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# POPULAR ANNUAL FINANCIAL REPORT

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**Fiscal Year Ended 31/12/2022**



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# Sources

Key financial and statistical information is derived from the Chicago Annual Financial Report for the year 2022. Additionally, rankings and positioning data featured on page 5 have been meticulously obtained from a comprehensive Resonance study conducted in 2022. These trusted sources serve as the foundation for the insights and analysis presented in this report.

# Methodological Approach

The purpose of this report is to simplify the information found in Chicago's annual financial report and make it easily accessible to a wider audience. To achieve this goal, we employed the method of rewriting the content in a more straightforward and comprehensive manner, while also incorporating visual representations, such as graphs, to clarify complex data points, including well-being indicators and population segmentation.

The financial reports were thoroughly rewritten with a focus on key figures. Additionally, we transformed intricate well-being metrics, which are typically challenging to grasp, into a more user-friendly 1 to 10 rating system. We trust that you will find this report both informative and enjoyable, and that we have successfully achieved our intended objective.



# Mayor's Letter

Dear Chicagoans,

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Chicago for the 2022 fiscal year.

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

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

But to create a stronger financial outlook that reflects the people of Chicago, it will require input from the public. We will implement a collaborative, transparent process that includes public hearings, community engagement, and working alongside other city officials to craft a budget that achieves our vision for a better, safer, stronger Chicago.

Sincerely,

A handwritten signature in black ink, appearing to be 'BJ', with a horizontal line extending to the right.

Mayor Brandon Johnson

(Source: Chicago Financial Report, 2022)



# General Data

This report serves as a compass to navigate the intricacies of the city's data and demographics, providing invaluable insights into the opportunities and challenges that await investors, businesses, and policy-makers in the Windy City.

Chicago covers an area of approximately 606.1 square kilometers, populated by 2,665,039 persons.

The genders are distributed as follows:

- 1 311 431 Male
- 1 382 528 Female

In terms of languages spoken at home, 64% speak English only, 24.4% speak Spanish, 6.1% speak Indo-European languages, 4% speak Asian and Pacific Islander languages and 1.6% are others.

Chicago is known for its 10 prestigious universities, among which we can find:

1. University of Chicago
2. Northwestern University
3. DePaul University

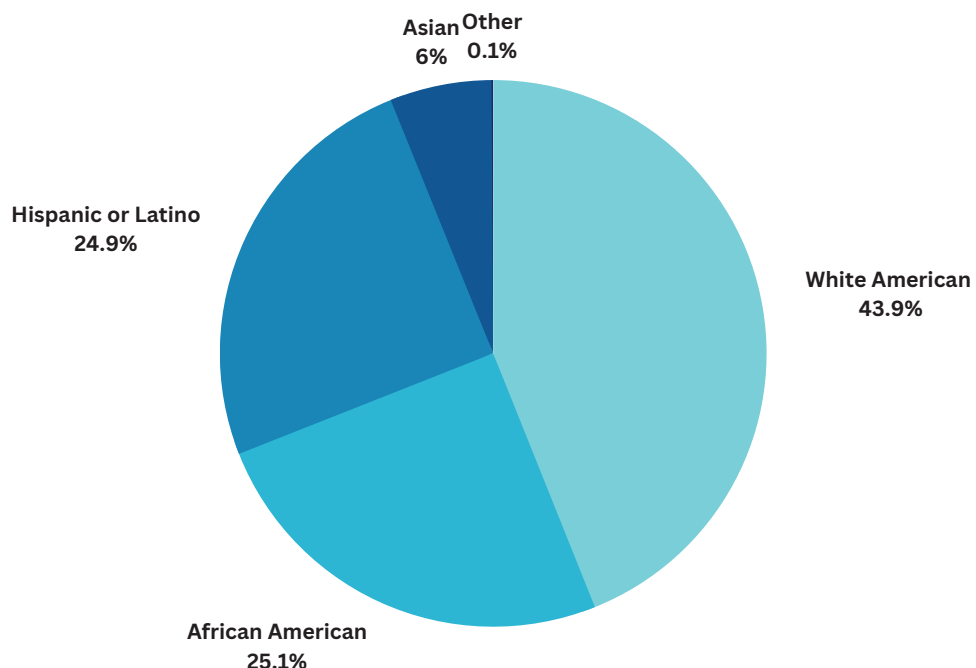


## Chicago Housing

Housing	Units
Total Housing Units	1 218 078
Occupied Housing Units	1 080 345 (89%)
Rental Vacancy Rate	5%

