



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
[www.chicityclerk.com](http://www.chicityclerk.com)

## Legislation Text

---

**File #:** F2015-118, **Version:** 1

---

I

I

Department of Finance

city of chicago

October 1, 2015

Honorable Susana A. Mendoza City Clerk  
121 North LaSalle Street, Room 107 Chicago, Illinois 60602

Dear City Clerk Mendoza:

I am submitting to you the Comprehensive Annual Financial Report (CAFR) and the Supplement thereto for the year ended December 31, 2014. These reports are accurate in all material respects and are prepared in a manner designed to present fairly the financial position and results of operations of the various funds.

Sincerely,

Daniel Widawsky City Comptroller

Enclosure

DW:KR:ja

121 NORTH LASALLE STREET, SUITE 700, CHICAGO, ILLINOIS 60602

# CITY OF CHICAGO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

Rahm Emanuel, Mayor

Carole L. Brown, Chief Financial Officer Daniel Widawsky, City Comptroller

Prepared by the Department of Finance

1

2

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

June 30, 2015

Dear Chicagoans:

Thank you for your interest in the Comprehensive Annual Financial Report (CAFR) of the City of Chicago for the 2014 fiscal year.

In 2014, the City of Chicago took vital steps to continue putting our fiscal house in order. We have reduced our structural deficit for the fourth consecutive year by making city government smaller, smarter and simpler and we have coupled necessary reforms with improved services so city government works better for all Chicago residents.

The best way for us to continue to grow the City's economy is to intensify our efforts to right the city's financial ship. By following a deliberate reform and invest strategy, we have begun the work of ending unsustainable financial practices while continuing to invest in critical areas of education, transportation, and job creation. The products of our work have served to enhance Chicago's position as the consummate place to live, work, and raise a family.

The City made significant progress in 2014, and we will continue our efforts to strengthen Chicago's future by reforming the way city government works, investing in our communities, and maintaining a high level of city services for our residents, all in a fiscally responsible way.

Sincerely,

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

1st Ward  
2nd Ward  
3rd Ward  
4th Ward  
5th Ward  
6th Ward  
7th Ward  
8th Ward  
9th Ward  
10th Ward  
11th Ward  
12th Ward  
13th Ward  
14th Ward  
15th Ward  
16th Ward  
17th Ward  
18th Ward  
19th Ward  
20th Ward  
21st Ward  
22nd Ward  
23rd Ward  
24th Ward  
25th Ward

JOE MORENO  
BRIAN HOPKINS  
PAT DOWELL  
WILLIAM D. BURNS  
LESLIE A. HAIRSTON  
RODERICK T. SAWYER  
GREGORY MITCHELL  
MICHELLE A. HARRIS  
ANTHONY BEALE  
SUSAN SADLOWSKI-GARZA  
PATRICK D. THOMPSON  
GEORGE A. CARDENAS  
MARTY QUINN  
EDWARD M. BURKE  
RAYMOND A. LOPEZ  
TONI L FOULKES  
DAVID MOORE  
DERRICK G. CURTIS  
MATTHEW J. O'SHEA  
WILLIE B. COCHRAN  
HOWARD BROOKINS, JR.  
RICARDO MUNOZ  
MICHAEL R. ZALEWSKI  
MICHAEL W. SCOTT, JR.  
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

## 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF CHICAGO

### Table of Contents

#### PART I - INTRODUCTORY SECTION

Letter of Transmittal	8
Certificate of Achievement for Excellence in Financial Reporting	12
Organization Chart	13

#### PART II - FINANCIAL SECTION

Independent Auditors' Report	15
Management's Discussion and Analysis	17

#### Basic Financial Statements

Exhibit 1	Statement of Net Position	31
Exhibit 2	Statement of Activities	32
Exhibit 3	Balance Sheet, Governmental Funds	34
Exhibit 4	Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds	36
Exhibit 5	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
Exhibit 6	Statement of Revenues and Expenditures - Budget and Actual, General Fund (Budgetary Basis)	41
Exhibit 7	Statement of Net Position, Proprietary Funds	42

Exhibit 8	Statement of Revenues, Expenses and Changes in Net Position, Proprietary Funds	44
Exhibit 9	Statement of Cash Flows, Proprietary Funds	45
Exhibit 10	Statement of Fiduciary Net Position, Fiduciary Funds	47
Exhibit 11	Statement of Changes in Plan Net Position, Fiduciary Funds - Pension Trust Funds	48
	Notes to Basic Financial Statements	49
<b>Required Supplementary Information</b>		
	Schedule of Other Postemployment Benefits Funding Progress	98
<b>Combining and Individual Fund Statements General Fund</b>		
	Schedule A-1 Schedule of Revenues - Budget and Actual (Budgetary Basis)	100
<b>Nonmajor Governmental Funds</b>		
	Schedule B-1 Combining Balance Sheet	104
	Schedule B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balance	105
<b>Nonmajor Special Revenue Funds</b>		
	Schedule C-1 Combining Balance Sheet	108
	Schedule C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)	110
	Schedule C-3 Combining Schedule of Revenues - Budget and Actual (Budgetary Basis)	112
	Schedule C-4 Combining Schedule of Expenditures and Encumbrances - Budget and Actual (Budgetary Basis)	114
<b>Nonmajor Capital Projects Funds</b>		
	Schedule D-1 Combining Balance Sheet	117
	Schedule D-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balance	118
<b>Fiduciary Funds</b>		
	Schedule E-1 Agency Funds, Combining Statement of Changes in Assets and Liabilities	120
	Schedule E-2 Pension Trust Funds, Combining Statement of Plan Net Position	122
	Schedule E-3 Pension Trust Funds, Combining Statement of Changes in Plan Net Position	123

5

**PART III - STATISTICAL SECTION (Unaudited)**

Table 1	Net Position by Component, Last Ten Years	126
Table 2	Changes in Net Position - Accrual Basis of Accounting, Last Ten Years	128
Table 3	General Governmental Revenues by Source, Last Ten Years	134
Table 4	General Governmental Expenditures by Function, Last Ten Years	136
Table 4A	Changes in Fund Balances, Governmental Funds, Last Ten Years	138
Table 5	Fund Balances, Governmental Funds, Last Ten Years	140
Table 6	General Fund, Schedule of Revenues, Expenditures and Changes in Fund Balances, Five Years Ended December 31, 2014	142
Table 7	Special Revenue Funds, Schedule of Revenues, Expenditures and Changes in Fund Balances, Five Years Ended December 31, 2014	143
Table 8	Debt Service Funds, Schedule of Revenues, Expenditures and Changes in Fund Balances, Five Years Ended December 31, 2014	144
Table 9	Capital Projects Funds, Schedule of Revenues, Expenditures and Changes in Fund Balances, Five Years Ended December 31, 2014	145
Table 10	Property Tax Levies by Fund, Five Years Ended December 31, 2014	146
Table 11	Property Levies, Collections and Estimated Allowance for Uncollectible Taxes, Last Ten Years	148
Table 12	Top Ten Estimated Equalized Assessed Valuation, Current Year and Nine Years Ago	149
Table 13	Assessed and Estimated Fair Market Value of All Taxable Property, Last Ten Years	150
Table 14	Property Tax Rates-Direct and Overlapping Governments, Per \$100 of Equalized Assessed Valuation, Last Ten Years	152
Table 15	Property Tax Rates-City of Chicago, Per \$100 of Equalized	

	Assessed Valuation, Last Ten Years	152
Table 16	Ratio of General Net Bonded Debt to Equalized Assessed Value and Net Bonded Debt per Capita, Last Ten Years	154
Table 17	Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total Governmental Expenditures, Last Ten Years	156
Table 18	Computation of Direct and Overlapping Bonded Debt	157
Table 19	Debt Statistics, Last Ten Years	158
Table 20	Revenue Bond Coverage, Last Ten Years	160
Table 21	Ratio of Outstanding Debt by Type, Last Ten Years	162
Table 22	Debt Service Requirements for General Long-term Debt	165
Table 23	Debt Service Requirements for General Obligation Debt	166
Table 24	Debt Service Requirements for Proprietary Funds	168
Table 25	Long-term Debt	170
Table 26	Population and Income Statistics, Last Ten Years	174
Table 27	Principal Employers (Non-government) Current Year and Nine Years Ago	175
Table 28	Full Time Equivalent City of Chicago Employees by Function, Last Nine Years	176
Table 29	Operating Indicators by Function/Department, Last Nine Years	177
Table 30	Capital Assets Statistics by Function, Last Nine Years	177
Table 31	Interest Rate Swap Counterparty Entities	178
Table 32	Bank Facilities	179

6

## **PART I**

# **INTRODUCTORY SECTION**

## Department of Finance city of chicago

June 30, 2015

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 ended December 31, 2014. 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 designed to meet the requirements of the federal Single Audit Act Amendment of 1996 and related OMB Circular A-133, Audits of State and Local Governments 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.

121 NORTH LASALLE STREET, SUITE 700. CHICAGO. ILLINOIS

## **i**

**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 greater than 2.6 million. 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. 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 funds. Prior to October 15, the Mayor submits a proposed budget of expenditures and the means of financing them to the City Council for the next 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 no later than 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 enjoy one of the most diverse economies in the nation, with no single sector employing more than 14 percent of the City's workforce. This diversity provides fiscal 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. More than 400 major corporate headquarters are in the Chicago metropolitan area, including 31 in the Fortune 500. Long-standing components of the local economy, such as derivatives trading, remain strong -Chicago accounts for nearly one quarter (22%) of the world's global derivatives trading market; double that of New York (11%) and more than all of the exchanges in Europe combined (20%). Meanwhile, new sectors continuously emerge with an average of 275 new digital startups launching each year since 2011. A record high amount of venture capital - \$1.6 billion - was invested in Chicago startups in 2014 and \$8 billion in acquisitions and IPOs were completed in 2014.

Chicago has long been a center for international business and is currently home to over 1,800 foreign-based companies in the metropolitan area with over \$100 billion in foreign direct investment. In 2014, Chicago was recognized as a top 5 Global Destination City for business. Chicago-based companies, in turn, have a strong international presence, with over 8,000 locations across more than 170 countries and territories.

Business investment and expansion in Chicago continue to grow. Throughout 2014, monthly employment grew and unemployment declined in Chicago, as business expansions across Chicago led to approximately 20,000 new and retained jobs. In fact, more than 600 major business expansions (representing \$6.8 billion in economic development) were announced, commenced, or completed throughout the metropolitan area in 2014, helping Chicago earn the "Top Metro" ranking in the U.S. for the second year in a row.



Companies such as Coyote Logistics, Meade Electric, and PECO Pallet expanded in Chicago, helping to bring nearly \$3.0 billion in new investment to the City in 2014.

I  
I  
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, business and convention travel to Chicago reached record levels in 2014, with over 50 million visitors to the City, an increase of 6.8% over 2013. This activity continues to be a significant part of the local economy, helping to strengthen small businesses and provide jobs.

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 communities and 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 10 years, a forecast of the City's finances for the next three years, and analyses of its reserves, pensions, debt obligations, 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, identify potential financial risks and options to mitigate them, maximize economic efficiency, and allow sufficient flexibility to consider new fiscal and budgetary strategies.

2014 Budget and Major Initiatives. In 2014, the City built on the structural reforms and efficiencies put into place in previous budgets; made significant investments in the health, safety, and education of the children of Chicago; encouraged job creation and economic development; and continued to improve and increase City services. The City saved funds by instituting healthcare plan changes, reducing the amount of leased office space, and fully transitioning to a grid system for garbage collection. The City continued to invest in infrastructure, replaced 85 miles of water mains and 21 miles of sewer mains and lined 55 miles of sewers and 14,000 structures, including manholes and catch basins. Additionally, 15,000 meters were installed as part of the MeterSave program and construction continued on major pumping station improvements. The City provided funding to improve the transit system with the construction of the Loop Link Bus Rapid Transit route and improvements to the Roosevelt Road Intermodal Transfer Station, the Your New Blue - Blue Line Modernization, and the 18<sup>th</sup> Street connector. Additionally, the City provided funding to help families, with a pilot program to pay out the Earned Income Tax Credit in advanced quarterly payments and an investment in Family Net Centers, which are neighborhood technology training centers open to all residents. Finally, the 2014 Budget made key investments in programs for children, including expanding after school opportunities, summer jobs, digital training at libraries, and vision programs for Chicago Public School students.

10  
IT.

J9||oj}dujoo Alio A>|SMep!/\\ |9!yBQ

jaoyjo lepueuy J3|HQ u/wojg ~| 9|qj\_B0

'pamujqns Annrpadsay yodaj  
sjiu ;o uoijejedajd sin o; pajnquiwoo oum ssoin oj uojiEpsjddE jno ssajdxs o; usim saa aouEuy ;o luaunJBdsrj am ;o jjb}s am ;o d|3i)  
3A|}03U3 pue uoijeojpap am inoinjM pgjedajd uaaq sabu }ou pinoo uodsj siqi

pjBMB S.JE9A  
sjiu jo; uol}Bjapisuoo jo; psHjujqns uaaq seu, v. Pub 'siusuisjmbsj s.aiBjBojd jusiusASjipv ;o ejBoyiuso V0J3 am }33uj o} ssnujuoo yjvO  
luajjno jno aAspq 9aa jbsA 9uo ;o pouad e jo; phba s; luawaAajipv ;o eiBo^uso V s}U3LU9J!nb3J |b63| 3|qB0!|ddB pus dVVD Mioq  
A;s|}BS }snw yodaj sjuj. yjVO P3Z|Ub6jo Auuepyy pue 9|qBpe9J A|isB9 ue usuqnd ;snai }|un }U9luuj3ao6 b 'juawaAajipv ;o aiBo^iyao  
b papjEME sq oj jspjo u| pjbme sno|6!}S3jd s|m pa^aoas sbu, Alio am ieu,l jesA SAjinoesuoo jsijj-Ajusmi em sem s|m zioz jbsA ieosl)  
jo; HdVO s}| jo; o6eo!u.o ;o Ajiq aui 0} 6urijoday lepueuy u; eouanaoxg jo; juawaAajipv ;o 3;bo!;!P3q e papjEMB (V0d9)  
EpBUBQ PUB S3}E}S pa}!Up. ^MI 1° UO|}EpOSSV SJ30|yO SOUBUy JU3UJUJ3A00 81)1 'S)U3UjBp3|MOU)|3V PUB SpjBMV

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 31,2013**

Execudve Director/CEO

12

**CITY OF CHICAGO  
ORGANIZATION CHART AS OF  
12/31/2014**

**Citizens**

**MAYOR**

**CI COU TY NCIL**

**COUNCIL  
COMMITTEES**

**CITY TREASURER**

	Department of Administrative Hearings
	Department Of Business Affairs and Consumer Protection
	Department of Public Health
Office of Inspector General	
Department of Procurement Services	
	Commission on Animal Care and Control
Department of Planning and Development	
Support Services	Department of Family and
Human Relations	Commission on
	Department of Law
Chicago Public Library	
	Department of Aviation
	Department of Cultural Affairs and Special Events
	Department of Finance
	Department of Human Resources
	License Appeal Commission
	Department of Streets and Sanitation
Office of Budget and Management	
Fire Department	Board of Election Commissioners
Mayor's Office for People with Disabilities	Department of Innovation and Technology
Transportation	Department of
	Department of
Buildings	
Office of Emergency Management and Communications	Department of Fleet and Facility Management
	Independent Police Review Authority
	Department of Police
	Department of
Water Management	

Police Board

I  
I  
i  
I

## **PART II FINANCIAL SECTION**

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



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2014, 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.

Member of  
Deloitte Touche Tohmatsu Limited

i

i

## 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, 2014, 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 and Schedule of Other Postemployment Benefits Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Fund Statements, Individual Fund Statements, introductory section and statistical section are presented for the 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.

Chicago, Illinois  
June 30, 2015

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.

- 16 -

11

## **CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

### **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, 2014. 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.

### **2014 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 \$6,536.3 million (net deficit). The net deficit is composed of \$2,742.5 million in net investment in capital assets and \$2,471.0 million in net position restricted for specific purposes offset by an unrestricted deficit of \$11,749.8 million. The net deficit increased in 2014 by \$1,165.2 million primarily as a result of increased pension costs.

- The City's total assets increased by \$1,347.4 million. The increase primarily relates to a \$897.8 million increase in capital assets as a result of the City's capital improvement program, and an increase in cash and cash equivalents and investments of \$548.0 million, primarily as a result of an increase in charges for services, improved collection of receivables, and proceeds from financing to fund capital projects.
- Revenues and Other Financing Sources, in the fund financial statements, available for general governmental operations during 2014 were \$6,769.4 million, an increase of \$806.9 million (13.5 percent) from 2013, primarily due to the issuance of General Obligation and Motor Fuel tax bonds.
- The General Fund ended 2014 with a total Fund Balance of \$141.3 million, of which \$51.6 million was Unassigned. Total Fund Balance decreased from 2013 primarily because Revenues and Other Financing Sources were less than Expenditures and Other Financing Uses by \$25.5 million.
- The City's general obligation bonds and notes outstanding increased by \$605.3 million during the current fiscal year. The proceeds from the issuance of General Obligation were used to finance the City's capital plan and certain operating expenses.
- The General Fund expenditures on a budgetary basis were \$28.9 million less than budgeted as a result of favorable variances in general government expenditures, offset by unfavorable variances in public safety primarily as a result of higher than expected personnel related expenses.

### **Overview of the Basic Financial Statements**

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

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

The government-wide financial statements include two statements:

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

## **17**

### **CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

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 six 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 six 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, and the Community Development and Improvement Projects Fund. Data from the other governmental funds are 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, the only major fund with an appropriation budget, to demonstrate compliance with this budget. The basic governmental fund financial statements can be found immediately following the government-wide statements.

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.

**CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION  
AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

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 \$6,536.3 million at December 31, 2014. Of this amount, \$2,742.5 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, \$2,471.0 million, represents resources that are subject to external restrictions on how they may be used.

19

### CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2014

City of Chicago, Illinois Summary Statement of Net Position (in millions of dollars)					
	Governmental		Business-type		
	2014	2013	2014	2013	Activities
Current and other assets	\$ 5,254.5	\$ 5,311.5	\$ 4,734.1	\$ 4,227.5	
Capital assets	8,281.2	7,993.6			13,822.5 13,212.3
Total Assets	13,535.7	13,305.1			18,556.6 17,439.8
Deferred outflows	281.5	266.1	320.9		274.1
Total		13,817.2	13,571.2		18,877.5 17,713.9

Long-term liabilities outstanding	19,516.8	18,069.6	13,602.6	13,094.8
Other liabilities		1,767.4	1,326.6	1,122.7
Total Liabilities		21,284.2	19,396.2	14,725.3
Deferred Inflows		1,576.3	1,597.3	1,645.2
Net Position:				
Net investment in capital assets	28.7	(242.8)	2,713.8	2,446.2
Restricted		1,492.0	1,940.9	979.0
Unrestricted		(10,564.0)	(9,120.4)	(1,185.8)
Total net (deficit) position	\$ (9,043.3)	\$ (7,422.3)	\$ 2,507.0	\$ 2,051.2

# 2014

9,988.6 22,103.7

32,092.3 602.4

32,694.7

33,119.4 2,890.1

36,009.5 3,221.5

2,742.5 2,471.0 (11,749.8)

# 2013

9,539.0 21,205.9

30,744.9 540.2

31,285.1

31,164.4 2,230.9

33,395.3 3,260.9

2,203.4 2,824.7 (10,399.2)

\$ (6,536.3) \$ (5,371.1)

Governmental Activities. Net position of the City's governmental activities decreased \$1,621.0 million to a deficit of \$9,043.3 million, primarily as a result of increased pension costs. 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 \$10,564.0 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 (\$900.6 million) and Municipal employees, Laborers', Policemen's and Firemen's net pension obligation and other post-employment benefits (\$8,884.3 million). The City will include these amounts in future years' budgets as they come due. In addition, the remaining deferred inflow of \$1,576.3 million from concession service agreements will be amortized into income over the life of such agreements.

Revenues for all governmental activities in 2014 were \$5,729.1 million, an increase of \$172.8 million from 2013. Over half of the City's revenues derived from taxes which increased by \$98.8 million (3.2 percent). Total tax revenue includes an increase in property taxes received of \$20.1 million (2.2 percent).

Expenses for governmental activities in 2014 were \$7,350.1 million, an increase of \$269.2 million (3.8 percent) over 2013. The amount that taxpayers paid for these governmental activities through City taxes was \$3,191.6 million. Some of the cost was paid by those who directly benefited from the programs (\$819.2 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$720.6 million).

The City paid \$997.7 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 \$2,507.0 million, these resources cannot be used to make up for the deficit in net position in governmental activities. The City generally can only use this net position to finance the continuing operations of the water, sewer, Skyway, and airports activities.

CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND  
ANALYSIS YEAR ENDED DECEMBER 31, 2014

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

Governmental Activities  
Business-type Activities

2013

Revenues:

Program Revenues:

773.4 634.4 184.4

906.7 2,186.1

754.7 116.6

5,556.3

Licenses, Permits, Fines and

Charges for Services \$ 819.2

Operating Grants and Contributions 470.7

Capital Grants and Contributions 249.9

General Revenues:

Property Taxes 926.8

Other Taxes 2,264.8

Grants and Contributions not

Restricted to Specific Programs 740.9

Other 256.8

Total Revenues 5,729.1

2,667.2 3,044.8 242.5 400.5 119.7 128.3 477.9

Expenses:

General Government 2,857.7

Public Safety 2,913.5

Streets and Sanitation 275.8

Transportation 475.8

Health 125.1

Cultural and Recreational 121.5

Interest on Long-term Debt 580.7

Water

Sewer

Midway International Airport

Chicago-O'Hare International Airport

7,080.9 (1,524.6)

Chicago Skyway

Total Expenses 7,350.1

Change in Net Position (1,621.0)

(5,897.7)

Net (Deficit) Position, Beginning of Year (7,422.3)

Net (Deficit) Position, End of Year                      \$ (9,043.3)   S (7,422.3)  
2,244.1    \$ 2,021.3  
95.6  
213.0

\$ 3,063.3 470.7 345.5

926.8 2,264.8

85.3  
34.1  
2,425.0  
2,268.4

740.9 342.1

2,857.7 2,913.5 275.8 475.8 125.1 121.5 580.7 455.4 225.6 248.-2 1,029.7 10.3

9,319.3 (1,165.2)

(5,371.1)

8,154.1

442.5 216.6 241.1 920.8 10.6

455.4 225.6 248.2 1,029.7 10.3

1,969.2 455.8

2,051.2

2,667.2 3,044.8 242.5 400.5 119.7 128.3 477.9 442.5 216.6 241.1 920.8 10.6

1,831.6  
436.8

8,912.5 (1,087.8)

(4,283.3)  
1,614.4

\$ 2,507.0   S 2,051.2    \$ (6,536.3)   S (5,371.1)

## 21

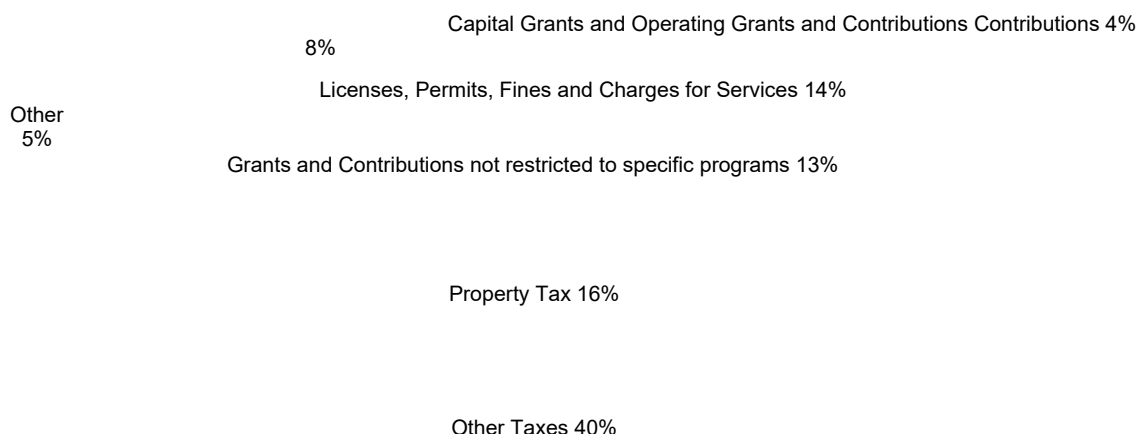
### CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2014

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

General Government Public Safety Streets and Sanitation

Transportation t-Health

Cultural and Recreational Interest on Long-term Debt

**Revenues by Source - Governmental Activities****CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION  
AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

Business-type Activities. Total Revenues of the City's business-type activities increased by \$156.6 million in 2014 mostly from an increase in the charges for services and rental income, offset by a decrease in capital grant funding.

- The Water Fund's operating revenues increased by \$80.9 million (13.2%) from 2013 due to a 15% increase in water rates, offset by the conversion of 20,256 accounts from nonmetered to metered. Operating expenses before depreciation and amortization for the year ended 2014 increased by \$23.5 million (8.6%) from the year ended 2013 mainly due to increases in transmission and distribution expenses of \$14.2 million and central services of \$10.5 million; offset by a decrease in purification costs of \$2.3 million.
- The Sewer Fund's operating revenues increased in 2014 by \$42.5 million (15.2%) primarily due to an increase in sewer rates. Operating expenses before depreciation and amortization for 2014 increased \$9.9 million (9.1%) from the year ended 2013 due to an increase in repairs, general fund reimbursements, maintenance and administrative and general.
- Chicago Midway International Airport's operating revenues for 2014 decreased by \$4.9 million (2.8%) from 2013 primarily due to lower landing fees, and terminal area use charges. Concessions were by \$1.7 million higher than last year due to an increase in auto parking. Total operating expenses before depreciation and amortization were \$8.5 million (7.0%) higher than last year, due to increases in repairs and maintenance, professional and engineering fees, and salaries and wages of \$4.6 million, \$4.1 million, and \$3.8 million, respectively. These increases are offset by a decrease of \$4.0 million in other operating expenses.
- Chicago O'Hare International Airport's operating revenues for 2014 increased by \$126.8 million (17.7%) compared to 2013 primarily due to increased landing fees and terminal area use charges. Operating expenses before depreciation, amortization and capital asset impairment costs increased by \$68.9 million (16.2%) compared to 2013 primarily due to increases in repairs and maintenance, salaries and wages, other operating expenses and professional and engineering fees of \$25.4 million, \$20.8 million, and \$15.7 million, and \$7.0 million, respectively.
- 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).

23

i i

**CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND  
ANALYSIS YEAR ENDED DECEMBER 31, 2014**

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

100 200 300 400 500 600 700 800 900 1,000 1,100 1,200

Water

Sewer

Chicago Midway International Airport Chicago-O'Hare International Airport Chicago Skyway

24

**Revenues by Source - Business-type Activities**

**CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION  
AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

**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, 2014, the City's governmental funds reported combined ending fund balances of \$823.3 million, a decrease of \$403.3 million in comparison with the prior year. Of this total amount \$696.1 million was committed to specific expenditures, \$65.2 million was assigned to anticipated uses, a deficit of \$1,791.9 million was unassigned, \$1,829.4 million was restricted in use by legislation, and \$24.5 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 \$51.6 million with a total fund balance of \$141.3 million. As a measure of the General Fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total General Fund balance represents 4.4 percent of total General Fund expenditures. The fund balance of the City's General Fund decreased by approximately \$25.8 million during the current fiscal year mainly due to an increase in personnel expenditures in public safety. The General Fund also provided \$5.0 million to the Service Concession and Reserve Fund as appropriated for in the 2014 Budget.

The Federal, State and Local Grants Fund has a total deficit fund balance of \$225.0 million. The deficit is \$61.4 million lower than 2013 primarily due to more timely reimbursement of expenditures.

The Special Taxing Areas Fund has a total fund balance of \$1,327.0 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 \$620.9 million committed to specific expenditures. The unassigned deficit of \$1,576.3 million results from the deferred inflows from long-term asset leases.

The Bond, Note Redemption and Interest Fund has a total fund balance of \$26.9 million. This is \$223.9 million lower than 2013 due to reclassification of long-term debt to short term debt during 2014. For more information, please refer to Note 9 to the basic financial statements.

The Community Development and Improvement Projects Fund has a total fund balance of \$347.7 million. This is \$15.9 million lower than 2013 due to increased capital improvement efforts.

Changes in fund balance. The fund balance for the City's governmental funds decreased by \$403.3 million in 2014. This includes a decrease in inventory of \$0.3 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 \$1,185.8 million. The unrestricted net position deficit decreased by \$93.0 million due to an increase in the unrestricted assets in the Water Fund and Sewer Fund. 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, 2014**

**General Fund Budgetary Highlights**

The City's 2014 Original General Fund Budget was \$3,290.2 million. This budget reflects an increase of \$131.2 million (4.2 percent) over the 2013 Budget. On November 26, 2013 the City's 2014 General Fund Budget was approved by the City Council. The General Fund revenues on a budgetary basis were \$28.9 million less than the final budget as a result of lower collection of fines, state income tax, internal service, and licenses and permits revenue offset by higher than expected taxes. Expenditures were \$28.9 million less than budgeted as a result of favorable variances in general government expenditures, offset by unfavorable variances in public safety primarily as a result of higher than expected personnel related expenses. 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, 2014 amount to \$22,103.7 million (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, roads, highways and bridges, and property, plant and equipment.

Major capital asset events during the current fiscal year included the following:

- The City continues its commitment to sustainable design in new construction projects utilizing the Leadership in Energy & Environmental Design (LEED) strategy. Completed construction in 2014 totaled \$28.5 million including; Albany Park Branch Library totaling \$11.9 million and Harold Washington Library totaling \$7.7 million.
- During 2014, \$14.5 million of Architectural Plans and Landscape Drawings (Manuscripts) were donated to the City of Chicago. This was recorded as a donated capital asset addition in Works of Art and Historical Collections.
- During 2014, the City completed \$271.4 million in infrastructure projects including \$141.0 million in street construction and resurfacing projects, \$96.7 million in bridge and viaduct reconstruction projects, and \$33.7 million in street lighting and transit projects. At year end, Infrastructure projects still in process had expenses totaling nearly \$511.2 million.
- At the end of 2014, the Water Fund had \$3,482.2 million invested in utility plant, net of accumulated depreciation. During 2014, the Water Fund expended \$364.8 million on capital activities. This included \$16.4 million for structures and improvements, \$62.0 million for distribution plant, \$4.0 million for equipment, and \$282.4 million for construction in progress.
- During 2014, net completed projects totaling \$137.6 million were transferred from construction in progress to applicable capital accounts. The major completed projects relate to installation and replacements of water mains (\$109.4 million), and Jardine Water Purification plant's east building filter roof replacement and structural repair (\$26.3 million).
- At the end of 2014, the Sewer Fund had \$2,025.2 million invested in utility plant, net of accumulated depreciation. During 2014, the Sewer Fund had capital additions being depreciated of \$210.4 million, and completed projects totaling \$16.3 million were transferred from construction in progress to applicable facilities and structures capital accounts. The 2014 Sewer Main Replacement Program completed 21.1 miles of sewer mains and 59.0 miles of relining of existing sewer mains at a cost of \$210.4 million.
- At the end of 2014, Chicago-Midway International Airport totaled \$1,172.3 million, invested in net capital assets. During 2014, the Airport had additions of \$48.4 million related to capital activities. This included \$1.0 million for land acquisition and the balance of

\$47.4 million for construction projects relating to terminal improvements, runway rehabilitation and parking improvements.

- At the end of 2014, Chicago-O'Hare International Airport totaled \$6.9 billion, invested in net capital assets. During 2014, the Airport had additions of \$346.7 million related to capital activities. This included \$1.0 million for land acquisition and the balance of \$345.6 million for terminal improvements, road and sidewalk

26

# **CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

enhancements, runway and taxiway improvements. During 2014, completed projects totaling \$438.8 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, road and sidewalk enhancements and terminal improvements.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>2014</b>	<b>2013</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land					\$ 1,392.8	\$
1,392.6	\$ 1,018.7	\$ 1,016.6	\$ 2,411.5		\$ 2,409.2	
Works of Art and						
Historical Collections	45.2	30.8	--	45.2	30.8	
Construction in Progress	545.5	260.2	1,256.3	1,207.8	1,801.8	1,468.0
Buildings and Other Improvements	1,630.2	1,668.0	11,227.0	10,651.6	12,857.2	12,319.6
Machinery and Equipment	235.3	225.8	320.5	336.3	555.8	562.1
Infrastructure	4,432.2	4,416.2	-	-	4,432.2	4,416.2
Total	\$8,281.2	\$7,993.6	\$13,822.5	\$13,212.3	\$22,103.7	\$21,205.9

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

Debt. At the end of the current fiscal year, the City had \$7,860.4 million in General Obligation Bonds and \$475.1 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$189.7 million in Motor Fuel Tax Revenue Bonds; \$554.1 million of Sales Tax Revenue Bonds; \$74.4 million in Tax Increment Financing Bonds; and \$13,071.6 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)**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>2014</b>	<b>Activities</b>	<b>2014</b>	<b>Activities</b>	<b>2014</b>	<b>2013</b>
		<b>2013</b>		<b>2013</b>		
General Obligation	\$ 8,335.5	\$ 7,730.2	\$	-	\$	-
\$ 7,730.2						\$ 8,335.5
Tax Increment	74.4	88.4	-	-	74.4	88.4
Revenue Bonds	<u>743.8</u>	<u>753.2</u>	<u>13,071.6</u>	<u>12,526.5</u>	<u>13,815.4</u>	<u>13,279.7</u>
Total	\$ 9,153.7	\$ 8,571.8	\$ 13,071.6	\$ 12,526.5	\$ 22,225.3	\$ 21,098.3

**CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION  
AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

**During 2014, the City issued the following: General**

**Obligation Bonds:**

- General Obligation Bonds, Project and Refunding Series 2014A and Taxable Project and Refunding Series 2014B (\$883.4 million).
- Motor Fuel Tax Revenue Refunding Bonds Series 2013 (\$105.9 million - issue of 2014).
- Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) Series 2014A and 2014B Series Taxable (\$33.4 million).

**Enterprise Fund Revenue Bonds and Notes:**

- Chicago-O'Hare International Airport General Commercial Paper Notes (\$51.0 million)
- Chicago Midway International Airport Second Lien Revenue and Revenue Refunding Bonds, Series 2014A (AMT), Series 2014B (Non-AMT), and Series 2014C (AMT) (\$896.5 million).
- Second Lien Water Revenue Bonds, Series 2014 (\$367.9 million).
- Second Lien Wastewater Transmission Revenue Bonds, Series 2014 (\$292.4 million).

At December 31, 2014 the City had credit ratings with each of the three major rating agencies as follows:

**Standard & Poors**

General Obligation: City

Revenue Bonds:

O'Hare Airport: Senior Lien General Airport Revenue Bonds Senior Lien Passenger Facility Charge (PFC) Customer Facility Charge (CFC)

Midway Airport: First Lien Second Lien

Water: First Lien Second Lien

Wastewater: First Lien Second Lien

Sales Tax

Motor Fuel Tax

Baal

A2 A2 Baal

A2 A3

A2 A3

A2 A3

Baal

Baal

A+

A-A-BBB

A A-

AA AA-

AA AA-

AAA

AA+

A-A

NR

A A-

AA+ AA

NR AA

A-

BBB+

NR

NR NR NR

NR NR

NR AA

NR AA-

NR

NR

See Subsequent Events in the footnotes for ratings changes in 2015.

28

**CITY OF CHICAGO, ILLINOIS MANAGEMENT'S DISCUSSION  
AND ANALYSIS YEAR ENDED DECEMBER 31, 2014**

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

Local, national, and global economies play a major role in the City's finances and economic growth. In 2014, local and national economies experienced moderate growth and recovery from the economic downturn. Although rising home prices and shrinking inventory slowed the housing market in 2014 and home sales were down 7 percent compared to 2013, median home prices were up 14 percent over 2013. In 2014, nationwide, retail sales grew 4 percent over 2013, with consumer confidence showing consistent improvement. The average national unemployment rate decreased from 7.3 percent in 2013 to 6.2 percent in 2014, and Chicago's unemployment rate was down consistently throughout 2014. Tourism, business, and convention travel to Chicago remained strong in 2014, with amusement tax collections up about 17 percent and hotel tax revenues up about 12 percent from 2013. Additionally, in July 2014, Chicago had over one million occupied hotel rooms; this was the first time this benchmark has ever been reached in a single month.

The City's 2015 General Fund budget, totaling \$3,534 million, was approved by a 46 to 4 vote of City Council on November 19, 2014. The 2015 budget balanced a preliminary budget shortfall of \$297 million by reforming and cutting spending, and improving revenue growth. The 2015 budget balances the City's finances without raising property, sales or gas taxes. At the same time, it makes significant investments in youth, infrastructure, and businesses, as well as in City services, and it continues to build the City's reserves in order to enhance long-term financial stability. The 2015 budget also commits an additional \$5 million to the City's long-term reserves, following provisions of \$20 million in 2012, \$15 million in 2013 and \$5 million in 2014.

**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

29

This Page Intentionally Left Blank

Exhibit 1

**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

	<u>Governmental Activities</u>	
ASSETS AND DEFERRED OUTFLOWS		
Cash and Cash Equivalents		S 537,665
Investments	1,563,515	
Cash and Investments with Escrow Agent	411,085	
Receivables (Net of Allowances):		
Property Tax	1,150,682	
Accounts	977,873	
Internal Balances	(50,892)	
Inventories	24,498	
Restricted Assets:		
Cash and Cash Equivalents	28,689	
Investments	593,643	
Other Assets	17,778	
Capital Assets:		
Land, Art, and Construction in Progress	1,983,594	
Other Capital Assets, Net of Accumulated Depreciation	6,297,580	
Total Capital Assets		8,281,174
<u>Total Assets</u>	<u>13,535,710</u>	
<u>Deferred Outflows</u>	<u>281,487</u>	
<u>Total Assets and Deferred Outflows</u>	<u>\$ 13,817,197</u>	
LIABILITIES AND DEFERRED INFLOWS		
Voucher Warrants Payable		S 579,901
Short-term Debt	297,981	
Accrued Interest	225,459	
Accrued and Other Liabilities	401,318	
Unearned Revenue	113,862	
Derivative Instrument Liability	148,923	
Long-term Liabilities:		
Due Within One Year	314,682	
Due in More Than One Year	19,202,103	
Total Liabilities	21,284,229	
<u>Deferred Inflows</u>	<u>1,576,293</u>	
<u>Total Liabilities and Deferred Inflows</u>	<u>22,860,522</u>	
NET POSITION		
Net Investment in Capital Assets	28,744	
Restricted for:		
Capital Projects		

Debt Service	164,937	
Special Taxing Areas	1,327,058	
Passenger Facility Charges		
Contractual Use Agreement		
Airport Development Fund		
Customer Facility Charges		
Other Purposes		
<u>Unrestricted (Deficit)</u>	<u>(10,564,064)</u>	<u>S (9,043.325)</u>
	<u>Total Net Position</u>	
Total		
		643,087 1,835,373 411,085
1,150,682 1,318,709		
		46,306
		1,149,852 3,324,414 109,132
4,258,559 17,845,101		
		22.103.660 32,092,300 602,426
920,711 297,981 498,746 565,635 258,089 349,018		
		<u>622,495 32,496,889 36,009,564 3,221,445</u>
39,231,009		
18,877,529 \$ 32,694,726		
340,810 \$		
273,287 164,317 144,227 200,095		
307,813 13,294,786 _ 14,725,335 _ 1,645,152		
		2,742,569
	<u>193,782 200,235 1,327,058 142,765 158,165 300,101 113,661 35,200 (11,749,819)</u>	
16,370,487		
2,713,825		
193,782 35,298		
<u>142,765 158,165 300,101 113,661 35,200 (1,185,755)</u>		
<u>2,507,042 "\$ (6,536,283)</u>		

See notes to basic financial statements.

ii  
i

**Exhibit 2**  
**CITY OF CHICAGO, ILLINOIS STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2014 (Amounts are in**  
**Thousands of Dollars)**

Licenses, Permits, Fines and Charges for Services

Primary Government Governmental Activities:

General Government	\$ 2,857,789	
Public Safety	2,913,469	
Streets and Sanitation	275,814	
Transportation	475,751	
Health	125,068	
Cultural and Recreational	121,548	
<u>Interest on Long-term Debt</u>	<u>580,701</u>	
Total Governmental Activities		7,350,140

505,275 208,206 44,552 44,278 2,281 14,643

819,235

Business-type Activities:

Water	455,433	' 692,634	
Sewer	225,600	322,228	
Chicago Midway International Airport	248,231	216,662	
Chicago-O'Hare International Airport	1,029,559	1,012,529	
<u>Chicago Skyway</u>	<u>10,314</u>	-	
Total Business-type Activities		<u>1,969,137</u>	<u>2,244,053</u>

Total Primary Government \$ 9,319,277  
\$ 3,063,288

See notes to basic financial statements.



Operating Capital	Grants and Contributions	Grants and Contributions	Governmental Contributions	Business-type Activities	Activities Total
\$	294,052		\$		- \$ (2,058,462) \$
-			\$ (2,058,462)		
	57,633				(2,647,630) - (2,647,630)
				(231,262)	- (231,262)
			249,860		(181,613) - (181,613)
	104,447			-	(18,340) - (18,340)
	14,527			-	(92,378) - (92,378)
		-		(580,701)	- (580,701)
470,659				249,860	(5,810,386)
-	(5,810,386)				
		1,766			-238,967 238,967
					96,628 96,628
		4,826			-(26,743) (26,743)
	89,032			-	72,002 72,002
				-	(10,314) (10,314)
	-	95,624		-	370,540 370,540
\$ 470,659	\$ 345,484		(5,810,386)		370,540 (5,439,846)
General Revenues Taxes:					
Property Tax			926,839	-926,839	
Utility Tax		570,469	-570,469		
Sales Tax			324,273	-324,273	
Transportation Tax			406,624	-406,624	
Transaction Tax			379,256	-379,256	
Special Area Tax			260,256	-260,256	
Recreation Tax			193,680	-193,680	
Other Taxes			130,266	-130,266	
Grants and Contributions not Restricted to					
Specific Programs			740,911	-740,911	
Unrestricted Investment Earnings			62,400	35,849	98,249
Miscellaneous			194,415	49,430	243,845
Total General Revenues				4,189,389	85,279 4,274,668
Change in Net Assets				(1,620,997)	455,819 (1,165,178)
Net Position - Beginning				(7,422,328)	2,051,223 (5,371,105)
Net Position - Ending				\$ (9,043,325)	\$ 2,507,042 \$ (6,536,283)

(Amounts are in Thousands of Dollars)

	<u>General</u>	
ASSETS		
Cash and Cash Equivalents	\$ 1,102	
Investments	102,400	
Cash and Investments with Escrow Agent		
Receivables (Net of Allowances):		
Property Tax		
Accounts	209,386	
Due From Other Funds	109,514	
Due From Other Governments	241,878	
Inventories	24,498	
Restricted Cash and Cash Equivalents	389	
Restricted Investments		
<u>Other Assets</u>	=	
<u>Total Assets</u>		<u>\$ 689,167</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE Liabilities:		
Voucher Warrants Payable	\$ 185,783	
Bonds, Notes and Other Obligations Payable - Current		
Accrued Interest		
Due To Other Funds	276,805	
Accrued and Other Liabilities	69,811	
Line of Credit and Commercial Paper		
Claims Payable	13,326	
<u>Unearned Revenue</u>	<u>2,164</u>	
<u>Total Liabilities</u>		<u>547,889~</u>
<i>Deferred Inflows</i>	<u>-</u>	
Fund Balance:		
Nonspendable	24,498	
Restricted		
Committed		
Assigned	65,223	
<u>Unassigned</u>	<u>51,557</u>	
<u>Total Fund Balance</u>	<u>141,278</u>	
Total Liabilities, Deferred Inflows and Fund Balance	\$ 689,167	
Special Taxing Areas		
403,019 588,005		
	Federal, State and Local Grants	
\$		288,302 4,429 423,933
22,980 71,036		
		3,778 10,059 452,721
3,220		
4,075		
\$ 567,869	\$ 1,707,689	

11,682 2,920

\$ 157,929 \$ 117,027

296,159 9,861

131,629

69,825 533,774

259,140

15,230

249,002

1,327,058

(240,275)

(225,045) 1,327,058 \$ 567,869 \$ 1,707,689

See notes to basic financial statements.

