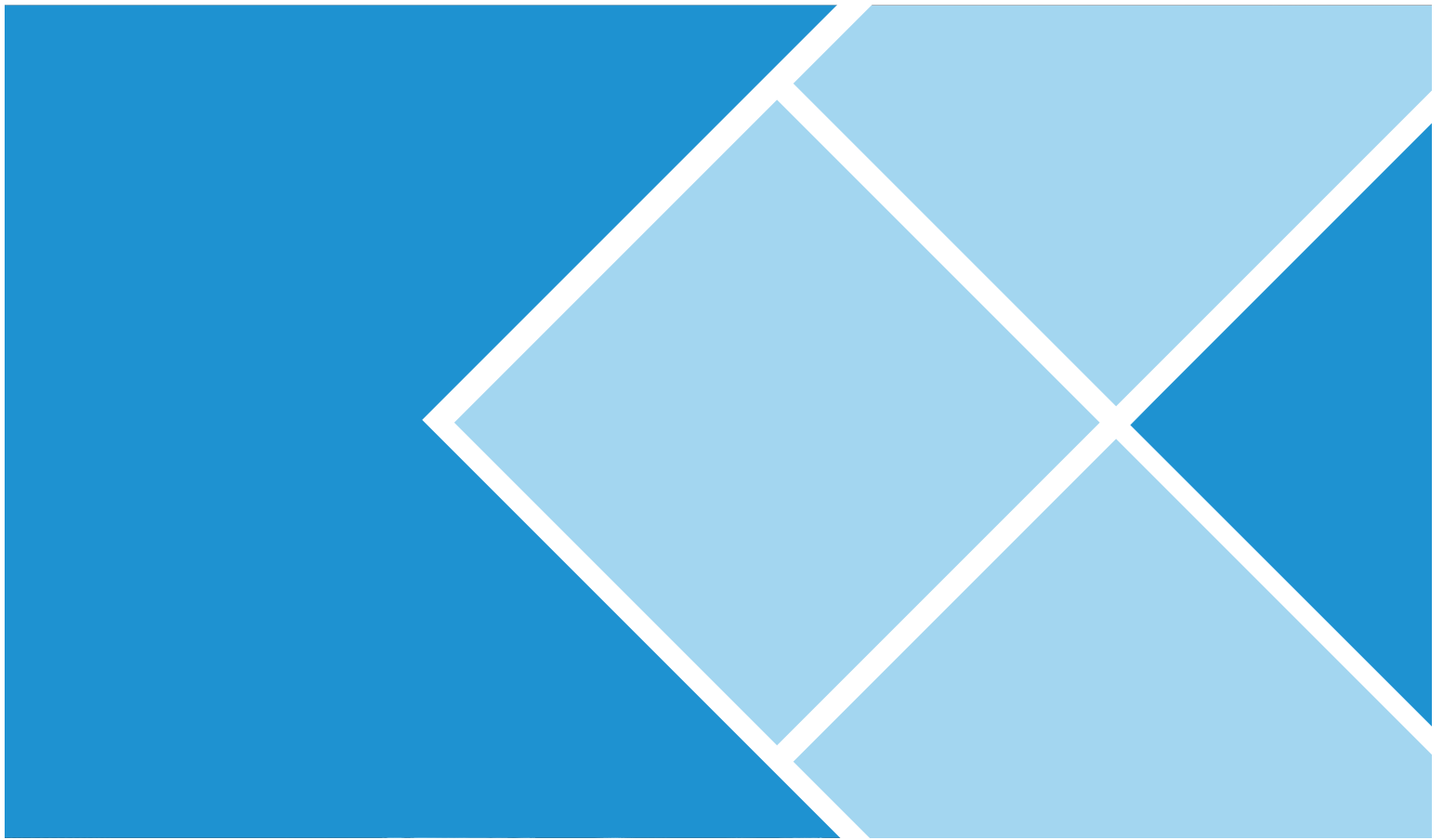


CITY OF CHICAGO > **2027**  
BUDGET FORECAST



CITY OF CHICAGO

# 2027 BUDGET FORECAST



2027 BUDGET FORECAST  
LETTER FROM THE MAYOR



Dear Fellow Chicagoans,

Thank you for your interest in the City's annual Budget Forecast and for taking an active role in shaping the future of Chicago.

**This year's Budget Forecast makes clear that the choices we make today have real consequences for Chicago's financial future.** My administration proposed a balanced budget for 2026 designed to lift up and protect all Chicagoans. Members of the City Council chose to adopt an alternate budget built on untested revenue sources, many of which have underperformed, creating additional financial challenges for Chicago and placing a greater burden on working people. While the progressive structural revenues my administration introduced in the 2026 budget have exceeded expectations and helped offset these losses, the City projects to end the year with an \$85.1 million deficit.

I want to be clear: we will close the 2026 budget shortfall without adding to our debt or cutting essential services. Still, the reserves and savings required to close this deficit could have been better invested in our neighborhoods and in the City's long-term financial health.

Looking ahead, the City faces a projected \$882.4 million gap in 2027 — \$283.9 million less than estimated for 2027 in last year's forecast. This reduction is driven by the performance of our progressive revenues and demonstrates that our approach is working. Our responsible stewardship of public dollars and our progressive revenue measures are addressing Chicago's structural gap, a challenge that has persisted for many years.

At the same time, rising costs, increases in commodity and fuel prices driven by global conflict and federal policies, pension costs, and bond payments represent significant headwinds that will remain with us in 2027. Additionally, as we continue the critical work of repairing the harms done to Chicago residents in the past, this forecast accounts for the costs of that effort in terms of settlements and judgements.

In a time of uncertainty, my commitment to building a safer, more affordable city remains firm. We have implemented organizational improvements to save millions of dollars, reformed use of Tax Increment Financing (TIF) to better support disinvested communities, advanced new affordable housing, expanded mental health services, and created a record number of youth summer jobs. By year's end, my administration will have made nearly \$1.1 billion in advance pension contributions, strengthening our pension system and protecting the City's financial future.

These actions have expanded opportunity, dramatically reduced violent crime, attracted record tourism, and set a foundation for long-term financial stability.

In the coming months, my administration will introduce a balanced budget designed to protect essential services, strengthen our community safety efforts, expand investments in our neighborhoods, and prioritize the people of Chicago.

By working toward a budget that reflects the needs and priorities of Chicago's residents, we can create a safer, more affordable Chicago for everyone who calls our city home today and for generations of Chicagoans to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandon Johnson".

Mayor Brandon Johnson

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## 2027 BUDGET FORECAST DISCLAIMER AND ADVICE TO READERS

The City of Chicago (“City”) presents the 2027 Budget Forecast, the purpose of which is to provide general information about the history and future of major components of the City’s overall finances and City budget. Information is presented as of July 2026.

Throughout this document, specific items of revenues and/or expenditures are grouped together with other items of revenue and/or expenditure for purposes of presentation. The manner in which such items are grouped and labeled is consistent with the groups and labels in the City’s annual appropriation ordinance and not in the City’s audited Annual Comprehensive Financial Report (“ACFR”). Therefore, the manner of grouping and labeling herein may not match the manner in which such revenues and/or expenditures are grouped and labeled in the ACFR.

This discussion includes forward-looking statements based on current beliefs and expectations about future events. Those events are uncertain and do not take into account events that may alter actual outcomes; their outcome may differ from current expectations which may in turn significantly affect expected results.

Where information is presented that has come from sources other than the City, the City presents that information only for convenience of the reader. Specifically, the projections set forth in the pension section rely on information produced by the Retirement Funds’ independent actuaries (unless specifically noted) and were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. The City does not independently verify such information.

Where the tables present aggregate information, such combined information results solely from the application of arithmetic to the data presented from the source information and may not conform to the requirements for the presentation of such information by the Governmental Accounting Standards Board.

Readers are cautioned not to place undue reliance on the prospective financial information. Neither the City, the City’s independent auditors, nor any other independent accountants or actuaries have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and such parties (other than the City) assume no responsibility for, and disclaim any association with, the prospective financial information.

The discussion of City revenues and debt does not include debt and associated revenues which are not reported in the City’s ACFR, nor in the City’s annual budget. These debt and associated revenues consist of (i) conduit debt (debt issued by the City to finance privately owned projects and repayable solely from loan repayments from the project owners) as well as revenues received from such project owners and used to repay the conduit debt; and (ii) special assessment bonds and the special assessments on specified properties in the City which are the sole source of repayment for such bonds.

This Budget Forecast has not been prepared to give information for making decisions on buying or selling securities and should not be relied upon by investors in making investment decisions. With respect to any bonds, notes, or other debt obligations of the City, please refer to information in the City’s ordinances and notifications of sale and the related disclosure documents, if any, or continuing disclosure filings, if any, for such bonds, notes, or other debt obligations.

The information is provided “as is” without warranty of any kind. Neither the City nor any of its agencies nor any of its officers or employees shall be held liable for any use of the information described and/or contained in this document.

# EXECUTIVE SUMMARY



## 2027 BUDGET FORECAST EXECUTIVE SUMMARY

The Budget Forecast is required by Executive Order 2023-19 to provide the City of Chicago's residents with an analysis that identifies the opportunities and challenges of the upcoming budget year. This is achieved through a data-driven review of the current and future financial health of the City's revenues and expenditures to provide the framework for the development of the City's Annual Budget.

The 2027 Budget Forecast discusses the City's 2026 year-end estimates, as well as projections for 2027 to 2029 with three revenue and expense scenarios: a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic trends and conditions, and other known factors that are anticipated to have an impact on the City's finances. This includes the end of COVID-19 pandemic relief programs and the impact of federal policy on the City's regional economy.

The City currently projects the Corporate Fund to end 2026 with a deficit of \$85.1 million. Revenue is estimated to be \$132.1 million (or 2.1 percent) below budget, driven by two primary factors: (i) unrealized new revenue initiatives added to the 2026 budget and (ii) state income tax revenue growth slowing down. While these factors drive revenue down, local tax revenue in the City remains resilient. Following new rate changes approved in the 2026 budget, the City has increased revenues to mitigate persistent budget gaps or structural imbalance. Currently, local tax revenues are expected to increase 17.3 percent year-over-year and outperform budgeted expectations by 2.4 percent. Expenditures are currently estimated to end the year \$47.0 million (or 0.8 percent) below budget.

Based on current revenue and expenditure projections, the City anticipates a Corporate Fund budget gap of \$882.4 million in 2027. The variance reflects both structural revenue constraints and upward expenditure pressures.

On the revenue side, the expiration of one-time solutions in 2026 creates a material shortfall entering 2027. While recurring local tax revenues are projected to remain resilient, the availability of TIF surplus and loss of one-time revenues, including the sale of City debt that did not come to fruition in 2026, significantly reduces available resources.

On the expenditure side, financial costs represent the principal driver of budgetary growth. Financial costs are projected to increase by approximately \$334.6 million, reaching \$609.3 million in 2027, primarily due to bond payments and costs related to settlements and judgments. In addition, commodities and materials are projected to increase \$32.4 million dollars, heavily driven by rising energy costs due to the global economic impact of the war in Iran. In 2027, we anticipate an increase of \$90.5 million to meet our pension obligations, as well as \$16.6 million related to our contractual services.

A significant driver of the pressure on the City's expenditures continues to be the City's contribution to its four pension funds. This year marked the fourth consecutive year of supplemental contributions made across all four local funds, totaling more than \$950.4 million since 2023, with the objective of mitigating long-term unfunded liabilities. In addition, 2027 will represent the eighth year in which contributions to the Police and Fire Pension Funds, and the fifth year for the Municipal and Laborers Funds, are based on actuarially determined, statutorily required funding levels.

For 2027, the forecast includes Corporate Fund's pension obligations of \$998.3 million, consisting of \$674.0 million in required statutory contributions and \$324.3 million in supplemental payments. These supplemental payments, while discretionary, have helped to stabilize funded ratios, address legacy cost pressures, and ultimately, lower the out-year contribution costs.

The City continues to consider the long-term outlook when ensuring each budget includes structural solutions to offset future revenue and expenditure changes.

# FINANCIAL FORECAST



## INTRODUCTION

This section addresses the City's 2026 year-end estimates, 2027 preliminary revenue and expense projections, and three revenue and expense scenarios for the years 2027 through 2029: a base outlook, a negative outlook, and a positive outlook. These projections are based on historical revenue and expenditure data, current economic and expense trends and conditions, and other known factors that are anticipated to have an impact on the City's finances. The purpose of this analysis is to ensure that the 2027 budget is formulated within the context of the City's current financial state, including an informed view of future conditions. This way, the City appropriately incorporates any long-term fiscal consequences of today's decisions.

The forecast focuses on the Corporate Fund, which accounts for core services provided by the City and has historically experienced the largest disparity between revenues and expenditures. Projections for the City's major Special Revenue and Enterprise Funds are included at the end of this section.

## METHODOLOGY

The preliminary revenue and expense projections for 2027 reflect the City's budget gap. This is defined as any anticipated budget imbalance between existing revenues and expenses for that budget year.

Prior to 2019, the budget gap methodology did not define long-term liabilities for future years as structural budget imbalances. Beginning with the 2020 Budget Forecast, the methodology for projecting the budget gap now includes known long-term liabilities such as pensions and debt service. Future years' budget gaps included in this document are projections for the City's Corporate Fund based on various economic scenarios founded on anticipated revenues and expenditures.

The Mayor's Budget Recommendation, presented each fall with revenues and expenditures balanced, may include revised figures for 2026 and 2027 as needed to incorporate new information and changes from the time of this forecast's publication.

## GENERAL ECONOMIC CONSIDERATIONS

### *Economy*

Recent indicators show that the U.S. economy continues to advance, but only moderately. Risks and uncertainty surrounding Middle East tensions and tariffs continue to keep prices high and limit spending. AI investment serves as the primary driver of overall economic growth, which

means any changes to this industry, both positive or negative, would create meaningful ripple effects across the economy at large. Energy prices serve as another key area, where recent price declines have curtailed inflation. Any resurgence, through military actions or blockades in the Middle East, could push inflation back up and trigger tighter monetary policy from the Federal Reserve. Although it is likely that the Federal Reserve holds rates steady throughout the year based on the most recent inflation data, it is heavily dependent on a downward trajectory in the coming months.

U.S. Gross Domestic Product (GDP) grew at 1.5 percent in Q2 of 2026, which is a slowdown from the 2.1 percent growth realized in Q1. According to the U.S. Bureau of Economic Analysis (BEA), compared to the first quarter, the deceleration in real GDP in the second quarter reflected a downturn in government spending and decelerations in investment and exports that were partly offset by an acceleration in consumer spending. Imports, which are a subtraction in the calculation of GDP, increased more in the second quarter than in the first quarter.

The labor market shows cautionary signs with recent data falling short of expectations. Between May and June of 2026, labor market performance weakened, with employment levels revised downward by 103,000 positions from initial estimates. The latest jobs report disappointed, showing the U.S. economy lost 23,000 jobs last month despite predictions of job growth. Although the unemployment rate slightly dropped from 4.2 percent to 4.1 percent, it was only because fewer people are looking for jobs. All these data points combine to reflect a labor market that is flat, with selective hiring, limited layoffs, and employees stuck in current jobs with little wage growth.

At the local level, Chicago maintains one of the most diverse and resilient economies in the United States, with established strengths in financial services, manufacturing, education, healthcare, transportation, and logistics. This broad base provides relative stability across economic cycles while supporting growth in emerging sectors such as technology, tourism, biotechnology, and life sciences. The city is home to the nation's third-largest workforce and functions as a major hub for global freight, air travel, and commerce. As a result, Chicagoland's economic output and employment have improved since last quarter.

As with any forward-looking analysis, this forecast is subject to uncertainty and cannot fully account for unforeseen developments. Projections reflect information available as of July 2026.

## 2027 BUDGET FORECAST FINANCIAL FORECAST

This forecast incorporates three potential economic paths: a positive scenario characterized by robust growth, a baseline scenario reflecting modest expansion, and a negative scenario that anticipates a recession beginning in late 2026.

The City's 2026 projection is anchored in the baseline outlook, which assumes that recessionary conditions will be avoided. Under this scenario, inflation is expected to remain elevated temporarily and growth subdued over the near term, before moderating price pressures and steadier economic expansion emerge next year.

### Business

Chicago has again been rated the number one U.S. metro for corporate relocation and site selection 13 years running by Site Selection magazine. World Business Chicago reported a total of 223 "pro-Chicagoland decisions," in 2025. This includes 170 expansions and 53 relocations or new market entries generating over 19,600 jobs. As of August 2026, companies making known "pro-Chicagoland decisions" already totals 114, with 82 expansions and 32 relocations or new market entries.

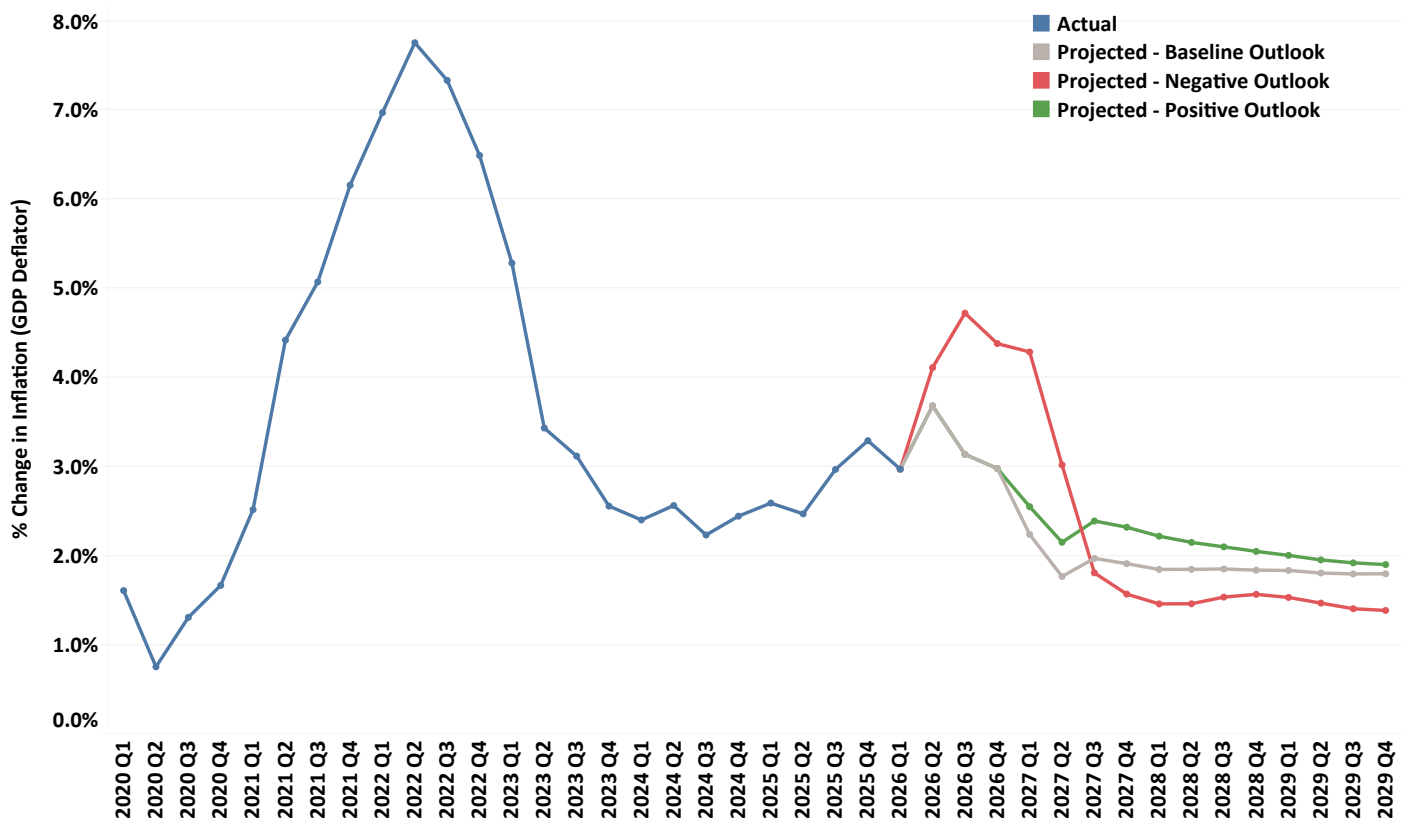
### Labor Force

Beginning in 2024, the regional unemployment rate began trending upward, led primarily by softening in the professional services sector, while most other industries remained stable and healthcare continued to represent the region's largest employment base. In 2025, changes to immigration policy at the federal level introduced downside and risk to future labor force growth. This, combined with higher prices and greater uncertainty, has led to a "low hire, low fire" environment with slower changes in hiring and quitting rates.

### Tourism

Tourism remains a vital contributor to Chicago's economy, generating an estimated \$21.5 billion in visitor spending and supporting 135,360 local jobs in 2025, according to Choose Chicago. Visitor volume reached more than 56 million in 2025, an increase of 1.5 million from the prior year. As a result, state and local tax revenue totaled \$2.9 billion, 3.3 percent growth over last year. Hotel performance reflected this momentum with a 69.1 percent occupancy rate, a 1.5 percent increase over last year representing more than 47,000 average daily hotel rooms.

### Inflation Rate



Source: Oxford Economics Scenario Forecasts, adjusted with data from the Bureau of Economic Analysis and Blue Chip Indicators for 2026

## 2027 BUDGET FORECAST FINANCIAL FORECAST

In 2026, Chicago hosted several notable major events the 2026 NAACP Annual convention, the WNBA All-Star Game, Lollapalooza Chicago, the Chicago Blues Festival, Taste of Chicago, the Chicago Air and Water Show, The Chicago Cubs 150th Anniversary Celebration, and the James Beard Awards. Looking ahead, the city is set to benefit from a robust pipeline of major events, including the annual Bank of America Chicago Marathon, the Chicago Auto Show, and the 2027 MLB All-Star Game.

### GENERAL EXPENSE CONDITIONS

Personnel-related expenditures, including salaries and wages, pensions, healthcare, overtime pay, workers' compensation, and unemployment compensation account for the majority of total Corporate Fund expenditures in recent years and has historically been one of the largest drivers of expense growth.

Over the past decade, the City's workforce has grown from 34,327 budgeted full-time equivalents (FTEs) in 2016 to 35,760 budgeted FTEs in 2025. Within this total, the share of positions supported by the Corporate Fund has declined by 5.2 percent, moving from 25,030 FTEs in 2016 to 23,731 FTEs in 2025. While the overall headcount has risen modestly, personnel-related expenditures have grown substantially over the same period, reflecting

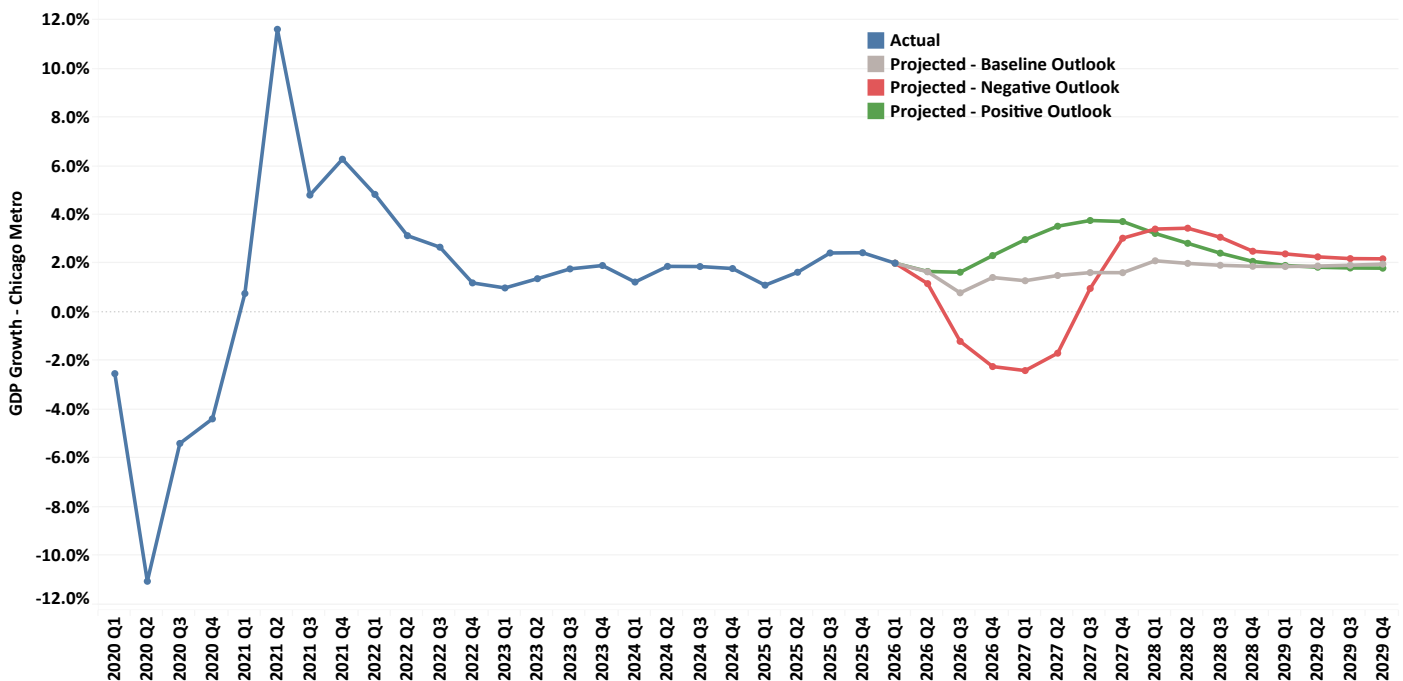
contractual and prevailing wage adjustments, rising healthcare costs, and increasing pension obligations.

