



**CITY OF CHICAGO FINANCES:
UNDERSTANDING THE CITY'S FINANCIAL DOCUMENTS**

Handout and Example Guide

**Presented by:
The Civic Federation
August 29, 2009**

BUDGET CALENDAR

MARCH

Draft Capital Improvement Plan is released.

JUNE

Departments submit preliminary revenue and expense estimates to the Office of Budget and Management (OBM).

JULY

In accordance with the Municipal Code, the City files the proposed Preliminary Budget estimates with the City Clerk and presents them to City Council and the general public; The five-year Capital Improvement Plan book is released.

AUGUST

The Mayor holds public hearings on the proposed Preliminary Budget that allow the public to provide input on the development of the City budget; OBM receives detailed budget requests from departments; OBM holds a series of hearings with each department.

SEPTEMBER

With the public and department input, OBM works to balance department requests with available resources.

OCTOBER

The Mayor submits a proposed budget to City Council for review on or before October 15th by Executive Order. The budget is available for public review. The City Council

conducts hearings on the budget, including at least one public hearing to gather comments on the proposed programs and budgets recommended in the Draft Action Plan.

NOVEMBER/DECEMBER

Additions or changes to the proposed budget are considered; City Council must approve a balanced budget by December 31st. The Final Action Plan is submitted to the U.S. Department of Housing and Urban Development for funding consideration. Budget recommendations become the Annual Appropriation Ordinance.

JANUARY

The City's Annual Appropriation Ordinance goes into effect.

THROUGHOUT THE YEAR

Throughout the year, the OBM manages the resources provided through the Annual Appropriation Ordinance. On a weekly and monthly basis, the OBM reviews revenues and expenditures and any trends or events that may affect these. On a monthly basis, City departments provide information about how well City programs and services are performing to ensure that budget resources maximize taxpayer value.

