

PUBLIC BUILDING COMMISSION OF CHICAGO
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2016 & 2015

Mayor Rahm Emanuel, Chairman
Carina E. Sánchez, Executive Director



PUBLIC BUILDING COMMISSION OF CHICAGO, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Issued June 30, 2017

**Public Building Commission
Board of Commissioners**

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**Prepared by Finance Dept.
Tanya Foucher-Weekley, Director of Finance**

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June 30, 2017

To the Honorable Mayor Rahm Emanuel, Chairman of the Board of Commissioners of the Public Building Commission of Chicago, Commissioners, and Citizens of the City of Chicago and Cook County:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Public Building Commission of Chicago (Commission or PBC) for the years ended December 31, 2016 and 2015. Responsibility for both the accuracy of the data and completeness of the presentation, including all disclosures, rests with the Commission. The purpose of the CAFR is to provide complete and accurate information that complies with general accepted accounting standards (GAAP). The Commission's management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A)—the two should be read in tandem. The Commission's MD&A can be found immediately following the independent auditors' report.

The Commission's internal control structure seeks to provide reasonable assurances that organizational assets are protected from loss and misuse. These reasonable assurances are not absolute as the Commission must balance the cost of control with the benefits derived. In an effort to further enhance its internal control program, the Commission continues to increase the number of approved policies and procedures in financial management and other administrative areas of the organization; maintains an anonymous fraud hotline, as well as the utilization of an Inspector General function.

Authority

The Commission is a municipal corporation created pursuant to the provisions of the Public Building Commission Act (50 ILCS 20 et. seq.) (the Act), adopted by the Legislature of the State of Illinois on July 5, 1955. The following municipal corporations joined in the organization of the Commission in 1956: the City Council of the City of Chicago, the Board of Commissioners of the County of Cook, the Board of Commissioners of the Forest Preserve District of Cook County, the Board of Education of the City of Chicago, the Metropolitan Sanitary District of Greater Chicago (currently named the Metropolitan Water Reclamation District of Greater Chicago) and the Board of Commissioners of the Chicago Park District. Pursuant to Section 14 of the Act, the Commission remains an independent agency, separate and apart from any other municipal corporation or public or governmental agency.

Governance

The Act provides for the appointment of members of the Board of Commissioners by the above municipal corporations. Six of the eleven members are appointed by the Mayor of the City of Chicago with the advice and consent of the City Council. The remaining five members are appointed by the above municipal corporations. Qualifications of the Commissioners include experience in real estate management, building construction, or

finance. Please see the organization chart following this transmittal letter for the current membership of the Board of Commissioners.

Pursuant to Section 8 of the Act, the Board of Commissioners has adopted By-laws, as amended and restated from time to time, governing the conduct and management of the corporate affairs of the Commission. The By-laws provide for the establishment of two committees of the Board of Commissioners, the Administrative Operations Committee and the Audit Committee. Each Committee is comprised of three members of the Board of Commissioners, appointed by the Chairman. The meetings of the Committees are open, public meetings and written and oral reports are provided to the Board of Commissioners following each meeting.

The Administrative Operations Committee provides consultation to the Executive Director with respect to the management and administration of the affairs of the Commission. These affairs include professional service agreements, including those for architects, engineers, and other construction and design experts; employment and personnel matters; and, compensation, pension and employment benefits.

The Audit Committee meets with the Commission's independent auditors at least once each year, reviews the Commission's financial statements and the scope and results of the Commission's audits, recommends the appointment of the Commission's independent auditors annually, monitors the internal controls and practices of the Commission, and reviews the Commission's annual report.

Purpose of the Commission

The Commission was created for the statutory purpose of constructing, acquiring, enlarging, improving, repairing or replacing public improvements, buildings or facilities to be used by governmental agencies in providing essential health, safety and welfare services. The powers and duties of the Commission as further enumerated in Section 14 of the Act include: selecting, locating and designating sites or areas to be acquired and improved; and acquiring fee simple title to the real property to be improved, either by purchase, gift or exercise of the power of eminent domain.

The Commission is authorized to demolish, repair, alter, improve or construct, furnish, equip, maintain, and operate facilities to be used by agencies in providing governmental services. The Commission can make on-site and off-site improvements required for such facilities. The Commission can employ, fix compensation and discharge, without regard to the Civil Service Act, engineering, architectural, construction, legal and financial experts necessary to accomplish its purpose.

The Commission can rent space and execute written leases evidencing rental agreements and enter contracts with respect to insurance or indemnification against risks of loss. The Commission may accept donations, grants or gifts in support of the Commission's purposes. The Commission can borrow money and issue revenue bonds in order to provide funds for effectuating the statutory purposes. Further, the Commission may enter into intergovernmental agreements with various public agencies to accomplish their respective governmental objectives.

In addition to managing all phases of construction projects on behalf of its clients, the Commission also serves as the owning and operating entity for the Richard J. Daley Center (Daley Center), including Daley Plaza and the public sculpture located in its center. The financial statements address the overall financial position and results of these activities and operations.

Local Economy

The City of Chicago has one of the world's largest and most diversified economies, with more than four million employees and generating an annual gross regional product (GRP) of over \$561 billion. The city is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 31 in the Fortune 500.

Powered by a diverse economy, strong transportation infrastructure and outstanding research institutions, Chicago is a global city poised to remain competitive in the coming decades. Chicago has achieved distinction in a range of important categories that demonstrate growth and strength.

In 2016 for the fourth consecutive year, *Site Selection Magazine* ranked Chicago as the number one city for corporate relocations. In addition, according to the 2016 *IBM Global Location Trends* report, the Chicago metropolitan area has led the nation in foreign direct investment (FDI) for four years in a row. Chicago was also the only North American city in the top 20, ranking 7th in total number of FDI projects.

Among the most diverse economies in the nation, Chicago is a key player in every sector from risk management innovation to manufacturing to information technology to health services. In August 2016, Inc. Magazine named Chicago the fourth best city for fast growing businesses. Nearly 100 Chicago companies were named to the list.

In addition to the arrival and expansion of more corporate headquarters and corresponding jobs, Chicago has increased the quality of life and culture for its residents. Time Out magazine recently named Chicago as the "world's best city for having it all" after conducting a survey of nearly 20,000 residents of 18 global cities. Chicago ranked first based on the answers to questions about dining affordability, sense of community and vibrancy.

Convention activity is another major component of Chicago's vitality along with the various local attractions, museums, festivals, and professional sports teams providing significant contributions.

Major Initiatives

In 2016, the PBC focused on streamlining operations and realigning the organizational structure to deliver projects more efficiently to the taxpayers of Chicago.

These efforts were successful. The PBC completed \$185M in capital improvement projects in 2016.

On behalf of the Chicago Public Schools, the PBC developed four new annexes and two newly constructed facilities. These critical capital investments have helped ease

overcrowding and increase access to technology, critical learning resources and amenities at schools across the entire city.

In addition, PBC's work has helped to further the Chicago Public Library's investment in early childhood learning environments. In 2016, the PBC completed the renovations at Little Village and West Pullman branch libraries. Construction began immediately at the conclusion of the summer reading program with substantial completion in four weeks. To highlight the improvement, the Chicago Public Library ordered new early learning equipment and furniture for each branch.

These quality public facilities helped to strengthen neighborhoods, but they also drive an important economic engine within a community through job creation. To ensure PBC projects positively affect the local economy, the PBC establishes city residency and community area hiring requirements with each of its construction projects. That means 50% of the total hours worked on a project must come from City of Chicago residents. Furthermore, at the outset of a project, the PBC defines the community area, usually the neighborhood and immediate surrounding areas. 7.5% of the total hours worked on a project must be worked by residents of that community area.

In 2016, 3,138 people earned more than \$31.5M in wages and benefits, working on PBC projects. Because of the PBC's city and community area requirements, 1,155 of the individuals employed on projects completed in 2016 were city residents, earning nearly \$13M in wages and benefits.

As these numbers illustrate, PBC projects create meaningful and significant economic opportunities for communities. The PBC continuously seeks new and innovative prospects to increase diverse business participation. These efforts ensure the PBC's commitment to economic sustainability is furthered with a workforce as diverse as the communities within Chicago.

In recent years, the PBC has worked with numerous client partners to develop and enhance networks of security cameras and tie those cameras into the Office of Emergency Management and Communications' (OEMC) central surveillance system, supporting first responders

The PBC serves as the unifying agency for the design and installation of security camera systems for the City of Chicago, Cook County, and their Sister Agencies. The PBC works with each client to ensure the camera systems are designed and installed within a standard, unified methodology so each system will communicate with the security camera networks of the Office of Emergency Management and Communication (OEMC) and the Department of Homeland Security and Emergency Management (DHSEM).

Highlights of the 2016 Program include:

- \$22.8M invested in technology and infrastructure improvements
- 126 new cameras
- 213 replacement cameras
- Repair of over 300 cameras/PODs
- Repair of over 1,200 repair cases managed
- Expanded the Shotspotter gun detection system used by the Chicago Police Department:
 - Entire 7th (Englewood community) police district

- Entire 11th (Harrison community) police district
- Ashland Avenue Traffic Signal Priority (TSP) and cameras:
 - Procure/install city bus TSP equipment at 39 Ashland intersections
 - Camera installation at 37 intersections
- Chicago Police Department License Plate Recognition in 18 patrolers
- Extension of fiber optic backbone - Lakeshore Fiber North
 - Fullerton to Addison along Lakeshore Drive
 - Conversion of three cameras from cellular to fiber
 - Addition of 16 cameras along Lakefront Park

The PBC continues to work with OEMC to create and implement the city-wide strategy to integrate public right-of-way cameras into the OEMC network for availability to first responders, emergency management teams, and to implement multiple surveillance solutions supporting the City's initiatives which are funded by federal Department of Homeland Security grants.

The PBC has also expanded its project types to include Energy Performance Contracting with its pilot project completed in the Daley Center in 2011. The Daley Center continues to implement energy conservation measures to enhance overall building operating efficiencies. During 2016, the building has recognized a substantial decrease in energy consumption, resulting from LED lighting upgrades within all interior/exterior stairwells and courtrooms, modifications to perimeter induction units, installation of variable frequency drives and tubing/control upgrades to the boiler steam plant.

As a result of these measures, the Daley Center's Energy Star rating has reached a peak of 89 and the building is on track to achieve a LEED Gold designation by the end of 2017. These improvements are guaranteed to save approximately \$9M over the 15-year financing term, and beyond.

Furthermore, the Daley Center competitively bid janitorial services yielding an annual net savings of \$600K and a new LEED compliant, team cleaning specification.

In addition, the building has implemented a new plaza event application and fee structure, along with permitting private and commercial events. These changes will produce supplementary revenue which ultimately offset the operating expenses for the building.

In 2016, the Commission also began planning, designing and constructing a large scale energy retrofit program for the Metropolitan Water Reclamation District (MWRD). The scope includes reviewing possibilities of energy savings at six waste water treatment facilities throughout the City and Cook County. In 2016, the first part of this retrofit was executed at three locations – 125th Street pumping Station; Calumet Waste Water Treatment Plant (130th Street); and Stickney Water Reclamation Plant.

At the 125th Street Pumping Station, the existing boilers were well beyond their expected service life and in need of replacement. The PBC replaced the existing 100 HP steam boilers with new high efficiency Fire-tube steam boilers. The new boilers has been re-sized to better match the heating load of the building, with improved turn-down capability for more efficiency low load operation.

The retrofit at 130th Street and Stickney locations included the replacement of 20,000 obsolete lighting fixtures with LED lighting, steam blanket insulation installation, and HVAC

and control upgrades. Once complete, the entire program will cover more than five million square feet of space and is guaranteed to reduce annual utility consumption by \$1.4M or an estimated 18% annually.

The PBC is committed to delivering cost efficient projects on behalf of our clients. The PBC works in close concert with our user agencies to develop project approaches that meet both their social and financial programming goals. Throughout the development of a project, we provide budget and cost information to managers, clients, commissioners and other stakeholders. The PBC's total budget authority for capital construction and infrastructure projects completed in 2016 was nearly \$200M. At year's end, the actual cost for these projects is trending at \$5.2M under the current budgets, including a limited number of scope changes.

The PBC's total multi-year program authority for capital construction projects completed and in development since 2011 exceeds \$1.79B. These projects are trending under budget by 8.4%, representing a variance of \$151M under current budgets.

Effective change management is critical to meeting the cost objectives of the PBC and our clients. The current approved change order percentage for capital construction projects completed in 2016 is 2.3%. In addition, to approved change orders, the PBC also monitors projected changes, including those currently in process for approval. At year's end, the change order percentage for both approved and projected changes is 3.3%.

This percentage is representative of effective approaches to change management, including renovation scopes, which typically have a higher change order percentage than new construction.

The Commission's fiscal management demonstrates how the PBC remains committed to the stewardship of the public fund through exemplary cost and schedule control. These control measures allow for consistent delivery of quality public facilities, either new or renovated, and significant infrastructure and technology projects, on time and under budget while also furthering a commitment to both environmental and economic sustainability.

Clients

The Commission proud to call the following public agencies partners:

City of Chicago

- Chicago Public Library
- Department of Fleet and Facility Management (2FM)
- Department of Family and Support Services
- Department of Finance
- Department of Planning and Development
- Office of Emergency Management and Communications

Chicago Public Schools

- Chicago Park District
- City Colleges of Chicago
- Chicago Transit Authority
- Cook County

- Department of Homeland Security and Emergency Management
- Office of the Sheriff

Leadership in Energy and Environmental Design (LEED)

The Commission continues its longstanding commitment to environmental sustainability by building LEED certified facilities. LEED is a performance-based rating system developed by the U.S. Green Building Council (USGBC) that measures the “greenness” of a building and the success of its sustainable design and construction. The seven areas considered by LEED in determining ratings are energy efficiency, reduction of urban heat island effect, stormwater management, reduction of water use, incorporation of transportation alternatives, diversion of construction, and demolition waste from landfills which include economic considerations such as use of local building materials and generation/retention of green jobs.

In ascending order, LEED ratings range from “Certified” to “Silver,” “Gold” and “Platinum.” The Commission has established a program-wide objective to achieve no less than LEED Silver Certification for every project designed and constructed. In some cases, LEED Gold is targeted. Regardless of the certification level pursued, success on the project relies on client agency buy-in and significant involvement in decision-making throughout the project process, as well as commitments to long term maintenance and operation of each facility.

As a public developer and responsible steward of the public fund, the Commission focuses on both environmental and economic sustainability. These two goals are inextricably linked because the inclusion of environmentally-sustainable design, ultimately, lowers the life-cycle and utility costs, which, in turn, minimizes the drain on natural resources.

When Mayor Emanuel was first sworn in as the Commission's chairman in 2011, he announced the goal of doubling the number of LEED certified municipally-owned buildings by 2015. At the time, the City had a total of 41 LEED Certified municipally owned buildings. Thanks to exemplary project management and controls, this goal was achieved in the first quarter of 2014, well ahead of schedule. By the end of 2016 the Commission had developed 75 of the City's 95 buildings that have achieved LEED certification—making Chicago the leader in the nation for the highest number of LEED certified municipal buildings. Three of those facilities were certified in 2016.

This distinction is important to not only to underscore that Chicago has a commitment to being the greenest city in the nation, but also because it has reduced the impact on the environment for generations to come. In 2016, these overall LEED achievements translate into more than 24M gallons of potable water saved per year, more than \$70M in recycled materials used to date, more than \$123M in regional materials used to date, more than 201K tons in waste diverted from landfills to date and \$1.5M in annual energy savings in PBC projects citywide.

Please see Statistical Section for additional information regarding LEED.

Economic Opportunity and Human Sustainability

The Commission prioritizes the enhancement of the economic opportunity and human sustainability component of our projects. By implementing contract provisions that make our projects more accessible, the Commission contributes to the overall mission of empowering minority and women business enterprises (MBE/WBE) and minority and

women workers by spurring job creation in communities that have historically had disparate access to such work.

The PBC believes that Chicago will reach its full potential when its diverse populations are represented at the business table and when every hardworking citizen with the drive and desire to succeed in their chosen occupation has a pathway to success.

These following contract provisions are routinely enforced in the management of Commission projects.

MBE/WBE Participation: Construction contracts for the Commission establish minimum MBE/WBE participation goals at 24% MBE and 4% WBE. The Commission works closely with the General Contractor to monitor and ensure the contractor meets or exceeds these goals.

Minority and Women Worker Participation: At the time of bid award, the General Contractor is afforded an incentive for the proposed use of minority and female journeyworkers, apprentices, and laborers on the project. Upon award, the proposed use becomes a contract requirement which is monitored during construction via certified payrolls.

Bid Incentive for Apprentice Utilization: Up to a 1% bid incentive on future projects is offered to contractors successful in using apprentices who are graduates of a City Colleges of Chicago Technology Training Program.

Local Business Participation Standard: General Contractors located in the City of Chicago and awarded Commission projects must subcontract at least 25% of the contract value to Chicago subcontractors. General Contractors located outside the City of Chicago must award at least 35% of the work to local subcontractors.

Projects completed in 2016 total \$143,239,965.66 as paid to date. These projects have achieved 29.89% or \$42,809,019.25 MBE participation and 7.72% or \$11,062,148.53 WBE participation. In addition, \$9,445,716.81 has been paid to professional administrative service contracts in 2016. Of those contracts, 48.03% or \$4,536,651.66 were MBE participation and 5% or \$472,516.97 WBE participation.

Please see the Statistical Section for additional information regarding components of this program.

Public Information

As custodians of the public trust, the Commission is pleased to offer extensive information on its programs and projects to the public. The Commission's website, www.pbcchicago.com, includes information on all current projects, including contractors, payment applications funded by the Commission, building and site details, along with pictures of the projects throughout construction. The website includes information on historical Commission projects as well such as a site map and date of opening. The website includes information for prospective vendors on how they can partner with the Commission on future projects. All Board actions from past meetings along with agendas for upcoming meetings are posted there as well.

A log of all Freedom of Information Act Requests (FOIA) is also included on the website. Financial statements are posted, along with links to the client's websites. Furthermore, the Commission offers a free alert service that notifies all interested parties by e-mail each time a new contracting opportunity is available. These notices help companies pre-qualify for bidding opportunities as well as find sub-contracting opportunities. The Commission is proud to provide this level of information and transparency for all aspects of its business practices.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its CAFR for the fiscal year ended December 31, 2015. This was the sixth consecutive year that the Commission applied for and received this prestigious award, which is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Commission is also honored that its projects garnered the following 13 awards in 2016 from a wide range of industry associations and thought leaders that recognize innovation, best practices and excellence in planning, design and construction.

The Chinatown Branch Library, Chicago Public Library's newest location received the bulk of the recognition. The library was awarded the 2016 CBC Merit Award for new construction projects under \$55M as well as the prestigious 2016 Vision Award for Public Investment from the Urban Land Institute (ULI) Chicago. ULI recognition designated the project for a high standard of excellence in several areas – design, construction, economics marketing and management.

The Chinatown Branch Library, developed by the PBC on behalf of the Chicago Public Library, features a Feng Shui inspired design nestled in the heart of Chicago's Chinatown community. Representing magnificent design while championing environmental sustainability, this library was also recognized by the American Institute of Architects (AIA) and the American Library Association.