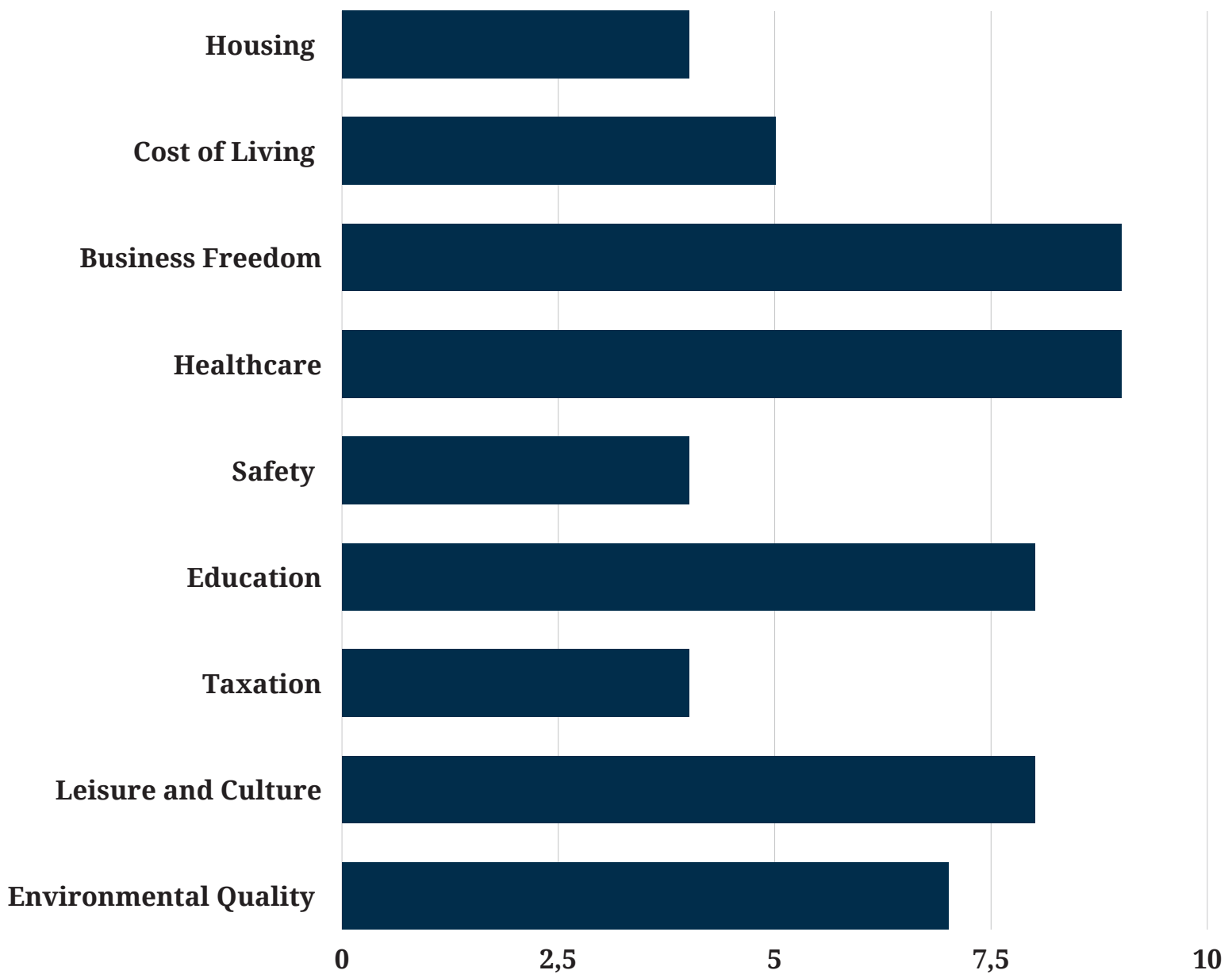
(Source: Chicago Financial Report, 2022)