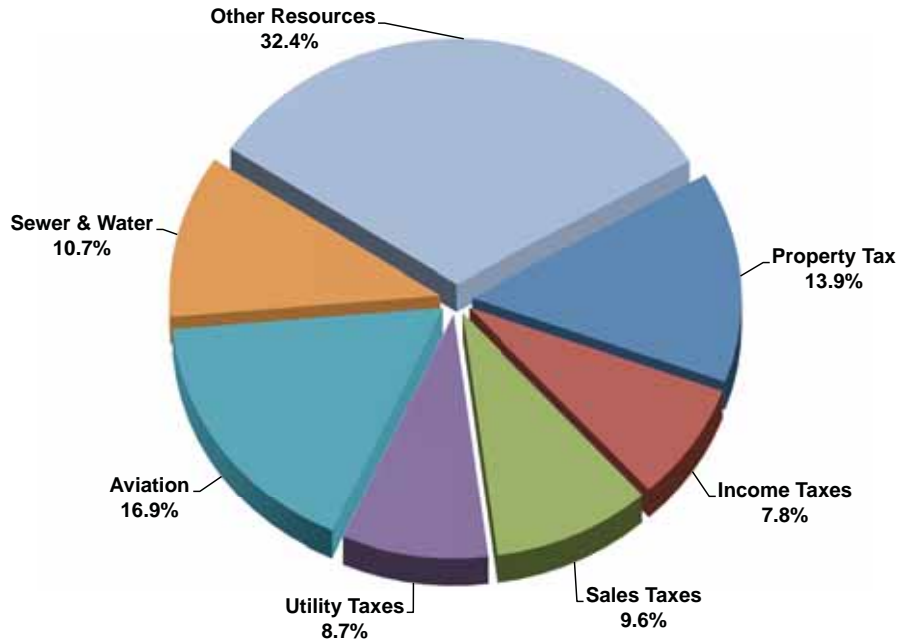
REVENUE ESTIMATES

SUMMARY OF PROPOSED BUDGET CONTINUED

WHERE THE MONEY COMES FROM
2009 PROPOSED REVENUE-ALL LOCAL FUNDS

\$5,967,201,000

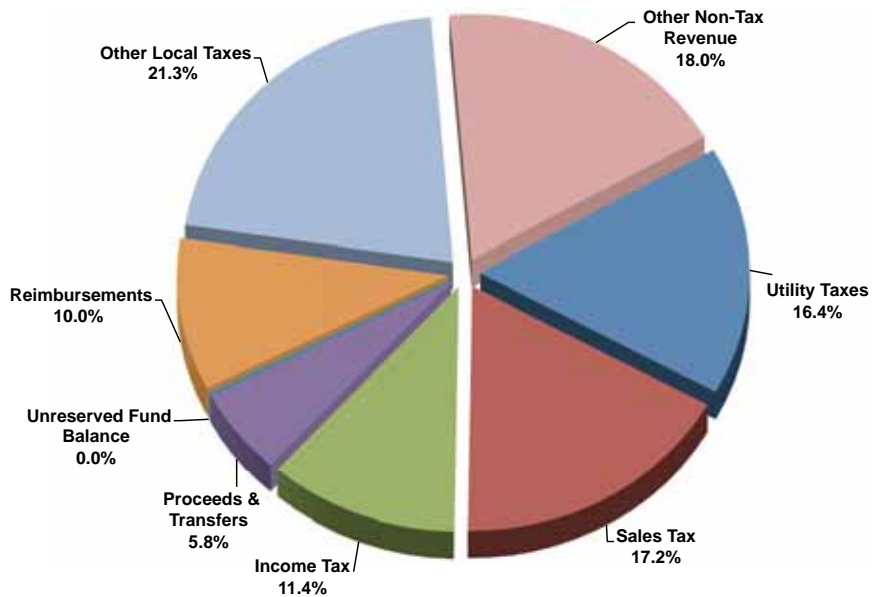
CHART 1



WHERE THE MONEY COMES FROM
2009 PROPOSED REVENUE-CORPORATE FUND

\$3,187,972,000

CHART 2

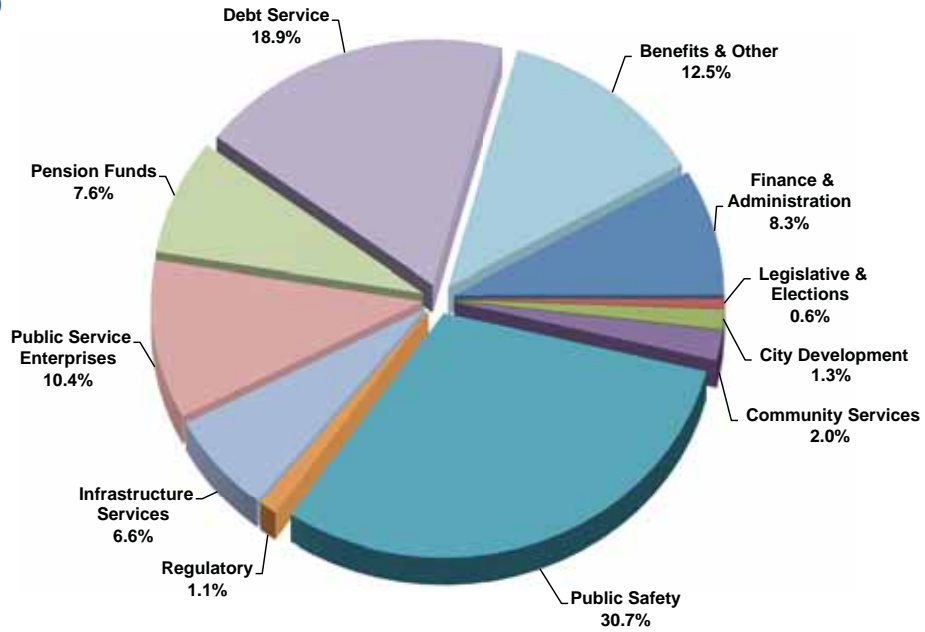


SUMMARY OF PROPOSED BUDGET CONTINUED

WHERE THE MONEY GOES
2009 PROPOSED BUDGET-ALL LOCAL FUNDS

\$5,967,201,000

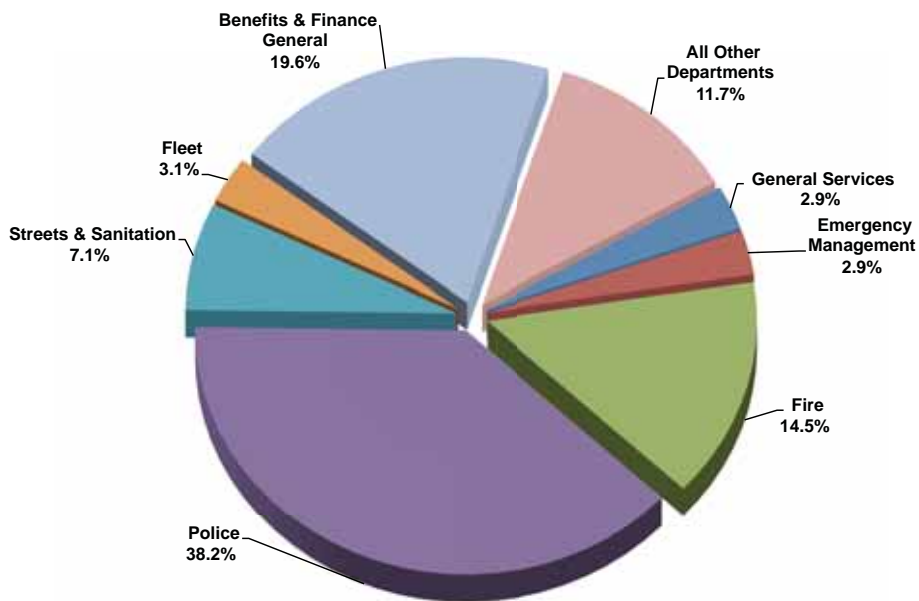
CHART 3



WHERE THE MONEY GOES
2009 PROPOSED BUDGET-CORPORATE FUND

\$3,187,972,000

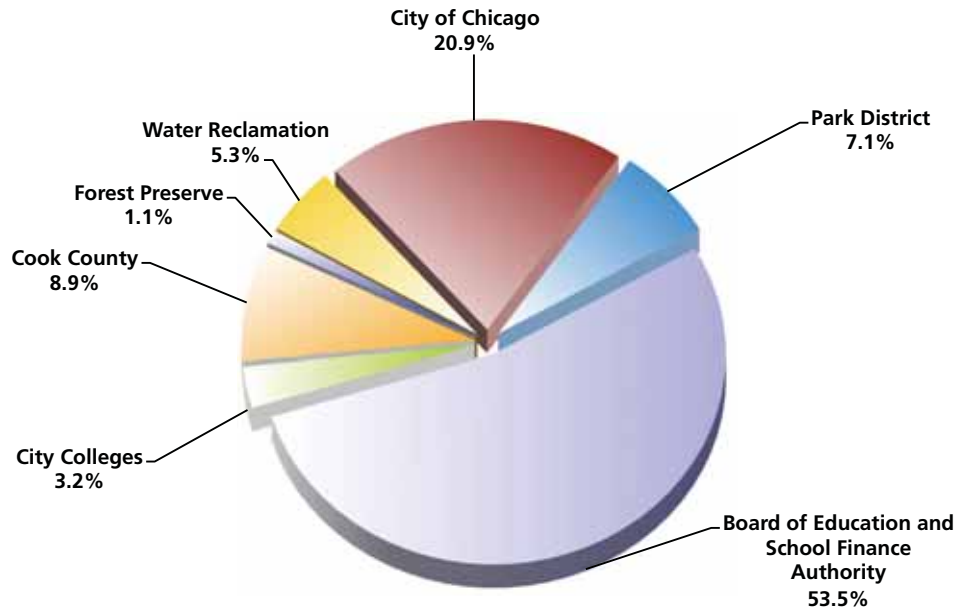
CHART 4



REVENUE ANALYSIS – PROPERTY TAXES

2007 PROPERTY TAX EXTENSION

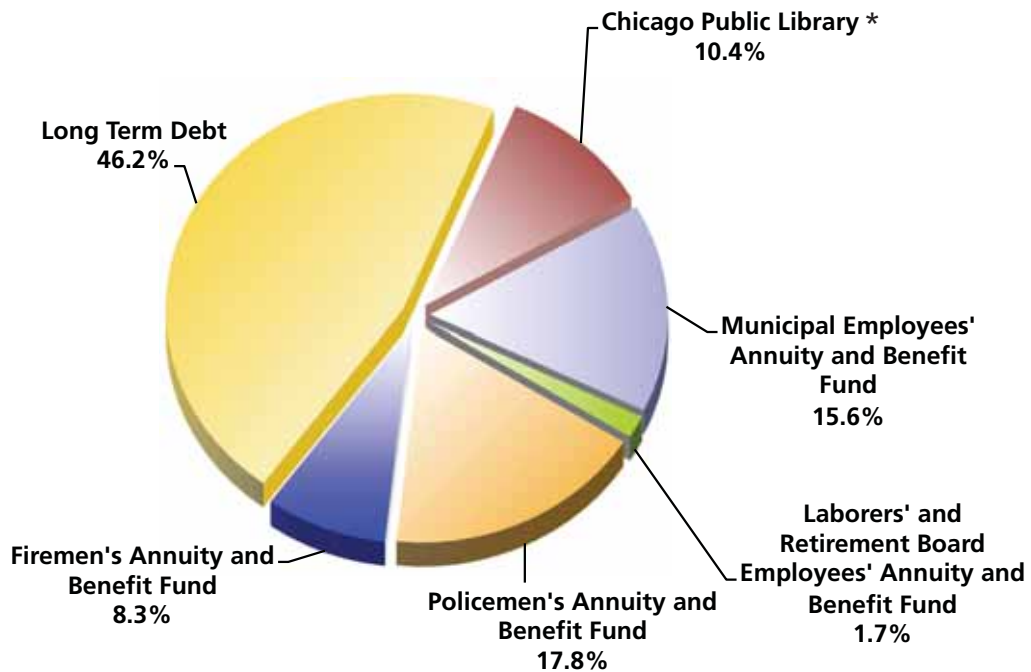
CHART 11



2009 PROPOSED PROPERTY TAX LEVY

\$796.9 MILLION

CHART 12



* This includes \$5.7 million designated for the Municipal Employees Annuity and Benefit Fund.

HOW TO READ BUDGET DETAIL

This section contains Revenue, Expenditure, Personnel and Grant tables that summarize the 2009 Budget recommendation. The below diagrams clarify the table layouts. The Expenditure and Personnel table layouts are identical and, therefore, only an Expenditure table is included below.

SAMPLE TABLES

REVENUE

(\$ millions)

Revenue Category	Historical Collections					Current Year Projection	Next Year Projection
	Actual					Year End Estimate	Budget Recs
Revenue Sources	2003	2004	2005	2006	2007	2008	2009
Public Utility Taxes & Fees							
Electricity Use	\$ 91.7	\$ 94.0	\$ 101.6	\$ 96.7	\$ 102.3	\$ 99.8	\$ 99.8
Electricity IMF	95.5	87.2	92.8	89.4	94.6	94.0	94.0
Telecommunications	169.6	165.8	147.7	140.8	154.4	158.3	161.5
Natural Gas Utility	89.1	91.4	109.0	105.9	102.9	114.2	112.5
Natural Gas Use	8.4	7.7	25.1	26.1	27.4	34.3	33.5
Cable Television	13.3	14.5	15.9	16.7	19.3	21.2	22.0
Total - Public Utility Taxes & Fees	\$ 467.7	\$ 460.6	\$ 492.1	\$ 475.5	\$ 501.0	\$ 521.8	\$ 523.3

