

CHICAGO POPULAR ANNUAL FINANCIAL REPORT

For fiscal year ended december 31,
2023



Cassandrin Carola
Decaroli Denise

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MAJOR'S LETTER



CITY OF CHICAGO • OFFICE OF THE MAYOR



June 28, 2024

Dear Chicagoans,

Thank you for your interest in the City of Chicago's Annual Comprehensive Financial Report (ACFR) for the 2023 fiscal year. I am pleased to present this report, which details a transparent accounting of Chicago's finances.

As mayor, I am committed to being a responsible steward of taxpayer dollars and proposing annual budgets that are balanced, equitable, and transparent. While the city still faces long-term structural challenges, we are charting a better path forward for the city's finances that will protect working families and develop actionable solutions to meet the city's obligations to workers, retirees, and taxpayers.

Creating a stronger financial outlook that reflects the people of Chicago requires input from the public. That is why we have utilized and will continue to build upon a collaborative, transparent process that includes public hearings, community engagement, and working alongside other city officials to craft a budget that supports the efficient delivery of government services to our residents and responds to the voices of our communities.

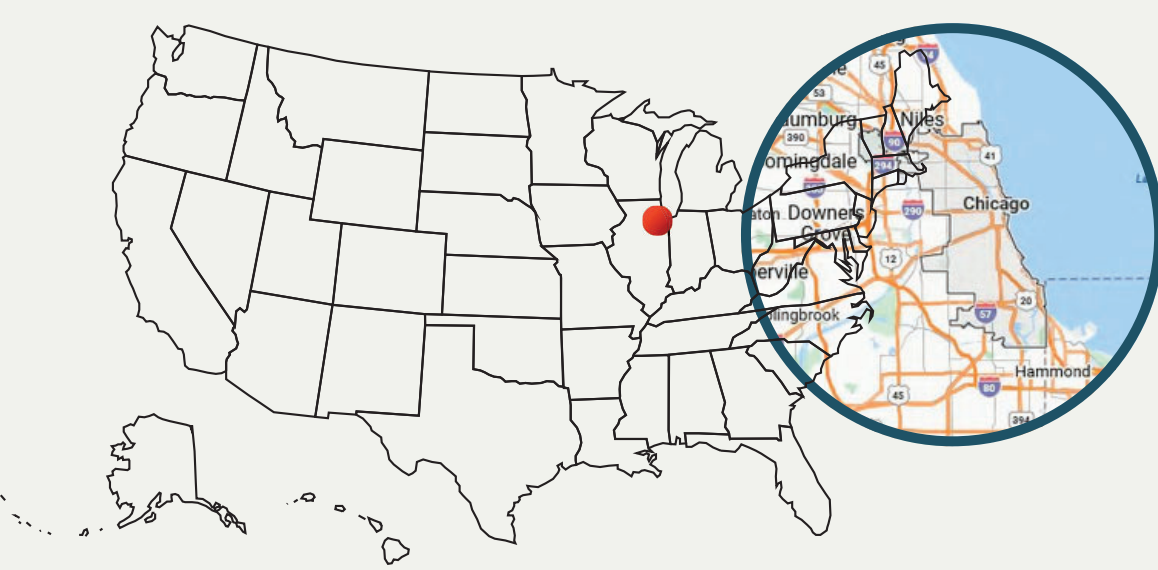
Through strategic planning and addressing structural deficits, we have the opportunity before us to improve the financial health of the City of Chicago. A city with a strong financial outlook will create a better economic future for all Chicagoans, create jobs, and will foster our ability to make critical investments in communities to achieve our visions for a better, safer, stronger Chicago.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brandon Johnson", written over the printed name "Mayor Brandon Johnson".

Mayor Brandon Johnson





ABOUT CHICAGO

Chicago, the third-largest city in the United States, is a metropolis governed by a mayor and 50-member City Council known for its rich history, iconic architecture, and diverse culture. Founded in 1837, Chicago has grown to become a global hub for finance, industry, technology, and transportation, with a population of approximately 2.7 million residents spread across 228 square miles.

Known as the “Windy City,” Chicago offers a unique blend of 77 distinct communities and more than 100 neighbourhoods, each with its own character, contributing to a cultural landscape renowned for arts, music, and award-winning cuisine. The city is also a major economic force, hosting the headquarters of 31 Fortune 500 and 38 S&P 500, maintaining one of the most diversified economies in the country.



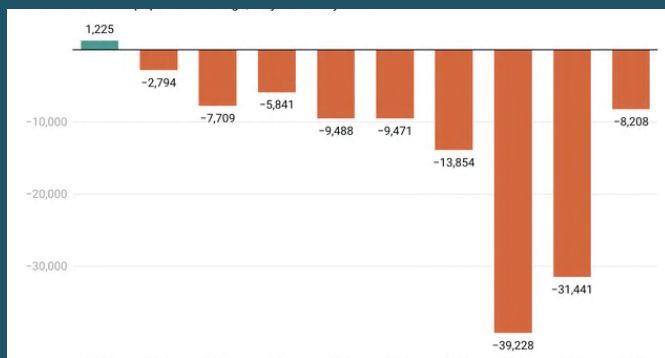
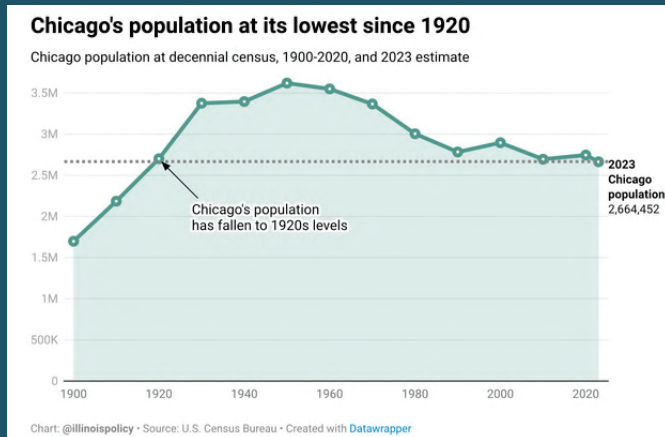
CHICAGO'S COMMUNITY -STATISTICAL DATA

Population and people

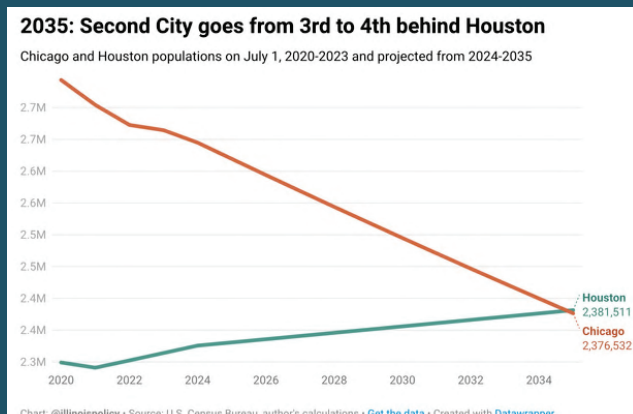
Chicago is the 3rd most-populous city in the USA.

In 2023, the population of Chicago was **2.66 million**, a 0.31% decrease year-by-year from 2022.

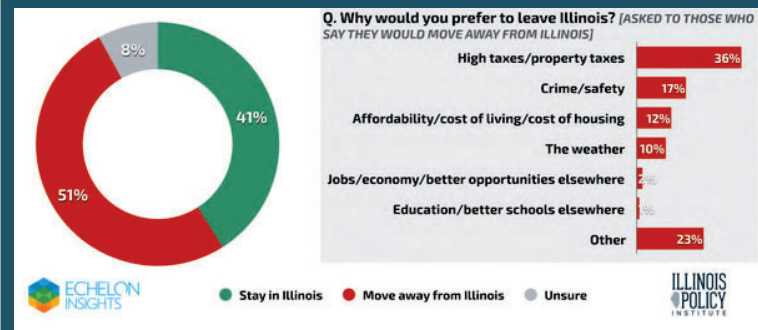
Chicago's population is lower now than it was in 1920, with steady drops in each of the past years. The city's population has not been this low in more than 100 years.



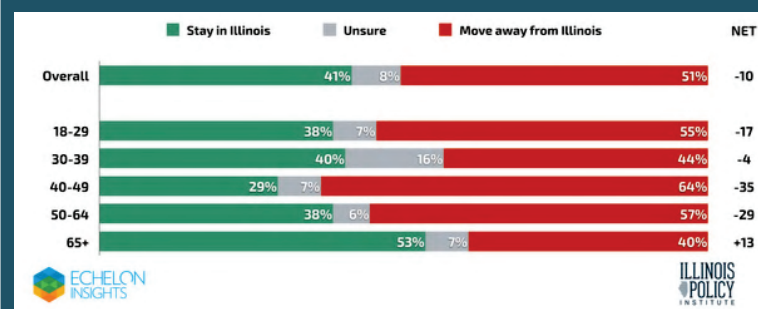
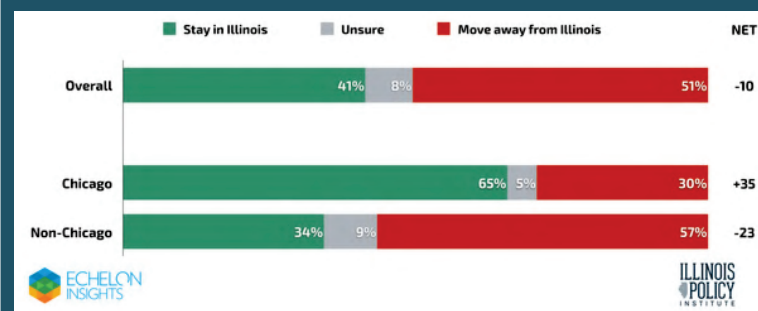
From July 2022-July 2023, Chicago lost more than 8,000 residents, the third-largest decline of any city in the nation. If post-pandemic population trends hold, Chicago will soon be overtaken by Houston for the title of America's third-largest city.



The city's population is declining because residents are fleeing. Conducted survey showed that High taxes were the No. 1 reason Illinoisans considered leaving the state.



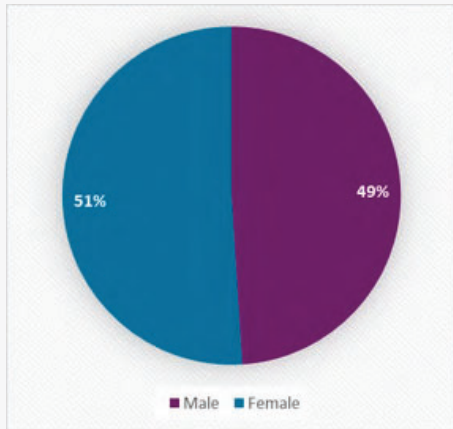
Desire to leave Illinois depends largely on where you live. Most people who would leave live outside of Chicago: 57% of non-Chicagoans would leave. Only 30% of Chicagoans would leave.