Other awards in 2016 include;

American Institute of Architects & American Library Association
Library Building Award
Chicago Public Library, Chinatown Branch
April 2016

Chicago Association of Realtors
Good Neighbor Award

Chicago Public Library, Albany Park Branch
May 2016

Chicago Building Congress / Construction Owners Association of America
Owner's Choice Award
Chicago Children's Advocacy Center
May 2016

Chicago Building Congress
Merit Award
Chicago Public Library, Chinatown Branch
May 2016

Building Design + Construction Magazine
Building Team Award: Gold
Chicago Public Library, Chinatown Branch
May 2016

Urban Land Institute, Chicago Chapter
Public Investment Vision Award
Chicago Public Library, Chinatown Branch
June 2016

US Green Building Council, Illinois Chapter
Intent to Matter: Green Building Innovation Award
Chicago Public Library, Chinatown Branch
June 2016

American Library Association & International Interior Design Association
Best of Competition Award
Chicago Public Library, Chinatown Branch
June 2016

Design-Build Institute of America
National Award of Merit: Civic/Assembly
Chicago Public Library, Chinatown Branch
July 2016

International Federation of Library Associations & Institutions
Finalist: Systematic – Public Library of the Year
Chicago Public Library, Chinatown Branch
August 2016

American Institute of Architects & American Library Association
Award of Excellence: Distinguished Accomplishment in Library Architecture
Chicago Public Library, Chinatown Branch
August 2016

Wired Magazine
"Settle into 10 of the Most Beautiful Libraries on Earth" (#7)
Chicago Public Library, Chinatown Branch
September 2016

Association of Licensed Architects
Award of Merit
Abraham Lincoln Elementary School Annex
October 2016

Association of Licensed Architects
Award of Merit
Chicago Children's Advocacy Center
October 2016

Construction Industry Service Corporation
Project of the Year: New Construction Below \$20M
Chicago Public Library, Chinatown Branch
December 2016

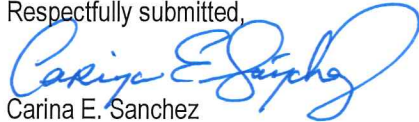
Independent Audit

The Act requires the Commission's financial statements to be audited annually by independent certified public accountants. The fiscal year 2016 audit was conducted by Deloitte & Touche LLP (Deloitte) with support from Washington, Pittman & McKeever, a minority-owned certified public accounting firm and Velma Butler Associates, a woman-owned certified public accounting firm. An unqualified audit opinion, rendered by Deloitte, is included in the financial section of this report.

Acknowledgements

This CAFR could not have been prepared without the tremendous leadership of our Board of Commissioners and certainly not without the dedication help of the entire staff of the PBC. I extend my appreciation to the team for their hard work on this report.

Respectfully submitted,



Carina E. Sanchez
Executive Director

PUBLIC BUILDING COMMISSION OF CHICAGO ORGANIZATIONAL CHART

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2016 & 2015

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**Public Building Commission of Chicago
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Financial Section

This section contains an unqualified independent auditors' report, Management's Discussion and Analysis and the Commission's basic financial statements.

INDEPENDENT AUDITORS' REPORT

To the Public Building Commission of Chicago
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Public Building Commission of Chicago (the "Commission"), which comprise the statements of net position as of December 31, 2016 and 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the basic financial statements.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

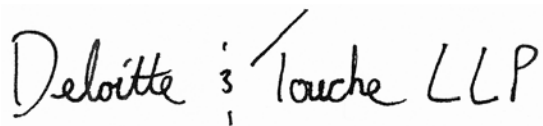
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Commission's basic financial statements as a whole. The introductory and statistical sections, as listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

June 30, 2017

PUBLIC BUILDING COMMISSION OF CHICAGO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Public Building Commission of Chicago (the "Commission") provides the following narrative overview and analysis of the Commission's financial performance during the years ended December 31, 2016, 2015, and 2014. Please read it in conjunction with the Commission's basic financial statements, which follow this section.

Introduction

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board.

The Commission's basic financial statements for the years ended December 31, 2016 and 2015, have been prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private sector business enterprises. The basic financial statements reflect that the Commission is operated under one enterprise fund.

Overview

The Commission was created in 1956 pursuant to Illinois legislation as an independent governmental unit responsible for building and renovating public buildings and facilities for local government branches and agencies in Chicago and Cook County. The Commission's organizing and client agencies include the City of Chicago, the County of Cook, the Chicago Park District, the Chicago Public Schools, the Metropolitan Water Reclamation District, the Cook County Forest Preserve District, the Chicago Public Library, the Chicago Transit Authority, and the City Colleges of Chicago.

The Commission's operating mission is to deliver high-quality capital projects on time, on budget, as specified. The Commission's 11-member Board of Commissioners provides oversight and direction for the Commission's activities from land acquisition through the stages of project planning, design, and construction. Additionally, the Commission serves as the owning and operating entity for the Richard J. Daley Center ("Daley Center"). The basic financial statements address the overall financial position and results of these activities and operations.

Basic Financial Statements

The Commission reports on an economic resources measurement focus and an accrual basis of accounting. Revenue is recognized when earned, which generally occurs as project construction expenses are incurred, and expenses are recognized when incurred. The Commission's basic financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. Notes to the basic financial statements are also included.

The statement of net position presents information on the assets and liabilities, with the difference reported as total net position. This statement provides an indication of the assets available to the Commission for project construction, debt service, and administrative operation. The Commission anticipates that assets for project development will fluctuate over time based on the capital programs of its client agencies.

Assets for project development are provided to the Commission directly by the client agencies or from Commission-issued long-term revenue bonds, which are supported by lease

agreements with client agencies. Funding received and held by the Commission for project development in excess of expenditures is reported as funds held for future project revenue. The capital assets of the Commission reflect its role as the owning and operating entity of the Daley Center. The Commission does not capitalize other facilities it builds for client agencies, as the ownership of the facilities is transferred back to the client agencies upon completion of the projects or upon expiration of the facility leases between the Commission and client agencies.

The statement of revenues, expenses, and changes in net position reports the operating revenues and expenses and other revenues and expenses of the Commission for the year with the difference reported as the increase or decrease in net position for the year. This statement provides an indication of the project development expenditures, the Daley Center operating expenses, Commission administrative operating expenses, and interest income and expense. Project revenues are recognized to the extent of current project expenditures. Principal and interest on bonds issued by the Commission are to be covered by lease rental payments from its client agencies.

The Commission does not have authority to levy and collect taxes and relies on fees for project development services provided to client agencies and fixed lease administrative fees to fund its operations. The Commission is limited to providing its services to only governments and agencies. Therefore, the Commission anticipates fluctuations in its operating revenues based on the volume of activity requested by client agencies. The Commission anticipates it will continue to serve a significant role in assisting client agencies in the development of new and enhanced public facilities.

The statement of cash flows reports cash and cash equivalent activity for the year resulting from operating activities, capital and related financing activities, and investing activities.

The notes to the basic financial statements provide required disclosures and other information that are essential to a full understanding of the basic financial statements.

Financial Information

The assets of the Commission exceeded liabilities by approximately \$73.9 million at December 31, 2016. Of this amount, \$54.3 million was included in net investment in capital assets and \$19.6 million was restricted for use by the Daley Center and for Commission operations. The Commission's total net position decreased by \$175,860 and \$3.9 million for the years ended December 31, 2016 and 2015, respectively. The decrease in net position for the year ended December 31, 2016, is attributable to decreases in project revenues that directly impact the Commission's administrative fee.

The assets of the Commission exceeded liabilities by approximately \$74.1 million at December 31, 2015. Of this amount, \$57.1 million was included in net investment in capital assets and \$17.0 million was restricted for use by the Daley Center and for Commission operations. The Commission's total net position decreased by \$3.9 million and \$5.4 million for the years ended December 31, 2015 and 2014, respectively. The decrease in net position for the year ended December 31, 2015, is attributable to decreases in project revenues that directly impact the Commission's administrative fee.

Operating revenues for the years ended December 31, 2016 and 2015 were \$154.5 million and \$178.6 million, respectively. Operating expenses were \$149.3 million and \$176.7 million for the years ended December 31, 2016 and 2015, respectively. Both fluctuated based on the volume of construction activity as operating revenue includes project revenue, which is recognized to the extent of current construction costs.

Operating revenues for the years ended December 31, 2015 and 2014, were \$178.6 million and \$186.4 million, respectively. Operating expenses were \$176.7 million and \$184.4 million for the years ended December 31, 2015 and 2014, respectively. Both fluctuated based on the volume of construction activity as operating revenue includes project revenue, which is recognized to the extent of current construction costs.

Revenues and expenses for the year ended December 31, 2016 decreased in comparison to the prior two years but netted an operating income of \$5.2M in large part due to the Commission's focus on streamlining operations and realigning the organizational structure to deliver projects more efficiently. Work completed in 2016 included four new annexes and two new state of the art schools for the Chicago Public School.

For the years ended December 31, 2016 and 2015, the Commission remains focused on its commitment towards the development of public capital programs. Much of the work in 2015 centered on school improvements and modernizations. Also in 2015, on behalf of the Chicago Public Library, the PBC completed the Chinatown Branch Library and constructed three new YOUmedia centers. Further, the Chicago Children's Advocacy Center Addition project was completed for the City of Chicago in 2015.

Revenues and expenses for the year ended December 31, 2014, provided a stable base for the Commission as it continued its key role in the development of different public capital programs, the largest being the Modern Schools Across Chicago ("Modern Schools") program, which was completed in 2013. Under this campaign, the Commission was charged with the construction or extensive renovation of 19 public schools, all of which were opened over the six-year period ended December 31, 2014. In addition to the Modern Schools program, 23 other school addition or rehabilitation projects have been completed since 2008.

Summary of Condensed Financial Information at December 31, 2016, 2015, and 2014:

	Condensed Statements of Net Position as of December 31, 2016, 2015, and 2014		
	2016	2015	2014
Assets:			
Capital assets—net	\$ 58,804,564	\$ 61,929,907	\$ 64,537,956
Other assets	<u>186,997,884</u>	<u>219,662,519</u>	<u>255,240,276</u>
Total assets	<u>\$ 245,802,448</u>	<u>\$281,592,426</u>	<u>\$319,778,232</u>
Liabilities:			
Current liabilities	\$ 60,347,890	\$ 73,882,557	\$ 87,129,234
Noncurrent liabilities	<u>111,397,698</u>	<u>133,448,686</u>	<u>154,495,901</u>
Total liabilities	<u>\$ 171,745,588</u>	<u>\$207,331,243</u>	<u>\$241,625,135</u>
Deferred inflow of resources related to refunding	<u>\$ 176,361</u>	<u>\$ 204,824</u>	<u>\$ 233,287</u>
Net position:			
Net investment in capital assets	\$ 54,282,447	\$ 57,080,585	\$ 59,348,199
Restricted—Daley Center	11,109,449	10,478,558	11,067,882
Restricted—Commission's operations	<u>8,488,603</u>	<u>6,497,216</u>	<u>7,503,729</u>
Total net position	<u>\$ 73,880,499</u>	<u>\$ 74,056,359</u>	<u>\$ 77,919,810</u>

**Condensed Statements of Revenues, Expenses,
and Changes in Net Position
for the Years Ended December 31, 2016, 2015, and 2014**

	2016	2015	2014
Operating revenue:			
Project revenue	\$ 124,335,663	\$ 145,848,382	\$ 149,634,180
Rental and other revenue	<u>30,163,742</u>	<u>32,792,141</u>	<u>36,774,432</u>
Total revenues	<u>154,499,405</u>	<u>178,640,523</u>	<u>186,408,612</u>
Operating expenses:			
Construction costs	125,005,435	146,158,195	150,563,437
Other operating expenses	<u>24,252,134</u>	<u>30,526,586</u>	<u>33,878,660</u>
Total operating expenses	<u>149,257,569</u>	<u>176,684,781</u>	<u>184,442,097</u>
Operating income	5,241,836	1,955,742	1,966,515
Other expenses	<u>(5,417,696)</u>	<u>(5,819,193)</u>	<u>(7,329,056)</u>
Decrease in net position	(175,860)	(3,863,451)	(5,362,541)
Net position—beginning of year	<u>74,056,359</u>	<u>77,919,810</u>	<u>83,282,351</u>
Net position—end of year	<u>\$ 73,880,499</u>	<u>\$ 74,056,359</u>	<u>\$ 77,919,810</u>

Capital Assets

At December 31, 2016, the Commission's \$58.8 million net investment in capital assets was net of accumulated depreciation of \$114.2 million and included a capital lease obligation of \$4.5 million. The Commission had \$173.0 million of gross capital assets, including \$11.7 million in land, \$71.3 million in the Daley Center building, \$86.2 million of building improvements to the Daley Center, as well as \$3.8 million of construction in process. During the year ended December 31, 2016, the Commission had capital additions of \$1.4 million.

At December 31, 2015, the Commission's \$57.1 million net investment in capital assets was net of accumulated depreciation of \$109.9 million and a capital lease obligation of \$4.8 million. The Commission had \$171.8 million of gross capital assets, including \$11.7 million in land, \$71.3 million in the Daley Center building, \$86.1 million of building improvements to the Daley Center, as well as \$2.7 million of construction in process. During the year ended December 31, 2015, the Commission had capital additions of \$3.8 million.

At December 31, 2014, the Commission's \$59.3 million net investment in capital assets was net of accumulated depreciation of \$104.4 million and a capital lease obligation of \$5.2 million. The Commission had \$168.9 million of gross capital assets, including \$11.7 million in land, \$71.3 million in the Daley Center building, \$85.2 million of building improvements to the Daley Center, as well as \$0.7 million of construction in process. During the year ended December 31, 2014, the Commission had capital additions of \$1.5 million.

A summary of changes in capital assets is included in Note 3 to the basic financial statements.

Long-Term Debt and Capital Leases Receivable

As of December 31, 2016, 2015, and 2014, the Commission had \$108.1 million, \$128.2 million, and \$147.3 million, respectively, in long-term debt principal outstanding. No additional long-term debt was incurred by the Commission for the year ended December 31, 2016.

On March 24, 2010, the Commission entered into a tax-exempt lease purchase agreement for \$5.9 million to finance an energy performance contract relating to certain improvements at the Daley Center. On November 17, 2014, the Commission amended the tax-exempt lease purchase agreement effectively reducing the interest rate to 3.87%. As a result of this refunding on December 31, 2016, 2015 and 2014, \$4.5 million, \$4.8 million and \$5.2 million of the amount financed was outstanding, respectively.

As of December 31, 2016, 2015, and 2014, the Commission had \$108.1 million, \$128.2 million, and \$147.3 million, respectively, in capital leases receivable. The decrease in capital leases receivable was due to the lease payments made during the years ended December 31, 2016, 2015, and 2014, for the Series 1999B, and Series 2006 leases.

Summaries of changes in long-term debt, capital leases receivable and capital lease obligations are included in Notes 4, 5, and 6, respectively, to the basic financial statements.

Requests for Information

This financial report is designed to provide the reader with a general overview of the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at Richard J. Daley Center, 50 West Washington Street, Room 200, Chicago, Illinois 60602. This report is available on the Commission's website at www.pbcchicago.com.

PUBLIC BUILDING COMMISSION OF CHICAGO

STATEMENTS OF NET POSITION AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 265,726	\$ 287,594
Due from other governments—rent receivables	1,250,414	2,008,506
Due from other agencies—project receivables	33,921,425	44,569,361
Other current assets	56,130	439,337
Current portion of capital leases receivable	<u>21,265,000</u>	<u>20,135,000</u>
Total current assets	<u>56,758,695</u>	<u>67,439,798</u>
RESTRICTED INVESTMENTS	<u>42,828,462</u>	<u>43,511,605</u>
NONCURRENT ASSETS:		
Capital leases receivable	<u>86,815,000</u>	<u>108,080,000</u>
Capital assets (Daley Center):		
Land	11,667,688	11,667,688
Building	71,276,903	71,276,903
Building improvements	86,240,451	86,167,395
Construction in progress	3,821,333	2,685,657
Accumulated depreciation	<u>(114,201,811)</u>	<u>(109,867,736)</u>
Net capital assets	<u>58,804,564</u>	<u>61,929,907</u>
Other assets	<u>595,727</u>	<u>631,116</u>
Total noncurrent assets	<u>146,215,291</u>	<u>170,641,023</u>
TOTAL	<u>\$ 245,802,448</u>	<u>\$ 281,592,426</u>

(Continued)

PUBLIC BUILDING COMMISSION OF CHICAGO

STATEMENTS OF NET POSITION AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 18,588,245	\$ 30,429,470
Interest payable	1,366,389	1,485,577
Retained on contracts	8,743,100	11,869,923
Rental income received in advance	3,363,304	3,744,019
Current portion of funds held for future project revenue	6,348,187	5,574,917
Current portion of long-term and capital lease obligations	<u>21,938,665</u>	<u>20,778,651</u>
Total current liabilities	<u>60,347,890</u>	<u>73,882,557</u>
NONCURRENT LIABILITIES:		
Long-term debt	91,827,074	113,408,520
Capital lease obligation	4,164,897	4,522,117
Other liabilities	-	882,272
Funds held for future project revenue	<u>15,405,727</u>	<u>14,635,777</u>
Total noncurrent liabilities	<u>111,397,698</u>	<u>133,448,686</u>
Total liabilities	<u>171,745,588</u>	<u>207,331,243</u>
DEFERRED INFLOW OF RESOURCES RELATED TO REFUNDING	<u>176,361</u>	<u>204,824</u>
NET POSITION:		
Net investment in capital assets	54,282,447	57,080,584
Restricted—Daley Center	11,109,449	10,478,559
Restricted—Commission's operations	<u>8,488,603</u>	<u>6,497,216</u>
Total net position	<u>73,880,499</u>	<u>74,056,359</u>
TOTAL	<u><u>\$ 245,802,448</u></u>	<u><u>\$ 281,592,426</u></u>

See notes to basic financial statements.

(Concluded)

PUBLIC BUILDING COMMISSION OF CHICAGO

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES:		
Project revenue	\$ 124,335,663	\$ 145,848,382
Rental income—lessees	9,018,703	10,071,103
Rental income—Daley Center	16,411,712	19,006,178
Other revenue	<u>4,733,327</u>	<u>3,714,860</u>
Total operating revenues	<u>154,499,405</u>	<u>178,640,523</u>
OPERATING EXPENSES:		
Construction costs	125,005,434	146,158,195
Maintenance and operations—Daley Center	15,075,896	17,212,406
Administrative expense	4,842,164	7,851,940
Depreciation expense	<u>4,334,075</u>	<u>5,462,240</u>
Total operating expenses	<u>149,257,569</u>	<u>176,684,781</u>
OPERATING INCOME	<u>5,241,836</u>	<u>1,955,742</u>
OTHER INCOME (EXPENSES):		
Investment income	346,321	307,261
Other income	587,533	1,199,819
Interest expense	<u>(6,351,550)</u>	<u>(7,326,273)</u>
Other expenses—net	<u>(5,417,696)</u>	<u>(5,819,193)</u>
DECREASE IN NET POSITION	(175,860)	(3,863,451)
NET POSITION—Beginning of year	<u>74,056,359</u>	<u>77,919,810</u>
NET POSITION—End of year	<u>\$ 73,880,499</u>	<u>\$ 74,056,359</u>

See notes to basic financial statements.

