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# CITY OF CHICAGO

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016



Rahm Emanuel, Mayor

Carole L. Brown, Chief Financial Officer

Erin Keane, City Comptroller

Prepared by the Department of Finance

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OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

June 30, 2017

Dear Chicagoans:

Thank you for your interest in the City of Chicago's Comprehensive Annual Financial Report (CAFR) for the 2016 fiscal year.

In 2016, Chicago continued to make progress on addressing the City's financial legacy liabilities, reducing our structural deficit through savings and sustainable revenue growth, and identifying stable funding sources for the Municipal and Laborers' pension funds. Additionally, the general fund balance shows growth again in 2016, which is a direct result of cost savings and reform measures instituted by the City over the prior six budgets. This progress will endure in 2017 as the City continues to pursue sustainable and responsible financial practices.

The 2016 CAFR also reflects the significant progress we have made over the years in improving our financial reporting. This year, the independent auditors found no material weakness, representing five straight years of no material weaknesses.

While we have made notable progress, we will continue to follow a deliberate reform and invest strategy to secure the Chicago's long-term financial future and to ensure ongoing economic growth in all neighborhoods across the City.

Sincerely,

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

Mayor

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

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

**2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE CITY OF CHICAGO**

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



DEPARTMENT OF FINANCE  
CITY OF CHICAGO

June 30, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Chicago for the fiscal year that ended December 31, 2016. 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 complies with the reporting requirements of the Municipal Code of Chicago (Code). The City's financial management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

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

The Code also requires 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.



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**Profile of the Government.** The City of Chicago, incorporated in 1837, currently occupies a land area of approximately 228 square miles and, according to the 2010 census, serves a population of over 2.69 million residents. The City is a “home rule” unit of local government under Illinois law and is governed by an elected mayor and city council. The Mayor, the Chief Executive Officer of the City, is elected by general election for 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 and sanitation, transportation infrastructure, water, sewer, health, cultural, aviation and human services.

City employees are covered by one of four pension plans that are responsible for providing certain pension benefits and that receive funding from the City. These four plans include the Municipal Employees’ Annuity and Benefit Fund, Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund, Policemen’s Annuity and Benefit Fund, and Firemen’s Annuity and Benefit Fund. These component units are included in the City’s reporting entity. Additional services are provided to residents by the Chicago Public Schools, Chicago Park District, Chicago Transit Authority, City Colleges of Chicago and the Chicago Housing Authority. However, these component units are not included in the City’s reporting entity.

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

**Local Economy.** Chicago continues to have one of the world’s most diverse economies, with no single sector employing more than 14 percent of the City’s workforce. This diversity provides financial stability from mature industries in business and financial services, manufacturing, transportation and warehousing, education and healthcare, and enables the City to promote the growth of emerging industries in technology, tourism, biotech, and life sciences. According to the Bureau of Labor and Statistics, the Chicago metropolitan area had an unemployment rate of 5.8 percent in 2016.

More than 400 major corporate headquarters (with at least 1,000 employees) are located in the Chicago metropolitan area, including 31 in the Fortune 500. In 2016, World Business Chicago tracked more than 350 business expansions in Chicago, leading to the city being named the “Top Metro” in the United States for corporate relocation by Site Selection magazine for the fourth year in a row.

Chicago remains a global financial and trading center and is also a hub for the development of new financial technologies. Chicago is home to nearly one quarter of the world’s futures trading volume, which is two times more than New York and similar to all of the European exchanges combined. 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, posting a volume of \$3.9 billion in 2016, the largest annual volume of all global exchanges.

The growing innovation and technology industry has a strong presence in Chicago. There are nearly 100 innovation centers in Chicago, including 1871, one of the top five business incubators in the world. In 2016, Chicago startups and tech companies raised more than \$1.7 billion in 2016 from 179 companies which is up from 143 companies in 2015. Fifty five Chicago companies were acquired, totaling \$1.73 billion.

Chicago has long been a center for international business. In 2016, the Chicago metropolitan area led the nation in foreign direct investment (FDI) for the fourth year in a row, according to the 2016 IBM Global Location Trends report. Chicago was the only North American city ranked in the top 20, ranking seventh in total number of FDI projects. Chicago-based companies also have a strong international presence, with over 8,000 locations across more than 170 countries or territories.

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On a number of fronts, Chicago's real estate development market is growing at a level not seen since before the recession. The city's industrial occupancy rate is at a 15 year high. In 2016, the city also reached the highest number of building cranes (50) in ten years.

In addition, Chicago continues to be a destination for both business and leisure travelers, drawn by the City's numerous cultural and recreational attractions, professional sports teams, festivals, museums, parks, restaurants and more. Tourism has grown substantially in recent years with a record 54.1 million visitors citywide in 2016, an increase of 2.9 percent. Millennium Park was named the #1 attraction in the Midwest and among the top 10 most visited sites in the US with 12.9 million guests just in the second half of 2016. Chicago's tourism industry has added an estimated 4,600 jobs in 2016 for a total of an estimated 145,100 jobs supported by the industry.

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

The City bases its annual budget on an assessment of the available resources for that year and an understanding of the City's service priorities, adopting a balanced budget each year in accordance with the Illinois Municipal Code. 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 fiscal integrity and health, encourage equitable allocation of costs and resources, and identify potential financial risks and options to mitigate them, maximize economic efficiency, and allow sufficient flexibility to consider new fiscal and budgetary strategies.

**2016 Budget and Major Initiatives.** The 2016 budget included multiple reforms and efficiencies that further streamlined government operations and achieved taxpayer savings along with new sustainable revenue sources to provide dedicated revenue to fund the Police and Fire pensions and invest in city services. Building on the structural reforms and efficiencies put into place in previous budgets, the 2016 budget made significant investments in after-school and youth job programs, infrastructure improvements, expanded neighborhood services, and public safety. The 2016 budget also continued the City of Chicago's fiscal and budgetary strategy of ensuring the City's pension funds are on a path to solvency, eliminating unsustainable financial practices, and ending the use of financing structures and techniques that expose taxpayers to undue risk.

The 2016 budget included further refinements to grid garbage collection, removing over 20 garbage trucks from the City's daily deployment. This refinement freed up resources which were redirected to provide additional tree trimming and rodent abatement services in neighborhoods. On top of achieving savings by streamlining garbage collection, the 2016 budget included significant savings through the elimination of over 100 unneeded vacancies, consolidating technology functions across departments into one central IT department, healthcare reforms, and the final year of the phase-out of retiree healthcare.

In 2016, the City expanded the One Summer Chicago program to serve more than 25,000 youth through summer placement for youth, ages 14 to 24. The One Summer Chicago program has grown by 70 percent since it was launched in 2011. The City also provided an additional investment in after-school programs, increasing the number of available after-school programming opportunities to nearly 27,000 in 2016. The City provided funding to allow year-round pothole patching and street repairs, rather than seasonal repairs, and in 2016, the Department of Water Management continued to renew and upgrade the City's aging water and sewer system. Finally, the 2016 budget made key investments in public safety by funding the transition of over 300 police officers who were performing administrative functions back to critical policing functions in neighborhoods. These administrative positions were filled with non-sworn administrative personnel where necessary.

Since the 2012 budget, the City has worked to eliminate the unsustainable practices of the past, and the 2016 budget includes significant progress to reform the City's finances, fund pensions, and eliminate taxpayer risk.

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Beginning in 2015 and completed in 2016, the City converted all taxpayer-backed variable-rate debt and terminated the corresponding swaps in the City's portfolio. This financing technique has now been fully replaced with stable, fixed rate bonds payable over the next 20 to 40 years. In the 2016 budget, the City began a four-year phase out of the financial practice known as "scoop and toss" in which the City restructures its near term debt payments with long-term debt. The City reduced "scoop and toss" by approximately \$100 million with the 2016 budget.

As part of the 2016 budget, the City passed a four-year property tax increase solely to fund the increasing Police and Fire pension contributions as required by Public Act 99-0506, which is discussed further in the Pension Funds and Other Postemployment Benefits section of this document. While the property tax increase was passed as part of the 2016 Budget, it included an increase beginning in 2015. The property tax increase began in 2015 with an additional \$318 million added to the City's property tax levy and \$109 million added to the 2016 property tax levy.

Lastly, the City also deposited \$5 million into the operating liquidity fund, which is part of the City's budget stabilization funds.

**Awards and Acknowledgments.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chicago for its CAFR for fiscal year 2015. This was the twenty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

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

This report could not have been prepared without the dedication and effective help of 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,



Carole L. Brown  
Chief Financial Officer



Erin Keane  
City Comptroller



Government Finance Officers Association

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

Presented to

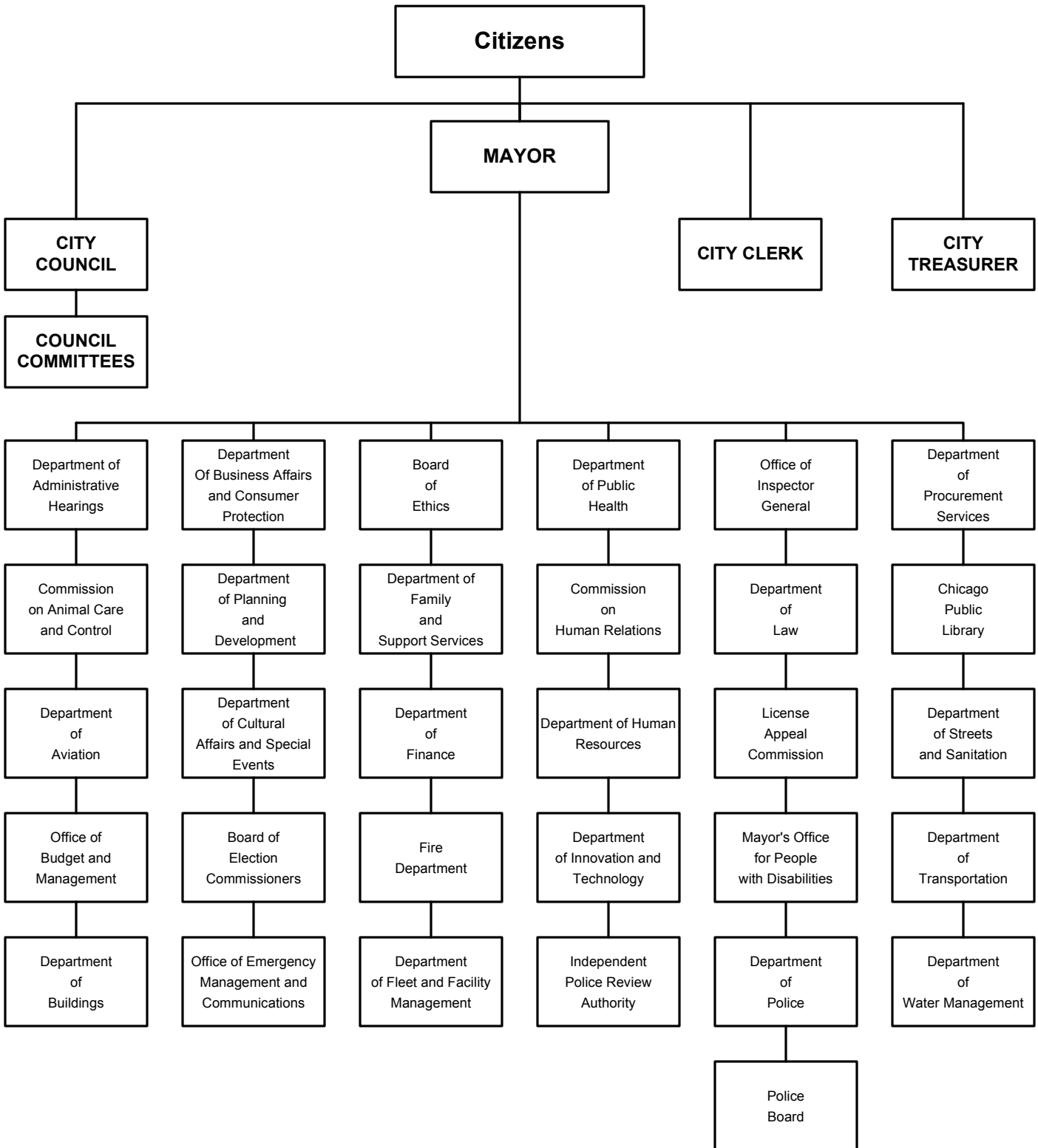
**City of Chicago  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**CITY OF CHICAGO  
ORGANIZATION CHART  
AS OF 12/31/2016**



**PART II**

**FINANCIAL SECTION**

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2016, 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 substantially all the assets and revenues 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

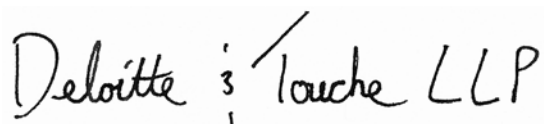
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, Schedule of Other Postemployment Benefits Funding Progress, and Schedule of Revenues and Expenditures – Budget and Actual, Pension Fund (Budgetary Basis) 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 Fund Statements, 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.

The image shows a handwritten signature in black ink. The signature reads "Deloitte" followed by a vertical separator symbol (a vertical line with a horizontal bar at the top and bottom), and then "Touche LLP". The handwriting is cursive and somewhat stylized.

June 30, 2017



### 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, 2016. 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.

#### 2016 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 \$27,429.9 million (*net deficit*). The net deficit is composed of \$3,307.6 million in net investment in capital assets and \$3,149.5 million in net position restricted for specific purposes offset by an unrestricted deficit of \$33,887.0 million. The net deficit increased in 2016 by \$3,598.5 million primarily as a result of assumption and plan changes impacting the pension liability.
- The City's total assets increased by \$1,102.2 million. The increase primarily relates to a \$958.2 million increase in capital assets as a result of the City's capital improvement program.
- Total Revenues and Other Financing Sources (Uses), in the fund financial statements during 2016 were \$7,342.2 million, a decrease of \$207.5 million (2.7 percent) from 2015, primarily due to the reduction of proceeds from debt, offset by an increase in tax revenue.
- The General Fund ended 2016 with a total Fund Balance of \$269.6 million, of which \$153.7 million was Unassigned. Total Fund Balance increased from 2015 primarily because Revenues and Other Financing Sources were greater than Expenditures and Other Financing Uses by \$54.4 million.
- The City's General Obligation Bonds and notes outstanding decreased by \$191.4 million during the current fiscal year. The proceeds from the issuance of General Obligation Bonds were used to refund or pay interest on all or a portion of certain outstanding general obligation bonds.
- The General Fund expenditures on a budgetary basis were \$72.9 million less than budgeted as a result of variances in general government expenditures primarily due to lower than budgeted pension contributions.

#### Overview of the Basic Financial Statements

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

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

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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The government-wide financial statements include two statements:

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

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

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

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

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

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

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

The City maintains 19 individual governmental funds. Information for the seven 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 seven major governmental funds are as follows: the General Fund, the Federal, State and Local Grants Fund, the Special Taxing Areas Fund, Service Concession and Reserve Fund, the Bond, Note Redemption and Interest Fund, the Community Development and Improvement Projects Fund, and the Pension Fund. Data from the other governmental funds is combined into a single, aggregated presentation.

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

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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**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 \$27,429.9 million at December 31, 2016. Of this amount, \$3,307.6 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, \$3,149.5 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, 2016**

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets .....	\$ 5,451.0	\$ 5,384.8	\$ 4,816.2	\$ 4,738.4	\$ 10,267.2	\$ 10,123.2
Capital assets .....	8,676.3	8,508.2	15,397.6	14,607.5	24,073.9	23,115.7
Total Assets .....	14,127.3	13,893.0	20,213.8	19,345.9	34,341.1	33,238.9
Deferred outflows .....	5,667.9	7,187.7	1,285.4	1,701.5	6,953.3	8,889.2
Total .....	19,795.2	21,080.7	21,499.2	21,047.4	41,294.4	42,128.1
Long-term liabilities outstanding .....	43,065.4	41,404.0	18,351.4	17,914.4	61,416.8	59,318.4
Other liabilities .....	1,947.5	1,969.4	1,339.4	1,274.8	3,286.9	3,244.2
Total Liabilities .....	45,012.9	43,373.4	19,690.8	19,189.2	64,703.7	62,562.6
Deferred Inflows .....	2,254.5	1,743.1	1,766.1	1,653.8	4,020.6	3,396.9
Net Position:						
Net investment in capital assets .....	(65.5)	(292.4)	3,373.1	2,892.5	3,307.6	2,600.1
Restricted .....	2,269.6	1,519.9	879.9	1,043.1	3,149.5	2,563.0
Unrestricted .....	(29,676.3)	(25,263.3)	(4,210.7)	(3,731.2)	(33,887.0)	(28,994.5)
Total net (deficit) position .....	<u>\$ (27,472.2)</u>	<u>\$ (24,035.8)</u>	<u>\$ 42.3</u>	<u>\$ 204.4</u>	<u>\$ (27,429.9)</u>	<u>\$ (23,831.4)</u>

**Governmental Activities.** Net position of the City's governmental activities decreased \$3,436.4 million to a deficit of \$27,472.2 million primarily as a result of an increase in the pension liability due to assumption and plan changes. 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 \$29,676.3 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 (\$942.6 million) and Municipal employees, Laborers', Policemen's and Firemen's net pension liability and other post-employment benefits (\$31,679.3 million). The City will include these amounts in future years' budgets as they come due. In addition, the deferred inflow balance of \$1,534.2 million from concession service agreements will be amortized into income over the life of such agreements.

Revenues for all governmental activities in 2016 were \$6,741.9 million, an increase of \$347.9 million from 2015. Over half of the City's revenues were derived from taxes which increased by \$341.0 million (9.1 percent). Total tax revenue included an increase in property taxes received of \$85.1 million (7.2 percent).

Expenses for governmental activities in 2016 were \$10,178.3 million, a decrease of \$1,076.3 million (9.6 percent) over 2015. The amount that taxpayers paid for these governmental activities through City taxes was \$4,095.2 million. Some of the cost was paid by those who directly benefited from the programs (\$879.7 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$738.2 million).

The City paid \$1,026.3 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 \$42.3 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.

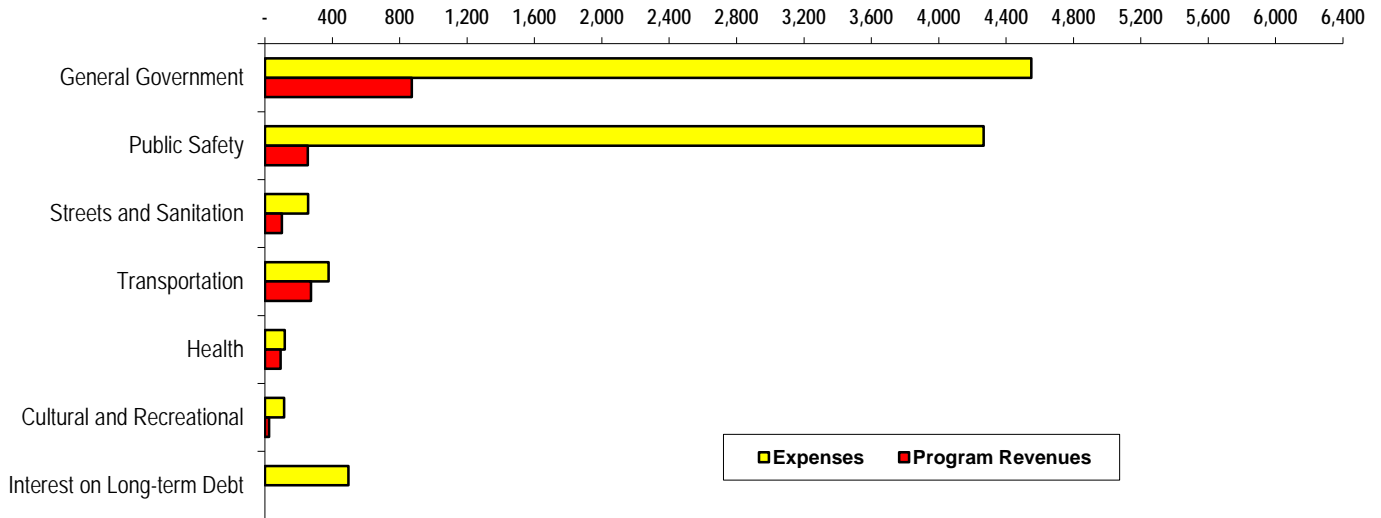
**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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

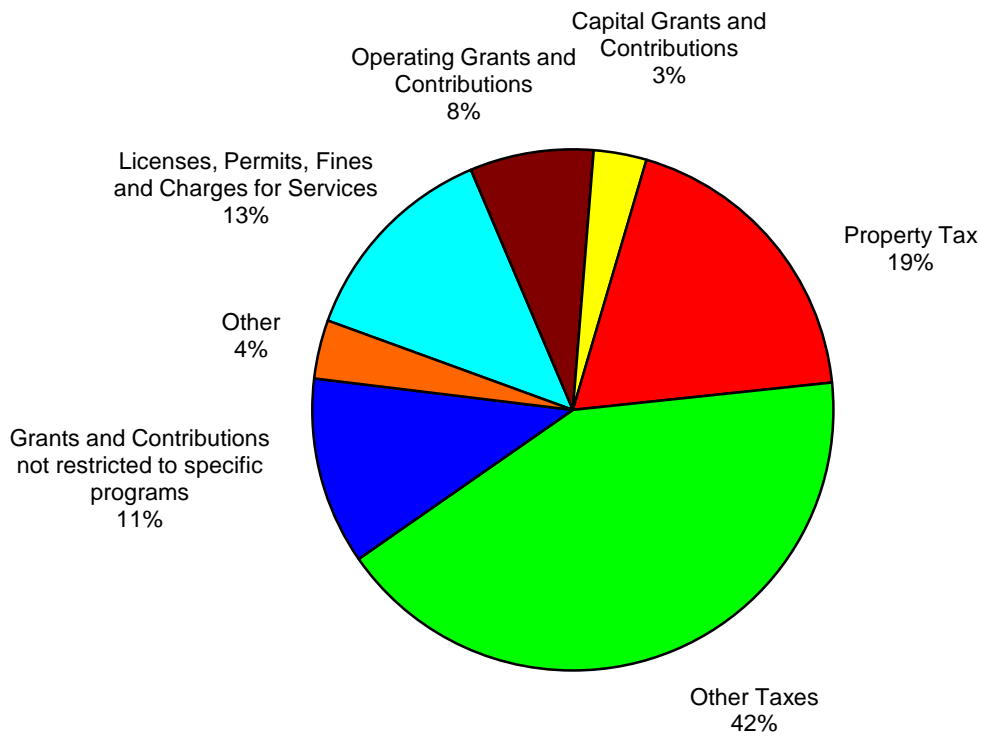
	Governmental		Business-type		Total	
	2016	2015	2016	2015	2016	2015
Revenues and Other Transfers:						
Program Revenues:						
Licenses, Permits, Fines and						
Charges for Services .....	\$ 879.7	\$ 814.8	\$ 2,502.1	\$ 2,400.4	\$ 3,381.8	\$ 3,215.2
Operating Grants and Contributions .....	516.7	496.7	-	-	516.7	496.7
Capital Grants and Contributions .....	221.5	249.1	115.1	85.9	336.6	335.0
General Revenues:						
Property Taxes .....	1,264.5	1,179.4	-	-	1,264.5	1,179.4
Other Taxes .....	2,830.7	2,574.8	-	-	2,830.7	2,574.8
Grants and Contributions not						
Restricted to Specific Programs .....	782.0	815.2	-	-	782.0	815.2
Other .....	244.3	263.4	48.5	67.4	292.8	330.8
Total Revenues .....	6,739.4	6,393.4	2,665.7	2,553.7	9,405.1	8,947.1
Other Transfers:						
Transfer In (Out) .....	2.5	0.6	(2.5)	(0.6)	-	-
Total Revenues and Other Transfers .....	6,741.9	6,394.0	2,663.2	2,553.1	9,405.1	8,947.1
Expenses:						
General Government .....	4,549.2	6,238.0	-	-	4,549.2	6,238.0
Public Safety .....	4,266.1	3,192.2	-	-	4,266.1	3,192.2
Streets and Sanitation .....	257.0	253.4	-	-	257.0	253.4
Transportation .....	378.8	471.7	-	-	378.8	471.7
Health .....	116.7	119.2	-	-	116.7	119.2
Cultural and Recreational .....	114.7	118.8	-	-	114.7	118.8
Interest on Long-term Debt .....	495.8	861.3	-	-	495.8	861.3
Water .....	-	-	816.0	900.3	816.0	900.3
Sewer .....	-	-	350.4	505.0	350.4	505.0
Midway International Airport .....	-	-	320.0	315.7	320.0	315.7
Chicago-O'Hare International Airport .....	-	-	1,330.2	1,380.5	1,330.2	1,380.5
Chicago Skyway .....	-	-	8.7	8.7	8.7	8.7
Total Expenses .....	10,178.3	11,254.6	2,825.3	3,110.2	13,003.6	14,364.8
Change in Net Position .....	(3,436.4)	(4,860.6)	(162.1)	(557.1)	(3,598.5)	(5,417.7)
Net (Deficit) Position, Beginning of Year .....	(24,035.8)	(19,175.2)	204.4	761.5	(23,831.4)	(18,413.7)
Net (Deficit) Position, End of Year .....	\$ (27,472.2)	\$ (24,035.8)	\$ 42.3	\$ 204.4	\$ (27,429.9)	\$ (23,831.4)

**CITY OF CHICAGO, ILLINOIS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED DECEMBER 31, 2016**

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



**Revenues by Source - Governmental Activities**



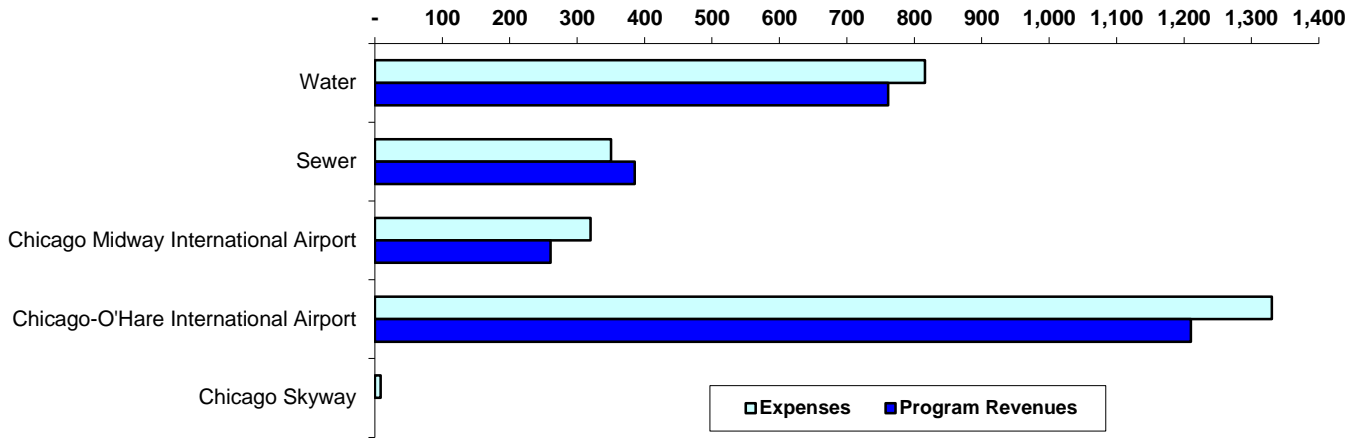
**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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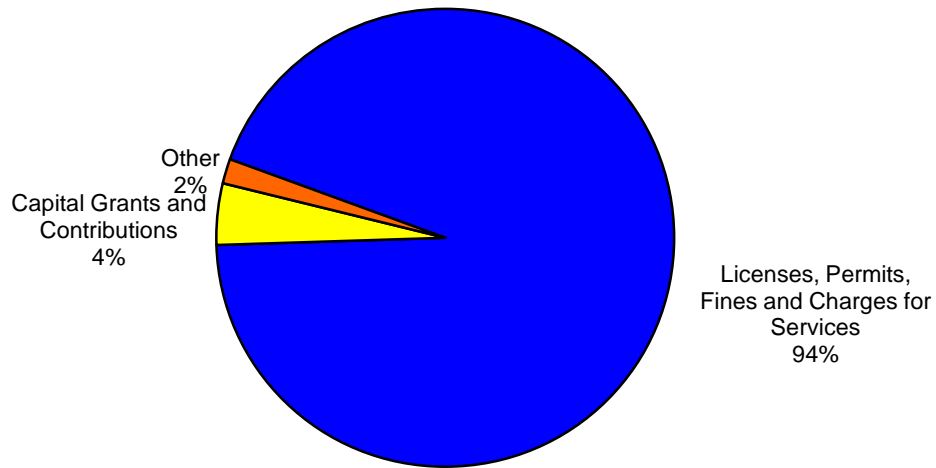
**Business-type Activities.** Total Revenues of the City's business-type activities increased by \$110.2 million in 2016 mostly from an increase in charges for services and rental income, offset by a decrease in other general revenues.

- The Water Fund's total operating revenues decreased by \$8.0 million (1.0%) from 2015 due to a decrease in net water fees of \$14.3 million due to the continued conversion from non-metered to metered accounts, offset by an increase in penalties and other revenues related to water fees of \$6.3 million. Operating expenses before depreciation and amortization for the year ended 2016 decreased by \$199.4 million (27.0%) from the year ended 2015 primarily due to decreases in pension expense of \$196.1 million and workmen's compensation of \$20.6 million offset by an increase in indirect costs of \$19.2 million.
- The Sewer Fund's total operating revenues decreased in 2016 by \$6.8 million (1.7%) primarily due to the continued conversion of non-metered customers to metered customers. There was no rate increase during 2016. Operating expenses before depreciation and amortization for 2016 decreased \$82.7 million (26.6%) from the year ended 2015 primarily due to the decrease of pension expense calculated under Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions, an amendment of GASB Statement 27" ("GASB 68").
- Chicago Midway International Airport's total operating revenues for 2016 increased by \$6.1 million (3.4%) from 2015 primarily due to increases in the landing fee and terminal rental rates, and increases in concession revenues. Operating expenses before depreciation and amortization decreased by \$1.3 million compared to 2015, primarily due to a decrease in pension expense calculated under GASB 68, offset by increases in salaries and wages and repairs and maintenance.
- Chicago O'Hare International Airport's total operating revenues for 2016 increased by \$102.6 million (12.1%) compared to 2015 primarily due to increases in landing fee rates and activity, concession revenues, and increases in rents. Operating expenses before depreciation and amortization decreased by \$54.5 million (6.8%) compared to 2015 primarily due to a decrease in pension expense calculated under GASB 68.
- 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, 2016**

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**Financial Analysis of the City's Funds**

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

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

At December 31, 2016, the City's governmental funds reported combined ending fund balances of \$908.2 million, a decrease of \$74.5 million in comparison with the prior year. Of this total amount, \$709.8 million was committed to specific expenditures, \$92.1 million was assigned to anticipated uses, a deficit of \$1,673.3 million was unassigned, \$1,755.9 million was restricted in use by legislation, and \$23.7 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 \$153.7 million with a total fund balance of \$269.6 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 7.8 percent of total General Fund expenditures. The fund balance of the City's General Fund increased by approximately \$54.4 million during the current fiscal year due to higher revenues and lower expenses for certain categories.

The Federal, State and Local Grants Fund has a total deficit fund balance of \$242.9 million. This is \$26.8 million lower than 2015 primarily due to slower reimbursement of expenditures.

The Special Taxing Areas Fund has a total fund balance of \$1,309.8 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 \$640.2 million committed to specific expenditures. The unassigned deficit of \$1,534.2 million results from the deferred inflows from long-term asset leases.

The Bond, Note Redemption and Interest Fund has a total fund balance of \$267.8 million. This is \$31.5 million higher than 2015.

The Community Development and Improvement Projects Fund has a total fund balance of \$45.0 million. This is \$153.4 million lower than 2015 due to increased capital improvement efforts.

**Changes in fund balance.** The fund balance for the City's governmental funds decreased by \$74.5 million in 2016. This includes a decrease in inventory of \$0.1 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 \$4,210.7 million. The unrestricted net position deficit increased by \$479.5 million due to an increase in the unrestricted deficit in all proprietary funds primarily due to increases in the 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, 2016**

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**General Fund Budgetary Highlights**

The City's 2016 Original General Fund Budget of \$3,633.5 million was approved by City Council on October 28, 2015, and was \$99.1 million (2.8%) larger than the 2015 Final General Fund Budget. Nearly two-thirds of the increase (\$62.7 million) was from a new garbage collection fee charged to residences who receive city-provided garbage collection service. General Fund revenues ended the year \$64.2 million over the 2016 Final General Fund Budget as a result of higher than expected revenue from transaction, recreation, and transportation taxes. Revenue in these areas helped to offset lower than expected revenue from state income tax, home rule sales tax, and utility taxes. Expenditures were \$72.9 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, 2016 amount to \$24,073.8 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 2016, the City completed \$382.8 million in infrastructure projects including \$242.1 million in street construction and resurfacing projects, \$71.6 million in street lighting and transit projects, and \$69.1 million in bridge and viaduct reconstruction. At year end, infrastructure projects still in process had expenses totaling nearly \$712.2 million.
- At the end of 2016, the Water Fund had \$4,131.6 million invested in utility plant, net of accumulated depreciation. During 2016, the Water Fund expended \$395.3 million on capital activities. This included \$1.8 million for structures and improvements, \$209.5 million for distribution plant, \$3.5 million for equipment, and \$180.5 million for construction in progress. During 2016, net completed projects totaling \$48.9 million were transferred from construction in progress to applicable capital accounts. The major completed projects were installation and replacements of water mains (\$20.5 million), and meter save program (\$25.1 million).
- At the end of 2016, the Sewer Fund had \$2,456.0 million invested in utility plant, net of accumulated depreciation. During 2016, the Sewer Fund had capital additions being depreciated of \$323.1 million, and completed projects totaling \$70.5 million were transferred from construction in progress to applicable facilities and structures capital accounts. The 2016 Sewer Main Replacement Program completed 25.6 miles of sewer mains and 61.0 miles of relining of existing sewer mains.
- At the end of 2016, Chicago-Midway International Airport had \$1,182.7 million invested in net capital assets. During 2016, the Airport had additions of \$62.7 million related to capital activities. This included \$0.5 million for land acquisition and the balance of \$62.2 million for construction projects relating to runway rehabilitation and parking improvements. During 2016, completed projects totaling \$69.3 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxi improvements, and rental car parking garage.
- At the end of 2016, Chicago-O'Hare International Airport totaled \$7.4 billion, invested in net capital assets. During 2016, the Airport had additions of \$544.7 million related to capital activities. This included \$6.1 million for land acquisition and the balance of \$538.5 million for terminal improvements, parking facilities enhancements, and runway and taxiway improvements. During 2016, completed projects totaling \$287.8 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxiway improvements, electrical system upgrades and parking facilities and terminal improvements.

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land .....	\$ 1,397.3	\$ 1,393.4	\$ 1,027.8	\$ 1,021.2	\$ 2,425.1	\$ 2,414.6
Works of Art and Historical Collections .....	46.0	45.6	-	-	46.0	45.6
Construction in Progress .....	741.0	656.0	1,045.0	740.4	1,786.0	1,396.4
Buildings and Other Improvements .....	1,585.4	1,610.7	13,028.0	12,537.0	14,613.4	14,147.7
Machinery and Equipment .....	239.7	231.8	296.8	308.9	536.5	540.7
Infrastructure .....	4,666.8	4,570.7	-	-	4,666.8	4,570.7
<b>Total .....</b>	<b>\$ 8,676.2</b>	<b>\$ 8,508.2</b>	<b>\$ 15,397.6</b>	<b>\$ 14,607.5</b>	<b>\$ 24,073.8</b>	<b>\$ 23,115.7</b>

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

**Debt.** At the end of the current fiscal year, the City had \$8,654.3 million in General Obligation Bonds and \$518.7 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$238.1 million in Motor Fuel Tax Revenue Bonds; \$528.5 million of Sales Tax Revenue Bonds; \$33.5 million in Tax Increment Financing Bonds; and \$13,203.3 million in Enterprise Fund Bonds and long-term obligations. For more detail, refer to Note 10 Long-term Obligations in the Basic Financial Statements.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation .....	\$ 9,173.0	\$ 9,364.4	\$ -	\$ -	\$ 9,173.0	\$ 9,364.4
Tax Increment .....	33.5	65.4	-	-	33.5	65.4
Revenue Bonds .....	766.6	754.0	13,203.3	13,050.4	13,969.9	13,804.4
<b>Total .....</b>	<b>\$ 9,973.1</b>	<b>\$ 10,183.8</b>	<b>\$ 13,203.3</b>	<b>\$ 13,050.4</b>	<b>\$ 23,176.4</b>	<b>\$ 23,234.2</b>

During 2016, the City issued the following:

**General Obligation Bonds:**

- General Obligation Refunding Bonds, Series 2015C Tax-Exempt (\$500.0 million).

**Enterprise Fund Revenue Bonds and Notes:**

- Chicago-O'Hare International Airport General Commercial Paper Notes (\$0.1 million).
- Chicago-O'Hare International General Airport Senior Lien Revenue Refunding Bonds, Series 2016A (AMT), Series 2016B (Non-AMT), and Series 2016C (Non-AMT) (\$1,014.3 million).
- Chicago-Midway International Airport Second Lien Revenue and Revenue Refunding Bonds Series 2016A (AMT) and Series 2016B (Non-AMT) (\$342.4 million).
- Second Lien Water Revenue Bonds, Series 2016 A-1 & A-2 (\$81.7 million).

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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At December 31, 2016 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-	BBB+
Revenue Bonds:				
O'Hare Airport:				
Senior Lien General Airport Revenue Bonds	A2	A	A	A+
Senior Lien Passenger Facility Charge (PFC)	A2	A	A	NR
Customer Facility Charge (CFC)	Baa1	BBB	NR	NR
Midway Airport:				
First Lien	A2	A	A	NR
Second Lien	A3	A	A	A
Water:				
First Lien	Baa1	A+	AA+	NR
Second Lien	Baa2	A	AA	AA
Wastewater:				
First Lien	Baa2	A+	NR	NR
Second Lien	Baa3	A	AA	AA-
Sales Tax	Ba1	AA	BBB-	AA+
Motor Fuel Tax	Ba1	BBB-	BBB	NR

See Subsequent Events in the footnotes for ratings changes in 2017.

**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. The economy both locally and nationally continued to grow at a modest pace in 2016. Nationally, unemployment continued to decline as wages grew at a faster pace. Across the country and in Chicago, home prices continued to rise amid tightening inventory. Locally, median home prices increased 4 percent over 2015 while the number of homes sold was 2 percent higher. Tourism and business travel to Chicago grew in 2016 as the City welcomed a record number 54.1 million tourists, which helped spur growth in tourist-related revenues like amusement and restaurant sales taxes.

The City's 2017 General Fund Budget, totaling \$3,743.2 million, was approved unanimously by a 48 to 0 vote of City Council on November 16, 2016. The 2017 budget balanced an operating budget shortfall of \$137.6 million by reforming and cutting spending, and revenue growth. The 2017 budget includes a \$5 million deposit into the City's operating liquidity fund, which is part of the City's practice of adding to its budget stabilization funds.

**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2016**

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**Requests for Information**

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

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**Exhibit 1**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and Cash Equivalents .....	\$ 223,829	\$ 307,665	\$ 531,494
Investments .....	1,333,554	578,057	1,911,611
Cash and Investments with Escrow Agent .....	506,804	-	506,804
Receivables (Net of Allowances):			
Property Tax .....	1,739,062	-	1,739,062
Accounts .....	1,025,162	378,111	1,403,273
Internal Balances .....	(54,659)	54,659	-
Inventories .....	23,730	23,228	46,958
Restricted Assets:			
Cash and Cash Equivalents .....	20,124	1,599,070	1,619,194
Investments .....	618,204	1,813,581	2,431,785
Interest Receivable .....	-	11,053	11,053
Other Assets .....	15,234	50,788	66,022
Capital Assets:			
Land, Art, and Construction in Progress .....	2,184,335	2,072,708	4,257,043
Other Capital Assets, Net of Accumulated Depreciation .....	6,491,918	13,324,847	19,816,765
Total Capital Assets .....	8,676,253	15,397,555	24,073,808
Total Assets .....	14,127,297	20,213,767	34,341,064
Deferred Outflows .....	5,667,882	1,285,451	6,953,333
Total Assets and Deferred Outflows .....	\$ 19,795,179	\$ 21,499,218	\$ 41,294,397
<b>LIABILITIES AND DEFERRED INFLOWS</b>			
Voucher Warrants Payable .....	\$ 601,617	\$ 533,071	\$ 1,134,688
Short-term Debt .....	672	-	672
Accrued Interest .....	224,746	259,663	484,409
Accrued and Other Liabilities .....	1,020,768	300,300	1,321,068
Unearned Revenue .....	99,780	220,343	320,123
Derivative Instrument Liability .....	-	26,034	26,034
Long-term Liabilities:			
Due Within One Year .....	302,409	442,502	744,911
Due in More Than One Year .....	42,762,995	17,908,805	60,671,800
Total Liabilities .....	45,012,987	19,690,718	64,703,705
Deferred Inflows .....	2,254,451	1,766,160	4,020,611
Total Liabilities and Deferred Inflows .....	47,267,438	21,456,878	68,724,316
<b>NET POSITION</b>			
Net Investment in Capital Assets .....	(65,466)	3,373,063	3,307,597
Restricted for:			
Capital Projects .....	70,020	194,267	264,287
Debt Service .....	889,678	19,815	909,493
Special Taxing Areas .....	1,309,819	-	1,309,819
Passenger Facility Charges .....	-	181,472	181,472
Contractual Use Agreement .....	-	176,967	176,967
Airport Development Fund .....	-	238,021	238,021
Customer Facility Charges .....	-	37,110	37,110
Other Purposes .....	-	32,282	32,282
Unrestricted (Deficit) .....	(29,676,310)	(4,210,657)	(33,886,967)
Total Net Position .....	\$ (27,472,259)	\$ 42,340	\$ (27,429,919)

See notes to basic financial statements.