The projected growth in personnel expenditures is driven primarily by wage increases mandated under collective bargaining agreements (CBAs). Approximately 90 percent of the City's workforce is represented by a CBA. The City maintains agreements with more than 40 unions, most of which include provisions for cost-of-living adjustments and step increases tied to years of service. These contractual obligations contribute to consistent year-over-year growth in personnel costs.

While personnel-related costs are expected to remain the primary driver of future expenditure growth, non-personnel categories—including fuel, commodities, equipment, information technology, and professional services—also present potential budgetary risks. These costs are particularly sensitive to global economic conditions and trade-related pressures, including tariffs. With respect to energy procurement, the City employs price-hedging strategies designed to capture favorable market opportunities while maintaining budgetary stability and predictability.

These broader expenditure factors are accounted for in

### Gross Domestic Product (GDP)



Source: Oxford Economics Scenario Forecasts, adjusted with data from the Bureau of Economic Analysis and Blue Chip Indicators for 2026

## 2027 BUDGET FORECAST FINANCIAL FORECAST

the following projections. The year-end projections and the base outlook present what are currently viewed as the most likely scenario. The positive and negative outlooks provide insight into how changes in employment, salary and wages, benefits, and other related factors could affect the City's finances over the next several years.

## CORPORATE FUND YEAR-END ESTIMATES

The estimates provided herein incorporate actual revenues and expenditures through July 2026. Note that fluctuations in economic conditions could further impact the City's finances positively or negatively. At present, the City currently estimates the Corporate Fund to end 2026 with total expenses exceeding resources by \$85.1 million (or 1.4 percent).

### YEAR-END REVENUES

Corporate Fund resources are estimated to end the year \$132.1 million below budgeted levels of \$6,250.9 million.

A significant driver of the variance is new initiatives included in the 2026 budget. The 2026 budget features a number of new revenues streams and adjustments to existing City revenue streams. While certain taxes are overperforming, like the Personal Property Lease Tax, and Online Sports Wagering Tax, other new revenue streams like recouping saleable debt and new advertising have not achieved their budget targets for 2026.

Conversely, net local tax revenues are outperforming expectations and are projected to exceed budget by \$71.0 million (or 2.4 percent). Transaction, Recreation, and Utility taxes are driving this growth and outperforming budget benchmarks. Transaction taxes are estimated at 3.5 percent, or \$49.0 million, above budget, led by continued strength in the Personal Property Lease Tax (PPLT) from increased demand for cloud-based services. Recreation taxes are projected at 4.4 percent, or \$18.5 million, above budget, with growth in the Amusement Tax—up \$17.2 million, or 5.7 percent—driven by large-scale events and continued demand for streaming services. The other Recreation tax category projected to be above budget is the new Online Sports Wagering tax, which is on track to be \$13.7 million or 52.4 percent above budget. Utility taxes are projected to finish 4.6 percent, or \$18.2 million, above budget, reflecting higher natural gas prices and consumption.

At the same time, some local tax categories project to fall below budget. Transportation taxes are forecast at 1.9 percent, or \$9.5 million below budget driven by parking tax collections. Business taxes are expected to close 2.7 percent, or \$5.3 million below budget driven by Shopping Bag tax collections.

By contrast, local non-tax revenues are expected to underperform by 9.7 percent, or \$174.5 million. Fines, forfeitures, and penalties revenue is projected to be \$144.9 million or 30.1 percent below budget due to \$89.6

million in saleable debt revenue included in the 2026 budget. The remaining portion of the variance relates to new initiatives to enhance payment systems or recoup penalties owed, which is taking time to ramp up in its first year. The other key revenue category underperforming budget expectations is \$29.3 million in revenue assumed from advertising on Bridge Houses, city fleet vehicles, and light poles which is not expected to materialize in its first year.

### YEAR-END EXPENDITURES

Corporate Fund expenditures are projected to close 2026 at 0.8 percent, or \$47.0 million, below budget. Estimates incorporate data available through July 2026 and reflect payroll trends, commodity pricing, and other known or anticipated developments for the remainder of the year. Personnel services are expected to finish \$80.3 million under budget, driven by attrition and targeted hiring strategies, though partially offset by elevated overtime costs. Contractual services are projected to end \$54.3 million below budget, reflecting lower-than-anticipated spending relative to appropriations.

## 2027 BUDGET FORECAST FINANCIAL FORECAST

### CORPORATE FUND PROJECTION

The variance between projected resources and projected expenditures in the preliminary Corporate Fund budget represents the estimated deficit, commonly referred to as the “budget gap.”

Based on current revenue and expenditure projections of existing operations, the City estimates a Corporate Fund gap of \$882.4 million for 2027.

The projections outlined below reflect the City’s preliminary operating revenue and expenditure outlook, based on reasonable assumptions for the continuation of current service levels. These estimates do not incorporate prospective cost-saving measures or new revenue initiatives, which will be developed as part of the budget formulation process. Consistent with prior practice, gap closing adjustments will be identified in consultation with

elected officials, and a balanced budget will be presented in the Mayor’s Budget Recommendations to City Council.

#### Income Statement - Corporate Fund

|                                                       | 2026<br>BUDGET<br>AS AMENDED | 2026<br>YEAR-END<br>ESTIMATES | 2027<br>PROJECTED | 2028<br>PROJECTED | 2029<br>PROJECTED   |
|-------------------------------------------------------|------------------------------|-------------------------------|-------------------|-------------------|---------------------|
| <b>Revenues</b>                                       |                              |                               |                   |                   |                     |
| Local Tax Revenue                                     | \$3,002.1M                   | \$3,073.0M                    | \$3,145.0M        | \$3,264.8M        | \$3,392.9M          |
| Proceeds and Transfers In                             | \$686.7M                     | \$691.8M                      | \$535.9M          | \$546.2M          | \$556.7M            |
| Intergovernmental Revenue                             | \$753.7M                     | \$724.8M                      | \$739.3M          | \$754.0M          | \$769.0M            |
| Local Non-Tax Revenue                                 | \$1,803.7M                   | \$1,629.1M                    | \$1,454.9M        | \$1,468.4M        | \$1,477.4M          |
| Prior Year Assigned and Unassigned Available Resource | \$4.8M                       | \$0.0M                        | \$0.0M            | \$0.0M            | \$0.0M              |
| <b>Total Resources</b>                                | <b>\$6,250.9M</b>            | <b>\$6,118.8M</b>             | <b>\$5,875.0M</b> | <b>\$6,033.4M</b> | <b>\$6,196.1M</b>   |
| <b>Expenditures</b>                                   |                              |                               |                   |                   |                     |
| Commodities and Materials                             | \$109.1M                     | \$99.3M                       | \$141.4M          | \$121.8M          | \$136.1M            |
| Contingencies                                         | \$0.2M                       | \$0.1M                        | \$0.2M            | \$0.2M            | \$0.2M              |
| Contractual Services                                  | \$574.9M                     | \$520.6M                      | \$591.5M          | \$598.4M          | \$620.4M            |
| Equipment                                             | \$1.3M                       | \$0.9M                        | \$1.3M            | \$1.5M            | \$1.7M              |
| Financial Costs                                       | \$274.7M                     | \$327.2M                      | \$609.3M          | \$611.7M          | \$586.0M            |
| Pension Costs                                         | \$907.8M                     | \$907.8M                      | \$998.3M          | \$1,052.3M        | \$1,076.3M          |
| Permanent Improvements                                | \$0.0M                       | \$0.0M                        | \$0.0M            | \$0.0M            | \$0.0M              |
| Personnel Services                                    | \$4,022.7M                   | \$3,942.4M                    | \$3,995.1M        | \$4,169.9M        | \$4,378.5M          |
| Specific Items and Projects                           | \$355.7M                     | \$401.8M                      | \$412.7M          | \$412.7M          | \$412.7M            |
| Transfers and Reimbursements                          | \$3.1M                       | \$2.9M                        | \$6.2M            | \$6.2M            | \$6.2M              |
| Travel                                                | \$1.5M                       | \$0.9M                        | \$1.5M            | \$1.5M            | \$1.5M              |
| <b>Total Expenses</b>                                 | <b>\$6,250.9M</b>            | <b>\$6,203.9M</b>             | <b>\$6,757.5M</b> | <b>\$6,976.1M</b> | <b>\$7,219.6M</b>   |
| <b>GAP (RESOURCES LESS EXPENDITURES)</b>              | <b>\$0.0M</b>                | <b>(\$85.1M)</b>              | <b>(\$882.4M)</b> | <b>(\$942.7M)</b> | <b>(\$1,023.6M)</b> |

## 2027 BUDGET FORECAST FINANCIAL FORECAST

### REVENUE PROJECTION

Corporate Fund resources for 2027 are projected at \$5,875.0 million, a decline of 6.0 percent, or \$375.9 million, relative to the 2026 budget. The reduction is driven primarily by one-time revenues and initiatives included in the 2026 budget such as \$166 million in one-time borrowing, \$156.7 million from additional TIF surplus, and \$137 million in unrealized or underperforming revenues.

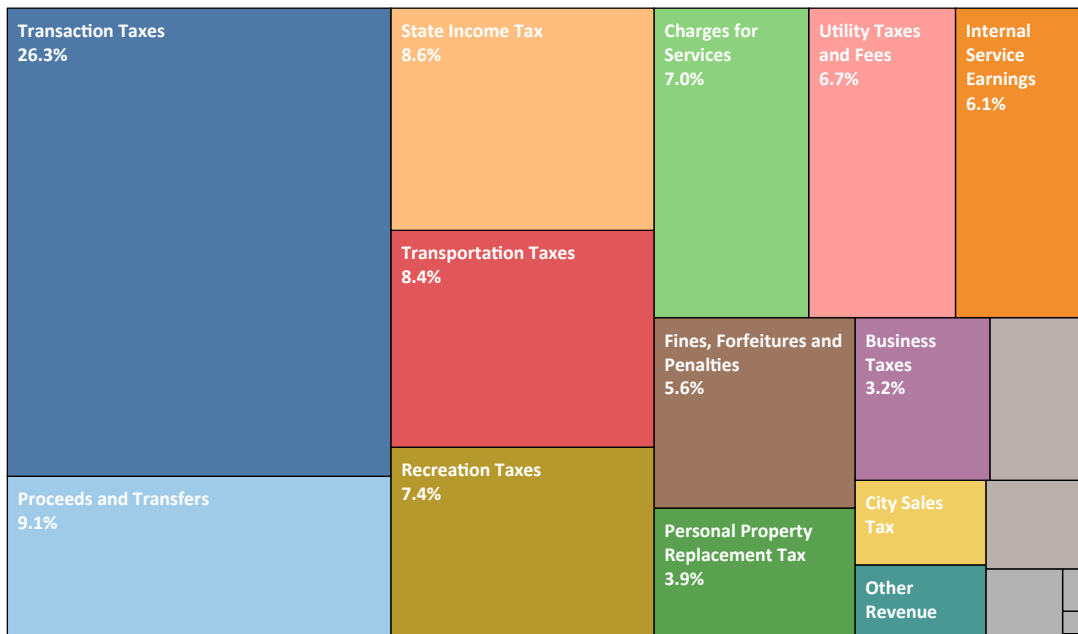
Offsetting these reductions, local tax revenues are forecasted to rise 4.8 percent, or \$142.9 million, mainly supported by continued strength in transaction related taxes. Transaction taxes are projected to increase 10.8 percent, or \$150.3 million, led by growth in the Personal Property Lease Tax (PPLT). Additional growth includes an \$8.7 million (or 2.1 percent) increase in Recreation Taxes from Amusement Taxes and the new Online Sports Wagering tax.

Intergovernmental revenues are projected to decrease \$14.5 million (or 1.9 percent) relative to last year's budget. This reflects offsetting impacts between the Personal Property Replacement Tax (PPRT) and state income tax receipts. PPRT revenues are expected to increase \$24.7 million (or 12.2 percent) while state income tax revenues are projected to decrease \$39.3 million (or 7.2 percent). Despite this rebalancing, combined receipts from these sources remain \$232.9 million (or 24.0 percent) below their 2022 peak.

Local non-tax revenues are projected to decline \$348.8 million (or 19.3 percent) reflecting the elimination of one-time revenues. The Other Revenue category, which includes TIF surplus, decreases by \$172.6 million or 67.5 percent as a significant surplus last year naturally means less available funds the following year before funds build back up over time. Additionally, the Fines, Forfeitures, and Penalties category decreases by \$152.9 million or 31.7 percent, primarily driven by the assumed \$89.6 million from the sale of City debt along with revised estimates for automated speed enforcement and parking ticket revenues based on the most recent actual data.

Proceeds and transfers are expected to fall \$150.8 million (or 22.0 percent) due primarily to \$166.0 million one-time borrowing in 2026 to finance one-time retroactive collective bargaining payments. Partially offsetting this reduction is a 4.5 percent or \$22.3 million increase in sales tax revenues.

### Projected Resources - Corporate Fund: \$5,875.0 Million



Licenses, Permits and Certificates = 2.4%; Interest Income = 1.3%; Leases, Rentals and Sales = 0.8%; Municipal Enterprises = 0.2%; Municipal Auto Rental Tax = 0.1%; Reimbursements for City Services = 0.0%

(Chart may not sum due to rounding)

## 2027 BUDGET FORECAST FINANCIAL FORECAST

### EXPENDITURE PROJECTION

Corporate Fund expenditures for 2027 are projected at \$6,757.5 million, an increase of 8.1 percent, or \$506.5 million, relative to the 2026 budget. These projections are based on current year budgeted and actual expenditures, adjusted for anticipated cost growth and known changes in key categories, including personnel services, financial costs, pension costs, contractual services, and commodities and materials.

Personnel services are projected to decrease by \$27.6 million to \$3,995.1 million, reflecting prevailing rate increases and cost-of-living adjustments, offset by a decrease in scheduled contractual wage adjustments compared to 2026.

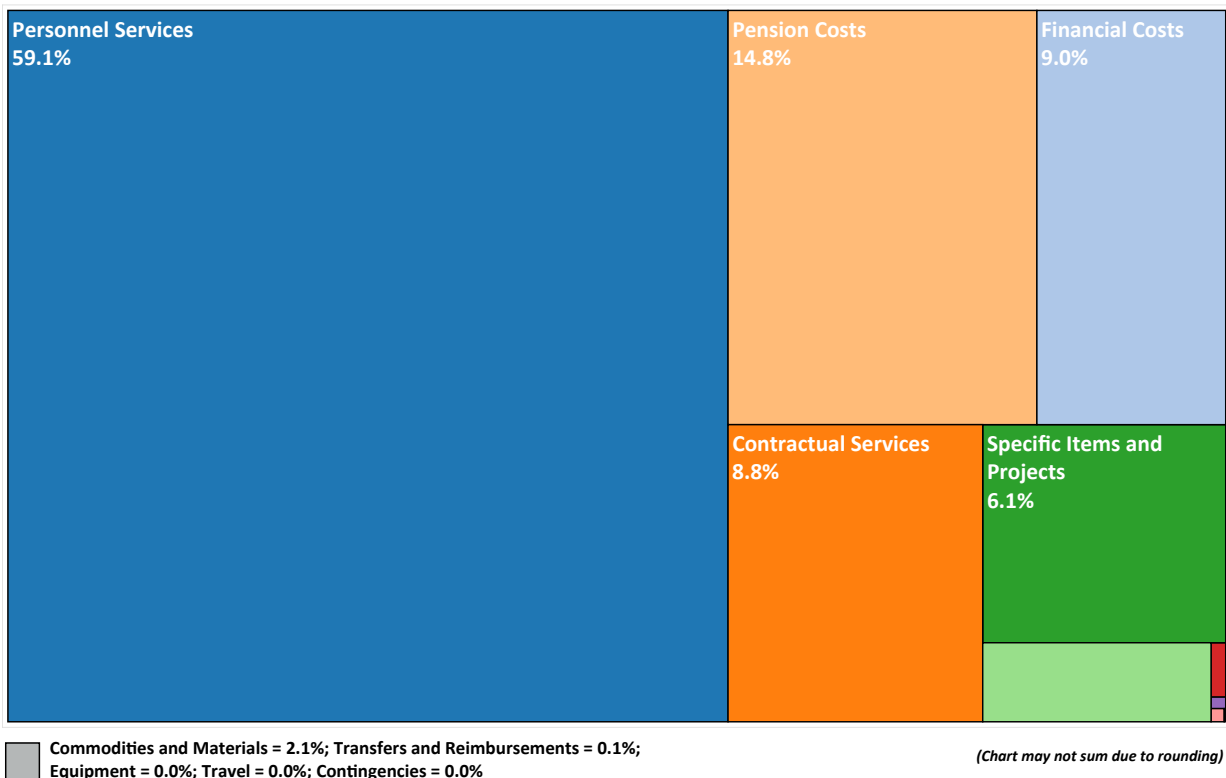
Financial costs are projected to rise by approximately \$334.6 million, bringing the total to \$609.3 million, driven by an increase in bond payments and costs related to settlements and judgments.

Pension costs are projected to increase by \$90.5 million compared to 2026, reflecting the combination of statutorily required actuarially determined contributions and supplemental pension payments. Details are provided in the pension section of this forecast.

Commodities and materials are expected to increase by \$32.4 million (or 29.7 percent) driven by rising fuel costs.

Contractual services are expected to increase by \$16.6 million (or 2.9 percent) driven by inflationary adjustments and other contractual obligations.

#### Projected Expenditures - Corporate Fund: \$6,757.5 Million



## OUTLOOK FOR CORPORATE FUND

The following three scenarios project budget gaps for the years 2027 through 2029 for the City's Corporate Fund based on different revenue and expenditure outlooks. In each outlook, budget-gap projections change year over-year to varying degrees with expenses ultimately outpacing revenues on a recurring basis. The range of the budget gaps demonstrate how future economic conditions can positively or negatively impact City finances. As noted earlier, future-year projections incorporate the best available economic and expenditure data as of July 2026.

The primary drivers of projected expenditure growth are financial costs, commodities and materials, and pension obligations. Personnel cost estimates incorporate scheduled contractual wage and prevailing rate increases under existing collective bargaining agreements, as well as assumed salary growth for agreements currently under negotiation.

On the revenue side, forecast projections differ under the alternative economic scenarios presented. Each scenario reflects varying assumptions regarding the pace of economic growth over the forecast horizon, as well as adjustments to account for uncertainty surrounding certain revenue streams that remain unresolved or subject to external factors.

## BASE OUTLOOK

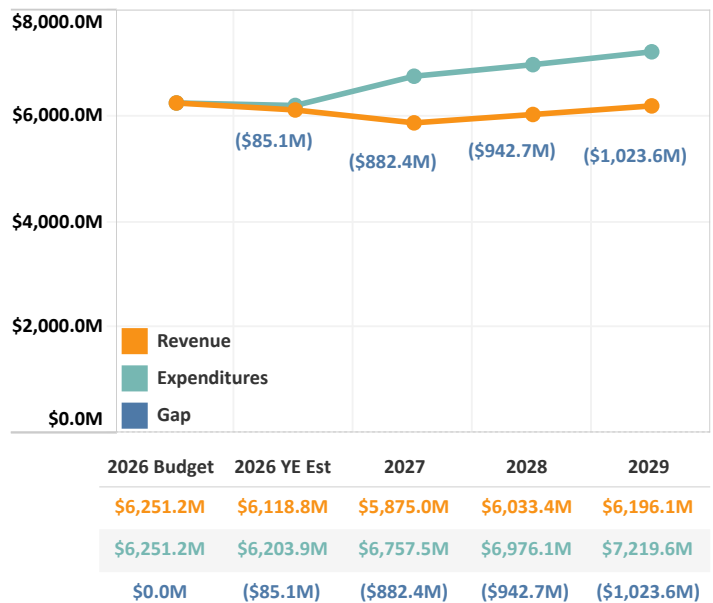
The baseline economic scenario assumes moderate economic expansion over the forecast horizon, as business investment continues to expand driven by technology and AI investment while consumer spending remains resilient despite higher prices. At the same time, continued Middle East tensions combined with persistent tariff uncertainty continue to weigh on the U.S. economy in the near term. In this outlook, US real GDP growth slows to 1.9 percent year over year in 2026 followed by consistent growth above 2.0 percent in 2027 through 2029 while inflation continues to rise before a decline in Q2 of 2027.

Within this framework, after adjusting for one-time revenue losses, City recurring revenues are projected to increase at an average growth rate of 2.7 percent beginning in 2027. The baseline scenario incorporates several policy-related assumptions: (i) no reimbursement from the Chicago Public Schools for a portion of its share of pension costs; (ii) no new tax increases, including property tax; and (iii) declines in the annual Tax Increment Financing (TIF) surplus declarations below the 2026 budgeted level of \$232.6 million.

Corporate Fund expenditures are projected to grow at a faster rate than revenues throughout the forecast period, primarily driven by increases in financial costs, commodities and materials, and pension obligations. Expenditures are projected to reach \$6,976.1 million in 2028 and \$7,219.6 million in 2029. While most non personnel expenditures are assumed to grow in line with historical averages, salaries, wages, and healthcare— together representing the largest share of the operating budget—are expected to continue exerting significant upward pressure. Projections assume a stable workforce, with costs increasing in accordance with long-term historical trends.

Under this baseline outlook, the City is projected to face budget shortfalls of \$942.7 million in 2028 and \$1,023.6 million in 2029, reflecting the persistence of structural expenditure growth exceeding recurring revenue gains.

**Corporate Fund Projections - Base Outlook**



## 2027 BUDGET FORECAST FINANCIAL FORECAST

### NEGATIVE OUTLOOK

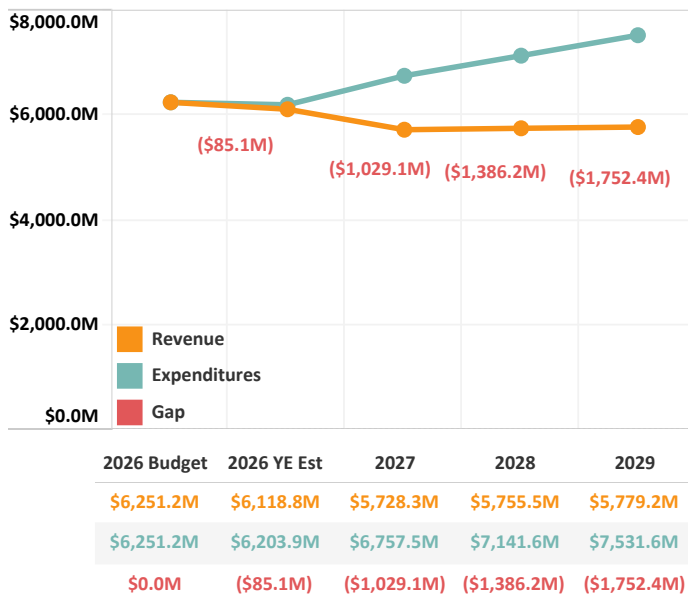
The negative economic scenario assumes a much weaker economy with lower real GDP growth and higher inflation relative to the baseline outlook. In this scenario, rising tech sector valuations draw concerns of an unsustainable economic “bubble” which drops investment in the AI industry. Consumers lean into an increasingly cautious approach marked by frugality and price sensitivity dropping demand resulting in a projected recession at the end of 2026 before recovering in early 2027. Additionally, prolonged US-Iran tensions continue to add inflationary pressures with prices spiking at the end of 2026 followed by a steady decline through 2027 before normalizing at the start of 2028. After virtually no growth in 2026 and 2027, Real GDP growth rebounds quickly in 2028 before normalizing at 2.3 percent in 2029.

