NEW ISSUE - BOOK ENTRY ONLY **NOT RATED**

*In the opinions of Ice Miller LLP, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, ("**Co-Bond Counsel**"), subject to compliance by the Board with certain covenants, under law existing on the date of issuance of such opinions, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax. Interest on the Notes is not exempt from present State of Illinois income taxes. See "**TAX MATTERS**" herein for a more complete discussion.*

BOARD OF EDUCATION OF THE CITY OF CHICAGO

$400,000,000

Educational Purposes
Tax Anticipation Notes, Series 2020A

Dated: Date of Delivery **Maturity:** June 1, 2021 **Interest Rate:** 0.85%
Purchase Price: 100% **CUSIP:** 167505XG6

The $400,000,000 Educational Purposes Tax Anticipation Notes, Series 2020A (the "**Notes**"), are being issued by the Board of Education of the City of Chicago (the "**Board**") under a Master Trust Indenture, dated as of October 1, 2020 (the "**Master Indenture**"), by and between the Board and Zions Bancorporation, National Association, as trustee (the "**Trustee**"), as supplemented by a First Supplemental Indenture, dated as of October 1, 2020 with respect to the Notes (the "**First Supplemental Indenture**"), between the Board and the Trustee (the Master Indenture as so supplemented by the First Supplemental Indenture is hereinafter referred to as the "**Indenture**").

The Notes will be issued in Authorized Denominations (as defined in the Indenture) of $100,000 or integral multiples of $5,000 in excess of $100,000, will be fully registered notes and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("**DTC**"). The Master Indenture provides for the issuance of Tax Anticipation Notes ("**Tax Anticipation Notes**"), consisting of the Notes and any Additional Notes (defined as any Series of subsequently issued Tax Anticipation Notes entitled to the benefits of the Master Indenture and delivered pursuant to a supplemental indenture authorized thereby). DTC will act as securities depository for the Notes. Purchasers of the Notes will not receive certificates representing their interests in the Notes purchased. Principal of and interest on the Notes will be paid by the Trustee to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursal to the beneficial owners of the Notes. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Notes will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See "**THE NOTES – Book-Entry-Only System**."

The proceeds of the Notes will be used, together with certain funds legally available to the Board, to (i) pay ordinary and necessary expenditures for educational purposes and (ii) pay costs of issuance of the Notes.

The Notes are limited obligations of the Board and are payable solely from the receipts derived from the collection of the annual tax levied by the Board upon all taxable property in the hereinafter defined School District for educational purposes for the tax year 2020 (the "**Pledged Taxes**"), to the extent such money has not been released to the Board free and clear of the lien of the Indenture pursuant to the terms thereof (the "**Pledged Tax Receipts**"). The pledge of Pledged Tax Receipts with respect to the Notes is on a parity with the pledge thereof securing the payment of Additional Notes of the Board. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Notes. The Notes are also payable from all funds, accounts and sub-accounts established as security for such Notes pursuant to the Indenture. See "**SECURITY FOR THE NOTES**."

The Notes are being offered and issued subject to the delivery of the approving legal opinions of Co-Bond Counsel. Certain legal matters will be passed upon in connection with the issuance of the Notes, for the Board by its General Counsel, Joseph Moriarty, its Co-Issuer's Counsel, Cotillas and Associates, Chicago, Illinois, and Katten Muchin Rosenman LLP, Chicago, Illinois and its Co-Disclosure Counsel, Burke Burns & Pinelli, Ltd., Chicago, Illinois, and Sanchez Daniels & Hoffman LLP, Chicago, Illinois. Delivery of the Notes is expected to be made through the facilities of DTC in New York, New York, on October 22, 2020.

Dated October 14, 2020.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement contains disclosures which contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by use of words like “believe,” “intend,” “expect,” “project,” “forecast,” “estimate,” “anticipate,” “plan,” “continue,” or similar expressions or by the use of future or conditional verbs such as “may,” “will,” “should,” “would,” or “could.” These forward-looking statements are based on the current plans and expectations of the Board and are subject to a number of known and unknown uncertainties and risks, many of which are beyond its control and/or difficult or impossible to predict, that could significantly affect current plans and expectations and the Board’s future financial position, including but not limited to changes in general economic conditions, demographic trends and State and federal funding of programs which benefit the Board. As a consequence, current plans, anticipated actions and forecasted or future financial positions and liquidity may differ materially from those expressed in (or implied by) any forward-looking statements made by the Board herein based on a number of factors, including, among others, the amount and availability of State funding, cost reduction, capital markets condition, future long-term and short-term borrowings, the financial condition of the State and/or the City, potential legislative or other actions, and other risks and uncertainties discussed under the caption “OTHER INVESTMENT CONSIDERATIONS.”

No dealer, broker, salesperson or other person has been authorized by the Board to give any information or to make any representation with respect to the Notes, other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement is neither an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Notes offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion set forth herein have been furnished by the Board and include information from other sources that the Board believes to be reliable. Such information is not guaranteed as to accuracy, fairness or completeness. Such information and expressions of opinion are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change since the date hereof. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Notes.

This Official Statement should be considered in its entirety. All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof and all references to the Notes are further qualified by reference to the information with respect thereto contained in the Indenture for the Notes. A copy of the Indenture (including the form of Note) is attached hereto.

The information contained herein is provided as of the date hereof and the Board has no obligation to update such information.

THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATING AUTHORITY. THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE NOTES IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE NOTES HAVE RISK CHARACTERISTICS THAT REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE NOTES SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE NOTES. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFICIAL STATEMENT OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE BOARD, ITS OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

THERE CAN BE NO GUARANTEE THAT THERE WILL BE A MARKET FOR THE NOTES OR, IF A MARKET EXISTS, THAT IT WOULD CONTINUE TO EXIST OR THAT THE NOTES COULD IN ANY EVENT BE SOLD FOR ANY PARTICULAR PRICE.

THIS OFFICIAL STATEMENT SPEAKS AS OF THE DATE HEREOF AND THE BOARD IS UNDER NO OBLIGATION TO REVISE OR SUPPLEMENT ANY OF THE INFORMATION CONTAINED HEREIN WITH RESPECT TO ANY FACTS OR CIRCUMSTANCES THAT MAY HEREAFTER OCCUR.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

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Joseph Moriarty
General Counsel

Ice Miller LLP
Charity & Associates, P.C.
Co-Bond Counsel

Cotillas and Associates
Katten Muchin Rosenman LLP
Co-Issuer's Counsel

Burke Burns & Pinelli, Ltd.
Sanchez Daniels & Hoffman LLP
Co–Disclosure Counsel to the Board

Columbia Capital Management, LLC
Financial Advisor

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INTRODUCTION

General

The purpose of this Official Statement, including the cover page and the Appendices hereto, is to set forth information in connection with the offering and sale by the Board of Education of the City of Chicago (the "**Board**" or **"CPS**") of its $400,000,000 aggregate principal amount of Educational Purposes Tax Anticipation Notes, Series 2020A (the "**Notes**"). All capitalized terms used in this Official Statement and not otherwise defined in the body of this Official Statement have the same meanings as assigned thereto in the Indenture (as defined below) which is attached hereto as **APPENDIX A – "Forms of Master Indenture and Supplemental Indenture."**

Authorization

The Notes are being issued pursuant to (i) the School Code of the State of Illinois, as amended (the "**School Code**"), and the Local Government Debt Reform Act of the State of Illinois, as amended (the "**Debt Reform Act**"); (ii) Resolution 20-0826-RS4 of the Board adopted on August 26, 2020 (the "**Note Resolution**"); and (iii) the terms of a Master Trust Indenture dated as of October 1, 2020 (the "**Master Indenture**"), by and between the Board and Zions Bancorporation, National Association, as trustee (the "**Trustee**"), as supplemented by a First Supplemental Indenture dated as of October 1, 2020, with respect to the Notes (the "**First Supplemental Indenture**"), between the Board and the Trustee (the Master Indenture as so supplemented by the First Supplemental Indenture is hereinafter referred to as the "**Indenture**").

The Note Resolution authorizes the Board to enter into one or more note purchase agreements with one or more financial institutions or investors and one or more lending agreements with one or more banks or the provision of lines of credit or loans to enable the Board to borrow money in anticipation of the tax revenue to be derived from the 2020 tax levy of the Board for educational purposes, and to issue and have outstanding tax anticipation notes (the "**Tax Anticipation Notes**") in anticipation of such tax revenue in an aggregate principal amount outstanding from time to time of not to exceed $1,250,000,000. The Note Resolution further authorizes the Board to issue Tax Anticipation Notes by means of a public notice of sale. The Tax Anticipation Notes are to be issued in accordance with the provisions of Section 34-23.5 of the School Code and the Debt Reform Act.

The proceeds of the Notes will be used, together with certain funds legally available to the Board, to (i) pay ordinary and necessary expenditures for educational purposes and (ii) pay costs of issuance of the Notes.

COVID-19 Pandemic

The COVID-19 pandemic and resulting restrictions, discussed in this Official Statement under **"IMPACT OF COVID-19 ON LIQUIDITY CONDITION OF THE BOARD,"** have had economic impacts on governmental entities, including the Board, and are expected to continue to do so into the foreseeable future. As they relate to the issuance of the Notes and their repayment, these impacts may affect the level and timing of property tax collections, the cost of Board operations, the revenues budgeted for in the Board's Fiscal Year 2021 budget and the need to issue Additional Notes (as defined herein under

"**SECURITY FOR THE NOTES – Limitation on Issuance of Tax Anticipation Notes**"). From information available to the Board as of the date of this Official Statement, the extension of the Tax Penalty Date (defined and discussed under **"PLAN OF FINANCE"**) does not appear to have materially impacted the overall collection rate of 2019 real property taxes (see **"BOARD OF EDUCATION OF THE CITY OF CHICAGO Property Tax Collections in Cook County"**). However, should there be a failure to obtain additional federal funding as part of a federal COVID-19 response, as contemplated in the Board's Fiscal Year 2021 budget, such an event could affect the Board's Fiscal Year 2021 budget in ways that would impact decisions on the amount of Tax Anticipation Notes issued or the timing of such issuance (upon both of which there are limitations discussed in this Official Statement). The Board does not anticipate such a failure to receive federal funding to have an impact on the repayment of the Notes. "**Fiscal Year**," as used in this Official Statement means the Board's fiscal year that ends June 30. For more information about the impacts of the COVID-19 pandemic on the Board's operations, finances and liquidity, see **"PLAN OF FINANCE,"** "**IMPACT OF COVID-19 ON LIQUIDITY CONDITION OF THE BOARD," "OTHER INVESTMENT CONSIDERATIONS," "BOARD OF EDUCATION OF THE CITY OF CHICAGO Property Tax Collections in Cook County," "CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget"** and **"CASH FLOW AND LIQIDITY"** in this Official Statement.

PLAN OF FINANCE

The Notes will be the first series of Tax Anticipation Notes issued under the Indenture. As described in this Official Statement, the Notes will be issued pursuant to competitive, public notice of sale and will bear interest at a fixed rate. The Board expects to issue Additional Notes under the Indenture during Fiscal Year 2021 and into early Fiscal Year 2022. Certain series of Additional Notes may be issued pursuant to competitive sale, negotiated sale or direct placement.

All Additional Notes are expected to be issued with interest excludable from federal income tax and may bear interest at a fixed rate or a variable rate not to exceed to the maximum rate established by the Note Resolution and the Bond Authorization Act of the State of Illinois, which maximum rate is equal to the greater of 9% or 125% of the Bond Buyer 20 G.O. Bond Index. The Board does not intend to issue taxable Additional Notes. Further, Additional Notes issued in the form of loans or other bank products may provide that in the event of a default under the applicable lending agreement that such Additional Note will bear interest at a higher rate (but not in excess of the maximum rate described above).

The pledge of Pledged Tax Receipts (as defined herein) and the lien on all funds, accounts and sub-accounts maintained under the Indenture and any other monies that the Board deposits under the Indenture for such purpose with respect to the Notes, will be on a parity with the pledge thereof securing the payment of the Additional Notes (see "**SECURITY FOR THE NOTES + Notes Are Limited Obligations of the Board**"). The Note Resolution authorizes the Board to issue Tax Anticipation Notes, including the Notes, in an aggregate principal amount outstanding from time to time of not to exceed $1,250,000,000. However, accounting for the timing of the Board's cash flow needs and various repayments within Fiscal Year 2021 and early Fiscal Year 2022, the Board does not anticipate that the maximum amount of Tax Anticipation Notes outstanding at any one time will exceed approximately $950 million.

In recent Fiscal Years, the Board has relied on short-term borrowing to fund operations and liquidity. These short-term borrowings have primarily consisted of the issuance of tax anticipation notes, payable from the collection of real property taxes levied by the Board for a given tax year and payable in the following calendar year (e.g., the Notes are payable from collection of the real property taxes levied for tax year 2020, which are payable in calendar year 2021).

Real property taxes levied for a tax year become payable during the following year in two installments. The first installment, an estimated tax bill, is due on March 1 and is equal to 55% of the prior year's tax extension. The second installment is typically due on the later of August 1 or 30 days after the mailing of the tax bill and is equal to the remaining amount of the current year's tax extension. Statutory interest penalties for late payment are applied after the date set by the County (defined in the Master Indenture as a "**Tax Penalty Date**"). The Tax Penalty Date for an installment of real property taxes is typically the same date as the due date for such installment. With respect to the second installment of real property taxes for tax year 2019, the due date was August 3, 2020. Due to the COVID-19 pandemic, however, the County extended the Tax Penalty Date for the second installment of 2019 real property taxes to October 1, 2020. See **"IMPACT OF COVID-19 ON LIQUIDITY CONDITION OF THE BOARD Impacts on State and Local Revenues,"** "**BOARD OF EDUCATION OF THE CITY OF CHICAGO – Property Tax Collections**" and **APPENDIX D – "THE REAL PROPERTY TAX SYSTEM.**"

As a result of the tax collection process described above, the Board anticipates that approximately $1.40 billion of Pledged Taxes will be received from the payment of the first installment of property tax collections for 2020 real property taxes, with the balance of approximately $1.12 billion received from the second installment of property tax collections for 2020 real property taxes. As described herein, Additional Tax Anticipation Notes may not be issued if such issuance would cause the outstanding principal amount of Tax Anticipation Notes to exceed 80% of the levied and uncollected Pledged Taxes. See "**BOARD OF EDUCATION OF THE CITY OF CHICAGO – Property Tax Collections**" and **APPENDIX D – "THE REAL PROPERTY TAX SYSTEM.**"

The following chart sets forth the Board's current expectation for its issuances of Tax Anticipation Notes under the Indenture for tax year 2020. The Board's expectation is based on the Board's current expectations of tax receipts and cash flow needs. However, as stated above, actual issuance will be affected by the timing of the Board's cash flow needs and various Tax Anticipation Note repayments from receipts of Pledged Tax Receipts and may differ from the expected issuance set forth in the following chart. The chart shows the Tax Anticipation Notes expected to be issued prior to the receipt of the first installment of Pledged Taxes and those expected to be issued prior to the receipt of the second installment of Pledged Taxes: Also, see "**IMPACT OF COVID-19 ON LIQUIDITY CONDITION OF THE BOARD" Financial and Operational Impacts on the Board**" for a discussion of how the COVID-19 pandemic may affect the amounts and timing of the issuance of Additional Notes.

Tax Year 2020 Tax Anticipation Notes – Expected Issuances

First Installment		Second Installment	
Date	**Est. Amount**	**Date**	**Est. Amount**
October 2020 [1]	$400 million	May 2021	$150 million
January 2021	$250 million	June 2021	$200 million
February 2021	$300 million	July 2021	$375 million

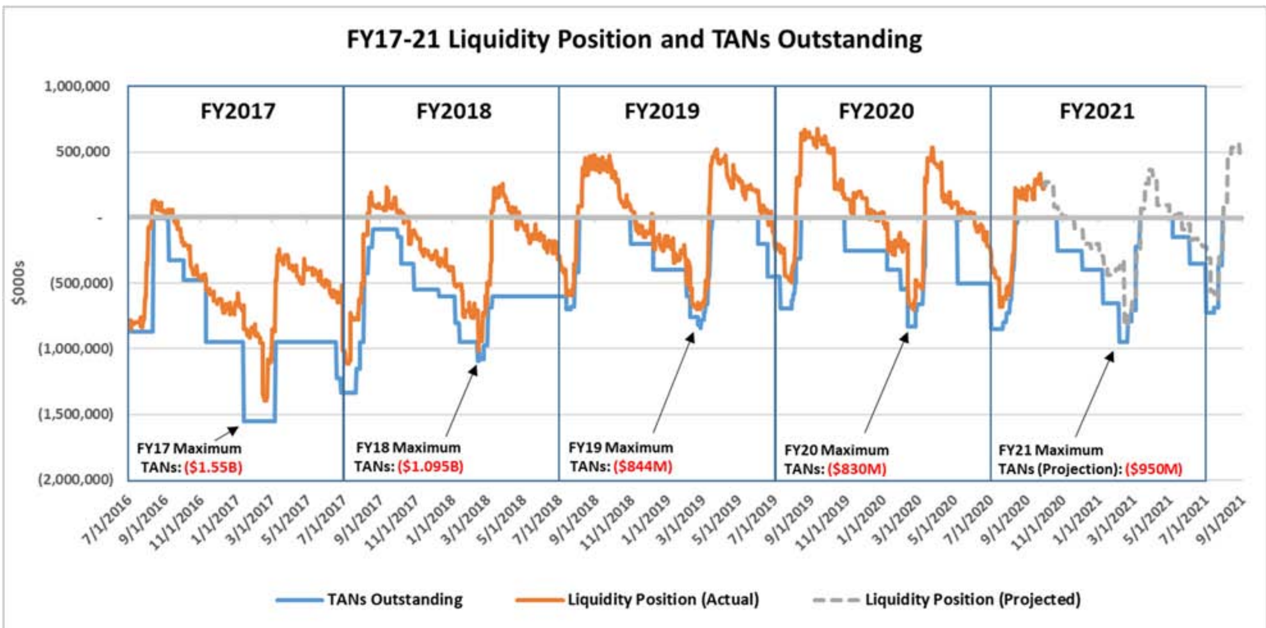
[1] Issuance of the Notes described in this Official Statement.

For further information concerning the Board's projections of cash flow and liquidity for Fiscal Year 2021, see "**CASH FLOW AND LIQUIDITY – Projected Cash Flow Table**."

The Board anticipates that it will continue to issue tax anticipation notes to fund operations and liquidity in Fiscal Year 2021 and subsequent Fiscal Years. In the last three Fiscal Years, the initial issuance of tax anticipation notes occurred in August, September or October. Subsequently, the principal amount of tax anticipation notes outstanding increased with cash flow needs and has typically peaked initially in February due to the annual debt service deposit for the Board's alternate revenue bonds required on February 15. The collection of the first installment of property taxes historically has improved the Board's cash position and resulted in a repayment of a portion of the Board's outstanding tax anticipation notes. A second peak is typically experienced in July, due to additional cash needs and the Board's annual pension contribution required on June 30, before the tax anticipation notes typically are repaid fully in August with the collections of the second installment of property taxes. For information on previous issuance of short-term debt to fund operations and liquidity see **"CASH FLOW AND LIQUIDITY Fiscal Years 2017 to 2021 Short-Term Borrowing to Fund Liquidity**."

In addition, as discussed under "**IMPACT OF COVID-19 ON LIQUIDITY CONDITION OF THE BOARD" Financial and Operational Impacts on the Board,**" the Board cannot predict whether the County will extend the penalty date for the first installment of 2020 taxes (due March 1, 2021) in the same manner as was done for the second installment of 2019 taxes. If that were to occur, it may have an effect on the timing of issuance and amounts of Additional Notes.

The following graph depicts the Board's liquidity position and outstanding principal amount of tax anticipation notes payable from taxes levied for Fiscal Years 2018, 2019 and 2020 and a projection in respect of Fiscal Year 2021, as of October 6, 2020:



For further information concerning the Board's issuance of Tax Anticipation Notes during Fiscal Year 2021 and into early Fiscal Year 2022, see "**CASH FLOW AND LIQUIDITY**."

SECURITY FOR THE NOTES

Notes Are Limited Obligations of the Board

The Notes are limited obligations of the Board and are payable solely from the receipts derived from the collection of the annual tax levied by the Board upon all taxable property in the hereinafter defined School District for educational purposes for the year 2020 (the "**Pledged Taxes**"), to the extent such money has not been released to the Board free and clear of the lien of the Indenture pursuant to the terms thereof (the "**Pledged Tax Receipts**"). The Board may hereafter authorize and issue "**Additional Notes**" as provided in the Indenture. The pledge of Pledged Tax Receipts with respect to the Notes is on a parity with the pledge thereof securing the payment of any Additional Notes of the Board. The Pledged Taxes have been levied and the Board expects to receive from such levy or levies at least the amount of $2,599,320,009 once the levy or levies have been extended for collection. In addition to the Pledged Tax Receipts, the Indenture pledges and grants a lien as security for the Notes on all funds, accounts and sub-accounts maintained under the Indenture and any other monies that the Board deposits under the Indenture for such purpose.

Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Notes. The Notes are not the obligations of the City of Chicago **(the "City")**, the State of Illinois (the "**State**") or any other political subdivision of the State (other than the Board). See **APPENDIX A – "Forms of Master Indenture and Supplemental Indenture."**

Source of Payment for the Notes – Deposit of Pledged Taxes

The Board has directed the County Collectors to deposit all collections of the Pledged Tax Receipts directly with Zions Bancorporation, National Association, as escrow agent (the "**Escrow Agent**"), for application in accordance with the provisions of the Tax Escrow Agreement. The Board has covenanted with holders of the Notes that, as long as any of the Notes remain Outstanding, the Board will not modify or amend such direction or the terms of the Tax Escrow Agreement, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; provided, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Pledged Taxes. See **APPENDIX B – "Form of Tax Escrow Agreement"** and **APPENDIX F – "Form of Deposit Direction."**

Flow of Funds

All Pledged Tax Receipts received by the Trustee from the Escrow Agent pursuant to the terms of the Tax Escrow Agreement shall be deposited and applied by the Trustee in accordance with Section 403 of the Master Indenture.

If no Event of Default has occurred, with each distribution of Pledged Tax Receipts received by the Trustee on or prior to June 1, 2021, all such Pledged Tax Receipts are (1) deposited immediately into each Debt Service Deposit Account and Repaid Advance Account of the Debt Service Fund on a pro-rata basis for each Series of (i) the First Installment Notes and (ii) other Tax Anticipation Notes with an Interest Payment Date occurring on or before June 1, 2021, based upon (a) the unpaid principal of such Series due and payable on or prior to June 1, 2021 and (b) the Repaid Advance amount to be repaid by the Board on or prior to June 1, 2021 and (2) applied by the Trustee as described below.

On each Business Day, the Trustee shall apply the moneys in each Debt Service Deposit Account of the Debt Service Fund in the following order of priority:

> First: to the related Principal and Interest SubAccount for payment to (i) the holders of any First Installment Notes and (ii) the holders of any other Tax Anticipation Notes with an Interest Payment Date or Purchase Date occurring on or before the June 1, 2021, for the payment of the accrued and unpaid interest on such Tax Anticipation Notes when due on any Interest Payment Date occurring on or before June 1, 2021.
>
> Second: to the related Principal and Interest SubAccount for payment to the holders of any First Installment Notes, for the payment of principal of such First Installment Notes as the same shall become due on any applicable Maturity Date, Redemption Date, or Purchase Date occurring on or before June 1, 2021.
>
> Third: to the Released Funds Account for payment to, or pursuant to the direction of, the Board, any amount remaining in the Debt Service Fund after sufficient Pledged Tax Receipts have been deposited into the Debt Service Deposit Accounts and the Repaid Advance Accounts for

each Series of Tax Anticipation Notes for the payment in full of the amounts described in “First” and “Second” immediately above and Repaid Advance amount coming due on or before June 1, 2021.

Each distribution of Pledged Tax Receipts received by the Trustee after June 1, 2021 are (1) deposited into the Debt Service Deposit Accounts and the Repaid Advance Accounts of the Debt Service Fund on a pro-rata basis for each Series of Tax Anticipation Notes based upon (a) the unpaid principal of such Series and (b) the Repaid Advance amount to be repaid by the Board and (2) applied by the a Trustee as described below.

On (i) each Business Day (1) prior to the Repayment Commencement Date on which the aggregate principal amount of all Outstanding Tax Anticipation Notes is equal to or greater than 80% of the Uncollected Pledged Taxes and (2) on and after the Repayment Commencement Date, until the Maturity Date for all then Outstanding Tax Anticipation Notes and (ii) the Maturity Date for all then Outstanding Tax Anticipation Notes, the Trustee shall apply the amounts in each Debt Service Deposit Account of the Debt Service Fund in the following order of priority:

First: to the related Principal and Interest SubAccount for payment to the holders of any Series of Tax Anticipation Notes then Outstanding, for the payment when due on each Interest Payment date of the accrued and unpaid interest on such Tax Anticipation Notes.

Second: to the related Principal and Interest SubAccount for payment to the holders of any Series of Tax Anticipation Notes then Outstanding, for the payment when due of principal of such Tax Anticipation Notes as the same shall become due on any Maturity Date, any Redemption Date or any Purchase Date.

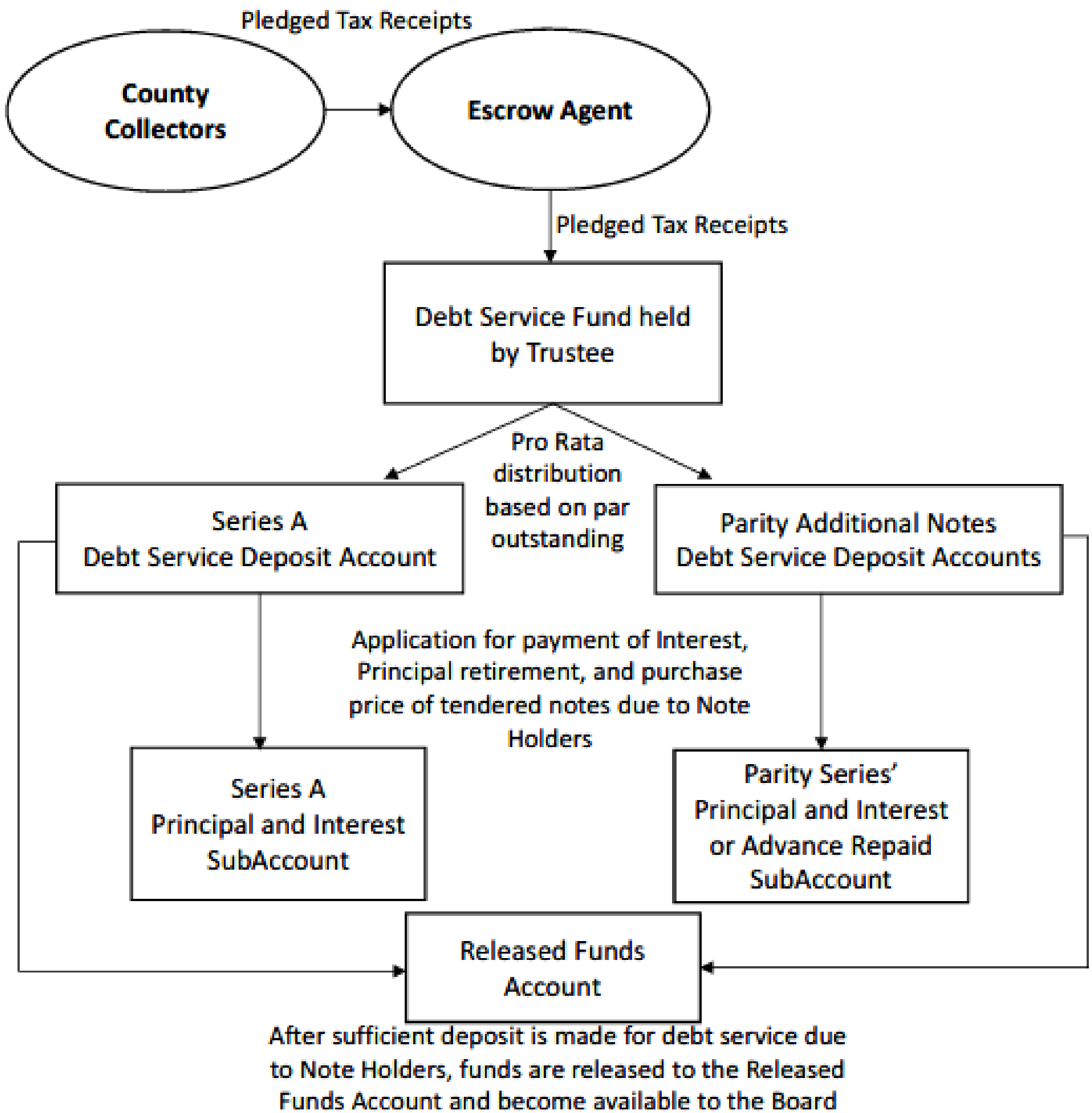
Third: to the Released Funds Account for payment to, or pursuant to the direction of, the Board, any amount remaining in the Debt Service Fund after sufficient Pledged Tax Receipts have been deposited into the Debt Service Deposit Accounts and the Repaid Advance Accounts for each Series of Tax Anticipation Notes for the payment in full of the amounts described in “First” and “Second” immediately above and any Repaid Advance amount of the applicable Series then Outstanding as provided in the Indenture.

On each Repaid Advance Payment Date, the Trustee shall apply moneys in the related Repaid Advance Account of the Debt Service Fund to the repayment of any Advances relating to applicable Tax Anticipation Notes to be paid on such Repaid Advance Payment Date, including the accrued interest on such Tax Anticipation Note.

If an Event of Default has occurred, all Pledged Tax Receipts then on deposit with the Trustee shall be allocated or reallocated and transferred and deposited immediately into the Debt Service Deposit Accounts and Repaid Advance Accounts of the Debt Service Fund on a pro-rata basis for each Outstanding Series of Tax Anticipation Notes, along with any Pledged Tax Receipts thereafter received. On or prior to June 1, 2021, if the Event of Default has been cured and no other Event of Default otherwise exists, such reallocated amounts shall be withdrawn from each of the Debt Service Deposit Accounts and Repaid Advance Accounts of the Owners who are not holders of First Installment Notes or holders of Tax Anticipation Notes with a Purchase Date on or prior to June 1, 2021, except for amounts that would have been deposited in (i) the Debt Service Deposit Account of the holders of any other Tax Anticipation Notes with an Interest Payment Date occurring on or before June 1, 2021 and (ii) the Repaid Advance Account of the holders of any other Tax Anticipation Notes with a Repaid Advance Payment Date occurring on or before June 1, 2021, absent the occurrence of such Event of Default. Such amounts, together with Pledged

Tax Receipts thereafter received on or prior to June 1, 2021 shall be applied in accordance with Section 403(b) of the Master Indenture.

The table below presents, in a simplified format, the flow of funds established by Section 403 of the Master Indenture and the Tax Escrow Agreement. For a complete discussion of the flow of funds, see **APPENDIX A – "Forms of Master Indenture and Supplemental Indenture" and APPENDIX B – "Form of Tax Escrow Agreement."**



Limitations on Issuance of Tax Anticipation Notes

Pursuant to the Indenture, the Board shall have the right to continue to issue additional Tax Anticipation Notes payable from all or any portion of the Pledged Tax Receipts ("**Additional Notes**").

Any such Additional Notes shall share ratably and equally in the Pledged Tax Receipts (as defined herein) with the Notes; *provided, however,* that (i) the Board shall not issue any obligations secured by Pledged Tax Receipts, other than the Additional Notes, while any Notes are outstanding; (ii) no Additional Notes shall be issued if, as of the time immediately following the issuance of such Additional Notes, the aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all outstanding Tax Anticipation Notes, would exceed the lesser of (1) $1,250,000,000 and (2) eighty percent (80%) of the taxes levied by the Board for the 2020 tax year for educational purposes and then uncollected (the "**Uncollected Pledged Taxes**"); and (iii) no Additional Notes maturing before June 1, 2021 shall be issued if immediately following the issuance of such Additional Notes, the aggregate principal amount of all outstanding Tax Anticipation Notes maturing before June 1, 2021 is outstanding in an amount in excess of eighty percent (80%) of fifty-five percent (55%) of the prior year's tax extension (which amount is equal to $1,117,987,200).

THE NOTES

General

The Notes shall be issued only in fully registered form without coupons and shall be dated the date of issuance and shall mature on June 1, 2021 (the "**Maturity Date**"). The Notes shall be issued in Authorized Denominations as defined in the Indenture. The Notes shall bear interest from the date of issuance at the rate or rates shown on the cover of this Official Statement, computed on the basis of the actual number of days elapsed over a 365-day year. Principal and interest on each Note shall be payable on the earlier of its (i) Maturity Date or (ii) Redemption Date. See **APPENDIX A – "Forms of Master Indenture and Supplemental Indenture."**

The Notes initially are registered through a book-entry-only system operated by The Depository Trust Company, New York, New York ("**DTC**"). Details of payments of the Notes and the book-entry-only system are described below under the subcaption "**– Book-Entry-Only System**." Except as described under the subcaption "**– Book-Entry-Only System**" below, beneficial owners of the Notes will not receive or have the right to receive physical delivery of the Notes and will not be or be considered to be the registered owners thereof. Accordingly, beneficial owners must rely upon (i) the procedures of DTC and, if such beneficial owner is not a DTC "*Participant*" (as defined below), the Participant who will act on behalf of such beneficial owner to receive notices and payments of principal, redemption price of, premium, if any, and interest on the Notes, and to exercise voting rights and (ii) the records of DTC and, if such beneficial owner is not a Participant, such beneficial owner's Participant, to evidence its beneficial ownership of the Notes. So long as DTC or its nominee is the registered owner of the Notes, references herein to Noteholders or registered owners of such Notes mean DTC or its nominee and do not mean the beneficial owners of such Notes.

Redemption Provisions

Optional Redemption. (A) The Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day occurring on or after March 15, 2021 at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date. Any redemption of Notes shall be made in the principal amount of (1) $1,000,000 or greater, or (2) the Notes then Outstanding. Any redemption of less than all of the Notes Outstanding shall be made in such a manner that all Notes Outstanding after such redemption are in Authorized Denominations.

(B) The Notes may be called for redemption by the Trustee pursuant to the Indenture, upon receipt by the Trustee at least 21 days prior to the Redemption Date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption.

Redemption at the Election or Direction of the Board. In the case of any redemption of Notes at the election or direction of the Board, the Board shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, and of the principal amounts of the Notes to be redeemed. Such notice shall be given at least 20 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in the Indenture, there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Notes to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption. Such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Notes so called for redemption.

Redemption Procedures. If less than all the Notes shall be called for redemption under any provision of the Supplemental Indenture permitting or requiring such partial redemption, the Notes or portions thereof to be redeemed shall be redeemed by the Board in the principal amount designated to the Trustee by the Board or otherwise as required by the Indenture; provided, however that, in the case of the redemption of less than all Notes of a like maturity and interest rate, such redemption shall be by lot in such manner as the Trustee shall determine at the direction of the Board, but only in Authorized Denominations.

If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by the Notes is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Notes may surrender such Notes to the Trustee for (a) payment to such Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Note or new Notes in the aggregate principal amount of the unredeemed balance of the principal amount of such Notes. If any such Notes are surrendered, new Notes representing the unredeemed balance of the principal amount of such Notes shall be issued to the Owner thereof without charge therefor. If all of the Notes are in book-entry form, the particular Notes or portions thereof to be redeemed shall be selected by DTC in such manner as DTC shall determine, provided, however, that in no event shall any redemption result in unredeemed Notes of a denomination less than the minimum Authorized Denomination.

Notice of Redemption. For a description of the giving of notices while the Notes are in the book-entry-only system, see "**— Book-Entry-Only System**" below. Except as otherwise provided in the Indenture, a copy of the notice of the call for any redemption identifying the Notes to be redeemed shall be given by the Trustee to the Owners thereof by first class mail, postage prepaid, or by facsimile transmission, not less than twenty (20) days prior to the date fixed for redemption. Such notice shall specify the place and manner of payment, that from the Redemption Date interest will cease to accrue on the Notes which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard. In addition, notice of the redemption of Notes or any portion thereof identifying the Notes or portions thereof to be redeemed shall specify (i) the Series designation and certificate numbers of Notes being redeemed, (ii) the principal amount of Notes being redeemed and the redeemed amount for each certificate (for partial calls), (iii) the Redemption Date, and (iv) the redemption price. The failure of the Trustee to give notice to a registered owner of any Note or any defect in such notice shall not affect the validity of the redemption of any other Notes as to which proper notice was given.

Payment of Redeemed Notes

Notice having been given in the manner provided in the Indenture, the Notes or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption

Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, such Notes, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Note, the Board shall execute and the Trustee shall authenticate and the appropriate Fiduciary shall deliver, upon the surrender of such Note, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Note so surrendered, a fully registered Note of like maturity and interest rate in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the Notes or portions thereof, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the Notes or portions thereof of such maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Notes or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Note Registration and Transfers

For a description of the procedure to transfer ownership of a Note while in the book-entry-only system, see "**– Book-Entry-Only System**" below.

Book-Entry-Only System

The following information concerning DTC has been furnished by DTC for use in this Official Statement. The Board is not responsible for its accuracy or completeness.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully- registered Note certificate will be issued for each series of the Notes in the aggregate principal amount of the issue and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "*banking organization*" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "*clearing corporation*" within the meaning of the New York Uniform Commercial Code, and a "*clearing agency*" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "**Exchange Act**"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and together with Direct Participants, a "**Participant**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "**SEC**"). More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued. See "**THE NOTES - General**."

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee under the Indenture securing such Notes and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's Operational Arrangements and the Issuing/Paying Agent General Operating Procedures ("**MMI Procedures**"). Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, as well as principal and interest payments, on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or its Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "*street name*," and will be the responsibility of such Participant and not of DTC, the Board or the Trustee, as applicable, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of

DTC) is the responsibility of the Board, or the Trustee under the Indenture securing such obligations, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Board or the Trustee under the Indenture securing such Notes. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates are required to be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

NEITHER THE BOARD NOR THE TRUSTEE UNDER THE INDENTURE SECURING THE NOTES HAS ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE NOTES; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

IMPACT OF COVID-19 ON LIQUIDITY CONDITION OF THE BOARD

*In evaluating an investment in the Notes, prospective purchasers should carefully consider the statements set forth under this heading and the following heading, "**OTHER INVESTMENT CONSIDERATIONS,**" as well as all other information contained in or incorporated by reference into this Official Statement, including the Appendices hereto and additional information in the form of the complete documents summarized or incorporated by reference herein and in the Appendices hereto, copies of which are available as described herein. The risks and uncertainties described below and elsewhere in this Official Statement (or in documents incorporated by reference into this Official Statement) could materially and adversely affect the Board's financial position, liquidity and ability to make payments in respect of the Notes.*

*The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on the Board, as those impacts relate to the liquidity of the Board's financial position. The Notes and any Additional Notes are being issued in order to provide liquidity to the Board and, to the extent impacts of COVID-19 have a negative effect on such liquidity, the Board may make adjustments to the issuance of Tax Anticipation Notes as discussed in "**PLAN OF FINANCE**." The Board is under no obligation to update the information and data contained under this heading. See* ***"NO CONTINUING DISCLOSURE****."*

Background

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a global pandemic by the World Health Organization, and has led to emergency declarations by government authorities of the United States, the State and the City. Across the country, states and local governments, including the State and the City have issued “stay at home” or “shelter in place” orders in an effort to reduce community spread of the virus, protect the most vulnerable citizens and lessen the need for medical resources necessary to respond to the outbreak. Under these orders, all non-essential businesses in the City were closed, and residents were directed to stay home, but were permitted to go to the grocery store, pharmacy, and medical facilities and perform other necessary tasks.

The COVID-19 pandemic and resulting restrictions have severely disrupted, and continue to disrupt, the economies of the United States and other countries, and have led to volatility in the securities markets. Discussed under this caption are the responses and attempts at mitigation undertaken by governmental entities in response to the COVID-19 pandemic and the impacts those actions, as well as societal responses in general, have had or may have on the economies of the State and City and the finances of the Board.

The COVID-19 outbreak is ongoing, and the dynamic nature of the pandemic leads to uncertainties. Due to the evolving nature of the COVID-19 outbreak and the responses of governments, businesses, and individuals to this pandemic, the Board is unable to predict at this time among other things: (a) the scope, duration or extent of the COVID-19 outbreak: (i) the impact of existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the lessening or lifting of such restrictions; and (ii) any additional short- or long-term impacts of the restrictions and warnings imposed by local, state or federal governments on the Board’s operations, revenues or expenditures; (b) the scope, duration or extent of the COVID-19 outbreak on the City, State, national or global economy or the impact of such disruption on the Board’s operations, revenues and expenditures; or (c) the extent to which any of the foregoing has a material adverse effect on the finances and operations of the Board or its bonds, notes or debt obligations. In addition, there may be unknown future consequences of the COVID-19 emergency, which the Board is unable to forecast.

Nonetheless, the COVID-19 public health emergency has had, and the Board expects it will have further, negative impacts on global and local economies, including those of the State and the City. In addition to matters described under the caption “**OTHER INVESTMENT CONSIDERATIONS**,” potential purchasers of the Notes should bear in mind that any financial information, including projections, forecasts and budgets presented in this Official Statement may not fully account for the potential or wide-ranging effects of COVID-19 that cannot be known at this time.

Federal Response

The declaration by the President of the United States of a national emergency on March 13, 2020, made available more than $50 billion in federal resources to combat the spread of the virus. A multibillion-dollar coronavirus relief package was signed into law by the President on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In an effort to calm the markets, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

In addition to the above measures, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security Act (the “**CARES Act**”), which was signed into law on March 27, 2020. The CARES Act appropriated over $2 trillion to (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments.

The CARES Act included $13.2 billion in direct funding for elementary and secondary school emergency relief. Of this amount, $569 million has been appropriated to the State. Included in the appropriation to the State are amounts designated to be used for the purchase of laptops and tablets, the costs of internet connectivity, virtual coaching in support of an estimated 4,000 new teachers planning to enter the teaching profession during the fall of 2020, professional development for educators and costs of state administration. Within the State, school district distribution is based on the number and percentage of low-income students served by each district. Based on this formula, the Board has been allocated $206 million of this CARES Act funding, of which approximately $85 million has been received as of the date of this Official Statement.

State and City Responses

In response to the COVID-19 pandemic, Illinois Governor JB Pritzker (the "**Governor**") and City of Chicago Mayor Lori Lightfoot (the "**Mayor**") have each issued a number of executive orders which, among other things, restrict various personal, commercial and business activities within the State and the City.[1] Among these restrictions was a complete shutdown of all public and private schools through the end of the 2019-20 school year.

On May 5, 2020, the Governor released a five-phased plan, known as "Restore Illinois," to reopen the State when certain public health benchmarks were met. The plan, as revised on July 15, 2020, divides the State into 11 health regions, with the City comprising its own separate region, and provides for implementation, guided by health metrics, by region and in phases with distinct business, education and recreational activities characterizing each phase (the "**State Reopening Plan**"). The State Reopening Plan allows local governments to impose stricter restrictions than those contemplated by the State Reopening Plan. On June 26, 2020, each region in the State entered Phase 4 of the State Reopening Plan, which among other things limits gatherings to no more than 50 people and allows additional businesses and public amenities to open with limited capacities and appropriate safeguards, including bars and restaurants, museums and zoos, performance venues, and summer camps and youth activities (the "**Phase 4 Limitations**"). Under the State Reopening Plan a region would not be able to enter Phase 5 until a vaccine for COVID-19 or a highly effective treatment was widely available, or until the elimination of any new cases over a sustained period. As of the date of this Official Statement, all regions in the State remain in Phase 4, although adjustments continue to be made to the restriction levels within each region, including an announcement by the Mayor on September 28, 2020 regarding a relaxation of some of the restrictions such as an expansion on the limits of indoor capacity for certain businesses.

On June 23, 2020, the Governor announced that local school districts could reopen for in-person instruction in the fall of 2020 if they abided by certain guidance developed by the Illinois Department of Public Health ("**IDPH Guidance**"). This IDPH Guidance includes the use of face coverings for students, teachers and staff, and social distancing wherever possible. In addition, gatherings of more than 50 people in one space are prohibited, and schools must conduct symptom screenings and temperature checks or require self-certification that individuals entering school buildings are free of symptoms. Increased schoolwide cleaning and disinfection are also required. Each school district will determine how to implement the IDPH Guidance for that district.

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[1] The executive orders issued by the Governor may be accessed at the following link: https://www2.illinois.gov/government/executive-orders, and the executive orders issued by the Mayor may be accessed at the following link: https://www.chicityclerk.com/legislation-records/journals-and-reports/executive-orders. *The Board has not incorporated by reference the information on such websites and the Board does not assume any responsibility for the accuracy of the information on such websites.*

To assist school boards in covering the added costs brought on by the COVID-19 pandemic, the Governor announced on July 14, 2020, that the State would dedicate $108.5 million in federal Governor's Emergency Education Relief ("**GEER**") funds to pre K-12 public schools and higher education institutions to help meet such challenges. This funding includes $50 million for K-12 schools to purchase devices such as laptops and tablets and to ensure internet connectivity for continuity of online learning. It also includes $10 million to support early childhood programs, with an emphasis on preschool programs in areas most impacted by COVID-19. As of the date of this Official Statement, the State has awarded $20,324,310 of GEER funds to CPS for the purchase of devices and the expansion of internet services for low-income families.

It is possible that the restrictions imposed by the Governor and the Mayor pursuant to their executive orders may be extended in duration, expanded in scope or both, or that additional restrictions may be imposed by the federal government in response to the COVID-19 pandemic. The Board does not know when such restrictions will be lifted, and if lifted, whether such restrictions will be further rolled back to the extent not fully lifted, or partially or fully reinstated.

Impacts on State and Local Revenues

The State has announced that its finances will be materially adversely impacted by the health-related and economic impacts of the COVID-19 pandemic and that the negative impact on revenues will be immediate, affecting the current fiscal year and running into several fiscal years in the future. In April, the Governor's Office of Management and Budget ("**GOMB**") revised its revenue projections to project a $2.7 billion budget shortfall for FY2020, and a $4.6 billion deficit for FY2021, due in large part to declines in revenue from taxes on income, sales, motor fuel, and gambling caused by the pandemic. GOMB anticipates that these revenue shortfalls can be partially offset by additional federal funding (not yet appropriated) and a program of interfund borrowing.

In an attempt to mitigate the effects of the COVID-19 pandemic on State taxpayers, the Governor extended the deadline for income tax filing for three months, to July 15, 2020. In addition, bars and restaurants in the state were given a grace period of several months to defer state sales tax payments, and late filing fees were waived. Delayed deadlines for the filing and payment of personal income, corporation, and sales and use taxes, however, have further created uncertainties for the State with respect to its cash flows.

Similarly, the City has stated that it projects an $800 million budget shortfall for 2020, and a $1.2 billion deficit for the following year, due mainly to the loss of amusement, hotel, parking and restaurant tax revenues created by the COVID-19 restrictions. Of the City's anticipated shortfall in 2021, the City attributes $783 million to the effects of the pandemic. The City expects to be able to recoup some of the deficit through federal COVID-19 relief legislation and by refinancing existing debt but has expressed that layoffs and a property tax hike may ultimately be necessary as means of mitigation.

The County has also taken steps to lessen the economic impact resulting from the pandemic. It extended the Tax Penalty Date for the payment of the second installment of real property taxes two months, to October 1, 2020. As a result, the end of the collection period for second installment reals property taxes for 2019 (the period in which the County processes the taxes received by the Tax Penalty Date) which would typically occur by August 31, will occur no earlier than October 31, 2020. From information available as of the date of this Official Statement, it appears that the property tax collection rate for the second installment of 2019 taxes is not materially different than in the past (see "**FINANCIAL INFORMATION Property Tax Revenues**"). For more details regarding impacts to the Board's current and future budgets, see "**CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget**" herein.

In March, the Cook County Treasurer successfully petitioned the Cook County Circuit Court to postpone the Annual Tax Sale for tax year 2018 (which includes properties in Cook County eligible for sale due to delinquent taxes due in 2019; the sale was originally scheduled to take place in early 2020) until further order by the court. Subsequently, the State enacted legislation that, among other things, extended from nine months to 13 months the time that taxpayers have to pay delinquent Cook County property taxes before they are subject to a tax sale, and postponed the Annual Tax Sale for tax year 2018 until after the Governor's pandemic disaster declaration had been lifted. Properties with delinquent taxes will continue to be charged 1.5 percent interest per month as required by state law, but it is impossible to predict what effect this may have on the collection of such unpaid back taxes. For more information about the Annual Tax Sale, see "**BOARD OF EDUCATION CITY OF CHICAGO Property Tax Collections in Cook County**."

Financial and Operational Impacts on the Board

While the impacts of the COVID-19 pandemic and the attempts to counter those impacts are far ranging, the effects on the Board have so far been either financially limited or, where they are not, the Board has made adjustments to mitigate the effects. The primary impact on the Board's operations to date has been the institution of remote learning necessitated by the imposition of State and City restrictions on gatherings. On August 5, 2020, the Board announced that it would delay the physical reopening of schools in the fall of 2020 and start the school year with online learning for safety reasons. On September 8, 2020, CPS commenced its 2020-21 school year with all remote learning. The Board has developed a flexible reopening plan for the 2020-21 school year and will reassess after the first quarter whether it can reinstitute in-person learning and, if so, when, relying on guidance from the Governor, Mayor and the Chicago Department of Public Health.

Increased costs of remote learning have been partially offset by certain reduced traditional classroom learning expenses as well as the staffing and maintenance of CPS facilities. Beyond that, the Board has addressed the situation by adjustments to its budgeting. On August 10, 2020, the Board unveiled a proposed $8.4 billion budget for Fiscal Year 2021, an increase of $0.5 billion from the prior year. Among listed expenses is $75 million for COVID-19 related costs, including computers for remote learning and cleaning supplies and masks for the eventual reopening of schools. See "**CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget**."

Part of the challenges facing the Board as a result of the COVID-19 pandemic involves impacts to the sources of revenue that the Board depends on in order to fund the Fiscal Year 2021 budget and pay for additional expenses related to COVID-19. As discussed in this Official Statement under "**CASH FLOW AND LIQUIDITY – Timing of Receipt of Revenues**," the Board receives most of its revenues from State sources and local property taxes. To the extent the State experiences a decline in revenue as a consequence of the impacts of COVID-19, there could be a resulting decline in revenue available for funding school districts. In its Fiscal Year 2021 budget for instance, the State held flat the amount of its regular Evidence-Based Funding to school districts throughout the State due to the pandemic, resulting in approximately $60 to $65 million less State funding available to the Board than it had otherwise expected to receive in Fiscal Year 2021. To counteract this lower amount of State revenue and to provide for a balanced budget, the Board has budgeted the receipt of $343 million in additional federal funding (not yet appropriated) beyond the $206 million it has been allocated from the CARES Act funding. See "**CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget**."

If the expected level of additional federal funding failed to materialize, the Board's liquidity could be significantly affected. To the extent such failure to receive federal funding results in pressure on the liquidity position of the Board, it may require the adjustment of the level and timing of Additional Notes (upon both of which there are limitations discussed in this Official Statement). See "**PLAN OF FINANCE**."

As it relates to the other primary source of the Board's revenue, the COVID-19 pandemic has created uncertainty regarding the level and timing of collection of property taxes. As mentioned above, the County has extended the Tax Penalty Date for the second installment of the 2019 tax levy until October 1, 2020. While it is not currently possible to determine the full impact of this delayed penalty date on the collection of the second installment of the 2019 real property taxes, from information available to the Board as of the date of this Official Statement, there do not appear to be any material differences in the amount of collections, merely a time-shift in the dates of those collections. It is not known if the County will implement this particular mitigation strategy with respect to the first installment of 2020 real property taxes (due in March 2021). Given the averages of historical property tax collections in the County and the limitations on amounts borrowed against the receipt of first installment 2020 taxes, the Board has no reason to believe that such an event, should it occur, would inhibit the Board's ability to repay the Notes in full at maturity.

OTHER INVESTMENT CONSIDERATIONS

Following are some of the other investment considerations besides those related to COVID-19 that an investor should consider before purchasing the Notes. There may be other investment considerations that are not presently foreseen by the Board, or that the Board does not currently consider material, including risks that an investor may consider material to its decision to invest in the Notes. Moreover, the investment consideration discussed under this heading, and other considerations not described under this heading, could lead to a decrease in the market value and the liquidity of the Notes.

Suitability of Investment

The Notes are not suitable investments for all persons. The Board did not seek and no rating agency has applied a credit rating to the Notes. Prospective purchasers should confer with their own legal and financial advisors and should be able to bear the risks associated with the potential limited liquidity and price volatility, as well as the loss of their investment, in the Notes before considering a purchase of the Notes. The factors described under this heading "**OTHER INVESTMENT CONSIDERATIONS**," many of which are outside of the control of the Board, may impact the Board's financial condition as well as its ability to make timely debt service payments on the Notes.

Structural Deficit, Cash Flow and Liquidity

For Fiscal Years 2015 through 2017, the Board experienced structural operating deficits that ranged as high as $1.1 billion in certain years. The operating deficits were mitigated by the use of non-recurring revenue, expenditure of operating reserves, debt restructuring to extend maturities, short-term borrowings, and reduction of operating expenses. The Board's financial outlook began to improve in Fiscal Year 2018 based, primarily, on the increased State funding and authorized Pension Property Tax provided by Public Act 100-465 ("**P.A. 100-465**"). The Board's ongoing financial outlook will continue to be determined by factors such as labor, pension and debt service costs as well as the ability of the Board to raise revenues and reduce certain expenditures.

Certain factors that control a substantial portion of the operating revenues and the operating expenses of the Board are largely outside of its control, limiting the ability of the Board to adjust its expenses in relation to its revenues. The Board's authority to increase its property tax revenues for operations is restricted by the State's Property Tax Extension Limitation Law ("**PTELL**"), with certain statutory exceptions. Certain of the Board's revenues are limited by State and federal laws, and legislation would be required to provide new or increased revenues. Certain revenues derived from the State and federal governments are allocated based on statutory formulas and limited by State and federal appropriations and thus are dependent in part on the competing demands for funding at the State and federal level (see "**– Availability of State Aid Revenues**" and "**– Availability of Federal Revenues**" below). The

Board does not exercise unilateral control over the Board's largest source of expenditures – salaries and wages – a majority of which is governed by contractual agreements with the Board's various collective bargaining units (see "**– Labor**" below).

When the liquidity position of the Board's operating funds deteriorated during past Fiscal Years, it was primarily a result of operating expenses exceeding operating revenues and the Board's use of operating reserve funds to fund those shortfalls. The Board's operating fund balance has declined over recent Fiscal Years from approximately $1.2 billion at the beginning of Fiscal Year 2015 to an estimated $523.6 million projected at the end of Fiscal Year 2020. With its operating reserve funds depleted, the Board has addressed its negative cash flow position largely through short-term borrowing. See "**CASH FLOW AND LIQUIDITY**." The Board's available revenues to address its ongoing cash flow needs and use of Tax Anticipation Notes are largely dependent on State funding and operating expense reductions, and, to the extent that such actions are not sufficient, additional borrowing.

The COVID-19 pandemic that has plagued the United States and the rest of the world during calendar year 2020 has also had a negative impact on the liquidity position of the Board. For a detailed discussion of regarding the current and potential future impact of COVID-19 on the Board's operating expenses and revenues, See **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD,"** "**FINANCIAL INFORMATION Property Tax Revenues**" and "**CHICAGO PUBLIC SCHOOLS - Board's Fiscal Year 2021 Budget**."

Availability of Property Tax Revenues

The availability of the Pledged Tax Receipts in amounts sufficient to pay principal and interest on the Notes and to support the ongoing operating expenses of the Board is dependent on numerous factors. The availability of property tax revenues is dependent on the tax base of real property within the City and the School District (which boundaries are coterminous) and the ability of this tax base to support the tax burden imposed in any year by the City, the Board and the other Overlapping Taxing Districts (as defined herein) for operations, debt service and other payment obligations, including pension and other post-employment retirement benefits. See "**THE BOARD OF EDUCATION OF THE CITY OF CHICAGO – Overlapping Entities**" and "**– Major Units of Government**." The availability of ad valorem property tax revenues is also dependent on the administration of the assessment, levy and tax collection procedures by the County Collectors. See **APPENDIX D – "The Real Property Tax System**."

The effects of the COVID-19 pandemic discussed in this Official Statement under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD**" as related to the availability of Pledged Tax Revenues are difficult to assess at this time. Impacts on property values and consequent assessments will tend to be longer-range and therefore are not likely to have an impact on property within the School District prior to tax year 2021 (collectible in 2022). Property tax collections, however, could experience negative impacts during the current Fiscal Year 2021. The effects that mitigating actions taken by the County to date, including the delay of the Tax Penalty Date for the second installment of property taxes to October 1, 2020, do not seem to have had a significant impact on the rate of collections. See "**FINANCIAL INFORMATION Property Tax Revenues.**"

Labor

The two labor unions that represent the largest number of Board employees are the Chicago Teachers Union ("**CTU**") (representing teachers) and SEIU Local 73 ("**SEIU**") (representing custodians, security officers, special education classroom assistants and bus aids). The Board approved a new agreement with the CTU on November 20, 2019 (retroactive to July 1, 2019 and expiring on June 30, 2024) following extended negotiations with the union and an eleven-day teacher's strike in October 2019. The Board also approved a new agreement with SEIU Local 73 on November 20, 2019, retroactive to

July 1, 2018 and expiring on June 30, 2023. See "**CHICAGO PUBLIC SCHOOLS – Chicago Teachers Union and Other Employee Groups**" for information on all union representation of Board employees and the status of the related collective bargaining agreements.

Unfunded Pensions and Required Statutory Contributions

Employees of the Board participate in one of two defined benefit retirement funds (the "**Retirement Funds**") which provide benefits upon retirement, death or disability to Board employees and their beneficiaries. The two Retirement Funds are: (i) the Public School Teachers' Pension and Retirement Fund of Chicago (the "**Pension Fund**"), which covers teachers, educational, administrative, professional and other certified individuals employed by the Board, and (ii) the Municipal Employees' Annuity and Benefit Fund of Chicago (the "**Annuity Fund**"), which covers non-teacher employees of the Board and most civil servant employees of the City. The Retirement Funds are established, administered and financed under the Illinois Pension Code (the "**Pension Code**") as separate legal entities and for the benefit of the members of the Retirement Funds. The Pension Code requires certain statutorily-mandated contributions by the Board to the Pension Fund for each Fiscal Year, as well as required contributions by employees and the State. The Board has historically paid its Statutory Contribution for the Pension Fund on the last day of its Fiscal Year ending June 30. It has not been the practice of the Board to make contributions to the Annuity Fund from its own operating funds and there is no statutory requirement to do so. However, in Fiscal Year 2020 the Board made, and in Fiscal Year 2021 the Board budgeted for, a $60 million payment to the Annuity Fund. Beginning with Fiscal Year 2022 and going forward, the Board anticipates making a $100 million payment to the Annuity Fund under the terms of an intergovernmental agreement with the City.

The benefits paid under the Retirement Funds, contributions to the Retirement Funds and investments by the Retirement Funds are governed by the Pension Code. As defined benefit pension plans, the Retirement Funds pay periodic benefits to beneficiaries, which generally consist of retired or disabled employees, their dependents and their survivors, in a fixed amount (subject to certain scheduled increases) for life. To fund benefits, employees and, in certain instances, the Board, the City and the State make contributions to the Retirement Funds. The Retirement Funds invest these contributions with the goal of achieving projected investment returns over time and increasing the assets of the Retirement Funds.

Pension payments have been and are expected to continue to be a significant budget pressure for the Board. As of June 30, 2019, the Funded Ratio of the Pension Fund was 47.4% and the Unfunded Actuarial Accrued Liability was approximately $12.2 billion. As of December 31, 2019, the Funded Ratio of the Annuity Fund was 23.2% and the Unfunded Actuarial Accrued Liability was approximately $13.3 billion. To the extent that the funded ratio of the Pension Fund declines further, this would contribute to increased required Statutory Contributions by the Board and put further pressure on the Board's annual operating budgets. The Board's required Statutory Contributions to the Pension Fund are projected to increase annually through 2059 (the actuarial projection period). In addition, the Pension Fund's actuaries, from time to time, may change the assumptions that are the basis of their actuarial valuations, including mortality rates and investment returns, and such changes may result in increased required Statutory Contributions of the Board.

Bankruptcy of the Board and Enforcement Remedies

Units of local government, such as the Board, cannot file for protection under the U.S. Bankruptcy Code unless specifically authorized to be a debtor by state law or by a governmental officer or organization empowered by state law to authorize such entity to be a debtor in a bankruptcy proceeding. State law does not currently permit the Board to be a debtor in a bankruptcy proceeding. However, from time to time, legislation has been introduced in the Illinois General Assembly which, if enacted, would permit Illinois units of local government to be a debtor in bankruptcy under the U.S. Bankruptcy Code. The Board cannot predict whether any such legislation will be enacted that would permit units of local government, such as the Board, to be a debtor in bankruptcy.

Notwithstanding the foregoing, if the Board were authorized by State law to become a debtor in bankruptcy and were to become a debtor in a proceeding under Chapter 9 of the U.S. Bankruptcy Code, it is possible that the application of the Pledged Tax Receipts to pay the Notes could be stayed during the proceeding, and that the terms of the Notes, the Note Resolution, the Master Indenture or the First Supplemental Indenture (including amount, rate, security, and tax-related covenants) could be altered by a plan of adjustment if the bankruptcy court determines that the alterations are fair and equitable and otherwise comply with the requirements of the U.S. Bankruptcy Code.

Availability of State Aid Revenues

While not pledged to the repayment of the Notes, State aid revenues make up a substantial portion of the available operating revenues of the Board. The availability of State aid revenues is dependent upon numerous factors, including the impact of certain Board factors, including declining enrollment and student attendance and the concentration of students below the poverty level. Other factors impacting the availability of State aid revenues include: (i) the continuation of the State aid program under Illinois law and the Board's continued eligibility for State aid under the provisions of the School Code; (ii) timely collection by the State of the revenues from which State aid is derived; (iii) the amount of funds appropriated by the State; (iv) distribution of such State aid to the Board; and (v) and the financial condition of the State and the availability of sufficient State revenues to pay State aid appropriations. Changes in any one of the foregoing may impact the receipt of State aid revenues in an amount sufficient for operations of the Board. The unavailability or delay in the receipt by the Board of State aid revenues may exacerbate the Board's cash flow needs.

The revenues collected by the State and which are available to be appropriated for school purposes are impacted by fluctuations in the overall economy and the mitigation efforts related to COVID-19 have had a negative impact on the State's economy. As discussed under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD Financial and Operational Impacts on the Board**," the State budgeted no increase in the amount of its regular Evidence-Based Funding to school districts throughout the State in its Fiscal Year 2021 budget due to the pandemic, resulting in approximately $60 to $65 million less State funding available to the Board than it had otherwise expected to receive in Fiscal Year 2021. The Board can give no assurances that the State will increase such funding or refrain from decreasing such funding in the future.

Scheduled days of in-person student attendance is a factor that is used to determine continuation of State Aid Revenue payments. Due to COVID-19, students have been remotely learning and are expected to continue to do so in the fall of 2020. This is not expected to have an impact on State Aid Revenue payments, as the State, in its responses to the COVID-19 pandemic, has agreed to hold school districts harmless from reduced in-person student attendance days due to the virus.

Availability of Federal Revenues

The operations of the Board depend in part on its receipt of federal revenues, which are revenues received by the Board in the form of federal grants dedicated to specific purposes and that are subject to compliance by the Board with the conditions for receipt of such funds. Funding for federal revenues is appropriated annually by the United States Congress and is paid to the Board on a reimbursement basis for qualified expenditures. The unavailability or delay in the receipt by the Board of federal revenues may exacerbate the Board's cash flow needs. The Board is unable to predict the amount, timing or likelihood of receipt of federal revenues.

As discussed under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD,"** the federal government has made available funding to offset the effects of COVID-19 on school districts under the CARES Act. To date, CPS has received $85 million of amounts appropriated to school districts in the State and expects to receive an additional $121 million during Fiscal Year 2021. In its Fiscal Year 2021 budget, the Board has budgeted for the receipt of $343 million in addition to the amounts appropriated under the CARES Act. At this time, the Board cannot predict whether that amount will be appropriated by Congress and, if appropriated, when the Board may receive such funds. See "**CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget**."

Local, City and State Economy

The financial health of the Board is in part dependent on the strength of the local economy, which in turn is a component of the City and State economy. Many factors affect all of the economies, including rates of employment and economic growth and the level of residential and commercial development. Events such as the COVID-19 pandemic also can affect the overall economy.

Actions of local governments, the City and the State may have an economic impact to the extent such actions foster or impede economic growth and development. The State has experienced and continues to experience a structural deficit and pension obligations that result annually in significant shortfalls between the State's general fund revenues and spending demands. There can be no certainty as to if or when the State will resolve its structural deficit. The State's inability to adopt a budget for Fiscal Years 2016 and 2017 resulted in economic uncertainty and disruptions in the distribution of State revenues and the payment of State contracts. The City has experienced structural deficits in recent years. As part of its process to address such ongoing structural budget deficits, the City adopted a substantial increase in property taxes that began in tax year 2015 and ending in tax year 2018. In addition, the City may increase property taxes in the future to address budget needs and the City is not currently subject to statutory limits on property tax increases. An increase in property taxes is also one of the tools the City's Mayor has mentioned may be needed to ameliorate the impacts of COVID-19 on the City's budget.

Finally, financial difficulties experienced by the State, the City and other Overlapping Taxing Districts may place stress on the same sources of revenue from which the Board derives the funds for its operations and debt service. It is not possible to predict whether any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur or to quantify what impact such changes would have on the finances of the Board.

Change in Law

There are a variety of State and federal laws, regulations and constitutional provisions that apply to the Board, including the Board's ability to raise taxes and other revenues, fund its pension obligations or to reorganize its debts. There is no assurance that there will not be any change in, change in the interpretation of, or addition to such applicable laws, regulations and provisions. Any such change, change in interpretation, or addition may have a material adverse effect, either directly or indirectly, on the Board or the taxing authority of the Board, which could materially adversely affect the Board's operations or financial condition.

The School Code provides for the Board, as the governing body of the School District, to be appointed by the Mayor and with no required approval by the City Council. From time to time, legislation has been introduced in the Illinois General Assembly, to provide for election of the Board by the voters within the School District. In addition under the School Code, the Board is currently exempted from State statutes that authorize Illinois State Board of Education under certain extraordinary circumstances including "financial difficulty" to remove the governing body of a school district, and replace the governing body with an "independent authority" appointed by the State Superintendent of Education to operate the school district until the next election at which a governing board would be elected. The Board cannot predict whether the Illinois General Assembly will adopt any legislation addressing these provisions of the School Code or the form of such legislation if enacted.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

General

The Board is a body politic and corporate of the State of Illinois. The Board is established under and governed by the School Code and is a non-home rule unit of government. The Board maintains a system of public schools within its boundaries (the "**School District**") for pre-kindergarten through grade twelve and is the third largest school district in the nation.

The School District has boundaries coterminous with the boundaries of the City. The City has a population of approximately 2.7 million. The City, located on the shores of Lake Michigan in the Midwestern United States, has a large and diverse economy that contributed to a gross regional product of more than $689 billion in 2018. Trade, transportation and utilities, government, education and health service and professional and business services are among the Chicago region's largest industry sectors. The City's Chicago O'Hare International Airport has been consistently among the top-ranked airports in every metric, including total passengers, both internationally and domestically, since its opening. Chicago's transportation and distribution network offers access to air, rail, and water, with two ports capable of handling ocean-going ships and barges, and an airport system that moves 1.75 million tons of freight, mail, and goods annually.

Governing Body

The seven-member Board currently serves as the governing body of the School District. The members serve terms up to four years and are appointed by the Mayor of the City. The appointments do not require approval of the City Council. In addition to its Board, elected local school councils, composed of parents, teachers, principals and community representatives, exercise certain powers relating to the operation of individual schools in the public school system, including selection of principals. Under the School Code, the Board is responsible for approving the annual budget, approving contracts (including collective bargaining agreements), levying real property taxes and establishing general policies of the Board.

Mayor Lori Lightfoot took office on May 20, 2019 and subsequently appointed new members to the Board. Each current member of the Board was appointed by Mayor Lori Lightfoot and began serving on June 26, 2019. The current members of the Board and the dates on which their respective terms expire are as follows:

Member	Term Expires
Miguel del Valle, President	June 30, 2023
Sendhil Revuluri, Vice President	June 30, 2023
Luisiana Meléndez	June 30, 2022
Amy Rome	June 30, 2023
Lucino Sotelo	June 30, 2022
Elizabeth Todd-Breland	June 30, 2023
Dwayne Truss	June 30, 2022

At the expiration of the term of each member, the Mayor of the City will appoint a successor for a four-year term from July 1 of the year in which the term commences. Any vacancy will be filled by appointment of the Mayor of the City for the unexpired term. The Board elects annually from its members a president and vice-president in such manner as the Board determines.

Information on each member of the Board is set forth below:

Miguel del Valle was elected President of the Board on June 26, 2019. Mr. del Valle is a retired elected official who has served on an extensive list of several committees, boards, and commissions, including:

- Illinois Student Assistance Commission (ISAC) | Vice Chairman
- Advance Illinois | Founding Board member
- Illinois Federation for Community Schools | Board member
- Illinois Pathways Advisory Council | Council Member
- Illinois Complete Count Commission
- Judicial Candidate Screening Committee
- Illinois P-20 Council

In 2006, Mr. del Valle was appointed by Mayor Richard M. Daley as City Clerk of Chicago, and subsequently won a citywide election to the post in 2007, becoming the first Latino elected to the office of City Clerk.

In 1986, Mr. del Valle was elected the first Latino Senator in the Illinois General Assembly where he served for 20 years. He became an Assistant Majority Leader, and served as Chairman of the Senate Education Committee, Consumer Affairs Committee, and Senate Select Committee on Education Funding Reform. He served as Vice Chairman of the Higher Education Committee, and member of the Revenue, Appropriations, Labor, and Executive Committees. He also was the co-founder of the Illinois Legislative Latino Caucus and a member of the Illinois Legislative Black Caucus.

Before running for public office, Mr. del Valle worked with several community-based agencies, organizing and providing direct services and institution building. He was Unit Director for the Union League Foundation for Boys and Girls Clubs, and Executive Director of Association House, a human services agency in Chicago. He also did work for the Pilsen Little Village Community Mental Health Center and the Center for Neighborhood Technology.

Mr. del Valle is a graduate of Chicago Public Schools and holds a M.A. in Guidance and Counseling from Northeastern Illinois University. He is married to Lupe del Valle and has four children and four grandchildren. Three of his children attended Jose de Diego Community Academy, and one graduated from Lane Tech. All four of his grandchildren have or are currently attending Chicago Public Schools.

Sendhil Revuluri was elected Vice President of the Board on June 26, 2019. Mr. Revuluri was a founding teacher at the Bronx Academy of Letters, a public secondary school in the South Bronx, where he was recognized as a Math for America Master Teacher. He subsequently worked in the CPS Office of High School Teaching and Learning and at the University of Illinois at Chicago as Associate Director of the Suburban Cook County Mathematics Initiative, a project for collaborative improvement in teaching and learning benefiting over 40,000 K–12 students in 40 public school districts.

Mr. Revuluri has served on a Local School Council, and on the board of the Illinois Council of Teachers of Mathematics, which recognized him with the Lee Yunker Mathematics Leadership Award. He currently serves on the boards of the Bright Promises Foundation and Math Circles of Chicago. He is a 2016 Fellow of Leadership Greater Chicago.

Mr. Revuluri is Managing Director of Strategic Development at PEAK6 Capital Management, an entrepreneurial investment firm that leverages technology to efficiently manage risk in the options market. He launched its internal Hackathon, leads other innovation projects, and supports the development of business strategy, as well as leading efforts for effective professional learning. Mr. Revuluri was previously an Executive Director of Equity Trading at UBS Warburg LLC in Chicago and Stamford, Connecticut, where he created instruments to manage risk and enable investment opportunities, developed and led new businesses, and collaborated to improve enterprise-level risk systems.

Mr. Revuluri was born in Chicago and attended the Illinois Mathematics and Science Academy, from which he received the Alumni Titan Award. He studied physics and mathematics at the University of Chicago and secondary mathematics teaching at Pace University.

Mr. Revuluri lives in Pilsen with his wife, Venu Gupta, and their two children, who are currently attending Chicago Public Schools.

Luisiana Meléndez is an Associate Clinical Professor at Erikson Institute and director of the Institute's Bilingual/ESL Certificate Program. She received her BA in Psychology in her native Dominican Republic and a master's in early childhood education and doctorate in child development from Loyola University Chicago/Erikson Institute. Before working in higher education, Dr. Meléndez worked for close to two decades as an early childhood and elementary teacher in the Dominican Republic and in the U.S.

Dr. Meléndez contributes to the Erikson Institute's academic programs through course work and initiatives that prepare early childhood practitioners to meet the developmental and learning needs of the increasingly diverse children and families in U.S. educational settings. Dr. Meléndez' academic work pays close attention to the particular instructional needs of young children growing up with more than one language as well as to the potential socio-emotional and cognitive advantages that growing up as bilingual or multilingual child or youth can afford. In addition to her work with current and future educators, Dr. Meléndez is particularly interested in how early care and education programs support emergent bilinguals between birth and age three.

Dr. Meléndez frequently presents in national as well as local conferences and has several publications on her areas of professional interest. In addition to her work in early childhood teacher education and professional development, Dr. Meléndez has been a member of the Early Childhood Committee of the Illinois State Board of Education since 2012. She has also served in several workgroups and advisory boards convened around issues of bilingual and multilingual development, as well as on the Board of Directors of El Valor. Dr. Meléndez has just concluded a term as co-chair of the Chicago Consortium for School Research Steering Committee.

Dr. Meléndez has resided in Chicago since 1996 and feels privileged by the opportunity to pursue professional interests that bring together her appreciation for cultural and linguistic diversity with her personal commitment to equity and social justice.

Amy Rome has dedicated her career to supporting all students and families to thrive, challenging systemic inequities that perpetuate gaps in opportunity within and across schools. For more than 20 years, she worked in and with Chicago Public Schools as a teacher, teacher leader, school leader, and principal supervisor.

Notably, Ms. Rome served as the principal of the National Teachers Academy, a Pre-K - 8th grade Chicago Public School on the near south side, where she worked closely with families and staff to create an inclusive environment amidst community housing transitions and community school closures, leading to significant gains in student achievement. Prior to transitioning from Chicago Public Schools in 2015, Ms. Rome supported eight Chicago Public Schools as a principal manager and worked with principals and their instructional leadership teams across a network of 32 schools. Ms. Rome also directed a graduate program at the University of Illinois at Chicago (UIC) focused on preparing teachers with a social justice curriculum to teach in underserved neighborhood schools.

Ms. Rome recently served as the President of Leading Educators, a national non-profit organization that partners with school systems to accelerate educational equity for the students furthest from opportunity by strengthening teaching, conditions, and leadership. In her leadership role, she oversaw the organization's talent and organizational effectiveness work, in addition to the programmatic teams. She also served as the organization's Chief Program Officer and Vice President of Design supporting the design, delivery, and evaluation of systemic, standards-aligned professional learning for teachers and leaders in DC Public Schools, Tulsa Public Schools, and New Orleans among other systems.

Ms. Rome holds a bachelor's degree in Chinese Language and Literature from The University of Iowa and a master's in Language Minority Education from National Louis University. She has completed doctoral coursework at UIC in curriculum and instruction and urban school leadership. Ms. Rome is an inaugural cohort graduate of Equity Lab's Nexus Fellowship, a national cohort designed to help leaders activate enduring change around antiracism and equity. She is currently a School Board Partners Fellow participating in a national cohort fellowship of school board members working on anti-racist school board policy. Ms. Rome currently works as a consultant supporting educational organizations and leaders through strategy coaching, talent system development, and anti-racist leadership development.

Lucino Sotelo is an award-winning digital and marketing executive, consistently delivering transformational results. He has led teams at W.W. Grainger, BMO Harris, HSBC, Grant Thornton, Diamond Technology Partners and CSC Index.

Mr. Sotelo has committed himself to community and investing in organizations that help others achieve higher levels of success, with a passionate focus on educational equality in all communities:

- City Year Chicago | Executive Board Member & Committee Chair
- Association of Latino Professionals For America | Senior Leadership Council
- Leadership of Greater Chicago Fellow | Former Executive Board Member
- Chicago Planning Commission | Former Commissioner
- Peace and Education Coalition, Executive Service Corps Chicago, YMCA | Former Board Member

Mr. Sotelo has an MBA from Northwestern University's Kellogg School of Management and a Bachelor of Science degree from DePaul University in Accounting. He is a proud CPS alum of Wells Community Academy and proud parent of two current CPS students. Mr. Sotelo was recently recognized as one of the country's 2018 Top Latino Leaders by the National Diversity Council, 2015 Top Ten Lideres by Hispanic Executive Magazine, Chicago United Business Leader of Color, Diversity MBA's Top 100 Executives, Who's Who In Hispanic Chicago and Instituto Del Progreso Latino Spirit Award.

Mr. Sotelo lives in Chicago with his wife Maria, enjoys coaching his son's baseball team and playing golf with his daughter.

Elizabeth Todd-Breland is an Assistant Professor of History at the University of Illinois at Chicago. Her research and teaching focus on U.S. urban history, African American history, and the history of education. Her work also explores interdisciplinary issues related to racial and economic inequality, urban public policy, neighborhood transformation, education policy, and civic engagement. Her book, *A Political Education: Black Politics and Education Reform in Chicago Since the 1960s*, analyzes transformations in Black politics, shifts in modes of education organizing, and the racial politics of education reform from the 1960s to the present. Professor Todd-Breland's writing has appeared in scholarly journals and edited volumes. She has also contributed to popular outlets, including *NPR*, *ESPN*, the *Washington Post*, and local radio, television, print, and online media.

Professor Todd-Breland coordinates professional development workshops, curricula, and courses for teachers and gives public talks on African American history, urban education, and racial equity. Todd-Breland is a CPS parent, served as a community member on a Local School Council, and worked with Chicago high school students as a social studies instructor and college counselor.

Professor Todd-Breland's research has been supported by grants and fellowships from the National Academy of Education, Spencer Foundation, Andrew W. Mellon Foundation, American Council of Learned Societies, Social Science Research Council, Ford Foundation, and UIC Institute for Research on Race and Public Policy. She earned her PhD in History from the University of Chicago.

Dwayne Truss is a life-long resident of the city of Chicago. Mr. Truss was born and raised in West Garfield Park and is a proud graduate of Chicago Public Schools. After graduating from Westinghouse Area Career Vocational High School in 1981, he joined the United States Marine Corps Reserve. After a short tenure with the USMCR, he transferred to the Army National Guard. Mr. Truss was honorably discharged in 1986.

Mr. Truss graduated with Bachelor of Science in Accounting from Northeastern Illinois University in 1985.

Mr. Truss met his wife Cata while a student at Northeastern and they were married in 1986. Together they raised five sons: four are college graduates.

Mr. Truss has served his community in the following capacities: Executive Director/Coach of Austin Youth League/Austin Mandela Little League from 1990 to 2007, local school council member at Byford (now Brunson), Hitch and Ella Flagg Young schools, current member of the Columbus Park Advisory Council, former board member of Raise Your Hand for Illinois Public Education, former co-chair of the Austin Community Action Council, member of the Westside Parks Executive Advisory Council and the Westside Branch of the NAACP. Mr. Truss is also an occasional contributor to both the Austin Weekly News and AustinTalks.org community newspapers.

Mr. Truss's major accomplishments include being the catalyst for the construction and current academic focus of the new Westinghouse High School, the renovation of Austin High School, the renovation of the new ball fields at Columbus Park, the renovation of Rockne Stadium, the reconsolidation of Austin High School as the neighborhood high school and the recent Chicago Park District investment of $3 million in capital improvements for Austin Parks. He is currently employed by the State of Illinois.

Mr. Truss currently resides in the Austin community. He is a proud grandfather of eight grandchildren. In addition to his children, he and his wife helped raise two nieces, and two nephews.

Overlapping Entities

There are six major units of local government located in whole or in part within the boundaries of the School District governed by the Board, each of which (i) is separately incorporated under the laws of the State, (ii) has an independent tax levy, (iii) derives its power and authority under the laws of the State, (iv) maintains its own financial records and accounts and (v) is authorized to issue debt obligations. These units are: the City; the Chicago Park District; Community College District Number 508; Cook County; the Forest Preserve District of Cook County; and the Metropolitan Water Reclamation District of Greater Chicago. Each of the foregoing governmental units levies taxes upon property located in the School District, and, in some cases, in other parts of Cook County as well. Information about these other units of local government is set forth below.

Major Units of Government

The City of Chicago (referred to herein as, the "**City**" or the "**City of Chicago**") is a home rule unit of government under the Illinois Constitution and was incorporated in 1837. The City is governed by a Mayor, elected at-large for a four-year term, and the City Council (the "**City Council**"). The City Council consists of 50 aldermen ("**Aldermen**"), each representing one of the City's 50 wards. Aldermen are elected for four-year terms.

The Chicago Park District (the "**Park District**") is responsible for the maintenance and operation of parks, boulevards, marinas and certain other public property within the City. The Park District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

Community College District Number 508 (the "**Community College District**") maintains a system of community colleges within the City. The Community College District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

The County of Cook, Illinois (the **"County**" or "**Cook County**") is a home rule unit of government under the Illinois Constitution, and includes virtually all of the City, plus numerous surrounding suburbs and unincorporated areas. The County is governed by a board of 17 Commissioners, each elected for four-year terms from one of 17 districts (the "**County Board**"). The voters of the entire County elect a number of County Officials, including the President of the Board of Commissioners, the County Sheriff, the County Assessor, the County Clerk, the State's Attorney and the County Treasurer.

