Consolidated Comprehensive Annual Financial Report of the City of Chicago, Illinois, and Component Units for the Fiscal Year Ended December 31, 2018

Prepared by: Department of Finance

Lori E. Lightfoot, Mayor

Jennifer Sabatino, Chief Financial Officer and Assistant Corporation Counsel, Department of Finance

Table of Contents

Introductory Section (Unaudited)

Letter of Transmittal i

Certificate of Achievement for Excellence in Financial Reporting xiii

Organizational Chart xiv

List of Elected Officials xv

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis (Unaudited) 4

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position 24

Statement of Activities 26

Fund Financial Statements

Governmental Funds

Balance Sheet 30

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 32

Statement of Revenues, Expenditures and Changes in Fund Balances 34

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 36

Proprietary Funds

Statement of Net Position 38

Statement of Revenues, Expenses and Changes in Fund Net Position 40

Statement of Cash Flows 42

Fiduciary Funds

Statement of Fiduciary Net Position 44

Statement of Changes in Fiduciary Net Position 45

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies 46

Note 2 - Stewardship, Compliance and Accountability 62

Note 3 - Deposits and Investments 66

Note 4 - Receivables 74

Note 5 - Interfund Balances and Transfers 76

Note 6 - Capital Assets 78

Note 7 - Leases 82

Note 8 - Long-Term Debt 84

Note 9 - Risk Management 96

Note 10 - Pension Plans 98

Note 11 - Other Postemployment Benefits 114

Note 12 - Deficit Fund Balance/Net Position 120

Note 13 - Commitments and Contingencies 122

Note 14 - Subsequent Events 126

Required Supplementary Information (Unaudited)

Schedule of Changes in the City's Net Pension Liability and Related Ratios 128

Schedule of City Contributions 130

Schedule of Changes in the City's Net OPEB Liability and Related Ratios 132

Schedule of City Contributions 134

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 136

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Motor Fuel Tax Fund 138

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago Public Library Fund 139

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Special Events and Hotel Operations Tax Fund 140

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago Midway Airport Fund 141

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago O'Hare Airport Fund 142

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Vehicle Tax Fund 143

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Library Grant Fund 144

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Human Capital Development Grant Fund 145

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Community Development Grant Fund 146

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Other Grant Fund 147

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Homeland Security Grant Fund 148

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago Transit Authority Capital Improvement Fund 149

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago Transit Authority Sales Tax Receipts Fund 150

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago Transit Authority Real Property Transfer Tax Fund 151

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Metropolitan Pier and Exposition Authority Real Property Transfer Tax Fund 152

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Metropolitan Pier and Exposition Authority Sales Tax Receipts Fund 153

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Metropolitan Pier and Exposition Authority Capital Improvement Fund 154

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Metropolitan Pier and Exposition Authority Incremental Sales Tax Receipts Fund 155

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Metropolitan Pier and Exposition Authority Incremental Real Property Transfer Tax Fund 156

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Chicago Infrastructure Trust Fund 157

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Tax Increment Financing Administration Fund 158

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Tax Increment Financing Special Revenue Fund 159

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Special Service Area Fund 160

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Garbage Collection Fund 161

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Sanitary and Solid Waste Fund 162

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Water Fund 163

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Emergency Communication Fund 164

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Affordable Housing Fund 165

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Vacant Property Fund 166

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Neighborhood Opportunity Fund 167

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Cannabis Regulation Fund 168

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Opioid Settlement Fund 169

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund - Other Special Revenue Fund 170

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund 171

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund 172

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Permanent Fund 173

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Combining Balance Sheet 174

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 176

Nonmajor Enterprise Funds

Combining Statement of Net Position 178

Combining Statement of Revenues, Expenses and Changes in Fund Net Position 179

Combining Statement of Cash Flows 180

Internal Service Funds

Combining Statement of Net Position 182

Combining Statement of Revenues, Expenses and Changes in Fund Net Position 183

Combining Statement of Cash Flows 184

Fiduciary Funds

Combining Statement of Fiduciary Net Position 186

Combining Statement of Changes in Fiduciary Net Position 187

Statistical Section (Unaudited)

Net Position by Component 188

Changes in Net Position 190

Fund Balances, Governmental Funds 194

Changes in Fund Balances, Governmental Funds 196

Assessed Value and Estimated Actual Value of Taxable Property 198

Property Tax Rates - Direct and Overlapping Governments 200

Principal Property Taxpayers 202

Property Tax Levies and Collections 204

Ratios of Outstanding Debt by Type 206

Ratios of General Bonded Debt Outstanding 208

Direct and Overlapping Governmental Activities Debt 210

Legal Debt Margin Information 212

Pledged-Revenue Coverage 214

Demographic and Economic Statistics 216

Principal Employers 218

Full-time Equivalent City Government Employees by Function/Program 220

Operating Indicators by Function/Program 222

Capital Asset Statistics by Function/Program 224

Component Units

Chicago Housing Authority

Financial Statements 226

Notes to the Financial Statements 228

Chicago Park District

Financial Statements 230

Notes to the Financial Statements 232

Chicago Public Library

Financial Statements 234

Notes to the Financial Statements 236

Chicago Transit Authority

Financial Statements 238

Notes to the Financial Statements 240

Metropolitan Pier and Exposition Authority

Financial Statements 242

Notes to the Financial Statements 244

Other Reports

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 246

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance 248

Schedule of Expenditures of Federal Awards 250

Notes to the Schedule of Expenditures of Federal Awards 252

Schedule of Findings and Questioned Costs 254

Summary Schedule of Prior Audit Findings 256