Service Concession and	Community Bond, Note Redemption	Development Reserve	Other and Improvement and Interest	Total Projects	Funds	Funds	Governmental	Governmental
\$ 99	\$ 17,119	\$ 77,793	\$ 15,553	\$ 537,665				
	172,490	439,137	190,447	1,563,515				
	338,533	-72,552	411,085					
	491,473	-370,907	1,150,682					
2,435	2,971	2,626	16,608	242,233				
5,000	-	97,053	79,210	724,769				
	2,578	-				38,463		735,640
								24,498
24,868		-				211	-	28,689
593,643		-				-	-	593,643
	-	-	-	-				4,075
\$ 783,740	626,045	\$ 1,025,164	\$ 616,820	\$				
		\$ 6,016,494						
\$ 64,877	14	\$ -	\$ 38,999	\$				
	82,331	-	\$ 564,629					
	223,995	-						4,400 86,731
5,140	85,700							1,464 225,459
		56,996						94,698 827,180

198,086		95,373	67,648	245,613
		77,800	21,423	297,309
				13,326
<u>-</u>	<u>41,873</u>	<u>-</u>	<u>-</u>	<u>113,862</u>
<u>5,154</u>	<u>631,985</u>	<u>269,168</u>	<u>254,510</u>	<u>2,374,109</u>
<u>1,576,293</u>	<u>420,051</u>	<u>-</u>	<u>314,563</u>	<u>2,819,049</u>
				24,498
620,891	-	347,652	139,491	1,829,431
		-	75,176	696,067
				65,223
	<u>(1,576,293)</u>	<u>(26,872)</u>	<u>-</u>	<u>-(1,791,883)</u>
<u>(955,402)</u>	<u>(26,872)</u>	<u>347,652</u>	<u>214,667</u>	<u>823,336</u>
\$ 626,045	\$ 1,025,164	\$ 616,820	\$ 783,740	\$ 6,016,494

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

8,281,174

Other long-term assets are not available to pay for current-period expenditures and therefore are recorded as deferred inflows in the funds

1,242,756

Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

(19,390,591)

Net position of governmental activities

\$ (9,043,325)

35

## Exhibit 4

## CITY OF CHICAGO, ILLINOIS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS Year Ended December 31, 2014 (Amounts are in Thousands of Dollars)

		State and Special Local Taxing General	Federal, Grants	Areas
Revenues:				
Property Tax	\$	\$	-	\$
Utility Tax	473,496			
Sales Tax (Local)	285,773			
Transportation Tax	185,076			
State Income Tax	278,031			
State Sales Tax	334,526			
Transaction Tax	316,201			
Special Area Tax		-	- 331,380	
Recreation Tax	193,680			
Other Taxes	109,004			
Federal/State Grants		2,335	809,840	
Internal Service	305,716			
Licenses and Permits	119,940			
Fines	338,329			
Investment Income		1,573	- 4,822	
Charges for Services		141,850	- 5	
Miscellaneous		<u>90,620</u>	-	<u>2,149</u>

<u>Total Revenues</u>	<u>3,176,150</u>	<u>809,840</u>	<u>338,356</u>
Expenditures: Current:			
General Government	929,918	360,892	446,652
Health	25,902	102,350	15
Public Safety	2,020,072	40,122	
Streets and Sanitation	195,390	-	419
Transportation	47,309	237,961	139,933
Cultural and Recreational	-12,272	15	
Employee Pensions	-		
Other	2,298	2,197	
Capital Outlay	-		9,863
Debt Service:			
Principal Retirement	7,830		
Interest and Other Fiscal Charges	<u>2,539</u>	-	-
<u>Total Expenditures</u>	<u>3,231,258</u>	<u>765,657</u>	<u>587,034</u>
<u>Revenues (Under) Over Expenditures ..</u>	<u>(55,108)</u>	<u>44,183</u>	<u>(248,678)</u>

Continued on following pages.

36

I

I

Service Concession and Reserve

39,607 21,033

Bond, Note Redemption and Interest

481,698 22,332 38,500 12,552

17

2,203 17,963 15,303  
Community Development

and Improvement Projects

5,579 27,538

Nonmajor Governmental Funds

448,143 74,641

208,996 126,019

63,055

21,245

30,046

15,188 106 31,073 23,296

Total Governmental Funds

929,841 570,469 324,273 406,624 404,050 334,526 " 379,256 331,380 193,680  
130,266 812,175 335,762 122,143 353,517 69,650 172,928 179,939  
6,050,479

14	-	-	-
306,081		2,043,557	
		502	128,769
		6,785	2,066,979
	73,584,269,393		
	93,298,518,501		
	81,238,93,525		
		483,493	483,493
		915	5,410
	317,499		67,854 395,216
518,078	-		73,487 599,395
533,897	-		31,720 568,156
14	1,051,975	317,499	1,218,957 7,172,394
60,626	(461,407)	(284,382)	(177,149) (1,121,915)

37

**Exhibit 4 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS Year Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

Federal, State and Local

General Grants

Special Taxing Areas

Other Financing Sources (Uses):

Issuance of Debt	\$	-	\$	17,168	\$
Premium		-		-	
Payment to Refunded Bond Escrow Agent	...				
Transfers In		39,700		- 97,513	
Transfers Out		(10,081)		-	(44,463)
<u>Total Other Financing Sources (Uses)</u>		<u>29,619</u>		<u>17,168</u>	<u>53,050</u>
Net Changes in Fund Balance		(25,489)		61,351	(195,628)
Fund Balance, Beginning of Year		167,057		(286,396)	1,522,686
<u>Change in Inventory</u>		<u>(290)</u>			
<u>Fund Balance, End of Year</u>					<u>\$ 141,278</u>
<u>(225,045)</u>		<u>\$ 1,327,058</u>			

See notes to basic financial statements.

38

Service Concession Agreements and Reserve

Bond, Note Redemption and Interest  
Community Development

and Improvement Projects

Nonmajor Governmental Funds

Total Governmental Funds

	\$	328,471		\$	535,240	\$	123,468	\$	1,004,347
		9,995			5,208		2,262		17,465
		(302,862)			-		-		(302,862)
5,000		366,198	7,004		137,171				652,586
(13,900)		(164,268)	(279,009)	(140,865)	(652,586)				
		(8,900)		237,534	268,443		122,036	718,950	
51,726		(223,873)		(15,939)			(55,113)		
(402,965)									



	(1,007,128)		197,001		363,591		269,780
	<u>1,226,591</u>						
	-	-	-	-	(290)		
\$	(955,402)	\$	(26,872)	\$	347,652	\$	214,667
\$	<u>823,336</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**  
**31,2014 (Amounts are in Thousands of Dollars)**

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

Net change in fund balances - total governmental funds \$ (402,965)

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 '. 303,167

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (155,112)

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 (115,625)

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 (1,250,462)

Change in the net position of governmental activities \$ (1,620,997)

See notes to basic financial statements.



Final Budget

450,274 274,505 183,732 284,627 182,565 102,470 293,700 322,272  
4,100  
1,500 318,212 131,668 414,680  
4,725 124,476  
6,656 22,118 55,920  
  
53,417 58,608  
3,290,225

1,051,842 28,127  
1,960,557 196,446 50,873

1,830,550

3,290,225

Actual Amounts

473,496 285,773 185,076 316,201 193,680 104,829 278,031 334,526  
4,175  
2,335 305,716 119,940 338,329  
1,573 134,593  
7,257 24,127 66,493  
  
45,472 39,700  
3,261,322

958,216 26,229 2,037,661 189,909 46,927

1,830,550

3,261,322

Variance

23,222 11,268 1,344 31,574 11,115 2,359 (15,669) 12,254 75 835 (12,496) (11,728) (76,351) (3,152) 10,117 601 2,009 10,573  
  
(7,945) (18,908)  
(28,903)

93,626 1,898  
(77,104) 6,537 3,946

28,903

Revenues Over (Under) Expenditures ... \$

See notes to basic financial statements.

**Exhibit 7****CITY OF CHICAGO, ILLINOIS STATEMENT  
OF NET POSITION PROPRIETARY FUNDS****December 31, 2014****(Amounts are in Thousands of Dollars)**

## Business-type Activities - Enterprise Funds

## Major Funds

Chicago- Midway International Airport	Chicago- O'Hare International Airport
--	--

Chicago Skyway

## ASSETS AND DEFERRED OUTFLOWS CURRENT ASSETS:

Cash and Cash Equivalents	\$ 23,551		
Investments	101,359		
Accounts Receivable (Net of		Allowances)	159,613
Interest Receivable	163		
Due from Other Funds	91,224		
Inventories	21,192		
Cash and Cash Equivalents - Restricted	12,596		
Investments - Restricted	132,451		
Interest Receivable - Restricted	599		
Other Assets - Restricted			
<b>TOTAL CURRENT ASSETS</b>	<b>542,748</b>		
NONCURRENT ASSETS:			
Cash and Cash Equivalents - Restricted			
Investments - Restricted	386,090		
Interest Receivable - Restricted			
Other Assets - Restricted			
Due from Other Governments - Restricted			
Other Assets	4,898		
Property, Plant, and Equipment:			
Land	5,083		
Structures, Equipment and		Improvements	3,986,305
Accumulated Depreciation	(966,834)		
Construction Work in Progress	457,645		
		<u>Total Property, Plant and Equipment</u>	<u>3,482,199</u>
<b><u>TOTAL NONCURRENT ASSETS:</u></b>	<b><u>3,873,187</u></b>		
<b><u>TOTAL ASSETS</u></b>	<b><u>4,415,935</u></b>		
<b><u>DEFERRED OUTFLOWS</u></b>	<b><u>129,229</u></b>		
<b>TOTAL ASSETS and DEFERRED OUTFLOWS ..</b>	<b>\$4,545,164</b>		

676 \$ 481  
5,632 94,002

76,760 212 33,751

494,735  
6,358 \$ 34,042

11,518

527

72,514  
69,205 \$ 41,974

91,339

29,416  
616 21,247 103,473  
541

105,422 271,858  
357,811  
124,959  
2,860 707,952

464,329 1,503,728 3,684 31,729 1,229 33,987

339,232 375 154,918 21,808 601,092 235,924 1,140 2,860

1,159

55,742 310,902 262 3,045

901

114,780

1,556,519 (519,551) 20,585

1,172,333 1,543,185

1,734,629

289,041  
3,970

9,964

12,609

490,818 (233,547)

269,880

885,669

	<u>8,208,757 (2,973,903) 752,331</u>	
6,872,854		560
		<u>2,494,910 (495,953) 25,703</u>
2,025,220 2,318,231		
	520,071 2,489,761 3,946 34,774 1,229 53,720	
1,018,701		
		<u>16,737,309 (5,189,788) 1,256,264</u>
8,911,540 279,844		
<u>13,822,486</u>		
2,676,042 1,668,144		
9,619,492		
281,003		
<u>16,925,987</u>		
89,905		
51,633		
50,172		
<u>18,660,616</u>		
	<u>320,939</u>	
\$ 2,765,947 \$ 1,719,777 \$ 9,669,664 \$ 281,003 \$ 18,981,555		

See notes to basic financial statements.

Business-type Activities - Enterprise Funds  
Major Funds

	Water	
LIABILITIES CURRENT LIABILITIES:		
Voucher Warrants Payable	\$ 26,168	
Due to Other Funds	20,130	
Accrued and Other Liabilities	92,312	
Unearned Revenue	22,411	
<u>Current Liabilities Payable From</u>		
<u>Restricted Assets</u>	<u>144,321</u>	
		TOTAL CURRENT LIABILITIES 305,342
NONCURRENT LIABILITIES: Revenue Bonds and		
Commercial Paper Payable	2,456,933	
Derivative Instrument Liability	98,106	
<u>Other</u>	<u>1,577</u>	
<u>TOTAL NONCURRENT LIABILITIES ...</u>	<u>2,556,616</u>	
<u>TOTAL LIABILITIES</u>	<u>2,861,958</u>	

DEFERRED INFLOWS

Chicago-Midway International Airport

Sewer	18,732 9,134 2,165 558
4,242 71,228 31,047 18,076	
72,514	
103,103	
1,590,934	
124,720 249,313	
1,710,019	
71,861	
30,128 2,310	
1,781,880 1,623,372	
2,031,193 1,726,475	
Chicago-O'Hare International Airport	
	61,106 3,519 7,409 103,182
494,735 669,951	
7, 536, 900	
2, 729 7, 539, 629 8, 209, 580	
Total	
Chicago Skyway	
140 \$ 15	
110, 388 104, 026 132, 933 144, 227	
155	
836, 290	
1, 327, 864	
13, 294, 786	
	200, 095 6, 616
13, 501, 497	
1, 645, 152	
155 14, 829, 361	



1,645,152

NET	POSITION:						Net
Investment in Capital Assets	1,393,968	520,627	(115,080)	644,430	269,880	2,713,825	
Restricted Net Position:							
Debt Service	--12,109	23,189	-35,298				
Capital Projects	599	111,333	10,160	71,690	-193,782		
Passenger Facility Charges	--4,658	138,107	-142,765				
Contractual Use Agreement	--28,282	129,883	-158,165				
Air Development Fund	---	300,101	-300,101				
Customer Facility Charge	--23,651	90,010	-113,661				
Other	--7,666	27,534	-35,200				
<u>Unrestricted Net Position</u>	<u>288,639</u>	<u>102,794</u>	<u>21,856</u>	<u>35,140</u>	<u>(1,634,184)</u>	<u>(1,185,755)</u>	
<u>TOTAL NET POSITION</u>		<u>\$ 1,683,206</u>	<u>\$ 734,754</u>	<u>(6,698)</u>	<u>\$ 1,460,084</u>	<u>\$ (1,364,304)</u>	<u>\$ 2,507,042</u>

See notes to basic financial statements.

43

## Exhibit 8

## CITY OF CHICAGO, ILLINOIS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

## PROPRIETARY FUNDS

Year Ended December 31, 2014

(Amounts are in Thousands of Dollars)

## Business-type Activities - Enterprise Funds

## Major Funds

Chicago-Chicago-

MidwayO'Hare

InternationalInternational Chicago

Water Sewer AirportAirport Skyway

## Operating Revenues:

Charges for Services - Net	\$ 670,559	\$ 321,100	\$ 83,455	\$ 552,431	\$	
Rent			-	-	86,804	292,093
Other	22,075	VI28	-	-	-	-
<u>Total Operating Revenues</u>		<u>692,634</u>	<u>322,228</u>	<u>170,259</u>	<u>844,524</u>	<u>--</u>

## Operating Expenses:

Personnel Services	120,607	14,394	47,836	182,984		
Contractual Services	55,664	3,336	23,255	88,143		
Repairs and Maintenance	1,886	64,809	44,160	110,928		
Commodities and Materials	22,089	....				
Depreciation and Amortization	57,949	36,701	46,163	218,211	10,314	
General Fund Reimbursements	77,371	36,740				
Other			21,105	-14,345	112,952	-

Total Operating Expenses	356,671	155,980	175,759	713,218	10,314
Operating Income (Loss)	335,963	166,248	(5,500)	131,306	(10,314)
Nonoperating Revenues (Expenses):					
Investment Income (Loss)	(515)	2,984	3,540	29,838	2
Interest Expense	(98,762)	(69,620)	(64,111)	(300,295)	
Passenger Facility Charges	-	-	39,889	131,721	
Customer Facility Charges	-	-	6,514	36,284	
Noise Mitigation Costs	-	-	(3,103)	(15,892)	
Cost of Issuance		-	-	(5,258)	(154)
Other	(2,223)	829	1,522	30,845	18,457
Total Nonoperating Revenues					
(Expenses)		(101,500)	(65,807)	(21,007)	(87,653)
Capital Grants		1,766	-	4,826	89,032
Net Income (Loss)			236,229	100,441	(21,681)
Net Position (Deficit)-Beginning of Year	1,446,977	634,313	14,983	1,327,399	(1,372,449)
Net Position (Deficit)-End of Year	\$ 1,683,206	\$ 734,754	\$ (6,698)	\$ 1,460,084	\$ (1,364,304)

Total

\$ 1,627,545 378,897 23,203

2,029,645

365,821 170,398 221,783 22,089 369,338 114,111 148,402

1,411,942

617,703

35,849 (532,788) 171,610 42,798 (18,995) (5,412) 49,430

(257,508) 95,624 455,819

2,051,223 \$ 2,507,042

See notes to basic financial statements.

**Exhibit 9**

**CITY OF CHICAGO, ILLINOIS STATEMENT OF CASH FLOWS PROPRIETARY  
FUNDS Year Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

Business-type Activities - Enterprise Funds

Major Funds

	Water	
Cash Flows from Operating Activities:		
Received from Customers	\$ 670,519	
Payments to Vendors	(80,663)	
Payments to Employees	(120,607)	
Transactions with Other City Funds	(143,903)	
Cash Flows Provided By		
Operating Activities	<u>325,346</u>	
Cash Flows from Capital and Related Financing Activities: Proceeds from Issuance of Bonds/		
Commercial Paper	462,500	
Acquisition and Construction of		
Capital Assets	(334,191)	
Capital Grant Receipts		
Bond Issuance Costs	(3,146)	
Payment to Refund Bonds		
Principal Paid on Debt	(43,633)	
Interest Paid	(109,432)	
Passenger and Customer Facility Charges		
Concessionaire Funds		
Cash Flows (Used in) Provided By Capital		
and Related Financing Activities	<u>(27,902)</u>	
Cash Flows from Non Capital Financing Activities:		
Noise Mitigation Program		
Proceeds from Settlement Agreement	-	
Cash Flows Used in Non Capital		
Financing Activities		
Cash Flows from Investing Activities:		
Sale (Purchases) of Investments, Net	(306,037)	
Investment Income (Loss)	8,209	
Cash Flows Provided By (Used in)		
Investing Activities	<u>(297,828)</u>	
Net Increase (Decrease) in Cash and		
Cash Equivalents	(384)	
Cash and Cash Equivalents, Beginning of Year	<u>36,531</u>	
Cash and Cash Equivalents, End of Year	<u>\$ 36,147</u>	
		Chicago-Midway International Airport
Sewer		
\$ 310,970	\$ 164,849	
(35,780)	(83,377)	
(43,617)	(39,295)	

35,737

(40,218) (6,440)

338,026 (167,115)

191,355

972,038

(37,929) (69,860)

63,122

(41,443) 4,894 (5,258) (797,008) (82,378) (59,237) 46,539

38,147

(2,609) 1,029

(213,388) 4,657

(1,580)

(208,731)

(111,577) 2,953

45,746 44,706

(108,624)

90,452

(36,320) 170.934

134,614 \$

See notes to basic financial statements.

I

**Exhibit 9 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

Business-type Activities - Enterprise Funds

Major Funds

Chicago- Midway International Airport	Chicago- O'Hare International Airport
--	--

Chicago Skyway

Reconciliation of Operating Income to Cash

Flows from Operating Activities:

Operating Income (Loss)	\$ 335,963	\$ 166,248	\$ (5,500)	\$ 131,306	\$ (10,314)	\$ 617,703
369,340	38,765					

(81,554) (73,208)

1,728

19,120

1,494

Adjustments to Reconcile:

Depreciation and Amortization	57,949	36,701	46,164	218,212	10,314
-------------------------------	--------	--------	--------	---------	--------

Provision for Uncollectible Accounts	22,537	16,557	(329)
--------------------------------------	--------	--------	-------

Change in Assets and Liabilities:

(Increase) Decrease in Receivables	(45,813)	(29,162)	3,739	(10,318)
------------------------------------	----------	----------	-------	----------

(Increase) Decrease in Due From Other Funds	(71,789)	(2,489)	3,612	(2,542)
---	----------	---------	-------	---------

Increase (Decrease) in Voucher Warrants

Payable and Due to Other Funds	10,775	(1,541)	(3,463)	(4,043)
--------------------------------	--------	---------	---------	---------

Increase (Decrease) in Unearned Revenue and Other Liabilities

	15,077	4,389	(8,492)	8,146
--	--------	-------	---------	-------

(Increase) Decrease in Inventories and

Other Assets	647	652	6	189	-
--------------	-----	-----	---	-----	---

Cash Flows from

Operating Activities	\$ 325,346	\$ 191,355	\$ 35,737	\$ 340,950	\$ 893,388
----------------------	------------	------------	-----------	------------	------------

Supplemental Disclosure of

Noncash Items:

Capital asset additions in 2014 have outstanding accounts payable

and accrued and other liabilities	\$ 64,553	\$ 54,611	\$ 18,615	\$ 89,773	\$ -	\$ 227,552
-----------------------------------	-----------	-----------	-----------	-----------	------	------------

See notes to basic financial statements.

**CITY OF CHICAGO, ILLINOIS STATEMENT OF FIDUCIARY  
NET POSITION FIDUCIARY FUNDS December 31, 2014  
(Amounts are in Thousands of Dollars)**

	Pension Trust Agency		
ASSETS			
Cash and Cash Equivalents	\$	234,273	\$ 53,202
Investments		- 109,447	
Investments, at Fair Value Bonds and U.S. Government Obligations		2,426,669	
Stocks		5,139,698	
Mortgages and Real Estate	668,384		
Other		1,862,939	
Cash and Investments with Escrow Agent		- 6,437	
Property Tax Receivable	- 91,619		
Accounts Receivable, Net		623,874	114,155
Due From City		51,519	
Property, Plant, Equipment and other		570	
<u>Invested Securities Lending Collateral</u>		<u>906,189</u>	=
Total Assets			\$ 11,914,115 \$ 374,860
LIABILITIES			
Voucher Warrants Payable	\$	341,537	\$ 37,534
Accrued and Other Liabilities	- 259,623		
<u>Securities Lending Collateral</u>		<u>906,189</u>	=
<u>Total Liabilities</u>		<u>1,247,726</u>	<u>\$ 297,157</u>
<u>Deferred Inflows</u>	<u>\$</u>	<u>787</u>	<u>\$ 77,703</u>
<u>Total Liabilities and Deferred Inflows</u>		<u>\$ 1,248,513</u>	<u>\$ 374,860</u>
NET POSITION			
Restricted for Pension Benefits		10,665,602	
Total Net Position		\$ 10,665,602	

See notes to basic financial statements.

**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CHANGES IN PLAN NET POSITION FIDUCIARY FUNDS - PENSION TRUST FUNDS Year**  
**Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	<u>Total</u>	
ADDITIONS Contributions:		
Employees	\$ 290,063	
<u>City</u>	<u>470,199</u>	
	<u>Total Contributions</u>	<u>760,262</u>
Investment Income: Net Appreciation in		
	Fair Value of Investments	365,194
Interest, Dividends and Other	232,118	
<u>Investment Expense</u>	<u>(50,906)</u>	
	<u>Net Investment Income</u>	<u>546,406</u>
Securities Lending Transactions:		
Securities Lending Income	2,711	
<u>Securities Lending Expense</u>	<u>1,075</u>	
	<u>Net Securities Lending Transactions</u>	<u>3,786</u>
	<u>Total Additions</u>	<u>1,310,454</u>
DEDUCTIONS		
Benefits and Refunds of Deductions	1,888,392	
<u>Administrative and General</u>	<u>17,713</u>	
	<u>Total Deductions</u>	<u>1,906,105</u>
	Net Increase in Net Position	(595,651)
Net Position:		
<u>Beginning of Year</u>	<u>11,261,253</u>	
End of Year	\$ 10,665,602	

See notes to basic financial statements.

j

I

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

**1) Summary of Significant Accounting Policies**

The City of Chicago (City), incorporated in 1837, is a "home rule" unit under State of Illinois (State) 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, 2014, the City adopted the following GASB Statements:

GASB Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB No. 25 ("GASB 67"), was established to provide improved financial reporting by state and local government pension plans. The Pension Plans (as defined below in subsection a) adopted GASB No. 67 during the year ended December 31, 2014.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations ("GASB 69"), establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The City adopted GASB 69 for the year ended December 31, 2014. GASB 69 requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. There was no impact on the City's Financial Statements as a result of the implementation of GASB 69.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees ("GASB 70"), establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. The City adopted GASB 70 during the year ended December 31, 2014. GASB 70 requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units and requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. There was no impact on the City's Financial Statements as a result of the implementation of GASB 70.

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

GASB Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), establishes new financial reporting requirements for most governments that provide their employees with pension benefits through these types of plans. GASB 68 will be effective for the City beginning with its year ending December 31, 2015. GASB 68 replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). As of December 31, 2014, the City reported a net pension obligation of \$8.6 billion on the statement of net position and disclosed within Note 11 a combined unfunded actuarial accrued liability for all of the pension plans of \$19.7 billion in accordance with GASB Statement No. 27. During 2014, the Pension Plans (as defined below



i

i

i

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

in subsection a) implemented GASB Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, and disclosed a combined net pension liability of \$20.1 billion. The City has not yet determined the impact, if any, GASB 68 will have on the enterprise fund financial statements.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date -an amendment of GASB Statement No. 68 ("GASB 71"), relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB 71 will be effective for the City beginning with its year ending December 31, 2015. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability and requires that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

GASB Statement No. 72 Fair Value Measurement and Application ("GASB 72"), addresses accounting and financial reporting issues related to fair value measurements. GASB 72 will be effective for the City beginning with its year ending December 31, 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement requires 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 establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

- 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 fund's 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 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

50

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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 accrual basis of accounting, except for interest and principal on long-term debt, the long-term portion of compensated absences, claims and judgments and pension obligations.

The City reports the following major governmental funds:

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

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

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

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

concession and lease transactions whose proceeds are recognized as revenue over the term of the agreements.

51

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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.

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 have 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 treatment facilities and 12 pumping stations with a combined pumping capacity of 3,661 million gallons per day.

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

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

Chicago-O'Hare International Airport Fund records operations of Chicago-O'Hare International Airport (O'Hare), the primary commercial airport for the City. The airlines servicing the airport operate out of four terminal buildings. Three domestic terminal buildings, having a total of 169 gates, serve domestic flights

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

and certain international departures. The International Terminal, having a total of 20 gates and five 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 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 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 ten 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 and the City's Pension Plans' policies permit lending Pension Plan 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.

- 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) Assets Held for Resale includes land and buildings of \$4.1 million, recorded at lower of cost or market in the Federal, State and Local Grant Funds. These assets are purchased through the use of federal grants and City resources and are intended to be resold.
- v) 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.

- vi) 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 estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. The total interest expense (Governmental and Business Activities) incurred by the City during the current fiscal year was \$1,184.7 million, of which \$83.8 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	
Utility structures and improvements	
Buildings and improvements	
Airport runways, aprons, tunnels, taxiways, and paved roads	
Bridge infrastructure	
Lighting infrastructure	
Street infrastructure	
Transit infrastructure	
Equipment (vehicle, office, and computer)	
25- 100 years 50- 100 years 15 - 40 years 5 - 30 years 10- 40 years	25 years 10- 25 years 40 years 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.

- vii) Deferred Outflows represent the fair value of derivative instruments that are deemed to be effective hedges and unamortized loss on bond refundings.
- viii) 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.

- ix) 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 related to deferred compensatory time and reserves for questioned costs are treated the same way.
- x) 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, 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.**

**Pension**

The City's contributions to the four Pension Plans primarily serving City employees are set by State law. In recent years, the total contributions have been lower than the actuarially required amounts for the Plans, which has served to increase the Plans' unfunded actuarial accrued liabilities. Recurring cash inflows from all sources to the Plans (including City contributions, employee contributions, and investment earnings) have been lower than the cash outlays of the Plans in some recent years. As a result, the Plans have liquidated investments and used assets of the Plans to satisfy their respective current payment obligations in those years. The use of assets by the Plans for these purposes reduces the amount of assets on hand to pay benefits or earn investment returns in the future.

Current State law for the Policemen's and Firemen's Plans, known as Public Act 96-1495 (P.A. 96-1495), requires the City to significantly increase contributions to those Plans beginning in 2016. In each year, the City must contribute the amount needed for each Plan to achieve a 90% Funded Ratio by the end of 2040. Under the enacted State legislation for the Municipal Employees' and Laborers' Plans, known as Public Act 98-641 (P.A. 98-641), the City is required to significantly increase contributions to those two Plans beginning in 2016. During the period 2016 through 2020, the City's contributions to the Municipal Employees' and Laborers' Plans increase by statutorily determined amounts which are not based on actuarial calculations. Beginning in 2021, P.A. 98-641 requires the City to contribute in each year to the Municipal Employees' and Laborers' Plans the amount needed for each Plan to achieve a 90% Funded Ratio by the end of 2055. P.A. 98-641 also makes certain modifications to the automatic annual increases paid to retirees and requires increases in employee contributions toward the cost of their retirement benefits. P.A. 98-641 is currently subject to challenge in a lawsuit alleging its unconstitutionality.

Senate Bill 777 ("SB 777"), an amendment to P.A. 96-1495, passed both houses of the Illinois General Assembly as of May 31, 2015. SB 777 institutes a Phase-in Period until 2020 and a Revised Amortization Period to 2055. A Revised Amortization Period would reduce the annual funding obligation required to reach a 90% Funded Ratio, but extend the number of years over which such payments would need to be made. Enactment of a Phase-in Period would reduce the City's required payment in the initial years to allow for a more gradual phase-in of the requirements of P.A. 96-1495. Although SB 777 has passed both chambers of the Illinois General Assembly, a motion to reconsider the vote on SB 777 has been filed in the Illinois Senate, and accordingly, SB 777 has not been sent to the Governor for consideration. The City makes no representation as to whether SB 777 will be enacted.

**Liquidity**

The City's general obligation bonds, sales tax revenue bonds and motor fuel tax revenue bonds were downgraded by Moody's, Standard & Poor's and Fitch Ratings in May 2015. Moody's cited in its rating action the Illinois Supreme Court's decision on May 8, 2015, which found the State Pension Reform Act unconstitutional, as limiting the City's options for addressing its unfunded pension liabilities. Moody's downgraded the City's general obligation, sales tax revenue and motor fuel tax revenue credits to Ba1. Moody's indicated that further downgrades could follow upon the occurrence of any of the following: (a) a determination by a court of law that P.A. 98-641 is unconstitutional; (b) continued growth in the debt and/or unfunded pension liabilities of the City and overlapping governments; and (c) narrowing of the City's fund balances and liquidity. At the same time, Moody's downgraded the City's Water senior lien revenue bonds from A2 to Baal, the Water second lien revenue bonds from A3 to Baa2 and the City's Wastewater senior lien bonds from A3 to Baa2 and the Wastewater second lien revenue bonds from Baal to Baa3, each with a negative outlook.

**i**  
**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

In May 2015, Standard and Poor's downgraded the rating of the City's general obligation bonds to A-from A+, Water senior lien and Wastewater senior lien revenue bonds to A from AA, and Water second lien revenue bonds and Wastewater second lien revenue bonds to A- from AA-.

In May 2015, Fitch Ratings downgraded the rating of the City's general obligation bonds and sales tax revenue bonds to BBB+ from A-.



The rating actions by Standard & Poor's and Fitch, in part, cited the Moody's rating action and the resulting uncertainty regarding the City's liquidity position.

Due to the Moody's downgrade of the City's general obligation credit to Ba1 (below investment grade) from Baa2, an event of default was triggered under credit agreements the City had entered into with certain banks to provide letters of credit supporting the City's general obligation debt (including the general obligation variable rate demand bonds) and to provide letters of credit or revolving lines of credit for the City's general obligation commercial paper notes and line of credit facilities, which consisted of general obligation revolving lines of credit from four banks and two series of general obligation commercial paper notes (one series backed by a letter of credit from Wells Fargo Bank and the other series backed by a letter of credit from Bank of Montreal). Upon the event of default, the banks providing letters of credit for the general obligation debt as well as the banks supporting the commercial paper/line of credit program had the right to demand immediate repayment of amounts owed under their credit agreements. The Moody's downgrade also resulted in a termination event under the City's existing interest rate swaps on its general obligation variable rate bonds; pursuant to those swap agreements, the swap counterparties had the right to set an early termination date for the swaps and demand a termination payment from the City.

Shortly after the Moody's downgrades and resulting event of default/termination event, the City terminated the letter of credit from Wells Fargo Bank; there were no commercial paper notes outstanding secured by that letter of credit. With respect to the other banks supporting the commercial paper/line of credit program, the banks providing letters of credit for the City's general obligation debt, and the counterparties on the interest rate swaps for its general obligation variable rate bonds, the City entered into forbearance agreements pursuant to which the affected banks agreed to temporarily forbear from exercising their respective rights resulting from the event of default/termination event. In May and June 2015, the City converted (\$674 million) and/or redeemed (\$132 million) all of its general obligation variable rate bonds and converted sales tax variable rate revenue bonds (\$112 million) to long-term fixed rate bonds and terminated the associated letters of credit and interest rate swaps (termination payment of \$221 million) for those bonds. For the agreements with the banks supporting the commercial paper/line of credit program, the forbearance agreements (\$849 million) extend to September 30, 2015, but can terminate earlier if: (i) there are any other events of default by the City under the related credit agreements, (ii) there are further downgrades of the rating on the City's general obligation bonds, or (iii) the forbearance period in one of the other forbearance agreements terminates prior to its scheduled end date. The City plans to issue long-term general obligation fixed rate bonds in mid-2015 to repay most of the outstanding amounts under the commercial paper/line of credit program.

With respect to the City's Series 2000 and Series 2004 Water Second Lien Revenue Bonds, the downgrades triggered defaults under certain credit and/or liquidity facilities, and for the Series 2008C Wastewater Second Lien Revenue Bonds, certain continuing covenant agreements with those bondholders. The Moody's downgrades also triggered termination events under interest rate swap agreements relating to these bonds. In response to the triggering of these defaults and termination events, the City entered into forbearance agreements with the holders of its Series 2008C Wastewater Second Lien Revenue Bonds (\$332 million) to June 30, 2016; and amended and/or transferred the interest rate swap agreements for its Water Second Lien Revenue Bonds (estimated termination value of \$125 million) and its Wastewater Second Lien Revenue Bonds (estimated termination value of \$75 million) to remove such termination event from the swap agreements prior to any demand being made for a termination payment by the counterparties; and obtained a waiver of the event of default from the provider of a letter of credit relating to the Series 2000 Water Second Lien Revenue Bonds. With respect

58

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

to the forbearance agreements with the holders of the Series 2008C Wastewater Second Lien Revenue Bonds, the forbearance period under each of those forbearance agreements extends to June 30, 2016, but can terminate earlier if: (i) there are any other events of default by the City under the related continuing covenant agreements, (ii) there are further downgrades of the rating on the Wastewater Second Lien Bonds, or (iii) the forbearance period in one of the other forbearance agreements for the Wastewater Second Lien Bonds terminates prior to its scheduled end date. With respect to the Series 2008C Water and Wastewater swap agreements, a ratings downgrade below Baa3 on the Second Lien Revenue Bonds for each of the respective credits would trigger a termination event with respect to the related swap agreement. With respect to the Water credit and/or liquidity facilities, a ratings downgrade below Baa3 on the Water Second Lien Revenue Bonds would trigger an event of default.

The City believes its expected revenues along with current assets are sufficient to fund its operations on a continuing basis, through 2015 and beyond, notwithstanding the City's plans to issue additional bonds in 2015.

xi) 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. 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.

xii) Fund equity in the government-wide statements is classified as net position and displayed in three components:

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

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

- 3) Unrestricted - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

## 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 \$1,242.8 million are as follows (dollars in thousands):

59

#### CITY OF CHICAGO, ILLINOIS NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

Deferred inflows - property tax	\$ 983,616	
<u>Deferred inflows - grants</u>		<u>259,140</u>
Net adjustment to increase fund balance - total governmental funds - to arrive at net position - <u>governmental activities</u>		<u>'\$ 1,242,756</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 \$19,390.5 million are as follows (dollars in thousands):

Long-term liabilities:	
Total bonds, notes and certificates payable	\$ 9,606,475
Pension and other postemployment benefits	8,884,304
Lease obligation	116,858
Pollution remediation	8,532

<u>Claims and judgments</u>		<u>900,616</u>
Total Long-term liabilities		19,516,785
Accounts payable - infrastructure retainage	15,272	
Bonds, notes and other obligations payable current	(86,059)	
Other assets - issuance costs (bond insurance)	(16,033)	
Deferred outflows-unamortized loss on refunding	(158,102)	
Accrued interest	2,330	
Derivative instrument liability	25,538	
<u>Accrued and other liabilities - compensated absences</u>		<u>90,860</u>
Net adjustment to reduce fund balance - total governmental funds		
- to arrive at net position -		
<u>governmental activities</u>		<u>\$ 19,390,591</u>

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

- i) The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$303.2 million are as follows (dollars in thousands):

Capitalized asset expenditures	\$ 656,672	
Donated assets	14,476	
Depreciation expense	(367,845)	
<u>Loss - disposal of equipment</u>		<u>(136)</u>
Net adjustment to increase net changes in fund balances - total		
governmental funds - to arrive at		
<u>changes in net position - governmental activities</u>	<u>\$</u>	<u>303,167</u>

60

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

- ii) Another element of that reconciliation states that "Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position." The details of this decrease of \$115.6 million are as follows (dollars in thousands):

Proceeds of debt	\$ (1,004,347)	
Premium	(17,465)	
Payment of refunded bond escrow agent	302,862	
Principal retirement	599,395	
Interest expense	3,643	
Cost of Issuance	287	
Net adjustment to reduce net changes in fund balances - total		
governmental funds - to arrive at		
<u>changes in net position - governmental activities</u>		<u>\$ (115,625)</u>

Another element of that reconciliation states that "Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this decrease of

\$1,250.4 million are as follows (dollars in thousands):

Claims and judgments	\$ (20,849)
Pension and other post employment benefit liabilities and contractual obligations	(1,209,339)
Pollution remediation	66
Vacation	(1,532)
Lease obligations	(18,518)
<u>Inventory</u>	<u>(290)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds - to arrive at	
<u>changes in net position - governmental activities</u>	<u>\$ (1,250,462)</u>

### 3) Stewardship, Compliance and Accountability

- a) Annual Appropriation Budgets are established for the General Fund and the Vehicle Tax, Pension, Chicago Public Library and certain Miscellaneous, Special Events, Tourism and Festivals nonmajor Special Revenue Funds, on a non-GAAP budgetary basis:
  - i) Prior to November 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 except for the Motor Fuel Tax Fund, which is subsequently re-appropriated by project. A separate Motor Fuel Tax Fund Report demonstrates compliance with annual and project-length budgets required by the State. The

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

separately issued Supplement to the Comprehensive Annual Financial Report provides budgetary information for all other budgeted funds. Copies of this report are available upon request.

- 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, 2014 is as follows (dollars in thousands):

	<u>General</u>
	<u>Fund</u>
Revenues, GAAP Basis	\$ 3,176,150
Add:	
Transfers In	39,700
<u>Prior Year's Surplus Utilized</u>	<u>45,472</u>
<u>Revenues, Budgetary Basis</u>	<u>\$ 3,261,322</u>
Expenditures, GAAP Basis	\$ 3,231,258
Add:	
Transfers Out	10,081
Encumbered in 2014	29,223
Deduct:	
Payments on Prior Years' Encumbrances	(6,943)
<u>Provision for Doubtful Accounts and Other</u>	<u>(2,297)</u>
<u>Expenditures, Budgetary Basis</u>	<u>\$ 3,261,322</u>

- c) Individual Fund Deficits include the Chicago Skyway Fund, an Enterprise Fund, which has a fund deficit of \$1,364.3 million which management anticipates will be funded through recognition of deferred inflows. Midway International Airport Fund has a fund deficit of \$6.7 million which will be funded through future revenues. Federal State and Local Grants, a governmental fund, has a deficit of \$225.0 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 \$955.4 million which will be funded through the recognition of deferred inflows. Also, the Bond, Note Redemption and Interest Fund has a deficit of \$26.9 million which will be funded through the issuance of General Obligation Bonds.