The median age in Chicago city is
35.1

The genders are distributed as follows:

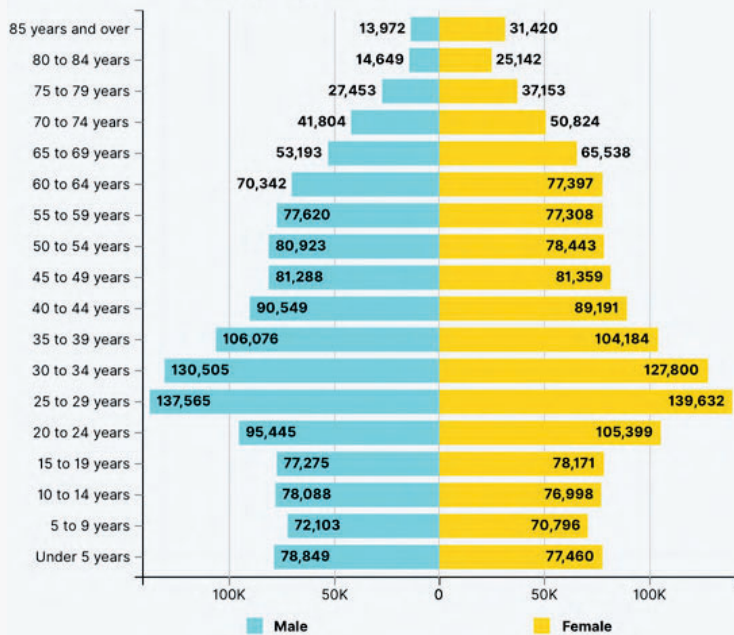
Male 49%
Female 51%



93.3:100
Gender ratio (M)

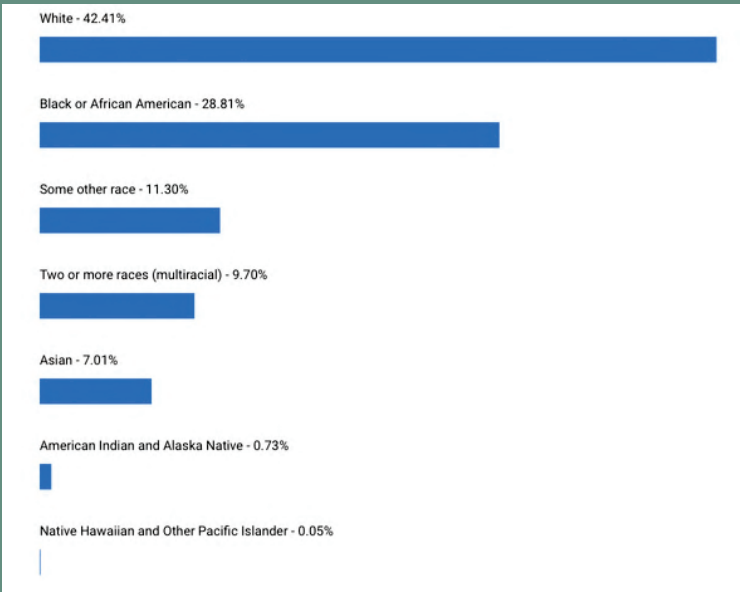
25-29 years
Largest age group

Chicago city, Illinois



This figure represents the population Pyramid and it explains the population by age and sex .

The largest racial group in Chicago is White with a population of 1.15 million (42.41% of the total population), followed by Black or African American (784,078 millions - 28.81%).

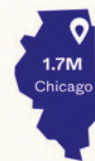


IMMIGRANT POPULATION

Immigrants are defined as foreign-born residents:

the foreign-born population in Chicago and Illinois represent an important and diverse share of their local communities, many of whom live in mixed-status families.

Chicago Metro Area

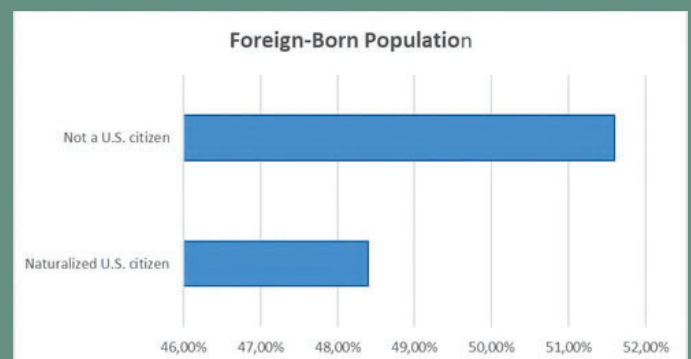


1.7 million immigrants reside in **Chicago**, or **18 percent** of the total population.



One in three children in Chicago has at least one **immigrant parent**.

which includes people who became US citizens:



Families and Living Arrangements

Total Households

1,179,081

DP02 | 2023 American Community Survey 1-Year Estimates



Employment

Employment Rate

64.0%

DP03 | 2023 American Community Survey 1-Year Estimates



Income and Poverty

Median Household Income

\$74,474

S1901 | 2023 American Community Survey 1-Year Estimates



Education

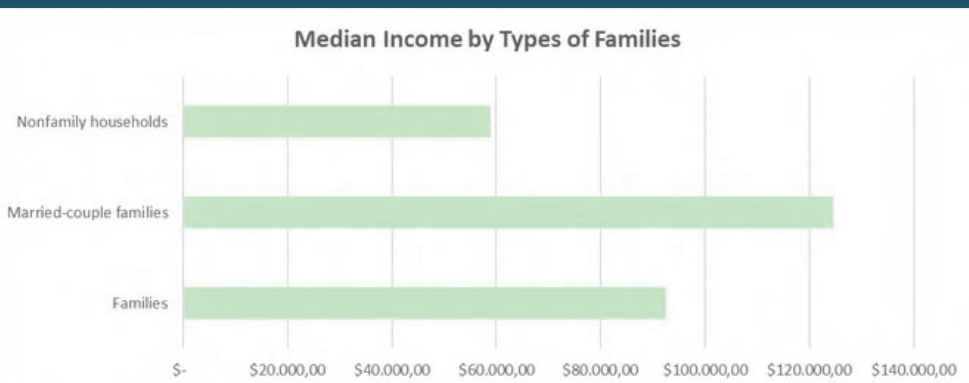
Bachelor's Degree or Higher

45.7%

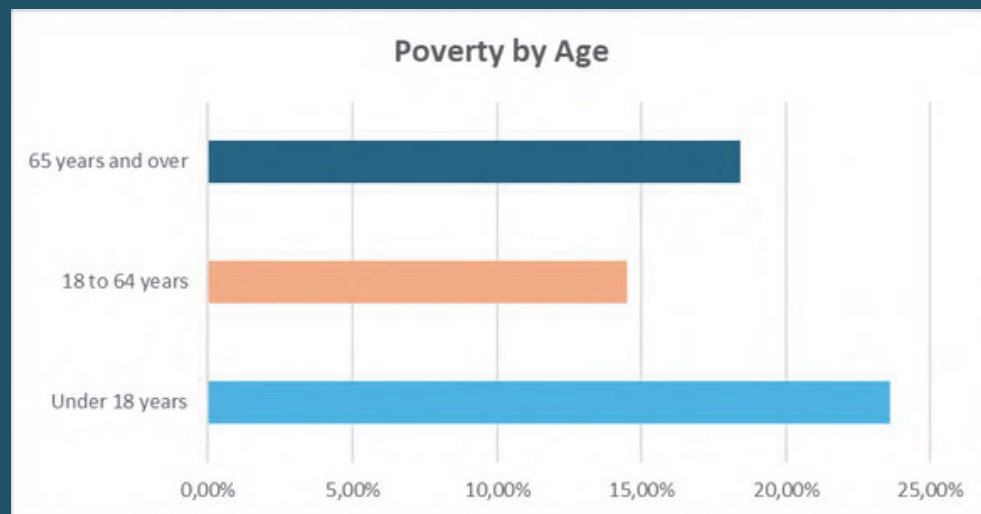
S1501 | 2023 American Community Survey 1-Year Estimates

Income and poverty

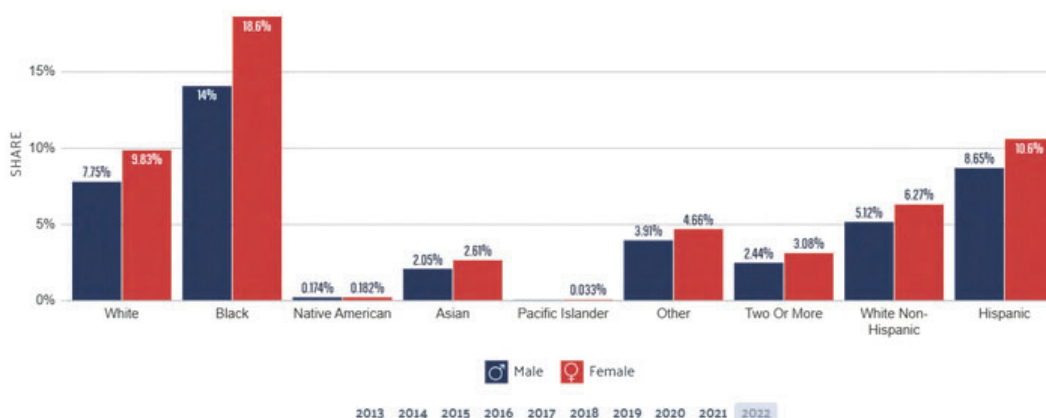
The median household income in Chicago city, Illinois is \$74,474. Here we can see the median Income by type of families



Poverty rates are particularly high within specific demographic groups, such as Black residents, who experience a poverty rate of approximately 27.7%. Hispanic residents have a poverty rate near 16%, while White residents have the lowest rate among major groups at around 8.5%. Women, especially those unemployed, also face higher poverty rates, with unemployed females experiencing a rate as high as 38%.



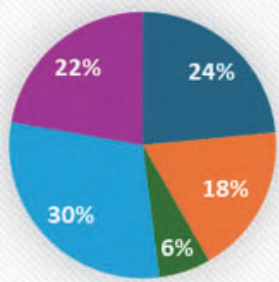
The 16.7% of people living in Chicago are considered poor. The rate is higher than the national average of around 11.6%. The following graph represent the poverty by age.



The largest demographic living in poverty are Females 25 - 34, followed by Females 18 - 24 and then Females 35 - 44. The most common racial or ethnic group living below the poverty line in Chicago, IL is Black, followed by Hispanic and White.

Education

Education Attainment (Population 25 Years and Older)

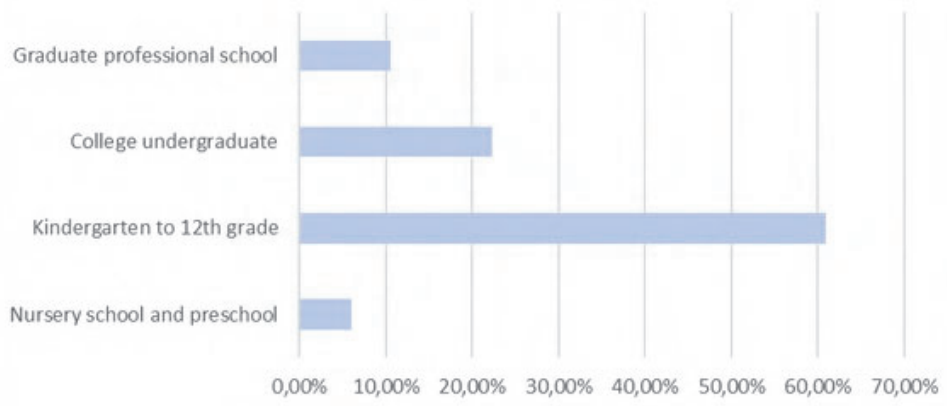


- High school or equivalent degree
- Some college no degree
- Associate's degree

The educational attainment is 45.7% for a bachelor's Degree or Higher in Chicago. Here it is shown the education attainment of 25 years old and older.

The school enrollment is 61.0% School Enrolled Population Enrolled in Kindergarten to 12th Grade in Chicago.

School Enrollment (Population 3 Years and Over Enrolled in School)



The two most prestigious colleges in Chicago are the University of Chicago and Northwestern University:



NORTHWESTERN UNIVERSITY

Northwestern University, founded in 1851 in Evanston, is celebrated for its programs in journalism, business, and the sciences. With campuses in Evanston and Chicago, Northwestern's interdisciplinary approach and renowned Kellogg School of Management and Medill School of Journalism attract a global student body.

