Obligation Line of Credit

During 2018, the City drew \$233.6 million from its Line of Credit to fund certain capital projects and operating uses. The City has excluded this line of credit amount from current liabilities, as it intends and has the ability to refinance the obligation on a long-term basis. As of December 31, 2018 the outstanding balance is \$233.6 million and the Line of Credit matures on May 31, 2020.

ii) Enterprise Fund Revenue Bonds and Notes

In August 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions and improvements to the airport transit system (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of \$288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86 percent and the final maturity of the loan is January 1, 2054. Disbursements of \$94.5 million were made in 2018. As of December 31, 2018, the outstanding TIFIA loan amount is \$258.2 million that includes accrued interest of \$6.9 million.

O'Hare issued \$138.8 million of Series 2016 Commercial Paper Notes in 2018. The proceeds were used to finance portions of the costs of authorized airport projects. As of December 31, 2018, there are no outstanding commercial paper notes.

Chicago O'Hare International Airport General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2018A (\$600.8 million), Senior Lien Revenue Bonds, Series 2018B (\$612.1 million) and taxable Series 2018C (\$800.0 million) were sold at a premium in December 2018. The bonds have interest rates ranging from 4.0 percent to 5.0 percent and maturity dates from January 1, 2020 to January 1, 2054. The net proceeds of \$2,053.7 million will be used to fund certain capital projects (\$1,511.7 million), to fund the common debt service reserve (\$95.2 million), to repay Commercial Paper Notes (\$241.8 million), to repay Line of Credit Agreement Notes (\$10.1 million), to fund capitalized interest (\$167.7 million), and to refund certain maturities (\$25.6 million) of General Airport Revenue Bonds outstanding. The current refunding of the bonds decreased the City's total debt service payments by \$3.9 million, resulting in a net economic gain of approximately \$3.3 million and a book loss of approximately \$0.6 million.

Midway Second Lien Revenue Refunding Bonds, Series 2018A (\$45.7 million) sold in August 2018. The bonds have interest rates ranging 2.937 percent to 3.897 percent and maturity dates from January 1, 2019 to January 1, 2029. The net proceeds of \$45.1 million were used to refund all of the Midway Second Lien Series 2010C. The current and advance refunding of the bonds decreased the City's total debt service payment by \$65.7 million, resulting in a net economic gain of approximately \$17.5 million and a book loss of approximately \$3.5 million.

A loan agreement signed on May 17, 2016, with the Illinois Environment Protection Agency to line approximately 157 miles of existing sewer main. In 2018, the Sewer Fund drew \$63.8 million from this loan agreement. The loan agreement has an interest rate of 1.86 percent with the maturity dates from November 1, 2018 to May 30, 2038.

A loan agreement signed on May 16, 2017, with the Illinois Environment Protection Agency as part of a 5-year rehabilitation program conducted throughout the city. Approximately 27,600 linear feet of 12 to 60 inch diameter sewer main will replace existing aging sewer main. In 2018, the Sewer Fund drew \$23.9 million from this loan agreement. The loan agreement has an interest rate of 1.75 percent with the maturity dates from May 7, 2019 to November 7, 2038.

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A loan agreement signed on January 22, 2016, with the Illinois Environment Protection Agency to install approximately 4,900 lineal feet of reinforced concrete sewer main ranging from 36 to 72-inch diameter pipe on the 56th street corridor. The amount drawn from this loan agreement by the Sewer Fund in 2017 was \$4.0 million. In 2018, the Sewer Fund drew an additional \$0.2 million from this loan agreement. The loan agreement has an interest rate of 1.86 percent with the maturity dates from August 18, 2016 to August 18, 2036.

A loan agreement signed on November 4, 2016, with the Illinois Environment Protection Agency to install approximately 5,300 lineal feet of reinforced concrete sewer main ranging from 24 to 55 inch diameter pipe on Avenue "L" corridor. The amount drawn from this loan agreement by the Sewer Fund in 2017 was \$4.3 million. In 2018, the Sewer Fund drew an additional \$1.8 million from this loan agreement. The loan agreement has an interest rate of 1.75 percent with the maturity dates from May 3, 2018 to November 3, 2037.

A loan agreement signed on May 27, 2014, with the Illinois Environment Protection Agency for the replacement of the obsolete electrical switchgear and distribution equipment at the South Water Purification Plant and other installation building construction and minor architectural and electrical projects. The amount drawn from this loan agreement by the Water Fund in 2017 was \$40.4 million. In 2018, the Water Fund drew an additional \$3.9 million from this loan agreement. The loan agreement has an interest rate of 1.99 percent with maturity dates from March 9, 2018 to September 9, 2037.

A loan agreement signed on June 3, 2016, with the Illinois Environment Protection Agency for the citywide water main replacement program, 55 miles of antiquated, undersized or damaged water main replaced. In 2018, the Water Fund drew \$81.1 million from this loan agreement. The loan agreement has an interest rate of 1.86 percent with maturity dates from July 17, 2018 to July 17, 2037.

A loan agreement signed on July 21, 2016, with the Illinois Environment Protection Agency for the ongoing water main upgrade project, the replacement of 55 miles of water main in District 1 and 2. In 2018, the Water Fund drew \$40.8 million from this loan agreement. The loan agreement has an interest rate of 1.86 percent and maturity dates from December 19, 2018 to June 19, 2038.

A loan agreement signed on December 13, 2016, with the Illinois Environment Protection Agency for the installation of water meters equipped with AMR (Automatic Meter Reading) at residences throughout the City that are currently unmetered. In 2018, the Water Fund drew \$22.5 million from this loan agreement. The loan agreement has an interest rate of 1.64 percent and maturity dates July 17, 2018 to July 17, 2037.

iii) STSC Bonds and Notes

The Sales Tax Securitization Corporation Sales Tax Securitization Bonds Series 2018AB bonds were sold at a premium in January 2018. The bonds have interest rates ranging from 3.82 percent to 5.0 percent and maturity dates from January 1, 2031 to January 1, 2048. The net proceeds of \$720.1 million were transferred to the City in exchange for a pledge of the City's Sales Tax Revenues and used by the City to refund all or a portion of certain outstanding General Obligation bonds. The current refunding of the bonds increased the City's total debt service payments by \$349.6 million, resulting in a net economic gain of approximately \$40.1 million and a book loss of approximately \$6.0 million.

The Sales Tax Securitization Corporation Sales Tax Securitization Bonds Series 2018C bonds were sold at a premium in November 2018. The bonds have interest rates ranging from 5.0 percent to 5.25 percent and maturity dates from January 1, 2022 to January 1, 2048. Net proceeds of \$689.3 million were transferred to the City in exchange for a pledge of the City's Sales Tax Revenues and used by the City to refund all or a portion of certain outstanding General Obligation Bonds. The current refunding of the bonds increased the City's total debt service payments by \$101.6 million, resulting in a net economic gain of approximately \$39.1 million and a book loss of approximately \$3.2 million.

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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, 2019 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2018 are as follows (dollars in thousands):

Year Ending December 31,	General Obligation		Tax Increment	
	Principal	Interest	Principal	Interest
2019	\$ 160,745	\$ 405,256	\$ 3,750	\$ 875
2020	225,323	469,623	4,135	706
2021	286,916	458,743	4,375	494
2022	274,900	450,646	7,685	192
2023	277,230	438,188	-	-
2024-2028	1,397,410	1,986,343	-	-
2029-2033	1,938,400	1,566,200	-	-
2034-2038	2,280,436	843,940	-	-
2039-2043	1,060,270	163,644	-	-
	<u>\$ 7,901,630</u>	<u>\$ 6,782,583</u>	<u>\$ 19,945</u>	<u>\$ 2,267</u>

Year Ending December 31,	Sales Tax					
	Revenue		Securitization Corporation		Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 4,972	\$ 10,637	\$ 3,000	\$ 89,442	\$ 486,870	\$ 744,267
2020	5,352	10,404	3,150	89,292	481,204	771,261
2021	5,757	10,141	41,805	89,135	448,048	746,876
2022	6,187	9,864	48,610	87,333	476,406	725,597
2023	6,646	9,563	50,635	85,305	482,095	703,214
2024-2028	41,200	42,650	288,990	391,997	2,919,519	3,140,800
2029-2033	57,618	31,682	351,135	321,163	3,246,705	2,325,106
2034-2038	66,681	16,437	339,535	241,942	3,202,511	1,521,574
2039-2043	23,575	7,044	464,385	159,306	2,053,169	812,255
2044-2048	27,426	2,411	445,190	49,909	988,418	474,324
2049-2053	-	-	-	-	1,177,957	197,251
2054.....	-	-	-	-	419,465	9,523
	<u>\$ 245,414</u>	<u>\$ 150,833</u>	<u>\$ 2,036,435</u>	<u>\$ 1,604,824</u>	<u>\$ 16,382,367</u>	<u>\$ 12,172,048</u>

For the debt requirements calculated above, interest rates for fixed rate bonds debt range from 0.74 percent to 7.781 percent and interest on variable rate debt was calculated at the rate in effect or the effective rate of a related swap agreement, if applicable, as of December 31, 2018. Letters of credit were issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

O'Hare and Midway have variable rate bonds that may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, an adjustable long rate, or the fixed rate as determined by the remarketing agent, in consultation with the City. An irrevocable letter of credit provides for the timely payment of principal and interest on the O'Hare's and Midway's variable rate Bonds. In the event that variable rate bonds are tendered by the owners thereof for purchase by the City and not successfully remarketed, the City would be obligated to reimburse the letter of credit bank for amounts drawn under the letter of credit to fund the purchase of such tendered bonds. If the City fails to reimburse the bank, the City's obligation to reimburse the bank may be converted to a term loan. There are no term loans currently outstanding under any reimbursement agreement. As of December 31, 2018, the principal balance of variable rate bonds was \$240.6 million and \$247.6 million for O'Hare and Midway, respectively.

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d) **Derivatives**

i) **Interest Rate Swaps**

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

	Changes in Fair Value		Fair Value at December 31, 2018		Notional Amount
	Classification	Amount	Classification	Amount	
Business-type Activities					
Hedges:					
Interest Rate Swaps ...	Deferred Outflow of Resources	\$ 4,080	Deferred Outflow of Resources	\$ (20,239)	\$ 122,850

(2) *Terms, fair values, and credit risk.* The objective and terms, including the fair values and credit ratings, of the City's hedging derivative instruments outstanding as of December 31, 2018, are as follows. The notional amounts of the swaps approximate the principal amounts of the associated debt. The City's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category. Under the swaps on a net basis for each related series of bonds, the City pays the counterparty a fixed payment and receives a variable payment computed according to the London Interbank Offered Rate (LIBOR) and/or The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The terms as of December 31, 2018, are as follows (dollars in thousands):

Associated Bond Issue	Notional Amounts	Effective Date	Terms	Fair Values	Termi- nation Date	Counter- party Credit Rating
Hedging Instruments						
Business-type Activities:						
Chicago Midway International Airport Revenue Bonds (Series 2004C&D):						
Counterparty Goldman Sachs Bank USA...	73,710	12/14/2004	Pay 4.174%; receive SIFMA Plus .05%	\$ (11,928)	1/1/2035	A1/A+
Counterparty Wells Fargo Bank NA.....	49,140	4/21/2011	Pay 4.247%; receive SIFMA Plus .05%	(8,311)	1/1/2035	Aa2/A+
			Total	<u>\$ (20,239)</u>		

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

(3) *Fair Value.* As of December 31, 2018, the swaps had a negative fair value of \$20.2 million. As per industry convention, the fair values of the City's outstanding swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Because interest rates are below the Fixed Rate Paid, the City's swaps had negative values.

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

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- (4) *Credit Risk.* The City is exposed to credit risk (counterparty risk) through the counterparties with which it enters into agreements. If minimum credit rating requirements are not maintained, the counterparty is required to post collateral to a third party. This protects the City by mitigating the credit risk, and therefore the ability to pay a termination payment, inherent in a swap. Collateral on all swaps is to be in the form of cash or Eligible Collateral held by a third-party custodian. Upon credit events, the swaps also allow transfers, credit support, and termination if the counterparty is unable to meet the said credit requirements.
- (5) *Basis Risk.* Basis risk refers to the mismatch between the variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and SIFMA/LIBOR ratios. Credit may create basis risk because the City's bonds may trade differently than the swap index as a result of a credit change in the City. SIFMA/LIBOR ratios (or spreads) may create basis risk. With percentage of LIBOR swaps, if the City's bonds trade at a higher percentage of LIBOR over the index received on the swap, basis risk is created. This can occur due to many factors including, without limitation, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The City is exposed to basis risk on all swaps except those that are based on Cost of Funds, which provide cash flows that mirror those of the underlying bonds. For all other swaps, if the rate paid on the bonds is higher than the rate received, the City is liable for the difference. The difference would need to be available on the debt service payment date and it would add additional underlying cost to the transaction.
- (6) *Tax Risk.* The swap exposes the City to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced. There have been no tax law changes since the execution of the City's swap transactions.
- (7) *Termination Risk.* The risk that the swap could be terminated as a result of certain events including a ratings downgrade for the issuer or swap counterparty, covenant violation, bankruptcy, payment default or other defined events of default. Termination of a swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination.
- (8) *Rollover Risk.* The risk that the City may be exposed to rising variable interest rates if (i) the swap expires or terminates prior to the maturity of the bonds and (ii) the City is unable to renew or replace the swap.
- (9) *Swap payments and associated debt.* As of December 31, 2018, debt service requirements of the City's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (dollars in thousands):

Year Ending	Variable-Rate Bonds		Interest	Total
	Principal	Interest	Rate Swaps, Net	
December 31,				
2019	\$ 5,000	\$ 2,054	\$ 2,917	\$ 9,971
2020	5,225	1,964	2,788	9,977
2021	5,350	1,871	2,657	9,878
2022	5,675	1,773	2,517	9,965
2023	5,925	1,671	2,372	9,968
2024 - 2028	33,850	6,645	9,434	49,929
2029 - 2033	42,175	3,297	4,680	50,152
2034 - 2035	19,650	203	288	20,141
	<u>\$ 122,850</u>	<u>\$ 19,478</u>	<u>\$ 27,653</u>	<u>\$ 169,981</u>

e) **Debt Covenants**

- i) **Water Fund** - The ordinances authorizing the issuance of outstanding Water Revenue Bonds require that net revenues available for bonds, as adjusted shall each fiscal year at least equal the greater of (i) 120 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 of the outstanding second lien bonds, plus (C) aggregate outstanding debt service requirements for the fiscal year on the outstanding IEPA loans, plus (D) annual debt service requirement for the fiscal year on aggregate outstanding water commercial paper notes, plus (E) annual debt service requirement on any outstanding water line of credit. This requirement was met at December 31, 2018.
- ii) **Sewer Fund** - The ordinances authorizing the issuance of outstanding Wastewater Transmission Revenue Bonds provide for the creation of separate accounts into which monies will be deposited, as appropriate. The ordinances require that net revenues available for bonds, as adjusted shall each fiscal year at least equal (A) 115 percent of the aggregate debt service requirement for the fiscal year on the outstanding senior lien bonds, plus (B) the sum of the aggregate annual debt service requirements for the fiscal year on of the outstanding second lien bonds, plus (C) 115 percent of the aggregate outstanding debt service requirements for the fiscal year on of the outstanding IEPA loans, plus (D) annual debt service requirement for the fiscal year on aggregate outstanding debt service on any outstanding wastewater line of credit and commercial paper notes. This requirement was met at December 31, 2018.
- iii) **Chicago Midway International Airport Fund** - The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds 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, 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 (a) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (b) to provide for the greater of (i) the amounts needed to make the Deposits required during such Fiscal Year into the Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125 percent of the Aggregate Debt Service for the Bond Year commencing during such Fiscal Year reduced by an amount equal to the sum of any amount held in any Capitalized Interest Account for disbursement during such Fiscal Year to pay interest on First Lien Bonds. These requirements were met at December 31, 2018.

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

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during such Bond Year to pay interest on Second Lien Obligations. These requirements were met at December 31, 2018.

- iv) **Chicago-O'Hare International Airport Fund** - The Master Indenture of Trust securing Chicago O'Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of O'Hare in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and ten-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations. This requirement was met at December 31, 2018.

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

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

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

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year and are not available for general City operating purposes. Loans provided to third parties are recorded as current and prior year programs/grants expenditures. Funding for future loans will be from a combination of the repayment of existing loans and additional funds committed from future programs/grants expenditures.

- g) **Defeased Bonds** have been removed from the Statement of Net Position because related assets have been placed in irrevocable trusts that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at December 31, 2018 are as follows (dollars in thousands):

	Amount	
	Defeased	Outstanding
General Obligation Emergency Telephone System - Series 1993	\$ 213,730	\$ 69,930
General Obligation Refunding Bonds - Series 1993B	4,360	4,360
General Obligation Project and Refunding Bonds - Series 2004A	75,835	9,935
General Obligation Project and Refunding Bonds - Series 2008B	3,355	3,355
General Obligation Project and Refunding Bonds - Series 2008C	294,425	294,425
General Obligation Project and Refunding Bonds - Series 2008E	20,440	20,440
General Obligation Refunding Bonds - Series 2009A	31,610	31,610
Lakefront Millennium Project Parking Facilities Bonds - Series 1998	149,880	43,880
Sales Tax Revenue Bonds - Series 2002	110,580	109,975
Sales Tax Revenue Bonds - Series 2009A	68,730	67,640
Sales Tax Revenue Bonds - Series 2009B	2,150	2,150
Sales Tax Revenue Refunding Bonds - Series 2009C	20,012	20,012
Sales Tax Revenue Refunding Bonds - Series 2011A	214,340	214,340
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008D ...	26,605	26,605
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2010A ...	13,645	13,645
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011A ...	348,075	348,075
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011B ...	121,905	121,905
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011C ...	283,925	283,925
Chicago-Midway International Airport Second Lien Revenue Refunding Bonds - Series 2010C	60,090	57,580
Special Transportation Revenue Bonds - Series 2001	118,715	78,575
Total	\$ 2,182,407	\$ 1,822,362

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’); the Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (Laborers’); the Policemen’s Annuity and Benefit Fund of Chicago (Policemen’s); and the Firemen’s Annuity and Benefit Fund of Chicago (Firemen’s). The plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by Plan members. Certain employees of the Chicago Board of Education participate in Municipal Employees’ or Laborers’. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at www.meabf.org, www.labfchicago.org, www.chipabf.org, and www.fabf.org.

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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', those employees who became members on or after July 6, 2017 are considered Tier 3 Employees. Public Act 100-0023 (P.A. 100-0023), which established the requirements for Tier 3 employees, includes a provision for Tier 2 employees to elect to be considered as Tier 3 employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2 percent to 2.5 percent per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

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

Employees covered by benefit terms - At December 31, 2018, the following employees were covered by the benefit terms:

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries					
currently receiving benefits	25,577	3,688	13,631	5,022	47,918
Inactive employees entitled					
to but not yet receiving benefits	17,575	1,489	721	92	19,877
Active employees	31,285	2,715	13,438	4,487	51,925
	<u>74,437</u>	<u>7,892</u>	<u>27,790</u>	<u>9,601</u>	<u>119,720</u>

Contributions – For the Municipal Employees' and Laborers' Plans, P.A. 100-0023 was enacted on July 6, 2017. P.A. 100-0023 requires the City to contribute specific amounts to the Municipal Employees' and the Laborers' Plans in the aggregate amounts as follows: in payment year 2018, \$302.0 million; in payment year 2019, \$392.0 million; in payment year 2020, \$481.0 million; in payment year 2021, \$571.0 million; and in payment year 2022, \$660.0 million. Additionally, P.A. 100-0023 requires that beginning in payment year 2023, the City's annual contributions to MEABF and LABF each be an amount actuarially determined to be sufficient to produce a funding level of 90% for each such Plan by the end of 2058.

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

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

Net Pension Liability

The City's net pension liability was measured as of December 31, 2018, 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, 2018 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%	2.75%	2.25%
Salary Increases	3.50% - 7.75% (a)	3.00% (b)	3.75% (c)	3.50% (d)
Investment Rate of Return	7.00% (e)	7.25% (e)	7.25%	6.75%

- (a) (1.50%-6.50% for 2019-2022), varying by years of service
- (b) Plus a service - based increase in the first 9 years
- (c) Plus additional percentage related to service
- (d) Plus additional service based increases
- (e) Net of investment expense

Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table (Blue Collar mortality table for Laborers' and Firemen's) for males or females, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales, as appropriate. Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table (Blue Collar mortality table for Laborers' and Firemen's). Disabled mortality rates were based on the RP-2014 Healthy Annuitant mortality table for Policemen's and Blue Collar mortality table for Firemen's.

The mortality actuarial assumptions used in the December 31, 2018 valuation were adjusted based on the results of actuarial experience study for the period as noted below:

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

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

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Asset Class:	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Equity	-	-	-	60.0%	-	-	-	7.19%
Domestic equity	26.0%	-	-	-	5.10%	-	-	-
U.S. equity	-	25.0%	21.0%	-	-	5.70%	6.00%	-
Non U.S. equity	-	20.0%	21.0%	-	-	5.20%	7.40%	-
Global low volatility equity ..	-	5.0%	-	-	-	4.70%	-	-
International equity	22.0%	-	-	-	5.30%	-	-	-
Fixed income	25.0%	20.0%	22.0%	20.0%	0.80%	(0.10%)	2.20%	3.75%
Hedge funds	10.0%	10.0%	7.0%	-	3.40%	3.50%	4.20%	-
Infrastructure	2.0%	-	-	-	5.00%	-	-	-
Private debt	-	3.0%	-	-	-	7.60%	-	-
Private equity	5.0%	4.0%	-	-	8.30%	8.70%	-	-
Private markets	-	-	17.0%	-	-	-	6.70%	-
GAA	-	-	5.0%	-	-	-	4.40%	-
Real estate	10.0%	10.0%	7.0%	8.0%	4.70%	4.90%	4.10%	6.25%
Private Real assets	-	3.0%	-	-	-	5.30%	-	-
Other investments	-	-	-	12.0%	-	-	-	5.82%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>				

Discount rate

Municipal Employees' - The discount rate used to measure the total pension liability as of December 31, 2018 was 7.0 percent. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.0 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service cost of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Laborers' - A Single Discount Rate of 7.11 percent was used to measure the total pension liability as of December 31, 2018. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.71 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 2072. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2072, and the municipal bond rate was applied to all benefit payments after that date.

Policemen's - A Single Discount Rate of 7.18 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.71 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

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2079. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2079, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's - A Single Discount Rate of 6.61 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 3.71 percent (based on the most recent date available on or before the measurement date from the "state & local bonds" rate from Federal Reserve statistical release(H.15)). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the statutory contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position and future contributions were sufficient to finance future benefit payments only through the year 2072. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2072, and the municipal bond rate was applied to all benefit payments after that date.

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

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Total pension liability					
Service cost	\$ 223,528	\$ 40,801 *	\$ 242,998 *	\$ 97,143 *	\$ 604,470
Interest	1,123,348	183,135	931,731	410,821	2,649,035
Differences between expected and actual experience	95,540	15,143	(281,151)	(56,418)	(226,886)
Assumption changes	-	(11,788)	(259,052)	382,611	111,771
Benefit payments including refunds	(916,198)	(160,061)	(771,104)	(324,662)	(2,172,025)
Pension plan administrative expense ..	-	(3,933)	(4,626)	(3,285)	(11,844)
Net change in total pension liability	526,218	63,297	(141,204)	506,210	954,521
Total pension liability:					
Total pension liability - Beginning	16,282,396	2,630,107	13,454,462	5,746,150	38,113,115
Total pension liability - Ending (a)	\$ 16,808,614	\$ 2,693,404	\$ 13,313,258	\$ 6,252,360	\$ 39,067,636
Plan fiduciary net position					
Contributions-employer	\$ 349,574	\$ 47,844	\$ 588,035	\$ 249,684	\$ 1,235,137
Contributions-employee	138,400	17,837	107,186	45,894	309,317
Net investment income (loss)	(204,975)	(75,219)	(137,977)	(58,000)	(476,171)
Benefit payments including refunds of employee contribution	(916,198)	(160,061)	(771,104)	(324,662)	(2,172,025)
Administrative expenses	(6,639)	(3,933)	(4,626)	(3,285)	(18,483)
Other	-	661	1,600	6	2,267
Net change in plan fiduciary net position	(639,838)	(172,871)	(216,886)	(90,363)	(1,119,958)
Plan fiduciary net position - beginning ...	4,554,018	1,267,554	3,122,066	1,126,153	10,069,791
Plan fiduciary net position - ending (b) ...	\$ 3,914,180	\$ 1,094,683	\$ 2,905,180	\$ 1,035,790	\$ 8,949,833
Net pension liability-ending (a)-(b)	\$ 12,894,434	\$ 1,598,721	\$ 10,408,078	\$ 5,216,570	\$ 30,117,803

* Includes pension plan administrative expense

Changes in Actuarial Assumptions: Changes in the municipal bond rate resulted in an increase in the single discount rate for Laborers, Policemen, and Firemen. In addition, the investment return assumption for Firemen decreased from 7.50% to 6.75% resulting in a decrease in the single discount rate for Firemen, which offset the increase from the change in the municipal bond rate. See discount rate section above.

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The change in the single discount rate and other assumptions decreased the net pension liability by \$11.8 million for Laborers' and \$259.1 million for Policemen and increased the net pension liability by \$382.6 million for Firemen. These changes are being amortized into expense over a 4 year period for Laborers' and a 6 year period for Policemen and Firemen.

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, 2018, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate (dollars in thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability December 31, 2018			
Municipal Employees' discount rate	6.00%	7.00%	8.00%
Municipal Employees' net pension liability .	\$ 15,018,712	\$ 12,894,434	\$ 11,132,768

Laborers' - The following presents the net pension liability as of December 31, 2018, calculated using the discount rate of 7.11 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.11 percent) or 1 percentage point higher (8.11 percent) than the current rate (dollars in thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability December 31, 2018			
Laborers' discount rate	6.11%	7.11%	8.11%
Laborers' Employees' net pension liability ..	\$ 1,920,456	\$ 1,598,721	\$ 1,329,274

Policemen's - The following presents the net pension liability as of December 31, 2018, calculated using the discount rate of 7.18 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.18 percent) or 1 percentage point higher (8.18 percent) than the current rate (dollars in thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability December 31, 2018			
Policemen's Employees' discount rate	6.18%	7.18%	8.18%
Policemen's Employees' net pension liability .	\$ 11,955,692	\$ 10,408,078	\$ 9,104,012

Firemen's - The following presents the net pension liability as of December 31, 2018, calculated using the discount rate of 6.61 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 (5.61 percent) or 1 percentage point higher (7.61 percent) than the current rate (dollars in thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability December 31, 2018			
Firemen's Employees' discount rate	5.61%	6.61%	7.61%
Firemen's Employees' net pension liability ...	\$ 5,982,109	\$ 5,216,570	\$ 4,577,348

Pension plan fiduciary net position

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

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

For the year ended December 31, 2018, the City recognized pension expense/(benefit) of \$1.1 billion for Municipal Employees', \$839 million for Policemen's, \$559 million for Firemen's, and (\$49) million for Laborers', for a total pension expense of \$2.4 billion. At December 31, 2018, 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	\$ 76,432	\$ 179,468	\$ 11,528	\$ 30,737	\$ 869	\$ 467,171	\$ 29,747	\$ 49,661
Changes of assumptions	1,742,351	4,690,283	-	476,784	212,000	217,531	653,446	36,341
Net difference between projected and actual earnings on pension plan investments	287,533	-	90,608	-	239,957	-	94,579	-
Total	<u>\$ 2,106,316</u>	<u>\$ 4,869,751</u>	<u>\$ 102,136</u>	<u>\$ 507,521</u>	<u>\$ 452,826</u>	<u>\$ 684,702</u>	<u>\$ 777,772</u>	<u>\$ 86,002</u>

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
2019	\$ 175,442	\$ (299,878)	\$ (3,233)	\$ 180,598
2020	(1,594,569)	(145,996)	(47,080)	165,240
2021	(1,462,676)	8,131	(50,891)	135,713
2022	118,368	32,358	(23,381)	156,008
2023	-	-	(86,583)	54,211
2024	-	-	(20,708)	-
Total	<u>\$ (2,763,435)</u>	<u>\$ (405,385)</u>	<u>\$ (231,876)</u>	<u>\$ 691,770</u>

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

For the year ended December 31, 2018, the City reported a pension benefit of \$61.0 million, deferred inflows of \$205.0 million and deferred outflows of \$3.7 million related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension expense/(benefit) over a period of four years.

Payable to the Pension Plans

At December 31, 2018, the City reported a payable of \$759.1 million in accrued and other liabilities for the outstanding amount of contributions to the Pension Plans required for the year ended December 31, 2018.

State Intercepts

During 2018, Firemen's and Policemen's filed requests with the State Comptroller to withhold State payments to the City based on the claim that the City owed the respective Plan additional pension contributions, pursuant to State law (40 ILCS 5). As a result, the State Comptroller withheld various grant payments from the City with the intent of remitting those funds to the appropriate Plan. For the year ended December 31,

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2018, the City has recorded \$3.3 million for Firemen's and \$3.2 million for Policemen's related to these State-withheld payments as part of pension expense. The City believes Firemen's and Policemen's claims are without merit. Litigation is pending in the Circuit Court of Cook County regarding the City's rights and obligations under the Pension Code and a return or credit against future contributions of any intercepted funds.

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 (CBA); (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. After that date, the Pension Fund took the position that they were not authorized by state law to continue to pay any subsidies. In June 2017, the Illinois Appellate Court found that the Pension Funds are obligated to continue to provide the fixed monthly dollar subsidies to certain eligible annuitants pursuant to the 1983 and 1985 amendments to the Pension Code, as further discussed below. 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 and the International Association of Fire Fighters, certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the healthcare benefit program offered to actively employed members. They may keep this coverage until they reach the age of Medicare eligibility. CBA special early retirement benefits cease at Medicare eligibility age. CBA retirees are required to contribute 2% of their pension for health care coverage for those retiring after the end of 2017.

An extension of the CBA was negotiated (and finalized in 2014) governing the contract period (through June 30, 2016 for Police Captains, Sergeants and Lieutenants and June 30, 2017 for remaining Policemen and Firemen). As of the date of this report, negotiations are ongoing regarding new agreements which cover the retiree health benefits. Under the "maintenance of effort" protocols, the provisions of the prior agreement are honored until a new agreement is signed. Based upon prior history, the negotiations are assumed to be concluded by December 31, 2019. The OPEB liability assumes the expiration of the early retirement special benefits as of the December of the contract expiration year and also includes the liabilities for continuation of payments to those members who would have already retired under the CBA as of December 31 of that year. It is not known whether the CBA special early retirement health benefits will be specifically eliminated, modified, or extended at this time.

Non-CBA – As of January 1, 2014, the City promised to provide a healthcare plan with a subsidy of 55% of the cost of that plan to those City annuitants who retired prior to August 23, 1989. 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 now expired 2003 Korshak settlement agreement, subject to certain eligibility requirements, are entitled to receive lifetime fixed rate monthly subsidies equal to the subsidy amounts provided in the 1983 and 1985 amendments to the Pension Code. Those subsidies are, for Policemen's and Firemen's, \$21 per month or \$55 per month, depending on the annuitant's Medicare eligibility, and for Municipal Employees' and Laborers', \$25 per month for those annuitants who are 65 or older with at least 15 years of service. Upon remand, the circuit court later ruled that the Pension Funds are obligated to make the subsidy payments to the annuitants, but that decision may be subject to appeal. Regardless, the City is still statutorily obligated to make contributions to the Pension Funds in accordance with applicable levels required

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by the tax levy statutes. The Pension Funds are in the process of preparing to issue retroactive payments for these subsidies for the period of time of January 1, 2017 through December 31, 2018 and will begin making the required monthly subsidy payments going forward. Not all of the Pension Funds included the liability for the monthly subsidies in their respective actuarial valuation reports under GASB 74. For that reason, the City has included the liability for the monthly fixed subsidies for this limited group under GASB 75 and is reported together with the non-CBA liability. 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, 2018, the following employees were covered by the benefit terms:

	CBA Benefits	Non-CBA Benefits	Total
Active employees.....	17,902	47,992	65,894
Inactive employees or beneficiaries currently receiving benefits.....	2,802	17,812	20,614
Inactive employees entitled to but not yet receiving benefits.....	-	-	-
	20,704	65,804	86,508

Net OPEB Liability

The City's net OPEB liability of \$684.6 million was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The net OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Normal Age
Asset Valuation Method:	Market Value
Funding Policy:	Pay as You Go
Discount Rate:	4.10%
Health Care Trend Rates:	Graded 7.75% to ultimate rate of 5%
Retirement Age:	Varies by Bargaining Group – Rates are Graded by age and service

The valuation was adjusted based on the results of actuarial experience studies prepared by the Pension Funds. The discount rate of 4.10 percent was used to measure the total OPEB liability. This Discount Rate was based upon the average 20 year general obligation Municipal Bond rate index reported under by Bond Buyer.

Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table (Blue Collar mortality table for Laborers' and Firemen's) for males or females, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales, as appropriate. Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table (Blue Collar mortality table for Laborers' and Firemen's). Post- Disablement mortality rates were based on the RP-2014 Healthy Annuitant mortality table for Policemen's and Blue Collar mortality table for Firemen's.

