

The financial state of:

CHICAGO PUBLIC SCHOOLS



\$12,700
TAXPAYER
BURDEN



MONEY
NEEDED TO
PAY BILLS:
\$11 BILLION



THE FINANCIAL STATE OF CHICAGO PUBLIC SCHOOLS

The School District's Bills Exceed Its Assets

Assets	\$8,998,260,000
Minus: Capital Assets	\$6,175,181,000
Restricted Assets	\$450,083,000
Assets Available to Pay Bills	\$2,372,996,000
Minus: Bills	\$13,276,186,000
Money Needed to Pay Bills	-\$10,903,190,000
Each Taxpayer's Share of This Debt	-\$12,700

Chicago Public Schools has \$9 billion in assets, but most of these assets are not available to pay school district bills.

The \$6.2 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$450.1 million of the assets is restricted by law or contract.

That leaves \$2.4 billion of the school district's assets available to pay \$13.3 billion of bills as they come due.

The -\$10.9 billion shortfall represents compensation and other costs incurred in prior years that should have been paid in those prior years. Instead these costs have been shifted to future taxpayers.

Each Taxpayer's Share of Chicago Public Schools' Debt:
-\$12,700



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

www.TruthInAccounting.org

www.StateDataLab.org

The Bills Chicago Public Schools Has Accumulated

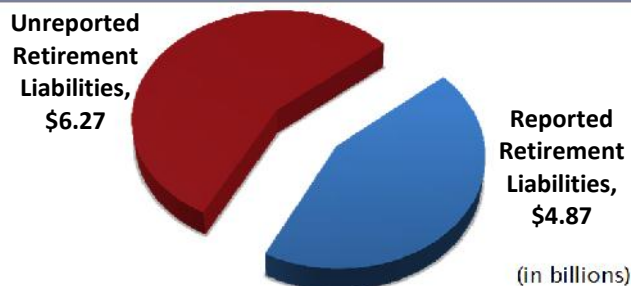
Bonds	\$6,499,947,000
Other Liabilities	\$1,848,190,000
Minus: Debt Related to Capital Assets	\$6,212,375,000
Unfunded Pension Benefits	\$8,931,133,000
Unfunded Retirees' Health Care Benefits	\$2,209,291,000
Bills	\$13,276,186,000

Despite the balanced budget requirement, the school district has accumulated bonds of \$6.5 billion and other liabilities of \$1.8 billion. The calculation of assets available to pay bills does not include capital assets, so \$6.2 billion of related debt is removed from the calculation of school district bills.

Unfunded employees' retirement benefits represent 84% of school district bills. These unfunded liabilities have accumulated because school district employees have been promised \$8.9 billion of pension benefits and \$2.2 billion of retirees' health care benefits, but the school district has not adequately funded them.

Unless these pension and retirees' health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

Not All Retirement Liabilities Are Clearly Disclosed



A detailed study of Chicago Public Schools' actuaries' schedules found retirement benefits totaling \$11.14 billion have been promised, but not funded. A review of the school district's balance sheet determined only \$4.87 billion of these liabilities are reported. This means the school district does not report \$6.27 billion of retirement liabilities on its balance sheet.

Data is derived from the Chicago Public Schools' June 30, 2014 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the school district's population with a federal tax liability.