

# City of Chicago, Illinois

Basic Financial Statements as of and for the Year Ended  
December 31, 2023, Independent Auditor's Report, and  
Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based upon an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards* for the  
Year Ended December 31, 2023

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**CITY OF CHICAGO, ILLINOIS  
YEAR ENDED DECEMBER 31, 2023  
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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Brandon Johnson, Mayor  
and Members of the City Council  
City of Chicago, Illinois

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City's Pension Trust Funds (the "Trust Funds"), which represent 100 percent of the assets and revenues of the Trust Funds as of December 31, 2023, and the respective changes in financial position for the year then ended. 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 Trust Funds, is based solely on the reports of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Trust Funds were not audited in accordance with *Government Auditing Standards*.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues and Expenditures – Budget and Actual, General Fund (Budgetary Basis), Schedule of Revenues and Expenditures – Budget and Actual, Pension Fund (Budgetary Basis), Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Deloitte & Touche LLP*

June 28, 2024

## Management's Discussion and Analysis

As management of the City of Chicago, Illinois (City), we offer readers of the City's Annual Comprehensive Financial Report (ACFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023.

### 2023 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 \$28,211.7 million (net deficit). The net deficit is composed of \$3,882.8 million in net investment in capital assets and \$6,099.6 million in net position restricted for specific purposes, offset by an unrestricted deficit of \$38,194.2 million. The net deficit increased in 2023 by \$580.0 million due to an increase in long-term liabilities mainly due to increase in net pension liability due to changes in pension assumptions and changes in legislation; and higher outstanding pension contributions payable at year end, offset by higher cash, cash equivalents, and investments balances.
- The City's total assets increased by \$2,421.6 million. This increase primarily relates to a \$1,818.0 million increase in cash, cash equivalents, and investments due to timing differences of payments to vendors; a \$208.0 million increase in due from other governments as grant funded expenditures increased; a \$657.0 million increase in construction in progress and other capital assets as the City further increased its infrastructure investments through Chicago Works and Chicago Recovery Plan projects, O'Hare 21, the Midway Modernization Program, and other projects included in the 2022-2026 Five Year Capital Improvement Program, including Water and Sewer projects; and a \$205.8 million increase in restricted cash and investments with escrow agent to be used for scheduled payments on outstanding General Obligation and Sales Tax Securitization Corporation bonds.
- The City's deferred outflows and deferred inflows decreased by \$200.8 million and \$245.8 million, respectively, due to the amortization of pension costs. The City's total liabilities increased by \$3,046.6 million primarily due to an increase in long-term liabilities mainly due to issuances of new debt, an increase in net pension liability, and an increase in outstanding pension contributions payable at year end.
- Total Revenues and Other Financing Sources (Uses), in the governmental fund financial statements, during 2023 were \$12,354.3 million, an increase of \$1,902.0 million (18.2%) from 2022 primarily due to proceeds from issuance of new debt and line of credit usage to fund the City's infrastructure projects.
- The General Fund ended 2023 with a total Fund Balance of \$1,054.9 million, of which \$226.6 million was Unassigned. Total Fund Balance decreased from 2022 by \$257.4 million as the City used its prior year Assigned Fund Balance for planned supplemental pension contributions, offset by the current year budget surplus of \$85.9 million.
- The City's General Obligation Bonds and notes outstanding decreased by \$416.7 million during the current fiscal year due to scheduled payments on General Obligation Bonds and current bond refundings, offset by issuances of new debt and full utilization the City's two lines of credit totaling \$450.0 million in 2023 to fund ongoing capital programs, including Chicago Works and the Chicago Recovery Plan to reinvest in Chicago neighborhoods.
- The General Fund expenditures on a budgetary basis were \$141.6 million less than budgeted expenditures primarily due to overall operational efficiencies that reduced General Government expenses.
- During 2023, the City implemented GASB Statement No. 96, Subscription-based Information Technology Arrangement ("GASB 96"). Due to this implementation, the City recognized a right of use subscription asset and corresponding liability of \$91.7 million. As of December 31, 2023, the subscription asset has a net carrying value of \$48.6 million, and the subscription liability has an outstanding balance of \$44.6 million. These amounts are added to the City's right of use leases. These right of use assets are part of the City's capital assets.

### 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 in addition to the basic financial statements. These components are described below:

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

The government-wide financial statements include two statements:

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

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

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

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 24 individual governmental funds. Information for the eight funds that qualify as major is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The eight major governmental funds are as follows: The General Fund,

the Federal, State and Local Grants Fund, the Special Taxing Areas Fund, the Service Concession and Reserve Fund, the Bond, Note Redemption and Interest Fund, the Sales Tax Securitization Corporation (STSC) Debt Service Fund, the Community Development and Improvement Projects Fund, and the Pension Fund. Data from the other governmental funds is combined into a single, aggregated presentation.

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

**Blended Component Unit.** The STSC and Chicago Community Catalyst Fund (CCCF) component units, despite being legally separate from the City, are reported as if these were part of the City because, in addition to being financially accountable for these, the STSC and CCCF provide services exclusively to the City. The STSC blended component unit is reported as the STSC Debt Service Fund and a Nonmajor Special Revenue Fund. The CCCF blended component unit is reported within the Service Concession and Reserve Fund.

**Proprietary funds.** These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge user fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds, like government-wide statements, use the accrual basis of accounting and provide both long- and short-term financial information. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The City uses five enterprise funds to account for its water, sewer, Skyway, and two airport 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 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 a fiduciary for various entities. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund basic financial statements can be found immediately following the proprietary fund financial statements.

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

### **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 and deferred outflows by \$28,211.7 million at December 31, 2023. Of this amount, \$3,882.8 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, \$6,099.6 million, represents resources that are subject to external restrictions on how they may be used.

CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets .....	\$ 12,890.6	\$ 11,238.0	\$ 6,318.2	\$ 6,121.7	\$ 19,208.8	\$ 17,359.7
Capital assets .....	9,888.5	9,589.6	20,740.9	20,467.3	30,629.4	30,056.9
Total Assets .....	22,779.1	20,827.6	27,059.1	26,589.0	49,838.2	47,416.6
Deferred outflows .....	3,687.0	3,944.8	429.3	372.4	4,116.3	4,317.2
Total .....	26,466.1	24,772.4	27,488.4	26,961.4	53,954.5	51,733.8
Long-term liabilities outstanding .....	\$ 48,790.3	\$ 46,731.3	\$ 21,099.8	\$ 21,007.6	\$ 69,890.1	\$ 67,738.9
Other liabilities .....	5,854.2	5,005.4	1,267.6	1,221.0	7,121.8	6,226.4
Total Liabilities .....	54,644.5	51,736.7	22,367.4	22,228.6	77,011.9	73,965.3
Deferred Inflows .....	2,653.7	2,970.0	2,500.6	2,430.1	5,154.3	5,400.1
Net Position:						
Net investment in capital assets .....	(1,050.7)	(974.4)	4,933.6	4,925.5	3,882.8	3,951.1
Restricted .....	4,107.5	3,428.1	1,992.1	1,537.0	6,099.6	4,965.1
Unrestricted .....	(33,888.9)	(32,388.0)	(4,305.3)	(4,159.8)	(38,194.2)	(36,547.8)
Total net (deficit) position .....	\$ (30,832.1)	\$ (29,934.3)	\$ 2,620.4	\$ 2,302.7	\$ (28,211.7)	\$ (27,631.6)

**Governmental Activities.** Net position of the City's governmental activities decreased \$897.7 million to a deficit of \$30,832.1 million primarily due to an increase in pension expense and corresponding net pension liability, due to changes in pension assumptions and changes in legislation, offset by the impact on recognized investment income related to the global market volatility. Expenditures increased in the areas of General Government and Public Safety due to the increase in contractual services, as well as pension expense. Principal retirement and interest expense on long-term debt also increased by \$956.0 million due to scheduled payments on General Obligation Bonds and current bond refundings. 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 \$33,888.9 million deficit at the end of this year. This deficit does not mean that the City does not have the resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from personnel, property, pollution and casualty claims (\$1,143.4 million) and Municipal Employees', Laborers', Policemen's and Firemen's net pension liability and other post-employment benefits (\$35,332.1 million). The City will include these amounts in future years' budgets as they come due. In addition, the deferred inflow balance of \$1,387.0 million from Public-Private Partnerships considered as service concession arrangements will be amortized into income over the life of such agreements.

Revenues for all governmental activities in 2023 were \$11,463.2 million, a increase of \$1,579.5 million (16.0%) from 2022. Approximately 42.3 percent of City's revenues were derived from taxes other than property taxes, which increased by \$602.9 million (14.2%) due to increased revenues from tax increment financing. Other revenues increased by \$562.3 million (220.8%) primarily due to increase in interest income as rates were higher in 2023, fair market value adjustments, and miscellaneous revenues.

Expenses for governmental activities in 2023 were \$12,363.4 million, an increase of \$1,973.7 million (19.0%) over 2022. The amount that taxpayers paid for these governmental activities through City taxes was \$6,891.2 million. Some of the cost was paid by those who directly benefited from the programs (\$1,225.4 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,160.9 million).

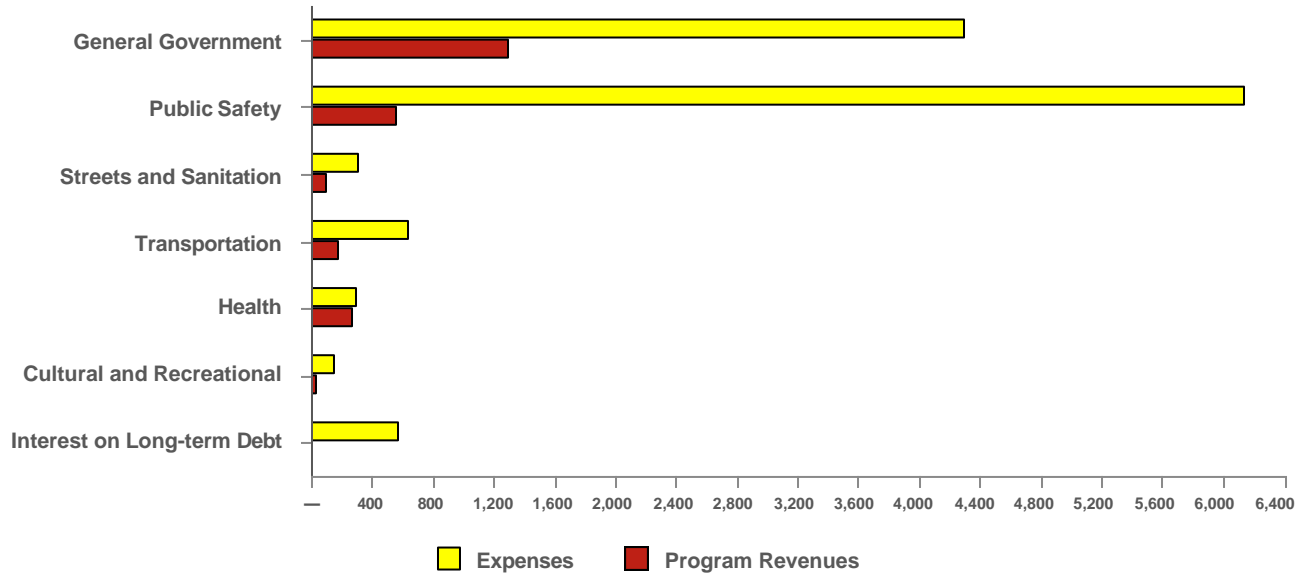
The City received revenues from the state such as income and sales taxes, and other revenues, totaling \$1,368.7 million.

Although total net position of business-type activities was \$2,620.4 million, these resources cannot be used to make up for the deficit in net position in governmental activities. The City generally can only use this net position to finance the continuing operations of the water, sewer, Skyway, and airports activities.

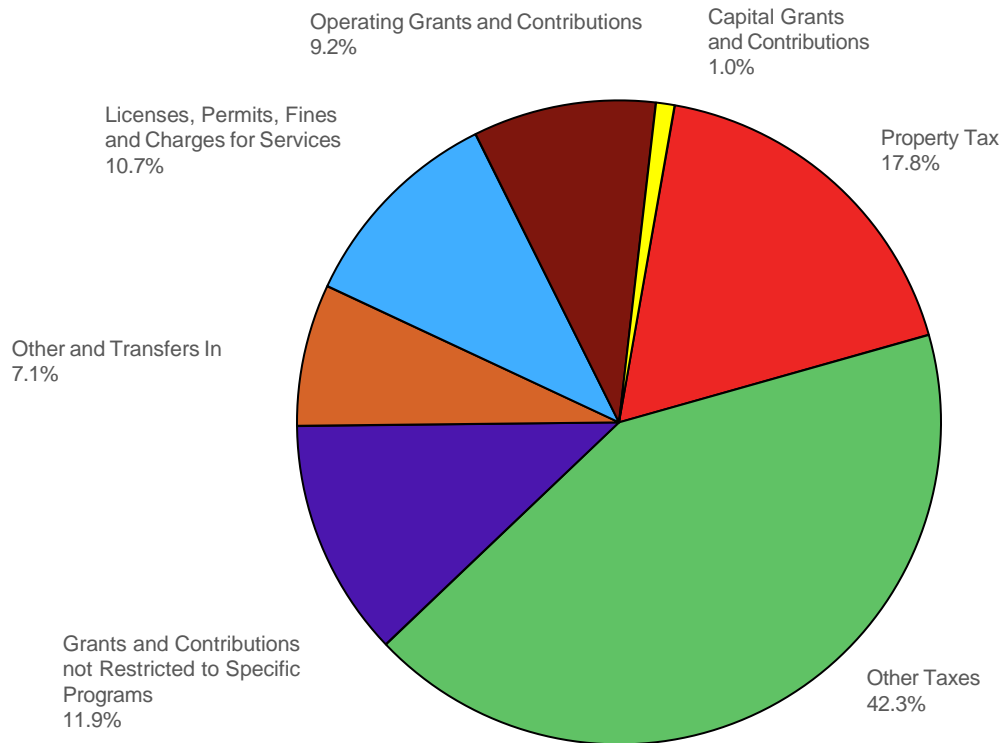
**CITY OF CHICAGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

<b>City of Chicago, Illinois Changes in Net Position Years Ended December 31 (in millions of dollars)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues and Other Transfers:</b>						
<b>Program Revenues:</b>						
Licenses, Permits, Fines and Charges for Services .....	\$ 1,225.4	\$ 1,156.4	\$ 3,188.9	\$ 3,032.4	\$ 4,414.3	\$ 4,188.8
Operating Grants and Contributions .....	1,052.8	924.3	—	—	1,052.8	924.3
Capital Grants and Contributions .....	108.1	126.9	54.5	57.7	162.6	184.6
<b>General Revenues:</b>						
Property Taxes .....	2,045.2	1,323.3	—	—	2,045.2	1,323.3
Other Taxes .....	4,846.0	4,243.1	—	—	4,846.0	4,243.1
Grants and Contributions not Restricted to Specific Programs .....	1,368.7	1,855.0	—	—	1,368.7	1,855.0
Other .....	817.0	254.7	318.2	(125.7)	1,135.2	129.0
<b>Total Revenues</b> .....	<b>11,463.2</b>	<b>9,883.7</b>	<b>3,561.6</b>	<b>2,964.4</b>	<b>15,024.8</b>	<b>12,848.1</b>
<b>Expenses:</b>						
General Government .....	4,289.0	3,688.2	—	—	4,289.0	3,688.2
Public Safety .....	6,136.5	4,926.9	—	—	6,136.5	4,926.9
Streets and Sanitation .....	306.2	292.6	—	—	306.2	292.6
Transportation .....	632.0	541.9	—	—	632.0	541.9
Health .....	285.4	271.8	—	—	285.4	271.8
Cultural and Recreational .....	146.7	132.4	—	—	146.7	132.4
Interest on Long-term Debt .....	567.6	535.9	—	—	567.6	535.9
Water .....	—	—	724.7	632.4	724.7	632.4
Sewer .....	—	—	324.6	301.8	324.6	301.8
Midway International Airport .....	—	—	339.0	312.2	339.0	312.2
Chicago-O'Hare International Airport .....	—	—	1,845.1	1,714.2	1,845.1	1,714.2
Chicago Skyway .....	—	—	7.9	8.1	7.9	8.1
<b>Total Expenses</b> .....	<b>12,363.4</b>	<b>10,389.7</b>	<b>3,241.4</b>	<b>2,968.7</b>	<b>15,604.8</b>	<b>13,358.4</b>
Change in Net Position Before Transfers .....	(900.2)	(506.0)	320.2	(4.3)	(580.0)	(510.3)
Transfers In (Out) .....	2.5	2.5	(2.5)	(2.5)	—	—
Change in Net Position .....	(897.7)	(503.5)	317.7	(6.8)	(580.0)	(510.3)
Net (Deficit) Position, Beginning of Year .....	(29,934.4)	(29,430.9)	2,302.7	2,309.6	(27,631.6)	(27,121.3)
<b>Net (Deficit) Position, End of Year</b> .....	<b>\$(30,832.1)</b>	<b>\$(29,934.4)</b>	<b>\$ 2,620.4</b>	<b>\$ 2,302.7</b>	<b>\$(28,211.7)</b>	<b>\$(27,631.6)</b>

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



**Revenues by Source - Governmental Activities**



**Business-type Activities.** Total revenues of the City's business-type activities increased by \$597.2 million in 2023 primarily due to the Airports' continued recovery from the impacts of the COVID-19 pandemic on travel, rate increases for Water and Sewer, and an increase in investment earnings.

- The Water Fund's total operating revenues increased by \$23.8 million (3.1%) from 2022 primarily due to increases in water fees of \$13.4 million resulting from a water rate increase of 5% effective June 1, 2023, offset by the conversion of non-metered to metered accounts; and in other operating revenues of \$5.3 million. Operating expenses before depreciation and amortization for the year 2023 increased by \$78.4 million (18.2%) from the year 2022 mainly due to pension activities resulting from the changes in actuarial assumptions, and increases in transmission and distribution, purification costs and power and pumping due to an overall increase in prices globally.
- The Sewer Fund's total net operating revenues increased in 2023 by \$13.7 million or 3.7% primarily due to a rate increase of 5.0% as of June 1, 2023. Operating expenses before depreciation and amortization increased by \$13.8 million or 9.9% as compared to 2022 primarily due to the increase in repairs and maintenance expenses and increase in pension.
- Chicago-Midway International Airport's total operating revenues for 2023 increased by \$64.4 million compared to 2022 operating revenue primarily due to a significant increase in leisure passenger traffic and terminal rental revenues and concessions, primarily parking revenues, due to the ongoing recovery from the impacts of the COVID-19 pandemic in previous years.

Operating expenses before depreciation and amortization for 2023 increased by \$24.9 million compared to 2022 due to an increase in other operating expenses of \$14.5 million due to COVID relief grant expenses related to concessions; an increase in salary expense of \$3.6 million due to contractual increases and fringe benefit costs; and an increase in repairs and maintenance of \$8.4 million due to the increase in vendor costs based on economic impact, offset by a decrease in pension expense of \$6.2 million primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments.

Midway's total net deficit at December 31, 2023, was (\$291.4 million), which was a decrease of \$52.8 million compared to total net deficit at December 31, 2022, was (\$344.2 million), primarily due to an increase in investment income of \$41.0 million due to recognized fair market value changes on December 31, 2023, and an increase in operating income before depreciation and amortization of \$39.5 million due to an increase in landing fees of \$41.8 million; an increase in Passenger and Customer Facility Charges ("PFC" and "CFC") of \$2.0 million and \$0.5 million, respectively; and an increase in rents and concessions of \$22.6 million as leisure passenger activity continued to increase in 2023 as the Airport was still recovering from the impact of the COVID-19 pandemic on travel.

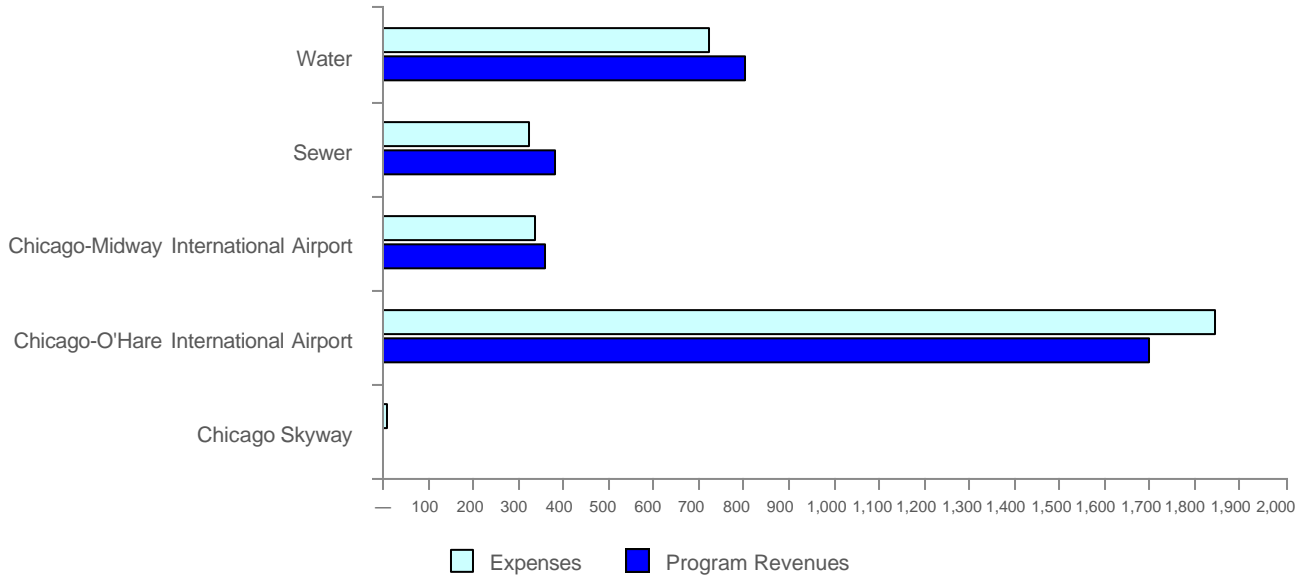
- Chicago O'Hare International Airport's total operating revenues for 2023 increased by \$168.3 million (13.4%) compared to prior year operating revenues due to an increase in terminal use charges and landing fees of \$112.2 million; increases in concessions and other rental revenues of \$55.5 million; and an increase in hotel revenues of \$0.6 million, all due to an increase in passenger and flight activity as the Airport continued to recover from the impacts of the COVID-19 pandemic on travel.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by \$85.1 million (9.6%) compared to 2022, primarily due to the increase salary and wages of \$15.2 million due to contractual increases and the increase in fringe benefit costs; increases in professional and engineering expenses of \$18.7 million (10.8%) due to ongoing planning efforts related to the O'Hare 21 program, which includes the Terminal Area Plan expansion, Terminal 5 expansion, major airfield projects including the completion of the O'Hare Modernization Program, on airport hotel developments and other capital projects, and planning of new facilities which increased during 2023; an increase in repairs and maintenance of \$29.9 million (19.5%) due to the impact of upgrades to existing infrastructure, such as the Terminal 5 upgrades; and \$20.0 million (15.2%) for other operating maintenance expense for expenses related to concessions relief during 2023 that were not incurred in 2022, offset by a decrease in pension expense of \$1.6 million (1.0%) primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. Hotel expenses increased by

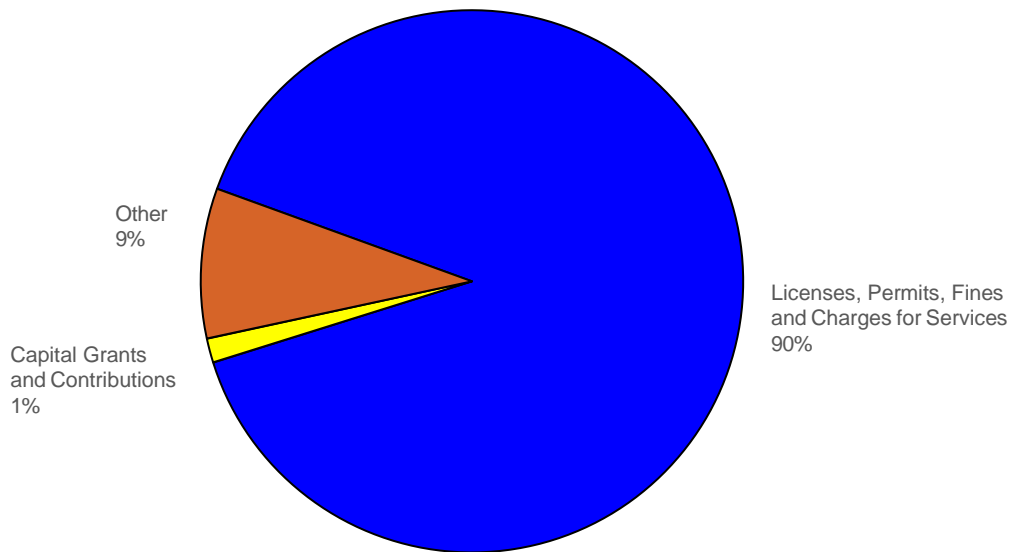
\$3.0 million (8.4%) due to the ongoing recovery of hotel business from the impact of the COVID-19 pandemic on travel and tourism and the completion of the Terminal 5 expansion and upgrades,

- The Chicago Skyway was leased for 99 years to a private company in 2005. 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). This transaction is accounted for in the Skyway Fund in the Enterprise Funds financials.

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



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





## 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, 2023, the City's governmental funds reported combined ending fund balances of \$3,127.1 million, a decrease of \$172.1 million in comparison with the prior year. Of this total amount, \$925.8 million was committed to specific expenditures, \$773.7 million was assigned to anticipated uses, a deficit of \$6,854.6 million was unassigned, \$3,448.4 million was restricted in use by legislation, and \$4,833.8 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 \$226.6 million with a total fund balance of \$1,054.9 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 23.0 percent of total General Fund expenditures. Although unassigned fund balance has decreased, the percentage compared to expenditures remains stable. The fund balance of the City's General Fund decreased by approximately \$257.4 million during the current fiscal year primarily due to the City's use of its prior year assigned fund balance for planned supplemental pension contributions.

The Federal, State and Local Grants Fund has a total deficit fund balance of \$882.1 million. The deficit is \$379.6 million higher than 2022 primarily due to slower reimbursement of expenditures, which also caused a significant increase in receivables from State and Federal agencies and corresponding deferred inflows.

The Special Taxing Areas Fund has a total fund balance of \$3,023.4 million. This is \$497.9 million higher than 2022 due to higher collections of special area property taxes from tax increment financing areas.

The Service Concession and Reserve Fund accounts for deferred inflows from nonbusiness type long-term concessionaire agreement transactions and has \$606.5 million committed to specific expenditures. The unassigned deficit of \$1,387.0 million results from the deferred inflows from service concession arrangements.

The Bond, Note Redemption and Interest Fund has a total fund deficit of \$4,444.3 million. This deficit is \$671.8 million higher than 2022, primarily due to the refunding of certain outstanding City bonds and issuance of STSC Bond Series 2023, the proceeds of which were used to refund bonds that were held by the City. The proceeds were recorded in the STSC Debt Service Fund and refunded amounts to bond escrow agent were recorded in the Bond, Note Redemption and Interest Fund.

The STSC Debt Service Fund has a total fund balance of \$4,919.4 million. The fund balance will be used for future debt service payments for certain outstanding bonds. In 2023, the STSC Fund Balance for nonspendable increased by \$702.9 million due to the issuance of STSC Bond Series 2023. The net proceeds will be amortized over the life of each bond.

The Community Development and Improvement Projects Fund has a total fund balance of \$75.3 million. This is \$112.8 million lower than 2022 as proceeds from bond funds are expended for capital project improvements throughout the City.

**Changes in fund balance.** The fund balance for the City's governmental funds decreased by \$172.1 million in 2023. This includes an increase in inventory of \$6.0 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 \$4,305.3 million. The unrestricted net position deficit increased by \$145.5 million primarily due to the Airports' continued recovery from the impacts of the COVID-19 pandemic on travel, and rate increases for Water and Sewer. Other factors concerning the finances of these five funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

The City's 2023 General Fund Budget of \$5,525.0 million was approved by City Council on November 7, 2022. An amended General Fund Budget of \$5,576.0 million was passed on May 31, 2023. General Fund revenues ended the year \$55.7 million less than the 2023 final General Fund Budget as economically sensitive revenues return to pre-pandemic levels, offset by higher revenues from state income tax and personal property replacement tax; an increase in interest income as rates were higher in 2023; and fair market value adjustments. Expenditures were \$141.6 million less than budgeted amounts as a result of favorable variances in general government expenditures. Additional information on the City's budget can be found in Note 3 under Stewardship, Compliance and Accountability and the Required Supplemental Information section 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, 2023 amount to \$30,629.4 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 2023, the City completed \$423.1 million in infrastructure projects including \$203.6 million in street construction and resurfacing projects, \$58.2 million in street lighting and transit projects, and \$161.3 million in bridge and viaduct reconstruction. At year end, infrastructure projects still in process had expenses totaling nearly \$1,339.4 million, comprised of projects for Chicago Works and Chicago Recovery Plan programs.
- At the end of 2023, the Water Fund had \$5,275.5 million invested in utility plant, net of accumulated depreciation. During 2023, the Water Fund expended \$186.4 million on capital activities. This included \$0.9 million for structures and improvements, \$123.1 million for distribution plant, \$10.2 million for equipment, and \$52.2 million for construction in progress. During 2023, net completed projects totaling \$248.1 million were transferred from construction in progress to applicable capital accounts. The major completed projects were installation and replacements of water mains of \$172.1 million, JWPP medium voltage power distribution improvements of \$41.5 million, JWPP laboratory upgrades of \$22.0 million, and JWPP chlorine improvements of \$7.5 million.
- At the end of 2023, the Sewer Fund had net utility plant of \$3,242.6 million. During 2023, the Sewer Fund had capital additions being depreciated of \$200.1 million, and completed projects totaling \$89.0 million were transferred from construction in progress to applicable facilities and structures capital accounts.
- At the end of 2023, Chicago Midway International Airport had \$1,180.6 million invested in net capital assets. During 2023, the Airport had additions of \$7.8 million related to capital activities. Construction projects include runway rehabilitation, central terminal pad development, and terminal parking garage expansions. During 2023, completed projects totaling \$12.8 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to building security, runway and taxi improvements and parking enhancements.
- At the end of 2023, Chicago O'Hare International Airport had \$10,693.2 million invested in net capital assets. During 2023, the Airport had additions of \$609.0 million related to property and facilities. This included construction HVAC system upgrades, Central Deicing Pad, concourse improvements CONRAC/Parking, ATS rail, terminal improvements, runway and taxiway improvements. During 2023, completed projects totaling \$356.8 million were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to the relocation of airline facilities, Central Deicing Pad, CONRAC/Parking, Fuel Line Relocation, terminal improvements runway, and taxiway improvements.

City of Chicago, Illinois Capital Assets (net of depreciation) (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land .....	\$ 1,412.6	\$ 1,412.5	\$ 1,040.2	\$ 1,039.5	\$ 2,452.8	\$ 2,452.0
Works of Art and Historical Collections .....	50.6	49.7	—	—	50.6	49.7
Construction in Progress .....	1,460.0	1,207.3	2,236.9	2,224.2	3,696.9	3,431.5
Buildings and Other Improvements .....	1,508.9	1,562.8	16,879.7	16,634.2	18,388.6	18,197.0
Machinery and Equipment .....	402.6	357.4	431.6	373.4	834.2	730.8
Infrastructure .....	4,653.4	4,558.6	—	—	4,653.4	4,558.6
Right of Use - Leases .....	357.3	441.3	146.9	196.0	504.2	637.3
Right of Use - SBITAs .....	43.0	—	5.6	—	48.6	—
Total .....	<u>\$ 9,888.5</u>	<u>\$ 9,589.6</u>	<u>\$ 20,740.9</u>	<u>\$ 20,467.3</u>	<u>\$ 30,629.4</u>	<u>\$ 30,056.9</u>

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 \$5,375.5 million in General Obligation Bonds, \$450.0 million in two General Obligation Lines of Credit and \$68.4 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$5,419.3 million in Sales Tax Securitization Corporation Bonds (STSC Bonds); and \$16,201.4 million in Enterprise Fund Bonds and long-term obligations. For more detail, refer to Note 10 Long-term Obligations in the Basic Financial Statements.

City of Chicago, Illinois General Obligation and Revenue Bonds (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation .....	\$ 5,893.9	\$ 6,310.6	\$ —	\$ —	\$ 5,893.9	\$ 6,310.6
Revenue Bonds .....	—	—	16,201.4	16,270.2	16,201.4	16,270.2
STSC Bonds .....	5,419.3	4,609.0	—	—	5,419.3	4,609.0
Total .....	<u>\$ 11,313.2</u>	<u>\$ 10,919.6</u>	<u>\$ 16,201.4</u>	<u>\$ 16,270.2</u>	<u>\$ 27,514.6</u>	<u>\$ 27,189.8</u>

During 2023, the City and the STSC issued the following:

**General Obligation Bonds and Lines of Credit:**

- General Obligation Bonds Series 2023A and Series 2023B (\$523.8 million).
- General Obligation Lines of Credit (\$494.8 million).

**Enterprise Fund Revenue Bonds and Notes:**

- Chicago O'Hare International General Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023 (\$171.8 million).
- Chicago Midway International Airport Senior Lien Airport Revenue Refunding Bonds, Series 2023A (AMT), and Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds, Series 2023B (Non-AMT), \$302.5 and \$211.0 million, respectively.
- Chicago Midway International Airport Commercial Paper Notes, Series A (AMT) (\$4.3 million).
- City of Chicago Second Lien Water Revenue Bonds, Project Series 2023A, and Refunding Series 2023B, \$254.2 million and \$322.2 million, respectively.
- City of Chicago Second Lien Wastewater Transmission Revenue Bonds, Project Series 2023A and Refunding Series 2023B, \$260.1 million and \$192.5 million, respectively.

**Sales Tax Securitization Corporation Bonds:**

- Sales Tax Securitization Bonds Series 2023A, Taxable Series 2023B, Refunding Series 2023C, Second Lien Refunding Series 2023A and Taxable Refunding Series 2023B (\$740.4 million).
- Sales Tax Securitization Bonds Refunding Series 2023D and Second Lien Refunding Series 2023C (\$219.1 million).

At December 31, 2023 the City had credit ratings with each of the four major rating agencies as follows:

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

On April 11, 2023, Standard and Poor's Global Ratings (S&P) upgraded the rating on the City of Chicago Second Lien Water Revenue Bonds to A+ from A. The outlook is stable.

On April 11, 2023, S&P upgraded the rating on the City of Chicago Second Lien Wastewater Transmission Revenue Bonds to A+ from A. The outlook is stable.

On July 27, 2023, S&P upgraded the rating on the City of Chicago O'Hare International Airport Customer Facility Charge Bonds to BBB+ from BBB. The outlook is stable.

On October 19, 2023, Fitch upgraded the rating on the City of Chicago General Obligation bonds to BBB+ from BBB. The outlook is stable.

On October 19, 2023, Fitch upgraded the rating on the Sales Tax Securitization Corporation senior lien bonds to AA+ from AA. The outlook is stable.

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

Regional, national, and global economies play a major role in the City's finances and economic growth. In 2023, the unemployment rate in the Chicago metropolitan area was 4.2 percent, noting a labor market slowly recovering from the steep pandemic driven job losses from the prior year.

The City's 2024 Corporate Fund Budget, totaling \$5,709.2 million, was approved by a 41 to eight vote (one absent) of City Council on November 15, 2023. The 2024 budget closed an operating budget deficit of \$538.0 million through a combination of savings and efficiencies and increased revenue including bond refunding, personnel savings, additional TIF surplus, prior year fund balances, and revenue enforcement. With the 2024 budget the City intends to continue its practice of making deposits to its operating liquidity funds from any growth in fund balance that may occur.

**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, 2023**  
**(Amounts are in Thousands of Dollars)**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and Cash Equivalents .....	\$ 2,710,486	\$ 234,348	\$ 2,944,834
Investments .....	3,391,911	872,655	4,264,566
Receivables (Net of Allowances):			
Property Tax .....	2,906,159	—	2,906,159
Accounts and Due From Other Governments .....	2,113,921	463,290	2,577,211
Internal Balances .....	199,750	(199,750)	—
Inventories .....	54,851	35,882	90,733
Lease Receivable .....	90,605	849,997	940,602
Restricted Assets:			
Cash and Cash Equivalents .....	98,269	1,003,511	1,101,780
Investments .....	572,310	2,949,052	3,521,362
Cash and Investments with Escrow Agent .....	740,127	—	740,127
Interest Receivable .....	—	19,315	19,315
Other Assets .....	12,170	89,912	102,082
Capital Assets:			
Land, Art, and Construction in Progress .....	2,923,284	3,277,090	6,200,374
Other Capital Assets, Net of Accumulated Depreciation .....	6,564,961	17,311,291	23,876,252
Right of Use Assets, Net of Accumulated Amortization .....	400,293	152,492	552,785
Total Capital Assets .....	9,888,538	20,740,873	30,629,411
Total Assets .....	22,779,097	27,059,085	49,838,182
Deferred Outflows .....	3,687,047	429,321	4,116,368
Total Assets and Deferred Outflows .....	\$ 26,466,144	\$ 27,488,406	\$ 53,954,550
<b>LIABILITIES AND DEFERRED INFLOWS</b>			
Voucher Warrants Payable .....	\$ 2,472,536	\$ 458,447	\$ 2,930,983
Accrued Interest .....	316,329	333,243	649,572
Accrued and Other Liabilities .....	2,037,352	377,021	2,414,373
Unearned Revenue .....	908,515	40,516	949,031
Derivative Instrument Liability .....	—	6,622	6,622
Long-term Liabilities:			
Due Within One Year .....	711,872	528,098	1,239,970
Due in More Than One Year .....	47,789,536	20,470,234	68,259,770
Right of Use Liability Due Within One Year .....	119,459	51,739	171,198
Right of Use Liability Due in More Than One Year .....	288,908	101,433	390,341
Total Liabilities .....	54,644,507	22,367,353	77,011,860
Deferred Inflows .....	2,653,722	2,500,638	5,154,360
Total Liabilities and Deferred Inflows .....	57,298,229	24,867,991	82,166,220
<b>NET POSITION</b>			
Net Investment in Capital Assets .....	(1,050,723)	4,933,572	3,882,849
Restricted for:			
Capital Projects .....	150,260	377,872	528,132
Debt Service .....	933,834	327,355	1,261,189
Special Taxing Areas .....	3,023,437	—	3,023,437
Passenger Facility Charges .....	—	371,583	371,583
Contractual Use Agreement .....	—	540,094	540,094
Airport General Fund .....	—	257,033	257,033
Customer Facility Charges .....	—	58,717	58,717
Other Purposes .....	—	59,449	59,449
Unrestricted (Deficit) .....	(33,888,893)	(4,305,260)	(38,194,153)
Total Net (Deficit)/Position .....	\$ (30,832,085)	\$ 2,620,415	\$ (28,211,670)

See notes to basic financial statements.

