



Office of the City Clerk

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Room 107
Chicago, IL 60602
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Legislation Text

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Department of Finance

city of chicago

September 12, 2017

Honorable Anna Valencia City Clerk
121 North LaSalle Street, Room 107 Chicago,
Illinois 60602

Dear Ms. Valencia:

I am submitting to you the Comprehensive Annual Financial Report (CAFR) thereto for the year ended December 31, 2016. This report is accurate in all material respects and is prepared in a manner designed to present fairly the financial position and results of operations of the various funds.

Sincerely,

Erin Keane City Comptroller

Enclosure

EK:ACM:fh

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

G i t y of Chicago

Rahm Emanuel, Mayor

Carole L. Brown, Chief Financial Officer Erin

Keane, City Comptroller

CITY OF CHICAGO

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

Rahm Emanuel, Mayor

Carole L. Brown, Chief Financial Officer Erin Keane, City Comptroller

Prepared by the Department of Finance

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OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

June 30, 2017

Dear Chicagoans:

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

In 2016, Chicago continued to make progress on addressing the City's financial legacy liabilities, reducing our structural deficit through savings and sustainable revenue growth, and

identifying stable funding sources for the Municipal and Laborers' pension funds. Additionally, the general fund balance shows growth again in 2016, which is a direct result of cost savings and reform measures instituted by the City over the prior six budgets. This progress will endure in 2017 as the City continues to pursue sustainable and responsible financial practices.

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

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

Mayor

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

JOE MORENO
BRIAN HOPKINS
PAT DOWELL
SOPHIA KING
LESLIE A. HAIRSTON
RODERICK T. SAWYER

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

17th Ward	DAVID MOORE
18th Ward	DERRICK G. CURTIS
19th Ward	MATTHEW J. O'SHEA
20th Ward	WILLIE B. COCHRAN
21st Ward	HOWARD BROOKINS, JR.
22nd Ward	RICARDO MUNOZ
23rd Ward	MICHAEL R. ZALEWSKI
24th Ward	MICHAEL W. SCOTT, JR.
25th Ward	DANIEL S. SOUS
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
41 st Ward	ANTHONY NAPOLITANO
42nd Ward	BRENDAN REILLY
43rd Ward	MICHELE SMITH
44th Ward	THOMAS M. TUNNEY
45th Ward	JOHN ARENA
46th Ward	JAMES CAPPLEMAN
47th Ward	AMEYA PAWAR
48th Ward	HARRY OSTERMAN
49th Ward :	JOSEPH A. MOORE
50th Ward	DEBRA L. SILVERSTEIN

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
CITY OF CHICAGO

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PART I INTRODUCTORY SECTION

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Department of Finance city of chicago

June 30, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Chicago for the fiscal year that ended December 31, 2016. State law requires that all governmental units publish, within six months of the close of

each fiscal year, financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited by a licensed public accountant.

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

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

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

In addition to meeting the requirements set forth in the Code, an additional audit (Single Audit Act Amendments of 1996, Government Auditing Standards, and Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) designed to meet the requirements of the OMB Uniform Guidance, a government-wide framework for grants management, is performed annually. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government. The City of Chicago, incorporated in 1837, currently occupies a land area of approximately 228 square miles and, according to the 2010 census, serves a population of over 2.69 million residents. The City is a "home rule" unit of local government under Illinois law and is governed by an elected mayor and city council. The Mayor, the Chief Executive Officer of the City, is elected by general election for a four-year term. The City Council, the City's legislative body, consists of 50 members, each representing one of the City's 50 wards. The members of the City Council are elected through popular vote by ward for four-year terms. The City provides public safety, street maintenance and sanitation, transportation infrastructure, water, sewer, health, cultural, aviation and human services.

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

reporting entity.

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

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

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

Chicago remains a global financial and trading center and is also a hub for the development of new financial technologies. Chicago is home to nearly one quarter of the world's futures trading volume, which is two times more than New York and similar to all of the European exchanges combined. The Chicago Board Options Exchange is the largest options exchange in the United States, and Chicago-headquartered CME Group is the top derivatives exchange in the world, posting a volume of \$3.9 billion in 2016, the largest annual volume of all global exchanges.

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

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

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

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

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

The City bases its annual budget on an assessment of the available resources for that year and an understanding of the City's service priorities, adopting a balanced budget each year in accordance with the Illinois Municipal Code. As part of the annual budget process, the City evaluates each department's direct and indirect costs in order to accurately assess expenses across City government and strives to maintain a diversified revenue system that is responsive to the changing economy and designed to protect the City from short-term fluctuations in any individual revenue source. The City's financial policies are intended to secure the City's fiscal integrity and health, encourage equitable allocation of costs and resources, and identify potential financial risks and options to mitigate them, maximize economic efficiency, and allow sufficient flexibility to consider new fiscal and budgetary strategies.

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

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

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

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

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

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

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

Awards and Acknowledgments. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chicago for its CAFR for fiscal year 2015. This was the twenty-third consecutive year that the City has received this prestigious award. In order to be

awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

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

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

Respectfully submitted,

Carole L. Brown Chief Financial Officer

Erin Keane City Comptroller

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chicago Illinois

For its Comprehensive Annual Financial Report for the Fiscal Year Ended **December 31,2015**

Executive Director/CEO

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

Citizens

MAYOR

CITY COUNCIL
CITY TREASURER

COUNCIL
COMMITTEES

Department Of Business Affairs and Consumer Protection

Board
of Ethics

Office of Inspector General

Department of Administrative Hearings

Department of Public Health

Department of
Procurement Services

Commission on Animal Care and Control

Department of Planning
and Development

Department of Family and

Support Services

Commission on

Human Relations

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

Board of Election Commissioners

Fire Department
Department of Innovation and Technology
Mayor's Office
for People with Disabilities

Department of

Transportation

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

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's

basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Pension Plans (the "Plans"), which, in aggregate, represent substantially all the assets and revenues of the fiduciary funds, included in the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois, as of

December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

June 30, 2017

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.

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

Management's Discussion and Analysis

As management of the City of Chicago, Illinois (City) we offer readers of the City's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage the readers to consider the information presented here in conjunction with information that we have furnished in our letter of transmittal, contained within this report.

2016 Financial Highlights

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

- The General Fund expenditures on a budgetary basis were \$72.9 million less than budgeted as a result of variances in general government expenditures primarily due to lower than budgeted pension contributions.

Overview of the Basic Financial Statements

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

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

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

The government-wide financial statements include two statements:

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and

demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains 19 individual governmental funds. Information for the seven funds that qualify as major is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The seven major governmental funds are as follows: the General Fund, the Federal, State and Local Grants Fund, the Special Taxing Areas Fund, Service Concession and Reserve Fund, the Bond, Note Redemption and Interest Fund, the Community Development and Improvement Projects Fund, and the Pension Fund. Data from the other governmental funds is combined into a single, aggregated presentation.

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

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

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

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

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

Mores to the basic financial statements. The notes provide additional information that is essential for a full understanding

of data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fiduciary fund basic financial statements.

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

Financial Analysis of the City as a whole

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows exceeded assets by \$27,429.9 million at December 31, 2016. Of this amount, \$3,307.6 million represents the City's investment in capital assets (land, buildings, roads, bridges, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities and deferred inflows.

An additional portion of the City's net position, \$3,149.5 million, represents resources that are subject to external restrictions on how they may be used.

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

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

	Governmental Business-type			Activities	Activities
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Current and other assets	\$ 5,451.0	\$ 5,384.8	\$ 4,816.2	\$ 4,738.4	
• Capital assets 8,676.3	• -8,508.2	- 15,397.6		14,607.5	■■■■■
Total Assets	14,127.3	13,893.0	20,213.8	19,345.9	
Deferred outflows	5,667.9	7,187.7	1,285.4	1,701.5	
Total	19,795.2	21,080.7	21,499.2	21,047.4	
Long-term liabilities outstanding	43,065.4	41,404.0	18,351.4	17,914.4	
Other liabilities	1,947.5	1,969.4	1,339.4	1,274.8	
Total Liabilities	45,012.9	43,373.4	19,690.8	19,189.2	
<u>Deferred Inflows</u>	<u>2,254.5</u>	<u>1,743.1</u>	<u>1,766.1</u>	<u>1,653.8</u>	
Net Position:					
Net investment in capital assets	(65.5)	(292.4)	3,373.1	2,892.5	
Restricted	2,269.6	1,519.9	879.9	1,043.1	
Unrestricted	(29,676.3)	(25,263.3)	(4,210.7)	(3,731.2)	
Total net (deficit) position			\$ (27,472.2)	\$ (24,035.8)	42.3~ \$ 204.4~

2015

Total
 10,123.2 23,115.7
 33,238.9 8,889.2
 42,128.1
 59,318.4 3,244.2
 62,562.6
3,396.9

2,600.1 2,563.0 (28,994.5)

2016

10,267.2 24,073.9-
 34,341.1 6,953.3
 41,294.4
 61,416.8 3,286.9
64,703.7 4,020.6

3,307.6 3,149.5 (33,887.0)

\$ (27,429.9) \$ (23,831.4)

Governmental Activities. Net position of the City's governmental activities decreased \$3,436.4 million to a deficit of \$27,472.2 million primarily as a result of an increase in the pension liability due to assumption and plan changes. A significant portion of net position is either restricted as to the purpose they can be used for or they are classified as net investment in capital assets (buildings, roads, bridges, etc.). Consequently, unrestricted net position showed a \$29,676.3 million deficit at the end of this year. This deficit does not mean that the City does not have the resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from personnel, property, pollution and casualty claims (\$942.6 million) and Municipal employees, Laborers', Policemen's and Firemen's net pension liability and other post-employment benefits (\$31,679.3 million). The City will include these amounts in future years' budgets as they come due. In addition, the deferred inflow balance of \$1,534.2 million from concession service agreements will be amortized into income over the life of such agreements.

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

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

The City paid \$1,026.3 million for the "public benefit" portion with other revenues such as state aid, interest and miscellaneous income.

Although total net position of business-types activities was \$42.3 million, these resources cannot be used to make up for the deficit in net position in governmental activities. The City generally can only use this net position to finance the continuing operations of the water, sewer, Skyway, and airports activities.

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

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

Governmental		Activities	
	<u>2016</u>	<u>2015</u>	
Revenues and Other Transfers: Program Revenues: Licenses, Permits, Fines and			
Charges for Services	\$ 879.7	\$ 814.8	
Operating Grants and Contributions	516.7	496.7	
Capital Grants and Contributions	221.5	249.1	
General Revenues:			
Property Taxes	1,264.5	1,179.4	
Other Taxes	2,830.7	2,574.8	
Grants and Contributions not			
Restricted to Specific Programs	782.0	815.2	
Other	<u>244.3</u>	<u>263.4</u>	
<u>Total Revenues</u>	<u>6,739.4</u>	<u>6,393.4</u>	
Other Transfers:			
Transfer In (Out)	23	06	
<u>Total Revenues and Other Transfers</u>	<u>6,741.9</u>	<u>6,394.0</u>	
Expenses:			
General Government	4,549.2	6,238.0	
Public Safety	4,266.1	3,192.2	
Streets and Sanitation	257.0	253.4	
Transportation	378.8	471.7	
Health	116.7	119.2	
Cultural and Recreational	114.7	118.8	
Interest on Long-term Debt	495.8	861.3	
Water			
Sewer			
Midway International Airport			
Chicago-O'Hare International Airport			
Chicago Skyway	--		
<u>Total Expenses</u>	<u>10,178.3</u>	<u>11,254.6</u>	
			Change in Net Position
			(3,436.4) (4,860.6)
<u>Net (Deficit) Position, Beginning of Year</u>	<u>(24,035.8)</u>	<u>(19,175.2)</u>	
<u>Net (Deficit) Position, End of Year</u>	<u>\$(27,472.2)</u>	<u>\$(24,035.8)</u>	

2015

Business-type Activities

2016

85.9

\$ 2,502.1 \$ 2,400.4
67.4

115.1
2,553.7

48.5
2,665.7
2,553.1

(2.5)
2,663.2

816.0 350.4 320.0 1,330.2 8.7

2,825.3 (162.1)

204.4

42.3 \$ 204.4

2015

Total
3,215.2 496.7 335.0

1,179.4 2,574.8

815.2 330.8 8,947.1

2016

3,381.8 516.7 336.6

1,264.5 2,830.7

8,947.1

782.0 292.8 9,405.1

6,238.0 3,192.2 253.4 471.7 119.2 118.8 861.3 900.3 505.0 315.7 1,380.5 8.7

14,364.8 (5,417.7)
(18,413.7)

9,405.1

4,549.2 4,266.1 257.0 378.8 116.7 114.7 495.8 816.0 350.4 320.0 1,330.2 8.7

13,003.6 (3,598.5)
(23,831.4)
\$(27,429.9) \$(23,831.4)

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

Expenses and Program Revenues - Governmental Activities

(in millions of dollars)

400 800 1,200 1,600 2,000 2,400 2,800 3,200 3,600 4,000 4,400 4,800 5,200 5,600 6,000 6,400
□ Expenses ■ Program Revenues

Revenues by Source - Governmental Activities

Capital Grants and Operating Grants and Contributions
Contributions 3% 8%
Other 4%

Grants and Contributions not restricted to specific programs 11%

Property Tax 19%

Other Taxes 42%

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

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

- The Water Fund's total operating revenues decreased by \$8.0 million (1.0%) from 2015 due to a decrease in net water fees of \$14.3 million due to the continued conversion from non-metered to metered accounts, offset by an increase in penalties and other revenues related to water fees of \$6.3 million. Operating expenses before depreciation and amortization for the year ended 2016 decreased by \$199.4 million (27.0%) from the year ended 2015 primarily due to decreases in pension expense of \$196.1 million and workmen's compensation of \$20.6 million offset by an increase in indirect costs of \$19.2 million.
- The Sewer Fund's total operating revenues decreased in 2016 by \$6.8 million (1.7%) primarily due to the continued conversion of non-metered customers to metered customers. There was no rate increase during 2016. Operating expenses before depreciation and amortization for 2016 decreased \$82.7 million (26.6%) from the year ended 2015 primarily due to the decrease of pension expense calculated under Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions, an amendment of GASB Statement 27" ("GASB 68").
- Chicago Midway International Airport's total operating revenues for 2016 increased by \$6.1 million (3.4%) from 2015 primarily due to increases in the landing fee and terminal rental rates, and increases in concession revenues. Operating expenses before depreciation and amortization decreased by \$1.3 million compared to 2015, primarily due to a decrease in pension expense calculated under GASB 68, offset by increases in salaries and wages and repairs and maintenance.
- Chicago O'Hare International Airport's total operating revenues for 2016 increased by \$102.6 million (12.1%) compared to 2015 primarily due to increases in landing fee rates and activity, concession revenues, and increases in rents. Operating expenses before depreciation and amortization decreased by \$54.5 million (6.8%) compared to 2015 primarily due to a decrease in pension expense calculated under GASB 68.
- The Chicago Skyway was leased for 99 years to a private company. The agreement granted the company the right to operate the Skyway and to collect toll revenue during the term of the agreement. The City received an upfront payment of \$1.83 billion of which \$446.3 million was used to advance refund all of the outstanding Skyway bonds. The upfront payment is being amortized into nonoperating revenue over the period of the lease (\$18.5 million annually).

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

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 1,300 1,400

Water

Sewer

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

]

□ Expenses
Revenues ■ Progra

Revenues by Source - Business-type Activities

Licenses, Permits, Fines and Charges for Services 94%

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

Financial Analysis of the City's Funds

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

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

At December 31, 2016, the City's governmental funds reported combined ending fund balances of \$908.2 million, a decrease of \$74.5 million in comparison with the prior year. Of this total amount, \$709.8 million was committed to specific expenditures, \$92.1 million was assigned to anticipated uses, a deficit of \$1,673.3 million was unassigned, \$1,755.9 million was restricted in use by legislation, and \$23.7 million was nonspendable.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$153.7 million with a total fund balance of \$269.6 million. As a measure of the General Fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total General Fund balance represents 7.8 percent of total General Fund expenditures. The fund balance of the City's General Fund increased by approximately \$54.4 million during the current fiscal year due to higher revenues and lower expenses for certain categories.

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

The Special Taxing Areas Fund has a total fund balance of \$1,309.8 million, which is all restricted to specific expenditures.

The Service Concession and Reserve Fund accounts for deferred inflows from nonbusiness type long-term concession and lease transactions and has \$640.2 million committed to specific expenditures. The unassigned deficit of \$1,534.2 million results from the deferred inflows from long-term asset leases.

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

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

Changes in fund balance. The fund balance for the City's governmental funds decreased by \$74.5 million in 2016. This includes a decrease in inventory of \$0.1 million.

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

Unrestricted net position of the Water, Sewer, Chicago Skyway, Chicago-O'Hare International Airport, and Chicago

Midway International Airport Funds at the end of the year amounted to a deficit of \$4,210.7 million. The unrestricted net position deficit increased by \$479.5 million due to an increase in the unrestricted deficit in all proprietary funds primarily due to increases in the net pension liability. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City's business-type activities.

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

General Fund Budgetary Highlights

The City's 2016 Original General Fund Budget of \$3,633.5 million was approved by City Council on October 28, 2015, and was \$99.1 million (2.8%) larger than the 2015 Final General Fund Budget. Nearly two-thirds of the increase (\$62.7 million) was from a new garbage collection fee charged to residences who receive city-provided garbage collection service. General Fund revenues ended the year \$64.2 million over the 2016 Final General Fund Budget as a result of higher than expected revenue from transaction, recreation, and transportation taxes. Revenue in these areas helped to offset lower than expected revenue from state income tax, home rule sales tax, and utility taxes. ^{^^}government expenditures. Additional information on the City's budget can be found in Note 3 under Stewardship, Compliance and Accountability within this report.

Capital Asset and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of December 31, 2016 amount to \$24,073.8 million (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, roads, highways and bridges, and property, plant and equipment.

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

- During 2016, the City completed \$382.8 million in infrastructure projects including \$242.1 million in street construction and resurfacing projects, \$71.6 million in street lighting and transit projects, and \$69.1 million in bridge and viaduct reconstruction. At year end, infrastructure projects still in process had expenses totaling nearly \$712.2 million.
- At the end of 2016, the Water Fund had \$4,131.6 million invested in utility plant, net of accumulated depreciation. During 2016, the Water Fund expended \$395.3 million on capital activities. This included \$1.8 million for structures and improvements, \$209.5 million for distribution plant, \$3.5 million for equipment, and \$180.5 million for construction in progress. During 2016, net completed projects totaling \$48.9 million were transferred from construction in progress to applicable capital accounts. The major completed projects were installation and replacements of water mains (\$20.5 million), and meter save program (\$25.1 million).
- At the end of 2016, the Sewer Fund had \$2,456.0 million invested in utility plant, net of accumulated depreciation. During 2016, the Sewer Fund had capital additions being depreciated of \$323.1 million, and completed projects totaling \$70.5 million were transferred from construction in progress to applicable facilities and structures capital accounts. The 2016 Sewer Main Replacement Program completed 25.6 miles of sewer mains and 61.0 miles of relining of existing sewer mains.
- At the end of 2016, Chicago-Midway International Airport had \$1,182.7 million invested in net capital assets. During 2016, the Airport had additions of \$62.7 million related to capital activities. This included \$0.5 million for land

acquisition and the balance of \$62.2 million for construction projects relating to runway rehabilitation and parking improvements. During 2016, completed projects totaling \$69.3 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxi improvements, and rental car parking garage.

- At the end of 2016, Chicago-O'Hare International Airport totaled \$7.4 billion, invested in net capital assets. During 2016, the Airport had additions of \$544.7 million related to capital activities. This included \$6.1 million for land acquisition and the balance of \$538.6 million for terminal improvements, parking facilities enhancements, and runway and taxiway improvements. During 2016, completed projects totaling \$287.8 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to runway and taxiway improvements, electrical system upgrades and parking facilities and terminal improvements.

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

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

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

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

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

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

Governmental Business-type Activities	Activities	Total
--	------------	-------

	2016	2015	2016	2015	2016	2015
General Obligation	\$ 9,173.0	\$ 9,364.4	\$ -	\$ -	\$ 9,173.0	\$ 9,364.4
Tax Increment	33.5	65.4	-	-	33.5	65.4
Revenue Bonds	766.6	754.0	13,203.3	13,050.4	13,969.9	13,804.4
Total	\$ 9,973.1	\$ 10,183.8	\$ 13,203.3	\$ 13,050.4	\$ 23,176.4	\$ 23,234.2

During 2016, the City issued the following:

General Obligation Bonds:

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

Enterprise Fund Revenue Bonds and Notes:

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

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

At December 31, 2016 the City had credit ratings with each of the four major rating agencies as follows:

Moody's Aa1

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

Ba1

A2 A2 Baal

A2 A3

Baal Baa2

Baa2 Baa3

Ba1

Ba1

BBB+

A A
BBB

A A

A+ A

A+ A

AA

BBB-

BBB-

A A
NR

A A

AA+ AA

NR AA

BBB-

BBB

BBB+

A+ NR NR

NR A

NR AA

NR AA-

AA+

NR

See Subsequent Events in the footnotes for ratings changes in

2017. Economic Factors and Next Year's Budgets and Rates

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

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

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

Requests for Information

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

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Exhibit 1

CITY OF CHICAGO, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2016

(Amounts are in Thousands of Dollars)

	<u>Governmental Activities</u>	
ASSETS AND DEFERRED OUTFLOWS		
Cash and Cash Equivalents		\$ 223,829
Investments	1,333,554	
Cash and Investments with Escrow Agent	506,804	
Receivables (Net of Allowances):		
Property Tax	1,739,062	
Accounts	1,025,162	
Internal Balances	(54,659)	
Inventories	23,730	
Restricted Assets:		
Cash and Cash Equivalents	20,124	
Investments	618,204	
Interest Receivable		
Other Assets	15,234	
Capital Assets:		
Land, Art, and Construction in Progress	2,184,335	
<u>Other Capital Assets, Net of Accumulated Depreciation</u>	<u>6,491,918</u>	
Total Capital Assets		8,676,253
<u>Total Assets</u>	<u>14,127,297</u>	
<u>Deferred Outflows</u>	<u>5,667,882</u>	
<u>Total Assets and Deferred Outflows</u>	<u>\$ 19,795,179</u>	
LIABILITIES AND DEFERRED INFLOWS		
Voucher Warrants Payable		\$ 601,617

Short-term Debt	672			
Accrued Interest	224,746			
Accrued and Other Liabilities	1,020,768			
Unearned Revenue	99,780			
Derivative Instrument Liability				
Long-term Liabilities:				
Due Within One Year	302,409			
Due in More Than One Year	42,762,995			
<u>Total Liabilities</u>	<u>45,012,987</u>			
<u>Deferred Inflows</u>	<u>2,254,451</u>			
<u>Total Liabilities and Deferred Inflows</u>	<u>47,267,438</u>			
NET POSITION				
Net Investment in Capital Assets	(65,466)			
Restricted for:				
Capital Projects	70,020			
Debt Service	889,678			
Special Taxing Areas	1,309,819			
Passenger Facility Charges				
Contractual Use Agreement				
Airport Development Fund				
Customer Facility Charges				
Other Purposes				
<u>Unrestricted (Deficit)</u>	<u>(29,676,310)</u>			
	<u>Total Net Position</u>			<u>\$ (27,472,259)</u>
<u>Primary Government</u>				
Total				531,494 1,911,611 506,804
1,739,062 1,403,273				
				46,958
				1,619,194 2,431,785 11,053 66,022
4,257,043 19,816,765 24.073.808 34,341,064				
<u>Business-type Activities</u>				
				f 307,665 578,057
378,111 54,659 23,228				
				1,599,070 1,813,581 11,053 50,788
1,285,451				
2,072,708 13,324,847 15.397.555 20,213,767				
6,953,333				
				1,134,688 672 484,409 1,321,068 320,123 26,034
744,911 60,671,800				
\$ 21,499,218 \$ 41,294,397				
533,071 \$				
				259,663 300,300 220,343 26,034
<u>64,703,705 4,020,611</u>				

68,724,316

442,502 17,908,805
19,690,718 1,766,160

3,307,597

264,287 909,493 1,309,819 181,472 176,967 238,021 37,110 32,282 (33,886,967)
21,456,878

3,373,063

194,267 19,815

181,472 176,967 238,021 37,110 32,282 (4,210,657)
42.340 \$ (27.429.919)

See notes to basic financial statements.

Exhibit 2

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

Licenses, Permits, Fines and Charges for Services

Primary Government

Governmental Activities:

General Government \$
Public Safety
Streets and Sanitation
Transportation
Health
Cultural and Recreational
Interest on Long-term Debt
Total Governmental Activities

4,549,261 4,266,146 256,985 378,779 116,692 114,676 495,856
10,178,395

501,468 202,379 100,996
52,524 7,232
15,122

879,721

Business-type Activities:

Water 816,012 761,411
Sewer 350,388 368,966

Chicago Midway International Airport	320,033	232,483	
Chicago-O'Hare International Airport	1,330,240	1,139,380	
<u>Chicago Skyway</u>	<u>8,651</u>		=
<u>Total Business-type Activities</u>		<u>2,825,324</u>	<u>2,502,240</u>
<u>Total Primary Government</u>	<u>\$ 13,003,719</u>	<u>\$3,381,961</u>	

See notes to basic financial statements.

32					<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Program Revenues</u>					Primary Government		
Operating Capital	Grants and	Grants and	Governmental Business-type				
Grants and	Contributions	Contributions	Activities		Activities Total		
						369,857	51,174
						85,851	9,846
516,728							
					(3,677,936) (4,012,593) (155,989) (104,723) (23,609) (89,708) (495,856) (8,560,414)		
					(3,677,936) (4,012,593) (155,989) (104,723) (23,609) (89,708) (495,856) (8,560,414)		
16,639	27,903	70,664					
115,206							

(207,878) (54,601) 35,217 (59,647) (120,196) (8,651)
 (207,878) (54,601) 35,217 (59,647) (120,196) (8,651)
 (8,560,414)

General Revenues Taxes:

Property Tax	1,264,473	
Utility Tax	557,992	
Sales Tax	347,131	
Transportation Tax	449,744	
Transaction Tax	542,896	
Special Area Tax	537,026	
Recreation Tax	246,608	
Other Taxes	149,281	
Grants and Contributions not Restricted to		
Specific Programs	781,968	
Unrestricted Investment Earnings	30,400	
Miscellaneous	213,903	
Transfers	2,540	
<u>Total General Revenues and Transfers</u>		<u>5,123,962</u>
	Change in Net Position	(3,436,452)
<u>Net Position - Beginning</u>	<u>(24,035,807)</u>	
<u>Net Position - Ending</u>	<u>\$ (27,472,259)</u>	

13,196 35,201 (2,540)
 45,857
 (162,021) 204,361
42,340

1,264,473 557,992 347,131 449,744 542,896 537,026 246,608 149,281

781,968 43,596 249,104

5,169,819 (3,598,473) (23,831,446) \$ (27,429,919)

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

		<u>General</u>	
ASSETS			
Cash and Cash Equivalents	:	\$ 2,856	
Investments		94,730	
Cash and Investments with Escrow Agent			
Receivables (Net of Allowances):			
Property Tax			
Accounts		237,311	
Due From Other Funds		119,312	
Due From Other Governments		270,907	
Inventories		23,730	
Restricted Cash and Cash Equivalents			
Restricted Investments			
<u>Other Assets</u>		=	
	<u>Total Assets</u>		<u>\$ 748,846</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE Liabilities:			
Voucher Warrants Payable	"	\$ 191,990	
Accrued Interest			
Due To Other Funds		129,311	
Accrued and Other Liabilities		125,788	
Claims Payable		19,176	
<u>Unearned Revenue</u>		<u>1,790</u>	
	<u>Total Liabilities</u>	.	<u>468,055</u>
<u>Deferred Inflows</u>		<u>11,209</u>	
Fund Balance:			
Nonspendable		23,730	
Restricted			
Committed			
Assigned		92,115	
<u>Unassigned</u>		<u>153,737</u>	
<u>Total Fund Balance</u>		<u>269,582</u>	
Total Liabilities, Deferred Inflows and Fund Balance		\$ 748,846	
Special Taxing Areas			
111,335 847,042			
	Federal, State and Local Grants		473,173 21,491 286,527
108,351			

					4,630	25,908	425,126
	3,218						
	4,075						
\$	571,308	\$	1,739,568				
\$	169,952	\$	43,854				
	281,017	12,143	12,203	2,596			
	58,593						
	97,990						
	253,053						
	561,162						
	371,156						
		1,309,819					
						11,054	
	(253,961)	(242,907)					
		1,309,819					
\$	571,308	\$	1,739,568				

See notes to basic financial statements.

	Service Concession and <u>Reserve</u>	Bond, Note Redemption and Interest	Community Development and Improvement <u>Projects</u>	<u>Pension</u>	Nonmajor Governmental Funds	Total Governmental Funds
\$	-	\$ 63,032	\$ -	\$ 21,310	\$ 25,296	\$ 223,829
			21,708	110,532	43,011	108,180
		423,217	-	-	83,587	506,804
		490,441	-	755,216	20,232	1,739,062
	5,131		2,424	1,730	405	16,046
		2,103	18,434	-	91,712	543,996
		1,848	-	-	38,113	735,994
						23,730
				16,906	-	... 20,124
				618,204	-	... 618,204

743,734

374,758 86,905 62,568

214,819 9,815

620 47,760

797,245

(53,511)

Special Taxing Areas

494,782

832 318

495,932

335,740

15 63,393

2,164

401,312

94,620

Continued on following pages.

Service Concession and Reserve

18,980 21,033

40,013

Bond, Note Redemption and Interest

546,106 22,323 39,042 10,979

85

2,474 3,231 18,193

642,433

Community Development

and Improvement Projects

439 15,367
15,806

Pension

\$ 747,957 \$

16

50,937
798,910

Nonmajor Governmental Funds

101,260 191,665

79,289 22,104

26,088

34,289

19,381 (1,349) 29,293 22,610

524,630

Total Governmental Funds

1,294,063 557,992 347,131 449,744 413,673 366,426 542,896 516,886 246,608 149,281 745,603 376,895 132,873 337,769
30,400 221,965 213,865

6,944,070

21			342,195			2,046,396
				81		116,416
				7,444		2,265,213
				52,704	248,029	
				88,844	402,477	
				83,733	94,030	
			810,497	-		810,497
				606		4,086
	169,360		-		68,898	286,018
		578,891	-			-
		63,090			660,019	
		<u>457,856</u>	=	=	<u>20,664</u>	<u>483,468</u>
21	<u>1,036,747</u>	<u>169,360</u>	<u>810,497</u>	<u>728,259</u>	<u>7,416,649</u>	
<u>39,992</u>	<u>(394,314)</u>	<u>(153,554)</u>	<u>(11,587)</u>	<u>(203,629)</u>		<u>(472,579)</u>

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

Federal, State and Local Grants

Special Taxing Areas

Other Financing Sources (Uses):

Issuance of Debt \$
 Issuance of Line of Credit
 Premium/(Discount)

Payment to Refunded Bond Escrow Agent		
Transfers In	14,998	
<u>Transfers Out</u>	<u>(169,955)</u>	
	<u>Total Other Financing (Uses) Sources</u>	<u>(154,957)</u>
Net Changes in Fund Balance	54,447	
Fund Balance, Beginning of Year	215,232	
<u>Change in Inventory</u>	<u>(97)</u>	
<u>Fund Balance, End of Year</u>	<u>\$ 269,582</u>	
30,746		
<u>(4,000)</u>		
26,746		
(26,765) (216,142)		
(242,907) \$		
<u>14,623 (75,133)</u>		
<u>(60,510)</u>		
34,110 1,275,709		
1,309,819		

See notes to basic financial statements.

Service Concession Agreements and Reserve

Bond, Note Redemption and Interest
Community Development

and Improvement Projects

Nonmajor Governmental Funds

Total Governmental Funds

500,000 337,140 23,892 (496,150) 150,104 (89,145)

13,700 (13,545)

170,778 (21,472)

530,746 337,140 23,892

(496,150) 375,790

(373,250)

398,168

39,992 (933,978)

31,527 236,294

(153,399) 198,431

(54,323) 207,180

(74,411) 982,726 (97)

\$ (893,986) \$ 267,821 \$

Exhibit 5

CITY OF CHICAGO, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended
December 31, 2016 (Amounts are in Thousands of Dollars)**

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

Net change in fund balances - total governmental funds	\$ (74,411)
--	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	165,127
--	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	15,613
---	--------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments	249,388
--	---------

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as <u>expenditures in governmental funds</u>	<u>(3,792,169)</u>
--	--------------------

<u>Change in the net position of governmental activities</u>	<u>\$ (3,436,452)</u>
--	-----------------------

See notes to basic financial statements.