## Chicago Population by Race



(Source: Chicago Financial Report, 2022)

# Chicago Well-Being Indicators

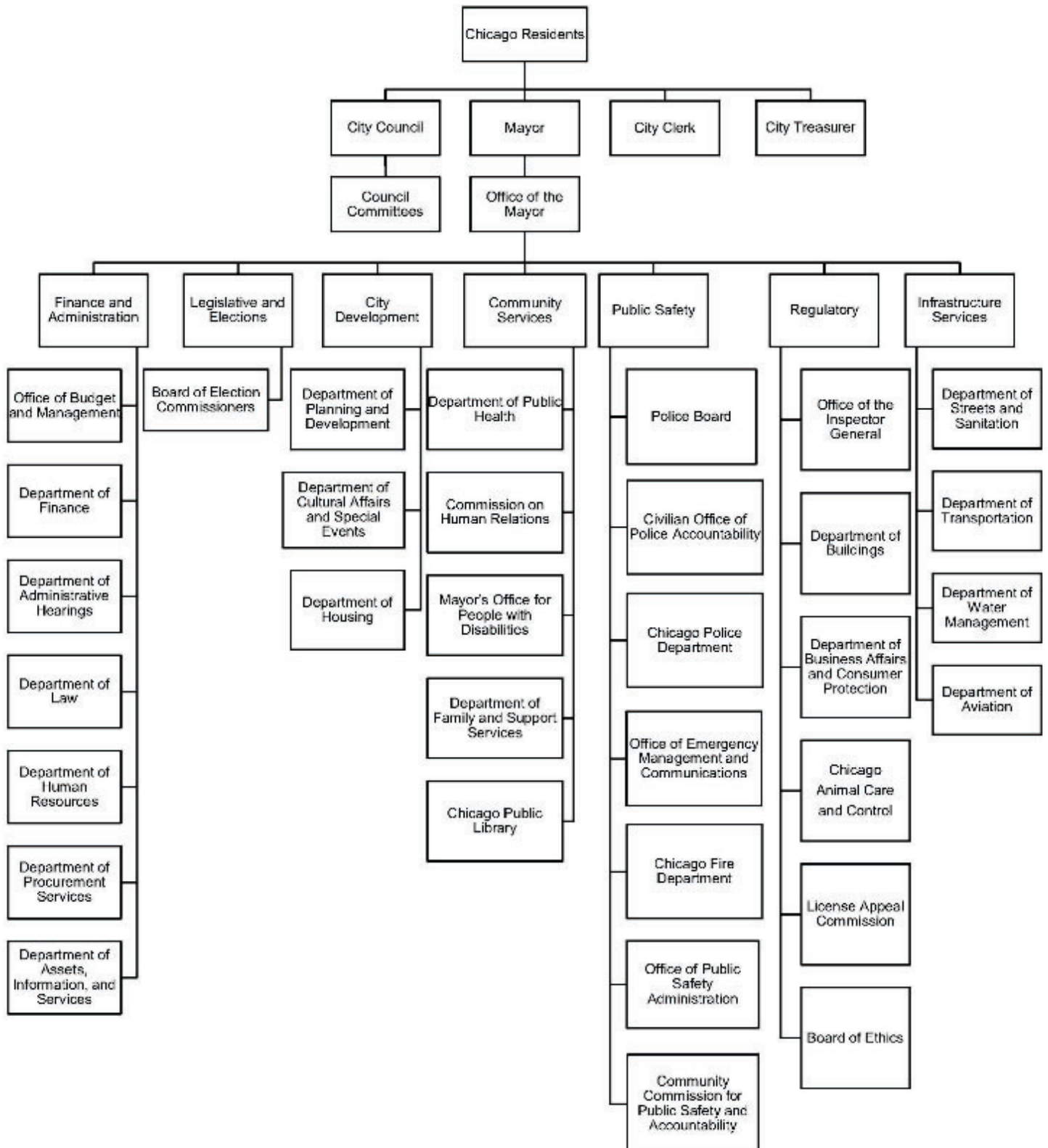


**Chicago came in at number 13 in this year's 2022 as a comprehensive annual study by Resonance Consultancy.**

Looking beyond tourist appeal this ranking takes many factors into account. Among them: infrastructure, nature, arts, culture, diversity and business prosperity. And Chicago ranked especially well.