EXPENDITURES

Expenditure Category	Historical Appropriations			Current Appropriation	Next Year Recommendation	
	Appropriation			0	2009 Proposed	2008-2009 % change
Department Names	2005	2006	2007	2008		
Finance and Administration						
Office of the Mayor	\$ 6.03	\$ 6.26	\$ 6.54	\$ 7.56	\$ 7.56	0.0%
Office of Budget & Management	2.43	2.85	2.68	2.69	2.40	-10.8%
Department of Innovation and Technology	14.98	15.06	15.42	15.14	14.13	-6.6%
City Clerk	8.85	9.38	9.33	9.64	9.98	3.5%
Department of Finance	13.74	15.25	15.31	16.11	15.62	-3.1%
City Treasurer	2.03	2.19	2.28	2.36	2.21	-6.3%
Department of Revenue	43.66	46.41	47.83	50.04	47.93	-4.2%
Department of Administrative Hearings	6.16	6.58	7.15	7.27	8.23	13.2%
Department of Law	31.01	34.62	36.96	36.65	34.52	-5.8%
Office of Compliance	-	-	-	2.49	2.84	14.0%
Department of Human Resources	5.46	8.54	8.58	6.82	8.20	20.2%
Department of Procurement Services	8.75	9.65	9.77	9.39	7.94	-15.5%
Department of General Services	157.73	177.00	187.64	203.53	204.07	0.3%
Department of Fleet Management	91.14	108.05	115.13	123.65	155.94	26.1%
Total - Finance and Administration	\$ 391.98	\$ 441.82	\$ 464.63	\$ 493.34	\$ 521.57	5.7%

GRANTS

Expenditure Category	Current Year Actual to Appropriation		Next Year Estimates		
	2008		2009 Estimates		
Department Names	Actual	Appropriation	2008 New Grants	Prior Year(s) Carryover	2008 Appr - 2009 Prop. \$ Change
City Development					
Department of Planning & Development	\$ 30.33	\$ 31.78	\$ 10.93	\$ 19.46	\$ (1.39)
Mayor's Office of Workforce Development	33.17	36.81	28.33	6.63	(1.86)
Department of Housing	130.92	134.95	78.07	77.27	20.39
Department of Cultural Affairs	5.03	5.74	4.92	0.30	(0.52)
Mayor's Office of Special Events	0.04	0.05	-	-	(0.05)
Total - City Development	\$ 199.48	\$ 209.33	\$ 122.24	\$ 103.65	\$ 16.57

**PROGRAM
INFORMATION**

HOW TO READ THE PROGRAM PERFORMANCE AND BUDGET SUMMARY

The Program Performance and Budget Summary describes each department, commission or office covered by the City's budget. The units are grouped by function. For instance, departments that deliver community services such as Public Health and Human Services are grouped together.

This book describes the purpose of each department, key facts about the size and scope of its operations and services, information about how the unit is performing its main functions, and some discussion about recent accomplishments, strategic issues or performance objectives. In addition, the budget for each unit is summarized according to the major programs and services offered. The figure below shows how to read the budget summary information.

SAMPLE DEPARTMENT			
		2008 BUDGETED	2009 RECOMMENDED
A	FUND SOURCE(S)		
	CORPORATE FUND	\$1,139,601	\$1,075,739
	WATER FUND	\$497,875	\$565,010
	SEWER FUND	\$280,796	\$296,479
	CHICAGO-O'HARE		
	INTERNATIONAL AIRPORT	\$816,873	\$825,796
	TOTAL	\$2,735,145	\$2,763,024
B	POSITIONS		
	FULL-TIME EQUIVALENT	45	41
C	ALLOCATION		
	PERSONAL SERVICES	\$2,117,032	\$2,193,231
	NON-PERSONAL SERVICES	\$618,113	\$569,793
D	PROGRAM SUMMARY AND DESCRIPTION		
E		2008	
		<u>POSITIONS</u>	<u>FUNDING</u>
	GENERAL SUPPORT PERFORMS MANAGERIAL, CLERICAL, AND ACCOUNTING FUNCTIONS.	6	458,553
	INVESTIGATION CONDUCTS INVESTIGATIONS OF CRIMINAL AND ADMINISTRATIVE VIOLATIONS.	35	2,310,680
	INVESTIGATIVE SUPPORT PROVIDES TECHNICAL SUPPORT FOR INVESTIGATIVE STAFF	2	184,415
	OFFICE AUTOMATION PROGRAM ENHANCES RETRIEVAL CAPABILITIES OF FILES AND INFORMATION.	1	88,622
	HR/PAYROLL/PERSONNEL PROVIDES TIMEKEEPING AND PAYROLL SUPPORT.	2	7,196
G	TURNOVER		(101,229)

**2009 BUDGET
FUNDING COMPARISON BY FUNCTION**

FUNCTIONAL CATEGORY	2008 Appropriation	2009 Recommendation
Finance and Administration	505,487,818	510,391,690
Legislative and Elections	39,864,748	37,170,617
City Development	308,921,844	282,875,339
Community Services	661,468,761	618,108,556
Public Safety	2,074,853,044	2,107,398,495
Regulatory	126,881,501	135,212,739
Infrastructure Services	741,855,465	695,888,514
Public Service Enterprises	793,159,498	848,303,618
General Financing Requirements	2,675,340,142	2,699,916,340
Grand Total	\$7,927,832,821	\$7,935,265,908
Deduct:		
Proceeds	381,722,000	372,640,000
Grant Funds	1,564,823,821	1,595,424,908
NET TOTAL	\$5,981,287,000	\$5,967,201,000

CHICAGO POLICE DEPARTMENT

JODY P. WEIS, SUPERINTENDENT

Central Purpose

- Protect the lives, property and rights of all people in the city.
- Maintain order while enforcing the laws fairly and impartially.
- Operate under the community policing model.

Key Facts

The Police Department is divided into 6 patrol service groupings (5 Areas and the Central Control Group); each of these contains 2-5 districts. Operationally, districts are broken into sectors, and sectors are subdivided into beats. Citywide there are 75 sectors and 281 beats. In addition, the department has many specialized units ranging from tactical teams to investigative units. Included among these are the Detective and Organized Crime divisions, Juvenile Advocacy, Bomb and Arson, the Deployment Operations Center, Airport Law Enforcement, Narcotics, Gang Investigations, Vice Control, Public Transportation, the Marine, Helicopter and Mounted Patrol Units, SWAT, and the Targeted Response Unit.

Performance Data	2008 January- June	2007	2006	2005
Department-Wide Measures				
Overall Index Crime, percent change from previous year	1.8%	-2.9%	-1.2%	-5.7%
Murder	12.8%	-5.5%	4.4%	-0.7%
Aggravated battery	-0.5%	1.3%	-2.8%	-1.8%
Aggravated assault	0.9%	-4.2%	-2.3%	-8.0%
Robbery	7.8%	-3.2%	-0.5%	0.4%
Criminal sexual assault	-13.3%	1.6%	-6.7%	-3.6%
Total violent crime	2.8%	-1.8%	-1.8%	-2.1%
Arson	-8.0%	-1.5%	3.8%	-11.1%
Motor vehicle theft	1.6%	-14.7%	-3.1%	-1.3%
Burglary	2.1%	2.1%	-4.7%	3.8%
Theft	1.5%	-1.8%	0.5%	-10.6%
Total property crime	1.6%	-3.2%	-1.0%	-6.7%
Total murders	229	445	471	451
Aggravated assault and battery with a firearm	873	1,741	1,794	1,705

CHICAGO POLICE DEPARTMENT

Performance Trends

Since 1991, the most recent peak in index crime numbers, the City of Chicago has experienced a relatively stable and consistent decline in Index crimes reported to the police. Although the crime statistics for January to September 2008 indicate that crime has increased slightly as compared to the same time period in 2007 (+3.4%), statistical analyses show that the overall crime Index numbers are consistent with those reported over the last few years. In fact, analyses indicate that the overall index crime figures have remained rela-

tively stable since 2005. Although murders from January to September 2008 are up compared to the same time period in 2007 (+14.6%), it should be noted that it has been projected that Chicago will likely remain around 500 murders by the end of 2008. Moreover, the increase in murders so far this year is consistent with that reported by other large municipalities; New York Police Department, for instance, has also reported an increase of 32 murders so far this year as compared to last year (+8.7%).