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Exhibit 6
CITY OF CHICAGO, ILLINOIS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND (BUDGETARY BASIS) Year Ended December 31, 2016 (Amounts are
in Thousands of Dollars)

Revenues:

Utility Tax	\$
Sales Tax	
Transportation Tax	
Transaction Tax	
Recreation Tax	
Other Taxes	
State Income Tax	
State Sales Tax	
Federal/State Grants	
Internal Service	
Licenses and Permits	
Fines	
Investment Income	
Charges for Services	
Miscellaneous	
Transfers In/Out	

Total Revenues

Expenditures: Current:

General Government
Health
Public Safety
Streets and Sanitation
Transportation

Debt Service:

Principal Retirement
Interest and Other Fiscal Charges ..
Total Expenditures

Revenues Over Expenditures	\$
----------------------------	----

Original Budget

441,000	315,883	240,445	344,700	218,016	118,300	435,700	361,900	1,800	358,542	125,223	350,500	4,400	184,968	106,078
26,000														

3,633,455

1,213,785 30,426
2,114,336 201,167 56,460

11,135 6,146
3,633,455

Final Budget

441,000 315,883 240,445 344,700 218,016 '118,300 435,700 361,900 1,800 358,542
125,223 350,500 4,400 184,968 106,078 26,000
3,633,455

1,217,680 30,426
2,114,336 201,167 52,565

11,135 6,146
3,633,455

Variance

(6,591) (7,794) 6,655 118,907 28,592 4,808 (22,027) 4,526 69
(15,936) 5,176
(32,112) 3,851 7,704
(20,671)
(11,002)
1,076,837 28,913
2,191,829 195,342 51,589

11,135 4,948
3,560,593

64,155

140,843 1,513
(77,493) 5,825 976

1,198 72,862
\$ 137,017 \$ 137,017

See notes to basic financial statements.

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

Business-type Activities - Enterprise Funds
Major Funds

Water			
ASSETS AND DEFERRED OUTFLOWS CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 141,931		
Investments	361,553		
Accounts Receivable (Net of		Allowances)	168,527
Interest Receivable	133		
Due from Other Funds	35,906		
Inventories	22,236		
Cash and Cash Equivalents - Restricted	74,158		
Investments - Restricted	102,254		
Interest Receivable - Restricted	411		
Other Assets - Restricted			
TOTAL CURRENT ASSETS	907,109		
NONCURRENT ASSETS:			
Cash and Cash Equivalents - Restricted			
Investments - Restricted	39,898		
Interest Receivable - Restricted			
Other Assets - Restricted			
Due from Other Governments - Restricted			
Other Assets	4,425		
Property, Plant, and Equipment:			
Land	6,858		
Structures, Equipment and		Improvements	4,840,558
Accumulated Depreciation	(1,082,290)		
Construction Work in Progress	366,506		
		<u>Total Property, Plant and Equipment</u>	<u>4,131,632</u>
<u>TOTAL NONCURRENT ASSETS:</u>	<u>4,175,955</u>		
<u>TOTAL ASSETS</u>	<u>5,083,064</u>		
DEFERRED OUTFLOWS	473,223		
TOTAL ASSETS AND			
DEFERRED OUTFLOWS	\$ 5,556,287		
Chicago- Chicago-Midway O'Hare			
Total			
122,340 \$ 478 72,232 998			

307,665 578,057

	Sewer	Airport	Airport Skyway
28			

82,020 970 31,851

681,463

15,588 2,026 100,918 324

162,635

114,505 481,629 1,999 4,533 1,298 652

115,637

\$ 30,301 \$ 12,615 112,110 31,164

106,874

17,473 992 126,484
333
1,504
991,209

501,542 1,065,040 7,583 22,776 2,673 4,998

892,088

85,116 736
480,086
2,542,543
39,644
3,331
9,740
560
12,609

616,047 1,626,211 9,582 27,309 3,971 23,146

2,989,979 1,671,782
(570,077) (616,281)
35,498 11,550 .
9,302,810 490,817 (3,451,749) (250,702) 631,402

1,027,752

2,455,960 1,182,688
7,374,551 252,724

19,295,946 (5,971,099) 1,044,956

2,498,935

1,787,304

8,979,163 262,464

15,397,555

2,979,021 1,949,939

9,970,372

263,968

17,703,821

114,005

513,494

20,246,364

1,285,451

184,729.

\$ 3,163,750 \$ 2,063,944 \$ 10,483,866 \$ 263,968 \$ 21,531,815

See notes to basic financial statements.

Business-type Activities - Enterprise Funds

Major Funds

Water

LIABILITIES CURRENT LIABILITIES:

Voucher Warrants Payable	\$ 20,637
Due to Other Funds	9,106
Accrued and Other Liabilities	166,682
Unearned Revenue	18,158
Current Liabilities Payable From	

Restricted Assets 176,412

TOTAL CURRENT LIABILITIES 390,995

NONCURRENT LIABILITIES:

Revenue Bonds Payable	2,566,374
Line of Credit Payable	
Net Pension Liability	1,626,658
Derivative Instrument Liability	
Other	1,577

TOTAL NONCURRENT LIABILITIES ...4,194,609

TOTAL LIABILITIES 4,585,604

DEFERRED INFLOWS 74,957

Chicago Skyway

91,404 \$ 3,679 14,459 187,771

681,463

3,197 11,581 38,304 14,414

211,600 279,096

1,780,155 664,925

Chicago-Midway International Sewer Airport

25,900 8,216 730

388
978,776

7,424,016 12,098 1,638,864

100,783 135,629

1,878,968

316,747 26,034

= 2,015

2,445,080 2,223,764

388
9,074,978

8,404
27,102

2,724,176 2,359,393 10,053,754

47,515 1,608,182

Total

141,275 32,597 220,411 220,343

1,170,258 1,784,884

13,649,513 12,098 4,247,194 26,034 3,592

17,938,431 19,723,315

1,766,160

NET POSITION:

Net Investment in Capital Assets	1,621,976	648,644	(152,026)	1,001,744	252,725	3,373,063
Restricted Net Position:						
Debt Service	---19,815	-19,815				
Capital Projects	411	117,295	10,703	65,858	-194,267	

Passenger Facility Charges	-	-6,867	174,605	-181,472		
Contractual Use Agreement		--31,232	145,735	-176,967		
Air Development Fund		---	238,021	-238,021		
Customer Facility Charge		--25,850	11,260	-37,110		
Other		--8,396	23,886	-32,282		
Unrestricted	Net	Position		(726,661)	(353,467)	(234,875)
(1,298,327)		(1,597,327)	(4,210,657)			
<u>TOTAL NET POSITION</u>			\$ 895,726	\$ 412,472	\$ (303,853)	\$ 382,597
						\$ (1,344,602)
						<u>42,340</u>

See notes to basic financial statements.

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Exhibit 8

CITY OF CHICAGO, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

Year Ended December 31, 2016

(Amounts are in Thousands of Dollars)

Business-type Activities - Enterprise Funds

Major Funds

Water

Operating Revenues:

Charges for Services - Net	\$ 735,881
Rent	
<u>Other</u>	<u>25,530</u>

Total Operating Revenues **761,411**

Operating Expenses:

Personnel Services	125,893
Contractual Services	53,109
Repairs and Maintenance	1,262
Commodities and Materials	23,908
Depreciation and Amortization	6,981
General Fund Reimbursements	88,407
Pension Expense	239,962
<u>Other</u>	<u>5,839</u>

Total Operating Expenses **606,364**

Operating Income (Loss) **155,047**

Nonoperating Revenues (Expenses):

Investment Income (Loss)	629
--------------------------	-----

245,491	101,439				
100,300	(49,530)				
(8,651)					
139,083					
1,005,899					
(1,094)	(58,220)				
				41,665	8,625 (27,089)
(3,001)					
					364
(58,083)					
(4)					
1,025	(81,722)				
18,567					
12,640	(316,119)	151,634	39,930	(2,310)	(5,912)
15,553					
18,563					
(413,770)					
(2,540)	115,206				
(162,021)					
112					
(80,585)	(38,750)	(104,584)			
27,903					
70,664					
36,234					
(120)	16,639				
(60,377)					
(92,003)					
376,238	(243,476)				
474,600					
204,361					
			9,912	(1,354,514)	
\$ 412,472	\$ (303,853)	\$ 382,597	\$ (1,344,602)	\$ 42,340	

notes to basic finan ICiSi Statements.

Exhibit 9

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

Business-type Activities - Enterprise Funds
Major Funds

	Water		
Cash Flows from Operating Activities:			
Received from Customers		\$	764,497
Payments to Vendors	(84,493)		
Payments to Employees	(126,309)		
Transactions with Other City Funds	(115,919)		
Cash Flows Provided By			
Operating Activities	437,776		
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Issuance of Bonds/IEPA Loans	219,254		
Acquisition and Construction of			
		Capital Assets	(384,178)
Capital Grant Receipts			
Bond Issuance Costs	(3,112)		
Payment to Refund Bonds			
Principal Paid on Debt	(70,281)		
Interest Paid	(100,722)		
Passenger and Customer Facility Charges			
Swap Termination Fees	(101,751)		
Concessionaire Funds			
Cash Flows (Used in) Provided By Capital			
and Related Financing Activities	(440,790)		
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:			
(Purchases) Sale of Investments, Net	(107,225)		
Investment Income (Loss)	3,843		
Cash Flows (Used in) Provided By			
Investing Activities	(103,382)		
Net (Decrease) Increase in Cash and			
Cash Equivalents	(106,396)		
Cash and Cash Equivalents, Beginning of Year	322,485		
Cash and Cash Equivalents, End of Year	\$ 216,089		
Chicago Skyway			
Sewer			
Total			
367,632	\$ (29,871)	(43,665)	(46,671)
177,236	(76,572)	(46,822)	(11,882)
2,301,118	(478,300)	(397,752)	(242,427)
	Chicago-O'Hare International Airport		
226			
247,425			
41,960			
226			

i 991,753 (287,590) (180,956) (67,955)

455,252
54,170

(210,909) 16,639
394,848

(58,504) 30,314 (3,002) (41,713) (23,470) (59,681) 48,822
1,182,016

1,182,639

(423,778) 68,340 (5,912) (1,058,503) (221,220) (394,869) 193,743

1,850,288

(47,529) (79,525)
79
(267,154)
287,614
79

(1,077,369)
115,293
(12,026)
(1,100,216)
(362,500)
(634,797)
242,565
(101,751)
79_

(1,080,434)

(27,089) 364
(29,399) 1,071

(660,183)
(26,725)
(28,328)

(2,310) 707
(2,635) 1,941

(245,356) 1,793
(255,322) 4,421

(717) (25)

(1,603)
(694)
(243,563)
(742)
(250,901)

100,611 (3,131)

(20,423) 177,208

59,286 168,752

(437) 915

(177,024) 2,083,759

97,480

(109,054) 1,414,399

\$ 156,785 \$ 228,038 \$ 1,305,345 \$ 478 \$ 1,906,735

See notes to basic financial statements.

Exhibit 9 - Concluded

CITY OF CHICAGO, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended December 31, 2016

(Amounts are in Thousands of Dollars)

Business-type Activities - Enterprise Funds

Major Funds

Chicago-

Chicago-

Midway

O'Hare

International" International" "Chicago

Airport

Airport Skyway

Reconciliation of Operating Income to Cash Flows from Operating Activities:

Operating Income (Loss)

Adjustments to Reconcile:

Depreciation and Amortization

Pension Expense Other than Contribution

Provision for Uncollectible Accounts

Change in Assets and Liabilities:

(Increase) Decrease in Receivables

(Increase) Decrease in Due From Other Funds (Decrease) Increase in Voucher Warrants

Payable and Due to Other Funds

Increase (Decrease) in Unearned Revenue

and Other Liabilities

Increase in Inventories and

Other Assets

Cash Flows from

Operating Activities

254,689 217,986

\$ 139,083

421,176 587,260 40,687

(25,225) 6,816

(11,846)

27,752

(3,064)

40,734 100,447 16,320

(16,135) 8,719

663

(3,439)

(184)

49,118 41,188 (390)

1,255 650

5,164

(5,432)

(63)

\$ 155,047 \$ 100,300 \$ (49,530) \$ (58,083) \$

9,628 (319)

(1,685)

34,308

(1,272)

67,984 227,639 24,757

(10) 236

(19,973) (2,234)

(15,978)

2,079

(1,545)

\$ 437,776 \$ 247,425 \$ 41,960 \$ 455,252 \$ 226 \$ 1,182,639

Supplemental Disclosure of

Noncash Items:

Capital asset additions in 2016

have outstanding accounts payable

and accrued and other liabilities

\$ 69,532 \$ 120,819 \$ 33,335 \$ 197,167 \$

\$ 420,853

See notes to basic financial statements.

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Exhibit 10

CITY OF CHICAGO, ILLINOIS STATEMENT OF
FIDUCIARY NET POSITION FIDUCIARY FUNDS

December 31, 2016

(Amounts are in Thousands of Dollars)

Pension Trust Agency			
ASSETS			
Cash and Cash Equivalents	\$	188,696	\$
Investments		8,552,287	152,540
Cash and Investments with Escrow Agent			-
Property Tax Receivable		-91,113	9,188
Accounts Receivable, Net Due From City		884,688	80,667
Property, Plant, Equipment and other		155,884	
Invested Securities Lending Collateral		234	
		661,063	-
Total Assets	\$	10,442,852	\$ 481,231
LIABILITIES			
Voucher Warrants Payable			\$
	\$		42,437

Accrued and Other Liabilities			-
	438,794		
<u>Securities Lending Collateral</u>	<u>661,063</u>	-	
Total Liabilities	\$ 953,517	\$ 481,231	
Deferred Inflows	\$ 1,333	\$	
<u>Total Liabilities and Deferred Inflows</u>		<u>\$ 954,850</u>	<u>\$ 481,231</u>

NET POSITION

Restricted for Pension Benefits	9,488,002
Total Net Position	\$ 9,488,002

See notes to basic financial statements.

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

	Total
ADDITIONS Contributions:	
Employees	\$ 298,073
<u>-City- -v.-...-•-f...-v...-v.-...->...f.v-...- • -607,57-2--</u>	
<u>Total Contributions</u>	<u>905,645</u>
Investment Income: Net Appreciation in	
Fair Value of Investments	370,918
Interest, Dividends and Other	213,775
Investment Expense	(43,697)
<u>Net Investment Income</u>	<u>540,996</u>

Securities Lending Transactions:		
Securities Lending Income	3,819	
<u>Securities Lending Expense</u>		<u>(399)</u>
<u>Net Securities Lending Transactions</u>		<u>3,420</u>
<u>Total Additions</u>	<u>1,450,061</u>	
<u>2,027,029</u>	<u>19,164</u>	
2,046,193 (596,132)		
DEDUCTIONS		
Benefits and Refunds of Deductions		
Administrative and General		
Total Deductions		
Net Increase in Net Position		
10,084,134		
Net Position:		
Beginning of Year		
End of Year		\$ 9,488,002

See notes to basic financial statements.

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

1) Summary of Significant Accounting Policies

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

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

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

hierarchy, and valuation techniques (see Notes 4 and 10).

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

GASB Statement No. 77, Tax Abatement Disclosures ("GASB 77"), required governments that enter into tax abatement agreements to disclose: (1) Brief descriptive information concerning the agreement; (2) The gross dollar amount of taxes abated during the period; and 3) Commitments made by government, other than to abate taxes, that are part of the tax abatement agreement. The City adopted GASB 77 for the year ended December 31, 2016 (see Note 17).

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

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

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

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

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NOTES	TO	BASIC	FINANCIAL	STATEMENTS
YEAR ENDED DECEMBER 31, 2016				

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

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

GASB Statement No. 84, Fiduciary Activities - ("GASB 84") will improve the guidance regarding the identification

of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the City beginning with its year ending December 31, 2019.

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

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

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

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

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

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

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

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

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

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

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

organizations. Therefore, the Chicago Park District, Chicago Public Building Commission, Chicago Public Schools, Community College District No. 508, Chicago Housing Authority and the Chicago Transit Authority are deemed to be related organizations.

- b) Government-wide and fund financial statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported

separately from business-type activities, which rely to a significant extent on user fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identified with a specific, function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

The City reports the following major governmental funds:

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

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

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

NOTES	TO	BASIC	FINANCIAL	STATEMENTS
YEAR ENDED DECEMBER 31, 2016				

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.

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provided by property tax, utility tax, sales tax, transportation tax, and investment income.

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

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

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

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

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

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

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

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

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

Water Fund accounts for the operations of the Chicago Water System (Water). The Water system purifies and provides Lake Michigan water for the City and 125 suburbs. The Water Fund operates two water purification facilities with a combined output pumping capacity of 2,160 million gallons per day and 12 pumping stations with a combined pumping capacity of 3,661 million gallons per day.

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

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

Chicago-O'Hare International Airport Fund records operations of Chicago-O'Hare International Airport (O'Hare), the primary commercial airport for the City. The airlines servicing the airport operate out of four terminal buildings. Three domestic terminal buildings, having a total of 167 gates, serve domestic flights and certain international departures as of December 2016. The International Terminal, having a total of 21 gates and four remote aircraft parking positions, serves the remaining international departures and all international arrivals requiring customs clearance.

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

Additionally, the City reports the following fiduciary funds:

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

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

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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

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

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

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

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

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

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

Investments generally may not have a maturity date in excess of thirty years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

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

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

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

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

demand within a period specified in each agreement by either the Funds or the borrowers. The contracts with the Fund's custodian require the securities lending agent to indemnify the Funds.

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

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

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

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

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

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

- iii) Inventory includes government-wide inventories, which are stated at cost determined principally, using the average cost method. For proprietary funds, the costs of inventories are recorded as expenses when used (consumption method). Governmental fund inventories are accounted for using the purchases method and represent nonspendable resources because they do not represent expendable available financial resources.
- iv) Restricted Assets include certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment. These assets are classified as restricted or committed in the basic financial statements because they are maintained in separate bank accounts and their use is limited by applicable bond covenants or specific City Council action.

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

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

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

Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. The total interest expense (Governmental and Business Activities) incurred by the City during the current fiscal year was \$1,096.6 million, of which ~ \$49.2¹ million

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 10 - 40 years

30 years 10- 40 years 25 years
10- 25 years 25 - 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.

- vi) Deferred Outflows represent unamortized loss on bond refundings, the fair value of derivative instruments that are deemed to be effective hedges, differences between estimated and actual investment earnings related to pensions, changes in actuarial assumptions related to pensions and other pension related changes.
- vii) Employee Benefits are granted for vacation and sick leave, workers' compensation and health care. Unused vacation leave is accrued and may be partially carried over for one year. Sick leave is accumulated at the rate of one day for each month worked, up to a maximum of 200 days. Severance of employment terminates all rights to receive compensation for any unused sick leave. Sick leave pay is not accrued. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

beneficiaries and are not considered assets of the City.

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

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

- viii) Judgments and claims are included in the government-wide financial statements and proprietary fund types. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. In the fund financial statements, expenditures for judgments and claims are recorded on the basis of settlements reached or judgments entered within the current fiscal year. Amounts that relate to deferred compensatory time and reserves for questioned costs are treated the same way.
- ix) Long-term obligations are included in the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the related debt, except in the case of refunding debt transactions where the amortization period is over the term of the refunding or refunded debt, whichever is shorter.

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

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

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

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

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

included in deferred inflows.

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

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

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

- (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.

or "net investment in capital assets." As of December 31, 2016, the unrestricted net position represents a deficit.

2) Reconciliation of Government-wide and Fund Financial Statements

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

- i) The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds." The details of this \$1,639.5 million are as follows (dollars in thousands):

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

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

Long-term liabilities:	
Total bonds, notes and certificates payable	\$ 10,410,301
Pension benefits	31,512,071
Other postemployment benefits	167,209
Pollution remediation	33,201
<u>Claims and judgments</u>	<u>942,622</u>

Total Long-term liabilities	43,065,404
Accounts payable - infrastructure retainage	22,171
Bonds, notes and other obligations payable current	(122,712)
Other assets - issuance costs (bond insurance)	(11,159)
Deferred outflows-unamortized loss on refunding	(229,368)
Deferred outflows-pension costs	(5,438,514)
Deferred inflows-pension	720,224
Accrued and other liabilities - compensated absences	88,364
<u>Accrued and other liabilities - pension payable to pension funds</u>	<u>601,861</u>
Net adjustment to reduce fund balance - total governmental funds - to arrive at net position - <u>governmental activities</u>	<u>\$ 38,696,271</u>

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

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

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

Capitalized asset expenditures	\$ 570,840
Donated assets	39
Depreciation expense	(405,292)
<u>Loss - on disposal of land</u>	<u>(460)</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>\$ 165,127</u>

- ii) Another element of that reconciliation states that "Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position." The details of this increase of \$249.4 million are as follows (dollars in thousands):

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

Another element of that reconciliation states that "Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this decrease of \$3,792.2 million are as follows (dollars in thousands):

Claims and judgments	\$ (92,061)	
Pension costs	(3,747,531)	
Other post employment benefit liabilities	47,326	
Pollution remediation	(351)	
Vacation	545	
<u>Inventory</u>		<u>(97)</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>\$ (3,792,169)</u>

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Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

3) Stewardship, Compliance and Accountability

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

- i) Prior to October 15, the Mayor submits to the City Council a proposed budget of expenditures and the means of financing them for the next year.
- ii) The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
- iii) Prior to January 1, the budget is legally enacted through passage of the appropriation ordinance.
- iv) Subsequent to the enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget, which results in a change in total or individual appropriations. The legal level of budgetary control is designated in the budget by object grouped by purpose.
- v) All annual appropriations unused and unencumbered lapse at year-end. Encumbered appropriations are carried forward to the following year. Project-length financial plans are adopted for Capital Project Funds. Appropriations for Debt Service Funds are established by bond ordinance.

b) Reconciliation of GAAP Basis to Budgetary Basis - The City's budgetary basis of accounting used for budget vs. actual reporting differs from GAAP. For budgetary purposes, encumbrances are recorded as expenditures but are included in "Unassigned" fund balance for GAAP purposes. For budgetary purposes, proceeds of long-term debt and transfers in are classified as revenues. For budgetary purposes prior years' resources used to cover current year budgetary expenditures are recorded as revenues. For GAAP purposes, proceeds of long-term debt and transfers out are treated as other financing sources. Provision for doubtful account expenditures are not budgeted. A reconciliation of the different basis of revenue and expenditure recognition for the year ended December 31, 2016 is as follows (dollars in thousands):

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

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

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

4) Restricted and Unrestricted Cash, Cash Equivalents and Investments

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

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

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

Pension Trust Funds

U.S. and Foreign				
Government Agencies	\$ 50,433	\$ 200,015	\$ 134,253	\$ 307,518

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

City's Fair Value Measurements for Investments:

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

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

2 - Observable inputs other than quoted market prices, and Level 3 - Unobservable Inputs

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

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

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

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

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

Pension Trust Funds' Investments (Dollars in thousands):

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

Investments measured		Unfunded	Redemption	Redemption
at net asset value:		Commitments	Frequency	Notice
Corporate Bonds	668,669	23,473	as needed	daily, monthly
Corporate Equities	559,521	143,086	as needed;	quarterly, not eligible daily, up to 90 days, N/A
Pooled Funds	23,162			
Real Estate	582,297	43,205	as needed;	quarterly, N/A 60/90 days, open end or N/A
Venture Capital	526,846	73,785	as needed or N/A	90 days or N/A
Certificates of Deposit				
and Other Short-term	56,791-			
Other*	26,031	20,290	as needed or N/A	up to 90 days or N/A
Subtotal	2,443,317			
Total	\$ 9,401,556			

* Other includes Fixed Assets & Hedge Fund of Funds.

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

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

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

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

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

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

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

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

- i) Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits all securities so purchased, except tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation of the City, which shall show on their face that they are fully payable as to principal and interest, where applicable, if any, within thirty years from the date of purchase.
- ii) Credit Risk - With regard to credit risk, the Code limits the investments in securities to:
 - 1) Interest-bearing general obligations of the United States and the State of Illinois;
 - 2) United States treasury bills and other non-interest bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the city a return on such investment in lieu of interest;
 - 3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City;
 - 4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;
 - 5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement; Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;
 - 6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in Custodial Credit Risk -Cash and Certificates of Deposit below;

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NOTES	TO	BASIC	FINANCIAL	STATEMENTS
YEAR ENDED DECEMBER 31, 2016				

- 7) Bankers acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;
- 8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;
- 9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission;...provided..that..such..moneyrrnmarket-mutuaL^unds..',portfolios,are limited.to,,, investments authorized by this section;

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

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

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

993,452 2,389,780 1,090,151

Aaa/AAA

\$

Quality Rating City

Aa/AA
A/A
Baa/BBB
Ba/BB
B/B
Caa/CCC
Ca
C/CC

331,176 40,348 34,367 1,999 1,877,395

DID
P1/A1
P2/A2
MIG1/SP-1+
MIG2/SP-1+
Not Rated*

Total Funds \$ 6,758,668

Pension Trust

	<u>Quality Rating</u>	<u>Funds</u>
Aaa/AAA	\$ 204,812	
Aa/AA	106,996	
A/A	184,177	
Baa/BBB	301,300	
Ba/BB	247,519	
B/B	171,428	
Caa/CCC	40,780	
Ca	355	
C/CC	488	
DID	1,475	
Not Rated	322,203	
Other	451,942	

\$ 2,033,475

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

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

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

term of the certificate of deposit.

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

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

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NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

- 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.

Foreign Currency Risk - In the case of the Pension Trust Funds, this is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The risk of loss is managed by limiting its "expds^^

diversified portfolios. The following schedule summarizes the Pension Trust Funds' exposure to foreign currency risk (in thousands):

Foreign Currency Risk

Australian dollar	\$ 61,507
Brazilian real	38,576
British pound	223,156
Canadian dollar	72,438
Chilean peso	1,772
Chinese yuan	712
Columbian peso	3,712
Czech Republic koruna	2,278
Danish krone	22,925
Egyptian pound	226
European euro	381,077
HK Chinese Yuan renminbi	1
Hong Kong dollar	131,579
Hungarian forint	3,812
Indian rupee	44,170
Indonesian rupiah	25,006
Japanese yen	328,527
Malaysian ringgit	6,821
Mexican peso	20,515
New Israeli shekel	6,695
New Romanian leu	(5)
New Taiwan dollar	35,096

New Zealand dollar	2,225	
Norwegian krone	15,169	
Pakistan rupee	116	
Philippines peso	8,596	
Polish zloty	1,833	
Qatari riyal	529	
Russian ruble	1,462	
Singapore dollar	9,600	
South African rand	32,361	
South Korean won	58,675	
Swedish krona	50,126	
Swiss franc.....	82,331	
Taiwan dollar	4,376	
Thailand bant	16,944	
Turkish lira	7,510	
United Arab Emirates dirham...	3,122	
<u>Total Pension Trust Funds</u>		<u>\$ 1,705,571</u>

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

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

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

5) Property Tax

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

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

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

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

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

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

6) Interfund Balances and Transfers

a) The following balances at December 31, 2016 represent due from/to balances among all funds (dollars in thousands):

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

Total	\$	787,136	\$ 787,136
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The balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

b) The following balances at December 31, 2016 represent interfund transfers among all funds (dollars in thousands):

<u>Fund Type/Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General	\$ 14,998	\$ 169,955
Federal, State and Local Grants		- 4,000
Special Taxing Areas.....	14,623	75,133
Bond, Note Redemption and Interest	150,104	89,145
Community Development and Improvement Projects....	13,700	13,545
Pension	11,587	
<u>Nonmajor Governmental Funds</u>	<u>170,778</u>	<u>21,472</u>
<u>Total Governmental Funds</u>	<u>\$ 375,790</u>	<u>\$ 373,250</u>
Business-type activities:		
Water..		- 2,420
<u>Sewer</u>	<u>=</u>	<u>120</u>
<u>Total Business-type activities</u>	<u>\$ =</u>	<u>\$ 2,540</u>
<u>Total</u>	<u>\$ 375,790</u>	<u>\$ 375,790</u>

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

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

7) Capital Assets

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

Governmental activities: Capital assets, not being depreciated:

Land

Works of Art and Historical Collections

Construction in Progress

Total capital assets, not being depreciated....

Capital assets, being depreciated:

Buildings and Other Improvements

Machinery and Equipment

Infrastructure

Total capital assets, being depreciated

				<u>1,079,142</u>	<u>1,284,234</u>	<u>4,509,986</u>	<u>6,873,362</u>	<u>6,491,918</u>
\$	8,508,200	\$	559,994	\$	(391,941)	\$	8,676,253	

Less accumulated depreciation for:

Buildings and Other Improvements

Machinery and Equipment

Infrastructure

Total accumulated depreciation	
Total capital assets, being depreciated, net...	
Total governmental activities	
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$
Construction in Progress	
Total capital assets, not being depreciated	
Capital assets, being depreciated:	
Buildings and Other Improvements	
Machinery and Equipment	
Total capital assets, being depreciated	
Less accumulated depreciation for:	
Buildings and Other Improvements	
Machinery and Equipment	
Total accumulated depreciation	
Total capital assets, being depreciated, net	
<u>Total business-type activities</u>	<u>\$</u>
Total Capital Assets	\$

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NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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

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

Total Depreciation Expense - Business-type activities\$ 416,978

8) Leases

a) Operating Leases

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

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

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

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

b) Lease Receivables

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

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

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

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

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

Contingent rentals that may be received under certain leases based on tenants' revenues are not included in minimum future rental income. Rental income for Midway, consisting of all rental and concession revenues except aircraft parking fees and certain departure fees (turns) and automobile parking, amounted to \$95.3 million, including contingent rentals of \$41.5 million.

9) Short-term Debt

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

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City of Chicago
Office of the City Clerk

NOTES TO BASIC FINANCIAL STATEMENTS YEAR
ENDED DECEMBER 31, 2016

10) Long-term Obligations

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

Balance January 1,

Governmental activities: Bonds and notes payable:

General obligation and other debt	\$ 9,364,398
Tax increment	65,360

<u>Revenue</u>	<u>754,052</u>	
		10,183,810
Add unamortized premium/(discount)	117,199	
<u>Add accretion of capital appreciation bonds</u>	<u>307,305</u>	
Total bonds, notes and certificates payable	10,608,314	
Other liabilities:		
Net pension liability	29,697,694	
Other postemployment benefits obligation	214,535	
Pollution remediation	32,850	
<u>Claims and judgments</u>	<u>850,561</u>	
<u>Total other liabilities</u>	<u>30,795,640</u>	
<u>Total governmental activities</u>	<u>\$ 41,403,954</u>	
Business-type activities:		
Revenue bonds and notes payable:		
Water	\$ 2,391,395	
Sewer	1,686,178	
Chicago-O'Hare International Airport	7,466,485	
<u>Chicago Midway International Airport</u>	<u>1,506,325</u>	
		13,050,383
Add unamortized premium/(discount)	628,167	
Add accretion of capital appreciation bonds	87,447	
Net pension liability	4,148,475	
<u>Total business-type activities</u>	<u>\$ 17,914,472</u>	
<u>Total long-term obligations</u>	<u>\$ 59,318,426</u>	
^Reductions		

Balance December 31, , . , 2016, = , "-

\$ 150,487 5,595 17,880 173,962
\$ 1,028,529 31,840 18,170 1,078,539
22,791 19,949 1,121,279
9,173,009 33,520 766,628 9,973,157
118,300 318,844 10,410,301

^ Additions^

5 837,140

30,746 867,886
20,772 194,734
1,814,377

351 193,792 2,008,520

[illegible]

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

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

b) Issuance of New Debt

i) **General Obligation Line of Credit**

During 2016, the City drew \$337.1 million from its Line of Credit to fund certain capital projects and operating uses. As of December 31, 2016 the outstanding balance is \$124.3 million. The City has excluded this line of credit amount from current liabilities, as it intends and has the ability to refinance the obligation on a long-term basis. The Line of Credit matures on September 24, 2019.

ii) **General Obligation Bonds**

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

iii) **Revenue Loans**

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

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

In August 2013, the City entered into a loan agreement with the TIFIA program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions and improvements to the airport transit - system (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of \$288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86 percent and the final maturity of the loan is January 1, 2052. There were no loan disbursements made to the City as of December 31, 2016.

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

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

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

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

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

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

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

v) Water Fund Line of Credit

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

vi) Bond Conversions

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

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

Annual requirements listed below for each year include amounts payable January 1 of the following year.