**Exhibit 2**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

Functions/Programs	Expenses	Licenses, Permits, Fines and Charges for Services
Primary Government		
Governmental Activities:		
General Government .....	\$ 4,289,049	\$ 521,808
Public Safety .....	6,136,474	494,392
Streets and Sanitation .....	306,175	93,214
Transportation .....	631,956	65,469
Health .....	285,390	44,470
Cultural and Recreational .....	146,650	6,088
Interest on Long-term Debt .....	567,917	—
Total Governmental Activities .....	12,363,611	1,225,441
Business-type Activities:		
Water .....	724,668	803,610
Sewer .....	324,641	381,369
Chicago-Midway International Airport .....	339,033	358,546
Chicago-O'Hare International Airport .....	1,845,148	1,645,421
Chicago Skyway .....	7,939	—
Total Business-type Activities .....	3,241,429	3,188,946
Total Primary Government .....	\$ 15,605,040	\$ 4,414,387

See notes to basic financial statements.



Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-type Activities	Total
\$ 766,619	\$ —	\$ (3,000,622)	\$ —	\$ (3,000,622)
53,212	—	(5,588,870)	—	(5,588,870)
—	—	(212,961)	—	(212,961)
—	108,117	(458,370)	—	(458,370)
217,979	—	(22,941)	—	(22,941)
14,982	—	(125,580)	—	(125,580)
—	—	(567,917)	—	(567,917)
<u>1,052,792</u>	<u>108,117</u>	<u>(9,977,261)</u>	<u>—</u>	<u>(9,977,261)</u>
—	—	—	78,942	78,942
—	—	—	56,728	56,728
—	1,551	—	21,064	21,064
—	52,962	—	(146,765)	(146,765)
—	—	—	(7,939)	(7,939)
—	<u>54,513</u>	<u>—</u>	<u>2,030</u>	<u>2,030</u>
<u>\$ 1,052,792</u>	<u>\$ 162,630</u>	<u>(9,977,261)</u>	<u>2,030</u>	<u>(9,975,231)</u>

General Revenues

Taxes:

Property Tax .....	2,045,247	—	2,045,247
Utility Tax .....	773,808	—	773,808
Sales Tax .....	506,558	—	506,558
Transportation Tax .....	606,138	—	606,138
Transaction Tax .....	832,516	—	832,516
Special Area Property Tax .....	1,572,705	—	1,572,705
Recreation Tax .....	352,595	—	352,595
Other Taxes .....	201,680	—	201,680
Grants and Contributions not Restricted to Specific Programs .....	1,368,745	—	1,368,745
Unrestricted Investment Earnings .....	320,852	233,742	554,594
Miscellaneous .....	496,187	84,453	580,640
Transfers .....	2,540	(2,540)	—
<u>Total General Revenues and Transfers .....</u>	<u>9,079,571</u>	<u>315,655</u>	<u>9,395,226</u>
<u>Change in Net Position .....</u>	<u>(897,690)</u>	<u>317,685</u>	<u>(580,005)</u>
Net Position - Beginning .....	(29,934,395)	2,302,730	(27,631,665)
<u>Net Position - Ending .....</u>	<u>\$ (30,832,085)</u>	<u>\$ 2,620,415</u>	<u>\$ (28,211,670)</u>

**Exhibit 3**  
**CITY OF CHICAGO, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	General	Federal, State and Local Grants	Special Taxing Areas
<b>ASSETS</b>			
Cash and Cash Equivalents .....	\$ 735,500	\$ —	\$ 651,205
Investments .....	778,238	503,553	1,623,690
Receivables (Net of Allowances):			
Property Tax .....	—	—	1,191,110
Accounts .....	507,327	4,207	8,790
Due From Other Funds .....	394,566	301,691	792,775
Due From Other Governments .....	165,514	1,076,295	—
Inventories .....	54,851	—	—
Lease Receivable .....	49,923	—	—
Restricted Cash and Cash Equivalents .....	—	3,218	—
Restricted Investments .....	—	—	—
Restricted Cash and Investments with Escrow Agent .....	129	—	—
Other Assets .....	2,226	3,267	—
Total Assets .....	<u>\$ 2,688,274</u>	<u>\$ 1,892,231</u>	<u>\$ 4,267,570</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Voucher Warrants Payable .....	\$ 638,474	\$ 404,447	\$ 147,598
Bonds, Notes and Other Obligations Payable - Current .....	—	—	—
Accrued Interest .....	—	—	—
Due To Other Funds .....	556,540	563,654	17,377
Accrued and Other Liabilities .....	325,025	6,439	4,815
Claims Payable .....	62,895	—	—
Unearned Revenue .....	1,223	907,292	—
Total Liabilities .....	<u>1,584,157</u>	<u>1,881,832</u>	<u>169,790</u>
Deferred Inflows .....	<u>49,247</u>	<u>892,501</u>	<u>1,074,343</u>
<b>Fund Balance:</b>			
Nonspendable .....	54,851	—	—
Restricted .....	—	9,447	3,023,437
Committed .....	—	—	—
Assigned .....	773,452	—	—
Unassigned .....	226,567	(891,549)	—
Total Fund Balance .....	<u>1,054,870</u>	<u>(882,102)</u>	<u>3,023,437</u>
Total Liabilities, Deferred Inflows and Fund Balance .....	<u>\$ 2,688,274</u>	<u>\$ 1,892,231</u>	<u>\$ 4,267,570</u>

See notes to basic financial statements.

Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development and Improvement Projects	Pension	Nonmajor Governmental Funds	Total Governmental Funds
\$ 26,471	\$ —	\$ —	\$ 235,727	\$ 1,009,728	\$ 51,855	\$ 2,710,486
—	33,196	—	161,149	—	292,085	3,391,911
—	310,275	—	—	1,357,526	47,248	2,906,159
7,083	1,719	132,859	4,711	—	182,828	849,524
—	282,036	4,778,939	10,842	58,450	385,738	7,005,037
—	—	—	—	—	22,588	1,264,397
—	—	—	—	—	—	54,851
—	3,427	—	35,986	—	1,269	90,605
13,889	—	—	—	—	81,162	98,269
572,310	—	—	—	—	—	572,310
—	378,655	350,047	—	—	11,296	740,127
3,526	—	—	—	—	864	9,883
<b>\$ 623,279</b>	<b>\$ 1,009,308</b>	<b>\$ 5,261,845</b>	<b>\$ 448,415</b>	<b>\$ 2,425,704</b>	<b>\$ 1,076,933</b>	<b>\$ 19,693,559</b>

\$ 6	\$ —	\$ 95	\$ 173,186	\$ 1,012,816	\$ 94,463	\$ 2,471,085
—	186,874	212,455	—	—	3,890	403,219
—	186,421	129,813	—	—	95	316,329
16,774	4,801,151	—	163,859	219,964	610,599	6,949,918
—	3	—	1,752	—	161,710	499,744
—	—	—	—	—	—	62,895
—	—	—	—	—	—	908,515
<b>16,780</b>	<b>5,174,449</b>	<b>342,363</b>	<b>338,797</b>	<b>1,232,780</b>	<b>870,757</b>	<b>11,611,705</b>
<b>1,386,994</b>	<b>279,125</b>	<b>—</b>	<b>34,327</b>	<b>1,192,924</b>	<b>45,293</b>	<b>4,954,754</b>

—	—	4,778,939	—	—	—	4,833,790
—	—	140,543	75,291	—	199,704	3,448,422
606,499	—	—	—	—	319,275	925,774
—	—	—	—	—	239	773,691
(1,386,994)	(4,444,266)	—	—	—	(358,335)	(6,854,577)
<b>(780,495)</b>	<b>(4,444,266)</b>	<b>4,919,482</b>	<b>75,291</b>	<b>—</b>	<b>160,883</b>	<b>3,127,100</b>
<b>\$ 623,279</b>	<b>\$ 1,009,308</b>	<b>\$ 5,261,845</b>	<b>\$ 448,415</b>	<b>\$ 2,425,704</b>	<b>\$ 1,076,933</b>	<b>\$ 19,693,559</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds .....	\$ 9,888,538
Other long-term assets are not available to pay for current-period expenditures and therefore are recorded as deferred inflows in the funds .....	3,479,726
Bond issuance costs that are expensed in statement of revenues, expenditures and changes in fund balances but reported as other assets in the statement of activities .....	2,287
Certain liabilities, including bonds payable, deferred inflows and deferred outflows are not due and payable in the current period and therefore are not reported in the funds .....	(47,329,736)
Net position of governmental activities .....	<u>\$ (30,832,085)</u>

**Exhibit 4**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Year Ended December 31, 2023  
(Amounts are in Thousands of Dollars)

	General	Federal, State and Local Grants	Special Taxing Areas
<b>Revenues:</b>			
Property Tax .....	\$ —	\$ —	\$ —
Utility Tax .....	388,552	—	—
Sales Tax - Local .....	101,298	—	—
Transportation Tax .....	391,925	—	—
State Income Tax .....	855,835	—	—
State Sales Tax .....	—	—	—
Transaction Tax .....	778,734	—	—
Special Area Property Tax .....	—	—	1,261,038
Recreation Tax .....	345,551	—	—
Other Taxes .....	162,816	—	—
Federal/State Grants .....	2,316	907,976	—
Internal Service .....	518,492	—	—
Licenses and Permits .....	111,784	—	—
Fines .....	299,550	—	—
Investment Income .....	95,648	154	91,575
Charges for Services .....	486,931	—	101
Miscellaneous .....	155,899	—	1,563
Total Revenues .....	4,695,331	908,130	1,354,277
<b>Expenditures:</b>			
<b>Current:</b>			
General Government .....	1,133,192	812,914	727,152
Health .....	56,660	222,322	—
Public Safety .....	2,616,760	103,164	—
Streets and Sanitation .....	243,401	—	—
Transportation .....	33,788	129,903	112,097
Cultural and Recreational .....	—	16,602	388
Employee Pensions .....	425,661	—	—
Other .....	5,207	2,719	1,515
Capital Outlay .....	—	60	—
<b>Debt Service:</b>			
Principal Retirement .....	65,929	—	—
Interest and Other Fiscal Charges .....	6,726	—	—
Total Expenditures .....	4,587,324	1,287,684	841,152
Revenues (Under) Over Expenditures .....	108,007	(379,554)	513,125

Continued on following pages.

Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development and Improvement Projects	Pension	Nonmajor Governmental Funds	Total Governmental Funds
\$ —	\$ 314,802	\$ —	\$ —	\$ 1,533,852	\$ —	\$ 1,848,654
—	—	—	—	—	385,256	773,808
—	—	195,131	—	—	210,129	506,558
—	—	—	—	—	214,213	606,138
—	—	—	—	—	—	855,835
—	—	246,148	—	—	264,446	510,594
—	—	—	—	—	53,782	832,516
—	—	—	—	—	17,303	1,278,341
—	—	—	—	—	7,044	352,595
—	—	—	—	—	38,864	201,680
—	—	—	—	—	—	910,292
—	—	—	—	—	48,159	566,651
—	—	—	—	—	—	111,784
—	—	—	—	—	57,976	357,526
17,526	25,387	21	31,920	711	57,910	320,852
—	—	—	—	—	73,786	560,818
21,027	6,054	—	7,717	269,325	34,482	496,067
38,553	346,243	441,300	39,637	1,803,888	1,463,350	11,090,709
—	—	—	—	—	309,761	2,983,019
—	—	—	—	—	3,469	282,451
—	—	—	—	—	145,819	2,865,743
—	—	—	—	—	54,128	297,529
—	—	—	—	—	151,259	427,047
—	—	—	—	—	107,750	124,740
—	—	—	—	2,714,337	—	3,139,998
—	—	—	—	—	—	9,441
—	—	—	562,042	—	92,789	654,891
—	786,373	212,455	—	—	6,295	1,071,052
—	428,877	234,722	—	—	6,149	676,474
—	1,215,250	447,177	562,042	2,714,337	877,419	12,532,385
38,553	(869,007)	(5,877)	(522,405)	(910,449)	585,931	(1,441,676)

**Exhibit 4 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<u>General</u>	<u>Federal, State and Local Grants</u>	<u>Special Taxing Areas</u>
Other Financing Sources (Uses):			
Issuance of Debt .....	\$ —	\$ —	\$ —
Issuance of Line of Credit .....	—	—	—
Premium/(Discount) .....	—	—	—
Payment to Refunded Bond Escrow Agent .....	—	—	—
Transfers In .....	556,668	—	—
Transfers Out .....	(928,105)	—	(15,231)
Total Other Financing Sources (Uses) .....	<u>(371,437)</u>	<u>—</u>	<u>(15,231)</u>
Net Changes in Fund Balance .....	(263,430)	(379,554)	497,894
Fund Balance, Beginning of Year .....	1,312,310	(502,548)	2,525,543
Change in Inventory .....	5,990	—	—
Fund Balance, End of Year .....	<u>\$ 1,054,870</u>	<u>\$ (882,102)</u>	<u>\$ 3,023,437</u>

See notes to basic financial statements.

Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development and Improvement Projects	Pension	Nonmajor Governmental Funds	Total Governmental Funds
\$ —	\$ 6,541	\$ 959,541	\$ 414,758	\$ —	\$ 102,501	\$ 1,483,341
—	44,766	—	388,072	—	61,928	494,766
—	—	51,087	23,107	—	—	74,194
—	(791,206)	—	—	—	—	(791,206)
—	1,051,766	—	60,068	985,490	153,160	2,807,152
(4,000)	(114,582)	(283,009)	(476,439)	(75,041)	(908,205)	(2,804,612)
(4,000)	197,285	727,619	409,566	910,449	(590,616)	1,263,635
34,553	(671,722)	721,742	(112,839)	—	(4,685)	(178,041)
(815,048)	(3,772,544)	4,197,740	188,130	—	165,568	3,299,151
—	—	—	—	—	—	5,990
\$ (780,495)	\$ (4,444,266)	\$ 4,919,482	\$ 75,291	\$ —	\$ 160,883	\$ 3,127,100

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**Exhibit 5**  
**CITY OF CHICAGO, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

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

Net change in fund balances - total governmental funds .....	\$ (178,041)
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 .....	226,090
In the Statement of Activities, gain or loss on disposal and sale of capital assets is reported, whereas in the governmental funds, the entire proceeds are recorded .....	(12,101)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds .....	778,119
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments .....	(81,486)
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds .....	<u>(1,630,271)</u>
Change in the net position of governmental activities .....	<u>\$ (897,690)</u>

See notes to basic financial statements.

**Exhibit 6**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<b>Business-type Activities - Enterprise Funds</b>					
	<b>Major Funds</b>					<b>Total</b>
	<b>Water</b>	<b>Sewer</b>	<b>Chicago- International Airport</b>	<b>Chicago- O'Hare International Airport</b>	<b>Chicago Skyway</b>	
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
<b>CURRENT ASSETS:</b>						
Cash and Cash Equivalents .....	\$ 18,064	\$ 1,543	\$ 69,074	\$ 144,969	\$ 698	\$ 234,348
Investments .....	523,733	271,586	15,823	60,535	978	872,655
Accounts Receivable (Net of Allowances) .....	211,488	118,854	28,565	87,391	128	446,426
Interest Receivable .....	4,986	—	589	1,812	3	7,390
Due from Other Funds .....	79,785	33,038	7,087	68,220	—	188,130
Inventories .....	35,012	870	—	—	—	35,882
Cash and Cash Equivalents - Restricted .....	23,813	143,119	98,093	651,381	—	916,406
Investments - Restricted .....	163,409	92,488	—	—	—	255,897
Interest Receivable - Restricted .....	2,592	3,785	—	—	—	6,377
Lease Receivable .....	—	—	18,205	57,620	—	75,825
Other Assets - Restricted .....	—	—	—	5,145	—	5,145
<b>TOTAL CURRENT ASSETS .....</b>	<b>1,062,882</b>	<b>665,283</b>	<b>237,436</b>	<b>1,077,073</b>	<b>1,807</b>	<b>3,044,481</b>
<b>NONCURRENT ASSETS:</b>						
Cash and Cash Equivalents - Restricted .....	—	—	83,836	3,269	—	87,105
Investments - Restricted .....	145,037	126,145	266,935	2,155,038	—	2,693,155
Lease Receivable .....	—	—	218,854	555,318	—	774,172
Right of Use Asset .....	74,098	63,725	800	13,869	—	152,492
Interest Receivable - Restricted .....	—	—	1,416	11,522	—	12,938
Other Assets - Restricted .....	—	—	2,857	60,381	—	63,238
Due from Other Governments - Restricted .....	—	—	4,320	5,154	—	9,474
Prepaid Expenses .....	—	—	1	—	—	1
Other Assets .....	3,681	2,607	1,063	5,232	8,945	21,528
<b>Property, Plant, and Equipment:</b>						
Land .....	16,483	560	116,900	893,620	12,609	1,040,172
Structures, Equipment and Improvements .....	6,628,127	4,076,635	2,046,573	13,357,057	490,818	26,599,210
Accumulated Depreciation .....	(1,621,647)	(925,295)	(988,022)	(5,445,913)	(307,042)	(9,287,919)
Construction Work in Progress .....	252,574	90,674	5,195	1,888,475	—	2,236,918
<b>Total Property, Plant and Equipment.....</b>	<b>5,275,537</b>	<b>3,242,574</b>	<b>1,180,646</b>	<b>10,693,239</b>	<b>196,385</b>	<b>20,588,381</b>
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>5,498,353</b>	<b>3,435,051</b>	<b>1,760,728</b>	<b>13,503,022</b>	<b>205,330</b>	<b>24,402,484</b>
<b>TOTAL ASSETS .....</b>	<b>6,561,235</b>	<b>4,100,334</b>	<b>1,998,164</b>	<b>14,580,095</b>	<b>207,137</b>	<b>27,446,965</b>
<b>DEFERRED OUTFLOWS .....</b>	<b>157,214</b>	<b>39,882</b>	<b>26,436</b>	<b>205,789</b>	<b>—</b>	<b>429,321</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS ..</b>	<b>\$ 6,718,449</b>	<b>\$ 4,140,216</b>	<b>\$ 2,024,600</b>	<b>\$ 14,785,884</b>	<b>\$ 207,137</b>	<b>\$ 27,876,286</b>

<b>Business-type Activities - Enterprise Funds</b>						
<b>Major Funds</b>						
	<b>Water</b>	<b>Sewer</b>	<b>Chicago- Midway International Airport</b>	<b>Chicago- O'Hare International Airport</b>	<b>Chicago Skyway</b>	<b>Total</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Voucher Warrants Payable .....	\$ 44,425	\$ 5,171	\$ 24,931	\$ 150,267	\$ —	\$ 224,794
Due to Other Funds .....	170,473	136,944	26,572	53,876	15	387,880
Accrued and Other Liabilities .....	214,447	60,064	1,217	18,442	—	294,170
Unearned Revenue .....	—	—	5,044	35,472	—	40,516
Right of Use Liability .....	24,738	21,190	684	5,127	—	51,739
Current Liabilities Payable from Restricted Assets .....	189,814	235,607	97,512	651,381	—	1,174,314
<b>TOTAL CURRENT LIABILITIES</b> .....	<b>643,897</b>	<b>458,976</b>	<b>155,960</b>	<b>914,565</b>	<b>15</b>	<b>2,173,413</b>
<b>NONCURRENT LIABILITIES:</b>						
Revenue Bonds and						
Commercial Paper Payable .....	2,404,385	2,119,994	1,513,010	10,258,451	—	16,295,840
Line of Credit and TIFIA Loan Payable .....	—	—	—	286,998	—	286,998
Net Pension Liability .....	1,355,981	482,444	360,937	1,688,034	—	3,887,396
Derivative Instrument Liability .....	—	—	6,622	—	—	6,622
Right of Use Liability .....	49,683	42,835	47	8,868	—	101,433
Other .....	1,577	—	1,954	—	—	3,531
<b>TOTAL NONCURRENT LIABILITIES</b> .....	<b>3,811,626</b>	<b>2,645,273</b>	<b>1,882,570</b>	<b>12,242,351</b>	<b>—</b>	<b>20,581,820</b>
<b>TOTAL LIABILITIES</b> .....	<b>4,455,523</b>	<b>3,104,249</b>	<b>2,038,530</b>	<b>13,156,916</b>	<b>15</b>	<b>22,755,233</b>
<b>DEFERRED INFLOWS</b> .....	<b>49,836</b>	<b>24,111</b>	<b>44,806</b>	<b>71,309</b>	<b>1,478,788</b>	<b>1,668,850</b>
<b>DEFERRED INFLOWS FOR LEASES</b> .....	<b>—</b>	<b>—</b>	<b>232,684</b>	<b>599,104</b>	<b>—</b>	<b>831,788</b>
<b>NET POSITION:</b>						
Net Investment in Capital Assets .....	2,983,715	999,722	(151,040)	904,790	196,385	4,933,572
<b>Restricted Net Position:</b>						
Debt Service .....	—	—	67,375	259,980	—	327,355
Capital Projects .....	2,592	233,401	25,051	116,828	—	377,872
Passenger Facility Charges .....	—	—	4,825	366,758	—	371,583
Airport/Airline Use Agreement .....	—	—	47,320	492,774	—	540,094
Airport General/Development Fund .....	—	—	—	257,033	—	257,033
Customer Facility Charge .....	—	—	13,294	45,423	—	58,717
Other .....	—	—	13,529	45,920	—	59,449
Unrestricted Net Position (Deficit) .....	(773,217)	(221,267)	(311,774)	(1,530,951)	(1,468,051)	(4,305,260)
<b>TOTAL NET POSITION/(DEFICIT)</b> .....	<b>\$ 2,213,090</b>	<b>\$ 1,011,856</b>	<b>\$ (291,420)</b>	<b>\$ 958,555</b>	<b>\$ (1,271,666)</b>	<b>\$ 2,620,415</b>

See notes to basic financial statements.

**Exhibit 7**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total</b>
	<b>Major Funds</b>					
	<b>Water</b>	<b>Sewer</b>	<b>Chicago- Midway International Airport</b>	<b>Chicago- O'Hare International Airport</b>	<b>Chicago Skyway</b>	
<b>Operating Revenues:</b>						
Charges for Services - Net of Provision for Doubtful Accounts of \$27,995 for Water and \$20,834 for Sewer .....	\$ 770,705	\$ 380,532	\$ 179,047	\$ 952,585	\$ —	\$ 2,282,869
Rent .....	—	—	117,786	418,761	—	536,547
Hilton Revenues .....	—	—	—	56,405	—	56,405
Other .....	32,905	837	—	—	—	33,742
<b>Total Operating Revenues .....</b>	<b>803,610</b>	<b>381,369</b>	<b>296,833</b>	<b>1,427,751</b>	<b>—</b>	<b>2,909,563</b>
<b>Operating Expenses:</b>						
Personnel Services .....	184,839	13,295	63,773	247,685	—	509,592
Contractual Services .....	89,683	6,894	28,064	191,465	—	316,106
Repairs and Maintenance .....	6,546	52,953	61,517	183,431	—	304,447
Commodities and Materials .....	30,633	—	—	—	—	30,633
Depreciation and Amortization .....	110,871	78,226	56,909	394,398	7,939	648,343
Loss on Capital Asset Disposal .....	—	—	—	952	—	952
General Fund Reimbursements .....	94,693	54,624	—	—	—	149,317
Pension Expense .....	94,786	25,200	29,681	162,343	—	312,010
Hilton Expenses .....	—	—	—	38,588	—	38,588
Other .....	7,721	—	27,659	152,033	—	187,413
<b>Total Operating Expenses .....</b>	<b>619,772</b>	<b>231,192</b>	<b>267,603</b>	<b>1,370,895</b>	<b>7,939</b>	<b>2,497,401</b>
<b>Operating Income (Loss) .....</b>	<b>183,838</b>	<b>150,177</b>	<b>29,230</b>	<b>56,856</b>	<b>(7,939)</b>	<b>412,162</b>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income .....	54,076	11,691	23,649	144,285	41	233,742
Interest Expense .....	(104,896)	(93,449)	(65,029)	(449,332)	—	(712,706)
Passenger Facility Charges .....	—	—	38,517	143,610	—	182,127
Customer Facility Charges .....	—	—	6,224	39,046	—	45,270
Noise Mitigation Costs .....	—	—	(1,642)	(21,829)	—	(23,471)
Cost of Issuance .....	—	—	(4,759)	(3,092)	—	(7,851)
Grant Revenues (1) .....	—	—	16,972	35,014	—	51,986
Lease Interest Income .....	—	—	7,702	22,099	—	29,801
Other .....	546	6,222	346	28,985	18,553	54,652
<b>Total Nonoperating Revenues (Expenses) .....</b>	<b>(50,274)</b>	<b>(75,536)</b>	<b>21,980</b>	<b>(61,214)</b>	<b>18,594</b>	<b>(146,450)</b>
Transfers Out .....	(2,420)	(120)	—	—	—	(2,540)
Capital Grants .....	—	—	1,551	52,962	—	54,513
<b>Net Income (Loss) .....</b>	<b>131,144</b>	<b>74,521</b>	<b>52,761</b>	<b>48,604</b>	<b>10,655</b>	<b>317,685</b>
<b>Net Position (Deficit) -</b>						
Beginning of Year .....	2,081,946	937,335	(344,181)	909,951	(1,282,321)	2,302,730
<b>Net Position (Deficit) – End of Year .....</b>	<b>\$ 2,213,090</b>	<b>\$ 1,011,856</b>	<b>\$ (291,420)</b>	<b>\$ 958,555</b>	<b>\$ (1,271,666)</b>	<b>\$ 2,620,415</b>

(1) CRRSA and ARP Acts

See notes to basic financial statements.

**Exhibit 8**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<b>Business-type Activities - Enterprise Funds</b>					
	<b>Major Funds</b>					
	<b>Water</b>	<b>Sewer</b>	<b>Chicago- Midway International Airport</b>	<b>Chicago- O'Hare International Airport</b>	<b>Chicago Skyway</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>						
Received from Customers .....	\$ 812,727	\$ 376,465	\$ 315,789	\$ 1,550,036	\$ —	\$ 3,055,017
Payments to Vendors .....	(113,814)	(13,021)	(143,446)	(467,709)	—	(737,990)
Payments to Employees .....	(184,839)	(58,696)	(56,131)	(237,971)	—	(537,637)
Transactions with Other City Funds .....	(291,872)	5,291	(12,802)	(245,635)	—	(545,018)
Cash Flows Provided By						
Operating Activities .....	222,202	310,039	103,410	598,721	—	1,234,372
<b>Cash Flows from Capital and Related</b>						
<b>Financing Activities:</b>						
<b>Proceeds from Issuance of Bonds/Commercial</b>						
Paper/IEPA Loans/TIFIA Loans/LOC .....	294,869	530,677	541,204	189,412	—	1,556,162
Acquisition and Construction of Capital Assets .....	(123,539)	(102,041)	(7,149)	(685,974)	—	(918,703)
Capital Grant Receipts .....	—	—	992	58,288	—	59,280
Bond Issuance Costs .....	—	—	(10,307)	(3,030)	—	(13,337)
Payment to Commercial Paper Note/LOC .....	—	—	(31,674)	—	—	(31,674)
Payment to Refund Bonds .....	—	(243,536)	(450,607)	(217,867)	—	(912,010)
Principal Paid on Debt .....	(124,155)	(83,689)	(68,460)	(265,378)	—	(541,682)
Interest Paid .....	(114,439)	(95,670)	(72,430)	(474,946)	—	(757,485)
Subsidy from Federal Program .....	—	6,222	—	—	—	6,222
Interest Income from Leases .....	—	—	7,702	22,099	—	29,801
Principal Payment on Leases and Subscriptions .....	(25,211)	(20,396)	(24,907)	(123,766)	—	(194,280)
Passenger and Customer Facility Charges .....	—	—	44,455	182,758	—	227,213
Cash Flows Provided By (Used in) Capital and Related Financing Activities .....	(92,475)	(8,433)	(71,181)	(1,318,404)	—	(1,490,493)
<b>Cash Flows Provided by Non Capital Financing</b>						
<b>Activities:</b>						
Noise Mitigation Program .....	—	—	(1,298)	(21,829)	—	(23,127)
Proceeds from COVID-19 Relief Funding .....	—	—	26,422	35,014	—	61,436
Proceeds from miscellaneous settlements and agreements .....	—	—	—	20,757	—	20,757
Cash Flows Provided By						
Non Capital Financing Activities .....	—	—	25,124	33,942	—	59,066
<b>Cash Flows from Investing Activities:</b>						
Purchases (Sale) of Investments, Net .....	(214,434)	(315,709)	8,983	(8,087)	(243)	(529,490)
Investment Income (Loss) .....	29,799	16,707	10,427	95,925	43	152,901
Cash Flows Provided By (Used in)						
Investing Activities .....	(184,635)	(299,002)	19,410	87,838	(200)	(376,589)
<b>Net Increase (Decrease) in Cash and Cash</b>						
<b>Equivalents</b>						
.....	(54,908)	2,604	76,763	(597,903)	(200)	(573,644)
Cash and Cash Equivalents, Beginning of Year .....	96,785	142,058	174,240	1,397,522	898	1,811,503
Cash and Cash Equivalents, End of Year .....	\$ 41,877	\$ 144,662	\$ 251,003	\$ 799,619	\$ 698	\$ 1,237,859

Continued on following page.

**Exhibit 8 - Concluded**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<b>Business-type Activities - Enterprise Funds</b>					
	<b>Major Funds</b>					<b>Total</b>
	<b>Water</b>	<b>Sewer</b>	<b>Chicago- Midway International Airport</b>	<b>Chicago- O'Hare International Airport</b>	<b>Chicago Skyway</b>	
Reconciliation of Operating Income to						
Cash Flows from Operating Activities:						
Operating Income (Loss) .....	\$ 183,838	\$ 150,177	\$ 29,230	\$ 56,856	\$ (7,939)	\$ 412,162
Adjustments to Reconcile:						
Depreciation, Amortization and Loss on Capital						
Asset Disposals .....	84,691	57,609	56,909	395,350	7,939	602,498
Amortization of Right of Use Assets .....	26,180	21,290	—	—	—	47,470
Provision for Uncollectible Accounts .....	27,995	20,834	(516)	—	—	48,313
Change in Assets and Liabilities:						
(Increase) Decrease in Receivables .....	(18,878)	(25,738)	(6,238)	(6,799)	—	(57,653)
(Increase) Decrease in Due From Other Funds .....	(12,559)	(2,997)	(498)	(3,581)	—	(19,635)
Increase (Decrease) in Voucher Warrants Payable and Due to Other Funds .....	(73,049)	95,087	(6,400)	26,820	—	42,458
Increase (Decrease) in Unearned Revenue and Other Liabilities .....	11,222	1,221	5,201	(22,438)	—	(4,794)
Increase (Decrease) in Deferred Inflows .....	2,632	(7,243)	25,716	149,003	—	170,108
(Increase) Decrease in Inventories and Other Assets .....	(9,870)	(201)	6	3,510	—	(6,555)
Cash Flows from						
Operating Activities .....	<u>\$ 222,202</u>	<u>\$ 310,039</u>	<u>\$ 103,410</u>	<u>\$ 598,721</u>	<u>\$ —</u>	<u>\$ 1,234,372</u>

**Supplemental Disclosure of**

**Noncash Items:**

Capital asset additions in 2023 with outstanding accounts payable, accrued, or other liabilities .....	\$ 42,600	\$ 112,568	\$ 4,220	\$ 193,396	\$ —	\$ 352,784
The fair value adjustments (gain) to investments for 2023 .....	<u>\$ (62,800)</u>	<u>\$ 2,832</u>	<u>\$ 13,900</u>	<u>\$ 122,700</u>	<u>\$ —</u>	<u>\$ 76,632</u>
The accretion adjustments to capital appreciation bonds for 2023 .....	<u>\$ —</u>	<u>\$ 3,983</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,983</u>

See notes to basic financial statements.

**Exhibit 9**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<b>Pension Trust</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and Cash Equivalents .....	\$ 380,232	\$ 4,384
Investments .....	—	3,260
Investments, at Fair Value		
Bonds and U.S. Government Obligations .....	1,440,120	—
Stocks .....	4,322,076	—
Mortgages and Real Estate .....	664,564	—
Other .....	1,885,235	—
Property Tax Receivable .....	—	136,837
Accounts Receivable, Net .....	2,409,500	3,070
Due From City .....	144,923	—
Right of Use Asset .....	2,920	—
Property, Plant, Equipment and Other .....	414	—
Invested Securities Lending Collateral .....	367,362	—
<b>Total Assets .....</b>	<b>11,617,346</b>	<b>147,551</b>
Deferred Outflows .....	1,535	—
<b>Total Assets and Deferred Outflows .....</b>	<b>\$ 11,618,881</b>	<b>\$ 147,551</b>
<b>LIABILITIES</b>		
Voucher Warrants Payable .....	\$ 128,311	\$ 1,759
Accrued and Other Liabilities .....	—	145,500
Due to City .....	—	292
Securities Lending Collateral .....	367,362	—
Lease Liability .....	4,053	—
<b>Total Liabilities .....</b>	<b>499,726</b>	<b>147,551</b>
Deferred Inflows .....	2,137	—
<b>Total Liabilities and Deferred Inflows .....</b>	<b>501,863</b>	<b>147,551</b>
<b>NET POSITION</b>		
Restricted for Pension Benefits .....	11,117,018	—
<b>Total Net Position .....</b>	<b>\$ 11,117,018</b>	<b>\$ —</b>

See notes to basic financial statements.

**Exhibit 10**  
**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2023**  
**(Amounts are in Thousands of Dollars)**

	<u>Pension Trust</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Employees .....	\$ 380,928	\$ —
City .....	2,612,238	—
Taxes Collected for Other Governments .....	—	160,886
Other Custodial Collections .....	—	10,967
Total Contributions .....	<u>2,993,166</u>	<u>171,853</u>
Investment Income:		
Net Appreciation in Fair Value of Investments .....	745,210	—
Interest, Dividends and Other .....	199,073	604
Investment Expense .....	(41,315)	—
Net Investment Income .....	<u>902,968</u>	<u>604</u>
Securities Lending Transactions:		
Securities Lending Income .....	16,845	—
Securities Lending Expense .....	(15,299)	—
Net Securities Lending Transactions .....	<u>1,546</u>	<u>—</u>
Total Additions .....	<u>3,897,680</u>	<u>172,457</u>
<b>DEDUCTIONS</b>		
Benefits and Refunds of Deductions .....	2,685,933	—
Administrative and General .....	17,891	—
Taxes Distributed to Other Governments .....	—	161,400
Other Custodial Disbursements .....	—	11,057
Total Deductions .....	<u>2,703,824</u>	<u>172,457</u>
Net Increase in Net Position .....	1,193,856	—
Net Position:		
Beginning of Year .....	9,923,162	—
End of Year .....	<u>\$ 11,117,018</u>	<u>\$ —</u>

See notes to basic financial statements.



**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, 2023, the City adopted the following GASB Statements:

GASB Statement	Impact
GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> (“GASB 94”)	This statement's primary objective is to improve financial reporting by addressing issues related to public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs). This statement establishes the definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. In addition, the statement provides more relevant and reliable information for financial statement users and creates consistency in practice. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> (“GASB 96”)	This statement is intended to reduce inconsistencies and improve the accounting and financial reporting of subscription-based information technology arrangements (SBITAs). This statement defines a SBITA as a contract that conveys control of the right to use another party’s information technology as specified in the contract for a period of time in an exchange or exchange-like transaction. It establishes that a SBITA will result in an intangible right-to-use subscription asset and a corresponding subscription liability. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”)	Addresses clarifications of provisions in GASB 87, GASB 94, and GASB 96. The City adopted these provisions of GASB 99 as of and for the year ended December 31, 2023. There was no material impact to the basic financial statements upon adoption.

**Upcoming Accounting Standards**

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of the implementation of these standards.

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 99, <i>Omnibus 2022</i> (“GASB 99”) – Remaining provisions	2024
GASB Statement No. 100, <i>Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62</i> (“GASB 100”)	2024
GASB Statement No. 101, <i>Compensated Absences</i> (“GASB 101”)	2024
GASB Statement No. 102, <i>Certain Risk Disclosures</i> (“GASB 102”)	2025
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i> (“GASB 103”)	2026

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

The City's financial statements include the following legal entities as fiduciary 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' offices.