**Exhibit 2**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

Functions/Programs	Expenses	Licenses, Permits, Fines and Charges for Services
Primary Government		
Governmental Activities:		
General Government .....	\$ 4,549,261	\$ 501,468
Public Safety .....	4,266,146	202,379
Streets and Sanitation .....	256,985	100,996
Transportation .....	378,779	52,524
Health .....	116,692	7,232
Cultural and Recreational .....	114,676	15,122
Interest on Long-term Debt .....	495,856	-
Total Governmental Activities .....	10,178,395	879,721
Business-type Activities:		
Water .....	816,012	761,411
Sewer .....	350,388	368,966
Chicago Midway International Airport .....	320,033	232,483
Chicago-O'Hare International Airport .....	1,330,240	1,139,380
Chicago Skyway .....	8,651	-
Total Business-type Activities .....	2,825,324	2,502,240
Total Primary Government .....	\$ 13,003,719	\$ 3,381,961

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
\$ 369,857	\$ -	\$ (3,677,936)	\$ -	\$ (3,677,936)
51,174	-	(4,012,593)	-	(4,012,593)
-	-	(155,989)	-	(155,989)
-	221,532	(104,723)	-	(104,723)
85,851	-	(23,609)	-	(23,609)
9,846	-	(89,708)	-	(89,708)
-	-	(495,856)	-	(495,856)
<u>516,728</u>	<u>221,532</u>	<u>(8,560,414)</u>	<u>-</u>	<u>(8,560,414)</u>
-	-	-	(54,601)	(54,601)
-	16,639	-	35,217	35,217
-	27,903	-	(59,647)	(59,647)
-	70,664	-	(120,196)	(120,196)
-	-	-	(8,651)	(8,651)
-	<u>115,206</u>	-	<u>(207,878)</u>	<u>(207,878)</u>
<u>\$ 516,728</u>	<u>\$ 336,738</u>	<u>(8,560,414)</u>	<u>(207,878)</u>	<u>(8,768,292)</u>
General Revenues				
Taxes:				
Property Tax .....		1,264,473	-	1,264,473
Utility Tax .....		557,992	-	557,992
Sales Tax .....		347,131	-	347,131
Transportation Tax .....		449,744	-	449,744
Transaction Tax .....		542,896	-	542,896
Special Area Tax .....		537,026	-	537,026
Recreation Tax .....		246,608	-	246,608
Other Taxes .....		149,281	-	149,281
Grants and Contributions not Restricted to				
Specific Programs .....		781,968	-	781,968
Unrestricted Investment Earnings .....		30,400	13,196	43,596
Miscellaneous .....		213,903	35,201	249,104
Transfers .....		2,540	(2,540)	-
Total General Revenues and Transfers .....		<u>5,123,962</u>	<u>45,857</u>	<u>5,169,819</u>
Change in Net Position .....		<u>(3,436,452)</u>	<u>(162,021)</u>	<u>(3,598,473)</u>
Net Position - Beginning .....		<u>(24,035,807)</u>	<u>204,361</u>	<u>(23,831,446)</u>
Net Position - Ending .....		<u>\$ (27,472,259)</u>	<u>\$ 42,340</u>	<u>\$ (27,429,919)</u>

**Exhibit 3**  
**CITY OF CHICAGO, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	General	Federal, State and Local Grants	Special Taxing Areas
<b>ASSETS</b>			
Cash and Cash Equivalents .....	\$ 2,856	\$ -	\$ 111,335
Investments .....	94,730	108,351	847,042
Cash and Investments with Escrow Agent .....	-	-	-
Receivables (Net of Allowances):			
Property Tax .....	-	-	473,173
Accounts .....	237,311	4,630	21,491
Due From Other Funds .....	119,312	25,908	286,527
Due From Other Governments .....	270,907	425,126	-
Inventories .....	23,730	-	-
Restricted Cash and Cash Equivalents .....	-	3,218	-
Restricted Investments .....	-	-	-
Other Assets .....	-	4,075	-
<b>Total Assets .....</b>	<b><u>\$ 748,846</u></b>	<b><u>\$ 571,308</u></b>	<b><u>\$ 1,739,568</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Voucher Warrants Payable .....	\$ 191,990	\$ 169,952	\$ 43,854
Bonds, Notes and Other Obligations Payable - Current .....	-	-	-
Accrued Interest .....	-	-	-
Due To Other Funds .....	129,311	281,017	12,143
Accrued and Other Liabilities .....	125,788	12,203	2,596
Claims Payable .....	19,176	-	-
Unearned Revenue .....	1,790	97,990	-
<b>Total Liabilities .....</b>	<b><u>468,055</u></b>	<b><u>561,162</u></b>	<b><u>58,593</u></b>
Deferred Inflows .....	<u>11,209</u>	<u>253,053</u>	<u>371,156</u>
<b>Fund Balance:</b>			
Nonspendable .....	23,730	-	-
Restricted .....	-	11,054	1,309,819
Committed .....	-	-	-
Assigned .....	92,115	-	-
Unassigned .....	153,737	(253,961)	-
<b>Total Fund Balance .....</b>	<b><u>269,582</u></b>	<b><u>(242,907)</u></b>	<b><u>1,309,819</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balance .....</b>	<b><u>\$ 748,846</u></b>	<b><u>\$ 571,308</u></b>	<b><u>\$ 1,739,568</u></b>

See notes to basic financial statements.

Service Concession and Reserve	Bond, Note Redemption and Interest	Community Development and Improvement Projects	Pension	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 63,032	\$ -	\$ 21,310	\$ 25,296	\$ 223,829
-	21,708	110,532	43,011	108,180	1,333,554
-	423,217	-	-	83,587	506,804
-	490,441	-	755,216	20,232	1,739,062
5,131	2,424	1,730	405	16,046	289,168
-	2,103	18,434	-	91,712	543,996
-	1,848	-	-	38,113	735,994
-	-	-	-	-	23,730
16,906	-	-	-	-	20,124
618,204	-	-	-	-	618,204
-	-	-	-	-	4,075
<u>\$ 640,241</u>	<u>\$ 1,004,773</u>	<u>\$ 130,696</u>	<u>\$ 819,942</u>	<u>\$ 383,166</u>	<u>\$ 6,038,540</u>
\$ -	\$ -	\$ 44,373	\$ 64,937	\$ 64,340	\$ 579,446
-	123,384	-	-	-	123,384
-	223,688	-	-	1,058	224,746
-	-	39,537	155,884	136,647	754,539
-	-	1,754	-	13,142	155,483
-	-	-	-	-	19,176
-	-	-	-	-	99,780
-	347,072	85,664	220,821	215,187	1,956,554
1,534,227	389,880	-	599,121	15,122	3,173,768
-	-	-	-	-	23,730
-	267,821	45,032	-	122,188	1,755,914
640,241	-	-	-	69,528	709,769
-	-	-	-	-	92,115
(1,534,227)	-	-	-	(38,859)	(1,673,310)
(893,986)	267,821	45,032	-	152,857	908,218
<u>\$ 640,241</u>	<u>\$ 1,004,773</u>	<u>\$ 130,696</u>	<u>\$ 819,942</u>	<u>\$ 383,166</u>	<u>\$ 6,038,540</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 .....	8,676,253
Other long-term assets are not available to pay for current-period expenditures and therefore are recorded as deferred inflows in the funds .....	1,639,541
Certain liabilities, including bonds payable, and deferred outflows are not due and payable in the current period and therefore are not reported in the funds .....	(38,696,271)
Net position of governmental activities .....	<u>\$ (27,472,259)</u>

Exhibit 4

CITY OF CHICAGO, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended December 31, 2016

(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
Revenues:			
Property Tax .....	\$ -	\$ -	\$ -
Utility Tax .....	434,409	-	-
Sales Tax (Local) .....	308,089	-	-
Transportation Tax .....	247,100	-	-
State Income Tax .....	413,673	-	-
State Sales Tax .....	366,426	-	-
Transaction Tax .....	463,607	-	-
Special Area Tax .....	-	-	494,782
Recreation Tax .....	246,608	-	-
Other Taxes .....	123,108	-	-
Federal/State Grants .....	1,869	743,734	-
Internal Service .....	342,606	-	-
Licenses and Permits .....	130,399	-	-
Fines .....	318,388	-	-
Investment Income .....	8,251	-	832
Charges for Services .....	192,672	-	-
Miscellaneous .....	85,407	-	318
<b>Total Revenues .....</b>	<b>3,682,612</b>	<b>743,734</b>	<b>495,932</b>
Expenditures:			
Current:			
General Government .....	993,682	374,758	335,740
Health .....	29,430	86,905	-
Public Safety .....	2,195,201	62,568	-
Streets and Sanitation .....	195,310	-	15
Transportation .....	35,421	214,819	63,393
Cultural and Recreational .....	482	9,815	-
Employee Pensions .....	-	-	-
Other .....	2,860	620	-
Capital Outlay .....	-	47,760	-
Debt Service:			
Principal Retirement .....	15,874	-	2,164
Interest and Other Fiscal Charges .....	4,948	-	-
<b>Total Expenditures .....</b>	<b>3,473,208</b>	<b>797,245</b>	<b>401,312</b>
<b>Revenues Over (Under) Expenditures ..</b>	<b>209,404</b>	<b>(53,511)</b>	<b>94,620</b>

Continued on following pages.

<u>Service Concession and Reserve</u>	<u>Bond, Note Redemption and Interest</u>	<u>Community Development and Improvement Projects</u>	<u>Pension</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 546,106	\$ -	\$ 747,957	\$ -	\$ 1,294,063
-	22,323	-	-	101,260	557,992
-	39,042	-	-	-	347,131
-	10,979	-	-	191,665	449,744
-	-	-	-	-	413,673
-	-	-	-	-	366,426
-	-	-	-	79,289	542,896
-	-	-	-	22,104	516,886
-	-	-	-	-	246,608
-	85	-	-	26,088	149,281
-	-	-	-	-	745,603
-	-	-	-	34,289	376,895
-	2,474	-	-	-	132,873
-	-	-	-	19,381	337,769
18,980	3,231	439	16	(1,349)	30,400
-	-	-	-	29,293	221,965
<u>21,033</u>	<u>18,193</u>	<u>15,367</u>	<u>50,937</u>	<u>22,610</u>	<u>213,865</u>
<u>40,013</u>	<u>642,433</u>	<u>15,806</u>	<u>798,910</u>	<u>524,630</u>	<u>6,944,070</u>
21	-	-	-	342,195	2,046,396
-	-	-	-	81	116,416
-	-	-	-	7,444	2,265,213
-	-	-	-	52,704	248,029
-	-	-	-	88,844	402,477
-	-	-	-	83,733	94,030
-	-	-	810,497	-	810,497
-	-	-	-	606	4,086
-	-	169,360	-	68,898	286,018
-	578,891	-	-	63,090	660,019
-	457,856	-	-	20,664	483,468
<u>21</u>	<u>1,036,747</u>	<u>169,360</u>	<u>810,497</u>	<u>728,259</u>	<u>7,416,649</u>
<u>39,992</u>	<u>(394,314)</u>	<u>(153,554)</u>	<u>(11,587)</u>	<u>(203,629)</u>	<u>(472,579)</u>

**Exhibit 4 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>General</u>	<u>Federal, State and Local Grants</u>	<u>Special Taxing Areas</u>
<b>Other Financing Sources (Uses):</b>			
Issuance of Debt .....	\$ -	\$ 30,746	\$ -
Issuance of Line of Credit .....	-	-	-
Premium/(Discount) .....	-	-	-
Payment to Refunded Bond Escrow Agent .....	-	-	-
Transfers In .....	14,998	-	14,623
Transfers Out .....	<u>(169,955)</u>	<u>(4,000)</u>	<u>(75,133)</u>
Total Other Financing (Uses) Sources .....	<u>(154,957)</u>	<u>26,746</u>	<u>(60,510)</u>
Net Changes in Fund Balance .....	54,447	(26,765)	34,110
Fund Balance, Beginning of Year .....	215,232	(216,142)	1,275,709
Change in Inventory .....	<u>(97)</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year .....	<u>\$ 269,582</u>	<u>\$ (242,907)</u>	<u>\$ 1,309,819</u>

See notes to basic financial statements.

<u>Service Concession Agreements and Reserve</u>	<u>Bond, Note Redemption and Interest</u>	<u>Community Development and Improvement Projects</u>	<u>Pension</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 530,746
-	337,140	-	-	-	337,140
-	23,892	-	-	-	23,892
-	(496,150)	-	-	-	(496,150)
-	150,104	13,700	11,587	170,778	375,790
-	(89,145)	(13,545)	-	(21,472)	(373,250)
<u>-</u>	<u>425,841</u>	<u>155</u>	<u>11,587</u>	<u>149,306</u>	<u>398,168</u>
39,992	31,527	(153,399)	-	(54,323)	(74,411)
(933,978)	236,294	198,431	-	207,180	982,726
-	-	-	-	-	(97)
<u>\$ (893,986)</u>	<u>\$ 267,821</u>	<u>\$ 45,032</u>	<u>\$ -</u>	<u>\$ 152,857</u>	<u>\$ 908,218</u>

**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, 2016**  
**(Amounts are in Thousands of Dollars)**

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

Net change in fund balances - total governmental funds .....	\$ (74,411)
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 .....	165,127
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds .....	15,613
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 .....	249,388
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>(3,792,169)</u>
Change in the net position of governmental activities .....	<u>\$ (3,436,452)</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, 2016**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance
<b>Revenues:</b>				
Utility Tax .....	\$ 441,000	\$ 441,000	\$ 434,409	\$ (6,591)
Sales Tax .....	315,883	315,883	308,089	(7,794)
Transportation Tax .....	240,445	240,445	247,100	6,655
Transaction Tax .....	344,700	344,700	463,607	118,907
Recreation Tax .....	218,016	218,016	246,608	28,592
Other Taxes .....	118,300	118,300	123,108	4,808
State Income Tax .....	435,700	435,700	413,673	(22,027)
State Sales Tax .....	361,900	361,900	366,426	4,526
Federal/State Grants .....	1,800	1,800	1,869	69
Internal Service .....	358,542	358,542	342,606	(15,936)
Licenses and Permits .....	125,223	125,223	130,399	5,176
Fines .....	350,500	350,500	318,388	(32,112)
Investment Income .....	4,400	4,400	8,251	3,851
Charges for Services .....	184,968	184,968	192,672	7,704
Miscellaneous .....	106,078	106,078	85,407	(20,671)
Transfers In/Out .....	26,000	26,000	14,998	(11,002)
<b>Total Revenues .....</b>	<b>3,633,455</b>	<b>3,633,455</b>	<b>3,697,610</b>	<b>64,155</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government .....	1,213,785	1,217,680	1,076,837	140,843
Health .....	30,426	30,426	28,913	1,513
Public Safety .....	2,114,336	2,114,336	2,191,829	(77,493)
Streets and Sanitation .....	201,167	201,167	195,342	5,825
Transportation .....	56,460	52,565	51,589	976
<b>Debt Service:</b>				
Principal Retirement .....	11,135	11,135	11,135	-
Interest and Other Fiscal Charges .....	6,146	6,146	4,948	1,198
<b>Total Expenditures .....</b>	<b>3,633,455</b>	<b>3,633,455</b>	<b>3,560,593</b>	<b>72,862</b>
<b>Revenues Over Expenditures .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,017</b>	<b>\$ 137,017</b>

See notes to basic financial statements.

**Exhibit 7**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					Total
	Water	Sewer	Chicago- Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
<b>CURRENT ASSETS:</b>						
Cash and Cash Equivalents .....	\$ 141,931	\$ 30,301	\$ 12,615	\$ 122,340	\$ 478	\$ 307,665
Investments .....	361,553	112,110	31,164	72,232	998	578,057
Accounts Receivable (Net of Allowances) .....	168,527	106,874	15,588	82,020	28	373,037
Interest Receivable .....	133	-	-	970	-	1,103
Due from Other Funds .....	35,906	17,473	2,026	31,851	-	87,256
Inventories .....	22,236	992	-	-	-	23,228
Cash and Cash Equivalents - Restricted .....	74,158	126,484	100,918	681,463	-	983,023
Investments - Restricted .....	102,254	85,116	-	-	-	187,370
Interest Receivable - Restricted .....	411	736	324	-	-	1,471
Other Assets - Restricted .....	-	-	-	333	-	333
<b>TOTAL CURRENT ASSETS .....</b>	<b>907,109</b>	<b>480,086</b>	<b>162,635</b>	<b>991,209</b>	<b>1,504</b>	<b>2,542,543</b>
<b>NONCURRENT ASSETS:</b>						
Cash and Cash Equivalents - Restricted .....	-	-	114,505	501,542	-	616,047
Investments - Restricted .....	39,898	39,644	481,629	1,065,040	-	1,626,211
Interest Receivable - Restricted .....	-	-	1,999	7,583	-	9,582
Other Assets - Restricted .....	-	-	4,533	22,776	-	27,309
Due from Other Governments - Restricted .....	-	-	1,298	2,673	-	3,971
Other Assets .....	4,425	3,331	652	4,998	9,740	23,146
<b>Property, Plant, and Equipment:</b>						
Land .....	6,858	560	115,637	892,088	12,609	1,027,752
Structures, Equipment and Improvements .....	4,840,558	2,989,979	1,671,782	9,302,810	490,817	19,295,946
Accumulated Depreciation .....	(1,082,290)	(570,077)	(616,281)	(3,451,749)	(250,702)	(5,971,099)
Construction Work in Progress .....	366,506	35,498	11,550	631,402	-	1,044,956
<b>Total Property, Plant and Equipment .....</b>	<b>4,131,632</b>	<b>2,455,960</b>	<b>1,182,688</b>	<b>7,374,551</b>	<b>252,724</b>	<b>15,397,555</b>
<b>TOTAL NONCURRENT ASSETS: .....</b>	<b>4,175,955</b>	<b>2,498,935</b>	<b>1,787,304</b>	<b>8,979,163</b>	<b>262,464</b>	<b>17,703,821</b>
<b>TOTAL ASSETS .....</b>	<b>5,083,064</b>	<b>2,979,021</b>	<b>1,949,939</b>	<b>9,970,372</b>	<b>263,968</b>	<b>20,246,364</b>
<b>DEFERRED OUTFLOWS .....</b>	<b>473,223</b>	<b>184,729</b>	<b>114,005</b>	<b>513,494</b>	<b>-</b>	<b>1,285,451</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS .....</b>	<b>\$ 5,556,287</b>	<b>\$ 3,163,750</b>	<b>\$ 2,063,944</b>	<b>\$ 10,483,866</b>	<b>\$ 263,968</b>	<b>\$ 21,531,815</b>

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
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Voucher Warrants Payable .....	\$ 20,637	\$ 3,197	\$ 25,900	\$ 91,404	\$ 137	\$ 141,275
Due to Other Funds .....	9,106	11,581	8,216	3,679	15	32,597
Accrued and Other Liabilities .....	166,682	38,304	730	14,459	236	220,411
Unearned Revenue .....	18,158	14,414	-	187,771	-	220,343
Current Liabilities Payable From Restricted Assets .....	176,412	211,600	100,783	681,463	-	1,170,258
<b>TOTAL CURRENT LIABILITIES .....</b>	<b>390,995</b>	<b>279,096</b>	<b>135,629</b>	<b>978,776</b>	<b>388</b>	<b>1,784,884</b>
<b>NONCURRENT LIABILITIES:</b>						
Revenue Bonds Payable .....	2,566,374	1,780,155	1,878,968	7,424,016	-	13,649,513
Line of Credit Payable .....	-	-	-	12,098	-	12,098
Net Pension Liability .....	1,626,658	664,925	316,747	1,638,864	-	4,247,194
Derivative Instrument Liability .....	-	-	26,034	-	-	26,034
Other .....	1,577	-	2,015	-	-	3,592
<b>TOTAL NONCURRENT LIABILITIES ...</b>	<b>4,194,609</b>	<b>2,445,080</b>	<b>2,223,764</b>	<b>9,074,978</b>	<b>-</b>	<b>17,938,431</b>
<b>TOTAL LIABILITIES .....</b>	<b>4,585,604</b>	<b>2,724,176</b>	<b>2,359,393</b>	<b>10,053,754</b>	<b>388</b>	<b>19,723,315</b>
DEFERRED INFLOWS .....	74,957	27,102	8,404	47,515	1,608,182	1,766,160
<b>NET POSITION:</b>						
Net Investment in Capital Assets .....	1,621,976	648,644	(152,026)	1,001,744	252,725	3,373,063
<b>Restricted Net Position:</b>						
Debt Service .....	-	-	-	19,815	-	19,815
Capital Projects .....	411	117,295	10,703	65,858	-	194,267
Passenger Facility Charges .....	-	-	6,867	174,605	-	181,472
Contractual Use Agreement .....	-	-	31,232	145,735	-	176,967
Air Development Fund .....	-	-	-	238,021	-	238,021
Customer Facility Charge .....	-	-	25,850	11,260	-	37,110
Other .....	-	-	8,396	23,886	-	32,282
Unrestricted Net Position .....	(726,661)	(353,467)	(234,875)	(1,298,327)	(1,597,327)	(4,210,657)
<b>TOTAL NET POSITION .....</b>	<b>\$ 895,726</b>	<b>\$ 412,472</b>	<b>\$ (303,853)</b>	<b>\$ 382,597</b>	<b>\$ (1,344,602)</b>	<b>\$ 42,340</b>

See notes to basic financial statements.

**Exhibit 8**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					
	Water	Sewer	Chicago- Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
<b>Operating Revenues:</b>						
Charges for Services - Net .....	\$ 735,881	\$ 367,820	\$ 87,425	\$ 635,224	\$ -	\$ 1,826,350
Rent .....	-	-	94,768	312,592	-	407,360
Other .....	25,530	1,146	-	-	-	26,676
<b>Total Operating Revenues .....</b>	<b>761,411</b>	<b>368,966</b>	<b>182,193</b>	<b>947,816</b>	<b>-</b>	<b>2,260,386</b>
<b>Operating Expenses:</b>						
Personnel Services .....	125,893	11,801	48,548	204,136	-	390,378
Contractual Services .....	53,109	2,158	20,851	95,608	-	171,726
Repairs and Maintenance .....	1,262	58,349	48,277	104,536	-	212,424
Commodities and Materials .....	23,908	-	-	-	-	23,908
Depreciation and Amortization .....	67,984	40,734	49,118	254,689	8,651	421,176
General Fund Reimbursements .....	88,407	50,760	-	-	-	139,167
Pension Expense .....	239,962	104,864	47,879	245,491	-	638,196
Other .....	5,839	-	17,050	101,439	-	124,328
<b>Total Operating Expenses .....</b>	<b>606,364</b>	<b>268,666</b>	<b>231,723</b>	<b>1,005,899</b>	<b>8,651</b>	<b>2,121,303</b>
<b>Operating Income (Loss) .....</b>	<b>155,047</b>	<b>100,300</b>	<b>(49,530)</b>	<b>(58,083)</b>	<b>(8,651)</b>	<b>139,083</b>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income (Loss) .....	629	1,025	(1,094)	12,640	(4)	13,196
Interest Expense .....	(107,897)	(81,722)	(58,220)	(316,119)	-	(563,958)
Passenger Facility Charges .....	-	-	41,665	151,634	-	193,299
Customer Facility Charges .....	-	-	8,625	39,930	-	48,555
Noise Mitigation Costs .....	-	-	(27,089)	(2,310)	-	(29,399)
Cost of Issuance .....	-	-	(3,001)	(5,912)	-	(8,913)
Swap Termination Fees .....	(101,751)	-	-	-	-	(101,751)
Other .....	605	112	364	15,553	18,567	35,201
<b>Total Nonoperating Revenues (Expenses) .....</b>	<b>(208,414)</b>	<b>(80,585)</b>	<b>(38,750)</b>	<b>(104,584)</b>	<b>18,563</b>	<b>(413,770)</b>
Transfers Out .....	(2,420)	(120)	-	-	-	(2,540)
Capital Grants .....	-	16,639	27,903	70,664	-	115,206
<b>Net Income (Loss) .....</b>	<b>(55,787)</b>	<b>36,234</b>	<b>(60,377)</b>	<b>(92,003)</b>	<b>9,912</b>	<b>(162,021)</b>
<b>Net Position (Deficit) -</b>						
Beginning of Year .....	951,513	376,238	(243,476)	474,600	(1,354,514)	204,361
<b>Net Position (Deficit) - End of Year .....</b>	<b>\$ 895,726</b>	<b>\$ 412,472</b>	<b>\$ (303,853)</b>	<b>\$ 382,597</b>	<b>\$ (1,344,602)</b>	<b>\$ 42,340</b>

See notes to basic financial statements.

**Exhibit 9**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Business-type Activities - Enterprise Funds					
	Major Funds					
	Water	Sewer	Chicago- Midway International Airport	Chicago- O'Hare International Airport	Chicago Skyway	Total
<b>Cash Flows from Operating Activities:</b>						
Received from Customers .....	\$ 764,497	\$ 367,632	\$ 177,236	\$ 991,753	\$ -	\$ 2,301,118
Payments to Vendors .....	(84,493)	(29,871)	(76,572)	(287,590)	226	(478,300)
Payments to Employees .....	(126,309)	(43,665)	(46,822)	(180,956)	-	(397,752)
Transactions with Other City Funds .....	(115,919)	(46,671)	(11,882)	(67,955)	-	(242,427)
Cash Flows Provided By						
Operating Activities .....	437,776	247,425	41,960	455,252	226	1,182,639
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Proceeds from Issuance of Bonds/IEPA Loans .....	219,254	54,170	394,848	1,182,016	-	1,850,288
Acquisition and Construction of						
Capital Assets .....	(384,178)	(210,909)	(58,504)	(423,778)	-	(1,077,369)
Capital Grant Receipts .....	-	16,639	30,314	68,340	-	115,293
Bond Issuance Costs .....	(3,112)	-	(3,002)	(5,912)	-	(12,026)
Payment to Refund Bonds .....	-	-	(41,713)	(1,058,503)	-	(1,100,216)
Principal Paid on Debt .....	(70,281)	(47,529)	(23,470)	(221,220)	-	(362,500)
Interest Paid .....	(100,722)	(79,525)	(59,681)	(394,869)	-	(634,797)
Passenger and Customer Facility Charges .....	-	-	48,822	193,743	-	242,565
Swap Termination Fees .....	(101,751)	-	-	-	-	(101,751)
Concessionaire Funds .....	-	-	-	-	79	79
Cash Flows (Used in) Provided By Capital and Related Financing Activities .....						
	(440,790)	(267,154)	287,614	(660,183)	79	(1,080,434)
<b>Cash Flows from Non Capital Financing Activities:</b>						
Noise Mitigation Program .....	-	-	(27,089)	(2,310)	-	(29,399)
Proceeds from Settlement Agreement .....	-	-	364	707	-	1,071
Cash Flows Used in Non Capital Financing Activities .....						
	-	-	(26,725)	(1,603)	-	(28,328)
<b>Cash Flows from Investing Activities:</b>						
(Purchases) Sale of Investments, Net .....	(107,225)	(2,635)	(245,356)	100,611	(717)	(255,322)
Investment Income (Loss) .....	3,843	1,941	1,793	(3,131)	(25)	4,421
Cash Flows (Used in) Provided By Investing Activities .....						
	(103,382)	(694)	(243,563)	97,480	(742)	(250,901)
<b>Net (Decrease) Increase in Cash and Cash Equivalents .....</b>						
	(106,396)	(20,423)	59,286	(109,054)	(437)	(177,024)
<b>Cash and Cash Equivalents, Beginning of Year .....</b>						
	322,485	177,208	168,752	1,414,399	915	2,083,759
<b>Cash and Cash Equivalents, End of Year .....</b>						
	\$ 216,089	\$ 156,785	\$ 228,038	\$ 1,305,345	\$ 478	\$ 1,906,735

See notes to basic financial statements.

**Exhibit 9 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2016**  
**(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) .....	\$ 155,047	\$ 100,300	\$ (49,530)	\$ (58,083)	\$ (8,651)	\$ 139,083
Adjustments to Reconcile:						
Depreciation and Amortization .....	67,984	40,734	49,118	254,689	8,651	421,176
Pension Expense Other than Contribution .....	227,639	100,447	41,188	217,986	-	587,260
Provision for Uncollectible Accounts .....	24,757	16,320	(390)	-	-	40,687
Change in Assets and Liabilities:						
(Increase) Decrease in Receivables .....	(19,973)	(16,135)	1,255	9,628	-	(25,225)
(Increase) Decrease in Due From Other Funds .....	(2,234)	8,719	650	(319)	-	6,816
(Decrease) Increase in Voucher Warrants Payable and Due to Other Funds .....	(15,978)	663	5,164	(1,685)	(10)	(11,846)
Increase (Decrease) in Unearned Revenue and Other Liabilities .....	2,079	(3,439)	(5,432)	34,308	236	27,752
Increase in Inventories and Other Assets .....	(1,545)	(184)	(63)	(1,272)	-	(3,064)
Cash Flows from Operating Activities .....	<u>\$ 437,776</u>	<u>\$ 247,425</u>	<u>\$ 41,960</u>	<u>\$ 455,252</u>	<u>\$ 226</u>	<u>\$ 1,182,639</u>
<b>Supplemental Disclosure of Noncash Items:</b>						
Capital asset additions in 2016 have outstanding accounts payable and accrued and other liabilities .....	<u>\$ 69,532</u>	<u>\$ 120,819</u>	<u>\$ 33,335</u>	<u>\$ 197,167</u>	<u>\$ -</u>	<u>\$ 420,853</u>

See notes to basic financial statements.

**Exhibit 10**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents .....	\$ 188,696	\$ 147,723
Investments .....	8,552,287	152,540
Cash and Investments with		
Escrow Agent .....	-	9,188
Property Tax Receivable .....	-	91,113
Accounts Receivable, Net .....	884,688	80,667
Due From City .....	155,884	-
Property, Plant, Equipment and other .....	234	-
Invested Securities Lending Collateral .....	661,063	-
<b>Total Assets .....</b>	<b>\$ 10,442,852</b>	<b>\$ 481,231</b>
<b>LIABILITIES</b>		
Voucher Warrants Payable .....	\$ 292,454	\$ 42,437
Accrued and Other Liabilities .....	-	438,794
Securities Lending Collateral .....	661,063	-
<b>Total Liabilities .....</b>	<b>\$ 953,517</b>	<b>\$ 481,231</b>
Deferred Inflows .....	\$ 1,333	\$ -
<b>Total Liabilities and Deferred Inflows .....</b>	<b>\$ 954,850</b>	<b>\$ 481,231</b>
<b>NET POSITION</b>		
Restricted for Pension Benefits .....	9,488,002	
<b>Total Net Position .....</b>	<b>\$ 9,488,002</b>	

See notes to basic financial statements.

**Exhibit 11**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FIDUCIARY FUNDS - PENSION TRUST FUNDS**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>Total</u>
<b>ADDITIONS</b>	
Contributions:	
Employees .....	\$ 298,073
City .....	<u>607,572</u>
Total Contributions .....	<u>905,645</u>
Investment Income:	
Net Appreciation in	
Fair Value of Investments .....	370,918
Interest, Dividends and Other .....	213,775
Investment Expense .....	<u>(43,697)</u>
Net Investment Income .....	<u>540,996</u>
Securities Lending Transactions:	
Securities Lending Income .....	3,819
Securities Lending Expense .....	<u>(399)</u>
Net Securities Lending Transactions .....	<u>3,420</u>
Total Additions .....	<u>1,450,061</u>
<b>DEDUCTIONS</b>	
Benefits and Refunds of Deductions .....	2,027,029
Administrative and General .....	<u>19,164</u>
Total Deductions .....	<u>2,046,193</u>
Net Increase in Net Position .....	(596,132)
Net Position:	
Beginning of Year .....	<u>10,084,134</u>
End of Year .....	<u><u>\$ 9,488,002</u></u>

See notes to basic financial statements.



**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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**1) Summary of Significant Accounting Policies**

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

The accounting policies of the City are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Effective January 1, 2016, the City adopted the following GASB Statements:

GASB Statement No. 72 *Fair Value Measurement and Application* (“GASB 72”), addressed accounting and financial reporting issues related to fair value measurements. The City adopted GASB 72 for the year ended December 31, 2016. This Statement provided guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement required a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement established a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also required disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques (see Notes 4 and 10).

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (“GASB 76”), supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The City adopted GASB 76 for the year ended December 31, 2016. There was no impact on the City’s Financial Statements as a result of the implementation of GASB 76.

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB 77”), required 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. The City adopted GASB 77 for the year ended December 31, 2016 (see Note 17).

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

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

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, an amendment of GASB Statement No. 14 (“GASB 80”), amends the blending requirements for the financial statement presentation of component units of all state and local governments. GASB 80 will be effective for the City beginning with its year ending December 31, 2017.

GASB Statement No. 82, *Pension Issues*, an amendment of GASB Statements No. 67, No. 68, and No. 73 (“GASB 82”), addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of

**CITY OF CHICAGO, ILLINOIS**  
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payments made by employers to satisfy employee (Plan member) contribution requirements. GASB 82 will be effective for the City beginning with its year ending December 31, 2017.

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

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

GASB Statement No. 85, Omnibus – (“GASB 85”) the objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses various miscellaneous issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (OPEB). GASB 85 will be effective for the City beginning with its year ending December 31, 2018.

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

- a) **Reporting Entity** - The City includes the Chicago Public Library. The financial statements for the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), applicable to governmental units, as required by the Municipal Code of Chicago (Code).

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

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

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

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

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

Financial statements for each of these four pension plans (collectively, “Pension Plans”) may be obtained at the respective Pension Plans’ office.

Related Organizations - City officials are responsible for appointing a voting majority of the members of the boards of other organizations, but the City’s accountability for these organizations does not extend beyond making appointments and no financial accountability or fiscal dependency exists between the City and these

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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 properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. 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.

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**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.

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

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

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

**Nonspendable** includes amounts that cannot be spent because they are either: (a) not in a spendable form; or (b) legally or contractually required to be maintained intact.

**Restricted** includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** includes amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority (i.e., City Council); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. The City's highest level of decision-making authority is held by the City Council. The City Council passes Ordinances to commit their fund balances.

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

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

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

**Water Fund** accounts for the operations of the Chicago Water System (Water). The Water system purifies and provides Lake Michigan water for 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

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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 servicing the airport operate out of four terminal buildings. Three domestic terminal buildings, having a total of 167 gates, serve domestic flights and certain international departures as of December 2016. The International Terminal, having a total of 21 gates and four remote aircraft parking positions, serves the remaining international departures and all international arrivals requiring customs clearance.

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

Additionally, the City reports the following fiduciary funds:

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

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

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

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

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

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

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

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

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liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

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

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

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

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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 54 days at December 31, 2016. The cash collateral is invested in tri-party repurchase agreements and bank deposits which had a weighted average maturity of 28 days at December 31, 2016.

Laborers' Employees' - The average term of securities loaned was 88 days at December 31, 2016. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 16 days at December 31, 2016.

Policemen's Employees' - The average term of the Fund's loan was approximately 1 day as of December 31, 2016. Cash collateral was reinvested in indemnified repurchase agreements which had a interest sensitivity of 83.55 days at December 31, 2016.

Firemen's Employees' - The average term of securities loaned was 48 days in 2016. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 28 days at December 31, 2016.

- 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.

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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 \$1,096.6 million, of which \$49.2 million was capitalized as part of the capital assets under construction projects in proprietary funds.

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

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

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

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

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

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

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



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

ix) **Long-term obligations** are included in the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and 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 O'Hare Bonds or Midway Bonds, airline approval is also required before entering into a swap agreement.

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

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

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

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

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

(1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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- (2) Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or are legally restricted through constitutional provisions or enabling legislation.

Restricted net position for business activities are provided in Exhibit 7, Statement of Net Position, Proprietary Funds.

- (3) Unrestricted - All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.” As of December 31, 2016, the unrestricted net position represents a deficit.

**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 \$1,639.5 million are as follows (dollars in thousands):

Deferred inflows - property tax .....	\$	1,375,279
Deferred inflows - grants .....		253,053
Deferred inflows - charges for services .....		11,209
		<u>11,209</u>
Net adjustment to increase fund balance - total governmental funds		
- to arrive at net position - governmental activities .....	\$	<u>1,639,541</u>

- ii) Another element of that reconciliation explains that “Certain liabilities and deferred outflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$38,696.3 million are as follows (dollars in thousands):

Long-term liabilities:		
Total bonds, notes and certificates payable .....	\$	10,410,301
Pension benefits .....		31,512,071
Other postemployment benefits .....		167,209
Pollution remediation.....		33,201
Claims and judgments .....		942,622
		<u>942,622</u>
Total Long-term liabilities .....		43,065,404
Accounts payable - infrastructure retainage.....		22,171
Bonds, notes and other obligations payable current .....		(122,712)
Other assets - issuance costs (bond insurance).....		(11,159)
Deferred outflows-unamortized loss on refunding .....		(229,368)
Deferred outflows-pension costs .....		(5,438,514)
Deferred inflows-pension .....		720,224
Accrued and other liabilities - compensated absences .....		88,364
Accrued and other liabilities - pension payable to pension funds ....		601,861
		<u>601,861</u>
Net adjustment to reduce fund balance - total		
governmental funds - to arrive at net position -		
governmental activities .....	\$	<u>38,696,271</u>

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**b) Explanation of certain differences between the governmental funds' statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

i) The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$165.1 million are as follows (dollars in thousands):

Capitalized asset expenditures .....	\$ 570,840
Donated assets .....	39
Depreciation expense .....	(405,292)
Loss - on disposal of land .....	<u>(460)</u>
Net adjustment to increase net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$ 165,127</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 \$249.4 million are as follows (dollars in thousands):

Proceeds of debt .....	\$ (530,746)
Proceeds from Line of Credit .....	(337,140)
Premium .....	(23,892)
Payment of refunded bond escrow agent .....	496,150
Principal retirement .....	659,281
Interest expense .....	<u>(14,265)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities ..	<u>\$ 249,388</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 \$3,792.2 million are as follows (dollars in thousands):

Claims and judgments .....	\$ (92,061)
Pension costs .....	(3,747,531)
Other post employment benefit liabilities .....	47,326
Pollution remediation .....	(351)
Vacation .....	545
Inventory .....	<u>(97)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$ (3,792,169)</u>

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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**3) Stewardship, Compliance and Accountability**

- a) **Annual Appropriation Budgets** are established for the General Fund and the Vehicle Tax, Pension, Chicago Public Library and certain Miscellaneous, Special Events, Tourism and Festivals nonmajor Special Revenue Funds, on a non-GAAP budgetary basis:
  - i) Prior to October 15, the Mayor submits to the City Council a proposed budget of expenditures and the means of financing them for the next year.
  - ii) The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
  - iii) Prior to January 1, the budget is legally enacted through passage of the appropriation ordinance.
  - 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, 2016 is as follows (dollars in thousands):

	<b>General Fund</b>
Revenues, GAAP Basis .....	\$ 3,682,612
Add:	
Transfers In .....	14,998
Revenues, Budgetary Basis .....	<b>\$ 3,697,610</b>
Expenditures, GAAP Basis .....	\$ 3,473,208
Add:	
Transfers Out .....	169,955
Encumbered in 2016 .....	14,115
Deduct:	
Payments on Prior Years' Encumbrances .....	(25,045)
Payments on Prior Years' Assignments .....	(68,780)
Provision for Doubtful Accounts and Other.....	(2,860)
Expenditures, Budgetary Basis .....	<b>\$ 3,560,593</b>

- c) **Individual Fund Deficits** include the Chicago Skyway Fund, an Enterprise Fund, which has a fund deficit of \$1,344.6 million which management anticipates will be funded through recognition of deferred inflows. Midway International Airport Fund has a fund deficit of \$303.9 million which will be funded through future revenues. Federal State and Local Grants, a governmental fund, has a deficit of \$242.9 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 \$894.0 million which will be funded through the recognition of deferred inflows.

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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

a) **Investments** As of December 31, 2016, the City had the following Investments (dollars in thousands):

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				<u>Total</u>
	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
<b>City Funds</b>					
U.S. Treasuries.....	\$ 95,179	\$ 19,907	\$ -	\$ -	\$ 115,086
U.S. Agencies*.....	886,488	728,984	9,187	-	1,624,659
Commercial Paper.....	358,723	-	-	-	358,723
Corporate Bonds.....	141,337	513,629	446,595	405,341	1,506,902
Corporate Equities.....	830	-	-	-	830
Certificates of Deposit and Other Short-term .....	2,041,212	-	-	-	2,041,212
Municipal Bonds.....	91,312	470,062	198,124	351,758	1,111,256
Supra national Bonds.....	-	-	-	-	-
Total City Funds.....	<u>\$ 3,615,081</u>	<u>\$ 1,732,582</u>	<u>\$ 653,906</u>	<u>\$ 757,099</u>	<u>\$ 6,758,668</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

<b>Pension Trust Funds</b>					
U.S. and Foreign					
Government Agencies.....	\$ 50,433	\$ 200,015	\$ 134,253	\$ 307,518	\$ 692,219
Corporate Bonds.....	756,669	400,813	302,706	182,727	1,642,915
Corporate Equities.....	4,613,156	-	-	-	4,613,156
Pooled Funds.....	62,613	3,623	19,538	-	85,774
Real Estate.....	596,317	-	-	-	596,317
Securities Received from Securities Lending.....	661,063	-	-	-	661,063
Venture Capital.....	526,846	-	-	-	526,846
Certificates of Deposit and Other Short-term .....	323,206	-	-	-	323,206
Derivatives .....	20,635	-	-	-	20,635
Other .....	32,918	136,714	69,791	-	239,423
Total Pension Trust Funds.....	<u>\$ 7,643,856</u>	<u>\$ 741,165</u>	<u>\$ 526,288</u>	<u>\$ 490,245</u>	<u>\$ 9,401,554</u>
Total.....	<u>\$ 11,258,937</u>	<u>\$ 2,473,747</u>	<u>\$ 1,180,194</u>	<u>\$ 1,247,344</u>	<u>\$ 16,160,222</u>

City's Fair Value Measurements for Investments:

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

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets

Level 2 - Observable inputs other than quoted market prices, and

Level 3 - Unobservable Inputs

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

The recurring fair value measurements for investments as of December 31, 2016 are as follows (dollars in thousands):

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

<b>Investments by Fair Value Level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. Treasuries	\$ -	\$ 19,907	\$ -
U.S. Agencies	-	1,423,129	-
Corporate Bonds	-	1,472,472	-
Municipal Bonds	-	1,076,581	-
<b>Total Investments at Fair Value</b>	<b>\$ -</b>	<b>\$ 3,992,089</b>	<b>\$ -</b>

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for the City are \$2,766.6 million.

Pension Trust Funds' Investments (Dollars in thousands):

<b>Summary</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. and Foreign				
Government Agencies ...	\$ 692,219	\$ -	\$ 692,219	\$ -
Corporate Bonds .....	974,246	-	974,144	102
Corporate Equities .....	4,053,636	4,018,646	34,673	317
Pooled Funds .....	62,613	5,514	57,099	-
Real Estate .....	14,020	14,020	-	-
Securities Received from				
Securities Lending .....	661,063	-	661,063	-
Certificates of Deposit				
and Other Short-term .....	266,415	7,487	249,143	9,785
Derivatives .....	20,635	1,333	19,302	-
Other .....	213,392	-	213,392	-
<b>Subtotal .....</b>	<b>6,958,239</b>	<b>4,047,000</b>	<b>2,901,035</b>	<b>10,204</b>

<b>Investments measured at net asset value:</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice</b>	
Corporate Bonds .....	668,669	23,473	as needed	daily, monthly
Corporate Equities .....	559,521	43,086	as needed; quarterly, not eligible	daily, up to 90 days, N/A
Pooled Funds .....	23,162	-		
Real Estate .....	582,297	43,205	as needed; quarterly, N/A	60/90 days, open end or N/A
Venture Capital .....	526,846	73,785	as needed or N/A	90 days or N/A
Certificates of Deposit				
and Other Short-term .....	56,791	-		
Other * .....	26,031	20,290	as needed or N/A	up to 90 days or N/A
<b>Subtotal .....</b>	<b>2,443,317</b>			
<b>Total .....</b>	<b>\$ 9,401,556</b>			

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

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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

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

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

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

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

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

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

*i) Interest Rate Risk* – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits all securities so purchased, except tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation of the City, which shall show on their face that they are fully payable as to principal and interest, where applicable, if any, within thirty years from the date of purchase.

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

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

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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- (7) Bankers acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;
- (8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;
- (9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;
- (10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;
- (11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;
- (12) Bonds of companies organized in the United States with assets exceeding \$500.0 million that, at the time of purchase, are rated not less than A-, or equivalent rating, by at least two accredited ratings agencies;
- (13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within four intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;
- (14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within four intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;
- (15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;
- (16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;
- (17) Bonds, notes, debentures, or other similar obligations of agencies of the United States rated, at the time of purchase, no less than AAA by at least two accredited rating agencies.

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



**CITY OF CHICAGO, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2016**

<u>Quality Rating</u>	<u>City</u>	<u>Quality Rating</u>	<u>Pension Trust Funds</u>
Aaa/AAA .....	\$ 993,452	Aaa/AAA .....	\$ 204,812
Aa/AA .....	2,389,780	Aa/AA .....	106,996
A/A .....	1,090,151	A/A .....	184,177
Baa/BBB .....	-	Baa/BBB .....	301,300
Ba/BB .....	-	Ba/BB .....	247,519
B/B .....	-	B/B .....	171,428
Caa/CCC .....	-	Caa/CCC .....	40,780
Ca .....	-	Ca .....	355
C/CC .....	-	C/CC .....	488
D/D .....	-	D/D .....	1,475
P1/A1 .....	331,176	Not Rated .....	322,203
P2/A2 .....	40,348	Other .....	451,942
MIG1/SP-1+ .....	34,367		
MIG2/SP-1+ .....	1,999		
Not Rated* .....	1,877,395		
<b>Total Funds .....</b>	<b><u>\$ 6,758,668</u></b>		<b><u>\$ 2,033,475</u></b>

\* Not rated is primarily composed of money market mutual funds.

- iii) *Custodial Credit Risk – Cash and Certificates of Deposit:* This is the risk that in the event of a bank failure, the City’s Deposits may not be returned. The City’s Investment Policy states that in order to protect the City public fund deposits, depository institutions are to maintain collateral pledges on City deposits and certificates of deposit during the term of the deposit.

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

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

The bank balance of cash and certificates of deposit with the City’s various municipal depositories was \$514.1 million. 84.7 percent of the bank balance was either insured or collateralized with securities held by City agents in the City’s name. \$78.7 million was uncollateralized at December 31, 2016, and thus was subject to custodial credit risk.