Bonds maturing and interest payable January 1, 2017 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2016 are as follows (dollars in thousands):

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

General Obligation

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
December 31,		
2017	\$ 272,292	\$ 512,361
2018	294,922	499,915
2019	313,379	485,973
2020	329,704	473,192
2021	333,877	457,640
2022-2026	1,647,999	2,085,487
2027-2031	1,972,780	1,677,054
2032-2036	2,117,587	995,201
2037-2041	1,451,459	388,720
<u>2042-2046</u>	<u>209,915</u>	<u>20,084</u>

\$8,943,914 \$7,595,627

Tax Increment

Interest

Principal

5,595 5,710 6,020 4,135 4,375 7,685

\$ 33,520 \$

Business-type Activities

<u>Year Ending</u>	<u>Principal</u>
December 31,	
2017	\$ 18,250
2018	19,150
2019	20,335
2020	21,440
2021	22,568
2022-2026	132,383
2027-2031	133,278
2032-2036	188,261
2037-2041	177,903
2042-2046	15,180

35,298 34,409 33,469 32,468 31,448 139,287 142,282 101,019 23,809 968

Interest

Principal

432,250 461,966 470,752 456,143 424,556 2,393,059 2,835,982 3,049,578 2,103,405 563,540

Interest

630,795 632,986 606,270 592,165 568,388 2,512,876 1,862,050 1,081,412 391,925 45,180
\$ 748,748 \$ 574,457 \$13,191,231 \$ 8,924,047

For the debt requirements calculated above, interest rates for fixed rate bonds debt range from 0.74 percent to 7.781

percent and interest on variable rate debt was calculated at the rate in effect or the effective rate of a related swap agreement, if applicable, as of December 31, 2016. Standby bond purchase agreements or letters of credit were issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

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

NOTES	TO	BASIC	75	FINANCIAL	STATEMENTS	YEAR
ENDED DECEMBER 31, 2016						

d) Derivatives

i) Interest Rate Swaps

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

Fair Value at December 31, 2016

Classification

Notional Amount

Business-type Activities

Hedges'

Interest Rate Swaps....

Deferred Outflow of Resources

Deferred Outflow of Resources

- 2) Terms, fair values, and credit risk. The objective and terms, including the fair values and credit ratings, of the City's hedging derivative instruments outstanding as of December 31, 2016, are as follows. The notional amounts of the swaps approximate the principal amounts of the associated debt. The City's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category. Under the swaps on a net basis for each related series of bonds, the City pays the counterparty a fixed payment and receives a variable payment computed according to the London Interbank Offered Rate (LIBOR) and/or The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The terms as of December 31, 2016, are as follows (dollars in thousands):

Counter-Termi-

<u>Associated Bond Issue</u>	<u>Notional Amounts</u>	<u>Effective Date</u>	<u>Terms</u>	<u>Fair Values</u>	<u>party nation Credit Date Rating</u>
Hedging Instruments					
Business-type Activities:					
Chicago Midway International Airport receive SIFMA Plus .05%	\$ (15,213)	1/1/2035	A1/A+	79,320	12/14/2004 Pay 4.174%;
Revenue Bonds (Series 2004C&D) receive SIFMA Plus .05%	(10,821)	1/1/2035	Aa2/AA-	52,280	4/21/2011 Pay 4.247%;
<u>Total</u>				<u>\$ (26,034)</u>	

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

- 3) Fair Value. As of December 31, 2016, the swaps had a negative fair value of \$26.0 million. As per industry convention, the fair values of the City's outstanding swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Because interest rates are below the Fixed Rate Paid, the City's swaps had negative values. During 2016, the City terminated the following swaps (dollars in thousands):

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

Swap termination payments were recorded as Swap Termination Fees.

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

- 4) Credit Risk. The City is exposed to credit risk (counterparty risk) through the counterparties with which it enters into agreements. If minimum credit rating requirements are not maintained, the counterparty is required to post collateral to a third party. This protects the City by mitigating the credit risk, and therefore the ability to pay a termination payment, inherent in a swap. Collateral on all swaps is to be in the form of cash or Eligible Collateral held by a third-party custodian. Upon credit events, the swaps also allow transfers, credit support, and termination if the counterparty is unable to meet the said credit requirements.
- 5) Basis Risk. Basis risk refers to the mismatch between the variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and SIFMA/LIBOR ratios. Credit may create basis risk because the City's bonds may trade differently than the swap index as a result of a credit change in the City. SIFMA/LIBOR ratios (or spreads) may create basis risk. With percentage of LIBOR swaps, if the City's bonds trade at a higher percentage of LIBOR over the index received on the swap, basis risk is created. This can occur due to many factors including, without limitation, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The City is exposed to basis risk on all swaps except those that are based on Cost of Funds, which provide cash flows that mirror those of the underlying bonds. For all other swaps, if the rate paid on the bonds is higher than the rate received, the City is liable for the

difference. The difference would need to be available on the debt service payment date and it would add additional underlying cost to the transaction.

- 6) Tax Risk. The swap exposes the City to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced. There have been no tax law changes since the execution of the City's swap transactions.
- 7) Termination Risk. The risk that the swap could be terminated as a result of certain events including a ratings downgrade for the issuer or swap counterparty, covenant violation, bankruptcy, payment default or other defined events of default. Termination of a swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination.
- 8) Rollover Risk. The risk that the City may be exposed to rising variable interest rates if (i) the swap expires or terminates prior to the maturity of the bonds and (ii) the City is unable to renew or replace the swap.
- 9) Swap payments and associated debt. As of December 31, 2016, debt service requirements of the City's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (dollars in thousands):

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Swaps, Net December 31,	Variable-Rate Bonds Rate		Interest	
	Year Ending	Principal	Interest	
Total				
2017			\$ 4,575	\$ 982
4,399	\$ 9,956			
2018			4,775	945
4,235	9,955			
2019,...	5,000.	907.....	4,064.....	9,971.....
2020 ..1.....	5,225	" 867	3,885	9,977
2021		5,350	826	3,701
2022-2026	31,050	3,441	15,413	9,904
2027 - 2031	38,600	2,087	9,348	5,035
2032 - 2035	37,625	473	2,119	40,217
\$ 132,200	\$ 10,528	\$ 47,164	\$ 189,892	

e) Debt Covenants

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

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

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

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

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

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during such Fiscal Year reduced by an amount equal to the sum of any amount held in any Capitalized Interest Account for disbursement during such Fiscal Year to pay interest on First Lien Bonds. These requirements were met at December 31, 2016.

The Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations requires that the City fix and establish and revise from time to time whenever necessary, such rentals, rates and other charges for the use and operation of Midway and for certain services rendered by the City in the operation of Midway in order that in each Fiscal Year, Revenues, together with Other Available Moneys deposited with the First Lien Trustee or the Second Lien Trustee with respect to such Fiscal Year and any cash balance held in the First Lien Revenue Fund or the Second Lien Revenue Fund on the first day of such Fiscal Year not then

required to be deposited in any Fund or Account under the First Lien Indenture for the Second Lien Indenture, will be at least sufficient (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for the greater of (A) or (B) as follows: (A) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above; or (B) the greater of the amounts needed to make the deposits required under the First Lien Indenture described in the immediately preceding paragraph above or an amount not less than 110 percent of the Aggregate First Lien Debt Service and Aggregate Second Lien Debt Service for the Bond Year commencing during such Fiscal Year, reduced by (X) any amount held in any Capitalized Interest Account for disbursement during such Bond Year to pay interest on First Lien Bonds, and (Y) any amount held in any capitalized interest account established pursuant to a Supplemental Indenture under the Second Lien Indenture for disbursement during such Bond Year to pay interest on Second Lien Obligations. These requirements were met at December 31, 2016.

- iv) Chicago-O'Hare International Airport Fund - The Master Indenture of Trust securing Chicago O'Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of O'Hare in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and ten-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations. This requirement was met at December 31, 2016.

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

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

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and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City, (3) to

provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC

' StaBiliza^iOn^Fund M determined" by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

- f) No-Commitment Debt and Public Interest Loans include various special assessment, private activity bonds and loans. These types of financings are used to provide private entities with low-cost capital financing for construction and rehabilitation of facilities deemed to be in the public interest. Bonds payable on no-commitment debt are not included in the accompanying financial statements because the City has no obligation to provide for their repayment, which is the responsibility of the borrowing entities. In addition, federal programs/grants, including Community Development Block Grants and Community Service Block Grants, provide original funding for public interest loans. Loans receivable are not included as assets because payments received on loans are used to fund new loans or other program activities in the current year and are not available for general City operating purposes. Loans provided to third parties are recorded as current and prior year programs/grants expenditures. Funding for future loans will be from a combination of the repayment of existing loans and additional funds committed from future programs/grants expenditures.
- g) Defeased Bonds have been removed from the Statement of Net Position because related assets have been placed in irrevocable trusts that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest. Defeased bonds at December 31, 2016, not including principal payments due January 1, 2017, are as follows (dollars in thousands):

	Amount	
	<u>Defeased</u>	<u>Outstanding</u>
General Obligation Emergency Telephone System-Series 1993	\$ 213,730	\$ 81,765
General Obligation Project and Refunding Bonds - Series 1998	7,255	7,255
General Obligation VRDB Project and Refunding Bonds - Series 2003B	4,955	4,955
General Obligation Project and Refunding Bonds - Series 2007A	5,615	5,615
General Obligation Neighborhoods Alive 211 Program - Series 2002B	2,055	2,055
Lakefront Millennium Project Parking Facilities Bonds - Series 1998	149,880	43,880
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2006B	30,280	30,280
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008A	530,170	530,170
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008B	175,500	175,500
■Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2008C	36,255	36,255
Chicago-O'Hare International Airport Bonds Third Lien GARBS - Series 2011C	238,985	238,985
<u>Special Transportation Revenue Bonds - Series 2001</u>	<u>118,715</u>	<u>82,730</u>
<u>Total</u>	<u>\$ 1,513,395</u>	<u>\$ 1,239,445</u>

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11) Pension Funds and Other Postemployment Benefits a)

Pension

General Information about the Pension Plan

Plan Description - Eligible City employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees' Annuity and Benefit Fund of Chicago (Municipal Employees'); the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers'); the Policemen's Annuity and Benefit Fund of Chicago (Policemen's); and the Firemen's Annuity and Benefit Fund of Chicago (Firemen's). Plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by plan members. Certain employees of the Chicago Board of Education participate in Municipal Employees' or Laborers'. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at www.meabf.org <<http://www.meabf.org>>, www.labfchicago.org <<http://www.labfchicago.org>>, www.chipabf.org <<http://www.chipabf.org>>, and www.fabf.org <<http://www.fabf.org>>.

Benefits provided - The Plans provide retirement, disability, and death benefits as established by State law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirement of age and service are different for employees who became members before January 1, 2011, and those who became members on or after January 1, 2011. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2 percent to 2.5 percent per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who became members before January 1, 2011 and any eight consecutive years within the last 10 years of credited service for participants who became members on or after January 1, 2011.

Benefit terms provide for annual adjustments to each employee's retirement allowance subsequent to the employees' retirement date. For participants who became members before January 1, 2011, the annual adjustments for Municipal Employees' and Laborers' are 3.0 percent, compounded, and for Policemen's and the majority of participants in Firemen's 3.0 percent, simple, for annuitants born before January 1, 1966 and 1.5 percent, simple, born after January 1, 1966 or later. For participants that first became members on or after January 1, 2011, the annual adjustments are equal to the lesser of 3.0 percent and 50 percent of CPI-U of the original benefit.

Employees covered by benefit terms - At December 31, 2016, the following employees were covered by the benefit terms:

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

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

For the Policemen's, and Firemen's Plans, Public Act 99-0506 (P.A. 99-0506) was enacted on May_31, 2016. "Th^City^ircontn

in the aggregate amounts as follows: in payment year 2017, \$672 million; in payment year 2018, \$727 million; in payment year 2019, \$792 million; and in payment year 2020, \$824 million. Additionally, P.A. 99-0506 requires that the City's contributions are at actuarially determined rates beginning in payment year 2021 and future funding be sufficient to produce a funding level of 90% by the year ended December 31, 2055.

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

Net Pension Liability

The City's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial reports were provided by each of the pension funds.

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Municipal Employees'</u>	<u>Laborers'</u>	<u>Policemen's</u>	<u>Firemen's</u>
Inflation	3.0%	3.0%	2.8%	2.5%
Salary Increases	4.5% - 8.25% (a)	3.75% (b)	3.75% (c)	3.75% (d)
Investment Rate of Return	7.5% (e) 7.5% (f)	7.25%	7.5%	

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

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

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

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

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

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return by the target asset allocation percentage and by adding
 best estimates of arithmetic real rates of return for each major
 table:

Target Allocation

Asset Class:	Municipal Employees'	Laborers'	Policemen's	Firemen's
Domestic equity	26.0%			
Domestic large cap equity..	-	-	- 24.0%	
Domestic small cap equity.				- 16.0%
U.S. equity		-		12.0% 21.0%
Non U.S. equity	' -	18.0%	20.0%	
Global equity		-20.0%		
International equity	22.0%-		- 25.0%	
Domestic Fixed income		-	- - 21.0%	
Fixed income	27.0%		16.0%	22.0%
Hedge funds	10.0%		8.0%	7.0%
Private equity	5.0%		- - 3.0%	
Private markets	- 7.0%		11.0%	
GAA		-	7.0%	10.0%
Real estate	10.0%		8.0%	5.0% 2.0%
Alternative investments		-	- - 2.0%	
Commodities	- -		- 3.0%	
Cash deposits and short-term investments		-	-- 4.0%	
Real assets	--		4.0%	
Private Real assets	-	4.0%	-	-
Total		100.0%		100.0% 100.0% 100.0%

expected inflation. The target allocation and asset class are summarized in the following
 Municipal Employees' 4.80%

Long-Term Expected Real Rate of Return

Laborers' Policemen's Firemen's
 6.10% 7.60%

7.50% 7.85%

5.00%

0.50% 2.80% 8.60%

6.40% 8.00% 6.80%
 1.80% 3.70%
 7.80% 5.00% 4.60%
 7.50% 3.00%
 2.60% 3.90%
 1.50%
 7.20% 4.30% 4.60%
 5.20%
 6.15% 5.25% 2.75%
 4.80%
 2.25%

Discount rate

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

Laborers' - A Single Discount Rate of 4.17 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.78 percent. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2027. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2027, and the municipal bond rate was applied to all benefit payments after that date.

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Policemen's - A Single Discount Rate of 7.07 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.78 percent. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2068. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments -'""thToug

Firemen's - A Single Discount Rate of 7.30 percent was used to measure the total pension liability. This Single

Discount Rate was based on an expected rate of return on pension plan investments of 7.5 percent and a municipal bond rate of 3.78 percent. The projection of cash flows used to determine this Single Discount Rate assumed that member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the Plan's fiduciary net position and future contributions were sufficient to finance future benefit payments only through the year 2066. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2066, and the municipal bond rate was applied to all benefit payments after that date.

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

	Municipal		Policemen's Firemen's		Total
	Employees' Laborers'				
Total pension liability					
Service cost	\$ 619,743	\$ 82,960 *	\$ 220,570	\$ 94,115	\$ 1,017,388
Interest	878,369	150,166	851,098	342,085	2,221,718
Benefit changes	--606,250	227,213	833,463		
Differences between					
expected and actual experience	(127,119)	(30,428)	1,801	24,110	(131,636)
Assumption changes	(578,920)	(62,905)	112,585	(74,373)	(603,613)
Benefit payments including refunds	(859,672)	(154,683)			
Pension plan administrative expense	(4,080)	(4,750)	(3,217)	(12,047)	
Net change in total pension liability	(67,599)	(18,970)	1,080,358	323,174	1,316,963
Total pension liability:					
Total pension liability - Beginning	23,358,870	3,712,615	12,032,733	4,826,084	43,930,302
Total pension liability - Ending (a)	\$ 23,291,271	\$ 3,693,645	\$ 13,113,091	\$ 5,149,258	\$ 45,247,265
Plan fiduciary net position					
Contributions-employer	\$ 149,718	\$ 12,603	\$ 272,428	\$ 154,101	\$ 588,850
Contributions-employee	130,391	17,246	101,476	48,960	298,073
Net investment income (loss)	281,419	57,997	142,699	60,881	542,996
Benefit payments including					
refunds of employee contribution			(859,672)		(154,683)
		(707,196)	(286,759)		(2,008,310)
Administrative expenses	(7,056)	(4,080)	(4,750)	(3,217)	(19,103)
Other	--1^413	(53)	1,360		
Net change in plan fiduciary net position..	(305,200)		(70,917)	(193,930)	(26,087)
" Plan fiduciary net position - beginning	4,741,427	1,238,657	3,058,949	1,045,101	10,084,134
Plan fiduciary net position - ending (b)	\$ 4,436,227	\$ 1,167,740	\$ 2,865,019	\$ 1,019,014	\$ 9,488,000
Net pension liability-ending (a)-(b)	\$ 18,855,044	\$ 2,525,905	\$ 10,248,072	\$ 4,130,244	\$ 35,759,265

* Includes pension plan administrative expense

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YEAR ENDED DECEMBER 31, 2016

Changes in benefits: Public Act 99-0905 and Public Act 99-0906 changed the benefit provisions of the Firemen's and Policemen's Plans. Public Act 99-0905 extended 3.0 percent annual COLA increases to participants born

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

Sensitivity of the net pension liability to changes in the discount rate

Municipal Employees' - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 3.91 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.91 percent) or 1 percentage point higher (4.91 percent) than the current rate (dollars in thousands):

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

Laborers' - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 4.17 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.17 percent) or 1 percentage point higher (5.17 percent) than the current rate (dollars in thousands):

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

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

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

Firemen's - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 7.30 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.30 percent) or 1 percentage point higher (8.30 percent) than the current rate (dollars in thousands):

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

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

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

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

For the year ended December 31, 2016, the City recognized pension expense of \$5.1 billion. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	Deferred	Deferred	Deferred	Deferred	Deferred	Deferred	Deferred	Deferred
	Employees'	Employees'	Employees'	Laborers'	Laborers'	Policemen's	Firemen's	
	Outflows of	Inflows of	Outflows of	Inflows of	Outflows of	Inflows of	Outflows of	Inflows of
	Resources	Resources	Resources	Resources	Resources	Resources	Resources	Resources
Differences between expected and actual experience	\$ 5,316		\$ -	\$ 167,597	\$ -	\$ 41,001	\$ 1,491	\$ 69,590
Changes of assumptions		5,227,053	463,136	493,125	44,812	93,170		117,420
Net difference between projected and actual earnings on pension plan investments ..	186,142	-	97,171	-	200,502	-	56,646	-
Total	\$ 194,066	\$ 67,012		\$ 5,413,195	\$ 630,733	\$ 590,296	\$ 85,813	\$ 295,163
								\$ 69,590

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

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

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

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

Payable to the Pension Plan

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

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

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

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

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

c) Other Post Employment Benefits - City Obligation

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

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

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

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

Plan Description Summary - The City of Chicago was party to a written legal settlement agreement outlining the provisions of the Settlement Plans, which ended June 30, 2013, but the City voluntarily continued those Settlement Plans until the end of 2013. As of January 1, 2014, the Health Plan provided for annual modifications to the City's level of subsidy during the three-year phase out. The Health Plan, along with any further City subsidy, expired as of December 31, 2016, for all but the group of former employees (the Korshak class of members) who retired before August 23, 1989, who shall have lifetime benefits. Duty Disabled retirees who have statutory pre-63/65 coverage will continue to have fully subsidized coverage under the active health plan until age 65.

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

Special Benefits under the Collective Bargaining Agreements (CBA) - Under the terms of the collective bargaining agreements for the Fraternal Order of Police (FOP) and the International Association of Fire Fighters (IAFF), certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the healthcare benefit program offered to, actively employed members. They may keep this coverage until they reach the age of Medicare eligibility. These retirees do not contribute towards

the cost of coverage, but, until December 31, 2016, the Policemen's Fund contributed \$95 per month towards coverage for police officers; the Firemen's Fund did not contribute. After December 31, 2016, the Pension Funds no longer contribute toward retiree healthcare.

CITY OF CHICAGO, ILLINOIS
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YEAR ENDED DECEMBER 31, 2016

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

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

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

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

Annual OPEB Cost and Contributions Made
(dollars in thousands)

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 CBA				
Settlement Special				
Health Plan				
Benefits Total				

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

N/A	N/A	N/A		
\$	39,666	\$	58,851	\$ 98,517
428	4,757	5,185		

	<u>(1,625)</u>	<u>(18,048)</u>	<u>(19,673)</u>			
	38,469	45,560	84,029			
	<u>50,051</u>	<u>39,620</u>	<u>89,671</u>			
				(11,582)	5,940	(5,642)
	<u>14,280</u>	<u>158,571</u>	<u>172,851</u>			
\$	2,698	\$ 164,511	\$ 167,209			

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

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

Schedule of Contributions, OPEB
Costs and Net Obligations

Fiscal Year Ended

Settlement Plan

12/31/2016 12/31/2015 12/31/2014

CBA Special Benefits

12/31/2016 12/31/2015 12/31/2014

Total

12/31/2016 12/31/2015 12/31/2014

Annual OPEB Cost

\$ 38,469 43,645 62,666

\$ 45,560 48,195 49,766

\$ 84,029 91,840 112,432

Percentage of Annual OPEB Cost Contributed

130.1%

133.5

149.9

87.0%
79.4
68.5

106.7%
105.1
113.9

Net OPEB Obligation

\$ 2,698 14,280 28,914

164,511 158,571 148,648

167,209 172,851 177,562

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

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

Schedule of Funding Progress (dollars in thousands)

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

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

Summary of Assumptions and Methods

Settlement Health Plan
CBA Special Benefits

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

December 31, 2015 Entry Age Normal Level Dollar, open

10 years Market Value

3.0% 2.5%
8.0% initial to 5.0% in 2027

12) Risk Management

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

Risks for O'Hare, Midway, and certain other major properties, along with various special events, losses from certain criminal acts committed by employees and public official bonds are transferred to commercial insurers. Claims have not exceeded the

purchased insurance coverage in the past three years. Accordingly, no liability is reported for these claims. All other risks are retained by the City and are self-insured. The City pays claim settlements and judgments from the self-insured programs. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The General Fund is primarily used to record all non-Enterprise Fund claims. The estimated portion of non-Enterprise Fund claims not yet settled has been recorded in the Governmental Activities in the Statement of Net Position as claims payable

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

along with amounts related to deferred compensatory time and estimated liabilities for questioned costs. As of December 31, 2016, the total amount of non-Enterprise Fund claims was \$508.7 million and Enterprise Fund was \$76.7 million. This liability is the City's best estimate based on available information. Changes in the reported liability for all funds are as follows (dollars in thousands):

2015

\$540,272

2016

688,800	Balance, January 1	\$ 572,360
(656,712)		
	Claims incurred and	
	change in estimates	666,444
	<u>Claims paid on current and</u>	
	<u>prior year events</u>	<u>(653,432)</u>
	Balance, December 31	\$ 585,372

13) Expenditure of Funds and Appropriation of Fund Balances

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

In addition to the categories above, any amounts that will be used to balance a subsequent year's budget will be considered "Assigned" as Budgetary Stabilization funds. The amounts may vary from fiscal year to fiscal year or depending on the City's budgetary condition, or may not be designated at all. The funds may be assigned by the Mayor or his designee, up to the amount of available "Unassigned" fund balance at the end of the previous fiscal year.

a) Fund Balance Classifications

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

	General
Nonspendable Purpose:	
Inventory	\$ 23,730
Restricted Purpose:	
Capital Projects	
Grants	

Debt Service			
General Government			
Committed Purpose:			
Budget and Credit Rating Stabilization			
Repair, Maintenance and City Services Assigned Purpose:			
Future obligations	29,115		
Special Projects	10,000		
Assigned for Future			
		Appropriated Fund Balance	53,000
Unassigned	153,737		
		Total Government Fund Balance	\$ 269,582
	Federal, State and Local Grants		

11,054

(253,961)
Service Concession and Reserve
Community
Bond, Note Development Other
Redemption Improvement Governmental
and Interest Projects Funds

45,032

\$

1,309,819
24,988
267,821

94,143 3,057

640,241

(38,859)

69,528

(1,534,227)
1,309,819 \$ (893,986) \$ 267,821 \$ 45,032 \$ 152,857

YEAR ENDED DECEMBER 31, 2016

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

14) Deferred Outflows and Inflows of Resources

In accordance with Government Accounting Standards Board Statement No. 63, Financial Reporting of Deferred

Outflows of Resources, the City reports deferred outflows of resources in the Statement of Net Position in a separate section following Assets. Similarly, the City reports deferred inflows of resources in the Statement of Net Position in a separate section following Liabilities.

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

\$ 5,438,514 229,368

\$ 1,097,575

161,842 26,034

Deferred Outflows of Resources:

Deferred outflows from pension activities

Unamortized deferred

bond refunding costs

Derivatives

\$ 157,978 1,608,182

Total Deferred Outflows of Resources \$ 5,667,882 \$ 1,285,451

Deferred Inflows of Resources:

Deferred inflows from pension activities \$ 720,224

Total Deferred Inflows of Resources \$ 2,254,451 \$ 1,766,160

Long-Term lease and

Service concession arrangements 1,534,227

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

	Federal, State and Local	Special Taxing	Service Concession and	Bond, Note Redemption and	Other	Total Governmental
Governmental Funds: Deferred inflow of resources:						
Property Taxes						
Grants						
Charges for Services	11,209					
<u>Long-term Lease and</u>						
<u>Concession Agreements</u>						
	General	Grants	Areas	Reserve	Interest	Pension
\$						Funds Funds

i - \$ 371,156 \$ - \$ 389,880 \$ 599,121 \$ 15,122 \$ 1,375,279
 253,053 253,053
 11,209

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15) Commitments and Contingencies

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

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

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

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

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

16) Concession Agreements

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

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

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

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

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

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

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

17) Tax Abatements

GASB Statement No. 77, Tax Abatement Disclosures ("GASB 77"), requires governments that enter into tax abatement agreements to disclose: (1) Brief descriptive information concerning the agreement; (2) The gross dollar amount of taxes abated during the period; and 3) Commitments made by government, other than to abate taxes, that are part of the tax abatement agreement.

Tax Abatement^Agreements Entered in^

The Boeing Company

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

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

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

million

Tax Increment Financing

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

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

For the 2016 reporting period, the amount of property tax revenue forgone by the City due to the agreements under the Tax Increment Allocation Redevelopment Act amounts to \$90.3 million on an accrual basis of accounting.

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

Tax Abatement Agreements Entered Into By Other Governments

Cook County

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

- Property will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year.
- Property will be assessed at 10% of market value for the first 3 years, 15% in the 4th year and 20% in the 5th year.
- Property will be assessed at 10% of the market value for ten years from the date of completion of major rehabilitation.

In the absence of the incentive, the property tax would be assessed at 25% of its market value. This incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2016 reporting period, the amount of property tax revenue forgone by the City due to these incentives is estimated at \$11.5 million.

18) Subsequent Events

Ratings

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

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

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

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

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

Bonds

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

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

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

In January 2017, the City sold General Obligation Project and Refunding Series 2017A (\$886.0 million) and Taxable Project Series 2017B (\$274.3 million). The 2017A bonds were issued at interest rates between 5.625% and 6.0% and maturity dates between January 1, 2029 and January 1, 2038. The 2017B bonds were issued at an interest rate of 7.045% and mandatory sinking fund or maturity dates ranging from January 1, 2021 and

settlements, to refund or pay interest on all or a portion of certain outstanding General Obligation bonds, fund capitalized interest, and pay costs of issuance.

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

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

In June 2017, the City sold Second Lien Water Revenue Refunding Bonds, Series 2017 (\$199.4 million). The 2017 bonds were issued at interest rates between 5.0% and 5.25% and maturity dates between November 1, 2017 and

November 1, 2036. Proceeds will be used to refund a portion of certain outstanding water bonds and pay costs of issuance.

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

Commercial Paper and Lines of Credit

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

In May 2017, the City drew \$30.0 million aggregate principal amount of its Chicago O'Hare International Airport

Commercial Paper Notes (O'Hare CP Notes). The proceeds of these O'Hare CP Notes are being used to finance a portion of the cost of authorized airport projects

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last Two Fiscal Years (dollars are in thousands)

Municipal Employees':	2016	2015
Total pension liability		
Service cost	\$ 619,743	\$ 226,816
Interest expense	878,369	909,067
Benefit changes	- 2,140,009	
Differences between expected and actual experience	(127,119) (109,835)	
Assumption changes	(578,920)	~ 8,711,755
Benefit payments including refunds		(859,672) (826,036)
Pension plan administrative expense	=	=
Net change in total pension liability	\$ (67,599)	\$ 11,051,776
Total pension liability - beginning	23,358,870	12,307,094
Total pension liability - ending (a)	\$ 23,358,870	\$ 23,291,271
Plan fiduciary net position		
Contributions-employer	\$ 149,718	\$ 149,225
Contributions-employee	130,391	131,428
Net investment income	281,419	114,025
Benefit payments including refunds of employee contribution	(859,672) (826,036)	
Administrative expenses	(7,056)	(6,701)
Other		
Net change in plan fiduciary net position	(305,200)	\$ (438,059)
Plan fiduciary net position - beginning	4,741,427	5,179,486
Plan fiduciary net position - ending (b)	\$ 4,436,227	\$ 4,741,427

<u>Net pension liability - ending (a)-(b)</u>			\$
	18,855,044	\$ 18,617,443	

Plan fiduciary net position as a percentage of the total

pension liability		19.05%	20.30 %
Covered-employee payroll*	\$ 1,646,939	\$ 1,643,481	
Employer's net pension liability as a percentage of covered-employee payroll		1,144.85 %	1,132.81 %

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

Note:

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Two Fiscal Years (dollars are in thousands)

<u>Laborers':</u>	<u>2016</u>	<u>2015</u>	
*			
Total pension liability			
Service cost			\$
	82,960 *	\$ 38,389	
Interest	150,166	153,812	
Benefit changes			- 384,033
Differences between expected and actual experience		(30,428)	(46,085)
Assumption changes		(62,905)	1,175,935
Benefit payments including refunds	(154,683)	(152,530)	
Pension plan administrative expense		(4,080)	(3,844)
Net change in total pension liability	\$	(18,970)	\$ 1,549,710
<u>Total pension liability - beginning</u>	<u>3,712,615</u>	<u>2,162,905</u>	
Total pension liability - ending (a)	\$ 3,693,645	\$ 3,712,615	
Plan fiduciary net position			
Contributions-employer			\$12,603 \$
	12,412		

Contributions-employee	17,246	16,844
Net investment income	57,997	(22,318)
Benefit payments including refunds of employee contribution	(154,683)(152,530)	
Administrative expenses	(4,080)	(3,844)
Other		
Net change in plan fiduciary net position	\$ (70,917)	\$ (149,436)
Plan fiduciary net position - beginning	1,238,657	1,388,093
Plan fiduciary net position - ending (b)	\$ 1,167,740	\$ 1,238,657
Net pension liability - ending (a)-(b)	\$ 2,525,905	\$ 2,473,958

Plan fiduciary net position as a percentage of the total

pension liability	31.61 %	33.36 %
Covered-employee payroll **	\$ 208,155	\$ 204,773
Employer's net pension liability as a percentage of covered-employee payroll	1,213.47%	1,208.15 %

* Includes pension plan administrative expense

" Covered employee payroll is the amount in force as of the valuation date and likely differs from actual payroll

paid during fiscal year. Note:

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Two Fiscal Years (dollars are in thousands)

Policemen's:	2016	
Total pension liability		
Service cost	\$ 220,570	
interest	606,250	
Benefit changes	1,801	
Differences between expected and actual experience	112,585	
Assumption changes	(707,196)	
Benefit payments including refunds	(4,750)	
Pension plan administrative expense		
Net change in total pension liability		\$ 1,080,358
Total pension liability - beginning	12,032,733	
Total pension liability - ending (a)	\$ 13,113,091	

2015

213,585 *
... 832,972

(105,969)

(676,777) (4,508)
259,303

11,773,430
12,032,733

Plan fiduciary net position

Contributions-employer

\$

Contributions-employee

Net investment income

Benefit payments including refunds of employee contribution

Administrative expenses

Other

Net change in plan fiduciary net position

\$

272,428 101,476 142,699 (707,196) (4,750) 1,413

(193,930) \$

572,836 107,626 (5,334) (676,777) (4,508) 3,092
(3,065)

Plan fiduciary net position - beginning

3,058,949

Plan fiduciary net position - ending (b)

\$

2,865,019

Net pension liability - ending (a)-(b)

\$ 10,248,072 \$

Plan fiduciary net position as a percentage of the total
pension liability

21.85 %

Covered-employee payroll**

\$ 1,119,527 \$ 1,086,608

Employer's net pension liability as a percentage of
covered-employee payroll

* Includes pension plan administrative expense

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

Note:

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS

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

Last Two Fiscal Years (dollars are in thousands)

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

* Includes pension plan administrative expense

** Covered employee payroll is the amount in force as of the valuation date and likely differs from actual payroll

paid during fiscal year. Note:

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

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

Municipal Employees':

Years Ended December 31,

2007
2008
2009
2010
2011
2012
2013
2014
2015
2016

Actuarially Determined Contributions*

\$
343,123 360,387 413,509 483,948 611,756 690,823 820,023 839,039 677,200
961,770

Contributions in Relation to Actuarially Determined Contribution

\$
139,606 146,803 148,047 154,752 147,009 148,859 148,197 149,747 149,225
149,718

Contribution Deficiency

203,517 \$
213,584
265,462
329,196
464,747
541,964
671,826

689,292
527,975
812,052

Covered Employee Payroll**

1,564,459 1,543,977 1,551,973 1,541,388 1,605,993 1,590,794 1,580,289 1,602,978 1,643,481 1,646,939

Contributions as a percentage of ' Covered Employee Payroll

8.92 9.51 9.54 10.04 9.15 9.36 9.38 9.34 9.08 9.09

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

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

Laborers':

Years Ended December 31,

2007
2008
2009
2010
2011
2012
2013
2014
2015
2016

Actuarially Determined Contributions * 21,726 17,652 33,518 46,665 57,259 77,566 106,199 106,019 79,851 117,033

Contributions in Relation to the Actuarially Determined Contribution

13,256 \$
15,233
14,627
15,352
12,779
11,853
11,583
12,161
12,412
12,603

Contribution Deficiency

8,470 \$
2,419 18,891 31,313 44,480 65,713 94,616 93,858 67,439 104,430

Covered Employee Payroll **

192,847 216,744 208,626 199,863 195,238 198,790 200,352 202,673 204,773 208,155

Contributions as a percentage of Covered Employee Payroll

6.87 7.03 7.01 7.68 6.55 5.96 5.78 6.00 6.06 6.05

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

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

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

Policemen's:

Years Ended December 31.