#### Blended Component Unit

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

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

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

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

Complete financial statements of the STSC can be obtained at [www.salestaxsecuritizationcorporation.com](http://www.salestaxsecuritizationcorporation.com).

The City's financial statements also include, as a blended component unit, the Chicago Community Catalyst Fund LLC (the "CCCF"). The CCCF is a special purpose investment-related limited liability company incorporated under the provisions of the Illinois Limited Liability Company Act of the State of Illinois (805 ILCS 180) (the "State"), as amended, and organized in accordance with an ordinance adopted by the City of Chicago City Council on November 16, 2016 (the "CCCF Ordinance"). The CCCF currently has one member (the City of Chicago) and is governed by a board of managers (the "Board"). The Board has seven voting managers, three of whom are officials of the City. The remaining four voting managers are selected by the Mayor, subject to approval by the City Council. The CCCF ordinance and the CCCF's organizational agreement allow for admission of additional members but to date no additional members have joined the CCCF. The CCCF Ordinance contemplates that up to six additional managers could be appointed to the Board if additional members join the CCCF.

The CCCF is an investment vehicle to provide funding in communities as a catalyst for economic development that can only be invested by the City, and thus provides benefits exclusively to the City. As a result, is presented as a blended component unit of the City.

The City reports the CCCF within the Service Concession and Reserve Fund. During 2020, the CCCF provided Small Business Resiliency Loans to eligible local small businesses to assist with the impact of the COVID-19 Pandemic. As of December 31, 2023, the loans receivable balance was \$4.5 million.

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

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

**b) 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, except for Ground Emergency Medical Transportation services, which are recorded as revenue if collected within the first 90 days subsequent to year-end. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting, except for interest and principal on long-term debt, the long-term portion of compensated absences, claims and judgments, and pension obligations.

The City reports the following major governmental funds:

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

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

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

**Service Concession and Reserve Fund** accounts for monies committed for mid-term 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 concessionaire agreement transactions whose proceeds are recognized as revenue over the term of the agreements. This fund also includes the CCCF blended component unit as described above.

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

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

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

**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 494,274 accounts that includes the City and the 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 of and businesses in the City and certain suburban customers.

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

**Chicago-O'Hare International Airport Fund** records operations of Chicago-O'Hare International Airport (O'Hare), the primary commercial airport for the City. The airlines serving the Airport operate out of four terminal buildings with a total of 202 gates as of December 31, 2023. Three domestic terminal buildings, having a total of 171 aircraft gates serve the majority of O'Hare's domestic flights and certain international departures. Terminal 5, with 31 aircraft gates and four hardstand positions, serves the remaining international departures, all international arrivals requiring customs clearance, and additional domestic flights.

**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 Public-Private Partnership considered as a service concession arrangement 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.

**Custodial Funds** account for transactions for assets held by the City as agent for certain activities or for various entities, such as tax collected on behalf of another government (i.e., McCormick Departure Tax; Special Assessments; CPS Building and Improvement).

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

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

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

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

When both restricted and unrestricted (committed, assigned or unassigned) resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**c) Assets, liabilities, deferred inflows, deferred outflows, and net position or fund balance**

**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; commercial paper and State and Local Government Series (SLGS), domestic money market funds regulated and in good standing with the Securities and Exchange Commission and tax anticipation warrants issued by the City. The City is prohibited by ordinance from investing in derivative instruments, 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 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 (Plans) - The State Statutes and the Board of Trustees permit the Plans to lend their 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, lend securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102 percent of the fair value of domestic securities plus accrued interest and 105 percent of the fair value of foreign securities plus accrued interest. The Plans do not have the right to sell or pledge securities received as collateral unless the borrower defaults. All securities loans can be terminated on demand within a period specified in each agreement by either the Plans or the borrowers. The contracts with the Plans' custodian require the securities lending agent to indemnify the Plans.

Municipal Employees' - The average term of securities loaned was 217 days at December 31, 2023. The cash collateral is invested in tri-party repurchase agreements and bank deposits which had a weighted average maturity of 24 days at December 31, 2023.

Laborers' - The average term of securities loaned was 58 days at December 31, 2023. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 45 days at December 31, 2023.

Policemen's - The average term of the Fund's loan was approximately 2.87 days as of December 31, 2023. Cash collateral was reinvested in indemnified repurchase agreements which had an interest sensitivity of one day at December 31, 2023.

Firemen's - The average term of securities loaned was 65 days in 2023. Cash collateral may be invested in a short-term investment pool, which had a weighted average maturity of 24 days at December 31, 2023.

- 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. Donated commodities, such as COVID-19 personal protective equipment, are not treated as nonspendable resources thus are presented as part of the unassigned fund balance.
- 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 and Customer Facility Charges as they are subject to State regulation to finance operating, capital, and debt-related activities of car rental consolidated facility and related activities.

- v) **Leases** are defined by GASB Statement No. 87, *Leases* ("GASB 87"), as contracts that convey control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is defined as the periods covered by any renewal options which a lessee has a noncancelable right to use an underlying asset, plus any applicable periods covered by any renewal periods that are reasonably certain to be exercised, or options to terminate that are not reasonably certain to be exercised. Contracts that transfer ownership of the underlying are recognized as financed purchases in the financial statements. Leases that have a maximum term of less than 12 months are considered short-term leases. Short-term lease payments are recognized in the period of payment.

As a lessor, the City recognizes a lease receivable and a deferred inflow of resources at the commencement of a lease term. The lease receivable is recorded at the net present value of the future fixed payments, discounted at the City's incremental borrowing rate at lease inception. The City recognizes interest revenue on the lease receivable, as well as reduces the lease receivable in subsequent reporting periods in a systematic manner over the term of the lease. The deferred inflow of resources is recognized as inflow of resources (revenue) on a straight-line basis over the term of the lease.

As a lessee, the City recognizes a lease liability an intangible right of use lease asset. At the commencement of a lease, the lease liability is recorded at the net present value of the future fixed payments, discounted at the City's incremental borrowing rate at lease inception. The lease liability is reduced as payments are made and as well are recognized as an outflow of resources (i.e., interest expense) in a systematic manner over the term of the lease. The right of use lease asset is initially recorded at the amount of the lease liability. The right of use lease asset is amortized on a straight-line basis over the term of the lease.

- vi) **Subscription-Based Information Technology Arrangements** (SBITAs) are defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"), as contracts that convey control of the right to use another party's information technology (IT) software, alone or in conjunction with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term is the period during which the City has a noncancelable right to use the underlying IT asset, plus any applicable periods covered by options that are reasonably certain to be exercised, or options to terminate that are reasonably certain to not be exercised. The subscription term



commences when the initial implementation stage is completed, and the subscription asset is placed into service. At commencement, the City recognizes a subscription liability and an intangible right of use subscription asset. Future subscription payments are discounted using the incremental borrowing rate and reduce the subscription liability, and the City recognizes amortization of the discount on the subscription liability as an outflow of resources (i.e., interest expense) in subsequent financial reporting periods.

**vii) Capital Assets**, which include land and improvements, buildings and improvements, utility plant, utility structures and improvements, airport runways, aprons, tunnels, taxiways, and paved roads, equipment (vehicles, office, and computer), intangible assets, right to use lease and subscription assets, and infrastructure assets (e.g. transit, lighting, roads, bridges, sidewalks) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Related depreciation or amortization is allocated to programs in the statement of activities. 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.

Capital outlay is recorded as an expenditure in governmental funds and as an asset in the government-wide financial statements and proprietary funds. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements that extend the useful lives of capital assets or increase their value are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The business-type activities prospectively adopted GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") as of January 1, 2021. Prior to the adoption of GASB 89, interest expense was capitalized during construction of those capital projects that were paid for from the bond proceeds and were being amortized over the depreciable life of the related assets on a straight-line basis. Subsequent to the adoption of GASB 89, interest expense on construction bond proceeds was expensed as incurred.

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

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

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

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

- ix) **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 Sections 457 and 401(a). 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.

- x) **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.
- xi) **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 bond insurance 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.

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

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

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

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

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

**xii) 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 governmental fund financials, grants that meet all of the eligibility criteria except for time availability and property taxes levied for a future period are also included in deferred inflows. Deferred inflows for OPEB represent the difference between expected and actual non-investment experience and assumption changes.

**xiii) Net Position** in the government-wide statements is classified in three separate categories:

- (1) Net investment in capital assets - Consists of capital assets, both tangible and intangible and including restricted capital assets, net of accumulated depreciation (financed through borrowing, donated, purchased with existing resources) and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings including accounts payable and retainage payable, that are attributable to the acquisition, construction, or improvement of those assets. Also, reduced by capital-related deferred inflows of resources and increased by capital-related deferred outflows of resources. The unspent resources and associated portion of outstanding capital-related debt, if any, are reported in the appropriate component of net position (restricted or unrestricted, depending on the constraints on the unexpended resources).
- (2) Net position-restricted net position - Consists of non-capital assets the use of which is restricted less related liabilities and deferred inflows of resources. The limitation on the use of noncapital assets must be substantive to qualify as a restriction; and is considered restricted only if the limitation is considered externally enforceable. Externally enforceable limitations result from constraints imposed by: parties outside the government (creditors, grantors, donors, other governments); constitutional provisions; or enabling legislation (legislation that raises resources from external parties subject to a legally enforceable requirement that those resources "be used only for the specific purpose stipulated in the legislation"). Restricted net position for business activities is provided in Exhibit 6, Statement of Net Position, Proprietary Funds.
- (3) Net position-unrestricted - Any portion of net position not already classified as either net investment in capital assets or net position-restricted, is classified as net position-unrestricted. As of December 31, 2023, the net position-unrestricted represents a deficit.

**xiv) Public-Private Partnership Arrangements (PPPs)** are defined by GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* ("GASB 94"), as arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Underlying PPP assets include: (a) existing assets of a transferor, (b) assets that are newly purchased or constructed by the operator, or (c) existing assets of a transferor that are to be improved by the operator. Recognition of the underlying PPP asset should be reported using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of a service concession arrangement, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

**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 \$3,479.7 million are as follows (dollars in thousands):

Deferred inflows - property tax .....	\$	2,587,225
Deferred inflows - grants .....		892,501
Net adjustment to increase fund balance - total governmental funds - to arrive at net position - governmental activities .....	\$	<u>3,479,726</u>

- ii) Another element of that reconciliation explains that "Certain liabilities, deferred inflows and deferred outflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$47,329.7 million are as follows (dollars in thousands):

Long-term liabilities:

Total bonds, notes and certificates payable .....	\$	(11,991,234)
Pension benefits .....		(33,316,699)
Other postemployment benefits .....		(2,015,400)
Pollution remediation .....		(34,675)
Claims and judgments .....		(1,143,400)
Total Long-term liabilities .....		<u>(48,501,408)</u>
Accounts payable - infrastructure retainage .....		(1,451)
Bonds, notes and other obligations payable current .....		403,219
Deferred outflows - unamortized loss on refunding .....		187,221
Deferred outflows - pension costs .....		2,371,715
Deferred outflows - other postemployment benefits costs .....		1,128,111
Deferred inflows - pension .....		(834,740)
Deferred inflows - other postemployment benefits .....		(343,954)
Accrued and other liabilities - compensated absences .....		(104,912)
Accrued and other liabilities - pension payable to pension funds .....		(1,225,170)
Right of Use liability .....		(408,367)
Net adjustment to decrease fund balance - total governmental funds - to arrive at net position - governmental activities .....	\$	<u>(47,329,736)</u>

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

- i) The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$226.1 million are as follows (dollars in thousands):

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Capitalized asset expenditures .....	\$	838,954
Donated assets .....		119
Depreciation expense .....		(487,033)
Amortization expense .....		(125,950)
Net adjustment to increase net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$</u>	<u>226,090</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 decrease of \$81.5 million are as follows (dollars in thousands):

Proceeds of debt .....	\$	(1,483,341)
Proceeds from line of credit .....		(494,766)
(Premium) / Discount .....		(74,194)
Payment to refunded bond escrow agent .....		791,206
Principal retirement .....		1,071,052
Interest expense .....		108,557
Net adjustment to decrease net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$</u>	<u>(81,486)</u>

iii) Another element of that reconciliation states that “Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this decrease of \$1,630.3 million are as follows (dollars in thousands):

Claims and judgments .....	\$	(109,497)
Pension costs .....		(1,457,937)
Other post employment benefit liabilities .....		(198,414)
Pollution remediation .....		13,875
Vacation .....		(5,066)
Inventory .....		5,990
Leases and SBITAs .....		120,778
Net adjustment to decrease net changes in fund balances - total governmental funds - to arrive at changes in net position - governmental activities .....	<u>\$</u>	<u>(1,630,271)</u>

### 3) Stewardship, Compliance and Accountability

- a) **Annual Appropriation Budgets** are established for the Corporate (General) Fund and the Vehicle Tax; Motor Fuel Tax and Project; Pension; Chicago Public Library; Special Events, Tourism and Festivals; and Cannabis Tax Funds, on a non-GAAP budgetary basis:
- i) In October, the Mayor submits to the City Council a proposed budget of expenditures and the means of financing them for the next year.
  - ii) The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
  - iii) Prior to January 1, the budget is legally enacted through passage of the appropriation ordinance.
  - 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) **Individual Fund Deficits** include the Chicago Skyway Fund, an Enterprise Fund, which has a deficit fund balance of \$1,271.7 million which management anticipates will be funded through recognition of deferred inflows. Midway International Airport Fund has a deficit fund balance of \$291.4 million which will be funded through future revenues. Federal State and Local Grants, a governmental fund, has a deficit fund balance of \$882.1 million and will be funded by the recognition of deferred grant inflows. The Service Concession and Reserve Fund, a Special Revenue Fund, has a deficit fund balance of \$780.5 million which will be funded through the recognition of deferred inflows. The Bond, Note Redemption and Interest Fund, a Debt Service Fund, has a deficit fund balance of \$4,444.3 million which will be funded through the amortization of the deferred inflow (reclassified to Due to Other Funds on the blended fund financials) associated with the City's sale of sales tax revenues to the STSC. The STSC is a blended component unit and for presentation purposes deferred inflows have been reclassified as internal balances. Nonmajor special revenues funds that have deficit balances are the Vehicle Tax fund (\$30.3 million), Special Events, Tourism and Festivals fund (\$12.6 million), and MEABF Pension Reserve fund (\$31.4 million), and will be funded through future revenues. The Highway and Transportation Projects and Building Projects funds, which are nonmajor Capital Projects funds, also have deficits of \$0.1 million and \$0.6 million, respectively, and will be funded by future borrowings.

4) Restricted and Unrestricted Cash, Cash Equivalents and Investments

a) **Investments** As of December 31, 2023, the City had the following Investments (dollars in thousands):

Investment Type	Maturities (in Years)				Total
	Less Than 1	1-5	6-10	More Than 10	
<b>City Funds</b>					
U.S. Treasury .....	\$ 14,102	\$ 19,650	\$ —	\$ —	\$ 33,752
Agency MBS* .....	—	12,772	79,342	606,724	698,838
Agency Bonds .....	395,150	1,589,426	31,137	8,498	2,024,211
Commercial Paper .....	1,890,949	—	—	—	1,890,949
Corporate ABS * .....	916	160,456	13,206	466,874	641,452
Corporate Bonds .....	36,270	1,229,630	1,030,094	192,820	2,488,814
ETF-Corporate Equity .....	740	—	—	—	740
Money Market Funds .....	2,785,089	—	—	—	2,785,089
Municipal Bonds .....	91,259	296,763	160,778	524,727	1,073,527
State and Local					
Government Series .....	13,400	—	—	—	13,400
Supranational Bonds .....	—	119,043	22,412	49,648	191,103
<b>Total City Funds .....</b>	<b>\$ 5,227,875</b>	<b>\$ 3,427,740</b>	<b>\$ 1,336,969</b>	<b>\$ 1,849,291</b>	<b>\$ 11,841,875</b>

\* In 2020, Asset Backed Securities were further divided into Agency MBS and Corporate ABS.

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

<b>Pension Trust Funds</b>					
U.S. and Foreign Government Agencies ...	\$ 16,923	\$ 137,089	\$ 156,305	\$ 380,936	\$ 691,253
Corporate Bonds .....	992,152	432,940	146,916	117,735	1,689,743
Corporate Equities .....	3,959,113	—	—	—	3,959,113
Pooled Funds .....	149,963	19,072	11,233	—	180,268
Real Estate .....	558,879	—	—	—	558,879
Securities Received from Securities					
Lending .....	367,362	—	—	—	367,362
Venture Capital .....	909,022	—	—	—	909,022
Certificates of Deposit and Other Short-term .....	440,034	—	—	—	440,034
Derivatives .....	111	—	—	—	111
Other .....	258,682	4,498	624	—	263,804
<b>Total Pension Trust Funds .....</b>	<b>\$ 7,652,241</b>	<b>\$ 593,599</b>	<b>\$ 315,078</b>	<b>\$ 498,671</b>	<b>\$ 9,059,589</b>
<b>Total .....</b>	<b>\$ 12,880,116</b>	<b>\$ 4,021,339</b>	<b>\$ 1,652,047</b>	<b>\$ 2,347,962</b>	<b>\$ 20,901,464</b>

City's Fair Value Measurements for Investments:

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

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

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

Level 3 - Unobservable Inputs

Investments that are valued using net asset value per share (NAV, or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Investments that are valued through other observable inputs (Level 2), are valued using methods that include, but are not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing.

The City's investments measured at fair value as of December 31, 2023 are as follows (dollars in thousands):

Investments by Fair Value Level	Level 1	Level 2	Level 3
U.S. Treasury .....	\$ —	\$ 26,047	\$ —
Agency Bonds .....	—	1,951,519	—
Agency MBS .....	—	698,838	—
Corporate ABS .....	—	641,452	—
Corporate Bonds .....	—	2,479,315	—
Municipal Bonds .....	—	1,027,608	—
Supranational Bonds .....	—	191,103	—
Total Investments at Fair Value .....	\$ —	\$ 7,015,882	\$ —

Money market investments; 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; and other investments included above that have the option to use amortized cost, 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 \$4,826.0 million.



CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

Pension Trust Funds' Investments measured at fair value as of December 31, 2023 are as follows (dollars in thousands):

Summary	Total	Level 1	Level 2	Level 3
U.S. and Foreign				
Government Agencies ....	\$ 691,253	\$ 3,148	\$ 687,458	\$ 647
Corporate Bonds .....	1,274,392	683,448	575,162	15,782
Corporate Equities .....	3,511,162	3,507,122	2,336	1,704
Pooled Funds .....	124,693	17,530	107,163	—
Securities Received from Securities Lending .....	367,362	—	367,362	—
Venture Capital .....	62,329	—	—	62,329
Certificates of Deposit and Other Short-term .....	390,147	111,510	278,637	—
Derivatives .....	111	—	111	—
Other .....	5,581	—	5,581	—
Subtotal .....	<u>6,427,030</u>	<u>4,322,758</u>	<u>2,023,810</u>	<u>80,462</u>

Pension Trust Funds' Investments measured at net asset value:		Unfunded Commitments	Redemption Frequency	Redemption Notice
Corporate Bonds .....	\$ 415,351	\$ 43,038	Daily	5 Days
Corporate Equities .....	447,951			
Pooled Funds .....	55,575			
Real Estate .....	558,879	64,744	As needed, N/A, Illiquid	30-45 Days, Not eligible, N/A
Venture Capital .....	846,693	273,889	Quarterly, Not eligible, As needed, N/A, Illiquid, Closed-end / Quarterly	180 Days or N/A, 30-95 Days, Not eligible, N/A, 90 Days, 45 Days
Certificates of Deposit and Other Short-term .....	49,887			
Other * .....	<u>258,223</u>	12,341	Illiquid	N/A
Subtotal .....	<u>2,632,559</u>			
Pension Trust Funds' Investments Total ...	<u>\$ 9,059,589</u>			

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

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

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

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

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

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

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

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

- i) *Interest Rate Risk* - The interest rate risk, or market risk, refers to the chance that investments in bonds – also known as fixed-income securities – will suffer as the result of unexpected interest rate changes. However, the City mitigates interest rate risks by diversifying portfolios to include a multitude of different bonds that have varying maturation schedules.
- ii) *Credit Risk* - With regard to credit risk, the Code limits the investments in securities to:
  - (1) Interest-bearing general obligations of the United States and the State of Illinois;
  - (2) United States treasury bills and other non-interest-bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;
  - (3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City, the Chicago Board of Education, the Chicago Housing Authority, the Chicago Park District, the Chicago Transit Authority, and the City Colleges of Chicago;
  - (4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;
  - (5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement. Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;
  - (6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance or demand deposits in banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in *Custodial Credit Risk – Cash and Certificates of Deposit* below;
  - (7) Bankers acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;
  - (8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;
  - (9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;
  - (10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;
  - (11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the Treasurer, the placement of such funds in the non-interest bearing account is

used as compensating balances to offset fees associated with that account that will result in cost savings to the City;

- (12) Bonds of companies with assets exceeding \$500.0 million that, at the time of purchase, are rated investment grade 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.
- (18) Asset-backed or agency mortgage-backed securities, any of which are rated at least investment grade by at least two accredited rating agencies, but no funds may be invested in: (1) obligations the payment of which represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral that pays no principal (e.g., MBS Interest-Only Strips); (2) obligations the payment of which represents the principal balance repayments from the underlying mortgage-backed security collateral that pays no interest (e.g., MBS Principal-Only Strips); (3) collateralized mortgage obligations ("CMOs") that have a stated final maturity date of greater than 10 years; and (4) CMOs the interest rate of which is determined in a manner that adjusts in the opposite direction to the changes in a market index (e.g., Inverse Floating Rate CMOs).
- (19) Interest in the Chicago Community Catalyst Fund.

Total holdings across all funds held by the City shall have no less than an overall average rating of Aa or equivalent rating without regard to any refinement or gradation of rating category by numerical modifier or otherwise on a quarterly basis.

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

Quality Rating	City	Quality Rating	Pension Trust Funds
Aaa/AAA .....	\$ 4,159,037	Aaa/AAA .....	\$ 195,510
Aa/AA .....	3,733,550	Aa/AA .....	72,750
A/A .....	639,548	A/A .....	134,716
Baa/BBB .....	1,451,715	Baa/BBB .....	188,541
Ba/BB .....	—	Ba/BB .....	132,237
B/B .....	—	B/B .....	147,504
Caa/CCC .....	—	Caa/CCC .....	17,140
Ca .....	—	Ca/CC .....	150
C/CC .....	—	CC/C .....	259
D/D .....	—	D/D .....	324
P1/A1 .....	617,485	Not Rated .....	252,220
P2/A2 .....	1,202,103	Other .....	457,148
P3/A3 .....	37,142		
MIG1/SP-1+ .....	—		
MIG2/SP-1+ .....	—		
Not Rated * .....	1,295		
Total Funds .....	\$ 11,841,875		\$ 1,598,499

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

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

For deposits in banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance, any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 100 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 100 percent by an irrevocable letter of credit issued in favor of the City by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the deposit.

The collateral required to secure City funds must be held in third-party safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written notification and authorization of the City Treasurer.

The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$248.0 million. 100.0 percent of the bank balance was either insured or collateralized with securities held by City agents in the City's name. There was no uncollateralized bank balance at December 31, 2023.

- iv) *Custodial Credit Risk - Investments:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of

investment or collateral securities that are in the possession of an outside party. The City limits custodial credit risk exposure because investment securities are registered in the City's name and held by the City's third-party custodians.

- v) *Foreign Currency Risk* - In the case of the Pension Trust Funds, this is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The risk of loss is managed by limiting its exposure to fair value loss by requiring their international securities managers to maintain diversified portfolios. The following schedule summarizes the Pension Trust Funds' exposure to foreign currency risk (in thousands):

<b>Foreign Currency Risk</b>	
Australian Dollar .....	\$ 60,802
Brazilian Real .....	26,346
British Pound .....	161,230
Canadian Dollar .....	50,640
Chilean Peso .....	1,134
Chinese Yuan .....	(1,457)
Colombian Peso .....	2,110
Czech Republic Koruna .....	2,040
Danish Krone .....	32,092
Egyptian Pound .....	530
European Euro .....	308,753
HK Chinese Yuan Renminbi .....	4,003
Hong Kong Dollar .....	93,982
Hungarian Forint .....	2,830
Indian Rupee .....	45,280
Indonesian Rupiah .....	22,950
Japanese Yen .....	237,845
Kuwaiti Dinar .....	215
Malaysian Ringgit .....	5,078
Mexican Peso .....	21,405
New Israeli Shekel .....	6,185
New Taiwan Dollar .....	62,352
New Zealand Dollar .....	1,351
Norwegian Krone .....	20,820
Philippine Peso .....	4,015
Polish Zloty .....	7,871
Qatari Riyal .....	682
Russian Ruble .....	2,383
Saudi Riyal .....	527
Singapore Dollar .....	15,511
South African Rand .....	16,017
South Korean Won .....	45,615
Swedish Krona .....	34,565
Swiss Franc .....	73,620
Thai Baht .....	5,865
Turkish Lira .....	1,741
United Arab Emirates Dirham .....	5,221
Uruguayan Peso .....	31
Total Pension Trust Funds .....	<u>\$ 1,382,180</u>

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

Per Note 4:	
Investments - City .....	\$ 11,841,875
Investments - Pension Trust Funds .....	9,059,589
Total Cash and Investments .....	<u>\$ 20,901,464</u>
Per Financial Statements:	
Restricted Investments .....	\$ 3,521,362
Unrestricted Investments .....	4,264,566
Investments with Fiduciary Funds .....	8,315,257
Investments with Escrow Agent .....	740,127
Invested Securities Lending Collateral .....	367,362
Investments Included as Cash and Cash Equivalents on the Statement of Net Position .....	3,692,790
Total Cash and Investments .....	<u>\$ 20,901,464</u>

## 5) Property Tax

The City's property tax becomes a lien on real property on January 1 of the year for which 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 and a limited number of other property types assessed directly by the State. The Cook 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 determined by the Assessor.

Property in the County is separated into multiple classifications for assessment purposes. After the Assessor establishes a property's fair market value, 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 percent for certain residential, commercial, and industrial property to 25 percent for other commercial and industrial property.

In addition, the City uses Tax Increment Financing (TIF) for Special Areas. TIF funds are used to build and repair roads and infrastructure, to clean polluted land, and to put vacant properties back to productive use, usually in conjunction with private development projects. TIF Funds can be generated by growth in the Equalized Assessed Valuation (EAV) of properties within a designated district over a period of years. The length of this period may vary, but generally, TIF districts expire when the City Council dissolves the TIF district's special allocation fund or as otherwise provided under state law. Funding levels for specific projects are coordinated with area plans and goals. When an area is declared a TIF district, a base EAV is established and the amount of property tax distributed annually among the taxing districts having levying authority over that area is limited to that derived from the base EAV. As property values increase in the area, all property tax growth generated from any incremental EAV above the base EAV, minus certain exemptions, can be used to fund redevelopment costs within the TIF district. The increase, or increment, can be used to pay back bonds issued to pay upfront costs, or can be used on a pay-as-you-go basis for individual projects. When the TIF district expires, the incremental EAV is combined with the base EAV and all property tax revenue from the area is distributed annually among the levying taxing districts.

The Illinois Department of Revenue (Department) has the statutory responsibility of ensuring uniformity of real property assessments on an inter-county basis throughout the state. Each year, the Department furnishes the county clerks with an adjustment factor to equalize the level of assessment among counties (Equalization Factor). The 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 taxable real property in the County to the valuation of property assessed directly by the State of Illinois and subtracts total amounts of EAV in TIF districts to arrive at the base amount (Tax Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rates for the different taxing districts sufficient to produce their allowable levies. 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 for a certain tax year become due and payable in two installments during the following calendar year. The installments are due on March 1 and either August 1 or 30 days after mailing the of second installment if issued after July 1. The first installment is 55 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 1993 that, starting with the City's 1994 fiscal year, limited any increase in the City's aggregate property tax levy to the lesser of (a) five percent or (b) the percentage increase in the annualized Consumer Price Index during the 12-month period most recently announced preceding the filing of the City's preliminary budget estimate report over the prior year's aggregate levy, unless the city reduced the prior year's aggregate levy, in which case the highest aggregate levy from the last three preceding tax years would be used to compute the limiting amount (Limit). The ordinance provides that the Limit shall not reduce that portion of each levy attributable to: (a) the greater of: (i) for any levy year, interest and principal on the general obligation notes and bonds of the city outstanding on January 1, 1994, to be paid from collections of the levy made for such levy year, or (ii) interest and principal on the general obligation notes and bonds of the City up to an amount not to exceed the amount of interest and principal payments on the City's general obligation notes and bonds during the period of January 2, 1993, to January 1, 1994; (b) payments by the City under installment contracts or under Public Building Commission (Commission) leases for the retirement of bonds issued by the Commission to pay for the subject properties, not to exceed the amount of such payments during the period of January 2, 1993, to January 1, 1994; or (c) payments due as a result of the refunding one or more times of any of the foregoing. The ordinance further provides that the amounts described in clauses (a), (b), and (c) are subject to annual increase in the same 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 the Limit. In 2015, the City Council added an exception to the Limit for amounts of the annual property tax levy specifically levied for pensions. In 2020, the City Council amended this ordinance again and reaffirmed the levies required to meet the City's pension contribution obligations under the Illinois Pension Code are not included in the aggregate levy when computing the Limit. The 2020 amendment also required the City to, beginning with the budget for fiscal year 2021, include in each year's budget an increase in the property tax levy equal to the lesser of the most recent annual increase in the CPI or 5 percent unless and until the City meets its contribution obligations required under the Illinois Pension Code and listed in this section of the ordinance. The 2020 amendment does not limit the City Council's authority to make other adjustments in the property tax levy as it deems appropriate at any time.

**6) Interfund Balances and Transfers**

a) The following balances at December 31, 2023 represent due from/to balances among all funds (dollars in thousands):

Fund Type/Fund	Due From	Due To
Governmental Funds:		
General .....	\$ 394,566	\$ 556,540
Federal, State and Local Grants .....	301,691	563,654
Special Taxing Areas .....	792,775	17,377
Service Concession and Reserve .....	—	16,774
Bond, Note Redemption and Interest * .....	282,036	4,801,151
STSC Debt Service * .....	4,778,939	—
Community Development and Improvement Projects .....	10,842	163,859
Pension .....	58,450	219,964
Nonmajor Governmental Funds .....	385,738	610,599
Total Governmental Funds .....	7,005,037	6,949,918
Enterprise Funds:		
Water .....	79,785	170,473
Sewer .....	33,038	136,944
Chicago-Midway International Airport .....	7,087	26,572
Chicago-O'Hare International Airport .....	68,220	53,876
Chicago Skyway .....	—	15
Total Enterprise Funds .....	188,130	387,880
Fiduciary Funds:		
Pension Trust .....	144,923	—
Custodial Funds .....	—	292
Total Fiduciary Funds .....	144,923	292
Total .....	\$ 7,338,090	\$ 7,338,090

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

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



b) The following balances at December 31, 2023 represent interfund transfers among all funds (dollars in thousands):

Fund Type/Fund	Transfer In	Transfer Out
Governmental Funds:		
General .....	\$ 556,668	\$ 928,105
Special Taxing Areas .....	—	15,231
Service Concession and Reserve .....	—	4,000
Bond, Note Redemption and Interest .....	1,051,766	114,582
STSC Debt Service * .....	—	283,009
Community Development and Improvement Projects .....	60,068	476,439
Pension .....	985,490	75,041
Nonmajor Governmental Funds * .....	153,160	908,205
Total Governmental Funds .....	2,807,152	2,804,612
Business-type activities:		
Water .....	—	2,420
Sewer .....	—	120
Total Business-type activities .....	—	2,540
Total .....	\$ 2,807,152	\$ 2,807,152

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

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

7) Capital Assets

a) Capital Assets activity for the year ended December 31, 2023 was as follows (dollars in thousands):

	Balance January 1, 2023	Additions and Transfers	Disposals and Transfers	Balance December 31, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land .....	\$ 1,412,506	\$ 137	\$ —	\$ 1,412,643
Works of Art and Historical Collections .....	49,698	933	—	50,631
Construction in Progress .....	1,207,287	670,504	(417,781)	1,460,010
Total capital assets, not being depreciated .....	2,669,491	671,574	(417,781)	2,923,284
Capital assets, being depreciated:				
Buildings and Other Improvements .....	3,051,587	25,196	—	3,076,783
Machinery and Equipment .....	1,929,417	125,034	(6,052)	2,048,399
Infrastructure .....	10,949,302	422,949	—	11,372,251
Total capital assets, being depreciated .....	15,930,306	573,179	(6,052)	16,497,433
Less accumulated depreciation for:				
Buildings and Other Improvements .....	1,488,744	79,137	—	1,567,881
Machinery and Equipment .....	1,571,987	79,839	(6,052)	1,645,774
Infrastructure .....	6,390,760	328,057	—	6,718,817
Total accumulated depreciation .....	9,451,491	487,033	(6,052)	9,932,472
Total capital assets, being depreciated, net .....	6,478,815	86,146	—	6,564,961
Right of use assets, being amortized:				
Leased - Buildings .....	154,743	4,288	—	159,031
Leased - Equipment .....	367,922	—	—	367,922
SBITAs .....	55,457	25,157	—	80,614
Total right of use assets, being amortized .....	578,122	29,445	—	607,567
Less accumulated amortization for:				
Leased - Buildings .....	10,435	11,216	—	21,651
Leased - Equipment .....	70,889	77,129	—	148,018
SBITAs .....	—	37,605	—	37,605
Total accumulated amortization .....	81,324	125,950	—	207,274
Total right of use assets, being amortized, net .....	496,798	(96,505)	—	400,293
Total governmental activities .....	\$ 9,645,104	\$ 661,215	\$ (417,781)	\$ 9,888,538

CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

	Balance January 1, 2023	Additions and Transfers	Disposals and Transfers	Balance December 31, 2023
Business-type activities:				
Capital assets, not being depreciated:				
Land .....	\$ 1,039,494	\$ 680	\$ —	\$ 1,040,174
Construction in Progress .....	2,224,212	730,787	(718,083)	2,236,916
Total capital assets, not being depreciated .....	3,263,706	731,467	(718,083)	3,277,090
Capital assets, being depreciated:				
Buildings and Other Improvements .....	24,798,000	868,442	(50,833)	25,615,609
Machinery and Equipment .....	904,635	83,474	(4,511)	983,598
Total capital assets, being depreciated .....	25,702,635	951,916	(55,344)	26,599,207
Less accumulated depreciation for:				
Buildings and Other Improvements .....	8,163,827	572,763	(638)	8,735,952
Machinery and Equipment .....	531,241	21,257	(534)	551,964
Total accumulated depreciation .....	8,695,068	594,020	(1,172)	9,287,916
Total capital assets, being depreciated, net .....	17,007,567	357,896	(54,172)	17,311,291
Right of use assets, being amortized:				
Leased - Buildings .....	6,250	—	—	6,250
Leased - Equipment .....	236,931	—	—	236,931
SBITAs .....	5,548	5,554	—	11,102
Total right of use assets, being amortized .....	248,729	5,554	—	254,283
Less accumulated amortization for:				
Leased - Buildings .....	450	492	—	942
Leased - Equipment .....	46,740	48,623	—	95,363
SBITAs .....	—	5,486	—	5,486
Total accumulated amortization .....	47,190	54,601	—	101,791
Total right of use assets, being amortized, net .....	201,539	(49,047)	—	152,492
Total business-type activities .....	\$ 20,472,812	\$ 1,040,316	\$ (772,255)	\$ 20,740,873
Total Capital Assets .....	\$ 30,117,916	\$ 1,701,531	\$ (1,190,036)	\$ 30,629,411

**b) Depreciation and amortization expenses** were charged to functions/programs of the City as follows  
 (dollars in thousands):

	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
Governmental activities:			
General Government .....	\$ 36,248	\$ 38,063	\$ 74,311
Public Safety .....	69,531	19,778	89,309
Streets and Sanitation .....	16,848	2,266	19,114
Transportation .....	338,440	63,501	401,941
Health .....	2,877	1,455	4,332
Cultural and Recreational .....	23,089	887	23,976
Total Depreciation and Amortization - Governmental activities ....	<u>\$ 487,033</u>	<u>\$ 125,950</u>	<u>\$ 612,983</u>
Business-type activities:			
Water .....	\$ 84,327	\$ 26,180	\$ 110,507
Sewer .....	56,078	22,148	78,226
Chicago Midway International Airport .....	56,909	755	57,664
Chicago-O'Hare International Airport .....	388,880	5,518	394,398
Chicago Skyway .....	7,827	—	7,827
Total Depreciation and Amortization - Business-type activities ....	<u>\$ 594,021</u>	<u>\$ 54,601</u>	<u>\$ 648,622</u>

**8) Right of Use Leases and Subscription-Based Information Technology Arrangements (SBITAs)**

**Leases**

**a) As Lessee:**

The City leases facilities and equipment from others and these leases have terms between two and 24, and two and six years, respectively, requiring monthly or annual payments.

The Water Fund leases building and equipment under noncancelable operating leases. These leases have terms between one and 23 years.

The Sewer Fund leases equipment from other vendors. These leases have terms between three and six years.

The Midway International Airport Fund leases equipment from other vendors. These leases have terms between three and five years.

The O'Hare International Airport Fund leases equipment from other vendors. These leases have terms between one and five years.

Refer to the Capital Assets footnote for the right of use asset balances by major class and related accumulated amortization as of December 31, 2023.