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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- iv) *Custodial Credit Risk - Investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.
- v) *Foreign Currency Risk -* In the case of the Pension Trust Funds, this is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The risk of loss is managed by limiting its exposure to fair value loss by requiring their international securities managers to maintain diversified portfolios. The following schedule summarizes the Pension Trust Funds' exposure to foreign currency risk (in thousands):

<u>Foreign Currency Risk</u>	
Australian dollar.....	\$ 61,507
Brazilian real.....	38,576
British pound.....	223,156
Canadian dollar.....	72,438
Chilean peso.....	1,772
Chinese yuan.....	712
Columbian peso.....	3,712
Czech Republic koruna.....	2,278
Danish krone.....	22,925
Egyptian pound.....	226
European euro.....	381,077
HK Chinese Yuan renminbi.....	1
Hong Kong dollar.....	131,579
Hungarian forint.....	3,812
Indian rupee.....	44,170
Indonesian rupiah.....	25,006
Japanese yen.....	328,527
Malaysian ringgit.....	6,821
Mexican peso.....	20,515
New Israeli shekel.....	6,695
New Romanian leu.....	(5)
New Taiwan dollar.....	35,096
New Zealand dollar.....	2,225
Norwegian krone.....	15,169
Pakistan rupee.....	116
Philippines peso.....	8,596
Polish zloty.....	1,833
Qatari riyal.....	529
Russian ruble.....	1,462
Singapore dollar.....	9,600
South African rand.....	32,361
South Korean won.....	58,675
Swedish krona.....	50,126
Swiss franc.....	82,331
Taiwan dollar.....	4,376
Thailand baht.....	16,944
Turkish lira.....	7,510
United Arab Emirates dirham...	3,122
Total Pension Trust Funds.....	<u>\$ 1,705,571</u>

**CITY OF CHICAGO, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2016**

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

Per Note 4:	
Investments - City.....	\$ 6,758,668
Investments - Pension Trust Funds.....	9,401,554
	<u>\$ 16,160,222</u>
Per Financial Statements:	
Restricted Investments.....	\$ 2,431,785
Unrestricted Investments.....	1,911,611
Investments with Fiduciary Funds.....	8,704,827
Investments with Escrow Agent.....	515,992
Invested Securities Lending Collateral.....	661,063
Investments Included as Cash and Cash Equivalents on the Statement of Net Position.....	1,934,944
	<u>\$ 16,160,222</u>

**5) Property Tax**

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

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

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

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

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

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**6) Interfund Balances and Transfers**

a) The following balances at December 31, 2016 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.....	\$ 119,312	\$ 129,311
Federal, State and Local Grants.....	25,908	281,017
Special Taxing Areas.....	286,527	12,143
Bond, Note Redemption and Interest.....	2,103	-
Community Development and Improvement Projects....	18,434	39,537
Pension .....	-	155,884
Nonmajor Governmental Funds.....	<u>91,712</u>	<u>136,647</u>
Total Governmental Funds.....	543,996	754,539
Enterprise Funds:		
Water.....	35,906	9,106
Sewer.....	17,473	11,581
Chicago Midway International Airport.....	2,026	8,216
Chicago-O'Hare International Airport.....	31,851	3,679
Chicago Skyway.....	<u>-</u>	<u>15</u>
Total Enterprise Funds.....	87,256	32,597
Fiduciary activities:		
Pension Trust .....	<u>155,884</u>	<u>-</u>
Total Fiduciary activities.....	<u>155,884</u>	<u>-</u>
Total.....	<u><u>\$ 787,136</u></u>	<u><u>\$ 787,136</u></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.

b) The following balances at December 31, 2016 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.....	\$ 14,998	\$ 169,955
Federal, State and Local Grants.....	-	4,000
Special Taxing Areas.....	14,623	75,133
Bond, Note Redemption and Interest.....	150,104	89,145
Community Development and Improvement Projects....	13,700	13,545
Pension.....	11,587	-
Nonmajor Governmental Funds.....	<u>170,778</u>	<u>21,472</u>
Total Governmental Funds.....	<u>\$ 375,790</u>	<u>\$ 373,250</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><u>\$ 375,790</u></u>	<u><u>\$ 375,790</u></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.

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**7) Capital Assets**

a) **Capital Assets** activity for the year ended December 31, 2016 was as follows (dollars in thousands):

	<b>Balance January 1, 2016</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Balance December 31, 2016</b>
Governmental activities:				
Capital assets, not being depreciated:				
Land.....	\$ 1,393,361	\$ 4,415	\$ (460)	\$ 1,397,316
Works of Art and Historical Collections.....	45,594	382	-	45,976
Construction in Progress.....	655,983	476,541	(391,481)	741,043
Total capital assets, not being depreciated.....	<u>2,094,938</u>	<u>481,338</u>	<u>(391,941)</u>	<u>2,184,335</u>
Capital assets, being depreciated:				
Buildings and Other Improvements.....	2,620,992	43,576	-	2,664,568
Machinery and Equipment.....	1,480,425	61,156	(17,687)	1,523,894
Infrastructure.....	8,797,602	379,216	-	9,176,818
Total capital assets, being depreciated.....	<u>12,899,019</u>	<u>483,948</u>	<u>(17,687)</u>	<u>13,365,280</u>
Less accumulated depreciation for:				
Buildings and Other Improvements.....	1,010,316	68,826	-	1,079,142
Machinery and Equipment.....	1,248,592	53,329	(17,687)	1,284,234
Infrastructure.....	4,226,849	283,137	-	4,509,986
Total accumulated depreciation.....	<u>6,485,757</u>	<u>405,292</u>	<u>(17,687)</u>	<u>6,873,362</u>
Total capital assets, being depreciated, net.....	<u>6,413,262</u>	<u>78,656</u>	<u>-</u>	<u>6,491,918</u>
Total governmental activities.....	<u>\$ 8,508,200</u>	<u>\$ 559,994</u>	<u>\$ (391,941)</u>	<u>\$ 8,676,253</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land.....	\$ 1,021,159	\$ 6,593	\$ -	\$ 1,027,752
Construction in Progress.....	740,434	817,205	(512,683)	1,044,956
Total capital assets, not being depreciated.....	<u>1,761,593</u>	<u>823,798</u>	<u>(512,683)</u>	<u>2,072,708</u>
Capital assets, being depreciated:				
Buildings and Other Improvements.....	17,711,684	888,969	(3,204)	18,597,449
Machinery and Equipment.....	692,863	6,117	(483)	698,497
Total capital assets, being depreciated.....	<u>18,404,547</u>	<u>895,086</u>	<u>(3,687)</u>	<u>19,295,946</u>
Less accumulated depreciation for:				
Buildings and Other Improvements.....	5,174,648	396,757	(1,964)	5,569,441
Machinery and Equipment.....	383,999	20,221	(2,562)	401,658
Total accumulated depreciation.....	<u>5,558,647</u>	<u>416,978</u>	<u>(4,526)</u>	<u>5,971,099</u>
Total capital assets, being depreciated, net.....	<u>12,845,900</u>	<u>478,108</u>	<u>839</u>	<u>13,324,847</u>
Total business-type activities.....	<u>\$ 14,607,493</u>	<u>\$ 1,301,906</u>	<u>\$ (511,844)</u>	<u>\$ 15,397,555</u>
Total Capital Assets.....	<u>\$ 23,115,693</u>	<u>\$ 1,861,900</u>	<u>\$ (903,785)</u>	<u>\$ 24,073,808</u>

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

Governmental activities:	
General Government .....	\$ 36,126
Public Safety .....	39,874
Streets and Sanitation .....	15,606
Transportation .....	292,151
Health .....	749
Cultural and Recreational .....	20,786
Total Depreciation Expense - Governmental activities .....	<u>\$ 405,292</u>
Business-type activities:	
Water .....	\$ 64,333
Sewer .....	40,347
Chicago Midway International Airport .....	49,070
Chicago-O'Hare International Airport .....	254,688
Chicago Skyway .....	8,540
Total Depreciation Expense - Business-type activities .....	<u>\$ 416,978</u>

8) **Leases**

a) **Operating Leases**

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were approximately \$15.8 million for the year ended December 31, 2016.

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

2017 .....	\$ 5,105
2018.....	3,956
2019.....	3,740
2020.....	2,393
2021.....	2,073
2022 - 2026 .....	4,054
2027 - 2031 .....	319
2032 - 2036 .....	109
2037 - 2041 .....	109
2042 - 2043 .....	22
Total Future Rental Expense.....	<u>\$ 21,880</u>

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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**b) Lease Receivables**

Most of the O'Hare land, buildings and terminal space are leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2016 (dollars in thousands):

2017 .....	\$	100,891
2018 .....		98,998
2019 .....		98,506
2020 .....		1,597
2021 .....		1,597
2022 - 2026 .....		8,460
2027 - 2030 .....		7,835
Total Minimum Future Rental Income .....	\$	<u>317,884</u>

Contingent rentals that may be received under certain leases based on the tenants' revenues or fuel flow are not included in minimum future rental income. Rental income for O'Hare, consisting of all rental and concession revenues except ramp rentals and automobile parking, amounted to \$459.5 million, including contingent rentals of \$92.7 million.

Most of the Midway land and terminal space is leased under operating lease agreements to airlines and other tenants. The following is a schedule of the minimum future rental income on noncancelable operating leases as of December 31, 2016 (dollars in thousands):

2017 .....	\$	40,734
2018 .....		40,734
2019 .....		40,513
2020 .....		40,513
2021 .....		40,505
2022 - 2026 .....		202,564
2027 - 2030 .....		162,051
Total Minimum Future Rental Income .....	\$	<u>567,614</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 \$95.3 million, including contingent rentals of \$41.5 million.

**9) Short-term Debt**

**Matured bonds** represent principal due on coupon bonds in which the coupons have not been presented for payment. As of December 31, 2016, the outstanding balance was at \$0.7 million.

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**10) Long-term Obligations**

a) **Long-term Debt** activity for the year ended December 31, 2016 was as follows (in thousands):

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2016</u>	<u>Amounts Due within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation and other debt.....	\$ 9,364,398	\$ 837,140	\$ 1,028,529	\$ 9,173,009	\$ 150,487
Tax increment .....	65,360	-	31,840	33,520	5,595
Revenue .....	<u>754,052</u>	<u>30,746</u>	<u>18,170</u>	<u>766,628</u>	<u>17,880</u>
	10,183,810	867,886	1,078,539	9,973,157	173,962
Add unamortized premium/(discount) .....	117,199	23,892	22,791	118,300	-
Add accretion of capital appreciation bonds .....	<u>307,305</u>	<u>31,488</u>	<u>19,949</u>	<u>318,844</u>	<u>20,772</u>
Total bonds, notes and certificates payable .....	10,608,314	923,266	1,121,279	10,410,301	194,734
Other liabilities:					
Net pension liability .....	29,697,694	1,814,377	-	31,512,071	-
Other postemployment benefits obligation .....	214,535	-	47,326	167,209	-
Pollution remediation .....	32,850	351	-	33,201	-
Claims and judgments .....	<u>850,561</u>	<u>193,792</u>	<u>101,731</u>	<u>942,622</u>	<u>107,675</u>
Total other liabilities .....	<u>30,795,640</u>	<u>2,008,520</u>	<u>149,057</u>	<u>32,655,103</u>	<u>107,675</u>
Total governmental activities .....	<u>\$ 41,403,954</u>	<u>\$ 2,931,786</u>	<u>\$ 1,270,336</u>	<u>\$ 43,065,404</u>	<u>\$ 302,409</u>
Business-type activities:					
Revenue bonds and notes payable:					
Water .....	\$ 2,391,395	\$ 137,330	\$ 60,328	\$ 2,468,397	\$ 79,305
Sewer .....	1,686,178	54,170	47,528	1,692,820	49,325
Chicago-O'Hare International Airport .....	7,466,485	1,026,533	1,232,510	7,260,508	277,850
Chicago Midway International Airport .....	<u>1,506,325</u>	<u>342,395</u>	<u>67,115</u>	<u>1,781,605</u>	<u>25,770</u>
	13,050,383	1,560,428	1,407,481	13,203,330	432,250
Add unamortized premium/(discount) .....	628,167	277,554	90,301	815,420	-
Add accretion of capital appreciation bonds .....	87,447	7,869	9,953	85,363	10,252
Net pension liability .....	<u>4,148,475</u>	<u>118,502</u>	<u>19,783</u>	<u>4,247,194</u>	<u>-</u>
Total business-type activities .....	<u>\$ 17,914,472</u>	<u>\$ 1,964,353</u>	<u>\$ 1,527,518</u>	<u>\$ 18,351,307</u>	<u>\$ 442,502</u>
Total long-term obligations .....	<u>\$ 59,318,426</u>	<u>\$ 4,896,139</u>	<u>\$ 2,797,854</u>	<u>\$ 61,416,711</u>	<u>\$ 744,911</u>

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



**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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**b) Issuance of New Debt**

**i) General Obligation Line of Credit**

During 2016, the City drew \$337.1 million from its Line of Credit to fund certain capital projects and operating uses. As of December 31, 2016 the outstanding balance is \$124.3 million. 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. The Line of Credit matures on September 24, 2019.

**ii) General Obligation Bonds**

General Obligation Bonds, Tax Exempt Series 2015C (\$500.0 million), were sold at a premium in January 2016. The bonds have an interest rate of 5.0 percent and maturity dates from January 1, 2020 to January 1, 2038. Net proceeds of \$520.0 million will be used to refund certain maturities of bonds outstanding (\$502.5 million), and to fund capitalized interest (\$17.5 million). The current refunding of the bonds increased the City's total debt service payments by \$124.1 million, resulting in a net economic gain of approximately \$2.5 million and a book loss of approximately \$110.7 million.

**iii) Revenue Loans**

In June 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to complete the Wacker Drive Reconstruction Project. The loan amount of \$98.7 million will fund the Chicago Riverwalk along the main branch of the Chicago River. The interest rate is 3.33 percent and the final maturity of the loan is January 1, 2048. As of December 31, 2016, the total outstanding loan amount is \$76.6 million. Total loan disbursements made to the City in 2016 were \$30.8 million.

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

In August 2013, the City entered into a loan agreement with the 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, 2052. There were no loan disbursements made to the City as of December 31, 2016.

Chicago Midway International Airport Second Lien Revenue Bonds, Series 2016 A&B (\$342.4 million) sold at a premium in June 2016. The bonds have interest rates ranging from 2.0 percent to 5.0 percent and maturity dates from January 1, 2017 to January 1, 2046. The net proceeds of \$391.8 million will be used to fund certain capital projects (\$305.7 million), to refund certain maturities of bonds outstanding (\$36.9 million), to fund debt service reserves (\$12.9 million), and to fund capitalized interest (\$36.3 million). The current refunding of the bonds decreased the City's total debt service payment by \$11.9 million, resulting in a net economic gain of approximately \$4.3 million and a book gain of approximately \$0.4 million.

Chicago O'Hare International Airport General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2016A-C (\$1,014.3 million) were sold at a premium in December 2016. The bonds have interest rates ranging from 3.0 percent to 5.0 percent and maturity dates from January 1, 2017 to January 1, 2041. The net proceeds of \$1,151.6 million will be used to refund certain General Airport Revenue Bonds maturities of bonds outstanding (\$1,110.4 million), and to fund debt service reserves (\$41.2 million). The current and advance refunding of the bonds decreased the City's total debt service payments by \$88.9 million, resulting in a net economic gain of approximately \$109.3 million and a book loss of approximately \$54.3 million.

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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The Chicago O'Hare International Airport issued \$0.1 million of Series 2016 Commercial Paper Notes. The proceeds were used to finance portions of the costs of authorized airport projects. As of December 31, 2016, there were no outstanding commercial paper notes.

In December 2016, the City entered into a Revolving Line of Credit Agreement with J. P. Morgan Chase Bank, National Association that allows the City to draw on the line of credit in an aggregate amount not to exceed \$180 million. In 2016, the City drew \$12.1 million from its line of credit to finance certain capital projects at the Chicago O'Hare International Airport. The line of credit expires December 12, 2019.

A loan agreement was signed on October 22, 2013, with the Illinois Environment Protection Agency to line approximately 28 miles of existing sewer line ranging in diameter from 8 inch to 72 inch located throughout the City. In 2016, the Sewer Fund drew \$54.2 million from this loan agreement. The loan has an interest rate of 1.93 percent and maturity dates from January 21, 2016 to July 21, 2035.

A loan agreement was signed on May 18, 2016 with the Illinois Environment Protection Agency for the replacement of approximately 24 miles of damaged, undersized, leaking and antiquated watermains located throughout the City with new 8 inch water mains. In 2016, the Water Fund drew \$55.3 million from this loan agreement. The loan agreement has an interest rate of 2.21 percent and maturity dates from July 31, 2016 to January 31, 2036.

Second Lien Water Revenue Bonds, Series 2016 A-1 and A-2 (\$81.7 million) were sold at premium in May 2016. The bonds have interest rates ranging from 1.68 percent to 5.00 percent and maturity dates from November 1, 2016 to November 1, 2031. The net proceeds of \$91.5 million were used to refund the Line of Credit Notes used for the swap termination.

**v) Water Fund Line of Credit**

During 2016, the City drew \$91.5 million from its Water Line of Credit to fund water swap termination payments. The line of credit was repaid in full from proceeds of the Second Lien Water Revenue Series 2016 A-1 and A-2 bonds. In July 2016, the City terminated the Water Line of Credit.

**vi) Bond Conversions**

In May 2016, the City converted \$100.0 million outstanding of the Second Lien Water Revenue Bonds Series 2000 to fixed rate at premium. The bonds have an interest rate at 5.0 percent and maturity dates ranging from November 1, 2028 to November 1, 2030. The net proceeds of \$17.3 million will be used to finance certain capital projects.

In May 2016, the City converted \$344.6 million outstanding of the Second Lien Water Revenue Bonds Series 2004 to fixed rate at premium. The bonds have interest rates ranging from 2.0 percent to 5.0 percent and maturity date ranging from November 1, 2017 to November 1, 2027. The net proceeds of \$51.8 million will be used to finance certain capital projects.

- c) **Annual requirements** listed below for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2017 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2016 are as follows (dollars in thousands):

**CITY OF CHICAGO, ILLINOIS**  
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Year Ending December 31,	General Obligation		Tax Increment	
	Principal	Interest	Principal	Interest
2017 .....	\$ 272,292	\$ 512,361	\$ 5,595	\$ 1,467
2018 .....	294,922	499,915	5,710	1,233
2019 .....	313,379	485,973	6,020	960
2020 .....	329,704	473,192	4,135	706
2021 .....	333,877	457,640	4,375	494
2022-2026 .....	1,647,999	2,085,487	7,685	192
2027-2031 .....	1,972,780	1,677,054	-	-
2032-2036 .....	2,117,587	995,201	-	-
2037-2041 .....	1,451,459	388,720	-	-
2042-2046.....	209,915	20,084	-	-
	<u>\$8,943,914</u>	<u>\$7,595,627</u>	<u>\$ 33,520</u>	<u>\$ 5,052</u>

Year Ending December 31,	Revenue		Business-type Activities	
	Principal	Interest	Principal	Interest
2017 .....	\$ 18,250	\$ 35,298	\$ 432,250	\$ 630,795
2018 .....	19,150	34,409	461,966	632,986
2019 .....	20,335	33,469	470,752	606,270
2020 .....	21,440	32,468	456,143	592,165
2021 .....	22,568	31,448	424,556	568,388
2022-2026 .....	132,383	139,287	2,393,059	2,512,876
2027-2031 .....	133,278	142,282	2,835,982	1,862,050
2032-2036 .....	188,261	101,019	3,049,578	1,081,412
2037-2041 .....	177,903	23,809	2,103,405	391,925
2042-2046 .....	15,180	968	563,540	45,180
	<u>\$ 748,748</u>	<u>\$ 574,457</u>	<u>\$13,191,231</u>	<u>\$ 8,924,047</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, 2016. Standby bond purchase agreements or letters of credit were issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

The City's variable rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, an adjustable long rate, or the fixed rate as determined by the remarketing agent, in consultation with the City. An irrevocable letter of credit provides for the timely payment of principal and interest on the City'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. Only Chicago O'Hare and Chicago Midway Funds have outstanding variable rate bonds.

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
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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. (Dollars in thousands).

	Changes in Fair Value		Fair Value at December 31, 2016		Notional Amount
	Classification	Amount	Classification	Amount	
<b>Business-type Activities</b>					
Hedges:					
Interest Rate Swaps.....	Deferred Outflow of Resources	\$ 97,131	Deferred Outflow of Resources	\$ (26,034)	\$ 131,600

(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, 2016, 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, 2016, are as follows (dollars in thousands):

Associated Bond Issue	Notional Amounts	Effective Date	Terms	Fair Values	Termination Date	Counter- party Credit Rating
<b>Hedging Instruments</b>						
<b>Business-type Activities:</b>						
Chicago Midway International Airport	79,320	12/14/2004	Pay 4.174%; receive SIFMA Plus .05%	\$ (15,213)	1/1/2035	A1/A+
Revenue Bonds (Series 2004C&D).....	52,280	4/21/2011	Pay 4.247%; receive SIFMA Plus .05%	(10,821)	1/1/2035	Aa2/AA-
			Total.....	<u>\$ (26,034)</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, 2016, the swaps had a negative fair value of \$26.0 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. During 2016, the City terminated the following swaps (dollars in thousands):

Associated Bond Issue:	Termination Amount
Series 2000 2nd Lien Water Revenue Refunding Bonds .....	\$ 32,298.0
Series 2004 Water Variable Rate Revenue Refunding Bonds .....	69,453.4

Swap termination payments were recorded as Swap Termination Fees.

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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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.

- (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, 2016, 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):

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Year Ending December 31,	Variable-Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps, Net	
2017 .....	\$ 4,575	\$ 982	\$ 4,399	\$ 9,956
2018 .....	4,775	945	4,235	9,955
2019 .....	5,000	907	4,064	9,971
2020 .....	5,225	867	3,885	9,977
2021 .....	5,350	826	3,701	9,877
2022 - 2026 .....	31,050	3,441	15,413	49,904
2027 - 2031 .....	38,600	2,087	9,348	50,035
2032 - 2035 .....	37,625	473	2,119	40,217
	<u>\$ 132,200</u>	<u>\$ 10,528</u>	<u>\$ 47,164</u>	<u>\$ 189,892</u>

**e) Debt Covenants**

**i) Water Fund** - The ordinances authorizing the issuance of outstanding Water Revenue Bonds provide for the creation of separate accounts into which net revenues, as defined, or proceeds are to be credited, as appropriate. The ordinances require that net revenues available for bonds, as adjusted, equal 120 percent of the current annual debt service on the outstanding senior lien bonds and that City management maintains all covenant reserve account balances at specified amounts. The above requirements were met at December 31, 2016. The Water Rate Stabilization account had a balance in restricted assets of \$91.2 million at December 31, 2016.

The ordinances authorizing the issuance of outstanding Second Lien Water Revenue Bonds provide for the creation of separate accounts into which monies will be deposited, as appropriate. The ordinances require that net revenues are equal to the sum of the aggregate annual debt service requirements for the fiscal year of the outstanding senior lien bonds and 110 percent of the aggregate annual debt service requirements of the outstanding second lien bonds. This requirement was met at December 31, 2016.

**ii) Sewer Fund** - The ordinances authorizing the issuance of outstanding Wastewater Transmission Revenue Bonds provide for the creation of separate accounts into which net revenues, as defined, or proceeds are to be credited, as appropriate. The ordinances require that net revenues available for bonds equal 115 percent of the current annual debt service requirements on the outstanding senior lien bonds. This requirement was met at December 31, 2016. The Sewer Rate Stabilization account had a balance in restricted assets of \$32.6 million at December 31, 2016.

The ordinances authorizing the issuance of outstanding Second Lien Wastewater Transmission Revenue Bonds provide for the creation of separate accounts into which monies will be deposited, as appropriate. The ordinances require that net revenues equal 100 percent of the sum of the current maximum annual debt service requirements of the outstanding senior lien bonds and the maximum annual debt service requirements of the second lien bonds. This requirement was met at December 31, 2016.

**iii) Chicago Midway International Airport Fund** - The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds requires in each year that the City fix and establish and revise from time to time whenever necessary, such rates and other charges for the use and operation of Midway and for services rendered by the City in the operation of Midway in order that, in each Fiscal year, Revenues, together with any Other Available Monies deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient (a) to provide for the Operation and Maintenance Expenses for the Fiscal Year and (b) to provide for the greater of (i) the amounts needed to make the Deposits required during such Fiscal Year into the Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125 percent of the Aggregate Debt Service for the Bond Year commencing

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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, 2016.

The Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations requires that the City fix and establish and revise from time to time whenever necessary, such rentals, rates and other charges for the use and operation of Midway and for certain services rendered by the City in the operation of Midway in order that in each Fiscal Year, Revenues, together with Other Available Moneys deposited with the First Lien Trustee or the Second Lien Trustee with respect to such Fiscal Year and any cash balance held in the First Lien Revenue Fund or the Second Lien Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account under the First Lien Indenture for the Second Lien Indenture, will be at least sufficient (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for the greater of (A) or (B) as follows: (A) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above; or (B) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above or an amount not less than 110 percent of the Aggregate First Lien Debt Service and Aggregate Second Lien Debt Service for the Bond Year commencing during such Fiscal Year, reduced by (X) any amount held in any Capitalized Interest Account for disbursement during such Bond Year to pay interest on First Lien Bonds, and (Y) any amount held in any capitalized interest account established pursuant to a Supplemental Indenture under the Second Lien Indenture for disbursement during such Bond Year to pay interest on Second Lien Obligations. These requirements were met at December 31, 2016.

- 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, 2016.

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

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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 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, 2016, not including principal payments due January 1, 2017, are as follows (dollars in thousands):

	<b>Amount</b>	
	<b>Defeased</b>	<b>Outstanding</b>
General Obligation Emergency Telephone System - Series 1993 .....	\$ 213,730	\$ 81,765
General Obligation Project and Refunding Bonds - Series 1998 .....	7,255	7,255
General Obligation VRDB Project and Refunding Bonds - Series 2003B .....	4,955	4,955
General Obligation Project and Refunding Bonds - Series 2007A .....	5,615	5,615
General Obligation Neighborhoods Alive 21 Program - Series 2002B .....	2,055	2,055
Lakefront Millennium Project Parking Facilities Bonds - Series 1998 .....	149,880	43,880
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2006B ....	30,280	30,280
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008A ....	530,170	530,170
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008B ....	175,500	175,500
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008C ....	36,255	36,255
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011C ....	238,985	238,985
Special Transportation Revenue Bonds - Series 2001 .....	118,715	82,730
<b>Total .....</b>	<b>\$ 1,513,395</b>	<b>\$ 1,239,445</b>



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**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). Plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by plan members. Certain employees of the Chicago Board of Education participate in Municipal Employees' or Laborers'. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at [www.meabf.org](http://www.meabf.org), [www.labfchicago.org](http://www.labfchicago.org), [www.chipabf.org](http://www.chipabf.org), and [www.fabf.org](http://www.fabf.org).

**Benefits provided** - The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirement of age and service are different for employees who became members before January 1, 2011, and those who became members on or after January 1, 2011. 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 became members before January 1, 2011 and any eight consecutive years within the last 10 years of credited service for participants who became members on or after January 1, 2011.

Benefit terms provide for annual adjustments to each employee's retirement allowance subsequent to the employees' retirement date. For participants who became members before January 1, 2011, 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 participants that first became members on or after January 1, 2011, 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, 2016, the following employees were covered by the benefit terms:

	Municipal				
	Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries					
currently receiving benefits .....	25,236	3,769	13,394	4,777	47,176
Inactive employees entitled					
to but not yet receiving benefits .....	16,876	1,476	606	88	19,046
Active employees .....	30,296	2,822	12,177	4,760	50,055
	<u>72,408</u>	<u>8,067</u>	<u>26,177</u>	<u>9,625</u>	<u>116,277</u>

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

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

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

**Net Pension Liability**

The City’s net pension liability was measured as of December 31, 2016, 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, 2016 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 .....	3.0%	3.0%	2.8%	2.5%
Salary Increases .....	4.5% - 8.25% (a)	3.75% (b)	3.75% (c)	3.75% (d)
Investment Rate of Return .....	7.5% (e)	7.5% (f)	7.25%	7.5%

- (a) Varying by years of service
- (b) Plus a service - based increase in the first 15 years
- (c) Plus additional percentage related to service
- (d) Plus additional service based increases
- (e) Net of investment expense
- (f) Net of investment expense, including inflation

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate for Municipal Employees’, Laborers’, and Firemen’s and RP-2014 for Policemen’s.

The mortality actuarial assumptions used in the December 31, 2016 valuation were adjusted based on the results of actuarial experience study for the period:

- Municipal Employees’ - January 1, 2005 - December 31, 2009.
- Laborers’ - January 1, 2004 - December 31, 2011
- Policemen’s - January 1, 2009 - December 31, 2013
- Firemen’s - January 1, 2003 - December 31, 2010

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

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return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class:	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Domestic equity .....	26.0%	-	-	-	4.80%	-	-	-
Domestic large cap equity ..	-	-	-	24.0%	-	-	-	7.50%
Domestic small cap equity .	-	-	-	16.0%	-	-	-	7.85%
U.S. equity .....	-	12.0%	21.0%	-	-	6.40%	6.10%	-
Non U.S. equity .....	-	18.0%	20.0%	-	-	8.00%	7.60%	-
Global equity .....	-	20.0%	-	-	-	6.80%	-	-
International equity .....	22.0%	-	-	25.0%	5.00%	-	-	7.50%
Domestic Fixed income .....	-	-	-	21.0%	-	-	-	3.00%
Fixed income .....	27.0%	16.0%	22.0%	-	0.50%	2.60%	1.80%	-
Hedge funds .....	10.0%	8.0%	7.0%	-	2.80%	3.90%	3.70%	-
Private equity .....	5.0%	-	-	3.0%	8.60%	-	-	8.50%
Private markets .....	-	7.0%	11.0%	-	-	7.20%	7.80%	-
GAA .....	-	7.0%	10.0%	-	-	4.30%	5.00%	-
Real estate .....	10.0%	8.0%	5.0%	2.0%	5.20%	4.60%	4.60%	6.15%
Alternative investments .....	-	-	-	2.0%	-	-	-	5.25%
Commodities .....	-	-	-	3.0%	-	-	-	2.75%
Cash deposits and short-term investments .....	-	-	-	4.0%	-	-	-	2.25%
Real assets .....	-	-	4.0%	-	-	-	4.80%	-
Private Real assets .....	-	4.0%	-	-	-	-	-	-
Total .....	100.0%	100.0%	100.0%	100.0%				

*Discount rate*

**Municipal Employees'** - The discount rate used to measure the total pension liability was 3.91 percent. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.78 percent. The projection of cash flows used to determine the discount rate assumed member contributions will be made at the current contribution rate and that employer contributions will be made at the 1.25 multiple of member contributions from two years prior. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. The projected benefit payments through 2023 were discounted at the expected long-term rate of return. Starting in 2024, the projected benefit payments were discounted at the municipal bond rate. Therefore, a single equivalent blended discount rate of 3.91 percent was calculated using the long-term expected rate of return and the municipal bond index.

**Laborers'** - A Single Discount Rate of 4.17 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.78 percent. 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 2027. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2027, and the municipal bond rate was applied to all benefit payments after that date.

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Policemen's - A Single Discount Rate of 7.07 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 3.78 percent. 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 the benefit payments through the year 2068. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2068, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's - A Single Discount Rate of 7.30 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.78 percent. The projection of cash flows used to determine this Single Discount Rate assumed that member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the Plan's fiduciary net position and future contributions were sufficient to finance future benefit payments only through the year 2066. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2066, 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 .....	\$ 619,743	\$ 82,960 *	\$ 220,570 *	\$ 94,115 *	\$ 1,017,388
Interest .....	878,369	150,166	851,098	342,085	2,221,718
Benefit changes .....	-	-	606,250	227,213	833,463
Differences between					
expected and actual experience .....	(127,119)	(30,428)	1,801	24,110	(131,636)
Assumption changes .....	(578,920)	(62,905)	112,585	(74,373)	(603,613)
Benefit payments including refunds .....	(859,672)	(154,683)	(707,196)	(286,759)	(2,008,310)
Pension plan administrative expense .....	-	(4,080)	(4,750)	(3,217)	(12,047)
Net change in total pension liability .....	(67,599)	(18,970)	1,080,358	323,174	1,316,963
Total pension liability:					
Total pension liability - Beginning .....	23,358,870	3,712,615	12,032,733	4,826,084	43,930,302
Total pension liability - Ending (a) .....	\$ 23,291,271	\$ 3,693,645	\$ 13,113,091	\$ 5,149,258	\$ 45,247,265
Plan fiduciary net position					
Contributions-employer .....	\$ 149,718	\$ 12,603	\$ 272,428	\$ 154,101	\$ 588,850
Contributions-employee .....	130,391	17,246	101,476	48,960	298,073
Net investment income (loss) .....	281,419	57,997	142,699	60,881	542,996
Benefit payments including					
refunds of employee contribution .....	(859,672)	(154,683)	(707,196)	(286,759)	(2,008,310)
Administrative expenses .....	(7,056)	(4,080)	(4,750)	(3,217)	(19,103)
Other .....	-	-	1,413	(53)	1,360
Net change in plan fiduciary net position ..	(305,200)	(70,917)	(193,930)	(26,087)	(596,134)
Plan fiduciary net position - beginning .....	4,741,427	1,238,657	3,058,949	1,045,101	10,084,134
Plan fiduciary net position - ending (b) .....	\$ 4,436,227	\$ 1,167,740	\$ 2,865,019	\$ 1,019,014	\$ 9,488,000
Net pension liability-ending (a)-(b) .....	\$ 18,855,044	\$ 2,525,905	\$ 10,248,072	\$ 4,130,244	\$ 35,759,265

\* Includes pension plan administrative expense

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Changes in benefits: Public Act 99-0905 and Public Act 99-0906 changed the benefit provisions of the Firemen's and Policemen's Plans. Public Act 99-0905 extended 3.0 percent annual COLA increases to participants born after December 31, 1954, but before January 1, 1966. Additionally, the minimum benefit for widows was increased to 125 percent of the Federal poverty level. Public Act 99-0906 increased the minimum benefit for certain annuitants to 125 percent of the Federal Poverty level. The change in benefits increased the net pension liability by \$606.2 million for Policemen's and \$227.2 million for Firemen's. This impact is recognized as a portion of pension expense for 2016 in its entirety.

*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, 2016, calculated using the discount rate of 3.91 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 (2.91 percent) or 1 percentage point higher (4.91 percent) than the current rate (dollars in thousands):

		Current	
Net pension liability December 31, 2016	1% Decrease	Discount Rate	1% Increase
Municipal Employees' discount rate .....	2.91%	3.91%	4.91%
Municipal Employees' net pension liability ...	\$ 22,351,267	\$ 18,855,044	\$ 15,983,851

Laborers' - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 4.17 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 (3.17 percent) or 1 percentage point higher (5.17 percent) than the current rate (dollars in thousands):

		Current	
Net pension liability December 31, 2016	1% Decrease	Discount Rate	1% Increase
Laborers' discount rate .....	3.17%	4.17%	5.17%
Laborers' Employees' net pension liability ...	\$ 3,054,407	\$ 2,525,905	\$ 2,091,390

Policemen's - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 7.07 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.07 percent) or 1 percentage point higher (8.07 percent) than the current rate (dollars in thousands):

		Current	
Net pension liability December 31, 2016	1% Decrease	Discount Rate	1% Increase
Policemen's Employees' discount rate .....	6.07%	7.07%	8.07%
Policemen's Employees' net pension liability ...	\$ 11,831,817	\$ 10,248,072	\$ 8,918,000

Firemen's - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 7.30 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 (6.30 percent) or 1 percentage point higher (8.30 percent) than the current rate (dollars in thousands):

		Current	
Net pension liability December 31, 2016	1% Decrease	Discount Rate	1% Increase
Firemen's Employees' discount rate .....	6.30%	7.30%	8.30%
Firemen's Employees' net pension liability ....	\$ 4,700,968	\$ 4,130,244	\$ 3,644,823

*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, 2016, the City recognized pension expense of \$5.1 billion. At December 31, 2016, 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 .....	\$ -	\$ 167,597	\$ -	\$ 41,001	\$ 1,491	\$ 69,590	\$ 20,000	\$ 5,316
Changes of assumptions .....	5,227,053	463,136	493,125	44,812	93,170	-	117,420	61,696
Net difference between projected and actual earnings on pension plan investments ..	186,142	-	97,171	-	200,502	-	56,646	-
<b>Total .....</b>	<b>\$ 5,413,195</b>	<b>\$ 630,733</b>	<b>\$ 590,296</b>	<b>\$ 85,813</b>	<b>\$ 295,163</b>	<b>\$ 69,590</b>	<b>\$ 194,066</b>	<b>\$ 67,012</b>

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

Year ended December 31:	Municipal Employees'	Laborers'	Policemen's	Firemen's
2017 .....	\$ 1,638,118	\$ 331,560	\$ 63,416	\$ 37,459
2018 .....	1,638,118	149,309	63,416	37,459
2019 .....	1,638,118	17,583	63,416	37,460
2020 .....	(131,892)	6,031	19,568	22,101
2021 .....	-	-	15,757	(7,425)
<b>Total .....</b>	<b>\$ 4,782,462</b>	<b>\$ 504,483</b>	<b>\$ 225,573</b>	<b>\$ 127,054</b>

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

For the year ended December 31, 2016, the City reported pension expense of \$1.8 million and deferred outflows of \$7.3 million related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension expense over a period of four years.

*Payable to the Pension Plan*

At December 31, 2016, the City reported a payable of \$601.9 million for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

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

State law authorized the four respective Pension Funds (Policemen's, Firemen's, Municipal Employees', and Laborers') to provide a fixed monthly dollar subsidy to each annuitant who had elected coverage under any City health plan through December 31, 2016. After that date, no Pension Fund subsidies are authorized. The liabilities for the monthly dollar Pension Fund subsidies contributed on behalf of annuitants enrolled in the medical plan by their respective Pension Funds are included in the NPO actuarial valuation reports of the respective four Pension Funds under GASB 43 .

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Pursuant to the provisions contained in P.A. 98-0043, the City terminated health insurance supplement payments to eligible annuitants as of December 31, 2016, resulting in no OPEB liability at December 31, 2016.

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

Up to June 30, 2013, the annuitants who retired prior to July 1, 2005 received a 55 percent subsidy from the City and the annuitants who retired on or after July 1, 2005 received a 50, 45, 40 and zero percent subsidy from the City based on the annuitant's length of actual employment with the City for the gross cost of retiree health care under a court approved settlement agreement, known as the "Settlement Plan." The pension funds contributed their subsidies of \$65 per month for each Medicare eligible annuitant and \$95 per month for each Non-Medicare eligible annuitant to their gross cost. The annuitants contributed a total of \$110.9 million in 2016 to the gross cost of their retiree health care pursuant to premium amounts set by the City.

As described above, the City of Chicago subsidized a portion of the cost (based upon service) for hospital and medical coverage for eligible retired employees and their dependents based upon a settlement agreement entered in 2003 and which expired on June 30, 2013.

On May 15, 2013, the City announced plans to, among other things: (i) continue the then current plan for the remaining six months of 2013; then, as of January 1, 2014, (ii) provide a healthcare plan to, and for the lifetimes of, former employees who retired before August 23, 1989 with a contribution from the City of up to 55 percent of the cost of that plan to the annuitant; and (iii) provide employees who retired on or after August 23, 1989 with healthcare benefits in a new Retiree Health Plan (Health Plan), but with significant changes to the terms including increases in premiums and deductibles, reduced benefits and the phase-out of the Health Plan for such employees by December 31, 2016.

The cost of health benefits is recognized as an expenditure in the accompanying financial statements as claims are reported and are funded on a pay-as-you-go basis. In 2016, the net expense to the City for providing these benefits to approximately 22,195 annuitants plus their dependents was approximately \$45.7 million.

**Plan Description Summary** – The City of Chicago was party to a written legal settlement agreement outlining the provisions of the Settlement Plans, which ended June 30, 2013, but the City voluntarily continued those Settlement Plans until the end of 2013. As of January 1, 2014, the Health Plan provided for annual modifications to the City's level of subsidy during the three-year phase out. The Health Plan, along with any further City subsidy, expired as of December 31, 2016, for all but the group of former employees (the Korshak class of members) who retired before August 23, 1989, who shall have lifetime benefits. 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.

The provisions of the Health Plan provide in general, that the City pay a percentage of the cost (based upon an employee's service) for hospital, medical, and drug coverage to eligible retired employees and their dependents for the specified period, ending December 31, 2016. During the three-year phase out of the Health Plan, the percentage subsidies were revised to reduce by approximately 25 percent of 2013 subsidy levels in 2014, 50 percent of 2013 subsidy levels in 2015, and 75 percent of 2013 subsidy levels in 2016.

**Special Benefits under the Collective Bargaining Agreements (CBA)** - Under the terms of the collective bargaining agreements for the Fraternal Order of Police (FOP) and the International Association of Fire Fighters (IAFF), certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the healthcare benefit program offered to actively employed members. They may keep this coverage until they reach the age of Medicare eligibility. These retirees do not contribute towards the cost of coverage, but, until December 31, 2016, the Policemen's Fund contributed \$95 per month towards coverage for police officers; the Firemen's Fund did not contribute. After December 31, 2016, the Pension Funds no longer contribute toward retiree healthcare.

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Both of these agreements which provide pre-65 coverage originally expired at June 30, 2012. These benefits have been renegotiated to continue through 2016 or June 30, 2017, depending on bargaining unit agreements. This valuation assumes that the CBA special benefits, except for those who will have already retired as of December 31, 2016, will cease on December 31, 2016 or June 30, 2017, depending on bargaining unit agreements.

**Funding Policy** - No assets are accumulated or dedicated to funding the retiree health plan benefits.

**Annual OPEB Cost and Net OPEB Obligation** - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution "ARC" of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities over a period of ten years.

The following table shows the components of the City's annual OPEB costs for the year for the Health Plan and CBA Special Benefits, the amount actually contributed to the plan, and changes in the City's net OPEB obligation. The *Net OPEB Obligation* is the amount entered upon the City's Statement of Net Position as of year end as the net liability for the other post-employment benefits – the Health Plan. The amount of the annual cost that is recorded in the Statement of Changes in Net Position for 2016 is the annual OPEB cost (expense).

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

	Retiree Settlement Health Plan	CBA Special Benefits	Total
Contribution Rates:			
City .....	Pay-As-You-Go	Pay-As-You-Go	Pay-As-You-Go
Plan Members .....	N/A	N/A	N/A
Annual Required Contribution .....	\$ 39,666	\$ 58,851	\$ 98,517
Interest on Net OPEB Obligation .....	428	4,757	5,185
Adjustment to Annual Required Contribution .....	(1,625)	(18,048)	(19,673)
Annual OPEB Cost .....	38,469	45,560	84,029
Contributions Made .....	50,051	39,620	89,671
Decrease in Net OPEB Obligation .....	(11,582)	5,940	(5,642)
Net OPEB Obligation, Beginning of Year .....	14,280	158,571	172,851
Net OPEB Obligation, End of Year .....	\$ 2,698	\$ 164,511	\$ 167,209

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 are as follows (dollars in thousands):



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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<b>Settlement Plan</b>			
12/31/2016	\$ 38,469	130.1%	\$ 2,698
12/31/2015	43,645	133.5	14,280
12/31/2014	62,666	149.9	28,914
<b>CBA Special Benefits</b>			
12/31/2016	\$ 45,560	87.0%	\$ 164,511
12/31/2015	48,195	79.4	158,571
12/31/2014	49,766	68.5	148,648
<b>Total</b>			
12/31/2016	\$ 84,029	106.7%	\$ 167,209
12/31/2015	91,840	105.1	172,851
12/31/2014	112,432	113.9	177,562

**Funded Status and Funding Progress** - As of January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$715.5 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2,563.6 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was 27.9 percent.