2007
2008
2009
2010
2011
2012
2013
2014
2015
2016

Actuarially Determined Contributions * 312,726 318,235 339,488 363,625 402,752 431,010 474,177 491,651 785,501
785,695

Contributions in Relation to the Actuarially Determined Contribution 170,598 172,836 172,044 174,501 174,035 197,885
179,521 178,158 575,928 273,840

Contribution Deficiency

142,128 \$
145,399
167,444
189,124
228,717
233,125
294,656
313,493
209,573
511,855

Covered Employee Payroll **

1,038,957 1,023,581 1,011,205 1,048,084 1,034,404 1,015,171 1,015,426 1,074,333 1,086,608 1,119,527

Contributions as a percentage of Covered Employee Payroll

16.42 16.89 17.01 16.65 16.82 19.49 17.68 16.58 53.00 24.46

* The PABF Statutory Funding does not conform to Actuarial Standards of Practice; therefore, the 2015 and 2016 actuarially determined contribution is equal to the normal cost plus a 30-year closed level dollar amortization of the unfunded actuarial liability. Prior to 2015 the actuarially determined contribution was equal to the "ARC" which was equal to normal cost plus a 30-year open level percent amortization of the unfunded actuarial liability.

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

Firemen's:

Years Ended December 31,

2007
2008
2009
2010
2011
2012
2013
2014
2015
2016

Actuarially Determined Contributions * 188,202 189,941 203,867 218,388 250,056 271,506 294,878 304,265 323,545 333,952

Contributions in Relation to the Actuarially Determined Contribution 72,023 81,258 89,212 80,947 82,870 81,522 103,669 107,334 236,104 154,101

Contribution Deficiency

116,179 \$ 108,683 114,655 137,441 167,186 189,984 191,209 196,931 87,441 179,851

Covered Employee Payroll **

389,125 396,182 400,912 400,404 425,385 418,965 416,492 460,190 465,232 478,471

Contributions as a percentage of Covered Employee Payroll

18.51 20.51 22.25 20.22 19.48 19.46 24.89 23.32 50.75 32.21

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

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

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

Actuarial Methods Municipal

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

a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the middle of the year.

b) Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the end of the fiscal year in which contributions are reported.

(c) The statutory contributions are based on a multiple of member contributions from the second prior year. The statutory contribution multiple is 1.00

- d) Varying by years of service.
- e) Plus a service-based increase in the first 15 years.
- f) Salary increase rates based on age-related productivity and merit rates plus inflation.
- g) Net of investment expense.
- h) Net of investment expense, including inflation.
- (i) For employees first hired prior to January 1,2011, rates of retirement are based on the recent experience of the Fund (adopted December 31,2010).
- For employees first hired on or after January 1,2011, rates of retirement for each age from 62 to 80 were used (adopted Decemebr 31,2011).
- G) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31,2012, valuation pursuant to an experience study of the period January 1,2004, through December 31,2011. (k) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31,2014, actuarial valuation pursuant to an experience study of the period January 1,2009, through December 31,2013. (l) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31,2011, valuation pursuant to an experience study of the period January 1,2003, through December 31,2010. (m) Post-retirement mortality rates were based on the RP-2000 Healthy Mortality Tables with mortality improvements projected to 2010 using Scale AA.
- Pre-retirement mortality rates were based on the post-retirement mortality assumption, multiplied by 85% for males and 70% for females, (n) RP2000 Combined Healthy mortality table, sex distinct, set forward one year for males and setback two years for females. No adjustment is made for post-disabled mortality.
- (o) Post-Retirement Healthy mortality rates: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 108% for males and 97% for females. Pre-Retirement mortality rates: Sex distinct Retirement Plans 2014 Total Employee mortality table weighted 85% for males and 115% for females. Disabled Mortality: Sex distinct Retirement Plans 2014 Healthy Annuitant mortality table weighted 115% for males and 115% for females.
- (p) RP2000 Combined Healthy mortality table, sex distinct for post retirement mortality. RP2000 Combined Healthy mortality table, sex distinct, set forward six years for post retirement mortality post-disabled mortality. Pre-retirement mortality is 80 percent of the post-retirement rates.
- (q) Other assumptions: Same as those used in the December 31,2016, actuarial funding valuations.
- (r) There were no benefit changes during the year.
- (s) The valuation is based on the statutes in effect as of December 31,2016. Benefit changes as aresult of PA 99-0506 were recognized in the Total Pension Liability as of December 31,2016.

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REQUIRED SUPPLEMENTARY INFORMATION**CITY OF CHICAGO, ILLINOIS**

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS FUNDING PROGRESS
Last Three Years (dollars are in thousands)

Actuarial
Accrued
Actuarial Liability
Actuarial Value (AAL)
Valuation of Assets Entry Age
Date a) (b)

City of Chicago

Unfunded

Unfunded (Surplus)
 Actuarial AAL as a
 Accrued Percentage
 Liability Funded Covered of Covered

(UAAL)	Ratio	Payroll Payroll	$\frac{(b-a)}{(a/b) \cdot c}$	$\frac{((b-a)/c)}{c}$
Settlement Plan				
2014		12/31/2013-\$ 498,205		
2015		12/31/2014-311,748		
2016		12/31/2015-254,910		
CBA Special Benefits				
2014	12/31/2013	-\$ 466,421		
2015	12/31/2014	-468,889		
2016	12/31/2015	- 460,612		
\$ 498,205	-	% \$ 2,425,000	20.54	%
311,748	-	2,487,787	12.53	
254,910	-	2,563,649	9.94	
\$ 466,421	-	% \$ 1,400,269	33.31	%
468,889	-	1,438,428	32.60	
460,612	-	1,499,552	30.72	

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

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

See notes to basic financial statements.

COMBINING AND INDIVIDUAL FUND STATEMENTS GENERAL FUND

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Schedule A-1

CITY OF CHICAGO, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year
Ended December 31, 2016 (Amounts are in Thousands of Dollars)

Original Budget

Final Budget

Actual Amounts

Variance Positive (Negative)

LOCAL TAX REVENUE UTILITY TAX:

Gas \$
Electric
Telecommunication
Commonwealth Edison
Cable Television

Total Utility Tax —

SALES TAX:

Home Rule Retailers' Occupation

TRANSPORTATION TAX:

Parking
Vehicle Fuel
Ground Transportation
Total Transportation Tax

TRANSACTION TAX:

Real Property
Personal Property Lease
Motor Vehicle Lessor
Total Transaction Tax

RECREATION TAX:

Amusement
Automatic Amusement
Liquor
Boat Mooring
Cigarette
Off Track Betting
Soft Drink
Total Recreation Tax

BUSINESS TAX:

Hotel
Foreign Fire Insurance
Total Business Tax

TOTAL LOCAL TAX REVENUE

123/100 98,200
100,200 90,300 29,200
441,000

315,883

130,500 49,120 60,825
.240,445

	197,080	259,939	6,588	
			24,563	9
		437	12	1,531
463,607			86	1,954
	163,563	499	33,137	1,332
28,592			23,131	
24,354				
				4,000
246,608				985
4,985				
			113,500	5,385
144,754				
118,885				
1,818,698				

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

Original Budget

Final Budget

Actual Amounts

Variance Positive (Negative)

INTERGOVERNMENTAL REVENUE

STATE INCOME TAX:

Income \$ 265,300

Personal Property Replacement 170,400

Total State Income Tax

435,700

STATE SALES TAX:

State Retailers' Occupation 361,900

STATE AUTO RENTAL TAX:

Municipal Auto Rental	4,400	
FEDERAL/STATE GRANTS:		
Grants	1,800	
	<u>TOTAL INTERGOVERNMENTAL REVENUE</u>	<u>803,800</u>
LOCAL NON-TAX REVENUE		
INTERNAL SERVICE:		
Water Fund	88,407	
Chicago-O'Hare International Airport Fund	23,928	
Vehicle Tax Fund	16,768	
Chicago Midway International Airport Fund	7,670	
Federal Funds	18,109	
Sewer Fund	48,367	
Emergency Communication Fund	96,405	
Federal Funds - Pensions	28,232	
Intergovernmental Vouchers (IV)	9,331	
Transportation	3,921	
Department of Fleet and Facility Management	6,960	
Miscellaneous - Planning, Purchasing, etc	4,933	
Public Safety - Police, Fire and OEMC	843	
Other	4,668	
	<u>Total Internal Service</u>	<u>358,542</u>
LICENSES AND PERMITS:		
Alcoholic Liquor Dealers' License	11,800	
Business License	18,500	
Building Permits	45,116	
Fines and Penalties	6,500	
Other	43,307	
	Total Licenses and Permits	125,223
265,300	170,400	
435,700		
361,900		
4,400		
1,800		
803,800		
88,407	23,928	16,768
7,670	18,109	48,367
96,405	28,232	9,331
3,921	6,960	4,933
843	4,668	
358,542		
11,800	18,500	45,116
6,500	43,307	

125,223

253,968 \$ 159,705
413,673

366,426

4,223

1,869
786,191

88,407 23,928 16,768 7,670 16,485 48,367 96,400 16,398 8,733 4,438 5,539 3,600 178 5,695
342,606

12,206 18,529 43,483 7,925 48,256
130,399

(11,332) (10,695)
(22,027)

4,526

(177)

69
(17,609)

(11,834) (598) 517 (1,421) (1,333) (1,624) (5)
(15,936) (665) 1,027

5,176 406 29 (1,633) 1,425 4,949

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

Original Budget

LOCAL NON-TAX REVENUE - Concluded

FINES:

<u>Fines, Forfeitures and Penalties</u>	<u>\$ 350,500</u>	
---	-------------------	--

INVESTMENT INCOME:

Interest on Investments	<u>4,400</u>	
-------------------------	--------------	--

CHARGES FOR SERVICES:

Inspection	13,515	
Information	605	
Safety	67,500	
Sanitation	62,700	
Reimbursement of Current Expense	6,100	
<u>Other</u>	<u>24,443</u>	

<u>Total Charges for Services</u>	<u>174,863</u>
-----------------------------------	----------------

MUNICIPAL UTILITIES:

<u>Parking</u>	<u>10,105</u>
----------------	---------------

<u>Total Municipal Utilities</u>	<u>10,105</u>
----------------------------------	---------------

LEASES, RENTALS AND SALES:

Sale of Land and Buildings	19,225	
Vacation of Streets and Alleys	2,000	
Sale of Impounded Autos	42	
Sale of Materials	1,200	
<u>Rentals and Leases</u>	<u>13,561</u>	

<u>Total Leases, Rentals and Sales</u>	<u>36,028</u>
--	---------------

MISCELLANEOUS:

Property Damage	150	
<u>Other</u>	<u>69,900</u>	
<u>Total Miscellaneous</u>	<u>70,050</u>	

TOTAL LOCAL NON-TAX REVENUE	1,129,711
-----------------------------	-----------

Transfers In26,000

Total Revenues	\$ 3,633,455
----------------	--------------

Final Budget

Actual Amounts

Variance Positive (Negative)

8,251

3,851

350,500 \$ 316,368 \$ (32,112)

13,130 1,526

77,335

54,365 6,296

32,544

13,515 605 67,500 62,700 6,100 24,443

4,400

174,863

185,196

(385) 921 9,835 (8,335) 196 8,101

10,105

7,476

10,333

7,476

10,105

(2,629)

9,601 2,181 15 1,278 13,036

19,225 2,000 42 1,200

13,561

(2,629)

26,111

36,028

(9,624) 181 (27) 78 (525)

. 111 59,185

.150 69,900

(9,917)

70,050

59,296

(39) (10,715)

1,129,711

1,077,723

(10,754)

26,000

14,998

(51,988)

(11,002)

\$ 3,633,455 \$ 3,697,610 \$ 64,155

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Schedule A-2

CITY OF CHICAGO, ILLINOIS

GENERAL FUND

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

Year Ended December 31, 2016

Original Budget

Final Budget

GENERAL GOVERNMENT

OFFICE OF THE MAYOR - 01 -

205.0000-Personnel Services		\$ 5,965,114	
205.0100-Contractual Services	250,721		
205.0200-Travel	24,832		
<u>205.0300-Commodities and Materials</u>	<u>36,000</u>		
<u>Total</u>			<u>6,276,667</u>

OFFICE OF THE INSPECTOR GENERAL - 03 -

205.0000-Personnel Services	2,630,869		
205.0100-Contractual Services	318,520		
205.0200-Travel	4,433		
205.0300-Commodities and Materials	9,773		
<u>205.0700-Contingencies</u>	<u>4,283</u>		
<u>Total</u>			<u>2,967,878</u>

OFFICE OF BUDGET AND MANAGEMENT - 05 -

205.0000-Personnel Services	2,296,393		
205.0100-Contractual Services	49,295		
205.0200-Travel	1,000		
<u>205.0300-Commodities and Materials</u>	<u>5,800</u>		
<u>Total</u>			<u>2,352,488</u>

DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -

205.0000-Personnel Services	8,615,408		
205.0100-Contractual Services	9,236,310		
205.0200-Travel	4,500		
<u>205.0300-Commodities and Materials</u>	<u>26,743</u>		
<u>Total</u>			<u>17,882,961</u>

CITY COUNCIL COMMITTEES CITY COUNCIL -15-

205.0000-Personnel Services	15,570,156		
205.0100-Contractual Services	70,150		
205.0200-Travel	1,000		
205.0700-Contingencies	43,000		

2005.0982-Order of The City Council	1,000						
2005.9008-Aldermanic Expense Allowance	4,850,000						
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						
		5,965,114	250,721	24,832	36,000		
6,276,667							
	2,960,737	342,652	4,433	9,773	4,283		
3,321,878							
		2,296,393	49,295	1,000	5,800		
2,352,488							
		8,615,408	9,236,310	4,500	26,743		
17,882,961							
	15,570,156	70,150	1,000	43,000	1,000	4,850,000	
92,072							
		6,307,504	213,962	22,662	29,759		
6,573,887							
	2,534,070	342,426	4,433	8,774	4,283		
2,893,986							
		2,271,148	21,080	354	4,217		
2,296,799							
	7,505,137	8,598,695	3,321	6,342			
16,113,495							
15,232,308	66,585						

43,000

4,545,224

78,469

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

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

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL-COMMITTEES --Continued- • - - •••••			
CITY COUNCIL -15 - Concluded			
2005.9072-Contingent and Other Expenses for Corporate Purposes not Otherwise Provided for: To Be Expended Under Direction of the President <u>Pro Tempore of the City Council</u>	\$	4,000 \$	4,000 \$
Total		20,631,378	20,631,378
COMMITTEE ON FINANCE - 15 -			
2010.0000-Personnel Services			
2010.0100-Contractual Services			
2010.0200-Travel			
2010.0300-Commodities and Materials			
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			
1,809,864	1,809,864	1,519,797	
	138,400		126,552

51,500	51,500	51,499	8,000 ■	8,000	(23)
100	100				
50,000	50,000	10,306			
50,000	50,000				
2,200,364	2,200,364	1,742,399	<u>92,500</u>	<u>92,500</u>	<u>34,268</u>
COUNCIL OFFICE OF FINANCIAL ANALYSIS - 15 -					
2012.0000-Personnel Services			258,924	258,924	243,038
<u>2012.0700-Contingencies</u>			<u>25,000</u>	<u>25,000</u>	<u>1,519</u>
Total				283,924	283,924 244,557
LEGISLATIVE INSPECTOR GENERAL					
<u>2015.0100-Contractual Services</u>			<u>354,000</u>		
Total			354,000		
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS - 15-					
2214.0000-Personnel Services			482,812	482,812	771,093
2214.0100-Contractual Services			15,000	15,000	14,613
2214.0300-Commodities and Materials			12,000	12,000	11,983

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

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

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Continued</u>			
CITY COUNCIL COMMITTEES - Continued			
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS - 15 - Concluded			
2214.0400-Equipment		\$ 9,500	
<u>2214.0700-Contingencies</u>		<u>15,000</u>	
Total			<u>534,312</u>

COMMITTEE ON AVIATION - 15 -

2220.0000-Personnel Services	105,928	
2220.0100-Contractual Services	200	
2220.0300-Commodities and Materials	500	
<u>2220.0700-Contingencies</u>	<u>750</u>	
	<u>Total</u>	<u>107,378</u>

COMMITTEE ON LICENSE AND CONSUMER PROTECTION-15-

2225.0000-Personnel Services	105,143	
2225.0100-Contractual Services	7,500	
<u>2225.0300-Commodities and Materials</u>	<u>10,500</u>	
	Total	123,143

9,500 15,000
534,312

105,928 200 500 750
107,378

123,143

105,143 7,500 10,500

9,492 14,998 822,179

106,572

106,572

125,889 6,612 499 133,000

COMMITTEE ON PUBLIC SAFETY - 15 -

2235.0000-Personnel Services
2235.0100-Contractual Services
2235.0300-Commodities and Materials
2235.0700-Contingencies

Total

156,230 156,230 192,125
1,000 1,000 964
1,000 1,000 978
500 500 483

158,730 158,730 194,550

COMMITTEE ON HEALTH AND ENVIRONMENTAL
PROTECTION-15-

2240.0000-Personnel Services	90,300	90,300	88,379
2240.0100-Contractual Services	200 200		
2240.0300-Commodities and Materials	800 800		
<u>2240.0700-Contingencies</u>	<u>500</u>	<u>500</u>	=
Total		91,800	91,800 88,379

COMMITTEE ON COMMITTEES, RULES AND
ETHICS-15-

2245.0000-Personnel Services	103,008	103,008	119,075
2245.0100-Contractual Services	40,000	40,000	39,999
<u>2245.0300-Commodities and Materials</u>	<u>500</u>	<u>500</u>	<u>499</u>
Total		143,508	143,508 159,573

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Schedule A-2 Continued

CITY OF CHICAGO,

ILLINOIS GENERAL FUND

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

Original Final	
Budget Budget Actual	

GENERAL GOVERNMENT - Continued

,=-,- CITY^COUNCIL'COMMITTEES - Continued - - - - • -----^^^

COMMITTEE ON ECONOMIC, CAPITAL AND TECHNOLOGY DEVELOPMENT - 15 -

2255.0000-Personnel Services		
2255.0100-Contractual Services		
2255.0300-Commodities and Materials		
2255.0700-Contingencies		
Total		

\$ 100,564 \$ 101,964 \$ 99,404	
1,000	
	500 100 97
1,000. 1,000 564	
	103,064 103,064 100,065

COMMITTEE ON PARKS AND RECREATION -
15 -DEVELOPMENT- 15 -

2260.0000-Personnel Services	160,277	160,277	115,636
2260.0100-Contractual Services	3,000	3,000	120
<u>2260.0700-Contingencies</u>	<u>2,000</u>	<u>2,000</u>	=
Total		165,277	165,277 115,756

BUILDING STANDARDS -15-			
2275.0000-Personnel Services	314,288	314,288	314,627
2275.0100-Contractual Services	5,300	5,300	1,296
<u>2275.0300-Commodities and Materials</u>	<u>74,700</u>	<u>74,700</u>	
<u>73,884</u>			
Total	394,288	394,288	389,807
COMMITTEE ON HOUSING AND REAL ESTATE -15-			
2280.0000-Personnel Services	194,278	194,278	194,000
<u>2280.0300-Commodities and Materials</u>	<u>8,000</u>	<u>8,000</u>	
<u>7,970</u>			
Total	202,278	202,278	201,970
COMMITTEE ON HUMAN RELATIONS - 15 -			
2286.0000-Personnel Services			
2286.0300-Commodities and Materials			
Total			
COMMITTEE ON WORKFORCE DEVELOPMENT AND AUDIT -15-			
2290.0000-Personnel Services			
2290.0100-Contractual Services			
2290.0300-Commodities and Materials			
Total			
CITY COUNCIL LEGISLATIVE REFERENCE BUREAU - 15-			
2295.0000-Personnel Services			
2295.0300-Commodities and Materials			
			90,741 1,000
91,741			
493,691.. 30,000 5,000			
528,691			
			357,543 4,000
			90,741 1,000
91,741			
493,691 25,000 10,000			
528,691			
			346,543 15,000

69,326 386 69,712

485,156 2,501 9,677
 497,334

313,071 14,532

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

Original Final
 Budget Budget Actual

GENERAL GOVERNMENT - Continued

CITY COUNCIL COMMITTEES - Concluded

CITY COUNCIL LEGISLATIVE REFERENCE

BUREAU-15-Concluded

<u>Total</u>	\$	<u>361,543</u>	\$	<u>361,543</u>	\$	<u>327,603</u>
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TOTAL CITY COUNCIL COMMITTEES	26,475,419	26,121,419	25,159,042
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CITY CLERK - 25 -

2005.0000-Personnel Services	2,511,914	2,511,914	2,413,126
2005.0100-Contractual Services	555,913	555,913	383,298
<u>2005.0300-Commodities and Materials</u>	<u>56,290</u>	<u>56,290</u>	<u>26,269</u>
Total		3,124,117	3,124,117 2,822,693

DEPARTMENT OF FINANCE - 27 -City

Comptroller

2011.0000-Personnel Services	2,883,721	2,883,721	2,538,683
2011.0100-Contractual Services	49,168	49,168	43,966
2011.0200-Travel	2,386	2,386	15
<u>2011.0300-Commodities and Materials</u>	<u>17,920</u>	<u>17,920</u>	<u>4,570</u>
Total	2,953,195	2,953,195	2,587,234

DEPARTMENT OF FINANCE - 27 -

Accounting and Financial Reporting

2012.0000-Personnel Services	4,088,078	4,088,078	4,119,057
2012.0100-Contractual Services	739,582	739,582	573,705
2012.0200-Travel	3,000	3,000	2,659
<u>2012.0300-Commodities and Materials</u>	<u>15,000</u>	<u>15,000</u>	<u>11,303</u>

Total	4,845,660	4,845,660	4,706,724
DEPARTMENT OF FINANCE - 27 -			
Financial Strategy and Operations			
2015.0000-Personnel Services	6,102,124	6,102,124	5,723,633
2015.0100-Contractual Services	779,243	779,243	454,770
2015.0200-Travel	4,200	4,200	2,740
2015.0300-Commodities and Materials	84,800	84,800	46,916
2015.0400-Equipment	90,000	90,000	90,000
Total	7,060,367	7,060,367	6,318,059
DEPARTMENT OF FINANCE -Revenue			
Services and Operations - 27 -			
2020.0000-Personnel Services	23,669,206	23,669,206	20,762,832
2020.0100-Contractual Services	28,417,814	28,417,814	26,759,895
2020.0200-Travel	10,000	10,000	623

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Schedule A-2 Continued CITY OF CHICAGO, ILLINOIS GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES Year Ended December 31, 2016

Original Budget

Final Budget

GENERAL GOVERNMENT - Continued

-DEPARTMENT-OB-FINANCE---

Revenue Services and Operations - 27 - Concluded

2020.0300-Commodities and Materials \$

2020.0400-Machinery and Equipment

Total

~~

191,659 150,000
52,438,679

191,659 150,000
52,438,679

TOTAL FINANCE

CITY TREASURER - 28 -

2005.0000-Personnel Services

2005.0100-Contractual Services

2005.0200-Travel

2005.0300-Commodities and Materials

Total

1, 656, 851

849,693 800,158 500 6,500

849, 693 800,158 500 6, 500

1,656,851

756,431 604,704

3,779

1,364,914

DEPARTMENT OF ADMINISTRATIVE HEARINGS - 30 -

2005.0000-Personnel Services
2005.0100-Contractual Services
2005.0200-Travel
2005.0300-Commodities and Materials
Total

3,084,954 5,071,577 2,000 29,605

8,188,136

3,084,954 5,071,577 2,000 29,605

8,188,136

2,988,330. 4,827,890 673 23,929

7,840,822

DEPARTMENT OF LAW - 31 -

2005.0000-Personnel Services
2005.0100-Contractual Services
2005.0200-Travel
2005.0300-Commodities and Materials
Total

25,197,284 2,715,933 92,883 126,291 28,132,391

25,197,284 2,715,933 92,883 126,291 28,132,391

23,761,874 2,617,927 45,956 118,463

26,544,220

DEPARTMENT OF HUMAN RESOURCES - 33

2005.0000-Personnel Services
2005.0100-Contractual Services
2005.0200-Travel
2005.0300-Commodities and Materials
2005.0900-Purposes as Specified

total'...'...'...

5,298,565 449,187 2,754 28,268 210,000

5,988,774

5,298,565 449,187 2,754 28,268 210,000

5,988,774

4,794,992 403,908 1,960 14,290 7,001

5,222,151

DEPARTMENT OF PROCUREMENT SERVICES

2005.0000-Personnel Services

2005.0100-Contractual Services

5,542,782 688,821

5,542,782 688,821

5,353,327 351,278

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Schedule A-2 Continued CITY

OF CHICAGO, ILLINOIS

GENERAL FUND

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

Year Ended December 31, 2016

Original Final
Budget

Budget Actual

GENERAL GOVERNMENT - Continued

DEPARTMENT OF PROCUREMENT SERVICES -35-

Concluded

2005.0200-Travel

\$ 11,490 \$ 11,490 \$ 3,043

2005.0300-Commodities and Materials21,635 21,635 15,800

Total

6,264,728 6,264,728 5,723,448

DEPARTMENT

OF

FLEET

AND

FACILITIES

MANAGEMENT - 38 -

BUREAU OF FINANCE AND ADMINISTRATION - 38 -

2103.0000-Personnel Services

2103.0100-Contractual Services

2103.0300-Commodities and Materials

Total

2,896,107 2,896,107 2,773,313

674,035 674,035 556,861

46,000 46,000 34,993

3,616,142 3,616,142 3,365,167

BUREAU OF FACILITY MANAGEMENT - 38 -

2126.0000-Personnel Services

2126.0100-Contractual Services
 2126.0200-Travel
 2126.0300-Commodities and Materials

Total

BUREAU OF ASSET MANAGEMENT - 38 -

2131.0000-Personnel Services
 2131.0100-Contractual Services
 2131.0200-Travel
 2131.0300-Commodities and Materials
 2131.9000-Purposes as Specified-Physcial Exams 2131.9100-Purposes as Specified- For Expenses
 Related to Services Provided by PBC

Total

31,226,613 25,587,520 27,000 2,453,315 59,294,448

3,633,084 14,213,691 495 54,972,795 18,150

72,800 72,911,015

31,226,613 25,587,520 27,000 2,453,315 59,294,448

3,633,084 14,213,691 495 50,409,991 18,150

72,800 68,348,211

28,388,976 24,847,145 4,472 2,429,484 55,670,077

3,357,759 14,009,222

45,095,762 17,390

53,256 62,533,389

BUREAU OF FLEET OPERATIONS - 38 -

2140.0000-Personnel Services 32,094,398 36,009,89933,941,103
 2140.0100-Contractual Services 12,707,094 17,248,91616,755,925
 2140.0200-Travel 10,000 10,000 6,128
 2140.0300-Commodities and Materials 12,576,624 12,576,62412,286,662

Total 57,388,116 65,845,439 62,989,818

TOTAL DEPARTMENT OF FLEET AND
 FACILITIES MANAGEMENT

193,209,721 197,104,240 184,558,451

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

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

Original Budget

Final Budget

GENERAL GOVERNMENT - Continued

BOARD OF ELECTION COMMISSIONERS - -™ ELECTION AND ADMINISTRATION DIVISION - 39 -

2005.0000-Personnel Services	\$ 8,670,853	
2005.0100-Contractual Services	5,747,875	
2005.0200-Travel	13,536	
<u>2005.0300-Commodities and Materials</u>	<u>331,285</u>	
<u>Total</u>		<u>14,763,549</u>

COMMISSION ON HUMAN RELATIONS - 45 -

2005.0000-Personnel Services	1,081,149	
2005.0100-Contractual Services	70,637	
2005.0200-Travel	1,341	
<u>2005.0300-Commodities and Materials</u>	<u>2,750</u>	
<u>Total</u>		<u>1,155,877</u>

MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES -48-

2005.0000-Personnel Services	1,049,578	
2005.0100-Contractual Services	357,283	
2005.0200-Travel	11,163	
2005.0300-Commodities and Materials	8,586	
<u>2005.9400-Internal Transfers and Reimbursements</u>	<u>23,259</u>	
<u>Total</u>		<u>1,449,869</u>

4,396,441 1,114,883 2,800 28,040 15,075,000 2,000,000 1,540,979 15,451,803 15,822,801 900,000 1,050,000 6,564,876 66,531

DEPARTMENT OF FAMILY AND SUPPORT SERVICES ADMINISTRATION - 50 -

2005.0000-Personnel Services	
2005.0100-Contractual Services	
2005.0200-Travel	
2005.0300-Commodities and Materials	
9253 Early Childhood Education Program	
9254 Violence Reduction Program	
9255 Homeless Services for Youth	
9259 Summer Program	
9260 After School Program	
2005,9261 -Children Advocacy Center	
9262 Earn Income Tax Credit	
9263 Homeless Services	
2005.9400-Internal Transfers and Reimbursements	
<u>Total</u>	<u>~~ 64,014,154</u>

8,670,853 5,747,875 13,536 331,285

14,763,549

1,081,149 70,637 1,341 2,750

1,155,877

1,049,578 357,283 11,163 8,586 23,259

1,449,869

4,396,441 1,114,883 2,800 28,040 15,075,000 2,000,000 1,540,979 15,451,803 15,822,801 . 900,000 1,050,000 6,564,876 66,531
64,014,154

8,780,147 5,746,401 13,444 331,153

14,871,145

975,725 54,602 250 2,331

1,032,908

1,042,758 328,186 8,637 5,226 23,259

1,408,066

3,902,302 820,342 532 11,440 14,601,738 1,994,499 1,540,979 15,250,686 15,821,677
900,000 1,032,995 6,556,177 66,531
62,499,898

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

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

Year Ended December 31, 2016

Original Final
Budget Budget

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 and Materials
 2005.0400-Equipment
 2005.9110-Property Management,

Maintenance and Security

2005.9183-Foreclosure Prevention Program
 9211 Single-Family Troubled Building Initiative ...
 9212 Multi-Family Troubled Building Initiative
 2005.9224-Micro Market Recovery Program

Total

\$ 9,676,450	\$ 9,676,450	\$ 9,267,626			
			3,192,146	3,192,146	2,883,643
			3,340	3,340	2,621
21,123	21,123	579			
10,000	10,000	7,328			
80,000	80,000	54,388			
180,000	180,000	180,000			
150,000	150,000	150,000			
300,000	300,000	300,000			
<u>522,700</u>	<u>522,700</u>	<u>522,700</u>			
			14,135,759	14,135,759	13,373,885

POLICE BOARD - 55 -

2005.0000-Personnel Services
 2005.0100-Contractual Services
 2005.0200-Travel
 2005.0300-Commodities and Materials
 Total