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

	CBA Benefits	Non-CBA Benefits	Total
Total OPEB liability			
Service cost	\$ 3,954	\$ 10,673	\$ 14,627
Interest	15,049	9,411	24,460
Benefit changes	-	-	-
Differences between expected and actual experience	(35,640)	(7,490)	(43,130)
Assumption changes	(9,990)	22,922	12,932
Benefit payments including refunds	(49,972)	(20,606)	(70,578)
OPEB plan administrative expense	-	-	-
Net change in total OPEB liability	(76,599)	14,910	(61,689)
Total OPEB liability:			
Total OPEB liability - Beginning	462,457	283,864	746,321
Total OPEB liability - Ending (a)	<u>\$ 385,858</u>	<u>\$ 298,774</u>	<u>\$ 684,632</u>
Plan fiduciary net position			
Contributions-employer	\$ 49,972	\$ 20,606	\$ 70,578
Contributions-employee	-	-	-
Net investment income (loss)	-	-	-
Benefit payments including refunds of employee contribution	(49,972)	(20,606)	(70,578)
Administrative expenses	-	-	-
Other	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability-ending (a)-(b)	<u>\$ 385,858</u>	<u>\$ 298,774</u>	<u>\$ 684,632</u>

Assumption changes reflect a change in the discount rate from 3.44% for beginning of the year values and 4.10% for the disclosure date.

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 (3.10%) or 1 percentage point higher (5.10%) than the current discount rate (dollars in thousands):

	1% Decrease 3.10%	Current Discount Rate 4.10%	1% Increase 5.10%
CBA Benefits	\$ 401,280	\$ 385,858	\$ 371,493
Non-CBA Benefits	318,023	298,774	281,328
Total	<u>\$ 719,303</u>	<u>\$ 684,632</u>	<u>\$ 652,821</u>

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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 a 1 percentage point lower (6.75% decreasing to 4.00%) or 1 percentage point higher (8.75% decreasing to 6.00%) than the current healthcare cost trend rates (dollars in thousands):

	1% Decrease 6.75%-4.00%	Current Discount Rate 7.75%-5.00%	1% Increase 8.75%-6.00%
CBA Benefits	\$ 371,809	\$ 385,858	\$ 400,742
Non-CBA Benefits	283,774	298,774	315,668
Total	<u>\$ 655,583</u>	<u>\$ 684,632</u>	<u>\$ 716,410</u>

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

For the year ended December 31, 2018, the City recognized OPEB expense of \$35.9 million. At December 31, 2018, 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	\$ -	\$ 31,900	\$ -	\$ 6,704	\$ -	\$ 38,604
Assumption Changes	-	8,941	20,516	-	20,516	8,941
Total	<u>\$ -</u>	<u>\$ 40,841</u>	<u>\$ 20,516</u>	<u>\$ 6,704</u>	<u>\$ 20,516</u>	<u>\$ 47,545</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 Ending December 31:	<u>CBA Benefits</u>	<u>Non-CBA Benefits</u>	<u>Total</u>
2019	\$ (4,790)	\$ 1,620	\$ (3,170)
2020	(4,790)	1,620	(3,170)
2021	(4,790)	1,620	(3,170)
2022	(4,790)	1,620	(3,170)
2023	(4,790)	1,620	(3,170)
Thereafter.....	(16,891)	5,712	(11,179)
	<u>\$ (40,841)</u>	<u>\$ 13,812</u>	<u>\$ (27,029)</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, and natural disasters. The City provides worker's compensation benefits and employee health benefits under self-insurance programs except for insurance policies maintained for certain Enterprise Fund activities. The City uses various risk management techniques to finance these risks by retaining, transferring and controlling risks depending on the risk exposure.

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Risks for O'Hare, Midway, and certain other major properties, along with various special events, losses from certain criminal acts committed by employees and public official bonds are transferred to commercial insurers. Claims have not exceeded the purchased insurance coverage in the past three years. Accordingly, no liability is reported for these claims. All other risks are retained by the City and are self-insured. The City pays claim settlements and judgments from the self-insured programs with an excess liability insurance policy covering claims excess of the self-insured retention of \$20,000,000. 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, 2018, the total amount of non-Enterprise Fund claims was \$517.9 million and Enterprise Fund was \$76.4 million. This liability is the City's best estimate based on available information. Changes in the reported liability for all funds are as follows (dollars in thousands):

	<u>2018</u>	<u>2017</u>
Balance, January 1	\$ 604,262	\$ 585,372
Claims incurred and change in estimates	662,203	501,767
Claims paid on current and prior year events	<u>(672,230)</u>	<u>(482,877)</u>
Balance, December 31	<u>\$ 594,235</u>	<u>\$ 604,262</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 designee, up to the amount of available "Unassigned" fund balance at the end of the previous fiscal year.

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Fund Balance Classifications

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

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development Improvement Projects	Other Governmental Funds
Nonspendable Purpose:								
Inventory	\$ 25,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STSC Blended Balance *	-	-	-	-	-	2,090,686	-	-
Restricted Purpose:								
Capital Projects	-	-	1,471,732	-	-	-	347,785	121,338
Grants	-	12,371	-	-	-	-	-	-
Debt Service	-	-	-	-	-	58,044	-	-
General Government	-	-	-	-	-	-	-	-
Committed Purpose:								
Budget and Credit Rating Stabilization	-	-	-	652,456	-	-	-	-
Repair, Maintenance and City Services	-	-	-	-	-	-	-	169,067
Pension Contributions Reserve	-	-	-	-	-	-	-	-
Assigned Purpose:								
Future obligations	145,000	-	-	-	-	-	-	231
Special Projects	-	-	-	-	-	-	-	-
Assigned for Future								
Appropriated Fund Balance	-	-	-	-	-	-	-	-
Unassigned	161,864	(211,119)	-	(1,492,160)	(1,785,890)	-	-	(38,638)
Total Government Fund Balance	<u>\$ 332,327</u>	<u>\$ (198,748)</u>	<u>\$ 1,471,732</u>	<u>\$ (839,704)</u>	<u>\$ (1,785,890)</u>	<u>\$ 2,148,730</u>	<u>\$ 347,785</u>	<u>\$ 251,998</u>

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

At the end of the fiscal year, total encumbrances amounted to \$11.0 million for the General Operating Fund, \$41.1 million for the Special Taxing Areas Fund, \$36.2 million for the Capital Projects Fund and \$28.3 million for the Non Major Special Revenue Fund.

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.

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The components of the deferred outflows of resources and deferred inflows of resources at December 31, 2018 are as follows (dollars in thousands):

	Governmental Activities	Business-type Activities
Deferred Outflows of Resources:		
Deferred outflows from pension activities	\$ 2,975,751	\$ 463,299
Deferred outflows from other post employment benefits activities	20,516	-
Changes in proportionate share of pension contributions	3,720	210,230
Unamortized deferred bond refunding costs	148,573	208,836
Derivatives	-	20,239
Total Deferred Outflows of Resources	\$ 3,148,560	\$ 902,604
Deferred Inflows of Resources:		
Deferred inflows from pension activities	\$ 5,096,909	\$ 1,051,067
Deferred inflows from other post employment benefits activities	47,545	-
Changes in proportionate share of pension contributions	204,955	9,503
Long-Term lease and Service concession arrangements	1,492,160	1,571,212
Total Deferred Inflows of Resources	\$ 6,841,569	\$ 2,631,782

The components of the deferred inflows of resources related to the governmental funds at December 31, 2018 are as follows (dollars in thousands):

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	Pension	Other Governmental Funds	Total Governmental Funds
Governmental Funds:								
Deferred inflow of resources:								
Property Taxes	\$ -	\$ -	\$ 461,891	\$ -	\$ 414,677	\$ 693,825	\$ 21,528	\$ 1,591,921
Utility Taxes	-	-	-	-	-	-	7,957	7,957
Grants	-	223,409	-	-	-	-	-	223,409
Charges for Services	2,925	-	-	-	-	-	-	2,925
Long-term Lease and Concession Agreements	-	-	-	1,492,160	-	-	-	1,492,160
Total Governmental Funds	\$ 2,925	\$ 223,409	\$ 461,891	\$ 1,492,160	\$ 414,677	\$ 693,825	\$ 29,485	\$ 3,318,372

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.

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As of December 31, 2018, the Enterprise Funds have entered into contracts for approximately \$1.5 billion for construction projects.

The City's pollution remediation obligation of \$44.4 million is primarily related to Brownfield redevelopment projects. These projects include removal of underground storage tanks, cleanup of contaminated soil, and removal of other environmental pollution identified at the individual sites. The estimated liability is calculated using the expected cash flow technique. The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

16) Concession Agreements

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

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

In 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 long-term concession and lease agreement 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 2014, the original private concessionaire assigned all of its interests in the concession and lease agreement to a designee of its lenders in lieu of foreclosure by the lenders on their leasehold mortgage on the underground garages.

In May 2016, the designee assigned all of its interests in the concession and lease agreement to a new entity. Pursuant to the concession and lease agreement for the garages, the City approved the transfer of the concession and lease agreement.

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

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

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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

The Boeing Company

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

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

The above listed real estate taxes are reimbursed by way of an annual payment to Boeing in an amount equal to the allocable share of the real estate taxes. The City is entitled to terminate the agreement and/or recover certain payments if Boeing does not comply with the terms of the agreement. For the 2018 reporting period, the tax reimbursement to Boeing totaled \$1.9 million.

Tax Increment Financing

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

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

For the 2018 reporting period, the amount of property tax revenue forgone by the City due to the agreements under the Tax Increment Allocation Redevelopment Act amounts to \$95.4 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

**CITY OF CHICAGO, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2018**

application must be filed prior to commencement of a project and include a resolution from the municipality where the real estate is located. Once the project has been completed, the applicant must file an Incentive Appeal Form with the County Assessor’s Office. Upon approval by the County Assessor’s Office and based on the property classification, the applicant is eligible to receive one of the following tax incentives:

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

In the absence of the incentive, the property tax would be assessed at 25% of its market value. This incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2018 reporting period, the amount of property tax revenue forgone by the City due to these incentives is estimated at \$13.2 million.

18) Restatements Due to Implementation of New Accounting Standards

During fiscal year 2018, the City implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB) an amendment of GASB Statement No. 45”, revised standards of accounting and reporting for OPEB expenses and liabilities as well as allowed for the deferral of certain OPEB expense elements. As a result of implementing this statement, net position was restated at January 1, 2018. The City’s net OPEB obligation of \$187.6 million accounted for under GASB Statement No. 45 was eliminated and replaced by a net OPEB liability of \$746.3 million. The impact of these changes on the beginning balances reported in the financial statements is shown below (in thousands):

	<u>As Originally Reported</u>	<u>GASB 75 Adjustment</u>	<u>As Restated after GASB 75 Impact</u>
Governmental Activities:			
Total Net (Deficit), January 1, 2018	\$ (28,714,847)	\$ (558,680)	\$ (29,273,527)

19) Subsequent Events

Ratings

In April 2019, S&P Global Ratings upgraded the rating of the City’s Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014AB from A to A+ with a stable outlook.

Bonds

In January 2019, the Sales Tax Securitization Corporation sold Sales Tax Securitization Bonds, Taxable Series 2019A (\$605.4 million). The STSC 2019A bonds were issued at interest rates of 4.637% and 4.787% with mandatory sinking fund or maturity dates between January 1, 2022 and January 1, 2048. Proceeds will be used to provide funds for the City to refund certain of the City’s outstanding General Obligation bonds and to pay costs of issuance.

In April 2019, the City sold General Obligation Bonds, Series 2019A (\$722.0 million). The General Obligation 2019A bonds were issued at interest rates between 5.0% and 5.5% with mandatory sinking fund or maturity dates between January 1, 2027 and January 1, 2049. Proceeds will be used to fund certain capital projects, to retire the City’s outstanding commercial paper notes, and to pay costs of issuance.

**CITY OF CHICAGO, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Commercial Paper and Lines of Credit

As of December 31, 2018, the outstanding balance for the City's General Obligation Line of Credit was \$233.6 million. In January 2019, the City issued \$150.2 million in General Obligation Commercial Paper notes to pay down \$150 million of the General Obligation Line of Credit balance and to pay costs of issuance on the notes. The City has since paid down an additional \$40.9 million of the General Obligation Line of Credit and all of the General Obligation Commercial Paper notes. The City's repayment obligation under the line of credit and commercial paper notes are a general obligation of the City.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

Municipal Employees':	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 223,528	\$ 572,534	\$ 619,743	\$ 226,816
Interest	1,123,348	915,711	878,369	909,067
Benefit changes	-	-	-	2,140,009
Differences between expected and actual experience	95,540	(177,755)	(127,119)	(109,835)
Assumption changes	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	(916,198)	(888,174)	(859,672)	(826,036)
Pension plan administrative expense	-	-	-	-
Net change in total pension liability	\$ 526,218	\$ (7,008,875)	\$ (67,599)	\$ 11,051,776
Total pension liability - beginning	16,282,396	23,291,271	23,358,870	12,307,094
Total pension liability - ending (a)	\$ 16,808,614	\$ 16,282,396	\$ 23,291,271	\$ 23,358,870
Plan fiduciary net position				
Contributions-employer	\$ 349,574	\$ 261,764	\$ 149,718	\$ 149,225
Contributions-employee	138,400	134,765	130,391	131,428
Net investment income	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(916,198)	(888,174)	(859,672)	(826,036)
Administrative expenses	(6,639)	(6,473)	(7,056)	(6,701)
Other	-	5,394	-	-
Net change in plan fiduciary net position	\$ (639,838)	\$ 117,791	\$ (305,200)	\$ (438,059)
Plan fiduciary net position - beginning	4,554,018	4,436,227	4,741,427	5,179,486
Plan fiduciary net position - ending (b)	\$ 3,914,180	\$ 4,554,018	\$ 4,436,227	\$ 4,741,427
Net pension liability - ending (a)-(b)	\$ 12,894,434	\$ 11,728,378	\$ 18,855,044	\$ 18,617,443
Plan fiduciary net position as a percentage of the total pension liability	23.29 %	27.97 %	19.05 %	20.30 %
Covered payroll*	\$ 1,734,596	\$ 1,686,533	\$ 1,646,939	\$ 1,643,481
Employer's net pension liability as a percentage of covered payroll	743.37 %	695.41 %	1,144.85 %	1,132.81 %

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

Note:

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

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

Laborers':	2018	2017	2016	2015
Total pension liability				
Service cost *	\$ 40,801	\$ 80,232	\$ 82,960	\$ 38,389
Interest	183,135	154,047	150,166	153,812
Benefit changes	-	150	-	384,033
Differences between expected and actual experience	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	<u>\$ 63,297</u>	<u>\$ (1,063,538)</u>	<u>\$ (18,970)</u>	<u>\$ 1,549,710</u>
Total pension liability - beginning	2,630,107	3,693,645	3,712,615	2,162,905
Total pension liability - ending (a)	<u>\$ 2,693,404</u>	<u>\$ 2,630,107</u>	<u>\$ 3,693,645</u>	<u>\$ 3,712,615</u>
Plan fiduciary net position				
Contributions-employer	\$ 47,844	\$ 35,457	\$ 12,603	\$ 12,412
Contributions-employee	17,837	17,411	17,246	16,844
Net investment income	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,933)	(3,985)	(4,080)	(3,844)
Other	661	-	-	-
Net change in plan fiduciary net position	<u>\$ (172,871)</u>	<u>\$ 99,814</u>	<u>\$ (70,917)</u>	<u>\$ (149,436)</u>
Plan fiduciary net position - beginning	1,267,554	1,167,740	1,238,657	1,388,093
Plan fiduciary net position - ending (b)	<u>\$ 1,094,683</u>	<u>\$ 1,267,554</u>	<u>\$ 1,167,740</u>	<u>\$ 1,238,657</u>
Net pension liability - ending (a)-(b)	<u>\$ 1,598,721</u>	<u>\$ 1,362,553</u>	<u>\$ 2,525,905</u>	<u>\$ 2,473,958</u>
Plan fiduciary net position as a percentage of the total pension liability	40.64 %	48.19 %	31.61 %	33.36 %
Covered payroll **	\$ 211,482	\$ 208,442	\$ 208,155	\$ 204,773
Employer's net pension liability as a percentage of covered payroll	755.96 %	653.68 %	1,213.47 %	1,208.15 %

* Includes pension plan administrative expense

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

Note:

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Four Fiscal Years (dollars are in thousands)

Policemen's:	2018	2017	2016	2015
Total pension liability				
Service cost *	\$ 242,998	\$ 237,333	\$ 220,570	\$ 213,585
Interest	931,731	917,720	851,098	832,972
Benefit changes	-	-	606,250	-
Differences between expected and actual experience	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	(259,052)	238,975	112,585	-
Benefit payments including refunds	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	\$ (141,204)	\$ 341,371	\$ 1,080,358	\$ 259,303
Total pension liability - beginning	13,454,462	13,113,091	12,032,733	11,773,430
Total pension liability - ending (a)	\$ 13,313,258	\$ 13,454,462	\$ 13,113,091	\$ 12,032,733
Plan fiduciary net position				
Contributions-employer	\$ 588,035	\$ 494,483	\$ 272,428	\$ 572,836
Contributions-employee	107,186	103,011	101,476	107,626
Net investment income	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(4,626)	(4,843)	(4,750)	(4,508)
Other	1,600	97	1,413	3,092
Net change in plan fiduciary net position	\$ (216,886)	\$ 257,047	\$ (193,930)	\$ (3,065)
Plan fiduciary net position - beginning	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position - ending (b)	\$ 2,905,180	\$ 3,122,066	\$ 2,865,019	\$ 3,058,949
Net pension liability - ending (a)-(b)	\$ 10,408,078	\$ 10,332,396	\$ 10,248,072	\$ 8,973,784
Plan fiduciary net position as a percentage of the total pension liability	21.82 %	23.20 %	21.85 %	25.42 %
Covered payroll**	\$ 1,205,324	\$ 1,150,406	\$ 1,119,527	\$ 1,086,608
Employer's net pension liability as a percentage of covered payroll	863.51 %	898.15 %	915.39 %	825.85 %

* Includes pension plan administrative expense

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

Note:

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Four Fiscal Years (dollars are in thousands)

Firemen's:	2018	2017	2016	2015
Total pension liability				
Service cost *	\$ 97,143	\$ 93,367	\$ 94,115	\$ 87,203
Interest	410,821	371,622	342,085	338,986
Benefit changes	-	-	227,213	-
Differences between expected and actual experience	(56,418)	26,954	24,110	(7,981)
Assumption changes	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(324,662)	(306,098)	(286,759)	(278,017)
Pension plan administrative expense	(3,285)	(3,172)	(3,217)	(3,149)
Net change in total pension liability	<u>\$ 506,210</u>	<u>\$ 596,892</u>	<u>\$ 323,174</u>	<u>\$ 313,324</u>
Total pension liability - beginning	5,746,150	5,149,258	4,826,084	4,512,760
Total pension liability - ending (a)	<u>\$ 6,252,360</u>	<u>\$ 5,746,150</u>	<u>\$ 5,149,258</u>	<u>\$ 4,826,084</u>
Plan fiduciary net position				
Contributions-employer	\$ 249,684	\$ 228,453	\$ 154,101	\$ 236,104
Contributions-employee	45,894	47,364	48,960	46,552
Net investment income	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(3,285)	(3,172)	(3,217)	(3,149)
Other	6	22	(53)	7
Net change in plan fiduciary net position	<u>\$ (90,363)</u>	<u>\$ 107,139</u>	<u>\$ (26,087)</u>	<u>\$ 9,093</u>
Plan fiduciary net position - beginning	1,126,153	1,019,014	1,045,101	1,036,008
Plan fiduciary net position - ending (b)	<u>\$ 1,035,790</u>	<u>\$ 1,126,153</u>	<u>\$ 1,019,014</u>	<u>\$ 1,045,101</u>
Net pension liability - ending (a)-(b)	<u>\$ 5,216,570</u>	<u>\$ 4,619,997</u>	<u>\$ 4,130,244</u>	<u>\$ 3,780,983</u>
Plan fiduciary net position as a percentage of the total pension liability	16.57 %	19.60 %	19.79 %	21.66 %
Covered payroll **	\$ 456,969	\$ 469,407	\$ 478,471	\$ 465,232
Employer's net pension liability as a percentage of covered payroll	1,141.56 %	984.22 %	863.22 %	812.71 %

* Includes pension plan administrative expense

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

Note:

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

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

Municipal Employees':

Years Ended December 31,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll *	Contributions as a percentage of Covered Payroll
2009	\$ 413,509	\$ 148,047	\$ 265,462	\$ 1,551,973	9.54 %
2010	483,948	154,752	329,196	1,541,388	10.04 %
2011	611,756	147,009	464,747	1,605,993	9.15 %
2012	690,823	148,859	541,964	1,590,794	9.36 %
2013	820,023	148,197	671,826	1,580,289	9.38 %
2014	839,039	149,747	689,292	1,602,978	9.34 %
2015	677,200	149,225	527,975	1,643,481	9.08 %
2016	961,770	149,718	812,052	1,646,939	9.09 %
2017	1,005,457	261,764	743,693	1,686,533	15.52 %
2018	1,049,916	349,574	700,342	1,734,596	20.15 %

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

Laborers':

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2009	\$ 33,518	\$ 14,627	\$ 18,891	\$ 208,626	7.01 %
2010	46,665	15,352	31,313	199,863	7.68 %
2011	57,259	12,779	44,480	195,238	6.55 %
2012	77,566	11,853	65,713	198,790	5.96 %
2013	106,199	11,583	94,616	200,352	5.78 %
2014	106,019	12,161	93,858	202,673	6.00 %
2015	79,851	12,412	67,439	204,773	6.06 %
2016	117,033	12,603	104,430	208,155	6.05 %
2017	124,226	35,457	88,769	208,442	17.01 %
2018	129,247	47,844	81,403	211,482	22.62 %

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

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

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

Policemen's:

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2009	\$ 339,488	\$ 172,044	\$ 167,444	\$ 1,011,205	17.01 %
2010	363,625	174,501	189,124	1,048,084	16.65 %
2011	402,752	174,035	228,717	1,034,404	16.82 %
2012	431,010	197,885	233,125	1,015,171	19.49 %
2013	474,177	179,521	294,656	1,015,426	17.68 %
2014	491,651	178,158	313,493	1,074,333	16.58 %
2015	785,501	575,928	209,573	1,086,608	53.00 %
2016	785,695	273,840	511,855	1,119,527	24.46 %
2017	910,938	494,580	416,358	1,150,406	42.99 %
2018	924,654	589,635	335,019	1,205,324	48.92 %

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

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

Firemen's:

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll **	Contributions as a percentage of Covered Payroll
2009	\$ 203,867	\$ 89,212	\$ 114,655	\$ 400,912	22.25 %
2010	218,388	80,947	137,441	400,404	20.22 %
2011	250,056	82,870	167,186	425,385	19.48 %
2012	271,506	81,522	189,984	418,965	19.46 %
2013	294,878	103,669	191,209	416,492	24.89 %
2014	304,265	107,334	196,931	460,190	23.32 %
2015	323,545	236,104	87,441	465,232	50.75 %
2016	333,952	154,101	179,851	478,471	32.21 %
2017	372,845	228,453	144,392	469,407	48.67 %
2018	412,220	249,684	162,536	456,969	54.64 %

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

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

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

Actuarial Methods and Assumptions:	Municipal Employees'		Laborers'		Policemen's		Firemen's
Actuarial valuation date.....	12/31/2018	(a)	12/31/2018		12/31/2018		12/31/2018
Actuarial cost method.....	Entry age normal		Entry age normal		Entry age normal		Entry age normal
Asset valuation method.....	5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market
Actuarial assumptions:							
Inflation	2.50%		2.25%		2.75%		2.25%
Salary increases	3.50% - 7.75%	(b)	3.00%	(c)	3.75%	(d)	3.50%
Investment rate of return	7.00%	(f)	7.25%	(g)	7.25%		6.75%
Retirement Age	(h)		(i)		(j)		(i)
Mortality	(k)		(l)		(m)		(n)
Other information	(o)		(p)		(p)		(p)

- (a) Actuarially determined contribution amount is determined as of December 31, 2018 with appropriate interest to the end of the year.
- (b) (1.50%-6.50% for 2019-2022), varying by years of service.
- (c) Plus a service-based increase in the first 9 years.
- (d) Plus service based increases consistent with bargaining contracts.
- (e) Salary increase rates based on age-related productivity and merit rates plus inflation.
- (f) Net of investment expense.
- (g) Net of investment expense, including inflation.
- (h) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2017).
For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011).
For employees first hired on or after July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2017).
- (i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2017, actuarial valuation pursuant to an experience study of the period January 1, 2012, through December 31, 2016.
- (j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2014, actuarial valuation pursuant to an experience study of the period January 1, 2009, through December 31, 2013.
- (k) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.
- (l) Post Retirement Mortality: Scaling factors of 117% for males, and 102% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales. No adjustment is made for post-disabled mortality.
Pre Retirement Mortality: Scaling factors of 109% for males, and 103% for females of the RP-2014 Blue Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.
- (m) Post-Retirement Healthy mortality rates: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 108% for males and 97% for females.
Pre-Retirement mortality rates: Sex distinct Retirement Plans 2014 Total Employee mortality table weighted 85% for males and 115% for females. Disabled Mortality: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 115% for males and 115% for females.
- (n) Post Retirement Mortality: Scaling factors of 106% for males, and 98% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.
Disabled Mortality: Scaling factors of 107% for males, and 99% for females of the RP-2014 Blue Collar Healthy Annuitant mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.
Pre-Retirement Mortality: Scaling factors of 92% for males, and 100% for females of the RP-2014 Blue Collar Employee mortality table, sex distinct, with generational mortality improvement using MP-2017 2-dimensional mortality improvement scales.
Future mortality improvements in pre- and post-retirement mortality are reflected by projecting the base mortality tables back from the year 2014 to the year 2006 using the MP-2014 projection scale and projecting from 2006 using the MP-2017 projection scale.
- (o) Other assumptions: Same as those used in the December 31, 2018, actuarial funding valuations.
- (p) The actuarial valuation is based on the statutes in effect as of December 31, 2018.

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

CBA Benefits	<u>2018</u>
Total OPEB liability	
Service cost	\$ 3,954
Interest	15,049
Benefit changes	-
Differences between expected and actual experience	(35,640)
Assumption changes	(9,990)
Benefit payments including refunds	(49,972)
OPEB plan administrative expense	-
Net change in total OPEB liability	<u>\$ (76,599)</u>
Total OPEB liability - beginning	<u>462,457</u>
Total OPEB liability - ending (a)	<u>\$ 385,858</u>
Plan fiduciary net position	
Contributions-employer	\$ 49,972
Contributions-employee	-
Net investment income	-
Benefit payments including refunds of member contribution	(49,972)
Administrative expenses	-
Other	-
Net change in plan fiduciary net position	<u>\$ -</u>
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 385,858</u>
Covered employee payroll*	\$ 182,222
Total OPEB liability as a percentage of covered employee payroll	211.75 %

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

Note:

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

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF CHICAGO, ILLINOIS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - Concluded
Last Fiscal Year (dollars are in thousands)

Non-CBA Benefits	<u>2018</u>
Total OPEB liability	
Service cost	\$ 10,673
Interest	9,411
Benefit changes	-
Differences between expected and actual experience	(7,490)
Assumption changes	22,922
Benefit payments including refunds	(20,606)
OPEB plan administrative expense	-
Net change in total OPEB liability	<u>\$ 14,910</u>
Total OPEB liability - beginning	<u>283,864</u>
Total OPEB liability - ending (a)	<u>\$ 298,774</u>
Plan fiduciary net position	
Contributions-employer	\$ 20,606
Contributions-employee	-
Net investment income	-
Benefit payments including refunds of member contribution	(20,606)
Administrative expenses	-
Other	-
Net change in plan fiduciary net position	<u>\$ -</u>
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 298,774</u>
Covered employee payroll*	\$2,580,360
Total OPEB liability as a percentage of covered employee payroll	11.58 %

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

Note:

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

**COMBINING AND
INDIVIDUAL FUND STATEMENTS
GENERAL FUND**

Schedule A-1
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
LOCAL TAX REVENUE				
UTILITY TAX:				
Gas	\$ 119,000	\$ 119,000	\$ 128,580	\$ 9,580
Electric	98,200	98,200	98,510	310
Telecommunication	99,000	99,000	87,440	(11,560)
Commonwealth Edison	90,000	90,000	90,847	847
Cable Television	29,500	29,500	26,683	(2,817)
Total Utility Tax	<u>435,700</u>	<u>435,700</u>	<u>432,060</u>	<u>(3,640)</u>
SALES TAX:				
Home Rule Retailers' Occupation	54,800	54,800	56,986	2,186
TRANSPORTATION TAX:				
Parking	132,500	132,500	133,997	1,497
Vehicle Fuel	52,000	52,000	53,676	1,676
Ground Transportation	125,000	125,000	119,411	(5,589)
Total Transportation Tax	<u>309,500</u>	<u>309,500</u>	<u>307,084</u>	<u>(2,416)</u>
TRANSACTION TAX:				
Real Property	170,100	170,100	175,500	5,400
Personal Property Lease	246,250	246,250	295,432	49,182
Motor Vehicle Lessor	6,288	6,288	6,575	287
Total Transaction Tax	<u>422,638</u>	<u>422,638</u>	<u>477,507</u>	<u>54,869</u>
RECREATION TAX:				
Amusement	189,000	189,000	195,500	6,500
Automatic Amusement	450	450	376	(74)
Liquor	32,500	32,500	33,012	512
Boat Mooring	1,330	1,330	1,841	511
Cigarette	20,100	20,100	21,269	1,169
Off Track Betting	550	550	477	(73)
Soft Drink	24,960	24,960	27,040	2,080
Total Recreation Tax	<u>268,890</u>	<u>268,890</u>	<u>279,515</u>	<u>10,625</u>
BUSINESS TAX:				
Hotel	119,000	119,000	130,393	11,393
Foreign Fire Insurance	4,500	4,500	5,131	631
Shopping Bag Tax	5,000	5,000	6,391	1,391
Total Business Tax	<u>128,500</u>	<u>128,500</u>	<u>141,915</u>	<u>13,415</u>
TOTAL LOCAL TAX REVENUE	<u>1,620,028</u>	<u>1,620,028</u>	<u>1,695,067</u>	<u>75,039</u>

Schedule A-1 - Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
INTERGOVERNMENTAL REVENUE				
STATE INCOME TAX:				
Income	\$ 252,510	\$ 252,510	\$ 255,028	\$ 2,518
Personal Property Replacement	134,204	134,204	137,421	3,217
Total State Income Tax	<u>386,714</u>	<u>386,714</u>	<u>392,449</u>	<u>5,735</u>
STATE SALES TAX:				
State Retailers' Occupation	-	-	-	-
STATE AUTO RENTAL TAX:				
Municipal Auto Rental	4,240	4,240	4,115	(125)
FEDERAL/STATE GRANTS:				
Grants	1,800	1,800	3,444	1,644
TOTAL INTERGOVERNMENTAL REVENUE	<u>392,754</u>	<u>392,754</u>	<u>400,008</u>	<u>7,254</u>
LOCAL NON-TAX REVENUE				
INTERNAL SERVICE:				
Water Fund	88,286	88,286	88,286	-
Chicago-O'Hare International Airport Fund	29,359	29,359	27,742	(1,617)
Vehicle Tax Fund	30,021	30,021	30,021	-
Chicago Midway International Airport Fund	7,711	7,711	6,471	(1,240)
Federal Funds	21,900	21,900	16,651	(5,249)
Sewer Fund	49,425	49,425	49,425	-
Emergency Communication Fund	7,813	7,813	7,813	-
Federal Funds - Pensions	19,414	19,414	18,658	(756)
Intergovernmental Vouchers (IV)	5,064	5,064	5,124	60
Transportation	3,921	3,921	6,440	2,519
Department of Fleet and Facility Management	6,922	6,922	4,488	(2,434)
Miscellaneous - Planning, Purchasing, etc.	2,631	2,631	576	(2,055)
Public Safety - Police, Fire and OEMC	319	319	(29)	(348)
Other	7,635	7,635	8,506	871
Total Internal Service	<u>280,421</u>	<u>280,421</u>	<u>270,172</u>	<u>(10,249)</u>
LICENSES AND PERMITS:				
Alcoholic Liquor Dealers' License	12,600	12,600	12,451	(149)
Business License	20,300	20,300	21,409	1,109
Building Permits	45,000	45,000	42,466	(2,534)
Fines and Penalties	6,500	6,500	15,350	8,850
Other	46,650	46,650	48,116	1,466
Total Licenses and Permits	<u>131,050</u>	<u>131,050</u>	<u>139,792</u>	<u>8,742</u>

Schedule A-1 - Concluded
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
LOCAL NON-TAX REVENUE - Concluded				
FINES:				
Fines, Forfeitures and Penalties	\$ 326,200	\$ 326,200	\$ 336,900	\$ 10,700
INVESTMENT INCOME:				
Interest on Investments	8,000	8,000	1,627	(6,373)
CHARGES FOR SERVICES:				
Inspection	12,500	12,500	12,838	338
Information	1,000	1,000	1,086	86
Safety	73,500	73,500	73,735	235
Sanitation	61,240	61,240	63,044	1,804
Reimbursement of Current Expense	6,300	6,300	4,553	(1,747)
Other	28,700	28,700	30,472	1,772
Total Charges for Services	183,240	183,240	185,728	2,488
MUNICIPAL UTILITIES:				
Parking	8,000	8,000	7,761	(239)
Total Municipal Utilities	8,000	8,000	7,761	(239)
LEASES, RENTALS AND SALES:				
Sale of Land and Buildings	7,600	7,600	6,235	(1,365)
Vacation of Streets and Alleys	3,000	3,000	2,236	(764)
Sale of Impounded Autos	14	14	14	-
Sale of Materials	300	300	699	399
Rentals and Leases	25,661	25,661	26,540	879
Total Leases, Rentals and Sales	36,575	36,575	35,724	(851)
MISCELLANEOUS:				
Property Damage	152	152	149	(3)
Other	204,967	204,967	68,821	(136,146)
Total Miscellaneous	205,119	205,119	68,970	(136,149)
TOTAL LOCAL NON-TAX REVENUE	1,178,605	1,178,605	1,046,674	(131,931)
Budgeted Prior Year's Surplus and Reappropriations				
	37,000	37,000	-	(37,000)
Transfers In	624,090	624,090	627,542	3,452
Total Revenues	<u>\$ 3,852,477</u>	<u>\$ 3,852,477</u>	<u>\$ 3,769,291</u>	<u>\$ (83,186)</u>