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

a) Investments As of December 31, 2014, the City had the following Investments (dollars in thousands):

Investment Type	Investment Maturities (in Years)					Total
	Less Than 1	1-5	6-10	More Than 10		
City Funds						
U.S. Agencies*	\$ 892,426	\$ 3,025,098	\$ 172,590	\$ 112,073	\$ 4,202,187	
Commercial Paper	556,993	-	-	-	- 556,993	
Corporate Bonds	73,420	182,564	120,707	73,998	450,689	
Corporate Equities	910	-	-	-	- 910	
Municipal Bonds	72,144	300,170	69,591	11,209	453,114	
Certificates of Deposit and						
Other Short-term		1,593,657	-	-	-	1,593,657
Total City Funds	\$ 3,189,550	\$ 3,507,832	\$ 362,888	\$ 197,280	\$ 7,257,550	
*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						
Pension Trust Funds						
U.S. and Foreign						
Government Agencies		\$ 293,168	\$ 369,223	\$ 155,772	\$ 467,811	\$ 1,285,974
Corporate Bonds	861,112	465,027	394,251	321,362	2,041,752	
Corporate Equities	5,629,900	---	5,629,900			
Pooled Funds	66,143	22,339	---	88,482		
Real Estate	634,015	---	634,015			
Securities Received from						
Securities Lending		906,189	-	-	-	906,189
Venture Capital	435,340	---	435,340			
Certificates of Deposit and						
Other Short-term		178,686	-	-	-	178,686
Derivatives	787	---	787			
Other	36,539	-	-	-	-	36,539
Total Pension Trust Funds	\$ 9,041,879	\$ 856,589	\$ 550,023	\$ 789,173	\$ 11,237,664	
Total	\$ 12,231,429	\$ 4,364,421	\$ 912,911	\$ 986,453	\$ 18,495,214	

- 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, and shall show on their face that they are fully payable as to principal and interest, where applicable, if any, within ten years from the date of purchase.
- ii) Credit Risk - The Code limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by at least two national rating agencies and who are required to maintain such rating during the term of such investment. The Code also limits investments to domestic money market mutual funds regulated by, and in good standing with, the Securities and Exchange Commission. Certificates of Deposit are also limited by the Code to national banks which provide collateral of at least 105 percent by marketable U.S. government securities marked to market at least monthly; or secured by a corporate surety bond issued by an insurance company licensed to do business

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

in Illinois and having a claims-paying rating in the top rating category, as rated by a nationally recognized statistical rating organization maintaining such rating during the term of such investment. The following schedule summarizes the City's and Pension Trust Funds exposure to credit risk (in thousands):

		<u>Quality Rating City</u>												
Aaa/AAA	\$ 176,616													
Aa/AA	4,150,011													
A/A	252,722													
Baa/BBB														
Ba/BB														
B/B														
Caa/CCC														
Ca														
C/CC														
D/D														
P1/A1	888,599													
<u>Not Rated*</u>	<u>1,789,602</u>													
<u>Total Funds</u>	<u>\$ 7,257,550</u>	116,827	136,607	252,464	352,443	162,158	150,649	36,095	828	350	528	357,957	932,256	
		<u>Quality Rating</u> <u>Pension Trust Funds</u>												
Aaa/AAA	\$													
Aa/AA														
A/A														
Baa/BBB														
Ba/BB														
B/B														
Caa/CCC														
Ca														
C/CC														
D/D														
<u>Not Rated</u>														
<u>2,499,162</u>														
Other														
	\$													

\* 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's deposits, depository institutions are to maintain collateral pledges on City deposits during the term of the deposit of at least 102 percent of marketable U.S. government, or approved securities or surety bonds, issued by top-rated insurers. Collateral is required as security whenever deposits exceed the insured limits of the FDIC. The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$318.2 million. 97.7 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name. \$7.4 million was uncollateralized at December 31, 2014, and thus was subject to custodial credit risk.

iv) Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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

<b><u>Foreign Currency Risk</u></b>	
Australian dollar	\$ 62,870
Brazilian real	43,414
British pound	303,227
Canadian dollar	79,768
Chilean peso	2,666
Chinese yuan	(1,493)
Columbian peso	1,941
Czech Republic koruna	2,661
Danish krone	21,222
Egyptian pound	434
European euro	394,560
Hong Kong dollar	185,487
Hungarian forint	832
Indian rupee	47,536
Indonesian rupiah	19,691
Japanese yen	317,654
Malaysian ringgit	7,704
Mexican peso	29,391
New Israeli shekel	9,136
New Romanian leu	377
New Taiwan dollar	30,860
New Zealand dollar	1,835
Nigeria Naira	(34)
Norwegian krone	19,080
Pakistan rupee	302
Peruvian Nuevo Sol	3
Philippines peso	3,252



Polish zloty	3,122
Qatari riyal	610
Russian ruble	337
Singapore dollar	18,145
South African rand	40,395
South Korean won	58,148
Swedish krona	57,088
Swiss franc	101,272
Taiwan dollar	5,175
Thailand baht	14,232
Turkish lira	19,608
United Arab Emirates dirham...	4,333
Uruguayan peso Uruguayo	466
<u>Total Pension Trust Funds</u>	<u>\$ 1,907,307"</u>

65

i

ii

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

Per Note 4:

Investments - City	\$ 7,257,550
<u>Investments - Pension Trust Funds</u>	<u>11,237,664</u>
	<u>\$ 18,495,214</u>

Per Financial Statements:

Restricted Investments	\$ 3,324,414
Unrestricted Investments	1,835,373
Investments with Fiduciary Funds	10,207,137
Investments with Escrow Agent	417,522
Invested Securities Lending Collateral	906,189
<u>Investments Included as Cash and Cash</u>	<u>1,804,579</u>
<u>Equivalents on the Statement of Net Position</u>	<u>\$ 18,495,214</u>

## 5) Property Tax

The City's property tax becomes 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 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 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 has adopted an ordinance beginning 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, based on the ordinance. 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.

66

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

**6) Interfund Balances and Transfers**

a) The following balances at December 31, 2014 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	\$ 109,514	\$ 276,805	
Federal, State and Local Grants	10,059	296,159	
Special Taxing Areas	423,933	11,682	
Service Concession and Reserve	5,000	5,140	
Bond, Note Redemption and Interest	-85,700		
Community Development and Improvement Projects....	97,053	56,996	
<u>Nonmajor Governmental Funds</u>	<u>79,210</u>	<u>94,698</u>	
Total Governmental Funds	724,769	827,180	
Enterprise Funds:			
Water	91,224	20,130	
Sewer	29,416	71,228	
Chicago Midway International Airport	527	9,134	
Chicago-O'Hare International Airport	33,751	3,519	
<u>Chicago Skyway</u>		<u>= 15</u>	
Total Enterprise Funds	154,918	104,026	
Fiduciary activities:			
Pension Trust	51,519		
<u>Total Fiduciary activities</u>		<u>51,519</u>	=
<u>Total</u>	<u>\$ 931,206</u>	<u>\$ 931,206</u>	

The balances resulted 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, 2014 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	\$ 39,700	\$ 10,081
Special Taxing Areas	97,513	44,463
Service Concession and Reserve	5,000	13,900
Bond, Note Redemption and Interest	366,198	164,268
Community Development and Improvement Projects....	7,004	279,009
Nonmajor Governmental Funds	137,171	140,865
<u>Total Governmental Funds</u>	<u>\$ 652,586</u>	<u>\$ 652,586</u>

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

67

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**7) Capital Assets**

a) Capital Assets activity for the year ended December 31, 2014 was as follows (dollars in thousands):

	<u>Balance</u> <u>January 1,</u> <u>2014</u>	<u>Additions</u> <u>and</u> <u>Transfers</u>	<u>Disposals</u> <u>and</u> <u>Transfers</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land		\$ 1,392,613	\$ 220	\$ -1,392,833
Works of Art and Historical Collections		30,749	14,483	- 45,232
Construction in Progress	<u>260,192</u>	<u>576,209</u>	<u>(290,872)</u>	<u>545,529</u>
<u>Total capital assets, not being depreciated</u>	<u>1,683,554</u>	<u>590,912</u>	<u>(290,872)</u>	<u>1,983,594</u>
Capital assets, being depreciated:				
Buildings and Other Improvements		2,545,699	28,451	-2,574,150
Machinery and Equipment		1,381,545	68,123	(10,374)1,439,294
Infrastructure	<u>8,151,833</u>	<u>258,959</u>	-	<u>8,410,792</u>
<u>Total capital assets, being depreciated</u>		<u>12,079,077</u>	<u>355,533</u>	<u>(10,374)12,424,236</u>
Less accumulated depreciation for:				
Buildings and Other Improvements		877,695	66,389	- 944,084
Machinery and Equipment		1,155,690	58,534	(10,238)1,203,986
Infrastructure	<u>3,735,664</u>	<u>242,922</u>	-	<u>3,978,586</u>
<u>Total accumulated depreciation</u>	<u>5,769,049</u>	<u>367,845</u>	<u>(10,238)</u>	<u>6,126,656</u>
<u>Total capital assets, being depreciated, net</u>		<u>6,310,028</u>	<u>(12,312)</u>	<u>(136)</u>
<u>6,297,580</u>				
<u>Total governmental activities</u>		<u>\$ 7,993,582</u>	<u>\$ 578,600</u>	<u>\$ (291,008) \$ 8,281,174</u>
Business-type activities:				

Capital assets, not being depreciated:

Land		\$ 1,016,635	\$ 2,066	\$ -	\$ 1,018,701
Construction in Progress	<u>1,256,264</u>	<u>1,207,828</u>	<u>701,092</u>	<u>(652,656)</u>	
Total capital assets, not being depreciated	<u>2,224,463</u>	<u>703,158</u>	<u>(652,656)</u>	<u>2,274,965</u>	

Capital assets, being depreciated:

Buildings and Other Improvements		15,138,127	840,309	73,240	16,051,676
Machinery and Equipment	<u>682,588</u>	<u>5,411</u>	<u>(2,366)</u>	<u>685,633</u>	
Total capital assets, being depreciated		15,820,715	845,720	70,874	16,737,309

Less accumulated depreciation for:

Buildings and Other Improvements		4,486,528	339,691	(1,605)	4,824,614
Machinery and Equipment	<u>346,314</u>	<u>21,336</u>	<u>(2,476)</u>	<u>365,174</u>	
Total accumulated depreciation	<u>4,832,842</u>	<u>361,027</u>	<u>(4,081)</u>	<u>5,189,788</u>	

Total capital assets, being depreciated, net	<u>10,987,873</u>	<u>484,693</u>	<u>74,955</u>	<u>11,547,521</u>	
--	-------------------	----------------	---------------	-------------------	--

Total business-type activities		\$ 13,212,336	\$ 1,187,851	\$ (577,701)	\$
--------------------------------	--	---------------	--------------	--------------	----

13,822,486

Total Capital Assets		\$ 21,205,918	\$ 1,766,451	\$ (868,709)	\$
----------------------	--	---------------	--------------	--------------	----

22,103,660

68

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

Governmental activities:

General Government	\$ 44,735
Public Safety	27,464
Streets and Sanitation	14,936
Transportation	251,702
Health	955
Cultural and Recreational	<u>28,053</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 367,845</u>
--	-------------------

Business-type Activities:

Water	\$ 54,802
Sewer	34,061
Chicago Midway International Airport	46,044
Chicago-O'Hare International Airport	215,918
Chicago Skyway	<u>10,202</u>

Total Depreciation Expense - Business-type Activities	<u>\$ 361,027</u>
---	-------------------

**8) Leases****a) Operating Leases**

The City leases building and office facilities under noncancelable operating leases. Total costs for such leases were approximately \$13.6 million for the year ended December 31, 2014.

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

2015		\$ 8,986
2016	4,096	
2017	2,813	
2018	2,457	
2019	2,183	
2020-2024	7,196	
2025 - 2029	336	
2030 - 2034	254	
2035 - 2039	216	
2040 - 2042	66	
<u>Total Future Rental Expense</u>	<u>\$ 28,603</u>	

**b) Capital Leases**

During 2003, the City entered into lease and lease back agreements with third parties pertaining to 911 Center Qualified Technological Equipment (QTE), with a book value of \$143.3 million at December 31, 2003. Under the QTE lease agreement, which provided certain cash and tax benefits to the third party, the City entered into a long-term lease for applicable assets back to the City under a sublease. Under the sublease, the City was required to make future minimum lease payments.

69

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

In June 2014, the City terminated the two lease/leaseback transactions relating to its 911 and 311 systems (QTE-1 and QTE-2). Under the termination agreements, the leases were terminated and the City regained unrestricted title to its 911 and 311 systems. Under the termination agreement relating to QTE-1, the City paid a gross amount of \$1.0 million to Bank of America N.A. To terminate the QTE-2 transaction, the City made a net payment of \$1.3 million to SMBC Leasing Investment LLC.

During 2005, the City entered into a sale and leaseback agreement with third parties pertaining to the City owned portion of a rapid transit line with a book value of \$430.8 million at December 31, 2005. Under the lease agreement, which provides certain cash and tax benefits to the third party, the City entered into a long-term lease for applicable assets back to the City under a lease. Under the lease, the City is required to make future minimum lease payments.

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

<u>Year Ending</u>	<u>Total</u>
December 31,	
2015	\$
2016	9,000
2017	9,000
2018	18,977
2019	3,003
2020-2024	15,016
2025 - 2029	2,000
<u>2030 - 2032</u>	<u>165,164</u>

Total Minimum Future Lease Payments	222,160	
<u>Less Interest</u>		<u>105,302</u>
<u>Present Value of Minimum</u>		
<u>Future Lease Payments</u>	<u>\$ 116,858</u>	

c) 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, 2014 (dollars in thousands):

2015	\$ 93,228	
2016	93,222	
2017	94,218	
2018	93,283	
2019	91,967	
2020-2024	8,144	
<u>2025 - 2029</u>		<u>9,432</u>
<u>Total Minimum Future Rental Income</u>	<u>\$</u>	<u>483,494</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 \$418.5 million, including contingent rentals of \$89.0 million.

70

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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, 2014 (dollars in thousands):

2015	\$ 48,634	
2016	48,171	
2017	26,763	
2018	26,609	
2019	26,609	
2020-2024	133,045	
<u>2025 - 2029</u>		<u>133,045</u>
<u>Total Minimum Future Rental Income</u>	<u>\$</u>	<u>442,876</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 \$92.9 million, including contingent rentals of \$39.6 million.

**9) Short-term Debt**

a) Matured bonds represent principal due on coupon bonds in which the coupons have not been presented for payment. As of December 31, 2014, the outstanding balance was at \$0.7 million.

- b) Line of Credit and Commercial Paper Notes The City issues commercial paper notes and maintains revolving lines of credit for working capital in anticipation of receipt of other revenue and to fund capital projects, debt refinancing or restructuring; the latter are typically repaid from proceeds of later issuances of general obligation bonds. Historically, the commercial paper notes have been supported by underlying letters of credit that extend beyond one year from the date of the financial statements and the lines of credit have also extended beyond one year from the date of the financial statements. Thus, the outstanding amounts at December 31 have been historically recorded as long-term debt.

Due to the Moody's downgrade of the City's general obligation credit in May 2015, see Note 17, an event of default was triggered under each of the revolving credit agreements and the letter of credit reimbursement agreements for the commercial paper notes. Subsequent to December 31, 2014 the City terminated the letter of credit from Wells Fargo Bank; no commercial paper notes secured by that letter of credit were then outstanding. For the remaining banks, the City entered into forbearance agreements pursuant to which the affected banks agreed to forbear from exercising their respective rights resulting from the event of default. The forbearance period under each of the forbearance agreements extends to September 30, 2015, but can terminate earlier if: (i) there are any other events of default by the City under the related credit agreements, (ii) there are further downgrades of the rating on the City's general obligation bonds, or (iii) the forbearance period in one of the other forbearance agreements terminates prior to its scheduled end date. As the forbearance period with respect to the credit agreements and the underlying letter of credit associated with the outstanding commercial paper notes is less than one year from the date of the financial statements, the outstanding general obligation commercial paper notes and lines of credit at December 31, 2014 have been recorded as fund liabilities in the fund financials, as follows (dollars in thousands):

	Type	Fund	Outstanding at 12/31/14
Line of Credit	Community Development and Improvement Projects		\$75,000
Commercial Paper	Community Development and Improvement Projects	2,800	Commercial
Paper Bond, Note Redemption and Interest		198,086	
Commercial Paper	Other Governmental Funds		<u>21,423</u>
Total		\$297,309	

71

I  
CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

10) Long-term Obligations

- a) Long-term Debt activity for the year ended December 31, 2014 was as follows (in thousands):

**Balance January 1, 2014\***

Governmental activities: Bonds and notes payable:

General obligation debt	\$ 7,730,178
Tax increment	88,397
<u>Revenue</u>	<u>753,162</u>

8,571,737

Add unamortized premium	160,014
<u>Add accretion of capital appreciation bonds</u>	<u>293,789</u>
Total bonds, notes and certificates payable	9,025,540

Other liabilities:

Pension and other postemployment	
benefits obligations	7,589,929
Lease obligations	171,674
Pollution Remediation	8,598
<u>Claims and judgments</u>	<u>879,768</u>





Add unamortized premium	330,022
Add accretion of capital appreciation bonds	89,158
Total business-type activities	<u>S 12,945,710</u>

\$ 428,889	\$ 43,976	\$ 2,381,771	\$ 51,535				
307,405	37,929	1,638,935	39,837				
				31,026	168,895	7,527,336	189,605
<u>896,520</u>	<u>867,938</u>	<u>1,523,590</u>	<u>17,265</u>				
				1,663,840	1,118,738	13,071,632	298,242
149,885		37,648	442,259				
				<u>8,720</u>	<u>9,170</u>	<u>88,708</u>	<u>9,571</u>
\$ 1,822,445	S 1,165,556	\$ 13,602,599	\$ 307,813				
Total long-term obligations		<u>\$ 30,621,219</u>	<u>\$ 4,444,312</u>	<u>S 1,946,147</u>	<u>\$ 33,119,384</u>	<u>\$ 622,495</u>	

\* Commercial Paper and Line of Credit are no longer included due to reclassification as short term debt.

The Pension obligation liability will be liquidated through a Special Revenue Fund (Pension Fund) as provided by tax levy and State Personal Property Replacement Tax revenues.

# **i**

## **CITY OF CHICAGO, ILLINOIS**

### **NOTES TO BASIC FINANCIAL STATEMENTS**

#### **YEAR ENDED DECEMBER 31, 2014**

#### **b) Issuance of New Debt**

##### **i) General Obligation Bonds**

General Obligation Bonds, Project and Refunding Series 2014A (\$432.6 million), and Taxable Project and Refunding Series 2014B (\$450.8 million) were sold at a premium in March 2014. The bonds have interest rates ranging from 4.0 percent to 6.314 percent and maturity dates from January 1, 2018 to January 1, 2044. Net proceeds of \$881.6 million will be used to finance infrastructure improvements; transportation improvements; grants or loans to assist not-for-profit organizations or educational or cultural institutions; or to assist other municipal corporations or units of local government, or school districts; cash flow needs of the City; acquisition of personal property; acquisition, demolition, remediation or improvement of real property for industrial, commercial or residential purposes; constructing, equipping, altering and repairing various municipal facilities including fire stations, police stations, libraries, senior and health centers and other municipal facilities; enhancement of economic development within the City by making grants or deposits to secure obligations of not-for-profit or for-profit organizations doing or seeking to do business in the City; litigation judgments or settlements agreements involving the City, including escrow accounts or other reserves needed for such purposes; payments of certain pension contributions; repayment of Commercial Paper Notes and Lines of Credit; providing for facilities, services and equipment to protect and enhance public safety, and other uses permitted by the Ordinance (\$628.0 million), to refund certain maturities of bonds outstanding (\$185.2 million), and to fund capitalized interest (\$68.3 million). The current refunding of the bonds increased the City's total debt service payments by \$217.8 million, resulted in a net economic loss of approximately \$13.5 million and a book loss of approximately \$7.9 million.

##### **ii) Motor Fuel Tax Revenue Bonds**

Motor Fuel Tax Revenue Refunding Bonds, Series 2013 (\$105.9 million) were sold at a premium in June 2014. The bonds have interest rates ranging from 2.0 percent to 5.0 percent and maturity dates from January 1, 2015 to January 1, 2033. Net proceeds of \$114.7 million and prior bonds reserves of \$2.9 million were used to advance refund all maturities of the outstanding Motor Fuel Tax Revenue Bonds, Series 2003 (\$114.7 million) and fund the debt service reserve account (\$2.9 million). The advance refunding of the bonds decreased the City's total debt service payments by \$13.6 million and resulted in an economic gain of \$9.9 million and a book loss of approximately \$2.4 million.

iii) **Tax Increment Allocation Bonds**

Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A (\$17.3 million) and 2014B Taxable (\$16.1 million) were sold at a premium in November 2014. The bonds have interest rates ranging from 0.95 percent to 5.0 percent and maturity dates from June 1, 2015 to June 1, 2022. Net proceeds of \$35.0 million and prior bonds reserves of \$5.1 million were used to refund all maturities of principal and interest outstanding on the Series 2004B Pilsen Bonds (\$25.9 million), the Series 2004G Bonds for the Pilsen Redevelopment Project (\$10.7 million) and fund the debt service reserve account (\$3.5 million). The current refunding of the bonds decreased the City's total debt service payments by \$7.9 million, resulted in a net economic gain of approximately \$5.4 million and a book loss of approximately \$1.1 million.

iv) **Revenue Loans**

In June 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to complete the Wacker Drive Reconstruction Project. The loan amount of \$98.66 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. There have been loan disbursements made to the City in the total of \$17.2 million as of December 31, 2014.

73

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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

In August 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions and improvements to the airport transit system (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of \$288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86 percent and the final maturity of the loans is January 1, 2052. There were no loan disbursements made to the City as of December 31, 2014.

Chicago Midway International Airport Second Lien Revenue Bonds, Series 2014 A&B (\$771.8 million) were sold at premium in June 2014. The bonds have interest rates ranging from 4.0 percent to 5.0 percent and maturity dates from January 1, 2019 to January 1, 2041. Net proceeds of \$842.2 and other monies (\$20.6 million) were used to finance the costs of certain Airport projects (\$114.9 million), to refund certain maturities of bonds outstanding (\$673.7 million), fund capitalized and debt service reserve (\$16.5 million) and to repay the Commercial Paper notes (\$57.7 million). The current refunding decreased the City's total debt service payments by \$135.7 million, resulted in a net economic gain of approximately \$69.2 million and a book loss of approximately \$15.9 million.

Chicago Midway International Airport Second Lien Refunding Revenue Bonds, Series 2014C (\$124.7) were sold in June 2014. The bonds were issued at a daily rate of 0.08 percent. The bonds have maturities of January 1, 2041 to January 1, 2044. Net proceeds of \$124.4 million were used to refund certain maturities of bonds outstanding (\$124.1 million). The current refunding resulted in a book loss of approximately \$0.6 million.

Second Lien Water Revenue Bonds, Series 2014 (\$367.9 million) were sold at a premium in September 2014. The bonds have interest rates ranging from 3.0 percent to 5.0 percent and maturity dates from November 1, 2015 to November 1,

2044. Net proceeds of \$400.0 million will be used to finance certain costs of improvements and extensions to the water system.

On May 27, 2014, a loan agreement was signed with the Illinois Environment Protection Agency to install water meters at residences throughout the City that are currently unmetered. In 2014 the Water Fund drew \$6.5 million from this loan agreement. The loan has an interest rate of 2.295% with maturity dates from September 21, 2014 to March 21, 2034.

On August 5, 2013, a loan agreement was signed with the Illinois Environment Protection Agency to replace approximately 10 miles of damaged, undersized and leaking watermain located throughout the City with new 8-inch diameters watermain. In 2014 the Water Fund drew \$39.4 million from this loan agreement. The loan has an interest rate of 1.93% with maturity dates from January 16, 2015 to July 16, 2034.

On September 19, 2013, a loan agreement was signed with the Illinois Environment Protection Agency to install water meters at residents throughout the City that are currently unmetered. Installations will be performed by a private contractor. Meters will be equipped with an AMR (Automatic Meter Reading) capabilities. In 2014 the Water Fund drew \$15.0 million from this loan agreement. The loan has an interest rate of 1.93% with maturity dates from April 16, 2015 to October 16, 2034.

Second Lien Wastewater Transmission Revenue Bonds, Series 2014 (\$292.4 million) were sold at a premium in September 2014. The bonds have interest rates ranging from 3.0 percent to 5.0 percent and maturity dates from January 1, 2016 to January 1, 2044. Net proceeds of \$320.0 million will be used to finance certain costs of improvements and extensions to the wastewater system.

In 2014, the Sewer Fund drew \$15.0 million from the Illinois Environment Protection Agency loan agreement line to replace existing sewer pipes throughout the city. The loan has an interest rate of 2.295 percent with maturity dates from March 4, 2015 to September 4, 2034.

74

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

In 2014, \$31.0 million of Chicago O'Hare International Airport Commercial Paper Notes Series 2013 were issued. Outstanding O'Hare Commercial Paper Notes at December 31, 2014 were \$51.0 million. The proceeds were used to finance portions of the cost of authorized airport projects.

In 2014, \$30.0 million of Chicago Midway International Airport Commercial Notes Series 2013 were issued. The proceeds were used to finance portions of the costs of authorized airport 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, 2015 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2014 are as follows (dollars in thousands):

<u>Year Ending</u>	<u>General Obligation</u>		<u>Tax Increment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
December 31,				
2015	\$ 235,676	\$ 438,328	\$ 9,335	\$ 3,272
2016	251,072	428,190	10,640	2,795
2017	274,537	417,278	11,795	2,306
2018	287,152	405,157	16,010	1,757
2019	296,244	392,075	6,020	960
2020-2024	1,554,715	1,780,488	16,195	1,392
2025-2029	1,532,769	1,452,485		
2030-2034	1,790,238	1,025,642		
2035-2039	1,277,419	554,626		
<u>2040-2043</u>	<u>772,425</u>	<u>594,623</u>		

\$8,272,247   \$6,988,892   \$   69,995   \$ 12,482

<u>Year Ending</u>	<u>Revenue</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
December 31,				
2015	\$ 18,170	\$ 34,316	\$ 314,322	\$ 640,650
2016		17,880	33,397	392,640
2017		18,250	32,487	445,178
2018		19,150	31,590	457,732
2019		20,335	30,649	441,142
2020-2024	119,187	137,871	2,194,324	2,519,632
2025-2029	141,116	120,681	2,614,614	1,963,663
2030-2034	132,133	126,900	3,083,740	1,208,250
2035-2039	200,730	39,362	2,134,220	517,087
<u>2040-2043</u>	<u>38,445</u>	<u>1,922</u>	<u>699,065</u>	<u>62,832</u>
	<u>\$ 725,396</u>	<u>\$ 589,175</u>	<u>\$ 12,776,977</u>	<u>\$ 9,297,132</u>

For the debt requirements calculated above, interest rates for fixed rate bonds debt range from 1.92 percent to 7.78 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, 2014. 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. In the event the bonds are put

75

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

back to the bank and not successfully remarketed, or if the letter of credit agreements expire without an extension or substitution, the bank bonds will convert to a term loan. There is no principal due on the potential term loans within the next fiscal year.

**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. The notional amounts related to bonds maturing on January 1, 2015 have been excluded in the following table because funds for their payment have been provided for.

Changes in Fair Value Classification Amount			
Governmental Activities			
Hedges:			
		Interest Rate Swaps	Deferred Outflow of Resources \$ (15,850)
Investment Derivative Instruments:			
	Investment		
		Interest Rate Swaps	Income (4,821)
Business-type Activities			

Hedges:

	Interest Rate Swaps	Deferred Outflow of Resources (50,998)
Total		
Notional Amount		
Amount		
Fair Value at December 31, 2014		
Deferred Outflow of Resources		
Classification		

\$ (158,328) \$ 1,192,175  
(32,467)  
363,700

Investment Revenue  
Deferred Outflow of Resources  
924,280

(200,095) \$ (390,890)

(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, 2014, are as follows. The notional amounts of the swaps match 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. The notional amounts related to bonds maturing on January 1, 2015 have been excluded below because funds for their payment have been provided for. 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, 2014, are as follows (dollars in thousands):

76

CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

Associated Bond Issue

Hedging Instruments Governmental Activities:

Notional Effective Amounts Date  
Counter-Termi- party Fair nation Credit Values Date Rating

150,000 11/8/2007 Pay 3.9982%; receive SIFMA 50,000 11/8/2007 Pay 3.9982%; receive SIFMA 200,000 1/1/2014 Pay SIFMA; receive 72.5% of 1 Mo. LIBOR'

(43,370) 1/1/2042 A3/A (5,443) 8/1/2018 Baa2/A-(17,373) 1/1/2042 Aa3/AA-

155,9538/17/2005 Pay 4.104%; receive SIFMA

66,8378/17/2005 Pay 4.104%; receive SIFMA

Pay SIFMA+.045%;

100,0001/1/2014 receive 72.5% of 1 Mo. LIBOR \*

61,3951/1/2014 Pay SIFMA; receive 72.5% of 1 Mo. LIBOR\*

61,395 1/1/2014 Pay SIFMA; receive 72.5% of 1 Mo. LIBOR\*

Pay SIFMA+ .05%;

GO VRDB (Series 2005D)

207,880

1/1/2031 receive 72.5% of 1 Mo. LIBOR \*

Sales Tax Revenue Refunding Bonds

(VRDB Series 2002)

111,7156/27/2002 Pay 4.23%; receive 75.25% of 3 Mo. LIBOR

Tax Increment Allocation Bonds

(Near North TIF, Series 1999A)

27,0009/1/1999 Pay 5.084%; receive 67% of 1 Mo. LIBOR

**Business-type Activities:**

Chicago Midway International Airport

84,40512/14/2004 Pay 4.174%; receive SIFMA Plus .05%

Revenue Bonds (Series 2004C&D)

56,270

4/21/2011 Pay 4.247%; receive SIFMA Plus .05%

(23,181) (20,287)

(6,096) (3,343) (3,343)

7/1/2020

Baa1/A

1/1/2040

Aa3/A+

1/1/2031

Aa2/AA-

1/1/2031

A3/A

1/1/2031

A3/A

(6,028) 1/1/2040 A2/A

(26,657) 1/1/2034 Aa3/A+

(3,207) 1/1/2019 A2/A

(17,678) 1/1/2035 Baa1/A (12,450) 1/1/2035 Aa3/AA-

Wastewater Transmission Variable Rate Revenue Bonds (Series 2008C)..

Pay 3.886%; receive 95% of 3 Mo. LIBOR

(if LIBOR is < 3%) or 232,560 1/3/2011 67% of 3 Mo. LIBOR (if LIBOR is > 3%)

Pay 3.886%; receive SIFMA 49,835 7/29/2004 (if LIBOR is < 3%) 49,835 7/29/2004 or 67% of 1 Mo. LIBOR (if LIBOR is > 3%)

(11,472) (11,362)

(49,027) 1/1/2039 A3/A

1/1/2039 A2/A 1/1/2039 Aa3/A+

Water Variable Rate Revenue Refunding Bonds (Series 2004)..

Second Lien Water Revenue Refunding Bonds (Series 2000)..

100,000

173,345 8/5/2004 Pay 3.8694%; receive 67% of 1 Mo. Libor 182,230 8/5/2004 Pay 3.8669%; receive 67% of 1 Mo. Libor

4/16/2008 Pay 3.8694%; receive 67% of 1 Mo. Libor

(30,996) 11/1/2031 A2/A (37,650) 11/1/2031 Aa3/AA-

(29,460) 11/1/2030 A2/A

## Investment Instruments

### Governmental Activities:

Pay 4.052%;

136,385 8/7/2003 receive 66.91% of 10 Yr USD ISDA Swap Rate Pay 4.052%,

45,465 8/7/2003 receive 66.91% of 10 Yr USD ISDA Swap Rate Pay 66.91% of 10 Yr USD ISDA Swap Rate + 45,465 3/1/2014 .05%; receive 75% of 1 Mo. LIBOR \*

Pay 66.91% of 10 Yr USD ISDA Swap Rate 136,385 11/1/2014 receive 75% of 1 Mo. LIBOR \*

(20,434) 1/1/2034 Aa3/AA-

(6,755) 1/1/2034 Aa3/A+

(1,361) 1/1/2019 A2/A

(3,917) 1/1/2019 Aa2/AA-

Total \$ (390,890)

See Table 31 in Statistical Section for Counterparty Entities and additional details for credit ratings.

See Footnote 18 - Subsequent Events for swap terminations and amendments to agreements effective in 2015.

Type and objective for all the Swaps is the same, as mentioned earlier.

\* Reflects Swap Overlay agreement.

VRDB means variable rate demand bonds.

77

## CITY OF CHICAGO, ILLINOIS NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

- 3) Fair Value. As of December 31, 2014, the swaps had a negative fair value of \$390.9 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. Note that the combination of the negative fair value of \$390.9 million less the unamortized interest rate swap premium balance of \$6.9 million related to investment derivative instruments and \$34.9 million related to governmental cash flow hedges represent the total fair value of the derivative liability in the statement of net position. During 2014, the City terminated the swap associated with Series 2002B General Obligation Variable Rate Demand Bond (Neighborhoods Alive 21 Program); the termination payment amounted to \$36.3 million.
- 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. Bonds maturing and interest payable January 1, 2015 have been excluded because funds for their payment have been provided for. As of December 31, 2014, 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):

78

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

<u>Year Ending</u>	<u>Interest</u>			
	<u>Variable-Rate Bonds</u>	<u>Rate</u>	<u>Swaps, Net</u>	<u>Total</u>
December 31,				
2015	\$ 31,965	\$ 4,201	\$ 62,676	\$ 98,842
2016	51,365	4,215	1,330	116,910
2017	53,750	4,017	59,429	117,196
2018	59,865	3,810	57,437	121,112
2019	58,410	3,593	55,167	117,170
2020- 2024	413,660	14,894	236,467	665,021
2025- 2029	300,625	9,418	168,159	478,202
2030-2034	418,560	5,744	100,499	524,803
2035-2039	235,900	1,504	35,232	272,636
<u>2040 - 2042</u>	<u>43,535</u>	<u>202,608</u>	<u>46,163</u>	
	<u>\$ 1,667,635</u>	<u>\$ 51,416</u>	<u>\$ 839,004</u>	<u>\$ 2,558,055</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, 2014. The Water Rate Stabilization account had a balance in restricted assets of \$88.4 million at December 31, 2014.

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, 2014.

- 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, 2014. The Sewer Rate Stabilization account had a balance in restricted assets of \$32.6 million at December 31, 2014.

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, 2014.

- iii) Chicago Midway International Airport Fund - The Master Indenture of Trust securing Chicago Midway Airport Revenue Bonds requires in each year the City set rates and charges for the use and operation of Midway and for services rendered by the City in the operation of Midway so that revenues, together with any other available monies and the 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

79

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

amounts needed to be deposited into the First and Junior Lien Debt Service Funds, the Operations & Maintenance Reserve Account, the Working Capital Account, the First Lien Debt Service Reserve Fund, the Repair and Replacement Fund, and the Special Project Fund and (ii) an amount not less than 125 percent of the Aggregate First Lien Debt Service for 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, 2014.

The Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations requires that the City set 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, 2014.

- 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 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 Bonds 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, 2014.

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

The Indenture of Trust Securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the

80

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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, 2014, not including principal payments due January 1, 2015, are as follows (dollars in thousands):

	<b>Amount</b>	
	<b><u>Defeased</u></b>	<b><u>Outstanding</u></b>
General Obligation Emergency Telephone System - Series 1993	\$ 213,730	\$ 103,570
General Obligation Bonds - Series 2001A		406,571 64,805
General Obligation Project Bonds - Series 2004A		323,040 3,405
General Obligation Project and Refunding Bonds - Series 2005B	11,435	1,750
General Obligation Direct Access Bonds - Series 2005E		22,186 5,555
General Obligation Project and Refunding Bonds - Series 2006A	28,695	7,440
General Obligation Project and Refunding Bonds - Series 2007A	10,505	4,350
Lakefront Millennium Project Parking Facilities Bonds - Series 1998	149,880	43,880

Special Transportation Revenue Bonds - Series 2001	118,715	90,395
Total		
\$ 1,284,757	\$ 325,150	

81

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

**11) Pension Funds**

- a) Retirement Benefit-Eligible City employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees'; the Laborers' and Retirement Board Employees'; the Policemen's; and the Firemen's Annuity and Benefit Funds of Chicago. 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 the Municipal Employees' Fund or the Laborers' and Retirement Board Employees' Annuity and Benefit Fund. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information.

The financial statements of the Plans are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when payable.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Fixed income securities are valued principally using quoted market prices provided by independent pricing services. For collective investments, the net asset value is determined and certified by the investment managers as of the reporting date. Real estate investments are generally valued by appraisals or other approved methods. Investments that do not have an established market are reported at estimated fair value.

The Plans have a securities lending program. At year-end, the Plans have no credit risk exposure to borrowers because the amounts the Plans owe the borrowers exceed the amounts the borrowers owe the Plans. The contract with the Plans' master custodian requires it to indemnify the Plans if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the fund for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand by either the Plans or the borrower, although the average term of the loans has not exceeded 154 days. The Plans' custodian lends securities for collateral in the form of cash, irrevocable letters of credit and/or U.S. government obligations equal to at least 102 percent of the fair value of securities or international securities for collateral of 105 percent. Cash collateral is invested in the lending agents' short-term investment pool, which at year-end has a weighted average maturity that did not exceed 39 days. The Plans cannot pledge to sell collateral securities received unless the borrower defaults. Loans outstanding as of December 31, 2014 are as follows: market value of securities loaned \$883.6 million, market value of cash collateral from borrowers \$906.2 million and market value of non-cash collateral from borrowers \$1.5 million.

The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 20 years of credited service. Employees who retire at or after age 55 (50 for policemen and firemen) with 20 years of credited service qualify to receive a money purchase annuity and those with more than 20 years of credited service qualify to receive a minimum formula annuity. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.0 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.

Historically, State law required City contributions at statutorily, not actuarially, determined rates. The City's contribution was calculated based on the total amount of contributions by employees to the Plan made in the calendar year two years prior, multiplied by (in recent years) 1.25 for the Municipal Employees', 1.00 for the Laborers', 2.00 for the Policemen's, and 2.26 for the Firemen's. State law also requires covered employees to contribute a percentage of their salaries.

Beginning in 2016, current State law requires significantly increased contributions by the City to the Policemen's and Firemen's Plans. This is projected to require an increase in the City's contributions to the Policemen's and Firemen's Plans by more than \$548.6 million starting in 2016 and increasing by

82

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

approximately three percent each year thereafter. A bill was recently passed by the Illinois General Assembly which would, among other things, institute an extension to 2055 of the period by which the unfunded liabilities of the Policemen's and Firemen's Plans are amortized to a 90 percent Funded Ratio. This would also phase-in over the next five years the increases in the City's contributions to the Policemen's and Firemen's Plans. A motion to reconsider this vote has been filed in the Illinois Senate and is under consideration.

Also beginning in 2016, State law requires significantly increased contributions by the City to the Municipal Employees' and Laborers' Plans. The multiplier determining the City contribution, based on the total amount of contributions by employees to the respective Plans made in the calendar year two years prior, will increase as follows: for the City contribution to be made in 2016, 1.60 (Laborers') and 1.85 (Municipal Employees'); for the contribution made in 2017, 1.90 (Laborers') and 2.15 (Municipal Employees'); for the contribution made in 2018, 2.20 (Laborers') and 2.45 (Municipal Employees'); for the contribution made in 2019, 2.50 (Laborers') and 2.75 (Municipal Employees'); and for the contribution made in 2020, 2.80 (Laborers') and 3.05 (Municipal Employees'). Beginning in 2021, the City's payment contributions for Laborers' and Municipal Employees' will equal the Normal Cost (based on actuarial calculations) for such year plus the amount, determined on a level percentage of payroll basis, that is sufficient to achieve a Funded Ratio of 90 percent in Laborers' and Municipal Employees' by the end of contribution year 2055. This will require an increase in the City's contributions to the Municipal Employees' and Laborers' Plans of more than \$89.1 million starting in 2016 and increasing by approximately three percent each year thereafter.

The City's annual pension cost for the current year and related information for each Plan is as follows (dollars in thousands):

	Municipal				
	Employees'	Laborers'	Policemen's	Firemen's	Total
Contribution rates:					
City (a)		(a)	(a)	(a)	n/a
Plan members	8.5%	8.5%	9.0%	9.125%	n/a
Annual required contribution	\$ 839,038	\$ 106,018	\$ 491,651	\$ 304,265	\$ 1,740,972
Interest on net pension obligation	200,461	2,336	209,449	150,726	562,972
Adjustment to annual required contribution	(210,521)	(2,453)	(147,857)	(154,961)	(515,792)
Annual pension cost	828,978	105,901	553,243	300,030	1,788,152
Contributions made	149,747	12,160	178,158	107,334	447,399
Increase in net pension obligation	679,231	93,741	375,085	192,696	1,340,753
Net pension obligation, beginning of year	2,672,812	31,148	2,702,573	1,884,074	7,290,607
Net pension obligation, end of year	\$ 3,352,043	\$ 124,889	\$ 3,077,658	\$ 2,076,770	\$ 8,631,360

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

	<b><u>Municipal Employees'</u></b>	<b><u>Laborers'</u></b>	<b><u>Policemen's</u></b>	<b><u>Firemen's</u></b>
Actuarial valuation date	12/31/2014	12/31/2014	12/31/2014	12/31/2014
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open	Level percent, open	Level dollar, open
Remaining amortization period	30 years	30 years	30 years	
Asset valuation method	5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market
Actuarial assumptions:				
Investment rate of return (a)	7.5%	7.5%	7.5%	8.0%
Projected salary increases (a):				
Inflation	3.0%	3.0%		
Seniority/Merit	(b)(c)(d)(e)			
Postretirement benefit increases	(f)(f)	(g)(g)		

- a) Proceeds from a tax levy not more than the amount equal to the total amount of contributions by the employees to the Fund made in the calendar year, two years prior to the year for which the annual applicable tax is levied multiplied by 1.25 for Municipal, 1.00 for Laborers', 2.00 Policemen's and 2.26 for Firemen's.
- b) Service-based increases equivalent to a level annual rate increase of 1.4 percent over a full career.
- c) Service-based increases equivalent to a level annual rate increase of 1.9 percent over a full career.
- d) Service-based increases equivalent to a level annual rate increase of 1.8 percent over a full career.
- e) Service-based increases equivalent to a level annual rate increase of 1.8 percent over a full career.
- f) The lesser of 3.0 percent or 1/2 of CPI (simple) per year, applied to the annuity in effect as of December 31, 2014, with a minimum of 1.0 percent per year for total annuities less than \$22,000.00. Beginning at the earlier of:
- 1) the later of the first of January of the year after retirement and age 61;
  - 2) the later of the first of January of the year after the fourth anniversary of retirement and age 54.
- g) Uses 3.0 percent per year for annuitants age 55 or over, born before 1955 with at least 20 years of service and 1.5 percent per year for 20 years for annuitants age 60 or over, born in 1955 or later.
- For participants that first became members on or after January 1, 2011, increases are equal to the lesser of 3.0 percent and 50 percent of CPI-U of the original benefit, commencing at age 60.

The following tables of information assist users in assessing each fund's progress in accumulating sufficient assets to pay benefits when due. The three-year historical information for each Plan is as follows (dollars in thousands):

**Annual   % of Annual   Net Pension**

**Pension   Pension Cost   (Asset) /**

<b><u>Year</u></b>	<b><u>Cost</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
Municipal Employees':			
2012	\$ 687,519	21.65%	\$ 2,008,546
2013	812,463	18.24	2,672,812
2014	828,978	18.06	3,352,043
Laborers':			
2012	77,857	15.22	(63,707)
2013	106,439	10.88	31,148

	2014	105,90111.48124,889
Policemen's:		
	2012	483,35940.942,350,739
	2013	531,35533.792,702,573
	2014	553,24332.203,077,658
Firemen's:		
	2012	268,11230.411,696,679
	2013	291,06435.621,884,074
	2014	300,03035.772,076,770

84

**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**SCHEDULE OF FUNDING PROGRESS**

(dollars in thousands)

Year	Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Actuarial Liability			
			(AAL)Unfunded Entry AgeAAL Ratio	Funded	(bj-aj)	(a/b)
Municipal Employees':						
2012	12/31/12	\$ 5,073,320	\$ 13,475,377	\$ 8,402,057		
2013				12/31/13	5,114,208	13,828,920 8,714,712
2014				12/31/14	5,039,297	12,307,094 7,267,797
Laborers':						
2012				12/31/12	1,315,914	2,336,189 1,020,275 56
2013				12/31/13	1,354,261	2,383,499 1,029,238 57
2014				12/31/14	1,357,451	2,107,110 749,659 64
Policemen's:						
2012				12/31/12	3,148,930	10,051,827 6,902,897 31
2013				12/31/13	3,053,882	10,282,339 7,228,457 30
2014				12/31/14	2,954,319	11,334,799 8,380,480 26
Firemen's:						
2012				12/31/12	993,284	4,020,138 3,026,854 25
2013				12/31/13	991,213	4,128,735 3,137,522 24
2014				12/31/14	988,141	4,338,593 3,350,452 23

**Covered Payroll**

(O

1,590,794 1,580,289 1,602,978

198,790 200,352 202,673

1,015,171 1,015,426 1,074,333

418,965 416,492 460,190

**Unfunded (Surplus) AAL as a Percentage of Covered Payroll t(\*>-a)/c)**

528 %  
551  
453

513 514 370

680 712 780

722 753 728

The unfunded liability to the Plans poses significant financial challenges. The unfunded liability has consistently increased in recent years, but is expected to decrease in the future. Such a decrease is expected to result from significantly increased City contributions to the Plans, beginning in 2016, as required by State law (see Note 1). These increased contributions to the Plans are expected to pose a substantial burden on the City's financial condition.