First year enrollment data : 2111 students

Total All Undergraduates: 8,659

Total All Graduate Students: 14,073

Grand Total All Students: 22,732

The University of Chicago, founded in 1890 in Hyde Park, excels in fields like economics, law, and sciences, and has produced over 100 Nobel laureates. Its emphasis on free inquiry and interdisciplinary study make it one of the world's leading research universities.



Student headcounts (Fall 2023)

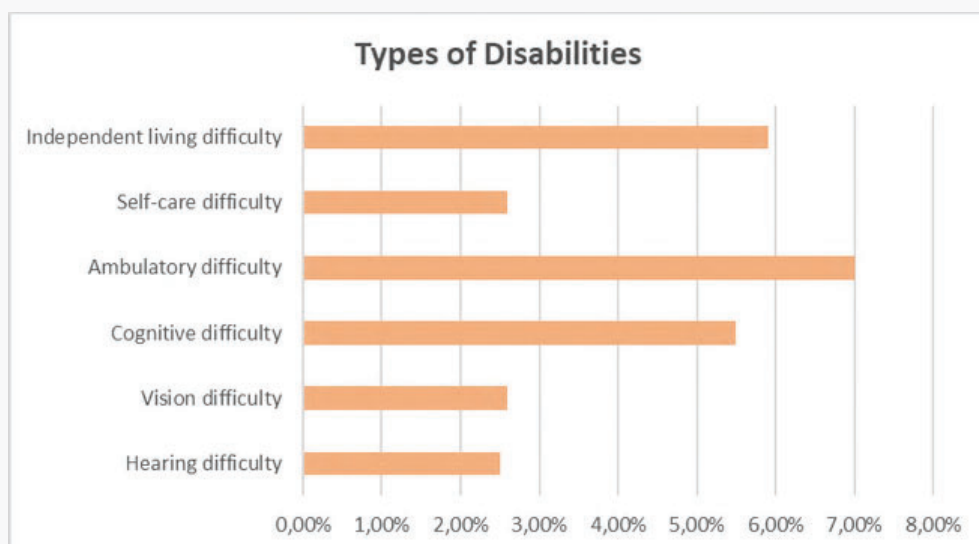
Total student headcount	18,504
Undergraduates	7,540
Graduate students	10,518
Non-degree and other	446

University enterprise budget (FY2023, \$B)

Grand total (University, Medical Center, National Laboratories)	9.38
University	3.14
Medical Center	3.72
National Laboratories	1.94

Health

The 13% of people living in Chicago has a disability. In the graph we find the different types of disabilities.



In 2023, health data for the City of Chicago revealed ongoing challenges and opportunities in addressing public health disparities and improving overall community well-being. Here are some key statistics:

1. Life Expectancy Gap

The racial life expectancy gap remained a major concern, with Black residents in Chicago living an average of nearly 9 years less than White residents. The largest contributors to this gap were chronic diseases (accounting for a 4.3-year difference), gun violence (2.1 years), infant mortality (0.7 years), and opioid overdoses (0.4 years) .

2. Chronic Disease and Health Outcomes

Chronic diseases such as diabetes, hypertension, and cardiovascular conditions significantly impacted life expectancy, particularly among marginalized communities

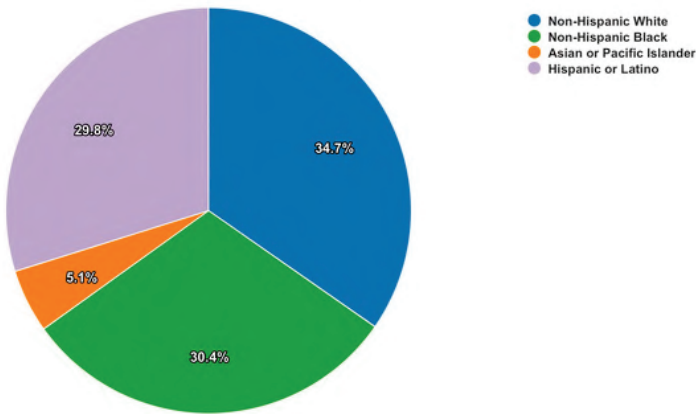
3. Mental Health Services

The expansion of the Trauma-Informed Centers of Care (TICC) network made mental health services accessible across all 77 neighborhoods, serving tens of thousands of residents. Mental health service delivery expanded to meet increasing needs, particularly in underserved areas, with city funding supporting clinics and integration with primary care .





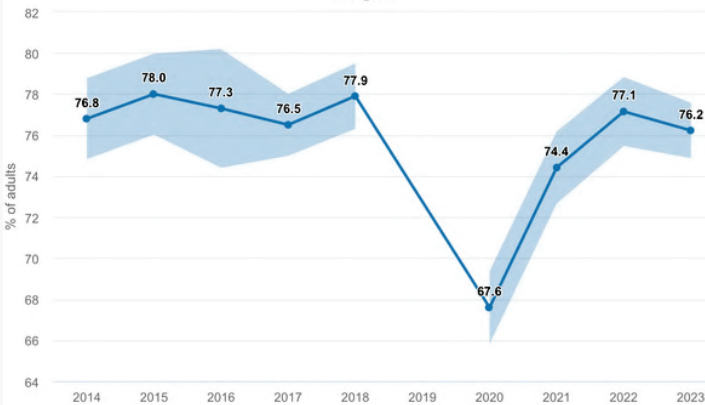
Health care satisfaction by Race/Ethnicity
Chicago, IL, 2023



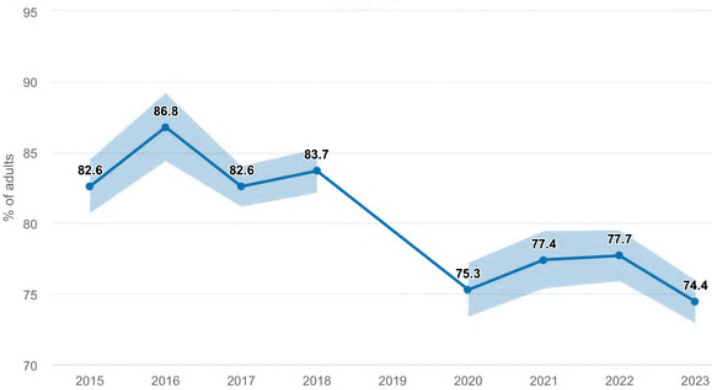
Percent of adults who report that they were very satisfied with the health care they received in 2023.

Percent of adults who report that it is "usually" or "always" easy to get the care, tests or treatment they needed through their health plan.

Routine checkup rate, Full population
Chicago, IL



Received needed care rate, Full population
Chicago, IL

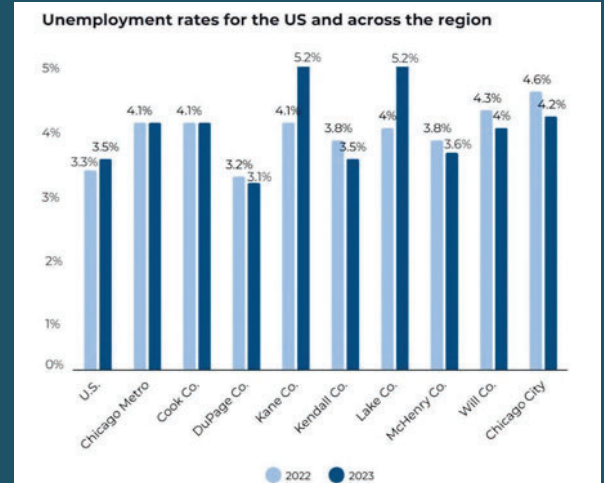


Percent of adults who visited a doctor or health care provider for a routine checkup in the past year.



Employment

In December 2023, Chicagoland's unemployment rate held steady at 4.2 percent, mirroring the rate observed in the same month of the previous year, December 2022. This consistency contrasts with the broader U.S. trend, where the national unemployment rate dipped slightly to 3.5 percent in December 2023.



Trend of the unemployment rate in Chicago over the past three years



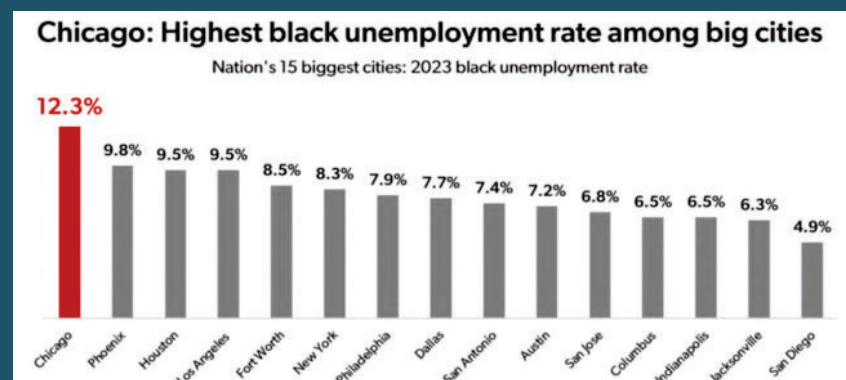
December 31, 2023	4.20%
November 30, 2023	4.50%
October 31, 2023	4.90%
September 30, 2023	5.20%
August 31, 2023	5.60%
July 31, 2023	5.00%
June 30, 2023	5.30%
May 31, 2023	4.20%
April 30, 2023	3.80%
March 31, 2023	4.20%
February 28, 2023	4.50%
January 31, 2023	4.70%

Unemployment % over 2023



City employment:
1,310,713

% of black unemployment rate



TOP 10 EMPLOYERS

RANK	EMPLOYER	NUMBER OF EMPLOYEES	PERCENTAGE OF TOTAL CITY
1	Advocate Health	30.679	2.95%
2	Amazon.Com Inc.	30.100	2.30%
3	Northwestern Memorial Healthcare	25.386	1.94%
4	University of Chicago	22.395	1.71%
5	Endeavor Health	20.251	1.55%
6	Walmart Inc.	17.400	1.33%
7	United Airlines Holdings Inc.	16.937	1.29%
8	Walgreens Boots Alliance Inc.	16.486	1.26%
9	JP Morgan Chase & Co.	15.382	1.17%
10	Health Care Service Corp.	14.771	1.13%

International Trade

Trade through O'Hare reached \$271 billion in 2023, a slight decline from the \$282 billion it reached in 2022, and accounted for 5.3 percent of the nation's overall trade.

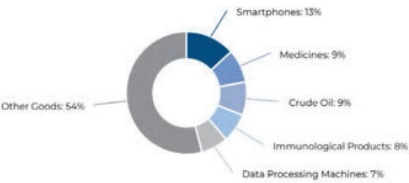
2023 Top Trade Ports by Value

Port	Value	Change from 2022
Port Laredo	\$320B	+7.4%
Port of Los Angeles	\$292B	-6.1%
Chicago O'Hare International Airport	\$271B	-3.9%
John F. Kennedy International Airport	\$244B	-4.7%
Port of Houston	\$226B	-5.8%

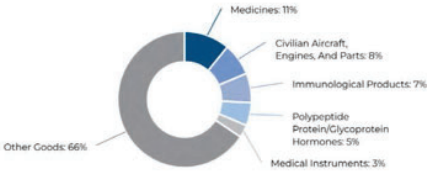


Japan, China, and Germany are Chicago's top trade partners, while Mexico is the nation's top trade partner.