Schedule A-2
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
OFFICE OF THE MAYOR - 01 -			
2005.0000-Personnel Services	\$ 6,528,090	\$ 6,528,090	\$ 6,918,703
2005.0100-Contractual Services	229,458	229,458	207,518
2005.0200-Travel	27,830	27,830	20,094
2005.0300-Commodities and Materials	30,000	30,000	22,491
Total	<u>6,815,378</u>	<u>6,815,378</u>	<u>7,168,806</u>
OFFICE OF THE INSPECTOR GENERAL - 03 -			
2005.0000-Personnel Services	5,007,319	5,007,319	4,670,331
2005.0100-Contractual Services	839,085	839,085	838,966
2005.0200-Travel	30,025	30,025	30,020
2005.0300-Commodities and Materials	18,135	18,135	17,423
2005.0700-Contingencies	980	980	(40,270)
2005.9400-Internal Transfers and Reimbursements	1,000	1,000	1,000
Total	<u>5,896,544</u>	<u>5,896,544</u>	<u>5,517,470</u>
OFFICE OF BUDGET AND MANAGEMENT - 05 -			
2005.0000-Personnel Services	2,989,062	2,989,062	2,898,034
2005.0100-Contractual Services	33,986	33,986	24,238
2005.0200-Travel	1,000	1,000	858
2005.0300-Commodities and Materials	5,800	5,800	1,663
Total	<u>3,029,848</u>	<u>3,029,848</u>	<u>2,924,793</u>
DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -			
2005.0000-Personnel Services	8,966,198	8,966,198	8,694,512
2005.0100-Contractual Services	13,825,595	13,825,595	12,790,054
2005.0200-Travel	4,050	4,050	2,962
2005.0300-Commodities and Materials	19,450	19,450	9,472
Total	<u>22,815,293</u>	<u>22,815,293</u>	<u>21,497,000</u>
CITY COUNCIL COMMITTEES			
CITY COUNCIL - 15 -			
2005.0000-Personnel Services	15,876,573	15,876,573	15,594,294
2005.0100-Contractual Services	70,150	70,150	66,595
2005.0200-Travel	1,000	1,000	-
2005.0700-Contingencies	43,000	43,000	35,437
2005.0982-Order of the City Council	1,000	1,000	-
2005.9008-Aldermanic Expense Allowance	4,850,000	4,850,000	4,758,002
2005.9010-Legal, Technical, Medical and Professional Services, Appraisals, Consultants, Printers, Court Reporters and Contractual Services: To Be Expended at the Direction of the Chairman of the Committee on Finance	92,072	92,072	12,294

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
CITY COUNCIL - 15 - Concluded			
2005.9072-Contingent and Other Expenses for			
Corporate Purposes not Otherwise Provided for:			
To Be Expended under the Direction of the President			
Pro Tempore of the City Council	\$ 4,000	\$ 4,000	\$ 3,618
Total	<u>20,937,795</u>	<u>20,937,795</u>	<u>20,470,240</u>
COMMITTEE ON FINANCE - 15 -			
2010.0000-Personnel Services	1,821,680	1,821,680	1,807,961
2010.0100-Contractual Services	190,400	190,400	138,966
2010.0200-Travel	8,000	8,000	-
2010.0300-Commodities and Materials	51,500	51,500	34,262
2010.0700-Contingencies	100	100	-
2010.9005-For the Payment of Legal Fees Pursuant to			
Sec. 2-152-170 of the Municipal Code:			
To Be Expended under the Direction of the			
Committee on Finance	50,000	50,000	-
2010.9006-Legal Assistance to The City Council:			
To Be Expended under the Direction of the			
Chairman of the Committee on Finance	50,000	50,000	-
2010.9010-Legal, Technical, Medical and Professional			
Services, Appraisals, Consultants, Printers, Court			
Reporters and Contractual Services:			
To Be Expended at the Direction of the			
Chairman of the Committee on Finance	92,500	92,500	24,133
Total	<u>2,264,180</u>	<u>2,264,180</u>	<u>2,005,322</u>
COUNCIL OFFICE OF FINANCIAL ANALYSIS - 15 -			
2012.0000-Personnel Services	274,056	274,056	230,376
2012.0700-Contingencies	27,160	27,160	355
Total	<u>301,216</u>	<u>301,216</u>	<u>230,731</u>
COMMITTEE ON THE BUDGET AND GOVERNMENT			
OPERATIONS - 15 -			
2214.0000-Personnel Services	492,468	492,468	812,709
2214.0100-Contractual Services	15,000	15,000	31,476
2214.0300-Commodities and Materials	12,000	12,000	23,723
2214.0400-Equipment	9,500	9,500	10,883
2214.0700-Contingencies	15,000	15,000	17,806
Total	<u>543,968</u>	<u>543,968</u>	<u>896,597</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON AVIATION - 15 -			
2220.0000-Personnel Services	\$ 108,046	\$ 108,046	\$ 95,438
2220.0100-Contractual Services	200	200	-
2220.0300-Commodities and Materials	500	500	-
2220.0700-Contingencies	750	750	-
Total	109,496	109,496	95,438
COMMITTEE ON LICENSE AND CONSUMER PROTECTION - 15 -			
2225.0000-Personnel Services	107,246	107,246	125,744
2225.0100-Contractual Services	7,500	7,500	1,689
2225.0300-Commodities and Materials	10,500	10,500	3,215
Total	125,246	125,246	130,648
COMMITTEE ON PUBLIC SAFETY - 15 -			
2235.0000-Personnel Services	159,355	159,355	131,664
2235.0100-Contractual Services	1,000	1,000	997
2235.0300-Commodities and Materials	1,000	1,000	992
2235.0700-Contingencies	500	500	345
Total	161,855	161,855	133,998
COMMITTEE ON HEALTH AND ENVIRONMENTAL PROTECTION - 15 -			
2240.0000-Personnel Services	90,300	90,300	90,330
2240.0100-Contractual Services	2,006	2,006	1,308
2240.0300-Commodities and Materials	800	800	-
2240.0700-Contingencies	500	500	-
Total	93,606	93,606	91,638
COMMITTEE ON COMMITTEES, RULES AND ETHICS - 15 -			
2245.0000-Personnel Services	105,068	105,068	106,906
2245.0100-Contractual Services	40,000	40,000	38,220
2245.0300-Commodities and Materials	500	500	476
Total	145,568	145,568	145,602
COMMITTEE ON ECONOMIC, CAPITAL AND TECHNOLOGY DEVELOPMENT - 15 -			
2255.0000-Personnel Services	102,575	102,575	102,615
2255.0100-Contractual Services	1,000	1,000	-
2255.0300-Commodities and Materials	500	500	-
2255.0700-Contingencies	1,000	1,000	-
Total	105,075	105,075	102,615

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON EDUCATION AND CHILD DEVELOPMENT - 15 -			
2260.0000-Personnel Services	\$ 163,483	\$ 163,483	\$ 152,716
2260.0100-Contractual Services	3,000	3,000	1,091
2260.0700-Contingencies	2,000	2,000	-
Total	<u>168,483</u>	<u>168,483</u>	<u>153,807</u>
COMMITTEE ON ZONING, LANDMARKS AND BUILDING STANDARDS - 15 -			
2275.0000-Personnel Services	310,574	310,574	369,372
2275.0100-Contractual Services	15,300	15,300	34,477
2275.0300-Commodities and Materials	74,700	74,700	45,028
Total	<u>400,574</u>	<u>400,574</u>	<u>448,877</u>
COMMITTEE ON HOUSING AND REAL ESTATE - 15 -			
2280.0000-Personnel Services	198,164	198,164	198,918
2280.0300-Commodities and Materials	8,000	8,000	6,719
Total	<u>206,164</u>	<u>206,164</u>	<u>205,637</u>
COMMITTEE ON HUMAN RELATIONS - 15 -			
2286.0000-Personnel Services	92,556	82,556	75,456
2286.0300-Commodities and Materials	1,000	11,000	9,803
Total	<u>93,556</u>	<u>93,556</u>	<u>85,259</u>
COMMITTEE ON WORKFORCE DEVELOPMENT AND AUDIT - 15 -			
2290.0000-Personnel Services	503,565	503,565	463,749
2290.0100-Contractual Services	30,000	15,000	2,503
2290.0300-Commodities and Materials	5,000	20,000	20,027
Total	<u>538,565</u>	<u>538,565</u>	<u>486,279</u>
CITY COUNCIL LEGISLATIVE REFERENCE BUREAU - 15 -			
2295.0000-Personnel Services	362,144	362,144	318,488
2295.0300-Commodities and Materials	4,000	4,000	5,254
Total	<u>366,144</u>	<u>366,144</u>	<u>323,742</u>
TOTAL CITY COUNCIL COMMITTEES	<u>26,561,491</u>	<u>26,561,491</u>	<u>26,006,430</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT - Continued			
CITY CLERK - 25 -			
2005.0000-Personnel Services	\$ 2,694,693	\$ 2,694,693	\$ 2,611,948
2005.0100-Contractual Services	1,311,066	1,311,066	1,148,129
2005.0300-Commodities and Materials	193,790	193,790	174,196
Total	<u>4,199,549</u>	<u>4,199,549</u>	<u>3,934,273</u>
DEPARTMENT OF FINANCE - 27 -			
City Comptroller			
2011.0000-Personnel Services	2,813,836	2,813,836	2,565,263
2011.0100-Contractual Services	48,718	48,718	44,723
2011.0200-Travel	1,000	1,000	-
2011.0300-Commodities and Materials	17,920	17,920	655
Total	<u>2,881,474</u>	<u>2,881,474</u>	<u>2,610,641</u>
DEPARTMENT OF FINANCE - 27 -			
Accounting and Financial Reporting			
2012.0000-Personnel Services	4,556,491	4,556,491	4,591,216
2012.0100-Contractual Services	767,632	767,632	449,938
2012.0200-Travel	3,000	3,000	3,000
2012.0300-Commodities and Materials	15,000	15,000	9,222
Total	<u>5,342,123</u>	<u>5,342,123</u>	<u>5,053,376</u>
DEPARTMENT OF FINANCE - 27 -			
Financial Strategy and Operations			
2015.0000-Personnel Services	5,918,561	5,918,561	5,314,507
2015.0100-Contractual Services	983,485	983,485	836,940
2015.0200-Travel	6,704	6,704	2,656
2015.0300-Commodities and Materials	61,300	61,300	14,241
2015.0400-Equipment	156,750	156,750	51,765
Total	<u>7,126,800</u>	<u>7,126,800</u>	<u>6,220,109</u>
DEPARTMENT OF FINANCE - 27 -			
Revenue Services and Operations			
2020.0000-Personnel Services	24,028,787	24,028,787	21,572,336
2020.0100-Contractual Services	29,074,332	29,074,332	27,430,065
2020.0200-Travel	10,000	10,000	1,066
2020.0300-Commodities and Materials	223,459	223,459	196,305
2020.0400-Equipment	153,100	153,100	-
2020.9400-Internal Transfers and Reimbursements	45,000	45,000	45,000
Total	<u>53,534,678</u>	<u>53,534,678</u>	<u>49,244,772</u>
TOTAL FINANCE	<u>68,885,075</u>	<u>68,885,075</u>	<u>63,128,898</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT - Continued			
CITY TREASURER - 28 -			
2005.0000-Personnel Services	\$ 882,848	\$ 882,848	\$ 808,784
2005.0100-Contractual Services	730,558	730,558	576,424
2005.0200-Travel	15,000	15,000	4,341
2005.0300-Commodities and Materials	6,500	6,500	5,725
2005.0500-Permanent Improvements	40,000	40,000	39,980
2005.9400-Internal Transfers and Reimbursements	6,000	6,000	-
Total	<u>1,680,906</u>	<u>1,680,906</u>	<u>1,435,254</u>
DEPARTMENT OF ADMINISTRATIVE HEARINGS - 30 -			
2005.0000-Personnel Services	3,116,268	3,116,268	2,893,385
2005.0100-Contractual Services	5,376,182	5,376,182	4,841,551
2005.0200-Travel	700	700	700
2005.0300-Commodities and Materials	39,504	39,504	35,989
Total	<u>8,532,654</u>	<u>8,532,654</u>	<u>7,771,625</u>
DEPARTMENT OF LAW - 31 -			
2005.0000-Personnel Services	26,373,674	26,373,674	24,772,044
2005.0100-Contractual Services	2,858,298	2,858,298	2,846,519
2005.0200-Travel	80,264	80,264	59,206
2005.0300-Commodities and Materials	101,415	101,415	100,605
2005.9400-Internal Transfers and Reimbursements	14,157	14,157	14,157
Total	<u>29,427,808</u>	<u>29,427,808</u>	<u>27,792,531</u>
DEPARTMENT OF HUMAN RESOURCES - 33 -			
2005.0000-Personnel Services	5,819,807	5,819,807	5,629,352
2005.0100-Contractual Services	659,665	659,665	391,431
2005.0200-Travel	2,560	2,560	2,400
2005.0300-Commodities and Materials	29,775	29,775	17,101
2005.9067-For Physical Exams	210,000	210,000	210,000
2005.9400-Internal Transfers and Reimbursements	2,000	2,000	-
Total	<u>6,723,807</u>	<u>6,723,807</u>	<u>6,250,284</u>
DEPARTMENT OF PROCUREMENT SERVICES - 35 -			
2005.0000-Personnel Services	6,158,034	6,158,034	5,772,543
2005.0100-Contractual Services	650,420	650,420	569,256
2005.0200-Travel	7,090	7,090	3,542
2005.0300-Commodities and Materials	21,635	21,635	16,809
2005.0400-Equipment	4,000	4,000	3,669
Total	<u>6,841,179</u>	<u>6,841,179</u>	<u>6,365,819</u>
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT			
BUREAU OF FINANCE AND ADMINISTRATION - 38 -			
2103.0000-Personnel Services	2,997,851	2,997,851	2,923,146
2103.0100-Contractual Services	651,883	651,883	611,052
2103.0300-Commodities and Materials	41,500	41,500	37,996
Total	<u>3,691,234</u>	<u>3,691,234</u>	<u>3,572,194</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
BUREAU OF FACILITY MANAGEMENT - 38 -			
2126.0000-Personnel Services	\$ 33,561,447	\$ 33,561,447	\$ 33,901,805
2126.0100-Contractual Services	30,743,614	30,743,614	30,041,393
2126.0200-Travel	11,000	11,000	485
2126.0300-Commodities and Materials	4,044,330	4,044,330	4,023,840
Total	<u>68,360,391</u>	<u>68,360,391</u>	<u>67,967,523</u>
BUREAU OF ASSET MANAGEMENT - 38 -			
2131.0000-Personnel Services	3,769,703	3,769,703	3,894,999
2131.0100-Contractual Services	14,592,126	14,592,126	14,391,817
2131.0300-Commodities and Materials	35,502,387	35,502,387	32,240,260
2131.9067-For Physical Exams	46,500	46,500	13,355
2131.9160-For Expenses Related to Services Provided by PBC	513,695	513,695	496,396
Total	<u>54,424,411</u>	<u>54,424,411</u>	<u>51,036,827</u>
BUREAU OF FLEET OPERATIONS - 38 -			
2140.0000-Personnel Services	36,706,368	36,706,368	37,885,363
2140.0100-Contractual Services	15,398,036	15,398,036	14,966,585
2140.0200-Travel	5,000	5,000	3,896
2140.0300-Commodities and Materials	20,793,116	20,793,116	20,743,447
Total	<u>72,902,520</u>	<u>72,902,520</u>	<u>73,599,291</u>
TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT	<u>199,378,556</u>	<u>199,378,556</u>	<u>196,175,835</u>
BOARD OF ELECTION COMMISSIONERS - ELECTION AND ADMINISTRATION DIVISION - 39 -			
2005.0000-Personnel Services	8,391,954	8,391,954	8,070,338
2005.0100-Contractual Services	6,598,114	6,598,114	6,576,076
2005.0200-Travel	14,936	14,936	8,336
2005.0300-Commodities and Materials	601,373	601,373	594,024
Total	<u>15,606,377</u>	<u>15,606,377</u>	<u>15,248,774</u>
COMMISSION ON HUMAN RELATIONS - 45 -			
2005.0000-Personnel Services	1,099,492	1,099,492	941,031
2005.0100-Contractual Services	128,491	128,491	88,559
2005.0200-Travel	600	600	555
2005.0300-Commodities and Materials	1,500	1,500	1,408
2005.0400-Equipment	1,410	1,410	1,410
Total	<u>1,231,493</u>	<u>1,231,493</u>	<u>1,032,963</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT - Continued			
MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES - 48 -			
2005.0000-Personnel Services	\$ 1,191,731	\$ 1,191,731	\$ 1,155,522
2005.0100-Contractual Services	390,523	390,523	347,793
2005.0200-Travel	11,961	11,961	8,456
2005.0300-Commodities and Materials	10,586	10,586	7,784
2005.9400-Internal Transfers and Reimbursements	23,000	23,000	23,000
Total	1,627,801	1,627,801	1,542,555
DEPARTMENT OF FAMILY AND SUPPORT SERVICES - 50 -			
2005.0000-Personnel Services	4,376,519	4,376,519	5,384,130
2005.0100-Contractual Services	648,547	648,547	623,093
2005.0200-Travel	3,800	3,800	3,321
2005.0300-Commodities and Materials	23,460	23,460	20,395
2005.9143-Workforce Services for Target Populations ...	1,300,000	1,300,000	1,216,313
2005.9204-Youth Mentoring Programs	7,000,000	7,000,000	6,998,634
2005.9253-Early Childhood Education Program	15,075,000	15,075,000	11,496,921
2005.9254-Violence Reduction Program	3,105,000	3,105,000	3,100,275
2005.9255-Homeless Services for Youth	1,540,979	1,540,979	1,540,978
2005.9259-Summer Programs	17,663,403	17,663,403	16,842,359
2005.9260-After School Programs	19,756,201	19,656,201	19,532,430
2005.9261-Children's Advocacy Center	900,000	900,000	900,000
2005.9262-Earned Income Tax Credit	850,000	850,000	850,000
2005.9263-Homeless Services	7,899,876	7,999,876	8,054,607
2005.9290-Homeless Supportive Services	1,800,000	1,800,000	1,783,227
2005.9400-Internal Transfers and Reimbursements	94,105	94,105	94,105
Total	82,036,890	82,036,890	78,440,788
DEPARTMENT OF PLANNING AND DEVELOPMENT - 54 -			
2005.0000-Personnel Services	9,524,509	9,524,509	9,262,406
2005.0100-Contractual Services	3,511,931	3,511,931	3,130,775
2005.0200-Travel	7,810	7,810	6,240
2005.0300-Commodities and Materials	21,298	21,298	10,978
2005.0400-Equipment	20,500	20,500	16,392
2005.9110-Property Management, Maintenance and Security.....	70,000	70,000	40,198
2005.9183-Foreclosure Prevention Program	339,000	339,000	339,000
2005.9211-Single-Family Troubled Building Initiative	75,000	75,000	75,000
2005.9212-Multi-Family Troubled Building Initiative	175,000	175,000	175,000
2005.9224-Micro Market Recovery Program	700,000	700,000	700,000
Total	14,445,048	14,445,048	13,755,989

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT - Continued			
POLICE BOARD - 55 -			
2005.0000-Personnel Services	\$ 283,272	\$ 283,272	\$ 235,684
2005.0100-Contractual Services	188,333	188,333	171,178
2005.0200-Travel	1,324	1,324	268
2005.0300-Commodities and Materials	590	590	-
Total	473,519	473,519	407,130
CIVILIAN OFFICE OF POLICE ACCOUNTABILITY - 60 -			
2005.0000-Personnel Services	10,208,036	10,208,036	9,155,851
2005.0100-Contractual Services	2,982,777	2,982,777	1,762,849
2005.0200-Travel	15,000	15,000	2,095
2005.0300-Commodities and Materials	83,580	83,580	41,371
Total	13,289,393	13,289,393	10,962,166
LICENSE APPEAL COMMISSION - 77 -			
2005.0000-Personnel Services	84,420	84,420	84,632
2005.0100-Contractual Services	101,747	101,747	85,565
2005.0300-Commodities and Materials	500	500	465
Total	186,667	186,667	170,662
BOARD OF ETHICS - 78 -			
2005.0000-Personnel Services	765,541	765,541	773,909
2005.0100-Contractual Services	60,448	60,448	31,940
2005.0200-Travel	4,605	4,605	1,476
2005.0300-Commodities and Materials	3,209	3,209	1,573
Total	833,803	833,803	808,898
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0000-Personnel Services	412,341,387	412,341,387	378,715,997
2005.0100-Contractual Services	93,132,204	93,132,204	80,673,008
2005.0300-Commodities and Materials	240,200	240,200	15,000
2005.0912-For Payment of Bonds	6,478,572	5,268,479	5,619,820
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	15,423,400	15,423,400	48,630,429
2005.0934-Claims for Damages and Liabilities Against the City when Ordered Paid by the City Council	200,000	200,000	110,293
2005.0947-For Payment of Bonds	-	1,478,572	1,478,570
2005.0991-To Provide for Matching and Supplementary Grant Funds Currently in Effect and New Grants	8,555,830	8,287,351	7,927,260
2005.9027-For the City Contribution to Social Security Tax.....	897,841	897,841	410,696

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Concluded</u>			
2005.9076-City's Contribution to Medicare Tax	\$ 35,305,550	\$ 35,305,550	\$ 36,015,387
2005.9097-For Capital Construction	4,655,000	4,655,000	4,655,000
2005.9121-Lobbyist on Behalf of the City of Chicago	480,000	480,000	131,500
2005.9176-West Nile Virus Program	425,000	425,000	424,938
2005.9180-For World Business Chicago Program	1,200,000	1,200,000	1,200,000
2005.9240-CTA Capital	16,000,000	16,000,000	15,999,996
2005.9241-Community Navigator Services for the Justice System	1,000,000	1,000,000	1,000,000
2005.9291-Legal Protection Fund	1,300,000	1,300,000	1,300,000
2005.9294-CPS Security	14,000,000	14,000,000	14,000,000
2005.9377-For Transfers to Debt Service	118,000,000	118,000,000	-
2005.9635-To Reimburse Midway Fund for Fire Department Salaries	2,852,109	2,852,109	2,852,109
2005.9636-To Reimburse Midway Fund for Fire Department Benefits	1,467,410	1,467,410	1,467,410
2005.9638-For Corporate Fund Subsidy of Chicago Public Library	15,193,000	15,193,000	15,193,000
2005.9980-Municipal Fund Pension Allocation	81,271,000	81,271,000	81,271,000
2005.9981-Laborers' Fund Pension Allocation	19,753,000	19,753,000	19,753,000
Total	<u>850,171,503</u>	<u>850,171,503</u>	<u>718,844,413</u>
TOTAL GENERAL GOVERNMENT	<u>1,370,690,582</u>	<u>1,370,690,582</u>	<u>1,217,183,356</u>
<u>HEALTH</u>			
DEPARTMENT OF PUBLIC HEALTH - 41 -			
1005.0000-Personnel Services	16,147,904	16,147,904	15,394,171
1005.0100-Contractual Services	15,741,321	15,741,321	14,543,621
1005.0200-Travel	8,550	8,550	4,865
1005.0300-Commodities and Materials	1,005,149	1,005,149	825,603
1005.0400-Equipment	13,435	13,435	9,208
Total	<u>32,916,359</u>	<u>32,916,359</u>	<u>30,777,468</u>
TOTAL HEALTH	<u>32,916,359</u>	<u>32,916,359</u>	<u>30,777,468</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>PUBLIC SAFETY</u>			
CHICAGO POLICE DEPARTMENT - 57 -			
1005.0000-Personnel Services	\$ 1,426,588,160	\$ 1,426,588,160	\$ 1,407,980,810
1005.0100-Contractual Services	36,865,832	36,865,832	36,792,244
1005.0200-Travel	111,570	111,570	111,454
1005.0300-Commodities and Materials	7,450,845	7,450,845	6,344,897
1005.0400-Equipment	36,250	36,250	36,000
1005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	19,844,350	19,844,350	103,480,696
1005.0937-For Cost and Administration of Hospital and Medical Expenses for Employees Injured on Duty Who Are Not Covered Under Workers' Compensation Act ...	19,000,000	19,000,000	17,756,557
1005.9067-For Physical Exams	2,036,069	2,036,069	1,380,386
Total	<u>1,511,933,076</u>	<u>1,511,933,076</u>	<u>1,573,883,044</u>
OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS - 58 -			
2705.0000-Personnel Services	25,419,372	25,419,372	24,409,510
2705.0100-Contractual Services	925,469	925,469	897,529
2705.0200-Travel	80,503	80,503	77,176
2705.0300-Commodities and Materials	138,365	138,365	128,193
2705.0400-Equipment	6,700	6,700	6,700
Total	<u>26,570,409</u>	<u>26,570,409</u>	<u>25,519,108</u>
CHICAGO FIRE DEPARTMENT - 59 -			
2005.0000-Personnel Services	564,845,565	564,845,565	564,167,959
2005.0100-Contractual Services	7,195,896	7,195,896	5,670,191
2005.0200-Travel	50,900	50,900	14,332
2005.0300-Commodities and Materials	2,726,094	2,726,094	2,439,788
2005.0400-Equipment	194,000	194,000	191,013
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	2,702,000	2,702,000	1,527,489
2005.0937-For Cost and Administration of Hospital and Medical Expenses for Employees Injured on Duty Who Are Not Covered Under Workers' Compensation Act ...	9,000,000	9,000,000	4,397,858
2005.9067-For Physical Exams	1,080,000	1,080,000	351,686
Total	<u>587,794,455</u>	<u>587,794,455</u>	<u>578,760,316</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>PUBLIC SAFETY - Concluded</u>			
DEPARTMENT OF BUILDINGS - 67 -			
2005.0000-Personnel Services	\$ 19,628,998	\$ 19,628,998	\$ 19,352,523
2005.0100-Contractual Services	2,105,244	2,105,244	1,917,634
2005.0200-Travel	155,000	155,000	135,982
2005.0300-Commodities and Materials	42,000	42,000	31,562
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	300,000	300,000	22,000
2005.0989-For Refunds for Cancelled Voucher Warrants and Payroll Checks and for Refunding Duplicate Payments and Payments Made in Error	100,000	100,000	23,347
2005.9019-For Board Up and Demolition of Abandoned Buildings	3,000,000	3,000,000	920,725
Total	<u>25,331,242</u>	<u>25,331,242</u>	<u>22,403,773</u>
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services	13,902,171	13,902,171	12,658,555
2005.0100-Contractual Services	4,609,444	4,609,444	3,887,780
2005.0200-Travel	27,343	27,343	13,782
2005.0300-Commodities and Materials	123,234	123,234	92,195
2005.0500-Permanent Improvements	10,000	10,000	-
Total	<u>18,672,192</u>	<u>18,672,192</u>	<u>16,652,312</u>
COMMISSION ON ANIMAL CARE AND CONTROL - 73 -			
2005.0000-Personnel Services	5,031,507	5,031,507	5,183,861
2005.0100-Contractual Services	789,058	789,058	725,496
2005.0200-Travel	480	480	100
2005.0300-Commodities and Materials	658,279	658,279	609,135
Total	<u>6,479,324</u>	<u>6,479,324</u>	<u>6,518,592</u>
TOTAL PUBLIC SAFETY	<u>2,176,780,698</u>	<u>2,176,780,698</u>	<u>2,223,737,145</u>
<u>STREETS AND SANITATION</u>			
COMMISSIONER'S OFFICE - 81 -			
2005.0000-Personnel Services	1,883,451	1,883,451	1,945,973
2005.0100-Contractual Services	191,389	191,389	168,854
2005.0200-Travel	40	40	-
2005.0300-Commodities and Materials	6,150	6,150	5,638
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	540,000	540,000	313,277
Total	<u>2,621,030</u>	<u>2,621,030</u>	<u>2,433,742</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
STREETS AND SANITATION - Concluded			
COMMISSIONER'S OFFICE -			
ADMINISTRATIVE SERVICES DIVISION - 81 -			
2006.0000-Personnel Services	\$ 1,831,863	\$ 1,831,863	\$ 1,756,467
2006.0100-Contractual Services	34,308	34,308	25,828
2006.0200-Travel	250	250	-
2006.0300-Commodities and Materials	5,250	5,250	4,913
Total	<u>1,871,671</u>	<u>1,871,671</u>	<u>1,787,208</u>
BUREAU OF SANITATION - 81 -			
2020.0000-Personnel Services	95,705,356	95,705,356	94,934,480
2020.0100-Contractual Services	57,813,908	57,813,908	55,713,091
2020.0300-Commodities and Materials	160,016	160,016	150,136
2020.0400-Equipment	33,102	33,102	31,034
Total	<u>153,712,382</u>	<u>153,712,382</u>	<u>150,828,741</u>
BUREAU OF RODENT CONTROL - 81 -			
2025.0000-Personnel Services	9,527,859	9,527,859	9,366,764
2025.0100-Contractual Services	1,712,849	1,712,849	1,672,934
2025.0300-Commodities and Materials	92,962	92,962	91,639
2025.0400-Equipment	8,722	8,722	8,195
Total	<u>11,342,392</u>	<u>11,342,392</u>	<u>11,139,532</u>
BUREAU OF STREET OPERATIONS - 81 -			
2045.0000-Personnel Services	18,978,316	18,978,316	18,407,991
2045.0100-Contractual Services	3,004,714	3,004,714	2,937,823
2045.0300-Commodities and Materials	664,125	664,125	564,856
Total	<u>22,647,155</u>	<u>22,647,155</u>	<u>21,910,670</u>
BUREAU OF FORESTRY - 81 -			
2060.0000-Personnel Services	14,823,897	14,823,897	16,107,218
2060.0100-Contractual Services	2,499,630	2,499,630	2,413,416
2060.0200-Travel	3,540	3,540	1,773
2060.0300-Commodities and Materials	101,445	101,445	91,569
2060.0400-Equipment	110,801	110,801	100,924
Total	<u>17,539,313</u>	<u>17,539,313</u>	<u>18,714,900</u>
TOTAL STREETS AND SANITATION	<u>209,733,943</u>	<u>209,733,943</u>	<u>206,814,793</u>

Schedule A-2 Continued
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
TRANSPORTATION			
COMMISSIONER'S OFFICE - 84 -			
2105.0000-Personnel Services	\$ 2,771,985	\$ 2,771,985	\$ 2,604,242
2105.0100-Contractual Services	208,655	208,655	197,053
2105.0200-Travel	2,700	2,700	2,616
2105.0300-Commodities and Materials	7,100	7,100	6,904
2105.0931-For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	1,300,000	1,300,000	1,282,066
Total	4,290,440	4,290,440	4,092,881
DIVISION OF ADMINISTRATION - 84 -			
2115.0000-Personnel Services	4,852,581	4,852,581	4,503,149
2115.0100-Contractual Services	167,525	167,525	149,298
2115.0200-Travel	300	300	141
2115.0300-Commodities and Materials	14,200	14,200	13,454
Total	5,034,606	5,034,606	4,666,042
DIVISION OF ENGINEERING - 84 -			
2125.0100-Contractual Services	1,791,330	1,791,330	1,706,686
Total	1,791,330	1,791,330	1,706,686
DIVISION OF TRAFFIC SAFETY - 84 -			
2130.0000-Personnel Services	936,041	936,041	819,287
2130.0100-Contractual Services	14,608,200	14,608,200	14,496,965
2130.0200-Travel	300	300	12
2130.0300-Commodities and Materials	5,100	5,100	4,792
Total	15,549,641	15,549,641	15,321,056
DIVISION OF SIGN MANAGEMENT- 84 -			
2140.0000-Personnel Services	3,399,982	3,399,982	3,120,556
2140.0100-Contractual Services	465,971	465,971	455,859
2140.0300-Commodities and Materials	533,983	533,983	503,556
2140.0400-Equipment	27,800	27,800	27,739
Total	4,427,736	4,427,736	4,107,710
DIVISION OF PROJECT DEVELOPMENT - 84 -			
2145.0000-Personnel Services	3,171,099	3,171,099	2,694,732
2145.0100-Contractual Services	785,889	785,889	762,600
2145.0200-Travel	2,150	2,150	2,907
2145.0300-Commodities and Materials	61,150	61,150	60,027
2145.9142-Ex-Offender/Re-Entry Initiatives	250,000	250,000	250,000
Total	4,270,288	4,270,288	3,770,266