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

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<b>Settlement Plan</b>						
12/31/2015	\$ -	\$ 254,910	\$ 254,910	0%	\$ 2,563,649	9.9 %
<b>CBA Special Benefits</b>						
12/31/2015	\$ -	\$ 460,612	\$ 460,612	0%	\$ 1,499,552	30.7 %
<b>Total</b>						
12/31/2015	\$ -	\$ 715,522	\$ 715,522	0%	\$ 2,563,649	27.9 %

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

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For the Health Plan benefits (not provided by the Pension Funds), the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent in 2027. The range of rates included a 3.0 percent inflation assumption. Rates included a 2.5 percent inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. However, the funds expected to be used to pay benefits are assumed to be invested for durations which will yield an annual return rate of 3.0 percent. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years. The benefits include the provisions under the new Health Plan, which have been completely phased-out by December 31, 2016, except for the Korshak category, which is entitled to lifetime benefits. Also included in the Non-CBA benefits are the duty disability benefits under the active health plan payable to age 63/65.

For the Special Benefits under the CBA for Police and Fire, the renewed contracts' expiration dates of June 30, 2016 (for Police Captains, Sergeants and Lieutenants) and June 30, 2017 for all other Police and Fire are reflected, such that liabilities are included only for payments beyond the end of the calendar year of contract expiration on behalf of early retirees already retired and in pay status as of December 31 of the expiration year of the contract. The entry age normal method was selected. The actuarial assumptions included an annual healthcare cost trend rate of 8.0 percent in 2015, reduced by decrements to an ultimate rate of 5.0 percent in 2027. Rates included a 2.5 percent inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. The funds expected to be used to pay benefits are assumed to be invested for durations that will yield an annual return rate of 3.0 percent. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years.

**Summary of Assumptions and Methods**

	Settlement Health Plan	CBA Special Benefits
Actuarial Valuation Date .....	December 31, 2015	December 31, 2015
Actuarial Cost Method .....	Entry Age Normal	Entry Age Normal
Amortization Method .....	Level Dollar, open	Level Dollar, open
Remaining Amortization Period ..	10 years	10 years
Asset Valuation Method .....	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return .....	3.0%	3.0%
Projected Salary Increases .....	2.5%	2.5%
Healthcare Inflation Rate .....	8.0% initial to 5.0% in 2027	8.0% initial to 5.0% in 2027

**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.

Risks for O'Hare, Midway, and certain other major properties, along with various special events, losses from certain criminal acts committed by employees and public official bonds are transferred to commercial insurers. Claims have not exceeded the purchased insurance coverage in the past three years. Accordingly, no liability is reported for these claims. All other risks are retained by the City and are self-insured. The City pays claim settlements and judgments from the self-insured programs. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The General Fund is primarily used to record all non-Enterprise Fund claims. The estimated portion of non-Enterprise Fund claims not yet settled has been recorded in the Governmental Activities in the Statement of Net Position as claims payable

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along with amounts related to deferred compensatory time and estimated liabilities for questioned costs. As of December 31, 2016, the total amount of non-Enterprise Fund claims was \$508.7 million and Enterprise Fund was \$76.7 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>2016</u>	<u>2015</u>
Balance, January 1.....	\$ 572,360	\$ 540,272
Claims incurred and change in estimates.....	666,444	688,800
Claims paid on current and prior year events.....	<u>(653,432)</u>	<u>(656,712)</u>
Balance, December 31.....	<u>\$ 585,372</u>	<u>\$ 572,360</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.

**a) 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	Community Development Improvement Projects	Other Governmental Funds
<b>Nonspendable Purpose:</b>							
Inventory .....	\$ 23,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted Purpose:</b>							
Capital Projects .....	-	-	1,309,819	-	-	45,032	24,988
Grants .....	-	11,054	-	-	-	-	-
Debt Service .....	-	-	-	-	267,821	-	94,143
General Government .....	-	-	-	-	-	-	3,057
<b>Committed Purpose:</b>							
Budget and Credit Rating Stabilization .....	-	-	-	640,241	-	-	-
Repair, Maintenance and City Services .....	-	-	-	-	-	-	69,528
<b>Assigned Purpose:</b>							
Future obligations .....	29,115	-	-	-	-	-	-
Special Projects .....	10,000	-	-	-	-	-	-
<b>Assigned for Future</b>							
Appropriated Fund Balance .....	53,000	-	-	-	-	-	-
Unassigned .....	153,737	(253,961)	-	(1,534,227)	-	-	(38,859)
<b>Total Government Fund Balance .....</b>	<u>\$ 269,582</u>	<u>\$ (242,907)</u>	<u>\$ 1,309,819</u>	<u>\$ (893,986)</u>	<u>\$ 267,821</u>	<u>\$ 45,032</u>	<u>\$ 152,857</u>

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At the end of the fiscal year, total encumbrances amounted to \$14.1 million for the General Operating Fund, \$45.1 million for the Special Taxing Areas Fund, \$30.1 million for the Capital Projects Fund and \$24.3 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.

The components of the deferred outflows of resources and deferred inflows of resources at December 31, 2016 are as follows (dollars in thousands):

	Governmental Activities	Business-type Activities
Deferred Outflows of Resources:		
Deferred outflows from pension activities ...	\$ 5,438,514	\$ 1,097,575
Unamortized deferred bond refunding costs .....	229,368	161,842
Derivatives .....	-	26,034
Total Deferred Outflows of Resources .....	<u>\$ 5,667,882</u>	<u>\$ 1,285,451</u>
Deferred Inflows of Resources:		
Deferred inflows from pension activities .....	\$ 720,224	\$ 157,978
Long-Term lease and Service concession arrangements .....	1,534,227	1,608,182
Total Deferred Inflows of Resources .....	<u>\$ 2,254,451</u>	<u>\$ 1,766,160</u>

The components of the deferred inflows of resources related to the governmental funds at December 31, 2016 are as follows (dollars in thousands):

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	Pension	Other Governmental Funds	Total Governmental Funds
<b>Governmental Funds:</b>								
<b>Deferred inflow of resources:</b>								
Property Taxes .....	\$ -	\$ -	\$ 371,156	\$ -	\$ 389,880	\$ 599,121	\$ 15,122	\$ 1,375,279
Grants .....	-	253,053	-	-	-	-	-	253,053
Charges for Services .....	11,209	-	-	-	-	-	-	11,209
Long-term Lease and Concession Agreements .....	-	-	-	1,534,227	-	-	-	1,534,227
Total Governmental Funds .....	<u>\$ 11,209</u>	<u>\$ 253,053</u>	<u>\$ 371,156</u>	<u>\$ 1,534,227</u>	<u>\$ 389,880</u>	<u>\$ 599,121</u>	<u>\$ 15,122</u>	<u>\$ 3,173,768</u>

**15) Commitments and Contingencies**

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

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

As of December 31, 2016, the Enterprise Funds have entered into contracts for approximately \$1,249.3 million for construction projects.

The City's pollution remediation obligation of \$33.2 million is primarily related to Brownfield redevelopment projects. These projects include removal of underground storage tanks, cleanup of contaminated soil, and removal of other environmental pollution identified at the individual sites. The estimated liability is calculated using the expected cash flow technique. The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

**16) Concession Agreements**

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

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

In December 2006, the City completed a long-term concession and lease of the City's downtown underground public parking system. The concession granted Chicago Loop Parking, LLC (CLP) the right to operate the garages and collect parking and related revenues for the 99-year term of the agreement. The City received an upfront payment of \$563.0 million of which \$347.8 million was simultaneously used to purchase three of the underground garages from the Chicago Park District. The City recognized a deferred inflow that will be amortized and recognized as revenue over the term of the lease. The City recognizes \$5.7 million of revenue for each year through 2105. In January 2014, CLP assigned all of its interests in the concession and lease agreement to LMG2, LLC, the designee of its lenders, in lieu of foreclosure by the lenders on their leasehold mortgage on the underground garages.

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

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

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

**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") on November 1, 2001. A provision in the Illinois Property Tax Code allowed the City to enter into an agreement with Boeing, which qualified as an Eligible Business, as defined, under the Corporate Headquarters Relocation Act (the "Act"). The Act allows the City to make annual payments to Boeing in an amount not to exceed the property taxes paid, directly or indirectly, by Boeing to the City and other taxing districts for premises occupied as its Corporate Headquarters pursuant to a written lease. The relocation of Boeing constitutes a substantial public benefit from its creation of not less than 500 permanent FTE jobs and through payment of various taxes and governmental charges will foster further economic growth and development in the City.

Boeing must submit for each year of the agreement an Annual Reimbursement Form to the City 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 Chicago School Finance Authority, the Board of Education of the City of Chicago and the City Public Library Fund, in aggregate. Together with the form, Boeing must be in compliance with the terms of the agreement and must provide the City all documents stipulated on the agreement. This includes evidence that Boeing continues to qualify as an Eligible Business and has at least \$25.0 million in annual worldwide revenues, satisfaction of the MBE/WBE requirements, compliance with the resident hiring and prevailing wage requirements, employment of a minimum of 500 full time employees within Chicago, and leasing and occupying not less than 125,000 rentable square feet in Chicago, among other requirements.

The above listed property taxes are reduced by way of a reimbursement to Boeing in an amount equal to the allocable share of the real estate taxes. The City is entitled to terminate the agreement or recover certain payments if Boeing defaults on their commitments. For the 2016 reporting period, the tax reimbursement to Boeing totaled \$1.4 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 2016 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 \$90.3 million on an accrual basis of accounting.

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

**Cook County**

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

- 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.
- 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.
- Property will be assessed at 10% of the market value for ten years from the date of completion of major rehabilitation.

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 2016 reporting period, the amount of property tax revenue forgone by the City due to these incentives is estimated at \$11.5 million.

**18) Subsequent Events**

**Ratings**

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

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

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

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

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

**Bonds**

In January 2017, the City sold O'Hare International Airport General Airport Senior Lien Revenue Bonds Series 2016DEFG (\$1,117.3 million). The 2016D bonds were issued at interest rates between 5.00% and 5.25% and mandatory sinking fund or maturity dates between January 1, 2020 and January 1, 2052. The 2016E bonds were issued at interest rates between 5.00% and 5.25% and maturity dates between January 1, 2024 and January 1, 2028. The 2016F bonds were issued at interest rates between 2.00% and 5.25% and mandatory sinking fund or maturity dates between January 1, 2018 and January 1, 2052. The 2016G bonds were issued at interest rates between 5.00% and 5.25% and mandatory sinking fund or maturity dates between January 1, 2020 and January

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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1, 2052. Proceeds will be used to pay the cost of certain airport projects, fund reserve requirements for the bonds, fund capitalized interest, and pay costs of issuance.

In January 2017, the City sold General Obligation Project and Refunding Series 2017A (\$886.0 million) and Taxable Project Series 2017B (\$274.3 million). The 2017A bonds were issued at interest rates between 5.625% and 6.0% and maturity dates between January 1, 2029 and January 1, 2038. The 2017B bonds were issued at an interest rate of 7.045% and mandatory sinking fund or maturity dates ranging from January 1, 2021 and January 1, 2029. Proceeds will be used to pay a portion of the costs of 2017 projects, pay certain judgments and settlements, to refund or pay interest on all or a portion of certain outstanding General Obligation bonds, fund capitalized interest, and pay costs of issuance.

In February 2017, the City completed a refinancing of the outstanding Michael Reese Loan. The City secured a lower, fixed interest rate of 3.55%, with the same maturity date of June 30, 2024. Principal payments will be made semi-annually with the first semi-annual principal payment on the refinanced loan due on June 30, 2019.

In June 2017, the City sold Second Lien Wastewater Transmission Revenue Bonds, Project Series 2017A (\$180.6 million) and Refunding Series 2017B (\$215.5 million). The 2017A bonds were issued at interest rates between 4.0% and 5.25% and mandatory sinking fund or maturity dates between January 1, 2020 and January 1, 2052. The 2017B bonds were issued at an interest rate of 5.0 % and maturity dates between January 1, 2018 and January 1, 2038. Proceeds will be used to finance capital improvements of the Wastewater Transmission System, to refund a portion of certain outstanding wastewater transmission bonds, and pay costs of issuance.

In June 2017, the City sold Second Lien Water Revenue Refunding Bonds, Series 2017 (\$199.4 million). The 2017 bonds were issued at interest rates between 5.0% and 5.25% and maturity dates between November 1, 2017 and November 1, 2036. Proceeds will be used to refund a portion of certain outstanding water bonds and pay costs of issuance.

In June 2017, the City sold O'Hare International Airport General Airport Senior Lien Revenue and Revenue Refunding Bonds Series 2017ABCD (\$812.4 million). The 2017A bonds were issued at interest rates between 3.125% and 5.00% and mandatory sinking fund or maturity dates between January 1, 2021 and January 1, 2040. The 2017B bonds were issued at an interest rate of 5.00% with maturity dates between January 1, 2018 and January 1, 2039. The 2017C bonds were issued at interest rates between 4.00% and 5.00% and mandatory sinking fund or maturity dates between January 1, 2019 and January 1, 2041. The 2017D bonds were issued at an interest rate of 5.00% and mandatory sinking fund or maturity dates between January 1, 2022 and January 1, 2052. Proceeds will be used to refund a portion of certain outstanding airport bonds, pay the cost of certain airport projects, fund reserve requirements for the bonds, fund capitalized interest, and pay costs of issuance.

**Commercial Paper and Lines of Credit**

As of December 31, 2016, the outstanding balance for the City's General Obligation Line of Credit was \$124.2 million. Since January 1, 2017, the City has not executed any additional draws and has paid down \$81.7 million. The City's repayment obligation under the line of credit is a general obligation of the City. The line of credit expires September 24, 2019.

In May 2017, the City drew \$30.0 million aggregate principal amount of its Chicago O'Hare International Airport Commercial Paper Notes (O'Hare CP Notes). The proceeds of these O'Hare CP Notes are being used to finance a portion of the cost of authorized airport projects.



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

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

\*Covered employee payroll is the amount in force as of the 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 Two Fiscal Years (dollars are in thousands)**

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

\* Includes pension plan administrative expense

\*\* Covered employee payroll is the amount in force as of the 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 Two Fiscal Years (dollars are in thousands)**

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

\* Includes pension plan administrative expense

\*\* Covered employee payroll is the amount in force as of the 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 Two Fiscal Years (dollars are in thousands)**

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

\* Includes pension plan administrative expense

\*\* Covered employee payroll is the amount in force as of the 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 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 Employee Payroll**	Contributions as a percentage of Covered Employee Payroll
2007	\$ 343,123	\$ 139,606	\$ 203,517	\$ 1,564,459	8.92 %
2008	360,387	146,803	213,584	1,543,977	9.51 %
2009	413,509	148,047	265,462	1,551,973	9.54 %
2010	483,948	154,752	329,196	1,541,388	10.04 %
2011	611,756	147,009	464,747	1,605,993	9.15 %
2012	690,823	148,859	541,964	1,590,794	9.36 %
2013	820,023	148,197	671,826	1,580,289	9.38 %
2014	839,039	149,747	689,292	1,602,978	9.34 %
2015	677,200	149,225	527,975	1,643,481	9.08 %
2016	961,770	149,718	812,052	1,646,939	9.09 %

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

\*\* Covered payroll is the amount in force as of the 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 Employee Payroll **	Contributions as a percentage of Covered Employee Payroll
2007	\$ 21,726	\$ 13,256	\$ 8,470	\$ 192,847	6.87 %
2008	17,652	15,233	2,419	216,744	7.03 %
2009	33,518	14,627	18,891	208,626	7.01 %
2010	46,665	15,352	31,313	199,863	7.68 %
2011	57,259	12,779	44,480	195,238	6.55 %
2012	77,566	11,853	65,713	198,790	5.96 %
2013	106,199	11,583	94,616	200,352	5.78 %
2014	106,019	12,161	93,858	202,673	6.00 %
2015	79,851	12,412	67,439	204,773	6.06 %
2016	117,033	12,603	104,430	208,155	6.05 %

\* 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 valuation date and likely differs from actual payroll paid during fiscal year.

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

**Policemen's:**

Years Ended December 31,	Actuarially Determined Contributions *	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Employee Payroll **	Contributions as a percentage of Covered Employee Payroll
2007	\$ 312,726	\$ 170,598	\$ 142,128	\$ 1,038,957	16.42 %
2008	318,235	172,836	145,399	1,023,581	16.89 %
2009	339,488	172,044	167,444	1,011,205	17.01 %
2010	363,625	174,501	189,124	1,048,084	16.65 %
2011	402,752	174,035	228,717	1,034,404	16.82 %
2012	431,010	197,885	233,125	1,015,171	19.49 %
2013	474,177	179,521	294,656	1,015,426	17.68 %
2014	491,651	178,158	313,493	1,074,333	16.58 %
2015	785,501	575,928	209,573	1,086,608	53.00 %
2016	785,695	273,840	511,855	1,119,527	24.46 %

\* The PABF Statutory Funding does not conform to Actuarial Standards of Practice; therefore, the 2015 and 2016 actuarially determined contribution is equal to the normal cost plus a 30-year closed 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 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 Employee Payroll **	Contributions as a percentage of Covered Employee Payroll
2007	\$ 188,202	\$ 72,023	\$ 116,179	\$ 389,125	18.51 %
2008	189,941	81,258	108,683	396,182	20.51 %
2009	203,867	89,212	114,655	400,912	22.25 %
2010	218,388	80,947	137,441	400,404	20.22 %
2011	250,056	82,870	167,186	425,385	19.48 %
2012	271,506	81,522	189,984	418,965	19.46 %
2013	294,878	103,669	191,209	416,492	24.89 %
2014	304,265	107,334	196,931	460,190	23.32 %
2015	323,545	236,104	87,441	465,232	50.75 %
2016	333,952	154,101	179,851	478,471	32.21 %

\* The 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 dollar payments and a 30 year open 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 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.....	12/31/2016	(a)	12/31/2016	(b)	12/31/2016		12/31/2016
Actuarial cost method.....	Entry age normal		Entry age normal		Entry age normal		Entry age normal
Amortization method.....	Level dollar, open		Level dollar, open	(c)	Level percent, open		Level dollar, open
Remaining amortization period.....	30 years		30 years		30 years		30 years
Asset valuation method.....	5-yr. Smoothed		5-yr. Smoothed		5-yr. Smoothed		5-yr. Smoothed
	Market		Market		Market		Market
Actuarial assumptions:							
Inflation .....	3.0%		3.0%		2.8%		2.5%
Salary increases .....	4.5% - 8.25%	(d)	3.75%	(e)	3.75%	(f)	3.75%
Investment rate of return .....	7.5%	(g)	7.5%	(h)	7.25%		7.5%
Retirement Age .....	(i)		(j)		(k)		(l)
Mortality .....	(m)		(n)		(o)		(p)
Other information .....	(q)		(r)		(s)		(s)

- (a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the middle of the year.
- (b) Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the end of the fiscal year in which contributions are reported.
- (c) The statutory contributions are based on a multiple of member contributions from the second prior year. The statutory contribution multiple is 1.00
- (d) Varying by years of service.
- (e) Plus a service-based increase in the first 15 years.
- (f) Salary increase rates based on age-related productivity and merit rates plus inflation.
- (g) Net of investment expense.
- (h) Net of investment expense, including inflation.
- (i) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (adopted December 31, 2010). For employees first hired on or after January 1, 2011, rates of retirement for each age from 62 to 80 were used (adopted Decemebr 31, 2011).
- (j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2012, valuation pursuant to an experience study of the period January 1, 2004, through December 31, 2011.
- (k) 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.
- (l) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2011, valuation pursuant to an experience study of the period January 1, 2003, through December 31, 2010.
- (m) Post-retirement mortality rates were based on the RP-2000 Healthy Mortality Tables with mortality improvements projected to 2010 using Scale AA. Pre-retirement mortality rates were based on the post-retirement mortality assumption, multiplied by 85% for males and 70% for females.
- (n) RP2000 Combined Healthy mortality table, sex distinct, set forward one year for males and setback two years for females. No adjustment is made for post-disabled mortality.
- (o) 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.
- (p) RP2000 Combined Healthy mortality table, sex distinct for post retirement mortality. RP2000 Combined Healthy mortality table, sex distinct, set forward six years for post retirement mortality post-disabled mortality. Pre-retirement mortality is 80 percent of the post-retirement rates.
- (q) Other assumptions: Same as those used in the December 31, 2016, actuarial funding valuations.
- (r) There were no benefit changes during the year.
- (s) The valuation is based on the statutes in effect as of December 31, 2016. Benefit changes as a result of PA 99-0506 were recognized in the Total Pension Liability as of December 31, 2016.



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

	Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) Entry Age ( b )	Unfunded Actuarial Liability (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	Unfunded (Surplus) AAL as a Percentage of Covered Payroll (( b-a ) / c )
City of Chicago							
Settlement Plan							
2014 .....	12/31/2013	-	\$ 498,205	\$ 498,205	- %	\$ 2,425,000	20.54 %
2015 .....	12/31/2014	-	311,748	311,748	-	2,487,787	12.53
2016 .....	12/31/2015	-	254,910	254,910	-	2,563,649	9.94
CBA Special Benefits							
2014 .....	12/31/2013	-	\$ 466,421	\$ 466,421	- %	\$ 1,400,269	33.31 %
2015 .....	12/31/2014	-	468,889	468,889	-	1,438,428	32.60
2016 .....	12/31/2015	-	460,612	460,612	-	1,499,552	30.72

**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**PENSION FUND (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance
Revenues:				
Property Taxes .....	\$ 785,956	\$ 785,956	\$ 747,957	\$ (37,999)
Miscellaneous .....	192,294	192,294	50,953	(141,341)
Transfers In .....	-	-	11,587	11,587
<b>Total Revenues .....</b>	<b>978,250</b>	<b>978,250</b>	<b>810,497</b>	<b>(167,753)</b>
Expenditures:				
Current:				
City Contribution to - Municipal Employees' Annuity and Benefit Fund .....	277,714	277,714	170,195	107,519
City Contribution to - Laborers' Employees' Annuity and Benefit Fund .....	28,536	28,536	15,807	12,729
City Contribution to - Policemen's Employees' Annuity and Benefit Fund .....	464,000	464,000	415,500	48,500
City Contribution to - Firemen's Employees' Annuity and Benefit Fund .....	208,000	208,000	208,995	(995)
<b>Total Expenditures .....</b>	<b>978,250</b>	<b>978,250</b>	<b>810,497</b>	<b>167,753</b>
<b>Revenues Over Expenditures .....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See notes to basic financial statements.

**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, 2016**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>LOCAL TAX REVENUE</b>				
<b>UTILITY TAX:</b>				
Gas .....	\$ 123,100	\$ 123,100	\$ 111,087	\$ (12,013)
Electric .....	98,200	98,200	98,694	494
Telecommunication .....	100,200	100,200	103,577	3,377
Commonwealth Edison .....	90,300	90,300	91,436	1,136
Cable Television .....	29,200	29,200	29,615	415
Total Utility Tax .....	<u>441,000</u>	<u>441,000</u>	<u>434,409</u>	<u>(6,591)</u>
<b>SALES TAX:</b>				
Home Rule Retailers' Occupation .....	<u>315,883</u>	<u>315,883</u>	<u>308,089</u>	<u>(7,794)</u>
<b>TRANSPORTATION TAX:</b>				
Parking .....	130,500	130,500	134,464	3,964
Vehicle Fuel .....	49,120	49,120	53,042	3,922
Ground Transportation .....	60,825	60,825	59,594	(1,231)
Total Transportation Tax .....	<u>240,445</u>	<u>240,445</u>	<u>247,100</u>	<u>6,655</u>
<b>TRANSACTION TAX:</b>				
Real Property .....	160,000	160,000	197,080	37,080
Personal Property Lease .....	177,900	177,900	259,939	82,039
Motor Vehicle Lessor .....	6,800	6,800	6,588	(212)
Total Transaction Tax .....	<u>344,700</u>	<u>344,700</u>	<u>463,607</u>	<u>118,907</u>
<b>RECREATION TAX:</b>				
Amusement .....	139,000	139,000	163,563	24,563
Automatic Amusement .....	490	490	499	9
Liquor .....	32,700	32,700	33,137	437
Boat Mooring .....	1,320	1,320	1,332	12
Cigarette .....	21,600	21,600	23,131	1,531
Off Track Betting .....	506	506	592	86
Soft Drink .....	22,400	22,400	24,354	1,954
Total Recreation Tax .....	<u>218,016</u>	<u>218,016</u>	<u>246,608</u>	<u>28,592</u>
<b>BUSINESS TAX:</b>				
Hotel .....	109,500	109,500	113,500	4,000
Foreign Fire Insurance .....	4,400	4,400	5,385	985
Total Business Tax .....	<u>113,900</u>	<u>113,900</u>	<u>118,885</u>	<u>4,985</u>
<b>TOTAL LOCAL TAX REVENUE .....</b>	<u><b>1,673,944</b></u>	<u><b>1,673,944</b></u>	<u><b>1,818,698</b></u>	<u><b>144,754</b></u>

**Schedule A-1 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>INTERGOVERNMENTAL REVENUE</b>				
<b>STATE INCOME TAX:</b>				
Income .....	\$ 265,300	\$ 265,300	\$ 253,968	\$ (11,332)
Personal Property Replacement .....	170,400	170,400	159,705	(10,695)
Total State Income Tax .....	<u>435,700</u>	<u>435,700</u>	<u>413,673</u>	<u>(22,027)</u>
<b>STATE SALES TAX:</b>				
State Retailers' Occupation .....	361,900	361,900	366,426	4,526
<b>STATE AUTO RENTAL TAX:</b>				
Municipal Auto Rental .....	4,400	4,400	4,223	(177)
<b>FEDERAL/STATE GRANTS:</b>				
Grants .....	1,800	1,800	1,869	69
TOTAL INTERGOVERNMENTAL REVENUE .....	<u>803,800</u>	<u>803,800</u>	<u>786,191</u>	<u>(17,609)</u>
<b>LOCAL NON-TAX REVENUE</b>				
<b>INTERNAL SERVICE:</b>				
Water Fund .....	88,407	88,407	88,407	-
Chicago-O'Hare International Airport Fund .....	23,928	23,928	23,928	-
Vehicle Tax Fund .....	16,768	16,768	16,768	-
Chicago Midway International Airport Fund .....	7,670	7,670	7,670	-
Federal Funds .....	18,109	18,109	16,485	(1,624)
Sewer Fund .....	48,367	48,367	48,367	-
Emergency Communication Fund .....	96,405	96,405	96,400	(5)
Federal Funds - Pensions .....	28,232	28,232	16,398	(11,834)
Intergovernmental Vouchers (IV) .....	9,331	9,331	8,733	(598)
Transportation .....	3,921	3,921	4,438	517
Department of Fleet and Facility Management .....	6,960	6,960	5,539	(1,421)
Miscellaneous - Planning, Purchasing, etc. ....	4,933	4,933	3,600	(1,333)
Public Safety - Police, Fire and OEMC .....	843	843	178	(665)
Other .....	4,668	4,668	5,695	1,027
Total Internal Service .....	<u>358,542</u>	<u>358,542</u>	<u>342,606</u>	<u>(15,936)</u>
<b>LICENSES AND PERMITS:</b>				
Alcoholic Liquor Dealers' License .....	11,800	11,800	12,206	406
Business License .....	18,500	18,500	18,529	29
Building Permits .....	45,116	45,116	43,483	(1,633)
Fines and Penalties .....	6,500	6,500	7,925	1,425
Other .....	43,307	43,307	48,256	4,949
Total Licenses and Permits .....	<u>125,223</u>	<u>125,223</u>	<u>130,399</u>	<u>5,176</u>

**Schedule A-1 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**  
**(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 .....	\$ 350,500	\$ 350,500	\$ 318,388	\$ (32,112)
INVESTMENT INCOME:				
Interest on Investments .....	4,400	4,400	8,251	3,851
CHARGES FOR SERVICES:				
Inspection .....	13,515	13,515	13,130	(385)
Information .....	605	605	1,526	921
Safety .....	67,500	67,500	77,335	9,835
Sanitation .....	62,700	62,700	54,365	(8,335)
Reimbursement of Current Expense .....	6,100	6,100	6,296	196
Other .....	24,443	24,443	32,544	8,101
Total Charges for Services .....	<u>174,863</u>	<u>174,863</u>	<u>185,196</u>	<u>10,333</u>
MUNICIPAL UTILITIES:				
Parking .....	10,105	10,105	7,476	(2,629)
Total Municipal Utilities .....	<u>10,105</u>	<u>10,105</u>	<u>7,476</u>	<u>(2,629)</u>
LEASES, RENTALS AND SALES:				
Sale of Land and Buildings .....	19,225	19,225	9,601	(9,624)
Vacation of Streets and Alleys .....	2,000	2,000	2,181	181
Sale of Impounded Autos .....	42	42	15	(27)
Sale of Materials .....	1,200	1,200	1,278	78
Rentals and Leases .....	13,561	13,561	13,036	(525)
Total Leases, Rentals and Sales .....	<u>36,028</u>	<u>36,028</u>	<u>26,111</u>	<u>(9,917)</u>
MISCELLANEOUS:				
Property Damage .....	150	150	111	(39)
Other .....	69,900	69,900	59,185	(10,715)
Total Miscellaneous .....	<u>70,050</u>	<u>70,050</u>	<u>59,296</u>	<u>(10,754)</u>
TOTAL LOCAL NON-TAX REVENUE .....	1,129,711	1,129,711	1,077,723	(51,988)
Transfers In .....	26,000	26,000	14,998	(11,002)
Total Revenues .....	<u>\$ 3,633,455</u>	<u>\$ 3,633,455</u>	<u>\$ 3,697,610</u>	<u>\$ 64,155</u>

**Schedule A-2**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
<b>OFFICE OF THE MAYOR - 01 -</b>			
2005.0000-Personnel Services .....	\$ 5,965,114	\$ 5,965,114	\$ 6,307,504
2005.0100-Contractual Services .....	250,721	250,721	213,962
2005.0200-Travel .....	24,832	24,832	22,662
2005.0300-Commodities and Materials .....	36,000	36,000	29,759
Total .....	6,276,667	6,276,667	6,573,887
<b>OFFICE OF THE INSPECTOR GENERAL - 03 -</b>			
2005.0000-Personnel Services .....	2,630,869	2,960,737	2,534,070
2005.0100-Contractual Services .....	318,520	342,652	342,426
2005.0200-Travel .....	4,433	4,433	4,433
2005.0300-Commodities and Materials .....	9,773	9,773	8,774
2005.0700-Contingencies .....	4,283	4,283	4,283
Total .....	2,967,878	3,321,878	2,893,986
<b>OFFICE OF BUDGET AND MANAGEMENT - 05 -</b>			
2005.0000-Personnel Services .....	2,296,393	2,296,393	2,271,148
2005.0100-Contractual Services .....	49,295	49,295	21,080
2005.0200-Travel .....	1,000	1,000	354
2005.0300-Commodities and Materials .....	5,800	5,800	4,217
Total .....	2,352,488	2,352,488	2,296,799
<b>DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -</b>			
2005.0000-Personnel Services .....	8,615,408	8,615,408	7,505,137
2005.0100-Contractual Services .....	9,236,310	9,236,310	8,598,695
2005.0200-Travel .....	4,500	4,500	3,321
2005.0300-Commodities and Materials .....	26,743	26,743	6,342
Total .....	17,882,961	17,882,961	16,113,495
<b>CITY COUNCIL COMMITTEES</b>			
<b>CITY COUNCIL - 15 -</b>			
2005.0000-Personnel Services .....	15,570,156	15,570,156	15,232,308
2005.0100-Contractual Services .....	70,150	70,150	66,585
2005.0200-Travel .....	1,000	1,000	-
2005.0700-Contingencies .....	43,000	43,000	43,000
2005.0982-Order of The City Council .....	1,000	1,000	-
2005.9008-Aldermanic Expense Allowance .....	4,850,000	4,850,000	4,545,224
2005.9010-Legal, Technical, Medical and Professional Services, Appraisals, Consultants, Printers, Court Reporters and Contractual Services: To Be Expended Under the Direction of the Chairman of the Committee on Finance .....	92,072	92,072	78,469

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	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 Direction of the President Pro Tempore of the City Council .....			
	\$ 4,000	\$ 4,000	\$ -
Total .....	20,631,378	20,631,378	19,965,586
COMMITTEE ON FINANCE - 15 -			
2010.0000-Personnel Services .....	1,809,864	1,809,864	1,519,797
2010.0100-Contractual Services .....	138,400	138,400	126,552
2010.0200-Travel .....	8,000	8,000	(23)
2010.0300-Commodities and Materials .....	51,500	51,500	51,499
2010.0700-Contingencies .....	100	100	-
2010.9005-The Payment of Legal Fees Pursuant to Sec. 2-152-170 of the Municipal Code: To Be Expended at the Direction of the Committee on Finance .....	50,000	50,000	10,306
2010.9006-Legal Assistance to The City Council: To Be Expended at 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	34,268
Total .....	2,200,364	2,200,364	1,742,399
COUNCIL OFFICE OF FINANCIAL ANALYSIS - 15 -			
2012.0000-Personnel Services .....	258,924	258,924	243,038
2012.0700-Contingencies .....	25,000	25,000	1,519
Total .....	283,924	283,924	244,557
LEGISLATIVE INSPECTOR GENERAL			
2015.0100-Contractual Services .....	354,000	-	-
Total .....	354,000	-	-
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS - 15 -			
2214.0000-Personnel Services .....	482,812	482,812	771,093
2214.0100-Contractual Services .....	15,000	15,000	14,613
2214.0300-Commodities and Materials .....	12,000	12,000	11,983



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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON THE BUDGET AND GOVERNMENT			
OPERATIONS - 15 - Concluded			
2214.0400-Equipment .....	\$ 9,500	\$ 9,500	\$ 9,492
2214.0700-Contingencies .....	15,000	15,000	14,998
Total .....	534,312	534,312	822,179
COMMITTEE ON AVIATION - 15 -			
2220.0000-Personnel Services .....	105,928	105,928	106,572
2220.0100-Contractual Services .....	200	200	-
2220.0300-Commodities and Materials .....	500	500	-
2220.0700-Contingencies .....	750	750	-
Total .....	107,378	107,378	106,572
COMMITTEE ON LICENSE AND CONSUMER			
PROTECTION - 15 -			
2225.0000-Personnel Services .....	105,143	105,143	125,889
2225.0100-Contractual Services .....	7,500	7,500	6,612
2225.0300-Commodities and Materials .....	10,500	10,500	499
Total .....	123,143	123,143	133,000
COMMITTEE ON PUBLIC SAFETY - 15 -			
2235.0000-Personnel Services .....	156,230	156,230	192,125
2235.0100-Contractual Services .....	1,000	1,000	964
2235.0300-Commodities and Materials .....	1,000	1,000	978
2235.0700-Contingencies .....	500	500	483
Total .....	158,730	158,730	194,550
COMMITTEE ON HEALTH AND ENVIROMENTAL			
PROTECTION - 15 -			
2240.0000-Personnel Services .....	90,300	90,300	88,379
2240.0100-Contractual Services .....	200	200	-
2240.0300-Commodities and Materials .....	800	800	-
2240.0700-Contingencies .....	500	500	-
Total .....	91,800	91,800	88,379
COMMITTEE ON COMMITTEES, RULES			
AND ETHICS - 15 -			
2245.0000-Personnel Services .....	103,008	103,008	119,075
2245.0100-Contractual Services .....	40,000	40,000	39,999
2245.0300-Commodities and Materials .....	500	500	499
Total .....	143,508	143,508	159,573

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON ECONOMIC, CAPITAL AND TECHNOLOGY DEVELOPMENT - 15 -			
2255.0000-Personnel Services .....	\$ 100,564	\$ 101,964	\$ 99,404
2255.0100-Contractual Services .....	1,000	-	-
2255.0300-Commodities and Materials .....	500	100	97
2255.0700-Contingencies .....	1,000	1,000	564
Total .....	103,064	103,064	100,065
COMMITTEE ON PARKS AND RECREATION - 15 - DEVELOPMENT- 15 -			
2260.0000-Personnel Services .....	160,277	160,277	115,636
2260.0100-Contractual Services .....	3,000	3,000	120
2260.0700-Contingencies .....	2,000	2,000	-
Total .....	165,277	165,277	115,756
BUILDING STANDARDS - 15 -			
2275.0000-Personnel Services .....	314,288	314,288	314,627
2275.0100-Contractual Services .....	5,300	5,300	1,296
2275.0300-Commodities and Materials .....	74,700	74,700	73,884
Total .....	394,288	394,288	389,807
COMMITTEE ON HOUSING AND REAL ESTATE - 15 -			
2280.0000-Personnel Services .....	194,278	194,278	194,000
2280.0300-Commodities and Materials .....	8,000	8,000	7,970
Total .....	202,278	202,278	201,970
COMMITTEE ON HUMAN RELATIONS - 15 -			
2286.0000-Personnel Services .....	90,741	90,741	69,326
2286.0300-Commodities and Materials .....	1,000	1,000	386
Total .....	91,741	91,741	69,712
COMMITTEE ON WORKFORCE DEVELOPMENT AND AUDIT - 15-			
2290.0000-Personnel Services .....	493,691	493,691	485,156
2290.0100-Contractual Services .....	30,000	25,000	2,501
2290.0300-Commodities and Materials .....	5,000	10,000	9,677
Total .....	528,691	528,691	497,334
CITY COUNCIL LEGISLATIVE REFERENCE BUREAU - 15 -			
2295.0000-Personnel Services .....	357,543	346,543	313,071
2295.0300-Commodities and Materials .....	4,000	15,000	14,532

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Concluded			
CITY COUNCIL LEGISLATIVE REFERENCE			
BUREAU - 15 - Concluded			
Total .....	\$ 361,543	\$ 361,543	\$ 327,603
TOTAL CITY COUNCIL COMMITTEES ....	26,475,419	26,121,419	25,159,042
CITY CLERK - 25 -			
2005.0000-Personnel Services .....	2,511,914	2,511,914	2,413,126
2005.0100-Contractual Services .....	555,913	555,913	383,298
2005.0300-Commodities and Materials .....	56,290	56,290	26,269
Total .....	3,124,117	3,124,117	2,822,693
DEPARTMENT OF FINANCE - 27 -			
City Comptroller			
2011.0000-Personnel Services .....	2,883,721	2,883,721	2,538,683
2011.0100-Contractual Services .....	49,168	49,168	43,966
2011.0200-Travel .....	2,386	2,386	15
2011.0300-Commodities and Materials .....	17,920	17,920	4,570
Total .....	2,953,195	2,953,195	2,587,234
DEPARTMENT OF FINANCE - 27 -			
Accounting and Financial Reporting			
2012.0000-Personnel Services .....	4,088,078	4,088,078	4,119,057
2012.0100-Contractual Services .....	739,582	739,582	573,705
2012.0200-Travel .....	3,000	3,000	2,659
2012.0300-Commodities and Materials .....	15,000	15,000	11,303
Total .....	4,845,660	4,845,660	4,706,724
DEPARTMENT OF FINANCE - 27 -			
Financial Strategy and Operations			
2015.0000-Personnel Services .....	6,102,124	6,102,124	5,723,633
2015.0100-Contractual Services .....	779,243	779,243	454,770
2015.0200-Travel .....	4,200	4,200	2,740
2015.0300-Commodities and Materials .....	84,800	84,800	46,916
2015.0400-Equipment .....	90,000	90,000	90,000
Total .....	7,060,367	7,060,367	6,318,059
DEPARTMENT OF FINANCE -			
Revenue Services and Operations - 27 -			
2020.0000-Personnel Services .....	23,669,206	23,669,206	20,762,832
2020.0100-Contractual Services .....	28,417,814	28,417,814	26,759,895
2020.0200-Travel .....	10,000	10,000	623

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

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

**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
DEPARTMENT OF FINANCE -			
Revenue Services and Operations - 27 - Concluded			
2020.0300-Commodities and Materials .....	\$ 191,659	\$ 191,659	\$ 161,565
2020.0400-Machinery and Equipment .....	150,000	150,000	-
Total .....	<u>52,438,679</u>	<u>52,438,679</u>	<u>47,684,915</u>
TOTAL FINANCE .....	<u>67,297,901</u>	<u>67,297,901</u>	<u>61,296,932</u>
CITY TREASURER - 28 -			
2005.0000-Personnel Services .....	849,693	849,693	756,431
2005.0100-Contractual Services .....	800,158	800,158	604,704
2005.0200-Travel .....	500	500	-
2005.0300-Commodities and Materials .....	6,500	6,500	3,779
Total .....	<u>1,656,851</u>	<u>1,656,851</u>	<u>1,364,914</u>
DEPARTMENT OF ADMINISTRATIVE			
HEARINGS - 30 -			
2005.0000-Personnel Services .....	3,084,954	3,084,954	2,988,330
2005.0100-Contractual Services .....	5,071,577	5,071,577	4,827,890
2005.0200-Travel .....	2,000	2,000	673
2005.0300-Commodities and Materials .....	29,605	29,605	23,929
Total .....	<u>8,188,136</u>	<u>8,188,136</u>	<u>7,840,822</u>
DEPARTMENT OF LAW - 31 -			
2005.0000-Personnel Services .....	25,197,284	25,197,284	23,761,874
2005.0100-Contractual Services .....	2,715,933	2,715,933	2,617,927
2005.0200-Travel .....	92,883	92,883	45,956
2005.0300-Commodities and Materials .....	126,291	126,291	118,463
Total .....	<u>28,132,391</u>	<u>28,132,391</u>	<u>26,544,220</u>
DEPARTMENT OF HUMAN RESOURCES - 33 -			
2005.0000-Personnel Services .....	5,298,565	5,298,565	4,794,992
2005.0100-Contractual Services .....	449,187	449,187	403,908
2005.0200-Travel .....	2,754	2,754	1,960
2005.0300-Commodities and Materials .....	28,268	28,268	14,290
2005.0900-Purposes as Specified .....	210,000	210,000	7,001
Total .....	<u>5,988,774</u>	<u>5,988,774</u>	<u>5,222,151</u>
DEPARTMENT OF PROCUREMENT SERVICES - 35 -			
2005.0000-Personnel Services .....	5,542,782	5,542,782	5,353,327
2005.0100-Contractual Services .....	688,821	688,821	351,278

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
DEPARTMENT OF PROCUREMENT SERVICES -			
35- Concluded			
2005.0200-Travel .....	\$ 11,490	\$ 11,490	\$ 3,043
2005.0300-Commodities and Materials .....	21,635	21,635	15,800
Total .....	6,264,728	6,264,728	5,723,448
DEPARTMENT OF FLEET AND FACILITIES MANAGEMENT - 38 -			
BUREAU OF FINANCE AND ADMINISTRATION - 38 -			
2103.0000-Personnel Services .....	2,896,107	2,896,107	2,773,313
2103.0100-Contractual Services .....	674,035	674,035	556,861
2103.0300-Commodities and Materials .....	46,000	46,000	34,993
Total .....	3,616,142	3,616,142	3,365,167
BUREAU OF FACILITY MANAGEMENT - 38 -			
2126.0000-Personnel Services .....	31,226,613	31,226,613	28,388,976
2126.0100-Contractual Services .....	25,587,520	25,587,520	24,847,145
2126.0200-Travel .....	27,000	27,000	4,472
2126.0300-Commodities and Materials .....	2,453,315	2,453,315	2,429,484
Total .....	59,294,448	59,294,448	55,670,077
BUREAU OF ASSET MANAGEMENT - 38 -			
2131.0000-Personnel Services .....	3,633,084	3,633,084	3,357,759
2131.0100-Contractual Services .....	14,213,691	14,213,691	14,009,222
2131.0200-Travel .....	495	495	-
2131.0300-Commodities and Materials .....	54,972,795	50,409,991	45,095,762
2131.9000-Purposes as Specified-Physical Exams .....	18,150	18,150	17,390
2131.9100-Purposes as Specified- For Expenses Related to Services Provided by PBC .....	72,800	72,800	53,256
Total .....	72,911,015	68,348,211	62,533,389
BUREAU OF FLEET OPERATIONS - 38 -			
2140.0000-Personnel Services .....	32,094,398	36,009,899	33,941,103
2140.0100-Contractual Services .....	12,707,094	17,248,916	16,755,925
2140.0200-Travel .....	10,000	10,000	6,128
2140.0300-Commodities and Materials .....	12,576,624	12,576,624	12,286,662
Total .....	57,388,116	65,845,439	62,989,818
TOTAL DEPARTMENT OF FLEET AND FACILITIES MANAGEMENT .....	193,209,721	197,104,240	184,558,451

