



CHICAGO PUBLIC SCHOOLS' FINANCES CONTINUE TO CRUMBLE

May 2017
truthinaccounting.org

THE FINANCIAL STATE OF CHICAGO PUBLIC SCHOOLS

Repeated decisions by CPS officials have left the school district with a staggering debt burden of \$13.8 billion, according to Truth in Accounting's (TIA) analysis of the most recent financial filings. That burden equates to \$15,600 for every Chicago taxpayer.

These statistics are troubling, but what's more troubling is that city government officials continue to obscure large amounts of retirement debt on their balance sheets, despite new rules to increase financial transparency. This skewed financial data gives residents a false impression of their district's overall financial health.

Here's the truth:

**\$13.8
billion**

money needed
to pay bills

-\$15,600

taxpayer
burden™

D

CPS financial
grade

Data included in this report is derived from the Chicago Public Schools' 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

CHICAGO PUBLIC SCHOOLS FINANCIAL BREAKDOWN

FAST FACTS

- + CPS has \$1.9 billion available in assets to pay \$15.8 billion worth of bills.
- + The outcome: A \$13.8 billion shortfall and a \$15,600 taxpayer burden™.
- + The school district reports most of its retirement debt, but \$988.1 million of liabilities are not disclosed on the balance sheet.

THE DISTRICT'S BILLS EXCEED ITS ASSETS

Assets	\$8,711,175,000
<i>Minus:</i> Capital assets	-\$6,150,120,000
Restricted assets	-\$611,141,000
Assets available to pay bills	\$1,949,914,000
<i>Minus:</i> Bills	-\$15,757,979,000
Money needed to pay bills	-\$13,808,065,000
Each taxpayer's share of this debt	-\$15,600

BILLS THE DISTRICT HAS ACCUMULATED

Bonds	\$7,071,085,000
Other liabilities	\$2,278,864,000
<i>Minus:</i> Debt related to capital assets	-\$6,492,649,000
Unfunded pension benefits	\$11,011,400,000
Unfunded retiree health care	\$1,889,279,000
Bills	\$15,757,979,000

GRADE: D

Bottom line: Chicago Public Schools 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 governments 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.