273,577	273,577	225,776	
121,824	121,824	80,077	
450	450	290	
990	990		152
396,841	396,841	306,295	

LICENSE APPEAL COMMISSION - 77 -

2005.0000-Personnel Services
 2005.0100-Contractual Services
 2005.0300-Commodities and Materials
 Total

74,045	74,045	78,427	
102,095	102,095	75,993	
500	500	346	
	176,640	176,640	154,766

BOARD OF ETHICS - 78 -

2005.0000-Personnel Services
 2005.0100-Contractual Services
 2005.0200-Travel
2005.0300-Commodities and Materials
 Total

782,762	782,762	764,666	
66,730	66,730	25,776	
5,125	5,125	3,220	
<u>3,210</u>	<u>3,210</u>	<u>2,173</u>	
	857,827	857,827	795,835

DEPARTMENT OF FINANCE GENERAL - 99 -

2005.0000-Personnel Services	407,070,989	407,070,989	397,437,328
2005.0100-Contractual Services	68,519,284	68,519,284	63,490,424
2005.0300-Commodities and Materials	578,800	578,800	466,441

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

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

	Original Budget	Final Budget	Actual
<u>GENERAL GOVERNMENT - Concluded</u>			
DEPARTMENTS FINANCE GENERAL- 99 ^Concluded-			
2005.0912-For Payment of Bonds	\$ 5,478,572	\$ 5,478,572	\$5,478,570
2005.0931-For Payment of Non-Tort Judgements	11,326,800	11,326,800	17,741,409
2005.0934-For Claims for Damages and Liabilities Against the City when Ordered Paid by the City Council	200,000	200,000	84,010
2005.0991-To Provide Matching and Supplementary Grant Funds Currently in Effect as well as New Grants	5,607,900	5,607,900	4,876,384
2005.9027-For the City Contribution to Social Security Tax	877,917	877,917	359,964
2005.9076-City's Contribution to Medicare Tax	34,382,917	34,382,917	34,091,800
2005.9121-Lobbyist on Behalf of the City of Chicago	480,000	480,000	310,807
2005.9176-West Nile Virus Program	425,000	425,000	247,765
2005.9180-For World Business Chicago Program	1,200,000	1,200,000	970,000
2005.9257-Community Policing	1,500,000	1,500,000	1,466,543
2005.9286-Burge Reparations	5,500,000	5,500,000	5,467,500
2005.9377 For Transfer to Debt Service	67,324,235	67,324,235	67,324,235
9635 To Reimburse Midway Fund for Fire Department Salaries	2,852,109	2,852,109	2,852,109
9636 To Reimburse Midway Fund for Fire Department Benefits	1,467,410	1,467,410	1,467,410
2005.9638-For Corporate Subsidy of Chicago Public Library	18,264,000	18,264,000	18,264,000
¹ 2005.9980 Municipal Fund Pension Allocation	106,161,273	106,161,273	11,586,926
2005.9981 Laborers Fund Pension Allocation	7,799,098	7,799,098	
Total	747,016,304	747,016,304	633,983,625
TOTAL GENERAL GOVERNMENT	1,213,784,852		1,217,679,371
	1,076,837,263		

HEALTH

DEPARTMENT OF PUBLIC HEALTH - 41 -

1005.0000-Personnel Services	15,426,504	15,426,504	15,117,503
1005.0100-Contractual Services	14,383,935	14,383,935	13,603,902
1005.0200-Travel	19,150	19,150	27,263
1005.0300-Commodities and Materials	588,918	588,918	164,293
<u>1005.0445-Equipment.</u>	<u>7,920</u>	<u>7,920</u>	
Total	30,426,427	30,426,427	28,912,961
 TOTAL HEALTH	 30,426,427	 30,426,427	 28,912,961

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Schedule A-2 Continued CITY

OF CHICAGO, ILLINOIS

GENERAL FUND

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

Year Ended December 31, 2016

Original	Final	
Budget	Budget	Actual

PUBLIC SAFETY

INDEPENDENT POLICE REVIEW AUTHORITY - 56 -

2005.0000-Personnel Services
 2005.0100-Contractual Services
 2005.0200-Travel
 2005.0300-Commodities and Materials

Total

\$ 8,217,168	\$ 8,217,168	\$ 7,266,428
206,065	206,065	172,593
		2,790
<u>34,460</u>	<u>34,460</u>	<u>29,388</u>
	8,460,483	8,460,483
	1,329,544,272	11,053,618
	1,345,966,039	10,768,774
		187,737
		3,074,775
		36,250
		7,470,380
		3,564,998
		36,250

DEPARTMENT OF POLICE - 57 -

1005.0000-Personnel Services 1,329,544,272
 1005.0100-Contractual Services 11,053,618
 1005.0200-Travel 307,070
 1005.0300-Commodities and Materials 3,564,998
 1005.0400-Equipment 36,250
 1005.0931-For the Payment of Tort and Non-Tort
 Judgements, Outside Counsel Expenses

19,844,350

81,287,651

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 19,000,000 19,493,136

1005.9067-For Physical Exams 1,159,748 1,159,748 875,193

Total 1,384,510,306 1,384,510,306 1,461,689,555

OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS - 58 -

2705.0000-Personnel Services

2705.0100-Contractual Services

2705.0200-Travel

2705.0300-Commodities and Materials

2705.0401-Tools Less Than or Equal to \$100/Unit

2705.0423-Communication Devices

Total

77,649,780 15,301,862 87,090 1,344,190 39,000 25,102 94,447,024

77,649,780 15,301,862 87,090 1,344,190 39,000 25,102 94,447,024

77,903,564 15,177,079 103,912 1,258,394 47,917 25,079 94,515,945

FIRE DEPARTMENT - 59 -

2005.0000-Personnel Services

2005.0100-Contractual Services

2005.0200-Travel

2005.0300-Commodities and Materials

2005.0400-Equipment

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

554,359,070 6,419,047 50,900 2,780,407 119,000

2,702,000

554,359,070 6,419,047 50,900 2,780,407 119,000

2,702,000

558,555,350 4,945,841 28,671 2,507,432 111,635

9,643,472

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

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

	Original Budget	Final Budget	Actual
<u>PUBLIC SAFETY - Concluded</u>			
FIRE-DEPARTMENT - 59 - Concluded™---			-
2005.0937-For Cost and Administration of Hospital and Medical Expenses for Employees Injured on Duty Who Are Not Covered Under Workers Compensation Act	\$ 9,000,000	\$ 9,000,000	\$ 6,481,501
2005.9067-For Physical Exams		1,080,000	1,080,000
Total	576,510,424	576,510,424	582,708,681
DEPARTMENT OF BUILDINGS - 67 -			
2005.0000-Personnel Services	18,659,113	18,659,113	17,898,491
2005.0100-Contractual Services	4,274,828	4,274,828	4,185,879
2005.0200-Travel	155,000	155,000	121,075
2005.0300-Commodities and Materials	41,620	41,620	24,115
2005.0931-For the Payment of Tort and Non-Tort Judgements, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel	300,000	300,000	49,397
2005.0989-For Refunds for Cancelled Voucher Warrants and Payroll Checks and for Refunding Duplicate Payments and Payments Made in Error	100,000	100,000	99,304
2005.9019-For Board Up and Demolition of Abandoned Buildings	3,000,000	3,000,000	1,377,378
Total		26,530,561	26,530,561
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services		13,441,388	13,441,388
2005.0100-Contractual Services		4,554,828	11,891,725
4,554,828	4,181,878		
2005.0200-Travel			37,343
37,343	9,192		
2005.0300-Commodities and Materials	140,234	140,234	91,434
Total			18,173,793

18,173,793

16,174,229

COMMISSION ON ANIMAL CARE AND CONTROL - 73 -

2005.0000-Personnel Services

2005.0100-Contractual Services

2005.0200-Travel

2005.0300-Commodities and Materials

Total

4,524,411

4,524,411 4,415,157

733,337

733,337 680,454

480

480

209

- 445,079 445,079

418,364

5,703,307

5,703,307 5,514,184

TOTAL PUBLIC SAFETY

2,114,335,898

2,114,335,898 2,191,828,613

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

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 and Materials

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 and Materials

Total

—

BUREAU OF SANITATION - 81 -

2020.0000-Personnel Services
2020.0100-Contractual Services
2020.0300-Commodities and Materials
2020.0400-Equipment

— Total —

BUREAU OF STREET OPERATIONS - 81 -

2045.0000-Personnel Services
2045.0100-Contractual Services
2045.0300-Commodities and Materials

Total —

BUREAU OF FORESTRY - 81 -

2060.0000-Personnel Services
2060.0100-Contractual Services
2060.0200-Travel
2060.0300-Commodities and Materials
2060.0400-Equipment

Total —

TOTAL STREETS AND SANITATION

1,305,809 \$ 215,375 200 6,150

540,000
2,067,534

4,476,526 31,850 250 5,250

4,513,876

103,506,665 50,963,420 188,434 27,332 154,685,851

19,675,354 2,377,420 440,125 22,492,899

15,570,209 1,723,963 5,200 95,645 11,575 17,406,592

201,166,752

1,305,809 \$ 215,375 200 6,150

540,000
2,067,534

4,513,876	4,476,526	31,850	250	5,250		
	103,506,665	50,963,420	188,434	27,332	154,685,851	
		19,675,354	2,377,420	440,125	22,492,899	
	<u>15,570,209</u>	<u>1,723,963</u>	<u>5,200</u>	<u>95,645</u>	<u>11,575</u>	<u>17,406,592</u>
201,166,752						
				1,227,382	209,801	
					5,909	
280,780						
1,723,872						
				1,811,655	28,883	
					3,676	
1,844,214						
		98,112,972	52,754,330	181,916	27,332	
151,076,550						
		20,230,622	2,377,005	429,631		
23,037,258						
		15,838,114	1,715,535	5,128	89,607	11,534
17,659,918						
195,341,812						

Original Budget

Final Budget

TRANSPORTATION

OFFICE OF THE COMMISSIONER - 84 -

2105.0000-Personnel Services \$

2105.0100-Contractual Services

2105.0200-Travel

2105.0300-Commodities and Materials

2105.0931-For the Payment of Tort and Non-Tort

Judgements, Outside Counsel Expenses

and Expert Costs, as Approved by the

Corporation Counsel

Total

—

DIVISION OF ADMINISTRATION - 84 -

2115.0000-Personnel Services

2115.0100-Contractual Services

2115.0200-Travel

2115.0300-Commodities and Materials

Total

—

DIVISION OF TRAFFIC SAFETY - 84 -

2130.0000-Personnel Services

2130.0100-Contractual Services

2130.0200-Travel

2130.0300-Commodities and Materials

Total

—

DIVISION OF SIGN MANAGEMENT- 84 -

2140.0000-Personnel Services

2140.0100-Contractual Services

2140.0300-Commodities and Materials

2140.0400-Equipment

Total

—

DIVISION OF PROJECT DEVELOPMENT - 84 -

2145.0000-Personnel Services

2145.0100-Contractual Services

2145.0200-Travel

2145.0300-Commodities and Materials

2145.9042-Ex-Offender/Re-Entry Initiatives

Total

—

DIVISION OF ELECTRICAL OPERATIONS - 84 -

2150.0000-Personnel Services

2150.0100-Contractual Services

2,367,129 158,935 3,000 7,100

1,890,000

4,426,164

5,149,025 241,423 1,300 11,600

5,403,348

829,983 15,169,716 3,629 4,100

16,007,428
50

3,210,423 451,702

0.000
7,800
4,178,908

3,222,936 779,215 5,500
- 19,200 250,000
4,276,851

8,069,569 536,971

1,367,129 158,935 3,000 7,100

1,890,000
4,426,164

5,149,025 241,423 1,300 11,600

5,403,348

829,983 15,169,716 3,629 4,100 16,007,428

3,210,423 451,702 0.000 7,800

4,178,908

3,222,936 779,215 5,500 19,200 250,000

4,276,851

4,175,050 536,971

2,261,022 147,211 505 6,519

1,429,061
3,844,318

4,694,362 222,218 265 10,247

4,927,092

782,143 14,240,868 2,424 2,638

15,028,073

2,814,422 424,650 477,759 3,172

3,720,003

3,048,340 736,388 5,920 14,076 250,000

4,054,724

7,234,676 515,962

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

	Original Budget	Final Budget	Actual
<u>TRANSPORTATION - Concluded</u>			
DIVISION OF ELECTRICAL OPERATIONS - 84 - Concluded			
2150.0200-Travel	\$ 23,000	\$ 23,000	\$ 6,723
2150.0300-Commodities and Materials	488,605	488,605	482,367
2150.0400-Equipment	21,000	21,000	346
2150.0400-Equipment			
<u>Total</u>	<u>9,139,145</u>	<u>5,244,626</u>	<u>8,240,074</u>
DIVISION OF IN-HOUSE CONSTRUCTION - 84 -			
2155.0000-Personnel Services	12,436,277	12,436,277	11,335,443
2155.0100-Contractual Services	269,507	269,507	211,554
2155.0200-Travel	1,600		1,600
2155.0300-Commodities and Materials	305,161	305,161	214,585
2155.0400-Equipment	15,325	15,325	13,181
<u>Total</u>	<u>13,027,870</u>	<u>13,027,870</u>	<u>11,774,763</u>
<u>TOTAL TRANSPORTATION</u>	<u>56,459,714</u>	<u>52,565,195</u>	<u>51,589,047</u>

PRINCIPAL RETIREMENT

<u>2005.9540 - Payment of General Obligation Certificate</u>	<u>11,135,000</u>	<u>11,135,000</u>	<u>11,135,000</u>
<u>TOTAL PRINCIPAL RETIREMENT</u>	<u>11,135,000</u>	<u>11,135,000</u>	<u>11,135,000</u>

INTEREST AND OTHER FISCAL CHARGES

<u>2005.9540-Interest on General Obligation Certificate ...</u>	<u>6,146,357</u>	<u>6,146,357</u>	<u>4,948,059</u>
<u>TOTAL INTEREST AND OTHER FISCAL CHARGES</u>	<u>6,146,357</u>	<u>6,146,357</u>	<u>4,948,059</u>

TOTAL GENERAL FUND	\$ 3,633,455,000	\$ 3,633,455,000	\$ 3,560,592,755
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NONMAJOR GOVERNMENTAL FUNDS

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

	Total Debt	Total Nonmajor Service	Total Nonmajor Special Fund	Total Nonmajor Capital Project	Total Nonmajor Governmental
ASSETS					
Cash and Cash Equivalents		\$ 25,289	\$ -	\$ -	\$ 7
\$ 25,296					
Investments				33,619	
41,903	32,658	108,180			
Cash and Investments with Escrow Agent		115		83,472	- 83,587
Receivables (Net of Allowances):					
Property Tax				- 20,232	- 20,232
Accounts				15,198	161
687 16,046					
Due from Other Funds			91,712	-	- 91,712
<u>Due from Other Governments</u>	<u>20,073</u>	=	<u>18,040</u>		<u>38,113</u>
Total Assets			\$ 186,006	\$ 145,768	
\$ 51,392	\$ 383,166				

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE Liabilities:

Voucher Warrants Payable					
Accrued Interest					
Due to Other Funds					
Accrued and Other Liabilities					
	Total Liabilities				
\$ 41,662	\$ -	\$ 22,678	\$ 64,340		
				1,058	- 1,058
58,967	35,336	42,344	136,647		
<u>12,792</u>	<u>109</u>	<u>241</u>	<u>13,142</u>		
			<u>113,421</u>	<u>36,503</u>	<u>65,263 215,187</u>
Deferred Inflows	-	15,122		- 15,122	

Fund Balance:

Restricted				3,057	94,143
24,988	122,188				
Committed				69,528	-
-	69,528				
<u>Unassigned</u>		=	=	<u>(38,859)</u>	<u>(38,859)</u>
<u>Total Fund Balance</u>				<u>72,585</u>	<u>94,143</u>
<u>(13,871)</u>	<u>152,857</u>				
Total Liabilities, Deferred Inflows and Fund Balance ...				\$ 186,006	\$
145,768 \$ 51,392				\$ 383,166	

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Schedule B-2

CITY OF CHICAGO, ILLINOIS NONMAJOR

GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Year

Ended December 31, 2016 (Amounts are in Thousands of Dollars)

		Total Nonmajor Special Revenue					
	<u>Funds</u>						
REVENUES							
Utility Tax		\$ 101,260					
Transportation Tax		191,665					
Transaction Tax		79,289					
Special Area Tax							
Other Taxes		26,088					
Internal Service		34,289					
Fines		19,381					
Investment Income		(1,692)					
Charges for Services		29,293					
<u>Miscellaneous</u>		<u>20,674</u>					
			<u>Total Revenues</u>			<u>500,247</u>	
				342,195	81 7,444	52,704	88,844 83,733 606

EXPENDITURES Current:

General Government
Health
Public Safety
Streets and Sanitation
Transportation
Cultural and Recreational
Other
Capital Outlay

5,000 2,103

Debt Service:

Principal Retirement
Interest and Other Fiscal Charges

Total Expenditures 582,710

Revenues Over (Under) Expenditures (82,463)

Debt Service

Fund Special Taxing Areas

22,104

(902) 924
22,126

58,090 18,561
76,651

(54,525)

Total Nonmajor Capital Project Funds

1,245 1,012
2,257

68,898

68,898

(66,641)

Total Nonmajor Governmental Funds

101,260 191,665 79,289 22,104 26,088 34,289 19,381 (1,349) 29,293 22,610
524,630

342,195 81 7,444 52,704 88,844 83,733 606 68,898

63,090 20,664 728,259

(203,629)

Continued on following page.

**Schedule B-2 - Concluded CITY OF CHICAGO,
ILLINOIS NONMAJOR GOVERNMENTAL
FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Year
Ended December 31, 2016 (Amounts are in Thousands of Dollars)**

Total Nonmajor Special Revenue

Funds
Debt Service

Fund Special Taxing Areas

Total Nonmajor Capital Project

Total Nonmajor Governmental Funds

OTHER FINANCING SOURCES (USES)

Transfers In	\$	97,731	\$	73,047	\$
-		\$ 170,778			
Transfers Out		(2,279)	(17,693)	(1,500)	(21,472)
Total Other Financing Sources (Uses)		95,452	55,354	(1,500)	149,306

Net Change in Fund Balances	12,989	829	(68,141)	(54,323)
Fund Balance - Beginning of Year	59,596	93,314	54,270	207,180
Fund Balance - End of Year	\$ 72,585	\$ 94,143	\$ (13,871)	\$ 152,857

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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Chicago Public

Miscellaneous Library
Special Events, Tourism
and Festivals

Health
and Welfare
Total Nonmajor
Special Revenue
Funds

5,679 \$ 10,152
399 1,674

25,289 33,619 115

10,523 25,280
1,232 13,635
440 2,102 6,329

308

15,198 91,712 20,073

\$ 51,634 \$ 21,597 \$ 12,296 \$ 2,381 \$ 186,006

13,231 30,721 37

43,989
6,876 1,334 3,972
12,182

3,648 4,319 347

8,314
41,662 58,967 12,792
113,421

3,057 4,588
7,645
3,057 69,528
72,585

\$ 51,634 \$ 21,597 \$ 12,296 \$ 2,381 \$ 186,006

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Schedule C-2

CITY OF CHICAGO, ILLINOIS NONMAJOR

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) Year
Ended December 31, 2016 (Amounts are in Thousands of Dollars)

Revenues:	- ...	- -1=^TM--TM	.	\$
Utility Tax				
Transportation Tax				
Transaction Tax				
Other Taxes				
Internal Service				
Fines		.-		
Investment Income				
Charges for Services				
Miscellaneous				
			Total Revenues	
Expenditures: Current:				
General Government				
Health				
Public Safety				
Streets and Sanitation				
Transportation				
Cultural and Recreational				
Other				
Debt Service:				
Principal Retirement				
			. Interest and Other Fiscal Charges	
Total Expenditures				

Revenues Over (Under) Expenditures			
Other Financing Sources (Uses):			
Transfers In			
Transfers Out			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances			
Fund Balance (Deficit) - Beginning of Year			
Fund Balance (Deficit) - End of Year		\$	
		<u>Public Building Commission</u>	
132,490			
	\$		
34,313	17,991		
(40)	16,156		290
57,856			
		(24)	
		15	
593			
593			
	429	58,276	
1,107			
201,200			
	18,515		
72,532			
14,750	12,455		
45,720			
1,107			
	366	37,827	76,341
12,556			
<u>(514)</u>			
187,066			
14,134			
(55)			
709			
	742	(33)	
14,843	14,769		

(514) 3,603

(55)

12,501 3,96029,612 \$ 16,461 \$ 3,089

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

80	96,909	(2,191)	-95,452				
			(10,686)	1,807	(2,773)	(2,189)	12,989
			<u>18,331</u>	<u>7,608</u>	<u>6,755</u>	<u>4,570</u>	<u>59,596</u>
\$ 7,645	\$ 9,415	\$ 3,982	\$ 2,381	\$ 72,585			

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Schedule C-3

CITY OF CHICAGO, ILLINOIS NONMAJOR

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) Year
Ended December 31, 2016 (Amounts are in Thousands of Dollars)

	Transaction and Tax	Property
FUND		
Final Budgeted Revenues:		
Vehicle Tax	\$	
Motor Fuel Tax and Project		
Miscellaneous	63,280	
Chicago Public Library		
Special Events, Tourism and Festivals		
<u>Health and Welfare</u>	=	
	<u>Total Final Budgeted Revenues</u>	<u>63,280</u>
Actual Revenues:		
Vehicle Tax		
Motor Fuel Tax and Project		
Public Building Commission		
Miscellaneous	79,289	
Chicago Public Library		
Special Events, Tourism and Festivals		
<u>Health and Welfare</u>	=	
	<u>Total Actual Revenues</u>	<u>79,289</u>
<u>Variance Positive (Negative)</u>	<u>\$ 16,009</u>	
State Taxes	Transportation; Tax	

Special Area and Utility Taxes

	\$ 121,200	\$ 10,000	56,684
96,077			
34,650			
96,077			
		24,650	
177,884			
101,260			
26,088			
	132,490	57,856	
26,088			
101,260			
	1,319		
191,665			
\$ 5,183	\$ 13,781	\$ (8,562)	

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

\$ 16,509 \$ 2,400 \$
165 12,274

24,215 1,600 6,500
\$ 5,142 \$

428 22,464 8,270 74
196,548 56,684 184,000 102,904 51,694 74
32,297 10,520

34,313	17,991	(40)	16,156	290	-	742
201,942						
(24)	-	15	-	429	-	-
						58,276
			593	-	-	593
	(1,636)	68	12,691	-	80	191,752
1,390		2	1,175	165	-	96,909
	(64)		11,894	6,506	-	45,743
	31					31
34,289		19,381	(1,692)	29,293	20,674	-
597,978						97,731
\$ 1,992	\$ 8,861	\$ (1,702)	\$ 345	\$ (14,041)	\$	
(77,145)	\$ 61,353	\$ 6,074				

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Schedule C-4
CITY OF CHICAGO, ILLINOIS NONMAJOR
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF EXPENDITURES AND ENCUMBRANCES -BUDGET
AND ACTUAL (BUDGETARY BASIS) Year Ended December 31, 2016 (Amounts
are in Thousands of Dollars)

	General	Health	Safety	Sanitation-	Streets
	Government -	Health	Safety	Sanitation-	Public and
FUND					
Final Budget:					
Vehicle Tax			\$ 77,725	\$ -	\$
37,902					
Motor Fuel Tax and Project			18,050	-	- 17,161
Miscellaneous				180,728	- 3,272
Library					46,895
Special Events, Tourism and Festivals				21,590	- 199
Health and Welfare					74
<u>Total Original and Final Budget</u>	<u>345,062</u>	-		<u>3,471</u>	<u>55,063</u>
Actual Expenditures and Encumbrances:					
Vehicle Tax	73,109	-			- 37,918
Motor Fuel Tax and Project	15,864	-			- 14,908
Miscellaneous	194,115	-			2,417
Library	42,608				
Special Events, Tourism and Festivals	19,448	-			199
Health and Welfare	...				

Total Actual Expenditures and Encumbrances ...	345,144	-	2,616 52,826
Variance Positive (Negative)	\$ (82)	\$ -	\$ 855 \$ 2,237

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				Total			
				Interest Nonmajor	Operating		
				Cultural			
Trans- portation	and Other Recreational	Special Employee Pensions	Transfers Out	Fiscal Revenue Charges Funds			
\$ 80,920	\$ - 21,473	\$	\$ -		\$ 196,547		
						56,684	
						184,000	
			56,009	-	-	102,904	
			29,905	-	-	- 51,694	
						74	
	102,393	85,914	=	=	=	591,903	
77,094 188,121						
15,046 45,818						
	54,943	-	-	- 97,551		196,532	
	29,049	-	-	- 48,696			

<u>92,140</u>	<u>83,992</u>	=	=	<u>- 576,718</u>
\$ 10,253	\$ 1,922	\$	\$	\$ 15,185

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Schedule C-5

CITY OF CHICAGO, ILLINOIS

SPECIAL REVENUE FUNDS

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

Year Ended December 31, 2016

	Original Budget	Final Actual Budget	
<u>VEHICLE TAX FUND</u>			
<u>GENERAL GOVERNMENT</u>			
CITY COUNCIL COMMITTEES -15 -			
COMMITTEE ON TRANSPORTATION AND PUBLIC WAY			
2230.0000-Personnel Services	\$ 429,167	\$ 414,167	\$ 478,697
<u>2230.9000-Purposes as Specified</u>	<u>16,387</u>	<u>31,387</u>	<u>30,288</u>
Total		445,554	445,554 508,985
COMMITTEE ON PEDESTRIAN AND TRAFFIC SAFETY			
2265.0000-Personnel Services	239,587	239,587	244,468
2265.0300-Commodities and Materials	5,000	5,000	4,955
Total	244,587	244,587	249,423
TOTAL CITY COUNCIL COMMITTEES	690,141	690,141	758,408
CITY CLERK - 25 -			
2005.0000-Personnel Services	4,185,817	4,185,817	3,787,973
2005.0100-Contractual Services	2,267,433	2,267,433	1,830,382
2005.0200-Travel	23,940	23,940	8,070
2005.0300-Commodities and Materials	416,045	416,045	337,039
2005.9400-Internal Transfers and Reimbursements	30,000	30,000	26,305
Total	6,923,235	6,923,235	5,989,769
DEPARTMENT OF FINANCE - 27 -			
FINANCIAL STRATEGY AND			
OPERATIONS			
2015.0000-Personnel Services		503,860	503,860 438,792
Total	503,860	503,860	438,792

REVENUE SERVICES AND OPERATIONS

2020.0000-Personnel Services	463,799	463,799	469,740
2020.0100-Contractual Services	4,500	4,500	
2020.0300-Commodities and Materials	500	500	
<u>2020.0400-Equipment</u>	<u>600,000</u>	<u>600,000</u>	<u>593,494</u>
Total	1,068,799	1,068,799	1,063,234

TOTAL DEPARTMENT OF FINANCE	1,572,659	1,572,659	1,502,026
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DEPARTMENT OF LAW-31 -

2005.0000-Personnel Services	1,182,322	1,182,322	1,159,548
2005.0100-Contractual Services	86,188	86,188	79,682
2005.0200-Travel	3,610	3,610	940
2005.0300-Commodities and Materials	5,280	5,280	4,960

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Schedule C-5 - Continued CITY

OF CHICAGO, ILLINOIS

SPECIAL REVENUE FUNDS

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

Year Ended December 31, 2016

Original Budget

Final Budget

VEHICLE TAX FUND - Continued

GENERAL GOVERNMENT; . Concluded -

DEPARTMENT OF LAW-31 -

2005.9400-Internal Transfers and Reimbursements	\$
Total	~~

DEPARTMENT OF FLEET AND FACILITY MANAGEMENT ■

2126.0100-Contractual Services	
2126.0300-Commodities and Materials	
2131.0100-Contractual Services	
2131.0300-Commodities and Materials	.'
2140.0100-Contractual Services	

Total

12,862,621	845,577	26,000	1,685,610	10,249,434	56,000
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12,862,621	845,577	26,000	1,685,610	10,249,434	56,000
------------	---------	--------	-----------	------------	--------

	767,191	24,339	1,671,043	8,646,350
11,108,923				

DEPARTMENT OF BUILDINGS - 67 -

2005.0000-Personnel Services
2005.0100-Contractual Services
2005.0300-Commodities and Materials.
Total

505,515	468,007	34,500	3,008
505,515	468,007	34,500	3,008
395,346	360,879	32,390	2,077

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 Funds
Currently in Effect as well as New Grants
2005.9027-City's Contribution to Social Security Tax
2005.9076-City's Contribution to Medicare Tax
9610 To Reimburse Corporate Fund for Pension Payments
9611 To Reimburse the Corporate Fund for Indirect Costs
9611 Chargeable to Fund
2005.9774- Transfer for Services provided by the Office of
Emergency Management and Communications

Total

26,179,284	7,115,485	707,700	20,186	926,090	15,229,638
3,500	1,375,000				1,538,000
765,000					33,000
53,892,883					
26,179,284	7,115,485				
3,500	1,375,000				
765,000					

	707,700	20,186	926,090.	15,229,638
				1,538,000
				33,000
53,892,883				
27,363,379	5,461,664			
1,807	139,121			
746,289				
	649,162	20,186	926,090	15,229,638
				1,538,000
				33,000
52,108,336				
TOTAL GENERAL GOVERNMENT.				

