



CHICAGO PUBLIC SCHOOLS FINANCES IN TROUBLE

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THE FINANCIAL STATE OF CHICAGO PUBLIC SCHOOLS

Repeated decisions by school district officials have left the school district with a staggering debt burden of \$12.4 billion, according to Truth in Accounting's (TIA) analysis of the most recent financial filings. That burden equates to \$14,300 for every Chicago taxpayer.

These statistics are troubling, but what's more troubling is that district officials have obscured large amounts of retirement debt on their balance sheets. This skewed financial data gives residents a false impression of their school district's overall financial health. Thankfully, the Governmental Accounting Standards Board (GASB) has recently passed a new accounting standard (GASB Statement No. 68) that brings more transparency to the way pension liabilities are reported.

Here's the truth:



Data included in this report is derived from the Chicago Public Schools 2015 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

CHICAGO PUBLIC SCHOOLS FINANCIAL BREAKDOWN

FAST FACTS

- + CPS has \$2.1 billion available in assets to pay \$14.5 billion worth of bills.
- + The outcome: A \$12.4 billion shortfall and a \$14,300 taxpayer burden™.
- + Because of a new accounting standard (GASB 68), the school district now must report its pension liabilities on its balance sheet. As a result, their reported pension debt grew from \$3.2 billion in 2014 to \$9.5 billion in 2015.

THE DISTRICT'S BILLS EXCEED ITS ASSETS

Assets	\$8,840,309,000
<i>Minus:</i> Capital assets	-\$6,197,627,000
Restricted assets	-\$551,620,000
Assets available to pay bills	\$2,091,062,000
<i>Minus:</i> Bills	-\$14,521,418,000
Money needed to pay bills	-\$12,430,356,000
Each taxpayer's share of this debt	-\$14,300

BILLS THE DISTRICT HAS ACCUMULATED

Bonds	\$6,626,847,000
Other liabilities	\$2,325,063,000
<i>Minus:</i> Debt related to capital assets	-\$6,356,634,000
Unfunded pension benefits	\$10,023,263,000
Unfunded retiree health care	\$1,902,879,000
Bills	\$14,521,418,000

GRADE: D

Bottom line: CPS does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to entities with a taxpayer burden™ between \$5,000 & \$20,000.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.