From a revenue perspective, this outlook incorporates same economic assumptions as the baseline outlook, but with lower growth to reflect the weaker economic conditions and depressed consumer spending.

On the expenditure side, costs are projected to grow at a significantly faster rate, particularly in personnel related categories. Under this scenario, Corporate Fund expenditures are projected at \$7,141.6 million in 2028 and \$7,531.6 million in 2029, reflecting sustained structural cost growth outpacing revenue performance.

As a result, projected budget gaps widen considerably, with shortfalls of \$1,386.2 million in 2028 and \$1,752.4 million in 2029, underscoring the heightened fiscal vulnerability associated with prolonged inflationary pressures and weaker economic activity.

**Corporate Fund Projections - Negative Outlook**



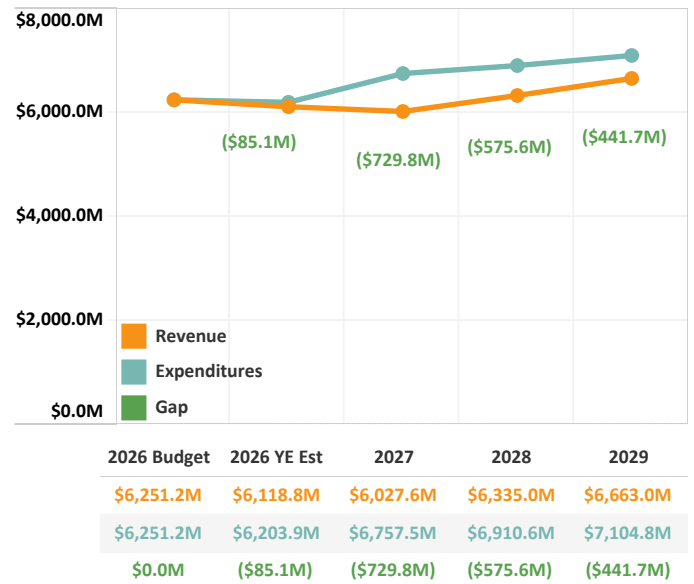
### POSITIVE OUTLOOK

The optimistic economic scenario assumes loosening monetary policy to spur further consumer investment and spending, specifically in the technology sector which amounts to an AI boom. Inflationary pressures level off which opens the door to future rate cuts, leaving prices at elevated levels throughout the forecast period. The US real GDP growth is above the baseline scenario, with slower growth in 2026 followed by robust expansion exceeding 3.2% in 2027 and 2028.

This scenario also incorporates the same economic assumptions as the baseline outlook, but incentivized spending and elevated prices results in higher growth rate assumptions for major revenue categories. Expenditure growth is also more moderate, particularly in personnel related categories, resulting in projected Corporate Fund expenditures of \$6,910.6 million in 2028 and \$7,104.8 million in 2029.

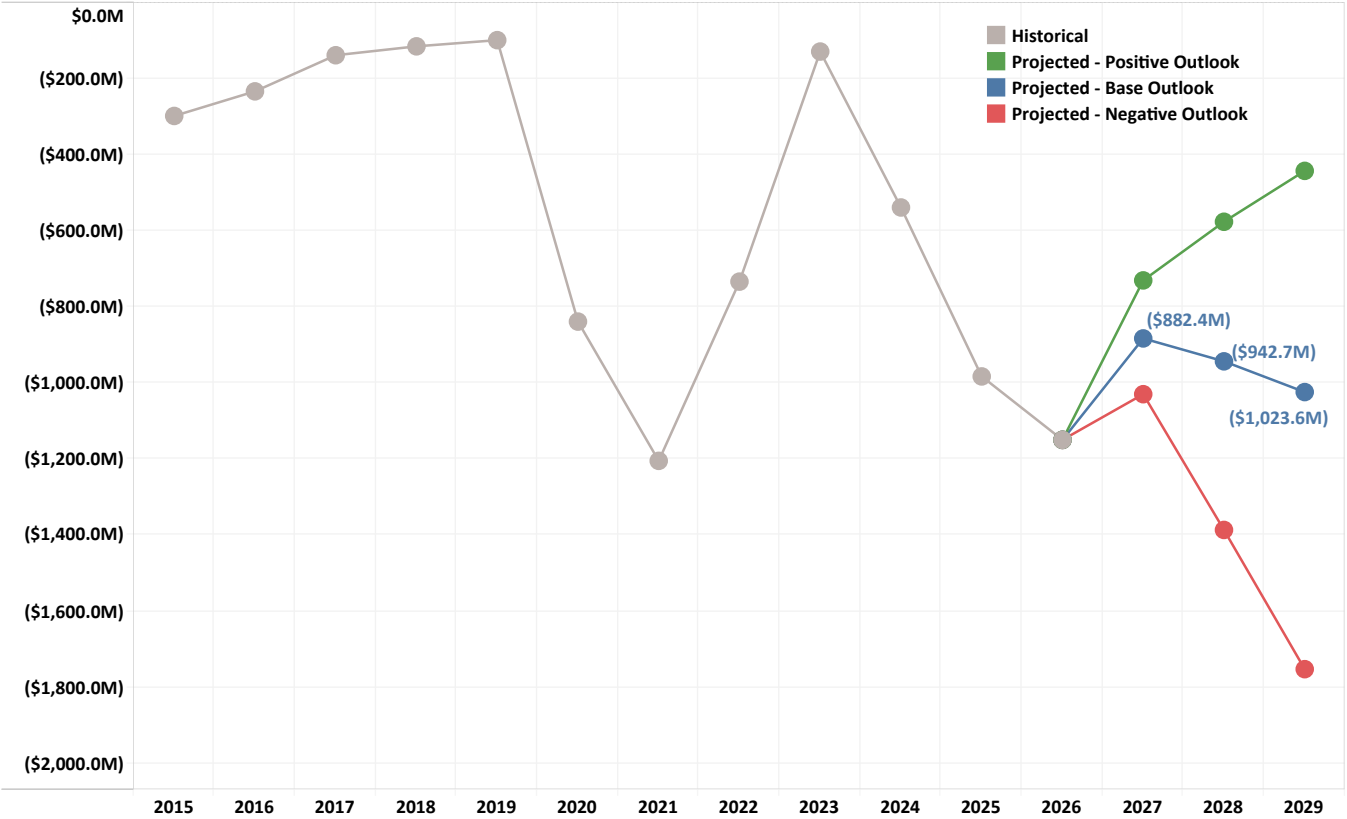
As a result, budget shortfalls narrow meaningfully compared to the baseline and negative cases, with deficits projected at \$575.6 million in 2028 and \$441.7 million in 2029, reflecting a more favorable balance of revenue performance and expenditure growth.

**Corporate Fund Projections - Positive Outlook**



2027 BUDGET FORECAST  
FINANCIAL FORECAST

Gap History – Corporate Fund



## 2027 BUDGET FORECAST FINANCIAL FORECAST

### OUTLOOK FOR SPECIAL REVENUE FUNDS

The City maintains a number of special revenue funds supported by dedicated revenue streams. Projections for these funds, consistent with the Corporate Fund forecast, are based on actual collections through July 2026 and reflect reasonable assumptions for the remainder of the year. Final year-end results may vary as collections in the second half of the year are subject to economic and seasonal factors.

The Emergency Communications Fund, supported by the City's \$5.00 monthly 911 surcharge on wireless and landline connections, finances 911 operations and system investments. 2026 year-end revenues are estimated to be aligned with the budgeted amount of \$178.0 million.

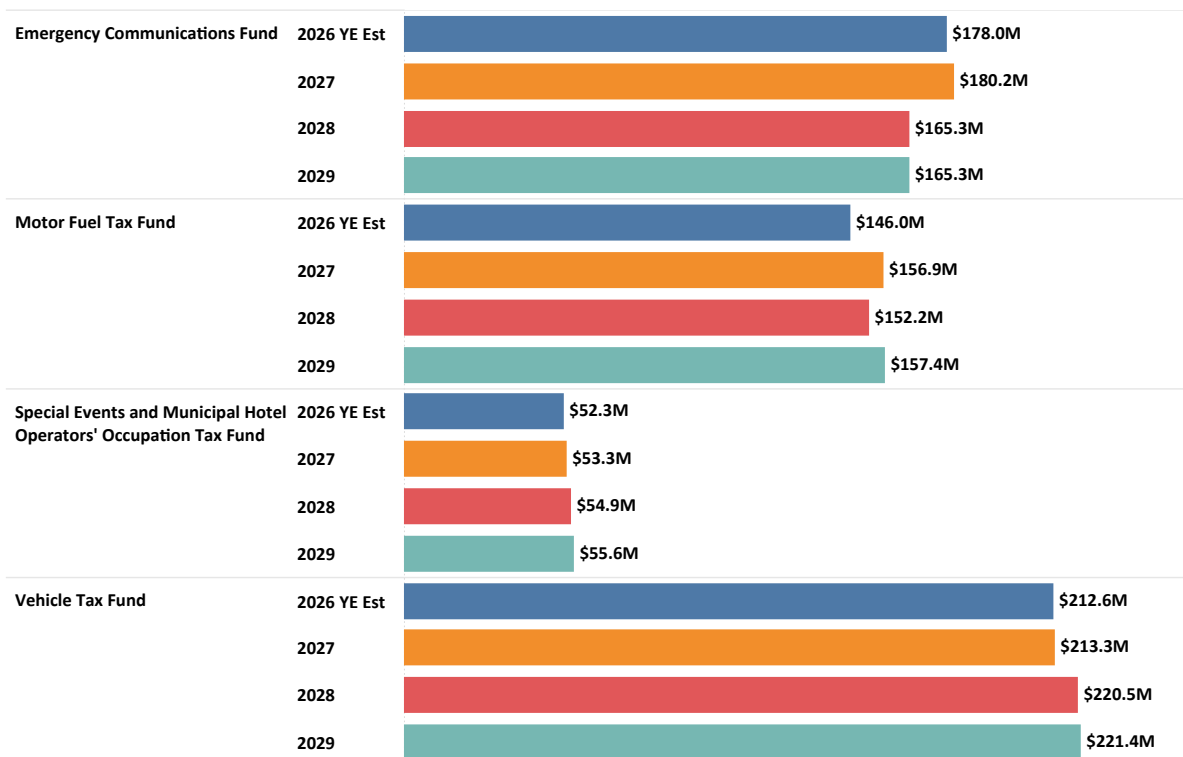
The Motor Fuel Tax Fund is also projected to close 2026 slightly below (1%) the budgeted \$147.8 million. Looking forward, receipts are expected to grow in line with inflation and historical trends, with modest gains in the distributive state share.

The Special Events and Municipal Hotel Operators' Occupation Tax Fund is forecast to end the year below the estimated revenue budget. While hotel tax revenues remain resilient, supported by continued growth in tourism and large-scale events, special event fee revenue continues

to trail pre-pandemic levels. Future growth in this fund is assumed but at a more moderate pace, reflecting a reset based on 2025 actual performance.

The Vehicle Tax Fund, comprised primarily of vehicle sticker revenues, is expected to close 2026 below the budgeted revenue estimate. The variance is driven by capital-related project reimbursements falling short of planned levels. Although sticker prices adjust biennially with inflation, revenue growth has not kept pace with expenditure demands within the fund.

#### Outlook for Special Revenue Funds



# 2027 BUDGET FORECAST FINANCIAL FORECAST

## OUTLOOK FOR ENTERPRISE FUNDS

### WATER AND SEWER FUNDS

The Water Fund and Sewer Fund operate as separate enterprise funds, supporting the operation and maintenance of the City's water and sewer systems. The Water Fund encompasses approximately 4,245 miles of water mains serving a 5.3 million population across an 806-square-mile service area. The Sewer Fund covers approximately 4,500 miles of sewer lines, 205,000 collection structures, and 146,000 manholes, serving 2.7 million residents across 230 square miles.

For 2026, year-end revenues are projected at \$966.4 million for the Water Fund and \$466.0 million for the Sewer Fund, both above budgeted expectations. Forecasts for subsequent years assume steady growth driven by routine inflationary rate adjustments.

### AVIATION FUNDS

Revenues for the O'Hare and Midway International Airport Funds are structured to fully support operating requirements and debt service obligations. For 2026, year-end revenues for both funds are projected to align with budgeted levels. Looking ahead, revenues are expected to grow in line with historical trends, supported by ongoing capital investments aimed at enhancing connectivity, efficiency, and capacity, while ensuring facilities are maintained in a state of good repair and support the infrastructure upgrades and planned new terminals.

#### Outlook for Enterprise Funds

|                     |             |            |
|---------------------|-------------|------------|
| Water Fund          | 2026 YE Est | \$966.4M   |
|                     | 2027        | \$989.8M   |
|                     | 2028        | \$1,007.0M |
|                     | 2029        | \$1,024.9M |
| Sewer Fund          | 2026 YE Est | \$465.9M   |
|                     | 2027        | \$486.2M   |
|                     | 2028        | \$475.5M   |
|                     | 2029        | \$484.1M   |
| O'Hare Airport Fund | 2026 YE Est | \$2,060.3M |
|                     | 2027        | \$2,124.2M |
|                     | 2028        | \$2,190.1M |
|                     | 2029        | \$2,257.9M |
| Midway Airport Fund | 2026 YE Est | \$431.3M   |
|                     | 2027        | \$442.9M   |
|                     | 2028        | \$454.9M   |
|                     | 2029        | \$467.2M   |

## PENSION

### Overview

The City's employees are covered under four defined benefit retirement plans established by State statute and administered by independent pension boards. These plans are the Municipal Employees' Annuity and Benefit Fund ("MEABF"), the Laborers' Annuity and Benefit Fund ("LABF"), the Policemen's Annuity and Benefit Fund ("PABF"), and the Firemen's Annuity and Benefit Fund ("FABF").

State statute mandates the payments to the City's four pension funds. Prior to pension reforms in 2015 and 2017, state law required the City to contribute a statutory multiple of the amount contributed to each pension fund by the employees who were members in that fund two years prior. This funding formula did not adjust for changes in benefits or changes in the funding level of each pension fund, resulting in a City contribution that did not adequately support the pension funds. The City's 2014 budget was the final year the City's employer contribution for all four pension funds was based on this statutory multiplier calculation and totaled \$478.3 million to all four pension funds.

In 2015, the State passed a new funding formula for the City's PABF and FABF, establishing five years of increasing fixed contributions set in statute between 2015 and 2020, after which the City's annual payment is based on an actuarially determined contribution designed to bring the two funds to a 90 percent funded ratio by 2055. Similarly, the funding formula for the City's MEABF and LABF was revised in 2017 to establish a five-year period of increasing fixed contributions between 2017 and 2021, after which the City's annual payment will be based on an actuarially determined contribution to bring the two funds to a 90 percent funded ratio by 2058.

In 2016 City Council passed a dedicated tax on water and sewer usage to pay for increased contributions to the MEABF. In 2018, the City Council increased the 911 surcharge to generate sufficient revenue to pay for all eligible 911 operations and emergency preparedness costs. This allowed Corporate Fund resources previously appropriated for 911 operations to be dedicated to other Corporate Fund expenses, including pensions. The 2022 budget included the final year of increased statutory contributions for the MEABF and LABF. The same year, both funds moved to actuarially determined contributions.

### CPS Pension Payment

In 2020, concurrent with Chicago Public Schools' transition to a fully elected school board independent of the City,

the Chicago Board of Education and the City entered into an intergovernmental agreement (IGA) requiring CPS to assume a share of the City's employer contribution to the Municipal Employees' Annuity and Benefit Fund (MEABF) on behalf of its non-teacher employees. As of December 31, 2025, CPS employees represent approximately 64 percent of active MEABF membership and nearly half of pensionable payroll, resulting in an estimated 49 percent share of the statutory employer contribution on a payroll allocation basis. This proportion has risen materially since 2018, where CPS employees represented 55 percent of active MEABF membership and 40 percent of the pensionable payroll. This reflects the growth in CPS non-teacher positions relative to City employment within the fund over the same period.

#### Employees in MEABF

| Employer | 2018   | 2025   | Change % |
|----------|--------|--------|----------|
| CPS      | 17,146 | 25,167 | 47%      |
| City     | 14,058 | 14,153 | 1%       |
| Total    | 31,204 | 39,320 | 26%      |

#### MEABF Pensionable Payroll

| Employer | 2018            | 2025            | Change % |
|----------|-----------------|-----------------|----------|
| CPS      | \$690,490,231   | \$1,367,429,030 | 98%      |
| City     | \$1,036,870,966 | \$1,398,554,610 | 35%      |
| Total    | \$1,727,361,197 | \$2,765,983,640 | 60%      |

By 2024, the employer contribution for CPS employees within MEABF equaled approximately \$452 million of the total required contribution of \$941 million. Despite CPS's multi-year commitment to reimburse the city for a portion of its proportional share of the employer contribution, the payment was not made in 2024, resulting in a significant budget shortfall for the City in fiscal year 2024. In 2025, an agreement was reached for CPS to make a \$175 million payment to partially reimburse the pension costs of CPS employees, but the fiscal year 2026 budget assumes no such reimbursement.

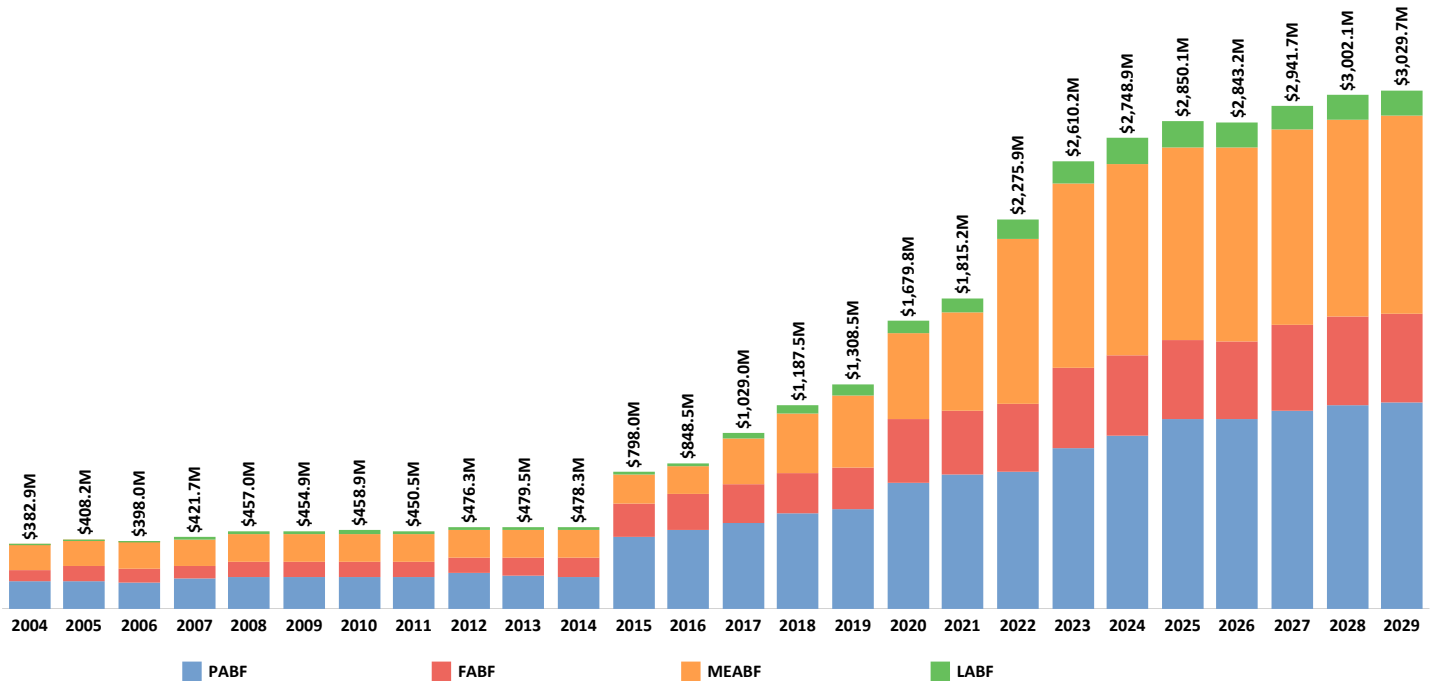
### Pension Advance Policy

In 2022, the City amended its Chicago Debt Management and Pension Management Policies to adopt a Pension Advance Policy requiring supplemental pension contributions to be made in addition to the statutory actuarially-determined amounts described above. These supplemental payments are designed to limit the growth of unfunded liabilities and further improve the funded status of the City's pension systems over time. In 2023, supplemental contributions totaled \$242.0 million within the City's overall pension payment of \$2.610 billion. In

# 2027 BUDGET FORECAST

## FINANCIAL FORECAST

### Historic and Projected Pension Contributions



- 1) The 2015 and 2016 MEABF and LABF amounts reflect a revised employer contribution amount made by the City after P.A. 98-641 was declared unconstitutional by the Illinois Supreme Court in 2016. All other years represent the amounts found in the annual appropriation ordinance
- 2) The projected contributions for all pension funds are based on the most recent actuarial reports. These projections will shift over time based on investment returns, experience studies, and other pension fund changes, including any state law changes
- 3) Contributions in 2023 and thereafter include required contributions and supplemental pension payments

2024, supplemental contributions increased to \$306.6 million of the \$2.749 billion total, followed by \$272.0 million of the \$2.850 billion pension payment in 2025. For 2026, supplemental payments are \$259.6 million, included within an estimated \$2.843 billion total pension cost. From 2023 to 2026, the City has committed \$1.08 billion in advance payments toward its pension liabilities.

Historically, supplemental payments from the Corporate Fund were supported by a one-time assigned fund balance, which was fully depleted after the 2025 advance payment. As a result, beginning in 2026, supplemental contributions are unfunded and directly add to the Corporate Fund budget gap each year. For 2027, the estimated advance payment amount is \$364.0 million with the Corporate Fund portion being \$324.3 million.

#### Pension Fund Outlook

Looking ahead, the 2027 budget will represent the eighth consecutive year in which the City makes actuarially-determined contributions to the Police Annuity and Benefit Fund (PABF) and Firemen's Annuity and Benefit Fund (FABF). Beginning in 2027, recently enacted state legislation will expand pension benefits for police

officers and firefighters, including higher salary caps and enhanced cost-of-living adjustments. This legislation added approximately \$11 billion in liabilities to the police and fire pension systems through 2055.

Historically, the City's required pension contributions have been made primarily from the proceeds of an annual property tax levy for each fund. However, State law also allows for the use of other legally available funds in lieu of a property tax levy to make contributions to the pension funds.

## DEBT

### *Long-Term Debt*

The City uses long-term debt to finance infrastructure projects throughout the City, including street and alley construction and improvements; lighting, sidewalk replacement, curb and gutter repairs and replacement; and transportation improvements, including street resurfacing, bridge rehabilitation and traffic safety improvements.

The City also utilizes long-term debt to strategically bolster economic growth and meet housing needs. The Housing and Economic Development Bonds are issued to fund projects that support housing; business, innovation and job growth; and cultural and community assets. These strategic investments will support sustainable growth in the City. The repayment of the bonds will be supported by increases in incremental property taxes in the Corporate Fund that will be realized as TIF districts expire.

General Obligation Debt is backed by the full faith and credit of the City. The City has two types of General Obligation Bonds ("G.O. Bonds"): outstanding: Tax Levy Bonds for which an annual property tax levy has been established to make payments, and Alternate Revenue Bonds for which an annual property tax levy is established but annually abated if certain other revenues are available that year to make payments.

Water and Wastewater Bonds are secured by revenues of the Water and Sewer Systems, respectively, and are primarily issued to fund capital projects for such systems. Additionally, the City periodically receives loans through the Illinois Environmental Protection Agency State Revolving Loan Funds Program. The City has also entered into a Water Infrastructure Finance and Innovation Act ("WIFIA") loan agreement with the United States Environmental Protection Agency, which will be drawn on periodically through 2027.

O'Hare and Midway Bonds are issued to fund capital improvements and are backed by general revenues generated at the respective facility. Additionally, the City has issued bonds to fund capital improvements at O'Hare, secured by Passenger Facility Charges and Customer Facility Charges ("CFC") collected at O'Hare. CFC revenues are also pledged to the repayment of an outstanding Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan that funded the airport transit system extension at the new O'Hare multi-modal facility.

In 2017, the City sold its right, title, and interest in Sales

Tax revenues collected by the State to the Sales Tax Securitization Corporation ("STSC"). The STSC was organized as an instrumentality of the City in 2017 for the limited purpose of purchasing certain Sales Tax revenues and issuing bonds, notes, or other obligations for the benefit of the City. Beginning in 2017, the STSC issued bonds to refund outstanding City of Chicago Sales Tax revenue bonds as well as certain outstanding G.O. Bonds for debt-service savings.