- b) Other Post Employment Benefits (OPEB) - The Pension Funds also contribute a portion of the City's contribution as subsidy toward the cost for each of their annuitants to participate in the City's health benefits plans, which include basic benefits for eligible annuitants and their dependents and supplemental benefits for Medicare eligible annuitants and their dependents. The amounts below represent the accrued liability of the City's pension plans related to their own annuitants and the subsidy paid to the City (see Note 12). The plan is financed on a pay as you go basis (dollars in thousands).

85

I  
**CITY OF CHICAGO, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

<b>Annual</b>	<b>OPEB</b>	<b>Cost</b>	<b>and</b>	<b>Contributions</b>	<b>Made</b>	<b>For</b>	<b>Fiscal</b>
<b>Year Ended December 31, 2014</b>							

**Municipal**  
**Employees' Laborers' Policemen's Firemen's**

A portion of the City's employer contribution to the Pension Funds is used to finance the health insurance supplement benefit payments.

Annual Required Contribution Interest on Net OPEB Obligation Adjustment to Annual -Required Contribution

Annual OPEB Cost (Gain) Contributions Made  
9,826 \$ 3,404

(26,330)

(13,100) 9,051  
2,520 290

(2,243)

567 2,360

9,723 547

(4,079)

6,191 9,657

2,739 \$ 24,808 536 4,777

(4,143)

(868) 2,471

(36,795)

(7,210) 23,539

Decrease in  
Net OPEB Obligation

Net OPEB Obligation, Beginning of Year

8,684 \$ 8,563 \$ 75,382

Actuarial Method and Assumptions - For-the Pension Funds' subsidies, the actuarial valuation for the fiscal year ended December 31, 2014 was determined using the Entry Age Normal actuarial cost method. 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.



**NOTES TO BASIC FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Actuarial Valuation Date Actuarial Cost Method

Amortization Method

Remaining Amortization Method

Asset Valuation Method

Actuarial assumptions: OPEB Investment Rate of Return (a)

Projected Salary Increases (a) Inflation

Seniority / Merit

Healthcare Cost Trend Rate (e)

Municipal Employees'

12/31/2014

Entry Age Normal

Level Dollar, Open

2 years Closed

No Assets (Pay-as-you-go)

4.5% 3.0%

(b) 0.0%

Laborers'

Firemen's

12/31/2014

Entry Age Normal

Level Dollar, Open

Policemen's

12/31/2014

Entry Age Normal

Level Percent, Open

No Assets

2 years Closed 2 years Closed

No Assets

No Assets

No Assets

4.5% 3.0%

(c) 0.0%

4.5% 3.0%

(d.) 0.0%

(Pay-as-you-go) (Pay-as-you-go) (Pay-as-you-go)

4.5% 3.0%



Employees'	12/31/2014	\$	-\$	17,495\$	17,495	-\$	1,602,978	1.09
Laborers'	12/31/2014			-4,5934,593	-202,673			2.27
Policemen's	12/31/2014			-18,76218,762	-1,074,333			1.75
Firemen's	12/31/2014			-4,9954,995	-460,190			1.09

## 12) 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 \$84.8 million in 2014 to the gross cost of their retiree health care pursuant to premium amounts set forth in the below-referenced settlement agreement.

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) provide a lifetime healthcare plan to former employees who retired before August 23, 1989 with a contribution from the City of up to 55% of the cost of that plan; and (ii) beginning July 1, 2013, 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 2014, the net expense to the City for providing these benefits to approximately 24,381 annuitants plus their dependents was approximately \$79.3 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. The Health Plan provides for annual modifications to the City's level of subsidy. It is set to phase out over three years, at which the Health Plan, along with any further City subsidy, will expire by 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 and medical coverage to eligible retired employees and their dependents for the specified period, ending December 31, 2016. The percentage subsidies were revised to reduce by approximately 25 percent of 2013 subsidy levels in 2014 and 50 percent of 2013 subsidy levels in 2015. Additional step downs in subsidy levels for 2016 have not yet been finalized.

! I

## CITY OF CHICAGO, ILLINOIS NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

In addition, State law authorizes the four respective Pension Funds (Policemen's, Firemen's, Municipal Employees', and Laborers') to provide a fixed monthly dollar subsidy to each annuitant who has 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 (see Note 11).

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 the Policemen's Fund contributes \$95 per month towards coverage for police officers; the Firemen's Fund does not contribute.

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. The renegotiated agreements also provided that retirees will contribute 2% of their pension toward the cost of their health care coverage.

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 of the employer (ARC). The ARC (Annual Required Contribution) 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 2014 is the Annual OPEB Cost (expense).

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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

Contribution Rates: City  
Plan Members

Annual Required Contribution Interest on Net OPEB Obligation Adjustment to Annual Required Contribution

Annual OPEB Cost Contributions Made

Decrease in Net OPEB Obligation

Net OPEB Obligation, Beginning of Year

Net OPEB Obligation, End of Year

Retiree Settlement Health Plan

Total

N/A

60,912 3,989 (15,135)

N/A

128,625 5,795 (21,988)

Pay As You Go Pay As You Go Pay As You Go

N/A

62,666 93,962

49,766 34,09967,713 1,806 (6,853)

(31,296)

15,667

112,432 128,061

60,210

193,191

(15,629)

132,981

28,914 \$ 148,648 \$ 177,562

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 are as follows (dollars in thousands):

Schedule of Contributions, OPEB Costs  
and Net Obligations

Fiscal Year Ended

Annual Percentage of Annual Net OPEB OPEB Cost OPEB Cost Contributed Obligation

Settlement Plan

12/31/2014 12/31/2013 12/31/2012

CBA Special Benefits

62,666 75,444 37,444

149.9%

148.4

260.5

28,914 60,210 96,760

12/31/2014 12/31/2013 12/31/2012

12/31/2014 12/31/2013 12/31/2012

49,766 41,722 39,533

112,432 117,166 76,977



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% in 2014, reduced by decrements to an ultimate rate of 5.0% in 2026. Rates included a 2.5% inflation assumption. The plan has not accumulated assets and does not hold assets in a segregated trust. The funds expected to be used to pay benefits are assumed to be invested for durations which will yield an annual return rate of 3.0%. The remaining Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over ten years.

I

I

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

Actuarial Valuation Date

Actuarial Cost Method

Amortization Method

Remaining Amortization Period

Asset Valuation Method

Actuarial Assumptions: Investment Rate of Return Projected Salary Increases Healthcare Inflation Rate

December 31, 2013 Entry Age Normal Level Dollar, open 10 years Market Value

3.0% 2.5%  
8.0% initial to 5.0% in 2026

December 31, 2013 Entry Age Normal Level Dollar, open 10 years Market Value

3.0% 2.5%  
8.0% initial to 5.0% in 2026

### 13) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; certain benefits for and injuries to employees and natural disasters. The City provides worker's compensation benefits and employee health benefits under self-insurance programs except for insurance policies maintained for certain Enterprise Fund activities. The City uses various risk management techniques to finance these risks by retaining, transferring and controlling risks depending on the risk exposure.

Risks for O'Hare, Midway, and certain other major properties, along with various special events, losses from certain criminal acts committed by employees and public official bonds are transferred to commercial insurers. Claims have not exceeded the purchased insurance coverage in the past three years, accordingly, no liability is reported for these claims. All other risks are retained by the City and are self-insured. The City pays claim settlements and judgments from the self-insured programs. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The General Fund is primarily used to record all non-Enterprise Fund claims. The estimated portion of non-Enterprise Fund claims not yet settled has been recorded in the Governmental Activities in the Statement of Net Position as claims payable along with amounts related to deferred compensatory time and estimated liabilities for questioned costs. As of December 31, 2014, the total amount of non-Enterprise Fund claims was \$483.2 million and Enterprise Fund was \$57.1 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>2014</u>	<u>2013</u>
Balance, January 1	\$ 547,674	\$608,485
Claims incurred and		
change in estimates	627,488	699,582
<u>Claims paid on current and</u>		
<u>prior year events</u>	<u>(634,890)</u>	<u>(760,393)</u>
<u>Balance, December 31</u>	<u>\$ 540,272</u>	<u>\$547,674</u>

### 14) 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.

92

## CITY OF CHICAGO, ILLINOIS NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

In addition to the categories above, any amounts which 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



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

the City.

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

As of December 31, 2014, the Enterprise Funds have entered into contracts for approximately \$518.1 million for construction projects.

The City's pollution remediation obligation of \$8.5 million is primarily related to Brownfield redevelopment projects.

93

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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.

**17) Subsequent Events Ratings**

In February 2015, Moody's Investors Service (Moody's) downgraded the ratings of the City's General Obligation bonds, Sales Tax revenue bonds and Motor Fuel Tax revenue bonds from Baal to Baa2, the City's Wastewater senior lien revenue bonds from A2 to A3, and the Wastewater second lien revenue bonds from A3 to Baal, each with a negative outlook.

In March 2015, Kroll Bond Rating Agency (Kroll) rated the City's General Obligation bonds A- with a stable outlook.

In May 2015 Moody's downgraded the City's General Obligation bonds, Sales Tax revenue bonds and Motor Fuel Tax revenue bonds from Baa2 to Ba1, with a negative outlook. At the same time, Moody's downgraded the City's Water senior lien revenue bonds from A2 to Baal, the Water second lien revenue bonds from A3 to Baa2 and the City's Wastewater senior lien bonds from A3 to Baa2 and the Wastewater second lien revenue bonds from Baal to Baa3, each with a negative outlook. The Moody's May 2015 downgrades

triggered (with respect to the City's General Obligation debt, Sales Tax revenue bonds, Water second lien revenue bonds and Wastewater second lien revenue bonds) defaults under certain credit and/or liquidity facilities, certain general obligation revolving credit agreements and, for the Series 2008C Wastewater second lien revenue bonds, certain continuing covenant agreements with those bondholders. The Moody's May 2015 downgrades also triggered termination events under interest rate swap

94

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

agreements to which the City is a party. The City does not have any such facilities or agreements relating to its Motor Fuel Tax revenue bonds. In response to the triggering of these defaults and termination events, the City took several actions: (i) it terminated the Wells Fargo letter of credit securing two series of its General Obligation commercial paper notes (no such notes were outstanding at the time of termination) and terminated the associated reimbursement agreement; (ii) it entered into forbearance agreements with (A) the providers of credit and/or liquidity facilities for its General Obligation bonds, General Obligation commercial paper notes and Sales Tax revenue bonds, (B) the lenders on its General Obligation revolving credit agreements, (C) the counterparties on its General Obligation and Sales Tax Revenue interest rate swap agreements, and (D) the holders of its Series 2008C Wastewater second lien revenue bonds; (iii) it amended and/or transferred the interest rate swap agreements for its Water second lien revenue bonds and its Wastewater second lien revenue bonds to remove such termination event from the swap agreements prior to any demand being made for a termination payment by the counterparties; and (iv) it obtained a waiver of the event of default from the provider of a letter of credit relating to its Water second lien revenue bonds.

In May 2015, subsequent to the Moody's downgrades, Standard and Poor's (S&P) downgraded the City's General Obligation bonds from A+ to A- with a negative watch. S&P also downgraded the City's Water senior lien revenue bonds from AA to A, the Water second lien revenue bonds from AA- to A- the City's Wastewater senior lien bonds from AA to A and the Wastewater second lien revenue bonds from AA- to A-, each with a negative watch.

In May 2015, subsequent to the Moody's downgrades, Fitch Ratings (Fitch) downgraded the City's General Obligation bonds and Sales Tax revenue bonds from A- to BBB+, with a negative watch.

In June 2015, Kroll rated the Sales Tax revenue bonds AA+ with a stable outlook.

**Bonds**

In May 2015, the City converted its General Obligation Bonds (Neighborhoods Alive 21 Program), Series 2002B (\$176.2 million) from variable rate to fixed rate. The bonds were converted at interest rates ranging from 5.0 percent to 5.5 percent and mandatory sinking fund or maturity dates from January 1, 2016 to January 1, 2037. Proceeds were used to pay a portion of the purchase price of the bonds mandatorily tendered on the conversion date and the costs of conversion. The remaining portion of \$24.8 million was redeemed by the City.

In May 2015, the City converted its General Obligation Bonds, Project and Refunding Series 2003B (\$170.1 million) from variable rate to fixed rate. The bonds were converted at interest rates ranging from 5.0 percent to 5.5 percent and maturity dates from January 1, 2016 to January 1, 2034. Proceeds were used to pay a portion of the purchase price of the bonds mandatorily tendered on the conversion date and the costs of conversion. The remaining portion of \$11.8 million was redeemed by the City.

In June 2015, the City converted its General Obligation Bonds, Project and Refunding Series 2005D (\$174.0 million) from variable rate to fixed rate. The bonds were converted at an interest rate of 5.5 percent and mandatory sinking fund or maturity dates from January 1, 2033 to January 1, 2040. Proceeds were used to pay a portion of the purchase price of the bonds mandatorily tendered on the conversion date and the costs of conversion. The remaining portion of \$48.8 million was redeemed by the City.

In June 2015, the City converted its General Obligation Bonds, Refunding Series 2007E, F and G (\$153.7 million) from variable rate to fixed rate. The bonds were converted at an interest rate of 5.5 percent and mandatory sinking fund or maturity dates from January 1, 2034 to January 1, 2042. Proceeds were used to pay a portion of the purchase price of the bonds mandatorily tendered on the conversion date and the costs of conversion. The remaining portion of \$46.3 million was redeemed by the City.

In June 2015, the City converted its Sales Tax Revenue Refunding Bonds, Series 2002 (\$111.7 million) from variable rate to fixed rate. The bonds were converted at interest rates ranging from 2.0 percent to 5.0 percent. Proceeds were used to pay the purchase price of the bonds mandatorily tendered on the conversion date and the costs of conversion.

**CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

**Swaps**

In May and June 2015, the City terminated all of its General Obligation and Sales Tax revenue swaps and transferred and modified certain thresholds with respect to Additional Termination Events for its Water second lien revenue swaps and Wastewater second lien revenue swaps.

The City terminated the swaps relating to its (1) General Obligation Bonds, Project and Refunding Series 2003B for total termination payments of \$31.0 million, (2) General Obligation Bonds, Project and Refunding Series 2005D for total termination payments of \$62.8 million, (3) General Obligation Bonds, Refunding Series 2007 E, F and G for total termination payments of \$62.0 million and 4) Sales Tax Revenue Refunding Bonds, Series 2002 for a termination payment of \$29.0 million.

The City transferred the swaps with UBS related to its Water Second Lien Revenue Bonds, Series 2000 (\$100.0 million notional amount) and Series 2004 (\$173.3 million notional amount) to Barclays. At the same time, the ATE rating threshold was reduced from below Baal by Moody's or BBB+ by S&P to below Baa3 or BBB- by Moody's and S&P respectively. In addition, the swap with Royal Bank of Canada relating to the City's Water Second Lien Revenue Bonds, Series 2004 (\$182.2 million notional amount) was modified to reduce the ATE rating threshold from below Baal by Moody's or BBB+ by S&P to below BBB+ by S&P or Fitch.

The City modified the ATE rating thresholds related to its Second Lien Wastewater Transmission Revenue Bonds, Series 2008C swaps with JPMorgan (\$49.8 million notional amount) and Bank of America (\$49.8 million notional amount) from below Baal by Moody's or BBB+ by S&P to below Baa3 or BBB- by Moody's or S&P, respectively.

**Commercial Paper, Letters of Credit, Lines of Credit and Continuing Covenant Agreements**

As of December 31, 2014, the outstanding balance for the City's General Obligation Commercial Paper Notes and General Obligation Lines of Credit (G.O. CP) was \$297.4 million. Since January 2015, the City has paid down \$54.2 million of G.O. CP and has issued \$591.8 million to refund certain outstanding bonds, facilitate the conversion of variable rate bonds to fixed rate, fund swap termination payments and pay certain settlements and judgments. The current G.O. CP outstanding is approximately \$835.0 million.

In February 2015, the City's Midway Commercial Paper program was reduced from \$150 million to \$85 million. As such, the PNC letter of credit was not extended.

In April 2015, the City issued \$30.5 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 were used to finance a portion of the cost of authorized airport projects.

In May and June 2015, the City converted its General Obligation bonds and Sales Tax revenue bonds from variable rate to fixed rate, as discussed above. The related letters of credit and liquidity facilities were terminated at the time of the conversion.

Due to the May 2015 downgrades by Moody's, the City entered into forbearance agreements with its General Obligation commercial paper credit providers (except Wells Fargo), the lenders on its General Obligation revolving credit agreements and the Orange Line letter of credit provider. The forbearance agreements extend to September 30, 2015, unless another event of default is triggered, including another rating downgrade by Moody's or a downgrade below investment grade by S&P or Fitch. The Wells Fargo letter of credit was terminated; there were no such General Obligation commercial paper notes outstanding secured by that letter of credit. The City also entered into forbearance agreements with the holders of its Series 2008C Wastewater second lien revenue bonds. Each of those holders has a continuing covenant agreement with the City with respect to its bonds. An event of default was triggered under each continuing covenant agreement due to the May 2015 downgrades by Moody's. The forbearance agreements extend to June 30, 2016 (provided that the City has taken certain steps prior to June 30, 2016 to convert the Series 2008C Wastewater second lien revenue bonds to fixed rates of interest), unless another event of default is triggered, including another rating downgrade by Moody's or a downgrade below investment grade by S&P or Fitch.

In May 2015, the City entered into a Line of Credit Agreement with DNT Asset Trust, which allows the City to draw on the line of credit in an aggregate amount not to exceed \$200.0 million to facilitate the conversions of the City's

**NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

General Obligation variable rate bonds to fixed rate, by funding a portion of the purchase price of tendered bonds as well as paying for the redemption of bonds which were not converted to fixed rate. The line of credit was subsequently reduced to \$151.6 million, to reflect the amount of the draws related to the conversions. The City's repayment obligation under the line of credit is a general obligation of the City. The line of credit expires September 30, 2015. In June 2015, the City amended its Revolving Credit Agreement with Bank of America, which increases the line of credit amount to \$348.4 million. The City's repayment obligation under the line of credit is a general obligation of the City. The line of credit remains in effect through the forbearance period ending on September 30, 2015, although any draws on the line of credit during and after the forbearance period are subject to approval by the bank in its sole discretion.

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

(Ai

Unfunded Actuarial Accrued Liability (UAAL) (b-a)

Funded Ratio (a/b)

Covered Payroll

Unfunded (Surplus) AAL as a Percentage of Covered

Payroll (( b-a) /c)

Municipal Employees'

2012	12/31/2012	\$
2013	12/31/2013	
2014	12/31/2014	

162,083 27,573 17,495

162,083 27,573 17,495

\$ 1,590,794 1,580,289 1,602,978  
%

10.19 1.74 1.09

Laborers'

2012	12/31/2012
2013	12/31/2013

2014 12/31/2014

Policemen's

2012 12/31/2012

2013 12/31/2013

2014 12/31/2014

Firemen's

2012 12/31/2012

2013 12/31/2013

2014 12/31/2014

City of Chicago

2012 12/31/2011

2013 12/31/2012

2014 12/31/2013

38,654 7,074 4,593

168,811 28,376 18,762

46,206 7,692 4,995

470,952 997,281 964,626

38,654 7,074 4,593

168,811 28,376 18,762

46,206 7,692 4,995

470,952 997,281 964,626

198,790 200,352 202,673

1,015,171 1,015,426 1,074,333

418,965 416,492 460,190

2,518,735 2,385,198 2,425,000

19.44 % 3.53 2.27

16.63 % 2.79 1.75

11.03 % 1.85 1.09

18.70 %

41.81

39.78

98

I

## **COMBINING AND INDIVIDUAL FUND STATEMENTS GENERAL FUND**



99

I  
,  
**Schedule A-1**  
**CITY OF CHICAGO, ILLINOIS GENERAL**  
**FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year Ended**  
**December 31, 2014 (Amounts are in Thousands of Dollars)**

Original BudgetFinal Budget

Actual Amounts

Variance Positive (Negative)

## LOCAL TAX REVENUE UTILITY TAX:

Gas	\$ 119,084	
Electric	97,412	
Telecommunication	116,598	
Commonwealth Edison	89,519	
<u>Cable Television</u>	<u>27,661</u>	
<u>Total Utility Tax</u>		<u>450,274</u>

## SALES TAX:

<u>Home Rule Retailers' Occupation</u>	<u>274,505</u>	
--	----------------	--

## TRANSPORTATION TAX:

Parking	126,571	
Vehicle Fuel	48,061	
<u>Ground Transportation</u>	<u>9,100</u>	
<u>Total Transportation Tax</u>		<u>183,732</u>

## TRANSACTION TAX:

Real Property	139,492	
Personal Property Lease	138,873	
<u>Motor Vehicle Lessor</u>	<u>6,262</u>	
<u>Total Transaction Tax</u>		<u>284,627</u>

## RECREATION TAX:

Amusement	103,146	
-----------	---------	--

Automatic Amusement	625	
Liquor	32,237	
Boat Mooring	1,341	
Cigarette	22,923	
Off Track Betting	595	
<u>Soft Drink</u>	<u>21,698</u>	
	<u>Total Recreation Tax</u>	<u>182,565</u>

BUSINESS TAX:

Hotel	97,745
<u>Foreign Fire Insurance</u>	<u>4,725</u>
<u>Total Business Tax</u>	<u>102,470</u>
<u>TOTAL LOCAL TAX REVENUE</u>	<u>1,478,173</u>

119,084 97,412  
116,598 89,519 27,661  
450,274

274,505

183,732

284,627

182,565

97,745 4,725  
102,470  
1,478,173

\$ 153,274 \$ 96,353 106,129 90,202 27,538

473,496

285,773

126,516 48,161 10,399  
185,076

157,194 152,576 6,431

316,201

112,895 584 32,113 1,309 24,022 547 22,210

193,680

100,407 4,422

104,829				
1,559,055				
34,190	(1,059)	(10,469)	683	(123)
<u>23,222</u>				
<u>11,268</u>				
(55)	100	1,299		
1,344				
			17,702	13,703 169
31,574				
9,749	(41)	(124)	(32)	
1,099	(48)	512		
11,115				
				<u>2,662 (303)</u>
2,359				
80,882				

100

**Schedule A-1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year Ended  
December 31, 2014 (Amounts are in Thousands of Dollars)**

Original Budget

Final Budget

Actual Amounts

Variance Positive (Negative)

**INTERGOVERNMENTAL REVENUE**

**STATE INCOME TAX:**

Income	\$ 262,700	
<u>Personal Property Replacement</u>	<u>31,000</u>	
	<u>Total State Income Tax</u>	<u>293,700</u>

**STATE SALES TAX:**

<u>State Retailers' Occupation</u>	<u>322,272</u>
------------------------------------	----------------



\$ 250,279 \$ 27,752

278,031

334,526

4,175

2,335  
619,067

77,371 39,976 20,411 10,901 19,409 34,860 67,005 15,248 83

4,705 6,204 4,444 2,587 2,512  
305,716

11,592 18,142 39,311 6,006 44,889  
119,940

(12,421) (3,248)

(15,669)

12,254

75

835  
(2,505)

(2,913)

948 (2,805)

(1) (574) (701) (786) 224 (2,127) 1,400 (4,467) (694)

(12,496)

(25) (3,488) (2,378) (354) (5,483)

(11,728)

101

**Schedule A-1 - Concluded CITY OF  
CHICAGO, ILLINOIS GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year Ended  
December 31, 2014 . (Amounts are in Thousands of Dollars)**

	Original Budget	Final Budget	Actual Positive Amounts (Negative)	Variance
LOCAL NON-TAX REVENUE - Concluded FINES:				
<u>Fines, Forfeitures and Penalties</u>	\$ 414,680	\$ 414,680	\$ 338,329	\$ (76,351)
INVESTMENT INCOME:				
<u>Interest on Investments</u>	4,725	4,725	1,573	(3,152)
CHARGES FOR SERVICES:				
Inspection	9,873	9,873	14,399	4,526
Information	924	924	664	(260)
Safety	80,300	80,300	90,001	9,701
Reimbursement of Current Expense	8,734	8,734	5,781	(2,953)
<u>Other</u>	24,645	24,645	23,748	(897)
<u>Total Charges for Services</u>		124,476	124,476	134,593
MUNICIPAL UTILITIES:				10,117
<u>Parking</u>		6,656	6,656	7,257
<u>Total Municipal Utilities</u>		6,656	6,656	7,257
LEASES, RENTALS AND SALES:				
Sale of Land and Buildings	3,500	3,500	2,942	(558)
Vacation of Streets and Alleys	1,000	1,000	5,636	4,636
Sale of Impounded Autos	60	60	38	(22)
Sale of Materials	2,200	2,200	1,972	(228)
<u>Rentals and Leases</u>	15,358	15,358	13,539	(1,819)
<u>Total Leases, Rentals and Sales</u>		22,118	22,118	24,127
MISCELLANEOUS:				2,009
Property Damage	7	7	202	195
<u>Other</u>	55,913	55,913	66,291	10,378
<u>Total Miscellaneous</u>	55,920	55,920	66,493	10,573
<u>TOTAL LOCAL NON-TAX REVENUE</u>	1,078,455	1,078,455	998,028	(80,427)
Issuance of Debt, Net of Original				
<u>Discount</u>	=	=	=	=
Budgeted Prior Years' Surplus				
<u>and Reappropriations</u>	53,417	53,417	45,472	(7,945)
<u>Transfers In</u>	58,608	58,608	39,700	(18,908)
<u>Total Revenues</u>		\$ 3,290,225	\$ 3,290,225	\$ 3,261,322
				\$ (28,903)

102

## **NONMAJOR GOVERNMENTAL FUNDS**

103

**Schedule B-1**  
**CITY OF CHICAGO, ILLINOIS NONMAJOR**  
**GOVERNMENTAL FUNDS COMBINING**  
**BALANCE SHEET December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

	Total Nonmajor Special Revenue Funds	Debt Service Fund Special Taxing	Total Nonmajor Capital Project Areas	Total Nonmajor Governmental Funds	
ASSETS					
Cash and Cash Equivalents		\$	8,768	\$	6,373 \$ 412
\$ 15,553					
Investments				88,871	4,531
97,045 190,447					
Cash and Investments with Escrow Agent		257	72,295	72,552	
Receivables (Net of Allowances):					
Property Tax				340,506	30,401 -
370,907					
Accounts				16,234	33 341
16,608					
Due from Other Funds				71,602	- 7,608 79,210
Due from Other Governments	20,284	-	18,179	38,463	
Total Assets	123,585		\$ 546,522	\$ 113,633	\$ 783,740
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Voucher Warrants Payable		\$ 44,053	\$-	20,824	\$ 64,877
Bonds, Notes and Other Obligations Payable - Current ...	-	4,400	-4,400		
Accrued Interest			- 1,464		-1,464
Due to Other Funds	74,434	-20,264	94,698		
Accrued and Other Liabilities	42,316	391	24,941	67,648	
Line of Credit and Commercial Paper	18,500	2,923	-	21,423	
Total Liabilities	179,303	9,178	66,029	254,510	
Deferred Inflows	288,986	25,577	- 314,563		
Fund Balance:					
Restricted	3,057	78,878	57,556	139,491	
Committed	75,176	-	- 75,176		
Total Fund Balance	78,233	78,878	57,556	214,667	
Total Liabilities, Deferred Inflows and Fund Balance ..	\$ 546,522	\$ 113,633	\$ 123,585	\$ 783,740	



104

**Schedule B-2**

**CITY OF CHICAGO, ILLINOIS NONMAJOR**

**GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Year Ended  
December 31, 2014 (Amounts are in Thousands of Dollars)**

	Total Nonmajor Special Revenue	
Funds		
Debt Service		
Fund Special Taxing Areas		
	Total Nonmajor Capital Project Funds	
	Total Nonmajor Governmental Funds	
REVENUES		
Property Tax	\$ 357,457	
Utility Tax	74,641	
Sales Tax		
Transportation Tax	208,996	
State Income Tax	126,019	
Transaction Tax	63,055	
Special Area Tax		
Other Taxes	21,245	
Federal/State Grants		
Internal Service	30,046	
Fines	15,188	
Investment Income	(658)	
Charges for Services	31,073	
Miscellaneous	19,731	
<u>Total Revenues</u>	<u>946,793</u>	
		306,081 502 6,785 73,584 93,298 81,238 483,493 915
EXPENDITURES Current:		
General Government		
Health		
Public Safety		
Streets and Sanitation		
Transportation		
Cultural and Recreational		
Employee Pensions		
Other		
Capital Outlay		
		3,575 757
Debt Service:		
Principal Retirement		
1,050,228		
Interest and Other Fiscal Charges		
Total Expenditures		
<u>Revenues Over (Under) Expenditures</u>	<u>(103,435)</u>	

\$ 90,686 \$

54 920  
91,660

69,912 30,963  
100,875  
(9,215)

710 2,645  
3,355

67,854

67,854

(64,499)

448,143 74,641

208,996 126,019 63,055

21,245

30,046 15,188 106 31,073 23,296  
1,041,808

306,081 502 6,785 73,584 93,298 81,238 483,493 915 67,854

73,487 31,720  
1,218,957

(177,149)

Continued on following page.

I  
**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, 2014 (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)	
Issuance of Debt	\$
Payment to Refunded Bond Escrow Agent	
Transfers In	
Transfers Out	
	Total Other Financing Sources (Uses)

Net Change in Fund Balances  
Fund Balance - Beginning of Year  
Fund Balance - End of Year

\$  
32,741 2,262 45,215 (104,604) (24,386)

123,468 2,262 137,171 (140,865) 122,036

\$ 90,127  
75,620  
(33,601) 112,479  
6,303 51,253

10,436 (29,761) 70,802

(55,113) 269,780  
78,233 \$ 78,878 \$ 57,556 \$ 214,667

## 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.

Pension Fund - For the City's contribution to Employees' Annuity and Benefit Funds as provided by tax levy and State Personal Property Replacement Tax revenue.

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 fees 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.

107

**Schedule C-1**  
**CITY OF CHICAGO, ILLINOIS NONMAJOR SPECIAL**  
**REVENUE FUNDS COMBINING BALANCE SHEET**  
**December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

Vehicleand	Motor Fuel Tax
------------	----------------

TaxProject Pension

ASSETS

Cash and Cash Equivalents		\$	492	\$	1,509	.	\$
Investments					11,366	23,161	75
Cash and Investments with Escrow Agent		-	257				
Receivables (Net of Allowances):							
Property Tax					--	340,506	
Accounts					2,756	1,566	191
Due from Other Funds					49,305	254	
Due from Other Governments					-	10,599	
Total Assets	\$	63,919	\$	37,346	\$	340,772	

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE Liabilities:

Voucher Warrants Payable	\$	6,707	\$	17,601		\$	181		
Due to Other Funds					235		-	51,520	
Accrued and Other Liabilities				28,678		386	85		
<u>Line of Credit and Commercial Paper</u>		-		-			-		
<u>Total Liabilities</u>		<u>35,620</u>		<u>17,987</u>	<u>51,786</u>				
Deferred Inflows		-		-	288,986				
Fund Balance (Deficit):									
Restricted									
<u>Committed</u>		<u>28,299</u>		<u>19,359</u>					
<u>Total Fund Balance (Deficit)</u>		<u>28,299</u>		<u>19,359</u>					
Total Liabilities and Fund Balance	\$	63,919	\$	37,346	\$	340,772			

Health  
and Welfare

Total Nonmajor Special Revenue

Funds

70	\$	4,794			118	\$	1,137	648	\$
									8,768
				46,399	-		3,982	3,888	88,871
									257
									340,506
				10,364	143		976		238 16,234
				2	20,247		1,794		- 71,602
4,179		-	-	5,506	- 20,284				
4,249	\$	61,559	\$	20,508	\$	13,395	\$	4,774	\$ 546,522
12,830	19,869	37	18,500	51,236					
							3,327	8,800	12,127
							3,407	2,810	230
6,447									
44,053	74,434	42,316	18,500	179,303					
							288,986		
4,149	4,149								
3,057	7,266								
10,323									
3,057	75,176								
78,233									
\$	20,508	\$	13,395						

109

## 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, 2014 (Amounts are in Thousands of Dollars)

		<u>Motor</u>	
		<u>Fuel Tax</u>	
		<u>Vehicle and</u>	
		<u>Tax</u>	<u>Project Pension</u>
Revenues:			
Property Tax	\$	-	\$ - \$ 357,457
Utility Tax		--	
Transportation Tax		129,572	77,894
State Income Tax		-	- 126,019
Transaction Tax	...		
Other Taxes			
Internal Service		29,660	386
Fines	13,409		
Investment Income		(118)	(517) 17
Charges for Services	16,463		
Miscellaneous	43		
<u>Total Revenues</u>		<u>189,029</u>	<u>77,763 483,493</u>
Expenditures: Current:			
General Government		72,705	27,330
Health	:		
Public Safety	213		
Streets and Sanitation		37,572	36,012
Transportation		72,391	20,833
Cultural and Recreational	...		
Employee Pensions		-	- 483,493
Other			
Debt Service:			
Principal Retirement	...		
Interest and Other Fiscal Charges		- 450	
<u>Total Expenditures</u>		<u>182,881</u>	<u>84,625 483,493</u>
<u>Revenues Over (Under) Expenditures</u>			<u>6,148 (6,862)</u>
Other Financing Sources (Uses):			
Issuance of Debt		- 600	
Transfers In			
Transfers Out			
<u>Total Other Financing Sources (Uses)</u>		<u>- 600</u>	
Net Change in Fund Balances		6,148 (6,262)	
Fund Balance (Deficit) - Beginning of Year		22,151	25,621
Fund Balance (Deficit) - End of Year	\$	28,299	\$ 19,359 \$



110

Public Building Commission

Chicago , Public Library  
Special Events, Tourism  
and Festivals

Health  
and Welfare

Total Nonmajor Special Revenue

Funds

5,000 5,000

74,641 63,055

175 2,397 7,862 148,130

1,779 (4) 125 165  
2,065

1,530

21,245

(232) 12,088 6,661 41,292

357,457 74,641

208,996

126,019 63,055 21,245 30,046 15,188 (658) 31,073 19,731

946,793

158,035 502 6,387

72

164,996

(16,866)

32,446

51,642

307

84,395 (82,330)

9,193 185 2

29,596 915 3,575

43,466 (2,174)

306,081 502 6,785 73,584 93,298 81,238 483,493 915

3,575 757 1,050,228

(103,435)

(878) 5,027

4,149

(16,866) 27,189

10,323

81,520

81,520

(810) 9,191

8,381

(2,174) 9,122

6,948

(6,500) (6,500)

(6,973) 7,747

774

600 81,520 (6,500) 75,620

(27,815) 106,048

78,233

111

**Schedule C-3**

**CITY OF CHICAGO, ILLINOIS NONMAJOR SPECIAL  
REVENUE FUNDS**

**COMBINING SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year Ended  
December 31, 2014 (Amounts are in Thousands of Dollars)**

Transaction and Property Tax

FUND

Original and Final Budgeted Revenues:

Vehicle Tax	\$
Motor Fuel Tax and Project	
Pension	342,845
Miscellaneous	55,797

Chicago Public Library  
Special Events, Tourism and Festivals  
Health and Welfare  
Special Taxing Areas

=

Total Original and Final Budgeted Revenues .... 398,642

Actual Revenues:

Vehicle Tax  
Motor Fuel Tax and Project  
Pension 340,829  
Miscellaneous 63,055  
Chicago Public Library  
Special Events, Tourism and Festivals  
Health and Welfare  
Special Taxing Areas 296,862

Total Actual Revenues

700,746

Variance Positive (Negative)

\$ 302,104

Transportation Tax

State Taxes

Special Area and Utility Taxes

\$ 121,800 \$ 39,905

126,053

1,589

67,105

67,105

22,000

163,294 148,053

129,572 77,894

74,641

1,530

126,019

74,641

21,245

208,996 147,264

\$ 7,536 \$ 45,702 \$ (789)

Note: Original and Final Budgets are the same for all funds except Motor Fuel Tax and Project. There was a \$9.2 million increase in Miscellaneous revenues in Motor Fuel Tax and Project.

112

Internal Service

Investment Income

Leases, Rentals, Sales and Charges for Services

Miscellaneous

Proceeds of Debt

Budgeted Prior Years' Surplus and

Operating Transfers In/ Other

Total Nonmajor Special Revenue

Funds

6,000

25 2

\$ 13,234 \$

350 10,600

9,222

12,954 950 6,500

8,514  
6,142 13,941

22,329 8,450 5,802 572  
178,765 69,068 468,898 158,185 87,461 46,493 572 8,514

1,017,956

29,660	13,409	(118)	16,463	43	--189,029				
386	-	(517)	-	-	600	-	-	78,363	
		17	-	-	-	-	-	466,865	
		175	1,348	5,302	-	-	-	144,521	
1,779		(4)		125		165			
							81,520		
		(232)	10,240	6,661		-	-	83,585	
				21	-	-	-	39,444	
			4,822	155	1,999	-	-	-	21
-	-						97,513	401,351	
30,046	15,188		4,164	28,331	14,170	600	179,033	1,403,179	
\$ 2,957	\$ 2,688		\$ (1,863)		\$ 4,147		\$ (23,970)	\$	
(75,086)	\$ 121,797		\$ 385,223						

113

ii

j

i

## Schedule C-4

CITY OF CHICAGO, ILLINOIS NONMAJOR SPECIAL  
REVENUE FUNDSCOMBINING SCHEDULE OF EXPENDITURES AND ENCUMBRANCES -BUDGET AND  
ACTUAL (BUDGETARY BASIS) Year Ended December 31, 2014 (Amounts are in  
Thousands of Dollars)

FUND	GeneralPublicand		Streets	
	<u>Government</u>	<u>Health</u>	<u>Safety Sanitation</u>	
Original and Final Budget:				
Vehicle Tax		\$ 73,515	\$ -	\$ 546
38,712				
Motor Fuel Tax and Project		25,658	--	16,995
Pension	468,898			
Miscellaneous		149,778	-8,408	
Chicago Public Library	36,143			
Special Events, Tourism and Festivals		14,739 -185		
Health and Welfare		572	--	
<u>Special Taxing Area</u>	<u>8,139</u>	<u>- 375</u>	<u>=</u>	
<u>Total Original and Final Budget</u>		<u>777,442</u>	<u>=</u>	<u>9,514 55,707</u>

## Actual Expenditures and Encumbrances:

Vehicle Tax				
Motor Fuel Tax and Project				
Pension				
Miscellaneous				
Chicago Public Library				
Special Events, Tourism and Festivals				
Total Actual Expenditures and Encumbrances ...				
73,012	-	209	. 36,945	
24,660	-	-	25,385	
483,494				
154,799	-	5,164		
33,160				
13,681	-	185	-	
<u>782,806</u>	<u>=</u>	<u>5,558</u>	<u>62,330</u>	
<u>Variance Positive (Negative)</u>		<u>\$ (5,364)</u>	<u>\$ -</u>	<u>\$ 3,956 \$ (6,623)</u>

Note: Original and Final Budgets are the same for all funds except Motor Fuel Tax and Project. There was a \$9.2 million increase in transportation expenditures in Motor Fuel Tax and Project.