Top Imports by Value in 2023



Top Exports by Value in 2023



Trade Partner	2023 Import Value	2023 Export Value
Japan	\$7,856,045,201	\$2,898,146,579
China	\$5,555,683,528	\$1,339,741,189
Germany	\$4,924,472,712	\$1,852,701,750
United Kingdom	\$2,785,711,084	\$2,446,334,393
France	\$2,394,562,030	\$2,066,560,264
Canada	\$4,243,125,606	\$118,741,328



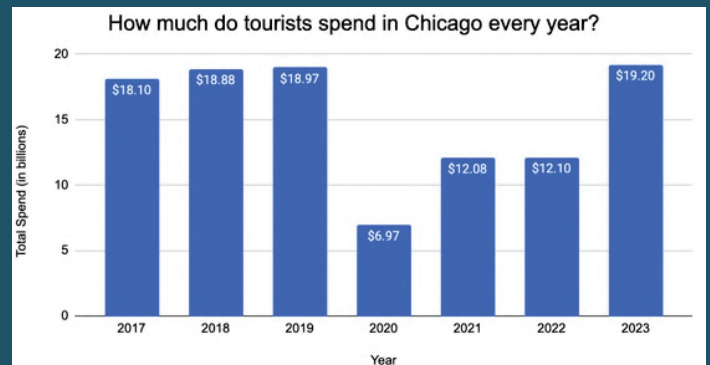
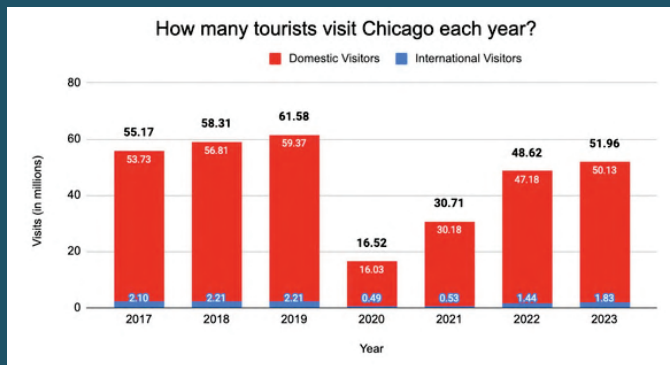
Tourism

Pre-pandemic, Chicago saw record tourism levels, with 61.6 million visitors in 2019.

Tourism significantly declined to 16.5 million visitors in 2020 due to the COVID-19 pandemic but rebounded to 30.7 million in 2021. The recovery continued with 48.6 million tourists in 2022 and nearly 52.0 million in 2023, reflecting a steady return towards pre-pandemic figures.

In 2023, Chicago welcomed 51.96 million tourists, a 6.9% increase from 2022 but still 15.6% lower than the peak year of 2019.

- Of these, 50.13 million were domestic visitors, and 1.83 million were international tourists.



Chicago Business Bulletin

In 2023, Chicagoland's economy remained robust, securing its 11th consecutive "Top Metro" award for corporate relocation. With 163 corporate moves, the region gained 23,100 jobs and \$1.87 billion in earnings.

Although unemployment held steady at 4.2%, job growth data varied across sources. O'Hare Airport maintained a top trade ranking, handling \$271 billion in value.

The Chicago metropolitan area solidified its standing as the third-largest metro economy in the U.S., with a Gross Regional Product (GRP) of \$847 billion. Professional and business services industry drove much of this growth

Reflecting back to the pre-COVID economy, Chicago's economic landscape changed between 2019 and 2023 across different industries. Industries that grew the most include:

- The tech industry grew a remarkable 32.4 percent to a GRP of \$34 billion.
- The professional and business services sector grew 13.2 percent to a GRP of \$120 billion.
- The healthcare and social assistance industry grew 9.02 percent to a GRP of \$51 billion.

KEY FACTS FOR 2023

- **\$4.73 billion** total growth capital raised
- **516** companies raised growth capital
- **587** growth capital deals
- **\$24 million** median growth capital deal value
- **788** investors in Chicago startups
- **\$1 billion** largest deal, raised by Invenergy

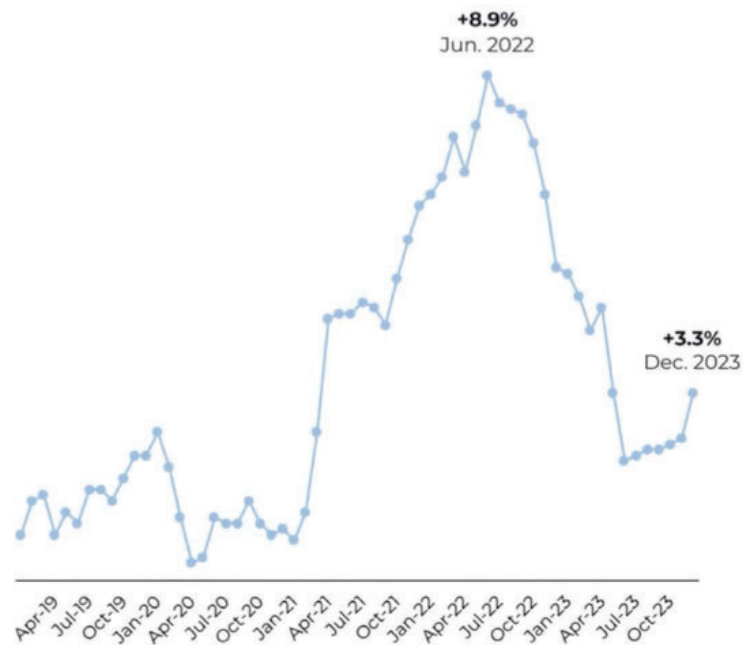
Conversely, GRP in two industries significantly declined:

- The finance and insurance industry, which declined 19.1 percent to a GRP of \$51 billion.
- The construction sector, which declined 15.4 percent to a 2023 GRP of \$14 billion.

Quality of life -CPI

As of December 2023, consumer prices in Chicagoland were 3.3% higher than the target inflation, reflecting a moderation from the peak inflation of 8.9% seen in July 2022. While still above the target inflation rate of 2%, this easing trend points to progress in managing inflationary pressures. Chicagoland's inflation rate remains lower than other major metropolitan areas, such as Atlanta, Houston, and Miami, illustrating relative stability in the region. Despite this, consumer prices across the U.S. remain elevated.

Chicagoland's Consumer Price Index, 2019—2023
Percentage change in prices from 12 months ago



AWARDS AND RECOGNITIONS

The Government Finance Officers Association of the United States and Canada ('GFOA') awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chicago for its ACR for the fiscal year ended in 2022. This marks the thirtieth consecutive year that the City has received this prestigious award.



CITY-WIDE

Chicago has once again been named Best Big City in the U.S. in the Condé Nast Traveler Readers' Choice Awards. This year, over 575,000 readers voted for their favorite destinations and venues, choosing Chicago as the Best Big City in the U.S. for an unprecedented eighth straight year. The announcement of this award follows a banner summer for the city's tourism, hospitality, and events community.

CHICAGO VOTED BEST BIG CITY IN THE U.S.



- Chicago was ranked by Resonance Consultancy as the second-best city in the country in the 2023 America's Best Cities Report (after being named fourth best in 2022) and 16th in the 100 world's best cities.
- Chicago was named the 2023 best big city for creatives in the United States by Business Name Generator
- Chicago was named top North American Destination for Architecture Lovers by Buildworld.

 RESONANCE

AWARDS AND RECOGNITIONS

DINING and NEIGHBOURHOODS

Hyde Park was named the 19th coolest neighborhood in the world by Time Out

Bobby's Bike Hike Chicago was named a Top 10 Best Food Tour in America by USA Today and one of the Top 20 Food and Culinary Experiences in the World by TripAdvisor's 2023 Travelers Choice Awards.

**Tripadvisor
Travellers'
Choice Awards**



TRANSPORTATION

Chicago was named in the top ten most walkable US cities by USA Today's 10Best Readers' Choice Awards (9th place) and Thrillist

Chicago was named the third best city in the US for public transportation by Business Insider
Airports Council International (North America) released the ranking of the top 10 airports with the highest number of passenger traffic and aircraft movements. Chicago O'Hare International Airport ranked fifth and second, respectively.



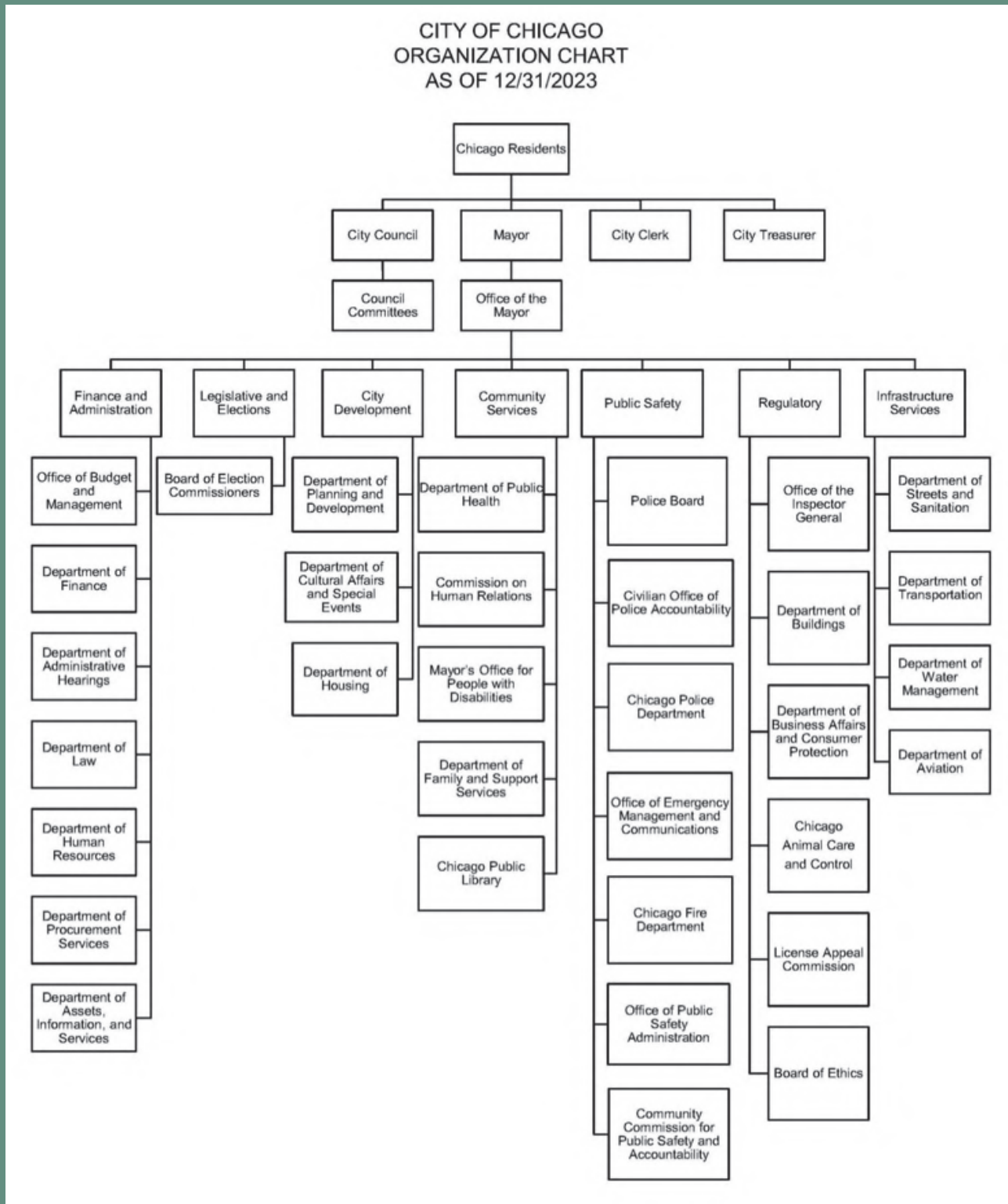
**AIRPORTS COUNCIL
INTERNATIONAL**



THE CITY ORGANISATION

The City of Chicago's organizational chart outlines the structure of authority and responsibility for city governance. The Mayor acts as the Chief Executive, overseeing all major city functions and departments. The Chicago City Council, with its 50 elected aldermen, serves as the legislative branch, working alongside the Mayor on policy and budget decisions.