Discussion

The vision of the Superintendent is for the City of Chicago to be the safest big city in the United States. The Chicago Police Department should not only be the best department in the nation, but one that has the respect and the trust of the citizens that we serve.

To accomplish these goals, the Department remains focused on its strategic priorities: crime reduction and prevention, leadership and training, equipment and technology, and community partnerships.

CRIME REDUCTION & PREVENTION: The number one priority of the Chicago Police Department is keeping citizens safe and improving the quality of life throughout the City of Chicago. To accomplish this, the Department will continue to deploy officers strategically, using intelligence-based policing and technology to anticipate and respond to ever-changing crime patterns. Continuing to improve public safety by maintaining and building upon recent reductions in crime will enhance the quality of life for residents and visitors alike.

LEADERSHIP & TRAINING: A culture of police integrity is essential to build mutual respect and trust between police and citizens. The Department is committed to continuing to grow the leadership abilities and skills of all Department members, especially our officers, with education and training throughout one's career that emphasizes integrity, accountability and ethics. We believe that

increasing accountability and ensuring a consistent and efficient disciplinary process will strengthen the morale of all Department members and ensure a high-level of service to the community.

EQUIPMENT & TECHNOLOGY: Technology has become critical to contemporary law enforcement's fight against crime. The Chicago Police Department has always been an innovator in the use of technology, and officers continue to receive the latest and best in equipment, technology and training.

COMMUNITY PARTNERSHIPS: Collaborative partnerships between the police and the communities we serve provide opportunities to develop solutions to community problems and also serve to increase trust and confidence in police. The Chicago Police Department could not realize true success without the support and cooperation of Chicago's communities. The entire Department—from the Superintendent to the patrolman—continues to be devoted to fostering strong community relations, positive interactions, and effective partnerships.

The Chicago Police Department will continue to work to provide our officers with the necessary tools to combat gangs, guns and drugs. We will work to strengthen existing partnerships and foster new alliances within the community we serve to ensure the safety of all residents of the City of Chicago.

Department of Police

	2008 Appropriation	2009 Recommendation
Corporate Fund	1,210,838,427	1,212,844,483
Chicago Midway Airport Fund	4,303,480	4,400,420
Chicago O'Hare Airport Fund	12,852,745	14,122,252
Other Grant Fund	37,176,000	47,566,000
Total	\$1,265,170,652	\$1,278,933,155

POSITIONS

Full-time Equivalent	16,092	15,862
----------------------	--------	--------

ALLOCATION

Personnel Services	1,178,838,296	1,199,377,300
Non-Personnel Services	86,332,356	79,555,855

Program Summary and Description

	<u>2009</u>	
	<u>Positions</u>	<u>Funding</u>
DIRECTED PATROL	11709	928,026,957
The bureau is responsible for general field operations. Includes the protection of life and property; apprehension of criminals; use of the problem-solving process to address chronic crime and disorder problems; provides district law-enforcement personnel with support that is consistent with beat, district, and strategic operational plans; enforcement of traffic laws and city ordinances.		
FOLLOW-UP INVESTIGATIONS	2898	219,874,687
Coordinates and directs the efforts of specially trained personnel toward completing thorough and unified investigations. Includes the apprehension of offenders; providing information and serving as a liaison with Department personnel in matters of criminal, organized-crime-related, and juvenile-related offenses; providing district law-enforcement officers with investigative and arrest information; developing and presenting criminal cases.		
ADMINISTRATION	750	116,154,003
PROFESSIONAL STANDARDS	344	27,946,910
Assesses the various crime strategies implemented by the Police Department and determines the effectiveness of those strategies; coordinates and directs Department activities relating to preventive programs and police-community relations; assists in identifying quickly emerging crime problems requiring the allocation of additional Department resources.		

Department of Police

Program Summary and Description

	2009	Funding
Positions		
<p>PATROL SERVICES Maintains ready forces of personnel capable of responding to emergency situations, special events, and mission-directed patrols; conducts tactical analytical activities supporting effective deployment of field units; maintains and deploys certain specialized vehicles; analyzes anti-terrorism intelligence; coordinates the Police Department's overall anti-terrorism planning and preparation; provides dignitary protection.</p>		3,551,706
<p>OFFICE OF THE SUPERINTENDENT Responsible for the administration of the Police Department related to: legal and legislative matters and various labor agreements; improving the Department's response to domestic violence; dissemination of information to the public through the news media; ensures that the education and training of recruit and incumbent personnel adhere to Department policy and the guidelines established by the Illinois Law Enforcement Training and Standards Board.</p>	95	8,070,044
<p>POLICE OPERATIONS Coordinates and unifies the efforts of the Bureau of Patrol, Bureau of Investigative Services and the Bureau of Strategic Deployment to maximize use of Departmental resources, personnel, and technology.</p>	9	4,852,952
<p>POLICE ADMINISTRATION Coordinates and unifies the efforts of the Bureau of Professional Standards and the Bureau of Administrative Services to maximize use of Departmental resources, personnel, and technology.</p>	57	4,976,820
TURNOVER		(34,520,924)

MAYOR'S BUDGET RECOMMENDATIONS

HOW TO READ THE MAYOR'S BUDGET RECOMMENDATIONS

The Budget Recommendation contains summary information about budgeted revenues and proposed appropriations, as well as detailed information down to the individual budget appropriation.

- Summary A through F, the first financial reports within the Recommendations, contains summary financial information at revenue and expenditure levels.
- Estimated Revenue Details appear after the Summary Statements with the Statement of Estimates of Assets and Liabilities and Appropriation of Liabilities.
- Estimated Expenditures follow the Estimated Revenue Details and provides information down to the individual budget appropriation.
 - The detail is organized first by funding sources, then by city departments.

- The first fund is the Corporate Fund, or Fund 100, the City's main operating fund. After the Corporate Fund, detail information is provided for all various local funds, sorted by fund number order.
- Within each fund statement, information is broken down by department, in ascending department code order. Only departments being funded by a particular funding source (i.e., Corporate Fund) will appear within detail section. The legend below illustrates how to read reports within this section.
- The Recommendations conclude with information about grants (Summary G and Estimates of Grant Revenue), anticipated reimbursements between funds (Appendix A and B), and salary rate schedules.

FUND NUMBER AND NAME → 100 Corporate Fund

DEPARTMENT NAME → 099 - SAMPLE DEPARTMENT

DEPARTMENT NUMBER/ ORGANIZATIONAL CODE/ DIVISION OR BUREAU NUMBER → (099/1005/2005)

DEPARTMENT MISSION STATEMENT → The SAMPLE DEPARTMENT investigates citizen complaints ...

APPROPRIATION CODE

Appropriations	Mayor's 2009 Recommendation	2008 Revised	2008 Appropriation	2007 Expenditures
0000 For Personnel Services				
0005 Salaries And Wages On Payroll	6,489,144	6,007,805	6,007,805	6,120,709
0100 For Contractual Services				
0126 Office Conveniences	\$1,310	\$1,310	\$1,310	\$1,270
0130 Postage	30,916	30,916	30,916	30,916
0150 Publications And Reproduction Outside Services To Be Expensed With The Prior Approval Of The Director Of Graphics And Reproduction Center	1,310	1,310	1,310	

FISCAL YEAR → Mayor's Budget Recommendations for Year 2009
Page 1

ANNUAL SALARY OR RATE

NUMBER OF DEPARTMENT POSITIONS

POSITION CODE AND TITLE

Position	Mayor's 2009 Recommendations		2008 Revised		2008 Appropriation	
	No	Rate	No	Rate	No	Rate
3020 - Office Of Intergovernmental Affairs						
3020						
9892 OFFICE MANAGER-WASHINGTON D.C.	1	\$59,796			1	\$66,820
9803 ASSISTANT ADMINISTRATIVE SECRETARY III	1	85,706			1	84,284
9802 ASSISTANT ADMINISTRATIVE SECRETARY II	1	72,852			1	70,728
9874 ASSISTANT TO THE DIRECTOR OF INTER- GOVERNMENTAL AFFAIRS	1	115,368			1	106,656
9807 LEGISLATIVE ASSISTANT	1	118,089			1	114,524
9807 LEGISLATIVE ASSISTANT	1	57,084			1	53,852