114

Trans-portion

Cultural and Recreational

Employee Pensions

Operating Transfers Out

Interest and Other  
Fiscal Charges

Total Nonmajor Special Revenue

Funds

\$ 65,992 26,415

51,318 31,569

178,765 69,068 468,898 158,186 87,461 46,493 572 8,514

1,017,957

70,974 23,897

50,434 29,617

181,140 73,942 483,494 159,963 83,594 43,483

1,025,616

\$ (2,464) \$ 2,836 \$

- \$

- \$

- \$ (7,659)



115

## **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.)

116

I

## Schedule D-1

CITY OF CHICAGO, ILLINOIS NONMAJOR CAPITAL  
PROJECT FUNDS COMBINING BALANCE SHEET

December 31, 2014

(Amounts are in Thousands of Dollars)

	Highway and Transportation Projects	Building Projects	Equipment Projects	Chicago Public Building Commission	Capital Project Funds	Total Nonmajor
<b>ASSETS</b>						
Cash and Cash Equivalents			\$	14	\$	26 \$
-	\$ 412					
Investments						7 72 96,966
-	97,045					
Accounts Receivable (Net of Allowances)	-	-		341	-	341
Due from Other Funds						- - 7,608
-	7,608					
<u>Due from Other Governments</u>	-	-		-	18,179	18,179
Total Assets		\$ 21	\$	98	\$ 105,287	\$ 18,179 \$ 123,585
<b>LIABILITIES AND FUND BALANCE Liabilities:</b>						
Voucher Warrants Payable	\$ 122			\$ 1	\$ 20,701	\$ -
\$ 20,824						
Due to Other Funds		-		-2,085	18,179	20,264
<u>Accrued and Other Liabilities</u>	-			700	24,241	^ 24,941
Total Liabilities		122		701		47,027
				18,179		66,029
<b>Fund Balance:</b>						
<u>Restricted</u>	(101)	(603)		58,260		- 57,556
<u>Total Fund Balance</u>	(101)	(603)		58,260	-	57,556
Total Liabilities and Fund Balance	\$ 21	\$ 98	\$	105,287		\$ 18,179
\$ 123,585						

117

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, 2014 (Amounts are in Thousands of Dollars)

	Highway and Transportation Projects
REVENUES	
Investment Income	\$ -
Miscellaneous	=
Total Revenues	

Building Projects

Equipment Projects

B 710 2,645 3,355

Chicago Public Building Commission

\$

Total Nonmajor Capital Project Funds

710 2,645 3,355

EXPENDITURES

Capital Outlay	=	=	67,854	=	67,854
----------------	---	---	--------	---	--------

<u>Total Expenditures</u>	-	-	<u>67,854</u>	-	<u>67,854</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	<u>(64,499)</u>	-	<u>(64,499)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	90,127	-	90,127
Transfers In	-	-	10,436	-	10,436
<u>Transfers Out</u>	-	-	<u>(29,761)</u>	-	<u>(29,761)</u>
<u>Total Other Financing Sources (Uses) ...</u>	=	=	<u>70,802</u>	=	<u>70,802</u>
Net Change in Fund Balance	-	-	6,303	-	6,303
<u>Fund Balance-Beginning of Year</u>	<u>(101)</u>	<u>(603)</u>	<u>51,957</u>	<u>-</u>	<u>51,253</u>
<u>Fund Balance-End of Year</u>	<u>\$ (101)</u>	<u>\$ (603)</u>	<u>\$ 58,260</u>	<u>\$</u>	<u>\$ 57,556</u>

## 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.)

119

I

**Schedule E-1**

**CITY OF CHICAGO, ILLINOIS FIDUCIARY FUNDS -  
AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES December 31, 2014**  
(Amounts are in Thousands of Dollars)

	Payroll Clearing	Payroll Deduction	Other Clearing	License and Special Special Deposit Assessment			
ASSETS: Cash,							
January 1, 2014	\$ 332	\$ 11,814	\$ 66,531	\$ 30,540	\$ 789		
					\$ 110,006		
Additions	3,759,174	5,586	505,245	106,178	3,387	4,379,570	
Deductions	3,759,070	7,238	548,839	119,041	2,186	4,436,374	
Cash,							
	<u>December 31, 2014</u>	<u>436</u>	<u>10,162</u>	<u>22,937</u>	<u>17,677</u>	<u>1,990</u>	<u>53,202</u>
Investments,							
January 1, 2014		183	5,586	60,234	20,113	3,342	89,458
Additions	35,883,238	3,745,679	20,159,758	3,811,717			

<u>Deductions</u>	<u>183</u>	<u>5,586</u>	<u>3,756,785</u>	<u>25,224</u>	<u>3,9503,791,728</u>	
Investments,						
<u>December 31,2014</u>		<u>35,883</u>	<u>7,238</u>	<u>49,128</u>	<u>15,048</u>	<u>2,150 109,447</u>
Cash and Investments with						
Escrow Agent,						
January 1,2014	-	-	8,181	122		-8,303
Additions	-	-	93,913	-		-93,913
<u>Deductions</u>	<u>-</u>	<u>95,779</u>	<u>-</u>	<u>- 95,779</u>		
Cash and Investments with						
Escrow Agent,						
<u>December 31, 2014</u>	<u>-</u>	<u>-</u>	<u>6,315</u>	<u>122</u>	<u>-</u>	<u>6,437</u>
Accounts Receivables,						
January 1,2014	2		3,846	98,713	50,251	1,036 153,848
Additions	4-183,631	140,436	8324,079			
<u>Deductions</u>	<u>5</u>	<u>-144,089</u>	<u>128,049</u>	<u>10272,153</u>		
Accounts Receivables,						
<u>December 31,2014</u>		<u>1</u>	<u>3,846</u>	<u>138,255</u>	<u>62,638</u>	<u>1,034 205,774</u>

120

**Schedule E-1 - Concluded CITY OF CHICAGO,  
ILLINOIS FIDUCIARY FUNDS - AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES December 31, 2014**  
(Amounts are in Thousands of Dollars)

	Payroll Clearing	Payroll Deduction	Other Clearing Fund	License and Special Special Deposit Assessment Fund	Fund	Fund Total
ASSETS - Concluded: Total						
Assets,						
January 1,2014			\$ 517	\$ 21,246	\$ 233,659	\$ 101,026 \$ 5,167 \$ 361,615
Additions	3,795,061	12,824	4,528,468	266,773		6,153 8,609,279
<u>Deductions</u>	<u>3,759,258</u>	<u>12,824</u>	<u>4,545,492</u>	<u>272,314</u>		<u>6,146 8,596,034</u>
Total Assets,						
<u>December 31,2014</u>			<u>\$ 36,320</u>	<u>\$ 21,246</u>	<u>\$ 216,635</u>	<u>\$ 95,485 \$ 5,174 \$ 374,860</u>
LIABILITIES:						
Voucher Warrants Payable,						
January 1,2014		\$ 4,218	\$ 34	\$ 31,333	\$ 2,564	4 \$ 38,153

Additions	8,274,699	-	434,292	9,224	12 8,718,227	
Deductions	<u>8,265,455</u>	=	<u>443,489</u>	<u>9,890</u>	<u>12 8,718,846</u>	
Voucher Warrants Payable,						
December 31,2014		<u>13,462</u>	<u>34</u>	<u>22,136</u>	<u>1,898</u>	<u>4 37,534</u>
Accrued Liabilities,						
January 1,2014	(3,701)	21,212	122,492	98,462	5,163	243,628
Additions	1,198,137	-	152,571	4,092	23	1,354,823
Deductions	<u>1,171,578</u>	-	<u>158,267</u>	<u>8,96716</u>	<u>1,338,828</u>	
Accrued Liabilities,						
December 31,2014		<u>22,858</u>	<u>21,212</u>	<u>116,796</u>	<u>93,587</u>	<u>5,170 259,623</u>
Total Liabilities,						
January 1,2014	517	21,246	153,825	101,026		5,167
Additions	9,472,836	-	-	586,863	13,316	281,781
Deductions	<u>10,073,050</u>					35
	<u>9,437,033</u>	-	-	<u>601,756</u>	<u>18,857</u>	
	<u>2810,057,674</u>					
Total Liabilities,						
December 31,2014		<u>\$ 36,320</u>	<u>\$ 21,246</u>	<u>\$ 138,932</u>	<u>\$ 95,485</u>	<u>\$ 5,174 \$ 297,157</u>
Deferred Inflows,						
January 1,2014	-	-	79,834	-	-	79,834
Additions	--105,774	--105,774				
Deductions	=	=	<u>107,905</u>	=	=	<u>107,905</u>
Deferred Inflows,						
December 31,2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,703</u>	<u>\$ -</u>	<u>\$ 77,703</u>	
Total Liabilities and Deferred						
Inflows,						
December 31,2014	<u>\$ 36,320</u>	<u>\$ 21,246</u>	<u>\$ 216,635</u>	<u>\$ 95,485</u>	<u>\$ 5,174</u>	<u>\$ 374,860</u>

121

I

**Schedule E-2**  
**CITY OF CHICAGO, ILLINOIS FIDUCIARY FUNDS - PENSION**  
**TRUST FUNDS COMBINING STATEMENT OF PLAN NET**  
**POSITION December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

## Pension Trust Funds

Municipal  
Employees' Laborers' Policemen's Firemen's Total

## ASSETS

Cash and Cash Equivalents	\$ 489	\$ 49,893	\$ 135,836	\$
<u>48,055</u>	<u>\$ 234,273</u>			

## Receivables

Employer and Other	192,742	19,120	286,557	101,530	599,949
Interest and Dividends	<u>12,940</u>	<u>1,844</u>	<u>6,099</u>	<u>3,042</u>	<u>23,925</u>
<u>Total Receivables</u>	<u>205,682</u>	<u>20,964</u>	<u>292,656</u>	<u>104,572</u>	<u>623,874</u>
Due from City	<u>17,989</u>	<u>1,590</u>	<u>19,981</u>	<u>11,959</u>	<u>51,519</u>
Property, Plant, Equipment and Other	<u>15</u> <u>417</u>		<u>-</u> <u>138</u>	<u>570</u>	
Investments, at Fair Value Bonds and U.S. Government Obligations	1,284,769	250,010	719,988	171,902	2,426,669
Stocks	2,271,545	739,792	1,493,568	634,793	5,139,698
Mortgages and Real Estate	493,998	45,735	94,281	34,370	668,384
Other	<u>1,017,195</u>	<u>285,677</u>	<u>526,682</u>	<u>33,385</u>	<u>1,862,939</u>
<u>Total Investments</u>	<u>5,067,507</u>	<u>1,321,214</u>	<u>2,834,519</u>	<u>874,450</u>	<u>10,097,690</u>
Invested Securities Lending Collateral	<u>391,443</u>	<u>65,235</u>	<u>288,542</u>	<u>160,969</u>	<u>906,189</u>
<u>Total Assets</u>	<u>5,683,125</u>	<u>1,459,313</u>	<u>3,571,534</u>	<u>1,200,143</u>	<u>11,914,115</u>
LIABILITIES					
Voucher Warrants Payable	112,197	5,196	220,978	3,166	341,537
Securities Lending Collateral	<u>391,443</u>	<u>65,235</u>	<u>288,542</u>	<u>160,969</u>	<u>906,189</u>
<u>Total Liabilities</u>	<u>503,640</u>	<u>70,431</u>	<u>509,520</u>	<u>164,135</u>	<u>1,247,726</u>
Deferred Inflows	<u>-</u>	<u>787</u>	<u>-</u>	<u>-</u>	<u>787</u>
Net Position Restricted for Pension Benefits	\$ <u>5,179,485</u>		\$ <u>1,388,095</u>	\$ <u>3,062,014</u>	\$
			<u>1,036,008</u>		<u>\$ 10,665,602</u>

122

Schedule E-3  
CITY OF CHICAGO, ILLINOIS  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
Year Ended December 31, 2014  
(Amounts are in Thousands of Dollars)

Pension Trust Funds

Municipal Employees'



**ADDITIONS****Contributions**

Employees	\$
City	—

**Total Contributions****Investment Income Net Appreciation in Fair**

Value of Investments
Interest, Dividends and Other ....
Investment Expense
Net Investment Income

**Securities Lending Transactions**

Securities Lending Income
Securities Lending Expense
Net Securities Lending
Transactions

**Total Additions****DEDUCTIONS Benefits and Refunds of****Deductions****Administrative and General****Total Deductions****Net Decrease in Net Position****Net Position Restricted for****Pension Benefits:****Beginning of Year**

End of Year	\$
129,972	158,798
16,359	14,521
95,676	187,075
48,056	109,805
288,770	
30,880	
282,751	
157,861	

290,063	470,199	
174,388	132,049	(24,628)
40,042	23,194	(10,305)
136,127	55,333	(9,984)
14,637	21,542	(5,989)

760,262
281,809
52,931
181,476
30,190

365,194 232,118 (50,906)

701 772  
138 324  
985 181  
887 (202)

546,406

1,473  
462  
1,166  
685

2,711 1,075

572,052  
84,273  
465,393  
188,736

3,786

807,674 6,569  
150,017 3,832  
664,338 4,243  
266,363 3,069

1,310,454

814,243  
153,849  
668,581  
269,432

1,888,392 17,713

(242,191)  
(69,576)  
(80,696)  
(203,188)  
5,421,676  
1,457,671  
3,265,202  
1,116,704

1,906,105 (595,651)

11,261,253

5,179,485 \$ 1,388,095 \$ 3,062,014 \$ 1,036,008 \$ 10,665,602

This Page Intentionally Left Blank

## **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 overtime.

##### 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.

125

**Table 1**  
**CITY OF CHICAGO**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years Ended December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

	<u>2005</u>		
Governmental Activities:			
Net Investment in Capital Assets .... \$	514,271		
Restricted	2,632,804		
<u>Unrestricted (deficit)</u>	<u>(1,597,634)</u>		
Total governmental activities,		<u>net position</u>	<u>1,549,441</u>
Business-type activities:			
Net Investment in Capital Assets .... \$	1,879,343		
Restricted	886,488		
<u>Unrestricted</u>	<u>(1,603,766)</u>		
Total business type activities,		<u>net position</u>	<u>1,162,065</u>
Primary Government:			
Net Investment in Capital Assets .... \$	2,393,614		
Restricted	3,519,292		
<u>Unrestricted</u>	<u>(3,201,400)</u>		
Total primary government,		<u>net position</u>	<u>2,711,506</u>
2007			
2008			
<u>\$ 570,665 2,980,207 (3,435,506)</u>			
<u>494,930 2,842,149 (4,092,388)</u>			
2006			
\$			
<u>\$ 574,393 2,451,160 (2,003,328)</u>			
\$ 1,022,225			
<u>\$ 2,168,833 881,908 (1,561,634)</u>			
<u>115,366 \$ (755,309)</u>			
<u>\$ 2,323,394 779,894 (1,517,891)</u>			
<u>\$ 2,739,498 3,862,115 (4,997,140)</u>			
<u>\$ 1,323,799 \$ 1,489,107 \$ 1,585,397</u>			
<u>830,088</u>			
\$			

\$ 2,818,324 3,622,043 (5,610,279)

\$ 2,346,024     \$ 1,604,473

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.

126

2009 (1)

\$ 251,103 3,735,128 (5,840,026)

\$ (1,853,795)  
\$ (324,284) 3,611,533 (6,582,562)

\$ (3,295,313)  
\$ (299,859) 1,596,408 , (5,691,215)

\$ (4,394,666)  
\$ (215,961) 1,908,516 (7,537,057)

\$ (5,844,502)  
\$ (242,862) 1,940,911 (9,120,377)

\$ (7,422,328)  
\$ 28,744 1,491,995 (10,564,064)

\$ (9,043,325)

\$ 2,286,658 821,909 (1,541,136)

\$ 1,567,431  
\$ 2,365,522 790,881 (1,431,859)

\$ 1,724,544  
\$ 2,451,787 874,837 (1,541,515)

\$ 1,785,109  
\$ 2,388,310 982,517 (1,354,572)

\$ 2,016,255  
\$ 2,446,242 883,758 (1,278,777)

\$ 2,051,223  
\$ 2,713,825 978,972 (1,185,755)

\$ 2,507,042

\$ 2,537,761 4,557,037 (7,381,162)

\$ (286,364)  
\$ 2,041,238 4,402,414 (8,014,421)

\$ (1,570,769)  
\$ 2,151,928 2,471,245 (7,232,730)

\$ (2,609,557)  
\$ 2,172,349 2,891,033 (8,891,629)

\$ (3,828,247)  
\$ 2,203,380 2,824,669 (10,399,154)

\$ (5,371,105)  
\$ 2,742,569 2,470,967 (11,749,819)

\$ (6,536,283)

127

**Table 2**  
**CITY OF CHICAGO**  
**CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING Last Ten Fiscal**  
**Years Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>				
Governmental Activities:				
General Government		\$ 1,842,353	\$ 2,088,299	\$ 2,452,145
\$ 2,384,586				
Public Safety		1,834,008	2,300,048	2,435,437
2,434,842				
Employee Pensions		388,053	...	
Streets and Sanitation		353,976	337,103	367,222
Transportation		285,598	292,679	333,401
Health		147,376	170,769	175,577
Cultural and Recreational		114,504	119,193	128,003
Other		9,892		140,065
Interest on Long-term Debt	<u>335,373</u>	<u>371,523</u>	<u>385,305</u>	<u>381,504</u>
<u>Total Governmental Activities</u>	<u>5,311,133</u>	<u>5,679,614</u>	<u>6,277,090</u>	<u>6,264,037</u>
Business-type Activities:				
Water		326,444	324,075	
350,181	371,441			
Sewer		132,727	130,471	
136,961	158,292			
Chicago Midway				
International Airport		170,959	188,092	
211,082	217,609			
Chicago-O'Hare				
International Airport		692,575	697,497	
751,351	803,404			
Chicago Skyway	<u>16,915</u>	<u>12,752</u>	<u>13,555</u>	<u>12,359</u>
<u>Total Business-type Activities</u>	<u>1,339,620</u>	<u>1,352,887</u>	<u>1,463,130</u>	<u>1,563,105</u>
<u>Total Primary Government</u>	<u>\$ 6,650,753</u>	<u>\$ 7,032,501</u>	<u>\$ 7,740,220</u>	<u>\$ 7,827,142</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.

128

I

i  
2010

\$	2,364,754	\$	2,557,681	\$	2,734,419	\$	2,751,944	\$	2,667,205	
									\$	2,857,789
		2,521,151	2,824,028	2,689,471	2,910,160	3,044,811	2,913,469			
297,156	351,101	166,914	129,996							
235,863	373,437	142,352	126,939							
245,898	410,802	151,152	102,808							
228,622	383,510	123,055	146,283							
242,500	400,506	119,678	128,302							
275,814	475,751	125,068	121,548							
	386,125									
	6,217,197									
382,502	169,982									
399,347	184,888									
416,289	194,838									
417,499	195,911									
442,474	216,587									
455,433	225,600									



241,080					
				811,710	11,775
1,582,582					
				834,487	11,312
1,654,499					
				879,281	10,930
1,719,510					
				955,276	10,621
1,805,174					
				920,781	10,585
1,831,507					
			1,029,559	10,314	1,969,137
<u>\$ 7,799,779</u>	<u>\$ 8,319,017</u>	<u>\$ 8,528,286</u>	<u>\$ 8,809,408</u>	<u>\$ 8,912,468</u>	
<u>\$ 9,319,277</u>					

129

**Table 2 - Continued CITY OF  
CHICAGO  
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING Last Ten Fiscal  
Years Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

2006                      2007 2008  
**Program Revenues**

Governmental Activities:

Licenses, Permits, Fines and

Charges for Services:

General Government                      \$363,196

Public Safety                              120,853

Streets and Sanitation                      36,980

Transportation	23,260
Health	4,165
Cultural and Recreational	24,288
Operating Grants and Contributions ...	637,655
<u>Capital Grants and Contributions</u>	<u>133,673</u>
Total Governmental Activities	1,344,070

\$ 385,082	\$ 422,363	\$440,023			
			151,835	155,529	129,518
36,058	41,467	40,578			
10,224	13,262	14,071			
			5,529	2,795	3,157
23,127	24,412	25,725			
			659,279	610,974	624,356
<u>142,705</u>	<u>137,613</u>	<u>139,949</u>			
			1,413,839	1,408,415	1,417,377

Business-type Activities: Licenses, Permits,  
Fines and Charges for Services:

Water	344,267	330,439	334,377	370,244
Sewer	143,522	136,437	138,681	160,005
Chicago Midway				
International Airport	92,228	105,570	107,253	124,985
Chicago-O'Hare				
International Airport	532,877	545,916	652,763	684,282
Chicago Skyway				1,896
<u>Capital Grants and Contributions</u>	<u>228,467</u>	<u>273,320</u>	<u>268,331</u>	<u>224,823</u>
Total Business-type Activities and				
<u>Program Revenues</u>	<u>1,343,257</u>	<u>1,391,682</u>	<u>1,501,405</u>	<u>1,564,339</u>
Total Primary Government				
<u>Program Revenues</u>	<u>\$ 2,687,327</u>	<u>\$ 2,805,521</u>	<u>\$ 2,909,820</u>	<u>\$ 2,981,716</u>

Net (Expenses)/Revenues

Governmental Activities	\$ (3,967,063)	\$ (4,265,775)	\$ (4,868,675)	\$ (4,846,660)
Business-type Activities	3,637	38,795	38,275	1,234
Total Primary Government				
<u>Net Expense</u>	<u>\$ (3,963,426)</u>	<u>\$ (4,226,980)</u>	<u>\$ (4,830,400)</u>	<u>\$ (4,845,426)</u>

2010

			158,490	30,990	24,895	2,504	22,375	611,301	115,261
			150,710	38,092	21,640	8,332	21,635	674,677	114,871
			211,157	37,291	28,613	7,796	7,201	788,812	282,008
			199,572	42,138	39,343	1,751	14,454	748,256	172,456
382,617	\$	370,028	\$		388,886	\$		452,892	\$
467,423	\$								
1,399,985									
1,751,764									
1,670,862									
			196,344	45,629	46,076	2,023	15,947	634,384	184,415
1,592,241									
		505,275	208,206	44,552	44,278	2,281	14,643	470,659	249,860
1,539,754									
410,213	175,163								
122,301									
624,443									
211,174									
1,543,294									
458,395.	198,229								
149,056									
702,603									
246,309									
1,754,592									
454,221	203,349								
157,371									
679,402									
<u>257,438</u>									
1,751,781									
576,287	253,912								
201,749									
857,114									

					83,219
1,972,281					
637,114	292,290				
221,205					
870,654					
213,067					
2,234,330					
692,634	322,228				
216,662					
1,012,529					
					<u>95,624</u>
2,339,677					
\$ 2,891,727	\$ 3,154,577	\$ 3,503,545	\$ 3,643,143		
\$ 3,826,571	\$ 3,879,431				
32,271					
167,107					
402,823					
370,540					
100,093					
\$ (4,868,764)	\$ (5,264,533)	\$ (5,057,012)	\$ (5,333,372)	\$	
(5,488,720)	\$ (5,810,386)				
(39,288)					
\$ (4,908,052)	\$ (5,164,440)	\$ (5,024,741)	\$ (5,166,265)	\$	
(5,085,897)	\$ (5,439,846)				

**Table 2 - Concluded CITY OF CHICAGO  
CHANGES IN NET POSITION - ACCRUAL BASIS OF ACCOUNTING Last Ten Fiscal  
Years Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	2005	
<b>General Revenues and Other Changes in Net Position</b>		
Governmental Activities: Taxes		
Property Tax	\$ 696,085	
Utility Tax	539,325	
Sales Tax	248,807	
Transportation Tax	337,993	
Transaction Tax	325,227	
Special Area Tax	386,537	
Other Taxes	205,811	
Grants and Contributions Not		
Restricted to Specific Programs	606,509	
Unrestricted Investment Earnings	80,728	
Loss on Capital Assets		
Transfers	1,236,099	
Miscellaneous	89,825	
<u>Total Governmental Activities</u>	<u>4,752,946</u>	
57,916 (34,720)		

(1,236,099)  
(1,212,903)  
3,540,043 \$ 3,861,498 \$ 4,088,849 \$ 4,071,041

Business-type Activities:  
Investment Earnings  
Miscellaneous  
Special Item  
Transfers  
Total Business-type Activities  
Total Primary Government \$

<b>Change in Net Position</b>			
Governmental Activities	\$	785,883	\$
Business-type Activities		(1,209,266)	—
Total Primary Government	\$	(423,383)	\$—

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

132

\$ 797,026 \$ 579,101 252,282 333,199 205,026 501,042 250,982

601,198 ' 12,296



3,998,201 \$ 4,274,668

\$ (1,098,486) (17,966) \$ (1,116,452)

\$ (1,441,518) 157,114 \$ (1,284,404)  
 \$ (1,099,353)  
 60,565  
 \$ (1,038,788)  
 \$ (1,449,836) 231,146 \$ (1,218,690)  
 \$ (1,524,630) 436,934 \$ (1,087,696)  
 \$ (1,620,997) 455,819 \$ (1,165,178)

133

**Table 3**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) Last Ten Years**  
**Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

Percent of Total  
 Percent of Total  
 Percent of Total

**Revenues:**

Property Tax	\$739,419		
Utility Tax	539,325		
Sales Tax	499,228		
Transportation Tax	337,993		
State Income Tax	354,022		
Transaction Tax	325,227		
Special Area Tax	346,580		
<u>Other Taxes</u>	<u>205,811</u>		
		<b>Total Taxes</b>	<b>3,347,605</b>
Federal/State Grants	806,472		
Internal Service	273,516		
Licenses and Permits ....	120,904		
Fines	210,850		
Investment Income	80,728		
Charges for Services	131,139		
<u>Miscellaneous</u>	<u>97,093</u>		
		<b>Total Revenues</b>	<b>5,068,307</b>

% \$  
 14.6 10.6 9.8 6.7 7.0 6.4 6.8 4.1  
 665,990 522,089 559,156 337,780 380,111 339,020 374,342 233,620  
 12.8 10.0 10.7 6.5 7.3 6.5 7.2 4.5  
 12.1 10.1 10.4 6.1 7.9 5.6 8.9 4.5

% \$  
 /o  
 66.1 15.9 5.4 2.4 4.2 1.6 2.6 1.9  
 3,412,108 823,504 275,191 117,689 221,819 148,631 155,215 51,774  
 65.5 15.8 5.3 2.3 4.3 2.8 3.0 1.0  
 65.6 14.3 5.5 2.7 4.4 3.3 2.8 1.4  
 661,707 552,179 570,927 332,459 433,446 304,715 488,193 245,408  
 3,589,034 781,967 303,827 148,172 240,277 182,700 151,369 79,956  
 100.0 % \$ 5,205,931 100.0 % \$ 5,477,302 100.0 %

Percent of Total  
 Percent of Total  
 Percent of Total

Revenues:

Property Tax	\$ 941,398
Utility Tax	548,682
Sales Tax	594,290
Transportation Tax	373,544
State Income Tax	391,285
Transaction Tax	281,957
Special Area Tax	370,454
• Other Taxes	<u>294,280</u>

Total Taxes 3,795,890

Federal/State Grants	877,864
Internal Service	319,285
Licenses and Permits ....	117,568
Fines	306,510
Investment Income	90,885
Charges for Services	170,724
Miscellaneous	135,511

Total Revenues \$ 5,814,237

% \$  
 16.2 9.4  
 10.2 6.5 6.7 4.9 6.3 5.0  
 15.4 9.4  
 10.9 6.7 6.7 6.3 5.5 5.4  
 866,149 547,651 623,942 381,080 436,740 344,493 332,040 298,951  
 15.5 9.8  
 11.2 6.8 7.8 6.2 5.9 5.4

% \$  
 %  
 65.2 15.1 5.5 2.1 5.3 1.6 2.9 2.3  
 68.6 12.7 5.8 2.2 5.9 (0.3) 2.9 2.2  
 4,004,365 812,175 335,762 122,143 353,517 69,650 172,928 179,939  
 66.3 13.3 5.5 2.0 5.8 1.2 2.9 3.0  
 929,841 570,469 658,799 406,624 404,050 379,256 331,380 323,946  
 3,831,046 708,702 324,601 123,633 329,460 (19,111) 161,415 122,710



100.0 % \$ 5,582,456 100.0 % \$ 6,050,479 100.0 %

**NOTE:**

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

2008	of Total	2009	of Total	134 Percent 2010	of Total	Percent ' 2011	of Total	Percent Percent
\$ 729,823	13.1 %	\$						
629,497	11.3							
548,571	9.9							
321,362	5.8							
435,393	7.8							
275,434	4.9							
552,709	9.9							
262,734	4.7							
3,755,523	67.4							
796,911	14.2							
329,643	5.9							
114,707	2.1							
274,443	4.9							
90,176	1.6							
144,161	2.6							
<u>79,279</u>	<u>1.3</u>							
806,010	15.1 %							
579,101	10.9							
503,952	9.4							
333,199	6.2							
347,814	6.5							
205,026	3.8							
487,909	9.1							
<u>250,982</u>	<u>4.7</u>							
3,513,993	65.7							
753,269	14.1							
306,095	5.8							
100,458	1.9							
267,891	5.0							
31,520	0.6							
124,557	2.4							
<u>238,126</u>	<u>4.5</u>							
\$ 754,081	14.0 %							
561,936	10.4							
527,004	9.8							
335,235	6.2							
385,668	7.2							
227,772	4.2							
486,526	9.0							
<u>259,325</u>	<u>4.8</u>							
3,537,547	65.6							
815,879	15.2							

295,765	5.5
96,240	1.8
272,667	5.1
103,725	1.9
113,565	2.1
<u>149,902</u>	<u>2.8</u>
\$ 888,531	15.2 %
564,236	9.6
563,156	9.6
331,441	5.7
344,674	5.9
250,486	4.3
552,894	9.4
<u>269,258</u>	<u>4.5</u>
3,764,676	64.2
976,051	16.7
321,138	5.5
102,702	1.8
283,822	4.8
73,921	1.3
160,649	2.7
<u>173,768</u>	<u>3.0</u>
\$ 5,584,843	100.0 %
\$ 5,335,909	100.0 %
\$ 5,385,290	100.0 %
\$ 5,856,727	100.0 %

## REVENUE SOURCES

■ Other

□ Internal Service Earnings

■ Federal/State Grants

□ Taxes



**Table 4**  
**CITY OF CHICAGO, ILLINOIS**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) Last Ten Years Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

2005

Percent of Total

Percent of Total

Percent of Total

## Expenditures: Current:

Public Safety	\$1,611,923	28.0%	\$1,851,356	29.5 %	\$1,880,599	30.8%
General Government	1,620,307	28.2	1,523,482	24.3	1,650,679	27.1
Employee Pensions	388,053	6.7	396,923	6.3	371,649	6.1
Streets and Sanitation	339,760	5.9	353,828	5.6	377,485	6.1
Transportation	221,377	3.8	244,381	3.9	267,476	4.4
Health	166,580	2.9	173,594	2.8	195,254	3.2
Cultural and Recreational	95,153	1.7	99,841	1.6	108,527	1.8
Other	9,382	0.1	9,112	0.1	14,427	0.1
Capital Outlay	452,284	7.9	915,311	14.6	602,433	9.9
Debt Service:						
Principal Retirement	543,413	9.5	375,028	6.0	297,503	4.9
Interest and Other Fiscal						
Charges	301,662	5.3	331,507	5.3	342,489	5.6
Total Expenditures	\$5,749,894		100.0%		\$6,274,363	100.0%
					\$6,098,521	100.0%

## Debt Service as a Percentage of

Non Capital Expenditures (2)	15.8%	12.9%	11.4 %
------------------------------	-------	-------	--------

	Percent	Percent	Percent
2012 of Total	2013 of Total	2014 of Total	

## Expenditures: Current:

Public Safety	\$2,075,959	31.7%	\$2,034,896	32.1 %	\$2,066,979	28.8%
General Government	1,806,541	27.5	1,834,558	29.0	2,043,557	28.5
Employee Pensions	458,951	7.0	444,748	7.0	483,493	6.7
Streets and Sanitation	228,100	3.6	241,787	3.8	269,393	3.8
Transportation	514,303	7.8	443,199	7.0	518,501	7.2
Health	127,567	1.9	126,599	2.0	128,769	1.8
Cultural and Recreational	102,384	1.6	97,487	1.6	93,525	1.4
Other	11,725	0.1	7,681	0.1	15,410	0.0
Capital Outlay	435,600	6.6	340,481	5.4	395,216	5.5
Debt Service:						
Principal Retirement	340,754	5.2	297,152	4.7	599,395	8.4
Interest and Other Fiscal						
Charges	461,962	7.0	464,587	7.3	568,156	7.9
Total Expenditures	\$6,563,846		100.0%		\$6,333,175	100.0%
					\$7,172,394	100.0%



2.8 6.5

\$6,839,389 100.0% \$6,269,395 100.0% \$6,334,422 100.0% \$6,621,631 100.0%

16.7 %

in C O

- Public Safety
- General Government
- Other
- Debt Service
- Streets and Sanitation
- Capital Outlay

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

137

**Table 4A**  
**CITY OF CHICAGO, ILLINOIS**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Last Ten**  
**Fiscal Years Ended December 31, 2014 (Amounts are in Thousands of**  
**Dollars) Modified Accrual Basis of Accounting**

	2005	2006	2007	2008
Excess of revenues over (under) expenditures	\$ (681,587)	\$ (1,068,432)	\$ (621,219)	\$ (1,254,546)
Other Financing Sources (Uses):				
762,833				
(276,607)				
670,035 (668,035)				
795,432				
(186,421)				

293,448 (293,448)  
\$ 1,653,881

(951,419)

332,016 (331,016)

703,462  
\$ 1,871,896

(1,186,065)

1,469,857 (233,758)

1,921,930~ \$ 1,240,343

Issuance of Debt,

including premium/discount Payment to Refunded Bond

Escrow Agent

Issuance of line of credit

Transfers in

Transfers out

488,226

609,011

Total other financing sources

\$ (580,206) \$ 82,243 \$ (645,535)

(uses)

Net change in fund balances

138

I

I  
2013

\$ (933,486)	\$ (949,132)	\$ (764,110)	\$ (749,609)	\$
(750,719)	\$ (1,121,915)			

\$ 1,001,302

(213,435)

2,253,459 (2,253,459)

787,867

\$ 1,434,390

(412,184)

647,407 (647,407)

1,022,206"

\$ 1,212,326

(476,787)

572,211 (571,210)

736,540

758,557

(268,397)

178,750 (178,750)

490,160

235,367

144,673 160,322 (160,322)

380,040

\$ 1,021,812

(302,862)

652,586 (652,586)

718,950



!

Table 5

**CITY OF CHICAGO, ILLINOIS FUND BALANCES -  
GOVERNMENTAL FUNDS Last Ten Fiscal Years Ended  
December 31, 2014 (Amounts Are in Thousands of Dollars)  
(Modified Accrual Basis of Accounting)**

	2005	2006	2007	2008
General Fund:				
Reserved	\$ 53,171	\$ 35,557	\$ 39,673	\$ 48,217
Unreserved	57,648	26,834		4,634 226
Total General Fund	110,819	62,391	44,307	48,443
General Fund Balance: (2)				
Nonspendable	\$			
Assigned				
Unassigned				
Total Fund Balance				
Other Governmental Funds:				
Reserved	\$ 1,350,927	\$ 800,546	\$ 1,191,674	\$ 461,830
Unreserved, Reported in:				
Special Revenue Funds	525,769 723,353	816,551	959,424	
Capital Projects Funds	832,129	696,630	906,603	372,063
Debt Service Funds	-	-	(556,819)	(551,137)
Permanent Fund (1)	274,272 231,017	191,391	660,333	
<u>Total All Other Governmental Funds</u>	<u>2,983,097</u>	<u>2,451,546</u>	<u>2,549,400</u>	<u>1,902,513</u>
Total Governmental Funds	\$ 3,093,916	\$ 2,513,937	\$ 2,593,707	\$ 1,950,956
Other Governmental Fund Balance: (2)				
Restricted				
Committed				
Assigned				
Unassigned				
Total Fund Balance				
Total Governmental Funds				

**NOTE:**

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

2013	140	
		52,048 2,658
54,706		
54,390 81,151		
135,541		
24,055 143,549 167,929		
335,533		
		20,885 177,000 33,417
231,302		
		24,788 108,424 33,845
167,057		
		24,498 65,223 51,557 141,278
\$ 1,418,399	\$ 1,419,714	
(409,796) 321,251		
422,319		
1,752,173		
(349,517) 534,013		
138,724		
1,742,934		
\$ 1,806,879	\$ 1,878,475	
	\$ 2,317,734 961,246 2,550 (1,761,077) 1,520,453	
\$ 1,855,986		
2,332,911 882,127		
(1,852,973) 1,362,065		
1,593,367		
		\$ 2,262,028 699,073
		(1,901,567) 1,059,534
\$ 1,226,591		
		1,829,431 696,067
		(1,843,440) 682,058

141

**Table 6**  
**CITY OF CHICAGO, ILLINOIS GENERAL**  
**FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES Five Years**  
**Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	2010 (3)	2011 (3)	2012 (3)	2013 (3)	2014 (3)
<b>Revenues:</b>					
Utility Tax	\$ 467,411	\$ 467,630	\$ 462,475	\$ 456,869	\$ 473,496
Sales Tax	495,842	536,281	572,185	583,681	620,299
State Income Tax	282,011	236,521	282,779	308,899	278,031
Other Taxes	590,575	618,384	694,383	749,742	803,961
Federal/State Grants	1,735	1,294	1,074	1,871	2,335
Other Revenues (1)	<u>773,278</u>	<u>921,056</u>	<u>907,760</u>	<u>929,429</u>	<u>998,028</u>
<b>Total Revenues</b>		<u>2,610,852</u>	<u>2,781,166</u>	<u>2,920,656</u>	<u>3,030,491</u>
<b>Expenditures: Current:</b>					
Public Safety		1,828,984	1,895,404	1,956,152	1,953,572
General Government	903,890	863,622	864,556	885,268	929,918
Other (2)		296,063	278,561	258,501	267,852
Debt Service		5,004	2,849	2,160	2,382
<b>Total Expenditures</b>		<u>3,033,941</u>	<u>3,040,436</u>	<u>3,081,369</u>	<u>3,109,074</u>
<b>Revenues Under Expenditures</b>		<u>(423,089)</u>	<u>(259,270)</u>	<u>(160,713)</u>	<u>(78,583)</u>
<b>Other Financing Sources (Uses): Issuance of</b>					
Debt, Net of Original					
Discount/Including Premium		16,500	95,000	55,000	
Transfers In		502,502	372,744	31,617	21,018
Transfers Out	<u>(13,600)</u>	<u>(14,357)</u>	<u>(26,965)</u>	<u>(10,583)</u>	<u>(10,081)</u>
<b>Total Other Financing Sources (Uses)</b>		<u>505,402</u>	<u>453,387</u>	<u>59,652</u>	<u>10,435</u>
<b>Revenues and Other Financing Sources Over</b>					
(Under) Expenditures and					
Other Financing Uses		82,313	194,117	(101,061)	(68,148)

Fund Balance-Beginning of Year	54,706	135,541	335,533	231,302	167,057
<u>Change in Inventory</u>	<u>(1,478)</u>	<u>5,875</u>	<u>(3,170)</u>	<u>3,903</u>	<u>(290)</u>
Fund Balance-End of Year	\$ 135,541	\$ 335,533	\$ 231,302	\$ 167,057	\$ 141,278

**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, 2010-2014.

142

**Table 7**  
**CITY OF CHICAGO, ILLINOIS SPECIAL**  
**REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES Five Years**  
**Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	2010 (3)	2011 (3)	2012 (3)	2013 (3)	2014 (3)
<b>Revenues:</b>					
Property Tax		\$ 316,618	\$ 373,163	\$ 350,408	\$ 316,958
357,457					
Utility Tax	72,201	83,317	63,883	68,458	74,641
State Income Tax	103,657	108,153	108,506	127,841	126,019
Other Taxes	588,717	217,188	607,135	589,422	624,676
Federal/State Grants	814,144	974,757	876,790	706,831	809,840
<u>Other Revenues (1)</u>	<u>121,017</u>	<u>105,705</u>	<u>149,956</u>	<u>96,263</u>	<u>162,996</u>
<u>Total Revenues</u>	<u>2,016,354</u>	<u>1,862,283</u>	<u>2,156,678</u>	<u>1,905,773</u>	<u>2,155,629</u>
<b>Expenditures: Current:</b>					
Public Safety	80,744	88,908	119,807	81,324	46,907
General Government	882,553	1,193,781	941,885	949,290	1,113,639
Employee Pensions	435,432	481,407	458,951	444,748	483,493
Other (2)	521,876	522,377	725,578	648,901	744,699
Capital Outlay	4,903	2,964	5,259	7,187	9,863
<u>Debt Service</u>	<u>3,898</u>	<u>2,533</u>	<u>723</u>	<u>115</u>	<u>4,332</u>
<u>Total Expenditures</u>	<u>1,929,406</u>	<u>2,291,970</u>	<u>2,252,203</u>	<u>2,131,565</u>	<u>2,402,933</u>
<u>Revenues Under Expenditures</u>	<u>86,948</u>	<u>(429,687)</u>	<u>(95,525)</u>	<u>(225,792)</u>	<u>(247,304)</u>
<b>Other Financing Sources (Uses): Issuance of Debt, Net of Original Discount/Including Premium</b>		88,018	72,925	70,541	
			125,063		17,768
Transfers In	94,424	149,574	76,640		
91,022	184,033				
<u>Transfers Out</u>	<u>(65,807)</u>	<u>(380,543)</u>			

(56,622)	(59,631)	(64,863)			
Total Other Financing Sources (Uses)...	116,635	(158,044)	90,559	156,454	136,938
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	203,583	(587,731)	(4,966)	(69,338)	(110,366)
Fund Balance - Beginning of Year	(344,888)	(141,305)	(729,036)	(734,002)	(803,340)
Fund Balance - End of Year	\$ (141,305)	\$ (729,036)	\$ (734,002)	\$ (803,340)	\$ (913,706)

**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, 2010-2014.

143

I

**Table 8**  
**CITY OF CHICAGO, ILLINOIS DEBT**  
**SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES Five Years**  
**Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	<u>2010 (2)</u>	<u>2011 (2)</u>	<u>2012 (2)</u>	<u>2013 (2)</u>	<u>2014 (2)</u>
Revenues:					
Property Tax		\$ 437,463	\$ 515,368	\$ 590,990	\$ 549,191
\$ 572,384					
Utility Tax	22,324	13,289	22,324	22,324	22,332
Sales Tax	31,162	26,875	22,105	40,261	38,500
Other Taxes	129,566	146,126	18,717	17,400	12,569

<u>Other Revenues (1)</u>		<u>61,004</u>	<u>44,101</u>	<u>53,340</u>	<u>11,888</u>	<u>36,443</u>
<u>Total Revenues</u>		<u>681,519</u>	<u>745,759</u>	<u>707,476</u>	<u>641,064</u>	<u>682,228</u>
Expenditures:						
<u>Debt Service</u>		<u>747,061</u>	<u>613,048</u>	<u>799,833</u>	<u>759,242</u>	<u>1,152,850</u>
<u>Total Expenditures</u>		<u>747,061</u>	<u>613,048</u>	<u>799,833</u>	<u>759,242</u>	<u>1,152,850</u>
<u>Revenues Over (Under) Expenditures....</u>		<u>(65,542)</u>	<u>132,711</u>	<u>(92,357)</u>	<u>(118,178)</u>	<u>(470,622)</u>
560,524	580,015	337,410	4	371,207		
(412,184)	(476,787)	(268,397)	-	(300,600)		
44,185	47,134	47,322	46,352	411,413		
(110,049)	(176,285)	(83,359)	(89,157)	(268,872)		
<u>82,476</u>	<u>(25,923)</u>	<u>32,976</u>	<u>(42,801)</u>	<u>213,148</u>		
Other Financing Sources (Uses): Issuance						
of Debt, Net of Original						
Discount/Including Premium						
Payment to Refunded Bond Escrow Agent						
Transfers In						
Transfers Out						
Total Other Financing Sources (Uses).						
Revenues and Other						
Financing Sources						
Over (Under) Expenditures and						
Other Financing Uses						
		16,934	106,788	(59,381)	(160,979)	(257,474)
<u>Fund</u>	<u>Balance</u>	<u>-</u>	<u>Beginning</u>	<u>of</u>	<u>Year</u>	<u>406,118</u>
529,840	470,459	309,480				423,052
<u>Fund</u>	<u>Balance - End of Year</u>	<u>\$</u>	<u>423,052</u>	<u>\$</u>	<u>529,840</u>	<u>\$</u>
309,480	\$ 52,006					

**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, 2010-2014.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES Five Years**  
**Ended December 31, 2014 (Amounts are in Thousands of Dollars)**

	2010 (2)	2011 (2)	2012 (2)		
	2013 (2)	2014 (2)			
Revenues :					
Other Revenues (1)		\$ 43,135	\$ 16,243	\$ 11,343	\$ 5,128 \$ 36,472
Total Revenues		43,135	16,243	11,343	5,128 36,472
Expenditures:					
Capital Outlay		624,007	467,249	430,341	333,294 385,353
Total Expenditures	624,007	467,249	430,341	333,294	385,353
Revenues Under Expenditures		(580,872)	(451,006)	(418,998)	(328,166) (348,881)
Other Financing Sources (Uses): Issuance of Debt, Net of Original Discount/Including Premium	769,348				464,386
				295,606	110,300 630,575
Issuance Line of Credit	--	- 144,673			
Transfers In	6,296,759	22,843	1,930	17,440	
Transfers Out	(99)	(25)			
(11,804)	(951)	(308,770)			
Total Other Financing Sources (Uses).	775,545	467,120	306,645	255,952	339,245
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	194,673	16,114	(112,353)	(72,214)	(9,636)
Fund Balance - Beginning of Year	388,624	583,297	599,411	487,058	414,844
Fund Balance-End of Year	\$ 583,297	\$ 599,411	\$ 487,058	\$ 414,844	\$ 405,208

**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, 2010-2014.

**Table 10**  
**CITY OF CHICAGO, ILLINOIS PROPERTY TAX LEVIES**  
**BY FUND (1) Five Years Ended December 31, 2014**  
**(Amounts are in Thousands of Dollars)**

		<u>2010</u>	<u>2011 Change</u>	Percent
Note Redemption and Interest (2)				
Bond Redemption and Interest				
Policemen's Annuity and Benefit (3)				
Municipal Employees' Annuity and Benefit (3)				
Firemen's Annuity and Benefit (3)				
Laborers' and Retirement Board Employees' Annuity and Benefit (3)				
Total				
\$ 73,377	\$ 73,377	-	%	
409,979	411,905	0.47		
140,165	143,785	2.58		
132,531	126,997	(4.18)		
64,323	66,125	2.80		
<u>13,714</u>	<u>11,759</u>	<u>(14.26)</u>		
<u>\$ 834,089</u>	<u>\$ 833,948</u>	<u>(0.02)</u>		

**NOTES:**

- 1) See Table 11 - PROPERTY LEVIES, COLLECTIONS AND ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES 2005 - 2014. 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.