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**Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS**

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

VEHICLE TAX FUND - Continued STREETS AND SANITATION

Original Budget

Final Budget

BUREAU OF SANITATION - 81 -

2020.0000-Personnel Services	\$ 5,357,842		
2020.0100-Contractual Services	2,475,656		
2020.0400-Equipment		500_	
<u>Total</u>			<u>7,833,998</u>

BUREAU OF STREET OPERATIONS - 81 -

2045.0000-Personnel Services	4,136,213		
2045.0100-Contractual Services	1,885,950		
2045.0300-Commodities and Materials	241,219		
2045.0400-Equipment	33,700		
<u>2045.9400-Internal Transfers and Reimbursements</u>	<u>5,400</u>		

	<u>Total</u>	<u>6,302,482"</u>
BUREAU OF TRAFFIC SERVICES - 81 -		
2070.0000-Personnel Services	13,816,613	
2070.0100-Contractual Services	8,966,125	
2070.0300-Commodities and Materials	150,150	
2070.0992-For Tow Storage Refund	797,000	
<u>2070.9400-Internal Transfers and Reimbursements</u>	<u>35,900</u>	
<u>Total</u>		<u>23,765,788</u>

TOTAL STREETS AND SANITATION 37,902,268

7,833,998 5,357,842 2,475,656 500

6,302,482 4,136,213 1,885,950 241,219 33,700 5,400

23,765,788 13,816,613 8,966,125 150,150 797,000 35,900

37,902,268

8,790,351 6,316,370 2,473,838 143

5,706,523 3,556,224 1,877,748 235,909 31,242 5,400

23,420,967 13,655,734 8,792,334 140,000 796,999 35,900

37,917,841

TRANSPORTATION

DIVISION OF ENGINEERING - 84 -
 2125.0000-Personnel Services
 2125.0100-Contractual Services
 2125.0200-Travel
 2125.0300-Commodities and Materials

Total

DIVISION OF INFRASTRUCTURE MANAGEMENT - 84 •
 2135.0000-Personnel Services
 2135.0100-Contractual Services
 2135.0200-Travel
 2135.0300-Commodities and Materials

2135.9400-Internal Transfers and Reimbursements..
Total

8,672,701	7,385,897	1,209,320	44,878	32,606
9,701,967	4,959,027	4,598,990	104,800	35,150
8,672,701	7,385,897	1,209,320	44,878	32,606
9,701,967	4,959,027	4,598,990	104,800	35,150
7,743,595	6,579,736	1,113,141	35,768	14,950
8,687,678	4,338,094	4,248,738	71,152	25,694

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**Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS**

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

Original	Final Actual
Budget Budget	

VEHICLE TAX FUND - Concluded

TRANSPORTATION - Concluded

DIVISION OF ELECTRICAL OPERATIONS - 84 -

2150.0000-Personnel Services	\$ 17,245,514	\$ 17,245,514
16,608,724		
2150.0100-Contractual Services	1,418,918	1,418,918
2150.0200-Travel	117,560	117,560
		130,845

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

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**Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS**

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

Actual

Final Budget

Original Budget

MOTOR FUEL TAX AND PROJECT FUND - Concluded
DEPARTMENT OF STREETS AND SANITATION - 81 -

2047.0000-Personnel Services	\$	3,308,601	\$	3,308,601	\$	2,583,072
2047.0100-Contractual Services		467,588		467,588		427,614
<u>2047.0300-Commodities and Materials</u>		<u>13,385,200</u>		<u>13,385,200</u>		<u>11,897,248</u>
<u>TOTAL STREETS AND SANITATION</u>		<u>17,161,389</u>		<u>17,161,389</u>		<u>14,907,934</u>
3,000,000						
3,000,000	690,542	3,894,519	2,026,911	6,360,682	825,000	4,675,334
3,000,000	8,849					

2,012,513 4,881,328 825,000 4,318,475

DEPARTMENT OF TRANSPORTATION - 84 -

2005.9100-C.T.A./Regional Transportation Authority Agreement						
2125.0300-Commodities and Materials						
		2,026,911	6,360,682	825,000	4,675,334	
2150.0000-Personnel Services						
2150.0300-Commodities and Materials						
2155.0000-Personnel Services						
2155.0100-Contractual Services						
2155.0300-Commodities and Materials						

<u>TOTAL TRANSPORTATION</u>		<u>16,887,927</u>		<u>21,472,988</u>		<u>15,046,165</u>
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TOTAL MOTOR FUEL TAX AND PROJECT FUND		55,993,000		56,683,542		45,818,477
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MISCELLANEOUS FUND

EMERGENCY COMMUNICATION

GENERAL GOVERNMENT

DEPARTMENT OF FINANCE GENERAL - 99 -

2005.0100-Contractual Services		100,000		100,000		23,410
<u>2005.9639-For Oper. of the Emer Management and Comm</u>		<u>96,405,000</u>		<u>96,405,000</u>		<u>96,400,000</u>
Total						96,505,000
						96,505,000 96,423,410
 TOTAL EMERGENCY COMMUNICATION		 96,505,000		 96,505,000		 96,423,410

Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS

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

Original
Budget Budget Final Actual

MISCELLANEOUS FUND - Continued

SPECIAL DEPOSIT ACTIVITIES

CHICAGO PARKING METERS

GENERAL GOVERNMENT

DEPARTMENT OF FINANCE GENERAL - 99 -
2005.0100-Contractual Services
Total

\$ 15,067,077 \$ 15,067,077 \$ 14,809,758
15,067,077 15,067,077 14,809,758

TOTAL CHICAGO PARKING METERS

15,067,077 15,067,077 14,809,758

PUBLIC SAFETY

DEPARTMENT OF POLICE - 57 -
2005.9999-Miscellaneous
Total

3,272,496 3,272,496 2,416,958
3,272,496 3,272,496 2,416,958

TOTAL SPECIAL DEPOSIT ACTIVITIES

18,339,573 18,339,573 17,226,716

COMMONWEALTH EDISON

SETTLEMENT GENERAL GOVERNMENT

OFFICE OF THE MAYOR-01 -
2005.0000-Personnel Services
Total

390,000 390,000 390,000 67,472
390,000 390,000 67,472

DEPARTMENT OF STREETS & SANITATION - 81 -
2005.0100-Contractual Services
Total

126,500 126,500 126,500
126,500 126,500 126,500

DEPARTMENT OF TRANSPORTATION - 84 -
2150.0000-Personnel Services
2005.9999-Miscellaneous
Total

25,000 25,000
50,000 50,000 50,000
75,000 75,000 50,000

TOTAL COMMONWEALTH SETTLEMENT

591,500 591,500 243,972

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Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS

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

MISCELLANEOUS FUND - Concluded

ALLIED SETTLEMENT FUND

GENERAL GOVERNMENT

DEPARTMENT OF LAW-31 -

2005.9999-Miscellaneous

\$ 1,000,000 \$ 1,000,000 13,335

Total

1,000,000

1,000,000

13,335

754,533 1,939 5,084

1,391,000 7,500 10,000 75,000

1,391,000 7,500 10,000 75,000

DEPARTMENT OF PROCUREMENT SERVICES - 35 -

2005.0100-Contractual

2005.0200-Travel

2005.0300-Commodities and Materials

2005.0400-Equipment

Total

1,483,500

1,483,500

761,556

TOTAL ALLIED SETTLEMENT

2,483,500

2,483,500

774,891

CTA REAL PROPERTY TRANSFER TAX

DEPARTMENT OF FINANCE GENERAL - 99 -

2005.9205-For Distribution of the Net Proceeds of the Real Property

Transfer Tax-CTA Portion

62,647,000

62,647,000 79,063,378

2005.9640-To Reimburse Corporate Fund for Costs Incurred for

Collection of the Real Property Transfer Tax-CTA Portion

633,000

633,000

-

Total

63,280,000

63,280,000

79,063,378

TOTAL CTA REAL PROPERTY TRANSFER TAX

63,280,000

63,280,000

79,063,378

LEGAL RESERVE FUND

DEPARTMENT OF FINANCE GENERAL - 99 -

2005.0900-For Distribution of the Net

Proceeds			
of the Real Property	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
Total	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
 TOTAL LEGAL RESERVE FUND	 <u>2,800,000</u>	 <u>2,800,000</u>	 <u>2,800,000</u>
 TOTAL MISCELLANEOUS FUND	 183,999,573	 183,999,573	 196,532,367

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Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS

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

Original Budget
Final Budget
LIBRARY FUND

GENERAL GOVERNMENT

DEPARTMENT OF INNOVATION AND TECHNOLOGY - 06 -

2005.0000-Personnel Services	\$	1,157,867	\$ _
Total		1,157,867	_

DEPARTMENT OF FLEET AND FACILITY MANAGEMENT - 38 -
BUREAU OF FACILITY MANAGEMENT

2126.0000-Personnel Services	1,480,418	
2126.0100-Contractual Services	6,681,901	
2126.0300-Commodities and Materials	462,500	_
Total		8,624,819 _

BUREAU OF ASSET MANAGEMENT - 38 -

2131.0100-Contractual Services	1,253,976	
2131.0300-Commodities and Materials	3,280,371	_
Total		4,534,347 _

BUREAU OF FLEET OPERATIONS - 38 -

2140.0100-Contractual Services	37,485	
2140.0300-Commodities and Materials	15,000	_
Total	52,485	_

TOTAL DEPARTMENT OF FLEET AND

FACILITY MANAGEMENT	13,211,651
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1,157,867 \$
1,157,867

1,480,418 6,681,901 462,500

8,624,819

1,253,976 3,280,371
4,534,347

37,485 15,000
52,485

13,211,651

1,185,499
1,185,499

1,285,344 6,457,295 443,667

8,186,306

1,252,182 3,258,566
4,510,748

14,100
14,100

12,711,154

DEPARTMENT OF FINANCE GENERAL - 99 -

2005.0000-Personnel Services	10,089,347	10,089,347	9,648,490
2005.0100-Contractual Services	1,897,713		
1,897,713	1,502,888		
2005.0955-Interest on Library Financing	1,500,000	1,500,000	2,102,598
2005.9027-City's Contribution to Social Security Tax	17,198	17,198	17,198
2005.9076-City's Contribution to Medicare Tax	789,004	789,004	789,004
2005.9112-Property Maintenance Contract for the Harold Washington Library Center	7,174,166	7,174,166	7,147,323
2005.9199 -For Purchase of Chicago Public Library Books and Materials	7,500,000	7,500,000	7,503,588
2005.9980-Municipal Fund Pension Allocation	3,557,763	3,557,763	-

Total	32,525,191	32,525,191	28,711,089
TOTAL GENERAL GOVERNMENT	46,894,709	46,894,709	42,607,742

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

Original Budget	Final Actual Budget
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LIBRARY FUND - ConcludedCULTURAL AND RECREATIONAL

CHICAGO PUBLIC LIBRARY - 91 -

2005.0000-Personnel Services	\$ 51,918,465	\$ 51,918,465	\$
51,093,281			
2005.0100-Contractual Services	3,495,306	3,495,306	3,266,793
2005.0300-Commodities and Materials	540,520	540,520	528,214
2005.9400-Internal Transfers and Reimbursements	55,000	55,000	55,000
Total	56,009,291	56,009,291	54,943,288
TOTAL CULTURAL AND RECREATIONAL	56,009,291	56,009,291	54,943,288
TOTAL LIBRARY FUND	102,904,000	102,904,000	97,551,030

SPECIAL EVENTS, TOURISM AND FESTIVALS

FUND MUNICIPAL HOTEL OPERATORS'

OCCUPATION TAX GENERAL GOVERNMENT

OFFICE OF THE MAYOR - 01 -

2005.0000-For Personnel Services	550,686	550,686	452,632
Total	550,686	550,686	452,632

CITY COUNCIL COMMITTEE ON SPECIAL
EVENTS AND CULTURAL AFFAIRS -15 -

2155.0000-Personnel Services	150,380	150,380	154,295
2155.0300-Commodities and Materials	8,720	8,720	3,432
Total	159,100	159,100	157,727

DEPARTMENT OF FINANCE GENERAL - 99 -			
2005.0000-Personnel Services	1,105,221	1,105,221	186,401
2005.0100-Contractual Services	5,969,370	5,969,370	4,102,505
2005.0912-For Payment of Bonds	5,000,000	5,000,000	5,000,000
2005.0991-To Provide for Matching and Supplementary Grant Funds	183,750	183,750	128,750
2005.9027-City's Contribution to Social Security Tax	1,726	1,726	1,726
2005.9076-City's Contribution to Medicare Tax	79,206	79,206	79,206
2005.9124-For the Sisters City Program	528,643	528,643	528,643
9610 To Reimburse Corporate Fund for Pension	1,107,041	1,107,041	1,107,041
9611 To Reimburse Corporate Fund for Indirect Cost			
Chargeable to Fund	3,561,000	3,561,000	3,561,000
2005.9700-Reimbursable Transfers Between Funds	2,193,355	2,193,355	2,190,855
Total	19,729,312	19,729,312	17,686,127
<u>20,439,098</u>	<u>20,439,098</u>	<u>18,296,486</u>	

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**Schedule C-5 - Continued CITY OF
CHICAGO, ILLINOIS SPECIAL
REVENUE FUNDS**

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

SPECIAL EVENTS, TOURISM AND FESTIVALS FUND - Continued MUNICIPAL HOTEL OPERATORS'

OCCUPATION TAX - Concluded CULTURAL AND RECREATIONAL

DEPARTMENT OF CULTURAL AFFAIRS - 23 -			
2015.0000-Personnel Services		\$	
2015.0100-Contractual Services			
2015.0200-Travel			
2015.0300-Commodities and Materials			
2015.9188-For Expenses Related to the Operations of Millennium Park			
2015.9219-Implementation of Cultural Plan			
2015.9288-For Expenses Related to the Programming for Millennium Park			
2015.9800-For Special Events Projects	—		
		Total	~
TOTAL CULTURAL AND RECREATIONAL	—		
TOTAL MUNICIPAL HOTEL OPERATORS' OCCUPATION TAX	—		
<u>DEPARTURE TAX</u>			

GENERAL GOVERNMENT

DEPARTMENT OF FINANCE - 27 -

2003.0100-Contractual Services
Total

: —
—

DEPARTMENT OF AVIATION - 85 -

2015.0100-Contractual Services
Total

—
—

TOTAL GENERAL GOVERNMENT

Original Budget

6,403,144 \$ 3,002,562
10,500
95,000

6,680,000 1,250,000

165,000 12,298,696
29,904,902

29,904,902

50,344,000

545,155
545,155

606,051
606,051

arr-arr
i,loi,z0d
Final Budget

6,403,144 \$ 3,002,562

10,500

95,000

6,680,000 1,250,000

165,000 12,298,696

29,904,902

29,904,902

50,344,000

545,155

545,155

606,051

606,051

1,151,206

Actual

5,989,340 2,789,818 5,640 51,637

6,680,000 1,250,000

165,000 12,117,841

29,049,276

29,049,276

47,345,762

545,155
545,155

606,051
606,051

1,151,206

150

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

	Original Budget	Final Actual Budget	
<u>SPECIAL EVENTS. TOURISM AND FESTIVALS FUND -</u>			
<u>Concluded DEPARTURE TAX - Concluded PUBLIC</u>			
<u>SAFETY</u>			
DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION - 70 -			
2005.0000-Personnel Services	\$	199,149	199,149 \$ 199,149
Total	199,149	199,149	199,149
TOTAL PUBLIC SAFETY	199,149	199,149	199,149
TOTAL DEPARTURE TAX	1,350,355	1,350,355	1,350,355
TOTAL SPECIAL EVENTS, TOURISM AND FESTIVALS FUND	51,694,355	51,694,355	48,696,117
HEALTH AND WELFARE			

Schedule C-6
CITY OF CHICAGO, ILLINOIS
SPECIAL REVENUE FUNDS - FEDERAL, STATE AND LOCAL GRANTS
COMBINING BALANCE SHEET December 31, 2016
With Comparative Totals for December 31, 2015
(A1Ti0u11ia die in ! i1uudsi1us ui uuiid1aj)

[illegible]

Other Assets

Total Assets \$ 17,951 \$ 38,812 \$ 45,328 \$ 271,105

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE Liabilities:

Voucher Warrants Payable
Due to Other Funds
Accrued and Other Liabilities
Unearned Revenue

\$ 257	\$ 18,457	\$ 7,579	\$ 58,719				
				28,168	18,666	26,163	187,686
1,806	1,285	763	548				
<u>4,017</u>	<u>6,322</u>	<u>9,524</u>	<u>30,711</u>				
<u>Total Liabilities</u>				<u>\$ 34,248</u>	<u>\$ 44,730</u>	<u>\$ 44,029</u>	<u>\$ 277,664</u>

Deferred Inflows:

Deferred Inflows 81 7,712 25,619 187,766

Fund Balance (Deficit):

Restricted
Unassigned (16,378) (13,630) (24,320) (194,325) ...

Total Fund Balance (Deficit) (16,376) (13,630) (24,320) (194,325)

Total Liabilities, Deferred Inflows and Fund Balance \$ 17,951 \$ 38,812 \$ 45,328 \$ 271,105

				152				
		Cultural		Urban		Intrafund		Totals
<u>Environmental</u>	<u>and</u>	<u>Human</u>	<u>Develop-</u>	<u>Capital Activity</u>				
<u>Aviation</u>	<u>Control</u>	<u>Recreational</u>	<u>Services</u>	<u>ment</u>	<u>Outlay</u>	<u>Elimination</u>	<u>2016</u>	<u>2015</u>

4,702

1,176 54

\$

4,071 55,630 3,215 11 302 3,009 3,173 256 100,387 3,772

2,541 3 93

306 303

4,963

1,622 8,445

108,351 3,218 4,630 25,908

425,126 4,075

36,793 3,218 3,796

50,724 421,526 4,075

\$ 78 \$ 5,932 \$ 7,347 \$ 166,479 \$ 3,246 \$ 15,030 \$

\$ 2 \$ 15 \$ 43 \$ 75,658 \$

6 110 18,903

4 2 47 7,676

3,225 37,872

81 \$ 9,141 \$

906 409

72

576 5,743

\$ 169,952 \$ 156,058

281,017

261,316

12,203 7,408

97,990 72,293

23 \$ 3,425 \$ 140,109 \$ 1,635 \$ 15,293 \$

253,053

72 5,862 3,816 - 1,304 - 11,054 17,617

: = : (3,247) = (2,061) = (253,961) (233,759)

72 5,862 3,816 (3,247) 1,304 (2,061) - (242,907)

(216,142)

\$ 78 \$ 5,932 \$ 7,347 \$ 166,479 \$ 3,246 \$ 15,030 \$

\$ 571,308 \$ 520,132

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

	<u>General</u> <u>Government</u>	<u>Health</u>	<u>Public Trans-</u> <u>Safety portation</u>	
Revenues:				
^Federal/State Grants	\$ 5,897	\$ 86,300 •\$ 54.972	\$ 172,946
Total Revenues	5,897	86,300	54,972	172,946
Expenditures:				
Current		436	86,905	62,568 214,819
Total Expenditures	436	86,905	62,568	214,819
<u>Revenues Over Expenditures</u>		<u>5,461</u>	<u>(605)</u>	<u>(7,596) (41,873)</u>
Other Financing Sources (Uses):				
Proceeds of Debt, net	... 30,746			
<u>Operating Transfers Out</u>	<u>(4,000)</u>	=		
<u>Total Other Financing Sources (Uses)</u>	<u>(4,000)</u>	=	<u>- 30,746</u>	
Revenues and Other Financing Sources Over (Under)				
Expenditures and				
Other Financing Sources (Uses)	1,461	(605)	(7,596)	(11,127)
<u>Fund Balance (Deficit) - Beginning of Year</u>	<u>(17,839)</u>	<u>(13,025)</u>	<u>(16,724)</u>	<u>. (183,198)</u>
<u>Fund Balance (Deficit) - End of Year</u>	<u>\$ (16,378)</u>	<u>\$ (13,630)</u>	<u>\$ (24,320)</u>	<u>\$ (194,325)</u>

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

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NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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[illegible]

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

	Highway and	<u>Transportation Building Projects Projects</u>
\$		
REVENUES		
Investment Income	\$	
Miscellaneous		
	Total Revenues	
EXPENDITURES		
Capital Outlay		
	Total Expenditures	
	Revenues Over (Under) Expenditures	
OTHER FINANCING SOURCES (USES)		
Transfers Out		
<u>(4) (603)</u>		
	Total Other Financing Sources (Uses) ...	
<u>(101)</u>		
Net Change in Fund Balance		
Fund Balance - Beginning of Year		

Fund Balance - End of Year	\$	<u>Total Nonmajor Capital Project Funds</u>
\$		
1,245	1,012	2,257
<u>68,898</u>	<u>68,898</u>	
<u>(66,641)</u>		
<u>(1,500)</u>	<u>(1,500)</u>	
<u>(68,141)</u>	<u>54,270</u>	<u>\$ (13,871)</u>

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FIDUCIARY FUNDS

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

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

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Schedule E-1

CITY OF CHICAGO, ILLINOIS FIDUCIARY
FUNDS - AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2016
(Amounts are in Thousands of Dollars)

		Payroll Clearing	Payroll Deduction	Payroll Clearing	Other	License and Special Deposit	Special Assessment	
ASSETS:								
Cash,								
	January 1, 2016	\$ 6,354	\$ 306	\$ 201,580	\$ 39,864	\$ 761	\$ 248,865	
Additions	4,071,689	362	3,798,256	140,429	3,735	8,014,471		
Deductions	<u>4,071,502</u>	<u>543</u>	<u>3,875,239</u>	<u>167,717</u>		<u>612</u>	<u>8,115,613</u>	
Cash,								
	<u>December 31, 2016</u>	<u>6,541</u>	<u>125</u>	<u>124,597</u>	<u>12,576</u>		<u>3,884</u>	<u>147,723</u>
Investments,								
January 1, 2016	-	94	50,073			12,266		

					3,389	65,822
Additions	27,629	52914,304,265	53,118	10,58014,396,121		
<u>Deductions</u>	<u>13,635</u>	<u>35514,243,253</u>	<u>38,480</u>	<u>13,68014,309,403</u>		
Investments,						
<u>December 31,2016</u>		<u>13,994</u>	<u>268</u>	<u>111,085</u>	<u>26,904</u>	<u>289 152,540</u>
Cash and Investments						
with Escrow Agent,						
January 1,2016	-	-	5,090	122		- 5,212
Additions	-	-	99,871	-		- 99,871
<u>Deductions</u>	<u>-</u>	<u>-</u>	<u>95,895</u>	<u>-</u>	<u>-</u>	<u>95,895</u>
Cash and Investments						
with Escrow Agent,						
<u>December 31,2016</u>	<u>-</u>	<u>-</u>	<u>9,066</u>	<u>122</u>	<u>-</u>	<u>9,188</u>
Accounts Receivables,						
January 1,2016	-	3,846	153,245	1,582	1,040	159,713
Additions	881	-317,028	15,347	-333,256		
<u>Deductions</u>	<u>236</u>	<u>-304,950</u>	<u>15,988</u>	<u>15321,189</u>		
Accounts Receivables,						
<u>December 31,2016</u>		<u>645</u>	<u>3,846</u>	<u>165,323</u>	<u>941</u>	<u>1,025 171,780</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
December 31, 2016
 (Amounts are in Thousands of Dollars)

	Payroll Clearing	Payroll Deduction Fund	Other Clearing Fund	License and Special Special Deposit Assessment Fund	Fund	Fund Total
ASSETS - Concluded: Total						
Assets,						
January 1,2016		\$ 6,354	\$ 4,246	\$ 409,988	\$ 53,834	\$ 5,190 \$ 479,612
Additions	4,100,199	. 891	18,519,420	208,894	14,315	22,843,719
<u>Deductions</u>	<u>4,085,373</u>	<u>898</u>	<u>18,519,337</u>	<u>222,185</u>	<u>14,307</u>	<u>22,842,100</u>

Total Assets,

<u>December 31, 2016</u>	<u>\$ 21,180</u>	<u>\$ 4,239</u>	<u>\$ 410,071</u>	<u>\$ 40,543</u>	<u>\$ 5,198</u>	<u>\$ 481,231</u>
--------------------------	------------------	-----------------	-------------------	------------------	-----------------	-------------------

LIABILITIES:

Voucher Warrants Payable,
January 1, 2016

- \$

			34	\$ 29,269	\$ 2,377	\$ 4	\$ 31,684
Additions	8,986,606	-	800,699	25,652		6 9,812,963	
<u>Deductions</u>	<u>8,986,428</u>	<u>-</u>	<u>790,892</u>	<u>24,884</u>		<u>6 9,802,210</u>	

Voucher Warrants Payable,

<u>December 31, 2016</u>	<u>178</u>	<u>34</u>	<u>39,076</u>	<u>3,145</u>	<u>4 42,437</u>
--------------------------	------------	-----------	---------------	--------------	-----------------

Accrued Liabilities,

January 1, 2016	6,354		4,212	380,719		
				51,457	5,186	447,928
Additions	1,332,149	-	838,879			23,616
31	2,194,675					

<u>Deductions</u>	<u>1,317,501</u>	<u>7</u>	<u>848,603</u>	<u>37,675</u>	
<u>23</u>	<u>2,203,809</u>				

Accrued Liabilities,

<u>December 31, 2016</u>	<u>21,002</u>	<u>4,205</u>	<u>370,995</u>	<u>37,398</u>	<u>5,194 438,794</u>
--------------------------	---------------	--------------	----------------	---------------	----------------------

Total Liabilities,

January 1, 2016	6,354		4,246	409,988	53,834	
				5,190		479,612
Additions	10,318,755	-	1,639,578		49,2683712,007,638	
<u>Deductions</u>	<u>10,303,929</u>	<u>7</u>	<u>1,639,495</u>		<u>62,559</u>	
<u>29</u>	<u>12,006,019</u>					

Total Liabilities

<u>December 31, 2016</u>	<u>\$ 21,180</u>	<u>\$ 4,239</u>	<u>\$ 410,071</u>	<u>\$ 40,543</u>	<u>\$ 5,198</u>	<u>\$ 481,231</u>
--------------------------	------------------	-----------------	-------------------	------------------	-----------------	-------------------

Schedule E-2

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

Pension Trust Funds

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

Schedule E-3

CITY OF CHICAGO, ILLINOIS

FIDUCIARY FUNDS - PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

Year Ended December 31, 2016

(Amounts are in Thousands of Dollars)

Pension Trust Funds

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

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PART III

STATISTICAL SECTION
(UNAUDITED)

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

(Amounts are in Thousands of Dollars)

2007

GjoveTrim

Net Investment in Capital Assets \$ 570,665

Restricted 2,980,207

Unrestricted (deficit) (3,435,506)

Total governmental activities,

net position

\$

115,366

Business-type activities:

Net Investment in Capital Assets \$ 2,168,833

Restricted 881,908

Unrestricted (1,561,634)

Total business type activities,

net position

\$

1,489,107

Primary Government:

Net Investment in Capital Assets \$ 2,739,498

Restricted 3,862,115

Unrestricted (4,997,140)

Total primary government,

net position

\$

1,604,473

2010

2008

(324,284) 3,611,533 (6,582,562)494,930 2,842,149 (4,092,388)2009 (1)\$ 251,103 3,735,128 (5,840,026)2,365,522 790,881 (1,431,859)\$ 2,286,658 821,909 (1,541,136)\$ (755,309) \$ (1,853,795) \$ (3,295,313)\$ 2,323,394 779,894 (1,517,891)\$ 2,041,238 4,402,414 (8,014,421)\$ 2,537,761 4,557,037 (7,381,162)

\$ 1,585,397 \$ 1,567,431 \$ 1,724,544

\$ 2,818,324 3,622,043 (5,610,279)\$ 830,088 \$. (286,364) \$ (1,570,769)

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

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

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2015

\$ (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)
\$ (292,432) 1,519,914 (25,263,289)

\$ (24,035,807)
\$ (65,466) 2,269,517 (29,676,310)

\$ (27,472,259)

\$ 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

\$ 2,892,548 1,042,980 (3,731,167)

\$ 204,361

\$ 3,373,063 879,934 (4,210,657)

\$ 42,340

\$ 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)

\$ 2,600,116 2,562,894 (28,994,456)

\$ (23,831,446)

\$ 3,307,597 3,149,451 (33,886,967)

\$ (27,429,919)

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

Expenses

Governmental Activities:

Public Safety
 Streets and Sanitation
 Transportation
 Health
 Cultural and Recreational
 Interest on Long-term Debt
 Total Governmental Activities

Business-type Activities:

Water
 Sewer
 Chicago Midway
 International Airport
 Chicago-O'Hare
 International Airport
 Chicago Skyway
 Total Business-type Activities

Total Primary Government	\$								
2007									
2008									
2010									
2,557,681	2,824,028	235,863	373,437	142,352	126,939	404,218	6,664,518		
	2009								
.,2,384,586	2,434,842	371,112	381,090	170,838	140,065	381,504			
6,264,037									
350,181	136,961								
211,082									
751,351	13,555								
371,441	158,292								
217,609									
803,404	12,359								
382,502	169,982								

206,613

811,710 11,775 1,582,582

,2,364,754, 2,521,151 297,156 351,101 166,914 129,996 386,125 6,217,197

399,347 184,888

224,465

834,487 11,312 1,654,499

1,563,105

7,740,220 \$ 7,827,142 \$ 7,799,779 \$ 8,319,017

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.

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2015

2,734,419 2,689,471 245,898 410,802 151,152 102,808 474,226 6,808,776

2,751,944 2,910,160 228,622 383,510 123,055 146,283 460,660 7,004,234

2,667,205 3,044,811 242,500 400,506 119,678 128,302 477,959 7,080,961

2,913,469 275,814 475,751 125,068 121,548 580,701

7,350,140

\$ 2,857,789 \$ 6,238,028 \$

3,192,197 253,432 471,689 119,199 118,775 861,293 11,254,613
4,549,261 4,266,146 256,985 378,779 116,692 114,676 495,856 10,178,395

416,289 194,838
417,499 195,911
442,474 216,587
455,433 225,600
900,346 505,032
816,012 350,388

225,867

1,719,510	<u>879,281</u>	<u>10,930</u>
	<u>955,276</u>	<u>10,621</u>
<u>1,805,174</u>		
	<u>920,781</u>	<u>10,585</u>
<u>1,831,507</u>		

<u>1,029,559</u>	<u>10,314</u>	<u>1,969,137</u>
1,380,512	8,727	3,110,341
1,330,240	8,651	2,825,324

\$ 8,528,286	\$ 8,809,408	\$ 8,912,468	\$ 9,319,277	\$
14,364,954	\$ 13,003,719			

Table 2 - Continued

CITY OF CHICAGO

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

Program Revenues

Governmental Activities: „ ..Licenses, Permits, Fines and Charges for Services:

General Government \$

Public Safety

Streets and Sanitation

Transportation

Health

Cultural and Recreational

Operating Grants and Contributions

Capital Grants and Contributions

Total Governmental Activities

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

Water

Sewer

Chicago Midway

International Airport

Chicago-O'Hare

International Airport

Chicago Skyway

Capital Grants and Contributions

Total Business-type Activities and

Program Revenues

Total Primary Government

Program Revenues \$ _

Net (Expenses)/Revenues

Governmental Activities \$

Business-type Activities

Total Primary Government

Net Expense \$

2008

2010

2007

370,028 150,710 38,092 21,640 8,332 21,635 674,677 114,871

440,023 \$ 129,518

40,578

14,071 3,157

25,725 624,356 139,949

422,363 \$ 155,529

41,467

13,262 2,795

24,412 610,974 137,613

2009

382,617 \$ 158,490
30,990
24,895 2,504
1,417,377
1,399,985
1,408,415
22,375 611,301 115,261
370,244 160,005

124,985

684,282

224,823
458,395 198,229

149,056

702,603

246,309
334,377 138,681

107,253

652,763

268,331
1,348,433

410,213 175,163

122,301

624,443
1,564,339
1,543,294
1,501,405

211,174
1,754,592

2,909,820 \$ 2,981,716 \$ 2,891,727 \$ 3,154,577
1,234
100,093
38,275

(4,868,675)	\$	(4,846,660)	\$	(4,868,764)	\$	(5,264,533)
(39,288)						
(4,830,400)	\$	(4,845,426)	\$	(4,908,052)	\$	(5,164,440)

172

2014

		388,886	\$	211,157	37,291	28,613	7,796	7,201	788,812	282,008
1,751,764										
				199,572	42,138	39,343	1,751	14,454	748,256	172,456
				196,344	45,629	46,076	2,023	15,947	634,384	184,415
452,892	\$	467,423	\$	505,275	\$					
1,592,241										
		208,206		44,552	44,278	2,281	14,643	470,659	249,860	
	1,539,754									
534,325	\$	182,670								
39,602										
37,522	5,839									
14,850	496,679	249,064								
1,560,551										
501,468	202,379	100,996								
52,524	7,232									
15,122	516,728	221,532								
1,617,981										

454,221 203,349

157,371

679,402

257,438					
<u>1,751,781</u>					
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					
769,408	375,877				
225,383					
1,029,788					
					<u>85,968</u>
2,486,424					
761,411	368,966				
232,483	1,139,380				
115,206	2,617,446				
\$ 3,503,545	\$ 3,643,143	\$ 3,826,571	\$ 3,879,431	\$	
<u>4,046,975</u>	<u>\$ 4,235,427</u>				
32,271					
(207,878)					
167,107					
402,823					
370,540					

\$ (5,057,012)	\$ (5,333,372)	\$ (5,488,720)	\$ (5,810,386)	\$
(9,694,062)	\$ (8,560,414)			
(623,917)				
\$ (57024,741)	\$ (5,166,265)	\$ (5,085,897)	\$ (5,439,846)	\$
(10,317,979)	\$ (8,768,292)			

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

General Revenues and Other Changes in Net Position

Governmental Activities: Taxes

Property Tax \$
Utility Tax
Sales Tax
Transportation Tax
Transaction Tax
Special Area Tax
Other Taxes

Grants and Contributions Not

Restricted to Specific Programs

Unrestricted Investment Earnings

Loss on Capital Assets

Transfers

Miscellaneous

Total Governmental Activities

Business-type Activities:

Investment Earnings

Miscellaneous

Special Item

Transfers

Total Business-type Activities

Total Primary Government \$ _

Change in Net Position

Governmental Activities \$

Business-type Activities

Total Primary Government \$

2009(1)

2010

2008

799,878 629,497 273,951 321,362 275,434 531,314 262,734,

712,360 90,176

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

601,198 12,296

796,928 561,936 260,364 335,235 227,772 477,241 259,325

654,043 100,269

2007

732,415 552,179 293,078 332,459 304,715 533,260 245,408

714,661 182,700

238,126

149,902

79,279

3,975,985

3,770,278

3,823,015

1,000 69,941

57,451 37,605

12,381 8,941

6,831 50,190

3,961,816

100,720 27,313

95,056

21,322

57,021

(1,000)

127,033

(870,675) 96,290

(1,441,518) 157,114

(906,859) 165,308

4,088,849 \$ 4,071,041 \$ 3,791,600 \$ 3,880,036

\$ 1,264,473 557,992 347,131 449,744 542,896 537,026 395,889

781,968 30,400

2,540 213,903 5,123,962

48,517 34,687 (53,910)

(1,000)

28,294

\$ 3,985,953

25,197 38,842

64,039 \$ 3,947,575

(13,243) 47,354

34,111

\$ 3,998,201

35,849 49,430

85,279 \$ 4,274,668

27,563 39,744

(625)

66,682 \$ 4,900,111

13,196 35,201

(2,540)

45,857

\$ 5,169,819

\$ (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)

\$ (4,860,633) (557,235) \$ (5,417,868)

\$ (3,436,452) (162,021) \$ (3,598,473)

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Table 3

CITY OF CHICAGO, ILLINOIS

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) Last Ten Years Ended December 31, 2016 (Amounts are in Thousands of Dollars)