# Public Administration Group

CITY OF CHICAGO  
ORGANIZATION CHART  
AS OF 12/31/2022





# Composition of Public Employees



(Source: Chicago Financial Report, 2022)

The Mayor  
**Brandon Johnson**

Function	Number
General Government	3 654
Public Safety	21 269
Streets and Sanitation	2 234
Transportation	1 484
Health	864
Cultural and Recreational	1 487
Business-Type Activities	4 280
Total	35 272



# City Finances

## 2022 Financial Highlights



- 1. Net Deficit:** In the government-wide financial statements, the City of Chicago reported a net deficit of \$27,631.6 million at the close of the fiscal year. This deficit is composed of restricted and unrestricted components, with a significant portion attributed to a net investment in capital assets.
- 2. Factors Impacting the Net Deficit:** The net deficit increased by \$510.3 million, primarily due to changes in net pension liability and the short-term impact of global market volatility. However, there was also growth in economically sensitive revenues as the city continued to recover from the effects of the COVID-19 pandemic.
- 3. General Fund:** The General Fund ended the fiscal year with a total fund balance of \$1,312.3 million, of which \$307.3 million was unassigned.
- 4. Total Assets:** Total assets increased by \$3,727.7 million, with the growth primarily related to increased cash and cash equivalents, accounts receivable, right of use asset, and lease receivable.
- 5. Deferred Outflows:** Deferred outflows increased due to the implementation of the lessor portion of GASB 87.
- 6. Total Liabilities:** Total liabilities increased due to the timing difference of payments and various programs established to expedite payments to vendors.
- 7. Revenues:** Total Revenues and Other Financing Sources (Uses) in the governmental fund financial statements increased by \$189.0 million, driven by a continued recovery in economically sensitive revenues.
- 8. Expenditures:** General Fund expenditures on a budgetary basis decreased by \$633.2 million, primarily due to the recovery of revenues impacted by the COVID-19 pandemic and decreases in one-time retro payments to public safety employees.
- 9. Bonds and Notes:** General Obligation Bonds and notes outstanding increased, partially due to funds drawn from lines of credit to support ongoing capital programs.



# Government-wide Financial Statements

The government-wide financial statements aim to provide a comprehensive view of the City's financial situation, using accounting practices similar to those in the business world. These statements offer insights into the City's financial health, considering both the short-term and long-term aspects, at the end of the fiscal year.

There are two key statements within the government-wide financial statements:

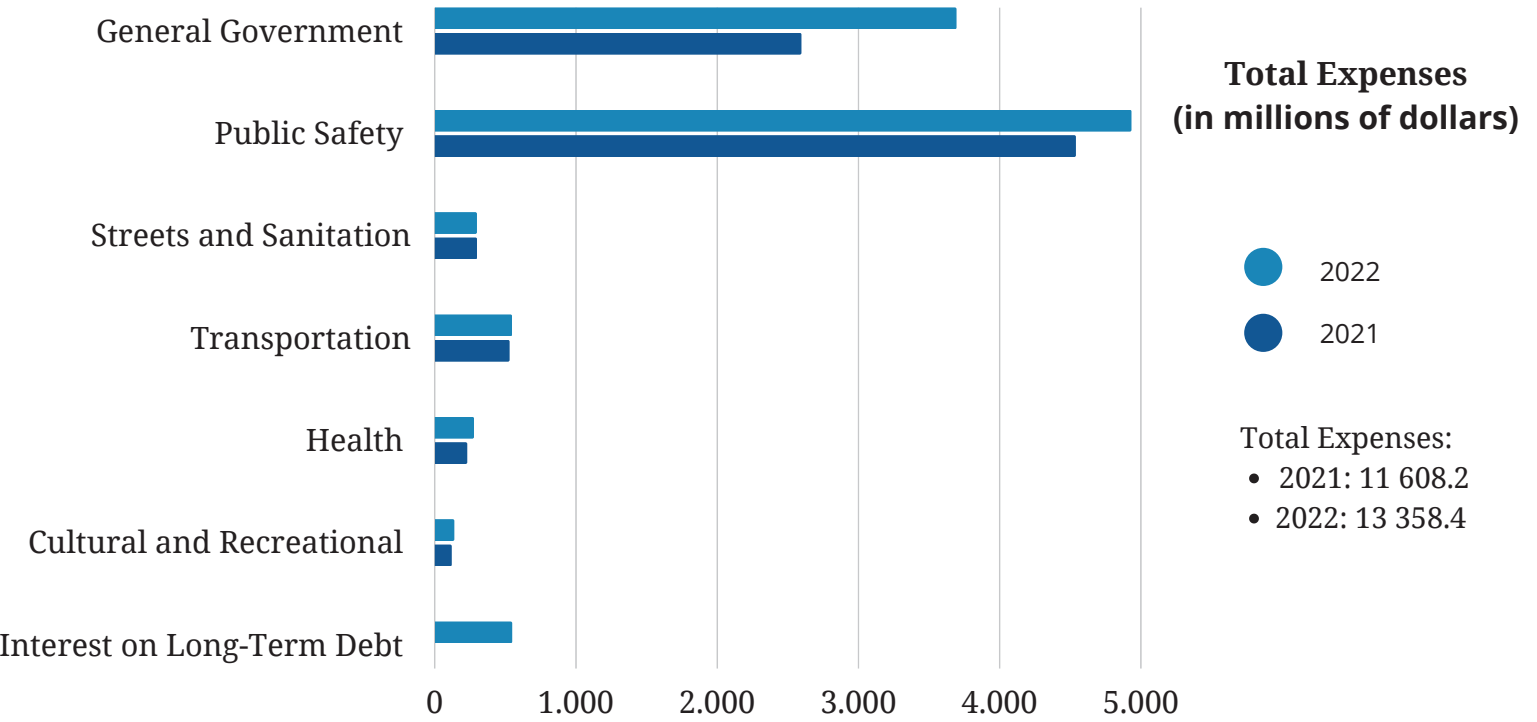
**1. Statement of Net Position:** This statement gives an overview of all the City's assets, liabilities, deferred inflows, and deferred outflows, with the remaining balance reported as net position. Changes in net position over time can indicate whether the City's financial condition is improving or worsening. To get a holistic view of the City's financial health, it's essential to consider non-financial factors like changes in the City's property tax base and the state of the City's infrastructure.

**Summary statement of Net Position  
(in million of dollars)**

	2022	2021
Total Assets	47 416	43 688
Total Liabilities	73 965	70 203
Total Net Position	(27 631)	(27 121)