Beneath this leadership, departments and agencies focus on specialized areas like public safety, transportation, housing, health, and infrastructure, ensuring efficient services to Chicago's residents.



Mayor Brandon
Johnson
2023 - present



Mayors elected by popular vote every four years
No term limits

Public Administration Group

Major municipal entities

The City of Chicago has several major municipal entities that provide essential services across a variety of areas:

1. Chicago Transit Authority (CTA) - Operates Chicago's extensive public transportation network, including bus and "L" train systems, serving the city and 35 surrounding suburbs.



2. Chicago Housing Authority (CHA) - Manages public housing and rental assistance programs to support affordable housing options for residents.

3. Chicago Park District - Oversees more than 600 parks across Chicago, managing recreational facilities, sports programs, events, and the maintenance of public spaces.



4. Chicago Department of Public Health (CDPH) - Focuses on public health initiatives, disease prevention, mental health services, and community wellness programs.

5. Chicago Department of Water Management (DWM) - Provides water services, including the supply of safe drinking water and wastewater management for the city.



6. Chicago Public Schools (CPS) - Administers public education, overseeing hundreds of schools and educational programs for students in Chicago.

7. Chicago Department of Streets and Sanitation (DSS) - Manages waste collection, recycling, and street cleaning, as well as infrastructure like alleys and street lights.



8. Chicago Police Department (CPD) and Chicago Fire Department (CFD) - Responsible for public safety, law enforcement, and emergency response across the city.

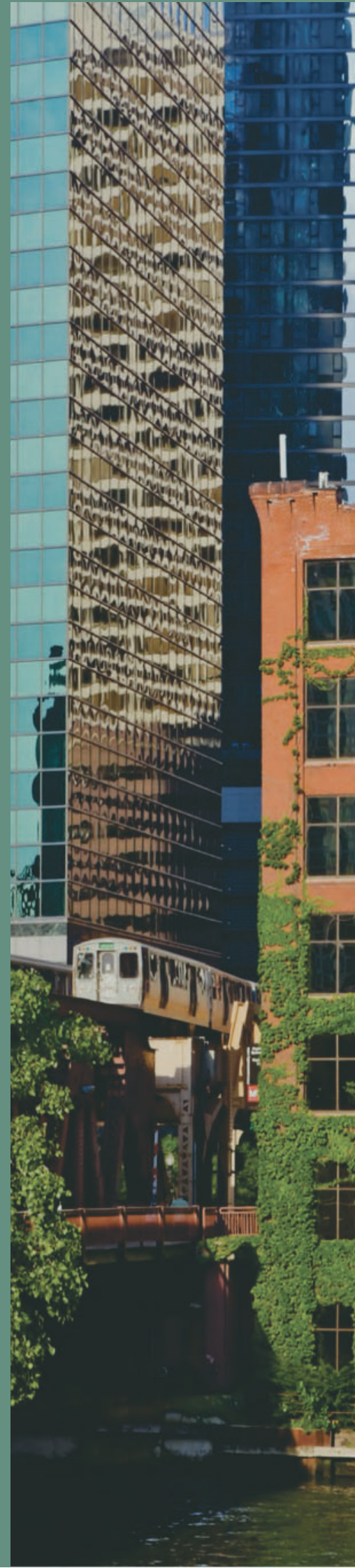


9. Office of Emergency Management and Communications (OEMC)
OEMC handles emergency response coordination, 911 dispatch, and citywide event management.



Chicago's public sector employment is significant, with the City of Chicago itself employing approximately 32,000 people across various departments (thousand)

Function	2023	2022	2021
General			
Government ..	3,959	3,654	3,564
Public Safety	21,365	21,269	21,289
Streets and Sanitation	2,276	2,234	2,189
Transportation ..	1,539	1,484	1,313
Health	1,105	864	830
Cultural and Recreational .	1,536	1,487	1,454
Business-type Activities	4,640	4,280	4,128
Total	<u>36,420</u>	<u>35,272</u>	<u>34,767</u>



FINANCIAL REVIEW



The Chicago Metropolitan Statistical Area ("MSA") has thirty-one Fortune 500 and thirty-eight S&P 500 headquarters, according to the 2024 Fortune 500 list and the current S&P 500 listing. Site Selection magazine named the Chicago MSA the "Top Metro" for new and expanded corporate facilities for three consecutive years from 2001 to 2003, for an additional three consecutive years from 2005 to 2007, for an additional year in 2010, and every year since 2013, a streak that reached its eleventh consecutive year in 2023.

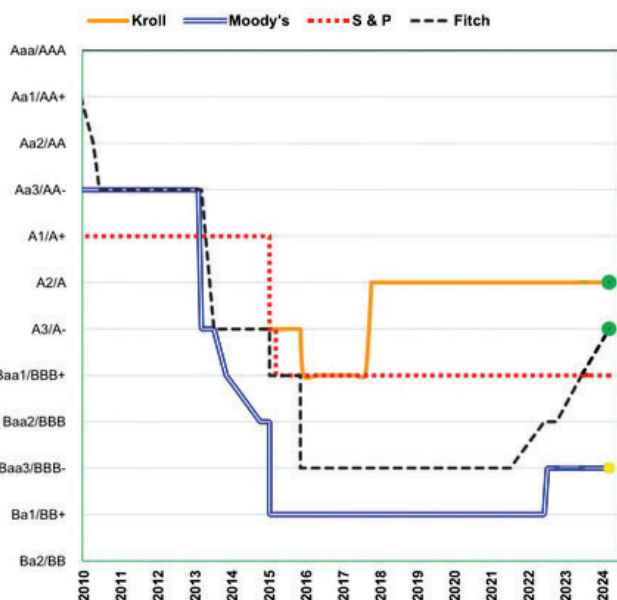
S&P 500

FORTUNE
500

As of December 31, 2023, the City had **credit rating** with each of the four major rating agencies as follows:

Rating Agency	Moody's	Standard & Poor's	Fitch	Kroll
General Obligations:				
City	Baa3	BBB+	BBB+	A
REVENUE BONDS:				
O'Hare Airport:				
Senior Lien General Airport	A2	A+	A+	A+
Senior Lien Passenger Facility Charge (PFC)	A2	A+	A	NR
Customer Facility (CFC)	Baa1	BBB+	NR	NR
Midway Airport:				
Second Lien	A3	A	A	A
Water:				
Second Lien	Baa1	A+	A	AA
Wastewater:				
Senior Lien	Baa1	A+	NR	NR
Second Lien	Baa2	A+	A	AA-
Sales Tax Securitization:				
Senior Lien	NR	AA-	AA+	AAA
Second Lien	NR	AA-	AA-	AA+

City of Chicago - General Obligation Bond Rating History



SOURCE: Fitch Ratings; Kroll Bond Rating Agency; Moody's Ratings; S&P Global Ratings
NOTES: S&P and Kroll gave Chicago's GO Bonds an outlook of **Positive** in their latest issued reports. Fitch increased Chicago's GO Bonds to a **A-** an outlook of **Positive** in their latest report, while Moody's gave an outlook of **Stable**. Ratings and outlooks as of July 26, 2024. Please note that this graph and text goes beyond the information in the ACRF as of 12/31/2023.



FINANCIAL STATEMENTS



All accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

Statement of Net Position & Activities

The Statement of Net Position provides a snapshot of what the city owns (assets) and owes (liabilities).

The city invests money in assets which uses to provide services to its citizens.

The Statement of Activities summarizes amounts received (revenues) and amounts spent (expenses). A positive difference between revenue and expenses indicates the city had enough revenues to cover its obligations and the ability to save for the future.

Governmental Activities

Governmental activities includes most of the city's **basic services** which are financed through property taxes, other taxes, grants and contributions.

Business-Type Activities

Business type activities include water and sewer system, stormwater system, airport, and public transit system. The city charges fees to customers in order to provide these types of services.

Gov. Activities

tot. Assets and deferred outflows: \$26,466,144

tot. Liabilities and deferred inflows: \$57,298,229

NET position: (\$30,832,085)

Business type activities

tot. Assets and deferred outflows: \$27,488,406

tot. Liabilities and deferred inflows: \$24,867,991

NET position: \$2,620,415

TOTAL net position {DEFICIT}: (\$28,211,670)

Of this amount (Net Deficit), \$3,882.8 million represents the City's investment in capital assets (land, buildings, roads, bridges, etc.) less any related debt used to acquire those assets that is still outstanding.

- The net deficit increased in 2023 by \$580.0 million due to an increase in long-term liabilities mainly due to increase in net pension liability due to changes in pension assumptions and changes in legislation

Although total net position of business-type activities was \$2,620.4 million, these resources cannot be used to make up for the deficit in net position in governmental activities. The City generally can only use this net position to finance the continuing operations of the water, sewer, Skyway, and airports activities.

The City's total assets increased by \$2,421.6 million , mainly due to increase in cash, cash equivalents, and investments due to timing differences of payments to vendors; increase in construction in progress and other capital assets as the City further increased its infrastructure investments through Chicago Recovery Plan projects

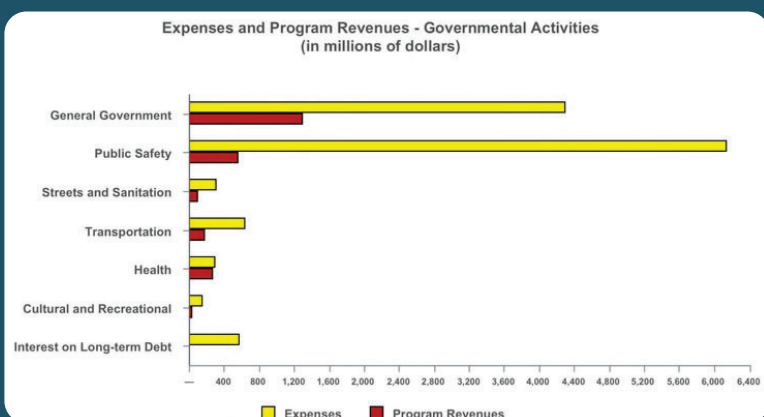
The City's total liabilities increased by \$3,046.6 million primarily due to an increase in long-term liabilities mainly due to issuances of new debt, an increase in net pension liability, and an increase in outstanding pension contributions payable at year end



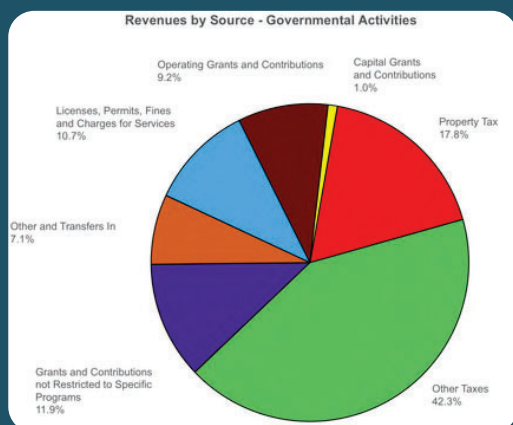
Tot. Revenues: \$11,463.2 M

Tot expenditures: \$12,363.4 M

Change in Net Position (before transfers): (\$900.2)K



Expenses for governmental activities in 2023 were \$12,363.4 million, an increase of \$1,973.7 million (19.0%) over 2022.