PUBLIC BUILDING COMMISSION OF CHICAGO

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Received for projects	\$ 140,965,407	\$ 166,667,691
Received for lease and rent payments	45,942,792	47,866,477
Payments for project construction and administration	<u>(159,344,935)</u>	<u>(184,506,206)</u>
Net cash provided by operating activities	<u>27,563,264</u>	<u>30,027,962</u>
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments for capital acquisitions	(1,372,131)	(2,574,247)
Principal paid on revenue bonds	(20,135,000)	(19,070,000)
Interest paid on revenue bonds	(6,595,727)	(7,594,013)
Payments for capital leases	<u>(511,738)</u>	<u>(495,210)</u>
Net cash used in financing activities	<u>(28,614,596)</u>	<u>(29,733,470)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Change in investments	683,142	(607,219)
Investment income	<u>346,322</u>	<u>307,261</u>
Net cash provided by (used in) investing activities	<u>1,029,464</u>	<u>(299,958)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(21,868)	(5,466)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>287,594</u>	<u>293,060</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 265,726</u>	<u>\$ 287,594</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 5,241,836	\$ 1,955,742
Adjustments to reconcile:		
Depreciation	4,334,075	5,462,240
Changes in assets and liabilities:		
Due from other governments	758,093	133,193
Due from other agencies	10,647,935	17,308,467
Other current assets	383,207	(367,540)
Capital leases receivable	20,135,000	19,070,000
Accounts payable and accrued expenses	(11,677,827)	(7,106,758)
Retained on contracts	(3,126,822)	(5,809,367)
Rental income received in advance	(380,715)	(413,997)
Funds held for future project revenue	2,130,754	(183,670)
Other liabilities	<u>(882,272)</u>	<u>(20,348)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 27,563,264</u>	<u>\$ 30,027,962</u>

See notes to basic financial statements.

PUBLIC BUILDING COMMISSION OF CHICAGO

NOTES TO BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Authorizing Legislation—The Public Building Commission of Chicago (the “Commission”), Cook County, Illinois, is a municipal corporation and body politic created under the provisions of the Public Building Commission Act of the Illinois Revised Statutes (the “Act”), approved on July 5, 1955, as amended. The Commission is authorized and empowered to construct, acquire, or enlarge public improvements, buildings, and facilities to be made available for use by governmental agencies and to issue bonds, which are payable solely from the revenues to be derived from the operation, management, and use of the buildings or other facilities constructed by the Commission or pledged revenues. The Commission has no stockholders or equity holders, and all revenues of the projects shall be paid to the Treasurer of the Commission to be applied in accordance with the provisions of the respective bond resolutions and intergovernmental agreements.

The Act provides authority for the Commission to obtain permanent financing through the issuance of revenue bonds secured by leases with local governments or other users of facilities constructed or acquired by the Commission. The Act also provides authority for the Commission to obtain interim financing by issuing interim notes following the selection of an area or site for a requested project. The Commission has specific authority to accept donations, contributions, capital grants, or gifts.

Pursuant to the Act, the Board of Commissioners has 11 members; six members are appointed by the City of Chicago and one member each is appointed by the following: Cook County, Chicago Board of Education, Chicago Park District, Metropolitan Water Reclamation District of Greater Chicago, and the Cook County Forest Preserve. The Chairman of the Commission is elected from among the members of the board. The Mayor of the City of Chicago currently serves as the Chairman.

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units in the United States of America. Following is a description of the more significant of these policies.

Reporting Entity—As defined by GAAP established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as any component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. The accompanying basic financial statements present only the Commission (the primary government), since the Commission does not have any component units.

Basis of Presentation—The accounts of the Commission are organized on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The Commission maintains the following fund type:

Proprietary Fund—The Commission's operations are accounted for in a single enterprise fund. Enterprise funds account for those operations financed and operated in a manner similar to private business enterprises. Under this method of accounting, an economic resources measurement focus and the accrual basis of accounting are used. Revenue is recognized when earned, and expenses are recognized when incurred. The basic financial statements include statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Commission is funded from bond-financed projects, reimbursement projects, and payments from lessees. Operating expenses include construction costs, maintenance expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents—The Commission presents a statement of cash flows, which classifies cash receipts and payments according to whether they stem from operating, capital and related financing, or investing activities. Cash includes cash on hand.

Investments—Investments consist of money market (government bonds) mutual funds and U.S. Treasury obligations. Investments with maturities of less than one year are carried at amortized cost, plus accrued interest, which approximates fair value. All other investments are carried at fair value. Investments as of December 31, 2016 and 2015, consist of \$40,580,680 and \$40,927,877, respectively, restricted for future capital construction and improvements related to Commission projects and for amounts held to cover future debt service principal and interest payments. Other investments as of December 31, 2016 and 2015, consist of \$2,247,782 and \$2,583,728, respectively, for use by the Richard J. Daley Center ("Daley Center") and for Commission operations.

Capital Leases Receivable—Capital leases receivable, discounted at the effective interest rate of each bond issue, are reflected as assets. The portion of the lease payments attributable to administrative and other period charges is not capitalized as a lease receivable. The corresponding revenue bonds are reflected as liabilities. The current portion of capital leases receivable as of December 31, 2016 and 2015, is \$21,265,000 and \$20,135,000, respectively.

Capital Assets (Daley Center)—The Commission capitalizes assets that it owns and operates with a cost of more than \$1,000 and a useful life greater than five years. Capital assets are recorded at cost. Cost includes major expenditures for improvements and replacements that extend useful lives or increase capacity and interest cost associated with significant capital additions. Depreciation of capital assets is computed using the straight-line method assuming the following useful lives:

	Years
Building	50
Building improvements	20

The Picasso sculpture that stands on Daley Plaza is artwork that is held for public exhibition and is to be preserved for future generations. The sculpture is not capitalized or depreciated as a part of the Commission's capital assets.

Other Assets—Other assets are composed of bond insurance premiums. The premiums are held as deferred assets and amortized over the lives of the bonds. Amortization is recognized as interest expense.

Compensated Absences—All salaried employees of the Commission are granted sick leave with pay at the rate of one working day for each month of service, up to a maximum accumulation of 175 days. In the event of termination, Commission employees are not reimbursed for accumulated sick leave and as such, the Commission does not have an accrual recorded.

All full-time employees of the Commission who have completed one year of service are entitled to vacation leave at varying amounts based on years of service. In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum accumulation of 40 days. Accrued vacation is included in accounts payable and accrued expenses in the statements of net position.

Long-Term Debt—Long-term debt is recognized as a liability. The amount that is payable within a one-year period is classified as current. The current portion of long-term debt as of December 31, 2016 and 2015, is \$21,581,446 and \$20,451,446, respectively.

Capital Lease Obligations—Capital lease obligations, discounted at the effective interest rate, are reflected as liabilities. The corresponding capital asset is reflected as an asset. The current portion of capital lease obligations as of December 31, 2016 and 2015, is \$357,219 and \$327,205, respectively.

Project Revenue—The Commission receives funding for bond-financed projects and reimbursement projects. Project revenue is recognized as the construction costs for the projects are incurred. Funding received, but unspent as of the end of the year, is included in funds held for future project revenue.

Other Revenue—Fees for project development services are recognized at different project milestones: award of construction contract, 50% construction completion, and project closeout. This methodology is consistent with the Commission's use of the resources to manage the respective projects.

Rental Income—Annual lease rental payments are due on or before December 1 of each year. As these payments are received before December 31 that relate to the following years' administrative expenses and debt service are recorded in rental income received in advance at December 31. Rental income is recognized in the year the related administrative expenses and debt service are incurred. Rental income includes amounts pledged under the lease agreements to cover all interest expense payments and administrative costs of the Commission's debt.

Net Position—Net position includes net investment in capital assets, which represents net capital assets less outstanding debt, including any capital leases, that is directly attributable to the acquisition, construction, or improvement of those assets. Net position other than those included in net investment in capital assets, are considered to be restricted under the enabling legislation that established the limited specific purpose of the Commission.

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events—Management has evaluated all subsequent events through June 30, 2017, the date the basic financial statements were available to be issued.

Accounting Standards—GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. GASB Statement No. 72 is effective for the Commission for the year ended December 31, 2016. GASB Statement No. 72 provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard did not have a significant impact on the basic financial statements of the Commission. See Note 2 to the basic financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraphs 64, 74, and 82. This Statement establishes the hierarchy of generally accepted accounting principles (GAAP) for state and local governments and is effective for the Commission for the year ended December 31, 2016. This standard did not have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires the disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for the Commission for the year ended December 31 2016. This standard did not have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a

cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this Statement are effective for the Commission for the year ended December 31, 2016. This standard did not have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this Statement are effective for the Commission for the year ended December 31, 2016. This standard did not have a significant impact on the basic financial statements of the Commission.

Upcoming Accounting Standards—Other accounting standards that the Commission is currently reviewing for applicability and potential impact on its basic financial statements include:

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for pensions and pension plans that are not administered through a trust meeting specified criteria. The provisions in this statement are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which is effective for the Commission for the year ending December 31, 2017. This standard is not expected to have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. This statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. This statement requires an OPEB liability to be included in the statement of fiduciary net position and the statement of changes in fiduciary net position, as well as extensive note disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The provisions in this statement are effective for the Commission for the year ending December 31, 2017 but is not expected to have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. GASB Statement No. 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

This statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide by reporting, according to specified criteria, either a net OPEB liability, their proportionate share of the collective OPEB liability, or the total OPEB liability related to their employees. GASB Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The provisions in this statement are effective for the Commission for the year ending December 31, 2018 but is not expected to have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for the Commission for the year ended December 31, 2017, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for the Commission for the year ending December 31, 2017. This standard is not expected to have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The provisions in this statement are effective for the Commission for the year ending December 31, 2019 but is not expected to have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions in this statement are effective for the Commission for the year ending December 31, 2018 but is not expected to have a significant impact on the basic financial statements of the Commission.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only

existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The provisions in this statement are effective for the Commission for the year ending December 31, 2018 but is not expected to have a significant impact on the basic financial statements of the Commission.

2. CASH AND INVESTMENTS

As provided by the respective bond resolutions, cash and investments of the construction and revenue funds will be subject to a lien and charge in favor of the bondholders until paid out or transferred. Cash and investments from bond proceeds as of December 31, 2016 and 2015, were in the custody of the trustees.

Investments are authorized by the Public Funds Investment Act, the bond resolutions, and the Commission's investment policy. The Commission's investments are limited to various instruments by the indentures, restricted to one or more of the following:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Certain bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
- Short-term discount obligations issued by the Federal National Mortgage Association.
- Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act and which deposits are insured by the Federal Deposit Insurance Corporation (FDIC).
- Money market mutual funds registered under the Investment Company Act of 1940 (limited to obligations described above and to agreements to repurchase such obligations).
- Repurchase agreements to acquire securities through banks or trust companies authorized to do business in the State of Illinois.

The Commission's Investment Policy contains the following stated objectives:

Safety of Principal—Investments of the Commission shall be undertaken in a manner that ensures the preservation of capital in the total portfolio.

Liquidity—The total portfolio of the Commission shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Rate of Return—The total portfolio of the Commission shall be designed with the objective of attaining the highest rate of return, consistent with the Commission's investment risk constraints identified herein and with prudent investment principles and cash flow needs.

Benchmark—An appropriate benchmark shall be established to determine if market yields and performance objectives are being achieved.

Public Trust—All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transactions that might impair public confidence in the Commission.

Local Consideration—The Commission seeks to promote economic development in the City of Chicago. In accordance with this goal, preference shall be given to any depository institution meeting the requirements defined in this policy, within the city limits whose investment rates are within 0.125% of the rate that could be obtained at an institution outside the city limits. In addition, the Commission shall strongly consider depository institutions that are certified Minority Business Enterprise and Women Business Enterprise institutions.

As of December 31, 2016 and 2015, the carrying amounts of the Commission's cash deposits were \$265,726 and \$287,594, respectively. The Commission's cash bank balances as of December 31, 2016 and 2015, totaled \$499,660 and \$430,983, respectively.

All money market mutual funds that have scheduled maturities within one year of the statement of net position date are recorded at amortized cost, plus accrued interest, which approximates fair value. All other investments are carried at fair value (see Note 1). The Commission generally holds securities until maturity. An attempt is made within the construction funds to align scheduled maturities with the anticipated construction schedule of the underlying projects. However, at times, certain securities are sold by the Commission prior to their scheduled maturities in order to meet construction-financing requirements.

	Carrying Amount as of December 31, 2016	Maturities Less than One Year
U.S. Treasury obligations	\$ 42,449	\$ 42,449
Money market mutual funds	<u>42,786,013</u>	<u>42,786,013</u>
Total	<u>\$42,828,462</u>	<u>\$42,828,462</u>

	Carrying Amount as of December 31, 2015	Maturities Less than One Year
U.S. Treasury obligations	\$ 42,000	\$ 42,000
Money market mutual funds	<u>43,469,605</u>	<u>43,469,605</u>
Total	<u>\$43,511,605</u>	<u>\$43,511,605</u>

The Commission implemented GASB Statement No. 72, Fair Value Measurement and Application, for the fiscal year ended December 31, 2016. This statement provides guidance for measuring the fair value of assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement. The Commission categorizes

its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other observable inputs; Level 3 inputs are unobservable inputs. As of December 31, 2016, the Commission held \$42,449 of US Treasury obligations of which are recorded at fair value using Level 2 inputs. The \$42.8 million of money market mutual funds as of December 31, 2016 are recorded at amortized cost, and are not subject to the fair value hierarchy. As of December 31, 2015, the Commission held \$42,000 of US Treasury obligations of which are recorded at fair value using Level 2 inputs. The \$43.5 million of money market mutual funds as of December 31, 2015 are recorded at amortized cost, and are not subject to the fair value hierarchy.

Credit Risk—Credit risk is the risk that the Commission will not recover its investments due to the inability of the counterparty to fulfill its obligation. The Commission's Investment and Cash Management Policy, dated December 8, 1998 (the "Policy"), applies the "prudent person" standard in the context of managing an overall investment portfolio. This standard states that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

The Policy further states, regarding diversification, the Commission shall diversify its investments by security type and institution. In order to minimize risk, the Commission shall adhere to the following limits:

1. The Commission shall at no time hold certificates of deposit from any single financial institution, which constitutes more than 10% of the Commission's Total Portfolio.
2. The Commission shall at no time hold certificates of deposit constituting more than 1% of any single financial institution's total deposits.
3. Commercial paper shall not exceed 30% of the Commission's Total Portfolio.
4. The Commission shall at no time hold more than 5% of the Total Portfolio in any single issuer's name.

Throughout 2016 and 2015, Standard & Poor's and Moody's rated the Commission's investments in money market mutual funds Aaa and AAAM, respectively.

3. CAPITAL ASSETS (DALEY CENTER)

A summary of changes in capital assets is as follows:

	Balance as of December 31, 2015	Additions, Transfers in, and Depreciation	Disposals, Adjustments, and Transfers Out	Balance as of December 31, 2016
Capital assets, not being depreciated:				
Land	\$ 11,667,688	\$ -	\$ -	\$ 11,667,688
Construction in progress	<u>2,685,658</u>	<u>1,288,091</u>	<u>(152,416)</u>	<u>3,821,333</u>
Total capital assets, not being depreciated	<u>14,353,346</u>	<u>1,288,091</u>	<u>(152,416)</u>	<u>15,489,021</u>
Capital assets, being depreciated:				
Daley Center	71,276,903	-	-	71,276,903
Building improvements	<u>86,167,395</u>	<u>73,056</u>	<u>-</u>	<u>86,240,451</u>
Total capital assets, being depreciated	<u>157,444,298</u>	<u>73,056</u>	<u>-</u>	<u>157,517,354</u>
Less accumulated depreciation for:				
Daley Center	(70,564,134)	(712,768)	-	(71,276,902)
Building improvements	<u>(39,303,603)</u>	<u>(3,621,306)</u>	<u>-</u>	<u>(42,924,909)</u>
Total accumulated depreciation	<u>(109,867,737)</u>	<u>(4,334,074)</u>	<u>-</u>	<u>(114,201,811)</u>
Total capital assets, being depreciated—net	<u>47,576,561</u>	<u>(4,261,018)</u>	<u>-</u>	<u>43,315,543</u>
Total capital assets	<u>\$ 61,929,907</u>	<u>\$ (2,972,927)</u>	<u>\$ (152,416)</u>	<u>\$ 58,804,564</u>
	Balance as of December 31, 2014	Additions, Transfers in, and Depreciation	Disposals, Adjustments, and Transfers Out	Balance as of December 31, 2015
Capital assets, not being depreciated:				
Land	\$ 11,667,688	\$ -	\$ -	\$ 11,667,688
Construction in progress	<u>736,394</u>	<u>2,854,191</u>	<u>(904,927)</u>	<u>2,685,658</u>
Total capital assets, not being depreciated	<u>12,404,082</u>	<u>2,854,191</u>	<u>(904,927)</u>	<u>14,353,346</u>
Capital assets, being depreciated:				
Daley Center	71,276,903	-	-	71,276,903
Building improvements	<u>85,262,468</u>	<u>904,927</u>	<u>-</u>	<u>86,167,395</u>
Total capital assets, being depreciated	<u>156,539,371</u>	<u>904,927</u>	<u>-</u>	<u>157,444,298</u>
Less accumulated depreciation for:				
Daley Center	(69,138,596)	(1,425,538)	-	(70,564,134)
Building improvements	<u>(35,266,901)</u>	<u>(4,036,702)</u>	<u>-</u>	<u>(39,303,603)</u>
Total accumulated depreciation	<u>(104,405,497)</u>	<u>(5,462,240)</u>	<u>-</u>	<u>(109,867,737)</u>
Total capital assets, being depreciated—net	<u>52,133,874</u>	<u>(4,557,313)</u>	<u>-</u>	<u>47,576,561</u>
Total capital assets	<u>\$ 64,537,956</u>	<u>\$ (1,703,122)</u>	<u>\$ (904,927)</u>	<u>\$ 61,929,907</u>

Leases dated July 1, 1963, between the Commission and the City of Chicago and the County of Cook, respectively, governed the use of the building now known as the Daley Center and established a schedule of lease payments for costs related to the operation and maintenance of the building and for payment of debt service on bonds associated with the construction of the building. The original leases ran through December 31, 1983, but have continued to be in effect on a year-to-year basis by operation of law.

4. REVENUE BONDS

The summary of long-term debt outstanding as of December 31, 2016, is as follows (in thousands):

	Balance as of December 31, 2015	Additions	Reductions	Balance as of December 31, 2016
\$114,480,000 Series 1999B—Board of Education of the City of Chicago Building and Facilities—building revenue refunding bonds (1993A), 5.00% to 5.25%	\$ 55,930	\$ -	\$(17,605)	\$ 38,325
\$91,340,000 Series 2006—Chicago Transit Authority—building refunding revenue bonds, 4.00% to 5.25% (2003)	<u>72,285</u>	<u>-</u>	<u>(2,530)</u>	<u>69,755</u>
Total revenue bonds outstanding—December 31, 2016	128,215	<u>\$ -</u>	<u>\$(20,135)</u>	108,080
Premium	5,645			5,328
Less current portion	<u>(20,451)</u>			<u>(21,581)</u>
Noncurrent portion	<u>\$113,409</u>			<u>\$ 91,827</u>

The summary of long-term debt outstanding as of December 31, 2015, is as follows (in thousands):

	Balance as of December 31, 2014	Additions	Reductions	Balance as of December 31, 2015
\$114,480,000 Series 1999B—Board of Education of the City of Chicago Building and Facilities—building revenue refunding bonds (1993A), 5.00% to 5.25%	\$ 72,595	\$ -	\$(16,665)	\$ 55,930
\$91,340,000 Series 2006—Chicago Transit Authority—building refunding revenue bonds, 4.00% to 5.25% (2003)	<u>74,690</u>	<u>-</u>	<u>(2,405)</u>	<u>72,285</u>
Total revenue bonds outstanding—December 31, 2015	147,285	<u>\$ -</u>	<u>\$(19,070)</u>	128,215
Premium	5,961			5,645
Less current portion	<u>(19,386)</u>			<u>(20,451)</u>
Noncurrent portion	<u>\$133,860</u>			<u>\$113,409</u>

Gross interest expense related to bonds for the years ended December 31, 2016 and 2015, was \$6,476,536 and \$7,481,020, respectively, for debt service payments. Amortization of bond premiums of \$309,521 was also included as a reduction of interest expense for both the years ended December 31, 2016 and 2015, respectively. This resulted in a net interest expense related to bonds of \$6,167,017 and \$7,171,499 for the years ended December 31, 2016 and 2015, respectively.