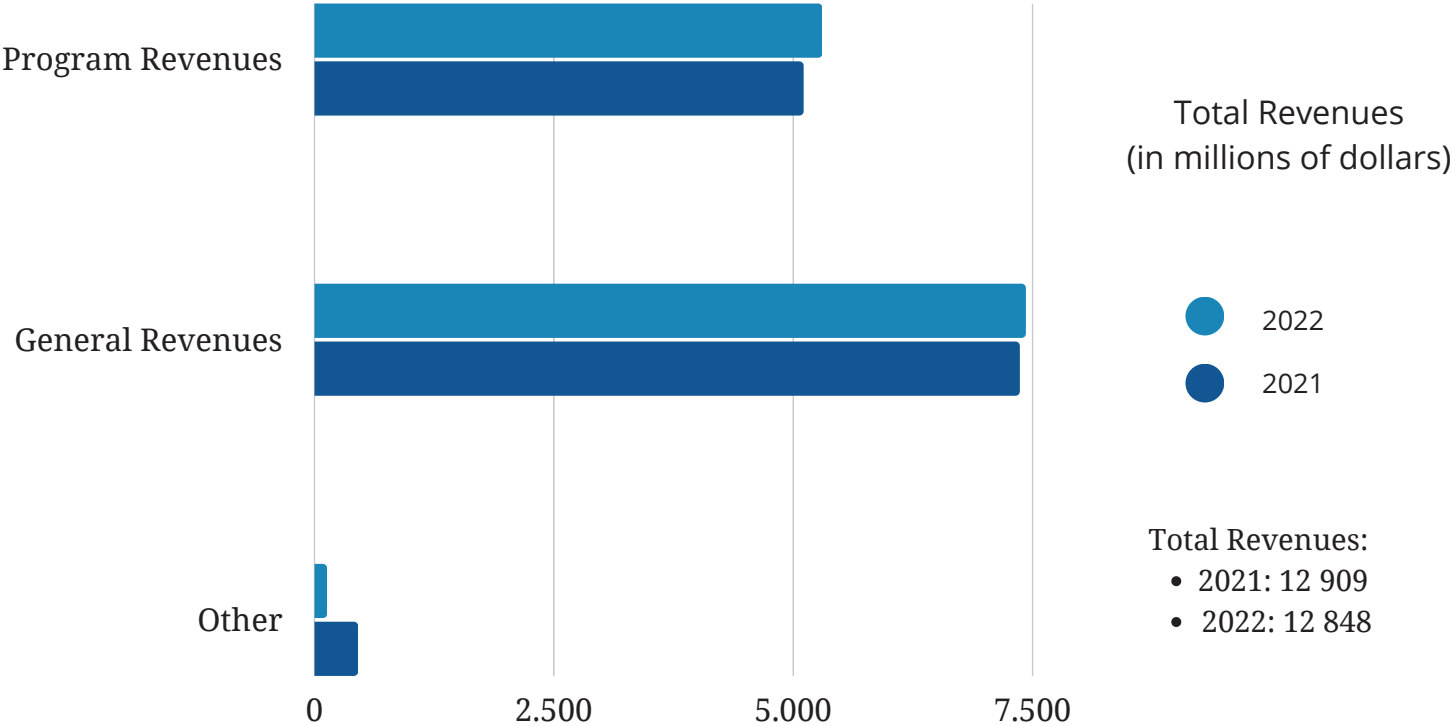


**1. Statement of Activities:** This statement reveals how the City's net position changed during each fiscal year. It accounts for all changes in net position as they occur, regardless of when the related cash transactions take place. Therefore, it includes revenues and expenses for some items that will result in cash transactions in the future, such as uncollected taxes and earned but unused vacation. Additionally, this statement provides a comparison between direct expenses and program revenues for each function of the City.



	2022	2021
<b>General Government</b>	3688	2592
<b>Public Safety</b>	4926.9	4534
<b>Streets and Sanitation</b>	292.6	294
<b>Transportation</b>	541.9	524
<b>Health</b>	271.8	225
<b>Cultural and Recreational</b>	132.4	115
<b>Interest on Long-Term Debt</b>	535.9	716

**Total Revenues  
(in millions of dollars)**



	2022	2021
<b>Program Revenues</b>	5297.7	5101.5
<b>General Revenues</b>	4926.9	4534
<b>Other</b>	292.6	294

(Source: Chicago Financial Report, 2022)