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
BOARD OF ELECTION COMMISSIONERS - ELECTION AND ADMINISTRATION DIVISION - 39 -			
2005.0000-Personnel Services .....	\$ 8,670,853	\$ 8,670,853	\$ 8,780,147
2005.0100-Contractual Services .....	5,747,875	5,747,875	5,746,401
2005.0200-Travel .....	13,536	13,536	13,444
2005.0300-Commodities and Materials .....	331,285	331,285	331,153
Total .....	14,763,549	14,763,549	14,871,145
COMMISSION ON HUMAN RELATIONS - 45 -			
2005.0000-Personnel Services .....	1,081,149	1,081,149	975,725
2005.0100-Contractual Services .....	70,637	70,637	54,602
2005.0200-Travel .....	1,341	1,341	250
2005.0300-Commodities and Materials .....	2,750	2,750	2,331
Total .....	1,155,877	1,155,877	1,032,908
MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES - 48 -			
2005.0000-Personnel Services .....	1,049,578	1,049,578	1,042,758
2005.0100-Contractual Services .....	357,283	357,283	328,186
2005.0200-Travel .....	11,163	11,163	8,637
2005.0300-Commodities and Materials .....	8,586	8,586	5,226
2005.9400-Internal Transfers and Reimbursements .....	23,259	23,259	23,259
Total .....	1,449,869	1,449,869	1,408,066
DEPARTMENT OF FAMILY AND SUPPORT SERVICES ADMINISTRATION - 50 -			
2005.0000-Personnel Services .....	4,396,441	4,396,441	3,902,302
2005.0100-Contractual Services .....	1,114,883	1,114,883	820,342
2005.0200-Travel .....	2,800	2,800	532
2005.0300-Commodities and Materials .....	28,040	28,040	11,440
2005.9253-Early Childhood Education Program .....	15,075,000	15,075,000	14,601,738
2005.9254-Violence Reduction Program .....	2,000,000	2,000,000	1,994,499
2005.9255-Homeless Services for Youth .....	1,540,979	1,540,979	1,540,979
2005.9259-Summer Program .....	15,451,803	15,451,803	15,250,686
2005.9260-After School Program .....	15,822,801	15,822,801	15,821,677
2005.9261-Children Advocacy Center .....	900,000	900,000	900,000
2005.9262-Earn Income Tax Credit .....	1,050,000	1,050,000	1,032,995
2005.9263-Homeless Services .....	6,564,876	6,564,876	6,556,177
2005.9400-Internal Transfers and Reimbursements .....	66,531	66,531	66,531
Total .....	64,014,154	64,014,154	62,499,898

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
DEPARTMENT OF PLANNING AND DEVELOPMENT - 54 -			
2005.0000-Personnel Services .....	\$ 9,676,450	\$ 9,676,450	\$ 9,267,626
2005.0100-Contractual Services .....	3,192,146	3,192,146	2,883,643
2005.0200-Travel .....	3,340	3,340	2,621
2005.0300-Commodities and Materials .....	21,123	21,123	5,579
2005.0400-Equipment .....	10,000	10,000	7,328
2005.9110-Property Management, Maintenance and Security .....	80,000	80,000	54,388
2005.9183-Foreclosure Prevention Program .....	180,000	180,000	180,000
2005.9211-Single-Family Troubled Building Initiative ....	150,000	150,000	150,000
2005.9212-Multi-Family Troubled Building Initiative .....	300,000	300,000	300,000
2005.9224-Micro Market Recovery Program .....	522,700	522,700	522,700
Total .....	14,135,759	14,135,759	13,373,885
POLICE BOARD - 55 -			
2005.0000-Personnel Services .....	273,577	273,577	225,776
2005.0100-Contractual Services .....	121,824	121,824	80,077
2005.0200-Travel .....	450	450	290
2005.0300-Commodities and Materials .....	990	990	152
Total .....	396,841	396,841	306,295
LICENSE APPEAL COMMISSION - 77 -			
2005.0000-Personnel Services .....	74,045	74,045	78,427
2005.0100-Contractual Services .....	102,095	102,095	75,993
2005.0300-Commodities and Materials .....	500	500	346
Total .....	176,640	176,640	154,766
BOARD OF ETHICS - 78 -			
2005.0000-Personnel Services .....	782,762	782,762	764,666
2005.0100-Contractual Services .....	66,730	66,730	25,776
2005.0200-Travel .....	5,125	5,125	3,220
2005.0300-Commodities and Materials .....	3,210	3,210	2,173
Total .....	857,827	857,827	795,835
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0000-Personnel Services .....	407,070,989	407,070,989	397,437,328
2005.0100-Contractual Services .....	68,519,284	68,519,284	63,490,424
2005.0300-Commodities and Materials .....	578,800	578,800	466,441

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Concluded</u>			
DEPARTMENT OF FINANCE GENERAL - 99 - Concluded			
2005.0912-For Payment of Bonds .....	\$ 5,478,572	\$ 5,478,572	\$ 5,478,570
2005.0931-For Payment of Non-Tort Judgements .....	11,326,800	11,326,800	17,741,409
2005.0934-For Claims for Damages and Liabilities Against the City when Ordered Paid by the City Council .....	200,000	200,000	84,010
2005.0991-To Provide Matching and Supplementary Grant Funds Currently in Effect as well as New Grants .....	5,607,900	5,607,900	4,876,384
2005.9027-For the City Contribution to Social Security Tax .....	877,917	877,917	359,964
2005.9076-City's Contribution to Medicare Tax .....	34,382,917	34,382,917	34,091,800
2005.9121-Lobbyist on Behalf of the City of Chicago ....	480,000	480,000	310,807
2005.9176-West Nile Virus Program .....	425,000	425,000	247,765
2005.9180-For World Business Chicago Program .....	1,200,000	1,200,000	970,000
2005.9257-Community Policing .....	1,500,000	1,500,000	1,466,543
2005.9286-Burge Reparations .....	5,500,000	5,500,000	5,467,500
2005.9377 For Transfer to Debt Service.....	67,324,235	67,324,235	67,324,235
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 Subsidy of Chicago Public Library .....	18,264,000	18,264,000	18,264,000
2005.9980 Municipal Fund Pension Allocation.....	106,161,273	106,161,273	11,586,926
2005.9981 Laborers Fund Pension Allocation.....	7,799,098	7,799,098	-
Total .....	<u>747,016,304</u>	<u>747,016,304</u>	<u>633,983,625</u>
TOTAL GENERAL GOVERNMENT .....	<u>1,213,784,852</u>	<u>1,217,679,371</u>	<u>1,076,837,263</u>
<u>HEALTH</u>			
DEPARTMENT OF PUBLIC HEALTH - 41 -			
1005.0000-Personnel Services .....	15,426,504	15,426,504	15,117,503
1005.0100-Contractual Services .....	14,383,935	14,383,935	13,603,902
1005.0200-Travel .....	19,150	19,150	27,263
1005.0300-Commodities and Materials .....	588,918	588,918	164,293
1005.0445-Equipment .....	7,920	7,920	-
Total .....	<u>30,426,427</u>	<u>30,426,427</u>	<u>28,912,961</u>
TOTAL HEALTH .....	<u>30,426,427</u>	<u>30,426,427</u>	<u>28,912,961</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, 2016**

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY</b>			
<b>INDEPENDENT POLICE REVIEW AUTHORITY - 56 -</b>			
2005.0000-Personnel Services .....	\$ 8,217,168	\$ 8,217,168	\$ 7,266,428
2005.0100-Contractual Services .....	206,065	206,065	172,593
2005.0200-Travel .....	2,790	2,790	1,971
2005.0300-Commodities and Materials .....	34,460	34,460	29,388
Total .....	8,460,483	8,460,483	7,470,380
<b>DEPARTMENT OF POLICE - 57 -</b>			
1005.0000-Personnel Services .....	1,329,544,272	1,329,544,272	1,345,966,039
1005.0100-Contractual Services .....	11,053,618	11,053,618	10,768,774
1005.0200-Travel .....	307,070	307,070	187,737
1005.0300-Commodities and Materials .....	3,564,998	3,564,998	3,074,775
1005.0400-Equipment .....	36,250	36,250	36,250
1005.0931-For the Payment of Tort and Non-Tort Judgements, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel and Budget Director .....	19,844,350	19,844,350	81,287,651
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	19,493,136
1005.9067-For Physical Exams .....	1,159,748	1,159,748	875,193
Total .....	1,384,510,306	1,384,510,306	1,461,689,555
<b>OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS - 58 -</b>			
2705.0000-Personnel Services .....	77,649,780	77,649,780	77,903,564
2705.0100-Contractual Services .....	15,301,862	15,301,862	15,177,079
2705.0200-Travel .....	87,090	87,090	103,912
2705.0300-Commodities and Materials .....	1,344,190	1,344,190	1,258,394
2705.0401-Tools Less Than or Equal to \$100/Unit .....	39,000	39,000	47,917
2705.0423-Communication Devices .....	25,102	25,102	25,079
Total .....	94,447,024	94,447,024	94,515,945
<b>FIRE DEPARTMENT - 59 -</b>			
2005.0000-Personnel Services .....	554,359,070	554,359,070	558,555,350
2005.0100-Contractual Services .....	6,419,047	6,419,047	4,945,841
2005.0200-Travel .....	50,900	50,900	28,671
2005.0300-Commodities and Materials .....	2,780,407	2,780,407	2,507,432
2005.0400-Equipment .....	119,000	119,000	111,635
2005.0931-For the Payment of Tort and Non-Tort Judgements, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel and Budget Director .....	2,702,000	2,702,000	9,643,472

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>PUBLIC SAFETY - Concluded</u>			
FIRE DEPARTMENT - 59 - Concluded			
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	\$ 6,481,501
2005.9067-For Physical Exams .....	1,080,000	1,080,000	434,779
Total .....	<u>576,510,424</u>	<u>576,510,424</u>	<u>582,708,681</u>
DEPARTMENT OF BUILDINGS - 67 -			
2005.0000-Personnel Services .....	18,659,113	18,659,113	17,898,491
2005.0100-Contractual Services .....	4,274,828	4,274,828	4,185,879
2005.0200-Travel .....	155,000	155,000	121,075
2005.0300-Commodities and Materials .....	41,620	41,620	24,115
2005.0931-For the Payment of Tort and Non-Tort Judgements, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	300,000	300,000	49,397
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	99,304
2005.9019-For Board Up and Demolition of Abandoned Buildings.....	3,000,000	3,000,000	1,377,378
Total .....	<u>26,530,561</u>	<u>26,530,561</u>	<u>23,755,639</u>
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services .....	13,441,388	13,441,388	11,891,725
2005.0100-Contractual Services .....	4,554,828	4,554,828	4,181,878
2005.0200-Travel .....	37,343	37,343	9,192
2005.0300-Commodities and Materials .....	140,234	140,234	91,434
Total .....	<u>18,173,793</u>	<u>18,173,793</u>	<u>16,174,229</u>
COMMISSION ON ANIMAL CARE AND CONTROL - 73 -			
2005.0000-Personnel Services .....	4,524,411	4,524,411	4,415,157
2005.0100-Contractual Services .....	733,337	733,337	680,454
2005.0200-Travel .....	480	480	209
2005.0300-Commodities and Materials .....	445,079	445,079	418,364
Total .....	<u>5,703,307</u>	<u>5,703,307</u>	<u>5,514,184</u>
TOTAL PUBLIC SAFETY .....	<u>2,114,335,898</u>	<u>2,114,335,898</u>	<u>2,191,828,613</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, 2016**

	Original Budget	Final Budget	Actual
<b>STREETS AND SANITATION</b>			
<b>COMMISSIONER'S OFFICE - 81 -</b>			
2005.0000-Personnel Services .....	\$ 1,305,809	\$ 1,305,809	\$ 1,227,382
2005.0100-Contractual Services .....	215,375	215,375	209,801
2005.0200-Travel .....	200	200	-
2005.0300-Commodities and Materials .....	6,150	6,150	5,909
2005.0931-For the Payment of Tort and Non-Tort Judgements, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel and Budget Director .....	540,000	540,000	280,780
Total .....	2,067,534	2,067,534	1,723,872
<b>COMMISSIONER'S OFFICE - ADMINISTRATIVE SERVICES DIVISION - 81 -</b>			
2006.0000-Personnel Services .....	4,476,526	4,476,526	1,811,655
2006.0100-Contractual Services .....	31,850	31,850	28,883
2006.0200-Travel .....	250	250	-
2006.0300-Commodities and Materials .....	5,250	5,250	3,676
Total .....	4,513,876	4,513,876	1,844,214
<b>BUREAU OF SANITATION - 81 -</b>			
2020.0000-Personnel Services .....	103,506,665	103,506,665	98,112,972
2020.0100-Contractual Services .....	50,963,420	50,963,420	52,754,330
2020.0300-Commodities and Materials .....	188,434	188,434	181,916
2020.0400-Equipment .....	27,332	27,332	27,332
Total .....	154,685,851	154,685,851	151,076,550
<b>BUREAU OF STREET OPERATIONS - 81 -</b>			
2045.0000-Personnel Services .....	19,675,354	19,675,354	20,230,622
2045.0100-Contractual Services .....	2,377,420	2,377,420	2,377,005
2045.0300-Commodities and Materials .....	440,125	440,125	429,631
Total .....	22,492,899	22,492,899	23,037,258
<b>BUREAU OF FORESTRY - 81 -</b>			
2060.0000-Personnel Services .....	15,570,209	15,570,209	15,838,114
2060.0100-Contractual Services .....	1,723,963	1,723,963	1,715,535
2060.0200-Travel .....	5,200	5,200	5,128
2060.0300-Commodities and Materials .....	95,645	95,645	89,607
2060.0400-Equipment .....	11,575	11,575	11,534
Total .....	17,406,592	17,406,592	17,659,918
TOTAL STREETS AND SANITATION .....	201,166,752	201,166,752	195,341,812

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

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b>TRANSPORTATION</b>			
<b>OFFICE OF THE COMMISSIONER - 84 -</b>			
2105.0000-Personnel Services .....	\$ 2,367,129	\$ 2,367,129	\$ 2,261,022
2105.0100-Contractual Services .....	158,935	158,935	147,211
2105.0200-Travel .....	3,000	3,000	505
2105.0300-Commodities and Materials .....	7,100	7,100	6,519
2105.0931-For the Payment of Tort and Non-Tort Judgements, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel .....	1,890,000	1,890,000	1,429,061
Total .....	4,426,164	4,426,164	3,844,318
<b>DIVISION OF ADMINISTRATION - 84 -</b>			
2115.0000-Personnel Services .....	5,149,025	5,149,025	4,694,362
2115.0100-Contractual Services .....	241,423	241,423	222,218
2115.0200-Travel .....	1,300	1,300	265
2115.0300-Commodities and Materials .....	11,600	11,600	10,247
Total .....	5,403,348	5,403,348	4,927,092
<b>DIVISION OF TRAFFIC SAFETY - 84 -</b>			
2130.0000-Personnel Services .....	829,983	829,983	782,143
2130.0100-Contractual Services .....	15,169,716	15,169,716	14,240,868
2130.0200-Travel .....	3,629	3,629	2,424
2130.0300-Commodities and Materials .....	4,100	4,100	2,638
Total .....	16,007,428	16,007,428	15,028,073
<b>DIVISION OF SIGN MANAGEMENT- 84 -</b>			
2140.0000-Personnel Services .....	3,210,423	3,210,423	2,814,422
2140.0100-Contractual Services .....	451,702	451,702	424,650
2140.0300-Commodities and Materials .....	508,983	508,983	477,759
2140.0400-Equipment .....	7,800	7,800	3,172
Total .....	4,178,908	4,178,908	3,720,003
<b>DIVISION OF PROJECT DEVELOPMENT - 84 -</b>			
2145.0000-Personnel Services .....	3,222,936	3,222,936	3,048,340
2145.0100-Contractual Services .....	779,215	779,215	736,388
2145.0200-Travel .....	5,500	5,500	5,920
2145.0300-Commodities and Materials .....	19,200	19,200	14,076
2145.9042-Ex-Offender/Re-Entry Initiatives .....	250,000	250,000	250,000
Total .....	4,276,851	4,276,851	4,054,724
<b>DIVISION OF ELECTRICAL OPERATIONS - 84 -</b>			
2150.0000-Personnel Services .....	8,069,569	4,175,050	7,234,676
2150.0100-Contractual Services .....	536,971	536,971	515,962

**Schedule A-2 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>TRANSPORTATION - Concluded</u>			
DIVISION OF ELECTRICAL OPERATIONS - 84 - Concluded			
2150.0200-Travel .....	\$ 23,000	\$ 23,000	\$ 6,723
2150.0300-Commodities and Materials .....	488,605	488,605	482,367
2150.0400-Equipment .....	21,000	21,000	346
2150.0400-Equipment .....			
Total .....	9,139,145	5,244,626	8,240,074
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services .....	12,436,277	12,436,277	11,335,443
2155.0100-Contractual Services .....	269,507	269,507	211,554
2155.0200-Travel .....	1,600	1,600	-
2155.0300-Commodities and Materials .....	305,161	305,161	214,585
2155.0400-Equipment .....	15,325	15,325	13,181
Total .....	13,027,870	13,027,870	11,774,763
TOTAL TRANSPORTATION .....	56,459,714	52,565,195	51,589,047
<u>PRINCIPAL RETIREMENT</u>			
2005.9540 - Payment of General Obligation			
Certificate .....	11,135,000	11,135,000	11,135,000
TOTAL PRINCIPAL RETIREMENT .....	11,135,000	11,135,000	11,135,000
<u>INTEREST AND OTHER FISCAL CHARGES</u>			
2005.9540-Interest on General Obligation Certificate ...	6,146,357	6,146,357	4,948,059
TOTAL INTEREST AND OTHER FISCAL CHARGES .....	6,146,357	6,146,357	4,948,059
TOTAL GENERAL FUND .....	\$ 3,633,455,000	\$ 3,633,455,000	\$ 3,560,592,755

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## **NONMAJOR GOVERNMENTAL FUNDS**

**Schedule B-1**  
**CITY OF CHICAGO, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents .....	\$ 25,289	\$ -	\$ 7	\$ 25,296
Investments .....	33,619	41,903	32,658	108,180
Cash and Investments with Escrow Agent .....	115	83,472	-	83,587
Receivables (Net of Allowances):				
Property Tax .....	-	20,232	-	20,232
Accounts .....	15,198	161	687	16,046
Due from Other Funds .....	91,712	-	-	91,712
Due from Other Governments .....	20,073	-	18,040	38,113
<b>Total Assets .....</b>	<b>\$ 186,006</b>	<b>\$ 145,768</b>	<b>\$ 51,392</b>	<b>\$ 383,166</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Voucher Warrants Payable .....	\$ 41,662	\$ -	\$ 22,678	\$ 64,340
Accrued Interest .....	-	1,058	-	1,058
Due to Other Funds .....	58,967	35,336	42,344	136,647
Accrued and Other Liabilities .....	12,792	109	241	13,142
<b>Total Liabilities .....</b>	<b>113,421</b>	<b>36,503</b>	<b>65,263</b>	<b>215,187</b>
Deferred Inflows .....	-	15,122	-	15,122
<b>Fund Balance:</b>				
Restricted .....	3,057	94,143	24,988	122,188
Committed .....	69,528	-	-	69,528
Unassigned .....	-	-	(38,859)	(38,859)
<b>Total Fund Balance .....</b>	<b>72,585</b>	<b>94,143</b>	<b>(13,871)</b>	<b>152,857</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance ...</b>	<b>\$ 186,006</b>	<b>\$ 145,768</b>	<b>\$ 51,392</b>	<b>\$ 383,166</b>



Schedule B-2

CITY OF CHICAGO, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2016

(Amounts are in Thousands of Dollars)

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing Areas	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Utility Tax .....	\$ 101,260	\$ -	\$ -	\$ 101,260
Transportation Tax .....	191,665	-	-	191,665
Transaction Tax .....	79,289	-	-	79,289
Special Area Tax .....	-	22,104	-	22,104
Other Taxes .....	26,088	-	-	26,088
Internal Service .....	34,289	-	-	34,289
Fines .....	19,381	-	-	19,381
Investment Income .....	(1,692)	(902)	1,245	(1,349)
Charges for Services .....	29,293	-	-	29,293
Miscellaneous .....	20,674	924	1,012	22,610
Total Revenues .....	<u>500,247</u>	<u>22,126</u>	<u>2,257</u>	<u>524,630</u>
<b>EXPENDITURES</b>				
Current:				
General Government .....	342,195	-	-	342,195
Health .....	81	-	-	81
Public Safety .....	7,444	-	-	7,444
Streets and Sanitation .....	52,704	-	-	52,704
Transportation .....	88,844	-	-	88,844
Cultural and Recreational .....	83,733	-	-	83,733
Other .....	606	-	-	606
Capital Outlay .....	-	-	68,898	68,898
Debt Service:				
Principal Retirement .....	5,000	58,090	-	63,090
Interest and Other Fiscal Charges .....	2,103	18,561	-	20,664
Total Expenditures .....	<u>582,710</u>	<u>76,651</u>	<u>68,898</u>	<u>728,259</u>
Revenues Over (Under) Expenditures .....	<u>(82,463)</u>	<u>(54,525)</u>	<u>(66,641)</u>	<u>(203,629)</u>

Continued on following page.

Schedule B-2 - Concluded  
 CITY OF CHICAGO, ILLINOIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 Year Ended December 31, 2016  
 (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 .....	\$ 97,731	\$ 73,047	\$ -	\$ 170,778
Transfers Out .....	(2,279)	(17,693)	(1,500)	(21,472)
Total Other Financing Sources (Uses) .....	<u>95,452</u>	<u>55,354</u>	<u>(1,500)</u>	<u>149,306</u>
Net Change in Fund Balances .....	12,989	829	(68,141)	(54,323)
Fund Balance - Beginning of Year .....	59,596	93,314	54,270	207,180
Fund Balance - End of Year .....	<u>\$ 72,585</u>	<u>\$ 94,143</u>	<u>\$ (13,871)</u>	<u>\$ 152,857</u>

## 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.

Schedule C-1  
CITY OF CHICAGO, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
December 31, 2016  
(Amounts are in Thousands of Dollars)

	Vehicle Tax	Motor Fuel Tax and Project	Public Building Commission
<b>ASSETS</b>			
Cash and Cash Equivalents .....	\$ -	\$ 12,481	\$ -
Investments .....	18,368	-	-
Cash and Investments with Escrow Agent .....	-	115	-
Receivables (Net of Allowances):			
Accounts .....	1,033	1,662	-
Due from Other Funds .....	50,664	31	-
Due from Other Governments .....	-	10,625	3,119
Total Assets .....	<u>\$ 70,065</u>	<u>\$ 24,914</u>	<u>\$ 3,119</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Voucher Warrants Payable .....	\$ 10,004	\$ 7,903	\$ -
Due to Other Funds .....	22,547	16	30
Accrued and Other Liabilities .....	7,902	534	-
Total Liabilities .....	<u>40,453</u>	<u>8,453</u>	<u>30</u>
<b>Fund Balance (Deficit):</b>			
Restricted .....	-	-	-
Committed .....	29,612	16,461	3,089
Total Fund Balance (Deficit) .....	<u>29,612</u>	<u>16,461</u>	<u>3,089</u>
 Total Liabilities and Fund Balance .....	 <u>\$ 70,065</u>	 <u>\$ 24,914</u>	 <u>\$ 3,119</u>

<u>Miscellaneous</u>	<u>Chicago Public Library</u>	<u>Special Events, Tourism and Festivals</u>	<u>Health and Welfare</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 5,679	\$ 6,730	\$ -	\$ 399	\$ 25,289
10,152	-	3,425	1,674	33,619
-	-	-	-	115
10,523	1,232	440	308	15,198
25,280	13,635	2,102	-	91,712
-	-	6,329	-	20,073
<u>\$ 51,634</u>	<u>\$ 21,597</u>	<u>\$ 12,296</u>	<u>\$ 2,381</u>	<u>\$ 186,006</u>
\$ 13,231	\$ 6,876	\$ 3,648	\$ -	\$ 41,662
30,721	1,334	4,319	-	58,967
37	3,972	347	-	12,792
<u>43,989</u>	<u>12,182</u>	<u>8,314</u>	<u>-</u>	<u>113,421</u>
3,057	-	-	-	3,057
4,588	9,415	3,982	2,381	69,528
<u>7,645</u>	<u>9,415</u>	<u>3,982</u>	<u>2,381</u>	<u>72,585</u>
<u>\$ 51,634</u>	<u>\$ 21,597</u>	<u>\$ 12,296</u>	<u>\$ 2,381</u>	<u>\$ 186,006</u>

Schedule C-2  
CITY OF CHICAGO, ILLINOIS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)  
Year Ended December 31, 2016  
(Amounts are in Thousands of Dollars)

	Vehicle Tax	Motor Fuel Tax and Project	Public Building Commission
Revenues:			
Utility Tax .....	\$ -	\$ -	\$ -
Transportation Tax .....	132,490	57,856	-
Transaction Tax .....	-	-	-
Other Taxes .....	-	-	-
Internal Service .....	34,313	(24)	-
Fines .....	17,991	-	-
Investment Income .....	(40)	15	-
Charges for Services .....	16,156	-	-
Miscellaneous .....	290	429	593
Total Revenues .....	<u>201,200</u>	<u>58,276</u>	<u>593</u>
Expenditures:			
Current:			
General Government .....	72,532	18,515	1,107
Health .....	-	-	-
Public Safety .....	366	-	-
Streets and Sanitation .....	37,827	14,750	-
Transportation .....	76,341	12,455	-
Cultural and Recreational .....	-	-	-
Other .....	-	-	-
Debt Service:			
Principal Retirement .....	-	-	-
Interest and Other Fiscal Charges .....	-	-	-
Total Expenditures .....	<u>187,066</u>	<u>45,720</u>	<u>1,107</u>
Revenues Over (Under) Expenditures .....	<u>14,134</u>	<u>12,556</u>	<u>(514)</u>
Other Financing Sources (Uses):			
Transfers In .....	742	-	-
Transfers Out .....	(33)	(55)	-
Total Other Financing Sources (Uses) .....	<u>709</u>	<u>(55)</u>	<u>-</u>
Net Change in Fund Balances .....	14,843	12,501	(514)
Fund Balance (Deficit) - Beginning of Year .....	14,769	3,960	3,603
Fund Balance (Deficit) - End of Year .....	<u>\$ 29,612</u>	<u>\$ 16,461</u>	<u>\$ 3,089</u>

<u>Miscellaneous</u>	<u>Chicago Public Library</u>	<u>Special Events, Tourism and Festivals</u>	<u>Health and Welfare</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 101,260	\$ -	\$ -	\$ -	\$ 101,260
-	-	1,319	-	191,665
79,289	-	-	-	79,289
-	-	26,088	-	26,088
-	-	-	-	34,289
	1,390	-	-	19,381
(1,636)	2	(64)	31	(1,692)
68	1,175	11,894	-	29,293
12,691	165	6,506	-	20,674
<u>191,672</u>	<u>2,732</u>	<u>45,743</u>	<u>31</u>	<u>500,247</u>
195,303	40,869	11,649	2,220	342,195
81	-	-	-	81
6,879	-	199	-	7,444
127	-	-	-	52,704
48	-	-	-	88,844
-	54,862	28,871	-	83,733
-	-	606	-	606
-	-	5,000	-	5,000
-	2,103	-	-	2,103
<u>202,438</u>	<u>97,834</u>	<u>46,325</u>	<u>2,220</u>	<u>582,710</u>
<u>(10,766)</u>	<u>(95,102)</u>	<u>(582)</u>	<u>(2,189)</u>	<u>(82,463)</u>
80	96,909	-	-	97,731
-	-	(2,191)	-	(2,279)
<u>80</u>	<u>96,909</u>	<u>(2,191)</u>	<u>-</u>	<u>95,452</u>
(10,686)	1,807	(2,773)	(2,189)	12,989
18,331	7,608	6,755	4,570	59,596
<u>\$ 7,645</u>	<u>\$ 9,415</u>	<u>\$ 3,982</u>	<u>\$ 2,381</u>	<u>\$ 72,585</u>

Schedule C-3  
**CITY OF CHICAGO, ILLINOIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**  
**(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 .....	\$ -	\$ -	\$ 121,200	\$ 10,000
Motor Fuel Tax and Project .....	-	-	56,684	-
Miscellaneous .....	63,280	96,077	-	-
Chicago Public Library .....	-	-	-	-
Special Events, Tourism and Festivals .....	-	-	-	24,650
Health and Welfare .....	-	-	-	-
Total Final Budgeted Revenues .....	<u>63,280</u>	<u>96,077</u>	<u>177,884</u>	<u>34,650</u>
Actual Revenues:				
Vehicle Tax .....	-	-	132,490	-
Motor Fuel Tax and Project .....	-	-	57,856	-
Public Building Commission .....	-	-	-	-
Miscellaneous .....	79,289	101,260	-	-
Chicago Public Library .....	-	-	-	-
Special Events, Tourism and Festivals .....	-	-	1,319	26,088
Health and Welfare .....	-	-	-	-
Total Actual Revenues .....	<u>79,289</u>	<u>101,260</u>	<u>191,665</u>	<u>26,088</u>
Variance Positive (Negative) .....	<u>\$ 16,009</u>	<u>\$ 5,183</u>	<u>\$ 13,781</u>	<u>\$ (8,562)</u>



<u>Internal Service</u>	<u>Fines</u>	<u>Investment Income</u>	<u>Leases, Rentals, Sales and Charges for Services</u>	<u>Miscellaneous</u>	<u>Proceeds of Debt</u>	<u>Budgeted Prior Years' Surplus and Operating Transfers In/ Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 32,297	\$ 9,000	\$ -	\$ 16,509	\$ 2,400	\$ -	\$ 5,142	\$ 196,548
-	-	-	-	-	-	-	56,684
-	-	-	-	24,215	-	428	184,000
-	1,520	10	165	1,600	77,145	22,464	102,904
-	-	-	12,274	6,500	-	8,270	51,694
-	-	-	-	-	-	74	74
<u>32,297</u>	<u>10,520</u>	<u>10</u>	<u>28,948</u>	<u>34,715</u>	<u>77,145</u>	<u>36,378</u>	<u>591,904</u>
34,313	17,991	(40)	16,156	290	-	742	201,942
(24)	-	15	-	429	-	-	58,276
-	-	-	-	593	-	-	593
-	-	(1,636)	68	12,691	-	80	191,752
-	1,390	2	1,175	165	-	96,909	99,641
-	-	(64)	11,894	6,506	-	-	45,743
-	-	31	-	-	-	-	31
<u>34,289</u>	<u>19,381</u>	<u>(1,692)</u>	<u>29,293</u>	<u>20,674</u>	<u>-</u>	<u>97,731</u>	<u>597,978</u>
<u>\$ 1,992</u>	<u>\$ 8,861</u>	<u>\$ (1,702)</u>	<u>\$ 345</u>	<u>\$ (14,041)</u>	<u>\$ (77,145)</u>	<u>\$ 61,353</u>	<u>\$ 6,074</u>

**Schedule C-4**  
**CITY OF CHICAGO, ILLINOIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF EXPENDITURES AND ENCUMBRANCES -**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**  
**(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 .....	\$ 77,725	\$ -	\$ -	\$ 37,902
Motor Fuel Tax and Project .....	18,050	-	-	17,161
Miscellaneous .....	180,728	-	3,272	-
Library .....	46,895	-	-	-
Special Events, Tourism and Festivals .....	21,590	-	199	-
Health and Welfare .....	<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Original and Final Budget .....	<u>345,062</u>	<u>-</u>	<u>3,471</u>	<u>55,063</u>
Actual Expenditures and Encumbrances:				
Vehicle Tax .....	73,109	-	-	37,918
Motor Fuel Tax and Project .....	15,864	-	-	14,908
Miscellaneous .....	194,115	-	2,417	-
Library .....	42,608	-	-	-
Special Events, Tourism and Festivals .....	19,448	-	199	-
Health and Welfare .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Actual Expenditures and Encumbrances ...	<u>345,144</u>	<u>-</u>	<u>2,616</u>	<u>52,826</u>
Variance Positive (Negative) .....	<u>\$ (82)</u>	<u>\$ -</u>	<u>\$ 855</u>	<u>\$ 2,237</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>
\$ 80,920	\$ -	\$ -	\$ -	\$ -	\$ 196,547
21,473	-	-	-	-	56,684
-	-	-	-	-	184,000
-	56,009	-	-	-	102,904
-	29,905	-	-	-	51,694
-	-	-	-	-	74
<u>102,393</u>	<u>85,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,903</u>
77,094	-	-	-	-	188,121
15,046	-	-	-	-	45,818
-	-	-	-	-	196,532
-	54,943	-	-	-	97,551
-	29,049	-	-	-	48,696
-	-	-	-	-	-
<u>92,140</u>	<u>83,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>576,718</u>
<u>\$ 10,253</u>	<u>\$ 1,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,185</u>

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**Schedule C-5**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b>VEHICLE TAX FUND</b>			
<b>GENERAL GOVERNMENT</b>			
CITY COUNCIL COMMITTEES - 15 -			
COMMITTEE ON TRANSPORTATION AND PUBLIC WAY			
2230.0000-Personnel Services .....	\$ 429,167	\$ 414,167	\$ 478,697
2230.9000-Purposes as Specified.....	16,387	31,387	30,288
Total .....	<u>445,554</u>	<u>445,554</u>	<u>508,985</u>
COMMITTEE ON PEDESTRIAN AND TRAFFIC SAFETY			
2265.0000-Personnel Services .....	239,587	239,587	244,468
2265.0300-Commodities and Materials .....	5,000	5,000	4,955
Total .....	<u>244,587</u>	<u>244,587</u>	<u>249,423</u>
TOTAL CITY COUNCIL COMMITTEES .....	<u>690,141</u>	<u>690,141</u>	<u>758,408</u>
CITY CLERK - 25 -			
2005.0000-Personnel Services .....	4,185,817	4,185,817	3,787,973
2005.0100-Contractual Services .....	2,267,433	2,267,433	1,830,382
2005.0200-Travel .....	23,940	23,940	8,070
2005.0300-Commodities and Materials .....	416,045	416,045	337,039
2005.9400-Internal Transfers and Reimbursements.....	30,000	30,000	26,305
Total .....	<u>6,923,235</u>	<u>6,923,235</u>	<u>5,989,769</u>
DEPARTMENT OF FINANCE - 27 -			
FINANCIAL STRATEGY AND OPERATIONS			
2015.0000-Personnel Services .....	503,860	503,860	438,792
Total .....	<u>503,860</u>	<u>503,860</u>	<u>438,792</u>
REVENUE SERVICES AND OPERATIONS			
2020.0000-Personnel Services .....	463,799	463,799	469,740
2020.0100-Contractual Services .....	4,500	4,500	-
2020.0300-Commodities and Materials .....	500	500	-
2020.0400-Equipment .....	600,000	600,000	593,494
Total .....	<u>1,068,799</u>	<u>1,068,799</u>	<u>1,063,234</u>
TOTAL DEPARTMENT OF FINANCE.....	<u>1,572,659</u>	<u>1,572,659</u>	<u>1,502,026</u>
DEPARTMENT OF LAW - 31 -			
2005.0000-Personnel Services .....	1,182,322	1,182,322	1,159,548
2005.0100-Contractual Services .....	86,188	86,188	79,682
2005.0200-Travel .....	3,610	3,610	940
2005.0300-Commodities and Materials .....	5,280	5,280	4,960

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b>VEHICLE TAX FUND - Continued</b>			
<b>GENERAL GOVERNMENT - Concluded</b>			
<b>DEPARTMENT OF LAW - 31 -</b>			
2005.9400-Internal Transfers and Reimbursements.....	\$ 852	\$ 852	\$ 700
Total .....	<u>1,278,252</u>	<u>1,278,252</u>	<u>1,245,830</u>
<b>DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -</b>			
2126.0100-Contractual Services .....	845,577	845,577	767,191
2126.0300-Commodities and Materials .....	26,000	26,000	24,339
2131.0100-Contractual Services .....	1,685,610	1,685,610	1,671,043
2131.0300-Commodities and Materials .....	10,249,434	10,249,434	8,646,350
2140.0100-Contractual Services .....	56,000	56,000	-
Total .....	<u>12,862,621</u>	<u>12,862,621</u>	<u>11,108,923</u>
<b>DEPARTMENT OF BUILDINGS - 67 -</b>			
2005.0000-Personnel Services .....	468,007	468,007	360,879
2005.0100-Contractual Services .....	34,500	34,500	32,390
2005.0300-Commodities and Materials .....	3,008	3,008	2,077
Total .....	<u>505,515</u>	<u>505,515</u>	<u>395,346</u>
<b>DEPARTMENT OF FINANCE GENERAL - 99 -</b>			
2005.0000-Personnel Services .....	26,179,284	26,179,284	27,363,379
2005.0100-Contractual Services .....	7,115,485	7,115,485	5,461,664
2005.0931-Tort and Non-Tort Judgments, Outside Counsel and Expert Costs .....	3,500	3,500	1,807
2005.0934-Claims for Damage and Liability .....	1,375,000	1,375,000	139,121
2005.0989-Refunds for Cancelled Voucher Warrants and Payroll Checks and Duplicate Payments and Payments Made in Error .....	765,000	765,000	746,289
2005.0991-Provide for Matching and Supplementary Grants Funds Currently in Effect as well as New Grants.....	707,700	707,700	649,162
2005.9027-City's Contribution to Social Security Tax .....	20,186	20,186	20,186
2005.9076-City's Contribution to Medicare Tax .....	926,090	926,090	926,090
2005.9610-To Reimburse Corporate Fund for Pension Payments.....	15,229,638	15,229,638	15,229,638
2005.9611-To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund.....	1,538,000	1,538,000	1,538,000
2005.9774- Transfer for Services provided by the Office of Emergency Management and Communications.....	33,000	33,000	33,000
Total .....	<u>53,892,883</u>	<u>53,892,883</u>	<u>52,108,336</u>
<b>TOTAL GENERAL GOVERNMENT .....</b>	<u>77,725,306</u>	<u>77,725,306</u>	<u>73,108,638</u>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b><u>VEHICLE TAX FUND - Continued</u></b>			
<b><u>STREETS AND SANITATION</u></b>			
BUREAU OF SANITATION - 81 -			
2020.0000-Personnel Services .....	\$ 5,357,842	\$ 5,357,842	\$ 6,316,370
2020.0100-Contractual Services .....	2,475,656	2,475,656	2,473,838
2020.0400-Equipment .....	500	500	143
Total .....	<u>7,833,998</u>	<u>7,833,998</u>	<u>8,790,351</u>
BUREAU OF STREET OPERATIONS - 81 -			
2045.0000-Personnel Services .....	4,136,213	4,136,213	3,556,224
2045.0100-Contractual Services .....	1,885,950	1,885,950	1,877,748
2045.0300-Commodities and Materials .....	241,219	241,219	235,909
2045.0400-Equipment .....	33,700	33,700	31,242
2045.9400-Internal Transfers and Reimbursements .....	5,400	5,400	5,400
Total .....	<u>6,302,482</u>	<u>6,302,482</u>	<u>5,706,523</u>
BUREAU OF TRAFFIC SERVICES - 81 -			
2070.0000-Personnel Services .....	13,816,613	13,816,613	13,655,734
2070.0100-Contractual Services .....	8,966,125	8,966,125	8,792,334
2070.0300-Commodities and Materials .....	150,150	150,150	140,000
2070.0992-For Tow Storage Refund .....	797,000	797,000	796,999
2070.9400-Internal Transfers and Reimbursements .....	35,900	35,900	35,900
Total .....	<u>23,765,788</u>	<u>23,765,788</u>	<u>23,420,967</u>
TOTAL STREETS AND SANITATION .....	<u>37,902,268</u>	<u>37,902,268</u>	<u>37,917,841</u>
<b><u>TRANSPORTATION</u></b>			
DIVISION OF ENGINEERING - 84 -			
2125.0000-Personnel Services .....	7,385,897	7,385,897	6,579,736
2125.0100-Contractual Services .....	1,209,320	1,209,320	1,113,141
2125.0200-Travel .....	44,878	44,878	35,768
2125.0300-Commodities and Materials .....	32,606	32,606	14,950
Total .....	<u>8,672,701</u>	<u>8,672,701</u>	<u>7,743,595</u>
DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 -			
2135.0000-Personnel Services .....	4,959,027	4,959,027	4,338,094
2135.0100-Contractual Services .....	4,598,990	4,598,990	4,248,738
2135.0200-Travel .....	104,800	104,800	71,152
2135.0300-Commodities and Materials .....	35,150	35,150	25,694
2135.9400-Internal Transfers and Reimbursements.....	4,000	4,000	4,000
Total .....	<u>9,701,967</u>	<u>9,701,967</u>	<u>8,687,678</u>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b><u>VEHICLE TAX FUND - Concluded</u></b>			
<b><u>TRANSPORTATION - Concluded</u></b>			
DIVISION OF ELECTRICAL OPERATIONS - 84 -			
2150.0000-Personnel Services .....	\$ 17,245,514	\$ 17,245,514	\$ 16,608,724
2150.0100-Contractual Services .....	1,418,918	1,418,918	1,397,406
2150.0200-Travel .....	117,560	117,560	130,845
2150.0300-Commodities and Materials .....	896,975	896,975	892,089
2150.0400-Equipment .....	3,250	3,250	3,202
Total .....	<u>19,682,217</u>	<u>19,682,217</u>	<u>19,032,266</u>
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services .....	41,328,520	41,328,520	40,274,016
2155.0100-Contractual Services .....	630,621	630,621	534,278
2155.0200-Travel .....	18,500	18,500	24,750
2155.0300-Commodities and Materials .....	850,900	850,900	761,588
2155.9400-Internal Transfers and Reimbursements .....	35,000	35,000	35,444
Total .....	<u>42,863,541</u>	<u>42,863,541</u>	<u>41,630,076</u>
TOTAL TRANSPORTATION .....	<u>80,920,426</u>	<u>80,920,426</u>	<u>77,093,615</u>
TOTAL VEHICLE TAX FUND .....	<u>196,548,000</u>	<u>196,548,000</u>	<u>188,120,094</u>
<b><u>MOTOR FUEL TAX AND PROJECT FUND</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
<b><u>DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -</u></b>			
2131.0300-Commodities and Materials .....	940,216	5,503,020	5,503,020
2140.0000-Personnel Services .....	3,915,501	-	-
2140.0100-Contractual Services .....	4,541,822	-	134,601
TOTAL FLEET AND FACILITY MANAGEMENT .....	<u>9,397,539</u>	<u>5,503,020</u>	<u>5,637,621</u>
<b><u>DEPARTMENT OF FINANCE GENERAL - 99 -</u></b>			
2005.0100-Contractual Services .....	1,725,000	1,725,000	1,528,246
2005.9500-Reserved for Excess Expense Related to Snow Events.....	2,122,634	2,122,634	-
2005.9600-Reimbursements.....	8,698,511	8,698,511	8,698,511
TOTAL FINANCE GENERAL.....	<u>12,546,145</u>	<u>12,546,145</u>	<u>10,226,757</u>
TOTAL GENERAL GOVERNMENT .....	<u>21,943,684</u>	<u>18,049,165</u>	<u>15,864,378</u>