Schedule A-2 Concluded
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>TRANSPORTATION - Concluded</u>			
DIVISION OF ELECTRICAL OPERATIONS - 84 -			
2150.0000-Personnel Services	\$ 8,059,398	\$ 8,059,398	\$ 7,794,405
2150.0100-Contractual Services	264,523	264,523	240,241
2150.0200-Travel	16,000	16,000	8,409
2150.0300-Commodities and Materials	562,625	562,625	553,437
2150.0400-Equipment	21,000	21,000	19,965
Total	8,923,546	8,923,546	8,616,457
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services	12,514,441	12,514,441	12,316,014
2155.0100-Contractual Services	276,154	276,154	222,223
2155.0200-Travel	1,250	1,250	-
2155.0300-Commodities and Materials	305,161	305,161	286,759
2155.0400-Equipment	15,325	15,325	14,398
Total	13,112,331	13,112,331	12,839,394
TOTAL TRANSPORTATION	57,399,918	57,399,918	55,120,492
<u>PRINCIPAL RETIREMENT</u>			
2005.9540 - Payment of General Obligation Certificate	2,250,000	2,250,000	2,250,000
TOTAL PRINCIPAL RETIREMENT	2,250,000	2,250,000	2,250,000
<u>INTEREST AND OTHER FISCAL CHARGES</u>			
2005.9540-Interest on General Obligation Certificate	2,705,500	2,705,500	2,705,500
TOTAL INTEREST AND OTHER FISCAL CHARGES	4,955,500	4,955,500	4,955,500
TOTAL GENERAL FUND	\$ 3,852,477,000	\$ 3,852,477,000	\$ 3,738,588,754

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

Schedule B-1
CITY OF CHICAGO, ILLINOIS
SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS
COMBINING BALANCE SHEET
December 31, 2018
With Comparative Totals for December 31, 2017
(Amounts are in Thousands of Dollars)

	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Trans- portation</u>
ASSETS:				
Investments	\$ 4,332	\$ 8,311	\$ 4,904	\$ 12,612
Receivables (Net of Allowances)	1,335	62	598	51
Due From Other Funds	13,672	73	1,548	-
Due From Other Governments	108	31,700	50,997	186,687
Restricted Assets - Cash and Cash Equivalents	-	-	-	-
Other Assets	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 19,447</u>	<u>\$ 40,146</u>	<u>\$ 58,047</u>	<u>\$ 199,350</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Voucher Warrants Payable	\$ 488	\$ 18,885	\$ 11,541	\$ 55,235
Bonds, Notes and Other Obligations Payable - Current	-	-	-	-
Due to Other Funds	27,618	17,886	40,132	104,183
Due to Other Governmental Units	-	-	-	-
Accrued and Other Liabilities	325	612	150	553
Unearned Revenue	2,439	9,812	7,200	31,323
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 30,870</u>	<u>\$ 47,195</u>	<u>\$ 59,023</u>	<u>\$ 191,294</u>
Deferred Inflows:				
Deferred Inflows	72	5,982	31,405	142,354
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance (Deficit):				
Restricted	-	-	-	-
Unassigned	(11,495)	(13,031)	(32,381)	(134,298)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance (Deficit)	<u>(11,495)</u>	<u>(13,031)</u>	<u>(32,381)</u>	<u>(134,298)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 19,447</u>	<u>\$ 40,146</u>	<u>\$ 58,047</u>	<u>\$ 199,350</u>

Aviation	Environmental Control	Cultural and Recreational	Human Services	Urban Development	Capital Outlay	Intrafund Activity Elimination	Totals	
							2018	2017
\$ 42	\$ 3,562	\$ 4,086	\$ 37,707	\$ 1,910	\$ 1,084	\$ -	\$ 78,550	\$ 91,884
-	-	11	286	93	-	-	2,436	4,275
41	2,429	192	7,403	-	-	-	25,358	22,474
-	1,576	6,719	163,307	-	4,990	-	446,084	393,967
-	-	-	3,215	3	-	-	3,218	3,218
-	-	-	2,963	304	-	-	3,267	3,267
<u>\$ 83</u>	<u>\$ 7,567</u>	<u>\$ 11,008</u>	<u>\$ 214,881</u>	<u>\$ 2,310</u>	<u>\$ 6,074</u>	<u>\$ -</u>	<u>\$ 558,913</u>	<u>\$ 519,085</u>
\$ 2	\$ 960	\$ 166	\$ 74,399	\$ 81	\$ 3,425	\$ -	\$ 165,182	\$ 160,258
-	-	-	-	-	-	-	-	-
7	5	49	72,869	234	384	-	263,367	253,145
-	-	-	-	-	-	-	-	-
4	-	136	4,708	71	-	-	6,559	6,099
-	7	525	44,730	550	2,558	-	99,144	97,835
<u>\$ 13</u>	<u>\$ 972</u>	<u>\$ 876</u>	<u>\$ 196,706</u>	<u>\$ 936</u>	<u>\$ 6,367</u>	<u>\$ -</u>	<u>\$ 534,252</u>	<u>\$ 517,337</u>
-	613	5,187	33,009	-	4,787	-	223,409	243,150
70	5,982	4,945	-	1,374	-	-	12,371	7,438
-	-	-	(14,834)	-	(5,080)	-	(211,119)	(248,840)
70	5,982	4,945	(14,834)	1,374	(5,080)	-	(198,748)	(241,402)
<u>\$ 83</u>	<u>\$ 7,567</u>	<u>\$ 11,008</u>	<u>\$ 214,881</u>	<u>\$ 2,310</u>	<u>\$ 6,074</u>	<u>\$ -</u>	<u>\$ 558,913</u>	<u>\$ 519,085</u>

Schedule B-2
CITY OF CHICAGO, ILLINOIS
SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended December 31, 2018
With Comparative Totals for 2017
(Amounts are in Thousands of Dollars)

	General Government	Health	Public Safety	Trans- portation	Aviation
Revenues:					
Federal/State Grants	\$ 9,070	\$ 90,011	\$ 56,159	\$ 183,030	\$ 4
Total Revenues	9,070	90,011	56,159	183,030	4
Expenditures:					
Current	4,775	85,790	54,839	143,555	7
Total Expenditures	4,775	85,790	54,839	143,555	7
Revenues Over Expenditures	4,295	4,221	1,320	39,475	(3)
Other Financing Sources (Uses):					
Proceeds of Debt, net	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	4,295	4,221	1,320	39,475	(3)
Fund Balance (Deficit) - Beginning of Year	(15,790)	(17,252)	(33,701)	(173,773)	73
Fund Balance (Deficit) - End of Year	<u>\$ (11,495)</u>	<u>\$ (13,031)</u>	<u>\$ (32,381)</u>	<u>\$ (134,298)</u>	<u>\$ 70</u>

Environmental Control	Cultural and Recreational	Human Services	Urban Development	Capital Outlay	Totals	
					2018	2017
\$ 996	\$ 18,463	\$ 374,866	\$ -	\$ 818	\$ 733,417	\$ 703,251
996	18,463	374,866	-	818	733,417	703,251
1,007	12,579	385,833	(2)	2,380	690,763	721,723
1,007	12,579	385,833	(2)	2,380	690,763	721,723
(11)	5,884	(10,967)	2	(1,562)	42,654	(18,472)
-	-	-	-	-	-	19,977
-	-	-	-	-	-	-
-	-	-	-	-	-	19,977
(11)	5,884	(10,967)	2	(1,562)	42,654	1,505
5,993	(939)	(3,867)	1,372	(3,518)	(241,402)	(242,907)
<u>\$ 5,982</u>	<u>\$ 4,945</u>	<u>\$ (14,834)</u>	<u>\$ 1,374</u>	<u>\$ (5,080)</u>	<u>\$ (198,748)</u>	<u>\$ (241,402)</u>

NONMAJOR GOVERNMENTAL FUNDS

Schedule C-1
CITY OF CHICAGO, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2018
(Amounts are in Thousands of Dollars)

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 88,994	\$ 4,699	\$ 22,248	\$ 115,941
Investments	23,441	4,384	13,974	41,799
Receivables (Net of Allowances):				
Property Tax	-	26,336	-	26,336
Accounts	213,544	115	273	213,932
Due from Other Funds	104,853	-	687	105,540
Due from Other Governments	15,431	-	15,185	30,616
Restricted Cash and Cash Equivalents	26,471	-	-	26,471
Restricted Cash and Investments with Escrow Agent	117	36,285	-	36,402
Total Assets	\$ 472,851	\$ 71,819	\$ 52,367	\$ 597,037
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Voucher Warrants Payable	\$ 51,816	\$ -	\$ 6,640	\$ 58,456
Accrued Interest	-	170	-	170
Due to Other Funds	229,108	-	15,872	244,980
Accrued and Other Liabilities	11,615	92	241	11,948
Total Liabilities	292,539	262	22,753	315,554
Deferred Inflows	7,957	21,528	-	29,485
Fund Balance:				
Restricted	3,057	50,029	68,252	121,338
Committed	169,067	-	-	169,067
Assigned	231	-	-	231
Unassigned	-	-	(38,638)	(38,638)
Total Fund Balance	172,355	50,029	29,614	251,998
Total Liabilities, Deferred Inflows and Fund Balance ...	\$ 472,851	\$ 71,819	\$ 52,367	\$ 597,037

Schedule C-2

CITY OF CHICAGO, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2018

(Amounts are in Thousands of Dollars)

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Utility Tax	\$ 243,278	\$ -	\$ -	\$ 243,278
Sales Tax (Local)	265,845	-	-	265,845
Transportation Tax	187,292	-	-	187,292
State Sales Tax	342,624	-	-	342,624
Transaction Tax	69,755	-	-	69,755
Special Area Tax	-	25,616	-	25,616
Other Taxes	23,869	-	-	23,869
Internal Service	28,324	-	-	28,324
Fines	18,195	-	-	18,195
Investment Income	3,247	1,346	914	5,507
Charges for Services	40,901	-	-	40,901
Miscellaneous	19,158	930	893	20,981
Total Revenues	<u>1,242,488</u>	<u>27,892</u>	<u>1,807</u>	<u>1,272,187</u>
EXPENDITURES				
Current:				
General Government	267,047	-	-	267,047
Public Safety	96,096	-	-	96,096
Streets and Sanitation	52,951	-	-	52,951
Transportation	104,030	-	-	104,030
Cultural and Recreational	85,154	-	-	85,154
Other	391	-	-	391
Capital Outlay	-	-	46,844	46,844
Debt Service:				
Principal Retirement	-	129,060	-	129,060
Interest and Other Fiscal Charges	1,522	13,639	-	15,161
Total Expenditures	<u>607,191</u>	<u>142,699</u>	<u>46,844</u>	<u>796,734</u>
Revenues Over (Under) Expenditures	<u>635,297</u>	<u>(114,807)</u>	<u>(45,037)</u>	<u>475,453</u>

Continued on following page.

Schedule C-2 - Concluded
 CITY OF CHICAGO, ILLINOIS
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 Year Ended December 31, 2018
 (Amounts are in Thousands of Dollars)

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 99,586	\$ 111,358	\$ 14,600	\$ 225,544
Transfers Out	(688,027)	(21,510)	-	(709,537)
Total Other Financing Sources (Uses)	<u>(588,441)</u>	<u>89,848</u>	<u>14,600</u>	<u>(483,993)</u>
Net Change in Fund Balances	46,856	(24,959)	(30,437)	(8,540)
Fund Balance - Beginning of Year	125,499	74,988	60,051	260,538
Fund Balance - End of Year	<u>\$ 172,355</u>	<u>\$ 50,029</u>	<u>\$ 29,614</u>	<u>\$ 251,998</u>

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NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Schedule D-1
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2018
(Amounts are in Thousands of Dollars)

	Vehicle Tax	Motor Fuel Tax and Project	Public Building Commission
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 8,208	\$ -
Investments	13,533	-	-
Receivables (Net of Allowances):			
Accounts	3,211	1,706	-
Due from Other Funds	57,490	2,445	-
Due from Other Governments	-	8,768	2,885
Restricted Cash and Cash Equivalents	-	-	-
Restricted Cash and Investments with Escrow Agent	-	117	-
Total Assets	<u>\$ 74,234</u>	<u>\$ 21,244</u>	<u>\$ 2,885</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Voucher Warrants Payable	\$ 11,347	\$ 7,523	\$ -
Due to Other Funds	25,463	412	30
Accrued and Other Liabilities	5,915	604	-
Total Liabilities	<u>42,725</u>	<u>8,539</u>	<u>30</u>
Deferred Inflows	-	-	-
Fund Balance (Deficit):			
Restricted	-	-	-
Committed	31,509	12,705	2,855
Assigned	-	-	-
Total Fund Balance (Deficit)	<u>31,509</u>	<u>12,705</u>	<u>2,855</u>
Total Liabilities and Fund Balance	<u>\$ 74,234</u>	<u>\$ 21,244</u>	<u>\$ 2,885</u>

Miscellaneous	Chicago Public Library	Special Events, Tourism and Festivals	Health and Welfare	MEABF Pension Reserve	STSC General Fund	Total Nonmajor Special Revenue Funds
\$ 881	\$ 776	\$ -	\$ 813	\$ 78,309	\$ 7	\$ 88,994
7,039	-	1,709	1,160	-	-	23,441
18,458	154	627	241	59,944	129,203	213,544
25,371	17,036	2,481	30	-	-	104,853
491	-	3,287	-	-	-	15,431
-	-	-	-	26,471	-	26,471
-	-	-	-	-	-	117
<u>\$ 52,240</u>	<u>\$ 17,966</u>	<u>\$ 8,104</u>	<u>\$ 2,244</u>	<u>\$ 164,724</u>	<u>\$ 129,210</u>	<u>\$ 472,851</u>
\$ 22,043	\$ 7,420	\$ 3,460	\$ -	\$ -	\$ 23	\$ 51,816
7,146	143	2,842	-	64,116	128,956	229,108
2,205	2,541	350	-	-	-	11,615
<u>31,394</u>	<u>10,104</u>	<u>6,652</u>	<u>-</u>	<u>64,116</u>	<u>128,979</u>	<u>292,539</u>
-	-	-	-	7,957	-	7,957
3,057	-	-	-	-	-	3,057
17,789	7,862	1,452	2,244	92,651	-	169,067
-	-	-	-	-	231	231
<u>20,846</u>	<u>7,862</u>	<u>1,452</u>	<u>2,244</u>	<u>92,651</u>	<u>231</u>	<u>172,355</u>
<u>\$ 52,240</u>	<u>\$ 17,966</u>	<u>\$ 8,104</u>	<u>\$ 2,244</u>	<u>\$ 164,724</u>	<u>\$ 129,210</u>	<u>\$ 472,851</u>

Schedule D-2
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Vehicle Tax	Motor Fuel Tax and Project	Public Building Commission
Revenues:			
Utility Tax	\$ -	\$ -	\$ -
Sales Tax (Local)	-	-	-
Transportation Tax	129,074	56,925	-
State Sales Tax	-	-	-
Transaction Tax	-	-	-
Other Taxes	-	-	-
Internal Service	28,324	-	-
Fines	16,766	-	-
Investment Income	102	391	-
Charges for Services	20,803	-	-
Miscellaneous	57	209	517
Total Revenues	<u>195,126</u>	<u>57,525</u>	<u>517</u>
Expenditures:			
Current:			
General Government	91,410	17,003	858
Public Safety	475	-	-
Streets and Sanitation	40,229	12,722	-
Transportation	71,605	32,328	-
Cultural and Recreational	-	-	-
Other	-	-	-
Debt Service:			
Interest and Other Fiscal Charges	-	-	-
Total Expenditures	<u>203,719</u>	<u>62,053</u>	<u>858</u>
Revenues Over (Under) Expenditures	<u>(8,593)</u>	<u>(4,528)</u>	<u>(341)</u>
Other Financing Sources (Uses):			
Transfers In	686	-	-
Transfers Out	(10)	-	-
Total Other Financing Sources (Uses)	<u>676</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,917)	(4,528)	(341)
Fund Balance - Beginning of Year	39,426	17,233	3,196
Fund Balance - End of Year	<u>\$ 31,509</u>	<u>\$ 12,705</u>	<u>\$ 2,855</u>

<u>Miscellaneous</u>	<u>Chicago Public Library</u>	<u>Special Events, Tourism and Festivals</u>	<u>Health and Welfare</u>	<u>MEABF Pension Reserve</u>	<u>STSC General Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 130,204	\$ -	\$ -	\$ -	\$ 113,074	\$ -	\$ 243,278
-	-	-	-	-	265,845	265,845
-	-	1,293	-	-	-	187,292
-	-	-	-	-	342,624	342,624
69,755	-	-	-	-	-	69,755
-	-	23,869	-	-	-	23,869
-	-	-	-	-	-	28,324
-	1,429	-	-	-	-	18,195
1,974	43	(33)	12	758	-	3,247
6,729	491	12,878	-	-	-	40,901
11,818	165	6,392	-	-	-	19,158
<u>220,480</u>	<u>2,128</u>	<u>44,399</u>	<u>12</u>	<u>113,832</u>	<u>608,469</u>	<u>1,242,488</u>
100,153	42,184	15,190	-	-	249	267,047
95,621	-	-	-	-	-	96,096
-	-	-	-	-	-	52,951
97	-	-	-	-	-	104,030
-	55,751	29,403	-	-	-	85,154
-	-	391	-	-	-	391
-	1,514	-	-	-	8	1,522
<u>195,871</u>	<u>99,449</u>	<u>44,984</u>	<u>-</u>	<u>-</u>	<u>257</u>	<u>607,191</u>
<u>24,609</u>	<u>(97,321)</u>	<u>(585)</u>	<u>12</u>	<u>113,832</u>	<u>608,212</u>	<u>635,297</u>
80	98,820	-	-	-	-	99,586
(10,641)	(3,141)	(1,898)	-	(64,116)	(608,221)	(688,027)
<u>(10,561)</u>	<u>95,679</u>	<u>(1,898)</u>	<u>-</u>	<u>(64,116)</u>	<u>(608,221)</u>	<u>(588,441)</u>
14,048	(1,642)	(2,483)	12	49,716	(9)	46,856
6,798	9,504	3,935	2,232	42,935	240	125,499
<u>\$ 20,846</u>	<u>\$ 7,862</u>	<u>\$ 1,452</u>	<u>\$ 2,244</u>	<u>\$ 92,651</u>	<u>\$ 231</u>	<u>\$ 172,355</u>

Schedule D-3
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

FUND	Transaction and Property Tax	Special Area and Utility Taxes	Trans- portation Tax	State Taxes
Final Budgeted Revenues:				
Vehicle Tax	\$ -	\$ -	\$ 127,638	\$ 10,000
Motor Fuel Tax and Project	-	-	59,251	-
Miscellaneous	68,040	121,453	-	-
Chicago Public Library	-	-	-	-
Special Events, Tourism and Festivals	-	-	-	25,100
Health and Welfare	-	-	-	-
MEABF Pension Reserve	-	122,316	-	-
Total Final Budgeted Revenues	<u>68,040</u>	<u>243,769</u>	<u>186,889</u>	<u>35,100</u>
Actual Revenues:				
Vehicle Tax	-	-	129,074	-
Motor Fuel Tax and Project	-	-	56,925	-
Public Building Commission	-	-	-	-
Miscellaneous	69,755	130,204	-	-
Chicago Public Library	-	-	-	-
Special Events, Tourism and Festivals	-	-	1,293	23,869
Health and Welfare	-	-	-	-
MEABF Pension Reserve	-	113,074	-	-
Total Actual Revenues	<u>69,755</u>	<u>243,278</u>	<u>187,292</u>	<u>23,869</u>
Variance Positive (Negative)	<u>\$ 1,715</u>	<u>\$ (491)</u>	<u>\$ 403</u>	<u>\$ (11,231)</u>

Internal Service	Fines	Investment Income	Leases, Rentals, Sales and Charges for Services	Miscellaneous	Proceeds of Debt	Budgeted Prior Years' Surplus and Operating Transfers In/ Other	Total Nonmajor Special Revenue Funds
\$ 34,521	\$ 9,200	\$ -	\$ 15,315	\$ 7,670	\$ -	\$ 9,755	\$ 214,099
-	-	-	-	-	-	10,074	69,325
-	-	-	-	22,006	-	29	211,528
-	1,520	2	165	600	83,627	23,542	109,456
-	-	-	13,100	6,500	-	5,642	50,342
-	-	-	-	-	-	75	75
-	-	-	-	-	-	-	122,316
<u>34,521</u>	<u>10,720</u>	<u>2</u>	<u>28,580</u>	<u>36,776</u>	<u>83,627</u>	<u>49,117</u>	<u>777,141</u>
28,324	16,766	102	20,803	57	-	686	195,812
-	-	391	-	209	-	-	57,525
-	-	-	-	517	-	-	517
-	-	1,974	6,729	11,818	-	80	220,560
-	1,429	43	491	165	-	98,820	100,948
-	-	(33)	12,878	6,392	-	-	44,399
-	-	12	-	-	-	-	12
-	-	758	-	-	-	-	113,832
<u>28,324</u>	<u>18,195</u>	<u>3,247</u>	<u>40,901</u>	<u>19,158</u>	<u>-</u>	<u>99,586</u>	<u>733,605</u>
<u>\$ (6,197)</u>	<u>\$ 7,475</u>	<u>\$ 3,245</u>	<u>\$ 12,321</u>	<u>\$ (17,618)</u>	<u>\$ (83,627)</u>	<u>\$ 50,469</u>	<u>\$ (43,536)</u>

Schedule D-4
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF EXPENDITURES AND ENCUMBRANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

FUND	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Streets and Sanitation</u>
Final Budget:				
Vehicle Tax	\$ 101,413	\$ -	\$ -	\$ 41,027
Motor Fuel Tax and Project	15,175	-	-	12,657
Miscellaneous	209,551	-	3,047	-
Library	52,072	-	-	-
Special Events, Tourism and Festivals	17,937	-	-	-
Total Original and Final Budget	<u>396,148</u>	<u>-</u>	<u>3,047</u>	<u>53,684</u>
Actual Expenditures and Encumbrances:				
Vehicle Tax	92,160	-	-	41,319
Motor Fuel Tax and Project	15,175	-	-	12,643
Miscellaneous	206,631	-	1,496	-
Library	44,495	-	-	-
Special Events, Tourism and Festivals	17,404	-	-	-
Total Actual Expenditures and Encumbrances ...	<u>375,865</u>	<u>-</u>	<u>1,496</u>	<u>53,962</u>
Variance Positive (Negative)	<u>\$ 20,283</u>	<u>\$ -</u>	<u>\$ 1,551</u>	<u>\$ (278)</u>

<u>Trans- portation</u>	<u>Cultural and Recreational</u>	<u>Employee Pensions</u>	<u>Operating Transfers Out</u>	<u>Interest and Other Fiscal Charges</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 71,659	\$ -	\$ -	\$ -	\$ -	\$ 214,099
38,493	-	-	-	-	66,325
-	-	-	-	-	212,598
-	57,384	-	-	-	109,456
-	31,305	-	-	-	49,242
<u>110,152</u>	<u>88,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,720</u>
72,559	-	-	-	-	206,038
36,069	-	-	-	-	63,887
-	-	-	-	-	208,127
-	56,218	-	-	-	100,713
-	30,558	-	-	-	47,962
<u>108,628</u>	<u>86,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,727</u>
<u>\$ 1,524</u>	<u>\$ 1,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,993</u>

Schedule D-5
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
VEHICLE TAX FUND			
GENERAL GOVERNMENT			
CITY COUNCIL COMMITTEES - 15 -			
COMMITTEE ON TRANSPORTATION AND PUBLIC WAY			
2230.0000-Personnel Services	\$ 437,750	\$ 437,750	\$ 412,434
2230.9000-Purposes as Specified	16,387	16,387	21,148
Total	<u>454,137</u>	<u>454,137</u>	<u>433,582</u>
COMMITTEE ON PEDESTRIAN AND TRAFFIC SAFETY			
2265.0000-Personnel Services	244,379	244,379	246,975
2265.0300-Commodities and Materials	5,000	5,000	-
Total	<u>249,379</u>	<u>249,379</u>	<u>246,975</u>
TOTAL CITY COUNCIL COMMITTEES	<u>703,516</u>	<u>703,516</u>	<u>680,557</u>
CITY CLERK - 25 -			
2005.0000-Personnel Services	4,050,500	4,050,500	3,826,673
2005.0100-Contractual Services	1,978,001	1,978,001	1,295,248
2005.0200-Travel	26,000	26,000	9,788
2005.0300-Commodities and Materials	422,570	422,570	273,565
2005.9400-Internal Transfers and Reimbursements	20,000	20,000	20,000
Total	<u>6,497,071</u>	<u>6,497,071</u>	<u>5,425,274</u>
DEPARTMENT OF FINANCE - 27 -			
FINANCIAL STRATEGY AND OPERATIONS			
2015.0000-Personnel Services	399,509	399,509	398,820
Total	<u>399,509</u>	<u>399,509</u>	<u>398,820</u>
REVENUE SERVICES AND OPERATIONS			
2020.0000-Personnel Services	442,312	442,312	419,039
2020.0100-Contractual Services	222,000	222,000	69,284
2020.0300-Commodities and Materials	500	500	-
2020.0400-Equipment	1,177,575	1,177,575	1,161,252
Total	<u>1,842,387</u>	<u>1,842,387</u>	<u>1,649,575</u>
TOTAL DEPARTMENT OF FINANCE	<u>2,241,896</u>	<u>2,241,896</u>	<u>2,048,395</u>
DEPARTMENT OF LAW - 31 -			
2005.0000-Personnel Services	1,350,315	1,350,315	1,259,785
2005.0100-Contractual Services	119,288	119,288	113,473
2005.0200-Travel	3,508	3,508	3,473
2005.0300-Commodities and Materials	3,995	3,995	3,752
2005.9400-Internal Transfers and Reimbursements	148	148	148
Total	<u>1,477,254</u>	<u>1,477,254</u>	<u>1,380,631</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Continued</u>			
<u>GENERAL GOVERNMENT - Continued</u>			
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -			
BUREAU OF FACILITY MANAGEMENT			
2126.0100-Contractual Services	\$ 1,291,827	\$ 1,291,827	\$ 1,284,064
2126.0300-Commodities and Materials	38,426	38,426	1
Total	<u>1,330,253</u>	<u>1,330,253</u>	<u>1,284,065</u>
BUREAU OF ASSET MANAGEMENT			
2131.0100-Contractual Services	4,922,214	4,922,214	4,922,114
2131.0300-Commodities and Materials	8,988,094	8,988,094	8,811,138
Total	<u>13,910,308</u>	<u>13,910,308</u>	<u>13,733,252</u>
BUREAU OF FLEET OPERATIONS			
2140.0100-Contractual Services	3,623,876	3,623,876	3,614,735
Total	<u>3,623,876</u>	<u>3,623,876</u>	<u>3,614,735</u>
TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT....	<u>18,864,437</u>	<u>18,864,437</u>	<u>18,632,052</u>
DEPARTMENT OF BUILDINGS - 67 -			
2005.0000-Personnel Services	477,003	477,003	465,119
2005.0100-Contractual Services	31,000	31,000	8,385
2005.0300-Commodities and Materials	3,008	3,008	1,547
Total	<u>511,011</u>	<u>511,011</u>	<u>475,051</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services	28,255,271	28,255,271	23,485,692
2005.0100-Contractual Services	9,423,117	9,423,117	7,253,984
2005.0931-Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs.....	11,800	11,800	9,192
2005.0934-Claims for Damages and Liabilities.....	375,000	375,000	233,154
2005.0989-Refunds for Cancelled Voucher Warrants and Payroll Checks and Duplicate Payments and Payments Made in Error.....	765,000	765,000	687,180
2005.0991-To Provide for Matching and Supplementary Grant Funds Currently in Effect as well as New Grants.....	782,700	782,700	344,413

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Continued</u>			
<u>GENERAL GOVERNMENT - Concluded</u>			
DEPARTMENT OF FINANCE - GENERAL - 99 - Concluded			
2005.9027-For the City Contribution to Social Security Tax	\$ 22,477	\$ 22,477	\$ 22,477
2005.9076-City's Contribution to Medicare Tax	951,419	951,419	951,419
2005.9581-Reserved for Excess Expenses Related to Snow Events	500,000	500,000	500,000
2005.9610-To Reimburse Corporate Fund for Pension Payments	14,850,686	14,850,686	14,850,686
2005.9611-To Reimburse the Corporate Fund for Indirect Costs Chargeable to fund	15,170,000	15,170,000	15,170,000
2005.9774-Transfer for Services provided by the Office of Emergency Management and Communication.....	10,000	10,000	10,000
Total	<u>71,117,470</u>	<u>71,117,470</u>	<u>63,518,197</u>
TOTAL GENERAL GOVERNMENT	<u>101,412,655</u>	<u>101,412,655</u>	<u>92,160,157</u>
<u>STREETS AND SANITATION</u>			
BUREAU OF SANITATION - 81 -			
2020.0000-Personnel Services	5,281,119	5,281,119	7,144,129
2020.0100-Contractual Services	2,238,307	2,238,307	2,236,507
2020.0400-Equipment	500	500	343
Total	<u>7,519,926</u>	<u>7,519,926</u>	<u>9,380,979</u>
BUREAU OF STREET OPERATIONS - 81 -			
2045.0000-Personnel Services	7,014,960	7,014,960	5,664,294
2045.0100-Contractual Services	1,876,186	1,876,186	1,417,314
2045.0300-Commodities and Materials	231,591	231,591	167,224
2045.0400-Equipment	33,700	33,700	16,226
2045.9400-Internal Transfers and Reimbursements	5,000	5,000	5,000
Total	<u>9,161,437</u>	<u>9,161,437</u>	<u>7,270,058</u>
BUREAU OF TRAFFIC SERVICES - 81 -			
2070.0000-Personnel Services	13,886,421	13,886,421	14,606,882
2070.0100-Contractual Services	9,797,888	9,797,888	9,650,312
2070.0300-Commodities and Materials	133,600	133,600	129,502
2070.0992-For Tow Storage Refunds.....	500,000	500,000	253,410
2070.9400-Internal Transfers and Reimbursements	28,000	28,000	28,000
Total	<u>24,345,909</u>	<u>24,345,909</u>	<u>24,668,106</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Continued</u>			
<u>STREETS AND SANITATION - Concluded</u>			
TOTAL STREETS AND SANITATION	\$ 41,027,272	\$ 41,027,272	\$ 41,319,143
<u>TRANSPORTATION</u>			
DIVISION OF ENGINEERING - 84 -			
2125.0000-Personnel Services	7,344,085	7,344,085	6,525,543
2125.0100-Contractual Services	3,647,748	3,647,748	3,564,964
2125.0200-Travel	46,378	46,378	45,166
2125.0300-Commodities and Materials	18,310	18,310	16,173
Total	<u>11,056,521</u>	<u>11,056,521</u>	<u>10,151,846</u>
DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 -			
2135.0000-Personnel Services	5,188,104	5,188,104	5,008,446
2135.0100-Contractual Services	5,094,280	5,094,280	5,014,860
2135.0200-Travel	100,789	100,789	79,751
2135.0300-Commodities and Materials	39,150	39,150	38,975
2135.9400-Internal Transfers and Reimbursements.....	4,000	4,000	4,000
Total	<u>10,426,323</u>	<u>10,426,323</u>	<u>10,146,032</u>
DIVISION OF ELECTRICAL OPERATIONS - 84 -			
2150.0100-Contractual Services	1,547,405	1,547,405	1,531,580
2150.0200-Travel	117,560	117,560	117,040
2150.0300-Commodities and Materials	1,253,710	1,253,710	1,220,358
2150.0400-Equipment	3,250	3,250	3,250
Total	<u>2,921,925</u>	<u>2,921,925</u>	<u>2,872,228</u>
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services	43,637,704	43,637,704	45,841,038
2155.0100-Contractual Services	422,027	422,027	358,858
2155.0200-Travel	18,500	18,500	24,420
2155.0300-Commodities and Materials	3,141,073	3,141,073	3,129,356
2155.9400-Internal Transfers and Reimbursements	35,000	35,000	35,000
Total	<u>47,254,304</u>	<u>47,254,304</u>	<u>49,388,672</u>
TOTAL TRANSPORTATION	<u>71,659,073</u>	<u>71,659,073</u>	<u>72,558,778</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>VEHICLE TAX FUND - Concluded</u>			
TOTAL VEHICLE TAX FUND	\$ 214,099,000	\$ 214,099,000	\$ 206,038,078
<u>MOTOR FUEL TAX AND PROJECT FUND</u>			
<u>GENERAL GOVERNMENT</u>			
<u>DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -</u>			
BUREAU OF ASSET MANAGEMENT			
2131.0300-Commodities and Materials	15,175,066	15,175,066	15,175,066
Total	15,175,066	15,175,066	15,175,066
TOTAL FLEET AND FACILITY MANAGEMENT	15,175,066	15,175,066	15,175,066
TOTAL GENERAL GOVERNMENT	15,175,066	15,175,066	15,175,066
<u>STREETS AND SANITATION - 81 -</u>			
BUREAU OF STREET OPERATIONS			
2045.0300-Commodities and Materials	12,657,200	12,657,200	12,643,358
Total	12,657,200	12,657,200	12,643,358
TOTAL STREETS AND SANITATION	12,657,200	12,657,200	12,643,358
<u>TRANSPORTATION - 84 -</u>			
DIVISION OF ELECTRICAL OPERATIONS			
2005.0000-Personnel Services.....	717,751	717,751	-
2005.9189-For Payment of the Annual Contribution to the CTA.....	3,000,000	3,000,000	3,000,000
2125.0100-Contractual Services.....	3,000,000	3,000,000	2,998,359
2150.0000-Personnel Services	17,749,706	17,749,706	17,756,931
2150.0300-Commodities and Materials.....	2,250,825	2,250,825	2,219,731
Total	26,718,282	26,718,282	25,975,021
DIVISION OF IN-HOUSE CONSTRUCTION			
2155.0000-Personnel Services	7,566,875	7,566,875	5,907,579
2155.0100-Contractual Services.....	1,088,000	1,088,000	1,066,577
2155.0300-Commodities and Materials.....	3,119,761	3,119,761	3,119,761
Total	11,774,636	11,774,636	10,093,917
TOTAL TRANSPORTATION	38,492,918	38,492,918	36,068,938