146

I					
<u>2012</u>	Percent <u>Change</u>	<u>2013</u>	Percent <u>Change</u>	<u>2014</u>	<u>Change</u>
\$ 73,481	0.14 %	\$ 74,231	1.02 %	\$ 97,061	30.76 %
411,489	(0.10)	411,807	0.08	411,459	(0.08)
143,865	0.06	138,146	(3.98)	136,680	(1.06)
129,138	1.69	122,066	(5.48)	123,239	0.96
65,461	(1.00)	81,518	24.53	81,363	(0.19)
<u>11,202</u>	<u>(4.74)</u>	<u>10,486</u>	<u>(6.39)</u>	<u>10,934</u>	<u>4.27</u>
\$ 834,636	0.08	\$ 838,254	0.43	\$ 860,736	(4) 2.68

147

Table 11  
CITY OF CHICAGO, ILLINOIS  
PROPERTY LEVIES, COLLECTIONS AND  
ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE TAXES  
Last Ten Years Ended December 31, 2014  
(Amounts are in Thousands of Dollars)

Tax Year(1)		Total Tax Levy for Fiscal Year (2), (3)		Collected Within Fiscal Year		Percentage of	
Amount	Levy						
Collections in Subsequent Years		Total Collections to Date		Percentage of			
Amount	Levy						
		Estimated Allowance for Uncollectible Taxes					
Net Outstanding Taxes Receivable							
2005	\$ 718,071	\$ 694,593	96.73 %	\$ 6,098	\$ 700,691	97.58 %	\$ 17,380
2006	719,230	630,666	87.69	59,984	690,650	96.03	28,580
2007	749,351	712,008	95.02	13,196	725,204	96.78	24,147

2008	834,152	776,522	93.09	32,676	809,198	97.01	24,954
2009	834,109	700,579	83.99	105,548	806,127	96.65	27,982
2010	834,089	790,141	94.73	22,202	812,343	97.39	21,746
2011	833,948	800,582	96.00	13,410	813,992	97.61	19,597 359
2012	834,636	804,245	96.36	21,314	825,559	98.91	8,895 182
2013	838,254	807,985	96.39	-807,985	96.39	25,137 5,132	
2014	860,736 (4)	-	N/A	-	-	N/A	34,429 826,307

Total Net Outstanding Taxes Receivable

\$ 831,980

**NOTES:**

- 1) Taxes for each year become due and payable in the following year. For example, taxes for the 2014 tax levy become due and payable in 2015.
- 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.

148

**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)**

2013 EAV

Percent-age of Total Rank EAV

2004 EAV

Percent-age of Total Rank EAV

Willis Tower (4)		\$ 370,197	1
AON Building (3)	248,906		2
Health Care service Corporation Blue Cross ...	201,987		3
Prudential Plaza	193,495		4
Water Tower Place	190,952		5
Chase Plaza	190,441		6
AT&T Corporate Center 1	183,113		7
Three First National Plaza	177,863		8
Citadel Center	177,008		9
300 N. LaSalle	159,537		10
Chicago Mercantile Exchange			
Leo Burnett Building			
Citicorp Plaza			

Totals \$ 2,093,499

0.59 %  
0.40  
0.32  
0.31  
0.31  
0.31  
0.29  
0.29  
0.28  
0.26

489,383 322,214

279,002 172,700 244,202 253,165 179,451  
321,563 177,450 193,557

3.36% \$ 2,632,687

1  
2

4 10 6 5 8  
0.89 % 0.58

0.50 0.31 0.44 0.46 0.32

0.58 0.32 0.35

4.75 %

#### NOTES:

- 1) Source: Cook County Treasurer's Office, Cook County Assessor's Office.
- 2) 2014 information not available at time of publication.
- 3) AON Building formerly known as AMOCO Building.
- 4) Willis Tower formerly known as Sears Tower.

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)

Assessed Values (1)

Tax Year	Class 2 (2)	Class 3 (3)	Class 5 (4)	Other (5)	Total
2004	\$ 12,988,216	\$ 1,883,048	\$ 10,401,429	\$ 465,462	\$ 25,738,155
2005	13,420,538	1,842,613	10,502,698	462,099	26,227,948
2006	18,521,873	2,006,898	12,157,149	688,868	33,747,788
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 (9)	15,410,659	1,236,401	10,172,186	494,714	27,313,960

**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) 2014 information not available at time of publication.

(10) 2013 information not available at time of publication.

150

State Equalization Factor (6)

2.5757 2.7320 2.7080 2.8439 2.9786 3.3701 3.3000 2.9706 2.8056 2.6621

Total Equalized Assessed Value (7)

55,277,096 59,304,530 69,517,264 73,645,316 80,977,543 84,685,258 82,087,170 75,122,914 65,250,387 62,363,876

Total Direct Tax Rate

1.302 1.243 1.062 1.044 1.030 0.986 1.020 1.110 1.279 1.344

Total Estimated Fair Market Value (8)

B 262,080,627 286,354,518 329,770,733 320,503,503 310,888,609 280,288,730 231,986,397 222,856,064 206,915,723 N/A (10)

Ratio of Total Equalized  
Assessed to Total Estimated Fair  
Market Value (9)

21.09% 20.71 21.08 22.98 26.05 30.21 35.38 33.71 31.53 N/A (10)

EQUALIZED ASSESSED VALUE

j i	i	i	i	i	i	i	1		
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013

151

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

Tax Year

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

City

1.302 1.243 1.062 1.044 1.030 0.986 1.016 1.110 1.279 1.344

Chicago  
School Building and Improvement Fund

\$

0.117 0.112 1.116 0.119 0.146 0.152

Chicago School Finance Authority

0.177 0.127 0.118 0.091

Board of

Education

3.104 3.026 2.697 2.583 2.472 2.366 2.581 2.875 3.422 3.671

Community College District No. 508

0.242 0.234 0.205 0.159 0.156 0.150 0.151 0.165 0.190 0.199

**NOTE:**

(1) 2014 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

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

Total City Tax Extension (2)

\$ 719,780 718,071 719,230 749,351 834,152 834,109 834,089 833,948 834,636 838,254  
Bond, Note Redemption and Interest

0.647396 0.606566 0.519706 0.550055 0.508488 0.478955 0.494109 0.542475 0.623916 0.653302

Chicago Public Library Bond, Note Redemption and Interest

\$

0.113280 0.090041 0.049968 0.039514 0.094354 0.091851 0.094665 0.103443 0.119254 0.125978

Policemen's  
Annuity and  
Benefit

0.216752 0.231467 0.194953 0.191548 0.172426 0.167552 0.170734 0.191381 0.220459 0.221494

**NOTES:**

- 1) 2014 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.

152

i

Chicago Park District

Metropolitan  
Water Reclamation  
District

Forest Preserve District of Cook County

Cook County

0.455 0.443 0.379 0.355 0.323 0.309 0.319 0.346 0.395 0.420  
0.347 0.315 0.284 0.263 0.252 0.261 0.274 0.320 0.370 0.417  
0.060 0.060 0.057 0.053 0.051 0.049 0.051 0.058 0.063 0.069  
0.593 0.533 0.500 0.446 0.415 0.394 0.423 0.462 0.531 0.560  
6.280 5.981 5.302 4.994 4.816 4.627 5.931 5.455 6.396 6.832



Municipal Employees' Annuity and Benefit

Firemen's Annuity and Benefit  
Laborers' and Retirement Board Employees' Annuity and Benefit

0.229048	0.231683	0.197399	0.174302	0.162182	0.153704	0.161435	0.169036	0.197892
0.195713								
0.095524	0.083243	0.099974	0.088581	0.080787	0.078184	0.078352	0.088014	0.100313
0.130700								

0.011763	0.015754	0.016705	0.015651	0.017166	0.016813					
1.302	1.243	1.062	1.044	1.030	0.986	1.016	1.110	1.279	1.344	

153

**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)**

Tax Year

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
------	------	------	------	------	------	------	------	------	------

Population (1)

2,896,016	2,896,016	2,896,016	2,896,016	2,896,016	2,896,016	2,896,016	2,695,598	2,695,598	2,695,598	2,695,598
-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Equalized Assessed Value (2)

59,304,530 69,517,264 73,651,158 80,977,543 84,685,258 82,087,170 75,122,914 65,250,387 62,363,876 N/A (4)

G. O. Bonds

5,077,434 5,394,802 5,759,573 5,687,447 6,051,947 6,536,596 6,997,975 7,244,917 7,159,396 7,798,956

G. O. Notes & Commercial Paper

112,495 72,530 77,998 259,097 230,263 268,526 198,132 166,460 270,188

General Certificates Obligation and Other

344,426 322,145 458,654 362,140 439,670 574,755 554,015 528,305 501,490 473,290

Unamortized Premiums (6)

129,002

**NOTES:**

- 1) Source: U.S. Census Bureau.
- 2) Source: Cook County Clerk's Office.
- 3) Gross Bonded Debt includes bonds, notes and capitalized lease obligations that are noncurrent.
- 4) N/A means not available at time of publication.
- 5) Amounts are in dollars.
- 6) Beginning in 2014, the City will present Unamortized Premiums and Accreted Interest amounts, applicable to General Obligation Bonds, Commercial Paper and Other General Obligation Debt.

154

Accreted Interest (6)

290,179

Total Gross -Net of Premiums  
& Accretions-Bonded Debt (3)

\$ 5,534,355 5,789,477 6,296,225 6,308,684 6,721,880 7,379,877 7,750,122 7,939,682 7,931,074 8,691,427

Less Reserve for  
Debt Service

\$ 133,011 102,951 70,543 10,080 50,431 58,822 249,355 105,582 16,298 99,725

Net Bonded Debt

5,401,344 5,686,526 6,225,682 6,298,604 6,671,449 7,321,055 7,500,767 7,834,100 7,914,776 8,591,702

Ratio of Net Bonded Debt to Equalized Assessed Value

9.11 % 8.18 8.45 7.78 7.88 8.92 9.98 12.01 12.69 N/A (4)

Net Bonded Debt Per Capita (5)

1,865.09 1,963.57 2,149.74 2,174.92 2,303.66 2,527.97 2,782.60 2,906.26 2,936.19 3,187.31

155

I

I

I

**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 (3)	Ratio of General	Debt Service Obligation	Expenditures to
Debt Service	Governmental	Governmental	Expenditures	Expenditures	Expenditures (1)
2005	\$ 223,778	\$ 242,286			
2006	201,865	273,190			
2007		143,575	267,698		
2008		429,066	302,105		
2009		380,946	298,057		
2010		336,378	319,423		
2011		129,303	369,880		
2012	305,879	475,906			
2013	218,918	399,794			
2014	446,749	442,705			
\$ 466,064	\$ 5,749,894	8.1 %			
475,055	6,274,363	7.6			
411,273	6,098,521	6.7			
731,171	6,839,389	10.7			
679,003	6,269,395	10.8			
655,801	6,334,422	10.4			
499,183	6,621,207	7.5			

781,785	6,563,846	11.9
618,712	6,333,175	9.8
889,454	7,172,394	12.4

- 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 is, as follows (in thousands): \$5,729 in 2004-2006, \$33,509 in 2007 and \$36,632 since 2008.
- 2) This includes G. O. Bonds, G. O. Notes, G. O. Certificates, G. O. Commercial Paper, G. O. Line of Credit, Other G. O. Debt, and City Colleges of Chicago Bonds. For FY 2014 the principal payments for LOC and CP were \$144.6 million and 234.6 million, respectively.
- 3) For FY 2014, interest payments exclude Michael Reese Loan, QTE and Swap termination fees.

156

Table 18

CITY OF CHICAGO, ILLINOIS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT December 31, 2014

(Amounts are in Thousands of Dollars)

	City	Percentage of
of Chicago	Long-term	Net Direct Overlapping Net
Direct Debt	Debt (1)	Bonded Debt
		Debt (2) Applicable

City of Chicago G. O. Bonds (3) \$ 8,339,626

Board of Education

Chicago Park District

City Colleges of Chicago

Cook County

Cook County Forest Preserve District

Metropolitan Water Reclamation									
District of Greater Chicago									
Total Overlapping Debt									
Net Direct and Overlapping Long-term Debt....									
									\$ 8,339,626 6,038,973 844,460 250,000 3,466,977 172,535
									2,422,619 13,195,564 \$ 21,535,190
									6,038,973 844,460 250,000 1,670,390 85,457
									1,224,149 10,113,429 \$ 18,453,055
100.00 %	\$ 8,339,626	100.00	100.00	100.00					
48.18									
49.53									
50.53									

**NOTES:**

- 1) Source: Amount of Net Direct Debt was obtained from each of the respective taxing bodies.
- 2) Cook County Clerk's Office
- 3) Does not include outstanding General Obligation Commercial Paper Notes and Lines of Credit.

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

2005 2006 2007 2008

Direct Debt	\$ 5,123,729	\$ 5,422,232	\$ 5,805,921	\$ 6,126,295
Overlapping Debt	7,574,950	7,750,883	7,904,184	7,529,359
Total Debt	\$ 12,698,679	\$ 13,173,115	\$ 13,710,105	\$ 13,655,654
Equalized				
Assessed Valuation (1)	\$ 59,304,530	\$ 69,517,264	\$ 73,645,316	\$ 80,977,543
Direct Debt Burden (2)	9.27%	9.14%	8.35%	8.32%
Total Debt Burden (2)	22.97%	22.21%	19.72%	18.54%
Estimated Fair Market				
Value (FMV) (5)	\$ 286,354,518	329,770,733	\$ 320,503,503	\$ 310,888,609
% of Direct Debt to FMV	1.79%	1.64%	1.81 %	1.97%
% of Total Direct Debt to FMV	4.43%	3.99%	4.28%	4.39%
Population (3)	2,896,016	2,896,016	2,896,016	2,896,016
Direct Debt Per Capita (4)	\$ 1,769.23	\$ 1,872.31	\$ 2,004.80	\$ 2,115.42
Total Debt Per Capita (4)	4,384.88	4,548.70	4,734.13	4,715.32

**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 2004 is \$55,277,096.
- 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.



9,877,084  
10,338,490

\$ 6,866,270 \$ 7,328,452 \$ 7,628,222 \$ 7,939,682 \$ 7,670,298 \$ 8,339,626  
10,113,429

\$ 15,405,340 \$ 16,486,695 \$ 17,505,306 \$ 18,324,103 \$ 18,008,788 \$ 18,453,055

8.48% 19.02%  
8.65% 19.47%  
9.29% 21.33%  
10.57% 24.39%  
\$ 84,685,258 \$ 82,087,170 \$ 75,122,914 \$ 65,250,387 \$ 62,363,876 \$  
11.76% 27.60%  
N/A (6) 13.37% 29.59%

\$ 280,288,730 2.45% 5.50%

\$ 231,986,397 3.16% 7.11%

2,896,016 \$ 2,370.94 5,319.49

222,856,064 3.42% 7.85%

2,695,598 \$ 2,718.67 6,116.15

2,695,598 2,829.88 6,494.03  
206,915,723 3.84% 8.86%

2,695,598 2,945.43 6,797.79  
N/A (6) N/A (6) N/A (6)

2,695,598 2,845.49 6,680.81  
N/A (6) N/A (6) N/A (6)

2,695,598 3,093.79 6,845.63

159

I

I

**Table 20**  
**CITY OF CHICAGO, ILLINOIS**  
**REVENUE BOND COVERAGE**  
**Last Ten Years Ended December 31, 2014**  
**(Amounts are in Thousands of Dollars Except Where Noted)**

Proprietary Funds

Year

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

Gross Revenues (1)

\$  
1,344,175 1,422,873 1,550,299 1,602,668 1,516,939 1,768,225 1,767,722 1,935,020 2,020,371 2,306,308

Operating Expense (2)

\$  
776,318 779,168 856,550 913,499 887,676 911,935 937,233 967,517 969,551 1,042,605

Net Revenue Available for Debt Service  
Interest

Debt Service Requirements

Principal  
643,705 693,749 689,169 629,263 856,290 830,489 967,503 1,050,820 1,263,703  
397,341 416,810 438,553 369,379 379,185 306,916 479,277 494,226 569,475

\$ 567,857 \$ 543,460 \$ 315,585 \$  
210,891 (3)  
168,712  
219,482  
216,841  
220,124  
166,825  
209,298  
277,225  
290,340

Percent Coverage

66 % 106 118 105 107 143 175 141 136 147

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

## Tax Increment Financing Funds

### Operating Expense (2)

Percent Coverage

	2007	2008	2009	2010	2011	2012	2013	2014
238,757	296,469	185,947	229,266	266,916	361,783	334,414	567,079	
91,378	176,221	37,000	36,535	44,290	43,025	51,194	69,912	
509,238	557,596	495,588	474,390	544,415	487,495	427,287	410,018	
48,514	58,292	28,740	28,431	31,796	29,136	27,721	30,963	
2006	(4)\$	400,404	\$	124,905	\$	275,499	\$	75,248
31,553	\$	106,801						
	270,481	261,127	309,641	245,124	277,499	125,712	92,873	(157,061)
%								
258	193	111	471	377	365	174	118	(156)

## Net Revenue Available for Debt Service

2006 (4)	\$ 643,343
2007	652,883
2008	625,200
2009	578,119
2010	611,707
2011	618,871
2012	678,018
2013	706,315
2014	414,720
Interest	

25,930 25,595 26,361 24,245 16,632 25,970 39,349 36,968 33,933

Debt Service Requirements

Total

Principal

6,215 13,030 10,345 5,425 5,715 16,295 17,150 18,040 18,400

Percent Coverage

2001 % 1690 1703 1948 2737 1464 1200 1284 792

**NOTES:**

- 1) Total revenues include nonoperating revenues except for grants.
- 2) Total operating expenses excluding depreciation and amortization.
- 3) \$446.3 million of Skyway principal was included even though that requirement was met through lease proceeds.
- 4) Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data for TIF and Sales Tax and Motor Fuel Tax Funds.

161

**Table 21**

**CITY OF CHICAGO, ILLINOIS**

**RATIO OF OUTSTANDING DEBT BY TYPE**

**Last Ten Years Ended December 31, 2014**

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

Governmental Funds

Year

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

Net General Obligation Debt

5,534,355 5,789,477 6,296,225 6,308,684 6,721,880 7,379,877 7,750,122 7,939,682 7,931,074 8,272,246

Tax Increment Allocation Bonds and Notes

\$ 407,709 351,776 285,363 204,811 179,871 156,881 125,201 106,241 80,127 69,995

Motor Fuel  
and Sales Tax Revenue

\$  
518,800 512,585 499,555 552,345 559,417 553,702 770,312 753,162 735,122 725,395

Installment  
Purchase  
Agreement

\$  
10,900 9,200 7,500 5,500 3,500 1,200

Capital Leases

309,813 278,861 245,685 207,065 169,282 177,011 166,787 163,012 171,673 116,858

Water Revenue Bonds

1,031,089 1,169,224 1,195,803 1,464,838 1,424,319 1,711,615 1,677,851 1,988,655 1,954,020 2,381,770  
Chicago O'Hare International Airport Customer Facility Charge Revenue Bonds

248,750 248,750

**NOTES:**

- 1) See Table 13 for Estimated Fair Market Value
- 2) Amounts in Dollars

2) Amounts in Dollars

3) 2013 information not available at time of publication.

4) 2014 information not available at time of publication.

**ii**

**Proprietary Fund Revenue Bonds**

**Chicago O'Hare International Airport Revenue Bonds**

4,387,805 4,353,685 4,562,956 4,912,635 5,092,010 5,647,115 6,481,960 6,270,770 6,563,780 6,406,710

**Chicago O'Hare International  
Airport Passenger Facility Charge Revenue Bonds**

1,215,416 796,715 766,255 725,675 709,200 816,110 797,769 750,706 683,780 682,271

**Chicago Midway Airport  
Revenue Bonds**

1,272,115 1,268,764 1,254,664 1,239,404 1,246,190 1,465,495 1,439,185 1,383,215 1,470,343 1,506,325

**Wastewater Transmission Revenue Bonds**

731,963 770,528 754,908 902,904 878,875 1,100,800 1,084,224 1,334,918 1,333,984 1,602,175

**Total Primary Government**

15,419,965 15,300,815 15,868,914 16,523,861 16,984,544 19,009,806 20,293,411 20,690,361 21,172,653 22,012,495

**Ratio of Bonded Debt to Estimated Fair Market Value (1)**

5.45 4.64 4.95 5.32 6.06 8.19 9.11 10.00 N/A (3) N/A (4)

**Per Capita (2)**

5,324.54 5,283.40 5,479.57 5,705.72 5,864.80 7,052.17 7,528.35 7,675.61 7,854.53 8,166.09

163

This Page Intentionally Left Blank

Table 22

## CITY OF CHICAGO, ILLINOIS

**DEBT SERVICE REQUIREMENTS FOR GENERAL LONG-TERM DEBT (1) December 31, 2014**

Year Ended Dec. 31,	General Obligation Debt Principal	Interest	Sales Tax and Motor Fuel Tax Revenue Bonds Principal	Interest	Tax Increment and Special Service Area Bonds Principal	Interest	Totals Principal	Interest		
2015.	2016.	2017.	2018.	2019.	2020.	2021.				
235,676,371	251,071,761	274,536,947	287,151,972	296,243,700	310,673,918	313,592,240	317,338,400	308,653,319	304,457,012	
286,518,971	294,491,163	306,594,720	314,069,806	331,094,515	342,657,520	360,543,596	393,923,762	372,676,194	320,437,377	
290,017,607	242,156,559	236,632,925	249,831,380	258,780,000	273,540,000	288,970,000	101,745,000	108,170,000		
438,327,989	\$ 428,190,029	417,278,025	405,156,796	392,074,650	380,656,051	366,603,415	358,074,554	344,358,411	330,795,518	
317,922,975	305,724,330	286,553,453	279,468,121	262,816,724	250,782,400	233,271,393	200,278,124	180,186,372	161,123,964	
144,210,745	129,763,191	117,049,991	103,859,530	59,742,170	44,981,636	29,557,581	13,254,033	6,829,854		
18,170,000	17,880,000	18,250,000	19,150,000	20,334,654	21,440,292	22,567,526	23,737,119	25,039,882	26,401,683	27,843,447
29,361,159	28,708,425	32,523,716	22,679,282	25,039,348	22,997,033	22,007,868	23,144,107	38,945,000	40,925,000	43,045,000
45,275,000	34,870,000	36,615,000	38,445,000							
34,316,048	33,396,970	32,487,136	31,590,119	30,648,834	29,688,122	28,710,511	27,637,586	26,510,808	25,323,813	24,073,996
22,757,902	23,709,471	20,079,438	30,060,516	27,934,920	28,897,880	28,265,905	27,627,546	14,174,055	12,195,050	10,074,025
7,843,075	5,496,500	3,753,000	1,922,250							
			9,335,000	10,640,000	11,795,000	16,010,000	6,020,000	4,135,000	4,375,000	7,685,000
				3,272,448	2,795,065	2,306,236	1,756,563	959,730	706,375	493,625
263,181,371	279,591,761	304,581,947	322,311,972	322,598,354	336,249,210	340,534,766	348,760,519	333,693,201	330,858,695	
314,362,418	323,852,322	335,303,145	346,593,522	353,773,797	367,696,868	383,540,629	415,931,630	395,820,301	359,382,377	
330,942,607	285,201,559	281,907,925	284,701,380	295,395,000	311,985,000	288,970,000	101,745,000	108,170,000		
475,916,485	464,382,064	452,071,397	438,503,478	423,683,214	411,050,548	395,807,551	385,904,265	370,869,219	356,119,331	
341,996,971	328,482,232	310,262,924	299,547,559	292,877,240	278,717,320	262,169,273	228,544,029	207,813,918	175,298,019	
156,405,795	139,837,216	124,893,066	109,356,030	63,495,170	46,903,886	29,557,581	13,254,033	6,829,854		



\$ 8,272,246,735 \$ 6,988,892,025 \$ 725,395,541 \$ 589,175,476 \$ 69,995,000 \$ 12,482,167 \$ 9,067,637,276 \$ 7,590,549,668

## 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, 2015, have been excluded from this schedule because funds for their payment have been provided in the debt service funds. 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, 2014. Amounts above exclude Commercial Paper issues as the timing of payments is not certain.

165

1

Table 23

## CITY OF CHICAGO, ILLINOIS

**DEBT SERVICE REQUIREMENTS FOR GENERAL OBLIGATION DEBT (1) December 31, 2014**

Year Ended Dec. 31,

General Obligation Bonds

406 399 391 382 372 365 354 349 339 328 317 305 286 279 262 250 233 200 180 161  
144 129 117 103 59 44 29 13 6

Principal

182,431,371 193,716,761 210,626,947 219,846,972 227,928,700 235,233,918 245,622,240 250,833,400 261,258,319  
274,597,012 279,573,971 286,826,163 305,919,720 313,354,806 330,244,515 342,657,520 360,543,596 393,923,762  
372,676,194 320,437,377 290,017,607 242,156,559 236,632,925 249,831,380 258,780,000 273,540,000 288,970,000  
101,745,000 108,170,000

Alternative Revenue Bonds (2) Principal Interest

\$  
42,215,000 46,220,000 52,665,000 55,955,000 59,215,000 66,340,000 58,870,000  
57,405,000 38,295,000 20,760,000 6,945,000 7,665,000 675,000 715,000 850,000

Other General Obligation DebtInterestPrincipal

\$ 11,030,000 11,135,000 11,245,000 11,350,000 9,100,000 9,100,000 9,100,000 9,100,000 9,100,000 9,100,000  
\$ 7,658,096,735 \$ 6,816,185,162 \$ 514,790,000 \$ 144,519,077 \$ 99,360,000 \$ 28,187,786

## NOTE:

- 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, 2015, have been excluded from this schedule because funds for their payment have been provided in the debt service funds. 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, 2014. Amounts above exclude Commercial Paper issues as the timing of payments is not certain.
  - 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.

166

Totals										
Principal	Interest									
\$ 235,676,371	\$ 251,071,761	274,536,947	287,151,972	296,243,700	310,673,918	313,592,240	317,338,400	308,653,319	304,457,012	
286,518,971	294,491,163	306,594,720	314,069,806	331,094,515	342,657,520	360,543,596	393,923,762	372,676,194		
320,437,377	290,017,607	242,156,559	236,632,925	249,831,380	258,780,000	273,540,000	288,970,000	101,745,000		
108,170,000										
438,327,989	\$ 428,190,029	417,278,025	405,156,796	392,074,650	380,656,051	366,603,415	358,074,554	344,358,411	330,795,518	
317,922,975	305,724,330	286,553,453	279,468,121	262,816,724	250,782,400	233,271,393	200,278,124	180,186,372	161,123,964	
144,210,745	129,763,191	117,049,991	103,859,530	59,742,170	44,981,636	29,557,581	13,254,033	6,829,854		
674,004,360	679,261,790	691,814,972	692,308,768	688,318,350	691,329,969	680,195,655	675,412,954	653,011,730	635,252,530	
604,441,946	600,215,493	593,148,173	593,537,927	593,911,239	593,439,920	593,814,989	594,201,886	552,862,566	481,561,341	
434,228,352	371,919,750	353,682,916	353,690,910	318,522,170	318,521,636	318,527,581	114,999,033	114,999,854		
\$ 8,272,246,735	\$ 6,988,892,025	\$ 15,261,138,760								

167

Table 24

## CITY OF CHICAGO, ILLINOIS

DEBT	SERVICE	REQUIREMENTS	FOR	PROPRIETARY	FUNDS	(1)	December	31,
2014								

Year Ended December 31,

Water Revenue Bonds

Principal

Wastewater Transmission Revenue Bonds

Principal

**NOTE:**

Printed on 7/24/2022  
powered by Legistar™

I  
 I  
 i  
Chicago-O'Hare International Airport and Chicago Midway International Airport Bonds Principal  
Interest

Year Ended December 31,

280,990,000	329,200,000	337,155,000	317,140,000	273,240,000	290,525,000
288,395,000	302,385,000	320,460,000	332,630,000	348,725,000	365,345,000
401,215,000	379,520,000	417,885,000	434,025,000	460,090,000	468,735,000
498,095,000	260,680,000	278,565,000	292,450,000	306,155,000	210,255,000
164,685,000	74,975,000	78,730,000	64,385,000		
	428,574,398	415,047,671	399,033,948	383,240,485	367,806,061
	339,692,105	325,071,217	309,697,562	293,457,597	276,571,634
	240,523,720	221,137,005	200,974,200	179,644,090	157,653,635
114,167,784	93,604,150	78,377,395	62,130,816	45,374,062	27,400,182
				5,803,417	3,641,551
314,322,550	392,639,580	445,177,165	457,731,765	441,142,534	399,916,760
483,119,318	491,632,504	513,929,327	570,065,279	555,867,580	598,637,017
425,965,000	442,515,000	454,630,000	464,235,000	346,875,000	277,675,000
640,650,427	624,516,683	606,772,977	586,321,369	567,406,958	549,365,970
449,013,024	425,903,800	401,857,046	357,104,610	329,784,597	301,255,102
153,316,374	129,254,361	104,153,387	78,571,297	51,792,093	31,319,368
					15,918,417
					9,953,801
					4,506,445
					1,133,500
					954,972,977
					2015
1,017,156,263	2016				
1,051,950,142	2017				
1,044,053,134	2018				
1,008,549,492	2019				
949,282,730	2020				
952,980,351	2021				
936,498,883	2022				
935,795,730	2023				
939,398,770	2024				
932,132,342	2025				
917,536,304	2026				
373	2027				
927,169,889	2028				
885,652,177	2029				
899,892,119	2030				
860,317,938	2031				
852,522,474	2032				
836,446,167	2033				
842,810,968	2034				
374	2035				
571,769,361	2036				
558,783,387	2037				
542,806,297	2038				
398,667,093	2039				
308,994,368	2040				
167,948,417	2041				
152,073,801	2042				
109,076,445	2043				

			23,803,500	2044
\$ 8,793,030,000	\$ 6,172,445,811	\$ 12,776,977,047	\$ 9,297,132,219	\$ 22,074,109,266

169

**Table 25**  
**CITY OF CHICAGO, ILLINOIS LONG-TERM**  
**DEBT December 31, 2014**

Long-term debt is comprised of the following issues at December 31, 2014 (dollars in thousands):

General Long-term Debt: General Obligation Debt: General Obligation Bonds:

- Refunding Series of 1993 B - 4.25% to 5.125%
- Project and Refunding Series 1995 A-2 - 5.0% to 6.25%
- Project and Refunding Series 1998 - 3.85% to 5.5%
  - Emergency Telephone System Refunding Series 1999 - 4.5% to 5.5%
- City Colleges of Chicago Capital Improvement Project Series 1999 - 6.0%
- Project Series 2000 A - 4.85% to 6.75%
- Project and Refunding Series 2001 A - 4.0% to 5.65%
- Project and Refunding Series 2002 A - 4.0% to 5.65%
- Neighborhoods Alive 21 Program Series 2002 B - 3.575%
- Neighborhoods Alive 21 Program Series 2003 - 2.0% to 5.25%
- Project and Refunding Series 2003 A - 4.625% to 5.25%
- Project and Refunding Series 2003 B - 4.052%
- Project Series 2003 C and D - 2.0% to 5.25%
  - Emergency Telephone System Series 2004 - 3.0% to 6.9%
- Project and Refunding Series 2004 - 1.92% to 5.5%
- Refunding Series 2005 A - 2.5% to 5.0%
- Project and Refunding Series 2005 B and C - 3.5% to 5.0%
- Variable Rate Demand Bonds Series 2005 D - 4.104%
- Direct Access Bonds, Series 2005 - 2.876% to 4.5%
- Direct Access Bonds, Series 2006 - 3.5% to 4.4%
- Project and Refunding Series 2006 A and B - 3.5% to 5.375%
- Project and Refunding Series 2007 A and B - 3.75% to 5.462%
- City Colleges of Chicago Capital Improvement Project Series 2007 - 4.0% to 5.0%
- Project and Refunding Series 2007 C and D - 4.0% to 5.44%
- Project and Refunding Series 2007 E through G - 3.998%
- Project and Refunding Series 2008 A and B - 3.0% to 5.765%
- Project and Refunding Series 2008 C through F - 3.0% to 6.05%

Project and Refunding Series 2000 C through E - 4.0% to 6.00%  
 Project and Refunding Series 2009 A through D - 4.0% to 6.257%  
 Project Series 2010 B - 7.517%  
 Project Series 2010 C-1 - 7.781%  
 Project Series 2011 A and B - 4.625% to 6.034%  
 Project Series 2012 A and C - 4.0% to 5.432%  
 Project and Refunding Series 2014 A and B - 4.0% to 6.314%

## Total General Obligation Bonds

## Original Principal

49,390 51,780 30,405 104,365 159,838 7,403 73,920 2,305 201,000 9,650 35,830  
 181,850 33,780 36,495 84,390 239,880 288,720 222,790 70,300 30,683 558,905  
 535,080 34,465 290,050 200,000 461,960 602,937 793,275 213,555 299,340 416,345  
 594,850 883,420

## Outstanding at December 31, 2014

153,280 220,390 426,600 213,110 308,964 254,293 580,338 169,765  
 206,700 103,140 157,990 202,500 198,265  
 64,665 489,455 441,090 339,275 222,790 114,695  
 35,753 649,995 589,590  
 39,110 330,890 200,000 473,705 611,017 793,275 213,555 299,340  
 416,345 594,850 883,420  
 \$ 10,998,150 \$ 7,798,956

\* Secured by alternate revenues.

**Table 25 - Continued CITY OF CHICAGO,  
 ILLINOIS LONG-TERM DEBT December 31,  
 2014**

	Principal	Outstanding at Original December 31, 2014
General Obligation Certificates and Other Obligations:		
** Building Acquisition Certificates (Limited Tax) Series 1997-4.4% to 5.4%	\$ 28,800	\$8,360
• Modern Schools Across Chicago Program - Series 2007 A through K - 3.6% to 5.0%	356,005	241,095
• Modern Schools Across Chicago Program-Series 2010 A and B-3.0% to 5.364%	150,115	132,835
** MRL Financing LLC Promissory Note - 5.0% to 7.5%	91,000	91,000
<u>Total General Obligation Certificates and Other Obligations</u>		<u>625,920 473,290</u>
<u>Total General Obligation Debt</u>		<u>11,624,070 8,272,246</u>
Tax Increment Allocation Bonds and Notes:		
Near North Tax Increment - Series 1999 A and B - 5.084% to 6.89%	55,000	27,000
Goose Island Redevelopment Tax Increment - Series 2000 - 7.45%	16,800	9,585
<u>Pilsen Redevelopment Project-Series 2014 A and B-0.95% to 5.0%</u>	<u>33,410</u>	<u>33,410</u>
Total Tax Increment Allocation Bonds and Notes		105,210 69,995
Motor Fuel Tax and Sales Tax Revenue Bonds:		
Motor Fuel Tax Revenue Bonds - Series 2008 A and B - 4.0% to 5.0%	66,635	63,835
Motor Fuel Tax Revenue Bonds - Series 2013 - 2.0% to 5.0%	105,895	102,780

Motor Fuel Tax Revenue Bonds - Series 2010 - 2.0% to 3.0%	100,000	102,100
Motor Fuel Tax Revenue Bonds - Riverwalk TIFIA Loan - 3.33%	17,168	17,168
Sales Tax Revenue Bonds-Series 1998-4.5% to 5.5%	125,000	8,885
Sales Tax Revenue Bonds - Series 2002 - 4.23%	116,595	111,715
Sales Tax Revenue Refunding Bonds - Series 2005 - 3.25% to 5.0%	142,825	97,215
Sales Tax Revenue Refunding Bonds - Series 2009 - 4.25% to 6.0%	90,892	90,892
<u>Sales Tax Revenue Refunding Bonds - Series 2011 - 4.375% to 5.504%</u>	<u>232,905</u>	<u>232,905</u>
<u>Total Motor Fuel Tax and Sales Tax Revenue Bonds</u>		<u>897,725</u>
<u>Total General Long-term Debt</u>		<u>\$ 12,627,195 \$ 9,067,636</u>

\* Secured by alternate revenues.

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

171

**Table 25 - Continued CITY OF CHICAGO,  
ILLINOIS LONG-TERM DEBT December 31,  
2014**

	Outstanding at Original Principal2014	December 31,
Proprietary Fund Revenue Bonds: Water		
Revenue Bonds:		
Refunding Series 1993-4.125% to 6.5%		\$ 49,880
\$	10,790	
Series 1997 - 3.9% to 5.25%	277,911	110,849
Series 2000 - 2nd Lien - 3.867%	100,000	100,000
Series 2000 - 4.375% to 5.875%	156,819	15,858
Series 2001 - 3.0% to 5.75%	353,905	80,850
Series 2004 - 2nd Lien - 3.867%	500,000	355,575
Series 2006A-2nd Lien-4.5% to 5.0%	215,400	184,425
Series 2008 - 2nd Lien - 4.0% to 5.25%	549,915	470,035
Series 2010-2nd Lien-2.0% to 6.742%	313,580	300,355
Series 2012 - 2nd Lien - 4.0% to 5.0%	399,445	399,445
Series 2014 - 2nd Lien - 3.0% to 5.0%	367,925	367,925
Illinois Environmental Protection Agency Loan - 2.905%	3,605	1,723
Illinois Environmental Protection Agency Loan - 2.57%	2,642	1,669
Illinois Environmental Protection Agency Loan -1.25%	6,000	5,192
Illinois Environmental Protection Agency Loan - 0.00%	9,077	7,750
Illinois Environmental Protection Agency Loan -1.25%	1,528	1,423
Illinois Environmental Protection Agency Loan-1.25%	1,502	1,399

Illinois Environmental Protection Agency Loan -1.25%	6,092,673	
Illinois Environmental Protection Agency Loan - 2.29%	6,542,413	
Illinois Environmental Protection Agency Loan -1.93%	39,421,394,21	
<u>Illinois Environmental Protection Agency Loan -1.93%</u>	<u>15,000</u>	<u>15,000</u>
<u>Total Water Revenue Bonds</u>		<u>3,376,189,381,770</u>

## Chicago-O'Hare International Airport Bonds:

## Chicago-O'Hare International Airport Revenue Bonds:

Refunding Series of 2003 A through C - 3rd Lien - 4.5% to 6.0%	986,310,517,855	
Series of 2003 D through F-3rd Lien-2.125% to 5.5%	149,330,75,915	
Series of 2004 A through H - 3rd Lien - 3.49% to 5.35%	385,045,214,930	
Series of 2005 A and B-3rd Lien-5.0% to 5.25%	1,200,000,1,104,225	
Series of 2005 C and D - 3rd Lien - Variable Rate (.04% at December 31, 2014)	300,000,240,600	
Series of 2006 A through D-3rd Lien-4.55% to 5.5%	156,150,57,530	
Series of 2008 A through D-3rd Lien-4.0% to 5.0%	779,915,774,165	
Series of 2010 A through F - 3rd Lien -1.75% to 6.845%	1,039,985,953,015	
Series of 2011 A through C - 3rd Lien - 3.0% to 6.5%	1,000,000,983,120	
Refunding Series of 2012 A through C - Senior Lien -1.0% to 5.0%	728,895,605,675	
Refunding Series of 2013 A and B - Senior Lien - 2.0% to 5.25%	501,785,483,560	
<u>Series of 2013 C and D- Senior Lien -3.0% to 5.5%</u>	<u>396,120,396,120</u>	
<u>Total Chicago-O'Hare International Airport Revenue Bonds</u>	<u>7,623,535</u>	<u>6,406,710</u>

## Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds:

<u>Series of 2013 A Senior Lien-4.125% to 5.75%</u>	<u>248,750</u>	<u>248,750</u>
---	----------------	----------------

<u>Total Chicago-O'Hare International Airport Customer Facility Charge Revenue Bonds</u>	<u>248,750</u>	<u>248,750</u>
--	----------------	----------------

172

**Table 25 - Concluded CITY OF CHICAGO,  
ILLINOIS LONG-TERM DEBT December 31,  
2014**

	Outstanding at Original Principal 2014	December 31,
Proprietary Fund Revenue Bonds - Concluded:		
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds:		
Refunding Series of 2008 A - 4.0% to 5.0%		\$ 111,425
\$	24,465	
Refunding Series of 2010 A through D - 2.0% to 6.322%	137,665,132,465	
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%	452,095,428,310	
Commercial Paper Notes - Variable Rate (.10% to .13% at December 31, 2014)	51,026,51,026	
<u>Total Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds</u>	<u>798,216</u>	<u>682,271</u>
Chicago Midway International Airport Revenue Bonds:		
Series 1998 A, B and C - 4.3% to 5.5%	397,715,31,530	
Refunding Series 2004 A and B - 2nd Lien - 3.2% to 5.5%	77,565,49,350	
Series 2004 C and D-2nd Lien-4.174% to 4.274%	152,150,136,475	
Series 2010 B through D- 2nd Lien -3.532% to 7.168%	246,540,63,470	
Refunding Series 2013 A through C - 2nd Lien - .74% to 5.5%	333,960,328,980	
Series 2014 A through B-2nd Lien-5.0%	771,810,771,810	
<u>Refunding Series 2014C-Variable Rate (.07% at December 31, 2014)</u>	<u>124,710,124,710</u>	
<u>Total Chicago Midway International Airport Revenue Bonds</u>	<u>2,825,345</u>	<u>1,506,325</u>



Total Chicago Midway International Airport Revenue Bonds	2,020,000	1,000,000
Wastewater Transmission Revenue Bonds:		
Refunding Series 1998 A-4.55% to 5.0%	62,42335,168	
Series 2001 - 2nd Lien - 3.5% to 5.5%	187,685 58,575	
Refunding Series 2004 B - 2nd Lien - 3.0% to 5.25%	61,92516,185	
Series 2006 A and B - 2nd Lien - 4.5% to 5.0%	155,030 122,240	
Series 2008 A-2nd Lien-4.0% to 5.5%	167,635150,485	
Series 2008 C1 through C3 - 2nd Lien - 3.886%	332,230332,230	
Series2010-2nd Lien-2.0%to6.9%	275,865 266,105	
Series 2012 - 2nd Lien - 3.0% to 5.0%	276,470 266,705	
Series 2014 - 2nd Lien - 3.0% to 5.0%	292,405 292,405	
Illinois Environmental Protection Agency Loan - 2.5%	1,5461,101	
Illinois Environmental Protection Agency Loan - 0.00%	15,00012,623	
Illinois Environmental Protection Agency Loan -1.25%	17,56416,763	
Illinois Environmental Protection Agency Loan -1.25%	17,81216,590	
Illinois Environmental Protection Agency Loan -1.25%	15,00015,000	
Total Wastewater Transmission Revenue Bonds	1,878,590	1,602,175
<b>Total Proprietary Fund Revenue Bonds</b>	<b>\$ 16,750,625</b>	<b>\$ 12,828,001</b>

NOTE: The balance outstanding at December 31, 2014 listed above for each year excluded amounts payable January 1, 2015.