Security for Bonds—As provided by the bond resolutions, the bonds are secured by liens on the revenues derived from leases for the facilities but not by mortgages on the facilities. Under the lease agreements, the lessees are obligated to levy taxes to pay rentals, which together with any other rentals, fees, and charges for use of space in the facilities, will produce revenues at all times sufficient to pay the principal of and the interest on the bonds and maintain the accounts created by the bond resolutions. Title to the properties under such lease agreements will be conveyed to the lessee upon certification by the Secretary and Treasurer of the Commission that all principal, interest, premium, administrative, and other expenses with respect to such revenue bond issue have been paid in full.

Series of	Leases	Annual Rentals Due	
		From	To
1990A	Board of Education of the City of Chicago ¹	1990	2019
1990B	Board of Education of the City of Chicago ¹	1990	2014
1993A	Board of Education of the City of Chicago ²	1993	2018
1999B	Board of Education of the City of Chicago ²	1999	2018
2001	Board of Education of the City of Chicago ³	2001	2015
2001A	Board of Education of the City of Chicago ³	2002	2018
2003	Chicago Transit Authority ⁴	2004	2023
2006	Chicago Transit Authority ⁴	2007	2033

¹ Principal and interest portion of lease have been defeased.

² A portion of principal and interest has been defeased from the 1999B proceeds.

³ Lease payments have been fully defeased.

⁴ Principal and interest have been defeased from the 2003 proceeds.

Except for the Series A bonds of 1993 and Series B bonds of 1999, the final bond principal payment is due in the year subsequent to the last rental payment.

Annual Requirements—The total of principal and interest due on bonds during the next five years and in subsequent five-year periods as of December 31, 2016, is as follows:

Years Ending December 31	Principal	Interest	Total
2017	\$ 21,265,000	\$ 5,541,713	\$ 26,806,713
2018	22,505,000	4,439,269	26,944,269
2019	2,915,000	3,271,913	6,186,913
2020	3,065,000	3,122,413	6,187,413
2021	3,225,000	2,965,163	6,190,163
2022–2026	18,850,000	12,089,925	30,939,925
2027–2031	24,505,000	6,435,846	30,940,846
2032–2033	<u>11,750,000</u>	<u>625,013</u>	<u>12,375,013</u>
Total	<u>\$ 108,080,000</u>	<u>\$ 38,491,255</u>	<u>\$ 146,571,255</u>

Defeased Debt—The Commission has refunded all or a portion of various bonds by depositing U.S. government securities in irrevocable trusts to provide for all future debt service payments on old bonds. As a result, such bonds are considered to be defeased and the liability for these bonds has been removed from the statements of net position. The outstanding balances for refunded bonds as of December 31, 2016 and 2015, are as follows:

	Amount Outstanding	
	2016	2015
1990A	\$ 100,145,000	\$ 121,455,000
2003	<u>-</u>	<u>64,300,000</u>
Total	<u>\$ 100,145,000</u>	<u>\$ 185,755,000</u>

Arbitrage—In accordance with the Internal Revenue Code of 1986, as amended, the Commission is required to rebate excess investment earnings (as defined) to the federal government. As of December 31, 2016 and 2015, the Commission had estimated it had no liability pursuant to the arbitrage rebate regulations.

5. CAPITAL LEASES RECEIVABLE

The summary of capital leases receivable as of December 31, 2016, is as follows (in thousands):

	Balance as of December 31, 2015	Additions	Reductions	Balance as of December 31, 2016
\$114,480,000 Series 1999B—Board of Education of the City of Chicago Building and Facilities—building revenue refunding bonds (1993A)	\$ 55,930	\$ -	\$(17,605)	\$ 38,325
\$91,340,000 Series 2006—Chicago Transit Authority—Building Transit Authority—building refunding revenue bonds (2003)	<u>72,285</u>	<u>-</u>	<u>(2,530)</u>	<u>69,755</u>
Total capital leases receivable—December 31, 2016	128,215	<u>\$ -</u>	<u>\$(20,135)</u>	108,080
Less current portion	<u>(20,135)</u>			<u>(21,265)</u>
Noncurrent portion	<u>\$ 108,080</u>			<u>\$ 86,815</u>

The summary of capital leases receivable as of December 31, 2015, is as follows (in thousands):

	Balance as of December 31, 2014	Additions	Reductions	Balance as of December 31, 2015
\$114,480,000 Series 1999B—Board of Education of the City of Chicago Building and Facilities—building revenue refunding bonds (1993A)	\$ 72,595	\$ -	\$(16,665)	\$ 55,930
\$91,340,000 Series 2006—Chicago Transit Authority—Building Transit Authority—building refunding revenue bonds (2003)	<u>74,690</u>	<u>-</u>	<u>(2,405)</u>	<u>72,285</u>
Total capital leases receivable—December 31, 2015	147,285	<u>\$ -</u>	<u>\$(19,070)</u>	128,215
Less current portion	<u>(19,070)</u>			<u>(20,135)</u>
Noncurrent portion	<u>\$ 128,215</u>			<u>\$ 108,080</u>

Future Minimum Lease Payment Receivable—The future minimum lease payment receivables as of December 31, 2016, are as follows:

Years Ending December 31	Principal	Interest and Other	Total Rent Payment
2017	\$ 21,265,000	\$ 6,257,263	\$ 27,522,263
2018	22,505,000	5,129,769	27,634,769
2019	2,915,000	3,271,913	6,186,913
2020	3,065,000	3,122,413	6,187,413
2021	3,225,000	2,965,163	6,190,163
2022–2026	18,850,000	12,089,925	30,939,925
2027–2031	24,505,000	6,435,844	30,940,844
2032–2033	<u>11,750,000</u>	<u>625,013</u>	<u>12,375,013</u>
Total	<u>\$ 108,080,000</u>	<u>\$ 39,897,303</u>	<u>\$ 147,977,303</u>

6. CAPITAL LEASE OBLIGATION

The summary of the Commission's capital lease obligations as of December 31, 2016, is as follows (in thousands):

	Balance as of December 31, 2015	Additions	Reductions	Balance as of December 31, 2016
2010 tax-exempt lease	<u>\$ 4,849</u>	<u>\$ -</u>	<u>\$(327)</u>	<u>\$ 4,522</u>
Total capital lease obligation—December 31, 2016	4,849	<u>\$ -</u>	<u>\$(327)</u>	4,522
Less current portion	<u>(327)</u>			<u>(357)</u>
Noncurrent portion	<u>\$ 4,522</u>			<u>\$ 4,165</u>

The capital lease obligation has an inherent interest rate of 3.87%.

Future Minimum Lease Payment Obligation—The future minimum lease payment obligations as of December 31, 2016, are as follows:

Years Ending December 31	Principal	Interest	Total Lease Payment
2017	\$ 357,219	\$171,583	\$ 528,802
2018	388,963	157,454	546,417
2019	422,524	142,080	564,604
2020	457,987	125,388	583,375
2021	495,455	107,305	602,760
2022–2026	<u>2,399,969</u>	<u>217,733</u>	<u>2,617,702</u>
Total	<u>\$4,522,117</u>	<u>\$921,543</u>	<u>\$5,443,660</u>

7. RETIREMENT PLAN

On June 21, 1995, the Board of Commissioners of the Commission (the “Board”) approved the adoption of the Public Building Commission of Chicago Retirement Plan (the “Plan”) for Commission employees meeting certain minimum age and service requirements.

Amendments to the Plan were approved by the Board on November 9, 2004, and made effective January 1, 2005. The Plan, as amended, is a 401(a) money purchase defined contribution plan, which requires the Commission to make quarterly contributions to the Plan to equal an annualized amount of 8.75% of participants’ salaries. Participants in the Plan vest at a rate of 20% per year after three years, with 100% vesting after seven years from the date of hire. Participants must make nonelective contributions, deducted from their compensation, of up to 7% of their annual salaries. The Plan is administered by the Variable Annuity Life Insurance Company of Houston, Texas. The amount of covered payroll for those Commission employees participating in the Plan was \$4,656,125 and \$4,427,802 for the years ended December 31, 2016 and 2015, respectively. The contribution requirement of the Commission for the quarter ended December 31, 2016 and 2015 was \$109,541 and \$89,128, respectively. The required contribution for 2016 will be paid in 2017.

8. COMMITMENTS

As of December 31, 2016 and 2015, the Commission had commitments for construction contracts and related architects and consultants’ fees of approximately \$37,702,208 and \$102,565,864, respectively.

9. LITIGATION

There are several pending lawsuits related to construction projects in which the Commission is a defendant. The Commission has accrued for all losses it deems probable. Pursuant to the advice of legal counsel, management believes that the ultimate outcome of the remaining claims is not expected to have a material impact on the basic financial statements of the Commission.

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PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Statistical Section (Unaudited)

This section of the comprehensive annual financial report presents detailed information to assist in better understanding information presented in the transmittal letter and the basic financial statements, and in better understanding the Commission's economic condition. All of the information in the Statistical Section is unaudited.

Contents:

Financial Trends

This information will help readers understand how the Commission's financial position has changed over time.

Revenue Capacity

This information will help readers understand the Commission's revenue and income sources. For the Commission's primary revenue source, project revenue, capacity is an extension of the capacity of each of its respective clients. Therefore, no information is provided regarding the Commission's actual revenue capacity.

Debt Capacity and Capital Lease Requirements

This information will help readers understand the Commission's debt burden. To better assess the Commission's ability to issue additional debt, the reader would have to assess the additional debt capacity of individual clients. The capital lease requirements relate to the Tax Exempt Lease Purchase Agreement which financed energy efficiency improvements at the Richard J. Daley Center.

Demographic and Economic Information

This information will help readers understand the Commission's socioeconomic environment.

Operating Information

This information will help readers better understand the Commission's operations and provide a context for understanding its business model and development approach.

Sources

The Commission implemented GASB 34 in 2002; schedules presenting government-wide information include information for the last ten fiscal years.

PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Statistical Section (Unaudited)

Financial Trends

The table on page 30 depicts the Commission's net position by component annually for the last ten fiscal years.

The table on page 31 depicts the Commission's revenues, expenses and change in net position annually for the last ten fiscal years.

PUBLIC BUILDING COMMISSION OF CHICAGO

Net Position by Component Last Ten Fiscal Years (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Invested in Capital Assets	\$48,861,411	\$53,899,416	\$59,290,143	\$67,811,898	\$74,421,156	\$73,967,143	\$69,111,705	\$59,348,199	\$57,080,584	\$54,282,447
Restricted - Daley Center	11,162,245	8,490,010	8,986,898	6,693,513	4,683,899	4,866,187	5,562,172	11,067,882	10,478,559	11,109,449
Restricted - Commission's Operations	16,422,811	17,360,527	9,892,066	5,698,802	8,553,169	8,153,825	8,608,474	7,503,729	6,497,216	8,488,603
Total Net Position	<u>\$76,446,467</u>	<u>\$79,749,953</u>	<u>\$78,169,107</u>	<u>\$80,204,213</u>	<u>\$87,658,224</u>	<u>\$86,987,155</u>	<u>\$83,282,351</u>	<u>\$77,919,810</u>	<u>\$74,056,359</u>	<u>\$73,880,499</u>

Source: Basic Financial Statements

PUBLIC BUILDING COMMISSION OF CHICAGO

Condensed Statements of Revenues, Expenses and Change in Net Position Last Ten Fiscal Years (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OPERATING REVENUES:										
Project Revenue	\$212,208,185	\$287,763,265	\$356,258,006	\$350,139,390	\$306,178,359	\$295,006,138	\$376,486,880	\$149,634,180	\$145,848,382	\$124,335,663
Rental and other revenue	<u>43,613,407</u>	<u>48,184,988</u>	<u>48,391,820</u>	<u>51,706,075</u>	<u>47,956,267</u>	<u>38,431,414</u>	<u>35,822,956</u>	<u>36,774,432</u>	<u>32,792,141</u>	<u>30,163,742</u>
TOTAL REVENUES	\$255,821,592	\$335,948,253	\$404,649,826	\$401,845,465	\$354,134,626	\$333,437,552	\$412,309,836	\$186,408,612	\$178,640,523	\$154,499,405
OPERATING EXPENSES:										
Construction Costs	\$220,023,597	\$289,096,584	\$360,002,634	\$354,127,008	\$307,986,891	\$296,164,548	\$376,957,255	\$150,563,437	\$146,158,195	\$125,005,435
Maintenance/Operations - Daley Center	15,513,964	18,563,355	17,610,264	17,859,574	14,290,035	15,312,727	15,127,973	19,333,003	17,212,406	\$15,075,896
Administrative Expenses	12,791,050	10,553,961	13,169,614	12,938,044	10,998,795	8,835,672	10,380,090	8,851,454	7,851,940	\$4,842,164
Other operating expenses	<u>3,044,036</u>	<u>3,263,243</u>	<u>3,468,130</u>	<u>3,569,470</u>	<u>3,761,049</u>	<u>4,766,661</u>	<u>5,636,945</u>	<u>5,694,203</u>	<u>5,462,240</u>	<u>\$4,334,075</u>
TOTAL EXPENSES	\$251,372,647	\$321,477,143	\$394,250,642	\$388,494,096	\$337,036,770	\$325,079,608	\$408,102,263	\$184,442,097	\$176,684,781	\$149,257,570
OPERATING INCOME	\$4,448,945	\$14,471,110	\$10,399,184	\$13,351,369	\$17,097,856	\$8,357,944	\$4,207,573	\$1,966,515	\$1,955,742	\$5,241,835
OTHER INCOME (EXPENSES):	\$ (8,007,049.00)	\$ (11,167,624.00)	\$ (11,980,030.00)	\$ (11,316,263.00)	\$ (10,543,497.00)	\$ (9,029,013.00)	\$ (7,912,377.00)	\$ (7,329,056.00)	\$ (5,819,193.00)	\$ (5,417,695.00)
INCREASE (DECREASE) IN NET ASSETS	\$ (3,558,104.00)	\$ 3,303,486.00	\$ (1,580,846.00)	\$ 2,035,106.00	\$ 6,554,359.00	\$ (671,069.00)	\$ (3,704,804.00)	\$ (5,362,541.00)	\$ (3,863,451.00)	\$ (175,860.00)
NET POSITION-Beginning of year	\$80,004,571	\$76,446,467	\$79,749,953	\$78,169,107	\$81,103,865	\$87,658,224	\$86,987,155	\$83,282,351	\$77,919,810	\$74,056,359
NET POSITION-End of year	\$76,446,467	\$79,749,953	\$78,169,107	\$80,204,213	\$87,658,224	\$86,987,155	\$83,282,351	\$77,919,810	\$74,056,359	\$73,880,499

Source: Basic Financial Statements.

PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Statistical Section (Unaudited)

Revenue Capacity

The table on page 33 depicts the Commission's revenue and income sources annually for the last ten fiscal years.

PUBLIC BUILDING COMMISSION OF CHICAGO

Revenue Sources **Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Project Revenue by Type										
Public Health & Safety	\$44,217,910	\$67,312,710	\$35,293,636	\$19,268,253	\$30,159,501	\$34,331,170	\$21,163,339	\$22,423,497	\$18,461,399	\$28,232,698
City Projects	27,684,775	33,762,812	21,359,153	22,804,685	8,676,138	16,288,732	248,973	173,375	711,308	135,641
Library Projects	3,883,362	6,286,817	10,331,652	18,777,592	13,217,780	12,351,497	10,018,111	17,436,527	7,686,466	437,208
Park Projects	6,008,306	7,208,425	19,480,302	30,844,399	62,869,044	16,402,092	17,213,138	5,991,041	436,194	3,915,456
City Colleges Projects	69,011,937	394,063	(892,083)	93,216	446,754	148,302	67,114	20,445	(0)	459,403
Millennium Park Projects	(10,604)	1,253,745	(22,992)	(32)	(1,271,941)	-	-	-	-	-
County Projects	(30,613)	(6,758)	1,085	12,232	16,098	650,479	858,892	358,176	(240,009)	422
School Projects	56,749,104	167,924,322	258,825,028	245,636,323	185,078,601	214,558,529	327,018,684	103,715,418	118,121,630	91,816,694
Campus Park Projects	4,876,664	3,495,254	3,966,566	5,470,955	2,947,318	8,541	83	33,506	-	-
Chicago 2016 Projects	-	-	8,791,459	7,501,294	3,554,433	476,609	484	-	-	-
CTA Projects	(92,170)	(92,865)	(876,616)	(269,522)	485,049	(262,536)	(101,936)	(517,806)	671,395	(661,881)
Other Projects	(90,486)	224,740	816	(4)	(416)	52,722	-	-	-	21
Subtotal	\$212,208,185	\$287,763,265	\$356,258,006	\$350,139,390	\$306,178,359	\$295,006,138	\$376,486,880	\$149,634,180	\$145,848,382	\$124,335,663
Rental Income - Lessees	\$25,130,524	\$18,774,075	\$15,911,279	\$14,779,488	\$13,683,425	\$13,047,430	\$12,150,038	\$10,942,047	\$10,071,103	\$9,018,703
Rental Income - Daley Center	\$18,200,760	\$20,797,558	\$25,995,778	\$26,359,369	\$21,388,783	\$19,034,391	\$15,651,444	\$20,096,477	\$19,006,178	\$16,411,712
Administrative Fee Revenue	\$71,750	\$8,444,135	\$6,336,263	\$10,567,218	\$12,884,059	\$6,349,593	\$8,021,474	\$5,735,908	\$3,714,860	\$4,733,327
Investment Income	<u>\$5,650,895</u>	<u>\$1,758,869</u>	<u>\$138,491</u>	<u>\$66,168</u>	<u>\$309,901</u>	<u>\$307,335</u>	<u>\$307,139</u>	<u>\$306,372</u>	<u>\$307,261</u>	<u>\$346,322</u>
TOTAL REVENUES	\$261,262,114	\$337,537,902	\$404,639,817	\$401,911,633	\$354,444,527	\$333,744,887	\$412,616,975	\$186,714,985	\$178,947,784	\$154,845,727

Source: Public Building Commission of Chicago and Basic Financial Statements

PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Statistical Section (Unaudited)

Debt Capacity and Capital Lease Requirements

The tables on pages 35-37 depict the Commission's debt service requirements to maturity for currently outstanding series of bonds issued by the Commission and the remaining requirements for the capital lease which financed energy efficiency improvements at the Richard J. Daley Center.

The tables on pages 38-43 depict the Commission's outstanding debt service per capita and debt service as a percentage of personal income in relation to the City of Chicago on an annual basis for the last ten fiscal years for the capital lease and for each series of bonds that are still outstanding as of December 31, 2016.