		Percent				
		2007 of Total 2008				
Revenues:						
Property Tax	\$ 661,707	12.1 %	\$ 729,823			
Utility Tax	552,179	10.1	629,497			
• • Sales Tax	570,927	10.4	'548,571			
Transportation Tax	332,459	6.1	321,362			
State Income Tax	433,446	7.9	435,393			
Transaction Tax	304,715	5.6	275,434			
Special Area Tax	488,193	8.9	552,709			
Other Taxes	* 245,408	4.5	262,734			
	Total Taxes			3,589,034	65.6	3,755,523
Federal/State Grants	781,967	14.3	796,911			
Internal Service	303,827	5.5	329,643			
Licenses and Permits	148,172	2.7	114,707			
Fines	240,277			4.4	274,443	
Investment Income	182,700	3.3	390,176			
Charges for Services	151,369	2.8	144,161			
Miscellaneous	79,956	1.4	79,279			
	Total Revenues			\$ 5,477,302	100.0 %	5,584,843
%						
15.1	10.9	9.4	6.2	6.5	3.8	9.1
13.1	11.3	9.9	5.8	7.8	4.9	9.9

2009

% \$

806,010
 579,101
 503,952'
 333,199
 347,814
 205,026
 487,909

65.7

14.1 5.8 1.9 5.0 0.6 2.4 4.5

67.4
 14.2 5.9 2.1 4.9 1.6 2.6 1.3
 250,982
 3,513,993
 753,269 306,095 100,458 267,891 31,520 124,557 238,126
 100.0 % \$ 5,335,909 100.0 %

2014

Revenues:

Property Tax	\$929,841
Utility Tax	570,469
Sales Tax	658,799
Transportation Tax	406,624
State Income Tax	404,050
Transaction Tax	379,256
Special Area Tax	331,380
<u>Other Taxes</u>	<u>323,946</u>

Total Taxes 4,004,365

Federal/State Grants	812,175
Internal Service	335,762
Licenses and Permits	122,143
Fines	353,517
Investment Income	69,650
Charges for Services	172,928
<u>Miscellaneous</u>	<u>179,939</u>

Total Revenues 6,050,479

NOTE:

2015
 18.6 8.0
 10.3 6.5 6.0 7.8 7.4 5.7
 15.4 9.4
 10.9 6.7 6.7 6.3 5.5 5.4
 869,841 562,697 703,234 384,978 456,397 466,432 353,413 369,405
 14.0 9.0
 11.3 6.2 7.3 7.5 5.7 5.9

2016

% \$
 % \$
 %
 66.3
 13.3 5.5 2.0 5.8 1.2 2.9 3.0
 4,166,397
 764,846
 382,758
 129,035
 387,160

(26,895)
 147,927
 264,806
 66.9
 12.3 6.2 2.1 6.2
 (0.4) 2.4 4.3
 70.3
 10.8 5.4 1.9 4.9
 • 0.4 3.2 3.1
1,294,063 557,992 713,557 449,744 413,673 542,896 516,886 395,889
 4,884,700
 745,603 376,895 132,873 337.769 30,400 221,965 .213,865
100.0 % \$ 6,216,034 100.0 % \$ 6,944,070 100.0 %

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

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Percent of Total Percent of Total	2012	Percent of Total	Percent 2013	Percent of Total
14.0	10.4	9.8	6.2	7.2
754,081	561,936	527,004	335,235	385,668
15.2	5.5	1.8	5.1	1.9
3,537,547	65.6			
815,879	295,765	96,240	272,667	103,725
888,531	564,236	563,156	331,441	344,674
3,764,676				
976,051	321,138	102,702	283,822	73,921
15.2	9.6	9.6	5.7	5.9
64.2				
16.7	5.5	1.8	4.8	1.3
941,398	548,682	594,290	373,544	391,285
3,795,890				
877,864	319,285	117,568	306,510	90,885
16.2 %				
9.4	10.2			
6.5				
6.7				
4.9				
6.3				
5.0	65.2			
15.1	5.5	2.1	5.3	1.6
866,149	547,651	623,942	381,080	436,740
3,831,046				
708,702				
324,601				
,123,633				

329,460
 (19,111)
 161,415
 122,710
 15.5 9.8
 11.2 6.8 7.8 6.2 5.9 5.4
 68.6
 12.7 5.8 2.2 5.9
 (0.3) 2.9 2.2
 0/ /0
 177

\$	5,385,290	100.0 %	\$	5,856,727	100.0 %	\$	5,814,237	100.0 %
\$	5,582,456	100.0 %						

Table 4

CITY OF CHICAGO, ILLINOIS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) Last Ten Years Ended December 31, 2016 (Amounts are in Thousands of Dollars)

2007

Percent of Total

Percent of Total

Percent of Total

Expenditures: Current:

___P.ubJic^S.afety.....\$,1,880,599.. ^ . 30.8Jo_...\$ 1,892,152.. , ..27,7,.V . \$. 1,91.3,7,1.1
 ,30..5.:.%.

General Government	1,650,679	27.1	1,804,925	26.4	1,663,990	26.5
Employee Pensions	371,649	6.1	413,690	6.0	430,915	6.9
Streets and Sanitation	377,485	6.1	382,628	5.6	300,131	4.8
Transportation	267,476	4.4	334,684	4.9	261,948	4.2
Health	195,254	3.2	184,597	2.7	177,812	2.8
Cultural and Recreational	108,527	1.8	117,664	1.7	107,604	1.7
Other	4,427	0.1	14,483	0.2	27,676	0.2
Capital Outlay	602,433	9.9	661,464	9.7	619,273	9.9
Debt Service:						

Principal Retirement	297,503 4.96	56,805 9.64	34,905 6.9	
Interest and Other Fiscal				
<u>Charges</u>	<u>342,489 5.63</u>	<u>76,297 5.5</u>	<u>351,430 5.6</u>	
<u>Total Expenditures</u>	<u>\$6,098,521</u>	<u>100.0%</u>		<u>\$6,839,389 100.0 %</u>
				<u>\$6,269,395 100.0%</u>

Debt Service as a Percentage of				
<u>Non Capital Expenditures (2)</u>		<u>11.4 %</u>	<u>16.7 %</u>	<u>13.6%</u>

PercentPercentPercent
2014of Total2015 of Total2016 of Total

Expenditures: Current:

PublicSafety	\$2,066,979	28.8%	\$2,111,709	28.6 %	\$2,265,213	30.5%
General Government	2,043,557	28.5	2,063,897	27.9	2,046,396	27.6
Employee Pensions	483,493 6.74	79,581 6.58	10,497 10.9			
Streets and Sanitation	269,393 3.82	49,078 3.32	48,029 3.3			
Transportation,...	518,501 7.24	75,482 6.44	102,477 5.4			
Health	128,769 1.81	119,048 1.61	116,416 1.6			
Cultural and Recreational	93,525 1.49	5,049 1.39	4,030 1.3			
Other	5,410 0.06	726 0.1	4,086 0.1			
Capital Outlay	395,216 5.5	425,050 5.82	86,018 3.9			
Debt Service:						
Principal Retirement	599,395 8.45	13,806 7.06	60,019 8.9			
Interest and Other Fiscal						
<u>Charges</u>	<u>568,156 7.98</u>	<u>50,243 11.54</u>	<u>483,468 6.5</u>			
<u>Total Expenditures</u>	<u>\$7,172,394</u>	<u>100.0%</u>		<u>\$7,389,669 100.0 %</u>		
				<u>\$7,416,649 100.0%</u>		

Debt Service as a Percentage of				
<u>Non Capital Expenditures (2)</u>		<u>17.9%</u>	<u>20.1 %</u>	<u>16.7%</u>

NOTES:

- 1) Includes General, Special Revenue, Debt Service and Capital Project Funds.
- 2) Non Capital Expenditures include all expenditures except Capital Expenditures included in Capital Outlay with Transportation.

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Percent of Total
Percent of Total
Percent of Total
Percent . of Total

\$1,909,728 1,786,450 435,432 232,426 297,339 153,877 104,297 30,000 628,910

389,928 366,035
30.1 % 28.2
6.9
3.7
4.7
2.4
1.6

0.5

9.9

6.2

5.8

\$1,984,312 2,057,524 481,407 236,591 507,589 148,449 90,905 26,211 470,213

188,608

429,822

30.0 % 31.1

7.3

3.6

7.7

2.2

1.4

0.3

7.1 .

2.8

6.5

\$2,075,959 1,806,541 458,951 228,100 514,303 127,567 102,384 11,725 435,600

340,754

461,962

31.7% 27.5

7.0

3.6

7.8

1.9

1.6

0.1

6.6

5.2

7.0

\$2,034,896 1,834,558 444,748 241,787 443,199 126,599 97,487 7,681 340,481

297,152

464,587

32.1 % 29.0

7.0

3.8

7.0
2.0
1.6
0.1
5.4

4.7 7.3

\$6,334,422 100.0% \$6,621,631 100.0% \$6,563,846 100.0% \$6,333,175 100.0%

12.6 %

EXPENDITURES BY FUNCTION

w c o

■ Public Safety

• General Government

• Other

■ Debt Service

□ Streets and Sanitation

B Capital Outlay

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

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Table 4A

CITY OF CHICAGO, ILLINOIS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Last Ten

Fiscal Years Ended December 31, 2016 (Amounts are in Thousands
of Dollars) Modified Accrual Basis of Accounting

	2007	2008	2009	2010
Excess of revenues over (under) expenditures	\$ (621,219)	\$ (1,254,546)	\$ (933,486)	\$ (949,132)

Other Financing

Sources (Uses):

Issuance of Debt, including premium/discount 1,434,390	\$ 1,653,881	\$ 795,432	\$ 1,001,302	\$
Payment to Refunded Bond Escrow Agent	(951,419)	(186,421)	(213,435)	(412,184)
Issuance of line of credit				
Transfers in	332,016	293,448	2,253,459	647,407
Transfers out		(331,016)	(293,448)	(2,253,459)(647,407)
Total other financing sources (uses)	<u>703,462</u>	<u>609,011</u>	<u>787,867</u>	<u>1,022,206</u>
Net change in fund balances	\$ 82,243	\$ (645,535)	\$ (145,619)	\$ 73,074

180

2015

\$ (764,110) \$ (749,609) \$ (750,719) \$ (1,121,915)

(1,173,635) \$ (472,579)

\$ 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
1,093,939 \$ 554,638

239,131 229,609 (228,984)

1,333,695

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

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

Other Governmental Fund Balance: (2)

Restricted	\$	-	\$	-	\$	-	\$
Committed							
Assigned							
Unassigned	-		-		-		
Total Fund Balance	-		-		-		-
Total Governmental Funds	\$	-	\$		-	J	- \$

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.

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2015

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				
23,828	98,377	93,027		
215,232				
			23,730	92,115 153,737 269,582

	\$ 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
<u>\$ 1,226,591</u>					
\$ 1,829,431	696,067				
(1,843,440)	682,058				
\$ 823,336					
				1,878,692	677,821
				(1,789,019)	767,494
					982,726
1,755,914	709,769				
(1,827,047)	638,636				
908,218					

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

	<u>2012 (3)</u>	<u>2013 (3)</u>	<u>2014 (3)</u>	<u>2015 (3)</u>	<u>2016 (3)</u>
Revenues:					
Utility Tax		\$ 462,475			
••Sales Tax	572,185				
State income Tax	282,779				
Other Taxes	694,383				
Federal/State Grants	1,074				
<u>Other Revenues (1)</u>	<u>907,760</u>				
		<u>Total Revenues</u>			<u>2,920,656</u>
\$ 456,869 \$ 473,496 \$ 437,780 \$ 434,409					
583,681 620,299 665,793 674,515					
308,899 278,031 336,959 413,673					
749,742 803,961 935,658 1,080,423					
		1,871	2,335	1,845	1,869
<u>929,429</u> <u>998,028</u> <u>1,088,600</u> <u>1,077,723</u>					
		<u>3,030,491</u>	<u>3,176,150</u>	<u>3,466,635</u>	<u>3,682,612</u>
Expenditures: Current:					
Public Safety	1,956,152				
General Government	864,556				
Other (2)	258,501				
		<u>Debt Service</u>			<u>2,160</u>
		<u>Total Expenditures</u>			<u>3,081,369</u>
1,953,572 2,020,072 2,061,540 2,195,201					
885,268 929,918 1,064,470 993,682					
267,852 270,899 298,817 263,503					
2,382 10,369 8,275 20,822					
3,109,074 3,231,258 3,433,102 3,473,208					
Revenues	Under	Expenditures			(160,713)
(78,583)	(55,108)	33,533 209,404			
Other Financing Sources (Uses): Issuance of Debt, Net of Original					
		Discount/Including Premium			55,000
Transfers In	31,617				
<u>Transfers Out</u>	<u>(26,965)</u>				

				<u>Total Other Financing Sources (Uses).</u>	<u>59,652</u>
		19,300			
21,018	39,700		34,551	14,998	
(10,583)	(10,081)		(12,760)	(169,955)	
<u>10,435</u>	<u>29,619</u>	<u>41,091</u>	<u>(154,957)</u>		
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (101,061)					
Fund Balance - Beginning of Year		335,533			
<u>Change in Inventory</u>		<u>(3,170)</u>			
<u>Fund Balance - End of Year</u>		<u>\$ 231,302</u>			
(68,148)	(25,489)	74,624	54,447		
		<u>231,302</u>	<u>167,057</u>	<u>141,278</u>	<u>215,232</u>
		<u>3,903</u>	<u>(290)</u>	<u>(670)</u>	<u>(97)</u>
\$ 167,057	\$ 141,278	\$ 215,232	\$ 269,582		

NOTES:

- 1) Includes Internal Service, Licenses and Permits, Fines, Investment Income, Charges for Services and Miscellaneous Revenues.
- 2) Includes Health, Streets and Sanitation, Transportation, Cultural and Recreational and Other Expenditures.
- 3) Source: City of Chicago Basic Financial Statements for years ended December 31, 2012-2016.

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

	<u>2012 (3)</u>	<u>2013 (3)</u>	<u>2014 (3)</u>	<u>2015(3)</u>	<u>2016 (3)</u>
Revenues:					
Property Tax	\$ 350,408	\$ 316,958	\$ 357,457	\$ 360,132	\$ 747,957
Utility Tax	63,883	68,458	74,641	102,593	101,260
State Income Tax	108,506	127,841	126,019	119,438	
Other Taxes	607,135	589,422	624,676	626,821	791,824

Federal/State Grants	876,790	706,831	809,840	763,001	743,734
Other Revenues (1)	<u>168,040</u>	<u>96,263</u>	<u>162,996</u>	<u>143,029</u>	<u>194,061</u>
<u>Total Revenues</u>	<u>2,174,762</u>	<u>1,905,773</u>	<u>2,155,629</u>	<u>2,115,014</u>	<u>2,578,836</u>
Expenditures: Current:					
Public Safety	119,807				
General Government	941,985				
Employee Pensions	458,951				
Other (2)	/ 725,578				
Capital Outlay	5,259				
Debt Service	<u>723</u>				
<u>Total Expenditures</u>					<u>2,252,303</u>
		81,324	46,907	50,169	70,012
949,290	1,113,639	999,427	1,052,714		
444,748	483,493	479,581	810,497		
648,901	744,699	646,566	601,535		
		7,187			
		<u>115</u>	<u>9,863</u>	<u>45,445</u>	<u>47,760</u>
<u>2,131,565</u>	<u>2,402,933</u>	<u>2,221,259</u>	<u>2,591,785</u>	<u>71</u>	<u>9,267</u>
<u>Revenues Under Expenditures</u>	<u>(77,541)</u>				
Other Financing Sources (Uses):					
Issuance of Debt, Net of Original					
Discount/Including Premium	70,541		125,063	17,768	
		28,657			30,746
Line of Credit		-	--75,994		
Transfers In	76,968	91,022	184,033		
32,257	123,941				
Transfers Out	<u>(56,622)</u>	<u>(59,631)</u>	<u>(64,863)</u>		
<u>(70,322)</u>	<u>(81,412)</u>				
<u>Total Other Financing Sources (Uses)...</u>	<u>90,887</u>		<u>156,454</u>	<u>136,938</u>	
	<u>66,586</u>				<u>73,275</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and					
Other Financing Uses	13,346	(69,338)	(110,366)	(39,659)	60,326
<u>Fund Balance - Beginning of Year</u>	<u>391,202</u>	<u>404,548</u>	<u>335,210</u>	<u>224,844</u>	<u>185,185</u>
<u>Fund Balance - End of Year</u>	<u>\$ 404,548</u>	<u>\$ 335,210</u>	<u>\$ 224,844</u>	<u>\$ 185,185</u>	<u>\$ 245,511</u>

NOTES:

- 1) Includes Internal Service, Fines, Investment Income, Charges for Services and Miscellaneous Revenues.
- 2) Includes Health, Streets and Sanitation, Transportation, Cultural and Recreational and Other Expenditures.
- 3) Source: Major and Nonmajor Special Revenue Funds for years ended December 31, 2012-2016.

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

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

Fund Balance - Beginning of Year 529,840

(160,979) (257,474) 277,602 32,356

470,459 309,480 52,006 329,608

\$ 309,480 \$ 52,006 \$ 329,608 \$ 361,964

NOTES:

1) Includes Investment Income and Miscellaneous Revenues.

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

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

2013 (2) 2014 (2) 2015 (2) 2016(2)

Revenues:

<u>Other Revenues (1)</u>	<u>\$ 11,343</u>
<u>Total Revenues</u>	<u>11,343</u>
\$ 5,128 \$ 36,472 \$ 30,702 \$ 18,063	
5,128 36,472 30,702 18,063	

Expenditures:

<u>Capital Outlay</u>	<u>430,341</u>
<u>Total Expenditures</u>	<u>430,341</u>

333,294 385,353 379,605 238,258 333,294 385,353 379,605 238,258

Revenues Under Expenditures (418,998)

Other Financing Sources (Uses): Issuance of Debt, Net of Original

				Discount/Including Premium	295,606
Issuance Line of Credit					
Transfers In	22,843				
Transfers Out	(11,804)				
				<u>Total Other Financing Sources (Uses).</u>	<u>306,645</u>
(328,166)	(348,881)	(348,903)	(220,195)		

110,300	630,575	62,360			
144,673	-	50,000			
		1,930	17,440	105,450	13,700
		(951)	(308,770)	(21,414)	(15,045)
<u>255,952</u>	<u>339,245</u>	<u>196,396</u>	<u>(1,345)</u>		

Revenues and Other Financing Sources Over (Under) Expenditures and
Other Financing Uses (112,353)

Fund Balance - Beginning of Year 599,411

(72,214)	(9,636)	(152,507)	(221,540)		
<u>487,058</u>	<u>414,844</u>	<u>405,208</u>	<u>252,701</u>		
\$ 414,844	\$ 405,208	\$ 252,701	\$ 31,161		

NOTES:

- 1) Includes Investment Income, Charges for Services and Miscellaneous Revenues.
- 2) Source: Major (Community Development and Improvement Projects) and Nonmajor (Capital Projects Funds) for years ended December 31, 2012-2016.

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

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

NOTES:

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

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

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

Tax Year(1)			
Total Tax		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			
2007	\$		
2008			
2009			
2010			

2011
2012
2013
2014
2015
2016
749,351 \$ 712,008
834,152
834,109
834,089
833,948
834,636
838,254
861,416 1,186,625 1,296,161 (4)
95.02 % 93.09 83.99 94.73 96.00 96.36 96.39 96.59 97.46 N/A
12,978 32,243 100,189 16,216 5,867 13,907 17,557 19,023
724,986 808,765 800,768 806,357 806,449 818,152 825,542 851,065 1,156,428
96.75 % 96.96 96.00 96.68 96.70 98.03 98.48 98.80 97.46 N/A
24,365 25,387 33,341 27,732 27,499 16,484 12,483 10,144 29,291 51,847

229 207 906 1,244,314

Total Net Outstanding Taxes Receivable

\$ 1,245,656

NOTES:

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

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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)

2015 EAV

Percentage of Total Rank EAV

2006 EAV

Percentage of Total Rank EAV

Willis Tower (4)	\$ 386,933
AON Building (3)	239,092
Blue Cross Blue Shield Tower (5)	238,631
Water Tower Place	215,481
300 N. LaSalle	196,095
Franklin Center (6)	194,504
Chase Plaza	193,365
Citadel Center	187,291
Prudential Plaza	186,795
Three First National Plaza	182,523
UBS Tower	
Leo Burnett Building	
Citicorp Plaza	

Totals

\$ 2,220,710

1	2	3	4	5	6	7	8	9
10								
0.55	%							
0.34								
0.34								
0.30								
0.28								
0.27								
0.27								
0.26								
0.26								
0.26								
493,803								356,510

219,995

283,387 238,266

279,532 196,044 189,061 201,662 205,854

3.13 % \$ 2,664,114

1

2

3 5

4 9 10 8 7

0.71 % 0.51

0.32

0.41 0.34

0.40 0.28 0.27 0.29 0.30

3.83 %

NOTES:

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

Table 13

CITY OF CHICAGO, ILLINOIS

ASSESSED AND ESTIMATED FAIR MARKET VALUE OF ALL TAXABLE PROPERTY Last Ten Years
(Amounts are in Thousands of Dollars)

Assessed Values (1)

Tax					Total
Year--	Class 2 (2),^--Class 3.(3)-.^, ..	Class 5-(4)r,..	Other (5)^.:		
2006	18,521,873	2,006,898	12,157,149	688,868	33,374,788
2007	18,937,256	1,768,927	12,239,086	678,196	33,623,465
2008	19,339,574	1,602,768	12,359,537	693,239	33,995,118
2009	18,311,981	1,812,850	10,720,244	592,364	31,437,439
2010	18,074,177	1,416,863	10,467,682	606,941	30,565,663
2011	17,932,671	1,116,175	10,456,103	588,672	30,093,621
2012	15,529,678	1,208,620	10,233,051	498,310	27,469,659
2013	15,410,659	1,236,401	10,172,186	494,714	27,313,960
2014	15,390,835	1,298,776	10,124,569	512,390	27,326,570
2015	17,296,324	1,532,714	11,269,605	592,903	30,691,546

NOTES:

- 1) Source: Cook County Assessor's Office. Excludes portion of City in DuPage County.
- 2) Residential, 6 units and under.
- 3) Residential, 7 units and over and mixed use.
- 4) Industrial/Commercial.
- 5) Vacant, not-for-profit and industrial/commercial incentive classes. Includes railroad and farm property.
- 6) Source: Illinois Department of Revenue.
- 7) Source: Cook County Clerk's Office. Excludes portion of City in DuPage County and net of exemptions. Calculations also include assessment of pollution control facilities.
- 8) Source: The Civic Federation. Excludes railroad property and portion of City in DuPage County.
- 9) 2015 information not available at time of publication.

2016 information not available at time of publication.

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State Equalization Factor (6)

2.7080 2.8439 2.9786 3.3701 3.3000 2.9706 2.8056 2.6621 2.7253 2.6685

Total Equalized Assessed Value (7)

69,517,264 73,645,316 80,977,543 84,685,258 82,087,170 75,122,914 65,250,387 62,363,876 64,908,057 70,963,289

Total Direct
Tax
Rate

1.062 1.044 1.030 0.986 1.020 1.110 1.279 1.344 1.327 1.672

Total Estimated Fair Market Value (8)

329,770,733 320,503,503 310,888,609 280,288,730 231,986,397 222,856,064 206,915,723 236,695,475 255,639,792 N/A (9)

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

21.08 22.98 26.05 30.21 35.38 33.71 31.53 26.35 25.39 N/A (9)

EQUALIZED ASSESSED VALUE

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

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

Tax .-year=-

Chicago

School Building and Improvement
-,F-und=-

Chicago School Finance ■ Authority-

Board of

Education

Community College District
^,No-508=

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 (1)

NOTE:

1.062 1.044 1.030 0.986 1.016 1.110 1.279 1.344 1.327 1.672

0.117 0.112 1.116 0.119 0.146 0.152 0.146 0.134

0.118 0.091

2.697 2.583 2.472 2.366 2.581 2.875 3.422 3.671 3.660 3.455

0.205 0.159 0.156 0.150 0.151 0.165 0.190 0.199 0.193 0.177

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

Table 15

CITY OF CHICAGO, ILLINOIS PROPERTY TAX RATES

- CITY OF CHICAGO Per \$100 OF EQUALIZED

ASSESSED VALUATION Last Ten Years

(Amounts for Tax Extension are in Thousands of Dollars)

Tax Year

Total City Tax Extension (2)

Bond, Note Redemption and Interest

Chicago Public Library Bond, Note Redemption and Interest

Policemen's Annuity and Benefit

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 (1)

719,230 749,351 834,152 834,109 834,089 833,948 834,636 838,254 861,416 1,186,625

0.519706 0.550055 0.508488 0.478955 0.494109 0.542475 0.623916 0.653302 0.659187
0.602426

0.049968 0.039514 0.094354 0.091851 0.094665 0.103443 0.119254 0.125978 0.125228

0.115391
 0.194953 0.191548 0.172426 0.167552 0.170734 0.191381 0.220459 0.221494 0.210554
 0.510054

NOTES:

- 1) 2016 information not available from the Cook County Clerk's Office at time of publication.
- 2) Does not include the levy for the School Building and Improvement Fund which is accounted for in an agency fund.

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Chicago Park <u>District</u>	Metropolitan Water Reclamation <u>District</u>	Forest <u>Cook County</u>	Preserve District of Cook <u>County Total</u>
\$ 0.379	\$ 0.284	\$ 0.057	\$ 0.500
0.355	0.263	0.053	0.446
0.323	0.252	0.051	0.415
0.309	0.261	0.049	0.394
0.319	0.274	0.051	0.423
0.346	0.320	0.058	0.462
0.395	0.370	0.063	0.531
0.420	0.417	0.069	0.560
0.415	0.430	0.069	0.568
0.382	0.426	0.069	0.552

Municipal Employees' Annuity and	Firemen's Employees' Annuity and Benefit	Laborers' and Retirement Board Annuity and Benefit	Benefit Total
\$ 0.197399	\$ 0.099974	\$ -	\$ 1.062
0.174302	0.088581	-	1.044
0.162182	0.080787	0.011763	1.030
0.153704	0.078184	0.015754	0.986
0.161435	0.078352	0.016705	1.016
0.169036	0.088014	0.015651	1.110
0.197892	0.100313	0.017166	1.279
0.195713	0.130700	0.016813	1.344
0.189848	0.125339	0.016844	1.327

0.175716 0.252815 0.015598 1.672

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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

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Population (1)

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

Equalized Assessed Value (2)

73,651,158 80,977,543 84,685,258 82,087,170 75,122,914 65,250,387 62,363,876
 64,908,057 70,963,289 N/A (6)

G. O. Bonds

5,759,573 5,687,447 6,051,947 6,536,596 6,997,975 7,244,917 7,159,396 7,798,956
 8,562,720 8,551,473

Other G. O. Debt

77,998 259,097 230,263 268,526 198,132 166,460 270,188

239,131 124,263

General Certificates Obligation and Other

458,654 362,140 439,670 574,755 554,015 528,305 501,490 473,290 434,525 392,440

Unamortized Premiums (3)

129,002 87,809 91,787

NOTES:

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

Accreted Interest (3)

290,179 297,645 307,236
Total Gross -Net of Premiums
& Accretions-Bonded Debt (4)

6,296,225 6,308,684 6,721,880 7,379,877 7,750,122 7,939,682 7,931,074 8,691,427 9,621,830 9,467,199

Less Reserve for
Debt Service

70,543 10,080 50,431 58,822 249,355 105,582 16,298 99,725 232,442 285,375

Net Bonded Debt

6,225,682 6,298,604 6,671,449 7,321,055 7,500,767 7,834,100 7,914,776 8,591,702 9,389,388 9,181,824

Ratio of Net Bonded Debt to Equalized Assessed Value

8.45
7.78
7.88
8.92
9.98 12.01 12.69 13.24 13.23

N/A (6)

Net Bonded Debt Per Capita (5)

2,149.74 2,174.92 2,303.66 2,715.93 2,782.60 2,906.26 2,936.19 3,187.31 3,483.23 3,406.23

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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,.

Interest and Other Financing Charges,(3)

General Obligation Debt Service Expenditures

Governmental .-Expenditures..

Ratio of Debt Service Expenditures to Governmental ^Expenditures. (.1.)

2007	\$ 143,575	\$ 267,698	
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
2015		326,556	501,721
2016	574,949	424,489	
\$ 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	
828,277	7,389,669	11.2	
999,438	7,416,649	13.5	

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

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Table 18
CITY OF CHICAGO, ILLINOIS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
December 31, 2016
(Amounts are in Thousands of Dollars)

City of Chicago Direct Debt

Net Direct Long-term Debt(1)

Percentage of
Overlapping Bonded Debt (2)

							<u>Net Debt Applicable</u>
<u>City of Chicago G. O. Bonds</u>							\$ 8,943,914
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	
						\$ 8,943,914 6,778,084 863,580 241,830 3,213,142 159,440	
2,926,998 14,183,074							
\$ 23,126,988							
100.00% 100.00 100.00 100.00							
51.98							
53.47							
54.46							
						\$ 8,943,914 6,778,084 863,580.	241,830 1,670,215 85,253
1,594,027 11,232,989							
\$ 20,176,903							

NOTES:

- 1) Source: Amount of Net Direct Debt was obtained from each of the respective taxing bodies.
- 2) Cook County Clerk's Office.
- 3) Table 18 includes the governmental entities that operate as separate, independent units of government and have the authority to issue bonds and levy taxes on real property within the City of Chicago. The net direct long-term debt amount provided by each entity is comprised solely of the tax-levy supported obligations. Table 18 does not include non-property tax levy backed debt issued by the listed entities.