**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b><u>MOTOR FUEL TAX AND PROJECT FUND - Concluded</u></b>			
<b><u>DEPARTMENT OF STREETS AND SANITATION - 81 -</u></b>			
2047.0000-Personnel Services.....	\$ 3,308,601	\$ 3,308,601	\$ 2,583,072
2047.0100-Contractual Services.....	467,588	467,588	427,614
2047.0300-Commodities and Materials.....	13,385,200	13,385,200	11,897,248
<b>TOTAL STREETS AND SANITATION .....</b>	<b>17,161,389</b>	<b>17,161,389</b>	<b>14,907,934</b>
<b><u>DEPARTMENT OF TRANSPORTATION - 84 -</u></b>			
2005.9100-C.T.A./Regional Transportation Authority Agreement.....	3,000,000	3,000,000	3,000,000
2125.0300-Commodities and Materials.....	-	690,542	8,849
2150.0000-Personnel Services .....	-	3,894,519	-
2150.0300-Commodities and Materials.....	2,026,911	2,026,911	2,012,513
2155.0000-Personnel Services .....	6,360,682	6,360,682	4,881,328
2155.0100-Contractual Services.....	825,000	825,000	825,000
2155.0300-Commodities and Materials.....	4,675,334	4,675,334	4,318,475
<b>TOTAL TRANSPORTATION .....</b>	<b>16,887,927</b>	<b>21,472,988</b>	<b>15,046,165</b>
<b>TOTAL MOTOR FUEL TAX AND PROJECT FUND .....</b>	<b>55,993,000</b>	<b>56,683,542</b>	<b>45,818,477</b>
<b><u>MISCELLANEOUS FUND</u></b>			
<b><u>EMERGENCY COMMUNICATION</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
<b><u>DEPARTMENT OF FINANCE GENERAL - 99 -</u></b>			
2005.0100-Contractual Services .....	100,000	100,000	23,410
2005.9639-For Oper. of the Emer Management and Comm.....	96,405,000	96,405,000	96,400,000
<b>Total .....</b>	<b>96,505,000</b>	<b>96,505,000</b>	<b>96,423,410</b>
<b>TOTAL EMERGENCY COMMUNICATION .....</b>	<b>96,505,000</b>	<b>96,505,000</b>	<b>96,423,410</b>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>MISCELLANEOUS FUND - Continued</u>			
<u>SPECIAL DEPOSIT ACTIVITIES</u>			
<u>CHICAGO PARKING METERS</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0100-Contractual Services .....	\$ 15,067,077	\$ 15,067,077	\$ 14,809,758
Total .....	<u>15,067,077</u>	<u>15,067,077</u>	<u>14,809,758</u>
 TOTAL CHICAGO PARKING METERS.....	 <u>15,067,077</u>	 <u>15,067,077</u>	 <u>14,809,758</u>
 <u>PUBLIC SAFETY</u>			
DEPARTMENT OF POLICE - 57 -			
2005.9999-Miscellaneous .....	3,272,496	3,272,496	2,416,958
Total .....	<u>3,272,496</u>	<u>3,272,496</u>	<u>2,416,958</u>
 TOTAL SPECIAL DEPOSIT ACTIVITIES .....	 <u>18,339,573</u>	 <u>18,339,573</u>	 <u>17,226,716</u>
 <u>COMMONWEALTH EDISON SETTLEMENT</u>			
<u>GENERAL GOVERNMENT</u>			
OFFICE OF THE MAYOR - 01 -			
2005.0000-Personnel Services .....	390,000	390,000	67,472
Total .....	<u>390,000</u>	<u>390,000</u>	<u>67,472</u>
DEPARTMENT OF STREETS & SANITATION - 81 -			
2005.0100-Contractual Services .....	126,500	126,500	126,500
Total .....	<u>126,500</u>	<u>126,500</u>	<u>126,500</u>
DEPARTMENT OF TRANSPORTATION - 84 -			
2150.0000-Personnel Services .....	25,000	25,000	-
2005.9999-Miscellaneous .....	50,000	50,000	50,000
Total .....	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>
 TOTAL COMMONWEALTH SETTLEMENT .....	 <u>591,500</u>	 <u>591,500</u>	 <u>243,972</u>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b><u>MISCELLANEOUS FUND - Concluded</u></b>			
<b><u>ALLIED SETTLEMENT FUND</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
DEPARTMENT OF LAW - 31 -			
2005.9999-Miscellaneous .....	\$ 1,000,000	\$ 1,000,000	\$ 13,335
Total .....	<u>1,000,000</u>	<u>1,000,000</u>	<u>13,335</u>
DEPARTMENT OF PROCUREMENT SERVICES - 35 -			
2005.0100-Contractual .....	1,391,000	1,391,000	754,533
2005.0200-Travel .....	7,500	7,500	1,939
2005.0300-Commodities and Materials .....	10,000	10,000	5,084
2005.0400-Equipment .....	75,000	75,000	-
Total .....	<u>1,483,500</u>	<u>1,483,500</u>	<u>761,556</u>
TOTAL ALLIED SETTLEMENT.....	<u>2,483,500</u>	<u>2,483,500</u>	<u>774,891</u>
<b><u>CTA REAL PROPERTY TRANSFER TAX</u></b>			
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.9205-For Distribution of the Net Proceeds of the Real Property Transfer Tax-CTA Portion .....	62,647,000	62,647,000	79,063,378
2005.9640-To Reimburse Corporate Fund for Costs Incurred for Collection of the Real Property Transfer Tax-CTA Portion .....	633,000	633,000	-
Total .....	<u>63,280,000</u>	<u>63,280,000</u>	<u>79,063,378</u>
TOTAL CTA REAL PROPERTY TRANSFER TAX .....	<u>63,280,000</u>	<u>63,280,000</u>	<u>79,063,378</u>
<b><u>LEGAL RESERVE FUND</u></b>			
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0900-For Distribution of the Net Proceeds of the Real Property.....	2,800,000	2,800,000	2,800,000
Total .....	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
TOTAL LEGAL RESERVE FUND.....	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
TOTAL MISCELLANEOUS FUND .....	<u>183,999,573</u>	<u>183,999,573</u>	<u>196,532,367</u>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b><u>LIBRARY FUND</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -			
2005.0000-Personnel Services.....	\$ 1,157,867	\$ 1,157,867	\$ 1,185,499
Total .....	<u>1,157,867</u>	<u>1,157,867</u>	<u>1,185,499</u>
DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -			
BUREAU OF FACILITY MANAGEMENT			
2126.0000-Personnel Services .....	1,480,418	1,480,418	1,285,344
2126.0100-Contractual Services .....	6,681,901	6,681,901	6,457,295
2126.0300-Commodities and Materials .....	462,500	462,500	443,667
Total .....	<u>8,624,819</u>	<u>8,624,819</u>	<u>8,186,306</u>
BUREAU OF ASSET MANAGEMENT - 38 -			
2131.0100-Contractual Services .....	1,253,976	1,253,976	1,252,182
2131.0300-Commodities and Materials .....	3,280,371	3,280,371	3,258,566
Total .....	<u>4,534,347</u>	<u>4,534,347</u>	<u>4,510,748</u>
BUREAU OF FLEET OPERATIONS - 38 -			
2140.0100-Contractual Services .....	37,485	37,485	-
2140.0300-Commodities and Materials .....	15,000	15,000	14,100
Total .....	<u>52,485</u>	<u>52,485</u>	<u>14,100</u>
TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT .....			
	<u>13,211,651</u>	<u>13,211,651</u>	<u>12,711,154</u>
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0000-Personnel Services .....	10,089,347	10,089,347	9,648,490
2005.0100-Contractual Services .....	1,897,713	1,897,713	1,502,888
2005.0955-Interest on Library Financing.....	1,500,000	1,500,000	2,102,598
2005.9027-City's Contribution to Social Security Tax .....	17,198	17,198	17,198
2005.9076-City's Contribution to Medicare Tax .....	789,004	789,004	789,004
2005.9112-Property Maintenance Contract for the Harold Washington Library Center.....	7,174,166	7,174,166	7,147,323
2005.9199 -For Purchase of Chicago Public Library Books and Materials.....	7,500,000	7,500,000	7,503,588
2005.9980-Municipal Fund Pension Allocation .....	3,557,763	3,557,763	-
Total .....	<u>32,525,191</u>	<u>32,525,191</u>	<u>28,711,089</u>
TOTAL GENERAL GOVERNMENT.....			
	<u>46,894,709</u>	<u>46,894,709</u>	<u>42,607,742</u>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<b><u>LIBRARY FUND - Concluded</u></b>			
<b><u>CULTURAL AND RECREATIONAL</u></b>			
CHICAGO PUBLIC LIBRARY - 91 -			
2005.0000-Personnel Services .....	\$ 51,918,465	\$ 51,918,465	\$ 51,093,281
2005.0100-Contractual Services .....	3,495,306	3,495,306	3,266,793
2005.0300-Commodities and Materials .....	540,520	540,520	528,214
2005.9400-Internal Transfers and Reimbursements.....	55,000	55,000	55,000
Total .....	<u>56,009,291</u>	<u>56,009,291</u>	<u>54,943,288</u>
TOTAL CULTURAL AND RECREATIONAL .....	<u>56,009,291</u>	<u>56,009,291</u>	<u>54,943,288</u>
TOTAL LIBRARY FUND .....	<u>102,904,000</u>	<u>102,904,000</u>	<u>97,551,030</u>
<b><u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND</u></b>			
<b><u>MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX</u></b>			
<b><u>GENERAL GOVERNMENT</u></b>			
OFFICE OF THE MAYOR - 01 -			
2005.0000-For Personnel Services .....	550,686	550,686	452,632
Total .....	<u>550,686</u>	<u>550,686</u>	<u>452,632</u>
CITY COUNCIL COMMITTEE ON SPECIAL EVENTS AND CULTURAL AFFAIRS - 15 -			
2155.0000-Personnel Services .....	150,380	150,380	154,295
2155.0300-Commodities and Materials .....	8,720	8,720	3,432
Total .....	<u>159,100</u>	<u>159,100</u>	<u>157,727</u>
DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0000-Personnel Services .....	1,105,221	1,105,221	986,401
2005.0100-Contractual Services .....	5,969,370	5,969,370	4,102,505
2005.0912-For Payment of Bonds .....	5,000,000	5,000,000	5,000,000
2005.0991-To Provide for Matching and Supplementary Grant Funds .....	183,750	183,750	128,750
2005.9027-City's Contribution to Social Security Tax .....	1,726	1,726	1,726
2005.9076-City's Contribution to Medicare Tax .....	79,206	79,206	79,206
2005.9124-For the Sisters City Program .....	528,643	528,643	528,643
2005.9610-To Reimburse Corporate Fund for Pension .....	1,107,041	1,107,041	1,107,041
2005.9611-To Reimburse Corporate Fund for Indirect Cost Chargeable to Fund.....	3,561,000	3,561,000	3,561,000
2005.9700-Reimbursable Transfers Between Funds.....	2,193,355	2,193,355	2,190,855
Total .....	<u>19,729,312</u>	<u>19,729,312</u>	<u>17,686,127</u>
TOTAL GENERAL GOVERNMENT.....	<u>20,439,098</u>	<u>20,439,098</u>	<u>18,296,486</u>

**Schedule C-5 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND - Continued</u>			
<u>MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX - Concluded</u>			
<u>CULTURAL AND RECREATIONAL</u>			
DEPARTMENT OF CULTURAL AFFAIRS - 23 -			
2015.0000-Personnel Services .....	\$ 6,403,144	\$ 6,403,144	\$ 5,989,340
2015.0100-Contractual Services .....	3,002,562	3,002,562	2,789,818
2015.0200-Travel .....	10,500	10,500	5,640
2015.0300-Commodities and Materials .....	95,000	95,000	51,637
2015.9188-For Expenses Related to the Operations of Millennium Park .....	6,680,000	6,680,000	6,680,000
2015.9219-Implementation of Cultural Plan.....	1,250,000	1,250,000	1,250,000
2015.9288-For Expenses Related to the Programming for Millennium Park.....	165,000	165,000	165,000
2015.9800-For Special Events Projects .....	12,298,696	12,298,696	12,117,841
Total .....	<u>29,904,902</u>	<u>29,904,902</u>	<u>29,049,276</u>
TOTAL CULTURAL AND RECREATIONAL .....	<u>29,904,902</u>	<u>29,904,902</u>	<u>29,049,276</u>
TOTAL MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX .....	<u>50,344,000</u>	<u>50,344,000</u>	<u>47,345,762</u>
<u>DEPARTURE TAX</u>			
<u>GENERAL GOVERNMENT</u>			
DEPARTMENT OF FINANCE - 27 -			
2003.0100-Contractual Services .....	545,155	545,155	545,155
Total .....	<u>545,155</u>	<u>545,155</u>	<u>545,155</u>
DEPARTMENT OF AVIATION - 85 -			
2015.0100-Contractual Services .....	606,051	606,051	606,051
Total .....	<u>606,051</u>	<u>606,051</u>	<u>606,051</u>
TOTAL GENERAL GOVERNMENT .....	<u>1,151,206</u>	<u>1,151,206</u>	<u>1,151,206</u>

**Schedule C-5 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
<u>SPECIAL EVENTS, TOURISM AND FESTIVALS FUND - Concluded</u>			
<u>DEPARTURE TAX - Concluded</u>			
<u>PUBLIC SAFETY</u>			
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services .....	\$ 199,149	\$ 199,149	\$ 199,149
Total .....	<u>199,149</u>	<u>199,149</u>	<u>199,149</u>
TOTAL PUBLIC SAFETY .....	<u>199,149</u>	<u>199,149</u>	<u>199,149</u>
TOTAL DEPARTURE TAX .....	<u>1,350,355</u>	<u>1,350,355</u>	<u>1,350,355</u>
<b>TOTAL SPECIAL EVENTS, TOURISM AND FESTIVALS FUND .....</b>	<b><u>51,694,355</u></b>	<b><u>51,694,355</u></b>	<b><u>48,696,117</u></b>
<u>HEALTH AND WELFARE FUND</u>			
MISCELLANEOUS			
2005.9999-Miscellaneous .....	74,000	74,000	-
Total .....	<u>74,000</u>	<u>74,000</u>	<u>-</u>
TOTAL MISCELLANEOUS.....	<u>74,000</u>	<u>74,000</u>	<u>-</u>
HEALTH AND WELFARE FUND.....	<u>74,000</u>	<u>74,000</u>	<u>-</u>
<b>TOTAL SPECIAL REVENUE FUNDS .....</b>	<b><u>\$ 591,212,928</u></b>	<b><u>\$ 591,903,470</u></b>	<b><u>\$ 576,718,085</u></b>

Schedule C-6  
CITY OF CHICAGO, ILLINOIS  
SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS  
COMBINING BALANCE SHEET  
December 31, 2016  
With Comparative Totals for December 31, 2015  
(Amounts are in Thousands of Dollars)

	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Trans- portation</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents .....	\$ -	\$ -	\$ -	\$ -
Investments .....	4,881	9,359	9,937	12,211
Restricted Assets - Cash and Cash Equivalents .....	-	-	-	-
Receivables (Net of Allowances) .....	1,350	62	2,746	66
Due from Other Funds .....	11,636	774	4,343	153
Due from Other Governments .....	84	28,617	28,302	258,675
Other Assets .....	-	-	-	-
<b>Total Assets .....</b>	<b><u>\$ 17,951</u></b>	<b><u>\$ 38,812</u></b>	<b><u>\$ 45,328</u></b>	<b><u>\$ 271,105</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Voucher Warrants Payable .....	\$ 257	\$ 18,457	\$ 7,579	\$ 58,719
Due to Other Funds .....	28,168	18,666	26,163	187,686
Accrued and Other Liabilities .....	1,806	1,285	763	548
Unearned Revenue .....	4,017	6,322	9,524	30,711
<b>Total Liabilities .....</b>	<b><u>\$ 34,248</u></b>	<b><u>\$ 44,730</u></b>	<b><u>\$ 44,029</u></b>	<b><u>\$ 277,664</u></b>
<b>Deferred Inflows:</b>				
Deferred Inflows .....	81	7,712	25,619	187,766
<b>Fund Balance (Deficit):</b>				
Restricted .....	-	-	-	-
Unassigned .....	(16,378)	(13,630)	(24,320)	(194,325)
<b>Total Fund Balance (Deficit) .....</b>	<b><u>(16,378)</u></b>	<b><u>(13,630)</u></b>	<b><u>(24,320)</u></b>	<b><u>(194,325)</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balance .....</b>	<b><u>\$ 17,951</u></b>	<b><u>\$ 38,812</u></b>	<b><u>\$ 45,328</u></b>	<b><u>\$ 271,105</u></b>



Aviation	Environmental Control	Cultural and Recreational	Human Services	Urban Development	Capital Outlay	Intrafund Activity Elimination	Totals	
							2016	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	4,702	4,071	55,630	2,541	4,963	-	108,351	36,793
-	-	-	3,215	3	-	-	3,218	3,218
-	-	11	302	93	-	-	4,630	3,796
22	1,176	3,009	3,173	-	1,622	-	25,908	50,724
-	54	256	100,387	306	8,445	-	425,126	421,526
-	-	-	3,772	303	-	-	4,075	4,075
<u>\$ 78</u>	<u>\$ 5,932</u>	<u>\$ 7,347</u>	<u>\$ 166,479</u>	<u>\$ 3,246</u>	<u>\$ 15,030</u>	<u>\$ -</u>	<u>\$ 571,308</u>	<u>\$ 520,132</u>
\$ 2	\$ 15	\$ 43	\$ 75,658	\$ 81	\$ 9,141	\$ -	\$ 169,952	\$ 156,058
-	6	110	18,903	906	409	-	281,017	261,316
4	2	47	7,676	72	-	-	12,203	7,408
-	-	3,225	37,872	576	5,743	-	97,990	72,293
<u>\$ 6</u>	<u>\$ 23</u>	<u>\$ 3,425</u>	<u>\$ 140,109</u>	<u>\$ 1,635</u>	<u>\$ 15,293</u>	<u>\$ -</u>	<u>\$ 561,162</u>	<u>\$ 497,075</u>
-	47	106	29,617	307	1,798	-	253,053	239,199
72	5,862	3,816	-	1,304	-	-	11,054	17,617
-	-	-	(3,247)	-	(2,061)	-	(253,961)	(233,759)
72	5,862	3,816	(3,247)	1,304	(2,061)	-	(242,907)	(216,142)
<u>\$ 78</u>	<u>\$ 5,932</u>	<u>\$ 7,347</u>	<u>\$ 166,479</u>	<u>\$ 3,246</u>	<u>\$ 15,030</u>	<u>\$ -</u>	<u>\$ 571,308</u>	<u>\$ 520,132</u>

**Schedule C-7**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Year Ended December 31, 2016**  
**With Comparative Totals for 2015**  
**(Amounts are in Thousands of Dollars)**

	<u>General Government</u>	<u>Health</u>	<u>Public Safety</u>	<u>Trans- portation</u>
Revenues:				
Federal/State Grants .....	\$ 5,897	\$ 86,300	\$ 54,972	\$ 172,946
Total Revenues .....	<u>5,897</u>	<u>86,300</u>	<u>54,972</u>	<u>172,946</u>
Expenditures:				
Current .....	<u>436</u>	<u>86,905</u>	<u>62,568</u>	<u>214,819</u>
Total Expenditures .....	<u>436</u>	<u>86,905</u>	<u>62,568</u>	<u>214,819</u>
Revenues Over Expenditures .....	<u>5,461</u>	<u>(605)</u>	<u>(7,596)</u>	<u>(41,873)</u>
Other Financing Sources (Uses):				
Proceeds of Debt, net .....	-	-	-	30,746
Operating Transfers Out .....	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses) .....	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>30,746</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses) .....	1,461	(605)	(7,596)	(11,127)
Fund Balance (Deficit) - Beginning of Year .....	<u>(17,839)</u>	<u>(13,025)</u>	<u>(16,724)</u>	<u>(183,198)</u>
Fund Balance (Deficit) - End of Year .....	<u>\$ (16,378)</u>	<u>\$ (13,630)</u>	<u>\$ (24,320)</u>	<u>\$ (194,325)</u>

Aviation	Environmental Control	Cultural and Recreational	Human Services	Urban Development	Capital Outlay	Totals	
						2016	2015
\$ (1)	\$ 498	\$ 9,969	\$ 364,650	\$ (169)	\$ 48,672	\$ 743,734	\$ 763,001
(1)	498	9,969	364,650	(169)	48,672	743,734	763,001
-	620	9,815	374,322	-	47,760	797,245	772,755
-	620	9,815	374,322	-	47,760	797,245	772,755
(1)	(122)	154	(9,672)	(169)	912	(53,511)	(9,754)
-	-	-	-	-	-	30,746	28,657
-	-	-	-	-	-	(4,000)	(10,000)
-	-	-	-	-	-	26,746	18,657
(1)	(122)	154	(9,672)	(169)	912	(26,765)	8,903
73	5,984	3,662	6,425	1,473	(2,973)	(216,142)	(225,045)
<u>\$ 72</u>	<u>\$ 5,862</u>	<u>\$ 3,816</u>	<u>\$ (3,247)</u>	<u>\$ 1,304</u>	<u>\$ (2,061)</u>	<u>\$ (242,907)</u>	<u>\$ (216,142)</u>

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## **NONMAJOR CAPITAL PROJECT FUNDS**

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

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

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

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

Schedule D-1  
CITY OF CHICAGO, ILLINOIS  
NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
December 31, 2016  
(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Total Nonmajor Capital Project Funds
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$ 7	\$ -	\$ -	\$ -	\$ 7
Investments .....	15	115	32,528	-	32,658
Accounts Receivable (Net of Allowances) .....	-	-	687	-	687
Due from Other Governments .....	-	-	-	18,040	18,040
Total Assets .....	<u>\$ 22</u>	<u>\$ 115</u>	<u>\$ 33,215</u>	<u>\$ 18,040</u>	<u>\$ 51,392</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Voucher Warrants Payable .....	\$ 123	\$ -	\$ 22,555	\$ -	\$ 22,678
Due to Other Funds .....	-	722	23,582	18,040	42,344
Accrued and Other Liabilities .....	-	-	241	-	241
Total Liabilities .....	<u>123</u>	<u>722</u>	<u>46,378</u>	<u>18,040</u>	<u>65,263</u>
Fund Balance:					
Restricted .....	(101)	(607)	25,696	-	24,988
Unassigned .....	-	-	(38,859)	-	(38,859)
Total Fund Balance .....	<u>(101)</u>	<u>(607)</u>	<u>(13,163)</u>	<u>-</u>	<u>(13,871)</u>
Total Liabilities and Fund Balance .....	<u>\$ 22</u>	<u>\$ 115</u>	<u>\$ 33,215</u>	<u>\$ 18,040</u>	<u>\$ 51,392</u>

Schedule D-2

CITY OF CHICAGO, ILLINOIS

NONMAJOR CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2016

(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Total Nonmajor Capital Project Funds
<b>REVENUES</b>					
Investment Income .....	\$ -	\$ (4)	\$ 1,249	\$ -	\$ 1,245
Miscellaneous .....	-	-	1,012	-	1,012
Total Revenues .....	<u>-</u>	<u>(4)</u>	<u>2,261</u>	<u>-</u>	<u>2,257</u>
<b>EXPENDITURES</b>					
Capital Outlay .....	-	-	68,898	-	68,898
Total Expenditures .....	<u>-</u>	<u>-</u>	<u>68,898</u>	<u>-</u>	<u>68,898</u>
Revenues Over (Under) Expenditures .....	<u>-</u>	<u>(4)</u>	<u>(66,637)</u>	<u>-</u>	<u>(66,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out .....	-	-	(1,500)	-	(1,500)
Total Other Financing Sources (Uses) ...	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>
Net Change in Fund Balance .....	-	(4)	(68,137)	-	(68,141)
Fund Balance - Beginning of Year .....	(101)	(603)	54,974	-	54,270
Fund Balance - End of Year .....	<u>\$ (101)</u>	<u>\$ (607)</u>	<u>\$ (13,163)</u>	<u>\$ -</u>	<u>\$ (13,871)</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 E-1**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
<b>ASSETS:</b>						
<b>Cash,</b>						
January 1, 2016.....	\$ 6,354	\$ 306	\$ 201,580	\$ 39,864	\$ 761	\$ 248,865
Additions.....	4,071,689	362	3,798,256	140,429	3,735	8,014,471
Deductions.....	4,071,502	543	3,875,239	167,717	612	8,115,613
<b>Cash,</b>						
December 31, 2016.....	6,541	125	124,597	12,576	3,884	147,723
<b>Investments,</b>						
January 1, 2016.....	-	94	50,073	12,266	3,389	65,822
Additions.....	27,629	529	14,304,265	53,118	10,580	14,396,121
Deductions.....	13,635	355	14,243,253	38,480	13,680	14,309,403
<b>Investments,</b>						
December 31, 2016.....	13,994	268	111,085	26,904	289	152,540
<b>Cash and Investments with Escrow Agent,</b>						
January 1, 2016.....	-	-	5,090	122	-	5,212
Additions.....	-	-	99,871	-	-	99,871
Deductions.....	-	-	95,895	-	-	95,895
<b>Cash and Investments with Escrow Agent,</b>						
December 31, 2016.....	-	-	9,066	122	-	9,188
<b>Accounts Receivables,</b>						
January 1, 2016.....	-	3,846	153,245	1,582	1,040	159,713
Additions.....	881	-	317,028	15,347	-	333,256
Deductions.....	236	-	304,950	15,988	15	321,189
<b>Accounts Receivables,</b>						
December 31, 2016.....	645	3,846	165,323	941	1,025	171,780

**Schedule E-1 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Payroll Clearing Fund	Payroll Deduction Fund	Other Clearing Fund	License and Special Deposit Fund	Special Assessment Fund	Total
<b>ASSETS - Concluded:</b>						
<b>Total Assets,</b>						
January 1, 2016.....	\$ 6,354	\$ 4,246	\$ 409,988	\$ 53,834	\$ 5,190	\$ 479,612
Additions.....	4,100,199	891	18,519,420	208,894	14,315	22,843,719
Deductions.....	4,085,373	898	18,519,337	222,185	14,307	22,842,100
<b>Total Assets,</b>						
December 31, 2016.....	<u>\$ 21,180</u>	<u>\$ 4,239</u>	<u>\$ 410,071</u>	<u>\$ 40,543</u>	<u>\$ 5,198</u>	<u>\$ 481,231</u>
<b>LIABILITIES:</b>						
<b>Voucher Warrants Payable,</b>						
January 1, 2016.....	\$ -	\$ 34	\$ 29,269	\$ 2,377	\$ 4	\$ 31,684
Additions.....	8,986,606	-	800,699	25,652	6	9,812,963
Deductions.....	8,986,428	-	790,892	24,884	6	9,802,210
<b>Voucher Warrants Payable,</b>						
December 31, 2016.....	<u>178</u>	<u>34</u>	<u>39,076</u>	<u>3,145</u>	<u>4</u>	<u>42,437</u>
<b>Accrued Liabilities,</b>						
January 1, 2016.....	6,354	4,212	380,719	51,457	5,186	447,928
Additions.....	1,332,149	-	838,879	23,616	31	2,194,675
Deductions.....	1,317,501	7	848,603	37,675	23	2,203,809
<b>Accrued Liabilities,</b>						
December 31, 2016.....	<u>21,002</u>	<u>4,205</u>	<u>370,995</u>	<u>37,398</u>	<u>5,194</u>	<u>438,794</u>
<b>Total Liabilities,</b>						
January 1, 2016.....	6,354	4,246	409,988	53,834	5,190	479,612
Additions.....	10,318,755	-	1,639,578	49,268	37	12,007,638
Deductions.....	10,303,929	7	1,639,495	62,559	29	12,006,019
<b>Total Liabilities</b>						
December 31, 2016.....	<u>\$ 21,180</u>	<u>\$ 4,239</u>	<u>\$ 410,071</u>	<u>\$ 40,543</u>	<u>\$ 5,198</u>	<u>\$ 481,231</u>

**Schedule E-2**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF PLAN NET POSITION**  
**December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Pension Trust Funds				
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$ 489	\$ 27,042	\$ 94,260	\$ 66,905	\$ 188,696
Receivables					
Employer and Other .....	201,876	15,111	477,999	163,958	858,944
Interest and Dividends .....	11,847	2,004	5,990	5,903	25,744
Total Receivables .....	213,723	17,115	483,989	169,861	884,688
Due from City .....	24,353	2,162	90,537	38,832	155,884
Property, Plant, Equipment and Other .....	15	5	-	214	234
Investments, at Fair Value					
Bonds and U.S. Government Obligations .....	1,007,436	223,889	535,458	176,628	1,943,411
Stocks .....	1,926,589	611,831	1,331,825	520,286	4,390,531
Mortgages and Real Estate .....	458,151	63,491	74,676	21,896	618,214
Other .....	893,571	228,917	448,967	28,676	1,600,131
Total Investments .....	4,285,747	1,128,128	2,390,926	747,486	8,552,287
Invested Securities Lending					
Collateral .....	304,808	55,359	177,837	123,059	661,063
Total Assets .....	4,829,135	1,229,811	3,237,549	1,146,357	10,442,852
<b>LIABILITIES</b>					
Voucher Warrants Payable .....	88,099	5,378	194,693	4,284	292,454
Securities Lending Collateral .....	304,808	55,359	177,837	123,059	661,063
Total Liabilities .....	392,907	60,737	372,530	127,343	953,517
Deferred Inflows .....	-	1,333	-	-	1,333
Net Position Restricted for Pension Benefits .....	<u>\$ 4,436,228</u>	<u>\$ 1,167,741</u>	<u>\$ 2,865,019</u>	<u>\$ 1,019,014</u>	<u>\$ 9,488,002</u>

**Schedule E-3**  
**CITY OF CHICAGO, ILLINOIS**  
**FIDUCIARY FUNDS - PENSION TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION**  
**Year Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	Pension Trust Funds				
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
<b>ADDITIONS</b>					
<b>Contributions</b>					
Employees .....	\$ 130,391	\$ 17,246	\$ 101,476	\$ 48,960	\$ 298,073
City .....	157,445	14,443	281,583	154,101	607,572
Total Contributions .....	<u>287,836</u>	<u>31,689</u>	<u>383,059</u>	<u>203,061</u>	<u>905,645</u>
<b>Investment Income</b>					
<b>Net Appreciation in Fair</b>					
Value of Investments .....	178,673	45,918	105,369	40,958	370,918
Interest, Dividends and Other ....	121,326	20,684	47,482	24,283	213,775
Investment Expense .....	<u>(20,477)</u>	<u>(8,864)</u>	<u>(9,349)</u>	<u>(5,007)</u>	<u>(43,697)</u>
Net Investment Income .....	<u>279,522</u>	<u>57,738</u>	<u>143,502</u>	<u>60,234</u>	<u>540,996</u>
<b>Securities Lending Transactions</b>					
Securities Lending Income .....	2,013	400	536	870	3,819
Securities Lending Expense .....	<u>(116)</u>	<u>(140)</u>	<u>74</u>	<u>(217)</u>	<u>(399)</u>
Net Securities Lending Transactions .....	<u>1,897</u>	<u>260</u>	<u>610</u>	<u>653</u>	<u>3,420</u>
Total Additions .....	<u>569,255</u>	<u>89,687</u>	<u>527,171</u>	<u>263,948</u>	<u>1,450,061</u>
<b>DEDUCTIONS</b>					
<b>Benefits and Refunds of</b>					
Deductions .....	867,397	156,523	716,351	286,758	2,027,029
Administrative and General .....	<u>7,057</u>	<u>4,080</u>	<u>4,750</u>	<u>3,277</u>	<u>19,164</u>
Total Deductions .....	<u>874,454</u>	<u>160,603</u>	<u>721,101</u>	<u>290,035</u>	<u>2,046,193</u>
Net Decrease in Net Position .....	<u>(305,199)</u>	<u>(70,916)</u>	<u>(193,930)</u>	<u>(26,087)</u>	<u>(596,132)</u>
<b>Net Position Restricted for</b>					
<b>Pension Benefits:</b>					
Beginning of Year .....	4,741,427	1,238,657	3,058,949	1,045,101	10,084,134
End of Year .....	<u>\$ 4,436,228</u>	<u>\$ 1,167,741</u>	<u>\$ 2,865,019</u>	<u>\$ 1,019,014</u>	<u>\$ 9,488,002</u>

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# PART III

## STATISTICAL SECTION (UNAUDITED)

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

Contents:

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

**Table 1**  
**CITY OF CHICAGO**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>2007</u>	<u>2008</u>	<u>2009 (1)</u>	<u>2010</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets ....	\$ 570,665	\$ 494,930	\$ 251,103	\$ (324,284)
Restricted .....	2,980,207	2,842,149	3,735,128	3,611,533
Unrestricted (deficit) .....	<u>(3,435,506)</u>	<u>(4,092,388)</u>	<u>(5,840,026)</u>	<u>(6,582,562)</u>
Total governmental activities, net position .....	<u>\$ 115,366</u>	<u>\$ (755,309)</u>	<u>\$ (1,853,795)</u>	<u>\$ (3,295,313)</u>
<b>Business-type activities:</b>				
Net Investment in Capital Assets ....	\$ 2,168,833	\$ 2,323,394	\$ 2,286,658	\$ 2,365,522
Restricted .....	881,908	779,894	821,909	790,881
Unrestricted .....	<u>(1,561,634)</u>	<u>(1,517,891)</u>	<u>(1,541,136)</u>	<u>(1,431,859)</u>
Total business type activities, net position .....	<u>\$ 1,489,107</u>	<u>\$ 1,585,397</u>	<u>\$ 1,567,431</u>	<u>\$ 1,724,544</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets ....	\$ 2,739,498	\$ 2,818,324	\$ 2,537,761	\$ 2,041,238
Restricted .....	3,862,115	3,622,043	4,557,037	4,402,414
Unrestricted .....	<u>(4,997,140)</u>	<u>(5,610,279)</u>	<u>(7,381,162)</u>	<u>(8,014,421)</u>
Total primary government, net position .....	<u>\$ 1,604,473</u>	<u>\$ 830,088</u>	<u>\$ (286,364)</u>	<u>\$ (1,570,769)</u>

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

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

(2) The City implemented GASB Statement No. 68 in 2015 and the net position was restated at January 1, 2015.



<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ (299,859)	\$ (215,961)	\$ (242,862)	\$ 28,744	\$ (292,432)	\$ (65,466)
1,596,408	1,908,516	1,940,911	1,491,995	1,519,914	2,269,517
<u>(5,691,215)</u>	<u>(7,537,057)</u>	<u>(9,120,377)</u>	<u>(10,564,064)</u>	<u>(25,263,289)</u>	<u>(29,676,310)</u>
<u>\$ (4,394,666)</u>	<u>\$ (5,844,502)</u>	<u>\$ (7,422,328)</u>	<u>\$ (9,043,325)</u>	<u>\$ (24,035,807)</u>	<u>\$ (27,472,259)</u>
\$ 2,451,787	\$ 2,388,310	\$ 2,446,242	\$ 2,713,825	\$ 2,892,548	\$ 3,373,063
874,837	982,517	883,758	978,972	1,042,980	879,934
<u>(1,541,515)</u>	<u>(1,354,572)</u>	<u>(1,278,777)</u>	<u>(1,185,755)</u>	<u>(3,731,167)</u>	<u>(4,210,657)</u>
<u>\$ 1,785,109</u>	<u>\$ 2,016,255</u>	<u>\$ 2,051,223</u>	<u>\$ 2,507,042</u>	<u>\$ 204,361</u>	<u>\$ 42,340</u>
\$ 2,151,928	\$ 2,172,349	\$ 2,203,380	\$ 2,742,569	\$ 2,600,116	\$ 3,307,597
2,471,245	2,891,033	2,824,669	2,470,967	2,562,894	3,149,451
<u>(7,232,730)</u>	<u>(8,891,629)</u>	<u>(10,399,154)</u>	<u>(11,749,819)</u>	<u>(28,994,456)</u>	<u>(33,886,967)</u>
<u>\$ (2,609,557)</u>	<u>\$ (3,828,247)</u>	<u>\$ (5,371,105)</u>	<u>\$ (6,536,283)</u>	<u>\$ (23,831,446)</u>	<u>\$ (27,429,919)</u>

**Table 2**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING**  
**Last Ten Fiscal Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>				
Governmental Activities:				
General Government .....	\$ 2,452,145	\$ 2,384,586	\$ 2,364,754	\$ 2,557,681
Public Safety .....	2,435,437	2,434,842	2,521,151	2,824,028
Streets and Sanitation .....	367,222	371,112	297,156	235,863
Transportation .....	333,401	381,090	351,101	373,437
Health .....	175,577	170,838	166,914	142,352
Cultural and Recreational .....	128,003	140,065	129,996	126,939
Interest on Long-term Debt .....	385,305	381,504	386,125	404,218
Total Governmental Activities .....	<u>6,277,090</u>	<u>6,264,037</u>	<u>6,217,197</u>	<u>6,664,518</u>
Business-type Activities:				
Water .....	350,181	371,441	382,502	399,347
Sewer .....	136,961	158,292	169,982	184,888
Chicago Midway International Airport .....	211,082	217,609	206,613	224,465
Chicago-O'Hare International Airport .....	751,351	803,404	811,710	834,487
Chicago Skyway .....	13,555	12,359	11,775	11,312
Total Business-type Activities .....	<u>1,463,130</u>	<u>1,563,105</u>	<u>1,582,582</u>	<u>1,654,499</u>
Total Primary Government .....	<u>\$ 7,740,220</u>	<u>\$ 7,827,142</u>	<u>\$ 7,799,779</u>	<u>\$ 8,319,017</u>

**NOTES:**

Employee Pensions and Other have been reclassified by function.  
The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year ended 2002.

	2011	2012	2013	2014	2015	2016
\$	2,734,419	\$ 2,751,944	\$ 2,667,205	\$ 2,857,789	\$ 6,238,028	\$ 4,549,261
	2,689,471	2,910,160	3,044,811	2,913,469	3,192,197	4,266,146
	245,898	228,622	242,500	275,814	253,432	256,985
	410,802	383,510	400,506	475,751	471,689	378,779
	151,152	123,055	119,678	125,068	119,199	116,692
	102,808	146,283	128,302	121,548	118,775	114,676
	474,226	460,660	477,959	580,701	861,293	495,856
	<u>6,808,776</u>	<u>7,004,234</u>	<u>7,080,961</u>	<u>7,350,140</u>	<u>11,254,613</u>	<u>10,178,395</u>
	416,289	417,499	442,474	455,433	900,346	816,012
	194,838	195,911	216,587	225,600	505,032	350,388
	218,172	225,867	241,080	248,231	315,724	320,033
	879,281	955,276	920,781	1,029,559	1,380,512	1,330,240
	10,930	10,621	10,585	10,314	8,727	8,651
	<u>1,719,510</u>	<u>1,805,174</u>	<u>1,831,507</u>	<u>1,969,137</u>	<u>3,110,341</u>	<u>2,825,324</u>
\$	<u>8,528,286</u>	<u>8,809,408</u>	<u>8,912,468</u>	<u>9,319,277</u>	<u>14,364,954</u>	<u>13,003,719</u>

**Table 2 - Continued**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING**  
**Last Ten Fiscal Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	2007	2008	2009	2010
<b>Program Revenues</b>				
Governmental Activities:				
Licenses, Permits, Fines and Charges for Services:				
General Government .....	\$ 422,363	\$ 440,023	\$ 382,617	\$ 370,028
Public Safety .....	155,529	129,518	158,490	150,710
Streets and Sanitation .....	41,467	40,578	30,990	38,092
Transportation .....	13,262	14,071	24,895	21,640
Health .....	2,795	3,157	2,504	8,332
Cultural and Recreational .....	24,412	25,725	22,375	21,635
Operating Grants and Contributions .....	610,974	624,356	611,301	674,677
Capital Grants and Contributions .....	137,613	139,949	115,261	114,871
Total Governmental Activities .....	<u>1,408,415</u>	<u>1,417,377</u>	<u>1,348,433</u>	<u>1,399,985</u>
Business-type Activities:				
Licenses, Permits, Fines and Charges for Services:				
Water .....	334,377	370,244	410,213	458,395
Sewer .....	138,681	160,005	175,163	198,229
Chicago Midway International Airport .....	107,253	124,985	122,301	149,056
Chicago-O'Hare International Airport .....	652,763	684,282	624,443	702,603
Chicago Skyway .....	-	-	-	-
Capital Grants and Contributions .....	268,331	224,823	211,174	246,309
Total Business-type Activities and Program Revenues .....	<u>1,501,405</u>	<u>1,564,339</u>	<u>1,543,294</u>	<u>1,754,592</u>
Total Primary Government Program Revenues .....	<u>\$ 2,909,820</u>	<u>\$ 2,981,716</u>	<u>\$ 2,891,727</u>	<u>\$ 3,154,577</u>
<b>Net (Expenses)/Revenues</b>				
Governmental Activities .....	\$ (4,868,675)	\$ (4,846,660)	\$ (4,868,764)	\$ (5,264,533)
Business-type Activities .....	38,275	1,234	(39,288)	100,093
Total Primary Government Net Expense .....	<u>\$ (4,830,400)</u>	<u>\$ (4,845,426)</u>	<u>\$ (4,908,052)</u>	<u>\$ (5,164,440)</u>

	2011	2012	2013	2014	2015	2016
\$	388,886	\$ 452,892	\$ 467,423	\$ 505,275	\$ 534,325	\$ 501,468
	211,157	199,572	196,344	208,206	182,670	202,379
	37,291	42,138	45,629	44,552	39,602	100,996
	28,613	39,343	46,076	44,278	37,522	52,524
	7,796	1,751	2,023	2,281	5,839	7,232
	7,201	14,454	15,947	14,643	14,850	15,122
	788,812	748,256	634,384	470,659	496,679	516,728
	282,008	172,456	184,415	249,860	249,064	221,532
	<u>1,751,764</u>	<u>1,670,862</u>	<u>1,592,241</u>	<u>1,539,754</u>	<u>1,560,551</u>	<u>1,617,981</u>
	454,221	576,287	637,114	692,634	769,408	761,411
	203,349	253,912	292,290	322,228	375,877	368,966
	157,371	201,749	221,205	216,662	225,383	232,483
	679,402	857,114	870,654	1,012,529	1,029,788	1,139,380
	-	-	-	-	-	-
	257,438	83,219	213,067	95,624	85,968	115,206
	<u>1,751,781</u>	<u>1,972,281</u>	<u>2,234,330</u>	<u>2,339,677</u>	<u>2,486,424</u>	<u>2,617,446</u>
\$	<u>3,503,545</u>	<u>3,643,143</u>	<u>3,826,571</u>	<u>3,879,431</u>	<u>4,046,975</u>	<u>4,235,427</u>
\$	(5,057,012)	\$ (5,333,372)	\$ (5,488,720)	\$ (5,810,386)	\$ (9,694,062)	\$ (8,560,414)
	32,271	167,107	402,823	370,540	(623,917)	(207,878)
\$	<u>(5,024,741)</u>	<u>(5,166,265)</u>	<u>(5,085,897)</u>	<u>(5,439,846)</u>	<u>(10,317,979)</u>	<u>(8,768,292)</u>

**Table 2 - Concluded**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING**  
**Last Ten Fiscal Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	2007	2008	2009 (1)	2010
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental Activities:				
Taxes				
Property Tax .....	\$ 732,415	\$ 799,878	\$ 797,026	\$ 796,928
Utility Tax .....	552,179	629,497	579,101	561,936
Sales Tax .....	293,078	273,951	252,282	260,364
Transportation Tax .....	332,459	321,362	333,199	335,235
Transaction Tax .....	304,715	275,434	205,026	227,772
Special Area Tax .....	533,260	531,314	501,042	477,241
Other Taxes .....	245,408	262,734	250,982	259,325
Grants and Contributions Not				
Restricted to Specific Programs .....	714,661	712,360	601,198	654,043
Unrestricted Investment Earnings .....	182,700	90,176	12,296	100,269
Loss on Capital Assets .....	-	-	-	-
Transfers .....	1,000	-	-	-
Miscellaneous .....	69,941	79,279	238,126	149,902
Total Governmental Activities .....	<u>3,961,816</u>	<u>3,975,985</u>	<u>3,770,278</u>	<u>3,823,015</u>
Business-type Activities:				
Investment Earnings .....	100,720	57,451	12,381	6,831
Miscellaneous .....	27,313	37,605	8,941	50,190
Special Item .....	-	-	-	-
Transfers .....	(1,000)	-	-	-
Total Business-type Activities .....	<u>127,033</u>	<u>95,056</u>	<u>21,322</u>	<u>57,021</u>
Total Primary Government .....	<u>\$ 4,088,849</u>	<u>\$ 4,071,041</u>	<u>\$ 3,791,600</u>	<u>\$ 3,880,036</u>
<b>Change in Net Position</b>				
Governmental Activities .....	\$ (906,859)	\$ (870,675)	\$ (1,098,486)	\$ (1,441,518)
Business-type Activities .....	165,308	96,290	(17,966)	157,114
Total Primary Government .....	<u>\$ (741,551)</u>	<u>\$ (774,385)</u>	<u>\$ (1,116,452)</u>	<u>\$ (1,284,404)</u>

(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.