The tables on pages 44-49 depict the Commission's outstanding debt service per capita and debt service as a percentage of personal income in relation to Cook County on an annual basis for the last ten fiscal years for the capital lease and for each series of bonds that are still outstanding as of December 31, 2016.

PUBLIC BUILDING COMMISSION OF CHICAGO

Detailed Schedule of Debt Service Requirements to Maturity

As of December 31, 2016

(Unaudited)

Series 1999B			
Board of Education of the City of Chicago			
\$114.48 Million			
Fiscal			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	18,605,000	2,012,063	20,617,063
2018	19,720,000	1,035,300	20,755,300
TOTAL	\$38,325,000	\$3,047,363	\$41,372,363

(continued)

PUBLIC BUILDING COMMISSION OF CHICAGO

Detailed Schedule of Debt Service Requirements to Maturity

As of December 31, 2016

(Unaudited)

**Series 2006
Chicago Transit Authority
\$91.34 Million**

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	2,660,000	3,214,775	5,874,775
2018	2,785,000	2,774,219	5,559,219
2019	2,915,000	2,715,038	5,630,038
2020	3,065,000	2,715,038	5,780,038
2021	3,225,000	2,715,038	5,940,038
2022	3,390,000	2,715,038	6,105,038
2023	3,565,000	2,621,456	6,186,456
2024	3,760,000	2,429,175	6,189,175
2025	3,960,000	2,226,525	6,186,525
2026	4,175,000	2,012,981	6,187,981
2027	4,400,000	1,787,888	6,187,888
2028	4,635,000	1,550,719	6,185,719
2029	4,890,000	1,300,688	6,190,688
2030	5,150,000	1,037,138	6,187,138
2031	5,430,000	759,413	6,189,413
2032	5,720,000	466,725	6,186,725
2033	6,030,000	158,288	6,188,288
TOTAL	\$69,755,000	\$33,200,142	\$102,955,142

(continued)

PUBLIC BUILDING COMMISSION OF CHICAGO

Detailed Schedule of Debt Service Requirements to Maturity

As of December 31, 2016

(Unaudited)

2010 Richard J. Daley Center Tax Exempt Lease Purchase \$5.9 Million

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	357,219	171,583	528,802
2018	388,963	157,454	546,418
2019	422,524	142,080	564,604
2020	457,987	125,388	583,376
2021	495,455	107,305	602,760
2022	535,016	87,752	622,768
2023	576,777	66,647	643,424
2024	620,845	43,903	664,748
2025	667,331	19,431	686,762
TOTAL	\$4,522,117	\$921,544	\$5,443,661

(concluded)

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service Per Capita - City of Chicago Last Ten Fiscal Years (Unaudited)

\$ Thousands, Except Per Capita

Board of Education of City of Chicago

Year Ending	Series 1993A Outstanding Debt (1)	Series 1999B Outstanding Debt (1)	Series 1999C Outstanding Debt (1)	Total Outstanding Debt (1)	Population - Chicago (2)	Debt per Capita - City of Chicago
12/31/2007	42,960	114,480		157,440	2,896,016	54.36
12/31/2008	33,105	114,480		147,585	2,896,016	50.96
12/31/2009	22,685	114,105		136,790	2,896,016	47.23
12/31/2010	11,660	113,690		125,350	2,695,598	46.50
12/31/2011		113,255		113,255	2,700,741	41.93
12/31/2012		100,455		100,455	2,714,856	37.00
12/31/2013		86,915		86,915	2,706,101	32.12
12/31/2014		72,595		72,595	2,722,389	26.67
12/31/2015		55,930		55,930	2,720,546	20.56
12/31/2016		38,325		38,325	2,704,958	14.17

Chicago Park District

Year Ending	Series 1993B Outstanding Debt (1)	Series 1998A Outstanding Debt (1)	Series 2010A Outstanding Debt (1)	Total Outstanding Debt (1)	Population - Chicago (2)	Debt per Capita - City of Chicago
12/31/2007	1,910	17,295		19,205	2,896,016	6.63
12/31/2008		16,280		16,280	2,896,016	5.62
12/31/2009		13,330		13,330	2,896,016	4.60
12/31/2010			\$10,280	10,280	2,695,598	3.81
12/31/2011			6,875	6,875	2,700,741	2.55
12/31/2012			3,505	3,505	2,714,856	1.29
12/31/2013				0	2,706,101	0.00
12/31/2014				0	2,722,389	0.00
12/31/2015				0	2,720,546	0.00
12/31/2016				0	2,704,958	0.00

(continued)

Sources: (1) Basic Financial Statements
(2) U.S. Census Bureau

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service Per Capita - City of Chicago Last Ten Fiscal Years (Unaudited)

\$ Thousands, Except Per Capita

Chicago Transit Authority

Year Ending	Series 2003 Outstanding Debt (1)	Series 2006 Outstanding Debt (1)	Total Outstanding Debt (1)	Population - Chicago (2)	Debt per Capita - City of Chicago
12/31/2007		88,965	88,965	2,896,016	30.72
12/31/2008		87,175	87,175	2,896,016	30.10
12/31/2009		85,295	85,295	2,896,016	29.45
12/31/2010		83,340	83,340	2,695,598	30.92
12/31/2011		81,305	81,305	2,700,741	30.10
12/31/2012		79,190	79,190	2,714,856	29.17
12/31/2013		76,985	76,985	2,718,782	28.32
12/31/2014		74,690	74,690	2,722,389	27.44
12/31/2015		72,285	72,285	2,720,546	26.57
12/31/2016		69,755	69,755	2,704,958	25.79

Richard J. Daley Center

Year Ending	Total Outstanding Debt (1)	Population - Chicago (2)	Debt per Capita - City of Chicago
12/31/2007			
12/31/2008			
12/31/2009			
12/31/2010	\$5,859	2,695,598	\$2.17
12/31/2011	5,810	2,700,741	2.15
12/31/2012	5,611	2,714,856	2.07
12/31/2013	5,387	2,718,782	1.98
12/31/2014	5,189	2,722,389	1.91
12/31/2015	4,849	2,720,546	1.78
12/31/2016	4,522	2,704,958	1.67

(continued)

Sources: (1) Basic Financial Statements
(2) U.S. Census Bureau

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service Per Capita - City of Chicago Last Ten Fiscal Years (Unaudited)

\$ Thousands, Except Per Capita

Total - All Debt

Year Ending	Total Outstanding Debt (1)	Population - Chicago (2)	Debt per Capita - City of Chicago
12/31/2007	265,610	2,896,016	91.72
12/31/2008	251,040	2,896,016	86.68
12/31/2009	235,415	2,896,016	81.29
12/31/2010	224,829	2,695,598	83.41
12/31/2011	207,245	2,700,741	76.74
12/31/2012	188,761	2,714,856	69.53
12/31/2013	169,287	2,718,782	62.27
12/31/2014	152,474	2,722,389	56.01
12/31/2015	133,064	2,720,546	48.91
12/31/2016	112,602	2,704,958	41.63

(concluded)

Sources: (1) Basic Financial Statements
(2) U.S. Census Bureau

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service as a Percentage of Personal Income - City of Chicago Last Ten Fiscal Years (Unaudited)

\$ Thousands

Board of Education of City of Chicago

Year Ending	Series 1993A Outstanding Debt (1)	Series 1999B Outstanding Debt (1)	Series 1999C Outstanding Debt (1)	Total Outstanding Debt (1)	Personal Income - City of Chicago (2)	Percentage - Debt to Personal Income - City of Chicago
12/31/2007	42,960	114,480		157,440	130,071,662	0.12%
12/31/2008	33,105	114,480		147,585	133,575,841	0.11%
12/31/2009	22,685	114,105		136,790	128,522,294	0.11%
12/31/2010	11,660	113,690		125,350	119,533,597	0.10%
12/31/2011		113,255		113,255	124,171,968	0.09%
12/31/2012		100,455		100,455	131,141,119	0.08%
12/31/2013		86,915		86,915	132,791,082	0.07%
12/31/2014		72,595		72,595	130,214,588	0.06%
12/31/2015		55,930		55,930	146,599,347	0.04%
12/31/2016		38,325		38,325	N/A	N/A

Chicago Park District

Year Ending	Series 1993B Outstanding Debt (1)	Series 1998A Outstanding Debt (1)	Series 2010A Outstanding Debt (1)	Total Outstanding Debt (1)	Personal Income - City of Chicago (2)	Percentage - Debt to Personal Income - City of Chicago
12/31/2007	1,910	17,295		19,205	130,071,662	0.01%
12/31/2008		16,280		16,280	133,575,841	0.01%
12/31/2009		13,330		13,330	128,522,294	0.01%
12/31/2010			\$10,280	10,280	119,533,597	0.01%
12/31/2011			6,875	6,875	124,171,968	0.01%
12/31/2012			3,505	3,505	131,141,119	0.00%
12/31/2013				0	132,791,082	0.00%
12/31/2014				0	130,214,588	0.00%
12/31/2015				0	146,599,347	0.00%
12/31/2016				0	N/A	N/A

(continued)

Sources: (1) Basic Financial Statements

(2) Calculated from Population of City of Chicago attributed to U.S. Census Bureau and Per Capita Income attributed to U.S. Department of Commerce, Bureau of Economic Analysis.

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service as a Percentage of Personal Income - City of Chicago Last Ten Fiscal Years (Unaudited)

\$ Thousands

Chicago Transit Authority					Percentage - Debt to Personal Income - City of Chicago
Year Ending	Series 2003 Outstanding Debt (1)	Series 2006 Outstanding Debt (1)	Total Outstanding Debt (1)	Personal Income - City of Chicago (2)	
12/31/2007		88,965	88,965	130,071,662	0.07%
12/31/2008		87,175	87,175	133,575,841	0.07%
12/31/2009		85,295	85,295	128,522,294	0.07%
12/31/2010		83,340	83,340	119,533,597	0.07%
12/31/2011		81,305	81,305	124,171,968	0.07%
12/31/2012		79,190	79,190	131,330,821	0.06%
12/31/2013		76,985	76,985	132,791,082	0.06%
12/31/2014		80,651	80,651	130,214,588	0.06%
12/31/2015		77,930	77,930	146,599,347	0.05%
12/31/2016		69,755	69,755	N/A	N/A

Richard J. Daley Center				Percentage - Debt to Personal Income - City of Chicago
Year Ending	Total Outstanding Debt (1)	Personal Income - City of Chicago (2)		
12/31/2007				
12/31/2008				
12/31/2009				
12/31/2010	\$5,859	\$119,533,597		0.0049%
12/31/2011	5,810	124,171,968		0.0047%
12/31/2012	5,611	131,330,821		0.0043%
12/31/2013	5,387	132,791,082		0.00%
12/31/2014	5,189	130,214,588		0.00%
12/31/2015	4,849	146,599,347		0.00%
12/31/2016	4,522	N/A		N/A

(continued)

Sources: (1) Basic Financial Statements

(2) Calculated from Population of City of Chicago attributed to U.S. Census Bureau and Per Capita Income attributed to U.S. Department of Commerce, Bureau of Economic Analysis.

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service as a Percentage of Personal Income - City of Chicago Last Ten Fiscal Years (Unaudited)

\$ Thousands

Total - All Debt			
Year Ending	Total Outstanding Debt (1)	Personal Income - City of Chicago (2)	Percentage - Debt to Personal Income - City of Chicago
12/31/2007	265,610	130,071,662	0.20%
12/31/2008	251,040	133,575,841	0.19%
12/31/2009	235,415	128,522,294	0.18%
12/31/2010	224,829	119,533,597	0.19%
12/31/2011	207,245	124,171,968	0.17%
12/31/2012	188,761	131,330,821	0.14%
12/31/2013	169,287	132,790,235	0.13%
12/31/2014	158,435	130,214,588	0.12%
12/31/2015	138,709	146,599,347	0.09%
12/31/2016	112,602	N/A	N/A

(concluded)

Sources: (1) Basic Financial Statements

(2) Calculated from Population of City of Chicago attributed to U.S. Census Bureau and Per Capita Income attributed to U.S. Department of Commerce, Bureau of Economic Analysis.

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service Per Capita - Cook County **Last Ten Fiscal Years** **(Unaudited)**

\$ Thousands, Except Per Capita

Board of Education of City of Chicago						
Year Ending	Series 1993A Outstanding Debt (1)	Series 1999B Outstanding Debt (1)	Series 1999C Outstanding Debt (1)	Total Outstanding Debt (1)	Population - Cook County (2)	Debt per Capita - Cook County
12/31/2007	42,960	114,480		157,440	5,154,235	30.55
12/31/2008	33,105	114,480		147,585	5,161,831	28.59
12/31/2009	22,685	114,105		136,790	5,181,728	26.40
12/31/2010	11,660	113,690		125,350	5,199,971	24.11
12/31/2011		113,255		113,255	5,217,080	21.71
12/31/2012		100,455		100,455	5,231,351	19.20
12/31/2013		86,915		86,915	5,240,700	16.58
12/31/2014		72,595		72,595	5,246,456	13.84
12/31/2015		55,930		55,930	5,238,216	10.68
12/31/2016		38,325		38,325	5,203,499	7.37

Chicago Park District						
Year Ending	Series 1993B Outstanding Debt (1)	Series 1998A Outstanding Debt (1)	Series 2010A Outstanding Debt (1)	Total Outstanding Debt (1)	Population - Cook County (2)	Debt per Capita - Cook County
12/31/2007	1,910	17,295		19,205	5,154,235	3.73
12/31/2008		16,280		16,280	5,161,831	3.15
12/31/2009		13,330		13,330	5,181,728	2.57
12/31/2010			\$10,280	10,280	5,199,971	1.98
12/31/2011			6,875	6,875	5,217,080	1.32
12/31/2012			3,505	3,505	5,231,351	0.67
12/31/2013				0	5,240,700	0.00
12/31/2014				0	5,246,456	0.00
12/31/2015				0	5,238,216	0.00
12/31/2016				0	5,203,499	0.00

(ccntinued)

Sources: (1) Basic Financial Statements
(2) U.S. Census Bureau

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service Per Capita - Cook County Last Ten Fiscal Years (Unaudited)

\$ Thousands, Except Per Capita

Chicago Transit Authority					
Year Ending	Series 2003 Outstanding Debt (1)	Series 2006 Outstanding Debt (1)	Total Outstanding Debt (1)	Population - Cook County (2)	Debt per Capita - Cook County
12/31/2007		88,965	88,965	5,154,235	17.26
12/31/2008		87,175	87,175	5,161,831	16.89
12/31/2009		85,295	85,295	5,181,728	16.46
12/31/2010		83,340	83,340	5,199,971	16.03
12/31/2011		81,305	81,305	5,217,080	15.58
12/31/2012		79,190	79,190	5,231,351	15.14
12/31/2013		76,985	76,985	5,240,700	14.69
12/31/2014		80,651	80,651	5,246,456	15.37
12/31/2015		77,930	77,930	5,238,216	14.88
12/31/2016		69,755	69,755	5,203,499	13.41

Richard J. Daley Center

Year Ending	Total Outstanding Debt (1)	Population - Cook County (2)	Debt per Capita - Cook County
12/31/2007			
12/31/2008			
12/31/2009			
12/31/2010	\$5,859	5,199,971	1.13
12/31/2011	5,810	5,217,080	1.11
12/31/2012	5,611	5,231,351	1.07
12/31/2013	5,387	5,240,700	1.03
12/31/2014	5,189	5,246,456	0.99
12/31/2015	4,849	5,238,216	0.93
12/31/2016	4,522	5,203,499	0.87

(ccntinued)

Sources: (1) Basic Financial Statements
(2) U.S. Census Bureau

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service Per Capita - Cook County Last Ten Fiscal Years (Unaudited)

\$ Thousands, Except Per Capita

Total - All Debt

Year Ending	Total Outstanding Debt (1)	Population - Cook County (2)	Debt per Capita - Cook County
12/31/2007	265,610	5,154,235	51.53
12/31/2008	251,040	5,161,831	48.63
12/31/2009	235,415	5,181,728	45.43
12/31/2010	224,829	5,199,971	43.24
12/31/2011	207,245	5,217,080	39.72
12/31/2012	188,761	5,231,351	36.08
12/31/2013	169,287	5,240,700	32.30
12/31/2014	158,435	5,246,456	30.20
12/31/2015	138,709	5,238,216	26.48
12/31/2016	112,602	5,203,499	21.64

(concluded)

Sources: (1) Basic Financial Statements
(2) U.S. Census Bureau

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service as a Percentage of Personal Income - Cook County Last Ten Fiscal Years (Unaudited)

\$ Thousands

Board of Education of City of Chicago

Year Ending	Series 1993A Outstanding Debt (1)	Series 1999B Outstanding Debt (1)	Series 1999C Outstanding Debt (1)	Total Outstanding Debt (1)	Personal Income - Cook County (2)	Percentage - Debt to Personal Income - Cook County
12/31/2006	51,975	114,480		166,455	228,023,920	0.07%
12/31/2007	42,960	114,480		157,440	242,226,547	0.06%
12/31/2008	33,105	114,480		147,585	242,983,149	0.06%
12/31/2009	22,685	114,105		136,790	228,144,911	0.06%
12/31/2010	11,660	113,690		125,350	236,609,669	0.05%
12/31/2011		113,255		113,255	244,871,968	0.05%
12/31/2012		100,455		100,455	255,873,612	0.04%
12/31/2013		86,915		86,915	260,258,402	0.03%
12/31/2014		72,595		72,595	269,038,264	0.03%
12/31/2015		55,930		55,930	286,603,750	0.02%
12/31/2016		38,325		38,325	N/A	N/A

Chicago Park District

Year Ending	Series 1993B Outstanding Debt (1)	Series 1998A Outstanding Debt (1)	Series 2010A Outstanding Debt (1)	Total Outstanding Debt (1)	Personal Income - Cook County (2)	Percentage - Debt to Personal Income - Cook County
12/31/2006	4,420	17,295		21,715	228,023,920	0.010%
12/31/2007	1,910	17,295		19,205	242,226,547	0.008%
12/31/2008		16,280		16,280	242,983,149	0.007%
12/31/2009		13,330		13,330	228,144,911	0.006%
12/31/2010			\$10,280	10,280	236,609,669	0.004%
12/31/2011			6,875	6,875	244,871,968	0.003%
12/31/2012			3,505	3,505	255,873,612	0.001%
12/31/2013				0	260,258,402	0.000%
12/31/2014				0	269,038,264	0.00%
12/31/2015				0	286,603,750	0.00%
12/31/2016					N/A	N/A

(continued)

Sources: (1) Basic Financial Statements

(2) U.S. Department of Commerce, Bureau of Economic Analysis

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service as a Percentage of Personal Income - Cook County Last Ten Fiscal Years (Unaudited)

\$ Thousands

Chicago Transit Authority

Year Ending	Series 2003 Outstanding Debt (1)	Series 2006 Outstanding Debt (1)	Total Outstanding Debt (1)	Personal Income - Cook County (2)	Percentage - Debt to Personal Income - Cook County
12/31/2006		\$91,340	91,340	228,023,920	0.04%
12/31/2007		88,965	88,965	242,226,547	0.04%
12/31/2008		87,175	87,175	242,983,149	0.04%
12/31/2009		85,295	85,295	228,144,911	0.04%
12/31/2010		83,340	83,340	236,609,669	0.04%
12/31/2011		81,305	81,305	244,871,968	0.03%
12/31/2012		79,190	79,190	256,036,686	0.03%
12/31/2013		76,985	76,985	260,258,402	0.030%
12/31/2014		80,651	80,651	269,038,264	0.03%
12/31/2015		77,930	77,930	286,603,750	0.03%
12/31/2016		69,755	69,755	N/A	N/A

Richard J. Daley Center

Year Ending	Total Outstanding Debt (1)	Personal Income - Cook County (2)	Percentage - Debt to Personal Income - Cook County
12/31/2006			
12/31/2007			
12/31/2008			
12/31/2009			
12/31/2010	\$5,859	\$236,609,669	0.002%
12/31/2011	5,810	244,871,968	0.002%
12/31/2012	5,611	256,036,686	0.002%
12/31/2013	5,387	260,258,402	0.002%
12/31/2014	5,189	269,038,264	0.00%
12/31/2015	4,849	286,603,750	0.00%
12/31/2016	4,522	N/A	N/A

(continued)

Sources: (1) Basic Financial Statements

(2) U.S. Department of Commerce, Bureau of Economic Analysis

PUBLIC BUILDING COMMISSION OF CHICAGO

Outstanding Debt Service as a Percentage of Personal Income - Cook County Last Ten Fiscal Years (Unaudited)

\$ Thousands

Total - All Debt			
Year Ending	Total Outstanding Debt (1)	Personal Income - Cook County (2)	Percentage - Debt to Personal Income - Cook County
12/31/2006	279,510	228,023,920	0.12%
12/31/2007	265,610	242,226,547	0.11%
12/31/2008	251,040	242,983,149	0.10%
12/31/2009	235,415	228,144,911	0.10%
12/31/2010	224,829	236,609,669	0.10%
12/31/2011	207,245	244,871,968	0.08%
12/31/2012	188,761	256,036,686	0.07%
12/31/2013	169,287	260,258,402	0.065%
12/31/2014	158,435	269,038,264	0.06%
12/31/2015	138,709	286,603,750	0.05%
12/31/2016	112,602	N/A	N/A
(concluded)			

Sources: (1) Basic Financial Statements

(2) U.S. Department of Commerce, Bureau of Economic Analysis

PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Statistical Section (Unaudited)

Demographic and Economic Information

The table on page 52 displays population, housing and economic information for the City of Chicago.