There are no variable payments for the period ending December 31, 2023. The City did not have other payments attributable to residual value guarantees or termination penalties not previously included in the measurement of the lease liability.

As of December 31, 2023, the principal and interest requirements to maturity for lease liabilities are as follows (dollars in thousands):

Year Ended	Governmental			Business-type		
	Principal	Interest	Total	Principal	Interest	Total
December 31,						
2024 .....	\$ 83,929	\$ 13,866	\$ 97,795	\$ 46,707	\$ 4,868	\$ 51,575
2025 .....	80,120	10,700	90,820	47,397	3,084	50,481
2026 .....	78,332	7,673	86,005	48,633	1,259	49,892
2027 .....	5,539	5,936	11,475	709	237	946
2028 .....	4,693	5,716	10,409	125	223	348
2029-2033 .....	24,196	25,368	49,564	874	1,005	1,879
2034-2038 .....	33,896	18,358	52,254	1,272	745	2,017
2039-2043 .....	41,732	9,314	51,046	1,730	386	2,116
2044-2045 .....	16,409	672	17,081	680	28	708
Total .....	<u>\$ 368,846</u>	<u>\$ 97,603</u>	<u>\$ 466,449</u>	<u>\$ 148,127</u>	<u>\$ 11,835</u>	<u>\$ 159,962</u>

**b) As Lessor:**

- i) The City leases office and equipment space in its managed facilities to others. These leases have terms between two and 43 years.

The total amount of inflows of resources recognized for the period ending December 31, 2023 is as follows (dollars in thousands):

Lease Revenue .....	\$ 20,597
Interest Income .....	3,849
Other Variable Payments .....	14,118

The City did not have any revenues associated with residual value guarantees and termination penalties. In addition to the lease revenues recognized of \$24.4 million, the City recognized other related revenues which consist of Community Marketplace and Riverwalk concessions and other concession revenues of \$8.7 million as well as facility and equipment, and street furniture rentals of \$5.4 million.

Below is a schedule of future payments that are included in the measurement of the lease receivables as of December 31, 2023 (dollars in thousands):

Year Ended	Principal	Interest	Total
December 31,			
2024 .....	\$ 37,825	\$ 3,133	\$ 40,958
2025 .....	20,804	2,359	23,163
2026 .....	21,941	1,593	23,534
2027 .....	5,227	693	5,920
2028 .....	1,124	180	1,304
2029-2033 .....	1,339	715	2,054
2034-2038 .....	1,651	340	1,991
2039-2043 .....	263	139	402
Thereafter .....	431	111	542
Total .....	<u>\$ 90,605</u>	<u>\$ 9,263</u>	<u>\$ 99,868</u>

**ii) Chicago O'Hare and Midway International Airports**

The Chicago O'Hare and Midway International Airports (Airports) lease terminal square footage (except for regulated leases), aircraft maintenance, cargo facilities, hangars, and other structures to air carriers and other tenants under various operating leases, a majority of which is non-cancellable and terminate no later than August 2055 for O'Hare and April 2033 for Midway. Certain provisions of the leases provide for fixed and variable rental payments to be received by the Airports, and all are generally designed to allow the Airports to meet their debt service requirements and recover certain operating, maintenance and fund deposit costs. In addition, certain agreements under which the Airports receive revenue under concessions operations at the Airports provide for payment of fee based on the greater of an aggregated percentage of gross receipts or guaranteed minimum.

In accordance with GASB 87, the Airports recognize a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for regulated leases, and short-term leases. This provision was implemented as of January 1, 2022.

**1) Regulated Leases**

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses (e.g., cargo and hangar). These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing opportunities are made available to any potential lessee should a facility become vacant. In accordance with GASB 87, the Airports recognize lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

The Airports operate under signatory airlines use and lease agreements and non-signatory airlines lease agreements. These agreements define the responsibilities of the Airports and the airlines, and establish a cost structure to operate airfield and terminal facilities primarily through charges to airlines in the forms of landing fees, terminal rentals, joint use fees, terminal ramp fees, consortium equipment and fuel usage fees, and federal inspection service fees. Landing fees are charged for each landing at the Airports based on the maximum weight of the aircraft. Terminal rents are set at the beginning of each fiscal year and adjusted during the year to estimate the annual cost to operate terminal buildings. They are allocated to airlines based on square footage occupied. Joint use fees are calculated based on a combination of terminal square footage and landed weight activity. Terminal ramp fees are calculated based on landed weight activity. Federal inspection service fees are charged for each arriving international passenger. The total revenues related to regulated leases for O'Hare was \$952,585 plus \$122,018 which is included in the rentals, concessions, and other revenues of \$418,761. Revenues recognized from regulated leases for Midway for the year ended December 31, 2023 was \$179,047.

Expected future minimum lease payments to be received from regulated leases at December 31, 2023 are as follows (dollars in thousands), projected using the following assumptions: 1) revenues earned from the signatory airlines (long-term and short-term) for the year ended December 31, 2023, 2) through the expiration of the agreements with the signatory airlines, 3) without considering future expansion changes in operations by the Airport:

Years Ended	Chicago O'Hare International Airport	Chicago Midway International Airport	Total
December 31,			
2024 .....	\$ 375,114	\$ 63,068	\$ 438,182
2025 .....	375,114	62,624	437,738
2026 .....	375,114	62,438	437,552
2027 .....	375,114	62,438	437,552
2028 .....	362,680	500	363,180
2029 - 2033 .....	1,727,631	2,002	1,729,633
2034 - 2038 .....	149,763	—	149,763
2039 - 2043 .....	145,438	—	145,438
2044 - 2048 .....	122,517	—	122,517
2049 - 2053 .....	4,596	—	4,596
Total Minimum Future Rental Income .....	<u>\$ 4,013,081</u>	<u>\$ 253,070</u>	<u>\$ 4,266,151</u>

**2) Non-regulated Leases**

These contracts allow control of the right of use the Airports' assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater 12 months at commencement of the leases are recognized in accordance with the provisions of GASB 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases. The Airports' non-regulated leases are grouped into the following categories:

**a. Ground and facilities**

The Airports are lessors for agreements with tenants that develop the Airports' real estate for airport-related uses, and concurrent commercial development. The agreements require periodic payments based on ground and facilities rental rates or other amounts as specified in each lease agreement and is based on square footage. In addition, these agreements may require payment of reimbursable costs and other variable payments. These variable inflows were not included in the measurement of the lease receivable.

**b. Concessions**

The Airports are lessors on contracts that provide concessionaires the right to operate at the Airports. These agreements typically require an operator to pay a minimum guaranteed annual rent amount plus a percentage of the concession operator's gross receipts above a certain threshold. The agreements may also require the operator to reimburse the Airports of costs they incur to maintain areas and facilities used for operations. Performance based and other variable inflows are not included in the measurement of the lease receivable.

**c. Rent-A-Car**

The Airports lease square footage to car rental companies at the on-site car rental facility. These agreements require payment of ground rents based on the Airports' ground rental rate and acreage leased. Inflows for ground rents were included in the measurements of the lease receivable. Additionally, these agreements require certain payments based on the lessees' gross receipts in the form of minimum annual guaranteed rents and percent rents, and reimbursement to the Airports of certain costs they incur to maintain the car rental facility and transportation to and from the terminal areas. Lessees that conduct rental operations from other facilities outside of the Airports' boundaries are required to pay a percent rent based on their

gross receipts and certain reimbursable costs to the Airports. The performance-based and variable inflows are not included in the measurement of the lease receivable.

The expected future principal and interest payments that are included in the measurement of the lease receivable as of December 31, 2023 are as follows (dollars in thousands):

Years Ended December 31,	Chicago O'Hare International Airport			Chicago Midway International Airport		
	Principal	Interest	Total	Principal	Interest	Total
2024 .....	\$ 57,620	\$ 24,904	\$ 82,524	\$ 18,205	\$ 8,753	\$ 26,958
2025 .....	59,585	23,058	82,643	18,362	8,588	26,950
2026 .....	30,715	21,349	52,064	19,019	7,839	26,858
2027 .....	23,486	20,213	43,699	18,995	7,072	26,067
2028 .....	24,360	19,173	43,533	19,780	6,287	26,067
2029 - 2033 .....	137,852	78,782	216,634	105,275	18,558	123,833
2034 - 2038 .....	133,296	48,411	181,707	37,423	1,994	39,417
2039 - 2043 .....	144,372	15,760	160,132	—	—	—
2044 - 2048 .....	714	292	1,006	—	—	—
2049 - 2053 .....	686	139	825	—	—	—
2054 - 2055 .....	252	10	262	—	—	—
Total Minimum Future Rental Income .....	<u>\$ 612,938</u>	<u>\$ 252,091</u>	<u>\$ 865,029</u>	<u>\$ 237,059</u>	<u>\$ 59,091</u>	<u>\$ 296,150</u>

The inflows (revenues) recognized in the year ended December 31, 2023, are as follows (in thousands):

	Chicago O'Hare International Airport			Chicago Midway International Airport		
	Amortization of Leases Deferred Inflows	Inflows from Short-term Leases and Variable Lease Payments	Total	Amortization of Leases Deferred Inflows	Inflows from Short-term Leases and Variable Lease Payments	Total
Ground and Facilities .....	\$ 1,940	\$ 498	\$ 2,438	\$ —	\$ —	\$ —
Concessions .....	25,910	215,821	241,731	3,244	67,465	70,709
Rent-A-Car .....	20,779	31,794	52,573	5,566	3,118	8,684
Total .....	<u>\$ 48,629</u>	<u>\$ 248,113</u>	<u>\$ 296,742</u>	<u>\$ 8,810</u>	<u>\$ 70,583</u>	<u>\$ 79,393</u>



**Subscriptions-Based Information Technology Arrangements**

The City is obligated under contracts covering certain subscription-based information technology arrangements (SBITAs) that expire at various dates during the next five years. Most SBITA contracts have initial terms of up to five years and contain one or more renewal options. The City generally includes these renewal periods in the subscription term when it is reasonably certain that the City will exercise the renewal option and the contract is not deemed cancellable. The City's SBITA contracts do not contain any material variable payments not previously included in the measurement of the subscription liability. As the interest rate implicit in the City's agreements are not readily determinable, the City utilizes its incremental borrowing rate to discount the SBITA payments to present values. There is no restatement reflected in the City's exhibits or long-term debt disclosure (see footnote 10), and the impact of GASB 96's implementation on January 1, 2023 is reflected in the schedule below:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Amounts Due within One Year
Governmental activities:					
Right of Use subscription liability .....	\$ 55,457	\$ 25,157	\$ 41,095	\$ 39,519	\$ 35,530
Business-type activities:					
Water .....	\$ 694	\$ 1,816	\$ 1,352	\$ 1,158	\$ 1,158
Sewer .....	217	640	461	396	396
Chicago-O'Hare International Airport .....	3,757	2,550	3,460	2,847	2,836
Chicago-Midway International Airport .....	880	548	784	644	642
Total business-type activities .....	<u>\$ 5,548</u>	<u>\$ 5,554</u>	<u>\$ 6,057</u>	<u>\$ 5,045</u>	<u>\$ 5,032</u>
Total Right of Use subscription liabilities .....	<u>\$ 61,005</u>	<u>\$ 30,711</u>	<u>\$ 47,152</u>	<u>\$ 44,564</u>	<u>\$ 40,562</u>

As of December 31, 2023, the principal and interest requirements to maturity for subscription liabilities are as follows (dollars in thousands):

Year Ended	Governmental			Business-type		
	Principal	Interest	Total	Principal	Interest	Total
December 31,						
2024 .....	\$ 35,530	\$ 720	\$ 36,250	\$ 5,032	\$ 73	\$ 5,105
2025 .....	3,296	90	3,386	13	—	13
2026 .....	458	18	476	—	—	—
2027 .....	235	3	238	—	—	—
Total .....	<u>\$ 39,519</u>	<u>\$ 831</u>	<u>\$ 40,350</u>	<u>\$ 5,045</u>	<u>\$ 73</u>	<u>\$ 5,118</u>

**9) Short-term Debt**

There was no short-term debt issued during 2023.

**10) Long-term Obligations**

**a) Long-term Debt** activity for the year ended December 31, 2023 was as follows (in thousands):

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Amounts Due within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation and other debt .....	\$ 5,860,605	\$ 523,800	\$ 940,471	\$ 5,443,934	\$ 240,808
Line of Credit (LOC) .....	450,000	494,766	494,766	450,000	—
Total General Obligation Debt, other debt and LOC	<u>6,310,605</u>	<u>1,018,566</u>	<u>1,435,237</u>	<u>5,893,934</u>	<u>240,808</u>
STSC .....	4,608,965	959,541	149,165	5,419,341	212,455
	<u>10,919,570</u>	<u>1,978,107</u>	<u>1,584,402</u>	<u>11,313,275</u>	<u>453,263</u>
Add unamortized premium/(discount) .....	433,432	74,194	58,712	448,914	—
Add accretion of capital appreciation bonds .....	339,871	—	110,826	229,045	34,392
Total bonds, notes and certificates payable .....	<u>11,692,873</u>	<u>2,052,301</u>	<u>1,753,940</u>	<u>11,991,234</u>	<u>487,655</u>
Other liabilities:					
Net pension liability .....	31,756,452	1,560,247	—	33,316,699	—
Net other postemployment benefits liability .....	1,835,039	180,361	—	2,015,400	—
Pollution remediation .....	48,550	—	13,875	34,675	—
Claims and judgments .....	1,033,903	258,409	148,912	1,143,400	224,217
Total other liabilities .....	<u>34,673,944</u>	<u>1,999,017</u>	<u>162,787</u>	<u>36,510,174</u>	<u>224,217</u>
Right of Use liability .....	499,700	29,445	120,778	408,367	119,459
Total governmental activities .....	<u>\$ 46,866,517</u>	<u>\$ 4,080,763</u>	<u>\$ 2,037,505</u>	<u>\$ 48,909,775</u>	<u>\$ 831,331</u>
Business-type activities:					
Revenue bonds and notes payable:					
Water .....	\$ 2,286,957	\$ 583,581	\$ 476,050	\$ 2,394,488	\$ 128,329
Sewer .....	1,876,190	479,270	320,012	2,035,448	65,420
Chicago-O'Hare International Airport .....	10,567,896	171,800	482,103	10,257,593	255,841
Chicago-Midway International Airport .....	1,539,160	522,199	547,444	1,513,915	68,350
	<u>16,270,203</u>	<u>1,756,850</u>	<u>1,825,609</u>	<u>16,201,444</u>	<u>517,940</u>
Add unamortized premium/(discount) .....	845,542	145,689	139,312	851,919	—
Add accretion of capital appreciation bonds .....	63,528	3,984	9,939	57,573	10,158
Net pension liability .....	3,680,154	219,711	12,469	3,887,396	—
Right of Use liability:					
Water .....	97,727	1,816	25,122	74,421	24,738
Sewer .....	84,638	640	21,253	64,025	21,190
Chicago-O'Hare International Airport .....	16,975	2,550	5,530	13,995	5,127
Chicago-Midway International Airport .....	1,006	548	823	731	684
Total business-type activities .....	<u>\$ 21,059,773</u>	<u>\$ 2,131,788</u>	<u>\$ 2,040,057</u>	<u>\$ 21,151,504</u>	<u>\$ 579,837</u>
Total long-term obligations .....	<u>\$ 67,926,290</u>	<u>\$ 6,212,551</u>	<u>\$ 4,077,562</u>	<u>\$ 70,061,279</u>	<u>\$ 1,411,168</u>

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

**b) Issuance of New Debt**

**i) General Obligation Line of Credit**

The City entered into a Revolving Line of Credit Agreement in December 2021 with RBC Capital Markets, LLC and Royal Bank of Canada with a borrowing capacity of up to \$225.0 million (the "RBC Line of Credit Agreement") and a Revolving Line of Credit Agreement in December 2021 with Wells Fargo Bank, National Association with a borrowing capacity of up to \$225.0 million (the "Wells Fargo Line of Credit Agreement") to provide funding for Chicago Works. In December 2023, the City drew an additional \$225.0 million from the RBC Line of Credit Agreement million and \$225.0 million on the Wells Fargo Line of Credit. As of December 31, 2023, the outstanding balance on the RBC Line of Credit Agreement was \$225.0 million and also \$225.0 million on the Wells Fargo Line of Credit.

**ii) General Obligation Bonds**

In December 2022, the City sold its \$523.8 million aggregate principal amount of Chicago Obligation Bonds, Series 2023AB. The 2023AB Bonds closed on January 9, 2023, and carry interest rates ranging from 4.0% to 5.5% interest rates with maturities between January 1, 2029 and January 1, 2043. Proceeds of the Series 2023AB Bonds were used to fund Chicago Works and Chicago Recovery Plan projects and to pay off the RBC Line of Credit Agreement and Wells Fargo Line of Credit Agreement, which were outstanding in the amount of \$225.0 million each as of December 31, 2022.

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

City of Chicago Second Lien Wastewater Transmission Revenue Bonds, Project Series 2023A (\$260.1 million), and Refunding Series 2023B (\$192.5 million) were sold at a premium of \$51.4 million in April of 2023. The bonds have interest rates ranging from 5.00% to 5.50% and maturity dates from January 1, 2029 to January 1, 2062. The net proceeds of \$501.1 million were used to finance or reimburse the City for certain capital improvements to and extensions of the wastewater transmission system, refund certain Second Lien Wastewater Transmission Revenue Bond of the City, fund capitalized interest, and pay the costs of issuance.

A loan agreement was signed on January 23, 2020, with the Illinois Environment Protection Agency as part of the City's multi-years rehabilitation program. The funds will be specifically to be used for the installation of 15,000 lineal feet of 18-inch to 48-inch diameter sewer main. The amount drawn from the loan agreement by the Sewer Fund in 2023 was \$10.2 million. The loan agreement has an interest rate of 2% with a maturity from November 20, 2023 to November 20, 2042.

A loan agreement was signed on September 1, 2020, with the Illinois Environment Protection Agency as part of the City's multi-years rehabilitation program. The funds will be specifically to be used for the installation of 19,800 lineal feet of 12-inch to 72-inch diameter sewer main. The amount drawn from the loan agreement by the Sewer Fund in 2023 was \$12.6 million. The loan agreement has an interest rate of 1.35% with a maturity from February 22, 2024 to August 22, 2042.

A loan agreement was signed on April 5, 2018, with the Illinois Environment Protection Agency as part of a 5-year rehabilitation program conducted throughout the city. Approximately 26,900 lineal feet of 12-to-60-inch diameter sewer main will replace existing, aging sewer main. In 2023, the Sewer Fund drew an additional \$0.1 million. Total funds drawn from this loan are \$18.0 million. The loan agreement has an interest rate of 1.76% with a maturity from October 26, 2019, to April 26, 2039.

A loan agreement was signed on September 30, 2020, with the Illinois Environment Protection Agency. The loan proceeds will be utilized for the rehabilitation of sewers by lining a total of 250,000 LF of sewers ranging in diameter between 8-inches and 60 inches. In 2023, the Sewer drew an additional \$3.8 million. Total funds drawn from this loan are \$54.6 million. The loan agreement has an interest rate of 1.35% with a maturity from February 9, 2023 to August 9, 2042.

City of Chicago Second Lien Water Revenue Bonds, Project Series 2023A (\$254.2 million) and Refunding Series 2023B (\$322.2 million) were sold at a premium of \$59.8 million in May of 2023. The bonds have interest rates ranging from 4.00% to 5.50% and maturity dates ranging from November 1, 2023 to November 1, 2062. The net proceeds of \$632.6 million were used to pay certain costs related to the improvement and extension of the water system, refund certain of the City's Second Lien Water Revenue Bonds, and pay the costs of issuance.

On July 26, 2017, a loan agreement was signed with the Illinois Environmental Protection Agency for a project that consists of the replacement of the obsolete electrical switchgear and existing temporary standby generators at the Jardine Water Purification Plant. Amounts initially drawn from this agreement are classified as advances until repayment terms are established. Once repayment terms are established, the total advances are converted to long-term debt. In 2021, the Water Fund converted \$37.0 million into long-term debt. In 2023, the Water Fund drew \$1.1 million and converted to long-term debt. As of December 31, 2023, the total funds drawn from this loan agreement are \$38.1 million. The loan agreement has an interest rate of 1.64% with maturity dates from January 4, 2022 to January 4, 2041.

On July 22, 2022, a loan agreement was signed with the Illinois Environmental Protection Agency for a project involving the final phase of the City's 2012 Meter Save contract. Loan funds will be utilized to install water meters at residences throughout the City that are currently unmetered. The funds will also be used to replace outdated meters with meters with AMR capabilities (Automatic Meter Reading). Amounts initially drawn from this agreement are classified as advances until repayment terms are established. Once repayment terms are established, the total advances are converted to long-term debt. In 2023, the Water Fund drew and converted \$6.1 million into long-term debt. The loan agreement has an interest rate of 1.11% with maturity dates from February 16, 2024 to August 16, 2043.

Chicago Midway Airport Senior Lien Airport Revenue and Revenue Refunding Bonds, Series 2023A (AMT) in the amount of \$211.0 million and Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds, Series 2023B (Non-AMT) in the amount of \$302.5 million, were sold at a premium of \$18.3 million in November of 2023. The bonds have interest rates ranging from 5.00% to 5.75% and maturity dates ranging from January 1, 2025 to January 1, 2043. The net proceeds of \$528.7 million were used to finance a portion of the cost of certain airport projects, refund certain airport obligations, fund capitalized interest, and pay the costs of issuance.

Chicago O'Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023 in the amount of \$171.8 million were sold at a premium of \$15.4 million in August of 2023. These bonds have interest rates ranging from 5.00% to 5.25% and maturity dates ranging from January 1, 2028 to January 1, 2043. The net proceeds of \$186.0 million were used to refund the City's Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds, Series 2013, pay the costs of issuance, fund reserve accounts, and purchase a bond insurance policy.

In 2023, \$1.4 million of Chicago Midway International Airport Commercial Paper Notes were issued. The proceeds were used to refund Chicago Midway Airport Refunding Series 1998C Bonds. As of December 31, 2023, there were \$1.4 million of commercial paper notes outstanding. An irrevocable letter of credit (LOC) (\$111.2 million) provided for the timely payment of principal and interest on the notes until June 21, 2024.

On July 7, 2022 a loan agreement was signed with the Illinois Environmental Protection Agency for the MeterSave program. Amounts initially drawn from this agreement are classified as advances until repayment terms are established. Once repayment terms are established, the total advances are converted to long-term debt. During the year ended December 31, 2023, the total funds drawn from this loan agreement was \$6.1 million. The loan agreement has an interest rate of 1.11% with maturity dates from February 16, 2024 to August 16, 2043.

**iii) Sales Tax Securitization Corporation**

In February 2023, the Sales Tax Securitization Corporation (“STSC”) sold its \$740.5 million aggregate principal amount of Sales Tax Securitization Bonds and Second Lien Sales Tax Securitization Bonds, comprising Series 2023A (Social Bonds) (the “STSC 2023A Bonds”), Taxable Series 2023B (Social Bonds) (the “STSC 2023B Bonds”), Refunding Series 2023C (the “STSC 2023C Bonds” and together with the STSC 2023A Bonds and STSC 2023B Bonds, the “STSC Series 2023ABC Bonds”), Second Lien Sales Tax Securitization Bonds, Refunding Series 2023A (the “STSC Second Lien 2023A Bonds”), and Second Lien Sales Tax Securitization Bonds, Taxable Refunding Series 2023B (the “STSC Second Lien 2023B Bonds” and together with the STSC Second Lien Series 2023A Bonds, the “STSC Second Lien Series 2023AB Bonds”).

The STSC issued the STSC Series 2023ABC Bonds and the STSC Second Lien Series 2023AB Bonds on February 2023. The STSC 2023A Bonds were issued at interest rates of 3.00%, 4.00%, and 5.00% with mandatory sinking fund or maturity dates between January 1, 2026 and January 1, 2044. The STSC 2023B Bonds were issued at interest rates between 4.408% and 5.293% with mandatory sinking fund or maturity dates between January 1, 2026 and January 1, 2041. The STSC 2023C Bonds were issued at an interest rate of 5.00% with maturity dates between January 1, 2031 and January 1, 2039.

Proceeds of the STSC Series 2023ABC Bonds were used to provide funds for the City to finance portions of certain Chicago Recovery Plan projects, to provide funds for the City to refund certain of the City’s outstanding General Obligation bonds, fund capitalized interest on the STSC Series 2023ABC Bonds, and to pay costs of issuance for the STSC Series 2023ABC Bonds.

The STSC Second Lien 2023A Bonds were issued at interest rates of 4.00% and 5.00% with maturity dates between January 1, 2024 and January 1, 2037. The STSC Second Lien 2023B Bonds were issued at interest rates between 4.564% and 4.947% with maturity dates between January 1, 2025 and January 1, 2033. Proceeds of the STSC Second Lien Series 2023AB Bonds were used to repurchase and cancel certain outstanding general obligation bonds of the City by means of a tender offer, and to pay costs of issuance for the STSC Second Lien Series 2023AB Bonds.

In May 2023, the STSC sold its \$219.1 million aggregate principal amount of Sales Tax Securitization Bonds, Refunding Series 2023D (Forward Delivery) (the “STSC 2023D Bonds”) and Second Lien Sales Tax Securitization Bonds, Refunding Series 2023C (Forward Delivery) (the “STSC Second Lien 2023C Bonds”) and, together with the STSC 2023D Bonds, the “2023 Forward Delivery Bonds”). The 2023 Forward Delivery Bonds closed on October 4, 2023. The STSC 2023D Bonds were sold at an interest rate of 5.00% with maturity dates between January 1, 2024 and January 1, 2039. The STSC Second Lien 2023C Bonds were sold at an interest rate of 5.00% with maturity dates between January 1, 2024 and January 1, 2035.

Proceeds of the 2023 Forward Delivery Bonds were used to provide funds for the City to refinance outstanding advances on an existing line of credit agreement, to provide funds for the City to refund certain of the City’s outstanding General Obligation Bonds, Project and Refunding Series 2014A, and to pay costs of issuance for the 2023 Forward Delivery Bonds.

c) **Annual requirements** listed below for each year include amounts payable January 1 of the following year. Except for the Business-type activities, bonds maturing and interest payable January 1, 2023 have been excluded because funds for their payment have been provided for. Annual requirements to amortize debt outstanding as of December 31, 2023 are as follows (dollars in thousands):

Year Ended December 31,	Sales Tax					
	General Obligation		Securitization Corporation		Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024 .....	\$ 229,090	\$ 328,072	\$ 173,080	\$ 227,261	\$ 516,550	\$ 758,752
2025 .....	164,714	279,383	185,925	219,872	573,400	732,959
2026 .....	156,707	270,548	193,434	211,235	574,010	726,182
2027 .....	143,825	262,260	239,754	202,189	594,822	700,854
2028 .....	184,401	290,778	198,632	190,825	608,356	674,257
2029-2033 .....	1,182,981	1,247,366	1,395,783	780,686	3,388,538	2,825,208
2034-2038 .....	1,900,126	819,975	1,105,116	501,569	3,459,343	2,000,000
2039-2043 .....	1,024,467	220,654	1,075,317	267,902	2,123,877	1,281,102
2044-2048 .....	266,859	44,156	639,845	72,918	1,386,390	892,941
2049-2053 .....	—	—	—	—	1,830,373	494,256
2054-2058 .....	—	—	—	—	1,023,535	109,079
2059-2062 .....	—	—	—	—	120,860	15,904
	<u>\$ 5,253,170</u>	<u>\$ 3,763,192</u>	<u>\$ 5,206,886</u>	<u>\$ 2,674,457</u>	<u>\$ 16,200,054</u>	<u>\$ 11,211,494</u>

Amounts above exclude the Line of Credit as the timing of payments is not certain.

For the debt requirements calculated above, interest rates for fixed rate bonds debt range from 0.79 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, 2023. Letters of credit were issued by third party financial institutions that are expected to be financially capable of honoring their agreements.

Midway has variable rate bonds that may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, an adjustable long rate, or the fixed rate as determined by the remarketing agent, in consultation with the City. An irrevocable letter of credit provides for the timely payment of principal and interest on the Midway variable rate bonds. In the event that variable rate bonds are tendered by the owners thereof for purchase by the City and not successfully remarketed, the City would be obligated to reimburse the letter of credit bank for amounts drawn under the letter of credit to fund the purchase of such tendered bonds. If the City fails to reimburse the bank, the City's obligation to reimburse the bank may be converted to a term loan. There are no term loans currently outstanding under any reimbursement agreement. As of December 31, 2023, the principal balance of variable rate bonds was \$220.4 million for Midway.

d) **Derivatives**

i) **Interest Rate Swaps**

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

	Changes in Fair Value		Fair Value at December 31, 2023		Notional Amount
	Classification	Amount	Classification	Amount	
<b>Business-type Activities</b>					
Hedges:					
Interest Rate Swaps ...	Deferred Outflow of Resources	\$ (924)	Deferred Outflow of Resources	\$ (6,622)	\$ 95,675

- (2) *Terms, fair values, and credit risk.* 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 to the Secured Overnight Financing Rate (SOFR) and/or The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The terms, including fair values and credit ratings, as of December 31, 2023, are as follows (dollars in thousands):

Associated Bond Issue	Notional Amounts	Effective Date	Terms	Fair Values	Termination Date	Counter-party Credit Rating
<b>Hedging Instruments</b>						
<b>Business-type Activities:</b>						
Chicago-Midway International Airport Revenue Bonds (Series 2004C&D):						
Counterparty Goldman Sachs Bank USA	\$ 57,405	12/14/2004	Pay 4.174%; receive SIFMA Plus .05%	\$ (3,678)	1/1/2035	AA-/A+
Counterparty Wells Fargo Bank NA	38,270	4/21/2011	Pay 4.247%; receive SIFMA Plus .05%	(2,944)	1/1/2035	A+/A+
Total	<u>\$ 95,675</u>		Total	<u>\$ (6,622)</u>		

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

- (3) *Fair Value.* As of December 31, 2023, the swaps had a negative fair value of \$6.6 million. As per industry convention, the fair values of the City's outstanding swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Because interest rates are below the Fixed Rate Paid, the City's swaps had negative values.

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

- (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/SOFR 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/SOFR ratios (or spreads) may create basis risk. With percentage of SOFR swaps, if the City's bonds trade at a higher percentage of SOFR 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, 2023, debt service requirements of the City's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (dollars in thousands):

Year Ended	Variable-Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps, Net	
December 31,				
2024 .....	\$ 6,200	\$ 3,494	\$ 288	\$ 9,982
2025 .....	6,475	3,244	268	9,987
2026 .....	6,775	2,982	246	10,003
2027 .....	7,025	2,710	223	9,958
2028 .....	7,375	2,424	200	9,999
2029-2033 .....	42,175	7,370	608	50,153
2034-2035 .....	19,650	454	37	20,141
	<u>\$ 95,675</u>	<u>\$ 22,678</u>	<u>\$ 1,870</u>	<u>\$ 120,223</u>

**e) Debt Covenants**

- i) **Water Fund** - The ordinances authorizing the issuance of outstanding Water Revenue Bonds require that net revenues available for bonds, as adjusted, shall each fiscal year at least equal the greater of (i) 120 percent of the aggregate debt service requirement for the fiscal year on all the outstanding senior lien bonds, or (ii) the sum of (A) aggregate debt service requirements for the fiscal year on the outstanding senior lien bonds, plus (B) 110 percent of the aggregate debt service requirements for the fiscal year on the outstanding second lien bonds, plus (C) aggregate outstanding debt service requirements for the fiscal year on the outstanding IEPA loans, plus (D) annual debt service requirement for the fiscal year on aggregate outstanding water commercial paper notes, plus (E) annual debt service requirement on any outstanding water line of credit. This requirement was met at December 31, 2023.
- ii) **Sewer Fund** - The ordinances authorizing the issuance of outstanding Wastewater Transmission Revenue Bonds provide for the creation of separate accounts into which monies will be deposited, as appropriate. The ordinances require that net revenues available for bonds, as adjusted, shall each fiscal year at least equal (A) 115 percent of the aggregate debt service requirement for the fiscal year on the outstanding senior lien bonds, plus (B) the sum of the aggregate annual debt service requirements for the fiscal year on the outstanding second lien bonds, plus (C) 115 percent of the aggregate outstanding debt service requirements for the fiscal year on the outstanding IEPA loans, plus (D) annual debt service requirement for the fiscal year on aggregate outstanding debt service on any outstanding wastewater line of credit and commercial paper notes. This requirement was met at December 31, 2023.
- iii) **Chicago-Midway International Airport Fund** - The Master Indenture of Trust securing Chicago Midway Airport Senior 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 services rendered by the City in the operation of Midway in order that in each Fiscal Year, Senior Lien Revenues, together with Other Available Moneys deposited with the Trustee with respect to such Fiscal Year and any cash balance held in the Revenue Fund on the first day of such Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient (1) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year and (2) to provide for (i) the amounts needed to make the deposits required during such Fiscal Year into the Senior Lien Debt Service Fund, the O&M Reserve Account, the Working Capital Account, the Common Debt Service Reserve Sub-Fund, any debt service reserve sub-fund or account established for the benefit of a single Series of Senior Lien Obligations that are not Common Reserve Bonds, the Junior Lien Obligation Debt Service Fund, the Repair and Replacement Fund, and the Special Project Fund; and (ii) (A) prior to the end of the Fiscal Year ending on December 31, 2024, an amount not less than 115 percent of the Aggregate Senior Lien Debt Service for the bond Year commencing during such Fiscal Year; (B) after the Fiscal Year ending on December 31, 2024 but prior to the end of the Fiscal Year ending on December 31, 2025, an amount not less than 120 percent of the Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year; or (C) after the Fiscal Year ending on December 31, 2025, an amount not less than 125 percent of Aggregate Senior Lien Debt Service for the Bond Year commencing during such Fiscal Year. These requirements were met at December 31, 2023.

Midway was awarded a total of \$172.4 million of COVID-19 Relief Funds. Midway applied all of the COVID-19 Relief Funds through 2023 to airline rates and charges. These funds were available for use for any airport purpose.

- 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 twenty-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, 2023.

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

The Indenture of Trust Securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City,

(3) to provide funds necessary to pay any “yield reduction payments” or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve months, as determined by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

O'Hare was awarded a total of \$651.8 million of COVID-19 Relief Funds. O'Hare applied all of the COVID-19 Relief Funds through 2024 to airline rates and charges, PFCs, and CFCs. These funds were available for use for any airport purpose.

- 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.

CITY OF CHICAGO, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

**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, 2023 are as follows (dollars in thousands):

	<b>Amount Defeased</b>	<b>Outstanding</b>
General Obligation Emergency Telephone System - Series 1993 .....	\$ 213,730	\$ —
City Colleges of Chicago Capital Improvement Project - Series 1999 .....	25,023	16,099
General Obligation Project Bonds - Series 2000A .....	3,181	3,181
General Obligation Neighborhoods Alive 21 Program - Series 2002B .....	20,285	8,300
General Obligation Project and Refunding Bonds - Series 2003B .....	52,755	8,770
General Obligation Project and Refunding Bonds - Series 2005D .....	11,160	—
General Obligation Bonds - Series 2007E .....	11,465	—
General Obligation Bonds - Series 2007F .....	5,035	—
General Obligation Project and Refunding Bonds - Series 2008C .....	13,634	7,826
General Obligation Project and Refunding Bonds - Series 2008E .....	67,195	—
General Obligation Project and Refunding Bonds - Series 2009C .....	42,885	—
General Obligation Project Bonds - Series 2010C .....	108,580	—
General Obligation Project Bonds - Series 2011B .....	7,495	—
General Obligation Project and Refunding Bonds - Series 2012B .....	17,100	—
General Obligation Project and Refunding Bonds - Series 2014A .....	403,800	188,375
General Obligation Project and Refunding Bonds - Series 2014B .....	32,835	—
General Obligation Bonds - Series 2015A .....	191,480	37,870
General Obligation Bonds - Series 2015B .....	597,082	326,215
General Obligation Refunding Bonds - Series 2015C .....	204,135	—
General Obligation Project Bonds - Series 2017B .....	169,640	42,855
General Obligation Bonds - Series 2019A .....	10,125	10,125
Motor Fuel Tax Revenue Bonds - Series 2013 .....	73,040	35,995
Lakefront Millennium Project Parking Facilities Bonds - Series 1998 .....	149,880	—
Sales Tax Revenue Bonds - Series 2002 .....	110,580	86,870
Sales Tax Revenue Refunding Bonds - Series 2009C .....	20,012	20,012
Water Revenue Second Lien Bonds - Series 2008 .....	46,555	—
Water Revenue Second Lien Bonds - Series 2012 .....	305,340	—
Wastewater Transmission Revenue Bonds Second Lien - Series 2008C .....	30,175	30,175
Wastewater Transmission Revenue Bonds Second Lien - Series 2012 .....	213,460	—
Chicago-O'Hare International Airport Bonds Senior Lien GARBS Refunding - Series 2013A .....	115,320	—
Chicago-O'Hare International Airport Bonds Senior Lien GARBS Refunding - Series 2013B .....	117,955	—
Chicago-O'Hare International Airport Bonds Senior Lien GARBS - Series 2013C .....	88,550	—
Chicago-O'Hare International Airport Bonds Senior Lien GARBS - Series 2013D .....	267,435	—
Chicago-O'Hare International Airport CFC Senior Lien Revenue Bonds - Series 2013 .....	216,725	—
Chicago-Midway International Airport Revenue Bonds - Series 1998C .....	4,300	4,300
Chicago-Midway International Airport Second Lien Revenue Refunding Bonds - Series 2013A ..	118,600	118,600
Chicago-Midway International Airport Second Lien Revenue Refunding Bonds - Series 2013B ..	83,525	83,525
Chicago-Midway International Airport Second Lien Revenue Bonds - Series 2014B .....	240,885	240,885
Special Transportation Revenue Bonds - Series 2001 .....	118,715	54,270
<b>Total .....</b>	<b>\$ 4,529,672</b>	<b>\$ 1,324,248</b>

- h) Conduit Debt** – To further the goal of providing affordable housing, the City is an issuer of bonds that provide capital financing to private-sector entities for the acquisition, construction and/or rehabilitation of multi-family residential buildings. The bond proceeds are loaned by the City, directly or indirectly, to the building owners, the third-party obligors. The bonds are repayable from the building owner's repayment of the loan of the bond proceeds or from other collateral provided by the building owner. The City is not obligated to provide any other assurance of repayment to the bondholders beyond that provided by the building owner. The building owner, and not the City, is also responsible for ensuring the tax-exempt status of the bonds.