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

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

NOTES:

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

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2015

9,877,084
10,384,421
10,338,490
10,397,181
11,232,989

\$ 7,628,222 \$ 7,939,682 \$ 7,670,298 \$ 8,339,626 \$ 9,041,892 \$ 8,943,914
10,113,429

\$ 17,505,306 \$ 18,324,103 \$ 18,008,788 \$ 18,453,055 \$ 19,439,073 \$ 20,176,903

75,122,914 9.29% 21.33%

65,250,387 10.57% 24.39%
62,363,876 11.76% 27.60%
64,908,057 13.37% 29.59%
70,963,289 13.93% 29.95%
N/A (6) 12.60% 28.43%

\$ 222,856,064 3.42% 7.85%
206,915,723 3.84% 8.86%
236,695,475 3.24% 7.61%
255,639,792 3.26% 7.22%
N/A (6) N/A (6) N/A (6)
N/A (6) N/A (6) N/A (6)

2,695,598 2,829.88 6,494.03
2,695,598 2,945.43 6,797.79
2,695,598 2,845.49 6,680.81
2,695,598 3,093.79 6,845.63
2,695,598 3,354.32 7,211.41
2,695,598 3,317.97 7,485.13

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

Service (4)	Proprietary Funds				Debt Service Requirements			
	Gross		Other		Net Revenue		Available	
	Principal	Interest	Available	Total Coverage	"Revenues (1)	Expense (2)	Funds (3)	
2007	\$ 1,550,299		\$ 856,550		\$ 31,554	\$ 585,522	725,303	
	\$168,712				\$416,810		1.24	
2008		1,602,668	913,499	47,067	736,236	219,482	438,553	658,035
2009		1,516,939	887,676	41,021	670,284	216,841	369,379	586,220
2010		1,768,225	911,935	10,370	866,660	220,124	379,185	599,309
2011		1,767,722	937,233	61,202	891,691	166,825	306,916	473,741
2012		1,935,020	967,517	83,050	1,050,553	209,298	479,277	688,575
2013		2,020,371	969,551	211,531	1,262,351	277,225	494,226	771,451
2014 *	2,306,308	1,042,605	280,251		1,543,954	290,340	569,475	859,815
2015 *	2,391,485	1,054,949	344,579		1,681,115	336,960	570,523	907,483
2016 *	2,531,472	1,112,868	555,170		1,973,774	417,727	579,779	997,506

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

Tax Increment Financing Funds									
<u>Net Revenue</u>									
<u>Debt Service Requirements</u>									
<u>Available for Debt</u>									
<u>Gross</u>	<u>Operating</u>	<u>Year</u>	<u>Revenues (1)</u>	<u>Expense (2)</u>	<u>Debt (4)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
<u>Coverage</u>									
2007							\$	509,238	\$
238,757	\$	270,481	\$	91,378	\$	48,514	\$	139,892	1.93
2008									
				557,596	296,469	261,127	176,221	58,292	234,513
2009									
				495,588				185,947	309,641
28,740	65,740			4.7.1.					37,000
2010									
				474,390	229,266	245,124	36,535	28,431	64,966
2011									
				544,415	266,916	277,499	44,290	31,796	76,086
2012									
				487,495	361,783	125,712	43,025	29,136	72,161
2013									
				427,287	334,414	92,873	51,194	27,721	78,915
2014									
				410,018	567,079	(157,061)	69,912	30,963	100,875
2015									
				366,264	349,066	17,198	37,070	24,089	61,159
2016									
				493,399	376,482	116,917	58,090	18,561	76,651

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

Sales Tax Funds		
<u>Net Revenue Available for Debt Service (4)</u>		
Year		
2007	\$	570,927
2008		548,571
2009		503,952
2010		527,004

2011	563,156
2012	594,290
2013	623,942
2014	658,798
2015	703,234
2016	713,557

Debt Service Requirements

Principal

8,550 9,135 425 445 465 11,300 11,875 12,485 13,125 13,795

Interest

17,781 16,385 13,630 6,300 18,481 29,509 27,515 27,292 25,678 25,610

Coverage

21.68 21.50 35.86 78.13 29.72 14.56 15.84 16.56 18.12 18.11

Motor Fuel Tax Funds

Net Revenue Available for Debt Service (4)

Year

2007	\$	61,467
2008		57,472
2009		55,625
2010		55,209
2011		52,567
2012		53,421
2013		52,405
2014		53,772
2015		49,048
2016		51,626

Debt Service Requirements

Principal

4,480 1,210 5,000 5,270 5,550 5,850 6,165 5,915 5,045 4,085

Interest

7,835 9,976 10,618 10,332 9,996 9,840 9,453 6,642 9,356 10,207

Coverage

4.99

5.14
3.56
3.54
3.38
3.40
3.36
4.28
3.41.
3.61

NOTES :

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

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Table 21

CITY OF CHICAGO, ILLINOIS

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Years Ended December 31, 2016

(Amounts are in Thousands of Dollars Except Where Noted)

Governmental Funds

Net General Obligation Debt

Tax Increment Allocation Bonds and Notes

Motor Fuel

and Installment

Sales Tax Purchase
Revenue Agreement

Capital Leases

Water Revenue Bonds
Chicago O'Hare International
Airport Customer Facility Charge Revenue Bonds

Chicago O'Hare International Airport Other Debt

2007	20.08	2009	2010	2011	2012	2013	2014	2015	2016
\$ 6,296,225	6,308,684	6,721,880	7,379,877	7,750,122	7,939,682	7,931,074	8,272,246		
9,236,376	9,068,176								
285,363	204,811	179,871	156,881	125,201	106,241	80,127	69,995	60,660	33,520
\$ 499,555	552,345	559,417	553,702	770,312	753,162	735,122	725,395	735,882	748,748
7,500	5,500	.3,500	1,200						
245,685	207,065	169,282	177,011	166,787	163,012	171,673	116,858		
1,195,803	1,464,838	1,424,319	1,711,615	1,677,851	1,988,655	1,954,020	2,381,770		
2,391,395	2,468,397								

248,750 248,750 248,750 248,750

NOTES:

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

Proprietary Fund Revenue Bonds

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

Chicago Midway Airport
Revenue Bonds

Wastewater Transmission Revenue Bonds

Total Primary Government

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

Per Capita (2)

\$	4,562,956	\$ 766,255	\$ 1,254,664	\$ 754,908	\$
15,868,914	4.81	\$ 5,479.57			
4,912,635	725,675	1,239,404	902,904	16,523,861	5.165,705.72
5,092,010	709,200	1,246,190	878,875	16,984,544	5.465,864.80
5,647,115	816,110	1,465,495	1,100,800	19,009,806	6.787,052.17
6,481,960	797,769	1,439,185	1,084,224	20,293,411	8.757,528.35
6,270,770	750,706	1,383,215	1,334,918	20,690,361	9.287,675.61
6,563,780	683,780	1,470,343	1,333,984	21,172,653	10.23 7,854.53
6,406,710	682,271	1,506,325	1,602,175	22,012,495	9.308,166.09
6,586,490	631,245	1,506,325	1,686,178	23,083,301	9.038,563.33
6,404,030	595,630	1,781,605	1,692,820	23,053,774	N/A (3) 8,552.38

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Table 22

CITY OF CHICAGO, ILLINOIS

DEBT SERVICE REQUIREMENTS FOR GENERAL LONG-TERM DEBT (1)
December 31, 2016

Year	Sales Tax and Motor Fuel Tax						Tax Increment and Special			
Ended	General Obligation Debt		Revenue Bonds		Service Area Bonds				Totals	
Dec. 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal		Principal	Interest
2017..	2018..	2019..	2020..	2021 ..	2022..	2023..	2024..	2025..	2026..	2027..
2028..	2029..	2030..	2031 ..	2032..	2033..	2034..	2035..	2036..	2037..	2038..
2039..	2040..	2041 ..	2042..	2043..	2044..					
272,291,947	294,921,972	313,378,700	329,703,918	333,877,240	338,903,400					
331,703,319	327,287,012	317,748,971	332,356,163	346,659,720	356,554,806					
376,054,515	391,392,520	502,118,596	458,108,762	483,916,194	512,382,377					
357,812,607	305,366,559	285,042,925	278,021,380	290,235,000	290,555,000					
307,605,000	101,745,000	108,170,000								
512,360,661	499,915,272	485,973,423	473,191,811	457,640,076	447,500,095					

432,072,096 416,549,104 401,837,691 387,527,887 365,813,325 356,005,907
 336,431,047 320,443,003 298,360,362 253,722,968 227,922,494 199,452,122
 166,876,415 147,226,958 129,750,667 112,997,953 66,214,977 48,415,307 31,341,080
 13,254,033 6,829,854
 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
 24,327,530 25,253,712 26,759,422 42,955,951 45,359,513 47,932,886 50,648,085
 38,598,555 40,726,747 42,967,303 4,962,113 5,433,199 5,615,766 4,131,483
 35,298,281 34,408,706 33,468,881 32,467,744 31,447,860 30,330,775 29,157,835
 27,922,600 26,622,348 25,253,509 26,149,984 22,462,317 32,383,180 30,194,677
 31,091,840 30,346,760 29,528,434 15,879,401 13,766,832 11,498,137 9,104,421
 6,578,922 4,711,261 2,743,590 670,747 505,509 324,583 137,578
 5,595,000 5,710,000 6,020,000 4,135,000 4,375,000 7,685,000
 1,467,376 \$ 1,232,911
 959,730
 706,375
 493,625
 192,125
 296,136,947 319,781,972 339,733,354 355,279,210 360,819,766 370,325,519
 356,743,201 353,688,695 345,592,418 361,717,322 375,368,145 389,078,522
 398,733,797 416,431,868 526,446,126 483,362,474 510,675,616 555,338,328
 403,172,120 353,299,445 335,691,010 316,619,935 330,961,747 333,522,303
 312,567,113 107,178,199 113,785,766 4,131,483
 549,126,318 535,556,889 520,402,034 506,365,930 489,581,561 478,022,995
 461,229,931 444,471,704 428,460,039 412,781,396 391,963,309 378,468,224
 368,814,227 350,637,680 329,452,202 284,069,728 257,450,928 215,331,523
 180,643,247 158,725,095 138,855,088 119,576,875 70,926,238 51,158,897 32,011,827
 13,759,542 7,154,437 137,578

 \$ 8,943,913,603 \$ 7,595,626,588 \$ 748,748,798 \$ 574,456,712 \$ 33,520,000 \$
 5,052,142 \$ 9,726,182,401 \$ 8,175,135,442

NOTE:

(1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2017, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.

Table 23

CITY OF CHICAGO, ILLINOIS

DEBT	SERVICE	REQUIREMENTS	FOR	GENERAL	OBLIGATION	DEBT	(1)
------	---------	--------------	-----	---------	------------	------	-----

December 31, 2016

Year Ended Dec. 31,

General Obligation BondsInterest

.\$, 486,352,-596,	477,158,047	466,738,898	457,541,027	445,894,500	439,348,929
427,446,998	414,373,887	400,973,504	387,015,975	365,693,171	355,921,960
336,385,453	320,443,003	298,360,362	253,722,968	227,922,494	199,452,122
166,876,415	147,226,958	129,750,667	112,997,953	66,214,977	48,415,307
31,341,080	13,254,033	6,829,854			

Alternative Revenue Bonds (2) Principal Interest

•»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 Debt

InterestPrincipal

,\$ 11,245,000 11,350,000 9,100,000 9,100,000 9,100,000 9,100,000 9,100,000 9,100,000

\$ 8,440,363,603 \$ 7,483,653,138 \$ 426,355,000 \$

NOTE:

- 1) The amounts listed above for each year include amounts payable January 1 of the following year. Bonds maturing and interest payable January 1, 2017, have been excluded from this schedule because funds for their payment have been provided in the debt service funds.
- 2) Alternative Revenue Bonds include General Obligation Bonds (Emergency Telephone System), Series 1999 and Series 2004, and General Obligation Bonds (Modem Schools Across Chicago Program) Series 2007A-K and 2010A/B.

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<u>Principal</u>	<u>Totals</u>	<u>Interest</u>				
\$ 272,291,947	\$ 294,921,972	313,378,700	329,703,918	333,877,240	338,903,400	
331,703,319	327,287,012	317,748,971	332,356,163	346,659,720	356,554,806	
376,054,515	391,392,520	502,118,596	458,108,762	483,916,194	512,382,377	
357,812,607	305,366,559	285,042,925	278,021,380	290,235,000	290,555,000	
307,605,000	101,745,000	108,170,000				

512,360,661	\$ 499,915,272	485,973,423	473,191,811	457,640,076	447,500,095
432,072,096	416,549,104	401,837,691	387,527,887	365,813,325	356,005,907
336,431,047	320,443,003	298,360,362	253,722,968	227,922,494	199,452,122
166,876,415	147,226,958	129,750,667	112,997,953	66,214,977	48,415,307
13,254,033	6,829,854				31,341,080
784,652,608	794,837,244	799,352,123	802,895,729	791,517,316	786,403,495
763,775,415	743,836,116	719,586,662	719,884,050	712,473,045	712,560,713
712,485,562	711,835,523	800,478,958	711,831,730	711,838,688	711,834,499
524,689,022	452,593,517	414,793,592	391,019,333	356,449,977	338,970,307
338,946,080	114,999,033	114,999,854			
\$ 8,943,913,603	\$ 7,595,626,588	\$ 16,539,540,191			

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Table 24

CITY OF CHICAGO, ILLINOIS

DEBT	SERVICE	REQUIREMENTS	FOR	PROPRIETARY	FUNDS	(1)
December 31, 2016						

Year Ended December 31,

2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030

2031
2032
2033
2034 ,
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046

Principal

79,305,350 84,017,576 87,835,117 91,783,424 93,703,128 97,942,745 101,811,664 106,877,059 111,781,339
116,468,271 122,196,002 115,797,746 120,593,587 122,358,607 93,907,892 86,479,571. 89,748,157 93,637,500
92,267,620 92,689,247 85,650,000 89,620,000 77,395,000 81,035,000 43,530,000 45,705,000 21,590,000 22,670,000
Interest

130,090,407 127,950,422 119,167,722 115,518,961 106,055,759 101,719,043 97,150,501 92,331,917 87,419,893
82,079,101 76,382,685 70,338,458 64,750,713 58,868,213 52,953,276 48,316,345 44,073,680 39,678,535 35,101,437
30,424,963 25,609,596 20,988,587 15,946,126 11,415,897 6,674,750 4,498,250 2,213,000 1,133,500

Principal

49,325,130 53,827,914 56,332,223 52,004,720 51,823,076 53,753,996 55,940,857 58,220,121 70,967,233 55,189,895
57,268,704 59,393,412 66,691,716 69,977,250 72,877,116 76,223,868 78,245,875 81,629,647 84,611,838 85,330,000
80,485,000 84,585,000 77,130,000 59,225,000 31,955,000 33,525,000 17,685,000 18,595,000
Interest

82,666,580 80,447,515 77,980,386 82,736,330 82,960,422 81,080,181 78,941,711 76,700,670 64,056,345 79,751,296
77,675,800 75,459,122 52,980,670 49,588,664 45,974,683 42,121,221 38,066,902 33,824,826 29,379,029 24,678,771
19,954,343 15,245,506 10,645,474 6,716,893 4,214,125 2,627,125 1,371,875 464,875

\$ 1,692,819,591 \$ 1,318,311,340

NOTE:

- 1) For variable rate debt, interest has been calculated at the rate in effect or effective rate of a Swap Agreement, if applicable, as of December 31, 2016. Amounts above exclude Commercial Paper issues as the timing of payments is not certain.

Principal

Year Ended December 31,

424,587,936	409,121,475	393,909,940	379,372,084	364,997,387	350,140,199
334,985,349	319,087,817	302,434,467	285,099,710	267,152,486	248,412,381
228,634,109	207,779,137	186,144,327	164,206,084	142,503,967	120,692,646
102,199,449	85,279,387	67,512,845	48,851,007	32,294,974	20,575,233
			9,511,624	5,607,159	3,014,750
					1,021,125
\$ 303,620,000	\$ 418,037,929	\$			
324,120,000	326,585,000	312,355,000	279,030,000	296,620,000	295,585,000
307,970,000	326,465,000	337,465,000	354,195,000	370,770,000	383,380,000
403,685,000	422,890,000	439,115,000	465,020,000	480,280,000	520,125,000
284,175,000	303,200,000	318,725,000	334,770,000	240,155,000	195,945,000
108,575,000	114,015,000	101,435,000	38,900,000	40,845,000	
432,250,480	\$ 630,794,916	\$ 1,063,045,396			2017
461,965,490	632,985,873	1,094,951,363			2018
470,752,340	606,269,583	1,077,021,923			2019
456,143,144	592,165,231	1,048,308,375			2020
424,556,204	568,388,265	992,944,469			2021
448,316,741	547,796,611	996,113,352			2022
453,337,521	526,232,411	979,569,932			2023
473,067,180	504,017,936	977,085,116			2024
509,213,572	470,564,055	979,777,627			2025
509,123,166	464,264,864	973,388,030			2026
533,659,706	439,158,195	972,817,901			2027
545,961,158	412,950,066	958,911,224			2028
570,665,303	366,143,764	936,809,067			2029
596,020,857	337,090,986	933,111,843			2030
589,675,008	306,707,096	896,382,104			2031
601,818,439	276,581,893	878,400,332			2032
633,014,032	246,346,666	879,360,698			2033
655,547,147	216,007,328	871,554,475			2034
697,004,458	185,173,112	882,177,570			2035
462,194,247	157,303,183	619,497,430			2036
469,335,000	130,843,326	600,178,326			2037
492,930,000	103,746,938	596,676,938			2038
489,295,000	75,442,607	564,737,607			2039
380,415,000	50,427,764	430,842,764			2040
271,430,000	31,464,108	302,894,108			2041
187,805,000	20,842,228	208,647,228			2042
153,290,000	13,096,499	166,386,499			2043
142,700,000	7,205,534	149,905,534			2044
38,900,000	3,014,750	41,914,750			2045
40,845,000	1,021,125	41,866,125			2046
\$ 9,030,015,000	\$ 5,936,883,836	\$ 13,191,231,193	\$ 8,924,046,913	\$ 22,115,278,106	

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

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

General Long-term Debt: " " i r ~ ' ' " - " - ■ « -- K - ^ T ^ -- « = ^ . T M a ^ General Obligation Debt:

General Obligation Bonds (1):

Refunding Series of 1993 B - 4.25% to 5.125% \$

Project and Refunding Series 1995 A-2 - 5.0% to 6.25%

- 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 - 5.0% to 5.5%

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 - 5.0% to 5.5%

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%

Project and Refunding Series 2005 D - 5.5%

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 - 5.5%

Project and Refunding Series 2008 A and B - 3.0% to 5.765%

Project and Refunding Series 2008 C through E - 1.0% to 6.05%

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%

-General Obligation. Series 2015 A and B - 5.0% to 7.75%

\$ 12,159,940 \$ 8,551,473

Refunding Series 2015C - 5.0%
Total General Obligation Bonds

* Secured by alternate revenues.

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

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

• Secured by alternate revenues.

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

NOTE: (1) The balance outstanding at December 31, 2016 listed above for each bond series excluded
amounts payable

January 1, 2017, if applicable.

Proprietary Fund Revenue Bonds:
Water Revenue Bonds:

Series 1997-Sr Lien 3.9% to 5.25%	\$ 277,911\$ 5,089
Series 2000 - 2nd Lien - 5.0%	100,000100,000
Series 2000 - Sr Lien 4.375% to 5.875%	156,819 9,871
Series 2001 - 2nd Lien 3.0% to 5.75%	353,90580,745
Series 2004 - 2nd Lien - 2.0% to 5.0%	500,000344,575
Series 2006A - 2nd Lien - 4.5% to 5.0%	215,400174,605
Series 2008 - 2nd Lien - 4.0% to 5.25%	549,915436,215

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

	Outstanding at Original December 31,	
	<u>Principal2016</u>	
■ ProprietaryFund Revenue'Bonds'^Continued - iT";T_" ..r;" ... •		
Water Revenue Bonds - Concluded:		
Series2010-2nd Lien-2.0%to6.742%	313,580300,355	
Series 2012 - 2nd Lien - 4.0% to 5.0%	399,445391,745	
Series2014-2nd Lien-3.0%to5.0%	367,925357,610	
Series2016-2nd Lien-1.05%to5.0%	81,71575,990	
Illinois Environmental Protection Agency Loan - 2.905%	3,6051,328	
Illinois Environmental Protection Agency Loan - 2.57%	2,6421,400	
Illinois Environmental Protection Agency Loan -1.25%	6,0004,637	
Illinois Environmental Protection Agency Loan - 0.00%	9,0776,839	
Illinois Environmental Protection Agency Loan -1.25%	1,5281,280	
Illinois Environmental Protection Agency Loan -1.25%	1,5021,259	
Illinois Environmental Protection Agency Loan -1.25%	6,0925,105	
Illinois Environmental Protection Agency Loan - 2.29%	6,5425,878	
Illinois Environmental Protection Agency Loan -1.93%	39,42136,187	
Illinois Environmental Protection Agency Loan -1.93%	15,00013,796	
Illinois Environmental Protection Agency Loan -1.93%	47,00044,149	
Illinois Environmental Protection Agency Loan - 1.995%	15,05814,420	
<u>Illinois Environmental Protection Agency Loan - 2.21 %</u>	<u>55,615</u>	<u>55,319</u>
<u>Total Water Revenue Bonds</u>	<u>3,525,697</u>	<u>2,468,397</u>
Chicago-O'Hare International Airport Bonds:		
Chicago-O'Hare Im Chicago-O'Hare International Airport Revenue Bonds:		
Series of 2004 A through H-3rd Lien-3.49% to 5.35%	385,04529,360	
Series of 2005 A and B-3rd Lien-5.0% to 5.25%	1,200,000110,395	
Series of 2005 C and D - 3rd Lien - Variable Rate (.71% and .74% at December 31,2016)...		
300,000	240,600	
Series of 2008 A through D-3rd Lien-4.0% to 5.0%	779,91531,140	
Series of 2010 A through F - 3rd Lien -1.75% to 6.845%	1,039,985924,365	
Series of 2011 A through C - 3rd Lien - 3.0% to 6.5%	1,000,000728,830	
Refunding Series of 2012 A through C - Senior Lien -1.0% to 5.0%	728,895546,685	
Refunding Series of 2013 A and B - Senior Lien - 2.0% to 5.25%	501,785463,115	
Series of 2013 C and D-.Senior Lien-3.0% to 5.5%	396,120396,120	
Refunding Series of 2015 A and B - Senior Lien - 2.0% to 5.0%	1,620,1801,591,885	

Series of 2015 C and D - Senior Lien - 3.625% to 5.0%	327,200	327,200
Refunding Series of 2016 A through C-Senior Lien-3.0% to 5.0%	1,014,335	1,014,335
<u>Total Chicago-O'Hare International Airport Revenue Bonds</u>	<u>9,293,460</u>	<u>6,404,030</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>

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

	Principal	Outstanding at Original December 31, 2016
Proprietary Fund Revenue Bonds - Concluded:		
Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds:		
Refunding Series of 2010 A through D - 2.0% to 6.322%	137,665	130,680
Refunding Series of 2011 A and B - 5.0% to 6.0%	46,005	46,005
<u>Refunding Series of 2012 A and B - 2.5% to 5.0%</u>	<u>452,095</u>	<u>418,945</u>
<u>Total Chicago-O'Hare International Airport Passenger Facility Charge Revenue Bonds</u>	<u>635,765</u>	<u>595,630</u>
Chicago-O'Hare International Airport Revolving Line of Credit:		
Revolving Line of Credit-AMT Variable Rate (1.53125% at December 31, 2016)	6,916	6,916
<u>Revolving Line of Credit - Non- AMT Variable Rate (1.53125% at December 31, 2016)</u>	<u>5,182</u>	<u>5,182</u>
<u>Total Chicago-O'Hare International Airport Revolving Line of Credit</u>	<u>12,098</u>	<u>12,098</u>
Chicago Midway International Airport Revenue Bonds:		
Series 1998 A, B and C-4.3% to 5.5%	397,715	28,730
Series 2004 C - 2nd Lien - Variable Rate (.77% at December 31, 2016)	137,125	119,150
Series 2004 D - 2nd Lien - Variable Rate (.74% at December 31, 2016)	15,025	13,050
Series 2010 B through D-2nd Lien-3.532% to 7.168%	246,540	62,385
Refunding Series 2013 A through C - 2nd Lien - .74% to 5.5%	333,960	319,375
Series 2014 A through B-2nd Lien-5.0%	771,810	771,810
Refunding Series 2014C - Variable Rate (.79% at December 31, 2016)	124,710	124,710
<u>Series 2016 A through B-2nd Lien-2.0% to 5.0%</u>	<u>342,395</u>	<u>342,395</u>
<u>Total Chicago Midway International Airport Revenue Bonds</u>	<u>2,369,280</u>	<u>1,781,605</u>
Wastewater Transmission Revenue Bonds:		
Refunding Series 1998 A Sr Lien-4.55% to 5.0%	62,423	35,168
Series 2001 - 2nd Lien - 3.5% to 5.5%	187,685	54,855
Series 2006 A and B-2nd Lien-4.5% to 5.0%	155,030	115,965
Series 2008 A-2nd Lien-4.0% to 5.5%	167,635	146,985
Series 2008 C1 through C3 - 2nd Lien - 3.886%	332,230	332,230
Series 2010 - 2nd Lien - 2.0% to 6.9%	275,865	262,350

Series 2012 - 2nd Lien - 3.0% to 5.0%	276,470,261,545	
Series 2014-2nd Lien-3.0%to5.0%	292,405,287,685	
Series 2015-2nd Lien-2.591%to6.042%	87,080,87,080	
Illinois Environmental Protection Agency Loan - 2.5%	1,546,952	
Illinois Environmental Protection Agency Loan - 0.00%	15,000,11,093	
Illinois Environmental Protection Agency Loan -1.25%	17,564,14,925	
Illinois Environmental Protection Agency Loan -1.25%	17,812,15,132	
Illinois Environmental Protection Agency Loan -1.25%	15,000,13,787	
Illinois Environmental Protection Agency Loan -1.93%	54,170	53,068
<u>Total Wastewater Transmission Revenue Bonds</u>	<u>1,957,915</u>	<u>1,692,820</u>
<u>Total Proprietary Fund Revenue Bonds</u>	<u>\$ 18,042,965</u>	<u>\$ 13,203,330</u>

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

Year Population (1)

-2007---	278,965	16-
2008...	2,896,016	
2009...	2,896,016	
2010...	2,695,598	
2011 2013...	2,695,598	
2014 2016...	2,695,598	N/A (5)
<u>Number of Households (2)</u>		

-----	1-033,-328	1,032,746	1,037,069	1,045,666	1,048,222	1,054,488	1,062,029	1,031,672	1,053,229	N/A (5)
<u>City Employment</u>										

-	-1,249,238-	-1,237,856	1,171,841	1,116,830	1,120,402	1,144,896	1,153,725	1,264,234	1,273,727	1,282,117 *
<u>Unemployment Rate (3)</u>										

-	.5:7-	■<
	6.4	10.0 10.1
	9.3	
	8.9	
	8.3	
	5.7	
	5.7	
	5.4	

Per Capita Income (4)

^43,-7^14=^	45,328	43,727	45,957	45,977	48,305	49,071	50,690	53,886	N/A (5)
-------------	--------	--------	--------	--------	--------	--------	--------	--------	---------

Total Income

r,-^126;596,44-3-,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
136,639,862,620 145,254,993,828 N/A (5)

NOTES:

- 1) Source: U.S. Census Bureau.
- 2) Source: American Fact Finder - United States Census Bureau data estimates.
Data not available for 2016.
- 3) Source: Bureau of Labor Statistics 2016, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.
- 4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for
Chicago-Naperville-Illinois Metropolitan Area.
- (5) N/A means not available at time of
publication.
* December 2016 data.

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

<u>Employer</u>	<u>Employees</u>	Number of
-----------------	------------------	-----------

Advocate Health Care	18,930
University of Chicago	16,374
Northwestern Memorial Healthcare	15,747
JPMorgan Chase & Co. (2)	15,229
United Continental Holdings Inc. (3)	15,157
Walgreens Boots Alliance Inc	12,685
Northwestern University	10,241
Presence Health	10,183
Abbott Laboratories	9,800
Jewel Food Stores, Inc	9,660
Northern Trust Corporation	
Accenture LLP	
SBC/AT&T (4)	
American Airlines	
Ford Motor Company	
CVS Corporation	
Deloitte & Touche	
2016 (1)	

Percentage of

Rank

1 2 3 4 5 6 7 8 9 10

Total City Employment

1.48 %

1.28

1.23

1.19

1.18

0.99

0.80

0.79

0.76

0.75

Number of

Employees

9,114 6,102

5,424 4,787 4,283 4,002 3,645 3,367 3,120 2,988
2007 (5)

Percentage of

Total City Employment

1 2

Rank

3 4 5 6 7 8 9 10

0.73 % 0.49

0.43 0.38 0.34 0.32 0.29 0.27 0.25 0.24

NOTES:

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

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Table 28

CITY OF CHICAGO, ILLINOIS

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

Budgeted Full Time Equivalent Positions										
Function	2016	• 2015	2014(2)-	2013,(2)	2012 (2)	-20.1-1	2010	.- -2009 ,--	. 2008	2007^
General										
Government		3,674	3,764	3,760	3,725	3,857	4,363	4,401	4,419	5,112 5,195

Public Safety	21,458	21,182	21,138	21,067	21,040	22,716	22,912	22,954	23,313	23,397
Streets and	I									
Sanitation		2,328	2,341	2,341	2,351	2,302	2,576	2,605	3,087	3,648 3,609
Transportation	1,321	1,297	1,171	932	929	980	1,022	718	819	829
Health	613	656	713	738	904	991	1,117	1,257	1,535	1,554
Cultural and Recreational	1,261	1,253	1,244	1,214	1,153	1,207	1,213	1,318	1,596	1,608
Business-type Activities	3,672	3,636	3,679	3,528	3,559	3,615	3,619	3,666	3,898	4,015
<u>Total</u>	<u>34,327</u>	<u>34,129</u>	<u>34,046</u>	<u>33,555</u>	<u>33,744</u>	<u>36,448</u>	<u>36,889</u>	<u>37,419</u>	<u>39,921</u>	<u>40,207</u>

NOTES:

- 1) Source: City of Chicago 2016 Budget Overview.
Includes full time equivalent positions in grant related programs.
- 2) .Per..Office of Budget Management restated figures.

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Table 29 CITY OF CHICAGO, ILLINOIS OPERATING Last Ten Years										
	INDICATORS					BY	FUNCTION/DEPARTMENT			
Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police Physical										

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

Notes: (1) In 2013, Office of Emergency Management and Communications implemented new system accounting for Administrative calls as well. (2) Beginning in 2013, Chicago Public Library utilizes new process to identify library holdings. Figures in thousands.

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police Stations	25	25	25	25	25	26	25	25	25	25
Fire Stations		104	104	104	104	104	104	104	103	103
										101
Other Public Works:										
Streets (Miles)	4,116	4,116	4,116	4,116	4,116	4,116	4,091	3,775	3,775	3,775
Streetlights	328,683	327,613	327,613	327,613	279,668	278,788	261,019			
259,699	285,989	192,511								
Traffic Signals	3,042	3,037	3,035	3,035	3,035	2,960	2,960	2,960	2,960	2,727
Water										
Mains (Miles)		4,295	4,311	4,322	4,321	4,349	4,360	4,300	4,300	4,375
4,236										
Sewers										
Mains (Miles)		4,452	4,428	4,428	4,428	4,450	4,400	4,400	4,400	4,500
4,500										

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Table 31

CITY OF CHICAGO, ILLINOIS

INTEREST

RATE

SWAP

COUNTERPARTY

ENTITIES

December 31, 2016

(Amounts are in Thousands of Dollars)

Associated Bond Issue

Counterparty Current Notional Credit Rating Amounts Moody's/S&P

Counterparty Entity

City ATE Level (1)

^hjcago.Midway.Airprt...

Revenue Bonds (Series 2U04C&D).

A1/A+

Aa2/AA-

^oj.dmanj^aphs_ Weils Farao

Jaa1iB.BB+ ~Baa27BBB

Total

\$. 131,600

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

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

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

Bond Liquidity, Letters of Credit and Direct Purchase Facilities

Ratings Thresholds (1)

Issue

Midway 2nd Lien Midway 2nd Lien Midway 2nd Lien Midway 2nd Lien O'Hare 3rd Lien O'Hare 3rd Lien

Series 2004 C-1 2004 C-2
2004D 2014 C
2005C 2005 D

Principal Outstanding

1 54,725 64,425 13,050 124,710 140,600 100,000

Expiration or Termination

11/25/2019 11/25/2019 11/25/2019 11/25/2017 08/15/2017 08/15/2017

Bond Maturity Date

01/01/2035 01/01/2035 01/01/2035 01/01/2035 01/01/2035 01/01/2035

Bank

Bank of Montreal Bank of Montreal Bank of Montreal JPMorgan Citibank Barclays

Baa3 BBB-

Baa3 BBB-

Baa3 BBB-

Baa3 BBB-
Baa2 BBB
(2) (2)

Fitch Moody's S&P BBB-BBB-BBB-BBB-BBB (2)

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

Ratings Thresholds (1)

Issue

G. 0. Line of Credit G. 0. Line of Credit G. 0. Line of Credit Midway CP O'Hare CP O'Hare CP O'Hare CP O'Hare Line of Credit

Series 2015 2015 2015 2003A-D 2016 (4) 2016 (4) 2016 (4) 2016

Borrowing Authority

170,000 170,000 170,000 85,000 180,000 120,000 120,000 180,000
41,421 41,421 41,421

Amount Expiration Outstanding or (Dec. 31,2016) Termination
12,098

09/23/2017 09/23/2017 09/23/2017 07/12/2017 09/27/2019 09/27/2019 09/27/2019 12/12/2019

Bank

JPMorgan BMO Harris Bank of China
JPMorgan Bank of America Bank of Tokyo Barclays JPMorgan

Kroll

BBB- (3) BBB- (3) BBB- (3) BBB-BBB- (3) BBB- (3) BBB- (3) BBB-
N/A N/A N/A Baa3 Baa3 Baa3 Baa3 N/A

Fitch Moody's S&P

BBB-(3) BBB-(3)
BBB-(3) BBB-(3)
BBB-(3) BBB-(3)
BBB- N/A
BBB-(3) N/A
BBB-(3) N/A .
BBB-(3) N/A
BBB- BBB-

Notes:

- 1)An underlying rating by any rating agency for the related debt (or lowest rated lien of the related credit) below what is shown in the chart in the "Ratings Threshold" column would constitute an event of default under the agreements with the related banks.
- 2)The agreement with Barclays provides that it is an event of default if (A) any two Rating Agencies then rating the Debt of the City payable from or secured by Pledged Revenues which is senior to or on parity with the Bonds shall have downgraded their rating on such Debt to or below "Baa2" (or its equivalent) or "BBB" (or its equivalent), respectively, or (B) any Rating Agency shall have

downgraded its rating of any Debt of the City payable from or secured by the Pledged Revenues which is senior to or on a parity with the Bonds to below "Baa3" (or its equivalent) or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same and such downgrade, suspension or withdrawal shall remain for a period of 180 days.

3) An underlying rating by two of the three rating agencies, S&P, Fitch or Kroll, would constitute an event of default under the agreements with the banks.

4) O'Hare 2009 Program. 2016 Issue series A1-A3, B1-B3 and C1-C3.

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

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