The Forest Preserve District of Cook County (the "**Forest Preserve District**") is coterminous with the County. The Forest Preserve District creates, maintains and operates forest preserves within the County. The Forest Preserve District is governed by a seventeen-member board composed of the members of the County Board.

The Metropolitan Water Reclamation District of Greater Chicago (the "**Water Reclamation District**") includes virtually all of the City and most of the County. The Water Reclamation District constructs, maintains and operates sewage treatment plants and certain sanitary sewers and constructs and maintains drainage outlets. The Water Reclamation District is governed by a nine-member board elected at-large by the voters of the Water Reclamation District.

Other Public Bodies

Other governmental bodies in the Board's geographical boundaries are described below. These governmental bodies are authorized to issue debt obligations but are not authorized to levy real property taxes.

The Public Building Commission of Chicago (the "**PBC**") is a municipal corporation authorized to acquire, construct and improve public buildings and facilities for use by one or more of the local governmental units. The PBC issues bonds to finance its various projects and then leases its facilities to certain governmental units, including the Board.

The Chicago Transit Authority (the "**CTA**") is a municipal corporation empowered to acquire, construct, own, operate and maintain a transportation system in the City and portions of the County. The CTA is governed by a seven-member board. The CTA may not levy real property or other taxes.

The Regional Transportation Authority (the "**RTA**") is a municipal corporation authorized to provide planning, funding, coordination and fiscal oversight of three separately governed operating entities which provide public mass transportation services in a six-county area of northeastern Illinois, including Cook County. The RTA is governed by a 16-member board, consisting of City and suburban members appointed by elected officials in the six-county RTA region. The RTA may not levy real property taxes.

The Metropolitan Pier and Exposition Authority (the "**MPEA**"), formerly known as the Metropolitan Fair and Exposition Authority, is a municipal corporation which owns the McCormick Place convention and exposition facilities and Navy Pier. MPEA is authorized to impose certain taxes primarily to provide security for the payment of its bonds. The MPEA may not levy real property taxes.

Property Tax Collections in Cook County

Property taxes are collected by the County Collector, who remits to each unit of local government its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. Because of the COVID-19 pandemic that began at the beginning of calendar year 2020, the Tax Penalty Date for the second installment of 2019 real property taxes levied in the County was extended to October 1, 2020. The first installment is an estimated bill calculated at 55% of the prior year's tax extension. The second installment is for the balance of the current year's tax extension, and is based on the current levy, assessed value and Equalization Factor (as defined in **APPENDIX D – THE REAL PROPERTY TAX SYSTEM**) and applicable tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

The first installment penalty for tax years 2010 to 2019 has been the first business day of March. The following table sets forth the second installment penalty date for these tax years.

Second Installment

Tax Year	**Penalty Date**
2010	November 1, 2011
2011	November 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019	October 1, 2020

Although the County may provide for tax bills to be payable in four installments instead of two, it has not done so in recent years. During the periods of peak collections, tax receipts are forwarded to each governmental unit not less than weekly.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on the year's Warrant Books (the "**Annual Tax Sale**"). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue interest at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus an additional penalty fee calculated from the penalty bid at sale times a certain multiplier based on each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

As mentioned under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD Impacts on State and Local Revenues**," due to the Covid-19 pandemic, the Annual Tax Sale for tax year 2018 (for taxes uncollected in 2019) has been postponed indefinitely until after the Governor's pandemic disaster declaration is lifted. It is not possible to predict when the Annual Tax Sales will resume. The amount of property taxes that could be realized from the Annual Tax Sale are not believed to be large enough to have a material effect on amounts of collected property taxes available for repayment of the Notes.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes, interest and certain other costs to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale, except that a different penalty rate may apply depending on the length of the redemption period.

A scavenger sale (the "**Scavenger Sale**"), like the Annual Tax Sale, is a sale of unpaid taxes. A Scavenger Sale must be held, at a minimum, every two years on all property in which taxes are delinquent for two or more years. The sale price of the unpaid taxes is the amount bid at the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property. The Scavenger Sale was last held in July 2019, and, therefore, is not due to be held again until sometime in calendar year 2021. Because the Scavenger Sale cannot occur until completion of the prior Annual Tax Sale, however, it is impossible to know if it will occur in 2021 or to predict when it will next occur

CHICAGO PUBLIC SCHOOLS

School System and Enrollment

The following table presents the number of schools and the enrollment for the Board for Fiscal Years 2016 through 2021. Enrollment has declined over the period shown, based on numerous factors including a decades-long decline in the number of children born in the City and migration of students to private schools and suburban school districts. The Board's Fall 2020 (occurring in Fiscal Year 2021) school enrollment was 340,658 students and reflects a 14,498 student decrease (approximately negative 4.1%) from the Fall 2019 enrollment.

Chicago Board of Education
Number of Schools and School Enrollment

Number of Schools	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Elementary (1)	423	422	422	422	422
High School	113	108	107	106	106
Charter Schools	134	131	130	127	127
Total Schools	670	661	659	655	655
School Enrollment (2)					
Elementary (1)	238,793	230,718	222,955	220,539	206,314
High School	81,854	80,699	78,762	76,340	77,062
Charter Schools	60,702	59,965	59,597	58,277	57,282
Total School Enrollment	381,349	371,382	361,314	355,156	340,658

Source: Chicago Public Schools. Number of Schools Includes Alternative Learning Opportunities Programs (ALOPs).
(1) Elementary schools include the traditional classification of middle schools.
(2) Includes the number of students in each type of school regardless of the students' grades.

Board's Fiscal Year 2021 Budget

On August 10, 2020, the Board released its proposed Fiscal Year 2021 budget for the Fiscal Year ending June 30, 2021, which included approximately $6.9 billion in revenues, $6.9 billion in expenditures and an estimated General Operating Fund balance at the beginning of Fiscal Year 2021 of approximately $524 million. The Board approved the proposed Fiscal Year 2021 budget during its meeting on August 26, 2020.

The Fiscal Year 2021 Budget reflects a $631 million increase in revenues over Fiscal Year 2020. As a part of its Fiscal Year 2021 Budget, the Board increased its property tax levy to the maximum levy allowable under PTELL. The Fiscal Year 2021 Budget includes revenue from property taxes budgeted to be approximately $3.2 billion (reflecting a $117 million increase over Fiscal Year 2020) and will be approximately 46% of Fiscal Year 2021 budgeted operating revenues. As part of the Fiscal Year 2021 Budget, the Board estimates that the Pension Property Tax Levy, which was first implemented in Fiscal Year 2017, will generate approximately $490 million (reflecting a $13 million increase over Fiscal Year 2020).

In addition to the operating property tax revenues described above, the Board also recently levied taxes for capital improvements and related debt retirement and increased this levy annually after the initial levy in Tax Year 2015. The Fiscal Year 2021 Budget also estimates there will be a $66 million decrease in TIF Surplus and certain offsetting increases and decreases in PPRT Revenues and Federal Revenues.

The federal government allocated $206 million to the Board funded through the Elementary and Secondary School Emergency Relief Fund, part of the federal CARES Act discussed under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD."** The Board budgeted $128 million of this revenue in its Fiscal Year 2021 budget, the remaining amounts were allocated to Fiscal Year 2020. In addition, the Board budgeted $343 million in funding to support the Fiscal Year 2021 budget from future stimulus bills currently being discussed in Congress. To the extent this additional federal funding fails to materialize, the Board may address any resulting budgetary shortfall with a mix of cuts and/or additional borrowing.

Central Administration

As authorized under the School Code, the Board has established the following offices and appointed the following individuals to serve in the capacities indicated.

Chief Executive Officer	Dr. Janice K. Jackson
Chief Operating Officer	Arnaldo (Arnie) Rivera
Chief Financial Officer	Miroslava Mejia Krug
Treasurer and Deputy Chief Financial Officer	Walter M. Stock
General Counsel	Joseph T. Moriarty

Chief Executive Officer. **Dr. Janice K. Jackson** has been immersed in Chicago Public Schools her entire life. She was a CPS student from Head Start through 12th grade, and then began her teaching career at Chicago's South Shore High School. Since that time, Dr. Jackson has served as a principal, a Network Chief, the Chief Education Officer, and now, as Chief Executive Officer for CPS, the third largest school district in the country.

During her tenure as Chief Education Officer, Dr. Jackson focused on building excellence, equity and access across the District, especially relating to CPS high schools. Through a comprehensive High School Strategy, she raised both the bar and the stakes for these crucial academic years, working to ensure that every student in Chicago has a quality high school option within three miles of their home. Dr. Jackson was also the driving force behind GoCPS, the District's first common application for all CPS and charter high schools. Launched in October 2017, this application system has dramatically simplified the high school application process while improving access and equity for all CPS high school students. These combined efforts have propelled CPS students to a record-high graduation rate of 77.3 percent, and Dr. Jackson's support of a graduation requirement insisting that all students have a solid post-secondary plan is ensuring that Chicago's youth leave the classroom fully prepared for what comes next. Dr. Jackson is responsible for all CPS departments, including the Office of Teaching and Learning, which provides high-quality curriculum to engage and empower students, and the Office of College and Career Success, which works to guarantee that every student in every school has the resources they need to be successful in college, career and life. Other departments under her purview include the Office of Language and Cultural Education, which ensures that a language barrier never stands in the way of a child's success, and the Office of Diverse Learner Supports and Services, which provides students in special education with a high-quality academic experience that is tailored to their unique needs.

As a lifelong educator, Dr. Jackson is committed to providing all schools with a clear framework for excellence. This includes high-quality curricular options aimed at minimizing the achievement gap, especially among minority students. The evidence of her success can be seen in rising standardized test scores, especially among English Learners, whose progress led the way to CPS students once again outpacing their peers nationally on the 2016-2017 NWEA exam. Dr. Jackson is a progressive, forward-thinking educator who believes in setting the bar high. Her Three-Year Vision for CPS, which was unveiled in 2016, is a comprehensive, research-based strategy that will launch CPS to even higher levels of student achievement. The vision focuses on promoting academic quality, building stakeholder trust and integrity, and achieving fiscal stability, and is a carefully crafted plan for guiding work across the District.

Dr. Jackson holds a Master's in Leadership and Administration and a Doctorate in Education in Policy Studies in Urban School Leadership from the University of Illinois at Chicago. She was a member of the University of Chicago's Network for College Success and is a past board member of the Chicago Children's Advocacy Center. She was also honored by the National Council of Negro Women Chicago as a Woman Making History.

Chief Operating Officer. **Arnaldo (Arnie) Rivera** is the Chief Operating Officer of the Board and was appointed on February 28, 2018. Previously, he served as a member of the Chicago Board of Education. Mr. Rivera serves as Senior Strategic Advisor for After School Matters and has extensive experience in public education in the City of Chicago. Mr. Rivera began his career in education as a first grade teacher at Walt Disney Magnet School on Chicago's north side. After his years of teaching, he worked in a number of different roles in the Office of Management and Budget at CPS, including serving as the District's Budget Director. In this role, he was responsible for developing and maintaining the operating budget for CPS, totaling more than $5 billion in spending annually. He also led an effort to drive evidence-based decision making across the entire District budget and he helped enhance school improvement plans to assist principals track progress and resource allocations toward school-based goals. Mr. Rivera then spent two years as Deputy Chief of Staff in the CPS CEO's office, where he was responsible for the planning and execution of the Full School Day outreach strategy and the expansion of the International Baccalaureate programs in Chicago's high schools. He was also part of the district's contract negotiations team that helped secure a collective bargaining agreement with the Chicago Teacher's Union in 2012. Mr. Rivera left CPS and served as Chief Operating Officer for The Chicago Public Education Fund. In this role, he was responsible for the organization's financial and operations management, as well as overseeing its communications and development strategies. In 2014, he was appointed Deputy Chief of Staff for Education by Mayor Rahm Emanuel, where he coordinated the administration's education policy agenda for the City of Chicago from early childhood through community college. Mr. Rivera returned to CPS in 2015 as Chief Officer of Public Policy. Mr. Rivera earned a Bachelor's Degree in Economics and a Master's Degree in Education and Social Policy, both from Northwestern University.

Chief Financial Officer. **Miroslava Mejia Krug** was appointed Chief Financial Officer by the Board effective January 14, 2020. As Chief Financial Officer, she is responsible for fulfilling CPS' commitment to financial stability through effective budget planning, maximizing available funds, and ensuring an equitable distribution of resources across the district. Ms. Krug is responsible for the administration and oversight of all financial activities within the Finance Office including Treasury & Risk Management, Budget & Grants Managements, and the Controller.

Prior to joining the District, Ms. Krug worked at Benedictine University, most recently as Vice President for Administration and Finance. Prior to Benedictine University, she was Senior Vice President for Finance and Administration and Chief Financial Officer at Roosevelt University, overseeing finances, human resources, facilities management and information technology. Before working in education, Ms. Krug was Chief Financial Officer of the Chicago Housing Authority during the largest and most ambitious public housing redevelopment effort in the country and spent ten years with United Airlines in multiple international finance roles. Additionally, she was named a Business Leader of Color by Chicago United in 2013.

Ms. Krug earned a master of business administration from Universidad Latinoamericana de Ciencia y Tecnología and a bachelor's degree in accounting from Universidad de Panama.

Treasurer and Deputy Chief Financial Officer. **Walter M. Stock** is the Treasurer and Deputy Chief Financial Officer of the Board and has oversight over treasury management and risk management. He was appointed to his current positions as Treasurer and Deputy Chief Financial Officer on July 24, 2019, with an effective date of June 23, 2019. Mr. Stock has been with the Board since January 2014. His responsibilities have included cash operations and forecasting, debt management and new issuance, investments, risk management, and management of all CPS banking accounts, including those of the local schools. Previous to his tenure at CPS, Mr. Stock was a Managing Director at PNC Capital Markets. Preceding PNC Capital Markets, he was a Managing Director at Mesirow Financial. Prior to that he was a Vice President at Bernardi Securities. In total, Mr. Stock has over 25 years of municipal finance experience and has structured and executed in excess of $12 billion of financings for the Board and municipal issuers across the Midwest. He holds a Bachelor's Degree in Economics from the University of Illinois at Chicago.

General Counsel. **Joseph T. Moriarty** is the General Counsel of the Board and was appointed as General Counsel on February 28, 2018. He has practiced law for 32 years. Mr. Moriarty was in private practice from 1985 to 1997 during which time he specialized in labor and employment litigation. He left private practice in August 1997 and served in the Chicago Housing Authority's law department until December 2000. Mr. Moriarty was the CHA's Associate General Counsel for Labor Relations at the time of his departure. In January 2001, he joined City Colleges of Chicago's (Community College District 508's) law department and subsequently became its First Assistant General Counsel. Mr. Moriarty joined the Board of Education in May 2004 as Deputy General Counsel for Labor Relations, where he managed all labor-related litigation and was a member of the Board's collective bargaining team. He was appointed the Board's Labor Relations Officer on July 1, 2012 and he led collective bargaining with seven labor organizations that collectively represent approximately 35,000 Board employees. He served in that capacity until his appointment as General Counsel. He is licensed to practice law in Illinois state and federal courts. Mr. Moriarty is a 1982 graduate of the American University, where he received a Bachelor of Arts in Government and Public Administration. He graduated from the John Marshall Law School in 1985.

Chicago Teachers Union and Other Employee Groups

Overview. The Board currently employs approximately 37,775 persons. Approximately 92.0% of the Board's employees are represented by five unions that engage in collective bargaining with the Board. As of January 07, 2020, approximately 65.7% of the Board's employees were represented by the CTU and approximately 26.4% were represented by other unions. The unions, number of employees represented and effective dates of the Board's most recent collective bargaining agreements are as follows:

Labor Organization	Number of Covered Employees	Agreement Start Date	Agreement End Date
CTU	24,767	July 1, 2019	June 30, 2024
SEIU Local 73	7,333	July 1, 2018	June 30, 2023
UNITE-HERE Local 1	2,116	July 1, 2017	June 30, 2021[(1)]
SEIU Local 1	481	July 1, 2016	June 30, 2021[(1)]
IB of T Local 700	23	July 1, 2017	June 30, 2022

(1) Due to COVID-19, one-year contract extensions have been negotiated to alleviate the need for extended bargaining during the pandemic.

CTU. The Board's collective bargaining agreement with CTU expired on June 30, 2019. A new agreement was entered into on November 20, 2019 (retroactive to July 1, 2019 and expiring on June 30, 2024) following extended negotiations and an eleven-day teacher strike. The agreement covers the terms and conditions of employment for teachers, school clerks, teacher assistants and other paraprofessionals and provides for wage increases of 16% over five years, increased staffing requirements for clinicians, and $35 million allocated to address class size issues, among other negotiated terms.

SEIU Local 73. The Board's agreement with SEIU Local 73 (covering custodians, security officers, special education classroom assistants, and bus aides) expired on June 30, 2018. The Board and SEIU Local 73 entered an agreement on November 20, 2019 (retroactive to July 1, 2019 and expiring on June 30, 2023). The new agreement calls for wage increases of 16% over five years, specifically 3% in Fiscal Year 2019, Fiscal Year 2020, and Fiscal Year 2021, and 3.5% in Fiscal Year 2022 and Fiscal Year 2023.

Unite Here Local 1. On March 27, 2019, the Board approved and ratified the tentative collective bargaining agreement with Unite HERE Local 1, which was retroactive to July 1, 2017, and will expire on June 30, 2020. Due to the COVID-19 pandemic, the Board ratified a one-year extension on the contract with Unite Here Local 1 on June 24, 2020, this agreement will expire on June 30, 2021 and provides a 3% wage increase for Fiscal Year 2021. The agreement calls for wage increases of 3.5% for Fiscal Year 2018, 3.5% for Fiscal Year 2019, and 2.5% for Fiscal Year 2020. The labor costs associated with the agreement are paid exclusively from grant funds generated from the U.S. Department of Agriculture's nutrition grant.

SEIU Local 1. The Board reached a new agreement with the SEIU Local 1 (covering lunchroom managers), which became effective in January 2017, retroactive to July 1, 2016. Due to the COVID-19 pandemic, the Board ratified a one-year extension on the contract with SEIU Local 1 on June 24, 2020, this agreement will expire on June 30, 2021 and provides a 3% wage increase for Fiscal Year 2021.The labor costs associated with the agreement are paid exclusively from grant funds generated from the U.S. Department of Agriculture's nutrition grant.

IB of T Local 700. On February 29, 2018, the Board approved an agreement with IB of T Local 700 (covering truck drivers) retroactive to July 1, 2017. The employees covered by this agreement are motor truck drivers and covered by prevailing wage statutes. The new agreement incorporates the benefit structure agreed to by CTU, SEIU Local 73 and IUOE Local 143B. The current agreement expires on June 30, 2022.

ISBE Public Inquiry on the Board's Special Education Services

In December 2017, the Illinois State Board of Education ("**ISBE**") launched a "Public Inquiry" to examine the special education budget allocation processes and procedures and the provision of special education services in Chicago Public Schools. The Public Inquiry process is established by State law and is designed to facilitate fair and transparent fact-finding on a matter of public concern. The Office of the General Counsel at ISBE leads the Public Inquiry team that includes a special education law expert and a representative from the special education advocacy community. The Public Inquiry team held a series of public hearings involving both written and oral testimony and has issued a report presented to the ISBE Board. The report noted problems that delayed or hindered the provision of special education services to students and the ability of educators and families to advocate for the services students needed.

In response to the ISBE report, the Board has been working to develop next steps in order to resolve concerns noted in the report. Several steps have been implemented but full implementation has been delayed as a result of the Board's priorities in addressing the effects of COVID-19. As of the date of this Official Statement, the Board has resumed implementation of actions in response to the ISBE report and anticipates completing the process within the current Fiscal Year. Once the Board's planned response is fully implemented, no further actions or ISBE review are expected to be required by the ISBE. The Board is prepared, however, to respond to any further concerns of the ISBE on this matter should they arise.

FINANCIAL INFORMATION

Accounting and Financial Statements

The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. All Board funds are reported in the governmental funds consisting of the General Operating Fund, Capital Projects Fund, and Debt Service Fund. The General Operating Fund includes the General and Special Revenue Programs.

The Board's fund financial statements provide detailed information about the most significant funds. The Board's governmental funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. All of the Board's services are reported in governmental funds, showing how money flows into and out of funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the Board's operations and the services it provides.

In addition, the Board is required to have an annual independent audit of its financial statements. The Comprehensive Annual Financial Report of the Board for the year ended June 30, 2019, prepared by Baker Tilly Virchow Krause, LLP, the Board's independent auditor, is attached hereto as **APPENDIX E**.

Property Tax Revenues

Overview. In Fiscal Year 2020, revenues from ad valorem property taxes were approximately $3.1 billion and made up approximately 50% of the General Operating Fund revenues. The Board's property tax levy has had a compounded annual growth rate of approximately 3.74% per year since FY2012. Property tax revenue is the Board's largest revenue source. As a part of its Fiscal Year 2021 Budget, the Board increased its property tax levy to the maximum levy allowable under PTELL. The Fiscal Year 2021 Budget includes approximately $6.9 billion in revenues, of which approximately $3.2 billion is expected to be derived from property taxes. For a discussion of the Fiscal Year 2021 budget details regarding property tax revenues, see "**CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget**." For a discussion of the real property tax system see **APPENDIX D – "THE REAL PROPERTY TAX SYSTEM."** For a discussion of the timing of receipt of property tax revenues see "**CASH FLOW AND LIQUIDITY—Timing of Receipt of Revenues**" and **APPENDIX D – "THE REAL PROPERTY TAX SYSTEM."**

Property Tax Base, Tax Extensions and Collections. The table on the following page provides statistical data regarding the property tax base and the tax rates, tax levies and tax collections for the Board. The table reflects the tax year and such taxes are extended for collection in the following calendar year.

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Assessed, Equalized Assessed and Estimated Value of All Taxable Property within the School District for Years 2009–2019

(Dollars in Thousands)

Tax Year Levy [(1)]	Class 2[(2)]	Class 3[(3)]	Assessed Values Class 5[(4)]	Other [(5)]	Total	State Equalization Factor	Total Equalized Assessed Value	Total Estimated Fair Cash Value [(7)]	Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value %
2009	$18,311,981	$1,812,850	$10,720,244	$592,365	$31,437,440	3.3701	$84,592,286	$280,288,730	30.18
2010	18,120,678	1,476,291	10,407,012	561,682	30,565,663	3.3000	82,087,170	231,986,396	35.38
2011	17,976,208	1,161,634	10,411,363	544,416	30,093,621	2.9706	75,122,914	222,856,064	33.71
2012	15,560,876	1,252,635	10,201,554	454,593	27,469,658	2.8056	65,250,387	206,915,723	31.53
2013	15,440,622	1,282,342	10,137,795	453,201	27,313,960	2.6621	62,363,876	236,695,475	26.35
2014	15,416,908	1,345,482	10,096,651	467,529	27,326,570	2.7253	64,908,057	255,639,792	25.39
2015	17,319,503	1,589,995	11,240,864	541,183	30,691,545	2.6685	70,963,289	278,076,449	25.52
2016	17,219,809	1,663,312	11,316,868	562,402	30,762,391	2.8032	74,016,506[(6)]	293,121,793	25.25
2017	17,196,902	1,905,033	11,370,329	497,856	30,970,120	2.9627	76,768,955[(6)]	306,074,351	25.08
2018	19,759,176	2,329,709	13,321,105	626,755	36,036,745	2.9109	86,326,179[(6)]	***	***
2019	19,705,845	2,552,750	13,908,306	666,850	36,833,751	2.9160	87,816,177	***	***

Source: Chicago Public Schools.

(1) Triennial updates of assessed valuation occurred in years 2009, 2012, 2015 and 2018.
(2) Residential, six units and under.
(3) Residential, seven units and over and mixed-use.
(4) Industrial/Commercial.
(5) Vacant, not–for–profit and industrial/commercial incentive classes.
(6) Source: Cook County Clerk's Offices. Calculation is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.
(7) Source: Civic Federation.

*** Information not available.

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The effects of the COVID-19 pandemic discussed in this Official Statement under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD"** as related to the assessed values of properties within the School District are difficult to assess at this time. Impacts on property values and consequent assessments will tend to be longer-range and therefore are not likely to have an impact on property within the School District prior to tax year 2021 (collectible in 2022). The Board cannot predict if, when or to what extent, the assessed values of properties within the School District will be affected by the economic impacts of the COVID-19 pandemic.

The table below sets forth the Board's ad valorem property tax extensions and collections for Collection Years 2015 – 2020.

Board of Education of City of Chicago Education Fund Property Tax Collections
(As of October 14, 2020) (Dollars in Thousands)

			Amounts Collected within the Collection Year of Extension[1]				**All Collections to Date[1]**	
Tax Levy Year	**Collection Year**	**Education Fund Total Tax Extension**	**1/1 to 6/30 (A)**	**7/1 to 12/31 (B)**	**1/1 to 12/31 (A +B)**	**Percentage of Extension**	**Amount[2]**	**Percentage of Extension**
2014	2015	$2,212,422	$1,096,988	$1,040,217	$2,137,205	97%	$2,141,612	97%
2015	2016	2,274,161	1,148,340	1,063,987	2,212,327	97	2,203,891	97
2016	2017	2,305,534	1,174,181	1,090,446	2,264,627	98	2,260,710	98
2017	2018	2,426,902	1,214,851	1,154,054	2,368,095	98	2,385,838	98
2018	2019	2,455,702	1,279,858	1,121,472	2,401,330	98	2,419,871	99
2019	2020	2,540,880	1,281,903	1,156,050[3]	2,437,963[3]	96[3]	2,457,963[3]	96[3]

Source: Chicago Public Schools and Cook Country Treasurer. Only Education Fund extensions and collections are included in the figures shown above. Excludes all other property tax levies of the Board.

[1] All collections are net of refunds.
[2] Includes all amounts including those received during and after the calendar year of the extension.
[3] In process of collection. As a result of the tax year 2019 penalty date being moved to October 1, 2020, distribution dates for collected 2019 property taxes have been adjusted by the County to include multiple dates through October 30, 2020 and active distributions are expected to continue through that period.

The effects of the COVID-19 pandemic discussed in this Official Statement under **"IMPACT OF COVID-19 ON LIQUIDITY OF THE BOARD"** as related to the collection of property taxes for tax year 2019 and thereafter are difficult to assess at this time. Property tax collections may experience impacts during the current Fiscal Year 2021. The effects that mitigating actions taken by the County to date, including the delay of the Tax Penalty Date for the second installment of property taxes to October 1, 2020, do not appear to have had a significant impact on the collection rate , although the extension has resulted in a delay in receipt of collections.

CASH FLOW AND LIQUIDITY

Overview

The Board's cash flow experiences peaks and valleys throughout the year depending on when revenues are received and expenditures paid. Most revenues are received in the second half of each Fiscal Year while most expenditures, largely payroll and vendor expenses, are paid equally throughout each Fiscal Year. Also, the Board's required annual debt service deposit and required pension payment are each made immediately prior to the receipt of an installment of property tax revenues, the largest revenue source of the Board. The impact of these patterns in revenues and expenditures creates natural cash flow pressures for the Board within each Fiscal Year.

For Fiscal Year 2020, the Board's liquidity position on June 30th decreased by approximately $119 million compared to Fiscal Year 2019. This decline was caused primarily by a decrease in the amount of outstanding accounts payable in Fiscal Year 2020 versus Fiscal Year 2019. Despite these challenges, the Board was able to achieve a $14 million reduction in the maximum amount of tax anticipation note borrowing for Fiscal Year 2020 versus Fiscal Year 2019. The aggregate maximum principal amount of tax anticipation notes borrowed was $844 million and $830 million in Fiscal Year 2019 and Fiscal Year 2020, respectively. The Board's aggregate principal amount of Tax Anticipation Notes borrowed in Fiscal Year 2021 against the second installment of property taxes was $850,000,000 and these notes were repaid on August 18, 2020. The aggregate maximum principal amount of tax anticipation notes borrowed against the first installment of property taxes for the 2019 tax levy totaled $830,000,000 and was repaid in early March. During Fiscal Year 2020, no Tax Anticipation Notes were outstanding for nonconsecutive days equal to approximately four months. The Board anticipates that during Fiscal Year 2021, for nonconsecutive days equal to approximately four months, no tax anticipation notes will be outstanding.

The liquidity position of the Board's operating funds changes from year to year and at times has declined during previous Fiscal Years because operating expenses have exceeded operating revenues. See "**OTHER INVESTMENT CONSIDERATIONS – Structural Deficit, Cash Flow and Liquidity**." With its operating reserves depleted, the Board spent the majority of the days in each Fiscal Year since 2015 in a negative cash flow position. In order to address these liquidity issues, the Board has issued from time to time, tax anticipation notes and grant anticipation notes to provide needed operating funds.

Timing of Receipt of Revenues

The paragraphs below describe the timing of receipt of the Board's three main sources of operating revenues: Property Taxes, State revenues and Federal revenues.

Property Taxes. Property taxes will be approximately 47% of Fiscal Year 2021 budgeted operating revenues and are predominantly received in two installments. The first installment is typically received in late February and March. Receipt of the second installment depends on the due date established by the County. In Fiscal Year 2020, the due date was August 3 and the County moved the tax penalty date to October 1 as partial mitigations for the economic effects of COVID-19. As of October 6, 2020, the Board has received 95% of property taxes from the 2019 tax levy. Additional distributions from the 2019 tax levy are expected to continue through October 30, 2020. From 2012 through 2019, this due date and tax penalty date has been on or about August 1, resulting in the receipt of second installment revenues in late July and August. See "**FINANCIAL INFORMATION – Property Tax Revenues**."

State Revenues. State revenues are largely made up of Evidence Based Funding ("**EBF**") State aid revenues and State grant revenues. On August 31, 2017, P.A. 100-465 became effective and replaced the State's previous method of allocating operating dollars to schools in Illinois. EBF State aid revenues for

Fiscal Year 2021 are expected to be approximately 24% of budgeted operating revenues and received from August through June in similar semi-monthly installments. The timing of the Board's receipt of State grant payments has varied and has been often dependent on the State's financial condition and cash flow. In Fiscal Year 2020, the amount of State Grants appropriated but unpaid by June 30 was approximately $50 million. Prior to Fiscal Year 2020, the unpaid but appropriated State Grants by June 30 was $36 million in Fiscal Year 2019, $70 million in Fiscal Year 2018 and $330 million in Fiscal Year 2017.

Federal Revenues. Federal revenues are approximately 19% of total Fiscal Year 2021 budgeted operating revenues. The State administers federal grants to the Board on behalf of the federal government and federal grant revenues are distributed to the Board only after the grants for these funds have been approved by the State. Upon this approval, which historically occurs approximately half-way through the Fiscal Year, the Board submits for reimbursement of qualified expenditures which drives the timing of Federal revenues for cash flow purposes. A decline in total receipts of Federal Revenues by year-end typically indicates offsetting expenditures were also less than expected. See "**CHICAGO PUBLIC SCHOOLS Board's Fiscal Year 2021 Budget**" for a discussion of expected federal funding relating to the Fiscal Year 2021 Budget.

Timing of Expenditures

The timing of the Board's expenditures is relatively stable and can be broken down into three categories: payroll and vendor, debt service and pensions.

Payroll and Vendor Expenses. Historically, approximately 49% of the Board's budgeted expenditures are for payroll and associated taxes, withholding and employee contributions. These payments occur every other week and occur primarily during the school year from September through June. In addition, the Board's recurring expenses for textbooks, educational materials, charter school payments, healthcare, transportation, facilities and commodities total approximately 41% of the Board's budgeted expenditures; the timing of such payments is relatively predictable and spread throughout the fiscal year. Approximately 10% of budgeted revenues, which flow through the operating account, are comprised of debt service, annual pension payments, and interest on short-term debt.

Debt Service Deposits. Debt service payments on the Board's alternate revenue bonds backed by State aid revenues are deposited into debt service funds once a year by February 15, prior to when the Board receives the first installment of property tax revenues. In Fiscal Year 2021, the projected debt service deposit in February 2021 relative to these alternate revenue bonds is approximately $445 million, an increase of $64 million from Fiscal Year 2020. Deposits for debt service for alternate revenue bonds backed by personal property replacement taxes in Fiscal Year 2021 totaled $39 million.

Pension Contributions. In Fiscal Year 2021, the Board expects total pension contributions to be approximately $885 million, as certified by the Pension Fund as the necessary contribution to achieve 90% funded status by 2059 as prescribed by statute. In Fiscal Year 2021, approximately $490 million of this pension contribution will be funded through the Pension Property Tax Levy and $266 million will be funded by the State contribution, as provided for under P.A. 100-465. These funds are directly intercepted to the Pension Fund. In the aggregate, $756 million or 85% will be funded by a dedicated revenue source other than the Board's unrestricted general operating funds and is credited against the Board's required pension contribution. The remaining contribution by the Board is projected to be $129 million, which is expected to be funded from the Board's operating revenues. In addition, the Board has in recent fiscal years made periodic pension contributions totaling approximately $16 million that coincide with the payroll for employees paid with federal funds. In Fiscal Year 2020, the Board contributed $60 million to the Municipal Employees' Annuity and Benefit Fund (the "**Annuity Fund**") for the first time. The Board also budgeted $60 million in pension costs to the Annuity Fund in Fiscal Year 2021. Beginning with Fiscal Year 2022 and going forward, the Board anticipates making a $100 million payment to the Annuity Fund under the terms of an intergovernmental agreement with the City. There is no statutory requirement to make these payments and the amounts contributed could change in the future depending on discussions with the City.

The historical annual growth in equalized assessed valuation of property within the School District for the period 2012-2021 has averaged approximately 3.7% based upon records of the Cook County Clerk. The Board's required pension contribution is currently projected by the Pension Fund's actuaries to grow by an average of approximately 2% annually through 2059. The majority of the Board's required contributions to the Retirement Funds are required to be made in late June, before the Board receives the distribution of the second installment of property tax revenues in July and August.

Fiscal Years 2017 to 2021 Short-Term Borrowing to Fund Liquidity

The Board's current state of diminished liquidity originated from a draw-down of general fund balances to fund recurring structural budget deficits for Fiscal Years 2015 through 2017. For Fiscal Years 2017 and 2018, the Board relied on short-term borrowing to fund liquidity. In Fiscal Year 2017, the Board issued $1.55 billion principal amount of 2016 Tax Anticipation Notes in anticipation of the collection of the 2016 tax levy in the amount of approximately $2.34 billion. The Board repaid in full the 2016 Tax Anticipation Notes on August 11, 2017. In Fiscal Year 2018, the Board issued $1.09 billion principal amount of 2017 Tax Anticipation Notes in anticipation of the collection of the 2017 tax levy in the amount of $2.42 billion. The Board repaid in full the 2017 Tax Anticipation Notes on August 7, 2018. The maximum amount of Tax Anticipation Notes outstanding at any point in time during Fiscal Year 2018 was a $455 million reduction from the Fiscal Year 2017 amount of $1.55 billion. In Fiscal Year 2019, the Board issued $844 million principal amount of 2018 Tax Anticipation Notes in anticipation of the 2018 tax levy in the amount of $2.5 billion. The Board repaid in full the 2018 Tax Anticipation Notes on August 16, 2019.

In Fiscal Years 2020 and 2021, the Board levied in tax year 2019, for collection in calendar year 2020, the 2019 tax levy. Further, the Board authorized the issuance of Tax Anticipation Notes in a principal amount outstanding from time to time of up to $1.25 billion to be issued in tranches to fund its cash flow needs. All notes issued against the first installment of property taxes for tax year 2019 were repaid in early March 2020. All notes issued against the second installment of property taxes for tax year 2019 were repaid on August 18, 2020. Due to the timing of draws in early July 2020, the maximum amount of Tax Anticipation Notes outstanding at any point in time during Fiscal Year 2021 totaled $850 million, an increase of $20 million from Fiscal Year 2020. See "**PLAN OF FINANCE**."

In 2017, the Board issued its Grant Anticipation Revenue Notes, Series 2017A (the "**2017A GANs**") and Grant Anticipation Revenue Notes, Series 2017B (the "**2017B GANs**" and, collectively with the 2017A GANs, the "**2017 GANs**") in the aggregate principal amount of $387 million, payable from State Grants for Fiscal Year 2017. The Board repaid in full the 2017 GANs. The Board has not issued grant anticipation notes after Fiscal Year 2017, and the Board does not anticipate issuing grant anticipation notes in Fiscal Year 2021.

Forecasted Liquidity

The table entitled "Projected Cash Flow Table" which follows at the end of this subheading reflects the Board's forecasted liquidity profile by month from July 2020 to August 2021. The table shows the use of proceeds of the Tax Anticipation Notes to provide needed operating funds. Additional Tax Anticipation Notes are expected to be issued during Fiscal Year 2021 and early Fiscal Year 2022. Forecasting future results is inherently subject to uncertainty. The forecasts in the table below are based upon various judgments (many of which are subjective), estimates and assumptions relating to the timing and amount of revenues and expenses of the Board, many of which are outside the control of the Board and may not materialize. These assumptions include (but are not limited to) the following: (i) the timing and amount of revenues and expenses of the Board will be consistent with current expectations for its Fiscal Year 2021 and Fiscal Year 2022, and (ii) the issuance of the Tax Anticipation Notes providing net funding to the Board of up to $1.25 billion.

There can be no assurance that the assumptions, estimates and judgments made in preparing the forecasts will prove accurate or that any of the forecasts will be realized. The inclusion of the forecasts in this document should not be regarded as an indication that the Board considered or considers the forecasts to be a prediction of actual future events, and the forecasts should not be relied upon as such.

Throughout this Official Statement, are discussions of various matters that may impact the realization of the assumptions and estimates underlying the forecasts, and investors should read this entire Official Statement. The information under this heading constitutes Forward-Looking Statements. Accordingly, investors are cautioned not to place undue reliance upon the following forecasts. The forecasts also were not prepared in compliance with generally accepted accounting principles or the published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants, including guidelines regarding projections or forecasts. The Board's independent registered public accounting firm has not examined, compiled or otherwise applied procedures to the forecasts and, accordingly, assumes no responsibility for them.

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Projected Cash Flow Table

Chicago Public Schools

Cash Flow Forecast

FY 2021 - Current Forecast

$ in millions

		FY 2021												Total	FY 2022	
		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY 2021	Jul-21	Aug-21
Beginning cash balance	A	$ 286.3	$ 176.4	$ 141.9	$ 245.8	$ 506.3	$ 375.5	$ 226.9	$ 287.2	$ 121.0	$ 388.5	$ 120.7	$ 127.9	$ 286.3	$ 160.5	$ 97.4
Operating receipts																
Property taxes		$ 133.3	$ 849.5	$ 15.0	$ 275.8	$ 6.9	$ 7.4	$ 9.4	$ 242.8	$1,105.9	$ 13.6	$ 23.2	$ 7.2	$ 2,690.2	$ 362.6	$ 922.7
TIF		-	3.0	-	-	-	-	-	55.8	14.3	2.0	-	-	75.0	-	14.3
Other local revenue		31.8	26.2	6.0	33.8	10.3	13.2	10.3	8.4	8.3	39.3	59.2	8.3	255.0	35.9	29.7
State block grants		15.5	33.7	15.1	24.3	50.6	2.0	58.8	16.5	1.1	0.9	74.9	68.3	361.8	17.8	50.0
Evidence Based Funding		-	148.7	148.7	149.9	149.9	149.9	166.2	149.9	149.9	149.9	149.9	153.0	1,665.8	-	149.7
Federal revenue		33.7	48.4	112.6	31.7	225.4	73.4	234.2	169.6	141.7	89.9	29.9	155.4	1,346.1	75.9	62.7
Total operating receipts		214.3	1,109.5	297.5	515.5	443.2	245.9	479.0	643.0	1,421.2	295.6	337.1	392.1	6,393.8	492.1	1,229.1
Operating expenditures																
Payroll		(163.3)	(70.4)	(116.3)	(253.5)	(291.3)	(246.0)	(291.8)	(259.4)	(261.0)	(254.8)	(297.0)	(258.4)	(2,763.3)	(152.2)	(76.5)
Health Insurance		(36.9)	(39.2)	(38.3)	(39.2)	(38.9)	(38.3)	(42.9)	(38.8)	(38.8)	(38.3)	(38.9)	(38.8)	(467.4)	(38.8)	(38.9)
Employer pension payment		-	(60.0)	(0.2)	-	-	(0.8)	(0.5)	(0.5)	(0.4)	(0.5)	(1.0)	(64.0)	(127.9)	-	(59.9)
Pension Pick-up		(8.6)	(2.0)	(1.7)	(14.8)	(24.8)	(14.8)	(14.2)	(16.1)	(16.1)	(16.2)	(24.2)	(16.1)	(169.6)	(7.1)	(2.1)
Charter School		(175.4)	(13.3)	(4.3)	(158.9)	(2.7)	(9.1)	(164.7)	(2.8)	(6.9)	(160.2)	(2.8)	(5.5)	(706.6)	(186.6)	(5.5)
AP disbursements		(149.6)	(198.1)	(107.6)	(140.7)	(175.5)	(126.1)	(159.7)	(117.7)	(127.6)	(126.4)	(153.4)	(169.3)	(1,751.8)	(183.6)	(235.1)
Total operating expenditures		(533.8)	(383.0)	(268.4)	(607.2)	(533.3)	(435.2)	(673.8)	(435.3)	(450.9)	(596.4)	(517.3)	(552.2)	(5,986.7)	(568.2)	(418.0)
Net operating cash flows		**(319.5)**	**726.5**	**29.1**	**(91.7)**	**(90.1)**	**(189.3)**	**(194.8)**	**207.7**	**970.3**	**(300.8)**	**(180.2)**	**(160.0)**	**407.2**	**(76.1)**	**811.1**
Financing cash flows																
FY20 TAN drawdown		349.9	-	-	-	-	-	-	-	-	-	-	-	349.9	-	-
FY20 TAN repayment		(126.8)	(723.2)	-	-	-	-	-	-	-	-	-	-	(850.0)	-	-
FY21 TAN drawdown		-	-	-	399.0	-	-	250.0	300.0	-	-	150.0	200.0	1,299.0	375.0	-
FY21 TAN repayment		-	-	-	-	-	-	-	(242.8)	(707.2)	-	-	-	(950.0)	(362.6)	(362.4)
Debt service and transfers		(0.3)	(5.0)	-	(0.8)	-	-	-	(446.6)	(4.5)	-	-	-	(457.3)	-	(12.2)
Financing cash flows		222.7	(728.2)	-	398.2	-	-	250.0	(389.5)	(711.7)	-	150.0	200.0	(608.4)	12.4	(374.7)
Capital cash flows																
Capital reimbursements		22.9	13.7	92.7	17.4	21.5	97.9	59.8	92.4	68.9	75.5	77.2	47.9	687.9	60.6	68.8
Capital expenditures		(36.1)	(46.5)	(18.0)	(63.4)	(62.2)	(57.2)	(54.8)	(76.8)	(60.1)	(42.4)	(39.8)	(55.2)	(612.4)	(60.1)	(72.7)
Net capital cash flows		(13.1)	(32.8)	74.8	(46.0)	(40.7)	40.7	5.1	15.7	8.8	33.0	37.4	(7.4)	75.5	0.5	(4.0)
Net cash flows	**B**	**$ (109.9)**	**$ (34.4)**	**$ 103.9**	**$ 260.5**	**$ (130.9)**	**$ (148.6)**	**$ 60.3**	**$ (166.1)**	**$ 267.5**	**$ (267.8)**	**$ 7.2**	**$ 32.6**	**$ (125.8)**	**$ (63.2)**	**$ 432.5**
Ending cash balance	**A+B=C**	**$ 176.4**	**$ 141.9**	**$ 245.8**	**$ 506.3**	**$ 375.5**	**$ 226.9**	**$ 287.2**	**$ 121.0**	**$ 388.5**	**$ 120.7**	**$ 127.9**	**$ 160.5**	**$ 160.5**	**$ 97.4**	**$ 529.8**
Minimum cash balance		*$ 171.6*	*$ 87.2*	*$ 137.3*	*$ 77.1*	*$ 366.2*	*$ 164.6*	*$ 128.7*	*$ 78.4*	*$ 94.3*	*$ 87.2*	*$ 52.8*	*$ 110.7*	*$ 110.7*	*$ 97.4*	*$ 73.7*
End of Month TANs Outstanding		(723.2)	-	-	(400.0)	(400.0)	(400.0)	(650.0)	(707.2)	-	-	(150.0)	(350.0)	(350.0)	(362.4)	-
Maximum TANs Outstanding		(850.0)	(723.2)	-	(400.0)	(400.0)	(400.0)	(650.0)	(950.0)	(707.2)	-	(150.0)	(350.0)	(350.0)	(725.0)	(362.4)

TAX MATTERS

In the opinion of Co-Bond Counsel, under existing federal statutes, decisions, regulations, and rulings, interest on the Notes is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and is not an item of tax preference for purposes of the federal alternative minimum tax. This opinion relates only to the exclusion from gross income of interest on the Notes for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Board with the Tax Covenants (as hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. Interest on the Notes is not exempt from present State income taxes. See **APPENDIX C** hereto for the form of the approving opinions of Co-Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Notes as a condition to the exclusion from gross income of interest on the Notes for federal income tax purposes. The Board will covenant not to take any action, nor fail to take any action within its power and control, with respect to the Notes that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Notes pursuant to Section 103 of the Code (collectively, the "**Tax Covenants**"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the Notes establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Indenture if interest on the Notes is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Notes.

Although Co-Bond Counsel will render an opinion on the federal tax matters described above, the accrual or receipt of interest on the Notes may otherwise affect a Holder's federal income tax liability. The nature and extent of these other tax consequences will depend upon the Holder's particular tax status and the Holder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits, and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Notes. Co-Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Notes should consult their own tax advisors with regard to the other tax consequences of owning the Notes.

Interest on the Notes is not exempt from present Illinois income taxes.

NO RATING

The Board has not made, and does not currently contemplate making, an application to any rating agency for the assignment of a rating to the Notes.

FINANCIAL ADVISOR

Columbia Capital Management LLC, Chicago, Illinois has been retained by the Board to serve as Financial Advisor (the "**Financial Advisor**") with respect to the Notes. The Financial Advisor is a "municipal advisor" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has assisted the Board in the preparation of this Official Statement and in other matters relating to the issuance of the Notes. The Financial Advisor has not, however, independently verified the factual information contained in this Official Statement.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Co-Bond Counsel, who have been retained by, and are acting as Co-Bond Counsel to, the Board. Such opinions are included herein as **APPENDIX C**. Co-Bond Counsel have not been retained or consulted on disclosure matters and have not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that Co-Bond Counsel have, at the request of the Board, reviewed that section of this Official Statement involving the description of the federal tax exemption of interest on the Notes based on statutes, judicial decisions, regulations, rulings and other official interpretation of law that were in existence on the date hereof. This review was undertaken solely at the request and for the benefit of the Board and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed upon for the Board by its General Counsel, Joseph Moriarty, its Co-Issuer's Counsel, Cotillas, Chicago, Illinois, and Katten Muchin Rosenman LLP, Chicago, Illinois, and its Co-Disclosure Counsel, Burke Burns & Pinelli, Ltd., Chicago, Illinois and Sanchez Daniels & Hoffman LLP, Chicago, Illinois.

LITIGATION

The Board is involved in numerous lawsuits that arise out of the ordinary course of operating the school system. Some of the cases pending against the Board involve claims for substantial moneys. As is true with any complex litigation, neither the Board nor its counsel is able to predict either the eventual outcome of such litigation or its impact on the Board's finances. The Board has available to it a tort liability tax levy to pay tort judgments and settlements. This tort liability tax levy is unlimited as to rate, but subject to the limitations on the annual growth in property tax extensions of the Board imposed by PTELL.

Upon delivery of the Notes, the Board will furnish an opinion of its General Counsel to the effect that, among other things, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Notes, or in any way contesting the validity or enforceability of the Notes.

NO CONTINUING DISCLOSURE

Pursuant to SEC Rule 15c2-12, the Notes are exempt from continuing disclosure obligations. As such, the Board has not undertaken any continuing disclosure obligation with respect to the Notes.

NOTE SALE RESULTS

The Notes were sold by a competitive sale conducted on October 14, 2020. All of the Notes, in the principal amount of $400,000,000 bearing interest at 0.85%, were purchased by JPMorgan Chase Bank, NA at a purchase price of $400,000,000.

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AUTHORIZATION AND MISCELLANEOUS

The Board has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered on behalf of the Board.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: /s/ Miroslava Mejia Krug
Chief Financial Officer

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APPENDIX A

FORMS OF MASTER INDENTURE AND SUPPLEMENTAL INDENTURE

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APPENDIX A-1

FORM OF MASTER INDENTURE

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MASTER TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee

Dated as of October 1, 2020

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES

TABLE OF CONTENTS

THIS MASTER TRUST INDENTURE dated as of October 1, 2020 (the "*Indenture*"), by and between the Board of Education of the City of Chicago, a school district organized and existing under the laws of the State of Illinois, and Zions Bancorporation, National Association, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out as trustee (the "*Trustee*");

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5/34, as amended (the "*School Code*"), the City of Chicago constitutes one school district (the "*School District*") which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," governed by the Chicago Board of Education (the "*Board*"); and

WHEREAS, the 2020 Tax Levy of the Board for educational purposes (the "*2020 Tax Levy*") is in the amount of $2,599,320,009 and such levy has been duly adopted by the Board and filed in the manner provided by law with the County Clerk of The County of Cook, Illinois and the County Clerk of the County of DuPage, Illinois; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with that issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes in an amount not to exceed 85% of the 2020 Tax Levy; and

WHEREAS, in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as amended (the "*Act*"), the Board, on the 26th day of August, 2020, adopted Resolution No. 20-0826-RS4 (the "*Note Resolution*") authorizing the issuance, from time to time, in one or more series, of its Educational Purposes Tax Anticipation Notes in an aggregate principal amount outstanding at any one time of not to exceed $1,250,000,000 (the "*Tax Anticipation Notes*") to enable the Board to borrow money in anticipation of the tax revenue to be derived from the 2020 Tax Levy for the purposes permitted under the School Code and the Act; and

WHEREAS, the Board has determined that it is advisable, necessary and in the best interests of the Board and the residents of the School District to issue Tax Anticipation Notes from time to time in one or more series pursuant to this Indenture (the "*Notes*"); and

WHEREAS, the Notes will be payable exclusively from Pledged Tax Receipts (as defined herein) and the Trust Estate (as defined herein); and

WHEREAS, pursuant to authority granted in the Note Resolution, the Board has appointed Zions Bancorporation, National Association, to act as Trustee under this Indenture; and

WHEREAS, no Notes or other obligations have heretofore been issued by the Board pursuant to the Note Resolution or other authority in anticipation of the receipt of the Pledged Tax Receipts; and

WHEREAS, the Board has not heretofore pledged the Pledged Tax Receipts as security for the payment of any bond, note or other obligation of the Board; and

WHEREAS, all things necessary to make the Notes, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on the following Trust Estate for the purpose of securing the payment of the principal of, premium, if any, and interest on the Notes have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Indenture and the execution and issuance of the Notes, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, Purchase Price of and interest on and the repayment of any Advance (as hereinafter defined) on all Notes issued and to be issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Notes contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the acquisition and acceptance of the Notes by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Notes shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby pledge and grant a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners to the extent provided in this Indenture:

(a) The Pledged Tax Receipts, provided that the pledge of the Pledged Tax Receipts shall be irrevocable and on parity with respect to all Notes issued and Outstanding under this Indenture; and

(b) All moneys and securities and earnings thereon held in the Escrow Account maintained under the Tax Escrow Agreement (as defined herein), provided that such pledge is on a parity with the pledge of the moneys and securities held in the Escrow Account for the benefit and security of all Notes issued and Outstanding under this Indenture and is subject to the allocation of the moneys and securities in said Escrow Account in accordance with the terms and provisions of the Tax Escrow Agreement; and

(c) All moneys and securities and earnings thereon in all funds, accounts and sub-accounts established and maintained pursuant to this Indenture; and

(d) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture;

But In Trust Nevertheless, and except as herein otherwise provided, for the equal and proportionate benefit and security of the Notes issued hereunder and secured by this Indenture, including any Notes hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Note over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Notes shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in this Indenture, as aforesaid).

Provided Further, However, that the Board has reserved the right, upon compliance with the provisions of this Indenture, to issue Additional Notes (as hereinafter defined) on a parity with and sharing ratably and equally in the Pledged Tax Receipts with the Notes.

Provided Further, However, that these presents are upon the condition that, if the Board, or its successors, shall well and truly pay or cause to be paid, or provide for the payment of all principal, premium, if any, and interest on the Notes due or to become due thereon, at the times and in the manner stipulated therein and herein, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

And It Is Hereby Covenanted and Agreed by and among the Board, the Trustee and the Owners of the Notes from time to time, that the terms and conditions upon which the Notes are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I
Definitions and Construction

Section 101. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings unless a different meaning clearly appears from the context:

"*Account*" means any account so designated by the Board pursuant to Section 402.

"*Act*" means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as amended.

"*Additional Notes*" means any Notes authorized and delivered on original issuance pursuant to Section 204.

"*Advance*" means either any Initial Advance or a Supplemental Advance.

"*Advance Rate*" shall, for each applicable Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture authorizing such Series.

"*Affiliate*" means, with respect to a Person, any Person (whether for profit or not for profit), which "controls" or is "controlled" by or is under common "control" with such Person. For purposes of this definition, a Person "controls" another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise.

"*Authorized Denominations*" means the denominations of the Notes of a Series as determined in the Supplemental Indenture authorizing such Series.

"*Authorized Officer*" means (i) the President of the Board, (ii) the Treasurer of the Board, (iii) the Chief Financial Officer of the Board or (iv) any other officer or employee of the Board authorized to perform specific acts or duties under this Indenture by resolution duly adopted by the Board.

"*Board*" means the governing body of the School District, which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," pursuant to Article 34 of the School Code.

"*Bond Counsel*" means any law firm designated by the Board (i) having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds and (ii) acceptable to the Trustee.

"*Business Day*" means any day other than (a) a Saturday, Sunday or (b) a day on which banking institutions located (i) in the city in which the designated office of the Trustee is located, or (ii) in the city in which the designated office of the Escrow Agent is located, are closed.

"*Code*" or "*Code and Regulations*" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

"*Counsel's Opinion*" or "*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Board (including the internal counsel to the Board) or Bond Counsel.

"*County Collectors*" means, collectively, the (i) County Treasurer of Cook County, Illinois and (ii) County Treasurer of DuPage County, Illinois, each in its respective capacity as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

"*Credit Facility*" means, as to any particular Series of Notes, a letter of credit, a line of credit, a guaranty, a Note purchase agreement or other credit or liquidity enhancement facility, as may be provided in the Supplemental Indenture authorizing such Series.

"*Credit Provider*" means, as to any particular Series of Notes, the Purchaser providing a Credit Facility to the Board, as may be provided in the Supplemental Indenture authorizing such Series.

"Debt Service Deposit Account" means the Debt Service Deposit Account for each Series established in Section 402.

"Debt Service Fund" means the Debt Service Fund established in Section 402.

"*Defeasance Obligations*" means Government Obligations which are not subject to redemption or prepayment other than at the option of the holder thereof.

"Depositary" means any bank, national banking association or trust company having a capital and undivided surplus aggregating at least $15,000,000, selected by an Authorized Officer as a depositary of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

"*DTC*" means The Depository Trust Company, New York, New York, as securities depository for the Notes.

"*DTC Participant*" shall mean any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing the Notes with DTC pursuant to the book-entry only system described in Section 203 hereof.

"*Escrow Agent*" means Zions Bancorporation, National Association, or its successor as escrow agent under the Tax Escrow Agreement.

"*Event of Default*" means any event so designated and specified in Section 701.

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Registrar and the Paying Agent, or any or all of them, as may be appropriate.

"*First Installment Holders*" means the Owners of First Installment Notes.

"*First Installment Notes*" means Notes with a Maturity Date or a Repaid Advance Payment Date on or prior to June 1, 2021.

"*First Installment Proceeds*" means Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received by the Escrow Agent on or prior to June 1, 2021.

"*Fixed Rate*" shall, for each applicable Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture relating to such Series of Notes.

"*Forward Supply Contract*" means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a "*Counterparty*") pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

"Funds" means the Debt Service Fund and any other special funds created and established pursuant to Article IV hereof or any Supplemental Indenture.

"*Government Obligations*" means (a) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and (b) certificates of ownership of the principal of or interest on obligations of the type described in clause (a) of this definition, (i) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (ii) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations, and (iii) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"*Holder*" means, with respect to a Series of Notes, any person who shall be the registered owner of any Note or Notes of such Series.

"*Indenture*" means this Master Trust Indenture, dated as of October 1, 2020, by and between the Board and the Trustee, as from time to time amended and supplemented.

"Initial Advance" means the initial advance of proceeds from a Series of Notes from a Credit Provider to the Board pursuant to the Supplemental Indenture authorizing such Series, in such amount as determined is such Supplemental Indenture.

"Interest Payment Date" shall, for each Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture authorizing such Series.

"Interest Rate" means the Advance Rate, Fixed Rate, or Variable Rate associated with a Series of Notes pursuant to the Supplemental Indenture authorizing such Series of Notes.

"*Investment Policy*" means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

"*Investment Securities*" means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

(A) Government Obligations;

(B) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration

- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration;

(C) Senior debt obligations issued by Fannie Mae or the Federal Home Loan Mortgage Corporation and senior debt obligations of other government agencies which at the time of purchase are rated within the four highest general classifications (without respect to any modifier) by an NRSRO or are expressly secured by the full faith and credit of the United States of America;

(D) U.S. dollar denominated deposit accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the Board), demand deposits, including interest bearing money market accounts, trust deposits, time deposits, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and its affiliates) which on the date of purchase (i) have ratings on their short term certificates of deposit in the highest two categories by any NRSRO and (ii) mature no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(E) Commercial paper which, at the time of purchase, (i) has ratings in the highest category from at least two (2) NRSROs and (ii) matures not more than 180 days after the date of purchase;

(F) Investments in a money market fund which at the time of purchase are rated in the highest two categories by an NRSRO, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise;

(G) Repurchase Agreements; and

(H) Forward Supply Contracts.

"*Maturity Date*" shall, for each Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture relating to such Series of Notes.

"NRSRO" means a credit rating agency approved by the U.S. Securities and Exchange Commission as a nationally recognized statistical rating organization.

"*Notes*" means any Tax Anticipation Notes authenticated and delivered under and pursuant to this Indenture and pursuant to a Supplemental Indenture relating to such Tax Anticipation Notes, including any Additional Notes.

"*Note Resolution*" means Resolution No. 20-0826-RS4, adopted by the Board on August 26, 2020, authorizing the issuance of the Notes, as the same may be supplemented or amended.

"*Notice of Sale*" means, for any Series of Notes offered for public sale pursuant to a competitive bidding process, the Official Notice of Sale pursuant to which such Series is sold.

"*Opinion of Bond Counsel*" means a written opinion of Bond Counsel in form and substance acceptable to the Board and the Trustee, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

"*Outstanding*" means, with respect to a Series of the Notes, as of any date, all Notes of such Series theretofore or thereupon being authenticated and delivered under this Indenture except:

(i) Any Notes of such Series (or portions thereof) canceled by the Trustee at or prior to such date;

(ii) Notes of such Series (or portions thereof) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the Maturity Date or Redemption Date), provided that if such Notes (or portions thereof) are to be redeemed, notice of such redemption shall have been given as provided in the Supplemental Indenture authorizing the issuance of such Series or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Notes in lieu of or in substitution for which other Notes shall have been authenticated and delivered pursuant to Article II, Section 304 or Section 1006;

(iv) Notes deemed to have been paid as provided in Section 1101(B); and

(v) Notes purchased by the Board and cancelled pursuant to Section 1105 hereof.

"*Owner*" means any Holder or Purchaser of any Note or Notes.

"*Paying Agent*" means the Trustee and any other bank, national banking association or trust company designated by Supplemental Indenture or by an Authorized Officer as a paying agent for the Notes of any Series, and any successor or successors appointed by an Authorized Officer under this Indenture.

"*Payment Date*" shall mean any date on which the principal or Redemption Price of or interest on any Series of Notes is payable in accordance with its terms and the terms of this Indenture and the Supplemental Indenture creating such Series, including the purchase date of Notes purchased pursuant to Section 403(D).

"*Person*" means and includes an association, unincorporated organization, a limited liability company, a corporation, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

"*Pledged Tax Receipts*" means all of the money derived from the collection of the Pledged Taxes, to the extent such money has not been released to the Board free and clear of the lien of this Indenture pursuant to the provisions of this Indenture.

"*Pledged Taxes*" means the annual ad valorem tax levied by the Board upon all taxable property located in the School District for educational purposes for the year 2020.

"Principal and Interest SubAccount" means each Principal and Interest SubAccount for each Series established pursuant to Section 402.

"*Principal Payment Date*" means, with respect to any Series of Notes, (i) each date that principal on such Series of Notes is paid pursuant to this Indenture and the applicable Supplemental Indenture, (ii) each Redemption Date with respect to such Note and (iii) the Maturity Date of such Note.

"Program Expense Fund" means the Program Expense Fund, if established pursuant to Sections 402 and 405.

"*Purchase Date*" shall, for each Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture relating to such Series of Notes.

"*Purchase Price*" shall, for each Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture relating to such Series of Notes.

"*Purchaser*" means, with respect to a Series of Notes, any Person that (i) purchases a beneficial ownership interest in any Note or Notes of such Series from the Board or (ii) makes a loan to the Board in exchange for ownership of any Note or Notes of such Series and shall have the meaning further ascribed to such term in the Supplemental Indenture authorizing such Series of Notes; *provided, however,* “Purchaser” shall not include any Person that purchases a beneficial ownership interest in a Series of Notes pursuant to a Notice of Sale.

"*Record Date*" means, (i) with respect to any Interest Payment Date for the Notes, the Business Day immediately preceding such Interest Payment Date for such Notes and (ii) any date determined by the Trustee pursuant to Section 702(I) hereof.

"Redemption Account" means the Redemption Account for each Series established in Section 402.

"*Redemption Date*" means, with respect to a Note of any Series (or portion thereof), the date identified in the Supplemental Indenture authorizing such Series.

"Redemption Fund" means the Redemption Fund established in Section 402.

"*Redemption Price*" means, with respect to a Note of any Series (or portion thereof), the principal amount thereof payable upon the date fixed for redemption.

"*Registrar*" means the Trustee and any other bank, national banking association or trust company appointed by an Authorized Officer under this Indenture and designated as registrar for the Notes, and its successor or successors.

"Released Funds Account" means the Released Funds Account established in Section 402.

"*Repaid Advance*" means any Advance or portion thereof made pursuant to a Supplemental Indenture which is repaid by the Board and deposited with the Trustee and transferred to the applicable Credit Provider.

"*Repaid Advance Payment Date*" means, with respect to a Note of any Series (or portion thereof), the date identified in the Supplemental Indenture authorizing such Series.

"*Repayment Commencement Date*" means that date which is 15 days after the Tax Penalty Date.

"*Repurchase Agreements*" means repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.

"*School Code*" means the School Code, 105 Illinois Compiled Statutes 5/34, as amended.

"*School District*" means the school district constituted by the City of Chicago pursuant to Article 34 of the School Code, and governed by the Chicago Board of Education.

"*SLGS*" means United States Treasury Certificates of Indebtedness, Notes and Bonds – State and Local Government Series.

"*Series*" means all of the Notes designated as a series and authenticated and delivered on original issuances in a simultaneous transaction, and any Notes thereafter authenticated and delivered in lieu of or in substitution for such Notes pursuant to Article III, Section 1006 or the provisions of a Supplemental Indenture.

"*State*" means the State of Illinois.

"*Supplemental Advance*" means any additional advance of proceeds from a Series of Notes to the Board subsequent to the Initial Advance pursuant to the Supplemental Indenture authorizing such Series, in such amount as determined in such Supplemental Indenture; provided that the aggregate amount of the Initial Advance and all Supplemental Advances less any Repaid Advances relating to such Series of Notes shall not exceed the principal amount of such Series of Notes.

"*Supplemental Indenture*" means any Supplemental Indenture between the Board and the Trustee authorized pursuant to Article IX.

"*Tax Escrow Agreement*" means the Tax Escrow Agreement dated as of October 1, 2020, as amended from time to time, by and between the Board and the Escrow Agent.

"*Tax Anticipation Notes*" means any tax anticipation note, tax anticipation warrant or similar indebtedness issued by the Board in anticipation of the collection of the taxes levied by the Board for educational purposes for the 2020 Tax Levy.

"*Tax Increment Revenue*" means the portion, if any, of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in any transit facility improvement area established by the City of Chicago, over and above the initial equalized assessed value of such property existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Article 15 of the Property Tax Code, 35 Illinois Compiled Statutes 200, as amended, in the transit facility improvement area.

"*Tax Penalty Date*" means the last day on which the second installment of the Pledged Taxes may be paid without penalty with respect to taxable property located in The County of Cook, Illinois.

"*Testing Period*" means (i) the period beginning on April 3, 2021 to (but excluding) the Repayment Commencement Date and (ii) at any time not described in the preceding clause (i), any period during which an Event of Default has occurred and is continuing.

"*TIF Act*" means the Tax Increment Allocation Redevelopment Act, 65 Illinois Compiled Statutes 5/11-74.4, as amended.

"*Trust Estate*" means the Pledged Tax Receipts and all other property pledged to the Trustee pursuant to the Granting Clauses of this Indenture.

"*Trustee*" means Zions Bancorporation, National Association, and any successor or successors appointed under this Indenture as hereinafter provided. The "designated office" of the Trustee means 111 West Washington Street, Suite 1860, Chicago, IL 60602, or such other address as is provided by the Trustee.

"*Uncollected Pledged Taxes*" means, as of any date of calculation, an amount equal to the difference between (i) $2,599,320,009 and (ii) the aggregate amount of the Pledged Tax Receipts deposited with the Escrow Agent pursuant to the Tax Escrow Agreement as of such date of calculation.

"*Variable Rate*" shall, for each applicable Series of Notes, have the meaning ascribed to such term in the Supplemental Indenture authorizing such Series.

"*Year*" or "*year*" means a calendar year.

Section 102. Interpretations. As used herein, and unless the context shall otherwise indicate, the words "Note," "Owner" and "Person" shall include the plural as well as the singular number.

As used herein, the terms "herein," "hereunder," "hereby," "hereto," "hereof"' and any similar terms refer to this Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

ARTICLE II
Authorization and Issuance of Notes

Section 201. Authorization of Notes. (a) The Board shall not issue any Tax Anticipation Notes while this Indenture is in effect except in accordance with the provisions of this Article II. All Notes issued under this Indenture shall be designated "Educational Purposes Tax Anticipation Notes" and shall include such further appropriate designations as the Board may determine. The total principal amount of Notes that may be issued and Outstanding hereunder is expressly limited to $1,250,000,000.

(B) Notes may be issued in one or more Series and each Note shall bear upon its face the designation determined for its Series. Each Series of Notes evidences a borrowing (including any re-borrowing) by the Board. The Notes shall be issued pursuant to the Note Resolution, this Indenture and a Supplemental Indenture. Any two or more Series may be consolidated for purposes of sale in such manner as may be provided in the Supplemental Indenture authorizing such Series.

(C) The Notes of each Series shall be issuable as fully registered notes, without coupons, in Authorized Denominations, substantially in the form attached to the Supplemental Indenture relating to such Notes, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture. The Notes of each Series shall be lettered and numbered, be dated, mature and be subject to redemption or purchase for cancellation as provided in the Supplemental Indenture authorizing such Series of Notes.

Section 202. General Provisions for Issuance of Notes. (a) Each Series of Notes shall be executed by the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of:

(A) A Counsel's Opinion regarding the validity and enforceability of such Series.

(B) A written order as to the delivery of such Series signed by an Authorized Officer, which order shall direct, among other things, the application of the proceeds of such Series.

(C) A copy of the Note Resolution, certified by the Secretary of the Board.

(D) An executed copy of this Indenture and the Supplemental Indenture authorizing such Series, which shall collectively specify:

(i) The authorized principal amount, designation and Series of such Notes.

(ii) The purposes for which such Series of Notes is being issued.

(iii) The date, and the Maturity Date or Dates, of the Notes of such Series.

(iv) The Interest Rate or Rates of the Notes of such Series, or the manner of determining such Interest Rate or Rates, and the Payment Dates and Record Dates therefor.

(v) The Authorized Denominations and the manner of dating, numbering and lettering of the Notes of such Series.

(vi) The Registrar and the Paying Agent for the Notes of such Series.

(vii) The Redemption Price or Prices, if any, or the method for determining Redemption Prices and any redemption dates and terms for the Notes of such Series.

(E) Such further documents, moneys and securities as are required by the provisions of this Indenture or any Supplemental Indenture.

Notes of the same Series and maturity shall be of like tenor except as to interest rate, denomination and form. After the original issuance of Notes of a Series, no Notes of such Series shall be issued except in lieu of or in substitution for other Notes of such Series pursuant to this Indenture or as permitted by a Supplemental Indenture.

Section 203. Book-Entry Provisions.

(A) Each Series of Notes as initially issued shall be certificated and shall not be in book-entry form unless (i) the Board or the applicable Purchaser requests that a Series of Notes be issued in book-entry or (ii) the Series of Notes are sold pursuant to a Notice of Sale, in which case such Series of Notes shall be issued in book-entry form and the provisions of paragraph (B) below shall apply.

(B) Any Series of Notes issued in book-entry form shall be initially issued in the form of a separate single fully registered Note for each maturity. Upon initial issuance, the ownership of each such Note shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, the ownership of all of the outstanding Notes shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to the Notes registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Note, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Note, of any notice with respect to such Note, including without limitation any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Note, of any amount with respect to Principal or Redemption Price of or interest on such Note. Notwithstanding any other provision of this Indenture to the contrary, the Board, the Trustee and each other Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each Note is registered as the absolute owner of such Note for the purpose of payment of Principal or Redemption Price and interest with respect to such Note, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Note and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all Principal or Redemption Price of and interest on the Notes only to or upon the order of the respective Owners thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the Board's obligations with respect to payment of Principal or Redemption Price of and interest on the Notes to the extent of the sum or sums so paid. No Person other than an Owner of a Note shall receive a Note certificate evidencing the obligation of the Board to make payments of principal or Redemption Price of and interest on the Notes pursuant to this Indenture.

The Owners of the Notes have no right to the appointment or retention of a depository for such Notes. DTC may resign or be removed as securities depository under the conditions provided in the Letter of Representations. In the event of any such resignation or removal, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Note certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Note certificates and transfer or cause the transfer of one or more separate Note certificates to DTC Participants having Notes credited to their DTC accounts. In such event, the Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Notes shall designate, in accordance with the provisions of this Indenture.

The Board has heretofore executed and delivered the Letter of Representations to DTC. Notwithstanding any other provision of this Indenture, so long as DTC, or its designee, is the Owner of all the Notes, the provisions set forth in the Letter of Representations shall apply to the redemption of any Notes and to the payment of Principal or Redemption Price of and interest on the Notes, including without limitation, that:

(A) presentation of Notes to the Trustee upon redemption or at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Notes through DTC or DTC's Participants is transferred by DTC on its books; and

(B) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Notes under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Notes through DTC or DTC's Participants.

So long as the Notes are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions of the Letter of Representations.

Section 204. Additional Notes. One or more Series of Tax Anticipation Notes entitled to the benefit, protection and security of this Indenture and constituting a Series of Notes may be authorized and delivered pursuant to a Supplemental Indenture. Any such Additional Notes shall be authenticated and delivered by the Trustee only upon receipt by it of the documents required by Section 202 and a certificate from an Authorized Officer (i) demonstrating that the Board is in compliance with the requirements of Section 604 and (ii) stating that no Event of Default will exist as of the time immediately following the issuance of such Additional Notes.

ARTICLE III
General Terms and Provisions of Notes

Section 301. Medium of Payment; Form and Date; Letters and Numbers. The Notes shall be payable, with respect to interest, principal, Purchase Price and Redemption Price, and the repayment of any Advance on any Notes shall be payable, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any Notes of a Series shall be issued only in the form of fully registered Notes without coupons or, pursuant to the provisions of a Supplemental Indenture, in any other form permitted by law at the time of original issuance, including, but not limited to, Notes which are transferable through a book-entry system. Each Note shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Note is a part and so as to be distinguished from every other Note. Notes shall be dated as provided in this Indenture or the Supplemental Indenture authorizing the Notes of such Series.

Section 302. Legends. The Notes of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, law, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Board or the Trustee prior to the authentication and delivery thereof.

Section 303. Execution and Authentication. (a) The Notes shall be executed in the name of the Board by the manual or facsimile signatures of its President or Vice President and attested by the manual or facsimile signature of its Secretary. The signature of the Chief Executive Officer or the Treasurer of the Board may also appear on the Notes. In case any one or more of the officers who shall have signed any of the Notes shall cease to be such officer before the Notes so signed shall have been authenticated and delivered by the Trustee, such Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Notes had not ceased to hold such offices. Any Note may be signed on behalf of the Board by such persons who at the time of the execution of such Note shall hold the proper office of the Board, although at the date of such Note such persons may not have been so authorized or have held such office.

(B) The Notes shall bear a certificate of authentication, in the form set forth in the Supplemental Indenture authorizing such Notes, executed manually by the Trustee. Only such Notes as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Note executed on behalf of the Board shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 304. Exchangeability of Notes. Subject to the provisions of Section 305, any Note, upon surrender at the corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any charges which the Trustee may make as provided in Section 305, be exchanged for an equal aggregate principal amount of fully registered Notes of the same Series, maturity, and interest rate and tenor of any other Authorized Denominations.

Section 305. Negotiability, Transfer and Registration. (a) Subject to the limitations contained in any Supplemental Indenture, upon surrender for registration of transfer of any Note at the designated office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Owner or such Owner's attorney duly authorized in writing, the Board shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees a new Note or Notes of the same Series and of like date and tenor in Authorized Denominations for the aggregate principal amount which the Owner is entitled to receive bearing numbers not contemporaneously Outstanding. Subject to the limitations contained in any Supplemental Indenture, Notes may be exchanged at such times at such designated office of the Trustee upon surrender thereof together with an assignment duly executed by the Owner thereof or such Owner's attorney in such form and with guarantee of signature as shall be satisfactory to the Trustee for an equal aggregate principal amount of Notes of the same Series and of like date and tenor of any Authorized Denomination as the Notes surrendered for exchange bearing numbers not contemporaneously Outstanding. The execution by the Board of any Note of any Authorized Denomination shall constitute full and due authorization of such Authorized Denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Note.

(B) No service charge shall be imposed upon the Owners for any exchange or transfer of Notes. The Board and the Trustee may, however, require payment by the person requesting an exchange or transfer of Notes of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Note for the unredeemed portion of a Note surrendered for redemption in part.

(C) The Board, the Trustee and any Paying Agent may treat the Owner of any Note as the absolute owner thereof for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Note as herein provided shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

(D) Notes delivered upon any registration of transfer or exchange as provided herein or as provided in Section 306 shall be valid limited obligations of the Board, evidencing the same debt as the Notes surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

Section 306. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Note of the same Series and of like tenor and principal amount, as the Notes so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note, upon surrender and cancellation of such mutilated Note or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Board and the Trustee that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Board and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Board or the Trustee may prescribe and paying such expenses as the Board and Trustee may incur. All Notes so surrendered to the Trustee shall be canceled by the Trustee in accordance with Section 1105. Any such new Notes issued pursuant to this Section in substitution for Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Notes so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Notes issued under this Indenture and shall be equally secured by the moneys or securities held by the Trustee for the benefit of the Owners.

Section 307. Notes Purchased by the Board. The Board may buy, sell, own and hold any Series of Notes for its own account, as further provided in the Supplemental Indenture authorizing such Series; *provided, however*, that such Series may be sold or remarketed only if the Board has received an Opinion of Bond Counsel that such sale or remarketing will not adversely affect the exclusion of interest on the Notes from the gross income of the Owners thereof for federal income tax purposes under the Code. No purchase of a Series of Notes by the Board or use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of such Series or any portion thereof and such purchase shall not operate to extinguish or discharge the indebtedness evidenced by such Notes.

ARTICLE IV
Pledge of Trust Estate and Application of Funds

Section 401. Pledge Effected by This Indenture. (a) There are hereby assigned and pledged (i) for the payment of the principal, Redemption Price and Purchase Price of, and interest on, the Notes and (ii) for the repayment of any Advances, in accordance with their terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, subject only to the provisions of this Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in this Indenture, on the Trust Estate as described in the Granting Clauses hereto.

(B) Pursuant to Section 13 of the Act, the moneys, securities and properties hereby pledged by the Board and received by the Escrow Agent as the agent of the Board shall immediately be subject to the lien and the irrevocable pledge hereof without any physical delivery or further act, and the lien and pledge hereof shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice hereof.

(C) The Notes are limited obligations of the Board payable solely from the Pledged Tax Receipts and the other moneys pledged for their payment in accordance with this Indenture. Neither the full faith and credit nor the general taxing power of the Board (other than the Pledged Taxes) is pledged to, or otherwise available for, the payment of any Note or the repayment of any Advance.

Section 402. Establishment of Funds and Accounts. The Debt Service Fund and the Redemption Fund are hereby established as special funds of the Board to be held by the Trustee. Within the Debt Service Fund, the Trustee shall establish a separate Debt Service Deposit Account for each outstanding Series of Notes and a Released Funds Account. Within the Debt Service Deposit Account for each Series of Notes is created a Principal and Interest SubAccount and, if provided for in the Supplemental Indenture relating to a Series of Notes, a Repaid Advance Account. Within the Redemption Fund, the Trustee shall establish a separate Redemption Account for each outstanding Series of Notes. At the direction of an Authorized Officer, the Board may establish the Program Expense Fund as a special fund of the Board to be held by the Trustee.

Section 403. Deposit and Application of Pledged Tax Receipts.

(A) All Pledged Tax Receipts received by the Trustee from the Escrow Agent pursuant to the terms of the Tax Escrow Agreement shall be deposited and applied by the Trustee in accordance with this Section 403. Subject to Section 403(H) hereof, all Pledged Tax Receipts paid by the Escrow Agent to the Trustee on or prior to June 1, 2021 shall be (1) deposited immediately into each Debt Service Deposit Account and Repaid Advance Account of the Debt Service Fund on a pro-rata basis for each Series of (i) the First Installment Notes and (ii) other Notes with an Interest Payment Date or Purchase Date occurring on or before the June 1, 2021, based upon (a) the unpaid principal or Purchase Price of such Series due and payable on or prior to June 1, 2021 and (b) the Repaid Advance amount to be repaid by the Board on or prior to June 1, 2021 pursuant to the Supplemental Indenture authorizing such Series and (2) applied by the Trustee pursuant to Section 403(B).

All Pledged Tax Receipts paid by the Escrow Agent to the Trustee after June 1, 2021 shall be (1) deposited by the Trustee into the Debt Service Deposit Accounts and the Repaid Advance Accounts of the Debt Service Fund on a pro-rata basis for each Series of Notes based upon (a) the unpaid principal of such Series and (b) the Repaid Advance amount to be repaid by the Board pursuant to the Supplemental Indenture authorizing such Series and (2) applied by the Trustee pursuant to Section 403(C).

(B) With respect to all First Installment Proceeds, on each Business Day, if no Event of Default has occurred and is continuing, the Trustee shall apply the moneys in each Debt Service Deposit Account of the Debt Service Fund in the following order of priority:

First: to the related Principal and Interest SubAccount for payment to (i) the First Installment Holders of any First Installment Notes and (ii) the Owners of any other Notes with an Interest Payment Date or Purchase Date occurring on or before June 1, 2021, for the payment of the accrued and unpaid interest on such Notes when due on any Interest Payment Date occurring on or before June 1, 2021. In calculating the amount of the moneys to be deposited into such Principal and Interest SubAccount pursuant to this paragraph for payment of interest on such Notes, interest shall be deemed to accrue on such Notes at the applicable Interest Rate or rate of 9% per annum for any date for which the actual variable rate of interest on such Notes is not then known.

Second: to the related Principal and Interest SubAccount for payment to the First Installment Holders of any First Installment Notes, for the payment of principal of such Notes as the same shall become due on any applicable Maturity Date, Redemption Date, or Purchase Date, to the extent such Maturity Date, Redemption Date, or Purchase Date is on or before June 1, 2021.

Third: to the Released Funds Account for payment to, or pursuant to the direction of, the Board, any amount remaining in the Debt Service Fund after sufficient Pledged Tax Receipts have been deposited into the Debt Service Deposit Accounts and the Repaid Advance Accounts for each Series of Notes for the payment in full of (i) all interest on and principal of any First Installment Notes, (ii) interest on other Notes coming due on or before June 1, 2021, (iii) the Purchase Price, and (iv) any Repaid Advance amount coming due on or before June 1, 2021, all as provided in Clause First and Clause Second above and Paragraphs (D) and (E) below.

(C) With respect to all other proceeds of the Pledged Tax Receipts collected and not applied pursuant to Paragraph (B) above, on (i) each Business Day (1) prior to the Repayment Commencement Date on which the aggregate principal amount of all Outstanding Notes is equal to or greater than 80% of the Uncollected Pledged Taxes and (2) on and after the Repayment Commencement Date, until the Maturity Date for all then Outstanding Notes and (ii) the Maturity Date for all then Outstanding Notes, the Trustee shall apply the moneys in each Debt Service Deposit Account of the Debt Service Fund in the following order of priority:

First: to the related Principal and Interest SubAccount for payment to the Owners of any Series of Notes then Outstanding, for the payment of the accrued and unpaid interest on such Notes when due on each Interest Payment Date. In calculating the amount of the moneys to be deposited into such Principal and Interest SubAccount pursuant to this paragraph for payment of interest on such Notes, interest shall be deemed to accrue on such Notes at the applicable Interest Rate or rate of 9% per annum for any date for which the actual variable rate of interest on such Notes is not then known.