173

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

## Year

2005  
2006 .  
2007 .  
2008 .  
2009 .  
2010 ,  
2011 ,  
2012 .  
2013 .  
2014 .

## Population(l)

2,896,016 2,896,016 2,896,016 2,896,016 2,896,016 2,695,598 2,695,598 2,695,598 2,695,598 2,695,598

## Median Age (2)

33.0 33.5 33.7 34.1 34.5 34.8 33.2 33.2 33.5 N/A

Number of Households (2)

Number of Residents (2)

1,045,282 1,040,000 1,033,328 1,032,746 1,037,069 1,045,666 1,048,222 1,054,488 1,062,029 N/A

City Employment

,198,929 ,228,075 ,249,238 ,237,856 ,171,841 ,116,830 ,120,402 ,144,896 ,153,725 ,264,234

Unemployment Rate (3)

7.0 %

5.2

5.7

6.4 10.0 10.1

9.3

8.9

8.3

5.7

Per Capita Income (4)

\$

38,439 41,887 43,714 45,328 43,727 45,957 45,977 48,305 49,071 N/A (5)

Total Income

111,319,959,024 121,305,422,192 126,596,443,424 131,270,613,248 126,634,091,632 123,881,597,286 123,935,509,246  
130,210,861,390 132,275,689,458 N/A (5)

**NOTES:**

- 1) Source: U.S. Census Bureau.
- 2) Source: World Business Chicago Website and Environmental System Research Institute data estimates. Data not available for 2014.
- 3) Source: Bureau of Labor Statistics 2014, 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 (in 2014 dollars).
- (5) N/A means not available at time of publication.
- \* December 2014 data.

174

**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

Advocate Health Care  
University of Chicago  
JPMorgan Chase & Co. (2)  
Northwestern Memorial Healthcare  
United Continental Holdings Inc  
Walgreen Co  
AT&T (3)  
Presence Health  
University of Illinois at Chicago  
Abbott Laboratories  
Accenture LLP  
Northern Trust Corporation  
Ford Motor Company  
Bank of America NT & SA  
American Airlines  
UPS  
ABN Amro

2014 (1)

Percentage of  
1 2 3 4 5 6 7 8 9 10

Total City Employment

1.47 %  
1.27  
1.19  
1.15  
1.11  
1.09  
1.03  
0.89  
0.80  
0.79

Number of

Employees

9,200 5,995 4,311

4,341 4,574 2,992 2,811 4,054 2,464 2,876

2005 (4)

Percentage of  
Total City Rank Employment

0.87 %

0.56

4 3 7 9 6 10 8

0.41

0.41 0.43 0.28 0.26 0.38 0.23 0.27

#### NOTES:

- 1) Source: Reprinted with permission, Crain's Chicago Business [January 19, 2015], Crain Communications, Inc.
- 2) J. P. Morgan Chase formerly known as Banc One.
- 3) AT&T Inc. formerly known as SBC Ameritech. 2014 number of employees is a statewide number.
- 4) 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 Eight  
Years (See Note at the End of this Page)

		Budgeted Full Time Equivalent Positions											
2008	Function 2007	2014 2006	2013		2012		2011		2010		2009		
General													
		Government		3,759	3,729	3,856	4,363	4,401	4,419	5,112	5,195	5,214	
Public Safety		21,139	21,068	21,040	22,716	22,912	22,954	23,313	23,397	23,345			
Streets and													
		Sanitation		2,341	2,351	2,303	2,576	2,605	3,087	3,648	3,609	3,578	
Transportation		1,171	932	929	980	1,022	718	819	829	862			
Health		713	739	904	991	1,117	1,257	1,535	1,554	1,570			
Cultural and Recreational	1,245	1,215	1,153	1,207	1,213	1,318	1,596	1,608	1,620				
Business-type Activities		3,614	3,529	3,523	3,615	3,619	3,666	3,898	4,015	4,108			
Total		33,982	33,563	33,708	36,448	36,889	37,419	39,921	40,207	40,297			

**NOTES:**

- 1) Source: City of Chicago 2015 Budget Overview, 2014 figures. Includes full time equivalent positions in grant related programs.
- 2) Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data.

I

i

i

Table 29

## CITY OF CHICAGO, ILLINOIS

## OPERATING

## INDICATORS

## BY

## FUNCTION/DEPARTMENT

## Last

Nine Years (See Note at the End of this Page)

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Police Physical Arrests		129,166	143,618	145,390	152,740	167,355	181,254	196,621	221,915	227,576
Fire Emergency Responses (1)		685,588	675,570	472,752	343,749	343,214	363,519	377,808	402,403	300,971
Refuse Collection										
Refuse Collected (Tons per Day)		3,265	3,562	3,763	3,983	3,931	3,974	4,240	4,320	4,451
Cultural Volumes in Library (2)	11,526,900	11,451,732	5,691,321	5,790,289	5,769,587	5,743,002	5,721,334	5,891,306	5,700,000	
Water Average Daily Consumption (Thousands of Gallons)	752,362	756,486	793,274	770,925	773,612	808,551	827,156	860,285	884,970	

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

Table 30

## CITY OF CHICAGO, ILLINOIS

## CAPITAL ASSET STATISTICS BY FUNCTION

Last Nine Years (See Note at the End of this Page)

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Police Stations	25	25	25	26	25	25	25	25	25	
Fire Stations		104	104	104	104	103	103	101	102	102
Other Public Works										
Streets (Miles)		4,116	4,116	4,116	4,091	3,775	3,775	3,775	3,775	3,775
Streetlights	327,613	327,613	279,668	278,788	261,019	259,699	285,989	192,511		
Traffic Signals	3,035	3,035	3,035	2,960	2,960	2,960	2,960	2,727	2,795	
Water Mains (Miles)	4,322	4,321	4,349	4,360	4,300	4,300	4,375	4,236	4,230	
Sewers Mains (Miles)	4,428	4,428	4,450	4,400	4,400	4,400	4,400	4,500	4,500	4,500

(1) Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data.

Table 31

INTEREST	RATE	SWAP	COUNTERPARTY	ENTITIES	December
31, 2014					
(Amounts are in Thousands of Dollars)					

GO VRDB (Series 2007EFG)..

### Sales Tax Revenue Refunding

Bonds (VRDB Series 2002)

## Tax Increment Allocation Bonds

(Near North TIF, Series 1999A)

Chicago Midway International

## Airport Revenue Bonds

(Series 2004C&D)

### Wastewater Transmission Variable

Rate Revenue Bonds (Series 2008C)

### Water Variable Rate Revenue

Refunding Bonds (Series 2004)

### Water Variable Rate Revenue

Refunding Bonds (Series 2004)

## Second Lien Water Revenue

Refunding Bonds (Series 2000)

GO VRDB (Series 20.03B)

Total ~S~

**Counterparty Credit Rating Moody's/S&P**

A3/A Baa2/A-Aa3/AA-

Raa1/A Aa3/A+ Aa2/AA-

Baa1/A Aa3/A+ Aa2/A

A3/A

A3/A

A2/A

Aa3/A+

A2/A

Baa1/A Aa3/AA-

A3/A A2/A Aa3/A+

A2/A

Aa3/AA-

A2/A

Aa3/AA-Aa3/A+ Aa2/AA-A2/A

**Counterparty Entity**

Deutsche Bank (2) Morgan Stanley Wells Fargo

Goldman Sachs BMO (3) Bank of New York Mellon Deutsche Bank (2) Deutsche Bank PNC Bank

JP Morgan

Bank of America

Goldman Sachs Wells Fargo

Deutsche Bank (2) Bank of America JP Morgan

UBS

RBC

UBS

Wells Fargo JP Morgan Bank of New York Mellon PNC Bank

City ATE Level (1)

Baa3/BBB-Baa3/BBB-Baa1/BBB+

Baa3/BBB-Baa1/BBB+ Baa2/BBB Baa3/BBB-Baa3/BBB-

Baa2/BBB

N/A

Baa1/BBB+ Baa2/BBB

Raa3/RRR-Raa1/RRR+ Raa1/RRR+



Baa1/BBB+ Baa1/BBB+ Baa1/BBB+

Baa1/BBB+

Baa1/BBB+

Baa1/BBB+

Baa1/BBB+ Baa3/BBB-Baa2/BBB Baa3/BBB-

Source: Survey of Derivative Instruments - Notional amount related to bonds maturing on January 1,2015 have been excluded because funds for their payment have been provided for. " Reflects Swap overlay agreement.

- 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.
- 2) In July 2014 the interest rate swap for the GO Variable Rate Demand Bonds (2007EFG and 2005D) and Wastewater Transmission Variable Rate Revenue Bonds (2008C) with Loop Financial Products I was transferred to Deutsche Bank.
- 3) In July 2014 the interest rate swap for the GO Variable Rate Demand Bonds (2005D) with Loop Financial Products III was transferred

178

**Table 32**

**CITY OF CHICAGO, ILLINOIS**

**BANK FACILITIES**

**As of December 31, 2014**

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

**Bond Liquidity, Letters of Credit and Direct Purchase Facilities**

**Issue**

G.O. Project & Refunding  
 G.O. Project & Refunding  
 G.O. Project & Refunding  
 G.O. Refunding  
 G.O. Refunding  
 G.O. Refunding  
 G.O. Project & Refunding  
 G.O. Project & Refunding  
 G.O.N.A. 21 Program  
 G.O.N.A. 21 Program  
 G.O.N.A. 21 Program  
 Midway 2nd Lien  
 Midway 2nd Lien  
 Midway 2nd Lien  
 Midway 2nd Lien  
 O'Hare 3rd Lien  
 O'Hare 3rd Lien  
 Sales Tax Revenue Refunding

Sales Tax Revenue Refunding

TIF Near North

Wastewater 2nd Lien

Wastewater 2nd Lien

Wastewater 2nd Lien

Water 2nd Lien

Water 2nd Lien Rfdg

Water 2nd Lien Rfdg

Water 2nd Lien Rfdg

### Series

2003 B-1 2003 B-2

2003B-3 2007F 2007E 2007G 2005 D-1 2005 D-2 2002 B-3 2002 B-4 2002 B-5

2004C-1 2004 C-2

2004D 2014 C

2005C 2005 D 2002 1999 A 2008 C-1 2008 C-2 2008 C-3 2000 2004-1 2004-2 2004-3

### Principal Outstanding

96,375 48,195 48,195 80,000 100,000 20,000 111,395 111,395 103,350 51,675 51,675 58,225 68,550 13,900 124,710 140,600  
100,000 112,245 31,400 116,115 116,115 100,000 100,000 157,565 157,565 40,445

### Expiration or Termination

09/25/2017 09/25/2017 09/25/2017 12/31/2017 11/30/2015 11/30/2015 01/12/2018 01/12/2018 10/02/2015 10/02/2015 10/02/2015  
11/25/2016 11/25/2016 11/25/2016 11/25/2017 08/15/2017 08/15/2017 12/31/2015 08/15/2016 12/01/2017 12/01/2017 12/01/2017  
10/30/2017 11/05/2018 11/05/2018 11/05/2018

### Bond Maturity Date

01/01/2034 01/01/2034 01/01/2034 01/01/2042 01/01/2042 01/01/2042 01/01/2040 01/01/2040 01/01/2037 01/01/2037 01/01/2037  
01/01/2035 01/01/2035 01/01/2035 01/01/2035 01/01/2035 01/01/2035 01/01/2034 01/01/2019 01/01/2039 01/01/2039 01/01/2039  
11/01/2030 11/01/2031 11/01/2031 11/01/2031

### Bank

JPMorgan JPMorgan JPMorgan JPMorgan Barclays Barclays Bank of Montreal Northern Trust RBC Bank of New York Bank of New  
York Bank of Montreal

Wells Fargo Bank of Montreal JPMorgan Citibank Barclays JPMorgan Bank of New York PNC Bank US Bank Wells Fargo JPMorgan  
Bank of Tokyo State Street State Street

BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-

(2)

(2) BBB-BBB-BBB-BBB-BBB

(3) BBB-

N/A BBB BBB BBB BBB-BBB-BBB-BBB-

Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3

(2)

(2) Baa3 Baa3 Baa3 Baa3 Baa2

(3) Baa3

N/A Baa2 Baa2 Baa2 Baa3 Baa3 Baa3 Baa3

From Moody's

BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-

(2)

(2) BBB-BBB-BBB-BBB-BBB

(3) BBB-

N/A BBB BBB BBB BBB-BBB-BBB-BBB-

See next page.

**Table 32 - Concluded**

**CITY OF CHICAGO, ILLINOIS**

**BANK FACILITIES**

**As of December 31, 2014**

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

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

**Ratings Thresholds<sup>(1)</sup>**

Series	
Issue	
G. O. CP	2002A/B
G. O. CP	2002C/D
G. O. Line of Credit	2013
G. O. Line of Credit	2014
G. O. Line of Credit	2014
G. O. Line of Credit	2014
Midway CP	2003A-D
Midway CP	2003E-G
O'Hare CP	2005-A
O'Hare CP	2005-B
O'Hare CP	2005-C
O'Hare CP	2005-D
O'Hare CP	2005-E
129,160 93,220 75,000	
	200,000 100,000 200,000 100,000 100,000 200,000 85,000 65,000 75,000 50,000 50,000 50,000 50,000
	<b>Amount Expiration Borrowing Outstanding or Authority (Dec. 31,2014) Termination</b>
31,019	
20,007	
	05/08/2015 05/08/2015 05/08/2015 11/30/2015 02/20/2016 04/25/2016 07/12/2017 02/14/2015 09/30/2016 09/30/2016
	09/30/2016 09/30/2016 09/30/2016

**Bank**

Wells Fargo BMO Harris Bank of America  
Barclays Morgan Stanley JPMorgan JPMorgan

Barclays Morgan Stanley or Morgan or Morgan  
PNC JPMorgan Wells Fargo  
PNC BMO/Harris BAML  
N/A N/A BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-N/A N/A N/A N/A  
BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-BBB-

**Fitch Moody's S&P**

Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3 Baa3

Orange Line 2014 S 165,000 02/13/2015 N/A PNC BBB- Baa3 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 agreements with The Bank of New York Mellon provide that until February 15, 2015, the Ratings Threshold shall be "Baa3" by Moody's and "BBB-" by Fitch and S&P. After February 15, 2015, the Rating Threshold becomes "Baa2" by Moody's and "BBB" by Fitch and S&P. The agreements were subsequently amended in 2015 changing February 15, 2015 to October 2, 2015. On April 30, 2015, The Bank of New York Mellon entered into a participation agreement with JP Morgan for the full amount of the bonds.
- 3) 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.
- 4) The Event of Default is triggered if the General Obligation rating falls below the threshold above by any of the rating agencies. A covenant to use reasonable efforts to replace the letter of credit within 30 days is triggered if the rating is below Baal or BBB+ by Moody's or S&P respectively.
- 5) The Letter of Credit amount varies up to a maximum \$180.7 million.

180

SUPPLEMENT TO

# CITY OF CHICAGO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2014

Rahm Emanuel, Mayor

Carole L. Brown, Chief Financial Officer Daniel Widawsky, Comptroller

«r r r f  
<r #r  
if if  
Cr tr of «r  
cf cf cf

*This Page Intentionally Left Blank fff*

if  
Cf Cf  
cr

*Si*

I

Department of Finance city of chicago

June 30, 2015

To the Honorable Mayor and Members of the City Council of the City of Chicago

Ladies and Gentlemen:

This report is a supplement to the Comprehensive Annual Financial Report of the City of Chicago for the year ended December 31, 2014.

The Comprehensive Annual Financial Report should be referenced for the following information:

1. Introductory Section.
2. Financial Section.
3. Statistical Section.

This supplemental report contains:

The Schedules of Expenditures and Encumbrances - Budget and Actual (Budgetary Basis) for the General and Special Revenue Funds for the year ended December 31, 2014.

Respectfully submitted,

^C^niel Widawsky City Comptroller

121 NORTH LASALLE STREET, SUITE 700. CHICAGO. ILLINOIS 60602

**SUPPLEMENT TO CITY OF CHICAGO COMPREHENSIVE  
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2014**

Table of Contents

Letter of Transmittal

1

Schedule 1	General Fund - Schedule of Expenditures and Encumbrances - Budget and Actual (Budgetary Basis)	3
Schedule 2	Special Revenue Funds - Schedule of Expenditures and Encumbrances - Budget and Actual (Budgetary Basis)	18
Schedule 3	Special Revenue Funds - Motor Fuel Tax Fund Statement of Cash Receipts and Expenditures	31
Schedule 4	Special Revenue Funds - Federal, State and Local Grants Combining Balance Sheet	32
Schedule 5	Special Revenue Funds - Federal, State and Local Grants Combining Statement of Revenues, Expenditures and Changes in Fund Balance	34

***m***

***m***

t i i i i 1 i i i t f f i

I Schedule 1

| CITY OF CHICAGO, ILLINOIS

. GENERAL FUND

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

I Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
<u>1 GENERAL GOVERNMENT</u>			
OFFICE OF THE MAYOR - 01 -			
.0000-Personnel Services	\$ 5,511,957	\$ 5,511,957	\$ 5,840,782
.0100-Contractual Services	266,942	266,942	246,104
.0200-Travel	24,832	24,832	22,670
.0300-Commodities	48,500		48,500
<u>34,725</u>			
<u>Total</u>	<u>5,852,231</u>	<u>5,852,231</u>	<u>6,144,281</u>
OFFICE OF THE INSPECTOR GENERAL - 03 -			
.0000-Personnel Services	2,254,339	2,254,339	1,869,300
.0100-Contractual Services	251,797	251,797	207,572
.0200-Travel	4,433	4,433	4,164
.0300-Commodities	18,257	18,257	2,344
.0700-Contingencies	12,784		12,784
<u>12,784</u>			
<u>Total</u>	<u>2,541,610</u>	<u>2,541,610</u>	<u>2,096,164</u>
OFFICE OF BUDGET AND MANAGEMENT - 05 -			
.0000-Personnel Services	1,638,040	1,638,040	2,334,170
.0100-Contractual Services	49,295	49,295	34,117
.0200-Travel	1,000	1,000	
.0300-Commodities		5,800	5,800
<u>3,621</u>			
<u>Total</u>	<u>1,694,135</u>	<u>1,694,135</u>	<u>2,371,908</u>
DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -			
.0000-Personnel Services	7,489,468	7,489,468	5,286,264
.0100-Contractual Services	18,056,453	18,056,453	17,847,965
.0200-Travel		6,000	1,201
.0300-Commodities	27,800	27,800	
<u>13,357</u>			
<u>Total</u>	<u>25,579,721</u>	<u>25,579,721</u>	<u>23,148,787</u>
CITY COUNCIL COMMITTEES			
CITY COUNCIL - 15-			
2005.0000-Personnel Services	15,259,891	15,259,891	14,939,975
2005.0100-Contractual Services	70,150	70,150	66,614
2005.0200-Travel	1,000	1,000	
2005.0700-Contingencies	43,000	43,000	42,999
2005.0982-Order of The City Council	1,000	1,000	
2005.9008-Aldermanic Expense Allowance	4,850,000	4,850,000	4,415,633
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	82,687



**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

	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		20,321,113	20,321,113	19,547,908
COMMITTEE ON FINANCE - 15 -				
2010.0000-Personnel Services				
2010.0100-Contractual Services				
2010.0200-Travel				
2010.0300-Commodities				
2010.0700-Contingencies				
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				
9006 Legal Assistance to The City Council:				
9006 To Be Expended at the Direction of the				
9006 Chairman of the Committee on Finance				
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				
Total				
1,731,752	1,731,752	1,677,551		
			138,400	138,400 137,862
8,000	8,000			
			51,500	51,500 49,147
100	100			
50,000	50,000			
50,000	50,000	152		

2,122,252	2,122,252	1,957,212	92,500	92,500	92,500
-----------	-----------	-----------	--------	--------	--------

COMMITTEE ON HISTORICAL LANDMARK  
PRESERVATION-15-

2012.0000-Personnel Services

258,924 258,924

2012.0100-Contingencies

25,000

25,000

Total

283,924 283,924

LEGISLATIVE INSPECTOR GENERAL

2015.0100-Contractual Services

354,000

354,000

359,583

Total

354,000

354,000

359,583

COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS - 15-

2214.0000-Personnel Services

2214.0100-Contractual Services

2214.0300-Commodities

2214.0400-Equipment

468,750 468,750 468,750

15,000 15,000 14,915

12,000 12,000 11,995

9,500

9,500

9,495

Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014

Original Final  
Budget Budget

Budget Actual

GENERAL GOVERNMENT - Continued CITY

COUNCIL COMMITTEES - Continued

COMMITTEE ON THE BUDGET AND GOVERNMENT  
OPERATIONS - 15 - Concluded

2214.0700-Contingencies

\$

15,000

15,000

15,000

Total

520,250

520,250

520,155

COMMITTEE ON AVIATION - 15 -

2220.0000-Personnel Services

102,843

102,843 102,439

2220.0100-Contractual Services

200 200

2220.0300-Commodities

500 500

2220.0700-Contingencies

750

750

=

Total

104,293

104,293

102,439

COMMITTEE ON LICENSE AND CONSUMER PROTECTION-15-

2225.0000-Personnel Services

2225.0100-Contractual Services				
2225.0300-Commodities				
			Total	
COMMITTEE ON POLICE AND FIRE -15 -				
2235.0000-Personnel Services				
2235.0100-Contractual Services				
2235.0300-Commodities				
2235.0700-Contingencies				
			Total	
COMMITTEE ON HEALTH - 15 -				
2240.0000-Personnel Services				
2240.0100-Contractual Services				
2240.0300-Commodities				
2240.0700-Contingencies				
			Total	
102,081	102,081	133,870		
			17,500	17,500
			500	500
120,081	120,081	151,884		13,408
				4,606
119,289	119,289	101,506		
1,000	1,000	949		
1,000	1,000	1,030		
500	500	=		
121,789	121,789	103,485		
87,670	87,670	96,817		
200	200			
800	800	297		
500	500	=		
89,170	89,170	97,114		
COMMITTEE ON COMMITTEES, RULES AND ETHICS-15-				
2245.0000-Personnel Services		100,008	100,008	101,900
2245.0100-Contractual Services		40,000	40,000	39,995
2245.0300-Commodities		500	500	1,016
	Total		- 140,508	140,508
				142,911
COMMITTEE ON ECONOMIC AND CAPITAL DEVELOPMENT - 15 -				
2255.0000-Personnel Services		107,635	104,635	107,082

## FUND

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

Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	
<u>GENERAL GOVERNMENT - Continued</u>				
CITY COUNCIL COMMITTEES - Continued				
COMMITTEE ON ECONOMIC AND CAPITAL DEVELOPMENT -15 - Concluded				
2255.0100-Contractual Services	\$	1,000	\$	1,000
2255.0300-Commodities		500		3,500
<u>2255.0700-Contingencies</u>		<u>1,000</u>		<u>1,000</u>
Total		110,135		110,135
				109,653
COMMITTEE ON EDUCATION - 15 2260.0000-Personnel Services.... 2260.0100-Contractual Services..				
2260.0700-Contingencies				
				Total
COMMITTEE ON ZONING - 15 -2275.0000-Personnel Services.... 2275.0100-Contractual Services..				
2275.0300-Commodities				
				Total
200,609	3,000	2,000		
205,609				
				305,134
385,134				5,300
				74,700
200,609	3,000	2,000		
205,609				
				305,134
385,134				5,300
				74,700
175,146				
175,146				
				310,298
				2,904
				96,042
				409,244
COMMITTEE ON HOUSING AND REAL ESTATE -15 -				
2280.0000-Personnel Services				
2280.0100-Contractual Services				
2280.0300-Commodities				
2280.0700-Contingencies				
				Total

192,406	192,406	204,276
1,550	1,550	1,533
400	400	400
2,150	2,150	1,899
196,506	196,506	208,108

COMMITTEE ON HUMAN RELATIONS -15 -  
 2286.0000-Personnel Services  
 2286.0300-Commodities

Total

COMMITTEE ON HUMAN RELATIONS - 15 -  
 2290.0000-Personnel Services  
 2290.0100-Contractual Services  
 2290.0300-Commodities

Total

CITY COUNCIL LEGISLATIVE REFERENCE BUREAU-15-  
 2295.0000-Personnel Services  
 2295.0100-Contractual Services  
 2295.0300-Commodities

Total

88,098	88,098	71,004			
			1,000	1,000	825
89,098	89,098	71,829			
479,312	479,312	443,203			
			30,000	28,000	1,015
			5,000	7,000	6,652
514,312	514,312	450,870			
282,081	282,081	219,664			
			67,000	67,000	55,269
			4,000	4,000	370
353,081	353,081	275,303			

6

**Schedule 1 - Continued CITY OF  
 CHICAGO, ILLINOIS GENERAL  
 FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 Year Ended December 31, 2014**

Original	Final	
Budget		Budget Actual

GENERAL GOVERNMENT - Continued CITY

COUNCIL COMMITTEES - Concluded

TOTAL CITY COUNCIL COMMITTEES .... \$ 26,031,255 \$ 26,031,255 \$ 24,682,844

CITY CLERK - 25 -

.0000-Personnel Services	2,414,467	
.0100-Contractual Services	533,865	
<u>.0300-Commodities</u>	<u>48,836</u>	
	<u>Total</u>	<u>2,997,168</u>

DEPARTMENT OF FINANCE -CITY COMPTROLLER - 27 -

2011.0000-Personnel Services	2,930,628	
2011.0100-Contractual Services	312,899	
2011.0200-Travel	1,800	
<u>2011.0300-Commodities</u>	<u>27,000</u>	
	<u>Total</u>	<u>3,272,327</u>

DEPARTMENT OF FINANCE -Accounting and Financial Reporting - 27 -

2012.0000-Personnel Services	3,277,809	
2012.0100-Contractual Services	801,894	
2012.0200-Travel	3,825	
<u>2012.0300-Commodities</u>	<u>20,600</u>	
	<u>Total</u>	<u>4,104,128</u>

DEPARTMENT OF FINANCE -Financial Strategy and Operations - 27 -

2015.0000-Personnel Services	5,510,688	
2015.0100-Contractual Services	997,768	
2015.0200-Travel	12,088	
<u>2015.0300-Commodities</u>	<u>82,900</u>	
	<u>Total</u>	<u>6,603,444</u>

DEPARTMENT OF FINANCE -Revenue Services and Operations - 27 -

2020.0000-Personnel Services	
2020.0100-Contractual Services	
2020.0200-Travel	
2020.0300-Commodities	
Total	

TOTAL FINANCE 64,394,063

2,997,168

2,414,467 533,865 48,836

3,272,327

2,930,628 312,899 1,800 27,000

4,104,128

3,277,809 801,894 3,825 20,600

		5,510,688	997,768	12,088	82,900
<u>6,603,444</u>					
		21,946,565	28,173,861	17,676	276,062
50,414,164					
64,394,063					
		2,236,970	533,789	48,626	
2,819,385					
		2,683,164	260,968	67	10,221
<u>2,954,420</u>					
		3,095,633	619,835	1,730	16,399
3,733,597					
		5,106,134	561,540	10,504	21,224
5,699,402					
		18,792,815	24,624,373	1,740	180,087
43,599,015					

55,986,434

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY TREASURER - 28-			
.0000-Personnel Services			
.0100-Contractual Services			
.0200-Travel			
.0300-Commodities			
			Total

DEPARTMENT OF ADMINISTRATIVE HEARINGS - 30 -

.0000-Personnel Services  
.0100-Contractual Services  
.0200-Travel  
.0300-Commodities

Total

DEPARTMENT OF LAW - 31 -

.0000-Personnel Services  
.0100-Contractual Services  
.0200-Travel  
.0300-Commodities

Total

DEPARTMENT OF HUMAN RESOURCES - 33 -

.0000-Personnel Services  
.0100-Contractual Services  
.0200-Travel  
.0300-Commodities  
.0900-Specific Purpose-General

Total

DEPARTMENT OF PROCUREMENT SERVICES - 35 -

.0000-Personnel Services  
.0100-Contractual Services  
.0200-Travel  
.0300-Commodities

Total

\$	1,893,038	\$	1,893,038	\$	1,829,106		
435,729		435,729	321,335			975	975 69
<u>6,500</u>	<u>6,500</u>	<u>3,752</u>		<u>2,336,242</u>	<u>2,336,242</u>		<u>2,154,262</u>
2,891,114	2,891,114	2,823,076					
4,907,446	4,907,446	4,529,203					
				<u>35,108</u>	2,000		2,000 1,074
<u>7,835,668</u>	<u>7,835,668</u>	<u>7,383,257</u>			<u>35,108</u>		<u>29,904</u>
<u>24,543,132</u>	<u>24,543,132</u>	<u>24,828,651</u>					
<u>3,025,745</u>	<u>3,025,745</u>	<u>2,875,461</u>					
<u>115,343</u>	<u>115,343</u>	<u>79,563</u>					
<u>150,021</u>	<u>150,021</u>	<u>140,476</u>					
<u>27,834,241</u>	<u>27,834,241</u>	<u>27,924,151</u>					



4,588,430	4,588,430	4,388,436			
			495,004	495,004	443,519
			2,210	2,210	1,944
			33,201	33,201	10,370
			<u>170,000</u>	<u>170,000</u>	<u>168,255</u>
<u>5,288,845</u>	<u>5,288,845</u>	<u>5,012,524</u>			
5,075,052	5,075,052	4,712,298			
1,164,428	1,164,428	799,891			
				5,190	5,190
			<u>21,950</u>	<u>21,950</u>	<u>8,262</u>
<u>6,266,620</u>	<u>6,266,620</u>	<u>5,524,932</u>			

8

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

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

**Year Ended December 31, 2014**

Original Budget

Final Budget

GENERAL GOVERNMENT - Continued

DEPARTMENT	OF	FLEET	AND	FACILITIES
------------	----	-------	-----	------------

MANAGEMENT - 38 -

BUREAU OF FINANCE AND ADMINISTRATION - 38 -

2103.0000-Personnel Services \$

2103.0100-Contractual Services

2103.0200-Travel

2103.0300-Commodities

Total

—

BUREAU OF FACILITY MANAGEMENT - 38 -

2126.0000-Personnel Services

2126.0100-Contractual Services

2126.0200-Travel

2126.0300-Commodities

Total

BUREAU OF ENERGY AND UTILITY MANAGEMENT - 38 -

2131.0000-Personnel Services  
2131.0100-Contractual Services  
2131.0200-Travel  
2131.0300-Commodities  
2131.9000-Specific Purpose-General  
2131.9100-Specific Purpose-As Specified

Total

FLEET OPERATIONS - 38 -

2140.0000-Personnel Services  
2140.0100-Contractual Services  
2140.0300-Travel  
2140.0300-Commodities

Total

TOTAL DEPARTMENT OF FLEET AND

FACILITIES MANAGEMENT

2,797,550 700,345 250 58,000

3,556,145

29,452,913 22,951,111 35,000 1,889,822

54,328,846

2,638,720 14,760,691 2,214 45,906,628 80,535 1,453,341 64,842,129

31,053,409 13,267,424 10,000 11,412,666 55,743,499

178,470,619

2,797,550 700,345 250 58,000

3,556,145

29,452,913 22,951,111 35,000 1,889,822

54,328,846

2,638,720 14,760,691 2,214 45,906,628 80,535 1,453,341 64,842,129

31.053.409 13.267.424 10.000 11.412.666 55.743.499

178,470,619

3,334,470

2,612,393 670,677 13 51,387

50,601,088

26,240,864 22,535,331 16,535 1,808,358

2,316,373 14,307,875

42,194,752 1,344 1,281,558 60,101,902

29,778,964 12,499,765 2,397 11,387,145 53,668,271

167,705,731

9

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

Original Final  
Budget Budget Actual

GENERAL GOVERNMENT - Continued

**BOARD OF ELECTION COMMISSIONERS -ELECTION AND  
ADMINISTRATION DIVISION - 39 -**

2005.0000-Personnel Services	\$	8,425,919	\$	8,425,919	\$	8,316,313
2005.0100-Contractual Services		3,131,595		3,131,595		3,125,974
2005.0200-Travel		5,402		5,402		5,502
<u>2005.0300-Commodities</u>	!	<u>312,631</u>		<u>312,631</u>		<u>312,533</u>
Total		11,875,547		11,875,547		11,760,322

**COMMISSION ON HUMAN RELATIONS - 45 -**

2005.0000-Personnel Services  
2005.0100-Contractual Services  
2005.0200-Travel  
2005.0300-Commodities

Total

1,031,147 1,031,147 912,958

77,265 77,265 50,654

1,766 1,766 515

<u>4,778</u>	<u>4,778</u>	<u>1,243</u>
1,114,956	1,114,956	965,370

MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES - 48 -

2005.0000-Personnel Services  
2005.0100-Contractual Services  
2005.0200-Travel  
2005.0300-Commodities  
9438-For Services Provided by the Department of

Fleet and Facilities Management  
Total

DEPARTMENT OF FAMILY AND SUPPORT SERVICES - 50 -

2005.0000-Personnel Services  
2005.0100-Contractual Services  
2005.0200-Travel  
2005.0300-Commodities  
.9253-Early Childhood Education Program  
.9254-Violence Reduction Program  
.9255-Homeless Services for Youth  
.9259-Summer Program  
.9260-After School Program  
.9261-Children Advocacy Center  
.9262-Earn Income Tax Credit  
.9263-Homeless Services

Total

972,879 150,939 13,446 8,970

40,495  
1,186,729

1,994,476	1,015,007	28,292	17,085	11,000,000	2,000,000	1,540,979	14,451,803
				13,322,801	900,000	1,000,000	6,482,676

53,753,119

972,879 150,939 13,446 8,970

40,495  
1,186,729.

1,994,476 1,015,007 28,292 17,085 11,000,000 2,000,000 1,540,979 14,451,803 13,322,801 900,000 1,000,000  
6,482,676  
53,753,119

964,258 125,290 7,258 6,068

40,178 1,143,052

1,989,195 820,650 17,167 9,546 6,860,065 1,531,058 1,540,979 14,380,560 13,082,889 900,000 1,000,000 6,445,103  
48,577,212

10

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

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

**Year Ended December 31, 2014**

Original  
Budget                      - Final  
                                    Budget Actual

GENERAL GOVERNMENT - Continued "

DEPARTMENT OF PLANNING AND DEVELOPMENT - 54 -

2005.0000-Personnel Services \$  
2005.0100-Contractual Services  
2005.0200-Travel  
2005.0300-Commodities  
2005.0400-Equipment  
.0938-For the Funding of the City's Contribution to  
the Low Income Housing Trust Fund  
.9110-Property Management,  
Maintenance and Security  
.9183-Foreclosure Prevention Program  
.9211-Single-Family Troubled Building Initiative  
.9212-Multi-Family Troubled Building Initiative  
.9213-Affordable Housing Density Program  
.9224-Micro Market Recovery Program  
.9256-Urban Homesteading

Total									
9,534,110	3,756,803								
9,464	38,664								
6,000									
3,500,000									
155,000	200,000	150,000	150,000	8,600,000	772,700	300,000			
<u>27,172,741</u>									
							9,534,110	3,756,803	9,464 38,664 6,000
3,500,000									
155,000	200,000	150,000	150,000	8,600,000	772,700	300,000			
<u>27,172,741</u>									
9,502,219	3,414,571								
6,904	11,216								
3,799									
									3,500,000
72,761	200,000	150,000	150,000	8,600,000	771,975	261,815	26,645,260		
POLICE BOARD - 55 -									
2005.0000-Personnel Services		329,136		329,136	318,436				
2005.0100-Contractual Services		103,347		103,347	87,993				
2005.0200-Travel		500		500	37				
2005.0300-Commodities		1,100		1,100					-
Total		<u>434,083</u>		<u>434,083</u>					<u>406,466</u>
LICENSE APPEAL COMMISSION - 77 -									
2005.0000-Personnel Services		65,436		65,436	65,559				
2005.0100-Contractual Services		102,403		102,403	89,390				
2005.0300-Commodities		<u>456</u>		<u>456</u>					<u>425</u>
Total				168,295		168,295	155,374		
BOARD OF ETHICS - 78 -									
2005.0000-Personnel Services		681,370		681,370	743,535				
2005.0100-Contractual Services		85,655		85,655	49,649				
2005.0200-Travel		5,148		5,148	2,629				
2005.0300-Commodities		3,210		3,210					247
Total		<u>775,383</u>		<u>775,383</u>					<u>796,060</u>
DEPARTMENT OF FINANCE - GENERAL - 99 -									
2005.0000-Personnel Services		437,994,226		437,994,226	398,958,825				
2005.0100-Contractual Services		76,846,312		76,846,312	55,700,577				
2005.0300-Commodities and Materials		4,959,372		4,959,372	21,001,454				

.0912-For Payment of Bonds	6,000,000	6,000,000	6,000,000
.0931-For Payment of Non-Tort Judgements	6,377,742	6,377,742	18,337,704

11

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

Original Budget	Final Budget	Actual
--------------------	-----------------	--------

GENERAL GOVERNMENT - Concluded

DEPARTMENT OF FINANCE - GENERAL - 99 - Concluded .0934-For Claims for Damages and Liabilities Against  
the City when Ordered Paid by the City Council \$

.0938- For the City's Contribution to Low Income  
Housing Trust

.0939-Reimbursement of Condominium and  
Cooperative Garbage Collection Fees

.0991-To Provide Matching and Supplementary  
Cooperative Garbage Collection Fees

.9027-For the City Contribution to Social Security Tax ..