In November 2020, City Council approved the issuance of \$1.56 billion in G.O. Bonds for the purpose of supporting Chicago Recovery Plan and Chicago Works projects. \$1.325 billion in G.O. Bonds have been issued pursuant to this authority. In April 2024, City Council approved the issuance of \$1.25 billion in G.O. Bonds for the purpose of supporting housing and economic development projects. These bonds are expected to be issued in multiple series over the next several years. The inaugural issuance of these Housing and Economic Development Bonds was in June 2025 for an amount of approximately \$82.5 million. In February 2025, City Council approved the issuance of \$830 million in G.O. bonds for various purposes, including lead service line replacement; \$76 million has been issued pursuant to this authority.

### *Short-Term Debt*

In addition to the long-term debt discussed above, the City issues certain types of short-term debt to address various operating, liquidity, and capital needs.

The General Obligation Short-Term Borrowing Program has historically been used by the City for working capital, in anticipation of receipt of other revenue, to fund capital projects, debt refinancing or restructuring, and to pay noncapital expenditures, such as settlements and judgments or retroactive payment of employment salaries and wages. The City currently has three facilities in place under the General Obligation Short-Term Borrowing program: one tax-exempt line of credit facility for up to \$325 million; and two line of credit facilities for up to \$175 million and \$100 million which can be drawn upon on either a taxable or tax-exempt basis. The tax-exempt credit facilities is fully drawn and the City expects to repay that line of credit facility with the issuance of long-term G.O. Bonds. The lines of credit facilities that can be either tax exempt or taxable are partially drawn, and the City expects to repay those lines of credit with the issuance of long-term G.O. Bonds. The City also expects to make additional draws to reimburse capital expenses before the end of 2026.

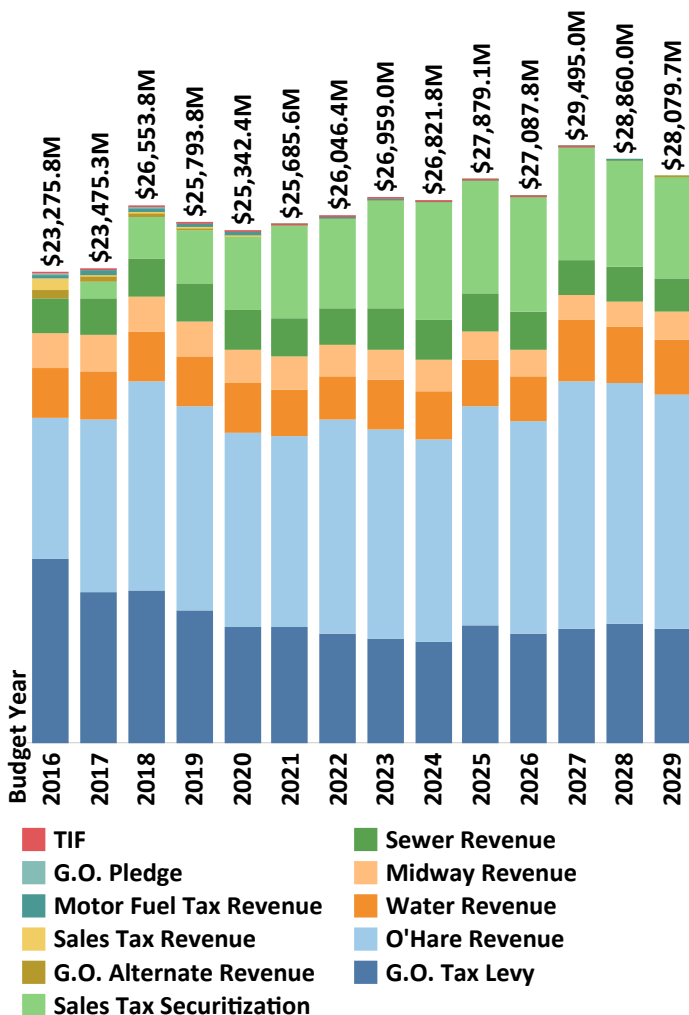
## 2027 BUDGET FORECAST FINANCIAL FORECAST

Water and Sewer Systems Commercial Paper Notes and Line of Credit Notes have been authorized for the purposes of financing or refinancing capital improvements to the Water and Sewer Systems, or providing funds to meet the cash flow needs of the respective system. There is one Credit Agreement Notes facility in place for the Water System. Pursuant to the Water Supply Agreement between the City of Chicago and City of Joliet dated May 1, 2023, the City of Chicago agreed to provide a funding source for City water infrastructure improvements that will be necessary to supply Joliet with water beginning in 2030. The line of credit facility is the funding source for those improvements and in the future the City expects to repay the line of credit facility with the issuance of long term Water Revenue Bonds.

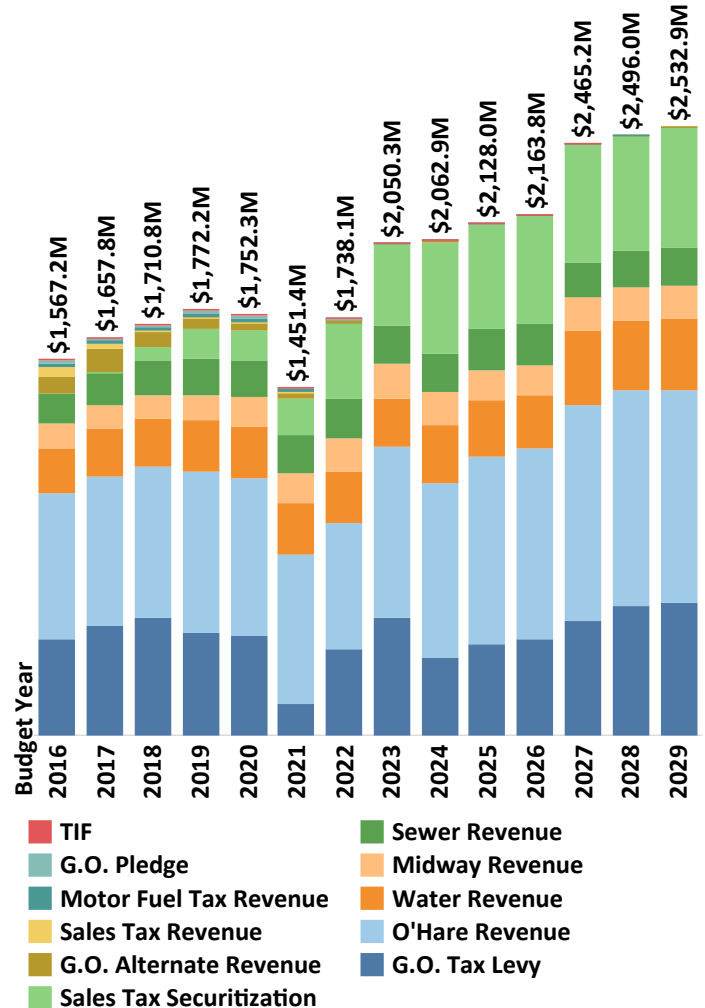
airport for working capital in anticipation of receipt of other revenue, to fund capital projects, and for debt refinancing or restructuring. There are currently four Credit Agreement Notes facilities in place at O'Hare for capital projects: (1) a line of credit facility for up to \$300 million; (2) a line of credit facility for up to \$200 million; (3) a line of credit facility for up to \$150 million; and (4) a line of credit facility for up to \$100 million. None of the line of credit facilities have outstanding balances. Chicago Midway Airport Commercial Paper Notes and Credit Agreement Notes are have been authorized to support cashflow needs at Midway, to fund capital projects, and for debt refinancing or restructuring; however, there are no such programs currently in place and there are no notes currently outstanding.

Chicago O'Hare International Airport Commercial Paper Notes and Credit Agreement Notes can be used by the

**Outstanding Long-Term Debt**



**Long-Term Debt Service Payments**



# APPENDICES



## HISTORICAL REVIEW

This section provides a 10-year review of the revenues and expenditures in the City's Local Funds, beginning with the Corporate Fund.

### CORPORATE FUND - HISTORICAL REVIEW

#### *Corporate Fund Revenue*

Corporate Fund revenues are divided into five broad categories including local tax revenue, intergovernmental revenue, local non-tax revenue, proceeds and transfers, and prior year available resources.

**Local tax revenue** consists of taxes collected by the City, including utility, transportation, transaction, recreation, and business taxes. In 2025, local tax revenue made up approximately 44.9 percent of total Corporate Fund revenues.

**Local non-tax revenue** totaled 28.8 percent of Corporate Fund revenues in 2025 and includes fines, penalties, charges for service, reimbursements, leases, land sales, and other locally generated fee or miscellaneous revenue. The City's portion of any TIF surplus is also included in this category.

**Intergovernmental revenue** totaled 12.3 percent of Corporate Fund revenues in 2025 and includes the City's share of State Income Tax, Personal Property Replacement Tax, and Municipal Auto Rental Tax. Prior to 2018 and the creation of the Sales Tax Securitization Corporation ("STSC"), the City's share of state-collected Sales Tax was included in this revenue category.

**Proceeds and transfers** consist of amounts transferred into the Corporate Fund from outside sources, including STSC residual sales tax revenue. In 2025, this revenue source totaled 10.1 percent of Corporate Fund revenues.

The City's revenue from most state and local sales taxes appears in the budget as a transfer, since the creation of the STSC, in 2017. This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC the City's rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover

the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

**Prior year available resources** are the result of higher revenues and/or lower spending than budgeted or expected. Any available funds, both assigned and unassigned, can be carried into the next year and treated as a one-time revenue source. In 2025, this category made up 3.9 percent of total Corporate Fund revenues.

#### *Corporate Fund Expenditures*

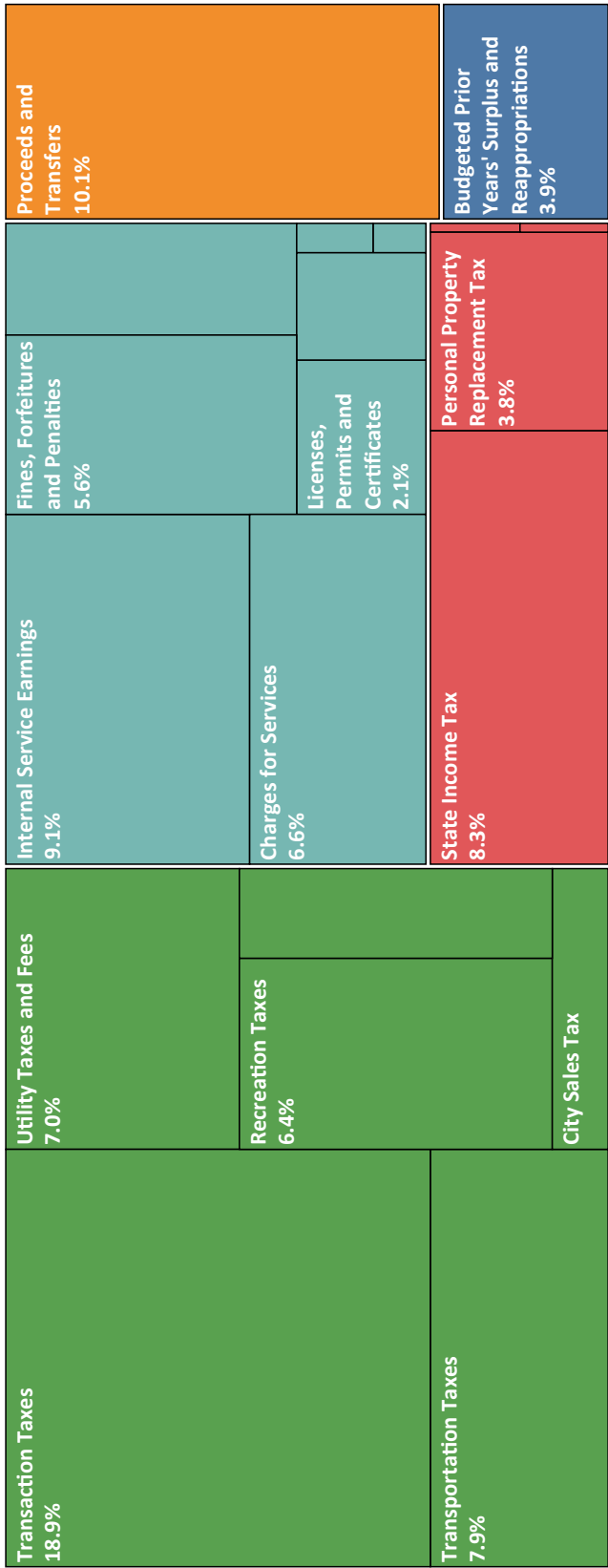
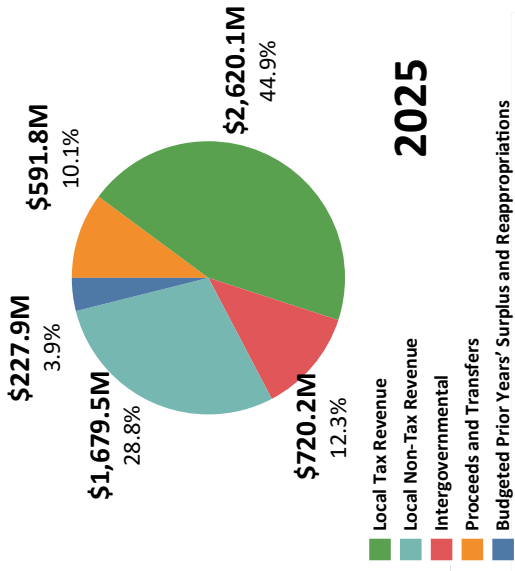
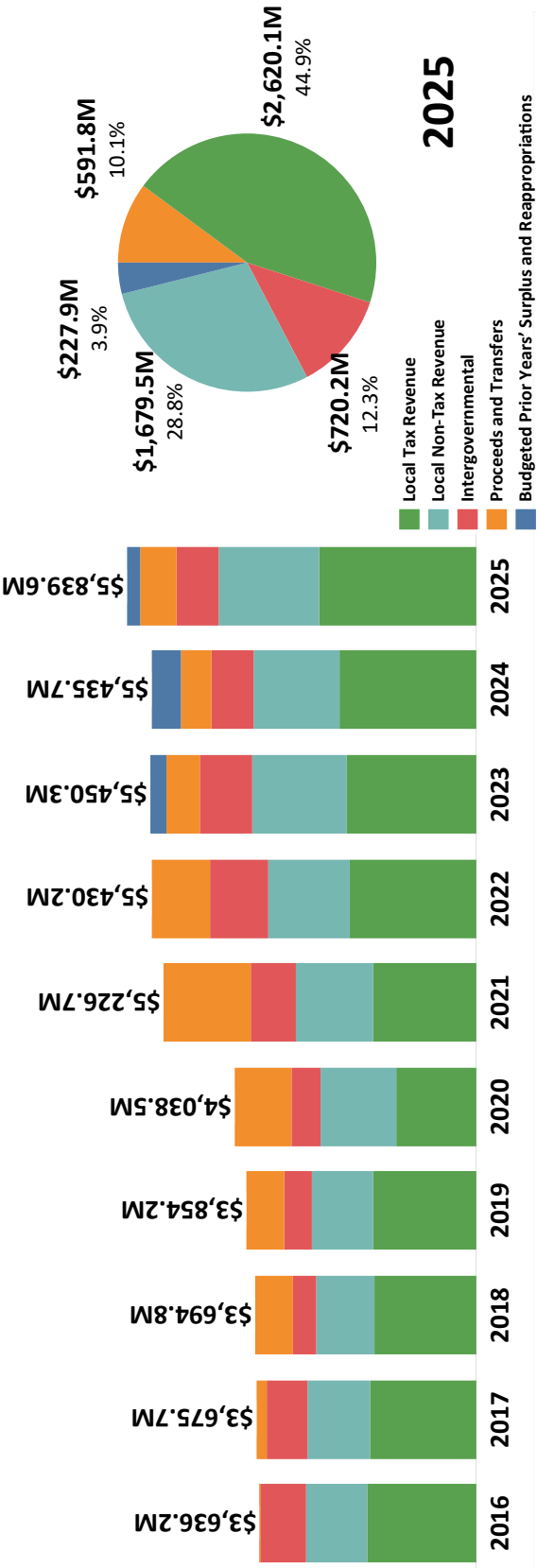
Corporate Fund Expenditures are reported as a major governmental fund within the general fund in the City's basic financial statements. Overall, Corporate Fund expenditures totaled \$5.9 billion in 2025. This report breaks down these expenditures into the three broad categories of personnel, non-personnel, and other.

**Personnel expenditures** represent a significant majority of City expenses. These expenditures include employee pay, benefits, workers' compensation, and the City's Corporate Fund pension allocation. In 2025, personnel expenditures represented approximately 80.2 percent of the City's Corporate Fund expenditures.

**Non-personnel expenditures** accounted for 17.8 percent of Corporate Fund expenditures. This category includes contractual services, refunds, rebates, legal costs, utilities, commodities, delegate agencies, employee travel, and contingent expenses. This category also encompasses the City's payments for settlements and judgments. The City has historically used a combination of Corporate Fund and Enterprise Fund resources, as well as bond proceeds, to cover these costs.

**Other expenditures** totaled \$119.5 million in 2025, or approximately 2.0 percent of the total expenditures. These expenses include operating transfers to other funds, cash match for grants, financing costs, and indirect costs.

Corporate Fund - Revenue



Corporate Fund - Resources

| Local Tax Revenue         | Municipal Public Utility Taxes and Fees       | Electricity IMF            | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|---------------------------|-----------------------------------------------|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                           |                                               | Electricity Use Tax        | \$91.4M    | \$88.3M    | \$90.8M    | \$88.6M    | \$86.1M    | \$87.7M    | \$87.3M    | \$83.0M    | \$85.3M    | \$86.8M    |
|                           |                                               | Natural Gas Occupation Tax | \$98.7M    | \$95.4M    | \$98.5M    | \$96.1M    | \$93.9M    | \$95.7M    | \$95.4M    | \$90.6M    | \$93.8M    | \$94.3M    |
|                           |                                               | Natural Gas Use Tax        | \$79.6M    | \$91.0M    | \$93.7M    | \$94.3M    | \$82.4M    | \$105.6M   | \$132.5M   | \$101.3M   | \$101.3M   | \$130.0M   |
|                           |                                               | Fiber Optics               | \$31.5M    | \$33.7M    | \$34.9M    | \$34.0M    | \$32.0M    | \$28.7M    | \$32.9M    | \$29.5M    | \$28.0M    | \$28.8M    |
|                           |                                               | Telecommunications         | \$103.6M   | \$101.9M   | \$87.4M    | \$77.6M    | \$73.0M    | \$66.8M    | \$63.1M    | \$61.8M    | \$0.0M     | \$0.0M     |
|                           |                                               | Telecommunications IMF     |            |            |            |            |            |            |            |            | \$64.2M    | \$56.2M    |
|                           |                                               | Cable Television           | \$29.6M    | \$28.7M    | \$26.7M    | \$26.1M    | \$24.0M    | \$23.5M    | \$21.6M    | \$19.3M    | \$16.4M    | \$14.2M    |
|                           |                                               | Total                      | \$434.4M   | \$439.0M   | \$432.1M   | \$416.7M   | \$391.4M   | \$408.0M   | \$432.9M   | \$388.6M   | \$388.9M   | \$410.3M   |
|                           | City Sales Tax / HROT                         |                            | \$308.1M   | \$229.9M   | \$57.0M    | \$63.7M    | \$58.7M    | \$77.7M    | \$93.9M    | \$101.3M   | \$103.8M   | \$99.6M    |
|                           | Total                                         |                            | \$308.1M   | \$229.9M   | \$57.0M    | \$63.7M    | \$58.7M    | \$77.7M    | \$93.9M    | \$101.3M   | \$103.8M   | \$99.6M    |
|                           | Transaction Taxes                             |                            |            |            |            |            |            |            |            |            |            |            |
|                           |                                               | Real Property Transfer     | \$197.1M   | \$161.7M   | \$175.5M   | \$152.4M   | \$130.3M   | \$184.1M   | \$196.4M   | \$133.6M   | \$145.4M   | \$160.6M   |
|                           |                                               | Lease of Personal Property | \$259.9M   | \$265.7M   | \$295.4M   | \$328.7M   | \$344.1M   | \$491.1M   | \$602.3M   | \$639.2M   | \$701.3M   | \$936.7M   |
|                           |                                               | Motor Vehicle Lessor Tax   | \$6.6M     | \$6.8M     | \$6.6M     | \$6.7M     | \$3.0M     | \$4.1M     | \$5.2M     | \$5.9M     | \$6.4M     | \$6.1M     |
|                           | Total                                         |                            | \$463.6M   | \$434.2M   | \$477.5M   | \$487.8M   | \$477.5M   | \$679.4M   | \$803.9M   | \$778.7M   | \$853.1M   | \$1,103.4M |
|                           | Transportation Taxes                          |                            |            |            |            |            |            |            |            |            |            |            |
|                           |                                               | Parking Garage Tax         | \$134.5M   | \$135.4M   | \$134.0M   | \$144.1M   | \$65.4M    | \$104.6M   | \$133.2M   | \$147.3M   | \$151.4M   | \$177.1M   |
|                           |                                               | Vehicle Fuel Tax           | \$53.0M    | \$54.2M    | \$53.7M    | \$54.1M    | \$34.1M    | \$54.9M    | \$57.0M    | \$57.3M    | \$58.7M    | \$63.1M    |
|                           |                                               | Ground Transportation Tax  | \$59.6M    | \$85.4M    | \$119.4M   | \$138.8M   | \$94.4M    | \$96.2M    | \$142.9M   | \$187.4M   | \$203.0M   | \$220.7M   |
|                           | Other Transportation                          |                            |            |            |            |            |            |            |            |            | \$0.0M     | \$0.0M     |
|                           | Total                                         |                            | \$247.1M   | \$275.0M   | \$307.1M   | \$337.0M   | \$193.9M   | \$255.7M   | \$333.2M   | \$391.9M   | \$413.0M   | \$460.9M   |
|                           | Recreation Taxes                              |                            |            |            |            |            |            |            |            |            |            |            |
|                           |                                               | Amusement Tax              | \$163.6M   | \$172.6M   | \$195.5M   | \$196.5M   | \$104.3M   | \$159.1M   | \$233.2M   | \$262.5M   | \$269.9M   | \$288.7M   |
|                           |                                               | Automatic Amusement Tax    | \$0.5M     | \$0.4M     | \$0.4M     | \$0.4M     | \$0.3M     | \$0.3M     | \$0.3M     | \$0.3M     | \$0.4M     | \$0.8M     |
|                           |                                               | Boat Mooring Tax           | \$1.3M     | \$1.3M     | \$1.8M     | \$1.1M     | \$1.0M     | \$1.5M     | \$1.5M     | \$1.7M     | \$1.6M     | \$1.9M     |
|                           |                                               | Liquor Tax                 | \$33.1M    | \$32.6M    | \$33.0M    | \$32.0M    | \$27.5M    | \$29.8M    | \$29.7M    | \$30.1M    | \$29.7M    | \$28.1M    |
|                           |                                               | Cigarette Tax              | \$23.1M    | \$21.3M    | \$21.3M    | \$19.8M    | \$20.8M    | \$17.4M    | \$16.5M    | \$14.7M    | \$13.2M    | \$13.9M    |
|                           |                                               | Non-Alcoholic Beverage Tax | \$24.4M    | \$24.3M    | \$27.0M    | \$25.3M    | \$22.2M    | \$25.9M    | \$27.9M    | \$30.7M    | \$36.3M    | \$33.3M    |
|                           |                                               | Off Track Betting Tax      | \$0.6M     | \$0.6M     | \$0.5M     | \$0.4M     | \$0.3M     | \$0.3M     | \$0.2M     | \$0.2M     | \$0.0M     | \$0.0M     |
|                           |                                               | Cannabis Excise Tax        |            |            |            |            | \$1.7M     | \$5.1M     | \$5.6M     | \$5.6M     | \$5.2M     | \$4.9M     |
|                           | Total                                         |                            | \$246.6M   | \$253.1M   | \$279.5M   | \$275.5M   | \$178.1M   | \$239.4M   | \$314.9M   | \$345.6M   | \$356.3M   | \$371.6M   |
|                           | Business Taxes                                |                            |            |            |            |            |            |            |            |            |            |            |
|                           |                                               | Hotel Accommodations Tax   | \$113.5M   | \$131.6M   | \$130.4M   | \$133.7M   | \$25.7M    | \$65.5M    | \$119.6M   | \$134.7M   | \$148.2M   | \$148.9M   |
|                           |                                               | Employer Expense Tax       |            |            |            |            |            |            |            |            | \$0.0M     | \$0.0M     |
|                           |                                               | Foreign Fire Insurance Tax | \$5.4M     | \$5.6M     | \$4.9M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$8.2M     | \$0.0M     |
|                           |                                               | Checkout Bag Tax           | \$5.6M     | \$5.6M     | \$6.4M     | \$6.4M     | \$6.3M     | \$7.5M     | \$19.0M    | \$15.3M    | \$22.3M    | \$25.6M    |
|                           | Total                                         |                            | \$118.9M   | \$142.9M   | \$141.7M   | \$140.1M   | \$31.9M    | \$72.9M    | \$138.6M   | \$150.0M   | \$178.7M   | \$174.5M   |
| Total                     |                                               |                            | \$1,818.7M | \$1,774.1M | \$1,694.8M | \$1,720.7M | \$1,331.5M | \$1,733.2M | \$2,117.3M | \$2,156.1M | \$2,293.9M | \$2,620.1M |
| Proceeds and Transfers In | Proceeds of Debt                              |                            |            |            |            |            | \$450.0M   |            |            |            | \$0.0M     | \$0.0M     |
|                           | American Rescue Plan Revenue Replacement      |                            |            |            |            |            |            | \$782.2M   | \$385.0M   | \$0.0M     | \$0.0M     | \$0.0M     |
|                           | Parking Meter Rev. Replacement Int.           |                            |            | \$5.2M     | \$3.5M     | \$3.4M     | \$3.5M     | \$7.2M     | \$3.2M     | \$0.0M     | \$0.0M     | \$0.0M     |
|                           | Proceeds and Transfers In - Other             |                            | \$8.0M     | \$8.4M     | \$3.7M     | \$4.0M     | \$8.8M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$32.2M    |
|                           | Sales Tax Securitization Corporation Residual |                            | \$150.8M   | \$608.2M   | \$615.7M   | \$475.7M   | \$475.7M   | \$640.6M   | \$567.3M   | \$474.3M   | \$559.6M   | \$559.6M   |
|                           | Skyway Long Term Reserve Interest             |                            | \$15.9M    | \$12.1M    | \$17.7M    | \$17.7M    | \$12.5M    | \$20.9M    | \$13.9M    | \$0.0M     | \$0.0M     | \$0.0M     |
|                           | Transfers In                                  |                            |            |            |            |            |            |            |            | \$82.3M    | \$512.8M   | \$0.0M     |
| Total                     |                                               |                            | \$8.0M     | \$180.2M   | \$627.5M   | \$640.9M   | \$950.5M   | \$1,450.9M | \$969.4M   | \$556.7M   | \$512.8M   | \$591.8M   |
| Intergovernmental         | State Income Tax                              |                            | \$8.0M     | \$180.2M   | \$627.5M   | \$640.9M   | \$950.5M   | \$1,450.9M | \$969.4M   | \$556.7M   | \$512.8M   | \$591.8M   |
|                           | Total                                         |                            | \$254.0M   | \$239.9M   | \$255.0M   | \$284.2M   | \$321.4M   | \$376.7M   | \$412.4M   | \$428.9M   | \$457.3M   | \$487.6M   |
|                           | State Sales Tax (MIROT)                       |                            | \$254.0M   | \$239.9M   | \$255.0M   | \$284.2M   | \$321.4M   | \$376.7M   | \$412.4M   | \$428.9M   | \$457.3M   | \$487.6M   |
|                           | Municipal Retailers Occupation Tax            |                            | \$366.4M   | \$270.5M   |            |            |            |            |            |            | \$0.0M     | \$0.0M     |