Second: to the related Principal and Interest SubAccount for payment to the Owners of any Series of Notes then Outstanding, for the payment of principal of such Notes as the same shall become due on any Maturity Date, any Redemption Date or any Purchase Date.

Third: to the Released Funds Account for payment to, or pursuant to the direction of, the Board, any amount remaining in the Debt Service Fund after sufficient Pledged Tax Receipts have been deposited into the Debt Service Deposit Accounts and the Repaid Advance Accounts for each Series of Notes for the payment of (i) all interest on and principal of the Notes (ii) the Purchase Price, and (iii) any Repaid Advance amount of the applicable Series then Outstanding as provided in Clause First and Clause Second above and Paragraphs (D) and (E) below.

(D) On each Purchase Date, the Trustee shall apply moneys in the related Debt Service Deposit Account of the Debt Service Fund to the payment of the Purchase Price of the Notes of the applicable Series to be purchased on such Purchase Date pursuant to the Supplemental Indenture relating to such Notes, including the accrued interest on such Notes payable on the Purchase Date.

(E) On each Repaid Advance Payment Date, the Trustee shall apply moneys in the related Repaid Advance Account of the Debt Service Fund to the repayment of any Advances relating to Notes of the applicable Series to be paid on such Repaid Advance Payment Date pursuant to the Supplemental Indenture relating to such Notes, including the accrued interest on such Notes payable on the Repaid Advance Payment Date.

(F) On any Business Day that (i) no Notes are then Outstanding or (ii) provision for the payment of Notes then Outstanding has been made in accordance with Section 1101 hereof, any moneys held in the Debt Service Deposit Accounts of the Debt Service Fund and any Pledged Tax Receipts received by the Trustee on that Business Day shall immediately be transferred to the Released Funds Account for immediate payment to, or pursuant to the direction of, the Board, free from the lien of this Indenture and any Supplemental Indentures.

(G) On each Business Day on which money is paid to, or pursuant to the direction of, the Board pursuant to this Section 403, the Trustee shall provide to the City

Treasurer of the City of Chicago, as custodian of the Board's tax moneys, notice of the date and amount of such payment to, or pursuant to the direction of, the Board.

(H) Notwithstanding the provisions of this Section 403, if an Event of Default has occurred, all Pledged Tax Receipts then on deposit with the Trustee shall be allocated or reallocated and transferred and deposited immediately into the Debt Service Deposit Accounts and Repaid Advance Accounts of the Debt Service Fund on a pro-rata basis for each Outstanding Series of Notes, along with any Pledged Tax Receipts thereafter received. On or prior to June 1, 2021, if the Event of Default has been cured and no other Event of Default otherwise exists, such reallocated amounts shall be withdrawn from each of the Debt Service Deposit Accounts and Repaid Advance Accounts of the Owners who are not First Installment Holders or Owners of Notes with a Purchase Date on or prior to June 1, 2021, except for amounts that would have been deposited, pursuant to Section 403(B), in (i) the Debt Service Deposit Account of the Owners of any other Notes with an Interest Payment Date occurring on or before June 1, 2021 and (ii) the Repaid Advance Account of the Purchasers of any other Notes with a Repaid Advance Payment Date occurring on or before June 1, 2021, absent the occurrence of such Event of Default. Such amounts, together with Pledged Tax Receipts thereafter received on or prior to June 1, 2021, shall be applied by the Trustee in accordance with Section 403(B) hereof.

Section 404. Redemption Fund. Amounts paid to the Trustee by the Board for the redemption of Notes shall be deposited into the Redemption Account for each outstanding Series of Notes at the direction of the Board and applied on the applicable Redemption Date for the payment of the Redemption Price and accrued interest on the Notes to be redeemed pursuant to the Supplemental Indenture relating to such Notes.

Section 405. Program Expense Fund. The Board may, at its option, deposit moneys in the Program Expense Fund from time to time. Any moneys on deposit in the Program Expense Fund shall be paid out by the Trustee, at the direction of the Board, to pay the costs of issuance of any Notes, and to pay the ongoing fees of the Fiduciaries as and when such fees come due. Notwithstanding the foregoing, the Board may at any time direct the Trustee to withdraw any or all amounts on deposit in the Program Expense Fund and the Trustee shall promptly pay such amounts to the Board.

Section 406. Creation of Additional Accounts and Sub-Accounts. The Trustee shall, at the written request of the Board, establish such additional Accounts within any of the Funds established under this Indenture, and Sub-Accounts within any of the Accounts established under this Indenture, as shall be specified in such written request, for the purpose of enabling the Board to identify or account for more precisely the sources, timing and amounts of transfers or deposits into such Funds, Accounts and Sub-Accounts, the amounts on deposit in or credited to such Funds, Accounts or Sub-Accounts as of any date or dates of calculation, and the sources, timing and amounts of transfers, disbursements or withdrawals from such Funds, Accounts or Sub-Accounts; but the establishment of any such additional Accounts or Sub-Accounts shall not alter or modify in any manner or to any extent any of the requirements of this Indenture with respect to the deposit or use of moneys in any Fund, Account or Sub-Account established hereunder.

ARTICLE V
Depositaries, Security for Deposits and Investments of Funds

Section 501. Depositaries. All moneys held by the Trustee under the provisions of this Indenture may be deposited with one or more Depositaries selected by an Authorized Officer in the name of and in trust for the Trustee. All moneys deposited under the provisions of this Indenture with the Trustee or any Depositary shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds, Sub-Funds, Accounts and Sub-Accounts established by this Indenture shall be a trust fund.

Section 502. Deposits. (a) All moneys held by any Depositary under this Indenture may be placed on demand or time deposit, as directed by an Authorized Officer, provided that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its banking department on demand or, if and to the extent directed by an Authorized Officer, on time deposit, provided that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

(B) All moneys on deposit to the credit of the Debt Service Fund (i) held by a Depository other than the Trustee and (ii) not otherwise secured by deposit insurance, shall be continuously and fully secured by the Trustee for the benefit of the Board and the Owners of the Notes by lodging with the Trustee as collateral security, Government Obligations having a market value (exclusive of accrued interest) of not less than the amount of such moneys. All other moneys held for the Board under this Indenture shall be continuously and fully secured for the benefit of the Board and the Owners of the Notes in the same manner as provided by the Board for similar funds of the Board.

(C) All moneys deposited with the Trustee and each Depositary shall be credited to the particular Fund, Sub-Fund, Account or Sub-Account to which such moneys belong.

Section 503. Investment of Moneys. (a) Moneys held in the several Funds, Sub-Funds, Accounts and Sub-Accounts shall be invested and reinvested by the Trustee at the written direction of the Chief Financial Officer or other Authorized Officer in Investment Securities within the parameters of this Indenture and the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund, Sub-Fund, Account or Sub-Account. The Trustee may conclusively rely upon the Chief Financial Officer's or other Authorized Officer's written instructions as to both the suitability and legality of the directed investments. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities. In the absence of written investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities, but shall immediately notify the Board in the event moneys are being held uninvested hereunder. Nothing contained in this Indenture shall be construed to prevent such Chief Financial Officer or Authorized Officer from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply

Contract, to the extent permitted by State law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is credited from which such income is derived.

(B) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities. The Trustee shall notify the Board in the event any moneys are being held uninvested pursuant hereto. The Trustee shall not be liable or responsible for the performance or adverse tax consequences of, or any losses on, any investment made pursuant to this Section. Although the Board recognizes that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Board hereby agrees that confirmations of Investment Securities are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any Fund if no activity occurred in such Fund during such month.

(C) Valuations of Investment Securities held in the Funds, Sub-Funds, Accounts and Sub-Accounts established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Sub-Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in Subsection (D) of this Section 503. Investment Securities in any Fund created under the provisions of this Indenture or any Supplemental Indenture shall be deemed at all times to be part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund and any loss resulting from liquidation of such investment shall be charged to such Fund.

(D) The value of Investment Securities shall mean the fair market value thereof, *provided, however*, that all SLGS shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(E) Except as otherwise provided in this Indenture, the Trustee at the direction of the Chief Financial Officer or other Authorized Officer shall sell at the best price reasonably obtainable, or present for redemption, any Investment Security held in any Fund, Sub-Fund, Account or Sub-Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund, Sub-Fund, Account or Sub-Account as the case may be. The Trustee and the Board shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VI
Particular Covenants and Representations of the Board

Section 601. Payment of Notes. (a) The Board covenants and agrees that it will pay solely from the Pledged Tax Receipts the principal of, Purchase Price of or Repaid Advance amount on every Outstanding Note and the interest thereon, at the places, on the dates and in the manner provided in this Indenture, any Supplemental Indenture and in the Notes.

(B) If the maturity of any Series of Notes or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Series of Notes or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of the Trust Estate (except moneys held in trust for the payment of such Series of Notes or installment of interest) until the prior payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest.

Section 602. Further Assurance. At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, and the Pledged Tax Receipts and other moneys, securities and funds hereby pledged or assigned, or which the Board may become bound to pledge or assign.

Section 603. Power to Issue Notes and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Notes, to execute and deliver documents relating to the Notes, to pledge the Pledged Tax Receipts and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. The Notes and the provisions of this Indenture are and will be valid and legally enforceable limited obligations of the Board in accordance with their terms and the terms of this Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Board covenants that upon the issuance of any of the Notes, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Notes shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged Tax Receipts and all the rights of the Owners in and to such Pledged Tax Receipts against all claims and demands.

Section 604. Tax Anticipation Notes. The Board reserves the right to continue to issue Notes as Additional Notes payable from all or any portion of the Pledged Taxes, and any such Additional Notes shall share ratably and equally in the Pledged Tax Receipts with the Notes; *provided*, *however*, that (i) the Board shall not issue any other obligations secured by

Pledged Tax Receipts while any Notes are outstanding; (ii) no Notes shall be issued if, as of the time immediately following the issuance of such Notes, the aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all Outstanding Notes, would exceed the lesser of (1) $1,250,000,000, and (2) eighty percent (80%) of the Uncollected Pledged Taxes. No Notes maturing before June 2, 2021 shall be issued if, immediately following the issuance of such Notes, the aggregate principal amount of all Outstanding Notes maturing before June 2, 2021 is outstanding in an amount in excess of eighty percent (80%) of fifty-five percent (55%) of the amount of the tax extension for the 2019 tax levy year for educational purposes of the Board.

Section 605. Covenants Regarding Pledged Tax Receipts. The Board has directed the County Collectors to deposit all collections of Pledged Tax Receipts directly with the Escrow Agent for application in accordance with the provisions of the Tax Escrow Agreement. As long as any of the Notes remain Outstanding, the Board will not modify or amend such direction or the terms of the Tax Escrow Agreement, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; *provided*, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Pledged Tax Receipts. The Board shall provide to each Purchaser a copy of any such modification or amendment at least 5 Business Days prior to the effective date thereof. As long as there are any Notes Outstanding, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Tax Receipts may be collected, deposited and applied as described in the Tax Escrow Agreement and this Indenture.

Section 606. Accounts and Reports. (a) The Board shall keep and cause the Escrow Agent to keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged Tax Receipts, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty five percent (25%) in aggregate principal amount of Outstanding Notes or their representatives duly authorized in writing.

(B) During the Testing Period, the Trustee shall provide to the Board and each Purchaser on each day the Trustee receives Pledged Tax Receipts from the Escrow Agent a notice in the form attached to a Supplemental Indenture, as applicable, providing information with respect to the amount of Pledged Tax Receipts received by the Trustee from the Escrow Agent on each such day and of such amounts so received, (A) the amounts released to the Board free and clear of the lien of this Indenture pursuant to Section 403(C) hereof and (B) the amounts retained in the Debt Service Fund for application to the payment of the principal of and interest on the Notes.

Section 607. Third Party Engagement and Deliverables. If at any time, the Board shall engage, or shall cause to be engaged on its behalf, any third party consultant for the purpose of preparing any restructuring or insolvency plans with respect to the Board or the School District, the Board (i) shall promptly, and in any event within five (5) days following the engagement thereof, notify the Purchasers of such engagement and the scope of such engagement, (ii) at the request of the any Purchaser and to the extent permitted by the related engagement letter and to the extent subject to disclosure pursuant to the Illinois Freedom of Information Act, 5 ILCS 140 et. seq. (or any successor act thereto) (the "*Freedom of Information Act*"), shall provide to such Purchaser a copy of such related engagement letter, (iii) at the request of any Purchaser and to the extent subject to disclosure pursuant to the Freedom of Information Act, shall provide to such Purchaser a copy of any final report of such consultant delivered to the Board, and (iv) shall allow such Purchaser to provide a copy of any such final report received by such Purchaser to any potential subsequent Purchaser with respect to the Notes.

ARTICLE VII
Remedies of Owners

Section 701. Events of Default. Each of the following events is hereby declared an "*Event of Default*":

(A) if a default shall occur in the due and punctual payment of the principal, Purchase Price or Redemption Price of any Note when and as the same shall become due and payable, whether at maturity, by call for redemption, on a Purchase Date or otherwise;

(B) if a default shall occur in the due and punctual payment of interest on any Note, when and as such interest shall become due and payable;

(C) if a default (other than a default resulting from an action described in paragraph (4) below) shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Indenture or in the Notes contained, and such default shall continue for a period of 60 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in principal amount of the Outstanding Notes, provided that if the nature of the default is such that it cannot be cured within the initial 60-day period but can be cured within an additional period of not to exceed 60 days from the end of the initial 60-day cure period, no event of default shall occur if the Board institutes corrective action within the initial 60-day cure period and diligently pursues such action until the default is corrected (provided such default is corrected within the additional 60-day period described above);

(D) if the Board shall modify or amend the direction given to the County Collectors to deposit all collections of Pledged Tax Receipts directly with the Escrow Agent for application in accordance with the provisions of the Tax Escrow Agreement pursuant to Section 605 of this Indenture in a manner contrary to such Section 605, and such default shall continue for a period of 5 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by any Owner;

(E) if the Board shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State; or

(F) (i) if the Board shall default on the payment of the principal of or interest on any Notes, beyond the period of grace, if any, provided in the instrument or agreement under which such Notes were issued; or (ii) if any Purchaser shall provide the Board and the Trustee with notice of the occurrence of an event of default following the lapse of any applicable cure in the observance or performance of any agreement or condition relating to any Notes or contained in any instrument or agreement evidencing, securing or relating thereto, including any agreement between a Purchaser and the Board in connection with the Purchaser's ownership of Notes.

Section 702. Proceedings Brought by Trustee. (a) If an Event of Default shall occur and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Notes Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Notes under the Notes or this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture or enforce any of the rights or interests of the Owners of the Notes under the Notes or this Indenture.

(B) All rights of action (including without limitation, the right to file proof of claims) under this Indenture may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(C) All actions against the Board under this Indenture shall be brought in a State or federal court located in the County of Cook, Illinois.

(D) The Owners of not less than a majority in aggregate principal amount of the Notes then Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

(E) Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(F) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in aggregate principal amount of the Notes then Outstanding, and furnished with security and indemnity to its satisfaction, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners.

(G) During the continuance of an Event of Default, the Trustee shall apply all Pledged Tax Receipts paid to the Trustee and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it; it being understood that payment of such charges and expenses shall not be made from any moneys already held for the payments of the principal of, interest on and or Purchase Price of Notes that were not presented for payment when due.

(ii) to the payment of the principal of, Purchase Price, Redemption Price and interest on the Notes then due, as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due on the Notes in the order of the maturity of such installments, together with accrued and unpaid interest on the Notes theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference (*provided, however*, that no payment shall be made with respect to Notes owned by the Board); and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Notes which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Notes due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference (*provided*, *however*, that no payment shall be made with respect to Notes owned by the Board); and

(H) If and whenever all overdue installments of principal and Redemption Price of and interest on, Notes, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under this Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on, all Notes held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payments, all defaults under this Indenture or the Notes shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee and the Owners shall be restored, respectively, to their former positions and rights under this Indenture. No such payment to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

(I) Whenever moneys are to be applied pursuant to the provisions of this Section, the Trustee may, in its discretion, establish and maintain a reserve for future fees and expenses, and may apply moneys to be distributed at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix a date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such Record Date and payment date, and shall not be required to make payment to the Owner of any Series of Notes until such Series of Notes shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(J) Under no circumstance may the Trustee declare the principal of or interest on any Notes to be due and payable prior to the Maturity Date of such Notes following the occurrence of an Event of Default under this Indenture.

Section 703. Restriction on Owners' Action. (a) No Owner of any Note shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Notes then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Notes shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Notes.

(B) Nothing in this Indenture or in the Notes contained shall affect or impair the obligation of the Board, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Notes to the respective Owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Owner to enforce by any suit or proceeding, including by writ of mandamus, such payment of its Note solely from the sources provided herein and the Supplemental Indenture pursuant to which such Note was issued.

Section 704. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 705. Effect of Waiver and Other Circumstances. (a) No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein.

(B) The Owners of not less than two-thirds in aggregate principal amount of the Notes then Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Notes waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Notes. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE VIII
Concerning the Fiduciaries

Section 801. Trustee; Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Board agrees and the respective Owners of the Notes, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

Section 802. Paying Agents; Appointment and Acceptance of Duties.

(a) The Trustee is hereby appointed Paying Agent for each Series of Notes. The Board may at any time or from time to time appoint one or more other Paying Agents for the Notes of each Series. Any Paying Agent shall be a bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $15,000,000, or shall be a wholly owned subsidiary of such an entity, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) The Trustee hereby accepts the duties and obligations imposed upon it as Paying Agent by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

(C) Unless otherwise provided, the corporate trust offices of the Paying Agents in the City of Chicago, Illinois are designated as the respective offices or agencies of the Board for the payment of the principal, Redemption Price or Purchase Price of the Notes.

Section 803. Registrar; Appointment and Acceptance of Duties. The Trustee is hereby appointed Registrar for the Notes. The Board may at any time or from time to time appoint one or more other Registrars. Any Registrar shall be a bank, trust company or national banking association doing business and having an office in the United States, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture. The Trustee hereby accepts the duties and obligations imposed upon it as Registrar by this Indenture. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 804. Responsibilities of Fiduciaries. (a) The recitals of fact herein and in the Notes contained shall be taken as the statements of the Board and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Notes issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Notes. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its reasonable satisfaction. Subject to the provisions of paragraph (B) of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(B) In case an Event of Default has occurred and has not been remedied or waived, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Article.

(C) Before taking any action under this Indenture relating to an event of default or in connection with its duties under this Indenture other than making payments of principal and interest on the Notes as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability adjudicated.

Section 805. Evidence on Which Fiduciaries May Act. (a) Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including a Counsel's Opinion), or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(B) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(C) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Board to any Fiduciary shall be sufficiently executed if signed by an Authorized Officer.

(D) The Trustee may consult with counsel and the written advice of such counsel or an Opinion of Counsel shall be full and complete authorization and protection for any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion.

(E) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of Notes, each representing less than a majority in aggregate principal amount of the Notes then Outstanding, pursuant to the provision of this Indenture, the Trustee, in its sole discretion, may determine what actions, if any, shall be taken.

(F) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, *provided*, *however*, that the Board shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Board agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 806. Compensation. Unless otherwise determined by contract between the Board and each Fiduciary, the Board shall pay to each Fiduciary from time to time reasonable compensation as may be mutually agreed upon by the Board and the Fiduciary for all services rendered under this Indenture. The Board shall pay each Fiduciary for any extraordinary services or expenses performed or incurred by the Trustee in connection with its duties under this Indenture if, to the extent reasonably possible, notified in writing prior to the performance of those services or the incurring of those expenses so as to allow the Board to appropriate sufficient funds for their payment.

Section 807. Certain Permitted Acts. Any Fiduciary may become the Owner of any Notes, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Notes or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Notes then Outstanding.

Section 808. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than sixty (60) days' written notice to the Board, all Owners of the Notes and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 810 and shall have accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed and accepted such appointment within a period of sixty (60) days following the giving of notice, then the Trustee, at the expense of the Board, shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 810.

Section 809. Removal of Trustee. The Trustee may be removed at any time by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Notes then Outstanding (excluding Notes held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Notes then Outstanding, excluding any Notes held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys in fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

Section 810. Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Board shall appoint a successor Trustee. The Board shall cause notice of any such appointment made by it to be provided to all Owners of the Notes.

(B) If no appointment of a Trustee shall be made by the Board within sixty (60) days following such resignation or removal pursuant to the foregoing provisions of this Section 810, the Trustee or the Owners of a majority in principal amount of the Notes then Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(C) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, doing business and having a corporate trust office in the State, and having a capital stock and surplus aggregating at least $15,000,000, or shall be a wholly owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(D) Notwithstanding any of the provisions of this Article VIII to the contrary concerning the resignation of removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the successor Trustee accepts its appointment.

Section 811. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Board, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Board or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 812. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; *provided*, *however*, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 813. Adoption of Authentication. In case any of the Notes contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Notes and deliver such Notes so authenticated; and in case any of the said Notes shall not have been authenticated, any successor Trustee may authenticate such Notes in the name of the predecessor Trustee or in its own name.

Section 814. Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default hereunder, except a Note payment default under clause (1) or (2) of Section 701 or the failure of the Board to file with the Trustee any document required by this Indenture, unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Board, by the Owners of not less than a majority in aggregate principal amount of the Notes then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

Section 815. Monthly Report by Trustee. Within twenty (20) days after the end of each calendar month, the Trustee shall prepare a written report in the form of the Trustee's customary statements for each Fund and Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee at the end of the month. A copy of each such report shall be furnished to the Board, the Purchasers and any persons designated by the Board.

In addition, the Trustee shall, at any time when requested, furnish to the Board, any requesting Purchaser and any persons designated by the Board a report of the amount of moneys, including Investment Securities, held in each Fund by the Trustee. For purposes of this certification, the Investment Securities in each such Fund shall be treated as having a value equal to their aggregate market value as of the date of the request.

ARTICLE IX
Supplemental Indentures

Section 901. Supplemental Indentures Not Requiring Consent of Owners. The Board and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(A) to authorize a Series of Notes and to specify, determine or authorize any matters and things concerning any such Series which are not contrary to or inconsistent with this Indenture;

(B) to close this Indenture against, or impose additional limitations or restrictions on, the issuance of Notes, or of other notes, bonds, obligations or evidences of indebtedness;

(C) to impose additional covenants or agreements to be observed by the Board;

(D) to impose other limitations or restrictions upon the Board;

(E) to surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;

(F) to confirm, as further assurance, any pledge of or lien upon the Trust Estate or any other moneys, securities or funds;

(G) to cure any ambiguity, omission or defect in this Indenture which, in the judgment of the Trustee, is not to the prejudice in any regard of the Trustee or the Owners;

(H) to provide for the appointment of a successor securities depository in the event any Series of Notes is held in book-entry only form;

(I) to provide for the appointment of any successor Fiduciary;

(J) to conform the provisions of the Indenture to the provisions of the TIF Act, the Act, the School Code, the Code and Regulations, or other applicable law; and

(K) to make any other change which, in the judgment of the Trustee, is not to the prejudice in any regard of the Trustee or the Owners.

Section 902. Supplemental Indentures Effective upon Consent of Owners. Any Supplemental Indenture not effective in accordance with Section 901 shall take effect only if permitted and approved and in the manner prescribed by Article X.

Section 903. Filing of Counsel's Opinion. Each Supplemental Indenture described in Section 901 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Board.

ARTICLE X
Amendments

Section 1001. Mailing. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered only to each Owner of Notes then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Registrar.

Section 1002. Powers of Amendment. Except for Supplemental Indentures described in Section 901, any modification or amendment of this Indenture and of the rights and obligations of the Board and of the Owners of the Notes hereunder, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 1003 hereof of the Owners of at least a majority in aggregate principal amount of the Notes then Outstanding at the time such consent is given; *provided*, *however*, that (i) this Section 1002 and Sections 403, 603, 604, 605 and 701 of this Indenture may only be amended with the written consent given as provided in Section 1003 hereof of the Owners of all Notes then Outstanding at the time such consent is given and (ii) if any modification or amendment described in this Section 1002 will, by its terms, not take effect so long as any Notes of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Notes, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon as specified in the related Supplemental Indenture, without the consent of the Owner of such Note, or shall reduce the percentages or otherwise affect the classes of Notes the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Exclusive of Supplemental Indentures covered by Section 901 and subject to the terms and provisions contained in this Section 1002, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Notes then Outstanding shall each have the right, from time to time, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of this Indenture or of any indenture supplemental hereto; *provided, however,* that nothing contained in this Section 1002 or in Section 901 hereof shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Note, without the consent of the Owners of such Note, (b) except for the pledge of the Pledged Tax Receipts in connection with the issuance of Additional Notes, the creation of any lien prior to or on a parity with the lien of this Indenture, without the consent of the Owners of all the Notes at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Notes, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Notes at the time Outstanding which would be affected by the action to be taken, (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) the loss of the exclusion from federal gross income of the Owners of the interest paid on the Notes held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of Notes of such Series. The Trustee may in its discretion determine whether or not the rights of the Owners of Notes of any particular Series or maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Board and all Owners of the Notes.

Section 1003. Consent of Owners. The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1002, to take effect when and as provided in this Section.

Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required principal amount of Outstanding Notes, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board, the Owners and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. A certificate or certificates by the Trustee delivered to the Board that consents have been given by the Owners of the Notes described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Notes giving such consent and upon any subsequent Owner of such Notes and of any Notes issued in exchange therefor whether or not such subsequent Owner has notice thereof; *provided*, *however*, that any consent may be revoked by any Owner of such Notes by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Notes are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

Within 30 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required principal amount of Outstanding Notes have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Notes and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Section 1004. Modifications by Unanimous Action. The Indenture and the rights and obligations of the Board and of the Owners of the Notes thereunder may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Notes then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Notes with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 1003 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Notes have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

Section 1005. Exclusion of Notes. Notes owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Notes so to be excluded.

Section 1006. Notation on Notes. Notes authenticated and delivered after the effective date of any action taken as in Article IX or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and upon demand of the Owner of any Note Outstanding at such effective date and presentation of its Note to the Trustee, suitable notation shall be made on such Note by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Notes so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Note then Outstanding shall be exchanged, without cost to such Owner, for such Note then Outstanding.

ARTICLE XI
Miscellaneous

Section 1101. Defeasance. (a) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Notes the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Board to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Board, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Board for any year or part thereof requested, and shall execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Board all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Notes not previously surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Notes of a particular Series, maturity within a Series or portion of any maturity within a Series, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Notes shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Notes and to the Trustee shall thereupon be discharged and satisfied.

(B) Notes or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 1101 if the Board shall have delivered to or deposited with the Trustee (i) irrevocable instructions to pay or redeem all of said Notes in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (ii) irrevocable instructions to publish or mail the required notice of redemption of any Notes so to be redeemed, (iii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Notes on and prior to each specified redemption date or maturity date thereof, as the case may be, (iv) if any of said Notes are not to be redeemed within the next succeeding 60 days, irrevocable instructions to mail to all Owners of said Notes a notice that such deposit has been made with the Trustee and that said Notes are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Notes. In determining the amount of any deposit to be made pursuant to clause (iii) of the preceding sentence, the Variable Rate borne by the Notes shall be assumed to be 9% for any period of time during which the actual Variable Rate borne by the Notes is not known. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Notes. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Notes unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on such Notes, at maturity or upon redemption, as the case may be.

(C) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Notes are deemed to be paid pursuant to this Section 1101.

(D) Any moneys held by a Fiduciary in trust for the payment and discharge of any of the Notes which remain unclaimed for two years after the date when Notes have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Notes become due and payable, shall, at the written request of the Board, be repaid by the Fiduciary to the Board, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of such Notes shall look only to the Board for the payment of such Notes.

Section 1102. Evidence of Signatures of Owners and Ownership of Notes. (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Notes shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instruments acknowledged to that person the execution thereof, or by an affidavit of witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.

(ii) The ownership of Notes and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Registrar.

(B) Any request or consent by the Owner of any Note shall bind all future Owners of such Note in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

Section 1103. Moneys Held for Particular Notes. The amounts held by any Fiduciary for the payment of interest, principal, Redemption Price or Purchase Price due on any date with respect to particular Notes shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Notes entitled thereto.

Section 1104. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 1105. Cancellation and Destruction of Notes. All Notes paid or redeemed, either at or before maturity, and all mutilated Notes surrendered pursuant to Section 307, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Notes, together with all Notes purchased by the Trustee, shall thereupon be promptly cancelled. Notes so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Notes so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

Section 1106. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Notes, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Notes.

Section 1107. No Recourse. (a) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Notes or for any claim based thereon or on this Indenture against any past, present or future member of the Board, officer, employee or agent of the Board, or any successor, public body or any person executing the Notes, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Notes.

(B) No member of the Board, officer, director, agent or employee of the Board shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Notes; but nothing herein contained shall relieve any such officer, director, agent or employee from the performance of any official duty provided by law.

(C) All covenants, stipulations, obligations and agreements of the Board contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent authorized and permitted by the Constitution and laws of the State, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Board, officer, agent or employee of the Board in his or her individual capacity, and no officer executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issue thereof. No member of the Board, officer, director, agent or employee of the Board shall incur any personal liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

Section 1108. Successors and Assigns. Whenever in this Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 1109. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 1110. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the Board, if addressed to:	Board of Education of the City of Chicago 42 West Madison Street 2nd Floor Chicago, Illinois 60602 Attention: Treasurer
With a copy to:	Board of Education of the City of Chicago 42 West Madison Street 2nd Floor Chicago, Illinois 60602 Attention: Chief Financial Officer
	and
	Board of Education of the City of Chicago 1 North Dearborn Street Chicago, Illinois 60602 Attention: General Counsel

to such other address as may be designated in writing by the Board to the Trustee; and

To the Trustee or Escrow Agent, if addressed to:	Zions Bancorporation, National Association 111 West Washington Street, Suite 1860 Chicago, Illinois 60602 Attention: Daryl Pomykala

or at such other address as may be designated in writing by the Trustee to the Board.

Section 1111. Construction. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of State law.

Section 1112. Multiple Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago, has caused this Indenture to be executed in its name and its behalf by its Chief Financial Officer and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by an Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: ________________________________
Its: Chief Financial Officer, Board of Education of the City of Chicago

Attest:

By: ________________________________
Its: Secretary, Board of Education of the City of Chicago

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

By: ________________________________
Name: ______________________________
Its: Authorized Signer, Zions Bank Division

Attest:

By: ______________________________
Its: Authorized Officer

APPENDIX A-2

FORM OF FIRST SUPPLEMENTAL INDENTURE

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FIRST SUPPLEMENTAL INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee

Dated as of October 1, 2020

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO
EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES, SERIES 2020A

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THIS SUPPLEMENTAL INDENTURE dated as of October 1, 2020 (the "*First Supplemental Indenture*"), by and between the Board of Education of the City of Chicago, a school district organized and existing under the laws of the State of Illinois (the "*Board*"), and Zions Bancorporation, National Association, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, as Trustee (the "*Trustee*") under the Master Trust Indenture dated as of October 1, 2020, by and between the Board and the Trustee securing Board of Education of the City of Chicago Educational Purposes Tax Anticipation Notes (the "*Indenture*").

W I T N E S S-E-T-H:

WHEREAS, on August 26, 2020, the Board adopted Resolution 20-0826-RS4 (the "*Note Resolution*") authorizing the issuance, from time to time, in one or more series, of its Educational Purposes Tax Anticipation Notes in an aggregate principal amount outstanding at any one time not to exceed $1,250,000,000 (the *"Tax Anticipation Notes"*); and

WHEREAS, this Supplemental Indenture is entered into pursuant to clause (1) of Section 901 of the Indenture and the Note Resolution to authorize the issue of Tax Anticipation Notes as a Series of Notes under the Indenture (each as herein defined) and to specify, determine and authorize any matters and things concerning each such Series which are not contrary to or inconsistent with the Indenture; and

WHEREAS, each Series of Tax Anticipation Notes, when issued, will be secured by a pledge of, lien on and security interest in the Trust Estate as defined in the Indenture; and

WHEREAS, the Board has determined to issue a Series of Tax Anticipation Notes in the aggregate principal amount of $400,000,000 (the "*Series 2020A Notes*"), pursuant to Article 34 of the School Code, 105 Illinois Compiled Statutes 5/34, as amended (the *"School Code"*), the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as amended (the *"Act"*), the Note Resolution and the Indenture; and

WHEREAS, Zions Bancorporation, National Association, as Trustee under the Indenture has accepted its appointment as Trustee and does hereby acknowledge and accept the powers, duties and obligations of the Trustee under this Supplemental Indenture; and

WHEREAS, all things necessary to make the Series 2020A Notes, when authenticated by the Trustee and issued as in the Indenture and in this Supplemental Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute the Indenture and this Supplemental Indenture as a valid pledge of and grant of a lien on the Trust Estate for the purpose of securing the payment of the principal of, Purchase Price, Redemption Price, premium, if any, and interest on the Series 2020A Notes have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Supplemental Indenture and the execution and issuance of the Series 2020A Notes, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, Purchase Price, Redemption Price, premium, if any, and interest on the Series 2020A Notes under the Indenture, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Series 2020A Notes contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Series 2020A Notes by the Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2020A Notes shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby confirm the pledge of and lien on the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners, to the extent provided in the Indenture:

(a) The Pledged Tax Receipts, provided that the pledge of the Pledged Tax Receipts to the Series 2020A Notes is on a parity with the pledge of the Pledged Tax Receipts to any other Tax Anticipation Notes; and

(b) All moneys and securities and earnings thereon held in the Escrow Account maintained under the Tax Escrow Agreement (as defined herein), provided that such pledge to the Series 2020A Notes is on a parity with the pledge of the moneys and securities held in the Escrow Account for the benefit and security of any other Tax Anticipation Notes and is subject to the allocation of the moneys and securities in said Escrow Account in accordance with the terms and provisions of the Tax Escrow Agreement; and

(c) All moneys and securities and earnings thereon in all funds, accounts and sub-accounts established pursuant to the Indenture and this Supplemental Indenture; and

(d) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Supplemental Indenture.

THIS SUPPLEMENTAL INDENTURE FURTHER WITNESSETH that, in addition to the terms, conditions and covenants of the Indenture, the Board, the Trustee and the Owners of the Series 2020A Notes, hereby agree to be bound by the terms, conditions and covenants of this Supplemental Indenture, as follows:

ARTICLE I

Definitions and Construction

Section 1.01 Definitions. All capitalized terms used in this Supplemental Indenture, unless otherwise defined, shall have the same meaning as set forth in Section 101 of the Indenture. In addition, the following terms shall, for all purposes of this Supplemental Indenture, have the following meanings unless a different meaning clearly appears from the context:

"*Authorized Denominations*" means $100,000 or any integral multiple of $5,000 in excess of $100,000.

"*Default Rate*" means 9.00% per annum.

"*DTC*" means The Depository Trust Company, as securities depository for the Series 2020A Notes.

"*DTC Participant*" shall mean any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2020A Notes with DTC.

"*First Supplemental Indenture*" means this Supplemental Indenture, dated as of October 1, 2020, by and between the Board and the Trustee, as from time to time amended and supplemented.

"*Fixed Rate*" means 0.850% per annum.

"*Indenture*" means the Master Trust Indenture, dated as of October 1, 2020, by and between the Board and the Trustee, securing Board of Education of the City of Chicago Educational Purposes Tax Anticipation Notes, as from time to time amended and supplemented.

"*Letter of Representations*" means the Blanket Issuer Letter of Representations dated [March 15, 2002], between the Board and DTC, relating to the book-entry only system for the Series 2020A Notes.

"*Maturity Date*" means June 1, 2021.

"*Owner*" means any person who shall be the registered owner of any Series 2020A Note or Notes.

"*Redemption Date*" means the date any Series 2020A Notes are redeemed pursuant to Section 2.05 hereof.

"*Redemption Price*" means the principal amount any Series 2020A Note to be redeemed plus the applicable premium, if any, payable upon the Redemption Date.

Section 1.02 Interpretations. As used herein, and unless the context shall otherwise indicate, the words "Note," "Owner" and "Person" shall include the plural as well as the singular number.

As used herein, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Supplemental Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Supplemental Indenture as originally executed.

Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Supplemental Indenture, nor do they affect its meaning, construction or effect.

ARTICLE II

Authorization and Issuance of Series 2020A Notes

Section 2.01 Authorization of Series 2020A Notes. The Series 2020A Notes, each entitled to the benefit, protection and security of the Indenture and this Supplemental Indenture, are hereby authorized in the aggregate principal amount of $400,000,000 to finance the payment of general expenses and other payment obligations of the School District and to pay costs in connection with the issuance of the Series 2020A Notes. The Series 2020A Notes shall be designated as, and shall be distinguished from the Notes of all other Series, by the title "Educational Purposes Tax Anticipation Notes, Series 2020A."

Section 2.02 General Provisions for Issuance. The Series 2020A Notes shall be issued pursuant to Section 202 of the Indenture shall be executed by the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of each of the items listed in clauses (1), (2), (3), (4) and (5) of Section 202(A) of the Indenture.

Section 2.03 Terms of Series 2020A Notes. (a) Each Series 2020A Note shall be in registered form and shall be initially dated October 22, 2020.

(b) Each Series 2020A Note shall bear interest from its date at the rate per annum equal to the Fixed Rate, until payment of the principal or Redemption Price of any Outstanding Series 2020A Notes shall have been made or provided for in accordance with the provisions hereof, whether at the Maturity Date, upon redemption or otherwise. Interest on each Series 2020A Note shall be computed on the basis of the actual number of days elapsed over a 365 day year (actual/365). Interest on each Series 2020A Note shall be payable on the earliest of its Maturity Date or Redemption Date.

(c) If an Event of Default pursuant to Section 301(1) or (2) of the Indenture shall occur, then the Series 2020A Notes shall bear interest at the Default Rate until such Event of Default is remedied.

(d) The Series 2020A Notes shall mature on the Maturity Date.

(e) Each Series 2020A Note shall be in Authorized Denominations and each Series 2020A Note shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The Series 2020A Notes and the Trustee's Certificate of Authentication shall be in substantially the form set forth in *Exhibit A* attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by the Indenture.

(f) The principal of the Series 2020A Notes shall be payable at the designated corporate trust offices of the Trustee, in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents for the Series 2020A Notes appointed pursuant to the Indenture. Interest on the Series 2020A Notes shall be payable by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner, by wire transfer of current funds to such bank in the continental United States as said Owner shall request in writing to the Registrar.

(g) The Series 2020A Notes shall be initially issued in the form of a separate single fully registered Series 2020A Note for each maturity. Upon initial issuance, the ownership of each such Series 2020A Note shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, the ownership of all of the outstanding Series 2020A Notes shall be registered in the name of Cede & Co., as nominee of DTC.

(h) With respect to Series 2020A Notes registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2020A Notes. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Series 2020A Note, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Series 2020A Note, of any notice with respect to such Series 2020A Note, (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Series 2020A Note, of any amount with respect to principal or Redemption Price of or interest on such Series 2020A Note or (iv) any allocation method for the redemption, including any pro-rata redemption, of Series 2020A Notes among DTC Participants and the beneficial owners of the Series 2020A Notes. The Board, the Trustee and each other Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each Series 2020A Note is registered as the absolute owner of such Series 2020A Note for the purpose of payment of principal or Redemption Price and interest with respect to such Series 2020A Note, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2020A Note and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all principal or Redemption Price of and interest on the Series 2020A Notes only to or upon the order of the respective Owners thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the Board's obligations with respect to payment of principal of and interest on the Series 2020A Notes to the extent of the sum or sums so paid. No Person other than an Owner of a Series 2020A Note shall receive a Series 2020A Note certificate evidencing the obligation of the Board to make payments of principal of and interest on the Series 2020A Notes pursuant to this Indenture.

(i) The Owners of the Series 2020A Notes have no right to the appointment or retention of a depository for such Series 2020A Notes. DTC may resign as securities depository under the conditions provided in the Letter of Representations. In the event of any such resignation, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Series 2020A Note certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Series 2020A Note certificates and transfer or cause the transfer of one or more separate Series 2020A Note certificates to DTC Participants having Series 2020A Notes credited to their DTC accounts. In such event, the Series 2020A Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Series 2020A Notes shall designate, in accordance with the provisions of this Indenture.

(j) The Board has heretofore executed and delivered the Letter of Representations to DTC. So long as DTC, or its designee, is the Owner of all Series 2020A Notes, the provisions set forth in the Letter of Representations shall apply to the redemption of any Series 2020A Notes and to the payment of principal or Redemption Price of and interest on the Series 2020A Notes, including without limitation, that: (1) presentation of Series 2020A Notes to the Trustee at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Series 2020A Notes through DTC or DTC's Participants is transferred by DTC on its books; and (2) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Series 2020A Notes under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2020A Notes through DTC or DTC's Participants.

(k) So long as the Series 2020A Notes are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions of the Letter of Representations.

Section 2.04 Application of Proceeds. $1,000,000 of the net proceeds of sale of the Series 2020A Notes shall be deposited into the Program Expense Fund to pay costs of issuance of the Series 2020A Notes. All of the remaining $399,000,000 net proceeds of sale of the Series 2020A Notes shall be paid to the Board.

Section 2.05 Optional Redemption. (a) The Series 2020A Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day occurring on or after March 15, 2021, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date. Any redemption of Series 2020A Notes shall be made in the principal amount of (i) $1,000,000 or greater, or (ii) the Series 2020A Notes Outstanding. Any redemption of less than all of the Series 2020A Notes Outstanding shall be made in such a manner that all Series 2020A Notes Outstanding after such redemption are in Authorized Denominations.

(b) Series 2020A Notes may be called for redemption by the Trustee pursuant to Section 2.08, upon receipt by the Trustee at least 21 days prior to the Redemption Date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption.

Section 2.06 Redemption at the Election or Direction of the Board. In the case of any redemption of Series 2020A Notes at the election or direction of the Board, the Board shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, and of the principal amounts of the Series 2020A Notes to be redeemed. Such notice shall be given at least 20 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 2.08 provided, there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Series 2020A Notes to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption. Such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Series 2020A Notes so called for redemption.

Section 2.07 Partial Redemption of Series 2020A Notes. If less than all the Series 2020A Notes shall be called for redemption under any provision of this Supplemental Indenture permitting or requiring such partial redemption, the Series 2020A Notes or portions thereof to be redeemed shall be selected by the Board in the principal amount designated to the Trustee by the Board or otherwise as hereby required; provided however that, in the case of the redemption of less than all Series 2020A Notes of the same maturity and interest rate, such redemption shall be by lot in such manner as the Trustee shall determine at the direction of the Board, but only in Authorized Denominations.

If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Series 2020A Note is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Series 2020A Note shall forthwith surrender such Series 2020A Note to the Trustee for (a) payment to such Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2020A Note or Series 2020A Notes of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2020A Note. New Series 2020A Notes representing the unredeemed balance of the principal amount of such Series 2020A Note shall be issued to the Owner thereof without charge therefor. If all Series 2020A Notes are held in book-entry only form, the particular Series 2020A Notes or portions thereof to be redeemed shall be selected by DTC in such manner as DTC shall determine, provided, however, that in no event shall any redemption result in unredeemed Series 2020A Notes of a denomination less than the minimum Authorized Denomination.

Section 2.08 Notice of Redemption. (a) Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Series 2020A Notes to be redeemed shall be given by the Trustee to the Owners thereof by first class mail, postage prepaid, or by facsimile transmission, not less than twenty (20) days prior to the date fixed for redemption.

(b) The notice of the redemption of Series 2020A Notes or any portion thereof identifying the Series 2020A Notes or portions thereof to be redeemed shall specify (i) the certificate numbers of Series 2020A Notes being redeemed, (ii) the principal amount of Series 2020A Notes being redeemed and the redeemed amount for each certificate (for partial calls), (iii) the Redemption Date, and (iv) the Redemption Price. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Series 2020A Note to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2020A Notes to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable.

The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, or by facsimile transmission, on or within two days after the 30th day after the Redemption Date for any Series 2020A Note identified in the notice given under Section 2.08(a) which has not been redeemed on the Redemption Date to the Owners thereof. Receipt of notice under this section shall not be a condition precedent to redemption of the Series 2020A Notes, and failure so to receive any such notice by any of such registered owners shall not affect the validity or the proceedings for the redemption of any Series 2020A Note. The Trustee shall provide copies of all notices given under this Section to the Board at the same time it gives notices to Owners.

(c) Failure to give notice in the manner prescribed in Section 2.08(a) and Section 2.08(b) with respect to any Series 2020A Note, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Series 2020A Note with respect to which notice was properly given.

(d) If any Series 2020A Note is transferred or exchanged on the note register after notice has been given calling such Series 2020A Note for redemption, the Trustee will attach a copy of such notice to the Series 2020A Note issued in connection with such transfer or exchange.

Section 2.09 Payment of Redeemed Series 2020A Notes. Notice having been given in the manner provided in Section 2.08, the Series 2020A Notes or portions thereof so called for redemption shall become due and payable on the Redemption Date at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, such Series 2020A Notes, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Series 2020A Note, the Board shall execute and the Trustee shall authenticate and the appropriate Fiduciary shall deliver, upon the surrender of such Series 2020A Note, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Series 2020A Note so surrendered, fully registered Series 2020A Notes of like maturity and interest rate in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the Series 2020A Notes or portions thereof of like maturity and interest rate to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the Series 2020A Notes or portions thereof of such maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Series 2020A Notes or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE III

Particular Covenants of the Board

Section 3.01 Authority for Supplemental Indenture. This Supplemental Indenture is executed and delivered by the Board by virtue of and pursuant to the School Code, the Local Government Debt Reform Act and the Note Resolution. The Board has ascertained and hereby determines and declares that the execution and delivery of this Supplemental Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Series 2020A Notes and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

Section 3.02 Indenture to Constitute Contract. In consideration of the purchase and acceptance of Series 2020A Notes by those who shall hold the same from time to time, the provisions of the Indenture and this Supplemental Indenture shall be a part of the contract of the Board with the Owners of the Series 2020A Notes and shall be deemed to be and shall constitute a contract between the Board, the Trustee and the Owners from time to time of the Series 2020A Notes. The Board covenants and agrees with the Owners of the Series 2020A Notes and the Trustee that it will faithfully perform all of the covenants and agreements contained in the Indenture, this Supplemental Indenture and in the Series 2020A Notes.

Section 3.03 Limited Obligations. The Series 2020A Notes are limited obligations of the Board payable from amounts on deposit in the Debt Service Fund and secured by a pledge of, lien on and security interest in the Trust Estate pledged for their payment in accordance with the Indenture and this Supplemental Indenture. Neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of any Series 2020A Note.

Section 3.04 Tax Covenants. The Board shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series 2020A Note to become subject to federal income taxes in addition to federal income taxes to which interest on such Series 2020A Note is subject on the date of original issuance thereof. The Board shall not permit any of the proceeds of the Series 2020A Notes, or any facilities financed with such proceeds, to be used in any manner that would cause any Series 2020A Note to constitute a "private activity bond" within the meaning of Section 141 of the Code. The Board shall not permit any of the proceeds of the Series 2020A Notes or other moneys to be invested in any manner that would cause any Series 2020A Note to constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code. The Board shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

ARTICLE IV

Miscellaneous

Section 4.01 Trustee Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in Article VIII of the Indenture, to all of which the Board agrees and the respective Owners of the Series 2020A Notes, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in the Indenture and this Supplemental Indenture.

Section 4.02 Appointment of Fiduciaries. The Trustee is hereby appointed Paying Agent and Registrar for the Series 2020A Notes. The Trustee accepts the duties and obligations imposed upon it as Paying Agent and Registrar by the Indenture and this Supplemental Indenture. The Board may at any time or from time to time appoint one or more other Paying Agents for the Series 2020A Notes.

Section 4.03 Amendment or Modifications. This Supplemental Indenture may be amended or modified in the same manner as the Indenture may be amended or modified in accordance with Article IX and Article X of the Indenture.

Section 4.04 Defeasance. If the Board shall pay to the Owners of the Series 2020A Notes, or provide for the payment of the principal, interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in Section 1101 of the Indenture, then this Supplemental Indenture shall be fully discharged and satisfied.

Section 4.05 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Supplemental Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 4.06 Parties Interested Herein. Nothing in this Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Series 2020A Notes, any right, remedy or claim under or by reason of this Supplemental Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Supplemental Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Series 2020A Notes.

Section 4.07 Successors and Assigns. Whenever in this Supplemental Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Supplemental Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 4.08 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Supplemental Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Supplemental Indenture.

Section 4.09 Notices. Any notice, demand, direction, request or other instruments authorized or required by this Supplemental Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of this Supplemental Indenture if and when sent by registered mail, return receipt requested:

To the Board, if addressed to:	Board of Education of the City of Chicago 42 West Madison Street, 2nd Floor Chicago, Illinois 60602 Attention: Treasurer
With a copy to:	Board of Education of the City of Chicago 42 West Madison Street, 2nd Floor Chicago, Illinois 60602 Attention: Chief Financial Officer
	and
	Board of Education of the City of Chicago 1 N. Dearborn Chicago, Illinois 60602 Attention: General Counsel

or to such other address as may be designated in writing by the Board to the Trustee; and

To the Trustee, if addressed to:	Zions Bancorporation, National Association 111 West Washington Street, Suite 1860 Chicago, Illinois 60602 Attention: Daryl Pomykala

or at such other address as may be designated in writing by the Trustee to the Board.

Section 4.10 Construction. This Supplemental Indenture shall be construed in accordance with the provisions of State law.

Section 4.11 Multiple Counterparts. This Supplemental Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Supplemental Indenture to be executed in its name and on its behalf by its Chief Financial Officer and attested by its Secretary and Zions Bancorporation, National Association, as Trustee, has caused this Supplemental Indenture to be executed on its behalf and attested by its authorized officers, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

____
Chief Financial Officer

Attest:

____
Secretary

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

By: ______________________________
Name: ____________________________
Its: Authorized Signer, Zions Bank Division

Attest:

Authorized Officer

____

EXHIBIT A
FORM OF SERIES 2020A NOTES

No. R-1 $___________

UNITED STATES OF AMERICA
STATE OF ILLINOIS
BOARD OF EDUCATION OF THE CITY OF CHICAGO
EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES, 2020A

Issue Date: October 22, 2020 CUSIP: 167505 ____

Registered Owner: Cede & Co.

Principal Amount: ____________________________ DOLLARS

The Board of Education of the City of Chicago (the *"Board"*), a school district organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the registered owner identified above, or registered assigns, on the maturity date specified herein, unless this Series 2020A Note shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the Principal Amount specified above, and to pay (but only out of the sources hereinafter provided) interest on the balance of said principal sum from time to time remaining unpaid from and including the Issue Date specified above, until payment of said Principal Amount has been made or duly provided for.

Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the Indenture (as hereinafter defined).

Payments. Upon issuance, each Series 2020A Note shall bear interest from its date and shall be computed on the basis of the actual number of days elapsed over a 365 day year (actual/365). Principal and interest on each Series 2020A Note shall be payable on the earliest of its Maturity Date or Redemption Date.

The principal and interest on the Series 2020A Notes shall be payable (i) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts and (ii) by check or bank draft mailed or delivered by Zions Bancorporation, National Association, as trustee (the *"Trustee"*) to the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, for any Owner of $1,000,000 or more in aggregate principal amount of Series 2020A Notes, by wire transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar no later than the Record Date.

Interest Rates. The Series 2020A Notes shall bear interest at the Fixed Rate as provided in the Indenture (as hereinafter defined). Under circumstances specified in the Indenture, the Series 2020A Notes may bear interest at a Default Rate.

General. This Series 2020A Note is one of a duly authorized issue of not to exceed $250,000,000 aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2020A, of the Board (the *"Series 2020A Notes"*). The Series 2020A Notes are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the *"Act"*), a Master Trust Indenture dated as of October 1, 2020 (the "*Master Indenture*"), by and between the Board and Zions Bancorporation, National Association, Chicago, Illinois, as trustee (the "*Trustee*"), as supplemented by a First Supplemental Indenture, dated as of October 1, 2020 between the Board and the Trustee (the "*Supplemental Indenture*" and, together with the Master Indenture as supplemented, the "*Indenture*"). The Series 2020A Notes are being issued in anticipation of property taxes levied by the Board for educational purposes for the year 2020.

Limited Obligations. The Series 2020A Notes are limited obligations of the Board and are payable solely from Pledged Tax Receipts (as defined in the Master Indenture), *provided* that the pledge of Pledged Tax Receipts with respect to the Series 2020A Notes is on a parity with the pledge thereof as security for the payment of other Tax Anticipation Notes of the Board. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Series 2020A Notes.

Maturity Date. The maturity date of this Series 2020A Note is June 1, 2021.

Redemption and Prepayment. The Series 2020A Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day occurring on or after March 15, 2021, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date. Any redemption of Series 2020A Notes shall be made in the principal amount of (i) $1,000,000 or greater, or (ii) the Series 2020A Notes Outstanding. Any redemption of less than all of the Series 2020A Notes Outstanding shall be made in such a manner that all Series 2020A Notes Outstanding after such redemption are in Authorized Denominations.

Registration. This Series 2020A Note is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture.

Defeasance. Provision for payment of all or any portion of the Series 2020A Notes may be made, and the Indenture may be discharged, prior to payment of the Series 2020A Notes in the manner provided in the Indenture.

Miscellaneous. The registered owner of this Series 2020A Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Copies of the Indenture are on file at the designated office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Series 2020A Notes, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Series 2020A Notes, and the limitations on such rights and remedies.

Terms used in this Series 2020A Note shall have the same meanings as set forth in the Indenture.

It is hereby certified, recited and declared that this Series 2020A Note is issued in part pursuant to the Act and that all acts and conditions required to be done, exist and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2020A Note have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Series 2020A Notes of which this is one, does not exceed any limitation imposed by law.

This Series 2020A Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Educational Purposes Tax Anticipation Note to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Secretary, all as of the Issue Date identified above.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By:______________________________________
President, Board of Education of the City of Chicago

ATTEST:

____
Secretary, Board of Education of the City of Chicago

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Series 2020A Note is one of the Series 2020A Notes described in the within-mentioned First Supplemental Indenture.

Date of Authentication and Delivery:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

_____________, 2020

By:_______________________________________
Name:_____________________________________
Its: Authorized Signer, Zions Bank Division

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APPENDIX B

FORM OF TAX ESCROW AGREEMENT

TAX ESCROW AGREEMENT

This Tax Escrow Agreement, dated as of October 1, 2020 (the or this "*Agreement*"), by and between the Board of Education of the City of Chicago (the *"Board"*) and Zions Bancorporation, National Association, a national banking association, as escrow agent (the *"Escrow Agent"*), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

Section 1.01 All capitalized terms used in this Agreement, unless otherwise defined, shall have the same meaning as set forth in the Master Indenture. In addition, the following words and terms used in this Agreement shall have the following meanings unless the context or use indicates another or different meaning:

"Act" means Section 34-23.5 of the School Code of the State of Illinois, as amended, and the Local Government Debt Reform Act.

"Additional Notes" means any Series of Notes authorized and delivered on original issuance pursuant to Section 203 of the Master Indenture.

"Agreement" means this Tax Escrow Agreement.

"Board" means the Board of Education of the City of Chicago governed by the Chicago Board of Education.

"Business Day" means any day other than a Saturday, a Sunday or any day on which banking institutions located in the city in which the designated office of the Escrow Agent or the designated office of the Trustee is located.

"Collector" means the County Treasurers acting as the County Collectors of The Counties of Cook and DuPage, Illinois.

"District" means the school district administered by the Board.

"Escrow Account" means the special account created by Section 2.01 hereof for the purpose of holding and disbursing the Pledged Tax Receipts.

"Escrow Agent" means Zions Bancorporation, National Association, as escrow agent, and any successor thereto as Escrow Agent.

"Local Government Debt Reform Act" means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as amended.

"Master Indenture" means that certain Master Trust Indenture, dated as of October 1, 2020, by and between the Board and Zions Bancorporation, National Association, as from time to time amended and supplemented.

"Note Resolution" means Resolution No. 20-0826-RS4 adopted by the Board on August 26, 2020, authorizing the issuance of the Notes and the execution of this Agreement, as the same may be supplemented or amended.

"*Notes*" means any Tax Anticipation Notes issued pursuant to the Act and the Note Resolution and authenticated and delivered under and pursuant to the Master Indenture and a Supplemental Indenture, including any Additional Notes, *provided,* that the total amount of Notes issued and secured hereunder may not exceed the lesser of (1) $1,250,000,000, and (2) eighty percent (80%) of the Uncollected Pledged Taxes; *provided, further*, that no Notes maturing before June 2, 2021 shall be issued if immediately following the issuance of such Notes, the aggregate principal amount of all Outstanding Notes maturing before June 2, 2021 Date is outstanding in an amount in excess of eighty percent (80%) of fifty-five percent (55%) of the amount of the tax extension for the 2019 tax levy year for educational purposes of the Board.

"*Outstanding*" shall have the same meaning as the defined term "*Outstanding*" in the Master Indenture.

"Permitted Investments" means (a) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, (b) certificates of ownership of the principal of or interest on obligations of the type described in clause (a) of this definition, (i) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (ii) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations, and (iii) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated and (c) any investments in a money market fund which at the time of purchase meets the rating requirements set forth in the Master Indenture, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise.

"*Pledged Tax Receipts*" means all of the money derived from the collection of the Pledged Taxes, to the extent such money has not been released to the Board free and clear of the lien of the Indenture pursuant to the provisions of the Indenture.

"Pledged Taxes" means the annual ad valorem tax levied by the Board upon all taxable property located in the School District for educational purposes for the year 2020.

"*Purchaser*" means any entity that (i) purchases a beneficial ownership interest in a Series of Notes from the Board or (ii) makes a loan to the Board in exchange for ownership of a

Series of Notes and, with respect to a Series of Notes, shall have the meaning further ascribed to such term in the Supplemental Indenture relating to such Series of Notes.

"Series" means all of the Notes designated as a series and authenticated and delivered on original issuances in a simultaneous transaction, and any Notes thereafter authenticated and delivered in lieu of or in substitution for such Notes pursuant to the Master Indenture.

"State" means the State of Illinois.

"*Supplemental Indenture*" means any Supplemental Indenture between the Board and the Trustee authorized pursuant to Article IX of the Master Indenture.

"*Tax Anticipation Notes*" means any tax anticipation note, tax anticipation warrant or similar indebtedness issued by the Board in anticipation of the collection of the Pledged Tax Receipts.

"*Tax Increment Revenue*" means the portion, if any, of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in any transit facility improvement area established by the City of Chicago, over and above the initial equalized assessed value of such property existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Article 15 of the Property Tax Code, 35 Illinois Compiled Statutes 200, as amended, in the transit facility improvement area.

"Tax Penalty Date" means the last day on which the second installment of the Pledged Taxes may be paid without penalty with respect to taxable property located in The County of Cook, Illinois.

"Trustee" means Zions Bancorporation, National Association, and any successor trustee appointed pursuant to the Master Indenture and the Supplemental Indentures.

"*Uncollected Pledged Taxes*" means, as of any date of calculation, an amount equal to the difference between (i) $2,599,320,009 and (ii) the aggregate amount of the Pledged Taxes deposited in the Escrow Account pursuant to this Agreement as of such date of calculation.

ARTICLE II

CREATION OF THE ESCROW ACCOUNT

Section 2.01 Establishment of the Escrow Account. The Escrow Account is hereby established with the Escrow Agent pursuant to the Note Resolution, the Master Indenture and this Agreement, separate and segregated from all other funds and accounts of the Board.

Section 2.02 Pledged Tax Receipts. Pursuant to the Note Resolution and for the purpose of providing the funds required to pay the principal of, purchase price of and interest on the Notes when and as the same falls due, all of the Pledged Tax Receipts shall be paid to the Escrow Agent for deposit in the Escrow Account for the equal and ratable benefit of the Owners of the Notes, provided that such amounts shall be allocated pursuant to Section 3.02 hereof.

Pursuant to Section 13 of the Local Government Debt Reform Act, the Pledged Tax Receipts deposited or to be deposited into the Escrow Account, are irrevocably pledged as security for the payment of the principal of, purchase price of and interest on the Notes until the principal and interest on the Notes are paid in full and the Notes are no longer Outstanding. In accordance with Section 13 of the Local Government Debt Reform Act such Pledged Tax Receipts and the moneys held in the Escrow Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board irrespective of whether such parties have notice thereof.

ARTICLE III

OPERATION OF THE ESCROW ACCOUNT

Section 3.01 Amounts Held in the Escrow Account. Moneys deposited in the Escrow Account shall be used solely and only for the purpose of paying principal and interest on the Notes and shall not be used for any other purpose so long as the Notes remain Outstanding and unpaid. The Owners of the Notes shall have a first and prior lien upon all present and future Pledged Tax Receipts when deposited in the Escrow Account until the principal and interest on the Notes are paid in full and the Notes are no longer Outstanding.

Section 3.02 Allocation of Moneys. On each Business Day, the Escrow Agent shall transfer all of the moneys in the Escrow Account to the Trustee so that the Trustee can allocate such moneys to be held for the payment of the Notes pursuant to the terms of the Master Indenture and any Supplemental Indentures. The Board shall provide to the Escrow Agent and the Trustee information concerning the Outstanding principal amount of each Series of the Notes on each date of issuance of any Note and each date of payment, redemption, purchase or defeasance of any Note.

Section 3.03 Investment of Moneys in the Escrow Account. Pending the transfer of moneys in the Escrow Account as provided in Section 3.02 hereof, said moneys may be invested by the Escrow Agent in Permitted Investments only in accordance with the written directions of the Treasurer of the Board or the Chief Financial Officer of the Board.

Section 3.04 Monthly Reports. The Escrow Agent will submit to the Treasurer of the Board, the Chief Financial Officer of the Board and each Purchaser on or before the 5th day of each calendar month, commencing in the month of February 2021, a statement, as of the last day of the prior calendar month, itemizing (i) all moneys received by it and all payments made by it under the provisions of this Agreement during such prior calendar month and (ii) the balances in the Escrow Account as of the end of such prior calendar month, and also listing the Permitted Investments on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the Permitted Investments. The Escrow Agent shall, with reasonable promptness, provide such additional information regarding the Pledged Taxes and the Escrow Account as the Board may request on behalf of any Owner.

Section 3.05 Daily Reports on Tax Receipts and Distributions. On each Business Day that Pledged Tax Receipts are received by the Escrow Agent, the Escrow Agent shall provide to the Treasurer of the Board, the Chief Financial Officer of the Board and each Purchaser a report detailing the amount of Pledged Tax Receipts received by the Escrow Agent. On each Business Day that Pledged Tax Receipts are required to be allocated and distributed pursuant to Section 3.02, the Escrow Agent shall provide to the Chief Financial Officer of the Board, the Treasurer of the Board and each Purchaser a report detailing the amounts of Pledged Tax Receipts allocated and distributed to the Trustee for each Series of Notes then Outstanding.

Section 3.06 Payment of Fees. The fees of the Escrow Agent shall be paid by the Board upon receipt of appropriate statements therefor.

Section 3.07 Electronic Communications. The Escrow Agent shall have the right to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, *provided*, *however*, that the Board shall provide to the Escrow Agent an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Board agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

ARTICLE IV

COVENANTS

The Board and the Escrow Agent covenant and agree as follows:

A. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals herein (except those relating to its own organization); (b) the performance of or compliance with any covenant, condition, term or provision of the Notes, the Note Resolution, or the Master Indenture and any Supplemental Indentures thereto; and (c) any undertaking or statement of the Board hereunder or under the Notes, the Note Resolution, or the Master Indenture and any Supplemental Indentures. The Escrow Agent is not serving as a trustee for any Owner pursuant to this Agreement and has no obligation in its capacity as Escrow Agent to enforce the rights of any Owner under the Master Indenture or any Supplemental Indentures. On the date of execution and delivery of this Agreement, Zions Bancorporation, National Association is also serving as the Trustee and its rights, duties and obligations in connection with those roles are governed by the Master Indenture and the Supplemental Indentures.

B. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own gross negligence or willful misconduct, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall it be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Board to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees (provided notice is given to the Board of such costs and outlays within a reasonable time after they are incurred), and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

C. The Escrow Agent, in its separate capacity as a banking institution, may, at the direction of the Treasurer of the Board or the Chief Financial Officer of the Board as provided in Section 3.03 hereof, invest for the Escrow Account in Permitted Investments purchased from itself.

D. All payments to be made by, and all acts, and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Board except as expressly provided herein.

E. The Escrow Agent shall not be personally liable for any act taken or omitted hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. The Escrow Agent shall also be fully protected in relying upon any written notice, demand, certificate or document which it in good faith believes to be genuine.

F. The Escrow Agent shall not be responsible for the sufficiency or accuracy of the form, execution, validity or genuineness of any securities now or hereafter deposited hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Escrow Agreement. The Escrow Agent shall not be liable for any depreciation or change in the value of such investments.

G. If the Escrow Agent reasonably believes it to be necessary to consult with counsel concerning any of its duties in connection with this Agreement, or in case it becomes involved in litigation on account of being Escrow Agent hereunder or on account of having received property subject hereto, then in either case, its costs, expenses, and reasonable attorneys' fees shall be paid by the Board, and upon timely notice thereof having been given.

H. This Agreement shall be construed, enforced, and administered in accordance with the laws of the State, and shall inure to, and be binding upon, the respective successors and assigns of the parties hereto.

I. To the extent that this Agreement confers upon or gives or grants to the Trustee any right, remedy or claim under or by reason of this Agreement, the Trustee is explicitly recognized as being a third-party beneficiary under this Agreement and may enforce any such remedy or claim conferred, given or granted under this Agreement.

ARTICLE V

RESIGNATION OR REMOVAL OF THE ESCROW AGENT

A. The Escrow Agent may at any time resign as escrow agent under this Agreement by giving thirty days written notice to the Board and each Purchaser, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Board. The Board may select as successor Escrow Agent any financial institution located within the State which is authorized to maintain trust accounts under Federal or State law with capital stock and surplus aggregating at least $250,000,000.

B. If at any time the Escrow Agent is no longer legally authorized or qualified (by reason of any Federal or State law or any other law or regulation) to act as escrow agent hereunder, then the Board may remove the Escrow Agent and may select as successor Escrow Agent any financial institution which is authorized to maintain trust accounts under Federal or State law.

C. Further, the Escrow Agent may be removed at any time by the Owners of a majority in aggregate principal amount of the Notes then Outstanding, excluding any Notes held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys in fact duly authorized, and delivered to the Board.

D. In case at any time the Escrow Agent shall resign or shall be removed the Board shall appoint a successor Escrow Agent. The Board shall cause notice of any such appointment made by it to be mailed to all Owners of the Notes. If no appointment of an Escrow Agent shall be made by the Board within sixty (60) days following such resignation or removal pursuant to the foregoing provisions, the Escrow Agent or the Owners of a majority in principal amount of the Notes then Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

E. Notwithstanding any of the provisions of this Article V to the contrary concerning the resignation of removal of the Escrow Agent or the appointment of a successor Escrow Agent, no such resignation, removal or appointment shall be effective until the successor Escrow Agent accepts its appointment.

ARTICLE VI

ALTERATION AND TERMINATION OF AGREEMENT

A. The Board and the Escrow Agent may change and alter the terms of this Agreement for the following purposes: (A) to correct errors, resolve ambiguities or insert inadvertently omitted material; or (B) to alter the procedures of Article II of this Agreement and definitions pertaining thereto necessitated by changes in State law and procedures thereunder with respect to the collection and distribution of taxes; *provided, however,* that such changes and alterations shall not materially affect the protections provided by this Agreement to the Owners of any of the Notes; and provided further that the Board shall provide each Owner with not less than ten (10) days prior written notice of any such proposed changes or alterations pursuant to clauses (A) and (B) above.

B. It is understood and agreed that each Owner is an express and intended third party beneficiary of this Agreement, and that the benefits of this Agreement are conferred upon each Owner to the extent applicable; *provided, however,* that enforcement of this Agreement shall require the action of Owners of not less than a majority in aggregate principal amount of the Notes, as provided in Section 702 of the Master Indenture.

C. This Agreement shall be binding on any successor to the Board during the term of this Agreement.

D. Upon the retirement or defeasance of all of the Notes and the filing with the Escrow Agent of a certificate of the Board signed by the Treasurer of the Board or Chief Financial Officer of the Board that no Notes will be issued or Outstanding from and after the date specified in such certificate, the Escrow Agent, as of the date so specified in such certificate, will transfer any balance remaining in the Escrow Account to the Board, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Agreement to be executed by the Chief Financial Officer of the Board and attested by the Secretary of the Board and Zions Bancorporation, National Association, in its capacities as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and to be attested by one of its officers, all as of the _____ day of _________, 2020.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: ____________________________________
Its: Chief Financial Officer, Board of Education of the City of Chicago

Attest:

By: ____________________________________
Its: Secretary, Board of Education of the City of Chicago

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

By: ____________________________________
Name: ____________________________________
Its: Authorized Signer, Zions Bank Division

Attest:

By: ____________________________________
Its: Authorized Officer

APPENDIX C

FORM OF OPINIONS OF CO-BOND COUNSEL

October 22, 2020

Board of Education of the City of Chicago
Chicago, Illinois

Zions Bancorporation, as trustee
Chicago, Illinois

Ladies and Gentlemen:

We hereby certify that we have examined a certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of the City of Chicago (the *"Board"*) passed preliminary to the issue by the Board of its fully registered Educational Purposes Tax Anticipation Notes, Series 2020A in the aggregate principal amount outstanding at any time of not to exceed $400,000,000 (the "*Notes*"), being issued pursuant to that certain Master Trust Indenture dated as of October 1, 2020 (the "*Master Indenture*"), by and between the Board and Zions Bancorporation, National Association, as trustee (the "*Trustee*"), as supplemented by a First Supplemental Indenture, dated as of October 1, 2020 (the "*Supplemental Indenture*"), between the Board and the Trustee (the Master Indenture as so supplemented, the "*Indenture*"), dated the date hereof and maturing, bearing interest and being subject to redemption prior to maturity as provided in the Supplemental Indenture.

The Notes are being issued pursuant to Article 34 of the School Code, 105 Illinois Compiled Statutes 5/34, as amended (the *"School Code"*), in lieu of the tax anticipation warrants authorized by Section 34-23 of the School Code, Resolution No. 20-0826-RS4, adopted by the Board on August 26, 2020 (the *"Note Resolution"*) and the Indenture.

The Notes are being issued in anticipation of the collection of the taxes levied by the Board for educational purposes for the year 2020 (the *"2020 Educational Fund Levy"*). Pursuant to Section 34-23.5 of the School Code, the principal amount of all notes, bonds or other obligations issued in lieu of tax anticipation warrants may not exceed 85% of the amount of the 2020 Educational Fund Levy (the *"Statutory Limitation"*). The Board may hereafter authorize and issue "Additional Notes" as defined and as provided in the Indenture.

The Board and Zions Bancorporation, National Association, as escrow agent (the *"Escrow Agent"*), have executed and delivered a Tax Escrow Agreement dated as of October 1, 2020 (the *"Tax Escrow Agreement"*) with respect to the application of receipts of the 2020 Educational Fund Levy.

In our capacity as Co-Bond counsel, we have examined, among other things, the following:

(a) certified copies of the Proceedings of the Board adopting the Note Resolution and authorizing, among other things, the execution and delivery of the Master Indenture, the Supplemental Indenture, the Tax Escrow Agreement and the issuance of the Notes;

(b) a certified copy of the Note Resolution;

(c) an executed counterpart of the Master Indenture, the Supplemental Indenture and the Tax Escrow Agreement; and

(d) such other certifications, documents, showings and related matters of law as we have deemed necessary in order to render this opinion.

Based upon the foregoing we are of the opinion that:

1. The Board has full power and authority and has taken all necessary corporate action to authorize the execution and delivery of the Master Indenture, the Supplemental Indenture and the Tax Escrow Agreement and the issuance of the Notes.

2. The Indenture has been duly and lawfully authorized, executed and delivered by the Board and, assuming the due authorization, execution and delivery by, and the binding effect on, the Trustee, the Indenture is a legal, valid and binding obligation of the Board, enforceable against the Board in accordance with its terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

3. The Tax Escrow Agreement has been duly and lawfully authorized, executed and delivered by the Board and, assuming the due authorization, execution and delivery by, and the binding effect on, the Escrow Agent, the Tax Escrow Agreement is a legal, valid and binding obligation of the Board, enforceable against the Board in accordance with its terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

4. The Notes have been duly and validly authorized and have been issued in accordance with law. The Notes are valid and legally binding limited obligations of the Board payable, together with any Additional Notes when issued, exclusively from the receipts derived from the levy and collection of the Pledged Tax Receipts (as defined in the Master Indenture), and enforceable in accordance with their terms and the terms of the Indenture, except that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

5. The Notes are entitled to the benefit and security of the Note Resolution, the Indenture and the Tax Escrow Agreement.

6. The Indenture creates the valid pledge which it purports to create of the Trust Estate pledged, held or set aside under the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

7. The form of Notes prescribed for said issue is in due form of law.

8. The Board has taken all necessary action to cause the County Collectors of the Counties of Cook and DuPage, Illinois, to deposit the respective portions of the Pledged Tax Receipts directly with the Escrow Agent for application pursuant to the Tax Escrow Agreement.

9. Subject to the Board's compliance with certain covenants, under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Notes is excludable from gross income for purposes of federal income tax pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof, and is not a specific preference item in computing the federal alternative minimum tax. Failure to comply with certain of such Board covenants could cause interest on the Notes to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. Ownership of the Notes may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Notes. Under present laws, judicial decisions, regulations and rulings, interest on the Notes is not exempt from Illinois income taxes.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Notes.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX D

THE REAL PROPERTY TAX SYSTEM

Real Property Assessment, Tax Levy and Collection Procedures

General. Information in this Appendix provides a general summary of the current procedures for real property assessment, tax levy and tax collection in Cook County (the "**County**") and that are applicable to the School District. The following is not an exhaustive discussion, nor is there any assurance that the procedures described in this Appendix will not be changed either retroactively or prospectively. The Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (35 ILCS 200) (the "**Property Tax Code**").

Substantially all (approximately 99.99%) of the "**Equalized Assessed Valuation**" (as herein defined) of taxable property in the School District is located in the County. The remainder is located in DuPage County. Accordingly, unless otherwise indicated, the information set forth in this Appendix and elsewhere in this Official Statement with respect to taxable property of the School District does not reflect the portion situated in DuPage County.

Assessment. The Cook County Assessor (the "**Assessor**") is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control equipment assessed directly by the State. One-third of the real property in the County is reassessed each year on a repeating triennial schedule established by the Assessor. The real property within the School District was last reassessed in 2018.

Real property in the County is separated into various classifications for assessment purposes. After the Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the "**Assessed Valuation**") for the parcel. Beginning with the 2009 tax year, the classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, industrial, commercial) and whether it qualifies for certain incentives for reduced rates. For prior years, the classification percentages ranged from 16 to 38 percent.

The Cook County Board of Commissioners has adopted various amendments to the County's Real Property Assessment Classification Ordinance (the "**Classification Ordinance**"), pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications, and created new property classifications.

The Assessor has established procedures enabling taxpayers to contest the Assessor's tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "**Board of Review**"). The Board of Review has powers to review and adjust Assessed Valuations set by the Assessor. Owners of certain types of residential property are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "**PTAB**"), a state-wide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Based on the amount of the proposed change in assessed valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County (the "**Circuit Court**") or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below that which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The Board believes that the impact of any such case on the Board would be minimal, as the Board's ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described earlier in this section, though the standard of proof differs. A Circuit Court decision upheld the right of the City (and presumably other taxing districts) to intervene in certain of these proceedings. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Valuation, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization. After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year, including any revisions made by the Board of Review, the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the "**Equalization Factor**"), commonly called the *"multiplier,"* for each county. The purpose of equalization is to bring the aggregate assessed value of all real property, except farmland, wind turbines with a nameplate capacity of at least 0.5 megawatts and undeveloped coal, in each county to the statutory requirement of 33-1/3% of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the "**Equalized Assessed Valuation**" or "**EAV**").

The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "**Assessment Base**"). The Equalization Factor for a given year is used in computing the taxes extended for collection in the following year. In addition, the EAV used to determine any applicable tax limits is the one for the immediately preceding year and not the current year. See the discussion under the heading "**Property Tax Extension Limitation Law**" below. For a listing of the Equalization Factors for recent years through December 31, 2019, see the chart in the Official Statement entitled "**CHICAGO PUBLIC SCHOOLS – Assessed, Equalized Assessed and Estimated Value of All Taxable Property within the School District for Years 2009-2019.**"

Exemptions. The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the EAV of certain property owned and used exclusively for residential purposes by the amount of any increase over the 1977 EAV, up to a maximum reduction of $10,000 in the County. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by $8,000. There is also an exemption available for homes owned and exclusively used for residential purposes by disabled veterans or their spouses, for whom the Assessor is authorized to annually exempt up to $70,000 of the Assessed Valuation. An additional exemption is available for certain disabled persons, for whom the Assessor is authorized to reduce the EAV by $2,000. An exemption is available for homestead improvements by an owner of a single family residence of up to $75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is $65,000 or less, and who are either the owner of record or have a legal or equitable interest in their residential property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called *"freeze"* and each year thereafter in which the qualifying criteria are maintained.

A long-time occupant homestead exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable (including qualifying not-for-profit hospitals), and educational organizations, as well as units of federal, state and local governments.

Tax Levy. There are over 800 units of local government (the "**Units**") located in whole or in part in the County that have taxing power. There are six major units of local government located in whole or in part within the boundaries of the School District which are: the City; the Chicago Park District; Community College District Number 508; the County; the Forest Preserve District of Cook County; and the Metropolitan Water Reclamation District of Greater Chicago.

As part of the annual budgetary process of the Units, each year in which the determination is made to levy real property taxes, proceedings are adopted by the governing body of each Unit. Typically, real property taxes are levied in one calendar year and collected in the following calendar year. The tax levy proceedings impose the Units' respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk's Office. The administration and collection of the real property taxes is statutorily assigned to the County Clerk and the County Treasurer, who is also the County Collector (the "**County Collector**").

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all the Units having jurisdiction over the particular parcel. The County Clerk enters in the books prepared for the County Collector (the "**Warrant Books**") the tax (determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel), along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Law (the "**Truth in Taxation Law**") contained within the Property Tax Code imposes procedural limitations on a Unit's real estate taxing powers and requires that a notice in a prescribed form must be published if the aggregate annual levy is estimated to exceed 105 percent of the levy of the preceding year, exclusive of levies for debt service (including debt service on Alternate Revenue Bonds), levies made for the purpose of paying amounts due under public building commission leases and election costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105% of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures. The Truth in Taxation Law does not impose any limitations on the rate or amount of the levy to pay principal of and interest on the Unit's general obligations bonds and notes.

Property Tax Extension Limitation Law

The Property Tax Code specifically limits the annual growth in property tax extensions for certain Units pursuant to the provisions of the Property Tax Extension Limitation Law (35 ILCS 200/18-185) (the "**Limitation Law**"). The Limitation Law was extended in 1995 (effective as of the 1994 assessment year) to non-home rule taxing districts in the County, including the Board. The Limitation Law limits the annual growth in certain property tax extensions by the Board to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant tax year. Generally, extensions can be increased beyond this limitation only due to increases in the Equalized Assessed Valuation attributable to new construction and referendum approval of tax or limitation rate increases. The Limitation Law requires the County Clerk in extending taxes to use the Equalized Assessed Valuation of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended.

The effects of the Limitation Law are to limit or retard the growth in the amount of property taxes that can be extended for a non-home rule taxing body and to impose direct referendum requirements upon the issuance of certain types of general obligation bonds by such non-home rule taxing bodies.

APPENDIX E

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2019

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Chicago Public Schools

Comprehensive Annual Financial Report

Department of Finance

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Lori Lightfoot
Mayor
City of Chicago, Illinois

Chicago Board of Education
Miguel del Valle
Board President

Chicago Public Schools
Janice K. Jackson, EdD
Chief Executive Officer

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2019

Prepared by the Department of Finance

Lori Lightfoot, Mayor, City of Chicago
Miguel del Valle, Board President
Janice K. Jackson, EdD, Chief Executive Officer

Board of Education

City of Chicago

Office of the Board
1 North Dearborn Street, Suite 950, Chicago, Illinois 60602
(773) 553-1600 Fax (773) 553-3453

Dear Friends and Colleagues,

We are pleased to present you with the Chicago Public Schools (CPS) Fiscal Year 2019 financial results.

Once again these results demonstrate CPS' commitment to financial stability. CPS' strong financial controls resulted in general operating revenues slightly exceeding expenditures, and demonstrates our commitment to being good stewards of public funds.

Further, the financial stability achieved through historic state funding reform has allowed CPS to continue investing in the programs and resources that drive student success and align with the equity focus at the heart of our Five-Year Vision. We experienced our largest-ever programmatic expansion in 2019, adding programs like Science, Technology, Engineering, and Math (STEM); International Baccalaureate (IB), world language; and fine and performing arts to the schools that need them most, particularly those on Chicago's South and West sides. We also took significant steps toward our goal of providing every four-year-old in Chicago with access to free, full-day pre-k by 2021; and we grew our Opportunity Schools program, which provides support for schools with the greatest staffing needs to help ensure they have equitable access to highly-qualified educators.

These initiatives align with the Five-Year Vision we released in spring 2019, building on our commitments to academic progress, financial stability, and integrity while ensuring that every decision, investment, and policy has equity at its core. Building on the success of our Equity Office, CPS has created a Curriculum Equity Initiative to provide a high-quality, culturally-sensitive curriculum for every school, and we are currently developing an Equity Framework to help focus our work to support students who need it most.