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>MOTOR FUEL TAX AND PROJECT FUND - Concluded</u>			
TOTAL MOTOR FUEL TAX AND PROJECT FUND	\$ 66,325,184	\$ 66,325,184	\$ 63,887,362
<u>MISCELLANEOUS FUND</u>			
<u>EMERGENCY MANAGEMENT AND COMMUNICATIONS</u>			
<u>PUBLIC SAFETY</u>			
DEPARTMENT OF PUBLIC SAFETY - 058 -			
2705.0000-Personnel Services.....	61,181,971	61,181,971	58,321,769
2705.0100-Contractual Services.....	39,251,587	39,251,587	37,160,476
2705.0300-Commodities and Materials.....	815,022	815,022	730,170
2705.0400-Equipment	56,435	56,435	57,446
Total	<u>101,305,015</u>	<u>101,305,015</u>	<u>96,269,861</u>
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services.....	1,693,985	1,693,985	1,750,034
2005.9600-Reimbursements.....	7,813,000	7,813,000	7,813,000
2005.9980-Municipal Fund Pension Allocation	10,641,000	10,641,000	10,641,000
Total	<u>20,147,985</u>	<u>20,147,985</u>	<u>20,204,034</u>
TOTAL EMERGENCY MANAGEMENT AND COMMUNICATIONS	<u>121,453,000</u>	<u>121,453,000</u>	<u>116,473,895</u>
<u>SPECIAL DEPOSIT ACTIVITIES</u>			
<u>CHICAGO PARKING METERS</u>			
<u>GENERAL GOVERNMENT</u>			
FINANCE - GENERAL - 99 -			
2005.0100-Contractual Services	-	17,371,528	17,371,527
Total	<u>-</u>	<u>17,371,528</u>	<u>17,371,527</u>
TOTAL CHICAGO PARKING METERS	<u>-</u>	<u>17,371,528</u>	<u>17,371,527</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>MISCELLANEOUS FUND - Continued</u>			
<u>SPECIAL DEPOSIT ACTIVITIES - Concluded</u>			
<u>PUBLIC SAFETY</u>			
DEPARTMENT OF POLICE - 57 -			
2005.9999- Miscellaneous	\$ 3,246,000	\$ 2,883,905	\$ 1,496,267
Total	<u>3,246,000</u>	<u>2,883,905</u>	<u>1,496,267</u>
 TOTAL SPECIAL DEPOSIT ACTIVITIES	 <u>3,246,000</u>	 <u>20,255,433</u>	 <u>18,867,794</u>
 <u>DEPARTURE TAX</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF FINANCE - 27 -			
2020.0000-Personnel Services	-	545,871	-
Total	<u>-</u>	<u>545,871</u>	<u>-</u>
DEPARTMENT OF AVIATION - 85 -			
2015.0100-Contractual Services	-	391,041	391,041
Total	<u>-</u>	<u>391,041</u>	<u>391,041</u>
 TOTAL GENERAL GOVERNMENT.....	 <u>-</u>	 <u>936,912</u>	 <u>391,041</u>
 <u>PUBLIC SAFETY</u>			
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services	-	163,138	-
Total	<u>-</u>	<u>163,138</u>	<u>-</u>
 TOTAL DEPARTURE TAX	 <u>-</u>	 <u>1,100,050</u>	 <u>391,041</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>MISCELLANEOUS FUND - Concluded</u>			
<u>ALLIED SETTLEMENT FUND</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF LAW - 31 -			
2005.0931-For the Payment of Tort and Non-Tort Judgments, Outside			
Counsel Expenses and Expert Costs	\$ -	\$ 250,000	\$ -
Total	<u>-</u>	<u>250,000</u>	<u>-</u>
DEPARTMENT OF PROCUREMENT SERVICES - 35 -			
2005.0100-Contractual Services	-	1,405,000	209,817
2005.0200-Travel	-	10,000	-
2005.0300-Commodities and Materials	-	10,000	2,037
2005.0400-Equipment	-	75,000	-
Total	<u>-</u>	<u>1,500,000</u>	<u>211,854</u>
TOTAL ALLIED SETTLEMENT.....	<u>-</u>	<u>1,750,000</u>	<u>211,854</u>
<u>CTA REAL PROPERTY TRANSFER TAX</u>			
FINANCE GENERAL - 99 -			
2005.9205-For Distribution of the Net Proceeds of the Real Property			
Transfer Tax-CTA Portion	67,376,000	67,376,000	71,517,881
2005.9640-To Reimburse Corporate Fund for Costs Incurred for			
Collection of the Real Property Transfer Tax-CTA Portion	664,000	664,000	664,000
Total	<u>68,040,000</u>	<u>68,040,000</u>	<u>72,181,881</u>
TOTAL CTA REAL PROPERTY TRANSFER TAX	<u>68,040,000</u>	<u>68,040,000</u>	<u>72,181,881</u>
TOTAL MISCELLANEOUS FUND	<u>192,739,000</u>	<u>212,598,483</u>	<u>208,126,465</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>LIBRARY FUND</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -			
2005.0000-Personnel Services	\$ 1,163,861	\$ 1,163,861	\$ 1,185,616
Total	<u>1,163,861</u>	<u>1,163,861</u>	<u>1,185,616</u>
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -			
BUREAU OF FACILITY MANAGEMENT - 38 -			
2126.0100-Contractual Services	8,668,533	8,668,533	7,647,675
2126.0300-Commodities and Materials	852,272	852,272	806,387
Total	<u>9,520,805</u>	<u>9,520,805</u>	<u>8,454,062</u>
BUREAU OF ASSET MANAGEMENT - 38 -			
2131.0100-Contractual Services	1,185,035	1,185,035	1,433,989
2131.0300-Commodities and Materials	3,895,594	3,895,594	3,468,286
Total	<u>5,080,629</u>	<u>5,080,629</u>	<u>4,902,275</u>
BUREAU OF FLEET OPERATIONS - 38 -			
2140.0100-Contractual Services	37,485	37,485	37,458
2140.0300-Commodities and Materials	15,000	15,000	15,000
Total	<u>52,485</u>	<u>52,485</u>	<u>52,458</u>
TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT....	<u>14,653,919</u>	<u>14,653,919</u>	<u>13,408,795</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services	10,855,514	10,855,514	8,496,474
2005.0100-Contractual Services	2,097,759	2,097,759	1,727,787
2005.0400-Equipment	2,380,000	2,380,000	2,176,334
2005.0955-Interest on Library Financing	1,200,000	1,200,000	1,513,639
2005.9027-City's Contribution to Social Security Tax	19,150	19,150	19,150
2005.9076-City's Contribution to Medicare Tax	810,584	810,584	810,584
2005.9112-Property Maintenance Contract for the Harold Washington Library Center.....	7,335,236	7,335,236	6,741,263
2005.9199 -For Purchase of Chicago Public Library Books and Materials....	8,415,000	8,415,000	8,415,569
2005.9980-Municipal Fund Pension Allocation	3,141,000	3,141,000	-
Total	<u>36,254,243</u>	<u>36,254,243</u>	<u>29,900,800</u>
TOTAL GENERAL GOVERNMENT.....	<u>52,072,023</u>	<u>52,072,023</u>	<u>44,495,211</u>

Schedule D-5 - Continued
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>LIBRARY FUND - Concluded</u>			
<u>CULTURAL AND RECREATIONAL</u>			
CHICAGO PUBLIC LIBRARY - 91 -			
2005.0000-Personnel Services	\$ 52,775,390	\$ 52,775,390	\$ 51,727,860
2005.0100-Contractual Services	3,948,896	3,948,896	3,853,045
2005.0200-Travel	23,880	23,880	22,444
2005.0300-Commodities and Materials	600,811	600,811	586,549
2005.9400-Internal Transfers and Reimbursements	35,000	35,000	28,194
Total	<u>57,383,977</u>	<u>57,383,977</u>	<u>56,218,092</u>
TOTAL LIBRARY FUND	<u>109,456,000</u>	<u>109,456,000</u>	<u>100,713,303</u>
<u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND</u>			
<u>SPECIAL EVENTS AND MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX</u>			
<u>GENERAL GOVERNMENT</u>			
OFFICE OF THE MAYOR - 01 -			
2005.0000-Personnel Services	410,803	410,803	415,985
Total	<u>410,803</u>	<u>410,803</u>	<u>415,985</u>
CITY COUNCIL COMMITTEE ON SPECIAL EVENTS, CULTURAL AFFAIRS AND RECREATION- 15 -			
2155.0000-Personnel Services	153,388	153,388	156,457
2155.0300-Commodities and Materials	8,720	8,720	-
Total	<u>162,108</u>	<u>162,108</u>	<u>156,457</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services	1,086,153	1,086,153	809,142
2005.0100-Contractual Services	5,690,082	5,690,082	5,638,753
2005.0991-To Provide for Matching and Supplementary Grant Funds	318,750	318,750	130,663
2005.9027-City's Contribution to Social Security Tax	1,922	1,922	1,922
2005.9076-City's Contribution to Medicare Tax	81,372	81,372	81,372
2005.9124-For the Sister Cities Program	528,643	528,643	528,643
2005.9610-To Reimburse Corporate Fund for Pension Payments	1,349,468	1,349,468	1,349,468
2005.9611-To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund	6,285,000	6,285,000	6,285,000
2005.9700-Reimbursable Transfers Between Funds	1,897,500	1,897,500	1,897,500
2005.9800-Special Events Projects	125,000	125,000	108,863
Total	<u>17,363,890</u>	<u>17,363,890</u>	<u>16,831,326</u>

Schedule D-5 - Concluded
CITY OF CHICAGO, ILLINOIS
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
<u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND - Concluded</u>			
TOTAL GENERAL GOVERNMENT.....	\$ 17,936,801	\$ 17,936,801	\$ 17,403,768
<u>CULTURAL AND RECREATIONAL</u>			
DEPARTMENT OF CULTURAL AFFAIRS AND SPECIAL EVENTS - 23 -			
2015.0000-Personnel Services	6,312,982	6,312,982	5,545,272
2015.0100-Contractual Services	3,295,796	3,295,796	3,295,100
2015.0200-Travel	10,500	10,500	3,285
2015.0300-Commodities and Materials	95,000	95,000	66,309
2015.9188-Expenses Related to the Operations of Millennium Park	7,080,707	7,080,707	7,080,707
2015.9219-Implementation of Cultural Plan	1,250,000	1,250,000	1,250,000
2015.9288-Expenses Related to Programming for Millennium Park	265,500	265,500	265,500
2015.9800-Special Events Projects	12,994,714	12,994,714	13,052,181
Total	<u>31,305,199</u>	<u>31,305,199</u>	<u>30,558,354</u>
TOTAL CULTURAL AND RECREATIONAL	<u>31,305,199</u>	<u>31,305,199</u>	<u>30,558,354</u>
TOTAL MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX	<u>49,242,000</u>	<u>49,242,000</u>	<u>47,962,122</u>
TOTAL SPECIAL EVENTS, TOURISM AND FESTIVALS FUND	<u>49,242,000</u>	<u>49,242,000</u>	<u>47,962,122</u>
TOTAL SPECIAL REVENUE FUNDS	<u>\$ 631,861,184</u>	<u>\$ 651,720,667</u>	<u>\$ 626,727,330</u>

NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

Schedule E-1
CITY OF CHICAGO, ILLINOIS
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
December 31, 2018
(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Total Nonmajor Capital Project Funds
ASSETS					
Cash and Cash Equivalents	\$ 10	\$ -	\$ 22,238	\$ -	\$ 22,248
Investments	11	84	13,879	-	13,974
Accounts Receivable (Net of Allowances)	-	1	272	-	273
Due from Other Funds	-	-	687	-	687
Due from Other Governments	-	-	-	15,185	15,185
Total Assets	<u>\$ 21</u>	<u>\$ 85</u>	<u>\$ 37,076</u>	<u>\$ 15,185</u>	<u>\$ 52,367</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Voucher Warrants Payable	\$ 96	\$ -	\$ 6,544	\$ -	\$ 6,640
Due to Other Funds	-	687	-	15,185	15,872
Accrued and Other Liabilities	-	-	241	-	241
Total Liabilities	<u>96</u>	<u>687</u>	<u>6,785</u>	<u>15,185</u>	<u>22,753</u>
Fund Balance:					
Restricted	-	-	68,252	-	68,252
Unassigned	(75)	(602)	(37,961)	-	(38,638)
Total Fund Balance	<u>(75)</u>	<u>(602)</u>	<u>30,291</u>	<u>-</u>	<u>29,614</u>
Total Liabilities and Fund Balance	<u>\$ 21</u>	<u>\$ 85</u>	<u>\$ 37,076</u>	<u>\$ 15,185</u>	<u>\$ 52,367</u>

Schedule E-2
CITY OF CHICAGO, ILLINOIS
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Total Nonmajor Capital Project Funds
REVENUES					
Investment Income	\$ -	\$ -	\$ 914	\$ -	\$ 914
Miscellaneous	25	-	868	-	893
Total Revenues	<u>25</u>	<u>-</u>	<u>1,782</u>	<u>-</u>	<u>1,807</u>
EXPENDITURES					
Capital Outlay	-	-	46,844	-	46,844
Total Expenditures	<u>-</u>	<u>-</u>	<u>46,844</u>	<u>-</u>	<u>46,844</u>
Revenues Over (Under) Expenditures	<u>25</u>	<u>-</u>	<u>(45,062)</u>	<u>-</u>	<u>(45,037)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	14,600	-	14,600
Total Other Financing Sources (Uses) ...	<u>-</u>	<u>-</u>	<u>14,600</u>	<u>-</u>	<u>14,600</u>
Net Change in Fund Balance	25	-	(30,462)	-	(30,437)
Fund Balance (Deficit) - Beginning of Year	(100)	(602)	60,753	-	60,051
Fund Balance (Deficit) - End of Year	<u>\$ (75)</u>	<u>\$ (602)</u>	<u>\$ 30,291</u>	<u>\$ -</u>	<u>\$ 29,614</u>

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FIDUCIARY FUNDS

AGENCY FUNDS - Account for transactions for assets held by the City as agent for various entities.

PENSION TRUST FUNDS - Expenditures for employee pensions as provided by employee and employer contributions and investment earnings.

Schedule F-1
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
ASSETS:						
Cash,						
January 1, 2018.....	\$ 3,579	\$ 170	\$ 80,091	\$ 22,303	\$ 3,937	\$ 110,080
Additions.....	3,997,002	251	4,625,989	72,785	281	8,696,308
Deductions.....	4,000,481	221	4,560,554	62,699	246	8,624,201
Cash,						
December 31, 2018.....	100	200	145,526	32,389	3,972	182,187
Investments,						
January 1, 2018.....	4,740	229	74,080	30,147	247	109,443
Additions.....	54,791	205	53,036,472	33,384	221	53,125,073
Deductions.....	4,741	229	53,031,289	30,147	247	53,066,653
Investments,						
December 31, 2018.....	54,790	205	79,263	33,384	221	167,863
Cash and Investments with Escrow Agent,						
January 1, 2018.....	-	-	10,495	122	-	10,617
Additions.....	-	-	95,823	1	-	95,824
Deductions.....	-	-	95,040	-	-	95,040
Cash and Investments with Escrow Agent,						
December 31, 2018.....	-	-	11,278	123	-	11,401
Accounts Receivables,						
January 1, 2018.....	-	3,847	93,555	1,187	1,023	99,612
Additions.....	-	-	276,797	9,039	-	285,836
Deductions.....	-	1	251,677	9,199	2	260,879
Accounts Receivables,						
December 31, 2018.....	-	3,846	118,675	1,027	1,021	124,569

Schedule F-1 - Concluded
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
ASSETS - Concluded:						
Total Assets,						
January 1, 2018.....	\$ 8,319	\$ 4,246	\$ 258,221	\$ 53,759	\$ 5,207	\$ 329,752
Additions.....	4,051,793	456	58,035,081	115,209	502	62,203,041
Deductions.....	4,005,222	451	57,938,560	102,045	495	62,046,773
Total Assets,						
December 31, 2018.....	<u>\$ 54,890</u>	<u>\$ 4,251</u>	<u>\$ 354,742</u>	<u>\$ 66,923</u>	<u>\$ 5,214</u>	<u>\$ 486,020</u>
LIABILITIES:						
Voucher Warrants Payable,						
January 1, 2018.....	\$ -	\$ 34	\$ 18,217	\$ 3,959	\$ 4	\$ 22,214
Additions.....	3,630,032	-	313,765	10,239	-	3,954,036
Deductions.....	3,629,832	-	278,597	12,578	-	3,921,007
Voucher Warrants Payable,						
December 31, 2018.....	<u>200</u>	<u>34</u>	<u>53,385</u>	<u>1,620</u>	<u>4</u>	<u>55,243</u>
Due to City,						
December 31, 2012.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accrued Liabilities,						
January 1, 2018.....	8,319	4,212	240,004	49,800	5,203	307,538
Additions.....	1,676,831	12	495,438	37,612	23	2,209,916
Deductions.....	1,630,460	7	434,085	22,109	16	2,086,677
Accrued Liabilities,						
December 31, 2018.....	<u>54,690</u>	<u>4,217</u>	<u>301,357</u>	<u>65,303</u>	<u>5,210</u>	<u>430,777</u>
Total Liabilities,						
January 1, 2018.....	8,319	4,246	258,221	53,759	5,207	329,752
Additions.....	5,306,863	12	809,203	47,851	23	6,163,952
Deductions.....	5,260,292	7	712,682	34,687	16	6,007,684
Total Liabilities						
December 31, 2018.....	<u>\$ 54,890</u>	<u>\$ 4,251</u>	<u>\$ 354,742</u>	<u>\$ 66,923</u>	<u>\$ 5,214</u>	<u>\$ 486,020</u>

Schedule F-2
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
COMBINING STATEMENT OF PLAN NET POSITION
December 31, 2018
(Amounts are in Thousands of Dollars)

	Pension Trust Funds				
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
ASSETS					
Cash and Cash Equivalents	\$ 500	\$ 26,102	\$ 108,459	\$ 24,455	\$ 159,516
Receivables					
Employer and Other	343,123	47,023	615,360	205,260	1,210,766
Interest and Dividends	12,702	2,859	6,556	7,065	29,182
Total Receivables	355,825	49,882	621,916	212,325	1,239,948
Due from City	23,948	2,126	106,491	43,477	176,042
Property, Plant, Equipment and Other	150	-	-	173	323
Investments, at Fair Value					
Bonds and U.S. Government Obligations	899,457	256,524	493,314	190,649	1,839,944
Stocks	1,562,978	508,643	1,098,656	494,107	3,664,384
Mortgages and Real Estate	408,489	121,113	90,783	13,304	633,689
Other	688,276	143,408	600,156	65,409	1,497,249
Total Investments	3,559,200	1,029,688	2,282,909	763,469	7,635,266
Invested Securities Lending					
Collateral	121,892	32,280	112,851	91,417	358,440
Total Assets	4,061,515	1,140,078	3,232,626	1,135,316	9,569,535
LIABILITIES					
Voucher Warrants Payable	25,442	12,947	214,596	8,110	261,095
Securities Lending Collateral	121,892	32,280	112,851	91,417	358,440
Total Liabilities	147,334	45,227	327,447	99,527	619,535
Deferred Inflows	-	167	91	-	258
Net Position Restricted for Pension Benefits	<u>\$ 3,914,181</u>	<u>\$ 1,094,684</u>	<u>\$ 2,905,088</u>	<u>\$ 1,035,789</u>	<u>\$ 8,949,742</u>

Schedule F-3
CITY OF CHICAGO, ILLINOIS
FIDUCIARY FUNDS - PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
Year Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	Pension Trust Funds				
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
ADDITIONS					
Contributions					
Employees	\$ 138,400	\$ 17,837	\$ 107,186	\$ 45,895	\$ 309,318
City	349,574	47,844	588,035	249,684	1,235,137
Total Contributions	<u>487,974</u>	<u>65,681</u>	<u>695,221</u>	<u>295,579</u>	<u>1,544,455</u>
Investment Income					
Net Depreciation in Fair					
Value of Investments	(290,889)	(88,322)	(183,035)	(75,969)	(638,215)
Interest, Dividends and Other	102,128	21,434	55,524	23,235	202,321
Investment Expense	<u>(17,307)</u>	<u>(7,886)</u>	<u>(9,615)</u>	<u>(5,860)</u>	<u>(40,668)</u>
Net Investment Income	<u>(206,068)</u>	<u>(74,774)</u>	<u>(137,126)</u>	<u>(58,594)</u>	<u>(476,562)</u>
Securities Lending Transactions					
Securities Lending Income	3,908	996	3,134	797	8,835
Securities Lending Expense	<u>(2,814)</u>	<u>(780)</u>	<u>(2,384)</u>	<u>(199)</u>	<u>(6,177)</u>
Net Securities Lending Transactions	<u>1,094</u>	<u>216</u>	<u>750</u>	<u>598</u>	<u>2,658</u>
Total Additions	<u>283,000</u>	<u>(8,877)</u>	<u>558,845</u>	<u>237,583</u>	<u>1,070,551</u>
DEDUCTIONS					
Benefits and Refunds of					
Deductions	916,198	160,061	771,104	324,662	2,172,025
Administrative and General	<u>6,639</u>	<u>3,933</u>	<u>4,066</u>	<u>3,285</u>	<u>17,923</u>
Total Deductions	<u>922,837</u>	<u>163,994</u>	<u>775,170</u>	<u>327,947</u>	<u>2,189,948</u>
Net Decrease in Net Position	<u>(639,837)</u>	<u>(172,871)</u>	<u>(216,325)</u>	<u>(90,364)</u>	<u>(1,119,397)</u>
Net Position Restricted for					
Pension Benefits:					
Beginning of Year	<u>4,554,018</u>	<u>1,267,555</u> *	<u>3,121,413</u>	<u>1,126,153</u>	<u>10,069,139</u>
End of Year	<u>\$ 3,914,181</u>	<u>\$ 1,094,684</u>	<u>\$ 2,905,088</u>	<u>\$ 1,035,789</u>	<u>\$ 8,949,742</u>

*January 1, 2018 balance for the Policemen's Pension Plan was restated as a result of adopting GASB 75.

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PART III

STATISTICAL SECTION

(UNAUDITED)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Table 1
CITY OF CHICAGO
NET POSITION BY COMPONENT
Last Ten Fiscal Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	<u>2009 (1)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 251,103	\$ (324,284)	\$ (299,859)	\$ (215,961)
Restricted	3,735,128	3,611,533	1,596,408	1,908,516
Unrestricted (deficit)	<u>(5,840,026)</u>	<u>(6,582,562)</u>	<u>(5,691,215)</u>	<u>(7,537,057)</u>
Total governmental activities, net position	<u>\$ (1,853,795)</u>	<u>\$ (3,295,313)</u>	<u>\$ (4,394,666)</u>	<u>\$ (5,844,502)</u>
Business-type activities:				
Net Investment in Capital Assets	\$ 2,286,658	\$ 2,365,522	\$ 2,451,787	\$ 2,388,310
Restricted	821,909	790,881	874,837	982,517
Unrestricted	<u>(1,541,136)</u>	<u>(1,431,859)</u>	<u>(1,541,515)</u>	<u>(1,354,572)</u>
Total business type activities, net position	<u>\$ 1,567,431</u>	<u>\$ 1,724,544</u>	<u>\$ 1,785,109</u>	<u>\$ 2,016,255</u>
Primary Government:				
Net Investment in Capital Assets	\$ 2,537,761	\$ 2,041,238	\$ 2,151,928	\$ 2,172,349
Restricted	4,557,037	4,402,414	2,471,245	2,891,033
Unrestricted	<u>(7,381,162)</u>	<u>(8,014,421)</u>	<u>(7,232,730)</u>	<u>(8,891,629)</u>
Total primary government, net position	<u>\$ (286,364)</u>	<u>\$ (1,570,769)</u>	<u>\$ (2,609,557)</u>	<u>\$ (3,828,247)</u>

Notes:

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

<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ (242,862)	\$ 28,744	\$ (292,432)	\$ (65,466)	\$ (551,074)	\$ (332,211)
1,940,911	1,491,995	1,519,914	2,269,517	2,416,071	2,509,084
<u>(9,120,377)</u>	<u>(10,564,064)</u>	<u>(25,263,289)</u>	<u>(29,676,310)</u>	<u>(30,579,844)</u>	<u>(32,304,567)</u>
<u>\$ (7,422,328)</u>	<u>\$ (9,043,325)</u>	<u>\$ (24,035,807)</u>	<u>\$ (27,472,259)</u>	<u>\$ (28,714,847)</u>	<u>\$ (30,127,694)</u>
\$ 2,446,242	\$ 2,713,825	\$ 2,892,548	\$ 3,373,063	\$ 3,866,056	\$ 4,298,879
883,758	978,972	1,042,980	879,934	868,021	936,540
<u>(1,278,777)</u>	<u>(1,185,755)</u>	<u>(3,731,167)</u>	<u>(4,210,657)</u>	<u>(4,387,321)</u>	<u>(4,472,398)</u>
<u>\$ 2,051,223</u>	<u>\$ 2,507,042</u>	<u>\$ 204,361</u>	<u>\$ 42,340</u>	<u>\$ 346,756</u>	<u>\$ 763,021</u>
\$ 2,203,380	\$ 2,742,569	\$ 2,600,116	\$ 3,307,597	\$ 3,314,982	\$ 3,966,668
2,824,669	2,470,967	2,562,894	3,149,451	3,284,092	3,445,624
<u>(10,399,154)</u>	<u>(11,749,819)</u>	<u>(28,994,456)</u>	<u>(33,886,967)</u>	<u>(34,967,165)</u>	<u>(36,776,965)</u>
<u>\$ (5,371,105)</u>	<u>\$ (6,536,283)</u>	<u>\$ (23,831,446)</u>	<u>\$ (27,429,919)</u>	<u>\$ (28,368,091)</u>	<u>\$ (29,364,673)</u>

Table 2
CITY OF CHICAGO
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING
Last Ten Fiscal Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	2009	2010	2011	2012
Expenses				
Governmental Activities:				
General Government	\$ 2,364,754	\$ 2,557,681	\$ 2,734,419	\$ 2,751,944
Public Safety	2,521,151	2,824,028	2,689,471	2,910,160
Streets and Sanitation	297,156	235,863	245,898	228,622
Transportation	351,101	373,437	410,802	383,510
Health	166,914	142,352	151,152	123,055
Cultural and Recreational	129,996	126,939	102,808	146,283
Interest on Long-term Debt	386,125	404,218	474,226	460,660
Total Governmental Activities	<u>6,217,197</u>	<u>6,664,518</u>	<u>6,808,776</u>	<u>7,004,234</u>
Business-type Activities:				
Water	382,502	399,347	416,289	417,499
Sewer	169,982	184,888	194,838	195,911
Chicago Midway International Airport	206,613	224,465	218,172	225,867
Chicago-O'Hare International Airport	811,710	834,487	879,281	955,276
Chicago Skyway	11,775	11,312	10,930	10,621
Total Business-type Activities	<u>1,582,582</u>	<u>1,654,499</u>	<u>1,719,510</u>	<u>1,805,174</u>
Total Primary Government	<u>\$ 7,799,779</u>	<u>\$ 8,319,017</u>	<u>\$ 8,528,286</u>	<u>\$ 8,809,408</u>

	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	2,667,205	\$ 2,857,789	\$ 6,238,028	\$ 4,549,261	\$ 2,914,655	\$ 2,985,409
	3,044,811	2,913,469	3,192,197	4,266,146	3,636,102	3,746,763
	242,500	275,814	253,432	256,985	247,836	267,444
	400,506	475,751	471,689	378,779	414,044	458,611
	119,678	125,068	119,199	116,692	124,090	117,199
	128,302	121,548	118,775	114,676	121,483	115,130
	477,959	580,701	861,293	495,856	722,008	611,296
	<u>7,080,961</u>	<u>7,350,140</u>	<u>11,254,613</u>	<u>10,178,395</u>	<u>8,180,218</u>	<u>8,301,852</u>
	442,474	455,433	900,346	816,012	581,642	577,264
	216,587	225,600	505,032	350,388	293,047	281,948
	241,080	248,231	315,724	320,033	284,974	293,594
	920,781	1,029,559	1,380,512	1,330,240	1,256,665	1,318,038
	10,585	10,314	8,727	8,651	8,506	8,140
	<u>1,831,507</u>	<u>1,969,137</u>	<u>3,110,341</u>	<u>2,825,324</u>	<u>2,424,834</u>	<u>2,478,984</u>
\$	<u>8,912,468</u>	<u>9,319,277</u>	<u>14,364,954</u>	<u>13,003,719</u>	<u>10,605,052</u>	<u>10,780,836</u>

Table 2 - Continued
CITY OF CHICAGO
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING
Last Ten Fiscal Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	2009	2010	2011	2012
Program Revenues				
Governmental Activities:				
Licenses, Permits, Fines and Charges for Services:				
General Government	\$ 382,617	\$ 370,028	\$ 388,886	\$ 452,892
Public Safety	158,490	150,710	211,157	199,572
Streets and Sanitation	30,990	38,092	37,291	42,138
Transportation	24,895	21,640	28,613	39,343
Health	2,504	8,332	7,796	1,751
Cultural and Recreational	22,375	21,635	7,201	14,454
Operating Grants and Contributions	611,301	674,677	788,812	748,256
Capital Grants and Contributions	115,261	114,871	282,008	172,456
Total Governmental Activities	<u>1,348,433</u>	<u>1,399,985</u>	<u>1,751,764</u>	<u>1,670,862</u>
Business-type Activities:				
Licenses, Permits, Fines and Charges for Services:				
Water	410,213	458,395	454,221	576,287
Sewer	175,163	198,229	203,349	253,912
Chicago Midway International Airport	122,301	149,056	157,371	201,749
Chicago-O'Hare International Airport	624,443	702,603	679,402	857,114
Chicago Skyway	-	-	-	-
Capital Grants and Contributions	211,174	246,309	257,438	83,219
Total Business-type Activities and Program Revenues	<u>1,543,294</u>	<u>1,754,592</u>	<u>1,751,781</u>	<u>1,972,281</u>
Total Primary Government Program Revenues	<u>\$ 2,891,727</u>	<u>\$ 3,154,577</u>	<u>\$ 3,503,545</u>	<u>\$ 3,643,143</u>
Net (Expenses)/Revenues				
Governmental Activities	\$ (4,868,764)	\$ (5,264,533)	\$ (5,057,012)	\$ (5,333,372)
Business-type Activities	(39,288)	100,093	32,271	167,107
Total Primary Government Net Expense	<u>\$ (4,908,052)</u>	<u>\$ (5,164,440)</u>	<u>\$ (5,024,741)</u>	<u>\$ (5,166,265)</u>

	<u>2013</u>	<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	467,423	\$ 505,275	\$ 534,325	\$ 501,468	\$ 521,232	\$ 523,026
	196,344	208,206	182,670	202,379	194,586	205,401
	45,629	44,552	39,602	100,996	95,180	107,880
	46,076	44,278	37,522	52,524	66,994	53,247
	2,023	2,281	5,839	7,232	6,881	6,166
	15,947	14,643	14,850	15,122	15,407	15,510
	634,384	470,659	496,679	516,728	473,214	511,913
	184,415	249,860	249,064	221,532	205,505	170,830
	<u>1,592,241</u>	<u>1,539,754</u>	<u>1,560,551</u>	<u>1,617,981</u>	<u>1,578,999</u>	<u>1,593,973</u>
	637,114	692,634	769,408	761,411	759,014	773,960
	292,290	322,228	375,877	368,966	357,623	369,703
	221,205	216,662	225,383	232,483	244,073	253,504
	870,654	1,012,529	1,029,788	1,139,380	1,167,089	1,263,971
	-	-	-	-	-	-
	213,067	95,624	85,968	115,206	119,976	140,070
	<u>2,234,330</u>	<u>2,339,677</u>	<u>2,486,424</u>	<u>2,617,446</u>	<u>2,647,775</u>	<u>2,801,208</u>
\$	<u>3,826,571</u>	<u>3,879,431</u>	<u>4,046,975</u>	<u>4,235,427</u>	<u>4,226,774</u>	<u>4,395,181</u>
\$	(5,488,720)	\$ (5,810,386)	\$ (9,694,062)	\$ (8,560,414)	\$ (6,601,219)	\$ (6,707,879)
	402,823	370,540	(623,917)	(207,878)	222,941	322,224
\$	<u>(5,085,897)</u>	<u>(5,439,846)</u>	<u>(10,317,979)</u>	<u>(8,768,292)</u>	<u>(6,378,278)</u>	<u>(6,385,655)</u>