N.B Other taxes (in the graph, 42.3%):

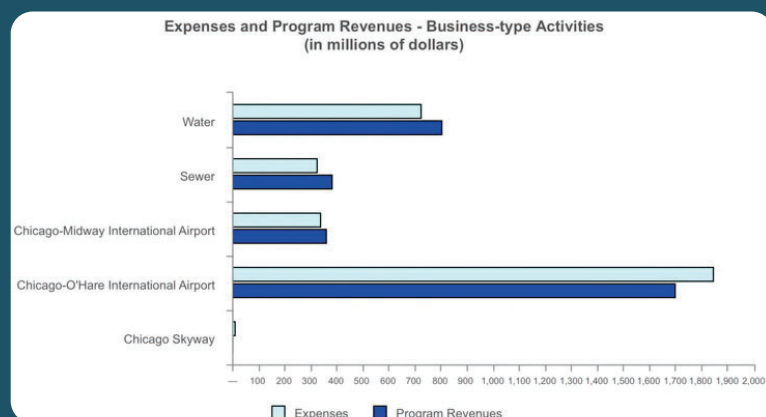
- Utility tax \$773,808
- Sales Tax \$506,558
- Transportation Tax \$606,138
- Transaction Tax \$832,516
- Special Area Property Tax \$1,572,705
- Recreation Tax \$352,595
- Other Taxes \$201,680

Revenues for all governmental activities in 2023 were \$11,463.2 million, an increase of \$1,579.5 million (16.0%) from 2022. This increase is primarily due to increased revenues from tax increment financing and an increase in interest income as rates were higher in 2023.

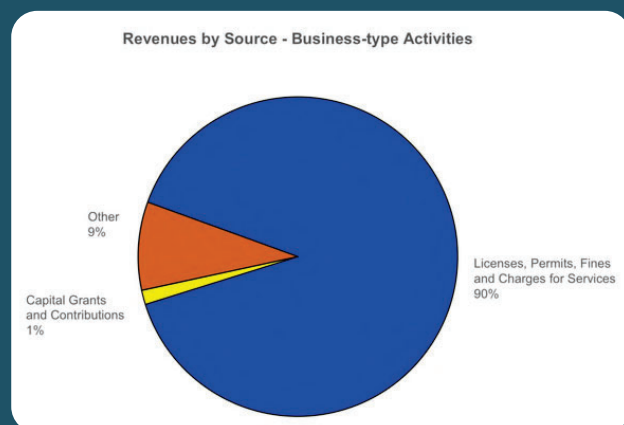
Tot. Revenues: 3,561.6 M

Tot Expenditures: \$3,241.4 M

Change in Net Position (before Transfers): \$320.2K



Operating expenses before depreciation and amortization for 2023 increased by \$24.9 million compared to 2022.



Total revenues of the City's business-type activities increased by \$597.2 million in 2023 primarily due to the Airports' continued recovery from the impacts of the COVID-19 pandemic on travel, rate increases for Water and Sewer, and an increase in investment earnings



FINANCIAL ANALYSIS OF THE CITY FUNDS

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.

GOVERNAMENTAL FUND

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, however the focus is narrower with respect to the government-wide financial statement: focusing on shorter-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a fiscal year, which is useful in evaluating a government's near-term financing requirements.

The City has 24 of these funds, with **eight major funds**:

1. The General Fund
2. The Federal, State and Local Grants Fund
3. The Special Taxing Areas Fund
4. The Service Concession and Reserve Fund
5. The Bond, Note Redemption, and Interest Fund
6. The STSC Debt Service Fund
7. The Community Development and Improvement Projects Fund
8. The Pension Fund

At December 31, 2023, the City's governmental funds reported combined ending fund balances of \$3,127.1 million. Of this total amount, \$925.8 million was committed to specific expenditures, \$773.7 million was assigned to anticipated uses, a deficit of \$6,854.6 million was unassigned, \$3,448.4 million was restricted in use by legislation, and \$4,833.8 million was non-spendable.

Changes in fund balance: the fund balance for the City's governmental funds decreased by \$172.1 million in 2023 in comparison with the previous year. This includes an increase in inventory of \$6.0 million.





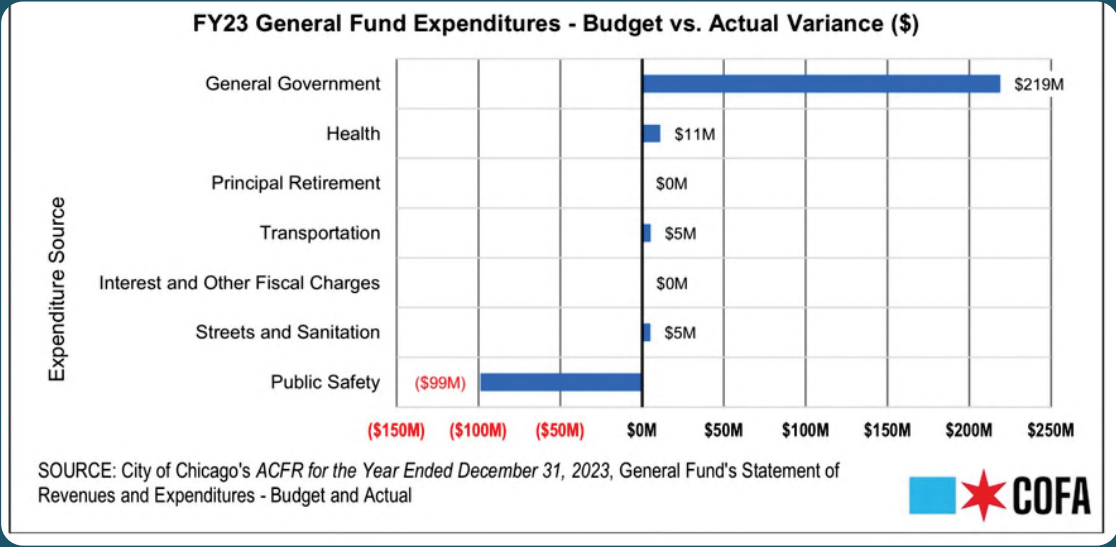
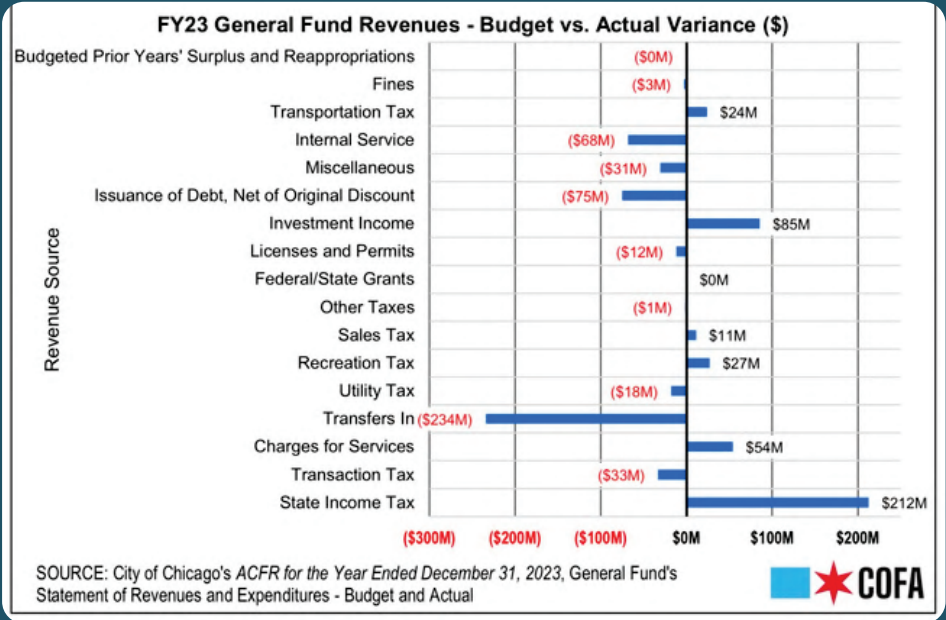
GENERAL FUND

The General Fund is the city's primary operating fund, used for daily operations like police, fire, and sanitation services.

Final General Fund Budget of \$5,576.000 million

- Expenditures were \$141.6 million less than budgeted in fiscal year 2023, due to a variance in general government expenditures.

	Budget	-	Actual
Total Department Expenditures - General Fund	\$ 5,576,012		\$ 5,434,438





PROPRIETARY FUND

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer, Chicago Skyway, Chicago O'Hare International Airport, and Chicago Midway International Airport Funds at the end of the year amounted to a deficit of \$4,305.3 million.

The unrestricted net position deficit increased by \$145.5 million primarily due to the Airports' continued recovery from the impacts of the COVID-19 pandemic on travel, and rate increases for Water and Sewer.

The Water and Sewer Funds manage Chicago's water supply and wastewater services. These funds are primarily financed through user fees collected from residents and businesses.

- The Water Fund's total operating revenues increased by \$23.8 million (3.1%) from 2022 primarily due to increases in water fees of \$13.4 million resulting from a water rate increase of 5% effective June 1, 2023, offset by the conversion of non-metered to metered accounts
- The Sewer Fund's total net operating revenues increased in 2023 by \$13.7 million or 3.7% primarily due to a rate increase of 5.0% as of June 1, 2023.

Chicago-Midway International Airport's total operating revenues for 2023 increased by \$64.4 million compared to 2022 operating revenue primarily due to a significant increase in leisure passenger traffic and terminal rental revenues and concessions, primarily parking revenues, due to the ongoing recovery from the impacts of the COVID-19 pandemic in previous years.

Chicago O' Hare International Airport's total operating revenues for 2023 increased by \$168.3 million (13.4%) compared to prior year operating revenues due to an an increase in terminal use charges and landing fees of \$112.2 million;



Capital assets and Debt Administration

The City's capital assets for its governmental and business-type activities as of December 31, 2023 amount to \$30,629.4 million (net of accumulated depreciation). These capital assets include land, buildings and system improvements, machinery and equipment, roads, highways and bridges, and property, plant and equipment

City of Chicago, Illinois Capital Assets (net of depreciation) (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,412.6	\$ 1,412.5	\$ 1,040.2	\$ 1,039.5	\$ 2,452.8	\$ 2,452.0
Works of Art and Historical Collections	50.6	49.7	—	—	50.6	49.7
Construction in Progress	1,460.0	1,207.3	2,236.9	2,224.2	3,696.9	3,431.5
Buildings and Other Improvements	1,508.9	1,562.8	16,879.7	16,634.2	18,388.6	18,197.0
Machinery and Equipment	402.6	357.4	431.6	373.4	834.2	730.8
Infrastructure	4,653.4	4,558.6	—	—	4,653.4	4,558.6
Right of Use - Leases	357.3	441.3	146.9	196.0	504.2	637.3
Right of Use - SBITAs	43.0	—	5.6	—	48.6	—
Total	\$ 9,888.5	\$ 9,589.6	\$ 20,740.9	\$ 20,467.3	\$ 30,629.4	\$ 30,056.9

At the end of the current fiscal year, the City had \$5,375.5 million in General Obligation Bonds, \$450.0 million in two General Obligation Lines of Credit and \$68.4 million in General Obligation Certificates and Other Obligations outstanding. Other outstanding long-term debt is as follows: \$5,419.3 million in Sales Tax Securitization Corporation Bonds (STSC Bonds); and \$16,201.4 million in Enterprise Fund Bonds and long-term obligations.