	2011	2012	2013	2014	2015	2016
\$	934,870	\$ 896,246	\$ 906,740	\$ 926,839	\$ 1,179,395	\$ 1,264,473
	564,236	548,682	547,651	570,469	562,697	557,992
	310,626	294,417	307,837	324,273	346,319	347,131
	331,441	373,544	381,080	406,624	384,978	449,744
	250,486	281,957	344,493	379,256	466,432	542,896
	457,192	274,617	306,057	260,256	444,972	537,026
	269,258	294,280	298,951	323,946	369,405	395,889
	598,498	692,232	754,716	740,911	815,157	781,968
	64,294	92,050	(6,259)	62,400	(1,357)	30,400
	-	-	(16,886)	-	-	-
	1,000	-	-	-	625	2,540
	175,758	135,511	139,710	194,415	264,806	213,903
	<u>3,957,659</u>	<u>3,883,536</u>	<u>3,964,090</u>	<u>4,189,389</u>	<u>4,833,429</u>	<u>5,123,962</u>
	48,517	25,197	(13,243)	35,849	27,563	13,196
	34,687	38,842	47,354	49,430	39,744	35,201
	(53,910)	-	-	-	-	-
	(1,000)	-	-	-	(625)	(2,540)
	<u>28,294</u>	<u>64,039</u>	<u>34,111</u>	<u>85,279</u>	<u>66,682</u>	<u>45,857</u>
\$	<u>3,985,953</u>	<u>3,947,575</u>	<u>3,998,201</u>	<u>4,274,668</u>	<u>4,900,111</u>	<u>5,169,819</u>
\$	(1,099,353)	\$ (1,449,836)	\$ (1,524,630)	\$ (1,620,997)	\$ (4,860,633)	\$ (3,436,452)
	60,565	231,146	436,934	455,819	(557,235)	(162,021)
\$	<u>(1,038,788)</u>	<u>(1,218,690)</u>	<u>(1,087,696)</u>	<u>(1,165,178)</u>	<u>(5,417,868)</u>	<u>(3,598,473)</u>

**Table 3**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**Last Ten Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	2007	Percent of Total	2008	Percent of Total	2009	Percent of Total
Revenues:						
Property Tax .....	\$ 661,707	12.1 %	\$ 729,823	13.1 %	\$ 806,010	15.1 %
Utility Tax .....	552,179	10.1	629,497	11.3	579,101	10.9
Sales Tax .....	570,927	10.4	548,571	9.9	503,952	9.4
Transportation Tax .....	332,459	6.1	321,362	5.8	333,199	6.2
State Income Tax .....	433,446	7.9	435,393	7.8	347,814	6.5
Transaction Tax .....	304,715	5.6	275,434	4.9	205,026	3.8
Special Area Tax .....	488,193	8.9	552,709	9.9	487,909	9.1
Other Taxes .....	245,408	4.5	262,734	4.7	250,982	4.7
Total Taxes .....	<u>3,589,034</u>	<u>65.6</u>	<u>3,755,523</u>	<u>67.4</u>	<u>3,513,993</u>	<u>65.7</u>
Federal/State Grants .....	781,967	14.3	796,911	14.2	753,269	14.1
Internal Service .....	303,827	5.5	329,643	5.9	306,095	5.8
Licenses and Permits .....	148,172	2.7	114,707	2.1	100,458	1.9
Fines .....	240,277	4.4	274,443	4.9	267,891	5.0
Investment Income .....	182,700	3.3	90,176	1.6	31,520	0.6
Charges for Services .....	151,369	2.8	144,161	2.6	124,557	2.4
Miscellaneous .....	79,956	1.4	79,279	1.3	238,126	4.5
Total Revenues .....	<u>\$ 5,477,302</u>	<u>100.0 %</u>	<u>\$ 5,584,843</u>	<u>100.0 %</u>	<u>\$ 5,335,909</u>	<u>100.0 %</u>
	2014	Percent of Total	2015	Percent of Total	2016	Percent of Total
Revenues:						
Property Tax .....	\$ 929,841	15.4 %	\$ 869,841	14.0 %	\$ 1,294,063	18.6 %
Utility Tax .....	570,469	9.4	562,697	9.0	557,992	8.0
Sales Tax .....	658,799	10.9	703,234	11.3	713,557	10.3
Transportation Tax .....	406,624	6.7	384,978	6.2	449,744	6.5
State Income Tax .....	404,050	6.7	456,397	7.3	413,673	6.0
Transaction Tax .....	379,256	6.3	466,432	7.5	542,896	7.8
Special Area Tax .....	331,380	5.5	353,413	5.7	516,886	7.4
Other Taxes .....	323,946	5.4	369,405	5.9	395,889	5.7
Total Taxes .....	<u>4,004,365</u>	<u>66.3</u>	<u>4,166,397</u>	<u>66.9</u>	<u>4,884,700</u>	<u>70.3</u>
Federal/State Grants .....	812,175	13.3	764,846	12.3	745,603	10.8
Internal Service .....	335,762	5.5	382,758	6.2	376,895	5.4
Licenses and Permits .....	122,143	2.0	129,035	2.1	132,873	1.9
Fines .....	353,517	5.8	387,160	6.2	337,769	4.9
Investment Income .....	69,650	1.2	(26,895)	(0.4)	30,400	0.4
Charges for Services .....	172,928	2.9	147,927	2.4	221,965	3.2
Miscellaneous .....	179,939	3.0	264,806	4.3	213,865	3.1
Total Revenues .....	<u>\$ 6,050,479</u>	<u>100.0 %</u>	<u>\$ 6,216,034</u>	<u>100.0 %</u>	<u>\$ 6,944,070</u>	<u>100.0 %</u>

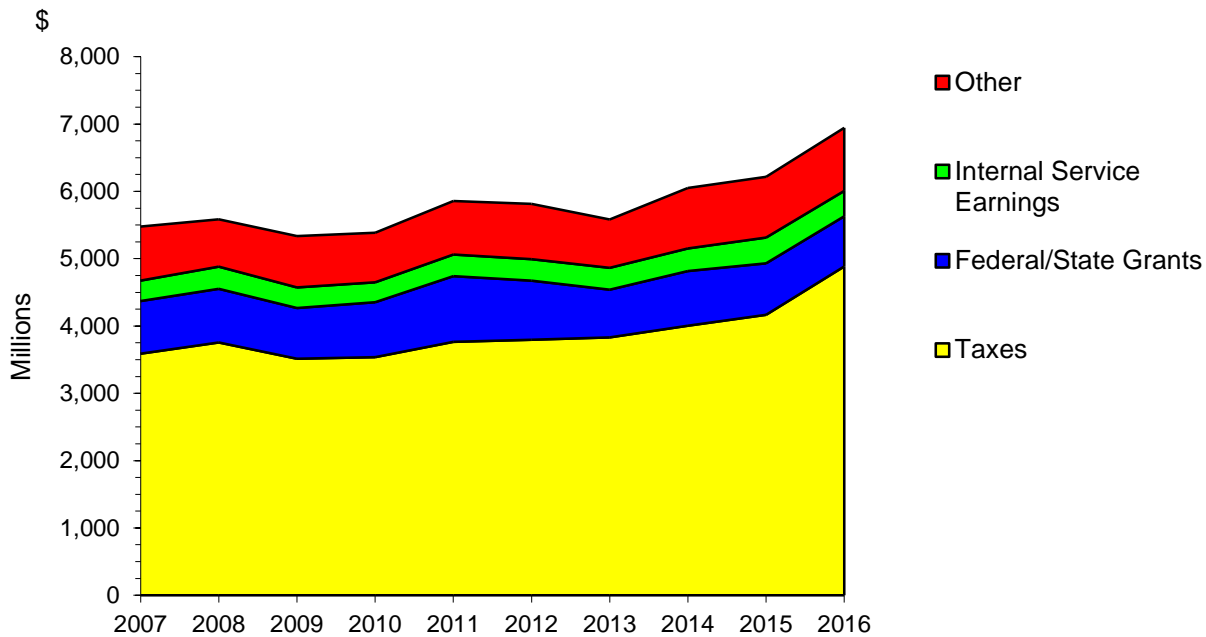
**NOTE:**

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



2010	Percent of Total	2011	Percent of Total	2012	Percent of Total	2013	Percent of Total
\$ 754,081	14.0 %	\$ 888,531	15.2 %	\$ 941,398	16.2 %	\$ 866,149	15.5 %
561,936	10.4	564,236	9.6	548,682	9.4	547,651	9.8
527,004	9.8	563,156	9.6	594,290	10.2	623,942	11.2
335,235	6.2	331,441	5.7	373,544	6.5	381,080	6.8
385,668	7.2	344,674	5.9	391,285	6.7	436,740	7.8
227,772	4.2	250,486	4.3	281,957	4.9	344,493	6.2
486,526	9.0	552,894	9.4	370,454	6.3	332,040	5.9
259,325	4.8	269,258	4.5	294,280	5.0	298,951	5.4
<u>3,537,547</u>	<u>65.6</u>	<u>3,764,676</u>	<u>64.2</u>	<u>3,795,890</u>	<u>65.2</u>	<u>3,831,046</u>	<u>68.6</u>
815,879	15.2	976,051	16.7	877,864	15.1	708,702	12.7
295,765	5.5	321,138	5.5	319,285	5.5	324,601	5.8
96,240	1.8	102,702	1.8	117,568	2.1	123,633	2.2
272,667	5.1	283,822	4.8	306,510	5.3	329,460	5.9
103,725	1.9	73,921	1.3	90,885	1.6	(19,111)	(0.3)
113,565	2.1	160,649	2.7	170,724	2.9	161,415	2.9
149,902	2.8	173,768	3.0	135,511	2.3	122,710	2.2
<u>\$ 5,385,290</u>	<u>100.0 %</u>	<u>\$ 5,856,727</u>	<u>100.0 %</u>	<u>\$ 5,814,237</u>	<u>100.0 %</u>	<u>\$ 5,582,456</u>	<u>100.0 %</u>

### REVENUE SOURCES



**Table 4**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**Last Ten Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	2007	Percent of Total	2008	Percent of Total	2009	Percent of Total
Expenditures:						
Current:						
Public Safety .....	\$1,880,599	30.8 %	\$1,892,152	27.7 %	\$1,913,711	30.5 %
General Government .....	1,650,679	27.1	1,804,925	26.4	1,663,990	26.5
Employee Pensions .....	371,649	6.1	413,690	6.0	430,915	6.9
Streets and Sanitation .....	377,485	6.1	382,628	5.6	300,131	4.8
Transportation .....	267,476	4.4	334,684	4.9	261,948	4.2
Health .....	195,254	3.2	184,597	2.7	177,812	2.8
Cultural and Recreational .....	108,527	1.8	117,664	1.7	107,604	1.7
Other .....	4,427	0.1	14,483	0.2	7,676	0.2
Capital Outlay .....	602,433	9.9	661,464	9.7	619,273	9.9
Debt Service:						
Principal Retirement .....	297,503	4.9	656,805	9.6	434,905	6.9
Interest and Other Fiscal Charges .....	342,489	5.6	376,297	5.5	351,430	5.6
Total Expenditures .....	<u>\$6,098,521</u>	<u>100.0 %</u>	<u>\$6,839,389</u>	<u>100.0 %</u>	<u>\$6,269,395</u>	<u>100.0 %</u>
Debt Service as a Percentage of Non Capital Expenditures (2) .....		<u>11.4 %</u>		<u>16.7 %</u>		<u>13.6 %</u>
	2014	Percent of Total	2015	Percent of Total	2016	Percent of Total
Expenditures:						
Current:						
Public Safety .....	\$2,066,979	28.8 %	\$2,111,709	28.6 %	\$2,265,213	30.5 %
General Government .....	2,043,557	28.5	2,063,897	27.9	2,046,396	27.6
Employee Pensions .....	483,493	6.7	479,581	6.5	810,497	10.9
Streets and Sanitation .....	269,393	3.8	249,078	3.3	248,029	3.3
Transportation .....	518,501	7.2	475,482	6.4	402,477	5.4
Health .....	128,769	1.8	119,048	1.6	116,416	1.6
Cultural and Recreational .....	93,525	1.4	95,049	1.3	94,030	1.3
Other .....	5,410	0.0	6,726	0.1	4,086	0.1
Capital Outlay .....	395,216	5.5	425,050	5.8	286,018	3.9
Debt Service:						
Principal Retirement .....	599,395	8.4	513,806	7.0	660,019	8.9
Interest and Other Fiscal Charges .....	568,156	7.9	850,243	11.5	483,468	6.5
Total Expenditures .....	<u>\$7,172,394</u>	<u>100.0 %</u>	<u>\$7,389,669</u>	<u>100.0 %</u>	<u>\$7,416,649</u>	<u>100.0 %</u>
Debt Service as a Percentage of Non Capital Expenditures (2) .....		<u>17.9 %</u>		<u>20.1 %</u>		<u>16.7 %</u>

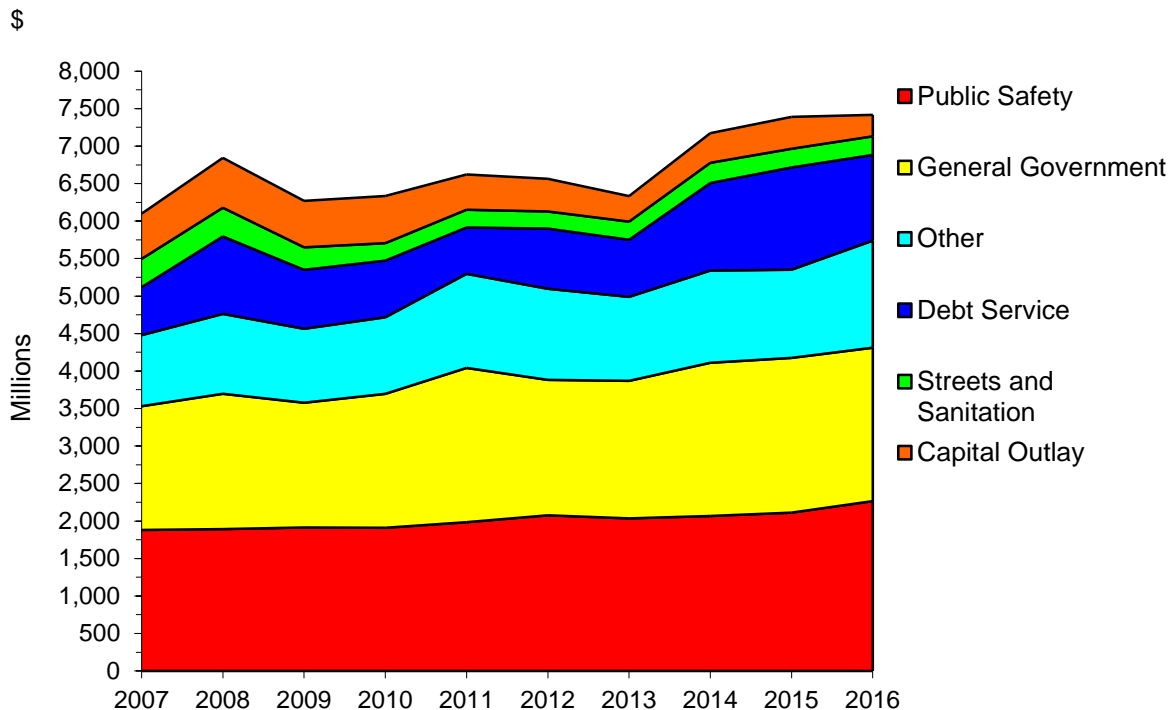
**NOTES:**

(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.

2010	Percent of Total	2011	Percent of Total	2012	Percent of Total	2013	Percent of Total
\$ 1,909,728	30.1 %	\$ 1,984,312	30.0 %	\$ 2,075,959	31.7 %	\$ 2,034,896	32.1 %
1,786,450	28.2	2,057,524	31.1	1,806,541	27.5	1,834,558	29.0
435,432	6.9	481,407	7.3	458,951	7.0	444,748	7.0
232,426	3.7	236,591	3.6	228,100	3.6	241,787	3.8
297,339	4.7	507,589	7.7	514,303	7.8	443,199	7.0
153,877	2.4	148,449	2.2	127,567	1.9	126,599	2.0
104,297	1.6	90,905	1.4	102,384	1.6	97,487	1.6
30,000	0.5	26,211	0.3	11,725	0.1	7,681	0.1
628,910	9.9	470,213	7.1	435,600	6.6	340,481	5.4
389,928	6.2	188,608	2.8	340,754	5.2	297,152	4.7
366,035	5.8	429,822	6.5	461,962	7.0	464,587	7.3
<u>\$ 6,334,422</u>	<u>100.0 %</u>	<u>\$ 6,621,631</u>	<u>100.0 %</u>	<u>\$ 6,563,846</u>	<u>100.0 %</u>	<u>\$ 6,333,175</u>	<u>100.0 %</u>
	<u>12.6 %</u>		<u>10.3 %</u>		<u>13.7 %</u>		<u>13.1 %</u>

### EXPENDITURES BY FUNCTION



**Table 4A**  
**CITY OF CHICAGO, ILLINOIS**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**  
**Modified Accrual Basis of Accounting**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Excess of revenues over (under) expenditures .....	\$ (621,219)	\$ (1,254,546)	\$ (933,486)	\$ (949,132)
Other Financing Sources (Uses):				
Issuance of Debt, including premium/discount .....	\$ 1,653,881	\$ 795,432	\$ 1,001,302	\$ 1,434,390
Payment to Refunded Bond Escrow Agent .....	(951,419)	(186,421)	(213,435)	(412,184)
Issuance of line of credit .....	-	-	-	-
Transfers in .....	332,016	293,448	2,253,459	647,407
Transfers out .....	(331,016)	(293,448)	(2,253,459)	(647,407)
Total other financing sources (uses) .....	<u>703,462</u>	<u>609,011</u>	<u>787,867</u>	<u>1,022,206</u>
Net change in fund balances .....	<u>\$ 82,243</u>	<u>\$ (645,535)</u>	<u>\$ (145,619)</u>	<u>\$ 73,074</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>\$ (764,110)</u>	<u>\$ (749,609)</u>	<u>\$ (750,719)</u>	<u>\$ (1,121,915)</u>	<u>(1,173,635)</u>	<u>\$ (472,579)</u>
\$ 1,212,326	\$ 758,557	\$ 235,367	\$ 1,021,812	1,093,939	\$ 554,638
(476,787)	(268,397)	-	(302,862)	-	(496,150)
-	-	144,673	-	239,131	337,140
572,211	178,750	160,322	652,586	229,609	375,790
(571,210)	(178,750)	(160,322)	(652,586)	(228,984)	(373,250)
<u>736,540</u>	<u>490,160</u>	<u>380,040</u>	<u>718,950</u>	<u>1,333,695</u>	<u>398,168</u>
<u>\$ (27,570)</u>	<u>\$ (259,449)</u>	<u>\$ (370,679)</u>	<u>\$ (402,965)</u>	<u>\$ 160,060</u>	<u>\$ (74,411)</u>

**Table 5**  
**CITY OF CHICAGO, ILLINOIS**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years Ended December 31, 2016**  
**(Amounts Are in Thousands of Dollars)**  
**(Modified Accrual Basis of Accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund:				
Reserved .....	\$ 39,673	\$ 48,217	\$ 52,048	\$ 54,390
Unreserved .....	4,634	226	2,658	81,151
Total General Fund .....	<u>44,307</u>	<u>48,443</u>	<u>54,706</u>	<u>135,541</u>
General Fund Balance: (2)				
Nonspendable .....	\$ -	\$ -	\$ -	\$ -
Assigned .....	-	-	-	-
Unassigned .....	-	-	-	-
Total Fund Balance .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Governmental Funds:				
Reserved .....	\$ 1,191,674	\$ 461,830	\$ 1,418,399	\$ 1,419,714
Unreserved, Reported in:				
Special Revenue Funds .....	816,551	959,424	(409,796)	(349,517)
Capital Projects Funds .....	906,603	372,063	321,251	534,013
Debt Service Funds .....	(556,819)	(551,137)	-	-
Permanent Fund (1) .....	191,391	660,333	422,319	138,724
Total All Other Governmental Funds .....	<u>2,549,400</u>	<u>1,902,513</u>	<u>1,752,173</u>	<u>1,742,934</u>
Total Governmental Funds .....	<u>\$ 2,593,707</u>	<u>\$ 1,950,956</u>	<u>\$ 1,806,879</u>	<u>\$ 1,878,475</u>
Other Governmental Fund Balance: (2)				
Restricted .....	\$ -	\$ -	\$ -	\$ -
Committed .....	-	-	-	-
Assigned .....	-	-	-	-
Unassigned .....	-	-	-	-
Total Fund Balance .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 24,055	\$ 20,885	\$ 24,788	\$ 24,498	\$ 23,828	\$ 23,730
143,549	177,000	108,424	65,223	98,377	92,115
167,929	33,417	33,845	51,557	93,027	153,737
<u>335,533</u>	<u>231,302</u>	<u>167,057</u>	<u>141,278</u>	<u>215,232</u>	<u>269,582</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>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,317,734	\$ 2,332,911	\$ 2,262,028	\$ 1,829,431	\$ 1,878,692	\$ 1,755,914
961,246	882,127	699,073	696,067	677,821	709,769
2,550	-	-	-	-	-
(1,761,077)	(1,852,973)	(1,901,567)	(1,843,440)	(1,789,019)	(1,827,047)
<u>1,520,453</u>	<u>1,362,065</u>	<u>1,059,534</u>	<u>682,058</u>	<u>767,494</u>	<u>638,636</u>
<u>\$ 1,855,986</u>	<u>\$ 1,593,367</u>	<u>\$ 1,226,591</u>	<u>\$ 823,336</u>	<u>\$ 982,726</u>	<u>\$ 908,218</u>

**Table 6**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	2012 (3)	2013 (3)	2014 (3)	2015 (3)	2016 (3)
<b>Revenues:</b>					
Utility Tax .....	\$ 462,475	\$ 456,869	\$ 473,496	\$ 437,780	\$ 434,409
Sales Tax .....	572,185	583,681	620,299	665,793	674,515
State Income Tax .....	282,779	308,899	278,031	336,959	413,673
Other Taxes .....	694,383	749,742	803,961	935,658	1,080,423
Federal/State Grants .....	1,074	1,871	2,335	1,845	1,869
Other Revenues (1) .....	907,760	929,429	998,028	1,088,600	1,077,723
Total Revenues .....	<u>2,920,656</u>	<u>3,030,491</u>	<u>3,176,150</u>	<u>3,466,635</u>	<u>3,682,612</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public Safety .....	1,956,152	1,953,572	2,020,072	2,061,540	2,195,201
General Government .....	864,556	885,268	929,918	1,064,470	993,682
Other (2) .....	258,501	267,852	270,899	298,817	263,503
Debt Service .....	2,160	2,382	10,369	8,275	20,822
Total Expenditures .....	<u>3,081,369</u>	<u>3,109,074</u>	<u>3,231,258</u>	<u>3,433,102</u>	<u>3,473,208</u>
Revenues Under Expenditures .....	<u>(160,713)</u>	<u>(78,583)</u>	<u>(55,108)</u>	<u>33,533</u>	<u>209,404</u>
<b>Other Financing Sources (Uses):</b>					
Issuance of Debt, Net of Original Discount/Including Premium .....	55,000	-	-	19,300	-
Transfers In .....	31,617	21,018	39,700	34,551	14,998
Transfers Out .....	(26,965)	(10,583)	(10,081)	(12,760)	(169,955)
Total Other Financing Sources (Uses) .	<u>59,652</u>	<u>10,435</u>	<u>29,619</u>	<u>41,091</u>	<u>(154,957)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(101,061)	(68,148)	(25,489)	74,624	54,447
Fund Balance - Beginning of Year .....	335,533	231,302	167,057	141,278	215,232
Change in Inventory .....	(3,170)	3,903	(290)	(670)	(97)
Fund Balance - End of Year .....	<u>\$ 231,302</u>	<u>\$ 167,057</u>	<u>\$ 141,278</u>	<u>\$ 215,232</u>	<u>\$ 269,582</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.
- (3) Source: City of Chicago Basic Financial Statements for years ended December 31, 2012-2016.



**Table 7**  
**CITY OF CHICAGO, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	2012 (3)	2013 (3)	2014 (3)	2015 (3)	2016 (3)
<b>Revenues:</b>					
Property Tax .....	\$ 350,408	\$ 316,958	\$ 357,457	\$ 360,132	\$ 747,957
Utility Tax .....	63,883	68,458	74,641	102,593	101,260
State Income Tax .....	108,506	127,841	126,019	119,438	-
Other Taxes .....	607,135	589,422	624,676	626,821	791,824
Federal/State Grants .....	876,790	706,831	809,840	763,001	743,734
Other Revenues (1) .....	168,040	96,263	162,996	143,029	194,061
Total Revenues .....	<u>2,174,762</u>	<u>1,905,773</u>	<u>2,155,629</u>	<u>2,115,014</u>	<u>2,578,836</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public Safety .....	119,807	81,324	46,907	50,169	70,012
General Government .....	941,985	949,290	1,113,639	999,427	1,052,714
Employee Pensions .....	458,951	444,748	483,493	479,581	810,497
Other (2) .....	725,578	648,901	744,699	646,566	601,535
Capital Outlay .....	5,259	7,187	9,863	45,445	47,760
Debt Service .....	723	115	4,332	71	9,267
Total Expenditures .....	<u>2,252,303</u>	<u>2,131,565</u>	<u>2,402,933</u>	<u>2,221,259</u>	<u>2,591,785</u>
Revenues Under Expenditures .....	<u>(77,541)</u>	<u>(225,792)</u>	<u>(247,304)</u>	<u>(106,245)</u>	<u>(12,949)</u>
<b>Other Financing Sources (Uses):</b>					
Issuance of Debt, Net of Original Discount/Including Premium .....	70,541	125,063	17,768	28,657	30,746
Line of Credit .....	-	-	-	75,994	-
Transfers In .....	76,968	91,022	184,033	32,257	123,941
Transfers Out .....	<u>(56,622)</u>	<u>(59,631)</u>	<u>(64,863)</u>	<u>(70,322)</u>	<u>(81,412)</u>
Total Other Financing Sources (Uses) ...	<u>90,887</u>	<u>156,454</u>	<u>136,938</u>	<u>66,586</u>	<u>73,275</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	13,346	(69,338)	(110,366)	(39,659)	60,326
Fund Balance - Beginning of Year .....	391,202	404,548	335,210	224,844	185,185
Fund Balance - End of Year .....	<u>\$ 404,548</u>	<u>\$ 335,210</u>	<u>\$ 224,844</u>	<u>\$ 185,185</u>	<u>\$ 245,511</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, 2012-2016.

**Table 8**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>2012 (2)</u>	<u>2013 (2)</u>	<u>2014 (2)</u>	<u>2015 (2)</u>	<u>2016 (2)</u>
Revenues:					
Property Tax .....	\$ 590,990	\$ 549,191	\$ 572,384	\$ 509,709	\$ 546,106
Utility Tax .....	22,324	22,324	22,332	22,324	22,323
Sales Tax .....	22,105	40,261	38,500	37,441	39,042
Other Taxes .....	18,717	17,400	12,569	11,749	33,168
Other Revenues (1) .....	53,340	11,888	36,443	22,460	23,920
Total Revenues .....	<u>707,476</u>	<u>641,064</u>	<u>682,228</u>	<u>603,683</u>	<u>664,559</u>
Expenditures:					
Debt Service .....	799,833	759,242	1,152,850	1,355,703	1,113,398
Total Expenditures .....	<u>799,833</u>	<u>759,242</u>	<u>1,152,850</u>	<u>1,355,703</u>	<u>1,113,398</u>
Revenues Over (Under) Expenditures ...	<u>(92,357)</u>	<u>(118,178)</u>	<u>(470,622)</u>	<u>(752,020)</u>	<u>(448,839)</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original Discount/Including Premium .....	337,410	4	371,207	1,096,759	861,032
Payment to Refunded Bond Escrow Agent .	(268,397)	-	(300,600)	-	(496,150)
Transfers In .....	47,322	46,352	411,413	57,351	223,151
Transfers Out .....	(83,359)	(89,157)	(268,872)	(124,488)	(106,838)
Total Other Financing Sources (Uses) ...	<u>32,976</u>	<u>(42,801)</u>	<u>213,148</u>	<u>1,029,622</u>	<u>481,195</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(59,381)	(160,979)	(257,474)	277,602	32,356
Fund Balance - Beginning of Year .....	<u>529,840</u>	<u>470,459</u>	<u>309,480</u>	<u>52,006</u>	<u>329,608</u>
Fund Balance - End of Year .....	<u>\$ 470,459</u>	<u>\$ 309,480</u>	<u>\$ 52,006</u>	<u>\$ 329,608</u>	<u>\$ 361,964</u>

**NOTES:**

(1) Includes Investment Income and Miscellaneous Revenues.

(2) Source: Major (Bond, Note Redemption and Interest) and Nonmajor (Special Taxing Areas) Debt Service Funds for years ended December 31, 2012-2016.

**Table 9**  
**CITY OF CHICAGO, ILLINOIS**  
**CAPITAL PROJECT FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Five Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>2012 (2)</u>	<u>2013 (2)</u>	<u>2014 (2)</u>	<u>2015 (2)</u>	<u>2016 (2)</u>
Revenues:					
Other Revenues (1) .....	\$ 11,343	\$ 5,128	\$ 36,472	\$ 30,702	\$ 18,063
Total Revenues .....	<u>11,343</u>	<u>5,128</u>	<u>36,472</u>	<u>30,702</u>	<u>18,063</u>
Expenditures:					
Capital Outlay .....	430,341	333,294	385,353	379,605	238,258
Total Expenditures .....	<u>430,341</u>	<u>333,294</u>	<u>385,353</u>	<u>379,605</u>	<u>238,258</u>
Revenues Under Expenditures .....	<u>(418,998)</u>	<u>(328,166)</u>	<u>(348,881)</u>	<u>(348,903)</u>	<u>(220,195)</u>
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original					
Discount/Including Premium .....	295,606	110,300	630,575	62,360	-
Issuance Line of Credit .....	-	144,673	-	50,000	-
Transfers In .....	22,843	1,930	17,440	105,450	13,700
Transfers Out .....	(11,804)	(951)	(308,770)	(21,414)	(15,045)
Total Other Financing Sources (Uses) .	<u>306,645</u>	<u>255,952</u>	<u>339,245</u>	<u>196,396</u>	<u>(1,345)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	(112,353)	(72,214)	(9,636)	(152,507)	(221,540)
Fund Balance - Beginning of Year .....	<u>599,411</u>	<u>487,058</u>	<u>414,844</u>	<u>405,208</u>	<u>252,701</u>
Fund Balance - End of Year .....	<u>\$ 487,058</u>	<u>\$ 414,844</u>	<u>\$ 405,208</u>	<u>\$ 252,701</u>	<u>\$ 31,161</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, 2012-2016.

**Table 10**  
**CITY OF CHICAGO, ILLINOIS**  
**PROPERTY TAX LEVIES BY FUND (1)**  
**Five Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

	<u>2012</u>	<u>2013</u>	<u>Percent Change</u>
Note Redemption and Interest (2) .....	\$ 73,481	\$ 74,231	1.02 %
Bond Redemption and Interest .....	411,489	411,807	0.08
Policemen's Annuity and Benefit (3) .....	143,865	138,146	(3.98)
Municipal Employees' Annuity and Benefit (3) .....	129,138	122,066	(5.48)
Firemen's Annuity and Benefit (3) .....	65,461	81,518	24.53
Laborers' and Retirement Board Employees' Annuity and Benefit (3) .....	<u>11,202</u>	<u>10,486</u>	(6.39)
Total .....	<u>\$ 834,636</u>	<u>\$ 838,254</u>	0.43

**NOTES:**

- (1) See Table 11 - PROPERTY LEVIES, COLLECTIONS AND ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES 2007 - 2016. Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.
- (2) Includes Corporate, Chicago Public Library Maintenance and Operations, Chicago Public Library Building and Sites and City Relief Funds.
- (3) For information regarding the City's unfunded (assets in excess of) pension benefit obligations under its Pensions Plans, see the individual Pension Plans Financial Statements.
- (4) Estimated; actual was not available from the Cook County Clerk's Office at time of publication.
- (5) Source: Cook County Clerk's Office.

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<u>2014</u>	<u>Percent Change</u>	<u>2015</u>	<u>Percent Change</u>	<u>2016</u>	<u>Percent Change</u>
\$ 97,061	30.76 %	\$ 97,708	0.67 %	\$ 80,359	(17.76) %
412,139	0.08	411,730	(0.10)	429,846	4.40
136,680	(1.06)	361,987	164.84	455,355	25.79
123,239	0.96	124,706	1.19	124,706	-
81,363	(0.19)	179,424	120.52	194,825	8.58
<u>10,934</u>	4.27	<u>11,070</u>	1.24	<u>11,070</u>	-
<u>\$ 861,416</u>	2.76	<u>\$ 1,186,625</u>	37.75	<u>\$ 1,296,161 (4)</u>	9.23

**Table 11**  
**CITY OF CHICAGO, ILLINOIS**  
**PROPERTY LEVIES, COLLECTIONS AND**  
**ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES**  
**Last Ten Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

Tax Year (1)	Total Tax Levy for Fiscal Year (2), (3)	Collected Within Fiscal Year		Collections in Subsequent Years	Total Collections to Date		Estimated Allowance for Uncollectible Taxes	Net Outstanding Taxes Receivable
		Amount	Percen- tage of Levy		Amount	Percen- tage of Levy		
2007 .....	\$ 749,351	\$ 712,008	95.02 %	\$ 12,978	\$ 724,986	96.75 %	\$ 24,365	\$ -
2008 .....	834,152	776,522	93.09	32,243	808,765	96.96	25,387	-
2009 .....	834,109	700,579	83.99	100,189	800,768	96.00	33,341	-
2010 .....	834,089	790,141	94.73	16,216	806,357	96.68	27,732	-
2011 .....	833,948	800,582	96.00	5,867	806,449	96.70	27,499	-
2012 .....	834,636	804,245	96.36	13,907	818,152	98.03	16,484	-
2013 .....	838,254	807,985	96.39	17,557	825,542	98.48	12,483	229
2014 .....	861,416	832,042	96.59	19,023	851,065	98.80	10,144	207
2015 .....	1,186,625	1,156,428	97.46	-	1,156,428	97.46	29,291	906
2016 .....	1,296,161 (4)	-	N/A	-	-	N/A	51,847	1,244,314
Total Net Outstanding Taxes Receivable .....								<u>\$ 1,245,656</u>

**NOTES:**

- (1) Taxes for each year become due and payable in the following year. For example, taxes for the 2016 tax levy become due and payable in 2017.
- (2) Does not include levy for Special Service Areas and Tax Increment Projects.
- (3) Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.
- (4) Estimate; actual was not available from Cook County Clerk's Office at time of publication.

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

Property	2015 EAV	Rank	Percent- tage of Total EAV	2006 EAV	Rank	Percent- tage of Total EAV
Willis Tower (4) .....	\$ 386,933	1	0.55 %	\$ 493,803	1	0.71 %
AON Building (3) .....	239,092	2	0.34	356,510	2	0.51
Blue Cross Blue Shield Tower (5) .....	238,631	3	0.34			
Water Tower Place .....	215,481	4	0.30	219,995	6	0.32
300 N. LaSalle .....	196,095	5	0.28			
Franklin Center (6) .....	194,504	6	0.27	283,387	3	0.41
Chase Plaza .....	193,365	7	0.27	238,266	5	0.34
Citadel Center .....	187,291	8	0.26			
Prudential Plaza .....	186,795	9	0.26	279,532	4	0.40
Three First National Plaza .....	182,523	10	0.26	196,044	9	0.28
UBS Tower .....				189,061	10	0.27
Leo Burnett Building .....				201,662	8	0.29
Citicorp Plaza .....				205,854	7	0.30
<b>Totals .....</b>	<b>\$ 2,220,710</b>		<b>3.13 %</b>	<b>\$ 2,664,114</b>		<b>3.83 %</b>

**NOTES:**

- (1) Source: Cook County Treasurer's Office, Cook County Assessor's Office.
- (2) 2016 information not available at time of publication.
- (3) AON Building formerly known as AMOCO Building.
- (4) Willis Tower formerly known as Sears Tower.
- (5) Blue Cross Blue Shield formerly known as Health Care service Corporation Blue Cross.
- (6) Franklin Center formerly known as AT&T Corporate Center 1.

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

Tax Year	Assessed Values (1)				
	Class 2 (2)	Class 3 (3)	Class 5 (4)	Other (5)	Total
2006	18,521,873	2,006,898	12,157,149	688,868	33,374,788
2007	18,937,256	1,768,927	12,239,086	678,196	33,623,465
2008	19,339,574	1,602,768	12,359,537	693,239	33,995,118
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

**NOTES:**

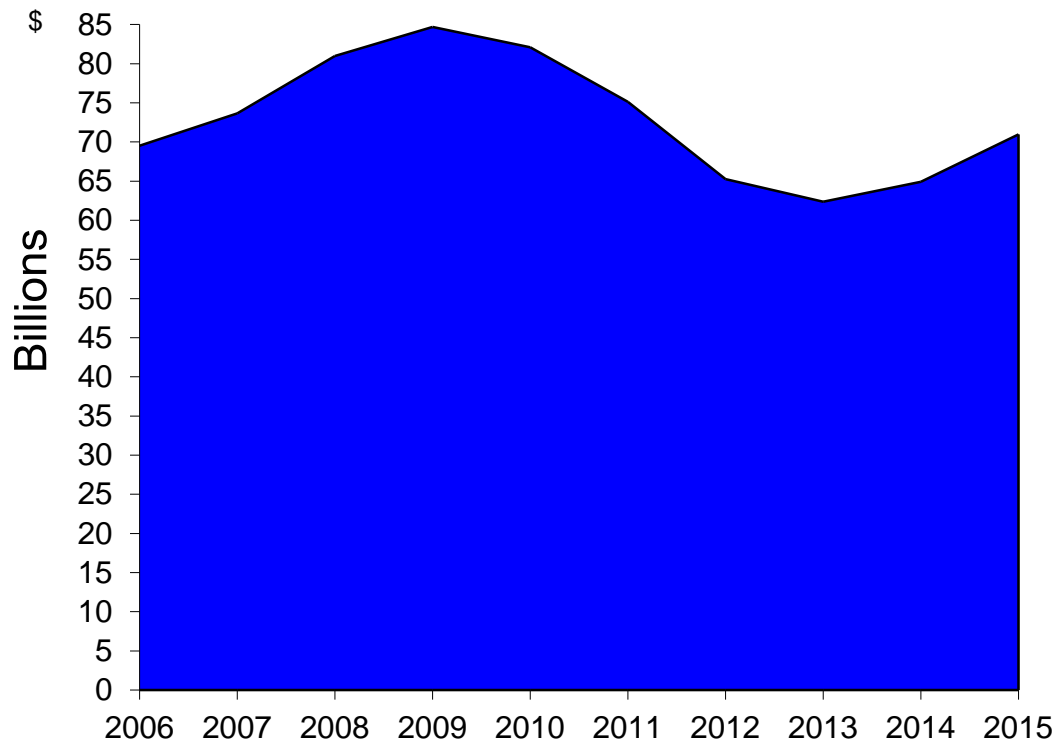
- (1) Source: Cook County Assessor's Office. Excludes portion of City in DuPage County.
- (2) Residential, 6 units and under.
- (3) Residential, 7 units and over and mixed use.
- (4) Industrial/Commercial.
- (5) Vacant, not-for-profit and industrial/commercial incentive classes. Includes railroad and 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) 2015 information not available at time of publication.

2016 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 (9)
2.7080	69,517,264	1.062	329,770,733	21.08
2.8439	73,645,316	1.044	320,503,503	22.98
2.9786	80,977,543	1.030	310,888,609	26.05
3.3701	84,685,258	0.986	280,288,730	30.21
3.3000	82,087,170	1.020	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	N/A (9)	N/A (9)

### EQUALIZED ASSESSED VALUE



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

Tax Year	City	Chicago School Building and Improvement Fund	Chicago School Finance Authority	Board of Education	Community College District No. 508
2006	\$ 1.062	\$ -	\$ 0.118	\$ 2.697	\$ 0.205
2007	1.044	-	0.091	2.583	0.159
2008	1.030	0.117	-	2.472	0.156
2009	0.986	0.112	-	2.366	0.150
2010	1.016	1.116	-	2.581	0.151
2011	1.110	0.119	-	2.875	0.165
2012	1.279	0.146	-	3.422	0.190
2013	1.344	0.152	-	3.671	0.199
2014	1.327	0.146	-	3.660	0.193
2015 (1)	1.672	0.134	-	3.455	0.177

**NOTE:**

(1) 2016 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
2006	\$ 719,230	\$ 0.519706	\$ 0.049968	\$ 0.194953
2007	749,351	0.550055	0.039514	0.191548
2008	834,152	0.508488	0.094354	0.172426
2009	834,109	0.478955	0.091851	0.167552
2010	834,089	0.494109	0.094665	0.170734
2011	833,948	0.542475	0.103443	0.191381
2012	834,636	0.623916	0.119254	0.220459
2013	838,254	0.653302	0.125978	0.221494
2014	861,416	0.659187	0.125228	0.210554
2015 (1)	1,186,625	0.602426	0.115391	0.510054

**NOTES:**

(1) 2016 information not available from the Cook County Clerk's Office at time of publication.

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

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Chicago Park District	Metropolitan Water Reclamation District	Forest Preserve District of Cook County	Cook County	Total
\$ 0.379	\$ 0.284	\$ 0.057	\$ 0.500	\$ 5.302
0.355	0.263	0.053	0.446	4.994
0.323	0.252	0.051	0.415	4.816
0.309	0.261	0.049	0.394	4.627
0.319	0.274	0.051	0.423	5.931
0.346	0.320	0.058	0.462	5.455
0.395	0.370	0.063	0.531	6.396
0.420	0.417	0.069	0.560	6.832
0.415	0.430	0.069	0.568	6.808
0.382	0.426	0.069	0.552	6.867

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Municipal Employees' Annuity and Benefit	Firemen's Annuity and Benefit	Laborers' and Retirement Board Employees' Annuity and Benefit	Total
\$ 0.197399	\$ 0.099974	\$ -	\$ 1.062
0.174302	0.088581	-	1.044
0.162182	0.080787	0.011763	1.030
0.153704	0.078184	0.015754	0.986
0.161435	0.078352	0.016705	1.016
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

**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</u>	<u>Other G. O. Debt</u>	<u>General Certificates Obligation and Other</u>	<u>Unamortized Premiums (3)</u>
2007	2,896,016	73,651,158	5,759,573	77,998	458,654	-
2008	2,896,016	80,977,543	5,687,447	259,097	362,140	-
2009	2,896,016	84,685,258	6,051,947	230,263	439,670	-
2010	2,695,598	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	N/A (6)	8,551,473	124,263	392,440	91,787

**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, Commercial Paper 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.

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<u>Accreted Interest (3)</u>	<u>Total Gross -Net of Premiums &amp; Accretions-Bonded Debt (4)</u>	<u>Less Reserve for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Equalized Assessed Value</u>	<u>Net Bonded Debt Per Capita (5)</u>
-	6,296,225	70,543	6,225,682	8.45	2,149.74
-	6,308,684	10,080	6,298,604	7.78	2,174.92
-	6,721,880	50,431	6,671,449	7.88	2,303.66
-	7,379,877	58,822	7,321,055	8.92	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	N/A (6)	3,406.23

**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)
2007 .....	\$ 143,575	\$ 267,698	\$ 411,273	\$ 6,098,521	6.7 %
2008 .....	429,066	302,105	731,171	6,839,389	10.7
2009 .....	380,946	298,057	679,003	6,269,395	10.8
2010 .....	336,378	319,423	655,801	6,334,422	10.4
2011 .....	129,303	369,880	499,183	6,621,207	7.5
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

- (1) The City issued bonds backed by a property tax levy on behalf of Community College District No. 508. The annual debt service related to the bonds was (in thousands) \$6,891 in 2007 and approximately \$35,170 since 2008.
- (2) This includes G. O. Bonds, G. O. Notes, G. O. Certificates, G. O. Commercial Paper (CP), G. O. Line of Credit, (LOC), Other G. O. Debt, and City Colleges of Chicago Bonds. For FY 2016 the principal payments for LOC were \$452.0 million.
- (3) For FY 2016, interest payments exclude Michael Reese Loan.