Table 2 - Concluded
CITY OF CHICAGO
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING
Last Ten Fiscal Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	2009 (1)	2010	2011	2012
General Revenues and Other				
Changes in Net Position				
Governmental Activities:				
Taxes				
Property Tax	\$ 797,026	\$ 796,928	\$ 934,870	\$ 896,246
Utility Tax	579,101	561,936	564,236	548,682
Sales Tax	252,282	260,364	310,626	294,417
Transportation Tax	333,199	335,235	331,441	373,544
Transaction Tax	205,026	227,772	250,486	281,957
Special Area Tax	501,042	477,241	457,192	274,617
Other Taxes	250,982	259,325	269,258	294,280
Grants and Contributions Not				
Restricted to Specific Programs	601,198	654,043	598,498	692,232
Unrestricted Investment Earnings	12,296	100,269	64,294	92,050
Gain (Loss) on Disposal and				
Sale of Capital Assets	-	-	-	-
Transfers	-	-	1,000	-
Miscellaneous	238,126	149,902	175,758	135,511
Total Governmental Activities	<u>3,770,278</u>	<u>3,823,015</u>	<u>3,957,659</u>	<u>3,883,536</u>
Business-type Activities:				
Investment Earnings	12,381	6,831	48,517	25,197
Loss on Disposal and				
Sale of Capital Assets	-	-	-	-
Miscellaneous	8,941	50,190	34,687	38,842
Special Item	-	-	(53,910)	-
Transfers	-	-	(1,000)	-
Total Business-type Activities	<u>21,322</u>	<u>57,021</u>	<u>28,294</u>	<u>64,039</u>
Total Primary Government	<u>\$ 3,791,600</u>	<u>\$ 3,880,036</u>	<u>\$ 3,985,953</u>	<u>\$ 3,947,575</u>
Change in Net Position				
Governmental Activities	\$ (1,098,486)	\$ (1,441,518)	\$ (1,099,353)	\$ (1,449,836)
Business-type Activities	(17,966)	157,114	60,565	231,146
Total Primary Government	<u>\$ (1,116,452)</u>	<u>\$ (1,284,404)</u>	<u>\$ (1,038,788)</u>	<u>\$ (1,218,690)</u>

NOTES:

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

	2013	2014	2015 (2)	2016	2017	2018
\$	906,740	\$ 926,839	\$ 1,179,395	\$ 1,264,473	\$ 1,327,236	\$ 1,405,396
	547,651	570,469	562,697	557,992	609,205	700,823
	307,837	324,273	346,319	347,131	344,911	361,482
	381,080	406,624	384,978	449,744	476,329	506,193
	344,493	379,256	466,432	542,896	497,965	547,262
	306,057	260,256	444,972	537,026	605,548	703,261
	298,951	323,946	369,405	395,889	424,882	449,414
	754,716	740,911	815,157	781,968	762,009	788,737
	(6,259)	62,400	(1,357)	30,400	87,741	26,087
	(16,886)	-	-	-	(28,583)	79,527
	-	-	625	2,540	2,215	2,540
	139,710	194,415	264,806	213,903	249,173	282,990
	<u>3,964,090</u>	<u>4,189,389</u>	<u>4,833,429</u>	<u>5,123,962</u>	<u>5,358,631</u>	<u>5,853,712</u>
	(13,243)	35,849	27,563	13,196	53,114	50,628
	-	-	-	-	(18,711)	-
	47,354	49,430	39,744	35,201	49,287	45,953
	-	-	-	-	-	-
	-	-	(625)	(2,540)	(2,215)	(2,540)
	<u>34,111</u>	<u>85,279</u>	<u>66,682</u>	<u>45,857</u>	<u>81,475</u>	<u>94,041</u>
\$	<u><u>3,998,201</u></u>	<u><u>4,274,668</u></u>	<u><u>4,900,111</u></u>	<u><u>5,169,819</u></u>	<u><u>5,440,106</u></u>	<u><u>5,947,753</u></u>
\$	(1,524,630)	\$ (1,620,997)	\$ (4,860,633)	\$ (3,436,452)	\$ (1,242,588)	\$ (854,167)
	436,934	455,819	(557,235)	(162,021)	304,416	416,265
\$	<u><u>(1,087,696)</u></u>	<u><u>(1,165,178)</u></u>	<u><u>(5,417,868)</u></u>	<u><u>(3,598,473)</u></u>	<u><u>(938,172)</u></u>	<u><u>(437,902)</u></u>

Table 3
CITY OF CHICAGO, ILLINOIS
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
Last Ten Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	2009	Percent of Total	2010	Percent of Total	2011	Percent of Total
Revenues:						
Property Tax	\$ 806,010	15.1 %	\$ 754,081	14.0 %	\$ 888,531	15.2 %
Utility Tax	579,101	10.9	561,936	10.4	564,236	9.6
Sales Tax	503,952	9.4	527,004	9.8	563,156	9.6
Transportation Tax	333,199	6.2	335,235	6.2	331,441	5.7
State Income Tax	347,814	6.5	385,668	7.2	344,674	5.9
Transaction Tax	205,026	3.8	227,772	4.2	250,486	4.3
Special Area Tax	487,909	9.1	486,526	9.0	552,894	9.4
Other Taxes	250,982	4.7	259,325	4.8	269,258	4.5
Total Taxes	<u>3,513,993</u>	<u>65.7</u>	<u>3,537,547</u>	<u>65.6</u>	<u>3,764,676</u>	<u>64.2</u>
Federal/State Grants	753,269	14.1	815,879	15.2	976,051	16.7
Internal Service	306,095	5.8	295,765	5.5	321,138	5.5
Licenses and Permits	100,458	1.9	96,240	1.8	102,702	1.8
Fines	267,891	5.0	272,667	5.1	283,822	4.8
Investment Income	31,520	0.6	103,725	1.9	73,921	1.3
Charges for Services	124,557	2.4	113,565	2.1	160,649	2.7
Miscellaneous	238,126	4.5	149,902	2.8	173,768	3.0
Total Revenues	<u>\$ 5,335,909</u>	<u>100.0 %</u>	<u>\$ 5,385,290</u>	<u>100.0 %</u>	<u>\$ 5,856,727</u>	<u>100.0 %</u>
	2016	Percent of Total	2017	Percent of Total	2018	Percent of Total
Revenues:						
Property Tax	\$ 1,294,063	18.6 %	\$ 1,212,566	17.3 %	\$ 1,400,565	18.6 %
Utility Tax	557,992	8.0	604,409	8.6	697,662	9.3
Sales Tax	713,557	10.3	716,170	10.2	754,326	10.0
Transportation Tax	449,744	6.5	476,329	6.8	506,193	6.7
State Income Tax	413,673	6.0	388,236	5.6	392,449	5.2
Transaction Tax	542,896	7.8	497,965	7.1	547,262	7.3
Special Area Tax	516,886	7.4	512,529	7.3	699,139	9.3
Other Taxes	395,889	5.7	424,882	6.1	449,414	6.0
Total Taxes	<u>4,884,700</u>	<u>70.3</u>	<u>4,833,086</u>	<u>69.0</u>	<u>5,447,010</u>	<u>72.4</u>
Federal/State Grants	745,603	10.8	705,765	10.1	736,861	9.8
Internal Service	376,895	5.4	381,402	5.5	298,496	4.0
Licenses and Permits	132,873	1.9	136,116	1.9	142,466	1.9
Fines	337,769	4.9	363,854	5.2	355,095	4.7
Investment Income	30,400	0.4	87,740	1.3	26,087	0.3
Charges for Services	221,965	3.2	240,827	3.4	234,396	3.1
Miscellaneous	213,865	3.1	249,173	3.6	282,990	3.8
Total Revenues	<u>\$ 6,944,070</u>	<u>100.0 %</u>	<u>\$ 6,997,963</u>	<u>100.0 %</u>	<u>\$ 7,523,401</u>	<u>100.0 %</u>

NOTE:

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

2012	Percent of Total	2013	Percent of Total	2014	Percent of Total	2015	Percent of Total
\$ 941,398	16.2 %	\$ 866,149	15.5 %	\$ 929,841	15.4 %	\$ 869,841	14.0 %
548,682	9.4	547,651	9.8	570,469	9.4	562,697	9.0
594,290	10.2	623,942	11.2	658,799	10.9	703,234	11.3
373,544	6.5	381,080	6.8	406,624	6.7	384,978	6.2
391,285	6.7	436,740	7.8	404,050	6.7	456,397	7.3
281,957	4.9	344,493	6.2	379,256	6.3	466,432	7.5
370,454	6.3	332,040	5.9	331,380	5.5	353,413	5.7
294,280	5.0	298,951	5.4	323,946	5.4	369,405	5.9
<u>3,795,890</u>	<u>65.2</u>	<u>3,831,046</u>	<u>68.6</u>	<u>4,004,365</u>	<u>66.3</u>	<u>4,166,397</u>	<u>66.9</u>
877,864	15.1	708,702	12.7	812,175	13.3	764,846	12.3
319,285	5.5	324,601	5.8	335,762	5.5	382,758	6.2
117,568	2.1	123,633	2.2	122,143	2.0	129,035	2.1
306,510	5.3	329,460	5.9	353,517	5.8	387,160	6.2
90,885	1.6	(19,111)	(0.3)	69,650	1.2	(26,895)	(0.4)
170,724	2.9	161,415	2.9	172,928	2.9	147,927	2.4
135,511	2.3	122,710	2.2	179,939	3.0	264,806	4.3
<u>\$ 5,814,237</u>	<u>100.0 %</u>	<u>\$ 5,582,456</u>	<u>100.0 %</u>	<u>\$ 6,050,479</u>	<u>100.0 %</u>	<u>\$ 6,216,034</u>	<u>100.0 %</u>

REVENUE SOURCES

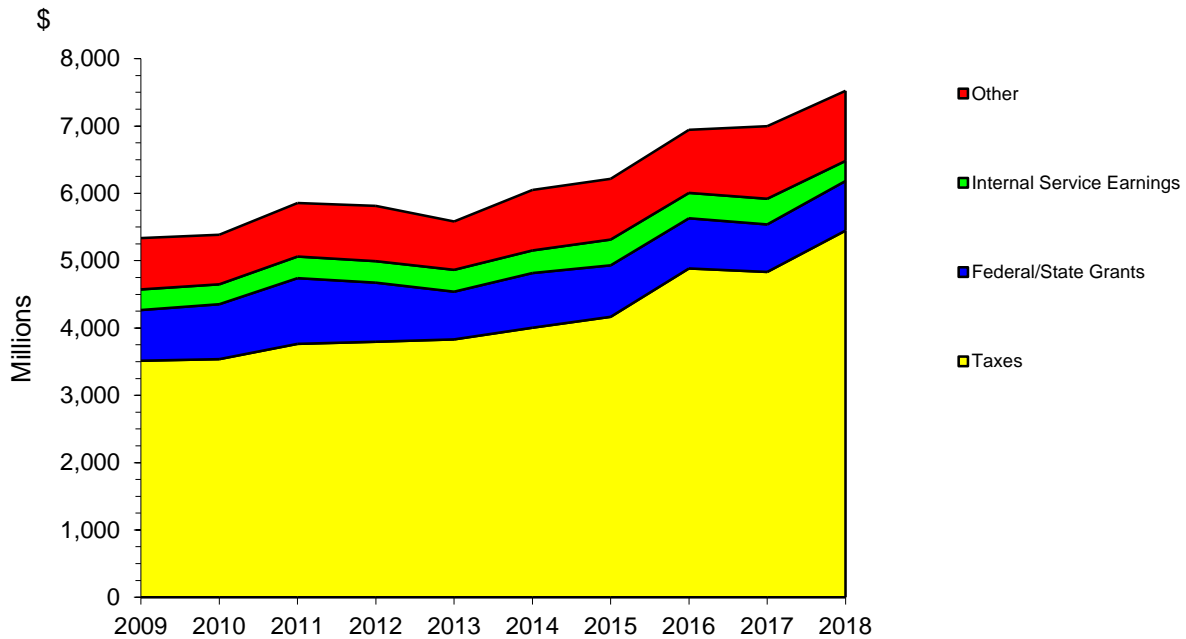


Table 4
CITY OF CHICAGO, ILLINOIS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
Last Ten Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	2009	Percent of Total	2010	Percent of Total	2011	Percent of Total
Expenditures:						
Current:						
Public Safety	\$ 1,913,711	30.5 %	\$ 1,909,728	30.1 %	\$ 1,984,312	30.0 %
General Government	1,663,990	26.5	1,786,450	28.2	2,057,524	31.1
Employee Pensions	430,915	6.9	435,432	6.9	481,407	7.3
Streets and Sanitation	300,131	4.8	232,426	3.7	236,591	3.6
Transportation	261,948	4.2	297,339	4.7	507,589	7.7
Health	177,812	2.8	153,877	2.4	148,449	2.2
Cultural and Recreational	107,604	1.7	104,297	1.6	90,905	1.4
Other	7,676	0.2	30,000	0.5	26,211	0.3
Capital Outlay	619,273	9.9	628,910	9.9	470,213	7.1
Debt Service:						
Principal Retirement	434,905	6.9	389,928	6.2	188,608	2.8
Interest and Other Fiscal Charges	351,430	5.6	366,035	5.8	429,822	6.5
Total Expenditures	<u>\$ 6,269,395</u>	<u>100.0 %</u>	<u>\$ 6,334,422</u>	<u>100.0 %</u>	<u>\$ 6,621,631</u>	<u>100.0 %</u>
Debt Service as a Percentage of Non Capital Expenditures (2)		<u>13.6 %</u>		<u>12.6 %</u>		<u>10.3 %</u>
	2016	Percent of Total	2017	Percent of Total	2018	Percent of Total
Expenditures:						
Current:						
Public Safety	\$ 2,265,213	30.5 %	\$ 2,333,673	31.8 %	\$ 2,411,851	31.0 %
General Government	2,046,396	27.6	1,993,226	27.1	2,132,601	27.5
Employee Pensions	810,497	10.9	931,618	12.7	1,159,227	14.9
Streets and Sanitation	248,029	3.3	242,225	3.3	259,451	3.3
Transportation	402,477	5.4	378,822	5.2	355,760	4.6
Health	116,416	1.6	123,135	1.7	116,557	1.5
Cultural and Recreational	94,030	1.3	103,073	1.4	97,733	1.3
Other	4,086	0.1	744	0.0	7,134	0.1
Capital Outlay	286,018	3.9	275,392	3.7	288,924	3.7
Debt Service:						
Principal Retirement	660,019	8.9	353,945	4.8	335,270	4.3
Interest and Other Fiscal Charges	483,468	6.5	609,594	8.3	604,768	7.8
Total Expenditures	<u>\$ 7,416,649</u>	<u>100.0 %</u>	<u>\$ 7,345,447</u>	<u>100.0 %</u>	<u>\$ 7,769,276</u>	<u>100.0 %</u>
Debt Service as a Percentage of Non Capital Expenditures (2)		<u>16.7 %</u>		<u>14.1 %</u>		<u>12.9 %</u>

NOTES:

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

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

2012	Percent of Total	2013	Percent of Total	2014	Percent of Total	2015	Percent of Total
\$2,075,959	31.7 %	\$2,034,896	32.1 %	\$2,066,979	28.8 %	\$2,111,709	28.6 %
1,806,541	27.5	1,834,558	29.0	2,043,557	28.5	2,063,897	27.9
458,951	7.0	444,748	7.0	483,493	6.7	479,581	6.5
228,100	3.6	241,787	3.8	269,393	3.8	249,078	3.3
514,303	7.8	443,199	7.0	518,501	7.2	475,482	6.4
127,567	1.9	126,599	2.0	128,769	1.8	119,048	1.6
102,384	1.6	97,487	1.6	93,525	1.4	95,049	1.3
11,725	0.1	7,681	0.1	5,410	0.0	6,726	0.1
435,600	6.6	340,481	5.4	395,216	5.5	425,050	5.8
340,754	5.2	297,152	4.7	599,395	8.4	513,806	7.0
461,962	7.0	464,587	7.3	568,156	7.9	850,243	11.5
<u>\$6,563,846</u>	<u>100.0 %</u>	<u>\$6,333,175</u>	<u>100.0 %</u>	<u>\$7,172,394</u>	<u>100.0 %</u>	<u>\$7,389,669</u>	<u>100.0 %</u>
	<u>13.7 %</u>		<u>13.1 %</u>		<u>17.9 %</u>		<u>20.1 %</u>

EXPENDITURES BY FUNCTION

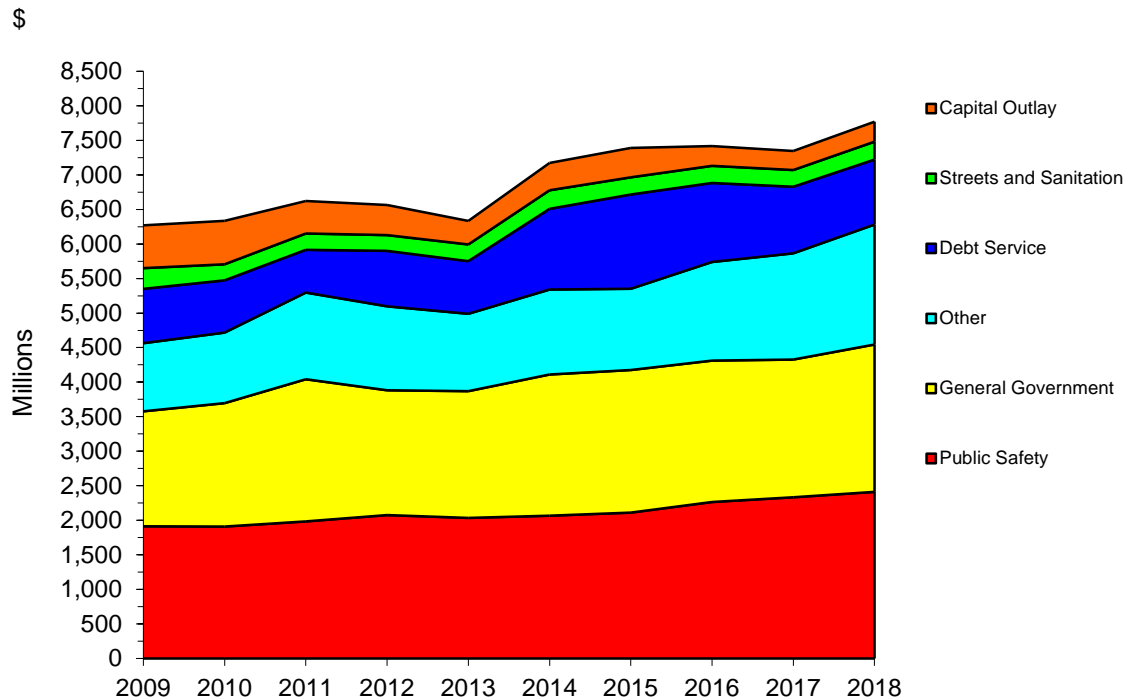


Table 4A
CITY OF CHICAGO, ILLINOIS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)
Modified Accrual Basis of Accounting

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Excess of revenues over (under) expenditures	\$ (933,486)	\$ (949,132)	\$ (764,904)	\$ (749,609)
Other Financing Sources (Uses):				
Issuance of Debt, including premium/discount	\$ 1,001,302	\$ 1,434,390	\$ 1,212,326	\$ 758,557
Payment to Refunded Bond Escrow Agent	(213,435)	(412,184)	(476,787)	(268,397)
Issuance of line of credit	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	2,253,459	647,407	572,211	178,750
Transfers out	(2,253,459)	(647,407)	(571,210)	(178,750)
Total other financing sources (uses)	<u>787,867</u>	<u>1,022,206</u>	<u>736,540</u>	<u>490,160</u>
Net change in fund balances	<u>\$ (145,619)</u>	<u>\$ 73,074</u>	<u>\$ (28,364)</u>	<u>\$ (259,449)</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>\$ (750,719)</u>	<u>\$ (1,121,915)</u>	<u>\$ (1,173,635)</u>	<u>\$ (472,579)</u>	<u>\$ (347,484)</u>	<u>\$ (245,875)</u>
\$ 235,367	\$ 1,021,812	\$ 1,093,939	\$ 554,638	\$ 1,936,133	\$ 1,402,762
-	(302,862)	-	(496,150)	(971,766)	(1,392,431)
144,673	-	239,131	337,140	77,203	233,627
-	-	-	-	15,225	106,131
160,322	652,586	229,609	375,790	589,738	1,271,988
(160,322)	(652,586)	(228,984)	(373,250)	(587,523)	(1,269,448)
<u>380,040</u>	<u>718,950</u>	<u>1,333,695</u>	<u>398,168</u>	<u>1,059,010</u>	<u>352,629</u>
<u>\$ (370,679)</u>	<u>\$ (402,965)</u>	<u>\$ 160,060</u>	<u>\$ (74,411)</u>	<u>\$ 711,526</u>	<u>\$ 106,754</u>

Table 5
CITY OF CHICAGO, ILLINOIS
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended December 31, 2018
(Amounts Are in Thousands of Dollars)
(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund:				
Reserved	\$ 52,048	\$ 54,390	\$ -	\$ -
Unreserved	<u>2,658</u>	<u>81,151</u>	<u>-</u>	<u>-</u>
Total General Fund	54,706	135,541	-	-
General Fund Balance: (2)				
Nonspendable	\$ -	\$ -	\$ 24,055	\$ 20,885
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	143,549	177,000
Unassigned	<u>-</u>	<u>-</u>	<u>167,929</u>	<u>33,417</u>
Total Fund Balance	-	-	335,533	231,302
Other Governmental Funds:				
Reserved	\$ 1,418,399	\$ 1,419,714	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	(409,796)	(349,517)	-	-
Capital Projects Funds	321,251	534,013	-	-
Debt Service Funds	-	-	-	-
Permanent Fund (1)	<u>422,319</u>	<u>138,724</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>1,752,173</u>	<u>1,742,934</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>\$ 1,806,879</u>	<u>\$ 1,878,475</u>	<u>\$ -</u>	<u>\$ -</u>
Other Governmental Fund Balance: (2)				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	2,317,734	2,332,911
Committed	-	-	961,246	882,127
Assigned	-	-	2,550	-
Unassigned	<u>-</u>	<u>-</u>	<u>(1,761,077)</u>	<u>(1,852,973)</u>
Total Fund Balance	-	-	1,520,453	1,362,065
Total Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,855,986</u>	<u>\$ 1,593,367</u>

NOTE:

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

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
\$ 24,788	\$ 24,498	\$ 23,828	\$ 23,730	\$ 25,945	\$ 25,463
-	-	-	-	-	-
-	-	-	-	-	-
108,424	65,223	98,377	92,115	106,900	145,000
33,845	51,557	93,027	153,737	155,516	161,864
<u>167,057</u>	<u>141,278</u>	<u>215,232</u>	<u>269,582</u>	<u>288,361</u>	<u>332,327</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 769,064	\$ 2,090,686
2,262,028	1,829,431	1,878,692	1,755,914	1,903,494	2,011,270
699,073	696,067	677,821	709,769	790,489	821,523
-	-	-	-	-	231
(1,901,567)	(1,843,440)	(1,789,019)	(1,827,047)	(2,129,450)	(3,527,807)
<u>1,059,534</u>	<u>682,058</u>	<u>767,494</u>	<u>638,636</u>	<u>1,333,597</u>	<u>1,395,903</u>
<u>\$ 1,226,591</u>	<u>\$ 823,336</u>	<u>\$ 982,726</u>	<u>\$ 908,218</u>	<u>\$ 1,621,958</u>	<u>\$ 1,728,230</u>

Table 6
CITY OF CHICAGO, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2018.
(Amounts are in Thousands of Dollars)

	2014	2015	2016	2017	2018
Revenues:					
Utility Tax	\$ 473,496	\$ 437,780	\$ 434,409	\$ 438,979	\$ 432,060
Sales Tax	620,299	665,793	674,515	500,360	56,986
State Income Tax	278,031	336,959	413,673	388,236	392,449
Other Taxes	803,961	935,658	1,080,423	1,109,348	1,210,136
Federal/State Grants	2,335	1,845	1,869	2,514	3,444
Other Revenues (1)	998,028	1,088,600	1,077,723	1,120,022	1,046,674
Total Revenues	<u>3,176,150</u>	<u>3,466,635</u>	<u>3,682,612</u>	<u>3,559,459</u>	<u>3,141,749</u>
Expenditures:					
Current:					
Public Safety	2,020,072	2,061,540	2,195,201	2,228,705	2,229,455
General Government	929,918	1,064,470	993,682	929,471	1,064,874
Other (2)	270,899	298,817	263,503	277,643	292,900
Debt Service	10,369	8,275	20,822	19,039	10,224
Total Expenditures	<u>3,231,258</u>	<u>3,433,102</u>	<u>3,473,208</u>	<u>3,454,858</u>	<u>3,597,453</u>
Revenues Over (Under) Expenditures .	<u>(55,108)</u>	<u>33,533</u>	<u>209,404</u>	<u>104,601</u>	<u>(455,704)</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original Discount/Including Premium	-	19,300	-	-	-
Transfers In	39,700	34,551	14,998	180,227	627,542
Transfers Out	(10,081)	(12,760)	(169,955)	(268,263)	(127,390)
Total Other Financing Sources (Uses) .	<u>29,619</u>	<u>41,091</u>	<u>(154,957)</u>	<u>(88,036)</u>	<u>500,152</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(25,489)	74,624	54,447	16,565	44,448
Fund Balance - Beginning of Year	167,057	141,278	215,232	269,582	288,361
Change in Inventory	(290)	(670)	(97)	2,214	(482)
Fund Balance - End of Year	<u>\$ 141,278</u>	<u>\$ 215,232</u>	<u>\$ 269,582</u>	<u>\$ 288,361</u>	<u>\$ 332,327</u>

NOTES:

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

Table 7
CITY OF CHICAGO, ILLINOIS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	2014 (3)	2015 (3)	2016 (3)	2017 (3)	2018 (3)
Revenues:					
Property Tax	\$ 357,457	\$ 360,132	\$ 747,957	\$ 740,019	\$ 870,534
Utility Tax	74,641	102,593	101,260	143,103	243,278
Sales Tax (Local)	-	-	-	65,013	265,845
State Sales Tax	-	-	-	86,047	342,624
State Income Tax	126,019	119,438	-	-	-
Other Taxes	624,676	626,821	791,824	767,893	954,439
Federal/State Grants	809,840	763,001	743,734	703,251	733,417
Other Revenues (1)	162,996	143,029	194,061	300,082	241,934
Total Revenues	<u>2,155,629</u>	<u>2,115,014</u>	<u>2,578,836</u>	<u>2,805,408</u>	<u>3,652,071</u>
Expenditures:					
Current:					
Public Safety	46,907	50,169	70,012	59,825	151,396
General Government	1,113,639	999,427	1,052,714	1,062,405	1,067,727
Employee Pensions	483,493	479,581	810,497	931,618	1,159,227
Other (2)	744,699	646,566	601,535	570,356	543,735
Capital Outlay	9,863	45,445	47,760	48,174	2,380
Debt Service	4,332	71	9,267	5,265	1,522
Total Expenditures	<u>2,402,933</u>	<u>2,221,259</u>	<u>2,591,785</u>	<u>2,677,643</u>	<u>2,925,987</u>
Revenues Over (Under) Expenditures ...	<u>(247,304)</u>	<u>(106,245)</u>	<u>(12,949)</u>	<u>127,765</u>	<u>726,084</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original					
Discount/Including Premium	17,768	28,657	30,746	19,977	-
Line of Credit	-	75,994	-	-	-
Payment to Refunded Bond Escrow Agent ..	-	-	-	-	-
Transfers In	184,033	32,257	123,941	218,333	304,991
Transfers Out	<u>(64,863)</u>	<u>(70,322)</u>	<u>(81,412)</u>	<u>(225,102)</u>	<u>(811,924)</u>
Total Other Financing Sources (Uses) ...	<u>136,938</u>	<u>66,586</u>	<u>73,275</u>	<u>13,208</u>	<u>(506,933)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(110,366)	(39,659)	60,326	140,973	219,151
Fund Balance - Beginning of Year	<u>335,210</u>	<u>224,844</u>	<u>185,185</u>	<u>245,511</u>	<u>386,484</u>
Fund Balance - End of Year	<u>\$ 224,844</u>	<u>\$ 185,185</u>	<u>\$ 245,511</u>	<u>\$ 386,484</u>	<u>\$ 605,635</u>

NOTES:

- (1) Includes Internal Service, Fines, Investment Income, Charges for Services and Miscellaneous Revenues.
(2) Includes Health, Streets and Sanitation, Transportation, Cultural and Recreational and Other Expenditures.
(3) Source: Major and Nonmajor Special Revenue Funds for years ended December 31, 2014-2018.

Table 8
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	<u>2014 (2)</u>	<u>2015 (2)</u>	<u>2016 (2)</u>	<u>2017 (2)</u>	<u>2018 (2)</u>
Revenues:					
Property Tax	\$ 572,384	\$ 509,709	\$ 546,106	\$ 472,547	\$ 530,031
Utility Tax	22,332	22,324	22,323	22,327	22,324
Sales Tax (Local)	-	-	-	50,037	38,651
State Sales Tax	38,500	37,441	39,042	14,713	50,220
Other Taxes	12,569	11,749	33,168	34,464	37,433
Other Revenues (1)	36,443	22,460	23,920	19,276	21,261
Total Revenues	<u>682,228</u>	<u>603,683</u>	<u>664,559</u>	<u>613,364</u>	<u>699,920</u>
Expenditures:					
Debt Service	1,152,850	1,355,703	1,113,398	939,235	928,292
Total Expenditures	<u>1,152,850</u>	<u>1,355,703</u>	<u>1,113,398</u>	<u>939,235</u>	<u>928,292</u>
Revenues Over (Under) Expenditures ...	<u>(470,622)</u>	<u>(752,020)</u>	<u>(448,839)</u>	<u>(325,871)</u>	<u>(228,372)</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original Discount/Including Premium	371,207	1,096,759	861,032	1,319,635	1,402,762
Line of Credit	-	-	-	77,203	233,627
Payment to Refunded Bond Escrow Agent .	(300,600)	-	(496,150)	(971,766)	(1,392,431)
Transfers In	411,413	57,351	223,151	174,050	182,167
Transfers Out	(268,872)	(124,488)	(106,838)	(94,153)	(325,946)
Total Other Financing Sources (Uses) ...	<u>213,148</u>	<u>1,029,622</u>	<u>481,195</u>	<u>504,969</u>	<u>100,179</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(257,474)	277,602	32,356	179,098	(128,193)
Fund Balance - Beginning of Year	<u>309,480</u>	<u>52,006</u>	<u>329,608</u>	<u>361,964</u>	<u>541,062</u>
Fund Balance - End of Year	<u>\$ 52,006</u>	<u>\$ 329,608</u>	<u>\$ 361,964</u>	<u>\$ 541,062</u>	<u>\$ 412,869</u>

NOTES:

(1) Includes Investment Income and Miscellaneous Revenues.

(2) Source: Major (Bond, Note Redemption and Interest and Sales Tax Securitization Corporation) and Nonmajor Debt Service Fund Special Taxing Areas for years ended December 31, 2014-2018.

Table 9
CITY OF CHICAGO, ILLINOIS
CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Five Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	<u>2014 (2)</u>	<u>2015 (2)</u>	<u>2016 (2)</u>	<u>2017 (2)</u>	<u>2018 (2)</u>
Revenues:					
Other Revenues (1)	\$ 36,472	\$ 30,702	\$ 18,063	\$ 19,732	\$ 29,661
Total Revenues	<u>36,472</u>	<u>30,702</u>	<u>18,063</u>	<u>19,732</u>	<u>29,661</u>
Expenditures:					
General Government	-	-	-	1,350	-
Public Safety	-	-	-	45,143	31,000
Capital Outlay	385,353	379,605	238,258	227,218	286,544
Total Expenditures	<u>385,353</u>	<u>379,605</u>	<u>238,258</u>	<u>273,711</u>	<u>317,544</u>
Revenues Over (Under) Expenditures .	<u>(348,881)</u>	<u>(348,903)</u>	<u>(220,195)</u>	<u>(253,979)</u>	<u>(287,883)</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original Discount/Including Premium	630,575	62,360	-	596,521	-
Issuance Line of Credit	-	50,000	-	-	-
Proceeds from Sale of Assets	-	-	-	15,225	106,131
Transfers In	17,440	105,450	13,700	17,128	157,288
Transfers Out	(308,770)	(21,414)	(15,045)	(5)	(4,188)
Total Other Financing Sources (Uses) .	<u>339,245</u>	<u>196,396</u>	<u>(1,345)</u>	<u>628,869</u>	<u>259,231</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(9,636)	(152,507)	(221,540)	374,890	(28,652)
Fund Balance - Beginning of Year	<u>414,844</u>	<u>405,208</u>	<u>252,701</u>	<u>31,161</u>	<u>406,051</u>
Fund Balance - End of Year	<u>\$ 405,208</u>	<u>\$ 252,701</u>	<u>\$ 31,161</u>	<u>\$ 406,051</u>	<u>\$ 377,399</u>

NOTES:

- (1) Includes Investment Income, Charges for Services and Miscellaneous Revenues.
- (2) Source: Major (Community Development and Improvement Projects) and Nonmajor (Capital Projects Funds) for years ended December 31, 2014-2018.

Table 10
CITY OF CHICAGO, ILLINOIS
PROPERTY TAX LEVIES BY FUND (1)
Five Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

	<u>2014 (5)</u>	<u>2015 (5)</u>	<u>Percent Change</u>
Note Redemption and Interest (2)	\$ 97,061	\$ 97,708	0.67 %
Bond Redemption and Interest	412,139	411,730	(0.10)
Policemen's Annuity and Benefit (3)	136,680	361,987	164.84
Municipal Employees' Annuity and Benefit (3)	123,239	124,706	1.19
Firemen's Annuity and Benefit (3)	81,363	179,424	120.52
Laborers' and Retirement Board Employees' Annuity and Benefit (3)	<u>10,934</u>	<u>11,070</u>	1.24
Total	<u>\$ 861,416</u>	<u>\$ 1,186,625</u>	37.75

NOTES:

- (1) See Table 11 - PROPERTY LEVIES, COLLECTIONS AND ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES 2009 - 2018. Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.
- (2) Includes Corporate, Chicago Public Library Maintenance and Operations, Chicago Public Library Building and Sites and City Relief Funds.
- (3) For information regarding the City's unfunded (assets in excess of) pension benefit obligations under its Pensions Plans, see the individual Pension Plans Financial Statements.
- (4) Estimated; actual was not available from the Cook County Clerk's Office at time of publication.
- (5) Source: Cook County Clerk's Office.
- (6) 2017 Bond and Redemption and Interest amount and percent changed from Prior Year CAFR due to updated information on Final Tax Extensions.