City of Chicago, Illinois General Obligation and Revenue Bonds (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation	\$ 5,893.9	\$ 6,310.6	\$ —	\$ —	\$ 5,893.9	\$ 6,310.6
Revenue Bonds	—	—	16,201.4	16,270.2	16,201.4	16,270.2
STSC Bonds	5,419.3	4,609.0	—	—	5,419.3	4,609.0
Total	\$ 11,313.2	\$ 10,919.6	\$ 16,201.4	\$ 16,270.2	\$ 27,514.6	\$ 27,189.8

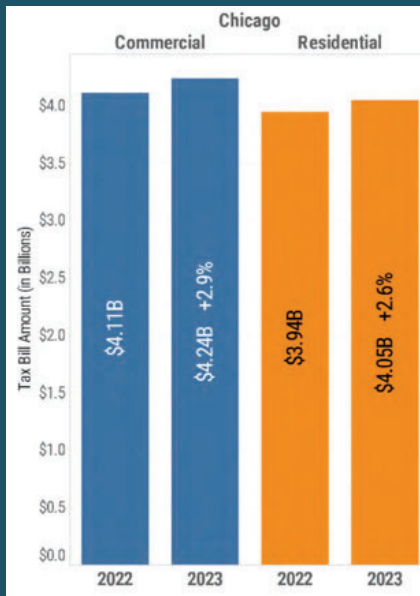
General Obligation Bonds and Lines of Credit:

- General Obligation Bonds Series 2023A and Series 2023B (\$523.8 million).
- General Obligation Lines of Credit (\$494.8 million)



TAX YEAR BILLS ANALYSIS

- In Chicago overall taxes rose \$226.8 million — with a \$104.2 million, or 2.6%, increase on residential properties and a \$121.5 million, or 2.9% increase, on commercial properties.
- Taxes for nearly 643,000 residential properties increased, while taxes for nearly 78,200 decreased.
- More than 59,700 commercial property owners had higher bills, while 3,850 were asked to pay less.
- The median residential tax bill increased by 2.9% to \$3,811, while the commercial median rose about 2.7% to \$12,156.



Amounts Billed to Homeowners and Businesses
- 2022 and 2023 -

Property taxes in Chicago are collected by Cook County

Although property taxes are rising in Chicago again this year, the increase is well under the rate of inflation. Much of the increase is due to Chicago Public Schools raising its tax levy by \$130.7 million.

The city's tax increases were mostly below 4% for both residential and commercial properties throughout the city, with large apartment complexes being the exception. Those properties were hit with a bigger overall tax increase, with \$44.7 million added to their bills, for an increase of nearly 6.3%

Chicago has one of the highest combined sales tax rates in the country, at 10.25%.



MAJOR POLICIES

Recovery Plan

The Chicago Recovery Plan, launched to accelerate economic revitalization post-COVID-19, outlines several major policy priorities aimed at fostering inclusive growth and community support. This plan combines significant federal funding from the American Rescue Plan Act and over \$600 million in local bonds to address essential areas such as affordable housing, public health, infrastructure improvements, and violence prevention.

\$576M Funding
50 Community
Programs
6 Policy Pillars

The City of Chicago received \$1.887 billion from the SLFRF (Coronavirus State and Local Fiscal Recovery Funds) program, \$576 million of which has been allocated to community initiatives. Federal guidelines mandate that the funds must be spent by December 31, 2026. As of 01/12/2023, Chicago city has spent, out of the \$575.96 M:

\$12.7 M



Human Rights, Arts & Culture

\$12.1 M



Effective Governance

\$17.8 M



Mental Health & Wellness

\$40.6 M



Community Safety

\$16.6 M



Housing & Homelessness Supports

\$79.6 M



Youth & Economy

542

PROGRAM SITES CREATED

77

COMMUNITY AREAS IMPACTED

155,000+

RESIDENTS SERVED





Policy Pillar: Human Rights, Arts & Culture

Every Chicagoan deserves to have their human rights supported and protected as well as access to thriving arts and culture resources in their community.

This policy pillar includes program such as Artists Relief and Works Fund, Community Justice Initiative, and Together We Heal.



TOGETHER WE HEAL

Together We Heal funds medium- and large-scale creative projects in low- to moderate-income Chicago neighborhoods, guided by "Year of Healing" pillars: Reflect on Our Past, Reclaim Our Present, Reimagine Our Future. Through grants to artists and organizations, it supports public art, storytelling, and community improvements that celebrate local culture and invite public engagement. Projects span disciplines from architecture to culinary arts, promoting dialogue, shared spaces, and community pride.



ARTIST RELIEF AND WORKS FUND

The program currently includes three initiatives: the Chicago Arts Recovery Program, Chicago Arts and Health Pilot, and CityArts Program.

The Chicago Arts Recovery Program funds large-scale projects and learning cohorts for nonprofit arts organizations, while CityArts provides operating grants to those impacted financially by the pandemic. The Chicago Arts and Health Pilot advocates for arts in community wellness, supports creative careers in public health, and fosters trust in neighborhood health resources.



COMMUNITY JUSTICE INITIATIVE (CJI)

The rise in crime during the pandemic led to a higher chance of some Chicago residents encountering the criminal justice system, either as suspects or victims.

The Community Justice Initiative (CJI) delivers impactful legal education workshops covering crucial topics such as the school-to-prison pipeline, understanding rights when interacting with law enforcement, and employment, school, and housing rights.

This initiative aims to empower residents with knowledge and legal assistance, fostering a more just and informed community.





Policy Pillar: Mental Health & Wellness

Every Chicagoan deserves access to healthcare and healthy communities.

This policy pillar includes programs such as the Mental Health Equity Initiative, 911 Alternative Response Program (CARE), Family Connects, and the Environmental Hazard Reduction Program.



Mental Health Equity Initiative

The goal of the Mental Health Equity Initiative (MHEI) is to improve mental healthcare in Chicago in recognition that in the past many Chicagoans most in need have not been able to access quality mental health services when and where they needed them.

Substantial investments in mental health and coordinating systems to improve access to care and address the needs of specialized populations that too often fall through cracks. It ensures a coordinated comprehensive system of mental healthcare that provides access to high-quality trauma-informed services for the populations and communities most in need.

Family Connects Chicago (FCC)

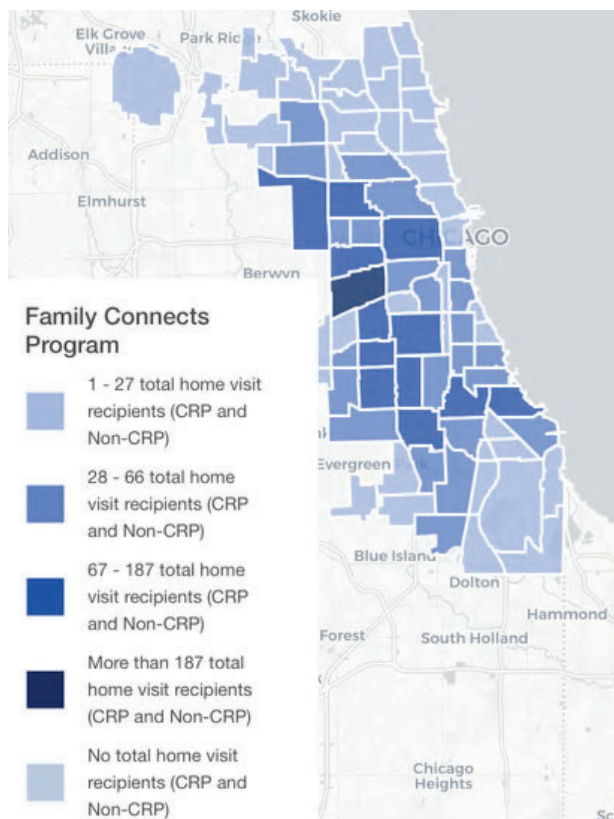
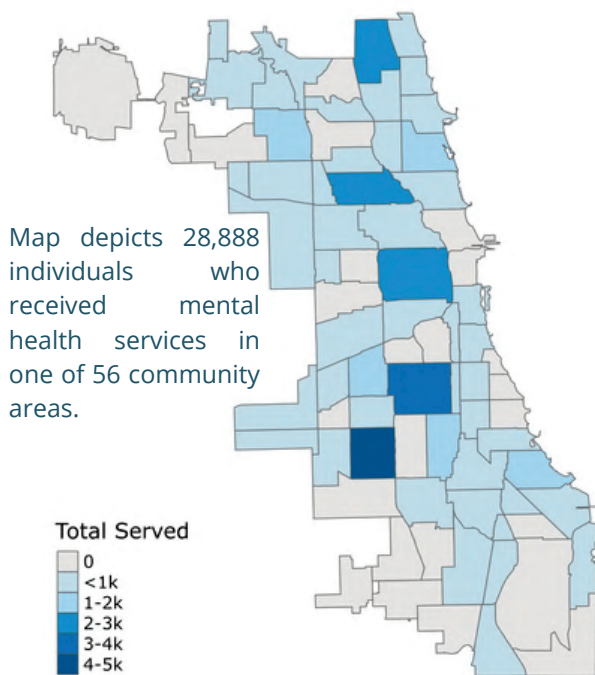
Family Connects Chicago (FCC) is dedicated to improving maternal, infant, and family health through no-cost, in-home nurse visits for all birthing people and newborns. The program provides essential support during the critical first few weeks after birth. Registered nurses conduct thorough health assessments of both the birthing person and infant. FCC is designed to reduce Chicago's racial life expectancy gap, with a focus on supporting communities disproportionately affected by poor maternal and infant health outcomes, especially non-Hispanic Black families and those in areas facing economic hardships.



<https://www.youtube.com/watch?v=Vlc8u-Bweho>

Mental Health Equity Initiative

Map of People Served by Community Area





Policy Pillar: Youth & Economy

Every Chicagoan, young and old, deserves access to entrepreneurship, career opportunities, and the ability to build community wealth. This policy pillar supports youth, families, small businesses, students, and others to reduce economic disparities and ensure that all Chicagoans can earn a living wage. It includes such programs as the Chicago Empowerment Fund, Small Business Support Program, and Youth Opportunity Programs.

Youth Opportunity Programs

The Youth Opportunity Programs provide age-specific programming to develop youth's leadership skills and practical knowledge in areas of interest through the following four program models:

- Chicagobility employs youth ages 14 - 15 through project-based learning and skill-building experiences.
- Summer Youth Employment Program (SYEP) employs youth ages 16 - 24 through job placement or training programs to provide work experience and develop skills for career pathways.
- Chicago Youth Service Corps (CYSC) employs youth ages 16 - 24 year-round through programming focused on leadership development and local civic engagement.
- Year-Round Employment Program (YREP) employs youth ages 16 - 24 throughout the academic year



Chicago Empowerment Fund

The Chicago Empowerment Fund (formerly known as the Chicago Resilient Communities Pilot) is overseen by the Department of Family and Support Services. This guaranteed income project aims to alleviate the adverse effects of the COVID-19 pandemic on residents and consists of two rounds. The first round supported residents from 2022 to 2023 through the Chicago Resilient Communities Pilot and focused on serving a broad group of residents facing immediate economic vulnerability as a result of the pandemic. A second round running from 2024-2025 will support residents facing the residual impacts of the pandemic through the Chicago Empowerment Fund.





Policy Pillar: Housing & Homelessness Supports

Every Chicagoan deserves access to affordable, quality housing that has easy access to transportation, parks, libraries, broadband, and other infrastructure. This policy pillar aims to address the impacts of the City's past disinvestment in Black and Brown communities and includes programs such as Community Wealth Building, Vacant Lot Reduction and Rapid Rehousing.

Community Wealth Building: Housing

Community Wealth Building (CWB) is an approach to economic development that promotes the local democratic and shared ownership and control of community assets. The project has two major components:

1. Ecosystem Development Program: providing multi-year contracts with technical assistance organisations to provide free highly specialised services e.g., legal financial business development community education to CWB models
2. Large Scale Pilot Projects: development grants or loans to approximately 2-3 large scale CWB projects on the South and West Sides.



This video by artist and researcher Jenna Pollack illustrates the community wealth building approach to economic development.

Vacant Lot Reduction Strategy

The **Vacant Lot Reduction Program** aims to put City-owned vacant land to productive use, primarily focusing on 15 community areas situated on the South and West sides.