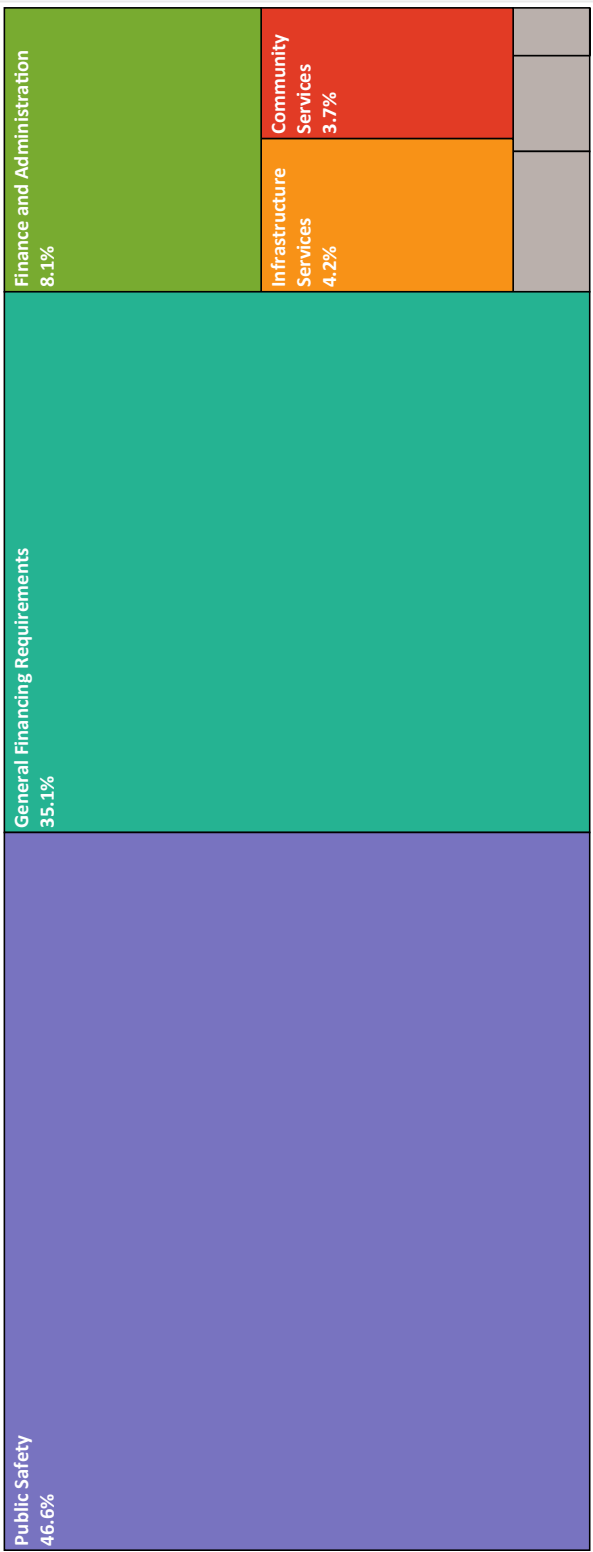
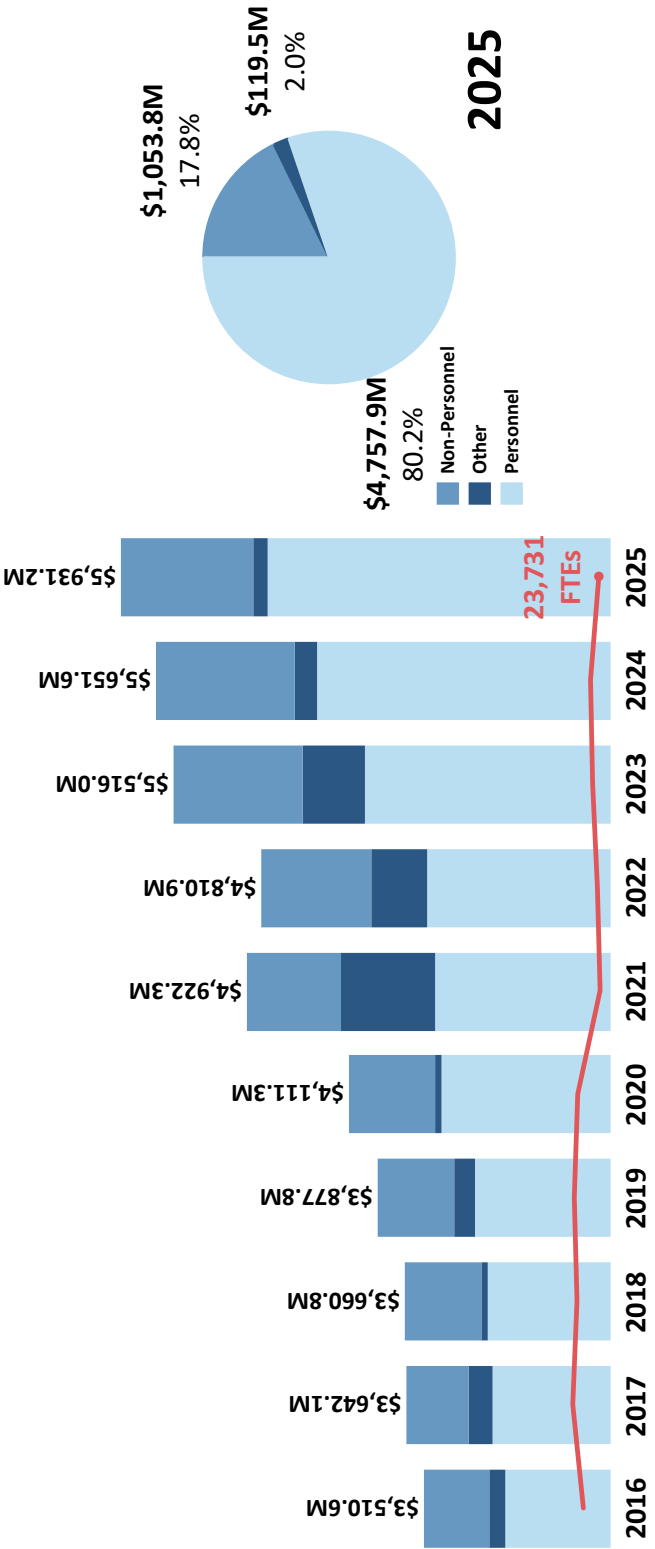
Amounts shown as \$0.0M represent amounts less than \$100,000.  
Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.  
Corporate Fund Resources are being reported in a structure that aligns with the Budget Ordinance.

Corporate Fund - Resources (cont.)

|                                                        |                                    | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|--------------------------------------------------------|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Intergovernmental                                      | State Sales Tax (MRO)              | \$366.4M   | \$270.5M   |            |            |            |            |            |            |            |            |
|                                                        | Personal Property Replacement Tax  | \$159.7M   | \$148.3M   | \$137.4M   | \$185.6M   | \$165.8M   | \$370.7M   | \$559.8M   | \$426.9M   | \$250.1M   | \$222.8M   |
|                                                        | Total                              | \$159.7M   | \$148.3M   | \$137.4M   | \$185.6M   | \$165.8M   | \$370.7M   | \$559.8M   | \$426.9M   | \$250.1M   | \$222.8M   |
|                                                        | Municipal Auto Rental Tax          | \$4.2M     | \$4.1M     | \$4.1M     | \$4.4M     | \$2.1M     | \$3.9M     | \$5.0M     | \$5.1M     | \$5.3M     | \$4.9M     |
|                                                        | Total                              | \$4.2M     | \$4.1M     | \$4.1M     | \$4.4M     | \$2.1M     | \$3.9M     | \$5.0M     | \$5.1M     | \$5.3M     | \$4.9M     |
|                                                        | Reimbursements for City Services   | \$1.9M     | \$2.5M     | \$3.4M     | \$1.5M     | \$1.4M     | \$1.8M     | \$2.1M     | \$2.3M     | \$1.1M     | \$5.0M     |
|                                                        | Total                              | \$1.9M     | \$2.5M     | \$3.4M     | \$1.5M     | \$1.4M     | \$1.8M     | \$2.1M     | \$2.3M     | \$1.1M     | \$5.0M     |
| Total                                                  |                                    | \$786.2M   | \$665.4M   | \$400.0M   | \$475.8M   | \$490.8M   | \$753.2M   | \$979.2M   | \$863.3M   | \$713.8M   | \$720.2M   |
| Local Non-Tax Revenue                                  | Licenses, Permits and Certificates | \$12.2M    | \$12.7M    | \$12.5M    | \$13.3M    | \$10.1M    | \$14.3M    | \$11.8M    | \$13.1M    | \$12.3M    | \$12.9M    |
|                                                        | Business                           | \$18.5M    | \$22.3M    | \$21.4M    | \$25.4M    | \$21.4M    | \$24.3M    | \$24.5M    | \$26.1M    | \$25.2M    | \$29.6M    |
|                                                        | Building Permits                   | \$43.5M    | \$43.2M    | \$42.5M    | \$40.1M    | \$33.1M    | \$33.0M    | \$35.3M    | \$37.7M    | \$30.5M    | \$33.1M    |
|                                                        | Other Permits/Certificates         | \$48.3M    | \$49.3M    | \$48.1M    | \$51.6M    | \$39.9M    | \$39.2M    | \$37.7M    | \$36.4M    | \$43.3M    | \$44.0M    |
|                                                        | Prior Period Fines                 | \$7.9M     | \$6.1M     | \$4.9M     | \$5.5M     | \$3.3M     | \$4.8M     | \$4.2M     | \$3.8M     | \$4.6M     | \$5.1M     |
|                                                        | Total                              | \$130.4M   | \$133.5M   | \$129.3M   | \$136.0M   | \$107.8M   | \$115.6M   | \$113.5M   | \$111.8M   | \$115.9M   | \$124.8M   |
|                                                        | Fines, Forfeitures and Penalties   | \$318.4M   | \$344.9M   | \$335.9M   | \$319.2M   | \$230.6M   | \$316.0M   | \$307.6M   | \$299.5M   | \$315.8M   | \$327.3M   |
|                                                        | Total                              | \$318.4M   | \$344.9M   | \$335.9M   | \$319.2M   | \$230.6M   | \$316.0M   | \$307.6M   | \$299.5M   | \$315.8M   | \$327.3M   |
|                                                        | Charges for Services               | \$13.1M    | \$12.7M    | \$13.1M    | \$14.6M    | \$11.7M    | \$12.1M    | \$9.6M     | \$10.4M    | \$10.7M    | \$10.3M    |
|                                                        | Inspection                         |            |            |            |            |            |            |            |            |            |            |
|                                                        | Health                             |            |            |            |            |            |            |            |            |            |            |
|                                                        | Information                        | \$1.5M     | \$0.3M     | \$1.1M     | \$1.2M     | \$0.9M     | \$1.0M     | \$1.0M     | \$1.1M     | \$1.1M     | \$2.6M     |
|                                                        | Safety                             | \$77.3M    | \$70.0M    | \$73.7M    | \$80.2M    | \$266.5M   | \$278.0M   | \$444.3M   | \$356.4M   | \$356.4M   | \$328.6M   |
|                                                        | Current Expense                    | \$6.3M     | \$6.3M     | \$4.6M     | \$7.4M     | \$7.9M     | \$6.7M     | \$7.5M     | \$6.8M     | \$7.8M     | \$6.7M     |
|                                                        | Other Current Charges              | \$32.5M    | \$28.9M    | \$30.2M    | \$31.0M    | \$30.9M    | \$31.1M    | \$34.6M    | \$35.1M    | \$35.5M    | \$35.6M    |
|                                                        | Total                              | \$130.8M   | \$118.2M   | \$122.7M   | \$134.4M   | \$317.9M   | \$328.9M   | \$397.0M   | \$417.2M   | \$411.6M   | \$383.7M   |
|                                                        | Municipal Parking                  | \$7.5M     | \$7.7M     | \$7.8M     | \$7.7M     | \$7.1M     | \$7.4M     | \$7.0M     | \$7.3M     | \$7.5M     | \$9.6M     |
|                                                        | Other Enterprise                   |            |            |            |            |            |            |            |            |            |            |
|                                                        | Total                              | \$7.5M     | \$7.7M     | \$7.8M     | \$7.7M     | \$7.1M     | \$7.4M     | \$7.0M     | \$7.3M     | \$7.5M     | \$9.6M     |
|                                                        | Rentals and Leases                 | \$13.0M    | \$13.2M    | \$26.5M    | \$25.5M    | \$6.0M     | \$10.8M    | \$17.4M    | \$11.2M    | \$12.8M    | \$11.5M    |
|                                                        | Sale of Land                       | \$9.6M     | \$10.8M    | \$6.2M     | \$0.2M     | \$1.0M     | \$1.1M     | \$6.7M     | \$2.6M     | \$0.4M     | \$3.4M     |
|                                                        | Vacation of Streets                | \$2.2M     | \$0.9M     | \$2.2M     | \$15.8M    | \$4.1M     | \$2.6M     | \$1.5M     | \$1.3M     | \$3.1M     | (\$1.6M)   |
|                                                        | Sale of Impounded Autos            | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     | \$0.0M     |
|                                                        | Sale of Materials                  | \$1.3M     | \$1.0M     | \$0.7M     | \$0.4M     | \$0.2M     | \$1.0M     | \$0.6M     | \$0.5M     | \$0.5M     | \$0.3M     |
|                                                        | Total                              | \$26.1M    | \$25.9M    | \$35.7M    | \$42.0M    | \$11.3M    | \$15.5M    | \$26.2M    | \$15.6M    | \$16.7M    | \$13.5M    |
|                                                        | Interest Income                    | \$8.3M     | \$7.0M     | \$1.9M     | \$31.4M    | \$24.1M    | (\$5.0M)   | (\$77.6M)  | \$95.6M    | \$83.9M    | \$86.9M    |
|                                                        | Total                              | \$8.3M     | \$7.0M     | \$1.9M     | \$31.4M    | \$24.1M    | (\$5.0M)   | (\$77.6M)  | \$95.6M    | \$83.9M    | \$86.9M    |
|                                                        | Enterprise Funds                   | \$168.4M   | \$162.6M   | \$171.9M   | \$173.6M   | \$176.4M   | \$175.2M   | \$182.7M   | \$188.7M   | \$196.0M   | \$205.0M   |
|                                                        | Special Revenue Funds              | \$128.5M   | \$133.5M   | \$51.5M    | \$62.6M    | \$49.6M    | \$52.2M    | \$52.1M    | \$65.2M    | \$81.2M    | \$90.8M    |
|                                                        | Intergovernmental Funds            | \$32.9M    | \$37.0M    | \$35.3M    | \$33.6M    | \$146.7M   | \$145.2M   | \$244.1M   | \$254.3M   | \$45.0M    | \$222.8M   |
|                                                        | Other Reimbursements               | \$12.9M    | \$14.7M    | \$11.5M    | \$1.5M     | \$71.9M    | \$12.9M    | \$7.6M     | \$10.4M    | \$12.7M    | \$13.2M    |
|                                                        | Total                              | \$342.6M   | \$347.7M   | \$270.2M   | \$271.3M   | \$444.6M   | \$385.6M   | \$486.6M   | \$518.5M   | \$334.8M   | \$531.7M   |
|                                                        | Other Revenue                      | \$59.3M    | \$71.2M    | \$69.0M    | \$74.9M    | \$122.3M   | \$125.5M   | \$103.9M   | \$135.7M   | \$144.6M   | \$202.0M   |
|                                                        | Total                              | \$59.3M    | \$71.2M    | \$69.0M    | \$74.9M    | \$122.3M   | \$125.5M   | \$103.9M   | \$135.7M   | \$144.6M   | \$202.0M   |
| Total                                                  |                                    | \$1,023.4M | \$1,056.1M | \$972.4M   | \$1,016.8M | \$1,265.7M | \$1,289.4M | \$1,364.2M | \$1,430.9M | \$1,430.9M | \$1,679.5M |
| Prior Year Assigned and Unassigned Available Resources |                                    |            |            |            |            |            |            |            |            |            |            |
|                                                        | Total                              |            |            |            |            |            |            |            | \$272.9M   | \$484.3M   | \$227.9M   |
| Grand Total                                            |                                    | \$3,636.2M | \$3,675.7M | \$3,694.8M | \$3,854.2M | \$4,038.5M | \$5,226.7M | \$5,430.2M | \$5,450.3M | \$5,435.7M | \$5,839.6M |

Amounts shown as \$0.0M represent amounts less than \$100,000.  
Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.  
Corporate Fund Resources are being reported in a structure that aligns with the Budget Ordinance.