Our vision, along with the district's improved financial stability, has contributed to historic growth among CPS students. Our graduation rate has jumped over 20 points in the past decade, and our elementary school students achieved their highest-ever elementary math and reading test scores, with more than half of students now meeting or exceeding their peers nationwide for academic growth. In addition, nearly half of all CPS seniors are graduating with college and career credentials, and last year's graduating class earned nearly $1.5 billion in scholarship offers to help them continue their education. Our district also achieved the lowest-ever single-year dropout rate in CPS history, and a study recently released by the University of Chicago shows that nearly 80 percent of our district's English Learners are achieving English proficiency by the time they enter high school.

CPS is committed to working with the Board of Education and Chicago's new mayor, the Honorable Lori E. Lightfoot, to continue along this historic path. Our focus moving forward will be on maintaining our financial stability and on improving the equity and transparency that is needed if every child from every community in Chicago is to receive the high-quality education that will prepare them for success in college, career, and civic life.

Respectfully submitted,

Miguel del Valle
President
Chicago Board of Education

Janice K. Jackson, EdD
Chief Executive Officer
Chicago Public Schools

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Chicago Public Schools

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CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BOARD OFFICIALS AS OF JANUARY 22, 2020

Chicago Board of Education
Miguel del Valle, President
Sendhil Revuluri, Vice President

Members
Luisiana Melendez
Amy Rome
Lucino Sotelo
Elizabeth Todd-Breland
Dwayne Truss

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chicago Public Schools
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Chicago Public Schools

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.

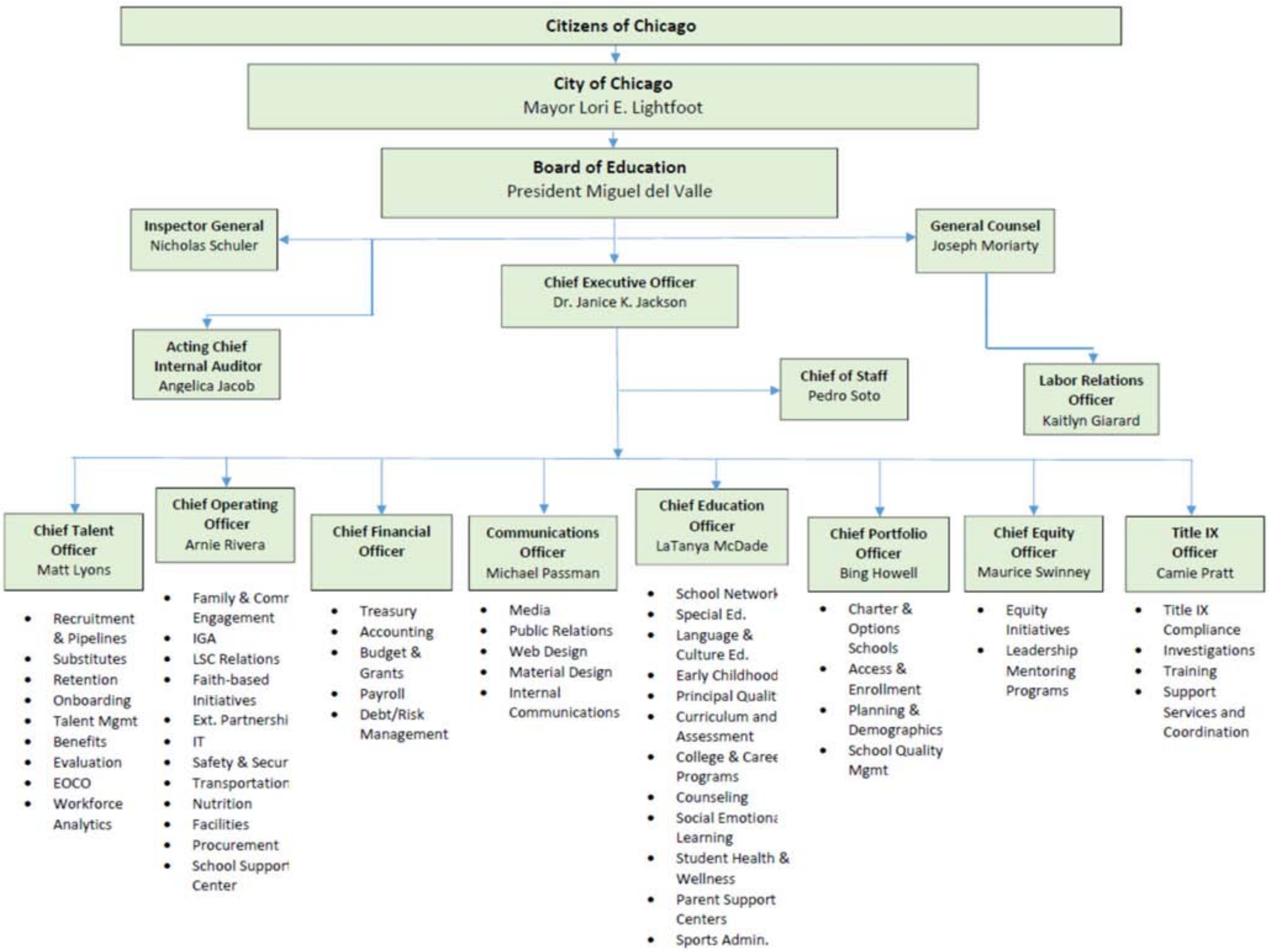
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Tom Wohlleber, CSRM
President

David J. Lewis
Executive Director

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education
Organizational Chart



CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

Board Member Profiles

Miguel del Valle

Miguel del Valle was appointed President of the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019. Mr. del Valle is a retired elected official who has served on an extensive list of several committees, boards, and commissions, including:

• Illinois Student Assistance Commission (ISAC)| Vice Chairman
• Advance Illinois | Founding Board member
• Illinois Federation for Community Schools| Board member
• Illinois Pathways Advisory Council | Council Member
• Illinois Complete Count Commission
• Judicial Candidate Screening Committee
• Illinois P-20 Council

In 2006, Mr. del Valle was appointed by Mayor Richard M. Daley as City Clerk of Chicago, and subsequently won a citywide election to the post in 2007, becoming the first Latino elected to the office of City Clerk. In 1986, Mr. del Valle was elected the first Latino Senator in the Illinois General Assembly where he served for 20 years. He became an Assistant Majority Leader, and served as Chairman of the Senate Education Committee, Consumer Affairs Committee, and Senate Select Committee on Education Funding Reform. He served as Vice Chairman of the Higher Education Committee, and member of the Revenue, Appropriations, Labor, and Executive Committees. He also was the co-founder of the Illinois Legislative Latino Caucus and a member of the Illinois Legislative Black Caucus.

Before running for public office, del Valle worked with several community-based agencies, organizing and providing direct services and institution building. He was Unit Director for the Union League Foundation for Boys and Girls Clubs, and Executive Director of Association House, a human services agency in Chicago. He also did work for the Pilsen Little Village Community Mental Health Center and the Center for Neighborhood Technology. Mr. del Valle is a graduate of Chicago Public Schools and holds a M.A. in Guidance and Counseling from Northeastern Illinois University. He is married to Lupe del Valle, and has four children and four grandchildren. Three of his children attended Jose de Diego Community Academy, and one graduated from Lane Tech. All four of his grandchildren have or are currently attending Chicago Public Schools.

Sendhil Revuluri

Sendhil Revuluri was appointed Vice President of the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Mr. Revuluri was a founding teacher at the Bronx Academy of Letters, a public secondary school in the South Bronx, where he was recognized as a Math for America Master Teacher. He subsequently worked in the CPS Office of High School Teaching and Learning and at the University of Illinois at Chicago as Associate Director of the Suburban Cook County Mathematics Initiative, a project for collaborative improvement in teaching and learning benefiting over 40,000 K–12 students in 40 public school districts. Mr. Revuluri has served on a Local School Council, and on the board of the Illinois Council of Teachers of Mathematics, which recognized him with the Lee Yunker Mathematics Leadership Award. He currently serves on the boards of the Bright Promises Foundation and Math Circles of Chicago. He is a 2016 Fellow of Leadership Greater Chicago.

Mr. Revuluri is Managing Director of Strategic Development at PEAK6 Capital Management, an entrepreneurial investment firm that leverages technology to efficiently manage risk in the options market. He launched its internal Hackathon, leads other innovation projects, and supports the development of business strategy, as well as leading efforts for effective professional learning. Mr. Revuluri was previously an Executive Director of Equity Trading at UBS Warburg LLC in Chicago and Stamford, Connecticut, where he created instruments to manage risk and enable investment opportunities, developed and led new businesses, and collaborated to improve enterprise-level risk systems. He is a CFA Charterholder. Mr. Revuluri was born in Chicago and attended the Illinois Mathematics and Science Academy, from which he received the Alumni Titan Award. He studied physics and mathematics at the University of Chicago and secondary mathematics teaching at Pace University. Mr. Revuluri lives in Pilsen with his wife, Venu Gupta, and their two children, who are currently attending Chicago Public Schools.

Luisiana Meléndez

Luisiana Meléndez was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Dr. Melendez is an Associate Clinical Professor at Erikson Institute and director of the Institute's Bilingual/ESL Certificate Program. She received her BA in Psychology in her native Dominican Republic and a master's in early childhood education and doctorate in child development from Loyola University Chicago/Erikson Institute. Before working in higher education, Dr. Meléndez worked for close to two decades as an early childhood and elementary teacher in the Dominican Republic and in the U.S. Dr. Meléndez contributes to the Erikson Institute's academic programs through course work and initiatives that prepare early childhood practitioners to meet the developmental and learning needs of the increasingly diverse children and families in U.S. educational settings. Dr. Meléndez' academic work pays close attention to the particular instructional needs of young children growing up with more than one language as well as to the potential socio-emotional and cognitive advantages that growing up as bilingual or multilingual child or youth can afford. In addition to her work with current and future educators, Dr. Meléndez is particularly interested in how early care and education programs support emergent bilinguals between birth and age three.

Dr. Meléndez frequently presents in national as well as local conferences and has several publications on her areas of professional interest. In addition to her work in early childhood teacher education and professional development, Dr. Meléndez has been a member of the Early Childhood Committee of the Illinois State Board of Education since 2012. She has also served in several workgroups and advisory boards convened around issues of bilingual and multilingual development, as well as on the Board of Directors of El ValorDr. Meléndez has just concluded a term as co-chair of the Chicago Consortium for School Research Steering Committee. Dr. Meléndez has resided in Chicago since 1996 and feels privileged by the opportunity to pursue professional interests that bring together her appreciation for cultural and linguistic diversity with her personal commitment to equity and social justice.

Amy Rome

Amy Rome was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Ms. Rome has dedicated her career to supporting all students and families to thrive, challenging systemic inequities that perpetuate gaps in opportunity within and across schools. For more than 20 years, she worked in and with Chicago Public Schools as a teacher, teacher leader, school leader, and principal supervisor. Notably, Ms. Rome served as the principal of the National Teachers Academy, a Pre-K - 8th grade Chicago Public School on the near south side, where she worked closely with families and staff to create an inclusive environment amidst community housing transitions and community school closures, leading to significant gains in student achievement.

Prior to transitioning from Chicago Public Schools in 2015, Ms. Rome supported eight Chicago Public Schools as a principal manager and worked with principals and their instructional leadership teams across a network of 32 schools. Ms. Rome also directed a graduate program at the University of Illinois at Chicago (UIC) focused on preparing teachers with a social justice curriculum to teach in underserved neighborhood schools.

Ms. Rome currently serves as the President of Leading Educators, a national non-profit organization that partners with school systems to accelerate educational equity for the students furthest from opportunity by strengthening teaching, conditions, and leadership. She was previously the organization's Chief Program Officer and Vice President of Design supporting the design, delivery, and evaluation of systemic, standards-aligned professional learning for teachers and leaders in DC Public Schools, Tulsa Public Schools, and New Orleans among other systems. Ms. Rome holds a bachelor's degree in Chinese Language and Literature from The University of Iowa and a master's in Language Minority Education from National Louis University. She has completed doctoral coursework at UIC in curriculum and instruction and urban school leadership. Ms. Rome is currently an inaugural member of Equity Lab's Nexus Fellowship, a national cohort designed to help leaders activate enduring change around antiracism and equity.

Lucino Sotelo

Lucino Sotelo was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Mr. Sotelo serves as Chief Marketing Officer for KemperSports Management. Lucino is an award-winning digital and marketing executive, consistently delivering transformational results. He has led teams at W.W. Grainger, BMO Harris, HSBC, Grant Thornton, Diamond Technology Partners and CSC Index. Mr. Sotelo has committed himself to community and investing in organizations that help others achieve higher levels of success, with a passionate focus on educational equality in all communities:

- City Year Chicago | Executive Board Member & Committee Chair
- Association of Latino Professionals For America | Senior Leadership Council
- Leadership of Greater Chicago Fellow | Former Executive Board Member
- Chicago Planning Commission | Former Commissioner

Mr. Sotelo has an MBA from Northwestern University's Kellogg School of Management and a Bachelor's of Science degree from DePaul University in Accounting. He is a proud CPS alum of Wells Community Academy and proud parent of two current CPS students. Lucino was recently recognized as one of the country's 2018 Top Latino Leaders by the National Diversity Council, 2015 Top Ten Lideres by Hispanic Executive Magazine, Chicago United Business Leader of Color, Diversity MBA's Top 100 Executives, Who's Who In Hispanic Chicago and Instituto Del Progreso Latino Spirit Award.

Elizabeth Todd-Breland

Elizabeth Todd-Breland was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Professor Todd-Breland is an Assistant Professor of History at the University of Illinois at Chicago. Her research and teaching focus on U.S. urban history, African American history, and the history of education.

Her work also explores interdisciplinary issues related to racial and economic inequality, urban public policy, neighborhood transformation, education policy, and civic engagement. Her book, *A Political Education: Black Politics and Education Reform in Chicago since the 1960s* , analyzes transformations in Black politics, shifts in modes of education organizing, and the racial politics of education reform from the 1960s to the present. Professor Todd-Breland's writing has appeared in scholarly journals and edited volumes. She has also contributed to popular outlets, including NPR, ESPN, the Washington Post, and local radio, television, print, and online media.

Professor Todd-Breland coordinates professional development workshops, curricula, and courses for teachers and gives public talks on African American history, urban education, and racial equity. Todd-Breland is a CPS parent, served as a community member on a Local School Council, and worked with Chicago high school students as a social studies instructor and college counselor. Professor Todd-Breland's research has been supported by grants and fellowships from the National Academy of Education, Spencer Foundation, Andrew W. Mellon Foundation, American Council of Learned Societies, Social Science Research Council, Ford Foundation, and UIC Institute for Research on Race and Public Policy. She earned her PhD in History from the University of Chicago.

Dwayne Truss

Dwayne Truss was appointed to the Chicago Board of Education by Mayor Lori Lightfoot and began serving on June 26, 2019.

Mr. Truss is a life-long resident of the city of Chicago. Mr. Truss was born and raised in West Garfield Park and is a proud graduate of Chicago Public Schools. After graduating from Westinghouse Area Career Vocational High School in 1981, he joined the United States Marine Corps Reserve. After a short tenure with the USMCR, he transferred to the Army National Guard. Mr. Truss was honorably discharged in 1986.

Mr. Truss graduated with Bachelor of Science in Accounting from Northeastern Illinois University in 1985. Mr. Truss met his wife Cata while a student at Northeastern and they were married in 1986. Together they raised five sons: four are college graduates. Mr. Truss has served his community in the following capacities: Executive Director/Coach of Austin Youth League/Austin Mandela Little League from 1990 to 2007, local school council member at Byford (now Brunson), Hitch and Ella Flagg Young schools, current member of the Columbus Park Advisory Council, former board member of Raise Your Hand for Illinois Public Education, former co-chair of the Austin Community Action Council, member of the Westside Parks Executive Advisory Council and the Westside Branch of the NAACP. Mr. Truss is also an occasional contributor to both the Austin Weekly News and AustinTalks.org community newspapers.

Mr. Truss's major accomplishments include being the catalyst for the construction and current academic focus of the new Westinghouse High School, the renovation of Austin High School, the renovation of the new ball fields at Columbus Park, the renovation of Rockne Stadium, the reconsolidation of Austin High School as the neighborhood high school and the recent Chicago Park District investment of $3 million in capital improvements for Austin Parks. He is currently employed by the state of Illinois. Mr. Truss currently resides in the Austin community. He is a proud grandfather of eight grandchildren. In addition to his children, he and his wife helped raise two nieces, and two nephews.

The members of the Chicago Board of Education (the Board) have been appointed to serve terms ending as follows:

Member	**Term Expires**
Miguel del Valle, President	June 30, 2023
Sendhil Revuluri, Vice President	June 30, 2023
Luisiana Melendez	June 30, 2022
Amy Rome	June 30, 2023
Lucino Sotelo	June 30, 2022
Elizabeth Todd-Breland	June 30, 2023
Dwayne Truss	June 30, 2022

At the expiration of the term of each member, the Mayor shall appoint a successor for a four-year term from July 1 of the year in which the term commences. Any vacancy shall be filled by appointment of the Mayor for the unexpired term.

The Board elect annually from its members a president and vice president in such a manner as the Board determines.

Department of Finance · 42 West Madison, 2nd Floor · Chicago, Illinois 60602-4413
Telephone: 773-553-2710 · Fax: 773-553-2711

January 22, 2020

Miguel del Valle, President,
Members of the Chicago Board of Education,
And Citizens of the City of Chicago:

The Comprehensive Annual Financial Report (CAFR) of Chicago Public Schools (CPS) for the fiscal year ended June 30, 2019, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of CPS. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with CPS management.

Illinois School Code (105 ILCS 5/34-9) requires CPS to submit an annual report of the financial records and transactions audited by independent certified public accountants. This document is submitted in fulfillment of this requirement. An audit was also conducted to meet the requirements of the Office of Management and Budget (OMB) Uniform Guidance (including the Single Audit Act Amendment of 1996, Government Auditing Standards and the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). For fiscal year ended June 30, 2019, the independent auditors have issued an unmodified opinion on CPS' basic financial statements and other required supplementary information, etc. (See Independent Auditors' Report in the Financial Section of the document).

CPS ended fiscal year 2019 with a positive fund balance of $471.8 million in the general operating fund. This is the second year in a row that the District has reported positive fund balance, and this improvement in financial sustainability is due in part to increased state funding for educational purposes, as well as earmarks for pension obligations. In addition, CPS has continued to streamline operational costs and shifting much needed resources to the classroom. Additional local revenues were also made available to Chicago Public Schools through Tax Increment Financing ("TIF") funds which went to support various school programs.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF CHICAGO PUBLIC SCHOOLS

CPS is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the City of Chicago. The Chicago Board of Education is established under and governed by the Illinois School Code (105 ILCS 5/34-9). The Chicago Board of Education is not a home-rule unit of government and operates a system of schools primarily for grades pre-kindergarten through twelve. CPS has no component units that are legally separate organizations for which CPS is financially accountable.

CPS is governed by a seven-member Board of Education appointed by the Mayor of the City of Chicago. Board members elect one member to serve as President of the Board. In addition, pursuant to amendments to the Illinois School Code initially enacted in 1988, elected Local School Councils, composed of parents, teachers, principals and community representatives, exercise certain powers relating to the operation of individual schools, most notably the selection of principals. Refer to the CPS website for more information on Local School Councils.

As a large urban school district, our schools and students reflect the broad diversity of our city. In fiscal year 2019, CPS had 642 schools, including district-run traditional and "options" schools, as well as charter and contract schools. Charter schools are public schools managed by independent operators, and approved and certified under the State charter law. They can offer a general K-12 educational program or may be approved to offer a program specifically targeting students who have dropped out or are at risk of dropping out. CPS currently authorizes 118 charter schools, serving just nearly 60,000 students.

Student enrollment as of September 2018 was 361,314 a decrease of 10,068 from the September 2017 level (371,382). Approximately 76.4% of our students come from low-income families and 18.7% are English Language Learners. CPS employs 36,287 workers, including 22,168 teaching positions.

LOCAL ECONOMIC OUTLOOK

The Chicago's economy continues to improve and grow. However, it is important to note that CPS revenues are not economically sensitive. Property tax increases are capped at the rate of inflation; and Federal and State aid are allocated based on formulas and limited by federal and state appropriations. Therefore, our revenues are not directly affected by changes in the local economy. For more information regarding Chicago's local economy, refer to the City of Chicago budget book at http://www.cityofchicago.org/city/en/depts/obm/supp_info/annual-budget-recommendations---documents.html.

Local revenues included $2,984 million in property taxes and $187.2 million in personal property replacement taxes in fiscal year 2019. Property taxes support the General Fund, Tort Fund and Debt Service Funds. Personal property replacement taxes support the General Fund and Debt Service Funds. In fiscal year 2019, there was $56.9 million in tax revenue for Capital Improvement Tax, a levy dedicated to capital improvement expenditures.

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity, in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled, and (b) the individual or entity promises to take a specific action after the agreement has been entered into, that contributes to economic development or otherwise benefits the governments or the citizens of those governments. CPS did not enter into or hold any direct tax abatement agreements during fiscal year 2018. Cook County enters into property tax abatements which do not directly reduce CPS property tax revenue. The purpose of these property tax abatements are to spur economic development and promote growth in residential housing. CPS views these abatements as a long-term strategy to increase student enrollment and promote a safe community around CPS schools. CPS monitors the incentives offered by the County and incorporates the impact of any modifications into CPS' annual budget process. Additional information on tax abatements that impact CPS can be found in Note 16 to the financial statement footnotes.

CURRENT CONDITION

The General Operating Fund expenditures budget for fiscal year 2019 was $5,984 million, $285 million above the fiscal year 2018 budget of $5,699 million. The 2019 Chicago Public Schools budget is the most stable budget in years, making critical investments in academic priorities such as college-prep work and universal free pre-K for 4-year-olds. The budget reflected an historic education funding system that takes a major step toward addressing funding inequality for school districts that serve predominantly limited–income students.

Total governmental funds revenues for fiscal year 2019 were $6,643 million, which is $131 million more than the $6,512 million fiscal year 2018 revenue. Total expenditures for fiscal year 2019 were $7,101 million, which were approximately $627 million greater than the prior year of $6,474 million. The increase in year over year expenditures is due in part to increased expenditures from the capital fund, as projects funded in prior years are now underway from the district's historic fiscal year 2017 and 2019 capital plans. CPS ended fiscal year 2019 with a combined fund balance of $1,962 million in all governmental funds, a decrease of $42 million from fiscal year 2018's ending fund balance of $2,004 million.

After years of chronic underfunding by the state, CPS found itself on significantly firmer revenue footing in FY2019. With the Illinois General Assembly having passed a state budget that included $350 million of expanded financial support for public education as part of Public Act 100-586, CPS received an additional $65 million in added Evidence-Based Funding (EBF) model revenue, and $20 million in early childhood funding. Additionally, CPS received $239 million in pension support from the state — which is a $6 million increase from FY18 and represents a dramatic improvement in teacher pension equity in Illinois.

FY2019 revenues also included an $86 million increase in property tax revenues and a $19 million increase in Personal Property Replacement Taxes (PPRT) revenues. With a lower percentage of these revenues being diverted into the debt service fund, more of these revenues were available for general operations, an increase of $102 million and $42 million, respectively. This is driven by a steady increase of new property in Chicago, a stronger than expected growth in property assessments, as well as a general improvement in the state's business climate.

One-Time Resources: In past years, financial results have benefited from one-time fixes such as federal stimulus funding, bond restructuring and TIF surplus, which helped mask the depth of the structural deficit.

As the District's pension burden has increased, CPS has drawn down its prior years' reserves in order to balance the budget. Sufficient operating reserves are necessary to maintain adequate liquidity during the fiscal year as CPS receives its major revenue source, property taxes, in only two installments: March and August. As a result of lower operating reserves, the District now relies in part on short-term borrowing to maintain adequate liquidity during the fiscal year to meet operational funding needs.

CPS reduced its short-term borrowing in FY2019 by $250 million, from $1.09 billion in FY2018 to $844 million in FY2019. By relying less on short-term borrowing, the district saved $33 million in short-term interest costs in FY2019 and created structural budgetary relief for future fiscal years. Additionally, CPS spent approximately six months of the year in a net positive cash position, an improvement over recent prior years.

However, revenue generation will continue to be a significant priority for CPS in the years to come.

- Federal funding is pressured because of declining funding levels from the federal government.
- By statute, the State has declared that it intends to ramp up its education funding to fully fund the Evidence Based Funding model. This represents a great stride toward rectifying the historical underfunding of all local education agencies in Illinois. As a result of this commitment, CPS was pleased to see receive additional funding from the State.
- CPS does not have an unlimited ability to increase its property tax revenues, which are its main source of local revenue. Because of the Property Tax Extension Limitation Law, if federal and state revenues were to slip, increases to CPS' collection of property tax would likely still be capped at the rate of inflation, which has averaged around 2 percent in the past few years.

Pension Funding: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2018, the Pension Fund reported $10,969 million in actuarial assets and $22,923 million in actuarial liabilities, for a funded ratio of 47.9%. CPS has recorded a net pension liability of $13,443 million in the accompanying financial statements, 100% of which is recognized by CPS. (For the reasons discussed in Note 12 CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund).

Public Act 100-0465 increased CPS' maximum teacher pension property tax levy rate from 0.383% to 0.567%. The increase is initially estimated to generate approximately $130 million in additional revenue annually, which will go directly to the Pension Fund. This tax is not subject to the Property Tax Extension Limitation Law – more commonly known as "tax caps" – so in the future this portion of CPS' annual employer contribution will not have a negative impact on spending in the classroom.

Debt Ratings: Investors who purchase municipal bonds use debt ratings as an indicator of the safety and security of the debt sold by that organization. CPS currently has bonds outstanding with credit ratings from Fitch Ratings, Kroll Bond Rating Agency, Moody's Investor Service and Standard & Poor's. During fiscal years 2018 and 2019 CPS' ratings have begun to recover from earlier downgrades, with the ratings companies citing improved revenues and fund balance.

LONG-TERM FINANCIAL PLANNING

As a result of CPS's improved revenue structure, due primarily to new funding from the state and dedicated revenue sources for teacher pensions, the district's reliance on one-time budget balancing measures has declined and performance in fiscal year 2019 indicates a structural balance that the district will seek to maintain going forward. CPS will, however, continue to face challenges in maintaining structural balance, with declining federal revenues, caps on local property taxes, and legacy debt service and pension costs.

The structural budget deficit that persisted through fiscal year 2017 was due primarily to inequitable state education funding, and the new state funding formula both guarantees a minimum funding level for CPS and sets a path to equitable funding. Full equity in funding, however, will not be achieved until the state is able to fully fund its Evidence-Based Funding formula, and, despite the state's coverage of teacher pension normal cost, CPS remains the only school district in the state that funds the vast majority of its teacher pension costs.

The passage of the new Evidence-Based funding formula (EBF) in 2017 structurally increased the total level of state aid that CPS received. Before then, CPS experienced years of steady state revenue decline, making CPS increasingly reliant on property tax revenue. Since 2007, the percentage of property tax revenue comprising the total budget thus steadily increased from 36.7% in fiscal year 2007 to 41.5% in 2017. In fiscal year 2019, with inflation at 2.1%, the base property tax levy increased by $50 million, putting the total budget's percentage of property tax revenue at 45%. Though CPS is able to take advantage of new property that is added to the base property values, the annual increase in non-pension dedicated revenues remains modest.

RELEVANT FINANCIAL POLICIES

Fund Accounting: CPS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. (*See Notes 1 and 2 of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of fund types and account groups*).

Internal Control Structure: CPS financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of CPS from loss, theft, or misuse and to ensure that reliable accounting data is available for the timely preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control: Annual budgets are prepared on a basis consistent with GAAP for the General Operating, Capital Projects and Debt Service Funds. The fiscal year begins on July 1 and ends June 30. Individual school units submit budgets based on the school improvement plans and approved by the Local School Councils. Administrative units submit budget requests to the Office of Management and Budget, which analyzes all requests and prepares a comprehensive budget, balancing revenues and appropriations of each fund. The budget is submitted to the Board of Education for appropriation.

The appropriated budget is prepared by fund, unit, and account. The legal level of budgetary control is at the account level, except for school-based discretionary programs. Board approval is required for all funding transfers except school-based discretionary program expenditures, which are governed by specific program policies and procedures. In addition, an amended budget is required for increases in total appropriation.

Budgetary control is maintained by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Capital Projects Funds are budgeted on a project-by-project basis and represent the entire project budget for projects expected to begin in that fiscal year.

MAJOR INITIATIVES

At Chicago Public Schools, our mission is to provide a high-quality public education for every child in every neighborhood that prepares them for success in college, career, and civic life. With our district's improved financial position and students making remarkable academic progress, CPS is focused on improving equity in our schools. To narrow the opportunity gap for students of color, English learners, diverse learners, and students living in the South and West sides, we have implemented strategic initiatives in the areas of education, finance, community, and the environment to build on our commitments to academic progress, financial stability, and integrity.

Educational Initiatives

Thanks to our students, families, educators, partners, and city leaders who have given their all to lift CPS to new heights, we have so much to be proud of as a district. Our graduation and Freshman OnTrack rates are at an all-time high, and more CPS students than ever are enrolling in college, with nearly half of them earning college and career credentials before they even finish high school.

Earlier this year, the district launched a new five-year vision that builds on the core commitments that remain at the heart of who we are: academic progress, financial stability, and integrity. Driving academic progress will remain the primary focus of our work, and it will be rooted in long-term fiscal stability and a culture and climate that respects and values the contributions of all stakeholders. The CPS Five-Year Vision establishes equity as a moral imperative and acknowledges the fact that not all CPS students are given the same opportunities to succeed. Our Equity Office has been working hand-in-hand with all CPS departments to make sure every decision we make, from capital investments to staffing to curriculum design, has equity at its core.

As a district, we continue to invest in proven programs that expand access to high-quality educational opportunities to our youngest learners; promote civic engagement; expand Advanced Placement, International Baccalaureate, STEM, and STEAM programming; and support the whole child through comprehensive social and emotional services and trauma informed care.

As part of our commitment to creating an early childhood to college continuum, the district launched its plan to provide universal access to full-day preschool to all four-year-olds in Chicago. In SY2019, we added 102 new full-day, pre-kindergarten classrooms, increasing four-year-old preschool enrollment by 14%.

The Department of Social Science and Civic Engagement implemented a number of educational initiatives to expand access to high-quality social science curriculum, financial literacy, civic learning, and student leadership opportunities:

- We trained over 1,000 educators in the new Facing History and Ourselves curriculum for 8th, 9th, and 10th grades.
- We also launched our Participate Civics curriculum which involved training over 400 teachers and engaging more than 200 teachers in in-depth professional learning and piloted new materials and approaches to social science instruction. Over 70 new civics teachers and 30 new Student Voice Committee facilitators have been trained.
- We launched a district-wide electoral engagement initiative, engaging K-12 students with the electoral process.
- To advance the district's commitment to civic life, we launched inaugural CPS Civic Action Awards in partnership with the Obama Foundation.

Relevant, well-rounded, and rigorous curriculum allows our students to challenge themselves academically and reach their full potential. In FY2019, new investments in neighborhood schools provided more than 5,000 additional students with new opportunities to learn in high-quality academic settings, including IB, STEM, magnet and classical schools. Specifically:

- We provided more than 1,800 additional students with access to proven International Baccalaureate programs, on top of the more than 16,000 students who already received an IB education in the nation's largest IB network;
- Nearly 2,100 additional students engaged with the advanced coursework and professional exposure provided through new Early College STEM programs, building on the five existing Early College STEM schools that serve over 3,800 students;
- Through the conversion of three schools into STEM magnet schools, nearly 1,000 additional students received access to STEM magnet programming, building on the over 6,600 students who already benefited from these programs; and
- To meet demand for rigorous classical elementary schools, CPS created two new classical schools, which provided more than 2,600 students with access to a classical school in 2018-19.

New program schools have started incubation including updating their mission and vision statements, forming leadership teams, participating in professional learning, and thoughtfully planning investments to support sustainable work. With a total of 37 STEM and STEAM schools, including 10 Early College STEM Schools, CPS is serving close to 19,000 students, with 93% of those students being African American (48%) or Hispanic (45%).

We are better preparing our students for the jobs of the future, by implementing a computer science curriculum and requiring a computer science credit to graduate high school. CPS has become a model district for those interested in incorporating computer science. The CS4All Initiative launched in 2013, and CPS is the first district in the nation to elevate computer science to a core graduation requirement, separate from math and science.

Finally, through a commitment to Social Emotional Learning, we are creating supportive school environments that benefit students, staff and families, and help keep more of our students in school and engaged. Based on research-based school climate practices, teaming structures and targeted behavior interventions, our students learn the skills they will need to succeed in school and in life (like goal-setting, cooperation, and conflict resolution). In addition, we are providing training for teachers to understand trauma and mental health, integrate SEL into their instructional practices, develop their own SEL skills, and engage in restorative practices in the classrooms. Over 1000 teachers and staff received trauma training, 104 teachers became newly certified (3 year certification) in Youth Mental Health First Aid, and over 200 clinicians were trained to provide small group interventions on anxiety/depression, trauma, and anger management. These are among the many SEL strategies and supports that benefit school communities, enabling dozens of new schools to earn the Supportive School Certification in school year 2019 (the number of certified supportive schools increased from 422 to 520), and have contributed to the continued decrease in out of school suspensions and expulsions.

All of our children want to succeed, and it is our job to ensure that they can. We will continue our holistic approach to education to address opportunity gaps, and best support our students as they matriculate through our district.

Community Schools Initiative

CPS manages one of the largest community schools systems in the nation, known as the Community Schools Initiative (CSI). Awarded by the Coalition for Community Schools in 2006 with the Community Schools National Award for Excellence, CSI has launched more than 200 schools, in partnership with nearly 50 lead non-profit organizations. Community Schools serve as hubs of their communities to meet students' and families' academic and non-academic needs to develop educated citizens and strengthen local neighborhoods.

Community Schools bring together the academic and social supports needed to ensure that all students succeed by offering programs before, during and after the school day for students and their families. The programs are designed to support the school's academic program and expand the services offered within the community. Programs and services offered at each community school vary, but most community schools offer some combination of academic enrichment activities for students, adult education and English as a Second Language classes, student and adult technology training, art activities, recreation and health services.

Go Green Initiative

CPS is working to reduce environmental impact and costs and teach students to be responsible environmental stewards. The initiative is driven by a 5-year action Energy and Sustainability plan that extends the principles of energy and sustainability across all district operations and provide goals for utility consumption reduction, water conservation, single stream recycling, fleet selection, and education and community engagement.

CPS is implementing strategies to reduce district-wide site Energy Use Intensity (EUI) by collaborating with our local utility partners. The strategies include performing facility assessment to identify energy-saving opportunities and making our schools more energy efficient, obtain incentives for energy-saving LEDs, boiler tune-ups and steam traps replacements. Energy consumption data is tracked via energy dashboards.

Every CPS school can recycle paper, cardboard, newspaper, steel cans, plastic bottles, aluminum cans, and milk cartons. Schools track how much they recycle online through the Monthly Recycling Report. Students have the opportunity to earn Service Learning hours in Recycling Clubs. Some schools compost food waste, outdoors or in worm bins, to reduce waste and teach students about decomposition.

CPS' goal for the land initiative is to increase green space and gardens. In order to conserve water, many schools use rain gardens or green roofs for storm-water management. Schools can also attach rain barrels to small modular or shed gutters and catch rainwater for reuse in the garden.

To improve air quality and reduce contribution to climate change, CPS janitors clean with green cleaning supplies, following the Illinois Green Cleaning Act, and CPS has also established guidelines on the use of student transportation vehicles to prohibit a diesel school bus to idle and decrease vehicle emissions. CPS staff can also save 40 percent on public transportation by taking part in the CPS transit benefit program and contribute to reducing greenhouse gas emissions.

Capital Improvement Program

The fiscal year 2019 CPS budget includes a capital budget totaling $989 million of investments in long-term district priorities including upgrading or renovating science labs to ensure all students receive a robust science education that prepares them to excel in 21st century careers. Building significantly onto the $136 million in investments made in the FY2018 capital budget, this capital plan was the largest single-year capital investment in two decades. To support schools throughout the city, the FY2019 capital plan provides funding in five main areas: critical facility needs, overcrowding relief, educational programs, site improvements, and IT and security upgrades. Total expenditures in the Capital Projects Fund in fiscal year 2019, which include projects budgeted in 2019 and in prior fiscal years, were $613.1 million. The projects were funded by bond proceeds, state capital funds, City of Chicago tax increment financing, and federal E-rate funding.

In addition, the Capital Improvement Tax (CIT) levy is an annual property tax levy dedicated exclusively to school construction projects and the debt service related to those projects. Since its inception, the CIT levy has generated $45, $48, $50, and $57 million in fiscal years 2016, 2017, 2018, and 2019 respectively. The property tax levy is authorized under state law and can be used only to fund capital projects.

Because the CIT bonds (backed by these CIT property tax revenues) can be used only for capital projects, the bonds have no impact on CPS' operating budget, which supports District payroll and other day-to-day expenses. This allows CPS to issue long-term debt for building projects without impacting classroom funding. Two ratings agencies have rated the CIT bond offering investment grade, thus allowing CPS to achieve a lower borrowing cost. Fitch rated the upcoming CIT bonds A and Kroll rated the bonds BBB.

AWARDS AND ACKNOWLEDGEMENTS

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the City of Chicago for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. CPS has received this award every year since 1996.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are again submitting it to GFOA.

CPS also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International for the 18th consecutive year. We have included this award in the recognition of the importance of fiscal policies on our ability to educate our students and undertake the new initiatives outlined above.

***Acknowledgments*:** This report could not have been prepared without the commitment and dedication of the entire staff of the Department of Finance, the Chief Education Office and the Office of the Board. We wish to express our gratitude and appreciation to them for their dedicated efforts and professionalism.

Respectfully submitted,

Lenny Moore, CPA, MBA, CGFM
Controller

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Education of the City of Chicago
Chicago Public Schools
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Chicago Public Schools, (the Board Education of the City of Chicago, a body politic and corporate of the State of Illinois) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Chicago Public Schools' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Chicago Public Schools' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Chicago Public Schools as of June 30, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the year ended June 30, 2019 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Chicago Public Schools as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated January 23, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The individual fund schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited Chicago Public Schools' 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated January 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020 on our consideration of Chicago Public Schools' 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 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 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 Chicago Public Schools' internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 22, 2020

CHICAGO PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)
June 30, 2019

Our discussion and analysis of the financial performance of Chicago Public Schools (CPS) provides an overview of financial activities for the fiscal year ended June 30, 2019. Because the intent of this management discussion and analysis is to look at financial performance as a whole, readers should also review the transmittal letter, financial statements and notes to the basic financial statements to further enhance their understanding of CPS' financial performance.

FINANCIAL HIGHLIGHTS

The government-wide financial statements and Statement of Net Position shows liabilities and deferred inflows totaling $27.0 billion, an increase of $1.3 billion from fiscal year 2018, while assets and deferred outflows equaled $12.2 billion, with an increase of $609 million. The overall increase in total liabilities and deferred inflows is primarily driven by increases in CPS' pension and debt liabilities of $1.3 billion. The overall increase in total assets and deferred outflows is mostly derived from higher pension and other post-employment benefit deferred outflows of $434 million from 2018. CPS ended fiscal year 2019 with a deficit in net position of $14.796 billion, an increase in the deficit of $739 million or 5.3% from the prior year. The Statement of Activities presents an increase in total expenses from fiscal year 2018 in governmental activities of $546 million, a net increase of $231 million in grants and contributions, an increase of property tax revenues of $152 million and an increase in non-program state aid of $154 million.

CPS ended fiscal year 2019 with a combined fund balance for its governmental funds of $1.963 billion, a decrease of $41.8 million or 2.1%, from fiscal year 2018. The fund balance increased by $148.0 million in the General Operating Fund, decreased by $178.4 million in the Capital Project Fund, and decreased by $11.4 million in the Debt Service Fund. Total revenues in the General Fund for fiscal year 2019 were $6.006 billion, which were $180.3 million or 3.1% higher than the prior year amount of $5.826 billion. Total expenses in the General Operating Fund for fiscal year 2019 were $5.859 billion, which increased by $345.0 million or 6.3% from the fiscal year 2018 amount of $5.514 billion. The General Operating Fund ended fiscal year 2019 with a positive fund balance of $471.8 million. The positive fund balance in the General Operating Fund for 2019 is CPS' second consecutive year of reporting positive fund balance.

In fiscal year 2019, the Board issued several series of long-term fixed rate bonds. First, $450 million in Unlimited Tax General Obligation Refunding (Dedicated Alternative Revenue) Bonds, Series 2018C, which carried a premium of $28.5 million, were issued December 2018. In addition, $313 million of Unlimited Tax General Obligation (GO) Bonds, Series 2018D, which carried an original issue premium of discount of $10.5 million were issued in December 2018. Finally, $86 million in Dedicated Revenue Capital Improvement Tax ("CIT") Bonds, Series 2018, with an original issue premium of $4.8 million, were also issued in December 2018. The various series of bonds were primarily issued for a combination of refunding and capital improvement program financing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report (CAFR) consists of Management's Discussion and Analysis and a series of financial statements and accompanying notes, both primarily focusing on the school district as a whole.

The government-wide financial statements including the Statement of Net Position and the Statement of Activities provide both short-term and long-term information about CPS' financial status. The fund financial statements provide a greater level of detail of how services are financed in the short-term as well as the remaining available resources for future spending. The accompanying notes provide essential information that is not disclosed on the face of the financial statements, and as such, are an integral part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business. The Statement of Net Position and the Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The ***Statement of Net Position*** presents information on all of CPS' assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, for the resulting net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The ***Statement of Activities*** presents information showing the details of change in net position during the fiscal year. All changes in the 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 the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of CPS that are principally supported by taxes and inter-governmental revenues (governmental activities).

All of CPS' services are reported in the government-wide financial statements, including instruction, pupil support services, administrative support services, facility support services, instructional support services, food services and community services. Property taxes, replacement taxes, state aid, and interest and investment earnings finance most of these activities. Additionally, capital assets and debt- financing activities are reported here.

Condensed Statement of Net Position
(Millions of Dollars)

	Governmental Activities						
	2019		2018		Difference		% Change
Current Assets	$	3,326	$	3,060	$	266	8.7%
Capital Assets, net		6,179		5,960		219	3.7%
Non-current Assets		282		579		(297)	-51.3%
Total Assets	$	9,787	$	9,599	$	188	2.0%
Total deferred outflows of resources	$	2,438	$	2,015	$	423	21.0%
Current Liabilities	$	1,800	$	1,781	$	19	1.1%
Long-term liabilities:		24,893		23,640		1,253	5.3%
Total Liabilities	$	26,693	$	25,421	$	1,272	5.0%
Total deferred inflows of resources	$	328	$	250	$	78	31.2%
Net Position (deficit):							
Net investment in capital assets	$	(1,426)	$	(743)	$	(683)	-91.9%
Restricted for:							
Capital projects		107		167		(60)	-35.9%
Debt service		716		745		(29)	-3.9%
Grants and donations		16		52		(36)	-69.2%
Teacher's pension contributions		14		9		5	55.6%
Unrestricted		(14,223)		(14,287)		64	0.4%
Total net position (deficit)	$	(14,796)	$	(14,057)	$	(739)	-5.3%

Current assets increased by $266.1 million, due to current cash balances increasing by $256.0 million and Federal and other receivables increasing by $45.3 million from fiscal year 2018. Receivables for property taxes were lower by $38.9 million. Refer to Note 3 to the basic financial statements for more detailed information on property taxes and state aid.

Capital assets, net of depreciation, increased by $218.2 million due to an increase in capital spending in 2019. Refer to Note 6 to the basic financial statements for more detailed information on capital assets.

Non-current assets decreased by $295.8 million due to bond proceeds held with the trustee and other long term investments. Refer to Note 4 to the basic financial statements for more detailed information on cash and investments.

Deferred outflows of resources showed an increase of $422.6 million, which was directly attributable to the increase in deferred pension and other post-employment benefit outflows of $433.5 million. Refer to Note 12 and Note 3 to the basic financial statements for more information on CPS' pension and other post-employment benefit liabilities.

Current liabilities increased by $19.0 million primarily due to an increase in accrued payroll and benefits and an increase in the current portion of long term debt payable. The amount owed to the Chicago Teacher's Pension Fund also decreased $66.4 million. Combined increases in various payables totaling $190.9 million were recorded in 2019 including $169.6 million from accounts payable with the remaining amount comprised of unearned revenue, other accrued liabilities, the current portion of long-term debt, accrued payroll and benefits, interest payable and amounts held for student activities as of June 30, 2019. Refer to Note 8 to the basic financial statements for more detailed information on short-term debt.

Long-term liabilities increased by $1.253 billion, or 5.3%, as a result of the increase in long-term debt of $254.6 million, from the issuance of new debt, as well as the increase in the pension liability for CTPF of $1.0 billion. Other benefits and claims and capitalized lease obligations to the Public Building Commission decreased by $35.1 million and $27.8 million respectively. Refer to Note 9 to the basic financial statements for more detailed information on long-term debt.

Deferred inflows of resources, composed of deferred pension and other post-employment benefit inflows ended with a net increase of $77.8 million.

Net position (deficit) decreased by $738.9 million to $14.796 billion (deficit). Of this amount, CPS recorded a net investment in capital assets of negative $1.426 billion, combined restricted net position of $852.8 million, including $106.7 million for capital assets, $715.8 million for debt service, $16.2 million for grants and donations and $14.1 million for future teacher's pension contributions. Restricted net position represents legal constraints from debt covenants and enabling legislation. The $14.223 billion of unrestricted deficit represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2019.

The following table presents the changes in net position to fiscal year 2019 from fiscal year 2018:

Changes in Net Position
(In Millions)

	Governmental Activities			
Revenues:				
Program revenues:	2019	2018	Difference	% Change
Charges for services	$ 3	$ 4	$ (1)	-25.0%
Operating grants and contributions	1,554	1,323	231	17.5%
Capital grants and contributions	50	61	(11)	-18.0%
Total program revenues	$ 1,607	$ 1,388	$ 219	15.8%
General revenues:				
Property taxes	$ 3,041	$ 2,889	$ 152	5.3%
Replacement taxes (PPRT)	187	168	19	11.3%
Non-program state aid	1,606	1,452	154	10.6%
Interest and investment earnings	47	19	28	147.4%
Other	188	193	(5)	-2.6%
Gain on sale of capital assets	-	9	(9)	-100.0%
Total general revenues	$ 5,069	$ 4,730	$ 339	7.2%
Total revenues	$ 6,676	$ 6,118	$ 558	9.1%
Expenses:				
Instruction	$ 4,770	$ 4,449	$ 321	7.2%
Support Services:				
Pupil Support Services	514	482	32	6.6%
Administrative Support Services	216	171	45	26.3%
Facilities Support Services	536	456	80	17.5%
Instructional Support Services	585	496	89	17.9%
Food Services	231	220	11	5.0%
Community Services	43	40	3	7.5%
Interest expense	504	545	(41)	-7.5%
Other	16	10	6	60.0%
Total expenses	$ 7,415	$ 6,869	$ 546	7.9%
Change in net position	$ (739)	$ (751)	$ 12	-1.6%
Beginning net position (deficit)	(14,057)	(13,011)	(1,046)	-8.0%
Implementation of GASB 75	-	(295)	295	-100.0%
Beginning net position (deficit), as restated	(14,057)	(13,306)	(751)	-5.6%
Ending net position (deficit)	$ (14,796)	$ (14,057)	$ (739)	-5.3%

Pension Funding

Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago ("Pension Fund"), or the Municipal Employees Annuity and Benefit Fund of Chicago ("Annuity Fund"). As of June 30, 2018, the Pension Fund reported $10.969 billion in actuarial assets and $22.923 billion in actuarial liabilities, for a funded ratio of 47.9%. CPS has recorded a net pension liability of $13.443 billion in the accompanying financial statements, 100% of which is recognized by CPS. For the reasons discussed in Note 12, CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund. The CTPF property tax levy, in conjunction with the state funding of normal cost, provides two dedicated sources of revenues to fund pensions. In fiscal year 2019, CPS funded 79% of the pension contribution from these two dedicated revenue sources, significantly reducing the burden of the pension contribution on the operating fund.

Capital Assets

At June 30, 2019, CPS had $6.179 billion invested in a broad range of capital assets, including land, buildings, improvements and equipment. This amount represents a net increase of $218.2 million or 3.7% over the prior fiscal year. Refer to Note 6 of the basic financial statements for more detailed information on capital assets.

(In Millions)	2019	2018	Difference
Land	$ 335	$ 328	7
Construction in progress	649	290	359
Buildings and improvements	9,645	9,504	141
Equipment and administrative software	210	222	(12)
Internally developed software	4	8	(4)
Total capital assets	$ 10,843	$ 10,352	$ 491
Less: accummulated depreciation	(4,664)	(4,392)	(272)
Total capital assets, net	$ 6,179	$ 5,960	$ 219

Debt and Capitalized Lease Obligations

In fiscal year 2019, the Board issued several series of long-term fixed rate bonds. First, $450 million in Unlimited Tax General Obligation Refunding (Dedicated Alternative Revenue) Bonds, Series 2018C, which carried a premium of $28.5 million, were issued December 2018. In addition, $313 million of Unlimited Tax General Obligation (GO) Bonds, Series 2018D, which carried an original issue premium of discount of $10.5 million were issued in December 2018. Finally, $86 million in Dedicated Revenue Capital Improvement Tax ("CIT") Bonds, Series 2018, with an original issue premium of $4.8 million, were also issued in December 2018. The various series of bonds were primarily issued for a combination of refunding and capital improvement program financing.

The debt service on the GO Bonds will be paid from a combination of Evidence Based Funding, Personal Property Replacement Taxes and Intergovernmental Agreement Revenues. The debt service on the CIT Bonds will be paid by a levy of a capital improvement tax that is outside the Board's property tax cap limitation. As of June 30, 2019, CPS had $9.0 billion in total debt, including accreted interest and capitalized lease obligations outstanding versus $8.8 billion last year, an increase of 2.3%. For more detailed information, please refer to Notes 9 and 10 to the basic financial statements.

Overview of 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. CPS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All CPS funds are reported in the governmental 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 the fiscal year for spending in future years. 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 CPS' near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CPS' fund financial statements provide detailed information about the most significant funds. CPS' governmental funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. All of CPS' services are reported in governmental funds, showing how money flows into and out of funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of CPS' operations and the services it provides.

CPS maintains three governmental funds: General Operating, Capital Projects, and Debt Service. The following schedules present a summary of the General Operating Fund, Capital Projects Fund and Debt Service Fund revenues, and other financing sources by type and expenditures by program for the period ended June 30, 2019, as compared with June 30, 2018. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.

Governmental Funds
Total Revenues, Other Financing Sources and
Expenditures (In Millions)

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Revenues:					
Property taxes	$ 2,984	$ 2,898	39.6%	$ 86	3.0%
Replacement taxes	187	168	2.5%	19	11.3%
State aid	2,183	2,197	29.0%	(14)	-0.6%
Federal aid	705	768	9.4%	(63)	-8.2%
Interest and investment earnings	47	19	0.6%	28	147.4%
Other	537	462	7.1%	75	16.2%
Subtotal	$ 6,643	$ 6,512	88.3%	$ 131	2.0%
Other financing sources	883	2,227	11.7%	(1,344)	-60.4%
Total	$ 7,526	$ 8,739	100.0%	$ (1,213)	-13.9%
Expenditures:					
Current:					
Instruction	$ 3,263	$ 3,108	43.1%	$ 155	5.0%
Pupil support services	486	453	6.4%	33	7.3%
General support services	1,027	890	13.6%	137	15.4%
Food services	219	207	2.9%	12	5.8%
Community services	43	40	0.6%	3	7.5%
Teachers' pension and retirement benefits	787	763	10.4%	24	3.1%
Other	16	10	0.2%	6	60.0%
Capital outlay	625	352	8.3%	273	77.6%
Debt service	636	651	8.4%	(15)	-2.3%
Subtotal	$ 7,102	$ 6,474	93.8%	$ 628	9.7%
Other financing uses	466	1,355	6.2%	(889)	-65.6%
Total	$ 7,568	$ 7,829	100.0%	$ (261)	-3.3%
Net change in fund balances	**$ (42)**	**$ 910**			

General Operating Fund

The general operating fund supports the day-to-day operation of educational and related activities.

Revenues and Other Financing Sources (In Millions)

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Property taxes	$ 2,897	$ 2,795	48.2%	$ 102	3.6%
Replacement taxes (PPRT)	152	110	2.5%	42	38.2%
State aid	1,887	1,860	31.4%	27	1.5%
Federal aid	680	723	11.3%	(43)	-5.9%
Interest and Investment earnings	7	6	0.1%	1	16.7%
Other	383	332	6.4%	51	15.4%
Subtotal	$ 6,006	$ 5,826	100.0%	$ 180	3.1%
Other financing sources	1	287	0.0%	(286)	-99.7%
Total	$ 6,007	$ 6,113	100.0%	$ (106)	-1.7%

Property tax revenues increased by $102.2 million in fiscal year 2019 as collections from the existing levies were higher due to growth in the Consumer Price Index for All Urban Consumers (CPI-U) of 2.1% and new property added to the tax base. Collections received on or before August 29, 2019 were recognized as revenues under the modified accrual basis of accounting.

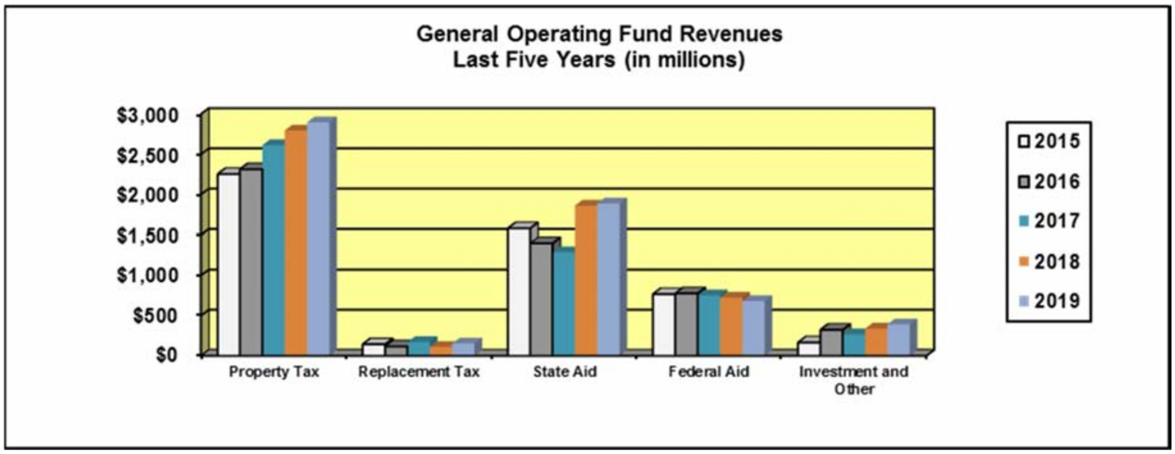
Personal property replacement tax (PPRT) revenues are primarily composed of additional State income taxes on corporations and partnerships. These revenues increased by $42.3 million in fiscal year 2019 due to stronger statewide corporate tax receipts, and a lower refund rate declared by the Illinois Department of Revenue.

State aid revenues increased by $27.2 million, as a result of increased state appropriation towards the Evidence Based Funding, and a smaller amount of debt service expenditures that were funded by Evidence Based Funding revenues.

Federal aid decreased by $43.4 million in fiscal year 2019 due to payments received for Federal aid outside CPS's 60-day revenue recognition policy and are thus counted towards fiscal year 2020 revenue.

Interest and investment earnings totaled $6.7 million for fiscal year 2019, which is a 16.7% increase from the prior year. The CPS investment policy dictates that investments in the operating fund are to be shorter in duration in order to maintain liquidity. CPS ended 2019 with higher investment earnings from the prior year mainly due to moderate increases in short-term interest rates and higher available cash on hand.

Other revenues are derived from local sources such as intergovernmental revenues, Tax Increment Financing ("TIF") surplus funds and other miscellaneous revenues. TIF surplus funds received from the City of Chicago, accounted for $93.8 million of the $383.6 million in other revenues recorded in fiscal year 2019. City Of Chicago pension contributions (to MEABF) made on behalf of administrative CPS personnel, were recorded as on-behalf revenue of $105.9 million.



Expenditures
(In Millions)

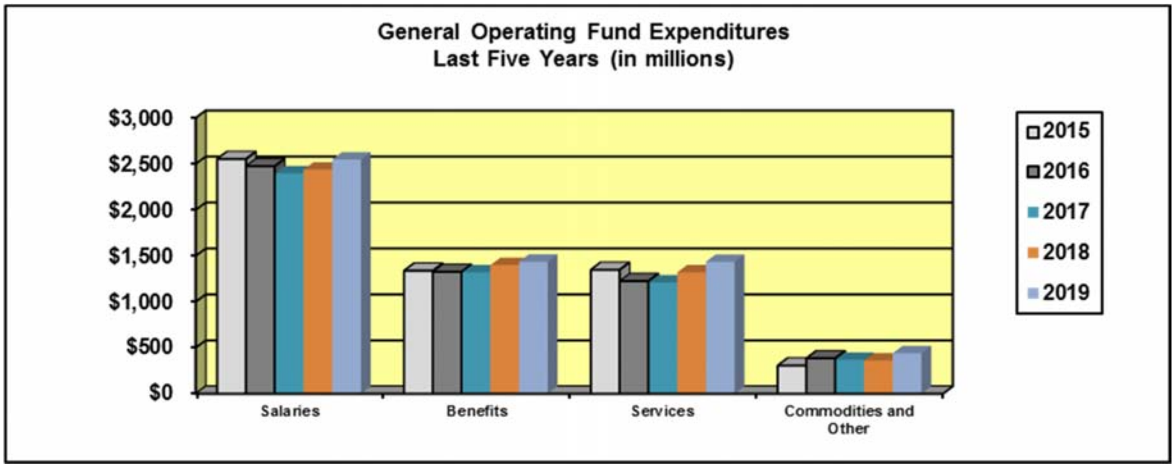
	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Salaries	$ 2,548	$ 2,437	43.5%	$ 111	4.6%
Benefits	1,436	1,399	24.5%	37	2.6%
Services	1,435	1,320	24.5%	115	8.7%
Commodities	331	253	5.6%	78	30.8%
Other	109	105	1.9%	4	3.8%
Total	$ 5,859	$ 5,514	100.0%	$ 345	6.3%

Salaries increased by $111.3 million or 4.6% due to a combination of contractual salary increases. In addition there was an increase in instructional personnel in support of additional programs and initiatives, as well as additional staff in the Office of Diverse Learners and Support Services in fiscal year 2019.

Benefits expenses increased by $37.9 million or 2.6% in fiscal year 2019. This change correlates to the increase in overall salaries. CPS also realized a $53.0 million increase in pension expense driven by higher required contributions to the Chicago Teachers' Pension Fund.

Services expenses increased by $115.1 million or 8.7%, driven mostly by $60.0 million in services related to Integrated Facilities Management which was offset by payroll expense reduction for engineering services, $33.6 million in increased payments to charter schools and $7.2 million in professional services. Year over year growth in service expenses was partially driven by the further expansion of outsourced facilities management into new zones, and an increase in charter tuition payments as a result of changes to the Board's per capita tuition charge.

Commodities expenses increased by $78.3 million or 30.8%. Energy costs increased by $15.3 million and food services expenditures increased by $6.7 million. Instructional materials increased by $48.5 million which was driven by district priorities related to curriculum and supplies purchases increased by $9.2 million.



Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The use of Capital Projects Funds is required for major capital acquisition and construction activities financed through borrowing or other financing agreements.

Revenues and Other Financing Sources
(In Millions)

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Property Taxes	$ 10	$ 8	2.3%	$ 2	25.0%
State aid	13	14	3.0%	(1)	-7.1%
Federal aid	1	20	0.2%	(19)	-95.0%
Interest and investment earnings	17	7	3.9%	10	142.9%
Other	36	28	8.3%	8	28.6%
Subtotal	$ 77	$ 77	17.7%	$ -	0.0%
Other financing sources	$ 358	$ 364	82.3%	$ (6)	-1.6%
Total	$ 435	$ 441	100.0%	$ (6)	-1.4%

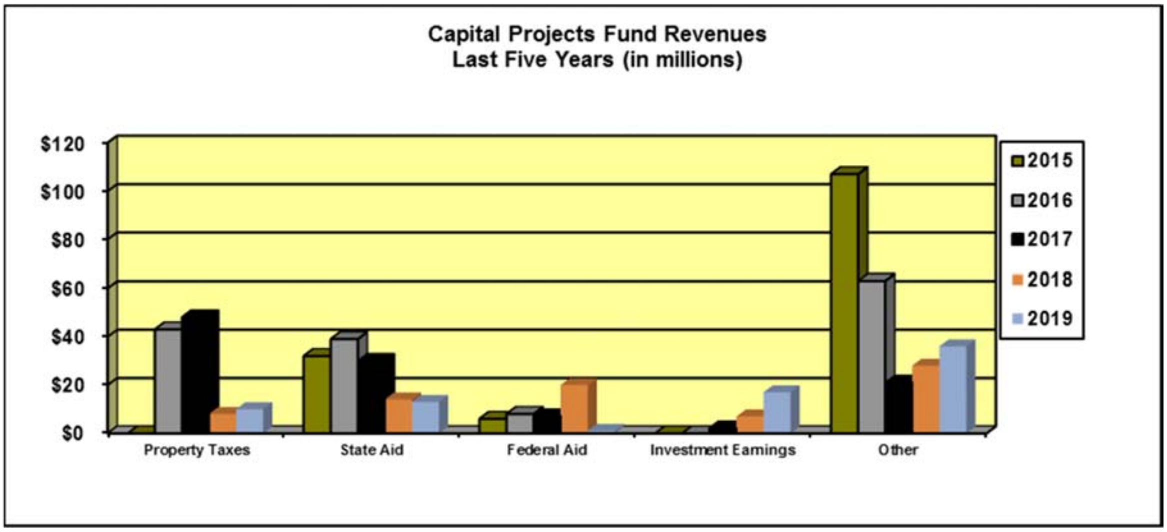
Property tax revenues were collected in the Capital Projects Fund in fiscal year 2019, as a result of the Capital Improvement Tax levy. Net collections received were $10.1 million, a slight increase over the $8.1 million collected in fiscal year 2018.

State aid revenues decreased slightly by $0.5 million from fiscal year 2018 due to lower cash receipts for restricted state grants for capital construction.

Federal aid revenues in fiscal year 2019 decreased by $19 million due to lower E-Rate reimbursements from the Federal Communications Commission.

Other revenues were $7.6 million or 28.6% higher in fiscal year 2019 from 2018, due to an increase in capital project related cash reimbursements from Intergovernmental Agreement (IGA) revenues from the City of Chicago, and projects supported by TIF funds.

Other financing sources decreased $6.7 million or 1.6% due to fewer capital asset sales in fiscal year 2019 than 2018.

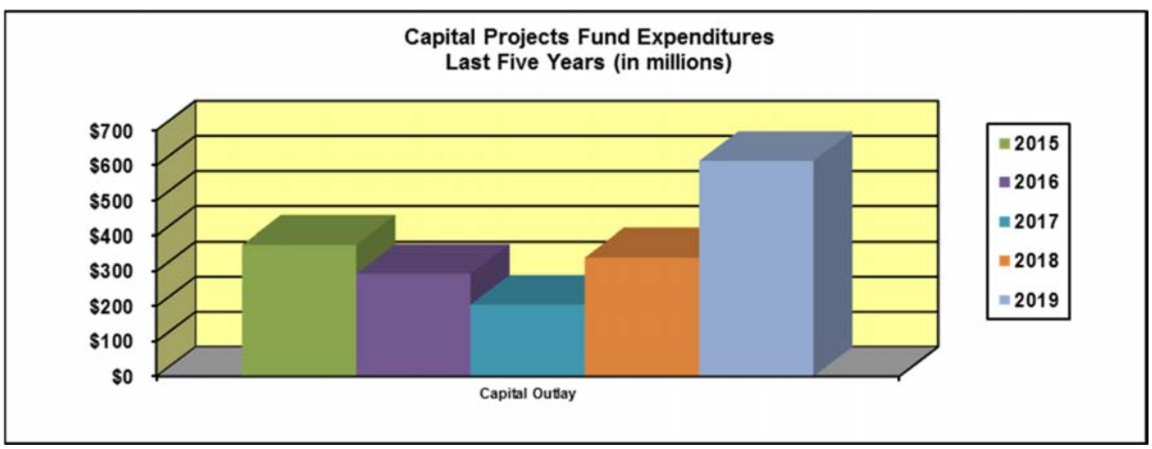


Expenditures
(In Millions)

	2019 Amount	2018 Amount	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Capital Outlay	$ 613	$ 339	$ 274	81%

Capital outlay

The actual spending on capital outlay increased $274.7 million in 2019 from the expenditure of bond proceeds and other capital financing sources for approved capital projects. The number of projects initiated in 2019 increased and contributed to the higher spending.

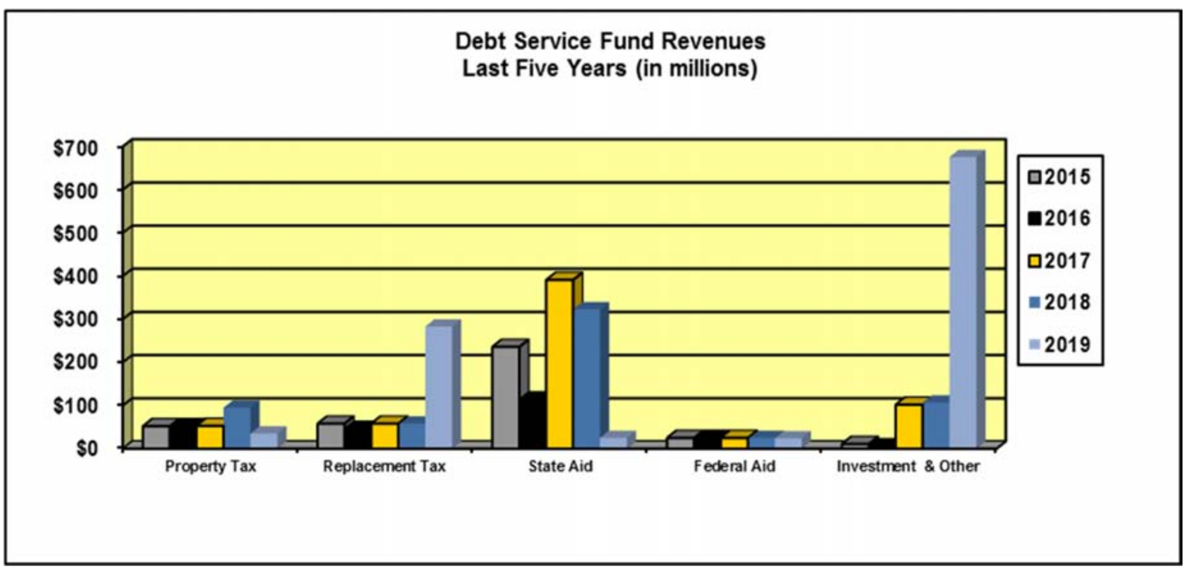


Debt Service Fund

The Debt Service Fund is established to account for annual property tax levies and other revenues that are used for the payment of principal and interest on bonds and lease obligations.

Revenues and Other Financing Sources
(In Millions)

	2019 Amount	2018 Amount	2019 Percent of Total	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Property taxes	$ 77	$ 95	7.1%	$ (18)	-18.9%
Replacement taxes (PPRT)	35	58	3.2%	(23)	-39.7%
State aid	283	323	26.3%	(40)	-12.4%
Federal aid	25	25	2.3%	-	0.0%
Interest and investment earnings	24	6	2.2%	18	300.0%
Other	116	101	10.8%	15	14.9%
Subtotal	$ 560	$ 608	52.0%	$ (48)	-7.9%
Other financing sources	517	1,859	48.0%	(1,342)	-72.2%
Total	$ 1,077	$ 2,467	100.0%	$ (1,390)	-56.3%



Property tax revenues decreased by $18.1 million from the receipt of property tax collections from the CIT Levy being used for debt service payments in fiscal year 2019. The PBC levy decreased because of the end of the PBC 1989 Series.

Personal property replacement tax (PPRT) revenues decreased by $23.3 million from fiscal year 2018 as less PPRT revenues were used to pay for debt service.

State aid revenues related to debt service for fiscal year 2019 are comprised of two revenue sources, Evidence-Based Funding (EBF) and State School Construction funds administered through the Capital Development Board (CDB). A total of $282.7 million in revenues from these and other sources was allocated to support outstanding debt, a decrease of $40.7 million from fiscal year 2018.

Federal aid totaling $24.9 million in fiscal year 2019 remained unchanged from fiscal year 2018. These revenues are attributed to receipts on behalf of Federal subsidies from the issuance of Build America Bonds.

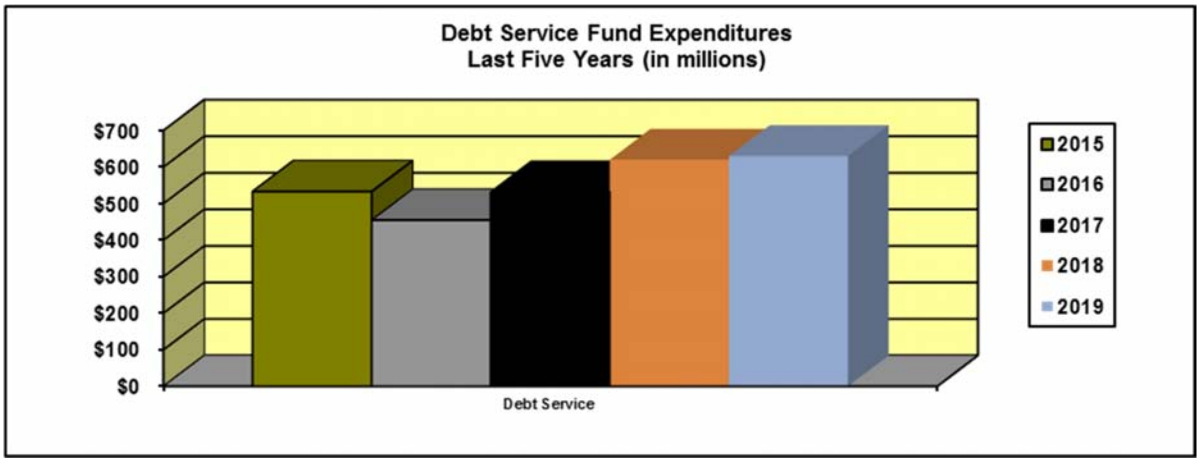
Interest and investment earnings totaled $23.6 million in 2019, an increase of $17.9 million over last year. Changes in the market value of securities in compliance with applicable GASB standards are recorded here also.

Other revenues account for one-time local revenues and/or the disbursement of property tax revenues from the City of Chicago (based on specific IGAs) allocated for debt service. These revenues increased by $15.7 million from fiscal year 2018.

Other financing sources reflect a decrease of $1.342 billion in fiscal year 2019 due to net proceeds received from debt issuances (new money and refunded debt) of $487.8 million in the current year versus $1.859 billion in the prior year.

Expenditures
(In Millions)

	2019 Amount	2018 Amount	Increase (Decrease) from 2018	Percent Increase (Decrease) from 2018
Debt Service	$ 630	$ 620	$ 10	2%



Debt service costs

The overall debt service cost for fiscal year 2019 increased by $9.1 million, primarily due to the principal repayments on new issues. The amount paid for other fees was similar when compared to fiscal year 2018.

Notes to the Basic Financial Statements

The notes to the basic financial statements follow the statements in the report and complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

Comparative Budgets for General Operating Fund

In August 2017, the Board adopted a balanced budget for fiscal year 2018 that reflected total resources, including $57 million of restricted fund balances, and appropriations of $5.750 billion. In October 2017, the Board adopted a final amended budget for fiscal year 2018 that reflected total resources, including $57 million of restricted fund balances, and appropriations of $5.699 billion.

In August 2018, the Board adopted a balanced budget for fiscal year 2019 that reflected total resources, including $63 million of restricted fund balances, and appropriations of $5.984 billion.

General Operating Fund Budget and Actual

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Operating Fund. All annual unencumbered appropriations lapse at fiscal year-end.

The General Operating Fund ended fiscal year 2019 with a surplus of $148.0 million, which compared favorably with the budgeted deficit of $63 million.

The following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ended June 30, 2019.

Revenues, Other Financing Sources & Expenditures
General Operating Fund
Budget to Actual Comparison
(In millions)

	Fiscal Year 2019 Original Budget	Supplemental Appropriations & Tranfers In/(Out)	Final Appropriations	Fiscal Year 2019 Actual	Over (under) Budget
Revenues:					
Property taxes	$ 2,899	$ -	$ 2,899	$ 2,897	$ (2)
Replacement taxes	126	-	126	152	26
State aid	1,849	-	1,849	1,887	38
Federal aid	805	-	805	680	(125)
Interest and investment earnings	5	-	5	7	2
Other	237	-	237	383	146
Subtotal	$ 5,921	$ -	$ 5,921	$ 6,006	$ 85
Other financing sources (uses)	63	-	63	1	(62)
Total	$ 5,984	$ -	$ 5,984	$ 6,007	$ 23
Expenditures:					
Current:					
Salaries	$ 2,508	$ 25	$ 2,533	$ 2,548	$ 15
Benefits	1,451	(24)	1,427	1,436	9
Services	1,359	173	1,532	1,435	(97)
Commodities	238	94	332	331	(1)
Other	428	(268)	160	109	(51)
Total	$ 5,984	$ -	$ 5,984	$ 5,859	$ (125)
Change in fund balances	$ -			$ 148	

Revenues

Actual General Operating Fund revenues were $85 million over budget primarily from a declared TIF Surplus that was larger than budgeted. In addition, the variance is due to the following:

Property tax revenues generated a negative variance of $2 million in fiscal year 2019. This is right in line with the District's levy and extensions at the start of the fiscal year, and the negative variance is largely due to a slightly lower than expected collection percentage.

Personal property replacement taxes (PPRT) revenues received by CPS were $26 million higher than budgeted in fiscal year 2019. This was driven largely an improving business climate around the state of Illinois.

State aid received by CPS in fiscal year 2019 was $38 million greater than anticipated. This is mostly due to the state accelerating payments of categorical grants, with more falling within the revenue recognition period.

Federal aid revenues were $125 million below budget due to a lower than expected spend and reimbursements for expenditures falling outside the revenue recognition period.

Other local revenues are comprised of miscellaneous or one-time receipts such as appropriated fund-balance, TIF surplus funds (including Transit TIF funds), rental income, daycare fees, private foundation grants, school internal account fund transfers, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were $146 million higher than budget for fiscal year 2019. Transit TIF revenues were $48 million higher than budgeted, because of quicker than expected growth in property value in the area of the Red Line Transit TIF. Additionally, TIF revenues from the surplus declared by the Mayor were higher than expected, and there were higher than projected revenues from other miscellaneous revenue sources.

Expenditures

Actual General Operating Fund expenditures were $125 million under budget. The variance is primarily due to the following:

Salaries expenses for the fiscal year 2019 totaled $2.55 billion and $15 million over budget. While teacher and ESP salaries were under budget by 4% and 2%, this was offset by higher spending on teacher and ESP extended day pay for afterschool and supplemental programming by 40% and 78% respectively, as well as higher than expected substitute spending.

Benefits costs are composed of health care (medical, dental, other), unemployment compensation, workers compensation, and pension costs. Benefit costs for fiscal year 2019 were $1.44 billion and $9 million over budget due primarily to higher than expected spending on teacher and ESP pension costs (due to higher on-behalf contribution expense). For budgetary purposes, all funding is paid to charters as a "charter tuition" expense (aggregated under Services, below). However, pension payments made on behalf of eligible charter schools teachers are recorded as pension expense (included in this category). Charter schools currently reimburse CPS for this expense and the offsetting revenue is also recognized.

Services are related to student transportation, tuition for charter schools and special education purposes, including contractual and professional services, telephone, printing and equipment rental, were budgeted at $1.53 billion for fiscal year 2019. CPS ended the year $97 million below budget in this category. The two main categories of the variance are contractual and professional services by 43%, tuition for charter schools by 59%, other contributing factors include telephone services, as well as other services which include but are not limited to printing and advertising services.

Commodities expenditures are derived from utilities, food for school breakfast/lunch, textbooks, and general supplies. Fiscal year 2019 spending on commodities was lower than budget by $1 million. The cost of office and food supplies contributed the largest variance of about 46%, while lower than expected instructional materials (non-digital) and donated food contributed a variance of about 15% & 13% respectively. Decreased spending in software contributed 11% variance while lower than expected software and instructional materials (digital) were the other contributing factor.

Other expenditures include equipment, facility rental, insurance, repairs, and for budgetary purposes, contingencies for new grants. In total, spending for the "other" category ended the year at $51 million under budget.

Requests for Information

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of CPS' finances and to show CPS' accountability for the money it receives. Additional details can be requested by mail at the following address:

The Chicago Public Schools Department of Finance
42 West Madison Street, 2nd Floor Chicago, Illinois 60602

Or visit our website at: http://cps.edu/About_CPS/Financial_information/Pages/Annualreport.aspx for a complete copy of this report and other financial information.