O'Hare from time-to-time, issues special facility revenue bonds on behalf of various airlines, as well as certain non-airline parties, as third-party obligors of such bonds, to finance or refinance a portion of the capital improvements at O'Hare. These special facility revenue bonds are secured separately from general O'Hare revenue bonds and customer facility charge revenue bonds and are secured solely by amounts received by a debt trustee from such airlines and non-airline parties pursuant to the terms of related special facility financing agreements. Further, with respect to the special facility revenue bonds, airline or non-airline party, respectively, and not O'Hare, is responsible for fulfilling the debt service obligations of such bonds and ensuring the tax-exempt status of such bonds. Given O'Hare's limited commitment, there has been no obligation recognized as of December 31, 2023.

## 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', MEABF); the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers', LABF); the Policemen's Annuity and Benefit Fund of Chicago (Policemen's, PABF); and the Firemen's Annuity and Benefit Fund of Chicago (Firemen's, FABF). The plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by Plan members. Certain elected City officials have the ability to opt into Municipal Employees', and 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 additional required supplementary information that may 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 of Illinois law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirements of age and service are different for employees depending on when they first became members of their respective Plans. For all four Plans, employees who became members before January 1, 2011 are considered Tier 1 Employees. For Policemen's and Firemen's, those employees who became members on or after January 1, 2011 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after January 1, 2011 but before July 6, 2017 are considered Tier 2 Employees. For Municipal Employees' and Laborers', Tier 3 employees are those that either (i) became members on or after July 6, 2017, or (ii) became members on or after January 1, 2011, but before July 6, 2017, are elected to become Tier 3 Employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2 percent to 2.5 percent per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

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

**Employees covered by benefit terms** - At December 31, 2023, the following employees were covered by the benefit terms:

	<b>Municipal Employees'</b>	<b>Laborers'</b>	<b>Policemen's</b>	<b>Firemen's</b>	<b>Total</b>
Inactive employees or beneficiaries currently receiving benefits .....	26,028	3,514	14,762	5,369	49,673
Inactive employees entitled to but not yet receiving benefits .....	24,483	1,397	1,162	145	27,187
Active employees .....	36,968	2,643	11,850	4,712	56,173
	<u>87,479</u>	<u>7,554</u>	<u>27,774</u>	<u>10,226</u>	<u>133,033</u>

**Contributions** – The City's contributions to the Municipal Employees' and Laborers' Plans are governed by the Illinois Pension Code, which was modified with respect to such contributions by Public Act 100-0023 (P.A. 100-0223), enacted July 6, 2017. Beginning with payment year 2023, P.A. 100-0023 requires that the City's annual contributions to the Municipal Employees' and the Laborers' Plans each be an amount actuarially determined to be sufficient to produce funding level of 90 percent for each such Plan by the end of 2058.

The City's contributions for the Policemen's and Firemen's Plans are governed by the Illinois Pension Code, which was modified with respect to such contributions by Public Act 99-0506 (P.A. 99-0506), enacted on May 31, 2016. Beginning with payment year 2021, the City's annual contributions to the Policemen's and Firemen's Plans each be an amount actuarially determined to be sufficient to produce a funding level of 90 percent for each such Plan by the end of 2055. In 2021, Public Act 101-0673 was enacted, which changed the terms of the automatic benefit increase provisions and eligibility for certain Tier 1 participants for the Firemen's Plan.

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.

The City Council has approved a policy to fund supplemental pension contributions to each of the Plans in an amount which, in the determination of the Chief Financial Officer of the City and together with the contributions required of the City under the Illinois Pension Code, will not increase the total net pension liability of the City's pension funds based on best efforts projections and information available at the time of the approval of the City's budget. Pursuant to such policy, the City funded an advance contribution to the funds during 2023 in an aggregate amount of \$242.0 million.

**Net Pension Liability**

The City's net pension liability was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Municipal Employees'</b>	<b>Laborers'</b>	<b>Policemen's</b>	<b>Firemen's</b>
Inflation .....	2.50 %	2.25 %	2.25 %	2.50 %
Salary Increases .....	2.50%-14.00% (a)	3.00 % (b)	3.50 % (c)	3.50%-25.00% (d)
Investment Rate of Return .....	6.75 % (e)	6.75 % (e)	6.75 % (e)	6.75 % (e)

- (a) varying by years of service and employer
- (b) plus a service-based increase in the first 9 years
- (c) plus service based increases consistent with bargaining contracts
- (d) varying by years of service
- (e) net of investment expense

*Mortality Assumptions*

<b>Pension Plans</b>		<b>Mortality Table Name</b>	<b>Mortality Improvement</b>
<i>Municipal Employees'</i>	<i>Post Retirement</i>	PubG-2010 Retiree Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	<i>Beneficiary</i>	PubG-2010 Contingent Survivor Table Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	PubG-2010 Employee Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
<i>Laborers'</i>	<i>Post Retirement</i>	Pub-2010 Amount-weighted Below Median Income General Healthy Retiree Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
	<i>Pre-Retirement</i>	Pub-2010 Amount-weighted Below Median Income General Employee Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
<i>Policemen's</i>	<i>Post Retirement</i>	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimensional
	<i>Disabled</i>	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimensional
	<i>Pre-Retirement</i>	Pub-2010 Amount-weighted Safety Employee Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimensional
<i>Firemen's</i>	<i>Post Retirement</i>	PubS-2010 Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	<i>Disabled</i>	PubS-2010 Disabled Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	<i>Beneficiary</i>	Pub-2010 Contingent Survivor Amount-weighted Mortality Table	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	PubS-2010 Employee Amount-weighted Mortality Table	Generational – Scale MP-2021

The mortality actuarial assumptions used in the December 31, 2023 valuation were adjusted based on the results of actuarial experience study for the period as noted below:

- Municipal Employees' - January 1, 2017 - December 31, 2021
- Laborers' - January 1, 2017 - December 31, 2019
- Policemen's - January 1, 2014 - December 31, 2018
- Firemen's - January 1, 2017 - December 31, 2021

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

Asset Class:	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal				Municipal			
	Employees'	Laborers'	Policemen's	Firemen's	Employees'	Laborers'	Policemen's	Firemen's
Equity .....	— %	— %	— %	57.0 %	— %	— %	— %	7.70 %
Domestic equity .....	26.00	—	—	—	7.30	—	—	—
U.S. equity .....	—	25.0	31.5	—	—	5.40	5.50	—
Non U.S. equity .....	—	20.0	19.5	—	—	5.50	6.85	—
Global equity .....	5.0	—	—	—	6.20	—	—	—
Global low volatility equity .....	—	5.0	—	—	—	4.00	—	—
International equity ..	17.0	—	—	—	7.60	—	—	—
Fixed income .....	22.0	20.0	15.0	22.0	4.40	1.10	2.27	5.50
Hedge funds .....	10.0	10.0	3.0	—	5.50	3.30	3.93	—
Infrastructure .....	3.0	—	—	—	6.80	—	—	—
Private debt .....	4.0	3.0	—	—	9.50	7.40	—	—
Private equity .....	4.0	4.0	—	—	10.60	8.60	—	—
Private markets .....	—	—	20.0	—	—	—	8.31	—
Real estate .....	9.0	10.0	11.0	—	6.20	3.90	6.16	—
Private real assets ...	—	3.0	—	—	—	4.70	—	—
Other investments ...	—	—	—	21.0	—	—	—	6.80
Total .....	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>				

*Discount Rate*

Municipal Employees' - The Single Discount Rate used to measure the total pension liability as of December 31, 2023 was 6.38 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023, with an additional supplemental contribution of \$178.1 million during 2024. 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 projected to be available to make all projected future benefit payments of current plan members through the year 2075. Therefore, the long-term expected rate of return on pension plan investments of 6.75 percent was applied to projected benefits for all periods through 2074 and the municipal bond index rate of 3.26 percent was applied thereafter to determine total pension liability.

Laborers' - A Single Discount Rate of 6.63 percent was used to measure the total pension liability as of December 31, 2023. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75 percent and a municipal bond rate of 3.77 percent (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2078. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2078, and the municipal bond rate was applied to all benefit payments after that date.

Policemen's - A Single Discount Rate of 6.62 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75 percent and a municipal bond rate of 3.77 percent (based on the most recent date available on or before the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance benefit payments through the year 2080. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2080, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's - A Single Discount Rate of 6.75 percent was used to measure the total pension liability. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75 percent and a municipal bond rate of 3.26 percent (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 99-0506. 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 projected to be available to make projected future benefit payments of current plan members throughout the projection period. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefits for all periods.



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

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Total pension liability					
Service cost .....	\$ 316,247	\$ 35,725	* \$ 267,382	* \$ 120,151	\$ 739,505
Interest .....	1,242,052	197,214	1,062,690	481,018	2,982,974
Benefit changes .....	—	—	1,060,152	4,964	1,065,116
Differences between					
expected and actual experience .....	155,758	43,615	107,955	(83,067)	224,261
Assumption changes .....	442,725	158,524	40,696	—	641,945
Benefit payments including refunds .....	(1,095,929)	(180,947)	(987,199)	(420,725)	(2,684,800)
Pension plan administrative expenses ..	—	(3,396)	(4,260)	—	(7,656)
Net change in total pension liability	1,060,853	250,735	1,547,416	102,341	2,961,345
Total pension liability:					
Total pension liability - beginning .....	19,107,887	2,820,842	16,214,630	7,216,409	45,359,768
Total pension liability - ending (a) .....	<u>\$ 20,168,740</u>	<u>\$ 3,071,577</u>	<u>\$ 17,762,046</u>	<u>\$ 7,318,750</u>	<u>\$ 48,321,113</u>
Plan fiduciary net position					
Contributions-employer ** .....	\$ 1,077,258	\$ 123,796	\$ 942,953	\$ 467,098	\$ 2,611,105
Contributions-employee .....	194,174	19,136	115,162	52,456	380,928
Net investment income .....	359,991	98,494	316,389	129,524	904,398
Benefit payments including					
refunds of employee contribution .....	(1,095,929)	(180,947)	(987,199)	(420,725)	(2,684,800)
Administrative expenses .....	(6,651)	(3,396)	(4,260)	(3,584)	(17,891)
Other .....	—	—	109	7	116
Net change in plan fiduciary net position ..	528,843	57,083	383,154	224,776	1,193,856
Plan fiduciary net position - beginning .....	3,951,788	1,126,898	3,486,780	1,357,696	9,923,162
Plan fiduciary net position - ending (b) .....	<u>\$ 4,480,631</u>	<u>\$ 1,183,981</u>	<u>\$ 3,869,934</u>	<u>\$ 1,582,472</u>	<u>\$ 11,117,018</u>
Net pension liability-ending (a)-(b) .....	<u>\$ 15,688,109</u>	<u>\$ 1,887,596</u>	<u>\$ 13,892,112</u>	<u>\$ 5,736,278</u>	<u>\$ 37,204,095</u>

\* Includes pension plan administrative expense.

\*\* Includes City's supplemental pension contributions starting 2023. In 2023, the total contribution was \$242.0 million.

*Changes in Actuarial Assumptions.* Changes in the municipal bond rate resulted in a decrease in the single discount rate for Municipal Employees', Laborers' and Policemen's. See discount rate section above.

The change in the single discount rate and other assumptions increased the net pension liability by \$442.7 million for Municipal Employees', \$158.5 million for Laborers' and \$40.7 million for Policemen's. These changes are being amortized into expense over a four-year period for Municipal Employees' and Laborers' and a six-year period for Policemen's.

*Legislative Changes*

Public Act 103-0582 (P.A. 103-0582), enacted December 8, 2023, grants an annual 3% non-compounded cost-of-living adjustment (COLA) to all Tier 1 Chicago Police retirees who reach age 55 with 20 years of service. Any member born on or after January 1, 1966 and who qualifies for a minimum annuity and has not received an initial increase as of January 1, 2023 is entitled to receive the initial increase on the latest of (1) January 1, 2023, (2) the first anniversary of the date of retirement, or (3) the attainment of age 55. For 2023, enactment of P.A. 103-0582 caused Policemen's to recognize benefit changes that contributed to the increase in Policemen's pension liability amounting to \$1,060.2 million.

Public Art 103-0579 (P.A. 103-0579), enacted December 8, 2023, provides that the "final average salary" for Tier 2 members is calculated as the greater of (1) the average monthly salary obtained by dividing the total salary of the fireman during the 96 consecutive months of service within the last 120 months of service in

which the total salary was the highest by the number of months of service in that period and (2) the average monthly salary obtained by dividing the total salary of the fireman during the 48 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. For 2023, enactment of P.A. 103-0579 increased Firemen's actuarial accrued liability through higher normal (service) cost.

**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, 2023, calculated using the discount rate of 6.38 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.38 percent) or 1 percentage point higher (7.38 percent) than the current rate (dollars in thousands):

<b>Net pension liability December 31, 2023</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Municipal Employees' discount rate .....	5.38 %	6.38 %	7.38 %
Municipal Employees' net pension liability .....	\$ 18,161,462	\$ 15,688,109	\$ 13,623,809

Laborers' - The following presents the net pension liability as of December 31, 2023, calculated using the discount rate of 6.63 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.63 percent) or 1 percentage point higher (7.63 percent) than the current rate (dollars in thousands):

<b>Net pension liability December 31, 2023</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Laborers' discount rate .....	5.63 %	6.63 %	7.63 %
Laborers' net pension liability .....	\$ 2,249,883	\$ 1,887,596	\$ 1,583,563

Policemen's - The following presents the net pension liability as of December 31, 2023, calculated using the discount rate of 6.62 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.62 percent) or 1 percentage point higher (7.62 percent) than the current rate (dollars in thousands):

<b>Net pension liability December 31, 2023</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Policemen's discount rate .....	5.62 %	6.62 %	7.62 %
Policemen's net pension liability .....	\$ 16,138,350	\$ 13,892,112	\$ 12,030,324

Firemen's - The following presents the net pension liability as of December 31, 2023, calculated using the discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate (dollars in thousands):

<b>Net pension liability December 31, 2023</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Firemen's discount rate .....	5.75 %	6.75 %	7.75 %
Firemen's net pension liability .....	\$ 6,590,125	\$ 5,736,278	\$ 5,019,232

**Pension Plan Fiduciary Net Position**

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

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

For the year ended December 31, 2023, the City recognized pension expense/(benefit) of \$1,340.7 million for Municipal Employees', \$153.3 million for Laborers', \$2,204.6 million for Policemen's, and \$535.2 million for Firemen's, for a total pension expense of \$4,233.8 million. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	Municipal Employees'		Laborers'		Policemen's		Firemen's	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience .....	\$ 225,846	\$ —	\$ 34,103	\$ 23,595	\$ 469,458	\$ 28,024	\$ 118,252	\$ 103,679
Changes of assumptions ..	440,577	—	130,269	59,108	445,022	476,433	82,714	187,769
Net difference between projected and actual earnings on pension plan investments .....	215,846	—	91,687	—	220,281	—	77,769	—
<b>Total .....</b>	<b>\$ 882,269</b>	<b>\$ —</b>	<b>\$ 256,059</b>	<b>\$ 82,703</b>	<b>\$ 1,134,761</b>	<b>\$ 504,457</b>	<b>\$ 278,735</b>	<b>\$ 291,448</b>

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

Year ended December 31:	Municipal Employees'	Laborers'	Policemen's	Firemen's
2024 .....	\$ 269,466	\$ 28,066	\$ 265,725	\$ 26,606
2025 .....	234,072	46,575	249,845	15,419
2026 .....	282,443	78,011	146,166	7,536
2027 .....	96,288	20,704	(55,604)	(44,072)
2028 .....	—	—	24,172	(9,593)
Thereafter .....	—	—	—	(8,609)
<b>Total .....</b>	<b>\$ 882,269</b>	<b>\$ 173,356</b>	<b>\$ 630,304</b>	<b>\$ (12,713)</b>

**Deferred outflows and deferred inflows related to changes in proportionate share of contributions** are determined based on the ratio of each proprietary fund's personnel salaries as enrolled within each corresponding pension plan to the total budgeted salaries for each year. Changes in each proprietary fund's proportionate share results in a deferred inflow or deferred outflow, depending on each pension plan's actuarial valuation report. The governmental activities' proportionate share is the residual deferred inflow or deferred outflow after allocating amounts to proprietary funds.

For the year ended December 31, 2023, the City reported a pension expense/(benefit) of (\$18.9) million, deferred inflows of \$146.2 million and deferred outflows of \$175.9 million related to changes in its proportionate share of contributions. These deferred amounts will be recognized as pension expense/(benefit) over a period of five years:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2024 .....	\$ 78,250	\$ 59,616
2025 .....	57,439	43,073
2026 .....	34,486	25,880
2027 .....	5,689	16,571
2028 .....	—	1,054
Total .....	<u>\$ 175,864</u>	<u>\$ 146,194</u>

**Payable to the Pension Plans**

At December 31, 2023, the City reported a payable of \$1,225.2 million in accrued and other liabilities for the outstanding amount of contributions to the pension plans required for the year ended December 31, 2023.

**b) Other Post Employment Benefits (OPEB) - City Obligation**

**General Information about the OPEB Plan**

*Plans Description* – The City's defined benefit OPEB plans are single-employer plans administered by the City. Certain annuitants are: (1) provided special benefits under the applicable collective bargaining agreements (CBA); (2) entitled to retiree health benefits pursuant to the City's prior promise; (3) entitled to certain Pension Fund subsidies required by court order under the 1983 and 1985 amendments to the Pension Codes; or (4) provided statutorily required duty disabled benefits. Applicable state law authorized the four respective Pension Funds (Policemen's, Firemen's, Municipal Employees', and Laborers') to provide a fixed monthly dollar subsidy to each annuitant who had elected coverage under any City health plan through December 31, 2016. Based upon the Illinois Appellate Court Decision of 2017, the Pension Funds were determined to be obligated to provide the fixed monthly dollar subsidies to certain eligible annuitants pursuant to the 1983 and 1985 amendments to the Pension Code. The subsidies are no longer included in the City OPEB obligation.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 and benefits are funded on a pay-as-you-go basis.

**Benefits Provided**

CBA – Under the terms of the latest collective bargaining agreements for the Fraternal Order of Police, the Police Captains, Sergeants and Lieutenants and the International Association of Fire Fighters, certain employees who retire after attaining age 55 with the required years of service are permitted to enroll themselves and their dependents in the healthcare benefit program offered to actively employed members. They may keep this coverage until they reach the age of Medicare eligibility. CBA special early retirement benefits cease at Medicare eligibility age. Those employees retiring at age 55 but before 60 are required to contribute 3.5 percent of their pension for health care coverage; those retiring at age 60 but before age 63 are required to contribute 1.5 percent of their pension for health care coverage. These rates represent an increase in retiree contributions of 1.5 percent of their pension for those who retire after 2020 and before age 63. Subsequent increases in the new retiree contributions are assumed to be phased in as bargaining agreements are renegotiated.

The OPEB CBA liability is determined based upon the assumed phase in of higher contributions from new retirees. The phase in will apply in 2024 and 2025 (1.5 percent increments) and again in 2028 and 2029 (additional 1.5 percent increments).

The City's position is to eliminate all post-retirement health benefits except for statutorily required benefits and benefits promised to a closed group of certain annuitants who retired prior to August 23, 1989. The City has entered into a collective bargaining agreement with the Fraternal Order of Police for the periods of 2017 through 2027; that agreement includes the CBA benefit for the full term of that agreement. At this time, other than the new collective bargaining agreement with the Fraternal Order of Police, it is not known whether or when the CBA special early retirement health benefits will be specifically eliminated, modified, or extended. Therefore this year's reporting of liabilities is based upon the assumption of indefinite continuation of benefits.

Non-CBA – As of January 1, 2014, the City promised to provide a healthcare plan with a subsidy of 55 percent of the cost of that plan to those City annuitants who retired prior to August 23, 1989. These are lifetime benefits provided to this defined, closed retiree group. The eligible members were previously defined as the Korshak/Window group in the Korshak settlement agreement, which provided post-retirement health benefits for most City employees. The Korshak settlement agreement expired in 2013.

In 2017, the Illinois Appellate Court, in the Underwood v. City of Chicago case, held that current and future annuitants hired prior to the execution of the Korshak settlement agreement (which covered most of the City employees and retirees) were entitled to receive lifetime fixed rate monthly subsidies equal to the subsidy amounts provided in the 1983 and 1985 amendments to the Pension Code. Liabilities for these subsidies have been accrued within the applicable Pension Funds and are not reflected in the City's OPEB reporting.

Duty Disabled retirees who have statutory pre-63/65 coverage will continue to have fully subsidized coverage under the active health plan until age 65.

**Employees covered by benefit terms** – At December 31, 2023, the following employees were covered by the benefit terms:

	<b>CBA</b>	<b>Non-CBA</b>	
	<b>Benefits</b>	<b>Benefits</b>	<b>Total</b>
Active employees .....	16,673	14,444	31,117
Inactive employees or beneficiaries currently receiving benefits .....	3,533	1,796	5,329
Inactive employees entitled to but not yet receiving benefits .....	—	—	—
Total .....	<u>20,206</u>	<u>16,240</u>	<u>36,446</u>

**Net OPEB Liability**

The City's net OPEB liability of \$2.0 billion was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The net OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Actuarial Cost Method:	Entry Normal Age
Asset Valuation Method:	Market Value
Funding Policy:	Pay as You Go
Discount Rate:	3.77%
Health Care Trend Rates:	Graded 7.25% to ultimate rate of 5.00%
Retirement Age:	Varies by Bargaining Group – Rates are Graded by age and service

The valuation assumptions reflected the actuarial experience studies prepared by the Pension Funds. The discount rate of 3.77 percent was used to measure the total OPEB liability. This Discount Rate was based upon the average 20-year general obligation AA Municipal Bond rate index reported by Fidelity Fixed Income Market Data for the period ended December 31, 2023.

**Mortality Assumptions**

<b>Bargaining Plan Members</b>		<b>Mortality Table Name</b>	<b>Scaling</b>	<b>Mortality Improvement</b>
<i>Firemen's</i>	<i>Post Retirement</i>	PubS-2010 Retiree Amount-weighted Mortality Table, Sex Distinct	119% M 100% F	Generational – Scale MP-2021
	<i>Disabled</i>	PubS-2010 Disabled Annuitant Amount-weighted Mortality Table	100% M 100% F	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	PubS-2010 Employee Amount-weighted Mortality Table	100% M 100% F	Generational – Scale MP-2021
<i>Policemen's</i>	<i>Post Retirement</i>	PubS-2010 Amount-weighted Healthy Retiree Mortality Table, Sex Distinct	119% M 102% F	Generational – Scale MP-2018 2-dimensional
	<i>Disabled</i>	PubS-2010 Amount-weighted Healthy Retiree Mortality Table, Sex Distinct	129% M 112% F	Generational – Scale MP-2018 2-dimensional
	<i>Pre-Retirement</i>	PubS-2010 Amount-weighted Healthy Employee Mortality Table, Sex Distinct	100% M 100% F	Generational – Scale MP-2018 2-dimensional
<i>Municipal Employee's</i>	<i>Post Retirement</i>	PubG-2010 Retiree Amount-weighted Below Median Mortality Table (sex-specific)	111% M 117% F	Generational – Scale MP-2021
	<i>Beneficiary</i>	PubG-2010 Contingent Survivor Amount-weighted Below Median Mortality Table (sex-specific)	113% M 111% F	Generational – Scale MP-2021
	<i>Pre-Retirement</i>	PubG-2010 Employee Amount-weighted Below Median Mortality Table (sex-specific)	90% M 92% F	Generational – Scale MP-2021
<i>Laborers'</i>	<i>Post Retirement</i>	PubG-2010 Amount-weighted Below Median Income Healthy Retiree Mortality Table, Sex Distinct	109% M 108% F	Generational – Scale MP-2020 2-Dimensional
	<i>Pre-Retirement</i>	PubG-2010 Amount-weighted Below Median Income Healthy Employee Mortality Table, Sex Distinct	111% M 115% F	Generational – Scale MP-2020 2-Dimensional

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

	CBA Benefits	Non-CBA Benefits	Total
Total OPEB liability			
Service cost .....	\$ 94,396	\$ 12,533	\$ 106,929
Interest .....	65,989	6,483	72,472
Benefit changes (Contribution Increases) .....	—	—	—
Differences between expected and actual experience .....	(18,920)	(4,820)	(23,740)
Assumption changes .....	104,567	11,313	115,880
Benefit payments including refunds .....	(74,805)	(16,375)	(91,180)
Net change in total OPEB liability .....	171,227	9,134	180,361
Total OPEB liability:			
Total OPEB liability - beginning .....	1,666,777	168,262	1,835,039
Total OPEB liability - ending (a) .....	\$ 1,838,004	\$ 177,396	\$ 2,015,400
Plan fiduciary net position			
Contributions-employer .....	\$ 74,805	\$ 16,375	\$ 91,180
Contributions-employee .....	—	—	—
Net investment income (loss) .....	—	—	—
Benefit payments including refunds of employee contribution .....	(74,805)	(16,375)	(91,180)
Administrative expenses .....	—	—	—
Other .....	—	—	—
Net change in plan fiduciary net position .....	—	—	—
Plan fiduciary net position - beginning .....	—	—	—
Plan fiduciary net position - ending (b) .....	\$ —	\$ —	\$ —
Net OPEB liability-ending (a)-(b) .....	\$ 1,838,004	\$ 177,396	\$ 2,015,400

Assumption changes is mostly impacted by change in the discount rate from 4.05 percent for beginning of the year values to 3.77 percent for the disclosure date; and changes to health care cost trend rates. Assumptions regarding future retiree contribution increases were included in year end determinations, such that contributions would increase by 1.5 percent for retirements between 2024 and 2028 and increase again in 2029 by 1.5 percent for retirements thereafter, and remain unchanged from prior year.

**Sensitivity of the total OPEB Liability to changes in the Discount Rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77 percent) or 1 percentage point higher (4.77 percent) than the current discount rate (dollars in thousands):

	1% Decrease 2.77 %	Current Discount Rate 3.77 %	1% Increase 4.77 %
CBA Benefits .....	\$ 1,984,428	\$ 1,838,004	\$ 1,703,642
Non-CBA Benefits .....	188,669	177,396	167,325
Total .....	\$ 2,173,097	\$ 2,015,400	\$ 1,870,967

**Sensitivity of the total OPEB Liability to changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.25 percent decreasing to 4.00 percent) or 1 percentage point higher (8.25 percent decreasing to 6.00 percent) than the current healthcare cost trend rates (dollars in thousands):

	1% Decrease	Current	1% Increase
	6.25%-4.00%	Trend Rates 7.25%-5.00%	8.25%-6.00%
CBA Benefits .....	\$ 1,656,634	\$ 1,838,004	\$ 2,046,319
Non-CBA Benefits .....	160,865	177,396	196,702
Total .....	<u>\$ 1,817,499</u>	<u>\$ 2,015,400</u>	<u>\$ 2,243,021</u>

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

For the year ended December 31, 2023, the City recognized OPEB expense/(benefit) of \$289.6 million. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (dollars in thousands):

	CBA Benefits		Non-CBA Benefits		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience .....	\$ 33,099	\$ 37,806	\$ 21,415	\$ 14,439	\$ 54,514	\$ 52,245
Assumption Changes .....	1,052,946	249,758	20,651	41,951	1,073,597	291,709
Total .....	<u>\$ 1,086,045</u>	<u>\$ 287,564</u>	<u>\$ 42,066</u>	<u>\$ 56,390</u>	<u>\$ 1,128,111</u>	<u>\$ 343,954</u>

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

Year Ended December 31:	CBA Benefits	Non-CBA Benefits	Total
2024 .....	\$ 110,946	\$ (752)	\$ 110,194
2025 .....	110,946	(752)	110,194
2026 .....	110,946	(752)	110,194
2027 .....	113,211	(1,518)	111,693
2028 .....	115,735	(2,373)	113,362
Thereafter .....	236,697	(8,177)	228,520
	<u>\$ 798,481</u>	<u>\$ (14,324)</u>	<u>\$ 784,157</u>

**12) Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; certain benefits for and injuries to employees; terrorist acts; and natural disasters. The City provides workers' compensation benefits and employee health benefits under self-insured (PPO) and partially insured (HMO) 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, mitigating, 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 with an excess liability insurance policy covering claims in excess of the City's self-insured retention. Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The General Fund is primarily used to record all non-Enterprise Fund claims. The estimated portion of non-Enterprise Fund claims not yet settled has been recorded in the Governmental Activities in the Statement of Net Position as claims payable along with amounts related to deferred compensatory time and estimated liabilities for questioned costs. As of December 31, 2023, the total amount of non-Enterprise Fund claims was \$761.7 million and Enterprise Fund was \$107.7 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):

	2023	2022
Balance, January 1 .....	\$ 788,743	\$ 774,874
Claims incurred and change in estimates .....	785,147	691,331
Claims paid on current and prior year events .....	(704,456)	(677,462)
Balance, December 31 .....	<u>\$ 869,434</u>	<u>\$ 788,743</u>

**13) Expenditure of Funds and Appropriation of Fund Balances**

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

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

**Fund Balance Classifications**

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

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	STSC Debt Service	Community Development Improvement Projects	Other Governmental Funds
Nonspendable Purpose:								
Inventory .....	\$ 54,851	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
STSC Blended Balance *	—	—	—	—	—	4,778,939	—	—
Restricted Purpose:								
Capital Projects .....	—	—	3,023,437	—	—	—	75,291	199,704
Grants .....	—	9,447	—	—	—	—	—	—
Debt Service .....	—	—	—	—	—	140,543	—	—
Committed Purpose:								
Budget and Credit Rating Stabilization .....	—	—	—	606,499	—	—	—	—
Repair, Maintenance and City Services .....	—	—	—	—	—	—	—	319,275
Assigned Purpose:								
Future obligations .....	773,452	—	—	—	—	—	—	239
Unassigned .....	226,567	(891,549)	—	(1,386,994)	(4,444,266)	—	—	(358,335)
<b>Total Government Fund Balance .....</b>	<b>\$1,054,870</b>	<b>\$ (882,102)</b>	<b>\$ 3,023,437</b>	<b>\$ (780,495)</b>	<b>\$ (4,444,266)</b>	<b>\$ 4,919,482</b>	<b>\$ 75,291</b>	<b>\$ 160,883</b>

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

At the end of the fiscal year, total encumbrances amounted to \$15.7 million for the General Fund, \$78.1 million for the Special Taxing Areas Fund, \$232.0 million for the Capital Projects Funds, and \$96.3 million for the Nonmajor Special Revenue Funds.

**14) Deferred Outflows and Inflows of Resources**

In accordance with Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the City reports deferred outflows of resources in the Statement of Net Position in a separate section following Assets. Similarly, the City reports deferred inflows of resources in the Statement of Net Position in a separate section following Liabilities.

CITY OF CHICAGO, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2023

The components of the deferred outflows of resources and deferred inflows of resources at December 31, 2023 are as follows (dollars in thousands):

	Governmental Activities	Business-type Activities
Deferred Outflows of Resources:		
Deferred outflows from pension activities .....	\$ 2,271,118	\$ 280,706
Deferred outflows from other post employment benefits activities .....	1,128,111	—
Changes in proportionate share of pension contributions .....	100,597	75,267
Unamortized deferred bond refunding costs .....	187,221	66,726
Derivatives .....	—	6,622
<b>Total Deferred Outflows of Resources .....</b>	<b>\$ 3,687,047</b>	<b>\$ 429,321</b>
Deferred Inflows of Resources:		
Deferred inflows from pension activities .....	\$ 817,539	\$ 61,069
Deferred inflows from other post employment benefits activities .....	343,954	—
Changes in proportionate share of pension contributions .....	17,201	128,993
Long-term concessionaire arrangements .....	1,386,994	1,478,788
Deferred inflows of leases .....	88,034	831,788
<b>Total Deferred Inflows of Resources .....</b>	<b>\$ 2,653,722</b>	<b>\$ 2,500,638</b>

The components of the deferred inflows of resources related to the governmental funds at December 31, 2023 are as follows (dollars in thousands):

	General	Federal, State and Local Grants	Special Taxing Areas	Service Concession and Reserve	Bond, Note Redemption and Interest	Community Development and Improvement Projects	Pension	Other Govern- mental Funds	Total Govern- mental Funds
Governmental Funds:									
Deferred inflow of resources:									
Property Taxes .....	\$ —	\$ —	\$1,074,343	\$ —	\$ 275,937	\$ —	\$1,192,924	\$ 44,021	\$2,587,225
Grants .....	—	892,501	—	—	—	—	—	—	892,501
Long-term Concession Agreements .....	—	—	—	1,386,994	—	—	—	—	1,386,994
Leases .....	49,247	—	—	—	3,188	34,327	—	1,272	88,034
<b>Total Governmental Funds .....</b>	<b>\$49,247</b>	<b>\$892,501</b>	<b>\$1,074,343</b>	<b>\$ 1,386,994</b>	<b>\$ 279,125</b>	<b>\$ 34,327</b>	<b>\$1,192,924</b>	<b>\$ 45,293</b>	<b>\$4,954,754</b>

**15) Commitments and Contingencies**

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

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

As of December 31, 2023, the City has entered into contracts for approximately \$390.2 million for construction projects. As of December 31, 2023, the Enterprise Funds have entered into contracts for approximately \$1,311.5 million for construction projects.

The City's pollution remediation obligation of \$34.7 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) Public-Private Partnership Arrangements (PPPs)**

The major fund entitled Service Concession and Reserve Fund is used for the purpose of accounting for the deferred inflows associated with governmental fund PPPs. 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 PPP considered as a service concession arrangement to allow a private operator to manage and collect revenues from the City's metered parking system for 75 years. The City received an upfront payment of \$1.15 billion which was recognized as a deferred inflow that will be amortized and recognized as revenue over the term of the agreement. The City recognizes \$15.3 million of revenue for each year through 2083.

In November 2006, the Chicago Park District entered into an agreement to transfer its ownership interests in three underground downtown public parking garages to the City, all of which are adjacent to a fourth underground downtown public parking garage built by and already owned by the City. In December 2006, the City completed a PPP for the four-garage system to a private operator to manage the garages and collect parking and related revenues for the 99-year term of the agreement. The City received an upfront payment of \$563.0 million, of which \$347.8 million was transferred by the City to the Chicago Park District, and the remainder was used to pay off the outstanding bonds that financed the construction of the City's original garage. The City recognized a deferred inflow that will be amortized and recognized as revenue over the term of the agreement. The City recognizes \$5.7 million of revenue for each year through 2105.

In January 2005, the City completed a PPP considered as a service concession arrangement 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.

## 17) Tax Abatements

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

### **Tax Abatement Agreements Entered into Directly by the City**

#### **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 2023 reporting period, the amount of property tax revenue forgone by the City due to the agreements under the Act amounts to \$78.5 million on an accrual basis of accounting.

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

#### **Cook County**

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

- Class 7a, 7b, and C: Property will be assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year and 20 percent in the 12th year.
- Class 7c: Property will be assessed at 10 percent of market value for the first 3 years, 15 percent in the fourth year and 20 percent in the fifth year.
- Class 6b, and 8: Property will be assessed at 10 percent of the market value for the first 10 years and for any subsequent 10-year renewal periods; if not renewed, 15 percent in the 11th year and 20 percent in the 12th year.
- Class L: Renewable properties will be assessed at 10 percent of market value for the first 10 years and for any subsequent 10-year renewal periods; if not renewed, 15 percent in the 11th year and 20 percent in the 12th year. Commercial properties will be assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year and 20 percent in the 12th year.

In the absence of the incentive, the property tax would be assessed at 25 percent 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 2023 reporting period, the amount of property tax revenue forgone by the City due to these incentives is estimated at \$27.0 million.

## 18) Subsequent Events

The City has evaluated events occurring subsequent to December 31, 2023, and through June 28, 2024, the date the financial statements were available to be issued. The City did not identify any subsequent events to be disclosed apart from those discussed below.

### Corporate Fund

On January 17, 2024, the City made planned supplemental pension payments to the City's four pension funds in the amount of \$306.6 million.

On January 19, 2024, Moody's affirmed its rating for the City of Chicago's General Obligations as Baa3 while revising its outlook from Stable to Positive.

On February 1, 2024, S&P affirmed its rating for the City of Chicago's General Obligations as BBB+ while revising its outlook from Positive to Stable.

On June 28, 2024, the City amended the Wells Fargo Line of Credit Agreement to increase the borrowing capacity to \$265.5 million and drew an additional \$40.1 million for the purpose of repaying the Loan Agreement with PNC upon its maturity.