Corporate Fund - Expenditures



# 2027 BUDGET FORECAST APPENDICES

## Corporate Fund - Expenditures by Department

|                                                           | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|-----------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Finance and Administration                                |            |            |            |            |            |            |            |            |            |            |
| Office of The Mayor                                       | \$6.6M     | \$6.9M     | \$7.1M     | \$7.3M     | \$9.8M     | \$9.6M     | \$10.4M    | \$10.0M    | \$11.0M    | \$11.7M    |
| Office of Budget and Management                           | \$4.8M     | \$3.6M     | \$2.9M     | \$3.0M     | \$2.9M     | \$2.8M     | \$2.2M     | \$2.7M     | \$3.9M     | \$4.4M     |
| Department of Technology and Innovation                   | \$20.1M    | \$16.0M    | \$19.6M    | \$21.2M    | \$0.6M     | (\$0.1M)   | (\$0.1M)   | \$0.0M     | \$34.2M    | \$36.5M    |
| City Clerk                                                | \$2.9M     | \$2.9M     | \$3.8M     | \$3.6M     | \$3.3M     | \$3.5M     | \$3.4M     | \$4.3M     | \$5.0M     | \$4.8M     |
| Department of Finance                                     | \$61.9M    | \$60.3M    | \$63.2M    | \$61.8M    | \$58.7M    | \$57.2M    | \$62.1M    | \$65.1M    | \$67.4M    | \$65.3M    |
| City Treasurer                                            | \$1.3M     | \$1.4M     | \$1.4M     | \$1.4M     | \$1.6M     | \$1.7M     | \$1.9M     | \$2.3M     | \$3.0M     | \$3.0M     |
| Department of Administrative Hearings                     | \$7.8M     | \$7.9M     | \$7.8M     | \$7.6M     | \$6.4M     | \$6.9M     | \$6.8M     | \$7.0M     | \$7.3M     | \$7.6M     |
| Department of Law                                         | \$26.7M    | \$26.7M    | \$27.7M    | \$28.8M    | \$28.2M    | \$27.5M    | \$27.1M    | \$30.7M    | \$35.3M    | \$38.7M    |
| Department of Human Resources                             | \$5.6M     | \$5.7M     | \$6.0M     | \$6.3M     | \$6.1M     | \$5.9M     | \$6.7M     | \$7.4M     | \$9.8M     | \$10.6M    |
| Department of Procurement Services                        | \$5.7M     | \$6.3M     | \$6.4M     | \$6.1M     | \$5.9M     | \$5.6M     | \$5.4M     | \$7.5M     | \$8.5M     | \$9.8M     |
| Department of Fleet and Facility Management               | \$186.3M   | \$179.5M   | \$195.5M   | \$207.0M   | \$218.2M   | \$218.5M   | \$234.3M   | \$267.5M   | \$255.7M   | \$286.2M   |
| Total                                                     | \$329.6M   | \$317.2M   | \$341.2M   | \$354.0M   | \$341.6M   | \$339.1M   | \$360.4M   | \$404.5M   | \$441.0M   | \$478.7M   |
| Infrastructure Services                                   |            |            |            |            |            |            |            |            |            |            |
| Department of Streets and Sanitation                      | \$137.6M   | \$137.2M   | \$147.4M   | \$155.3M   | \$153.8M   | \$173.6M   | \$177.1M   | \$184.0M   | \$198.8M   | \$200.8M   |
| Chicago Department of Transportation                      | \$35.4M    | \$50.1M    | \$54.4M    | \$56.6M    | \$51.9M    | \$55.2M    | \$33.9M    | \$33.8M    | \$48.2M    | \$50.2M    |
| Department of Aviation                                    |            |            |            |            |            |            |            |            | \$0.0M     | \$0.0M     |
| Department of Water Management                            | \$0.0M     |            |            |            | \$0.0M     |            |            |            | \$0.0M     | \$0.0M     |
| Total                                                     | \$173.0M   | \$187.3M   | \$201.8M   | \$212.0M   | \$205.6M   | \$228.8M   | \$211.0M   | \$217.8M   | \$247.1M   | \$251.0M   |
| Public Safety                                             |            |            |            |            |            |            |            |            |            |            |
| Office of Public Safety Administration                    |            |            |            |            | \$12.3M    | \$27.5M    | \$41.8M    | \$52.3M    | \$58.6M    | \$65.3M    |
| Police Board                                              | \$0.8M     | \$0.4M     | \$0.4M     | \$0.4M     | \$1.0M     | \$0.4M     | \$0.5M     | \$0.6M     | \$0.4M     | \$0.4M     |
| (Independent Police Review Authority)                     | \$7.7M     | \$3.2M     | \$0.1M     |            | \$0.0M     |            |            |            | \$0.0M     | \$0.0M     |
| Chicago Police Department                                 | \$1,463.0M | \$1,498.2M | \$1,568.5M | \$1,620.2M | \$1,532.2M | \$1,622.9M | \$1,731.7M | \$1,866.9M | \$1,957.4M | \$2,011.8M |
| Office of Emergency Management and Communications         | \$95.2M    | \$100.1M   | \$26.0M    | \$25.4M    | \$18.4M    | \$11.0M    | \$9.7M     | \$9.7M     | \$10.5M    | \$10.5M    |
| Chicago Fire Department                                   | \$583.0M   | \$576.3M   | \$578.1M   | \$604.1M   | \$606.5M   | \$654.1M   | \$660.9M   | \$623.6M   | \$690.6M   | \$655.9M   |
| Civilian Office of Police Accountability                  | \$0.0M     | \$6.6M     | \$11.0M    | \$11.7M    | \$10.6M    | \$11.9M    | \$12.4M    | \$13.5M    | \$14.5M    | \$14.4M    |
| Community Commission for Public Safety and Accountability |            |            |            |            |            |            | \$0.4M     | \$2.2M     | \$2.9M     | \$4.6M     |
| Total                                                     | \$2,149.8M | \$2,184.8M | \$2,184.0M | \$2,261.8M | \$2,181.0M | \$2,327.9M | \$2,457.2M | \$2,568.7M | \$2,735.0M | \$2,762.9M |
| Community Services                                        |            |            |            |            |            |            |            |            |            |            |
| Department of Public Health                               | \$29.4M    | \$30.1M    | \$30.8M    | \$33.6M    | \$34.7M    | \$35.0M    | \$48.0M    | \$56.3M    | \$59.8M    | \$66.9M    |
| Commission on Human Relations                             | \$1.0M     | \$1.1M     | \$1.0M     | \$1.0M     | \$0.9M     | \$0.9M     | \$1.0M     | \$1.1M     | \$1.4M     | \$1.6M     |
| Mayor's Office For People With Disabilities               | \$1.4M     | \$1.4M     | \$1.5M     | \$1.4M     | \$1.3M     | \$1.3M     | \$2.1M     | \$2.6M     | \$2.9M     | \$3.3M     |
| Department of Family and Support Services                 | \$62.2M    | \$68.1M    | \$79.3M    | \$82.2M    | \$83.2M    | \$84.8M    | \$93.8M    | \$97.9M    | \$110.4M   | \$144.8M   |
| Chicago Public Library                                    | \$0.1M     |            |            |            |            |            |            |            | \$0.0M     | \$0.1M     |
| Total                                                     | \$94.2M    | \$100.7M   | \$112.6M   | \$118.2M   | \$120.0M   | \$122.1M   | \$144.9M   | \$158.0M   | \$174.4M   | \$216.7M   |
| City Development                                          |            |            |            |            |            |            |            |            |            |            |
| Department of Housing                                     |            |            | \$0.0M     | \$4.0M     | \$14.7M    | \$9.6M     | \$9.8M     | \$10.5M    | \$10.8M    | \$9.8M     |
| Department of Cultural Affairs and Special Events         | \$0.4M     |            |            |            |            |            |            |            |            | \$0.0M     |
| Department of Planning and Development                    | \$20.5M    | \$13.3M    | \$13.7M    | \$10.1M    | \$10.2M    | \$10.9M    | \$12.5M    | \$15.6M    | \$15.0M    | \$14.4M    |
| Total                                                     | \$20.9M    | \$13.3M    | \$13.6M    | \$14.0M    | \$24.9M    | \$20.4M    | \$22.3M    | \$26.1M    | \$25.8M    | \$24.3M    |
| Regulatory                                                |            |            |            |            |            |            |            |            |            |            |
| Office of Inspector General                               | \$2.9M     | \$4.9M     | \$5.5M     | \$6.0M     | \$6.1M     | \$7.4M     | \$9.3M     | \$9.5M     | \$10.6M    | \$10.0M    |
| Department of Buildings                                   | \$24.6M    | \$22.1M    | \$22.9M    | \$22.8M    | \$22.0M    | \$21.3M    | \$20.6M    | \$22.4M    | \$28.0M    | \$28.6M    |
| Department of Business Affairs and Consumer Protection    | \$16.1M    | \$16.1M    | \$16.4M    | \$16.6M    | \$16.9M    | \$17.2M    | \$18.2M    | \$19.8M    | \$21.7M    | \$21.6M    |
| Department of Environment                                 |            |            | \$0.0M     |            |            | \$0.0M     |            | \$0.3M     | \$1.1M     | \$2.0M     |
| Chicago Animal Care and Control                           | \$5.5M     | \$6.1M     | \$6.5M     | \$6.7M     | \$6.2M     | \$6.1M     | \$6.3M     | \$6.5M     | \$6.8M     | \$7.0M     |
| License Appeal Commission                                 | \$0.2M     | \$0.2M     | \$0.2M     | \$0.2M     | \$0.2M     | \$0.1M     | \$0.2M     | \$0.1M     | \$0.2M     | \$0.2M     |
| Board of Ethics                                           | \$0.8M     | \$0.8M     | \$0.8M     | \$0.8M     | \$0.8M     | \$0.8M     | \$0.8M     | \$0.9M     | \$0.9M     | \$0.7M     |

Inactive departments shown in parenthesis.  
"\$0.0M" indicates amounts less than \$100,000

Corporate Fund - Expenditures by Department (cont.)

|                           |                                 | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|---------------------------|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Regulatory                | Total                           | \$50.1M    | \$50.2M    | \$52.3M    | \$53.1M    | \$52.2M    | \$52.9M    | \$55.5M    | \$59.4M    | \$69.4M    | \$70.1M    |
| Legislative and Elections | City Council                    | \$25.2M    | \$25.6M    | \$26.0M    | \$24.9M    | \$25.6M    | \$26.2M    | \$28.7M    | \$29.5M    | \$34.6M    | \$35.2M    |
|                           | Board of Election Commissioners | \$14.9M    | \$12.3M    | \$15.8M    | \$31.1M    | \$17.4M    | \$11.4M    | \$18.1M    | \$41.1M    | \$19.1M    | \$13.1M    |
|                           | Total                           | \$40.0M    | \$37.9M    | \$41.7M    | \$56.0M    | \$43.0M    | \$37.6M    | \$46.8M    | \$70.6M    | \$53.6M    | \$48.3M    |
| Finance                   | Finance General                 | \$653.0M   | \$750.7M   | \$713.5M   | \$808.7M   | \$1,143.0M | \$1,793.5M | \$1,512.8M | \$2,010.9M | \$1,905.2M | \$2,079.2M |
| General                   | Total                           | \$653.0M   | \$750.7M   | \$713.5M   | \$808.7M   | \$1,143.0M | \$1,793.5M | \$1,512.8M | \$2,010.9M | \$1,905.2M | \$2,079.2M |
| Grand Total               |                                 | \$3,510.6M | \$3,642.1M | \$3,660.8M | \$3,877.8M | \$4,111.3M | \$4,922.3M | \$4,810.9M | \$5,516.0M | \$5,651.6M | \$5,931.2M |

Inactive departments shown in parenthesis.  
"\$0.0M" indicates amounts less than \$100,000

Corporate Fund - Expenditures By Type

|                                | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Personnel                      |            |            |            |            |            |            |            |            |            |            |
| Employee Pay                   | \$2,375.7M | \$2,458.9M | \$2,438.7M | \$2,569.1M | \$2,498.5M | \$2,859.1M | \$2,674.4M | \$2,841.4M | \$2,994.9M | \$3,242.6M |
| Employee Benefits              | \$401.2M   | \$341.7M   | \$390.1M   | \$403.5M   | \$470.1M   | \$395.5M   | \$403.1M   | \$419.7M   | \$456.0M   | \$488.9M   |
| Pension Allocation             | \$11.6M    | \$106.3M   | \$107.5M   | \$79.7M    | \$336.9M   | \$85.5M    | \$329.2M   | \$644.9M   | \$833.7M   | \$943.4M   |
| Workers' Compensation          | \$64.3M    | \$58.8M    | \$58.6M    | \$52.8M    | \$66.7M    | \$72.6M    | \$77.9M    | \$76.8M    | \$76.5M    | \$83.0M    |
| Total                          | \$2,852.7M | \$2,965.7M | \$2,995.0M | \$3,105.1M | \$3,372.2M | \$3,412.6M | \$3,484.6M | \$3,982.8M | \$4,361.1M | \$4,757.9M |
| Non-Personnel                  |            |            |            |            |            |            |            |            |            |            |
| Contractual Services           | \$315.5M   | \$315.0M   | \$323.6M   | \$391.8M   | \$408.4M   | \$484.4M   | \$572.7M   | \$674.8M   | \$721.3M   | \$664.6M   |
| Refunds, Rebates & Legal Costs | \$115.0M   | \$66.3M    | \$142.1M   | \$80.7M    | \$141.8M   | \$153.8M   | \$158.8M   | \$192.3M   | \$223.0M   | \$209.3M   |
| Utilities                      | \$61.0M    | \$45.6M    | \$42.1M    | \$45.5M    | \$36.5M    | \$32.8M    | \$49.0M    | \$52.8M    | \$53.4M    | \$55.5M    |
| Commodities                    | \$15.8M    | \$40.7M    | \$46.0M    | \$48.1M    | \$52.0M    | \$45.4M    | \$53.9M    | \$68.5M    | \$66.4M    | \$67.2M    |
| Delegate Agencies              | \$21.6M    | \$26.3M    | \$60.6M    | \$45.3M    | \$54.4M    | \$37.5M    | \$46.9M    | \$47.2M    | \$51.5M    | \$50.9M    |
| Employee Travel Expenses       | \$1.3M     | \$1.4M     | \$1.6M     | \$1.6M     | \$0.6M     | \$0.7M     | \$0.7M     | \$1.6M     | \$1.1M     | \$1.3M     |
| Contingencies                  | \$0.1M     | \$0.1M     | \$0.0M     | \$0.1M     | \$0.0M     | \$0.1M     | \$0.1M     | \$0.1M     | \$0.1M     | \$0.1M     |
| Special Events & Tourism       |            |            |            |            |            |            |            |            |            | \$5.0M     |
| Total                          | \$530.3M   | \$495.4M   | \$616.0M   | \$613.1M   | \$693.8M   | \$754.7M   | \$882.1M   | \$1,037.4M | \$1,116.8M | \$1,053.8M |
| Other                          |            |            |            |            |            |            |            |            |            |            |
| Transfers Out                  | \$85.6M    | \$142.0M   | \$15.2M    | \$109.4M   |            | \$215.2M   |            |            |            |            |
| Cash Matching - Grants         | \$14.8M    | \$15.9M    | \$19.2M    | \$18.4M    | \$26.2M    | \$26.3M    | \$25.0M    | \$60.1M    | \$96.3M    | \$52.0M    |
| Financing Costs                | \$24.5M    | \$20.6M    | \$13.0M    | \$29.0M    | \$16.6M    | \$511.0M   | \$416.6M   | \$431.2M   | \$65.2M    | \$57.8M    |
| Indirect Costs                 | \$2.7M     | \$2.5M     | \$2.4M     | \$2.7M     | \$2.4M     | \$2.5M     | \$2.7M     | \$4.5M     | \$12.3M    | \$9.7M     |
| Total                          | \$127.6M   | \$181.0M   | \$49.8M    | \$159.6M   | \$45.3M    | \$755.0M   | \$444.3M   | \$495.8M   | \$173.7M   | \$119.5M   |
| Grand Total                    | \$3,510.6M | \$3,642.1M | \$3,660.8M | \$3,877.8M | \$4,111.3M | \$4,922.3M | \$4,810.9M | \$5,516.0M | \$5,651.6M | \$5,931.2M |

Amounts shown as \$0.0M represent amounts less than \$100,000.

Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

## SPECIAL REVENUE FUNDS - HISTORICAL REVIEW

The City's Special Revenue Funds are established to account for revenues derived from dedicated sources that are legally or administratively restricted for specific purposes, including road maintenance, library services, 911 operations, special events, and tourism promotion.

### ***Vehicle Tax Fund***

Includes revenue from vehicle sticker sales, impoundment fees, abandoned auto sale fees, and pavement cut fees. Vehicle Tax Fund revenues are reported as a non-major Special Revenue Fund in the City's basic financial statements.

### ***Motor Fuel Tax Fund***

Revenues derived from the Motor Fuel Tax ("MFT") are reported as a non-major Special Revenue Fund in the City's basic financial statements. MFT Fund expenses include costs associated with streetlight energy, street pavement, bridge maintenance, and related personnel costs. A total of \$3 million of these funds are also transferred annually to the Chicago Transit Authority ("CTA") to support public transportation.

### ***Special Events and Municipal Hotel Operators' Occupation Tax Fund***

Includes revenues from the Municipal Hotel Operator's Occupation Tax and special event fees, which are used to support the promotion of tourism, cultural and recreational activities. Revenues to this fund are reported as a non major Special Revenue Fund in the City's basic financial statements.

### ***Library Fund***

Revenue to this fund is derived from an annual library operations property tax levy. The Library Fund supports the maintenance and operations of the Chicago Public Library System. Library Fund revenues are reported as a non-major Special Revenue Fund in the City's basic financial statements.

### ***Emergency Communication Fund***

Revenues for the Emergency Communications Fund are derived from the City's 911 surcharge on all billed telecommunications subscribers in Chicago. These revenues are dedicated to supporting the 911 system and emergency preparedness activities administered by the Office of Emergency Management and Communications (OEMC). For financial reporting purposes, this fund is classified as a non-major Special Revenue Fund within the City's basic financial statements.

### ***Garbage Collection Fund***

This fund is supported by the City's monthly Garbage Fee, assessed on single-family residences and multi-family buildings with four or fewer units. Revenues offset a portion of the costs associated with providing refuse collection services to these households, with the remainder subsidized by the City's Corporate Fund. For financial reporting purposes, these revenues are accounted for within the General Fund in the City's basic financial statements.

In addition to the funds listed above, the City budget also identifies the following funds as Special Revenue Funds:

### ***CTA Real Property Transfer Tax Fund***

Revenues for this fund are generated from a supplemental real estate transfer tax, the proceeds of which are dedicated to the Chicago Transit Authority (CTA). For financial reporting purposes, this fund is classified as a non-major Special Revenue Fund in the City's basic financial statements.

### ***Affordable Housing Opportunity Fund ("AHOF")***

Revenues for this fund are derived from the City's density bonus program and the Affordable Requirements Ordinance. These resources support the construction, rehabilitation, and preservation of affordable housing, as well as other housing-related programs. A portion of revenues is allocated to the Chicago Low-Income Housing Trust Fund, which provides annual rent subsidies to serve the needs of low-income residents. For financial reporting purposes, AHOF revenues are classified as Special Revenue funds in the City's basic financial statements.

### ***Neighborhood Opportunity Fund ("NOF")***

Revenues for this fund are derived from the Neighborhood Opportunity Bonus, which allows developers to make payments in exchange for density bonuses that permit construction above existing zoning limits at designated sites. 80 percent of these revenues support the NOF to finance commercial development and job creation in disinvested neighborhoods. The remaining proceeds are allocated to the Citywide Adopt-a-Landmark Fund (10 percent) for the preservation and improvement of City landmarks, and the Local Impact Fund (10 percent) for infrastructure investments within one mile of the contributing development. For financial reporting purposes, NOF revenues are classified as agency funds in the City's basic financial statements.

### ***TIF Administration Fund***

This fund accounts for all administrative expenses incurred by the City to operate and maintain its TIF program.

***Controlled Substances Fund***

The City appropriates funds to the Controlled Substances Fund pursuant to the Illinois Controlled Substances Act. Funds must be used in the enforcement of laws regulating controlled substances and cannabis.

The rate imposed is \$0.50 per the number of Chicago consumers per calendar month in excess of 100,000. Expenditures from the fund can be used to support mental and behavioral health operations and investments.

***Chicago Police CTA Detail Fund***

Under an intergovernmental agreement between the Chicago Police Department (CPD) and the Chicago Transit Authority (CTA), sworn officers may provide security services on CTA property during off-duty hours through the voluntary Special Employment Program. The CTA reimburses the City for these costs, which are recorded in this fund.

***Chicago Parking Meters Fund***

Under the City's 2008 parking meter agreement, the City is required to make reconciliation payments to Chicago Parking Meters LLC when meter rates are not adjusted in line with Consumer Price Index (CPI) increases or when metered spaces are taken out of service. These payments are recorded separately within this fund.

***Houseshare Surcharge - Homeless Services Fund***

Revenues to the Homeless Services Fund are dedicated to services for homeless families. A four percent hotel tax surcharge assessed on vacation rentals or shared-housing units are accounted for in this fund.

***Houseshare Surcharge - Domestic Violence Fund***

Domestic Violence Fund revenue is generated through the two percent Hotel Tax surcharge assessed on vacation rentals or shared housing units. These resources fund services for victims of domestic violence.

***Foreign Fire Insurance Tax Fund***

Foreign Fire Insurance Tax revenues are collected by the City and distributed to the Foreign Fire Insurance Board per State statute.

***Cannabis Regulation Tax Fund***

Cannabis Regulation Tax Fund revenue is generated through State taxes, license fees, and other revenues derived from recreational cannabis shared with local governments based on population.

***Protecting Care Fund***

Protecting Care Fund revenues stem from a tax imposed on social media businesses that collect consumer data on more than 100,000 Chicago consumers in a calendar year.

**Special Revenue - Revenues**

|                                                                   | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     | 2024     | 2025     |
|-------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Vehicle Tax Fund                                                  | \$202.0M | \$216.2M | \$195.6M | \$202.7M | \$168.6M | \$195.7M | \$191.7M | \$223.6M | \$215.4M | \$191.8M |
| Motor Fuel Tax                                                    | \$58.3M  | \$55.7M  | \$57.5M  | \$78.5M  | \$87.1M  | \$98.4M  | \$115.7M | \$103.6M | \$122.9M | \$137.5M |
| Special Events and Municipal Hotel Operators' Occupation Tax Fund | \$44.4M  | \$44.2M  | \$43.1M  | \$51.8M  | \$15.2M  | \$22.0M  | \$37.3M  | \$40.4M  | \$44.5M  | \$48.4M  |
| Library Fund                                                      | \$99.6M  | \$98.2M  | \$100.9M | \$110.1M | \$115.8M | \$114.8M | \$115.7M | \$115.5M | \$113.3M | \$118.2M |
| Emergency Communications Fund                                     | \$101.3M | \$100.5M | \$131.2M | \$136.8M | \$141.5M | \$144.8M | \$145.0M | \$166.2M | \$163.3M | \$167.5M |
| Garbage Collection Fund                                           | \$54.4M  | \$64.0M  | \$63.0M  | \$62.0M  | \$57.6M  | \$62.6M  | \$62.1M  | \$62.4M  | \$61.0M  | \$68.7M  |
| Grand Total                                                       | \$560.0M | \$578.7M | \$591.5M | \$641.9M | \$585.8M | \$638.3M | \$667.4M | \$711.8M | \$720.4M | \$731.9M |

Amounts shown as \$0.0M represent amounts less than \$100,000.

Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

Special Revenue - Expenditures

|                                                                   | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     | 2024     | 2025     |
|-------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Vehicle Tax Fund                                                  | \$186.9M | \$206.8M | \$203.7M | \$227.2M | \$179.6M | \$188.5M | \$214.1M | \$234.6M | \$253.5M | \$257.9M |
| Motor Fuel Tax Fund                                               | \$45.5M  | \$54.8M  | \$62.1M  | \$67.4M  | \$97.8M  | \$107.6M | \$106.1M | \$110.7M | \$132.0M | \$131.7M |
| Special Events and Municipal Hotel Operators' Occupation Tax Fund | \$47.2M  | \$44.6M  | \$46.5M  | \$50.6M  | \$25.4M  | \$25.1M  | \$38.2M  | \$41.5M  | \$57.1M  | \$62.8M  |
| Library Fund                                                      | \$97.8M  | \$98.1M  | \$102.6M | \$107.6M | \$108.4M | \$101.3M | \$110.0M | \$120.9M | \$129.3M | \$145.9M |
| Emergency Communication Fund                                      | \$96.4M  | \$94.0M  | \$110.6M | \$145.4M | \$132.0M | \$138.7M | \$142.9M | \$139.7M | \$145.1M | \$177.4M |
| Garbage Collection Fund                                           | \$59.8M  | \$61.0M  | \$59.4M  | \$59.1M  | \$65.9M  | \$58.8M  | \$52.9M  | \$60.8M  | \$74.8M  | \$76.2M  |
| Grand Total                                                       | \$533.6M | \$559.3M | \$584.9M | \$657.4M | \$609.1M | \$620.0M | \$664.2M | \$708.2M | \$791.8M | \$851.8M |

Does not include amounts designated for debt service.  
Amounts shown as \$0.0M represent amounts less than \$100,000.  
Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

## ENTERPRISE FUNDS - HISTORICAL REVIEW

The City's Enterprise Funds finance the operations, maintenance, and capital programs of the water and sewer systems, as well as Chicago O'Hare International Airport ("O'Hare") and Chicago Midway International Airport ("Midway"). These funds are self-supporting, with revenues generated primarily through user fees and charges established under a residual ratemaking methodology. Capital improvement costs are incorporated within the overall budgets of each enterprise fund. For financial reporting purposes, Enterprise Fund revenues are classified as major proprietary funds in the City's basic financial statements.

### ***Water Fund***

Revenues from the sale of the City's water provide for the operations and maintenance of the water system and debt service of the water bonds. The Water Fund receives no share of any State, local property, or income taxes. The City receives water system operating revenues only from the users of the water system. The operating revenues from users of the water system do not flow through the State, any State agency or any other political subdivision, but are paid directly to the City.

### ***Sewer Fund***

Revenues from sewer service charges provide funds for the operation and maintenance of the Sewer System and debt service on sewer bonds and loans. The City obtains sewer system operating revenues only from the users of the sewer system. The Sewer Fund receives no share of any State or local property or income taxes. The operating revenues from users of the sewer system do not flow through the State, any State agency or any other political subdivision, but are paid directly to the City.

### ***O'Hare Fund and Midway Fund***

O'Hare and Midway operating revenues are comprised of landing fees, terminal area rental/use charges, other rentals as well as non-airline sources, such as charges for parking and revenues from concessions. The City charges airlines based on a projection of revenues and recognizes revenues from the airlines only to the extent required to fund operating costs, including debt service.

Enterprise Funds - Revenue

|                    | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 0200 - Water Fund  | \$762.6M   | \$772.5M   | \$781.1M   | \$768.9M   | \$758.3M   | \$779.5M   | \$715.3M   | \$851.5M   | \$889.4M   | \$910.5M   |
| 0314 - Sewer Fund  | \$386.7M   | \$368.4M   | \$379.4M   | \$362.8M   | \$349.4M   | \$368.4M   | \$372.7M   | \$375.9M   | \$435.7M   | \$436.3M   |
| 0610 - Midway Fund | \$260.8M   | \$281.8M   | \$267.8M   | \$286.3M   | \$305.6M   | \$296.2M   | \$318.2M   | \$360.1M   | \$338.6M   | \$356.5M   |
| 0740 - O'Hare Fund | \$1,240.6M | \$1,315.1M | \$1,451.0M | \$1,694.4M | \$1,604.7M | \$1,560.9M | \$1,633.0M | \$1,727.4M | \$2,019.5M | \$2,024.7M |
| Grand Total        | \$2,650.8M | \$2,737.8M | \$2,879.3M | \$3,112.4M | \$3,018.0M | \$3,005.1M | \$3,039.1M | \$3,314.9M | \$3,683.1M | \$3,727.9M |

Amounts shown as \$0.0M represent amounts less than \$100,000.

Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

Enterprise Funds – Expenditures

|                            |                                                | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       |
|----------------------------|------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 0200 – Water Fund          | Administrative & General                       | \$20.3M    | \$13.6M    | \$13.0M    | \$13.0M    | \$13.9M    | \$14.9M    | \$14.2M    | \$14.2M    | \$17.0M    | \$17.6M    |
|                            | Central Services & General Fund Reimbursements | \$126.4M   | \$121.7M   | \$127.0M   | \$124.0M   | \$139.8M   | \$133.1M   | \$145.2M   | \$146.2M   | \$155.5M   | \$165.4M   |
|                            | Customer Accounting & Collection               | \$15.3M    | \$18.2M    | \$22.1M    | \$27.2M    | \$27.0M    | \$26.5M    | \$22.9M    | \$26.5M    | \$19.4M    | \$29.9M    |
|                            | Non-Operating Expenses                         | \$209.6M   | \$108.3M   | \$91.3M    | \$97.0M    | \$95.9M    | \$94.0M    | \$91.0M    | \$104.9M   | \$100.0M   | \$91.7M    |
|                            | Pension Expense                                | \$12.3M    | \$24.4M    | \$32.1M    | \$39.8M    | \$44.4M    | \$50.3M    | \$77.3M    | \$92.2M    | \$91.4M    | \$92.8M    |
|                            | Power & Pumping                                | \$39.6M    | \$41.4M    | \$41.1M    | \$42.7M    | \$40.7M    | \$45.2M    | \$45.3M    | \$53.0M    | \$62.1M    | \$54.7M    |
|                            | Purification                                   | \$57.5M    | \$60.5M    | \$62.9M    | \$67.8M    | \$61.8M    | \$62.3M    | \$73.5M    | \$87.3M    | \$83.2M    | \$87.9M    |
|                            | Source of supply                               | \$0.1M     | \$0.1M     | \$0.2M     | \$0.4M     | \$0.2M     | \$0.1M     | \$0.2M     | \$0.2M     | \$0.1M     | \$0.5M     |
|                            | Transmission & Distribution                    | \$39.2M    | \$39.6M    | \$59.7M    | \$71.8M    | \$71.7M    | \$74.8M    | \$61.8M    | \$86.5M    | \$98.1M    | \$99.9M    |
|                            | Total                                          | \$520.4M   | \$427.9M   | \$449.3M   | \$483.8M   | \$495.4M   | \$501.3M   | \$531.3M   | \$611.2M   | \$626.8M   | \$640.4M   |
| 0314 – Sewer Fund          | Administrative & General                       | \$11.8M    | \$12.6M    | \$13.5M    | \$12.4M    | \$12.3M    | \$13.9M    | \$14.1M    | \$13.3M    | \$16.1M    | \$15.0M    |
|                            | Engineering                                    | \$2.2M     | \$2.5M     | \$3.7M     | \$3.5M     | \$4.8M     | \$5.3M     | \$6.2M     | \$6.9M     | \$9.2M     | \$9.1M     |
|                            | General Fund Reimbursements                    | \$50.8M    | \$47.5M    | \$51.2M    | \$53.7M    | \$54.5M    | \$55.9M    | \$55.5M    | \$54.6M    | \$56.2M    | \$55.6M    |
|                            | Maintenance                                    | \$21.9M    | \$24.7M    | \$24.9M    | \$23.0M    | \$24.4M    | \$25.9M    | \$14.4M    | \$16.9M    | \$16.5M    | \$17.2M    |
|                            | Non-Operating Expenses                         | \$81.7M    | \$81.4M    | \$77.6M    | \$80.0M    | \$80.3M    | \$83.7M    | \$83.9M    | \$105.1M   | \$118.4M   | \$101.8M   |
|                            | Pension Expense                                | \$4.4M     | \$9.5M     | \$12.7M    | \$15.7M    | \$17.1M    | \$19.9M    | \$29.0M    | \$32.4M    | \$33.8M    | \$34.3M    |
|                            | Repairs                                        | \$36.4M    | \$41.9M    | \$43.7M    | \$41.6M    | \$47.4M    | \$44.1M    | \$27.5M    | \$36.0M    | \$31.8M    | \$33.8M    |
|                            | Total                                          | \$209.2M   | \$220.0M   | \$227.2M   | \$229.8M   | \$240.8M   | \$248.7M   | \$230.6M   | \$265.3M   | \$282.0M   | \$266.8M   |
|                            | Non-Operating Expenses                         | \$89.4M    | \$62.6M    | \$60.8M    | \$69.5M    | \$58.7M    | \$71.6M    | \$86.4M    | \$71.4M    | \$69.3M    | \$62.1M    |
|                            | Other Operating Expenses                       | \$17.1M    | \$13.7M    | \$15.7M    | \$15.9M    | \$20.9M    | \$33.4M    | \$13.1M    | \$27.7M    | \$15.5M    | \$17.4M    |
| 0610 – Midway Airport Fund | Pension Expense                                | \$6.7M     | \$9.5M     | \$11.5M    | \$13.9M    | \$17.5M    | \$19.1M    | \$24.2M    | \$25.6M    | \$25.4M    | \$28.8M    |
|                            | Professional & Engineering Services            | \$20.9M    | \$24.3M    | \$24.1M    | \$22.1M    | \$20.8M    | \$22.0M    | \$23.5M    | \$28.1M    | \$30.8M    | \$28.7M    |
|                            | Repairs and Maintenance                        | \$48.3M    | \$44.5M    | \$47.3M    | \$47.0M    | \$43.7M    | \$48.9M    | \$53.1M    | \$61.5M    | \$68.8M    | \$70.2M    |
|                            | Salaries and Wages                             | \$48.5M    | \$48.2M    | \$51.4M    | \$55.6M    | \$56.0M    | \$57.5M    | \$60.1M    | \$63.8M    | \$68.3M    | \$83.9M    |
|                            | Total                                          | \$230.8M   | \$202.8M   | \$210.9M   | \$224.0M   | \$217.6M   | \$252.5M   | \$260.5M   | \$278.0M   | \$278.1M   | \$291.1M   |
|                            | Hilton Expenses                                |            |            |            | \$43.0M    | \$20.2M    | \$24.2M    | \$35.6M    | \$38.6M    | \$43.1M    | \$45.1M    |
|                            | Non-Operating Expenses                         | \$326.8M   | \$348.2M   | \$326.1M   | \$324.4M   | \$335.6M   | \$427.3M   | \$555.5M   | \$474.3M   | \$481.7M   | \$441.6M   |
|                            | Other Operating Expenses                       | \$101.4M   | \$103.4M   | \$115.1M   | \$149.1M   | \$117.3M   | \$146.7M   | \$132.0M   | \$152.0M   | \$143.2M   | \$153.9M   |
|                            | Pension Expense                                | \$27.5M    | \$38.7M    | \$46.7M    | \$56.4M    | \$71.0M    | \$77.1M    | \$107.4M   | \$119.1M   | \$116.1M   | \$125.5M   |
|                            | Professional & Engineering Services            | \$95.6M    | \$101.8M   | \$111.6M   | \$134.0M   | \$141.0M   | \$149.4M   | \$172.7M   | \$191.5M   | \$207.4M   | \$233.3M   |
| 0740 – O'Hare Airport Fund | Repairs and Maintenance                        | \$104.5M   | \$95.3M    | \$115.0M   | \$143.2M   | \$145.0M   | \$170.2M   | \$153.5M   | \$183.4M   | \$200.9M   | \$209.3M   |
|                            | Salaries and Wages                             | \$204.1M   | \$206.0M   | \$222.6M   | \$214.1M   | \$222.9M   | \$219.9M   | \$232.5M   | \$247.7M   | \$267.3M   | \$309.8M   |
|                            | Total                                          | \$860.0M   | \$893.4M   | \$937.2M   | \$1,064.2M | \$1,052.9M | \$1,214.9M | \$1,389.3M | \$1,406.6M | \$1,459.8M | \$1,518.5M |
|                            |                                                | \$1,820.4M | \$1,744.1M | \$1,824.5M | \$2,001.8M | \$2,006.8M | \$2,217.4M | \$2,411.8M | \$2,561.1M | \$2,646.6M | \$2,716.8M |
|                            | Grand Total                                    |            |            |            |            |            |            |            |            |            |            |

Non-cash expenses are excluded from this chart as there is no budgetary impact. See the Debt section for information regarding annual debt service payments.

Amounts shown as \$0.0M represent amounts less than \$100,000.

Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

### Outstanding Long-Term Debt

|                          | 2016               | 2017               | 2018               | 2019               | 2020               | 2021               | 2022               | 2023               | 2024               | 2025               | 2026               | 2027               | 2028               | 2029               |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| G.O. Tax Levy            | \$9,102.4M         | \$7,473.9M         | \$7,579.9M         | \$6,573.4M         | \$5,769.8M         | \$5,748.0M         | \$5,406.6M         | \$5,188.6M         | \$4,964.7M         | \$5,814.7M         | \$5,432.3M         | \$5,681.8M         | \$5,905.8M         | \$5,685.8M         |
| O'Hare Revenue           | \$6,970.6M         | \$8,531.5M         | \$10,318.0M        | \$10,047.6M        | \$9,609.6M         | \$9,414.9M         | \$10,567.9M        | \$10,302.5M        | \$10,040.4M        | \$10,807.0M        | \$10,507.3M        | \$12,162.8M        | \$11,859.6M        | \$11,539.1M        |
| Water Revenue            | \$2,468.4M         | \$2,401.0M         | \$2,457.3M         | \$2,497.2M         | \$2,408.8M         | \$2,341.4M         | \$2,194.0M         | \$2,490.3M         | \$2,387.3M         | \$2,304.4M         | \$2,181.6M         | \$3,032.0M         | \$2,863.2M         | \$2,707.7M         |
| Midway Revenue           | \$1,755.8M         | \$1,755.8M         | \$1,713.5M         | \$1,677.0M         | \$1,628.8M         | \$1,574.9M         | \$1,514.8M         | \$1,446.3M         | \$1,516.8M         | \$1,400.1M         | \$1,335.4M         | \$1,272.3M         | \$1,201.2M         | \$1,432.2M         |
| Sewer Revenue            | \$1,692.8M         | \$1,861.4M         | \$1,893.6M         | \$1,895.5M         | \$1,953.1M         | \$1,885.1M         | \$1,814.3M         | \$2,041.0M         | \$2,032.2M         | \$1,927.9M         | \$1,846.0M         | \$1,759.0M         | \$1,696.6M         | \$1,628.0M         |
| Sales Tax Securitization |                    | \$743.7M           | \$2,036.4M         | \$2,638.9M         | \$3,652.6M         | \$4,609.0M         | \$4,459.8M         | \$5,419.3M         | \$5,855.6M         | \$5,610.7M         | \$5,776.6M         | \$5,584.8M         | \$5,332.1M         | \$5,086.1M         |
| G.O. Alternate Revenue   | \$426.4M           | \$355.0M           | \$216.9M           | \$148.3M           | \$87.4M            | \$64.9M            | \$49.3M            | \$31.1M            | \$24.8M            | \$14.3M            | \$8.5M             | \$2.2M             | \$1.6M             | \$0.9M             |
| Sales Tax Revenue        | \$514.7M           | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             |
| Motor Fuel Tax Revenue   | \$234.1M           | \$249.9M           | \$245.4M           | \$240.3M           | \$173.9M           | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             |
| G.O. Pledge              | \$77.2M            | \$75.1M            | \$72.8M            | \$59.6M            | \$46.3M            | \$39.7M            | \$39.7M            | \$39.7M            | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             |
| TIF                      | \$33.5M            | \$27.9M            | \$19.9M            | \$16.2M            | \$12.1M            | \$7.7M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             | \$0.0M             |
| <b>Grand Total</b>       | <b>\$23,275.8M</b> | <b>\$23,475.3M</b> | <b>\$26,553.8M</b> | <b>\$25,793.8M</b> | <b>\$25,342.4M</b> | <b>\$25,685.6M</b> | <b>\$26,046.4M</b> | <b>\$26,959.0M</b> | <b>\$26,821.8M</b> | <b>\$27,879.1M</b> | <b>\$27,087.8M</b> | <b>\$29,495.0M</b> | <b>\$28,860.0M</b> | <b>\$28,079.7M</b> |

Amounts shown as \$0.0M represent amounts less than \$100,000.

Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

### Long-Term Debt Service Payments

|                          | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027              | 2028              | 2029              |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| G.O. Tax Levy            | \$399.1M          | \$452.1M          | \$488.8M          | \$426.9M          | \$415.9M          | \$133.5M          | \$358.5M          | \$492.3M          | \$323.4M          | \$380.9M          | \$398.7M          | \$475.1M          | \$538.6M          | \$554.5M          |
| O'Hare Revenue           | \$607.8M          | \$620.5M          | \$625.7M          | \$668.0M          | \$654.4M          | \$617.1M          | \$524.3M          | \$706.3M          | \$725.6M          | \$779.6M          | \$792.7M          | \$895.4M          | \$898.3M          | \$876.8M          |
| Water Revenue            | \$184.6M          | \$206.4M          | \$205.1M          | \$217.3M          | \$211.9M          | \$213.3M          | \$215.9M          | \$203.8M          | \$237.1M          | \$229.9M          | \$220.1M          | \$309.7M          | \$289.1M          | \$300.5M          |
| Midway Revenue           | \$102.2M          | \$90.4M           | \$91.9M           | \$99.1M           | \$122.1M          | \$124.7M          | \$133.8M          | \$138.9M          | \$138.3M          | \$130.1M          | \$125.7M          | \$138.5M          | \$138.6M          | \$137.1M          |
| Sewer Revenue            | \$126.8M          | \$138.3M          | \$145.5M          | \$156.0M          | \$154.8M          | \$158.0M          | \$164.1M          | \$164.2M          | \$161.2M          | \$166.5M          | \$170.7M          | \$144.4M          | \$148.3M          | \$161.9M          |
| Sales Tax Securitization |                   | \$0.0M            | \$54.7M           | \$123.3M          | \$121.0M          | \$156.2M          | \$314.2M          | \$335.4M          | \$464.7M          | \$434.5M          | \$449.3M          | \$501.2M          | \$482.4M          | \$501.2M          |
| G.O. Alternate Revenue   | \$70.3M           | \$97.8M           | \$71.9M           | \$45.7M           | \$39.8M           | \$26.9M           | \$18.0M           | \$7.9M            | \$11.8M           | \$6.6M            | \$6.7M            | \$0.8M            | \$0.8M            | \$0.9M            |
| Sales Tax Revenue        | \$39.4M           | \$24.9M           | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            |
| Motor Fuel Tax Revenue   | \$14.3M           | \$15.1M           | \$15.4M           | \$15.6M           | \$12.4M           | \$8.6M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            |
| G.O. Pledge              | \$16.1M           | \$5.2M            | \$5.0M            | \$15.7M           | \$15.2M           | \$8.1M            | \$1.4M            | \$1.4M            | \$0.7M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            |
| TIF                      | \$6.5M            | \$7.1M            | \$6.9M            | \$4.6M            | \$4.8M            | \$4.9M            | \$7.9M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            | \$0.0M            |
| <b>Grand Total</b>       | <b>\$1,567.2M</b> | <b>\$1,657.8M</b> | <b>\$1,710.8M</b> | <b>\$1,772.2M</b> | <b>\$1,752.3M</b> | <b>\$1,451.4M</b> | <b>\$1,738.1M</b> | <b>\$2,050.3M</b> | <b>\$2,062.9M</b> | <b>\$2,128.0M</b> | <b>\$2,163.8M</b> | <b>\$2,465.2M</b> | <b>\$2,496.0M</b> | <b>\$2,532.9M</b> |

Amounts shown as \$0.0M represent amounts less than \$100,000.

Blank records denote that no applicable dollar amount exists for that line item in the referenced fiscal year.

## ASSET LEASE AND CONCESSION RESERVES

In 2005, the City entered into a 99-year lease of the Chicago Skyway, under which a private company was granted the right to operate and collect tolls from the Skyway. In return, the City received an upfront payment of \$1.8 billion. Approximately \$850.0 million of this amount was used to pay off existing debt, including \$446.3 million to refund the outstanding Skyway bonds at the time of the transaction.

In 2009, the City entered into a 75-year concession agreement for its metered parking system, under which a private company was granted the right to operate and collect revenue from the parking meter system and the City received an upfront payment of \$1.12 billion.

Both of these transactions resulted in the establishment of a long-term reserve fund and a mid-term reserve fund.

The City established a \$500.0 million long-term reserve with a portion of the proceeds of the Chicago Skyway lease. The principal of this fund was intended to supplement Corporate Fund reserves, with interest earnings to be used for City operating expenses. For years when the market value has exceeded the principal amount, the interest has been utilized as planned and transferred to the Corporate Fund.

Similarly, the City created a \$400.0 million perpetual reserve from the parking meter concession proceeds to offset foregone parking meter revenues. By ordinance, the reserve was structured to transfer \$20 million annually to the Corporate Fund, while maintaining the \$400.0 million principal. Beginning in 2009, however, the City drew upon principal balances to subsidize operations, which materially reduced both the fund balance and its associated earnings capacity. In 2012, the original ordinance was amended to require that only interest earnings, and not principal, be transferred, allowing the City to begin rebuilding the reserves.

### Asset Lease & Concession Reserve Funds – Total Assets

|         | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     | 2024     | 2025     |
|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Balance | \$640.2M | \$668.3M | \$652.5M | \$714.7M | \$753.3M | \$729.7M | \$622.8M | \$623.3M | \$637.8M | \$674.2M |

## CAPITAL INVESTMENTS

The City's Capital Improvement Program ("CIP") funds the physical improvement or replacement of City-owned infrastructure and facilities with long, useful lives, such as roads, buildings, and green spaces.

The City creates a Five-Year CIP, producing a spending "blueprint" based upon the most current revenue projections and project priorities. Continued investments in infrastructure and facilities are critical to support and enhance neighborhoods, stimulate the economy, and improve services. The CIP is primarily funded through the following sources:

### *General Obligation Bonds*

These bonds are backed by property tax revenue and are used for a variety of City infrastructure and facility projects.

### *Water and Sewer Revenue Bonds*

These bonds are backed by water and sewer user fees, respectively, and are used for the construction and repair of water and sewer lines and related facilities.

### *O'Hare and Midway Revenue Bonds*

These bonds are backed by airport revenues and are used to fund airfield and terminal improvements and related facilities. The City also uses other airport operating revenues to fund capital improvements at both O'Hare and Midway Airport.

### *Tax Increment Financing ("TIF")*

TIF is used to fund neighborhood infrastructure such as roads, bridges, lighting, libraries, schools, parks and water and sewer lines. TIFs are also used to promote general economic development in communities.

### *Federal and State Funds*

Federal and state funds are predominately used by the Chicago Department of Transportation ("CDOT") for bridges and roadways, the Department of Water Management ("DWM") for water and sewer improvements, and the Chicago Department of Aviation ("CDA") for O'Hare and Midway Airport improvements.

## TAX INCREMENT FINANCING

Tax Increment Financing ("TIF") is a funding tool used to improve neighborhood infrastructure and promote investment in select communities across the City. The program is governed by State law, which allows municipalities to capture property tax revenues derived

from the amount of incremental equalized assessed value ("EAV"), above the base EAV, that existed when an area was designated as a TIF district.

There has been a total of 185 TIF designations in Chicago since the start of the TIF program in 1984. The number of active TIF districts peaked in 2011 at 163 but has since declined to 100, with four of these scheduled to expire in 2026. The Illinois General Assembly and Chicago City Council can, however, collectively choose to extend some of these expiring districts by the end of the year.

TIF revenues are used to fund community projects, public improvements, and provide incentives to attract private investment to the area. Funds are used to build and repair neighborhood streets, alleys, bridges, and lighting; modernize and improve schools; construct and upgrade the transit system; build and improve parks; increase affordable housing; and promote neighborhood economic development.

On an annual basis, the City declares a portion of the funds in an active TIF as surplus, which is then distributed on a proportionate basis to each of the overlapping taxing districts. Surplus declaration occurs during the budget process and is pursuant to State law, which requires that any incremental revenues not designated for eligible costs be declared as surplus.

In the 2026 budget, the City declared a record \$1B surplus in TIF funds to support both City initiatives and the operational and capital needs of other taxing bodies like the Board of Education ("BOE"). This historic TIF surplus of \$1B included \$228M in surplus to the City, over \$553M to BOE, and record amounts to other taxing bodies such as the Chicago Park District, Chicago City Colleges, Chicago Public Libraries, Cook County and the Metropolitan Water Reclamation District.

Expenditure data, categorized at a high level into financing, public improvement, site preparation, administration, development, and job training costs, can be found online in the audited annual financial reports for each TIF at [www.Chicago.gov/TIF](http://www.Chicago.gov/TIF).

## PROPERTY TAX

The City is one of several taxing districts reflected on a typical Chicago property tax bill. There are hundreds of units of local governments located in whole or in part in Cook County with taxing power. The major local government units that have taxing power over property within Chicago include the City, the Chicago Park District, the Chicago Board of Education (“CPS”), Community Colleges of Chicago (“Community College District No. 508”), the Metropolitan Water Reclamation District of Greater Chicago, Cook County, and the Forest Preserve District of Cook County.

A taxing district’s levy is the fixed amount of property tax revenue that the taxing district requests for the year. While there are multiple taxing districts and levies reflected on a single tax bill (City levy, County levy, School District levy, Park District levy, etc.), this section only discusses the property tax levy directly associated with the City’s budget – the City and Library levy. Authorization of the City’s property tax levy occurs through bond ordinances and property tax levy ordinances in connection with the City’s annual appropriation ordinance.

Revenue from the City and Library property tax levies are used to pay debt service on general obligation debt, the City’s pension contributions, and for library operations. Property tax-derived revenue includes tax increment financing (“TIF”) revenue; however, TIF revenue must be utilized for specific types of expenses in designated areas and is not general purpose revenue.

### Calculating Property Tax Bills

Cook County administers and collects property taxes on behalf of all taxing districts based on the amount of each taxing district’s levy. For many taxing districts, including CPS, the levy amount is limited by State legislation that places a cap on the amount that the taxing district can request and extend; this is called the Property Tax Extension Limitation Law (“PTELL”). Currently, depending on the property, approximately 25 percent of a property taxpayer’s total bill is allocated to the City and the Chicago Public Library, and approximately 55 percent is allocated to CPS and the Chicago School Building and Improvement Fund.

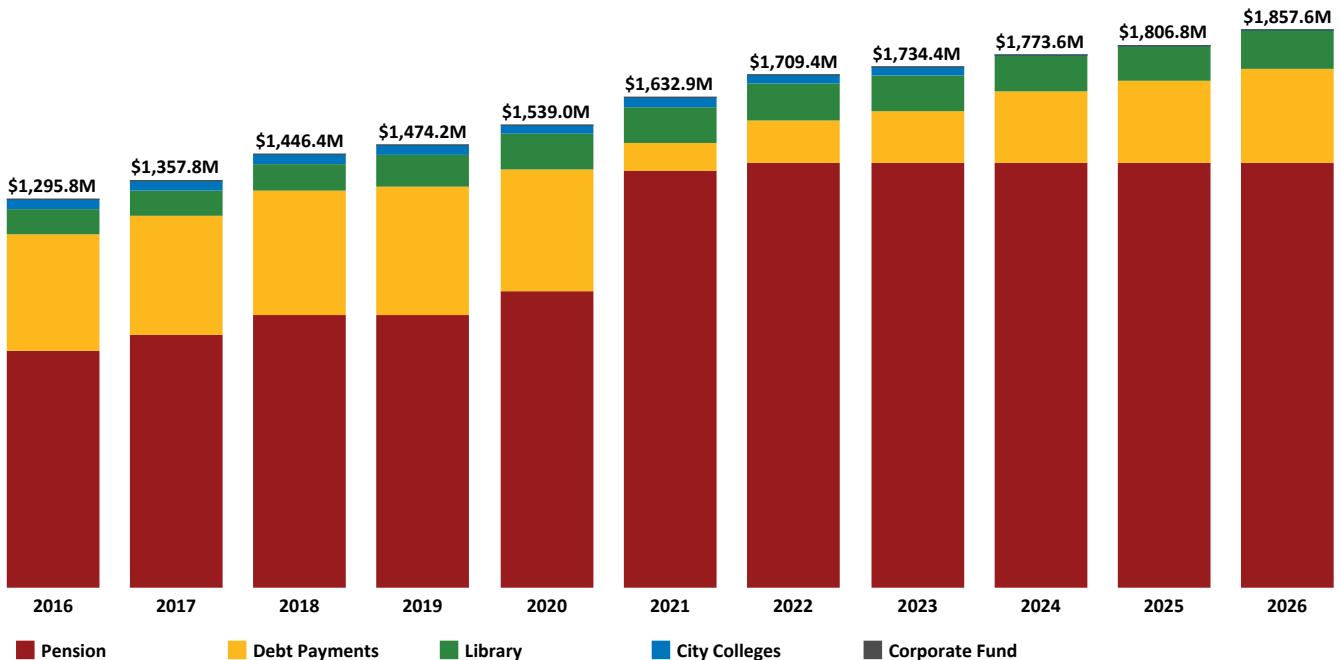
### City Property Tax Levy

The 2026 budget did not include any property tax rate increase other than the natural increase in the levy attributable to new properties that have been added to the tax roll. Similarly, the 2027 baseline scenario also assumes no property tax increase.