0100 - Corporate Fund
081 - Department of Streets and Sanitation
 2020 - Bureau of Sanitation - Continued
POSITIONS AND SALARIES

Positions and Salaries

2007 Expenditures	Position	Mayor's 2009 Recommendations No. Rate	No.	2008 Revised Rate	No.	2008 Appropriation Rate
	3042 - Sanitation Administration					
	4030 - Executive Direction					
\$87,165,21	0679 Deputy Commissioner	1 \$129,096	1	\$125,340	1	\$125,340
	08184 General Superintendent	1 113,208	1	115,788	1	115,788
2,031,770	0890 General Superintendent of Administration	1 117,696	1	114,264	1	114,264
	0313 Assistant Commissioner	1	1	108,180	1	108,180
8,692,81	0308 Staff Assistant	1 63,276	1	59,472	1	59,472
\$97,889,839	Subsection Position Total	4 \$423,276	5	\$523,044	5	\$523,044
	4031 - Administrative Services					
\$1,695	08185 Assistant General Superintendent	1 \$106,884	1	\$103,776	1	\$103,776
3,200	3092 Program Director		1	103,776	1	103,776
112,287	0308 Staff Assistant	1 64,152	1	62,280	1	62,280
	0308 Staff Assistant	1 45,240				
	Schedule Salary Adjustments.	2,016		2,129		2,129
	Subsection Position Total	3 \$218,292	3	\$271,961	3	\$271,961
	4033 - Financial Controls					
390,926	0431 Clerk IV	1 \$52,536	1	\$48,696	1	\$47,160
12,716	0383 Director of Administrative Services	1 111,996	1	108,732	1	108,732
2,839	0309 Coordinator of Special Projects	1 93,024	1	86,220	1	86,220
28,389	0303 Administrative Assistant III	1 60,408	1	55,968	1	54,192
4,899	Schedule Salary Adjustments.			6,269		6,269
54,090,034	Subsection Position Total	4 \$317,964	4	\$305,885	4	\$302,573
1,000						
126,984	4034 - Personnel Services					
59,257	6324 Sanitation Laborer	4 \$29.79H	1	\$30.00H	1	\$30.00H
11,100	6324 Sanitation Laborer		3	28.00H	3	28.00H
\$54,845,322	0302 Administrative Services Officer II	1 75,024	1	75,024	1	75,024
	0309 Coordinator of Special Projects	1 90,312	1	90,312	1	90,312
\$100,527	Schedule Salary Adjustments.			3,426		3,426
	Subsection Position Total	4 \$243,086	6	\$401,322	6	\$401,322
\$100,527	Section Position Total	15 \$1,202,618	18	\$1,502,212	18	\$1,498,900
	3043 - General Support					
\$17,666	4040 - Property Control					
49,147	0824 Sanitation Laborer	2 \$29.79H	2	\$28.00H	2	\$28.00H
64,098	0824 Sanitation Laborer	1 23.83H	1	19.60H	1	19.60H
55,063	0819 Chief Storekeeper	1 48,216	1	46,692	1	46,692
\$185,972	Schedule Salary Adjustments.			1,698		1,698
	Subsection Position Total	3 \$170,156	4	\$204,138	4	\$202,614
\$35,362	Section Position Total	3 \$170,156	4	\$204,138	4	\$202,614
\$35,362	3050 - Solid Waste Collection					
\$3,057,022	4021 - Supervisory and Clerical					
	08185 Assistant General Superintendent	1 \$102,060	1	\$99,084	1	\$99,084
	08176 Assistant Division Superintendent	1 88,812	1	99,084	1	99,084
	08176 Assistant Division Superintendent		1	86,220	1	86,220

0100 - Corporate Fund
 081 - Department of Streets and Sanitation - Continued
 2020 - BUREAU OF SANITATION

(081/1015/2020)

Appropriations	Mayor's 2009 Recommendation	2008 Revised	2008 Appropriation	2007 Expenditures
0000 Personnel Services				
0005 Salaries and Wages-On Payroll	\$86,853,694	\$87,044,252	\$87,044,252	\$87,165,218
0012 Contract Wage Increment-PR	449,335	486,138	486,138	
0015 Schedule Salary Adjustments	53,132	83,365	83,365	
0020 Overtime	1,455,953	1,455,953	1,455,953	2,031,778
0038 Work Study/Co-Op Education	15,000	20,000	20,000	
0049 Claims and Costs of Administration Pursuant to the Workers Compensation Act		7,260,933	7,260,933	8,692,843
0000 Personnel Services - Total	\$88,827,114	\$96,350,641	\$96,350,641	\$97,889,839
0100 Contractual Services				
0126 Office Conveniences	\$5,115	\$5,350	\$5,350	\$1,695
0130 Postage	5,398	5,565	5,565	3,200
0140 For Professional and Technical Services and Other Third Party Benefit Agreements	185,076	1,390,205	190,800	112,287
0150 Publications and Reproduction-Outside Services to Be Expended with the Prior Approval of the Director of Graphics and Reproduction Center	5,335	5,500	5,500	
0157 Rental of Equipment	102,848	138,492	138,492	390,928
0159 Lease Purchase Agreements for Equipment and Machinery	16,762	17,280	17,280	12,716
0160 Repair or Maintenance of Property	2,964	3,056	3,056	2,839
0162 Repair Maintenance of Equipment	30,665	31,613	31,613	28,389
0181 Mobile Communication Services	15,213	15,684	15,684	4,899
0185 Waste Disposal Services	40,004,498	51,838,892	53,038,297	54,090,034
0188 Vehicle Tracking Service	426,960	341,568	341,568	
0189 Telephone-Non-Centrex Billings	600	500	500	1,000
0190 Telephone-Centrex Billing	90,000	120,000	120,000	126,984
0196 Data Circuits	29,000	42,200	42,200	59,251
0197 Telephone-Maintenance and Repair of Equipment/Voicemail	13,200	14,200	14,200	11,100
0100 Contractual Services - Total	\$40,933,634	\$53,970,105	\$53,970,105	\$54,845,322
0200 Travel				
0229 Transportation and Expense Allowance	\$122,850	\$189,000	\$189,000	\$100,527
0245 Reimbursement to Travelers	1,463	2,250	2,250	
0200 Travel - Total	\$124,313	\$191,250	\$191,250	\$100,527
0300 Commodities and Materials				
0313 Cleaning and Sanitation Supply	\$24,250	\$25,000	\$25,000	\$17,666
0319 Clothing	108,776	69,791	69,791	49,147
0340 Material and Supplies	60,989	62,875	62,875	64,086
0350 Stationery and Office Supplies	59,136	59,244	59,244	55,063
0300 Commodities and Materials - Total	\$253,151	\$216,910	\$216,910	\$185,972
0400 Equipment				
0401 Tools Less Than or Equal to \$100/Unit	\$68,400	\$69,900	\$69,900	\$35,362
0423 Communication Devices	1,946	1,812	1,812	
0400 Equipment - Total	\$70,346	\$71,712	\$71,712	\$35,362
Appropriation Total	\$130,208,558	\$150,800,618	\$150,800,618	\$153,057,022

3042 -
4030 -
9679
8184
0390
0313
0308
Subse
4031 -
8185
3092
0308
0308
Subse
4033 -
0431
0383
0309
0303
Subse
4034 -
6324
6324
1302
0309
Subse
Secti
3043
4040 -
6324
6324
1819
Subse
Secti
3050
4021 -
8185
8176
8176

GRANTS

TABLE OF CONTENTS

Executive Summary

Overview

- A. Plan Goals
- B. City of Chicago Profile
- C. Institutional Coordination and Managing the Process
- D. Citizen Participation in the Planning Process
- E. Monitoring
- F. Lead-Based Paint