### Sewer Fund

In April 2024, the City sold its \$227.9 million aggregate principal amount of Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024A. The Wastewater 2024A Bonds were issued at interest rates of 5.0% with maturity dates between January 1, 2025 and January 1, 2044. Proceeds of the Wastewater 2024A Bonds were used to finance certain Second Lien Wastewater Transmission Revenue Bonds and to pay costs of issuance for the Wastewater 2024A Bonds.

### Chicago Midway International Airport Fund

In January 2024, the City sold its \$381.8 million aggregate principal amount of Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds, Series 2023C (AMT). The Midway 2023C Bonds were issued at 5.0% interest rates with maturities between January 1, 2025 and January 1, 2041. Proceeds of the Midway 2023C Bonds were used to refund certain prior airport obligations and pay costs of issuance.

In March 2024, the City sold its \$71.7 million aggregate principal amount of Chicago Midway Airport Senior Lien Airport Revenue Refunding Bonds, Series 2024A (AMT) and \$7.8 million Senior Lien Airport Revenue Refunding Bonds, Series 2024B (Non-AMT). The Midway 2024A and 2024B Bonds were issued at interest rates of 5.0% with maturity dates between January 1, 2025 and January 1, 2035. Proceeds of the Midway 2024A and 2024B Bonds were used to finance certain prior airport obligations, fund termination payments for a swap agreement corresponding to such prior airport obligations and pay costs of issuance for the Midway 2024A and 2024B Bonds.

### Sales Tax Securitization Corporation

On February 22, 2024, S&P affirmed its rating for the Senior Lien and Second Lien Sales Tax Securitization Bonds at AA- while revising its outlook from Positive to Stable.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

<b>Municipal Employees<sup>1</sup>:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total pension liability			
Service cost .....	\$ 316,247	\$ 263,993	\$ 246,066
Interest .....	1,242,052	1,269,645	1,228,905
Benefit changes .....	—	—	—
Differences between expected and actual experience .....	155,758	84,258	121,988
Assumption changes .....	442,725	143,996	—
Benefit payments including refunds .....	(1,095,929)	(1,055,585)	(1,010,191)
Pension plan administrative expenses .....	—	—	—
Net change in total pension liability .....	<u>1,060,853</u>	<u>706,307</u>	<u>586,768</u>
Total pension liability - beginning .....	<u>19,107,887</u>	<u>18,401,580</u>	<u>17,814,812</u>
Total pension liability - ending (a) .....	<u>\$ 20,168,740</u>	<u>\$ 19,107,887</u>	<u>\$ 18,401,580</u>
Plan fiduciary net position			
Contributions-employer ** .....	\$ 1,077,258	\$ 959,550	\$ 573,198
Contributions-employee .....	194,174	176,339	163,411
Net investment income .....	359,991	(429,912)	498,299
Benefit payments including refunds of employee contribution .....	(1,095,929)	(1,055,585)	(1,010,191)
Administrative expenses .....	(6,651)	(6,873)	(6,687)
Other .....	—	—	—
Net change in plan fiduciary net position .....	<u>528,843</u>	<u>(356,481)</u>	<u>218,030</u>
Plan fiduciary net position - beginning .....	<u>3,951,788</u>	<u>4,308,269</u>	<u>4,090,239</u>
Plan fiduciary net position - ending (b) .....	<u>\$ 4,480,631</u>	<u>\$ 3,951,788</u>	<u>\$ 4,308,269</u>
Net pension liability - ending (a)-(b) .....	<u>\$ 15,688,109</u>	<u>\$ 15,156,099</u>	<u>\$ 14,093,311</u>
Plan fiduciary net position as a percentage of the total pension liability .....	22.22 %	20.68 %	23.41 %
Covered payroll* .....	\$ 2,383,203	\$ 2,166,182	\$ 2,001,181
Employer's net pension liability as a percentage of covered payroll .....	658.28 %	699.67 %	704.25 %

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

\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$101.6 million.

**Note:**

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



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 236,302	\$ 228,465	\$ 223,528	\$ 572,534	\$ 619,743	\$ 226,816
1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
—	—	—	—	—	2,140,009
100,938	16,676	95,540	(177,755)	(127,119)	(109,835)
—	—	—	(7,431,191)	(578,920)	8,711,755
(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
—	—	—	—	—	—
<u>554,456</u>	<u>451,742</u>	<u>526,218</u>	<u>(7,008,875)</u>	<u>(67,599)</u>	<u>11,051,776</u>
17,260,356	16,808,614	16,282,396	23,291,271	23,358,870	12,307,094
<u>\$ 17,814,812</u>	<u>\$ 17,260,356</u>	<u>\$ 16,808,614</u>	<u>\$ 16,282,396</u>	<u>\$ 23,291,271</u>	<u>\$ 23,358,870</u>
\$ 496,992	\$ 418,269	\$ 349,574	\$ 261,764	\$ 149,718	\$ 149,225
157,798	146,645	138,400	134,765	130,391	131,428
335,403	560,940	(204,975)	610,515	281,419	114,025
(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
—	—	—	5,394	—	—
<u>9,597</u>	<u>166,462</u>	<u>(639,838)</u>	<u>117,791</u>	<u>(305,200)</u>	<u>(438,059)</u>
4,080,642	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
<u>\$ 4,090,239</u>	<u>\$ 4,080,642</u>	<u>\$ 3,914,180</u>	<u>\$ 4,554,018</u>	<u>\$ 4,436,227</u>	<u>\$ 4,741,427</u>
<u>\$ 13,724,573</u>	<u>\$ 13,179,714</u>	<u>\$ 12,894,434</u>	<u>\$ 11,728,378</u>	<u>\$ 18,855,044</u>	<u>\$ 18,617,443</u>
22.96 %	23.64 %	23.29 %	27.97 %	19.05 %	20.30 %
\$ 1,861,905	\$ 1,802,790	\$ 1,734,596	\$ 1,686,533	\$ 1,646,939	\$ 1,643,481
737.13 %	731.07 %	743.37 %	695.41 %	1,144.85 %	1,132.81 %

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

<b>Laborers':</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total pension liability			
Service cost * .....	\$ 35,725	\$ 39,331	\$ 40,411
Interest .....	197,214	193,347	192,343
Benefit changes .....	—	—	—
Differences between expected and actual experience .....	43,615	(27,236)	(31,083)
Assumption changes .....	158,524	(109,355)	21,870
Benefit payments including refunds .....	(180,947)	(177,162)	(172,514)
Pension plan administrative expenses .....	(3,396)	(3,607)	(3,837)
Net change in total pension liability .....	250,735	(84,682)	47,190
Total pension liability - beginning .....	2,820,842	2,905,524	2,858,334
Total pension liability - ending (a) .....	<u>\$ 3,071,577</u>	<u>\$ 2,820,842</u>	<u>\$ 2,905,524</u>
Plan fiduciary net position			
Contributions-employer *** .....	\$ 123,796	\$ 116,176	\$ 84,969
Contributions-employee .....	19,136	19,069	17,637
Net investment income .....	98,494	(161,680)	138,105
Benefit payments including refunds of employee contribution .....	(180,947)	(177,162)	(172,514)
Administrative expenses .....	(3,396)	(3,607)	(3,837)
Other .....	—	—	—
Net change in plan fiduciary net position .....	57,083	(207,204)	64,360
Plan fiduciary net position - beginning .....	1,126,898	1,334,102	1,269,742
Plan fiduciary net position - ending (b) .....	<u>\$ 1,183,981</u>	<u>\$ 1,126,898</u>	<u>\$ 1,334,102</u>
Net pension liability - ending (a)-(b) .....	<u>\$ 1,887,596</u>	<u>\$ 1,693,944</u>	<u>\$ 1,571,422</u>
Plan fiduciary net position as a percentage of the total pension liability .....	38.55 %	39.95 %	45.92 %
Covered payroll ** .....	\$ 238,725	\$ 214,083	\$ 212,122
Employer's net pension liability as a percentage of covered payroll .....	790.70 %	791.26 %	740.81 %

\* Includes pension plan administrative expenses.

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

\*\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$12.1 million.

**Note:**

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 39,216	\$ 38,522	\$ 40,801	\$ 80,232	\$ 82,960	\$ 38,389
191,099	188,347	183,135	154,047	150,166	153,812
—	—	—	150	—	384,033
(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
<u>82,685</u>	<u>82,245</u>	<u>63,297</u>	<u>(1,063,538)</u>	<u>(18,970)</u>	<u>1,549,710</u>
<u>2,775,649</u>	<u>2,693,404</u>	<u>2,630,107</u>	<u>3,693,645</u>	<u>3,712,615</u>	<u>2,162,905</u>
<u>\$ 2,858,334</u>	<u>\$ 2,775,649</u>	<u>\$ 2,693,404</u>	<u>\$ 2,630,107</u>	<u>\$ 3,693,645</u>	<u>\$ 3,712,615</u>
\$ 73,744	\$ 59,346	\$ 47,844	\$ 35,457	\$ 12,603	\$ 12,412
18,064	18,143	17,837	17,411	17,246	16,844
163,057	184,027	(75,219)	207,981	57,997	(22,318)
(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
—	—	661	—	—	—
<u>82,193</u>	<u>92,866</u>	<u>(172,871)</u>	<u>99,814</u>	<u>(70,917)</u>	<u>(149,436)</u>
<u>1,187,549</u>	<u>1,094,683</u>	<u>1,267,554</u>	<u>1,167,740</u>	<u>1,238,657</u>	<u>1,388,093</u>
<u>\$ 1,269,742</u>	<u>\$ 1,187,549</u>	<u>\$ 1,094,683</u>	<u>\$ 1,267,554</u>	<u>\$ 1,167,740</u>	<u>\$ 1,238,657</u>
<u>\$ 1,588,592</u>	<u>\$ 1,588,100</u>	<u>\$ 1,598,721</u>	<u>\$ 1,362,553</u>	<u>\$ 2,525,905</u>	<u>\$ 2,473,958</u>
44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
\$ 207,195	\$ 211,608	\$ 211,482	\$ 208,442	\$ 208,155	\$ 204,773
766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	1,208.15 %

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

<b>Policemen's:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total pension liability			
Service cost *	\$ 267,382	\$ 294,515	\$ 284,707
Interest	1,062,690	1,011,977	963,417
Benefit changes	1,060,152	40,210	—
Differences between expected and actual experience	107,955	179,968	450,528
Assumption changes	40,696	(700,065)	37,029
Benefit payments including refunds	(987,199)	(947,589)	(887,076)
Pension plan administrative expenses	(4,260)	(4,394)	(3,337)
Net change in total pension liability	<u>1,547,416</u>	<u>(125,378)</u>	<u>845,268</u>
Total pension liability - beginning	<u>16,214,630</u>	<u>16,340,008</u>	<u>15,494,740</u>
Total pension liability - ending (a)	<u>\$ 17,762,046</u>	<u>\$ 16,214,630</u>	<u>\$ 16,340,008</u>
Plan fiduciary net position			
Contributions-employer ***	\$ 942,953	\$ 801,706	\$ 788,770
Contributions-employee	115,162	114,403	136,225
Net investment income	316,389	(324,259)	370,141
Benefit payments including refunds of employee contribution	(987,199)	(947,589)	(887,076)
Administrative expenses	(4,260)	(4,394)	(3,337)
Other	109	368	91
Net change in plan fiduciary net position	<u>383,154</u>	<u>(359,765)</u>	<u>404,814</u>
Adjustment as of January 1,	—	(119)	(48)
Plan fiduciary net position - beginning	<u>3,486,780</u>	<u>3,846,664</u>	<u>3,441,898</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,869,934</u>	<u>\$ 3,486,780</u>	<u>\$ 3,846,664</u>
Net pension liability - ending (a)-(b)	<u>\$ 13,892,112</u>	<u>\$ 12,727,850</u>	<u>\$ 12,493,344</u>
Plan fiduciary net position as a percentage of the total pension liability	21.79 %	21.50 %	23.54 %
Covered payroll**	\$ 1,339,704	\$ 1,274,050	\$ 1,258,338
Employer's net pension liability as a percentage of covered payroll	1,036.95 %	999.01 %	992.84 %

\* Includes pension plan administrative expenses.

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

\*\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$89.5 million.

**Note:**

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 286,537	\$ 240,383	\$ 242,998	\$ 237,333	\$ 220,570	\$ 213,585
942,623	944,739	931,731	917,720	851,098	832,972
—	24,216	—	—	606,250	—
61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
260,021	1,140,418	(259,052)	238,975	112,585	—
(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
<u>705,138</u>	<u>1,476,344</u>	<u>(141,204)</u>	<u>341,371</u>	<u>1,080,358</u>	<u>259,303</u>
14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
<u>\$ 15,494,740</u>	<u>\$ 14,789,602</u>	<u>\$ 13,313,258</u>	<u>\$ 13,454,462</u>	<u>\$ 13,113,091</u>	<u>\$ 12,032,733</u>
\$ 739,441	\$ 581,936	\$ 588,035	\$ 494,483	\$ 272,428	\$ 572,836
113,622	110,792	107,186	103,011	101,476	107,626
271,891	369,982	(137,977)	412,190	142,699	(5,334)
(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
472	32	1,600	97	1,413	3,092
<u>279,469</u>	<u>257,340</u>	<u>(216,886)</u>	<u>257,047</u>	<u>(193,930)</u>	<u>(3,065)</u>
—	(91)	—	—	—	—
3,162,429	2,905,180	3,122,066	2,865,019	3,058,949	3,062,014
<u>\$ 3,441,898</u>	<u>\$ 3,162,429</u>	<u>\$ 2,905,180</u>	<u>\$ 3,122,066</u>	<u>\$ 2,865,019</u>	<u>\$ 3,058,949</u>
<u>\$ 12,052,842</u>	<u>\$ 11,627,173</u>	<u>\$ 10,408,078</u>	<u>\$ 10,332,396</u>	<u>\$ 10,248,072</u>	<u>\$ 8,973,784</u>

22.21 %                      21.38 %                      21.82 %                      23.20 %                      21.85 %                      25.42 %

\$ 1,195,980                      \$ 1,228,987                      \$ 1,205,324                      \$ 1,150,406                      \$ 1,119,527                      \$ 1,086,608

1,007.78 %                      946.08 %                      863.51 %                      898.15 %                      915.39 %                      825.85 %

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

<b>Firemen's:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total pension liability			
Service cost .....	\$ 120,151	\$ 111,917	\$ 112,730
Interest .....	481,018	466,819	429,630
Benefit changes .....	4,964	11,737	196,531
Differences between expected and actual experience .....	(83,067)	(30,667)	93,928
Assumption changes .....	—	53,665	(340,370)
Benefit payments including refunds .....	(420,725)	(401,968)	(388,674)
Pension plan administrative expenses .....	—	—	—
Net change in total pension liability .....	102,341	211,503	103,775
Total pension liability - beginning .....	7,216,409	7,004,906	6,901,131
Total pension liability - ending (a) .....	<u>\$ 7,318,750</u>	<u>\$ 7,216,409</u>	<u>\$ 7,004,906</u>
Plan fiduciary net position			
Contributions-employer *** .....	\$ 467,098	\$ 399,210	\$ 367,481
Contributions-employee .....	52,456	53,031	52,268
Net investment income .....	129,524	(155,590)	129,513
Benefit payments including refunds of employee contribution .....	(420,725)	(401,968)	(388,674)
Administrative expenses .....	(3,584)	(3,390)	(3,082)
Other .....	7	5	5
Net change in plan fiduciary net position .....	224,776	(108,702)	157,511
Plan fiduciary net position - beginning .....	1,357,696	1,466,398	1,308,887
Plan fiduciary net position - ending (b) .....	<u>\$ 1,582,472</u>	<u>\$ 1,357,696</u>	<u>\$ 1,466,398</u>
Net pension liability - ending (a)-(b) .....	<u>\$ 5,736,278</u>	<u>\$ 5,858,713</u>	<u>\$ 5,538,508</u>
Plan fiduciary net position as a percentage of the total pension liability .....	21.62 %	18.81 %	20.93 %
Covered payroll ** .....	\$ 523,829	\$ 525,480	\$ 520,047
Employer's net pension liability as a percentage of covered payroll .....	1,095.07 %	1,114.93 %	1,065.00 %

\* Includes pension plan administrative expenses.

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

\*\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$38.7 million.

**Note:**

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 109,487	\$ 102,141	\$ 97,143	* \$ 93,367	* \$ 94,115	* \$ 87,203
410,128	408,586	410,821	371,622	342,085	338,986
—	—	—	—	227,213	—
174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
30,468	190,954	382,611	414,219	(74,373)	176,282
(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
—	—	(3,285)	(3,172)	(3,217)	(3,149)
<u>358,640</u>	<u>290,131</u>	<u>506,210</u>	<u>596,892</u>	<u>323,174</u>	<u>313,324</u>
6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
<u>\$ 6,901,131</u>	<u>\$ 6,542,491</u>	<u>\$ 6,252,360</u>	<u>\$ 5,746,150</u>	<u>\$ 5,149,258</u>	<u>\$ 4,826,084</u>
\$ 368,423	\$ 255,382	\$ 249,684	\$ 228,453	\$ 154,101	\$ 236,104
54,414	46,623	45,894	47,364	48,960	46,552
105,367	161,082	(58,000)	140,570	60,881	7,596
(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
13	507	6	22	(53)	7
<u>159,066</u>	<u>114,031</u>	<u>(90,363)</u>	<u>107,139</u>	<u>(26,087)</u>	<u>9,093</u>
1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
<u>\$ 1,308,887</u>	<u>\$ 1,149,821</u>	<u>\$ 1,035,790</u>	<u>\$ 1,126,153</u>	<u>\$ 1,019,014</u>	<u>\$ 1,045,101</u>
<u>\$ 5,592,244</u>	<u>\$ 5,392,670</u>	<u>\$ 5,216,570</u>	<u>\$ 4,619,997</u>	<u>\$ 4,130,244</u>	<u>\$ 3,780,983</u>
18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
\$ 500,368	\$ 457,082	\$ 456,969	\$ 469,407	\$ 478,471	\$ 465,232
1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %

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

**Municipal Employees':**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions</b>	<b>Contributions in Relation to the Actuarially Determined Contribution **</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll *</b>	<b>Contributions as a percentage of Covered Payroll</b>
2014	\$ 839,039	\$ 149,747	\$ 689,292	\$ 1,602,978	9.34 %
2015	677,200	149,225	527,975	1,643,481	9.08 %
2016	961,770	149,718	812,052	1,646,939	9.09 %
2017	1,005,457	261,764	743,693	1,686,533	15.52 %
2018	1,049,916	349,574	700,342	1,734,596	20.15 %
2019	1,117,388	418,269	699,119	1,802,790	23.20 %
2020	1,167,154	496,992	670,162	1,861,905	26.69 %
2021	1,218,361	573,198	645,163	2,001,181	28.64 %
2022	1,262,413	959,550	302,863	2,166,182	44.30 %
2023	1,273,345	1,077,258	196,087	2,383,203	45.20 %

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

\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$101.6 million.

**Laborers':**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions *</b>	<b>Contributions in Relation to the Actuarially Determined Contribution ***</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll **</b>	<b>Contributions as a percentage of Covered Payroll</b>
2014	\$ 106,019	\$ 12,161	\$ 93,858	\$ 202,673	6.00 %
2015	79,851	12,412	67,439	204,773	6.06 %
2016	117,033	12,603	104,430	208,155	6.05 %
2017	124,226	35,457	88,769	208,442	17.01 %
2018	129,247	47,844	81,403	211,482	22.62 %
2019	148,410	59,346	89,064	211,608	28.05 %
2020	155,794	73,744	82,050	207,195	35.59 %
2021	155,245	84,969	70,276	212,122	40.06 %
2022	153,023	116,176	36,847	214,083	54.27 %
2023	153,405	123,796	29,609	238,725	51.86 %

\* 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 level dollar payments and a 30-year open amortization period.

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

\*\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$12.1 million.



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

**Policemen's:**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions *</b>	<b>Contributions in Relation to the Actuarially Determined Contribution ***</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll **</b>	<b>Contributions as a percentage of Covered Payroll</b>
2014	\$ 491,651	\$ 178,158	\$ 313,493	\$ 1,074,333	16.58 %
2015	785,501	575,928	209,573	1,086,608	53.00 %
2016	785,695	273,840	511,855	1,119,527	24.46 %
2017	910,938	494,580	416,358	1,150,406	42.99 %
2018	924,654	589,635	335,019	1,205,324	48.92 %
2019	933,770	581,968	351,802	1,228,987	47.35 %
2020	1,037,582	739,913	297,669	1,195,980	61.87 %
2021	1,047,839	788,861	258,978	1,258,338	62.69 %
2022	1,085,159	802,074	283,085	1,274,050	62.95 %
2023	1,118,719	943,062	175,657	1,339,704	70.39 %

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

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

\*\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$89.5 million.

**Firemen's:**

<b>Years Ended December 31,</b>	<b>Actuarially Determined Contributions *</b>	<b>Contributions in Relation to the Actuarially Determined Contribution ***</b>	<b>Contribution Deficiency</b>	<b>Covered Payroll **</b>	<b>Contributions as a percentage of Covered Payroll</b>
2014	\$ 304,265	\$ 107,334	\$ 196,931	\$ 460,190	23.32 %
2015	323,545	236,104	87,441	465,232	50.75 %
2016	333,952	154,101	179,851	478,471	32.21 %
2017	372,845	228,453	144,392	469,407	48.67 %
2018	412,220	249,684	162,536	456,969	54.64 %
2019	442,045	255,382	186,663	457,082	55.87 %
2020	466,556	368,423	98,133	500,368	73.63 %
2021	476,498	367,481	109,017	520,047	70.66 %
2022	509,936	399,210	110,726	525,480	75.97 %
2023	528,572	467,098	61,474	523,829	89.17 %

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

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

\*\*\* Includes City's supplemental pension contribution starting 2023. In 2023, the contribution was \$38.7 million.

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

<b>Actuarial Methods and Assumptions:</b>	<b>Municipal Employees'</b>	<b>Laborers'</b>	<b>Policemen's</b>	<b>Firemen's</b>
Actuarial valuation date .....	12/31/2022	12/31/2022	12/31/2022	12/31/2022
Actuarial cost method .....	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Asset valuation method .....	5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market
Actuarial assumptions:				
Inflation .....	2.50%	2.25%	2.25%	2.50%
Salary increases .....	2.50% - 14.00% (a)	3.00% (b)	3.50% (c)	3.50% - 25.00% (d)
Investment rate of return .....	6.75% (e)	7.25% (f)	6.75% (e)	6.75% (e)
Retirement Age .....	(g)	(h)	(i)	(j)
Mortality .....	(k)	(l)	(m)	(n)
Other information .....	(o)	(p)	(q)	(r)

- (a) Varying by years of service and employer.
- (b) Plus a service-based increase in the first nine years.
- (c) Plus service based increases consistent with bargaining contracts.
- (d) Varying by years of service.
- (e) Net of investment expense.
- (f) Net of investment expense, including inflation.
- (g) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2022).  
For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011).  
For employees first hired on or after July 6, 2017, rates of retirement for each age from 60 to 80 were used (effective December 31, 2018).
- (h) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2020, valuation pursuant to an experience study of the period January 1, 2017, through December 31, 2019.
- (i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019, actuarial valuation pursuant to an experience study of the period January 1, 2014, through December 31, 2018.
- (j) Retirement rates are based on the recent experience of the Fund (effective December 31, 2022).
- (k) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.
- (l) Post Retirement Mortality: Scaling factors of 109% for males, and 108% for females of the Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements. Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.
- (m) Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females, set forward one year for males. Pre-Retirement mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females. Disabled Mortality: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females, set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2018 projection scale.
- (n) Post-retirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 106% for males and 98% for females, and projected generationally using scale MP-2017. Disabled mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 107% for males and 99% for females, and projected generationally using scale MP-2017. Pre-retirement mortality rates were based on the RP-2014 Blue Collar Employee Mortality, scaled by 92% for males and 100% for females, projected generationally using scale MP-2017.
- (o) Other assumptions: Same as those used in the December 31, 2022, actuarial funding valuations.
- (p) Demographic assumptions were updated for the actuarial valuations as of December 31, 2020.
- (q) The actuarially determined contribution for fiscal year ended December 31, 2023 was determined in the funding actuarial valuation as of December 31, 2022 and the statutory contribution (upon which the actual contribution was based) for fiscal year ended December 31, 2023 was determined in the funding actuarial valuation as of December 31, 2021, which were both based on the assumptions summarized above.
- (r) Other assumptions: Same as those used in the December 31, 2023, actuarial funding valuations.

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

<b>CBA Benefits:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB liability						
Service cost .....	\$ 94,396	\$ 121,211	\$ 126,249	\$ 12,215	\$ 3,398	\$ 3,954
Interest .....	65,989	32,523	34,661	16,357	14,760	15,049
Benefit changes .....	—	—	9,896 *	(82,923) *	(10) **	—
Differences between expected and actual experience .....	(18,920)	28,013	(4,226)	(6,712)	19,330	(35,640)
Assumption changes .....	104,567	(248,217)	(61,564)	1,261,663	253,605	(9,990)
Benefit payments including refunds .....	(74,805)	(68,621)	(72,444)	(56,528)	(51,717)	(49,972)
OPEB plan administrative expense .....	—	—	—	—	—	—
Net change in total OPEB liability .....	171,227	(135,091)	32,572	1,144,072	239,366	(76,599)
Total OPEB liability - beginning	1,666,777	1,801,868	1,769,296	625,224	385,858	462,457
Total OPEB liability - ending (a)	\$1,838,004	\$1,666,777	\$1,801,868	\$1,769,296	\$ 625,224	\$ 385,858
Plan fiduciary net position						
Contributions-employer .....	\$ 74,805	\$ 68,621	\$ 72,444	\$ 56,528	\$ 51,717	\$ 49,972
Contributions-employee .....	—	—	—	—	—	—
Net investment income .....	—	—	—	—	—	—
Benefit payments including refunds of member contribution .....	(74,805)	(68,621)	(72,444)	(56,528)	(51,717)	(49,972)
Administrative expenses .....	—	—	—	—	—	—
Other .....	—	—	—	—	—	—
Net change in plan fiduciary net position .....	—	—	—	—	—	—
Plan fiduciary net position - beginning .....	—	—	—	—	—	—
Plan fiduciary net position - ending (b) .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net OPEB liability - ending (a)-(b) .....	\$1,838,004	\$1,666,777	\$1,801,868	\$1,769,296	\$ 625,224	\$ 385,858
Covered employee payroll*** ...	\$1,748,994	\$1,711,607	\$1,723,556	\$1,657,041	\$1,631,705	\$ 182,222
Net OPEB liability as a percentage of covered employee payroll .....	105.09 %	97.38 %	104.54 %	106.77 %	38.32 %	211.75 %

\* Contribution Increases

\*\* Cadillac tax & Subsidy

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

**Notes:**

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

(2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF CHICAGO, ILLINOIS**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - Concluded**  
**Last Six Years (dollars are in thousands)**

<b>Non-CBA Benefits:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB liability						
Service cost .....	\$ 12,533	\$ 15,266	\$ 15,049	\$ 12,697	\$ 14,904	\$ 10,673
Interest .....	6,483	3,475	3,696	5,331	11,869	9,411
Benefit changes .....	—	—	—	—	(106,959) *	—
Differences between expected and actual experience .....	(4,820)	7,810	2,717	(11,185)	24,481	(7,490)
Assumption changes .....	11,313	(37,848)	1,177	1,597	(20,946)	22,922
Benefit payments including refunds .....	(16,375)	(18,590)	(18,534)	(17,959)	(18,560)	(20,606)
OPEB plan administrative expense .....	—	—	—	—	—	—
Net change in total OPEB liability .....	9,134	(29,887)	4,105	(9,519)	(95,211)	14,910
Total OPEB liability - beginning ..	168,262	198,149	194,044	203,563	298,774	283,864
Total OPEB liability - ending (a) ..	\$ 177,396	\$ 168,262	\$ 198,149	\$ 194,044	\$ 203,563	\$ 298,774
Plan fiduciary net position						
Contributions-employer .....	\$ 16,375	\$ 18,590	\$ 18,534	\$ 17,959	\$ 18,560	\$ 20,606
Contributions-employee .....	—	—	—	—	—	—
Net investment income .....	—	—	—	—	—	—
Benefit payments including refunds of member contribution .....	(16,375)	(18,590)	(18,534)	(17,959)	(18,560)	(20,606)
Administrative expenses .....	—	—	—	—	—	—
Other .....	—	—	—	—	—	—
Net change in plan fiduciary net position .....	—	—	—	—	—	—
Plan fiduciary net position - beginning .....	—	—	—	—	—	—
Plan fiduciary net position - ending (b) .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net OPEB liability - ending (a)-(b) .....	\$ 177,396	\$ 168,262	\$ 198,149	\$ 194,044	\$ 203,563	\$ 298,774
Covered employee payroll** .....	\$1,362,905	\$1,207,229	\$1,162,829	\$1,161,573	\$1,153,439	\$2,580,360
Net OPEB liability as a percentage of covered employee payroll .....	13.02 %	13.94 %	17.04 %	16.71 %	17.65 %	11.58 %

\* Cadillac tax & Subsidy

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

**Notes:**

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

(2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF CHICAGO, ILLINOIS  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND (BUDGETARY BASIS)  
Year Ended December 31, 2023  
(Dollars are in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance
Revenues:				
Utility Tax .....	\$ 406,506	\$ 406,506	\$ 388,552	\$ (17,954)
Sales Tax .....	90,067	90,067	101,298	11,231
Transportation Tax .....	367,938	367,938	391,925	23,987
Transaction Tax .....	811,823	811,823	778,734	(33,089)
Recreation Tax .....	318,411	318,411	345,551	27,140
Other Taxes .....	159,514	159,514	162,816	3,302
State Income Tax .....	643,400	643,400	855,835	212,435
Federal/State Grants .....	2,000	2,000	2,316	316
Internal Service .....	586,542	586,542	518,492	(68,050)
Licenses and Permits .....	123,597	123,597	111,784	(11,813)
Fines .....	302,208	302,208	299,550	(2,658)
Investment Income * .....	10,300	10,300	95,648	85,348
Charges for Services .....	432,905	432,905	486,931	54,026
Miscellaneous .....	181,916	181,916	151,332	(30,584)
Issuance of Debt, Net of Original Discount .....	75,000	75,000	—	(75,000)
Budgeted Prior Years' Surplus and Reappropriations .....	222,110	273,110	272,904	(206)
Transfers In .....	790,775	790,775	556,668	(234,107)
<b>Total Revenues .....</b>	<b>5,525,012</b>	<b>5,576,012</b>	<b>5,520,336</b>	<b>(55,676)</b>
Expenditures:				
Current:				
General Government .....	2,639,531	2,690,531	2,471,710	218,821
Health .....	70,270	70,270	59,114	11,156
Public Safety .....	2,516,911	2,516,911	2,615,645	(98,734)
Streets and Sanitation .....	248,567	248,567	243,428	5,139
Transportation .....	48,312	48,312	43,134	5,178
Debt Service:				
Interest and Other Fiscal Charges .....	1,421	1,421	1,406	15
<b>Total Expenditures .....</b>	<b>5,525,012</b>	<b>5,576,012</b>	<b>5,434,437</b>	<b>141,575</b>
<b>Revenues (Under) Over Expenditures .....</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 85,899</b>	<b>\$ 85,899</b>

See notes to basic financial statements.

\* Investment income reflects fair market value adjustment on investments at December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF CHICAGO, ILLINOIS  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
PENSION FUND (BUDGETARY BASIS)  
Year Ended December 31, 2023  
(Dollars are in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:				
Property Taxes .....	\$ 1,411,863	\$ 1,411,863	\$ 1,533,852	\$ 121,989
Investment Income .....	—	—	711	711
Other Revenue .....	269,325	269,325	269,325	—
Transfers In .....	985,490	985,490	985,490	—
Total Revenues .....	<u>2,666,678</u>	<u>2,666,678</u>	<u>2,789,378</u>	<u>122,700</u>
Expenditures:				
Current:				
City Contribution to - Municipal Employees' Annuity and Benefit Fund	1,084,685	1,084,685	1,090,676	(5,991)
City Contribution to - Laborers' and Retirement Board Employees' Annuity and Benefit Fund .....	126,313	126,313	128,623	(2,310)
City Contribution to - Policemen's Annuity and Benefit Fund .....	973,181	973,181	1,000,060	(26,879)
City Contribution to - Firemen's Annuity and Benefit Fund .....	482,499	482,499	494,978	(12,479)
Total Expenditures .....	<u>2,666,678</u>	<u>2,666,678</u>	<u>2,714,337</u>	<u>(47,659)</u>
Revenues Over Expenditures .....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 75,041 *</u>	<u>\$ 75,041 *</u>

See notes to basic financial statements.

\* In 2023, current property tax collections from prior tax levy years that were recorded as revenues within the Pension Fund for GAAP and budgetary purposes were transferred to the General Fund for assignment as future pension contributions.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF CHICAGO, ILLINOIS**  
**RECONCILIATION OF GAAP BASIS TO BUDGETARY BASIS**  
**Year Ended December 31, 2023**  
**(Dollars are in thousands)**

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 budgetary purposes, grant reimbursements to other funds are counted as revenues and not netted against expenditures. For GAAP purposes, proceeds of long-term debt and transfers out are treated as other financing sources. For GAAP purposes, in-kind contributions and expenditures related to in-kind contributions are recorded as revenues and expenditures. 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, 2023 is as follows (dollars in thousands):

	<b>Fund (See Exhibit 4)</b>	
	<b>General</b>	<b>Pension</b>
Revenues, GAAP Basis .....	\$ 4,695,331	\$ 1,803,888
Add:		
Transfers In .....	556,668	985,490
Net Effect of Revenue Reclassification for Lease Transactions .....	(745)	—
Prior Year's Surplus Utilized .....	272,904	—
Deduct:		
In-Kind Contribution Receipts .....	(3,822)	—
Revenues, Budgetary Basis .....	<u>\$ 5,520,336</u>	<u>\$ 2,789,378</u>
Expenditures, GAAP Basis .....	\$ 4,587,324	\$ 2,714,337
Add:		
Transfers Out .....	928,105	—
Encumbered in 2023 .....	15,747	—
Deduct:		
In-Kind Contribution Usage .....	(1,595)	—
Payments on Prior Years' Encumbrances .....	(89,936)	—
Provision for Doubtful Accounts and Other .....	(5,207)	—
Expenditures, Budgetary Basis .....	<u>\$ 5,434,438</u>	<u>\$ 2,714,337</u>

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Brandon Johnson, Mayor  
and Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report includes a reference to other auditors who audited the financial statements of the City's Pension Trust Funds (the "Trust Funds"), as described in our report on the City's financial statements. The financial statements of the Trust Funds were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Trust Funds or that are reported on separately by those auditors who audited the financial statements of the Trust Funds.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of

findings and responses as item 2023-01 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Deloitte & Touche LLP*

June 28, 2024

## CITY OF CHICAGO

### SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2023

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#### 1. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

##### Finding 2023-01: Material Weakness in Internal Controls over Financial Reporting

###### *Criteria*

Sufficient levels of accounting personnel that are proficient in the standards issued by the Government Accounting Standards Board (“GASB”) are required to ensure the financial statements prepared by the City of Chicago are completed in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

###### *Condition*

Due to the size and diversity of the City’s business operations, the financial accounting and reporting requirements are very complex. In addition to the traditional governmental services, the City also owns and operates large enterprise operations, consisting of a water and wastewater utility and two international airports. Department of Finance staff are required to possess specific accounting expertise to fulfill the increased accounting and reporting requirements brought about by GASB. The Department of Finance is not currently adequately staffed, thereby creating competing demands on their time and limiting their ability to prepare financial statements timely in accordance with GAAP. Specifically, the positions of the Managing Deputy Comptroller and the Enterprise Director of Financial Reporting remain unfilled. In addition, the current financial reporting system structure is decentralized and requires a significant amount of manual processes to compile the financial statements.

###### *Cause*

The City experienced significant turnover and retirements in a short period of time that resulted in a lack of resources during critical financial reporting periods.

###### *Effect*

The lack of sufficient levels of accounting personnel may cause delays and inefficiencies in the overall year-end closing and financial reporting process and exposes the City to the risk of potential misstatements in the financial statements.

###### *Recommendation*

Evaluate the current organizational structure of the accounting personnel within the City of Chicago to ensure that technically proficient personnel fill recently created vacancies, and ensure that succession planning is in place. Evaluate current state processes and identify areas where the

strategic implementation of technology can allow for automation and overall improvements in the efficiency and accuracy of the financial reporting process.



DEPARTMENT OF FINANCE  
CITY OF CHICAGO

July 29, 2024

Bridget Flint  
Managing Director

Deloitte & Touche LLP  
111 South Wacker Drive  
Chicago, IL 60606

**RE: Response to Finding(s) Related to the Basic Financial Statements in Accordance with  
Government Auditing Standards**


Dear Bridget,

Please find below the City of Chicago's response to Deloitte's 2023 finding regarding a significant deficiency in internal controls over financial reporting:

Management agrees with and acknowledges finding 2023-01 for fiscal year 2023 and recommendations as stated. Since 2023, the Accounting and Financial Reporting Bureau of the Department of Finance (DOF) has increased its recruiting efforts to fill in vacancies caused by recent turnover and has retained proficient staff competent to participate in the annual audit and ACFR exercises. DOF is continually working with the Office of Budget and Management (OBM) to ensure adequately staffed personnel for 2024 and in future years. Presently, DOF is targeting hires for Managing Deputy Comptroller and Directors of Accounting for General and Enterprise Accounting Divisions by fall 2024. In addition to the Citywide Annual Comprehensive Financial Report, DOF has been implementing its automated financial reporting solution in parallel during the fiscal year 2023 audit to also include all four Enterprise reports (O'Hare, Midway, Water, and Sewer) starting fiscal year 2024. The corrective action plan is led by Chasse Rehwinkel, City Comptroller.