The table on page 53 displays population, housing and economic information for Cook County.

The table on page 54 lists the Principal Employers in the City of Chicago for 2016 and ten years prior.

The chart on page 55 depicts cost metrics for ten elementary school prototype projects bid by the Commission between May 1, 2008 and April 2, 2015.

The chart on page 56 depicts cost metrics for eleven elementary school linked annex projects bid by the Commission between December 7, 2010 and June 4, 2015.

The chart on page 57 depicts cost metrics for four elementary school addition projects bid by the Commission between May 8, 2010 and March 5, 2013.

The chart on page 58 depicts cost metrics for six high school projects bid by the Commission between February 22, 2007 and June 29, 2011.

The chart on page 59 depicts cost metrics for six engine company prototype projects bid by the Commission between January 27, 2006 and March 31, 2011.

The chart on page 60 depicts cost metrics for four police district prototype projects bid by the Commission between February 27, 2007 and July 22, 2010.

The chart on page 61 depicts cost metrics for four fieldhouse prototype projects bid by the Commission between April 18, 2008 and September 1, 2010.

The chart on page 62 depicts cost metrics for seven library projects employing three different prototypes bid by the Commission between December 19, 2007 and May 2, 2013.

The table on page 63 depicts the M/WBE actual results on construction contracts for all projects for which the Commission completed construction in 2016.

The table on page 64 depicts the M/WBE actual results on professional service contracts for all projects for which the Commission completed construction in 2016.

The table on page 65 depicts the M/WBE actual results on Job Order Contracting (JOC) contracts for all projects for which the Commission completed construction in 2016.

The table on page 66 depicts the Equal Employment Opportunity (EEO) actual results on all projects for which the Commission completed construction in 2016.

PUBLIC BUILDING COMMISSION OF CHICAGO

Population, Housing and Economic Statistics -City of Chicago Last Ten Years (Unaudited)

Year	Population (1)	Median Age (2)	Number of Households (2)	Unemployment Rate (3)	Per Capita Income (4)	Total Income (5)
2007	2,896,016	33.7	1,033,328	4.9	44,914	130,071,662,624
2008	2,896,016	34.1	1,032,746	6.1	46,124	133,575,841,984
2009	2,896,016	34.5	1,037,069	10.9	44,379	128,522,294,064
2010	2,695,598	32.9	1,045,560	11.6	44,344	119,533,597,712
2011	2,700,741	33.0	1,030,746	11.3	45,977	124,171,968,957
2012	2,714,856	33.1	1,030,746	10.1	48,305	131,141,119,080
2013	2,706,101	33.3	1,028,746	9.5	49,071	132,791,082,171
2014	2,722,389	33.7	1,067,453	6.4	47,831	130,214,588,259
2015	2,720,546	33.6	1,194,337	6.1	53,886	146,599,341,756
2016	2,704,958	34.2	1,053,229	5.9	N/A	N/A

Source: (1) U.S. Census Bureau

(2) World Business Chicago; 2004-2012 Claritas estimates, 2013 ACS (5-year); 2014 ESRI estimate

(3) U.S. Bureau of Labor Statistics

(4) U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Income for Chicago-Joliet-Naperville MSA

(5) Population multiplied by Per Capita Income

PUBLIC BUILDING COMMISSION OF CHICAGO

Population, Housing and Economic Statistics - Cook County Last Ten Years (Unaudited)

Year	Population (1)	Median Age (2)	Number of Households (2)	Unemployment Rate (3)	Per Capita Income (4)	Total Personal Income (4)
2006	5,165,495	35.5	1,932,197	4.8	44,144	228,025,611,280
2007	5,154,235	35.8	1,940,735	5.2	46,996	242,228,428,060
2008	5,161,831	35.9	1,941,698	6.4	47,073	242,982,870,663
2009	5,181,728	34.9	1,931,361	10.4	44,029	228,146,302,112
2010	5,198,853	35.3	1,966,356	10.8	45,512	236,610,197,736
2011	5,212,589	35.4	1,934,771	10.3	46,937	244,663,289,893
2012	5,227,992	35.3	1,933,670	9.3	48,943	255,873,612,456
2013	5,240,700	35.5	1,933,335	9.6	49,661	260,258,402,700
2014	5,246,456	35.7	1,937,060	7.5	51,280	269,038,263,680
2015	5,238,216	35.9	1,954,712	6.1	54,714	286,603,750,224
2016	5,203,499	36.3	1,966,356	6.2		

Source: (1) U.S. Department of Commerce, Bureau of Economic Analysis
 (2) U.S. Census Bureau
 (3) U.S. Bureau of Labor Statistics
 (4) U.S. Department of Commerce, Bureau of Economic Analysis

PUBLIC BUILDING COMMISSION OF CHICAGO

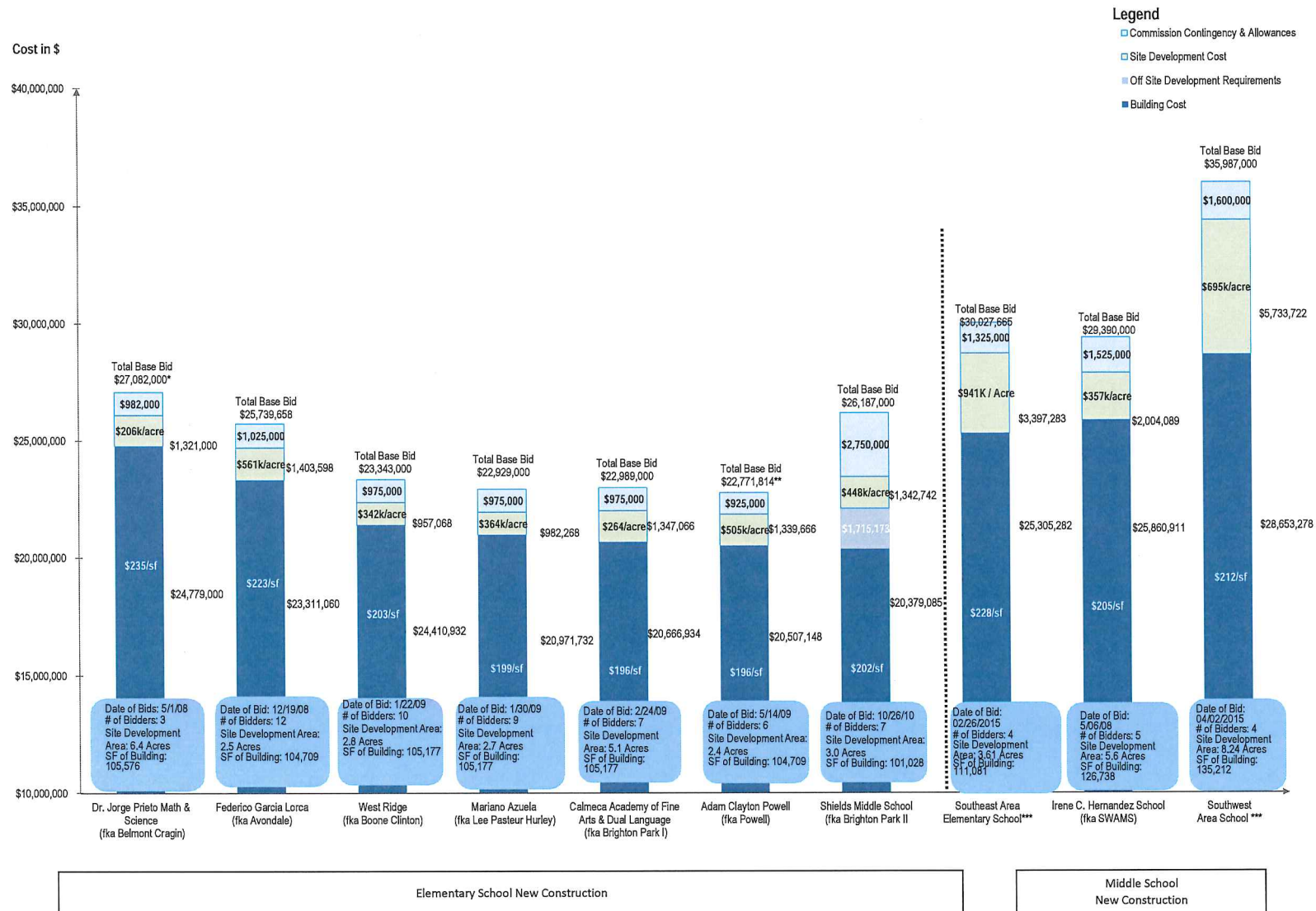
Principal Employers - City of Chicago (Non-Government) Current Year and Ten Years Ago (Unaudited)

Employer	<u>2016</u>			<u>2007</u>		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Advocate Health Care	18,930	1	1.48 %			
University of Chicago	16,374	2	1.28			
Northwestern Memorial Healthcare	15,747	3	1.23			
J. P. Morgan Chase & Co. (2)	15,229	4	1.19	9,114	1	0.73
United Continental Holdings Inc.	15,157	5	1.18	6,102	2	0.49
Walgreen Boots Alliance Inc.	12,685	6	0.99			
Northwestern University	10,241	7	0.80			
Presence Health	10,183	8	0.79			
Abbott Laboratories	9,800	9	0.76			
Jewel Food Stores, Inc.	9,660	10	0.75	5,424	3	0.43
Northern Trust Corporation				4,787	4	0.38
Accenture LLP				4,283	5	0.34
SBC/AT&T (3)				4,002	6	0.32
American Airlines				3,645	7	0.29
Ford Motor Company				3,367	8	0.27
CVS Corporation				3,120	9	0.25
Deloitte & Touche				2,988	10	0.24

Notes:

(1) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.

PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - New Construction Elementary / Middle Schools
(Unaudited)

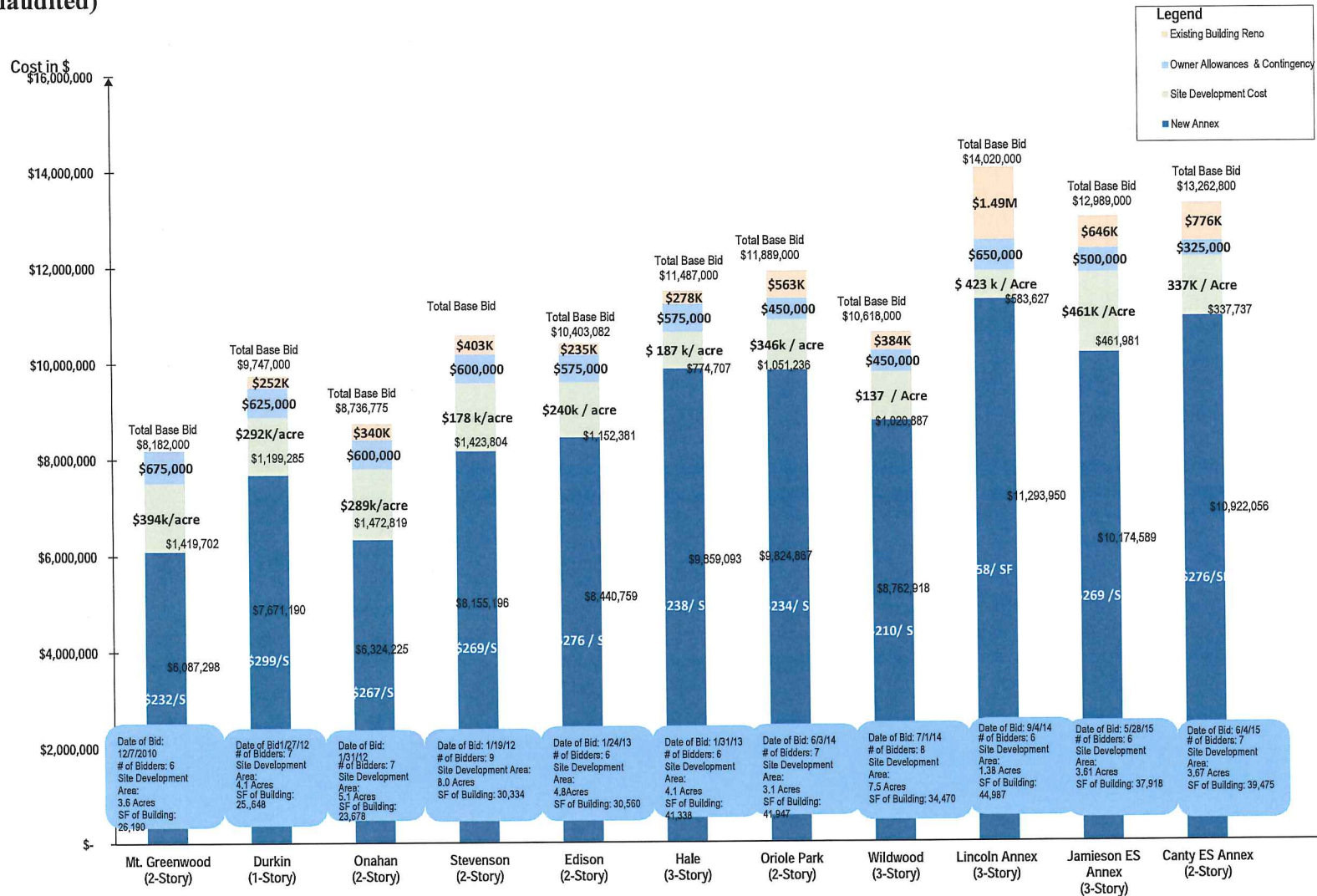


*Includes \$188K allowance for project acceleration acceleration

**Total base bid of \$26,000,000 includes \$3,228,186 for site preparation and was adjusted in this report for comparison purposes to \$22,771,814.

***Represents larger elementary school design developed with new CPS program standards

PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - Elementary School Annexes
(Unaudited)

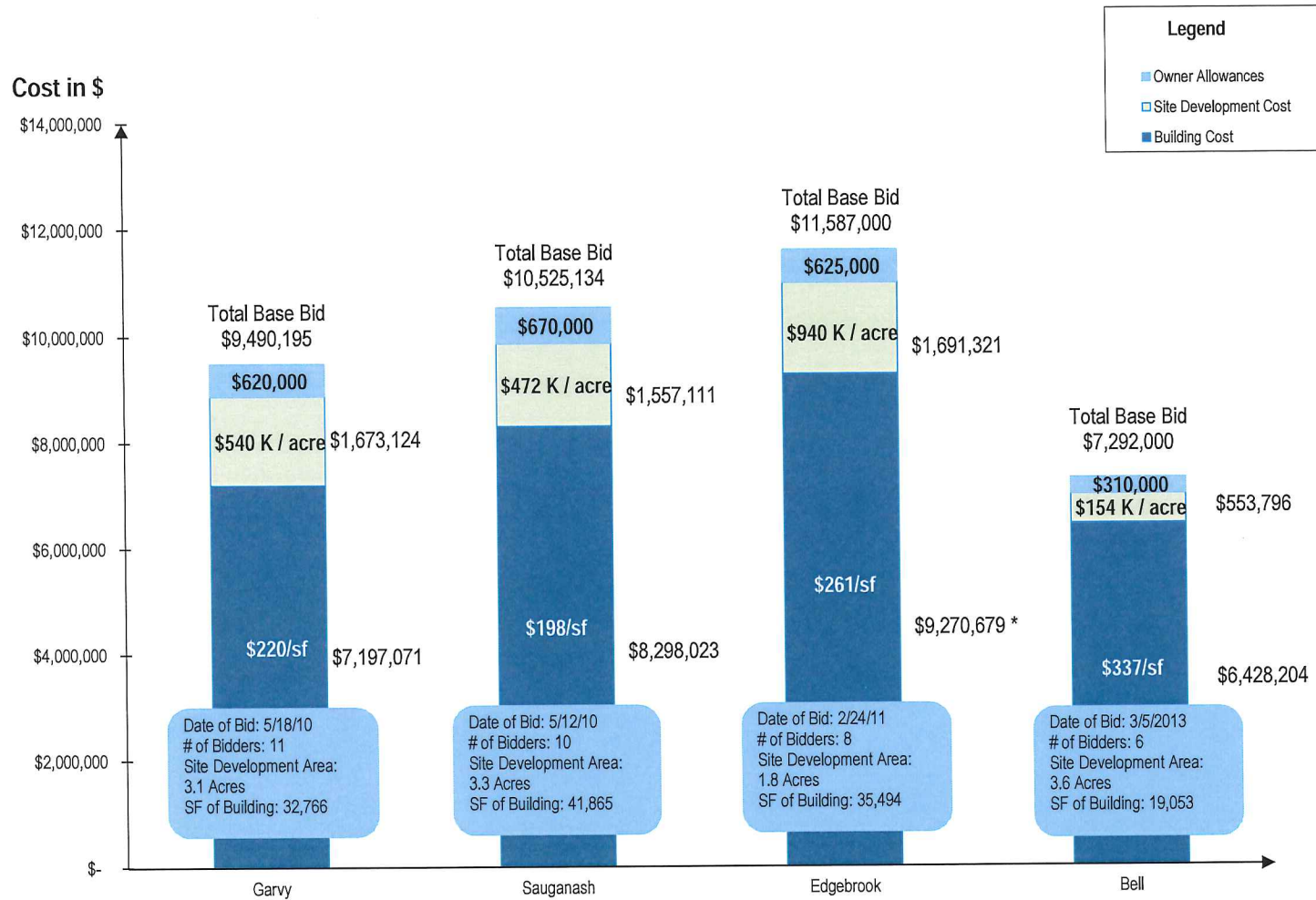


* Caisson work is included in the Mt. Greenwood Site Development cost.