(Please note that some amounts may not tie to the financial statements due to rounding.)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF NET POSITION
June 30, 2019
(Thousands of Dollars)

		GOVERNMENTAL ACTIVITIES
Assets:		
Current Assets:		
Cash and investments	$	266,269
Cash and investments in escrow		1,189,370
Cash and investments held in school internal accounts		52,238
Property taxes receivable, net of allowance		1,391,559
Other receivables:		
Replacement taxes		29,956
State aid, net of allowance		140,161
Federal aid, net of allowance		115,567
Other, net of allowance		140,694
Total current assets:	$	3,325,814
Non-current Assets:		
Cash and investments in escrow	$	269,390
Prepaid Item		13,504
Land and construction in progress		984,148
Buildings, building improvements and equipment, net of accumulated depreciation		5,194,531
Total non-current assets:	$	6,461,573
Total Assets	$	9,787,387
Deferred Outflows of Resources:		
Deferred Charge on refunding	$	118,174
Deferred OPEB outflows		74,588
Deferred pension outflows		2,245,118
Total deferred outflow of resources:	$	2,437,880

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

		GOVERNMENTAL ACTIVITIES
Liabilities:		
Current Liabilities:		
Accounts payable	$	565,292
Accrued payroll and benefits		231,018
Amounts held for student activities		52,238
Due to Teacher's Pension Fund		186,588
Tax Anticipation Note		449,445
Other accrued liabilities		20,360
Unearned revenue		19,216
Interest payable		45,533
Current portion of long-term debt and capitalized lease obligations		229,850
Total current liabilities:	$	1,799,540
Long-term liabilities, net of current portion:		
Debt, net of premiums and discounts	$	8,804,957
Capitalized lease obligations		525
Other accrued liabilities		9,827
Net pension liability		13,442,717
Total other postemployment benefits liability		2,272,125
Other benefits and claims		363,126
Total long-term liabilities:	$	24,893,277
Total liabilities	$	26,692,817
Deferred Inflows of Resources:		
Deferred otherpostemployment benefit inflows	$	241,029
Deferred pension inflows		87,194
Total deferred inflow of resources:	$	328,223
Net position (deficit):		
Net investment in capital assets	$	(1,425,566)
Restricted for:		
Debt service		715,845
Capital projects		106,701
Grants and donations		16,183
Teacher's pension contributions		14,125
Unrestricted		(14,223,061)
Total Net Position (deficit)	$	(14,795,773)

The accompanying notes to the basic financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019
(Thousands of dollars)

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction	$4,770,114	$ 734	$ 935,120	$ 34,495	$ (3,799,765)
Support services:					
Pupil support services	513,667	-	75,608	3,715	(434,344)
Administrative support services	215,700	-	137,890	1,560	(76,250)
Facilities support services	536,053	-	77,137	3,790	(455,126)
Instructional support services	585,280	-	86,149	4,232	(494,899)
Food services	231,401	2,698	235,595	1,673	8,565
Community services	42,641	-	6,276	308	(36,057)
Interest expense	504,458	-	-	-	(504,458)
Other	15,322	-	-	-	(15,322)
Total governmental activities	$7,414,636	$ 3,432	$ 1,553,775	$ 49,773	$ (5,807,656)

General revenues:	
Taxes:	
Property taxes	$ 3,041,009
Replacement taxes	187,232
Non-program state aid	1,605,783
Interest and investment earnings	47,250
Other	187,488
Total general revenues	$ 5,068,762
Change in net position	(738,894)
Net position - beginning (deficit)	(14,056,879)
Net position - ending (deficit)	$ (14,795,773)

The accompanying notes to the basic financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

BALANCE SHEET — GOVERNMENTAL FUNDS
June 30, 2019
(Thousands of dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Totals
Assets:				
Cash and investments	$ 246,141	$ -	$ 20,128	$ 266,269
Cash and investments in escrow	579	798,364	659,817	1,458,760
Cash and investments held in school internal accounts	52,238	-	-	52,238
Receivables:				
Property taxes, net of allowance	1,347,928	10,281	33,350	1,391,559
Replacement taxes	29,956	-	-	29,956
State aid, net of allowance	140,161	-	-	140,161
Federal aid, net of allowance	112,452	-	3,115	115,567
Other, net of allowance	62,031	16,142	62,521	140,694
Due from other funds	9,962	-	-	9,962
Total assets	$ 2,001,448	$ 824,787	$ 778,931	$ 3,605,166
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	$ 493,040	$ 71,180	$ 1,072	$ 565,292
Accrued payroll and benefits	146,767	-	-	146,767
Amount held for student activities	52,238	-	-	52,238
Due to other funds	-	9,776	186	9,962
Due to Teacher's Pension Fund	186,588	-	-	186,588
Tax Anticipation Notes	449,445	-	-	449,445
Unearned revenue	7,282	11,934	-	19,216
Interest Payable	3,786	-	-	3,786
Total liabilities	$ 1,339,146	$ 92,890	$ 1,258	$ 1,433,294
Deferred inflows of resources:				
Unavailable property tax revenue	$ 30,439	$ -	$ 516	$ 30,955
Other unavailable revenue	160,097	15,150	3,115	178,362
Total deferred inflows	$ 190,536	$ 15,150	$ 3,631	$ 209,317
Fund balances:				
Nonspendable	$ 429	$ -	$ -	$ 429
Restricted for grants and donations	16,183	-	-	16,183
Restricted for teacher's pension contributions	14,125	-	-	14,125
Restricted for capital improvement program	-	716,747	-	716,747
Restricted for debt service	-	-	753,962	753,962
Assigned for debt service	-	-	20,080	20,080
Assigned for commitments and contracts	94,733	-	-	94,733
Unassigned	346,296	-	-	346,296
Total fund balances	471,766	716,747	774,042	1,962,555
Total liabilities, deferred inflows of resources and fund balances	$ 2,001,448	$ 824,787	$ 778,931	$ 3,605,166

The accompanying notes to the basic financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019
(Thousands of dollars)

Total fund balances - governmental funds		$ 1,962,555
Certain items that are recorded as expenditures in the governmental funds are treated as assets in the Statement of Net Position. These items include:		
Prepaid bond insurance costs		13,504
Deferred outflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements		2,437,880
The cost of capital assets (land, buildings and improvements, equipment and software) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of CPS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds.		
Cost of capital assets		10,842,252
Accumulated depreciation		(4,663,573)
Liabilities applicable to CPS' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Debt, interest payable on debt and other long-term obligations are not recorded in the governmental funds but they are reported in the Statement of Net Position. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Other accrued liabilities	$ (30,187)	
Debt, net of premiums and discounts	(9,006,957)	
Capitalized lease obligations	(28,375)	
Net pension liability	(13,442,717)	
Total other post-employment benefits liability	(2,272,125)	
Interest payable	(41,747)	
Other benefits and claims	(447,377)	
		(25,269,485)
Certain revenues are deferred inflows of resources in the governmental funds because they are not available but are recognized as revenue in the government-wide financial statements.		
Property tax revenue		30,955
Other		178,362
Deferred inflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements		(328,223)
Net position (deficit)		$ (14,795,773)

The accompanying notes to the basic financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

(Thousands of Dollars)

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fiscal Year Ended June 30, 2019	Total Fiscal Year Ended June 30, 2018
Revenues:					
Property taxes	$ 2,896,823	$ 10,133	$ 77,070	$ 2,984,026	$ 2,897,870
Replacement taxes	152,319	-	34,913	187,232	168,254
State aid	1,886,770	13,515	282,657	2,182,942	2,196,956
Federal aid	679,990	478	24,887	705,355	767,928
Interest and investment earnings	6,798	16,891	23,561	47,250	19,022
Other	383,654	36,070	116,625	536,349	461,692
Total revenues	$ 6,006,354	$ 77,087	$ 559,713	$ 6,643,154	$ 6,511,722
Expenditures:					
Current:					
Instruction	$ 3,263,334	$ -	$ -	$ 3,263,334	$ 3,108,443
Pupil support services	486,490	-	-	486,490	453,389
Administrative support services	204,288	-	-	204,288	161,524
Facilities support services	420,857	-	-	420,857	380,100
Instructional support services	400,401	-	-	400,401	346,690
Food services	219,159	-	-	219,159	207,042
Community services	42,919	-	-	42,919	40,047
Teachers' pension and retirement benefits	787,183	-	-	787,183	762,816
Other	15,322	-	-	15,322	10,016
Capital outlay	12,248	613,058	-	625,306	352,028
Debt service	6,659	-	629,555	636,214	651,405
Total expenditures	$ 5,858,860	$ 613,058	$ 629,555	$ 7,101,473	$ 6,473,500
Revenues in excess of (less than) expenditures	$ 147,494	$ (535,971)	$ (69,842)	$ (458,319)	$ 38,222
Other financing sources (uses):					
Gross amounts from debt issuances	$ -	$ 361,576	$ 37,704	$ 399,280	$ 629,900
Premiums	33	4,470	371	4,874	10,768
Discounts	-	(9,483)	(1,045)	(10,528)	(21,583)
Issuance of refunding debt	-	-	450,115	450,115	1,522,250
Premiums on refunding bonds issued	-	-	28,525	28,525	54,585
Discounts on refunding bonds issued	-	-	-	-	(11,849)
Sales of general capital assets	-	1,251	-	1,251	9,442
Payment to refunded bond escrow agent	-	-	(457,035)	(457,035)	(1,321,865)
Transfers in / (out)	475	(207)	(268)	-	-
Total other financing sources (uses)	$ 508	$ 357,607	$ 58,367	$ 416,482	$ 871,648
Net change in fund balances	$ 148,002	(178,364)	(11,475)	(41,837)	$ 909,870
Fund balances, beginning of period	323,764	895,111	785,517	2,004,392	1,094,522
Fund balances, end of period	$ 471,766	$ 716,747	$ 774,042	$ 1,962,555	$ 2,004,392

The accompanying notes to the basic financial statements are an intergral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2019

(Thousands of dollars)

Total net change in fund balances - governmental funds		$ (41,837)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed the depreciation in the period.		
Capital outlay/equipment	$ 530,965	
Depreciation expense	(300,308)	
		230,657
In the Statement of Activities, gain or loss on disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds are recorded		(12,474)
Proceeds from sales of bonds are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Position (Net of discount of $33,432)		(849,395)
Payments to refunded escrow agent are reported in the governmental funds as a source of financing use, whereas they are recorded as reductions of long term liabilities in the Statement of Net Position		457,035
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position		158,585
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities however, interest cost is recognized as the interest accrues, regardless of when it is due		(17,018)
Government funds report the effect of premiums, discounts, gains or losses and similar items when debt is first issued or refunded, whereas these amounts are deferred and amortized in the Statement of Activities		(17,830)
Since some property taxes and intergovernmental amounts will not be collected for several months after CPS' fiscal year end, they are not considered as "available" revenues in the governmental funds and are instead recorded as unavailable revenues. They are, however, recorded as revenues in the Statement of Activities. The following represents the change in related unavailable revenue balances.		
Property taxes		(1,701)
Federal grants		36,435
State grants and other revenues		(2,143)
In the Statement of Activities, pollution remediation obligation, legal settlements, sick pay, vacation pay, workers' compensation and unemployment insurance, general and automobile liability, net pension liability, and other post-employment benefits, including any related related deferred inflows or outflows are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are paidwhen the amounts become due. The following represents the change during the year for these obligations.		
Pollution remediation obligation		(3,379)
Tort liabilities and other claims		(161)
Sick pay		26,260
Vacation pay and other compensation		(12,937)
Workers' compensation and unemployment insurance		10,770
General and automobile liability		48
Net pension liability		(657,112)
Other post-employment benefits - teacher		(42,697)
Change in net position		$ (738,894)

The accompanying notes to the financial statements are an integral part of this statement.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Board of Education of the City of Chicago, or the Chicago Public Schools (CPS), is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the boundaries of the City of Chicago. The Board of Education of the City of Chicago (the Board) is established under and governed by the Illinois School Code and maintains a system of schools primarily for kindergarten through twelfth grade.

As a result of legislation passed by the Illinois General Assembly, which became effective on June 30, 1995, the Mayor of the City of Chicago appoints the members of the Board. CPS is excluded from the City's reporting entity because it does not meet the financial accountability criteria for inclusion established by the Governmental Accounting Standards Board (GASB).

The City of Chicago, the Public Building Commission of Chicago and the Public School Teachers' Pension and Retirement Fund of Chicago are deemed to be related organizations, but separate entities, and are not included as part of the CPS reporting entity. No fiscal dependency exists between these organizations. These units are excluded from the CPS reporting entity because they do not meet the criteria for inclusion as established by GASB.

New Accounting Standards

During fiscal year 2019, CPS adopted the following GASB Statements:

- GASB 83, *Certain Asset Retirement Obligations*. Statement issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement had no effect on CPS.

- GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. In March 2018, the GASB issued Statement 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements 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. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement had no effect on CPS.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- GASB 84, *Fiduciary Activities.* Statement issued January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the District's fiscal year ending June 30, 2020. Management has not determined what impact, if any, this Statement will have on its financial statements.

- GASB 87, *Leases.* Statement issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the District's fiscal year ending June 30, 2021. Management has not determined what impact, if any, this Statement will have on its financial statements.

- GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. In June 2018, the GASB issued Statement 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement is effective for the District's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

- GASB 90, *Majority Equity Interest- an amendment of GASB Statement No. 14 and No. 61.* In August 2018, GASB issued Statement No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is effective for the District's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB 91, *Conduit Debt Obligations*. In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

  This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2022. Management has not determined what impact, if any, this statement will have on its financial statements.

Description of Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Position and the Statement of Activities were prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the GASB requirements of accounting and financial reporting for non-exchange transactions. Deferred outflows of resources represent consumption of resources that is applicable to future reporting periods and is reported in a separate section after assets. Deferred inflows of resources represent acquisition of resources that is applicable to future reporting periods and is reported in a separate section after liabilities.

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 identifiable 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 identified as program revenues are reported as general revenues.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside CPS' taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues.

CPS reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of CPS. Interfund balances have been removed from these statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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.* 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. State and Federal grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Measurable means that the amount of the transaction can be determined. 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. Property taxes, State aid, Federal aid, replacement taxes, IGA, and other revenue are considered to be available if collected within 60 days of fiscal year end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, other postemployment benefits, pension benefits and pollution remediation obligations, are recorded only when payment is due.

Funds

CPS reports its financial activities through the use of “fund accounting”. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. A description of the activities of the various funds is provided below.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

a. General Operating Fund

The General Operating Fund is established in compliance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. This fund is the primary operating fund of CPS and is made up of the following programs:

Educational Program
Supplementary General State Aid Program
School Food Service Program
Elementary and Secondary Education Act (ESEA) Program
Individuals with Disabilities Education Act (IDEA) Program
Workers' and Unemployment Compensation/Tort Immunity Program
Public Building Commission Operations and Maintenance Program
Chicago Teacher's Pension Fund Pension Levy Program
Other Government-Funded Programs

b. Capital Projects Fund

The Capital Projects Fund includes the following programs:

Capital Asset Program — This program is for the receipt and expenditure of the proceeds from the sale of certain Board real estate and other miscellaneous capital projects revenues from various sources as designated by the Board.

Capital Improvement Program — This program is for the receipt and expenditure of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission (PBC) Building Revenue Bonds, Dedicated Revenue Capital Improvement Tax Bonds, State of Illinois Construction Grants, Federal E-rate capital subsidies and other revenues for the purpose of building and improving schools as designated by the Board. The bonds are being repaid in the Debt Service Fund.

c. Debt Service Fund

The Debt Service Fund includes the following programs:

Bond Redemption and Interest Program — This program is for the receipt and expenditure of Replacement Taxes, City of Chicago Intergovernmental Agreement revenue, State of Illinois Construction Grants, General State Aid and other revenues as designated by the Board for the payment of interest and principal on specific bond issues.

Public Building Commission Leases Program — Receipts and expenditures of tax levies and State of Illinois Construction Grants for the rental payments due to the Public Building Commission of school buildings are recorded in this program. The title to these properties passes to the City of Chicago, in trust for the use of CPS, at the end of the lease terms.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances

Deposits and Investments

CPS' cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. In addition, State statutes authorize CPS to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements and the State Treasurer's Investment Pool. CPS' investments are reported at fair value.

Cash and Investments in Escrow

Certain proceeds of CPS' bond issuances, as well as certain assets set aside for their repayment, are classified as cash and investments in escrow on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Property Tax Receivable

CPS records its property tax receivable amounts equal to the current year tax levy net of an allowance for estimated uncollectible amounts. The allowance is recorded at 3.5% of the gross levy.

A calendar year's property tax levies are billed (extended) in two installments in the subsequent calendar year. Calendar year 2018 property taxes were levied for fiscal year 2019 in July 2018 and were billed in fiscal year 2019. In 2019, the installment due dates were March 1 and August 1. Property taxes unpaid after these dates accrue interest at the rate of 1.5% per month. The treasurers of Cook and DuPage counties, who distribute such receipts to CPS, receive collections of property tax installments. CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. CPS does not record a receivable nor related deferred inflows of resources until the Board passes the levy for the current fiscal year.

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Capital Assets

Capital assets; which include land, construction in progress, buildings, building improvements and equipment are reported in the governmental activities columns in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment is a unit cost of $25,000 or more. CPS also capitalizes internally developed software with a capitalization threshold of $75,000 or more. Donated capital assets are recorded at acquisition value.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Beginning in fiscal year 2005, CPS implemented procedures related to impaired assets. Generally, a capital asset is considered impaired when its service utility has declined significantly and the events or changes in the circumstances are unexpected or outside the normal life cycle. See Note 6 for additional information on impairments.

Depreciation of buildings and building improvements of CPS is calculated using the straight-line method. Equipment is depreciated using the straight-line method. CPS' capital assets have the following estimated useful lives:

Assets	Years
Buildings and building improvements…………………	25-50
Administrative software/systems………………………	20
Internally developed software………………………….	3
Equipment………………………………………………..	5

Depreciation of buildings and building improvements placed in service prior to fiscal year 2002 was calculated using a composite rate that CPS estimated to be 32 years. For items placed in service subsequent to fiscal year 2001, CPS utilizes the estimated useful lives for specific components within the range noted above.

Vacation and Sick Pay

CPS provides vacation and sick pay benefits for substantially all of its employees. Accrued sick pay benefits were computed using the termination payment method. The liability for accrued vacation pay benefits was computed using the employees' actual daily wages. Please refer to Note 11 for accruals.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as prepaid insurance, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable as reported includes the unamortized balances of bond premiums and discounts. Prepaid insurance costs are reported as other assets and amortized over the term of the related debt.

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

Pensions – In the government-wide financial statements, for purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Teachers' Pension and of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

OPEB– In the government-wide financial statements, for purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago.

Fund Balances -- Within the governmental fund types, CPS' fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in 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 that can only be used for specific purposes pursuant to constraints imposed by formal action of CPS' highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless CPS removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. CPS' highest level of decision-making authority rests with CPS' Board of Education. CPS passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2019.

Assigned – includes amounts that are constrained by CPS' intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) CPS' Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. As of fiscal year 2019, CPS' Board has not delegated the authority to assign amounts to be used for specific purposes to a body or official. CPS' Board of Education assigns amounts for a specific purpose within the General Operating Fund. Within the other governmental fund types (debt service and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/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.

In the General Operating Fund and other governmental funds (capital projects and debt service fund types), it is CPS' policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position -- The Statement of Net Position includes the following:

Net investment in capital assets — the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted for debt service — the component of net position with constraints placed on the use of debt service 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.

Restricted for capital projects — the component of net position with constraints placed on the use of capital project 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.

Restricted for grants and donations — the component of net position that reports the difference between assets and liabilities of the certain programs that consists of assets with 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.

Restricted for workers' compensation/tort immunity — the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with 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. For fiscal year 2019, no amounts of net position are restricted for worker's compensation/tort immunity.

Restricted for teacher's pension contributions — the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with 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.

Unrestricted — consists of net position that does not meet the criteria of the four preceding categories.

Comparative Data -- The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CPS' financial statements for the year ending June 30, 2018, from which the summarized information was derived.

Management's Use of Estimates -- The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Operating, Capital Projects and Debt Service funds. Unencumbered appropriations, in General operating and Debt Service funds, lapse at fiscal year-end.

Certain funding allocations (primarily Federal and State programs) are made to schools but may not be budgeted by account by the schools at the time the budget is adopted. These allocations are included in other fixed charges for budget purposes. During the fiscal year, upon receiving the appropriate approvals from the Office of Management and Budget, transfers are made to the appropriate accounts. Actual expenditures are reflected in the appropriate accounts.

The appropriated budget is prepared by fund, account and unit. The legal level of budgetary control is at the account level except for school-based discretionary programs. School-based discretionary program expenditures are governed by specific program policies and procedures. Board approval is required for all funding transfers. In addition, an amended budget is required for increases in total appropriation.

The Capital Projects Fund is budgeted on a project-by-project basis. Budgeted amounts in the Capital Projects Fund represent the entire project budget for projects that were expected to commence and/or expenditures to be incurred in fiscal year 2019. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

The Debt Service Fund expenditures exceed its appropriations. The variance in this fund in Fiscal Year 2019 is a result of the recording of certain debt service payments in regards to bond refunding transactions which were not originally budgeted for, but were economically beneficial to the District.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

a. Property Taxes — CPS levies property taxes using tax levy rates established by statute and an equalized assessed valuation (EAV) estimated by CPS. The maximum billing (extension) of property taxes for the rate-limited Educational Levy in any calendar year is limited to the lesser of the tax rate established by statute multiplied by the EAV known at the time the final calendar year tax bills are calculated by the Cook and DuPage County Clerks, or the tax rates established by statute multiplied by the prior year EAV. Property taxes for the levies that are not rate-limited are levied based on the estimated requirements for such funds.

As part of the annual budgetary process, CPS adopts a resolution by each December in which it is determined to levy real estate taxes. In FY19, CPS adopted a resolution for its tax levy in July 2018. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in a prescribed form must be published and a public hearing must be held if the aggregate annual levy exceeds 105% of the levy of the preceding year.

Since the 1994 levy year, CPS has been subject to the Property Tax Extension Limitation Law (PTELL). The PTELL, commonly known as the property-tax cap, is designed to limit the increases in property taxes billed for non-home rule taxing districts. The growth in a taxing district's aggregate extension base is limited to the lesser of 5% or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year. The CPI used is for all urban consumers for all items as published by the U.S. Department of Labor, Bureau of Labor Statistics. This limitation can be increased for a taxing body with voter approval. The PTELL allows a taxing district to receive a limited annual increase in tax extensions on existing property, plus an additional amount for new construction. This limit slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation.

Legal limitations on tax rates and the rates extended in calendar years 2019 and 2018 are shown below.

	Maximum/ 2019 Legal Limit	Tax Rates Extended Per $100 of EAV 2019	2018
General Operating Fund			
Educational	(A)	$ 2.845	$ 3.161
Teachers' Pension	(B)	0.511	0.551
Workers' and Unemployment/Tort Immunity	(C)	0.093	0.039
Debt Service Fund			
Public Building Commission Leases Program	(D)	0.092	0.128
Capital Fund			
Capital Improvement	(E)	0.011	0.011
		$ 3.552	$ 3.890

A. The maximum legal limit for educational purposes under PTELL cannot exceed $4.00 per $100 of EAV (105 ILCS 5/34-53), and the total amount billed (extended) under the General Operating Fund is subject to the PTELL as described above.

B. The tax cap limitation contained in the PTELL does not apply to the taxes levies by CPS for the Teacher Pension. The law creating the Teacher Pension levy became effective in 2016 (105 ILCS 5/34-53). For calendar year 2018 and 2019, the Teacher Pension levy tax rate cannot exceed $0.567 per $100 of EAV. Property tax collections for the Teacher Pension levy are paid directly to the Chicago Teacher Pension Fund by the County Treasurer.

C. These tax rates are not limited by law, but are subject to the PTELL as described above.

NOTE 3. PROPERTY TAXES AND STATE AID REVENUE (continued)

D. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS to make its lease payments related to the certificates of participation debt obligations.

E. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS for the Capital Improvement Tax (CIT). Per (105 ILCS 5/34-53.5), the CIT act became effective in 2002 and requires the initial levy of the CIT made by the Board to be authorized by a one-time approval of the Chicago City Council, which approved the CIT in 2015. The CIT Act establishes maximum authorized amounts of the CIT that can be levied each calendar year equal to the cumulative inflationary growth on a base of $142.5 million starting in 2003.

Note: The City of Chicago established a Transit TIF levy to provide a portion of the matching funds required to leverage more than $1 billion in federal funding for Chicago Transit Authority capital projects. The City received its first Transit TIF distribution on July 11, 2017. A portion of the levy was distributed to various taxing districts within the City including Chicago Public Schools. CPS' portion of the Transit TIF is not available until the actual time of collection. A separate agency number was established to track the collections in February 2018. The total amount generated by the Transit TIF in fiscal year 2019 was $58.7 million (gross). The tax cap limitation contained in the PTELL does not apply to the taxes received by CPS for the Transit TIF.

b. State Aid — The components of State Aid as reported in the financial statements are as follows $(000's)

Revenues:		
Evidence based funding unrestricted revenue	$ 1,605,783	$ 1,605,783
State pension contribution revenue	238,869	232,992
Other restricted state revenue	338,290	328,036
Total state aid	$ 2,182,942	$ 2,166,811
Program Revenues:		
Benefit Payments		(561,028)
Non-program general state aid		$ 1,605,783

NOTE 4. CASH DEPOSITS AND INVESTMENTS

Cash and investments held in the name of CPS are controlled and managed by CPS' Treasury Department; however, custody is maintained by the Treasurer of the City of Chicago, who is the designated ex-officio Treasurer of CPS under the Illinois School Code. Custody is not maintained by the Treasurer of the City of Chicago for cash and investments in escrow and the schools' internal accounts. The cash and investments in escrow in the General Operating Fund represent deposits for the repayment of short term borrowing held by an escrow agent. The cash and investments in escrow in the Debt Service Fund represent the amount available for debt service payments on the Unlimited Tax GO Bonds and PBC Leases. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax GO Bonds and other revenues.

Cash and Deposits

With the exception of school internal accounts, as designated by the Board, the Municipal Code of Chicago requires that cash be deposited only in chartered banks or savings and loan associations that are on the City of Chicago's approved depository listing. The ordinances allow only regularly organized state or national banks insured by the Federal Deposit Insurance Corporation, and federal and state savings and loan associations insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation located within the City of Chicago, to be designated depositories.

Custodial Credit Risk — Custodial credit risk for deposits is the risk that in the event of a financial institution failure, CPS deposits may not be returned. The CPS Investment Policy requires collateral with an aggregate market value of not less than 110% of the original acquisition price, including principal and accrued interest, on depository account balances, banker's acceptances and certificates of deposit unless the bank meets certain rating and/or asset size requirements unless either: 1) the bank has assets exceeding $500 million; or 2) the applicable instrument is insured at the time of purchase by an entity with long-term ratings in one of the highest 2 classifications without regard to gradation, in which case collateralization is not required. Collateral for CPS' bank accounts are held by a third-party custodian in the name of the City of Chicago Treasurer for the benefit of CPS. Collateral shall be only those securities authorized as allowable investments.

As of June 30, 2019, the book amount of cash and CDs in the CPS' deposit accounts was $50.4 million. The bank balances totaled $59.4 million as of June 30, 2019. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2019. The bank balance was covered by Federal depository insurance and by collateral held by third-party custodians.

Cash and Investments Held in School Internal Accounts, and the corresponding liability, Amounts Held for Student Activities, represent the book balance for checking and investments for individual schools.

Investments

CPS' investments are authorized under the Illinois Compiled Statutes Finance Investment Act and CPS' Investment Policy is derived from this Act. The CPS Investment Policy authorizes CPS to invest in obligations guaranteed by the full faith and credit of the U.S. Government, certificates of deposit constituting direct obligations of banks, commercial paper, money market mutual funds, repurchase agreements that mature within 330 days, certain U.S. Government agency securities, and certain State and municipal securities that are rated at the time of purchase at A1/A+ or better by a rating service of nationally recognized expertise in rating bonds of states and their political subdivision. All mutual funds purchased invest in eligible securities outlined in the parameters of the CPS Investment Policy and meet certain other regulatory requirements.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

The CPS Investment Policy contains the following stated objectives:

- Safety of Principal. Investments shall be undertaken in a manner that provides for the preservation of principal in the overall portfolio.
- Liquidity. The investment portfolio shall be sufficiently liquid to meet all reasonably anticipated operating and cash flow requirements.
- Rate of Return. The investment portfolio shall be constructed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.
- Diversification. The investment portfolio shall be diversified to avoid incurring unreasonable risks associated with specific securities or financial institutions.

Custodial Credit Risk — All CPS investment securities shall be held by a third party custodian in accordance with municipal ordinances to the extent required by state statute. The CPS treasurer shall periodically review the approved depositories to evaluate counterparty risk. In order to further reduce custodial risk, investments are registered and held in the name of CPS. The collateral requirements for investments with depository balances is the same as those for cash and deposits (disclosed above). Repurchase agreement investments are required to have collateral not less than 102% of the acquisition price.

At June 30, 2019, CPS had the following cash, investments and maturities $(000's):

	Ratings	Carrying Amount	Maturities Less Than 1 Year	Maturities 1 to 5 Years	Maturities 5 to 10 Years
Repurchase Agreements	A3/BBB+	$ 11,870	$ -	$ 11,870	$ -
U.S. Government Agency Securities	Aaa/AA+/AAA	205,279	155,487	49,792	-
U.S. Government Treasury Notes	AA+/Aaa	663,326	455,598	53,210	154,518
U.S. Government State and Local	AA+/Aaa				
Government Series Securities (SLGS)	A-1/P-1/AAAm/Aaa-mf	19,804	19,804	-	-
Commercial Paper	Not rated	440,707	440,707	-	-
Money Market Mutual Funds	AAAm/Aaa-mf	385,921	385,921	-	-
Total Investments		$ 1,726,907	$ 1,457,517	$ 114,872	$ 154,518
Cash and CDs		50,360	-	-	-
Total Cash and Investments		$ 1,777,267	$ 1,457,517	$ 114,872	$ 154,518

Interest Rate Risk — The CPS Investment Policy requires maintenance of a two-tiered portfolio which limits the average maturity of the Liquidity Cash Management tier of the portfolio to six months, limits the average maturity of the Enhanced Cash Management tier of the portfolio to five years and limits the maturity of any single issue in the Enhanced Cash Management tier of the portfolio to 10 years.

Credit Risk — CPS' Investment Policy limits investment in commercial paper to the top two ratings issued by at least two standard rating services.

NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk — As of June 30, 2019, no issuer represented over 5% of total investments. Investments issued by the U.S. government and government agencies and investments in mutual funds are excluded from the concentration of credit risk.

CPS categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CPS has the following recurring fair value measurements $(000's) as of June 30, 2019 using a matrix pricing model:

		Fair Value Measurement Using		
	June 30, 2019	**Level 1**	**Level 2**	**Level 3**
Investments by fair market value:				
Debt securities				
Repurchase Agreements	$ 11,870	$ -	$ 11,870	$ -
U.S. Government Agency Securities	49,792	-	49,792	-
U.S. Government Treasury Notes	207,728	-	207,728	-
Total Cash and Investments	$ 269,390	$ -	$ 269,390	$ -

Debt securities classified in Level 2 of the fair value hierarchy are valued based on market valuation method.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools are measured at amortized cost and therefore excluded from the above fair value table. This exclusion includes money market funds, commercial paper, repurchase agreements and agency obligations held by CPS in the amount of $1.458 billion.

The following table provides a summary of CPS' total cash and investments by fund type as of June 30, 2019 $(000's):

Fund	Totals
General Operating Fund	$ 298,958
Capital Projects Funds	798,364
Debt Service Funds	679,945
Total Cash and Investments	$ 1,777,267

NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2019 for CPS, net of the applicable allowance for uncollectible accounts, are as follows $(000's):

	General Operating Fund	Capital Projects Fund	Debt Service Fund	Total Fund Financial Statements	Government-Wide Financial Statements
Property taxes	$ 1,452,128	$ 10,281	$ 36,128	$ 1,498,537	$ 1,498,537
Replacement taxes	29,956	-	-	29,956	29,956
State aid	140,161	712	-	140,873	140,873
Federal aid	112,544	-	3,115	115,659	115,659
Other	68,077	22,058	62,521	152,656	152,656
Total receivables	$ 1,802,866	$ 33,051	$ 101,764	$ 1,937,681	$ 1,937,681
Less: Allowance for uncollectibles – property tax	(104,200)	-	(2,778)	(106,978)	(106,978)
Less: Allowance for uncollectibles – state aid	-	(712)	-	(712)	(712)
Less: Allowance for uncollectibles – federal aid	(92)	-	-	(92)	(92)
Less: Allowance for uncollectibles – other	(6,046)	(5,916)	-	(11,962)	(11,962)
Total receivables, net	$ 1,692,528	$ 26,423	$ 98,986	$ 1,817,937	$ 1,817,937

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows $(000's):

Government-wide activities:	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 328,284	$ 18,010	$ (11,044)	$ 335,250
Construction in progress	289,796	523,062	(163,960)	648,898
Total capital assets not being depreciated	$ 618,080	$ 541,072	$ (175,004)	$ 984,148
Capital assets being depreciated/amortized:				
Buildings and improvements	$ 9,504,385	$ 152,388	$ (12,062)	$ 9,644,711
Equipment and administrative software	222,028	1,297	(13,740)	209,585
Internally developed software	7,760	168	(4,120)	3,808
Total capital assets being depreciated	$ 9,734,173	$ 153,853	$ (29,922)	$ 9,858,104
Total capital assets	$ 10,352,253	$ 694,925	$ (204,926)	$ 10,842,252
Less accumulated depreciation/amortization for:				
Buildings and improvements	(4,239,583)	(286,560)	12,038	(4,514,105)
Equipment and administrative software	(146,309)	(12,984)	12,334	(146,959)
Internally developed software	(5,865)	(764)	4,120	(2,509)
Total accumlulated depreciation	$ (4,391,757)	$ (300,308)	$ 28,492	$ (4,663,573)
Capital assets, net of depreciation	$ 5,960,496	$ 394,617	$ (176,434)	$ 6,178,679

Depreciation/amortization and impairment expense were charged to functions/programs of CPS as follows $(000's):

	Depreciation Expenses	Impairment Expenses
Governmental activities:		
Instruction	$ 196,217	$ 2,635
Pupil support services	29,251	393
Administrative support services	12,283	165
Facilities support services	25,305	340
Instructional support services	24,075	323
Food services	13,177	177
Total depreciation expense	$ 300,308	$ 4,033

Asset Impairment

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. In the absence of a property appraisal, the book values were adjusted to zero. Management reviews capital assets at year-end for impairment.

NOTE 6. CAPITAL ASSETS (continued)

During fiscal year 2019, as CPS reviewed pending real estate transactions related to school actions for closed schools or schools to be closed, CPS recognized impairments totaling $4 million related to various properties.

Construction Commitments

CPS had active construction projects as of June 30, 2019. These projects include new construction and renovations of schools. At year-end, CPS had approximately $59 million in outstanding construction commitments.

NOTE 7. INTERFUND TRANSFERS AND BALANCES

Interfund Balances

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as "Due to/from Other Funds" on the accompanying governmental fund financial statements.

General Operating Fund:		
Due From Capital Asset Program	$	6,544
Due From Capital Improvement Program		3,232
Due From Bond Redemption and Interest Program		186
Total — Net due from other funds	$	9,962
Capital Projects Fund:		
Capital Asset Program — Due To General Operating Fund	$	(6,544)
Capital Improvement Program — Due To General Operating Fund		(3,232)
Total — Net due to other funds	$	(9,776)
Debt Service Fund:		
Bond Redemption and Interest Program — Due to General Operating Fund	$	(186)

The purpose of interfund balances is to present transactions that are to be repaid between major programs at year end. The balances result from operating transactions between funds and are repaid during the fiscal year within the normal course of business.

The interfund balance due from the Capital Projects Fund to the General Operating Fund is expected to be repaid through a future bond issue or capital asset related transactions.

Interfund Transfers

In fiscal year 2019, CPS transferred to the General Operating Fund $0.5 million of debt restructuring savings from the Bond Redemption and Interest Program and Capital Improvement Program.

NOTE 8. SHORT TERM DEBT

2017 Tax Anticipation Notes

During FY 2019, the Board closed on two series of 2017 Educational Purposes Tax Anticipation Notes (the "2017 TANS") with a total par amount of $100 million for working capital purposes. The Series 2017 TANS were issued as a direct placements with investors. Each series of TANS issued during FY 2019 were structured as single draws. The TANS provided liquidity support within the fiscal year.

NOTE 8. SHORT TERM DEBT (continued)

The 2017 TANS issued were first issued as follows $(000s):

Description	Initial Advance Date	Amount
Series 2017J	July 13, 2018	$57,890
Series 2017I	July 13, 2018	$42,110

Each of the 2017 TANS were backed by the Board's 2017 Education Property Tax Levy collected in two installments in 2018. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to the Board. The repayment date for the Series 2017I and J TANS was September 30, 2018.

2018 Tax Anticipation Notes

During FY 2019, the Board closed on nine issuances of 2018 Educational Purposes Tax Anticipation Notes (the "2018 TANS") with a total par amount of $1.4 billion for working capital purposes. The Series 2018 TANS were issued as either public sales or direct placements with investors. The TANS provided liquidity support within the fiscal year.

The 2018 TANs were issued as follows ($000s)

Description	Issuance Date	Amount
Series 2018A	October 31, 2018	$200,000
Series 2018B	December 5, 2018	$200,000
Series 2018C	February 4, 2019	$200,000
Series 2018C	February 12, 2019	$100,000
Series 2018D	February 12, 2019	$60,000
Series 2018E	February 21, 2019	$60,000
Series 2018F	February 27, 2019	$24,000
Series 2018C	June 4, 2019	$200,000
Series 2018G	June 20, 2019	$250,000

Each of the 2018 TANS are backed by the Board's 2018 Education Property Tax Levy collected in two installments in 2019. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to the Board. The repayment date for the 2018A and B TANS payable from the first installment of property tax monies was March 29, 2019. The repayment date for the Series 2018C, D, E and F TANS payable from the second installment of property tax monies is the earlier of 60 days after the second installment due date of tax year 2018 property taxes or December 13, 2019. The repayment date for the Series 2018G TANS payable from the second installment of property tax monies is October 1, 2019.

Outstanding Short-Term Notes Balances

As of June 30, 2019, a total of $450 million in short-term notes issued by the Board were outstanding. The total amount drawn on the issues is reported as a separate line item on the statement of net position and therefore, none of the issues were included in the Note 9 summarizing the changes in long term debt. Any amount of short-term notes paid off subsequent to year end is discussed further in Note 17. Short-term debt activity for the year ended June 30, 2019 was as follows $(000's):

Short-Term Debt	Balance July 1, 2018	Draws	Repayments	Balance June 30, 2019
Tax Anticipation Notes.............	$ 599,911	$ 1,394,000	$ (1,544,466)	$ 449,445

NOTE 9. LONG-TERM DEBT

Long-term Obligations

Long-term debt activity for the fiscal year ended June 30, 2019 was as follows $(000's):

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due within One Year
Governmental activities:					
General Obligation Long-term Debt	$ 7,281,448	$ 763,395	$ (569,775)	$ 7,475,068	$ 152,555
Capital Improvement Tax Long-term Debt	794,480	86,000	-	880,480	-
Add unamortized premium (discount)	(46,486)	22,871	(12,694)	(36,309)	-
Add Arbitrage Liability	704	-	(704)	-	-
Add accretion of capital appreciation bonds	667,795	54,088	(34,165)	687,718	49,445
Subtotal of debt, net of premiums and discounts	$ 8,697,941	$ 926,354	$ (617,338)	$ 9,006,957	$ 202,000
Capitalized lease obligations	74,395	-	(46,020)	28,375	27,850
Total debt and capitalized lease obligations	$ 8,772,336	$ 926,354	$ (663,358)	$ 9,035,332	$ 229,850
Other liabilities:					
Other accrued liabilities	$ 26,808	$ 3,379	$ -	$ 30,187	$ 20,360
Net pension liability	12,382,417	1,060,300	-	13,442,717	-
Total other post-employment benefits liability	2,270,891	143,254	(142,020)	2,272,125	-
Other benefits and claims	471,357	26,898	(50,878)	447,377	84,251
Total other liabilities:	15,151,473	1,233,831	(192,898)	16,192,406	104,611
Total long-term obligations:	$ 23,923,809	$ 2,160,185	$ (856,256)	$ 25,227,738	$ 334,461

General Obligation and Capital Improvement Tax Bonds

CPS issued the following long-term debt in fiscal year 2019.

Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue) Series 2018C

In December 2018, CPS issued fixed-rate $450.1 million Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue), Series 2018C (the "Series 2018C" Bonds") with an original issue premium of $28.5 million.

The proceeds of the Series 2018C Bonds were used to refund outstanding debt for economic savings, fund capitalized interest, and pay the costs of issuance. The refunding decreased annual debt service payments over fourteen years by approximately $22.4 million, resulting in an economic gain of approximately $20.6 million.

The Series 2018C Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2018C Bonds. The debt service on the Series 2018C Bonds will be paid from Evidence-Based Funding Revenues.

Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2018D

In December 2018, CPS issued fixed-rate $313.3 million Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue), Series 2018D (the "Series 2018D" Bonds") with an original issue discount of $10.5 million.

The proceeds of the Series 2018D Bonds were used to finance the continued implementation of the Board's Capital Improvement Program, fund capitalized interest, and pay the costs of issuance.

NOTE 9. LONG-TERM DEBT (continued)

The Series 2018D Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2018D Bonds. The debt service on the Series 2018D Bonds will be paid from Evidence-Based Funding and Personal Property Replacement Tax Revenues.

Dedicated Capital Improvement Tax Bonds Series 2018

In December 2018, CPS issued $86.0 million fixed-rate Dedicated Capital Improvement Tax Bonds, Series 2018 (the "2018 CIT Bonds") with an original issue premium of $4.8 million.

The proceeds of the 2018 CIT Bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance on the 2018 CIT Bonds.

CIT Bonds are limited obligations payable from and secured by a levy of Capital Improvement Taxes. The CIT Bonds are not general obligations of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or interest on the CIT Bonds.

The current portion of long-term debt and long-term lease obligations is comprised of the following $(000's):

Bonds	$ 152,555
Accrued Interest	49,445
Subtotal	$ 202,000
Lease Obligations	27,850
Total Current Portion	$ 229,850

The Unlimited Tax General Obligation Bonds are being repaid in the Debt Service Fund from Replacement Tax revenue, revenue from Intergovernmental Agreements with the City of Chicago, subsidies from the federal government, state aid, and other state funding to the extent possible, and then from a separate tax levy associated with the bonds.

Interest rates on fixed rate bonds range from 1.75% to 7.00%, except that CPS does not pay or accrue interest on the Series 2006A Bonds. These bond series were issued as "Qualified Zone Academy Bonds" within the meaning of Section 1397E of the Internal Revenue Code of 1986, as amended. "Eligible taxpayers," as defined in Section 1397E of the Internal Revenue Code, who own these bonds will be entitled to a credit against taxable income.

As of June 30, 2019 there were no hedged variable rate bonds outstanding. Interest rates on unhedged variable rate bonds assume the average monthly variable rate for June 2019, and remain the same for the life of the bonds.

NOTE 9. LONG-TERM DEBT (continued)

Debt service requirements for the Unlimited Tax General Obligation Bonds are scheduled as follows $(000's):

	Fixed Rate Bonds		Variable Rate Bonds		
Fiscal Year(s)	Principal	Interest	Principal	Estimated Interest*	Total**
2020	$ 144,081	$ 390,131	$ 8,475	$ 13,720	$ 556,407
2021	176,315	420,683	8,825	13,447	619,270
2022	196,043	414,863	9,225	13,162	633,293
2023	203,948	407,983	9,400	12,867	634,198
2024	209,052	396,703	9,750	12,564	628,069
2025-2029	1,357,498	1,883,100	221,640	47,995	3,510,233
2030-2034	1,310,926	1,569,823	164,895	9,411	3,055,055
2035-2039	1,128,385	854,262	-	-	1,982,647
2040-2044	1,396,700	484,550	-	-	1,881,250
2045-2047	919,910	81,750	-	-	1,001,660
Total	$ 7,042,858	$ 6,903,848	$ 432,210	$ 123,166	$ 14,502,082

*Interest in variable rate demand notes assumes current interest rates remain the same as of June 30, 2019, calculated at:
Series 2008A – 3.190% x outstanding principal
Series 2008B – 3.190% x outstanding principal

**Does not include debt backed by leases with the Public Building Commission that are discussed in Note 10 and Dedicated Revenue Capital Improvement Tax Bonds discussed further in Note 9.

Direct Placements

Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenues), Series 2008A and 2008B

In May, 2008 the Board issued $262.8 million (Series 2008A) and $241.0 million (Series 2008B) variable rate bonds in direct placements with Dexia Credit Local. The interest rate for each series is reset monthly, and is equal to the one month LIBOR rate plus 75 basis points with no expiration until maturity. The bonds are subject to optional redemption prior to their maturity date at the option of the Board, in whole or in part (and, if in part, in an authorized denomination ($100,000 and any integral multiple thereof of $5,000 in excess thereof)) on any LIBOR interest payment date (monthly), at a redemption price equal to 100 percent of the principal amount thereof and accrued interest, if any, to the redemption date. The Board fully refunded the 2008A and 2008B bonds in September 2019. See Note 17 for further information.

Accreted Interest

Interest and maturities include accretable interest on the Capital Appreciation Bonds as follows $(000's):

Series	Accreted Interest July 1, 2018	Increase	Payment	Accreted Interest June 30, 2019
1998B-1	$ 407,222	$ 33,159	$ (13,056)	$ 427,325
1999A	260,573	20,929	(21,109)	260,393
	$ 667,795	$ 54,088	$ (34,165)	$ 687,718

NOTE 9. LONG-TERM DEBT (continued)

Dedicated Revenue Capital Improvement Tax Bonds

Dedicated Revenue Capital Improvement Tax Bonds ("CIT Bonds") issued by the Board are limited obligations payable from and secured by a levy of Capital Improvement Taxes. The CIT Bonds are not general obligations of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or interest on the CIT Bonds. The CIT bonds were issued at a fixed rated and designated as Dedicated Revenue Unlimited Tax General Obligation Bonds. The proceeds of all series of issued bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance.

Debt service requirements for the CIT Bonds are as follows $(000's):

Fiscal Year(s)	Principal	Interest*	Total
2020	$ -	$ 51,084	$ 51,084
2021	-	51,084	51,084
2022	-	51,084	51,084
2023	-	51,084	51,084
2024	-	51,084	51,084
2025-2029	-	255,420	255,420
2030-2034	87,615	259,813	347,428
2035-2039	266,710	221,955	488,665
2040-2044	353,980	114,502	468,482
2045-2047	172,175	15,215	187,390
Total	$ 880,480	$ 1,122,325	$ 2,002,805

* Fixed Rate.

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NOTE 9. LONG-TERM DEBT (continued)

The following is a summary of changes in Long-term debt outstanding $(000's):

Series	Orginal Amount Issued	Debt Purpose	Interest Rate	Final Maturity	Principal Outstanding June 30, 2018
2018D………………	$ 313,280	Capital Improvement	5.00%	12/1/2046	$ -
2018C…………………	450,115	Refunding	5.00%	12/1/2046	-
CIT 2018………………	313,280	Capital Improvement	5.00%	4/1/2046	-
2018H………………	280,000	Capital Improvement	5.00%	12/1/2046	280,000
2018G………………	126,500	Refunding	5.00%	12/1/2044	126,500
2018F………………	165,510	Refunding	5.00%	12/1/2024	165,510
2018E………………	22,180	Refunding	5.00%	12/1/2021	22,180
2018D………………	79,325	Refunding	5.00%	12/1/2031	79,325
2018C………………	351,485	Refunding	5.00%	12/1/2034	351,485
2018B………………	10,220	Refunding	6.75% to 7.00%	12/1/2042	10,220
2018A………………	552,030	Refunding	4.00% to 5.00%	12/1/2035	552,030
2017B………………	215,000	Refunding	6.75% to 7.00%	12/1/2022	215,000
2017A………………	285,000	Capital Improvement/Working Capital	7.00%	12/1/2046	285,000
CIT 2017……………	64,900	Capital Improvement	5.00%	4/1/2046	64,900
CIT 2016……………	729,580	Capital Improvement	5.75% to 6.10%	4/1/2046	729,580
2016B………………	150,000	Capital Improvement	6.50%	12/1/2046	150,000
2016A………………	725,000	Capital Improvement/Refunding	7.00%	12/1/2044	725,000
2015E………………	20,000	Capital Improvement	5.13%	12/1/2032	20,000
2015C………………	280,000	Capital Improvement	5.25%	12/1/2039	280,000
2012B………………	109,825	Refunding	5.00%	12/1/2034	109,825
2012A………………	468,915	Capital Improvement	5.00%	12/1/2042	468,915
2011A………………	402,410	Capital Improvement	5.00% to 5.50%	12/1/2041	402,410
2010F………………	183,750	Refunding	5.00%	12/1/2031	144,985
2010D………………	125,000	Capital Improvement	6.52%	3/1/2036	125,000
2010C………………	257,125	Capital Improvement	6.32%	11/1/2029	257,125
2009G………………	254,240	Capital Improvement	1.75%	12/15/2025	254,240
2009E………………	518,210	Capital Improvement	4.682% to 6.14%	12/1/2039	504,430
2009D………………	75,720	Refunding	1.00% to 5.00%	12/1/2023	21,910
2008C………………	464,655	Refunding	4.25% to 5.00%	12/1/2032	450,250
2008B………………	240,975	Refunding	Variable	3/1/2034	169,425
2008A………………	262,785	Refunding	Variable	12/1/2030	262,785
2007B………………	197,765	Refunding	5.00%	12/1/2024	16,035
2006B………………	355,805	Capital Improvement	4.25% to 5.00%	12/1/2036	22,005
2006A………………	6,853	Capital Improvement	0.00%	6/1/2021	6,853
2005A………………	193,585	Refunding	5.00% to 5.50%	12/1/2031	159,825
2004A………………	205,410	Refunding	4.00% to 5.00%	12/1/2020	49,600
1999A………………	532,553	Capital Improvement/Refunding	4.30% to 5.30%	12/1/2031	361,199
1998B-1……………	328,714	Capital Improvement	4.55% to 5.22%	12/1/2031	232,381
Total Bonds……					$ 8,075,928
Less Current Portion ……					
For Net Premium/(Discount) ……					
Total Long-term Debt, net of Current Portion and Premium/(Discount)……					

NOTE 9. LONG-TERM DEBT (continued)

Accreted Interest	Principal and Accreted Interest June 30, 2018	Issuances	Retirements	Principal Outstanding June 30, 2019	Accreted Interest	Principal and Accreted Interest June 30, 2019
$ -	$ -	$ 313,280	$ -	$ 313,280	$ -	$ 313,280
-	-	450,115	-	450,115	-	450,115
-	-	86,000	-	86,000	-	86,000
-	280,000	-	-	280,000	-	280,000
-	126,500	-	-	126,500	-	126,500
-	165,510	-	(585)	164,925	-	164,925
-	22,180	-	-	22,180	-	22,180
-	79,325	-	-	79,325	-	79,325
-	351,485	-	-	351,485	-	351,485
-	10,220	-	-	10,220	-	10,220
-	552,030	-	-	552,030	-	552,030
-	215,000	-	-	215,000	-	215,000
-	285,000	-	-	285,000	-	285,000
-	64,900	-	-	64,900	-	64,900
-	729,580	-	-	729,580	-	729,580
-	150,000	-	-	150,000	-	150,000
-	725,000		-	725,000	-	725,000
-	20,000	-	-	20,000	-	20,000
-	280,000	-	-	280,000	-	280,000
-	109,825	-	-	109,825	-	109,825
-	468,915	-	-	468,915	-	468,915
-	402,410	-	-	402,410	-	402,410
-	144,985	-	(13,470)	131,515	-	131,515
-	125,000	-	-	125,000	-	125,000
-	257,125	-	-	257,125	-	257,125
-	254,240	-	-	254,240	-	254,240
-	504,430	-	(6,885)	497,545	-	497,545
-	21,910	-	(12,260)	9,650	-	9,650
-	450,250	-	(450,250)	-	-	-
-	169,425	-	-	169,425	-	169,425
-	262,785	-	-	262,785	-	262,785
-	16,035	-	(16,035)	-	-	-
-	22,005	-	-	22,005	-	22,005
-	6,853	-	-	6,853	-	6,853
-	159,825	-	(7,860)	151,965	-	151,965
-	49,600	-	(24,190)	25,410	-	25,410
260,572	621,771	-	(30,896)	330,303	260,393	590,696
407,223	639,604	-	(7,344)	225,037	427,325	652,362
$ 667,795	$ 8,743,723	$ 849,395	$ (569,775)	$ 8,355,548	$ 687,718	$ 9,043,266
....	(146,905)					(202,000)
....	(46,486)					(36,309)
....	$ 8,550,332					$ 8,804,957

NOTE 10. LEASE OBLIGATIONS

Capitalized Leases

Annual rental payments are made pursuant to lease agreements with the Public Building Commission (the “PBC”). The PBC constructs, rehabilitates and equips school buildings and facilities for use by CPS. The annual lease rentals are funded by a tax levy established when CPS approved such construction.

The leases are structured so that annual rentals will exceed the PBC’s requirements for debt service and other estimated expenses. This ensures that the PBC will receive adequate revenue to cover these obligations. The PBC can authorize rent surpluses to be used either to reduce future rental payments or to finance construction of other CPS projects.

In 2006, CPS entered into a $3.7 million lease with an option to purchase with the Teachers Academy of Math and Science. The assets acquired under this lease are land and building at a cost of $0.7 million and $3.0 million, respectively. The accumulated amortization as of June 30, 2019 amounted to $0.7 million. The term of the lease commenced October 1, 2005, and shall end February 1, 2021. This end date represents the maturity date of bonds issued for the premises by the Illinois Development Finance Authority Bonds. Debt service includes principal and interest and all other costs associated with these bonds. Additionally, CPS will assume all operating costs and personnel costs of the premises.

The future PBC lease rentals and other capitalized leases due at June 30, 2019, are as follows $(000's):

Fiscal Year(s)	PBC Lease	Other	Total
2020	$ 30,635	$ 424	$ 31,059
2021	-	647	647
Total Rentals	$ 30,635	$ 1,071	$ 31,706
Less - Interest and other costs	(2,960)	(371)	(3,331)
Pricipal amount of rental due	$ 27,675	$ 700	$ 28,375

Following is a summary of changes in PBC Leases and Capitalized Lease outstanding $(000’s):

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
PBC Leases	$ 73,520	$ -	$ (45,845)	$ 27,675
Other Capitalized Leases	875	-	(175)	700
Total Lease Obligations	$ 74,395	$ -	$ (46,020)	$ 28,375
Less: Current Portion PBC Leases				(27,675)
Current Portion Other Capitalized Leases				(175)
Total Long-Term Leases Outstanding				$ 525

Operating Leases

CPS is a lessee in numerous operating leases associated with the rental of trucks, automobiles, office equipment and real property. The lease arrangements are both cancelable and non-cancelable with some having structured rent increases. None of the operating leases are considered to be contingent leases.

NOTE 10. LEASE OBLIGATIONS (continued)

Total expenditures for operating leases for the fiscal year ending June 30, 2019 were $19.0 million.

The following is a summary of operating lease commitments as of June 30, 2019 $(000's):

Fiscal Year(s)	Non-Real Property Leases	Real Property Leases	Total
2020	$ 1,904	$ 14,746	$ 16,650
2021	1,134	14,553	15,687
2022	452	13,290	13,742
2023	44	13,496	13,540
2024	-	12,915	12,915
2025-2029	-	38,587	38,587
2030	-	2,773	2,773
Total Operating Lease Commitments	$ 3,534	$ 110,360	$ 113,894

NOTE 11. OTHER BENEFITS AND CLAIMS

Sick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees were able to accumulate a maximum of 325 sick days granted before July 1, 2012. If an employee either reaches age 65; has a minimum of 20 years of service at the time of resignation or retirement, or dies, the employee is entitled to receive, as additional compensation, all or a portion of their accumulated sick leave days. CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year. Effective July 1, 2012 any sick days granted that remain unused at the end of the fiscal year will not be carried over to the next fiscal year. The Board shall not pay out to any employee the value or any part of the value of any sick days granted on and after July 1, 2012 that are unused at the time the employee separates from the Board employment for any reason.

Vacation Pay Benefits

For eligible employees, the maximum number of accumulated unused vacation days permitted is 20 days for those employees with up to 10 years of service; 25 days for those with 11 to 20 years of service; and 30 days for those with more than 20 years of service. Eligible employees are entitled to receive 100% of accumulated vacation days at their current salary rate. These amounts will be liquidated from the General Operating Fund.

Workers' Compensation, General and Automobile and Tort Liabilities and Other Claims

CPS is substantially self-insured and assumes risk of loss in accordance with the following parameters:

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of $100.0 million and Boiler and Machinery Insurance with limits of $100.0 million. CPS maintains commercial excess liability insurance with limits of $45.0 million in excess of a $10.0 million self-insured retention per loss for claims arising from commercial general, automobile, school board legal, and miscellaneous professional liability; additional liability coverage includes special events, fiduciary, foreign travel package, and catastrophic student accident insurance (under Public Act 98-0166, also known as "Rocky's Law"). During fiscal years 2019, 2018, and 2017 there were no casualty claims made in excess of the self-insured retention.

NOTE 11. OTHER BENEFITS AND CLAIMS (continued)

For fiscal year 2019, the CPS had the following deductibles/retentions:

Property……………………………………….........	$5,000,000
Boiler and HVAC…………………………………......	$50,000
General Liability…………………………………......	$10,000,000
Student Catastrophic Insurance (Rocky's Law)……	$25,000

As discussed in Note 15, there are pending workers' compensation and tort claims involving CPS which have arisen out of the ordinary conduct of business. CPS budgets an amount each year in the Workers' and Unemployment Compensation/Tort Immunity Program for the estimated claims, of which the expenditures are met through an annual tax levy.

CPS' estimate of liabilities for workers' compensation claims, general and automobile claims are actuarially determined based on loss estimates established by the respective claim administrators. Tort liabilities are based on loss estimates established by the respective trial attorneys. CPS accrues for the estimated workers' compensation, general and automobile claims and tort claims in the General Operating Fund when there is likelihood that an unfavorable outcome is probable and those expenditures will be liquidated with expendable available financial resources. Total expenditures reported in the fund financial statements amounted to $28.1 million for claims paid during the fiscal year. No liabilities have been recorded at the fund level for unpaid claims as unpaid claims are not expected to be paid with available financial resources.

The following is a summary of changes to other long-term liabilities $(000's) at the government-wide level:

	Balance July 1, 2018	Increase/ (Decrease)	Payments	Balance June 30, 2019
Accrued sick pay benefits………………………………………	$ 272,524	$ (7,342)	$ (18,918)	$ 246,264
Accrued vacation pay and other compensation benefits………..	48,764	18,988	(6,051)	61,701
Accrued workers' compensation pay benefits……………………	103,672	12,132	(22,902)	92,902
Accrued general and automobile claims…………………………	30,009	2,959	(3,007)	29,961
Tort liabilites and other claims……………………………………	16,388	161	-	16,549
	$ 471,357	$ 26,898	$ (50,878)	$ 447,377
Less: Current portion of accrued sick pay benefits……………………………………………				(25,539)
Less: Current portion of accrued vacation pay and other compensation benefits…………………				(17,943)
Less: Current portion of accrued workers' compensation claims………………………………				(23,358)
Less: Current portion of accrued general and automobile claims………………………………				(17,411)
Total long-term other benefits and claims……………………………………………………				$ 363,126

The following is activity related to workers' compensation claims and general and automobile claims $(000's):

Balance July 1, 2017	Additions	Payments	Balance June 30, 2018	Additions	Payments	Balance June 30, 2019
$135,375	$27,606	$(29,300)	$133,681	$15,091	$(25,909)	$122,863

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A net liability of $55.6 million has been recorded for health insurance costs and is reported as part of accounts payable and accrued payroll and benefits in the General Operating Fund, which includes $25.8 million for estimated medical claims incurred but not reported as of June 30, 2019.

The following is the activity related to medical claims for which CPS is self-insured $(000's):

Balance July 1, 2017	Additions	Payments	Balance June 30, 2018	Additions	Payments	Balance June 30, 2019
$48,738	$387,824	$(375,786)	$60,776	$366,335	$(371,499)	$55,612

NOTE 12. PENSION BENEFITS

Pension legislation (Public Act 96-0889) was approved in April 2010 and established two distinct classes of membership with different retirement eligibility conditions and benefit provisions. For convenience, the Illinois pension funds use a tier concept to distinguish these groups: Tier 1 members are participants that became members before January 1, 2011 and Tier 2 members are participants that became members on or after January 1, 2011. The pension code created a Tier 3 effective August 31, 2017, but due to the uncertainty of whether a resolution or ordinance will be passed, the actuarial valuation only uses Tier 1 and Tier 2.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with CPS' contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

Pension — Certified Teachers and Administrators

Plan Description: Pension benefits for certified teachers and administrators are provided under a defined benefit cost-sharing multiple employer plan administered by the Public School Teachers' Pension and Retirement Fund of Chicago (the "CTPF") in which CPS is the major contributor. Copies of the Pension Fund Annual Report are available on the website of the Public School Teachers' Pension & Retirement Fund of Chicago at http://www.ctpf.org/.

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the CTPF. Participation in the CTPF is mandatory for all certified members of the teaching force, including those employed by charter schools, and employees of the Pension Fund. As of the June 30, 2018, CTPF Annual report, there were 28,958 active participants in the Pension Fund, substantially all of whom were employees of CPS.

Benefits Provided: An employee hired before January 1, 2011 (Tier 1) may retire at age 55 with at least 20 years of service or at age 62 with 5 years of service. If retirement occurs before age 60, the service retirement pension is reduced 1ℵof 1% for each month that the age of the member is below 60. However, there is no reduction if the employee has at least 34 years of service.

NOTE 12. PENSION BENEFITS (continued)

For service earned before July 1, 1998, the amount of the monthly service retirement pension is 1.67% of highest average salary for the first 10 years, 1.90% for each of the next 10 years, 2.10% for each of the following 10 years, and 2.30% for each year above 30. For service earned after June 30, 1998, the amount of the monthly service retirement pension is 2.2% of highest average salary for each year of service. Service earned before July 1, 1998 can be upgraded to the 2.2% formula through the payment of additional employee contributions of 1% of the teacher's highest salary within the last four years for each year of prior service, up to a maximum of 20%, which upgrades all service years. The number of years for which contributions are required is reduced by one for each three full years of service after June 30, 1998. No contribution is required if the employee has at least 30 years of service. The highest average salary is the average of the 4 highest consecutive years of salary within the last 10 years. The maximum pension payable is 75% of the highest annual salary or $1,500 per month, whichever is greater.

Pension legislation (Public Act 96-0889) created a second tier of benefits for teachers who first become participants under the fund on or after January 1, 2011. Under this act, such a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, such a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 0.5% for each month that his or her age is under 67. In addition, the annual final average salary may not exceed $113,645 for 2018. The final average salary limit is calculated annually as the Social Security Wage Base at the time Public Act 96-0889 was created $(106,800) increased by the lesser of 3% or one-half of the annual increase in the Consumer Price Index-U during the preceding calendar year.

Contributions: Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1% for survivor's pension. In fiscal year 2019, total employee contributions were $148.7 million, as in previous fiscal years, CPS paid a portion (7% or $115.6 million) of the required employees' contribution. For employees hired on or after January 1, 2017, there is no employer pickup. A portion of grant funds from the Federal government and General Fund revenues provides the funding for the portion not picked up. The remaining portion is withheld from teachers' salaries.

State law requires statutorily determined employer contributions. Under the Illinois Pension Code, required employer contributions — with the exception of federal funds — are calculated by the Pension Fund's actuary; however, the formula set forth in the Pension Code is not the same as the Annual Required Contribution or the Actuarially Determined Contribution as those terms are defined by GASB. During the fiscal year ended June 30, 2019, total employer contributions to the plan were $569.7 million. Of this amount, $26.5 million were Charter School contributions and $21.4 million were paid from federally-funded programs. On June 30, 2016, PA 99-0521 was signed into law and reinstates the ability of the Board of Education to levy a property tax dedicated to paying teacher pensions. As of June 30, 2019, $186.6 million of levy funds was owed to CTPF for a fiscal year 2018 statutorily required contribution. This amount was recorded in the Statement of Net Position as an account payable and a deferred outflow of resources by CPS. These funds are included in CPS' contribution to increase the funded ratio to 90%. CPS' employer contributions towards the cost of retirement benefits, and their related sources of funding, are as follows (amounts in thousands):

Retirement Benefit Contributions:		
A contribution to increase funded ratio to 90%…………………………….	$	521,786
A portion of grant funds from the Federal government for teachers paid from certain Federally-funded program…………………………..		21,387
Charter school contributions……………………………………………….		26,528
Total CPS Contributions………………………………………………….	$	569,701
Contributions from the State of Illinois……………………………………..		238,869
CPS contributions on-behalf of employees………………………………..		115,619
Total CTPF Contributions………………………………………………..	$	924,189

NOTE 12. PENSION BENEFITS (continued)

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is $13.443 billion or 100%. Further discussions with the State and Pension Fund related to the overall net pension liability will occur to determine a reasonable allocation of future plan costs between the entities that contribute to the plan. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Total pension expense for the 2019 fiscal year was $1.466 billion.

Employer Deferral of Fiscal Year 2019 Pension Contributions: CPS paid $569.7 million in contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date as of June 30, 2018. These contributions will be reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2019.

As June 30, 2019, CPS reported deferred outflows of resources and deferred inflows of resources related to CTPF from the following sources (amounts in thousands):

	Deferred Inflow of Resources	Deferred Outflow of Resources
Difference between expected and actual experience	$ 74,379	$ 71,896
Net difference between projected and actual investment earnings on pension plan investments	12,815	-
Changes in assumptions	-	1,603,522
Contributions after the measurement date	-	569,700
Totals	$ 87,194	$ 2,245,118

The $569.7 million reported as deferred outflows of resources related to pensions resulting from CPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The annual difference between expected and actual experience is amortized into pension expense over the average expected remaining service lives of active and inactive members calculated at the beginning of the year in which the difference occurs. The difference between projected and actual investment earnings on pension plan investments is amortized over a five-year closed period beginning in the year in which the difference occurs. The amounts of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

Years Ended June 30:	Amount
2020	$ 587,320
2021	532,645
2022	353,517
2023	114,742
Totals	$ 1,588,224

NOTE 12. PENSION BENEFITS (continued)

Assumptions and Other Inputs

Actuarial Assumptions: The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions and methods:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense
Projected salary increases	3.00% to 12.85%, varying by age
Inflation	2.50%, general inflation rate 3.00%, wage inflation rate
Cost-of-living adjustments	3% compound for Tier 1 members; the lesser of 3% or one-half of CPI, simple, for Tier 2 members

For healthy participants, mortality rates were based on the RP-2014 White Collar Healthy Annuitant mortality table, sex distinct. For disabled participants, mortality rates were based on the RP-2014 Disabled Annuitant mortality table, sex distinct.

Most of the actuarial assumptions used for the June 30, 2018 funding actuarial valuation were adopted by the Board of Trustees during the September 20, 2018, Board meeting, and were based on the recommendations from an experience review for the five-year period from July 1, 2012 through June 30, 2017. Beginning with the June 30, 2018 actuarial valuation, the investment return and wage inflation assumptions were reduced from 7.25% to 7.00%, and 3.25% to 3.00%, respectively

The long-term expected rate of return on pension plan investments was determined under a building-block method by using the current risk-free rate and historical risk premium for each major asset class to develop the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major asset class. Best estimates of geometrically determined real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	61.0%	5.39%
Fixed Income	23.0%	2.09%
Real Estate	9.0%	4.16%
Private Equity	5.0%	7.02%
Infrastructure	2.0%	4.64%
Total	100%	

NOTE 12. PENSION BENEFITS (continued)

Discount Rate: For fiscal year 2018, a single discount rate of 6.81% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.00%, cash flows (employee contributions, employer contributions, benefits, and administrative expenses) based on the results of the funding actuarial valuation using an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.62%. The projection of cash flows used to determine this single discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contributions rates under the Fund's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contribution were sufficient to finance the benefit payments through the year 2077. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077, and the municipal bond rate was applied to all benefit payments after that date.

For fiscal year 2017, the single discount rate used to measure the total pension liability was 7.07%. The impact of the change in the single discount rate from 7.07% to 6.81% was an increase in the total pension liability of approximately $870.3 million. The change in the discount rate was primarily driven by the decrease in the long-term assumed rate of return from 7.25% to 7.00%.

Sensitivity of Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents CPS' net pension liability, calculated using a single discount rate of 6.81%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage- point higher (amounts in thousands):

1% Decrease (5.81%)	Current Discount (6.81%)	1% Increase (7.81%)
$16,585,702	$13,442,717	$10,849,574

Additional information regarding the CTPF basic financial statements including the Plan Net Position can be found in the CTPF comprehensive annual financial report by accessing the website at www.ctpf.org.

Pension — Other Personnel

Plan Description: All career service employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "MEABF" or the "Annuity Fund"). The Plan is administered under Chapter 40, Act 5, Article 8 of the Illinois Compiled Statutes. Benefit and contribution provisions are established by the Statutes and may be amended only by the Illinois state legislature. The Annuity Fund is considered a cost-sharing multiple employer defined benefit plan. As of December 31, 2018, CPS employed approximately 17,146 of the 31,285 active participants in the Annuity Fund.

Benefits Provided: If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest at 3% per annum, subject to certain exceptions.

NOTE 12. PENSION BENEFITS (continued)

Tier 1 employees age 55 or more with at least 10 years of service are entitled to receive a money purchase annuity with partial City contributions if under age 60 with less than 20 years of service. Employees age 60 or more with at least 10 years of service or age 55 or more with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.4% per each year of service times the final average salary (highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by ¼ of 1% for each month the employee is under age 60 if the employee has less than 25 years of service. The annuity is not discounted if the employee is age 50 with at least 30 years of service. An employee with at least 10, 20, or 30 years of service can withdraw and receive a minimum annuity formula at 60, 55, or 50, respectively. The original annuity is limited to 80% of the highest average annual salary, adjusted for annual Internal Revenue Code (IRC) §401(a)(17) and §415 limitations. Employees withdrawing from service at age 60 or older with at least 10 years of service are entitled to a minimum annuity of $850 per month.

Tier 2 employees age 67 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 62 with 10 years of service. The annuity is discounted ½ percent for each full month the employee is under age 67. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

Tier 3 employees age 65 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 60 with 10 years of service. The annuity is discounted ½ percent for each full month the employee is under age 65. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

The highest salary for annuity purposes may not exceed the base of $106,800 beginning in 2011 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) ½ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. The annual salary rate limitations for fiscal year 2018 and fiscal year 2019 were $112,408 and $113,645, respectively.

Contributions: Except as described below, CPS makes no direct contributions to the Annuity Fund, which receives its income from three primary sources: a City of Chicago tax levy; income from investments; and deductions from participating employees' salaries.

Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute 8.5% of their pensionable salary. Tier 3 employees are required to contribute 11.5% of their pensionable salary. The pensionable salary for Tier 1 members has no limitation while Tier 2 and Tier 3 employees' pensionable salary may not exceed the social security wage base of $106,800 adjusted by inflation. In fiscal year 2019, as in previous fiscal years, CPS agreed to pay a portion (7% for union and 5% for non-union members or $32.4 million) of the required employees' contribution for most employees. CPS also receives a portion of the cost of providing pension benefits from grants by the federal government for career service employees paid from certain federally-funded programs. The amount reflected as career service pension expenditures in the accompanying governmental fund financial statements is $111.8 million, $106.3 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining $5.7 million is funded under federally-funded programs. The portion funded by the City of Chicago and the Federal government is also reflected as revenue in the General Operating Fund.

NOTE 12. PENSION BENEFITS (continued)

Employer Proportionate Share of Net Pension Liability: At December 31, 2018, the MEABF reported a net pension liability (NPL) of $12.894 billion. The amount of the proportionate share of the net pension liability recognized for CPS is $0. The proportionate share of the City's net pension liability associated with CPS is $5.1333 billion or 39.8%. The net pension liability was measured as of December 31, 2018. The basis of allocation used in the proportionate share of net pension liability was CPS' proportionate share of covered payroll to the plan's total covered payroll for the 2018 calendar year, which approximates CPS' 2019 fiscal year.

Employer Proportionate Share of Pension Expense: The employer's proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and expenditure/expense in CPS' financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported employee contributions made to MEABF during fiscal year 2019. As a result, CPS recognized on-behalf revenue and on-behalf pension expense of $106.3 million for fiscal year 2019.

Employer Deferral of Fiscal Year 2018 Pension Contributions: CPS paid $5.2 million in federal, trust or grant contributions for the fiscal year ended June 30, 2019. Some contributions were made subsequent to the pension liability measurement date of December 31, 2018. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2019. Total pension expense for fiscal year 2019 was $111.5 million.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2012 — December 31, 2016. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date……..	December 31, 2018
Actuarial assumptions:	
Investment rate of return...	7.00%, net of investment expense
Projected salary increases	3.50% - 7.75% for year 2023, (1.50% to 6.50% for years 2018-2022), varying by years of service
Inflation…………………….	2.50%
Municipal bond index	4.10% based on the Bond Buyer 20-Bond Index of general obligation
Cost of living adjustments.	Tier 1: 3.0% compound. Tier 2 & 3: the lesser of 3.0% or one-half the change in CPI, simple

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. The mortality rates for pre-retirement were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study for the period January 1, 2012 through December 31, 2016.

NOTE 12. PENSION BENEFITS (continued)

The long-term expected rate of return on pension plan investments was determined using a 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	26%	5.1%
International Equity	22%	5.3%
Fixed Income	25%	0.8%
Real Estate	10%	4.7%
Private Equity	5%	8.3%
Hedge Funds	10%	3.4%
Infrastructure	2%	5.0%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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. 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MEABF's Net Pension Liability to Changes in the Discount Rate: The amount of the proportionate share of the net pension liability recognized for CPS is $0. Therefore, changes in the discount rate would not affect CPS. However, regarding the sensitivity of MEABF's net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts in thousands):

1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
$15,018,712	$12,894,434	$11,132,768

Additional information regarding the MEABF basic financial statements including the Plan Net Position can be found in the MEABF comprehensive annual financial report by accessing the website at www.meabf.org.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits (OPEB)

Plan Description: Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple employer plan administered by the Pension Fund. The actuarial analysis is contained in the Pension Fund Annual Report and is available via the website of the Public School Teachers' Pension & Retirement Fund at http://www.ctpf.org/. Only CPS and the State of Illinois (a nonemployer contributor) make direct contributions to the Pension Fund and a special funding situation is deemed not to exist with the State. Therefore, 100% of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and OPEB expense is allocated to CPS.

Benefits Provided: The Pension Fund administers a health insurance program that includes three external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance.

Funding Policy and Annual Other Postemployment Benefit Cost: The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage was 50% of the individual member's cost for calendar years 2018, 2017 and 2016. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed $65.0 million plus any previous year amounts authorized but not yet expended. The Pension Fund has total discretion over the program, and no direct contributions are made for the subsidy. Although CPS does not contribute directly to retirees' health care premiums, the impact does require increased contributions by CPS to build assets to the 90% requirement. This provision reduces the net position of the Pension Fund. As of June 30, 2018, the Chicago Teachers' Pension Fund Retiree Health Insurance Program had 16,976 retirees and beneficiaries currently receiving health benefits and 11,573 retirees and beneficiaries entitled to but not yet receiving health benefits. The assets in the Health Insurance are not in a qualifying trust nor are those amounts restricted legally or otherwise required to be used solely to pay OPEB benefits Therefore there are no assets accumulated in a trust.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

Total OPEB liability deferred outflows of resources, deferred inflows of resources and expense related to OPEB

The total OPEB liability, as reported at June 30, 2019, was measured as of June 30, 2018, with an actuarial valuation as of June 30, 2018. At June 30, 2019, the CPS recorded a total OPEB liability of $2.272 billion.

Schedule of Changes in Total OPEB Liability: Below is the schedule of changes in the total OPEB liability, as reported at June 30, 2019 (amounts in thousands):

Beginning Balance, OPEB Liability	$ 2,270,891
Service Cost	61,395
Interest on total OPEB Liability	81,859
Differences between expected and actual experience	(164,007)
Changes of Assumptions	88,321
Benefit Payments	(66,334)
Ending Balance, OPEB Liability	$ 2,272,125

CPS recognized OPEB expense for the year ended June 30, 2019, of $109.6 million. At June 30, 2019, CPS reported deferred outflows and deferred inflows of resources, from the following sources (amounts expressed in thousands):

Deferred outflows of resources	Amount
Changes in assumptions	$ 74,588
Total deferred outflows of resources	$ 74,588

Deferred inflows of resources	Amount
Changes in assumptions	$ 41,167
Differences between expected and actual non-investment income	199,862
Total deferred inflows of resources	$ 241,029

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

Years Ended June 30:	Amount
2020	$ (34,223)
2021	(34,223)
2022	(34,223)
2023	(34,222)
2024	(24,477)
Thereafter	(5,073)
Totals	$ (166,441)

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions: The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified.

Valuation date…………………………………	June 30, 2018
Measurement date…………………………	June 30, 2018
Actuarial cost method……………………..	Entry Age Normal
Inflation rate…………………………………	2.50%
Projected salary increases………………..	3.00% - 12.85%, varying by age
Discount rate………………………………	3.62%
Experience Study…………………………	An experience study of the 5 year period 2012 – 2017.
Mortality……………………………………....	Healthy (Non-Disabled) Post-Retirement Mortality: RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, scaled at 108% for males and 94% for women, with rates projected back from 2014 to 2006 using the MP-2014 projection scale and projected from 2006 using scale MP-2017. Disabled Post-Retirement Mortality: RP-2014 Disabled Annuitant mortality table, sex distinct, scaled at 103% for males and 106% for women, with rates projected back from 2014 to 2006 using the MP-2014 projection scale and projected from 2006 using scale MP-2017
Healthcare cost trend rate…………………	The trend rates applicable July 1, 2019 are 8.00% and 9.25% for pre- and post-Medicare, respectively, and decrease by 0.5% each year (0.25% for the first year for post-Medicare) to an ultimate trend rate of 4.50%. Excess trend rate of 0.34% and 0.06% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2023 to account for the Excise Tax. Medicare Part A and Part B premiums are assumed to increase by 4.50% each year.

Discount rate: A single discount rate of 3.56% at June 30, 2017, and 3.62% at June 30, 2018, was used to measure the total OPEB liability. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The rate at June 30, 2017 and 2018 was based on Fidelity Index's 20-year Municipal GO AA Index.

Sensitivity of Total OPEB Liability to Changes in the Single Discount Rate: The following table presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.62%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point higher (4.62%) or lower (2.62%) than the current rate (amounts expressed in thousands):

1% Decrease 2.62%	Current Single Discount Rate Assumption 3.62%	1% Increase 4.62%
$2,699,858	$2,272,125	$1,935,450

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates (amounts in table expressed in thousands).

1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
$1,906,986	$2,272,125	$2,753,386

The summary of current assumed health care cost trend rates applicable July 1, 2019 from Actuarial Methods and Assumptions above and used in the above analysis are as follow:

	Initial	Ultimate
Pre-Medicare	8.00%	4.50%
Post-Medicare	9.25%	4.50%
Medicare Part A	4.50%	4.50%
Medicare Part B	4.50%	4.50%

NOTE 14. FUND BALANCE CLASSIFICATIONS AND NET POSITION RESTRICTIONS

a. *Fund Balance Classifications*

1) At the end of the 2019 fiscal year, the General Operating Fund reported:
   i. $429 thousand of non-spendable fund balance for donations in which the principal may not be spent.
   ii. Restricted fund balance consisted of $16.2 million for grants and donations and $14.1 million for future teachers' pension contributions.
   iii. Assigned fund balance consisted of $94.7 million for commitments and contracts.
2) At the end of the 2019 fiscal year, the Debt Service Fund reported:
   i. Assigned fund balance of $20.1 million for debt service stabilization.

b. *Statement of Net Position*

The Statement of Net Position reports $852.8 million of restricted fund balance, of which $715.8 million is restricted for debt service, $106.7 million is restricted for capital projects, $16.2 million is restricted for programs funded by grants and donations and $14.1 million for future teachers' pension contributions.

NOTE 15. LITIGATION AND CONTINGENCIES

a. *State and Federal Aid Receipts*

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management, any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2019 resulting from a review by a responsible government agency, will not have a material effect on CPS' financial statements at June 30, 2019.

b. *Pollution Remediation Obligation*

In fiscal year 2019, CPS recorded a pollution remediation obligation of $20.3 million as current year expense in the Statement of Activities.

NOTE 15. LITIGATION AND CONTINGENCIES (continued)

Several CPS facilities contain hazardous contaminates such as lead and asbestos, which is continually monitored by the school district. CPS' pollution remediation obligation is primarily related to the removal of lead and asbestos during the remodeling and/or expansion of CPS facilities. The pollution remediation obligation is derived from construction contracts and the amount assumes no unexpected change orders.

c. Vacant Property

In fiscal year 2013, CPS closed 47 schools of which some of the schools were identified to be demolished. In accordance with GASB 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,"* CPS recorded a liability for the estimated demolition cost of $18.7 million at June 30, 2013. In fiscal years 2016 and 2018, a total of six (6) of the buildings identified to be demolished were sold, decreasing the estimated liability to $9.9 million. In fiscal year 2019, no additional buildings were sold and the estimated liability as of June 30, 2019 remained at $9.9 million.

d. Other Litigation and Claims

There are approximately six lawsuits and one union grievance that represent issues in which the financial loss to CPS has been determined to be a potential liability by CPS' law department in fiscal year 2019.

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts and other matters, arising out of CPS' ordinary conduct of its business. Certain actions involve alleged damages in substantial amounts. The amounts of liability, if any, on these claims as of June 30, 2019, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However in FY16, CPS recorded a general accrual not specific to any pending legal action for these amounts and it remains in FY19. In the opinion of CPS management and legal counsel, the final resolution of these claims and legal actions will not be material to CPS' financial statements as of June 30, 2019. The liability for other litigation and claims, not including workers' compensation and general liability, increased by $0.1 million from $16.4 million in fiscal year 2018 to $16.5 million in fiscal year 2019.

NOTE 16. TAX ABATEMENT

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Various tax incentive programs exist between Cook County and local businesses and developers that effect tax revenues received by CPS. These programs are Class 6b, Class 7a, Class 7b, Class 8 and Class 9 and are subject to approval by Cook County's Assessor Office based on applicable criteria. Businesses and developers are granted these incentives based on property classification.

The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2018, there were 429 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 7a and Class 7b programs are to encourage commercial development throughout Cook County in need of commercial development, which would not be economically feasible without the incentive. Properties receiving a Class 7a or 7b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2018, there were 145 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 8 programs are to encourage commercial and industrial development throughout Cook County, in areas of severe economic stagnation. Properties receiving a Class 8 incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2018, there were 10 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 9 programs are to reduce the assessment rate on rental projects for low-income multifamily rental buildings that involve substantial rehab or new construction, and where at least 35% of the units have 'affordable rents.' Properties receiving a Class 9 incentive are assessed at 10% of market value for an initial 10 year period, renewable upon application for additional 10 year periods. In calendar year 2018, there were 603 parcels receiving this incentive in the City of Chicago.

The goal of these programs are to attract new industry, commercial and real estate entities, stimulate expansion and retention of existing businesses, and increase employment opportunities.

In the absence of these incentives, the property tax would be assessed at 25% of its market value. These incentives constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2019 fiscal year, the total estimated impact of these incentives to the District is a reduction in property taxes for those properties in the amount of $32.8 million.

NOTE 17. SUBSEQUENT EVENTS

Ratings Agency Actions

There were three rating changes related to the long term debt of the Board occurring after June 30, 2019. Fitch Ratings' General Obligation (GO) rating of the Board was upgraded from BB- to BB and the outlook was revised to stable on August 26. In addition, the Standard & Poor's GO rating of the Board was upgraded from B+ to BB- with a positive outlook on August 27. Finally, on November 25 Moody's Investors Service upgraded the Board's GO credit from B2 to B3 and its outlook from stable to positive.

Repayment of 2018 Tax Anticipation Notes

To finance cash flow deficits in Fiscal Year 2019, the Board issued $1.3 billion in aggregate principal amount of 2018 Tax Anticipation Notes in multiple series (the "2018 TANs") in anticipation of collection of its 2018 tax levy in 2019 in the amount of approximately $2.461 billion.

At the end of Fiscal Year 2019, the Board had outstanding $450 million of 2018 TANs. In July 2019, the Board issued an additional $244 million of 2018 TANS, and in August 2019, the Board repaid and ended all its Series 2018 TANs whereby no 2018 TANs remained outstanding.

Issuance of 2019 Tax Anticipation Notes

After the end of Fiscal Year 2019, for Fiscal Year 2020 the Board approved a levy of *ad valorem* property taxes of approximately $2.528 billion for educational purposes (the "2019 Tax Levy") to be collected in calendar year 2020 and authorized the issuance of an aggregate principal amount outstanding from time to time of not to exceed $1.250 billion of 2019 Tax Anticipation Notes (the "2019 TANs") in anticipation of the collection of the 2019 Tax Levy. As of December 1, 2019, the Board has currently issued and has outstanding 2019 TANs in the total aggregate amount of $250 million. The Board expects to issue additional TANs throughout Fiscal Year 2020 to fund its cash flow needs in an amount up to the authorized amount of $1.25 billion.

The Series 2019 TANs series designations are as follows: (1) $250 million Series 2019A tax anticipation notes closed on October 29, 2019: The Series 2019A TANs totaling $250 million were sold by a public sale to investors. The 2019 Tax Levy will be intercepted by a trustee, and it will be used to repay all issuances of 2019 TANS.

The interest rate on the Series 2019A TANs is a fixed rate of 1.69%.