# Statement of Activities in Detail

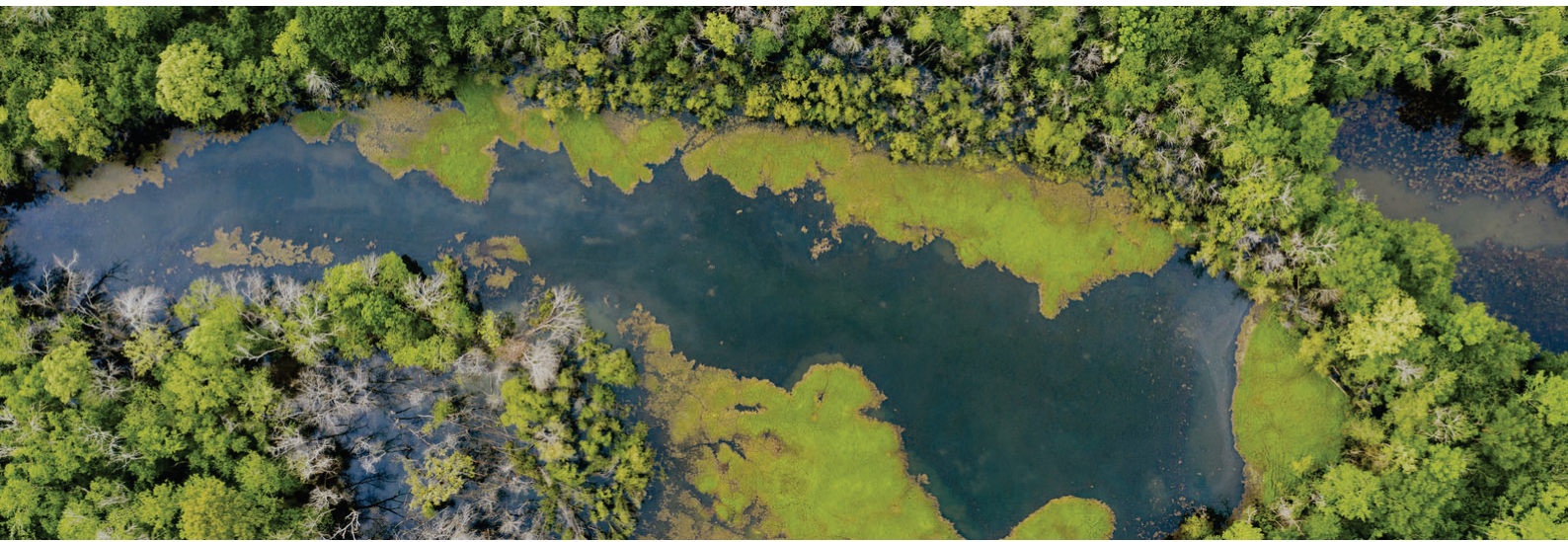
	2022	2021
<b>Revenues:</b>		
Program Revenues	5297.7	5101.5
General Revenues	4926.9	4534
Others	292	294
<b>Total Revenues</b>	<b>12848.1</b>	<b>12909.1</b>
<b>Expenses:</b>		
General Government	(3688)	(2592)
Public Safety	(4926.9)	(4534)
Streets and Sanitation	(292.6)	(294)
Transportation	(541.9)	(524)
Health	(271.8)	(225)
Cultural and Recreational	(132.4)	(115)
Interest on Long-Term Debt	(535.9)	(716)
<b>Total Expenses</b>	<b>(13358.4)</b>	<b>(11608.2)</b>
<b>Net Position</b>	<b>(27121.2)</b>	<b>(28421.5)</b>

# Major Policies

In 2022, the major policies adopted by Chicago are:

- **Chicago Energy Transformation Code:** This code requires new buildings to be more energy-efficient, with a goal of reducing energy use by 40% compared to the 2001 ordinance. The code also includes provisions to support the installation of solar panels on new buildings.
- **Fair Chance Hiring Ordinance:** This ordinance prohibits employers from asking job applicants about their criminal history on initial job applications. The goal of the ordinance is to reduce barriers to employment for people with criminal records.
- **Community Benefits Agreement (CBA) Ordinance:** This ordinance requires developers of large-scale projects to negotiate with community members to create a CBA. CBAs typically include commitments to hire local residents, invest in local businesses, and provide other benefits to the community.
- **Just Transit Policy:** This policy aims to make public transportation more affordable and accessible for all Chicagoans. The policy includes provisions to reduce bus fares, expand bus service to underserved neighborhoods, and create a new bus rapid transit system.
- **Affordable Housing Plan:** This plan outlines a number of strategies for increasing the supply of affordable housing in Chicago. The plan includes goals to build or preserve 100,000 affordable housing units by 2035 and to reduce the number of Chicagoans who are homeless by 50%.

These are just a few of the major policies that Chicago adopted in 2022. These policies reflect the city's commitment to addressing climate change, reducing recidivism, promoting economic development, and making transportation and housing more equitable.







This work was completed as part of the Public Management course at the SAA, University of Turin, under the supervision of Prof. Valerio Brescia. The elements presented in this assignment have been developed in accordance with the guidelines defined by Professors Paolo Biancone, Silvana Secinaro, Valerio Brescia, and Davide Calandra.