The program's primary objective is to facilitate the sale of vacant lots for the redevelopment of vacant land. By doing so, the program aims to contribute to the enhancement of community well-being, wealth creation, safety, and stability in these areas.





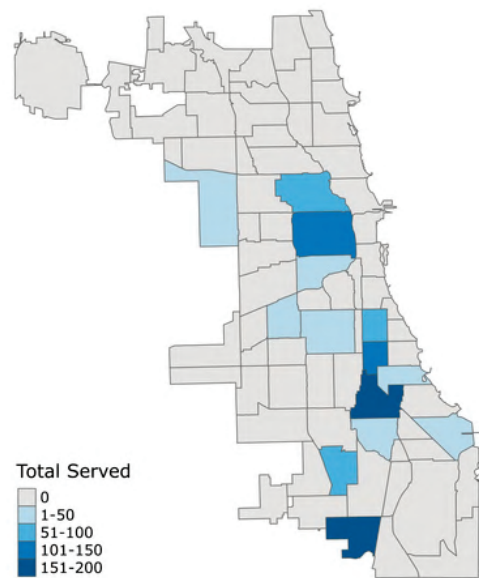
Policy Pillar: Community Safety

Every Chicagoan deserves to live in a safe, thriving community. This policy pillar addresses systemic issues around community-based violence, gender-based violence, and holistic supports to address the root causes of violence. It includes programs such as the Emergency Fund for Gender-Based Violence Survivors and Community Violence Intervention.

Community Violence Intervention

The CDPH Community Violence Intervention (CVI) Program, or Street Outreach Initiative, focuses on high-risk individuals aged 18-34 in 25 violence-impacted communities. Using ARPA funds, services have reached 14 target communities to provide violence interruption, case management, and access to mental health, legal, and employment support. Trained outreach teams work locally to prevent violent incidents, promote healing, and improve outcomes for at-risk individuals. Program success is measured by responsiveness to crises and reductions in violent incidents annually.

Community Violence Intervention
Map of People Served by Community Area



Map depicts 970 individuals served by the Community Violence Intervention Street Outreach program in 14 community areas.



Policy Pillar: Effective Governance

Every Chicagoan deserves a city government that responsibly manages funds and maintains essential city services. This policy pillar supports critical government services, COVID-19 resources, and revenue replacement due to the economic impact of the pandemic. Programs in this policy pillar include City Digital Services, Nonprofit Relief and Capacity Building, and Essential City Services.

Essential City Services

The City has calculated its revenue loss in accordance with Final Rule Guidance and allocated revenue replacement funding to fund essential government services, including public health, and public safety related payroll expenditures, as well as services in support of migrants newly arrived to the city from the border.

City Digital Services

The City Digital Services Initiative sought to deliver more accessible city services for residents, business, and other constituents. The program provided more efficient IT systems, enhancing the effectiveness of the City's program management and oversight activities for relief and support programs addressing negative economic impacts exacerbated by the pandemic.



SDGS

The City of Chicago's 2023 Transition Report, led by Mayor Brandon Johnson's administration, outlines a comprehensive vision for a more just and equitable city, touching on several key areas connected to the United Nations' Sustainable Development Goals (SDGs).

1. Equitable Transit-Oriented Development (ETOD)

The goals were to implement ETOD to ensure residents in all neighborhoods have equitable access to affordable housing, reliable transportation, and economic opportunities. This aims to address transit inequities and promote community-centric development.

This primarily aligns with **SDG 11** (Sustainable Cities and Communities), focusing on making urban spaces more inclusive and sustainable.

The report highlights projects like expanding mixed-use developments near transit lines and improving pedestrian infrastructure to reduce reliance on cars. These initiatives also tackle air quality and promote healthier lifestyles by encouraging non-motorized transportation

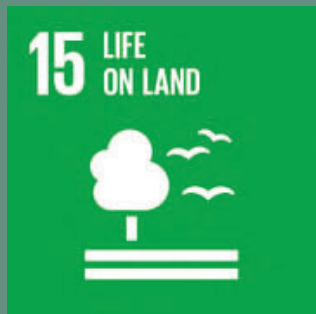


2. Environmental Justice and Climate Resilience

The goals were to introduce comprehensive measures to combat climate change and protect vulnerable communities from environmental hazards. Initiatives include reducing greenhouse gas emissions, increasing urban tree canopy coverage, and expanding green infrastructure to manage stormwater.

This closely ties to **SDG 13** (Climate Action) and **SDG 15** (Life on Land), promoting climate adaptation and sustainable ecosystems.

The administration seeks to mitigate urban heat islands through tree planting and create more accessible public green spaces. Moreover, the report discusses transitioning to clean energy and sustainable waste management practices, like composting and recycling

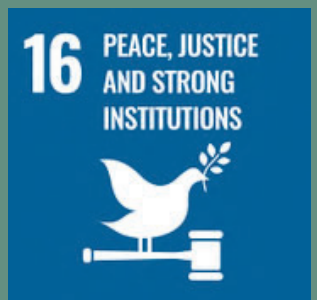


3. Health Equity and Public Safety

The goals were to address systemic health inequities by improving access to healthcare, particularly in marginalized communities. Efforts include enhancing community health centers and expanding mental health services to reach underserved populations.

This is relevant to **SDG 3** (Good Health and Well-Being) and **SDG 16** (Peace, Justice, and Strong Institutions), emphasizing mental health and safety.

This section discusses a holistic public safety approach, emphasizing non-violent interventions and community-led safety initiatives. The report suggests increasing funding for violence prevention programs and establishing mobile crisis teams for mental health emergencies



6 CLEAN WATER AND SANITATION



4. Green New Deal for Water

The City of Chicago's initiative aims to modernize its water infrastructure to provide safe, clean, and affordable water while promoting climate resilience. The plan focuses on replacing thousands of lead service lines, managing stormwater more effectively, and ensuring equity in water services.

This goal ties closely to **SDG 6** (Clean Water and Sanitation) and **SDG 13** (Climate Action), addressing climate resilience.

One highlight is the target to replace 40,000 lead service lines by 2027, prioritizing low-cost or no-cost options for residents. This measure will ensure safer drinking water and prioritize communities most affected by historical water inequities

13 CLIMATE ACTION



5. Housing and Homelessness

Chicago wants to increase affordable housing options and provide more support for the unhoused population. This involves streamlining affordable housing developments and preventing displacement through stronger tenant protections.

This relates to **SDG 10** (Reduced Inequalities) and **SDG 1** (No Poverty), focusing on social housing policies and reducing economic disparities.

The report outlines a plan to develop more low-income housing units and invest in housing-first models to address homelessness. It also emphasizes creating policies that prevent evictions and support first-time homebuyers from marginalized backgrounds.

1 NO POVERTY



10 REDUCED INEQUALITIES



4 QUALITY EDUCATION



6. Education and Youth Empowerment

The city aims to enhance educational opportunities and youth programs, ensuring children and young adults are prepared for future careers. Plans include increased funding for public schools, after-school programs, and vocational training.

This can be related to **SDG 4** (Quality Education) and **SDG 5** (Gender Equality), promoting equal access to educational resources.

This describes the importance of career pipelines in technology and healthcare and boosting investment in community colleges. There is a push for greater mental health support in schools and developing mentorship initiatives.

5 GENDER EQUALITY



SIX CAPITALS

The Six Capitals framework is a holistic way of understanding and assessing the resources an organization or city uses to create value

Intellectual Capital

Intellectual capital involves knowledge, data, and innovative practices that drive the city's modernization.

Examples in Chicago:

Smart City Initiatives: Chicago has been using data analytics for urban planning and public safety, including predictive analytics for crime prevention and real-time traffic management systems.

Academic Partnerships: Collaborations with major universities like the University of Chicago and Northwestern support research and urban problem-solving.

Natural Capital

Focuses on the environment and natural resources like water, air quality, and parks.

Examples in Chicago:

Lake Michigan Preservation: Investments of over \$50 million to prevent erosion and protect the shoreline.

Green Spaces: Expansion projects under the CitySpace Program target areas with limited park access, and initiatives include urban farming and tree-planting campaigns.

Sustainability: Programs aim to reduce the city's carbon footprint, including public transportation electrification and green infrastructure like permeable pavements

Social Capital

Social capital involves community trust, networks, and partnerships.

Examples in Chicago:

Community Engagement: The We Will Chicago plan promotes civic engagement and trust-building through participatory planning processes, involving residents in shaping their neighborhoods.

Violence Prevention Programs: Collaboration with non-profits and local groups to address community safety and support at-risk youth.

Human Capital

This represents the health, education, and skill level of Chicago's workforce.

Examples in Chicago:

Workforce Development: Programs aim to address skill gaps, particularly in tech and healthcare sectors, while community colleges are aligned with market demands to enhance employability.

Education and Public Health: Investments in Chicago Public Schools (CPS) include programs to increase access to STEM education and funding for mental health services.

Productive Capital

Productive capital includes physical infrastructure such as roads, transit, and city facilities.

Examples in Chicago:

Transportation Infrastructure: The ongoing modernization of O'Hare Airport and investment in the CTA system. Significant upgrades to roadways, bridges, and the Navy Pier Flyover for safer pedestrian routes.

Neighborhood Revitalization: Streetscape projects to enhance local business districts, using sustainable designs and pedestrian-friendly improvements.

Financial Capital

This capital refers to the city's financial assets, investments, and also on revenue-generating capabilities.

Examples in Chicago:

City Budgets and Bonds: Chicago issues municipal bonds to fund large-scale projects, such as airport expansions and new public facilities. The 2023 budget focused on sustainable economic growth, with significant allocations for affordable housing and emergency services.

Economic Incentives: Tax increment financing (TIF) districts and other incentives are used to attract businesses and stimulate investments in underserved areas.

METHODOLOGICAL APPROACH

This methodological note summarizes the approach used to draft the City of Chicago report, detailing the guidelines, content criteria, research approach and sources.

The report aims to provide an objective analysis of Chicago's history, demographics, economy, culture, and urban development. Emphasis was placed on using accurate, current data from reliable sources, including government reports and official websites.

Data was gathered from diverse sources, including census data, demographic reports, economic development reports, and local government publications. The content drafting for the report was based on the following criteria: the information had to be relevant to understanding Chicago's current state, and future prospects. All data and information were carefully verified to maintain a high level of accuracy.

Our objective was to provide a comprehensive overview, covering a wide range of topics across various sectors, including the economy, education, healthcare, infrastructure, and cultural diversity.

By following these guidelines and using a rigorous research approach, we aim to deliver a simple, reliable and accessible financial report on the City of Chicago, offering valuable information for a range of stakeholders.

For those interested in obtaining a more detailed analysis of the fiscal year 2023 of the City of Chicago, a link to the Comprehensive Annual Financial Report is provided below.

SOURCES

https://www.chicago.gov/content/dam/city/depts/fin/supp_info/CAFR/2023CAFR/ACFR_2023.pdf

<https://www.illinoispolicy.org>

<https://www.chicago.gov/city/en.html>

https://data.census.gov/profile/Chicago_city,_Illinois?g=160XX00US1714000

<https://chirecoveryplan.com>

<https://ilenviro.org/2023-chicago-transition-report-analysis/>



DISSEMINATION PLAN

A digital version of the Financial Report POP of Chicago City is distributed in the official website Chicago.gov.

This Popular Financial Report is published in the European Journal of volunteering and community-based projects. The aim of the Journal is “to spread the culture of voluntary organisation, social promotion associations, philanthropic bodies, social enterprises, mute aid companies, recognised and non-recognised associations, ecclesiastical bodies”. (*European Journal of volunteering and communicate-based projects, 2023*)

This dissemination plan is designed to reach a diverse audience and encourage community participation, ensuring that the information contained in the Financial Overview is accessible, transparent, and impactful across all sectors of society.

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