Principal of and interest on the 2019 TANs is payable on the respective sub-series maturity date of each series of the 2019 TANs from the revenues from the 2019 Tax Levy. Property taxes are payable in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill calculated at 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill. The maturity date of the 2019A TANs is March 30, 2020.

Issuance of Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue) Series 2019AB

On September 5, 2019, the Board issued fixed-rate $349.079 million Unlimited Tax General Obligation Refunding Bonds (Dedicated Alternate Revenue), Series 2019AB (the "Series 2019AB" Bonds") with an original issue premium of $50.4 million.

NOTE 17. SUBSEQUENT EVENTS (continued)

The proceeds of the Series 2019AB Bonds were used to provide funds to refund certain outstanding bonds of the Board, fund capitalized interest and pay the costs of issuance on the Series 2019AB Bonds.

The Series 2019AB Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Series 2019AB Bonds.

The debt service on the Series 2019AB Bonds will be paid from Evidence-Based Funding, Intergovernmental Agreement Revenues, and Personal Property Replacement Tax Revenues.

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Chicago Board of Education

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Required Supplementary Information

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES BY OBJECT
OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL - GENERAL OPERATING FUND
For the Fiscal Year Ended June 30, 2019
(Thousands of Dollars)

	Original Budget	Supplemental Appropriations & Tranfers In/(Out)	Final Budget	Fiscal Year Actual	Over (Under) Budget
Revenues:					
Property taxes	$ 2,899,427	$ -	$ 2,899,427	$ 2,896,823	$ (2,604)
Replacement taxes	126,159	-	126,159	152,319	26,160
State aid	1,849,188	-	1,849,188	1,886,770	37,582
Federal aid	805,353	-	805,353	679,990	(125,363)
Interest and investment earnings	5,000	-	5,000	6,798	1,798
Other	236,485	-	236,485	383,654	147,169
Total revenues	$ 5,921,612	$ -	$ 5,921,612	$ 6,006,354	$ 84,742
Expenditures:					
Salaries -					
Teachers' salaries	$ 1,932,165	$ (26,951)	$ 1,905,214	$ 1,928,020	$ 22,806
Career service salaries	576,203	51,180	627,383	620,004	(7,379)
Commodities -					
Energy	74,747	935	75,682	75,408	(274)
Food	98,628	686	99,314	100,030	716
Textbook	39,651	46,791	86,442	98,607	12,165
Supplies	24,699	45,344	70,043	56,202	(13,841)
Other	364	33	397	301	(96)
Services -					
Professional and special services	386,937	142,074	529,011	480,301	(48,710)
Charter Schools	749,408	13,721	763,129	736,530	(26,599)
Transportation	106,177	5,567	111,744	107,373	(4,371)
Tuition	63,034	(4,083)	58,951	55,333	(3,618)
Telephone and telecommunications	31,721	(718)	31,003	28,784	(2,219)
Other	22,057	15,705	37,762	27,146	(10,616)
Equipment - educational	18,333	38,915	57,248	49,973	(7,275)
Building and Sites -					
Repair and replacements	23,781	(3,389)	20,392	8,995	(11,397)
Capital outlay	-	279	279	80	(199)
Teachers' pension	934,624	(18,317)	916,307	924,209	7,902
Career service pension	91,791	(2,883)	88,908	143,486	54,578
Hospitalization and dental insurance	356,175	(3,182)	352,993	304,917	(48,076)
Medicare	37,304	882	38,186	36,294	(1,892)
Unemployment compensation	9,000	(1,938)	7,062	4,146	(2,916)
Workers compensation	22,000	1,936	23,936	23,973	37
Rent	17,783	1,307	19,090	16,691	(2,399)
Debt service	21,000	-	21,000	9,275	(11,725)
Other	346,615	(303,894)	42,721	22,782	(19,939)
Total expenditures	$ 5,984,197	$ -	$ 5,984,197	$ 5,858,860	$ (125,337)
Revenues in excess of (less than) expenditures	$ (62,585)	$ -	$ (62,585)	$ 147,494	$ 210,079
Other financing sources (uses):					
Premiums	$ -	$ -	$ -	$ 33	$ 33
Transfers in / (out)	62,585	-	62,585	475	(62,110)
Total other financing sources (uses)	$ 62,585	$ -	$ 62,585	$ 508	$ (62,077)
Net change in fund balances	$ -	$ -	$ -	$ 148,002	$ 148,002
Fund balances, beginning of period	323,764	-	323,764	323,764	-
Fund balances, end of period	$ 323,764	$ -	$ 323,764	$ 471,766	$ 148,002

See Independent Auditor's Report.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Four Fiscal Years Ended June 30, 2019
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago:

	2015 (1)	2016	2017	2018 (2)	2019
CPS' Proportion of the Net Pension Liability	100.00%	100.00%	100.00%	100.00%	100.00%
CPS' Proportionate Share of the Net Pension Liability	$ 9,501,206	$ 10,023,263	$ 11,011,400	$ 12,382,417	$ 13,442,717
State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS	-	-	-	-	-
Total	$ 9,501,206	$ 10,023,263	$ 11,011,400	$ 12,382,417	$ 13,442,717
CPS' Covered Payroll	$ 2,233,281	$ 2,273,551	$ 2,281,269	$ 2,030,175	$ 2,111,982
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	425.44%	440.86%	482.69%	609.92%	636.50%
CTPF Plan Net Position as a Percentage of Total Pension Liability	53.23%	51.61%	47.78%	49.46%	45.23%

Municipal Employees' Annuity and Benefit Fund of Chicago:

	2015	2016	2017	2018	2019
CPS' portion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
CPS' Proportionate Share of the Net Pension Liability	$ -	$ -	$ -	$ -	$ -
Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with CPS	2,779,767	7,829,700	7,529,116	4,848,718	5,132,885
Total	$ 2,779,767	$ 7,829,700	$ 7,529,116	$ 4,848,718	$ 5,132,885
Covered Payroll	$ 625,161	$ 691,178	$ 657,649	$ 697,242	$ 690,490
CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
MEABF Plan Net Position as a Percentage of Total Pension Liability	42.09%	20.30%	19.05%	27.97%	23.29%

NOTES:

1) CPS implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

2) In Fiscal Year 2018, the assumptions for investment return was reduced from 7.75% to 7.25%.

3) The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See Independent Auditors' Report

Chicago PUBLIC SCHOOLS
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SCHEDULE OF CPS' CONTRIBUTION TO DEFINED BENEFIT PENSION PLANS
For the Four Fiscal Years Ended June 30, 2019
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

Year Ended	CPS' Contractually Required Contributions	Contributions made on behalf of CPS by the State of Illinois	CPS Contributions related to the Contractually required contributions	Total Contributions	Contribution Deficiency (Excess)	CPS' Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2019	$ 808,570	$ 238,869	$ 569,701	$ 808,570	$ -	2,196,918	36.39%
June 30, 2018	784,402	232,992	551,410	784,402	-	2,111,982	37.14%
June 30, 2017	745,386	1,016	733,200	734,216	11,170	2,030,175	36.17%
June 30, 2016	687,965	12,105	675,860	687,965	-	2,281,269	30.16%
June 30, 2015	696,522	62,145	634,377	696,522	-	2,273,551	30.64%

Municipal Employees' Annuity and Benefit Fund of Chicago

Year Ended	Contractually Required Contributions	Contributions made on behalf of CPS by the City of Chicago	Total Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2019	$ 417,940	$ 106,278	$ 106,278	$ 311,662	$ 690,490	15.39%
June 30, 2018	415,674	76,700	76,700	338,974	697,242	11.00%
June 30, 2017	387,381	61,382	61,382	325,999	657,649	9.33%
June 30, 2016	288,660	61,885	61,885	226,775	691,178	8.95%
June 30, 2015	327,225	58,200	58,200	269,025	625,161	9.31%

NOTE:
CPS implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available.
The Schedule is intended to show information for 10 years.

See independent Auditors' report

CHICAGO PUBLIC SCHOOLS
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SCHEDULE OF THE CPS' PROPORTIONATE SHARE OF TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS CONTRIBUTIONS
For the Two Fiscal Years Ended June 30, 2019
(Thousands of dollars)

Public School Teachers' Pension and Retirement Fund of Chicago

	2019	2018
District's Proportion of the Total OPEB Liability	100.00%	100.00%
District's Proportionate Share of the Collective Total OPEB Liability	$ 2,272,125	$ 2,270,891
Total	$ 2,272,125	$ 2,270,891
Covered payroll	$ 2,111,982	$ 2,030,176
District's proportionate share of the Total OPEB liability as a percentage of covered payroll	107.58%	111.86%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Public School Teachers' Pension and Retirement Fund of Chicago

	2019	2018
Contractually required contribution	$ 59,089	$ 66,868
Contributions in relation to the contractually required contribution	59,089	66,868
Contribution Deficiency (Excess)	$ -	$ -
Covered payroll	$ 2,196,918	$ 2,111,982
Contributions as a Percentage of covered payroll	2.69%	3.17%

NOTES:
CPS implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See Independent Auditors' Report.

CHICAGO PUBLIC SCHOOLS
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

General Operating Fund

The General Operating Fund is the primary operating fund of the Board. It was created in response to the provisions of P.A. 89-15 which consolidated all of the rate-limited tax levies into the Board's general education tax levy. All information in this fund is presented in accordance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. The General Operating Fund includes all the revenues and expenditures of the following programs: Educational Program; Supplementary General State Aid Program; Chicago Teacher's Pension Program; School Food Service Program; Elementary and Secondary Education Act Program; Individuals with Disabilities Education Act Program; Workers' and Unemployment Compensation/Tort Immunity Program; Public Building Commission Operations and Maintenance Program, and Other Government-funded Programs.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Budget	Fiscal Year 2019 Actual	Over (Under) Budget	Fiscal Year 2018 Actual	2019 Over (Under) 2018
Revenues:					
Property taxes	$ 2,899,427	$ 2,896,823	$ (2,604)	$ 2,794,613	$ 102,210
Replacement taxes	126,159	152,319	26,160	109,997	42,322
State aid	1,849,188	1,886,770	37,582	1,859,582	27,188
Federal aid	805,353	679,990	(125,363)	723,432	(43,442)
Interest and investment earnings	5,000	6,798	1,798	6,099	699
Other	236,485	383,654	147,169	332,323	51,331
Total revenues	$ 5,921,612	$ 6,006,354	$ 84,742	$ 5,826,046	$ 180,308
Expenditures:					
Teachers' salaries	$ 1,905,214	$ 1,928,020	$ 22,806	$ 1,841,296	$ 86,724
Career service salaries	627,383	620,004	(7,379)	595,469	24,535
Energy	75,682	75,408	(274)	60,813	14,595
Food	99,314	100,030	716	94,511	5,519
Textbook	86,442	98,607	12,165	50,295	48,312
Supplies	70,043	56,202	(13,841)	46,683	9,519
Other commodities	397	301	(96)	301	-
Professional fees	529,011	480,301	(48,710)	410,175	70,126
Charter Schools	763,129	736,530	(26,599)	703,124	33,406
Transportation	111,744	107,373	(4,371)	106,021	1,352
Tuition	58,951	55,333	(3,618)	50,180	5,153
Telephone and telecommunications	31,003	28,784	(2,219)	30,188	(1,404)
Other services	37,762	27,146	(10,616)	20,351	6,795
Equipment - educational	57,248	49,973	(7,275)	35,214	14,759
Repair and replacements	20,392	8,995	(11,397)	13,214	(4,219)
Capital outlay	279	80	(199)	1,292	(1,212)
Teachers' pension	916,307	924,209	7,902	900,791	23,418
Career service pension	88,908	143,486	54,578	113,882	29,604
Hospitalization and dental insurance	352,933	304,917	(48,016)	319,344	(14,427)
Medicare	38,186	36,294	(1,892)	34,602	1,692
Unemployment compensation	7,062	4,146	(2,916)	6,604	(2,458)
Workers compensation	23,936	23,973	37	23,547	426
Rent	19,090	16,691	(2,399)	16,841	(150)
Debt service	21,000	9,275	(11,725)	32,101	(22,826)
Other fixed charges	42,721	22,782	(19,939)	7,041	15,741
Total expenditures	$ 5,984,137	$ 5,858,860	$ (125,277)	$ 5,513,880	$ 344,980
Revenues in excess of (less than) expenditures	$ (62,525)	$ 147,494	$ 210,019	$ 312,166	$ (164,672)
Other financing sources (uses):					
Premiums	$ -	$ 33	$ 33	$ -	$ 33
Transfers in (out)	62,585	475	(62,110)	286,828	(286,353)
Total other financing sources (uses)	$ 62,585	$ 508	$ (62,077)	$ 286,828	$ (286,320)
Net change in fund balances	$ 60	$ 148,002	$ 147,942	$ 598,994	$ (450,992)
Fund balances, beginning of period	323,764	323,764	-	(275,230)	598,994
Fund balances, end of period	$ 323,824	$ 471,766	$ 147,942	$ 323,764	$ 148,002

CHICAGO PUBLIC SCHOOLS
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Capital Projects Fund

The Capital Projects Fund is for the receipts and expenditures of revenues for Board capital projects. This fund includes the Capital Asset Program and the Capital Improvement Program.

Capital Asset Program:

This program is for the receipts and expenditures of proceeds from the sale of certain Board real estate, and other miscellaneous capital project revenues from various sources as designated by the Board.

Capital Improvement Program:

This program is for the receipts and expenditures of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission Building Revenue Bonds, State of Illinois construction grant receipts and federal E-rate capital subsidies for the purpose of building and improving schools at the designation of the Board.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,

OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2019

(Thousands of dollars)

	Capital Asset Program	Capital Improvement Program	Total
Revenues:			
Property taxes	$ -	$ 10,133	$ 10,133
State aid	-	13,515	13,515
Federal aid	-	478	478
Interest and investment earnings	-	16,891	16,891
Other	26	36,044	36,070
Total revenues	$ 26	$ 77,061	$ 77,087
Expenditures:			
Capital outlay	$ -	$ 613,058	$ 613,058
Total expenditures	$ -	$ 613,058	$ 613,058
Revenues less than expenditures	$ 26	$ (535,997)	$ (535,971)
Other financing sources:			
Gross amounts from debt issuances	$ -	$ 361,576	$ 361,576
Premiums	-	4,470	4,470
Discounts	-	(9,483)	(9,483)
Sales of general capital assets	1,251	-	1,251
Transfers in / (out)	-	(207)	(207)
Total other financing sources (uses)	$ 1,251	$ 356,356	$ 357,607
Net change in fund balances	$ 1,277	$ (179,641)	$ (178,364)
Fund balances, beginning of period	56,146	838,965	895,111
Fund balances, end of period	$ 57,423	$ 659,324	$ 716,747

CHICAGO PUBLIC SCHOOLS
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CAPITAL ASSET PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Other	$ -	$ 26	$ 26	$ -	$ 26
Total revenues	$ -	$ 26	$ 26	$ -	$ 26
Expenditures:					
Services	$ 1	$ -	$ 1	$ 283	$ (283)
Educational equipment	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	$ 1	$ -	$ 1	$ 283	$ (283)
Revenues less than expenditures	$ (1)	$ 26	$ 27	$ (283)	$ 26
Other financing sources:					
Sales of general capital assets	$ -	$ 1,251	$ 1,251	$ 9,442	$ (8,191)
Total other financing sources (uses)	$ -	$ 1,251	$ 1,251	$ 9,442	$ (8,191)
Net change in fund balance	$ (1)	$ 1,277	$ 1,278	$ 9,159	$ (7,882)
Fund balance, beginning of period	56,146	56,146	-	46,987	9,159
Fund balance, end of period	$ 56,145	$ 57,423	$ 1,278	$ 56,146	$ 1,277

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CAPITAL IMPROVEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Property taxes	$ 3,694	$ 10,133	$ 6,439	$ 8,106	$ 2,027
State aid	15,272	13,515	(1,757)	14,019	(504)
Federal aid	6,600	478	(6,122)	19,498	(19,020)
Interest and investment earnings	-	16,891	16,891	7,305	9,586
Other	32,658	36,044	3,386	28,457	7,587
Total revenues	$ 58,224	$ 77,061	$ 18,837	$ 77,385	$ (324)
Expenditures:					
Salaries	$ 1,612	$ 1,076	$ 536	$ 739	$ 337
Services	17,398	12,071	5,327	8,406	3,665
Educational equipment	73	44	29	61	(17)
Capital outlay	1,672,376	564,537	1,107,839	321,248	243,289
Pension	158	256	(98)	130	126
Hospitalization and dental insurance	94	82	12	52	30
Medicare	16	15	1	10	5
Unemployment compensation	4	2	2	2	-
Workers compensation	11	11	-	8	3
Other	(24,029)	34,964	(58,993)	8,250	26,714
Total expenditures	$ 1,667,713	$ 613,058	$ 1,054,655	$ 338,906	$ 274,152
Revenues less than expenditures	$ (1,609,489)	$ (535,997)	$ 1,073,492	$ (261,521)	$ (274,476)
Other financing sources (uses):					
Gross amounts from debt issuances	$ 388,000	$ 361,576	$ (26,424)	$ 348,211	$ 13,365
Premiums	-	4,470	4,470	9,848	(5,378)
Discounts	-	(9,483)	(9,483)	(2,675)	(6,808)
Transfers out	-	(207)	(207)	(497)	290
Total other financing sources (uses)	$ 388,000	$ 356,356	$ (31,644)	$ 354,887	$ 1,469
Net change in fund balance	$ (1,221,489)	$ (179,641)	$ 1,041,848	$ 93,366	$ (273,007)
Fund balance, beginning of period	838,965	838,965	-	745,599	93,366
Fund balance, end of period	$ (382,524)	$ 659,324	$ 1,041,848	$ 838,965	$ (179,641)

CHICAGO PUBLIC SCHOOLS
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Service Fund

The Debt Service Fund is established to account for annual property tax levies and other revenues that are used for the payment of principal and interest and redemption for general obligation bonds by the Board and for lease payments to the Public Building Commission. The fund includes the Bond Redemption and Interest Program and the Public Building Commission Leases Program.

Bond Redemption and Interest Program:

This program is for the receipt and expenditure of replacement taxes, City of Chicago Intergovernmental Agreement Revenue, State of Illinois construction grant receipts and other revenues as designated by the Board for the payment of interest and principal on specific bond issues.

Public Building Commission Leases Program:

This program is for the receipt and expenditure of tax levies and for State of Illinois construction grant receipts for the rental of school buildings from the Public Building Commission.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2019
(Thousands of dollars)

	Bond Redemption and Interest Program	Public Building Commission Leases Program	Total
Revenues:			
Property taxes	$ 46,776	$ 30,294	$ 77,070
Replacement taxes	34,913	-	34,913
State aid	282,657	-	282,657
Federal aid	24,887	-	24,887
Interest and investment earnings	22,999	562	23,561
Other	116,625	-	116,625
Total revenues	$ 528,857	$ 30,856	$ 559,713
Expenditures:			
Current:			
Debt service	$ 577,456	$ 52,099	$ 629,555
Total expenditures	$ 577,456	$ 52,099	$ 629,555
Revenues less than expenditures	$ (48,599)	$ (21,243)	$ (69,842)
Other financing sources (uses):			
Gross amounts from debt issuances	$ 487,819	$ -	$ 487,819
Premiums	28,896	-	28,896
Discounts	(1,045)	-	(1,045)
Payment to refunded bond escrow agent	(457,035)	-	(457,035)
Transfers in (out)	348	(616)	(268)
Total other financing sources (uses)	58,983	(616)	58,367
Net change in fund balances	$ 10,384	$ (21,859)	$ (11,475)
Fund balances, beginning of period	726,916	58,601	785,517
Fund balances, end of period	$ 737,300	$ 36,742	$ 774,042

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

BOND REDEMPTION AND INTEREST PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of Dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Property taxes	$ 50,521	$ 46,776	$ (3,745)	$ 43,538	$ 3,238
Replacement taxes	34,913	34,913	-	58,257	(23,344)
State aid	327,951	282,657	(45,294)	323,355	(40,698)
Federal aid	24,745	24,887	142	24,998	(111)
Interest and investment earnings	-	22,999	22,999	5,279	17,720
Other	112,500	116,625	4,125	100,912	15,713
Total revenues	$ 550,630	$ 528,857	$ (21,773)	$ 556,339	$ (27,482)
Expenditures:					
Debt Service	$ 576,250	$ 577,456	$ (1,206)	$ 568,362	$ 9,094
Total expenditures	$ 576,250	$ 577,456	$ (1,206)	$ 568,362	$ 9,094
Revenues less than expenditures	$ (25,620)	$ (48,599)	$ 22,979	$ (12,023)	$ (36,576)
Other financing sources (uses):					
Gross amounts from debt issuances	$ -	$ 487,819	$ 487,819	$ 1,803,939	$ (1,316,120)
Premiums	-	28,896	28,896	55,505	(26,609)
Discounts	-	(1,045)	(1,045)	(30,757)	29,712
Payment to refunded bond escrow agent	-	(457,035)	457,035	(1,321,865)	864,830
Transfers in (out)	-	348	348	(286,057)	286,405
Total other financing sources (uses)	$ -	$ 58,983	$ 58,983	$ 220,765	$ (161,782)
Net change in fund balance	$ (25,620)	$ 10,384	$ 36,004	$ 208,742	$ (198,358)
Fund balance, beginning of period	726,916	726,916	-	518,174	208,742
Fund balance, end of period	$ 701,296	$ 737,300	$ 36,004	$ 726,916	$ 10,384

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PUBLIC BUILDING COMMISSION LEASES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,
OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE
FINAL APPROPRIATIONS VS. ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of dollars)

	Final Appropriations	Fiscal Year 2019	Variance	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:					
Property taxes	$ 30,636	$ 30,294	$ (342,000)	$ 51,613	$ (20,689)
Interest and investment earnings	-	562	562	339	223
Total revenues	$ 30,636	$ 30,856	$ 220	$ 51,952	$ (20,466)
Expenditures:					
Debt Service	$ 30,636	$ 52,099	$ (21,463)	$ 52,069	$ 30
Total expenditures	$ 30,636	$ 52,099	$ (21,463)	$ 52,069	$ 30
Revenues less than expenditures	$ -	$ (21,243)	$ (21,243)	$ (117)	$ (21,126)
Other financing sources (uses):					
Transfers in / (out)	$ -	$ (616)	$ (616)	$ (274)	$ (342)
Total other financing sources (uses)	$ -	$ (616)	$ (616)	$ (274)	$ (342)
Net change in fund balance	$ -	$ (21,859)	$ (21,859)	$ (391)	$ (21,468)
Fund balance, beginning of period	58,601	58,601	-	58,992	(391)
Fund balance, end of period	$ 58,601	$ 36,742	$ (21,859)	$ 58,601	$ (21,859)

STATISTICAL SECTION

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

This part of CPS' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about CPS' overall financial position.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how CPS' financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess CPS' major revenue sources.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

Unless otherwise noted, the information contained herein is derived from the comprehensive annual financial reports for the relevant year.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Thousands of dollars)

	2010 (1)	2011 (2)	2012 (3) (as restated)	2013
Net investment in capital assets	$ 440,099	$ 370,159	$ 310,028	$ 80,009
Restricted for:				
Capital projects	-	-	-	-
Debt service	442,851	276,097	282,253	345,399
Donations	5,825	-	-	-
Enabling legislation	109,163	-	-	-
Grants and donations	-	70,045	70,302	63,862
Workers' comp/tort immunity	-	91,036	92,680	64,985
Teacher's Pension Contributions	-	-	-	-
Unrestricted	(1,916,207)	(2,009,152)	(2,552,441)	(3,358,734)
Total net position (deficit)	$ (918,269)	$ (1,201,815)	$ (1,797,178)	$ (2,804,479)

1) Certain items in the FY2010 financial statements were reclassified to conform with the FY2011 presentation. These reclassifications had no impact in the total net position as previously reported.

2) Certain items in the FY2011 financial statements were reclassified to conform with the FY2012 presentation. These reclassifications had no impact in the total net position as previously reported.

3) Certain items in the FY2012 financial statements were restated to reflect the effects of GASB 63 and GASB 65 adopted in FY2013.

4) Certain items in the FY2016 financial statements were restated to reflect the effects of GASB 82 adopted in FY2017.

5) Certain items in the FY2017 financial statements were restated to reflect the effects of GASB 75 adopted in FY2018.

2014	2015	2016 (4) (as restated)	2017 (5) (as restated)	2018	2019
$ (37,194)	$ (159,007)	$ (342,529)	$ (644,224)	$ (743,406)	$ (1,425,566)
-	-	-	125,516	167,172	715,845
368,794	445,663	510,743	630,308	744,517	106,701
-	-	-	-	-	-
-	-	-	-	-	-
61,451	64,584	65,282	52,287	52,333	16,183
19,838	41,373	35,116	27,344	-	-
-	-	-	-	9,287	14,125
(4,372,335)	(11,604,516)	(12,362,437)	(13,497,487)	(14,286,782)	(14,223,061)
$ (3,959,446)	$ (11,211,903)	$ (12,093,825)	$(13,306,256)	$(14,056,879)	$(14,795,773)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Thousands of dollars)

	2010	2011	2012	2013
Governmental Activities:				
Expenses:				
Instruction	$ 3,507,221	$ 3,712,681	$ 3,742,788	$ 4,040,352
Pupil support services	438,164	545,428	483,167	494,076
Administrative support services	201,908	187,559	192,605	211,294
Facilities support services	481,245	499,093	455,342	490,381
Instructional support services	523,851	541,714	473,202	491,137
Food services	207,127	215,609	219,382	234,659
Community services	50,879	47,021	38,941	39,946
Interest expense	258,360	285,577	310,452	337,053
Other	12,919	8,845	8,115	7,043
Total governmental activities	$ 5,681,674	$ 6,043,527	$ 5,923,994	$ 6,345,941
Program revenues:				
Charges for services				
Instruction	$ 4,308	$ 692	$ 727	$ 700
Food services	6,881	6,404	6,083	5,554
Operating grants and contributions	1,376,744	1,368,118	1,196,073	963,325
Capital grants and contributions	99,054	184,837	112,914	186,394
Total program revenues	$ 1,486,987	$ 1,560,051	$ 1,315,797	$ 1,155,973
Revenues (less than) expenses	$ (4,194,687)	$ (4,483,476)	$ (4,608,197)	$ (5,189,968)
General revenues and other changes in net position:				
Taxes:				
Property taxes	$ 1,896,265	$ 2,053,119	$ 2,089,016	$ 2,156,943
Replacement taxes	152,497	197,762	181,927	185,884
Non-program state aid	1,532,679	1,792,747	1,611,726	1,688,611
Interest and investment earnings	12,734	17,101	20,683	7,879
Gain on sale of capital assets	-	-	-	-
Other	173,130	139,201	147,550	143,350
Total general revenues and extraordinary item	$ 3,767,305	$ 4,199,930	$ 4,050,902	$ 4,182,667
Change in net position	$ (427,382)	$ (283,546)	$ (557,295)	$ (1,007,301)

	2014	2015	2016	2017	2018	2019
	$ 4,139,906	$ 4,217,996	$ 3,870,330	$ 4,024,653	$ 4,449,069	$ 4,770,114
	487,139	484,745	470,316	472,176	481,371	513,667
	241,913	249,662	318,736	301,053	171,493	215,700
	654,971	477,892	454,652	465,170	455,563	536,053
	474,926	492,232	468,999	460,568	496,199	585,280
	205,989	207,834	211,288	213,920	219,809	231,401
	37,507	37,997	36,967	39,625	39,863	42,641
	335,237	332,023	365,136	448,126	544,857	504,458
	6,134	6,319	7,388	12,691	10,015	15,322
	$ 6,583,722	$ 6,506,700	$ 6,203,812	$ 6,437,982	$ 6,868,239	$ 7,414,636
	$ 657	$ 571	$ 612	$ 647	$ 698	$ 734
	3,485	1,303	1,336	1,522	3,356	2,698
	1,086,885	1,051,655	1,147,750	1,156,382	1,322,703	1,553,775
	162,403	356,189	109,766	57,658	60,896	49,773
	$ 1,253,430	$ 1,409,718	$ 1,259,464	$ 1,216,209	$ 1,387,653	$ 1,606,980
	$ (5,330,292)	$ (5,096,982)	$ (4,944,348)	$ (5,221,773)	$ (5,480,586)	$ (5,807,656)
	$ 2,218,033	$ 2,302,881	$ 2,399,287	$ 2,696,046	$ 2,889,401	$ 3,041,009
	188,040	202,148	161,535	227,921	168,254	187,232
	1,572,564	1,492,019	1,442,822	1,212,143	1,451,897	1,605,783
	15,563	(47,720)	(18,706)	5,442	19,022	47,250
	-	-	10,058	7,008	8,674	-
	181,125	125,638	190,480	156,369	192,715	187,488
	$ 4,175,325	$ 4,074,966	$ 4,185,476	$ 4,304,929	$ 4,729,963	$ 5,068,762
	$ (1,154,967)	$ (1,022,016)	$ (758,872)	$ (916,844)	$ (750,623)	$ (738,894)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

COMPONENTS OF FUND BALANCE
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2010	2011 (1)	2012	2013
General operating fund				
Reserved	$ 226,154	$ -	$ -	$ -
Unreserved	198,461	-	-	-
Nonspendable	-	1,972	3,329	1,720
Restricted for grants and donations	-	69,616	69,873	63,434
Restricted for workers' comp/tort immunity	-	91,036	92,680	64,985
Restricted for teacher's pension contributions	-	-	-	-
Assigned for educational services	-	289,000	-	-
Assigned for appropriated fund balance	-	181,300	348,900	562,682
Assigned for commitments and contracts	-	102,163	110,397	105,664
Unassigned	-	5,293	443,575	150,658
Total general operating fund	$ 424,615	$ 740,380	$ 1,068,754	$ 949,143
All other governmental funds				
Reserved	$ 604,733	$ -	$ -	$ -
Unreserved, reported in:				
Capital projects fund	33,846	-	-	-
Debt service fund	124,556	-	-	-
Nonspendable	-	-	5,674	4,388
Restricted for capital improvement program	-	182,884	88,762	169,368
Restricted for debt service	-	271,643	332,517	466,966
Assigned for debt service	-	231,413	254,967	269,167
Unassigned (deficit)	-	-	-	-
Total all other governmental funds	$ 763,135	$ 685,940	$ 681,920	$ 909,889

NOTE:

1) Since FY2011 fund balances are classified to conform with GASB 54 adopted in July 2010.

2014	2015	2016	2017	2018	2019
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
429	429	429	429	429	429
61,022	64,155	64,854	51,858	52,333	16,183
19,838	41,373	35,116	27,344	-	-
-	-	-	-	9,287	14,125
-	-	-	-	-	-
267,652	79,225	-	-	-	-
87,067	73,101	-	-	18,044	94,733
-	102,002	(227,031)	(354,861)	243,671	346,296
$ 436,008	$ 360,285	$ (126,632)	$ (275,230)	$ 323,764	$ 471,766
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,356	-	-
-	-	107,248	792,586	895,111	716,747
491,552	545,383	535,116	660,501	785,176	753,962
193,877	57,057	-	-	341	20,080
(91,953)	(131,111)	(65,809)	(85,691)	-	-
$ 593,476	$ 471,329	$ 576,555	$ 1,369,752	$ 1,680,628	$ 1,490,789

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2010	2011	2012	2013
Revenues:				
Property taxes	$ 2,047,163	$ 1,936,655	$ 2,352,136	$ 2,211,568
Replacement taxes	152,497	197,762	181,927	185,884
State aid	1,552,076	1,949,781	1,965,901	1,815,798
Federal aid	1,180,148	1,144,884	935,951	845,796
Interest and investment earnings	12,483	13,399	20,760	7,303
Other	359,661	417,516	303,744	322,128
Total revenues	$ 5,304,028	$ 5,659,997	$ 5,760,419	$ 5,388,477
Expenditures:				
Current:				
Instruction	$ 2,898,855	$ 2,955,772	$ 2,992,481	$ 3,034,509
Pupil support services	416,502	508,803	469,366	454,240
General support services	1,010,637	1,023,004	967,692	941,270
Food services	196,828	201,325	213,115	215,739
Community services	50,331	45,848	39,794	39,656
Teachers' pension and retirement benefits	294,424	149,377	183,499	227,766
Other	11,928	8,845	8,115	7,043
Capital outlay	705,691	580,363	591,148	519,604
Debt service:				
Principal	141,977	70,848	88,466	73,423
Interest	236,261	249,975	275,707	304,788
Other charges	8,359	11,274	10,321	12,198
Total expenditures	$ 5,971,793	$ 5,805,434	$ 5,839,704	$ 5,830,236
Revenues (less than) expenditures	$ (667,765)	$ (145,437)	$ (79,285)	$ (441,759)
Other financing sources (uses):				
Gross amounts from debt issuances	$ 1,083,260	$ 638,790	$ 592,510	$ 982,720
Premiums on bonds issued	6,459	14,700	1,229	47,271
Insurance proceeds	-	-	-	-
Sales of general capital assets	-	-	-	723
Payment to refunded bond escrow agent	(288,704)	(269,483)	(190,100)	(480,597)
Discounts on bonds issued	-	-	-	-
Total other financing sources (uses)	$ 801,015	$ 384,007	$ 403,639	$ 550,117
Net changes in fund balances	$ 133,250	$ 238,570	$ 324,354	$ 108,358
Debt service as a percentage of noncapital expenditures	7.07%	6.09%	6.89%	7.02%

NOTES:

1) Fiscal year 2014 was restated due to a change in the revenue recognition period in fiscal year 2015.

2014(1)	2015	2016	2017	2018	2019
$ 2,204,252	$ 2,304,656	$ 2,408,416	$ 2,714,956	$ 2,897,870	$ 2,984,026
188,041	202,148	161,535	227,921	168,254	187,232
1,840,805	1,847,069	1,552,325	1,708,865	2,196,956	2,182,942
907,241	798,931	808,999	783,943	767,928	705,355
15,596	(92,825)	(95,650)	5,442	19,022	47,250
286,472	377,286	437,042	387,045	461,692	536,349
$ 5,442,407	$ 5,437,265	$ 5,272,667	$ 5,828,172	$ 6,511,722	$ 6,643,154
$ 3,126,689	$ 3,253,484	$ 2,970,553	$ 2,859,105	$ 3,108,443	$ 3,263,334
457,939	459,672	448,254	441,324	453,389	486,490
987,048	972,526	1,044,740	948,943	888,314	1,025,546
193,642	197,084	201,377	199,944	207,042	219,159
37,460	38,003	37,497	39,607	40,047	42,919
593,225	676,078	664,123	708,941	762,816	787,183
6,134	6,319	7,388	12,691	10,016	15,322
534,980	391,953	308,091	217,303	352,028	625,306
148,272	214,707	139,096	152,638	144,717	144,542
315,927	310,923	310,778	375,679	443,886	428,290
3,705	7,863	31,545	77,377	62,802	63,382
$ 6,405,021	$ 6,528,612	$ 6,163,442	$ 6,033,552	$ 6,473,500	$ 7,101,473
$ (962,614)	$ (1,091,347)	$ (890,775)	$ (205,380)	$ 38,222	$ (458,319)
$ 131,600	$ 561,880	$ 724,999	$ 879,580	$ 2,152,150	$ 849,395
-	-	-	-	65,353	33,399
-	-	-	224	-	-
7,301	37,504	15,012	6,272	9,442	1,251
-	(386,710)	(120,856)	-	(1,321,865)	(457,035)
-	(12,502)	(110,071)	(36,097)	(33,432)	(10,528)
$ 138,901	$ 200,172	$ 509,084	$ 849,979	$ 871,648	$ 416,482
$ (823,713)	$ (891,175)	$ (381,691)	$ 644,599	$ 909,870	$ (41,837)
7.64%	8.47%	7.61%	8.97%	9.48%	8.72%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

REVENUES BY SOURCE — ALL PROGRAMS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2010		2011	
	Amount	Percent of Total	Amount	Percent of Total
Revenues:				
Property taxes	$ 2,047,163	38.6%	$ 1,936,655	34.2%
Replacement taxes	152,497	2.9%	197,762	3.5%
State aid	1,552,076	29.3%	1,949,781	34.5%
Federal aid	1,180,148	22.3%	1,144,884	20.2%
Interest and investment earnings	12,483	0.2%	13,399	0.2%
Other	359,661	6.7%	417,516	7.4%
Total revenues	$ 5,304,028	100.0%	$ 5,659,997	100.0%

	2015		2016	
	Amount	Percent of Total	Amount	Percent of Total
Revenues:				
Property taxes	$ 2,304,656	42.4%	$ 2,408,416	45.7%
Replacement taxes	202,148	3.7%	161,535	3.1%
State aid	1,847,069	34.0%	1,552,325	29.4%
Federal aid	798,931	14.7%	808,999	15.3%
Interest and investment earnings	(92,825)	-1.7%	(95,650)	-1.8%
Other	377,286	6.9%	437,042	8.3%
Total revenues	$ 5,437,265	100.0%	$ 5,272,667	100.0%

2012		2013		2014 (as restated)	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$ 2,352,136	40.8%	$ 2,211,568	41.1%	$ 2,204,252	40.5%
181,927	3.2%	185,884	3.4%	188,041	3.5%
1,965,901	34.1%	1,815,798	33.7%	1,840,805	33.9%
935,951	16.2%	845,796	15.7%	907,241	16.7%
20,760	0.4%	7,303	0.1%	15,596	0.3%
303,744	5.3%	322,128	6.0%	286,472	5.3%
$ 5,760,419	100.0%	$ 5,388,477	100.0%	$ 5,442,407	100.0%

2017		2018		2019	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$ 2,714,956	46.6%	$ 2,897,870	46.6%	$ 2,984,026	46.6%
227,920	3.9%	168,254	3.9%	187,232	3.9%
1,708,865	29.3%	2,196,956	29.3%	2,182,942	29.3%
783,943	13.5%	767,928	13.5%	705,355	13.5%
5,442	0.1%	19,022	0.1%	47,250	0.1%
387,045	6.6%	461,692	6.6%	536,349	6.6%
$ 5,828,172	100.0%	$ 6,511,722	100.0%	$ 6,643,154	100.0%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

EXPENDITURES BY FUNCTION — ALL PROGRAMS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2010		2011	
	Amount	Percent of Total	Amount	Percent of Total
Expenditures:				
Current:				
Instruction	$ 2,898,855	48.5%	$ 2,955,772	50.9%
Pupil support services	416,502	7.0%	508,803	8.8%
General support services	1,010,637	17.0%	1,023,004	17.6%
Food services	196,828	3.3%	201,325	3.5%
Community services	50,331	0.8%	45,848	0.8%
Teachers' pension and retirement benefits	294,424	4.9%	149,377	2.6%
Other	11,928	0.2%	8,845	0.1%
Capital outlay	705,691	11.8%	580,363	10.0%
Debt service	386,597	6.5%	332,097	5.7%
Total expenditures	$ 5,971,793	100.0%	$ 5,805,434	100.0%

	2015		2016	
	Amount	Percent of Total	Amount	Percent of Total
Expenditures:				
Current:				
Instruction	$ 3,253,484	49.9%	$ 2,970,553	48.1%
Pupil support services	459,672	7.1%	448,254	7.3%
General support services	972,526	14.9%	1,044,740	17.0%
Food services	197,084	3.0%	201,377	3.3%
Community services	38,003	0.6%	37,497	0.6%
Teachers' pension and retirement benefits	676,078	10.4%	664,123	10.8%
Other	6,319	0.1%	7,388	0.1%
Capital outlay	391,953	6.0%	308,091	5.0%
Debt service	533,493	8.0%	481,419	7.8%
Total expenditures	$ 6,528,612	100.0%	$ 6,163,442	100.0%

2012		2013		2014	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$ 2,992,481	51.3%	$ 3,034,509	52.0%	$ 3,126,689	48.8%
469,366	8.0%	454,240	7.9%	457,939	7.1%
967,692	16.6%	941,270	16.1%	987,048	15.4%
213,115	3.7%	215,739	3.7%	193,642	3.0%
39,794	0.7%	39,656	0.7%	37,460	0.6%
183,499	3.1%	227,766	3.9%	593,225	9.3%
8,115	0.1%	7,043	0.1%	6,134	0.1%
591,148	10.1%	519,604	8.9%	534,980	8.4%
374,494	6.4%	390,409	6.7%	467,904	7.3%
$ 5,839,704	100.0%	$ 5,830,236	100.0%	$ 6,405,021	100.0%

2017		2018		2019	
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
$ 2,859,105	47.5%	$ 3,108,443	47.5%	$ 3,263,334	47.5%
441,324	7.3%	453,389	7.3%	486,490	7.3%
984,943	16.3%	888,314	16.3%	1,025,546	16.3%
199,944	3.3%	207,042	3.3%	219,159	3.3%
39,607	0.7%	40,047	0.7%	42,919	0.7%
708,941	11.7%	762,816	11.7%	787,183	11.7%
12,691	0.2%	10,016	0.2%	15,322	0.2%
217,303	3.6%	352,028	3.6%	625,306	3.6%
569,694	9.4%	651,405	9.4%	636,214	9.4%
$ 6,033,552	100.0%	$ 6,473,500	100.0%	$ 7,101,473	100.0%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Revenues:			
Local taxes:			
Property taxes	$ 2,896,823	$ 2,794,613	$ 102,210
Replacement taxes	152,319	109,997	42,322
Total revenue from local taxes	$ 3,049,142	$ 2,904,610	$ 144,532
Local nontax revenue:			
Interest and investment earnings	$ 6,798	$ 6,099	699
Lunchroom operations	3,240	-	3,240
Other	380,414	332,323	48,091
Total nontax revenue	$ 390,452	$ 338,422	52,030
Total local revenue	$ 3,439,594	$ 3,243,032	$ 196,562
State grants and subsidies:			
Evidence based funding	$ 1,323,126	$ 1,254,553	68,573
Block grants	324,775	122,607	202,168
Other	238,869	482,422	(243,553)
Total state grants & subsidies	$ 1,886,770	$ 1,859,582	$ 27,188
Federal grants and subsidies:			
Elementary and Secondary Education Act (ESEA)	231,693	$ 261,500	(29,807)
American Recovery and Reinvestment Act (ARRA) (1)	9,099	8,899	200
School lunch program	196,553	196,495	58
Individuals with Disabilities Education Act (IDEA)	93,185	92,655	530
Other	149,460	163,883	(14,423)
Total federal grants and subsidies	$ 679,990	$ 723,432	$ (43,442)
Total revenues	$ 6,006,354	$ 5,826,046	$ 180,308

NOTE:

1) ARRA does not include General State Aid - Education SFSF, ARRA - Early Childhood, and General State Aid - Government SFSF

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Expenditures:			
Instruction:			
Salaries	$ 1,831,853	$ 1,752,944	$ 78,909
Commodities	76,609	60,504	16,105
Services	887,748	844,773	42,975
Equipment - educational	30,787	22,849	7,938
Building and sites	1,870	2,037	(167)
Fixed charges	434,467	425,336	9,131
Total instruction	$ 3,263,334	$ 3,108,443	$ 154,891
Pupil support services:			
Salaries	$ 258,119	$ 234,168	$ 23,951
Commodities	5,663	5,905	(242)
Services	144,005	139,801	4,204
Equipment - educational	645	684	(39)
Building and sites	781	227	554
Fixed charges	77,277	72,604	4,673
Total pupil support services	$ 486,490	$ 453,389	$ 33,101
Administrative support services:			
Salaries	$ 82,546	$ 69,868	$ 12,678
Commodities	22,025	13,065	8,960
Services	59,392	55,500	3,892
Equipment - educational	1,545	635	910
Building and sites	602	544	58
Fixed charges	38,178	21,912	16,266
Total administrative support services	$ 204,288	$ 161,524	$ 42,764

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Facilities support services:			
Salaries	$ 35,150	$ 57,001	$ (21,851)
Commodities	76,131	64,030	12,101
Services	273,729	212,289	61,440
Equipment - educational	1,397	989	408
Building and sites	2,047	7,818	(5,771)
Fixed charges	32,403	37,973	(5,570)
Total facilities support services	$ 420,857	$ 380,100	$ 40,757
Instructional support services:			
Salaries	$ 254,401	$ 242,005	$ 12,396
Commodities	46,242	9,963	36,279
Services	27,215	28,659	(1,444)
Equipment - educational	10,958	6,505	4,453
Building and sites	2,162	2,466	(304)
Fixed charges	59,423	57,092	2,331
Total instructional support services	$ 400,401	$ 346,690	$ 53,711
Food services:			
Salaries	$ 70,264	$ 66,908	$ 3,356
Commodities	99,102	93,868	5,234
Services	5,323	6,076	(753)
Equipment - educational	4,002	2,932	1,070
Fixed charges	40,468	37,258	3,210
Total food services	$ 219,159	$ 207,042	$ 12,117

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Community services:			
Salaries	$ 12,143	$ 10,855	$ 1,288
Commodities	1,950	1,431	519
Services	25,044	24,468	576
Equipment - educational	431	194	237
Building and sites	6	12	(6)
Fixed charges	3,345	3,087	258
Total community services	$ 42,919	$ 40,047	$ 2,872
Teacher's Pension:			
Fixed charges	$ 787,183	$ 762,816	$ 24,367
Total teachers' pension	$ 787,183	$ 762,816	$ 24,367
Capital outlay:			
Salaries	$ 3,315	$ 2,756	$ 559
Commodities	2,486	3,831	(1,345)
Services	3,548	3,669	(121)
Equipment - educational	208	426	(218)
Building and sites	1,606	1,403	203
Fixed charges	1,084	754	331
Total capital outlay	$ 12,248	$ 12,839	$ (590)
Debt service:			
Fixed charges	6,659	30,974	(24,315)
Total debt service	$ 6,659	$ 30,974	$ (24,315)

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Modified Accrual Basis of Accounting)

	Fiscal Year 2019	Fiscal Year 2018	2019 Over (Under) 2018
Other:			
Salaries	$ -	$ 256	$ (256)
Commodities	-	12	(12)
Services	-	4,803	(4,803)
Fixed charges	15,322	4,945	10,377
Total other	$ 15,322	$ 10,016	$ 5,306
Total expenditures	$ 5,858,860	$ 5,513,880	$ 344,980

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

OTHER FINANCING SOURCES AND (USES)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2010	2011	2012	2013
General operating fund:				
Insurance proceeds……………………………	$ -	$ -	$ -	$ -
Transfers in/(out)………………………………	17,851	109,830	62	439
Total general operating fund…………………	$ 17,851	$ 109,830	$ 62	$ 439
All other governmental funds:				
Gross amounts from debt issuances…………	$ 1,083,260	$ 638,790	$ 592,510	$ 982,720
Premiums on bonds issued……………………	6,459	14,700	1,229	47,271
Sales of general capital assets………………	-	-	-	723
Payment to refunded bond escrow agent……	(288,704)	(269,483)	(190,100)	(480,597)
Transfers in/(out)………………………………	(17,851)	(109,830)	(62)	(439)
Discounts on bonds issued……………………	-	-	-	-
Total all other governmental funds…………	$ 783,164	$ 274,177	$ 403,577	$ 549,678

2014	2015	2016	2017	2018	2019
$ -	$ -	$ -	$ 224	$ -	$ 33
161	(12,915)	50,162	58,350	286,828	475
$ 161	$ (12,915)	$ 50,162	$ 58,574	$ 286,828	$ 508
$ 131,600	$ 561,880	$ 724,999	$ 879,580	$ 2,152,150	$ 849,395
-	-	-	-	65,353	33,366
7,301	37,504	15,012	6,272	9,442	1,251
-	(386,710)	(120,856)	-	(1,321,865)	(457,035)
(161)	12,915	(50,162)	(58,350)	(286,828)	(475)
-	(12,502)	(110,071)	(36,097)	(33,432)	(10,528)
$ 138,740	$ 213,087	$ 458,922	$ 791,405	$ 584,820	$ 415,974

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

RATIO OF DEBT SERVICE TO NON CAPITAL EXPENDITURES

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

Fiscal Year	Debt Service	Non-Capital	Ratio
2010	$ 383,887	$ 5,266,102	0.07 : 1
2011	332,097	5,225,071	0.06 : 1
2012	374,494	5,248,556	0.07 : 1
2013	390,409	5,310,632	0.07 : 1
2014	467,904	5,870,041	0.08 : 1
2015	533,493	6,136,659	0.09 : 1
2016	481,419	5,855,351	0.08 : 1
2017	569,694	5,816,249	0.10 : 1
2018	651,405	6,121,472	0.11 : 1
2019	636,214	6,476,167	0.10 : 1

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Rate per $100 of equalized assessed valuation)

School Direct Rates	2010	2011	2012	2013
Education	$ 2.204	$ 2.449	$ 2.671	$ 3.309
Worker's and Unemployment Compensation/Tort Immunity	0.148	0.067	0.133	0.031
Public Building Commission	0.014	0.065	0.071	0.082
Capital Improvement	-	-	-	-
Teacher Pension	-	-	-	-
Bonds & Interest (A)	-	-	-	-
Total direct rate	$ 2.366	$ 2.581	$ 2.875	$ 3.422
City of Chicago	$ 1.098	$ 1.132	$ 1.229	$ 1.425
Chicago City Colleges	0.150	0.151	0.165	0.190
Chicago Park District	0.309	0.319	0.346	0.395
Metropolitan Water Reclamation District	0.261	0.274	0.320	0.370
Cook County	0.394	0.423	0.462	0.531
Cook County Forest Preserve	0.049	0.051	0.058	0.063
Total for all governments	$ 4.627	$ 4.931	$ 5.455	$ 6.396

Source : Cook County Clerk's Office

NOTES:

A) Beginning in fiscal year 2018, CPS issued a Bond Resolution Series Levy.

2014		2015		2016		2017		2018		2019	
$	3.519	$	3.409	$	3.205	$	3.115	$	3.161	$	2.845
	0.067		0.169		0.111		0.107		0.039		0.093
	0.085		0.082		0.075		0.072		0.069		0.036
	-		-		0.064		0.065		0.011		0.011
	-		-		-		0.367		0.551		0.511
	-		-		-		-		0.059		0.056
$	3.671	$	3.660	$	3.455	$	3.726	$	3.890	$	3.552
$	1.496	$	1.473	$	1.806	$	1.880	$	1.894	$	1.812
	0.199		0.193		0.177		0.169		0.164		0.147
	0.420		0.415		0.382		0.368		0.358		0.330
	0.417		0.430		0.426		0.406		0.402		0.396
	0.560		0.568		0.552		0.533		0.496		0.489
	0.069		0.069		0.069		0.063		0.062		0.060
$	6.832	$	6.808	$	6.867	$	7.145	$	7.266	$	6.786

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Thousands of dollars)

			Collected within the Fiscal Year of Extension (A)		Collections	Total Collections to Date (B)	
Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Amount	Percentage of Extension	in Subsequent Years	Amount	Percentage of Extension
2009	2010	$ 2,001,252	$ 1,024,263	51.18%	$ 891,365	$ 1,915,628	95.72%
2010	2011	2,118,541	1,021,564	48.22%	1,020,499	2,042,063	96.39%
2011	2012	2,159,586	1,083,667	50.18%	1,027,585	2,111,252	97.76%
2012	2013	2,232,684	1,090,274	48.83%	1,047,462	2,137,736	95.75%
2013	2014	2,289,250	1,134,859	49.57%	1,092,402	2,227,261	97.29%
2014	2015	2,375,822	1,177,370	49.56%	1,139,711	2,317,081	97.53%
2015	2016	2,451,566	1,230,423	50.19%	1,129,700	2,360,123	96.27%
2016	2017	2,757,651	1,242,377	42.05%	1,172,513	2,721,862	98.70%
2017	2018	2,988,432	1,453,350	48.63%	1,497,413	2,950,763	98.74%
2018	2019	3,066,309	1,574,691	51.35%			

NOTES:

A) The amount does not represent a full year's tax collection.

B) The total amount collected to date is net of refunds.

C) Tax Year 2015 contains Capital Improvement Tax amounts that were not levied in prior years.

D) Tax Year 2016 contains CTPF (Chicago Teacher Pension Fund) amounts that were not levied in prior years.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(Thousands of dollars)

Tax Year		Assessed Values (A)				
Levy	Fiscal Year	Class 2 (B)	Class 3 (C)	Class 5 (D)	Other (E)	Total
2009	2010	$ 18,311,981	$ 1,812,850	$ 10,720,244	$ 592,364	$ 31,437,439
2010	2011	18,120,678	1,476,291	10,407,012	561,682	30,565,663
2011	2012	17,976,208	1,161,634	10,411,363	544,416	30,093,621
2012	2013	15,560,876	1,252,635	10,201,554	454,593	27,469,658
2013	2014	15,440,622	1,282,342	10,137,795	453,201	27,313,960
2014	2015	15,416,908	1,345,482	10,096,651	487,529	27,346,570
2015	2016	17,319,503	1,589,995	11,240,864	541,183	30,691,545
2016	2017	17,219,809	1,863,312	11,316,868	562,402	30,962,391
2017	2018	17,196,902	1,905,033	11,370,329	497,856	30,970,120
2018	2019	19,759,176	2,329,709	13,321,105	626,755	36,036,745

NOTES:

A. *Source*: Cook County Assessor's Office

B. Residential, six units and under

C. Residential, seven units and over and mixed-use

D. Industrial/Commercial

E. Vacant, not-for-profit and industrial/commercial incentive classes

F *Source*: Cook County Clerk's Office

G. *Source*: Cook County Clerk's Office - Total equalized assessed value is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.

H. *Source:* Cook County Clerk's Office - Property in the City of Chicago is reassessed once every three years. Tax rates are per $100 of equalized assessed value.

I. *Source*: The Civic Federation - Excludes railroad property.

N/A: Not available at publishing.

State Equalization Factor (F)	Total Equalized Assessed Value (G)	Total Direct Tax Rate (H)	Total Estimated Fair Cash Value (I)	Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%)
3.3701	$ 84,586,808	2.366	$ 280,288,730	30.18%
3.3000	82,087,170	2.581	231,986,396	35.38%
2.9706	75,122,914	2.875	222,856,064	33.71%
2.8056	65,250,387	3.422	206,915,723	31.53%
2.6621	62,363,876	3.671	236,695,475	26.35%
2.7253	64,908,057	3.660	255,639,792	25.39%
2.6685	70,963,289	3.455	278,076,449	25.52%
2.8032	74,016,506	3.726	293,121,793	25.25%
2.9627	76,765,303	3.890	306,074,351	25.08%
2.9109	86,326,179	3.552	N/A	N/A

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

PRINCIPAL PROPERTY TAX PAYERS, BASED ON EQUALIZED ASSESSED VALUATION

Last Ten Fiscal Years

(Thousands of dollars)

Property	2018 Equalized Assessed Valuation	2018 Rank	2018 Percentage of Total Equalized Assessed Valuation	2017 Equalized Assessed Valuation	2017 Rank	2017 Percentage of Total Equalized Assessed Valuation
Willis Tower……	$ 507,224	1	0.59%	$ 429,591	1	0.56%
Prudential Plaza……	285,268	2	0.33%	248,867	4	0.32%
HCSC Blue Cross……	283,972	3	0.33%	264,940	2	0.35%
400 W Lake St……	278,891	4	0.32%	-	-	-
AON Building……	255,795	5	0.30%	263,985	3	0.34%
Water Tower Place……	251,219	6	0.29%	239,238	5	0.31%
Merchandise Mart - 222 Mer Mart Plaza..	235,899	7	0.27%	-	-	-
300 Lasalle LLC……	234,420	8	0.27%	217,715	6	0.28%
Merchandise Mart - 320 N Wells……	234,387	9	0.27%	-	-	-
Franklin Center……	218,162	10	0.25%	215,948	7	0.28%
Chase Tower……	-	-	-	214,683	8	0.28%
Three First National Plaza……	-	-	-	202,646	9	0.26%
Citadel Center……	-	-	-	184,853	10	0.24%
Northwestern Memorial Hospital……	-	-	-	-	-	-
131 S. Dearborn……	-	-	-	-	-	-
One North Wacker……	-	-	-	-	-	-
Citigroup Center……	-	-	-	-	-	-
Leo Burnett Building……	-	-	-	-	-	-
	$2,785,237		3.22%	$2,482,466		3.22%

Property	2013 Equalized Assessed Valuation	2013 Rank	2013 Percentage of Total Equalized Assessed Valuation	2012 Equalized Assessed Valuation	2012 Rank	2012 Percentage of Total Equalized Assessed Valuation
Willis Tower……	$ 370,197	1	0.59%	$ 386,266	1	0.59%
Prudential Plaza……	193,495	4	0.31%	234,964	3	0.36%
HCSC Blue Cross……	201,987	3	0.32%	205,275	4	0.31%
AON Building……	248,906	2	0.40%	255,347	2	0.39%
Water Tower Place……	190,953	5	0.31%	201,246	5	0.31%
300 Lasalle LLC……	159,537	10	0.26%	179,804	10	0.28%
Franklin Center……	183,114	7	0.29%	192,985	7	0.30%
Chase Tower……	190,442	6	0.31%	200,708	6	0.31%
Citadel Center……	177,008	9	0.28%	184,596	9	0.28%
Three First National Plaza……	177,862	8	0.29%	187,449	8	0.29%
Northwestern Memorial Hospital	-	-	-	-	-	-
131 S. Dearborn……	-	-	-	-	-	-
One North Wacker……	-	-	-	-	-	-
Citigroup Center……	-	-	-	-	-	-
Leo Burnett Building……	-	-	-	-	-	-
	$2,093,501		3.36%	$2,228,640		3.42%

Source: Cook County Treasurer's Office and Cook County Assessor's Office

2016			2015			2014		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
$ 406,464	1	0.55%	$ 386,932	1	0.55%	$ 364,455	1	0.56%
212,135	5	0.29%	186,795	9	0.26%	184,101	7	0.28%
250,676	3	0.34%	238,631	3	0.34%	206,782	3	0.32%
-	-	-	-	-	-	-	-	-
252,408	2	0.34%	239,092	2	0.34%	241,081	2	0.37%
226,358	4	0.31%	215,481	4	0.30%	195,486	4	0.30%
-	-	-	-	-	-	-	-	-
205,994	6	0.28%	196,095	5	0.28%	183,764	8	0.28%
-	-	-	-	-	-	-	-	-
204,322	7	0.28%	194,504	6	0.27%	187,461	6	0.29%
203,126	8	0.27%	193,365	7	0.27%	194,963	5	0.30%
191,736	10	0.26%	182,523	10	0.26%	182,084	9	0.28%
196,745	9	0.27%	187,291	8	0.26%	181,210	10	0.28%
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ 2,349,964		3.19%	$ 2,220,709		3.13%	$ 2,121,387		3.26%

2011			2010			2009		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
$ 445,590	1	0.59%	$ 495,000	1	0.60%	$ 505,515	1	0.60%
272,345	3	0.36%	305,026	3	0.37%	318,635	3	0.38%
206,343	6	0.27%	-	-	-	-	-	-
302,124	2	0.40%	335,454	2	0.41%	375,441	2	0.44%
207,942	5	0.28%	231,000	4	0.28%	235,907	5	0.28%
190,005	10	0.25%	-	-	-	-	-	-
197,944	8	0.26%	209,723	8	0.26%	256,590	4	0.30%
204,229	7	0.27%	226,875	5	0.28%	231,694	6	0.27%
-	-	-	-	-	-	-	-	-
197,183	9	0.26%	226,222	6	0.28%	231,028	7	0.27%
243,609	4	0.32%	-	-	-	-	-	-
-	-	-	210,502	7	0.26%	212,725	8	0.25%
-	-	-	207,127	9	0.25%	211,526	9	0.25%
-	-	-	191,070	10	0.23%	-	-	-
-	-	-	-	-	-	208,973	10	0.25%
$ 2,467,314		3.26%	$ 2,637,999		3.22%	$ 2,788,034		3.29%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF REPLACEMENT TAX DATA

Last Ten Fiscal Years

		Statewide Replacement Tax Data (A)			
Calendar Year	Invested Capital Tax Collections	Business Income Tax Collections (Net of Refunds)	Net Adjustments (C)	Total Replacement Tax Allocations to Local Govts.	Board Percent (E)
2010 (A)	$ 203,650,450	$ 978,009,221	$ 179,094,552	$ 1,360,754,223	14.00%
2011 (A)	200,629,609	936,788,640	61,689,732	1,199,107,981	14.00%
2012 (A)	203,045,899	1,091,345,367	(93,077,866)	1,201,313,400	14.00%
2013 (A)	210,557,060	1,293,732,061	(172,528,019)	1,331,761,102	14.00%
2014 (A)	208,039,618	1,243,163,624	(80,317,444)	1,370,885,798	14.00%
2015 (A)(F)	200,808,953	1,319,550,246	(117,189,755)	1,403,169,444	14.00%
2016 (H)	201,320,237	1,273,378,669	(179,819,398)	1,294,879,508	14.00%
2017 (H)(I)	167,994,422	1,129,654,992	28,259,110	1,325,908,524	14.00%
2018	159,473,143	1,186,564,831	(102,900,432)	1,243,137,542	14.00%
2019 (J)	191,427,268	1,473,173,451	(119,077,069)	1,545,523,650	14.00%

NOTES:

A) *Source*: Illinois Department of Revenue

B) *Source*: Board of Education of the City of Chicago

C) Consists of adjustments for administrative fees, interest earned on deposits, interfund transfers, timing of collections and payments and related items.

D) Reflects reductions to pay applicable Statutory Claims. All Statutory Claims with respect to debt service have been paid and, under the Statue Revenue Sharing Act, no future Statutory Claims with respect to debt service will arise or need to be paid.

E) Percentage rounded.

F) Replacement tax collection for January 1, 2015 — October 31, 2015 only.

G) Estimated.

H) The Statewide Replacement Tax Data for calendar year 2016 and 2017 was not made available from the Illinois Department of Revenue (IDOR) at time of publishing. The data is gathered from the Illinois Office of the Comptroller online Ledger. The data for total distributions to local governments is retrieved from IDOR monthly tax distributions online database.

I) Replacement tax collection for January 1, 2017 — October 31, 2017 only.

J) Replacement tax collection for January 1, 2019 — December 31, 2019 only.

Board Replacement Tax Data (B)

Allocations To Board	Pro-Forma Pledged Revenues (D)	Fiscal Year Recorded Revenues
$190,560,089	$190,560,089	$152,497,491
167,923,445	167,923,445	197,761,584
168,231,989	168,231,989	181,926,998
186,499,892	186,499,892	185,883,929
191,978,921	191,978,921	188,040,647
206,242,430	206,242,430	202,147,157
181,335,026	181,335,026	161,535,119
185,680,220	185,680,220	227,920,163
174,089,033	174,089,033	168,253,658
216,435,136	216,435,136	187,232,486

Monthly Summary of the Total Allocations to the Board of Education

Calendar Year	January	March	April	May	July	August	October	December		Total
2008	$28,898,261	$13,371,613	$37,943,940	$40,606,164	$32,510,546	$17,770,472	$29,019,609	$9,371,823		$209,492,428
2009	21,095,325	7,777,403	37,489,531	36,561,422	29,417,516	3,022,112	33,592,731	7,778,488		176,734,528
2010	22,103,156	8,619,712	32,076,622	22,475,680	22,828,990	2,997,879	43,980,968	35,477,082		190,560,089
2011	18,180,918	10,057,508	36,489,761	26,235,905	24,341,562	6,092,825	40,652,479	5,872,487		167,923,445
2012	25,024,841	6,995,224	38,430,380	25,676,518	33,182,244	4,009,471	25,251,856	9,661,455		168,231,989
2013	25,661,184	8,031,048	40,687,665	36,710,938	35,870,312	3,762,361	26,213,949	9,562,435		186,499,892
2014	32,365,778	9,605,194	42,927,880	31,682,731	31,920,320	3,433,503	31,625,454	8,418,061		191,978,921
2015	28,059,669	8,010,311	49,024,542	40,392,319	33,183,298	4,472,067	33,357,743	9,742,481	(G)	206,242,430
2016	26,524,204	10,652,765	37,937,134	30,650,698	33,320,166	3,878,948	30,306,843	8,064,267		181,335,026
2017	29,970,202	19,251,991	49,042,057	31,582,995	32,296,122	1,489,085	22,047,768	8,764,161		194,444,380
2018	19,792,771	17,558,226	36,093,602	36,791,094	28,668,109	2,897,394	25,943,635	6,344,203	(G)	174,089,034

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS

For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2018 EAV $	% Change in EAV (for 2018)
Addison South	5/9/2007	2031	$ 70,940,232	$ 153,936,702	117.0%
Archer Courts	5/12/1999	2023	85,326	6,663,216	7709.1%
Archer/Central	5/17/2000	2024	37,646,911	44,561,281	18.4%
Archer/Western	2/11/2009	2033	117,506,250	129,156,495	9.9%
Armitage/Pulaski	6/13/2007	2031	17,643,508	20,120,878	14.0%
Austin/Commercial	9/27/2007	2031	72,287,864	94,128,071	30.2%
Avalon Park/South Shore	7/31/2002	2026	22,180,151	31,154,782	40.5%
Avondale	7/29/2009	2033	40,426,760	42,522,351	5.2%
Belmont/Central	1/12/2000	2024	137,304,682	215,765,473	57.1%
Belmont/Cicero	1/12/2000	2024	33,673,880	53,883,856	60.0%
Bronzeville	11/4/1998	2022	46,166,304	125,126,940	171.0%
Bryn Mawr/Broadway	12/11/1996	2019	17,829,852	57,218,242	220.9%
California/Foster	4/2/2014	2038	15,399,717	21,186,050	37.6%
Canal/Congress	11/12/1998	2022	36,872,487	498,593,828	1252.2%
Central West	2/16/2000	2024	85,481,254	532,385,517	522.8%
Chicago/Central Park	2/27/2002	2026	84,789,947	176,140,998	107.7%
Chicago/Kingsbury	4/12/2000	2024	38,520,706	527,434,068	1269.2%
Cicero/Archer	5/17/2000	2024	19,629,324	31,891,286	62.5%
Clark/Montrose	7/7/1999	2022	23,433,096	84,482,784	260.5%
Clark/Ridge	9/29/1999	2022	39,619,368	81,162,185	104.9%
Commercial Ave.	11/13/2002	2026	40,748,652	62,508,595	53.4%
Devon/Sheridan	3/31/2004	2028	45,541,834	60,690,258	33.3%
Devon/Western	11/3/1999	2023	71,430,503	116,770,119	63.5%
Diversey/Narragansett	2/5/2003	2027	34,746,231	74,452,655	114.3%
Diversey/Chicago River	10/5/2016	2040	-	1,461,351	-
Division/Homan	6/27/2001	2025	24,683,716	52,721,431	113.6%
Edgewater/Ashland	10/1/2003	2027	1,875,282	14,552,897	676.0%
Elston/Armstrong	7/19/2007	2031	45,742,226	57,445,461	25.6%
Englewood Mall	11/29/1989	2025	3,868,736	15,184,443	292.5%
Englewood Neighborhood	6/27/2001	2025	56,079,946	107,331,081	91.4%
Ewing Avenue	3/10/2010	2034	52,994,264	45,731,877	-13.7%
Foster/Edens	2/28/218	2042	25,904,768	32,133,096	24.0%
Fullerton/Milwaukee	2/16/2000	2024	85,157,390	256,093,069	200.7%
Galewood/Armitage Industrial	7/7/1999	2023	48,056,697	118,316,153	146.2%
Goose Island	7/10/1996	2019	13,676,187	120,820,786	783.4%
Greater Southwest (West)	4/12/2000	2024	115,603,413	94,969,213	-17.8%
Harlem Industrial Park	3/14/2007	2031	45,981,764	43,735,155	-4.9%
Harrison/Central	7/26/2006	2030	43,430,700	45,286,548	4.3%
Hollywood/Sheridan	11/7/2007	2031	158,696,916	168,734,931	6.3%
Homan/Arthington	2/5/1998	2021	2,658,362	11,985,502	350.9%
Humbolt Park Commercial	6/27/2001	2025	32,161,252	98,368,837	205.9%
Irving Park/Cicero	6/10/1996	2020	8,150,631	20,220,203	148.1%
Irving Park/Elston	5/13/2009	2033	44,853,282	44,403,733	-1.0%
Jefferson Park	9/9/1998	2021	23,970,085	42,893,222	78.9%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)

For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2018 EAV $	% Change in EAV (for 2018)
Jefferson/Roosevelt	8/30/2000	2024	$ 52,292,656	$ 186,705,013	257.0%
Kennedy/Kimball	3/12/2008	2032	72,841,679	85,623,593	17.5%
Kinzie Industrial Corridor	6/10/1998	2022	144,961,719	867,983,369	498.8%
Lake Calumet	12/13/2000	2024	172,496,793	224,241,039	30.0%
Lakefront	3/27/2002	2026	-	7,411,276	-
LaSalle/Central	11/15/2006	2030	4,192,597,468	5,587,387,579	33.3%
Lawrence/Broadway	6/27/2001	2025	38,499,977	110,992,369	188.3%
Lawrence/Kedzie	2/16/2000	2024	110,395,843	234,196,494	112.1%
Lawrence/Pulaski	2/27/2002	2026	43,705,743	70,725,646	61.8%
Lincoln Avenue	11/3/1999	2023	63,741,191	110,543,666	73.4%
Little Village East	4/22/2009	2033	44,751,945	37,088,873	-17.1%
Little Village Ind	6/13/2007	2031	88,054,895	83,798,096	-4.8%
Madden/Wells	11/6/2002	2026	1,333,582	24,962,331	1771.8%
Madison/Austin Corridor	9/29/1999	2023	48,748,259	82,792,428	69.8%
Michigan Ave/Cermak	9/13/1989	2025	5,858,634	44,627,340	661.7%
Midway Ind. Corridor	2/16/2000	2024	48,652,950	103,893,088	113.5%
Midwest	5/17/2000	2036	216,733,898	462,241,680	113.3%
Montclare	8/30/2000	2024	792,770	5,730,939	622.9%
Montrose/Clarendon	6/30/2010	2034	-	3,011,385	-
Near North	7/30/1997	2020	41,373,938	567,042,226	1270.5%
North Ave./Cicero	7/30/1997	2020	5,658,542	32,185,687	468.8%
North Branch/North	7/2/1997	2021	29,574,537	154,522,955	422.5%
North Branch/South	2/5/1998	2021	44,361,677	228,418,758	414.9%
North Pullman	6/30/2009	2033	44,582,869	71,903,491	61.3%
NW Industrial Corridor	12/2/1998	2022	146,115,991	274,625,544	88.0%
Ogden/Pulaski	4/9/2008	2032	221,709,034	197,893,222	-10.7%
Ohio/Wabash	6/7/2000	2024	1,278,143	30,935,261	2320.3%
Pershing/King	9/5/2007	2031	12,948,117	14,602,522	12.8%
Peterson/Cicero	2/16/2000	2024	1,116,653	9,577,973	757.7%
Peterson/Pulaski	2/16/2000	2024	40,112,395	56,207,568	40.1%
Pilsen Area	6/10/1998	2022	111,394,217	409,087,187	267.2%
Portage Park	9/9/1998	2021	65,084,552	112,029,224	72.1%
Pratt/Ridge	6/23/2004	2028	16,414,897	22,914,212	39.6%
Pulaski Corridor	6/9/1999	2023	82,778,075	151,996,792	83.6%
Randolph/Wells	6/9/2010	2034	72,140,805	167,077,762	131.6%
River South	7/30/1997	2020	65,930,580	573,565,610	770.0%
River West	1/10/2001	2025	50,463,240	428,395,143	748.9%
Roosevelt/Cicero Corridor	2/5/1998	2021	45,179,428	105,424,376	133.3%
Roosevelt/Racine (DOH)	11/4/1998	2034	6,992,428	39,033,808	458.2%
Roosevelt/Union	5/12/1999	2022	4,369,258	104,027,034	2280.9%
Roseland/Michigan	1/16/2002	2026	29,627,768	38,346,497	29.4%
Sanitary Draig & Ship	7/24/1991	2027	10,722,329	24,706,554	130.4%
South Chicago	4/12/2000	2024	14,775,992	35,428,792	139.8%
South Works	11/3/1999	2023	3,823,633	1,272,231	-66.7%
Stevenson/Brighton Park	4/11/2007	2031	216,330,994	266,225,750	23.1%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)
For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2018 EAV $	% Change in EAV (for 2018)
Stockyards Annex	12/11/1996	2020	$ 38,650,631	$ 68,483,430	77.2%
Stockyards-Southeast Quad	2/26/1992	2028	27,527,305	53,419,530	94.1%
Stony Island Com/Burnside	6/10/1998	2034	46,058,038	100,155,094	117.5%
Southwest Ind. Corridor	3/10/1999	2023	17,662,923	37,005,336	109.5%
Touhy/Western	9/13/2006	2030	55,187,828	58,464,304	5.9%
Washington Park	10/8/2014	2038	72,073,855	92,828,649	28.8%
West Irving Park	1/12/2000	2024	36,446,831	56,804,531	55.9%
West Woodlawn	5/12/2010	2034	127,750,505	100,404,037	-21.4%
Western Ave. South	1/12/2000	2024	69,504,372	224,834,393	223.5%
Western Ave. North	1/12/2000	2024	71,260,546	209,349,590	193.8%
Western/Ogden	2/5/1998	2021	41,536,306	212,453,819	411.5%
Western/Rock Island	2/8/2006	2030	102,358,411	121,513,096	18.7%
Wilson Yard	6/27/2001	2025	56,194,225	198,864,648	253.9%
Woodlawn	1/20/1999	2022	28,865,833	91,749,955	217.8%
105th/Vincennes	10/3/2001	2025	108,828,811	115,963,450	6.6%
107th/Halsted	4/2/2014	2038	122,435,316	110,886,590	-9.4%
111th/Kedzie	9/29/1999	2022	14,456,141	26,284,448	81.8%
116th/Avenue O	10/31/2018	2042	3,144,479	3,379,487	7.5%
119th/Halsted	2/6/2002	2026	63,231,728	76,880,308	21.6%
119th/I-57	11/6/2002	2026	100,669,561	134,047,661	33.2%
24th/Michigan	7/21/1999	2022	15,874,286	77,814,733	390.2%
26th/King Drive	1/11/2006	2030	-	14,087,182	-
35th/Halsted	1/14/1997	2021	81,212,182	233,019,699	186.9%
35th/State	1/14/2004	2028	3,978,955	39,410,886	890.5%
35th/Wallace	12/15/1999	2023	9,047,402	32,053,791	254.3%
43rd/Cottage Grove	7/8/1998	2022	13,728,931	67,567,490	392.2%
47th/Ashland	3/27/2002	2026	53,606,185	91,110,579	70.0%
47th/Halsted	5/29/2002	2026	39,164,012	98,479,177	151.5%
47th/King Drive	3/27/2002	2026	61,269,066	203,171,318	231.6%
47th/State	7/21/2004	2028	19,279,360	51,640,957	167.9%
49th/St. Lawrence	1/10/1996	2020	683,377	9,490,737	1288.8%
51st/Archer	5/17/2000	2024	29,522,751	55,328,417	87.4%
51st/Lake Park	11/15/2012	2036	2,320,971	20,599,249	787.5%
53rd St.	1/10/2001	2025	20,916,553	93,895,086	348.9%
60th/Western	5/9/1996	2019	2,464,026	4,787,622	94.3%
63rd/Ashland	3/29/2006	2030	47,496,362	63,795,357	34.3%
63rd/Pulaski	5/17/2000	2024	56,171,856	86,255,027	53.6%
67th/Cicero	10/2/2002	2026	-	4,179,149	-
67th/Wentworth	5/4/2011	2035	210,005,927	157,721,094	-24.9%
71st/Stony Island	10/7/1998	2021	53,336,063	101,324,331	90.0%
73rd/University	9/13/2006	2030	16,998,947	25,557,588	50.3%
79th Street Corridor	7/8/1998	2021	21,576,305	37,741,782	74.9%
79th/Cicero	6/8/2005	2029	8,018,405	16,996,244	112.0%
79th/SW Highway	10/3/2001	2025	36,347,823	62,148,440	71.0%
79th/Vincennes	9/27/2007	2031	32,132,472	35,523,238	10.6%
83rd/Stewart	3/31/2004	2028	10,618,689	28,057,061	164.2%
87th/Cottage Grove	11/13/2002	2026	53,959,824	84,023,713	55.7%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)
For the Fiscal Year Ended June 30, 2019

TIF District	Date TIF Initiated	Date TIF Matures	Initial EAV $	2018 EAV $	% Change in EAV (for 2018)
95th/Western	7/13/1995	2019	16,035,773	33,849,217	111.1%
			$ 10,834,380,698	$ 21,009,129,522	

NOTES:

State law empowers cities to create Tax Increment Financing Districts (TIFs) to finance redevelopment of blighted areas or areas at risk of blight. Taxes subsequently generated by new development and increases in property values in TIF districts are reinvested for further development. Increased tax revenues pay for general improvements such as roadways, viaducts, sewers, and sidewalk replacements or for financial assistance for developers.

State law requires the City to call a meeting of the Joint Review Board in order for the City to legally create any TIF.

The Chicago Public Schools serves on this committee.

Source: Office of The County Clerk Tax Increment Agency

Total 2018 EAV for the City of Chicago is $86,326,178,932 — Source of The Cook County Report

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF NEW PROPERTY EAV AS A PERCENTAGE OF OVERALL EAV

Last Ten Fiscal Years

(Thousands of dollars)

Tax Year Levy	Fiscal Year	Agency Overall Equalized Assessed Value (A)	Components of New Property by Tax Levy Year (B): New Property	Annexed Property	Disconnected Property	Recovered Tax Increment Value	Expired Incentives	Total New Property (A)	New property percentage of overall EAV
2009	2010	$ 84,592,286	$ 1,052,426	$ -	$ -	$ 162	$ -	$ 1,052,588	1.24%
2010	2011	82,092,476	727,019	-	-	104,289	18,790	850,098	1.04%
2011	2012	75,127,913	344,503	-	-	-	2,420	346,923	0.46%
2012	2013	65,257,093	213,120	-	-	41,499	19,845	274,464	0.42%
2013	2014	62,370,205	279,426	-	-	244,388	10,066	533,880	0.86%
2014	2015	64,913,774	414,558	-	-	1,040,246	9,912	1,464,716	2.26%
2015	2016	70,968,533	339,649	-	-	21,038	16,432	377,119	0.53%
2016	2017	74,020,998	397,527	-	-	39,040	10,667	447,234	0.60%
2017	2018	76,768,955	624,331	-	-	17,836	9,144	651,311	0.85%
2018	2019	86,335,882	555,209	-	-	320,198	82,544	957,952	1.11%

NOTES:

A) *Source* : Cook County Clerk's Office - Agency Tax Rate Report, includes DuPage County Valuation.

B) *Source* : Cook County Clerk's Office - PTELL New Property, Annexed Property, Disconnected Property, Recovered Tax Increment Report by Town Within Agency.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

Tax Increment Financing (TIF) Agreements in Support of Chicago Public Schools Capital Intergovernmental Agreements as of June 30, 2019

School	Total Benefit To CPS From IGA with Interest	Total Benefit Received By CPS	Amounts Pending To Be Paid To CPS	Parent TIF
Modern Schools Across Chicago Program Phase II				
Chicago Ag West High School (Al Raby Horticultural)	$ 16,500,000	$ 14,902,520	$ 1,597,480	Chicago/ Central Park
Modern Schools Across Chicago Program Additional Agreements				
Al Raby	631,434	-	631,434	Chicago/ Central Park
Brighton Park II Elementary	25,420,000	7,737,740	17,682,260	Stevenson/ Brighton
Laura Ward Project (Westinghouse High School)	9,181,143	-	9,181,143	Chicago/ Central Park
MSAC Subtotal	**$ 51,732,577**	**$ 22,640,260**	**$ 29,092,317**	
Other Capital Intergovernmental Agreements				
Amundsen Atlethic Field	$ 1,400,000	$ -	$ 1,400,000	Western Ave. North
Budlong Bathroom	2,200,000	2,144,830	55,170	Foster/California
Farnsworth Rehabilitation and Improvements	400,000	-	400,000	Elston/Armstrong
Foreman Renovation and Improvements	1,842,000	-	1,842,000	Belmont/Cicero
Jones/NTA Turf Field	4,600,000	4,080,741	519,259	Michigan/Cermak
McClellan Rehabilitation and Improvements	4,000,000	-	4,000,000	35th/Wallace
New South Loop School Escrow	48,333,000	44,200,000	4,133,000	River South
New South Loop School	10,667,000	9,136,000	1,531,000	River South
Peterson Atlethic Field	1,000,000	-	1,000,000	Lawrence/Kedzie
Schurz Atlethic Field	2,700,000	-	2,700,000	Portage Park
Senn Rehabilitation and Improvements	3,000,000	-	3,000,000	Clark Street/Ridge Avenue
Vaughn Rehabilitation and Improvements	55,000	-	55,000	West Irving Park
Whitney Young Atlethic Field	4,300,000	-	4,300,000	Central West
Other Capital IGA Subtotal	**$ 84,497,000**	**$ 59,561,572**	**$ 24,935,428**	
Grand Total	**$ 136,229,577**	**$ 82,201,832**	**$ 54,027,745**	

NOTES:

Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2019.