If you have any questions, please feel free to contact me at (312) 744-2887 or at [Chasse.Rehwinkel@cityofchicago.org](mailto:Chasse.Rehwinkel@cityofchicago.org).

Sincerely,



Chasse Rehwinkel  
City Comptroller

City of Chicago | Department of Finance  
121 N LaSalle Street, Room 700  
Chicago, Illinois 60602

CITY OF CHICAGO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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Finding 2022-01 has not been remediated and is repeated as Finding 2023-01 for the year ended December 31, 2023.

# **CITY OF CHICAGO**

Chicago, Illinois

## REPORT ON FEDERAL AWARDS

For the Year Ended December 31, 2023

# CITY OF CHICAGO

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## **Independent Auditors' Report on Schedule of Expenditures of Federal Awards**

To the Honorable Brandon Johnson, Mayor,  
and the Members of the City Council of  
City of Chicago, Illinois

### **Report on the Audit of the Schedule of Expenditures of Federal Awards**

#### ***Opinion***

We have audited the schedule of expenditures of federal awards of the City of Chicago (the City), for the year ended December 31, 2023, and the related notes (the Schedule).

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards of the City for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Schedule***

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

#### ***Auditors' Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Baker Tilly US, LLP*

Chicago, Illinois  
July 31, 2024

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
<b>I. Department of Agriculture</b>					
<b>A. Food and Nutrition Service</b>					
Child Nutrition Cluster					
Summer Food Service Program for Children (passed through Illinois State Board of Education)					
Summer Food Program 2019	10.559	IL058N1099	\$ 11,452	\$ -	\$ -
Summer Food and Adult & Child Care	10.559	3000MY20841	250	-	-
			<u>11,702</u>	<u>-</u>	<u>-</u>
<b>Total Child Nutrition Cluster</b>			<b>11,702</b>	<b>-</b>	<b>-</b>
WIC Special Supplemental Nutrition Program for Women, Infants, and Children (passed through Illinois Department of Human Services)					
Women, Infants and Children Program 2022	10.557	FCSBQ00825	2,183,458	-	805,167
Women, Infants and Children Program 2023	10.557	FCSCQ00825	1,896,931	-	573,276
			<u>4,080,389</u>	<u>-</u>	<u>1,378,443</u>
Child and Adult Care Food Program (passed through Illinois State Board of Education)					
Child and Adult Care Food Program	10.558	IL058N1099	98,461	-	-
			<u>98,461</u>	<u>-</u>	<u>-</u>
<b>Total Food and Nutrition Service</b>			<b>4,190,552</b>	<b>-</b>	<b>1,378,443</b>
<b>B. Animal And Plant Health Inspection Service</b>					
Plant and Animal Disease, Pest Control, and Animal Care O'Hare Inspection Station Upgrade					
	10.025	AP22PPQFO000G002	42,198	-	-
			<u>42,198</u>	<u>-</u>	<u>-</u>
<b>Total Animal And Plant Health Inspection Service</b>			<b>42,198</b>	<b>-</b>	<b>-</b>
<b>C. Agricultural Marketing Service</b>					
Farmers Market and Local Food Promotion Program Farmers Markets					
	10.175	FMPPIL1092	129,533	-	-
			<u>129,533</u>	<u>-</u>	<u>-</u>
<b>Total Agricultural Marketing Service</b>			<b>129,533</b>	<b>-</b>	<b>-</b>
<b>Total Department of Agriculture</b>			<b>4,362,283</b>	<b>-</b>	<b>1,378,443</b>
<b>II. Department of Commerce</b>					
<b>A. Economic Development Administration</b>					
Economic Development Cluster Economic Adjustment Assistance (passed through Illinois Department of Commerce and Economic Opportunity)					
COVID-19 Tourism Marketing 2023	11.307	22-611043	88,070	-	26,095
			<u>88,070</u>	<u>-</u>	<u>26,095</u>
<b>Total Economic Development Cluster</b>			<b>88,070</b>	<b>-</b>	<b>26,095</b>
<b>Total Department of Commerce</b>			<b>88,070</b>	<b>-</b>	<b>26,095</b>
<b>III. Department of Housing and Urban Development</b>					
<b>A. Assistant Secretary for Community Planning and Development</b>					
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants					
Community Development Block Grant YR45	14.218	B19MC170006	1,218,100	-	770,497
Community Development Block Grant YR46	14.218	B20MC170006	1,204,342	-	798,042
Community Development Block Grant YR47	14.218	B21MC170006	11,483,655	-	806,783
Community Development Block Grant YR48	14.218	B22MC170006	20,645,335	-	5,990,144
Community Development Block Grant YR49	14.218	B23MC170006	83,079,962	-	31,161,934
Neighborhood Stabilization Program (NSP1) HERA 2009	14.218	B11MN17002	13,968	-	-
COVID-19 Community Development Block Grant CARES Act (CDBG-CV)	14.218	B20MW170006	1,041,030	-	1,041,030
COVID-19 Community Development Block Grant CARES Act (CDBG-CV)	14.218	B20MW170006	4,377,190	-	396,877
			<u>123,063,582</u>	<u>-</u>	<u>40,965,307</u>
<b>Total CDBG - Entitlement Grants Cluster</b>			<b>123,063,582</b>	<b>-</b>	<b>40,965,307</b>
Emergency Solutions Grant Program					
Emergency Solutions Grant 2020	14.231	E-20-MC-17-0006	(1,327)	-	(1,327)
Emergency Solutions Grant 2021	14.231	E21-MC-17-0006	255,148	255,148	107,552
Emergency Solutions Grant 2022	14.231	E22-MC-17-0006	196,020	196,020	180,120
Emergency Solutions Grant 2023	14.231	E23-MC-17-0006	6,218,103	6,218,103	6,014,298
COVID-19 Emergency Solutions Grant 2020 - CARES ACT	14.231	E-20-MW-17-0006	221,959	-	221,959
			<u>6,889,903</u>	<u>6,669,271</u>	<u>6,522,602</u>

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
<b>Home Investment Partnerships Program</b>					
HOME 2017	14.239	M17MC170201	\$ 48,689	\$ -	\$ -
HOME 2018	14.239	M18MC170201	25,976	-	-
HOME 2019	14.239	M19MC170201	12,556,412	-	-
HOME 2020	14.239	M20MC170201	11,022,423	-	3,858,221
HOME 2021	14.239	M21MC170201	2,311,217	-	-
HOME 2021	14.239	MZ0MC170201	8,617,918	-	-
HOME 2022	14.239	M22MC170201	6,490,639	-	2,259
HOME 2023	14.239	M23MC170201	3,266,793	-	275,505
			<u>44,340,067</u>	-	<u>4,135,985</u>
<b>Housing Opportunities for Persons with AIDS</b>					
HOPWA 2021/2023	14.241	ILH21F001	83,817	-	58,852
HOPWA 2021/2023 - Carryover 2019	14.241	ILH19F001	(5,228)	-	-
HOPWA 2022/2024	14.241	ILH22F001	5,734,239	-	5,051,455
HOPWA 2023/2025	14.241	ILH23F001	5,612,093	-	4,489,513
HOPWA Housing & Healthy Study 2022/2024	14.241	IL-H210008	484,193	-	473,640
			<u>11,909,114</u>	-	<u>10,073,460</u>
<b>ARRA - Neighborhood Stabilization Program (Recovery Act Funded)</b>					
ARRA Neighborhood Stabilization Program (NSP II) 2010	14.256	B09LNIL0025	23,198	-	-
			<u>23,198</u>	-	-
<b>Neighborhood Stabilization Program</b>					
Neighborhood Stabilization Program (NSP III) 2011	14.264	B11MN170002	3,874	-	-
			<u>3,874</u>	-	-
<b>CDBG -Disaster Recovery Grants – Pub. L. No. 113-2 Cluster</b>					
<b>Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)</b>					
CDBG - Disaster Recovery	14.269	B13MS170001	93,006	-	-
			<u>93,006</u>	-	-
<b>Total CDBG -Disaster Recovery Grants – Pub. L. No. 113-2 Cluster</b>					
			<u>93,006</u>	-	-
<b>Total Assistant Secretary for Community Planning and Development</b>			<u>186,322,744</u>	<u>6,669,271</u>	<u>61,697,354</u>
<b>B. Assistance Secretary for Public and Indian Housing</b>					
<b>Moving to Work Demonstration Program</b>					
CHA Family Supportive Services 2021/2022	14.881	12649	2,792	-	2,792
CHA Family Supportive Services 2023/2024 (passed through Chicago Housing Authority)	14.881	12891	1,105,041	-	579,610
Chicago Housing Authority Home Modification Program	14.881	12297	120,973	-	120,973
			<u>1,228,806</u>	-	<u>703,375</u>
<b>Total Assistance Secretary of Public and Indian Housing</b>			<u>1,228,806</u>	-	<u>703,375</u>
<b>C. Office of Lead Hazard Control and Healthy Homes</b>					
<b>Lead Hazard Reduction Demonstration Grant Program</b>					
Lead Hazard Reduction Demonstration Grant Program 2019	14.905	ILLHB06710-18	(10,868)	-	(117,023)
Lead Hazard Reduction Demonstration Grant Program 2022	14.905	ILLHD0491-22	782,337	-	300,423
			<u>771,469</u>	-	<u>183,400</u>
<b>Total Office of Lead Hazard Control and Healthy Homes</b>			<u>771,469</u>	-	<u>183,400</u>
<b>Total Department of Housing and Urban Development</b>			<u>188,323,019</u>	<u>6,669,271</u>	<u>62,584,129</u>
<b>IV. Department of Justice</b>					
<b>A. Office of Justice Programs</b>					
<b>Services for Trafficking Victims (passed through Illinois Criminal Justice Information Authority)</b>					
Housing Assistance For Victims of Human Trafficking 2020/2023	16.320	2020VTBX0053	230,453	-	92,902
			<u>230,453</u>	-	<u>92,902</u>
<b>Juvenile Justice and Delinquency Prevention (passed through Illinois Criminal Justice Information Authority)</b>					
Reducing Risk for Girls 2021/2024	16.540	15PJDP21GG03	58,847	-	56,301
			<u>58,847</u>	-	<u>56,301</u>
<b>Crime Victim Assistance (passed through Illinois Criminal Justice Information Authority)</b>					
Services to Victims of Domestic Violence Help Line 2022/2023	16.575	218315	40,032	-	(155,789)
			<u>40,032</u>	-	<u>(155,789)</u>
<b>Crime Victim Assistance/Discretionary Grants</b>					
National Association of VOCA Assistance	16.582	CAP 23-1356	4,974	-	4,974
Law Enforcement - Based Victim Specialist - 2019/2022	16.582	2019V3GX0053	122,262	-	-
			<u>127,236</u>	-	<u>4,974</u>

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>					
Edward Byrne Memorial Justice Assistance 2018	16.738	2018-DJ-BX-0598	\$ 432,130	\$ -	\$ 68,587
Edward Byrne Memorial Justice Assistance 2019	16.738	2019-DJ-BX-0682	195,048	-	-
Edward Byrne Memorial Justice Assistance 2020	16.738	2020-DJ-BX-0446	269,652	-	-
Edward Byrne Memorial Justice Assistance 2021	16.738	15PBJA-21-GG-01455-JAGX	655,392	-	-
Edward Byrne Memorial Justice Assistance 2022	16.738	15PBJA-22-GG-02106-JAGX	416,869	-	-
Local Law Enforcement Crime Fund - 2022	16.738	15PBJA-22-GG-01761-JAGP	97,859	-	-
Operation Legend 2020	16.738	2020MUBX0908	1,290,506	-	-
			<u>3,357,456</u>	<u>-</u>	<u>68,587</u>
<b>Criminal and Juvenile Justice and Mental Health Collaboration Program</b>					
Connect and Protect - 2021	16.745	15PBJA21GG04	210,969	-	-
			<u>210,969</u>	<u>-</u>	<u>-</u>
<b>National Sexual Assault Kit Initiative</b>					
Sexual Assault Kit Initiative - 2020	16.833	2020AKBX0026	100,179	-	-
			<u>100,179</u>	<u>-</u>	<u>-</u>
<b>Comprehensive Opioid, Stimulant, and other Substances Use Program</b>					
Comprehensive Opioid Abuse Site-Based - 2019	16.838	2019ARBXX003	246	-	-
			<u>246</u>	<u>-</u>	<u>-</u>
<b>Total Office of Justice Programs</b>			<u>4,125,418</u>	<u>-</u>	<u>66,975</u>
<b>B. Office on Violence Against Women (OVW)</b>					
<b>Violence Against Women Formula Grants</b>					
<b>(passed through Illinois Criminal Justice Information Authority)</b>					
VAWA - Violence Against Women Sexual Assault - FY 2023	16.588	621071	15,526	-	-
VAWA - Violence Against Women Domestic Violence - FY 2023	16.588	621071	24,743	-	-
			<u>40,269</u>	<u>-</u>	<u>-</u>
<b>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program</b>					
Improving Criminal Justice Response to Domestic Violence - 2020/2023	16.590	2020WEAX0005	10,644	-	-
			<u>10,644</u>	<u>-</u>	<u>-</u>
<b>Total Office on Violence Against Women Office (OVW)</b>			<u>50,913</u>	<u>-</u>	<u>-</u>
<b>C. Office of Community Oriented Policing Services</b>					
<b>Public Safety Partnership and Community Policing Grants</b>					
Cops Hiring Program - 2020	16.710	2020ULWX0056	26,618	-	-
Cops Hiring Program - 2021	16.710	15JCOPS-21-GG-03416-UHPX	3,557,404	-	-
Cops Hiring Program - 2022-2027	16.710	15JCOPS-22-GG-03354-UHPX	2,851,863	-	-
Law Enforcement Mental Health & Wellness ACT - 2021-2023	16.710	15JCOPS-21-GG-02179-SLEM	41,298	-	-
			<u>6,477,183</u>	<u>-</u>	<u>-</u>
<b>Total Office of Community Oriented Policing Services</b>			<u>6,477,183</u>	<u>-</u>	<u>-</u>
<b>D. Criminal Division</b>					
<b>Equitable Sharing Program</b>					
Asset Forfeiture Program	16.922	N/A	1,762,913	-	-
			<u>1,762,913</u>	<u>-</u>	<u>-</u>
<b>Total Criminal Division</b>			<u>1,762,913</u>	<u>-</u>	<u>-</u>
<b>Total Department of Justice</b>			<u>12,416,427</u>	<u>-</u>	<u>66,975</u>
<b>V. Department of Transportation</b>					
<b>A. Federal Aviation Administration</b>					
<b>Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs</b>					
Federal Airport Midway Field Development	20.106	3-17-0025-093/095/096	40,348	-	-
		3-17-0025-101-2021-3, '2021			
COVID-19 Federal Airport Midway CARES Act	20.106	ARP ACT (#4,5,6,7)	8,335,043	-	-
		3-17-0022-156,3-17-0022-168,3-17-0022-169,3-17-0022-174,3-17-0022-185,3-17-0022-180,3-17-0022-190			
Federal Airport O'Hare Field Development	20.106	17-0022-190	48,473,621	-	-
			<u>56,849,012</u>	<u>-</u>	<u>-</u>
<b>Total Federal Aviation Administration</b>			<u>56,849,012</u>	<u>-</u>	<u>-</u>

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
<b>B. Federal Highway Administration</b>					
<b>Highway Planning and Construction</b>					
(passed through Illinois Department of Transportation)					
Bridge and Viaduct Painting Contract	20.205	C-88-001-08	\$ (16,536)	\$ (4,134)	\$ -
Create Program Support Services	20.205	1439-22556	119,847	-	-
Railroad Related Support Services	20.205	9DNN(265)	80,381	-	-
Transportation Planning and Programming	20.205	C-21-0015	63,000	-	-
Damen Avenue / Elston Avenue / Fullerton Avenue	20.205	C-88-026-06	(180)	(7)	(180)
Grand Avenue Improvements, Chicago to Damen	20.205	D-88-031-12	1,554	389	-
Arterial Street Resurfacing Project 73 - South Area	20.205	C-88-010-15	(31,123)	(7,781)	(31,123)
Arterial Street Resurfacing Project 77 - South Area	20.205	C-88-013-16	(432)	-	(432)
UWP Core Grant (3-C Transportation Activities)	20.205	C-24-0014	177,609	-	-
Arterial Street Resurfacing #81	20.205	C-88-016-17	(4,946)	-	(4,946)
Cermak Road at Kenton Avenue Vertical Clearance Improvements	20.205	C-88-006-20	140,292	-	-
Advanced Traffic Controller Signal, Controller Upgrade & Timing Program	20.205	C-88-001-13	145,833	-	-
Chicago Avenue, Latrobe Avenue to Kedzie Avenue	20.205	P-88-001-18	4,467	-	-
Columbus Avenue - From Kedzie Avenue to Western Avenue	20.205	R-88-001-21	1,571,585	-	-
PIN & LINK Assembly Expansion Joint Retrofits #2	20.205	C-88-010-14	233,540	-	-
Lake Front Bicycle Trail #2 (Navy Pier Flyover)	20.205	C-88-011-13	202,233	-	-
PIN & LINK Number 4 at Various Locations	20.205	C-88-005-20	634,800	-	-
Chicago River Edge Access Study	20.205	20-1439-17285	24,260	-	-
UWP Core Grant	20.205	C-88-046-06	354,781	-	(102,444)
Vision Zero South Side	20.205	C-19-0015	20,300	-	-
North Grant Park - Streeterville Transportation Demand Study	20.205	C-20-0015	(6,285)	-	-
Broadway-Sheridan Road, Devon To Hollywood Signal Interconnect System (Design)	20.205	P-88-005-06	(17,934)	(4,483)	-
Van Buren Street Bridge Over Main Branch of Chicago River	20.205	P-88-039-12	9,670	2,417	(281)
Street for Cycling Project #1	20.205	C-88-011-14	(363,761)	-	(2,654)
Lake Front Bicycle Trail #3 Over the Chicago River	20.205	D-88-028-14	6,029	1,507	3,299
Street for Cycling Phase V-1	20.205	P-88-011-17	10,264	-	10,264
Lake Front Bicycle Trail #2 (Navy Pier Flyover)	20.205	C-88-011-13	420,644	-	-
Highway Safety Improvement Program	20.205	C-88-031-14	(188,472)	-	-
Oakwood Blvd. Viaduct Over Metra/ICRR - STP	20.205	C-88-027-13	(662,867)	-	(270,065)
Lakefront Bicycle Trail #3 (Navy Pier Flyover) Over the Chicago River (STP)	20.205	C-88-004-17	165,867	-	-
Montrose Harbor Bridges and Underpass Improvement	20.205	D-88-021-11	(27,638)	(6,910)	(27,638)
Weber Spur Trail (Phase I & II)	20.205	P-88-006-10	346,530	86,632	-
Intelligent Transportation System Centralized Traffic Management Center	20.205	C-88-039-00	(7,936)	(1,984)	-
Columbus Avenue at Maplewood - CREATE GS11	20.205	P-88-011-12	9,210	2,302	-
Columbia Drive Bridge Over Jackson Park Lagoon	20.205	P-88-002-15	14,920	3,730	-
Roosevelt Rd. From Western Ave. to LSD	20.205	C-88-009-19	9,579	-	-
Stony Island Avenue Interconnect - Midway Plaisance to 95th Street	20.205	P-88-062-06	1,536,146	-	306
Chicago Traffic Advisory System	20.205	C-88-010-19	258,303	-	(12,141)
Enhanced Travel Information and Arterial Monitoring Systems - Midway Airport Area	20.205	C-88-059-06	344,753	-	57,461
Streets for Cycling - Phase VI: Belmont Cragin (Design)	20.205	P-88-012-17	278,761	-	-
Streets for Cycling - Phase VII (Program Management)	20.205	STN-5-702	607,206	-	(224)
Bridge Inspection Services 2022-2023	20.205	BI88-001-18	4,599,517	-	-
Walk to Transit: Series I & II	20.205	C-88-014-10	191,746	-	-
Broadway/Sheridan Road Interconnect: Devon Ave. To Hollywood Ave.	20.205	C-88-049-12	620,665	-	32,314
Blue Island Streetscape Improvement Project, West 19th Street - West 21st Street	20.205	C-88-001-18	(32,049)	-	-
Arterial Street Resurfacing # 82	20.205	C-88-019-17	498	-	-
Arterial Street Resurfacing Project 83 - North Area	20.205	C-88-005-18	29,485	-	-
Arterial Street Resurfacing Project 84 - Central Area	20.205	C-88-007-18	20,269	-	(34,162)
Arterial Street Resurfacing Project #87 - North Area	20.205	C-88-004-19	8,824	-	-
Arterial Street Resurfacing #89	20.205	C-88-006-19	27,023	-	(23,937)
Arterial Street Resurfacing #90 (Far South)	20.205	C-88-007-19	500,446	-	-
Pavement Preservation and Roadside Safety Appurtenances	20.205	S-88-001-20	(300,047)	-	(55,940)
Arterial Street Resurfacing Project 91 - North	20.205	C-88-009-20	1,381,914	-	325,452
Arterial Street Resurfacing Project 92 - Central Area	20.205	C-88-010-20	958,289	-	(62,604)
Arterial Street Resurfacing Project 93 - South	20.205	C-88-011-20	(430,499)	-	(912)
Arterial Street Resurfacing Project 94 - Far South	20.205	C-88-012-20	1,506,229	-	4,400
Traffic Signal Modernization Number 1	20.205	P-88-003-20	277,464	-	-
31st Street & 43rd Street Bridge Over Metra & IC(CN) Railroad	20.205	C-88-002-18	6,777,970	-	-
Lincoln Village Pedestrian and Bicycle Bridge Over North Shore Channel at Hood Avenue	20.205	C-88-009-14	17,953	-	99

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Blue Island Streetscape Improvement Project, West 19th Street - West 21st Street	20.205	C-88-001-18	\$ 113,873	\$ -	\$ 113,737
Lincoln Ashland Belmont Streetscape, Section 2	20.205	C-88-004-20	5,723,172	-	(73,857)
71st Street Streetscape/South Shore Drive to Jeffrey Blvd. - Phase II (Median)	20.205	C-88-008-19	258,920	-	(102,788)
43rd Street Bicycle Pedestrian Bridge - ITEP	20.205	C-88-006-16	394,730	-	11,526
ADA Ramp Improvement Project No. 56 & 60 (Central)	20.205	C-88-016-16	(8,146)	-	(8,146)
Chicago Congestion Pricing and Mobility Study	20.205	19-1439-10849	(55,948)	-	-
Vision Zero South Side	20.205	21-1439-9815	(14,281)	-	-
Complex Intersections Framework Plan	20.205	19-1439-9531	22,542	-	-
Southwest Industrial Corridor Transportation Study (SWICTS)	20.205	20-1439-17313	79,669	-	-
Economic Benefits of Create	20.205	20-1439-16352	(133,489)	-	-
South Branch Parks Access Study	20.205	60JN(686)	34,397	-	(332)
43rd Street Bicycle Pedestrian Bridge - TAP	20.205	C-88-006-16	2,712,272	-	(86,445)
North Avenue Viaduct Vertical Clearance Improvement/Ashland Ave. To Elston Ave.	20.205	P-88-002-19	10,796	-	-
43rd Street Bicycle Pedestrian Bridge - STP	20.205	C-88-006-16	484,696	-	81,152
Columbus Avenue From Kedzie Avenue to Western Avenue	20.205	D-88-001-20	251,548	-	(109)
Cicero Avenue Bascula Bridge - Sanitary and Ship Canal Rehabilitation	20.205	P-88-005-16	30,608	-	-
			32,525,310	71,678	(261,350)
<b>Total Federal Highway Administration</b>			<b>32,525,310</b>	<b>71,678</b>	<b>(261,350)</b>
<b>C. Federal Railroad Administration</b>					
Railroad Development (passed through Illinois Department of Transportation)					
95th / Eggleston - Create GS21A	20.314	P-88-010-12	(30,352)	-	-
			(30,352)	-	-
<b>Total Federal Railroad Administration</b>			<b>(30,352)</b>	<b>-</b>	<b>-</b>
<b>D. Federal Transit Administration</b>					
Federal Transit Cluster					
Federal Transit Capital Investment Grants					
Equitable Transit Oriented Development (ETOD)	20.500	IL-2023-011-00	192,619	-	-
			192,619	-	-
Federal Transit Formula Grants					
Washington Wabash Loop Elevated CTA Station	20.507	IL-95-X027-01	113,773	-	-
State / Lake Loop Elevated	20.507	IL-2016-002-02	(270,187)	-	-
			(156,414)	-	-
<b>Total Federal Transit Cluster</b>			<b>36,205</b>	<b>-</b>	<b>-</b>
<b>Total Federal Transit Administration</b>			<b>36,205</b>	<b>-</b>	<b>-</b>
<b>E. National Highway Traffic Safety Administration</b>					
Highway Safety Cluster					
State and Community Highway Safety (passed through Illinois Department of Transportation)					
Injury Prevention (Pedestrian and Bicycle Safety Initiative) FY23-24	20.600	HS-24-0220	76,058	-	-
IDOT Sustained Traffic Enforcement Program 2022	20.600	HS-23-0174, 04-02	148,362	-	-
			224,420	-	-
National Priority Safety Programs (passed through Illinois Department of Transportation)					
Injury Prevention (Pedestrian and Bicycle Safety Initiative)	20.616	HS-21-0255	757,138	-	-
Injury Prevention (Pedestrian and Bicycle Safety Initiative)	20.616	23-0343-07	686,496	-	-
Impaired Driving Prevention Training	20.616	HS-23-0202, 13-16	19,049	-	-
			1,462,683	-	-
<b>Total Highway Safety Cluster</b>			<b>1,687,103</b>	<b>-</b>	<b>-</b>
<b>Total National Highway Traffic Safety Administration</b>			<b>1,687,103</b>	<b>-</b>	<b>-</b>
<b>F Pipeline and Hazardous Materials Safety Administration</b>					
Interagency Hazardous Materials Public Sector Training and Planning Grants (passed through Illinois Department of Transportation)					
Hazardous Materials Emergency Preparedness - 2022	20.703	22CHGOHME	5,250	-	-
			5,250	-	-
<b>Total Pipeline and Hazardous Materials Safety Administration</b>			<b>5,250</b>	<b>-</b>	<b>-</b>
<b>Total Department of Transportation</b>			<b>91,072,528</b>	<b>71,678</b>	<b>(261,350)</b>

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<b>VI. Department of the Treasury</b>					
<b>A. Departmental Offices</b>					
COVID-19 Coronavirus Relief Fund					
COVID-19 Coronavirus Relief Fund	21.019	N/A	\$ (7,044)	\$ -	\$ (7,044)
			(7,044)	-	(7,044)
COVID-19 Emergency Rental Assistance Program					
COVID-19 Emergency Rental Assistance Program	21.023	N/A	10,151,855	-	3,118,375
COVID-19 Emergency Rental Housing Assistance (passed through Illinois Department of Human Services)	21.023	N/A	(459,448)	-	(3,714)
COVID-19 Court Based Rental Assistance Program	21.023	FCSBH06503	5,868,284	-	-
			15,560,691	-	3,114,661
COVID-19 Coronavirus State and Local Fiscal Recovery Funds					
COVID-19 ARP Local Fiscal Recovery Fund (passed through Department of Commerce and Economic Opportunity)	21.027	N/A	295,509,280	-	121,118,991
COVID-19 Taste of Chicago Marketing Tourism (passed through Illinois Department of Human Services)	21.027	21-411085	499,991	-	-
COVID-19 Emergency and Transitional Housing 2022-2023	21.027	FCSBH00482TH	839,738	2,422,458	721,605
			296,849,009	2,422,458	121,840,596
<b>Total Department of the Treasury</b>			<b>312,402,656</b>	<b>2,422,458</b>	<b>124,948,213</b>
<b>VII. National Endowment for the Arts</b>					
Promotion of the Arts Grants to Organizations and Individuals					
NEA Artworks - 2022/2023	45.024	1893795-6222	15,000	-	5,000
			15,000	-	5,000
Promotion of the Arts Partnership Agreements (passed through Illinois Arts Council)					
IAC - Community Arts Access Program (CAAP) - 2022/2023	45.025	1903735-6122	140,200	-	4,500
			140,200	-	4,500
<b>Total National Endowment for the Arts</b>			<b>155,200</b>	<b>-</b>	<b>9,500</b>
<b>VIII. Institute of Museum and Library Services</b>					
Grants to States (passed through Office of Secretary of State, Illinois State Library)					
Project Next Generation - 2022/2023	45.310	23SL568138	27,355	-	-
			27,355	-	-
<b>Total Institute of Museum and Library Services</b>			<b>27,355</b>	<b>-</b>	<b>-</b>
<b>IX. Environmental Protection Agency</b>					
<b>A. Office of Water</b>					
Clean Water State Revolving Fund (CWSRF) Cluster					
Clean Water State Revolving Fund (passed through Illinois Environmental Protection Agency)					
Sewer Lining CY 2020-2021	66.458	L175798, L175799, L175800	24,502,157	-	-
			24,502,157	-	-
<b>Total Clean Water State Revolving Fund Cluster</b>			<b>24,502,157</b>	<b>-</b>	<b>-</b>
Drinking Water State Revolving Fund (DWSRF) Cluster					
Drinking Water State Revolving Fund (passed through Illinois Environmental Protection Agency)					
Central Park Pumping Station Conversion	66.468	L173766, L175482, L175483, L175559, L175843	12,693,410	-	-
			12,693,410	-	-
<b>Total Drinking Water State Revolving Fund Cluster</b>			<b>12,693,410</b>	<b>-</b>	<b>-</b>
<b>Total Office of Water</b>			<b>37,195,567</b>	<b>-</b>	<b>-</b>
<b>B. Performance Partnership Grants</b>					
Performance Partnership Grants (passed through Illinois Environmental Protection Agency)					
Air Pollution Control Program - 2023	66.605	44100183425	115,281	-	-
			115,281	-	-
<b>Total Performance Partnership Grants</b>			<b>115,281</b>	<b>-</b>	<b>-</b>



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<b>C. Office of Solid Waste and Emergency Response</b>					
Superfund State, Political Subdivision and Indian Tribe Site-Specific Cooperative Agreements					
Anadarko Streeterville Removal	66.802	00E02452	\$ 471,589	\$ -	\$ -
			471,589	-	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements					
Brownfields Assessment Program FY 2020/2023	66.818	BF00E02870	705	-	-
			705	-	-
Total Office of Solid Waste and Emergency Response			472,294	-	-
Total Environmental Protection Agency			37,783,142	-	-
<b>X. Department of Health and Human Services</b>					
<b>A. Administration for Community Living</b>					
Aging Cluster					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (passed through Illinois Department on Aging)					
COVID-19 VACCINES Area Aging Plan 2021/2023	93.044	VAC52112	82,260	-	-
Area Aging Plan 2020/2023	93.044	T32112	59,365	-	(5,913)
Area Aging Plan 2021/2023	93.044	T32212	832,901	-	149,199
Area Aging Plan 2022/2024	93.044	T32312	1,916,818	-	437,207
Area Aging Plan 2023/2025	93.044	T32412	290,956	-	51,384
COVID-19 ARP Area Plan on Aging 2021/2024	93.044	ARPAT32112	664,328	-	511,158
			3,846,628	-	1,143,035
Special Programs for the Aging - Title III, Part C - Nutrition Services (passed through Illinois Department on Aging)					
Area Aging Plan 2021/2023	93.045	T32212	515,096	-	296,560
Area Aging Plan 2022/2024	93.045	T32312	3,777,750	-	2,401,315
Area Aging Plan 2023/2025	93.045	T32412	234,227	-	147,187
COVID-19 ARP Area Aging Plan 2021/2024	93.045	ARPAT32112	1,420,599	-	1,399,484
			5,947,672	-	4,244,546
Nutrition Services Incentive Program (passed through Illinois Department on Aging)					
Area Aging Plan 2021/2023	93.053	NSIP2212	630,295	-	630,295
Area Aging Plan 2023/2025	93.053	NSIP2412	445,387	-	445,387
Area Aging Plan 2022/2024	93.053	NSIP2312	1,068,419	-	1,068,419
			2,144,101	-	2,144,101
Total Aging Cluster			11,938,401	-	7,531,682
Special Programs for the Aging, Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation (passed through Illinois Department on Aging)					
Area Aging Plan 2021/2023	93.041	T32212	(2,859)	-	-
			(2,859)	-	-
Special Programs for the Aging - Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals (passed through Illinois Department on Aging)					
Area Aging Plan 2022/2024	93.042	T32312	83,282	-	-
Area Aging Plan 2023/2025	93.042	T32412	46,318	-	-
			129,600	-	-
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services (passed through Illinois Department on Aging)					
Area Aging Plan 2019/2021	93.043	T32012	(9,117)	-	(9,117)
Area Aging Plan 2020/2023	93.043	T32112	(14,612)	-	(14,612)
Area Aging Plan 2021/2023	93.043	T32212	9,450	-	9,450
Area Aging Plan 2022/2024	93.043	T32312	185,723	-	185,723
Area Aging Plan 2023/2025	93.043	T32412	3,575	-	3,575
COVID-19 ARP Area Plan on Aging 2021/2024	93.043	ARPAT32112	209,345	-	-
			384,364	-	175,019
National Family Caregiver Support, Title III, Part E (passed through Illinois Department on Aging)					
Area Aging Plan 2021/2023	93.052	T32212	268,316	-	96,092
Area Aging Plan 2022/2024	93.052	T32312	737,707	-	276,025
Area Aging Plan 2023/2025	93.052	T32412	100	-	-
COVID-19 ARP Area Plan on Aging 2021/2024	93.052	ARPAT32112	1,013,981	-	629,068
Area Aging Plan 2020/2023	93.052	T32112	(146,100)	-	-
			1,874,004	-	1,001,185

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<b>Special Programs for the Aging, Title IV, and Title II, Discretionary Projects</b>					
<b>Discretionary Projects and Programs (passed through AGE Options)</b>					
Senior Medicare Patrol 2022/2023	93.048	90MPPG003605	\$ 26,000	\$ -	\$ 26,000
			26,000	-	26,000
<b>Medicare Enrollment Assistance Program (passed through Illinois Department on Aging)</b>					
Medicare Improvements for Patients and Providers ACT (MIPPA) 2022/2023	93.071	MIPPA2212	125,843	-	-
			125,843	-	-
<b>Alzheimer's Disease Program Initiative (ADPI)</b>					
Alzheimer's Disease Programs Initiative - Grants to States and Communities	93.470	90ADPI003301	72,268	-	-
			72,268	-	-
<b>Total Administration for Community Living</b>			14,547,621	-	8,733,886
<b>B. Administration for Children and Families</b>					
<b>Community Services Block Grant (passed through Illinois Department of Commerce and Economic Opportunity)</b>					
Community Services Block Grant 2022	93.569	22-231036	(34,386)	-	-
Community Services Block Grant 2023	93.569	23-231036	12,594,384	-	4,416,397
			12,559,998	-	4,416,397
<b>Child Care and Development Fund (CCDF Cluster)</b>					
<b>Child Care Mandatory and Matching Funds of the Child Care and Development Fund (passed through Illinois Department of Human Services)</b>					
Child Care Services 2022	93.596	FCSBI00434	1,172,779	4,254,207	1,172,779
Child Care Services 2023	93.596	FCST00864	3,610,521	464,547	3,096,488
			4,783,300	4,718,754	4,269,267
<b>Total Child Care and Development Fund (CCDF Cluster)</b>			4,783,300	4,718,754	4,269,267
<b>Head Start Cluster</b>					
<b>Head Start</b>					
COVID-19 CRRSA Early Headstart Child Care Partnership 2021/2023	93.600	05HE00139801-00	56,817	-	56,817
COVID-19 CARES ACT Early Headstart Child Care Partnership 2021/2023	93.600	05HE00139801-02	179,442	-	179,442
COVID-19 CARES ACT Early Headstart Expansion 2021/2023	93.600	05HE00139801-02	3,785	-	3,785
COVID-19 CRRSA Early Headstart Expansion 2021/2023	93.600	05HE00139801-00	26,783	-	26,783
COVID-19 CRRSA Early Headstart Expansion 2021/2023	93.600	05HE00139801-00	61,174	-	56,742
COVID-19 CARES ACT Early Headstart Expansion 2021/2023	93.600	05HE00139801-02	(79,342)	-	-
COVID-19 CARES ACT Headstart Expansion 2021/2023	93.600	05HE00139801-02	(176,651)	-	-
COVID-19 CRRSA Headstart Expansion 2021/2023	93.600	05HE00139801-00	(17,754)	-	-
Base Headstart 2021/2022	93.600	05CH012050-02	(20,723)	-	(69,497)
Early Headstart 2020/2021	93.600	05CH011895	(201)	-	(201)
Early Headstart 2021/2022	93.600	05CH012050-02	(1,380,768)	-	-
COVID-19 ARP Early Headstart 2021/2023	93.600	05HE00139801-01	748,705	-	341,910
COVID-19 ARP Headstart 2021/2023	93.600	05HE00139801-01	822,335	-	712,967
Base Headstart 2022/2023	93.600	05CH012050-03	19,581,223	-	19,581,223
Early Headstart 2022/2023	93.600	05CH012050-01	24,391,279	-	23,594,714
Early Headstart 2023/2024	93.600	05CH01205004	1,722,085	-	1,373,387
Early Headstart 2023/2024	93.600	05CH01205004	1,746,247	-	1,407,097
Early Headstart Child Care Partnership 2020/2021	93.600	05HP000439-01	(2,180)	-	(2,180)
Early Headstart Child Care Partnership 2021/2022	93.600	05HP000439-02	(888,002)	-	(82,480)
Early Headstart Child Care Partnership 2023/2024	93.600	05HP00043904	904,900	-	696,137
COVID-19 ARP Early Headstart Child Care Partnership 2021/2023	93.600	05HE00139801-01	614,507	-	427,273
COVID-19 ARP Early Headstart Expansion 2021/2023	93.600	05HE00139801-01	11,294	-	11,294
Early Headstart Child Care Partnership 2022/2023	93.600	05HP000439-03	13,269,893	-	12,821,268
Early Headstart Expansion 2021/2022	93.600	05HP000150-03	(154,569)	-	-
Early Headstart Expansion 2022/2023	93.600	05HP000150-04	3,011,927	-	2,788,469
Early Headstart Expansion 2023/2024	93.600	05HP00051401	214,764	-	170,700
			64,646,970	-	64,095,650
<b>Total Head Start Cluster</b>			64,646,970	-	64,095,650
<b>Social Services Block Grant (passed through Illinois Department of Human Services)</b>					
Title XX - Donated Funds Initiative - A.S.N. 2022/2023	93.667	FCSBJ00048	300,774	-	300,774
Title XX - Donated Funds Initiative - A.S.N. 2023/2024	93.667	FCSCJ00048	218,607	-	181,950
Title XX - Donated Funds Initiative - Challenge 2022/2023	93.667	FCSBJ00229	71,674	-	71,674
Title XX - Donated Funds Initiative - Challenge 2023/2024	93.667	FCSCJ00229	99,280	-	28,424
Title XX - Donated Funds Initiative - Dare 2022/2023	93.667	FCSBJ00231	246,430	-	246,430
Title XX - Donated Funds Initiative - Dare 2023/2024	93.667	FCSCJ00231	193,133	-	122,295
Chicago Family Connects 2022/2023	93.667	FCSAU05885	183,271	-	-
Chicago Family Connects 2022/2023	93.667	FCSCU05885	240,442	-	-
			1,553,611	-	951,547