The City’s property tax levy is used to pay for debt service and pension contributions. In 2026, the City budgeted \$445.8 million in property tax revenue to fund libraries and debt payments and \$1,411.9 million to fund the City’s contribution to pension funds.

Historically, the City levy has included amounts dedicated to the payment of bonds for City Colleges of Chicago and, in prior years, a portion of the revenue from the City’s property tax levy was used for general operating purposes.

Property Tax Levy



The County determines the amount billed to an individual taxpayer on behalf of a taxing district based on the taxing district's final extension, the value of all property in the taxing district, and the value of the taxpayer's property.

The County reassesses all property values every three years, based on three prior years of sales. The City of Chicago recently underwent a reassessment in 2024. The assessed value of a property is adjusted using a state equalizer, which determines the final value of the property for purposes of taxation. This final value is referred to as the Equalized Assessed Value ("EAV").

The County divides the taxing district's levy by the taxing district's aggregate EAV (subtracting the value of any property tax exemptions and incremental EAV for property located in a TIF), in order to determine the district's tax rate.

Taxing District's Tax Rate = Taxing District's Requested Levy / Aggregate EAV of Taxing District.

The County determines a tax rate for each taxing district, and the sum of these tax rates for all taxing districts is the composite property tax rate, or the total rate that a taxpayer sees on their property tax bill. This composite tax rate is applied to the EAV of each taxpayer's property, and the result is the dollar amount that the taxpayer must pay in a given year. Property tax bills are sent and paid one year in arrears, so the bills received by taxpayers in the current year reflect last year's tax extensions, tax rates, and valuations.

Amount of Property Taxes Owed = Composite Tax Rate x EAV of Taxpayer's Property

The annual tax bill is divided into two installments. The first installment is usually due in March and is equal to 55 percent of the prior year's total tax bill. The second installment is usually issued after July, when the property values, exemptions, and tax rates for the tax year are finalized. The second installment is the total taxed amount less the amount already billed in the first installment. Each bill includes a list of the amount being collected on behalf of each taxing district.

Cook County has notified taxing districts of another round of delayed property tax bills by approximately two months from August to October. Last year, issues with the county's new computer system caused significant delays, pushing the second installment due date to December 15.

### ***Cook County Property Tax Exemptions***

The Homeowner Exemption provides tax relief by reducing the EAV of an eligible residence by \$10,000. First-time applicants must have been the occupants of the property as of January 1 of the tax year in question.

The Senior Citizen Exemption provides tax relief by reducing the EAV of an eligible residence for seniors who own and occupy their homes (in addition to savings from the homeowner exemption).

The Senior Freeze Exemption allows qualified senior citizens to apply for a freeze of the EAV of their properties for the year preceding the year in which they first apply. For example, if a senior applies in 2025 for the freeze, it would be retroactive to the 2024 tax year.

The Home Improvement Exemption allows homeowners to make up to \$75,000 worth of property improvements without an increase in property taxes for at least four years. The value varies depending on the reduction of the assessed value and the tax rates. Any exemption that is granted is reflected on the second installment tax bill.

Veterans Returning from Active Duty in armed conflict are eligible to receive a \$5,000 reduction in the EAV of their property for the taxable year in which they return.

The Disabled Veteran Homestead Exemption provides property tax relief to veterans certified as disabled by the U.S. Department of Veterans Affairs. The exemption reduces equalized assessed value (EAV) based on the severity of disability, with veterans rated at 70 percent or greater eligible for up to a \$250,000 EAV reduction, which in most cases effectively eliminates the property tax liability on the qualifying residence.

The Disabled Persons Exemption provides disabled persons with an annual \$2,000 reduction in the EAV of their property.

# GLOSSARY



***Actuarially-Calculated Contribution:***

An amount determined sufficient to increase the funded ratio of the City of Chicago's pension funds, including the Municipal Employees' Annuity and Benefit Fund, the Laborers' Annuity and Benefit Fund, the Policemen's Annuity and Benefit Fund, and the Firemen's Annuity and Benefit Fund, to a statutorily required amount over a number of years.

***Amusement Tax:***

A tax imposed upon the patrons of amusement activities within the City of Chicago including sporting events, theater productions, and a variety of other entertainment activities. The tax does not apply to admission fees to witness in-person live theatrical, live musical, or other live cultural performances that take place in a venue whose maximum capacity is 1,500 persons or fewer. The tax rate is 9.0 percent of the fee paid to witness in-person live theatrical, live musical, or other live cultural performances that take place in a venue whose maximum capacity is more than 1,500 persons. As of January 2025, the Amusement Tax for Subscribers of Paid Television Programming was established at a rate of 10.25 percent and applies to businesses who subscribe to paid programming in Chicago whose providers do not collect the 9% Amusement Tax. As of January 2026, a new component to the Amusement Tax was added for Social Media companies, which charges \$0.50 per the number of Chicago consumers per calendar month in excess of 100,000. Revenues for the Social Media Amusement Tax are deposited into the Protecting Care Fund for mental and behavioral health. Authorization: Municipal Code 4-156-020 and 4-156-1000.

***Annual Comprehensive Financial Report ("ACFR"):***

Provides complete and accurate financial information from an independent third-party auditor which complies with the reporting requirements of the Municipal Code of Chicago.

***Appropriation:***

An amount of money in the budget, authorized by the City Council, for expenditures for specific purposes. Appropriations are made by account group within each department and fund.

***Asset Lease and Concession Reserves:***

Reserve funds are funds that the City of Chicago sets aside as an economic safety net to mitigate current and future risks such as contingencies, emergencies, or revenue shortfalls. Asset lease and concession reserves

are reserve funds established in connection with the long-term lease or concession of City of Chicago assets, specifically the Skyway and parking meters.

***Automatic Amusement Tax:***

A tax imposed on each automatic amusement device or machine used within the City of Chicago for gain or profit. The tax rate is \$150 per amusement device annually. Authorization: Municipal Code 4-156-160.

***Aviation Funds:***

Funds established to account for acquisition, operation, and maintenance of the City of Chicago's airports. Aviation funds are comprised of the O'Hare International Airport Fund and the Midway International Airport Fund.

***Benefits:***

Includes costs such as healthcare, workers' compensation, life insurance, social security contributions and Medicare contributions.

***Boat Mooring Tax:***

A tax imposed on the mooring or docking of any watercraft for a fee in or on a harbor, river, or other body of water within the corporate limits or jurisdiction of the City of Chicago. As of January 2026, the tax rate is 23.25 percent of the mooring or docking fee. Authorization: Municipal Code 3-16-030.

***Bonds:***

Long-term debt primarily used to finance infrastructure projects including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, as well as Enterprise Fund related projects. The City of Chicago has several different types of bonds including general obligation bonds, sales tax bonds, water and wastewater bonds, and O'Hare and Midway bonds.

***Business Taxes:***

Consists of revenue from the City of Chicago's tax on hotel accommodations, the Checkout Bag Tax, and prior to 2019, Foreign Fire Insurance.

***Capital Improvement Program ("CIP"):***

A five-year plan that identifies capital projects, provides a planning schedule and identifies options for financing projects.

***Charges for Services:***

Charges levied for services provided by the City of Chicago that are not covered by general tax revenue. Such services include building inspections, information requests, emergency medical services, and safety services.

***Checkout Bag Tax:***

As of January 2026, a tax of \$0.15 per bag on the retail sale or use of paper and plastic checkout bags in Chicago, of which retail merchants retain \$0.01 and the remaining \$0.14 is remitted to the City of Chicago. Authorization: Municipal Code 3-50-030.

***Cigarette Tax:***

A tax of \$0.059 per cigarette (\$1.18 per pack of twenty) is imposed upon all cigarettes possessed for sale within the City of Chicago. The tax is paid through the purchase of tax stamps from the City of Chicago's Department of Finance. In the City of Chicago's budget, this also includes the liquid nicotine product tax, which is imposed on the retail sale of liquid nicotine products in the City of Chicago at \$1.50 per product unit and \$1.20 per fluid milliliter of consumable nicotine solution. Authorization: Municipal Code 3-42-020 (cigarette) and 3-47-030 (liquid nicotine).

***Refunds, Rebates and Legal Costs:***

Includes expenses incurred with claims filed against the City of Chicago, legal settlements and judgments, and related legal fees including attorney costs.

***Collective Bargaining Agreement ("CBA"):***

A written legal contract between an employer and union representing employees.

***Commercial Paper:***

A short-term debt instrument issued by an organization, typically for the financing of short-term liabilities.

***Consumer Price Index ("CPI"):***

CPI is an instrument to measure inflation. CPI measures the average change over time in the prices paid for a set of consumer goods and services.

***Contractual Services:***

Costs incurred for services provided to the City of Chicago under contractual agreements, such as information technology support, auditing, and other professional services.

***Corporate Fund:***

The City of Chicago's general operating fund, used to account for basic City operations and services such as public safety, business and consumer services, and tree trimming.

***COVID-19:***

An infectious disease caused by severe acute respiratory syndrome coronavirus 2, known as SARS-CoV-2.

***Delegate Agencies:***

Organizations that provide services on behalf of the City of Chicago through a grant contract.

***Emergency Communication Surcharge:***

A surcharge imposed on all billed subscribers of telecommunications services within the City of Chicago for the purpose of funding a portion of the maintenance and operation of the City's emergency 911 system. The surcharge is \$5.00 per month for each network connection and wireless number. Municipal Code 3-64-030 and 7-50-020.

***Emergency Communication Fund:***

A Special Revenue Fund that is comprised of funds from the collection of the emergency communication surcharge, and funds 911 and emergency preparedness activities of the Office of Emergency Management and Communication.

***Enterprise Funds:***

Funds established to account for acquisition, operation, and maintenance of government services such as water, sewer, and the airports. These funds are self-supporting in that they derive revenue from user charges.

***Equalized Assessed Value ("EAV"):***

The equalized assessed value of a property is the result of applying a State equalization factor to the assessed value of a parcel of property. The State equalization factor is used to bring all property in Illinois to a uniform level of assessment.

***Fines, Forfeitures, and Penalties:***

Fines and any associated penalties levied for violations of the Municipal Code. The primary source of this type of revenue is from parking tickets. Also included in this category are redlight and automated speed enforcement fines, moving violations, booting-related fees, sanitation code violations, and housing court fines.

***Fiscal Year (“FY”):***

The City of Chicago’s fiscal year aligns with the calendar year: January 1 to December 31.

***Full Time Equivalent (“FTE”):***

The ratio of the total number of paid hours during a period by the number of working hours in that period. One FTE is equivalent to one employee working full-time.

***Foreign Fire Insurance Tax:***

A tax imposed on any business not incorporated in the State of Illinois that is engaged in selling fire insurance in the City of Chicago. The tax is paid for the maintenance, use, and benefit of the Chicago Fire Department. The tax rate is 2.0 percent of the gross receipts received for premiums. Authorization: Municipal Code 4-308-020.

***Garbage Fee:***

Chicago residences receiving City-provided garbage collection services are charged a \$9.50 monthly fee per dwelling unit. City-provided garbage collection services are provided to single family homes and multifamily buildings with four units or fewer. Authorization: Municipal Code 7-28-235.

***General Obligation Debt:***

Comprises two types of general obligation bonds including Tax Levy Bonds and Alternate Revenue Bonds.

***General Financing Requirements:***

Comprised of the Finance General budgeting category that represents cross-departmental expenses such as information technology systems, employee benefits, contributions to employee pension funds, and long-term debt service payments.

***Governmental Accounting Standards Board (“GASB”):***

An independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles.

***Ground Transportation Tax:***

A tax imposed on the provision of hired ground transportation to passengers in the City of Chicago. The tax rate is \$98 per month on vehicles with city livery plates. Transportation network provider vehicles are charged \$1.13 per trip for single ride trips that begin or end in Chicago, or \$0.53 for shared rides that begin or end in Chicago, and \$0.10 per trip Accessibly Fund payment

for all trips that begin or end in Chicago. Additionally, a \$5.00 per trip surcharge on all transportation network provider vehicles for airport, Navy Pier, and McCormick Place pickup and drop-off. As of 2025, the City adjusted its downtown surcharge to every day from 6 am to 10 pm but lowered the rate to \$1.50 per trip for single rides and \$0.60 per trip for shared rides. Lastly, the City of Chicago charges \$1.00 per day for pedicabs for each day in service. Authorization: Municipal Code 3-46-030.

***Hotel Accommodations Tax***

4.5 percent tax imposed on the rental or lease of hotel accommodations in the City of Chicago. For vacation rentals and shared housing units, a 6.0 percent surcharge is added to the 4.5 percent base rate for a total City tax rate of 10.5 percent of the gross rental or leasing charge. Authorization: Municipal Code 3-24-030.

***Income Tax:***

A tax imposed by the State of Illinois on the privilege of earning or receiving income in Illinois. The tax rate is 7.0 percent of net income for corporations and 4.95 percent of net income for individuals, trusts, and estates. Of the net income tax receipts after refund, 6.47 percent of personal income tax receipts and 6.85 percent of corporate income tax receipts is placed in the Local Government Distributive Fund, which is then distributed to municipalities based on population. Authorization: 35 ILCS 5/201, 5/901; 30 ILCS 115/1, 115/2.

***Intergovernmental Tax Revenue:***

Consists of the City of Chicago’s share of State Income Tax, Personal Property Replacement Tax and Municipal Auto Rental Tax received through the State of Illinois.

***Internal Service Earnings:***

Reimbursements from other City of Chicago funds to the Corporate Fund for services that are provided to other City funds. Certain internal service earnings are allocated using cost accounting methods, while others are reimbursed using intergovernmental purchase orders.

***Licenses and Permits:***

Licenses and permits are required for the operation of certain construction and business activities in the City of Chicago. Fees for these licenses and permits vary with the type of activity authorized.

***Liquor Tax:***

As of March 2026, tax rates differ based on off premises consumption or on premises consumption. Off premises consumption is taxed at 1.5 percent of the purchase price. On premises consumption remains unchanged: each wholesale dealer who sells to a retail dealer located in the City of Chicago collects the tax and any such retail alcoholic beverage dealer in turn collects the tax from the retail purchaser. The tax rate is \$0.29 per gallon of beer, \$0.36 per gallon for alcoholic liquor containing 14.0 percent or less alcohol by volume, \$0.89 per gallon for liquor containing more than 14.0 percent and less than 20.0 percent alcohol by volume, and \$2.68 per gallon for liquor containing 20.0 percent or more alcohol by volume. Authorization: Municipal Code 3-44-030.

***Local Funds:***

All funds used by the City of Chicago for non-capital operations other than Grant Funds. Includes the Corporate Fund, Enterprise Funds, and Special Revenue Funds.

***Local Non-Tax Revenue:***

Local non-tax revenue consists of fees charged for the issuance of licenses and permits; fines, forfeitures and penalties for traffic or other violations; various charges for services; municipal parking; leases, rentals, and sales of City-owned property; internal service earnings; and interest and other revenue.

***Local Tax Revenue:***

Consists of taxes collected by the City of Chicago, including utility, transportation, transaction, recreation, and business taxes.

***Long-Term Debt:***

Used to finance infrastructure projects in City of Chicago neighborhoods including street and alley construction and improvements, lighting, sidewalk replacement, curb and gutter repairs and replacement, and transportation improvements, including street resurfacing, bridge rehabilitation and traffic safety improvements, as well as Enterprise Fund related projects.

***Midway Airport Fund:***

A fund established to account for the operation, maintenance and capital programs of Midway International Airport.

***Motor Fuel Tax:***

A tax imposed by the State of Illinois on the sale of motor

fuel within the State. The tax rate is \$0.483 per gallon of gasoline and \$0.558 per gallon of diesel fuel. A portion of the revenue is distributed to municipalities and townships based on population via a Statewide allocation formula. Authorization: 35 ILCS 505/2, 505/8.

***Motor Fuel Tax Fund:***

A Special Revenue Fund which includes the City's distributive share of the State's Motor Fuel Tax revenue that funds expenses such as costs associated with streetlight energy, salt purchases for snow removal, street pavement, bridge maintenance, and related personnel costs.

***Motor Vehicle Lessor Tax:***

A tax imposed on the leasing of motor vehicles in the City of Chicago to a lessee on a daily or weekly basis. The lessor is allowed to pass this tax on to lessees as a separate charge on rental bills or invoices. As of January 2026, the tax was reduced to \$0.50 per vehicle per rental period. Authorization: Municipal Code 3-48-030.

***Municipal Hotel Operators' Occupation Tax:***

A tax authorized by State legislation and imposed on the activity of renting hotel accommodations in the City of Chicago. The tax rate is 1.0 percent of gross receipts. The tax is administered and collected by the Illinois Department of Revenue and distributed monthly to the City of Chicago. Authorization: Municipal Code 3-40-470.

***Municipal Parking:***

A category of revenues that currently includes revenue generated by various parking permits.

***O'Hare Airport Fund:***

A fund established to account for the operation, maintenance and capital programs of O'Hare International Airport.

***Parking Garage Tax:***

A tax imposed on the privilege of parking a motor vehicle in any commercial parking lot or garage in the City of Chicago. The tax rate is currently 23.25 percent for daily, weekly, monthly, and valet parking. Authorization: Municipal Code 4-236-020.

***Personnel Services:***

Personnel-related costs, which include salaries and wages, pension contributions, healthcare, overtime pay, and unemployment compensation.

***Pension Funds:***

The City of Chicago's employees are covered under four defined-benefit retirement plans established by State statute and administered by independent pension boards. These plans are the Municipal Employees' Annuity and Benefit Fund, the Laborers' Annuity and Benefit Fund, the Policemen's Annuity and Benefit Fund, and the Firemen's Annuity and Benefit Fund. Each independent pension board has authority to invest the assets of its respective plan subject to the limitations set forth in 40 ILCS 5/1-113.

***Personal Property Lease Transaction Tax:***

A tax imposed on the lease, rental or use of rented, personal property or nonpossessory computer leases of software and infrastructure (referred to as cloud software and cloud infrastructure) in the City of Chicago is 15.0 percent as of January 2026. Authorization: Municipal Code 3-32-030.

***Personal Property Replacement Tax:***

Two categories of taxes levied by the State and distributed to local governments to replace personal property taxes no longer allowed under the Illinois Constitution: 1. An income-based tax on corporations, partnerships, and other business entities. The tax rate is 2.5 percent for corporations and 1.5 percent for partnerships, trusts, and subchapter S corporations. The tax allocation formula for local governments in Cook County is based on the 1976 distribution of the repealed personal property tax. Authorization: 35 ILCS 5/201(c), (d); 30 ILCS 115/12. 2. A tax on invested capital imposed by the State of Illinois on public utilities. The tax rate is 0.8 percent on invested capital. The tax allocation formula for local governments in Cook County is based on the 1976 distribution of the repealed personal property tax. Authorization: 35 ILCS 610/2a.1, 615/2a.1, 620/2a.1, 625/2a.1; 30 ILCS 115/12.

***Prior Year Available Resources:***

The result of savings and sustainable revenue growth, along with spending controls and other efficiencies, resulting in healthy growth of the Corporate Fund balance.

***Proceeds and Transfers In:***

Consists of amounts transferred into the general fund from outside sources.

***Proceeds of Debt:***

Funds generated from the sale of bonds or notes.

***Property Tax:***

A tax levied on the equalized assessed valuation of real property in the City of Chicago. Cook County collects the tax with assistance from the Illinois Department of Revenue. Authorization for the City's property tax levy occurs through bond ordinances and property tax levy ordinances in connection with the annual appropriation ordinances.

***Real Property Transfer Tax:***

A tax imposed on the transfer of title to, or beneficial interest in, real property located in the City of Chicago. The tax rate is \$3.75 per \$500 of transfer price, or fraction thereof, and is paid by the transferee. Authorization: Municipal Code 3-33-030.

***Real Property Transfer Tax—CTA Portion:***

A supplemental tax on the transfer of real property in the City of Chicago for the purpose of providing financial assistance to the Chicago Transit Authority. The tax rate is \$1.50 per \$500 of the transfer price or fraction thereof and is paid by the transferor. Authorization: Municipal Code 3-33-030.

***Recreation Taxes:***

Consist of taxes on amusement activities and devices, the mooring of boats, liquor, cigarettes, non-alcoholic beverages, and online sports wagering.

***Reserves:***

Funds that the City of Chicago sets aside as an economic safety net to mitigate current and future risks such as contingencies, emergencies, or revenue shortfalls.

***Sales Tax Securitization Corporation Residual Revenues:***

In October 2017, the City Council passed an ordinance authorizing the creation of a Sales Tax Securitization Corporation ("STSC"). This revenue securitization structure was developed because of legislation passed by the Illinois General Assembly, allowing all home rule municipalities to create a special purpose corporation organized for the sole purpose of issuing bonds paid for from revenues collected by the State. In December 2017, the City of Chicago entered into a sale agreement ("Agreement") with the STSC. Under the Agreement, the City sold to the STSC the City's rights to receive Sales Tax revenues collected by the State. In return, the City received the proceeds of bonds issued by the STSC as well as a residual certificate. Sales Tax revenues received by the STSC are paid first to cover the STSC's operating expenses and debt service on the STSC's bonds. All remaining Sales Tax revenues are then paid to the City as the holder of the residual certificate.

***Sewer Fund:***

An Enterprise Fund that supports the operation, maintenance, and capital programs of the City of Chicago's sewer systems.

***Short Term Debt:***

Comprises debt issued to address various operating, liquidity, and capital needs, including general obligation short-term borrowing program, water and sewer systems commercial paper notes and line of credit notes, Chicago O'Hare International Airport commercial paper notes and credit agreement notes, and Chicago Midway Airport commercial paper notes.

***Special Events and Municipal Hotel Operators' Occupation Tax Fund:***

Includes revenues from the Municipal Hotel Operator's Occupation Tax and is used to support the promotion of tourism, cultural and recreational activities.

***Special Revenue Fund:***

A fund established to account for the operations of a specific activity and the revenue generated for carrying out that activity. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

***Structural Budget Deficit:***

Any structural budget imbalance between existing revenues and anticipated expenses for that budget year. Commonly referred to as the "gap".

***Tax Increment Financing ("TIF"):***

TIF is a funding tool used to improve neighborhood infrastructure and promote investment in communities across the City of Chicago. The program is governed by a State law allowing municipalities to capture property tax revenues derived from the amount of incremental Equalized Assessed Value ("EAV") above the base EAV that existed before an area was designated as a TIF district.

***Transaction Taxes:***

Consist of taxes on the transfer of real estate, the lease or rental of personal property, and the short-term lease of motor vehicles within the City of Chicago.

***Transportation Network Providers ("TNP"):***

Rideshare companies that provide prearranged transportation services for compensation through an

Internet-enabled application or digital platform to connect passengers with drivers of vehicles for hire.

***Transportation Taxes:***

Consist of taxes on vehicle fuel, garage parking, and hired ground transportation.

***Transfers Out:***

The movement of resources from local funds to reserves and other non-recurring revenue sources.

***Vehicle Fuel Tax:***

A tax imposed on the purchase of vehicle fuel purchased or dispensed within the City of Chicago. The tax rate is \$0.08 per gallon and \$0.05 per gallon for aviation fuel. Authorization: Municipal Code 3-52-020.

***Vehicle Tax Fund:***

Includes revenue from vehicle sticker sales, impoundment fees, abandoned auto sale fees, and pavement cut fees.

***Water Fund:***

An Enterprise Fund that supports the operation, maintenance, and capital programs of the City of Chicago's water systems.

***Water and Sewer User Fees:***

A fee imposed on water and sewer usage within the City of Chicago. The revenue collected via water charges and the sewer surcharges on City of Chicago utility bills. The Water and Sewer Funds are segregated funds where water fund revenue is used to support the water system and sewer fund revenue is used to support the sewer system. Authorization: Municipal Code 11-12-260.

***Water and Sewer Tax:***

A utility tax assessed on water and sewer use within the City of Chicago. The current rate is \$2.51 per 1,000 gallons of water and sewer use. Authorization: Municipal Code 3-80-040.

***Wheel Tax (referred to as the Vehicle Sticker Fee):***

An annual fee imposed on the privilege of operating a motor vehicle within the City of Chicago that is owned by a resident of the City of Chicago. The annual fee is \$105.18 for smaller passenger automobiles (less than 4,500 pounds) and \$1567.07 for larger passenger automobiles (4,500 pounds or more). The fee varies for other vehicle classifications. Authorization: Municipal Code 3-56-050.

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Brandon Johnson, Mayor of Chicago  
Jonathan Ernst, Acting Budget Director  
Ashlee Gabrysch, Chief Financial Officer  
Michael D. Belsky, Comptroller

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