*City of Chicago refunded bonds to cover future principal and interest payments, no additional amounts to be paid to CPS.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS
For the Fiscal Year Ended June 30, 2019
(Thousands of dollars)

Series	Debt Type	Pledged Revenue Source	Issued
1992A	PBC GO Lease Certificate	Property Taxes	1/1/1992
1999B	PBC Building Revenue Refunding Bonds	Property Taxes	3/11/1999
1998 B-1	Unlimited Tax G.O. Bonds	IGA	10/28/1998
1999A	Unlimited Tax G.O. Bonds	PPRT/IGA	2/25/1999
2004A	Unlimited Tax G.O. Bonds	PPRT/State Aid	4/6/2004
2005A	Unlimited Tax G.O. Bonds	State Aid	6/27/2005
2006A	Qualified Zone Academy G.O. Bonds	State Aid	6/7/2006
2006B	Unlimited Tax G.O. Bonds	State Aid	9/27/2006
2007B	Unlimited Tax G.O. Bonds	IGA	9/5/2007
2008A	Unlimited Tax G.O. Bonds	PPRT/IGA	5/13/2008
2008B	Unlimited Tax G.O. Bonds	State Aid	5/13/2008
2008C	Unlimited Tax G.O. Bonds	State Aid	5/1/2008
2009D	Unlimited Tax G.O. Bonds	State Aid	7/30/2009
2009E	Unlimited Tax G.O. Build America Bonds	State Aid/Federal Subsidy	9/24/2009
2009G	Qualified School Construction G.O. Bonds	State Aid	12/17/2009
2010C	Qualified School Construction G.O. Bonds	State Aid/Federal Subsidy	11/2/2010
2010D	Unlimited Tax G.O. Build America Bonds	State Aid/Federal Subsidy	11/2/2010
2010F	Unlimited Tax G.O. Bonds	State Aid	11/2/2010
2011A	Unlimited Tax G.O. Bonds	State Aid	11/1/2011
2012A	Unlimited Tax G.O. Bonds	State Aid	8/21/2012
2012B	Unlimited Tax G.O. Bonds	State Aid	12/21/2012
2015C	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2015E	Unlimited Tax G.O. Bonds	State Aid	4/29/2015
2016A	Unlimited Tax G.O. Bonds	State Aid	2/8/2016
2016B	Unlimited Tax G.O. Bonds	State Aid	7/29/2016
2016CIT	Capital Improvement Tax	CIT Levy	1/4/2017
2017CIT	Capital Improvement Tax	CIT Levy	11/30/2017
2017A	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017B	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017C	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017D	Unlimited Tax G.O. Bonds	State Aid	11/30/2017
2017E	Unlimited Tax G.O. Bonds	PPRT	11/30/2017
2017F	Unlimited Tax G.O. Bonds	IGA	11/30/2017
2017G	Unlimited Tax G.O. Bonds	PPRT/State Aid	11/30/2017
2017H	Unlimited Tax G.O. Bonds	PPRT/IGA/State Aid	11/30/2017
2018A	Unlimited Tax G.O. Bonds	State Aid	6/1/2018
2018B	Unlimited Tax G.O. Bonds	State Aid	6/1/2018
2018C	Unlimited Tax G.O. Bonds	State Aid	12/13/2018
2018D	Unlimited Tax G.O. Bonds	PPRT/State Aid	12/13/2018
2018CIT	Capital Improvement Tax	CIT Levy	12/13/2018
	Grand Total Direct Debt		

NOTES: A. Net of amounts set aside/escrowed to maturity for December 1, 2018 payments deposited by June 30, 2018.

B. Excludes total accreted interest in the following series:

Series	Accreted Interest
1998B-1	$427,325
1999A	$260,393
Total	**$687,718**

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS
For the Fiscal Year Ended June 30, 2019
(Thousands of dollars)

Final Maturity	Interest Rate	Outstanding at June 30, 2018 (A)	Issued or (Redeemed)	Outstanding at June 30, 2019 (A) (B)
1/1/2020	6.00%-6.5%	$ 53,800	$ (26,125)	$ 27,675
12/1/2018	5.00%-5.25%	19,720	(19,720)	-
12/1/2031	4.55%-5.22%	232,381	(7,345)	225,036
12/1/2031	4.30%-5.3%	361,199	(30,895)	330,304
12/1/2020	4.00%-5.00%	49,600	(24,190)	25,410
12/1/2031	5.00%-5.50%	159,825	(7,860)	151,965
6/1/2021	0.00%	6,853	-	6,853
12/1/2036	4.25%-5.00%	22,005	-	22,005
12/1/2024	5.00%	16,035	(16,035)	-
12/1/2030	Variable	262,785	-	262,785
12/1/2041	Variable	169,425	-	169,425
3/1/2032	4.25%-5.00%	450,250	(450,250)	-
12/1/2023	1.00%-5.00%	21,910	(12,260)	9,650
12/1/2039	4.682%-6.14%	504,430	(6,885)	497,545
12/15/2025	1.75%	254,240	-	254,240
11/1/2029	6.32%	257,125	-	257,125
3/1/2036	6.52%	125,000	-	125,000
12/1/2031	5.00%	144,985	(13,470)	131,515
12/1/2041	5.00%-5.50%	402,410	-	402,410
12/1/2042	5.00%	468,915	-	468,915
12/1/2034	5.00%	109,825	-	109,825
12/1/2039	5.25%-6.00%	280,000	-	280,000
12/1/2039	5.13%	20,000	-	20,000
12/1/2044	7.00%	725,000	-	725,000
12/1/2046	6.50%	150,000	-	150,000
4/1/2046	5.75%-6.10%	729,580	-	729,580
4/1/2046	5.00%	64,900	-	64,900
12/1/2046	7.00%	285,000	-	285,000
12/1/2042	6.75%-7.00%	215,000	-	215,000
12/1/2034	5.00%	351,485	-	351,485
12/1/2031	5.00%	79,325	-	79,325
12/1/2021	5.00%	22,180	-	22,180
12/1/2024	5.00%	165,510	(585)	164,925
12/1/2044	5.00%	126,500	-	126,500
12/1/2046	5.00%	280,000	-	280,000
12/1/2035	4.00%-5.00%	552,030	-	552,030
12/1/2022	4.00%-5.00%	10,220	-	10,220
12/1/2032	5.00%	-	450,115	450,115
12/1/2046	5.00%	-	313,280	313,280
4/1/2046	5.00%	-	86,000	86,000
		$ 8,149,448	**$ 233,775**	**$ 8,383,223**

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES
As of June 30, 2019
(Thousands of dollars)

Bond Authorization	Amount Authorized	Amount Issued		Lien Closed	Retired	Principal Outstanding June 30, 2019	(1)	Remaining Authorization
1995 COP Board Authorization	$ 45,000	$ 45,000		$ -	$ 45,000	$ -		$ -
1996 Alternate Bond Authorization	1,150,000	850,000	(A)	300,000	850,000	-	(A)	-
1997 Alternate Bond Authorization	1,500,000	1,497,703	(B)	-	942,363	555,340	(B)	2,297
1998 Alternate Bond Authorization	900,000	870,195	(C)	-	870,195	-	(C)	29,805
2001 Alternate Bond Authorization	500,000	500,000	(D)	-	500,000	-	(D)	-
2002 Alternate Bond Authorization	500,000	500,000	(E)	-	500,000	-	(E)	-
2004 Alternate Bond Authorization	965,000	965,000	(F)	-	939,512	25,488	(F)	-
2006 Alternate Bond Authorization	750,000	634,258	(G)	-	621,238	13,020	(G)	115,742
2008 Alternate Bond Authorization	1,900,000	1,899,990	(H)	-	715,995	1,183,995	(H)	10
2009 Alternate Bond Authorization	2,300,000	1,906,180	(I)	-	521,215	1,384,965	(I)	393,820
2012 Alternate Bond Authorization	750,000	709,825	(J)	-	300,000	409,825	(J)	40,175
2015 Alternate Bond Authorization	1,160,000	1,160,000	(K)	-	-	1,160,000	(K)	-
2016 Alternate Bond Authorization	945,000	945,000	(L)	-	-	945,000	(L)	-
TOTAL	**$ 13,365,000**	**$ 12,483,151**		**$300,000**	**$6,805,518**	**$ 5,677,633**		**$ 581,849**

(1) Debt Reform Act Section 15 of the State of Illinois states that Alternate bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization. CPS currently has oustanding eight series of refunding bonds which met these requirements: $205,410 Series 2004A, of which $25,420 is outstanding; $193,585 Series 2005A, of which $151,965 is outstanding; $351,485 Series 2017C, of which all is outstanding; $79,325 Series 2017D, of which all is outstanding; $22,180 Series 2017E, of which all is outstanding; $165,510 Series 2017F, of which $164,925 is outstanding; $552,030 Series 2018A, of which all is outstanding; $450,115 Series 2018C, of which all is outstanding. These series are not included in the authorization table above. Total principal amount issued including these series is $15,335,231. Principal outstanding on CPS Alternate Bonds only is $7,475,068.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2019
(Thousands of dollars)

NOTES:

A. The total issued and outstanding debt for the 1996 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1996	4/17/1996	$ 350,000	$ -
Unlimited Tax GO Bonds Series 1997	5/7/1997	500,000	-
		$ 850,000	$ -

B. The total issued and outstanding debt for the 1997 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds Series 1997A	12/3/1997	$ 499,995	$ -
Unlimited Tax GO Bonds Series 1998	9/24/1998	14,000	-
Unlimited Tax GO Bonds Series 1998 B-1	10/28/1998	328,714	225,036
Unlimited Tax GO Bonds Series 1999A	2/25/1999	532,554	330,304
Unlimited Tax GO Bonds, IDFA Series 1999A	12/22/1999	12,000	-
Unlimited Tax GO Bonds, Series 2000D	9/7/2000	101,000	-
Unlimited Tax GO Bonds, Series 2001B	10/24/2001	9,440	-
		$ 1,497,703	$ 555,340

C. The total issued and outstanding debt for the 1998 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, PBC Series C of 1999	9/30/1999	$ 316,255	$ -
Unlimited Tax GO Bonds, Series 2000A	7/20/2000	106,960	-
Unlimited Tax GO Bonds, Series 2000B,C	9/7/2000	202,000	-
Unlimited Tax GO Bonds, Series 2000E	12/19/2000	13,390	-
Unlimited Tax GO Bonds, Series 2001A	3/1/2001	45,110	-
Unlimited Tax GO Bonds, Series 2003C	10/28/2003	4,585	-
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	81,895	-
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	100,000	-
		$ 870,195	$ -

D. The total issued and outstanding debt for the 2001 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2001C	12/11/2001	$ 217,260	$ -
Unlimited Tax GO Bonds, Series 2003A	2/13/2003	75,890	-
Unlimited Tax GO Bonds, Series 2003B	2/13/2003	183,775	-
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	23,075	-
		$ 500,000	$ -

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2019
(Thousands of dollars)

E. The total issued and outstanding debt for the 2002 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2002A	9/24/2002	$ 48,970	$ -
Unlimited Tax GO Bonds, Series 2003D	12/12/2003	257,925	-
Unlimited Tax GO Refunding Bonds, Series 2004B	4/6/2004	193,105	-
		$ 500,000	$ -

F. The total issued and outstanding debt for the 2004 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2004CDE	11/10/2004	$ 222,080	$ -
Unlimited Tax GO Bonds, Series 2004FGH	12/9/2004	56,000	-
Unlimited Tax GO Bonds, Series 2005C	11/15/2005	53,750	-
Unlimited Tax GO Bonds, Series 2005DE	12/8/2005	325,000	-
Unlimited Tax GO Bonds, Series 2006A	6/7/2006	6,853	6,853
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	301,317	18,635
		$ 965,000	$ 25,488

G. The total issued and outstanding debt for the 2006 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2006B	9/27/2006	$ 54,488	$ 3,370
Unlimited Tax GO Refunding Bonds, Series 2007A	9/5/2007	162,785	-
Unlimited Tax GO Refunding Bonds, Series 2007C	9/5/2007	6,870	-
Unlimited Tax GO Bonds, Series 2007D	12/13/2007	238,720	-
Unlimited Tax GO Refunding Bonds, Series 2009B	6/25/2009	75,410	-
Unlimited Tax GO Refunding Bonds, Series 2009C	6/25/2009	20,265	-
Unlimited Tax GO Refunding Bonds, Series 2009D	7/30/2009	75,720	9,650
		$ 634,258	$ 13,020

H. The total issued and outstanding debt for the 2008 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2008A	5/13/2008	$ 262,785	$ 262,785
Unlimited Tax GO Refunding Bonds, Series 2008B	5/13/2008	240,975	169,425
Unlimited Tax GO Refunding Bonds, Series 2008C	5/1/2008	464,655	-
Unlimited Tax GO Refunding Bonds, Series 2009A	3/18/2009	130,000	-
Unlimited Taxable GO Bonds, Series 2009E	9/24/2009	518,210	497,545
Unlimited Tax GO Bonds, Series 2009F	9/24/2009	29,125	-
Unlimited Tax GO Bonds, Series 2009G	12/17/2009	254,240	254,240
		$ 1,899,990	$ 1,183,995

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL AUTHORIZED BOND ISSUANCES (continued)
As of June 30, 2019
(Thousands of dollars)

I. The total issued and outstanding debt for the 2009 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2010A	2/17/2010	$ 48,910	$ -
Unlimited Tax GO Refunding Bonds, Series 2010B	2/17/2010	157,055	-
Unlimited Tax GO Bonds, Series 2010C	11/2/2010	257,125	257,125
Unlimited Tax GO Bonds, Series 2010D	11/2/2010	125,000	125,000
Unlimited Tax GO Refunding Bonds, Series 2010F	11/2/2010	183,750	131,515
Unlimited Tax GO Refunding Bonds, Series 2010G	11/2/2010	72,915	-
Unlimited Tax GO Bonds, Series 2011A	11/1/2011	402,410	402,410
Unlimited Tax GO Refunding Bonds, Series 2011C	12/20/2012	95,100	-
Unlimited Tax GO Refunding Bonds, Series 2011D	12/16/2011	95,000	-
Unlimited Tax GO Bonds, Series 2012A	8/21/2012	468,915	468,915
		$ 1,906,180	$ 1,384,965

J. The total issued and outstanding debt for the 2012 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Refunding Bonds, Series 2012B	12/21/2012	$ 109,825	$ 109,825
Unlimited Tax GO Short-term Line of Credit, Series :	12/20/2013	150,000	-
Unlimited Tax GO Short-term Line of Credit, Series :	12/20/2013	150,000	-
Unlimited Tax GO Bonds, Series 2015C	4/29/2015	280,000	280,000
Unlimited Tax GO Bonds, Series 2015E	4/29/2015	20,000	20,000
		$ 709,825	$ 409,825

K. The total issued and outstanding debt for the 2015 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2016A	2/8/2016	$ 725,000	$ 725,000
Unlimited Tax GO Bonds, Series 2016B	7/29/2016	150,000	150,000
Unlimited Tax GO Bonds, Series 2017A	7/11/2017	285,000	285,000
		$ 1,160,000	$ 1,160,000

L. The total issued and outstanding debt for the 2016 Authorization is the issuance as outlined below:

	Date Issued	Amount Issued	Principal Outstanding
Unlimited Tax GO Bonds, Series 2017B	11/30/2017	$ 215,000	$ 215,000
Unlimited Tax GO Bonds, Series 2017G	11/30/2017	126,500	126,500
Unlimited Tax GO Bonds, Series 2017H	11/30/2017	280,000	280,000
Unlimited Tax GO Bonds, Series 2018B	6/1/2018	10,220	10,220
Unlimited Tax GO Bonds, Series 2018D	12/13/2018	313,280	313,280
		$ 945,000	$ 945,000

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years
As of June 30, 2019
(Thousands of dollars, except per capita)

Fiscal Year	General Obligation Bonds	Capital Improvement Tax Bonds	Leases Securing PBC Bonds	Capital Leases	Total Primary Government	Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt
2010	$ 4,904,510	$ -	$ 359,215	$ 2,275	$ 5,266,000	N/A
2011	5,249,147	-	330,375	2,100	5,581,622	N/A
2012	5,593,686	-	299,780	1,925	5,895,391	N/A
2013	6,058,398	-	267,330	1,750	6,327,478	144,852
2014	5,944,516	-	232,940	1,575	6,179,031	167,270
2015	6,073,049	-	196,470	1,400	6,270,919	167,270
2016	6,578,983	-	157,780	1,225	6,737,988	97,695
2017	7,198,734	729,580	116,850	1,050	8,046,214	124,217
2018	7,281,448	794,480	73,520	875	8,150,323	158,585
2019	7,475,068	880,480	27,675	700	8,383,923	164,220

Notes:

(A) Starting in FY2013, CPS will include information about accumulated resources that are restricted to repaying the principal of outstanding general bonded debt. These accumulated resources will be subtracted from the total primary government amount in order to calculate a net total primary amount.

(B) For all years prior to FY2013, the total net outstanding debt per capita ratio is the total primary government amount divided by population.

(C) Total Primary Government's outstanding debts in this schedule do not include the accreted interest and unamortized premium or discount. Therefore, they will not be equal to total debt and capitalized lease obligations in Note 9 Long-Term Debt. For FY19, the accreted interest and unamortized premium (discount) were $687.7 million and ($36.3) million, respectively. The addition of these components to the total outstanding debt presented in this table results in a total outstanding debt of $9,035.3 million.

Net Total Primary Government	Percentage of Personal Income	Percentage of Actual Taxable Value of Property	Population	Total Net General Bonded Debt Per Capita	Total General Obligation Debt Per Capita
$ 5,266,000	4.31%	17.23%	2,695,598	$ 1,953.56	$ 1,819.45
5,581,622	4.41%	18.55%	2,695,598	2,070.64	1,947.30
5,895,391	4.47%	21.46%	2,695,598	2,187.04	2,075.12
6,182,626	4.62%	22.64%	2,695,598	2,293.60	2,247.52
6,011,761	4.35%	21.98%	2,695,598	2,230.21	2,205.27
6,103,649	4.01%	19.89%	2,695,598	2,264.30	2,252.95
6,640,293	4.30%	21.45%	2,695,598	2,463.38	2,440.64
7,921,997	4.92%	25.58%	2,716,450	2,916.31	2,650.05
7,991,738	4.75%	26.61%	2,705,994	2,953.35	2,690.86
8,219,703	N/A	N/A	N/A	N/A	N/A

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

As of June 30, 2019 (Thousands of dollars)

	2010	2011	2012	2013
Debt limit	$ 11,673,736	$ 11,328,763	$ 10,367,652	$ 9,005,479
General obligation	498,593	446,719	394,793	342,830
Less: amount set aside for repayment of bonds	(16,042)	(36,440)	(29,917)	(34,790)
Total net debt applicable to limit (A)	482,551	410,279	364,876	308,040
Legal debt margin	$ 11,191,185	$ 10,918,484	$ 10,002,776	$ 8,697,439
Total net debt applicable to the limit as a percentage of debt limit	4.13%	3.62%	3.52%	3.42%

(A) Pursuant to Section 15 of the Debt Reform Act, this table does not reflect the following alternate bonds because these bond series do not count against the debt limit until the tax levy supporting them is extended for collection:

$328.7 million Series 1998B-1
$532.5 million Series 1999A
$205.4 million Series 2004A
$193.5 million Series 2005A
$6.9 million Series 2006A
$355.8 million Series 2006B
$262.8 million Series 2008A
$240.9 million Series 2008B
$75.7 million Series 2009D
$547.3 million Series 2009E
$254.2 million Series 2009G
$257.1 million Series 2010C
$125.0 million Series 2010D
$183.7 million Series 2010F
$402.4 million Series 2011A
$468.9 million Series 2012A
$109.8 million Series 2012B
$280.0 million Series 2015C
$20.0 million Series 2015E
$725.0 million Series 2016A
$150.0 million Series 2016B
$285.0 million Series 2017A
$215.0 million Series 2017B
$351.5 million Series 2017C
$79.3 million Series 2017D
$22.2 million Series 2017E
$165.5 million Series 2017F
$126.5 million Series 2017G
$280.0 million Series 2017H
$552.0 million Series 2018A
$10.2 million Series 2018B
$450.1 million Series 2018C
$313.3 million Series 2018D

2014	2015	2016	2017	2018	2019
$ 8,607,088	$ 8,958,101	$ 9,793,658	$ 10,214,898	$ 10,594,116	$ 11,914,352
290,849	238,820	186,823	134,803	82,734	30,636
(35,201)	(34,684)	(34,866)	(32,761)	(35,452)	(23,173)
255,648	204,136	151,957	102,042	47,282	7,463
$ 8,351,440	$ 8,753,965	$ 9,641,701	$ 10,112,856	$ 10,546,834	$ 11,906,889
2.97%	2.28%	1.55%	1.00%	0.45%	0.06%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2019

(Thousands of Dollars)

Governmental Unit	Debt Outstanding (A)	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Chicago	$ 8,099,840	100.00%	$ 8,099,840
City Colleges of Chicago	320,446	100.00%	320,446
Chicago Park District	800,935	100.00%	800,935
Cook County	2,950,122	54.44%	1,606,046
Forest Preserve District	145,190	54.44%	79,041
Water Reclamation District	2,776,431	55.41%	1,538,420
Subtotal, overlapping debt			$12,444,728
Chicago Public School Direct Debt			8,383,223
Total Direct and Overlapping Debt			$20,827,951

(A) Debt outstanding data provided by each governmental unit.

(B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2018 tax extension within the City of Chicago by the total 2018 Cook County extension for the district.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education
CPS' DEBT RATING HISTORY

Fiscal Year Ending June 30, 2019

General Obligation Bonds

The following table presents the changes in general obligation credit rating for Chicago Board of Education for the last five years:

	Mar. 2014	Mar. 2015	May 2015	July 2015	Aug. 2015	Jan. 2016*	Sept. 2016*	Nov. 2016*	Dec. 2016*	Oct. 2017*	July 2018*	Jun 2019
S&P	A+	A-	A-	BBB	BB	B+	B+	B	B	B	B+	B+
Moody's	Baa1	Baa3	Ba3	Ba3	Ba3	B2	B3	B3	B3	B3	B2	B2
Fitch	A-	BBB-	BBB-	BB+	B+	B+	B+	B+	B+	BB-	BB-	BB-
Kroll		BBB+	BBB+	BBB+	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-

Security Structure: All of CPS' general obligation debt that has been issued as alternate revenue bonds are secured by at least one other revenue stream in addition to the Board's unlimited tax general obligation pledge. CPS has pledged revenues from Personal Property Replacement Taxes (PPRT), revenues from an Intergovernmental Agreement (IGA) with the City of Chicago, revenues from City Notes and Intergovernmental Agreements with the City of Chicago, federal subsidies, and both State Aid and State Grant revenues as alternate revenue sources.

*NOTES: *The rating provided by Kroll for the CPS Series 2016A and Series 2016B bonds has been BBB since January 2016 and September 2016 respectfully. CPS Bond Series 2017CDEFGH and 2018AB have been BBB rated since November 2017 and May 2018 respectfully. All other issues were BBB-.*

Capital Improvement Tax Bonds

The following table presents the changes in the dedicated revenue capital improvement tax credit rating for Chicago Board of Education since inception beginning in December 2016:

	Dec. 2016	June 2017	June 2018	June 2019
S&P	None	None	None	None
Moody's	None	None	None	None
Fitch	A	A	A	A
Kroll	BBB	BBB	BBB	BBB

Security Structure: In Fiscal Year 2017, CPS structured an entirely new capital improvement tax (CIT) long term bond credit that is separate from the existing CPS general obligation credit. The CIT Bonds are limited obligations of the Board payable from and secured by a revenues derived and to be derived by the Board from the levy of a capital improvement tax. The Capital Improvement Tax Levy is outside of the Board's property tax cap limitation and may increase by the rate of inflation in future years. The statute authorizing the CIT allows the levy to be used for either expenditures on capital projects or to pay for debt service on bonds that are used to finance capital projects such as the CIT Bonds issued in fiscal year 2017 and 2018.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education
CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Last Ten Years

	2018 (1)			2017			2016			2015		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Northwestern Memorial Healthcare......	19,886	1	1.54%	16,667	2	1.29%	15,747	3	1.23%	15,317	3	1.20%
Advocate Health Care......................	19,513	2	1.51%	19,049	1	1.48%	18,930	1	1.48%	18,308	1	1.44%
University of Chicago......................	17,345	3	1.35%	16,583	3	1.29%	16,374	2	1.28%	16,197	2	1.27%
Amita Health..................................	16,231	4	1.26%	-	-	-	-	-	-	-	-	-
United Continental Holdings Inc. (3)....	14,582	5	1.13%	12,994	6	1.01%	15,157	5	1.18%	14,000	5	1.10%
Amazon.com Inc.............................	14,018	6	1.09%	13,240	5	1.03%	-	-	-	-	-	-
J.P. Morgan Chase & Co. (2)............	13,795	7	1.07%	15,701	4	1.22%	15,229	4	1.19%	14,158	4	1.11%
Walgreens Boots Alliance Inc............	12,311	8	0.96%	12,751	7	0.99%	12,685	6	0.99%	13,006	7	1.02%
Wal-mart Stores Inc........................	11,420	9	0.89%	10,220	10	0.79%	-	-	-	-	-	-
Northwestern University..................	10,865	10	0.84%	10,847	8	0.84%	10,241	7	0.80%	9,708	10	0.76%
Presence Health.............................	-	-	-	10,225	9	0.79%	10,183	8	0.79%	10,500	8	0.82%
Abbot Laboratories..........................	-	-	-	-	-	-	9,800	9	0.76%	10,000	9	0.79%
Jewel Food Stores, Inc....................	-	-	-	-	-	-	9,660	10	0.75%	-	-	-
Health Care Service Corporation.........	-	-	-	-	-	-	-	-	-	13,006	6	1.02%
SBC/AT&T (4).................................	-	-	-	-	-	-	-	-	-	-	-	-
University of Illinois at Chicago...........	-	-	-	-	-	-	-	-	-	-	-	-
Accenture LLP................................	-	-	-	-	-	-	-	-	-	-	-	-
Northern Trust.................................	-	-	-	-	-	-	-	-	-	-	-	-
Ford Motor Company.......................	-	-	-	-	-	-	-	-	-	-	-	-
ABM Janitorial Midwest, Inc..............	-	-	-	-	-	-	-	-	-	-	-	-
Bank of America NT & SA.................	-	-	-	-	-	-	-	-	-	-	-	-
American Airlines............................	-	-	-	-	-	-	-	-	-	-	-	-
SBC Ameritech	-	-	-	-	-	-	-	-	-	-	-	-
CVS Corporation.............................	-	-	-	-	-	-	-	-	-	-	-	-

NOTES:

1) *Source* : Reprinted with permission, Crain's Chicago Business [February 11, 2019], Crain Communications, Inc.

2) J.P. Morgran Chase formerly known as J.P. Morgan Chase.

3) United Continental Holdings Inc. formaly known as United Airlines.

4) AT&T Inc. formerly known as SBC Ameritech.

2014			2013			2012			2011			2010			2009		
Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
14,550	4	1.15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18,556	1	1.47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16,025	2	1.27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14,000	5	1.11%	8,199	2	0.75%	7,521	2	0.70%	6,366	2	0.62%	5,585	2	0.58%	6,019	2	0.58%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15,015	3	1.19%	8,499	1	0.78%	8,168	1	0.76%	7,993	1	0.77%	8,094	1	0.81%	8,431	1	0.81%
13,797	6	1.09%	2,869	9	0.26%	2,789	10	0.26%	4,429	7	0.43%	4,552	6	0.33%	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
11,279	8	0.89%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,000	10	0.79%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	4,441	6	0.41%	4,572	5	0.43%	4,799	5	0.46%	5,307	4	0.52%	5,833	3	0.56%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13,000	7	1.03%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,100	9	0.80%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	5,821	3	0.53%	5,590	3	0.52%	5,014	4	0.48%	4,224	7	0.32%	3,341	7	0.32%
-	-	-	5,353	4	0.49%	5,448	4	0.51%	5,485	3	0.53%	5,833	3	0.56%	5,394	4	0.52%
-	-	-	5,103	5	0.47%	4,187	6	0.39%	3,410	10	0.33%	-	-	-	2,764	10	0.27%
-	-	-	3,399	7	0.31%	3,398	8	0.32%	3,629	9	0.35%	3,840	9	0.30%	-	-	-
-	-	-	3,392	8	0.31%	3,811	7	0.36%	4,557	6	0.44%	4,668	5	0.44%	4,631	5	0.44%
-	-	-	2,749	10	0.25%	3,076	9	0.29%	-	-	-	3,153	10	0.27%	3,394	6	0.33%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,136	8	0.30%
-	-	-	-	-	-	-	-	-	4,159	8	0.40%	4,067	8	0.30%	3,120	9	0.30%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Year	City of Chicago Population (A)	Personal Income ($000's)	Per Capita Income (B)	Median Age (C)	Number of Households (C)
2009	2,896,016	$ 133,682,995	$ 46,161	34.50	1,037,069
2010	2,695,598	122,140,241	45,311	34.80	1,045,666
2011	2,695,598	126,523,283	46,937	33.20	1,045,666
2012	2,695,598	131,930,653	48,943	33.10	1,030,076
2013	2,695,598	133,866,092	49,661	33.30	1,028,746
2014	2,695,598	138,230,265	51,280	33.40	1,028,829
2015	2,695,598	152,220,419	56,470	33.70	1,035,436
2016	2,695,598	154,417,331	57,285	33.90	1,042,579
2017	2,716,450	160,917,065	59,238	34.10	1,046,789
2018	2,705,994	168,326,357	62,205	34.90	1,077,886

NOTES:

A) *Source* : U.S. Census Bureau. The census is conducted decennially at the start of each decade.

B) *Source* : Bureau of Economic Analysis. These rates are for Cook County.

C) *Source* : World Business Chicago Website.

D) *Source* : Illinois Workforce Info Center Website

N/A: Not available at publishing.

Civilian Labor Force (D)		Employment (D)		
Number	Percent of Population	Number	Percent of Population	Unemployment Rate
1,318,491	45.53%	1,174,785	40.57%	10.90%
1,320,502	48.99%	1,175,029	43.59%	11.00%
1,259,055	46.71%	1,116,216	41.41%	11.30%
1,273,805	47.26%	1,144,896	42.47%	10.10%
1,277,649	47.40%	1,143,944	42.44%	10.50%
1,369,656	50.81%	1,264,234	46.90%	7.70%
1,361,418	50.51%	1,273,727	47.25%	6.40%
1,374,148	50.98%	1,285,806	47.70%	6.40%
1,364,817	50.24%	1,289,325	47.46%	5.50%
1,345,740	49.73%	1,288,755	47.63%	4.20%

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2018 NET REVENUES
(Millions of dollars)

Company Name	2018 Net Revenues	Number of Employees (1)
Walgreens Boots Alliance Inc.	$ 131,537.0	354,000
Boeing Co.	101,127.0	153,000
Archer Daniels Midland Co.	64,341.0	31,600
Caterpillar Inc.	54,722.0	104,000
United Continental Holdings Inc.	41,303.0	92,000
Allstate Corp.	39,815.0	45,700
Deere & Co.	36,577.7	74,413
Exelon Corp.	35,985.0	33,383
Abbvie Inc.	32,753.0	30,000
Abbott Laboratories	30,578.0	103,000
Kraft Heinz Co	26,259.0	39,000
Mondelez International Inc.	25,938.0	80,000
US Foods Holdings Corp.	24,175.0	25,000
McDonald's Corp.	21,025.0	210,000
Jones Lang LaSalle	16,318.0	90,000
CDW Corp.	16,240.5	9,019
Illinois Tool Works Inc.	14,768.0	48,000
Discover Financial Services Inc.	12,848.0	16,600
LKQ Corp.	11,876.7	51,000
Tennoco Inc	11,763.0	81,000

Source: **Crain's Chicago Business**, "Chicago's Largest Public Companies", from May 20, 2019 issue. Copyright 2019 Crain Communications Inc.

NOTES:
1) Most recent employee count available

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE
FINAL APPROPRIATIONS AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018
(Thousands of Dollars)

	Approved Budget	Tranfers In/(Out)	Final Appropriations	Fiscal Year 2019 Actual	Over/(Under) Budget	Fiscal Year 2018 Actual	2019 Over (under) 2018
Revenues:							
Property taxes	$ 2,899,427	$ -	$ 2,899,427	$ 2,896,823	$ (2,604)	$ 2,794,613	$ 102,210
Replacement taxes	126,159	-	126,159	152,319	26,160	109,997	42,322
State aid	1,849,188	-	1,849,188	1,886,770	37,582	1,859,582	27,188
Federal aid	805,353	-	805,353	679,990	(125,363)	723,432	(43,442)
Interest and investment earnings	5,000	-	5,000	6,798	1,798	6,099	699
Other	236,485	-	236,485	383,654	147,169	332,323	51,331
Total revenues	$ 5,921,612	$ -	$ 5,921,612	$ 6,006,354	$ 84,742	$ 5,826,046	$ 180,308
Expenditures:							
Teachers' salaries	$ 1,932,165	$ (26,951)	$ 1,905,214	$ 1,928,020	$ (22,806)	$ 1,841,295	$ 86,725
Career service salaries	576,203	51,180	627,383	620,004	7,379	595,467	24,537
Energy	74,747	935	75,682	75,408	274	60,813	14,595
Food	98,628	686	99,314	100,030	(716)	94,512	5,518
Textbook	39,651	46,791	86,442	98,607	(12,165)	50,296	48,311
Supplies	24,699	45,344	70,043	56,202	13,841	46,683	9,519
Other commodities	364	33	397	301	96	301	-
Professional fees	386,937	142,074	529,011	480,301	48,710	410,175	70,126
Charter Schools	749,408	13,721	763,129	736,530	26,599	703,124	33,406
Transportation	106,177	5,567	111,744	107,373	4,371	106,021	1,352
Tuition	63,034	(4,083)	58,951	55,333	3,618	50,181	5,152
Telephone and telecommunications	31,721	(718)	31,003	28,784	2,219	23,718	5,066
Other services	22,057	15,705	37,762	27,146	10,616	26,819	327
Equipment - educational	18,333	38,915	57,248	49,973	7,275	35,214	14,759
Repair and replacements	23,781	(3,389)	20,392	8,995	11,397	13,214	(4,219)
Capital outlay	-	279	279	80	199	1,293	(1,213)
Teachers' pension	934,624	(18,317)	916,307	924,209	(7,902)	900,791	23,418
Career service pension	91,791	(2,883)	88,908	143,486	(54,578)	113,882	29,604
Hospitalization and dental insurance	356,175	(3,182)	352,993	304,917	48,076	319,344	(14,427)
Medicare	37,304	882	38,186	36,294	1,892	34,601	1,693
Unemployment compensation	9,000	(1,938)	7,062	4,146	2,916	6,604	(2,458)
Workers compensation	22,000	1,936	23,936	23,973	(37)	23,546	427
Rent	17,783	1,307	19,090	16,691	2,399	16,840	(149)
Debt service	21,000	-	21,000	9,275	11,725	32,101	(22,826)
Other fixed charges	346,615	(303,894)	42,721	22,782	19,939	7,045	15,737
Total expenditures	$ 5,984,197	$ -	$ 5,984,197	$ 5,858,860	$ 125,337	$ 5,513,880	$ 344,980
Revenues in excess of (less than) expenditures	$ (62,585)	$ -	$ (62,585)	$ 147,494	$ 210,079	$ 312,166	$ (164,672)
Other financing sources (uses):							
Premiums	$ -	$ -	$ -	$ 33	$ 33	$ -	$ 33
Transfers in / (out)	62,585	-	62,585	475	(62,110)	286,828	(286,353)
Total other financing sources (uses)	$ 62,585	$ -	$ 62,585	$ 508	$ (62,077)	$ 286,828	$ (286,320)
Net change in fund balances	$ -	$ -	$ -	$ 148,002	$ 148,002	$ 598,994	$ (450,992)
Fund balances, beginning of period	323,764	-	323,764	323,764	-	(275,230)	598,994
Fund balances, end of period	$ 323,764	$ -	$ 323,764	$ 471,766	$ 148,002	$ 323,764	$ 148,002

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF REVENUE - BY PROGRAM
For the Fiscal Year Ended June 30, 2019
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Revenues:					
Property taxes..........................	$ 2,386,116	$ 434,256	$ -	$ -	$ -
Replacement taxes....................	152,319	-	-	-	-
State aid..................................	1,196,176	-	-	315,460	-
Federal aid...............................	52,517	-	93,185	96,869	-
Interest and investment income....	6,685	98	-	-	-
Other......................................	315,506	13,306	-	13,379	-
Total revenues.........................	$ 4,109,319	$ 447,660	$ 93,185	$ 425,708	$ -

Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Act Program	Total
$ -	$ -	$ 76,451	$ -	$ -	$ 2,896,823
-	-	-	-	-	152,319
-	3,240	-	371,894	-	1,886,770
231,767	196,553	-	-	9,099	679,990
-	-	15	-	-	6,798
-	16,707	9,675	15,081	-	383,654
$ 231,767	$ 216,500	$ 86,141	$ 386,975	$ 9,099	$ 6,006,354

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND
SCHEDULE OF EXPENDITURES - BY PROGRAM
For the Fiscal Year Ended June 30, 2019
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	Educational Program	CTPF Pension Levy	Individuals with Disabilities Education Act (IDEA) Program	Other Government Funded Program	Supplementary General State Aid
Teachers' salaries	$ 1,643,909	$ -	$ 65,439	$ 109,104	$ 58
Career service salaries	405,847	-	1,148	43,910	29
Energy	168	-	-	-	-
Food	699	-	1	2,331	-
Textbooks	88,947	-	10	3,321	213
Supplies	42,194	-	110	6,806	229
Other commodities	222	-	-	39	-
Professional fees	107,637	-	3,750	85,315	126
Charter schools	692,486	-	-	4,061	-
Transportation	100,702	-	16	2,141	28
Tuition	52,007	-	2,847	472	-
Telephone and telecommunications	28,758	-	-	6	-
Other services	13,698	-	5	2,497	49
Equipment - educational	33,517	-	2	8,188	163
Repairs and replacements	4,828	-	-	74	11
Capital outlay	79	-	-	-	2
Teachers' pension	436,492	442,823	10,932	17,234	7
Career service pension	90,086	-	148	9,315	2
Hospitalization and dental insurance	229,877	-	7,068	18,158	-
Medicare	29,119	-	924	2,142	1
Unemployment compensation	3,360	-	115	238	0
Workers' compensation	19,427	-	667	1,376	0
Rent	964	-	7	1,139	-
Debt Service	9,275	-	-	-	-
Other fixed charges	7,407	-	1,796	487	-
Total expenditures	$ 4,041,706	$ 442,823	$ 94,988	$ 318,353	$ 919

Elementary and Secondary Education Act (ESEA) Program	School Lunch Program	Workers' and Unemployment Compensation/ Tort Immunity Program	Public Building Commission Operations and Maintenance Program	ARRA American Recovery and Reinvestment Program	Total
$ 106,439	$ 1	$ 95	$ 3	$ 2,972	$ 1,928,020
15,474	70,461	47,844	34,008	1,282	620,004
-	-	-	75,240	-	75,408
166	96,833	-	-	-	100,030
3,701	-	-	282	2,133	98,607
4,246	21	69	331	2,194	56,202
8	1	0	25	6	301
31,407	5,611	1,974	241,998	2,484	480,301
38,192	-	-	-	1,791	736,530
4,248	65	21	149	2	107,373
-	7	-	-	-	55,333
19	-	-	-	-	28,784
2,480	58	7,878	102	378	27,146
2,051	3,976	20	438	1,619	49,973
28	-	745	3,309	-	8,995
-	-	-	-	-	80
16,498	-	16	-	207	924,209
3,455	18,688	12,539	9,142	111	143,486
12,826	20,111	10,166	6,542	169	304,917
1,737	989	837	458	86	36,294
194	103	76	57	3	4,146
1,123	595	438	331	16	23,973
-	18	-	14,563	-	16,691
-	-	-	-	-	9,275
4,710	8,384	(2,200)	-	-	22,782
$ 249,005	$ 225,923	$ 82,715	$ 386,975	$ 15,454	$ 5,858,860

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF REVENUES - ALL FUNDS
Last Ten Fiscal Years and 2020 Budget
(Modified Accrual Basis of Accounting)
(Thousands of Dollars)

	2010	2011	2012	2013	2014 (as restated)	2015
Local revenue:						
Property taxes……	$ 2,047,163	$ 1,936,655	$ 2,352,136	$ 2,211,568	$ 2,204,252	$2,304,656
Replacement taxes……	152,497	197,762	181,927	185,884	188,041	202,148
Investment income……	12,483	13,399	20,760	7,303	15,596	(92,825)
Other……	359,661	417,516	303,744	322,128	286,472	377,286
Total local……	$ 2,571,804	$ 2,565,332	$ 2,858,567	$ 2,726,883	$ 2,694,361	$2,791,265
State revenue:						
Evidence based funding……	$ 1,001,777	$ 1,163,412	$ 1,136,472	$ 1,094,732	$ 1,089,673	$1,014,395
Teachers' pension ……	37,551	42,971	10,449	10,931	11,903	62,145
Capital……	-	2,793	-	-	-	-
Other……	512,748	740,605	818,980	710,135	739,229	770,529
Total state……	$ 1,552,076	$ 1,949,781	$ 1,965,901	$ 1,815,798	$ 1,840,805	$1,847,069
Federal revenue:						
Elementary and Secondary Education Act (ESEA)……	$ 307,331	$ 271,859	$ 283,681	$ 264,600	$ 342,915	$ 253,514
Individuals with Disabilities Education Act (IDEA)……	96,240	88,058	84,385	106,902	100,092	103,899
School lunchroom……	178,764	175,753	182,836	190,093	181,902	200,412
Medicaid……	34,937	72,343	92,736	41,523	44,801	42,524
Other……	562,876	536,871	292,313	242,678	237,531	198,582
Total federal ……	$ 1,180,148	$ 1,144,884	$ 935,951	$ 845,796	$ 907,241	$ 798,931
Total revenue……	$ 5,304,028	$ 5,659,997	$ 5,760,419	$ 5,388,477	$ 5,442,407	$5,437,265
Change in revenue from previous year……	$ 284,450	$ 355,969	$ 100,422	$ (371,942)	$ 53,930	$ (5,142)
Percent change in revenue……	5.7%	6.7%	1.8%	-6.5%	1.0%	-0.1%

Note - General State Aid changed to Evidence Based Funding in FY 18.

2016	2017	2018	2019	Budget 2020	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$ 2,408,416	$ 2,714,956	$ 2,897,870	$ 2,984,026	$ 3,134,500	4.4%	6.3%
161,535	227,921	168,254	187,232	215,300	3.5%	1.3%
(95,650)	5,442	19,022	47,250	5,000	-8.7%	-155.8%
437,042	387,045	461,692	536,349	457,100	2.4%	3.9%
$ 2,911,343	$ 3,335,364	$ 3,546,838	$ 3,754,857	$ 3,811,900	4.0%	6.4%
$ 971,642	$ 1,074,021	$ 1,540,295	$ 1,605,783	$ 1,673,700	5.3%	10.5%
12,105	1,016	232,992	238,869	257,300	21.2%	32.9%
-	-	6,908	-	-	-	0.0%
568,578	633,828	416,761	338,290	350,800	-3.7%	-14.6%
$ 1,552,325	$ 1,708,865	$ 2,196,956	$ 2,182,942	$ 2,281,800	3.9%	4.3%
$ 150,477	$ 278,136	$ 259,691	$ 229,952	$ 254,600	-1.9%	0.1%
93,483	93,096	92,655	93,185	105,221	0.9%	0.3%
202,943	198,440	198,304	198,294	235,947	2.8%	3.3%
34,806	37,108	32,392	34,975	35,000	0.0%	-3.8%
327,290	177,163	184,886	148,949	136,732	-13.2%	-7.2%
$ 808,999	$ 783,943	$ 767,928	$ 705,355	$ 767,500	-4.2%	-0.8%
$ 5,272,667	$ 5,828,172	$ 6,511,722	$ 6,643,154	$ 6,861,200	2.6%	4.8%
$ (164,598)	$ 555,505	$ 683,550	$ 131,432	$ 218,046		
-3.0%	10.5%	11.7%	2.0%	3.3%		

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES - ALL FUNDS
Last Ten Fiscal Years and 2020 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2010	2011	2012	2013	2014	2015
Compensation:						
Teacher salaries	$ 2,026,257	$ 2,023,510	$ 2,026,832	$ 1,942,007	$ 1,921,969	$ 1,953,938
ESP salaries	604,042	610,741	618,265	633,489	619,462	622,591
Total salaries	$ 2,630,299	$ 2,634,251	$ 2,645,097	$ 2,575,496	$ 2,541,431	$ 2,576,529
Teacher pension	475,628	306,111	335,657	374,567	740,419	826,304
ESP pension	96,913	102,158	100,026	102,342	101,885	102,012
Hospitalization	311,048	353,878	324,918	319,792	343,308	357,124
Medicare	34,826	35,004	34,900	36,404	35,951	36,557
Unemployment insurance	16,000	21,992	17,141	9,134	16,426	8,138
Workers' compensation	28,244	25,859	26,042	23,967	25,646	25,926
Total benefits	$ 962,659	$ 845,002	$ 838,684	$ 866,206	$ 1,263,635	$ 1,356,061
Total compensation	$ 3,592,958	$ 3,479,253	$ 3,483,781	$ 3,441,702	$ 3,805,066	$ 3,932,590
Non-compensation:						
Energy	$ 78,682	$ 83,356	$ 73,409	$ 76,559	$ 87,547	$ 74,516
Food	93,088	93,766	104,245	106,650	96,816	99,573
Textbooks	70,596	70,249	49,147	68,969	52,871	55,254
Supplies	48,046	51,125	45,521	52,925	55,223	50,571
Commodities - other	948	478	583	408	648	474
Professional fees	381,851	450,127	412,072	398,064	441,667	395,221
Charter schools	326,322	377,755	424,423	498,162	580,652	662,553
Transportation	109,349	107,530	109,368	106,861	104,430	103,891
Tuition	62,568	59,102	55,001	54,626	66,396	90,901
Telephone and telecommunications	18,199	19,823	23,451	23,642	30,297	28,061
Services - other	15,688	11,789	11,010	12,438	14,126	14,133
Equipment	33,661	41,896	40,938	59,654	62,757	60,962
Repairs and replacements	31,854	37,355	33,912	26,449	31,679	27,291
Capital outlays	691,774	563,390	576,925	493,532	486,986	374,758
Rent	12,093	11,941	11,745	10,547	12,164	13,030
Debt service	386,597	332,097	374,494	390,409	467,904	523,113
Other	17,519	14,402	9,679	8,639	7,792	11,340
Total non-compensation	$ 2,378,835	$ 2,326,181	$ 2,355,923	$ 2,388,534	$ 2,599,955	$ 2,585,642
Total expenditures	$ 5,971,793	$ 5,805,434	$ 5,839,704	$ 5,830,236	$ 6,405,021	$ 6,518,232
Change in expenditures from previous year	$ 279,543	$ (166,359)	$ 34,270	$ (9,468)	$ 574,785	$ 113,211
Percent change in expenditures	4.9%	-2.8%	0.6%	-0.2%	9.8%	1.8%

2016	2017	2018	2019	Budget 2020	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$ 1,869,683	$ 1,815,309	$ 1,841,295	$ 1,928,020	$ 2,012,813	-0.1%	0.6%
605,817	581,665	595,467	620,004	626,032	0.4%	0.1%
$ 2,475,500	$ 2,396,974	$ 2,436,762	$ 2,548,024	$ 2,638,845	0.0%	0.5%
811,051	853,474	900,791	924,209	980,825	7.5%	3.5%
102,762	99,428	113,882	143,486	97,639	0.1%	-0.9%
348,083	306,871	319,344	304,917	368,335	1.7%	0.6%
34,824	33,658	34,601	36,294	39,600	1.3%	1.6%
9,438	7,040	6,604	4,146	9,000	-5.6%	2.0%
20,337	20,531	23,546	23,973	22,000	-2.5%	-3.2%
$ 1,326,495	$ 1,321,002	$ 1,398,768	$ 1,437,025	$ 1,517,399	4.7%	2.3%
$ 3,801,995	$ 3,717,976	$ 3,835,530	$ 3,985,049	$ 4,156,244	1.5%	1.1%
$ 70,227	$ 69,067	$ 60,813	$ 75,408	$ 75,574	-0.4%	0.3%
98,777	94,911	94,512	100,030	98,976	0.6%	-0.1%
54,856	43,255	50,296	98,607	36,366	-6.4%	-8.0%
47,085	44,040	46,683	56,202	29,847	-4.6%	-10.0%
294	221	301	301	331	-10.0%	-6.9%
314,732	357,258	410,175	480,301	424,021	1.1%	1.4%
704,981	668,412	703,124	736,530	753,365	8.7%	2.6%
104,450	95,974	106,021	107,373	107,537	-0.2%	0.7%
61,028	53,668	50,181	55,333	57,783	-0.8%	-8.7%
24,579	21,998	23,718	28,784	16,863	-0.8%	-9.7%
16,471	13,814	26,819	27,146	27,001	5.6%	13.8%
45,407	30,967	35,214	49,973	13,231	-8.9%	-26.3%
18,853	18,319	13,214	8,995	32,947	0.3%	3.8%
294,446	205,852	340,482	613,138	820,605	1.7%	17.0%
16,012	14,638	16,840	16,691	18,146	4.1%	6.8%
480,288	569,694	652,532	638,830	700,284	6.1%	6.0%
8,961	13,488	7,045	22,782	327,305	34.0%	95.9%
$ 2,361,447	$ 2,315,576	$ 2,637,970	$ 3,116,424	$ 3,540,182	4.1%	6.5%
$ 6,163,442	$ 6,033,552	$ 6,473,500	$ 7,101,473	$ 7,696,426	2.6%	3.4%
$ (354,790)	$ (129,890)	$ 439,948	$ 627,973	$ 594,953		
-5.4%	-2.1%	7.3%	9.7%	8.4%		

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) - ALL FUNDS

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2010	2011	2012	2013	2014 (as restated)
Revenues:					
Local	$2,571,804	$2,565,332	$2,858,567	$2,726,883	$ 2,694,361
State	1,552,076	1,949,781	1,965,901	1,815,798	1,840,805
Federal	1,180,148	1,144,884	935,951	845,796	907,241
Total revenues	$5,304,028	$5,659,997	$5,760,419	$5,388,477	$ 5,442,407
Total expenditures	5,971,793	5,805,434	5,839,704	5,830,236	6,405,021
Revenues less expenditures	$ (667,765)	$ (145,437)	$ (79,285)	$ (441,759)	$ (962,614)
Other Financing Sources:					
Bond proceeds	$1,083,260	$ 638,790	$ 592,510	982,720	131,600
Net premiums/discounts	6,459	14,700	1,229	47,271	-
Insurance proceeds	-	-	-	-	-
Sales of general capital assets	-	-	-	723	7,301
Payment to bond escrow agent	(288,704)	(269,483)	(190,100)	(480,597)	-
Total other financing sources	$ 801,015	$ 384,007	$ 403,639	$ 550,117	$ 138,901
Change in fund balance	$ 133,250	$ 238,570	$ 324,354	$ 108,358	$ (823,713)
Fund balance - beginning of period	1,054,500	1,187,750	1,426,320	1,750,674	2,546,502
Fund balance - end of period	$1,187,750	$1,426,320	$1,750,674	$1,859,032	$ 1,722,789
Revenues as a percent of expenditures	88.8%	97.5%	98.6%	92.4%	85.0%
Composition of fund balance					
Reserved:					
Reserved for encumbrances	$ 340,688	$ -	$ -	$ -	$ -
Reserved for restricted donations	5,825	-	-	-	-
Reserved for specific purposes	109,163	-	-	-	-
Reserved for debt services	375,211	-	-	-	-
Unreserved:					
Designated to provide operating capital	-	-	-	-	-
Undesignated	356,863	-	-	-	-
Nonspendable	-	1,972	9,003	6,108	429
Restricted for grants and donations	-	126,855	69,873	63,434	61,022
Restricted for workers' comp/tort immunity	-	91,036	92,680	64,985	19,838
Restricted for capital improvement program	-	182,884	88,762	169,368	-
Restricted for debt service	-	271,643	332,517	466,966	491,552
Restricted for teacher' pension contributions	-	-	-	-	-
Assigned for educational services	-	289,000	-	-	-
Assigned for appropriated fund balance	-	181,300	348,900	562,682	267,652
Assigned for debt service	-	231,413	254,967	269,167	193,877
Assigned for commitments and contracts	-	44,924	110,397	105,664	87,067
Unassigned	-	5,293	443,575	150,658	(91,953)
Total fund balance	$1,187,750	$1,426,320	$1,750,674	$1,859,032	$ 1,029,484
Unreserved/Unassigned fund balance as a percentage of revenues	6.7%	0.1%	7.7%	2.8%	-1.7%
Total fund balance as a percentage of revenues	22.4%	25.2%	30.4%	34.5%	18.9%

NOTE:
The classification of fund balances for fiscal year 2011 was modified to comply with GASB 54, which was adopted in July 2010.

2015	2016	2017	2018	2019	Budget 2020
$ 2,791,265	$2,911,343	$3,335,364	$3,546,838	$3,754,857	$4,011,585
1,847,069	1,552,325	1,708,865	2,196,956	2,182,942	2,281,757
798,931	808,999	783,943	767,928	705,355	767,536
$ 5,437,265	$5,272,667	$5,828,172	$6,511,722	$6,643,154	$7,060,878
6,518,232	6,163,442	6,033,552	6,473,500	7,101,473	7,840,139
$ (1,080,967)	$ (890,775)	$ (205,380)	$ 38,222	$ (458,319)	$ (779,261)
561,880	724,999	879,580	2,152,150	849,395	$ 675,000
(12,502)	(110,071)	(36,097)	31,921	22,871	-
-	-	223	-	-	-
37,504	15,012	6,273	9,442	1,251	-
(397,090)	(120,856)	-	(1,321,865)	(457,035)	-
$ 189,792	$ 509,084	$ 849,979	$ 871,648	$ 416,482	$ 675,000
$ (891,175)	$ (381,691)	$ 644,599	$ 909,870	$ (41,837)	
1,722,789	831,614	449,923	1,094,522	2,004,392	
$ 831,614	$ 449,923	$1,094,522	$2,004,392	$1,962,555	
83.4%	85.5%	96.6%	100.6%	93.5%	
$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
429	429	2,785	429	429	
64,155	64,854	51,858	52,333	16,183	
41,373	35,116	27,344	-	-	
-	107,248	792,586	895,111	716,747	
545,383	535,116	660,501	785,176	753,962	
-	-	-	9,287	14,125	
-	-	-	-	-	
79,225	-	-	-	-	
57,057	-	-	341	20,080	
73,101	-	-	18,044	94,733	
(29,109)	(292,840)	(440,552)	243,671	346,296	
$ 831,614	$ 449,923	$1,094,522	$2,004,392	$1,962,555	
-0.5%	-5.6%	-7.6%	3.7%	5.2%	
15.3%	8.5%	18.8%	30.8%	29.5%	

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of Dollars)

	2010	2011	2012	2013	2014 (as restated)
Local revenue:					
Property taxes	$2,035,938	$1,904,169	$2,295,178	$2,157,777	$ 2,152,753
Replacement taxes	96,816	172,384	126,786	128,212	131,075
Investment income	3,084	1,920	4,363	2,207	4,458
Other	111,985	221,391	142,160	132,717	156,115
Total local	$2,247,823	$2,299,864	$2,568,487	$2,420,913	$ 2,444,401
State Revenue:					
General state aid	$ 801,198	$ 940,693	$ 989,943	$ 945,651	$ 972,572
Teacher pension	74,922	42,971	10,449	10,931	11,903
Capital	-	-	-	-	-
Other	491,677	710,902	756,774	642,842	645,417
Total state	$1,367,797	$1,694,566	$1,757,166	$1,599,424	$ 1,629,892
Federal revenue:					
Elementary and Secondary Education Act (ESEA)	$ 307,331	$ 271,859	$ 283,681	$ 264,600	$ 342,915
Individuals with Disabilities Education Act (IDEA)	96,240	88,058	84,385	106,902	100,092
School lunch program	178,764	175,753	182,836	190,093	189,336
Medicaid	34,937	72,343	92,736	41,523	40,879
Other	543,140	513,444	247,349	202,865	194,290
Total federal	$1,160,412	$1,121,457	$ 890,987	$ 805,983	$ 867,512
Total revenue	$4,776,032	$5,115,887	$5,216,640	$4,826,320	$ 4,941,805
Change in revenue from previous year	$ 196,364	$ 339,855	$ 100,753	$ (390,320)	$ 115,485
Percentage change in revenue	4.3%	7.1%	2.0%	-7.5%	2.4%

2015	2016	2017	2018	2019	Budget 2020	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$2,252,828	$2,313,470	$2,613,889	$2,794,613	$2,896,823	$3,073,800	3.6%	5.2%
143,867	115,961	169,637	109,997	152,319	151,000	4.6%	1.1%
198	1,347	1,964	6,099	6,798	5,000	8.2%	102.8%
165,819	271,858	265,099	332,323	383,654	289,700	13.1%	18.3%
$2,562,712	$2,702,636	$3,050,589	$3,243,032	$3,439,594	$3,519,500	4.3%	6.1%
$ 847,420	$ 857,601	$ 683,008	$1,216,940	$1,323,126	$1,291,800	5.1%	9.3%
62,145	12,105	1,016	232,992	238,869	257,349	12.3%	30.9%
-	-	-	6,908	-	-		
669,759	529,148	603,678	402,742	324,775	318,251	-4.1%	-12.8%
$1,579,324	$1,398,854	$1,287,702	$1,859,582	$1,886,770	$1,867,400	3.3%	3.0%
$ 253,514	$ 293,302	$ 357,715	$ 320,005	$ 231,693	$ 254,600	-2.8%	-7.5%
103,899	93,483	93,096	92,655	93,185	105,221	-0.3%	-1.4%
200,412	202,943	198,440	196,495	196,553	235,947	1.0%	0.8%
42,524	34,806	37,108	32,392	34,975	35,000	0.0%	-3.1%
167,199	151,743	65,936	81,885	123,584	101,932	-13.8%	-8.7%
$ 767,548	$ 776,277	$ 752,295	$ 723,432	$ 679,990	$ 732,700	-5.2%	-4.8%
$4,909,584	$4,877,767	$5,090,586	$5,826,046	$6,006,354	$6,119,600	0.0%	4.0%
$ (32,221)	$ (31,817)	$ 212,819	$ 735,460	$ 180,308	$ 113,246		
-0.7%	-0.6%	4.4%	14.4%	3.1%	1.9%		

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES

Last Ten Fiscal Years and 2020 Budget

(Modified Accrual Basis of Accounting)

(Thousands of dollars)

	2010	2011	2012	2013	2014	2015
Compensation:						
Teachers' salaries	$2,026,257	$2,023,510	$2,026,832	$1,942,007	$1,921,969	$1,953,938
ESP salaries	604,042	610,741	618,265	633,489	619,462	622,591
Total salaries	$2,630,299	$2,634,251	$2,645,097	$2,575,496	$2,541,431	$2,576,529
Teachers' pension	475,628	306,111	335,657	374,567	740,419	826,304
ESP pension	96,913	102,158	100,026	102,342	101,885	102,012
Hospitalization	311,048	353,878	324,918	319,792	343,308	357,124
Medicare	34,826	35,004	34,900	36,404	35,951	36,557
Unemployment insurance	16,000	21,992	17,141	9,134	16,426	8,138
Workers' compensation	28,244	25,859	26,042	23,967	25,646	25,926
Total benefits	$ 962,659	$ 845,002	$ 838,684	$ 866,206	$1,263,635	$1,356,061
Total compensation	$3,592,958	$3,479,253	$3,483,781	$3,441,702	$3,805,066	$3,932,590
Non-compensation:						
Energy	$ 78,682	$ 83,356	$ 73,409	$ 76,559	$ 87,547	$ 74,516
Food	93,088	93,766	104,245	106,650	96,816	99,573
Textbooks	70,596	70,249	49,147	68,969	52,871	55,254
Supplies	48,046	51,125	45,521	52,925	55,223	50,571
Commodities - other	948	478	583	408	648	474
Professional fees	381,851	450,127	412,072	398,064	441,667	395,221
Charter schools	326,322	377,755	424,423	498,162	580,652	662,553
Transportation	109,349	107,530	109,368	106,861	104,430	103,891
Tuition	62,568	59,102	55,001	54,626	66,396	90,901
Telephone and telecommunications	18,199	19,823	23,451	23,642	30,297	28,061
Services - other	15,688	11,789	11,010	12,438	14,126	14,133
Equipment	33,661	41,896	40,938	59,654	62,757	60,962
Repairs and replacements	31,854	37,355	33,912	26,449	31,679	27,291
Capital outlays	10	5	43	75	-	5
Rent	12,093	11,941	11,745	10,547	12,164	13,030
Debt service	2,710	-	-	-	-	-
Other	17,519	14,402	9,679	8,639	7,792	11,340
Total non-compensation	$1,303,184	$1,430,699	$1,404,547	$1,504,668	$1,645,065	$1,687,776
Total expenditures	$4,896,142	$4,909,952	$4,888,328	$4,946,370	$5,450,131	$5,620,366
Change in expenditures from previous year	$ 153,363	$ 13,810	$ (21,624)	$ 58,042	$ 503,761	$ 170,235
Percent change in expenditures	3.2%	0.3%	-0.4%	1.2%	10.2%	3.1%

2016	2017	2018	2019	Budget 2020	Ten Year Compounded Growth Rate	Five Year Compounded Growth Rate
$1,869,683	$1,815,309	$1,841,295	$1,928,020	$1,904,660	-0.6%	-0.5%
605,817	581,665	595,467	620,004	627,058	0.4%	0.1%
$2,475,500	$2,396,974	$2,436,762	$2,548,024	$2,531,718	-0.4%	-0.4%
811,051	853,474	900,791	924,209	916,304	6.8%	2.1%
102,762	99,428	113,882	143,486	88,913	-0.9%	-2.7%
348,083	306,871	319,344	304,917	352,876	1.3%	-0.2%
34,824	33,658	34,601	36,294	37,091	0.6%	0.3%
9,438	7,040	6,604	4,146	8,157	-6.5%	0.0%
20,337	20,531	23,546	23,973	23,935	-1.6%	-1.6%
$1,326,495	$1,321,002	$1,398,768	$1,437,025	$1,427,276	4.0%	1.0%
$3,801,995	$3,717,976	$3,835,530	$3,985,049	$3,958,994	1.0%	0.1%
$ 70,227	$ 69,067	$ 60,813	$ 75,408	$ 76,444	-0.3%	0.5%
98,777	94,911	94,512	100,030	85,942	-0.8%	-2.9%
54,856	43,255	50,296	98,607	149,669	7.8%	22.1%
47,085	44,040	46,683	56,202	70,314	3.9%	6.8%
294	221	301	301	399	-8.3%	-3.4%
314,732	357,258	410,175	480,301	509,737	2.9%	5.2%
704,981	668,412	703,124	736,530	765,878	8.9%	2.9%
104,450	95,974	106,021	107,373	111,838	0.2%	1.5%
61,028	53,668	50,181	55,333	57,766	-0.8%	-8.7%
24,579	21,998	23,718	28,784	30,953	5.5%	2.0%
16,471	13,814	26,819	27,146	38,189	9.3%	22.0%
45,407	30,967	35,214	49,973	57,763	5.5%	-1.1%
18,853	18,319	13,214	8,995	19,459	-4.8%	-6.5%
1,135	1,017	1,293	80	279	39.5%	123.5%
16,012	14,638	16,840	16,691	19,108	4.7%	8.0%
25,003	38,735	32,101	9,275	10,002	13.9%	0.0%
8,961	13,487	7,045	22,782	21,463	2.1%	13.6%
$1,612,851	$1,579,781	$1,678,350	$1,873,811	$2,025,203	4.5%	3.7%
$5,414,846	$5,297,757	$5,513,880	$5,858,860	$5,984,197	2.0%	1.3%
$ (205,520)	$ (117,089)	$ 216,123	$ 344,980	$ 125,337		
-3.7%	-2.2%	4.1%	6.3%	2.1%		

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

GENERAL OPERATING FUND REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
Last Ten Fiscal Years and 2020 Budget
(Modified Accrual Basis of Accounting)
(Thousands of dollars)

	2010	2011	2012	2013	2014 (as restated)
Revenues:					
Local	$2,247,823	$2,299,864	$2,568,487	$2,420,913	$ 2,444,401
State	1,367,797	1,694,566	1,757,166	1,599,424	1,629,892
Federal	1,160,412	1,121,457	890,987	805,983	867,512
Total revenues	$4,776,032	$5,115,887	$5,216,640	$4,826,320	$ 4,941,805
Total expenditures	4,896,142	4,909,952	4,888,328	4,946,370	5,450,131
Revenues less expenditures	$ (120,110)	$ 205,935	$ 328,312	$ (120,050)	$ (508,326)
Other financing sources less transfers	17,851	109,830	62	439	161
Change in fund balance	$ (102,259)	$ 315,765	$ 328,374	$ (119,611)	$ (508,165)
Fund balance - beginning of period	526,874	424,615	740,380	1,068,754	1,592,147
Fund balance - end of period	$ 424,615	$ 740,380	$1,068,754	$ 949,143	$ 1,083,982
Revenues as a percent of expenditures	97.5%	104.2%	106.7%	97.6%	90.7%
Composition of fund balance					
Reserved:					
Reserved for encumbrances	$ 111,166	$ -	$ -	$ -	$ -
Reserved for restricted donations	5,825	-	-	-	-
Reserved by law for specific purposes	109,163	-	-	-	-
Unreserved:					
Undesignated	198,461	-	-	-	-
Nonspendable	-	1,972	3,329	1,720	429
Restricted for grants and donations	-	126,855	69,873	63,434	61,022
Restricted for workers' comp/tort immunity	-	91,036	92,680	64,985	19,838
Restricted for teachers' pension contributions	-	-	-	-	-
Assigned for educational services	-	289,000	-	-	-
Assigned for appropriated fund balance	-	181,300	348,900	562,682	267,652
Assigned for commitments and contracts	-	44,924	110,397	105,664	87,067
Unassigned	-	5,293	443,575	150,658	-
Total fund balance	$ 424,615	$ 740,380	$1,068,754	$ 949,143	$ 436,008
Unreserved/unassigned fund balance as a percent of revenues	4.2%	0.1%	8.5%	3.1%	0.0%
Total fund balance as a percentage of revenues	8.9%	14.5%	20.5%	19.7%	8.8%

NOTE:
The classification of fund balances for fisal year 2011 was modified to comply with GASB 54, which was adopted in July 2010.

2015	2016	2017	2018	2019	Budget 2020
$2,562,712	$2,702,635	$3,050,589	$3,243,032	$3,439,594	$3,663,131
1,579,324	1,398,855	1,287,702	1,859,582	1,886,770	1,867,423
767,548	776,277	752,295	723,432	679,990	732,718
$4,909,584	$4,877,767	$5,090,586	$5,826,046	$6,006,354	$6,263,272
5,620,366	5,414,846	5,297,758	5,513,880	5,858,860	6,319,250
$ (710,782)	$ (537,079)	$ (207,172)	$ 312,166	$ 147,494	$ (55,978)
(12,915)	50,162	58,574	286,828	508	
$ (723,697)	$ (486,917)	$ (148,598)	$ 598,994	$ 148,002	
1,083,982	360,285	(126,632)	(275,230)	323,764	
$ 360,285	$ (126,632)	$ (275,230)	$ 323,764	$ 471,766	
87.4%	90.1%	96.1%	105.7%	102.5%	
$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
429	429	429	429	429	
64,155	64,854	51,858	52,333	16,183	
41,373	35,116	27,344	-	-	
-	-	-	9,287	14,125	
-	-	-	-	-	
79,225	-	-	-	-	
73,101	-	-	18,044	94,733	
102,002	(227,031)	(354,861)	243,671	346,296	
$ 360,285	$ (126,632)	$ (275,230)	$ 323,764	$ 471,766	
2.1%	-4.7%	-7.0%	4.2%	5.8%	
7.3%	-2.6%	-5.4%	5.6%	7.9%	

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF TORT EXPENDITURES

As Required Under Section 9-103 (a-5) of the Tort Immunity Act

For the Fiscal Year Ended June 30, 2019

Eligible Expenditures:

Other General Charges	$	969,000
Physical Education - Athletic Claims		64,330
Summer School		1,492
Tort Claims - Administration Fee		675,750
Tort Claims - Major Settlements		7,487,470
Tort Claims - Casualty		167,499
General Liability Insurance		3,197,113
Property Damage Insurance		2,074,681
Investigations - Administration		151,375
School Safety Services		6,050,061
School Security Personnel		58,110,892
Central Service Security		4,225,883
Security Services		4,782,954
Risk Management Administration		26
Absence & Disability Management		28,125
Total Eligible Expenditures	$	87,986,651

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF STUDENT ACTIVITY FUNDS

For the Fiscal Year Ended June 30, 2019

CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES

Checking:	Beginning Balance	Cash Receipts	Cash Disbursements	Amounts Held for Student Activities
Elementary Schools	$ 22,890,495	$ 32,095,592	$ 30,044,958	$ 24,941,130
Alternative Schools	11,939	36,730	35,079	13,590
Middle Schools	345,571	686,965	658,429	374,107
High Schools	24,241,557	33,564,148	31,431,621	26,374,083
	$ 47,489,562	$ 66,383,435	$ 62,170,087	$ 51,702,910

Investments:	
Elementary Schools	108,592
High Schools	426,657
Total Cash and Investments Held for Student Activities	**$ 52,238,159**

STUDENT FEES

	Graduation Fees (A)	Student Activity Fees (B)	Total
Total Elementary School Fees	$ 109,330	$ 2,670,515	$ 2,779,845
Total Elementary Students	223,571	223,571	231,470
Average Fee per Student	$ 0.49	$ 11.94	$ 12.01
Total High School Fees	$ 51,544	$ 7,267,152	$ 7,318,696
Total High School Students	80,686	80,686	82,511
Average Fee per Student	$ 0.64	$ 90.07	$ 88.70

NOTES:

A) Graduation fees are defined as all mandatory graduation fees, including cap and gown.

B) Student activity fees are defined as fees collected from students to cover activities and items necessary to complete a given curriculum and fees collected from students to cover the cost of extra-curricular activities and items.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES

For the Fiscal Year Ended June 30, 2019

Type of Coverage	Provider Broker/Insurer/TPA	Term From – To	Annual Expense	Coverage Details Limits of Liability
BROKER SERVICES	Mesirow Insurance Services, Inc. an Alliant-owned company	07/01/18-06/30/19	$ 103,500	Insurance placement and consultation. The contract with Mesirow for these services continues until Feb 28, 2020 with (1) option to renew for a (2) year period.
PROPERTY INSURANCE				
All Risk-Property Insurance layers				
Property Primary I	Lexington Insurance Company	07/01/18-06/30/19	$ 1,827,160	$50M per occurrence subject to $5M deductible/self insured retention
Property Excess II	Starr Surplus Lines Insurance Company	07/01/18-06/30/19	83,300	$25M per occurrence excess $50M
Property Excess III	AXIS Speciality Insurance Company	07/01/18-06/30/19	46,856	$15M per occurrence excess $25M excess $50M
Property Excess IV	Steadfast Insurance (Zurich) Compa	07/01/18-06/30/19	31,238	$10M per occurrence excess $25M excess $25M excess $5(
Boiler & Machinery Insurance	Federal Insurance Company (Chubb)	07/01/18-06/30/19	83,188	$100M subject to $50,000 deductible/retention
Total Property Program			$ 2,071,742	Total Property, Boiler & Machinery for year end 06/30/19
LIABILITY INSURANCE				
General Liability, Auto, SBLL, EPL, Abuse	Gemini Insurance Co (Berkley)	07/01/18-06/30/19	$ 461,390	$5M excess $10M Self Insured Retention
Excess Liability II	Lexington Insurance Company	07/01/18-06/30/19	1,447,394	$20M excess of $15M Self Insured Retention (does not follow form of Gemini)
Excess Liability III	AXIS Surplus Insuance Company	07/01/18-06/30/19	388,594	$10M excess of $20M excess of $15M Self Insured Retention (follows form of Lexington)
Excess Liability IV	Westchester Fire Insurance Company	07/01/18-06/30/19	288,857	$10M excess of $30M excess of $15M Self Insured Retention (follows form of Lexington)
Special Events CGL	National Casualty Insurance Company	07/01/18-06/30/19	57,635	$1M/no deductible/$5M Product Agg
Special Events Excess CGL	National Casualty Insurance Company	07/01/18-06/30/19	18,922	$5M excess of $5M no deductible
Fiduciary	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/18-06/30/19	85,143	$10M no deductible
Student Catastrophic	National Union Fire Insurance Company of Pittsburg, PA (AIG)	07/01/18-06/30/19	106,985	$6M Subject to $25,000 deductible
Foreign Travel (includes: Travel Property, GL, AL, Foreign Voluntary WC, Travel Accident & Sickness, Kidnap & Ransom)	Insurance Company of the State of PA (AIG)	07/01/18-06/30/19	7,962	$1M/deductible varies/$4M master control program agg
Commercial Cyber Liability	Allied World Assurance Co (US) Inc	07/02/18-06/30/19	208,491	$10M ($250,000 self insured retention)
Cyber/Privacy Excess	Endurance American Insurance Company	07/02/18-06/30/19	120,637	$10M exces of $10M ($250,000 self insured retention)
Total Liability Insurance Cost			$ 3,192,010	
Total Insurance Cost			$ 5,263,752	

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)

For the Fiscal Year Ended June 30, 2019

Type of Coverage	Provider Broker/Insurer/TPA	Term From – To	Annual Expense	Coverage Details Limits of Liability
SELF INSURANCE PROGRAMS				
General Liability Self Insurance Claims	Cannon Cochran Management Services, Inc	07/01/18-06/30/19	$ 8,104,844	TOTAL: Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements
	Cannon Cochran Management Services, Inc	07/01/18-06/30/19	562,500	Administration fees
			$ 8,667,344	Total General Liability Claims and Expenses
Workers' Compensation Claims	Cannon, Cochran, Management Services, Inc	07/01/18-06/30/19	$ 969,000	Claim administration services including receive and review for compensability all employee accident claims. Review and apply PPO discount to medical claims. Pay indemnity costs for compensable claims. Determine case management needs. Provide claim statistics and establish safety initiatives.
	Cannon Cochran Management Services, Inc	07/01/18-06/30/19	23,966,861	Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses.
Total Workers Compensation Claims and Expenses			$ 24,935,861	
Total Self Insured Program			$ 33,603,205	
HEALTH INSURANCE HMO/PPO				
Medical-Administrative Services	Blue Cross Blue Advantage HMO	07/01/18-06/30/19	$ 55,305,514	HMO health care for eligible employees and dependents
	Blue Cross PPO	07/01/18-06/30/19	7,643,898	PPO health care for eligible employees and dependents
	Blue Cross PPO with HSA	07/01/18-06/30/19	780,599	PPO health care for eligible employees and dependents that includes a health savings account.
	Blue Cross HMO Illinois	07/01/18-06/30/19	(76,690)	HMO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. The credit amount is due to adjustments for service occurring in previous years.
	United Healthcare HMO(EPO), PPO, & PPO w/HRA	07/01/18-06/30/19	421	Health care for eligible employees and dependents. Administrative costs for these three plans are billed together. Plans with this vendor terminated on December 31, 2016. The premium amount is due to adjustments for services occurring in previous years.
Medical Total Administrative Fees			$ 63,653,742	
Medical PPO Claims	Blue Cross PPO and PPO with HSA	07/01/18-06/30/19	$ 163,549,014	PPO and PPO with HSA health care for eligible employees and dependents
	United Healthcare PPO	07/01/18-06/30/19	76,327	PPO health care for eligible employees and dependents. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY19.
	United Healthcare PPO w/HRA	07/01/18-06/30/19	(1,685)	PPO with HRA health care for eligible employees and dependents. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY19. The credit amount is due to adjustments for service occurring in previous years.
Medical Total PPO Claims			$ 163,623,656	

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF INSURANCE AND INSURANCE SERVICES (continued)

For the Fiscal Year Ended June 30, 2019

Type of Coverage	Provider Broker/Insurer/TPA	Term From – To	Annual Expense	Coverage Details Limits of Liability
Medical HMO Claims	Blue Cross Blue Advantage HMO	07/01/18-06/30/19	$ 66,486,364	HMO health care for eligible employees and dependents and Claims and Physician Service Fees
	Blue Cross HMO Illinois	07/01/18-06/30/19	113,054	HMO health care for eligible employees and dependents and Claims and Physician Service Fees. This plan terminated as of December 31, 2016. Claims for services performed in 2016 are still being filed and paid in FY19.
	United Healthcare HMO (EPO)	07/01/18-06/30/19	(4,690)	The HMO (EPO) plan terminated December 31, 2015. The credit amount is due to adjustments for services occurring in previous years.
Medical Total HMO Claims			$ 66,594,728	
Medical Claims Total			$ 230,218,384	
Health Savings Account	HSA Bank	07/01/18-06/30/19	$ 925,325	CPS contributes funds for plan members and the plan allows employees to also make tax deferred contributions. Contributions go to an investment account under the control of the participating employee.
Medical Claims and Administration Total			$ 294,797,451	
Flexible Spending Program	Benefits Express	07/01/18-06/30/19	$ 179,995	Administration of the flexible spending program for employees. Contributions to the plan are made by employees.
COBRA Program	Payflex	07/01/18-06/30/19	149,629	Administration of the COBRA program for former employees continuing insurance coverage. COBRA contributions are made by former employees.
Prescription Drugs	Caremark	07/01/18-06/30/19	77,626,953	Pharmaceutical services for PPO and HMO eligible employees and dependents
Total Medical Expenses			$ 372,754,028	
OTHER INSURANCE				
Dental Insurance	Delta Dental HMO	07/01/18-06/30/19	$ 2,545,592	Dental HMO for eligible employees and dependents
	Delta Dental PPO	07/01/18-06/30/19	8,577,617	Dental PPO for eligible employees and dependents
Dental Insurance Total			$ 11,123,209	
Vision Plan	EyeMed	07/01/18-06/30/19	$ 2,650,827	Vision services for eligible employees and dependents
Term Life Insurance	Aetna Life Insurance	07/01/18-06/30/19	275,113	Life insurance policy at $25,000 per eligible employee
Total Dental/Vision/Life			$ 14,049,149	
Total Health/Life Benefit Expenses			$ 386,803,177	

Chicago Public Schools

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY

Last Ten Fiscal Years

For the Fiscal Year Ended June 30, 2019

(Millions of dollars)

	2010	2011	2012
Unexpended (over expended)	$ 73.9	$ 261.6	$ 182.2
Proceeds available from bond issuance	803.8	382.3	402.4
Property Taxes			
State aid	-	2.8	1.3
Federal aid	12.3	4.4	18.1
Investment income	2.0	2.1	5.5
Other income	83.1	91.5	54.2
Total	975.1	744.7	663.7
Expenditures	666.7	562.3	576.8
Operating transfers in (out)	(46.8)	(0.2)	1.2
Unexpended	261.6	182.2	88.1
Encumbrances	229.5	182.2	88.1
Available balance	$ 32.1	$ -	$ -

NOTES:

A) The above amounts do not include construction expenditures made by the Public Building Commission.

B) Beginning in FY2013, the proceeds available from bond issuance includes both premiums and gross amounts from debt issuances.

C) In FY2015, CPS changed its revenue recognition policy resulting in a restatement to FY2014 balances.