2009 Program Priorities

- A. Serve the Full Range of Constituencies Among Low and Moderate Income Populations
- B. Provide Decent, Affordable Housing
- C. Expand Economic Opportunity
- D. Provide Planning and Administration

Strategic Plan

- A. Available Resources
- B. Anti-Poverty Strategy
- C. Summary of Specific Annual Objectives
- D. Lead-Based Paint Strategy
- E. Fair Housing Plan
- F. Institutional Structure and Coordination

Action Plan/Projects Table

Tenant Assistance and Relocation Policy

Monitoring

2009 Programs and Resource Allocations

2009 Action Plan Budget

Appendix

Other Grant Funding Sources

Maps

Summary of Public Comments

CB Budget Recommendations

Ordinance

Certifications

EXECUTIVE SUMMARY

The *2009 Action Plan* is an implementation plan to address Chicago's affordable housing and community development needs for the next fiscal year. It is prepared as part of the City's 2005–2009 Consolidated Plan. The Consolidated Plan is developed through a strategic planning process established in 1994 by the U.S. Department of Housing and Urban Development (HUD), the purpose of which is to foster stronger communities by better coordinating programs and resources among all levels of government, as well as between the public and private sectors.

The Consolidated Plan combines the planning and reporting requirements of four HUD entitlement programs: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), Home Investment Partnership Grant (HOME), and Housing Opportunities for Persons with AIDS Grant (HOPWA).

The Consolidated Plan analyzes the needs of low- and moderate-income communities and presents a comprehensive strategy to address these needs. It contains the following elements:

- An assessment of housing and homeless needs
- A housing market analysis
- A statement of strategies
- Priority needs and objectives ("Five-Year Strategy")
- A one-year implementation plan ("Action Plan"); and
- Various program certifications required under federal law

The *2009 Action Plan* is the fourth implementation phase of the 2005–2009 Consolidated Plan submitted to HUD in December 2004. The objectives and outcomes, and a proposed comprehensive annual budget for CDBG, HOME, ESG and HOPWA, are included in the plan.

The *2009 Action Plan* must be ratified by the Chicago City Council and submitted to HUD in December 2008. The anticipated entitlement awards for fiscal year 2009 are as follows:

<u>Grant Name</u>	<u>Anticipated HUD Award</u>
CDBG	\$80,241,578
HOME	\$28,962,960
ESG	\$3,702,707
HOPWA	\$5,572,000

Community Development Block Grant

The anticipated entitlement grant of \$80,241,578 and \$10,758,422 in reallocated program and revenue funds is administered by the Office of Budget and Management. CDBG funds support the City of Chicago's goal of reducing poverty through economic and community development, and providing services to those with special needs. The City supports a variety of services and programs with CDBG funds including:

- Housing development and resource initiatives
- Youth development initiatives
- Homeless prevention and intervention services
- Customized job training and placement services
- Independent living services for the elderly and people with disabilities
- Economic development initiatives in distressed areas that attract and retain businesses; and
- Health care services

Home Investment Partnership Grant

The anticipated allocation (including the American Dream Downpayment Initiative) of \$28,962,960 administered by the Department of Community Development will support:

- Purchase price assistance for qualifying first-time homebuyers
- Loans for construction or rehab of affordable multi-family housing
- Operating assistance grants to Community Housing Development Organizations (CHDOs); and

Emergency Shelter Grant

The anticipated ESG award of \$3,702,707 will support a continuum of homeless services programming including shelter, supportive services, and prevention efforts. These programming initiatives fall under four major categories: 1) renovation, major rehabilitation, and/or conversion of shelter facilities; 2) essential services; 3) maintenance and operations; and 4) homeless prevention activities.

EXECUTIVE SUMMARY

Housing Opportunities for Persons with AIDS Grant

The anticipated allocation of \$5,572,000 administered by the Department of Public Health will support the following program activities:

- Community residence services that maintain bed capacity at community residential facilities for low-income individuals and low-income families who are homeless or in imminent danger of becoming homeless;
- Housing advocacy services that facilitate access to housing and supportive services for low-income individuals and families who are homeless or in imminent danger of becoming homeless; and
- Rental assistance for low-income and extremely low-income individuals disabled by HIV/AIDS to avoid homelessness during periods of illness or financial difficulties through time-limited short-term rental subsidies and permanent supportive housing units.

Other Dedicated Resources

While the City relies primarily on CDBG, HOME, ESG and HOPWA funds to carry out its activities under the 2009 Draft Action Plan, it aggressively pursues other federal and state funds to further the City's initiatives. Private resources leverage limited public funds to the maximum extent wherever possible. Grant funding from other sources in the amount of \$552,374,000 are anticipated for FY 2009. See Other Grant Funding Sources in the Appendix that support the activities under the 2009 Action Plan as well as other programs. For more information about the City's direct contributions to economic and community development activities, copies of the 2009 Budget Recommendation are available to the public.

Citizen Participation

In order to ensure that citizen priorities and needs are addressed in the 2009 Action Plan, public hearings are held at two stages in the planning process. The first public hearing, held March 20, 2008, provided an opportunity for community groups, not-for-profit organizations and concerned citizens to explore programming ideas and priorities in the areas of housing, economic development, community improvements and public services. A summary of public comments received are incorporated in the Appendix of this document.

After the 2009 Draft Action Plan was released on October 15, 2008, a second hearing was held on October 30, 2008. The second hearing provided the opportunity for the public to review and comment on the document, which includes a draft 2009 budget, program priorities, and a summary of the City's goals and strategies for implementing programs covered in the Consolidated Plan. A summary of public and written comments received during the 30-day comment period regarding the 2009 Draft Action Plan are incorporated, in the 2009 Action Plan, Appendix. The 30-day comment period began October 30, 2008 and ended December 1, 2008.

Copies of the 2009 Draft Action Plan were available in all public libraries, in the Office of Budget and Management, and on the City's website. Input received at the public hearing and comments received by December 1, 2008, where appropriate, are incorporated in this final document.

Community Development Block Grant Year XXXV

**Department of Family and Support Services
Human Services**

BRANCH FAMILY INSTITUTE	50,000
BREAKTHROUGH URBAN MINISTRIES, INC.	200,000
CASA CENTRAL	175,000
CATHOLIC BISHOP OF CHICAGO - ST. PIUS V PARISH	45,000
CENTRO ROMERO	30,000
CHICAGO ABUSED WOMEN COALITION	40,000
CHICAGO ANTI-HUNGER FEDERATION - DIVISION	100,000
CHRISTIAN COMMUNITY HEALTH CENTER	165,000
CORNERSTONE COMMUNITY OUTREACH	477,074
COUNSELING CENTER OF LAKEVIEW	45,000
DEBORAH'S PLACE	80,590
DOMESTIC VIOLENCE LEGAL CLINIC F/K/A PRO BONO ADV.	60,000
FAMILY RESCUE INC.	80,000
FEATHERFIST	197,104
FRANCISCAN OUTREACH ASSOCIATION	36,900
FRATERNITE NOTRE DAME, INC. N. CENTRAL AVE.	25,000
GOOD NEWS PARTNERS	82,226
GREATER CHICAGO FOOD DEPOSITORY	938,000
HEALTHCARE ALTERNATIVE SYSTEMS, INC. - FULLERTON	45,000
HORIZONS COMMUNITY SERVICES	25,000
HOWARD AREA COMMUNITY CENTER	35,000
HUMBOLDT PARK S. S.	111,888
INSPIRATION CORPORATION	35,000
INSTITUTE OF WOMEN TODAY	239,449
JANE ADDAMS HULL HOUSE ASSOCIATION	125,000
KOREAN AMERICAN COMMUNITY SERVICES	40,000
LIFE SPAN CENTER FOR LEGAL SERVICES AND ADVOCACY	60,000
MCDERMOTT CENTER DBA HAYMARKET CENTER	697,238
METROPOLITAN FAMILY SERVICES - CALUMET CENTER	40,000
METROPOLITAN FAMILY SERVICES - LEGAL AID BUREAU	51,000
METROPOLITAN FAMILY SERVICES - MIDWAY CENTER	45,000
METROPOLITAN FAMILY SERVICES - NORTH CENTER	40,000
MUJERES LATINAS EN ACCION	100,000
NEAR NORTH HEALTH SERVICE	45,000
NEW LIFE FAMILY SERVICES	150,000
NORTH SIDE HOUSING	54,016
POLISH AMERICAN ASSOCIATION	242,606
RAINBOW HOUSE	50,000
ROGERS PARK COMMUNITY COUNCIL - MORSE	45,000
SARAH'S CIRCLE	29,250
SARAH'S INN	35,000
ST. LEONARD'S MINISTRIES	134,200
THE INNER VOICE, INC.	667,720
THE NIGHT MINISTRY	75,000
THE SALVATION ARMY HARBOR LIGHT CENTER	130,000
THE THRESHOLDS	129,100

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Richard M. Daley, Mayor,
and Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the City's Pension Plans (the "Plans") which, in aggregate, represent substantially all the assets and revenues of the fiduciary funds, included in the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective net assets or financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Notes 1 and 12 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of and for the year ended December 31, 2007.