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Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services (passed through Illinois Department of Human Services) Services to Victims of Domestic Violence - 2022/2023	93.671	FCSBT00864	\$ 132,447	\$ 12,028	\$ 132,447
			132,447	12,028	132,447
<b>Total Administration for Children and Families</b>			<b>83,676,326</b>	<b>4,730,782</b>	<b>73,865,308</b>
<b>C. Centers for Disease Control and Prevention</b>					
<b>Public Health Emergency Preparedness</b>					
Public Health Emergency Preparedness 2021	93.069	NU90TP922033	2,155,766	-	128
Public Health Emergency Preparedness 2022	93.069	NU90TP922033	3,650,561	-	(128)
Public Health Emergency Preparedness 2023	93.069	NU90TP922033	3,092,134	-	(11,455)
			8,898,461	-	(11,455)
<b>Project Grants and Cooperative Agreements for Tuberculosis Control Programs</b>					
Tuberculosis Elimination and Laboratory 2023	93.116	NU52PS910172	1,073,832	-	134,492
			1,073,832	-	134,492
<b>Injury Prevention and Control Research and State and Community Based Programs</b>					
Injury Prevention and Control Research 2023	93.136	NH28CE003542	586,224	-	-
Overdose Data to Action 2022/2023	93.136	NU17CE924986	2,033,682	-	1,666,035
			2,619,906	-	1,666,035
<b>Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children</b>					
Lead Poisoning Prevention - Childhood Lead Poisoning Prevention 2022	93.197	NUE2EH001436	217,818	-	100,078
Lead Poisoning Prevention - Childhood Lead Poisoning Prevention 2023	93.197	NUE2EH001436	79,216	-	23,257
			297,034	-	123,335
<b>Immunization Cooperative Agreements</b>					
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	96,916	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	3,236	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	414	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	(26,319)	-	(26,319)
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	3,505,779	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	953,434	-	-
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	5,141,434	-	853,883
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	8,489,652	-	5,422,061
COVID-19 Immunization and Vaccines for Children 2020	93.268	NH23IP922613	916,374	-	-
COVID-19 Immunization and Vaccines for Children 2021	93.268	NH23IP922613	852,147	-	852,147
COVID-19 Immunization and Vaccines for Children 2022	93.268	NH23IP922613	605,513	-	-
Immunization and Vaccines for Children 2022	93.268	NH23IP922613	2,849,115	-	179,766
Immunization and Vaccines for Children 2023	93.268	NH23IP922613	3,073,362	-	77,237
			26,461,057	-	7,358,775
Immunization and Vaccines for Children 2022 - Direct Assistance Vaccines	93.268	5 NH23IP922613-04-00	45,712,453	-	-
Personnel	93.268	5 NH23IP922613-04-00	317,452	-	-
Other	93.268	5 NH23IP922613-04-00	11,109	-	-
			46,041,014	-	-
<b>Total Immunization Cooperative Agreements</b>			<b>72,502,071</b>	<b>-</b>	<b>7,358,775</b>
<b>Viral Hepatitis Prevention and Control</b>					
Adult Viral Hepatitis Prevention and Control	93.270	NU51PS005136	21,392	-	-
			21,392	-	-
<b>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</b>					
COVID-19 Building Epidemiology and Health IT Capacity Program 2019	93.323	NU50CK000556	802,206	-	1,908
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	1,506,994	-	4,301
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	24,310,375	-	(177,904)
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	28,513,506	-	11,119,885
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	28,163,996	-	(221,701)
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	6,888	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	1,170,690	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	307,801	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	45,857	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	954,289	-	2,997

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	\$ 851,845	\$ -	\$ 955
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	224,810	-	2,499
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	120,771	-	134,724
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	549,955	-	538
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	23,893	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	2,879	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	65,614	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	165,374	-	49
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	149,340	-	-
COVID-19 Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	92,133	-	-
Building Epidemiology and Health IT Capacity Program 2019	93.323	NU50CK000556	319,748	-	6,971
Building Epidemiology and Health IT Capacity Program 2020	93.323	NU50CK000556	139,163	-	-
Building Epidemiology and Health IT Capacity Program 2021	93.323	NU50CK000556	(132,980)	-	(164)
Building Epidemiology and Health IT Capacity Program 2022	93.323	NU50CK000556	346,267	-	-
Building Epidemiology and Health IT Capacity Program 2023	93.323	NU50CK000556	226,060	-	-
			<u>88,927,474</u>	-	<u>10,875,058</u>
<b>Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response</b>					
COVID-19 Public Health Crisis Response - 2021	93.354	NU90TP922158	5,058,533	-	376,012
COVID-19 Public Health Crisis Response - 2019	93.354	NU90TP922073	206,016	-	-
Public Health Crisis Response - 2022	93.354	NU90TP922214	382,555	-	158,969
			<u>5,647,104</u>	-	<u>534,981</u>
<b>Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises</b>					
COVID-19 Health Disparities (C5) 2021	93.391	NH75OT000082	12,696,467	-	8,353,851
			<u>12,696,467</u>	-	<u>8,353,851</u>
<b>Community Health Workers for Public Health Response and Resilient COVID-19 Community Health Workers For COVID Response and Resilient Communities (C3)</b>					
	93.495	NU58DP007270	141,422	-	-
			<u>141,422</u>	-	-
<b>HIV Prevention Activities - Health Department Based</b>					
Integrated HIV Surveillance and Prevention 2021	93.940	NU62PS924560	(57,044)	-	-
Integrated HIV Surveillance and Prevention 2022	93.940	NU62PS924560	(10,250)	-	(415)
Integrated HIV Surveillance and Prevention 2023	93.940	NU62PS924560	6,200,918	-	2,041,456
Integrated HIV Ending HIV Epidemic 2022	93.940	NU62PS924631	1,928,315	-	283,071
Integrated HIV Ending HIV Epidemic 2023	93.940	NU62PS924631	2,278,434	-	165,705
			<u>10,340,373</u>	-	<u>2,489,817</u>
<b>Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance</b>					
Medical Monitoring Project 2022	93.944	NU62PS924603	92,728	-	-
Medical Monitoring Project 2023	93.944	NU62PS924603	286,020	-	-
HIV Behavioral Surveillance 2022	93.944	NU62PS924765	3,424	-	-
HIV Behavioral Surveillance 2023	93.944	NU62PS924765	361,855	-	232,935
			<u>744,027</u>	-	<u>232,935</u>
<b>Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health</b>					
Strengthening US Public Health (A2)-2022	93.967	NE11OE000094	342,849	-	-
Strengthening US Public Health (A2)-2023	93.967	NE11OE000094	106,218	-	-
COVID-19 Strengthening US Public Health Infrastructure, Workforce, and Data System-2022	93.967	NE11OE000094	188,863	-	-
			<u>637,930</u>	-	-
<b>Sexually Transmitted Diseases (STD) Prevention and Control Grants</b>					
Strengthening STD Prevention & Control for Health Departments (STD PCHD) 2023	93.977	NH25PS005128	1,386,860	-	-
COVID-19 Strengthening STD Prevention & Control for Health Departments (C6) 2022	93.977	NH25PS005128	2,841	-	-
COVID-19 Strengthening STD Prevention & Control for Health Departments (C6) 2023	93.977	NH25PS005128	2,321,334	-	-
			<u>3,711,035</u>	-	-
<b>Total Centers for Disease Control and Prevention</b>			<u>208,258,528</u>	-	<u>31,757,824</u>

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
<b>D. Office of the Secretary</b>					
Community Programs to Improve Minority Health Grant Program					
COVID-19 Developing Health Literacy (C5) 2021/2023	93.137	CPIMP211238	\$ 1,136,466	\$ -	\$ 406,224
			1,136,466	-	406,224
National Bioterrorism Hospital Preparedness Program					
Hospital Preparedness Program (HPP) 2022	93.889	U3REP190582C	2,310,224	-	1,304,404
Hospital Preparedness Program (HPP) 2023	93.889	U3REP190582E	879,104	-	230,574
			3,189,328	-	1,534,978
<b>Total Office of the Secretary</b>			<b>4,325,794</b>	<b>-</b>	<b>1,941,202</b>
<b>E. Health Resources and Services Administration</b>					
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B					
Ending the HIV Epidemic-Ryan White 2022	93.686	UT8H33950-01	341,073	-	174,172
Ending the HIV Epidemic-Ryan White 2023	93.686	UT8H33950-01	1,776,229	-	478,043
			2,117,302	-	652,215
HIV Emergency Relief Project Grants					
Ryan White HIV Care Act - Part A Emergency Relief 2022	93.914	H89HA00008	3,504,058	-	4,365,143
Ryan White HIV Care Act - Part A Emergency Relief 2023	93.914	H89HA00008	21,351,967	-	15,635,363
			24,856,025	-	20,000,506
Maternal and Child Health Services Block Grant to the States (passed through Illinois Department of Public Health)					
Maternal and Child Health Block Grant 2022	93.994	263800088J	2,500,965	-	345,641
Maternal and Child Health Block Grant 2023	93.994	46380014L	1,659,092	-	189,244
Oral Health Promotion 2022	93.994	T12HP29075	49,691	-	-
			4,209,748	-	534,885
<b>Total Health Resources and Services Administration</b>			<b>31,183,075</b>	<b>-</b>	<b>21,187,606</b>
<b>F. Substance Abuse and Mental Health Services Administration</b>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance					
First Responders Comprehensive Addiction and Recovery 2018	93.243	1H79SP080314	109,091	-	-
			109,091	-	-
Block Grants for Prevention and Treatment of Substance Abuse (passed through Illinois Department of Human Services)					
Substance Abuse Prevention Program 2022/2023	93.959	43CBZ03560	10,394	-	-
Substance Abuse Prevention Program 2023/2024	93.959	43CCZ03560	80,414	-	-
			90,808	-	-
<b>Total Substance Abuse and Mental Health Services Administration</b>			<b>199,899</b>	<b>-</b>	<b>-</b>
<b>Total Department of Health and Human Services</b>			<b>342,191,243</b>	<b>4,730,782</b>	<b>137,485,826</b>
<b>XI. Corporation for National and Community Service</b>					
Corporation for National and Community Service					
Foster Grandparent/Senior Companion Cluster					
AmeriCorps Seniors Foster Grandparent Program (FGP)					
Foster Grandparent Program 2021/2022	94.011	21SFCIL002	119,616	-	-
Foster Grandparent Program 2022/2023	94.011	21SFCIL002	253,719	-	-
			373,335	-	-
AmeriCorps Seniors Senior Companion Program (SCP)					
Senior Companion Program 2021/2022	94.016	21SCCIL001	139,634	-	-
Senior Companion Program 2022/2023	94.016	21SCCIL001	198,735	-	-
			338,369	-	-
<b>Total Foster Grandparent/Senior Companion Cluster</b>			<b>711,704</b>	<b>-</b>	<b>-</b>
<b>Total Corporation for National and Community Service</b>			<b>711,704</b>	<b>-</b>	<b>-</b>
<b>XII. Department of Homeland Security</b>					
<b>A. Federal Emergency Management Agency</b>					
Emergency Food and Shelter National Board Program					
COVID-19 Emergency Food and Shelter Program - 2022	97.024	N/A	1,032,845	-	1,032,845
			1,032,845	-	1,032,845
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (passed through Illinois Emergency Management Agency)					
COVID-19 Fema Public Assistance Grant - 2020	97.036	FEMA4489DRIL	48,518	9,381,615	-
COVID-19 Fema Public Assistance Grant - 2021	97.036	FEMA4489DRIL	10,336,243	56,666,009	-
COVID-19 Fema Public Assistance Grant - 2022	97.036	FEMA4489DRIL	7,511,864	37,002,532	-
COVID-19 Fema Public Assistance Grant - 2023	97.036	FEMA4489DRIL	-	184,248	-
			17,896,625	103,234,404	-

CITY OF CHICAGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Agency / Program / Grant Title or Cluster Title	Assistance Listing Number	Federal Grant/ Pass-Through Number	2023 Federal Expenditures	2023 Non-Federal Expenditures	2023 Sub recipient Expenditures
<b>Hazard Mitigation Grant</b>					
(passed through Illinois Emergency Management Agency)					
Hazard Mitigation PG Grant - 2021	97.039	FEMA446138FD	\$ 1,670	\$ -	\$ -
Hazard Mitigation PG Grant - 2021	97.039	FEMA4461DRIL	300,000	-	300,000
			<u>301,670</u>	<u>-</u>	<u>300,000</u>
<b>Emergency Management Performance Grants</b>					
(passed through Illinois Emergency Management Agency)					
Emergency Management Preparedness	97.042	22EMACHGO	701,669	-	-
Emergency Management Preparedness	97.042	23EMACHGO	133,239	-	-
			<u>834,908</u>	<u>-</u>	<u>-</u>
<b>Assistance to Firefighters Grant</b>					
Assistance to Firefighters 2020					
	97.044	EMW-2020-FG-19761	1,006,735	-	-
			<u>1,006,735</u>	<u>-</u>	<u>-</u>
<b>Port Security Grant Program</b>					
Port Security Grant Program 2018/CFD	97.056	EMW-2018-PU-00394	110,338	-	-
Port Security Grant Program 2019/CFD	97.056	EMW-2019-PU-00541	457,400	-	-
Port Security Grant Program 2019/CFD	97.056	EMW-2019-PU-00024	154,650	51,550	-
Port Security Grant Program 2020/CFD	97.056	EMW-2020-PU-00472	113,789	-	-
Port Security Grant Program 2021/CFD	97.056	EMW-2021-PU-00250-S01	23,531	-	-
			<u>859,708</u>	<u>51,550</u>	<u>-</u>
<b>Homeland Security Grant Program</b>					
(passed through Illinois Emergency Management Agency)					
Urban Areas Security Initiative Grant 2019	97.067	19UASICHGO	13,375,806	-	2,315,280
Urban Areas Security Initiative Grant 2020	97.067	20UASICHGO	19,695,215	-	(228,174)
Urban Areas Security Initiative Grant 2021	97.067	21UACHICAG	9,762,118	-	(2,087,106)
Urban Areas Security Initiative Grant 2022	97.067	22UACHICAG	9,979,984	-	-
			<u>52,813,123</u>	<u>-</u>	<u>-</u>
<b>Rail and Transit Security Grant Program</b>					
(passed through Chicago Transit Authority)					
Transit Security Grant Program 2019	97.075	EMW-2019-RA-00017-S01	622,452	-	-
Transit Security Grant Program 2020	97.075	EMW-2020-RA-00027-S01	520,193	-	-
Transit Security Grant Program 2021	97.075	EMW-2021-RA-00027-S01	150,637	-	-
			<u>1,293,282</u>	<u>-</u>	<u>-</u>
<b>Shelter and Services Program</b>					
Shelter and Services Program - 2023					
	97.141	2023SP05048	12,546,098	-	12,546,098
			<u>12,546,098</u>	<u>-</u>	<u>12,546,098</u>
<b>Total Federal Emergency Management Agency</b>			<u>88,584,994</u>	<u>103,285,954</u>	<u>13,878,943</u>
<b>B. Assistant Secretary for Countering Weapons of Mass Destruction</b>					
Securing the Cities Program					
Securing the Cities Program 2018	97.106	16DNSTC00001-02-00	1,834,428	-	-
Securing the Cities Program 2019	97.106	16DNSTC00001	3,167,715	-	-
Securing the Cities Program 2021	97.106	21CWDSTC00017-02-01	(39,648)	-	-
Securing the Cities Program 2022	97.106	21CWDSTC00017-02-00	2,081	-	-
			<u>4,964,576</u>	<u>-</u>	<u>-</u>
<b>Total Assistant Secretary for Countering Weapons of Mass Destruction</b>			<u>4,964,576</u>	<u>-</u>	<u>-</u>
<b>Total Department of Homeland Security</b>			<u>93,549,570</u>	<u>103,285,954</u>	<u>13,878,943</u>
<b>TOTALS:</b>			<u>\$ 1,083,083,197</u>	<u>\$ 117,180,143</u>	<u>\$ 340,116,774</u>

# CITY OF CHICAGO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2023

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### NOTE 1 – REPORTING ENTITY

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The City of Chicago (the City) is a governmental entity established by laws of the State of Illinois and has the powers of a body corporate, as defined in the statutes. All significant operations of the City are included in the scope of the Office of Management and Budget (OMB) requirements contained in 2 CFR Part 200, Subpart F (Single Audit). The U.S. Department of Health and Human Services (HHS) has been designated as the City's cognizant agency for the Single Audit. The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board.

**Programs Subject to Single Audit** – A Schedule of Expenditures of Federal Awards (the "Schedule") is presented for each federal program and a summary of expenditures by federal agency is as follows:

U.S. Department of Agriculture	\$ 4,362,283
U.S. Department of Commerce	88,070
U.S. Department of Housing and Urban Development	188,323,019
U.S. Department of Justice	12,416,427
U.S. Department of Transportation	91,072,528
U.S. Department of Treasury	312,402,656
U.S. National Endowment for the Arts	155,200
U.S. Institute of Museum and Library Services	27,355
U.S. Environmental Protection Agency	37,783,142
U.S. Department of Health and Human Services	342,191,243
U.S. Corporation for National and Community Service	711,704
U.S. Department of Homeland Security	<u>93,549,570</u>

**Total Expenditures of Federal Awards** **\$ 1,083,083,197**

Passenger Facility Charges collected and expended, as prescribed by Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 issued by the Federal Aviation Administration of the United States Department of Transportation, are not included in this Single Audit report and are audited separately.

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### NOTE 2 – BASIS OF PRESENTATION

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The accompanying schedule of expenditures of federal awards includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule presents only a selected portion of the operations of the City and accordingly, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

# CITY OF CHICAGO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2023

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### NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Expenditures reported on the Schedule are generally reported on the accrual or modified accrual basis of accounting depending on the type of fund. Some expenditures are reported when the reimbursement is received due to uncertainty of the source of funding at the time the expenditure is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Certain financial awards were received by the City in the form of noncash direct assistance. These noncash awards are included on the Schedule under ALN 93.268. The Schedule of expenditures of federal awards includes a column titled Non-Federal Expenditures. Amounts reported in this column include the City's required match for federal programs.

The City has a cost allocation plan for allocation of common and indirect costs related to grant programs. The amounts allocated to 2023 grant programs are based primarily on 2022 budgeted amounts. Variances between actual costs and budgeted amounts are adjusted on a prospective basis. A copy of the cost allocation plan is kept on file at the City. The City's cost allocation plan for 2023 has been prepared on a Direct Cost Base that does conform to the direct cost bases in the Uniform Guidance. The City's 2023 Cost Allocation Plan (Local Organization Cost Allocation Plan – LOCAP) was provided for review and negotiation to the City's indirect cost cognizant agency and is pending negotiation and approval, expected in 2024.

The City has not elected to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance. Individual City departments' indirect cost rate proposals (ICRP's) for 2023 have been prepared on a Salaries and Wages plus all Fringe Benefits (S&W+FB) Direct Cost Base that does conform to the Uniform Guidance.

The 2023 Indirect Cost Rate Agreements related to the ICRP's for the Chicago Departments of Planning and Development, Housing, Public Health, and Family and Support Services are pending negotiation with the City's indirect cost cognizant agency. The provisional rates in the 2022 Indirect Cost Rate Agreement for these departments extending from 01/01/2023 through 12/31/2025 were used for 2023 indirect cost recovery.

**Federal/State Commingled Funds** – The City of Chicago receives various federal awards that are passed through the State of Illinois. Many of these contracts contain a blend of state and federal awards. To the extent practical, the federal funding has been segregated from the state funding based on information provided by the state agencies. In some instances, individual state contracts contain multiple federal ALNs and the City has segregated the federal dollars associated with each contract award based on information received from the pass-through state agency. Due to the timing differences between the pass-through agency fiscal year end and the City's reporting period, allocation differences may result.

The state contract for the Child Care program (federal cluster 93.575/93.596), passed through the Illinois Department of Human Services (IDHS), has been considered a Type A cluster for audit testing purposes each year. The final allocation of federal expenditures varies depending on the most recent available information provided by IDHS and may be reported under both ALNs or one ALN. For FY2023 the Child Care program included federal funds confirmed by IDHS for ALN 93.596.



# CITY OF CHICAGO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2023

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### NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### COVID-19

While continuing to recover from the impacts of the COVID-19 pandemic, the City received federal and state grants, including \$48.0 million of ARP Act funds used to replace lost revenues due to the impacts of the COVID-19 pandemic totaling \$1,855.0 million. These revenues were primarily used to respond to the ongoing effects of the COVID-19 pandemic, such as housing and rental assistance, and public safety, as well as provide essential government services.

In addition, the City is eligible for the Federal Emergency Management Agency (FEMA) Public Assistance Program and in FY2023 received reimbursements for eligible expenditures incurred in FY2020, FY2021 and FY2022 under this grant in the amount of \$48,518, \$10,336,243 and \$7,511,864 respectively, as reflected under ALN 97.036 in the Schedule.

#### Midway and O'Hare Airports

Midway was awarded a total of \$172.4 million of COVID-19 Relief Funds. Midway applied all of the COVID-19 Relief Funds through 2023 to airlines rates and charges. These funds were available for any airport purpose, including debt service payments, thus COVID-19 Relief Funds have been included in the calculation of the debt service covenant.

O'Hare was awarded a total of \$651.8 million of COVID-19 Relief Funds. Excluding Concessionaire Relief Grants, the City has applied \$640.3 million of the COVID-19 Relief Funds through 2023 to airlines rates and charges, PFCs (Passenger Facility Charges) and CFCs (Customer Facility Charges), and has \$11.5 million of funds remaining to be applied in 2024.

**Report on Compliance  
for Each Major Federal Program and  
Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

Independent Auditors' Report

To the Honorable Brandon Johnson, Mayor, and the Members of the City Council of  
City of Chicago

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Chicago's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly US, LLP*

Chicago, Illinois  
July 31, 2024

**CITY OF CHICAGO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2023

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

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***FINANCIAL STATEMENTS*** (Information obtained from separate report audited by other auditors)

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- > Material weakness(es) identified?        X   yes             no
- > Significant deficiency(ies) identified?             yes        X   none reported

Noncompliance material to financial statements noted?

       yes        X   no

***FEDERAL AWARDS***

Internal control over major programs:

- > Material weakness(es) identified?             yes        X   no
- > Significant deficiency(ies) identified?        X   yes             none reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?

  X   yes             no

Auditee qualified as low-risk auditee?

  X   yes             no

Dollar threshold used to distinguish between type A and type B programs:

                  \$ 3,249,250

# CITY OF CHICAGO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2023

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### SECTION I – SUMMARY OF AUDITORS’ RESULTS (cont.)

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Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
14.218	CDBG – Entitlement Grants Cluster: Community Development Block Grants / Entitlement Grants
14.218	CDBG – Entitlement Grants Cluster: COVID-19 Community Development Block Grants / Entitlement Grants
16.738	Edward Byrne Memorial Justice Assistance Grant Program
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.458	Clean Water State Revolving Fund (CWSRF) Cluster: Clean Water State Revolving Fund
93.268	Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
93.354	COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
93.569	Community Services Block Grant
93.686	Ending the HIV Epidemic: A Plan for America – Ryan White HIV/AIDS Program Parts A and B
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants
93.977	COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants
97.106	Securing the Cities Program
97.141	Shelter and Services Program

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### SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Finding 2023-001 was reported by other auditors and is included in a separate report issued by those auditors.

# CITY OF CHICAGO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2023

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### SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

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#### **FINDING 2023-002**

##### **Assistance**

##### **Listing Numbers**

93.268 COVID-19 Immunization Cooperative Agreements  
93.323 COVID-19 Epidemiology and Laboratory Capacity for  
Infectious Diseases (ELC)  
93.354 COVID-19 Public Health Emergency Response:  
Cooperative Agreement for Emergency Response: Public  
Health Crisis Response  
93.686 Ending the HIV Epidemic: A Plan for America – Ryan  
White HIV/AIDS Program Parts A and B

##### **Federal Agency**

U.S. Department of Health and Human Services

##### **Pass-through Agency**

Not applicable

##### **Award Numbers / Years**

93.268: NH23IP922613  
93.323: NU50CK000556  
93.354: NU90TP922158  
93.686: UT8H33950-01

##### **City Department**

Department of Public Health (CDPH)

**Criteria:** Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and report subaward data through FSRS. The subaward data reported must accurately represent the key data elements supported by the source documentation. These key data elements include the following: Subawardee Name, Subawardee DUNS#, Amount of Subaward, Subaward Obligation /Action Date, Date of Report Submission, Subaward Number, Subaward Project Description, Subaward Names and Compensation of Highly Compensated Officers if thresholds are met. Reporting submission must be no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

**Condition/Context:** Subawards sampled across the programs noted above were found to be submitted beyond the due date, not reported at all, reported using the wrong amount, or reported with an incorrect subawardee name. Sample sizes and errors found during testing are noted below. Our sample was not statistically valid.

**CITY OF CHICAGO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2023

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**FINDING 2023-002** (cont.)

Assistance Listing Number	93.268	93.323	93.354	93.686
Transactions tested / Dollar amount	2 transactions \$1,271,996	8 transactions \$4,437,092	1 transaction \$500,000	2 transactions \$1,082,969
Subawards not reported / Dollar amount	N/A	N/A	N/A	N/A
Reports not timely / Dollar amount	2 reports \$1,271,996	5 reports \$2,434,641	N/A	2 reports \$1,082,969
Subawards amount incorrect / Dollar amount	N/A	1 subaward \$504,083	N/A	N/A
Subawards missing key elements / Dollar amount	N/A	N/A	1 subaward \$500,000	N/A

**Effect:** CDPH is not in compliance with the reporting guidelines required by FFATA.

**Questioned Costs:** Not applicable.

**Cause:** CDPH did not have a process in place to ensure FFATA reporting was done timely and accurately.

**Recommendation:** We recommend the Chicago Department of Public Health (CDPH) ensure that reporting under FFATA is completed for all relevant subawards by the required due date with the correct key data elements for each subaward and is reviewed for accuracy and completeness compared to the subawards' source documentation.

**Views of Responsible Officials:** See Corrective Action Plan.



# CITY OF CHICAGO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2023

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### SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

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#### ***FINDING 2023-003***

<b>Assistance Listing Number</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Agency</b>	U.S. Department of Treasury
<b>Pass-through Agency</b>	Not applicable
<b>Award Numbers / Years</b>	ERA2
<b>City Department</b>	Department of Housing (DOH)

**Criteria:** Under the requirements of 2CFR 200.329, the non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. The U.S. Treasury requires program performance reports to be filed quarterly.

**Condition/Context:** Two out of the four quarterly ERA Compliance reports were sampled. It was noted that DOH did not file the second quarter report on a timely basis. The portal did not allow a report to be filed after the due date. The sample was not statistically valid.

**Effect:** DOH was not in compliance with the reporting guidelines for the program.

**Questioned Costs:** Not applicable.

**Cause:** DOH did not have a process put in place to ensure that each required quarterly performance report was filed by the deadline.

**Recommendation:** We recommend that DOH review its reporting process to ensure that reports are filed in a timely basis.

**Views of Responsible Officials:** See Corrective Action Plan.

**CITY OF CHICAGO, ILLINOIS  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2023**



CITY OF CHICAGO



DEPARTMENT OF FINANCE

**CORRECTIVE ACTION PLAN**  
Year Ended December 31, 2023

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**FINDING 2023-002**

Effective September 1, 2024, the FFATA Reporting Coordinator (a designated Contract Review Specialist at Chicago Department of Public Health) will enter and submit the required contract data into the FFATA system within 30 days of the contract's execution date. The FFATA Reporting Coordinator will save the report in PDF and a screenshot of the submission date. At the end of each month, the FFATA Reporting Coordinator will meet with the Contract Administrator on the 3rd Wednesday of each month. They will complete the FFATA reporting worksheet to confirm that each requirement was reported and submitted correctly. The FFATA reporting worksheet will include all required data points provided by the auditors. The FFATA Reporting Coordinator, Contract Administrator, and Assistant Commissioner will have a standing meeting on the 4th Monday of every month to review the FFATA reports and FFATA worksheets and confirm that every executed contract was properly entered into the FFATA system for that month and submitted timely.

Assistant Commissioner Pfeiffer at the Department of Public Health will be responsible for ensuring that this corrective action plan is implemented by September 1, 2024.

**FINDING 2023-003**

As a result of the 2023 Single Audit, the Department of Housing (DOH) received an audit finding related to a missing quarterly report that was not filed for the Emergency Rental Assistance (ERA) Program.

Currently, Treasury reporting for ERA is conducted primarily by the Director of Policy, and the Treasury reporting system is not integrated into other DOH grant systems to provide a wider view to DOH contracts and finance staff as to the status of report submissions.

As a corrective action, DOH will establish an internal process requiring that quarterly reports, including a time stamp of submission, be saved and circulated to DOH contracts staff by the 15th of the month following the end of each quarter.

Acting Director of Policy Stern at Department of Housing will be responsible for ensuring that this corrective action plan is implemented by January 1, 2025.

**CITY OF CHICAGO, ILLINOIS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023**



CITY OF CHICAGO



DEPARTMENT OF FINANCE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2023

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***FINDING 2022-001 Significant Deficiency in Internal Controls over Financial Reporting***

Due to the size and diversity of the City's business operations, the financial accounting and reporting is very complex. In addition to the traditional governmental services, the City also owns and operates large enterprise operations consisting of a water and wastewater utility and two international airports. The accounting personnel for the enterprise operations of the City of Chicago is not currently adequately staffed, thereby creating competing demands of their time and ability to timely prepare the financial statements in accordance with GAAP.

**2023 STATUS**

The Department of Finance (DOF) has evaluated the organizational structure of the accounting personnel within the City of Chicago, and accordingly has addressed the organizational structure of the Enterprise Accounting Division to meet the auditor's recommendations.

In January 2024, DOF expanded Enterprise Funds operations by creating a financial reporting unit to oversee the year-end closing and financial reporting process for the four Enterprise Funds. The City has also moved two positions (Supervisor of Accounting and Lead Accountant) from the Department of Water Management (DWM) finance division to DOF to ensure sufficient levels of technically proficient accounting personnel are available during critical financial reporting periods. In addition, DOF has converted two vacant Accountant positions to Director of Accounting that will oversee the financial reporting process of the enterprise operations. The recently created Director of Accounting position has been filled on 02/14/2024. DOF is also working closely with DWM former personnel to ensure institutional knowledge of both the water and sewer's financial reporting operations are adequately communicated in a timely manner and to avoid any delays and maximize efficiencies in the overall year-end closing and financial reporting process.

Professional development focus efforts are occurring by utilizing GFOA programs and available pertinent training products available from within the City and open marketplace. The Enterprise Funds have been added to DOF computerized systemization of the ACFR process flows for preparation of required annual reporting. This is an ongoing collaborative and iterative implementation effort.

Professional development efforts and retooling efforts, (coupled with promoting from within), provide astute resource utilization and succession planning.

Chasse Rehwinkel, City Comptroller in the Department of Finance is responsible for implementing and ongoing monitoring of this corrective action.

# CITY OF CHICAGO

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2022

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### ***FINDING 2022-002***

<b>Assistance Listing Number</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Agency</b>	U.S. Department of Treasury
<b>Pass-through Agency</b>	Not applicable
<b>Award Numbers / Years</b>	2022
<b>City Departments</b>	Department of Housing

After conducting an extensive analysis of payments made under ERAP, the City has determined that there are potential unallowable payments that were made to ineligible beneficiaries. In addition, the City noted that some eligibility determinations were made and approved by the same person employed by the contractor, resulting in a lack of internal controls over the process. The City is in the process of investigating the validity and extent of potential unallowable payments made.

In a sample of 60 benefit payments made, we noted 8 instances where the eligibility determination was approved by the same person who made the determination. Our sample was not statistically valid.

### **2023 STATUS**

In May 2023, the Department of Housing (DOH) terminated its contract with the ERAP Program Administrator, The Renaissance Project (TRP). Then in June 2023, DOH entered into an agreement with Illinois Housing Development Authority (IHDA) to take over program administration duties. Between September and December 2023, DOH transferred a combined \$10m in ERA2 funds and Court-based ERA funds to IHDA. DOH has not administered a new rental assistance program and therefore has not needed to review its case management workflow procedures. There are no future plans for new program implementation.

In April 2023, the City retained Baker Tilly to audit the performance of TRP in administering ERAP. In sum, Baker Tilly concluded that TRP approved many ERAP applications submitted by apparent TRP personnel and related individuals under circumstances suggesting misconduct by the applicants and/or reviewers. The analysis identified at least 120 ineligible payments worth over \$1.3 million within the sample investigated.

Inquiries regarding any updates should be directed to Damian Albert, Assistant Commissioner of Finance, Dept. of Planning and Development and Dept. of Housing.

# CITY OF CHICAGO

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2023

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### **FINDING 2022-003**

<b>Assistance Listing Numbers</b>	97.024 Emergency Food and Shelter National Board Program
<b>Federal Agency</b>	U.S. Department of Homeland Security
<b>Pass-through Agency</b>	Not Applicable
<b>Award Numbers / Years</b>	2022
<b>City Departments</b>	Office of Budget and Management

The transactions selected in our sample consisted of reimbursements to subrecipients. One of the five sampled transactions was for administrative costs charged to the program utilizing a percentage of direct costs rather than identifying specific administrative costs that support relief services. Our sample was not statistically valid.

### **2023 STATUS**

To adhere to federal regulations outlined in 2 CFR §200.332 of the uniform guidance, The Office of Budget and Management initiated a transfer on March 28<sup>th</sup>, 2024, removing all indirect cost applied to Fund G488. Moving forward, both the Office of Budget and Management and the Department of Family and Support Services are working closely together to verify when we are allowed to charge indirect cost to a grant. As this grant has been expended, we do not foresee this issue recurring.

Inquiries regarding any updates should be directed to Chloe Belczak, Deputy Budget Director, Office of Budget and Management.

# CITY OF CHICAGO

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2022

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### ***FINDING 2022-004***

<b>Assistance Listing Numbers</b>	97.024 Emergency Food and Shelter National Board Program
<b>Federal Agency</b>	U.S. Department of Homeland Security
<b>Pass-through Agency</b>	Not Applicable
<b>Award Numbers / Years</b>	2022
<b>City Departments</b>	Office of Budget and Management

Both of the subaward agreements tested did not contain the assistance listing number, federal award identification number, federal award date, and unique entity identifier in the original agreement. The grant agreement said that information would be forthcoming, however, no additional communications were provided to the subrecipients with this information. Our sample was not statistically valid.

### **2023 STATUS**

To adhere to federal regulations outlined in 2 CFR §200.332 of the uniform guidance, pass-through entities are mandated to clearly identify each subaward and provide specific award identification data to subrecipients. Consequently, departments must ensure compliance by incorporating all required information specified in 2 CFR §200.332 Section (a) into every subaward and contract if the award necessitates delegate agencies or vendors for implementation. Failure to include all necessary information on the contract template renders the contract non-compliant with federal regulations. In instances where information is unavailable to the City at the contract signing, departments are accountable for either locating or providing this information before contracts are uploaded to DPS's Contracts and Vendors Website. Any missing data should be subsequently added to the contract through a notice once it becomes accessible.

For ongoing compliance at the departmental level, quarterly reports must be submitted to the Office of Budget Management (OBM), specifically highlighting any absent requisite information concerning subawards and contracts. Moreover, departments are obligated to provide the eSMART pickup process status notification report post-uploading to DPS's website.

Oversight of these updates falls under the purview of the newly hired Grants Manager for Contracting at OBM, who joined in September 2023. The Grants Manager will collaborate with departments to ensure the comprehensive inclusion of all essential information in the relevant amendments.