.9076-City's Contribution to Medicare Tax

.9121-For Payment of Costs Associated with Lobbyist  
Activities on Behalf of the City of Chicago

.9165-For Expenses Related to the Data Center

.9176-West Nile Virus Program

.9180-For World Business Chicago Program

.9257-Chicago Office of Public Engagement

.9258-Manufacturing Innovation Project

.9635-To Reimburse Midway Fund for Fire  
Department Salaries

.9636-To Reimburse Midway Fund for Fire  
Department Benefits

.9638-For Corporate Subsidy of Chicago Public  
Library

Total

200,000 \$

3,304,633

4,000,000

4,456,141 1,041,787 38,046,840

480,000 2,004,559

425,000 1,000,000

740.264

390,370		
2,955,807	1,646,978	5,369,000
598,239,031		
		200,000 \$
3,304,633		
4,000,000		
	4,456,141	1,041,787 38,046,840
480,000	2,004,559	
425,000	1,000,000	
740,264		
390,370		
2,955,807	1,646,978	5,369,000
598,239,031		
		199,231
3,304,633		
3,849,236		
	2,095,750	418,069 31,514,318
318,535	2,004,559	
264,222	1,000,000	
201,089	40,868	
2,955,807		
1,646,978		
5,000,000		
<u>534,811,855</u>		

<u>TOTAL GENERAL GOVERNMENT</u>	<u>1,051,842,302</u>	<u>1,051,842,302 958,215,631</u>
---------------------------------	----------------------	----------------------------------

HEALTH

DEPARTMENT OF PUBLIC HEALTH - 41 -

.0000-Personnel Services	11,713,974	11,713,974 10,300,734
.0100-Contractual Services	11,006,002	11,006,002 10,707,736
.0200-Travel	35,747	35,747 19,393
.0300-Commodities	1.073.065	1.073.065 966.586



.0445-Equipment	7,920		7,920
.9018-A.I.D.S. - Outreach: To Be Expended by the Commissioner of the Health Department Under the Direction of the Budget Director		627,500	627,500
627,500			
.9067-For Physical Exams		6,120	6,120
1,326			
.9129-For Supplementary Funding for HIV/AIDS Related Programs Administered by the Department of Health at the Direction of the Budget Director	3,657,000	3,657,000	3,605,876
Total	28,127,328		28,127,328
			26,229,151

12

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year  
Ended December 31, 2014**

Original Budget

Final Budget

HEALTH - Concluded

TOTAL HEALTH	\$ 28,127,328	\$ 28,127,328	\$ 26,229,151
--------------	---------------	---------------	---------------

PUBLIC SAFETY

## INDEPENDENT POLICE REVIEW AUTHORITY - 56 -

2005.0000-Personnel Services	7,973,865		
2005.0100-Contractual Services	273,180		
2005.0200-Travel	3,626		
<u>2005.0300-Commodities</u>	<u>42,836</u>		
<u>Total</u>			<u>8,293,507</u>

## DEPARTMENT OF POLICE - 57 -

1005.0000-Personnel Services	1,241,485,785		
1005.0100-Contractual Services	- 6,486,699		
1005.0200-Travel	310,690		
1005.0300-Commodities	3,417,924		
1005.0400-Equipment	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		
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		
<u>1005.9067-For Physical Exams</u>			<u>1,096,113</u>
<u>Total</u>			<u>1,291,677,811</u>

8,293,507 7,973,865 273,180 3,626 42,836

1,241,485,785 6,486,699 310,690 3,417,924 36,250

19,844,350

19,000,000 1,096,113 1,291,677,811

7,604,694 7,394,595 181,859 2,224 26,016

1,241,577,821 5,773,190 150,694 2,869,928 10,800

34,879,849

18,401,848 1,078,516 1,304,742,646

OFFICE OF EMERGENCY MANAGEMENT AND  
COMMUNICATIONS - 58 -

.0000-Personnel Services	60,236,715	60,236,715	62,638,854
.0100-Contractual Services	17,123,826	17,123,826	15,808,095
.0200-Travel	105,950	105,950	107,778
.0300-Commodities	1,621,656	1,621,656	1,475,910
<u>.0401-Tools Less Than or Equal to \$100/Unit</u>	<u>45,000</u>	<u>45,000</u>	<u>42,039</u>
<u>Total</u>	<u>79,133,147</u>	<u>79,133,147</u>	<u>80,072,676</u>

FIRE DEPARTMENT - 59-

.0000-Personnel Services	515,556,418	515,556,418	580,695,303
.0100-Contractual Services	6,491,146	6,491,146	6,001,667
.0200-Travel	52,400	52,400	31,725
.0300-Commodities	2,744,759	2,744,759	2,491,686

I  
**Schedule 1 - Continued CITY OF CHICAGO, ILLINOIS GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES Year Ended December 31, 2014**

Original Budget  
Final Budget

PUBLIC SAFETY - Concluded

FIRE DEPARTMENT - 59 - Concluded

.0400-Equipment	\$	118,000	\$	
.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		
.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		
.9067-For Physical Exams				310,000 _
Total				536,974,723 _

DEPARTMENT OF BUILDINGS - 67 -

.0000-Personnel Services	16,680,592	
.0100-Contractual Services	3,485,188	
.0200-Travel	156,250	
.0300-Commodities	43,202	
.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	300,000	

.0989-For Refunds for Cancelled Voucher Warrants and Payroll Checks and for Refunding

Duplicate

Payments and Payments Made in Error

150,000

Total

20,815,232 \_

DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -

.0000-Personnel Services

12,772,944

.0100-Contractual Services

4,841,233

.0200-Travel

57,074

.0300-Commodities

140,234

.9206-Grant for Chicago Micro-Lending Initiative

500,000 \_

Total

18,311,485 \_

COMMISSION ON ANIMAL CARE AND CONTROL - 73 -

.0000-Personnel Services

4,213,194

.0100-Contractual Services

709,774

.0200-Travel

480

.0300-Commodities

427,301 \_

Total

5,350,749 \_

TOTAL PUBLIC SAFETY

1,960,556,654

109,986

6,643,984

118,000 \$

6,941,802 333,259

2,702,000

603,249,412

9,000,000 310,000

16,470,089 2,956,753 136,658 24,956

536,974,723

4,599

16,680,592 3,485,188 156,250 43,202

300,000

147,991

19,741,046

150,000 20,815,232

12,173,803 4,255,524 14,670 72,298 498,434

17,014,729

4,186,348 649,951

399,603 5,235,902

12,772,944 4,841,233 57,074 140,234 500,000 18,311,485

4,213,194 709,774 480 427,301  
5,350,749

1,960,556,654 2,037,661,105

14

**Schedule 1 - Continued CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

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

**Year Ended December 31, 2014**

Original Budget

Final Budget

**STREETS AND SANITATION**

**COMMISSIONER'S OFFICE - 81 -**

2005.0000-Personnel Services  
2005.0100-Contractual Services  
2005.0200-Travel  
2005.0300-Commodities  
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

\$

Total

—

**COMMISSIONER'S OFFICE -ADMINISTRATIVE SERVICES DIVISION - 81 -**

2006.0000-Personnel Services  
2006.0100-Contractual Services  
2006.0200-Travel  
2006.0300-Commodities  
2006.0440-Machinery and Equipment

Total

—

**BUREAU OF SANITATION - 81 -**

2020.0000-Personnel Services  
2020.0100-Contractual Services  
2020.0200-Travel  
2020.0300-Commodities  
2020.0400-Equipment

—

Total

BUREAU OF STREET OPERATIONS - 81 -

2045.0000-Personnel Services  
2045.0100-Contractual Services  
2045.0200-Travel  
2045.0300-Commodities  
2045.0400-Equipment

—

Total

—

BUREAU OF FORESTRY - 81 -

2060.0000-Personnel Services  
2060.0100-Contractual Services  
2060.0200-Travel  
2060.0300-Commodities  
2060.0400-Equipment

Total

—

TOTAL STREETS AND SANITATION

1,227,337 226,780 500 8,800

540,000  
2,003,417

4,455,148 47,328 600 9,600 100

4,512,776

103,794,779 51,111,077 1,500 220,141 113,512 155,241,009

17,983,046 2,227,711 100 188,683 27,580 20,427,120

12,364,813 1,743,160 32,250 107,344 13,780 14,261,347

196,445,669

1,227,337 \$ 226,780 500 8,800

540,000  
2,003,417

4,455,148 47,328 600 9,600 100

4,512,776



TRANSPORTATION

OFFICE OF THE COMMISSIONER - 84 -

2105.0000-Personnel Services \$  
2105.0100-Contractual Services  
2105.0200-Travel  
2105.0300-Commodities  
2105.0931-For the Payment of Tort and Non-Tort  
Judgements, Outside Counsel Expenses  
and Expert Costs, as Approved by the  
Corporation Counsel and Budget Director

Total —

DIVISION OF ADMINISTRATION - 84 -

2115.0000-Personnel Services  
2115.0100-Contractual Services  
2115.0200-Travel  
2115.0300-Commodities :

Total —

DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 -

2135.0000-Personnel Services  
2135.0100-Contractual Services  
2135.0200-Travel  
2135.0300-Commodities —

Total —

DIVISION OF PROJECT DEVELOPMENT - 84 -

2145.0000-Personnel Services  
2145.0100-Contractual Services  
2145.0200-Travel  
2145.0300-Commodities  
9041 Improvements to Alleys  
9042 Ex-Offender/Re-Entry Initiatives —

Total —

DIVISION OF ELECTRICAL OPERATIONS - 84 -

2150.0000-Personnel Services  
2150.0100-Contractual Services  
2150.0200-Travel  
2150.0300-Commodities —  
Total

1,136,646 262,600 1,800 6,500

1,890,000  
3,297,546

5,432,135

5,077,985 309,750 1,300 43,100



15,246,071	885,219 14,345,560 300 14,992
4,396,022	3,589,388 515,004 9,000 31,130 1,500 250,000
11,178,855	9,991,305 573,944 43,600 570,006
	1,136,646 262,600 1,800 6,500
1,890,000	
3,297,546	
	5,077,985
	309,750
	1,300
	43,100
<u>5,432,135</u>	
	885,219 14,345,560 300 14,992
<u>15,246,071</u>	
4,396,022	3,589,388 515,004 9,000 31,130 1,500 250,000
11,178,855	9,991,305 573,944 43,600 570,006
	1,100,324 213,776 696 5,870
<u>(223,813)</u>	
1,096,853	
4,715,832	4,406,871 279,243 231 29,487
823,025 14,341,668	

11,719  
15,176,412

4,299,325

3,571,274 450,260 8,093 19,229 469 250,000

10,042,082

8,968,689 529,496 15,796 528,101

16

**Schedule 1 - Concluded CITY OF  
CHICAGO, ILLINOIS GENERAL  
FUND**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual
<u>TRANSPORTATION - Concluded</u>			
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services	\$ 10,709,571	\$ 10,709,571	\$ 11,055,933
2155.0100-Contractual Services		308,112	308,112 267,013
2155.0200-Travel		11,400	11,400 1,057
2155.0300-Commodities		278,750	278,750 258,482
<u>2155.0400-Equipment</u>	<u>14,325</u>	<u>14,325</u>	<u>14,145</u>
<u>Total</u>	<u>11,322,158</u>	<u>11,322,158</u>	<u>11,596,630</u>
<u>TOTAL TRANSPORTATION</u>	<u>50,872,787</u>	<u>50,872,787</u>	<u>46,927,134</u>
<u>PRINCIPAL RETIREMENT</u>			
<u>2005.0100-Certificates of Participation</u>	<u>1,830,000</u>	<u>1,830,000</u>	<u>1,829,996</u>
<u>TOTAL PRINCIPAL RETIREMENT</u>	<u>1,830,000</u>	<u>1,830,000</u>	<u>1,829,996</u>
<u>INTEREST AND OTHER FISCAL CHARGES</u>			
<u>2005.9540-Certificates of Participation</u>	<u>550,260</u>	<u>550,260</u>	<u>550,259</u>
<u>TOTAL INTEREST AND OTHER</u>			

<u>FISCAL CHARGES</u>	<u>550,260</u>	<u>550,260</u>	<u>550,259</u>
<u>TOTAL GENERAL FUND</u>	<u>\$ 3,290,225,000</u>	<u>\$ 3,290,225,000</u>	<u>\$ 3,261,322,375</u>

17

I

**Schedule 2****CITY OF CHICAGO, ILLINOIS SPECIAL REVENUE FUNDS****SCHEDULE OF EXPENDITURES AND ENCUMBRANCES Year Ended December 31, 2014**Original BudgetFinal Budget

## VEHICLE TAX FUND

## GENERAL GOVERNMENT

## CITY COUNCIL COMMITTEES -15 •

## COMMITTEE ON PEDESTRIAN AND TRAFFIC SAFETY

2230.0000-Personnel Services

\$ 416,667

2230.9000-General Office Expenses16,387Total433,054

## COMMITTEE ON TRAFFIC CONTROL AND SAFETY

2265.0000-Personnel Services

210,000

2265.0300-Commodities5,000Total215,000TOTAL CITY COUNCIL COMMITTEES648,054

## CITY CLERK - 25 -

.0000-Personnel Services

3,991,659

.0100-Contractual Services	2,430,116	
.0200-Travel	33,250	
.0300-Commodities	512,150	
.9400-Specific Purpose-General	36,500	
<u>Total</u>		<u>7,003,675</u>

DEPARTMENT OF FINANCE - 27 -

<u>2015.0000-Personnel Services</u>	<u>417,297</u>
<u>Total</u>	<u>417,297</u>

DEPARTMENT OF FINANCE - 27 -

2020.0000-Personnel Services	413,435	
2020.0100-Contractual Services	5,600	
2020.0300-Commodities	396	
<u>Total</u>		<u>419,431</u>

<u>TOTAL DEPARTMENT OF FINANCE</u>	<u>836,728</u>
------------------------------------	----------------

DEPARTMENT OF LAW - 31 -

.0000-Personnel Services	1,145,888
.0100-Contractual Services	93,248
.0200-Travel	7,758
.0300-Commodities	6,818
.9400-Specific Purpose-General	709
<u>Total</u>	<u>1,254,421</u>

416,667 16,387

433,054

164,976 50,024

215,000

648,054

3,991,659 2,430,116 33,250 512,150 36,500

7,003,675

417,297

417,297

413,435 5,600 396

419,431

836,728

1,145,888 93,248 7,758 6,818 709

1,254,421

412,042 27,685  
439,727

158,365 53,645  
212,010

651,737

6,667,086 3,687,314 2,428,710 6,356 508,206 36,500

417,996  
417,996

422,214

422,214

840,210

1,105,467 1,015,988 76,748 5,617 6,405 709

18

!

**Schedule 2 - Continued CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS  
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**

**Year Ended December 31, 2014**

Original Budget

Final Budget

VEHICLE TAX FUND - Continued

GENERAL GOVERNMENT - Concluded

DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -

2126.0100-Contractual Services	\$	
2126.0300-Commodities		
2131.0100-Contractual Services		
2131.0300-Commodities		
	7 ota <sup>1</sup>	—

DEPARTMENT OF BUILDINGS - 67 -

.0000-Personnel Services		
.0100-Contractual Services		
.0300-Commodities		
	Total	—

DEPARTMENT OF FINANCE - GENERAL - 99 -

2005.0000-Personnel Services		
2005.0100-Contractual Services		
2005.0931-Tort and Non-Tort Judgments, Outside Counsel and Expert Costs		
2005.0934-Claims for Damage and Liability		
2005.0989-Refunds for Cancelled Voucher Warrants and Payroll Checks and Duplicate Payments and Payments Made in Error		
2005.0991-Provide for Matching and Supplementary Grants: To Be Expended Under the Direction of the Budget Director		
2005.9027-City's Contribution to Social Security Tax		
2005.9076-City's Contribution to Medicare Tax		
2005.9610-To Reimburse Corporate Fund for Provision for Pension .... 2005.9633-To Reimburse Corporate Fund for Expenses for Municipal Services Chargeable to Vehicle Fund		
	Total	~

TOTAL GENERAL GOVERNMENT	—
--------------------------	---

STREETS AND SANITATION

	685,938	28,500	1,628,313	7,561,060
9,903,811				
	454,928	87,800	3,008	
545,736				
26,381,977	4,396,253			
2,000	375,000			
765,000				
	488,816	24,162	1,024,803	6,944,747
13,466,000				
53,868,758				

74,061,183

685,938 28,500 1,628,313 7,561,060

9,903,811

454,928 87,800 3,008

545,736

26,381,977 4,396,253

2,000 375,000

765,000

488,816 24,162 1,024,803 6,944,747

13,466,000

53,868,758

74,061,183

626,375 26,768 1,602,546 7,561,060 9,816,749

156,743 51,948 702 209,393

26,440,943 4,446,408

300 374,845

760,315

448,816 24,162 1,024,803 6,944,747

13,466,000 53,931,339

73,221,981

**BUREAU OF SANITATION - 81 -**

2020.0000-Personnel Services

5,637,009 5,637,009 6,386,344

2020.0100-Contractual Services

2,836,015 2,836,015 2,775,495

2020.0300-Commodities and Materials

18,700 18,700 5,118

2020.0400-Equipment

28,640 28,640 -

Total

8,520,364

8,520,364 9,166,957

19

**Schedule 2 - Continued CITY OF CHICAGO, ILLINOIS SPECIAL REVENUE FUNDS**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES Year Ended December 31, 2014**

Original Budget

Final Budget

VEHICLE TAX FUND - Continued

STREETS AND SANITATION - Concluded

BUREAU OF STREET OPERATIONS - 81 -

2045.0000-Personnel Services \$

2045.0100-Contractual Services

2045.0200-Travel

2045.0300-Commodities

2045.0400-Equipment

2045.9400-Specific Purpose-General

— Total

—

BUREAU OF TRAFFIC SERVICES - 81 -

2070.0000-Personnel Services

2070.0100-Contractual Services

2070.0300-Commodities

2070.0989-Refunds for Cancelled Voucher Warrants and Payroll Checks and for Refunding Duplicate Payments  
and Payments

Made in Error

2070.0992-For Tow Storage Refund

2070.9400-Specific Purpose-General

— Total

—

TOTAL STREETS AND SANITATION

—

TRANSPORTATION

3,543,214 2,260,588 100 347,720 35,500 6,000

6,193,122

13,889,125 8,992,948 277,967

700,000 97,000 41,350

23,998,390

38,711,876

3,543,214 2,260,588 100 347,720 35,500 6,000

6,193,122

13,889,125 8,992,948 277,967



700,000 97,000 41,350  
23,998,390

38,711,876

3,026,873 2,120,032

5,506,024

321,497 31,622 6,000

13,104,800 8,127,658 229,387

699,070 69,245 41,350  
22,271,510

36,944,491

DIVISION OF ENGINEERING - 84 -

2125.0000-Personnel Services  
2125.0100-Contractual Services  
2125.0200-Travel  
2125.0300-Commodities

Total

DIVISION OF PROJECT DEVELOPMENT - 84 -

2135.0000-Personnel Services  
2135.0100-Contractual Services  
2135.0200-Travel  
2135.0300-Commodities  
2135.9400-Specific Purpose-General

Total

DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 -

2145.0000-Personnel Services  
2145.0100-Contractual Services  
2145.0200-Travel

6,653,884 737,042 44,378 37,606

7,472,910

6,931,764 711,185 135,634 666,785 4,000

8,449,368

639,653 695,150 2,200

7,472,910	6,653,884	737,042	44,378	37,606		
8,449,368	6,931,764	711,185	135,634	666,785	4,000	
6,987,133	639,653	695,150	2,200			
7,094,128	6,269,425	641,204	45,765	30,739		
	5,812,768	608,289	67,551	601,520	4,000	
				547,117	650,569	10
		20				

i

I

**Schedule 2 - Continued CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual
--	--------------------	-----------------	--------

VEHICLE TAX FUND - Concluded

TRANSPORTATION - Concluded

DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 - Concluded

2145.0300-Commodities  
Total

DIVISION OF ELECTRICAL OPERATIONS - 84 -

2150.0000-Personnel Services  
2150.0100-Contractual Services  
2150.0200-Travel  
2150.0300-Commodities  
2150.0400-Equipment

Total

\$ 14,300 \$ 14,300 \$ 2510

1,351,303 1,351,303 1,200,206

13,930,140 13,930,140 12,265,489  
1,186,849 1,186,849 1,175,645  
107,560 107,560 127,456  
748,800 748,800 693,435

4,450 4^450 3595

15,977,799 15,977,799 14,265,620

BUREAU OF IN-HOUSE CONSTRUCTION - 84 -

2155.0000-Personnel Services  
2155.0100-Contractual Services  
2155.0200-Travel  
2155.0300-Commodities  
2155.0400-Equipment  
2155.9064-For the Restoration of Curbs, Gutters,  
Sidewalks and Pavement  
2155.9458-For Services Provided by  
the Office of Emergency Management and Communications . 2155.9481-For Services Provided by  
the Department of Streets and Sanitation

Total

**TOTAL TRANSPORTATION**

**TOTAL VEHICLE TAX FUND**

---

MOTOR FUEL TAX AND PROJECT FUND OFFICE OF THE MAYOR - 01 -

---

2005.XXXX-Personnel Services

TOTAL OFFICE OF THE MAYOR

30,933,491 773,760 14,925 872,570 2,815

75,000  
33,000  
35,000  
32,740,561  
65,991,941  
178,765,000

259,998  
259,998

30,933,491 773,760 14,925 872,570 2,815

75,000  
33,000  
35,000  
32,740,561  
65,991,941  
178,765,000

259,998  
259,998

39,867,805 710,263 17,930 707,795

71,935 28,765 22,552  
41,427,045  
70,974,132

181,140,604

381,228

381,228

21

**Schedule 2 - Continued CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

MOTOR FUEL TAX AND PROJECT FUND - Concluded

OFFICE OF BUDGET AND MANAGEMENT - 05 -

<u>2005.XXXX-Personnel Services</u>	\$	<u>282,732</u>	<u>282,732</u>	<u>\$ (227,306)</u>
<u>TOTAL OFFICE OF BUDGET AND MANAGEMENT</u>		<u>282,732</u>	<u>282,732</u>	<u>(227,306)</u>
16,958,192 8,787,218				
16,958,192 7,411,242				
16,958,192 6,859,004				

FLEET AND FACILITY MANAGEMENT

2131.XXXX-Bureau of Asset Management

2140-Fleet Operations

<u>TOTAL FLEET AND FACILITY MANAGEMENT</u>	<u>25,745,410</u>	<u>24,369,434</u>	<u>23,817,196</u>
--	-------------------	-------------------	-------------------

STREETS AND SANITATION - 81 -

<u>2047.XXXX-Bureau of Street Operations</u>	<u>16,998,294</u>	<u>16,994,832</u>	<u>25,385,434</u>
<u>TOTAL STREETS AND SANITATION</u>	<u>16,998,294</u>	<u>16,994,832</u>	<u>25,385,434</u>
3,000,000 2,206,874 526,534 9,205,697 1,489,000	3,000,000 2,202,401 914,435 17,779,977		
	3,000,000 2,202,403 568,161 19,155,697 1,489,000		

TRANSPORTATION - 84 ■

2005.XXXX-C.T.C./Regional Transportation Authority Agreement  
 2150.XXXX-Bureau of Electricity  
 2155.XXXX-Divison of In-House Construction  
 2156.XXXX-Bridge Maintenance  
 1127.XXXX-Miscellaneous

<u>TOTAL TRANSPORTATION</u>	<u>16,428,105</u>	<u>26,415,261</u>	<u>23,896,813</u>
67,973 620,473			
67,973 678,315			

FINANCE GENERAL - 99 -

2005.XXXX-Contractual Services 131,758  
 2005.XXXX-Financial -

<u>TOTAL FINANCE GENERAL</u>	<u>131,758</u>	<u>746,288 688,446</u>
TOTAL MOTOR FUEL TAX AND PROJECT FUND	59,846,297	69,068,545 73,941,811

22

i

**Schedule 2 - Continued CITY OF  
 CHICAGO, ILLINOIS SPECIAL  
 REVENUE FUNDS**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 Year Ended December 31, 2014**

Original	Final Actual
Budget Budget	

PENSION FUND

EMPLOYEE PENSIONS

MUNICIPAL EMPLOYEES' ANNUITY AND  
 BENEFIT 2025.0976-City's Contribution to the  
 Employees'

<u>Annuity and Benefit Fund</u>	\$ 162,382,000	\$ 162,382,000	\$ 164,306,369
Total	162,382,000	162,382,000	164,306,369

POLICEMEN'S EMPLOYEES' ANNUITY AND  
BENEFIT 2025.0976-City's Contribution to the  
Employees'

<u>Annuity and Benefit Fund</u>	<u>182,964,000</u>	<u>182,964,000</u>	<u>193,758,723</u>
Total	182,964,000	182,964,000	193,758,723

FIREMEN'S EMPLOYEES' ANNUITY AND  
BENEFIT 2025.0976-City's Contribution to the  
Employees'

<u>Annuity and Benefit Fund</u>	<u>108,914,000</u>	<u>108,914,000</u>	<u>110,637,975</u>
Total	108,914,000	108,914,000	110,637,975

LABORERS' EMPLOYEES' ANNUITY AND  
BENEFIT 2025.0976-City's Contribution to the  
Employees'

<u>Annuity and Benefit Fund</u>	<u>14,638,000</u>	<u>14,638,000</u>	<u>14,790,824</u>
Total	14,638,000	14,638,000	14,790,824

TOTAL EMPLOYEE PENSIONS	468,898,000	468,898,000	483,493,891
-------------------------	-------------	-------------	-------------

TOTAL PENSION FUND	468,898,000	468,898,000	483,493,891
--------------------	-------------	-------------	-------------

MISCELLANEOUS FUND

EMERGENCY COMMUNICATION

GENERAL GOVERNMENT

DEPARTMENT OF FINANCE - GENERAL - 99 -

2005.0100-Contractual Services

2005.9639-Department Salaries

100,000	100,000	
<u>67,005,000</u>	<u>67,005,000</u>	<u>67,005,000</u>
Total	67,105,000	67,105,000

TOTAL EMERGENCY COMMUNICATION	67,105,000	67,105,000	67,005,000
-------------------------------	------------	------------	------------

**Schedule 2 - Continued CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS**

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

**Year Ended December 31, 2014**

Original	Final Actual
Budget Budget	

MISCELLANEOUS FUND - Continued

SPECIAL DEPOSIT ACTIVITIES

CHICAGO PARKING METERS

GENERAL GOVERNMENT

FINANCE - GENERAL - 99 -  
2005.XXXX

\$ 22,222,726 \$ 22,222,726 \$ 21,716,960

TOTAL CHICAGO PARKING METERS 22,222,726 22,222,726 21,716,960

DEPARTMENT OF HOUSING & ECONOMIC DEVELOPMENT - 54 -  
2005.9999-Miscellaneous

574,000 574,000

Total 574,000 574,000 =

PUBLIC SAFETY DEPARTMENT

OF POLICE - 57 -  
2005.9999-Miscellaneous

8,407,801 8,407,801 5,164,307

Total 8,407,801 8,407,801 5,164,307

TOTAL SPECIAL DEPOSIT ACTIVITIES 31,204,527 31,204,527 26,881,267

COMMONWEALTH EDISON

SETTLEMENT GENERAL GOVERNMENT

OFFICE OF THE MAYOR - 01 -  
2005.9999-Miscellaneous

580,000 580,000 395,414

Total 580,000 580,000 395,414

DEPARTMENT OF FLEET AND FACILITY MANAGEMENT- 38  
2005.9999-Miscellaneous

1,470,255 1,470,255 708,227

Total 1,470,255 1,470,255 708,227

TOTAL COMMONWEALTH SETTLEMENT 2,050,255 2,050,255 1,103,641

ALLIED SETTLEMENT FUND

GENERAL GOVERNMENT

DEPARTMENT OF LAW-31 -  
2005.9999-Miscellaneous

659,944 659,944 657,372

Total 659,944 659,944 657,372



CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDSSCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014MISCELLANEOUS FUND - ConcludedALLIED SETTLEMENT FUND - ConcludedDEPARTMENT OF PROCUREMENT SERVICES - 35 -  
2005.9999-Miscellaneous

			\$
	1,368,500	\$	1,368,500
		\$	524,617

<u>Total</u>	<u>1,368,500</u>	<u>1,368,500</u>	<u>524,617</u>
--------------	------------------	------------------	----------------

<u>TOTAL ALLIED SETTLEMENT</u>	<u>2,028,444</u>	<u>2,028,444</u>	<u>1,181,989</u>
--------------------------------	------------------	------------------	------------------

CTA REAL PROPERTY TRANSFER TAX

## FINANCE GENERAL - 99 -

## 2005.9205-For Distribution of the Net Proceeds of the Real Property

Transfer Tax-CTA Portion	55,239,000	55,239,000	63,150,307
--------------------------	------------	------------	------------

## 2005.9640-To Reimburse Corporate Fund for Costs Incurred for

<u>Collection of the Real Property Transfer Tax-CTA Portion</u>		<u>558,000</u>	
---	--	----------------	--

<u>558,000</u>	<u>640,437</u>		
----------------	----------------	--	--

<u>Total</u>	<u>55,797,000</u>	<u>55,797,000</u>	<u>63,790,744</u>
--------------	-------------------	-------------------	-------------------

159,962,641

158,185,226

158,185,226

TOTAL CTA REAL PROPERTY TRANSFER TAX	55,797,000	55,797,000	63,790,744
--------------------------------------	------------	------------	------------

TOTAL MISCELLANEOUS FUND

-

LIBRARY FUND GENERALGOVERNMENT

## DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -

2126.0300-Commodities

<u>Total</u>	<u>1,180,695</u>	<u>1,180,695</u>	<u>1,137,833</u>
--------------	------------------	------------------	------------------

	<u>1,180,695</u>	<u>1,180,695</u>	<u>1,137,833</u>
--	------------------	------------------	------------------

## DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -

## BUREAU OF FACILITY MANAGEMENT

2126.0000-Personnel Services	1,364,614	1,364,614	1,305,793
------------------------------	-----------	-----------	-----------

2126.0100-Contractual Services	6,501,895	6,501,895	6,118,545
--------------------------------	-----------	-----------	-----------

<u>2126.0300-Commodities</u>	<u>535,000</u>	<u>535,000</u>	<u>517,418</u>
------------------------------	----------------	----------------	----------------

<u>Total</u>	<u>8,401,509</u>	<u>8,401,509</u>	<u>7,941,756</u>
--------------	------------------	------------------	------------------

## BUREAU OF ASSET MANAGEMENT - 38 -

2131.0100-Contractual Services	1,758,985	1,758,985	1,681,724
--------------------------------	-----------	-----------	-----------

2131.0300-Commodities	3,211,949	3,211,949	3,211,949
<u>Total</u>	<u>4,970,934</u>	<u>4,970,934</u>	<u>4,893,673</u>

TOTAL DEPARTMENT OF FLEET AND FACILITY MANAGEMENT	13,372,443	13,372,443	12,835,429
--	------------	------------	------------

25

i

**Schedule 2 - Continued CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS**

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

Year Ended December 31, 2014

	Original Budget	Final Actual Budget	
<u>LIBRARY FUND - Concluded</u>			
<u>GENERAL GOVERNMENT - Concluded</u>			
DEPARTMENT OF FINANCE - GENERAL - 99 -			
2005.0000-Personnel Services	\$ 10,902,854	\$ 10,902,854	\$ 9,848,277
2005.0100-Contractual Services	1,236,423	1,236,423	1,010,000
2005.0955-Interest on Daily Tender Notes	1,430,000	1,430,000	307,324
2005.9027-City's Contribution to Social Security Tax	20,586		20,586
2005.9076-City's Contribution to Medicare Tax	873,105	873,105	873,105
2005.9112-Property Maintenance Contract for the Harold Washington Library Center: To Be Expended Under the Direction of the Budget Director	6,999,186	6,999,186	6,999,186
2005.9165-For Expenses Related to the Data Center	127,871		127,871
Total	21,590,025	21,590,025	19,186,349
TOTAL GENERAL GOVERNMENT	36,143,163	36,143,163	33,159,611
CHICAGO PUBLIC LIBRARY - 91 -			
2005.0000-Personnel Services	47,592,552	47,592,552	46,896,257
2005.0100-Contractual Services	2,997,968	2,997,968	2,846,060
2005.0300-Commodities	556,890	556,890	520,935
2005.9438-Department of General Services	170,427	170,427	170,427
Total	51,317,837	51,317,837	50,433,679
TOTAL LIBRARY FUND	87,461,000	87,461,000	83,593,290

SPECIAL	EVENTS.	TOURISM	AND	FESTIVALS	FUND
---------	---------	---------	-----	-----------	------

MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX

GENERAL GOVERNMENT

OFFICE OF THE MAYOR - 01 -

2005.0000-For Personnel Services

Total

529,248

529^248"

529,248

529j248~

520,525

520,525

CITY COUNCIL COMMITTEE ON SPECIAL EVENTS

AND CULTURAL AFFAIRS -15-

2155.0000-Personnel Services

146,000

146,000 146,004

2155.0300-Commodities

8720

8720

8,719

Total

154,720

154,720 154,723

26

**Schedule 2 - Continued CITY OF**

**CHICAGO, ILLINOIS SPECIAL**

**REVENUE FUNDS**

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

**Year Ended December 31, 2014**

Original Final Actual

Budget

Budget

SPECIAL EVENTS. TOURISM AND FESTIVALS FUND - Continued

MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX - Concluded

GENERAL GOVERNMENT - Concluded

DEPARTMENT OF FINANCE - GENERAL - 99 -

2005.0000-Personnel Services

\$ 1,139,404 \$

1,139,404 \$ 1,066,015

2005.0100-Contractual Services

5,095,807

5,095,807 4,262,396

2005.0991-To Provide for Matching and Supplementary

Grant Funds

223,500

223,500 80,936

2005.0912-For Payment of Bonds

3,575,000

3,575,000 3,575,000

2005.9027-City's Contribution to Social Security Tax

2,066

2,066 2,066

2005.9076-City's Contribution to Medicare Tax

87,648

87,648 87,648

2005.9124-For the Sisters City Program

528,643

528,643 528,643

2005.9129-Implementation of Cultural Plan

1,250,000

1,250,000

1,249,900

2005.9610-To Reimburse Coporate Fund for Provision Pension

748,831

748,831

748,831

Total

12,650,899

12,650,899

11,601,435

TOTAL GENERAL GOVERNMENT

13,334,867

13,334,867

12,276,683

CULTURAL AND RECREATIONAL

## DEPARTMENT OF CULTURAL AFFAIRS - 23 -

2015.0000-Personnel Services	6,342,493	6,342,493	5,965,287
2015.0100-Contractual Services	3,062,880	3,062,880	2,880,158
2015.0200-Travel	12,500	12,500	3,750
2015.0300-Commodities	95,000	95,000	81,997
2015.9188-For Expenses Related to the Millennium Park	6,195,000	^ 6,195,000	6,194,226
2015.9288-For Expenses Related to the Operation of Millennium Park		190,000	190,000 190,000
2015.9400-For Specific Purpose-General	2,471,760	2,471,760	1,575,803
<u>2015.9800-For Special Events Projects</u>	<u>13,199,500</u>	<u>13,199,500</u>	<u>12,724,718</u>
Total	31,569,133	31,569,133	29,615,939

TOTAL CULTURAL AND RECREATIONAL 31,569,133 31,569,133 29,615,939

TOTAL	MUNICIPAL	HOTEL	OPERATORS'	OCCUPATION	TAX
44,904,000			44,904,000	41,892,622	

DEPARTURE TAXGENERAL GOVERNMENT

## DEPARTMENT OF FINANCE - 27 -

<u>2003.0100-Contractual Services</u>	<u>489,296</u>	<u>489,296</u>	<u>489,296</u>
Total		489,296	489,296 489,296

27

**Schedule 2 - Continued CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS**

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

Year Ended December 31, 2014

Original	Final Actual
Budget Budget	

SPECIAL EVENTS, TOURISM AND FESTIVALS FUND - ConcludedGENERAL GOVERNMENT - Concluded

## DEPARTMENT OF AVIATION - 85 -

2005.0000-Personnel Services	\$	914,995	914,995	\$ 914,995
------------------------------	----	---------	---------	------------

Total		<u>914,995</u>	<u>914,995</u>	<u>914,995</u>
-------	--	----------------	----------------	----------------

TOTAL GENERAL GOVERNMENT		<u>1,404,291</u>	<u>1,404,291</u>	<u>1,404,291</u>
--------------------------	--	------------------	------------------	------------------

PUBLIC SAFETY

DEPARTMENT OF BUSINESS AFFAIRS AND  
CONSUMER PROTECTION - 70 -

2005.0000-Personnel Services			184,593
			184,593 184,593
Total	184,593	184,593	184,593
TOTAL PUBLIC SAFETY	184,593	184,593	184,593
TOTAL DEPARTURE TAX	1,588,884	1,588,884	1,588,884
TOTAL SPECIAL EVENTS, TOURISM AND FESTIVALS FUND	46,492,884	46,492,884	43,481,506

HEALTH AND WELFARE FUND

SMALL BUSINESS DEVELOPMENT LOAN FUND

DEPARTMENT OF FINANCE - GENERAL - 99 - 2005.9999-Miscellaneous		3,000	3,000
<u>TOTAL SMALL BUSINESS DEVELOPMENT LOAN FUND</u>		<u>3000</u>	
		<u>3,000</u>	

NEIGHBORHOOD HUMAN INFRASTRUCTURE FUND

GENERAL GOVERNMENT

DEPARTMENT OF BUDGET & MANAGEMENT - 05 - 2005.9999-Miscellaneous		569,000	569,000
TOTAL GENERAL GOVERNMENT	569,000	569,000	
TOTAL NEIGHBORHOOD HUMAN INFRASTRUCTURE FUND		569,000	569,000
TOTAL HEALTH AND WELFARE FUND	572,000	572,000	

28

**Schedule 2 - Concluded CITY OF  
CHICAGO, ILLINOIS SPECIAL  
REVENUE FUNDS**

**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended December 31, 2014**

Original	Final	Actual
Budget		Budget

SPECIAL TAXING AREA

GENERAL GOVERNMENT

## DEPARTMENT OF BUDGET &amp; MANAGEMENT - 05 -

.0000-Personnel Services

J

163,275 J

163,275

Total

163,275 163,275

## DEPARTMENT OF FINANCE - 27 -

2012.0000-Personnel Services

299,056 , 299,056

2012.0100-Contractual Services

250,000 250,000

2015.0000-Personnel Services

75,699 75,699

Total

624,755 624,755

## DEPARTMENT OF THE CITY TREASURER - 28 -

.0000-Personnel Services85,02085,020

Total

85,02085,020

## DEPARTMENT OF LAW-31-

.0000-Personnel Services1,132,3421,132,342

Total

1,132,3421,132,342

## DEPARTMENT OF HOUSING &amp; ECONOMIC DEVELOPMENT - 54 -

.0000-Personnel Services

3,737,888 3,737,888

.9000-General125,000125,000

Total

3,3,862,888

## DEPARTMENT OF BUSINESS AFFAIRS

AND CONSUMER PROTECTION - 70 -

.9400-Specific Purpose - General375,000375,000

Total

375,000375,000

## FINANCE GENERAL - 99 -

.0000-Personnel Services.0100-Contractual

700,000 700,000

.9610-General

571,720 571,720

.9626-General999,000999,000

Total

2,270,720"2,270,720

TOTAL SPECIAL TAXING AREA

8,514,000 8,514,000

TOTAL SPECIAL REVENUE FUNDS

\$ 1,008,734,407 \$ 1,017,956,655 \$ 1,025,613,743

29

This Page Intentionally Left Blank

## Schedule 3

CITY

OF

CHICAGO,

ILLINOIS

SPECIAL

REVENUE

FUNDS

-

MOTOR FUEL TAX FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

## Year Ended December 31, 2014

Cash Balance Dec. 31, 2013

## Receipts 2014

			Expenditures 2014	Cash Balance Dec. 31, 2014
Allocated to Specific Projects:				
Bureau of Streets -				
Arterial Streets	\$ 6,916,170	\$ 9,950,000	\$ 5,887,356	\$ 10,978,814
Bureau of Streets -				
Non-Arterial Streets	8,571,147	7,411,242	6,767,368	9,215,021
Bureau of Streets -				
New Street Construction-Inactive		72,324	-	- 72,324
Bureau of Street Operations -				
Street Maintenance and Cleaning	(6,876,674)	16,994,732	28,992,108	(18,874,050)
Bureau of Electricity -				
Street and Highway Lighting	15,795,871	2,202,403	2,292,157	15,706,117
Street Light Energy Cost		869	16,958,192	16,958,192 869
Bureau of Street Traffic -				
Traffic Signal Controls	(10,748,703)	568,161	2,015,692	(12,196,234)
Bureau of Bridges -				
Bridges, Viaducts and Superhighways..	(808,223)	9,205,697	9,037,217	(639,743)
Department of Transportation -				
CTA/RTA Authority Agreement	(12,000,000)	3,000,000	3,000,000	(12,000,000)
New Street Construction-Active		3,503,150	-	- 3,503,150
Contingency	1,000,000	-	-	1,000,000
Subtotal	5,425,931	66,290,427	74,950,090	(3,233,732)
Unallocated Receipts and Distributions:				
Unobligated Funds	(19,673,821)	-	-	(19,673,821)
Interest on Investments		1,336,848	37,211	- 1,374,059
Miscellaneous Income	30,462,515	12,203,027	-	42,665,542
Total	\$ 17,551,473	\$ 78,530,665	\$ 74,950,090	\$ 21,132,048

A reconciliation of Cash Receipts shown above and Actual Revenue follows:

Actual Revenue

Revenue Receivable -

Balance December 31, 2014

Balance December 31, 2013

Miscellaneous Adjustments -

Balance December 31, 2014

Balance December 31, 2013

Receipts

\$ 65,005,904

\$ 12,090,364

13,645,037 1,554,673

(42,933,460)

(30,963,372) 11,970,088 \$ 78,530,665

31

j  
i**Schedule 4****CITY OF CHICAGO, ILLINOIS****SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS****COMBINING BALANCE SHEET December 31, 2014****With Comparative Totals for December 31, 2013****(Amounts are in Thousands of Dollars)**

General Government Health

Public Safety

Transportation

**ASSETS:**

Cash and Cash Equivalents	\$ 10,136	\$ 826	\$ 322
\$ 403			
Investments	8,574	8,403	5,465 7,001
Restricted Assets - Cash and Cash Equivalents			
Receivables (Net of Allowances)	1,332	62	1,024 55
Due from Other Funds	8,253	612	100 22
Due from Other Governments	400	32,271	10,029 294,858
Other Assets	:	:	: 2_
<u>Total Assets</u>	<u>\$ 28,695</u>	<u>\$ 42,174</u>	<u>\$ 16,940\$</u>
<u>302,341</u>			

**LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE****Liabilities:**

Voucher Warrants Payable	\$ 1,405	\$ 19,994	\$ 1,403
\$ 57,771			
Bonds, Notes and Other Obligations Payable - Current			
Due to Other Funds	26,283	14,309	3,291 232,420
Accrued and Other Liabilities	2,307	1,149	405 1,399
<u>Unearned Revenue</u>	<u>5,492</u>	<u>10,130</u>	<u>11,702 9,884</u>
<u>Total Liabilities</u>	<u>\$ 35,487</u>	<u>\$ 45,582</u>	<u>\$ 16,801</u>
<u>\$ 301,474</u>			

Deferred Inflows:



Environmental	Cultural and Human	Development	Urban Capital	Activity	Intrafund	Totals
Aviation	Control	Recreational	Services	ment	Outlay	Elimination
2014	2013					
1,593	\$ 2,917			\$ 45	\$ 34	
60	1,662					
2,801	1,600					
						1
						63 622
						435 30,439 3,217 1,211 949 106,589 3,770
						64 1,448 3 93
						6,093 303
						\$ 6,355 5,155

22,980 71,036 3,220 3,778 10,059 452,721 4,075

47,723 3,220 6,133  
21,759 438,962 4,075

\$79 \$ 6,232 \$ 5,087 \$ 146,610 \$ 8,004 \$ 11,707 \$

\$ 2 \$ 13 \$ 23 \$ 76,233 \$

335 17,045  
4 2 149 4,349  
397739 18,075  
81 \$ 1,004 \$

\$ 157,929 \$ 139,742 35 25 13.286

296,159 266,218  
9,861 8,383  
69,825 61,049

946 \$ 115,702 \$ 3,011 \$ 14,350 \$

259,140

73  
3,852  
7,149  
4,156  
73  
3,852  
7,149

(1,100) (2,840) (1,100) (2,840)

4,156

\$ 79 \$ 6,232 \$ 5,087 \$ 146,610 \$ 8,004 \$ 11,707 \$  
5,880 292,276  
15,230 (240,275)

(225,045) (286,396) \$ 567,869 \$ 521,872

33

**Schedule 5**  
**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, 2014 With Comparative Totals for 2013 (Amounts are in Thousands of Dollars)**

	General Government	Health	Public Trans- Safety portation	
Revenues:				
Federal/State Grants	\$ 4,393	\$ 109,265	\$ 59,097	\$ 249,142
<u>Total Revenues</u>	<u>4,393</u>	<u>109,265</u>	<u>59,097</u>	<u>249,142</u>
Expenditures:				
<u>Current</u>			<u>5,383</u>	<u>102,350</u>
<u>Total Expenditures</u>		<u>5,383</u>	<u>102,350</u>	<u>40,122</u>
<u>Revenues Over Expenditures</u>	<u>(990)</u>	<u>6,915</u>	<u>18,975</u>	<u>11,181</u>
Other Financing Sources (Uses):				
ProceedsofDebt.net < <a href="http://ProceedsofDebt.net">http://ProceedsofDebt.net</a> >	---	17,168		
<u>Operating Transfers In</u>	=	=	=	=
Total Other Financing Sources (Uses)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(990)	6,915	18,975	28,349
<u>Fund Balance (Deficit)-Beginning of Year</u>	<u>(6,202)</u>	<u>(17,686)</u>	<u>(25,896)</u>	<u>(239,800)</u>
<u>Fund Balance (Deficit)-End of Year</u>	<u>\$ (7,192)</u>	<u>\$ (10,771)</u>	<u>\$ (6,921)</u>	<u>\$ (211,451)</u>

34									
Aviation	Environmental Control	Cultural and Recreational	Human Services	Urban Development	Outlay	Capital	Totals		
							2014	2013	
	806	\$ 14,607	\$ 364,699	\$	157	\$ 7,674	\$ 809,840	\$ 706,831	
	806	14,607	364,699		157	7,674	809,840	706,831	
	57	12,272	355,509		2,140	9,863	765,657	791,123	
	57	12,272	355,509		2,140	9,863	765,657	791,123	
	<u>749</u>	<u>2,335</u>	<u>9,190</u>		<u>(1,983)</u>	<u>(2,189)</u>	<u>44,183</u>	<u>(84,292)</u>	
	-	-	-	-	-	-	17,168	- 3,984	
							17,168	3,984	
		749	2,335	9,190	(1,983)	(2,189)		61,351	(80,308)
<u>73</u>	<u>3,407</u>	<u>1,517</u>	<u>(2,041)</u>	<u>883</u>	<u>(651)</u>	<u>(286,396)</u>	<u>(206,088)</u>		
<u>73</u>	<u>\$ 4,156</u>	<u>\$ 3,852</u>	<u>\$ 7,149</u>	<u>\$ (1,100)</u>	<u>\$ (2,840)</u>	<u>\$ (225,045)</u>	<u>\$ (286,396)</u>		

t

35

This Page Intentionally Left Blank