The Management's Discussion and Analysis and Schedule of Other Post-employment Benefits Funding Progress, as listed in the foregoing table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the City's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the City's respective financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of the City's management. The combining and individual fund statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Deloitte & Touche LLP

June 27, 2008

Management's Discussion and Analysis

As management of the City of Chicago, Illinois (City) we offer readers of the City's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2007. We encourage the readers to consider the information presented here in conjunction with information that we have furnished in our letter of transmittal, contained within this report.

Fiscal 2007 Financial Highlights

- Assets of the City, in the government-wide financial statements, exceeded its liabilities at the close of the most recent fiscal year by \$1,604.5 million (*net assets*). Of this amount, \$4,997.1 million is an unrestricted deficit, while \$2,739.5 million is invested in capital assets, net of related debt and \$3,862.1 million is restricted for specific purposes.
- The City's total assets increased by \$802.5 million. The increase relates to \$1,010.5 million increase in capital assets as a result of the City's capital improvement program and \$425.0 million decrease in unrestricted and restricted cash and cash equivalents and investments as a result of debt financing used to support the capital plan. Also, an increase of \$190.8 million in receivables related to special taxing areas occurred.
- Revenues and Other Financing Sources, in the fund financial statements, available for general governmental operations during 2007 were \$7,463.2 million, an increase of \$824.4 million (12.4 percent) from 2006.
- The General Fund, also in the fund financial statements, ended 2007 with a total Fund Balance of \$44.3 million. Total Fund Balance decreased from 2006 primarily because Revenues and Other Financing Sources was less than Expenditures and Other Financing Uses by \$15.6 million. Fund Balance at December 31, 2007 of \$39.6 million was reserved for commitments. Unreserved Fund Balance was \$4.6 million at December 31, 2007, compared to a balance of \$26.8 million at the end of 2006.
- The City's general obligation bonds and notes outstanding increased by \$494.4 million during the current fiscal year. The proceeds from the increase in bonds were used to finance the City's capital plan.

Overview of the Financial Statements

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

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

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

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

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007 - Continued**

vacation). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

Proprietary funds. These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge user fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds, like government-wide statements, use the accrual basis of accounting and provide both long- and short-term financial information. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The City uses five enterprise funds to account for its water, sewer, tollway and two airports operations. Proprietary funds provide the same type of information as the government-wide financial statements, but provide more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sewer Fund, Chicago Skyway Fund, Chicago-O'Hare International Airport Fund and the Chicago Midway International Airport Fund. All the proprietary funds are considered to be major funds of the City. The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007 - Continued**

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

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

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

Financial Analysis of the City as a Whole

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1,604.5 million at December 31, 2007.

A large portion of the City's net assets, \$2,739.5 million reflects its investment in capital assets (land, buildings, roads, bridges, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 5,646.2	\$ 5,383.2	\$ 3,272.8	\$ 3,743.8	\$ 8,919.0	\$ 9,127.0
Capital assets	<u>6,921.2</u>	<u>6,787.1</u>	<u>9,444.8</u>	<u>8,568.4</u>	<u>16,366.0</u>	<u>15,355.5</u>
Total assets	12,567.4	12,170.3	12,717.6	12,312.2	25,285.0	24,482.5
Long-term liabilities						
outstanding	11,226.2	10,184.2	10,497.6	10,277.5	21,723.8	20,461.7
Other liabilities	<u>1,225.8</u>	<u>963.9</u>	<u>730.9</u>	<u>710.9</u>	<u>1,956.7</u>	<u>1,674.8</u>
Total Liabilities	12,452.0	11,148.1	11,228.5	10,988.4	23,680.5	22,136.5
Net assets:						
Invested in capital assets,						
net of related debt	570.7	574.4	2,168.8	1,940.0	2,739.5	2,514.4
Restricted	2,980.2	2,451.1	881.9	971.7	3,862.1	3,422.8
Unrestricted	<u>(3,435.5)</u>	<u>(2,003.3)</u>	<u>(1,561.6)</u>	<u>(1,587.9)</u>	<u>(4,997.1)</u>	<u>(3,591.2)</u>
Total net assets	<u>\$ 115.4</u>	<u>\$ 1,022.2</u>	<u>\$ 1,489.1</u>	<u>\$ 1,323.8</u>	<u>\$ 1,604.5</u>	<u>\$ 2,346.0</u>

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007 - Continued**

An additional portion of the City's net assets (\$3,862.1 million) represent resources that are subject to external restrictions on how they may be used.

Governmental Activities. Net assets of the City's governmental activities decreased \$906.8 million (89 percent) to \$115.4 million. However, a significant portion of those net assets are either restricted as to the purpose they can be used for or they are invested in capital assets (buildings, roads, bridges, etc.). Consequently, unrestricted net assets showed a \$3,435.5 million deficit at the end of this year. This deficit does not mean that the City does not have the resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from personnel, property and casualty claims (\$625.8 million), Municipal employees, Policemen's and Firemen's net pension obligation (\$2,379.7 million) and post-employment benefits (\$148.3 million). The City will include these amounts in future years' budgets as they come due. In addition, the remaining long-term lease obligation of \$556.8 million will be amortized into income over the life of the concession lease agreement.

Over half of the City's revenue comes from taxes. Total taxes increased by 3.9 percent. Total taxes include an increase in property taxes of \$31.8 million (4.5 percent) relating to the timing of collections. Other taxes increased by \$79.6 million (3.6 percent) primarily attributable to Special Area taxes increasing \$72.3 million, based on increase in property values in developing areas. Federal/State grants vary from year to year depending primarily on the level of spending for programs, construction and other projects.

Expenses for governmental activities in 2007 were \$6,277.0 million. This reflects an increase of \$597.4 million (10.5 percent) over 2006. General Government was the largest component of current expenses, accounting for 39.1 percent of total expenses. General Government expenses increased \$363.8 million (17.4 percent) over 2006 because of an increase in related pension and post-employment benefit costs.

The cost of all governmental activities was \$6,277.0 million.

- The amount that taxpayers paid for these activities through City taxes was only \$2,993.5 million.
 - ◆ Some of the cost was paid by those who directly benefited from the programs (\$659.8 million), or
 - ◆ By other governments and organizations that subsidized certain programs with grants and contributions (\$748.6 million).

The City paid for the "public benefit" portion with \$967.3 million with other revenues such as state aid, interest and miscellaneous income.

Although total net assets of business-types activities were \$1,489.1 million, these resources cannot be used to make up for the net asset deficit in governmental activities. The City generally can only use these net assets to finance the continuing operations of the water, sewer, tollway, and airports activities.