<u>2016 (5)</u>	<u>Percent Change</u>	<u>2017 (5)</u>	<u>Percent Change</u>	<u>2018 (5)</u>	<u>Percent Change</u>
\$ 80,359	(17.76) %	\$ 80,420	0.08 %	\$ 85,920	6.84 %
430,584	4.58	439,379 (6)	2.04 (6)	454,890	3.53
455,355	25.79	490,685	7.76	546,622	11.40
124,706	-	124,706	-	124,706	-
194,825	8.58	212,622	9.13	223,116	4.94
<u>11,070</u>	-	<u>11,070</u>	-	<u>11,070</u>	-
<u>\$ 1,296,899</u>	9.29	<u>\$ 1,358,882</u>	4.78	<u>\$ 1,446,324 (4)</u>	6.43

Table 11
CITY OF CHICAGO, ILLINOIS
PROPERTY LEVIES, COLLECTIONS AND
ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES
Last Ten Years Ended December 31, 2018
(Amounts are in Thousands of Dollars)

Tax Year (1)	Total Tax Levy for Fiscal Year (2), (3), (5)	Collected Within Fiscal Year		Collections in Subsequent Years (6)	Total Collections to Date		Estimated Allowance for Uncollectible Taxes	Net Outstanding Taxes Receivable
		Amount (6)	Percentage of Levy		Amount	Percentage of Levy		
2009	\$ 834,109	\$ 700,579	83.99 %	\$ 98,871	\$ 799,450	95.84 %	\$ 34,659	\$ -
2010	834,089	790,141	94.73	13,750	803,891	96.38	30,198	-
2011	833,948	800,582	96.00	2,608	803,190	96.31	30,758	-
2012	834,636	804,245	96.36	6,963	811,208	97.19	23,428	-
2013	838,254	807,985	96.39	8,937	816,922	97.46	21,332	-
2014	861,416	832,042	96.59	10,285	842,327	97.78	19,089	-
2015	1,186,625	1,156,428	97.46	13,181	1,169,609	98.57	16,710	306
2016	1,296,899	1,271,653	98.05	13,372	1,285,025	99.08	11,637	237
2017	1,358,882	1,329,373	97.83	-	1,329,373	97.83	28,624	885
2018	1,446,324 (4)	-	N/A	-	-	N/A	57,853	<u>1,388,471</u>
Total Net Outstanding Taxes Receivable								<u>\$ 1,389,899</u>

NOTES:

- (1) Taxes for each year become due and payable in the following year. For example, taxes for the 2018 tax levy become due and payable in 2019.
- (2) Does not include levy for Special Service Areas and Tax Increment Projects.
- (3) Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.
- (4) Estimate; actual was not available from Cook County Clerk's Office at time of publication.
- (5) Source: Cook County Clerk's Office
- (6) Source: City of Chicago

Table 12
CITY OF CHICAGO, ILLINOIS
TOP TEN ESTIMATED EQUALIZED ASSESSED VALUATION (EAV) (1)
Current Year and Nine Years Ago (2)
(Amounts are in Thousands of Dollars)

Property	2017		Percentage of Total		2008		Percentage of Total	
	EAV	Rank	EAV		EAV	Rank	EAV	
Willis Tower	\$ 429,592	1	0.56 %		\$ 540,074	1	0.67 %	
AON Building	264,939	2	0.35		392,192	2	0.48	
Blue Cross Blue Shield Tower (3)	263,985	3	0.34					
Water Tower Place	248,867	4	0.32		242,014	6	0.30	
Prudential Plaza	239,238	5	0.31		307,510	3	0.38	
300 N. LaSalle	217,714	6	0.28					
Franklin Center (4)	215,948	7	0.28		294,569	4	0.36	
Chase Plaza	214,683	8	0.28		262,114	5	0.32	
Citadel Center	202,646	9	0.26					
Three First National Plaza	184,855	10	0.24		215,666	10	0.27	
Citicorp Plaza					226,458	7	0.28	
Leo Burnett Building					221,846	8	0.27	
UBS Tower					218,722	9	0.27	
Totals	\$ 2,482,467		3.22 %		\$ 2,921,165		3.60 %	

NOTES:

- (1) Source: Cook County Treasurer's Office, Cook County Assessor's Office.
- (2) 2018 information not available at time of publication.
- (3) Blue Cross Blue Shield formerly known as Health Care Service Corporation Blue Cross.
- (4) Franklin Center formerly known as AT&T Corporate Center 1.

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

Tax Year	Assessed Values (1)				
	Class 2 (2)	Class 3 (3)	Class 5 (4)	Other (5)	Total
2008	19,339,574	1,602,768	12,359,537	693,239	33,995,118
2009	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	18,074,177	1,416,863	10,467,682	606,941	30,565,663
2011	17,932,671	1,116,175	10,456,103	588,672	30,093,621
2012	15,529,678	1,208,620	10,233,051	498,310	27,469,659
2013	15,410,659	1,236,401	10,172,186	494,714	27,313,960
2014	15,390,835	1,298,776	10,124,569	512,390	27,326,570
2015	17,296,324	1,532,714	11,269,605	592,903	30,691,546
2016	17,191,167	1,598,117	11,369,258	603,849	30,762,391
2017	17,169,636	1,844,745	11,431,099	524,640	30,970,120

NOTES:

- (1) Source: Cook County Assessor's Office. Excludes portion of City in DuPage County.
- (2) Residential, 6 units and under.
- (3) Residential, 7 units and over and mixed use.
- (4) Industrial/Commercial.
- (5) Vacant, not-for-profit and industrial/commercial incentive classes. Includes railroad and farm property.
- (6) Source: Illinois Department of Revenue.
- (7) Source: Cook County Clerk's Office. Excludes portion of City in DuPage County and net of exemptions. Calculations also include assessment of pollution control facilities.
- (8) Source: The Civic Federation. Excludes railroad property and portion of City in DuPage County.
- (9) 2018 information not available at time of publication.

State Equalization Factor (6)	Total Equalized Assessed Value (7)	Total Direct Tax Rate	Total Estimated Fair Market Value (8)	Ratio of Total Equalized Assessed to Total Estimated Fair Market Value
2.9786	80,977,543	1.030	310,888,609	26.05
3.3701	84,685,258	0.986	280,288,730	30.21
3.3000	82,087,170	1.020	231,986,397	35.38
2.9706	75,122,914	1.110	222,856,064	33.71
2.8056	65,250,387	1.279	206,915,723	31.53
2.6621	62,363,876	1.344	236,695,475	26.35
2.7253	64,908,057	1.327	255,639,792	25.39
2.6685	70,963,289	1.672	278,027,604	25.52
2.8032	74,016,506	1.752	293,121,793	25.25
2.9627	76,765,303	1.770	(N/A)	(N/A)

EQUALIZED ASSESSED VALUE

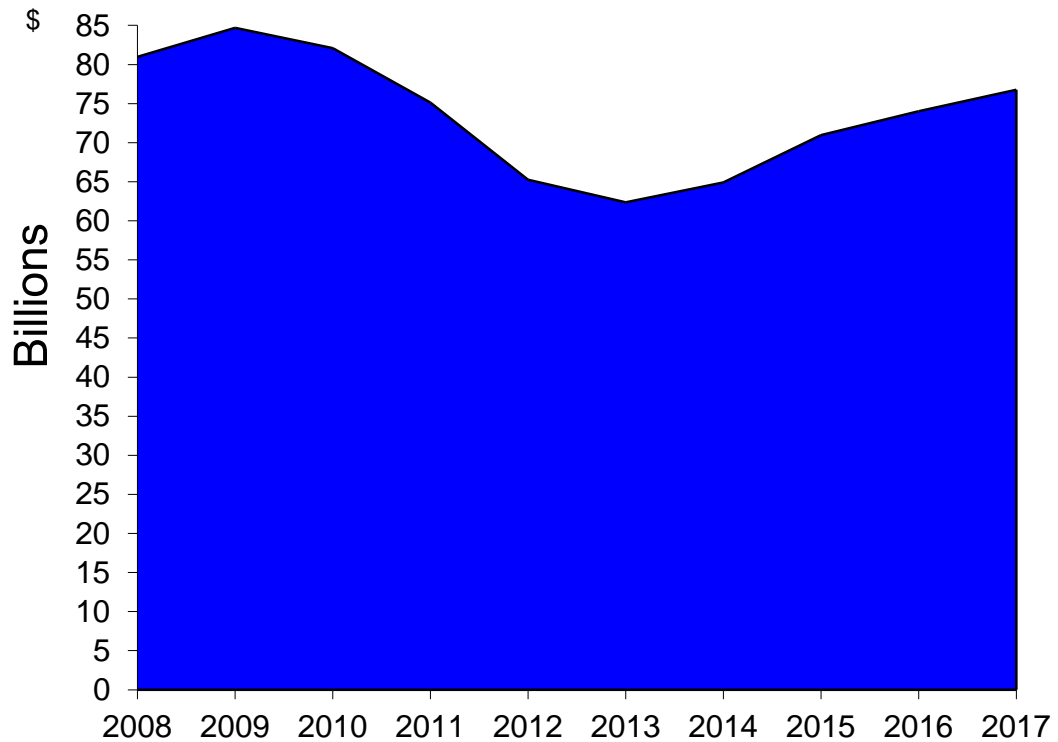


Table 14
CITY OF CHICAGO, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Per \$100 OF EQUALIZED ASSESSED VALUATION
Last Ten Years

Tax Year	City	Chicago School Building and Improvement Fund	Board of Education	Community College District No. 508	Community Chicago Park District
2008	\$ 1.030	\$ 0.117	\$ 2.472	\$ 0.156	\$ 0.323
2009	0.986	0.112	2.366	0.150	0.309
2010	1.016	1.116	2.581	0.151	0.319
2011	1.110	0.119	2.875	0.165	0.346
2012	1.279	0.146	3.422	0.190	0.395
2013	1.344	0.152	3.671	0.199	0.420
2014	1.327	0.146	3.660	0.193	0.415
2015	1.672	0.134	3.455	0.177	0.382
2016	1.752	0.128	3.726	0.169	0.368
2017 (1)	1.770	0.124	3.890	0.164	0.358

Source: Cook County Clerk's Office

NOTE:

(1) 2018 information not available from the Cook County Clerk's Office at time of publication.

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

Tax Year	Total City Tax Extension (2)	Bond, Note Redemption and Interest	Chicago Public Library Bond, Note Redemption and Interest	Policemen's Annuity and Benefit
2008	\$ 834,152	\$ 0.508488	\$ 0.094354	\$ 0.172426
2009	834,109	0.478955	0.091851	0.167552
2010	834,089	0.494109	0.094665	0.170734
2011	833,948	0.542475	0.103443	0.191381
2012	834,636	0.623916	0.119254	0.220459
2013	838,254	0.653302	0.125978	0.221494
2014	861,416	0.659187	0.125228	0.210554
2015	1,186,625	0.602426	0.115391	0.510054
2016	1,296,899	0.575897	0.114343	0.615146
2017 (1)	1,358,882	0.566811	0.110249	0.639138

Source: Cook County Clerk's Office

NOTES:

(1) 2018 information not available from the Cook County Clerk's Office at time of publication.

(2) Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.

Metropolitan Water Reclamation District	Forest Preserve District of Cook County	Cook County	Total
\$ 0.252	\$ 0.051	\$ 0.415	\$ 4.816
0.261	0.049	0.394	4.627
0.274	0.051	0.423	5.931
0.320	0.058	0.462	5.455
0.370	0.063	0.531	6.396
0.417	0.069	0.560	6.832
0.430	0.069	0.568	6.808
0.426	0.069	0.552	6.867
0.406	0.063	0.533	7.145
0.402	0.062	0.496	7.266

Municipal Employees' Annuity and Benefit	Firemen's Annuity and Benefit	Laborers' and Retirement Board Employees' Annuity and Benefit	Total
\$ 0.162182	\$ 0.080787	\$ 0.011763	\$ 1.030
0.153704	0.078184	0.015754	0.986
0.161435	0.078352	0.016705	1.016
0.169036	0.088014	0.015651	1.110
0.197892	0.100313	0.017166	1.279
0.195713	0.130700	0.016813	1.344
0.189848	0.125339	0.016844	1.327
0.175716	0.252815	0.015598	1.672
0.168467	0.263192	0.014955	1.752
0.162434	0.276949	0.014419	1.770

Table 16
CITY OF CHICAGO, ILLINOIS
RATIO OF GENERAL NET BONDED DEBT TO EQUALIZED ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
Last Ten Years
(Amounts are in Thousands of Dollars Except Where Noted)

<u>Tax Year</u>	<u>Population (1)</u>	<u>Equalized Assessed Value (2)</u>	<u>G. O. Bonds (7)</u>	<u>Other G. O. Debt</u>	<u>General Certificates Obligation and Other (7)</u>	<u>Unamortized Premiums (3)</u>
2009	2,896,016	84,685,258	6,051,947	230,263	439,670	-
2010	2,695,598	82,087,170	6,536,596	268,526	574,755	-
2011	2,695,598	75,122,914	6,997,975	198,132	554,015	-
2012	2,695,598	65,250,387	7,244,917	166,460	528,305	-
2013	2,695,598	62,363,876	7,159,396	270,188	501,490	-
2014	2,695,598	64,908,057	7,798,956	-	473,290	129,002
2015	2,695,598	70,963,289	8,562,720	239,131	434,525	87,809
2016	2,695,598	74,016,506	8,551,473	124,263	392,440	91,787
2017	2,695,598	76,765,303	9,197,357	77,203	335,065	51,707
2018	2,695,598	N/A (6)	7,689,895	233,627	211,735	21,546

NOTES:

- (1) Source: U.S. Census Bureau.
- (2) Source: Cook County Clerk's Office.
- (3) Beginning in 2014, the City will present Unamortized Premiums and Capital Appreciation Bonds Accreted Interest amounts applicable to General Obligation Bonds only and Other General Obligation Debt.
- (4) Gross Bonded Debt includes bonds, and notes obligations that are noncurrent.
- (5) Amounts are in dollars.
- (6) N/A means not available at time of publication.
- (7) The balance outstanding at December 31, 2018 listed above for each bond series excluded amounts payable January 1, 2019, if applicable.

<u>Accreted Interest (3)</u>	<u>Total Gross -Net of Premiums & Accretions-Bonded Debt (4)</u>	<u>Less Reserve for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Equalized Assessed Value</u>	<u>Net Bonded Debt Per Capita (5)</u>
-	6,721,880	50,431	6,671,449	7.88	2,303.66
-	7,379,877	58,822	7,321,055	8.92	2,715.93
-	7,750,122	249,355	7,500,767	9.98	2,782.60
-	7,939,682	105,582	7,834,100	12.01	2,906.26
-	7,931,074	16,298	7,914,776	12.69	2,936.19
290,179	8,691,427	99,725	8,591,702	13.24	3,187.31
297,645	9,621,830	232,442	9,389,388	13.23	3,483.23
307,236	9,467,199	285,375	9,181,824	12.41	3,406.23
315,863	9,977,195	249,110	9,728,085	12.67	3,608.88
323,485	8,480,288	112,820	8,367,468	N/A (6)	3,104.12

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

Year Ended December 31,	Principal (2)	Interest and Other Financing Charges (3)	General Obligation Debt Service Expenditures	Governmental Expenditures	Ratio of Debt Service Expenditures to Governmental Expenditures (1)
2009	\$ 380,946	\$ 298,057	\$ 679,003	\$ 6,269,395	10.8 %
2010	336,378	319,423	655,801	6,334,422	10.4
2011	129,303	369,880	499,183	6,621,207	7.5
2012	305,879	475,906	781,785	6,563,846	11.9
2013	218,918	399,794	618,712	6,333,175	9.8
2014	446,749	442,705	889,454	7,172,394	12.4
2015	326,556	501,721	828,277	7,389,669	11.2
2016	574,949	424,489	999,438	7,416,649	13.5
2017	276,565	564,748	841,313	7,345,447	11.5
2018	201,695	520,565	722,260	7,769,276	9.3

(1) The City issued bonds backed by a property tax levy on behalf of Community College District No. 508. The annual debt service related to the bonds was (in thousands) \$35,170 since 2008.

(2) This includes G. O. Bonds, G. O. Notes, G. O. Certificates, G. O. Commercial Paper (CP), G. O. Line of Credit, (LOC), Other G. O. Debt, and City Colleges of Chicago Bonds. For FY 2018 the principal payments for LOC were \$77.2 million.

(3) For FY 2018, interest payments exclude Michael Reese Loan.

Table 18
CITY OF CHICAGO, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
December 31, 2018
(Amounts are in Thousands of Dollars)

	City of Chicago Direct Debt	Net Direct Long-term Debt (1)	Percentage of Overlapping Bonded Debt (2)	Net Debt Applicable
City of Chicago G. O. Bonds and Other G. O. Debt (3) ..	\$ 8,135,257	* \$ 8,135,257 *	100.00 %	\$ 8,135,257
Board of Education (4)		8,409,348	100.00	8,409,348
Chicago Park District (5)		827,500	100.00	827,500
City Colleges of Chicago (6)		321,437	100.00	321,437
Cook County (7)		2,950,122	49.38	1,456,892
Cook County Forest Preserve District (8)		150,960	50.90	76,838
Metropolitan Water Reclamation District of Greater Chicago (9)		2,810,177	51.89	1,458,129
Total Overlapping Debt		<u>15,469,544</u>		<u>12,550,144</u>
Net Direct and Overlapping Long-term Debt		<u>\$ 23,604,801</u>		<u>\$ 20,685,401</u>

* The balance outstanding at December 31, 2018 listed above for each bond series excluded amounts payable January 1, 2019, if applicable.

NOTES:

- (1) Table 18 includes the governmental entities that operate as separate, independent units of government and have the authority to issue bonds and levy taxes on real property within the City of Chicago. The net direct long-term debt amount provided by each entity is comprised solely of the tax-levy supported obligations. Table 18 does not include non-property tax levy backed debt issued by the listed entities.
- (2) Source: Cook County Clerk's Office
- (3) Source: City of Chicago
- (4) Source: Board of Education
- (5) Source: Chicago Park District
- (6) Source: City Colleges of Chicago
- (7) Source: Cook County
- (8) Source: Cook County Forest Preserve District
- (9) Source: Metropolitan Water Reclamation District of Greater Chicago

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Direct Debt	\$ 6,866,270	\$ 7,328,452	\$ 7,628,222	\$ 7,939,682
Overlapping Debt	<u>8,539,070</u>	<u>9,158,243</u>	<u>9,877,084</u>	<u>10,384,421</u>
Total Debt	<u>\$ 15,405,340</u>	<u>\$ 16,486,695</u>	<u>\$ 17,505,306</u>	<u>\$ 18,324,103</u>
Equalized				
Assessed Valuation (1)	\$ 84,685,258	\$ 82,087,170	\$ 75,122,914	\$ 65,250,387
Direct Debt Burden (2)	8.48%	8.65%	9.29%	10.57%
Total Debt Burden (2)	19.02%	19.47%	21.33%	24.39%
Estimated Fair Market				
Value (FMV) (5)	\$ 280,288,730	\$ 231,986,397	\$ 222,856,064	\$ 206,915,723
% of Direct Debt to FMV	2.45%	3.16%	3.42%	3.84%
% of Total Direct Debt to FMV	5.50%	7.11%	7.85%	8.86%
Population (3)	2,896,016	2,695,598	2,695,598	2,695,598
Direct Debt Per Capita (4)	\$ 2,370.94	\$ 2,718.67	\$ 2,829.88	\$ 2,945.43
Total Debt Per Capita (4)	5,319.49	6,116.15	6,494.03	6,797.79

NOTES:

- (1) Source: Cook County Clerk's Office. Excludes portion of City in DuPage County and exemptions.
- (2) Source: The Civic Federation.
- (3) Source: U.S. Census Bureau.
- (4) Amounts are in dollars.
- (5) N/A means not available at time of publication.

2013	2014	2015	2016	2017	2018
\$ 7,670,298	\$ 8,339,626	\$ 9,041,892	\$ 8,943,914	\$ 9,609,625	\$ 8,135,257
10,338,490	10,113,429	10,397,181	11,232,989	12,407,225	12,550,144
<u>\$ 18,008,788</u>	<u>\$ 18,453,055</u>	<u>\$ 19,439,073</u>	<u>\$ 20,176,903</u>	<u>\$ 22,016,850</u>	<u>\$ 20,685,401</u>
\$ 62,363,876	\$ 64,908,057	\$ 70,963,289	\$ 74,016,506	\$ 76,765,303	\$ N/A (5)
11.76%	13.37%	13.93%	12.60%	12.98%	10.60%
27.60%	29.59%	29.95%	28.43%	29.75%	26.95%
\$ 236,695,475	\$ 255,639,792	\$ 278,027,604	\$ 293,121,793	\$ N/A (5)	\$ N/A (5)
3.24%	3.26%	3.25%	3.05%	N/A (5)	N/A (5)
7.61%	7.22%	6.99%	6.88%	N/A (5)	N/A (5)
2,695,598	2,695,598	2,695,598	2,695,598	2,695,598	2,695,598
\$ 2,845.49	\$ 3,093.79	\$ 3,354.32	\$ 3,317.97	\$ 3,564.93	\$ 3,017.98
6,680.81	6,845.63	7,211.41	7,485.13	8,167.71	7,673.77

Table 20
CITY OF CHICAGO, ILLINOIS
REVENUE BOND COVERAGE
Last Ten Years Ended December 31, 2018
(Amounts are in Thousands of Dollars Except Where Noted)

Proprietary Funds								
Year	Gross Revenues (1)	Operating Expense (2)	Other Available Funds (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2009	\$ 1,516,939	\$ 887,676	\$ 41,021	\$ 670,284	\$ 216,841	\$ 369,379	\$ 586,220	1.14
2010	1,768,225	911,935	10,370	866,660	220,124	379,185	599,309	1.45
2011	1,767,722	937,233	61,202	891,691	166,825	306,916	473,741	1.88
2012	1,935,020	967,517	83,050	1,050,553	209,298	479,277	688,575	1.53
2013	2,020,371	969,551	211,531	1,262,351	277,225	494,226	771,451	1.64
2014 *	2,306,308	1,042,605	280,251	1,543,954	290,340	569,475	859,815	1.80
2015 *	2,391,485	1,054,949	344,579	1,681,115	336,960	570,523	907,483	1.85
2016 *	2,531,472	1,112,868	555,170	1,973,774	417,727	579,779	997,506	1.98
2017 *	2,622,659	1,215,210	649,204	2,056,653	455,434	610,727	1,066,161	1.93
2018 *	2,737,216	1,274,961	673,284	2,135,539	479,051	611,825	1,090,876	1.96

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

Tax Increment Financing Funds								
Year	Gross Revenues (1)	Operating Expense (2)	Net Revenue Available for Debt (4)	Debt Service Requirements			Coverage	
				Principal	Interest	Total		
2009	\$ 495,588	\$ 185,947	\$ 309,641	\$ 37,000	\$ 28,740	\$ 65,740	4.71	
2010	474,390	229,266	245,124	36,535	28,431	64,966	3.77	
2011	544,415	266,916	277,499	44,290	31,796	76,086	3.65	
2012	487,495	361,783	125,712	43,025	29,136	72,161	1.74	
2013	427,287	334,414	92,873	51,194	27,721	78,915	1.18	
2014	410,018	567,079	(157,061)	69,912	30,963	100,875	(1.56)	
2015	366,264	349,066	17,198	37,070	24,089	61,159	0.28	
2016	493,399	376,482	116,917	58,090	18,561	76,651	1.53	
2017	514,992	437,313	77,679	60,825	16,161	76,986	1.01	
2018	684,101	444,928	239,173	129,060	13,639	142,699	1.68	

Table 20 - Concluded
CITY OF CHICAGO, ILLINOIS
REVENUE BOND COVERAGE
Last Ten Years Ended December 31, 2018
(Amounts are in Thousands of Dollars Except Where Noted)

Motor Fuel Tax Funds						
Year	Net Revenue Available for Debt Service (4)	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2009	\$ 55,625	\$ 5,000	\$ 10,618	\$ 15,618	3.56	
2010	55,209	5,270	10,332	15,602	3.54	
2011	52,567	5,550	9,996	15,546	3.38	
2012	53,421	5,850	9,840	15,690	3.40	
2013	52,405	6,165	9,453	15,618	3.36	
2014	53,772	5,915	6,642	12,557	4.28	
2015	49,048	5,045	9,356	14,401	3.41	
2016	51,626	4,085	10,207	14,292	3.61	
2017	51,581	4,295	10,805	15,100	3.42	
2018	51,557	4,515	10,895	15,410	3.35	

NOTES:

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

Table 21
CITY OF CHICAGO, ILLINOIS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Years Ended December 31, 2018
(Amounts are in Thousands of Dollars Except Where Noted)

Year	Governmental Funds						
	Net General Obligation Debt (4)	Tax Increment Allocation Bonds and Notes	Motor Fuel Revenue and Sales Tax Securitization Corporation (4)	Installment Purchase Agreement	Capital Leases	Water Revenue Bonds	Chicago O'Hare International Airport Customer Facility Charge Revenue Bonds
2009	\$ 6,721,880	\$ 179,871	\$ 559,417	\$ 3,500	\$ 169,282	\$ 1,424,319	\$ -
2010	7,379,877	156,881	553,702	1,200	177,011	1,711,615	-
2011	7,750,122	125,201	770,312	-	166,787	1,677,851	-
2012	7,939,682	106,241	753,162	-	163,012	1,988,655	-
2013	7,931,074	80,127	735,122	-	171,673	1,954,020	248,750
2014	8,272,246	69,995	725,395	-	116,858	2,381,770	248,750
2015	9,236,376	60,660	735,882	-	-	2,391,395	248,750
2016	9,068,176	33,520	748,748	-	-	2,468,397	248,750
2017	9,609,625	27,925	993,664	-	-	2,401,005	248,750
2018	8,135,257	19,945	2,281,849	-	-	2,457,341	244,025

NOTES:

- (1) See Table 13 for Estimated Fair Market Value
- (2) Amounts in Dollars
- (3) 2018 information not available at time of publication.
- (4) The balance outstanding at December 31, 2018 listed above for each bond series excluded amounts payable January 1, 2019, if applicable.

Proprietary Fund Revenue Bonds

Chicago O'Hare International Airport Other Debt	Chicago O'Hare International Airport Revenue Bonds	Chicago O'Hare International Airport Passenger Facility Charge Revenue Bonds	Chicago Midway Airport Revenue Bonds	Wastewater Transmission Revenue Bonds	Total Primary Government	Ratio of Bonded Debt to Estimated Fair Market Value (1)	Per Capita (2)
\$ -	\$ 5,092,010	\$ 709,200	\$ 1,246,190	\$ 878,875	\$ 16,984,544	5.46	\$ 5,864.80
-	5,647,115	816,110	1,465,495	1,100,800	19,009,806	6.78	7,052.17
-	6,481,960	797,769	1,439,185	1,084,224	20,293,411	8.75	7,528.35
-	6,270,770	750,706	1,383,215	1,334,918	20,690,361	9.28	7,675.61
-	6,563,780	683,780	1,470,343	1,333,984	21,172,653	10.23	7,854.53
-	6,406,710	682,271	1,506,325	1,602,175	22,012,495	9.30	8,166.09
-	6,586,490	631,245	1,506,325	1,686,178	23,083,301	9.03	8,563.33
12,098	6,404,030	595,630	1,781,605	1,692,820	23,053,774	7.86	8,552.38
274,140	7,564,355	558,635	1,755,835	1,861,381	25,295,315	8.63	9,383.93
258,150	9,296,015	519,790	1,713,485	1,893,561	26,819,418	N/A (3)	9,949.34

Table 22
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE REQUIREMENTS FOR GENERAL LONG-TERM DEBT (1)
December 31, 2018

Year Ended Dec. 31,	General Obligation Debt (2)		Motor Fuel Tax Revenue Bonds		Sales Tax Securitization Corporation Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019 ...	\$ 160,745,064	\$ 405,255,611	\$ 4,972,175	\$ 10,637,136	\$ 3,000,000	\$ 89,442,135
2020 ...	225,323,282	469,623,038	5,352,284	10,404,012	3,150,000	89,292,135
2021 ...	286,915,604	458,743,513	5,757,067	10,140,634	41,805,000	89,134,635
2022 ...	274,899,764	450,645,745	6,186,524	9,863,730	48,610,000	87,332,865
2023 ...	277,229,683	438,188,102	6,645,655	9,563,457	50,635,000	85,304,511
2024 ...	306,930,192	425,103,841	7,129,134	9,255,860	52,775,000	83,167,625
2025 ...	274,043,971	410,912,171	7,656,961	8,914,045	55,035,000	80,911,161
2026 ...	261,506,163	398,167,854	8,214,462	8,553,586	57,415,000	78,528,747
2027 ...	266,164,720	379,331,855	8,796,311	8,164,698	60,485,000	76,023,634
2028 ...	288,764,806	372,827,291	9,402,833	7,762,155	63,280,000	73,366,305
2029 ...	333,699,515	356,176,146	9,966,638	7,321,237	66,080,000	70,570,385
2030 ...	323,687,520	342,045,963	10,656,857	6,859,255	68,605,000	67,544,205
2031 ...	377,278,596	323,013,149	11,386,423	6,363,857	71,760,000	64,383,806
2032 ...	422,393,762	284,621,331	12,150,337	5,848,279	75,090,000	61,059,072
2033 ...	481,341,194	260,343,132	13,458,273	5,288,996	69,600,000	57,605,107
2034 ...	501,992,377	231,749,721	14,330,557	4,673,919	72,745,000	54,457,241
2035 ...	535,967,607	199,341,942	15,261,863	4,018,381	76,045,000	51,163,021
2036 ...	582,171,559	168,556,196	16,237,517	3,332,311	53,235,000	47,702,715
2037 ...	401,732,925	134,171,306	17,281,867	2,595,513	55,465,000	45,472,566
2038 ...	258,571,380	110,120,734	3,569,687	1,817,206	82,045,000	43,146,319
2039 ...	258,930,000	64,312,976	3,937,297	1,695,996	85,645,000	39,557,124
2040 ...	287,270,000	48,078,557	4,324,255	1,569,382	89,140,000	35,805,968
2041 ...	304,155,000	31,168,580	4,749,909	1,423,225	92,945,000	32,005,656
2042 ...	101,745,000	13,254,033	5,194,910	1,265,054	96,920,000	28,039,106
2043 ...	108,170,000	6,829,854	5,369,041	1,090,559	99,735,000	23,898,720
2044 ...	-	-	5,862,413	914,532	104,160,000	19,531,773
2045 ...	-	-	6,394,480	718,056	108,775,000	14,967,568
2046 ...	-	-	6,955,569	505,119	113,605,000	10,197,542
2047 ...	-	-	8,213,182	273,122	118,650,000	5,211,937
	<u>\$ 7,901,629,684</u>	<u>\$ 6,782,582,641</u>	<u>\$ 245,414,481</u>	<u>\$ 150,833,312</u>	<u>\$ 2,036,435,000</u>	<u>\$ 1,604,823,584</u>

NOTE:

(1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2019, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.

(2) Amounts above exclude the Line of Credit.

Tax Increment and Special Service Area Bonds		Totals		Year Ended
Principal	Interest	Principal	Interest	December 31,
\$ 3,750,000	\$ 875,173	\$ 172,467,239	\$ 506,210,055	..... 2019
4,135,000	706,375	237,960,566	570,025,560	..... 2020
4,375,000	493,625	338,852,671	558,512,407	..... 2021
7,685,000	192,125	337,381,288	548,034,465	..... 2022
-	-	334,510,338	533,056,070	..... 2023
-	-	366,834,326	517,527,326	..... 2024
-	-	336,735,932	500,737,377	..... 2025
-	-	327,135,625	485,250,187	..... 2026
-	-	335,446,031	463,520,187	..... 2027
-	-	361,447,639	453,955,751	..... 2028
-	-	409,746,153	434,067,768	..... 2029
-	-	402,949,377	416,449,423	..... 2030
-	-	460,425,019	393,760,812	..... 2031
-	-	509,634,099	351,528,682	..... 2032
-	-	564,399,467	323,237,235	..... 2033
-	-	589,067,934	290,880,881	..... 2034
-	-	627,274,470	254,523,344	..... 2035
-	-	651,644,076	219,591,222	..... 2036
-	-	474,479,792	182,239,385	..... 2037
-	-	344,186,067	155,084,259	..... 2038
-	-	348,512,297	105,566,096	..... 2039
-	-	380,734,255	85,453,907	..... 2040
-	-	401,849,909	64,597,461	..... 2041
-	-	203,859,910	42,558,193	..... 2042
-	-	213,274,041	31,819,133	..... 2043
-	-	110,022,413	20,446,305	..... 2044
-	-	115,169,480	15,685,624	..... 2045
-	-	120,560,569	10,702,661	..... 2046
-	-	126,863,182	5,485,059	..... 2047
<u>\$ 19,945,000</u>	<u>\$ 2,267,298</u>	<u>\$ 10,203,424,165</u>	<u>\$ 8,540,506,835</u>	

Table 23
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION DEBT (1)
December 31, 2018

Year Ended Dec. 31,	General Obligation Bonds (3)		Alternative Revenue Bonds (2)		Other General Obligation Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2019 . . .	\$ 107,458,700	\$ 391,552,675	\$ 40,050,000	\$ 11,236,975	\$ 13,236,364	\$ 2,465,961
2020 . . .	166,941,918	458,472,194	45,145,000	9,154,448	13,236,364	1,996,396
2021 . . .	234,829,240	450,379,732	38,850,000	6,837,601	13,236,364	1,526,180
2022 . . .	219,163,400	444,810,189	42,500,000	4,779,266	13,236,364	1,056,290
2023 . . .	242,808,319	435,061,807	21,185,000	2,539,898	13,236,364	586,397
2024 . . .	285,617,012	423,499,309	14,695,000	1,487,702	6,618,180	116,830
2025 . . .	268,233,971	410,164,483	5,810,000	747,688	-	-
2026 . . .	255,036,163	397,715,692	6,470,000	452,162	-	-
2027 . . .	265,489,720	379,211,701	675,000	120,154	-	-
2028 . . .	288,049,806	372,743,344	715,000	83,947	-	-
2029 . . .	332,849,515	356,130,552	850,000	45,594	-	-
2030 . . .	323,687,520	342,045,963	-	-	-	-
2031 . . .	377,278,596	323,013,149	-	-	-	-
2032 . . .	422,393,762	284,621,331	-	-	-	-
2033 . . .	481,341,194	260,343,132	-	-	-	-
2034 . . .	501,992,377	231,749,721	-	-	-	-
2035 . . .	535,967,607	199,341,942	-	-	-	-
2036 . . .	582,171,559	168,556,196	-	-	-	-
2037 . . .	401,732,925	134,171,306	-	-	-	-
2038 . . .	258,571,380	110,120,734	-	-	-	-
2039 . . .	258,930,000	64,312,976	-	-	-	-
2040 . . .	287,270,000	48,078,557	-	-	-	-
2041 . . .	304,155,000	31,168,580	-	-	-	-
2042 . . .	101,745,000	13,254,033	-	-	-	-
2043 . . .	108,170,000	6,829,854	-	-	-	-
	<u>\$ 7,611,884,684</u>	<u>\$ 6,737,349,152</u>	<u>\$ 216,945,000</u>	<u>\$ 37,485,435</u>	<u>\$ 72,800,000</u>	<u>\$ 7,748,054</u>

NOTE:

- (1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2019, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.
- (2) Alternative Revenue Bonds include General Obligation Bonds (Emergency Telephone System), Series 1999 and Series 2004, and General Obligation Bonds (Modern Schools Across Chicago Program) Series 2007B/G/K and 2010A/B.
- (3) Amounts above exclude the Line of Credit.