**Table 18**  
**CITY OF CHICAGO, ILLINOIS**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**December 31, 2016**  
**(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 .....	<u>\$ 8,943,914</u>	<u>\$ 8,943,914</u>	100.00 %	<u>\$ 8,943,914</u>
Board of Education .....		6,778,084	100.00	6,778,084
Chicago Park District .....		863,580	100.00	863,580
City Colleges of Chicago .....		241,830	100.00	241,830
Cook County .....		3,213,142	51.98	1,670,215
Cook County Forest Preserve District .....		159,440	53.47	85,253
Metropolitan Water Reclamation District of Greater Chicago .....		<u>2,926,998</u>	54.46	<u>1,594,027</u>
Total Overlapping Debt .....		<u>14,183,074</u>		<u>11,232,989</u>
Net Direct and Overlapping Long-term Debt .....		<u>\$ 23,126,988</u>		<u>\$ 20,176,903</u>

**NOTES:**

- (1) Source: Amount of Net Direct Debt was obtained from each of the respective taxing bodies.
- (2) Cook County Clerk's Office.
- (3) 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.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Direct Debt	\$ 5,805,921	\$ 6,126,295	\$ 6,866,270	\$ 7,328,452
Overlapping Debt	<u>7,904,184</u>	<u>7,529,359</u>	<u>8,539,070</u>	<u>9,158,243</u>
Total Debt	<u>\$ 13,710,105</u>	<u>\$ 13,655,654</u>	<u>\$ 15,405,340</u>	<u>\$ 16,486,695</u>
Equalized				
Assessed Valuation (1)	\$ 73,645,316	\$ 80,977,543	\$ 84,685,258	\$ 82,087,170
Direct Debt Burden (2)	8.35%	8.32%	8.48%	8.65%
Total Debt Burden (2)	19.72%	18.54%	19.02%	19.47%
Estimated Fair Market				
Value (FMV) (5)	\$ 320,503,503	\$ 310,888,609	\$ 280,288,730	\$ 231,986,397
% of Direct Debt to FMV	1.81%	1.97%	2.45%	3.16%
% of Total Direct Debt to FMV	4.28%	4.39%	5.50%	7.11%
Population (3)	2,896,016	2,896,016	2,896,016	2,695,598
Direct Debt Per Capita (4)	\$ 2,004.80	\$ 2,115.42	\$ 2,370.94	\$ 2,718.67
Total Debt Per Capita (4)	4,734.13	4,715.32	5,319.49	6,116.15

**NOTES:**

- (1) Source: Cook County Clerk's Office. Excludes portion of City in DuPage County and exemptions.
- (2) Due to the one-year lag in the Equalized Assessed Valuation, debt burden measures are computed utilizing the prior year's Assessed Valuation. The Assessed Valuation for 2006 is \$69,517,264.
- (3) Source: U.S. Census Bureau.
- (4) Amounts are in dollars.
- (5) Source: The Civic Federation.
- (6) N/A means not available at time of publication.



2011	2012	2013	2014	2015	2016
\$ 7,628,222	\$ 7,939,682	\$ 7,670,298	\$ 8,339,626	\$ 9,041,892	\$ 8,943,914
9,877,084	10,384,421	10,338,490	10,113,429	10,397,181	11,232,989
<u>\$ 17,505,306</u>	<u>\$ 18,324,103</u>	<u>\$ 18,008,788</u>	<u>\$ 18,453,055</u>	<u>\$ 19,439,073</u>	<u>\$ 20,176,903</u>
\$ 75,122,914	\$ 65,250,387	\$ 62,363,876	\$ 64,908,057	\$ 70,963,289	\$ N/A (6)
9.29%	10.57%	11.76%	13.37%	13.93%	12.60%
21.33%	24.39%	27.60%	29.59%	29.95%	28.43%
\$ 222,856,064	206,915,723	236,695,475	255,639,792	N/A (6)	N/A (6)
3.42%	3.84%	3.24%	3.26%	N/A (6)	N/A (6)
7.85%	8.86%	7.61%	7.22%	N/A (6)	N/A (6)
2,695,598	2,695,598	2,695,598	2,695,598	2,695,598	2,695,598
\$ 2,829.88	\$ 2,945.43	\$ 2,845.49	\$ 3,093.79	\$ 3,354.32	\$ 3,317.97
6,494.03	6,797.79	6,680.81	6,845.63	7,211.41	7,485.13

**Table 20**  
**CITY OF CHICAGO, ILLINOIS**  
**REVENUE BOND COVERAGE**  
**Last Ten Years Ended December 31, 2016**  
**(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 (4)	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2007	\$ 1,550,299	\$ 856,550	\$ 31,554	\$ 725,303	\$ 168,712	\$ 416,810	\$ 585,522	1.24
2008	1,602,668	913,499	47,067	736,236	219,482	438,553	658,035	1.12
2009	1,516,939	887,676	41,021	670,284	216,841	369,379	586,220	1.14
2010	1,768,225	911,935	10,370	866,660	220,124	379,185	599,309	1.45
2011	1,767,722	937,233	61,202	891,691	166,825	306,916	473,741	1.88
2012	1,935,020	967,517	83,050	1,050,553	209,298	479,277	688,575	1.53
2013	2,020,371	969,551	211,531	1,262,351	277,225	494,226	771,451	1.64
2014 *	2,306,308	1,042,605	280,251	1,543,954	290,340	569,475	859,815	1.80
2015 *	2,391,485	1,054,949	344,579	1,681,115	336,960	570,523	907,483	1.85
2016 *	2,531,472	1,112,868	555,170	1,973,774	417,727	579,779	997,506	1.98

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

Tax Increment Financing Funds								
Year	Gross Revenues (1)	Operating Expense (2)	Net Revenue Available for Debt Debt (4)	Debt Service Requirements			Coverage	
				Principal	Interest	Total		
2007	\$ 509,238	\$ 238,757	\$ 270,481	\$ 91,378	\$ 48,514	\$ 139,892	1.93	
2008	557,596	296,469	261,127	176,221	58,292	234,513	1.11	
2009	495,588	185,947	309,641	37,000	28,740	65,740	4.71	
2010	474,390	229,266	245,124	36,535	28,431	64,966	3.77	
2011	544,415	266,916	277,499	44,290	31,796	76,086	3.65	
2012	487,495	361,783	125,712	43,025	29,136	72,161	1.74	
2013	427,287	334,414	92,873	51,194	27,721	78,915	1.18	
2014	410,018	567,079	(157,061)	69,912	30,963	100,875	(1.56)	
2015	366,264	349,066	17,198	37,070	24,089	61,159	0.28	
2016	493,399	376,482	116,917	58,090	18,561	76,651	1.53	

**Table 20 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**REVENUE BOND COVERAGE**  
**Last Ten Years Ended December 31, 2016**  
**(Amounts are in Thousands of Dollars Except Where Noted)**

Sales Tax Funds						
Year	Net Revenue Available for Debt Service (4)	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2007	\$ 570,927	\$ 8,550	\$ 17,781	\$ 26,331	21.68	
2008	548,571	9,135	16,385	25,520	21.50	
2009	503,952	425	13,630	14,055	35.86	
2010	527,004	445	6,300	6,745	78.13	
2011	563,156	465	18,481	18,946	29.72	
2012	594,290	11,300	29,509	40,809	14.56	
2013	623,942	11,875	27,515	39,390	15.84	
2014	658,798	12,485	27,292	39,777	16.56	
2015	703,234	13,125	25,678	38,803	18.12	
2016	713,557	13,795	25,610	39,405	18.11	

Motor Fuel Tax Funds						
Year	Net Revenue Available for Debt Service (4)	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2007	\$ 61,467	\$ 4,480	\$ 7,835	\$ 12,315	4.99	
2008	57,472	1,210	9,976	11,186	5.14	
2009	55,625	5,000	10,618	15,618	3.56	
2010	55,209	5,270	10,332	15,602	3.54	
2011	52,567	5,550	9,996	15,546	3.38	
2012	53,421	5,850	9,840	15,690	3.40	
2013	52,405	6,165	9,453	15,618	3.36	
2014	53,772	5,915	6,642	12,557	4.28	
2015	49,048	5,045	9,356	14,401	3.41	
2016	51,626	4,085	10,207	14,292	3.61	

**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, 2016**  
**(Amounts are in Thousands of Dollars Except Where Noted)**

Year	Governmental Funds						Chicago	Chicago
	Net General Obligation Debt	Tax Increment Allocation Bonds and Notes	Motor Fuel and Sales Tax Revenue	Installment Purchase Agreement	Capital Leases	Water Revenue Bonds	Chicago O'Hare International Airport Customer Facility Charge Revenue Bonds	Chicago O'Hare International Airport Other Debt
2007	\$ 6,296,225	\$ 285,363	\$ 499,555	\$ 7,500	\$ 245,685	\$ 1,195,803	\$ -	\$ -
2008	6,308,684	204,811	552,345	5,500	207,065	1,464,838	-	-
2009	6,721,880	179,871	559,417	3,500	169,282	1,424,319	-	-
2010	7,379,877	156,881	553,702	1,200	177,011	1,711,615	-	-
2011	7,750,122	125,201	770,312	-	166,787	1,677,851	-	-
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	12,098

**NOTES:**

- (1) See Table 13 for Estimated Fair Market Value
- (2) Amounts in Dollars
- (3) 2016 information not available at time of publication.

Proprietary Fund Revenue Bonds

Chicago O'Hare International Airport Revenue Bonds	Chicago O'Hare International Airport Passenger Facility Charge Revenue Bonds	Chicago Midway Airport Revenue Bonds	Wastewater Transmission Revenue Bonds	Total Primary Government	Ratio of Bonded Debt to Estimated Fair Market Value (1)	Per Capita (2)
\$ 4,562,956	\$ 766,255	\$ 1,254,664	\$ 754,908	\$ 15,868,914	4.81	\$ 5,479.57
4,912,635	725,675	1,239,404	902,904	16,523,861	5.16	5,705.72
5,092,010	709,200	1,246,190	878,875	16,984,544	5.46	5,864.80
5,647,115	816,110	1,465,495	1,100,800	19,009,806	6.78	7,052.17
6,481,960	797,769	1,439,185	1,084,224	20,293,411	8.75	7,528.35
6,270,770	750,706	1,383,215	1,334,918	20,690,361	9.28	7,675.61
6,563,780	683,780	1,470,343	1,333,984	21,172,653	10.23	7,854.53
6,406,710	682,271	1,506,325	1,602,175	22,012,495	9.30	8,166.09
6,586,490	631,245	1,506,325	1,686,178	23,083,301	9.03	8,563.33
6,404,030	595,630	1,781,605	1,692,820	23,053,774	N/A (3)	8,552.38

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**Table 22**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE REQUIREMENTS FOR GENERAL LONG-TERM DEBT (1)**  
**December 31, 2016**

Year Ended Dec. 31,	General Obligation Debt		Sales Tax and Motor Fuel Tax Revenue Bonds		Tax Increment and Special Service Area Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017 ..	\$ 272,291,947	\$ 512,360,661	\$ 18,250,000	\$ 35,298,281	\$ 5,595,000	\$ 1,467,376	\$ 296,136,947	\$ 549,126,318
2018 ..	294,921,972	499,915,272	19,150,000	34,408,706	5,710,000	1,232,911	319,781,972	535,556,889
2019 ..	313,378,700	485,973,423	20,334,654	33,468,881	6,020,000	959,730	339,733,354	520,402,034
2020 ..	329,703,918	473,191,811	21,440,292	32,467,744	4,135,000	706,375	355,279,210	506,365,930
2021 ..	333,877,240	457,640,076	22,567,526	31,447,860	4,375,000	493,625	360,819,766	489,581,561
2022 ..	338,903,400	447,500,095	23,737,119	30,330,775	7,685,000	192,125	370,325,519	478,022,995
2023 ..	331,703,319	432,072,096	25,039,882	29,157,835	-	-	356,743,201	461,229,931
2024 ..	327,287,012	416,549,104	26,401,683	27,922,600	-	-	353,688,695	444,471,704
2025 ..	317,748,971	401,837,691	27,843,447	26,622,348	-	-	345,592,418	428,460,039
2026 ..	332,356,163	387,527,887	29,361,159	25,253,509	-	-	361,717,322	412,781,396
2027 ..	346,659,720	365,813,325	28,708,425	26,149,984	-	-	375,368,145	391,963,309
2028 ..	356,554,806	356,005,907	32,523,716	22,462,317	-	-	389,078,522	378,468,224
2029 ..	376,054,515	336,431,047	22,679,282	32,383,180	-	-	398,733,797	368,814,227
2030 ..	391,392,520	320,443,003	25,039,348	30,194,677	-	-	416,431,868	350,637,680
2031 ..	502,118,596	298,360,362	24,327,530	31,091,840	-	-	526,446,126	329,452,202
2032 ..	458,108,762	253,722,968	25,253,712	30,346,760	-	-	483,362,474	284,069,728
2033 ..	483,916,194	227,922,494	26,759,422	29,528,434	-	-	510,675,616	257,450,928
2034 ..	512,382,377	199,452,122	42,955,951	15,879,401	-	-	555,338,328	215,331,523
2035 ..	357,812,607	166,876,415	45,359,513	13,766,832	-	-	403,172,120	180,643,247
2036 ..	305,366,559	147,226,958	47,932,886	11,498,137	-	-	353,299,445	158,725,095
2037 ..	285,042,925	129,750,667	50,648,085	9,104,421	-	-	335,691,010	138,855,088
2038 ..	278,021,380	112,997,953	38,598,555	6,578,922	-	-	316,619,935	119,576,875
2039 ..	290,235,000	66,214,977	40,726,747	4,711,261	-	-	330,961,747	70,926,238
2040 ..	290,555,000	48,415,307	42,967,303	2,743,590	-	-	333,522,303	51,158,897
2041 ..	307,605,000	31,341,080	4,962,113	670,747	-	-	312,567,113	32,011,827
2042 ..	101,745,000	13,254,033	5,433,199	505,509	-	-	107,178,199	13,759,542
2043 ..	108,170,000	6,829,854	5,615,766	324,583	-	-	113,785,766	7,154,437
2044 ..	-	-	4,131,483	137,578	-	-	4,131,483	137,578
	<u>\$ 8,943,913,603</u>	<u>\$ 7,595,626,588</u>	<u>\$ 748,748,798</u>	<u>\$ 574,456,712</u>	<u>\$ 33,520,000</u>	<u>\$ 5,052,142</u>	<u>\$ 9,726,182,401</u>	<u>\$ 8,175,135,442</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, 2017, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.

**Table 23**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION DEBT (1)**  
**December 31, 2016**

Year Ended Dec. 31,	General Obligation Bonds		Alternative Revenue Bonds (2)		Other General Obligation Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2017 ...	\$ 208,381,947	\$ 486,352,596	\$ 52,665,000	\$ 21,712,085	\$ 11,245,000	\$ 4,295,980
2018 ...	227,616,972	477,158,047	55,955,000	19,118,525	11,350,000	3,638,700
2019 ...	245,063,700	466,738,898	59,215,000	16,258,775	9,100,000	2,975,750
2020 ...	254,263,918	457,541,027	66,340,000	13,223,135	9,100,000	2,427,649
2021 ...	265,907,240	445,894,500	58,870,000	9,852,726	9,100,000	1,892,850
2022 ...	272,398,400	439,348,929	57,405,000	6,799,766	9,100,000	1,351,400
2023 ...	284,308,319	427,446,998	38,295,000	3,815,148	9,100,000	809,950
2024 ...	297,427,012	414,373,887	20,760,000	1,907,451	9,100,000	267,766
2025 ...	310,803,971	400,973,504	6,945,000	864,187	-	-
2026 ...	324,691,163	387,015,975	7,665,000	511,912	-	-
2027 ...	345,984,720	365,693,171	675,000	120,154	-	-
2028 ...	355,839,806	355,921,960	715,000	83,947	-	-
2029 ...	375,204,515	336,385,453	850,000	45,594	-	-
2030 ...	391,392,520	320,443,003	-	-	-	-
2031 ...	502,118,596	298,360,362	-	-	-	-
2032 ...	458,108,762	253,722,968	-	-	-	-
2033 ...	483,916,194	227,922,494	-	-	-	-
2034 ...	512,382,377	199,452,122	-	-	-	-
2035 ...	357,812,607	166,876,415	-	-	-	-
2036 ...	305,366,559	147,226,958	-	-	-	-
2037 ...	285,042,925	129,750,667	-	-	-	-
2038 ...	278,021,380	112,997,953	-	-	-	-
2039 ...	290,235,000	66,214,977	-	-	-	-
2040 ...	290,555,000	48,415,307	-	-	-	-
2041 ...	307,605,000	31,341,080	-	-	-	-
2042 ...	101,745,000	13,254,033	-	-	-	-
2043 ...	108,170,000	6,829,854	-	-	-	-
	<u>\$ 8,440,363,603</u>	<u>\$ 7,483,653,138</u>	<u>\$ 426,355,000</u>	<u>\$ 94,313,405</u>	<u>\$ 77,195,000</u>	<u>\$ 17,660,045</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, 2017, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.
- (2) Alternative Revenue Bonds include General Obligation Bonds (Emergency Telephone System), Series 1999 and Series 2004, and General Obligation Bonds (Modern Schools Across Chicago Program) Series 2007A-K and 2010A/B.



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Totals		
Principal	Interest	Total
\$ 272,291,947	\$ 512,360,661	\$ 784,652,608
294,921,972	499,915,272	794,837,244
313,378,700	485,973,423	799,352,123
329,703,918	473,191,811	802,895,729
333,877,240	457,640,076	791,517,316
338,903,400	447,500,095	786,403,495
331,703,319	432,072,096	763,775,415
327,287,012	416,549,104	743,836,116
317,748,971	401,837,691	719,586,662
332,356,163	387,527,887	719,884,050
346,659,720	365,813,325	712,473,045
356,554,806	356,005,907	712,560,713
376,054,515	336,431,047	712,485,562
391,392,520	320,443,003	711,835,523
502,118,596	298,360,362	800,478,958
458,108,762	253,722,968	711,831,730
483,916,194	227,922,494	711,838,688
512,382,377	199,452,122	711,834,499
357,812,607	166,876,415	524,689,022
305,366,559	147,226,958	452,593,517
285,042,925	129,750,667	414,793,592
278,021,380	112,997,953	391,019,333
290,235,000	66,214,977	356,449,977
290,555,000	48,415,307	338,970,307
307,605,000	31,341,080	338,946,080
101,745,000	13,254,033	114,999,033
108,170,000	6,829,854	114,999,854
<u>\$ 8,943,913,603</u>	<u>\$ 7,595,626,588</u>	<u>\$ 16,539,540,191</u>

**Table 24**  
**CITY OF CHICAGO, ILLINOIS**  
**DEBT SERVICE REQUIREMENTS FOR PROPRIETARY FUNDS (1)**  
**December 31, 2016**

Year Ended December 31,	Water Revenue Bonds		Wastewater Transmission Revenue Bonds	
	Principal	Interest	Principal	Interest
2017 .....	\$ 79,305,350	\$ 130,090,407	\$ 49,325,130	\$ 82,666,580
2018 .....	84,017,576	127,950,422	53,827,914	80,447,515
2019 .....	87,835,117	119,167,722	56,332,223	77,980,386
2020 .....	91,783,424	115,518,961	52,004,720	82,736,330
2021 .....	93,703,128	106,055,759	51,823,076	82,960,422
2022 .....	97,942,745	101,719,043	53,753,996	81,080,181
2023 .....	101,811,664	97,150,501	55,940,857	78,941,711
2024 .....	106,877,059	92,331,917	58,220,121	76,700,670
2025 .....	111,781,339	87,419,893	70,967,233	64,056,345
2026 .....	116,468,271	82,079,101	55,189,895	79,751,296
2027 .....	122,196,002	76,382,685	57,268,704	77,675,800
2028 .....	115,797,746	70,338,458	59,393,412	75,459,122
2029 .....	120,593,587	64,750,713	66,691,716	52,980,670
2030 .....	122,358,607	58,868,213	69,977,250	49,588,664
2031 .....	93,907,892	52,953,276	72,877,116	45,974,683
2032 .....	86,479,571	48,316,345	76,223,868	42,121,221
2033 .....	89,748,157	44,073,680	78,245,875	38,066,902
2034 .....	93,637,500	39,678,535	81,629,647	33,824,826
2035 .....	92,267,620	35,101,437	84,611,838	29,379,029
2036 .....	92,689,247	30,424,963	85,330,000	24,678,771
2037 .....	85,650,000	25,609,596	80,485,000	19,954,343
2038 .....	89,620,000	20,988,587	84,585,000	15,245,506
2039 .....	77,395,000	15,946,126	77,130,000	10,645,474
2040 .....	81,035,000	11,415,897	59,225,000	6,716,893
2041 .....	43,530,000	6,674,750	31,955,000	4,214,125
2042 .....	45,705,000	4,498,250	33,525,000	2,627,125
2043 .....	21,590,000	2,213,000	17,685,000	1,371,875
2044 .....	22,670,000	1,133,500	18,595,000	464,875
2045 .....	-	-	-	-
2046 .....	-	-	-	-
	<u>\$ 2,468,396,602</u>	<u>\$ 1,668,851,737</u>	<u>\$ 1,692,819,591</u>	<u>\$ 1,318,311,340</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, 2016. Amounts above exclude Commercial Paper 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		
\$ 303,620,000	\$ 418,037,929	\$ 432,250,480	\$ 630,794,916	\$ 1,063,045,396	..... 2017
324,120,000	424,587,936	461,965,490	632,985,873	1,094,951,363	..... 2018
326,585,000	409,121,475	470,752,340	606,269,583	1,077,021,923	..... 2019
312,355,000	393,909,940	456,143,144	592,165,231	1,048,308,375	..... 2020
279,030,000	379,372,084	424,556,204	568,388,265	992,944,469	..... 2021
296,620,000	364,997,387	448,316,741	547,796,611	996,113,352	..... 2022
295,585,000	350,140,199	453,337,521	526,232,411	979,569,932	..... 2023
307,970,000	334,985,349	473,067,180	504,017,936	977,085,116	..... 2024
326,465,000	319,087,817	509,213,572	470,564,055	979,777,627	..... 2025
337,465,000	302,434,467	509,123,166	464,264,864	973,388,030	..... 2026
354,195,000	285,099,710	533,659,706	439,158,195	972,817,901	..... 2027
370,770,000	267,152,486	545,961,158	412,950,066	958,911,224	..... 2028
383,380,000	248,412,381	570,665,303	366,143,764	936,809,067	..... 2029
403,685,000	228,634,109	596,020,857	337,090,986	933,111,843	..... 2030
422,890,000	207,779,137	589,675,008	306,707,096	896,382,104	..... 2031
439,115,000	186,144,327	601,818,439	276,581,893	878,400,332	..... 2032
465,020,000	164,206,084	633,014,032	246,346,666	879,360,698	..... 2033
480,280,000	142,503,967	655,547,147	216,007,328	871,554,475	..... 2034
520,125,000	120,692,646	697,004,458	185,173,112	882,177,570	..... 2035
284,175,000	102,199,449	462,194,247	157,303,183	619,497,430	..... 2036
303,200,000	85,279,387	469,335,000	130,843,326	600,178,326	..... 2037
318,725,000	67,512,845	492,930,000	103,746,938	596,676,938	..... 2038
334,770,000	48,851,007	489,295,000	75,442,607	564,737,607	..... 2039
240,155,000	32,294,974	380,415,000	50,427,764	430,842,764	..... 2040
195,945,000	20,575,233	271,430,000	31,464,108	302,894,108	..... 2041
108,575,000	13,716,853	187,805,000	20,842,228	208,647,228	..... 2042
114,015,000	9,511,624	153,290,000	13,096,499	166,386,499	..... 2043
101,435,000	5,607,159	142,700,000	7,205,534	149,905,534	..... 2044
38,900,000	3,014,750	38,900,000	3,014,750	41,914,750	..... 2045
40,845,000	1,021,125	40,845,000	1,021,125	41,866,125	..... 2046
<u>\$ 9,030,015,000</u>	<u>\$ 5,936,883,836</u>	<u>\$ 13,191,231,193</u>	<u>\$ 8,924,046,913</u>	<u>\$ 22,115,278,106</u>	

**Table 25**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2016**

Long-term debt is comprised of the following issues at December 31, 2016 (dollars in thousands):

	Original Principal	Outstanding at December 31, 2016
General Long-term Debt:		
General Obligation Debt:		
General Obligation Bonds (1):		
Refunding Series of 1993 B - 4.25% to 5.125% .....	\$ 153,280	\$ 20,280
Project and Refunding Series 1995 A-2 - 5.0% to 6.25% .....	220,390	18,190
* Emergency Telephone System Refunding Series 1999 - 4.5% to 5.5% .....	213,110	82,190
City Colleges of Chicago Capital Improvement Project Series 1999 - 6.0% .....	308,964	135,219
Project Series 2000 A - 4.85% to 6.75% .....	254,293	7,403
Project and Refunding Series 2001 A - 4.0% to 5.65% .....	580,338	61,220
Project and Refunding Series 2002 A - 4.0% to 5.65% .....	169,765	2,305
Neighborhoods Alive 21 Program Series 2002 B - 5.0% to 5.5% .....	206,700	166,210
Neighborhoods Alive 21 Program Series 2003 - 2.0% to 5.25% .....	103,140	9,650
Project and Refunding Series 2003 A - 4.625% to 5.25% .....	157,990	34,840
Project and Refunding Series 2003 B - 5.0% to 5.5% .....	202,500	151,185
Project Series 2003 C and D - 2.0% to 5.25% .....	198,265	33,780
* Emergency Telephone System Series 2004 - 3.0% to 6.9% .....	64,665	28,920
Project and Refunding Series 2004 - 1.92% to 5.5% .....	489,455	75,835
Refunding Series 2005 A - 2.5% to 5.0% .....	441,090	99,780
Project and Refunding Series 2005 B and C - 3.5% to 5.0% .....	339,275	192,980
Project and Refunding Series 2005 D - 5.5% .....	222,790	174,005
Direct Access Bonds, Series 2005 - 2.876% to 4.5% .....	114,695	64,196
Direct Access Bonds, Series 2006 - 3.5% to 4.4% .....	35,753	30,578
Project and Refunding Series 2006 A and B - 3.5% to 5.375% .....	649,995	338,920
Project and Refunding Series 2007 A and B - 3.75% to 5.462% .....	589,590	521,505
City Colleges of Chicago Capital Improvement Project Series 2007 - 4.0% to 5.0% .....	39,110	32,875
Project and Refunding Series 2007 C and D - 4.0% to 5.44% .....	330,890	269,680
Project and Refunding Series 2007 E through G - 5.5% .....	200,000	153,700
Project and Refunding Series 2008 A and B - 3.0% to 5.765% .....	473,705	456,800
Project and Refunding Series 2008 C through E - 1.0% to 6.05% .....	611,017	600,052
Project and Refunding Series 2009 A through D - 4.0% to 6.257% .....	793,275	793,275
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 and 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	883,420
General Obligation Series 2015 A and B - 5.0% to 7.75% .....	1,088,390	1,088,390
Refunding Series 2015C - 5.0% .....	500,000	500,000
Total General Obligation Bonds .....	<u>\$ 12,159,940</u>	<u>\$ 8,551,473</u>

\* Secured by alternate revenues.

**Table 25 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2016**

	Original Principal	Outstanding at December 31, 2016
Line of Credit:		
Line of Credit - Variable Rate (5.625% at December 31, 2016) .....	\$ 124,263	\$ 124,263
Total Line of Credit .....	<u>124,263</u>	<u>124,263</u>
Total General Obligation Bonds and Notes .....	<u>12,284,203</u>	<u>8,675,736</u>
General Obligation Certificates and Other Obligations (1):		
** Building Acquisition Certificates (Limited Tax) Series 1997 - 4.4% to 5.4% .....	\$ 28,800	\$ 4,395
* Modern Schools Across Chicago Program - Series 2007 A through K - 3.6% to 5.0% .....	356,005	197,675
* Modern Schools Across Chicago Program - Series 2010 A and B - 3.0% to 5.364% .....	150,115	117,570
** MRL Financing LLC Promissory Note - 5.0% to 7.5% .....	91,000	72,800
Total General Obligation Certificates and Other Obligations .....	<u>625,920</u>	<u>392,440</u>
Total General Obligation Debt .....	<u>12,910,123</u>	<u>9,068,176</u>
Tax Increment Allocation Bonds and Notes (1):		
Goose Island Redevelopment Tax Increment - Series 2000 - 7.45% .....	16,800	6,455
Pilsen Redevelopment Project - Series 2014 A and B - 0.95% to 5.0% .....	33,410	27,065
Total Tax Increment Allocation Bonds and Notes .....	<u>50,210</u>	<u>33,520</u>
Motor Fuel Tax and Sales Tax Revenue Bonds (1):		
Motor Fuel Tax Revenue Bonds - Series 2008 A and B - 4.0% to 5.0% .....	66,635	62,195
Motor Fuel Tax Revenue Bonds - Series 2013 - 2.0% to 5.0% .....	105,895	95,290
Motor Fuel Tax Revenue Bonds - Riverwalk TIFIA Loan - 3.33% .....	76,571	76,571
Sales Tax Revenue Bonds - Series 2002 - 4.23% .....	116,595	110,580
Sales Tax Revenue Refunding Bonds - Series 2005 - 3.25% to 5.0% .....	142,825	80,315
Sales Tax Revenue Refunding Bonds - Series 2009 - 4.25% to 6.0% .....	90,892	90,892
Sales Tax Revenue Refunding Bonds - Series 2011 - 4.375% to 5.504% .....	232,905	232,905
Total Motor Fuel Tax and Sales Tax Revenue Bonds .....	<u>832,318</u>	<u>748,748</u>
Total General Long-term Debt .....	<u>\$ 13,792,651</u>	<u>\$ 9,850,444</u>

\* Secured by alternate revenues.

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

**NOTE:** (1) The balance outstanding at December 31, 2016 listed above for each bond series excluded amounts payable January 1, 2017, if applicable.

Proprietary Fund Revenue Bonds:

Water Revenue Bonds:

Series 1997 - Sr Lien 3.9% to 5.25% .....	\$ 277,911	\$ 5,089
Series 2000 - 2nd Lien - 5.0% .....	100,000	100,000
Series 2000 - Sr Lien 4.375% to 5.875% .....	156,819	9,871
Series 2001 - 2nd Lien 3.0% to 5.75% .....	353,905	80,745
Series 2004 - 2nd Lien - 2.0% to 5.0% .....	500,000	344,575
Series 2006A - 2nd Lien - 4.5% to 5.0% .....	215,400	174,605
Series 2008 - 2nd Lien - 4.0% to 5.25% .....	549,915	436,215

**Table 25 - Continued**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2016**

	Original Principal	Outstanding at December 31, 2016
Proprietary Fund Revenue Bonds - Continued		
Water Revenue Bonds - Concluded:		
Series 2010 - 2nd Lien - 2.0% to 6.742% .....	313,580	300,355
Series 2012 - 2nd Lien - 4.0% to 5.0% .....	399,445	391,745
Series 2014 - 2nd Lien - 3.0% to 5.0% .....	367,925	357,610
Series 2016 - 2nd Lien - 1.05% to 5.0% .....	81,715	75,990
Illinois Environmental Protection Agency Loan - 2.905% .....	3,605	1,328
Illinois Environmental Protection Agency Loan - 2.57% .....	2,642	1,400
Illinois Environmental Protection Agency Loan - 1.25% .....	6,000	4,637
Illinois Environmental Protection Agency Loan - 0.00% .....	9,077	6,839
Illinois Environmental Protection Agency Loan - 1.25% .....	1,528	1,280
Illinois Environmental Protection Agency Loan - 1.25% .....	1,502	1,259
Illinois Environmental Protection Agency Loan - 1.25% .....	6,092	5,105
Illinois Environmental Protection Agency Loan - 2.29% .....	6,542	5,878
Illinois Environmental Protection Agency Loan - 1.93% .....	39,421	36,187
Illinois Environmental Protection Agency Loan - 1.93% .....	15,000	13,796
Illinois Environmental Protection Agency Loan - 1.93% .....	47,000	44,149
Illinois Environmental Protection Agency Loan - 1.995% .....	15,058	14,420
Illinois Environmental Protection Agency Loan - 2.21% .....	55,615	55,319
Total Water Revenue Bonds .....	<u>3,525,697</u>	<u>2,468,397</u>
Chicago-O'Hare International Airport Bonds:		
Chicago-O'Hare In Chicago-O'Hare International Airport Revenue Bonds:		
Series of 2004 A through H - 3rd Lien - 3.49% to 5.35% .....	385,045	29,360
Series of 2005 A and B - 3rd Lien - 5.0% to 5.25% .....	1,200,000	110,395
Series of 2005 C and D - 3rd Lien - Variable Rate (.71% and .74% at December 31, 2016) ...	300,000	240,600
Series of 2008 A through D - 3rd Lien - 4.0% to 5.0% .....	779,915	31,140
Series of 2010 A through F - 3rd Lien - 1.75% to 6.845% .....	1,039,985	924,365
Series of 2011 A through C - 3rd Lien - 3.0% to 6.5% .....	1,000,000	728,830
Refunding Series of 2012 A through C - Senior Lien - 1.0% to 5.0% .....	728,895	546,685
Refunding Series of 2013 A and B - Senior Lien - 2.0% to 5.25% .....	501,785	463,115
Series of 2013 C and D - Senior Lien - 3.0% to 5.5% .....	396,120	396,120
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	1,014,335
Total Chicago-O'Hare International Airport Revenue Bonds .....	<u>9,293,460</u>	<u>6,404,030</u>
Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds:		
Series of 2013 A Senior Lien - 4.125% to 5.75% .....	248,750	248,750
Total Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds .....	<u>248,750</u>	<u>248,750</u>

**Table 25 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**LONG-TERM DEBT**  
**December 31, 2016**

	Original Principal	Outstanding at December 31, 2016
Proprietary Fund Revenue Bonds - Concluded:		
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds:		
Refunding Series of 2010 A through D - 2.0% to 6.322% .....	137,665	130,680
Refunding Series of 2011 A and B - 5.0% to 6.0% .....	46,005	46,005
Refunding Series of 2012 A and B - 2.5% to 5.0% .....	452,095	418,945
Total Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds .....	<u>635,765</u>	<u>595,630</u>
Chicago-O'Hare International Airport Revolving Line of Credit:		
Revolving Line of Credit - AMT Variable Rate (1.53125% at December 31, 2016) .....	6,916	6,916
Revolving Line of Credit - Non- AMT Variable Rate (1.53125% at December 31, 2016) .....	5,182	5,182
Total Chicago-O'Hare International Airport Revolving Line of Credit .....	<u>12,098</u>	<u>12,098</u>
Chicago Midway International Airport Revenue Bonds:		
Series 1998 A, B and C - 4.3% to 5.5% .....	397,715	28,730
Series 2004 C - 2nd Lien - Variable Rate (.77% at December 31, 2016) .....	137,125	119,150
Series 2004 D - 2nd Lien - Variable Rate (.74% at December 31, 2016) .....	15,025	13,050
Series 2010 B through D - 2nd Lien - 3.532% to 7.168% .....	246,540	62,385
Refunding Series 2013 A through C - 2nd Lien - .74% to 5.5% .....	333,960	319,375
Series 2014 A through B - 2nd Lien - 5.0% .....	771,810	771,810
Refunding Series 2014C - Variable Rate (.79% at December 31, 2016) .....	124,710	124,710
Series 2016 A through B - 2nd Lien - 2.0% to 5.0% .....	342,395	342,395
Total Chicago Midway International Airport Revenue Bonds .....	<u>2,369,280</u>	<u>1,781,605</u>
Wastewater Transmission Revenue Bonds:		
Refunding Series 1998 A Sr Lien - 4.55% to 5.0% .....	62,423	35,168
Series 2001 - 2nd Lien - 3.5% to 5.5% .....	187,685	54,855
Series 2006 A and B - 2nd Lien - 4.5% to 5.0% .....	155,030	115,965
Series 2008 A - 2nd Lien - 4.0% to 5.5% .....	167,635	146,985
Series 2008 C1 through C3 - 2nd Lien - 3.886% .....	332,230	332,230
Series 2010 - 2nd Lien - 2.0% to 6.9% .....	275,865	262,350
Series 2012 - 2nd Lien - 3.0% to 5.0% .....	276,470	261,545
Series 2014 - 2nd Lien - 3.0% to 5.0% .....	292,405	287,685
Series 2015 - 2nd Lien - 2.591% to 6.042% .....	87,080	87,080
Illinois Environmental Protection Agency Loan - 2.5% .....	1,546	952
Illinois Environmental Protection Agency Loan - 0.00% .....	15,000	11,093
Illinois Environmental Protection Agency Loan - 1.25% .....	17,564	14,925
Illinois Environmental Protection Agency Loan - 1.25% .....	17,812	15,132
Illinois Environmental Protection Agency Loan - 1.25% .....	15,000	13,787
Illinois Environmental Protection Agency Loan - 1.93% .....	54,170	53,068
Total Wastewater Transmission Revenue Bonds .....	<u>1,957,915</u>	<u>1,692,820</u>
Total Proprietary Fund Revenue Bonds .....	<u>\$ 18,042,965</u>	<u>\$ 13,203,330</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>
2007 ...	2,896,016	33.7	1,033,328	1,249,238	5.7	43,714	126,596,443,424
2008 ...	2,896,016	34.1	1,032,746	1,237,856	6.4	45,328	131,270,613,248
2009 ...	2,896,016	34.5	1,037,069	1,171,841	10.0	43,727	126,634,091,632
2010 ...	2,695,598	34.8	1,045,666	1,116,830	10.1	45,957	123,881,597,286
2011 ...	2,695,598	33.2	1,048,222	1,120,402	9.3	45,977	123,935,509,246
2012 ...	2,695,598	33.2	1,054,488	1,144,896	8.9	48,305	130,210,861,390
2013 ...	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014 ...	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015 ...	2,695,598	34.2	1,053,229	1,273,727	5.7	53,886	145,254,993,828
2016 ...	2,695,598	N/A (5)	N/A (5)	1,282,117 *	5.4	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 2016.

(3) Source: Bureau of Labor Statistics 2016, 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.

\* December 2016 data.



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

Employer	2016 (1)			2007 (5)		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health Care .....	18,930	1	1.48 %			
University of Chicago .....	16,374	2	1.28			
Northwestern Memorial Healthcare .....	15,747	3	1.23			
JPMorgan Chase & Co. (2) .....	15,229	4	1.19	9,114	1	0.73 %
United Continental Holdings Inc. (3) .....	15,157	5	1.18	6,102	2	0.49
Walgreens Boots Alliance Inc. ....	12,685	6	0.99			
Northwestern University .....	10,241	7	0.80			
Presence Health .....	10,183	8	0.79			
Abbott Laboratories .....	9,800	9	0.76			
Jewel Food Stores, Inc. ....	9,660	10	0.75	5,424	3	0.43
Northern Trust Corporation .....				4,787	4	0.38
Accenture LLP .....				4,283	5	0.34
SBC/AT&T (4) .....				4,002	6	0.32
American Airlines .....				3,645	7	0.29
Ford Motor Company .....				3,367	8	0.27
CVS Corporation .....				3,120	9	0.25
Deloitte & Touche .....				2,988	10	0.24

**NOTES:**

- (1) Source: Reprinted with permission from the January 16, 2017 issue of Crain’s Chicago Business.  
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- (2) J. P. Morgan Chase formerly known as Banc One.
- (3) United Continental Holdings Inc. formerly known as United Airlines.
- (4) AT&T Inc. formerly known as SBC Ameritech.
- (5) Source: City of Chicago, Department of Revenue, Employer’s Expense Tax Returns.  
 Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue-Tax Division report, which is no longer available.

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

Function	Budgeted Full Time Equivalent Positions									
	2016	2015	2014 (2)	2013 (2)	2012 (2)	2011	2010	2009	2008	2007
General Government .....	3,674	3,764	3,760	3,725	3,857	4,363	4,401	4,419	5,112	5,195
Public Safety .....	21,458	21,182	21,138	21,067	21,040	22,716	22,912	22,954	23,313	23,397
Streets and Sanitation .....	2,328	2,341	2,341	2,351	2,302	2,576	2,605	3,087	3,648	3,609
Transportation .....	1,321	1,297	1,171	932	929	980	1,022	718	819	829
Health .....	613	656	713	738	904	991	1,117	1,257	1,535	1,554
Cultural and Recreational .....	1,261	1,253	1,244	1,214	1,153	1,207	1,213	1,318	1,596	1,608
Business-type Activities .....	3,672	3,636	3,679	3,528	3,559	3,615	3,619	3,666	3,898	4,015
<b>Total .....</b>	<b>34,327</b>	<b>34,129</b>	<b>34,046</b>	<b>33,555</b>	<b>33,744</b>	<b>36,448</b>	<b>36,889</b>	<b>37,419</b>	<b>39,921</b>	<b>40,207</b>

**NOTES:**

- (1) Source: City of Chicago 2016 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police Physical										
Arrests .....	85,493	112,996	129,166	143,618	145,390	152,740	167,355	181,254	196,621	221,915
Fire Emergency										
Responses (1) ....	713,492	685,525	685,588	675,570	472,752	343,749	343,214	363,519	377,808	402,403
Refuse Collection										
Refuse Collected (Tons per Day) ...	3,561	3,403	3,265	3,562	3,763	3,983	3,931	3,974	4,240	4,320
Cultural Volumes										
in Library (2) .....	11,823	11,469	11,527	11,452	5,691	5,790	5,770	5,743	5,721	5,891
Water Average Daily										
Consumption (Thousands of Gallons) .....	701,148	719,467	752,362	756,486	793,274	770,925	773,612	808,551	827,156	860,285

Notes: (1) In 2013, Office of Emergency Management and Communications implemented new system accounting for Administrative calls as well.  
(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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police Stations .....	25	25	25	25	25	26	25	25	25	25
Fire Stations .....	104	104	104	104	104	104	103	103	101	102
Other Public Works:										
Streets ( Miles) .....	4,116	4,116	4,116	4,116	4,116	4,091	3,775	3,775	3,775	3,775
Streetlights .....	328,683	327,613	327,613	327,613	279,668	278,788	261,019	259,699	285,989	192,511
Traffic Signals .....	3,042	3,037	3,035	3,035	3,035	2,960	2,960	2,960	2,960	2,727
Water										
Mains (Miles) .....	4,295	4,311	4,322	4,321	4,349	4,360	4,300	4,300	4,375	4,236
Sewers										
Mains (Miles) .....	4,452	4,428	4,428	4,428	4,450	4,400	4,400	4,400	4,500	4,500

**Table 31**  
**CITY OF CHICAGO, ILLINOIS**  
**INTEREST RATE SWAP COUNTERPARTY ENTITIES**  
**December 31, 2016**  
**(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).....	79,320 52,280	A1/A+ Aa2/AA-	Goldman Sachs Wells Fargo	Baa1/BBB+ Baa2/BBB
Total.....	<u>\$ 131,600</u>			

Source: Survey of Derivative Instruments.

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

Certain swaps were terminated in 2016 and are no longer included in the chart above, see Note 10, for additional information.

**Table 32**  
**CITY OF CHICAGO, ILLINOIS**  
**BANK FACILITIES**  
**As of December 31, 2016**  
**(Amounts are in Thousands of Dollars)**

Bond Liquidity, Letters of Credit and Direct Purchase Facilities

Issue	Series	Principal Outstanding	Expiration or Termination	Bond Maturity Date	Bank	Ratings Thresholds (1)		
						Fitch	Moody's	S&P
Midway 2nd Lien	2004 C-1	\$ 54,725	11/25/2019	01/01/2035	Bank of Montreal	BBB-	Baa3	BBB-
Midway 2nd Lien	2004 C-2	\$ 64,425	11/25/2019	01/01/2035	Bank of Montreal	BBB-	Baa3	BBB-
Midway 2nd Lien	2004 D	\$ 13,050	11/25/2019	01/01/2035	Bank of Montreal	BBB-	Baa3	BBB-
Midway 2nd Lien	2014 C	\$ 124,710	11/25/2017	01/01/2035	JPMorgan	BBB-	Baa3	BBB-
O'Hare 3rd Lien	2005 C	\$ 140,600	08/15/2017	01/01/2035	Citibank	BBB	Baa2	BBB
O'Hare 3rd Lien	2005 D	\$ 100,000	08/15/2017	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, 2016)	Expiration or Termination	Bank	Ratings Thresholds (1)				
						Fitch	Moody's	S&P	Kroll	
G. O. Line of Credit	2015	\$ 170,000	41,421	09/23/2017	JPMorgan	BBB- (3)	N/A	BBB- (3)	BBB- (3)	
G. O. Line of Credit	2015	\$ 170,000	41,421	09/23/2017	BMO Harris	BBB- (3)	N/A	BBB- (3)	BBB- (3)	
G. O. Line of Credit	2015	\$ 170,000	41,421	09/23/2017	Bank of China	BBB- (3)	N/A	BBB- (3)	BBB- (3)	
Midway CP	2003A-D	\$ 85,000	-	07/12/2017	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	12,098	12/12/2019	JPMorgan	BBB-	N/A	BBB-	BBB-	

**Notes:**

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

Certain series of bonds were converted to fixed rate and are no longer included in the chart above. See Note 10 for additional information.

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