**CITY OF CHICAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2007 - Continued**

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Licenses, Permits, Fines and Charges for Services	\$ 659.8	\$ 611.9	\$ 1,233.1	\$ 1,118.4	\$ 1,892.9	\$ 1,730.3
Operating Grants and Contributions	611.0	659.3	-	-	611.0	659.3
Capital Grants and Contributions	137.6	142.7	268.3	273.3	405.9	416.0
General Revenues:						
Property Taxes	732.4	700.6	-	-	732.4	700.6
Other Taxes	2,261.1	2,181.5	-	-	2,261.1	2,181.5
Grants and Contributions not Restricted to Specific Programs	714.7	654.0	-	-	714.7	654.0
Other	<u>252.6</u>	<u>200.4</u>	<u>128.0</u>	<u>124.9</u>	<u>380.6</u>	<u>325.3</u>
Total Revenues	<u>5,369.2</u>	<u>5,150.4</u>	<u>1,629.4</u>	<u>1,516.6</u>	<u>6,998.6</u>	<u>6,667.0</u>
Expenses:						
General Government	2,452.1	2,088.3	-	-	2,452.1	2,088.3
Public Safety	2,435.4	2,300.0	-	-	2,435.4	2,300.0
Streets and Sanitation	367.2	337.1	-	-	367.2	337.1
Transportation	333.4	292.7	-	-	333.4	292.7
Health	175.6	170.8	-	-	175.6	170.8
Cultural and Recreational	128.0	119.2	-	-	128.0	119.2
Interest on Long-term Debt	385.3	371.5	-	-	385.3	371.5
Water	-	-	350.2	324.1	350.2	324.1
Sewer	-	-	137.0	130.4	137.0	130.4
Midway International Airport	-	-	211.1	188.1	211.1	188.1
Chicago-O'Hare International Airport	-	-	751.3	697.5	751.3	697.5
Chicago Skyway	-	-	13.5	12.8	13.5	12.8
Total Expenses	<u>6,277.0</u>	<u>5,679.6</u>	<u>1,463.1</u>	<u>1,352.9</u>	<u>7,740.1</u>	<u>7,032.5</u>
Change in Net Assets Before Transfers	(907.8)	(529.2)	166.3	163.7	(741.5)	(365.5)
Transfers	<u>1.0</u>	<u>2.0</u>	<u>(1.0)</u>	<u>(2.0)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(906.8)	(527.2)	165.3	161.7	(741.5)	(365.5)
Net Assets, Beginning of Year	<u>1,022.2</u>	<u>1,549.4</u>	<u>1,323.8</u>	<u>1,162.1</u>	<u>2,346.0</u>	<u>2,711.5</u>
Net Assets, End of Year	<u>\$ 115.4</u>	<u>\$ 1,022.2</u>	<u>\$ 1,489.1</u>	<u>\$ 1,323.8</u>	<u>\$ 1,604.5</u>	<u>\$ 2,346.0</u>

Table 12
CITY OF CHICAGO, ILLINOIS
TOP TEN ESTIMATED EQUALIZED ASSESSED VALUATION (EAV)
Current Year and Nine Years Ago (2)
(Amounts are in Thousands of Dollars)

Property	2006 EAV	Rank	Percent- tage of Total EAV	1997 EAV	Rank	Percent- tage of Total EAV
Sears Tower	\$ 493,803	1	0.71 %	\$ 291,617	1	0.87 %
AON Building (3)	356,510	2	0.51	212,586	2	0.64
One First National Plaza	-			183,285	4	0.55
Chicago Mercantile Exchange	-		0.00	199,582	3	0.60
Prudential Plaza	279,532	4	0.40	161,832	5	0.49
AT&T Corporate Center 1	283,387	3	0.41	157,286	6	0.47
Citicorp Plaza	205,854	7	0.30	128,484	9	0.39
Three First National Plaza	196,044	9	0.28	129,100	7	0.39
900 North Michigan	-			123,974	10	0.37
Leo Burnett Building	201,662	8	0.29	-		
Chase Plaza	238,266	5	0.34	-		
Water Tower Place	219,995	6	0.32	-		
Hyatt Regency Hotel	-		0.00	128,846	8	0.39
UBS Tower	189,061	10	0.27	-		
Totals	<u>\$ 2,664,114</u>		<u>3.83 %</u>	<u>\$ 1,716,592</u>		<u>5.16 %</u>

NOTES:

- (1) Source: Cook County Treasurer's Office, Cook County Assessor's Office.
- (2) 2007 information not available at time of publication.
- (3) AON Building formerly known as AMOCO Building.

Table 26
CITY OF CHICAGO, ILLINOIS
POPULATION AND INCOME STATISTICS
Last Ten Years

<u>Year</u>	<u>Population(1)</u>	<u>Median Age (2)</u>	<u>Number of Households (2)</u>	<u>Unemployment Rate (3)</u>	<u>Per Capita Income (4)</u>	<u>Total Income</u>
1998	2,783,726	34.2	1,002,300	5.9 %	\$ 31,677	\$ 88,180,088,502
1999	2,783,726	34.7	1,026,900	5.9	32,704	91,038,975,104
2000	2,896,016	31.5	1,061,928	5.9	34,918	101,123,086,688
2001	2,896,016	34.8	1,074,200	7.2	35,157	101,815,234,512
2002	2,896,016	31.9	1,059,960	8.5	35,085	101,606,721,360
2003	2,896,016	32.6	1,067,823	8.2	35,464	102,704,311,424
2004	2,896,016	32.6	1,051,018	7.2	37,169	107,642,018,704
2005	2,896,016	33.0	1,045,282	7.0	38,439	111,319,959,024
2006	2,896,016	33.5	1,040,000	5.2	41,887	121,305,422,192
2007	2,896,016	33.7	1,033,328	5.7	N/A (5)	N/A (5)

NOTES:

(1) Source: U.S. Census Bureau.

(2) Source: World Business Chicago Website, Claritas data estimates; Cook County's Website.

(3) Source: Bureau of Labor Statistics 2007, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.

(4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area (in 2007 dollars).

(5) N/A means not available at time of publication.

Table 27
CITY OF CHICAGO, ILLINOIS
PRINCIPAL EMPLOYERS (NON-GOVERNMENT)
Curent Year and Nine Years Ago (See Note at the End of this Page)

Employer	2007			1998		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
J. P. Morgan Chase	9,114	1	0.73 %	7,290	2	0.58 %
United Airlines	6,102	2	0.49	8,125	1	0.65
Jewel Food Stores, Inc.	5,424	3	0.43	4,918	5	0.39
Northern Trust	4,787	4	0.38	5,083	4	0.40
Accenture LLP	4,283	5	0.34	-	-	-
SBC/AT&T	4,002	6	0.32	5,569	3	0.44
American Airlines	3,645	7	0.29	-	-	-
Ford Motor Company	3,367	8	0.27	-	-	-
Bank of America	-	-	-	3,185	10	0.25
CVS Corporation	3,120	9	0.25	-	-	-
Deloitte & Touche	2,988	10	0.24	-	-	-
Commonwealth Edison Company	-	-	-	4,178	6	0.33
Andersen Consulting	-	-	-	3,756	7	0.30
Arthur Andersen, LLP	-	-	-	3,675	8	0.29
Marshall Field's and Company	-	-	-	3,661	9	0.29

NOTE:

- (1) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Return, June 30, 2007.
- (2) J. P. Morgan Chase formerly known as Banc One.
- (3) SBC/AT&T formerly known as Ameritech.

Table 28
CITY OF CHICAGO, ILLINOIS
FULL TIME EQUIVALENT CITY OF CHICAGO EMPLOYEES BY FUNCTION
Last Two Years (See Note at the End of this Page)

Function	Budgeted Full Time Equivalent Positions	
	2007	2006
General Government	5,195	5,214
Public Safety	23,397	23,345
Streets and Sanitation	3,609	3,578
Transportation	829	862
Health	1,554	1,570
Cultural and Recreational	1,608	1,620
Business-Type Activities	4,015	4,108
Total	<u>40,207</u>	<u>40,297</u>

NOTES:

- (1) Source: City of Chicago 2008 Program and Budget Summary
- (2) Beginning with fiscal year 2006, the City of Chicago will accumulate ten years of data.