

August 28, 2018

RE: City of Chicago Quarterly Financial Statements

Enclosed please find the Statement of Revenues, Expenditures and Change in Fund Balance for the City of Chicago's General Fund, Service Concession and Reserve Fund, and Bond, Note Redemption and Interest Fund for the three months ended March 31, 2018. In addition, please find the Balance Sheet at March 31, 2018 for the same funds.

These statements have been prepared on the modified accrual basis of accounting and are unaudited. The figures are derived from the City's general ledger. Neither the City's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the information contained in these statements nor have they expressed any opinion or any other form of assurance on such information. The information in the statements is subject to change or revision without notice.

CITY OF CHICAGO, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 GENERAL, SERVICE CONCESSION & RESERVE, AND BOND, NOTE REDEMPTION & INTEREST FUNDS
 (Modified Accrual Basis)

For The Three Months Ended March 31
 (Amounts are in Thousands of Dollars)

	2018		2017		Notes
	General	Service Concession and Reserve	Bond, Note Redemption and Interest	Total	Total
Revenues:					
Property Tax	\$ -	\$ -	\$ 376,274	\$ 376,274	\$ 391,787
Utility Tax	159,306	-	-	159,306	147,342
Sales Tax (Local)	75,434	-	-	75,434	58,420
Transportation Tax	120,786	-	-	120,786	111,737
State Income Tax	127,013	-	-	127,013	133,858
State Sales Tax	87,639	-	-	87,639	82,688
Transaction Tax	119,855	-	-	119,855	122,249
Recreation Tax	112,879	-	-	112,879	106,125
Other Taxes	45,245	-	-	45,245	42,396
Federal/State Grants	94	-	-	94	5,399
Internal Service	59,796	-	-	59,796	54,119
Licenses and Permits	31,450	-	1,063	32,513	36,192
Fines	86,923	-	-	86,923	91,935
Investment Income	(7,399)	12,291	2,442	7,334	37,291
Charges for Services	38,866	-	-	38,866	42,674
Miscellaneous	39,157	5,258	694	45,109	42,174
Total Revenues	1,097,044	17,549	380,473	1,495,066	1,506,386
Expenditures:					
Current:					
General Government	104,024	(7)	-	104,017	109,830
Health	5,711	-	-	5,711	4,908
Public Safety	532,299	-	-	532,299	542,250
Streets and Sanitation	47,267	-	-	47,267	43,975
Transportation	9,484	-	-	9,484	6,589
Cultural and Recreational	-	-	-	-	(482)
Other	-	-	-	-	(5)
Debt Service:					
Principal Retirement	-	-	89,241	89,241	156,211
Interest and Other Fiscal Charges	1,449	-	3,100	4,549	19,128
Total Expenditures	700,234	(7)	92,341	792,568	882,404
Revenues (Under) Over Expenditures	396,810	17,556	288,132	702,498	623,982
Other Financing Sources (Uses):					
Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ 553,935
Premium/(Discount)	-	-	-	-	(11,953)
Payment to Refunded Bond Escrow Agent	-	-	(720,131)	(720,131)	(452,576)
Total Other Financing Sources (Uses)	-	-	(720,131)	(720,131)	89,406
Net Change in Fund Balance	396,810	17,556	(431,999)	(7,633)	713,388
Fund Balance, Beginning of Period	288,361	(844,907)	(328,993)	(885,539)	(356,583)
Fund Balance, End of Period	\$ 685,171	\$ (827,351)	\$ (760,992)	\$ (903,172)	\$ 356,805

UNAUDITED

**CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL, SERVICE CONCESSION & RESERVE, AND BOND, NOTE REDEMPTION & INTEREST FUNDS
(Modified Accrual Basis)**

For The Three Months Ended March 31, 2018

Note	Income Statement Line Item	VARIANCE EXPLANATIONS
A	Sales Tax (Local)	Increase in 2018 was primarily due to higher Home Rule Tax collections and the Debt Service payment made during the last quarter of 2017.
B	Investment Income	Investment Income for the Q1 includes a reversal of the FMV Adjustment that was booked at the immediately preceding year end. The FMV Adjustment is only calculated at year end. The FMV adjustment at 12/31/17 was greater than the FMV adjustment at 12/31/16. Therefore, the reversal of the 2017 year-end FMV adjustment in Q1 2018 was greater than the reversal of the 2016 year-end FMV adjustment in Q1 2017, causing the overall Investment Income in Q1 2018 to be lower in 2017 compared to 2018. Actual interest on investments was also lower in Q1 2018 than in Q1 2017.
C	Principal Retirement	Payments made by City in 2017 to defease several of the bonds.
D	Interest and Other Fiscal Charges	Higher bond interest payments and incidental expenses relating to the sale of Bonds during 2017.

CITY OF CHICAGO, ILLINOIS
BALANCE SHEET

GENERAL, SERVICE CONCESSION & RESERVE, AND BOND, NOTE REDEMPTION & INTEREST FUNDS

Balance as of March 31, 2018

(Modified Accrual Basis)

(Amounts are in Thousands of Dollars)

	General	Service Concession and Reserve	Bond, Note Redemption and Interest
ASSETS			
Cash and Investments	\$ 387,352	\$ -	\$ 287,641
Cash and Investments with Escrow Agent	-	-	239,642
Receivables (Net of Allowances):			
Property Tax	-	-	246,980
Accounts	402,946	-	497
Due From Other Funds	112,009	30,941	9,967
Due From Other Governments	244,607	-	-
Inventories	25,945	-	-
Restricted Cash and Investments	-	649,644	-
Other Assets	-	-	-
Total Assets	<u>\$ 1,172,859</u>	<u>\$ 680,585</u>	<u>\$ 784,727</u>
Deferred Outflows	-	5,258	-
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,172,859</u>	<u>\$ 685,843</u>	<u>\$ 784,727</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Voucher Warrants Payable	\$ 161,292	\$ -	\$ -
Bonds, Notes and Other Obligations Payable - Current	-	-	-
Accrued Interest	-	-	1,369
Due To Other Funds	186,103	-	9,556
Accrued and Other Liabilities	123,901	-	-
Line of Credit and Commercial Paper Payable	-	-	-
Claims Payable	-	-	-
Long-term Concession Obligation	-	-	-
Deferred Revenue	16,392	-	-
Total Liabilities	<u>487,688</u>	<u>-</u>	<u>10,925</u>
Deferred Inflows	-	1,513,194	1,534,794
Fund Balance:			
Total Fund Balance	685,171	(827,351)	(760,992)
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,172,859</u>	<u>\$ 685,843</u>	<u>\$ 784,727</u>

UNAUDITED