* New CPS Design Standards developed by CPS and PBC for Oriole Park, Wildwood, and Lincoln Annexes

* Lincoln Annex SF costs include structural & vertical enclosure requirements for rooftop playground, rooftop chiller, landmark building enhancements and caisson foundation system

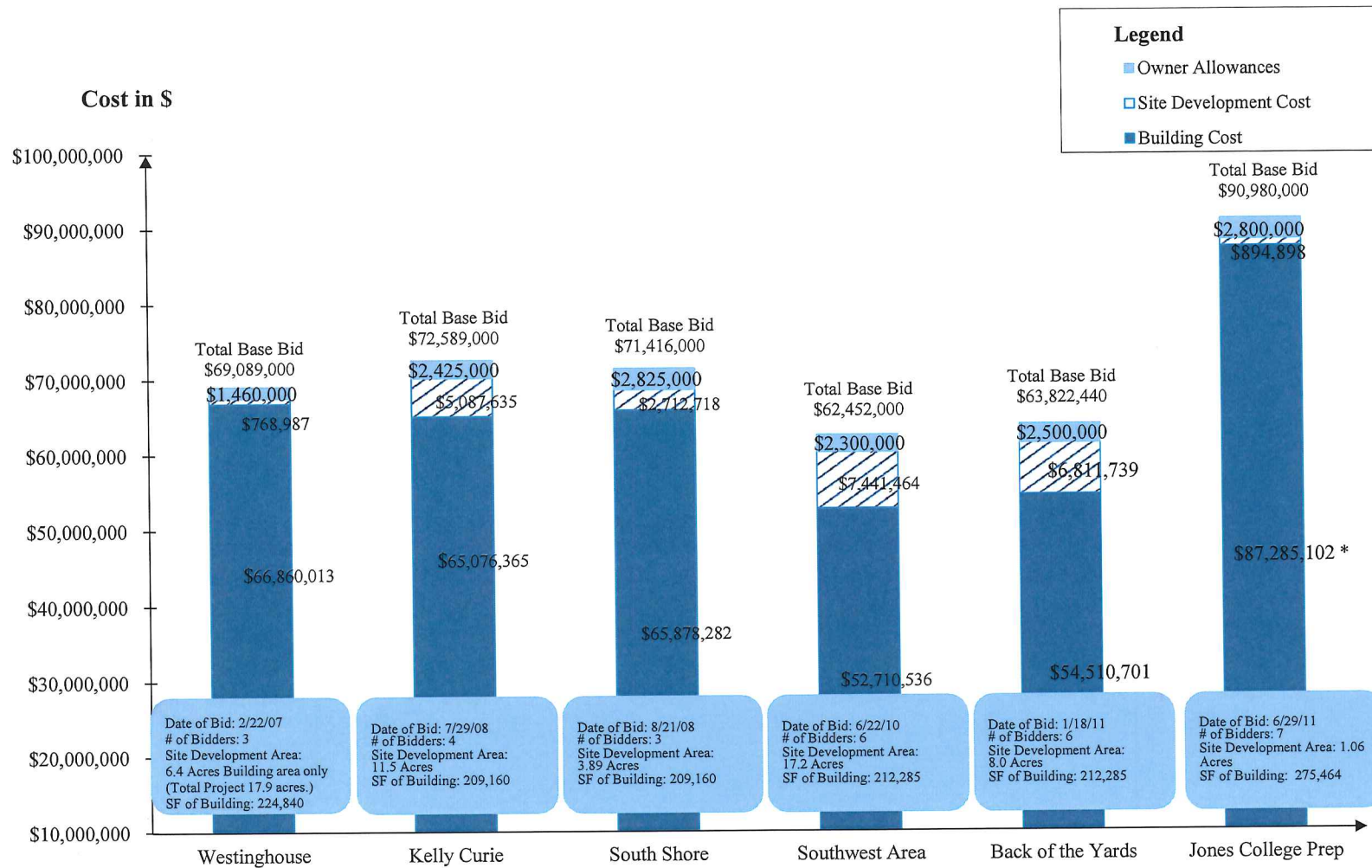
PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - Elementary School Additions
(Unaudited)



* Includes caisson foundation system.

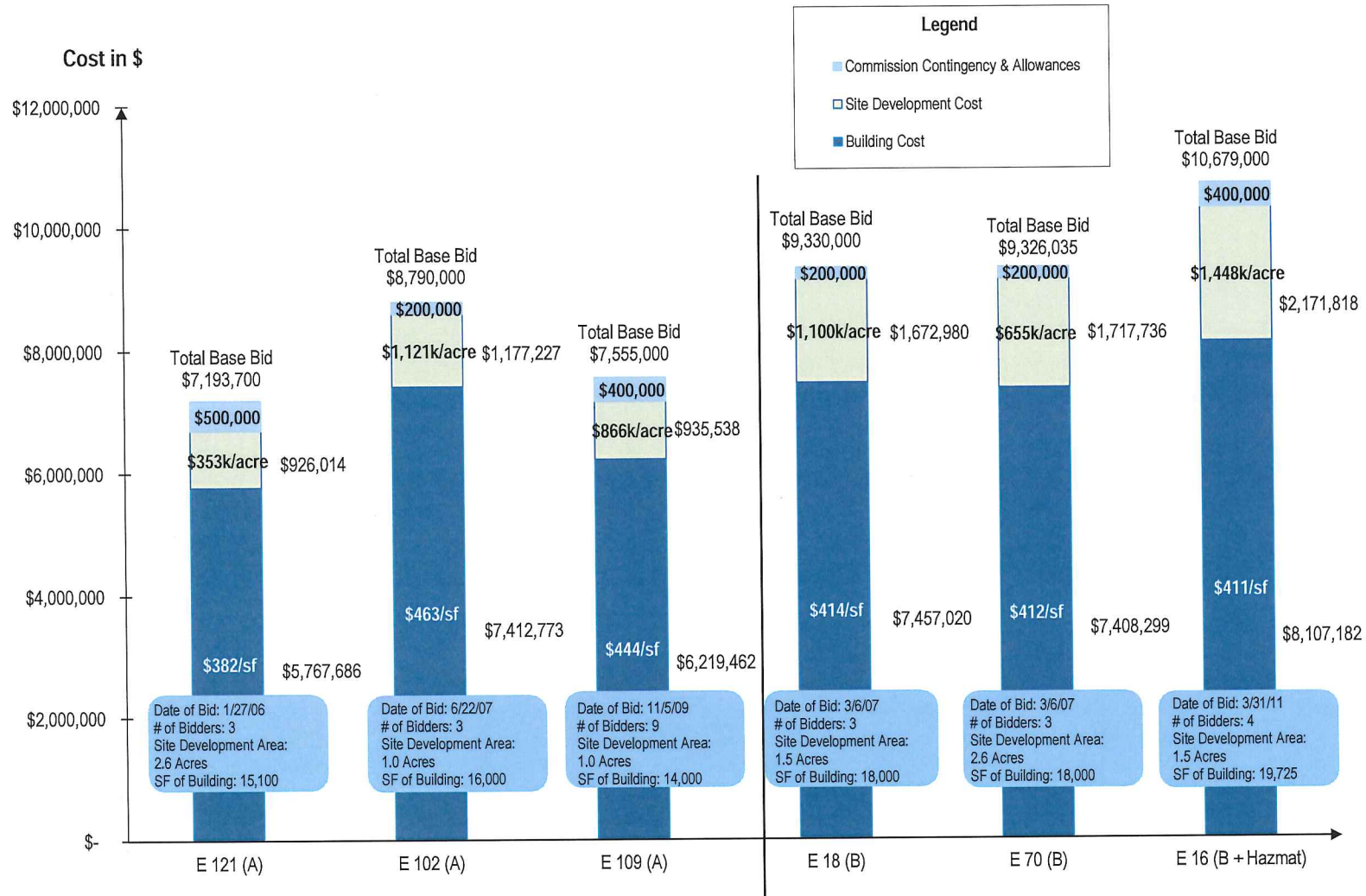
** Additions are not prototypical, therefore they have variance in square footage.

PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - High Schools
(Unaudited)

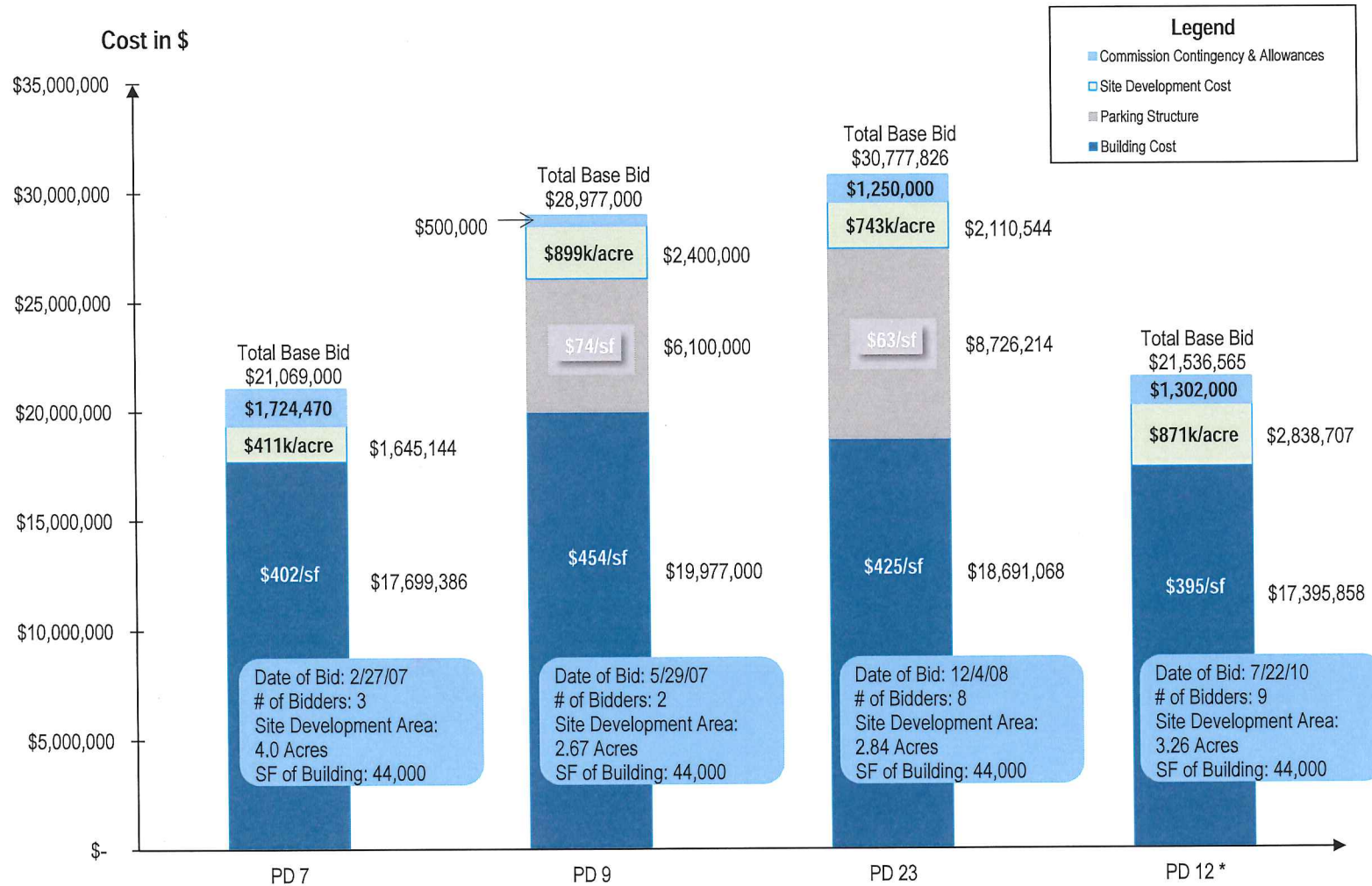


* Contributing factors to the higher building cost include the urban downtown construction site, a full auditorium and a subterranean parking garage, unlike traditional high school delivery.

PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - Prototype Fire Houses
(Unaudited)

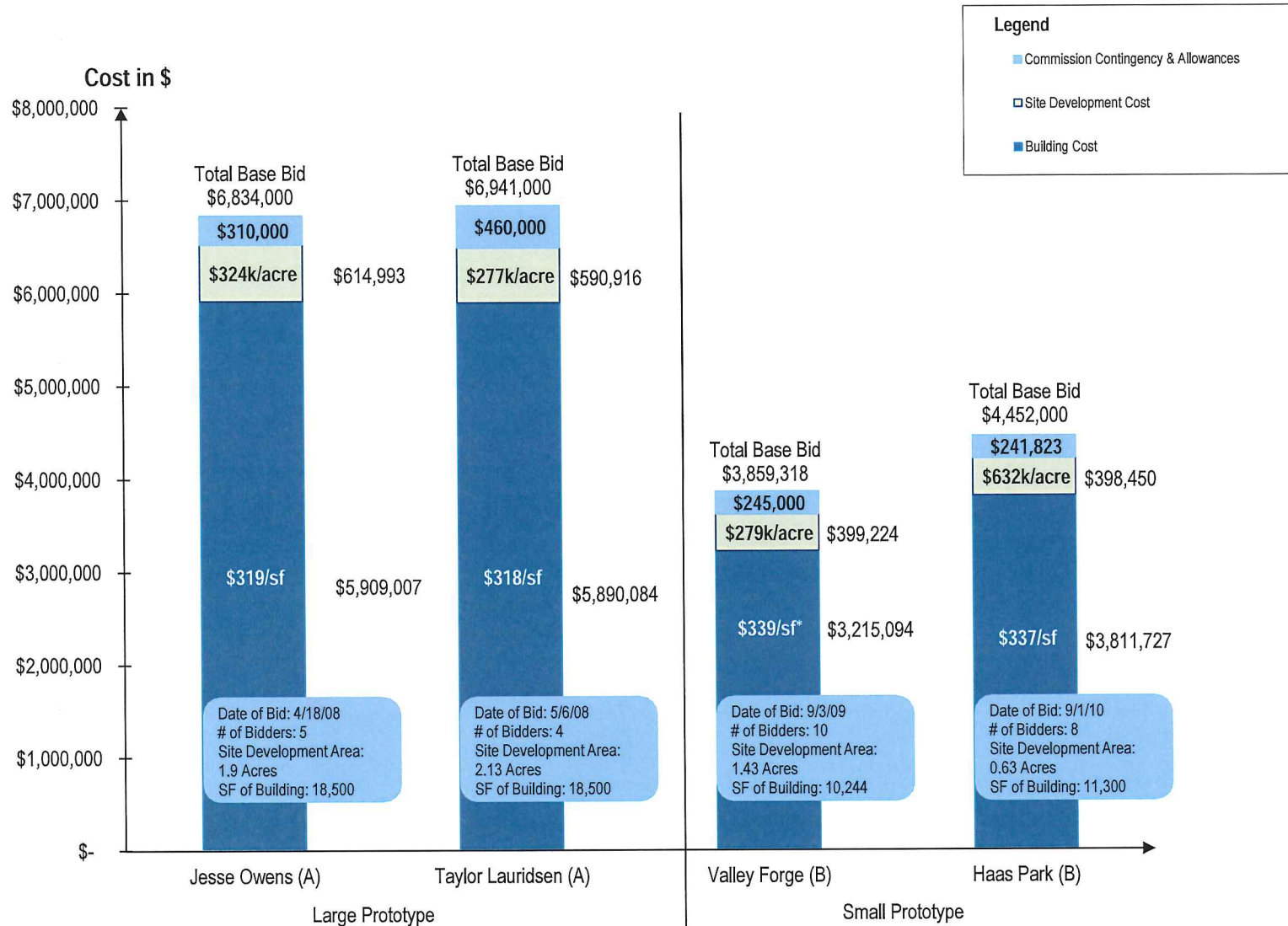


PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - Prototype Police Stations
(Unaudited)



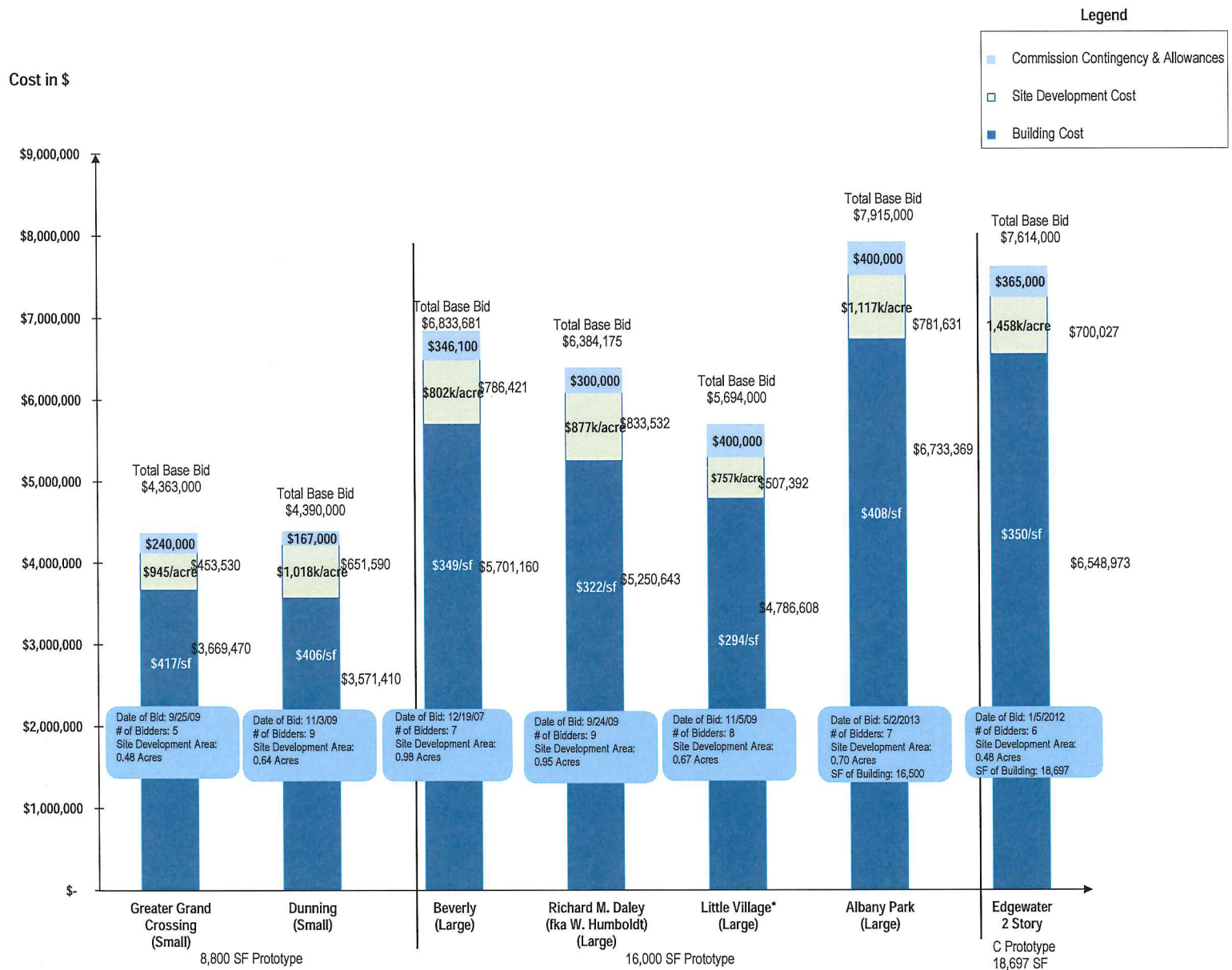
* Includes geothermal and rainwater harvesting and communication tower technology.

PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - Prototype Fieldhouses
(Unaudited)



* Includes change order of \$25/sf for geothermal and rain harvesting systems.

PUBLIC BUILDING COMMISSION OF CHICAGO
Market Conditions Report - Prototype Libraries
(Unaudited)



PUBLIC BUILDING COMMISSION OF CHICAGO

M/WBE Compliance Report - Construction

All 2016 Completed Projects

(Unaudited)

Minimum Stated Goals: MBE - 24%; WBE - 4%

Project Name	Contractor	Adjusted		MBE Commitments	%	MBE Actuals	%	WBE Commitments	%	WBE Actuals	%
		Contract Value	Paid To Date								
Arthur E. Cauty Elementary School	Friedler Construction Company	\$13,713,422.42	\$12,918,996.39	\$3,197,940.00	23.32%	\$3,154,572.84	24.42%	\$1,132,678.00	8.26%	\$1,206,664.14	9.34%
*Edwards Elementary School Annex	Berglund Construction	\$18,384,248.00	\$17,417,755.65	\$5,476,293.79	29.79%	\$5,538,646.25	31.80%	\$1,746,752.78	9.50%	\$1,467,997.15	8.43%
Minnie Mars Jamieson Elementary School	Old Veteran Construction	\$12,989,000.00	\$11,271,901.49	\$3,117,360.00	24.00%	\$2,786,913.04	24.72%	\$616,949.00	4.75%	\$433,624.10	3.85%
*Demolition of Malcolm X	Old Veteran Construction	\$12,875,000.00	\$9,596,863.12	\$3,825,749.62	29.71%	\$3,074,124.82	32.03%	\$678,886.25	5.27%	\$485,857.57	5.06%
Southeast Area Elementary School	George Sollitt/Oakley Joint Venture	\$30,027,665.00	\$28,090,166.00	\$7,206,640.00	24.00%	\$7,035,960.00	25.05%	\$1,500,000.00	5.00%	\$2,640,784.00	9.40%
Southwest Area School - Robert J. Richardson	K.R. Miller Contractors, Inc.	\$35,987,000.00	\$28,261,559.94	\$10,947,000.00	30.42%	\$9,030,828.36	31.95%	\$2,554,000.00	7.10%	\$2,258,773.68	7.99%
Walter Payton College Prep	F.H. Paschen Milhouse JV III	\$14,215,155.00	\$13,128,377.25	\$3,322,000.00	23.37%	\$3,264,506.06	24.87%	\$552,575.63	3.89%	\$577,770.32	4.40%
Wildwood Faculty Room Reno and Intercom Rej	Robe, Inc.	\$63,491.00	\$26,172.00	\$16,200.00	25.52%	\$10,093.50	38.57%	\$1,400.00	2.21%	\$1,440.00	5.50%
TOTAL		\$138,254,981.42	\$120,711,791.84	\$37,109,183.41	26.84%	\$33,895,644.87	28.08%	\$8,783,241.66	6.35%	\$9,072,910.96	7.52%

Note: Figures for actuals are as of 12/16/2016 and may change as the projects financially close out.

Source: Public Building Commission of Chicago

*Design Build contact and the MBE and WBE commitments reflect project specific MBE and WBE goals.

PUBLIC BUILDING COMMISSION OF CHICAGO

M/WBE Compliance Report - Professional Services

All 2016 Completed Projects

(Unaudited)

Minimum Stated Goals: MBE - 25%; WBE - 5%		Total Value of Professional		Amount		MBE		WBE			
Project		Service Awards		Paid To Date		MBE Commitments		WBE Commitments		WBE Actual	

PUBLIC BUILDING COMMISSION OF CHICAGO

M/WBE Compliance Report - *JOC Construction
All 2016 Completed Projects
(Unaudited)

Project Name	Contractor	Adjusted		MBE Commitments	%	MBE Actuals	%	WBE Commitments	%	WBE Actuals	%
		Contract Value	Paid To Date								
CPL Early Learning Educational Investments (v Leopardo Companies, Inc.		\$32,639.14	\$27,906.45	\$10,728.00	32.87%	\$6,241.50	22.37%	\$0.00	0.00%	\$0.00	0.00%
Southeast Area Elementary School	George Sollitt/Oakley Joint Venture	\$2,659,786.78	\$2,646,165.45	\$626,441.00	23.55%	\$20,832.00	0.79%	\$25,075.00	0.94%	\$0.00	0.00%
Walter Payton College Prep	F.H. Paschen Milhouse JV III	\$1,658,161.46	\$1,585,243.63	\$408,151.00	24.61%	\$0.00	0.00%	\$2,753.00	0.17%	\$0.00	0.00%
TOTAL		\$4,350,587.38	\$4,259,315.53	\$1,045,320.00	24.03%	\$27,073.50	0.64%	\$27,828.00	0.64%	\$0.00	0.00%

Note: Figures for actuals are as of 12/21/2015 and may change as the projects financially close out.

Source: Public Building Commission of Chicago

*JOC is a Term Agreement with MBE/WBE compliance determined at the end of the Agreement. Each Task Order, however, is monitored with MBE/WBE goals and/or EEO Provisions.

PUBLIC BUILDING COMMISSION OF CHICAGO

EEO Compliance Report
All 2015 Completed Projects
(Unaudited)

Minimum Stated Goals: MBE - 24%; WBE - 4%

			Minority Journey-	Minority	Minority	Female Journey-	Female	Female	City	Community
Project Name	Contractor		workers	Apprentices	Laborers	Workers	Apprentices	Laborers	Residency	Hiring
Arthur E. Canty Elementary School	Friedler Construction Company	Commitments	43.00%	50.00%	50.00%	5.00%	0.00%	2.00%	50.00%	7.50%
		Actuals	50.98%	74.89%	43.46%	3.24%	21.33%	1.26%	45.83%	7.27%
		Eligible for LD's	No	No	Yes	Yes	No	No	Yes	No
*CPL Early Learning Educational Investments	Leopardo Companies, Inc.	Commitments	50.00%	50.00%	50.00%	4.00%	4.00%	4.00%	50.00%	0.00%
		Actuals	45.00%	0.00%	0.00%	0.00%	0	0.00%	25.00%	0.00%
		Eligible for LD's	No	No	No	No	No	No	No	No
**Edwards Elementary School Annex	Berglund Construction	Commitments	40.00%	30.00%	30.00%	3.00%	3.00%	3.00%	50.00%	7.50%
		Actuals	57.33%	99.04%	89.16%	41.00%	0.00%	0.69%	36.75%	16.54%
		Eligible for LD's	No	No	No	No	Yes	Yes	Yes	No
Minnie Mars Jamieson Elementary School	Old Veteran Construction	Commitments	50.00%	50.00%	50.00%	10.00%	10.00%	10.00%	50.00%	7.50%
		Actuals	47.10%	57.72%	81.20%	1.12%	19.75%	0.58%	37.04%	3.58%
		Eligible for LD's	Yes	No	No	Yes	No	Yes	Yes	Yes
Demolition of Malcolm X	Old Veteran Construction	Commitments	25.00%	25.00%	40.00%	2.00%	0.00%	2.00%	50.00%	7.50%
		Actuals	56.96%	8.94%	103.19%	3.18%	0.00%	0.00%	49.68%	17.51%
		Eligible for LD's	No	Yes	No	No	No	Yes	No	No
Southeast Area Elementary School	George Sollitt/Oakley Joint Venture	Commitments	50.00%	50.00%	50.00%	5.00%	10.00%	5.00%	50.00%	7.50%
		Actuals	58.31%	80.22%	78.16%	3.47%	19.93%	11.41%	46.91%	7.01%
		Eligible for LD's	No	No	No	Yes	No	No	Yes	Yes
Southwest Area School - Robert J. Richardso	K.R. Miller Contractors, Inc.	Commitments	50.00%	50.00%	50.00%	10.00%	10.00%	10.00%	50.00%	7.50%
		Actuals	62.56%	86.87%	95.64%	3.22%	40.97%	7.15%	39.56%	12.15%
		Eligible for LD's	No	No	No	Yes	No	Yes	Yes	No

			Minority Journey-	Minority	Minority	Female Journey-	Female	Female	City	Community
Project Name	Contractor		workers	Apprentices	Laborers	Workers	Apprentices	Laborers	Residency	Hiring
Walter Payton College Prep	F.H. Paschen Milhouse JV III	Commitments	40.00%	50.00%	50.00%	0.00%	10.00%	0.00%	50.00%	7.50%
		Actuals	54.80%	81.33%	80.18%	4.17%	10.02%	1.06%	45.23%	3.53%
		Eligible for LD's	No	No	No	No	No	No	Yes	Yes
Wildwood Faculty Room Reno and Intercom R Robe, Inc.		Commitments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%
		Actuals	36.17%	0.00%	0.00%	0.00%	0.00%	0.00%	23.40%	0.00%
		Eligible for LD's	No	No	No	No	No	No	Yes	No

Source: Public Building Commission of Chicago.

*JOC is a Term Agreement with MBE/WBE compliance determined at the end of the Agreement. Each Task Order, however, is monitored with MBE/WBE goals and/or EEO Provisions.

**Edwards Elementary School is a Design Build contract that consists of a new Annex and Renovations to the existing buildings, however, compliance is determined at substantial completion of the entire project.

PUBLIC BUILDING COMMISSION OF CHICAGO

Comprehensive Annual Financial Report

Statistical Section (Unaudited)

Operating Information

The table on page 69 depicts the annual employee count for the Commission since 2006.

The table on page 70 depicts the construction change order percent for projects as of December 31, 2016.

The chart on page 71 depicts the Commission's indirect costs as a percentage of construction costs since 2007.

The table on page 72 depicts the number of projects completed by the Commission per client per year for the last ten fiscal years.

The table on page 73 depicts the Leadership in Energy and Environmental Design (LEED) projects completed by the Commission per client as of December 31, 2016, including the LEED rating received.

The table on page 74 depicts certain statistics accrued by the Commission's LEED program as of December 31, 2016.

PUBLIC BUILDING COMMISSION OF CHICAGO

Employee Count Last Ten Years (Unaudited)

<u>Year</u>	<u>Employees</u>
2006	54
2007	54
2008	53
2009	51
2010	60
2011	59
2012	42
2013	61
2014	63
2015	56
2016	48

Source: Public Building Commission of Chicago.

Project	Project Type	Original Contract Award (including Contingency & Allowances)	Original Base Construction Amount (Cost of Work)	Approved Changes	Approved Change % from Original Base Construction Amount	Projected Changes	Total Approved and Projected Changes	Approved and Projected Change % from Original Base Construction Amount
New Southeast Area Elementary School	New Construction	\$ 30,027,665.00	\$ 28,702,665.00	\$ 377,014.00	1.3%	\$ 40,217.00	\$ 417,231.00	1.5%
New Southwest Area Elementary School (Richardson Middle School)	New Construction	\$ 35,987,000.00	\$ 34,387,000.00	\$ 95,528.45	0.3%	\$ 161,976.14	\$ 257,504.59	0.7%
Payton High School Annex	New Annex & Renovation	\$ 13,462,000.00	\$ 12,712,000.00	\$ 1,114,939.00	8.8%	\$ 4,904.00	\$ 1,119,843.00	8.8%
Canty Elementary School Annex	New Annex & Renovation	\$ 13,262,800.00	\$ 12,937,800.00	\$ 680,907.42	5.3%	\$ 299,542.06	\$ 980,449.48	7.6%
Jamieson Elementary School Annex	New Annex & Renovation	\$ 12,989,000.00	\$ 12,489,000.00	\$ 70,449.00	0.6%	\$ 471,508.40	\$ 541,957.40	4.3%
Wildwood Elementary School Faculty Room Renovation & Intercom Repair	Renovation	\$ 63,491.00	\$ 38,491.00	\$ -	0.0%	\$ -	\$ -	0.0%
Total		\$ 105,791,956.00	\$ 101,266,956.00	\$ 2,338,837.87	2.3%	\$ 978,147.60	\$ 3,316,985.47	3.3%

Data Set: General Construction (GC) Contract and Change Information for Design Bid Build (DBB) Projects that Achieved Substantial Completion in 2016. Does not include projects developed under alternate delivery methods (e.g. Design Build or CM at Risk).

Approved Changes include Contingency Usage Authorization & Contract Change Orders approved as of the data date. **Projected Changes** include those currently in the approval process or a potential, estimated change.

Approved/Projected Changes does not include closeout credits for EEO Liquidated Damages or closeout of unused contingency or allowances.

Data Date: December 19, 2016

PUBLIC BUILDING COMMISSION OF CHICAGO

**Projects Completed By Client
Last Ten Years
(Unaudited)**

Client	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
Campus Parks	4	5	1	2	0	0	0	0	0	0	14
Chicago Department on Aging	0	0	1	0	0	0	0	0	0	0	1
Chicago Fire Department	0	3	1	0	1	1	0	0	0	0	6
Chicago Park District	0	1	3	6	1	2	1	0	0	0	14
Chicago Police Department	0	1	1	1	0	1	0	0	0	0	5
Chicago Public Library	0	0	1	0	7	1	1	1	5	1	20
Chicago Public Schools	0	1	7	8	8	12	30	3	43	7	113
City Colleges of Chicago	1	0	0	0	0	0	0	0	0	0	2
City of Chicago	0	0	1	3	0	2	0	1	2	1	9
City of Chicago - Office of Emergency Management & Communications	1	4	5	12	13	32	16	21	28	16	133
TOTAL	6	15	21	32	30	51	48	26	78	25	317

Source: Public Building Commission of Chicago

PUBLIC BUILDING COMMISSION OF CHICAGO

LEED Projects Completed By Client As of December 31, 2015 (Unaudited)

Name of Project	Client	LEED Rating
Engine Company 102	Chicago Fire Department	Gold
Engine Company 121	Chicago Fire Department	Silver
Engine Company 18	Chicago Fire Department	Silver
Engine Company 70	Chicago Fire Department	Silver
Engine Company 109	Chicago Fire Department	Gold
Engine Company 16	Chicago Fire Department	Platinum
31st Street Harbor	Chicago Park District	Gold
Comfort Station - 40th Street Beach	Chicago Park District	Certified
Comfort Station - Osterman Beach	Chicago Park District	Silver (1)
Haas Park Fieldhouse	Chicago Park District	Gold
Jesse Owens Park and Fieldhouse	Chicago Park District	Gold
Ping Tom Memorial Park Fieldhouse	Chicago Park District	Platinum
Taylor Lauridsen Park and Fieldhouse	Chicago Park District	Gold
Valley Forge Park and Fieldhouse	Chicago Park District	Gold
12th District Police Station	Chicago Police Department	Gold (1)
22nd District Police Station	Chicago Police Department	Silver
23rd District Police Station	Chicago Police Department	Gold
7th District Police Station	Chicago Police Department	Gold
9th District Police Station	Chicago Police Department	Gold
Albany Park Branch Library	Chicago Public Library	Gold (1)
Avalon Branch Library	Chicago Public Library	Certified
Beverly Branch Library	Chicago Public Library	Silver
Bucktown/Wicker Park Branch Library	Chicago Public Library	Certified
Budlong Woods Branch Library	Chicago Public Library	Certified
Richard M. Daley Branch Library	Chicago Public Library	Gold
Dunning Branch Library	Chicago Public Library	Gold
Edgewater Branch Library	Chicago Public Library	Gold
Greater Grand Crossing Branch Library	Chicago Public Library	Gold
Little Village Branch Library	Chicago Public Library	Gold
Logan Square Branch Library	Chicago Public Library	Silver
Oriole Park Branch Library	Chicago Public Library	Certified
Vodak/East Side Branch Library	Chicago Public Library	Certified
West Chicago Avenue Branch Library	Chicago Public Library	Certified
West Englewood Branch Library	Chicago Public Library	Certified
West Pullman Branch Library	Chicago Public Library	Certified
Albany Park Middle School	Chicago Public Schools	Certified
Mariano Azuela Elementary School	Chicago Public Schools	Gold
Back of the Yards High School	Chicago Public Schools	Gold
Gwendolyn Brooks High School Additions	Chicago Public Schools	Silver
Calmeca Academy of Fine Arts & Dual Language	Chicago Public Schools	Gold
Chicago Children's Advocacy Center Expansion	Chicago Public Schools	Gold
Coonley ES Addition	Chicago Public Schools	Silver
Dr. Jorge Prieto Math and Science Academy	Chicago Public Schools	Silver
Durkin Park Elementary School Addition	Chicago Public Schools	Gold
Edgebrook Elementary School Addition	Chicago Public Schools	Silver
Edison Park ES Linked Annex	Chicago Public Schools	Gold
Garvy Elementary School Addition	Chicago Public Schools	Silver
Sarah E. Goode STEM Academy	Chicago Public Schools	Platinum
Hale Elementary School Linked Annex	Chicago Public Schools	Gold
Irene C. Hernandez Middle School	Chicago Public Schools	Gold
Holmes Elementary School Addition	Chicago Public Schools	Certified
Langston Hughes/Davis Developmental ES	Chicago Public Schools	Gold
Jones New High School	Chicago Public Schools	Gold
Federico Garcia Lorca Elementary School	Chicago Public Schools	Gold
Mark T. Skinner West Elementary School	Chicago Public Schools	Gold
Miles Davis Academy	Chicago Public Schools	Silver
Mt. Greenwood Elementary School Linked Annex	Chicago Public Schools	Gold
Ogden Elementary School	Chicago Public Schools	Gold
Onahan Elementary School Linked Annex	Chicago Public Schools	Silver
Powell Elementary School	Chicago Public Schools	Gold
Sauganash Elementary School Addition	Chicago Public Schools	Gold
James Shields Middle School	Chicago Public Schools	Gold
Eric Solorio Academy High School	Chicago Public Schools	Gold
South Shore High School	Chicago Public Schools	Gold
Stevenson Elementary School Annex	Chicago Public Schools	Gold
New Westinghouse High School	Chicago Public Schools	Silver
Tarkington School of Excellence	Chicago Public Schools	Certified
West Ridge Elementary School	Chicago Public Schools	Silver
Wildwood World Magnet School Annex	Chicago Public Schools	Certified
Lincoln ES Addition	Chicago Public Schools	Silver
Oriole Park ES Addition	Chicago Public Schools	Certified
Chicago Center for Green Technology	City of Chicago - Department of Environment	Platinum
Western Boulevard Vehicle Maintenance Facility	City of Chicago - Department of Fleet Management	Silver
4th Ward Yard	City of Chicago - Department of Streets and Sanitation	Silver
South Water Plant Chlorine Improvements	City of Chicago - Department of Water Management	Silver
Norwood Park Senior Satellite Center	City of Chicago - Department on Aging	Certified

Notes:

(1) Targeted: not yet certified.

Source: Public Building Commission of Chicago.

PUBLIC BUILDING COMMISSION OF CHICAGO

LEED Fast Facts

as of December 31, 2016

(Unaudited)

Category	Results
Total gallons of potable water saved per year	24,751,679
Total energy savings per year	\$1,595,658
Total square feet of green roof area	656,958
Total shade trees on new construction sites	2,569
Total value of recycled materials purchased	\$70,902,120
Total value of regional materials purchased	\$123,684,675
Tons of construction and demolition waste diverted from landfills	201,485
Electric Vehicle Charging Stations Developed	44

Source: Public Building Commission of Chicago