Totals		
Principal	Interest	Total
\$ 160,745,064	\$ 405,255,611	\$ 566,000,675
225,323,282	469,623,038	694,946,320
286,915,604	458,743,513	745,659,117
274,899,764	450,645,745	725,545,509
277,229,683	438,188,102	715,417,785
306,930,192	425,103,841	732,034,033
274,043,971	410,912,171	684,956,142
261,506,163	398,167,854	659,674,017
266,164,720	379,331,855	645,496,575
288,764,806	372,827,291	661,592,097
333,699,515	356,176,146	689,875,661
323,687,520	342,045,963	665,733,483
377,278,596	323,013,149	700,291,745
422,393,762	284,621,331	707,015,093
481,341,194	260,343,132	741,684,326
501,992,377	231,749,721	733,742,098
535,967,607	199,341,942	735,309,549
582,171,559	168,556,196	750,727,755
401,732,925	134,171,306	535,904,231
258,571,380	110,120,734	368,692,114
258,930,000	64,312,976	323,242,976
287,270,000	48,078,557	335,348,557
304,155,000	31,168,580	335,323,580
101,745,000	13,254,033	114,999,033
108,170,000	6,829,854	114,999,854
<u>\$ 7,901,629,684</u>	<u>\$ 6,782,582,641</u>	<u>\$ 14,684,212,325</u>

Table 24
CITY OF CHICAGO, ILLINOIS
DEBT SERVICE REQUIREMENTS FOR PROPRIETARY FUNDS (1)
December 31, 2018

Year Ended December 31,	Water Revenue Bonds		Wastewater Transmission Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 97,009,350	\$ 119,889,257	\$ 62,346,197	\$ 87,651,956
2020	95,981,646	116,090,744	60,322,139	92,302,203
2021	97,814,397	106,712,242	60,343,886	92,318,279
2022	101,960,427	102,470,113	62,490,640	90,223,579
2023	105,724,193	98,006,478	64,895,824	87,863,914
2024	110,672,926	93,303,807	67,400,949	85,398,041
2025	119,869,105	88,514,608	80,371,506	72,528,830
2026	125,681,563	83,092,786	64,820,250	87,995,982
2027	131,538,520	77,265,147	67,132,823	85,686,377
2028	124,973,257	71,089,427	69,499,035	83,229,009
2029	130,200,929	65,384,850	77,041,631	60,503,146
2030	131,746,692	59,406,808	80,579,302	56,856,875
2031	103,390,707	53,395,093	83,739,197	52,986,208
2032	96,044,949	48,664,245	87,338,930	48,874,022
2033	99,417,550	44,330,891	89,626,929	44,559,737
2034	103,394,036	39,848,239	93,269,756	40,057,217
2035	102,110,599	35,187,424	96,514,125	35,345,915
2036	101,790,634	30,431,230	95,751,783	30,374,609
2037	96,160,108	25,592,878	89,116,067	25,427,211
2038	89,934,305	20,897,118	91,070,260	20,507,032
2039	77,395,000	15,946,126	82,835,000	15,662,130
2040	81,035,000	11,415,897	65,230,000	11,426,161
2041	43,530,000	6,674,750	38,275,000	8,599,863
2042	45,705,000	4,498,250	40,180,000	6,672,269
2043	21,590,000	2,213,000	24,685,000	5,067,325
2044	22,670,000	1,133,500	25,945,000	3,801,575
2045	-	-	7,720,000	2,959,950
2046	-	-	8,105,000	2,564,325
2047	-	-	8,510,000	2,148,950
2048	-	-	8,935,000	1,757,500
2049	-	-	9,295,000	1,392,900
2050	-	-	9,665,000	1,013,700
2051	-	-	10,055,000	619,300
2052	-	-	10,455,000	209,100
2053	-	-	-	-
2054	-	-	-	-
	<u>\$ 2,457,340,893</u>	<u>\$ 1,421,454,908</u>	<u>\$ 1,893,561,229</u>	<u>\$ 1,344,585,190</u>

NOTE:

1) For variable rate debt, interest has been calculated at the rate in effect or effective rate of a Swap Agreement, if applicable, as of December 31, 2018. Amounts above exclude Commercial Paper and Line of Credit issues as the timing of payments is not certain.

Chicago-O'Hare International Airport and Chicago Midway International Airport Bonds		Totals		Total	Year Ended December 31,
Principal	Interest	Principal	Interest		
\$ 327,515,000	\$ 536,726,087	\$ 486,870,547	\$ 744,267,300	\$ 1,231,137,847	..... 2019
324,900,000	562,868,201	481,203,785	771,261,148	1,252,464,933	..... 2020
289,890,000	547,845,689	448,048,283	746,876,210	1,194,924,493	..... 2021
311,955,000	532,903,141	476,406,067	725,596,833	1,202,002,900	..... 2022
311,475,000	517,343,299	482,095,017	703,213,691	1,185,308,708	..... 2023
354,560,000	500,719,300	532,633,875	679,421,148	1,212,055,023	..... 2024
378,723,396	482,467,547	578,964,007	643,510,985	1,222,474,992	..... 2025
392,166,656	463,296,841	582,668,469	634,385,609	1,217,054,078	..... 2026
411,419,916	443,345,048	610,091,259	606,296,572	1,216,387,831	..... 2027
420,689,806	422,866,880	615,162,098	577,185,316	1,192,347,414	..... 2028
414,229,695	402,232,242	621,472,255	528,120,238	1,149,592,493	..... 2029
432,064,586	381,092,643	644,390,580	497,356,326	1,141,746,906	..... 2030
452,574,476	358,888,089	639,704,380	465,269,390	1,104,973,770	..... 2031
470,669,366	335,828,081	654,053,245	433,366,348	1,087,419,593	..... 2032
498,040,071	312,103,393	687,084,550	400,994,021	1,088,078,571	..... 2033
514,605,776	288,408,859	711,269,568	368,314,315	1,079,583,883	..... 2034
555,751,481	263,992,188	754,376,205	334,525,527	1,088,901,732	..... 2035
369,418,002	242,884,128	566,960,419	303,689,967	870,650,386	..... 2036
392,108,706	222,177,347	577,384,881	273,197,436	850,582,317	..... 2037
411,515,226	200,442,556	592,519,791	241,846,706	834,366,497	..... 2038
431,706,746	177,788,329	591,936,746	209,396,585	801,333,331	..... 2039
340,889,081	157,156,837	487,154,081	179,998,895	667,152,976	..... 2040
300,996,417	140,967,319	382,801,417	156,241,932	539,043,349	..... 2041
224,279,566	128,981,257	310,164,566	140,151,776	450,316,342	..... 2042
234,836,901	119,185,007	281,111,901	126,465,332	407,577,233	..... 2043
229,330,052	109,274,271	277,945,052	114,209,346	392,154,398	..... 2044
172,734,017	100,406,801	180,454,017	103,366,751	283,820,768	..... 2045
188,078,958	91,559,121	196,183,958	94,123,446	290,307,404	..... 2046
154,381,073	83,214,968	162,891,073	85,363,918	248,254,991	..... 2047
162,009,003	75,503,469	170,944,003	77,260,969	248,204,972	..... 2048
482,988,564	60,615,558	492,283,564	62,008,458	554,292,022	..... 2049
171,473,124	45,650,417	181,138,124	46,664,117	227,802,241	..... 2050
179,683,499	37,379,883	189,738,499	37,999,183	227,737,682	..... 2051
188,304,689	28,710,809	198,759,689	28,919,909	227,679,598	..... 2052
116,036,694	21,659,127	116,036,694	21,659,127	137,695,821	..... 2053
419,464,514	9,522,753	419,464,514	9,522,753	428,987,267	..... 2054
<u>\$ 12,031,465,057</u>	<u>\$ 9,406,007,485</u>	<u>\$ 16,382,367,179</u>	<u>\$ 12,172,047,583</u>	<u>\$ 28,554,414,762</u>	

Table 25
CITY OF CHICAGO, ILLINOIS
LONG-TERM DEBT
December 31, 2018

Long-term debt is comprised of the following issues at December 31, 2018 (dollars in thousands):

	Original Principal	Outstanding at December 31, 2018
General Long-term Debt:		
General Obligation Debt:		
General Obligation Bonds (1):		
Refunding Series of 1993 B - 4.25% to 5.125%	\$ 153,280	\$ 11,775
* Emergency Telephone System Refunding Series 1999 - 4.5% to 5.5%	213,110	57,615
City Colleges of Chicago Capital Improvement Project Series 1999 - 6.0%	308,964	113,726
Project Series 2000 A - 4.85% to 6.75%	254,293	7,403
Neighborhoods Alive 21 Program Series 2002 B - 5.0% to 5.5%	176,200	156,155
Project and Refunding Series 2003 B - 5.0% to 5.5%	170,090	127,005
* Emergency Telephone System Series 2004 - 3.0% to 6.09%	64,665	20,395
Project and Refunding Series 2005 D - 5.5%	174,005	174,005
Direct Access Bonds, Series 2005 - 2.85% to 4.5%	114,695	48,864
Project and Refunding Series 2006 A - 3.5% to 5.0%	582,435	67,785
Project and Refunding Series 2007 A and B - 3.75% to 5.462%	589,590	327,970
City Colleges of Chicago Capital Improvement Project Series 2007 - 4.0% to 5.0%	39,110	31,125
Project and Refunding Series 2007 C and D - 4.0% to 5.44%	330,890	140,910
Project and Refunding Series 2007 E through G - 5.5%	153,700	153,700
Project and Refunding Series 2008 B - 3.742% to 5.765%	122,755	90,215
Project and Refunding Series 2008 C through E - 1.0% to 6.05%	611,017	267,227
Project and Refunding Series 2009 A through D - 4.0% to 6.257%	793,275	753,430
Project Series 2010 B - 7.517%	213,555	213,555
Project Series 2010 C-1 - 7.781%	299,340	299,340
Project Series 2011 A and B - 4.625% to 6.034%	416,345	416,345
Project Series 2012 A through C - 4.0% to 5.432%	594,850	594,850
Project and Refunding Series 2014 A and B - 4.0% to 6.314%	883,420	877,835
General Obligation Series 2015 A and B - 5.0% to 7.75%	1,088,390	1,078,405
Refunding Series 2015C - 5.0%	500,000	500,000
Project and Refunding Series 2017 A and B - 5.625% to 7.045%	1,160,260	1,160,260
Total General Obligation Bonds	<u>10,008,234</u>	<u>7,689,895</u>

* Secured by alternate revenues.

Table 25 - Continued
CITY OF CHICAGO, ILLINOIS
LONG-TERM DEBT
December 31, 2018

	Original Principal	Outstanding at December 31, 2018
Line of Credit:		
Line of Credit - Variable Rate (3.55% to 4.5316% at December 31, 2018)	\$ 233,627	\$ 233,627
Total Line of Credit	<u>233,627</u>	<u>233,627</u>
Total General Obligation Bonds and Notes	<u>10,241,861</u>	<u>7,923,522</u>
General Obligation Certificates and Other Obligations (1):		
* Modern Schools Across Chicago Program - Series 2007 B, G and K - 3.6% to 5.0%	107,215	41,480
* Modern Schools Across Chicago Program - Series 2010 A and B - 3.0% to 5.364%	150,115	97,455
** MRL Financing LLC Promissory Note - 3.55%	72,800	72,800
Total General Obligation Certificates and Other Obligations	<u>330,130</u>	<u>211,735</u>
Total General Obligation Debt	<u>10,571,991</u>	<u>8,135,257</u>
Tax Increment Allocation Bonds and Notes (1):		
Pilsen Redevelopment Project - Series 2014 A and B - 0.95% to 5.0%	33,410	19,945
Total Tax Increment Allocation Bonds and Notes	<u>33,410</u>	<u>19,945</u>
Motor Fuel Tax Revenue Bonds (1):		
Motor Fuel Tax Revenue Bonds - Series 2008 A - 4.0% to 5.0%	62,900	61,645
Motor Fuel Tax Revenue Bonds - Series 2013 - 2.0% to 5.0%	105,895	87,030
Motor Fuel Tax Revenue Bonds - Riverwalk TIFIA Loan - 3.33%	96,739	96,739
Total Motor Fuel Tax Revenue Bonds	<u>265,534</u>	<u>245,414</u>
Sales Tax Securitization Corporation Bonds (1):		
Sales Tax Securitization Corporation Bonds - Series 2017 A through C - 2.596% to 5.0%	743,735	743,735
Sales Tax Securitization Corporation Bonds - Series 2018 A and B - 3.82% to 5.0%	680,280	680,280
Sales Tax Securitization Corporation Bonds - Series 2018 C - 5.0% to 5.5%	612,420	612,420
Total Sales Tax Securitization Corporation Bonds	<u>2,036,435</u>	<u>2,036,435</u>
Total General Long-term Debt	<u>\$ 12,907,370</u>	<u>\$ 10,437,051</u>

* Secured by alternate revenues.

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

NOTE: (1) The balance outstanding at December 31, 2018 listed above for each bond series excluded amounts payable January 1, 2019, if applicable.

Proprietary Fund Revenue Bonds:

Water Revenue Bonds:

Series 2000 - 2nd Lien - 5.0%	\$ 100,000	\$ 100,000
Series 2000 - Sr Lien 4.375% to 5.875%	156,819	4,611
Series 2001 - 2nd Lien 3.0% to 5.75%	81,500	80,630
Series 2004 - 2nd Lien - 2.0% to 5.0%	344,575	316,025
Series 2008 - 2nd Lien - 4.0% to 5.25%	549,915	74,115
Series 2010 - 2nd Lien - 2.0% to 6.742%	313,580	300,355
Series 2012 - 2nd Lien - 4.0% to 5.0%	399,445	375,290
Series 2014 - 2nd Lien - 3.0% to 5.0%	367,925	344,380
Series 2016 - 2nd Lien - 4.0% to 5.0%	59,595	59,595
Series 2017 - 2nd Lien - 5.0% to 5.25%	199,355	188,195

Table 25 - Continued
CITY OF CHICAGO, ILLINOIS
LONG-TERM DEBT
December 31, 2018

	Original Principal	Outstanding at December 31, 2018
Proprietary Fund Revenue Bonds - Continued		
Water Revenue Bonds - Concluded:		
Series 2017 - 2 - 2nd Lien -5.0%	\$ 235,260	\$ 232,260
Illinois Environmental Protection Agency Loan - 2.905%	3,605	911
Illinois Environmental Protection Agency Loan - 2.57%	2,643	1,116
Illinois Environmental Protection Agency Loan - 1.25%	6,000	4,068
Illinois Environmental Protection Agency Loan - 0.00%	9,077	5,927
Illinois Environmental Protection Agency Loan - 1.25%	1,528	1,133
Illinois Environmental Protection Agency Loan - 1.25%	1,502	1,115
Illinois Environmental Protection Agency Loan - 1.25%	6,092	4,521
Illinois Environmental Protection Agency Loan - 2.29%	6,542	5,319
Illinois Environmental Protection Agency Loan - 1.93%	39,422	32,764
Illinois Environmental Protection Agency Loan - 1.93%	15,000	12,495
Illinois Environmental Protection Agency Loan - 1.93%	47,000	40,128
Illinois Environmental Protection Agency Loan - 1.995%	15,058	13,103
Illinois Environmental Protection Agency Loan - 2.21%	62,179	57,146
Illinois Environmental Protection Agency Loan - 1.995%	44,334	42,628
Illinois Environmental Protection Agency Loan -1.86 %	19,584	18,100
Illinois Environmental Protection Agency Loan -1.86 %	81,147	79,412
Illinois Environmental Protection Agency Loan -1.86 %	40,782	39,936
Illinois Environmental Protection Agency Loan -1.64 %	22,491	22,063
Total Water Revenue Bonds	<u>3,231,955</u>	<u>2,457,341</u>
Chicago-O'Hare International Airport Bonds:		
Chicago-O'Hare International Airport Revenue Bonds:		
Series of 2004 F and G - 3rd Lien - 5.3% to 5.35%	29,360	29,360
Series of 2005 C and D - 3rd Lien - Variable Rate (1.76% and 1.78% at Dec. 31, 2018)	300,000	240,600
Series of 2010 A through D and F - 3rd Lien - 3.0% to 6.845%	992,625	886,295
Series of 2011 A and B - 3rd Lien - 3.0% to 6.0%	716,075	134,800
Refunding Series of 2012 A and B - Senior Lien - 1.0% to 5.0%	722,495	397,425
Refunding Series of 2013 A and B - Senior Lien - 2.0% to 5.25%	501,785	419,135
Series of 2013 C and D - Senior Lien - 3.0% to 5.5%	396,120	388,895
Refunding Series of 2015 A and B - Senior Lien - 2.0% to 5.0%	1,620,180	1,591,885
Series of 2015 C and D - Senior Lien - 3.625% to 5.0%	327,200	327,200
Refunding Series of 2016 A through C - Senior Lien - 3.0% to 5.0%	1,014,335	939,790
Series of 2016 D through G - Senior Lien - 2.00% to 5.25%	1,117,250	1,115,355
Refunding Series of 2017 A through C - Senior Lien - 3.125% to 5.0%	534,420	534,320
Series of 2017 D - Senior Lien - 5.0%	278,075	278,075
Refunding Series of 2018 A - Senior Lien - 4.0% to 5.0%	600,785	600,785
Series of 2018 B and C - Senior Lien - 4.0% to 5.0%	1,412,095	1,412,095
Total Chicago-O'Hare International Airport Revenue Bonds	<u>10,562,800</u>	<u>9,296,015</u>
Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds:		
Series of 2013 A - Senior Lien - 3.0% to 5.75%	248,750	244,025
Total Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds	<u>248,750</u>	<u>244,025</u>

Table 25 - Continued
CITY OF CHICAGO, ILLINOIS
LONG-TERM DEBT
December 31, 2018

	Original Principal	Outstanding at December 31, 2018
Proprietary Fund Revenue Bonds - Continued:		
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds:		
Refunding Series of 2010 A through D - 2.0% to 6.395%	\$ 137,665	\$ 126,835
Refunding Series of 2011 A and B - 5.0% to 6.0%	46,005	7,775
Refunding Series of 2012 A and B - 2.5% to 5.0%	452,095	385,180
Total Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds	<u>635,765</u>	<u>519,790</u>
Chicago-O'Hare International Airport TIFIA Loan:		
TIFIA Loan - 3.86%	258,150	258,150
Total Chicago-O'Hare International Airport TIFIA Loan	<u>258,150</u>	<u>258,150</u>
Chicago Midway International Airport Revenue Bonds:		
Series 1998 C - 5.25% to 5.5%	54,210	22,660
Series 2004 C and D - 2nd Lien - 4.174% to 4.274%	152,150	122,850
Refunding Series 2013 A through C - 2nd Lien - .74% to 5.5%	333,960	294,330
Series 2014 A through B - 2nd Lien - 4.0% to 5.0%	771,810	771,810
Refunding Series 2014C - Variable Rate (1.85% at December 31, 2018)	124,710	124,710
Series 2016 A through B - 2nd Lien - 2.0% to 5.0%	342,395	331,455
Refunding Series 2018 A - 2nd Lien - 2.937% to 3.897%	45,670	45,670
Total Chicago Midway International Airport Revenue Bonds	<u>1,824,905</u>	<u>1,713,485</u>
Wastewater Transmission Revenue Bonds:		
Refunding Series 1998 A Sr Lien - 4.55% to 5.0%	62,423	35,168
Series 2001 - Refunding - 2nd Lien - 4.0% to 5.5%	73,100	46,775
Series 2008 A - 2nd Lien - 3.5% to 5.5%	167,635	8,375
Series 2008 C1 through C3 - 2nd Lien - 3.886%	332,230	300,575
Series 2010 A and B - 2nd Lien - 2.0% to 6.9%	275,865	254,365
Series 2012 - 2nd Lien - 3.0% to 5.0%	276,470	250,560
Series 2014 - 2nd Lien - 3.0% to 5.0%	292,405	277,600
Series 2015 - 2nd Lien - 2.591% to 6.042%	87,080	84,815
Series 2017 A - 2nd Lien - 4.00% to 5.25%	180,590	180,590
Series 2017 B Refunding - 2nd Lien - 5.00%	215,485	208,970
Illinois Environmental Protection Agency Loan - 2.5%	1,546	795
Illinois Environmental Protection Agency Loan - 0.00%	15,000	9,563
Illinois Environmental Protection Agency Loan - 1.25%	17,564	13,458
Illinois Environmental Protection Agency Loan - 1.25%	17,812	13,218
Illinois Environmental Protection Agency Loan - 2.295%	15,000	12,519
Illinois Environmental Protection Agency Loan - 1.93%	54,170	48,349

Table 25 - Concluded
CITY OF CHICAGO, ILLINOIS
LONG-TERM DEBT
December 31, 2018

	<u>Original Principal</u>	<u>Outstanding at December 31, 2018</u>
Proprietary Fund Revenue Bonds - Concluded:		
Wastewater Transmission Revenue Bonds - Concluded:		
Illinois Environmental Protection Agency Loan - 1.995%	\$ 56,198	\$ 51,512
Illinois Environmental Protection Agency Loan - 1.86%	4,291	4,033
Illinois Environmental Protection Agency Loan - 1.86%	63,793	62,610
Illinois Environmental Protection Agency Loan -1.75%	6,032	5,849
Illinois Environmental Protection Agency Loan -1.75%	23,862	23,862
Total Wastewater Transmission Revenue Bonds	<u>2,238,551</u>	<u>1,893,561</u>
Total Proprietary Fund Revenue Bonds	<u>\$ 19,000,876</u>	<u>\$ 16,382,367</u>

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

<u>Year</u>	<u>Population (1)</u>	<u>Median Age (2)</u>	<u>Number of Households (2)</u>	<u>City Employment</u>	<u>Unemployment Rate (3)</u>	<u>Per Capita Income (4)</u>	<u>Total Income</u>
2009 ...	2,896,016	34.5	1,037,069	1,171,841	10.0	\$ 43,727	\$ 126,634,091,632
2010 ...	2,695,598	34.8	1,045,666	1,116,830	10.1	45,957	123,881,597,286
2011 ...	2,695,598	33.2	1,048,222	1,120,402	9.3	45,977	123,935,509,246
2012 ...	2,695,598	33.2	1,054,488	1,144,896	8.9	48,305	130,210,861,390
2013 ...	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014 ...	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015 ...	2,695,598	34.2	1,053,229	1,273,727	5.7	53,886	145,254,993,828
2016 ...	2,695,598	34.4	1,053,986	1,282,117	5.4	55,621	149,931,856,358
2017 ...	2,695,598	34.6	1,047,695	1,289,325	4.7	58,315	157,193,797,370
2018 ...	2,695,598	N/A (5)	N/A (5)	1,288,755	4.0	N/A (5)	N/A (5)

NOTES:

- (1) Source: U.S. Census Bureau.
- (2) Source: American Fact Finder - United States Census Bureau data estimates.
Data not available for 2018.
- (3) Source: Bureau of Labor Statistics 2018, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.
- (4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area.
- (5) N/A means not available at time of publication.

Table 27
CITY OF CHICAGO, ILLINOIS
PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Current Year and Nine Years Ago

Employer	2018 (1)			2009 (3)		
	Number of Employees	Rank	Percentage of Total City Employment (2)	Number of Employees	Rank	Percentage of Total City Employment
Northwestern Memorial Healthcare	19,886	1	1.54 %			
Advocate Aurora Health	19,513	2	1.51			
University of Chicago	17,345	3	1.35			
Amita Health	16,231	4	1.26			
United Continental Holdings Inc. (4)	14,582	5	1.13	6,019	2	0.58 %
Amazon.com Inc	14,018	6	1.09			
JPMorgan Chase & Co. (5)	13,795	7	1.07	8,431	1	0.81
Walgreens Boots Alliance Inc.	12,311	8	0.96			
Walmart Inc.	11,420	9	0.89			
Northwestern University	10,865	10	0.84			
Jewel-Osco (6)				5,833	3	0.56
Northern Trust				5,394	4	0.52
Bank of America NT & SA (7)				4,631	5	0.44
American Airlines				3,394	6	0.33
Accenture LLP				3,341	7	0.32
SBC/AT&T				3,136	8	0.30
CVS Corporation				3,120	9	0.30
Ford Motor Company				2,764	10	0.27

NOTES:

- (1) Source: Reprinted with permission from the February 11, 2019 issue of Crain's Chicago Business.
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- (2) Source: Bureau of Labor Statistics data used in calculation of Total City Employment.
- (3) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.
Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue-Tax Division report, which is no longer available.
- (4) United Continental Holdings Inc. formerly known as United Airlines.
- (5) JP Morgan & Co. formerly known as J.P. Morgan Chase.
- (6) Jewel-Osco formerly known as Jewel Food Stores, Inc.
- (7) Bank of America NT & SA formerly known as Bank of America NT.

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

Function	Budgeted Full Time Equivalent Positions									
	2018	2017	2016	2015	2014 (2)	2013 (2)	2012 (2)	2011	2010	2009
General										
Government	3,768	3,733	3,674	3,764	3,760	3,725	3,857	4,363	4,401	4,419
Public Safety	22,804	22,354	21,458	21,182	21,138	21,067	21,040	22,716	22,912	22,954
Streets and										
Sanitation	2,278	2,298	2,328	2,341	2,341	2,351	2,302	2,576	2,605	3,087
Transportation	1,374	1,362	1,321	1,297	1,171	932	929	980	1,022	718
Health	602	606	613	656	713	738	904	991	1,117	1,257
Cultural and										
Recreational	1,292	1,255	1,261	1,253	1,244	1,214	1,153	1,207	1,213	1,318
Business-type										
Activities	4,113	4,047	3,672	3,636	3,679	3,528	3,559	3,615	3,619	3,666
Total	<u>36,231</u>	<u>35,655</u>	<u>34,327</u>	<u>34,129</u>	<u>34,046</u>	<u>33,555</u>	<u>33,744</u>	<u>36,448</u>	<u>36,889</u>	<u>37,419</u>

NOTES:

- (1) Source: City of Chicago 2018 Budget Overview.
Includes full time equivalent positions in grant related programs.
- (2) Per Office of Budget Management restated figures.

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police Physical Arrests	84,718	82,663	85,493	112,996	129,166	143,618	145,390	152,740	167,355	181,254
Fire Emergency Responses (1)	706,245	709,664	713,492	685,525	685,588	675,570	472,752	343,749	343,214	363,519
Refuse Collection Refuse Collected (Tons per Day) ...	3,299	3,632	3,561	3,403	3,265	3,562	3,763	3,983	3,931	3,974
Cultural Volumes in Library (2)	11,659	11,472	11,823	11,469	11,527	11,452	5,691	5,790	5,770	5,743
Water Average Daily Consumption (Thousands of Gallons)	684,506	680,468	701,148	719,467	752,362	756,486	793,274	770,925	773,612	808,551

Sources: Various City of Chicago Agencies

Notes: (1) In 2013, Office of Emergency Management and Communications implemented new system accounting for Administrative calls.

(2) Beginning in 2013, Chicago Public Library utilizes new process to identify library holdings. Figures in thousands.

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police Stations	25	25	25	25	25	25	25	26	25	25
Fire Stations	104	104	104	104	104	104	104	104	103	103
Other Public Works:										
Streets (Miles)	4,116	4,116	4,116	4,116	4,116	4,116	4,116	4,091	3,775	3,775
Streetlights	331,797	330,097	328,683	327,613	327,613	327,613	279,668	278,788	261,019	259,699
Traffic Signals	3,045	3,043	3,042	3,037	3,035	3,035	3,035	2,960	2,960	2,960
Water										
Mains (Miles)	4,264	4,281	4,295	4,311	4,322	4,321	4,349	4,360	4,300	4,300
Sewers										
Mains (Miles)	4,491	4,462	4,452	4,428	4,428	4,428	4,450	4,400	4,400	4,400

Sources: Various City of Chicago Agencies

Table 31
CITY OF CHICAGO, ILLINOIS
INTEREST RATE SWAP COUNTERPARTY ENTITIES
December 31, 2018
(Amounts are in Thousands of Dollars)

Associated Bond Issue	Current Notional Amounts	Counterparty Credit Rating Moody's/S&P	Counterparty Entity	City ATE Level (1)
Chicago Midway Airport Revenue Bonds (Series 2004C&D).....	73,710 49,140	A1/A+ Aa2/A+	Goldman Sachs Wells Fargo	Baa1/BBB+ Baa2/BBB
Total.....	<u>\$ 122,850</u>			

Source: Survey of Derivative Instruments.

Notes:

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

Table 32
CITY OF CHICAGO, ILLINOIS
BANK FACILITIES
As of December 31, 2018
(Amounts are in Thousands of Dollars)

Bond Liquidity, Letters of Credit and Direct Purchase Facilities

Issue	Series	Principal Outstanding	Expiration or Termination	Bond Maturity Date	Bank	Ratings Thresholds (1)		
						Fitch	Moody's	S&P
Midway 2nd Lien	2004 C-1	\$ 50,855	11/25/2019	01/01/2035	Bank of Montreal	BBB-	N/A	BBB-
Midway 2nd Lien	2004 C-2	\$ 59,870	11/25/2019	01/01/2035	Bank of Montreal	BBB-	N/A	BBB-
Midway 2nd Lien	2004 D	\$ 12,125	11/25/2019	01/01/2035	Bank of Montreal	BBB-	N/A	BBB-
Midway 2nd Lien	2014 C	\$ 124,710	07/17/2020	01/01/2035	Barclays	(2)	(2)	(2)
O'Hare 3rd Lien	2005 C	\$ 140,600	07/24/2020	01/01/2035	Bank of America	BBB-	Baa3	BBB-
O'Hare 3rd Lien	2005 D	\$ 100,000	08/14/2020	01/01/2035	Barclays	(2)	(2)	(2)

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

Issue	Series	Borrowing Authority	Amount Outstanding (Dec. 31, 2018)	Expiration or Termination	Bank	Ratings Thresholds (1)			
						Fitch	Moody's	S&P	Kroll
G. O. CP	2002E1-2	\$ 200,000	-	07/17/2020	Bank of America	BBB-	N/A	BBB-	N/A (5)
G. O. CP	2002F1-2	\$ 200,000	-	07/17/2020	PNC	BBB-	N/A	BBB-	BBB- (3)
G. O. Line of Credit	2015	\$ 170,000	77,876	05/31/2020	JPMorgan	BBB- (3)	N/A	BBB- (3)	BBB- (3)
G. O. Line of Credit	2015	\$ 170,000	77,876	05/31/2020	BMO Harris	BBB- (3)	N/A	BBB- (3)	BBB- (3)
G. O. Line of Credit	2015	\$ 170,000	77,875	05/31/2020	Bank of China	BBB- (3)	N/A	BBB- (3)	BBB- (3)
Midway CP	2003A-D	\$ 85,000	-	07/10/2020	JPMorgan	BBB-	Baa3	BBB-	N/A
O'Hare CP	2016 (4)	\$ 180,000	-	09/27/2019	Bank of America	BBB- (3)	Baa3	BBB- (3)	N/A
O'Hare CP	2016 (4)	\$ 120,000	-	09/27/2019	Bank of Tokyo	BBB- (3)	Baa3	BBB- (3)	N/A
O'Hare CP	2016 (4)	\$ 120,000	-	09/27/2019	Barclays	BBB- (3)	Baa3	BBB- (3)	N/A
O'Hare Line of Credit	2016	\$ 180,000	2,040	12/12/2019	JPMorgan	BBB-	N/A	BBB-	BBB-

Notes:

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