2013 (B)	2014 (C)	2015	2016	2017	2018	2019
$ 88.1	$ 174.2	$ (91.9)	$ (157.1)	$ 66.4	$ 745.4	$ 839.0
508.9	131.3	148.5	364.0	775.5	355.4	356.6
			42.5	48.4	8.1	10.1
6.9	37.8	31.6	39.4	30.1	14.0	13.5
13.6	14.9	6.5	7.7	6.7	19.5	0.5
1.9	0.8	0.4	0.1	2.0	7.3	16.9
88.0	31.3	107.2	62.9	21.1	28.5	36.0
707.4	390.3	202.3	359.5	950.2	1,178.2	1,272.6
493.4	482.2	359.4	293.1	204.8	339.2	613.1
(41.6)	-	-	-	-	(497.0)	(0.2)
172.4	(91.9)	(157.1)	66.4	745.4	839.0	659.3
172.4	(91.9)	(157.1)	66.4	745.4	839.0	659.3
$ -	$ -	$ -	$ -	$ -	$ -	$ -

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM
Last Five Fiscal Years
(Thousands of dollars)

	2015	2016	2017	2018	2019
DAYS MEALS SERVED:					
National School Lunch Program……………….	178	176	178	178	178
PUPIL LUNCHES SERVED:					
Paid lunches (regular)……………………………	-	-	-	-	-
Reduced lunches (regular)………………………	-	-	-	-	-
Free lunches (regular)……………………………	43,507,955	42,061,499	40,401,995	39,139,162	37,006,918
TOTAL PUPIL LUNCHES SERVED…………….	43,507,955	42,061,499	40,401,995	39,139,162	37,006,918
Daily Average……………………………………	244,427	238,986	226,978	219,616	207,904
Change from Previous Year…………………….	298,584	(1,446,456)	(1,659,504)	(1,262,833)	(2,132,244)
Daily Percentage Change………………………	0.1%	-2.2%	-5.0%	-3.2%	-5.3%
PUPIL BREAKFASTS SERVED:					
Paid breakfasts (regular)……………………….	-	-	-	-	-
Reduced breakfasts (regular)………………….	-	-	-	-	-
Free breakfasts (regular)……………………….	26,144,917	24,850,825	23,511,510	22,580,175	22,556,302
TOTAL PUPIL BREAKFASTS SERVED……….	26,144,917	24,850,825	23,511,510	22,580,175	22,556,302
Daily Average……………………………………	146,882	141,198	132,087	126,855	126,721
Change from Previous Year…………………….	161,072	(1,294,092)	(1,339,315)	(931,335)	(23,873)
Daily Percentage Change………………………	0.1%	-3.9%	-6.5%	-4.0%	-0.1%
TOTAL MEALS SERVED…………………………	69,652,872	66,912,324	63,913,505	61,719,337	59,563,220
Daily Average……………………………………	391,308	380,184	359,065	346,738	334,625
Total Change From Previous Year…………….	459,656	(2,740,548)	(2,998,819)	(2,194,168)	(2,156,117)
Daily Percentage Change………………………	0.1%	-2.8%	-5.6%	-3.4%	-3.5%
NUMBER OF ADULT LUNCHES (REGULAR)…	241,263	241,533	217,541	202,997	170,618
Daily Average……………………………………	1,355	1,372	1,222	1,140	959
Total Change From Previous Year…………….	(188,614)	270	(23,992)	(14,544)	(32,379)
Daily Percentage Change………………………	-44.2%	1.3%	-10.9%	-6.7%	-16.0%

NOTE:

Beginning in fiscal year 2015 all breakfasts and lunches are provided to pupils free of charge per the Community Eligibility Provision Program.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHOOL FOOD SERVICE PROGRAM (continued)
Last Five Fiscal Years
(Thousands of dollars)

	2015	2016	2017	2018	2019
REVENUE:					
Federal and State Sources……	$ 204,975	$ 207,506	$ 203,003	$ 197,854	$ 214,153
Local Sources……	7,747	8,428	8,704	13,420	16,706
Total Revenue……	$ 212,722	$ 215,934	$ 211,707	$ 211,274	$ 230,859
EXPENDITURES:					
Career Service Salaries……	$ 60,303	$ 61,566	$ 62,551	$ 67,015	$ 70,461
Career Service Pension……	10,374	11,121	11,359	13,678	18,688
Hospitalization……	23,562	23,770	21,351	21,867	20,111
Food……	94,576	94,619	92,500	91,099	96,833
Professional and Special Services……	3,942	4,234	4,909	6,101	5,611
Administrative Allocation……	7,665	11,184	9,205	6,657	5,834
Other……	2,174	3,351	5,878	4,856	-
Total Expenditures……	$ 202,596	$ 209,845	$ 207,753	$ 211,273	$ 217,538
Revenues in excess of Expenditures……	$ 10,126	$ 6,089	$ 3,954	$ 1	$ 13,321
DAILY AVERAGE					
Revenues……	$ 1,195	$ 1,227	$ 1,189	$ 1,187	$ 1,297
Expenditures……	$ 1,138	$ 1,192	$ 1,167	$ 1,187	$ 1,222
PERCENTAGE CHANGE					
Revenues……	4.9%	1.5%	-2.0%	-0.2%	9.3%
Expenditures……	-0.1%	3.6%	-1.0%	1.7%	3.0%

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

ANALYSIS OF UTILITY CONSUMPTION

For Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Period Ended June 30, 2018

	2019 Schools	2019 Administrative Center	Total
Electricity			
Total Electricity Charges	$ 52,104,513	$ 141,910	$ 52,246,423
Kilowat Hours	531,188,476	1,251,100	532,439,576
Charge per Kilowatt Hour	$ 0.09809	$ 0.11343	$ 0.09813
Gas			
Total Gas Charges	$ 23,162,957	$ -	$ 23,162,957
Therms	33,844,754	-	33,844,754
Charge per Therm	$ 0.68439	$ -	$ 0.68439

	2018 Schools	2018 Administrative Center	Total
Electricity			
Total Electricity Charges	$ 40,418,200	$ 114,963	$ 40,533,163
Kilowat Hours	535,087,144	1,191,251	536,278,395
Charge per Kilowatt Hour	$ 0.07554	$ 0.09651	$ 0.07558
Gas			
Total Gas Charges	$ 20,217,133	$ -	$ 20,217,133
Therms	33,089,017	-	33,089,017
Charge per Therm	$ 0.61099	$ -	$ 0.61099

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

PROPERTY SALES AND PURCHASES

For the Fiscal Year Ended June 30, 2019

Sales

Unit Location	Date Acquired		Net Book Value	Gross/Sales Proceeds	Gain / (Loss) on Sale
6529-33 S. Steward and 6530 S. Harvard…….	N/A		$ -	$ 75,000	$ 75,000
7600 S. Kedzie…………………………………….	7/31/2010		11,043,629	1,000,000	(10,043,629)
11725 S. Perry Avenue………………………….	6/30/2013	***	-	125,000	125,000
7025 S. Princeton and 7004-34 S. Princeton…	6/30/2014		24,591	65,000	40,409
			$ 11,068,220	$ 1,265,000	$ (9,803,220)

Purchases

Unit Location	Date Acquired	School	Purchase Cost
5700 W, Berteau………………………………….	10/24/2018	Luther North High School	$ 10,746,242
5423 W. 64th Place…………………………….	2/14/2019	New Hancock High School	4,358,442
			$ 15,104,684
			$ 15,104,684

NOTE:
***Date reflects retirement date

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHERS' BASE SALARIES
(Annual School Year Salary)
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (A)	Median Salary	Maximum Salary (B)	Percent Change (C)
2010	$ 45,450	$ 64,879	$ 84,308	4.00%
2011	47,268	67,974	88,680	4.00%
2012	47,268	68,474	89,680	0.00%
2013	48,686	70,644	92,602	3.00%
2014	49,660	72,163	94,666	2.00%
2015	50,653	73,706	96,759	2.00%
2016	50,653	73,706	96,759	0.00%
2017	50,653	73,706	96,759	0.00%
2018	51,666	75,180	98,694	2.00%
2019	52,958	77,060	101,161	2.50%

NOTES:

A) The minimum salary represents the minimum amount a CPS teacher with a bachelor's degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on education attainment and years of service. Minimum salary excludes pension and hospitalization benefits.

B) The maximum salary represents the maximum amount a CPS teacher with a doctoral degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on educational attainment and years of service. The majority of the Chicago Public Schools Teaching Staff receive the maximum salary due to the 16 years minimum needed to reach the highest pay scale dependent on years of service only. Maximum salary excludes pension and hospitalization benefits.

C) The percent change is the official CTU (Chicago Teachers Union) agreed to minimum salary increase for that year, net of any changes to the salary schedule or step advances on the pay schedule.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHERS' PENSION FUNDING ANALYSIS

Last Five Fiscal Years

(Thousands of dollars)

Fiscal Year		Employer Contribution and Contribution On-Behalf of Employees	Net Assets of Plan (Fair Market Value)		Unfunded Obligation (Assets at Fair Market Value)	% Funded of Pension Obligation Fund at Year End (Assets at Fair Market Value)	% Unfunded (Assets at Fair Market Value)
2014		$ 740,419	$ 10,045,543		$ 9,458,351	51.5%	48.5%
2015		826,304	10,344,375		9,606,915	51.9%	48.1%
2016		811,051	10,610,747		9,635,393	52.4%	47.6%
2017		853,474	10,933,032	(A)	10,888,979	50.1%	49.9%
2018	(B)	900,791	10,969,086		11,953,907	47.9%	52.1%

NOTE:

A) The actuarial value includes assets previously restricted for OPEB benefits.

B) The actuarial assumption used for FY18 changed due to changes in the discount rate and mortality table.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS

Last Five Fiscal Years

Fiscal Year	School Year	Average Daily Attendance (A)	Operating Expenses Per Pupil (B)	Per Capita Tuition Charge (C)
2015	2014-15	363,276	15,310	12,229
2016	2015-16	361,764	14,973	12,544
2017	2016-17	347,001	15,419	12,243
2018	2017-18	333,116	15,878	12,678
2019	2018-19	296,951	N/A	N/A

NOTES:

A) *Source:* Department of Finance, Grants Management.

B) *Source:* Illinois State Board of Education - Operating Expense Pupil is the total operating cost of regular K-12 programs divided by the nine-month average daily attendance. This measure excludes expenditures related to Pre-school, Summer School, Adult Education, Capital Expenditures, and Board Principal and Interest.

C) *Source:* Illinois State Board of Education - Per Capita Tuition Charge is the amount a local school district charges as tuition for non-resident students per Section 18-3 of the School Code. It is a reasonable measure of basic education program costs. Per Capita Tuition is calculated by deducting the costs of supplemental programs from operating expenses and dividing the result by the nine-month average daily attendance.

N/A: Not available at publishing.

Chicago Public Schools

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TOTAL STUDENT MEMBERSHIP

Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Elementary					
Pre-Kindergarten	24,370	23,705	24,232	24,507	23,671
Kindergarten	29,632	28,812	29,594	30,936	30,166
Grades 1-3	92,581	91,899	92,302	91,880	92,251
Grades 4-6	88,695	87,834	87,630	86,966	86,244
Grades 7-8	58,231	56,791	56,520	56,773	56,184
Total Elementary	293,509	289,041	290,278	291,062	288,516
Secondary					
9th Grade	32,877	31,081	30,336	29,812	30,069
10th Grade	34,659	33,303	32,230	31,343	30,963
11th Grade	25,436	26,277	27,039	26,610	26,500
12th Grade	22,798	22,979	24,268	24,634	24,497
Total Secondary	115,770	113,640	113,873	112,399	112,029
Grand Total	409,279	402,681	404,151	403,461	400,545

Source: CPS Performance Website (www.cps.edu/SchoolData/Pages/SchoolData.aspx)

2015	2016	2017	2018	2019
22,873	22,555	20,673	19,441	17,668
28,978	27,651	26,093	24,963	24,128
92,526	91,347	86,610	82,188	78,084
86,066	85,391	85,022	84,478	83,026
54,233	54,174	53,898	52,960	52,541
284,676	281,118	272,296	264,030	255,447
30,366	29,130	27,623	27,566	27,296
31,130	31,189	29,704	28,453	28,502
26,378	26,714	27,284	26,279	25,603
24,133	24,134	24,442	25,054	24,466
112,007	111,167	109,053	107,352	105,867
396,683	392,285	381,349	371,382	361,314

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

TEACHER - TO - STUDENT RATIO

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary……………….	21.3	23.2	23.3	24.6	25.2	25.4	25.8	24.7	24.5	21.9
Secondary………………..	19.7	19.8	19.2	19.8	21.5	21.9	20.3	23.7	24.4	22.0

Source: Illinois State Board of Education

NOTE:

The ratio includes Charter Schools.

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION

Last Five Fiscal Years

As of June 30, 2019

Functions	2015	2016	2017	2018	2019
Instruction	26,261	25,615	25,044	24,010	24,509
Support services:					
Pupil support services	4,652	4,415	4,476	4,357	4,436
Administrative support services	1,038	705	821	925	1,081
Facilities support services	1,468	1,427	1,417	1,144	910
Instructional support services	2,965	2,788	2,671	2,515	2,616
Food services	2,762	2,721	2,712	2,700	2,718
Community services	247	250	204	197	184
Total government employees	39,393	37,921	37,345	35,848	36,454

CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES

Last Ten Fiscal Years

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Number of Schools					
Elementary (A)……..…………….………	474	474	473	468	422
Special (C)…..……….......………….	13	12	12	12	5
High School……………….…..………	109	107	103	98	109
Vocational/Technical (C)..……………	8	8	8	8	-
Charter Schools……………....………	71	82	87	95	126
Kindergarten to H.S. (K-12) (C)..……	-	-	-	-	5
Total Schools…………………....……	666	675	683	683	681
School Enrollment (B)					
Elementary (A)……………...………	272,308	264,569	263,540	261,638	254,864
Special (C)..………………….………	2,073	1,940	1,839	1,961	907
High School…………………….………	91,390	87,061	85,068	81,735	86,184
Vocational/Technical (C).……………	9,956	8,833	8,226	7,927	-
Charter Schools……………………	33,552	40,278	45,478	50,200	54,572
Kindergarten to H.S. (K-12) (C)..……	-	-	-	-	4,018
Total School Enrollment…..………	407,955	409,279	402,681	404,151	403,461
Number of High School Graduates….	22,245	20,131	20,914	22,447	22,817

Source: Information & Technology Services_ Enterprise Data Strategy-Data Analytics

NOTES:

A) Elementary schools include the traditional classification of middle schools.

B) School enrollment includes the number of students in each type of school regardless of the students' grades.

C) The governance and school types in fiscal year 2015 has changed compared to FY14 and prior years. As a result thereis no longer a category for "Vocational/Technical", "Special" or "Kindergarten to H.S (K-12)" in fiscal year 2019.

2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
426	425	424	424	424
-	-	-	-	-
121	122	118	115	113
-	-	-	-	-
131	129	122	121	120
-	-	-	-	-
667	678	664	660	657
251,554	247,487	239,606	231,470	223,571
-	-	-	-	-
88,183	86,208	83,739	82,511	80,686
-	-	-	-	-
56,946	58,590	58,004	57,401	57,057
-	-	-	-	-
400,545	396,683	381,349	371,382	361,314
22,825	22,839	22,805	23,230	23,107

STATUTORY REPORTING SECTION

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*

INDEPENDENT AUDITORS' REPORT

To the Board of Education of the City of Chicago
Chicago Public Schools
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, the financial statements of the governmental activities and each major fund of Chicago Public Schools, (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements, and have issued our report thereon dated January 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chicago Public Schools' internal control over financial reporting (internal control) to determine the 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 Chicago Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Chicago Public Schools' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chicago Public Schools' 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 determination of financial statement amounts. 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
January 22, 2020

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 Board of Education of the City of Chicago
Chicago Public Schools
Chicago, Illinois

Report on Compliance for Each Major Federal Program

We have audited Chicago Public Schools' (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Chicago Public Schools' major federal programs for the year ended June 30, 2019. Chicago Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Chicago Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Chicago Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Chicago Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Chicago Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

Chicago Public Schools' Response to Finding

Chicago Public Schools' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Chicago Public Schools' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Chicago Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Chicago Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chicago Public Schools' internal control over compliance.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

Chicago Public Schools' Response to Finding

Chicago Public Schools' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Chicago Public Schools' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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 Virchow Krause, LLP

Chicago, Illinois
January 22, 2020

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Illinois State Board of Education (ISBE)						
Child Nutrition Cluster						
National School Lunch Program	Lunch Program	4210	10.555	19-4210-00	09/01/18-09/30/19	N/A
		4210	10.555	18-4210-00	09/01/17-09/30/18	N/A
Food Donation Program	Food Donation Program *Noncash Awards	4290	10.555	18-4290-00	07/01/18-06/30/19	N/A
Summer Food Service Program for Children	Summer Food Service Program	4225	10.559	19-4225-00	10/01/18-09/30/19	N/A
School Breakfast Program	Breakfast Program	4220	10.553	19-4220-00	09/01/18-09/30/19	N/A
		4220	10.553	18-4220-00	09/01/17-09/30/18	N/A
	Total Child Nutrition Cluster					**$ -**
Passed Through Illinois State Board of Education (ISBE)						
Child and Adult Care Food Program	Child & Adult Care Food Program	4226	10.558	19-4226-00	09/01/18-09/30/19	N/A
		4226	10.558	18-4226-00	09/01/17-09/30/18	N/A
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	17-4240-17 / 17-4240-18	07/01/17-09/30/18	N/A
Fresh Fruit and Vegetable Program	Fresh Fruits and Vegetables	4240	10.582	19-4240-00	07/01/18-09/30/19	N/A
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (not including cluster)					**$ -**
	Total U.S. Department of Agriculture Passed Through Illinois State Board of Education (including cluster)					**$ -**
Passed Through Illinois Department of Human Services (IDHS)						
Supplemental Nutrition Assistance Program Cluster						
Supplemental Nutrition Assistance Program	Homeless Service Food Stamp Outreach	4099	10.561	FCSXQ04965	10/1/18-9/30/19	$ 345,265
	Supplemental Nutrition Assistance Program Cluster					**$ 345,265**
	Total U.S. Department of Agriculture Passed Through Illinois Department of Human Services (including cluster)					**$ 345,265**
	TOTAL U.S. DEPARTMENT OF AGRICULTURE					**$ 345,265**
U.S. DEPARTMENT OF EDUCATION						
Passed Through Illinois State Board of Education (ISBE)						
Special Education Cluster (IDEA)						
Special Education Grants to State	IDEA - Flow Through Instruction	4620	84.027A	18-4620-00	08/31/17-08/31/18	93,777,234
Special Education Grants to State	IDEA - Flow Through Instruction	4620	84.027A	19-4620-00	07/01/18-08/31/19	97,873,981
Special Education Grants to State	IDEA Room & Board	4625	84.027A	19-4625-00	09/01/18-08/31/19	N/A
Special Education Grants to State	IDEA Room & Board	4625	84.027A	18-4625-00	09/01/17-08/31/18	N/A
Special Education - Preschool Grants	IDEA - Pre-School Flow Through	4600	84.173A	18-4600-00	07/01/17-08/31/18	1,277,691
Special Education - Preschool Grants	IDEA - Pre-School Flow Through	4600	84.173A	19-4600-00	07/01/18-08/31/19	1,585,518
Special Education - Preschool Grants	IDEA - Pre-School Discretionary	4605	84.173A	18-4605-01	07/01/17-08/31/18	489,250
Special Education - Preschool Grants	IDEA - Pre-School Discretionary	4605	84.173A	19-4605-01	07/01/18-08/31/19	489,250
	Total Special Education Cluster (IDEA)					**$ 195,492,924**
Passed Through Illinois State Board of Education (ISBE)						
Title I Grants to Local Education Agencies	Title I - Low Income	4300	84.010A	18-4300-00	07/01/17-08/31/18	282,519,959
Title I Grants to Local Education Agencies	Title I - Low Income	4300	84.010A	19-4300-00	07/01/18-08/31/19	272,818,183
Title I Grants to Local Education Agencies	ESEA - School Improvement	4331	84.010A	18-4331-SS	08/31/17-08/31/18	3,915,800
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-19	02/22/19-8/31/2019	1,774,770
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-29	02/22/19-8/31/2019	4,053,053
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-39	02/22/19-8/31/2019	1,721,377
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-49	02/22/19-8/31/2019	3,863,430
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-59	02/22/19-8/31/2019	2,158,818
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-69	02/22/19-8/31/2019	3,290,615
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-79	02/22/19-8/31/2019	2,742,241
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-89	02/22/19-8/31/2019	2,906,390
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-90	02/22/19-8/31/2019	2,250,000
Title I Grants to Local Education Agencies	Il-Empower (Cohort 19)	4331	84.010A	19-4331-99	02/22/19-8/31/2019	2,874,502
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Neglected Private	4305	84.010A	18-4305-00	09/29/17-08/31/18	624,385
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Neglected Private	4305	84.010A	19-4305-00	07/01/18-08/31/19	657,430
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Delinquent Private	4306	84.010A	18-4306-00	09/29/17-08/31/18	1,332,876
Title I Grants to Local Education Agencies	ESEA - Title I - Low Income - Delinquent Private	4306	84.010A	19-4306-00	07/01/18-08/31/19	1,433,470

See accompanying notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
$ -	$ 102,267,488	$ 111,028,229	$ 111,028,229	$ -	$ 8,760,741	$ -	$ 111,028,229
8,000,815	21,842,795	13,841,980	13,841,980	-	-	113,262,226	127,104,206
-	12,847,939	12,847,939	12,847,939	-	-	-	12,847,939
-	2,874,410	3,035,328	3,035,328	-	160,918	-	3,035,328
-	38,767,755	42,430,831	42,430,831	-	3,663,076	-	42,430,831
2,978,159	8,130,401	5,152,242	5,152,242	-	-	41,259,472	46,411,714
$ 10,978,974	**$ 186,730,788**	**$ 188,336,549**	**$ 188,336,549**	**$ -**	**$ 12,584,735**	**$ 154,521,698**	**$ 342,858,247**
$ -	$ 6,645,222	$ 7,897,833	$ 7,897,833	$ -	$ 1,252,611	$ -	$ 7,897,833
445,525	764,511	318,986	318,986	-	-	7,536,040	7,855,026
342,313	482,202	139,889	139,889	-	-	1,808,803	1,948,692
-	1,227,289	1,600,892	1,600,892	-	373,603	-	1,600,892
$ 787,838	**$ 9,119,224**	**$ 9,957,600**	**$ 9,957,600**	**$ -**	**$ 1,626,214**	**$ 9,344,843**	**$ 19,302,443**
$ 11,766,812	**$ 195,850,012**	**$ 198,294,149**	**$ 198,294,149**	**$ -**	**$ 14,210,949**	**$ 163,866,541**	**$ 362,160,690**
$ -	$ 98,884	$ 134,283	$ 134,283	$ -	$ 35,399	$ -	$ 134,283
$ -	**$ 98,884**	**$ 134,283**	**$ 134,283**	**$ -**	**$ 35,399**	**$ -**	**$ 134,283**
	$ 98,884	**$ 134,283**	**$ 134,283**	**$ -**	**$ 35,399**		**$ 134,283**
$ 11,766,812	**$ 195,948,896**	**$ 198,428,432**	**$ 198,428,432**	**$ -**	**$ 14,246,348**	**$ 163,866,541**	**$ 362,294,973**
19,259,294	19,393,144	140,090	140,090	-	6,240	87,636,803	87,776,893
-	82,524,227	90,272,243	90,272,243		7,748,016	-	90,272,243
-	650,897	650,897	650,897	-	-	-	650,897
-	1,682,989	1,682,989	1,682,989	-	-	473,162	2,156,151
434,041	431,544	(2,497)	(2,497)	-	-	1,163,625	1,161,128
-	682,473	1,317,723	1,317,723	-	635,250	-	1,317,723
138,364	138,415	51	51	-	-	348,246	348,297
-	233,867	396,280	396,280	-	162,413	-	396,280
$ 19,831,699	**$ 105,737,556**	**$ 94,457,776**	**$ 94,457,776**	**$ -**	**$ 8,551,919**	**$ 89,621,836**	**$ 184,079,612**
$ 65,929,782	$ 80,084,351	$ 14,154,569	$ 14,154,569	$ 1,093,327	$ -	$ 250,552,463	$ 264,707,032
-	196,578,744	237,863,946	237,863,946	37,098,869	41,285,202	-	237,863,946
1,367,752	1,635,274	267,522	267,522	-	-	3,648,278	3,915,800
-	24,359	648,598	648,598	-	624,239	-	648,598
-	-	1,510,262	1,510,262	1,510,262	1,510,262	-	1,510,262
-	166,161	918,186	918,186	-	752,025	-	918,186
-	93,615	1,545,267	1,545,267	-	1,451,652	-	1,545,267
-	62,896	949,069	949,069	-	886,173	-	949,069
-	237,656	1,602,070	1,602,070	-	1,364,414	-	1,602,070
-	112,433	1,225,632	1,225,632	-	1,113,199	-	1,225,632
-	317,498	1,448,708	1,448,708	-	1,131,210	-	1,448,708
-	323,416	1,035,167	1,035,167	-	711,751	-	1,035,167
-	111,925	931,936	931,936	280,374	820,011	-	931,936
282,936	400,001	117,065	117,065	-	-	465,950	583,015
-	116,099	458,435	458,435	-	342,336	-	458,435
380,769	615,432	234,663	234,663	-	-	652,558	887,221
-	457,861	779,709	779,709	-	321,848	-	779,709

See accompanying notes to Schedule of Expenditures of Federal Awards

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
Title I Grants to Local Education Agencies	IL Empower Pilot	4399	84.010A	18-4399-IP	03/28/18-08/31/18	75,000
Supporting Effective Instruction State Grants	Title IIA - Teacher Quality	4932	84.367A	18-4932-00	07/01/17-08/31/18	28,453,545
Supporting Effective Instruction State Grants	Title IIA - Teacher Quality	4932	84.367A	19-4932-00	07/01/18-08/31/19	23,766,289
Supporting Effective Instruction State Grants	Title II - Teacher Quality Leadership	4935	84.367A	18-4935-02	08/21/17-08/31/18	34,382
Supporting Effective Instruction State Grants	Title II - Teacher Quality Leadership	4935	84.367A	19-4935-02	07/01/18-08/31/19	27,505
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	17-4909-00	09/01/16-08/31/17	13,425,047
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	18-4909-00	09/01/17-08/31/18	11,896,752
English Language Acquisition Grants	Title III - Lang Inst Prog - Limited Eng LIPLEP	4909	84.365A	19-4909-00	09/01/18-08/31/19	9,092,341
English Language Acquisition Grants	Title III - Immigrant Education Program (IEP)	4905	84.365A	18-4905-00	09/01/17-08/31/18	1,035,251
English Language Acquisition Grants	Title III - Immigrant Education Program (IEP)	4905	84.365A	19-4905-00	09/01/18-08/31/19	684,664
Student Support and Academic Enrichment Program	Title IVA Student Support and Academic Enrichment	4400	84.424A	18-4400-00	07/01/17-08/31/18	3,955,713
Student Support and Academic Enrichment Program	Title IVA Student Support and Academic Enrichment	4400	84.424A	19-4400-00	07/01/18-08/31/19	12,059,497
Career and Technical Education	V.E. - Perkins - Title IIC - Secondary	4745	84.048A	18-4745-00	07/01/17-08/31/18	6,240,819
Career and Technical Education	V.E. - Perkins - Title IIC - Secondary	4745	84.048A	19-4745-00	07/01/18-06/30/19	6,103,306
School Improvement Grants	School Improvement - Cohort 5	4339	84.377A	18-4339-15	08/21/17-08/31/18	3,224,471
School Improvement Grants	School Improvement - Cohort 5	4339	84.377A	19-4339-15	07/01/18-08/31/19	1,526,764
School Improvement Grants	School Improvement - Cohort 6	4339	84.377A	18-4339-16	08/21/17-08/31/18	2,140,458
School Improvement Grants	School Improvement - Cohort 6	4340	84.377A	19-4339-16	07/01/18-08/31/19	2,046,548
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-13	07/01/17-08/31/18	3,150,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-15	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-25	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-35	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-45	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-55	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-65	07/01/17-08/31/18	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-13	07/31/18-08/31/19	3,150,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-15	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-25	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-35	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-45	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-55	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-65	07/31/18-08/31/19	540,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	18-4421-75	07/01/17-08/31/18	135,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-75	07/01/18-08/31/19	135,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-19	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-29	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-39	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-49	07/01/18-08/31/19	600,000
Twenty-First Century Community Learning Centers	Title IV - 21st Century Comm Learning Centers	4421	84.287	19-4421-59	07/01/18-08/31/19	450,000
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	18-4920-00	08/21/17-06/30/18	911,213
Education for Homeless Children and Youth	McKinney Education for Homeless Children	4920	84.196A	19-4920-00	07/1/18-06/30/19	906,766
Preschool Development Grants	Preschool Expansion	4902	84.419B	18-4902-PE	10/03/17-08/31/18	2,999,131
Preschool Development Grants	Preschool Expansion	4902	84.419B	19-4902-PE	09/28/18-12/31/19	2,999,131
	Total U.S. Department of Education Passed Through Illinois State Board of Education (not including clusters)					**$ 740,441,892**
	Total U.S. Department of Education Passed Through Illinois State Board of Education (including clusters)					**$ 935,934,816**
Direct Funding						
TRIO Cluster						
TRIO - Talent Search	Pullman Talent Search	N/A	84.044A	P044A160585	09/01/17-08/31/18	261,110
TRIO - Talent Search	Pullman Talent Search	N/A	84.044A	P044A160585	09/01/18-08/31/19	240,077
	Total TRIO Cluster					**$ 501,187**
Direct Funding						
Impact Aid	Federal Impact Aid Grant	N/A	84.041	S041B-2016-1446	07/01/17-06/30/18	N/A
Indian Education - Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A160666	07/01/16-06/30/17	202,065
Indian Education - Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A170666	07/01/17-06/30/18	204,142
Indian Education - Grants to Local Education	Indian Elementary/Secondary School Assistance	N/A	84.060A	S060A140666	07/01/18-06/30/19	217,185
Magnet Schools Assistance Program	Magnet Schools Assistance Program	N/A	84.165A	U165A170071	10/01/17-09/30/18	2,672,187
Innovative Approaches to Literacy, Full-service Community Schools, and Promise Neighborhoods	Start on Success Program	N/A	84.215H	U215H150069	10/01/17-09/30/18	614,777
Innovative Approaches to Literacy, Full-service Community Schools, and Promise Neighborhoods	Start on Success Program	N/A	84.215H	U215H150069	10/01/18-09/30/19	313,569
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052-16	10/01/17-09/30/18	460,789
Arts in Education	Arts Teachers Leading Achievement and Success	N/A	84.351C	U351C140052	10/01/18-09/30/19	105,686
Arts in Education	Model Development and Dissemination - Project Cultivate	N/A	84.351D	U351D180107	10/1/18-09/30/19	487,604
Arts in Education						
Teacher Incentive Fund	Distributed Leadership in Opportunity Schools	N/A	84.374A	U374A170088	10/01/17-09/30/18	1,814,488
Teacher Incentive Fund	Distributed Leadership in Opportunity Schools	N/A	84.374A	U374A170088	10/01/18-09/30/19	2,927,373

See accompanying notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
29,664	61,300	31,636	31,636	-	-	29,664	61,300
6,280,273	7,991,253	1,710,980	1,710,980	41,259	-	24,524,518	26,235,498
-	15,212,044	18,765,422	18,765,422	1,434,436	3,553,378	-	18,765,422
5,651	26,713	21,062	21,062	-	-	12,226	33,288
-	-	4,500	4,500	-	4,500	-	4,500
239	-	-	-	-	239	9,046,027	9,046,027
2,257,653	3,338,438	1,080,785	1,080,785	10,765	-	8,746,426	9,827,211
-	8,342,805	8,348,174	8,348,174	442,000	5,369	-	8,348,174
143,987	336,761	192,774	192,774	-	-	143,987	336,761
-	167,712	241,691	241,691	-	73,979	-	241,691
2,606,310	2,897,047	290,737	290,737	-	-	3,297,275	3,588,012
-	3,925,084	9,603,768	9,603,768	1,134,038	5,678,684	-	9,603,768
2,466,768	3,221,702	754,934	754,934	-	-	5,485,885	6,240,819
-	2,451,300	5,247,041	5,247,041	13,999	2,795,741	-	5,247,041
994,363	1,289,848	295,485	295,485	-	-	2,536,689	2,832,174
-	870,442	1,265,747	1,265,747	-	395,305	-	1,265,747
845,881	902,195	56,314	56,314	-	-	1,773,824	1,830,138
-	740,928	1,570,983	1,570,983	-	830,055	-	1,570,983
1,484,570	2,019,312	534,742	534,742	-	-	2,549,888	3,084,630
247,806	327,195	79,389	79,389	-	-	453,443	532,832
187,623	302,062	114,439	114,439	-	-	393,720	508,159
265,818	354,589	88,771	88,771	-	-	430,828	519,599
257,250	311,798	54,548	54,548	-	-	468,219	522,767
278,434	411,452	133,018	133,018	-	-	397,434	530,452
210,178	268,200	58,022	58,022	-	-	460,569	518,591
-	1,294,791	2,718,863	2,718,863	-	1,424,072	-	2,718,863
-	221,091	420,029	420,029	-	198,938	-	420,029
-	187,782	406,991	406,991	-	219,209	-	406,991
-	167,933	380,372	380,372	-	212,439	-	380,372
-	196,180	376,670	376,670	-	180,490	-	376,670
-	132,672	317,285	317,285	-	184,613	-	317,285
-	152,807	388,694	388,694	-	235,887	-	388,694
53,696	95,216	41,520	41,520	-	-	53,696	95,216
-	35,244	88,488	88,488	-	53,244	-	88,488
-	84,711	310,096	310,096	-	225,385	-	310,096
-	77,211	293,945	293,945	-	216,734	-	293,945
-	107,527	352,310	352,310	-	244,783	-	352,310
-	78,157	257,412	257,412	-	179,255	-	257,412
-	79,859	261,959	261,959	-	182,100	-	261,959
910,784	910,557	(227)	(227)	-	-	911,213	910,986
-	3,000	878,119	878,119	-	875,119	-	878,119
725,214	724,620	(594)	(594)	-	-	2,999,131	2,998,537
-	1,687,596	2,675,229	2,675,229	-	987,633	-	2,675,229
$ 88,213,401	**$ 343,344,855**	**$ 326,402,927**	**$ 326,402,927**	**$ 43,059,329**	**$ 71,271,473**	**$ 320,033,911**	**$ 646,436,838**
$ 108,045,100	**$ 449,082,411**	**$ 420,860,703**	**$ 420,860,703**	**$ 43,059,329**	**$ 79,823,392**	**$ 409,655,747**	**$ 830,516,450**
$ 76,273	$ 141,594	$ 65,321	$ 65,321	$ -	$ -	$ 212,167	$ 277,488
-	186,543	229,291	229,291	-	42,748	-	229,291
$ 76,273	**$ 328,137**	**$ 294,612**	**$ 294,612**	**$ -**	**$ 42,748**	**$ 212,167**	**$ 506,779**
$ 12,575	$ 115,236	$ 102,661	$ 102,661	$ -	$ -	$ 68,249	$ 170,910
							-
13,983	-	(13,983)	(13,983)	-	-	164,727	150,744
58,586	55,697	(2,889)	(2,889)	-	-	183,363	180,474
-	141,718	204,003	204,003	-	62,285	-	204,003
							-
339,564	2,331,065	2,126,615	2,126,615	-	135,114	362,971	2,489,586
							-
73,780	119,779	45,999	45,999	-	-	255,209	301,208
-	123,756	212,479	212,479	-	88,723	-	212,479
							-
150,044	254,666	104,622	104,622	-	-	250,481	355,103
-	24,298	56,094	56,094	-	31,796	-	56,094
-	60,434	226,416	226,416	-	165,982	-	226,416
							-
394,722	851,264	456,542	456,542	-	-	448,149	904,691
-	993,517	1,218,220	1,218,220	-	224,703	-	1,218,220
							-

See accompanying notes to Schedule of Expenditures of Federal Awards

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
School Safety National Activities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/16-09/30/17	1,274,909
School Safety National Activities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/17-09/30/18	1,989,718
School Safety National Activities	Healing Trauma Together	N/A	84.184C	S184C160002	10/01/18-09/30/19	1,092,050
	Total U.S. Department of Education - Direct Funding (not including cluster)					**$ 14,376,542**
	Total U.S. Department of Education - Direct Funding (including cluster)					**$ 14,877,729**
Passed Through Illinois Department of Human Services						
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CWF00155	07/01/17-06/30/18	$ 400,000
Rehabilitation Grants to States	Secondary Transitional Experience Program (STEP)	N/A	84.126	46CXF00155	07/01/18-06/30/19	400,000
	Total U.S. Department of Education Passed Through IDHS					**$ 800,000**
Passed Through Northeastern Illinois University						
Gaining Early Awareness and Readiness for Undergraduate Program	Gear Up 5 (Year 7)	N/A	84.334A	P334A110082 / P0048086	09/26/17-09/25/18	$ 1,023,250
Gaining Early Awareness and Readiness for Undergraduate Program	Gear Up 6 (Year 4)	N/A	84.334A	P334A140132 / P0048087	09/25/17-09/24/18	864,212
Gaining Early Awareness and Readiness for Undergraduate Program	Gear Up 6 (Year 5)	N/A	84.334A	P0052227	09/25/18-09/24/19	885,522
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Ella Flagg Young	N/A	84.287	PO#0047632	11/01/17-06/30/18	36,692
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Ella Flagg Young	N/A	84.287	PO 00050041	02/27/19-08/31/19	27,900
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU- Duke Ellington	N/A	84.287	P0#0047628	11/01/17-06/30/18	16,232
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU- Frederick A Douglas	N/A	84.287	PO#0047772	12/04/17-06/30/18	4,058
Twenty-First Century Community Learning Centers	Illinois 21st Century CLC NEIU - Azuela Elementary	N/A	84.287	PO 00051435	04/04/19-08/31/19	15,000
	Total U.S. Department of Education Passed Through Northeastern Illinois University					**$ 2,872,866**
	TOTAL U.S. DEPARTMENT OF EDUCATION					**$ 954,485,411**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed Through Centers for Disease Control						
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Survillance	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	1U87PS004162-05	08/01/17-07/31/18	$ 271,672
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Survillance	CDC Strategy 1 Youth Risk Behavior Survey (HIV)	N/A	93.079	NU87PS004311-01-00	08/01/18-07/31/19	300,000
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Survillance	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	1U87PS004162-05	08/01/17-07/31/18	61,250
Cooperative Agreements to Promote Adolescent Health through School-based HIV/STD prevention and School-Based Survillance	CDC Strategy 1 Youth Risk Behavior Survey (YRBS)	N/A	93.079	NU87PS004311-01-00	08/01/18-07/31/19	60,000
	Total U.S. Department of Health and Human Services Passed Through Centers for Disease Control					**$ 692,922**
Passed Through City of Chicago Department of Family and Support Services						
Head Start	Head Start - Child Development	N/A	93.600	PO#33360-3	12/01/17-11/30/18	$ 35,912,000
Head Start	Head Start - Child Development	N/A	93.600	PO#33360-4	12/01/18-11/30/19	35,912,000
Head Start	Head Start - Supp DIS SP initiatives	N/A	93.600	IGA	12/01/17-11/30/18	1,021,990
Head Start	Head Start - Supp DIS SP initiatives	N/A	93.600	IGA	12/01/18-11/30/19	1,281,337
	Total U.S. Department of Health and Human Services Passed Through City of Chicago Department of Family and Support Services					**$ 74,127,327**
Direct Funding						
Teen Pregnancy Prevention Program	Teen Pregnancy Prevention Grant (MICAH)	N/A	93.297	TP2AH000034-00-00	07/01/17-06/30/18	$ 79,466
Children's Health Insurance Program	Healthy Schools Health City Medicaid Enrollment Project	N/A	93.767	1Z0CMS331507-02-03	07/01/17-06/30/18	649,936
	Total U.S. Department of Health and Human Services - Direct Funding					**$ 729,402**
Passed Through Illinois Department of Human Services						
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Refugee Children Impact Grant	N/A	93.566	FCSWK01131	07/01/17-06/30/18	$ 57,525
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Refugee Children Impact Grant	N/A	93.566	9FCSXK04937	07/01/18-06/30/19	57,525
	Total U.S. Department of Health and Human Services Passed Through Illinois Department of Human Services					**$ 115,050**
Passed Through Illinois Department of Healthcare and Family Services (IDHFS)						
Medicaid Cluster						
Medical Assistance Program	Medicaid - Administrative Services	N/A	93.778	95-4900-00	07/01/13-06/30/19	$ N/A
	Total Medicaid Cluster					**$ -**
	Total U.S. Department of Health and Human Services Passed Through IDHFS (including cluster)					**$ -**
Passed Through Illinois Department of Public Health						
Maternal and Child Health Services Block Grant to the States	Middle School Youth Risk Behavior Survey (YRBS) Program	N/A	93.994	86380013F	07/01/18-06/30/19	$ 72,300
	Total U.S. Department of Health and Human Services Passed Through IDPH					**$ 72,300**
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					**$ 75,737,001**
U.S. DEPARTMENT OF JUSTICE						
Direct Funding						
National Institute of Justice Research, Evaluation and Development Project Grants		N/A	16.560	2014-CK-BX-0002	01/01/18-12/31/18	$ 739,307
	Total U.S. Department of Justice - Direct Funding					**$ 739,307**
	TOTAL U.S. DEPARTMENT OF JUSTICE					**$ 739,307**

See accompanying notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
47,691	0	(47,691)	(47,691)	-	-	385,282	337,591
495,771	538,015	42,244	42,244	-	-	837,619	879,863
-	334,343	665,451	665,451	-	331,108	-	665,451
$ 1,586,716	**$ 5,943,788**	**$ 5,396,783**	**$ 5,396,783**	**$ -**	**$ 1,039,711**	**$ 2,956,050**	**$ 8,352,833**
$ 1,662,989	**$ 6,271,925**	**$ 5,691,395**	**$ 5,691,395**	**$ -**	**$ 1,082,459**	**$ 3,168,217**	**$ 8,859,612**
$ 219,850	$ 219,850	$ -	$ -	$ -	$ -	$ 400,000	$ 400,000
-	258,625	258,625	258,625		-	-	258,625
$ 219,850	**$ 478,475**	**$ 258,625**	**$ 258,625**	**$ -**	**$ -**	**$ 400,000**	**$ 658,625**
$ 268,309	$ 422,124	$ 153,815	$ 153,815	$ -	$ -	$ 628,791	$ 782,606
253,621	388,753	135,132	135,132	-	-	610,943	746,075
	-	533,822	533,822	-	533,822	-	533,822
7,896	16,164	8,268	8,268	-	-	20,528	28,796
20,528	20,528	25,265	25,265	-	25,265	-	25,265
13,581	13,581	-	-	-	-	13,581	13,581
6,979	-	(6,979)	(6,979)	-	-	6,979	-
-	-	14,835	14,835	-	14,835	-	14,835
$ 570,914	**$ 861,150**	**$ 864,158**	**$ 864,158**	**$ -**	**$ 573,922**	**$ 1,280,822**	**$ 2,144,980**
$ 110,498,853	**$ 456,693,961**	**$ 427,674,881**	**$ 427,674,881**	**$ 43,059,329**	**$ 81,479,773**	**$ 414,504,786**	**$ 842,179,667**
$ 85,295	$ 84,157	$ (1,138)	$ (1,138)	$ -	$ -	$ 262,418	$ 261,280
-	81,127	120,911	120,911	-	39,784	-	120,911
29,925	19,510	(10,415)	(10,415)	-	-	44,766	34,351
-	9,992	34,604	34,604	-	24,612	-	34,604
$ 115,220	**$ 194,786**	**$ 143,962**	**$ 143,962**	**$ -**	**$ 64,396**	**$ 307,184**	**$ 451,146**
$ 9,252,983	$ 22,254,255	$ 13,001,272	$ 13,001,272	$ -	$ -	$ 22,509,903	$ 35,511,175
-	15,482,562	21,926,977	21,926,977	-	6,444,415	-	21,926,977
					-		
631,026	1,031,332	400,306	400,306	-	-	631,026	1,031,332
-	-	747,149	747,149	-	747,149	-	747,149
$ 9,884,009	**$ 38,768,149**	**$ 36,075,704**	**$ 36,075,704**	**$ -**	**$ 7,191,564**	**$ 23,140,929**	**$ 59,216,633**
$ 19,245	$ 31,875	$ 12,630	$ 12,630	$ -	$ -	$ 59,681	$ 72,311
29,492	26,500	(2,992)	(2,992)	-	-	367,834	364,842
$ 48,737	**$ 58,375**	**$ 9,638**	**$ 9,638**	**$ -**	**$ -**	**$ 427,515**	**$ 437,153**
$ 17,344	$ 17,344	$ -	$ -	$ -	$ -	$ 57,525	$ 57,525
-	40,547	57,525	57,525	-	16,978	-	57,525
$ 17,344	**$ 57,891**	**$ 57,525**	**$ 57,525**	**$ -**	**$ 16,978**	**$ 57,525**	**$ 115,050**
$ 2,374,723	$ 7,960,001	$ 8,256,738	$ 8,256,738	$ -	$ 2,671,460	$ 49,419,547	$ 57,676,285
$ 2,374,723	**$ 7,960,001**	**$ 8,256,738**	**$ 8,256,738**	**$ -**	**$ 2,671,460**	**$ 49,419,547**	**$ 57,676,285**
$ 2,374,723	**$ 7,960,001**	**$ 8,256,738**	**$ 8,256,738**	**$ -**	**$ 2,671,460**	**$ 49,419,547**	**$ 57,676,285**
$ -	$ 72,300	$ 72,300	$ 72,300	$ -	$ -	**$ -**	$ 72,300
$ -	**$ 72,300**	**$ 72,300**	**$ 72,300**	**$ -**	**$ -**	**$ -**	**$ 72,300**
$ 12,440,033	**$ 47,111,502**	**$ 44,615,867**	**$ 44,615,867**	**$ -**	**$ 9,944,398**	**$ 73,352,700**	**$ 117,968,567**
$ 519,659	$ 580,390	$ 60,865	$ 60,865	$ -	$ 134	$ 534,771	$ 595,636
$ 519,659	**$ 580,390**	**$ 60,865**	**$ 60,865**	**$ -**	**$ 134**	**$ 534,771**	**$ 595,636**
$ 519,659	**$ 580,390**	**$ 60,865**	**$ 60,865**	**$ -**	**$ 134**	**$ 534,771**	**$ 595,636**

See accompanying notes to Schedule of Expenditures of Federal Awards

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FUNDING SOURCE Program Name	Name of Grant	ISBE Account Number	Federal Catalog Number	Contract Number	Contract Period	Amount of Grant
U.S. DEPARTMENT OF LABOR						
Passed Through Manufacturing Renaissance						
Youthbuild	Youth Career Connect	N/A	17.274	YC-25414-14-60-A-17	07/01/17-06/30/18	$ 73,083
	Total U.S. Department of Labor Passed Through Manufacturing Renaissance					**$ 73,083**
	TOTAL U.S. DEPARTMENT OF LABOR					**$ 73,083**
U.S. DEPARTMENT OF DEFENSE						
Passed Through City Colleges of Chicago						
Basic and Applied Scientific Research	Critical MASS Year 5	N/A	12.300	18-12-1-0738	04/01/17-03/31/18	$ 410,000
Basic and Applied Scientific Research	Critical MASS Year 6	N/A	12.300	19-12-1-0738	06/26/1-7/31/2019	395,000
	Total U.S. Department of Defense Passed Through City Colleges of Chicago					**$ 805,000**
Direct Funding						
Language Grant Program	Startalk Arabic and Chinese Language Institute	N/A	12.900	H-98230-18-1-0159	04/12/18-03/31/19	$ 90,000
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/17-06/30/18	$ 1,031,822
Basic Scientific Research	Accelerated STEM Program of Study & Leadership	N/A	12.431	W911NF-15-1-0251	05/15/18-06/30/19	1,084,253
	Total U.S. Department of Defense - Direct Funding					**$ 2,206,075**
	TOTAL U.S. DEPARTMENT OF DEFENSE					**$ 3,011,075**
ENVIRONMENTAL PROTECTION AGENCY						
Environmental Education Grant Program	CIMBY-EPA	N/A	66.951	NE-83619701-0	04/01/16-09/30/17	$ 192,200
	Total Environmental Protection Agency					**$ 192,200**
NATIONAL SCIENCE FOUNDATION						
Research and Development Cluster						
Passed Through DePaul University						
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	501165SG125	07/01/17-09/30/18	$ 274,340
Computer and Information Science and Engineering	Track 2 CS10K: Accelerate ECS4ALL	N/A	47.070	500165SG155	10/01/18-09/30/19	285,232
Computer and Information Science and Engineering	Chicago Alliance For Equity in Computer Science	N/A	47.070	501334SG159	10/15/17-09/30/18	164,334
Computer and Information Science and Engineering	Chicago Alliance For Equity in Computer Science	N/A	47.070	501334SG159	10/1/18-09/30/19	164,334
Education and Human Resources	Advancing High School Computer Science Through Math	N/A	47.076	501313SG151	06/15/17-05/31/18	128,898
Education and Human Resources	Advancing High School Computer Science Through Math	N/A	47.076	501313SG151	06/1/18-05/31/19	123,993
	Total National Science Foundation Passed Through DePaul University					**$ 1,141,131**
Passed Through The Learning Partnership						
Computer and Information Science and Engineering	Course in Career and Technical Education Clusters in Urban	N/A	47.070	LP201801	01/15/17-12/31/18	$ 238,068
	Total National Science Foundation Passed Through The Learning Partnership					**$ 238,068**
Passed Through The University of Chicago						
Computer and Information Science and Engineering	Scratch Encore	N/A	47.070	FP066563-01	09/01/17-08/31/18	$ 96,890
Computer and Information Science and Engineering	Scratch Encore	N/A	47.070	FP066563-01	09/01/18-08/31/19	64,878
	Total National Science Foundation Passed Through The University of Chicago					**$ 161,768**
Passed Through University of Massachusetts						
Education and Human Resources	Broadening Advanced Technological Education Connections	N/A	47.076	DUE-1104145	05/01/16-07/31/18	$ 60,593
	Total National Science Foundation Passed Through University of Massachusetts					**$ 60,593**
	Total Research and Development Cluster					**$ 1,601,560**
	TOTAL NATIONAL SCIENCE FOUNDATION					**$ 1,601,560**
	GRAND TOTAL					**$ 1,036,184,902**

See accompanying notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Grant Revenue June 30, 2018	Cash Received (Refunded) July 1, 2018 June 30, 2019	Revenue Recognized July 1, 2018 June 30, 2019	Federal Award Expenditures July 1, 2018 June 30, 2019	Pass Through to Subrecipients July 1, 2018 June 30, 2019	Accrued (Deferred) Grant Revenue June 30, 2019	Prior Years' Expenditures Through June 30, 2018	Final Status Cumulative Expenditures Through June 30, 2019
$ 61,627	$ 14,426	$ (47,201)	$ (47,201)	$ -	$ -	$ 61,627	$ 14,426
$ 61,627	**$ 14,426**	**$ (47,201)**	**$ (47,201)**	**$ -**	**$ -**	**$ 61,627**	**$ 14,426**
$ 61,627	**$ 14,426**	**$ (47,201)**	**$ (47,201)**	**$ -**	**$ -**	**$ 61,627**	**$ 14,426**
$ 104,524	$ 63,368	$ (41,156)	$ (41,156)	$ -	$ -	$ 320,459	$ 279,303
-	-	256,838	256,838	-	256,838	-	256,838
$ 104,524	**$ 63,368**	**$ 215,682**	**$ 215,682**	**$ -**	**$ 256,838**	**$ 320,459**	**$ 536,141**
$ 4,224	$ (0)	$ (4,224)	$ (4,224)	$ -	$ -	$ 4,224	$ (0)
$ 160,041	$ 160,041	$ -	$ -	$ -	$ -	$ 491,366	$ 491,366
49,269	361,236	427,893	427,893	-	115,926	49,269	477,162
$ 213,534	**$ 521,277**	**$ 423,669**	**$ 423,669**	**$ -**	**$ 115,926**	**$ 544,859**	**$ 968,528**
$ 318,058	**$ 584,645**	**$ 639,351**	**$ 639,351**	**$ -**	**$ 372,764**	**$ 865,318**	**$ 1,504,669**
$ 19,165	$ 42,229	$ 23,064	$ 23,064	$ -	$ -	$ 169,135	$ 192,199
$ 19,165	**$ 42,229**	**$ 23,064**	**$ 23,064**	**$ -**	**$ -**	**$ 169,135**	**$ 192,199**
$ 19,030	$ 196,598	$ 177,568	$ 177,568	$ -	$ -	$ 43,678	$ 221,246
-	94,158	159,435	159,435	-	65,277	-	159,435
5,424	19,552	14,128	14,128	-	-	5,424	19,552
-	30,638	32,832	32,832	-	2,194	-	32,832
4,905	4,905	-	-	-	-	4,905	4,905
-	13,039	18,475	18,475	-	5,436	-	18,475
$ 29,359	**$ 358,890**	**$ 402,438**	**$ 402,438**	**$ -**	**$ 72,907**	**$ 54,007**	**$ 456,445**
$ 21,597	$ 102,488	$ 80,891	$ 80,891	$ -	$ -	$ 21,597	$ 102,488
$ 21,597	**$ 102,488**	**$ 80,891**	**$ 80,891**	**$ -**	**$ -**	**$ 21,597**	**$ 102,488**
$ -	$ -	$ 6,976	$ 6,976	$ -	$ 6,976	$ -	$ 6,976
-	-	49,052	49,052	-	49,052	-	49,052
$ -	**$ -**	**$ 56,028**	**$ 56,028**	**$ -**	**$ 56,028**	**$ -**	**$ 56,028**
$ 24,528	$ 25,814	$ 1,286	$ 1,286	$ -	$ -	$ 47,740	$ 49,026
$ 24,528	**$ 25,814**	**$ 1,286**	**$ 1,286**	**$ -**	**$ -**	**$ 47,740**	**$ 49,026**
$ 75,484	**$ 487,192**	**$ 540,643**	**$ 540,643**	**$ -**	**$ 128,935**	**$ 123,344**	**$ 663,987**
$ 75,484	**$ 487,192**	**$ 540,643**	**$ 540,643**	**$ -**	**$ 128,935**	**$ 123,344**	**$ 663,987**
$ 135,699,691	**$ 701,463,241**	**$ 671,935,902**	**$ 671,935,902**	**$ 43,059,329**	**$ 106,172,352**	**$ 653,478,222**	**$ 1,325,414,124**

See accompanying notes to Schedule of Expenditures of Federal Awards

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL CATALOG NUMBER
For the Fiscal Year Ended June 30, 2019

Program Name	Federal Catalog Number	Federal Award Expenditures	Pass Through to Subrecipients	Cluster Total	
School Breakfast Program **(1)**	10.553	$ 47,583,073	$ -	$ -	
National School Lunch Program **(1)**	10.555	137,718,148	-	188,336,549	**(1)**
Child and Adult Care Food Program	10.558	8,216,819	-	-	
Summer Food Service Program for Children **(1)**	10.559	3,035,328	-	-	
Supplemental Nutrition Assistance Program **(5)**	10.561	134,283	-	134,283	**(5)**
Fresh Fruit and Vegetable Program	10.582	1,740,781	-	-	
Basic and Applied Scientific Research	12.300	215,682	-	-	
Basic Scientific Research	12.431	427,893	-	-	
Language Grant Program	12.900	(4,224)	-	-	
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	60,865	-	-	
Youthbuild	17.274	(47,201)	-	-	
Computer and Information Science and Engineering **(6)**	47.070	520,882	-	540,643	**(6)**
Education and Human Resources **(6)**	47.076	19,761	-	-	
Environmental Education Grant Program	66.951	23,064	-	-	
Title I Grants to Local Education Agencies	84.010	265,722,440	39,982,832	-	
Special Education Grants to State **(2)**	84.027	92,746,219	-	94,457,776	**(2)**
Impact Aid	84.041	102,661	-	-	
TRIO - Talent Search **(3)**	84.044	294,612	-	294,612	**(3)**
Career and Technical Education	84.048	6,001,975	13,999	-	
Indian Education - Grants to Local Education Agencies	84.060	187,131	-	-	
Rehabilitation Grants to States	84.126	258,625	-	-	
Magnet Schools Assistance Program	84.165	2,126,615	-	-	
Special Education - Preschool Grants **(2)**	84.173	1,711,557	-	-	
Safe and Drug-Free Schools and Communities	84.184	660,004	-	-	
Education for Homeless Children and Youth	84.196	877,892	-	-	
Fund for the Improvement of Education	84.215	258,478	-	-	
Twenty-First Century Community Learning Centers	84.287	7,718,952	-	-	
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	822,769	-	-	
Arts in Education	84.351	387,132	-	-	
English Language Acquisition Grants	84.365	9,863,424	452,765	-	
Supporting Effective Instruction State Grants	84.367	20,501,964	1,475,695	-	
Teacher Incentive Fund	84.374	1,674,762	-	-	
School Improvement Grants	84.377	3,188,529	-	-	
Preschool Expansion	84.419	2,674,635	-	-	
Student Support and Academic Enrichment Program	84.424	9,894,505	1,134,038	-	
Cooperative Agreements to Promote Adolscent Health through Substance Abuse and Mental Health Services	93.079	143,962	-	-	
Teen Pregnancy Prevention Program	93.297	12,630	-	-	
Refugee and Entrant Assistance	93.566	57,525	-	-	
Head Start	93.600	36,075,704	-	-	
Projects of Regional and National Significance Children's Health Insurance Program	93.767	(2,992)	-	-	
Medical Assistance Program **(4)**	93.778	8,256,738	-	8,256,738	**(4)**
Maternal and Child Health Services	93.994	72,300	-	-	
Total		**$ 671,935,902**	**$ 43,059,329**	**$ 292,020,601**	

Clusters:
(1) Child Nutrition Cluster
(2) Special Education Cluster (IDEA)
(3) TRIO Cluster
(4) Medicaid Cluster
(5) Supplemental Nutrition Assistance Program Cluster
(6) Research and Development Cluster

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SINGLE AUDIT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

1. SCOPE OF SINGLE AUDIT

General — The Board of Education of the City of Chicago ("CPS") is a body politic and corporate of the State of Illinois. All significant federal financial and compliance operations of CPS are included in the scope 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 U.S. Department of Education ("ED") is CPS' cognizant federal agency for the Single Audit. Cognizant duties have been delegated to the Illinois State Board of Education (the "ISBE") by the ED, which, in turn, oversees the performance of such duties.

2. NATURE OF FEDERAL FINANCIAL ASSISTANCE

Generally, federal awards are granted for the purpose of providing specific goods or services or aid to specific individuals. In addition to the purposes they serve, federal programs can be classified according to the basis under which the federal programs are funded. For certain federal programs, funds are received based upon actual qualified expenditures up to the total federal awards amount (expenditure-driven federal programs). For other federal programs, funds are received based on an approved formula such as a standard reimbursement rate applied to qualified unit of service provided (formula-driven federal program).

The majority of CPS' federal awards are passed through and received from the ISBE. For those pass-through federal awards, CPS' direct reporting responsibility is to ISBE, which, in their capacity as sub-grantors, oversee and monitor the utilization of such federal awards by CPS.

3. BASIS OF PRESENTATION IN THE SCHEDULE OF GRANT ACTIVITY

General — The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of CPS under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and the pass through requirements of ISBE. Because the Schedule presents only a selected portion of the operations of CPS, it is not intended to and does not present the financial position or changes in net position of CPS. Only federal programs considered active during the year ended June 30, 2019, are reflected in the Schedule. An active federal program is defined as a federal program that incurred expenditures (adjustments) of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. In addition, there is no federal insurance in effect during the year and no loan or loan guarantees outstanding at year end.

Revenues — Grant revenues for expenditure-driven federal programs are recognized in the Schedule based on expenditures incurred during the fiscal year. Grant revenues for formula-driven federal programs are recognized based on units of services provided as of June 30, 2019.

Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the "USDA").

Expenditures — For all expenditure-driven federal programs, expenditures included on the Schedule represent actual expenditures incurred (governmental fund basis) during the fiscal year ended June 30, 2019. In accordance with Uniform Guidance, pension costs are uniformly charged to all positions as a direct benefit cost in proportion to pensionable salary regardless of whether the funding source is local, state, or federal.

For formula-driven federal programs, expenditures are presented on the Schedule as follows:

- The expenditures for the National School Lunch and Breakfast Program in the schedule only reflect the portion funded by the Program.
- Expenditures for the Food Donation Program represent commodities received at amounts per the USDA standard price listings.

Adjustments to Increase (Decrease) Accrued Grant Revenue — Adjustments reflected in the Schedule of Expenditures of Federal Awards represent (1) adjustments for recorded expenditures that have been determined to be unallowable by respective funding agencies, or (2) corrections of prior year's estimated accruals.

Accrued and Unearned Grant Revenue — Various funding schedules are used for the federal awards received by CPS. Consequently, timing differences between the recognition of revenues and related cash receipts can exist at the beginning and end of the fiscal year. Accrued grant revenue balances represent the excess of revenue recognized over cash received to date. Unearned grant revenue balances represent the excess of cash received over revenue recognized to date.

Indirect Cost Rate — The amount expended includes amounts claimed as indirect cost recovery using an approved indirect cost rate percent by the ISBE or as per the funding agencies approved budget. The Chicago Public Schools has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. RELATIONSHIP TO THE FINANCIAL STATEMENTS INCLUDED IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The following is a reconciliation of federal grant revenues as reflected in the Supplementary Schedule of Expenditures of Federal Awards in CPS' Comprehensive Annual Financial Reports:

"Revenue recognized" per the Schedule	$671,935,902
E-Rate program revenues not included in the Schedule	14,028,663
Medicaid Fee for Service Revenue not included in the Schedule	27,014,979
Build America Bonds (BABS) revenue not included in the Schedule	24,887,809
U.S. Department of Defense Reserve Officer Training Corps (ROTC) revenue not included in the Schedule	3,954,202
Adjustments to record revenue that do not provide current financial resources	(36,467,010)
Federal aid per the Statement of Revenues, Expenditures and Net Changes in Fund Balances — Governmental Funds	$705,354,546

Expenditures relating to individual federal programs are not represented separately from other CPS expenditures in CPS' Comprehensive Annual Financial Report. Accordingly, a similar reconciliation of expenditures is not included herein.

5. FINAL CLAIMS

Some final claims for federal programs with a contractual funding period ended June 30, 2019, were filed prior to recording certain year-end adjustments and, therefore, do not agree with the related amounts accrued and reported in the Schedule. CPS plans to submit a program liquidation report to the respective grantor agencies, which will revise the outstanding obligation amounts per the final claim, thereby reflecting the appropriate year-end adjustments for these federal awards.

CHICAGO PUBLIC SCHOOLS
Chicago Board of Education

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019

SECTION I — SUMMARY OF AUDITORS' RESULTS

Financial Statements

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? ____ yes X 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

Identification of major federal programs:

CFDA Number	Name of Federal Program	Amount Expended
84.027	Special Education Grants to States	$92,746,219
84.173	Special Education – Preschool Grants	1,711,557
84.048	Career and Technical Education – Basic Grants	6,001,975
84.377	School Improvement Grants	3,188,529
93.600	Head Start	36,075,704
93.778	Medical Assistance Program	8,256,738
		$147,980,722

Dollar threshold used to distinguish between type A and type B programs: $3,000,000

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

None reported.

SECTION III — FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Information on the Federal Program:
Federal Agency: U.S. Department of Education
Federal Program Title: School Improvement Grants
CFDA Number: 84.377
Pass-Through Entity: Illinois State Board of Education
Pass-Through Entity Identification Number: 19-4339-16

Criteria:
Procurement Standards of Title 2 of the *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) state that all non-federal entities will follow Sections 200.318 through Section 200.326. Section 200.320 identifies four methods of procurement to be followed:

(a) Procurement by micro-purchases
(b) Procurement by small purchases procedures
(c) Procurement by sealed bids (formal advertising)
(d) Procurement by competitive proposals
(e) Procurement by noncompetitive proposals

Per Section 320(b) if small purchases procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Title 2 CFR section 200.303 states the following regarding internal control:

> "The auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with law, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Condition/Context:
Chicago Public Schools' (CPS) procurement policies and procedures state that no purchases shall be made except as provided by applicable Illinois law, federal law and the Board of Education of the City of Chicago. The procurement policy also states that all purchases for Biddable Items and Non-biddable Items that do not exceed $25,000 shall be completed via a purchase order, however, our procedures revealed that the purchase order process does not require solicitation of an adequate number of price or rate quotations for such purchases that exceed the micro-purchase threshold of $3,500 as established by the Uniform Guidance.

We tested nine purchase orders totaling $527,347. Two purchase orders totaling $16,066 were purchases greater than $3,500 but less than $25,000, and for which CPS did not obtain an adequate number of price or rate quotations as required by the Uniform Guidance.

Cause:
CPS procurement policies and procedures do not account for the small purchase requirements of 2 CFR section 200.320(b) of the Uniform Guidance.

Questioned Costs:
Questioned costs are unable to be determined, however, actual purchase orders that did not comply with the small purchase requirements of the Uniform Guidance totaled $16,066 for CFDA Number 84.377.

Effect:
CPS has not complied with the requirements of the Uniform Guidance as it relates to small purchases that fall between $3,500 and $25,000.

Recommendation:
We recommend that CPS review and revise its procurement policies and procedures in order to comply with the small purchase requirements of the Uniform Guidance.

Views of Responsible Officials:

The Department of Procurement and Business Diversity will update the CPS Procurement Manual to require that all departments using designated Federal Funds to procure goods or services between $10,000 (as allowed by exception in advance of revisions to FAR) and $25,000 in value will do so after requesting and evaluating quotes from at least three prospective suppliers.

APPENDIX F

FORM OF DEPOSIT DIRECTION

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DIRECTION REGARDING THE DIRECT DEPOSIT OF TAXES EXTENDED AND COLLECTED FOR EDUCATIONAL PURPOSES FOR THE 2020 TAX LEVY YEAR

TO: THE COUNTY TREASURERS OF THE COUNTIES OF COOK AND DUPAGE, ILLINOIS, ACTING AS THE COUNTY COLLECTORS FOR SAID COUNTIES, RESPECTIVELY

Please be advised that pursuant to the authority contained in Resolution No. 20-0826-RS4 adopted by the Board of Education of the City of Chicago (the "*Board*") on August 26, 2020, and being entitled:

> RESOLUTION AUTHORIZING THE ISSUANCE OF EDUCATIONAL PURPOSES TAX ANTICIPATION WARRANTS AND NOTES OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO, ILLINOIS, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED $1,250,000,000 OUTSTANDING

(the *"Note Resolution"*) attached hereto as *Exhibit A*, the Board has authorized the issuance from time to time of its Educational Purposes Tax Anticipation Notes (the *"Notes"*) in an aggregate principal amount outstanding at any time of not to exceed $1,250,000,000.

The Notes are to be issued in anticipation of the collection of the annual tax levied by the Board for educational purposes for the year 2020, as amended (the *"2020 Educational Purposes Tax Levy"*). The Notes are limited obligations of the Board payable from the tax revenue derived from the collection of the 2020 Educational Purposes Tax Levy (the *"Tax Receipts"*).

This Direction is executed and delivered pursuant to the authority contained in Section l4 of the Local Government Debt Reform Act (the *"Debt Reform Act"*) and Section 20-90 of the Property Tax Code, as amended (the *"Property Tax Code"*).

The Note Resolution further authorized the direct deposit of <u>all</u> of the Tax Receipts into an escrow account (the *"Escrow Account"*) established by the Board with Zions Bancorporation, National Association (the *"Escrow Agent"*) pursuant to an escrow agreement (the *"2020 Escrow Agreement"*) by and between the Board and the Escrow Agent. Pursuant to the provisions of

Section 15 of the Debt Reform Act and Section 20-90 of the Property Tax Code, you are hereby irrevocably directed to deposit all of the Tax Receipts directly and promptly with the Escrow Agent.

As of the date of filing of this Direction, the Tax Receipts to be paid directly to the Escrow Agent shall be paid to:

Zions Bancorporation, National Association
ABA # [redacted]
For credit to: Acct # [redacted]
Attn: Zions Corporate Trust CBOE

We hereby confirm to you that this Direction is irrevocable. In the event we send to you any direction contrary to this Direction you are hereby directed not to follow that subsequent direction unless we also present to you the written consent to that subsequent direction of Zions Bancorporation, National Association as trustee (the "*Bond Trustee*"). Notwithstanding the foregoing, provided the Cook County Treasurer or the DuPage County Treasurer, as appropriate, makes best efforts by adopting an administrative rule requiring written consent of the Bond Trustee before implementing any subsequent direction by the Board, in the event the Cook County Treasurer and/or the DuPage County Treasurer does make a change at the unilateral direction of the Board despite best efforts to follow the administrative rule, neither the Cook County Treasurer nor the DuPage County Treasurer, as appropriate, shall bear liability for compensatory or punitive damages of any kind whatsoever suffered by any other party. It is our intent that the owners of the Bonds are explicit third party beneficiaries of this Direction with the right to specifically enforce its terms. By signing the Note Resolution and Direction of Deposit Filing Certificate you agree that the owners of the Bonds have the right to specifically enforce this Direction.

Respectfully submitted this Direction Regarding the Direct Deposit of Taxes Extended and Collected for Educational Purposes for the 2020 Tax Levy Year on this _____ day of ___________ 2020.

____

Miroslava Krug, Chief Financial Officer
Board of Education of the City of Chicago

RECEIPT ACKNOWLEDGED:

____

EXHIBIT A

NOTE RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF EDUCATIONAL PURPOSES TAX ANTICIPATION WARRANTS AND NOTES OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO, ILLINOIS, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED $1,250,000,000 OUTSTANDING

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5, as amended (the "**School Code**"), the City of Chicago, Illinois, constitutes one school district (the "**School District**"), which is a body politic and corporate by the name of Board of Education of the City of Chicago, which School District is governed by the Chicago Board of Education (the "**Board**") and the provisions of Article 34 of the School Code; and

WHEREAS, the 2020 Tax Levy of the Board for educational purposes (the "**2020 Tax Levy**") will be not less than $2,599,320,009 (which includes amounts levied for tax revenues payable to the School District in connection with the establishment or existence of a transit facility improvement area pursuant to the Tax Increment Allocation Redevelopment Act, 65 Illinois Compiled Statutes 5/11-74.4, as amended (the "**TIF Act**")), and such levy is anticipated to be filed in the manner provided by law with the County Clerk of the County of Cook, Illinois, and the County Clerk of the County of DuPage, Illinois; and

WHEREAS, pursuant to Section 34-23 of the School Code, the Board is authorized to issue tax anticipation warrants against and in anticipation of taxes levied for the payment of expenditures for educational purposes in an amount not to exceed 85% of the 2020 Tax Levy; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with that issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes; and

WHEREAS, no such warrants, notes, bonds, or other obligations have been issued in anticipation of the receipt of the 2020 Tax Levy for such purposes; and

WHEREAS, the Board wishes to authorize at this time the issuance of Tax Anticipation Obligations (as defined herein) pursuant to the terms of this Resolution in a maximum principal amount of not to exceed $1,250,000,000 outstanding at any time from the date hereof to March 16, 2021 and from March 17, 2021 to December 31, 2021, provided, the aggregate principal amount of all warrants, notes, or other obligations (including the Tax Anticipation Obligations issued pursuant to this Resolution) issued in anticipation of the collection of the 2020 Tax Levy will not exceed 85% of the 2020 Tax Levy; and

WHEREAS, the Board has not established a working cash fund pursuant to Sections 34-30 through 34-36 of the School Code.

NOW, THEREFORE, Be It and It is Hereby Resolved by the Chicago Board of Education of the City of Chicago as follows:

1. *Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

2. *Definitions.* For all purposes of this Resolution and in addition to the defined terms in the preambles to this Resolution, except as otherwise expressly provided or unless the context otherwise requires and in addition to the terms defined in the preambles hereto, the terms defined in this Section shall have the meanings set forth below, and shall include the plural as well as the singular.

"Designated Officials" shall mean the President of the Board, the Vice President of the Board, the Secretary of the Board, the Treasurer of the Board and the Chief Financial Officer.

"Lending Agreement" means one or more agreements by and between the Board and one or more banks pursuant to which the banks will agree to establish one or more Lines of Credit or Loans in connection with the issuance of Notes.

"Line of Credit" shall mean any line of credit authorized under this Resolution and established with a bank for the benefit of the Board in connection with the issuance of Notes.

"Loan" shall mean any borrowing or re-borrowing authorized under this Resolution and obtained from a bank for the benefit of the Board in connection with the issuance of Notes.

"Note Purchase Agreement" means one or more agreements between the Board and one or more financial institutions or investors pursuant to which such financial institutions or investors will agree to purchase any Notes.

"Notes" shall mean the tax anticipation notes of the Board authorized to be issued under this Resolution in one or more series.

"Notice of Public Sale" shall mean the notice prepared in connection with the public sale of Tax Anticipation Obligations stating the character and amount of such Tax Anticipation Obligations, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made of such Tax Anticipation Obligations, and such other information as shall be determined by the Chief Financial Officer or the Treasurer of the Board.

"Tax Anticipation Obligations" means the Warrants or the Notes, if Notes are issued in lieu of the Warrants.

"Tax Escrow Agreement" means the agreement by and among the Board, the trustee under each Trust Indenture and a bank, trust company or national banking association having trust powers and appointed by one of the Designated Officials to act as escrow agent under the Tax Escrow Agreement.

"Tax Increment Revenue" means the portion, if any, of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in any transit facility improvement area established by the City of Chicago, over and above the initial equalized assessed value of such property existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by Article 15 of the Property Tax Code, 35 Illinois Compiled Statutes 200, as amended, in the transit facility improvement area.

"Tax Receipts" means the tax revenue collected from the 2020 Tax Levy; provided, however, such "tax revenue collected" shall not include any Tax Increment Revenue paid or payable to the School District pursuant to Section 8 of the TIF Act.

"Trust Indenture" means one or more agreements providing for the issuance of the Tax Anticipation Obligations and for their repayment from property tax revenues, by and between the Board and a bank, trust company or national banking association having trust powers and appointed by one of the Designated Officials to act as trustee under the Trust Indenture. As used in this Resolution, the term "Trust Indenture" includes any "Master Trust Indenture" and any "Supplemental Trust Indenture."

"Warrants" shall mean the tax anticipation warrants of the Board issued pursuant to Section 34-23 of the School Code and authorized to be issued under this Resolution.

3. *Findings.* It is found and determined that (A) the borrowing and re-borrowing from time to time of moneys in anticipation of the collection of the Tax Receipts is necessary so that sufficient moneys will be in the treasury of the School District at all times to meet the ordinary and necessary expenses of the School District for educational purposes; (B) authorizing the issuance of Warrants, the establishment of Lines of Credit or Loans and the issuance of the Notes will provide the needed access to funds to meet such ordinary and necessary expenses; and (C) no person holding an office of the Board, either by election or appointment, is in any manner interested, either directly or indirectly, in such person's own name or the name of any other person, association, trust or corporation, in the transactions contemplated by the Warrants or by the Notes and the Lines of Credit or Loans.

4. *Determination to Authorize Tax Anticipation Warrants.* The Board is hereby authorized to issue one or more series of Warrants in anticipation of the collection of the 2020 Tax Levy in a maximum principal amount of not to exceed $1,250,000,000 outstanding at any time from the date hereof to March

16, 2021 and from March 17, 2021 to December 31, 2021, provided the aggregate principal amount of any such Warrants issued will not exceed 85% of the 2020 Tax Levy. The Warrants are to be issued in accordance with the provisions of Section 34-23 of the School Code and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as amended (the "**Local Government Debt Reform Act**"). The Board is hereby authorized, as shall be determined from time to time by the Chief Financial Officer or the Treasurer of the Board as hereafter provided, to enter into Note Purchase Agreements with one or more financial institutions or investors pursuant to which such financial institutions or investors will purchase Warrants issued pursuant to this Section 4.

5. *Determination to Authorize Lines of Credit, Loans, Note Purchase Agreements and Tax Anticipation Notes.* Pursuant to Section 34-23.5 of the School Code and in lieu of the issuance of the Warrants authorized by Section 4 hereof, the Board is hereby authorized, as shall be determined from time to time by the Chief Financial Officer or the Treasurer of the Board as hereafter provided, to (i) enter into Lending Agreements with one or more banks for the provision of Lines of Credit or Loans for the Board and to evidence borrowings and re-borrowings under such Lines of Credit or Loans by the issuance of one or more series of Notes, and (ii) enter into Note Purchase Agreements with one or more financial institutions or investors pursuant to which such financial institutions or investors will purchase one or more series of Notes. The Board is hereby authorized to issue such Notes in anticipation of the collection of the 2020 Tax Levy in a maximum principal amount of not to exceed $1,250,000,000 outstanding at any time from the date hereof to March 16, 2021 and from March 17, 2021 to December 31, 2021, provided the aggregate principal amount of any such Notes issued will not exceed 85% of the 2020 Tax Levy. Such Notes are to be issued in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act.

6. *Authorization and Terms.* The Tax Anticipation Obligations are hereby authorized to be issued and, if Notes are issued in lieu of the issuance of Warrants, the Lines of Credit or Loans are hereby authorized to be established or obtained and the Note Purchase Agreements and Lending Agreements are authorized to be executed as provided herein, in either case to provide funds to defray

the necessary expenses and liabilities of the School District incurred for educational purposes prior to the receipt of taxes levied for such purposes pursuant to the 2020 Tax Levy. The Tax Anticipation Obligations shall be drawn against and in anticipation of the collection of the 2020 Tax Levy. The Tax Anticipation Obligations shall be limited obligations of the Board payable solely from the Tax Receipts when collected.

The Tax Receipts are hereby irrevocably pledged and assigned as security for the payment of the Tax Anticipation Obligations and such Tax Receipts, when collected, shall be set apart and held for the payment of the Tax Anticipation Obligations with such priority of payment as shall be determined by the Chief Financial Officer or the Treasurer of the Board.

All moneys borrowed and re-borrowed pursuant to this Resolution shall be repaid exclusively from the Tax Receipts derived from the 2020 Tax Levy, and such payment shall be made, from time to time, as determined by any of the Designated Officials, with the final payment to be made within 60 days after the Tax Receipts have been distributed to or received by the escrow agent pursuant to the Tax Escrow Agreement. Any of the Designated Officials are hereby authorized to determine, at their discretion, to retire the borrowing by the making of partial payments or payment in full. The application of the Tax Receipts to the payment of the Tax Anticipation Obligations authorized hereunder shall be subject to the applicable provisions of the Lending Agreement, if any, the Note Purchase Agreement, if any, the Trust Indenture and the Tax Escrow Agreement, as any of such agreements or indentures may be supplemented or amended as hereinafter authorized.

The Tax Anticipation Obligations shall bear interest at a rate or rates, fixed or variable, as determined by any of the Designated Officials, not to exceed the maximum rate permitted under Section 2 of the Bond Authorization Act, 30 Illinois Compiled Statutes 305, from the date of their issuance until paid.

7. *Execution.* The Tax Anticipation Obligations shall be executed on behalf of the Board with the manual or duly authorized facsimile or electronic signatures of the President of the Board and the Secretary of the Board, all as such officers shall determine. In case any officer whose signature shall appear on the Tax Anticipation Obligations shall cease to be such officer before the delivery of such Tax

Anticipation Obligations, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

8. *Tax Escrow Direction.* Each of the Designated Officials is hereby authorized, pursuant to authority contained in (A) Section 14 of the Local Government Debt Reform Act in the case of Warrants and (B) Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200, in the case of Notes; to execute a written direction to the County Collectors of The Counties of Cook and DuPage, Illinois (the "**County Collectors**"), and to deposit the collections of Tax Receipts under the 2020 Tax Levy as and when extended for collection directly with such escrow agent designated pursuant to this Resolution in order to secure the payment of the principal of and interest on the Tax Anticipation Obligations. The Designated Officials are authorized to cause a certified copy of this Resolution to be filed with each of the County Collectors.

9. *Approval of Documents.* Each of the Designated Officials is authorized to enter into and to execute, and the Secretary of the Board is authorized to attest, a Master Trust Indenture for the Tax Anticipation Obligations and one or more Supplemental Trust Indentures for a series of Tax Anticipation Obligations, on behalf of the Board, in substantially the same forms as approved in connection with the Board's prior issuance of Tax Anticipation Obligations in 2016, 2017, 2018, 2019 and 2020, but with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Each of the Designated Officials is authorized to enter into a Tax Escrow Agreement, on behalf of the Board, in substantially the same form as approved in connection with the Board's prior issuance of Tax Anticipation Obligations in 2016, 2017, 2018, 2019 and 2020, but with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Each of the Designated Officials is authorized to enter into (i) one or more Note Purchase Agreements in substantially the same form as approved in connection with the Board's prior issuance of Tax Anticipation Obligations in 2016, 2017, 2018, 2019 and 2020, or (ii) one or more Lending Agreements in substantially the same form as approved in connection with the Board's prior issuance of Tax Anticipation Obligations in 2016, 2017, 2018, 2019 and 2020, in either case with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Any series of the Notes issued (i) to evidence borrowings and re-borrowings under a Lending Agreement and Line of Credit or Loan shall be issued pursuant to Trust Indentures in substantially the forms described above, (ii) to be sold pursuant to a Note Purchase Agreement shall be issued pursuant to Trust Indentures in substantially the forms described above, or (iii) to be sold pursuant to a Notice of Public Sale shall be issued pursuant to Trust Indentures in substantially the forms described above.

Each of the Designated Officials is authorized to enter into such supplements and amendments to, or amendments and restatements of, the documents authorized and approved under this Section 9 as such Designated Official shall deem necessary to facilitate the issuance of the Notes upon terms that are not inconsistent with the terms and provisions of this Resolution.

If determined to be necessary by a Designated Official in connection with the initial sale, or subsequent reoffering of any Tax Anticipation Obligations, the preparation, use and distribution of a Preliminary Official Statement, Official Statement, Private Placement Memorandum or Limited Offering Memorandum relating to each issue of Tax Anticipation Obligations (the "**Disclosure Document**") in substantially the respective forms delivered in connection with previous issues, is hereby authorized and approved. The Designated Officials are each hereby authorized to execute and deliver such Disclosure Document on behalf of the Board. The Disclosure Document herein authorized may contain a description of the terms and provisions of, and security for, such Tax Anticipation Obligations, the use of proceeds of such Tax Anticipation Obligations, financial information relating to the Board, and such other information as any Designated Officer determines to be advisable under the circumstances.

If determined to be necessary by a Designated Official in connection with the initial sale, or subsequent reoffering of any Tax Anticipation Obligations, to prepare, use and distribute a Notice of Public Sale relating to any issue of Tax Anticipation Obligations, the Designated Officials are each hereby authorized and directed to publish or otherwise distribute such Notice of Public Sale to potential bidders and to request and receive bids in response to such Notice of Public Sale, to award such Tax Anticipation Obligations to the bidder or bidders that provide the lowest net interest cost to the Board in connection with such Notice of Public Sale and to deliver such Tax Anticipation Obligations to such bidder or bidders upon payment by said bidder or bidders of the purchase price for such Tax Anticipation Obligations, together with the interest, if any, accruing from the date of such Tax Anticipation Obligations to the date of delivery.

10. *Application of Proceeds and Other Moneys.* Proceeds of sale of the Tax Anticipation Obligations are expected to be appropriated for the educational expenses of the Board and for the payment of costs of issuance of the Notes and related fees.

11. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver the documents approved by this Resolution, and such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Tax Anticipation Obligations, the Lending Agreements, the Trust Indentures, the Tax Escrow Agreement, any Disclosure Document, any Notice of Public Sale and the Note Purchase Agreements, including, but not limited to, provisions relating to increased costs and indemnification, and the exercise following the delivery date of the Tax Anticipation Obligations of any power or authority delegated to such official under

this Resolution with respect to the Tax Anticipation Obligations and the Lending Agreements, but subject to any limitations on or restrictions of such power or authority as herein set forth. The General Counsel is authorized to select and engage attorneys and other professionals to provide services related to the transactions described in this Resolution. The General Counsel may make such selection of professionals based upon substantial demonstrated prior experience.

All actions of the officials or officers of the Board that are in conformity with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

12. *Severability*. The provisions of this Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason by declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

13. *Repealer and Effective Date.* All Resolutions or parts of resolution in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.

BOARD OF EDUCATION OF THE CITY OF CHICAGO • EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES, SERIES 2020A

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